

Annual Report 年報

2018



SPRINGLAND

華地國際控股有限公司

Springland International Holdings Limited

Incorporated in the Cayman Islands with limited liability

於開曼群島註冊成立的有限公司

Stock Code 股份代號：1700



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CORPORATE
PROFILE
公司簡介

CORPORATE PROFILE

公司簡介

Springland International Holdings Limited (the “Company” or “Springland”) and its subsidiaries (collectively, the “Group”) invest in and manage the retail chain business which strategically focused in Greater Yangtze River Delta region. Springland has been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in 2010 with stock code 1700.

The Company has successfully tapped into cities along Taihu Lake and Yangtze River and developed as a dual-format retail chain operator, which operates department store and supermarket under three core brands named “Yaohan”, “Springland” and “Datonghua”. Its footprint covers 22 cities including Wuxi, Zhenjiang, Nantong, Ma’anshan, Changxing, Yangzhou, Jiaxing, Anqing and Wuhu in Jiangsu, Anhui and Zhejiang Provinces. At year-end 2018, Springland operated 90 chain stores with a gross area of approximately 1.73 million square meters. With the excellent management and systematic management capabilities, the Company has become a member of the top tier PRC-based retail operator. This dual-format retail business model caters for a broad range of customer preferences from daily necessities to luxury goods. Our retail business model generates diversified revenue sources while lowering the operational risks, creating synergies between department store and supermarket business and enjoying greater economics of scale.

The prime locations of our stores are crucial to the success of the Group’s retail business. Most of our shopping malls, department stores and city center supermarkets are located in self-owned properties which situated in prime shopping districts of the cities with high population density. The community center supermarkets are located in encircling communities with dense population and convenient locations.

華地國際控股有限公司（「本公司」或「華地」）及其附屬公司（合稱「本集團」）是一家以泛長三角地區為戰略重心，專注於零售連鎖領域投資和管理的大型企業集團，華地自2010年起在香港聯合交易所有限公司（「聯交所」）上市，股份代號：1700。

本公司已成功在環太湖流域和長江沿線的多個城市進行了投資和合作，發展成為雙模式零售連鎖店經營商，同時經營百貨與超市業務，已形成「八佰伴」、「華地百貨」、「大統華」三大核心品牌，網點佈局跨江蘇、安徽、浙江三省的無錫、鎮江、南通、馬鞍山、長興、揚州、嘉興、安慶、蕪湖等二十二個城市。於2018年年底，華地擁有九十家連鎖門店，建築面積近173萬餘平方米。憑藉業內優秀的管理團隊和系統的管理能力，本公司已成為國內零售行業第一梯隊的重要成員。雙模式零售業務迎合廣泛層面的客戶，並從日用品至昂貴商品滿足他們的需求及偏愛。本集團的零售業務模式締造多樣化的收入來源的同時降低了經營的風險，使得百貨及超市業務形成協同效力及獲益於更廣泛的規模效應。

店舖佔據的黃金地段成為本集團零售業務成功的絕對優勢。本集團大部份的購物中心、百貨店及城市中心超市均為自有物業，並且位於市內人口密度高的購物旺區。社區中心超市位於人口密集、物流便捷的社區中心。

CORPORATE PROFILE

公司簡介

STORE NETWORK

零售網絡

		Gross Floor ^a Areas 建築面積 ^a (^{'000} sq. m.) (千平方米)	Commencement date of operation 開業日	Property ownership 物業所有權	
Department Store and Shopping Mall					
Jiangsu Province					
	百貨及購物中心				
	江蘇省				
1	Yixing Springland	29	12/1994	Primarily owned	主要自有
2	Liyang Yaohan	27	09/2003	Primarily owned	主要自有
3	Danyang Yaohan	58	09/2004	Owned	自有
4	Yixing (Hexin Branch)	30	11/2004	Owned	自有
5	Changshu Yaohan	27	12/2004	Lease	租賃
6	Jiangyin Yaohan	38	09/2005	Owned	自有
7	Wuxi Yaohan*	76	07/2006	Owned	自有
8	Nantong Yaohan*	58	11/2009	Owned	自有
9	Zhenjiang Yaohan	93	01/2010	Owned	自有
10	Jintan Yaohan	25	12/2011	Owned	自有
11	Zhenjiang Commercial Building*	45	12/2011	Owned	自有
12	Yangzhou Wanjiayu*	25	12/2012	Owned	自有
13	Yixing Yaohan Lifestyle Shopping Mall	135	11/2015	Owned	自有
14	Gaochun Yaohan	39	01/2016	Managed	管理
15	Jiangyin Chengxing Yaohan	58	06/2018	Lease	租賃
Anhui Province					
	安徽省				
1	Ma'anshan Yaohan	36	11/2009	Owned	自有
2	Xuancheng Yaohan	35	12/2012	Owned	自有
3	Anqing Yaohan Lifestyle Shopping Mall	55	12/2016	Owned	自有
4	Wuhu Yaohan Lifestyle Shopping Mall	110	12/2017	Owned	自有
5	Tongling Yaohan	48	12/2018	Managed	管理
Zhejiang Province					
	浙江省				
1	Changxing Yaohan	36	08/2012	Owned	自有
2	Jiaxing Yaohan Lifestyle Shopping Mall	127	01/2016	Owned	自有
3	Shaoxing Yaohan	56	12/2018	Managed	管理
		1,266			
Supermarket by region					
	分區域超市				
				No. of stores	店舖數目
	Changzhou & Liyang	78		12	
	Jiangyin	83		9	
	Zhenjiang & Danyang	49		11	
	Yixing	88		8	
	Wuxi	67		18	
	Jiaxing	6		2	
	Others	90		10	
		461		70	

* Commencement date represents date of acquisition
開業日代表收購日

^a Not included gross floor areas for car parks and other supporting functions
不包括停車場和其他配套功能的建築面積

FINANCIAL HIGHLIGHTS

財務摘要

TOTAL SALES PROCEEDS – GROUP (RMB MILLION)

銷售所得款項總額－集團（人民幣：百萬元）



4.0%

TOTAL SALES PROCEEDS – DEPARTMENT STORE DIVISION (RMB MILLION)

銷售所得款項總額－百貨業務（人民幣：百萬元）



5.3%

TOTAL SALES PROCEEDS – SUPERMARKET DIVISION (RMB MILLION)

銷售所得款項總額－超市業務（人民幣：百萬元）



0.4%

OPERATING PROFIT (RMB MILLION)

經營溢利（人民幣：百萬元）



14.1%

PROFIT ATTRIBUTABLE TO OWNERS OF PARENT (RMB MILLION)

母公司擁有人應佔溢利（人民幣：百萬元）



17.6%

EARNINGS PER SHARE (in RMB: (cents))

每股盈利（人民幣：分）



27.1%



STATEMENT FROM
THE CHAIRMAN
主席報告書

STATEMENT FROM THE CHAIRMAN

主席報告書

2018 is a year full of unexpected events. With the unpredictably intensified trade dispute between China and the U.S., it casted uncertainties to China's economy. While the private sector economy which accounts for 60% of China's GDP also encountered unprecedented difficulties during the time when the goal of financial deleveraging was basically achieved. Nevertheless, under the pressure of these theatrical changes, China's overall economy still sustained steady growth, with its national GDP reached over RMB90 trillion, representing a year-over-year increase of 6.6%. Growth of China's economy contributed about 30% to global economic growth. Against the backdrop of decreasing momentum in global economic growth; the decelerating rate of growth in global trade; increasing hurdles and uncertainties, such a national growth was not achieved easily.

At the same time, landscape of the retail industry was also full of changes and hurdles, whereas unmanned retailers were suddenly faltering, while Smart Communities were rapidly developing. Thanks to the impetus of leading IT conglomerates, the importance of offline retail was rediscovered. New technologies such as "Big Data", "Artificial Intelligence", and "Blockchain" are widely applied. There were emerging strategies such as Localization of Sales Channels, Social Fission Marketing in the industry as well.

In the era of changes and transformation, Springland continues to focus on refining our stores strategically. By combining our strategy with new technologies, we have upgraded and transformed our traditional stores to enhance consumer shopping experience. As a result, our total sales proceeds and operating profit has achieved a relatively stable growth. The total sales proceeds of the Group went up by 4.0% to approximately RMB11.6 billion as compared with previous year, while the profit attributable to equity holders of the parent amounted to approximately RMB400 million, an increase of 17.6% year-on-year. The basic earnings per share was RMB19 cents. In light of the financial performance of the Group, the boards of Directors of the Company (the "Board") proposes a final dividend of HK\$7 cents per share for the year ended 31 December 2018.

2018年是充滿意外的一年，中美貿易摩擦意外升級，給中國經濟蒙上一些陰影；在金融去槓桿的目標基本達成之時，佔中國GDP比重六成之多的民營經濟也遇到了前所未有的困難。但在種種變化面前，中國經濟這艘大船依然保持了總體平穩、穩中有進的態勢，最終國內生產總值超過90萬億元，同比增長6.6%，中國經濟增長對世界經濟增長的貢獻率接近30%。在世界經濟增長動力減弱、全球貿易增速放緩、挑戰和變數不斷增加的國際大背景下，這樣的成績來之不易。

零售行業同樣充滿變化與挑戰：無人零售轉眼搖搖欲墜，智慧社區開始快速發力。在各大互聯網頭部企業的推動下，線下零售重要性進一步顯現；大資料、人工智慧、區塊鏈等新技術賦能；管道下沉、社交裂變等新玩法層出不窮。

在喧囂與變革中，華地著重對門店的精細化耕耘。結合新技術，改造升級傳統實體店，從而提高消費者的購物體驗。最終，我們在全年銷售額、經營溢利等方面均取得較為穩健的成績。2018年度，集團全年銷售所得款項總額約為人民幣116億元，較上年度增長4.0%，母公司權益持有人應佔溢利約為400百萬元，較上年度增長17.6%，每股基本盈利為人民幣19分。鑒於本集團的財務表現，本公司董事會（「董事會」）建議派發截至2018年12月31日止年度的末期股息每股港幣7仙。

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STRATEGY

We believe the current consumer trends centered around the accurate response to consumers' needs in efficient and effective manner, while providing customers with cost-effective goods and higher standard of services. Therefore, customer is the core of our business. We construct our core competitiveness from the aspects of product improvement, experience enhancement, and technological innovation. By these, we implement our management reconstruction based on "People", "Products" and "Place".

"People" is the foundation of business, and therefore customer's digital information is an important resource for the growth of our business. In 2018, from operation to marketing, Springland has been constantly upgrading our digital management system, in order to accumulate and process data, and to transform them into precious commercial values. We have fully implemented e-membership system in our stores. Also, by using applications like WeChat group, WeChat service number, mini mobile programs and other multi-channels, we continuously interact and reach customers in different social media, and eventually stimulated consumptions. Another aspect of "People" is empowerment of our employees. 2018 is a critical year for Springland to implement the business partnership mechanism within the Company. We have reorganized our business organization into smaller units, allowing employees to become business partners, and fully participating in management, and eventually share the result of our business growth. This mechanism effectively leverages the entrepreneurship of partners, revitalizes momentum of future development and strengthens Springland in retail arena.

策略

在華地看來，當前消費環境對零售的要求是更高效、更快捷地為消費者提供符合需求的高性價比商品與高標準的服務。為此，要以顧客為核心，從商品升級、體驗加強、技術革新等方面來打造自己的核心競爭力，華地將其落實到對「人、貨、場」的重構管理。

商業的本質是「人」。數位化的顧客成為最大的資源。2018年，從運營到行銷，華地都在不斷升級數位化的管理體系，積累、挖掘資料並嘗試使其轉化為商業價值。我們在門店內全面推行電子會員制度，使顧客可連接、可識別、可管理。並通過微信群、服務號、小程序等多管道、多觸點與消費者產生持續互動，並促成最終消費環節的實現。「人」的另一個層面，是針對企業內部員工的賦能。2018年是華地推行事業合夥人機制的關鍵年，我們將業務單元細化為更小的組織，讓事業合夥人全身心投入、參與管理，並分享企業成長帶來的價值。這一機制有效發揮合夥人的創業精神，更好地盤活企業發展態勢，相信在未來能將華地的零售平台越做越大。

STATEMENT FROM THE CHAIRMAN

主席報告書

Being a connector between consumers and retail stores, the concept of “Products” has become more comprehensive and diversified with continuous growth of consumer expectations. Aside from the function and quality of the product, shopping experience and mental satisfaction are also involved within the concept of Product. At department store division, we pay special attention to the needs of consumers through the experience gained from daily operations. Our business ratio and brand combination were adjusted in accordance to the market trends. In terms of forming strategic partnership, we select our cooperative enterprises and brands which match with our philosophy in order to form create the best synergies for market expansion. In 2018, our department store readjustment area has reached nearly 130,000 square meters, whereas in-store merchandise mix of approximately 1,700 brands were optimized and 130 new brands were introduced throughout the year. Through the adjustment and introduction of new market brands, we recorded steady growth to our business performance. Regarding supermarket division, we played a more active role in direct purchase from the origin. Through setting up of our fresh food and cold chain processing center, fresh food and cold chain logistic center, origin procurement optimization plan, on-the-site processing plan, etc., we actively improved the efficiency in our supply chain management. Eventually, our customers are thrilled to see our efforts presenting in the supermarket stores via the improvement of product offering, product appearance, and product display.

“Place” can be regarded as customer’s expectation in experiential consumption, which is the exclusive value of physical stores. Achievement of this was one of the main tasks of Springland in 2018. At our department stores and shopping malls, we actively implemented a diversified product portfolio and construction of immersive scene experience. On the one hand, we positioned our brand around “lifestyle” by focusing on teenagers and family groups. We integrated shopping, dining, and entertainment elements into our projects by introducing children experience studios, bookstores, virtual-reality experience museums, archery halls into our department stores. These facilities enabled us to fulfill the needs of our target customers. On the other hand, we connect all the consumers, the stores and our shopping malls by curating themed activity, as an important way to create memorable experience for our consumers. Through the themed activities, we successfully created interactions among stores and customers and gave comprehensive meanings and experience to our department stores. These two

作為連接消費者和門店的置換品，「貨」的概念隨著消費觀念的不斷升級，有了更多附加價值。除了商品本身的功能和品質，還涉及到使用體驗的愉悅感和精神的滿足。在百貨／購物中心業態，我們注重在運營中挖掘消費者的需求，根據市場規律來調整業態比例與品牌組合，選擇符合專案定位的合作商家並重點推進與品牌的戰略聯盟，整合資源，聯合發展，共同做大市場。2018年在百貨業態，全年存量店調改面積近13萬平方米，全年調改品牌1,700多個及新引進品牌近130個。調改及進入新品牌的區域，業績都得到穩定的提升。在超市業態，我們更積極地進入源頭，通過生鮮基地建設、源頭採購優化計畫、現場加工業務計畫等項措施，提升採購供應鏈效率。最終呈現在超市賣場的是商品結構、商品顏值、陳列風格都在發生變化，更為消費者喜聞樂見。

「場」可以視為顧客對體驗式消費的需求，這恰是線下門店的價值所在，也是華地2018年的主要工作之一。在百貨業態，我們積極地實施多元化產品組合及沉浸式場景體驗搭建。一方面，我們以「生活化」為定位，注重青年與家庭群體，將購物、餐飲、娛樂納入規劃，並以積極的開放態度，引入兒童體驗、現代書店、虛擬實境體驗館、射箭館等多種現代體驗業態，使商場的各項服務功能更符合目標消費者的需求；另一方面，將融入特定元素的主題活動作為塑造「情感化體驗」的重要方式，將顧客、商家及商場全部融合進來，在整個活動中實現多方互動，賦予環境更多意義和內涵。雙管齊下，使商場成為新型體驗的社交化場所，使客戶有更多的興奮感、娛樂感和社交感。在超市業態，我們提升了賣場設計和貨架陳列的「顏值」，讓超市形象更具品質感；我們增加了定量包裝的半成品生鮮的販售，更便於消費者的直接使用；我們提供的多種支付方式，極大地縮減了

STATEMENT FROM THE CHAIRMAN

主席報告書

approaches have transformed our mall into a socialized place for new experiences, bringing customers with more excitement, entertainment and social interactions. At our supermarkets, upgrades were made to our store design and shelf display. We have increased the offerings of fixed volume semi-prepackaged fresh foods, which is more convenient for instant consumption of our customers. In addition, multi-payment method is available in our stores, which greatly reduced the checkout time. We also provide a number of convenient services to customers, which create more connections and interactions between our supermarkets and consumers. Through these new and improvement measures, consumers' shopping experience are eventually optimized.

Finally, Springland has been developing at a steady pace. Under the direction of the asset-light strategy, our department store business opened 1 new Yaohan in Jiangyin Chengxing, and started to manage 2 stores in Shaoxing and Tongling. We also completed the deal of management of 3 department store projects, and for the first time moved beyond our strategic presence in Jiangsu, Zhejiang and Anhui provinces, by expanding our presence into Henan province. We focus our supermarket expansion in the existing regions and take advantage of mass coverage with the aim to create a more mature coverage, we aspired to provide residents with enhanced shopping experience. 13 new stores were opened throughout the year, and totally reached 70 total stores.

PROSPECTS

Given the complex nature of international economic and trade conditions, declining of consumers' and investors' confidence, as well as the backdrop of market contraction, we are expecting a bearish macro economy in 2019, whereas stableness and steadiness will be the theme of the year. After the exploration and the trial and error in 2018, the industry is looking for the answer to direction of "New Retail" reform.

Nonetheless, retailers should stay vigilant reflecting, exploring and evolving ourselves by embracing consumers, new technologies amid challenges. Such shall be the way for enterprises to keep up with the pace of the world.

結帳時間：我們開通了多項便捷便民服務，使門店與消費者發生更多的關聯與互動。我們通過這些細節舉措，增加消費者的購物愉悅感。

最後，於拓展方面，華地在穩健發展之中。百貨業態在輕資產戰略指導下，新開1間江陰澄星八佰伴及紹興、銅陵2間管理店，另簽約3個管理店舖專案，並首次跨越江浙皖三省，將輻射範圍抵達河南。超市業態持續深耕現有區域，密集布點，以形成覆蓋網，為社區居民提供更便捷的購物體驗。全年新開門店13家，總門店數達70家。

展望

在國際經濟貿易形勢紛繁複雜、消費投資信心遇冷、市場緊縮的大環境下，2019年的宏觀經濟不容樂觀，保平求穩將是這一年的大趨勢。在經歷了2018年的探索與試錯後，新零售的改革方向依然是行業在尋找的答案。

但毋庸置疑，在風起雲湧的變化中，零售企業需要警醒的反思、探索，不斷變化自我、擁抱消費者、擁抱新技術，使企業的發展步伐跟上時代的需求。

STATEMENT FROM THE CHAIRMAN

主席報告書

In 2019, our goal is to create a more highly efficient supply chain mechanism, and to provide consumers with cost-effective goods and even better service. As such, Springland will ensure its basic operational management in accurate and sound manner, from selection of merchandise, establishment of procurement professionals, management of memberships, achieving accurate marketing, to inventory management. We will further enhance application of digital technologies to our stores by integrating new technologies in our operations. We will also promote retail efficiency improvement and customer experience improvement, and blend online membership, online purchase, and online operations into our daily lives. We strive to provide stores known for their uniqueness and excellence. We will solidify our irreplaceable presence in the regions by our exclusive retail portfolio and service. Under the clear and concise group strategy, we will cultivate and recruit more talented individuals. With such vibrant and energetic management team, we have been reserving energy for the upcoming Spring.

Springland continues to progress actively on the path of retail industry, as we are becoming one of the leaders in the retail industry regionally. Our achievement can only be realized with the management team and all employees for their excellent work and contribution, the support from our shareholders, business partners and consumers. On behalf of the Board, I would like to send my sincere gratitude and express my appreciation for their continual contributions to the long-term development of our Group.

Chen Jianqiang
Chairman

25 March 2019

2019年，華地的目標是打造更加高效的供應鏈體系，為消費者提供更高性價比的商品與更為優質的服務。為此，華地會扎實做好基礎運營管理，從選擇適銷對路的商品、建設買手團隊、做好會員管理、實現精準行銷、做好庫存管理等多個方面提高精細化管理水準；華地也會進一步實施門店的數位化改造，深入新技術在實際運營中的使用，推動零售效率提升和顧客體驗改善，讓數位化會員、數位化商品、數位化運營成為日常；我們會進一步打造優質門店的唯一性，從品牌內容和品質服務角度鞏固門店在當地市場的不可替代特徵；我們會在清晰明確的集團戰略下，培養和吸納引進更多行業優秀人才，組建更有執行力和戰鬥力的團隊，為後期可能的零售春天儲備能量。

零售途中，華地一路前行，並以積極的態勢，進入區域零售領軍者行列，這是全體管理層及員工努力、股東信任、合作夥伴支持和顧客愛戴的成果。本人謹代表董事會，向他們致以衷心感謝，盼各方繼續為本集團的長遠發展共謀成就。

陳建強
主席

2019年3月25日



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MANAGEMENT DISCUSSION AND ANALYSIS

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OPERATIONS REVIEW

During the reporting year, the Group continued to optimize and upgrade our stores, in order to improve the overall shopping environment, accommodate the latest consumer trends and cope with the industry competitions.

For our department stores, approximately 130,000 square meters of our stores have been readjusted, whereas in-store merchandise mix of approximately 1,700 brands were optimised and 130 new brands were introduced throughout the year. In terms of the scale of readjustment, Zhenjiang Yaohan continued to enrich our merchandise mix by world-renowned cosmetics, watches, accessories, clothing, and ladies' bags brands, while consolidating our presence in the high-end market in Zhenjiang and creating competitive edge over our rivals through our experiential shopping experience. At our Nantong Yaohan, we introduced regionally-exclusive fashion brands as well as premium restaurant brands. Such measures were intended to enhance our customer retention capability, attract younger generations, and become the landmark store in Nantong core business district. While in Wuxi Yaohan, we expanded the jewellery section and refurbished the ladies' shoes section; our Yixing Yaohan create a thrilling British village-themed section for children, which correspondingly consolidating our brand image and position of related categories.

For our supermarkets, we completed optimization and upgrade of 8 supermarkets. Among which, we adjusted the market position of our supermarkets in Jiaxing and Zhenjiang to create more synergies with our department stores, whereas they were adjusted from hypermarkets to city supermarkets. Through upgrading the merchandise display, promotion from fashion KOLs, individualized marketing, the area-effectiveness was further utilised and satisfactory results were achieved.

營運概覽

回顧年內，本集團持續深入推進門店調改與升級，以提升賣場環境，適應消費者購物需求變化以及應對競爭挑戰。

百貨業態，年內累計調改面積約13萬平方米，調改品牌1700多個，體系內新引進知名績效品牌約130個。從調改規模看，整體調改的門店中，鎮江八佰伴持續擴大化妝品、鐘錶、飾品、服裝、女包等國際標杆品牌群，鞏固鎮江市場高端發展標杆定位，擴大強體驗性業態佔比，削弱競爭對手強勢經營門類；南通八佰伴引進地區市場獨有的多個潮牌和高端餐飲品牌，提高門店聚客能力，吸引年輕客群，打造南通核心商圈新興潮流消費新地標。無錫八佰伴擴充珠寶區和翻新女鞋區，宜興八佰伴打造別具風格的童趣夢CAR主題英倫小鎮，都相應地夯實了相關品類的經營形象和定位。

超市業態，年內完成8家店的調改升級，其中，嘉興店和鎮江店從更加契合與百貨主體客群協同的角度，從量販店轉型調改為城市超市，通過場景美陳、時尚網紅商品導入、個性化營銷等手段使樓層坪效顯著提升，調改綜合收益達預期。

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Stepping Up in Supply Chain Management

We introduced strategic communication mechanism with retailers for our department stores. By such mechanism, we can keep up with the dynamic pace of our suppliers and understand the latest promotion focus. Both our stores and the suppliers can gather information for analysis, such as customer feedback, potential customer resource construction and focus of resources management, and eventually to reach consensus on key cooperation topics. In view of international premium brands gradually slowing down the pace of setting up new stores, the Group was still able to obtain the support from renowned thanks to the level of cooperation. During the year, our Jiaxing Yaohan and Wuhu Yaohan set up counters for Estee Lauder; while Shiseido's presence can be found at Changshu Yaohan, Ma'anshan Yaohan and Jiaxing Yaohan.

MARKETING STRATEGIES

Construction of member resources as the key to the increase the core competitiveness

Our department stores actively promote the concept of "Members' Promotion" and aim to anchor as a membership-based department store. We intend to comprehensively promote members' benefits and construction, and integrate all marketing resources into the membership card by highlighting the member's exclusive rights. We also increase the value of membership by improving club activities such as "Fun for Kids" and "Fashion & Entertainment".

Upgrade content marketing via diversification of marketing initiatives, accelerate the construction of digital operation system

We are transforming marketing ideas, optimising construction of system, and integrating internal and external data resources. In the gradual process of digitization of membership data, we are constructing a premium and personalised marketing management system based on the customer base. By categorizing and selecting our members and consumers, we aim to achieve effective and accurate segment marketing with the least resources.

供應鏈資源建設水平邁上新臺階

百貨業態引入零供雙方市場戰略溝通會的機制，對重點品牌供應商的渠道布局策略以及商品主體時尚資訊推介有了動態把控。零供雙方在已有客情反饋、潛在顧客資源建設和經營資源投放方向等重點合作課題形成共識。在國際高綫化妝品牌普遍地收緊開店步調的背景下，透過互益共贏的資源合作，本集團仍爭取到部分大品牌拓店資源的支持，年內系統內開出雅詩蘭黛嘉興八佰伴和蕪湖八佰伴，資生堂則連續開出常熟八佰伴、馬鞍山八佰伴和嘉興八佰伴。

市場推廣策略

將會員顧客資源建設作為核心業務競爭力提升的關鍵

百貨業態打造會員營銷主題概念，定位於會員制的百貨店，全力推進會員營銷與會員權益建設，將所有的營銷資源融入會員卡中，重點凸顯會員專屬權益最大化；不斷強化童樂匯、潮樂匯等俱樂部活動，提高會員購物附加值。

提升內容多元化的營銷舉措，加快數字化運營體系建設

轉變營銷思路，完善系統建設，整合內外部數據資源，在會員數字化的漸進過程中，百貨業態以客群為基本單位，構建VIP個性化服務營銷管理體系，根據活動內容和服務目標，有選擇性的對不同會員顧客進行分群精細維護，從而實現有限資源精準投放的分客群營銷目的。

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In terms of innovative marketing, the Group intends to establish an interactive relationship with our member customers by creating a diversified use of our own IP images. During the year, mascots such as Yangyang at Yixing Yaohan store, Yixing store's Huabao, and Laibao at our store in Zhenjiang, and the Daibao at our Shaoxing store, greeted our consumers one after another, who give our stores a more vivid image and enrich our marketing means. During the year, in addition to the use of social media platforms such as WeChat, Weibo and Tiktok, as well as media formats such as graphic-text and H5, our department stores attempted to step up in creating short videos, in order to accelerate the pace of dissemination.

NETWORK EXPANSION

Thanks to the excellence of our operational resilience, the Group has begun to offer management contracts to mall as a way to expanding our operating footprint. In December 2018, Shaoxing Yaohan and Tongling Yaohan, both of which are managed department stores of the Group opened. Both malls are integrated hubs for shopping, dining, and entertainment experience.

We continued to focus on community supermarkets for our supermarket section. The Group carried through its "1+N" expansion strategy and increased the density of outlets by opening 13 new supermarkets during the year. We also closed 3 supermarkets and upgraded 8 supermarkets in order to fit our community-oriented approach. Our upgraded supermarkets fit consumers' needs better with its improved atmosphere, merchandise mix and functions.

By the end of 2018, the Group operated 20 department stores and comprehensive lifestyle shopping malls with a gross floor area of 1,120,000 square meters (2017: 1,050,000 square meters) and managed 3 stores with a gross floor area of 143,000 square meters. The Group also operated 70 supermarkets, with a gross floor area of 461,000 square meters (2017: 481,000 square meters).

* Total gross floor area include gross floor area for car parks and other supporting functions

在創新營銷方面，本集團意圖通過打造並多元化運用自有IP形象，來循序建立起與相關會員顧客的互動關係。年內，宜興八佰伴的仰仰、宜興華地的華寶、鎮江商業城的萊寶及紹興八佰伴的袋寶等門店專屬吉祥物陸續推出，賦予門店更生動的形象意義和營銷題材，豐富了營銷傳播手段。除了借助微信、微博和抖音等自媒體平臺，以及圖文和H5等媒體形式外，回顧年內，百貨業態嘗試增加短視頻的傳播力度，傳播效果更快速、更生動。

網絡擴展

得益於本集團卓越的管理能力，本集團通過為業主提供管理服務進一步擴展網絡。於2018年12月，本集團新開了紹興八佰伴、銅陵八佰伴兩個管理店鋪，均是集各種品牌、餐飲、休閒娛樂於一體的一站式購物中心。

在超市業態，本集團繼續以社區超市為主，推行「1+N」拓店模式，密集布點，年內新開13間超市。同時為更契合社區超市定位，關閉了3間超市，並對8家超市門店進行調改升級，調改後的門店，從賣場風格、產品結構到店鋪功能，都更迎合便利性和品質消費需求。

於2018年年底，本集團經營20間百貨及生活購物中心，其建築面積為112萬平方米（2017年：105萬平方米）；經營3間管理店，建築面積為14.3萬平方米；經營70間超市，建築面積46.1萬平方米（2017年：48.1萬平方米）。

* 總建築面積包括停車場和其他配套功能的建築面積

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FINANCIAL RESULTS

The Group's TSP was RMB11,637 million for the year ended 31 December 2018. Profit attributable to equity holders of the parent was RMB396 million. The Directors of the Company recommended the payment of a final dividend for the year ended 31 December 2018 of HK\$7 cents per share.

財務業績

截至2018年12月31日止年度，本集團的銷售所得款項總額為人民幣11,637百萬元，母公司權益持有人應佔溢利為人民幣396百萬元。本公司董事建議就截至2018年12月31日止年度派付每股末期股息港幣7仙。

		Year ended 31 December 截至12月31日止年度		
		2018 二零一八年	2017 二零一七年	Change 變動
		(RMB million) (人民幣百萬元)		
Total sales proceeds ("TSP") ¹	銷售所得款項總額 ¹	11,637	11,188	4.0%
<i>Department store</i>	百貨店	8,653	8,216	5.3%
<i>Supermarket</i>	超市	2,984	2,972	0.4%
Revenue	收入	4,608	4,444	3.7%
Operating profit ²	經營溢利 ²	790	692	14.1%
EBITDA	息稅折舊和攤銷前利潤	1,249	1,082	15.4%
Profit attributable to equity holders of the parent	母公司權益持有人 應佔溢利	400	340	17.6%
Earnings per share (RMB: cents)	每股溢利(人民幣：分)	19	15	26.7%
<i>Calculated in term of TSP:</i>		<i>以銷售所得款項總額計算：</i>		
Operating margin ³	經營溢利率 ³			
– <i>department store</i>	– 百貨店	8.7%	7.6%	
– <i>supermarket</i>	– 超市	1.2%	2.3%	
Net profit margin ⁴	淨溢利率 ⁴	3.4%	3.0%	

1 Total sales proceeds ("TSP") = revenue from direct sales + gross revenue from concessionaire sales + rental income
銷售所得款項總額 = 直接銷售收入 + 特許專營銷售所得款項總額 + 租金收入

2 Operating profit = operating profit of department store + operating profit of supermarket
經營溢利 = 百貨經營溢利 + 超市經營溢利

3 Operating margin = operating profit/TSP
經營溢利率 = 經營溢利 / 銷售所得款項總額

4 Net profit margin = profit for the year/TSP
淨溢利率 = 年度溢利 / 銷售所得款項總額

MANAGEMENT DISCUSSION AND ANALYSIS

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Revenue & TSP

收入和銷售所得款項總額

	Year ended 31 December 2018 截至2018年12月31日止年度			Year ended 31 December 2017 截至2017年12月31日止年度		
	Department store division 百貨業務	Supermarket division 超市業務	Total 合計 (RMB million) (人民幣百萬元)	Department store division 百貨業務	Supermarket division 超市業務	Total 合計
Revenue	收入					
Direct sales	497	2,477	2,974	400	2,550	2,950
Commission income from concessionaire sales	1,274	62	1,336	1,228	52	1,280
Rental income	201	81	282	133	75	208
Provision of management services	9	-	9	-	-	-
Provision of food and beverage services	7	-	7	6	-	6
Total	1,988	2,620	4,608	1,767	2,677	4,444
TSP	銷售所得款項總額					
Direct sales	497	2,477	2,974	400	2,550	2,950
Gross revenue of concessionaire sales	7,954	427	8,381	7,683	347	8,030
Rental income	202	80	282	133	75	208
Total	8,653	2,984	11,637	8,216	2,972	11,188
Same store sales change	同店銷售變化					
	3.8%	-1.0%		0.4%	-3.4%	

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Department store division:

TSP from the department store division increased to RMB8,653 million (2017: RMB8,216 million), and same store sales grew to 3.8%. Direct sales as a percentage of TSP from the department store division was 5.7% (2017: 4.9%) while gross revenue of concessionaire sales as a percentage of TSP from the department store division was 91.9% (2017: 93.5%) for 2018.

TSP by five largest stores

The Group has increased the number of its stores, and so the five largest stores aggregate contribution to TSP decreased from 52.5% of last year to 51.6% of 2018.

In 2018, top 5 largest department stores by TSP:

百貨業務：

百貨業務銷售所得款項總額增加至人民幣8,653百萬元（2017年：人民幣8,216百萬元），同店銷售增長3.8%。2018年，直接銷售對百貨業務銷售所得款項總額的貢獻為5.7%（2017年：4.9%），特許專營銷售對百貨業務銷售所得款項總額的貢獻為91.9%（2017年：93.5%）。

前五大店對銷售所得款項總額的貢獻

本集團門店數量增加，所以前五大百貨店對百貨業務銷售所得款項總額的累計貢獻從去年的52.5%降至2018年的51.6%。

2018年，前五大百貨店銷售所得款項總額：

		2018 二零一八年		2017 二零一七年	
		TSP 銷售所得 款項總額 (RMB million) (人民幣百萬元)	TSP Contribution 銷售所得 款項總額 貢獻率	TSP 銷售所得 款項總額 (RMB million) (人民幣百萬元)	TSP Contribution 銷售所得 款項總額 貢獻率
Wuxi Yaohan	無錫八佰伴	1,373	15.9%	1,306	15.9%
Zhenjiang Yaohan	鎮江八佰伴	983	11.3%	991	12.1%
Jiangyin Yaohan	江陰八佰伴	945	10.9%	943	11.5%
Jiaxing Yaohan	嘉興八佰伴	606	7.0%	478*	5.8%*
Changshu Yaohan	常熟八佰伴	559	6.5%	519*	6.3%*
Nantong Yaohan	南通八佰伴	545*	6.3%*	550	6.7%
Liyang Yaohan	溧陽八佰伴	533*	6.2%*	520	6.3%
Others	其他	4,187	48.4%	3,906	47.5%
		8,653	100%	8,216	100%

* The store's TSP is included in others.

* 其銷售所得款項總額包括在其他當中。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

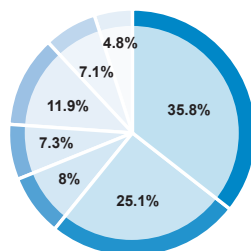
TSP by merchandise categories

In 2018, the proportion of sale proceeds of department stores from various merchandise categories* are as follows: fashion and apparel accounted for approximately 35.8% (2017: 37.8%); merchandise related to cosmetics accounted for approximately 8.0% (2017: 6.9%); watches, gold and jewelry accounted for approximately 25.1% (2017: 24.5%); footwear accounted for approximately 7.3% (2017: 8.2%); athletic apparel and casual wear accounted for approximately 11.9% (2017: 11.2%); children's and home furnishing accounted for approximately 7.1% (2017: 7.1%); the remaining categories including household and electronic appliances, rental income and others accounted for the remaining 4.8% (2017: 4.3%) of TSP of the department stores division. The proportion of sales proceeds of department stores from various merchandise categories are presented in the below charts.

- Fashion and apparel
時裝及服飾
- Watches, gold and jewelry
鐘表、黃金珠寶及配飾
- Cosmetics
化妝品
- Footwear
鞋履
- Athletic apparel and casual wear
運動服裝及休閒服
- Children's and home furnishing
童裝及家居用品
- Others
其他

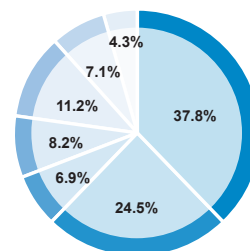
Department Store – 2018

百貨



Department Store – 2017

百貨



Commission rate from Concessionaire sales and Comprehensive Gross Margin⁵

In 2018, the commission rate from concessionaire sales was 16.0%, representing the same as in 2017. The Comprehensive Gross Margin of department store division was 23.4%, representing an increase of 1.5 percentage points from 2017, mainly due to the increase of rental income.

* Certain comparative amounts have been reclassified to conform with the current period's presentation.

5 Comprehensive Gross Margin = (gross profit of direct sales + commission income from concessionaire sales + rental income + other income (service fee collected from concessionaire and suppliers))/TSP.
綜合毛利率由綜合毛利除以銷售所得款項總額計算。綜合毛利包括直接銷售毛利、特許專營銷售佣金收入、租金收入及其他收入(主要來自特許專營商及供應商的服務費)。

按商品品類佔銷售所得款項總額百分比

2018年，按商品類別佔百貨業務銷售所得款項總額的比例*如下：時裝及服飾佔約為35.8% (2017年：37.8%)；化妝品佔約8.0% (2017年：6.9%)、鐘錶、黃金珠寶及配飾佔約25.1% (2017年：24.5%)；鞋履佔約7.3% (2017年：8.2%)；運動服裝及休閒服佔約11.9% (2017年：11.2%)；童裝及家居用品佔約7.1% (2017年：7.1%)；其餘商品類別(包括家具及電子用品、租金收入及其他)佔約餘下的4.8% (2017年：4.3%)。按商品品類劃分其佔百貨業務銷售所得款項總額的比例如下圖所示。

特許專營銷售佣金率及綜合毛利率⁵

於2018年，百貨特許專營銷售佣金率為16.0%，與2017年持平。百貨業務的綜合毛利率為23.4%，與2017年相比增長1.5個百分點，主要由於租金收入的增長所致。

* 部分比較數據已重新分類，以與本期披露口徑相一致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Supermarket division:

In 2018, TSP of the supermarket division reached RMB2,984 million (2017: RMB2,972 million), increased by 0.4% year-on-year. It resulted majorly from the combined impact of a net drop off of sales due to closing down for optimisation of some supermarkets and sales contributed from newly opened supermarkets. Direct sales to the supermarket business contribution is 83.0% of the total amount of sales proceeds (2017: 85.8%).

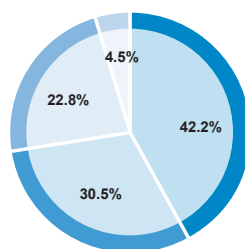
TSP by merchandise categories

Fresh food accounted for approximately 42.2% (2017: 41.8%), dry foods accounted for approximately 30.5% (2017: 30.2%), non-food accounted for approximately 22.8% (2017: 23.4%) and the remaining categories including rental income and others accounted for the remaining 4.5% (2017: 4.6%) of the TSP of the supermarket division. The proportion of sales proceeds of supermarket division from various merchandise categories are presented in the below charts.

- Fresh food
新鮮食品
- Dry food
乾貨食品
- Non-food merchandise
非食品類
- Others
其他

Supermarket – 2018

超市



Direct sales margin and Comprehensive Gross Margin

Revenue from direct sales in the supermarket division decreased from RMB2,550 million in 2017 to RMB2,477 million in 2018, representing a decrease of 2.8%. The direct sales margin was 14.2% (2017: 12.3%). The Comprehensive Gross Margin was 22.5% (2017: 22.9%). The Group intended to maintain the Comprehensive Gross Margin stable by increasing investments in equipment and technology to expand the contribution from fresh food and to enhance products quality and reduce wastage as well as cost efficiency from strengthening the supply chain and merchandise categories.

超市業務：

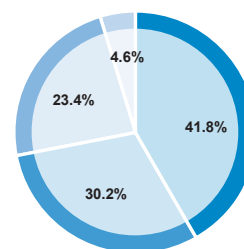
2018年，超市業務銷售所得款項總額達人民幣2,984百萬元（2017年：人民幣2,972百萬元），同比增長0.4%，其主要由於部分門店閉店調改帶來的銷售下降和新開設超市銷售所得款項總額的貢獻綜合影響所致。直接銷售對超市業務銷售所得款項總額的貢獻為83.0%（2017年：85.8%）。

按商品品類佔銷售所得款項總額百分比

新鮮食品佔超市業務銷售所得款項總額約42.2%（2017年：41.8%）；乾貨食品佔約30.5%（2017年：30.2%）；非食品類佔約22.8%（2017年：23.4%）；其餘商品類別（包括租金收入及其他）佔餘下的4.5%（2017年：4.6%）。按商品品類劃分其佔超市業務銷售所得款項總額的比例如下圖所示。

Supermarket – 2017

超市



直接銷售毛利率及綜合毛利率

超市業務的直接銷售收入由2017年的人民幣2,550百萬元下降至2018年的人民幣2,477百萬元，同比下跌2.8%。直接銷售的毛利率為14.2%（2017年：12.3%），綜合毛利率為22.5%（2017年：22.9%）。集團擬通過加強設備及技術投入來擴大新鮮食品銷售貢獻，同時將通過渠道升級優化和品項結構調整以獲取成本優勢，提升商品品質，降低損耗，以穩定超市業務綜合毛利率。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Rental income

Rental income increased by 35.6% to RMB282 million in 2018 from RMB208 million in 2017, mainly due to increased rentable area and improved tenant mix in the year.

Fee income from suppliers

In 2018, fee income from suppliers was RMB651 million (2017: RMB622 million), fee income from suppliers as a percentage of TSP was 5.6%, representing the same as in 2017. Fee income from suppliers including promotion fees, management fees paid by suppliers for participating in promotional activities, reimbursing electricity charge and material, etc.

Purchase of and changes in inventories

The purchase of and changes in inventories represents the cost of sales for direct sales of goods. It decreased by 0.8% to RMB2,579 million in 2018 from RMB2,600 million in 2017.

Expenses

租金

租金收入由2017年人民幣208百萬元增長35.6%至2018年人民幣282百萬元，主要由於本年間可出租面積增加及租賃組合得到改善。

來自供應商的其他收入

2018年，來自供應商的其他收入達人民幣651百萬元（2017年：人民幣622百萬元），佔銷售所得款項總額百分比約5.6%，與2017年持平。來自供應商的其他收入包括供應商參加商場營銷活動所需支付的促銷費、管理費以及供應商日常營運所需承擔的水電、物料消耗等費用。

購買存貨及存貨變動

購買存貨及存貨變動主要反映直接銷售的成本。購買存貨及存貨變動由2017年度的人民幣2,600百萬元減少0.8%至2018年的2,579百萬元。

費用

	Year ended 31 December 2018 截至2018年12月31日止年度					Year ended 31 December 2017 截至2017年12月31日止年度				
	Department store division 百貨業務	Supermarket division 超市業務	Headquarters 總部	Total 總計	% of TSP 佔銷售 所得款項 總額百分比	Department store division 百貨業務	Supermarket division 超市業務	Headquarters 總部	Total 總計	% of TSP 佔銷售 所得款項 總額百分比
	(RMB million) (人民幣百萬元)					(RMB million) (人民幣百萬元)				
Staff costs 員工成本	359	281	60	700	6.0%	349	286	68	703	6.3%
Depreciation and amortisation 折舊及攤銷	428	92	3	523	4.5%	391	91	3	485	4.3%
Rental expenses 租賃開支	19	76	5	100	0.8%	21	80	5	106	0.9%
Other expenses 其他開支	463	187	33	683	5.9%	411	157	56	624	5.6%
Total 合計	1,269	636	101	2,006	17.2%	1,172	614	132	1,918	17.1%

MANAGEMENT DISCUSSION AND ANALYSIS

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Expenses consisted of staff costs, depreciation and amortisation, rental expenses and other expenses. Other expenses mainly included utility expenses, advertising and promotion expenses, loss on disposal of property, plant and equipment, impairment of property, plant and equipment, impairment of other intangible assets, net fair value losses of derivative instruments of which the transaction is not qualified as hedges, office expenses, maintenance costs, travelling expenses, entertainment expenses, property tax and government surcharges and other miscellaneous expenses.

In 2018, total expenses of the Group as a percentage of TSP was 17.2% (2017: 17.1%) and total expenses increased by 4.6% to RMB2,006 million from RMB1,918 million in 2017. The growth was primarily attributable to the increase in the number of stores in accordance with the expansion of store network, which resulting the rise in depreciation and amortization, other operating expenses and other miscellaneous expenses.

In 2018, staff costs decreased by 0.4% to approximately RMB700 million as compared to 2017. Our management has been making continuous effort on labour cost optimisation measures in order to increase labour efficiency. Depreciation and amortization increased by 7.8% to RMB523 million in 2018 from RMB485 million in 2017. Other expenses increased by 9.6% to RMB683 million in 2018 from RMB624 million in 2017. The increase in other expenses was attributable to net off the increase in property tax, utilities expenses due to network expansion, the comprehensive impacts induced by the loss on disposal of property, plant and equipment caused by renovation and upgrading of existing properties, and the provision for impairment of property, plant and equipment, investment losses due to maturity of derivative financial instruments and loss from closing down of some loss-making supermarkets.

費用包括員工成本、折舊及攤銷、租賃開支及其他開支。其他開支包括水電開支，廣告宣傳費用，物業、廠房及設備的處置虧損，物業、廠房及設備減值準備、其他無形資產減值準備、不符合對沖交易的衍生金融工具投資損失淨額、辦公室開支、維護及耗材費用、差旅費、業務招待費、財產稅、政府附加費用和其他雜項開支。

於2018年，本集團費用總額佔銷售所得款項總額的百分比為17.2%（2017年：17.1%），費用總額由2017年的人民幣1,918百萬元增加4.6%至人民幣2,006百萬元。該增加主要由於零售網路的擴張導致折舊攤銷等經營費用增長及其他開支的增加所致。

於2018年，員工成本約為人民幣700百萬元，與2017年相比，減少0.4%。管理層持續努力執行人員優化措施以提升勞效。折舊及攤銷由2017年人民幣485百萬元增加7.8%至2018年人民幣523百萬元，其他開支由2017年624百萬元增加9.6%至2018年683百萬元，其他開支增加主要由於零售網絡擴張導致的財產稅、水電費等經營費用增加，對現有物業進行調改升級所帶來的物業、廠房及設備處置損失、計提物業廠房及設備的減值準備、不符合對沖交易的衍生金融工具投資損失以及關閉部分虧損超市的閉店損失等綜合影響所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Operating profits

Operating profits for the Group (excluded interest and unallocated gains, corporate and other unallocated expenses and finance costs) increased to approximately RMB790 million in 2018 from RMB692 million in 2017, representing a year-on-year increase of 14.1%. Operating profits for the department store division increased from RMB625 million in 2017 to approximately RMB754 million in 2018, representing a year-on-year increase of 20.6%. Due to improvement in operational efficiency, the operation margin as a percentage of TSP for the department store division was 8.7%, representing an increase of 1.1 percentage point from 7.6% in 2017. For the supermarket division, operating profits decreased from RMB67 million in 2017 to approximately RMB36 million in 2018, representing a year-on-year decrease of 46.6%. The operating margin as a percentage of TSP for the supermarket division was 1.2%, representing a decline of 1.1 percentage points from 2.3% in 2017. The drop in operating profits for supermarket business was mainly due to loss from closing down of some loss-making supermarkets, provision for impairment of property, plant and equipment, and provision for impairment of other intangible assets, higher costs and expenses for newly open stores and keen market completion.

Net finance expenses

Net finance expenses are increased by RMB45 million from 2017 to 2018, due to the interest expense derived from capitalisation of construction in progress reduced by RMB31 million as compared to the corresponding period last year. These comprised finance charges on interest-bearing debts and net interest income from surplus cash.

Finance costs increased from RMB66 million last year to RMB110 million for 2018. The increase in net finance expenses and finance costs were due to the increase in total interest expenses and decrease in capitalized interest. During the year, approximately RMB22 million of the interest expenses has been capitalized as property under development.

經營溢利

本集團的經營溢利(除利息收入、未分配收益、公司及其他未分配開支及融資成本)由2017年的人民幣692百萬元增長至2018年的人民幣790百萬元,按年增長14.1%。百貨業務的經營溢利由2017年的人民幣625百萬元增長至2018年的人民幣754百萬元,按年增長20.6%。由於經營效益的提升,百貨業務經營溢利率(按銷售所得款項總額計算)從2017年的7.6%增加1.1個百分點至8.7%。超市業務的經營溢利由2017年的人民幣67百萬元減少至2018年的人民幣36百萬元,按年下降46.6%。超市業務經營溢利率(按銷售所得款項總額計算)為1.2%,與2017年的2.3%相比降低了1.1個百分點。超市業務經營溢利的下跌主要由於關閉部分虧損超市的閉店損失、計提物業廠房及設備的減值準備、計提其他無形資產減值準備,以及新店在業務發展初期所發生的費用較高及零售業經營環境競爭加劇所致。

利息支出淨額

利息支出淨額為帶息債務的融資成本扣減來自於盈餘現金的利息收入,2018年較2017年增加人民幣45百萬元,主要是資本化在建項目的利息支出較去年同期減少約人民幣31百萬元。

融資成本較去年66百萬元增加至2018年人民幣110百萬元。融資成本增加主要由於總利息支出增加及利息開支資本化減少所致。年內,約人民幣22百萬元的利息開支被資本化於在建項目中。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Income tax expenses

As a result of the increase in profit before tax, income tax expenses for the current year increased to RMB220 million from the previous year. The effective tax rate decreased to 35.7% (2017: 36.3%).

