



合興集團控股有限公司

HOP HING GROUP HOLDINGS LIMITED

(於開曼群島註冊成立之有限公司) 股份代號: 47

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 47

2018年報

ANNUAL REPORT



吉野家
YOSHINOYA

 Dairy
Queen

芳叔

 野叶子

茶町町
Chatting



目錄 CONTENTS

公司資料	Corporate Information	2
財務摘要	Financial Highlights	4
主席報告	Chairman's Statement	8
管理層討論及分析	Management Discussion and Analysis	11
環境、社會及管治報告	Environmental, Social and Governance Report	29
企業管治報告	Corporate Governance Report	42
董事會報告	Report of the Directors	55
獨立核數師報告	Independent Auditor's Report	69
綜合損益表	Consolidated Income Statement	75
綜合全面收益表	Consolidated Statement of Comprehensive Income	76
綜合財務狀況表	Consolidated Statement of Financial Position	77
綜合權益變動表	Consolidated Statement of Changes in Equity	78
綜合現金流量表	Consolidated Statement of Cash Flows	80
財務報表附註	Notes to Financial Statements	82
五年財務概要	Five Year Financial Summary	171



公司資料

Corporate Information

董事

獨立非執行董事
司徒振中(主席)
史習陶
石禮謙
溫世昌

非執行董事
林鳳明

執行董事
洪明基(行政總裁)
黃國英

審核委員會

溫世昌(主席)
司徒振中
史習陶

薪酬委員會

史習陶(主席)
司徒振中
石禮謙

提名委員會

司徒振中(主席)
石禮謙
洪明基

榮譽主席

洪克協

公司秘書

黃國英

核數師

安永會計師事務所
執業會計師

律師

何韋律師行
高露雲律師行

主要往來銀行

香港上海滙豐銀行有限公司
滙豐銀行(中國)有限公司
中國銀行(香港)有限公司

DIRECTORS

Independent Non-Executive Directors
Seto Gin Chung, John (Chairman)
Sze Tsai To, Robert
Shek Lai Him, Abraham
Wan Sai Cheong, Joseph

Non-Executive Director
Lam Fung Ming, Tammy

Executive Directors
Hung Ming Kei, Marvin (Chief Executive Officer)
Wong Kwok Ying

AUDIT COMMITTEE

Wan Sai Cheong, Joseph (Chairman)
Seto Gin Chung, John
Sze Tsai To, Robert

REMUNERATION COMMITTEE

Sze Tsai To, Robert (Chairman)
Seto Gin Chung, John
Shek Lai Him, Abraham

NOMINATION COMMITTEE

Seto Gin Chung, John (Chairman)
Shek Lai Him, Abraham
Hung Ming Kei, Marvin

HONORARY CHAIRMAN

Hung Hak Hip, Peter

COMPANY SECRETARY

Wong Kwok Ying

AUDITOR

Ernst & Young
Certified Public Accountants

SOLICITORS

Howse Williams
Wilkinson & Grist

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
HSBC Bank (China) Company Limited
Bank of China (Hong Kong) Limited

公司資料

Corporate Information

主要股份登記及過戶處

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
P. O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

香港股份登記及 過戶分處

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 17M 樓

註冊辦事處

Clifton House
75 Fort Street
P. O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

主要營業地點

香港
新界
元朗
唐人新村
屏唐東街 9 號
合興大廈
2 樓 E 及 F 室

網站

<http://www.hopping.com>

股份代號

47

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
P. O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE

Clifton House
75 Fort Street
P. O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS

Flats E & F, 2/F
Hop Hing Building
9 Ping Tong Street East
Tong Yan San Tsuen
Yuen Long
New Territories
Hong Kong

WEBSITE

<http://www.hopping.com>

STOCK CODE

47

財務摘要 Financial Highlights

截至二零一八年十二月三十一日止年度的營業額為港幣2,374,000,000元，較去年的港幣2,218,000,000元增加7%。

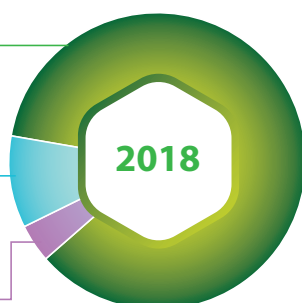
Turnover for the year ended 31 December 2018 was HK\$2,374 million, increased by 7% compared to HK\$2,218 million for the last year.

營業額 TURNOVER

吉野家
Yoshinoya
85.0%

冰雪皇后
Dairy Queen
10.5%

其他
Other
4.5%



港幣百萬元
HK\$million

2018 2,374

2017 2,218

除利息、稅項、折舊及攤銷前盈利 EBITDA

港幣百萬元
HK\$million

2018 280

2017 339

財務摘要

Financial Highlights

本年度溢利 PROFIT FOR THE YEAR

港幣百萬元
HK\$million

2018 123

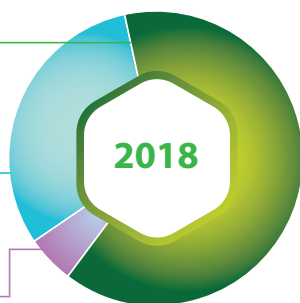
2017 167

店舖數目 NUMBER OF STORES

吉野家
Yoshinoya
357

冰雪皇后
Dairy Queen
173

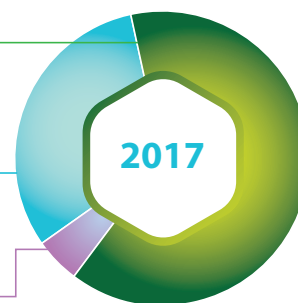
其他
Other
29



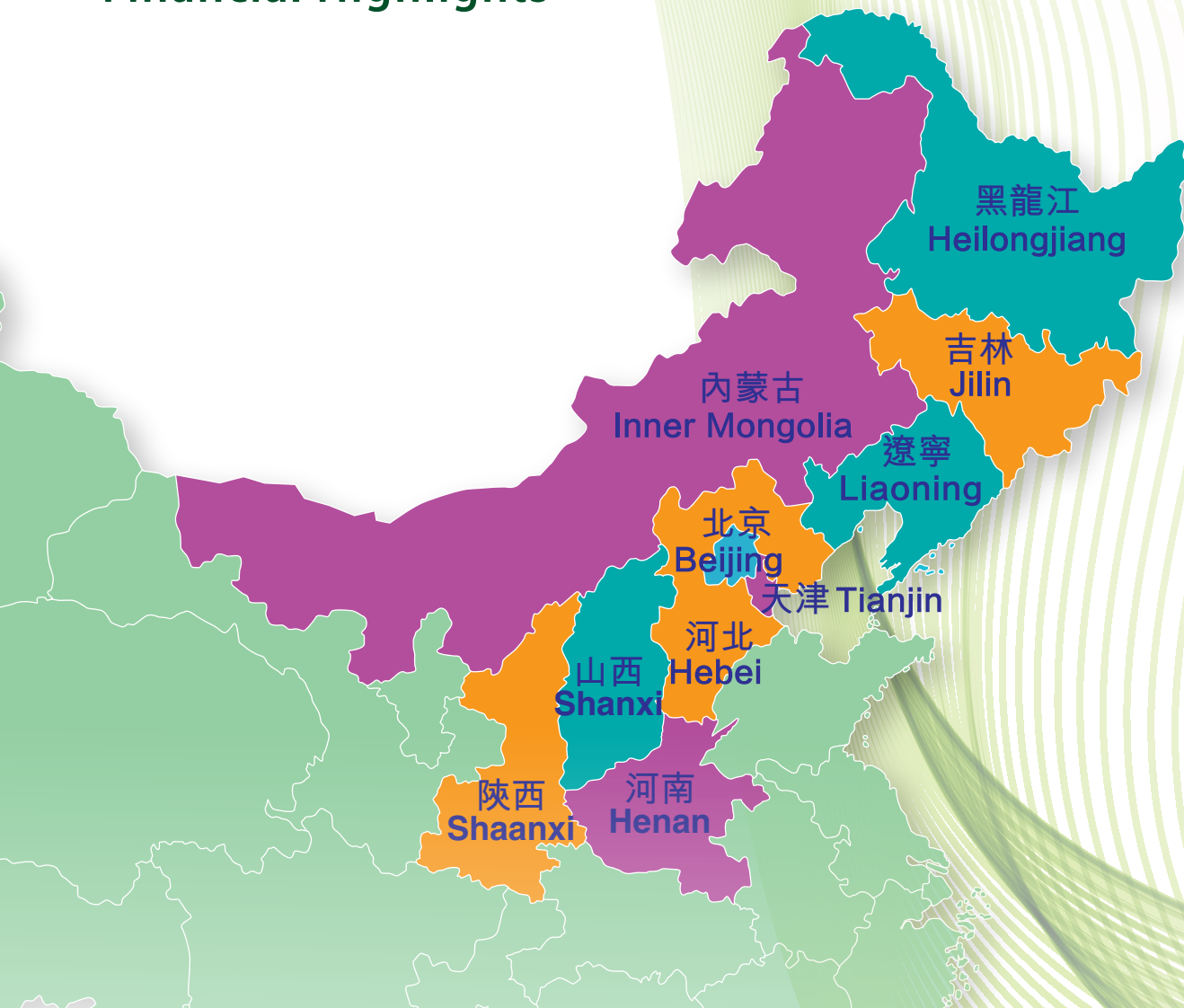
吉野家
Yoshinoya
329

冰雪皇后
Dairy Queen
161

其他
Other
26



財務摘要 Financial Highlights



合興擁有在中國北部地區經營包括吉野家、冰雪皇后、芳叔及自主品牌茶町町及野葉子在內的快餐連鎖店之權利，許可營運範圍遍及中國北京市及天津市、河北省、遼寧省、黑龍江省、吉林省、河南省、山西省及陝西省及內蒙古自治區。

Hop Hing owns the rights to operate QSR chains, including Yoshinoya, Dairy Queen, Uncle Fong and self-developed brands Chatting and “野葉子”, in the northern part in the PRC, authorized operating areas spanning across Beijing and Tianjin municipalities, Hebei, Liaoning, Heilongjiang, Jilin, Henan, Shanxi and Shaanxi Provinces, and the Inner Mongolia Autonomous Region in the PRC.

財務摘要 Financial Highlights

357

吉野家店舖
Yoshinoya Stores

吉野家

為著名的
飯類品牌
擁有超過

一百年歷史

Yoshinoya is
A WELL-KNOWN
RICE BOWL BRAND
with over
100 years' history



173

冰雪皇后店舖
Dairy Queen Stores

冰雪皇后

為受歡迎的
冰淇淋品牌
擁有超過

七十年歷史

Dairy Queen is
A POPULAR
ICE-CREAM BRAND
with over
70 years' history

29

其他店舖
Other Stores



主席報告 Chairman's Statement



在二零一八年，本集團錄得7%的銷售增長，總營業額超過港幣二十三億元。惟本集團期內需要增加銷售推廣以保持競爭力，利潤因此受到負面影響。本集團二零一八年的盈利為港幣一億二千二百六十萬元，相對二零一七年盈利減少26.7%。

於二零一八年度，中國宏觀經濟環境面對著各種挑戰，包括中美貿易摩擦，中國金融系統之去槓桿化以及對中國實體經濟下行的預期。中國的國內生產總值於二零一八年增長幅度相比去年有所減少。

在回顧年內，餐飲行業繼續面對激烈競爭局面。主要原因是互聯網平台與資本結合進軍餐飲市場，新形態餐飲品牌和新零售等跨界經營也不斷湧入餐飲市場，業內巨頭紛紛採取包括低價促銷等一系列的營銷策略。於期內，本集團的吉野家及冰雪皇后的外送銷售分別增長了25%和87%。然而，網上外送訂餐平台形成幾家獨大的壟斷格局，平台收費增加正在蠶食外送業務的利潤空間。

In 2018, the Group recorded a 7% growth in sales, with total turnover exceeding HK\$2.3 billion. However, due to additional promotional offers to maintain our competitiveness, the profit of the Group had been adversely affected and the profit of HK\$122.6 million for 2018 represented a decrease of 26.7% when compared to that for 2017.

During the year 2018, the overall Chinese economy faced various challenges, including the Sino-US trade friction, the de-leveraging of the financial systems in the PRC and the expectation of a slowdown in economic activities in China. The gross domestic product of the PRC in 2018 recorded a slower growth rate than that of the previous year.

In the year under review, the catering industry faced fierce competition. A major factor was equity funds collaborated with internet platform players to enter the catering market. There were an influx of new style catering brands and the emergence of "New Retail" allowing the crossover of different market segments. Major established players countered with aggressive marketing strategies, including price-cutting tactics. For the period, the Group increased delivery sales of Yoshinoya and Dairy Queen products by 25% and 87% respectively. However, the profitability of the delivery business was adversely impacted by increased charges for orders routed through the few major web delivery platform players.

主席報告 Chairman's Statement

本集團嚴格監控食品的安全和高品質，管理層繼續致力加強品牌及產品形象。通過人力資源激勵計劃激勵管理人員以達到共同利益和保留人材。本集團意識到在互聯網經濟下，通過收集和了解顧客需求是提升顧客忠誠度的重要因素。為此，本集團積極完善客戶關係管理系統，進行組織、制度、流程和工作習慣等各方面的變革。新零售持續孵化，本集團以智能櫃方式在店舖內售賣冷凍及預先包裝食品等不同產品。這樣可提升店舖的經營效率，同時給本集團測試新商業模型，包括提供健康及天然食品的「野葉子」品牌。

二零一八年內，本集團進一步與其中一個主要專利商，日本吉野家集團加強合作，成立合資公司，取得在河南、山西和陝西三個省份「吉野家」店舖的獨家經營權利。因此，在本集團的專利地區的顧客群由2.4億提升到4億。

展望二零一九年，本集團預期主要競爭對手的大幅減價策略及第三方外送平台費用不斷帶來的成本壓力很可能會持續。儘管如此，我們仍抱持審慎樂觀態度，相信既定策略能夠將負面影響減至最低。

The Group is committed to deliver high quality food and ensuring food safety. Management is entrusted to enhance our brand and product image. Our incentive schemes for operational and managerial staff aligned our interest and assured stability. We understand that to know the needs of our customers is essential for enhancing customer loyalty in the current internet economy. To this end, the Group has kept on refining its Customer Relationship Management System; refining organizational structure, systems, workflow and working habits. With the emergence of the concept of "New Retail", the Group has started selling different products, like frozen and pre-packed foods, in the smart vending machines at its stores. This could improve the operating efficiency at its stores and at the same time enables the Group to test new concepts, including the "野葉子" brand which offers healthy and natural foods.

During 2018, the Group further strengthened cooperation with one of its major franchisors by forming a joint venture with Yoshinoya group to expand its exclusive franchise regions to Henan, Shanxi and Shaanxi provinces. As a result, the customer base of the Group's franchise regions is increased from around 240 million to around 400 million.

Looking ahead to 2019, the Group expects the aggressive price cutting tactics amongst our key competitors and the continuing cost pressure brought about by the third party delivery platforms are likely to continue. Nonetheless, we are cautiously optimistic that our planned strategies will be able to minimize the negative impact to our bottom line.



主席報告

Chairman's Statement

二零一九年中國經濟政策將有利於國內市場。中國政府還會繼續減負降稅，促進實體經濟轉型升級，著力激發市場活力，積極擴大消費和促進有效投資。二零一九年，我們仍將恪守餐飲業的行業本質，以「良心品質」和「物超所值」作為本集團經營的基本準則，繼續推動本集團的主要策略。因此，我們對於本集團在未來能抓緊合適的商業機會和在中國快餐連鎖市場保持領先地位感到樂觀。

最後，謹藉此機會感謝各董事同仁、管理層及各位員工在過去一年的辛勤工作及鼎力支持。同時，本人亦謹此向客戶、股東及各業務夥伴對本集團的信任及支持致以衷心謝意！

主席
司徒振中
香港
二零一九年三月二十八日

China's economic policy is favorable for the domestic market in 2019. The PRC Government will continue implementing tax reduction measures, as well as policies promoting enterprises to transform and upgrade, stimulate the market vitality, expand consumption and motivate investments. In 2019, we shall continue to steadfastly uphold our operating principles of "Quality with Conscience" and "Value for Money" and continue to execute the major strategies of our Group. Therefore, we are optimistic that the Group could grasp suitable business opportunities in the catering market in the future and maintain its leadership in the QSR chain market within the PRC.

In closing, I would like to thank my fellow board members, the management team and our staff for their hard work and unwavering support during the past year. My gratitude also goes to our customers, shareholders and business partners for their confidence in, and support to the Group.

SETO GIN CHUNG, JOHN
Chairman
Hong Kong
28 March 2019

管理層討論及分析 Management Discussion and Analysis



整體表現 OVERALL PERFORMANCE

截至二零一八年十二月三十一日止年度，本集團業務之營業額由二零一七年之港幣2,218,300,000元增加7%至港幣2,374,000,000元。儘管本集團透過增設43間新店舖（淨額）擴充店舖網絡並將吉野家及冰雪皇后產品之外送營業額分別提高25%及87%，在競爭激烈的營商環境中提供所需促銷優惠加上第三方平台收費及餐飲行業經營成本上漲，均令本集團盈利能力受到壓力。本年度除利息、稅項、折舊及攤銷前盈利為港幣280,100,000元，較去年之港幣338,700,000元減少17.3%。於回顧年度內，本公司股權持有人應佔溢利為港幣122,600,000元，較截至二零一七年十二月三十一日止年度港幣167,400,000元減少26.7%或港幣44,800,000元。

本年度的每股基本及攤薄盈利分別為1.25港仙及1.24港仙（二零一七年：分別為1.71港仙及1.69港仙）。

For the year ended 31 December 2018, turnover of the Group's business increased by 7% from HK\$2,218.3 million in 2017 to HK\$2,374.0 million. While the Group had expanded its store network by 43 new stores (net) and increased the delivery business volume of Yoshinoya products and Dairy Queen products by 25% and 87% respectively, the promotional offers necessary in the competitive environment together with the increases in charges of third party platforms and operating costs in the catering industry have put pressure on the profitability of the Group. Earnings before interest, taxation, depreciation and amortisation for the year was HK\$280.1 million, representing a decrease of 17.3% when compared to the HK\$338.7 million for the preceding year. Profit attributable to the equity holders of the Company for the year under review was HK\$122.6 million, representing a decrease of 26.7% or HK\$44.8 million when compared to HK\$167.4 million for the year ended 31 December 2017.

Basic and diluted earnings per share for the year were HK1.25 cents and HK1.24 cents, respectively (2017: HK1.71 cents and HK1.69 cents, respectively).

管理層討論及分析 Management Discussion and Analysis

股息 DIVIDENDS

於二零一八年六月二十九日，本公司就截至二零一七年十二月三十一日止年度派發末期股息每股0.83港仙。董事建議就截至二零一八年十二月三十一日止年度派發末期股息每股0.61港仙（二零一七年：每股0.83港仙）。待股東於本公司應屆股東週年大會（「股東週年大會」）批准後，末期股息將於二零一九年六月二十八日或前後派發予於二零一九年六月二十日名列本公司股東登記冊之股東。

建議派發的末期股息金額是根據綜合財務報表獲通過當日已發行普通股數目計算。財務報表並無反映應付末期股息。

On 29 June 2018, the Company made a final dividend payment of HK0.83 cent per share for the year ended 31 December 2017. The Directors recommend payment of a final dividend of HK0.61 cent per share for the year ended 31 December 2018 (2017: HK0.83 cent per share). Subject to approval by shareholders at the forthcoming annual general meeting (the "AGM") of the Company, the final dividend will be distributed on or about 28 June 2019 to shareholders whose names appear on the register of members of the Company as at 20 June 2019.

The amount of final dividend recommended was calculated based on the number of ordinary shares in issue at the date of approval of the consolidated financial statements. These financial statements do not reflect the final dividend payable.



管理層討論及分析

Management Discussion and Analysis

業務回顧 BUSINESS REVIEW

行業回顧

二零一八年度，中國經濟保持了穩中有進的發展態勢，餐飲收入市場規模首次超過人民幣四萬億元，餐飲業已從一個基礎薄弱、傳統落後行業，逐步發展成為國民經濟的重要服務消費產業。外賣送餐服務需求持續增長，飲料外賣市場亦迅速擴大。網上外送訂餐平台迅速擴張，行業整合增速加快，各大電商平台伸延至飲料外賣市場令競爭更加劇烈。借助於資本力量，新零售集合各種不同市場的競爭優勢，給傳統餐飲品牌帶來很大的挑戰。現在餐飲的主要消費群都是熱衷於嘗試新事物的年輕一代，餐飲經營者必須趕上這些顧客的需求，用創新改革運營，推出新的產品和升級服務，才能在市場上保持競爭力。餐飲業已經出現了前所未有的商業環境。

在二零一八年，隨著外送在餐廳營收方面所佔的比重持續增加，餐飲企業也面臨著外送平台成本快速上升帶來的巨大壓力。同時，傳統「四高一低」（高原材料成本、高勞動成本、高租金開支、高水電成本及低回報）的不利因素持續影響餐飲業的盈利狀況。國家對於環保、食品安全以及社保、稅收規範化等管控政策的加強，使餐飲企業的整體成本上升，利潤進一步下降。

Industry review

In 2018, the Chinese economy maintained stable development. As for the catering industry, its total turnover exceeded RMB4 trillion for the first time, indicating that it has transformed from a not very well founded and lower end traditional industry into a key service and consumption industry in China. Demand for takeaway and delivery services continued to rise, and the market for delivery of drinks was expanding rapidly. However, with online delivery platforms sprouting, integration of the industry also hastened and major e-commerce platforms extending their reach into the market for delivery of drinks also made competition more intense. New Retail players with strong financial backing who can combine the competitive edges of different market segments emerged and have imposed new challenges to the traditional caterers. Catering operators have to keep abreast of the needs of their customers, reform their operations with innovation and come up with new products and services if they are to remain competitive in the market dominated by the young generations who are always keen to try new products. A business environment like nothing before has emerged for the catering industry.

In 2018, while the catering enterprises continued enjoying increase in revenue from their delivery business, they experienced huge pressure brought by the costs of the delivery platforms. At the same time, profitability of the catering industry was still subjected to the traditional limitation of "four highs, one low" (high raw material, labor, rental and utility costs and low margin). Together with the tightened regulations on environmental protection, food safety and also social security and tax expenses which all added to operating costs, the industry saw profits further squeezed.

管理層討論及分析

Management Discussion and Analysis

業務回顧(續) BUSINESS REVIEW (Continued)

業務回顧

為應對各種挑戰，合興集團於年初開始切實執行三大經營策略，即店舖升級、品牌拓展和人力資源改革。店舖升級包括服務、品牌形象及產品提升。品牌擴展則是指通過創新新品牌的孵化和推進方法，實現自有品牌的快速創建和拓展。人力資源改革包括：(1)深化員工激勵方案及完善制度，以鼓勵提升營運效率；(2)繼續進行組織變革(通過網狀結構共享制)帶來效率變革；(3)支援中心激勵方式改革，引入績效考核新模式，引導員工關注成長與未來的發展；(4)推廣內部創業機制，整合內部各部門人力資源優勢，建設一條嶄新的新品牌經營通道。

在回顧年度，為了提升顧客滿意度，推出新零售業務模式，依托互聯網收集的顧客數據分析，營造「全渠道」的「吃解決方案」服務模式，以期提升顧客滿意度；及升級客戶關係管理系統，包括建立跨品牌會員體系、有效和顧客直接接觸及形成互動，瞭解第一手的顧客需求和反饋，並針對性地制定相應策略，以提高顧客滿意度及增加顧客忠誠度。二零一八年底合興集團會員數量總數已超過五百萬人。

為了提升銷售，合興集團在不斷推出新產品同時，豐富現有產品組合及優化銷售策略，並利用會員數量眾多優勢，以老會員推薦方式實施「裂變」銷售。為了適應顧客對「天然」和「健康」飲食的需求，合興集團研發並努力拓展「野葉子」品牌沙拉產品及店舖。同時，為滿足顧客口味需求的多樣性，自行研發飲料技術，增加飲料產品售賣，以對應飲料產品走紅的市場趨勢。借助於智能售賣機的科技性和便利性，合興集團在現有店舖內試行銷售預先包裝食品、冷凍食品及沙拉產品等，增加營業額的同時，也優化了店舖經營空間，以及提高了店舖經營坪效。此外，合興集團引入自助點餐機等新科技設備，在減低人工成本上升的同時，提高了經營效率。

Business Review

In response to the challenges, Hop Hing implemented three major business strategies at the beginning of the year, including store upgrades, brand expansion and human resources reform. Store upgrades included enhancement of services, brand image, and products. Brand expansion entailed development – innovation and evolution – and promotion of new own brands. Human resources reform included: (1) reinforcement of the employee incentive scheme and its committee structure to encourage attainment of higher operational efficiency; (2) reform of organizational structure (network-structure sharing system) for efficiency improvement; (3) improvement of Supporting Office incentive measures by introducing new performance appraisal methods that can inspire pursuit of career development; (4) promotion of internal entrepreneurship by creating a mechanism for collaboration among all departments, the aim of which is to build a new business channel for new brands.

In the year under review, a new retail business model was adopted by the Group to improve its customer satisfaction. By analyzing customer data collected via the internet, the Group has developed and introduced a “Solution for eating” concept which is an all-rounded service mode to heighten customer satisfaction. The customer relationship management (“CRM”) system was upgraded, with a cross-brand membership system added to facilitate direct contact and interaction between the Group and its customers, enable the Group to understand customers’ needs and gauge their feedbacks to help development of strategies to improve customer satisfaction and strengthen customer loyalty. By the end of 2018, the Hop Hing membership had risen to more than five million.

To improve sales, in addition to introducing new product lines, Hop Hing also enriched its existing product portfolio and optimized its sales strategies. Tapping the potential of its large membership base, Hop Hing adopted “fission” marketing to entice member referral. To meet the demand for “natural” and “healthy” food, Hop Hing developed and promoted salad products and stores under the “野葉子” brand. In addition, to capture the booming beverage market, Hop Hing introduced beverage products that can satisfy the diverse tastes of customers using its own techniques. Intelligent vending machines were placed in existing stores operated by the Group to sell pre-packed food, frozen food and salad products, and the results were all positive with increased store turnover and increased productivity per unit area. In addition, the Group also introduced self-ordering machines and other new devices, resulting in higher operational efficiency and smaller increment of labor cost.

管理層討論及分析 Management Discussion and Analysis

業務回顧(續) BUSINESS REVIEW (Continued)

業務回顧(續)

截至二零一八年十二月三十一日止年度，本集團之人民幣銷售收入增長4.2%至人民幣2,003,600,000元(二零一七年：人民幣1,923,300,000元)，此乃歸因於新開店舖帶來額外銷售及產品外送業務增長。於二零一七年第四季度，本集團將外送服務由僅有吉野家產品延伸至包括若干冰雪皇后產品。為向顧客提供更具效益及優質的外送服務，本集團於北京擁有自己的外送團隊。透過為顧客帶來更快速及滿意的外送體驗，吉野家的外送銷售佔有比率由二零一七年的32%上升到二零一八年的39%。此外，繼本集團推出會員積分計劃後，顧客在購買時可獲得積分，該等積分可於日後兌換產品，從而帶動顧客的消費增加。

於回顧期內，本集團整體同店銷售(以人民幣計算)增長0.8%(二零一七年：4.5%)，其中吉野家的同店銷售增長1.0%(二零一七年：4.6%)。年內，為配合政府當局實施新訂的製作食物規定，本集團就若干冰雪皇后店舖作出調整，因而影響冰雪皇后產品的銷售。因此，冰雪皇后本年度之同店銷售下跌1.2%(二零一七年：增長4.2%)。

Business Review (Continued)

For the year ended 31 December 2018, the Group's sales revenue in Renminbi increased by 4.2% to RMB2,003.6 million (2017: RMB1,923.3 million), which was attributable to the additional sales brought by new stores, as well as growth of the food delivery business. The Group's delivery service has extended from delivery of only Yoshinoya products to including certain Dairy Queen products in the fourth quarter of 2017. With its own delivery team in Beijing, the Group is able to provide more efficient and quality delivery services to customers. Affording consistently faster delivery and more satisfactory delivery experience for customers, the delivery sales percentage of Yoshinoya improved from 32% in 2017 to 39% in 2018. Furthermore, the customer spending has increased after the launch of Group's loyalty programme which offers customers bonus points on purchases that can be used to redeem products later.

During the period under review, the Group's overall same-store sales (denominated in Renminbi) increased by 0.8% (2017: 4.5%) and Yoshinoya recorded a 1.0% same-store sales growth (2017: 4.6%). Sales of Dairy Queen products were affected by adjustments made to certain Dairy Queen stores to meet the new food preparation requirements imposed by local authorities during the year. As a result, Dairy Queen experienced a decline in same-store sales of 1.2% for the year (2017: growth of 4.2%).

同店銷售增長百分比 (以人民幣計算)

Percentage Increase in Same Stores Sales (in Renminbi)

二零一八年 2018	二零一七年 2017
---------------	---------------

整體	Overall	0.8%	4.5%
按主要業務	By main brands		
吉野家	Yoshinoya	1.0%	4.6%
冰雪皇后	Dairy Queen	-1.2%	4.2%

管理層討論及分析

Management Discussion and Analysis

業務回顧(續) BUSINESS REVIEW (Continued)

業務回顧(續)

於二零一八年，按收入計算，北京－天津－河北省都會地區繼續為本集團的最大市場，而吉野家產品之銷售收入佔本集團銷售總額約85.0%。

Business Review (Continued)

In 2018, in terms of revenue, the Beijing-Tianjin-Hebei Province Metropolitan Region remained the largest market of the Group and sales revenue from Yoshinoya products accounted for approximately 85.0% of the Group's total sales.

		二零一八年 2018		二零一七年 2017	
		人民幣千元 RMB'000	佔銷售額% % of sales	人民幣千元 RMB'000	佔銷售額% % of sales
a.	按地區分佈	By Region			
	北京－天津－河北省 都會地區	Beijing-Tianjin-Hebei Province Metropolitan Region			
	華北 ⁽¹⁾	1,485,118	74.1%	1,445,938	75.2%
		518,499	25.9%	477,348	24.8%
b.	按主要業務分佈	By Main Brand			
	吉野家	1,703,757	85.0%	1,650,462	85.8%
	冰雪皇后	210,802	10.5%	194,108	10.1%

⁽¹⁾ 包括遼寧、內蒙古、黑龍江及吉林省。

⁽¹⁾ Including Liaoning, Inner Mongolia, Heilongjiang and Jilin.

在回顧年度，本集團主要專利商之一日本吉野家集團與本集團共同成立合資公司(「合資公司」)發展河南、山西和陝西三個省份的吉野家店舖，致使合興集團的吉野家店舖經營區域由原來的「五省兩市」增加至「八省兩市」。

During this review year, the Group formed a joint venture (the "JV") with Yoshinoya Group, one of the major franchisors of the Group, to develop the markets in three provinces, namely Henan, Shanxi and Shaanxi. As a result, the geographical coverage of the Group's Yoshinoya shop operation has been expanded from "five provinces and two cities" to "eight provinces and two cities".

於二零一八年，本集團合共增加43間淨新店(二零一七年：46間淨新店)，包括淨增加28間吉野家分店(其中兩間由合資公司於河南開設)及淨增加12間冰雪皇后分店。於二零一八年十二月三十一日，本集團共經營559間店舖。

In 2018, a net total of 43 new stores (2017: 46 net new stores), including 28 Yoshinoya stores (net), two of which were opened by the JV in Henan, 12 Dairy Queen stores (net) were opened. As at 31 December 2018, the Group had 559 stores in operation.

管理層討論及分析

Management Discussion and Analysis

業務回顧(續) BUSINESS REVIEW (Continued)

業務回顧(續)

Business Review (Continued)

於十二月三十一日
As at 31 December
二零一八年 二零一七年
2018 2017

吉野家	Yoshinoya		
北京 — 天津 — 河北省 都會地區	Beijing-Tianjin-Hebei Province Metropolitan Region	230	218
遼寧	Liaoning	88	81
內蒙古	Inner Mongolia	13	12
黑龍江	Heilongjiang	21	16
吉林	Jilin	3	2
河南*	Henan*	2	—
		357	329
冰雪皇后	Dairy Queen		
北京 — 天津 — 河北省 都會地區	Beijing-Tianjin-Hebei Province Metropolitan Region	124	117
遼寧	Liaoning	25	24
內蒙古	Inner Mongolia	8	7
黑龍江	Heilongjiang	12	11
吉林	Jilin	4	2
		173	161
其他	Others		
北京 — 天津 — 河北省 都會地區	Beijing-Tianjin-Hebei Province Metropolitan Region	27	25
遼寧	Liaoning	2	1
		29	26
總計	Total	559	516

* 由合資公司經營

* Operated by the Joint Venture

為了解決食品成本逐年上升的問題，本集團實施以採購為主導的成本控制策略，通過緊貼市場價格信息，研發具有性價比高的新產品以及改善產品售賣結構，以努力控制食品成本上漲帶來的利潤壓力。此舉有效控制食物成本上漲及減輕盈利壓力。然而，由於主要市場參與者採取價格主導的促銷活動，我們於年內增加促銷優惠。因此，毛利率淨額下跌0.3個百分點，由二零一七年的63.5%降至二零一八年的63.2%。

To deal with increasing food costs, the Group has adopted a procurement driven cost control strategy, commanding it to closely monitor market prices of raw materials and develop new value-for-money products and hence optimize its product mix. The approach has been effective in allowing the Group to control the increase in food cost and alleviate pressure on profitability. However, because of the price-driven promotion activities undertaken by the major market players, we increased our promotional offers during the year. As a result, the net gross profit margin was down by 0.3 percentage point from 63.5% in 2017 to 63.2% in 2018.

管理層討論及分析 Management Discussion and Analysis

業務回顧(續) BUSINESS REVIEW (Continued)

業務回顧(續)

Business Review (Continued)

		二零一八年 2018	二零一七年 2017
毛利率	Gross profit margin	63.2%	63.5%

本集團近年實施獎勵計劃及因修正開店策略而開設規模較小店舖以配合不斷增長的外送業務，令本集團於二零一八年之人工及租金成本佔銷售百分比得以維持相對穩定。外送銷售增加，加上第三方網上外送平台收費相應增加，對年內本集團銷售及分銷成本造成壓力。此外，為減低使用第三方網上外送平台成本上漲之影響，本集團通過會員制度提供獨家特別優惠及引進獨家產品線，旨在吸引自營外送平台的客流。本集團亦通過均衡使用自營外送團隊與第三方外送團隊，完善外送成本結構。

The incentive scheme implemented by the Group in recent years and the revision of the Group's store opening strategy to open stores with smaller size to cater for more and more delivery businesses have enabled the Group to maintain its labour and rental cost to sales percentage relatively stable in 2018. The increase in delivery sales together with the corresponding increase of delivery charges by the third party internet delivery platforms have put pressure on the selling and distribution cost of the Group during the year. In addition, to reduce the impact of the rising cost of using third-party internet delivery platforms, the Group has made exclusive special offers via its membership system and introduced exclusive product line with the aim to attract customer traffic of its own delivery platform. The Group has also optimized its delivery cost structure by balancing the use of self-owned delivery team and third parties' delivery teams.

		二零一八年 2018		二零一七年 2017	
		港幣千元 HK\$'000	佔銷售額 % % of sales	港幣千元 HK\$'000	佔銷售額 % % of sales
人工成本	Labour costs	344,259	14.5%	315,511	14.2%
租金成本	Rental expenses	299,027	12.6%	278,893	12.6%
折舊及攤銷	Depreciation and amortization	92,209	3.9%	89,106	4.0%
其他經營開支	Other operating expenses	388,874	16.4%	319,398	14.4%
銷售及分銷成本總額	Total selling and distribution costs	1,124,369	47.4%	1,002,908	45.2%

於二零一七年末至本年度初之價格調整讓本集團得以在若干程度上控制若干食物材料成本及本集團經營成本之持續上漲。然而，第三方網上外送平台上調收費加上本集團在激烈競爭環境中提供之促銷優惠對本集團於回顧年內之業績造成不利影響。因此，本集團溢利由去年港幣 167,400,000 元減少 26.7% 至回顧年度之港幣 122,600,000 元。

The price adjustments towards the end of 2017 and at the beginning of this year have allowed the Group to contain, to a certain extent, the continuous increase in costs of certain food materials and operating costs of the Group. The increase in the charges by third parties' internet delivery platform together with the promotional offers made by the Group in the fierce competitive environment had however adversely impacted the Group's performance in the year under review. As a result, the profit of the Group recorded a decrease of 26.7% from HK\$167.4 million last year to HK\$122.6 million in the year under review.

管理層討論及分析

Management Discussion and Analysis

業務回顧(續) BUSINESS REVIEW (Continued)

業務回顧(續)

本公司旗下兩間中國附屬公司於二零一八年一月及八月接獲地方稅務部門通知，其中表示地方稅務部門會就過往稅務期間對該等公司進行稅務查核。截至本報告日期，有關稅務查核未有任何結果。董事會將繼續密切監察該事宜進展，並在適當及有需要時知會股東及有意投資者最新情況。

Business Review (Continued)

Two PRC subsidiaries of the Company received notices from the local tax authorities in January and August 2018 stating that the local tax authorities would carry out tax inspection on them in relation to previous tax periods. As at the date hereof, no finding has been made in respect of the tax inspection. The Board will continue to closely monitor the progress of this matter and will update shareholders and potential investors as and when appropriate and necessary.

財務回顧 FINANCIAL REVIEW

權益

於二零一八年十二月三十一日，本公司每股面值港幣0.10元之已發行股份數目為10,070,431,786股(二零一七年十二月三十一日：10,070,431,786股)。

Equity

The number of issued shares of HK\$0.10 each of the Company as at 31 December 2018 was 10,070,431,786 (31 December 2017: 10,070,431,786).

於二零一八年一月一日，本公司尚有398,667,320份未行使購股權。年內，503,513,000份購股權獲授出。年內，概無購股權獲行使或失效。

As at 1 January 2018, the Company had 398,667,320 outstanding share options. During the year, 503,513,000 share options were granted. No share options were exercised or lapsed during the year.

流動資金及負債比率

於二零一八年十二月三十一日，本集團之負債比率(即計息銀行貸款相對於本公司股權持有人應佔權益之百分比率)為零(二零一七年十二月三十一日：1.5%)。

Liquidity and gearing

The Group's gearing ratio (expressed as a percentage of interest-bearing bank loan over equity attributable to equity holders of the Company) as at 31 December 2018 was nil (31 December 2017: 1.5%).

於二零一八年十二月三十一日，本集團錄得淨現金水平港幣401,700,000元(二零一七年：港幣631,700,000元)(即現金及現金等值物減計息銀行貸款)及其他金融資產港幣235,800,000元(二零一七年：港幣48,000,000元)。

As at 31 December 2018, the Group recorded a net cash position of HK\$401.7 million (2017: HK\$631.7 million) (being cash and cash equivalents less interest-bearing bank loan) and other financial assets of HK\$235.8 million (2017: HK\$48.0 million).

本年本集團的融資成本為港幣700,000元(二零一七年：港幣900,000元)。

The Group's finance costs for the year was HK0.7 million (2017: HK\$0.9 million).

本集團之融資政策為以內部產生之現金及銀行信貸作為其業務營運資金。本集團繼續實施以外幣資產對沖外幣負債之政策。

The Group's funding policy is to finance the business operations with internally generated cash and bank facilities. The Group continues to adopt a policy of hedging foreign currency liabilities with foreign currency assets.

管理層討論及分析

Management Discussion and Analysis

薪酬政策 REMUNERATION POLICIES

員工之薪酬組合包括按照市況、本集團及個人表現釐定之薪金及酌情花紅。本集團亦向合資格員工提供其他員工福利，包括醫療保險、持續進修津貼、公積金及長期獎勵。本集團僱員於回顧年內獲支付酬金總額（包括退休金成本、股份支付及董事酬金）為港幣546,100,000元（二零一七年：港幣499,500,000元）。於二零一八年十二月三十一日，本集團共僱用8,459名（二零一七年：8,248名）全職及臨時僱員。

於截至二零一八年十二月三十一日止年度內，董事會議決向若干指定參與者授予有關38,699,120股股份之股份獎勵，彼等並非本公司董事、最高行政人員或主要股東或彼等中任何人的聯繫人（按上市規則之定義）。

所有董事的薪酬乃由本公司董事會（「董事會」）參考本公司薪酬委員會所提出的建議後釐定。

Staff remuneration packages comprise salary and discretionary bonuses and are determined with reference to the market conditions and the performance of the Group and the individuals concerned. The Group also provides other staff benefits including medical insurance, continuing education allowances, provident funds and incentive schemes to eligible staff. The total remuneration paid to the employees (including pension costs, share-based payments and the directors' remunerations) of the Group in the year under review was HK\$546.1 million (2017: HK\$499.5 million). As at 31 December 2018, the Group had 8,459 full-time and temporary employees (2017: 8,248).

During the year ended 31 December 2018, the Board resolved to grant share awards in respect of 38,699,120 shares to certain selected participants who are not a director, chief executive or substantial shareholder of the Company, nor an associate (as defined under the Listing Rules) of any of them.

All directors' remunerations were determined by the board of directors (the "Board") of the Company after considering the recommendations of the remuneration committee of the Company.

經營分部資料 OPERATING SEGMENT INFORMATION

有關經營分部資料之詳情載於財務報表附註4。

Details of the operating segment information are set out in note 4 to the financial statements.

或然負債 CONTINGENT LIABILITIES

於二零一八年十二月三十一日，本集團並無任何或然負債。

The Group did not have any contingent liability as at 31 December 2018.

資產抵押 PLEDGE OF ASSETS

於二零一八年十二月三十一日，本集團並無任何資產抵押。

The Group did not have any pledge of assets as at 31 December 2018.

管理層討論及分析 Management Discussion and Analysis

重大收購及出售附屬公司及聯屬公司 MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

於回顧年內，本集團並無作出任何有關附屬公司或聯屬公司的重大收購或出售。

The Group did not make any material acquisition or disposal of subsidiaries or affiliated companies during the year under review.

重要事件詳情 PARTICULARS OF IMPORTANT EVENTS

除本年報披露之事件外，於結算日後直至本年報日期並無發生其他重要事件而對本集團有重大影響。

Save for the events disclosed in this Annual Report, there are no other important events that occurred after the balance sheet date and up to the date of this Annual Report and had material effects on the Group.

主要關係 KEY RELATIONSHIPS

僱員

管理層深明人力資源對本集團持續成功非常關鍵。本集團已向員工提供各種不同福利，包括年假及其他有薪假、醫療保險、持續進修津貼及公積金等。為了使僱員得到個人發展機會，僱員獲提供內部培訓並獲鼓勵參與外間相關課程。本集團亦已制定各項獎勵計劃，包括績效相關花紅、股份獎勵計劃及購股權計劃，以激勵及獎勵表現良好的僱員。此外，本集團設立激勵計劃，使有關員工擁有自主意識，並讓他們得以分享努力後所得到的成績。

Employees

The management is fully aware that human resources are crucial to the continued success of the Group. The Group has provided staff with different kinds of benefit, including annual and other paid leaves, medical insurance, continuing education allowances and provident funds. For the personal development of our employees, they have been provided with in-house training and are encouraged to attend external relevant courses. The Group has also set up various incentive schemes, including performance related bonuses, share award scheme and share option scheme, to motivate and reward well-performed employees. In addition, the incentive schemes of the Group have been designed to give the relevant staff a sense of ownership and let them share the results of the efforts that they have contributed.

我們薪酬政策之詳情載於本「管理層討論及分析」內「薪酬政策」一節。

Details of our remuneration policies have been set out in the “Remuneration Policies” section in this Management Discussion and Analysis.

顧客

作為快餐服務提供者，本集團的顧客來自不同社會階層、領域及地區。我們需要不斷地去了解顧客的要求及口味。我們產品開發團隊之首要目標，是推出美味的新產品來滿足顧客的口味。為了方便顧客，我們已設立電話服務中心、與平台服務商進行合作，並推出網上訂餐系統，讓顧客可隨時隨地訂餐。除優質食品外，本集團亦不斷提升店舖的裝修，使顧客有置身家中的感覺。顧客亦可透過微信、電話熱線及我們新推出的客戶關係管理系統等各種渠道，讓我們知悉哪方面應要加強服務及了解顧客的消費習慣。令顧客感到滿意，一直是我們其中一個重要的表現指標。

Customers

Being a QSR service provider, we have customers coming from different social classes, regions and districts. It is an on-going exercise for us to understand the needs and appetite of our customers. The primary objective of our product development team is to launch new and tasty products to satisfy the taste buds of our customers. For the convenience of our customers, we have set up call centres, cooperated with platform service providers and launched website ordering system for our customers to place their orders wherever they are. Apart from quality food, the Group has been continuously upgrading the renovation of its stores so as to give our customers a feeling of being home. Our customers also have various channels, including WeChat, telephone hotline and our newly launched customer relationship management system, to let us know which areas of services we could further strengthen and understand our customers' consuming habit. The satisfaction of our customers is always one of our key performance indicators.

管理層討論及分析

Management Discussion and Analysis

主要關係(續) KEY RELATIONSHIPS (Continued)

供應商

食品安全一直是本集團非常重視的其中一個重要範疇。本集團在甄選供應商方面設定了嚴格的內部監控系統。該系統要求我們的採購團隊從不同角度評估潛在供應商，包括它們的往績記錄、經驗、生產能力、財政實力及聲譽。在本集團對新入選的供應商發出正常規模的訂單之前，會先對該等供應商發出規模較小的訂單作為測試。本集團的採購團隊及生產團隊定期及不定期與供應商會面和進行探訪，以持續對供應的食品及材料的質素進行監察。我們的團隊或會就改善生產效率及標準(如適用)的方法向供應商提供意見。此舉有助供應商與本集團之間建立互信，達致雙贏局面。

Suppliers

Food safety is one of the most important areas that the Group has always put emphasis on. The Group has built a stringent internal control system in the selection of suppliers. The system requires our procurement team to assess the potential suppliers from different perspectives, including their track records, experience, production ability, financial strength and reputation. Newly selected suppliers will be tested with orders of smaller size before they are placed with regular size orders. As an on-going exercise to monitor the quality of food and material supplies, the procurement team and production team of the Group would meet and visit our suppliers on regular and irregular basis. Our teams may give advices to our suppliers on ways to further improve their production efficiency and standard, where appropriate. This helps to establish a mutual trust and create a win-win situation for both our suppliers and the Group.

環保政策及執行情況 ENVIRONMENTAL POLICIES AND PERFORMANCE

本集團承諾密切關注環境保護，成為一家著重環保的企業。我們致力透過節省電力及鼓勵材料的循環再用，盡量減低對環境的影響。我們亦要求供應商在嚴格遵守有關環境規例下營運，並擁有由相關規管機構發出的一切所需許可及批准。我們對環保的承諾由我們獲得的ISO 14001環境管理系統認證得到證明。

The Group is committed to build an environmentally-friendly corporation that pays close attention to conserving the environment. We strive to minimise our environmental impact by saving electricity and encouraging recycle of materials. We also require our suppliers to operate in strict compliance with the relevant environmental regulations and rules and possess all necessary permission and approval from the relevant regulators. Our commitment in environmental protection can be demonstrated by the ISO 14001 Environmental Management System certification obtained.

有關本集團於本財政年度內的环境及社會績效的更多資料，請參閱本年報第29至41頁所載環境、社會及管治報告。

For further information about the environmental and social performance of the Group for this financial year, please refer to the Environmental, Social, and Governance Report set out on pages 29 to 41 of this Annual Report.

遵守法律法規 COMPLIANCE WITH LAWS AND REGULATIONS

本公司在開曼群島註冊成立，而其證券在香港聯交所上市。因此，本公司須遵守開曼群島及香港之適用法律法規。本集團業務主要由本公司在中國之附屬公司進行，因此須符合相關中國法律法規。截至二零一八年十二月三十一日止年度及直至本報告日期，管理層並沒察覺在本集團有任何有關上述相關法律法規之任何違規事件而對本集團有重大影響。

The Company is incorporated in the Cayman Islands and its securities are listed on the Stock Exchange of Hong Kong. Hence, the Company is subject to the applicable laws and regulations of the Cayman Islands and Hong Kong. The Group's operations are mainly carried out by the Company's subsidiaries in the PRC and therefore have to comply with the relevant PRC laws and regulations. The management is not aware of any non-compliance of any of the above relevant laws and regulations by the Group that would have a significant impact on the Group during the year ended 31 December 2018 and up to the date of this report.

管理層討論及分析

Management Discussion and Analysis

主要風險及不明朗因素 PRINCIPAL RISKS AND UNCERTAINTIES

本集團管理層不時檢討本集團企業策略的所有環節，包括有關市場、營運及財務方面的策略。以下為本集團面對之主要風險及不明朗因素，以及管理層為了管理該等風險及不明朗因素所採取之措施。

專營權相關風險

風險

本集團在中國之專營業務受到與相關專營權授予者所訂立專營權協議條款之規限。若任何或所有專營權協議終止或不獲續期，本集團之營運及業務將會受到重大不利影響。

管理風險之措施

本集團在現有主要專營地區之專營權協議之整體餘下年期(包括根據有關專營權協議可自動重續的年期)不短於約十二年。本集團已指派員工遵守有關專營權協議項下的規定。此外，本集團一直與相關專營權授予者保持對話和維持良好業務關係。

爆發食物中毒的風險

風險

作為餐飲服務提供者，本集團依賴供應商供應食材。若爆發任何食物中毒，本集團的食材供應或會受到影響。

管理風險之措施

根據本集團政策，本集團應有多於一家來自不同區域或地區的供應商，以供應所有主要及重要食材。此外，本集團保持足夠的食材存貨，以防一旦某特定地區的供應商受到任何食物中毒爆發的影響時有足夠時間讓本集團物色新供應商。

The management of the Group reviewed all aspects of the Group's corporate strategies, including those relating to the market, operation and finance, from time to time. Below are the principal risks and uncertainties that the Group faces and the measures that the management has taken to manage such risks and uncertainties.

Franchise-related Risks

Risks

The Group's franchise business in the PRC is subject to the terms of the franchise agreements with the related franchisors. The Group's operation and business will be materially and adversely affected in the event that any or all of the franchise agreements are terminated or could not be renewed.

Measures to manage the risks

The Group's major franchise agreements for its existing franchise regions have remaining terms (including automatically renewable terms under the relevant franchise agreements) of no less than approximately 12 years in general. The Group has assigned staff to observe the requirements under the relevant franchise agreements. In addition, the Group has constant dialogues and maintained good business relationships with the relevant franchisors.

Risk of Outbreak of Food-borne Diseases

Risks

As a catering service provider, the Group has to rely on its suppliers for food ingredients. In the event that there is any outbreak of food-borne diseases, the supply of food ingredients of the Group may be affected.

Measures to manage the risks

It is the Group's policy that there should be more than one supplier, preferably from different districts or regions, for all the major and key food ingredients. In addition, the Group maintains adequate stock for its food ingredients so as to allow time to source new suppliers in case suppliers from one specific region are affected by any outbreak of food-borne diseases.

管理層討論及分析

Management Discussion and Analysis

主要風險及不明朗因素(續) PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

食物污染風險

風險

本集團的業務容易受到食物污染風險的影響。一旦本集團內出現食物污染事件，而有關事件在傳媒報導，則本集團業務或會受到不利影響。

管理風險之措施

食品安全對於餐飲服務提供者至關重要。本集團設有嚴格內部監控措施，以不斷物色及監察食材供應商。內部亦制定食品安全及衛生政策和標準以讓食品處理人員遵守。本集團亦設有品質控制團隊，定期及輪流檢查各間店舖及分銷中心。如發現有任何弱點，將會盡快匯報和作出改正。

外匯管制風險

風險

由於本集團的業務及營運基本上位於中國，因此收入及開支主要以人民幣計值。在香港支付的開支及股息，須依賴本集團在中國營運的公司支付的股息及其他收入及資金匯款。若日後有關中國政府當局對於資金匯款實施任何限制，則本集團在香港清償其香港債務及應付款項及宣派股息之能力將會受到不利影響。

管理風險之措施

本集團在香港保留資金，以在合理時間內滿足在香港的付款需要。此外，本集團與香港的銀行機構維持良好關係，它們在有需要時會向本集團提供銀行信貸以滿足本集團的香港總部之現金需求。

Food Contamination Risk

Risks

The Group's business is susceptible to the risk of food contamination. In the event that there is food contamination in the Group and the instance is reported in the media, the business of the Group would be negatively affected.

Measures to manage the risks

Food safety is of utmost importance to a catering service provider. The Group has a stringent internal control in place in identifying and monitoring food ingredient suppliers on a continual basis. There are also internal food safety and hygiene policies and standard for the food handling staff to follow. The Group also has quality control teams to inspect its stores and distribution centres on a regular and rotational basis. Identified weaknesses will be reported and corrected as soon as possible.

Exchange Control Risks

Risks

As the Group's business and operation are basically in the PRC, the revenue and expenses are principally denominated in Renminbi. Payments of expenses and dividends in Hong Kong have to depend on dividends and other income and fund remittances from the Group's PRC operating companies. In case there are any restrictions of fund remittance by the relevant PRC government authorities in future, the ability of the Group to settle its Hong Kong debts and payables and declare dividends in Hong Kong will be adversely affected.

Measures to manage the risks

The Group has retained funds in Hong Kong to meet the payment needs in Hong Kong within a reasonable period of time. In addition, the Group has maintained good relationship with banking institutions in Hong Kong which have provided the Group with banking facilities to meet the cash needs of the Group's Hong Kong head office, where necessary.

管理層討論及分析

Management Discussion and Analysis

主要風險及不明朗因素(續) PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

中國經濟、政治及法律風險

風險

本集團在中國進行業務營運，而其所有銷售均在中國進行。因此，本集團之業務、財務狀況、經營業績及前景受到中國經濟、政治及法律發展狀況之重大影響。中國經濟在眾多方面與大部份已發展國家的經濟有所不同，包括政府參與程度、發展程度、增長率及資源分配。中國政府或會實行各種措施以鼓勵經濟增長和指導資源的分配。部份該等措施或會對整體中國經濟有利，但亦可能對本集團造成負面影響。

管理風險之措施

業務營運永遠會受到所在地點的法律法規及經濟起伏的影響。從事本集團中國業務營運之員工差不多全部是熟悉中國經濟及政治環境之中國公民。此外，本集團設有專責團隊，負責監察中國的經濟、社會及政治發展，務求使本集團可預先作好準備，盡快對業務策略作出所需調整。此外，管理層不會排除考慮投資於非中國業務並會為本集團帶來長遠穩定增長的機遇之任何可能性，以分散集中度風險。

PRC Economic, Political and Legal Risks

Risks

The Group's business operations are conducted in the PRC and all of its sales are made in the PRC. The Group's business, financial condition, results of operations and prospects are therefore significantly affected by economic, political and legal developments in the PRC. The PRC economy differs from the economies of most developed countries in many respects, including the degree of government involvement, the level of development, the growth rate and the allocation of resources. The PRC government may implement various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may also have a negative effect on the Group.

Measures to manage the risks

Business operations are always subject to the laws and regulations and the ups and downs of the economy of the places where they are in. Almost all of the Group's staff engaged in the Group's PRC business operations are PRC nationals who are familiar with the economic and political environment in the PRC. In addition, the Group has a designated team of staff responsible for monitoring the economic, social and political development in the PRC with an aim to enable the Group to prepare itself and make necessary adjustments to its business strategies ahead as far as possible. Furthermore, the management would not rule out any possibility of considering opportunities to invest in non-PRC businesses that would bring steady long-term growth to the Group to diversify the concentration risks.

管理層討論及分析 Management Discussion and Analysis

業務未來發展計劃 FUTURE BUSINESS DEVELOPMENT PLAN

二零一九年餐飲行業發展趨勢

二零一九年，中國經濟運行預期「穩中有變、變中有憂」。中國經濟在由高速發展轉變為提高發展質量的同時，也面臨一系列新問題和新挑戰，實體經濟仍然沒有擺脫困境，就業壓力加大，市場主體活力不足，產業需要轉型和升級等。

以90和00後為代表的新消費群體對餐飲行業的需求更加複雜多元，從業者需要考慮多品類和多品牌業務布局，同時強化運營能力和供應鏈管理能力。消費者對於飲食健康的關注度繼續提升，促使健康品類興起和流行。餐飲這一傳統服務行業正在迎來新一輪轉型升級。

包括5G、區塊鏈、物聯網、人工智能在內的新科技和新技术迭代出現，對於餐飲行業的服務方式和經營模型等產生很大影響。餐飲企業必須及時瞭解和掌握科技發展的趨勢，及時調整經營模式。

另外，政府對食品安全、環境保護、規範經營的政策會繼續影響餐飲業的經營，促使餐飲企業更加注重規範經營，同時也鞭策餐飲企業通過信息化、自動化等手段從營運、財務、供應鏈等各個途徑降本增效。

展望未來，餐飲行業經營將越來越規範化和職業化，公司化、連鎖化、品牌化和以管理見長的專業餐飲經營者將取得市場競爭優勢。品牌連鎖企業憑藉其成熟的管理系統和經驗，科學地控制經營成本，並以優質產品和精細化服務來贏得顧客忠誠度。

Catering Industry Development Trends in 2019

In 2019, though overshadowed by uncertainties, the Chinese economy will remain relatively stable. Instead of aiming for fast growth, China has changed her economic development focus to striving for quality growth and, as a result, some new problems and challenges have emerged. The real economy has been struggling, activities of major sectors have remained weak and unemployment rate stands high. Transformation and upgrade are needed for some industries.

Generation Z, a new generation of consumers, has more diverse needs with regard to catering. To fulfil those needs, market players have to modify their business structure to enable them to provide various products under different brands. They also need to enhance supply chain operation and management. Increasing health consciousness among consumers is fueling demand for healthy food. The catering industry is transforming and alive to the need to upgrade.

New technologies, such as 5G, Blockchain, Internet-of-Things and Artificial Intelligence, will have great impacts, some disruptive, on the service pattern and business model of catering. Catering companies need to stay abreast of technological development and adjust their business models accordingly.

In addition, government policies on food safety, environmental protection and business standards will continue to affect the industry. Compliance with those standards while essential has cost implications for players in the catering industry. Digitalization and automation of operation, finance and the supply chain seem the way to go if catering companies want to reduce costs and improve operational efficiency.

Looking ahead, catering industry operations will be more regulated in favor of professional corporate players and branded catering chains. Players strong in management will have competitive edge over their peers. Chain store operators with a sophisticated management system and extensive experience in providing quality products and meticulous services will be able to more effectively control costs and earn customer loyalty.

管理層討論及分析

Management Discussion and Analysis

業務未來發展計劃(續) FUTURE BUSINESS DEVELOPMENT PLAN (Continued)

未來發展戰略

合興集團會充分利用自身的品牌優勢、店舖規模和管理優勢，連同其應變迅速的管理團隊，能夠把握當下中國高品質發展的機遇。

本集團將密切關注中國大陸餐飲市場的發展趨勢和顧客的需求，在高效執行年初確定的發展策略基礎上，並根據市場變化情況及時進行必要調整，以提升企業創新力、執行力和競爭力。無論科技手段如何發展，餐飲業的本質仍然是為顧客提供健康、安全、美味和豐富的食物。本集團將堅持從餐飲業的本質出發，持續採取安全、衛生管理以及監控措施，確保以「良心品質」向顧客提供健康、安全並且極致化和「物超所值」的食品和服務。

本公司將繼續有效利用並完善客戶關係管理系統，建立以顧客為中心的科技模型、組織結構、力求第一時間接觸顧客，瞭解及滿足顧客需求，促使顧客願意主動推薦合興的產品和服務。本集團將致力與顧客互動以收集更多顧客資訊，藉此於不同期間以不同價格推廣不同產品吸引不同顧客群，換言之，管理顧客消費模式以增加再次光顧次數，並確保顧客有最滿意的消費體驗。

合興將把科技手段與互聯網相結合，通過簡潔和高效的規則以及有效的激勵制度，積極創造創新產品、服務和經營模型，並不斷迭代更新。合興集團將通過激勵體系，進一步為組織和人員賦能，傳播企業「正能量、正能量化、創新力和執行力」的價值觀，實現企業的自組織運行。專注於開設「堂食」店和「外送」店將有利於提高成本效益，而線上和線下產品的準確差異化將有助於更有效利用外送平台，從而提高相關業務的盈利能力。

Future Development Strategy

The Hop Hing Group will make good use of its own brand advantages and capitalize on its stores network and strong management to grow its business. With a responsive management team, the Group will be able to seize the opportunities arising from China's growing embrace of high-quality consumption.

The Group will pay close attention to the development of the mainland catering market and demand of customers. It will adjust its development strategies as necessary heeding market changes to ensure it has the ability to innovate and execute its business development plans and compete effectively at all times. Technological advancement aside, the purpose of the catering industry will never change, which is to provide wide variety of choices of healthy, safe and delicious food to consumers. The Group will diligently observe this basic requirement of the catering industry and continue to offer "Quality With Conscience", adopting safety, hygiene management and supervision measures to ensure the food and products it provides are of high relevant standard and promise great value-for-money.

The Company will keep improving and make good use of its CRM system and relevant technologies to establish a customer-oriented business model and organization structure to help it promptly communicate with customers and understand and satisfy their needs. The ultimate goal it wishes to accomplish is for existing customers to recommend to others the products and services of Hop Hing. The Group will work hard in interacting with customers to gather more customer information to help it with promoting different products of different prices and in different periods to appeal to different customer groups, in other words, managing customers' consumption patterns to increase their return rates and ensure they have the most satisfying consumption experience.

Through simple and effective rules and incentive system, Hop Hing will integrate technology into the internet to create innovative products, services and operating model with iterative update. Through incentive mechanisms, Hop Hing will continue to promote the enterprise values of positive energy, creativity and execution to empower the organization and its personnel in achieving the most organized and efficient operation. Focusing on opening "dine-in" stores and "delivery mode" stores will be conducive to improving cost efficiency and accurate differentiation of online and offline products will enable better use of the delivery platforms and in turn enhance profitability of the related businesses.

管理層討論及分析 Management Discussion and Analysis

業務未來發展計劃(續) FUTURE BUSINESS DEVELOPMENT PLAN (Continued)

未來發展戰略(續)

以顧客的視角改善品牌和形象設計，在產品、服務和科技的應用等方面進行升級，最終達成品牌的年輕化。本集團將繼續通過自行研發、購買品牌和技術、併購股權等方式，拓展新品牌，增加售賣產品種類，滿足顧客多樣化的口味需求，建立合興集團食品產品生態鏈。本集團將繼續穩步推行新零售項目的進展，並繼續實施有效和合理的成本控制策略，努力提高集團的盈利能力。本集團將加大新店舖的開設力度，在擴大本集團經營規劃的同時，提高企業的營收能力。

展望未來，中國大陸餐飲市場仍有良好的發展勢頭，並應該是以積極變革、管理見長和規範經營為特點的經營者佔據競爭優勢的市場。本集團將充分發揮自身的創新優勢、管理優勢和規模優勢，繼續發掘不同的合作機會，包括加強與專營權授予者及現有和潛在業務夥伴的合作，以協助本集團發展為中國領先的多品牌快餐經營者。

Future Development Strategy (Continued)

The Group will, taking reference of customers' perspective, improve product brand designs and images and upgrade products, services and employ relevant technology to rejuvenate product brands. Through research, acquisition of brand and technology and equity, the Group will continue to add new brands to its portfolio and diversify product offerings, so as to suit the different tastes of customers, and ultimately build a food and product ecological chain that can help its businesses thrive. The Group will continue to introduce new retail projects and adopt efficient and reasonable cost control measures to the end of increasing profitability. It will also efficiently open more stores to expand store networks and improve returns on investment.

Looking ahead, the catering market in mainland China will keep growing. Retailers proactive in innovation, armed with an outstanding management team and efficient operation will enjoy competitive advantage in the market. The Group will give full play to its advantage in innovation, management and operation and continue to explore various opportunities, including consolidating cooperation and exploring new cooperative modes with franchisors and existing and potential business partners to help develop the Group into a leading multi-brand QSR operator in China.

致謝 VOTE OF THANKS

本人謹代表本集團對所有客戶、供應商、業務聯繫人士與往來銀行一直給予堅定不移的支持，致以衷心謝意。本人亦感激全體管理人員及員工過去一年的勤奮工作及不屈不撓的精神。

代表董事會

On behalf of the Group, I would like to thank all of our customers, suppliers, business associates and bankers for their unwavering support. I wish to also express my gratitude to members of our management team and staff for their diligence and perseverance during the past year.

On behalf of the Board

行政總裁

洪明基

香港

二零一九年三月二十八日

HUNG MING KEI, MARVIN

Chief Executive Officer

Hong Kong

28 March 2019

環境、社會及管治報告

Environmental, Social and Governance Report

本環境、社會及管治報告(「環境、社會及管治報告」)按照香港聯合交易所有限公司(「聯交所」)證券上市規則附錄二十七《環境、社會及管治報告指引》(「指引」)編製，內容涵蓋本集團於二零一八年一月一日至十二月三十一日期間在持份者參與、環境保護、員工關愛、營運慣例及社區等範疇的工作成果。

本集團按照指引要求的重要性、可量化、平衡及一致性這四大原則編製本報告。本集團每年發佈其環境、社會及管治報告，披露環境、社會及管治的表現，並據此致力持續改善環境、社會及管治方面的管理。

持份者識別和溝通

本集團的持份者所涉及的層面甚廣，尤以顧客及員工為多。我們識別了本集團最關鍵的持份者，包括顧客、員工、政府、股東與投資者、供應商、公益組織、行業協會及媒體，並透過不同渠道(如政策文件、問卷調查及服務熱線)收集彼等的意見。

於編製本環境、社會及管治報告時，為了解不同持份者對本報告內容的期望，並且就本集團環境、社會及管治表現提供意見，本集團已委託獨立第三方顧問持續主持與持份者的溝通活動，包括面對面溝通、電話訪談、問卷調查、實地走訪等多種形式。此舉確保雙方在公平公正的情況下溝通，繼而決定是次報告的主要內容，並作為日後本集團制定有關政策及方針的參考。

環境、社會及管治報告涉及廣泛議題。當中，本集團需要識別與自身相關的議題，作為可持續發展管理及信息披露的基礎。本集團委託獨立第三方顧問主持與持份者的溝通活動，識別了較為重要的議題。本集團亦已確定本環境、社會及管治報告的披露範圍及來年編製環境、社會及管治報告的方向。截至二零一八年十二月三十一日止年度，本集團的業務及經營環境與前一年類似。

This Environmental, Social and Governance Report (“ESG Report”) has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), covering the Group’s performance in terms of stakeholder engagement, environmental protection, care for employees, operating practices and community from 1 January to 31 December 2018.

The Group prepared the report according to the four major principles: materiality, quantitative, balance and consistency as required by the Guide. The Group publishes its ESG Report annually to disclose the performance of Environmental, Social and Governance, on the basis of which the Group will make continued improvement to the management of environmental, social and governance aspects.

Identification and Communication With Stakeholders

The Group has a diverse mix of stakeholders of which many of them are customers and employees. We have identified stakeholders crucial to the Group, including customers, employees, governments, shareholders and investors, suppliers, community organisations, business associations and media, and collected their comments through different channels, like documents of policy, questionnaires, and service hotlines.

In preparing this ESG Report and to understand the expectation of different stakeholders on the report contents and allow them to comment on the Group’s ESG performance, the Group has engaged an independent third-party consultant to host communications with stakeholders in the form of face-to-face communication, telephone interviews, questionnaires and on-site visits on an ongoing basis. This can make sure we have fair communication with our stakeholders, so that the main contents of the report could be decided, and the Group’s future policies and guidelines could be developed therefrom.

The ESG Report covers a wide range of aspects. The Group needs to identify aspects of relevance to form its base for disclosing its management of sustainable development and information. The Group engaged an independent third-party consultant to host communications with stakeholders and identified the more important aspects. The Group has also defined the scope of disclosures in this ESG Report and the coming year’s direction of preparing the ESG Report. In the year ended 31 December 2018, the Group’s business and operating environment was similar to that of the previous years.

環境、社會及管治報告

Environmental, Social and Governance Report

環境保護

本集團一直秉持以「良心品質」的經營態度，除了考慮食物品質外，我們亦關注到日常營運對環境的影響。為此，本集團已訂立環境管理系統，並在國內飲食業同業中最先取得ISO14001環境管理體系認證，確保符合當地環境法規，亦釐清各呈報部門環境保護方面的職責。

排放物

廢氣排放

我們作為快餐連鎖食店無可避免需要使用大量燃料烹調食物，並隨之產生油煙。在中國，本集團須遵守並已遵守有重大影響的與廢氣排放相關的法律及法規。為減少油煙對食店周邊環境的影響，本集團嚴格監控店舖的油煙裝置的效能。根據當地相關的環保標準，安裝合格的油煙淨化裝置。於二零一八年，北京吉野家分店完成安裝油煙淨化裝置。為了使有關裝置能長遠發揮效能，營運部已制定一系列維修保養計劃，包括定期清潔油煙淨化裝置，定期為裝置進行保養，以及編製清潔報告。如此一來，可確保店舖經營符合當地法規，亦使店舖附近空氣保持清新。

廢棄物管理

所有連鎖食店、食品加工中心及辦公室在日常營運期間會產生不同類型的廢棄物，可大致分為危險廢棄物、可回收的廢棄物、不可回收的廢棄物及肉類加工廢棄物。各項物料在生產、運送及棄置過程中均造成不同程度的環境影響。在中國，本集團須遵守並已遵守與危險廢棄物及無害廢棄物的產生有重大影響及相關的法律及法規。為此，本集團致力在不同的營運區域妥善處置不同類型的廢棄物。如此一來，我們不僅讓回收率上升，還可以最大限度地減少廢棄物帶來的衛生問題。

Environmental Protection

The Group has been persistent in carrying out its business with strict adherence to its motto — “Quality with Conscience”. In addition to food quality, we also pay attention to the impact of our daily operational activities on the environment. The Group has formulated an environmental management system and the Group is the first ISO14001 certified entity among all peers in the food and beverage industry in the PRC, for the purpose of complying with local environmental law and defining the environmental protection responsibility of each reporting unit.

Emissions

Air Emissions

As a QSR chain operator, we inevitably use fuels in cooking which results in giving out smoke. In the PRC, the Group is required to comply and has complied with relevant laws and regulations that have a significant impact relating to air emissions. To minimize the impact of smoke on the surrounding environment, the Group strictly monitors the efficiency of the smoke exhaust equipments installed at our restaurants. Qualified smoke purification devices complying with the relevant local environmental standards are installed as well. The installation of the smoke purification devices to Yoshinoya stores in Beijing has been finished in 2018. To maximize the service life of these devices, our Operation Department has devised a set of servicing and maintenance plans, including cleaning the smoke purification devices regularly, arranging regular maintenance of the devices and conducting cleaning reports. In this way, compliance with local regulations by our stores and freshness of the air around the stores can be assured.

Waste Management

All chain stores, food processing centers and offices generate different wastes during their daily operations, which can be broadly classified into hazardous waste, recyclable waste, non-recyclable waste and processed meat waste. These may have various degrees of impact on the environment during the production, transit and disposal process of different materials. In the PRC, the Group is required to comply and has complied with relevant laws and regulations that have a significant impact relating to generation of hazardous and non-hazardous waste. For this reason, the Group tries its best to dispose of different types of wastes at different operating areas properly. In this way, we not only increase the recycling rate, but also minimize the hygienic problem brought by wastes.

環境、社會及管治報告

Environmental, Social and Governance Report

環境保護(續)

排放物(續)

廢棄物管理(續)

本集團小心處理其他廢棄物，讓任何尚可加以運用的物料能回收再用。本集團食品加工中心每天處理大量食材，整理肉類時，會嚴格控制成品質量，減少肉頭及碎肉產生，以免造成浪費。除了食材外，本集團亦收集統計數據及監控店舖內廢棄物的產生。自二零一七年年中以來，我們已將廢棄物收集及分類為可回收的廢棄物及不可回收的廢棄物，並將其交予專業的第三方廢棄物處理人處理。本集團亦收集並集中處理公司可作二次利用的零件、廢塑料容器、包裝紙箱、包裝紙及廢紙等，盡量減少廢棄物產生。

回收營運商每日到訪店舖，確保回收程序符合環境保護及衛生監控規定。包裝紙箱及廢油初步由店舖的指定員工收集以提升回收率。根據國家食品藥品監督管理局的規定，各店舖須張貼「節儉惜福」、「杜絕浪費」等海報標語，提示消費者切勿吃剩食物，從而減少產生廢物及環境污染。

儘管本集團的營運毋需使用危險化學用品，但仍然會產生有限數量的廢燈管、廢電瓶等被當地政府納入危險廢棄物名錄的廢棄物。所有危險廢棄物均由特定人士於特定地點收集處理，以免其他人員處理不當，處理不當可能造成環境污染，危害健康。

碳審核

作為負責任的企業公民，本集團致力減低業務營運對環境的影響，在減少碳排放方面的工作更是不遺餘力。為降低碳排放，本集團已經開始了解碳排放規律，並作出針對性的改善措施。

在中國，本集團須遵守並已遵守有重大影響的與溫室氣體排放相關的法律及法規。

本集團聘請第三方專業機構為本集團進行碳審核，核查本報告年度各單位的排放強度。在店舖營運期間，碳排放主要源於灶具的天然氣消耗以及其他灶具及燈具的電力消耗。經過詳細的碳排放數據分析，本集團進行不同針對性的減排措施，包括加強營運高低峰時期的能源使用監管。在未來，本集團亦會持續監測排放點的碳排放數據，按年制定不同的減排策略。

Environmental Protection (Continued)

Emissions (Continued)

Waste Management (Continued)

The Group handles other wastes carefully, and recycles any useful materials wherever possible. The food processing center of the Group handles a lot of food each day. When it comes to meat, the Group controls finished products rigorously so as to minimise the generation of debris and wastage. In addition to food, the Group also collects statistical data and monitors the production of wastes in the stores. Since the mid 2017, we have collected and classified the wastes into recyclable waste and non-recyclable waste, and passed it to the professional third parties waste handlers to handle. The Group also collects and centralizes reusable parts, plastic containers, cartons, packaging paper and waste paper to minimize the production of wastes.

Recycling operators visit the stores daily to ensure that the recycling process complies with the environmental protection and hygiene control requirements. Carton and waste oil are initially collected by the designated staff in stores to increase the recycling rate. According to the requirements of the State Food and Drug Administration, each store has to post posters with slogans like "Saving is honor", "Do not waste", to prompt consumers not to leave food to reduce waste production and environmental pollution.

During the operations, while the Group uses no hazardous chemical, it produces limited amount of fluorescent lamp and accumulator wastes that have been categorised as hazardous wastes by the local government. All hazardous wastes are collected by designated persons at designated places so as to avoid mishandling by other staff, which may cause environmental pollution and endanger the health.

Carbon Audit

As a responsible corporate citizen, the Group tries its best to minimize the environmental impact of its operations and in particular spares no effort in reducing its carbon footprint. For this purpose, the Group has started to understand its carbon emission patterns and map out pertinent improvement measures.

In the PRC, the Group is required to comply and has complied with relevant laws and regulations that have a significant impact relating to greenhouse gas emissions.

The Group engages a third-party professional organization to carry out a carbon audit and measure the emission intensity of each unit during the reporting year. For its stores operation, carbon emissions mainly come from natural gas consumption by stove and electricity consumption by other cookers and lights. After detailed analysis of the carbon emission data, the Group put in place different emission reduction measures, including strengthening the monitoring of energy consumption during peak and off-peak hours of business. In the future, the Group will maintain on-going detection of carbon emission data at all carbon-emitting places and develop different emission reduction policies from year to year.

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

環境保護 (續)

排放物 (續)

碳審核 (續)

	二零一八年
溫室氣體排放	54,515 噸二氧化碳
溫室氣體排放強度	23 噸二氧化碳/收入 (港幣百萬元)
食物殘渣產量	3,325 噸
廢油產量	606 噸
廢紙產量	499 公斤
廢紙回收量	620 公斤
金屬廢料產量	108 公斤

資源消耗

能源消耗

能源消耗與碳排放息息相關。本集團每年按期審查店舖的排放數據，並設定能源消耗目標，以監控用電量。本集團已制訂一系列節能措施並於各店舖推行，以達到目標。為有效地使用能源，本公司已制訂各個用能設備，如電燈、空調系統等開關的時間表予店舖，各店舖將遵循有關時間表。當發現實際用電量與制訂的使用量有較大出入，本公司的營運部會調查差異原因並在有需要時作調節。除時間表外，現時各店舖均採用分區照明系統，可令店舖按需要開關不同分區的電源。另外，各種煮食設備會按照顧客流量安排設備開啟的時間。本集團亦嘗試使用能源效益較高的設備以節省能源。自二零一七年起，本集團已逐步將各店舖的照明系統更換為LED。經過各種節能措施的施行，我們各店舖已能夠將能源用得其所及把碳排放減至最低。

水資源消耗

本集團謹慎使用珍貴的水資源。在店舖的日常營運期間，無論清洗食材、煮食、店舖清潔等各環節均需使用食水。本集團關注店舖的用水情況，營運部於每年年初會根據去年用水情況制訂年度計劃，於每月月底會檢視用水的實際情況，並為用水量較預期多的環節進行針對性分析及提出改善措施。機件耗損通常是浪費食水的原因之一。故此，公司將會定期按照保養計劃為用水設備進行日常保養與及時維修。為了減少用水量，節水是我們購買新設備時的重要考慮因素之一。

Environmental Protection (Continued)

Emissions (Continued)

Carbon Audit (Continued)

	2018
Greenhouse gas emissions	54,515 tCO ₂
Greenhouse gas emission intensity	23 tCO ₂ /Revenue (Million HKD)
Food Residue production volume	3,325 Tonnes
Waste cooking oil production volume	606 Tonnes
Paper waste production volume	499 Kg
Paper waste recycling volume	620 Kg
Metal waste production volume	108 Kg

Resources Consumption

Energy consumption

Energy consumption is closely related to carbon emissions. The Group reviews the emission data by periods at stores every year and sets targets for the energy consumption to monitor the power consumption. A set of energy-saving measures have been put into effect at all stores to meet the targets. To consume energy efficiently, the Company has worked out schedules of start and shut-down time on different kinds of energy-consuming equipments, such as lights and air-conditioners, for the stores, which will be followed by the stores. When actual consumption deviates from our planned consumptions significantly, the Operation Department of the Company would investigate into the causes of such deviation and make adjustment, where necessary. Besides the schedule, our stores use zoned lighting systems which allow the stores to power on or off in different zones as needed. In addition, cooking devices will also be switched on by reference to customer traffic. The Group also tries to use equipments with higher energy efficiency, to save energy. Starting from 2017, the Group has been gradually replacing the lighting systems at stores by LED. By carrying out a series of energy-saving measures, our stores have been able to maximise energy efficiency and minimize carbon footprint.

Water Resource Consumption

The Group uses our precious water resource with great care. During the daily operations, stores use water for washing raw materials, preparation of food, and cleaning the stores. The Group keeps a close eye on water consumption by stores. Based on water consumption in previous year, Operation Department develops an annual plan at the beginning of each year. They check the water consumption at the end of each month, analyse the process which have high unexpected usage of water, and come up with improvement measures. Malfunction equipment is usually one of the causes for wastage of water. Hence, the Company will carry out regular check and timely repair to water-consuming equipments according to the maintenance plan. In order to reduce the water consumption, water saving is one of our important considerations when we purchase new equipments.

環境、社會及管治報告

Environmental, Social and Governance Report

環境保護(續)

資源消耗(續)

水資源消耗(續)

於報告期間，本集團在採購合適用途的水資源方面並未遇到任何問題。

	二零一八年
能源消耗總量	63,576 兆瓦時
能源消耗總量密度	27 兆瓦時/收入 (港幣百萬元)
用電量	61,643 兆瓦時
用電量密度	26 兆瓦時/收入 (港幣百萬元)
天然氣消耗	155,821 立方米
煤氣消耗	49,099 立方米
汽油消耗	2.6 噸
柴油消耗	0 噸
用水量	440,346 立方米
用水量密度	185 立方米/收入 (港幣百萬元)
瓶裝水消耗	465 立方米
包裝材料消耗	2,241 噸

員工關愛

基於餐飲業務的行業特性，員工與顧客有密切交流。員工肩負著促進公司發展與樹立公司形象的重任，因此，本集團珍惜每一位行業人才，渴望為員工締造一個優質工作環境，並為每位員工創造更廣闊發展空間，讓員工與公司共同成長。

僱傭

員工條件及福利

本集團明白員工是本公司業務和未來發展的基石，並為此制定以人為本的福利及政策以吸引和挽留優秀人才。

在中國，本集團須遵守有重大影響的與薪酬及解僱、招聘及晉升、工作時間、休息時間、平等機會、多元化、反歧視以及其他利益及福利相關的法律及法規。

Environmental Protection (Continued)

Resources Consumption (Continued)

Water Resource Consumption (Continued)

During the reporting period, the Group did not encounter any issue in sourcing water that is fit for purpose.

	2018
Total Energy consumption	63,576 MWh
Total Energy consumption intensity	27 MWh/Revenue (Million HKD)
Electricity consumption	61,643 MWh
Electricity consumption intensity	26 MWh/Revenue (Million HKD)
Natural gas consumption	155,821 m ³
Towngas consumption	49,099 m ³
Gasoline consumption	2.6 Tonnes
Diesel consumption	0 Tonnes
Water consumption	440,346 m ³
Water consumption intensity	185 m ³ /Revenue (Million HKD)
Bottled water consumption	465 m ³
Packaging material consumption	2,241 Tonnes

Care for Employees

Due to the nature of the food and beverage industry, employees closely interact with our customers. Our employees play an important role in driving our business growth and shaping our company image. Hence, the Group treasures every talent and is eager to provide the best working environment and create the opportunities for self-development to every employee and grow with them.

Employment

Employee Conditions and Benefits

The Group is aware that employees are the cornerstone of the Company's business and future development and therefore attract and retain top-notch talents by providing them with people-oriented employee benefits and policies.

In the PRC, the Group is subject to relevant laws and regulations that have a significant impact relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

環境、社會及管治報告

Environmental, Social and Governance Report

員工關愛(續)

僱傭(續)

員工條件及福利(續)

本集團已按照各營運所在地政府的有關規定為員工購買各項社會保險，員工享有各類型法定假期，包括哺乳假及男士侍產假。另外，本集團也為員工提供其他福利，如用餐優惠、為夏季高溫場所工作人員及低溫冷庫工作人員提供特殊津貼等，藉以挽留人才。為避免員工進行身體未可負荷的工作及保護未成年人士，禁止旗下店舖僱用未滿18歲的人士。

本集團相信，豐富的工餘活動能讓員工紓解工作壓力，同時加強團隊凝聚力。本集團為員工關愛計劃設計連串活動。本集團已經開展的活動包括給員工提供免費用餐，舉辦戶外旅遊及放映電影活動等。

平等機會、多元化與反歧視

本集團致力締造公平的工作環境。為使每位店舖員工有平等的晉升機會，已訂立一系列評核程序。我們備有一系列關鍵績效指標(「指標」)，以便更全面及客觀地評核員工表現。在績效評核制度之下，負責經理可按照指標審視員工表現，繼而決定升任人選。

我們反對任何形式的歧視，亦不會因申請人殘疾而影響聘用機會。本集團以行動履行反歧視的承諾，已在一部份分店聘用傷健員工。另外，向員工發放《殘疾人士受僱注意事項》，使員工知悉如何在日常工作中與同事們做好配合。主管在分配工作時會匹配傷健人士的能力，在日常的工作中多關注傷健人士的工作情況，適時地提供幫助，另外為傷健人士安排固定師傅，並根據情況配合其工作時間表。人事部從傷健人士入職當月起收集其個人相關資料，由公司開始為其繳納社會保險，維護合法權益，讓傷健人士也獲得正常工作及自力更生的機會。

Care for Employees (Continued)

Employment (Continued)

Employee Conditions and Benefits (Continued)

The Group purchases social insurance for our employees as required by the local government where we operate. Our employees also enjoy statutory holidays, including breastfeeding leave and paternity leave for male employees. Moreover, the Group also provides a wide range of other benefits to retain the employees, such as discounted meals, special allowances for those who work in high-temperature area in summer or in low temperature freezers. To ensure employees are not assigned with workload that is intolerable to them and to protect juveniles, the Group prohibits the hiring of any person aged below 18.

The Group believes that interesting pastimes can help relieve the stress of employees and unite the team together. The Group designs a wide range of activities for employees care plan. The activities carried out by the Group included, providing free meals and holding nature tours and film shows for staff.

Equal Opportunity, Diversity and Anti-Discrimination

The Group is committed to creating an equal working environment. A set of assessment procedures have been formulated, which allows all store employees to have equal promotion opportunity. A set of key performance indicators (the "KPIs") have been designed to assess the performance of every employee comprehensively and fairly. Under the performance assessment framework, managers-in-charge can measure employee performance against the KPIs and determine who should be promoted.

We oppose any form of discrimination. Employment opportunities should not be affected by the applicant's disability. The Group has fulfilled its anti-discrimination commitments by deeds and has hired employees with disabilities in certain branches. In addition, employees have been issued with the "Notes on Employment of Persons with Disabilities" so that they know how to cooperate with their colleagues in their daily work. Supervisors will assign jobs that match the abilities of persons with disabilities. The supervisors will also pay more attention to the work condition of persons with disabilities and provide them with timely help. Apart from these, a regular teacher will be arranged for them and will accommodate their work schedule. The Human Resources Department will collect personal information of persons with disabilities from the month they join the Company, and the Company will begin to pay social insurance for them, protecting their legitimate rights and interests and allowing them to obtain opportunities for normal work and self-reliance.

環境、社會及管治報告

Environmental, Social and Governance Report

員工關愛(續)

僱傭(續)

員工溝通

為照顧所有員工的需求，有效的溝通渠道尤為重要。本集團透過不同渠道與員工交流。定期舉行各種員工會議，支援中心各部門及餐廳每月均組織不同形式的員工會議，期間會傳遞公司新政策、程序及人事信息，讓團隊成員藉此機會互相學習及交流。另外，餐廳及支援中心已設置公告欄，讓員工更了解公司的最新資訊，增加員工對公司的歸屬感。本集團也定期出版供內部參閱的刊物「良心雜誌」，刊物由本集團各部門合作完成，充分反映員工意見。本集團也希望直接聽取員工的意見，已開設員工意見信箱，讓員工藉此平台向人力資源部提出創新建議。本集團也要求各餐廳經理與下屬積極溝通，了解前線員工對本集團營運的各種意見，以便本集團制定更以人為本的人力資源政策。

健康與安全

要保持良好的食品及服務質素，員工的健康狀況是其中一項關鍵，確保職業安全是本集團重中之重的的工作。本集團已按照相關當地政府的適用法律法規的要求，貫徹執行當地政府頒佈的《職業健康安全管理體系要求》。人力資源部已為員工提供各項基本保障，除了購買員工意外保險外，亦每年為員工進行與工作相應的身體檢查，讓員工能了解自己的健康狀況。

Care for Employees (Continued)

Employment (Continued)

Employee Communication

Effective communication is of vital importance to cater for the needs of employees. The Group maintains various means of communications with employees. Employee meetings are held regularly. The departments under Supporting Office and the stores have different forms of employee meetings every month to update them with the Company's new policies, procedures and news from human resources and allow team members to learn from and exchange ideas amongst themselves. Also, there are bulletin boards at the Stores and Supporting Office from where employees can get the latest information from the Company and staff loyalty can be enhanced. The Group also publishes an internal magazine, "Magazine of Conscience" regularly. It is the joint effort of different departments of the Group and reflects the comments from the employees. The Group also wishes to hear from employees directly. An "employee suggestions mailbox" has been made available for employees to raise their innovative ideas to the Human Resources Department. The Group also requires all store managers to talk with their staff proactively, to understand the front-line employees' comments on the Group's business. These would be taken into account in the formulation of our people-oriented human resources policies.

Health and Safety

Employee health is a key in upkeeping the superior food and service quality. Occupational safety is a top priority to the Group. The Group has put into action Occupational Health and Safety Management System Requirements promulgated by the local governments and required by applicable laws and regulations of the relevant local governments. The Human Resources Department provides a basic security package to employees. In addition to providing accident insurance coverage, employees will have body check each year so as to let them know their health conditions.