ASSETS BASE

Property, plant and equipment, prepaid land premium and long-term prepayments

Property, plant and equipment, prepaid land premium and long term prepayments amounted to approximately RMB10,526 million (2017: RMB10,765 million). Those assets were held for long-term operations used by the Group.

Capital expenditure of the Group during 2018 amounted to approximately RMB366 million (2017: RMB833 million). Capital expenditure consists of additions to property, plant and equipment and prepaid land premiums and other intangible assets.

Capital commitments at year-end 2018 amounted to RMB331 million (2017: RMB400 million), representing mainly construction items which contracted from Xishan project.

Cash and cash equivalents and time deposits

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between one month and five years depending on the immediate cash requirements of the Group and earn interest at the respective time deposit rates. The carrying amounts of the cash and cash equivalents and time deposits approximate to their fair values.

Cash and cash equivalents and time deposits increased from RMB511 million at year-end 2017 to RMB617 million at year-end 2018 mainly resulting from the increase of net cash inflow from operations, as well as the expansion of the Group was more asset-light-oriented, as such investment for asset-heavy projects was reduced. About 95% cash and cash equivalents were denominated as RMB.

所得稅開支

因除稅前溢利增長，本年度所得稅開支與去年相比增長至220百萬元。有效稅率降低至為35.7% (2017：36.3%)。

資產基礎

物業、廠房及設備、預付土地出讓金及長期預付款項

物業、廠房及設備、預付土地出讓金及長期預付款項總額約人民幣10,526百萬元 (2017年：人民幣10,765百萬元)。上述資產乃本集團長期持有，並作為營運使用。

本集團於2018年內的資本開支約為人民幣366百萬元 (2017年：人民幣833百萬元)。資本開支包括添置物業、廠房及設備、預付土地出讓金及其他無形資產。

於2018年年底，本集團的資本承擔為人民幣331百萬元 (2017年：人民幣400百萬元)，主要來自於建設中的錫山項目。

現金及現金等價物、定期存款

銀行存款根據每日銀行存款利率賺取浮動利息。定期存款由一個月至五年期限不等，視乎本集團的即時現金需求而定，並按各自的定期存款利率賺取利息。現金及現金等價物、定期存款的賬面價值與其公平值相若。

現金及現金等價物、定期存款總計從2017年年底的人民幣511百萬元增長至2018年年底的人民幣617百萬元，主要由於集團的經營業務現金流入淨額增長以及集團的項目拓展以輕資產為主，用於重資產項目的投入減少所致。約95%現金及現金等價物以人民幣計值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Restricted cash

Pursuant to the relevant rules and regulations issued by the Ministry of Commerce of the PRC, the Group was required to deposit bank balances in the Group's designated accounts or through issuing a letter of bank guarantee, the total amount of which shall not be less than 30% of the balance of advances from customers for sales of prepaid cards. At year-end 2018, the Group has deposited cash in the amount of RMB117 million (2017: RMB113 million) in the Group's designated accounts.

TREASURY POLICY

Capital structure management

The total interest bearing debts of the Group increased to RMB3,095 million (2017: RMB2,991 million) at year-end 2018, after debt repayment of RMB1,406 million and a new drawdown of RMB1,437 million for general funding purposes, during the year. All the outstanding debts are on an unsecured basis.

The Group always strives to lower foreign exchange risk and also strives to lower the borrowing margin, to diversify the funding sources and to maintain a suitable maturity profile relative to the overall use of funds. The Group continued to maintain long-term relationships with a number of PRC and overseas banks in order to diversify the funding sources. At year-end 2018, five local and overseas banks, including PRC banks provided banking facilities to the Group as funding alternatives.

On 25 March 2016, the Group issued the first tranche of medium-term financing notes at par value of RMB300 million with the nominal interest rate of 4.78% per annum and the effective interest rate of 5.13% per annum. The medium-term financing notes matured on 25 March 2019, and the Group has repaid the principal and interests in full. On 21 June 2016, the Group also issued the first tranche of its corporate bonds at par value of RMB800 million with a term of 3 years from the date of issuance with the nominal interest rate of 4.87% per annum and the effective interest rate of 5.22% per annum.

受限貨幣資金

根據中國商務部頒發的相關法規，本集團需存入或通過獲得銀行保函以擔保合共不少於銷售預付費卡的客戶預付款項餘額30%的款項於本集團指定賬戶。於2018年年底本集團存放貨幣資金人民幣117百萬元（2017年：人民幣113百萬元）於本集團指定賬戶。

庫務政策

資本架構管理

集團年內償還了人民幣1,406百萬元的債務，以及提取了人民幣1,437百萬元的新貸款作一般資金用途及匯率變化，使集團於2018年年底的帶息負債總額增加至人民幣3,095百萬元（2017年：人民幣2,991百萬元）。所有未償還借貸均為無抵押貸款。

集團一直致力減低外匯風險，亦致力減低借貸息差、分散融資來源，及維持與整體資金運用相配合的適當還款期組合。為分散資金來源，集團繼續與多間國內外銀行維持長久的合作關係。於2018年年底，有五家本地及海外銀行為本集團提供銀行貸款作為集資途徑。

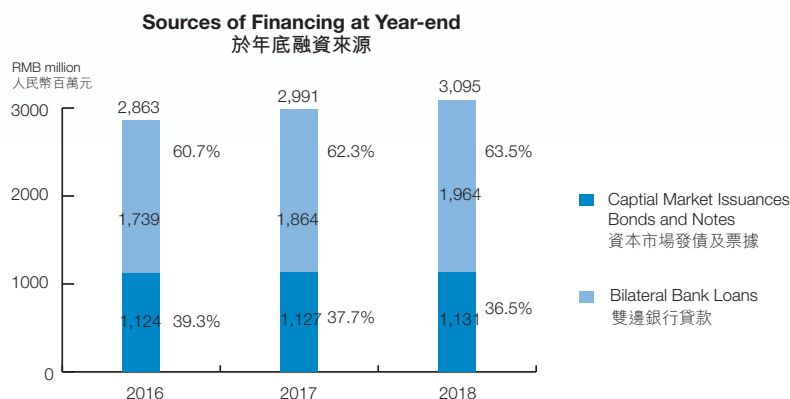
2016年3月25日，本集團發行第一期票面金額為人民幣3億元的中期票據，其名義年利率為4.78%，實際年利率為5.13%。該筆中期票據於2019年3月25日到期，本集團已足額償付本息。2016年6月21日，本集團發行自簽發之日起計為期3年票面值為人民幣8億元的公司債券，其名義年利率為4.87%，實際年利率為5.22%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The following graph shows the percentages of total outstanding gross debts sourced from banks and the debt capital markets in the past three years.

下圖顯示過去三年來自銀行及債務資本市場的融資佔未償還債務總額的百分比。



As part of the Group's capital management strategy, the Group repurchased 167.4 million (2017: 106.8 million) shares through the Stock Exchange in the year, which will further enhance shareholders' value.

集團執行資本管理策略，於年內透過聯交所購回167.4百萬股股份（2017年：106.8百萬股），有利進一步提升股東價值。

The Group has been careful and prudent in using debt gearing to expand its business in accordance with its business strategy. The Group's gearing ratio, as measured by Net Debt to Equity ratio¹, stayed at 54.3% at year-end 2018 (2017: 54.5%). The Group's Interest Coverage² increased to 9.5 times for 2018 (2017: 9.1 times) as cash inflow from the business remained strong. The stable gearing and strong ability to meet interest payments reflected the Group's resilience.

本集團使用穩健的債務負債擴張我們的業務。集團按債務與股東權益比率¹計算的負債率於2018年年底為54.3%（2017年：54.5%）。由於業務的現金流入保持強勁，集團的利息償付率²於2018年增長至9.5倍（2017年：9.1倍）。低負債率及穩健的支付利息能力，反映集團抗逆力強。

1 Net Debt to Equity is defined as borrowings, trade payables, and other payable and accruals less cash and bank balances, time deposits and restricted cash divided by equity plus net debt of the Group

1 淨債務與股東權益比率定義為借貸、應付貿易款項、其他應付款項及應計費用減現金及銀行結存、定期存款和受限貨幣資金後除以股東權益加債務淨額

2 Interest Coverage is defined as earnings before interest, taxes, depreciation and amortization divided by finance costs plus capitalized interest

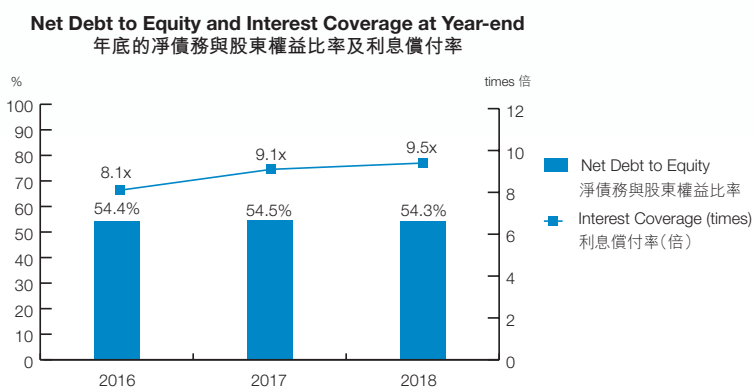
2 利息償付率定義為息稅折舊前溢利再除以融資成本和資本化利息

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The graph below shows the level of leverage and our ability to meet interest payment obligations in the past three years.

下圖顯示本集團過去三年的槓桿水平及履行利息償付責任的能力。



Liquidity management

As year-end 2018, the Group had cash and cash equivalents, time deposits and restricted cash totaling RMB735 million (2017: RMB624 million). All the deposits are placed with banks with strong credit ratings and the counterparty risk is monitored on a regular basis.

Liquidity is available from the undrawn committed facilities offered by the Group's relationship banks. These facilities, amounted to RMB1,146 million and the Group can obtain additional loans of up to RMB2,000 million pursuant to the official approval from the Inter-bank Dealers Association and the China Securities Regulatory Commission, at year-end 2018, essentially allowing the Group to obtain additional liquidity as the need arises.

流動資金管理

於2018年年底，本集團持有的現金及現金等價物、定期存款和受限貨幣資金總值人民幣735百萬元（2017年：人民幣624百萬元）。所有存款均存於信貸評級優異的銀行，而本集團亦定期監察交易方風險。

本集團可提取往來銀行所提供的備用承諾信貸為流動資金。於2018年年底，該等信貸達人民幣1,146百萬元，同時根據銀行間交易商協會和中國證監會的批准，本集團可以申請享受額外的授信人民幣2,000百萬元，使本集團實際上可在有需要時獲得額外的流動資金。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Interest rate management

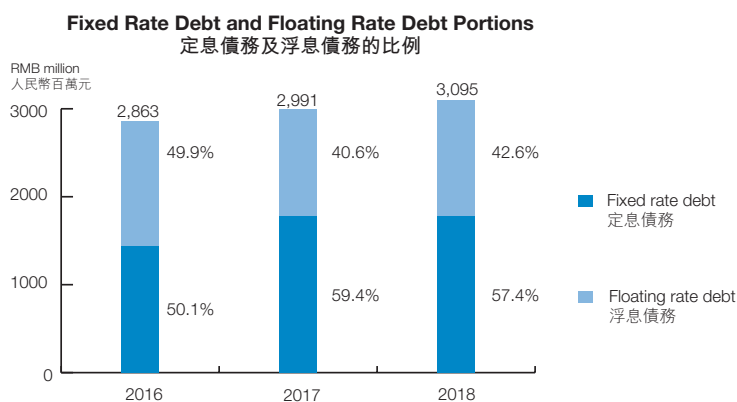
Appropriate hedging strategies, if necessary, are adopted to manage exposure to projected movements in the interest rate. The fixed debt ratio decreased to 57.4% at year-end 2018 from 59.4% at year-end 2017 following repayment of RMB4 million fixed rate bank loans and new borrowing of RMB107 million foreign currencies floating rate bank loans during 2018.

The diagram below shows the fixed rate debt and floating rate debt portions in the past three years.

利率管理

本集團按需要採取合適的對沖策略，以管理預期息率變動所帶來的風險。同時於2018年減少人民幣4百萬元的定息銀行貸款和新增人民幣107百萬元的浮息外幣銀行貸款，定息債務比率由2017年年底的59.4%降低至2018年年底的57.4%。

下圖顯示本集團過去三年的定息債務及浮息債務的比例。



Foreign exchange management

The Group's financing and treasury activities are centrally managed and controlled at the corporate level. The Group conducted its business operations in the PRC and its revenues and expenses were denominated in RMB. The Group relies principally on cash flows generated from its operating activities as its primary source of liquidity. Certain of the Group's bank borrowings and bank balances were denominated in HK\$, SGD or US\$ which exposed the Group to foreign exchange risks attributable to fluctuations in exchange rates between HK\$, SGD or US\$ and RMB.

外匯管理

本集團的融資及金融活動由公司總部集中管理及控制。本集團於中國經營業務，其收入及開支均以人民幣結算，並主要依賴其經營活動的現金流作為流動資金的主要來源。本集團的若干銀行借款及存款，以港元、新加坡元或美元結算。港元、新加坡元或美元及人民幣的匯率變化會對本集團造成一定的外匯風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group manages its foreign exchange risk and interest rate exposure by performing regular reviews of the Group's interest rate and net foreign exchange exposures. The Group's exposure to the risk of changes in market interest rates related primarily to the Group's bank loans with floating interest rates.

Use of derivatives

At year-end 2018, all derivatives were matured.

Contingent liabilities

As at 31 December 2018 and 31 December 2017, the Group had no material contingent liabilities.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are carried out by the Company's subsidiaries in the mainland China thus the Group's business activities are regulated by competent authorities, laws and regulations of the Chinese government. The Group has complied with the relevant laws and regulations that have a significant impact on the business of the Group. They included laws and regulations on health and safety, employment, ambient air quality and noise control as well as fire prevention.

The Group has registered its own domain name and applied for or registered a number of trademarks of multiple categories in mainland China and Hong Kong to safeguard the intellectual property rights.

本集團定期審閱外匯風險及利率風險，以管理其外匯淨額及利率風險。本集團承受的市場利率變動風險主要與本集團按浮動利率計息的銀行貸款有關。

使用衍生工具

於2018年年底，所有衍生工具均已到期。

或然負債

於2018年12月31日和2017年12月31日，本集團無重大或然負債。

遵守法律及法規

本集團業務由本公司於中國內地的附屬公司進行，因此，本集團業務受中國相關政府主管部門和法律法規的監管。本集團已遵守與業務有重大影響的相關法例及法規，包括健康及安全、勞動法、環境空氣質量和噪聲控制及消防的要求。

本集團已註冊域名、並已於中國及香港就多個類別申請或註冊多個商標以維護其知識產權。

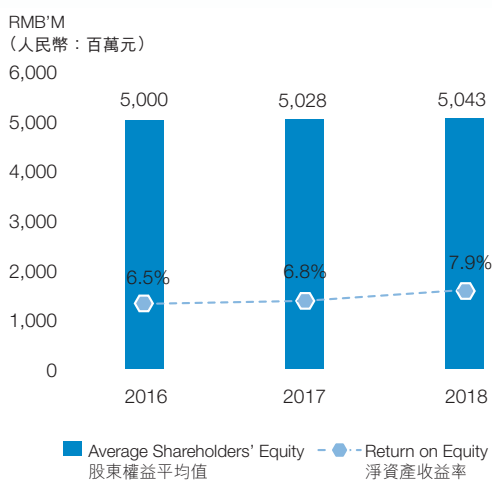
MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PERFORMANCE INDICATORS ANALYSIS

The following is the key financial ratios used to interpret the financial performance and position of the Company.

Return on equity



績效指標分析

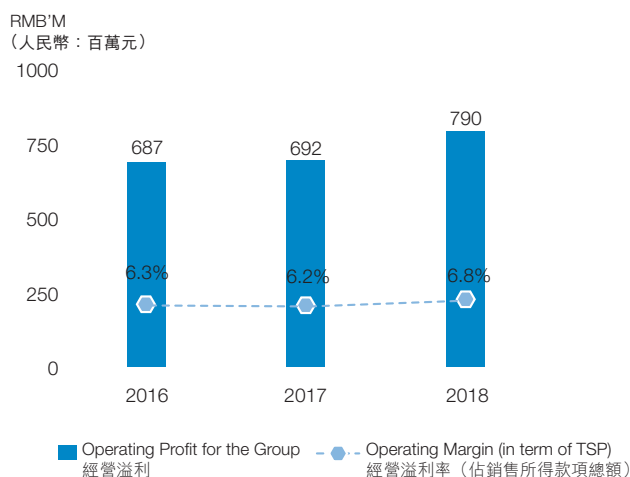
如下為陳述本公司財務業績及狀況的關鍵財務比率。

淨資產收益率

$$\text{Return on equity} = \frac{\text{Profit for the year attributable to owners of the parent}}{\text{The average value attributable to owners of the parent equity}}$$

淨資產收益率 = $\frac{\text{母公司擁有人應佔溢利}}{\text{母公司擁有人應佔權益平均值}}$

Operating profit & operating margins (in term of TSP)



經營溢利及溢利率 (以銷售所得款項總額計算)

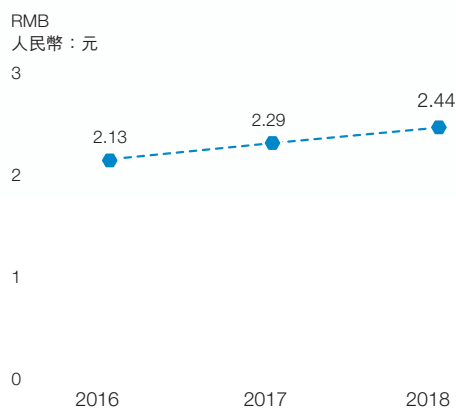
$$\text{Operating margin (in term of TSP)} = \frac{\text{Operating profit}}{\text{TSP}}$$

經營溢利率 (佔銷售所得款項總額) = $\frac{\text{經營溢利}}{\text{銷售所得款項總額}}$

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Net asset per share

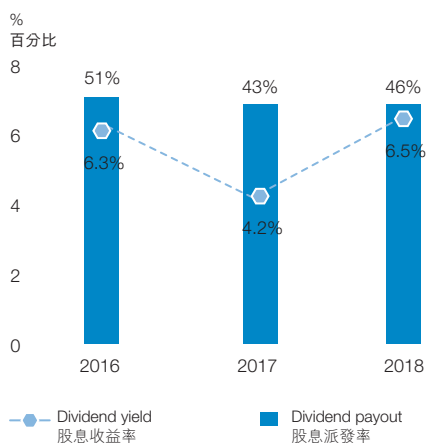


每股淨資產

$$\text{Net asset per share} = \frac{\text{Equity attributable to owners of the parent}}{\text{Number of issued shares at year-end}}$$

每股淨資產 = $\frac{\text{母公司擁有人應佔權益}}{\text{年底已發行股份數}}$

Dividend yield and Dividend payout



股息收益率和股息派發率

$$\text{Dividend yield} = \frac{\text{Dividend per share}}{\text{Closing share price at year-end}}$$

股息收益率 = $\frac{\text{每股股息}}{\text{年底股票收盤價}}$

$$\text{Dividend payout} = \frac{\text{Yearly dividends per share}}{\text{Earnings per share}}$$

股息派發率 = $\frac{\text{年度每股股息}}{\text{每股收益}}$

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

EXECUTIVE DIRECTOR

Chen Jianqiang

aged 61 (appointed on 23 June 2006)

Mr. Chen, the founder and Chairman of the Group and has been appointed as the Chief Executive Officer in March 2018, is responsible for the overall corporate strategy planning, business development, investment and day-to-day business and management of the Group. Since the Group's incorporation in 1996, Mr. Chen has been engaging in retail business and actively participating in the management and development of the Group's business. He holds an executive master's degree in business administration from China Europe International Business School. Mr. Chen is the chairman of honors of the World Chinese Traders General Association (Hong Kong) Ltd. (香港華商世界貿易總會). Mr. Chen is also the sole director and shareholder of Octopus Holdings Foundation, the controlling shareholder and an associated corporation of the Company.

NON-EXECUTIVE DIRECTORS

Tao Qingrong

aged 58 (appointed on 2 September 2006)

Mr. Tao has been the non-executive director of the Company since November 2018. From September 2006 to November 2018, he was the executive director of the Company. He also served as vice Chairman and vice president of the Group from March 2018 to November 2018 and was primarily responsible for the day-to-day management of business and operation of the Group. Mr. Tao joined the Group in October 2002 as general manager of Shanghai Springland Enterprise Investment Co., Ltd (上海華地企業投資有限公司) and later was appointed as general manager of the department store business of the Group. Mr. Tao is also a director of certain subsidiaries of the Group. Prior to joining the Group, Mr. Tao worked for Shanghai Soap Co., Ltd. (上海制皂有限公司) as sales and marketing director from 1997 to 2000, and Shanghai Soap (Group) Product Sales Co., Ltd. (上海制皂(集團)產品銷售有限公司) as general manager from 2000 to 2002. Mr. Tao holds a master's degree in system engineering from the Shanghai Institute of Mechanical Technology (上海機械學院) (later known as University of Shanghai for Science and Technology) and an executive master's degree in business administration from China Europe International Business School. Mr. Tao is interested in approximately 38.46% of the shareholding of Celestial Spring Limited, being a shareholder holding approximately 1.14% shareholding of the Company.

執行董事

陳建強

61歲(出任日期:2006年6月23日)

陳先生為本集團創辦人兼主席，並於2018年3月起出任行政總裁，其負責本集團的整體戰略規劃、業務拓展、投資和日常的營運管理。陳先生自本集團於1996年註冊成立後，加入本集團並從事零售業務和積極參與本集團業務管理及發展。彼持有中歐國際工商學院的工商管理碩士學位。陳先生為香港華商世界貿易總會的榮譽主席。陳先生也是本公司控股股東及關聯法團Octopus Holdings Foundation的唯一董事及股東。

非執行董事

陶慶榮

58歲(出任日期:2006年9月2日)

陶先生自2018年11月起擔任本公司非執行董事。於2006年9月至2018年11月期間，陶先生出任本公司執行董事，並於2018年3月至2018年11月期間出任本集團副主席兼副總裁，主要負責本集團業務及日常的營運管理。陶先生於2002年10月加入本集團，出任上海華地企業投資有限公司的總經理，期後被任命為本集團百貨業務部總經理。陶先生亦擔任本集團若干附屬公司的董事。在加入本集團前，陶先生於1997年至2000年間出任上海制皂有限公司銷售及市場總監，於2000年至2002年間則於上海制皂(集團)產品銷售有限公司出任總經理。陶先生持有上海機械學院(其後稱為上海理工大學)系統工程碩士學位和中歐國際工商學院的工商管理碩士學位。陶先生於天泉有限公司的股權擁有約38.46%權益，天泉有限公司為持有本公司約1.14%權益的股東。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

Fung Hiu Chuen, John

aged 51 (appointed on 19 July 2010)

Mr. Fung is a member of the nomination committee and remuneration committee of the Company. Mr. Fung is currently the Managing Director of Global Link (CHINA) Company Limited, a company engaged in the supply of TV media programmes. He had previously worked as a senior manager of the North Asia division of ESPN ASIA Limited, a diversified sports, entertainment and media company from 1995 to 1997. Mr. Fung holds a Bachelor of Science degree from Cornell University in Ithaca, New York.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lin Zhijun (林志軍)

aged 64 (appointed on 17 February 2008)

Dr. Lin is the chairman of the audit committee and a member of the nomination committee and remuneration committee of the Company. Dr. Lin is now the vice president and dean of School of Business in Macau University of Science and Technology. Dr. Lin holds a Master of Science degree in accounting from University of Saskatchewan in Canada and a Ph.D degree in economics (accounting) from Xiamen University. Since 1983, Dr. Lin worked for various facilities in many academic institutes, including Xiamen University, and was a visiting professor in the University of Hong Kong, tenured professor in the Faculty of Management of the University of Lethbridge in Canada and head and professor of the Department of Accountancy and Law in Hong Kong Baptist University. He worked for an international accounting firm, Touche Ross & Co. Canada (now known as "Deloitte") in Toronto from 1982 to 1983. Dr. Lin is also a member of the American Institute of Certified Public Accountants (AICPA), the Chinese Institute of Certified Public Accountants (CICPA) and the Australian Institute of Certified Management Accountants (CMA). He is a member of various educational accounting associations including the American Accounting Association, the International Association for Accounting Education and Research and the Hong Kong Association for Accounting Education.

馮曉邨

51歲(出任日期:2010年7月19日)

馮先生為本公司提名委員會和薪酬委員會會員。馮先生現為Global Link (CHINA) Company Limited, 從事供應電視媒體節目公司的董事總經理。馮先生曾於1995年至1997年期間出任ESPN ASIA Limited, 一家多元化體育、娛樂及媒體公司之北亞部門高級經理。馮先生持有紐約康奈爾大學的理學士學位。

獨立非執行董事

林志軍

64歲(出任日期:2008年2月17日)

林博士為本公司審核委員會主席及提名委員會和薪酬委員會會員。林博士現為澳門科技大學副校長兼商學院院長。林博士持有加拿大Saskatchewan大學會計學理學碩士學位及廈門大學經濟學(會計學)博士學位。林博士由1983年起在多個學術機構擔任教職,包括廈門大學、香港大學擔任客席教授、加拿大Lethbridge大學管理學院擔任教授和香港浸會大學會計及法律系系主任及教授,彼曾於1982年至1983年任職多倫多國際會計師事務所Touche Ross & Co. Canada (現稱「德勤」)。林博士亦為美國註冊會計師協會、中國註冊會計師協會及澳大利亞註冊管理會計師協會之會員,彼亦為多個會計學術團體之會員,包括美國會計學會、國際會計教學及研究學會及香港會計教授會。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

Dr. Lin is currently an independent non-executive director of China Everbright Limited (stock code: 0165), Sinotruk (Hong Kong) Limited (stock code: 3808), Dali Foods Group Company Limited (stock code: 3799), CITIC Dameng Holding Limited (stock code: 1091), and BOCOM International Holdings Company Limited (stock code: 3329), all of them are companies listed on the Stock Exchange. From 2012 to April 2014, Dr. Lin served as independent non-executive director of Zhengzhou Coal Mining Machinery Group Company Limited (stock code: 0564), a company listed on the Stock Exchange.

Zhang Weijiong (張維炯)

aged 66 (appointed on 17 February 2008)

Dr. Zhang is the chairman of the nomination committee and remuneration committee and a member of the audit committee of the Company. Dr. Zhang joined China Europe International Business School ("CEIBS") in 1997. Dr. Zhang is currently serves as professor of strategy, vice president and co-dean, member of the academic council at CEIBS. He holds a bachelor's degree in power mechanical engineering from Shanghai Jiaotong University and a MSc in marketing and a Ph.D in strategy from the faculty of commerce and business administration of the University of British Columbia, Canada. Dr. Zhang was associate dean and associate professor at the Management School of Shanghai Jiaotong University. He is currently an external director of HUAYU Automotive Systems Co., Ltd (stock code: 600741), a company listed on the Shanghai Stock Exchange. From 2010 to June 2016, Dr. Zhang served as independent non-executive director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd (stock codes: 600196 and 2196), a company dual listed on the Shanghai Stock Exchange and the Stock Exchange.

林博士現為中國光大控股有限公司(股份代號：0165)、中國重汽(香港)有限公司(股份代號：3808)、達利食品集團有限公司(股份代號：3799)、中信大錳控股有限公司(股份代號：1091)及交銀國際控股有限公司(股份代號：3329)之獨立非執行董事，該等公司於聯交所上市。從2012年至2014年4月，林博士為聯交所上市的鄭州煤礦機械集團股份有限公司(股份代號：0564)之獨立非執行董事。

張維炯

66歲(出任日期：2008年2月17日)

張博士為本公司提名委員會及薪酬委員會主席和審核委員會會員。張博士於1997年加入中歐國際工商學院，目前擔任中歐國際工商學院戰略學教授、副院長兼中方教務長，及學術委員會成員。彼持有上海交通大學動力機械學院工程學士並取得加拿大英屬哥倫比亞大學工商管理學院市場營銷碩士及企業戰略博士。張博士曾在上海交通大學管理學院任副院長及副教授。彼現為上海證券交易所上市公司華域汽車系統股份有限公司(股份代號：600741)之外部董事。從2010年至2016年6月，張博士為上海證券交易所及聯交所兩地上市的上海復星醫藥(集團)股份有限公司(股份代號：600196和2196)之獨立非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

Cheung Yat Ming* (張一鳴)

aged 50 (appointed on 11 March 2014)

Mr. Cheung is a member of the audit committee, nomination committee and remuneration committee of the Company. Mr. Cheung is currently an executive director, chief executive officer and responsible officer of New Century Asset Management Limited, a REIT manager of New Century Real Estate Investment Trust (stock code: 1275), a REIT listed on the Stock Exchange. Mr. Cheung holds a bachelor degree in accountancy from the Hong Kong Polytechnic University. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants (HKICPA) and a fellow (FCA) of the Institute of Chartered Accountants in England and Wales (ICAEW).

Mr. Cheung has extensive experience in the fields of investment, real estate and property market research, corporate finance and auditing. Mr. Cheung worked for Arthur Andersen & Co. in Hong Kong and China from 1991 to 1994. In September 1994, Mr. Cheung joined Citibank (now named Citigroup) as an accountant and administration manager and held the position of assistant vice president from September 1996. In October 1997, he started working in Salomon Smith Barney (now named Citigroup) as an equity research analyst. Since May 1999, Mr. Cheung worked for Donaldson, Lufkin & Jenrette. He joined HSBC Securities (Asia) Limited as the head of Hong Kong and China property research department from November 2000 to April 2005. Mr. Cheung joined Cohen & Steers Asia Limited in 2005 as a senior vice president and executive director, supervising its Asia Pacific real estate investment and research functions. Mr. Cheung worked as the head of research of DBS Vickers (Hong Kong) Limited from June 2009 to 2011. From August 2011 to 2013, Mr. Cheung has been acting as the chief investment officer of Neutron INV Partners Limited and has been involved in work such as setting up the Neutron Greater China Equity Fund and marketing to local and overseas institutional investors, consultants, distribution intermediaries. He currently is an independent non-executive director of Best Pacific International Holdings Limited (stock code: 2111), a company listed on the Stock Exchange.

* whose former name is Cheung Yiu Tai (name change with effect from 11 August 1987)

Save as disclosed, the Directors do not hold any directorships in other listed public companies currently and in the last three years.

張一鳴*

50歲(出任日期:2014年3月11日)

張先生為本公司審核委員會、提名委員會及薪酬委員會會員。張先生目前為開元產業投資信託基金執行董事、行政總裁兼負責人員，該產業投資信託基金於聯交所上市(股份代號:1275)。張先生於香港理工大學取得會計學學士學位。彼為香港會計師公會的執業會計師及英格蘭和威爾斯特許會計師公會的資深會計師(FCA)。

張先生於投資、房地產及物業市場研究、企業融資及審計方面擁有豐富的經驗。張先生自1991年至1994年於香港及中國安達信會計師事務所工作。於1994年9月，張先生加入花旗銀行(現稱Citigroup)擔任會計師兼行政經理及自1996年9月起擔任副總裁助理。於1997年10月，彼於Salomon Smith Barney(現稱Citigroup)開始擔任證券研究分析師。由1999年5月起，張先生在Donaldson, Lufkin & Jenrette工作。彼於2000年11月至2005年4月擔任匯豐證券(亞洲)有限公司香港及中國物業研究主管。於2005年，張先生加入Cohen & Steers Asia Limited擔任高級副總裁及執行董事，負責監督其亞太房地產投資及研究職能。張先生於2009年6月至2011年間在星展唯高達香港有限公司擔任研究主管。由2011年8月起至2013年，張先生一直擔任Neutron INV Partners Limited的投資總監，設立Neutron Greater China Equity Fund以及向當地及海外機構投資者、顧問及分銷中介推銷等工作。張先生現為聯交所上市的超盈國際控股有限公司(股份代號:2111)之獨立非執行董事。

* 前用姓名為張耀泰(更名自一九八七年八月十一日起生效)

以上各董事除上述披露外，於目前及過往三年並未擔任其他上市公司的董事職務。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2018, the Company applied the principles and complied with the code provisions (the “Code Provision(s)”) set out in the Corporate Governance Code (the “Corporate Governance Code”) under Appendix 14 to the Listing Rules on the Stock Exchange, save for deviation from code provision A.2.1 which requires that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. No incident of non-compliance by Directors was noted by the Company in 2018.

CORPORATE GOVERNANCE PRACTICES

The Board and management are committed to compliance with statutory and regulatory corporate governance standards and adherence to the principles of corporate governance emphasizing transparency, independence, accountability, responsibility and fairness. The Board reviewed the corporate governance practices from time to time to ensure alignment of interests and expectations from our shareholders, the public investors and the other stakeholders.

THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules on the Stock Exchange as its code of conduct regarding Directors’ securities transactions. Directors are reminded of their obligations under the Model Code on a regular basis. Specific confirmation has been obtained from each Director to confirm compliance with the required standards set out in the Model Code for the year ended 31 December 2018.

企業管治守則

截至2018年12月31日止年度，本公司一直遵守聯交所上市規則附錄十四所載的企業管治守則（「企業管治守則」）的守則條文（「守則條文」）及應用其原則，惟除守則條文A.2.1（要求主席及行政總裁角色相分離且不應由同一人擔任外）。2018年內，本公司並無發現任何董事之違規事件。

企業管治常規

董事會和管理層致力於遵守法定及監管企業管治標準，遵循強調透明度、獨立性、問責制、責任感及公平性的企業管制原則。董事會不時檢討其企業管治常規以確保符合股東、公眾投資者及其他利益相關者的利益及期望。

進行證券交易的標準守則

本公司已採納聯交所上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）作為其董事證券交易的行為守則。本公司亦定期提醒各董事於標準守則下須履行之責任。本公司已取得每位董事發出的書面確認，以確認在2018年12月31日止年度內符合標準守則列載之規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment in respect of annual and interim reports, announcements of inside information and other disclosures required under the Listing Rules and other regulatory requirements.

The Directors acknowledge their responsibility for preparing the financial statements for each financial period, which give a true and fair view of the state of affairs of the Group at the end of the financial year and profit or loss for the financial year. The Directors have prepared the financial statements in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules.

The Directors consider that in preparing the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed.

The Directors are not aware that any material or significant exposures exist, other than as reflected in this report. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The financial statements are continually prepared on a going concern basis.

對財務報表的責任

董事會負責就全年及中期報告、內幕消息的公告以及根據上市規則及其他監管規定而作出的內幕消息和其他披露提交平衡清晰及易於理解的評估。

董事知悉彼等對編製各財政期間的財務報表的責任，其可真實而公平地反映於財政年度完結日的財務狀況及財政年度損益情況的財務報表。董事已按照國際財務報告準則，以及香港《公司條例》及上市規則之披露規定編製財務報表。

董事認為本公司於編製財務報表時已採用合適的會計政策、貫徹應用和依據合理而審慎的判斷及估計，並且已遵從所有適用的會計準則。

除本報告所反映的情況外，董事並不知悉有任何主要及重大風險存在。因此，董事有理由預期本公司具備充裕資源在可見將來繼續經營現有業務。財務報表乃繼續按持續經營為基準編製。

CORPORATE GOVERNANCE REPORT

企業管治報告

OUR GOVERNANCE FRAMEWORK

我們的管治架構

THE BOARD

董事會

Leadership; Strategy Planning; Corporate Governance

領導；策略規劃；企業管治

Remuneration Committee

薪酬委員會

- Sets remuneration policy for Executive Directors
為執行董事制訂薪酬政策
- Determines Executive Directors' remuneration and incentives
釐定執行董事的薪酬及獎勵

Nomination Committee

提名委員會

- Recommends Board appointments
就董事委任向董事會提出建議
- Reviews Board structure, composition and diversity
檢討董事會架構、組成及多元化
- Assesses independence of Independent Non-Executive Directors
評估獨立非執行董事的獨立性

Audit Committee

審核委員會

- Reviews risk management and internal controls systems
檢討風險管理及內部監控系統
- Monitors internal and external auditors
監控內部審核部門及外聘核數師
- Monitors overall financial reporting process
監督財務匯報程式

The Board

The Board is responsible for the Group's system of corporate governance and is ultimately accountable for the Group's activities, strategies and financial performance. The Board has established three committees to manage and oversee the specified affairs of the Group. Certain important matters involving finance and shareholders' interest are reserved for approval by the Board, including annual budget, annual and interim results announcements, dividends, major investment, equity-related capital market operations, major mergers and acquisition and disposal, major connected transactions, annual risk management and internal control evaluation as well as appointment of Director(s) following the recommendation(s) by the Remuneration and Nomination Committees. The Board has to make decision objectively in the best interest of the Company and its shareholders as a whole.

董事會

董事會負責本集團的企業管治系統並對本集團的業務、戰略、財務表現承擔最終責任。董事會已設立三個委員會管理及監督本公司特定的事務。某些涉及財務及股東利益等重要事項須經董事會審批，包括年度預算、年度及中期業績公告，股息，重大投資，股權相關的資本市場運作，重大兼併收購及出售，重大關連交易，年度風險管理及內部控制評價及由薪酬委員會和提名委員會建議的董事任命。董事會須遵照本公司及其股東的整體利益客觀的做決策。

CORPORATE GOVERNANCE REPORT

企業管治報告

All operational decisions are delegated to the Executive Directors. Day-to-day management, administration and operation of the Group are the responsibilities of senior management and their functions and work tasks are periodically reviewed.

Board and Committee Meetings

The Board meets at least four times each year and more frequently as the needs of the business demand. Apart from the Board meetings, the Board would from time to time devote separate sessions to consider and review the Group's strategy and business activities.

The Directors can attend meetings in person or through electronic means of communication. Throughout the year, five Board meetings were held, during which the Directors discussed matters relating to the re-election of Directors, reviewed and monitored the financial and operation performance of the Group and approved the annual budget for the Group. Besides, the Board also discussed and resolved resolutions in relation to entering into a memorandum of understanding with Jimailong Management Co., as well as re-designation of director and appointment of senior management of the Group. Notice and board papers were given to all Directors prior to the meetings in accordance with the Listing Rules and the Corporate Governance Code.

According to the current Board practice, any material transaction involving a conflict of interest with a substantial shareholder or a Director will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Articles and Association contain provisions requiring the Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

執行董事獲授權負責一切營運決策，而高級管理人員則負責本集團的日常管理、行政及營運，彼等的職能與工作獲定期檢討。

董事會及委員會會議

董事會每年最少舉行四次會議，並會因應業務需要而增加會議次數。除董事會會議外，董事會亦會不時專為考慮及檢討本集團的策略和業務活動而舉行獨立會議。

董事可親身出席會議或透過電子通訊方式出席會議。年內董事會舉行了五次會議，會議主要討論有關董事的重選，分別審閱及監督本集團財務及營運業績，通過本集團的年度預算。另外，董事會亦討論及決定與吉麥隆管理公司訂立諒解備忘錄、本集團董事調任與委任集團管理團隊等事宜。按照上市規則及企業管治守則於會議開始前已將通知及董事會文件送至所有董事。

根據現行的董事會慣例，任何涉及主要股東或董事具利益衝突的重大交易將由董事會於正式召開的董事會會議上考慮及處理。本公司的組織章程訂有條文，規定在任何會議上議決批准董事或其任何聯繫人擁有重大利益的交易時，有關董事必需放棄投票及不得計入會議的法定人數內。

CORPORATE GOVERNANCE REPORT

企業管治報告

Chairman and Chief Executive

Code Provision A.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Since 21 March 2018, Mr. Chen Jianqiang has been our Chairman and chief executive officer. Mr. Chen has been a director of Jiangsu Springland Enterprise Investment Holding Group Co., Ltd (江蘇華地國際控股集團有限公司*) since its incorporation in 1996 and has served as the director of the major operating subsidiaries of the Group. With extensive experience in the retail business, Mr. Chen is responsible for the overall corporate strategies, planning, business development and investment of our Group and is instrumental to our growth and business expansion since his joining of the Group in 1996. Our Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of the senior management and our Board, which comprises experienced and high-calibre individuals. Our Board currently comprises one executive Director, two non-executive Directors and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

Board size, composition and appointment

There are currently 6 Directors on the Board including: 1 Executive Director and 5 Non-Executive Directors (including 3 Independent Non-Executive Directors).

The Company followed a formal, considered and transparent procedure for the appointment of new directors. Appointments are first considered by the Nomination Committee. The recommendations of the Nomination Committee are then put to the full Board for decision. Thereafter, all Directors are subject to election by shareholders at the AGM in their first year of appointment.

主席與行政總裁

企業管治守則第A.2.1條守則條文規定，主席與行政總裁的角色應有區分，並不應由一人同時兼任。主席與行政總裁之間職責的分工應清楚界定並以書面列載。

自2018年3月21日起，陳建強先生同時擔任我們的主席兼行政總裁。陳先生自江蘇華地國際控股集團有限公司於一九九六年註冊成立起一直擔任其董事，亦擔任本集團若干主要營運附屬公司的董事。陳先生於零售業務擁有豐富經驗，自陳先生於1996年加入本集團以來，負責本集團的整體戰略規劃、業務拓展及投資，對本集團的業務發展及擴展發揮著舉足輕重的作用。董事會認為由同一人擔任主席及行政總裁乃有利於本集團的管理。高級管理層及董事會由經驗豐富而能幹的人才組成，彼等在營運過程中會確保維持權力及權限的平衡。我們的董事會現時由一名執行董事、兩名非執行董事及三名獨立非執行董事組成，因此在組合上具備頗為獨立的元素。

董事會規模、組成及委任

董事會現由六位董事組成，包括一位執行董事，以及五位非執行董事（包括三位獨立非執行董事）。

本公司按正式制訂、經審慎考慮並具透明度的程序來委任新董事。提名委員會首先商議所有委任事項，然後向董事會全體成員提交建議，作出決定。其後，所有董事須在獲委任首年的股東週年大會上經股東正式選舉。

CORPORATE GOVERNANCE REPORT

企業管治報告

Each Non-executive Director of the Company has entered into a letter of appointment with the Company, for a specific term of not more than three years subject to re-election. Pursuant to the Articles of Association of the Company, any Director appointed to fill a casual vacancy or as an addition to the existing Board shall hold office until the next following general meeting or the next AGM of the Company respectively and shall then be eligible for re-election at the meeting. In addition, all Directors are subject to retirement by rotation at least every three years and one-third (or the number nearest to but not less than one-third) of Directors shall retire from office every year at the Company's AGM.

Directors' attendance of meeting

The attendance record of each Director for the meetings held during the year 2018 is set out as follows:

本公司各非執行董事與本公司訂立委任函，特定任期不超過三年，並須予重選連任。根據本公司組織章程，獲委任以填補董事會臨時空缺或增加入現有董事會的任何董事，只任職至下次股東大會或本公司下屆股東週年大會為止，並於其時有資格重選連任。全體董事均須最少每三年輪席告退，而每年須有三分之一（或最接近但不少於三分之一）之董事於本公司股東週年大會上告退。

董事出席會議

各董事出席2018年度所召開的會議情況如下：

Name of Director 董事姓名	Attendance/Number of meetings during the year 年內出席次數/會議次數				
	Board meeting 董事會會議	Remuneration Committee meeting 薪酬委員會會議	Nomination Committee meeting 提名委員會會議	Audit Committee meeting 審核委員會會議	AGM 股東週年大會
Executive Directors 執行董事					
Chen Jianqiang 陳建強	5/5	-	-	-	1
Yu Yaoming (resigned on 21 March 2018) 俞堯明 (於2018年 3月21日離任)	0/0	-	-	-	-
Non-executive Directors 非執行董事					
Tao Qingrong (redesignated on 5 November 2018) 陶慶榮 (於2018年 11月5日調任)	5/5	-	-	-	0
Fung Hiu Chuen, John 馮曉邨	5/5	2/2	2/2	3/3	1
Independent Non-executive Directors 獨立非執行董事					
Lin Zhijun 林志軍	5/5	2/2	2/2	3/3	0
Zhang Weijiong 張維炯	5/5	2/2	2/2	3/3	0
Cheung Yat Ming 張一鳴	5/5	2/2	2/2	3/3	1

Representatives of the external auditor participated in every Audit Committee meeting and the Company's 2018 AGM.

外聘核數師的代表參加每個審計委員會會議和出席本公司2018年度股東週年大會。

CORPORATE GOVERNANCE REPORT

企業管治報告

Induction, training and continuing development

Each newly appointed Director receives a comprehensive induction on the first occasion of his appointment so as to ensure that he has appropriate understanding of the business and operations of the Group and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills for the purpose of discharging their duties and responsibilities as Directors of the Company. All Directors are required to provide the Company with the records of the training they received annually. For the year 2018, all Directors have confirmed that they have attended training sessions by reading regulatory updates or attending briefings/seminars/conferences relevant to the business or their directors' duties.

The Board is provided with monthly management updates which contain the latest financials and highlights of key matters of the Group. The management updates give a fair and understandable assessment in sufficient details to assess the performance, position and prospects of the Group.

Directors' commitments

Each Director confirmed that he has given sufficient time and attention to the affairs of the Company for the year 2018. All Directors have disclosed to the Company the number and nature of offices held in public companies or organizations and other significant commitments, with the identity of the public companies or organizations. Each Director is also requested to provide a confirmation to the Company semi-annually and notify the Company Secretary in a timely manner of any change of such information.

Directors' insurance

The Company has arranged appropriate insurance coverage for the Directors in connection with the discharge of their responsibilities.

就任須知、培訓及持續發展

各新任董事在首次接受委任時均獲得全面的就任須知，確保彼對本集團的業務及營運具備適當的理解，及確保彼完全知悉其根據上市規則及其他相關法規規定的責任及義務。

本公司鼓勵董事參與持續專業發展，發展並更新其知識及技能，以履行其作為本公司董事的職務及職責。所有董事每年須向本公司提供其培訓紀錄。於2018年內，全體董事確認均有出席培訓課程包括閱讀更新監管規定資料或出席有關業務或董事職責的簡介會／研討會／會議。

董事會獲每月提供管理報告，內容載有本集團最新的財務資料，以及重要事項。該管理報告記載了有關本集團的表現、財務狀況和前景的公正及易於理解的評估。

董事承擔

各董事已確認於2018年內投入了足夠時間和充分關注本公司事務的聲明。所有董事亦已向本公司披露他們於公眾公司或機構擔任職務的數目和性質，以及其他重大承擔，並提供了公眾公司或機構的名稱和擔任有關職務。各董事亦須每半年向公司作出資料確認，並於任何相關資料出現變動時適時知會公司秘書。

董事保險

本公司已就董事履行其責任為彼等作出適當保險安排。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES

The Board has established the following three committees (all chaired by Independent Non-executive Directors) with defined terms of reference in compliance with the Corporate Governance Code of the Listing Rules:

- Remuneration Committee
- Nomination Committee
- Audit Committee

All committees were set up with a written terms of reference, which are in line with the relevant Corporate Governance Code and available to shareholders on the websites of the Stock Exchange and the Company, to deal clearly with its authority and duties. Each Committee has accessed to independent advice and counsel as required and is supported by the Company Secretary. To further reinforce independence and effectiveness, all Audit Committee members are Independent Non-executive Directors, and the Nomination and Remuneration Committees have been structured with a majority of Independent Non-executive Directors as members.

Remuneration Committee

The members of the Remuneration Committee during the year and up to the date of this report were shown below:

Zhang Weijiong (*Chairman*)
Lin Zhijun
Cheung Yat Ming
Fung Hiu Chuen, John

With the exception of Fung Hiu Chuen, John who is a Non-executive Director of the Company, all the other members of the Remuneration Committee are Independent Non-executive Directors of the Company.

董事委員會

董事會成立下列三個委員會（全部均由獨立非執行董事擔任主席），並具備界定的職權範圍，其內容參考上市規則之企業管治守則的規定：

- 薪酬委員會
- 提名委員會
- 審核委員會

所有委員會以書面訂明各自之職責範圍，職責範圍均符合有關企業管治守則，載於聯交所及本公司之網站內可供股東查詢。各委員會均可取得所需的獨立意見及法律建議，並得到公司秘書的支持。為了進一步加強獨立性及有效性，所有審核委員會成員均為獨立非執行董事，而提名委員會及薪酬委員會主要由獨立非執行董事所組成。

薪酬委員會

年內及截至本報告日期的薪酬委員會成員如下：

張維炯 (*主席*)
林志軍
張一鳴
馮曉邨

除本公司非執行董事馮曉邨外，薪酬委員會的其他成員全部均為本公司的獨立非執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告

Roles and duties

The Remuneration Committee shall meet at least once a year. The Remuneration Committee makes recommendations to the Board on the Company's policy and structure of all Directors' and senior management's remuneration and reviews the special remuneration packages of all executive Directors. The Human Resources Department of the Group is responsible for collection and administration of the human resources data and makes recommendations to the Remuneration Committee for consideration. The Remuneration Committee consults with the Chairman and Chief Executive Officer of the Company about these recommendations on remuneration policy, structure and remuneration packages.