環境、社會及管治報告

Environmental, Social and Governance Report

員工關愛(續) 健康與安全(續)

工作環境與員工安全水平息息相關。為確保遵守有重大影響的與提供安全工作環境及保護員工免受職業危害相關的法律及法規，本集團定期制定並實踐勞動保護裝備(「裝備」)的購進計劃，確保僱員在工作環境內有充足及合適的裝備。此外，本集團也小心看待工作場所中的安全黑點，為此特地成立危害分析重要管制點小組，小組對生產環境進行定期監察，處理各項安全隱患，並減少任何玻璃爆裂、外界污水滲漏及其他危險情形。

本公司明白預防勝於治療。公司已安排全面的職業安全培訓，內容包含職業健康安全管理要求、職業病預防、危害分析重要管制點計劃等，在職的員工必須在完成培訓後通過相關考核，確保所有員工具備所需的職業健康安全知識。

員工發展

本公司以多元化的形式為不同級別的員工提供相應的各類在職教育及訓練，以提升員工的業務操作技能。為了確保訓練項目的成效以及為客戶提供具有質素的服務，受訓員工需在指定時限內達到指定培訓標準。

本集團重視員工對食品安全的意識，因此在過去一年集中專業培訓。我們舉辦食安監督員課程，針對餐廳食品安全監督員進行授課培訓，共計316人參加。我們的品質監控部於每季度均開展了食品安全提升活動。

Care for Employees (Continued) Health and Safety (Continued)

Work environment is vital to employees' safety. In order to ensure compliance with relevant laws and regulations that have a significant impact relating to providing a safe working environment and protecting employees from occupational hazards, the Group develops and implements regularly plans for purchasing work safety protective equipments (WSPE), to assure that sufficient and proper WSPE are available to employees in the workplace. Moreover, the Group pays particular attention to safety black-spots in the workplace. A Hazard Analysis Critical Control Point (HACCP) group has been formed to monitor the production environment and address any safety hazard on a regular basis, and to minimise the incidence of glass burst, external effluent seepage and any other hazards.

The Company understands that prevention is better than cure. The Company has designed a whole set of occupational safety training programs, including occupational health and safety management requirements, occupational disease prevention, HACCP program. Every employee must pass the exams after completing the required trainings so as to ensure that they have the required knowledge of occupational health and safety.

Employee Development

The Company provides trainings in diversified forms for employees at different levels to receive a wide range of tailored on the job education and trainings to strengthen their business operating skill. To ensure the effectiveness of the training programs so that our customers are provided with quality services, trainees are required to meet the standards within a specified period of time.

The Group attaches great importance to employees' awareness of food safety. Therefore, we focus on professional training in the past year. We held the food safety supervisor course and conducted training for food safety supervisors in stores. A total of 316 people participated in the course. Our Quality Control Department conducted food safety improvement activities in each of the quarters.

環境、社會及管治報告

Environmental, Social and Governance Report

營運慣例

市民的健康與飲食有密切關係，要持續增長地經營快餐業務，建立值得信賴的商業品牌，產品質素最為關鍵。除了講求速度及相宜的價格外，我們更注重食品的安全及營養。我們由選材、運輸以至製作食品的程序均有嚴格規定，使顧客能安心享用我們的產品。

供應鏈管理

採購政策

供應商是本集團管理食品品質及安全的第一道關口。除了味道外，我們需要保證食材百分百安全。本集團對供應商有著嚴格的篩選機制，會以供應時間及產地、公司安全體系等多方面考量，通過審查相關文件和記錄並進行實地考察來甄選供應商。各種材料均由指定地方供應，並以該行業的龍頭企業作為合作夥伴(如合適)。我們以環境表現作為其中一個篩選指標，僅考慮獲ISO14001認證的公司，從而選擇經已建立環境管理體系的供應商。在供應商正式被選用後，本集團會安排向供應商進行針對食物安全的現場審查。對供應商的評估每年進行一次，以審查其產品的質素，確保達到本集團的標準。購得的食材樣品也會送往第三方檢驗機構進行品質檢驗，確保食材成份符合安全標準，從源頭監控食品安全及質素。

物流管理

供應商的篩選程序是保障食材質素的第一防線，運送食材的物流過程也是保質的關鍵。我們制定了一系列在物流過程中檢測食材質素的指標，如運送及儲存點的衛生情況及溫度，只有達標的合格品可以出售。同時，我們的物流中心設有實驗室，為食材作詳細檢驗。經過妥善的物流管理，確保運送到各店面的食材能保持質量，也避免食材變質引起的食品安全問題。

Operating Practices

Food is closely related to citizens' health. Quality is the most important factor to achieve sustainable growth of a QSR business and build a trustworthy commercial brand. We attach greater importance to food safety and nutrition than to speed and low price. With stringent rules on our purchase of raw materials, transportation and food preparation process, our customers can feel at ease when enjoying our food.

Supply Chain Management

Procurement Policy

Supplier is the first control point on food quality and safety management of the Group. Apart from taste, we need to ensure all the raw materials are safe. The Group maintains a rigorous supplier selection mechanism, with indicators such as supply time and origin, and safety system to select the suppliers by reviewing the relevant documents and records and carrying out site visits. All materials are supplied from designated places and we would choose the leading companies of each sector as our partners, where appropriate. We use environmental performance as one of the criteria, and select only ISO14001 certified companies and then choose suppliers with established environmental management system. After a supplier is selected, the Group arranges on-site inspection for reviewing their food safety. Suppliers evaluation would be done once a year to review the quality of their products to ensure fulfillment of the Group's standard. To monitor the food safety and quality from the source and ensure ingredients are up to safety standard, raw materials purchased would be sent on a sample basis to a third-party inspection organization for quality test.

Logistics Management

While the process of choosing suppliers is the first line of defence on safeguarding food quality, the transportation of raw materials is also critical to quality assurance. We have designed a set of indicators for the measurement of quality of raw materials in transit, for example, hygiene and temperature of trucks and storage. Only qualified products can be sold. Meanwhile, our logistics centre has an in-house laboratory for detailed testing of raw materials. Following proper logistics management, all food materials delivered to stores are of good quality and are prevented from food safety incidents caused by food material spoilage.

環境、社會及管治報告

Environmental, Social and Governance Report

營運慣例 (續) 產品及服務質素

食品安全

食物能提供營養，但古語有云「病從口入」，進食不衛生、處理不當的食物能引致嚴重健康問題。我們以零重大食品安全事故為目標，建立值得顧客信賴的餐飲品牌。本公司有嚴格的內部控制、外部控制程序及齊全的質量手冊，食品安全體系健全。本集團須遵守並已遵守國內有重大影響的與顧客的健康和安全相關的法律及法規。

我們各店舖每日均會根據內部食品安全檢查清單檢查食材，確保食材在有效日期前食用。我們亦有訓練有素的食品安全員工負責進行食品安全檢查，避免爆發任何安全事故。在衛生管理方面，我們各店舖均會定期進行清潔。對於未符合內部衛生標準的店舖，我們將增加清潔次數以確保食品安全。

我們對食物生產的管理已獲ISO 22000及HACCP認證。食物安全管理涉及多方面的工作，在保證原材料質量的同時，我們要求所有設備清潔且正常運作，妥善處理廢棄物及污水，定期進行店舖消毒及滅蟲等。此外，烹調過程決定食物的味道及安全，我們已就所有菜品編訂詳細的標準製作程序，員工需要按程序製作食品，與此同時，他們亦需符合公司對員工的衛生要求，讓顧客在不同分店也能品嚐品質一致的產品。為使以上食品安全策略確實推行，我們亦已成立食品安全小組，對食品製作的安全情況作詳細檢驗。除了供應鏈外，食品安全小組對食材、工序、廚房設備及周邊環境均會進行評核，並抽樣進行實驗室檢驗，以科學方法確保食品安全。

Operating Practices (Continued) Quality of Products and Services

Food Safety

Food can provide nutrients, but as an old saying goes, a closed mouth catches no flies. Eating insanitary or improperly treated food may give rise to serious health problems. We aim at zero incidences of critical food safety accident and building a brand of food and beverage which can be trusted by our customers. The Company has sound food safety system with rigorous internal control, external control and quality handbooks. The Group is subject to and has complied with relevant laws and regulations that have a significant impact relating to customer health and safety in the PRC.

Our stores perform daily checking on our raw materials in accordance with our internal food safety checklist to ensure that food ingredients are consumed before its expiry dates. Also, we have well-trained food safety staff responsible for the food safety inspection to avoid any outbreak of safety incidents. For hygiene management, our stores carry out regular cleaning. For those stores with hygiene not meeting our internal standard, frequency of cleaning will be increased to ensure the food safety.

We are ISO 22000 and HACCP certified in food production management. Food safety management involves many aspects. While we have ensured the quality of raw materials, we also require all our equipments to be clean and functioning properly, waste and effluent are properly disposed of, and disinfection and pests control are done regularly in the stores. Cooking procedures determine food safety and taste. We have prepared a detailed standard operating procedures on all items. Employees are required to follow our good processing practices in food preparation. In addition, they must also meet our hygienic requirements, so that our customers may enjoy products of consistent quality at any of our stores. To facilitate enforcement of the above mentioned food safety policies, we have also formed a food safety committee to carry out detailed inspections on the safety of food preparation. Apart from the controls exercised by the supply chain, the food safety committee also assesses raw materials, processes, kitchen equipments and the surrounding environment, and carries out laboratory tests on randomly picked samples, to ensure food safety with a scientific approach.

環境、社會及管治報告

Environmental, Social and Governance Report

營運慣例(續) 產品及服務質素(續)

顧客滿意度

本集團經營競爭激烈的快餐業務，要成為顧客喜愛的快餐品牌，不單只追求迅捷的製作速度，我們強調服務態度、用餐環境、食品質素，全面照顧顧客的用餐感受。我們每季均會隨機挑選顧客進行顧客滿意度調查，我們的調查涵蓋數個範疇，如食品品質、服務體驗、食品份量、環境清潔等等。分析顧客在各方面的不同評分後，我們會按結果找出重點提升的範疇，在未來的季度作出改善，持續完善我們的食品及服務品質。

為提升食品及服務質素，我們已啟動監察程序，由專人檢視每名客戶在各平台(包括美團外賣、餓了麼、大眾點評網、團購等)的客戶滿意水平，包括對食品質素、用餐環境、服務態度的意見留言、用餐、外賣及會員消費等方面，從而就提高客戶滿意度作出更有效回應。

顧客投訴及私隱

本集團致力為客戶提供優質的產品及服務，認真看待每一個客戶的投訴。我們制定了《顧客投訴處理流程》，載明了員工處理客戶投訴的指引，確保每一個投訴有詳細的記錄及跟進。顧客如有任何關於堂食、外賣、外送及訂餐的投訴，可以透過電話、電郵、書面或親身到門市提出意見。我們的客服人員會在收到投訴後盡心理解及處理每一個意見反饋，並詳細記錄投訴事件。所有投訴處理過程的記錄會用作年度分析及反饋，以持續優化我們的產品及服務。

與此同時，我們嚴格保障顧客個人私隱，禁止員工向外泄露顧客資料及會員資料等。我們根據相關法律、法規之規定，制定了《信息安全管理制度》。我們在員工手冊詳述了紀律處分範圍，禁止任何員工未經公司書面同意而洩露客戶個人資料。任何員工未經本公司同意而私自將保密文件複印、保存或帶離公司將會受到紀律處分。

Operating Practices (Continued) Quality of Products and Services (Continued)

Customer Satisfaction

Competition in the QSR sector in which the Group operates is intensive. To become a favourite QSR brand of customers, we need to put emphasis on our service attitude, dining environment and food quality, to assure the best dining experience for our customers in every aspects, rather than care solely about the speed of preparation. We carry out customer satisfaction survey randomly every quarter, which covers a number of areas, such as food quality, service experience, food portion and environment cleanliness. After analyzing scores given by customers from different aspects, we identify key areas that have rooms for improvement and take the improvement action in the following quarter and we continuously improve our food and service quality.

Aiming at improving our food and service quality, we have implemented procedures to assign specific people to monitor the comments of each customers reviewed from various platforms (including Meituan Waimai, Ele. Me, Dianping, Group Buying) on food quality, dining environment, service attitude through the comments board, aspects of dine-in, take-out and member spending so as to allow a more efficient response on improving customer satisfaction.

Customer Complaint and Privacy

The Group is committed to providing customers with quality products and services and taking every customer complaint seriously. We have formulated the "Procedures for Handling Customers' Complaints", which set out the guidelines for employees to handle customers' complaints and ensure that each complaint is documented and followed up. If customers have any complaints about dine-in, take-out, delivery and meal ordering, they can voice their comments by phone, e-mail, in writing or in person at the stores. Our customer service staff will do their best to understand and handle the feedback after receiving the complaint and record the complaint in detail. The complaint processing records will be used for annual analysis and feedback to continuously optimize our products and services.

At the same time, we vigorously protect customers' personal privacy and prohibit employees from disclosing customer data and membership data. We have formulated the "Regulations on the Management of Information Security" according to the provisions of relevant laws and regulations. We have disciplinary measures detailed in our employee handbook prohibiting employees from disclosing customers' personal data without the written consent of the Company. Any employee who copies, keeps, or removes confidential documents without the Company's consent will be subject to disciplinary actions.

環境、社會及管治報告

Environmental, Social and Governance Report

營運慣例 (續)

反貪污及道德規範

本集團貫徹「良心品質」，產品及服務質量固然是我們的努力目標，本集團同時恪守商業道德，遵守有重大影響的與賄賂、勒索、欺詐及洗黑錢相關的法律及法規。每位員工均須謹守本集團所訂的行為準則及道德規範。本集團已清楚要求全體員工遵守中國法規，嚴禁員工借本公司名義以任何方式向供應商、客戶收取任何形式的饋贈。本集團的反貪政策獲得正面成效，去年本集團未有任何有關貪污的法律訴訟出現。本集團已成立舉報機制，若員工發現任何非法、違反道德及公司守則的行為時，可直接與其主管聯絡，亦可聯繫內審部。本公司會保護舉報人，並會作出查證及跟進，努力締造公平的營商環境。

社區

社區活動

我們的業務扎根社區，在營運地區建立起龐大的業務網絡，以優質食品融入當地居民的生活當中。除了拓展餐飲業務外，我們也關心經營地區的民眾利益。本集團關注營運地區的弱勢社群生活所需，招攬傷健人士加入服務團隊。另外，本集團也協助籌辦公益活動，對教育及文化交流方面的活動尤其重視。我們亦鼓勵員工參與其中。合興的社區投資亦受到社會廣泛認同，在二零一七年更獲「互聯網+」青少年發展大會組委會頒贈「企業社會責任獎」。

經營餐飲業務需要大量員工，協助烹調食物及服務客人。我們能夠在地區創造就業機會，讓當地居民能夠在居住地附近工作。與此同時，我們亦有聘請傷健人士。縱使傷健人士往往在職場上處於弱勢，但其實他們具備與普羅大眾一樣的工作能力。我們以行動對傷健人士投以信任一票，讓他們踏足社會。

Operating Practices (Continued)

Anti-Corruption and Code of Conduct

The Group pursues Quality with Conscience. While product and service quality is indeed something we work hard for, the Group also cares about business ethics by complying with relevant laws and regulations that have a significant impact relating to bribery, extortion, fraud and money laundering. Every employee is required to abide by the Code of Conduct and good practices set forth by the Group. The Group explicitly requires every employee to abide by the laws of the PRC. Accepting any gift from any supplier or customer by any employees in the name of the Company in any form or by any means is forbidden. The anti-corruption policy of the Group has proven to be of positive effect. No legal case regarding corrupt practices happened within the Group last year. The Group has put in place whistle-blowing procedures. Any employee may report any illegal, immoral practice or any act in breach of the Code of Conduct to his or her immediate head or the Internal Audit Department. The whistleblower will be protected. Investigation will be made and the case will be followed up. In this way, we could create a fair business environment.

Community

Community Activities

Our business is based on the community and we have established a large business network in areas where we operate to integrate into the lives of local residents with quality food. Apart from the expansion of catering business, we are also concerned about the interests of the people in the areas where we operate. The Group pays attention to the needs of the disadvantaged communities living in the areas where we operate and recruits persons with disabilities to join our service team. In addition, the Group also assists in holding public welfare activities and pays special attention to education and cultural exchange activities. We also encourage employees to participate. Hop Hing has also been widely recognized by the society for its community investment and was awarded the "Corporate Social Responsibility Award" by "Internet +" Youth Development Conference Organizing Committee in 2017.

Catering business requires a large number of employees who cook food and serve guests. We can create jobs in the area and enable local residents to work near their place of residence. Furthermore, we also employ persons with disabilities. Even though persons with disabilities are often at a weak position in the workplace, they have the same ability to work as the general public. We take a vote of confidence in the persons with disabilities, allowing them entry to the community.

環境、社會及管治報告

Environmental, Social and Governance Report

社區(續)

社區活動(續)

本集團關注社區未來發展，亦深瞭教育事業對培育社區下一代具有決定性影響，特意協助組織與教育相關的社區活動，包括協助為北京及香港兩地的學生安排文化交流活動。本集團繼續協助舉辦「京港傑出好學生」活動。本集團先後協助安排香港青年在北京進行實習工作，在公司實習時了解內地的辦公室文化之餘，一眾實習生亦與部分北京學生一同遊覽名勝古跡，兩地學生能藉此彼此認識。另一方面，北京一群被挑選的傑出學生遠赴香港參觀學習，本集團相信各項文化交流能為兩地學生築起友誼的橋樑，也為參加者在日趨頻密的中港商貿活動下掌握發展機遇。

除了促進兩地文化交流外，本集團也關懷在北京學習的香港學生的需要。本集團協助在京學生舉辦了連串活動，包括港籍學生運動會、在香港及北京學生校園文化節活動、冰壺球體驗活動等。多元化的活動除了讓出席學生接觸新事物，也為他們建立一個交流平台，對他們日後在京發展、創業有所助益。我們協助舉辦「培養青年領袖」及「延續香港傑生精神」的訓練項目。項目讓年青人參與一系列團體活動，從中培養學生的團隊精神及領導能力。另外，本集團預見將來香港與內地的交流日漸頻繁，讓香港學生到華北地區交流能促進兩地文化交流，也可作為有志於內地發展的年青人的起步點。藉著不同的青年訓練計劃及交流活動，本集團給予年青人不同文化衝擊，挖掘年青人潛力，協助社會培養人才。

Community (Continued)

Community Activities (Continued)

The Group is concerned about the future development of the community and fully understand that education has a decisive influence on the development of the next generation of the community. The Group specifically assists in organizing community activities related to education, including cultural exchange activities for students in Beijing and Hong Kong. We continued to assist in holding the "Beijing-Hong Kong Outstanding Students" activity. The Group assisted in arranging youths in Hong Kong to engage in intern work in Beijing. In addition to understanding the office culture in the Mainland during the internship, all interns visited places of interest accompanied by students from Beijing. Students from both places could take this opportunity to get to know each other. On the other hand, a group of selected outstanding students from Beijing also went to Hong Kong to visit and study. The Group believes that cultural exchange can build a bridge of friendship between the students of the two places and provide participants with development opportunities under the increasingly frequent business activities in Hong Kong and the PRC.

Apart from promoting cultural exchange between the two places, the Group also cares about the needs of Hong Kong students studying in Beijing. The Group assisted in organizing a series of activities for students in Beijing, including the Hong Kong Student Games, Campus Culture Festival for students both in Hongkong and Beijing, and the Hailball Experience Activity. Diversified activities not only allow participants to experience new things, but also provide a communication platform for them, which will help them in developing and starting businesses in Beijing in the future. We assisted in organizing training programs including "Training Young Leaders" and "Continuing the Spirit of Outstanding Students in Hong Kong". The project allows young people to participate in a series of group activities to develop their team spirit and leadership capacity. In addition, the Group anticipates that exchange between Hong Kong and the Mainland will become increasingly frequent in the future. Bringing Hong Kong students to North China for exchange can promote cultural exchange between the two places. It can also serve as a starting point for young people interested in the development in the Mainland. Through different youth training programs and exchange activities, the Group brings different cultural stimulus to young people, develops their potential and helps the society cultivate talents.

企業管治報告

Corporate Governance Report

企業管治常規

本公司致力維持高水平之企業管治常規及程序。於截至二零一八年十二月三十一日止財政年度內，本公司已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四內的企業管治守則（「企業管治守則」）所載的守則條文（「守則條文」）。

企業管治守則所載的原則已納入本集團的企業管治常規之內。為確保嚴格遵守最新的企業管治守則，董事會將(a)審閱及定期更新本公司的企業管治政策及常規；(b)檢討及監察董事及高級管理層之持續培訓；(c)審查及監察法律及監管規定之遵守及披露；(d)發展、檢討及監督適用於員工及董事的行為守則及合規手冊（如有）；及(e)檢討本公司是否遵守「企業管治報告」之守則及披露要求。

業務模式及策略

董事會指導本集團制訂業務模式及策略，而本公司管理層則負責落實政策及業務、跟進其落實情況及不時向董事會報告。本集團二零一八年業務回顧及財務回顧之詳情刊載於本年報「管理層討論及分析」一節。

進行證券交易的標準守則

本公司已採納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」），作為董事買賣本公司證券之操守守則。標準守則亦適用於依照企業管治守則所界定之「相關僱員」。

經向本公司董事作出具體查詢後，董事已確認，彼等於截至二零一八年十二月三十一日止財政年度內，均已一直遵守本公司採納的標準守則內所規定之準則。

Corporate Governance Practices

The Company is committed to maintaining a high standard of corporate governance practices and procedures. The Company complied with the code provisions (“CP”) of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) during the financial year ended 31 December 2018.

The principles as set out in the CG Code have been adopted into our corporate governance practices. To ensure strict compliance with the latest CG Code, the Board will (a) review and regularly update the corporate governance policies and practices of the Company; (b) review and oversee the continuous training of the directors and the senior management; (c) examine and monitor the compliance and disclosure of legal and regulatory requirements; (d) develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and (e) review the Company’s compliance with the code and disclosure in the “Corporate Governance Report”.

Business Model and Strategy

The Board directs the Group’s development of business model and strategy, and the management of the Company manages the implementation of strategy and business, follow up on the implementation status and report back to the Board from time to time. Details of the Group’s business and financial review for the year 2018 are set out in the “Management Discussion and Analysis” section of this Annual Report.

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 of the Listing Rules as its code of conduct of dealings in securities of the Company by the directors. The Model Code also applies to “relevant employees” as defined in the CG Code.

Based on specific enquiry of the Company’s directors, the directors confirmed that they complied with the required standards in the Model Code adopted by the Company throughout the financial year ended 31 December 2018.

企業管治報告

Corporate Governance Report

董事會

截至本年報刊發日期，董事會由七名董事組成，包括四名獨立非執行董事，即司徒振中先生(主席)、史習陶先生、石禮謙議員*GBS太平紳士*及溫世昌先生；一名非執行董事，即林鳳明女士；以及兩名執行董事，即洪明基先生(行政總裁)及黃國英先生。該等董事之履歷(包括彼此之關係)載於本年報第58至62頁「董事之履歷」內。

董事會於二零一三年八月三十日已採納董事會成員多元化政策，該政策於二零一九年一月十七日作出修訂(「董事會成員多元化政策」)。本公司明白擁有配合其本身之業務模式及特定需要的多元化董事會的重要性及好處，從而達成其公司目標及策略目標。本公司亦認為董事會成員多元化是維持競爭優勢之必需元素。

本公司致力確保董事會乃根據一系列多元化因素委任，包括(但不限於)性別、年齡、國籍、語言、文化及教育背景、專業經驗、技能、行業知識及服務時間長度，並計及與其本身業務模式及不時特定需求有關的因素。挑選人選加入董事會時部分須視乎是否有具備所需技能、知識及經驗的人選。經考慮董事會成員多元化的好處及非僅著重單一的多元化方面後，最終決定將以所選人選的可取之處及其將為董事會作出的貢獻為基礎。

董事會已遵照於二零一九年一月一日生效的上市規則及企業管治守則修訂採納股息政策(「股息政策」)。股息政策旨在向股東分派若干百分比溢利，同時為未來業務擴展保留充裕儲備。

本公司認為，為本公司股東提供穩定及可持續回報乃我們的目標。於決定是否建議派付股息及於釐定股息金額時，董事會須考慮(其中包括)以下因素：-

- (a) 本集團實際及預期財務表現；
- (b) 本集團營運資金需求及業務策略和未來資本開支所需盈餘及業務發展需求；

Board of Directors

Up to the date of publication of this Annual Report, the Board comprised of seven directors, including four independent non-executive directors, being Mr. Seto Gin Chung, John (Chairman), Mr. Sze Tsai To, Robert, Hon. Shek Lai Him, Abraham, *GBS, JP* and Mr. Wan Sai Cheong, Joseph; one non-executive director, being Ms. Lam Fung Ming, Tammy and two executive directors, being Mr. Hung Ming Kei, Marvin (Chief Executive Officer) and Mr. Wong Kwok Ying. Biographical details of these directors which include relationship among themselves are set out under "Directors' Biographies" on pages 58 to 62 of this Annual Report.

The Board adopted a board diversity policy on 30 August 2013 which was revised on 17 January 2019 (the "Board Diversity Policy"). The Company recognises the importance and benefit of having a diverse Board that fits its own business model and specific needs in order to achieve its corporate goals and strategic objectives. The Company also sees diversity at the Board level as an essential element in maintaining a competitive advantage.

The Company aims to ensure that Board appointments will be made on the basis of a range of diversity factors including but not limited to gender, age, nationality, language, cultural and educational background, professional experience, skills, industrial knowledge and length of service as well as taking into account factors based on its own business model and specific needs from time to time. Selection of candidates to join the Board will be in part dependent on the pool of available candidates with the necessary skills, knowledge and experience. The ultimate decision will be based on merit and the contribution the chosen candidate will bring to the Board, having regard to the benefits of diversity on the Board and without focusing on a single diversity aspect.

The Board has adopted a dividend policy (the "Dividend Policy") in compliance with the amendments of the Listing Rules and the CG Code which took effect on 1 January 2019. The Dividend Policy aims to distribute a certain percentage of its profits to shareholders, whilst retaining adequate reserves for future business expansion.

The Company considers stable and sustainable returns to the shareholder of the Company to be our goal. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia:-

- (a) the Group's actual and expected financial performance;
- (b) the Group's working capital requirement and surplus needed for business strategies and future capital expenditure and business development needs;

企業管治報告

Corporate Governance Report

董事會 (續)

- (c) 本集團的實際及未來營運及流動資金狀況；
- (d) 稅務考量；
- (e) 整體財務及經濟狀況；及
- (f) 董事會視為適當的任何其他因素。

董事會將全權酌情決定宣派股息，且並不暗示本公司會於未來宣派股息。

董事會將於適當時候審閱股息政策，並不時更新、修訂及／或修改股息政策。概不保證會於任何指定期間建議或宣派股息。

董事會就本公司之表現及事務負最終責任。儘管董事會承擔本公司之整體責任，本公司管理層(包括執行董事)乃本公司日常運作之託管人及管理人。

本公司已收到全體獨立非執行董事之年度獨立性書面確認函件，並視彼等為根據上市規則第3.13條所指的獨立人士。

董事會每年將最少舉行四次會議，並於需要董事會就重大問題作出決定之其他時間舉行會議。董事可透過電話或視像會議參加會議。董事會通過舉行會議進行投票表決及輔以於董事會會議期間傳閱書面決議，從而取得董事會批准。

於年內，本公司舉行了六次全體董事會會議(包括透過通訊投票方式)及有五次全體董事會傳閱書面決議。各董事出席本公司全體董事會會議之出席率記錄載於本年報第54頁。

Board of Directors (Continued)

- (c) the Group's actual and future operations and liquidity position;
- (d) taxation consideration;
- (e) the general financial and economic conditions; and
- (f) any other factors that the Board deems appropriate.

Any declaration of dividends will be at the absolute discretion of the Board and may not have any implication on the Company's declarations of dividends in future.

The Board will review the Dividend Policy when appropriate and to update, amend and/or modify the Dividend Policy from time to time and there can be no assurance that a dividend will be proposed or declared in any given period.

The Board accepts that it is ultimately accountable and responsible for the performance and affairs of the Company. Although the Board bears overall responsibility for the Company, the management of the Company (including the executive directors) is the custodian and administrator of the day-to-day operations of the Company.

The Company has received a written annual confirmation of independence from each of all independent non-executive directors and considers them to be independent under Rule 3.13 of the Listing Rules.

The Board will meet at least four times a year and on other occasions when a Board decision is required on a major issue. Directors may participate in meeting via telephone or video-conferencing link. Board consents are given by vote at board meetings and supplemented via circulation of written resolutions between board meetings.

During the year, there were six full board meetings (including those with voting by communication) and five full board circulations. Individual attendance records for full board meetings of the Company are set out on page 54 of this Annual Report.

企業管治報告

Corporate Governance Report

董事會 (續)

董事明白彼等各自作為董事對於操守及本公司業務活動之責任。就此，本公司有責任於有需要時出資為全體董事安排合適之培訓。所有董事已提交彼等於回顧年內出席培訓之記錄予公司秘書。根據我們董事所提交之記錄，董事於年內接受之培訓概列如下：

二零一八年董事培訓記錄概要

Board of Directors (Continued)

Directors understand their respective responsibilities as a director towards the conduct and business activities of the Company. To this end, the Company is responsible for arranging and funding appropriate training and activities to all directors as and when necessary. All directors have provided their training records for the year under review to the company secretary. A summary of the training received by directors during the year according to the records provided by our directors is as follows:

Summary of Directors' Training Records in 2018

董事姓名	Name of Director	培訓活動 (包括會議、專業組織/機構舉辦之研討會/講座及/或閱讀相關課題之材料)
		Training activities including meetings, seminars/talks held by professions/organizations and/or reading materials on relevant topics
獨立非執行董事	Independent Non-Executive Directors	
司徒振中	Seto Gin Chung, John	✓
史習陶	Sze Tsai To, Robert	✓
石禮謙	Shek Lai Him, Abraham	✓
溫世昌	Wan Sai Cheong, Joseph	✓
非執行董事	Non-Executive Director	
林鳳明	Lam Fung Ming, Tammy	✓
執行董事	Executive Directors	
洪明基	Hung Ming Kei, Marvin	✓
黃國英	Wong Kwok Ying	✓

企業管治報告

Corporate Governance Report

主席及行政總裁

主席及行政總裁角色有所區分，並非由同一人兼任。

主席之主要職責為確保董事會有效運作，使董事會作為一個整體於發展及釐定本集團的業務模式、策略及整體商業目標時發揮充分和建設性作用。行政總裁負責本集團業務之整體日常管理，並實踐董事會同意之業務模式、策略及商業目標。

本公司主席為司徒振中先生(本公司獨立非執行董事)，行政總裁為洪明基先生。

非執行董事之任期

本公司非執行董事乃按固定任期委任，並須根據本公司修訂及重編之組織章程大綱及組織章程細則之規定而退任及接受重選。

董事薪酬

有關董事薪酬之詳情具名載列於財務報表附註8內。

薪酬委員會

本公司已設立薪酬委員會，專責檢討本公司董事及高級管理層成員之薪酬政策。有關委員會角色及功能之詳情可參閱其書面職權範圍，其與企業管治守則之守則條文一致，而書面職權範圍已同時登載於香港交易及結算所有限公司(「港交所」)及本公司之網站。

薪酬委員會由史習陶先生(委員會主席)、司徒振中先生(本公司主席)及石禮謙議員*GBS*太平紳士組成，彼等均為本公司獨立非執行董事。薪酬委員會各成員之會議出席率記錄載於本年報第54頁。

Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer are separated and not performed by the same individual.

The Chairman's principal responsibility is to ensure effective running of the Board, enabling the Board as a whole to play a full and constructive part in the development and determination of the Group's business model, strategies and overall commercial objectives. The Chief Executive Officer is responsible for the overall day-to-day management of the Group's businesses and achieving the business model, strategies and commercial objectives agreed by the Board.

The Chairman of the Company is Mr. Seto Gin Chung, John, an independent non-executive director of the Company, and the Chief Executive Officer is Mr. Hung Ming Kei, Marvin.

Non-Executive Directors' Term of Office

The non-executive directors of the Company are appointed for specific terms, subject to retirement and re-election in accordance with the provisions of the amended and restated memorandum and articles of association of the Company.

Directors' Emoluments

Details of the emoluments of the directors on a named basis are set out in note 8 to the financial statements.

Remuneration Committee

The remuneration committee of the Company was established with a particular responsibility to review the Company's remuneration policy for directors and members of the senior management. For details of the role and function of the committee, please refer to its terms of reference which align with the CP of the CG Code and have been posted on the websites of both the Hong Kong Exchange and Clearing Limited ("HKEx") and the Company.

The remuneration committee is comprised of Mr. Sze Tsai To, Robert (chairman of the committee), Mr. Seto Gin Chung, John (chairman of the Company), and Hon. Shek Lai Him, Abraham, *GBS, JP*, all of them are independent non-executive directors of the Company. Individual attendance records for the remuneration committee meetings are set out on page 54 of this Annual Report.

企業管治報告

Corporate Governance Report

薪酬委員會 (續)

年內及截至本年報日期為止，委員會就以下方面向董事會提供推薦意見 (i) 建議授出購股權；(ii) 本集團非執行董事及行政總裁之袍金；及 (iii) 建議將店舖經理納入本公司股份獎勵計劃項下承授人名單。

董事袍金須於股東大會上獲股東批准。其他酬金由薪酬委員會參考董事職責、責任以及本集團表現及業績而審閱。有關二零一八年每位董事酬金之資料載於財務報表附註8。

提名委員會

本公司已設立提名委員會，專責於充分考慮董事會成員多元化政策後，審閱董事會架構、規模及組成，以及就本公司董事之挑選、任命及重新委任向董事會提供推薦意見。有關委員會角色及功能之詳情可參閱其書面職權範圍，其與企業管治守則之守則條文一致，而書面職權範圍已登載於港交所及本公司之網站。

提名委員會由本公司獨立非執行董事司徒振中先生 (委員會主席及本公司主席) 及石禮謙議員 *GBS* 太平紳士、以及本公司執行董事兼行政總裁洪明基先生組成。提名委員會各成員之會議出席率記錄載於本年報第54頁。

於年內，委員會已 (i) 審閱董事會之架構、規模及組成；(ii) 評估獨立非執行董事之獨立性；及 (iii) 就重新委任董事向董事會提供推薦意見。

董事會已遵照於二零一九年一月一日生效的上市規則修訂及企業管治守則採納提名政策 (「提名政策」)。本公司已制定提名政策以於提名委員會作出任何有關推薦建議時提供主要挑選準則及原則。

Remuneration Committee (Continued)

During the year and up to the date of this Annual Report, the committee made recommendations to the Board on (i) a proposal to grant share options; (ii) the director's fee for the non-executive directors and the chief executive officer of the Group; and (iii) a proposal to include store managers into the list of awardees under the share award scheme of the Company.

The director's fees are subject to the approval of the shareholders at general meetings. Other emoluments are reviewed by the remuneration committee with reference to the duties, responsibilities of the directors and the performance and results of the Group. Information relating to the remuneration of each director for 2018 is set out in note 8 to the financial statements.

Nomination Committee

The Company has established a nomination committee with a particular responsibility to review the Board's structure, size and composition and to make recommendation to the Board on the selection, appointment and re-appointment of directors of the Company having given adequate consideration to the Board Diversity Policy. For details of the role and function of the committee, please refer to its terms of reference which align with the CP of the CG Code and have been posted on the websites of the HKEx and the Company.

The nomination committee is comprised of Mr. Seto Gin Chung, John (chairman of the committee and chairman of the Company) and Hon. Shek Lai Him, Abraham, *GBS, JP*, both of them are independent non-executive directors of the Company and Mr. Hung Ming Kei, Marvin, an executive director and the chief executive officer of the Company. Individual attendance records for the nomination committee meetings are set out on page 54 of this Annual Report.

During the year, the committee had (i) reviewed the Board structure, size and composition; (ii) assessed the independence of independent non-executive directors; and (iii) made recommendation to the Board on re-appointment of directors.

The Board has adopted a nomination policy (the "Nomination Policy") in compliance with the amendments of the Listing Rules and the CG Code which took effect on 1 January 2019. The Nomination Policy has been formulated to provide the key selection criteria and principles of the nomination committee in making any such recommendation.

企業管治報告

Corporate Governance Report

提名委員會 (續)

挑選準則

提名委員會負責(其中包括)物色及評核符合資格之合適董事候選人,於評核及挑選董事候選人時提名委員會須考慮以下準則:-

- (a) 品格及誠信;
- (b) 資歷,包括與本公司業務及企業策略有關之專業資格、技能、知識及經驗;
- (c) 候選人在資歷、技能、經驗及獨立性方面可為董事會作出之潛在貢獻;
- (d) 對提升股東價值而言,承諾所付出之時間及關注;
- (e) 本公司董事會多元化政策及董事會為達致董事會多元化而採納之任何其他可計量目標;
- (f) 出任其他上市公司之董事職務數目;
- (g) 就委任獨立非執行董事遵守上市規則所規定之獨立性準則,包括但不限於獨立非執行董事服務時間長度;及
- (h) 提名委員會或董事會可能不時釐定之任何其他相關因素,包括任何潛在及/或實際利益衝突及承繼計劃。

提名程序

提名委員會秘書須召開會議及邀請來自董事會成員之候選人提名,以供提名委員會考慮。提名委員會亦可考慮提名來自本公司股東之候選人,以供董事會考慮。

為填補臨時空缺,提名委員會須作出推薦建議供董事會考慮及批准。就建議於股東大會參選之候選人而言,提名委員會須向董事會作出提名,以供其考慮及作出推薦建議。

Nomination Committee (Continued)

Selection Criteria

The nomination committee is responsible for, among other things, identifying and evaluating suitably qualified candidates to become directors and in doing so, it shall consider the following criteria in evaluating and selecting candidates for directorships:-

- (a) character and integrity;
- (b) qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- (c) potential contributions that the candidate can bring to the Board in terms of qualifications, skills, experience and independence;
- (d) commitment in respect of available time and relevant interest in order to enhance shareholder value;
- (e) the Company's Board Diversity Policy and any other measurable objectives adopted by the Board for achieving diversity on the Board;
- (f) the number of directorships in other listed companies;
- (g) compliance with the criteria of independence as prescribed under the Listing Rules for the appointment of an independent non-executive director including but not limited to the length of services of the independent non-executive director; and
- (h) any other relevant factors, including any potential and/or real conflict of interests and succession planning, as may be determined by the nomination committee or the Board from time to time.

Nomination Procedures

The secretary of the nomination committee shall convene a meeting and invite nomination of candidates from Board members, for consideration by the nomination committee. The nomination committee may also consider nomination of candidates from the Company's shareholders for the Board's consideration.

For filling a casual vacancy, the nomination committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the nomination committee shall make nominations to the Board for its consideration and recommendation.

企業管治報告

Corporate Governance Report

提名委員會 (續)

提名程序 (續)

就參選及獲委任為董事而言，會要求建議候選人提交所需資料，連同獲委任為董事之書面同意書。

對於推薦候選人在任何股東大會參選所涉及之一切事宜，董事會擁有最終決定權。

為提供董事會推薦於股東大會參選之候選人之資料，本公司將根據上市規則之規定向股東寄發通函(「通函」)。通函將載有上市規則以及適用法例、法規及規例所規定建議候選人之姓名、簡歷(包括資格及相關經驗)、獨立性、薪酬及任何其他資料。倘董事會提呈決議案選出或重選個別人士為獨立非執行董事，則通函亦會載列以下資料：-

- (a) 物色個別人士之過程(如適用)及董事會認為該人士應獲選之理由及該人士被認為具備獨立性之原因；
- (b) 倘建議獨立非執行董事將出任七間(或上市規則不時規定之數目)或以上上市公司董事職務，則董事會認為該人士仍能投入足夠時間到董事會之原因；
- (c) 該人士可為董事會帶來之識見、技能及經驗；
- (d) 該人士如何為董事會多元化作出貢獻；及
- (e) 上市規則(可能經不時修訂)規定之任何特定資料。

Nomination Committee (Continued)

Nomination Procedures (Continued)

For the purpose of or in relation to their standing for selection and appointment as a director, the proposed candidates will be asked to submit the necessary information, together with their written consents to be appointed as a director.

The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

In order to provide information of the candidates recommended by the Board to stand for election at the general meeting, a circular will be sent to shareholders as required under the Listing Rules (the "Circular"). The names, brief biographical information (including qualifications and relevant experience), independence, remuneration and any other information of the proposed candidates as required pursuant to the Listing Rules and applicable laws, rules and regulations will be included in the Circular. Where the Board proposes a resolution to elect or re-elect an individual as an independent non-executive director, the Circular will also set out the following information:-

- (a) the process for identifying the individual (if applicable) and why the Board believes the individual shall be elected and the reasons why it considers the individual to be independent;
- (b) if the proposed independent non-executive director will be holding seven (or such number as stipulated in the Listing Rules from time to time) or more listed company directorships, the reasons for the Board to believe that the individual would still be able to devote sufficient time to the Board;
- (c) the perspectives, skills and experience that the individual can bring to the Board;
- (d) how the individual contributes to diversity of the Board; and
- (e) any specific information required by the Listing Rules, which may be amended from time to time.

企業管治報告

Corporate Governance Report

審核委員會

本公司已設立審核委員會，其職權範圍與企業管治守則之守則條文一致，負責檢討及監察本集團之財務報告程序及風險管理及內部監控。有關審核委員會職權及功能之詳情可參閱其職權範圍，其與企業管治守則之守則條文一致，並已登載於港交所及本公司之網站。

審核委員會包括溫世昌先生(委員會主席)、司徒振中先生(本公司主席)與史習陶先生。彼等均為本公司獨立非執行董事。審核委員會主席須具備相應的專業財務資格及經驗。審核委員會各成員之會議出席率記錄載於本年報第54頁。

二零一八年度，審核委員會已：(i) 與管理層審閱本集團採用的會計準則及慣例，並就審核、風險管理及內部監控系統以及財務報告事項與彼等進行討論，包括審閱本集團截至二零一七年十二月三十一日止年度的經審核財務報表；(ii) 審閱本集團二零一八年的審核計劃；(iii) 就重新委任外部核數師向董事會作出建議；及(iv) 審閱截至二零一八年六月三十日止六個月的中期報告。截至年底，本公司審核委員會審閱了本集團截至二零一八年十二月三十一日止年度的財務報表。

核數師酬金

於二零一八年，就本集團核數服務應付本公司外聘核數師安永會計師事務所之費用合共為港幣2,650,000元。安永會計師事務所亦向本集團提供非核數服務，費用為港幣817,000元。本年度之非核數服務主要包括中期審閱、環境、社會及管治報告之顧問服務及其他服務。

Audit Committee

The Company has established an audit committee with terms of reference aligned with the CP of the CG Code for the purpose of reviewing and providing supervision over the Group's financial reporting process and risk management and internal controls. For details of the role and function of the committee, please refer to its terms of reference which align with the CP of the CG Code and have also been posted on the websites of both the HKEx and the Company.

The audit committee is comprised of Mr. Wan Sai Cheong, Joseph (chairman of the committee), Mr. Seto Gin Chung, John (chairman of the Company) and Mr. Sze Tsai To, Robert, all of them are independent non-executive directors of the Company. The chairman of the audit committee has the required appropriate professional financial qualifications and experience. Individual attendance records for audit committee meetings are set out on page 54 of this Annual Report.

In 2018, the audit committee had (i) reviewed the accounting principles and practices adopted by the Group and discussed with the management auditing, risk management and internal control systems and financial reporting matters including review of the Group's audited financial statements for the year ended 31 December 2017; (ii) reviewed the audit plan of the Group for 2018; (iii) made recommendation to the Board on the re-appointment of external auditors; and (iv) reviewed the interim report for the six months ended 30 June 2018. Subsequent to the year end, the audit committee of the Company reviewed the Group's financial statements for the year ended 31 December 2018.

Auditor's Remuneration

During 2018, the fees payable to Ernst & Young, the Company's external auditor, for the Group's audit services amounted to HK\$2,650,000. Ernst & Young also provided the Group with non-audit services which amounted to HK\$817,000. The non-audit services during the year mainly included interim review, advisory services on Environmental, Social and Governance reporting and other services.

企業管治報告

Corporate Governance Report

財務報告

董事知悉彼等根據香港財務報告準則編製每個財政年度真實而公平之財務報表之責任。於二零一八年十二月三十一日，董事並不知悉任何可對本公司繼續以持續基準經營之能力產生重大疑問之重大不明朗事件或情況。因此，本公司截至二零一八年十二月三十一日止年度之財務報表按持續經營之基準編製。

外聘核數師就審計綜合財務報表承擔之責任載於本年報之獨立核數師報告內。

風險管理及內部監控

董事會履行風險管理委員會之職能，並負責監督本集團的風險管理及內部監控系統，該系統乃為促進有效及具效益營運、確保內外申報質素及遵守適用法例及法規而設。構思該系統時，本集團已評估風險性質及程度、其變成事實之可能性及控制的成本。該系統乃為管理但並非除去未能達成業務目標之風險而設，能合理但非絕對保證不會出現重大錯誤陳述、欺詐或損失之風險。

在年度審核過程中，董事會對本集團會計、內部審核與財務報告職能的資源充足性、員工質素及經驗、培訓計劃及預算進行了評估。此外，董事會已考慮本集團財務報告及上市規則合規程序的有效性。

本集團的風險管理及內部監控系統甄別重大風險、評估風險可能產生的影響和是否可能產生，並開展有效控制以管理或減輕風險。向審核委員會報告系統的定期審查結果。

本公司內幕消息政策為本集團董事、高級職員及所有相關僱員訂立指引，確保本集團內幕消息(定義見上市規則)(「內幕消息」)將按照適用的法律法規公平且及時地向公眾公開。本公司亦設有集團內部通知政策與程序，規定內幕消息及須予披露交易(定義見上市規則)的識別指引及通知準則。

Financial Reporting

The directors acknowledge their responsibility to prepare financial statements for each financial year which give a true and fair view in accordance with Hong Kong Financial Reporting Standards. As at 31 December 2018, the directors were not aware of any material uncertainties relating to events or conditions which might cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the financial statements of the Company for the year ended 31 December 2018 have been prepared on a going concern basis.

The responsibilities of the external auditor for the audit of the consolidated financial statements are set out in the Independent Auditor's Report included in this Annual Report.

Risk Management & Internal Control

The Board performs the role of a risk committee and is responsible for overseeing the Group's risk management and internal control systems that are designed to facilitate effective and efficient operations and to ensure the quality of internal and external reporting and its compliance with the applicable laws and regulations. In devising the systems, the Group has evaluated the nature and the extent of the risk, the likelihood of it crystallizing and the cost of controls. The systems are designed to manage, but not eliminate, the risk of failure to achieve business objectives and provide reasonable but not absolute assurance against the risk of material misstatement, fraud or losses.

In the course of the annual review, the Board had evaluated the adequacy of resources, staff qualifications and experience, training programmes and the budget of the Group's accounting, internal audit and financial reporting functions. In addition, the Board has considered the effectiveness of the Group's processes for financial reporting and Listing Rules compliance.

The Group's risk management and internal control systems identify any significant risks, evaluate the risk according to its likely impact and the likelihood of occurrence and develop effective controls to manage or mitigate any risks. Findings of the regular reviews of the systems are reported to the audit committee.

The inside information policy of the Company has set out guidelines to the Directors, officers and all relevant employees of the Group to ensure inside information (as defined in the Listing Rules) (the "Inside Information") of the Group would be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations. The Company also has Group internal notification policies and procedures for setting out guidelines for identification and notification of Inside Information and notifiable transactions (as defined in the Listing Rules).

企業管治報告

Corporate Governance Report

風險管理及內部監控 (續)

如上文所述，董事會在內部審核部門與審核委員會之協助下，根據企業管治守則第C.2.1條對本集團風險管理及內部監控系統的有效性進行年度審閱。基於管理層進行並確認的審閱以及獨立註冊會計師事務所編製的風險管理與內部監控審閱報告，彼等認為相關措施有效且充足。本集團截至二零一八年十二月三十一日止財政年度內之檢討並無披露任何重大缺失。

上述均為持續進行之過程，以辨識、評估及管理本集團於重大業務、財務、合規及營運之特定風險。本集團將盡早考慮及實施(如適用)審核委員會、獨立註冊會計師事務所(彼等最少每年進行一次檢討並向董事會報告)所作出之有關建議，以進一步強化風險管理及內部監控政策、程序及常規的有效性。

此外，董事會已審閱上次年度審查以來本集團所面臨風險的性質及嚴重程度的變更，以及本集團對此類變化作出回應的能力。請參見「管理層討論及分析」第23至25頁，當中載列本集團風險管理及內部監控系統甄別的主要風險及不明朗因素。

股東權利

召開股東特別大會及於股東大會上提出建議

根據本公司組織章程大綱及組織章程細則第64條，一名或多名持有不少於本公司已繳足股本十分之一之股東可向董事會或董事會秘書提交書面要求，當中需指明要求處理之事宜，而倘董事會認為合適，董事會將就有關要求內指明之事宜召開股東特別大會(「股東特別大會」)。倘董事會未能於有關書面要求提交後21日內召開有關股東特別大會，提出要求之股東可自行以相同方式召開股東特別大會，而有關股東因董事會未能召開股東特別大會所產生之一切合理開支，將由本公司償還請求人。

Risk Management & Internal Control (Continued)

The Board, with the assistance of its internal audit department and audit committee, has conducted an annual review of the effectiveness of the Group's risk management and internal control systems, as set out above, in accordance with C.2.1 of the CG Code and considered them effective and adequate based on the reviews performed and confirmed by the management and the risk management and internal control review reports produced by an independent firm of certified public accountants. Reviews for the financial year ended 31 December 2018 did not reveal any significant defects.

The aforesaid is an ongoing process for identifying, evaluating and managing of significant business, financial, compliance and operational risks specific to the Group. Relevant recommendations made by the audit committee and the independent firm of certified public accountants who performed reviews and report to the Board at least annually would be considered and implemented, if appropriate, as soon as possible by the Group to further enhance the effectiveness of its risk management and internal control policies, procedures and practices.

Further, the Board considered the changes, since the last annual review, in the nature and extent of significant risks to the Group and the Group's ability to respond to such changes. Please refer to pages 23 to 25 of the "Management Discussion and Analysis" which set out the principal risks and uncertainties identified by the Group's risk management and internal control systems.

Shareholders' Rights

Convening an extraordinary general meeting and putting forward proposals at general meetings

Pursuant to Article 64 of the Company's Memorandum and Articles of Association, one or more shareholders holding not less than one-tenth of the paid up capital of the Company shall have the right to deposit a written requisition to the Board, or the secretary of the Board, specifying the requested business to be considered and, if the Board thinks fit, the Board will proceed to convene an extraordinary general meeting ("EGM") for the business specified in such requisition. If within 21 days of such deposit of a written requisition, the Board fails to proceed to convene such an EGM, the requesting shareholder(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by him (them) as a result of the failure of the Board shall be reimbursed to him (them) by the Company.

企業管治報告

Corporate Governance Report

股東權利(續)

股東提名一名人士競選董事之程序

根據本公司組織章程大綱及組織章程細則第113條，股東有意提名一名人士競選董事職位之書面通知，以及該名人士表明有意參選之書面通知可遞交至本公司之總辦事處或本公司之註冊辦事處，惟規定遞交通知之通知期將不早於指定舉行選舉之股東大會之通告寄發後翌日開始，及不遲於該股東大會舉行日期前七日結束，惟該期間須至少為七日。

股東務請注意，參選本公司董事須遵守本公司其他相關部分之組織章程大綱及組織章程細則、上市規則、以及開曼群島及香港之適用法律。

總辦事處：香港新界元朗唐人新村屏唐東街9號合興大廈2樓E及F室

註冊辦事處：Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands

向董事會作出查詢

股東可於本公司股東大會向董事會提出查詢，亦可於任何時間以書面形式向董事會作出查詢，有關書面查詢須交予本公司之公司秘書，其聯絡資料如下：

合興集團控股有限公司
香港
新界
元朗
唐人新村
屏唐東街9號
合興大廈
2樓E及F室

電話：852-2785 2681
傳真：852-2786 2155
電郵：ir@hopping.com

Shareholders' Rights (Continued)

Procedures for shareholders to propose a person for election as a director

Pursuant to Article 113 of the Company's Memorandum and Articles of Association, shareholders may lodge a notice in writing of the intention to propose a person for election as a director and a notice in writing by that person of his willingness to be elected at the Company's Head Office or at the Company's Registered Office provided that the period for lodgment of the notices required will commence no earlier than the day after the despatch of the notice of general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and where such period shall be at least 7 days.

Shareholders should note that election of a director of the Company is subject to other relevant parts of the Company's Memorandum and Articles of Association, the Listing Rules, and applicable laws in Cayman Islands and Hong Kong.

Head Office：Flats E&F, 2/F, Hop Hing Building, 9 Ping Tong Street East, Tong Yan San Tsuen, Yuen Long, New Territories, Hong Kong

Registered Office：Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands

Sending enquiries to the Board

Shareholders may raise their enquiries to the Board at the general meetings of the Company or may at any time send their written enquiries to the Board by delivering it to the company secretary of the Company whose contact details are as follows:

Hop Hing Group Holdings Limited
Flats E&F, 2/F,
Hop Hing Building,
9 Ping Tong Street East,
Tong Yan San Tsuen,
Yuen Long,
New Territories,
Hong Kong

Tel: 852-2785 2681
Fax: 852-2786 2155
Email: ir@hopping.com

企業管治報告

Corporate Governance Report

憲章文件

本公司之組織章程大綱及組織章程細則於二零一八年內並無變動。組織章程大綱及組織章程細則綜合版已同時刊載於港交所及本公司網站。

與股東之溝通

董事會不斷維持與全體股東之間具透明度之通訊，特別是在股東大會上與股東溝通及鼓勵彼等參與。本公司亦透過各種其他方式與股東溝通，包括刊登年報及中期報告、公佈、通函及登載於本公司網站：<http://www.hopping.com>有關本集團業務活動及發展之其他資料。本公司已制訂股東溝通政策，並已刊載於本公司網站。

二零一八年董事／委員會成員出席記錄

Constitutional Documents

There was no change to the Company's Memorandum and Articles of Association during the year 2018. A copy of the consolidated version of the Memorandum and Articles of Association has been posted on the websites of both the HKEx and the Company.

Communication With Shareholders

The Board maintains an ongoing and transparent communication with all shareholders and, in particular, will communicate with shareholders in general meetings and encourage their participation. The Company will also communicate with its shareholders by various other means, such as publication of annual and interim reports, announcements, circulars and additional information on the Group's business activities and development on the Company's website: <http://www.hopping.com>. A shareholders' communication policy of the Company has been established and posted on the Company's website.

Directors' / Committee Members' Attendance Records in 2018

董事姓名	Name of Director	已出席／可出席之會議				
		Meeting attended/eligible to attend				
		全體董事會	審核委員會	薪酬委員會	提名委員會	股東週年大會 [#]
Full Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting [#]		
獨立非執行董事	Independent Non-Executive Directors					
司徒振中(董事會主席及提名委員會主席)	Seto Gin Chung, John (Chairman of the Board and of the nomination committee)	6/6	2/2	2/2	1/1	1/1
史習陶(薪酬委員會主席)	Sze Tsai To, Robert (Chairman of the remuneration committee)	5/6	2/2	2/2	不適用 N/A	1/1
石禮謙	Shek Lai Him, Abraham	6/6	不適用 N/A	2/2	1/1	1/1
溫世昌(審核委員會主席)	Wan Sai Cheong, Joseph (Chairman of the audit committee)	6/6	2/2	不適用 N/A	不適用 N/A	1/1
非執行董事	Non-Executive Director					
林鳳明	Lam Fung Ming, Tammy	6/6	不適用 N/A	不適用 N/A	不適用 N/A	1/1
執行董事	Executive Directors					
洪明基(行政總裁)	Hung Ming Kei, Marvin (Chief Executive Officer)	6/6	不適用 N/A	不適用 N/A	1/1	1/1
黃國英	Wong Kwok Ying	6/6	不適用 N/A	不適用 N/A	不適用 N/A	1/1

[#] 本公司於二零一八年六月八日舉行二零一八年股東週年大會

[#] 2018 annual general meeting of the Company was held on 8 June 2018.

董事會報告

Report of the Directors

本公司董事(「董事」)欣然提呈本公司及本集團截至二零一八年十二月三十一日止年度之報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股。本集團之附屬公司主要從事快餐連鎖業務(「快餐業務」)，主要在中國北部地區以「吉野家」品牌銷售飯類產品及以「冰雪皇后」品牌銷售冰淇淋。本集團主要附屬公司之詳情載於財務報表附註35。

業務回顧

本集團業務回顧、本集團主要風險及不明朗因素之說明、本集團於回顧期內參考主要財務績效指標之表現、重要事件之詳情、主要關係、環境政策及執行情況、對法律法規的合規情況以及對本集團業務可能未來發展之提示，已載列於本年報「管理層討論及分析」一節，並構成本報告的一部份。

業績及股息

本集團截至二零一八年十二月三十一日止年度之溢利及本集團於該日之財政狀況載於財務報表第75至170頁。

於報告期終後，董事於二零一九年三月二十八日就截至二零一八年十二月三十一日止年度建議派發末期股息每股0.61港仙(二零一七年：每股0.83港仙)。建議派發之末期股息須待本公司股東於即將在二零一九年六月十三日舉行的應屆股東週年大會(「股東週年大會」)批准後，方告作實，並將派付予於二零一九年六月二十日營業時間結束時名列本公司股東名冊之股東。本財務報表並無反映建議之應付末期股息。

財務資料概要

本集團於過去五個財政年度之業績及資產與負債概要載於第171及172頁。此概要並非經審核財務報表之組成部份。

股本

於截至二零一八年十二月三十一日止年度之股本及已發行股份詳情載於財務報表附註24。

The directors of the Company (the "Directors") are pleased to present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2018.

Principal Activities

The principal activity of the Company is investment holding. The subsidiaries of the Group are mainly engaged in the operation of quick service restaurant chain business ("QSR Business"), principally selling rice bowl under the brand name of Yoshinoya (吉野家) and ice-cream under the brand name of Dairy Queen (冰雪皇后), in northern part of China. Details of the principal subsidiaries of the Group are set out in note 35 to the financial statements.

Business Review

A review of the Group's business, a description of the principal risks and uncertainties of the Group, the performance of the Group in the period under review with reference to key financial performance indicators, the particulars of important events, key relationships, the environmental policies and performance, the compliance with laws and regulations and indications of likely future development in the Group's business have been included in the "Management Discussion and Analysis" section of this Annual Report which forms part of this report.

Results and Dividends

The Group's profits for the year ended 31 December 2018 and the Group's financial position at that date are set out in the financial statements on pages 75 to 170.

Subsequent to the end of the reporting period, on 28 March 2019, the directors recommended the payment of a final dividend of HK0.61 cent per share for the year ended 31 December 2018 (2017: HK0.83 cent per share). The recommended final dividend which is subject to the approval of the Company's shareholders at the forthcoming annual general meeting ("AGM") to be held on 13 June 2019 will be payable to shareholders whose names appear on the register of members of the Company at the close of business on 20 June 2019. These financial statements do not reflect the recommended final dividend payable.

Summary Financial Information

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 171 and 172. This summary does not form part of the audited financial statements.

Share Capital

Details of the share capital and shares issued in the year ended 31 December 2018 are set out in note 24 to the financial statements.

董事會報告

Report of the Directors

可供分派儲備

本公司可供分派儲備之詳情載於財務報表附註34。

購買、出售或贖回本身上市證券

截至二零一八年十二月三十一日止年度，於二零一五年三月二十日採納本公司股份獎勵計劃（「股份獎勵計劃」）之受託人，支付總代價港幣約11,594,000元，以在香港聯合交易所有限公司（「聯交所」）購買本公司合共73,136,000股股份。由於受託人根據股份獎勵計劃及信託契據因股份獎勵而持有股份，因此該等股份並無註銷。除以上者外，截至二零一八年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

董事

本公司於年內及截至本報告日期之董事如下：

司徒振中** (主席)
洪明基# (行政總裁)
史習陶**
石禮謙**
溫世昌**
林鳳明*
黃國英#

* 非執行董事
** 獨立非執行董事
執行董事

所有董事須根據本公司修訂及重編之組織章程大綱及組織章程細則之條文，於本公司之股東週年大會上輪值退任及接受重選。於股東週年大會上，司徒振中先生、溫世昌先生及洪明基先生將退任，惟符合資格並願重選連任。

根據上市規則第3.13條，本公司已收到全體獨立非執行董事之年度獨立性書面確認函件，確認彼等於截至二零一八年十二月三十一日止年度內已符合第3.13條所載獨立性指引，因此，本公司視彼等為獨立人士。

Distributable Reserves

Details of the distributable reserves of the Company are set out in note 34 to the financial statements.

Purchase, Sale or Redemption of Own Listed Securities

During the year ended 31 December 2018, the trustee of the Company's share award scheme (the "Share Award Scheme") adopted on 20 March 2015, paid for purchase of a total of 73,136,000 shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at a total consideration of approximately HK\$11,594,000. As the shares are held by the trustee for the award of shares pursuant to the Share Award Scheme and the trust deed, the shares were therefore not cancelled. Apart from the above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company's listed securities during the year ended 31 December 2018.

Directors

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

Seto Gin Chung, John** (Chairman)
Hung Ming Kei, Marvin# (Chief Executive Officer)
Sze Tsai To, Robert**
Shek Lai Him, Abraham**
Wan Sai Cheong, Joseph**
Lam Fung Ming, Tammy*
Wong Kwok Ying#

* Non-executive director
** Independent non-executive director
Executive director

All directors are subject to retirement by rotation and re-election at the AGM of the Company in accordance with the provisions of the Company's amended and restated memorandum and articles of association. At the AGM, Mr. Seto Gin Chung, John, Mr. Wan Sai Cheong, Joseph and Mr. Hung Ming Kei, Marvin will retire and, being eligible, offer themselves for re-election.

Pursuant to Rule 3.13 of the Listing Rules, the Company has received a written annual confirmation of independence from each of all independent non-executive directors confirming that they had met the independence guidelines set out in Rule 3.13 during the year ended 31 December 2018, and as such the Company considered them to be independent.

董事會報告

Report of the Directors

董事資料更改

根據上市規則第13.51B(1)條，自本公司最近刊登之中期報告起及截止本年報日期，有關本公司董事之資料的更改及更新如下：

本公司獨立非執行董事**史習陶先生**自二零一八年十月二十四日起辭任香港中旅國際投資有限公司之獨立非執行董事。

Change of Information on Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes and updated information regarding the Directors of the Company since the Company's last published interim report and up to the date of this annual report is set out below:

Mr. Sze Tsai To, Robert, an independent non-executive director of the Company, resigned as an independent non-executive director of China Travel International Investment Hong Kong Limited with effect from 24 October 2018.

董事會報告

Report of the Directors

董事之履歷 Directors' Biographies

(a) 獨立非執行董事 Independent Non-Executive Directors



司徒振中先生，現年70歲，二零一六年三月二十五日獲委任為董事會主席。司徒先生於二零零六年四月二十五日獲委任為本集團董事，亦為本公司提名委員會主席、審核委員會及薪酬委員會成員。彼自二零零六年一月起擔任翔鷹資產管理有限公司之董事。彼為萬成集團股份有限公司及九龍建業有限公司之獨立非執行董事。彼於一九八二年至二零零一年為滙豐金融服務(亞洲)有限公司之行政總裁。彼於二零零零年至二零零三年出任香港交易及結算所有限公司之非執行董事，於一九九四年至二零零零年擔任聯交所理事會理事，並於一九九七年至二零零零年出任聯交所第一副主席。彼於二零一零年十月二十八日至二零一三年五月二十一日股東週年大會結束時曾經為賽得利控股有限公司之非執行董事(該公司於二零一零年十二月八日成為聯交所上市公司)。彼於二零一八年五月十七日退任中國光大控股有限公司之獨立非執行董事。彼持有美國紐約大學工商管理碩士學位，在證券及期貨業累積逾三十年經驗。

Mr. Seto Gin Chung, John, aged 70, was appointed as the Chairman of the Board on 25 March 2016. Mr. Seto has been appointed as a director of the Group since 25 April 2006 and is the chairman of the nomination committee and a member of each of the audit committee and remuneration committee of the Company. Mr. Seto is a director of Pacific Eagle Asset Management Limited since January 2006. He is an independent non-executive director of MS Group Holdings Limited and Kowloon Development Company Limited. He was the Chief Executive Officer of HSBC Broking Services (Asia) Limited from 1982 to 2001. He was a non-executive director of Hong Kong Exchanges and Clearing Limited from 2000 to 2003, a council member of the Stock Exchange from 1994 to 2000 and was the first vice chairman of the Stock Exchange from 1997 to 2000. He had been a non-executive director of Sateri Holdings Limited, which became a listed company on the Stock Exchange on 8 December 2010, for the period from 28 October 2010 until the conclusion of the annual general meeting on 21 May 2013. He retired as an independent non-executive director of China Everbright Limited on 17 May 2018. He holds a Master of Business Administration degree from New York University, USA and has over 30 years of experience in the securities and futures industry.



史習陶先生，現年78歲，於二零零零年六月一日獲委任為本集團董事，亦為本公司薪酬委員會主席及審核委員會成員。史先生為英格蘭及威爾士特許會計師公會及香港會計師公會之資深會員。彼曾為一間國際會計師行之合夥人，執業逾二十年之久。彼亦為香港多間上市公司之獨立非執行董事，包括大新銀行集團有限公司、大新金融集團有限公司、南洋集團有限公司及新華滙富金融控股有限公司。彼於二零一八年十月二十四日辭任香港中旅國際投資有限公司之獨立非執行董事。

Mr. Sze Tsai To, Robert, aged 78, was appointed as a director of the Group on 1 June 2000 and is the chairman of the remuneration committee and a member of the audit committee of the Company. Mr. Sze is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants and was a partner in an international firm of accountants with which he practiced for over 20 years. He is also an independent non-executive director of a number of Hong Kong listed companies including Dah Sing Banking Group Limited, Dah Sing Financial Holdings Limited, Nanyang Holdings Limited and Sunwah Kingsway Capital Holdings Limited. He resigned as an independent non-executive director of China Travel International Investment Hong Kong Limited on 24 October 2018.

董事會報告

Report of the Directors

董事之履歷(續) Directors' Biographies (Continued)

(a) 獨立非執行董事(續) Independent Non-Executive Directors (Continued)



石禮謙議員，GBS太平紳士，現年73歲，於二零零七年一月一日獲委任為本集團獨立非執行董事，亦為本公司薪酬委員會及提名委員會成員。石先生畢業於澳洲雪梨大學，持有文學學士學位。彼自二零零零年起為香港特區立法會代表地產及建築功能界別之議員。現時，石先生為香港科技大學校董會成員及香港大學校董會及校務委員會成員。彼於二零一七年一月一日獲委任為廉政公署貪污問題諮詢委員會委員。石先生於一九九五年獲委任為太平紳士，並於二零零七年獲頒授銀紫荊星章，亦於二零一三年七月獲授金紫荊星章。石先生於二零一五年三月十七日起獲委任為強制性公積金計劃管理局之非執行董事。彼為多間香港上市公司之獨立非執行董事，包括新創建集團有限公司、百利保控股有限公司、利福國際集團有限公司、莊士機構國際有限公司、碧桂園控股有限公司、香港鐵路有限公司、澳門博彩控股有限公司、華潤水泥控股有限公司、麗豐控股有限公司、四海國際集團有限公司、光大永年有限公司及資本策略地產有限公司。彼由二零一八年一月二十六日下午四時起辭任勤達集團國際有限公司之獨立非執行董事。彼亦曾分別於截至二零一七年三月二十八日下午四時正、二零一六年三月十日與二零一七年一月五日，擔任德祥企業集團有限公司(現稱保德國際發展企業有限公司)、帝盛酒店集團有限公司及啟迪國際有限公司之獨立非執行董事。石先生為莊士中國投資有限公司之主席及獨立非執行董事。石先生自二零一七年一月九日起擔任高銀金融(集團)有限公司之獨立非執行董事。其亦為德祥地產集團有限公司之副主席及獨立非執行董事。石先生現亦為鷹君資產管理(冠君)有限公司(冠君產業信託之管理人)及富豪資產管理有限公司(富豪產業信託之管理人)之獨立非執行董事。

Hon. Shek Lai Him, Abraham, GBS, JP, aged 73, was appointed as an independent non-executive director of the Group on 1 January 2007 and is a member of each of the remuneration committee and the nomination committee of the Company. Mr. Shek graduated from the University of Sydney, Australia with a Bachelor of Arts degree. He has been a member of the Legislative Council of the HKSAR representing real estate and construction functional constituency since 2000. Currently, Mr. Shek is a member of the Court of The Hong Kong University of Science & Technology, a member of the Court and Council of The University of Hong Kong, and has been appointed as a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption (ICAC) as from 1 January 2017. Mr. Shek was appointed as Justice of the Peace in 1995 and awarded Silver Bauhinia Star in 2007 and received Gold Bauhinia Star Award in July 2013. Mr. Shek was appointed as a non-executive director of Mandatory Provident Fund Schemes Authority with effect from 17 March 2015. He is an independent non-executive director of a number of Hong Kong listed companies including NWS Holdings Limited, Paliburg Holdings Limited, Lifestyle International Holdings Limited, Chuang's Consortium International Limited, Country Garden Holdings Company Limited, MTR Corporation Limited, SJM Holdings Limited, China Resources Cement Holdings Limited, Lai Fung Holdings Limited, Cosmopolitan International Holdings Limited, Everbright Grand China Assets Limited and CSI Properties Limited. He resigned as an independent non-executive director of Midas International Holdings Limited as from 4 p.m. on 26 January 2018. He was an independent non-executive director of ITC Corporation Limited (now known as PT International Development Corporation Limited) until 4 p.m. on 28 March 2017, and of Dorsett Hospitality International Limited until 10 March 2016 and of TUS International Limited until 5 January 2017. Mr. Shek is the chairman and an independent non-executive director of Chuang's China Investments Limited. Mr. Shek is an independent non-executive director of Goldin Financial Holdings Limited as from 9 January 2017. He is also the vice chairman and an independent non-executive director of ITC Properties Group Limited. Mr. Shek is also an independent non-executive director of Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust and an independent non-executive director of Regal Portfolio Management Limited, the manager of Regal Real Estate Investment Trust.

董事會報告

Report of the Directors

董事之履歷(續) Directors' Biographies (Continued)

(a) 獨立非執行董事(續) Independent Non-Executive Directors (Continued)



溫世昌先生，65歲，於二零一六年二月二日獲委任為本公司董事會獨立非執行董事，亦為本公司審核委員會主席。溫先生為英格蘭及威爾士特許會計師公會、英國特許仲裁學會、董事學會、皇家藝術學會及香港會計師公會資深會員。溫先生現為香港國際仲裁中心副主席及其財務與行政委員會之主席。溫先生之前曾分別於二零一二年二月至二零一四年九月期間擔任倫敦國際仲裁院(London Court of International Arbitration)董事及於二零零九年六月至二零一四年九月期間擔任英國國際爭議解決中心(International Dispute Resolution Centre)董事。在一九七八年合資格成為特許會計師後，溫先生於一九七八年至一九八七年期間在香港畢馬威會計師事務所就職，期間於其倫敦辦事處效力一年。於一九八七年，溫先生加盟迪生創建(國際)有限公司(一間於香港聯交所上市之公司，在東南亞分銷名貴產品)，擔任其集團財務總監，分別於一九八七年及一九九一年負責收購巴黎S.T. Dupont及倫敦Harvey Nichols。於一九九二年至二零一四年期間，溫先生擔任英國Harvey Nichols集團之行政總裁，該集團於一九九六年至二零零三年期間在倫敦證券交易所上市。溫先生於一九九九年五月獲委任為S.T. Dupont S.A.(一間於巴黎證券交易所上市之公司)監事會成員，並於二零零八年一月獲選為監事會主席，直至二零一四年九月退任。溫先生自二零一八年二月九日起擔任雅居樂雅生活服务股份有限公司之獨立非執行董事。溫先生在國際稅務規劃、交易盡職審查及法務會計方面擁有專業特長。此外，彼亦在業務週轉、併購、公司財務、百貨零售、食肆營運及全球名貴產品市場方面擁有專長。

Mr. Wan Sai Cheong, Joseph, aged 65, was appointed as an independent non-executive director of the Board on 2 February 2016 and is the chairman of the audit committee of the Company. Mr. Wan is a Fellow member of the Institute of Chartered Accountants in England and Wales, the Chartered Institute of Arbitrators, the Institute of Directors, the Royal Society of Arts and the Hong Kong Institute of Certified Public Accountants. Mr. Wan currently serves as a vice chairperson of the Hong Kong International Arbitration Centre and chairperson of its finance and administration committee. Formerly, Mr. Wan was a director of the London Court of International Arbitration and of the International Dispute Resolution Centre in the UK for the periods from February 2012 to September 2014 and from June 2009 to September 2014, respectively. After qualifying as a Chartered Accountant in 1978, Mr. Wan worked for KPMG in Hong Kong from 1978 to 1987, spending a year at their London Office. In 1987, Mr. Wan joined Dickson Concepts International Limited, a company listed on the Hong Kong Stock Exchange and distributes luxury goods in South East Asia, as their Group Finance Director and was responsible for the acquisitions of S.T. Dupont, Paris in 1987 and Harvey Nichols, London in 1991. Mr. Wan was the Chief Executive of the Harvey Nichols Group in the United Kingdom from 1992 to 2014, which was listed on the London Stock Exchange from 1996 to 2003. Mr. Wan was appointed as a board member of the Supervisory Board of S.T. Dupont S.A. (a company listed on the Paris Bourse) in May 1999 and he was elected the Chairman of the Supervisory Board in January 2008 until retirement in September 2014. Mr. Wan is an independent non-executive director of A-Living Services Co., Ltd as from 9 February 2018. Mr. Wan's professional expertise is in the areas of international tax planning, transaction due diligence and forensic accounting. He also has gained expertise in business turnarounds, mergers and acquisitions, corporate finance, department store retailing, restaurant operations and the global luxury markets.

董事會報告

Report of the Directors

董事之履歷(續) Directors' Biographies (Continued)

(b) 非執行董事 Non-Executive Director



林鳳明女士，現年55歲，於一九九零年加入本集團，於二零零四年十一月一日獲委任為本集團執行董事，並於二零一三年六月二十八日調任為非執行董事。於調任前，林女士為本集團首席營運總監，負責有關本集團食用油業務之銷售業務、製造、品質保證及產品開發。林女士持有香港理工大學食品科技理學學士學位及化學科技高級文憑，具有逾二十五年食油及食品業經驗。目前，彼為食用油集團之董事及僱員，而食用油集團是由本公司之控股股東間接控制。

Ms. Lam Fung Ming, Tammy, aged 55, joined the Group in 1990 and was appointed as an executive director of the Group on 1 November 2004, and re-designated as a non-executive director on 28 June 2013. Prior to the re-designation, Ms. Lam was the Chief Operating Officer of the Group responsible for the sales activities, manufacturing, quality assurance and product development of the Group's edible oils business. Ms. Lam holds a Bachelor of Science degree in Food Science and Technology and a Higher Diploma in Chemical Technology from the Hong Kong Polytechnic University. She has over 25 years' experience in the oil and food industry. Currently, she is a director and an employee of the edible oils group which is indirectly controlled by controlling shareholders of the Company.

董事會報告

Report of the Directors

董事之履歷(續) Directors' Biographies (Continued)

(c) 執行董事 Executive Directors



洪明基先生，現年48歲，為本集團行政總裁，負責本集團之業務。彼於二零一二年三月十二日獲委任為本集團之執行董事兼行政總裁。洪先生為本公司提名委員會成員。洪先生於一九九二年畢業於美國南加州大學，獲得理學士學位，主修會計，其後取得中歐國際工商學院的工商管理碩士學位。洪先生擁有超過二十年商業管理及快餐業務經驗。如「主要股東及其他人士於股份及相關股份中之權益及淡倉」一節所披露，根據證券及期貨條例，洪先生為本公司之主要股東。

Mr. Hung Ming Kei, Marvin, aged 48, is the Chief Executive Officer of the Group with overall responsibility for the business of the Group. He was appointed an executive director and the Chief Executive Officer of the Group on 12 March 2012. Mr. Hung is a member of the nomination committee of the Company. Mr. Hung holds a Bachelor's degree in Science majoring in Accounting from the University of Southern California in the United States of America in 1992 and a Master's degree in Business Administration from China Europe International Business School. Mr. Hung has over 20 years of experience in business management and quick service restaurant operations. By virtue of the Securities and Futures Ordinance, Mr. Hung is a substantial shareholder of the Company as disclosed in the section under "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares".



黃國英先生，現年59歲，本集團公司秘書及集團合規總監，於二零零零年一月十日獲委任為本集團董事。黃先生為香港會計師公會資深會員。彼擁有逾三十五年財務、會計及核數經驗。彼於一九九零年加入本集團前，曾任職於一間香港國際會計師行。

Mr. Wong Kwok Ying, aged 59, is the Company Secretary and the Group Comptroller of the Group and was appointed as a director of the Group on 10 January 2000. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants. He has over 35 years' finance, accounting and audit experience. Prior to joining the Group in 1990, he worked with one of the international accounting firms in Hong Kong.

董事會報告

Report of the Directors

董事薪酬

有關董事薪酬之詳情具名載列於財務報表附註8內。

董事於交易、安排及合約之重大權益

於年末時或於年內任何時間，本公司或其任何附屬公司概無訂立與本公司業務有重大關係而本公司任何董事及董事的關連人士在其中直接或間接擁有重大利益之交易、安排及合約。

於競爭業務之權益

概無本公司董事在與本集團的業務直接或間接構成競爭或可能構成競爭之其他業務中佔有權益。

董事之服務合約

所有擬在股東週年大會上重選連任之董事概無與本公司訂立任何本公司不可於一年內免付賠償(法定賠償除外)終止之服務合約。

管理合約

截至二零一八年十二月三十一日止年度，概無訂立或存在有關本集團全部或任何重要部份業務的管理及行政之合約。

股本相連協議

向董事及獲選合資格僱員授予購股權

本公司所採納的購股權計劃，目的是為對本集團經營成功作出貢獻之董事及合資格僱員給予獎勵及酬謝。本公司購股權計劃詳情載於財務報表附註25。於回顧年內，503,513,000份購股權獲授出及36,000,000份購股權歸屬。年內並無行使購股權，亦無發行任何股份。

向合資格僱員授出獎勵股份

股份獎勵計劃的採納是為肯定合資格僱員作出之貢獻並向彼等提供獎勵。股份獎勵計劃詳情及授出獎勵股份之詳情載於財務報表附註26。截至二零一八年十二月三十一日止年度授出38,699,120股獎勵股份。該等獎勵股份受到董事會全權酌情釐定之條件及歸屬時間表所規限。

Directors' Emoluments

Details of the emoluments of the directors on a named basis are set out in note 8 to the financial statements.

Directors' Material Interests in Transactions, Arrangements and Contracts

No transactions, arrangements and contracts that were significant in relation to the Company's business to which the Company or any of its subsidiaries was a party and in which any director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Interests in Competing Business

None of the directors of the Company had interests in other business, which competes or is likely to compete, either directly or indirectly, with the Group's business.

Directors' Service Contracts

None of the directors proposed for re-election at the AGM is a party to any service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year ended 31 December 2018.

Equity-Linked Agreements

Share options granted to directors and selected eligible employees

The share option scheme of the Company was adopted for the purpose of incentivizing and rewarding our directors and eligible employees who contribute to the success of the operations of the Group. Details of the share option scheme of the Company are set out in note 25 to the financial statements. During the year under review, 503,513,000 share options were granted and 36,000,000 share options were vested. No share options were exercised and no shares were issued during the year.

Award shares granted to eligible employees

The Share Award Scheme was adopted as a means to recognise the contribution of and to provide incentives for the eligible employees. Details of the Share Award Scheme and details of the award shares granted are set out in note 26 to the financial statements. 38,699,120 award shares were granted during the year ended 31 December 2018. The award shares are subject to conditions and vesting schedules as determined by the Board in its sole discretion.

董事會報告

Report of the Directors

允許之彌償保證條文

除了本集團董事及高級職員受到董事及高級職員責任保險之保障外，並無其他以本公司或其附屬公司的任何董事或前任董事（如適用）為受益人之允許彌償保證條文生效。

董事及行政總裁於股份及相關股份中之權益及淡倉

於二零一八年十二月三十一日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條存置之登記冊所記錄，或根據上市規則附錄十標準守則向本公司及聯交所知會者，董事及行政總裁於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份及相關股份中擁有之權益如下：

於本公司普通股之權益

Permitted Indemnity Provision

Save for the directors' and officers' liability insurance coverage for the directors and officers of the Group, no other permitted indemnity provision for the benefit of any director or who had been a director of the Company, or of its subsidiaries, where applicable, is in force.

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2018, the interests of the directors and chief executive in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules, were as follows:

Interests in ordinary shares of the Company

所持股份數目、身份及權益性質
Number of shares held, capacity and nature of interest

董事姓名	Name of director	直接及實益擁有	透過受控制法團	信託之受益人	總計	佔本公司已發行股本之百分比
		Directly and beneficially owned	Through controlled corporation	Beneficiary of a trust	Total	Percentage of the Company's issued share capital
司徒振中	Seto Gin Chung, John	500,847	-	-	500,847	0.005%
洪明基	Hung Ming Kei, Marvin	72,652,163	3,412,399,373	73,332,815	3,558,384,351	35.335%
			附註 (i) note (i)	附註 (ii) note (ii)		
史習陶	Sze Tsai To, Robert	2,454,678	-	-	2,454,678	0.024%

附註：

- (i) 3,412,399,373 股股份由一項全權信託實益擁有，而洪明基先生實益擁有該項全權信託之受託人。
- (ii) 73,332,815 股股份由一項全權信託實益擁有，而該信託之全權受益人包括洪明基先生擁有一間公司。

Notes:

- (i) 3,412,399,373 shares were beneficially owned by a discretionary trust, the trustee of which is beneficially owned by Mr. Hung Ming Kei, Marvin.
- (ii) 73,332,815 shares were beneficially owned by a discretionary trust whose discretionary beneficiaries included a company owned by Mr. Hung Ming Kei, Marvin.

除上文所披露者及財務報表附註25所披露授予董事之購股權外，於二零一八年十二月三十一日，概無董事於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中，擁有須根據證券及期貨條例第352條作出記錄之權益或淡倉，或須根據標準守則知會本公司及聯交所之權益或淡倉。

Save as disclosed above and the share options granted to the directors as disclosed in note 25 to the financial statements, as at 31 December 2018, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事會報告

Report of the Directors

主要股東及其他人士於股份及相關股份中之權益及淡倉

於二零一八年十二月三十一日，按本公司所獲知會及根據本公司遵照證券及期貨條例第336條所存置之登記冊所記錄，主要股東／其他人士於本公司股份及相關股份中之權益如下：

於本公司普通股之權益

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2018, the interests of substantial shareholders/other persons in the shares and underlying shares of the Company, as notified to the Company and recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Interests in Ordinary Shares of the Company

股東名稱	Name of shareholder	附註	所持普通股 數目	佔本公司已發行 股本之百分比
		Notes	Number of ordinary shares held	Percentage of the Company's issued share capital
True Force Ventures Limited	True Force Ventures Limited	(i)	1,408,783,784	13.99%
Earn Field International Limited	Earn Field International Limited	(ii)	1,408,783,784	13.99%
H H Hung (2008) Limited	H H Hung (2008) Limited	(iii)	3,579,187,103	35.54%
洪克協	Hung Hak Hip, Peter	(iv)	3,929,297,734	39.02%
洪鄧蘊玲	Hung Diana Wan Ling	(v)	3,929,297,734	39.02%
Winner Planet Limited	Winner Planet Limited	(vi)	1,625,526,805	16.14%
Creative Mount Limited	Creative Mount Limited	(vii)	1,587,229,730	15.76%
North China Fast Food (2008) Limited	North China Fast Food (2008) Limited	(viii)	3,412,399,373	33.89%
Ample Great Ventures Limited	Ample Great Ventures Limited	(ix)	3,412,399,373	33.89%
洪明基	Hung Ming Kei, Marvin	(x)	3,558,384,351	35.33%
Arisaig Asia Consumer Fund Limited	Arisaig Asia Consumer Fund Limited	(xi)	801,620,000	7.96%
Arisaig Partners (Mauritius) Limited	Arisaig Partners (Mauritius) Limited	(xii)	801,620,000	7.96%
Cooper Lindsay William Ernest	Cooper Lindsay William Ernest	(xiii)	801,620,000	7.96%

附註：

(i) 上述所披露之股份之登記持有人。

(ii) 上述所披露之股份之登記持有人。

(iii) H H Hung (2008) Limited 為 166,787,730 股股份之登記持有人。此外，H H Hung (2008) Limited 直接控制 Predominance Limited 在股東大會上超過三分之一的投票權。Predominance Limited 被視為於附註(i)至(ii)所述之股份及本公司若干股東持有之 594,831,805 股股份中擁有權益。

Notes:

(i) The registered holder of the shares disclosed above.

(ii) The registered holder of the shares disclosed above.

(iii) H H Hung (2008) Limited is the registered holder of 166,787,730 shares. In addition, H H Hung (2008) Limited directly controls more than one-third of the voting power at general meetings of Predominance Limited. Predominance Limited is deemed to be interested in the shares mentioned in Notes (i)-(ii) above, and 594,831,805 shares held by certain shareholders of the Company.

董事會報告

Report of the Directors

主要股東及其他人士於股份及相關股份中之權益及淡倉 (續)

於本公司普通股之權益 (續)

附註：(續)

- (iv) 洪克協先生被視為擁有下列權益：
 - (a) 上文附註(iii)所述透過H H Hung (2008) Limited持有之3,579,187,103股股份；
 - (b) 透過Fortune Blessing Limited持有之73,332,815股股份；
 - (c) 透過受控制法團持有之274,766,648股股份；及
 - (d) 透過洪克協先生之配偶洪鄧蘊玲女士持有之2,011,168股股份。
- (v) 洪鄧蘊玲女士透過一間控股公司被視為擁有2,011,168股股份之權益。洪鄧蘊玲女士為洪克協先生之妻子，彼被視為於上文附註(iv)(a)至(c)所述之股份中擁有權益。
- (vi) 上述所披露之股份之登記持有人。
- (vii) 上述所披露之股份之登記持有人。
- (viii) North China Fast Food (2008) Limited間接控制若干登記股東在股東大會上超過三分之一的投票權，包括Winner Planet Limited、Creative Mount Limited及Predominance Fortune Limited。該公司被視為擁有於上文附註(vi)及(vii)所述股份及Predominance Fortune Limited持有之199,642,838股股份之權益。
- (ix) Ample Great Ventures Limited為North China Fast Food (2008) Limited之唯一股東，而North China Fast Food (2008) Limited被視為於上文附註(viii)內所述之股份中擁有權益。
- (x) 洪明基先生持有Ample Great Ventures Limited之全部已發行股本，而彼被視為於上文附註(viii)所述之股份中擁有權益。其亦直接實益擁有72,652,163股股份。此外，73,332,815股股份由一個全權信託實益擁有，其全權受益人包括一家由洪明基先生擁有之公司，而洪明基先生被視為於該等股份中擁有權益。
- (xi) 上述所披露之股份之登記持有人。
- (xii) Arisaig Partners (Mauritius) Limited為Arisaig Asia Consumer Fund Limited之基金經理，該公司被視為於上文附註(xi)所述之股份中擁有權益。
- (xiii) Cooper Lindsay William Ernest先生間接持有Arisaig Partners (Mauritius) Limited在股東大會上三分之一之投票權，彼被視為於上文附註(xi)所述之股份中擁有權益。

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares (Continued)

Interests in Ordinary Shares of the Company (Continued)

Notes: (Continued)

- (iv) Mr. Hung Hak Hip, Peter is deemed to be interested in:
 - (a) 3,579,187,103 shares held through H H Hung (2008) Limited mentioned in Note (iii) above;
 - (b) 73,332,815 shares held through Fortune Blessing Limited;
 - (c) 274,766,648 shares held through controlled corporations; and
 - (d) 2,011,168 shares held through Mrs. Hung Diana Wan Ling, Mr. Hung Hak Hip, Peter's spouse.
- (v) Mrs. Hung Diana Wan Ling is deemed to be interested in 2,011,168 shares held through a controlled corporation. Mrs. Hung Diana Wan Ling is the wife of Mr. Hung Hak Hip, Peter and is deemed to be interested in the shares mentioned in (a) to (c) of Note (iv) above.
- (vi) The registered holder of the shares disclosed above.
- (vii) The registered holder of the shares disclosed above.
- (viii) North China Fast Food (2008) Limited indirectly controls more than one-third of the voting power at general meetings of certain registered shareholders including Winner Planet Limited, Creative Mount Limited and Predominance Fortune Limited. The company is deemed to be interested in the shares mentioned in Notes (vi) and (vii) above and 199,642,838 shares held by Predominance Fortune Limited.
- (ix) Ample Great Ventures Limited is the sole shareholder of North China Fast Food (2008) Limited which is deemed to be interested in shares mentioned in Note (viii) above.
- (x) Mr. Hung Ming Kei, Marvin holds the entire issued share capital of Ample Great Ventures Limited and is deemed to be interested in the shares mentioned in Note (viii) above. He also directly and beneficially owns 72,652,163 shares. In addition, Mr. Hung Ming Kei, Marvin is deemed to be interested in 73,332,815 shares beneficially owned by a discretionary trust whose discretionary beneficiaries included a company owned by him.
- (xi) The registered holder of the shares disclosed above.
- (xii) Arisaig Partners (Mauritius) Limited is the investment manager of Arisaig Asia Consumer Fund Limited and is deemed to be interested in the shares mentioned in Note (xi) above.
- (xiii) Mr. Cooper Lindsay William Ernest indirectly holds one-third of the voting power at general meetings of Arisaig Partners (Mauritius) Limited and is deemed to be interested in the shares mentioned in Note (xi) above.