Summary of work done

During the year, the Remuneration Committee:

- reviewed and determined the amount of bonuses awarded to the Executive Directors based on personal and company performances for the year 2017; and
- approved and reviewed senior management's remuneration, including annual incentive payment for 2017 and 2018 and annual pay review for 2018 and 2019.

Nomination Committee

The members of the Nomination Committee during the year and up to the date of this report were shown below:

Zhang Weijiong (*Chairman*)
Lin Zhijun
Cheung Yat Ming
Fung Hiu Chuen, John

With the exception of Fung Hiu Chuen, John who is a Non-executive Director of the Company, all the other members of the Nomination Committee are Independent Non-executive Directors of the Company.

角色與職責

薪酬委員會每年須召開會議至少一次。薪酬委員會就本公司董事及高級管理人員所有薪酬的政策及架構向董事會提出建議，並審查所有執行董事的特定薪酬方案。人力資源部門負責收集及管理人力資源數據及向薪酬委員會提供建議以供審議。薪酬委員會會就薪酬政策、架構及薪酬福利與本公司主席及行政總裁商議。

工作概要

年內，薪酬委員會：

- 根據2017年年度的個人及公司表現審閱及釐定執行董事的花紅金額；及
- 審查高層管理人員的薪酬待遇，包括2017和2018年度獎金，以及2018和2019年度薪酬檢討。

提名委員會

年內及截至本報告日期的提名委員會成員如下：

張維炯(*主席*)
林志軍
張一鳴
馮曉邨

除本公司非執行董事馮曉邨外，提名委員會的其他成員全部均為本公司的獨立非執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告

Roles and duties

The Nomination Committee shall meet at least once a year. The Nomination Committee is responsible for the review of Board structure and composition, identification and recommendation to the Board of possible appointees as Directors, making recommendations to the Board on matters relating to appointment or reappointment of Directors, succession planning for Directors and assessing the independence of the Independent Non-executive Directors.

Board Nomination Policy

The Nomination Committee shall endeavor to find individuals of high integrity who have a solid record of accomplishment in their chosen fields and who possess the qualifications, qualities and skills to effectively represent the best interests of the Group and its Shareholders. Candidates will be selected for their ability to exercise good judgment, and to provide practical insights and diverse perspectives. Candidates also will be assessed in the context of the then-current composition of the Board, the operating requirements of the Group. In conducting this assessment, the Nomination Committee will, in connection with its assessment and recommendation of candidates for director, consider diversity (including, but not limited to, gender, race, ethnicity, age, experience and skills) and such other factors as it deems appropriate given the current and anticipated future needs of the Board and the Company, and to maintain a balance of perspectives, qualifications, qualities and skills on the Board.

Balance, diversity and skills

The composition, structure and size of the Board are reviewed at least annually by the Nomination Committee to ensure that it has a balance of appropriate skills, experience and diversity of perspectives to meet the needs of the business of the Group.

Members of the Board have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions. Details of the Directors and relevant relationships amongst each other are set out in “Biographical Details of Directors” section in this report.

角色與職責

提名委員會每年須召開會議至少一次。提名委員會負責檢討董事會的結構和成員組合，並為董事會物色及推薦董事人選，也就委任或重新委任董事、董事繼任人安排和評估獨立非執行董事的獨立性等事宜，向董事會作出建議。

董事會提名政策

提名委員會致力於物色誠實守信並在彼等從事之領域擁有紮實成就及相關資格、資質及技能的人士加入本公司的董事會，以有效代表本集團及其股東的最佳權益。提名委員會甄選候選人時，將考慮及評估候選人的判斷力、提供實際及多元角度意見的能力、當時的董事會成員的架構和本集團的業務需求。於進行有關評估時，提名委員會不僅考慮有關董事候選人的評估及推薦建議，亦考慮董事會成員的多樣性（包括但不限於性別、人種、民族、年齡、經驗及技能）及其認為符合董事會及本公司當時及預期未來需求的有關其他因素，以保持董事會觀點、資格、資質及技能的平衡。

均衡、多元化及技能

董事會的組成、架構及規模由提名委員會每年檢討最少一次，以確保董事會具備均衡且切合本集團業務所需的適當技能、經驗及多元化觀點。

董事會成員廣泛而寶貴之業務經驗知識及專業精神有助董事會有效及高效的履行其職責。董事的簡要履歷資料連同彼此之間的關係載於本報告「董事簡歷」章節。

CORPORATE GOVERNANCE REPORT

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As at 31 December 2018, there were 5 Non-executive Directors drawn from diverse and complementary background:

於2018年12月31日，本公司有五位非執行董事，各具不同背景，可達致優勢互補：

Experience/Expertise 經驗／專長	Name of Directors 董事姓名
<p>1 General Management 綜合管理</p> <p>Broad business experience through a senior level position in another company. 於另一公司擔任要職而取得廣泛的商業經驗。</p>	<p>Tao Qingrong 陶慶榮 Fung Hiu Chuen, John 馮曉邨 Cheung Yat Ming 張一鳴</p>
<p>2 Financial Services and Investment 金融服務及投資</p> <p>Experience in the financial services industry or experience in overseeing financial transactions and investment management. 擁有金融服務業或監督財務交易及投資管理的經驗。</p>	<p>Cheung Yat Ming 張一鳴</p>
<p>3 Marco-environment affecting the Group 影響集團的宏觀環境</p> <p>Expertise in the economic, political or social environment affecting the Group and its operation, with a focus in China. 對影響集團及其業務的經濟、政治或社會環境，尤其是對中國有精深的認識。</p>	<p>Zhang Weijiong 張維炯</p>
<p>4 “Audit Committee” Accounting Expertise 「審核委員會」會計專長</p> <p>Expertise based on the definition of “Audit Committee accounting expertise” under the Listing Rules. 擁有上市規則「審核委員會會計專長」所界定之專長。</p>	<p>Lin Zhijun 林志軍 Cheung Yat Ming 張一鳴</p>
<p>5 Risk Management 風險管理</p> <p>An understanding of the Board’s role in overseeing of risk management principles and practices, including an understanding of current risk management principles and practices, which may have been gained through current or previous experience on another public company board committee. 瞭解董事會對監察風險管理原則及實務的角色，包括瞭解現行的風險管理原則及實務，這方面的認識可能來自目前或之前擔任另一上市公司董事會的職位。</p>	<p>Lin Zhijun 林志軍 Zhang Weijiong 張維炯 Cheung Yat Ming 張一鳴</p>

CORPORATE GOVERNANCE REPORT

企業管治報告

Board diversity policy

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. All Board appointments will be based on merit, and candidates will be considered against objective criteria (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service), having due regard for the benefits of diversity. The ultimate decision will be based on merit and the contribution that the selected candidates will bring to the Board.

The Nomination Committee considered that the existing members of the Board have a diverse range of business, financial and professional expertise in light of the business of the Company. While the Nomination Committee did not think setting specific requirements for such criteria as gender and age for the Board composition are appropriate, it believed that these are important elements which will bring a diversity of perspectives into the Board and, along with a diverse mix of skills, experience and knowledge that the Board should have in view of the prevailing business strategy of the Company, should be taken into consideration for all Board appointments in the future.

Measurable objectives & Progress

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and education background, professional experience, skill, knowledge and length of services. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee reviewed the Board's composition under diversified perspectives, and monitored the implementation of the Board Diversity Policy annually. In accordance with its annual practice, the Nomination Committee was satisfied that the diversity of the Board was optimal.

董事會成員多元化政策

本公司明白並深信多元化的董事會對提高其表現素質裨益良多。所有董事會成員的委任均以用人唯才為原則，在考慮人選時亦充分顧及董事會成員多元化的裨益，按董事會成員多元化的客觀準則（包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年期）作出甄選，最終將按候選人的長處及可為董事會提供的貢獻而作決定。

就本公司的業務而言，提名委員會認為董事會現時的成員擁有不同領域的商業、財務及專業專長。雖然提名委員會認為就董事會組成按性別及年齡等準則設定特定要求未必恰當，但其相信上述各項準則乃為董事會引進多元化觀點的重要元素，而視乎本公司當時業務策略的需要，除顧及董事會應具備多元化的技能、經驗及知識外，這些準則於日後委任董事會成員時亦應予以考慮。

可計量目標及進度

人選的評選將根據一系列有關多元化的觀點，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻作出決定。

提名委員會按多元化的角度檢討董事會的組成，並每年監察董事會成員多元化政策的執行。根據其每年度的慣例監察，提名委員會認為董事會成員的多元化已獲體現，而且情況理想。

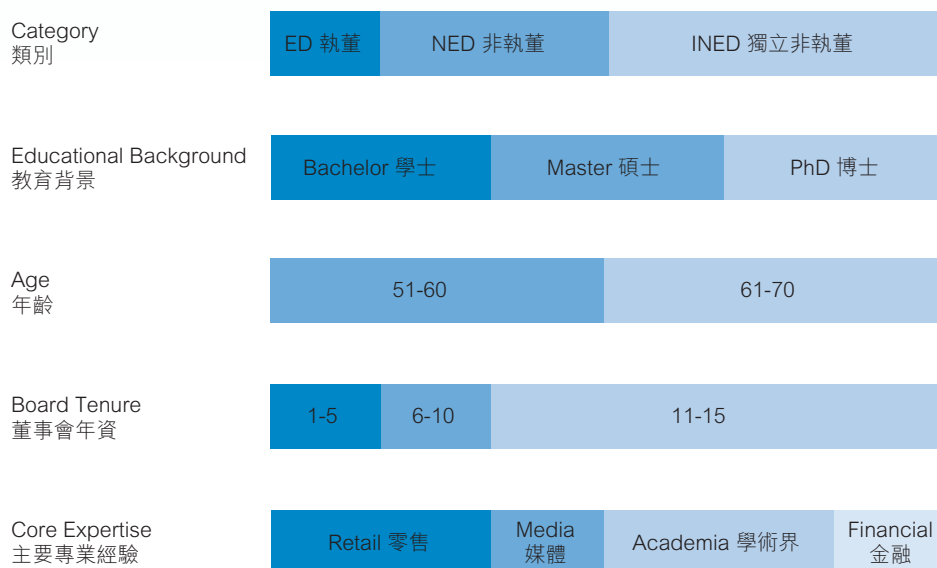
CORPORATE GOVERNANCE REPORT

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As at the date of this report, the Board's composition under major diversified perspectives was summarised as follows:

於本報告日期，董事會在主要多元化層面的組成概述如下：

Board Diversity 董事會成員多元化



Summary of work done

During the year, the Nomination Committee:

- reviewed the structure, size and composition of the Board, including the independence of the three Independent Non-executive Directors and its diversity;
- considered the nomination of two retiring Directors for the Board's recommendation to stand for re-election by shareholders at the 2018 AGM of the Company.

Pursuant to the Listing Rules, the Company has received a written confirmation from each Independent Non-executive Director of his independence to the Group. The Company considers all of the Independent Non-executive Directors to be independent with respect to the Group.

工作概要

年內，提名委員會：

- 檢討董事會的架構、規模及組成，包括三名獨立非執行董事的獨立性及其多元化；
- 考慮兩名退任董事的提名，以供董事會推薦股東在本公司2018年度股東週年大會上重選彼等為董事。

根據上市規則的要求，本公司已獲得每位獨立非執行董事的書面聲明，確認其相對於本集團的獨立性。本公司認為所有獨立非執行董事均獨立於本集團。

CORPORATE GOVERNANCE REPORT

企業管治報告

Audit Committee

The members of the Audit Committee during the year and up to the date of this report were shown below:

Lin Zhijun (*Chairman*)
Zhang Weijiong
Cheung Yat Ming

All the members are Independent Non-executive Directors of the Company.

Role and duties

The Audit Committee meets regularly, at least twice a year, and gives its full attention to the matters submitted. The principal responsibilities of the Audit Committee include the review of both the Group's consolidated financial statements and the effectiveness of its risk management and internal control systems. The Audit Committee also oversees the engagement of the external auditor of the Group and reviews its independence as well as the effectiveness of the audit process. The Board expects the Audit Committee members to exercise independent judgment in conducting the business of the Audit Committee. A high level review of the effectiveness of the risk management and internal control systems of the Group is performed at each year end.

Summary of work done

The work performed by the Audit Committee during 2018 included:

- reviewed the audited consolidated financial statements of the Group for the year 2017 and the related final results announcement, with a recommendation to the Board for approval;
- reviewed the disclosures in the Corporate Governance Report included in the 2017 Annual Report of the Company, with a recommendation to the Board for approval;

審核委員會

年內及截止本報告日期的審核委員會成員如下：

林志軍 (*主席*)
張維炯
張一鳴

成員全部均為本公司的獨立非執行董事。

角色與職責

審核委員會每年定期開會最少兩次，全面審議所有提交委員會的事宜。審核委員會的主要責任包括審閱本集團的綜合財務報表及檢討內部監控和風險管理系統的成效。審核委員會亦監管本集團外聘核數師的委聘，並審閱其獨立性及審核程序的有效性。董事會預期審核委員會成員於處理委員會事務時均能作出獨立判斷。審核委員會於每年的年終對本集團的內部監控和風險管理系統的成效進行高層次檢討。

工作概要

審核委員會於2018年的工作包括：

- 審閱本集團截至2017年年度的經審核綜合財務報表以及相關的全年業績公告，並建議董事會批准；
- 審閱載於本公司2017年年報內企業管治報告的披露事項，並建議董事會批准；

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- reviewed the unaudited consolidated financial statements of the Group for the six months ended 30 June 2018 and the related interim results announcement, with a recommendation to the Board for approval;
 - reviewed and approved of Ernst & Young's confirmation of independence, its reports for the Audit Committee and management representation letters for the year 2017, with a recommendation to the Board for the re-appointment of Ernst & Young at the 2018 AGM;
 - considered and endorsed the proposed connected transactions, with a recommendation to the Board for approval;
 - reviewed and considered the scope of work and fee proposals of the external auditor for the 2018; and
 - conducted a high level review of the effectiveness of the internal control and risk management systems of the Group (covering financial, operational and compliance controls and risk management functions) by considering the work of the management, including a review of the adequacy of resources, staff qualifications and experience, and training programmes and budget of the Company's accounting and financial reporting function.
- 審閱本集團截至2018年6月30日止六個月的未經審核綜合財務報表以及相關的中期業績公告，並建議董事會批准；
 - 就截至2017年年度，審閱及通過安永會計師事務所的獨立性確認文件，其致審核委員會的報告及管理層陳述函件，並向董事會建議於2018年股東大會上重新委任安永會計師事務所；
 - 審批本公司提出的關連交易，並建議董事會批准；
 - 審議外聘核數師就2018年審核而提出的工作範圍及費用建議；和
 - 透過考慮管理層的工作，對本集團內部監控和風險管理系統的成效(涵蓋財務、營運及合規監控以及風險管理的職能)進行高層次檢討，包括檢視本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及相關的培訓計劃及預算。

Subsequent to the year end, the Audit Committee has reviewed the Group's audited consolidated financial statements for the year 2018, including the accounting principles and practices adopted by the Group, in conjunction with the external auditor, with a recommendation to the Board for approval.

於年度完結後，審核委員會連同外聘核數師已審閱本集團截至2018年度的經審核綜合財務報表，包括本集團採用的會計原則及實務，並建議董事會批准。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Audit Committee is satisfied with the external auditor's work, its independence and objectivity, and therefore recommended to the Board that Ernst & Young be re-appointed as the Company's external auditor for 2019 subject to shareholders' approval at the forthcoming AGM of the Company.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties including:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct applicable to employees and Directors; and
- (e) to review the Company's compliance with Appendix 14 to the Listing Rules (Corporate Governance Code and Corporate Governance Report).

審核委員會對外聘核數師的工作、其獨立性及客觀性均感滿意。因此，委員會已向董事會建議續聘安永會計師事務所為本公司2019年度的外聘核數師，並於本公司即將舉行的股東週年大會上建議股東批准續聘安永會計師事務所。

企業管治職能

董事會負責履行企業管治的職責，包括：

- (a) 制定及審核本公司的企業管治政策及常規並向董事會提出建議；
- (b) 審核及監督董事及高級管理層的培訓及持續專業發展；
- (c) 審核及監察本公司在遵守法律及監管規定方面的政策及常規；
- (d) 制定、審核及監察適用於僱員及董事的操守準則；及
- (e) 審核本公司遵守上市規則附錄十四（企業管治守則及企業管治報告）的情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROLS

Responsibility

The Board has the overall responsibility to ensure that sound and effective risk management and internal control systems are maintained, while management is responsible for designing and implementing risk management and internal control systems to manage risks. Sound and effective systems of risk management and internal control are designed to identify and manage the risk of failure to achieve business objectives. The Audit Committee assisted the Board in fulfilling its oversight and corporate governance roles in the Group's financial, operational, compliance, risk management and internal controls, and the resourcing of the finance and internal audit functions.

Our Risk Management and Internal Control Framework

The Board is responsible for the Group's risk management and internal control systems and for reviewing their effectiveness.

The Company has established an organizational structure with defined levels of responsibility and reporting procedures. The Internal Audit Department and Internal Control Management Team assisted the Board and the Audit Committee in the review of the effectiveness of the Group's risk management and internal control systems on an ongoing basis.

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

風險管理及內部監控

責任

董事會全盤負責維持完善及有效的風險管理與內部監控制度，而管理層則負責設計及執行風險管理與內部監控制度以管理風險。完善及有效的風險管理與內部監控制度旨在識別及管理未能實現業務目標的風險。審核委員會協助董事會履行其於本集團財務、營運、合規、風險管理及內部監控，以及財務及內部審計職能方面資源的監管及企業管治角色。

風險管理與內部監控架構

董事會負責集團的風險管理與內部監控制度及檢討其成效。

本公司已建立一個有清晰的職責級別及匯報程序的組織架構。內部審計部和內控管理小組協助董事會及審核委員會持續檢討本集團風險管理及內部監控系統的成效。

本集團之內部監控和風險管理系統包括界定授權限制之清晰管理架構，旨在幫助公司達致各項業務目標、保障資產免於未經授權之挪用或處置、確保維持妥善之會計記錄以提供可靠之財務資料供內部使用或作公佈之用，以及確保遵守各項相關法律及法規。此系統旨在提供合理（但非百分百）之保證，避免營運系統出現重大錯誤或損失，並管理（而非消除）失誤之風險，及達成本集團目標。

CORPORATE GOVERNANCE REPORT

企業管治報告

Risk Governance Structure

- Facilitates risk identification and escalation whilst providing assurance to the Board.
- Assigns clear roles and responsibilities and facilitates implementation with guidelines and tools.
- Consists of multiple layers of roles and responsibilities as explained below:

風險管治架構

- 促進風險識別及上報，同時向董事會提供核證。
- 分派清晰的角色和責任，並在執行方面提供指引和工具。
- 包含下列多個不同層面的角色和責任：



Board oversight 董事會監督

Audit Committee, acting on behalf of the Board 代表董事會行事的審核委員會

- Evaluates and determines the nature and extent of the risks associated with pursuing the delivery of the Group's strategic objectives.
- 進行評估及確定為實踐策略目標而承擔的風險。
- Ensures that an appropriate and effective risk management framework is established and maintained by the Group.
- 確保集團已設立及維持一個合適和有效的風險管理架構。
- Oversees management in the design, implementation and monitoring of the risk management framework.
- 監督管理層在風險管理架構的設計、執行及監察方面的工作。

CORPORATE GOVERNANCE REPORT

企業管治報告

Risk Reporting and Communication

風險匯報與溝通

CEO & Internal Control Management Team

行政總裁和內控管理小組

- Lead the day-to-day operation of the company's risk management system according to the Group's risk management and internal control systems.
- 按照公司的風險管理體系和內部控制系統，負責領導公司風險管理體系的日常運行。
- Ensure that a review of the effectiveness of the risk management framework has been conducted at least annually and provide such conformation to the Board through the Audit Committee.
- 確保至少每年檢討一次風險管理及內部控制系統的設計與執行的有效性。並透過審核委員會向董事會作出有關確認。
- CEO is primary responsible for risk management and internal control.
- 公司行政總裁是前述風險管理及內部控制事項的第一責任人。

Independent assurance

獨立評估

Internal Audit Department

內部審計部

- Capitalises on the audit processes and plans of Internal Audit Department to review the effectiveness of risk management framework.
- 運用內部審計部的審核計劃及程序，檢討風險管理架構的成效。

Risk and control ownership

風險及監督權責

Each business unit and their management

公司各事業部、各附屬公司管理層

- The operating units of the Group who shall assume the risk should identify, evaluate, mitigate and monitor their own risks and report such risk management activities in a timely manner and ensure that a review of the effectiveness of the risk management framework for their areas of responsibility has been conducted at least annually and provide such information to CEO.
- 本集團各個營運單位（作為承擔風險單位）識別、評核、減低及監察其各自的風險，以及時向集團彙報風險管理情況；每年至少檢討一次所在單位的風險管理架構的成效同時向行政總裁進行彙報。
- Head of business unit or subsidiaries is the primary responsible person for the risk management and internal control of the unit.
- 各事業部及各附屬公司負責人是所在單位風險管理及內部控制的第一責任人。

CORPORATE GOVERNANCE REPORT

企業管治報告

Risk and control oversight functions 風險及監控職能

Department with functions on Risk Control Oversight Role (Finance, Legal, Human Resource and Administration, Asset Management, Information Technology)

負有風險管理職能的職能部門(財務部、法務部、人事行政部、資產管理部、資訊部)

- Establish and monitor relevant group-wide policies and procedures.
- 制定本集團與其職能相關的內部控制流程並檢查、監督執行情況。
- Oversee business units and the control activities relevant to respective functions.
- 對事業部承擔風險管理職能。

Risk Management Process

- Integrated into business and decision-making processes including strategy formulation, business development, business planning, capital allocation, investment decisions, internal control and day-to-day operation management.
- Including establishing the context, identifying risks, assessing their consequences and likelihood, evaluating risk level, controlling gaps and priorities, and developing control and mitigation plans. This is a continuous process with periodic monitoring and review in place. It is also an interactive process with stakeholder communication and consultation.

風險管理程序

- 納入各項業務及決策流程中，包括策略制定、業務規劃、資金分配、投資決定、內部監控及日常營運。
- 包括確立範圍、識別風險、透過分析相關後果及其出現的可能性作出風險水平評估、考量現有監控措施的不足，並進行優次排序，以及制訂監控和紓緩計劃。這個持續的過程包括定期監察及檢討，同時也是與業務有關人士溝通和諮詢的互動過程。

The Group has embedded its risk management systems into the core operating practices of the business. The respective business units of the Company review and assess the status of potential risks which may impact on their ability to achieve their business objectives and those of the Company on an ongoing basis. This review process includes assessment as to whether the existing system of internal controls continues to remain relevant, adequately addresses potential risks, and should be supplemented. We aim to build risk awareness and control responsibility into our culture and regard them as the foundation of our risk management and internal control systems.

本集團已把其風險管理系統融入業務的核心營運常規。本公司的相關營運單位持續檢討及評估可能影響其實現本身及本公司經營目標的能力的潛在風險狀況。該檢討程序包括評估現行內部監控系統是否仍然適當、潛在風險是否得到充分處理及是否需要增補。我們希望在企業文化中建立風險意識及內部監控責任感，並以此作為公司風險管理與內部監控制度的基礎。

CORPORATE GOVERNANCE REPORT

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The Group has established and overseen a whistle blower policy whereby employees, customers and suppliers can report any suspected occurrence of improper conduct involving the Group.

Internal Audit Department adopted a risk-and-control-based audit approach. The annual work plan of Internal Audit Department covered major activities and processes of the Group's operations, business and supporting office. Special reviews are also performed at management's request. The results of these audit activities are communicated to the Audit Committee and key members of executive and senior management of the Group.

Internal Audit Department provides independent assurance to the Board, the Audit Committee and the executive management of the Group on the adequacy and effectiveness of internal controls for the Group. The Head of Internal Audit reports directly to the Chairman of the Audit Committee and CEO of the Group.

During 2018, the Board through the Audit Committee, have conducted a review of the effectiveness of the internal control and risk management systems of the Group. In respect of the year 2018, the Board considered the Group's internal control and risk management systems are effective and adequate. No significant areas of concern which might affect shareholders were identified.

本集團已制定並監督一項舉報政策。據此，僱員、客戶和供應商能夠對本集團的任何疑似不當行為作出舉報。

內部審計部採納以風險及控制為本的審核方法。內部審計部的全年工作計劃涵蓋本集團營運、業務及支持部門各項主要工作及程序，並按照管理層的要求進行特別檢討，而審核工作的結果會交予審核委員會及本集團執行與高級管理層的主要成員。

內部審計部就本集團內部監控是否足夠及有效向董事會、審核委員會及本集團執行管理層提供獨立保證。內部審計主管直接向審核委員會主席、集團行政總裁匯報。

於2018年內，董事會透過審核委員會審閱本集團內部監控和風險管理系統之成效，截至2018年度，董事會認為本集團內部監控和風險管理系統是充分、有效的。並未出現可影響股東權益的重大事項。

CORPORATE GOVERNANCE REPORT

企業管治報告

EXTERNAL AUDITOR

Ernst & Young was re-appointed the independent auditor of the Company at the 2018 AGM. Ernst & Young has written to the Audit Committee confirming that they are independent and that there is no relationship between Ernst & Young and the Company which may reasonably be thought to bear on their independence. In order to maintain their independence, Ernst & Young will not be employed for any non-audit work by the Company unless the non-audit work meets the criteria suggested in the Listing Rules and has been pre-approved by the Audit Committee.

In addition, there must be clear efficiencies and value-added benefits to the Group from that work being undertaken by the external auditor, with no adverse effect on the independence of their audit work, or the perception of such independence.

During the year, the external auditor (which for these purposes includes any entity under common control, ownership or management with the external auditor or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally) provided the following audit and permissible audit related services to the Group:

		2018 二零一八年 RMB million 人民幣百萬元	2017 二零一七年 RMB million 人民幣百萬元
Audit	審計服務	2.8	2.9
Total	總額	2.8	2.9

The responsibilities of the external auditor with respect of the Financial Statements for the year 2018 are set out in the section of "Independent Auditor's Report" of this report.

外聘核數師

安永會計師事務所於2018年度股東週年大會上再次獲委任為本公司的獨立核數師。安永會計師事務所已向審核委員會發出函件，就其獨立性及本公司與其不存在任何可影響其獨立性的關係作出確認。為求保持外聘核數師的獨立性，除非是符合上市規則所界定的許可非審計工作、並經由審核委員會預先批准，否則本公司將不會聘用安永會計師事務所從事非審計工作。

此外，僱用外聘核數師從事的工作必須為本集團帶來明確的效益和增值作用，而且不會對其審計工作的獨立性或獨立形象構成負面影響。

年內，集團的外聘核數師（在這裡的定義包括任何與外聘核數師受同一機構控制、擁有或管理的實體，或任何掌握所有相關資料的第三者均會合理推斷到其實際為有關核數師事務所的全國或國際業務分部）為集團提供了以下審計和許可的審計相關服務：

外聘核數師就截至2018年度的財務報表所負之責任列載於本報告之「獨立核數師報告」章節。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMMUNICATION WITH SHAREHOLDERS

The Company has adopted a Shareholders Communication Policy of the Company which aims to set out the provisions with the objective of ensuring that the shareholders of the Company and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable shareholders of the Company to exercise their rights in an informed manner, and to allow shareholders of the Company and potential investors to engage actively with the Company.

Disclosure of information on Company's website

The Company endeavoured to disclose all material information about the Group to all interested parties as widely and as timely as possible. The Company maintained a corporate website at www.springlandgroup.com.cn where important and updated information about the Group's activities and corporate matters such as annual and interim reports, announcements, business development and operations, corporate governance practices and other information are available for review by shareholders and other stakeholders. When announcements are made through the Stock Exchange, the same information is made available on the Company's website.

AGM

The AGM provided an important opportunity for constructive communication between the Board and the Shareholders. The Board maintained an on-going dialogue with the shareholders and answered all questions raised by the shareholders throughout the last AGM held on 25 May 2018.

Investor relations

During the year, the Company strived to improve transparency and communications with shareholders and investors. Meetings and conference calls with investors and analysts were held, in order for the Company to understand their views and to keep them abreast on the latest developments.

與股東溝通

本公司已採納《股東通訊政策》，其所載之條文旨在確保本公司股東及潛在的投資者，均可隨時，平等及適時取得本公司之全面及容易理解的資料，一方面使股東可在知情的情況下行使權力，另一方面可讓本公司股東及潛在的投資者能積極地與本公司聯繫。

本公司網站之訊息披露

本公司致力向所有對本集團資料有興趣之人士廣泛地及適時地披露本集團所有的重要訊息。有關本集團業務及公司事務（如年報及中期報告、公告、業務發展及營運、企業管治常規及其他資料）之重要及最新資料刊載於本公司網站www.springlandgroup.com.cn上，供股東及其他利益相關人士查閱。透過聯交所發佈之公告會同步在本公司網站上刊登。

股東週年大會

股東週年大會為董事會與股東進行建設性溝通提供良機。董事會與股東於2018年5月25日舉行之最近一屆股東週年大會上持續對話，並回答股東之所有提問。

投資者關係

於本年度內，本公司致力提高透明度和加強與股東及投資者的溝通。除與投資者和分析員會面及舉行電話會議，聆聽其意見和讓他們掌握本公司的最新發展。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS

Procedures for convening a special general meeting by shareholders and putting forward proposals at shareholders' meetings

Any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the "Eligible Shareholder(s)") shall at all times have the right, by written requisition to the Board or the company secretary (the "Company Secretary") of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at an extraordinary general meeting.

The Board shall convene such meeting within 21 days from the date the requisition deposited and the extraordinary general meeting shall be held within two months after the deposit of the requisition. The written requisition may be sent to the Board or the Company Secretary to the Company's head office or principal place of business in Hong Kong.

If a shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting, the shareholder should deposit a written notice of nomination which shall be given to the Company within the seven days period commencing the day after the dispatch of the notice of the meeting (or such other period as may be determined and announced by the Directors from time to time) and in no event ending no later than seven days prior to the date appointed for such meeting. The procedures for proposing a person for election as a Director, please refer to the procedures made available under the Investor Relations (Corporate Governance subsection) of the Company's website.

股東權益

股東召開股東特別大會之程序及與股東大會上提出建議

於遞交要求日期持有不少於本公司繳足股本（賦有於本公司股東大會上之投票權）十分之一之股東或一組股東（「合資格股東」）於任何時候有權透過向本公司董事會或秘書遞交書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項，包括於股東特別大會上提出建議或動議決議案。

董事會需於收到書面要求的21日內召開股東特別大會，並於收到書面要求的兩個月內舉行股東特別大會。書面要求可寄往本公司總辦事處或於香港之主要營業地址予董事會或公司秘書。

倘股東有意於股東大會上提名一位人士（退任董事除外）參選董事，則該股東須於寄發會議通知翌日起計七天內（或董事不時厘定及公佈的其他期間）並在任何情況下不遲於有關會議指定日期前七日，向本公司發出一份書面的提名通知。有關推選某人參選董事之程序，請瀏覽本公司網站投資者關係一欄（企業管治章節）登載之程序。

CORPORATE GOVERNANCE REPORT

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Making enquiry to the Board

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited.

Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available.

Shareholders may make enquiries to the Board in writing to the Company Secretary at the office of the Company at Suite 1508, 15/F, Cityplaza Four, 12 Taikoo Wan Road, Taikoo Shing, Hong Kong.

Shareholders may also make enquiries with the Board at the general meeting.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy") pursuant to which in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account the following factors:

- (a) the Group's future operations and earnings;
- (b) the Group's capital requirements and surplus;
- (c) the general financial conditions of the Group;
- (d) contractual restrictions on payment of dividends; and
- (e) any other factors that the Board considers relevant.

The declaration and payment of dividends by the Company shall be determined at the sole discretion of the Board and shall be subject to any restrictions under the Companies Law of the Cayman Islands and the Articles of Association of the Company. The Dividend Policy will continue to be reviewed from time to time and there can be no assurance that dividends will be proposed or declared in any particular amount for any given period.

向董事會提出查詢

股東如對其名下持有的股票有任何問題，應向本公司的香港證券登記處香港中央證券登記有限公司提出。

股東及投資人士可隨時要求索取本公司的公開資料。

股東如欲向董事會提出查詢，可以書面形式發送至本公司辦事處（地址為香港太古城太古灣道12號太古城中心四座15樓1508室）公司秘書收。

股東亦可在股東大會上向董事會作出查詢。

股息政策

本公司已採納其股息政策（「股息政策」），根據股息政策，本公司董事會於建議宣派股息及釐定股息金額時須考慮以下因素：

- (a) 本集團的未來營運及盈利；
- (b) 本集團的資金需求及盈餘；
- (c) 本集團的整體財務狀況；
- (d) 於派付股息上的合約限制；及
- (e) 董事會認為相關的任何其他因素。

本公司的股息宣派及派付須由董事會全權酌情決定，亦須遵守開曼群島公司法及本公司的組織章程細則。股息政策將繼續不時予以檢討，且概不保證將在任何特定期間建議或宣派任何特定金額的股息。

CORPORATE GOVERNANCE REPORT

企業管治報告

CONSTITUTIONAL DOCUMENTS

The Memorandum and Articles of Association of the Company is published on the websites of the Stock Exchange and the Company. There was no change to the Memorandum and Articles of Association of the Company during the year 2018.

COMPANY SECRETARY

The Company Secretary is an employee of the Company and is appointed by the Board. The Company Secretary is responsible for facilitating the procedure/activities of the Board and the Board Committees and good communication flow among the Board members, shareholders and senior management. The appointment and removal of the Company Secretary is subject to Board approval. The Company Secretary reports to the Chairman and Chief Executive Officer and is accountable to the Board for matters relating to the duties of the Directors, such as giving advice on corporate governance developments. All members of the Board have access to the advice and service of the Company Secretary.

The Company Secretary also plays an essential role in the relationship between the Company and its shareholders, including assisting the Board in discharging its obligations to shareholders pursuant to the Listing Rules. During the year, the Company Secretary confirmed that he has complied with all the required qualifications, experience and training requirements of the Listing Rules.

組織章程文件

本公司組織章程大綱及細則已刊登在聯交所及本公司之網站。於2018年度，本公司組織章程大綱及細則均沒有更改。

公司秘書

公司秘書為本公司之僱員，並由董事會委任。公司秘書負責協助董事會及董事委員會之程序／活動，以及維繫董事會成員、股東及高級管理人員之間之良好溝通。公司秘書之委任及罷免須經董事會批准。公司秘書向主席及行政總裁匯報，並就有關董事職責之事宜向董事會負責，例如就企業管治發展給予意見。董事會全體成員均可獲公司秘書提供意見及服務。

公司秘書在維繫公司與股東的關係方面亦肩負重任，包括協助董事會按照上市規則履行對股東的責任。公司秘書確認其於年內符合上市規則所有要求的資格、經驗與培訓規定。

DIRECTORS' REPORT

董事會報告

The Directors hereby present their report and the audited consolidated financial statements of the Group for the year 2018.

PRINCIPAL ACTIVITIES

The Company is an investment holding company incorporated in the Cayman Islands with limited liability on 21 June 2006. The Group is principally engaged in the operation of department stores and supermarkets in the PRC. There were no significant changes in the nature of the Group's principal activities during the year. The activities of its principal subsidiaries were set out in note 1 to the financial statements.

RESULTS AND APPROPRIATIONS

The profit of the Group for the year 2018 and the state of affairs of the Company and the Group at year-end 2018 were set out on pages 89 to 213 of this report.

During the year 2018, an interim dividend of HK3 cents per ordinary share was paid. The Board recommended the payment of a final dividend for the year 2018 of HK\$7 cents in cash per ordinary share to the shareholders appeared on the register of members of the Company as at 4 June 2019. This recommendation has been incorporated in the financial statements as a separate allocation within the equity section of the statement of financial position.

BUSINESS REVIEW

A review of the business of the Group during the year, the analysis using financial key performance indicator on the Group, a discussion on the Group's future business development and description of possible risks and uncertainties that the Group may be facing are set out in the Chairman's Statement, Management Discussion and Analysis, Corporate Governance Report, Report of Directors and its 'Our Risk Profile' sections of this report.

The financial risk management objectives and policies of the Group can be found in note 43 to the consolidated financial statements.

In addition, discussions on the Group's environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group will be provided in the 2018 Environmental, Social and Governance Report to be available on the websites of the Stock Exchange and the Company.

董事會謹此提呈截至2018年度之董事會報告及本集團的經審計綜合財務報表。

主要業務

本公司為一家投資控股公司，於2006年6月21日在開曼群島註冊成立為有限責任公司。本集團主要業務為經營位於中國的百貨店及超市。本集團主要業務的性質在年內並無重大改變。其主要附屬公司的業務載於財務報表附註1。

業績及分配

本集團截至2018年度之溢利和本公司與本集團於該日之財務狀況載於本報告第89至213頁。

於2018年內，本公司已派發中期股息每股普通股港元3仙。董事會建議就截至2018年度以現金派付末期股息每股普通股港元7仙予2019年6月4日公司股東名冊內之股東。該建議已經在財務狀況表權益章節單獨分配納入財務報表中。

業務回顧

本集團年內的業務回顧、使用財務關鍵指標的分析、對於本集團未來業務發展之討論及本集團可能面臨的潛在風險及不明朗因素之描述，載於本報告內的「主席報告書」、「管理層討論與分析」、「企業管治報告」、「董事會報告」及其「集團風險狀況」部份內。

本集團的財務風險管理目標和政策則可於綜合財務報表附註43中找到。

此外，有關對本集團構成重大影響之環境政策、與其主要持份人之關係及遵守相關法律及法規情況的討論將於聯交所及本公司網站上載之二零一八年環境、社會及管治報告中列載。

DIRECTORS' REPORT

董事會報告

OUR RISK PROFILE

Our approach for managing risk is underpinned by our understanding of our current risk exposures, and how our risks are changing over time. The following illustrates the nature of our major risks.

The Group's businesses, financial condition, results of operations or growth prospects may be affected by risks and uncertainties pertaining to the Group's businesses. The factors set out below were those that the Group believes could affect the Group's businesses, financial condition, results of operations or growth prospects. These factors were by no means exhaustive or comprehensive, and there may be other factors in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Risk associated with the Group business

Our new shopping malls or department stores may not achieve our expected level of profitability within our desired time frame

We plan to further enhance our position in the region by opening new shopping malls and department stores. Opening self-owned new shopping malls requires significant capital outlay up front, including the cost of land and building and decorating the premises. However, the new shopping mall that we open may not achieve our expected level of profitability for a prolonged period of time. Whether or not the operation of new shopping mall or department store will be successfully depends on a number of factors, including: our ability to successfully integrate the new store with our existing operations and achieve related synergies; our ability to introduce an optimal mix of merchandise which successfully meets local consumer preferences; our ability to negotiate and obtain favorable terms from our concessionaires and suppliers; the competition that we face from incumbent and new players in the region and any government development plans or construction, which could have an impact on the external traffic flow to our store and the timely implementation of such changes.

集團風險狀況

作為風險管理方針的基礎，我們必須了解集團目前承受的風險狀況，以及這些風險如何隨時間而出現變化。以下闡述集團數項主要風險的性質。

本集團的業務、財務狀況、營運業績或發展前景均可能會受到與本集團業務有關的風險及不明朗因素所影響。本集團認為，下列因素可能會影響本集團的業務、財務狀況、營運業績或發展前景。此處並不能全面或未能詳錄所有因素，除下列因素外，亦可能存在其他本集團未知的風險，或目前未必屬於重大但日後可能變成重大的風險。

與本集團業務有關的風險

本集團的新購物中心和百貨店或未能在本集團計劃的時間內達致預期的盈利水平

本集團計劃通過開設新購物中心和百貨店鞏固在本區域的領先地位。開設自有購物中心須要先投入大量資金，包括物業的地價、物業建造及裝修成本。然而，本集團開設的新購物中心可能在一段較長時間內不能達致本集團預期的盈利水平。本集團新開業購物中心和百貨店的運營能否成功取決於多項因素，其中包括：本集團能否成功將新店與現有業務整合，並發揮相關協同效益；本集團能否引入完全符合當地消費者喜好的最佳商品組合；本集團與特許經營商和供應商議價及取得優惠條款的能力；本集團在區內面臨現有及新加入經營者的競爭；及本集團規劃區域附近的任何政府發展規劃（如建設）或對本集團店鋪的外部客流以及對相關變動的及時處理造成影響。

DIRECTORS' REPORT

董事會報告

We may fail to anticipate and prove the appropriate mix of merchandise to satisfy customer tastes and demands

We maintain a comprehensive selection of merchandise for customers. The success of our business depends on our ability to maintain a comprehensive product selection and, at the same time, anticipate and respond in a timely manner to changing customer demands and preferences. Consumer demands in the PRC are changing at a rapid pace. Customer demands are changing at a rapid pace and become complicated. The consumption needs having emphasis on individuality and experience. As the consumption market becomes more complicated, retailers, facing bigger challenges in fund attraction, operation and innovation, are also driven to invest more to satisfy customers' expectation for experience.

Technology is playing an increasingly important part in the survivability of the retail sector. New retail technologies introduced may substantially be categorized into two aspects. The first one involves technologies that improve service convenience and consumption experience, such as mobile payment, artificial intelligence, augmented reality/virtual reality experience, etc. The lack or delayed implementation of those technologies would impair consumer experience. The second category is applied to lift the operation and management efficiency at the corporate level, to facilitate upgrading of the supply chain, and to streamline management including mobile office, information-based application, big data, etc. Without such technologies, corporations would find it very difficult to adapt to and compete in the new landscape. The traditional retailers must thoroughly consider the premise of cost effectiveness when they adopt new technologies to meet market demands and to protect themselves from rapid market elimination.

Reliance on key management personnel

The success of the Group in expanding its growth in operations and maintaining growth in its profitability relies on the strategy and vision of its key management, efforts of key members of the management and their experience in the PRC retail market. The unanticipated resignation or departure of any of these key management members of the Group could have a material adverse impact on the operations of the Group.

本集團可能無法及時提供適當商品組合以滿足顧客品味及需求

本集團維持種類齊全的商品，以供顧客選擇。本集團的業務成功取決於本集團能否維持種類齊全的商品以供選擇，以及能否同時預料不斷變化的顧客需求及偏好並及時作出回應。消費需求瞬息萬變，消費者需求複雜化，強調個性、重視體驗。消費市場的複雜化一方面對零售商的招商、營運及創新方面形成挑戰，另一方面也促使零售商投入更多成本以滿足顧客體驗需求。

技術對零售業生存發展的重要性越來越突出。零售業的新技術大致可分為兩個層面：一是便捷服務、提升消費體驗層面的技術，如移動支付、人工智慧、AR/VR體驗等等，這些技術沒有或者滯後都會影響消費體驗；二是提高企業經營管理效率、助力供應鏈升級、精細化管理層面的技術，如移動辦公、資訊化、大數據等技術，沒有這些，企業就難以適應新形勢下的競爭。傳統零售業必須充分考慮成本效率的前提下選擇符合市場需求的新技術，以防被市場迅速淘汰。

對主要管理人員的依賴

本集團在擴大業務增長及維持盈利增長方面的成功，有賴主要管理人員的策略及高瞻遠矚，以及管理層隊伍的骨幹成員的努力及其在中國零售市場的豐富經驗。任何該等管理人員的辭職或離任無法預料，也均可能對本集團的營運造成重大不利影響。

DIRECTORS' REPORT

董事會報告

Risks relating to the industry in the PRC

Consumer spending patterns in China can be influenced by the state of China's economy.

Consumer spending patterns and consumer confidence in China are influenced by the state of China's economy, which in turn affects our sales volume, turnover, profitability and our growth. Consumer confidence is affected by, China general business conditions and economy as well as current and expected future global or regional macroeconomic conditions. We believe that Chinese consumers tend to increase their expenditures when the Chinese economy is experiencing strong growth and when they have more disposable income available for personal consumption. Conversely, a recession in the Chinese economy, or uncertainties regarding future economic prospects may result in a reduction in consumer spending. In the past years, the year-on-year growth rate of GDP is below 7%, being the lowest since 1991, which showed the macro-economic growth slows down. That indicates the China economy has entered the new norm of maintaining steady growth against economic slowdown. Due to a relatively well-developed retail market in China, a single-digit growth rate will continue in the next few years.

Changes in foreign exchange regulations and fluctuation of RMB

All of the revenues and a substantial proportion of our expenditure are denominated in Renminbi, which is currently not a freely convertible currency. We will require foreign currencies for dividend payment (if any) to our Shareholders. We will therefore be exposed to foreign currency fluctuations. If there be significant changes in the exchange rates of US dollars or Hong Kong dollars against Renminbi, our Company's ability to make dividend payments in foreign currencies may be materially and adversely affected as well as materially and adversely affect the value of our Company's dividends, which would be funded by Renminbi but paid in Hong Kong dollars.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year were set out in note 38(a) to the financial statements.

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme as disclosed in this report, no equity-linked agreements were entered into by the Company during the year.

與中國有關的風險

中國消費者的消費模式受中國經濟狀況影響

中國消費者的消費模式和消費者信心受中國經濟狀況影響，進而影響本集團的銷量，營業額，盈利能力和增長。影響消費信心的因素包括中國整體的營商環境和經濟、現時及預期未來全球或地區宏觀經濟狀況。本集團相信當中國經濟增長強勁及中國消費者擁有更多可支配收入用作個人消費時，中國消費者會增加開支。過去幾年，國內生產總值同比增速低於7%，為1991年以來最低水平，表明宏觀經濟增長放緩。這意味著中國經濟邁進了增長放緩轉而尋求穩定增長的新常態，由於中國零售市場已經相對成熟，未來幾年增速也將會進入個位數階段。

外匯法規變動及人民幣匯率波動

本集團所有收入和大部分開支以人民幣計值，而人民幣目前不可自由兌換。本集團須以外幣向股東支付股息（如有）。倘若美元或港元兌換人民幣的匯率大幅波動，則本公司以外幣支付股息的能力或會受到重大不利影響，亦可能對本公司以人民幣提供資金但以港元派發的股息的價值造成重大不利影響。

股本

本公司於年內股本變動詳情載於財務報表附註38(a)。

股票掛鈎協議

除本報告所披露的購股權計劃外，本公司於年內概不存在任何股票掛鈎協議。

DIRECTORS' REPORT

董事會報告

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year were set out in the consolidated statement of changes in equity of this report and note 45 to the financial statements respectively.

DISTRIBUTABLE RESERVES

Under Cayman Islands Companies Law, the Company may pay dividends out of profit or its share premium account in accordance with the provisions of the Articles of Association of the Company and provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be able to pay its debts as and when they fall due in the ordinary course of business.

At year-end 2018, retained earnings of the Company amounted to RMB754 million, of which RMB121 million has been proposed as a final dividend for the year. Details of which are set out in note 45 in the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group were set out in note 17 to the financial statements.

BANK BORROWINGS AND FINANCING NOTES

Bank borrowings, medium-term notes and corporate bonds of the Group at year-end 2018 amounted to RMB3,095 million, details of which were set out in notes 29 to 31 to the financial statements.

COMMITMENTS

Details of the commitments of the Group were set out in note 37 to the financial statements.

DONATIONS

Donations made by the Group during the year amounted to RMB1.6 million.

儲備

本集團及本公司的儲備於年內的變動詳情分別載於本年報之綜合權益變動表及財務報表附註45。

可供分派儲備

根據開曼群島公司法，本公司可根據本公司組織章程條文以溢利或股份溢價派付股息，惟須於緊隨建議派付股息當日後，本公司將可於一般業務過程中支付到期債務。

於2018年年底，本公司保留盈餘為754百萬元，其中人民幣121百萬元已被建議作為本年年末股息。其詳情載於財務報表附註45。

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載於財務報表附註17。

銀行借款和融資券

本集團於2018年年底銀行借款、中期票據和應付債券達人民幣3,095百萬元，其詳情載於財務報表附註29至31。

承擔

本集團承擔詳情載於財務報表附註37。

捐款

本集團於年內捐贈達人民幣1.6百萬元。

DIRECTORS' REPORT

董事會報告

SUMMARY FINANCIAL INFORMATION

A summary of the published financial results and financial position of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 214. This summary does not form part of the audited financial statements.

DIRECTORS

The Directors of the Company during 2018 and up to the date of this report were:

Executive Directors

Chen Jianqiang (*Chairman and Chief Executive Officer*)
Yu Yaoming (*resigned on 21 March 2018*)

Non-executive Director

Tao Qingrong (*redesignated on 5 November 2018*)
Fung Hiu Chuen, John

Independent Non-executive Directors

Lin Zhijun
Zhang Weijiong
Cheung Yat Ming

Pursuant to Article 84 of the Articles of Association of the Company, two of the Directors, namely, Mr. Chen Jianqiang and Mr. Fung Hiu Chuen, John shall retire by rotation and being eligible, will offer themselves for re-election at the forthcoming AGM.