董事會報告

Report of the Directors

主要股東及其他人士於股份及相關股份中之權益及淡倉(續)

於本公司普通股之權益(續)

除上文所披露者外，於二零一八年十二月三十一日，本公司並無獲悉有任何其他人士(其權益及購股權已分別列於上文「董事及行政總裁於股份及相關股份中之權益及淡倉」及財務報表附註25之本公司董事除外)於本公司股份或相關股份中擁有須記錄於本公司根據證券及期貨條例第336條存置之登記冊中之權益或淡倉。

關連交易及有關連人士交易

除根據上市規則獲豁免遵守有關申報、年度審核、公佈及獨立股東批准之規定的若干關連交易外，董事認為年內概無其他交易構成須遵守上市規則申報規定之關連交易或持續關連交易。

年內進行的有關連人士交易之詳情已在財務報表附註31呈報。該等有關連人士交易概不構成上市規則所界定之須予披露關連交易。

主要客戶及供應商

於回顧年度，對本集團五大客戶之銷售佔年度總銷售少於30%。最大供應商及五大供應商之應佔購買額百分比分別為10.2%及34.5%。

據董事所知，概無董事及其聯繫人及擁有本公司已發行股本超過5%之任何股東，於本年度內擁有本集團五大客戶及五大供應商之任何實益權益。

退休福利計劃

本集團設有定額供款退休福利計劃，即本集團之香港附屬公司合資格參與之僱員適用之強制性公積金計劃(「強積金計劃」)。所作出之供款乃按僱員薪金之百分比計算，並於依照該計劃之規則繳納供款時在損益表中扣除。

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares (Continued)

Interests in Ordinary Shares of the Company (Continued)

Save as disclosed above, as at 31 December 2018, the Company had not been notified of any persons other than the directors of the Company whose interests and share options are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" and in note 25 to the financial statements, respectively, who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Connected Transactions and Related Party Transactions

Save for connected transactions which are exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules, during the year, there were no other transactions which, in the opinion of the directors, constituted connected transactions or continuing connected transactions that were subject to the reporting requirements under the Listing Rules.

Details of related party transactions undertaken during the year have been reported under note 31 to the financial statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules.

Major Customers and Suppliers

In the year under review, sales attributable to the Group's five largest customers accounted for less than 30% of the total sales for the year. The percentage of purchases attributable to the largest supplier and the five largest suppliers were 10.2% and 34.5%, respectively.

To the best knowledge of the directors, neither the directors, their associates, nor any shareholders who own more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest customers and five largest suppliers during the year.

Retirement Benefit Schemes

The Group operates a defined contribution retirement benefits scheme, namely the Mandatory Provident Fund Scheme (the "MPF Scheme"), for the employees of the Group's subsidiaries in Hong Kong who are eligible to participate. Contributions are made based on a percentage of the employees' salaries and charged to the income statement as they become payable in accordance with the rules of the scheme.

董事會報告

Report of the Directors

退休福利計劃 (續)

該計劃之資產乃與本集團之資產分開並由獨立管理基金持有。根據強積金計劃規則，本集團就此計劃作出之僱主供款於供款時全數歸僱員所有。

本集團在中國內地營運之附屬公司之僱員須參加當地政府管理之中央退休金計劃。該等附屬公司須向中央退休金計劃支付薪金成本之指定百分比作為供款。

截至二零一八年十二月三十一日止年度，本集團作出之計劃供款總額約為港幣106,526,000元，並無可用以扣減僱主供款之已沒收供款。

優先認股權

本公司修訂及重編之組織章程細則或開曼群島法例均無任何有關優先認股權之規定，故本公司毋須按比例向現有股東發售新股份。

公眾持股量充足

根據本公司可公開取得之資料及就董事所知，於本報告日期，本公司已發行股本總額中至少25%由公眾人士持有。

其後事項

除截至二零一八年十二月三十一日止年度之建議應付末期股息(須待本公司股東於應屆股東週年大會上批准)外，於本集團報告期後並無重大事項。

核數師

安永會計師事務所任滿告退，而續聘其為本公司核數師之決議案將會於即將舉行之股東週年大會上提呈。

代表董事會

主席
司徒振中
香港
二零一九年三月二十八日

Retirement Benefit Schemes (Continued)

The assets of the scheme are held separately from those of the Group in independently administered funds. In accordance with the rules of the MPF Scheme, the employer's contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local government. These subsidiaries are required to contribute a specified percentage of its payroll costs to the central pension scheme.

For the year ended 31 December 2018, the total scheme contributions made by the Group amounted to approximately HK\$106,526,000 and no forfeited contributions were applied to reduce employer's contributions.

Pre-Emptive Rights

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

Sufficiency of Public Float

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

Subsequent Event

Save for the recommended final dividend payable for the year ended 31 December 2018 which is subject to the approval by shareholders of the Company at the forthcoming AGM, there were no significant events after the reporting period of the Group.

Auditor

Ernst & Young retire and a resolution for their reappointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

On Behalf of the Board

SETO GIN CHUNG, JOHN

Chairman
Hong Kong
28 March 2019

獨立核數師報告 Independent Auditor's Report



致合興集團控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第75至170頁的合興集團控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表,此財務報表包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一八年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照《香港公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部份中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(「守則」),我們獨立於貴集團,並已履行守則中的其他道德責任。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。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。就下列各事項而言,我們是在該背景下提供我們在審計中處理該事項的方式。

To the shareholders of Hop Hing Group Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Hop Hing Group Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 75 to 170, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated income statement, 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 Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), 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.

獨立核數師報告 Independent Auditor's Report

關鍵審計事項 (續)

我們已經履行本報告「核數師就審計綜合財務報表承擔的責任」部分所述的責任，包括與該等事項的責任。因此，我們的審計包括執行程序，以應對我們對綜合財務報表重大錯誤陳述風險的評估。我們的審計程序(包括處理以下事項而採取的程序)的結果，為我們對隨附的綜合財務報表所發表的審計意見提供基礎。

關鍵審計事項 Key audit matter

確認遞延稅項資產

Recognition of deferred tax assets

於二零一八年十二月三十一日，貴集團之遞延稅項資產為港幣49,900,000元，佔非流動資產之15.5%。於釐定可予以確認之遞延稅項資產金額時，須根據日後應課稅溢利可能出現的時間及水平以及未來稅項規劃策略作出重大判斷。

As at 31 December 2018, the Group had deferred tax assets of HK\$49.9 million, representing 15.5% of non-current assets. 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.

有關的披露已載於財務報表附註3及19。

Related disclosures are included in notes 3 and 19 to the financial statements.

存貨撥備

Stocks provision

於二零一八年十二月三十一日，貴集團之存貨為港幣108,800,000元，佔流動資產之12%。由於貴集團存貨主要包括有到期日之食材，存貨撥備是基於預測存貨使用率作出估算，管理層在釐定滯銷存貨時須作出重大判斷。

As at 31 December 2018, the Group had stocks of HK\$108.8 million, representing 12% of current assets. As the stocks of the Group mainly composed of food ingredients, which were subject to expiry, the estimation of the stock provision required management's significant judgement in determining slow moving stocks as these are based on forecast stock usage.

有關的披露已載於財務報表附註3及15。

Related disclosures are included in notes 3 and 15 to the financial statements.

Key Audit Matters (Continued)

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.

我們的審計如何處理關鍵審計事項

How our audit addressed the key audit matter

我們的審計程序包括審閱管理層分析及假設以支持於綜合財務狀況表確認之遞延稅項資產可於日後透過應課稅收入或稅務規劃策略收回之可能性。我們評估有關預期未來應課稅收入之關鍵管理層假設的合理性，方法為將彼等與內部財務預算資料與外部可獲得行業資料進行比較。我們內部的稅務專家亦參與審閱貴集團之稅務狀況。

Our audit procedures included, amongst others, a review of the management's analysis and assumptions supporting the probability that deferred tax assets recognised in the consolidated statement of financial position will be recovered through taxable income or tax planning strategies in the future. We assessed the key management assumptions over expected future taxable income by comparing them against both internal financial budgetary information and external available industry information. We also involved our tax specialists to review the tax positions of the Group.

我們透過將存貨水平與歷史存貨週轉天數進行考慮以評估超額存貨及報廢撥備，並查核過往及後續選定存貨樣品之銷售及使用數據。我們亦與管理層就存在的潛在存貨報廢問題進行討論。我們參加倉庫及門店之實體存貨盤點及進行彙總測試。

We assessed stock excess and obsolescence provisions by considering the stock level against historical stock turnover days and substantively checked to both past and subsequent sales and usage information on selected stock samples. We also discussed with management on any stocks with potential obsolescence problem. We attended physical stock counts at warehouses and stores, and performed compilation test.

獨立核數師報告 Independent Auditor's Report

年報所載的其他資訊

貴公司董事須對其他信息負責。其他信息包括年報內的信息，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了解的情況存在重大抵觸或者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，我們需要報告該等事實。在這方面，我們沒有任何報告。

董事就綜合財務報表所承擔的責任

董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港公司條例的披露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，貴公司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。

貴公司董事在審核委員會協助下，須負責監督貴集團的財務報告過程。

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

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

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

獨立核數師報告 Independent Auditor's Report

核數師就審計綜合財務報表承擔的責任

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

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財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

獨立核數師報告 Independent Auditor's Report

核數師就審計綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

獨立核數師報告 Independent Auditor's Report

核數師就審計綜合財務報表承擔的責任(續)

從與審核委員會溝通的事項中，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鍾育文。

安永會計師事務所

執業會計師

香港

中環

添美道1號

中信大廈22樓

二零一九年三月二十八日

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

The engagement partner on the audit resulting in this independent auditor's report is Chung Yuk Man.

Ernst & Young

Certified Public Accountants

22/F CITIC Tower

1 Tim Mei Avenue

Central

Hong Kong

28 March 2019

綜合損益表

Consolidated Income Statement

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

			二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
		附註 Notes		
營業額	TURNOVER	5	2,373,954	2,218,323
銷售成本	Cost of sales		(874,382)	(809,505)
其他收入及收益淨額	Other income and gains, net	5	16,463	24,559
銷售及分銷費用	Selling and distribution expenses		(1,124,369)	(1,002,908)
一般及行政費用	General and administrative expenses		(210,324)	(188,929)
分佔合營企業之溢利及虧損	Share of profits and losses of joint venture		(432)	–
經營溢利	PROFIT FROM OPERATING ACTIVITIES	6	180,910	241,540
融資成本	Finance costs	7	(736)	(942)
除稅前溢利	PROFIT BEFORE TAX		180,174	240,598
所得稅開支	Income tax expense	10	(57,568)	(73,246)
本公司股權持有人 應佔本年溢利	PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		122,606	167,352
本公司股權持有人 應佔每股盈利	EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	12		
基本	Basic		HK1.25 港仙 cents	HK1.71 港仙 cents
攤薄	Diluted		HK1.24 港仙 cents	HK1.69 港仙 cents

綜合全面收益表

Consolidated Statement of Comprehensive Income

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

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
本年溢利	PROFIT FOR THE YEAR	122,606	167,352
其他全面收益／(支出)	OTHER COMPREHENSIVE INCOME/(EXPENSE)		
將於往後期間重新分類至 損益表之其他全面 收益／(支出)：	Other comprehensive income/(expense) that may be reclassified to income statement in subsequent periods:		
換算海外業務之匯兌差額	Exchange differences on translation of foreign operations	(26,165)	34,739
本年其他全面 收益／(支出)	OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	(26,165)	34,739
本公司股權持有人 應佔本年全面收益總額	TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	96,441	202,091

綜合財務狀況表

Consolidated Statement of Financial Position

二零一八年十二月三十一日 31 December 2018

	附註 Notes	二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000	
非流動資產	NON-CURRENT ASSETS			
物業、廠房及設備	Property, plant and equipment	13	208,449	213,476
於合營企業之投資	Investment in a joint venture	14	11,185	–
遞延稅項資產	Deferred tax assets	19	49,873	44,528
預付款項及租賃按金	Prepayments and rental deposits	20	52,355	51,618
非流動資產總額	Total non-current assets		321,862	309,622
流動資產	CURRENT ASSETS			
存貨	Stocks	15	108,750	111,447
應收賬項	Accounts receivable	16	19,945	17,769
預付款項、按金及其他 應收賬項	Prepayments, deposits and other receivables	20	139,210	97,960
可收回稅項	Tax recoverable		1,336	196
其他金融資產	Other financial assets	21	235,789	48,019
現金及現金等值物	Cash and cash equivalents	22	401,663	641,693
流動資產總額	Total current assets		906,693	917,084
流動負債	CURRENT LIABILITIES			
應付賬項	Accounts payable	17	128,255	153,624
其他應付賬項及應計費用	Other payables and accrued charges	23	404,443	374,664
計息銀行貸款	Interest-bearing bank loan	18	–	10,000
應付稅項	Tax payable		6,801	9,857
流動負債總額	Total current liabilities		539,499	548,145
流動資產淨額	NET CURRENT ASSETS		367,194	368,939
資產總額減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		689,056	678,561
非流動負債	NON-CURRENT LIABILITIES			
遞延稅項負債	Deferred tax liabilities	19	24,041	24,751
淨資產	NET ASSETS		665,015	653,810
權益	EQUITY			
本公司股權持有人應佔 權益	Equity attributable to equity holders of the Company			
已發行股本	Issued share capital	24	1,007,043	1,007,043
儲備	Reserves	27	(342,028)	(353,233)
總權益	TOTAL EQUITY		665,015	653,810

司徒振中
主席
SETO GIN CHUNG, JOHN
CHAIRMAN

洪明基
行政總裁
HUNG MING KEI, MARVIN
CHIEF EXECUTIVE OFFICER

綜合權益變動表

Consolidated Statement of Changes in Equity

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

		本公司股權持有人應佔 Attributable to equity holders of the Company									
		已發行股本	股份溢價賬*	根據股份 獎勵計劃 持有的股份*	合併儲備**	以股份 付款儲備*	匯兌 波動儲備*	法定儲備***	資本及 其他儲備****	保留溢利*	總權益
		Issued share capital	Share premium account*	Share held under share award scheme*	Merger reserve**	Share-based payment reserve*	Exchange fluctuation reserve*	Statutory reserve***	Capital and other reserves****	Retained profits*	Total equity
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
			(附註24) (note 24)	(附註24) (note 24)							
於二零一八年一月一日	At 1 January 2018	1,007,043	3,910,798	(30,078)	(4,857,319)	23,128	7,141	16,439	69,377	507,281	653,810
本年溢利	Profit for the year	-	-	-	-	-	-	-	-	122,606	122,606
本年其他全面 支出：	Other comprehensive expense for the year:										
換算海外業務 之匯兌差額	Exchange differences related to foreign operations	-	-	-	-	-	(26,165)	-	-	-	(26,165)
本年全面收益總額	Total comprehensive income for the year	-	-	-	-	-	(26,165)	-	-	122,606	96,441
股份獎勵計劃歸屬之股份	Vesting of shares of share award scheme	-	-	2,253	-	(1,951)	-	-	-	(302)	-
根據股份獎勵計劃購入股份	Shares purchased under share award scheme	-	-	(11,594)	-	-	-	-	-	-	(11,594)
以股權結算之以股份支付 二零一七年末期股息 (附註11)	Equity-settled share-based payments Final dividend for 2017 (note 11)	-	-	-	-	8,155	-	-	-	-	8,155
		-	(81,797)	-	-	-	-	-	-	-	(81,797)
於二零一八年 十二月三十一日	At 31 December 2018	1,007,043	3,829,001	(39,419)	(4,857,319)	29,332	(19,024)	16,439	69,377	629,585	665,015

綜合權益變動表

Consolidated Statement of Changes in Equity

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

本公司股權持有人應佔

Attributable to equity holders of the Company

		已發行股本	股份溢價賬*	根據股份 獎勵計劃 持有的股份*	合併儲備**	以股份 付款儲備*	匯兌 波動儲備*	法定儲備***	資本及 其他儲備****	保留溢利*	總權益
		Issued share capital	Share premium account*	Share under share award scheme*	Merger reserve**	Share-based payment reserve*	Exchange fluctuation reserve*	Statutory reserve***	Capital and other reserves****	Retained profits*	Total equity
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
			(附註24) (note 24)	(附註24) (note 24)							
於二零一七年一月一日	At 1 January 2017	1,007,043	3,971,055	(27,797)	(4,857,319)	12,668	(27,598)	16,439	69,377	339,929	503,797
本年溢利	Profit for the year	-	-	-	-	-	-	-	-	167,352	167,352
本年其他全面 收入：	Other comprehensive income for the year:										
換算海外業務 之匯兌差額	Exchange differences related to foreign operations	-	-	-	-	-	34,739	-	-	-	34,739
本年全面收益總額	Total comprehensive income for the year	-	-	-	-	-	34,739	-	-	167,352	202,091
根據股份獎勵計劃購入股份	Shares purchased under share award scheme	-	-	(2,281)	-	-	-	-	-	-	(2,281)
以股權結算之以股份支付	Equity-settled share-based payments	-	-	-	-	10,460	-	-	-	-	10,460
二零一六年末期股息 (附註11)	Final dividend for 2016 (note 11)	-	(60,257)	-	-	-	-	-	-	-	(60,257)
於二零一七年 十二月三十一日	At 31 December 2017	1,007,043	3,910,798	(30,078)	(4,857,319)	23,128	7,141	16,439	69,377	507,281	653,810

* 該等儲備賬項包括綜合財務狀況表內儲備之借方餘額港幣 342,028,000 元 (二零一七年：港幣 353,233,000 元)。

合併儲備指於二零一二年收購後所出現附屬公司合興餐飲集團控股有限公司 (「合興快餐」) 的投資成本港幣 4,919,843,000 元 (即代價總額為港幣 4,964,232,000 元扣減合興快餐欠付 Queen Board Limited 及其聯繫人的貸款港幣 44,389,000 元) 超出合興快餐的股本港幣 363,000 元及股份溢價港幣 62,161,000 元之部分。

** 根據中華人民共和國 (「中國」) 公司法，於中國註冊成立的本公司的附屬公司需要將年度法定除稅後溢利 (經抵銷任何過往年度虧損) 之 10% 轉撥至法定儲備基金。當法定儲備基金之結餘達到各實體註冊資本之 50%，則可選擇是否繼續撥款。法定儲備基金可用於抵銷過往年度虧損或增加註冊資本。然而，於動用法定儲備基金後，其結餘最少必須為實體註冊資本之 50%。

*** 資本及其他儲備主要是過往年度從集團重組產生之資本儲備。

* These reserve accounts comprise the reserves in debit balance of HK\$342,028,000 (2017: HK\$353,233,000) in the consolidated statement of financial position.

Merger reserve represents the excess of investment cost in a subsidiary, Hop Hing Fast Food Group Holdings Limited ("Hop Hing Fast Food"), of HK\$4,919,843,000 (being the total consideration of HK\$4,964,232,000 reduced by the loans of HK\$44,389,000 owed by Hop Hing Fast Food to Queen Board Limited and its associates) over the share capital and share premium of Hop Hing Fast Food of HK\$363,000 and HK\$62,161,000, respectively, arose from the acquisition in 2012.

** In accordance with the Company Law of the People's Republic of China (the "PRC"), the Company's subsidiaries registered in the PRC are required to appropriate 10% of the annual statutory net profit after tax (after offsetting any losses of prior years) to the statutory reserve fund. When the balance of the statutory reserve fund reaches 50% of each entity's registered capital, any further appropriation is optional. The statutory reserve fund can be utilised to offset losses of prior years or to increase the registered capital. However, such balance of the statutory reserve fund must be maintained at a minimum of 50% of the registered capital after such usage.

*** Capital and other reserves mainly represent the capital reserve arising from group reorganisation in prior years.

綜合現金流量表

Consolidated Statement of Cash Flows

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

	附註 Notes	二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
經營業務之現金流量	CASH FLOWS FROM OPERATING ACTIVITIES		
除稅前溢利	Profit before tax	180,174	240,598
就以下項目作出調整：	Adjustments for:		
利息收入	Interest income	(8,508)	(8,581)
融資成本	Finance costs	736	942
折舊	Depreciation	99,151	97,147
應收賬項減值撥回	Write-back of impairment of accounts receivable	-	(1,702)
物業、廠房及設備項目減值	Impairment of items of property, plant and equipment	5,906	1,477
出售／撇銷物業、廠房及設備項目之虧損淨額	Loss on disposal/write-off of items of property, plant and equipment, net	9,485	8,271
其他金融資產之公平值收益	Fair value gain on other financial assets	(6,674)	-
分佔合營企業之溢利及虧損	Share of profits and losses of joint venture	432	-
以股權結算之以股份支付開支	Equity-settled shared-based payment expenses	8,155	10,460
		288,857	348,612
存貨減少／(增加)	Decrease/(increase) in stocks	2,697	(16,689)
應收賬項減少／(增加)	Decrease/(increase) in accounts receivable	(2,176)	(7,981)
預付款項、按金及其他應收賬項增加	Increase in prepayments, deposits and other receivables	(41,987)	(33,572)
應付賬項增加／(減少)	Increase/(decrease) in accounts payable	(25,369)	35,202
其他應付賬項及應計費用增加	Increase in other payables and accrued charges	29,779	60,780
經營業務所得之現金	Cash generated from operations	251,801	386,352
已收利息	Interest received	8,508	8,581
退回香港利得稅	Hong Kong profits tax refunded	1,065	847
已繳海外稅項	Overseas tax paid	(71,113)	(81,255)
經營業務所得之現金流量淨額	Net cash flows from operating activities	190,261	314,525
投資活動之現金流量	CASH FLOWS FROM INVESTING ACTIVITIES		
購買物業、廠房及設備項目	Purchases of items of property, plant and equipment	(120,720)	(116,754)
於購入時原訂於三個月以上到期之定期存款減少／(增加)	Decrease/(increase) in time deposits with original maturity of more than three months when acquired	167,679	(89,745)
購買其他金融資產	Purchase of other financial assets	(181,096)	(48,019)
向合營企業注資	Capital contribution to a joint venture	(11,498)	-
投資活動所耗之現金流量淨額	Net cash flows used in investing activities	(145,635)	(254,518)

綜合現金流量表

Consolidated Statement of Cash Flows

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

	附註 Notes	二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
融資活動之 現金流量	CASH FLOWS FROM FINANCING ACTIVITIES		
已付融資成本	Finance costs paid	(736)	(942)
已付股息	Dividends paid	(81,797)	(60,257)
根據股份獎勵計劃購入股份	Shares purchased under share award scheme	(11,594)	(2,281)
償還銀行貸款	Repayment of a bank loan	(10,000)	–
融資活動所耗之現金流量淨額	Net cash flows used in financing activities	(104,127)	(63,480)
現金及現金等值物減少淨額	NET DECREASE IN CASH AND CASH EQUIVALENTS	(59,501)	(3,473)
於年初之現金及現金等值物	Cash and cash equivalents at beginning of year	381,189	366,327
匯率變動影響淨額	Effect of foreign exchange rates changes, net	(12,850)	18,335
於年結之現金及現金等 值物	CASH AND CASH EQUIVALENTS AT END OF YEAR	308,838	381,189
現金及現金等值物結餘 分析	ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
綜合財務狀況表所列之 現金及現金等值物	Cash and cash equivalents as stated in the consolidated statement of financial position	401,663	641,693
減：於購入時原訂於三個月 以上到期之定期存款	Less: Time deposits with original maturity of more than three months when acquired	(92,825)	(260,504)
綜合現金流量表所列之現金 及現金等值物	Cash and cash equivalents as stated in the consolidated statement of cash flows	308,838	381,189

財務報表附註

Notes to Financial Statements

1. 公司及集團資料

本公司為一間於二零零七年八月一日在開曼群島註冊成立之有限公司。本公司註冊辦事處之地址為Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands，而主要營業地點為香港新界元朗唐人新村屏唐東街9號合興大廈2樓E及F室。

本公司之主要業務為投資控股。於本年度內，本公司附屬公司的主要業務並無任何重大變動，即在中國北部地區以「吉野家」及「冰雪皇后」品牌營運快餐（「快餐」）業務。

主要附屬公司之詳情載於財務報表附註35。

2.1 編製基準

該等財務報表乃根據香港會計師公會頒佈之香港財務報告準則（當中包括所有香港財務報告準則、香港會計準則及詮釋）、香港公認之會計原則，以及香港公司條例之披露要求編製。該等財務報表乃採用歷史成本常規法編製，惟按公平值計量的其他金融資產除外。該等財務報表以港幣呈報，除另有說明外，所有金額均調整至最接近之千元。

綜合基準

綜合財務報表包括本公司及其附屬公司（統稱「本集團」）截至二零一八年十二月三十一日止年度之財務報表。附屬公司指本公司直接或間接控制的實體（包括結構化實體）。當本集團通過參與被投資方的相關活動而承擔可變回報的風險或享有可變回報，並且有能力運用對被投資方的權力（即是使本集團目前有能力主導被投資方的相關活動的現時權利）影響該等回報時，即取得控制權。

1. Corporate and Group Information

The Company is a limited liability company incorporated in the Cayman Islands on 1 August 2007. The registered office address of the Company is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The principal place of business of the Company is located at Flats E & F, 2/F., Hop Hing Building, 9 Ping Tong Street East, Tong Yan San Tsuen, Yuen Long, New Territories, Hong Kong.

The principal activity of the Company is investment holding. There was no significant change in the principal activities of the subsidiaries of the Company during the year, which mainly consisted of the operation of quick service restaurants ("QSR") business under the brand names of Yoshinoya and Dairy Queen in northern part of China.

Details of the principal subsidiaries are set out in note 35 to the financial statements.

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for other financial assets which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

財務報表附註

Notes to Financial Statements

2.1 編製基準(續) 綜合基準(續)

當本公司直接或間接擁有少於被投資方大多數的表決或類似權利，在評估其是否擁有對被投資方的權力時，本集團會考慮所有相關事實和情況，包括：

- (a) 與被投資方其他表決權持有人的合同安排；
- (b) 其他合同安排產生的權利；及
- (c) 本集團的表決權及潛在表決權。

附屬公司之財務報表乃按與本公司一致之報告期及會計政策編製。附屬公司之業績自本集團取得控制權當日起被綜合，並繼續綜合直至失去有關控制權之日期為止。

損益表及其他全面收益之各部份會被分配至本公司擁有人及非控股權益，即使該等分配會導致非控股權益產生虧損結餘。所有與集團內公司間之交易相關的資產、負債、權益、收入、開支以及現金流量已在綜合賬目時全數抵銷。

倘事實和情況顯示上述的三項控制因素之一項或多項出現變動，本集團會重新評估其是否仍然控制被投資方。倘並無失去控制權，則附屬公司的所有權權益變動會按權益交易入賬。

倘本集團失去對附屬公司的控制權，則其終止確認(i)該附屬公司的資產(包括商譽)和負債、(ii)任何非控股權益的賬面值及(iii)在權益內記錄的累計匯兌差額；並在損益表中確認(i)所收代價的公平值、(ii)任何保留的投資的公平值和(iii)任何因此產生的盈餘或虧絀。以前在其他全面收益內確認的本集團應佔部份按倘若本集團直接出售相關資產或負債時要求的相同基準適當地重新分類至損益表或保留溢利。

2.1 Basis of Preparation (Continued) Basis of consolidation (Continued)

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

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

The financial statements of the subsidiaries are prepared for the same reporting 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.

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

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

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

財務報表附註

Notes to Financial Statements

2.2 會計政策及披露之變動

本集團於本年度之財務報表首次採納下列新訂及經修訂香港財務報告準則。

香港財務報告準則第2號修訂本	以股份為基礎付款交易的分類及計量
香港財務報告準則第4號修訂本	與香港財務報告準則第4號保險合約一併應用香港財務報告準則第9號金融工具
香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約之收益
香港財務報告準則第15號修訂本	對香港財務報告準則第15號來自客戶合約之收益的澄清
香港會計準則第40號修訂本	投資物業轉讓
香港(國際財務報告詮釋委員會)–詮釋第22號	外幣交易及墊付代價
二零一四年至二零一六年週期之年度改進	香港財務報告準則第1號及香港會計準則第28號修訂本

除與編製本集團財務報表無關之香港會計準則第40號及香港財務報告準則第4號之修訂本以及二零一四年至二零一六年週期之年度改進外，新訂及經修訂香港財務報告準則之性質及影響如下：

2.2 Changes in Accounting Policies and Disclosures

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

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i>
HKFRS 9	<i>Financial Instruments</i>
HKFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i>
Amendments to HKAS 40	<i>Transfers of Investment Property</i>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>
<i>Annual Improvements 2014–2016 Cycle</i>	Amendments to HKFRS 1 and HKAS 28

Except for the amendments to HKAS 40 and HKFRS 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 HKFRSs, are described below:

財務報表附註

Notes to Financial Statements

2.2 會計政策及披露之變動(續)

(a) 香港財務報告準則第2號修訂本處理三個主要範疇：現金結算以股份為基礎付款交易之計量之歸屬條件之影響；具備預扣若干金額以達成僱員與以股份為基礎付款有關之稅務責任之淨結算特質之以股份為基礎付款交易之分類；及於對以股份為基礎付款交易之條款及條件作出修訂而令其從現金結算分類為股權結算時之會計處理。修訂本澄清，於計量股權結算以股份為基礎付款時就歸屬條件入賬所用方法亦適用於現金結算以股份為基礎付款。修訂本引進例外情況，致使具備預扣若干金額以達成僱員稅務責任之淨股份結算特質之以股份為基礎付款交易，會於達成若干條件時全部分類為股權結算以股份為基礎付款交易。此外，修訂本澄清，倘對現金結算以股份為基礎付款交易之條款及條件作出修改，而導致其成為股權結算以股份為基礎付款交易，則該交易會自修改日期起入賬列為股權結算交易。由於本集團並無任何現金結算以股份為基礎付款交易，亦無具備預扣稅項淨結算特質之以股份為基礎付款交易，修訂本對本集團財務狀況或業績並無影響。

(b) 於二零一八年一月一日或之後開始之年度期間，香港財務報告準則第9號金融工具會取代香港會計準則第39號金融工具：確認及計量，合併金融工具會計處理之所有三個方面：分類及計量、減值及對沖會計。

於二零一八年一月一日，概無與股權相關之過渡調整適用於本集團。概無根據香港會計準則第39號重列及繼續呈報比較資料。

2.2 Changes in Accounting Policies and Disclosures (Continued)

(a) Amendments to HKFRS 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.

(b) HKFRS 9 *Financial Instruments* replaces HKAS 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.

There is no transition adjustments related to equity applicable to the Group at 1 January 2018. The comparative information was not restated and continues to be reported under HKAS 39.

財務報表附註

Notes to Financial Statements

2.2 會計政策及披露之變動(續)

(b) (續)

分類及計量

以下資料載列採納香港財務報告準則第9號對財務狀況表之影響。

香港會計準則第39號項下賬面金額與香港財務報告準則第9號項下呈報結餘於二零一八年一月一日之對賬如下：

2.2 Changes in Accounting Policies and Disclosures (Continued)

(b) (Continued)

Classification and measurement

The following information sets out the impacts of adopting HKFRS 9 on the statement of financial position.

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

		香港會計準則 第39號計量 HKAS 39 measurement			預期 信貸虧損 (「預期 信貸虧損」) Expected credit loss ("ECL")	其他	香港財務報告準則 第9號計量 HKFRS 9 measurement	
		類別	金額	重新分類			金額	類別
		Category	Amount	Re- classification	loss ("ECL")	Other	Amount	Category
附註 Note			港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	
金融資產	Financial assets							
可供出售投資	Available-for-sale investments	(i)	48,019	(48,019)	-	-	-	N/A 不適用
透過損益按公平值入賬 之金融資產	Financial assets at fair value through profit or loss	(i)	-	48,019	-	-	48,019	FVPL ³
應收賬項	Accounts receivable	L&R ²	17,769	-	-	-	17,769	AC ⁴
計入預付款項、按金及 其他應收賬項之 金融資產	Financial assets included in prepayments, deposits and other receivables	L&R	76,331	-	-	-	76,331	AC
現金及現金等值物	Cash and cash equivalents	L&R	641,693	-	-	-	641,693	AC
			783,812	-	-	-	783,812	
金融負債	Financial liabilities							
應付賬項	Accounts payable	AC	153,624	-	-	-	153,624	AC
計入其他應付賬項及 應計費用之金融負債	Financial liabilities included in other payables and accruals	AC	165,630	-	-	-	165,630	AC
計息銀行貸款	Interest-bearing bank loan	AC	10,000	-	-	-	10,000	AC
			329,254	-	-	-	329,254	

- ¹ AFS: 可供出售投資
² L&R: 貸款及應收款項
³ FVPL: 透過損益按公平值入賬之金融資產
⁴ AC: 按攤銷成本入賬之金融資產或金融負債

附註：

- (i) 本集團已將先前分類為可供出售投資之非上市投資，重新分類為透過損益按公平值計量之金融資產，原因是該等非股權投資不通過香港財務報告準則第9號之合約現金流量特徵測試。

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

Note:

- (i) The Group has classified its unlisted investments previously classified as available-for-sale investments as financial assets measured at fair value through profit or loss as these non-equity investments did not pass the contractual cash flow characteristics test in HKFRS 9.

財務報表附註

Notes to Financial Statements

2.2 會計政策及披露之變動(續)

(b) (續)

減值

於二零一八年一月一日，以香港財務報告準則第9號項下預期信貸虧損撥備取代香港會計準則第39號項下合計期初減值撥備，對金融資產並無重大影響。

- (c) 香港財務報告準則第15號及其修訂本取代香港會計準則第11號建築合約、香港會計準則第18號收益及相關詮釋，除少數例外情況外，新準則適用於與客戶訂立合約產生的所有收益。香港財務報告準則第15號建立一個新五步模式，以確認客戶合約收益。根據香港財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨物或服務作交換而有權獲得的代價金額確認。香港財務報告準則第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、不同期間的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。披露資料載於財務報表附註5及23。由於應用香港財務報告準則第15號，本集團已更改財務報表附註2.4有關確認收益的會計政策。

本集團以修訂追溯方式採納香港財務報告準則第15號。透過使用該方式，準則可適用於首次應用日期的所有合約，或僅適用於該日未完成的合約。本集團已選擇對二零一八年一月一日未完成的合約應用該準則。

本集團經營快餐店業務。經營快餐店業務的收益乃於產品交付顧客時確認。本集團得出結論，採納香港財務報告準則第15號並無對收益確認時間造成影響。

首次應用香港財務報告準則第15號對於二零一八年一月一日保留溢利期初結餘並無影響。因此，比較資料並無重列及繼續根據香港會計準則第18號及相關詮釋匯報。

2.2 Changes in Accounting Policies and Disclosures (Continued)

(b) (Continued)

Impairment

There was no significant impact for replacing the aggregate opening impairment allowance under HKAS 39 with ECL allowances under HKFRS 9 on the financial assets as at 1 January 2018.

- (c) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 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 HKFRS 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 5 and 23 to the financial statements. As a result of the application of HKFRS 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 HKFRS 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 Group is in the business of operation of quick service restaurants ("QSR"). Revenue from the operation of QSR business is recognised at the point in time when the products are delivered to the customers. The Group has concluded that the adoption of HKFRS 15 did not have an impact on the timing of revenue recognition.

There is no effect on the initial application of HKFRS 15 to the opening balance of retained profits as at 1 January 2018. The comparative information was not restated and continues to be reported under HKAS 18 and related interpretations.

財務報表附註

Notes to Financial Statements

2.2 會計政策及披露之變動(續)

(c) (續)

(i) 會員積分計劃

本集團設立一項會員積分計劃，讓顧客購買產品時能累計積分。積分可換領免費產品或現金券。採納香港財務報告準則第15號前，本集團提供會員計劃導致一部分交易價格按已發放積分之公平值分配至會員計劃以及確認有關已發放但未換領或失效積分的遞延收益。本集團得出結論，根據香港財務報告準則第15號，會員積分產生獨立履約責任，原因是其向顧客提供重大權利，並分配一部分交易價格至顧客獲獎勵的會員積分，以相關獨立售價為基準。

於採納香港財務報告準則第15號前，本集團將遞延收益確認為其他應付賬項。根據香港財務報告準則第15號，該款項分類為合約負債，並計入其他應付賬項及應計費用。因此，於採納香港財務報告準則第15號後，於二零一八年一月一日，本集團將有關會員積分計劃的遞延收益港幣3,232,000元由其他應付賬項重新分類至合約負債。

於二零一八年十二月三十一日，根據香港財務報告準則第15號，本集團將有關會員積分計劃的遞延收益港幣3,066,000元由其他應付賬項重新分類至合約負債。

2.2 Changes in Accounting Policies and Disclosures (Continued)

(c) (Continued)

(i) Loyalty point programme

The Group operates a loyalty point programme, which allows customers to accumulate points when they purchase products. The points can be redeemed for the free products or cash coupon. Prior to the adoption of HKFRS 15, the loyalty programme offered by the Group resulted in the allocation of a portion of the transaction price to the loyalty programme using the fair value of points issued and recognition of the deferred revenue in relation to points issued but not yet redeemed or expired. The Group concluded that under HKFRS 15 the loyalty points give rise to a separate performance obligation because they provide a material right to the customer and allocated a portion of the transaction price to the loyalty points awarded to customers based on the relative stand-alone selling price.

Before the adoption of HKFRS 15, the Group recognised the deferred revenue as other payables. Under HKFRS 15, the amount is classified as contract liabilities which is included in other payables and accrued charges. Therefore, upon adoption of HKFRS 15, the Group reclassified HK\$3,232,000 from other payables to contract liabilities at 1 January 2018 in relation to deferred revenue related to this loyalty point programme.

As at 31 December 2018, under HKFRS 15, HK\$3,066,000 was reclassified from other payables to contract liabilities in relation to deferred revenue related to this loyalty point programme.

財務報表附註

Notes to Financial Statements

2.2 會計政策及披露之變動(續)

(c) (續)

(ii) 預收客戶代價

於採納香港財務報告準則第15號前，本集團將預收客戶代價確認為其他應付賬項。根據香港財務報告準則第15號，該款項分類為合約負債，並計入其他應付賬項及應計費用。

因此，於採納香港財務報告準則第15號後，本集團將二零一八年一月一日之預收客戶代價港幣4,267,000元由其他應付賬項重新分類至二零一八年一月一日之合約負債。

於二零一八年十二月三十一日，根據香港財務報告準則第15號，本集團將銷售產品的預收客戶代價港幣3,617,000元由其他應付賬項重新分類至合約負債。

(d) 香港(國際財務報告詮釋委員會)－詮釋第22號就應用香港會計準則第21號時，實體為釐定以外幣收取或支付墊付代價的交易之日期，以及確認非貨幣資產或非貨幣負債提供指引。該詮釋指明，釐定首次確認相關資產、開支或收益(或當中部分)所使用之匯率之交易日期為實體首次確認支付或收取墊付代價產生的非貨幣資產(例如預付款項)或非貨幣負債(例如遞延收入)之日。倘確認有關項目時存在多次付款或提前收取，實體必須釐定每次支付或收取墊付代價的交易日期。由於本集團釐定應用於首次確認非貨幣資產或非貨幣負債的匯率的會計政策與詮釋的指引一致，該詮釋對本集團的財務報表概無影響。

2.2 Changes in Accounting Policies and Disclosures (Continued)

(c) (Continued)

(ii) Consideration received from customers in advance

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

Therefore, upon adoption of HKFRS 15, the Group reclassified HK\$4,267,000 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.

As at 31 December 2018, under HKFRS 15, HK\$3,617,000 was reclassified from other payables to contract liabilities in relation to the consideration received from customers in advance for the sale of products.

(d) HK(IFRIC)-Int 22 provides guidance on how to determine the date of the transaction when applying HKAS 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.

財務報表附註

Notes to Financial Statements

2.3 已頒佈但未生效之香港財務報告準則

本集團並無於該等財務報表應用以下已頒佈但未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則 第3號修訂本	業務之定義 ²
香港財務報告準則 第9號修訂本	具有負補償特點之 預付款項 ¹
香港財務報告準則 第10號與香港 會計準則 第28號 (二零一一年) 修訂本	投資者與其聯營公司 或合營企業之間的 資產出售或投入 ⁴
香港財務報告準則 第16號	租賃 ¹
香港財務報告準則 第17號	保險合約 ³
香港會計準則 第1號及香港 會計準則第8號 修訂本	重大之定義 ²
香港會計準則 第19號修訂本	計劃修訂、縮減或 結算 ¹
香港會計準則 第28號修訂本	於聯營公司及合營 企業之長期權益 ¹
香港(國際財務報告 詮釋委員會) 一詮釋第23號 二零一五年至 二零一七年週期 之年度改進	所得稅處理方法的 不明朗因素 ¹
	香港財務報告準則 第3號、香港財務 報告準則第11號、 香港會計準則第12號 和香港會計準則 第23號修訂本 ¹

- ¹ 於二零一九年一月一日或之後開始的年度期間生效
- ² 於二零二零年一月一日或之後開始的年度期間生效
- ³ 於二零二一年一月一日或之後開始的年度期間生效
- ⁴ 並未釐定強制性生效日期，但可供採納

預期將適用於本集團之香港財務報告準則之其他資料載於下文。

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i> ²
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
HKFRS 16	<i>Leases</i> ¹
HKFRS 17	<i>Insurance Contracts</i> ³
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> ²
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ¹
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ¹
HK (IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> ¹
<i>Annual Improvements 2015–2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 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

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

財務報表附註

Notes to Financial Statements

2.3 已頒佈但未生效之香港財務報告準則(續)

香港財務報告準則第10號及香港會計準則第28號(二零一一年)修訂本針對香港財務報告準則第10號及香港會計準則第28號(二零一一年)之間有關投資者與其聯營公司或合營企業之間的資產出售或投入兩者規定的不一致性。該等修訂本規定，當投資者與其聯營公司或合營企業之間的資產出售或投入構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務的資產時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營企業的權益為限。該等修訂本即將應用。香港會計師公會已於二零一六年一月剔除香港財務報告準則第10號及香港會計準則第28號(二零一一年)修訂本之以往強制生效日期，而新的強制生效日期將於完成對聯營公司及合營企業之會計處理作更廣泛審查後釐定。然而，該等修訂本可於截至二零一八年十二月三十一日止年度採用。

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards (Continued)

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 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 HKFRS 10 and HKAS 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 for the year ended 31 December 2018.