There are no other matters that need to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

BIOGRAPHICAL DETAILS OF DIRECTORS

Biographical details of the Directors of the Company were set out in the section headed "Biographical Details of Directors" in this report. The senior management of the Group is also executive Director of the Company.

財務信息摘要

本集團過往五年已發佈的財務業績及財務狀況載於本年報第214頁。該等摘要並不構成經審計財務報表的一部分。

董事

本公司於2018年及本報告日止之董事如下：

執行董事

陳建強 (*主席兼行政總裁*)
俞堯明 (*於2018年3月21日離任*)

非執行董事

陶慶榮 (*於2018年11月5日調任*)
馮曉邨

獨立非執行董事

林志軍
張維炯
張一鳴

按照本公司組織章程第84條，其中兩位董事陳建強先生和馮曉邨先生於即將舉行的股東週年大會上輪席退任，並均符合資格願意重選連任。

根據上市規則第13.51B(1)條，並無其他資料需要作出披露。

董事簡歷

本公司董事履歷詳情載於本報告「董事簡歷」章節。本集團之高層管理人員為本公司執行董事。

DIRECTORS' REPORT

董事會報告

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which shall not be terminated within one year without payment of compensation, other than statutory compensation.

Details of the Directors' and Chief Executive's remuneration are set out in note 11 of the financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year 2018, there were rights to acquire benefits by means of acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or its holding company or subsidiary or a subsidiary of the Company's holding company was a party to any arrangement to enable the Directors to acquire such rights through any other corporate entities.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed under "Connected transactions and continuing connected transactions" and "Related Party Transactions" as set out in Note 39 to the consolidated financial statements below, no transactions, arrangements and contracts of significance to the business of the Group to which the Company, its holding company or subsidiary or a subsidiary of the Company's holding company was a party and in which a Director or controlling shareholder or any of its subsidiaries or any company controlled by a director or controlling shareholder had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year 2018.

董事服務合約

各擬於即將舉行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不可於一年內不付賠償(法定賠償除外)而終止的服務合約。

董事及行政總裁的薪酬的詳情載於財務報表附註11。

董事收購股份或債券的權利

於2018年度內任何時間，並無授予董事或各自配偶或未成年子女透過認購本公司股份或債券而獲得利益的權利，彼等亦無行使該等權利，而本公司、其控股公司或其任何附屬公司亦無訂立任何安排致使董事在其他法團中獲得該等權利。

董事於交易、安排及重大合約中的權益

除下文「關連交易及持續關連交易」一節及綜合財務報表附註39「關聯方交易」一節所披露外，於2018年年底或年內任何時間概無存在由本公司、其控股公司、附屬公司或同系附屬公司訂立而本公司董事或控股股東或本公司的任何附屬公司或控股股東控制的其它公司於當中直接或間接擁有重大權益之交易、安排重大影響之業務合約。

DIRECTORS' REPORT

董事會報告

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

At year-end 2018, the interests of each Director and Chief Executive Officer of the Company in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

Long position in the Shares of the Company

Name of director	Nature of Interest	Number of ordinary Shares interested	Percentage of the Company's total issued shares 佔本公司已發行股份總數的百分比
董事姓名	權益性質	持有的普通股數目	百分比
Chen Jianqiang 陳建強	Interest in controlled corporation 於受控制法團的權益	1,442,500,000 (Note) (附註)	66.96%

Note: These shares were held by Octopus (China) Holdings Limited, in which is wholly owned by Octopus Holdings Foundation. Mr. Chen as the sole shareholder of Octopus Holdings Foundation is deemed to be interested in the Shares held by Octopus (China) Holdings Limited. Both Octopus Holdings Foundation and Octopus (China) Holdings Limited are holding companies of the Company, each of them is an associated corporation of the Company under the SFO.

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於2018年年底，本公司根據證券及期貨條例（「證券及期貨條例」）第352條而存置之登記冊所記錄或根據上市規則附錄十所載之上市公司董事近行證券交易的標準守則（「標準守則」）另行知會本公司及聯交所，本公司各董事及行政總裁於本公司及其相聯法團（按證券及期貨條例第XV部之涵義）之股份，相關股份及債券之權益載列如下：

本公司股份的好倉

附註：該等股份由Octopus (China) Holdings Limited持有，此公司由Octopus Holdings Foundation全資擁有。陳先生作為Octopus Holdings Foundation的唯一股東，故被視為對Octopus (China) Holdings Limited持有的股份擁有權益。Octopus Holdings Foundation和Octopus (China) Holdings Limited均為本公司控股公司，根據證券及期貨條例，他們每個均為本公司的關聯法團。

DIRECTORS' REPORT

董事會報告

Long position in the Shares and underlying shares of associated corporations of the Company

本公司關聯法團的股份及相關股份的好倉

Name of director	Name of associated corporation	Nature of interest	Number and class of shares of the associated corporation held	Percentage of interest in the associated corporation
董事姓名	關聯法團名稱	權益性質	持有關聯法團股份的數目和類別	佔關聯法團權益的百分比
Chen Jianqiang	Octopus Holdings Foundation	Beneficial interest	1 ordinary share	100% (Note) (附註)
陳建強	Octopus Holdings Foundation	實益擁有人	1股普通股	
Chen Jianqiang	Octopus (China) Holdings Limited	Interest in controlled corporation	100 ordinary shares corporation	100% (Note) (附註)
陳建強	Octopus (China) Holdings Limited	於受控制法團	100股普通股的權益	

Note: 1,442,500,000 Shares were held by Octopus (China) Holdings Limited, in which is wholly-owned by Octopus Holdings Foundation. Mr. Chen as the sole shareholder of Octopus Holdings Foundation is deemed to be interested in the Shares held by Octopus (China) Holdings Limited. As each of Octopus Holdings Foundation and Octopus (China) Holdings Limited all are holding companies of the Company, each of them is an associated corporation of the Company under the SFO.

附註：1,442,500,000股份由Octopus (China) Holdings Limited持有，Octopus (China) Holdings Limited由Octopus Holdings Foundation全資擁有。陳先生作為Octopus Holdings Foundation的唯一股東，故被視為對Octopus (China) Holdings Limited持有的股份擁有權益。由於各Octopus Holdings Foundation和Octopus (China) Holdings Limited均為本公司控股公司。根據SFO，他們每個均為本公司的關聯法團。

Save as disclosed above, as at 31 December 2018, none of the Directors and chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations which were required to be recorded in the register kept under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露外，於2018年12月31日本公司董事及最高行政人員概無於本公司或任何關聯法團股份、相關股份或債券中持有或被視為持有根據SFO第352章須由本公司存置的登記冊上所記錄，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

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARE

As at 31 December 2018, so far as is known to any Directors and chief executive of the Company, the following persons (other than Directors or chief executive of the Company) had, or were deemed to have, interests of 5% or more in the shares of the Company notified to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register kept by the Company under Section 336 of the SFO:

Long position in the shares of the Company

Name of shareholders 股東名稱	Capacity 身份	Number of ordinary shares 普通股數目	Approximate percentage of the Company's total issued shares 佔本公司已發行 股份總數的百分比
Octopus Holdings Foundation	Interest of controlled corporation 受控制法團權益	1,442,500,000 (Note) (附註)	66.96%
International Value Advisers, LLC	Investment manager 投資經理	163,007,000	7.95%

Note: Octopus (China) Holdings Limited is wholly-owned by Octopus Holdings Foundation. Mr. Chen as the sole shareholder of Octopus Holdings Foundation is deemed to be interested in Shares held by Octopus (China) Holdings Limited.

Save as disclosed above, as at 31 December 2018, the Company had not been notified by any persons, other than the Directors and chief executive of the Company, of other interest or short position in the Shares, underlying Shares or debentures of the Company that was required to be recorded pursuant to Section 336 of the SFO.

INTERESTS OF ANY OTHER PERSONS

As at 31 December 2018, the Company had not been notified of any persons other than the substantial shareholders who had interests or short positions in the Shares of the Company, which are required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO.

主要股東及其他人士於本公司股份之權益

就本公司董事及最高行政人員所知，於2018年12月31日，根據證券及期貨條例第XV部第2及3分部的規定須知會本公司，或根據證券及期貨條例第336章本公司存置之登記冊所記錄，下列人士（本公司董事或最高行政人員除外）持有或被視為持有本公司股份5%或以上權益：

本公司股份的好倉

附註：Octopus (China) Holdings Limited由Octopus Holdings Foundation全資擁有。陳先生為Octopus Holdings Foundation的唯一股東，故被視為於Octopus (China) Holdings Limited持有的股份擁有權益。

除上文披露者外，於2018年12月31日，根據SFO第336章本公司須記錄，公司董事及最高行政人員除外並無知會有其他人士持有本公司股份、相關股份或債券之權益或淡倉。

其他人士權益

於2018年12月31日，本公司並無獲悉除主要股東外尚有任何人士持有本公司股份的權益或淡倉，而須登記於根據證券及期貨條例第XV部第336條規定備存的登記冊。

DIRECTORS' REPORT

董事會報告

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

During the year 2018, pursuant to the general mandate given to the Directors of the Company, the Company repurchased a total of 167,398,000 ordinary shares of HK\$0.01 each of the Company on the Stock Exchange at an aggregate consideration of HK\$327 million. During the year, 160,950,000 shares were repurchased and 6,235,000 treasury shares were cancelled. The number of issued shares of the Company as of 31 December 2018 was 2,050,000,000 shares.

Subsequent to 31 December 2018 and up to the date of the report, the Company repurchased a total of 18,552,000 shares at an aggregate consideration of HK\$30.4 million. 25,000,000 shares were repurchased and all treasury shares were cancelled in February 2019. The number of issued shares of the company as at the date of this report was 2,025,000,000 shares.

Particulars of the shares repurchased during the year are as follows:

Month of repurchase 購回月份	No. of shares at HK\$0.01 each 每股面值 0.01港元的 股份數量 Thousands 千股	Price per share 每股股價		Aggregate consideration 總代價 HK\$'000 千港元	
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元		
January 2018	2018年1月	10,950	1.90	1.74	20,457
March 2018	2018年3月	9,557	1.87	1.70	17,113
April 2018	2018年4月	22,823	2.23	1.85	45,683
May 2018	2018年5月	29,580	2.05	1.88	59,902
June 2018	2018年6月	34,096	2.05	2.00	70,057
July 2018	2018年7月	18,458	2.05	2.03	37,886
August 2018	2018年8月	22,966	1.93	1.82	43,192
September 2018	2018年9月	12,520	1.85	1.78	22,664
December 2018	2018年12月	6,448	1.60	1.40	10,068
		167,398			327,022

購買、出售或贖回本公司上市證券

2018年內，根據授出予本公司董事之一般授權，本公司以總代價約327百萬港元於聯交所購回合共167,398,000股本公司每股面值0.01港元之普通股股份。年內，160,950,000股購回股份和6,235,000股庫存股被註銷。於2018年12月31日，本公司之已發行股份數目為2,050,000,000股。

於2018年12月31日後至本報告日期，本公司購回合共18,552,000股股份，總代價為30.4百萬港元，25,000,000股購回股份和庫存股份於2019年2月被註銷。本公司截至本年報日期之已經發行股份數目為2,025,000,000股。

年內已購回股份之詳情如下：

DIRECTORS' REPORT

董事會報告

The Directors consider that the repurchases were made for the benefit of the Company and its shareholders as a whole with a view to enhancing the earnings per share and net asset value per share of the Company. Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period.

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

COMPETING INTEREST

At year-end 2018, none of the Directors or directors of the Company's subsidiaries, or their respective associates had any interests in the businesses, other than being a director of the Company and/or its subsidiaries and their respective associates, that compete or are likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

SHARE OPTION

The Company adopted a share option scheme (the "Share Option Scheme") pursuant to the resolutions of the Company passed on 30 September 2010. The Share Option Scheme will remain in force until 29 September 2020, and the remaining life of this scheme is around 1 year and 6 months.

The purpose of the Share Option Scheme is to attract, retain and motivate talented participants, to strive for future developments and expansion of the Group. The Share Option Scheme shall be an incentive to encourage the participants to perform their best in achieving the goals of the Group and allow the participants to enjoy the results of the Company attained through their efforts and contributions. The Board may, at its absolute discretion, offer any employee, management member or Director of the Company, or any member of the Group, and third party service providers options to subscribe for shares on the terms set out in the Share Option Scheme. The amount payable on acceptance of an option is HK\$1.00.

董事認為該等購回可提高本公司的每股盈利及每股資產淨值，符合本公司及其股東的整體利益。除上文所披露者外，本公司或其任何附屬公司於期內概無購買、出售或贖回本公司任何上市證券。

除上文所披露者外，本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

競爭權益

於2018年年底，概無董事及本公司附屬公司董事或彼等各自的聯繫人於足以或可能直接或間接與本公司及其附屬公司業務構成競爭業務中擁有利益（不包括作為本公司及／或其附屬公司及彼等各自的聯繫人的董事），而須根據上市規則的要求作出披露。

購股權

本公司已根據本公司股東於2010年9月30日通過的決議案採納一項購股權計劃「購股權計劃」。購股權計劃將持續有效至2020年9月29日止，剩餘期限尚有約1年6個月。

購股權計劃旨在於讓本集團招攬、挽留及激勵具備才幹的參與者，促進本集團的未來發展及拓展。購股權計劃應作為一種激勵鼓勵參與者盡自身最大的努力來達成本集團的目標及讓參與者享受通過他們的努力及貢獻達成的本公司的成果。董事會可全權酌情根據購股權計劃所載的條款，向本公司或本集團的任何成員公司的任何僱員、管理人員或董事及第三方服務供應商授出可認購股份的購股權。接納每個購股權時須支付港幣一元。

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The maximum number of shares which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed the number of shares that shall represent 10% of issued share capital of the Company (i.e. 250,000,000 shares) as at the Listing Date. The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed such number of shares as shall represent 30% of the shares issued by the Company from time to time.

Unless approved by the Company's shareholders in general meeting, the Board shall not grant options to any person if the acceptance of those options would result in the total number of shares issued and to be issued to that person on exercise of his/her options including both exercised and outstanding options during any 12-month period exceeding 1% of the total shares then in issue.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be notified by the Board to the grantee save that such period shall not be more than 10 years from the business day on which the option is deemed to have been granted in accordance with the terms of the Share Option Scheme. There is no minimum period for which an option must be held before it can be exercised.

The price per share at which a grantee may subscribe for shares upon exercise of an option shall, be a price determined by the Board but in any event shall be at least the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheets on the offer date; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of the shares.

Since the date of adoption of the Share Option Scheme and up to the date of this Report, no options have been granted under the Share Option Scheme by the Company.

根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權而發行的最高股份數目，合計不得超過截至上市日期已發行股份總數的10%，即250,000,000股。因行使根據購股權計劃及本公司任何其他計劃已授出但尚未行使的所有購股權而可能發行的股份數目上限，不得超過本公司不時已發行股份數目的30%。倘授出購股權將導致超過上述30%限額，則不可授出任何購股權，剩餘期限尚有約1年6個月。

倘任何人接納購股權，將導致其於任何12個月期間因行使其購股權（包括已行使及尚未行使購股權）而已獲發行及將獲發行的股份總數，超逾當時已發行股份總數的1%，則除非經股東按上市規則指定方式在股東大會上批准，否則董事會不得向該承授人授予購股權。

購股權可根據購股權計劃的條款，於董事會知會承授人的期間內隨時行使。惟此等期限由依據購股權計劃的條款被視為獲授出的營業日起計，不得超過十年。並無規定承授人於行使購股權前必須持有的最短時限。

承授人行使購股權以認購股份的每股股份價格應由董事會釐定，惟無論如何不得低於下列三者中的最高者：(i)要約日期聯交所每日報價表所列的股份收市價；(ii)緊接要約日期前五個營業日，聯交所每日報價表所列的股份平均收市價；及(iii)股份面值。

自購股權計劃採納日期起直至本報告日期，本公司尚未根據購股權計劃授出任何購股權。

DIRECTORS' REPORT

董事會報告

REMUNERATION POLICY

The Directors' and Chief Executive's emoluments are determined by the Remuneration Committee, with reference to their duties, responsibilities and performance and the results of the Group and comparable market statistics, including the prevailing market rate for executives of similar position.

The Group's remuneration policy is primarily based on duties, performance and length of service of each individual employee with reference to the prevailing market conditions.

RETIREMENT FUND SCHEMES

The Group's employees in the PRC participate in defined contribution retirement schemes administered and operated by the relevant PRC municipal governments. The Group's relevant PRC subsidiaries contributed funds to the retirement schemes which are calculated based on certain percentage of the average employee salary as stipulated by the local municipal government. Such retirement schemes were responsible for the entire post-retirement benefit obligations payable to the retired employees. The Group had no further obligations for the actual payment of post-retirement benefits beyond the aforesaid contributions.

The Group made contributions to defined contribution retirement schemes under the Mandatory Provident Fund Schemes Ordinance and the Occupational Retirement Scheme Ordinance in Hong Kong for all employees in Hong Kong. The assets of the scheme are held in separate trustee administered funds. The pension plans are generally funded by payments from employees and by the Group. The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

The Group's contributions to retirement benefit schemes were charged to the consolidated statement of profit or loss for the year 2018 were RMB69 million. Details of the contribution retirement schemes are set out in note 10 of the financial statements.

薪酬政策

董事及行政總裁的薪酬由薪酬委員會參照董事的職責、責任、工作成就及本集團的業績及可比較的市場統計包括同類職位高管市場普遍的水準而定。

本集團的薪酬政策主要是根據每位員工的崗位責任、工作表現及服務年限，以及現行市場狀況而定。

退休金供款計劃

本集團的中國僱員均參與由中國有關市政府管理及運營的界定供款退休計劃。本集團於中國的相關附屬公司按照當地市政府規定的平均僱員薪金若干百分比為退休計劃供款，以為僱員的退休福利提供資金。該退休金計劃負責應付予退休僱員的全部退休後福利責任。本集團除該供款之外並無進一步實際支付退休福利的責任。

本集團為所有香港僱員於香港根據強制性公積金計劃條例及職業退休計劃條例向界定供款退休計劃供款，該等計劃的資產以獨立管理基金形式持有。退休金計劃的資金一般來自僱員及本集團支付款項。本集團向界定供款退休計劃作出供款會於產生時作為費用列支。

本集團就退休福利計劃供款計入2018年度的綜合收益表為人民幣69百萬元。本集團就退休金計劃的供款詳情載於財務報表附註10。

DIRECTORS' REPORT

董事會報告

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Group entered into the following transactions which constituted connected transactions or continuing connected transactions of the Company as set out in Chapter 14A to the Listing Rules on the Stock Exchange.

Continuing connected transaction – loan for the outstanding consideration for the disposal of Deposits & Financial Products

On 30 April 2014, indirectly wholly owned subsidiaries of the Company, Jiangsu Springland International Holding (Group) Ltd. (“Jiangsu Springland”) and Wuxi Xishan Yaohan Lifestyle Center Co., Ltd. (“Xishan Yaohan”) as sellers entered into an agreement (the “Disposal Agreement”) with Mr. Chen Jianqiang (the “Purchaser”), whereby Jiangsu Springland disposed the Financial Product and Xishan Yaohan disposed the fixed-term cash deposit (the “Deposit”) for the considerations in the amount of RMB180 million and RMB100 million respectively to the Purchaser. The considerations in the amount of RMB280 million were agreed to be paid on/ before 31 December 2014 in cash by the Purchaser.

On 16 December 2014, Jiangsu Springland, Xishan Yaohan and the Purchaser entered into the supplemental agreement and extended the payment date for the outstanding consideration under the Disposal Agreement in the amount of RMB182 million to 31 December 2016. On 1 December 2016, Jiangsu Springland, Xishan Yaohan and the Purchaser entered into the another supplemental agreement and further extended the payment date for the outstanding consideration of RMB118 million to 31 December 2019. Starting from 1 January 2015, interest is charged on the amount due from the Purchaser under the Disposal Agreement with an interest rate of 3.5% per annum. During the year 2017, the Purchaser has paid RMB18 million to the Group as principal and fully settled the interest of the outstanding consideration under the Disposal Agreement.

關連交易及持續關連交易

本集團年內進行以下交易，該等交易根據聯交所上市規則章數十四A所載構成本公司的關連交易及持續關連交易。

持續關連交易－處置定期存款及理財產品未付對價的貸款

於2014年4月30日，本公司間接全資附屬公司江蘇華地國際控股集團有限公司（「江蘇華地」）和無錫錫山八佰伴生活廣場有限公司（「錫山八佰伴」）作為賣方與陳建強先生（「買方」）訂立協議（「出售協議」），江蘇華地以人民幣1.8億元對價出售理財產品及錫山八佰伴以人民幣1億元對價出售定期存款（「定期存款」）予買方。買方同意於2014年12月31日或之前以現金支付人民幣2.8億元對價。

於2014年12月16日，江蘇華地、錫山八佰伴與買方訂立補充協議，以延長出售協議中未付對價人民幣1.82億元之付款日期至2016年12月31日。於2016年12月1日，江蘇華地、錫山八佰伴與買方訂立另一份補充協議，以再延長未付對價人民幣1.18億元之付款日期至2019年12月31日。由2015年1月1日起，應收買方款項（出售協議中未付對價）按年利率3.5%計息。於2017年，買方支付本集團人民幣18百萬元作為出售協議中未付對價並足額償付利息。

DIRECTORS' REPORT

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The Purchaser, Mr. Chen, the Chairman and the controlling shareholder of the Company, is a connected person of the Company under the Listing Rules. Accordingly, loan for the outstanding consideration under the Disposal Agreement and its supplemental agreements constituted continuing connected transactions of the Company under the Listing Rules. Details of the entering into of the Disposal Agreement by Jiangsu Springland and Xishan Yaohan and Mr. Chen for the disposal of the Financial Product and the Deposit and extension of payment date of outstanding consideration arrangement have been set out in the announcements dated 2 May 2014, 16 December 2014 and 1 December 2016 issued by the Company.

Views of the auditors and independent non-executive Directors

The auditors of the Company have provided a letter to the Board pursuant to Rule 14A.56 of the Listing Rules confirming that, for the year ended 31 December 2018, the connected transaction and continuing connected transaction (i) has received the approval of the Board; (ii) has been entered into in accordance with the terms of the agreements governing the transactions; and (iii) has not exceeded the cap disclosed in the relevant announcements made by the Company in relation in the continuing connected transaction.

Independent non-executive Directors have confirmed that the above connected transactions and continuing connected transaction has been entered into by the Group in the ordinary and usual course of its business, either on normal commercial terms or on terms no less favorable to the Company than terms available to or from (as appropriate) independent third parties, and in accordance with the terms of the relevant agreements governing the above connected transactions and continuing connected transaction that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Save as disclosed above, the significant related party transactions that did not constitute connected transactions made under the Listing Rules during the year were disclosed in note 39 to the consolidated financial statements.

買方，陳先生為本公司的主席及控股股東，彼根據上市規則為本公司的關連人士。根據上市規則出售協議及其補充協議中未付對價的貸款構成本公司持續關連交易。江蘇華地和錫山八佰伴，就出售理財產品及定期存款和延長未付對價付款日期安排與陳先生訂立出售協議的詳情已載於本公司在2014年5月2日、2014年12月16日和2016年12月1日刊發的公告內。

核數師及獨立非執行董事的意見

根據上市規則第14A.56條規定，本公司核數師向董事會提供函件，確認截至2018年12月31日止年度，該關連交易及持續關連交易：(i)已取得董事會批准；(ii)乃根據有關交易的協議條款訂立；及(iii)並無超過本公司有關該持續關連交易公告所披露的上限。

獨立非執行董事已確認，上述關連交易及持續關連交易乃由本集團於日常及一般業務過程中按正常商業條款或不遜於給予獨立第三方或獨立第三方給予的條款（如適用）訂立，並按規限上述關連交易及持續關連交易的相關協議的條款進行，且有關條款屬公平合理並符合本公司股東的整體利益。

除上文所披露者外，年度內根據上市規則並未構成關連交易的主要有關連人士交易載於綜合財務報表附註39。

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董事會報告

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association of the Company and subject to the provisions of the Companies Law of the Cayman Islands, the Directors, auditor and other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses incurred or sustained by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Company during the year in respect of any legal actions which may be taken against the Directors and officers in the execution and discharge of their duties or in relation thereto.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance through its continuous effort in improving its corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 36 to 61.

MAJOR CUSTOMERS AND SUPPLIERS

For the year 2018, none of the Group's customers or suppliers accounted for more than 5% of the Group's revenue or purchases. None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's total issued shares) had any beneficial interest in the five largest customers or five largest suppliers of the Group.

管理合約

年內，本集團年內概無訂立或存在任何有關管理及經營本公司全部或任何重大部分業務的合約。

經批准的彌償保證條文

根據本公司組織章程及受開曼群島公司法條文的規限，董事、本公司核數師及其他高級職員由於彼等之職責或假定職責的履行或彼等各自之職位或信託而作出、應允或遺漏的行為而理應或可能引致或蒙受的所有訴訟、成本、費用、損失、損害及開支，彼等應從本公司資產及溢利當中獲得賠償保證及不受傷害。本公司已就年內的任何法律訴訟為董事及本公司高級職員購買適當的董事及高級職員責任保險，保障彼等因履行其職責或相關事宜時可能要承擔的責任。

企業管治

本公司不斷改善其企業管治常規，致力維持高水平的企業管治。本公司所採納的企業管治常規詳情載於第36至61頁的企業管治報告內。

主要客戶及供應商

於2018年度，無任何本集團的客戶或供應商佔本集團收入或採購的份額超過5%。本公司董事或任何彼等的聯繫人或任何股東（就董事所知，擁有本公司已發行股份總數5%以上）概無擁有本集團五大客戶或五大供應商的任何實益權益。

DIRECTORS' REPORT

董事會報告

PRE-EMPTIVE RIGHTS

There were no provisions for pre-emptive rights under the Articles of Association of the Company, or the laws of the Cayman Islands pursuant to which the Company shall be obliged to offer new shares on a pro rata basis to the existing shareholders.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued shares is held by the public at the date of this report.

TAX RELIEF

The Company was not aware of any relief from taxation available to shareholders by reason of their holding of the shares.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period of the Group were set out in note 44 to the financial statements.

AUDITORS

The financial statements have been audited by Ernst & Young. Ernst & Young will retire as the Company's auditor and a resolution for their re-appointment as the Company's auditor will be proposed at the Company's forthcoming AGM.

By order of the Board
Springland International Holdings Limited

Chen Jianqiang
Chairman

Hong Kong, 25 March 2019

優先購買權

本公司組織章程或開曼群島之法例，並無規定本公司必須向其現有股東按持股比例發行新股份之優先購買權。

公眾持股量

根據本公司掌握之公開可得的資料及就本公司董事所知，於本報告日期，公眾持有本公司已發行股份總數不少於25%。

稅務減免

就本公司所知，股東因持有本公司股份並未獲得任何稅務減免。

報告期後事項

本集團報告期後起至本報告日止的重大事項的詳情載於財務報表附註44。

核數師

財務報表已經安永會計師事務所審計。安永會計師事務所將告退本公司核數師，並在即將舉行的股東週年大會上將提呈決議案續聘連任。

承董事會命
華地國際控股有限公司

陳建強
主席

香港，2019年3月25日

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

安永會計師事務所
香港中環添美道1號
中信大廈22樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

TO THE SHAREHOLDERS OF SPRINGLAND INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands as an exempted company with limited liability)

OPINION

We have audited the consolidated financial statements of Springland International Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 89 to 213, 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.

致華地國際控股有限公司全體 股東

(於開曼群島註冊成立的獲豁免有限公司)

意見

我們已審計列載於第89頁至第213頁的華地國際控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於2018年12月31日的綜合財務狀況表與截至該日止年度的綜合收益表及綜合全面收益表、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，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據國際會計準則委員會頒佈的國際財務報告準則真實而中肯地反映了貴集團於2018年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司披露要求條例妥為擬備。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) 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.

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.

意見的基礎

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在對綜合財務報表整體進行審計並形成意見的背景下來進行處理的，我們不對這些事項提供單獨的意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

我們已經履行了本報告核數師就審計綜合財務報表承擔的責任部分闡述的責任，包括與這些關鍵審計事項相關的責任。相應地，我們的審計工作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計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為綜合財務報表整體發表審計意見提供了基礎。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

1. Impairment test of goodwill

The Group had goodwill of RMB250 million as at 31 December 2018. According to IFRSs, the Group is required to perform annual impairment testing of goodwill. Impairment is determined by assessing the value in use of the cash-generating units ("CGUs") to which the goodwill is allocated. Where value in use is less than the carrying amount of goodwill, an impairment should be recognised. The Group assessed the value in use by performing profit forecasts and estimating future cash flows of the respective CGUs, which involved a number of significant judgements and estimates such as the revenue growth rates, the gross margins, the expense rates and discount rate. Changes in these assumptions might lead to a change in the value in use of goodwill.

Key assumptions on which management has based its present value of cash flow projections to undertake impairment testing of goodwill are included in note 20 "Goodwill" to the financial statements. Estimation uncertainty is included in note 3 "Significant accounting judgement and estimates" to the financial statements.

Our audit procedures included evaluating the methodologies and main assumptions used in the goodwill impairment testing model. We paid specific attention to the revenues growth rates, the gross margins, the expense rates and discount rates. To assess the main assumptions, we compared them to the respective CGUs' historical financial data and also considered the business plan and external market's conditions. Our valuation specialists were involved to assist us in reviewing the impairment testing model, in particular, the discount rates and long term growth rates. We also checked the relevant disclosures of goodwill impairment testing.

1. 商譽減值檢測

截至2018年12月31日，本集團的商譽為人民幣250百萬元。根據國際財務報告準則，本集團須對商譽進行年度減值檢測。減值是通過評估分配商譽的現金產出單位（現金產出單位組）的使用價值確定的。當使用價值小於商譽的賬面價值時，確認減值損失。本集團通過進行盈利預測和評估各自的現金產出單位，其中載有一系列重要的判斷和估計，如收入增長率、毛利率、費用率、貼現率。這些假設的變化可能導致商譽使用價值的變化。

管理層關於現金流現值的商譽減值檢測的關鍵假設包括在財務報告附註20「商譽」中。不確定的估計包括在財務報告附註3「重大會計判斷」及估計中。

我們審計程序包括評估商譽減值檢測模型中使用的和主要假設。我們特別關注的主要包括收入增長率，毛利率，費用率和貼現率。為了評估主要假設，我們將它們與相應的現金產出單位歷史財務數據進行了比較，並考慮了業務計劃和外部市場的情況。我們的估值專家參與協助我們審查減值檢測模型，特別是貼現率和長期增長率。我們還評估了本集團的商譽減值檢測的有關披露。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

2. Impairment of Group's non-current assets related to leased properties

As at 31 December 2018, the carrying amount of the Group's non-current assets related to leased properties mainly included other intangible assets, renovation and leasehold improvements, and machinery and furniture in the leased stores amounting to RMB206 million.

Where indicators of impairment are identified, the recoverable amount of the renovation and leasehold improvement of the relevant stores is determined by management on a store-by-store basis where the carrying amount of the renovation and leasehold improvements of those stores is higher than the present value of estimated future cash flows.

Our audit procedures to assess the potential impairment of renovation and leasehold improvement included the assessment of the accounting policies and procedures used by the Group's management during the identification of impairment indicators, evaluating the methodologies and main assumptions used in the assessment of the present value of estimated future cash flows.

The Group assessed the value in use by performing profit forecasts and estimating future cash flows, which involved a number of significant judgements and estimates such as the revenue growth rates, the gross margins, the expenses rates, and the discount rates.

Changes in these assumptions might lead to a change in the value in use of renovation and leasehold improvement.

2. 集團租賃財產相關非流動資產減值

截至2018年12月31日，集團與租賃物業相關的非流動資產賬面價值為人民幣206百萬元，主要包括其他無形資產、翻新及裝修、租賃店鋪的機械及家具等。

在確定減值指標的情況下，有關店鋪的翻新和租賃改善的可收回金額，是由管理部門在逐個店鋪的基礎上確定的，而翻新和租賃改善的賬面價值高於預計未來現金流的現值。

我們評估翻新和租賃改善的潛在減值損失的審計程序包括評估集團管理層在確定減值指標時使用的會計政策和程序，評估未來估計現金流量現值所用的方法和主要假設。

本集團通過進行盈利預測和估計未來現金流評估使用價值，其中載有一系列重要的判斷和估計，如收入增長率、毛利率、費用率及貼現率。

這些假設的變化可能導致翻新及裝修使用價值的變化。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

The balance of the impairment of renovation and leasehold improvements is disclosed in note 17 "Property, Plant and Equipment" and note 19 "Other Intangible assets" to the financial statements. Estimation uncertainty is included in note 3 "Significant accounting judgement and estimates" to the financial statements.

We paid specific attention to the revenue growth rates, the gross margins, the expense rates and the discount rates. To assess the main assumptions, we compared them to the respective store historical financial data and also considered the business plan and external market's conditions. Our valuation specialists were involved to assist us in reviewing the impairment testing model, in particular, the discount rates and long term growth rates.

Estimation and disclosure with respect to deferred tax assets

As at 31 December 2018, the Group had deferred tax assets amounting to RMB114 million. The deferred tax assets were mainly recognised for tax-deductible losses and temporary differences to the extent that it was likely that sufficient taxable profit will be available in the future. The process of estimating the future taxable profits is complex, and required significant management estimates and judgments which are mainly affected by future actual operation, tax regulations, market or economic conditions.

Please refer to note 24 "Deferred tax" to the financial statements for movements of deferred tax assets and management's estimation for tax losses that cannot be utilised. Estimation uncertainty is included in note 3 Significant accounting judgement and estimates to the financial statements.

We evaluated and tested management estimation of available taxable profits by, among others, evaluating to the Group's business plans, expected future profit forecasts and the associated growth rates used in the estimation. We assessed the reasonableness of the main assumptions including the revenue growth rates, the gross margin expenses rate by comparing them with the historical financial date and also considered the business plan and external markets conditions. We checked the relevant disclosures of deferred tax assets and management's estimation for tax losses that cannot be utilised.

翻新和租賃改善的減值差額在財務報告附註17財產、廠房和設備及附註19「其他無形資產」中披露。不確定的估計包括在財務報告附註3「重要會計判斷和估計」中。

我們特別注意了收入增長率、毛利率、費用率和貼現率。為了評估主要假設，我們將它們與各自的商店歷史財務數據進行了比較，並考慮了商業計劃和外部市場的條件。我們的估值專家參與了評估，幫助我們評估減值測試模型，特別是貼現率和長期增長率。

遞延所得稅資產的估計及披露

截至2018年12月31日，集團遞延稅項資產達114百萬元人民幣。在將來可能獲得足夠的應課稅溢利的情況下，遞延所得稅資產主要確認為可扣稅損失及暫時性差異。未來應納稅所得額的估計過程複雜，需要重大的管理估計和判斷，主要受未來實際經營情況、稅收法規、市場或者經濟條件的影響。

遞延稅項資產的變動及無法利用的稅務損失管理概算，請參照財務報表附註24「遞延稅項」。估計不確定性包括在附註3「財務報表的重要會計判斷和估計」中。

我們評估和測試了管理層對可用應課稅溢利的估計，方法包括評估集團的業務計劃、預期未來利潤預測及估計中使用的相關增長率。通過與歷史財務數據對比，我們評估了主要假設的合理性，包括收入增長率、毛利率、費用率，並考慮了商業計劃和外部市場條件。我們還檢查了遞延所得稅資產的相關披露情況和管理層對不能利用的稅收損失的估計情況。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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.

刊載於年報內其他信息

董事須對其他信息負責。其他信息包括刊載於年度報告內的信息，但不包括綜合財務報表及我們的核數師報告。

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

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

董事就綜合財務報表須承擔的責任

董事須負責根據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擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

審核委員會協助董事履行職責，監督貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅對全體成員作出報告，除此以外，根據《香港公司條例》第405條，本報告並無其他用途。我們不會就核數師報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴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。

在根據香港審計準則進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露，以及綜合財務報表是否中肯反映交易及事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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

From the matters communicated with 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 Lai Chee Kong.

Ernst & Young
Certified Public Accountants
Hong Kong

25 March 2019

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

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

出具本獨立核數師報告的審計項目合夥人是黎志光。

安永會計師事務所
執業會計師
香港

2019年3月25日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合收益表

Year ended 31 December 2018

截至2018年12月31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		
REVENUE	收入	6	4,607,943	4,444,039
Other income and gains	其他收入及收益	7	702,776	671,601
Purchase of and changes in inventories	購買存貨及存貨變動		(2,578,595)	(2,600,439)
Staff costs	員工成本		(700,123)	(702,988)
Depreciation and amortisation	折舊及攤銷		(523,007)	(485,287)
Rental expenses	租賃開支		(99,752)	(106,292)
Other expenses	其他開支	8	(683,326)	(623,621)
Finance costs	融資成本	9	(109,746)	(65,751)
Share of profits and losses of associates	分佔聯營公司損益		(71)	-
PROFIT BEFORE TAX	除稅前溢利	10	616,099	531,262
Income tax expense	所得稅開支	13	(219,750)	(192,767)
PROFIT FOR THE YEAR	年度溢利		396,349	338,495
Attributable to:	以下各項應佔：			
Owners of the parent	母公司擁有人		400,017	340,019
Non-controlling interests	非控股權益		(3,668)	(1,524)
			396,349	338,495
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通權益持有人應佔每股溢利			
Basic and diluted (RMB)	基本和攤薄(人民幣)	15	0.19	0.15

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
綜合收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

Year ended 31 December 2018

截至2018年12月31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		
PROFIT FOR THE YEAR	年度溢利	396,349	338,495
OTHER COMPREHENSIVE INCOME	其他全面收益		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:	期後可重分類為損益的其他全面收益：		
Exchange differences:	匯兌差額：		
Exchange differences on translation of foreign operations	換算境外業務產生的匯兌差額	(68,787)	73,069
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	期後可重分類為損益的全面收益淨值	(68,787)	73,069
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:	在以後各期不計入損益的其他綜合收益：		
Equity investments designated at fair value through other comprehensive income:	指定為按公平值通過其他綜合收益計量的權益投資：		
Changes in fair value		-	-
Income tax effect	所得稅影響	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	年度其他全面收益，稅後淨值	(68,787)	73,069
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年度全面收益總額	327,562	411,564
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人	331,230	413,088
Non-controlling interests	非控股權益	(3,668)	(1,524)
		327,562	411,564

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2018

2018年12月31日

		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
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	8,938,005	9,124,065
Prepaid land premiums	預付土地出讓金	18	1,579,888	1,627,588
Other intangible assets	其他無形資產	19	24,544	26,955
Goodwill	商譽	20	250,384	250,384
Investments in associates	於聯營公司投資	21	5,117	–
Available-for-sale investments	可供出售投資	22	–	5,188
Long-term prepayments	長期預付款項	23	7,757	12,942
Deferred tax assets	遞延稅項資產	24	113,800	111,151
Restricted cash	受限貨幣資金	28	–	113,158
Due from the controlling shareholder	應收控股股東款項	39(b)	–	99,984
Total non-current assets	非流動資產總額		10,919,495	11,371,415
CURRENT ASSETS	流動資產			
Inventories	存貨	25	367,859	351,108
Trade receivables	應收貿易款項	26	7,796	6,412
Due from the controlling shareholder	應收控股股東款項	39(b)	99,962	–
Prepayments and other receivables	預付款項及其他應收款項	27	414,979	430,792
Restricted cash	受限貨幣資金	28	117,408	–
Cash and cash equivalents	現金及現金等價物	28	617,441	511,198
Total current assets	流動資產總額		1,625,445	1,299,510
CURRENT LIABILITIES	流動負債			
Interest-bearing bank borrowings	計息銀行借款	29	1,054,083	1,467,948
Medium-term financing notes	中期票據	30	310,874	–
Corporate bonds	公司債券	31	819,470	–
Trade payables	應付貿易款項	32	1,178,020	1,278,855
Other payables and accruals	其他應付款項及應計費用	33	2,408,530	2,449,601
Derivative financial instruments	衍生金融工具	34	–	13,270
Tax payable	應付稅項		76,788	50,875
Total current liabilities	流動負債總額		5,847,765	5,260,549
NET CURRENT LIABILITIES	流動負債淨額		(4,222,320)	(3,961,039)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		6,697,175	7,410,376

CONSOLIDATED STATEMENT
OF FINANCIAL POSITION
綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2018

2018年12月31日

		Notes	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
		附註		
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank borrowings	計息銀行借款	29	910,165	396,000
Medium-term financing notes	中期票據	30	-	309,974
Corporate bonds	公司債券	31	-	817,070
Long-term payables	長期應付款項	35	74,623	77,107
Deferred tax liabilities	遞延稅項負債	24	552,557	559,733
Total non-current liabilities	非流動負債總額		1,537,345	2,159,884
Net assets	資產淨值		5,159,830	5,250,492
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Issued capital	已發行股本	38(a)	17,703	19,146
Treasury shares	庫存股	38(a)	(56)	(54)
Reserves	儲備		4,982,267	5,066,312
			4,999,914	5,085,404
Non-controlling interests	非控股權益		159,916	165,088
Total equity	權益總額		5,159,830	5,250,492

Chen Jianqiang

陳建強

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2018

截至2018年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔										
		Issued capital 已發行股本	Treasury shares 庫存股	Share premium 股份溢價	Contributed surplus 實繳盈餘	Statutory reserve 法定公積金	Discretionary reserve 酌情儲備	Exchange fluctuation reserve 匯兌 波動儲備	Retained earnings 保留盈餘	Total	Non- controlling interests 非控股權益	Total equity 權益總額
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		Note 38(a)	Note 38(a)	Note 38(b)	Note 38(c)	Note 38(c)	Note 38(d)					
		附註38(a)	附註38(a)	附註38(b)	附註38(c)	附註38(c)	附註38(d)					
At 1 January 2017	於2017年1月1日	20,127	(112)	728,151	(1,512)	901,764	33,710	(111,515)	3,400,754	4,971,367	169,065	5,140,432
Profit for the year	年內溢利	-	-	-	-	-	-	-	340,019	340,019	(1,524)	338,495
Other comprehensive income for the year:	年內其他收益總額:											
Exchange differences on translation of foreign operations	海外業務的匯總差額	-	-	-	-	-	-	73,069	-	73,069	-	73,069
Total comprehensive income for year	年內全面收益總額	-	-	-	-	-	-	73,069	340,019	413,088	(1,524)	411,564
Appropriation to statutory surplus reserve	轉撥至法定公積金	-	-	-	-	98,885	-	-	(98,885)	-	-	-
Dividends paid to non-controlling shareholders	支付股息予非控股股東	-	-	-	-	-	-	-	-	-	(2,498)	(2,498)
Final 2016 dividend declared	已派發2016年末期股息	14	-	(100,220)	-	-	-	-	-	(100,220)	-	(100,220)
Interim 2017 dividend	2017年中期股息	14	-	(58,640)	-	-	-	-	-	(58,640)	-	(58,640)
Capital injection from non-controlling shareholders of a subsidiary	非控股股東子公司注資	-	-	-	-	-	-	-	-	-	45	45
Repurchase of shares	購回股票	38(a)	-	(923)	(139,268)	-	-	-	-	(140,191)	-	(140,191)
Repurchase and cancellation of shares	股票回購及註銷	38(a)	(981)	981	-	-	-	-	-	-	-	-
At 31 December 2017	於2017年12月31日	19,146	(54)	430,023*	(1,512)*	1,000,649*	33,710*	(38,446)*	3,641,888*	5,085,404	165,088	5,250,492

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2018

截至2018年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔											
		Issued capital	Treasury shares	Share premium	Contributed surplus	Capital reserve	Statutory surplus reserve	Discretionary reserve	Exchange fluctuation reserve	Retained earnings	Non-controlling interests	Total equity	
		已發行股本	庫存股	股份溢價	實繳盈餘	資本儲備	法定公積金	酌備儲備	匯兌波動儲備	保留盈餘	總計	權益總額	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
		Note 38(a)	Note 38(a)	Note 38(b)	Note 38(b)	Note 38(c)	Note 38(c)	Note 38(d)	Note 38(d)				
		附註38(a)	附註38(a)	附註38(b)	附註38(b)	附註38(c)	附註38(c)	附註38(d)	附註38(d)				
At 1 January 2018	於2018年1月1日	19,146	(54)	430,023*	(1,512)*	-	1,000,649*	33,710*	(38,446)*	3,641,888	5,085,404	165,088	5,260,492
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	400,017	400,017	(3,668)	396,349
Other comprehensive income for the year:	年內其他收益總額：												
Exchange differences on translation of foreign operations	海外業務的匯兌差額	-	-	-	-	-	-	-	(68,787)	-	(68,787)	-	(68,787)
Total comprehensive income for year	年內全面收益總額	-	-	-	-	-	-	-	(68,787)	400,017	331,230	(3,668)	327,562
Appropriation to statutory surplus reserve	轉撥至法定公積金	-	-	-	-	-	106,778	-	-	(106,778)	-	-	-
Dividends paid to non-controlling shareholders	支付股息予非控股股東	-	-	-	-	-	-	-	-	-	-	(1,509)	(1,509)
Final 2017 dividend declared	已派發2017年末期股息	14	-	(88,059)	-	-	-	-	-	-	(88,059)	-	(88,059)
Interim 2018 dividend	2018年中期股息	14	-	-	-	-	-	-	-	(54,225)	(54,225)	-	(54,225)
Acquisition of non-controlling interests Shareholders of a subsidiary	收購非控股權益	-	-	-	-	53	-	-	-	-	53	(173)	(120)
Capital injection from non-controlling shareholders	非控股股東子公司注資	-	-	-	-	-	-	-	-	-	-	3,000	3,000
Disposal of subsidiary	處置附屬公司	-	-	-	-	-	-	-	-	-	-	(2,822)	(2,822)
Repurchase of shares	購回股票	38(a)	(1,445)	(273,044)	-	-	-	-	-	-	(274,489)	-	(274,489)
Repurchase and cancellation of shares	股票回購及註銷	38(a)	(1,443)	1,443	-	-	-	-	-	-	-	-	-
At 31 December 2018	於2018年12月31日	17,703	(56)	68,920*	(1,512)*	53*	1,107,427*	33,710*	(107,233)*	3,880,902*	4,999,914	159,916	5,159,830

* These reserve accounts comprise the consolidated reserves of RMB4,982,267,000 (2017: RMB5,066,312,000) in the consolidated statement of financial position.