財務報表附註 Notes to Financial Statements

2.3 已頒佈但未生效之香港財務報告準則(續)

香港財務報告準則第16號取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會)－詮釋第4號釐定安排是否包括租賃、香港(常務詮釋委員會)－詮釋第15號經營租賃－優惠及香港(常務詮釋委員會)－詮釋第27號評估涉及租賃法律形式交易的內容。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選擇性租賃確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認負債以作出租賃付款(即租賃負債)，而資產指於租賃期使用相關資產的權利(即使用權資產)。除非使用權資產符合香港會計準則第40號投資物業的定義或與應用重估模式之物業、廠房及設備類別有關，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。承租人將亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為使用權資產的調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。香港財務報告準則第16號要求承租人及出租人較根據香港會計準則第17號作出更為全面的披露。出租人可選擇以全面追溯應用或經修訂追溯應用方式應用該準則。

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards (Continued)

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 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 HKAS 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 HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach.

財務報表附註

Notes to Financial Statements

2.3 已頒佈但未生效之香港財務報告準則(續)

本集團將自二零一九年一月一日起採納香港財務報告準則第16號。本集團擬採納香港財務報告準則第16號的過渡性條文，將初步採納的累計影響確認為對二零一九年一月一日保留溢利年初結餘的調整，且將不會重列比較數字。此外，本集團擬將新規定應用於先前已應用香港會計準則第17號識別為租賃的合約，並按剩餘租賃付款的現值計量租賃負債，運用本集團於首次應用日期的增量借貸利率貼現租賃負債。誠如財務報表附註28所披露，於二零一八年十二月三十一日，本集團根據不可撤銷經營租約於未來須支付之最低租金總額約為港幣1,075,540,000元。於採納香港財務報告準則第16號後，計入上述項目的若干金額可能須確認為新使用權資產及租賃負債。使用權資產將按租賃負債金額計量，並按緊接首次應用日期前在財務狀況表中確認的租賃相關的任何預付或應計租賃付款金額進行調整。本集團擬就租期於截至首次應用日期12個月內終止的租賃合約採用相關標準准許的豁免情況。本集團將需要進行更詳細分析以釐定於採納香港財務報告準則第16號後因經營租賃承擔而將予確認之新使用權資產及租賃負債金額，當中計及短期租約及低價值租賃之豁免情況、若干承擔涉及在香港財務報告準則第16號下不符合資格列作租賃之安排，以及貼現之影響。

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards (Continued)

The Group will adopt HKFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained profits 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 HKAS 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. As disclosed in note 28 to the financial statements, at 31 December 2018, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately HK\$1,075,540,000. Upon adoption of HKFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. 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. The Group will need to perform a more detailed analysis to determine the amount of new right-of-use assets and lease liabilities to be recognised arising from operating lease commitments upon the adoption of HKFRS 16, after taking account into the exemption of short-term and low value leases, some commitments related to arrangements that are not qualified as leases under HKFRS 16 and the effects of discounting.

財務報表附註 Notes to Financial Statements

2.3 已頒佈但未生效之香港財務報告準則(續)

香港會計準則第1號及香港會計準則第8號之修訂為「重大」一詞提供新定義。有關新定義列明，倘重大資料遭遺漏、錯誤陳述或模糊不清，則按合理預期將可能會影響一般用途財務報表主要使用者根據有關財務報表所作決定。有關修訂本澄清，重大與否取決於資料之性質及重要性。如果按合理預期錯誤陳述之資料可能會影響其主要使用者所作決定，則有關錯誤陳述資料將被視作重大。本集團預期自二零二零年一月一日起按未來適用基準採納有關修訂本。預期有關修訂本不會對本集團之財務報表構成任何重大影響。

香港會計準則第28號修訂本釐清香港財務報告準則第9號之豁免範圍，僅包括就此應用權益法於聯營公司或合營企業之權益，而不包括實質上構成於該聯營公司或合營企業之淨投資一部分之長期權益(並無就此應用權益法)。因此，實體應用香港財務報告準則第9號而非香港會計準則第28號(包括香港財務報告準則第9號下之減值規定)將該等長期權益入賬。僅就確認聯營公司或合營企業之虧損及於聯營公司或合營企業之淨投資減值而言，香港會計準則第28號繼而應用於淨投資(包括長期權益)。本集團預期於二零一九年一月一日採納修訂本，並將根據於二零一九年一月一日存在之事實及情況採用修訂本之過渡規定，就該等長期權益評估其業務模式。本集團亦擬於採納修訂本後應用免除重列過往年度比較資料之做法。

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards (Continued)

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

Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 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 HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 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.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要

於合營企業之投資

合營企業為一項合營安排，對安排擁有共同控制權之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權，共同控制僅在有關活動要求享有控制權之訂約方作出一致同意之決定時存在。

本集團於合營企業之投資根據權益會計法按本集團應佔資產淨值減任何減值虧損，於綜合財務狀況表列賬。凡存在任何會計政策相異之處，均會作出調整以使其一致。

本集團應佔合營企業收購後業績及其他全面收益分別計入綜合損益表及綜合其他全面收益表內。此外，倘於合營企業的權益直接確認變動，則本集團會於綜合權益變動表確認其應佔任何變動(倘適用)。本集團與其合營企業交易產生之未變現收益及虧損與本集團於合營企業之投資對銷，惟未變現虧損提供證據證明已轉讓資產減值則作別論。收購合營企業產生之商譽計入本集團於合營企業之投資部分。

倘於聯營公司之投資變為於合營企業之投資或出現相反情況，則不會重新計量保留權益。反之，該投資繼續根據權益法入賬。在所有其他情況下，失去對聯營公司之重大影響力或對合營企業之共同控制權後，本集團按其公平值計量及確認任何剩餘投資。聯營公司或合營企業於失去重大影響力或共同控制權時的賬面值與剩餘投資及出售所得款項的公平值之間的任何差額乃於損益中確認。

2.4 Summary of Significant Accounting Policies

Investments in joint ventures

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 investment in a joint venture is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that any exists.

The Group's share of the post-acquisition results and other comprehensive income of a joint venture is included in the consolidated income statement and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the 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 joint venture is eliminated to the extent of the Group's investments in the joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of joint venture is included as part of the Group's investment in a joint venture.

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.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要 (續)

業務合併及商譽

業務合併乃以購買法入賬。轉讓之代價乃以收購日期公平值計量，該公平值為本集團所轉讓資產於收購日期之公平值、本集團向被收購方前擁有人承擔的負債及本集團發行以換取被收購方控制權之股本權益總和。於各業務合併中，本集團選擇按公平值或被收購方可識別資產淨值應佔比例計量於被收購方之非控股權益（該等非控股權益代表目前之擁有權權益以及在清盤時賦予持有人可按比例享有資產淨值）。非控股權益之所有其他組成部份按公平值計量。收購相關成本於產生時列為開支。

當本集團收購業務時，須根據合約條款、收購日期之經濟環境及相關條件對所承擔金融資產及負債進行評估，以適當分類及確認，包括將嵌入式衍生工具與被收購方主合約分開。

倘業務合併分階段進行，先前持有之股本權益應按收購日期公平值重新計量，而任何因此產生的收益或虧損將於損益表中確認。

收購方將轉讓之任何或然代價於收購日期按公平值確認。分類為資產或負債的或然代價以公平值計量，而公平值變動於損益表中確認。分類為權益的或然代價將不會重新計量，且其後結清時於權益中入賬。

商譽按成本進行初步計量，即已轉讓代價、非控股權益之確認金額及本集團先前所持於被收購方之股本權益公平值總額超出所收購可識別資產淨值及所承擔負債之差額。倘代價及其他項目之總和低於所收購資產淨值之公平值，則於重新評估後之差額會於損益表中確認為廉價購買時之收益。

2.4 Summary of Significant Accounting Policies (Continued)

Business combinations and goodwill

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

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

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

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

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

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要(續)

業務合併及商譽(續)

初步確認後，商譽按成本減累計減值虧損計量。商譽每年就減值進行檢討，倘有事件或情況變化顯示賬面值可能出現減值跡象，則進行更為頻密之檢討。就減值測試而言，業務合併中購入之商譽由收購日期起，被分配到預期將從合併之協同效應中受益之本集團各現金產生單位，不論本集團之其他資產或負債是否被分配至該等單位或單位組別。

減值按對與商譽有關之現金產生單位可收回金額進行之評估釐定。倘現金產生單位之可收回金額少於其賬面值，則確認減值虧損。就商譽確認之減值虧損不會於隨後期間撥回。

公平值計量

公平值是指市場參與者在計量日的有序交易中，出售一項資產所能收到或者轉移一項負債所需支付的價格。公平值計量乃基於出售資產或者轉移負債的交易在相關資產或負債的主要市場進行，或在不存在主要市場的情況下，則在相關資產或負債的最有利市場進行的假定。主要市場(或最有利市場)應當是本集團能夠進入的市場。資產或負債的公平值乃基於市場參與者在對該資產或負債定價時(假設市場參與者以實現其經濟利益最大化的方式行事)所採用的假設計量。

非金融資產的公平值計量會考慮市場參與者透過以最大限度使用該資產達致最佳用途，或透過將該資產出售給能夠以最大限度使用該資產達致最佳用途的其他市場參與者產生經濟利益的能力。

2.4 Summary of Significant Accounting Policies (Continued)

Business combinations and goodwill (Continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. 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 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.

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

Fair value measurement

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.

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.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要 (續)

公平值計量 (續)

本集團採用在當前情況下適用並且有足夠可利用數據支持的估值技術去計量公平值，盡量使用相關可觀察輸入值及盡量減少使用不可觀察輸入值。

在財務報表內計量或披露公平值的所有資產及負債，均根據對公平值計量整體而言具有重要意義的最低層次輸入值在下述公平值層次內進行分類：

- 第一層次 – 基於相同資產或負債在活躍市場上(未經調整)的報價
- 第二層次 – 基於對公平值計量而言具有重要意義的最低層次輸入值乃直接或間接可觀察的估值技術
- 第三層次 – 基於對公平值計量而言具有重要意義的最低層次輸入值乃不可觀察的估值技術

就持續於財務報表確認的資產及負債而言，本集團於每個報告期終透過(按對公平值計量整體而言具有重要意義的最低層次輸入值)重新評估分類，以決定公平值層次中各個層次之間是否有轉換。

2.4 Summary of Significant Accounting Policies (Continued)

Fair value measurement (Continued)

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.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要(續)

非金融資產減值

倘若出現任何減值跡象，或當有需要為資產進行每年減值測試(存貨、遞延稅項資產及金融資產除外)，則會估計資產之可收回金額。資產之可收回金額按資產或現金產生單位之使用價值與其公平值減出售成本之較高者計算，並按個別資產釐定，惟倘有關資產產生之現金流量不能獨立於其他資產或組別資產，則可收回金額按資產所屬之現金產生單位釐定。

當資產之賬面值超過可收回金額時，減值虧損方予確認。評估使用價值時會以除稅前貼現率計算預計未來之現金流量之現值，而該貼現率反映市場現時對貨幣時間價值之評估及該項資產之特有風險。減值虧損於所產生期間在損益表內，列入與減值資產的功能相符的開支的項目內。

於報告期終會評定是否有任何跡象顯示之前已確認之減值虧損可能不再存在或已減少。倘出現該等跡象，則會估計可收回金額。當用以釐定資產可收回金額之估計出現變動，之前確認之資產減值虧損方可撥回，而撥回金額不得超過假設過往年度並無就資產確認減值虧損而釐定之賬面值(已扣除任何折舊／攤銷)。撥回之減值虧損計入所產生期間之損益表。

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 stocks, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement 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 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 income statement in the period in which it arises.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要 (續)

有關連人士

倘任何人士符合以下條件，則視為本集團的有關連人士：

- (a) 有關方為一名人士或該人士之關係密切家庭成員，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的主要管理人員的其中一名成員；

或

- (b) 該人士為實體，而符合下列任何一項條件：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 該實體為另一實體之聯營公司或合營企業（或該另一實體之母公司、附屬公司或同系附屬公司）；
 - (iii) 該實體與本集團屬同一第三方之合營企業；
 - (iv) 該實體為一第三方實體之合營企業而另一實體為該第三方實體之聯營公司；
 - (v) 該實體為本集團或一家與本集團有關連之實體就僱員的福利而設的離職福利計劃；
 - (vi) 該實體受(a)所識別人士控制或受共同控制；
 - (vii) 於(a)(i)所識別人士對實體有重大影響或屬該實體主要管理人員的其中一名成員；及
 - (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

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; 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.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊

物業、廠房及設備乃按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目成本包括其購買價格及令該項資產達至其運作狀況及運送至其預期使用位置之任何直接成本。

物業、廠房及設備項目投入運作後產生之支出，如修理及保養費用，一般會計入該等支出產生期間之損益表內。倘物業、廠房及設備重要部份須於中期進行重置，本集團會將該等部分確認為具有特定使用年期之獨立資產並隨之計提折舊。

折舊乃按每項物業、廠房及設備之估計可使用年期，採用直線法撇銷成本至其剩餘價值計算。所使用之主要折舊年率如下：

汽車及其他設備	20%至33.33%
傢具及固定裝置	20%至33.33%
租約物業裝修	按租約年期及33.33% (以較短者為準)

倘物業、廠房及設備項目各部份之可使用年期並不相同，該項目之成本將按合理基礎分配至各個部份，而每個部份將分開進行折舊。剩餘價值、可使用年期及折舊方法最少須於各財政年度結算日進行檢討，並在適當情況下作出調整。

物業、廠房及設備項目以及初始已予以確認之任何重大部分，於出售時或預計其使用或出售不再產生日後經濟利益時取消確認。於取消確認資產之年度之損益表中確認之出售或報廢之收益或虧損，乃相關資產之出售所得款項淨額與賬面值之差額。

2.4 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. 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 principal annual rates used for this purpose are as follows:

Motor vehicles and other equipment	20% to 33.33%
Furniture and fixtures	20% to 33.33%
Leasehold improvements	Over the shorter of the lease terms and 33.33%

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 income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要 (續)

經營租約

凡有關資產業權之絕大部份回報及風險仍屬出租人所有之租約，均列作經營租約。倘本集團為出租人，由本集團根據經營租約出租之資產乃列作非流動資產，而經營租約之應收租金則按租約年期以直線法計入損益表內。倘本集團為承租人，經營租約之應付租金(扣除來自出租人的任何優惠)按租約年期以直線法於損益表扣除。

投資及其他金融資產(二零一八年一月一日起適用之香港財務報告準則第9號項下政策)

首次確認及計量

金融資產在初始確認時分類為其後按攤銷成本計量、透過其他全面收益按公平值入賬及透過損益按公平值入賬。

初始確認時金融資產之分類取決於金融資產的合約現金流特徵及本集團管理金融資產的業務模式。除並未包含重大融資組成部分的應收賬項或本集團已實行權宜措施不調整重大融資組成部分影響的應收賬項外，本集團最初按公平值計量金融資產，倘金融資產並非透過損益按公平值入賬，則加上交易成本。並未包含重大融資組成部分的應收賬項或本集團已實行權宜措施的應收賬項按照下文「收益確認(自二零一八年一月一日起適用)」所載政策根據香港財務報告準則第15號釐定的交易價計量。

金融資產需要令現金流量僅為償還本金及未償還本金利息，方可分類為按攤銷成本計量或透過其他全面收益按公平值入賬之金融資產。

本集團管理金融資產的業務模式指本集團如何管理其金融資產以產生現金流量。業務模式釐定現金流量是否因收取合約現金流量、出售金融資產或因前述兩者而引起。

2.4 Summary of Significant Accounting Policies

(Continued)

Operating leases

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 income statement 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 income statement on the straight-line basis over the lease terms.

Investments and other financial assets (policies under HKFRS 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 HKFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

財務報表附註 Notes to Financial Statements

2.4 主要會計政策概要(續)

投資及其他金融資產(二零一八年一月一日起適用之香港財務報告準則第9號項下政策)(續)

首次確認及計量(續)

所有一般買賣之金融資產皆於交易日(即本集團承諾買賣該資產之日期)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產之金融資產買賣。

其後計量

金融資產的其後計量取決於其分類如下：

按攤銷成本列賬之金融資產(債務工具)

倘符合以下條件，則本集團會按攤銷成本計量金融資產：

- 金融資產乃於以持有金融資產為目標的業務模式內持有，旨在收取合約現金流量。
- 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。

按攤銷成本列賬之金融資產其後使用實際利率法計量，並可予減值。倘資產終止確認、修訂或減值，則收益及虧損會於損益表確認。

2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)
(Continued)

Initial recognition and measurement (Continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at 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 income statement when the asset is derecognised, modified or impaired.

財務報表附註 Notes to Financial Statements

2.4 主要會計政策概要(續)

投資及其他金融資產(二零一八年一月一日起適用之香港財務報告準則第9號項下政策)(續)

其後計量(續)

透過損益按公平值入賬之金融資產

透過損益按公平值入賬之金融資產包括為交易而持有的金融資產、透過損益在初始確認時指定的公平值金融資產，或強制性要求按公平值計量的金融資產。倘金融資產乃為短期內出售或回購目的而購入，則分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦被分類為持作買賣，除非該等衍生工具被指定為有效對沖工具。現金流量並非純粹為支付本金及利息之金融資產，無論業務模式如何，皆透過損益按公平值進行分類及計量。儘管有債務工具按攤銷成本或透過其他全面收益按公平值進行分類之準則，惟倘債務工具於初始確認時指定為透過損益按公平值入賬會消除或顯著減少會計錯配，則可以此方法入賬。

透過損益按公平值入賬之金融資產在財務狀況表中按公平值列賬，公平值淨變動在損益表中確認。

此類別包括本集團並無不可撤回地選擇透過其他全面收益按公平值分類之衍生工具及權益投資。當確立付款權利，與股息相關之經濟利益很可能會流向本集團，股息金額亦能夠可靠計量，分類為透過損益按公平值入賬之金融資產之權益投資股息亦於損益表中確認為其他收入。

2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)
(Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

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 through profit or loss are also recognised as other income in the income statement 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.

財務報表附註 Notes to Financial Statements

2.4 主要會計政策概要(續)

金融資產(二零一八年一月一日前適用之香港會計準則第39號項下政策)

首次確認及計量

金融資產在初始確認時分類為透過損益按公平值入賬之金融資產、貸款及應收賬項以及可供出售金融投資(如適用)。金融資產於首次確認時按公平值加上收購金融資產應佔交易成本計量，惟透過損益按公平值入賬之金融資產除外。

所有一般買賣之金融資產皆於交易日(即本集團承諾買賣該資產之日期)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產之金融資產買賣。

其後計量

金融資產之其後計量取決於其分類組別，詳情如下：

貸款及應收賬項

貸款及應收賬項為具有固定或可確定付款金額，而且在活躍市場中無報價之非衍生金融資產。於首次計量後，該等資產其後使用實際利率法按攤銷成本計量，並扣除任何減值撥備。攤銷成本經計及收購之任何折讓或溢價後計算，並包括屬於實際利率組成部份之費用或成本。實際利率攤銷已計入損益表內。減值產生之虧損於損益表確認。

2.4 Summary of Significant Accounting Policies (Continued)

Financial assets (policies under HKAS 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:

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 the income statement. The loss arising from impairment is recognised in the income statement.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要 (續)

金融資產(二零一八年一月一日前適用之香港會計準則第39號項下政策)(續)

其後計量(續)

可供出售金融投資

可供出售金融投資為非衍生金融資產，包括上市和非上市權益投資和債務證券。歸屬於可供出售類別之權益投資不屬於持作買賣或指定為以公平值計量且透過損益類別。本類別債務證券持有期限不確定，且可能出於流動性需求或因應市場狀況變動而出售。

於初始確認後，可供出售金融投資在其後以公平值計量，且其未變現收益或虧損列為可供出售投資重估儲備之其他綜合收益，直至該等投資被取消確認，屆時累計收益或虧損將於損益表其他收入中確認，或直至該等投資被釐定減值，屆時累計收益或虧損被重新分類為可供出售投資重估儲備並於損益表其他收益或虧損中確認。持有該等可供出售金融投資所獲之利息和股息分別被記錄為利息收入和股息收入，並根據下文「收益確認(於二零一八年一月一日前適用)」中所列政策於損益表其他收入中確認。

尚未上市權益投資之公平值因如下原因不能可靠計量：(a)該等投資合理公平值預測值範圍變化巨大或(b)於預測公平值時無法合理評估或使用該等範圍內不同預測值之概率，則該等投資按成本減任何減值虧損列賬。

本集團評估彼在近期內出售可供出售金融資產之能力和意願是否恰當。於某些稀有情況下，本集團因為市場不活躍而無法交易該等金融資產，該等情況下若管理層有能力和意願在可見未來持有該等資產或將該等資產持有至到期，則本集團可能將該等金融資產重新分類。

2.4 Summary of Significant Accounting Policies (Continued)

Financial assets (policies under HKAS 39 applicable before 1 January 2018) (Continued)

Subsequent measurement (Continued)

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the income statement 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 income statement 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 income statement 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.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要(續)

金融資產(二零一八年一月一日前適用之香港會計準則第39號項下政策)(續)

其後計量(續)

可供出售金融投資(續)

對於從可供出售類別被重新分類之金融資產，於重新分類之日的公平值之賬面值將成為該等資產之新攤銷成本，且任何已經於權益確認的該等資產之先前收益或虧損將於該等投資剩餘年限內使用實際利率法於損益內攤銷。任何新攤銷成本與到期金額間差額將於該等資產剩餘年限內使用實際利率法攤銷。若其後該等資產被釐定減值，則權益中所記錄之金額將被重新分類於損益表。

取消確認金融資產(自二零一八年一月一日起適用之香港財務報告準則第9號項下政策及二零一八年一月一日前適用之香港會計準則第39號項下政策)

金融資產(或一項金融資產的一部份或一組同類金融資產的一部份(如適用))主要在下列情況將取消確認(即從本集團的綜合財務狀況表移除)：

- 收取該項資產所得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的權利，或已承擔一項責任，在未有嚴重拖延之情況下，根據一項「通過」安排向第三者全數支付已收取之現金流量；以及(a)本集團已轉讓該項資產之絕大部份風險及回報；或(b)並無轉讓或保留該項資產絕大部份風險及回報，但已轉讓該項資產之控制權。

2.4 Summary of Significant Accounting Policies (Continued)

Financial assets (policies under HKAS 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 income statement.

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 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.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要 (續)

取消確認金融資產(自二零一八年一月一日起適用之香港財務報告準則第9號項下政策及二零一八年一月一日前適用之香港會計準則第39號項下政策)(續)

倘若本集團已轉讓其收取資產所得現金流量之權利，或已訂立通過安排，則評估本身是否保留資產擁有權之風險及回報以及所涉及之程度如何。若其並無轉讓或保留該項資產之絕大部份風險及回報，亦無轉讓該項資產的控制權，則本集團會視乎持續參與的程度繼續確認已轉讓資產。在此情況下，本集團同時確認相關負債。轉讓資產及相關負債按反映本集團所保留權利及責任之基準計量。

持續涉及指本集團就已轉讓資產作出之保證，已轉讓資產乃以該項資產之原賬面值及本集團或須償還之代價數額上限(以較低者為準)計算。

金融資產減值(自二零一八年一月一日起適用之香港財務報告準則第9號項下政策)

本集團就並非透過損益按公平值持有之所有債務工具之預期信貸虧損確認撥備。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品的現金流量或組成合約條款的其他信貸提升措施。

一般模式

預期信貸虧損分兩個階段進行確認。就自初始確認以來未有顯著增加的信貸風險而言，就未來12個月內可能發生違約事件而導致之信貸虧損計提預期信貸虧損(12個月預期信貸虧損)。就自初始確認以來曾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)。

2.4 Summary of Significant Accounting Policies (Continued)

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 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 HKFRS 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.

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).

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要(續)

金融資產減值(自二零一八年一月一日起適用之香港財務報告準則第9號項下政策)(續)

一般模式(續)

於各報告日期，本集團評估自初始確認後金融工具的信貸風險是否顯著增加。本集團作出評估時會對於報告日期金融工具發生的違約風險與於初始確認日期金融工具發生的違約風險進行比較，並考慮毋須付出不必要成本或努力而可得到的合理及可支持資料，包括歷史及前瞻性資料。

本集團將合約付款逾期90日的金融資產視作違約。然而，於若干情況下，當內部或外部資料顯示本集團不可能在本集團採取任何信貸提升措施前悉數收回未償還合約金額時，本集團亦可能認為該金融資產違約。金融資產於不能合理預期收回合約現金流量時撇銷。

按攤銷成本計量之金融資產在一般模式下可能會出現減值，並分類到以下階段之預期信貸虧損計量，惟採用下文詳述的簡化模式的應收賬項及合約資產除外。

第一階段 — 金融工具自初始確認以來並無顯著增加信貸風險，且其虧損撥備按相等於12個月預期信貸虧損的金額計量

第二階段 — 金融工具自初始確認以來顯著增加信貸風險，但並不屬信貸減值金融資產，且其虧損撥備按相等於全期預期信貸虧損的金額計量

第三階段 — 於報告日期出現信貸減值的金融資產(但並非購買或原始信貸減值)，其虧損撥備按相等於全期預期信貸虧損的金額計量

2.4 Summary of Significant Accounting Policies (Continued)

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

(Continued)

General approach (Continued)

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.

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.

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

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要 (續)

金融資產減值(自二零一八年一月一日起適用之香港財務報告準則第9號項下政策)(續)

簡化模式

對於不包括重大融資成分的應收賬項及合約資產，或本集團採用實際權宜措施不就重大融資成分的影響作出調整時，本集團採用簡化模式進行預期信貸虧損計量。根據簡化模式，本集團不會追蹤信貸風險的變化，而是於各報告日期根據全期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。

就包含重大融資成分及租賃應收款項之應收賬項及合約資產而言，本集團選擇採納簡化模式作為其會計政策，於計量預期信貸虧損時應用上述政策。

金融資產減值(二零一八年一月一日前適用之香港會計準則第39號項下政策)

本集團於各報告期終評估是否有客觀證據顯示金融資產或一組金融資產出現減值。倘於初步確認資產後發生一項或多項事件導致該項或該組金融資產的估計未來現金流量所造成的影響能夠可靠估計，則存在減值。減值證據可包括一名或一組債務人正面臨重大財政困難、拖欠或未能償還利息或本金、彼等有可能破產或進行其他財務重組的跡象，以及有可觀察數據顯示估計未來現金流量出現可計量減損，例如欠款數目變動或出現與違約相關的經濟狀況。

2.4 Summary of Significant Accounting Policies

(Continued)

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

(Continued)

Simplified approach

For accounts receivable 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 accounts receivable 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 HKAS 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.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要(續)

金融資產減值(二零一八年一月一日前適用之香港會計準則第39號項下政策)(續)

以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，本集團首先要評估是否有重大的個別金融資產單獨發生減值或個別不重大的金融資產整體發生減值。倘若本集團釐定個別已評估金融資產(不論是否屬重大者)並不存有減值之客觀憑證，則會將有關資產納入一組具類似信貸風險特質之金融資產內，並集體進行減值評估。個別已進行減值評估並確認或持續確認減值虧損之資產，不會納入集體評估減值之列。

所辨認的任何減值虧損的金額計為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)現值之差額。估計未來現金流量之現值按金融資產之原實際利率(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進行扣減，而虧損於損益表確認。利息收入繼續就已扣減賬面值累計，而利率為計量減值虧損時貼現未來現金流量所用之利率。貸款及應收賬項連同任何相關撥備於日後並無實際收款可能而所有抵押品已經變現或已轉讓予本集團時撇銷。

倘估計減值虧損於往後期間因確認減值後發生之事件而增加或減少，之前已確認之減值虧損會透過調整撥備賬進行增減。倘若繼續收回撇銷款項，則收回之數會計入損益表。

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets (policies under HKAS 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 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 income statement. 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 income statement.

財務報表附註 Notes to Financial Statements

2.4 主要會計政策概要 (續)

金融資產減值(二零一八年一月一日前適用之香港會計準則第39號項下政策)(續)

可供出售金融投資

對於可供出售金融投資，本集團於各報告期終評估是否有客觀跡象表明一項投資或一組投資出現減值。

倘可供出售資產發生減值，將從其他綜合收益中移除等於其成本(扣除任何本金付款和攤銷)與即期公平值之差額減去任何之前已確認減值虧損之金額，同時將該等金額於損益表確認。

對於被分類為可供出售之權益投資，客觀跡象需包括該項投資之公平值於低於其成本下出現長期重大下降。「重大」指相對於該等投資原始成本，「長期」指公平值低於原始成本的時期。出現減值跡象後，累計虧損一計為收購成本與即期公平值之差額減去之前已於損益表中確認之任何投資減值虧損一將從其他綜合收益中移除後於損益表確認。被分類為可供出售之權益投資減值虧損不得於損益表撥回。其減值後公平值增加應直接於其他全面收益確認。

前述「重大」或「長期」之釐定需經判斷後作出。在作出判斷過程中，除其他因素外，本集團就某項投資之公平值低於其成本之持續時長或程度作出評估。

2.4 Summary of Significant Accounting Policies (Continued)

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

(Continued)

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 income statement, is removed from other comprehensive income and recognised in the income statement.

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 income statement — is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity instruments classified as available for sale are not reversed through the income statement. 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.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要(續)

金融負債(自二零一八年一月一日起適用之香港財務報告準則第9號項下政策及二零一八年一月一日前適用之香港會計準則第39號項下政策)

首次確認及計量

金融負債於初始確認時分類為貸款及借貸及應付賬項。

金融負債均於首次確認時按公平值計量，如屬貸款及借貸及應付賬項，則扣除直接應佔之交易成本。

本集團之金融負債包括應付賬項、其他應付賬項、應計費用，以及計息銀行貸款。

其後計量

於首次確認後，計息貸款及借貸其後以實際利率法按攤銷成本計量，惟貼現之影響甚微則除外，在此情況下，則按成本列賬。有關收益及虧損於負債取消確認時，透過實際利率之攤銷過程中在損益表確認。

攤銷成本已經計及收購之任何折讓或溢價，以及屬於實際利率組成部份之費用或成本後計算。實際利率攤銷已計入損益表之融資成本內。

取消確認金融負債(自二零一八年一月一日起適用之香港財務報告準則第9號項下政策及二零一八年一月一日前適用之香港會計準則第39號項下政策)

金融負債於該負債之責任解除或撤銷或屆滿時取消確認。

當現有金融負債被另一項來自同一借貸人惟條款截然不同之金融負債所取代，或現有負債之條款被重大修訂，該等交換或修訂以取消確認原來負債及確認新負債處理，相關賬面值之差異於損益表內確認。

2.4 Summary of Significant Accounting Policies (Continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables.

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 accounts payable, other payables, accrued charges and interest-bearing bank loans.

Subsequent measurement

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 income statement 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 income statement.

Derecognition of financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 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 income statement.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要 (續)

對銷金融工具(自二零一八年一月一日起適用之香港財務報告準則第9號項下政策及二零一八年一月一日前適用之香港會計準則第39號項下政策)

倘有現行可強制執行之法律權利對銷已確認金額，並且擬以淨額基準進行結算或同時將資產變現及清償負債，方可將金融資產及金融負債對銷，淨額於財務狀況表呈報。

根據股份獎勵計劃持有股份

由本公司的股份獎勵計劃的受託人購回或向其發行並由本集團持有的本身的股權工具(庫存股份)，按成本直接在權益中確認。購買、出售、發行或註銷本集團本身的股權工具時，有關盈虧不會在損益表中確認。

存貨

存貨以成本與可變現淨值兩者之較低者入賬。成本乃按加權平均基準釐定，倘屬在製品及製成品，則包括直接物料、直接工資及間接成本適當部份，可變現淨值乃根據估計售價減去任何估計在完成及出售時產生之成本計算。

所得稅

所得稅包括即期及遞延稅項。有關於損益表以外確認之項目的所得稅，於損益表以外(其他全面收益或直接於權益)確認。

即期稅項資產及負債根據於報告期終前已頒佈或大致頒佈之稅率(及稅法)，按預期從稅務機關收回或支付予稅務機關之金額計量，當中已考慮本集團業務所在國家之現行稅務詮釋及慣例。

遞延稅項使用負債法就報告期終之資產及負債稅基與其作財務呈報之賬面值之間的一切暫時差額作出撥備。

2.4 Summary of Significant Accounting Policies (Continued)

Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 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.

Shares held under share award scheme

Own equity instruments which are reacquired or issued to the trustee of the Company's share award scheme and held by the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside the income statement is recognised outside the income statement, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要(續)

所得稅(續)

所有應課稅暫時性差額，均被確認為遞延稅項負債，惟下述情況除外：

- 因初次確認一項交易(非為業務合併)中之資產或負債所產生之遞延稅項負債，而有關交易進行時不會影響會計溢利或應課稅溢利或虧損；及
- 就有關附屬公司投資所產生之應課稅暫時性差額而言，撥回暫時性差額之時間可受控制，而暫時性差額於可預見之將來可能不會撥回。

所有可扣減暫時性差額、未動用稅項抵免與任何未動用稅務虧損結轉，均確認為遞延稅項資產。可能具有應課稅溢利抵銷可扣減暫時性差額，以及可動用結轉之未動用稅項抵免及稅務虧損，均確認為遞延稅項資產，惟下述情況除外：

- 因有關可扣減暫時性差額之遞延稅項資產源自初次確認一項交易中之資產或負債，而有關交易(非為業務合併)進行時不會影響會計溢利或應課稅溢利或虧損；及
- 就有關附屬公司投資所產生之可扣減暫時性差額而言，遞延稅項資產僅於暫時性差額於可預見之將來可能撥回，而且具有應課稅溢利用以抵銷暫時性差額時，方會予以確認。

遞延稅項資產之賬面值於每個報告期終檢討，並扣減至不再可能有足夠應課稅溢利用以扣減所有或部份將予動用之遞延稅項資產為止。未確認遞延稅項資產於每個報告期終重估，並於可能有足夠應課稅溢利用以扣減所有或部份將予收回之遞延稅項資產時予以確認。

2.4 Summary of Significant Accounting Policies (Continued)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, 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.

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.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產及負債以預期適用於資產變現或負債清還期間之稅率計量，並以於各報告期終已頒佈或大致頒佈之稅率（及稅法）為基準。

當本集團享有法律上可強制執行之權利，可將同一稅務機關就同一課稅實體或不同課稅實體所徵收所得稅之相關即期稅項資產及即期稅項負債以及遞延稅項資產及遞延稅項負債抵銷，且彼擬以淨額基準對即期稅項負債和資產進行結算，或同時將資產變現及清償負債，方可對銷遞延稅項資產與遞延稅項負債，且未來期間預計有大量遞延稅項負債或資產被結算或收回。

政府補助金

政府補助金乃當可以合理地保證將可收取及將會符合所有附帶條件的情況下，按公平值予以確認。當補助金與開支項目有關，以有系統的方式按擬作為補償之成本確認為開支之年期確認為收益。

收益確認 (自二零一八年一月一日起適用)

來自客戶合約的收益

來自客戶合約的收益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進行交換時估計。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其後得到解決時，確認的累積收益金額極有可能不會發生重大收益撥回。

2.4 Summary of Significant Accounting Policies (Continued)

Income tax (Continued)

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 each reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax 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 amounts of deferred tax liabilities or assets are 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.

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.

財務報表附註 Notes to Financial Statements

2.4 主要會計政策概要(續)

收益確認(自二零一八年一月一日起適用)(續)

來自客戶合約的收益(續)

當合約包括向客戶轉讓貨品或服務為客戶帶來超過一年重大融資利益的融資組成部分時，收益乃按應收款項金額的現時價值計量，並採用將於自合約開始起本集團與客戶間的個別融資交易中反映的貼現率貼現。當合約包括為本集團帶來超過一年重大融資利益的融資組成部分時，根據合約確認的收益包括合約負債根據實際利息法計算的利息開支。就客戶付款至轉讓所承諾的貨品或服務的期限為一年或以下的合約而言，交易價格並無就重大融資組成部分的影響採用香港財務報告準則第15號中的可行權宜方式進行調整。

快餐業務之銷售

來自快餐業務營運之收益於產品交付客戶時確認。

其他收入

利息收入按應計基準使用實際利息法，採用能將金融工具預計可使用年期或較短期間(如適用)內所產生的估計未來現金收入準確貼現至該金融資產賬面淨值的貼現率確認。

股息收入於股東收取款項的權利被確立時確認，與股息相關的經濟利益可能將流向本集團且股息金額能可靠計量。

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 HKFRS 15.

Sale from QSR business

Revenue from the operation of QSR business is recognised at the point in time when the products are delivered to the customers.

Other income

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 shareholder's 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.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要 (續)

收益確認 (於二零一八年一月一日前適用)

倘經濟利益有可能流向本集團，而收益能可靠計量，則按下列基準確認收益：

- (i) 向顧客提供餐飲服務時來自經營快餐業務之收入；
- (ii) 利息收入，使用實際利率法按累計基準確認，而實際利率乃用於按金融工具預計年期將估計未來現金收入貼現至金融資產賬面淨值之利率；及
- (iii) 股息收入，當股東獲得付款之權利被確立時。

合約負債 (自二零一八年一月一日起適用)

合約負債指因已向客戶收取代價 (或已到期代價金額) 而須向客戶轉讓貨品或服務的責任。倘客戶於本集團向其轉讓貨品或服務前支付代價，合約負債於作出付款時或付款到期時 (以較早者為準) 確認。當本集團根據合約履行責任時，合約負債確認為收益。

僱員福利

以股份支付

本公司實施購股權計劃及股份獎勵計劃，為對本集團業務成功作出貢獻之合資格參與者提供鼓勵與獎勵。本集團僱員 (包括董事) 以股份支付之方式收取報酬，據此，僱員提供服務作為收取股權工具之代價 (「以股權結算之交易」)。

與僱員進行之以股權結算之交易之成本乃參照授出日期之公平值計量。公平值由外部估值師使用合適的定價模型釐定，進一步詳情載於財務報表附註 25 及 26。

2.4 Summary of Significant Accounting Policies (Continued)

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:

- (i) income from the operation of QSR business, when catering services have been provided to customers;
- (ii) interest income, on an accrual basis using the effective interest rate method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset; and
- (iii) dividend income, when the shareholder's 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

Share-based payments

The Company operates a share option scheme and a share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using an appropriate pricing model, further details of which are given in notes 25 and 26 to the financial statements.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要(續)

僱員福利(續)

以股份支付(續)

在滿足績效及／或服務條件的期間，在僱員福利開支內確認以股權結算交易的成本，並同時相應增加權益。在歸屬日期前，於各報告期終確認之以股權結算之交易之累計開支，反映歸屬期已屆滿部份及本集團對最終將會歸屬之股權工具數目之最佳估計。在某一期間內在損益表作出之扣減或進賬，乃反映累計開支於期初與期終確認時之變動。

當釐定有關獎勵於授出日期之公平值時，不會考慮服務及非市場績效條件，但達到有關條件的可能性被評定為本集團對將最終歸屬的股權工具數目的最佳估計之一部份。市場績效條件在授出日期公平值中反映。獎勵所附帶但無相關服務要求的任何其他條件被視為非歸屬條件。非歸屬條件在獎勵的公平值中反映，而除非亦存在服務及／或績效條件，否則會導致獎勵即時支銷。

對於因未有達到非市場績效及／或服務條件而最終未有歸屬之獎勵而言，不會確認任何開支。倘獎勵包含市場或非歸屬條件，只要所有其他績效及／或服務條件已經達成，則不論市場或非歸屬條件是否達成，有關交易均會被視為已歸屬。

倘若以股權結算之獎勵之條款有所變更，而獎勵之原有條款已經達成，則確認假設條款並無變動之最低開支。此外，倘若作出任何變更會導致於變更日期時計量以股份支付之總公平值有所增加，或對僱員有利，則應就該等變更確認開支。

2.4 Summary of Significant Accounting Policies (Continued)

Employee benefits (Continued)

Share-based payments (Continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要 (續)

僱員福利 (續)

以股份支付 (續)

倘若以股權結算之獎勵被註銷，則視作已於註銷日期歸屬處理，而獎勵之任何尚未確認之開支均應立刻確認。此舉包括尚未達成在本集團或僱員控制範圍內之非歸屬條件之任何獎勵。然而，若授予新獎勵代替已註銷之獎勵，並於授出日期指定為替代之獎勵，則已註銷之獎勵及新獎勵，均視作前段所述之原有獎勵之變更處理。

計算每股盈利時，未行使購股權及股份獎勵之攤薄效應反映為額外股份攤薄。

結轉有薪假期

本集團根據僱傭合約以每個曆年為基準向僱員提供有薪年假。於若干情況下，於報告期終各僱員尚未提取之有薪假期可予結轉，讓僱員於下一年度使用。於報告期終，本集團已就本年度僱員享有及結轉之有薪假期之預期未來開支計算應計款項。

退休福利計劃

本集團為合資格參與之僱員設有定額供款退休福利計劃，即強制性公積金計劃（「強積金計劃」）。所作出之供款乃按僱員薪金之百分比計算，並於依照強積金計劃之規則繳納供款時在損益表中扣除。強積金計劃之資產乃與本集團之資產分開並由獨立管理基金持有。本集團就強積金計劃作出之僱主供款於供款時全數歸僱員所有。

本集團於中國內地營運之附屬公司僱員須參加由當地政府營辦之中央退休金計劃。該等附屬公司須按支付薪金之若干百分比向中央退休金計劃作出供款。有關供款於根據中央退休金計劃規則作出供款時於損益表中扣除。

2.4 Summary of Significant Accounting Policies (Continued)

Employee benefits (Continued)

Share-based payments (Continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options and share awards is reflected as additional share dilution in the computation of earnings per share.

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the end of the reporting period is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of the reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward.

Retirement benefit schemes

The Group operates a defined contribution retirement benefit scheme, namely, the Mandatory Provident Fund Scheme (the "MPF Scheme"), for those employees who are eligible to participate. Contributions are made based on a percentage of the employees' salaries and are charged to the income statement as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the Group in independently administered funds. The employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要(續)

現金及現金等值物

就綜合現金流量表而言，現金及現金等值物包括手頭現金及活期存款，以及可即時兌換為已知金額現金、所涉價值變動風險不高而一般自取得起計三個月內到期之短期高流動性投資，減須於要求償還之銀行透支，並構成本集團現金管理主要部份。

就綜合財務狀況表而言，現金及現金等值物包括手頭現金及銀行存款，包括用途不受限制之定期存款。

撥備

倘因過往事件導致現時承擔責任(法定或推定責任)，且日後可能須流失資源以履行責任，並能可靠估計責任之數額，則確認撥備。

倘若貼現影響重大，則所確認之撥備數額為預計履行責任所需之未來開支於報告期終之現值。隨時間流逝使貼現值增加之款項計入損益表列為融資成本。

外幣

該等財務報表以港幣(本公司之功能貨幣)呈報。本集團內之實體各自決定其功能貨幣，各實體之財務報表項目均以所定功能貨幣計量。本集團各實體入賬之外幣交易初步按交易日之有關功能貨幣之現行匯率換算入賬。以外幣為計價單位之貨幣資產及負債按有關功能貨幣於報告期終之匯率換算。結算或換算貨幣項目產生之差額於損益表中確認。

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, 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 income statement.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. 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 income statement.

財務報表附註

Notes to Financial Statements

2.4 主要會計政策概要 (續)

外幣 (續)

按歷史成本列賬、以外幣計量之非貨幣項目按首次交易日期之匯率換算。按公平值列賬、以外幣計量之非貨幣項目按計量公平值當日之匯率換算。換算按公平值計量之非貨幣項目產生之收益或虧損的處理方式，與確認該項目公平值變動產生之收益或虧損的方式相符(即倘若項目之公平值收益或虧損於其他全面收益或損益表中確認，其匯兌差額亦分別於其他全面收益或損益表中確認)。

於釐定就有關資產、開支或收入初步確認的匯率或終止確認有關預付代價的非貨幣性資產或非貨幣性負債的收入時，初步交易日期為本集團初步確認預付代價所產生的非貨幣性資產或非貨幣性負債的日期。倘存在多項預先付款或收款，本集團釐定有關各預先支付或收取代價的交易日期。

若干海外附屬公司之功能貨幣並非港幣。於報告期終，有關實體之資產與負債按報告期終之匯率換算為港幣，其損益表則按本年度之加權平均匯率換算為港幣。

因此而產生之匯兌差額於其他全面收益確認，並於匯兌波動儲備累計。出售海外業務時，有關該項海外業務之其他全面收益組成部分會在損益表中確認。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之匯率換算為港幣。海外附屬公司整年經常產生之現金流量則按本年度之加權平均匯率換算為港幣。

2.4 Summary of Significant Accounting Policies

(Continued)

Foreign currencies (Continued)

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 the income statement is also recognised in other comprehensive income or the income statement, 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.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their income statements are translated into Hong Kong dollars 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 income statement.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars 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 Hong Kong dollars at the weighted average exchange rates for the year.