* 該等儲備賬戶組成綜合財務狀況表內的綜合儲備為人民幣4,982,267,000元(2017年: 人民幣5,066,312,000元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2018

截至2018年12月31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 operating activities	經營業務所得現金流量			
Profit before tax	除稅前溢利		616,099	531,262
Adjustments for:	就下列各項作出調整：			
Depreciation	折舊	17	478,340	451,382
Amortisation of prepaid land premiums	預付土地出讓金攤銷	18	41,177	31,221
Amortisation of other intangible assets	其他無形資產攤銷	19	3,490	2,684
Loss on disposal of items of property, plant and equipment	處置物業、廠房及設備虧損	10	25,309	16,374
Gain on disposal of a subsidiary	處置附屬公司收益	40	(417)	-
Foreign exchange differences, net	匯兌差額	10	19	(90)
Fair value (gains)/loss, net:	公平值(收益)/虧損淨額：			
Derivative instruments – transactions not qualifying as hedges	衍生金融工具 – 不符合對沖之交易	7 & 10	(13,270)	24,757
Finance costs	融資成本	9	109,746	65,751
Impairment of property, plant and equipment	物業、廠房及設備減值準備	17	27,283	8,146
Impairment of other intangible assets	其他無形資產減值準備	19	3,697	2,838
Interest income	利息收入	7	(19,442)	(20,766)
Loss on disposal of investments at fair value through profit or loss	處置按公平值計量且其變動計入損益的投資損失	10	18,021	4,924
Share of profits or losses of associates	分佔聯營公司損益		71	-
Provision/(write-back of provision) for slow-moving inventories	滯銷存貨撥備	10	340	(1,083)
			1,290,463	1,117,400
(Increase)/decrease in inventories	存貨的(增加)/減少		(19,476)	67,621
Increase in trade receivables, prepayments and other receivables	應收貿易款項、預付款項及其他應收款項的增加		(38,401)	(74,264)
Decrease in long-term prepayments	長期預付款項的減少		5,185	6,429
Increase in trade payables, other payables and accruals	應付貿易款項、其他應付款項及應計費用的增加		114,396	63,634
(Decrease)/increase in long-term payables	長期應付款項(減少)/增加		(2,484)	14,493
Cash generated from operations	經營所得現金		1,349,683	1,195,313
Income tax paid	已付所得稅		(203,662)	(200,192)
Net cash flows from operating activities	經營業務現金流入淨額		1,146,021	995,121

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2018

截至2018年12月31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	投資活動所得現金流量			
Interest received	已收利息		51,028	9,153
Purchases of items of property, plant and equipment	購買物業、廠房及設備		(567,990)	(833,699)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備所得款項		2,945	2,034
Purchase of items of intangible assets	購買無形資產		(1,076)	(3,278)
Purchase of available-for-sale unlisted investments	購買可供出售非上市投資		-	(2,638)
Losses on disposal of investments at fair value through profit or loss	處置按公平值計量且其變動計入損益的投資損失		(18,021)	(4,924)
Proceeds from disposal of a subsidiary	出售附屬公司所得款項	40	5,578	-
Decrease in an amounts due from the controlling shareholder	應收控股股東款項減少		-	18,000
Decrease in time deposits	定期存款減少		157,650	4,520
Net cash flows used in investing activities	投資活動所用現金流量淨額		(369,886)	(810,832)
Cash flows from financing activities	融資活動所得現金流量			
Repayment of bank borrowings	償還銀行借款		(1,406,151)	(1,466,417)
New bank borrowings	新造銀行借款		1,436,914	1,665,284
Repurchase of the Company's shares	購回公司股票		(274,489)	(140,191)
Acquisition of non-controlling interests	收購非控股權益		(120)	-
Capital injection from non-controlling shareholders	非控股股東注資		3,000	45
Dividends paid	已付股息		(142,284)	(158,860)
Dividends paid to non-controlling shareholders	已付非控股股東股息		(1,509)	(2,498)
Interest paid	已付利息		(129,328)	(115,346)
Net cash flows used in financing activities	融資活動所用現金流量淨額		(513,967)	(217,983)
Net decrease in cash and cash equivalents	現金及現金等價物減少		262,168	(33,694)
Cash and cash equivalents at beginning of year	年初現金及現金等價物		353,548	389,422
Effect of foreign exchange rate changes, net	外匯匯率變動的影響，淨額		1,725	(2,180)
Cash and cash equivalents at end of year	年終現金及現金等價物		617,441	353,548
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	28	617,441	275,731
Unrestricted time deposits with original maturity of less than three months when acquired	購入時原於三個月內到期的非受限定期存款		-	77,817
Cash and cash equivalents as stated in the statement of cash flows	於現金流量表列示的現金及現金等價物		617,441	353,548

NOTES TO FINANCIAL STATEMENTS

財務報表附註

Year ended 31 December 2018

截至2018年12月31日止年度

1. CORPORATE AND GROUP INFORMATION

Springland International Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 21 June 2006 under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company was listed on the Main Board of the Stock Exchange on 21 October 2010.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the operation of department stores and supermarkets in Mainland China. In the opinion of the directors of the Company (the "Directors"), the ultimate holding company of the Group is Octopus Holdings Foundation, a company incorporated in the Cayman Islands.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 公司名稱	Place and date of incorporation/ registration and operation 註冊成立/成立及 經營地點及日期	Nominal value of issued ordinary/ registered share capital 已發行/登記 普通股股本面值	Percentage of equity attributable to the Company 本集團應佔 權益百分比	Principal activities 主要業務
Springland International Group Company Limited ^{(a)(4)} 華地國際集團有限公司 ^{(a)(4)}	British Virgin Island ("BVI") 12 June 2006 英屬處女群島 2006年6月12日	US\$1 1美元	100%	Investment holding 投資控股
Springland (Hong Kong) Limited ⁽⁴⁾	Hong Kong 25 January 2006 香港 2006年1月25日	HK\$1 1港元	100%	Investment holding 投資控股
Novel Vanguard Investment Limited ^{(a)(4)} 新鋒投資有限公司 ^{(a)(4)}	BVI 21 November 2011 英屬處女群島 2011年11月21日	US\$1 1美元	100%	Investment holding 投資控股

1. 公司及集團資料

華地國際控股有限公司(「本公司」)於2006年6月21日根據開曼群島公司法第22章(1961年法例3, 經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事處地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司於2010年10月21日在聯交所主板上市。

本公司及其附屬公司(合稱「本集團」)主要於中國內地經營百貨店及超市。本公司董事(「董事」)認為, 本集團的最終控股公司為Octopus Holdings Foundation, 一間於開曼群島註冊成立的公司。

附屬公司資料

本公司主要附屬公司詳情如下:

NOTES TO FINANCIAL STATEMENTS

財務報表附註

Year ended 31 December 2018

截至2018年12月31日止年度

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

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

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司詳情如下:(續)

Name 公司名稱	Place and date of incorporation/ registration and operation 註冊成立/成立及 經營地點及日期	Nominal value of issued ordinary/ registered share capital 已發行/登記 普通股股本面值	Percentage of equity attributable to the Company 本集團應佔 權益百分比	Principal activities 主要業務
Springland International Enterprises Limited ⁽⁴⁾ 億年國際企業有限公司 ⁽⁴⁾	Hong Kong 17 June 1993 香港 1993年6月17日	HK\$38,000,000 38,000,000港元	100%	Investment holding 投資控股
Octopus (Singapore) PTE Limited ⁽⁴⁾	Singapore 28 August 2014 新加坡 2014年8月28日	SGD900,000 900,000新加坡元	100%	Investment holding 投資控股
Jiangsu Springland International Holdings (Group) Ltd. ^{(b)(1)} 江蘇華地國際控股集團有限公司 ^{(b)(1)}	People's Republic of China (the "PRC")/Mainland China 12 February 1996 中國/中國內地 1996年2月12日	US\$360,000,000 360,000,000美元	100%	Investment holding 投資控股
Shanghai Springland Enterprise Investment Co., Ltd. ⁽³⁾ 上海華地企業投資有限公司 ⁽³⁾	PRC/Mainland China 6 November 1996 中國/中國內地 1996年11月6日	RMB850,000,000 人民幣 850,000,000元	100%	Investment holding 投資控股
Changshu Yaohan Commerce & Trade Co., Ltd. ⁽⁴⁾ 常熟八佰伴商貿有限公司 ⁽⁴⁾	PRC/Mainland China 29 July 2004 中國/中國內地 2004年7月29日	RMB20,000,000 人民幣 20,000,000元	100%	Operation of department stores 經營百貨店
Danyang Yaohan Commerce & Trade Co., Ltd. ⁽⁴⁾ 丹陽八佰伴商貿有限公司 ⁽⁴⁾	PRC/Mainland China 17 March 2004 中國/中國內地 2004年3月17日	RMB260,000,000 人民幣 260,000,000元	100%	Operation of department stores 經營百貨店
Jiangsu Datonghua Shopping Center Co., Ltd. ⁽³⁾ 江蘇大統華購物中心有限公司 ⁽³⁾	PRC/Mainland China 14 March 2001 中國/中國內地 2001年3月14日	RMB35,000,000 人民幣 35,000,000元	100%	Operation of supermarkets 經營超市

NOTES TO FINANCIAL STATEMENTS

財務報表附註

Year ended 31 December 2018

截至2018年12月31日止年度

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

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

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司詳情如下:(續)

Name 公司名稱	Place and date of incorporation/ registration and operation 註冊成立/成立及 經營地點及日期	Nominal value of issued ordinary/ registered share capital 已發行/登記 普通股股本面值	Percentage of equity attributable to the Company 本集團應佔 權益百分比	Principal activities 主要業務
Jiangyin Yaohan Commerce & Trade Center Co., Ltd. ⁽³⁾ 江陰八佰伴商貿中心有限公司 ⁽³⁾	PRC/Mainland China 5 June 2003 中國/中國內地 2003年6月5日	RMB130,000,000 人民幣 130,000,000元	100%	Operation of department stores and supermarkets 經營百貨店及超市
Jiangsu Jintan Datonghua Shopping Center Co., Ltd. ⁽²⁾ 江蘇金壇大統華購物中心有限公司 ⁽²⁾	PRC/Mainland China 17 April 2003 中國/中國內地 2003年4月17日	RMB215,000,000 人民幣 215,000,000元	100%	Operation of department stores and supermarkets 經營百貨店及超市
Liyang Datonghua Shopping Center Co., Ltd. ⁽⁴⁾ 溧陽大統華購物中心有限公司 ⁽⁴⁾	PRC/Mainland China 28 June 2002 中國/中國內地 2002年6月28日	RMB10,000,000 人民幣 10,000,000元	100%	Operation of supermarkets 經營超市
Liyang Yaohan Commerce & Trade Center Co., Ltd. ⁽⁴⁾ 溧陽八佰伴商貿中心有限公司 ⁽⁴⁾	PRC/Mainland China 29 April 2002 中國/中國內地 2002年4月29日	RMB110,000,000 人民幣 110,000,000元	100%	Operation of department stores 經營百貨店
Liyang No.1 Department Store Co., Ltd. ⁽⁴⁾ 溧陽市中百一店有限公司 ⁽⁴⁾	PRC/Mainland China 22 May 2001 中國/中國內地 2001年5月22日	RMB1,225,000 人民幣 1,225,000元	100%	Property holding 持有物業
Wuxi Springland Investment Management Co., Ltd. ⁽³⁾ 無錫華地投資管理有限公司 ⁽³⁾	PRC/Mainland China 15 April 1980 中國/中國內地 1980年4月15日	RMB667,615,196 人民幣 667,615,196元	100%	Investment holding 投資控股

NOTES TO FINANCIAL STATEMENTS

財務報表附註

Year ended 31 December 2018

截至2018年12月31日止年度

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

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

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司詳情如下:(續)

Name 公司名稱	Place and date of incorporation/ registration and operation 註冊成立/成立及 經營地點及日期	Nominal value of issued ordinary/ registered share capital 已發行/登記 普通股股本面值	Percentage of equity attributable to the Company 本集團應佔 權益百分比	Principal activities 主要業務
Wuxi Angexin Technology Co., Ltd. ⁽³⁾ 無錫安格信科技有限公司 ⁽³⁾	PRC/Mainland China 27 July 2006 中國/中國內地 2006年7月27日	RMB5,000,000 人民幣 5,000,000元	100%	Provision of technology service 提供技術服務
Wuxi Datonghua Shopping Co., Ltd. ⁽⁴⁾ 無錫大統華購物有限公司 ⁽⁴⁾	PRC/Mainland China 25 September 2006 中國/中國內地 2006年9月25日	RMB20,000,000 人民幣 20,000,000元	100%	Operation of supermarkets 經營超市
Wuxi Huiquan Logistics Co., Ltd. ⁽⁴⁾ 無錫滙全物流有限公司 ⁽⁴⁾	PRC/Mainland China 26 March 2007 中國/中國內地 2007年3月26日	RMB10,000,000 人民幣 10,000,000元	100%	Provision of logistics service 提供物流服務
Wuxi Yaohan Commerce & Trade Center Co., Ltd. ⁽⁴⁾ 無錫八佰伴商貿中心有限公司 ⁽⁴⁾	PRC/Mainland China 25 March 1994 中國/中國內地 1994年3月25日	RMB301,911,000 人民幣 301,911,000元	100%	Operation of department stores and supermarkets 經營百貨店及超市
Yixing Springland Department Store Co., Ltd. ⁽³⁾ 宜興華地百貨有限公司 ⁽³⁾	PRC/Mainland China 24 May 2000 中國/中國內地 2000年5月24日	RMB580,000,000 人民幣 580,000,000元	100%	Operation of department stores 經營百貨店
Yixing Housa Plaza Co., Ltd. ⁽³⁾ 宜興市和信廣場有限公司 ⁽³⁾	PRC/Mainland China 13 February 2004 中國/中國內地 2004年2月13日	RMB30,000,000 人民幣 30,000,000元	100%	Operation of department stores 經營百貨店
Zhenjiang Yaohan Commerce & Trade Co., Ltd. ⁽⁴⁾ 鎮江市八佰伴商貿有限公司 ⁽⁴⁾	PRC/Mainland China 28 August 2006 中國/中國內地 2006年8月28日	RMB350,000,000 人民幣 350,000,000元	100%	Operation of department stores and supermarkets 經營百貨店及超市

NOTES TO FINANCIAL STATEMENTS

財務報表附註

Year ended 31 December 2018

截至2018年12月31日止年度

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

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

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司詳情如下:(續)

Name 公司名稱	Place and date of incorporation/ registration and operation 註冊成立/成立及 經營地點及日期	Nominal value of issued ordinary/ registered share capital 已發行/登記 普通股股本面值	Percentage of equity attributable to the Company 本集團應佔 權益百分比	Principal activities 主要業務
Ma'anshan Yaohan Trading Co., Ltd. ⁽⁴⁾ 馬鞍山八佰伴商貿有限公司 ⁽⁴⁾	PRC/Mainland China 22 August 2008 中國/中國內地 2008年8月22日	RMB141,000,000 人民幣 141,000,000元	100%	Operation of department stores 經營百貨店
Nantong Yaohan Commerce & Trade Joint Stock Company Limited ⁽⁴⁾ 南通八佰伴商貿股份有限公司 ⁽⁴⁾	PRC/Mainland China 16 September 1993 中國/中國內地 1993年9月16日	RMB31,938,786 人民幣 31,938,786元	98.93%	Operation of department stores 經營百貨店
Changxing Yaohan Commerce & Trade Co., Ltd. ⁽⁴⁾ 長興八佰伴商貿有限公司 ⁽⁴⁾	PRC/Mainland China 17 November 2009 中國/中國內地 2009年11月17日	RMB75,000,000 人民幣 75,000,000元	100%	Operation of department stores and supermarkets 經營百貨店及超市
Taixing Datonghua Shopping Center Co., Ltd. ⁽⁴⁾ 泰興市大統華購物中心有限公司 ⁽⁴⁾	PRC/Mainland China 2 December 2010 中國/中國內地 2010年12月2日	RMB10,000,000 人民幣 10,000,000元	100%	Operation of supermarkets 經營超市
Changzhou Yaohan Department Store Co., Ltd. ⁽⁴⁾ 常州八佰伴百貨有限公司 ⁽⁴⁾	PRC/Mainland China 17 September 2010 中國/中國內地 2010年9月17日	RMB25,000,000 人民幣 25,000,000元	100%	Operation of department stores and supermarkets 經營百貨店及超市
Anqing Yaohan Commerce & Trade Co., Ltd. ⁽⁴⁾ 安慶八佰伴商貿有限公司 ⁽⁴⁾	PRC/Mainland China 8 February 2007 中國/中國內地 2007年2月8日	RMB130,000,000 人民幣 130,000,000元	100%	Operation of department stores and supermarkets 經營百貨店及超市
Xuancheng Yaohan Commerce & Trade Co., Ltd. ⁽⁴⁾ 宣城八佰伴商貿有限公司 ⁽⁴⁾	PRC/Mainland China 1 September 2011 中國/中國內地 2011年9月1日	RMB153,000,000 人民幣 153,000,000元	100%	Operation of department stores and supermarkets 經營百貨店及超市

NOTES TO FINANCIAL STATEMENTS

財務報表附註

Year ended 31 December 2018

截至2018年12月31日止年度

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

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

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司詳情如下:(續)

Name 公司名稱	Place and date of incorporation/ registration and operation 註冊成立/成立及 經營地點及日期	Nominal value of issued ordinary/ registered share capital 已發行/登記 普通股股本面值	Percentage of equity attributable to the Company 本集團應佔 權益百分比	Principal activities 主要業務
Jiangsu Green Land Agriculture Technology Development Co., Ltd. ⁽⁴⁾ 江蘇綠地農業科技發展有限公司 ⁽⁴⁾	PRC/Mainland China 23 August 2011 中國/中國內地 2011年8月23日	RMB5,100,000 人民幣 5,100,000元	100%	Supply of vegetables 供應蔬菜
Yangzhou Fengxiang Commerce Co., Ltd. ⁽²⁾ 揚州豐祥商業有限公司 ⁽²⁾	PRC/Mainland China 28 June 1993 中國/中國內地 1993年6月28日	US\$10,000,000 10,000,000美元	55%	Operation of department stores 經營百貨店
Wuxi Beitang Datonghua Shopping Co., Ltd. ⁽⁴⁾ 無錫北塘大統華購物有限公司 ⁽⁴⁾	PRC/Mainland China 21 June 2013 中國/中國內地 2013年6月21日	RMB10,000,000 人民幣 10,000,000元	100%	Operation of supermarkets 經營超市
Wuxi Xishan Yaohan Lifestyle Center Co., Ltd. ⁽²⁾ 無錫錫山八佰伴生活廣場有限公司 ⁽²⁾	PRC/Mainland China 14 August 2013 中國/中國內地 2013年8月14日	US\$107,040,000 107,040,000美元	100%	Operation of department stores 經營百貨店
Jiaxing Yaohan Commerce & Trade Co., Ltd. ⁽²⁾ 嘉興八佰伴商貿有限公司 ⁽²⁾	PRC/Mainland China 11 September 2012 中國/中國內地 2012年9月11日	RMB624,000,000 人民幣 624,000,000元	100%	Operation of department stores and supermarkets 經營百貨店及超市
Wuhu Yaohan Lifestyle Co., Ltd. ⁽²⁾ 蕪湖八佰伴生活廣場有限公司 ⁽²⁾	PRC/Mainland China 10 December 2014 中國/中國內地 2014年12月10日	RMB500,000,000 人民幣 500,000,000元	100%	Operation of department stores and supermarkets 經營百貨店及超市
Zhenjiang Baisheng Commercial Co., Ltd. ⁽²⁾ 鎮江百盛商城有限公司 ⁽²⁾	PRC/Mainland China 中國/中國內地 24 December 1993 1993年12月24日	US\$45,000,000 45,000,000美元	100%	Operation of department stores 經營百貨店

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

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

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司詳情如下:(續)

Name 公司名稱	Place and date of incorporation/ registration and operation 註冊成立/成立及 經營地點及日期	Nominal value of issued ordinary/ registered share capital 已發行/登記 普通股股本面值	Percentage of equity attributable to the Company 本集團應佔 權益百分比	Principal activities 主要業務
Yixing Rongtong Trade & Commerce Co., Ltd. ⁽⁴⁾ 宜興融通商貿有限公司 ⁽⁴⁾	PRC/Mainland China 中國/中國內地 16 December 2013 2013年12月16日	RMB129,046,200 人民幣 129,046,200元	100%	Operation of supermarkets 經營超市
Wuxi Tangtangguozhi Catering Management Co., Ltd. ⁽⁴⁾ 無錫堂堂果之餐飲管理有限公司 ⁽⁴⁾	PRC/Mainland China 中國/中國內地 15 July 2015 2015年7月15日	RMB1,000,000 人民幣 1,000,000元	85%	Leisure drinks industry 休閒飲品業
Wuxi Tianmaixianfang Food Co., Ltd. ⁽⁴⁾ 無錫甜麥鮮坊食品有限公司 ⁽⁴⁾	PRC/Mainland China 中國/中國內地 16 July 2015 2015年7月16日	RMB3,000,000 人民幣 3,000,000元	100%	Food processing 食品加工
Yinian Shanghai Investment Management Co., Ltd. ⁽⁴⁾ 億年(上海)投資管理有限公司 ⁽⁴⁾	PRC/Mainland China 中國/中國內地 9 December 2015 2015年12月9日	RMB20,000,000 人民幣 20,000,000元	100%	Trading 貿易
Shanghai Yunnian Catering Management Co., Ltd. ⁽⁴⁾ 上海蘊年餐飲管理有限公司 ⁽⁴⁾	PRC/Mainland China 中國/中國內地 3 May 2016 2016年5月3日	RMB5,000,000 人民幣 5,000,000元	100%	Catering management 餐飲管理
Shanghai Zhaonian Enterprise Management Co., Ltd. ⁽⁴⁾ 上海兆年企業管理有限公司 ⁽⁴⁾	PRC/Mainland China 中國/中國內地 29 April 2016 2016年4月29日	RMB10,000,000 人民幣 10,000,000元	100%	Investment management 投資管理
Jiangyin Yaohan Lifestyle Center Co., Ltd. ⁽⁴⁾ 江陰八佰伴生活廣場有限公司 ⁽⁴⁾	PRC/Mainland China 中國/中國內地 28 April 2016 2016年4月28日	RMB20,000,000 人民幣 20,000,000元	100%	Operation of department stores 經營百貨店

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

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

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司詳情如下:(續)

Name 公司名稱	Place and date of incorporation/ registration and operation 註冊成立/成立及 經營地點及日期	Nominal value of issued ordinary/ registered share capital 已發行/登記 普通股股本面值	Percentage of equity attributable to the Company 本集團應佔 權益百分比	Principal activities 主要業務
Nantong Datonghua Shopping Co., Ltd. ⁽⁴⁾ 南通大統華購物有限公司 ⁽⁴⁾	PRC/Mainland China 12 August 2016 中國/中國內地 2016年8月12日	RMB10,000,000 人民幣 10,000,000元	100%	Operation of supermarkets 經營超市
Nanjing Yaohan Commerce & Trade Co., Ltd. ⁽⁴⁾ 南京八佰伴商貿有限公司 ⁽⁴⁾	PRC/Mainland China 5 November 2007 中國/中國內地 2007年11月5日	RMB49,000,000 人民幣 49,000,000元	100%	Operation of department stores 經營百貨店
Wuxi Kuichong Roast Meat Catering Management Co., Ltd. ⁽⁴⁾ 無錫葵涌燒臘餐飲管理有限公司 ⁽⁴⁾	PRC/Mainland China 31 October 2017 中國/中國內地 2017年10月31日	RMB600,000 人民幣600,000元	100%	Catering management 餐飲管理
Wuxi Yiping Catering Management Co., Ltd. ⁽⁴⁾ 無錫一品料理餐飲有限公司 ⁽⁴⁾	PRC/Mainland China 31 October 2017 中國/中國內地 2017年10月31日	RMB800,000 人民幣800,000元	100%	Catering management 餐飲管理
Wuxi Qianjianshan Catering Management Co., Ltd. ⁽⁴⁾ 無錫淺間山餐飲管理有限公司 ⁽⁴⁾	PRC/Mainland China 31 October 2017 中國/中國內地 2017年10月31日	RMB1,500,000 人民幣1,500,000元	100%	Catering management 餐飲管理

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

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

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司詳情如下:(續)

Name 公司名稱	Place and date of incorporation/ registration and operation 註冊成立/成立及 經營地點及日期	Nominal value of issued ordinary/ registered share capital 已發行/登記 普通股股本面值	Percentage of equity attributable to the Company 本集團應佔 權益百分比	Principal activities 主要業務
Wuxi Yueyuan Catering Management Co., Ltd. ⁽⁴⁾ 無錫粵園餐飲管理有限公司 ⁽⁴⁾	PRC/Mainland China 31 October 2017 中國/中國內地 2017年10月31日	RMB2,000,000 人民幣2,000,000元	100%	Catering management 餐飲管理
Wuxi Haigangting Catering Management Co., Ltd. ⁽⁴⁾ 無錫海港廳餐飲管理有限公司 ⁽⁴⁾	PRC/Mainland China 7 November 2017 中國/中國內地 2017年11月7日	RMB800,000 人民幣800,000元	100%	Catering management 餐飲管理
Wuxi Yijiatian Catering Management Co., Ltd. ⁽⁴⁾ 無錫一家甜餐飲管理有限公司 ⁽⁴⁾	PRC/Mainland China 24 November 2017 中國/中國內地 2017年11月24日	RMB500,000 人民幣500,000元	100%	Catering management 餐飲管理
Changzhou Zhaonian Commerce & Trade Co., Ltd. ⁽⁴⁾ 常州市兆年商貿有限公司 ⁽⁴⁾	PRC/Mainland China 16 July 2018 中國/中國內地 2018年7月16日	RMB20,000,000 人民幣20,000,000元	100%	Operation of supermarkets 經營超市
Huzhou Datonghua Supermarket Co., Ltd. ⁽⁴⁾ 湖州大統華超市有限公司 ⁽⁴⁾	PRC/Mainland China 5 November 2018 中國/中國內地 2018年11月5日	RMB5,000,000 人民幣5,000,000元	100%	Operation of supermarkets 經營超市
Jiangsu Yaohan Commercial Management Co., Ltd. ⁽³⁾ 江蘇八佰伴商業管理有限公司 ⁽³⁾	PRC/Mainland China 25 June 2018 中國/中國內地 2018年6月25日	RMB10,000,000 人民幣10,000,000元	100%	Operation of department stores 經營超市
Wuxi Xishan Yaohan Commercial Management Co., Ltd. ⁽⁴⁾ 無錫錫山八佰伴商業管理有限公司 ⁽⁴⁾	PRC/Mainland China 27 November 2018 中國/中國內地 2018年11月27日	RMB10,000,000 人民幣10,000,000元	100%	Operation of department stores 經營超市

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

- (a) Except for Springland International Group Company Limited and Novel Vanguard Investment Limited, which are directly owned by the Company, all of the above companies are indirectly owned subsidiaries of the Company.
- (b) Jiangsu Springland International Holdings (Group) Ltd. issued medium-term financing notes and corporate bonds in 2016. Please refer to notes 30 & 31 for detailed information.
- (c) Types of legal entities:
 - (1) Wholly-foreign-owned enterprise
 - (2) Sino-foreign equity joint venture
 - (3) Limited liability company invested by a foreign invested enterprise
 - (4) Limited liability company

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board (the "IASB"), accounting principles generally accepted in Hong Kong 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. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

1. 公司及集團資料(續)

附屬公司資料(續)

- (a) 除華地國際集團有限公司及新鋒投資有限公司由本公司直接擁有外，上述所有公司均是本公司間接擁有的附屬公司。
- (b) 江蘇華地國際控股集團有限公司於2016年發行中期票據和公司債券。詳情請參閱附註30及31。
- (c) 法律實體類型：
 - (1) 全資外商獨資企業
 - (2) 中外合營企業
 - (3) 由外商投資企業投資的有限責任公司
 - (4) 有限責任公司

2.1 編製基準

本財務報表乃根據國際會計準則委員會頒佈之國際財務報告準則(包括所有的國際財務報告準則、國際會計準則及詮釋)編製，並符合香港公認會計原則及香港《公司條例》的披露要求。除衍生金融工具採用公平值計量以外，本財務報表根據歷史成本法編製。已終止經營業務的持有待售資產按賬面值及扣減銷售成本後的公平值較低者列示，進一步的解釋如附註2.4。本財務報表以人民幣呈列，除另有註明外，所有數值均已湊整至最接近千位數。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

Year ended 31 December 2018

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2.1 BASIS OF PREPARATION (CONTINUED)

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).

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 period 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.

2.1 編製基準 (續)

合併基準

本綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至2018年12月31日止年度之財務報表。附屬公司(包括結構性實體)乃指由本公司直接或間接地控制之實體。當本集團面對或擁有就其對被投資方之參與而取得可變回報之風險或權利,以及擁有其透過對被投資方行使權力而影響有關回報之能力(即現時之權利給予本集團支配被投資方相關活動之現有權利)時,即表示已取得控制權。

當本公司直接或間接地擁有被投資方之少數投票權或相類似權利時,本集團於評估是否對被投資方擁有權力會考慮所有相關之事實及情況,包括:

- (a) 與被投資方之其他投票權擁有人之合約安排;
- (b) 其他合約安排所產生之權利;及
- (c) 本集團之投票權及潛在投票權。

附屬公司財務報表之編製期間與本公司財務報表相同,並採用一致的會計政策。附屬公司之業績乃自本集團取得控制權之日起予以綜合計算,並繼續綜合計算,至該控制權停止當日為止。

即使導致非控股股東權益產生虧絀結餘,本公司持有人及非控股股東權益皆分佔本集團盈餘或虧損及各項其他全面收益。本集團內公司間交易帶來之所有集團內公司間資產及負債、權益、收入、開支及現金流量全部於綜合賬目時悉數對銷。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (continued)

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 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.

2.2 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.

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i>
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 Interpretation 22	<i>Foreign Currency Transactions and Advance Consideration</i>
Annual Improvements 2014-2016 Cycle	<i>Amendments to IFRS 1 and IAS 28</i>

2.1 編製基準 (續)

合併基準 (續)

倘若以上所描述之三項控制權有一項或多項出現改變之事實及情況下，本集團重新評估是否其對被投資方擁有控制權。於並無失去控制權之情況下，附屬公司所有權權益變動均視作權益交易處理。

倘本集團失去附屬公司之控制權，本集團終止確認(i)附屬公司之資產(包括商譽)及負債；(ii)任何非控股股東權益之賬面值；及(iii)在權益中記賬之累計換算差額；及確認(i)已收代價之公平值；(ii)任何仍保留之投資公平值；及(iii)任何因而於收益中產生之盈餘或虧損。本集團早前於其他全面收益中確認之各項應佔數額，將猶如本集團直接出售有關資產或負債，按所規定之相同基準適當地重新分類為收益或保留溢利。

2.2 會計政策及披露的變動

本集團於本年度財務報表中首次採用以下新訂及修訂的國際財務報告準則。

國際財務報告準則第2號 (修訂本)	以股份為基礎的付款交易的分類及計量
國際財務報告準則第4號 (修訂本)	與國際財務報告準則第4號保險合約一併應用國際財務報告準則第9號金融工具
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	與客戶之間的合約產生的收入及相關修訂
國際財務報告準則第15號 (修訂本)	國際財務報告準則第15號客戶合約收入的澄清
國際會計準則第40號 (修訂本)	轉讓投資物業
國際財務報告解釋公告第22號	外幣交易及預付/預收對價
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號的修訂本

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Except for the amendments to IFRS 4 and *Annual Improvements 2014-2016 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised IFRSs are described below:

- (a) Amendments to IFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The amendments have had no impact on the financial position or performance of the Group as the Group does not have any cash-settled share-based payment transactions and has no share-based payment transactions with net settlement features for withholding tax.

2.2 會計政策及披露的變動(續)

除對本集團之財務表現及狀況無重大影響的國際財務報告準則第4號(修訂本)，以及二零一四年至二零一六年週期之年度改進外，新訂及修訂國際財務報告準則的性質及影響如下：

- (a) 國際會計準則委員會頒佈的國際財務報告準則第2號的修訂本闡述三大範疇：歸屬條件對計量以現金結算股份支付交易的影響；為僱員履行與股份支付有關的稅務責任而預扣若干金額的股份支付交易(附有淨額結算特質)的分類；以及對股份支付交易的條款及條件作出令其分類由現金結算變為權益結算的修訂時的會計處理方法。該等修訂本明確說明計量以權益結算股份支付時歸屬條件的入賬方法亦適用於以現金結算股份支付。該等修訂本引入一個例外情況，在符合若干條件時，為僱員履行稅務責任而預扣若干金額的股份支付交易(附有淨額結算特質)，將整項分類為以股本結算股份支付交易。此外，該等修訂本明確說明，倘以現金結算股份支付交易的條款及條件有所修訂，令其成為以權益結算股份支付交易，該交易自修訂日期起作為以權益結算的交易入賬。由於本集團並無就預扣稅項責任進行具淨額結算特徵的以股份為基礎付款的交易，亦無對其以股份為基礎付款的交易的條款及條件作出任何修改，因此該等修訂對本集團的綜合財務報表並無任何影響。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- (b) 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.

With the exception of hedge accounting, which the Group has applied prospectively, the Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 39.

Classification and measurement

The following information sets out the impacts of adopting IFRS 9 on the statement of financial position, including the effect of replacing IAS 39's incurred credit loss calculations with IFRS 9's expected credit losses ("ECLs").

2.2 會計政策及披露的變動(續)

- (b) 國際財務報告準則第9號金融工具取代國際會計準則第39號金融工具：確認及計量並於2018年1月1日或以後開始的年度期間生效，集合金融工具會計的所有三個方面：分類和計量、減值、及套期會計。

除本套期會計外，本集團已確認於2018年1月1日對適用的權益期初結餘作出過渡調整。因此，比較資料未經重述並繼續根據國際會計準則第39號報告。

分類及計量

以下資料列明採用國際財務報告準則第9號對財務狀況報表的影響，包括以國際財務報告準則第9號的預期信貸損失取代國際會計準則第39號而導致的信貸損失計算的影響。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) (continued)

Classification and measurement (continued)

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as at 1 January 2018 is as follows:

	Notes 附註	IAS 39 Measurement 國際財務報告準則 第39號計量				IFRS 9 measurement 國際財務報告準則 第9號計量			Category 類別
		Category 類別	Amount 金額 RMB'000 人民幣千元	Re- classification 重新計量分類 RMB'000 人民幣千元	ECL 預期信貸損失 RMB'000 人民幣千元	Other 其他 RMB'000 人民幣千元	Amount 金額 RMB'000 人民幣千元		
Financial assets									
Equity investments designated at fair value through other comprehensive income		以公允價值通過其他綜合收益指定股權投資	N/A	-	5,188	-	-	5,188	FVOCI ¹
From: Available-for-sale investments	(i)	從可供出售投資		5,188	-	-			
Available-for-sale investments		可供出售投資	AFS ²	5,188	(5,188)	-	-	-	N/A
To: Equity investments designated at fair value through other comprehensive income	(i)	至：以公允價值通過其他綜合收益指定股權投資			(5,188)	-	-		
Trade receivables		應收款項	L&R ³	6,412	-	-	-	6,412	AC ⁴
Due from the controlling shareholder		應收控股股東款	L&R	99,984	-	-	-	99,984	AC
Financial assets included in prepayments and other receivables		金融資產包括在預付款項及其他應收款	L&R	279,653	-	-	-	279,653	AC
Time deposit		定期存款	L&R	348,625	-	-	-	348,625	AC
Cash and cash equivalents		現金及現金等價物	L&R	275,731	-	-	-	275,731	AC
				1,015,593	-	-	-	1,015,593	
Total assets		資產總額		1,015,593	-	-	-	1,015,593	
Financial liabilities		金融負債							
Trade and bills payables		應付賬款和應付票據	AC	1,278,855	-	-	-	1,278,855	AC
Financial liabilities included in other payables and accruals		金融資產包括在內其他應付款和應付款	AC	869,430	-	-	-	869,430	AC
Corporate bonds		公司債券	AC	817,070	-	-	-	817,070	AC
Medium-term financing notes		中期票據	AC	309,974	-	-	-	309,974	AC
Derivative financial instruments		衍生金融工具	FVPL ⁵	13,270	-	-	-	13,270	FVPL
Interest-bearing bank borrowings		計息銀行借款	AC	1,863,948	-	-	-	1,863,948	AC
				5,152,547	-	-	-	5,152,547	
Total liabilities		負債總額		5,152,547	-	-	-	5,152,547	

2.2 會計政策及披露的變動 (續)

(b) (續)

分類及計量 (續)

截至2018年1月1日，國際會計準則第39號的帳面金額與國際財務報告準則第9號報告的餘額之間的核對如下：

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) (continued)

Classification and measurement (continued)

1. FVOCI: Financial assets at fair value through other comprehensive income
2. AFS: Available-for-sale investments
3. L&R: Loans and receivables
4. AC: Financial assets or financial liabilities at amortised cost
5. FVPL: Financial assets or financial liabilities at fair value through profit or loss

Notes:

- (i) The Group has elected the option to irrevocably designate certain of its previous available-for-sale investments as equity investments designated at fair value through other comprehensive income.

Impairment

The Group performed a detailed analysis which considers all reasonable and supportable information, including forward-looking elements, for estimation of expected credit losses on its financial assets in accordance with the requirements of IFRS 9. The adoption of IFRS 9 has had no significant impact on the impairment of the financial assets of the Group. No additional credit loss allowance has been recognised against accumulated profits as the amounts involved are insignificant as at 1 January 2018.

Impact on reserves and retained profits

The transition to IFRS 9 had no impact on reserves and retained profits as at 1 January 2018.

2.2 會計政策及披露的變動(續)

(b) (續)

分類及計量(續)

1. FVOCI: 通過其他綜合收益以公允價值取得的金融資產
2. AFS: 可供出售投資
3. L&R: 貸款和應收款項
4. AC: 按攤銷成本計算的金融資產或金融負債
5. FVPL: 金融資產或通過損益按公允價值計算的金融負債

附註:

- (i) 集團已選擇將其以前可供出售的某些投資指定為通過其他綜合收入按公允價值指定的股本投資。

減值

本集團已進行詳細分析，其已考慮所有合理及輔助資料(包括前瞻因素)，以估計根據採納國際財務報告準則第9號規定之預期信貸虧損。採納國際財務報告準則第9號對本集團財務資產的減值並無重大影響。於2018年1月1日，因為所涉金額並不重大，故概無就累計溢利確認額外信貸虧損撥備。

儲備及保留溢利

於2018年1月1日，過渡到國際財務報告準則第9號並無對儲備及保留溢利造成影響。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- (c) IFRS 15 and its amendments replace IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a new 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 asset and liability account balances between periods and key judgements and estimates. The disclosures are included in notes 3 and 6 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 has adopted IFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018. The impacts of the adoption of IFRS 15 on the Group's financial statements are as follows:

- (i) Consideration received from customers in advance.

Before the adoption of IFRS 15, the Group recognised consideration received from customers in advance as other payables. Under IFRS 15, the amount is classified as contract liabilities which are included in other payables and accruals.

2.2 會計政策及披露的變動(續)

- (c) 國際財務報告準則第15號取代了國際會計準則第11號*建造合約*、國際會計準則第18號*收入*及有關詮釋，除附帶有限例外情況，適用於客戶合約產生的所有收入。國際財務報告準則第15號建立一個新的五步模式，將計入自客戶合約產生的收益。根據國際財務報告準則第15號，收益按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得的代價金額確認。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結構化的方法。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，關於履行責任、不同期間之合約資產及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3及6。由於採用國際財務報告準則第15號，本集團已就財務報表附註2.4的收入確認更改會計政策。

本集團採用經修訂的追溯採用法採納國際財務報告準則第15號。根據這種方法，標準既可以應用於初始申請之日的所有合同，也可以應用於此日未完成的合同。本集團已選擇將該準則應用於2018年1月1日尚未完成的合約。採用國際財務報告準則第15號對本集團的財務報表影響如下：

- (i) 預先收到客戶對價的考慮

在採用IFRS 15之前，本集團將客戶預先支付的對價確認為其他應付款項。根據IFRS 15，該金額被分類為合同負債，包括在其他應付款和應計費用中。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(c) (continued)

- (i) Consideration received from customers in advance. (continued)

Therefore, upon adoption of IFRS 15, the Group reclassified RMB1,281,052,000 from other payables to contract liabilities as at 1 January 2018 in relation to the consideration received from customers in advance as at 1 January 2018.

- (d) 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 have had no impact on the financial position or performance of the Group.

- (e) IFRIC Interpretation 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 (such as a prepayment) or non-monetary liability (such as deferred income) 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 has had no impact on the Group's 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.

2.2 會計政策及披露的變動(續)

(c) (續)

- (i) 預先收到客戶對價的考慮(續)

因此，在採用IFRS 15後，本集團將截至2018年1月1日的人民幣1,281,052,000元從其他應付款中，針對截至2018年1月1日收到的客戶預付款對價，重新分類為合同債務。

- (d) 國際會計準則第40號的修訂本澄清實體應將物業(包括建設中或開發中物業)轉撥至或轉撥自投資物業的時間。該等修訂指明，物業的用途發生變動需要其符合或不再符合投資物業的定義且有證據證明用途發生變動。單憑管理層對物業用途的意向產生變動不足以證明其用途有所變動。

- (e) 國際財務報告解釋公告第22號為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，在採納國際會計準則第21號時，應如何釐定交易日期提供指引。該詮釋釐清，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(如預付款項)或非貨幣性負債(如遞延收入)之日。倘確認有關項目存在多筆預付款或預收款，實體須就每筆預付代價款或收取預付代價款釐定交易日期。該詮釋並無對本集團的財務報表造成任何影響，因為本集團為釐定非貨幣資產或非貨幣負債初步確認而應用的匯率的會計政策與該詮釋所提供的指引一致。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, 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>Prepayment Features with Negative Compensation</i> ¹
Amendments to IFRS 10 and IAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
IFRS 16	<i>Leases</i> ¹
IFRS 17	<i>Insurance Contracts</i> ³
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 Interpretation 23 <i>Annual Improvements 2015-2017 Cycle</i>	<i>Uncertainty over Income Tax Treatments</i> ¹ Amendments to IFRS 3, IFRS 11, IAS 19, IAS 12 and IAS 23 ¹

- 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 Effective for annual periods beginning on or after 1 January 2021
- ⁴ No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效的國際財務報告準則

本集團於該等財務報表並未採用下列已頒佈但尚未生效的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(修訂本)	<i>對業務的定義</i> ²
國際財務報告準則第9號(修訂本)	<i>具有負補償的提前還款特性</i> ¹
國際財務報告準則第10號及國際會計準則第28號(2011)(修訂本)	<i>投資者及其聯營或合營企業間的資產出售或注資</i> ⁴
國際財務報告準則第16號	<i>租賃</i> ¹
國際財務報告準則第17號	<i>保險合約</i> ³
國際會計準則第1號及國際會計準則第8號(修訂本)	<i>對「重大」的定義</i> ²
國際會計準則第19號(修訂本)	<i>計劃修訂、縮減或支付</i> ¹
國際會計準則第28號(修訂本)	<i>在聯營企業和合營企業中的長期權益</i> ¹
國際財務報告解釋公告第23號 二零一五年至二零一七年 週期年度改進	<i>所得稅處理的不確定性</i> ¹ 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2號(修訂本) ¹

- ¹ 由2019年1月1日或之後開始的年度期間生效
- ² 由2020年1月1日或之後開始的年度期間生效
- ³ 由2021年1月1日或之後開始的年度期間生效
- ⁴ 尚未釐定強制生效日期，惟可供採納

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

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

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.

Amendments to IFRS 10 and IAS 28 (2011) address an inconsistency between the requirements in IFRS 10 and in IAS 28 (2011) 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 (2011) was removed by the HKICPA in January 2016 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)

預期將適用於本集團之該等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(修訂本)澄清業務的定義，共提供額外指引。該修訂本訂明可視為業務的一組整合活動和資產，必須至少包括一項投入和一項重要過程，而兩者必須對形成收益的能力有重大貢獻。業務毋須包括形成產出所需的所有投入或過程。該修訂取消了評估市場參與者是否有能力收購業務並能持續獲得收益的規定，轉為重點關注所取得的投入和重要過程共同形成收益的能力有否重大貢獻。該修訂已收窄收益的定義範圍，重點關注為客戶提供的商品或服務、投資收益或日常活動產生的其他收入。此外，修訂本亦提供有關評估所取得過程是否重大的指引，並新增公允價值集中度測試選項，允許對所取得的一組活動和資產是否不屬於業務進行簡化評估。本集團預期自2020年1月1日起採用該等修訂。

國際財務報告準則第10號及國際會計準則第28號的修訂本處理國際財務報告準則第10號與國際會計準則第28號兩者有關投資者與其聯營公司或合營公司之間的資產出售或注資的規定並不一致的情況。該等修訂本規定，如投資者與其聯營公司或合營公司之間的資產出售或注資構成一項業務，須確認全數收益或虧損。如交易涉及不構成一項業務的資產，該交易產生的收益或虧損於投資者的損益內確認，並僅以無關連投資者於該聯營公司或合營公司的權益為限。該等修訂本按未來適用法應用。國際財務報告準則第10號及國際會計準則第28號(2011)的修訂本之前的強制生效日期已於2016年1月被國際會計準則理事會移除，新強制生效日期將於對聯營公司及合營公司的會計處理進行更廣泛檢討完成後決定。然而，該等修訂本現已可供應用。

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

IFRS 16 replaces IAS 17 *Leases*, IFRIC Interpretation 4 *Determining whether an Arrangement contains a Lease*, SIC Interpretation 15 *Operating Leases - Incentives* and SIC Interpretation 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 elective 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.

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詮釋第4號「釐定安排是否包含租賃」、常務詮釋委員會詮釋公告第15號「經營租賃－獎勵」及常務詮釋委員會詮釋公告第27號「評估涉及租賃法律形式的交易本質」。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，承租人會確認作出租賃付款的負債（即租賃負債）及確認代表於租賃期內使用相關資產的權利的資產（即使用權資產）。除非使用權資產符合國際會計準則第40號投資物業的定義，否則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使用權資產的折舊開支。承租人亦將須於發生若干事件時重新計量租賃負債，例如因租賃期變更或用於釐定未來租賃付款的指數或比率變更而引致該等付款變更。承租人一般將重新計量租賃負債的數額確認為使用權資產的調整。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。出租人將繼續使用與國際會計準則第17號相同的分類原則將所有租賃分類，並將之分為經營租賃及融資租賃。國際財務報告準則第16號要求承租人和出租人作出比國際會計準則第17號項下規定的更多的披露。

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

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 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 has performed a detailed assessment on the impact of adoption of IFRS 16. The Group has estimated that right-of-use assets of RMB870,579,000 and lease liabilities of RMB833,853,000 will be recognised at 1 January 2019.

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.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

承租人可選擇採用全面追溯或修訂的追溯方式來應用該標準。本集團自2019年1月1日起採用國際財務報告準則第16號。本集團計劃採納國際財務報告準則第16號的過渡條文，以確認首次採納的累計影響，作為對2019年1月1日的保留盈利期初結餘調整。此外，本集團計劃將新要求應用於先前已確認用國際會計準則第17號的租賃合約，並按剩餘租賃付款採用本集團於首次應用日期的增量借款利率折現的現值計量租賃負債。使用權資產將按租賃負債金額計量，並就於緊接首次應用日期前於財務狀況表中確認的與租賃相關的任何預付或應計租賃付款金額進行調整。本集團計劃對於初始應用日期期於12個月內屆滿的租賃合約使用準則允許的豁免。於二零一八年期間，本集團詳細評估採納國際財務報告準則第16號的影響。本集團估計將於2019年1月1日確認使用權資產人民幣870,579,000元及租賃負債人民幣833,853,000元。

國際會計準則第1號及國際會計準則第8號(修訂本)對重大提供了新定義。新定義指出，倘遺漏、錯誤陳述或掩蓋資料可合理地預期會對一般用途財務報表的主要使用者基於該等財務報表作出的決策造成影響，則有關資料屬於重大。倘錯誤陳述資料可合理地預期會對主要使用者作出的決策造成影響，則有關資料屬於重大。本集團預期自2020年1月1日起採納有關修訂。預期有關修訂不會對本集團的財務報表造成重大影響。

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

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.

IFRIC Interpretation 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 treatments. 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 interpretation is not expected to have any significant impact on the Group’s financial statements.

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28號的修訂本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企業或合營企業之權益，且不包括實質上構成聯營企業或合營企業投資淨額一部分的長期權益(其中尚未實施權益法)。因此，計算此類長期利益時，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。只有在確認聯營企業或合營企業的虧損及聯營企業或合營企業淨投資減值的情況下，國際會計準則第28號才應用於淨投資(包括長期權益)。本集團預期於2019年1月1日採納該等修訂，並使用修訂本的過渡性規定，根據2019年1月1日所存在的事實及情況評估其業務模式以符合該等長期利益。本集團亦有意於採納該等修訂後，採用前期重列比較資料的寬免。

國際財務報告解釋公告第23號公告了當稅務處理涉及影響國際會計準則第12號應用的不確定性時所得稅的會計處理，且不適用於國際會計準則第12號範圍以外的稅項或收費，也並未特別包括關於與稅務處理的不確定性相關的利息和罰款的規定。該詮釋特別公告以下方面：(i)實體是否單獨考慮稅務處理的不確定性；(ii)實體針對稅務部門核查查稅務處理所做的假設；(iii)實體如何釐定應課稅溢利(稅項虧損)、稅基、未動用稅項虧損、未動用稅項抵免和稅率；及(iv)實體如何考慮事實及情況變化。該詮釋須追溯應用(倘毋須採用事後確認，則可全面追溯應用；或追溯應用，則應用的累計影響將作為於首次應用日期的期初權益的調整，而毋須重列比較資料)。本集團預期自2019年1月1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。

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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.

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.

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.

2.4 主要會計政策概要

於聯營公司和合營企業的投資

聯營公司為本集團擁有其一般不少於20%之股本投票權之長期權益，並可對其施加重大影響之公司。重大影響即有權參與被投資實體之財務和經營政策的決策，但並無控制權及共同控制的權利。

合營企業指一種合營安排，對安排擁有共同控制權的訂約方據此對合營企業之資產淨值擁有權利。共同控制指按照合約協定對一項安排所共有之控制，共同控制僅在有關於活動要求享有控制權之訂約方作出一致同意的決定時存在。

本集團之聯營公司和合營企業投資根據權益會計法按本集團應佔淨資產減任何減值損失於綜合財務狀況表列賬。

本集團於綜合收益表及綜合其他全面收益分別計入其應佔聯營公司和合營企業收購後業績及其他全面收益。此外，當直接確認聯營公司和合營企業之權益有變動時，則本集團於綜合權益變動表確認其適用之應佔變動。本集團與其聯營公司和合營企業之交易產生之未變現盈虧會對銷，對銷金額以本集團對聯營公司和合營企業之投資為限，除非未變現虧損能證明被轉移資產出現減值。收購聯營公司和合營企業產生之商譽被納入為本集團於聯營公司和合營企業投資之一部份。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (continued)

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 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*.

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.

2.4 主要會計政策概要(續)

於聯營公司和合營企業的投資(續)

如果對聯營公司之投資轉換為對合營企業之投資，保留的權益不重新計算。相反，該投資仍然是採用權益法列賬。在其他所有情況下，在喪失對聯營公司之重大影響時，本集團以其公平值確認和計量該任何保留之投資。任何喪失對聯營公司和合營企業之重大影響或聯合控制之賬面價值與保留投資之公平值以及處置所得之間的差異在損益中確認。

當聯營公司和合營企業的投資被分類為持有待售，該投資依據國際財務報告準則第5號持有待售非流動資產及終止經營列賬。

業務合併及商譽

業務合併乃以收購法入賬。轉讓之代價以收購日期的公平值計量，該公平值為本集團轉讓的資產於收購日期的公平值、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之總和。對於各業務合併中，在屬現時所有權權益且賦予擁有人權力於清盤時按比例分佔被投資方之資產淨額之非控股權益，本集團選擇以公平值或被收購方可識別資產淨值的應佔比例計量。所有非控股權益的其它成分均以公平價值計量。如有與收購相關之成本將被列為開支計算。

當本集團收購一項業務時，會根據合約條款、於收購日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，其中包括區分被收購方主合約中嵌入式衍生工具。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

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 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 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 profit or loss as a gain on bargain purchase.

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 groups of units.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

倘業務合併分階段達成，收購方先前持有之股權重新計算至收購日期之公平值，並將因而產生之任何損益結果計入收益內。

收購方將予轉讓之任何或然代價於收購日期按公平值確認。分類為資產或負債之或然代價按公平值計量，而公平值變動於收益確認。倘或然代價歸類為權益，則毋須重新計量，而其後結算在權益中入賬。

商譽初步按成本值計量，即所轉讓總代價、已確認非控股股東權益之金額及本集團先前持有被收購方股權之公平值之總和，超出所收購可識別資產及所承擔負債淨額之差額。倘此代價及其他項目之總和低於資產淨值之公平值，於評估後，其差額將於收益內確認為議價收購收益。

於初始確認後，商譽按成本值減任何累計減值虧損計量。商譽須每年作減值檢測，倘有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行檢測。本集團每年對截至12月31日之商譽進行減值檢測。就減值檢測而言，於業務合併所收購商譽，乃自收購日期起分配至預期於合併所產生之協同效益中受惠之本集團各現金產出單位或各現金產生單位組，而不論本集團其他資產或負債有否轉撥至該等單位或單位組。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

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 value 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)

減值按與商譽有關之現金產生單位可收回金額評估釐定。倘現金產生單位之可收回金額低於賬面值，則確認減值虧損。就商譽確認之減值虧損不會於往後期間撥回。

倘商譽分配至現金產生單位組成部份，該單位部份業務出售時，與出售業務有關之商譽將計入業務賬面值，以釐定出售盈虧。於該等情況售出之商譽，按出售業務及保留現金產生單位部份相對價值基準計算。

公平值計量

本集團於各報告期末按公平值計量其衍生金融工具和股權投資。公平值乃在市場參與者於計量日期進行之有序交易中出售資產所收取或轉移負債所支付之價格。公平值計量乃基於假設出售資產或轉移負債之交易於資產或負債的主要市場或於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為本集團能進入之市場。資產或負債的公平值乃基於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)。

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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)

公平值計量(續)

非金融資產之公平值計量參考市場參與者可從使用該資產得到之最高及最佳效用，或將該資產售予另一可從使用該資產得到最高及最佳效用之市場參與者，從而產生經濟效益之能力。

本集團使用適用於不同情況之估值方法，而其有足夠資料計量公平值，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平值之所有資產及負債，根據對於公平值計量整體屬重要之最低輸入值水準按如下所述在公平值架構中分類：

第一級－根據相同資產或負債於活躍市場之報價(未經調整)價格

第二級－根據估值方法，當中對於公平值計量有重大影響之最低輸入值為可直接或間接觀察

第三級－根據估值方法，當中對於公平值計量有重大影響之最低輸入值為不可觀察數據

對於在財務報表以持續基準確認之資產及負債，本集團按對於公平值計量整體有重大影響之最低輸入值於各報告期末重新評估分類，以確定架構各級之間是否出現轉移。

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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 and non-current assets/a disposal group classified as held for sale), 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 the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired 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 the statement of profit or loss in the period in which it arises.

2.4 主要會計政策概要(續)

非金融資產減值

倘有跡象顯示存在減值，或須就資產(待出售物業、遞延稅項資產、金融資產及投資物業除外)進行年度減值檢測，則會估計該資產之可收回金額。資產之可收回金額為該資產或現金產生單位之使用價值與其公平值減銷售成本之較高金額，並就個別資產釐定，除非有關資產並無產生在很大程度上獨立於其他資產或資產組別之現金流入，在此情況下，可收回金額就資產所屬現金產生單位釐定。

減值虧損僅於資產之賬面值超逾其可收回金額時確認。於評估使用價值時，估計未來現金流量按可反映現時市場對貨幣時間價值及資產特定風險之評估之稅前貼現率貼現至現值。減值虧損於產生期間內在收益表中與已減值資產功能一致之支出類別內扣除。

於各報告期末須評估是否有跡象顯示過往確認減值虧損不再存在或已減少。如存在該跡象，則會估計可收回金額。過往確認之資產(商譽除外)減值虧損，僅會於用以釐定該資產可收回金額之估計改變時撥回，惟撥回後之金額不得高於假設過往年度並無就資產確認減值虧損而應已釐定之賬面值(扣除任何折舊/攤銷)。減值虧損撥回於產生期間計入收益表。

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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;
- (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)

關連人士

下列人士將視為與本集團有關連：

(a) 有關人士為個人或該人士之直屬家庭成員，而該人士：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本集團或本集團母公司之主要管理人員之一名成員；

或

(b) 該人士為實體並符合下列任何一項條件，而：

- (i) 該實體與本集團屬同一集團之成員公司；
- (ii) 一間實體為另一間實體之聯營公司或合營企業（或另一間實體之母公司、附屬公司或同系附屬公司）；
- (iii) 該實體與本集團為同一第三方之合營企業；
- (iv) 一間實體為第三方實體之合營企業，而另一方實體為第三方實體之聯營公司；
- (v) 該實體為本集團或與本集團有關連之實體就僱員福利設立之離職後福利計劃；
- (vi) 該實體受(a)定義之人士控制或共同控制；
- (vii) (a)(i)定義之人士對該實體有重大影響力或屬該實體（或該實體之母公司）之主要管理人員；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。

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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 or valuation less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale”. 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 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.

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 useful lives for this purpose are as follows:

Land and buildings	20 to 40 years
Renovation and leasehold improvements	2 to 10 years
Machinery	10 years
Motor vehicles	5 years
Furniture and office equipment	3 to 5 years

2.4 主要會計政策概要(續)

物業、廠房及設備與折舊

除在建工程外，物業、廠房及設備乃按成本值或估值減累計折舊及任何減值虧損列賬。當物業、廠房及設備被分類為持有待售或其為已終止經營業務分類為持有待售資產時，按國際財務報告準則第5號不再對其計提折舊，於「非流動資產及已終止經營業務之持有待售」之會計政策詳述。物業、廠房及設備的成本包括購買價及任何使資產達至營運狀況及地點擬定用途的直接應計成本。

當物業、廠房及設備項目開始運作後所產生的支出，如維修及保養費用，一般於產生期間在收益表中扣除。滿足條件的重大維修支出將被允許以重置形式予以資本化。物業、廠房及設備的重要部件需被替換時，本集團將此組成部分作為一項單獨資產，分別確定其使用壽命並相應計提折舊。

物業、廠房及設備採用直線法計算折舊，於其估計使用年期內削減其成本至其剩餘價值。資產的使用壽命如下：

土地及樓宇 翻新和裝修	20至40年 2至10年
機器	10年
汽車	5年
傢俬及辦公室設備	3至5年

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (continued)

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 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 a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

2.4 主要會計政策概要(續)

物業、廠房及設備與折舊(續)

倘某個物業、廠房及設備項目的各個部份具有不同的使用年期，該項目各部份之成本將按合理基礎分配，而每部分將作個別折舊。至少於每個財政年度結束對剩餘價值、可使用年期和折舊方法進行覆核，並作出適當調整。

當出售物業、廠房及設備、初始確認的重要部件項目時或當預期使用或出售物業、廠房及設備及初始確認的重要部件項目將不能帶來任何未來經濟回報時，則須解除確認物業、廠房及設備項目。出售或報廢產生的任何收益或虧損，按有關資產出售所得款項淨值與其賬面值兩者的差額於解除確認年度之收益表確認。

在建工程指在興建的建築，按成本值減任何減值虧損後列賬，且毋須折舊。成本包括建築期間的直接建築成本以及就有關已撥充資本的借貸資金的借貸成本。當在建工程完成並可作使用時，重新分類為適當類別的物業、廠房及設備。

非流動資產及已終止經營業務之持有待售

倘非流動資產及已終止經營業務之賬面值將主要通過銷售交易，而非通過持續使用收回，則該等非流動資產將被列作持有待售。此條件僅於出售機會相當高及資產及已終止經營業務可於現況下即時出售時方被視為符合。不管售後本集團是否保留以前附屬公司的少數股本權益，附屬公司的所有資產和負債被重新分類為持有待售。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-current assets and disposal groups held for sale (continued)

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

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 as 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 an intangible asset with a finite useful life are reviewed at least at each financial year end.

Lease agreement buyouts

The lease agreement buyouts represented the Group's payments to old tenants to buy out their lease agreements. The lease agreement buyouts are stated at cost less any impairment losses and are amortised on the straight-line basis over the lease terms of 10 to 19 years.

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 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 the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

2.4 主要會計政策概要(續)

非流動資產及已終止經營業務之持有待售(續)

非流動資產及已終止經營業務(投資物業及金融資產除外)分類為持有待售按除銷售成本後的公平值計量。分類為持有待售的物業、廠房及設備和無形資產不進行折舊或攤銷。

無形資產(商譽除外)

單獨取得的無形資產按成本進行初始計量。而通過業務合併之收購取得之無形資產應按其於收購日的公平值進行計量。無形資產的可使用年期經評估後分為有限或無限。使用年期有限的無形資產按經濟可使用年期進行期後攤銷，並在有跡象顯示無形資產可能出現減值時，評估減值數額。使用年期有限的無形資產之攤銷期及攤銷方法最少於各財務年度末檢討一次。

租賃協定買斷

租賃協議買斷指本集團向原租戶付款以買斷租賃協議。租賃協定買斷按扣除減值損失後的成本列示，並按直線法在租賃期內(10-19年)攤銷。

租賃

除法定權利之外，資產擁有權的絕大部分回報及風險已實質轉移的租賃，均列作融資租賃。於融資租賃開始日，租賃資產的成本以最低租賃付款額現值予以資本化，並與有關責任(不包括利息因素)一同入賬，以反映其購買及融資活動。持有計入物業、廠房及設備內已資本化的融資租賃資產，按租期或資產估計可使用年期之較短期間進行折舊。該等租賃之融資成本以確保租賃期內維持固定的期間利率計入收益表中。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

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 the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land premiums under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

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.

2.4 主要會計政策概要(續)

租賃(續)

通過具有融資性質的租賃合約的資產作為融資租賃處理，並按預計使用年期進行折舊。

資產擁有權的絕大部分回報及風險仍歸出租人所有的租賃，均列作經營租賃。倘本集團為出租人，則經營租賃出租的資產歸入非金融資產，經營租賃的應收租金按直線法在租賃期內計入損益。倘本集團為承租人，則經營租賃的應付租金在扣除已收出租人的任何優惠後，以直線法按租期自收益表扣除。

經營租賃下的預付土地出讓金以成本進行初始入賬，其後以直線法按租期確認。

投資及其他金融資產(由2018年1月1日起國際財務報告準則第9號之政策)

初始確認及計量

於初步確認時，金融資產分類為其後按攤銷成本計量、按公平值計入其他全面收益及按公平值計入損益。

於初始確認時，金融資產分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分的貿易應收款項外，本集團初步按公平值加上交易成本計量金融資產。並無重大融資成分的貿易應收款乃根據下文「收益確認(於2018年1月1日起適用)」所載政策，按國際財務報告準則第15號來自客戶合約的收益釐定的交易價格計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under IAS 39 applicable from 1 January 2018) (continued)

Initial recognition and measurement (continued)

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.

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.

2.4 主要會計政策概要(續)

投資及其他金融資產(由2018年1月1日起國際財務報告準則第9號之政策)(續)

初始確認及計量(續)

為使金融資產按攤銷成本進行分類及計量，需產生純粹為支付本金及未償還本金利息(「純粹支付本金及利息」)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。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。

所有按常規方式購買及出售之金融資產於交易日確認，而交易日指本集團承諾購買或出售該資產之日期。按常規方式購買或出售指購買或出售須在一般按市場規則或習慣確定的期間內交付之金融資產。

後續計量

金融工具的期後計量取決於其如下分類：

按攤銷成本計量的金融資產(債務工具)

倘滿足以下兩個條件，本集團將按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合約現金流量的業務模式中持有金融資產。
- 金融資產的合約條款於特定日期產生純粹為支付本金及未償還本金利息的現金流量。

按攤銷成本計量的金融資產其後使用實際利率法計量，並受減值影響。當資產終於確認、修訂或減值時，收益及虧損於損益中確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under IAS 39 applicable from 1 January 2018) (continued)

Subsequent measurement (continued)

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.

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.

Financial assets designated at fair value through other comprehensive income (equity investments)

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.

2.4 主要會計政策概要(續)

投資及其他金融資產(由2018年1月1日起根據國際會計準則第39號之政策)(續)

後續計量(續)

按公平值計入其他全面收益的金融資產(債務工具)

倘滿足以下兩個條件，本集團將按公平值計入其他全面收入計量債務投資：

- 金融資產乃於以持有作收取合約現金流量及出售為目標的業務模式內持有。
- 金融資產合約條款訂明於指定日期的現金流量僅可用作償還本金及未償還本金利息。

就按公平值計入其他全面收益的債務投資而言，利息收入、外匯重估及減值虧損或撥回乃於損益表確認，計算方式與計算按攤銷成本計量的金融資產相同。餘下公平值變動於其他全面收益確認。於終止確認後，於其他全面收益確認的累計公平值變動轉回至損益表。

指定按公平值計入其他全面收益的金融資產(股權投資)

於初步確認後，倘股權投資符合國際會計準則第32號金融工具：呈列項下的股權定義，且並非持作買賣，本集團可選擇不可撤回地將該股權投資分類為指定按公平值計入其他全面收益的股權投資。分類乃按個別工具基準而釐定。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under IAS 39 applicable from 1 January 2018) (continued)

Subsequent measurement (continued)

Financial assets designated at fair value through other comprehensive income (equity investments) (continued)

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.

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.

2.4 主要會計政策概要(續)

投資及其他金融資產(由2018年1月1日起根據國際會計準則第39號之政策)(續)

後續計量(續)

指定按公平值計入其他全面收益的金融資產(股權投資)(續)

該等金融資產的收益及虧損永不轉回損益表。倘股息付款權已確立，而股息相關經濟利益很可能流向本集團，且股息金額能可靠計量，則股息會於損益表確認為其他收入，惟倘本集團受惠於該等所得款項作為收回部分金融資產成本則作別論，在此情況下，有關收益會入賬為其他全面收益。指定按公平值計入其他全面收益的股權投資無須進行減值評估。

按公平值計入損益的金融資產

按公平值計入損益的金融資產包括持作交易金融資產、於初步確認後指定按公平值計入損益的金融資產，或需要強制按公平值計量的金融資產。倘金融資產乃為於近期進行出售或購置而收購，則金融資產會分類為持作交易。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作交易，除非衍生工具指定為實際對沖工具，則作別論。現金流量並非僅可用作償還本金及未償還本金利息的金融資產分類為按公平值計入損益計量，而不論業務模式。儘管如上文所述債務工具可分類為按攤銷成本或按公平值計入其他全面收益，倘能夠消除或顯著減少會計錯配，則債務工具或會於初步確認時指定為按公平值計入損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under IAS 39 applicable from 1 January 2018) (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

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.

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.

2.4 主要會計政策概要(續)

投資及其他金融資產(由2018年1月1日起根據國際會計準則第39號之政策)(續)

後續計量(續)

按公平值計入損益的金融資產(續)

按公平值計入損益的金融資產乃於財務狀況表按公平值列賬，而公平值變動淨額則於損益表確認。

該類別包括本集團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進行分類的權益投資。分類為按公允價值計量且其變動計入損益的權益投資的股息在支付權確立，與股息相關的經濟利益很可能流入本集團且股息金額能夠可靠計量時，亦於損益表中確認為其他收入。

當嵌入混合合約(包含金融負債及非金融主體)的衍生工具具備與主體不緊密相關的經濟特徵及風險；具備於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平值計入損益計量，則該衍生工具與主體分開並作為單獨衍生工具列賬。嵌入式衍生工具按公平值計量，且其變動計入損益。僅當合約條款出現變動，以致大幅改變其他情況下所須現金流量時或當原分類至按公平值計入損益的金融資產獲重新分類時，方進行重新評估。

嵌入混合合約(包含金融資產主體)的衍生工具不得單獨列賬。金融資產主體連同嵌入式衍生工具須整體分類為按公平值計入損益的金融資產。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and available-for-sale financial investments, 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.

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. 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 other income and gains 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.

2.4 主要會計政策概要(續)

投資及其他金融資產(由2018年1月1日起根據國際會計準則第39號之政策)

初始確認及計量

金融資產於初始確認時分類為按公平值計入損益之金融資產、貸款及應收款項及可供出售金融投資(如適當)。金融資產初始確認時，乃按公平值加上收購金融資產應佔的交易成本計量，惟按公平值計入損益之金融資產除外。

金融資產之所有一般買賣都在交易日確認，即本集團承諾購買或出售資產之日期。一般買賣指在一般市場規則或慣例指定的期限內交付金融資產之購買或銷售。

後續計量

貸款及應收款項之後續計量如下：

透過損益反映公平值之金融資產

透過損益反映公平值之金融資產包括持作買賣之金融資產及首次確認時被指定為透過損益反映公值之金融資產。金融資產如以短期出售為目的而購買，則分類為持作買賣。衍生工具(包括獨嵌入式衍生工具)除非指定為國際會計準則第39號所界定有效對沖工具，否則亦分類為持作買賣。

透過綜合損益反映公平值之金融資產按公平值於綜合財務狀況表列賬，其公平值正變動淨額於收益表呈列其他收入及收益，而公平值負變動淨額於損益表呈列為財務成本。該等公平值變動淨額不包括此金融資產之任何股息或利息，該等股息及利息根據下文「收入確認(於2018年1月1日前適用)」所載政策予以確認。

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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)

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.

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 by 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 other income and gains 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 expenses for receivables.

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 the market conditions.

2.4 主要會計政策概要(續)

投資及其他金融資產(由2018年1月1日起根據國際會計準則第39號之政策)(續)

後續計量(續)

透過損益反映公平值之金融資產(續)

於首次確認時被指定為透過損益反映公平值之金融資產於首次確認日期指定，惟須符合國際會計則第39號之規定。

嵌入主合約的衍生工具若其經濟特徵及風險與主合約並無密切關係，且主合約並非持作買賣亦非定為透過損益反映公平值，則該衍生工具以獨立衍生工具入賬並按公平值列賬。該等嵌入衍生工具以公平值計量，相關公平值變動於收益表確認。僅在合約條款變動大幅改變現金流量時方會按新要求重新評估。

貸款及應收賬款

貸款及應收賬款為具有固定或可確定付款但在活躍市場並無報價之非衍生金融資產。於首次計量後該等資產其後採用實際利率法按攤銷成本減任何減值撥備計量。攤銷成本乃經計入任何收購折讓溢價後計算，包括屬於實際利率整體部分之費用或成本。實際利率攤銷計入綜合損益表之其他收入及益。減值虧損於損益表之貸款的財務成本及應收款項之其他開支中確認。

可供出售金融投資

可供出售金融投資指上市及非上市股本投資及債務證券之非衍生金融資產。分類為可供出售之股本投資指並非分類為持作買賣或指定為透過損益反映公平值之投資。此分類項下之債務證券為擬不確定持有期限之債務證券，並可能因應流動資金需求或市況變化而出售。

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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)

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 other 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 the statement of profit or loss in other gains or losses. 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 other income 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(由2018年1月1日起根據國際會計準則第39號之政策)(續)

後續計量(續)

可供出售金融投資(續)

首次確認後，可供出售金融投資其後按公平值計量，有關未變現盈虧則確認為可供出售投資重估儲備之其他全面收益，直至有關投資終止確認(屆時累計盈虧於綜合損益表之其他收益中確認)或直至資產被釐定為出現減值(屆時相關累計盈虧自可供出售投資重估儲備重新分類至損益表之其他開支)為止。持有可供出售金融投資所賺取之利息及股息分別呈報為利息收入及股息收入，並根據下文就「收入確認(於2018年1月1日前適用)」所載之政策於綜合損益表之其他收益中確認。

倘非上市股本投資之公平值因以下原因而不能可靠計量：(a)該項投資之合理公平值估算範圍存在重大變動或(b)在評估公平值時未能合理評估及使用有關範圍內可能出現之多項估計，則該等投資以成本減任何減值虧損列賬。

本集團評估短期內出售可供出售金融資產之能力及意向是否仍然適當。在少數情況下，倘因市場不活躍，本集團無法交易這些金融資產及管理層有能力及意願於可見未來或直至到期之前持有此類金融資產時，本集團可選擇重新分類該等金融資產。

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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 the statement of 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(由2018年1月1日起根據國際會計準則第39號之政策)(續)

後續計量(續)

可供出售金融投資(續)

倘某項金融資產在可供出售金融資產中重新分類，則重新分類日期之公平值賬面值會成為其新攤銷成本，而該資產原先已計入權益之相關盈虧，在投資之剩餘年期按實際利率攤銷至損益。新攤銷之成本與到期金額之任何差額亦應在該資產之剩餘年期按實際利率攤銷。倘該資產其後釐定減值，原計入權益之金額則重新分類至綜合損益表。

終止確認金融資產(由2018年1月1日起根據國際財務報告準則第9號及2018年1月1日前根據國際會計準則第39號之政策)

在下列情況下，一項金融資產(可適用於某項金融資產的一部分，或一組同類金融資產的一部分)須主要終止確認(即自本集團綜合財務狀況表移除)：

- 從資產獲取現金流量的權利已經屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量之權利，或根據「轉手」安排承擔在無重大延誤下向第三方全數支付已收取之現金流量之責任；及(a)本集團已轉讓資產之絕大部分風險及回報，或(b)本集團並無轉讓或保留資產之絕大部分風險及回報，惟已轉讓資產之控制權。

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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(由2018年1月1日起根據國際財務報告準則第9號及2018年1月1日前根據國際會計準則第39號之政策)(續)

倘本集團已轉讓其收取資產現金流量之權利或已訂立轉手安排，則評估有否保留資產所有權之風險及回報以及保留程度。倘並無轉讓或保留資產絕大部分風險及回報，亦無轉讓資產之控制權，該資產則按本集團持續參與該資產之程度予以確認。在此情況下，本集團亦確認相關負債。已轉讓資產及相關負債按本集團所保留之相關權利及責任為基礎進行計量。

以擔保形式對已轉撥資產之持續參與，按資產原賬面值與本集團可能須償還最高代價兩者之較低者計量。

金融資產減值(由2018年1月1日起根據國際財務報告準則第9號之政策)

本集團確認對並非按公平值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。

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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.

2.4 主要會計政策概要(續)

金融資產減值(於2018年1月1日起適用的國際財務報告準則第9號之政策)(續)

一般方法

預期信貸虧損分兩個階段進行確認。就自初始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12個月內可能發生違約事件而導致的信貸虧損(12個月預期信貸虧損)。就自初始確認起經已顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損均須計提虧損撥備(全期預期信貸虧損)。

於各報告日期，本集團會將由報告日期至初步確認日期的預計存續期內發生的違約風險比較，以評估自初步確認以來信貸風險是否顯著增加。本集團就此會考慮相關及毋須支付過多成本或努力而已可得的合理及具支持理據的資料，當中包括量化及質化資料以及前瞻性資料。

就按公平值計入其他全面收入的債務投資而言，本集團採用低信貸風險簡單化之方式。於各報告日期，本集團會考慮在毋須付出過多成本及努力下即可獲得的合理可靠資料，以評估債務投資是否被視為屬於低信貸風險。此外，如合約付款逾期超過30日，本集團認為有關信貸風險已大幅增加。

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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)

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.

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 trade receivables and contract assets 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.

2.4 主要會計政策概要(續)

金融資產減值(於2018年1月1日起適用的國際財務報告準則第9號之政策)(續)

一般方法(續)

倘合約已逾期還款一年，則本集團認為金融資產違約。然而，在若干情況下，倘內部或外部資料反映，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到未償還合約款項，則本集團亦可認為金融資產違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

以公允價值計量且計入其他綜合收益的債務投資及按攤銷成本計量的金融資產，在一般方法下可能會發生減值，並且除了貿易應收款項及採用簡化方法的合約資產(以下詳述)外，它們在以下階段分類用於預期信貸虧損計量。

第一階段 — 金融工具自初始確認以來信貸風險未顯著增加，且其虧損撥備相等於12個月預期信貸虧損。

第二階段 — 金融工具自初始確認後信貸風險顯著增加，但並非信貸減值金融資產且其虧損撥備相等於終身預期信貸虧損。

第三階段 — 於報告日期信貸減值的金融資產(但不是購買或原始信貸減值)，其虧損撥備相等於終身預期信貸虧損。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

Simplified approach

For trade receivables and contract assets 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.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

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.

2.4 主要會計政策概要(續)

金融資產減值(於2018年1月1日起適用的國際財務報告準則第9號之政策)(續)

簡化方法

對於貿易應收款項及不包含重大融資成分的合約資產，或本集團採用實際權宜之計，不會就重大融資成分的影響調整時，本集團採用簡化方法進行預期信貸虧損計量。根據簡化方法，本集團不會追蹤信貸風險的變化，而是於各報告日期進行終身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。

就貿易應收款項及包含重大融資成分及應收租賃款項的合約資產而言，本集團會計政策選擇採用簡化方法根據上述政策進行預期信貸虧損計量。

金融資產減值(於2018年1月1日前適用的國際會計準則第39號之政策)

本集團於各報告期末評估有否客觀跡象顯示一項或一組金融資產出現減值。倘資產首次確認後出現一項或多項事件而對能可靠估計之金融資產或一組金融資產之估計未來現金流量有影響，則說明已發生減值。減值跡象可能包括單個債務人或一組債務人有重大財務困難、拖欠利息或本金付款、可能破產或進行其他財務重組，以及可觀察數據顯示估計未來現金流量減少且可計量，例如與拖欠有關之欠款或經濟狀況變動。

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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

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).

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 the statement of profit or loss.

2.4 主要會計政策概要(續)

金融資產減值(於2018年1月1日前適用的國際會計準則第39號之政策)(續)

按攤銷成本列賬之金融資產

就按攤銷成本列賬之金融資產而言，本集團首先對個別重大金融資產進行個別評估，評估個別資產是否存在減值，或對非個別重大金融資產進行集體評估。倘本集團認為經個別評估之金融資產(無論重大與否)並無存在客觀減值證據，則會將該資產歸入一組具有相若信貸風險特性之金融資產內，作集體減值評估。個別評估減值及確認或繼續確認減值虧損之資產，不包括在集體減值評估之內。

確定減值虧損金額會按資產賬面值與估計未來現金流量(不包括尚未產生之未來信貸虧損)現值之間之差額計量。估計未來現金流量現值會按金融資產原有實際利率(即於首次確認時計算之實際利率)貼現。

資產賬面值透過撥備賬扣減，而有關虧損金額則在損益確認。利息收入繼續於經調減賬面值中按計算有關減值虧損所採用貼現未來現金流量之利率累計。倘預期日後不可能收回及所有抵押品已變現或轉至本集團，貸款及應收賬款連同任何相關撥備會予以撇銷。

於往後期間，倘在減值確認後發生事件令估計減值虧損金額增加或減少，則先前確認之減值虧損可透過調整撥備賬予以增加或減少。倘未來撇銷隨後收回，則收回金額計入損益表之其他開支。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (continued)

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, 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.

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 the statement of 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.

2.4 主要會計政策概要(續)

金融資產減值(於2018年1月1日前適用的國際會計準則第39號之政策)(續)

按成本列賬之資產

倘有客觀跡象顯示因未能可靠計量公平值而不按公平值列賬之未報價股本工具已產生減值虧損，則該虧損金額按該資產之賬面值與按同類金融資產之現時市場回報率折讓之估計未來現金流量現值之差額計量。該等資產之減值虧損不會撥回。

可供出售金融投資

對於可供出售金融投資，本集團於各報告期末評估有否客觀證據顯示一項或一組投資出現減值。

倘可供出售資產已減值，其成本(已扣除任何本金付款及攤銷)與當時公平值之差額，減去以往已於損益表確認之減值虧損，從其他全面收益轉入損益表確認。

對於分類為可供出售之股權投資，相關客觀證據包括投資之公平值顯著或持續跌至低於成本。「顯著」乃根據投資之原始成本評定，而「持續」乃根據公平值低於初始成本之期間確定。倘有減值證據，則累計虧損(按收購成本與當時公平值之差額，扣除以往於損益表確認之投資減值虧損計算)從其他全面收益轉入損益表確認。歸類為可供出售股權工具之減值虧損不得透過損益表撥回，減值確認後公平值之增加直接於其他全面收益中確認。

釐定「大幅」或「持久」需要判斷。在作出判斷時，除其他因素外，本集團評估投資公平值低於其成本的持續時間或程度等因素。

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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 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 - 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 the statement of 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.

Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and 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 and other payables, derivative financial instruments and interest-bearing bank borrowings.

2.4 主要會計政策概要(續)

金融資產減值(於2018年1月1日前適用的國際會計準則第39號之政策)(續)

可供出售金融投資(續)

倘債務工具被列作可供出售類別，則會按攤銷成本列賬之金融資產相同之標準進行減值評估，惟減值金額為按攤銷成本與本期公平值之間差額計量之累計虧損(減往期就該項投資於綜合損益表確認之減值虧損)。未來利息收入仍基於資產賬面價值的減少而累算—使用用於貼現未來現金流的利率以衡量減值損失。利息收入作為財務收入的一部分入賬。若債務工具的公平值其後增加可客觀地連繫至於減值虧損在綜合損益表確認後發生的事件，債務工具的減值虧損可透過綜合損益表撥回。

金融負債(於2018年1月1日起適用的國際財務準則第9號及2018年1月1日前適用的國際會計準則第39號之政策)

初始確認以及計量

金融負債於首次確認時分類為按公平值計入損益之金融負債、貸款及借貸，應付款項或於實際對沖中指定為對沖工具之衍生工具(如適用)。

所有金融負債於首次確認時以公平值計算，如為貸款及借貸和應付款項，則扣除直接應佔交易成本。

本集團之金融負債包括應付貿易賬款、其他應付款項、衍生金融工具及計息銀行借款。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018) (continued)

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 also 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.

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.

2.4 主要會計政策概要(續)

金融負債(於2018年1月1日起適用的國際財務準則第9號及2018年1月1日前適用的國際會計準則第39號之政策)(續)

後續計量

金融負債隨後按如下分類計量：

按公平值計入損益之金融負債(於2018年1月1日起適用的國際財務準則第9號之政策)

按公平值計入損益之金融負債包括持作交易用途之金融負債及於首次確認時即指定為按公平值計入損益之金融負債。

金融負債如以短期購回為目的而交易，則分類為持作交易金融負債。此類負債包括本集團所訂立並未指定為對沖關係(定義見國際財務報告準則第9號)中之對沖工具之衍生金融工具。個別內嵌式衍生工具亦被分類為持作交易，惟被指定為有效對沖工具除外。持作交易用途之負債，其損益於綜合損益表內確認。於綜合損益表內確認為公平值損益淨額並不包括該等金融負債應計之利息。

於初始確認時指定為按公平值計入損益的金融負債在初始確認日期且僅在符合國際財務報告準則第9號項下標準時指定。指定以公平值計入損益的負債的收益或虧損於損益內確認，惟本集團自身信貸風險產生的收益或虧損於其他全面收益呈列，不再重分類至損益表。於損益表內確認之收益或虧損之公平值淨值並不包括就該等金融負債所支銷之任何利息。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018) (continued)

Subsequent measurement (continued)

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.

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.

2.4 主要會計政策概要(續)

金融負債(於2018年1月1日起適用的國際財務準則第9號及2018年1月1日前適用的國際會計準則第39號之政策)(續)

後續計量(續)

按公平值計入損益之金融負債(於2018年1月1日起適用的國際財務準則第9號之政策)

按公平值計入損益之金融負債包括持作買賣的金融負債及於初步確認時指定為按公平值計入損益之金融負債。

倘產生金融負債的目的為於近期回購，則該金融負債分類為持作買賣。此分類包括本集團根據國際會計準則第39號所界定之對沖關係不被指定為對沖工具之衍生金融工具。獨立嵌入式衍生工具亦分類為持作買賣，除非其被指定為有效的對沖工具則另作別論。持作買賣的負債收益或虧損於損益表內確認。於收益表確認的收益或虧損公平淨值不包括就該等金融負債扣除的任何利息。

於初步確認時指定為按公平值計入損益之金融負債在初步確認日期且僅在符合國際會計準則第39號項下標準時指定。

貸款及借貸

於初步確認後，計息貸款及借貸其後以實際利率法按攤銷成本計量，惟倘貼現之影響並不重大，則於此情況下，則按成本列賬。收益及虧損於負債終止確認時於損益表內確認，以及在實際利率法攤銷過程中確認。

攤銷成本經計及任何收購折讓或溢價及屬於實際利率組成部分之各項費用或成本後計算。實際利率攤銷計入損益表內之融資成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and 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 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.

Derivative financial instruments and hedge accounting (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as cross currency swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 主要會計政策概要(續)

解除確認金融負債(於2018年1月1日起適用的國際財務準則第9號及2018年1月1日前適用的國際會計準則第39號之政策)

當因金融負債而須承擔的責任已解除或取消或屆滿時，則須解除確認負債。

當現有金融負債被由同一債權人根據實質不同條款提供的新負債取代，或對現有負債的條款作重大修改，則上述取代或修改將視作解除確認原有負債，同時確認新負債，而相關賬面值之差額在收益表中確認。

抵銷金融工具(於2018年1月1日起適用的國際財務準則第9號及2018年1月1日前適用的國際會計準則第39號之政策)

倘於現時存在可強制執行的合法權利以抵銷已確認款額及有意向按淨額基準進行結算，或同時變現資產及結算負債，則金融資產及金融負債會予以抵銷，而淨額會於財務狀況表中記錄。

衍生金融工具及對沖會計(於2018年1月1日起適用的國際財務準則第9號及2018年1月1日前適用的國際會計準則第39號之政策)

初步確認及其後計量

本集團利用貨幣掉期及利率掉期等衍生金融工具對沖其外幣風險及利率風險。該等衍生金融工具初步按訂立衍生工具合約當日之公平值確認，其後按公平值重新計量。衍生工具之公平值為正數時，則列為資產，公平值為負數時，則列為負債。

因衍生工具的公平值變動產生的任何損益，直接撥入損益表中。

存貨

存貨乃按成本及可變現淨值兩者中之較低者入賬。成本以先進先出基準計算，可變現淨值按估計售價扣除任何在完工及出售過程中預期產生的其他估計成本而計算。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 amounts 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.

2.4 主要會計政策概要(續)

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物是指庫存現金及活期存款，以及購入後通常於三個月內到期，可隨時轉換為已知金額現金的短期高變現能力但價值改變風險不大的投資，扣除按要求償還的銀行透支，其組成本集團現金管理的不可或缺部分。

就綜合財務狀況表而言，現金及現金等價物是指庫存現金及銀行存款，包括並未受限的定期存款及與現金性質類似的資產。

撥備

倘因過往事件須承擔現時的責任(法定或推定)，而承擔該責任可能導致日後資源外流，且對責任金額能夠可靠地估計，則確認撥備。

當折現的影響重大時，就撥備確認的金額乃指預計在日後履行責任時所需開支在報告期末的現值。由於時間過去導致折現值的金額有所增加，乃作為融資成本計入收益表。

所得稅

所得稅包括當期及遞延稅項。有關並非於損益確認的專案的所得稅不會於損益確認，而於其他全面收益或直接在權益確認。

即期稅項資產及負債按預期自稅務機關退回或向稅務機關支付的款項，根據報告期結算日已頒佈或實質頒佈的稅率(及稅法)計算，並已考慮本集團經營所在國家的現行詮釋及慣例。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

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 goodwill or 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, 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.

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, 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, 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.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項乃於結算日就資產及負債的稅基與其作財務報告用途的賬面值之間的所有暫時差額採用負債法作出撥備。

遞延稅項負債根據全部應課稅暫時差額進行確認，惟以下情況除外：

- 若遞延稅項負債因商譽或就業務合併以外的交易初始確認資產或負債而產生，而於交易當時不會對會計溢利及應課稅溢利或虧損有任何影響；及
- 就於附屬公司的投資有關的應課稅暫時差額而言，倘暫時差額的撥回時間可予控制及暫時差額在可見未來可能不會撥回時。

遞延稅項資產乃於有可能動用可扣稅暫時差額、未動用稅項抵免及未動用稅項虧損結轉以扣減應課稅溢利時，就所有可扣稅暫時差額、未動用稅項抵免及未動用稅項虧損結轉予以確認，唯下列情況除外：

- 若有關可扣稅暫時差額的遞延稅項資產產生自一項交易(並非業務合併)中初始確認資產或負債，而於進行交易時不會對會計溢利及應課稅溢利或虧損有任何影響；及
- 就有關投資於附屬公司的可扣減暫時差額而言，遞延稅項資產僅於暫時差額有可能在可見未來撥回，且有應課稅溢利可用於抵銷暫時差額的情況下方予以確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

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.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right exists to set off current tax assets and current tax liabilities and the deferred taxes assets and deferred tax liabilities 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 amount of deferred tax liabilities or assets and expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant 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.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產賬面值於每個結算日審閱，並在不大可能有足夠應課稅溢利抵銷全部或部分遞延稅項資產時予以削減。於各報告期結算日對未確認的遞延稅項資產進行重新評估，並於可能有足夠應課稅溢利可用以收回全部或部分遞延稅項資產時確認。

遞延稅項資產及負債以資產被變現或負債被清償的期間預期適用的稅率計量，並根據於報告期末已頒佈或實質頒佈的稅率(及稅法)計算。

當及僅當本集團有可依法強制執行的權利，可抵銷即期稅項資產及即期稅項負債以及與同一稅務機關對相同應課稅實體或不同應課稅實體(彼等擬按淨額基準繳付即期稅項負債及資產，或於預期將結付或收回大量遞延稅項負債或資產的各未來期間同時變現資產及償付負債)徵收的所得稅有關的遞延稅項資產及遞延稅項負債時，方會對銷遞延稅項資產及遞延稅項負債。

政府補貼

當有合理把握可獲得政府補貼及已達成所有附帶條件後，政府補貼按公平值予以確認。倘補貼涉及費用項目，則期內補貼須有系統地與擬補助的成本相配並確認為收入。

倘補貼與一項資產有關，則其公平值將計入遞延收入入賬並於有關資產的預期可使用年期內按每年均等數額撥入收益表或從有關資產的賬面價值中扣除並撥入損益表中抵減折舊費用。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bonus point liabilities

The Group operates a loyalty point programme, which allows customers to accumulate points when they purchase products in the Group's department stores and supermarkets. The points can then be redeemed for gifts and coupons, subject to a minimum number of points being obtained. The coupons are cash-equivalents when customers use them to purchase products of the Group.

Consideration received is allocated between the products sold and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying statistical analyses. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

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.

2.4 主要會計政策概要(續)

會員積分負債

本集團設立一項忠誠獎勵計劃，該計劃讓顧客能夠於本集團的百貨店及超市購買產品時獲得累積積分。在須獲取最低積分的規限下，積分其後可換取贈券及贈品。當顧客使用贈券向本集團購買產品時等同現金。

所收取的代價於所出售產品及所發出積分之間分配，而分配至積分的代價與其公平值相同。積分的公平值乃採用統計性分析釐定。所發出積分的公平值予以遞延，並於積分獲換領時確認為收入。

收入確認(自2018年1月1日起適用)

來自客戶合約的收入

來自客戶合約的收入乃於商品或服務的控制權轉讓予客戶時確認，該金額能反映本集團預期就交換該等商品或服務有權獲得的代價。

當合約中的代價包含可變金額時，代價金額於本集團向客戶轉讓商品或服務而有權獲得交換時估計。可變代價於合約開始時估計並受到約束，直至與可變代價相關的不確定因素得到解決時，確認的累積收入金額極有可能不會發生重大收入撥回。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (applicable from 1 January 2018) (continued)

Revenue from contracts with customers (continued)

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 – direct sales
Revenue from the sale of goods – direct sales is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.
- (b) Commission income from concessionaire sales
Commission income from concessionaire sales is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods at the amount of the gross consideration of the sales of goods deducted by the proceeds paid to the vendors.
- (c) Provision of management services
Revenue from the provision of 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.

2.4 主要會計政策概要(續)

收入確認(自2018年1月1日起適用)(續)

來自客戶合約的收入(續)

當合約中包含融資成分，該融資成分為客戶提供超過一年的商品或服務轉讓融資的重大利益時，收入按應收款項的現值計量，使用貼現率折現，該貼現率將反映在本集團與客戶在合同開始時的單獨融資交易中。當合約中包含融資部分，該融資部分為在本集團提供了一年以上的重大財務利益時，合約項下確認的收益包括按實際利息法在合約負債上加算的利息。就客戶付款至轉讓承諾商品或者服務的期限為一年或者更短的合約而言，交易價格採用國際財務報告準則第15號中實際權宜之計，不會對重大融資部分的影響作出調整。

- (a) 貨品銷售—直接銷售
貨品銷售—直接銷售收入在貨品的控制權轉移至客戶時確認的，通常是在貨品交付時確認。
- (b) 特許專營銷售佣金收入
特許專營銷售佣金收入，在貨品的控制權轉移給客戶時確認，通常是在貨物交付時確認，其金額為貨品銷售的總對價扣減支付給供應商的款項。
- (c) 提供管理服務
提供管理服務收入在預定期間內按直線法確認，因為客戶同時接受並消耗這些由本集團提供的效益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (applicable from 1 January 2018) (continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Other income

Fee income from suppliers is recognised according to the underlying contract terms with suppliers when these services have been provided in accordance therewith.

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.

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.

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 direct sales 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;
- commission income from concessionaire sales is recognised at the amount of the gross consideration of the sales of goods deducted by the proceeds paid to the vendors, upon the sale of goods by the relevant stores;

2.4 主要會計政策概要(續)

收入確認(自2018年1月1日起適用)(續)

其他來源收入

租金收入於租約期內按時間比例基準確認。

其他收入

來自供應商的費用收入，於提供服務時按照與供應商的相關合約條款確認。

利息收入以實際利率法按權貴發生制基準確認，所採用的利率即於金融工具預計年限或較短期間內將未來估計現金收入折現至金融資產賬面淨值者。

股息收入於股東收取股息的權利確立，而股息相關經濟利益很可能流向本集團，且股息金額能可靠計量時確認。

收入確認(於2018年1月1日前適用)

收入是在本集團可能獲得經濟利益，且金額可以可靠計量時，按下列標準確認入賬：

- 貨品的直接銷售收入，在擁有權的重大風險及回報均轉讓予買家，且本集團不再持有一般與擁有權相關之管理權，亦不再對已售貨品具實質控制權時確認；
- 特許專營銷售佣金收入於有關門店出售貨品時按貨品銷售總對價扣減支付給供應商的款項確認；

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (applicable before 1 January 2018) (continued)

Other income

- rental income is recognised on the straight-line basis over the lease terms;
- fee income from suppliers is recognised according to the underlying contract terms with suppliers when 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 to the net carrying amount of the financial asset; and
- dividend income, when the shareholders' right to receive payment has been established.

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.

Employee benefits

Pursuant to the relevant regulations of the PRC Government, all the subsidiaries of the Group that were established in Mainland China (the "PRC Subsidiaries") have participated in a central pension scheme operated by the local municipal government (the "Scheme"), whereby the PRC Subsidiaries are required to contribute a certain percentage of the salaries of their employees to the Scheme to fund their retirement benefits. The only obligation of the Group with respect to the Scheme is to pay the ongoing contributions under the Scheme. Contributions under the Scheme are charged to the statement of profit or loss as incurred.

2.4 主要會計政策概要(續)

收入確認(於2018年1月1日前適用)(續)

其他收入

- 租金收入於租期內以直線法確認；
- 來自供應商的費用收入，於提供服務時按照與供應商的相關合約條款確認；
- 利息收入以實際利率法按應計基準確認，所採用的利率即於金融工具估計年期內將未來估計現金收入貼現至金融資產帳面淨值者；及
- 股息收入於股東收取股息的權利確立時確認。

合同責任(於2018年1月1日起適用)

合同責任是指本集團已從客戶處收到對價(或應付的對價)，將貨物或服務轉讓給客戶的義務。如客戶在本集團將貨物或服務轉讓前已繳付對價，則本集團會在付款或付款到期日(以較早者為準)確認合同責任。當本集團履行合約時，合同責任乃確認為收入。

僱員福利

按照中國政府的有關法規，本集團所有於中國成立之附屬公司(「中國附屬公司」)已經參加地方政府運作的中央退休金計劃(「計劃」)，據此，中國附屬公司須按公司僱員基本薪資的若干百分比向計劃供款，為僱員的退休福利提供資金。本集團於計劃的唯一責任是持續按計劃供款。該計劃項下的供款於發生時自收益表扣除。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Termination benefits

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

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. Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a capitalisation rate of 5.0% (2017: 4.9%) has been applied to the expenditure on the individual assets.

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 the notes 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)

辭退福利

辭退福利在本集團不可撤銷該等福利及本集團支付辭退福利已確認涉及的重組成本孰早時確認。

借貸成本

收購、興建或生產未完成資產(即需要大量時間製作以供擬定用途或銷售的資產)應佔的直接借款成本,將會被撥充資本作為該等資產的部分成本。將有關借款成本撥充資本於資產以實際上可作擬定用途或銷售時終止。待用作未完成資產開支的特定借款的臨時投資所賺取之投資收入,自撥充資本的借款成本中扣除。任何之其他借款成本將於發生當期確認為費用。借款成本包括利息支出及與借款發生相關的其他成本。借入的一般借款並用於未完成資產時,個別資產之資本化開支比率為5.0%(2017年: 4.9%)。

股息

獲股東大會批准的末期股息應被確認為一項負債。擬派發末期股息乃於財務報表附註中披露。

由於本公司的組織章程大綱及細則授權董事宣派中期股息,故此該等股息將同時建議派發並宣派。因此,該等股息於建議派發並宣派時立即確認為負債。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

Year ended 31 December 2018

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

The Company and certain subsidiaries incorporated outside Mainland China use Hong Kong dollars (“HK\$”) or United States dollars (“US\$”) as their functional currencies, respectively. The functional currency of the PRC Subsidiaries is Renminbi. As the Group mainly operates in Mainland China, Renminbi is used as the presentation currency of the Group. 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.

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).

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.

2.4 主要會計政策概要(續)

外幣

本公司及若干於中國內地以外註冊成立的附屬公司分別以港元及美元作為其功能貨幣。中國附屬公司的功能貨幣為人民幣。由於本集團主要在中國內地經營，故人民幣被用作本集團的列報貨幣。本集團屬下各公司均可自行釐定所用的功能貨幣，而財務報表的項目均以功能貨幣列賬。本集團屬下各公司記錄之外幣交易首先以交易日的各現行功能貨幣匯率入賬。以外幣為單位的貨幣資產與負債按報告期末的現行功能貨幣匯率重新換算。由於支付或貨幣轉換所產生的差額計入損益表。

按歷史成本法列賬並以外幣為單位的非貨幣項目按首次交易當日的匯率換算。按公平值計量並以外幣為單位的非貨幣項目按釐定公平值當日的匯率換算。由於重新換算以公平值計量的非貨幣項目所產生的匯兌收益及損失的確認與該項目公平值變動一致(即該項目的公平值變動收益或損失記入其他全面收益或損失，其匯兌差額也相應計入其他全面收益或損失)。

在確定有關資產的初始確認匯率時，與預付款有關的非貨幣性資產或非貨幣性負債不予確認開支或收入，初始交易日期為本集團初始確認因支付或收到預付代價而產生的非貨幣性資產或非貨幣性負債的日期。倘於確認相關項目前有多個預付款或預收款，則應以這種方式確定每筆預付款或預收款的交易日期。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

The functional currencies of certain overseas subsidiaries are currencies other than Renminbi. As at the end of the reporting period, the assets and liabilities of these entities are translated into Renminbi at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are 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 fluctuation 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.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Renminbi at the exchange rates ruling 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, 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.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

2.4 主要會計政策概要(續)

外幣(續)

若干海外附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末，該等公司的資產與負債乃根據報告期末的現行匯率換算為人民幣，而損益表是按年內的加權平均匯率換算為人民幣。

因此產生之匯兌差額會作為匯率變動儲備計入其他全面收益。於出售海外公司時，與該海外業務有關的其他全面收益於損益表確認入賬。

就綜合現金流量表而言，海外附屬公司的現金流量按產生現金流量當日的現行匯率換算為人民幣。海外附屬公司在整個年度內經常產生的現金流量是按年內的加權平均匯率換算為人民幣。

3. 重大會計判斷及估計

管理層編製本集團的財務報表時，須作出會影響報告當日所呈報收入、開支、資產及負債的報告金額及其相應披露以及或然負債披露的判斷、估計及假設。然而，由於有關假設及估計的不確定因素，可導致管理層須就未來受影響的資產或負債賬面金額作出重大調整。

判斷

在採納本集團會計政策的過程中，管理層除涉及的估計之外作出如下判斷，並對確認於財務報表的金額產生重大影響：

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Year ended 31 December 2018

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3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

Judgement (continued)

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

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.