財務報表附註

Notes to Financial Statements

3. 主要會計判斷及估計

編製本集團之財務報表時，需要管理層作出影響收益、開支、資產與負債呈報金額及相應披露以及或然負債披露之判斷、估計及假設。有關該等假設及估計之不明朗因素可能導致須對未來受影響資產或負債之賬面值作出重大調整。

判斷

於應用本集團會計政策之過程中，除涉及估計者外，管理層已作出以下對財務報表所確認之款額有最重大影響之判斷：

資產減值

於釐定資產是否出現減值或過往導致減值之事件是否已不存在時，本集團須對有關資產減值之事宜作出判斷，尤其在評估：(1) 有否發生可能影響資產值之事件或影響資產值之事件是否不再存在；(2) 按持續使用資產估計之未來現金流量之淨現值能否支持資產之賬面值；及(3) 編製現金流量預測所使用之適當主要假設，是否使用適當貼現率貼現。更改管理層就確定減值水平而選定之假設，包括現金流量預測中之貼現率或增長率假設，會對減值測試所用之淨現值產生重大影響。

估計之不確定性

於每個報告期終存在重大風險導致於下一個財政年度對資產及負債的賬面值作重大調整的主要未來假設及其他主要估計不確定因素來源在下文論述。

3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosure, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Impairment of assets

In determining whether an asset is impaired or whether the event previously causing the impairment no longer exists, the Group has to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may affect the asset value, or such an event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows, which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in preparing cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in cash flow projections, could have a material effect on the net present value used in the impairment test.

Estimation uncertainty

The key assumption 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.

財務報表附註 Notes to Financial Statements

3. 主要會計判斷及估計(續)

估計之不確定性(續)

物業、廠房及設備項目的可使用年期及剩餘價值

於釐定物業、廠房及設備項目之可使用年期及剩餘價值時，本集團須考慮多項因素，例如因生產及所提供服務變動或改進以致過時，或資產所生產之產品或提供之服務之市場需求之變動、資產之預期使用量、資產之預期實際耗損、維修及保養以及使用資產之法律或類似限制。資產之估計可使用年期乃根據本集團就用作近似用途之類似資產之經驗而定。倘物業、廠房及設備項目之估計可使用年期及／或餘值較過往估計為短，則須作出額外折舊。可使用年期及剩餘價值乃於每個報告期終根據情況變動而進行審閱。

遞延稅項資產

倘可能有應課稅溢利可用以抵銷可扣減暫時性差額及未動用稅務虧損，則會就可扣減暫時性差額及未動用稅務虧損確認遞延稅項資產。管理層於釐定可予以確認之遞延稅項資產數額時，須根據可能出現未來應課稅溢利之時間及數額，以及未來稅務規劃策略作出重大判斷。遞延稅項資產之詳情載於財務報表附註19。

滯銷存貨撥備及存貨之可變現淨值

管理層於各報告期終審閱本集團存貨之賬齡分析，並對滯銷庫存項目作出撥備(倘需要)。存貨之可變現淨值為日常業務過程之估計售價減估計銷售開支。該等估計乃基於當前市況及同類銷售產品之過往情況而定。管理層於各報告期終重新評估該等估計。於二零一八年十二月三十一日之存貨賬面值為港幣108,750,000元(二零一七年：港幣111,447,000元)。進一步詳情載於財務報表附註15。

3. Significant Accounting Judgements and Estimates (Continued)

Estimation uncertainty (Continued)

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as obsolescence arising from changes or improvements in the production and provision of services, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are shorter than previous estimation. Useful lives and residual values are reviewed at the end of each reporting period based on changes in circumstances.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details of the deferred tax assets are contained in note 19 to the financial statements.

Provision for slow-moving stocks and net realisable value of stocks

Management reviews the ageing analysis of stocks of the Group at the end of each reporting period, and make provisions for slow-moving stock items if needed. Net realisable value of stocks is the estimated selling price in the ordinary course of business less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. Management reassesses these estimates at each reporting date. The carrying amount of stocks at 31 December 2018 was HK\$108,750,000 (2017: HK\$111,447,000). Further details are contained in note 15 to the financial statements.

財務報表附註

Notes to Financial Statements

3. 主要會計判斷及估計(續)

估計之不確定性(續)

購股權估值

購股權計劃項下購股權之公平值使用二項式模式釐定。釐定公平值之重大輸入值包括授出日期加權平均股價、行使價格、無風險利率、股息率、預期波幅、購股權預期年期、董事與員工之離職率。進一步詳情載於財務報表附註25。

4. 經營分部資料

本集團之主要經營分部為快餐業務。此外，快餐業務的收入及非流動資產(不包括遞延稅項資產)主要歸屬於單一地區，即中華人民共和國。因此並無列報地區分析。

3. Significant Accounting Judgements and Estimates (Continued)

Estimation uncertainty (Continued)

Valuation of share options

The fair value of options granted under the share option scheme is determined using the binomial model. The significant inputs in determining the fair values include the weighted average share price at the grant date, exercise price, risk-free interest rate, dividend yield, expected volatility, expected life of options, and exit rate of directors and staff. Further details are given in note 25 to the financial statements.

4. Operating Segment Information

The Group's primary operating segment is the QSR business. In addition, the QSR business' revenue and non-current assets, other than deferred tax assets, are predominantly attributable to a single geographical region, which is the People's Republic of China. Therefore, no analysis by geographical region is presented.

財務報表附註

Notes to Financial Statements

5. 營業額以及其他收入及收益淨額

營業額以及其他收入及收益淨額分析如下：

5. Turnover and Other Income and Gains, Net

An analysis of turnover and other income and gains, net is as follows:

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
營業額 — 客戶合約收益	Turnover — revenue from contracts with customers		
於某一時點銷售產品	Sale of products, at a point in time	2,373,954	2,218,323

客戶合約收益

(i) 分拆收益資料

截至二零一八年十二月三十一日止年度

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2018

		港幣千元 HK\$'000
品牌	Brands	
吉野家	Yoshinoya	2,018,670
冰雪皇后	Dairy Queen	249,765
其他	Others	105,519
		2,373,954
地區市場	Geographical markets	
北京 — 天津 — 河北省都會地區	Beijing-Tianjin-Hebei Province Metropolitan Region	1,759,618
華北 ⁽¹⁾	Northern China ⁽¹⁾	614,336
		2,373,954

⁽¹⁾ 包括遼寧、內蒙古、黑龍江及吉林省。

⁽¹⁾ Including Liaoning, Inner Mongolia, Heilongjiang and Jilin.

年內確認之產品銷售港幣7,449,000元計入報告期初之合約負債。

Sales of products of HK\$7,449,000 recognised during the year was included in contract liabilities at the beginning of the reporting period.

財務報表附註 Notes to Financial Statements

5. 營業額以及其他收入及收益淨額 (續)

客戶合約收益(續)

(ii) 履約責任

銷售貨品

本集團透過店舖及網上食品下單平台直接向顧客銷售貨品。履約責任於產品交付顧客時達成。交易價於顧客購買貨品時立即到期支付。付款通常以現金或利用網上付款平台結算。

5. Turnover and Other Income and Gains, Net (Continued)

Revenue from contract with customers (Continued)

(ii) Performance obligations

Sale of goods

The Group sells goods directly to customers via stores and online food order platform. The performance obligation is satisfied when the products are delivered to the customers. Payment of the transaction price is due immediately when the customers purchase the goods. The payment is usually settled in cash or using online payment platform.

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
其他收入及收益淨額	Other income and gains, net		
利息收入	Interest income	8,508	8,581
其他金融資產公平值收益	Fair value gain on other financial assets	6,674	–
匯兌差額淨額	Foreign exchange differences, net	(9,064)	7,874
補償	Compensation	2,758	2,354
政府補助金*	Government grant*	5,433	4,269
其他	Others	2,154	1,481
		16,463	24,559

* 政府補助金指就本集團在當地進行的業務活動從地方政府收取的補貼。於確認政府補助金的年度內並無未達成的條件。

* Government grants represent the subsidies received from the local government for the Group's business activities carried out locally. There were no unfulfilled conditions during the year in which they were recognised.

財務報表附註

Notes to Financial Statements

6. 經營溢利

本集團之經營溢利已扣除／(計入)：

6. Profit From Operating Activities

The Group's profit from operating activities is arrived at after charging/(crediting):

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
匯兌差額淨額	Foreign exchange differences, net	9,064	(7,874)
已售存貨之直接成本*	Direct cost of stocks sold*	796,664	742,527
出售／撤銷物業、廠房及設備 項目之虧損淨額	Loss on disposal/write-off of items of property, plant and equipment, net	9,485	8,271
僱員福利開支(包括 附註8所示董事酬金)：	Employee benefit expenses (including directors' emoluments in note 8):		
工資及薪酬	Wages and salaries	431,374	391,160
退休金計劃供款**	Pension scheme contributions**	106,526	97,875
以股權結算之以股份支付	Equity-settled share-based payments	8,155	10,460
		546,055	499,495
折舊	Depreciation	99,151	97,147
物業、廠房及設備項目 減值	Impairment of items of property, plant and equipment	5,906	1,477
應收賬項減值 撥回***	Write-back of impairment of accounts receivable***	-	(1,702)
經營租賃項下租金付款：	Lease payments under operating leases:		
— 最低租賃付款	— Minimum lease payments	277,494	257,985
— 或然租金	— Contingent rents	40,013	38,278
核數師酬金	Auditor's remuneration	2,650	2,500
公平值收益淨額	Fair value gain, net		
— 透過損益按公平值入賬 之投資	— investments at fair value through profit or loss	(6,674)	-

附註：

* 已售存貨之直接成本已計入綜合損益表內的「銷售成本」中。

** 於二零一八年十二月三十一日，本集團並無沒收供款可用以減低未來年度的未來退休金計劃供款(二零一七年：無)。

*** 應收賬項減值撥回已計入綜合損益表之「一般及行政費用」。

Notes:

* Direct cost of stocks sold is included in "Cost of sales" in the consolidated income statement.

** At 31 December 2018, the Group had no forfeited contributions available to reduce its future contributions to the pension schemes in future years (2017: Nil).

*** Write-back of impairment of accounts receivable was included in "General and administrative expenses" in the consolidated income statement.

財務報表附註

Notes to Financial Statements

7. 融資成本

融資成本分析如下：

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
銀行貸款利息	Interest on bank loans	52	134
銀行融資收費及其他	Bank financing charges and others	684	808
		736	942

7. Finance Costs

An analysis of finance costs is as follows:

8. 董事及行政總裁酬金

於本年度根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)條例第2部披露之董事及行政總裁酬金如下：

8. Directors' and Chief Executive's Emoluments

Directors' and chief executive's emoluments for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

		二零一八年 2018					
		薪金、津貼 袍金 及實物利益 Salaries, allowances and benefits Fees 港幣千元 HK\$'000	酌情花紅/與 表現掛鈎花紅 Discretionary/ performance related bonuses 港幣千元 HK\$'000	以股權結算之 以股份支付 Equity-settled share-based payment 港幣千元 HK\$'000	退休金 計劃供款 Pension scheme contributions 港幣千元 HK\$'000	酬金總額 Total remuneration 港幣千元 HK\$'000	
(a) 獨立非執行董事	(a) Independent non-executive directors						
司徒振中	Seto Gin Chung, John	330	-	-	309	-	639
史習陶	Sze Tsai To, Robert	275	-	-	309	-	584
石禮謙	Shek Lai Him, Abraham	220	-	-	309	-	529
溫世昌	Wan Sai Cheong, Joseph	275	-	-	309	-	584
		1,100	-	-	1,236	-	2,336
(b) 執行董事及 非執行董事	(b) Executive directors and non-executive director						
執行董事：	Executive directors:						
洪明基	Hung Ming Kei, Marvin	2,000	3,214	-	-	-	5,214
黃國英	Wong Kwok Ying	-	1,898	-	(316)	152	1,734
		2,000	5,112	-	(316)	152	6,948
非執行董事：	Non-executive director:						
林鳳明	Lam Fung Ming, Tammy	30	-	-	-	-	30

財務報表附註

Notes to Financial Statements

8. 董事及行政總裁酬金 (續)

8. Directors' and Chief Executive's Emoluments (Continued)

		二零一七年 2017					
		袍金	薪金、津貼 及實物利益	酌情花紅/與 表現掛鈎花紅	以股權結算之 以股份支付	退休金 計劃供款	酬金總額
		Fees	Salaries, allowances and benefits	Discretionary/ performance related bonuses	Equity-settled share-based payment	Pension scheme contributions	Total remuneration
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
(a) 獨立非執行董事	(a) Independent non-executive directors						
司徒振中	Seto Gin Chung, John	330	-	-	-	-	330
史習陶	Sze Tsai To, Robert	275	-	-	-	-	275
黃宜弘	Wong Yu Hong, Philip	92	-	-	-	-	92
張永銳	Cheung Wing Yui, Edward	178	-	-	-	-	178
石禮謙	Shek Lai Him, Abraham	220	-	-	-	-	220
溫世昌	Wan Sai Cheong, Joseph	239	-	-	-	-	239
		1,334	-	-	-	-	1,334
(b) 執行董事及 非執行董事	(b) Executive directors and non-executive director						
執行董事：	Executive directors:						
洪明基	Hung Ming Kei, Marvin	2,000	3,155	-	-	-	5,155
黃國英	Wong Kwok Ying	-	1,898	-	1,323	152	3,373
		2,000	5,053	-	1,323	152	8,528
非執行董事：	Non-executive director:						
林鳳明	Lam Fung Ming, Tammy	30	-	-	-	-	30

年內概無董事或行政總裁據此放棄或同意放棄任何酬金之安排。

若干董事已就其對本集團提供服務獲授購股權，進一步詳情載於財務報表附註25。該等購股權之公平值乃於歸屬期內在損益表確認，並於授出日期釐定，而計入財務報表之金額亦已載入上文披露之董事及行政總裁酬金內。

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

Certain directors were granted share options in respect of their services to the Group, further details of which are set out in note 25 to the financial statements. The fair value of such options, which is being recognised in the income statement over the vesting period, was determined as at the date of grant and the amounts included in the financial statements are included in the above directors' and chief executive's remuneration disclosures.

財務報表附註

Notes to Financial Statements

9. 五名最高薪僱員

於本年度五名最高薪僱員(包括酬金已載於上文附註8之兩名董事(二零一七年:兩名))之酬金總額如下:

薪金、津貼及其他酬金	Salaries, allowances and other emoluments
酌情花紅／與表現掛鉤花紅	Discretionary/performance related bonuses
以股權結算之以股份支付	Equity-settled share-based payments
退休金計劃供款	Pension scheme contributions

9. Five Highest Paid Employees

The aggregate emoluments of the five highest paid employees, including two (2017: two) directors whose emoluments are set out in note 8 above, for the year are as follows:

二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
10,425	10,027
3,136	2,613
(829)	5,296
487	451
13,219	18,387

上述酬金分析如下:

The above emoluments are analysed as follows:

		僱員數目 Number of employees	
		二零一八年 2018	二零一七年 2017
港幣 1,500,001 元至港幣 2,000,000 元	HK\$1,500,001 to HK\$2,000,000	2	–
港幣 2,000,001 元至港幣 2,500,000 元	HK\$2,000,001 to HK\$2,500,000	2	–
港幣 2,500,001 元至港幣 3,000,000 元	HK\$2,500,001 to HK\$3,000,000	–	1
港幣 3,000,001 元至港幣 3,500,000 元	HK\$3,000,001 to HK\$3,500,000	–	2
港幣 3,500,001 元至港幣 4,000,000 元	HK\$3,500,001 to HK\$4,000,000	–	1
港幣 4,500,001 元至港幣 5,000,000 元	HK\$4,500,001 to HK\$5,000,000	–	–
港幣 5,000,001 元至港幣 5,500,000 元	HK\$5,000,001 to HK\$5,500,000	1	1
		5	5

既非董事亦非行政總裁的五名最高薪的僱員就向本集團提供服務而獲授購股權，有關詳情載於財務報表附註25內的披露資料。該等購股權之公平值乃於授出日期釐定，已於歸屬期內在損益表中確認，而於本年度在財務報表載列之金額已計入上述五名最高薪僱員酬金的披露資料內。

Certain five highest paid employees who are neither directors nor chief executives have been granted with share options in respect of their services to the Group, further details of which are included in the disclosures in note 25 to the financial statements. The fair values of such options, which have been recognised in the income statement over the vesting period, were determined as at the date of grant and the amounts included in the financial statements for the current year have been included in the above disclosure of the five highest paid employees' remuneration.

財務報表附註 Notes to Financial Statements

10. 所得稅

香港利得稅乃根據年內在香港產生之估計應課稅溢利按稅率16.5%(二零一七年:16.5%)作出撥備。其他地區應課稅溢利之稅項乃按本集團於各營運司法權區之通用稅率計算。

本集團於中國內地經營之附屬公司年內按彼等應課稅溢利的25%繳納中國企業所得稅。其中一家從事農業業務的附屬公司於二零一八年及二零一七年度獲豁免根據標準所得稅稅率納稅。

本年度所得稅支出的主要組成部分如下：

10. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The PRC corporate income tax rate for the Group's subsidiaries operating in Mainland China during the year was 25% on their taxable profits. One of the subsidiaries engaging in agricultural business was entitled to exemption from the standard income tax rate in 2018 and 2017.

The major components of the income tax expense for the year are as follows:

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
即期 — 香港	Current — Hong Kong		
本年支出	Charge for the year	515	288
以往年度撥備不足	Underprovision in prior years	181	5
		696	293
即期 — 其他地區	Current — Elsewhere		
本年支出	Charge for the year	57,875	67,874
以往年度撥備不足/(超額撥備)	Under/(over) provision in prior years	(803)	3,793
		57,072	71,667
遞延稅項(附註19)	Deferred (note 19)	(200)	1,286
本年度所得稅支出總額	Total income tax charge for the year	57,568	73,246

財務報表附註

Notes to Financial Statements

10. 所得稅(續)

按本公司及其大部份附屬公司所在國家／司法權區之法定稅率(由16.5%至25%)所計算適用於除稅前溢利之稅項支出與按實際稅率計算之稅項支出對賬如下：

除稅前溢利	Profit before tax
按適用稅率計算之稅項	Tax at the applicable tax rate
其他司法權區不同稅率之影響	Effect of different tax rates in other jurisdiction
毋須課稅收入	Income not subject to tax
不予扣減稅項之開支	Expenses not deductible for tax
以往年度撥備不足／(超額撥備)	Under/(over) provision in respect of prior years
對本集團中國附屬公司可分派溢利徵收預扣稅之影響	Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries
未確認稅務虧損	Tax losses not recognised
已動用未確認稅項虧損	Unrecognised tax losses utilised
按本集團實際稅率計算之稅項支出	Tax charge at the Group's effective rate

10. Income Tax (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates, ranging from 16.5% to 25%, for the countries/jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
180,174	240,598
29,729	39,699
14,960	18,813
(831)	(3,792)
5,646	5,205
(622)	3,798
7,374	8,800
1,535	1,008
(223)	(285)
57,568	73,246

11. 股息

於本年度內支付的股息：	Dividends paid during the year:
二零一七年之末期股息	Final dividend for 2017
— 每股普通股0.83港仙	— HK0.83 cent (2016: HK0.62 cent)
(二零一六年：0.62港仙)*	per ordinary share*
擬派末期股息：	Proposed final dividend:
每股普通股0.61港仙	HK0.61 cent (2017: HK0.83 cent)
(二零一七年：0.83港仙)	per ordinary share

11. Dividends

二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
81,797	60,257
61,430	83,585

本年度擬派末期股息尚待本公司股東於應屆股東週年大會的批准。財務報表並無反映應付擬派末期股息。

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements do not reflect the proposed final dividend payable.

* 於截至二零一八年十二月三十一日止年度內所支付之二零一七年之末期股息指就已發行普通股所支付之股息，不包括股份獎勵計劃項下受託人所持庫存股份。

* Final dividend for 2017 paid during the year ended 31 December 2018 represented the dividends paid for the issued ordinary shares, excluding treasury shares held by the trustee under the share award scheme.

財務報表附註

Notes to Financial Statements

12. 本公司股權持有人應佔每股盈利

(a) 每股基本盈利

每股基本盈利乃根據年內本公司股權持有人應佔綜合溢利港幣 122,606,000 元(二零一七年：港幣 167,352,000 元)及年內已發行普通股之加權平均數 9,815,305,745 股(二零一七年：9,812,206,150 股)計算，並經調整以反映根據本公司的股份獎勵計劃所持有的股份數目 313,186,867 股(二零一七年：259,487,400 股)。

(b) 每股攤薄盈利

截至二零一八年十二月三十一日止年度，每股攤薄盈利乃根據年內本公司股權持有人應佔綜合溢利港幣 122,606,000 元及已發行普通股之加權平均數 9,925,254,290 股計算，並就所有具潛在攤薄影響之普通股 109,948,545 股予以調整，計算方式如下：

12. Earnings Per Share Attributable to Equity Holders of the Company

(a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit for the year attributable to equity holders of the Company of HK\$122,606,000 (2017: HK\$167,352,000), and the weighted average number of 9,815,305,745 (2017: 9,812,206,150) ordinary shares in issue during the year, as adjusted to reflect the number of shares of 313,186,867 (2017: 259,487,400) held under the share award scheme of the Company.

(b) Diluted earnings per share

For the year ended 31 December 2018, the calculation of diluted earnings per share is based on the consolidated profit for the year attributable to equity holders of the Company of HK\$122,606,000 and the weighted average number of 9,925,254,290 ordinary shares in issue after adjusting for the effect of all dilutive potential ordinary shares of 109,948,545 calculated as follows:

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
本公司股權持有人 應佔綜合溢利	Consolidated profit attributable to equity holders of the Company	122,606	167,352
		股份數目 Number of shares	
股份	Shares	二零一八年 2018	二零一七年 2017
用以計算每股基本盈利之 年內已發行普通股 加權平均數	Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	9,815,305,745	9,812,206,150
攤薄之影響 — 普通股 加權平均數：	Effect of dilution — weighted average number of ordinary shares:		
股份獎勵	Share awards	93,283,580	71,989,156
購股權	Share options	16,664,965	38,005,244
		9,925,254,290	9,922,200,550

財務報表附註 Notes to Financial Statements

13. 物業、廠房及設備

13. Property, Plant and Equipment

		汽車及其他設備 Motor vehicles and other equipment 港幣千元 HK\$'000	傢俱、固定裝置及租賃物業裝修 Furniture, fixtures and leasehold improvements 港幣千元 HK\$'000	總計 Total 港幣千元 HK\$'000
二零一八年十二月三十一日 31 December 2018				
成本：	Cost:			
於二零一八年一月一日	At 1 January 2018	385,329	599,847	985,176
添置	Additions	44,707	76,013	120,720
出售／撇銷	Disposals/write-off	(30,088)	(54,576)	(84,664)
匯兌調整	Exchange realignment	(20,310)	(31,595)	(51,905)
於二零一八年十二月三十一日	At 31 December 2018	379,638	589,689	969,327
累計折舊及減值：	Accumulated depreciation and impairment:			
於二零一八年一月一日	At 1 January 2018	282,586	489,114	771,700
本年撥備	Provided during the year	27,063	72,088	99,151
出售／撇銷	Disposals/write-off	(24,876)	(50,303)	(75,179)
減值撥備	Provision for impairment	-	5,906	5,906
匯兌調整	Exchange realignment	(14,569)	(26,131)	(40,700)
於二零一八年十二月三十一日	At 31 December 2018	270,204	490,674	760,878
賬面淨值：	Net book value:			
於二零一八年十二月三十一日	At 31 December 2018	109,434	99,015	208,449

財務報表附註

Notes to Financial Statements

13. 物業、廠房及設備(續)

13. Property, Plant and Equipment (Continued)

		汽車及 其他設備 Motor vehicles and other equipment 港幣千元 HK\$'000	傢俱、固定裝置 及租賃物業裝修 Furniture, fixtures and leasehold improvements 港幣千元 HK\$'000	總計 Total 港幣千元 HK\$'000
二零一七年十二月三十一日 31 December 2017				
成本：	Cost:			
於二零一七年一月一日	At 1 January 2017	345,808	498,331	844,139
添置	Additions	37,886	78,868	116,754
出售／撇銷	Disposals/write-off	(25,036)	(17,563)	(42,599)
匯兌調整	Exchange realignment	26,671	40,211	66,882
於二零一七年 十二月三十一日	At 31 December 2017	385,329	599,847	985,176
累計折舊及 減值：	Accumulated depreciation and impairment:			
於二零一七年一月一日	At 1 January 2017	252,495	402,737	655,232
本年撥備	Provided during the year	32,494	64,653	97,147
出售／撇銷	Disposals/write-off	(21,944)	(12,384)	(34,328)
減值撥備	Provision for impairment	–	1,477	1,477
匯兌調整	Exchange realignment	19,541	32,631	52,172
於二零一七年 十二月三十一日	At 31 December 2017	282,586	489,114	771,700
賬面淨值：	Net book value:			
於二零一七年 十二月三十一日	At 31 December 2017	102,743	110,733	213,476

財務報表附註

Notes to Financial Statements

14. 於合營企業之投資

14. Investment in a Joint Venture

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
分佔淨資產	Share of net assets	11,185	–

本集團合營企業之詳情如下：

Particulars of the Group's joint venture are as follows:

Name 名稱	Particulars of capital held 所持資本詳情	Place of registration and business 註冊及營業地點	Percentage of ownership interest 擁有權百分比	Principal activities 主要業務
天津合興吉野家快餐有限公司	RMB10,200,000 人民幣 10,200,000 元	PRC/Mainland China 中國／中國內地	51%	Fast food restaurant operation 經營快餐店

上述投資由本公司間接持有。

The above investment is indirectly held by the Company.

下表列示本集團合營企業之個別並不重大的財務資料：

The following table illustrates the financial information of the Group's joint venture that is not individually material:

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
分佔合營企業本年虧損	Share of the joint venture's loss for the year	(432)	–
分佔合營企業全面虧損總額	Share of the joint venture's total comprehensive expense	(432)	–
本集團於合營企業之投資 賬面總值	Aggregate carrying amount of the Group's investment in the joint venture	11,185	–

財務報表附註 Notes to Financial Statements

15. 存貨

15. Stocks

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
原料	Raw materials	91,314	94,559
消耗品	Consumables	17,436	16,888
		108,750	111,447

16. 應收賬項

16. Accounts Receivable

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
應收賬項	Accounts receivable	19,945	17,769
減：減值	Less: impairment	-	-
		19,945	17,769

本集團之快餐產品主要以現金進行出售。本集團快餐業務之應收賬項主要是應收具有信貸期60日內之商場及網上平台服務供應商的款項。逾期欠款由高級管理層定期作出審閱。

The Group's QSR products are mainly sold on a cash basis. Accounts receivable of the Group's QSR business were mainly due from shopping malls and internet platform service providers with credit terms within 60 days. The overdue balances are reviewed regularly by senior management.

於報告期終，根據交易日並扣除虧損撥備後之應收賬項之賬齡分析如下：

An ageing analysis of the accounts receivable as at the end of the reporting period, based on the transaction date and net of loss allowance, is as follows:

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
一個月內	Within 1 month	19,655	17,231
一至二個月	1 to 2 months	290	538
		19,945	17,769

財務報表附註

Notes to Financial Statements

16. 應收賬項 (續)

應收賬項減值虧損撥備之變動如下：

於一月	At January
減值撥回	Write-back of impairment
匯兌調整	Exchange realignment
於十二月三十一日	At 31 December

截至二零一八年十二月三十一日止年度香港財務報告準則第9號項下之減值

本集團已應用香港財務報告準則第9號規定之簡化方法提供預期信貸虧損減值，該項準則允許就所有應收賬項使用全期預期虧損撥備。為計量預期信貸虧損，應收賬項乃按分擔信貸風險特徵及逾期日數分組。本集團在計算預期信貸虧損率時考慮歷史虧損率及就前瞻性資料作出調整。於二零一八年十二月三十一日，本集團估計應收賬項之預期虧損率極微，故不就有關結餘計提預期信貸虧損撥備。

截至二零一七年十二月三十一日止年度香港會計準則第39號項下之減值

以下為於二零一七年十二月三十一日根據香港會計準則第39號被視為並無個別或共同減值之應收賬項之賬齡分析：

既無逾期亦無減值	Neither past due nor impaired
逾期60日內	Within 60 days past due

未逾期及未減值之應收賬項乃與近期無違約記錄之大量不同債務人有關。

16. Accounts Receivable (Continued)

The movements in the loss allowance for impairment of accounts receivable are as follows:

二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
-	1,646
-	(1,702)
-	56
-	-

Impairment under HKFRS 9 for the year ended 31 December 2018

The Group has applied the simplified approach to provide impairment of ECLs prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all accounts receivable. To measure the ECLs, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The Group considers the historical loss rate and adjusts for forward-looking information in calculating the expected credit loss rate. As at 31 December 2018, the Group estimated that the expected loss rate of accounts receivable is minimal and no ECL allowance in respect of these balances is made.

Impairment under HKAS 39 for the year ended 31 December 2017

The ageing analysis of the trade receivables as at 31 December 2017 that were not individually nor collectively considered to be impaired under HKAS 39 is as follows:

二零一七年
2017
港幣千元
HK\$'000

17,231
538
17,769

Receivables that were neither past due nor impaired related to a number of diversified debtors for whom there was no recent history of default.

財務報表附註 Notes to Financial Statements

17. 應付賬項

於報告期終，根據到期日之應付賬項之賬齡分析如下：

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
即期及不足60日	Current and less than 60 days	119,344	140,275
超過60日	Over 60 days	8,911	13,349
		128,255	153,624

應付賬項不計息，一般於介乎7日至90日之信貸期內清償。

17. Accounts Payable

An ageing analysis of the accounts payable as at the end of the reporting period, based on the payment due date, is as follows:

The accounts payable are non-interest-bearing and are normally settled within credit terms of 7 to 90 days.

18. 計息銀行貸款

		二零一八年 2018			二零一七年 2017		
		有效年利率 Effective interest rate per annum	到期 Maturity	港幣千元 HK\$'000	有效年利率 Effective interest rate per annum	到期 Maturity	港幣千元 HK\$'000
即期(一年內或 按要求償還)	Current (repayable within one year or on demand)						
銀行貸款—無抵押	Bank loan—unsecured	-	-	-	3.25%	2018	10,000

附註：

於二零一七年十二月三十一日，按浮動利率計息之銀行貸款港幣10,000,000元為港幣貸款。

Note:

Bank loan of HK\$10,000,000 as at 31 December 2017 which carried a floating interest rate was denominated in Hong Kong dollars.

財務報表附註

Notes to Financial Statements

19. 遞延稅項

年內之遞延稅項負債及資產變動如下：

遞延稅項負債

		預扣稅 Withholding taxes 港幣千元 HK\$'000
於二零一七年一月一日	At 1 January 2017	23,168
年內扣除自損益表之稅項 (附註 10)	Charged to the income statement during the year (note 10)	8,800
調回中國內地附屬公司盈利時所支付之 預扣稅	Withholding tax paid on repatriation of earnings from subsidiaries in Mainland China	(7,217)
於二零一七年十二月三十一日及 二零一八年一月一日	At 31 December 2017 and 1 January 2018	24,751
年內扣除自損益表之稅項(附註 10)	Charged to the income statement during the year (note 10)	7,374
調回中國內地附屬公司盈利時所支付之 預扣稅	Withholding tax paid on repatriation of earnings from subsidiaries in Mainland China	(8,084)
於二零一八年十二月三十一日	At 31 December 2018	24,041

遞延稅項資產

		尚未動用 稅項抵免 Tax credit not utilised 港幣千元 HK\$'000	撥備、應計費用 及折舊的 暫時性差額 Temporary difference of provisions, accruals and depreciation 港幣千元 HK\$'000	總計 Total 港幣千元 HK\$'000
於二零一七年一月一日	At 1 January 2017	3,525	30,999	34,524
年內計入/(扣除自)損益表之稅項 (附註 10)	Credited/(charged) to the income statement during the year (note 10)	(1,434)	8,948	7,514
匯兌調整	Exchange realignment	-	2,490	2,490
於二零一七年十二月三十一日及 二零一八年一月一日	At 31 December 2017 and 1 January 2018	2,091	42,437	44,528
年內計入/(扣除自) 損益表之稅項(附註 10)	Credited/(charged) to the income statement during the year (note 10)	(411)	7,985	7,574
匯兌調整	Exchange realignment	-	(2,229)	(2,229)
於二零一八年 十二月三十一日	At 31 December 2018	1,680	48,193	49,873

19. Deferred Tax

The movements in deferred tax liabilities and assets during the year were as follows:

Deferred tax liabilities

		預扣稅 Withholding taxes 港幣千元 HK\$'000
於二零一七年一月一日	At 1 January 2017	23,168
年內扣除自損益表之稅項 (note 10)	Charged to the income statement during the year (note 10)	8,800
調回中國內地附屬公司盈利時所支付之 預扣稅	Withholding tax paid on repatriation of earnings from subsidiaries in Mainland China	(7,217)
於二零一七年十二月三十一日及 二零一八年一月一日	At 31 December 2017 and 1 January 2018	24,751
年內扣除自損益表之稅項(附註 10)	Charged to the income statement during the year (note 10)	7,374
調回中國內地附屬公司盈利時所支付之 預扣稅	Withholding tax paid on repatriation of earnings from subsidiaries in Mainland China	(8,084)
於二零一八年十二月三十一日	At 31 December 2018	24,041

Deferred tax assets

		尚未動用 稅項抵免 Tax credit not utilised 港幣千元 HK\$'000	撥備、應計費用 及折舊的 暫時性差額 Temporary difference of provisions, accruals and depreciation 港幣千元 HK\$'000	總計 Total 港幣千元 HK\$'000
於二零一七年一月一日	At 1 January 2017	3,525	30,999	34,524
年內計入/(扣除自)損益表之稅項 (附註 10)	Credited/(charged) to the income statement during the year (note 10)	(1,434)	8,948	7,514
匯兌調整	Exchange realignment	-	2,490	2,490
於二零一七年十二月三十一日及 二零一八年一月一日	At 31 December 2017 and 1 January 2018	2,091	42,437	44,528
年內計入/(扣除自) 損益表之稅項(附註 10)	Credited/(charged) to the income statement during the year (note 10)	(411)	7,985	7,574
匯兌調整	Exchange realignment	-	(2,229)	(2,229)
於二零一八年 十二月三十一日	At 31 December 2018	1,680	48,193	49,873

財務報表附註 Notes to Financial Statements

19. 遞延稅項(續)

遞延稅項資產(續)

根據中國企業所得稅法，於中國內地成立之外商投資企業向外國投資者宣派股息須按10%徵收預扣稅。此規定由二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後之盈利。因此，本集團有責任就於中國內地成立之附屬公司由二零零八年一月一日起產生之盈利所分派之股息繳付預扣稅。倘中國內地與外國投資者之司法權區訂有稅務條約，則可運用較低之預扣稅率。就本集團而言，適用稅率為5%及10%。

本公司向其股東派付股息並不附帶所得稅後果。

於二零一八年十二月三十一日，本集團有來源於香港的無限期可抵扣稅務虧損港幣41,131,000元(二零一七年：港幣31,828,000元)，可用於抵銷有關公司的未來應稅利潤。於二零一七年十二月三十一日，本集團亦有來源於中國內地的稅務虧損港幣893,000元，可於一至五年內用於抵銷有關公司的未來應稅利潤。由於認為不太可能產生應稅利潤，因此並未確認遞延稅項資產。

19. Deferred Tax (Continued)

Deferred tax assets (Continued)

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. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. 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 rates are 5% and 10%.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

At 31 December 2018, the Company had tax losses of HK\$41,131,000 (2017: HK\$31,828,000) arising in Hong Kong that were available indefinitely for offsetting against future taxable profits of the relevant company. As at 31 December 2017, the Group also had tax losses of HK\$893,000 arising in Mainland China for offsetting against future taxable profits of the relevant company in one to five years. Deferred tax assets have not been recognised as it is not considered probable that taxable profits will be available.

財務報表附註 Notes to Financial Statements

20. 預付款項、按金及其他應收款項

20. Prepayments, Deposits and Other Receivables

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
預付款項	Prepayments	52,353	41,377
按金	Deposits	66,115	60,493
其他應收款項	Other receivables	73,097	47,708
		191,565	149,578
計入預付款項、按金及其他 應收款項之即期部份	Current portion included in prepayments, deposits and other receivables	(139,210)	(97,960)
非即期部份：預付款項及租賃 按金	Non-current portion: prepayments and rental deposits	52,355	51,618

按金及其他應收款項主要指租賃按金及供應商按金。在適用情況下，於各報日期透過考慮已有信貸評級之可資比較公司出現違約之可能性進行減值分析，在無法覓得具有信貸評級可資比較公司之情況下，則參考本集團之過往損失記錄以損失率估計預期信貸虧損。損失率就反映目前狀況及未來經濟狀況預測（指在適當情況下）作出調整。

按金及其他應收款項的結餘並未逾期亦無減值。包括於上述結餘內的金融資產，均與近期並無拖欠記錄的應收款項有關。

Deposits and other receivables mainly represent rental deposits and deposits with suppliers. Where applicable, an impairment analysis is performed at each reporting date by considering the probability of default of comparable companies with published credit ratings. In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

The balances of deposits and other receivables were neither past due nor impaired. Financial assets included in the above balances relate to receivables for which there was no recent history of default.

財務報表附註 Notes to Financial Statements

21. 其他金融資產

21. Other Financial Assets

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
透過損益按公平值計量之金融資產	Financial asset measured at fair value through profit or loss		
— 非上市金融產品	— Unlisted financial products	235,789	—
可供出售金融資產	Available-for-sale financial asset		
— 非上市金融產品	— Unlisted financial product	—	48,019
		235,789	48,019

其他金融資產指從多家位於中國內地的信譽卓著銀行所購買原訂期限介乎182至408天(二零一七年：91天)的非上市本金保證金融產品。該等金融產品被強制分類為透過損益按公平值入賬之金融資產，因其合約現金流量並非單純支付本金及利息。於二零一八年十二月三十一日，其他金融資產的公平值計量分類為第二層次的公平值層級，即使用重大可觀察輸入值計量公平值。

本集團已採用貼現現金流量估值模式按年期及風險相若之工具之市場利率估計該等非上市投資之公平值。

Other financial assets represent unlisted principal-guaranteed financial products purchased from creditworthy banks in Mainland China with original maturity periods ranging from 182 to 408 days (2017: 91 days). They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. As at 31 December 2018, the fair value measurement of the other financial assets are categorised in level 2 of the fair value hierarchy (i.e. fair value measurement using significant observable inputs).

The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

財務報表附註 Notes to Financial Statements

22. 現金及現金等值物

22. Cash and Cash Equivalents

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
現金及銀行結餘	Cash and bank balances	176,879	178,308
於購入時原訂到期日少於或等於 三個月之無抵押定期存款	Non-pledged time deposits with original maturity of less than or equal to three months when acquired	131,959	202,881
於購入時原訂到期日超過三個月之 無抵押定期存款	Non-pledged time deposits with original maturity of more than three months when acquired	92,825	260,504
		401,663	641,693

以下列貨幣計值之現金及現金等值物：

Cash and cash equivalents were denominated in:

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
港幣	HK\$	129,338	16,530
人民幣	RMB	272,045	624,883
美元	United States dollar	280	280
		401,663	641,693

人民幣不得自由兌換為其他貨幣。然而，根據中國內地之《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過獲授權經營外匯業務之銀行將人民幣兌換為其他貨幣。

RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange businesses.

銀行現金按根據每日銀行存款利率計算之浮動利率計息。短期定期存款介乎一天至十二個月期間，視乎本集團的現金需求而定及按各項短期定期存款利率賺取利息。銀行結餘存放於信譽良好且近期並無違約記錄的銀行。

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and twelve months depending on the cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

財務報表附註

Notes to Financial Statements

23. 其他應付賬項及應計費用

23. Other Payables and Accrued Charges

		附註	二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
		Notes		
合約負債	Contract liabilities	(a)	6,683	–
其他應付賬項	Other payables	(b)	72,069	69,254
應計費用	Accrued charges		325,691	305,410
總計	Total		404,443	374,664

附註：

- (a) 合約負債指於報告期終尚未履行之餘下履約責任所獲分配之交易價總額。本集團預期尚未履行之履約責任所獲分配之交易價將在本集團向客戶移交貨品時於一年內確認為收益。於二零一七年十二月三十一日，計入本集團其他應付賬項為數港幣3,232,000元及港幣4,267,000元之款項分別為會員積分計劃產生之遞延收益及預收客戶款項，重新分類為於二零一八年一月一日之合約負債。詳情載於財務報表附註2.2。

於二零一八年十二月三十一日，合約負債包括本集團會員積分計劃產生之遞延收益及就銷售貨品向客戶收取之短期墊款。於二零一八年合約負債減少之主要原因為就銷售貨品向客戶收取之短期墊款減少。

- (b) 其他應付賬項為免息而平均付款期為一至三個月。

Notes:

- (a) The contract liabilities represented the aggregate amount of the transaction price allocated to the remaining performance obligations that are unsatisfied as of the end of the reporting period. The Group expects that the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue within one year when the Group transfers goods to the customer. As at 31 December 2017, the amounts of HK\$3,232,000 and HK\$4,267,000 included in other payables of the Group were related to deferred revenue arising from the loyalty point programme and receipt in advance from customers, respectively. Such amounts were reclassified as contract liabilities as at 1 January 2018. The details were set out in note 2.2 to the financial statements.

As at 31 December 2018, the contract liabilities included deferred revenue arising from the loyalty point programme of the Group and short-term advances received from customers for the sale of goods. The decrease in contract liabilities in 2018 was mainly due to the decrease in short-term advances received from customers for the sale of goods.

- (b) Other payables are non-interest-bearing and have an average payment terms of one to three months.

財務報表附註

Notes to Financial Statements

24. 股本

24. Share Capital

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
法定：	Authorised:		
14,800,000,000 股 (二零一七年： 14,800,000,000 股) 每股面值 港幣 0.10 元之普通股	14,800,000,000 (2017: 14,800,000,000) ordinary shares of HK\$0.10 each	1,480,000	1,480,000
已發行及繳足：	Issued and fully paid:		
10,070,431,786 股 (二零一七年： 10,070,431,786 股) 每股面值 港幣 0.10 元之普通股	10,070,431,786 (2017: 10,070,431,786) ordinary shares of HK\$0.10 each	1,007,043	1,007,043

本公司之已發行普通股股本及根據股份獎勵計劃持有的股份於年內之變動概要載列如下：

A summary of the movements in the Company's issued ordinary share capital and shares held under share award scheme during the year is as follows:

		附註	已發行 股份數目 Number of shares in issue	已發行股本 Issued share capital 港幣千元 HK\$'000	股份溢價賬 Share premium account 港幣千元 HK\$'000	總計 Total 港幣千元 HK\$'000
已發行：	Issued:					
於二零一七年一月一日	At 1 January 2017		10,070,431,786	1,007,043	3,971,055	4,978,098
二零一六年末期股息	Final 2016 dividend	11	-	-	(60,257)	(60,257)
於二零一七年十二月三十一日 及二零一八年一月一日	At 31 December 2017 and 1 January 2018		10,070,431,786	1,007,043	3,910,798	4,917,841
二零一七年末期股息	Final 2017 dividend	11	-	-	(81,797)	(81,797)
於二零一八年十二月三十一日	At 31 December 2018		10,070,431,786	1,007,043	3,829,001	4,836,044

財務報表附註

Notes to Financial Statements

24. 股本(續)

24. Share Capital (Continued)

	附註	根據股份獎勵 計劃持有之 股份數目 Number of shares held under share award scheme	港幣千元 HK\$'000
	Note		
於二零一七年一月一日	At 1 January 2017	245,095,400	(27,797)
根據股份獎勵計劃購入股份	Shares purchased under share award scheme	(a) 14,392,000	(2,281)
於二零一七年十二月三十一日 及二零一八年一月一日	At 31 December 2017 and 1 January 2018	259,487,400	(30,078)
股份獎勵計劃歸屬之股份	Vesting of shares of share award scheme	(19,436,533)	2,253
根據股份獎勵計劃購入股份	Shares purchased under share award scheme	(a) 73,136,000	(11,594)
於二零一八年十二月三十一日	At 31 December 2018	313,186,867	(39,419)

附註：

(a) 於年內，受託人按每股港幣0.147元至港幣0.170元(二零一七年：港幣0.158元)之價格，購入73,136,000股(二零一七年：14,392,000股)每股面值港幣0.1元之普通股，總代價約為港幣11,594,000元(二零一七年：港幣2,281,000元)。該等股份已分類為庫存股份。

Note:

(a) During the year, 73,136,000 (2017: 14,392,000) ordinary shares of HK\$0.1 each were purchased by the trustee at prices of ranging from HK\$0.147 to HK\$0.170 per share (2017: HK\$0.158 per share) at a total consideration of approximately HK\$11,594,000 (2017: HK\$2,281,000) by the trustee. The shares have been classified as treasury shares.