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 and also to choose a suitable discount rates in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2018 was RMB250,384,000 (2017: RMB250,384,000). Further details are contained in note 20 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 an indicator exists. 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 and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 重大會計判斷及估計 (續)

判斷 (續)

經營租賃承擔 – 本集團作為出租人

本集團已就其投資物業組合訂立商用物業租賃。本集團根據對安排條款及條件的評估來釐定其保留根據經營租賃出租的該等物業擁有權的絕大部分風險及回報。

不確定估計

與未來有關之主要假設及於報告期末之其他估計不確定因素之主要來源乃披露如下，彼等具有可能導致在下個財政年度內對資產及負債之賬面值作出重大調整之重大風險。

商譽減值

本集團至少每年評估商譽是否發生減值。這要求對分配了商譽的現金產出單元的使用價值進行估計。估計使用價值時，本集團需要估計未來來自現金產出單元的現金流量，同時選擇恰當的貼現率計算該等現金流量的現值。商譽於2018年12月31日的賬面值為人民幣250,384,000元（2017年：人民幣250,384,000元）。詳情載於財務報表附註20。

非金融資產減值 (商譽除外)

本集團於各報告期末評估非金融資產是否出現減值跡象。不確定年期的非金融資產需於年度或有跡象顯示存在減值時進行減值檢測。其他非金融資產於有跡象顯示其賬面價值不可收回時進行減值檢測。當資產或現金產生單位之賬面價值超逾其可收回金額，將被認為減值。減值為公平值減處置成本與其使用價值之較高金額。計算公平值減處置成本是根據綁定的公平銷售類似的資產交易或可觀察的市場價扣除處置資產而增加的成本。管理層必須評估資產或現金產生單位預期的未來現金流，並選擇一個恰當的貼現率計算現金流的現值。

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3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary differences 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 future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses and deductible temporary differences at 31 December 2018 was RMB122,508,000 (2017: RMB119,539,000). The amount of unrecognised tax losses at 31 December 2018 was RMB405,765,000 (2017: RMB306,059,000) that will expire in one to five years for offsetting against future taxable profits as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised. Further details are contained in note 24 to the financial statements.

Bonus point liabilities

The amount of revenue attributable to the credits award earned by the customers of the Group's loyalty point programme is estimated based on the fair value of the credits awarded and the expected redemption rate. The expected redemption rate is estimated by considering the number of the credits that will be available for redemption in the future after allowing for credits which are not expected to be redeemed. The carrying amount of bonus point liabilities at 31 December 2018 was RMB36,683,000 (2017: RMB32,508,000).

4. NET CURRENT LIABILITIES

As at 31 December 2018, the current liabilities of the Group exceeded its current assets by approximately RMB4,222,320,000. The Directors have prepared these financial statements on a going concern basis notwithstanding the net current liability position because the Directors expected that the Group will generate sufficient cash inflows from the sales proceeds on the operation of department stores and supermarkets, and will successfully refinance its current interest-bearing debts by various means including but not limited to renewing its existing loans, utilising its unused bank facilities, and issuing new bonds, to meet its financial obligations when they fall due.

3. 重大會計判斷及估計(續)

估計的不確定性(續)

遞延稅項資產

遞延稅項資產乃就未動用稅項虧損及可抵扣的暫時性差異確認入賬，惟以應課稅溢利可予抵銷該等可扣減未動用稅項虧損及可抵扣的暫時性差異的金額為限。釐定可予確認的遞延稅項資產的金額時，管理層須根據可能的時間安排、未來應課稅溢利連同未來稅項計劃戰略作出重大判斷。於2018年12月31日，有關已確認稅項虧損及可抵扣的暫時性差異的遞延稅項資產賬面價值為人民幣122,508,000元(2017年：人民幣119,539,000元)。於2018年12月31日將於一至五年內到期用於抵扣未來應課稅溢利的金額為人民幣405,765,000元(2017年：人民幣306,059,000元)的稅項虧損並未確認為遞延稅項資產，因為產生該等稅項虧損的附屬公司已虧損一段時間，並且預計不會產生應課稅溢利用於抵扣稅項虧損。詳情載於財務報表附註24。

會員積分負債

本集團忠誠獎勵計劃的客戶所賺取的積分獎勵應佔的收入金額，乃按所授積分獎勵的公平值及預計換領率估計。預計換領率乃考慮日後將可供換領的積分獎勵額，並經扣除預期不會換領的積分獎勵額後作估計。於2018年12月31日會員積分負債的賬面價值為人民幣36,683,000元。(2017年：人民幣32,508,000元)。

4. 淨流動負債

於2018年12月31日，本集團流動負債超出其流動資產約人民幣4,222,320,000元。儘管本集團有淨流動負債，本公司董事依然以持續經營為基準編制財務報表。本公司董事預期本集團可在運營百貨店及超市銷售所得款項中產生足夠的現金流入，並通過多種方式(包括但不限於續借現有借款，使用剩餘銀行授信額度，發行債券)對帶息債務進行再融資以履行到期償還的義務。

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5. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- Department store segment
- Supermarket segment

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, fair value gains from the Group's financial instruments, gains on disposal of unquoted current investments, stated at cost as well as head office and corporate expenses are excluded from this measurement.

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Segment assets exclude the Group's available-for-sale investments, deferred tax assets, restricted cash, long-term time deposits at banks, tax recoverable, amounts due from the controlling shareholder, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank borrowings, derivative financial instruments, tax payable, medium-term financing notes, corporate bonds, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

5. 經營分部資料

出於管理需要，本集團根據其商品及服務將業務分為多個業務單位，並分成以下兩個可報告經營分部：

- 百貨店分部
- 超市分部

管理層會分別監察經營分部的業績作出資源分配決定並評定其表現。分部表現評估乃根據可報告分部溢利，即經調整除稅前溢利進行。除不包含利息收入、融資成本、本集團金融工具的公平值收益、處置按成本計值的非上市短期投資收益以及總辦事處及公司開支外，經調整除稅前溢利之計量方法與本集團除稅前溢利一致。

分部資產不包括本集團可供出售投資、遞延稅項資產、受限貨幣資金、存於銀行的長期定期存款、可收回稅項、應收控股股東款項、現金及現金等價物和其它未分配總辦事處及公司資產，因該等資產按集團基準管理。

分部負債不包括計息銀行借款、衍生金融工具、應付稅項、中期票據、公司債券、遞延稅項負債及其它未分配總辦事處及公司負債，因該等負債按集團基準管理。

分部間銷售及轉讓根據以當時市價向第三方銷售的售價進行交易。

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5. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended
31 December 2018
截至2018年12月31日止年度

Segment revenue (note 6)
Sales to external customers
Management service

分部收入(附註6)
對外部客戶的銷售
管理服務

Segment results
Reconciliation:
Interest income and unallocated gains
Corporate and other unallocated expenses
Finance costs

分部業績
對賬:
利息收入及未分配收益
公司及其他未分配開支
融資成本

Profit before tax

除稅前溢利

Segment assets
Reconciliation:
Corporate and other unallocated assets

分部資產
對賬:
公司及其他未分配資產

Total assets

總資產

Segment liabilities
Reconciliation:
Corporate and other unallocated liabilities

分部負債
對賬:
公司及其他未分配負債

Total liabilities

總負債

Other segment information

其他分部資料

Depreciation and amortisation
Corporate and other unallocated amounts

折舊及攤銷
公司及其他未分配款項

Total depreciation and amortisation

折舊及攤銷合計

Provision/(write-back of provision)
for slow-moving inventories
Impairment of property, plant and equipment
Impairment of other intangible assets

滯銷存貨撥備/
(撥備撥回)
物業、廠房及設備減值
其他無形資產減值

Capital expenditure
Corporate and other unallocated amounts

資本開支
公司及其他未分配款項

Total capital expenditure*

總資本開支*

* Capital expenditure consists of additions to property, plant and equipment, prepaid land premiums and other intangible assets including assets from the acquisition of subsidiaries.

5. 經營分部資料(續)

Department store 百貨店 RMB'000 人民幣千元	Supermarket 超市 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
1,979,513 8,921	2,619,509 -	4,599,022 8,921
1,988,434 754,089	2,619,509 35,773	4,607,943 789,862
		37,549 (101,566) (109,746)
		616,099
9,970,604	1,558,874	11,529,478
		1,015,462
		12,544,940
2,772,687	781,655	3,554,342
		3,830,768
		7,385,110
428,487	91,842	520,329 2,678
		523,007
(311)	651	340
-	27,283	27,283
-	3,697	3,697
229,353	131,631	360,984 5,459
		366,443

* 資本開支包括添置物業、預付土地出讓金及其他無形資產(包括來自收購附屬公司的資產)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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截至2018年12月31日止年度

5. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended
31 December 2017
截至2017年12月31日止年度

Segment revenue

Sales to external customers

分部收入

對外部客戶的銷售

Segment results

Reconciliation:

Interest income and unallocated gains
Corporate and other unallocated expenses
Finance costs

分部業績

對賬:

利息收入及未分配收益
公司及其他未分配開支
融資成本

Profit before tax

除稅前溢利

Segment assets

Reconciliation:

Corporate and other unallocated assets

分部資產

對賬:

公司及其他未分配資產

Total assets

總資產

Segment liabilities

Reconciliation:

Corporate and other unallocated liabilities

分部負債

對賬:

公司及其他未分配負債

Total liabilities

總負債

Other segment information

Depreciation and amortisation

Corporate and other unallocated amounts

其他分部資料

折舊及攤銷

公司及其他未分配款項

Total depreciation and amortisation

折舊及攤銷合計

Provision/(write-back of provision)
for slow-moving inventories

Impairment of property, plant and equipment

Impairment of other intangible assets

滯銷存貨撥備/
(撥備撥回)

物業、廠房及設備減值

其他無形資產減值

Capital expenditure

Corporate and other unallocated amounts

資本開支

公司及其他未分配款項

Total capital expenditure*

總資本開支*

5. 經營分部資料(續)

	Department store 百貨店 RMB'000 人民幣千元	Supermarket 超市 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue			
Sales to external customers	1,767,320	2,676,719	4,444,039
Segment results	625,288	66,995	692,283
Reconciliation:			
Interest income and unallocated gains			37,323
Corporate and other unallocated expenses			(132,593)
Finance costs			(65,751)
Profit before tax			531,262
Segment assets	10,094,446	1,570,634	11,665,080
Reconciliation:			
Corporate and other unallocated assets			1,005,845
Total assets			12,670,925
Segment liabilities	2,880,976	812,688	3,693,664
Reconciliation:			
Corporate and other unallocated liabilities			3,726,769
Total liabilities			7,420,433
Other segment information			
Depreciation and amortisation	391,459	90,584	482,043
Corporate and other unallocated amounts			3,244
Total depreciation and amortisation			485,287
Provision/(write-back of provision) for slow-moving inventories	(1,938)	855	(1,083)
Impairment of property, plant and equipment	1,759	6,387	8,146
Impairment of other intangible assets	-	2,838	2,838
Capital expenditure	752,916	79,145	832,061
Corporate and other unallocated amounts			1,023
Total capital expenditure*			833,084

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5. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

All of the Group's revenue is derived from customers based in Mainland China and all of the non-current assets of the Group are located in Mainland China.

Information about major customers

No revenue derived from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue for the year.

6. REVENUE

An analysis of revenue is as follows:

<i>Revenue from contracts with customers</i>	來自於客戶合約的收入
Sale of goods – direct sales	商品銷售—直接銷售
Commission income from concessionaire sales (<i>Note</i>)	來自特許專營銷售佣金收入 (附註)
Provision of management services	提供管理服務
Provision of food and beverage services	提供餐飲服務
<i>Revenue from other sources</i>	其他來源收入
Rental income	租金收入
Total Revenue	總收入

Note:

The commission income from concessionaire sales is analysed as follows:

Gross proceeds from concessionaire sales	特許專營銷售所得款項
Commission income from concessionaire sales	特許專營銷售佣金收入

5. 經營分部資料(續)

地區資料

本集團所有收入來自中國內地客戶，而本集團所有非流動資產位於中國內地。

主要客戶的資料

於本年度並無單一客戶或共同控制下的一組客戶的銷售佔本集團收入10%或以上。

6. 收入

收入分析呈列如下：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<i>Revenue from contracts with customers</i>		
Sale of goods – direct sales	2,973,916	2,950,247
Commission income from concessionaire sales (<i>Note</i>)	1,336,396	1,280,122
Provision of management services	8,921	–
Provision of food and beverage services	7,204	6,011
<i>Revenue from other sources</i>		
Rental income	4,326,437	4,236,380
	281,506	207,659
Total Revenue	4,607,943	4,444,039

附註：

特許專營銷售佣金收入分析如下：

	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
Gross proceeds from concessionaire sales	8,381,597	8,029,994
Commission income from concessionaire sales	1,336,396	1,280,122

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6. REVENUE (CONTINUED)

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2018

Segments	分部
Types of goods or services	商品或服務類型
Sale of goods – direct sales	商品銷售 – 直接銷售
Commission income from concessionaire sales	特許專營銷售佣金收入
Provision of management services	提供管理服務
Provision of food and beverage services	提供餐飲服務
Total revenue from contracts with customers	來自客戶合約之收入總數

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods – direct sales/Commission income from concessionaire sales

The performance obligation is satisfied upon delivery of the goods to the customers.

Management services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Management service contracts are for periods of five to twenty years, or are billed based on the time incurred.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2018 are as follows:

		RMB'000 人民幣千元
Within one year	一年以內	16,000
More than one year	一年以上	167,500
		<u>183,500</u>

The amounts disclosed above do not include variable consideration which is constrained.

6. 收入(續)

來自客戶合約之收入

(i) 經分拆之收入資料

截至2018年12月31日止年度

Department	store	Super-market	Total
	百貨	超市	總計
	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元
	496,900	2,477,016	2,973,916
	1,273,799	62,597	1,336,396
	8,921	-	8,921
	7,204	-	7,204
	<u>1,786,824</u>	<u>2,539,613</u>	<u>4,326,437</u>

(ii) 履行義務

有關本集團履約責任的資料概述如下：

貨品銷售 – 直接銷售 / 特許專營銷售佣金收入

履行義務是在商品交付給客戶時履行。

管理服務

隨着時間的推移，履行義務隨着服務的提供而得到履行，通常在提供服務之前需要短期預付款。管理服務合同的期限為五年至二十年，或根據產生時間計費。

於2018年12月31日，分配給剩餘履約義務(未履行或部分未履行)的交易價格如下：

上述披露的金額不包括受限制的可變對價。

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截至2018年12月31日止年度

7. OTHER INCOME AND GAINS

7. 其他收入及收益

		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
Other income	其他收入		
Fee income from suppliers	來自供應商的其他收入	651,245	622,455
Interest income	利息收入	19,442	20,766
Subsidy income	補貼收入	7,171	16,835
Others	其他	11,231	11,455
		689,089	671,511
Gains	收益		
Fair value gains, net:	公平值收益，淨額：		
Derivative instruments	衍生金融工具		
– transactions not	– 不符合對沖		
qualifying as hedges	定義之交易	13,270	–
Foreign exchange difference	匯兌差額	–	90
Gain on disposal of a subsidiary	出售附屬公司收益	417	–
		13,687	90
		702,776	671,601

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截至2018年12月31日止年度

8. OTHER EXPENSES

Other expenses mainly include utility expenses, advertising and promotion expenses, loss on disposal of items of property, plant and equipment, impairment of property, plant and equipment, impairment of other intangible assets, net fair value losses of derivative instruments of which the transaction is not qualified as hedges, office expenses, maintenance costs, travelling expenses, entertainment expenses, property tax and government surcharges and other miscellaneous expenses.

9. FINANCE COSTS

An analysis of finance costs is as follows:

8. 其他開支

其他開支主要包括水電開支、廣告宣傳費用、物業、廠房及設備的處置虧損、物業、廠房及設備減值準備、其他無形資產減值準備、不符合對沖交易的衍生金融工具投資淨損失、辦公室開支、維護及耗材費用、差旅費、業務招待費、財產稅、政府附加費用和其他雜項開支。

9. 融資成本

融資成本分析如下：

		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
Interest on medium-term financing notes	中期票據利息	15,240	15,240
Interest on corporate bonds	應付債券利息	41,360	41,360
Interest on bank borrowings wholly payable within five years	須於五年內全部償還 銀行借款的利息	75,380	62,119
Less: Interest capitalised	扣減：資本化利息	(22,234)	(52,968)
		109,746	65,751

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10. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

10. 除稅前溢利

本集團的除稅前溢利已扣除/(計入)下列各項：

		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
Cost of inventories sold	存貨銷售成本	2,578,255	2,601,522
Provision/(write back of provision) for slow-moving inventories	滯銷存貨撥備/(撥回撥備)	340	(1,083)
Depreciation	折舊	478,340	451,382
Amortisation of prepaid land premiums	預付土地出讓金攤銷	41,177	31,221
Amortisation of other intangible assets	其他無形資產攤銷	3,490	2,684
Impairment of property, plant and equipment ^(a)	物業、廠房及設備減值準備 ^(a)	27,283	8,146
Impairment of other intangible assets ^(a)	其他無形資產減值準備 ^(a)	3,697	2,838
Loss on disposal of items of property, plant and equipment	處置物業、廠房及設備的虧損	25,309	16,374
Loss on disposal of investments at fair value through profit or loss	處置按公平值計量且其變動計入損益的投資損失	18,021	4,924
Minimum lease payments under operating leases:	經營租賃下最低租金：		
Land and buildings	土地及樓宇	99,752	106,292
Auditors' remuneration	核數師酬金	2,825	2,868
Staff costs including Directors' and chief executive's remuneration (Note 11):	員工成本(包括董事及行政總裁薪酬)(附註11)：		
Wages, salaries and bonuses	工資、薪金及花紅	592,604	595,102
Pension scheme contributions	退休金計劃供款	69,223	72,974
Other social security costs	其他社會保險費用	38,296	34,912
Foreign exchange differences, net	匯兌差額，淨額	19	(90)
Fair value losses/(gains), net:	公平值損益，淨額：		
Derivative instruments – transactions not qualifying as hedges ^(a)	衍生金融工具 – 不符合對沖定義之交易 ^(a)	(13,270)	24,757
Gain on disposal of a subsidiary	出售附屬公司收益	(417)	-

^(a) The impairment of property, plant and equipment, impairment of other intangible assets and net fair value losses of derivative instruments of which the transaction is not qualified as hedges are included in "Other expenses" in the consolidated statement of profit or loss.

^(a) 物業、廠房及設備減值準備、其他無形資產減值準備及不符合對沖定義之交易的衍生金融工具公平值淨損失包含在綜合收益表的「其他開支」。

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11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies Regulation (Disclosure of Information about Benefits of Directors), is as follows:

Fees	袍金
Other emoluments: Salaries, allowances and benefits in kind	其他薪酬： 薪金、津貼及實物利益
Pension scheme contributions	退休金計劃供款

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

Mr. Lin Zhijun	林志軍先生
Mr. Zhang Weijiong	張維炯先生
Mr. Cheung Yat Ming	張一鳴先生

There were no other emoluments payable to the independent non-executive directors during the year (2017: Nil).

11. 董事及行政總裁薪酬

根據上市規則香港《公司條例》第383(1) (a), (b), (c), (f)條及公司制度第2節(董事薪酬信息披露)，董事及高管於有關期間的薪酬信息披露如下：

	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
Fees	924	933
Other emoluments: Salaries, allowances and benefits in kind	3,443	4,968
Pension scheme contributions	101	174
	3,544	5,142
	4,468	6,075

(a) 獨立非執行董事

於有關期間支付給獨立非執行董事的袍金如下：

	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
Mr. Lin Zhijun	308	311
Mr. Zhang Weijiong	308	311
Mr. Cheung Yat Ming	308	311
	924	933

於有關期間並無應付給獨立非執行董事的其他酬金(2017年：無)。

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11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive directors, non-executive director and the chief executive

11. 董事及行政總裁薪酬(續)

(b) 執行董事、非執行董事及行政總裁

		Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration	
Fees	薪金、津貼及實物利益	退休金計劃供款	薪酬合計		
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	
2018		2018年			
Executive directors:		執行董事：			
Mr. Chen Jianqiang	陳建強先生 ^(a)	-	1,272	63	1,335
Mr. Tao Qingrong	陶慶榮先生 ^(a)	-	1,527	15	1,542
Mr. Yu Yaoming	俞堯明先生 ^(a)	-	285	23	308
		-	3,084	101	3,185
Non-executive director:		非執行董事：			
Mr. Tao Qingrong	陶慶榮先生	-	51	-	51
Mr. Fung Hiu Chuen, John	馮曉邨先生	-	308	-	308
		-	359	-	359
		-	3,443	101	3,544
2017		2017年			
Executive directors:		執行董事：			
Mr. Chen Jianqiang	陳建強先生	-	1,256	70	1,326
Mr. Tao Qingrong	陶慶榮先生	-	2,146	16	2,162
Mr. Yu Yaoming	俞堯明先生	-	1,255	88	1,343
		-	4,657	174	4,831
Non-executive director:		非執行董事：			
Mr. Fung Hiu Chuen, John	馮曉邨先生	-	311	-	311
		-	4,968	174	5,142

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11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) *Executive directors, non-executive director and the chief executive (continued)*

- (i) On 21 March 2018, Mr. Tao Qingrong resigned as the chief executive of the Group and Mr. Chen Jianqiang was appointed as the chief executive of the Group. On 5 November 2018, Mr. Tao Qingrong was re-designated from an executive Director to a non-executive Director.
- (ii) On 21 March 2018, Mr. Yu Yaoming resigned as an executive director.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2017: three) directors, details of whose remuneration are set out in note 11 above. Details of the remuneration of the remaining three (2017: two) highest paid employees who are neither a director nor chief executive of the Company for the year are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物利益
Pension scheme contributions	退休金計劃供款

11. 董事及行政總裁薪酬 (續)

(b) *執行董事、非執行董事及行政總裁 (續)*

- (i) 於2018年3月21日，陶慶榮先生辭去集團執行總裁職務，陳建強先生被任命為集團執行總裁。2018年11月5日，陶慶榮先生被重新任命為非執行董事。
- (ii) 於2018年3月21日，俞堯明先生辭去執行董事職務。

於有關期間並無董事或行政總裁放棄或同意放棄任何薪酬的安排。

12. 五位最高僱員薪酬

於有關期間，五位最高薪僱員其中2名董事（2017年：3名董事）薪酬詳情見以上附註11。其餘3名（2017年：2名）既不是董事也不是行政總裁，於有關期間的酬金詳情如下：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	3,786	2,625
	266	74
	4,052	2,699

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12. FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

Nil to RMB1,000,000	人民幣零至一百萬元
RMB1,000,001 to RMB1,500,000	人民幣一百萬零一元至 人民幣一百五十萬元
RMB1,500,001 to RMB2,000,000	人民幣一百五十萬零一元至 人民幣二百萬元

12. 五位最高僱員薪酬(續)

所有非董事及非行政總裁最高薪酬僱員的人數在下列薪酬範圍內進行列示：

Number of employees 僱員數	
2018 二零一八年	2017 二零一七年
-	-
2	1
1	1
3	2

13. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. The Group and the Company are not liable for income tax in Hong Kong as they did not have assessable income sourced from Hong Kong during the year.

The Company is a tax-exempted company incorporated in the Cayman Islands.

Under the PRC Corporate Income Tax Law (the "New CIT Law"), the income tax rate becomes 25% starting from 1 January 2008. Therefore, a provision for the PRC income tax has been made at the applicable income tax rate of 25% (2017: 25%) on the assessable profits of the PRC Subsidiaries.

13. 所得稅

本集團須以實體基準就本集團成員公司於其註冊及經營所在司法權區所產生或取得的溢利支付所得稅。本集團及本公司毋須繳納香港所得稅，因為其於有關期間並無源自香港的應課稅收入。

本公司為於開曼群島註冊成立的免稅公司。

依據《中華人民共和國企業所得稅法》(「新企業所得稅法」)，自2008年1月1日起所得稅率為25%，因此，對中國附屬公司應課稅溢利按適用所得稅率25% (2017年：25%) 進行中國所得稅撥備。

Current – PRC corporate income tax charge for the year	即期一年內中國企業所得稅 開支
Deferred (Note 24)	遞延稅項(附註24)
Total tax charge for the year	年內稅項開支總額

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
198,092	180,069
21,658	12,698
219,750	192,767

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13. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate 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
Profit before tax	除稅前溢利	616,099	531,262
Tax at the statutory tax rate of 25% (2017: 25%)	按法定稅率25%計算的稅項 (2017年: 25%)	154,025	132,816
Different tax rate applicable to company	適用於公司的不同稅率	5,045	5,894
Expenses not deductible for tax	不可扣稅的開支	13,122	17,942
Tax losses utilised from previous periods	已動用過往期間稅項虧損	(2,131)	(1,074)
The share of tax attributable to associates	歸屬於聯營公司的稅收份額	(18)	-
Effect of withholding tax on the distributable profits of the PRC Subsidiaries	預扣稅對中國附屬公司可分派溢利的影響	23,643	11,608
Tax losses not recognised	未確認稅項虧損	26,064	25,581
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項開支	219,750	192,767

14. DIVIDENDS

Interim – HK3 cents (2017: HK3 cents) per ordinary share	中期－普通股每股港幣3仙 (2017年: 港幣3仙)
Proposed final – HK7 cents (2017: HK5 cents) per ordinary share	擬派發末期股息－普通股 每股港幣7仙 (2017年: 港幣5仙)

13. 所得稅(續)

按本公司及其大部分附屬公司註冊所在司法權區法定稅率計算的除稅前溢利所適用的稅項開支與按實際稅率計算的稅項開支的對賬如下:

	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
Profit before tax	616,099	531,262
Tax at the statutory tax rate of 25% (2017: 25%)	154,025	132,816
Different tax rate applicable to company	5,045	5,894
Expenses not deductible for tax	13,122	17,942
Tax losses utilised from previous periods	(2,131)	(1,074)
The share of tax attributable to associates	(18)	-
Effect of withholding tax on the distributable profits of the PRC Subsidiaries	23,643	11,608
Tax losses not recognised	26,064	25,581
Tax charge at the Group's effective rate	219,750	192,767

14. 股息

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interim – HK3 cents (2017: HK3 cents) per ordinary share	54,225	58,640
Proposed final – HK7 cents (2017: HK5 cents) per ordinary share	121,218	88,890
	175,443	147,530

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14. DIVIDENDS (CONTINUED)

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The amount which the PRC Subsidiaries can legally distribute by way of dividend is determined by reference to the distributable profits as reflected in their PRC statutory financial statements prepared in accordance with the accounting rules and regulations in the PRC ("PRC GAAP").

15. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent of RMB400,017,000 (2017: RMB340,019,000), and the weighted average number of ordinary shares of 2,119,066,718 (2017: 2,289,041,027) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2018 and 2017.

16. EMPLOYEE RETIREMENT BENEFITS

The PRC Subsidiaries participate in defined contribution retirement benefit plans organised by the relevant government authorities for their employees in Mainland China and contribute to these plans based on a certain percentage of the salaries of the employees on a monthly basis, up to a maximum fixed monetary amount, as stipulated by the relevant government authorities. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans.

The Group has no further obligation for post-retirement benefits beyond the contributions made. The contributions to these plans are recognised as employee benefit expenses when incurred.

14. 股息(續)

本年度擬派發末期股息須於應屆股東週年大會上待本公司股東批准。

中國附屬公司可透過股息合法分派，金額乃參考其根據中國公認會計原則編製的中國法定財務報表所反映的可供分派溢利釐定。

15. 母公司普通股權持有人應佔每股溢利

每股基本溢利乃基於年度母公司普通股權持有人應佔溢利人民幣400,017,000元(2017年:人民幣340,019,000元)和年內已發行普通股加權平均數2,119,066,718股(2017年:2,289,041,027股)計算。

截至2018年12月31日及2017年12月31日止年度，本集團未發行對普通股有潛在攤薄影響的權益工具。

16. 僱員退休福利

根據中國有關法規的規定，中國附屬公司已參與界定供款退休計劃。全體中國附屬公司僱員均有權享有相當於其退休日期最後受僱的所在地區內的平均薪酬金額的固定比例年度退休金。在此計劃下，相關政府機構對所有現有及未來退休的僱員承擔應付的僱員退休福利。

除上述供款外，本集團並無責任就其他退休金福利付款。向該等計劃的供款於發生時確認為僱員福利開支。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Land and buildings	Renovation and leasehold improvements	Machinery	Motor vehicles	Furniture and office equipment	Construction in progress	Total
		土地及樓宇	翻新及裝修	機器	汽車	傢俬及辦公室設備	在建工程	總計
		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
31 December 2018	2018年12月31日							
At 31 December 2017 and at 1 January 2018	於2017年12月31日及2018年1月1日							
Cost or valuation	成本或估值	9,462,700	1,017,280	876,938	9,736	248,272	165,283	11,780,209
Accumulated depreciation and impairment	累計折舊及減值準備	(1,507,536)	(547,697)	(415,815)	(7,232)	(177,864)	-	(2,656,144)
Net carrying amount	賬面淨值	7,955,164	469,583	461,123	2,504	70,408	165,283	9,124,065
At 1 January 2018, net of accumulated depreciation and impairment	於2018年1月1日，減除累計折舊及減值準備	7,955,164	469,583	461,123	2,504	70,408	165,283	9,124,065
Additions	添置	29,692	100,120	24,822	3,731	27,231	176,071	361,667
Depreciation provided during the year	年度累計折舊	(269,509)	(112,445)	(67,531)	(2,744)	(26,111)	-	(478,340)
Impairment	減值準備	-	(27,012)	-	-	(271)	-	(27,283)
Transfers	轉撥	37,856	34,268	(5,509)	-	3,656	(70,271)	-
Disposal	處置	19,500	(4,419)	(872)	(493)	(2,970)	-	(28,254)
Disposal of a subsidiary (note 40)	處置附屬公司(附註40)	-	(6,795)	(3,172)	(252)	(3,631)	-	(13,850)
At 31 December 2018, net of accumulated depreciation and impairment	於2018年12月31日，減除累計折舊及減值準備	7,733,703	453,300	408,861	2,746	68,312	271,083	8,938,005
At 31 December 2018: Cost or valuation	於2018年12月31日：成本或估值	9,555,780	1,053,038	831,024	9,446	251,603	271,083	11,971,974
Accumulated depreciation and impairment	累計折舊及減值準備	(1,822,077)	(599,738)	(422,163)	(6,700)	(183,291)	=	(3,033,969)
Net carrying amount	賬面淨值	7,733,703	453,300	408,861	2,746	68,312	271,083	8,938,005

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17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

17. 物業、廠房及設備(續)

		Land and buildings	Renovation and leasehold improvements	Machinery	Motor vehicles	Furniture and office equipment	Construction in progress	Total
		土地及樓宇	翻新及裝修	機器	汽車	傢私及辦公室設備	在建工程	總計
		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
31 December 2017	2017年12月31日							
At 31 December 2016 and at 1 January 2017:	於2016年12月31日及2017年1月1日							
Cost or valuation	成本或估值	8,840,804	913,314	740,254	12,670	232,552	279,114	11,018,708
Accumulated depreciation and impairment	累計折舊及減值準備	(1,260,601)	(471,826)	(353,911)	(8,980)	(151,195)	-	(2,246,513)
Net carrying amount	賬面淨值	7,580,203	441,488	386,343	3,690	81,357	279,114	8,772,195
At 1 January 2017, net of accumulated depreciation and impairment	於2017年1月1日，減除累計折舊及減值準備	7,580,203	441,488	386,343	3,690	81,357	279,114	8,772,195
Additions	添置	142,185	59,400	47,219	1,812	23,219	555,971	829,806
Depreciation provided during the year	年度累計折舊	(246,726)	(99,827)	(66,585)	(992)	(37,252)	-	(451,382)
Impairment	減值準備	-	(6,387)	(1,759)	-	-	-	(8,146)
Transfers	轉撥	481,856	81,554	102,355	-	4,037	(669,802)	-
Disposal	處置	(2,354)	(6,645)	(6,450)	(2,006)	(953)	-	(18,408)
At 31 December 2017, net of accumulated depreciation and impairment	於2017年12月31日，減除累計折舊及減值準備	7,955,164	469,583	461,123	2,504	70,408	165,283	9,124,065
At 31 December 2017:	於2017年12月31日							
Cost or valuation	成本或估值	9,462,700	1,017,280	876,938	9,736	248,272	165,283	11,780,209
Accumulated depreciation and impairment	累計折舊及減值準備	(1,507,536)	(547,697)	(415,815)	(7,232)	(177,864)	-	(2,656,144)
Net carrying amount	賬面淨值	7,955,164	469,583	461,123	2,504	70,408	165,283	9,124,065

At 31 December 2018, the application for converting the land use right certificate to the property ownership certificate for the Group's land and buildings amounting to RMB611,316,000 (2017: RMB1,470,441,000) was still in progress.

於2018年12月31日，本集團仍在為價值人民幣611,316,000元(2017年：人民幣1,470,441,000元)的土地及樓宇申請物業所有權證。

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18. PREPAID LAND PREMIUMS

Carrying amount at 1 January 於1月1日的賬面價值
Amortisation capitalised as property, plant and equipment for the year 年度攤銷資本化為物業、廠房及設備
Recognised as expenses during the year 確認為年度開支

Carrying amount at 31 December 於12月31日的賬面價值

The leasehold land is situated in Mainland China and is held under a long-term lease.

18. 預付土地出讓金

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
1,627,588	1,676,148
(6,523)	(17,339)
(41,177)	(31,221)
1,579,888	1,627,588

租賃土地位於中國境內，並根據租約長期持有。

19. OTHER INTANGIBLE ASSETS

Lease agreement buyouts 租賃協議買斷
Carrying amount at 1 January 於1月1日的賬面價值
Additions 添置
Impairment 減值準備
Recognised as expenses during the year 確認為年度開支

Carrying amount at 31 December 於12月31日的賬面價值

The lease agreement buyouts represented the Group's payment to old tenants to buy-out lease agreements, and were amortised over the lease terms on the straight-line basis.

19. 其他無形資產

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
26,955	29,199
4,776	3,278
(3,697)	(2,838)
(3,490)	(2,684)
24,544	26,955

租賃協議買斷指本集團向原租戶付款以買斷租賃協議，並按直線法在租賃期內攤銷。

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20. GOODWILL

At 1 January:	於1月1日
Cost	成本
Accumulated impairment	累計減值準備
Net carrying amount	賬面淨值
Impairment during the year	年內減值準備
At 31 December	於12月31日
Cost	成本
Accumulated impairment	累計減值準備
Net carrying amount	賬面淨值

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the department store cash-generating units for impairment testing, including Wuxi Yaohan Commerce & Trade Center Co., Ltd. (“Wuxi Yaohan”), Zhenjiang Baisheng Commercial Co., Ltd. (Zhenjiang Baisheng”) and Nantong Yaohan Commerce & Trade Joint Stock Company Ltd. (“Nantong Yaohan”). The recoverable amount of the cash-generating units have been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to all cash flow projections is 13.5% (2017: 13.5%).

The growth rate used to extrapolate the cash flows of the cash-generating units beyond the five-year period from the end of the reporting period is 2% for all years. The growth rates are below the average growth rate of the retail industry for the past 10 years. Senior management of the Company believes that using a lower growth rate is a more conservative and reliable choice for the purpose of this impairment testing.

20. 商譽

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
329,440	329,440
(79,056)	(79,056)
250,384	250,384
–	–
329,440	329,440
(79,056)	(79,056)
250,384	250,384

商譽減值檢測

透過業務合併產生的商譽已分配至百貨店現金產生單位作減值檢測，包括無錫八佰伴商貿中心有限公司（「無錫八佰伴」），鎮江百盛商城有限公司（「鎮江百盛」）和南通八佰伴商貿股份有限公司（「南通八佰伴」）。現金產生單位的可收回金額乃根據使用價值計算釐定。為計算該金額，會根據高級管理人員所批准涵蓋五年期間的財務預算編製現金流量預測。所有年度現金流量預測適用的貼現率為13.5%（2017年：13.5%）。

所有年度用於預測自報告期末起計五年期間後現金產生單位的現金流量所使用的增長率為2%。該增長率低於過往10年零售行業的平均增長率。本公司高級管理人員相信，使用較低的增長率就該減值檢測而言乃較保守及可靠的選擇。

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20. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	Wuxi Yaohan 無錫八佰伴		Zhenjiang Baisheng 鎮江百盛		Nantong Yaohan 南通八佰伴		Total 總計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	2018	2017	2018	2017	2018	2017	2018	2017
Carrying amount of goodwill	87,122	87,122	122,945	122,945	40,317	40,317	250,384	250,384

Assumptions were used in the value-in-use calculation of the department store cash-generating unit for 31 December 2018 and 31 December 2017. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Store revenue:

the bases used to determine the future earnings potential are the average historical sales and expected growth rates of the retail market in Mainland China.

Gross margins:

the basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Expenses:

the basic factors used to determine the values assigned are staff costs, rental expenses and other expenses. Values assigned to the key assumptions reflect past experience and management's commitment to maintain the Company's operating expenses at an acceptable level.

20. 商譽(續)

商譽減值檢測(續)

商譽賬面值分配至每個現金產出單位的如下：

假設被用於計算2018年12月31日及2017年12月31日百貨店現金流產生單位。以下載列管理層用於商譽減值檢測時的主要假設。

百貨店收入：

用於釐定未來盈利潛力的基準為平均過往銷售記錄以及中國內地零售市場的預期增長率。

毛利率：

用以釐定預算毛利率價值的基準為緊接預算年度前一年所達致的平均毛利率，因預計效率提升及預計市場開發而增加。

開支：

用於釐定指定價值的基本因素為員工成本、租賃開支及其他開支。分配予主要假設的價值反映過往經驗及管理層承擔將本公司營運開支維持於可接受水準。

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20. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

Discount rates:

the discount rates used are after tax and reflect management's estimate of the risks specific to the cash-generating units. In determining an appropriate discount rate for the unit, regard has been given to the applicable borrowing rate of the industry in the current year.

The values assigned to the key assumptions on discount rates are consistent with external information sources.

Sensitivity to changes in assumptions

With regard to the assessment of value in use of the department store cash-generating unit, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value, including goodwill, of the cash-generating unit to materially exceed the recoverable amount.

21. INVESTMENTS IN ASSOCIATES

Share of net assets 分佔資產淨額

Investments in associates were certain unlisted equity investments. In the opinion of the directors, the Group obtained significant influences on the below associates in January 2018, and reclassified them from Available-for-sale investments, and unlisted equity investments at cost of equity investments designated at fair value through other comprehensive income to Investments in associates, with the fair value upon transferring approximates carrying amount of RMB5,188,000.

20. 商譽(續)

商譽減值檢測(續)

貼現率：

所用貼現率已除稅，並反映管理層對每產生現金單位特有風險的估計。就每單位釐定合適貼現率時，已考慮有關年度業內的適用借貸率。

主要關鍵假設貼現率的價值與外部資訊來源一致。

假設變動的敏感度

在對百貨店現金產生單位使用價值作出評估時，管理層相信上述任何主要假設可能出現的合理變動不會致使現金產生單位的賬面價值(包括商譽)遠超於其可收回金額。

21. 於聯營公司投資

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
5,117	—

對聯營公司投資為對非上市股權投資，董事會認為，集團於2018年1月對以下關聯公司產生重大影響，並將其從可供出售投資之指定為按成本/公平值計值的非上市股權投資，通過其他綜合收益重分類為對聯營投資，重分類時的公允價值為人民幣5,188,000元，與賬面價值相近。

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21. INVESTMENTS IN ASSOCIATES (CONTINUED)

Particulars of the Group's associates are as follows:

Name 公司名稱	Place of registration and business 營業登記地	Ownership interest 股權	Percentage of 佔比		Principal activities 主要業務
			Voting power 表決權	Profit sharing 利潤分享	
Changzhou Ribao Commerce & Trade Co., Ltd. 常州市日寶商貿有限公司	PRC/Mainland China 境內/中國大陸	25	25	25	Sale of consumer goods 消費品銷售
Wuxi Jinlong Food Co., Ltd. 無錫市錦隆食品有限公司	PRC/Mainland China 境內/中國大陸	20	20	20	Sale of consumer goods 消費品銷售

The Group's trade payable balances with the associates are disclosed in note 32 to the financial statements, respectively.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

Share of the associates' loss for the year	年內分佔聯營公司虧損	(71)
Aggregate carrying amount of the Group's investment in the associates	本集團對聯營公司投資賬面價值總計	5,117

The Group had the following transactions with associate-related parties during the year:

Purchases of products 商品採購

Notes:

- (i) The purchases from the associates were made according to the published prices and conditions offered by the associates to their major customers.

21. 對聯營公司投資(續)

集團主要聯營公司的具體情況如下：

本集團與聯營公司的應付貿易款項結餘分別載於財務報表附註32。

下表顯示了集團各關聯公司的總體財務信息，這些信息並非單獨的材料：

年內，本集團與聯營公司關聯交易詳情如下：

Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	(i)	82,213

附註：

- (i) 從聯營公司的採購是根據聯營公司向其主要客戶提供的定價和條件進行的。

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22. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments	可供出售投資
Unlisted equity investments, at cost	非上市股權投資，按成本計值

As at 31 December 2017, certain unlisted equity investments with a carrying amount of RMB5,188,000 were stated at cost less impairment. The Directors were of the opinion that the investments' fair value cannot be measured reliably on 31 December 2017.

22. 可供出售投資

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
–	5,188

於2017年12月31日，賬面價值為人民幣5,188,000元的非上市股權投資以扣除減值後的成本列示。董事認為，其公平值於2017年12月31日無法可靠計量。

23. LONG-TERM PREPAYMENTS

Rental prepayments	預付租金
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23. 長期預付款項

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
7,757	12,942

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24. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

Gross deferred tax assets at 1 January 2017	於2017年1月1日 遞延稅項資產總額	41,493	23,267	15,654	9,552	29,780	119,746
Deferred tax credited/(charged) to the statement of profit or loss during the year (Note 13)	年內計入/(扣除) 收益表的遞延稅項 (附註13)	9,300	(1,323)	3,490	(1,425)	(10,249)	(207)
Gross deferred tax assets at 31 December 2017 and 1 January 2018	於2017年12月31日 及2018年1月1日的 遞延稅項資產總額	50,793	21,944	19,144	8,127	19,531	119,539
Deferred tax credited/(charged) to the statement of profit or loss during the year (Note 13)	年內計入/(扣除) 收益表的遞延稅項 (附註13)	(10,765)	839	(488)	1,039	12,344	2,969
Gross deferred tax assets at 31 December 2018	2018年12月31日的 遞延稅項資產總額	40,028	22,783	18,656	9,166	31,875	122,508

Note:

- (i) Others mainly arise from temporary differences caused by pre-operating expenses, accrued expenses and inventory provision.

24. 遞延稅項

於有關期間的遞延稅項資產及負債的變動如下：

遞延稅項資產

Losses available for offsetting against future taxable profits 可供抵銷未來應課稅溢利的虧損 RMB'000 人民幣千元	Loss on disposal of assets 處置資產虧損 RMB'000 人民幣千元	Accrued rental expenses 應計租金開支 RMB'000 人民幣千元	Bonus point liabilities 會員積分負債 RMB'000 人民幣千元	Others ⁽ⁱ⁾ 其他 ⁽ⁱ⁾ RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
41,493	23,267	15,654	9,552	29,780	119,746
9,300	(1,323)	3,490	(1,425)	(10,249)	(207)
50,793	21,944	19,144	8,127	19,531	119,539
(10,765)	839	(488)	1,039	12,344	2,969
40,028	22,783	18,656	9,166	31,875	122,508

附註：

- (i) 其他主要來自營運前開支，應計開支及存貨撥備導致的臨時差異。

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24. DEFERRED TAX (CONTINUED)

The movements in deferred tax assets and liabilities during the year are as follows: (continued)

Deferred tax liabilities

Gross deferred tax liabilities at 1 January 2017	於2017年1月1日的遞延稅項負債總額	404,371	14,993	150,717	570,081
Realisation during the year	年內已實現	-	(14,451)	-	(14,451)
Deferred tax charged/(credited) to the statement of profit or loss during the year (Note 13)	年內記入／(扣除)收益表的遞延稅項(附註13)	(17,919)	11,608	18,802	12,491
Gross deferred tax liabilities at 31 December 2017 and at 1 January 2018	於2017年12月31日及2018年1月1日的遞延稅項負債總額	386,452	12,150	169,519	568,121
Realisation during the year	年內已實現	-	(31,483)	-	(31,483)
Deferred tax charged/(credited) to the statement of profit or loss during the year (Note 13)	年內記入／(扣除)收益表的遞延稅項(附註13)	(12,571)	22,328	14,870	24,627
Gross deferred tax liabilities at 31 December 2018	於2018年12月31日的遞延稅項負債總額	373,881	2,995	184,389	561,265

24. 遞延稅項(續)

於有關期間的遞延稅項資產及負債的變動如下：(續)

遞延稅項負債

Fair value adjustments arising from acquisition of subsidiaries	Fair value adjustments arising from acquisition of subsidiaries			Total
	Withholding taxes ⁽ⁱ⁾	Others ⁽ⁱⁱ⁾	Total	
因收購附屬公司產生的公平值調整	預扣稅 ⁽ⁱ⁾	其他 ⁽ⁱⁱ⁾	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	
404,371	14,993	150,717	570,081	
-	(14,451)	-	(14,451)	
(17,919)	11,608	18,802	12,491	
386,452	12,150	169,519	568,121	
-	(31,483)	-	(31,483)	
(12,571)	22,328	14,870	24,627	
373,881	2,995	184,389	561,265	

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24. DEFERRED TAX (CONTINUED)

Deferred tax liabilities (continued)

Notes:

- (i) 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 Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% according to management's best estimation. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

In the opinion of the Directors, it is not probable that these subsidiaries will, in the foreseeable future, distribute earnings with an aggregate amount of temporary differences of RMB1,634,814,000 (2017: RMB1,634,814,000) associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised at 31 December 2018.

- (ii) Others mainly arise from temporary differences caused by capitalised interest and accelerated tax deduction of property, plant and equipment.

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

24. 遞延稅項 (續)

遞延稅項負債 (續)

附註：

- (i) 根據中華人民共和國企業所得稅法，在中國內地成立的外資企業向外國投資者所宣派的股息須繳交10%預扣稅，此規定自2008年1月1日起生效，適用於2007年12月31日後的盈利。倘中國內地與外國投資者所屬司法權區訂有稅務協議，或可按較低稅率繳交預扣稅。就本集團而言，根據管理層的合理估計適用稅率為5%。因此，本集團須就中國內地成立的附屬公司於2008年1月1日起所獲盈利分派的股息繳交預扣稅。

於2018年12月31日，董事認為在中國內地投資的附屬公司在可預見的將來不可能分配累計金額為人民幣1,634,814,000元（2017年：人民幣1,634,814,000元）的投資收益，相關暫時性差異產生的遞延所得稅負債也未予確認。

- (ii) 其他主要因資本化利息引致的臨時差額及物業、廠房和設備的加速減稅而產生。

就呈列目的而言，若干遞延稅項資產及負債已於綜合財務狀況表抵銷。以下為就財務呈報目的對本集團的遞延稅項結餘進行之分析：

	2018 二零一八年		2017 二零一七年	
	Offset 抵銷 RMB'000 人民幣千元	Net amount 淨額 RMB'000 人民幣千元	Offset 抵銷 RMB'000 人民幣千元	Net amount 淨額 RMB'000 人民幣千元
Net deferred tax assets recognised in the consolidated statement of financial position	(8,708)	113,800	(8,388)	111,151
Net deferred tax liabilities recognised in the consolidated statement of financial position	(8,708)	552,557	(8,388)	559,733

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24. DEFERRED TAX (CONTINUED)

Deferred tax liabilities (continued)

The Group has no tax losses arising in Hong Kong (2017: Nil).

The Group also has tax losses arising in Mainland China of RMB405,765,000 (2017: RMB306,059,000) that will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

25. INVENTORIES

Store merchandise, at cost or net realisable value	店舖商品，按成本或可變現淨值計值
Low value consumables	低價消費品

At 31 December 2018, the Group's inventories with a carrying amount of RMB5,357,000 (2017: RMB5,172,000) were carried at net realisable value.

26. TRADE RECEIVABLES

All of the Group's sales are on a cash basis except for certain bulk sales of merchandise which are credit sales. The credit terms offered to customers are generally one month.

None of the balances of the trade receivables at each reporting date is either past due or impaired.

24. 遞延稅項(續)

遞延稅項負債(續)

本集團在香港並無任何稅收損失(2017年：無)。

此外，該集團在中國內地產生的稅收損失為人民幣405,765,000元(2017年：人民幣306,059,000元)，將在一至五年內到期，用於抵消未來的應稅利潤。

遞延稅項資產尚未就這些虧損確認，因為它們出現在已虧損一段時間的子公司中，因此認為不太可能產生應稅利潤用於抵扣稅務損失。

25. 存貨

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
367,586	350,654
273	454
367,859	351,108

於2018年12月31日，本集團賬面價值為人民幣5,357,000元(2017年：人民幣5,172,000元)的存貨，乃基於可變現淨值計量。

26. 應收貿易款項

除若干大宗商品銷售為信貸銷售外，本集團所有銷售均按現金基準進行。授予客戶的信貸期一般為一個月。

於各報告日期的所有應收貿易款項結餘並無逾期，亦無出現減值。

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26. TRADE RECEIVABLES (CONTINUED)

An aging analysis of the trade receivables at the reporting date, based on the invoice date, is as follows:

Within one month

一個月內

26. 應收貿易款項(續)

於各報告日期應收貿易款項按發票日期劃分的賬齡分析如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
7,796	6,412

27. PREPAYMENTS AND OTHER RECEIVABLES

Value-added tax recoverable	可收回增值稅
Prepayments to suppliers	向供應商預付款項
Other receivables from suppliers	向供應商其他應收款項
Prepaid rental and deposits	預付租金及按金
POS receivables	POS應收款項
Interest receivables	應收利息
Other deposits and receivables	其他按金及應收款項

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

27. 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
111,506	89,927
10,149	14,754
92,861	109,577
46,604	46,458
126,782	92,146
25	35,839
27,052	42,091
414,979	430,792

上述資產並無逾期或減值。計入上述結餘中的金融資產與近期並無拖欠記錄的應收款項有關。

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28. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and bank balances	現金及銀行結餘
Time deposits	定期存款
Less: Restricted cash with maturity within one year	減：一年以內的受限貨幣資金
Restricted cash with maturity over one year	一年以上的受限貨幣資金
Unrestricted time deposits over three months	三個月以上未受限定期存款
Cash and cash equivalents	現金及現金等價物

The Group's cash and bank balances and time deposits at the reporting date are denominated in the following currencies:

RMB	人民幣
US\$	美元
HK\$	港元
SGD	新加坡元
EUR€	歐元

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between one month and five years depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances are deposited with creditworthy banks. The carrying amounts of the cash and cash equivalents and time deposits approximate to their fair values.

28. 現金及現金等價物和受限貨幣資金

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
617,441	275,731
117,408	348,625
734,849	624,356
(117,408)	-
-	(113,158)
-	(157,650)
617,441	353,548

本集團於各報告日期的現金及銀行結餘及定期存款按下列貨幣計值：

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
695,545	523,391
1,826	47,297
36,489	51,884
977	1,777
12	7
734,849	624,356

銀行存款根據每日銀行存款利率賺取浮動利息。定期存款由一個月至五年期限不等，視乎本集團的即時現金需求而定，並按各自的定期存款利率賺取利息。銀行結餘存入具信譽銀行。現金及現金等價物、定期存款的賬面價值與其公平值相若。

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28. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (CONTINUED)

Pursuant to the relevant rules and regulations issued by the Ministry of Commerce of the People's Republic of China, the Group was required to deposit bank balances (or through issuing the letter of bank guarantee to deposit) in the Group's designated accounts, which amounted to no less than 30% of the balance of advances from customers for sales of prepaid cards. As at 31 December 2018, certain of the Group's cash amounting to RMB117,408,000 (2017: RMB113,158,000) represented the above balances in the Group's designated accounts.

29. INTEREST-BEARING BANK BORROWINGS

Bank loans:	銀行貸款：
Unsecured	無擔保
Bank loans repayable:	應償還銀行貸款：
Within one year or on demand	一年以內或即時
Over one year but within two years	一年以上但兩年內
Over two years but within five years	兩年以上但五年內
Total bank borrowings	銀行借款總額
Less: Portion classified as current liabilities	減：分類為流動負債的部分
Long-term portion	長期部分

Bank loans bear interest at fixed rates or floating rates.

The Group's bank loans bore interest at effective interest rates ranging from 2.6% to 4.8% per annum as at 31 December 2018 and 2.5% to 4.8% per annum as at 31 December 2017.

28. 現金及現金等價物和受限貨幣資金(續)

根據中華人民共和國商務部頒發的相關法規，本集團需存入或通過獲得銀行保函以擔保合共不少於銷售預付費卡的客戶預付款項餘額30%於集團指定賬戶。於2018年12月31日，本集團人民幣117,408,000元(2017年：人民幣113,158,000元)的貨幣資金已存入集團的指定賬戶。

29. 計息銀行借款

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
1,964,248	1,863,948
1,964,248	1,863,948
1,054,083	1,467,948
710,165	3,000
200,000	393,000
1,964,248	1,863,948
1,964,248	1,863,948
(1,054,083)	(1,467,948)
910,165	396,000

銀行貸款按固定利率及浮動利率計息。

於2018年12月31日本集團的銀行貸款有效年利率由2.6%至4.8%及於2017年12月31日由2.5%至4.8%。

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29. INTEREST-BEARING BANK BORROWINGS (CONTINUED)

The Group's interest-bearing bank borrowings at the reporting date are denominated in the following currencies:

RMB	人民幣
US\$	美元
HK\$	港元

29. 計息銀行借款(續)

本集團於各報告日期的計息銀行借款按下列貨幣計值：

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
645,500	649,000
1,046,138	1,122,493
272,610	92,455
1,964,248	1,863,948

30. MEDIUM-TERM FINANCING NOTES

An aggregate principal amount of up to RMB2.0 billion of medium-term financing notes was approved by the National Association of Financial Market Institutional Investors and the Group issued its first tranche of medium-term financing notes at par value of RMB300 million to domestic institutional investors in the PRC on 25 March 2016. The nominal interest rate is 4.78% per annum and the effective interest rate is 5.13% per annum. The term of the medium-term financing notes was 3 years from the date of issuance. The interest shall be paid on an annual basis. In March 2018, the Group paid the interest for the second year in the amount of RMB14.3 million.

30. 中期票據

本集團取得銀行間市場交易商協會的批准發行本金總額不超過人民幣20億元的中期票據，並於2016年3月25日完成首期本金總額人民幣3億元中期票據的發行。按年名義利率為4.78%，實際利率為5.13%。中期票據的期限為3年期。利息按年支付。2018年3月，本集團支付了第二年的利息人民幣14.3百萬元。

31. CORPORATE BONDS

An aggregate principal amount of up to RMB2.0 billion of corporate bonds was approved by the China Securities Regulatory Commission and the Shanghai Stock Exchange in May 2016 and the Group issued its first tranche of corporate bonds at par value of RMB800 million to public qualified investors in the PRC on 21 June 2016. The nominal interest rate is 4.87% per annum and the effective interest rate is 5.22% per annum. The term of the corporate bonds was 3 years from the date of issuance. The interest shall be paid on an annual basis. In June 2018, the Group paid the interest for the second year in the amount of RMB39.0 million.

31. 公司債券

於2016年5月，本集團取得中國證監會及上海證券交易所的批准發行本金總額不超過人民幣20億元的公司債券，並於2016年6月21日完成首期本金總額人民幣8億元公司債券的發行。按年名義利率為4.87%，實際利率為5.22%。公司債券的期限為3年期。利息按年支付。2018年6月，本集團支付了第二年的利息人民幣39.0百萬元。

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32. TRADE PAYABLES

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

Within three months	三個月內
Over three months but within six months	三個月以上但六個月內
Over six months but within one year	六個月以上但一年內
Over one year	一年以上

Included in the trade payables are trade payables of RMB12,762,000 due to associates which are repayable within 90 days, which represents credit terms similar to those offered by the associates to their major customers.

The trade payables are non-interest-bearing and are normally settled on terms of up to 60 days.

33. OTHER PAYABLES AND ACCRUALS

Payables to suppliers' employees	應付供應商僱員款項
Deposits from suppliers	供應商按金
Value-added taxes	增值稅
Other tax payable	其他應付稅項
Payable for capital expenditure	應付資本開支
Payable for staff costs	應付員工成本
Bonus point liabilities	會員積分負債
Advances from customer	客戶預付款項
Contract liabilities	合同負債
Payable for acquisition of a subsidiary	收購一間附屬公司應付款項
Interest payable	應付利息
Other payables	其他應付款項

The above balances are unsecured and non-interest-bearing.

32. 應付貿易款項

於各報告日期應付貿易款項按發票日的賬齡分析如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
1,050,378	1,024,983
53,563	150,185
41,035	57,989
33,044	45,698
1,178,020	1,278,855

包含在應付貿易款項中的應付聯營公司貿易款項為人民幣12,762,000元，應於90天內付清，與聯營公司向其主要客戶提供的信用條款相當。

應付貿易款項均為免息且通常在60天內結清。

33. 其他應付款項及應計費用

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
	14,970	15,187
	213,881	163,374
	11,326	20,423
	36,285	37,145
	342,707	546,017
	247,156	241,551
	-	32,508
	-	1,248,544
(a)	1,383,207	-
	20,747	19,753
	1,458	2,106
	136,793	122,993
	2,408,530	2,449,601

上述結餘乃無抵押並免息。

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33. OTHER PAYABLES AND ACCRUALS (CONTINUED)

Notes:

Details of contract liabilities as at 31 December 2018 and 1 January 2018 are as follows:

Short-term advances received from customers	收到客戶的短期預付款
Bonus point liabilities	會員積分負債
Advances from customer	客戶預付款項
Total contract liabilities	總合同負債

Contract liabilities include short-term advances received to deliver goods. The increase in contract liabilities in 2018 was mainly due to the increase in short-term advances received from customers in relation to the newly opened department stores.

34. DERIVATIVE FINANCIAL INSTRUMENTS

Cross currency swap	交叉貨幣互換
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The cross currency swaps are not designated for hedge accounting purposes and are measured at fair value through profit or loss. Changes in the fair value of non-hedging cross currency swaps amounting to RMB13,270,000 were credited to the statement of profit or loss during the year.

35. LONG-TERM PAYABLES

Long-term portion of accrued rental expenses	應計租賃開支的長期部分
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33. 其他應付款項及應計費用(續)

附註：

截至2018年12月31日和2018年1月1日的合同債務明細如下：

31 December 2018 二零一八年十二月三十一日 RMB'000 人民幣千元	1 January 2018 二零一八年一月一日 RMB'000 人民幣千元
36,683	32,508
1,346,524	1,248,544
1,383,207	1,281,052

合同負債包括為交付商品而收到的短期預付款項。2018年合同債務的增加主要是由於新開的百貨店從客戶取得的短期預付款項增加。

34. 衍生金融工具

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
-	13,270

交叉貨幣互換並非指定作對沖會計目的而設計，而是通過損益以公允價值計量。總計人民幣13,270,000元的非對沖交叉貨幣互換公允價值的變動貸計入當年損益表中。

35. 長期應付款項

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
74,623	77,107

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36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities and equities arising from financing activities

		Interest-bearing bank borrowings 計息 銀行借款	Medium-term financing notes 中期票據	Corporate bonds 公司債券	Interest payables 應付利息	Treasury shares 庫存股	Share premiums 股份溢價	Non-controlling interests 非控股權益
At 1 January 2017	於2017年1月1日	1,739,204	309,074	814,670	2,033	(112)	728,151	169,065
Changes from financing cash flows	融資活動現金流變動	198,867	(14,340)	(38,960)	(62,046)	(923)	(298,128)	(2,453)
Foreign exchange movement	匯兌變動	(74,123)	-	-	-	-	-	-
Interest expense	利息開支	-	15,240	41,360	62,119	-	-	-
Repurchase and cancellation of shares	股票回購和註銷	-	-	-	-	981	-	-
Profit for the year	年度溢利	-	-	-	-	-	-	(1,524)
At 31 December 2017	於2017年12月31日	1,863,948	309,974	817,070	2,106	(54)	430,023	165,088

		Interest-bearing bank borrowings 計息 銀行借款	Medium-term financing notes 中期票據	Corporate bonds 公司債券	Interest payables 應付利息	Treasury shares 庫存股	Share premiums 股份溢價	Non-controlling interests 非控股權益
At 1 January 2018	於2018年1月1日	1,863,948	309,974	817,070	2,106	(54)	430,023	165,088
Changes from financing cash flows	融資活動現金流變動	30,763	(14,340)	(38,960)	(76,028)	(1,445)	(361,103)	(1,504)
Foreign exchange movement	匯兌變動	69,537	-	-	-	-	-	-
Interest expense	利息開支	-	15,240	41,360	75,380	-	-	-
Repurchase and cancellation of shares	股票回購和註銷	-	-	-	-	1,443	-	-
Profit for the year	年度溢利	-	-	-	-	-	-	(3,668)
At 31 December 2018	於2018年12月31日	1,964,248	310,874	819,470	1,458	(56)	68,920	159,916

36. 綜合現金流量表附註

由融資活動引起的負債及權益變動

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37. CONTINGENT LIABILITIES, OPERATING LEASE ARRANGEMENTS AND CAPITAL COMMITMENTS

(a) Operating lease arrangements

Group as lessee

The Group leases certain of its land and buildings under operating lease arrangements with lease terms ranging from one to twenty years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)
After five years	五年以上

Group as lessor

The Group leases out certain of its land and buildings under operating lease arrangements with lease terms ranging from one to twenty 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:

Within one year	一年內
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)
After five years	五年以上

37. 或然負債、經營租賃安排及資本承擔

(a) 經營租賃安排

本集團作為承租人

本集團依據經營租賃安排租賃若干土地及樓宇，租期為一至二十年。

於2018年12月31日，本集團根據不可撤銷經營租賃的未來最低應付租金總額如下：

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
104,561	95,191
463,804	429,255
617,804	595,832
1,186,169	1,120,278

本集團作為出租人

本集團根據經營租賃安排出租若干土地及樓宇，租期為一至二十年。

於2018年12月31日，本集團根據不可撤銷經營租賃的未來最低應收租金總額如下：

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
286,161	203,180
377,725	336,470
143,066	157,236
806,952	696,886

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37. CONTINGENT LIABILITIES, OPERATING LEASE ARRANGEMENTS AND CAPITAL COMMITMENTS (CONTINUED)

(b) Capital commitments

Contracted, but not provided for: Property, plant and equipment

已簽訂但未撥備：物業、廠房及設備

37. 或然負債、經營租賃安排及資本承擔 (續)

(b) 資本承擔

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
330,690	399,850

38. ISSUED CAPITAL AND OTHER RESERVES

(a) Issued capital

Issued and fully paid: 2,050,000,000 (2017: 2,217,185,000) ordinary shares

已發行及繳足：2,050,000,000 (2017年：2,217,185,000) 普通股

A summary of the movements of the Company's issued capital is as follows:

38. 已發行股本及儲備

(a) 已發行股本

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
17,703	19,146

本公司已發行股本的變動概要如下：

		No. of shares at HK\$0.01 each in 0.01港元的股份數量 thousands 千股	RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	2,330,760	20,127
Shares repurchased and cancelled	股票購回及註銷	(113,575)	(981)
At 31 December 2017 and 1 January 2018	於2017年12月31日及2018年1月1日	2,217,185	19,146
Shares repurchased and cancelled	股票購回及註銷	(167,185)	(1,443)
At 31 December 2018	於2018年12月31日	2,050,000	17,703

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38. ISSUED CAPITAL AND OTHER RESERVES (CONTINUED)

(a) Issued capital (continued)

During the year, the Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase	購回月份	No. of shares at HK\$0.01 each 每股面值 0.01港元的 股份數量 Thousands 千股	Price per share 每股股價		Aggregate consideration 總代價 HK\$'000 千港元	Equivalent to 等值 RMB'000 人民幣千元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元		
January 2018	2018年1月	10,950	1.90	1.74	20,457	16,574
March 2018	2018年3月	9,557	1.87	1.70	17,113	13,717
April 2018	2018年4月	22,823	2.23	1.85	45,683	36,910
May 2018	2018年5月	29,580	2.05	1.88	59,902	48,978
June 2018	2018年6月	34,096	2.05	2.00	70,057	59,070
July 2018	2018年7月	18,458	2.05	2.03	37,886	32,910
August 2018	2018年8月	22,966	1.93	1.82	43,192	37,560
September 2018	2018年9月	12,520	1.85	1.78	22,664	19,948
December 2018	2018年12月	6,448	1.60	1.40	10,068	8,822
		167,398			327,022	274,489

The Company repurchased 167,398,000 shares during the year ended 31 December 2018. The nominal value of approximately HK\$1,674,000, equivalent to RMB1,445,000 (2017: HK\$1,068,000, equivalent to RMB923,000), was credited to the issued capital account, and the premium paid or payable and the related costs incurred for the share repurchase of approximately HK\$325,348,000, equivalent to RMB273,044,000 (2017: HK\$163,836,000, equivalent to RMB139,268,000), was charged against the share premium account of the Company.

Included in the repurchased shares were 167,185,000 cancelled shares during the year ended 31 December 2018. The nominal value of approximately HK\$1,672,000, equivalent to RMB1,443,000 (2017: HK\$1,136,000, equivalent to RMB981,000), was credited to the issued capital account from the treasury share account.

38. 已發行股本及儲備(續)

(a) 已發行股本(續)

於本年度，本公司透過聯交所購回本公司股份如下：

截至2018年12月31日止年度，本公司購回167,398,000股股票，股本面值約為1,674,000港元，相當於人民幣1,445,000元（2017年：1,068,000港元，相當於人民幣923,000元），已計入已發行股本賬戶，就購回股份已付或應付的溢價及相關費用約325,348,000港元，相當於人民幣273,044,000元（2017年：163,836,000港元，相當於人民幣139,268,000元），已計入本公司股份溢價賬戶。

截至2018年12月31日止年度，包括在回購股票中的167,185,000股股份被註銷。其股本面值約為1,672,000港元，相當於人民幣1,443,000元（2017：1,136,000港元，相當於人民幣981,000元），被從庫存股賬戶計入本公司已發行股本賬戶。

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38. ISSUED CAPITAL AND OTHER RESERVES (CONTINUED)

(a) Issued capital (continued)

The remaining 6,448,000 shares were not cancelled and still recognised as treasury shares as at 31 December 2018. The nominal value was approximately HK\$64,000, equivalent to RMB56,000 (2017: HK\$62,000, equivalent to RMB54,000).

Subsequent to 31 December 2018 and up to the date of this report, the Company repurchased a total of 18,552,000 shares at an aggregate consideration of HK\$30,437,000. 25,000,000 repurchased shares were cancelled in February 2019. The number of issued shares of the Company as at the date of this report was 2,025,000,000.

(b) Contributed surplus

The contributed surplus represents the difference between (i) the Company's cost of investments in the subsidiaries that were acquired via a business combination under common control in the prior year and (ii) the aggregate of the nominal values of the paid-up capital of these subsidiaries upon acquisition.

(c) Statutory surplus reserve

In accordance with the Company Law of the PRC and the respective articles of association of the PRC Subsidiaries, each of the PRC Subsidiaries is required to allocate 10% of its profit after tax, as determined in accordance with PRC GAAP, to the statutory surplus reserve (the "SSR") until this reserve reaches 50% of its registered capital.

The SSR is non-distributable except in the event of a liquidation and, subject to certain restrictions set out in the relevant PRC regulations, can be used to offset accumulated losses or be capitalised as paid-up capital. However, the balance of the statutory reserve fund must be maintained at a minimum of 25% of the registered capital after these usages.

38. 已發行股本及儲備(續)

(a) 已發行股本(續)

於2018年12月31日，餘下的6,448,000股股份沒有被註銷，仍被確認為庫存股，其股本面值約為64,000港元，相當於人民幣56,000元(2017年：62,000港元，相當於人民幣54,000元)。

2018年12月31日至本報告發佈之日本公司以總代價港幣30,437,000元回購本公司股票18,552,000股。於2019年2月，25,000,000股回購股票被註銷。截至本報告發佈之日，本公司已發行股份為2,025,000,000股。

(b) 實繳盈餘

實繳盈餘指(i)本公司在於有關期間之前通過共同控制業務合併收購的附屬公司的投資成本與(ii)收購時該等附屬公司的已繳股本面值總額的差額。

(c) 法定公積金

根據中國公司法及中國附屬公司各自的組織章程，中國附屬公司須將其除稅後溢利的10%(根據中國公認會計準則釐定)分配至法定公積金(「法定公積金」)，直至該等公積金達致其各自註冊資本的50%。

法定公積金除於清盤情況外不可分派，惟在遵守有關中國法規所載的若干限制下可用於抵銷累計虧損或資本化為實繳資本。但抵銷累計虧損後，該法定公積金結餘須保持至少為註冊資本的25%。

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38. ISSUED CAPITAL AND OTHER RESERVES (CONTINUED)

(d) Discretionary reserve

In accordance with the Company Law of the PRC and the respective articles of association of the PRC Subsidiaries, certain of the PRC Subsidiaries transferred a certain percentage of their profit after tax, at the discretion of the PRC Subsidiaries' boards of directors, to the discretionary reserve. The discretionary reserve can be utilised to offset prior years' losses or to increase the registered capital.

39. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

On 15 April 2013, an indirect wholly-owned subsidiary of the Company, Jiangsu Springland International Holding (Group) Ltd. ("Jiangsu Springland") purchased a financial product (the "Financial Product") from China Construction Bank Corporation Wuxi Chengbei Branch at RMB200,000,000 maturing on 17 April 2014. However, a balance of RMB180,000,000 remained outstanding under the Financial Product after the maturity on 17 April 2014. In the course of enquiries with the bank, it was discovered that a pledge had been registered on a one year fixed deposit of RMB100,000,000 with China Construction Bank Corporation Wuxi Yingbin Branch, which was placed in January 2014, by an indirect wholly-owned subsidiary of the Company, Wuxi Xishan Yaohan Lifestyle Center Co., Ltd. ("Xishan Yaohan"), at an interest rate of 3.25% per annum (the "Deposit"), payable upon maturity.

38. 已發行股本及儲備(續)

(d) 酌情儲備

根據中國公司法及中國附屬公司各自的組織章程，若干中國附屬公司轉撥其除稅後溢利的特定百分比(由董事會酌情釐定)至酌情儲備。酌情儲備可用於抵銷過往年度的虧損或增加註冊資本。

39. 關連方交易

除於財務報表其他章節披露的交易和結餘外，本集團本年與關連方有如下重大交易：

- (a) 除本財務報表其他部分詳細列明的交易外，本集團年內與各關聯方的交易如下：

於2013年4月15日，江蘇華地國際控股集團有限公司(「江蘇華地」)，本公司間接全資附屬公司，向中國建設銀行股份有限公司無錫城北支行購買人民幣2億元的理財產品(「理財產品」)，並於2014年4月17日到期，然而餘額為人民幣1.8億元理財產品於2014年4月17日到期後尚未收回。在向銀行的查詢過程中，公司發現無錫錫山八佰伴生活廣場有限公司(「錫山八佰伴」)，本公司間接全資附屬公司，在2014年1月存放於中國建設銀行股份有限公司無錫迎賓支行之人民幣1億元，年收益率為3.25%的一年期定期存款(「定期存款」)已經被質押。

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39. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) (continued)

On 30 April 2014, to prevent possible losses and incurrence of further time and costs by the Group, Jiangsu Springland and Xishan Yaohan as sellers entered into an agreement with Mr. Chen Jianqiang (the "Controlling Shareholder") as purchaser, whereby Jiangsu Springland agreed to dispose of the Financial Product to the Controlling Shareholder for a cash consideration equal to RMB180,000,000 and Xishan Yaohan agreed to dispose of the Deposit to the Controlling Shareholder for a cash consideration equal to RMB100,000,000. The considerations were determined after considering the costs paid by Jiangsu Springland for the Financial Product and Xishan Yaohan for the Deposit, respectively. The considerations were to be paid by the Controlling Shareholder on/before 31 December 2014.

On 16 December 2014, Jiangsu Springland, Xishan Yaohan and the Controlling Shareholder entered into a supplemental agreement whereby the outstanding consideration became interest bearing at a rate of 3.5% per annum from 1 January 2015 to 31 December 2016. And On 1 December 2016, this agreement was extended to 31 December 2019. The Controlling Shareholder repaid RMB98,000,000 of the considerations in the year of 2014 and RMB64,000,000 in the year of 2016 and RMB18,000,000 in the year of 2017. The outstanding consideration due from the controlling shareholder was RMB100,000,000 as at 31 December 2018 (31 December 2017: RMB100,000,000).

Up to 31 December 2018, the interest generated from the receivables amounting to RMB3,500,000 (2017: RMB3,797,000). The Controlling Shareholder had paid the interest in the amount of RMB 3,522,000 before 31 December 2018.

39. 關連方交易 (續)

(a) (續)

於2014年4月30日，為避免本集團可能產生任何損失和免於產生更多的時間和費用，江蘇華地和錫山八佰伴作為賣方與陳建強先生（「控股股東」）作為買方訂立協議，江蘇華地同意向控股股東以現金對價人民幣1.8億元出售理財產品及錫山八佰伴同意向控股股東以現金對價1億元出售定期存款。對價乃基於江蘇華地為購買理財產品及錫山八佰伴存放定期存款所支付的成本價釐定，且應由控股股東於2014年12月31日或之前支付。

2014年12月16日，江蘇華地、錫山八佰伴和控股股東簽訂補充協議。對價結餘由2015年1月1日到2016年12月31日，每年按3.5%支付利息。至2016年12月1日，協議期限已延長至2019年12月31日。2014年，控股股東已支付對價人民幣98,000,000元，2016年，已支付對價人民幣64,000,000元，2017年已支付對價人民幣18,000,000元。於2018年12月31日，應收控股股東對價結餘為人民幣100,000,000元（2017年12月31日：100,000,000元）。

至2018年12月31日，該筆應收款項產生利息達人民幣3,500,000元（2017年：人民幣3,797,000元）。控股股東已於2018年12月31日之前支付了該利息人民幣3,522,000元。

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39. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties

Due from the Controlling Shareholder 應收控股股東款項

Note:

- (i) The Group had an outstanding balance due from the Controlling Shareholder of RMB100,000,000 as principal and RMB38,000 as interest received in advance as at 31 December 2018 (2017: RMB100,000,000 as principal and RMB16,000 as interest received in advance). This balance is unsecured, bears interest at a rate of 3.5% from 1 January 2017 and shall be repaid on/before 31 December 2019.

(c) Compensation of key management personnel of the Group

Short-term employee benefits 當期僱員薪酬
Post-employment benefits 退休金

Total compensation paid to key management personnel 支付給主要管理人員的薪酬總額

Further details of directors' and the chief executive's emoluments are included in note 11 to the financial statements.

39. 關連方交易 (續)

(b) 與關連方的結餘

Note 附註	31 December 2018 2018年 12月31日 RMB'000 人民幣千元	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
(i)	99,962	99,984

附註：

- (i) 本集團於2018年12月31日應收控股股東款項為本金人民幣100,000,000元及預收利息人民幣38,000元(2017年：本金人民幣100,000,000元及預收利息人民幣16,000元)。上述款項乃無抵押，自2017年1月1日起以年利率3.5%計息，款項應在2019年12月31日或之前償還。

(c) 本集團主要管理人員的薪酬

	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
Short-term employee benefits	8,153	8,526
Post-employment benefits	367	248
Total compensation paid to key management personnel	8,520	8,774

本集團董事及行政總裁薪酬的進一步詳情於財務報表附註11披露。

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40. DISPOSAL OF A SUBSIDIARY

40. 出售附屬公司

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元
Net assets disposed of:	所出售資產淨值：		
Property, plant and equipment	物業、廠房及設備		13,850
Cash and bank balances	現金及銀行存款		1,422
Trade receivables	應收貿易款項		1
Prepayments and other receivables	預付款項及其他應收款項		17,015
Inventories	存貨		2,385
Trade payables	應付貿易款項		(7,696)
Accruals and other payables	其他應付款項及應計費用		(17,572)
Non-controlling interests	非控股權益		(2,822)
			6,583
Gain on disposal of a subsidiary	出售附屬公司的收益	7	417
			7,000
Satisfied by:	由：		
Cash	以現金支付		7,000

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

有關出售附屬公司的現金及現金等價物流入淨額分析如下：

		2018 二零一八年 RMB'000 人民幣千元
Cash consideration	現金代價	7,000
Cash and bank balances disposed of	所出售的現金及現金等價物	(1,422)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	有關出售附屬公司的現金及現金等價物流入淨額	5,578

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41. 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:

31 December 2018

Financial assets

Trade receivables	應收貿易款項
Due from the controlling shareholder	應收控股股東款項
Financial assets included in prepayments and other receivables	計入預付款項及其他應收款的金融資產
Restricted cash	受限貨幣資金
Cash and cash equivalents	現金及現金等價物

Financial liabilities

Trade payables	應付貿易款項
Financial liabilities included in other payables and accruals	計入其他應付款及應計費用中的金融負債
Corporate bonds	公司債券
Medium-term financing notes	中期票據
Interest-bearing bank borrowings	計息銀行借款

41. 按類別劃分的金融工具

於各報告期末，各類金融工具的賬面價值如下：

2018年12月31日

金融資產

Financial assets at amortised cost 按攤銷成本計值的金融資產 RMB'000 人民幣千元

7,796

99,962

246,720

117,408

617,441

1,089,327

金融負債

Financial liabilities at amortised cost 按攤銷成本計值的金融負債 RMB'000 人民幣千元

1,178,020

730,556

819,470

310,874

1,964,248

5,003,168

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41. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

31 December 2017

Financial assets

		Loans and receivables 貸款及應收款項 RMB'000 人民幣千元	Available-for-sale financial assets 可供出售金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Available-for-sale investments	可供出售投資	–	5,188	5,188
Trade receivables	應收貿易款項	6,412	–	6,412
Due from the Controlling Shareholder	應收控股股東款項	99,984	–	99,984
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	279,653	–	279,653
Restricted cash	受限貨幣資金	113,158	–	113,158
Cash and cash equivalents	現金及現金等價物	511,198	–	511,198
		1,010,405	5,188	1,015,593

Financial liabilities

		Held for trading 持作交易 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷成本計值的金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade payables	應付貿易款項	–	1,278,855	1,278,855
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	–	869,430	869,430
Corporate bonds	公司債券	–	817,070	817,070
Medium-term financing notes	中期票據	–	309,974	309,974
Derivative financial instruments	衍生金融工具	13,270	–	13,270
Interest-bearing bank borrowings	計息銀行借款	–	1,863,948	1,863,948
		13,270	5,139,277	5,152,547

41. 按類別劃分的金融工具 (續)

2017年12月31日

金融資產

	Loans and receivables 貸款及應收款項 RMB'000 人民幣千元	Available-for-sale financial assets 可供出售金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Available-for-sale investments	–	5,188	5,188
Trade receivables	6,412	–	6,412
Due from the Controlling Shareholder	99,984	–	99,984
Financial assets included in prepayments and other receivables	279,653	–	279,653
Restricted cash	113,158	–	113,158
Cash and cash equivalents	511,198	–	511,198
	1,010,405	5,188	1,015,593

金融負債

	Held for trading 持作交易 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷成本計值的金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade payables	–	1,278,855	1,278,855
Financial liabilities included in other payables and accruals	–	869,430	869,430
Corporate bonds	–	817,070	817,070
Medium-term financing notes	–	309,974	309,974
Derivative financial instruments	13,270	–	13,270
Interest-bearing bank borrowings	–	1,863,948	1,863,948
	13,270	5,139,277	5,152,547

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42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, financial assets included in prepayments and other receivables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

For the fair value of the unlisted equity investments at fair value through other comprehensive income, which were previously classified as available-for-sale equity investments, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model and has quantified this similar to the fair value of these unlisted equity investments.

The fair values of medium-term financing notes, corporate bonds and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, which also approximate to their carrying amounts. The Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2018 was assessed to be insignificant.

The Group enters into derivative financial instruments with a licensed bank. Derivative financial instruments, including currency swaps and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of cross currency swaps are the same as their fair values.

42. 金融工具的公平值及公平值等級架構

管理層在評估現金及現金等價物、應收貿易款項、應付貿易款項、計入預付款項及其他應收款的金融資產、計入其他應付款項及應計費用的公平值時，由於其期限較短，該等資產或負債的公平值與其賬面價值相若。

除去一些強迫性的交易或者資產清算，在一般自願的交易下，金融資產和金融負債的賬面價值包括了公平值在其中。下面的方法於假設是用來估計公平值：

以公允價值計量且變動計入其他綜合收益的非上市股權投資的可供出售股權投資的公允價值，管理層估計了使用合理可行的替代方案作為估值模型的輸入潛在影響，並將其量化，與這些非上市股權投資的公允價值相近。

中期票據、公司債券和計息銀行借款的公平值計量是根據期望未來現金流的貼現息確定，參考現可用類似工具的貼現息，信用風險和到期日確定。本集團於2018年12月31日計息銀行借款的自有非績效風險被認定是不重大的。

本集團於持證的銀行簽訂衍生金融工具協議。衍生金融工具包括遠期貨幣互換和利率互換，使用類似遠期定價模型和利率互換模型的估價技術，並以現價計算。此模型包括多種市場調查因素包括對方信用質量，外幣兌換即期或遠期匯率及利率曲線。遠期貨幣合約的賬面價值與其公平值一致。

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42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Liabilities measured at fair value

There were no liabilities measured at fair value as at 31 December 2018.

As at 31 December 2017:

42. 金融工具的公平值及公平值等級架構(續)

公平值等級架構

以下表格列示本集團金融工具的公平值等級架構：

按公平值計量的負債

於2018年12月31日，本集團並無按公平值計量的負債。

於2017年12月31日：

	Fair value measurement using 公平值計量乃採用			Total 總額
	Quoted prices in active markets 活躍市場 的報價 (Level 1) (第一級) RMB'000 人民幣千元	Significant observable inputs 重大可 觀察輸入值 (Level 2) (第二級) RMB'000 人民幣千元	Significant unobservable inputs 重大不可 觀察輸入值 (Level 3) (第三級) RMB'000 人民幣千元	
Derivative financial instruments 衍生金融工具	-	13,270	-	13,270

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and transfers into or out of Level 3 for financial liabilities (2017: Nil).

年內，並無金融資產和金融負債在公平值的釐定在第一級及第二級之間轉換，亦無轉換入／出第三級(2017年：無)。

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise bank loans, short-term financing notes medium-term financing notes, corporate bonds, cash and short-term deposits. 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 and trade payables, which arise directly from its operations.

43. 財務風險管理目標及政策

本集團的主要金融工具，除衍生品外，包括銀行貸款、短期融資券、中期票據、公司債券、現金與短期存款。該等金融工具的主要用途是為本集團籌集營運資金。本集團擁有各種其他由營運直接產生的金融資產及負債，如應收貿易款項和應付貿易款項。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The Group also enters into derivative transactions, including principally currency swaps and interest rate swaps. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

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. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank loans with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

43. 財務風險管理目標及政策(續)

本集團還進行了衍生品交易，主要包括利率互換和遠期貨幣合約。目的是為了管理因集團運營及融資渠道產生的利率和匯率風險。

本集團金融工具產生的主要風險是利率風險、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上述各項風險的政策，其概述如下：本集團關於衍生品的會計政策於財務報表附註2.4披露。

利率風險

本集團所承受的市場利率變動風險主要與本集團按浮動利率計息的銀行貸款有關。

下表說明本集團的除稅前溢利(透過對浮息借款的影響)的合理可能變動(在所有其他變數維持不變的情況下)的敏感度。

		Increase/ (decrease) in basis points 基點增加/ (減少)	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
Year ended 31 December 2018	截至2018年12月31日止年度		
US\$	美元	50	(3,072)
HK\$	港元	50	(511)
US\$	美元	(50)	3,072
HK\$	港元	(50)	511
Year ended 31 December 2017	截至2017年12月31日止年度		
US\$	美元	50	(1,588)
HK\$	港元	50	(29)
US\$	美元	(50)	1,588
HK\$	港元	(50)	29

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk

The Group's businesses are located in Mainland China and all transactions are conducted in RMB. Most of the Group's assets and liabilities were denominated in RMB, except for certain bank balances denominated in US\$, HK\$ and SGD as disclosed in note 28 and bank loans denominated in US\$ and HK\$ as disclosed in note 29.

Certain of the Group's cash and bank balances, time deposits and bank loans are denominated in US\$ or HK\$ or SGD which expose the Group to foreign currency risk attributable to the fluctuations in the exchange rates of US\$/HK\$ against RMB, the functional currency of the respective group entities.

Management monitors the foreign exchange risk exposure and will consider hedging significant foreign currency exposure should the need arise.

The following table details the Group's sensitivity to a 3% (2017: 3%) increase and decrease in RMB against the relevant foreign currencies which is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 3% (2017: 3%) change in foreign currency rates.

43. 財務風險管理目標及政策(續)

外幣風險

本集團的業務均設於中國內地且所有交易均使用人民幣。除於附註28所披露的若干銀行結餘以美元、港元及新加坡元計值及附註29所披露銀行貸款以美元及港元計值外，本集團大多數資產及負債以人民幣計值。

本集團若干銀行結餘及現金、銀行貸款乃以美元／港元／新加坡元計值，而本集團因美元／港元與人民幣（相關集團實體的功能貨幣）之間的匯率波動，承受外幣風險。

管理層監察外幣風險，並於有需要時考慮對沖重大外幣風險。

下表詳述本集團對人民幣兌相關外幣匯率升值及貶值3%（2017年：3%）的敏感度。向主要管理人員內部呈報外幣風險時所使用的敏感度比率代表管理層對外匯匯率可能變動的合理評估。敏感度分析僅包括以外幣計值的未償還貨幣項目，並於報告期間結束時按3%（2017年：3%）外匯匯率變動調整其換算。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk (continued)

Increase/(decrease) in profit before tax:	稅前利潤的增加/(減少)：
If RMB weakens against a foreign currency	若人民幣對外幣下跌
If RMB strengthens against a foreign currency	若人民幣對外幣上漲

The sensitivity analysis above only analysed the Group's year end inherent foreign exchange risk exposure and does not represent the exposure during the year as the value of the monetary items and the exchange rates fluctuated during the year.

Credit risk

The Group has no concentration of credit risk. The Group's cash and cash equivalents are mainly deposits with state-owned banks in Mainland China. The credit risk of the Group's financial assets, which comprise cash and cash equivalents, trade receivables and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

43. 財務風險管理目標及政策(續)

外幣風險(續)

US\$ Impact 美元影響		HK\$ Impact 港元影響	
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	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
(31,329)	(32,298)	(7,084)	(1,746)
31,329	32,298	7,084	1,746

由於年內貨幣項目值及匯率波動，故上述敏感度分析僅為本集團年終的固有外匯風險分析，而並不能反映全年風險。

信貸風險

本集團並無信貸風險集中情況。本集團的現金及現金等價物主要為存放於中國內地各國有銀行的存款。本集團就其包含現金及現金等價物、應收貿易款項以及其他應收款項在內的金融資產的賬面價值乃因對方違約所承受的最高信貸風險。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, medium-term financing notes and corporate bonds. Pursuant to the credit facility intention letters provided by certain banks, the banks had agreed to provide additional loans of up to RMB1,146,000,000, subject to available facilities, upon the Group's request. Pursuant to the official approval from the Inter-bank Dealers Association and the China Securities Regulatory Commission, the Group can obtain additional loans of up to RMB2,000,000,000, upon the Group's request.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

		On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
		於要求時	三個月內	三至十二個月	一至五年	五年以上	總額
		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
2018	Interest-bearing bank borrowings	-	374,496	226,335	1,444,007	-	2,044,838
	Medium-term financing notes	-	314,340	-	-	-	314,340
	Corporate bonds	-	-	838,960	-	-	838,960
	Trade payables	144,791	1,033,229	-	-	-	1,178,020
	Financial liabilities included in other payables and accruals	722,022	-	-	-	-	722,022
		866,813	1,722,065	1,065,295	1,444,007	-	5,098,180

43. 財務風險管理目標及政策(續)

流動資金風險

本集團利用循環流動計劃工具監測資金短缺的風險。該工具考慮其金融工具及金融資產(如應收貿易款項)的到期日及來自經營活動的預計現金流量。

本集團的目標是運用銀行貸款、中期票據及公司債券，以保持資金持續性及靈活性兩者的平衡。根據本集團需求，已於特定銀行取得授信額度，銀行將同意提供人民幣1,146,000,000元的貸款額度。根據銀行間交易商協會和中國證監會的批准，本集團可以申請享受額外的授信人民幣2,000,000,000元。

截至本報告期末，本集團的金融負債到期(按合約未折現付款計算)資料如下表概述：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

Year ended 31 December 2018

截至2018年12月31日止年度

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

2017	On demand 於要求時 RMB'000 人民幣千元	Less than 3 months RMB'000 人民幣千元	3 to 12	1 to 5	Over 5	Total 總額 RMB'000 人民幣千元	
			months 三至 十二個月 RMB'000 人民幣千元	years 一至 五年 RMB'000 人民幣千元	years 五年 以上 RMB'000 人民幣千元		
Interest-bearing bank borrowings	計息銀行借款	-	891,146	623,297	433,715	-	1,948,158
Medium-term financing notes	中期票據	-	14,340	-	314,340	-	328,680
Corporate bonds	公司債券	-	-	38,960	838,960	-	877,920
Trade payables	應付貿易款項	253,873	1,024,982	-	-	-	1,278,855
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計費用的金融負債	869,430	-	-	-	-	869,430
		1,123,303	1,930,468	662,257	1,587,015	-	5,303,043

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 31 December 2017.

43. 財務風險管理目標及政策 (續)

流動資金風險 (續)

資本管理

本集團資本管理的主要目標為保障本集團能持續經營，並維持穩健的資本比率，以支持其業務發展並為股東實現最大利益。

本集團因應經濟狀況的變動而管理其資本結構並作出調整。為維持或調整其資本結構，本集團或會調整支付予股東的股息、向股東退還資本或發行新股。本集團毋須遵守任何外部施加的資本規定。截至2018年12月31日及2017年12月31日止年度，資本管理目標、政策或程式並無變更。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

Year ended 31 December 2018

截至2018年12月31日止年度

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt includes medium-term financing notes, corporate bonds and interest-bearing bank borrowings, trade payables and other payables and accruals, and cash and cash equivalents, less restricted cash. Capital represents equity attributable to owners of the parent. The Group's policy is to keep the gearing ratio at a reasonable level. The gearing ratios as at the end of the reporting periods were as follows:

Corporate bonds	公司債券
Medium-term financing notes	中期票據
Interest-bearing bank borrowings	計息銀行借款
Trade payables	應付貿易款項
Other payables and accruals	其他應付款項及應計費用
Less: Restricted cash	減：受限貨幣資金
Cash and cash equivalents	現金及現金等價物
Net debt	債務淨額
Equity attributable to owners of the parent	母公司擁有人應佔權益
Equity and net debt	權益及債務淨額
Gearing ratio	資產負債比率

44. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2018 and up to the date of this report, no material subsequent events happened.

43. 財務風險管理目標及政策(續)

資本管理(續)

本集團以資產負債比率監察資本，而資產負債比率即債務淨額除以資本加債務淨額。債務淨額包括中期票據、公司債券、計息銀行借款、應付貿易款項、其他應付款項及應計費用及現金及現金等價物扣除受限貨幣資金。資本指母公司擁有人應佔權益。本集團的政策為將資產負債比率維持在合理水準。於報告期末資產負債比率如下：

	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
Corporate bonds	819,470	817,070
Medium-term financing notes	310,874	309,074
Interest-bearing bank borrowings	1,964,248	1,863,948
Trade payables	1,178,020	1,278,855
Other payables and accruals	2,408,530	2,449,601
Less: Restricted cash	(117,408)	(113,158)
Cash and cash equivalents	(617,441)	(511,198)
Net debt	5,946,293	6,095,092
Equity attributable to owners of the parent	4,999,914	5,085,404
Equity and net debt	10,946,207	11,180,496
Gearing ratio	54.3%	54.5%

44. 報告期後事項

於2018年12月31日後至本報告日期，概無發生任何重大期後事項。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

Year ended 31 December 2018

截至2018年12月31日止年度

45. 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:

45. 本公司財務狀況表

於報告期末，本公司財務狀況表信息如下：

		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	於附屬公司權益	645,530	391,056
Total non-current assets	非流動資產總額	645,530	391,056
CURRENT ASSETS	流動資產		
Dividends receivables	應收股息	—	1,295
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	255	243
Cash and cash equivalents	現金及現金等價物	17,730	3,917
Total current assets	流動資產總額	17,985	5,455
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	918	—
Total current liabilities	流動負債總額	918	—
Net assets	淨資產	662,597	396,511
EQUITY	權益		
Issued capital	已發行股本	17,703	19,146
Treasury shares	庫存股	(56)	(54)
Reserves (Note)	儲備(附註)	644,950	377,419
Total equity	權益總額	662,597	396,511

Chen Jianqiang

陳建強

Director

董事

NOTES TO FINANCIAL STATEMENTS

財務報表附註

Year ended 31 December 2018

截至2018年12月31日止年度

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

At 1 January 2017	於2017年1月1日
Total comprehensive income for the year	年度全面收益總額
Final 2016 dividend declared	已宣佈2016年末期股息
Interim 2017 dividend	2017年中期股息
Repurchase and cancellation of shares	股票購回及註銷
At 31 December 2017 and 1 January 2018	於2017年12月31日及2018年1月1日
Total comprehensive income for the year	年度全面收益總額
Final 2017 dividend declared	已宣佈2017年末期股息
Interim 2018 dividend	2018年中期股息
Repurchase and cancellation of shares	股票購回及註銷
At 31 December 2018	2018年12月31日

46. APPROVAL OF THESE FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the board of directors on 25 March 2019.

45. 本公司財務狀況表(續)

附註：

本公司的儲備綜述如下：

Share premium	Exchange fluctuation reserve	Retained earnings	Total
股份溢價	波動儲備	保留盈餘	總額
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
728,151	(162,292)	145,119	710,978
-	(34,736)	(695)	(35,431)
(100,220)	-	-	(100,220)
(58,640)	-	-	(58,640)
(139,268)	-	-	(139,268)
430,023	(197,028)	144,424	377,419
-	19,229	663,630	682,859
(88,059)	-	-	(88,059)
-	-	(54,225)	(54,225)
(273,044)	-	-	(273,044)
68,920	(177,799)	753,829	644,950

46. 財務報表的批准

該財務報表於2019年3月25日經董事會批准並授權發佈。

FIVE YEARS SUMMARY

五年財務摘要

		Year ended 31 December 截至十二月三十一日止年度				2018
		2014 二零一四年	2015 二零一五年	2016 二零一六年	2017 二零一七年	二零一八年
		RMB million (人民幣百萬元)				
FINANCIAL RESULTS	財務業績					
TSP	銷售所得款項總額	11,049	10,696	10,889	11,188	11,637
Revenue	收入	4,276	4,168	4,193	4,444	4,608
Profit from operation	經營溢利	983	788	687	692	790
Profit for the year	年度溢利	646	490	322	338	396
Profit attributable to owners of the parent	母公司擁有人應佔溢利	634	480	325	340	400
Earnings per share attributable to ordinary equity holders of the parent (RMB cents)	母公司普通股權益持有人應佔每股溢利(人民幣分)	26	20	14	15	19

		As at 31 December 於十二月三十一日				2018
		2014 二零一四年	2015 二零一五年	2016 二零一六年	2017 二零一七年	二零一八年
		RMB million (人民幣百萬元)				
SUMMARY OF FINANCIAL POSITION	財務狀況摘要					
Non-current assets	非流動資產	9,065	10,662	11,266	11,371	10,920
Current assets	流動資產	2,537	1,580	1,184	1,300	1,625
Total assets	總資產	11,602	12,242	12,450	12,671	12,545
Current liabilities	流動負債	3,330	5,513	5,562	5,261	5,848
Non-current liabilities	非流動負債	3,075	1,511	1,748	2,160	1,537
Total liabilities	總負債	6,405	7,024	7,310	7,421	7,385
Net assets	資產淨值	5,197	5,218	5,140	5,250	5,160

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Chen Jianqiang
Tao Qingrong*
Fung Hiu Chuen, John*
Lin Zhijun**
Zhang Weijiong**
Cheung Yat Ming**

AUDIT COMMITTEE

Lin Zhijun (Chairman)
Zhang Weijiong
Cheung Yat Ming

REMUNERATION COMMITTEE

Zhang Weijiong (Chairman)
Lin Zhijun
Cheung Yat Ming
Fung Hiu Chuen, John

NOMINATION COMMITTEE

Zhang Weijiong (Chairman)
Lin Zhijun
Cheung Yat Ming
Fung Hiu Chuen, John

COMPANY SECRETARY

Lai Ho Wai

REGISTERED OFFICE

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

董事會

陳建強
陶慶榮*
馮曉邨*
林志軍**
張維炯**
張一鳴**

審核委員會

林志軍(主席)
張維炯
張一鳴

薪酬委員會

張維炯(主席)
林志軍
張一鳴
馮曉邨

提名委員會

張維炯(主席)
林志軍
張一鳴
馮曉邨

公司秘書

黎浩懷

註冊辦事處

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

* Non-executive Director
** Independent Non-executive Director

* 非執行董事
** 獨立非執行董事

CORPORATE INFORMATION

公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1508, 15/F, Cityplaza Four
12 Taikoo Wan Road
Taikoo Shing, Hong Kong

HEAD OFFICE

26/F, Wuxi Jinling Hotel
No.1 Xianqian East Street
Wuxi City, Jiangsu, PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F
Hopewell Centre, 183 Queen's Road East
Wanchai, Hong Kong

AUDITORS

Ernst & Young, certified public accountants

STOCK CODE

1700

COMPANY WEBSITE

www.springlandgroup.com.cn

香港主要營業地點

香港太古城
太古灣道12號
太古城中心四座15樓1508室

總辦事處

中國江蘇省無錫市
縣前東街1號
無錫金陵大飯店26樓

股份過戶登記總處

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

香港證券登記處

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

核數師

安永會計師事務所

股票代碼

1700

公司網站

www.springlandgroup.com.cn



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