購股權及股份獎勵

有關本公司購股權計劃及股份獎勵計劃，以及根據該等計劃已發行之購股權及股份獎勵之詳情分別載於財務報表附註25及26。

Share options and share awards

Details of the Company's share option scheme and the share award scheme and the share options and share awards issued under the schemes are included in notes 25 and 26 to the financial statements, respectively.

25. 購股權

本公司於二零零八年三月十二日採納購股權計劃(「二零零八年購股權計劃」)。二零零八年購股權計劃於二零零八年四月二十五日生效及於二零一八年四月二十四日屆滿。鑒於二零零八年購股權計劃屆滿，股東於二零一八年六月八日舉行之本公司股東週年大會採納一項新購股權計劃(「二零一八年購股權計劃」)。

25. Share Options

The share option scheme adopted by the Company on 12 March 2008 became effective on 25 April 2008 and expired on 24 April 2018 (the "2008 Share Option Scheme"). In light of the expiry of the 2008 Share Option Scheme, a new share option scheme was adopted by the shareholders at the annual general meeting of the Company held on 8 June 2018 (the "2018 Share Option Scheme").

由於二零零八年購股權計劃已屆滿，於本報告日期無法根據二零零八年購股權計劃進一步授出購股權。然而，就根據二零零八年購股權計劃已授出但未行使之購股權而言，承授人之現有權利不受影響。

As the 2008 Share Option Scheme has expired, no options can further be granted under the 2008 Share Option Scheme as at the date of this report. However, for the outstanding options granted and yet to be exercised under the 2008 Share Option Scheme, the existing rights of the grantees are not affected.

財務報表附註

Notes to Financial Statements

25. 購股權 (續)

二零一八年購股權計劃旨在鼓勵合資格人士提升日後對本集團作出之貢獻及／或報答彼等過往之貢獻，並吸引及挽留對本集團之表現、增長或成功關係重大及／或其貢獻目前或日後均有利於本集團之合資格人士或以其他方式與該等合資格人維持恆常關係，而就僱員而言，則旨在繼續令本集團得以吸引及挽留具有經驗及能力之個別人士及／或報答彼等過往作出之貢獻，及向該等個別人士提供表現獎勵以便彼等繼續為本集團及其附屬公司提供及改善服務。二零一八年購股權計劃之參與者包括本集團之任何全職僱員、本集團任何非執行董事，本集團任何顧問、專家、代理或代表以及董事會或本公司股東批准之任何人士。

二零一八年購股權計劃為期10年，於二零一八年六月八日開始，於二零二八年六月七日屆滿。於本報告日期，根據二零一八年購股權計劃可供發行之股份總數為503,530,178股，相當於該日之本公司已發行股本約5%。於任何12個月期間因行使每名參與者所獲授購股權(包括已行使、已註銷及未行使購股權)而已發行及將予發行之股份總數不得超過本公司之已發行股份1%。此外，倘於任何12個月期間內一名主要股東或一名獨立非執行董事或彼等各自之聯繫人獲授之任何購股權超過任何時候之本公司已發行股份數目0.1%且總值(按本公司股份於授出日期之收市價計算)超過港幣5,000,000元，必須事先經股東於股東大會上批准。

根據二零一八年購股權計劃之條款，可行使購股權之期間須：(i)由董事釐定；(ii)自授出購股權日期起12個月屆滿起(或董事可能釐定之較短期間)開始；及(iii)於任何情況下，由開始日期起計均不得長於十年。

25. Share Options (Continued)

The purpose of the 2018 Share Option Scheme is to motivate eligible persons to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of employee, to continue to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions and to provide such individuals with a performance incentive for continued and improved services with the Group and its subsidiaries. The participants of the 2018 Share Option Scheme include any full-time employee, any non-executive director of the Group and any consultant, expert, agent or representative of the Group, and any person approved by the Board or shareholders of the Company.

The term of the 2018 Share Option Scheme is 10 years commencing on 8 June 2018 and expiring on 7 June 2028. As at the date of this report, the total number of shares available for issue under the 2018 Share Option Scheme was 503,530,178, which represented approximately 5% of the issued share capital of the Company as at that date. The total number of shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the shares of the Company in issue. In addition, any share options granted to a substantial shareholder or an independent non-executive Director, or to any of their respective associates, in excess of 0.1% of the number of shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The period within which the options may be exercised in accordance with the terms of the 2018 Share Option Scheme, shall: (i) be determined by the Directors; (ii) commence on the expiration of 12 months (or such shorter period as may be determined by the Directors) from the date of grant of options; and (iii) in any event not more than 10 years from the date on which it commences.

財務報表附註 Notes to Financial Statements

25. 購股權 (續)

建議授出之購股權必須於建議授出日期起計21日內按代價港幣1.00元接納。根據二零一八年購股權計劃所授出可認購股份之購股權之行使價不得低於：(i) 股份於參與者獲提呈授出購股權當日(須為營業日)在聯交所日報表所列之收市價；及(ii) 股份於緊接授出購股權當日前五個營業日在聯交所日報表所列之平均收市價中之較高者。

概無授權其持有人享有股息或於股東大會上投票的購股權。

25. Share Options (Continued)

The offer of a grant of options must be accepted within 21 days from the date of the grant at a consideration of HK\$1.00 for the grant. The exercise price of an option to subscribe for shares granted pursuant to the 2018 Share Option Scheme shall not be less than the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date on which the grant is made to a participant, which must be a business day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date on which the grant is made.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

財務報表附註

Notes to Financial Statements

25. 購股權 (續)

下列為根據本公司購股權計劃於年內及於二零一八年十二月三十一日尚未行使之購股權：

25. Share Options (Continued)

The following share options under the Share Option Scheme of the Company were outstanding during the year and as at 31 December 2018:

參與者姓名或類別 Name or category of participant	購股權數目 Number of share options				於二零一八年十二月三十一日 At 31 December 2018	授出日期 (附註5) Date of grant (Note 5)	行使期 Exercise period	行使價 (附註6) Exercise price (Note 6) 每股港幣 HK\$ per share	本公司股份價格 Price of the Company's shares	
	於二零一八年一月一日 At 1 January 2018	年內授出 Granted during the year	年內失效 Lapsed during the year	年內行使 Exercised during the year					於授出日期 (附註7) At date of grant (Note 7)	緊接授出日期前 Immediately before the grant date
									每股港幣 HK\$ per share	每股港幣 HK\$ per share
董事 Directors										
司徒振中 Seto Gin Chung, John	2,464,000	-	-	-	2,464,000	二零零九年四月二十七日 (附註1) 27 April 2009 (Note 1)	二零一零年四月二十七日至二零一九年四月二十六日 to 26 April 2019	0.35	0.35	不適用 N/A
	-	10,070,000	-	-	10,070,000	二零一八年六月八日 (附註2) 8 June 2018 (Note 2)	二零一九年六月八日至二零二八年六月七日 to 7 June 2028	0.189	0.189	0.190
史習陶 Sze Tsai To, Robert	2,464,000	-	-	-	2,464,000	二零零九年四月二十七日 (附註1) 27 April 2009 (Note 1)	二零一零年四月二十七日至二零一九年四月二十六日 to 26 April 2019	0.35	0.35	不適用 N/A
	-	10,070,000	-	-	10,070,000	二零一八年六月八日 (附註2) 8 June 2018 (Note 2)	二零一九年六月八日至二零二八年六月七日 to 7 June 2028	0.189	0.189	0.190
石禮謙 Shek Lai Him, Abraham	2,464,000	-	-	-	2,464,000	二零零九年四月二十七日 (附註1) 27 April 2009 (Note 1)	二零一零年四月二十七日至二零一九年四月二十六日 to 26 April 2019	0.35	0.35	不適用 N/A
	-	10,070,000	-	-	10,070,000	二零一八年六月八日 (附註2) 8 June 2018 (Note 2)	二零一九年六月八日至二零二八年六月七日 to 7 June 2028	0.189	0.189	0.190
溫世昌 Wan Sai Cheong, Joseph	-	10,070,000	-	-	10,070,000	二零一八年六月八日 (附註2) 8 June 2018 (Note 2)	二零一九年六月八日至二零二八年六月七日 to 7 June 2028	0.189	0.189	0.190
林鳳明 Lam Fung Ming, Tammy	1,527,320	-	-	-	1,527,320	二零零九年四月二十七日 (附註1) 27 April 2009 (Note 1)	自達成以下(附註3)所述規定後開始，直至二零一九年四月二十六日止(附註4) Commencement subject to (Note 3) below and up to 26 April 2019 (Note 4)	0.35	0.35	不適用 N/A
黃國英 Wong Kwok Ying	4,928,000	-	-	-	4,928,000	二零零九年四月二十七日 (附註1) 27 April 2009 (Note 1)	自達成以下(附註3)所述規定後開始，直至二零一九年四月二十六日止 Commencement subject to (Note 3) below and up to 26 April 2019	0.35	0.35	不適用 N/A
	72,500,000	-	-	-	72,500,000	二零一五年四月九日 (附註1) 9 April 2015 (Note 1)	自達成以下(附註9)所述規定後開始，直至二零二五年四月八日止 Commencement subject to (Note 9) below and up to 8 April 2025	0.127	0.127	不適用 N/A
	86,347,320	40,280,000	-	-	126,627,320					

財務報表附註

Notes to Financial Statements

25. 購股權 (續)

25. Share Options (Continued)

參與者姓名或類別 Name or category of participant	購股權數目 Number of share options					授出日期 (附註5) Date of grant (Note 5)	行使期 Exercise period	行使價 (附註6) Exercise price (Note 6) 每股港幣 HK\$ per share	本公司股份價格 Price of the Company's shares	
	於二零一八年 一月 At 1 January 2018	年內授出 Granted during the year	年內失效 Lapsed during the year	年內行使 Exercised during the year	於二零一八年 十二月 三十一日 At 31 December 2018				於授出日期 (附註7) At date of grant (Note 7) 每股港幣 HK\$ per share	緊接授出 日期前 Immediately before the grant date 每股港幣 HK\$ per share
	僱員總計 Employees in aggregate	227,500,000	-	-	-				227,500,000	二零一五年 四月九日 (附註1) 9 April 2015 (Note 1)
	72,500,000	-	-	-	72,500,000	二零一七年六月二十二日 (附註1) 22 June 2017 (Note 1)	自達成以下 (附註9) 所述規定後 開始，直至二零二七年 六月二十一日止 Commencement subject to (Note 9) below and up to 21 June 2027	0.1988	0.197	0.185
	-	463,233,000	-	-	463,233,000	二零一八年六月八日 (附註2) 8 June 2018 (Note 2)	自達成以下 (附註9) 所述規定後 開始，直至二零二八年 六月七日止 Commencement subject to (Note 9) below and up to 7 June 2028	0.189	0.189	0.190
	300,000,000	463,233,000	-	-	763,233,000					
前董事 (附註8) Ex-Directors (Note 8)	12,320,000	-	-	-	12,320,000	二零零九年 四月二十七日 (附註1) 27 April 2009 (Note 1)	二零一零年四月二十七日至 二零一九年四月二十六日 27 April 2010 up to 26 April 2019	0.35	0.35	不適用 N/A
	398,667,320	503,513,000	-	-	902,180,320					

財務報表附註

Notes to Financial Statements

25. 購股權 (續)

附註：

- (1) 有關購股權乃根據二零零八年購股權計劃授出。
- (2) 有關購股權乃根據二零一八年購股權計劃授出。
- (3) 經考慮參與者達致表現目標之情況後，董事會已根據二零零八年購股權計劃通知參與者購股權之歸屬詳情，包括已歸屬購股權之數目以及已歸屬購股權之行使期的開始日期。
- (4) 林鳳明女士於二零一三年六月二十八日調任為非執行董事後及根據二零零八年購股權計劃，董事會同意其已歸屬購股權之行使期仍有效，直至二零一九年四月二十六日為止，而其先前獲授予而未歸屬之所有購股權已於二零一三年六月二十八日失效。
- (5) 購股權之歸屬期由授出日期起至行使期開始為止。
- (6) 購股權之行使價可予調整。
- (7) 本公司股份於授出日期的價格為於授出日期於聯交所日報表所列之股份收市價。
- (8) 李栢榮先生於二零一三年五月二十日辭任非執行董事及洪克協先生於二零一六年三月二十五日退任董事會主席職位。黃宜弘博士於二零一七年六月二日退任獨立非執行董事。張永銳先生於二零一七年八月二十五日辭任獨立非執行董事。根據二零零八年購股權計劃，分別授予李栢榮先生、洪克協先生、黃宜弘博士及張永銳先生之2,464,000股、4,928,000股、2,464,000股及2,464,000股購股權仍然有效，直至行使期結束為止。
- (9) 購股權之歸屬期視乎參與者是否達到董事會不時設定之績效目標而定。董事會經考慮參與者對預設目標之績效及成果後，將通知參與者購股權歸屬之詳情，包括將予歸屬之購股權數目及根據購股權計劃已歸屬購股權之行使期開始日期。

25. Share Options (Continued)

Notes:

- (1) The relevant share options were granted under the 2008 Share Option Scheme.
- (2) The relevant share options were granted under the 2018 Share Option Scheme.
- (3) Having considered the participants' achievement of performance targets, the Board had notified the participants the details of vesting of share options including the number of share options being vested and the date of commencement of the exercise period of the vested share options in accordance with the 2008 Share Option Scheme.
- (4) Upon re-designation of Ms. Lam Fung Ming, Tammy as a non-executive Director on 28 June 2013 and pursuant to the 2008 Share Option Scheme, the Board endorsed that the exercise period of her vested share options remained effective up to 26 April 2019 and all unvested share options previously granted were lapsed on 28 June 2013.
- (5) The vesting periods of the share options run from the date of grant to the commencement of the exercise period.
- (6) The exercise price of the share options is subject to adjustments.
- (7) The price of the Company's shares at the date of grant is the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant.
- (8) Mr. Lee Pak Wing resigned as a non-executive Director on 20 May 2013 and Mr. Hung Hak Hip, Peter retired from the position as the chairman of the Board on 25 March 2016. Dr. Wong Yu Hong, Philip retired as an independent non-executive Director on 2 June 2017. Mr. Cheung Wing Yui, Edward resigned as an independent non-executive Director on 25 August 2017. In accordance with the 2008 Share Option Scheme, share options of 2,464,000, 4,928,000, 2,464,000 and 2,464,000 granted to Mr. Lee Pak Wing, Mr. Hung Hak Hip, Peter, Dr. Wong Yu Hong, Philip and Mr. Cheung Wing Yui, Edward, respectively, remain effective until the end of the exercise period.
- (9) The vesting of share options are subject to the participants' achievement of performance targets to be set by the Board from time to time. The Board will notify the participants, after considering the participants' performance and achievement of the pre-set targets, the details of the vesting of share options, including the number of share options to be vested and the date of commencement of the exercise period of the vested share options in accordance with the share option schemes.

財務報表附註 Notes to Financial Statements

25. 購股權 (續)

購股權之公平值為港幣42,447,000元(二零一七年:港幣33,694,000元),乃經考慮授出購股權所依據之條款及條件,使用二項式購股權定價模式估計。本公司於年內確認購股權開支港幣2,174,000元(二零一七年:港幣5,658,000元)。

購股權之公平值乃使用以下假設而估計:

股息率 (%)	Dividend yield (%)
預期波幅 (%)	Expected volatility (%)
歷史波幅 (%)	Historical volatility (%)
無風險利率 (%)	Risk free interest rate (%)
行使倍數 — 董事	Exercise Multiple — Director
行使倍數 — 僱員	Exercise Multiple — Employee

購股權的預期年期未必代表可能發生的行使模式。

預期波幅反映歷史波動可反映未來趨勢的假設,而未必代表實際的結果。

計量公平值時概無列入其他購股權之特質。

25. Share Options (Continued)

The fair value of the share options was HK\$42,447,000 (2017: HK\$33,694,000) which was estimated using a binomial option pricing model, taking into account the terms and conditions upon which the options were granted. The Company recognised a share option expense of HK\$2,174,000 (2017: HK\$5,658,000) during the year.

The fair value of share options was estimated using the following assumptions:

二零一八年 2018	二零一七年 2017
1.97–5.36	1.97–2.86
34.17–51.29	34.17–56.03
34.17–51.29	34.17–56.03
1.43–2.43	1.43–2.26
2.80	2.80
2.20	2.20

The expected life of the share options is not necessarily indicative of the exercise patterns that may occur.

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the share options was incorporated into the measurement of fair value.

財務報表附註 Notes to Financial Statements

25. 購股權 (續)

於二零一八年十二月三十一日，本公司於購股權計劃下有902,180,230份未行使購股權。按本公司現時之資本架構，悉數行使尚未行使之購股權將導致發行902,180,230股本公司普通股以及產生額外股本港幣90,128,000元及股份溢價港幣66,617,000元(未計發行開支)。

除於二零一八年六月八日及二零一七年六月二十二日授出購股權外，本年及去年內概無購股權獲授出或行使。

於批准本財務報表日期，本公司有902,180,230份於購股權計劃項下之未行使購股權，相當於本公司於該日之已發行股份約9.0%。

26. 股份獎勵計劃

於二零一五年三月二十日，本公司董事會採納一項股份獎勵計劃(「股份獎勵計劃」)，以肯定本集團主要管理人員、受僱專家及核心員工之貢獻，並向彼等提供獎勵。

股份獎勵計劃自二零一五年三月二十日(「採納日期」)起15年期間有效及具效力。根據股份獎勵計劃所獎勵的股份(「獎勵股份」)將由股份獎勵計劃的受託人(「受託人」)從公開市場獲取，或根據股東在本公司股東大會上批授的一般授權，不時從本集團所出資的現金中撥款向受託人發行及配發新股份。受託人將以信託形式代獲獎勵人士持有獎勵股份，直至該等股份根據股份獎勵計劃的條文歸屬予獲獎勵人士為止。受託人不得就根據信託所持有之任何股份行使投票權。

董事會不得進一步授予任何股份而導致董事會於該計劃的整個有效期內授予的股份總數超出本公司不時之已發行股份總數10%，而任何獲選參與者不時獲授之獎勵股份不得超出已發行股份總數1%。

25. Share Options (Continued)

As at 31 December 2018, the Company had 902,180,230 share options outstanding under the Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 902,180,230 ordinary shares of the Company and additional share capital of HK\$90,128,000 and share premium of HK\$66,617,000 (before issue expenses).

Save for the grant of share options on 8 June 2018 and 22 June 2017, no options were granted or exercised during the current and last years.

At the date of approval of these financial statements, the Company had 902,180,230 share options outstanding under the Share Option Scheme, which represented approximately 9.0% of the Company's shares in issue as at that date.

26. Share Award Scheme

On 20 March 2015, the Board of the Company adopted a share award scheme (the "Share Award Scheme") as a means to recognise the contribution of and provide incentives for the key management personnel, employed experts and core employees of the Group.

The Share Award Scheme is valid and effective for a period of 15 years from 20 March 2015 (the "Adoption Date"). The shares to be awarded under the Share Award Scheme (the "Award Shares") will either be acquired by the trustee of the Share Award Scheme (the "Trustee") from the open market or be new shares issued and allotted to the Trustee under general mandates granted by shareholders at the general meetings of the Company from time to time, both of which will be funded from cash contributed by the Group. The Trustee will hold the Award Shares in trust for the awardees until such shares are vested with the awardees in accordance with the provisions of the Share Award Scheme. The Trustee shall not exercise the voting rights in respect of any shares held under the Trust.

The Board shall not make any further award of shares which will result in the aggregate number of shares awarded by the Board throughout the duration of the scheme to exceed 10% of the total number of issued shares of the Company from time to time and shall not award more than 1% of the total number of issued shares to any selected participant from time to time.

財務報表附註 Notes to Financial Statements

26. 股份獎勵計劃(續)

獲獎勵人士所獲授股份須待達成董事會全權酌情釐定之條件後，按董事會全權酌情釐定之歸屬時間表歸屬。

於截至二零一八年十二月三十一日止年度，董事會議決向若干獲選參與者(並非本公司董事、主要行政人員或主要股東，亦非上述任何人士的聯繫人(定義見上市規則))授予有關38,699,120股(二零一七年：29,634,959股)股份之股份獎勵。

所授出之股份將按本公司所發出的有關授予獎勵函件內所指明的各自的比例於各有關日期歸屬。已歸屬股份將會不需任何費用轉讓予獲選參與者，惟相關交易費用及開支應由獲選參與者以承讓人身份支付。

股份獎勵數目及每股平均公平值如下：

		每股平均公平值 Average fair value per share 港幣 HK\$	股份獎勵數目 Number of shares awards
於二零一七年一月一日仍未行使	Outstanding at 1 January 2017	0.10	62,054,078
獲授予	Awarded	0.20	29,634,959
於二零一七年十二月三十一日及 二零一八年一月一日仍未行使	Outstanding at 31 December 2017 and 1 January 2018	0.13	91,689,037
獲授予	Awarded	0.19	38,699,120
已歸屬及已行使	Vested and exercised	0.10	(19,436,533)
於二零一八年十二月三十一日 仍未行使	Outstanding at 31 December 2018	0.16	110,951,624

截至二零一八年及二零一七年十二月三十一日止年度，所授出股份獎勵之公平值乃使用本公司股份於授出日期的收市價之公平值(即市值)估計。

26. Share Award Scheme (Continued)

The vesting of shares awarded to the awardees is subject to conditions and vesting schedules as determined by the Board in its sole discretion.

During the year ended 31 December 2018, the Board resolved to grant share awards in respect of 38,699,120 (2017: 29,634,959) shares to certain selected participants who are not a director, chief executive or substantial shareholder of the Company, nor an associate (as defined under the Listing Rules) of any of them.

The shares granted will be vested in the respective proportions and on the dates as set out in the relevant letters of grant issued by the Company. Vested shares will be transferred to the selected participants at no cost, save that transaction fees and expenses will be payable by the selected participants as transferees.

Movements in the number of share awards and their average fair value per share were as follows:

The fair value of the share awards granted during the years ended 31 December 2018 and 2017 was estimated by using the fair value (i.e. market value) of the Company's share closing price at the date of grant.

財務報表附註

Notes to Financial Statements

27. 儲備

本集團在本年度及過往年度之儲備金額及當中變動於綜合權益變動表內呈報。

28. 經營租約安排

本集團根據經營租約安排租賃若干店舖、辦公室物業及倉庫。該等物業之租期商定為一至十五年不等。

於報告期終，本集團根據不可撤銷經營租約於未來須支付之租金最低總額如下：

一年內	Within one year
第二年至第五年(包括首尾兩年)	In the second to fifth years, inclusive
超過五年	Beyond five years

此外，若干店舖之經營租約租金，乃按固定租金或根據各有關租約所載條款及條件按有關店舖銷售額釐定之或然租金兩者中之較高者作準。由於無法準確估計此等店舖之未來銷售額，故上表並無計入相關或然租金而僅計入最低租金承擔。

29. 資本承擔

於報告期終，本集團之資本開支承擔如下：

已訂約但未計提： 物業、廠房及設備	Contracted, but not provided for: Property, plant and equipment
----------------------	--

27. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

28. Operating Lease Commitments

The Group leases certain of its shops, office premises and warehouses under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to fifteen years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
270,169	241,692
579,385	746,773
225,986	214,927
1,075,540	1,203,392

In addition, the operating lease rentals for certain shops are based on the higher of a fixed rental and contingent rent based on sales of these shops pursuant to the terms and conditions as set out in the respective rental agreements. As the future sales of these shops could not be accurately determined, the relevant contingent rent has not been included above and only minimum lease commitments have been included in the above table.

29. Capital Commitments

At the end of the reporting period, the Group had the following commitments for capital expenditure:

二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
2,500	2,885

財務報表附註 Notes to Financial Statements

30. 綜合現金流量表附註

融資活動所產生之負債變動

		銀行貸款 Bank loan 港幣千元 HK\$'000
於二零一七年一月一日	At 1 January 2017	10,000
利息支出	Interest expense	134
被分類為經營業務現金流量之已付利息	Interest paid classified as operating cash flows	(134)
於二零一七年十二月三十一日及 二零一八年一月一日	At 31 December 2017 and 1 January 2018	10,000
利息支出	Interest expense	52
被分類為經營業務現金流量之已付利息	Interest paid classified as operating cash flows	(52)
還款	Repayment	(10,000)
於二零一八年十二月三十一日	At 31 December 2018	-

31. 有關連人士交易

除於財務報表其他部份披露之有關連人士交易及結餘外，本集團於年內有下列向主要管理人員支付之酬金：

31. Related Party Transactions

In addition to those related party transactions and balances disclosed elsewhere in the financial statements, the Group had the following compensation to key management personnel during the year:

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
短期僱員福利	Short-term employee benefits	7,112	7,053
退職後福利	Post-employment benefits	152	152
以股權結算之以股份支付	Equity-settled share-based payments	(316)	1,323
向主要管理人員支付之酬金總額	Total compensation paid to key management personnel	6,948	8,528

有關董事酬金之進一步詳情載於財務報表附註8。

Further details of directors' emoluments are included in note 8 to the financial statements.

財務報表附註

Notes to Financial Statements

32. 按類別劃分的金融工具

於報告期終各類金融工具的賬面值如下：

二零一八年

金融資產

應收賬項	Accounts receivable
計入預付款項、按金及其他 應收賬項之金融資產	Financial assets included in prepayments, deposits and other receivables
其他金融資產	Other financial assets
現金及現金等值物	Cash and cash equivalents

金融負債

應付賬項	Accounts payable
計入其他應付賬項及應計費用之 金融負債	Financial liabilities included in other payables and accrued charges

32. 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:

2018

Financial assets

按攤銷成本 列賬之 金融資產	透過損益 按公平值入賬 之金融資產	總計
Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
19,945	-	19,945
89,297	-	89,297
-	235,789	235,789
401,663	-	401,663
510,905	235,789	746,694

Financial liabilities

按攤銷成本 列賬之金融負債	總計
Financial liabilities at amortised cost	Total
港幣千元 HK\$'000	港幣千元 HK\$'000
128,255	128,255
183,330	183,330
311,585	311,585

財務報表附註 Notes to Financial Statements

32. 按類別劃分的金融工具(續)

二零一七年

金融資產

32. Financial Instruments by Category (Continued)

2017

Financial assets

		貸款及 應收賬項 Loans and receivables 港幣千元 HK\$'000	可供出售 金融資產 Available- for-sale financial asset 港幣千元 HK\$'000	總計 Total 港幣千元 HK\$'000
應收賬項	Accounts receivable	17,769	–	17,769
計入預付款項、按金及 其他應收賬項之 金融資產	Financial assets included in prepayments, deposits and other receivables	76,331	–	76,331
其他金融資產	Other financial asset	–	48,019	48,019
現金及現金等值物	Cash and cash equivalents	641,693	–	641,693
		735,793	48,019	783,812

金融負債

Financial liabilities

			按攤銷成本 列賬之金融負債 Financial liabilities at amortised cost 港幣千元 HK\$'000
應付賬項	Accounts payable		153,624
計入其他應付賬項及應計費用之 金融負債	Financial liabilities included in other payables and accrued charges		165,630
計息銀行貸款	Interest-bearing bank loan		10,000
			329,254

財務報表附註

Notes to Financial Statements

33. 財務風險管理目標及政策

本集團之主要金融工具包括計息銀行貸款以及現金及短期存款。該等金融工具之主要目的是籌集資金應付本集團之營運。本集團有各類其他金融資產及負債，例如因其投資及營運而直接產生之應收賬項、其他應收賬項、其他金融資產、應付賬項以及其他應付賬項及應計費用。

管理層已評估現金及現金等值物、應收賬項、應付賬項、計入預付款項、按金及其他應收賬項之金融資產、計入其他應付賬項及應計費用之金融負債以及計息銀行貸款之公平值，認為其與賬面值相若。

因本集團金融工具而產生之風險主要為利率風險、外幣風險、信貸風險、流動資金風險及商品價格風險。董事會審閱和協定管理前述各項風險之政策，並簡述如下。

利率風險

本集團面對之市場利率變動風險主要是關於本集團按浮動利率計息之銀行貸款。本集團密切監察利率風險並會於需要時考慮採取措施以削減明顯的利率風險。

外幣風險

本集團主要於香港及中國內地營運，而其貨幣資產、負債及交易主要以港幣、人民幣或美元計值。

管理層負責管理本集團之外匯風險，並將於有需要時考慮就重大外幣風險進行對沖。

鑒於港幣與美元掛鈎，本集團並無就此採納外幣對沖政策。由於人民幣匯率波動所產生之匯兌差額反映於本集團權益及除稅後溢利（在適用情況下）。

33. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise an interest-bearing bank loan, and 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 accounts receivable, other receivables, other financial assets, accounts payable, and other payables and accrued charges, which arise directly from its investment and operations.

Management has assessed that the fair values of cash and cash equivalents, accounts receivable, accounts payable, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accrued charges, and an interest-bearing bank loan approximate to their carrying amounts.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and commodity price risk. The board of directors reviews and agrees policies for managing each of these risks, which are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank loans carrying floating interest rates. The Group monitors its interest rate exposure closely and considers taking measures to reduce significant interest rate exposure, if necessary.

Foreign currency risk

The Group operates mainly in Hong Kong and Mainland China and its monetary assets, liabilities and transactions are principally denominated in Hong Kong dollars, Renminbi or United States dollars.

The management monitors the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

Given that the Hong Kong dollar is pegged to the United States dollar, the Group does not have a foreign currency hedging policy on it. The translation differences arising from fluctuation in the exchange rate of Renminbi are reflected in the Group's equity and profit after tax, where appropriate.

財務報表附註

Notes to Financial Statements

33. 財務風險管理目標及政策 (續)

外幣風險 (續)

下表列示在報告期終，在所有其他變數維持不變的情況下，本集團除稅後溢利對人民幣匯率可能出現的合理變動的敏感度。

		人民幣匯率 上升/(下跌)	本集團除稅後溢 利增加/(減少)
		Increase/ (decrease) in RMB rate	Increase/ (decrease) in the Group's profit after tax
		%	港幣千元 HK\$'000
二零一八年	2018		
倘港幣兌人民幣貶值	If Hong Kong dollar weakens against RMB	5	4,617
倘港幣兌人民幣升值	If Hong Kong dollar strengthens against RMB	(5)	(4,617)
二零一七年	2017		
倘港幣兌人民幣貶值	If Hong Kong dollar weakens against RMB	5	7,155
倘港幣兌人民幣升值	If Hong Kong dollar strengthens against RMB	(5)	(7,155)

信貸風險

根據本集團之政策，所有希望獲得信用期之客戶均需接受信貸審核。此外，本集團持續監察應收賬項結餘，由於實施有關政策，本集團能夠維持其壞賬在合理水平。

於二零一八年十二月三十一日之最高信貸風險及年終階段分析

下表顯示按本集團信貸政策分析信貸質素及最高信貸風險(主要以逾期資料為依據，除非可毋須付出不必要成本或努力而獲得其他資料)以及於二零一八年十二月三十一日之年終階段分類。所呈報之金額為金融資產之賬面總值。

33. Financial Risk Management Objectives and Policies (Continued)

Foreign currency risk (Continued)

The following table demonstrates the sensitivity at the end of the reporting period to reasonably possible change in the Renminbi exchange rate, with all other variables held constant, of the Group's profit after tax.

		人民幣匯率 上升/(下跌)	本集團除稅後溢 利增加/(減少)
		Increase/ (decrease) in RMB rate	Increase/ (decrease) in the Group's profit after tax
		%	港幣千元 HK\$'000
二零一八年	2018		
倘港幣兌人民幣貶值	If Hong Kong dollar weakens against RMB	5	4,617
倘港幣兌人民幣升值	If Hong Kong dollar strengthens against RMB	(5)	(4,617)
二零一七年	2017		
倘港幣兌人民幣貶值	If Hong Kong dollar weakens against RMB	5	7,155
倘港幣兌人民幣升值	If Hong Kong dollar strengthens against RMB	(5)	(7,155)

Credit risk

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. With such policies in place, the Group has been able to maintain its bad debts at a reasonable level.

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018. The amounts presented are gross carrying amounts for financial assets.

財務報表附註 Notes to Financial Statements

33. 財務風險管理目標及政策(續)

信貸風險(續)

		12個月 預期 信貸虧損 12-month ECLs		全期預期信貸虧損 Lifetime ECLs		
		第1階段 Stage 1 港幣千元 HK\$'000	第2階段 Stage 2 港幣千元 HK\$'000	第3階段 Stage 3 港幣千元 HK\$'000	簡化方法 Simplified approach 港幣千元 HK\$'000	港幣千元 HK\$'000
應收賬項*	Accounts receivable*	–	–	–	19,945	19,945
計入預付款項、其他 應收賬項及其他資產 之金融資產	Financial assets included in prepayments, other receivables and other assets					
— 一般	— Normal	89,297	–	–	–	89,297
現金及現金等值物	Cash and cash equivalents					
— 尚未逾期	— Not yet past due	401,663	–	–	–	401,663
		490,960	–	–	19,945	510,905

* 本集團應用簡化減值方法之應收賬項

於二零一七年十二月三十一日之最高信貸風險

信貸風險集中度按客戶／對手方及按地區處理。由於本集團之應收賬項廣泛分散於大量客戶，故本集團內部不存在信貸風險顯著集中之情況。

有關本集團就應收賬項所承擔信貸風險之進一步定量數據，於財務報表附註16披露。

33. Financial Risk Management Objectives and Policies (Continued) Credit risk (Continued)

		12個月 預期 信貸虧損 12-month ECLs		全期預期信貸虧損 Lifetime ECLs		
		第1階段 Stage 1 港幣千元 HK\$'000	第2階段 Stage 2 港幣千元 HK\$'000	第3階段 Stage 3 港幣千元 HK\$'000	簡化方法 Simplified approach 港幣千元 HK\$'000	港幣千元 HK\$'000
應收賬項*	Accounts receivable*	–	–	–	19,945	19,945
計入預付款項、其他 應收賬項及其他資產 之金融資產	Financial assets included in prepayments, other receivables and other assets					
— 一般	— Normal	89,297	–	–	–	89,297
現金及現金等值物	Cash and cash equivalents					
— 尚未逾期	— Not yet past due	401,663	–	–	–	401,663
		490,960	–	–	19,945	510,905

* For accounts receivable to which the Group applies the simplified approach for impairment

Maximum exposure as at 31 December 2017

Concentrations of credit risk are managed by customer/counterparty and by geographical region. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's accounts receivable are widely diversified to a large number of customers.

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts receivable are disclosed in note 16 to the financial statements.

財務報表附註 Notes to Financial Statements

33. 財務風險管理目標及政策 (續)

流動資金風險

本集團使用經常性流動資金規劃工具監察其資金短缺之風險。該工具考慮本集團金融工具及金融資產(例如應收賬項)及預測經營所得現金流量之到期狀況。

本集團之目標是透過運用銀行貸款應付其營運資金和資本開支需要，藉此保持資金連續性和靈活性兩者間之平衡。

於本報告期終，根據已訂約未貼現付款額釐定之本集團金融負債之到期狀況是少於一年。

商品價格風險

本集團生產產品時所使用之主要原材料包括牛肉、雞肉及豬肉。本集團須承受該等原材料價格波動之風險，而該等價格變化則受到全球以及地區供需和其他因素之影響。原料價格波動可能對本集團之財務表現造成不利影響。截至二零一八年及二零一七年十二月三十一日止年度內，本集團並無訂立任何商品衍生工具以對沖商品價格之潛在變動。

資本管理

本集團對資本管理之首要目標，便是保障本集團有能力持續經營及維持穩健之資本比率，以支持其業務運作及盡量提高股東價值。

本集團管理其資本架構並因應經濟環境變化加以調整。為維持或調整資本架構，本集團可能會調整向股東派付之股息、向股東退還資本或發行新股份。截至二零一八年及二零一七年十二月三十一日止年度內，管理資本之宗旨、政策或程序並無改變。

33. 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. accounts receivable) 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 to meet its working capital and capital expenditure requirements.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was less than one year.

Commodity price risk

The major raw materials used in the production of the Group's products include beef, chicken meat and pork. The Group is exposed to fluctuations in the prices of these raw materials which are subject to global as well as regional supply and demand and other factors. Fluctuations in the prices of raw materials could adversely affect the Group's financial performance. The Group did not enter into any commodity derivative instruments to hedge the potential commodity price changes during the years ended 31 December 2018 and 2017.

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. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 2017.

財務報表附註 Notes to Financial Statements

33. 財務風險管理目標及政策(續)

資本管理(續)

本集團使用負債比率(即計息銀行貸款相對於本公司股權持有人應佔權益之比率)監察資本。於各報告期終,負債比率如下:

33. Financial Risk Management Objectives and Policies (Continued) Capital management (Continued)

The Group monitors capital using a gearing ratio, which is expressed as a percentage of interest-bearing bank loan over equity attributable to equity holders of the Company. The gearing ratios as at the end of the reporting periods were as follows:

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
計息銀行貸款	Interest-bearing bank loan	-	10,000
本公司股權持有人應佔權益	Equity attributable to equity holders of the Company	665,015	653,810
負債比率	Gearing ratio	-	1.5%

財務報表附註

Notes to Financial Statements

34. 本公司財務狀況表

有關本公司於報告期終之財務狀況表之資料載列如下：

34. 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:

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000
非流動資產	NON-CURRENT ASSETS		
於附屬公司之投資	Investments in subsidiaries	3,446,843	3,446,843
流動資產	CURRENT ASSETS		
應收附屬公司款項	Due from subsidiaries	-	13,746
預付款項及其他應收賬項	Prepayments and other receivables	1,090	1,047
現金及現金等值物	Cash and cash equivalents	562	10,928
流動資產總額	Total current assets	1,652	25,721
流動負債	CURRENT LIABILITIES		
其他應付賬項及應計費用	Other payables and accrued charges	4,244	4,406
應付附屬公司款項	Due to subsidiaries	61,443	-
計息銀行貸款	Interest-bearing bank loan	-	10,000
流動負債總額	Total current liabilities	65,687	14,406
流動資產／(負債)淨額	NET CURRENT ASSETS/(LIABILITIES)	(64,035)	11,315
淨資產	NET ASSETS	3,382,808	3,458,158
權益	EQUITY		
已發行股本	Issued share capital	1,007,043	1,007,043
儲備(附註)	Reserves (note)	2,375,765	2,451,115
總權益	Total equity	3,382,808	3,458,158

財務報表附註

Notes to Financial Statements

34. 本公司財務狀況表(續)

附註：

本公司儲備之概要如下：

		股份溢價賬 Share premium account 港幣千元 HK\$'000	以股份付款 儲備 Share-based payment reserve 港幣千元 HK\$'000	繳入盈餘 Contributed surplus 港幣千元 HK\$'000	累計虧損 Accumulated losses 港幣千元 HK\$'000	總計 Total 港幣千元 HK\$'000
於二零一七年一月一日	At 1 January 2017	3,971,055	12,668	16,674	(1,501,267)	2,499,130
本年溢利及全面收益 總額	Profit and total comprehensive income for the year	-	-	-	1,782	1,782
以股權結算之以股份 支付	Equity-settled share-based payments	-	10,460	-	-	10,460
二零一六年末期股息 (附註 11)	Final 2016 dividend (note 11)	(60,257)	-	-	-	(60,257)
於二零一七年 十二月三十一日及 二零一八年一月一日	At 31 December 2017 and 1 January 2018	3,910,798	23,128	16,674	(1,499,485)	2,451,115
本年溢利及全面收益 總額	Profit and total comprehensive income for the year	-	-	-	545	545
歸屬股份獎勵計劃之股份	Vesting of shares of share award scheme	-	(1,951)	-	(302)	(2,253)
以股權結算之以股份 支付	Equity-settled share-based payments	-	8,155	-	-	8,155
二零一七年末期股息 (附註 11)	Final 2017 dividend (note 11)	(81,797)	-	-	-	(81,797)
於二零一八年 十二月三十一日	At 31 December 2018	3,829,001	29,332	16,674	(1,499,242)	2,375,765

本公司之繳入盈餘乃指根據重組(據此，本集團當時之最終控股公司合興集團有限公司(「合興公司」)成為本公司之全資附屬公司)配發本公司每股面值港幣0.10元之股份之面值與於二零零八年四月二十五日(即重組之生效日期)合興公司及其附屬公司之綜合股東權益之差額。重組詳情載於合興公司日期為二零零八年三月十四日之計劃文件內。

以股份付款儲備包括已授出但尚未行使之購股權及股份獎勵之公平值，說明見財務報表附註2.4有關以股份支付之交易之會計政策。有關金額將於相關購股權或股份獎勵獲行使時轉撥至股本，或於相關購股權或股份獎勵到期或被沒收時轉撥至保留溢利。

34. Statement of Financial Position of the Company (Continued)

Note:

A summary of the Company's reserves is as follows:

		股份溢價賬 Share premium account 港幣千元 HK\$'000	以股份付款 儲備 Share-based payment reserve 港幣千元 HK\$'000	繳入盈餘 Contributed surplus 港幣千元 HK\$'000	累計虧損 Accumulated losses 港幣千元 HK\$'000	總計 Total 港幣千元 HK\$'000
於二零一七年一月一日	At 1 January 2017	3,971,055	12,668	16,674	(1,501,267)	2,499,130
本年溢利及全面收益 總額	Profit and total comprehensive income for the year	-	-	-	1,782	1,782
以股權結算之以股份 支付	Equity-settled share-based payments	-	10,460	-	-	10,460
二零一六年末期股息 (附註 11)	Final 2016 dividend (note 11)	(60,257)	-	-	-	(60,257)
於二零一七年 十二月三十一日及 二零一八年一月一日	At 31 December 2017 and 1 January 2018	3,910,798	23,128	16,674	(1,499,485)	2,451,115
本年溢利及全面收益 總額	Profit and total comprehensive income for the year	-	-	-	545	545
歸屬股份獎勵計劃之股份	Vesting of shares of share award scheme	-	(1,951)	-	(302)	(2,253)
以股權結算之以股份 支付	Equity-settled share-based payments	-	8,155	-	-	8,155
二零一七年末期股息 (附註 11)	Final 2017 dividend (note 11)	(81,797)	-	-	-	(81,797)
於二零一八年 十二月三十一日	At 31 December 2018	3,829,001	29,332	16,674	(1,499,242)	2,375,765

The Company's contributed surplus represents the difference between the nominal value of shares of HK\$0.10 each of the Company allotted under a reorganisation whereby Hop Hing Holdings Limited ("HHHL"), the then ultimate holding company of the Group, became a wholly-owned subsidiary of the Company, and the consolidated shareholders' equity of HHHL and its subsidiaries as at 25 April 2008, the date on which this reorganisation became effective. Details of this reorganisation were set out in HHHL's scheme document dated 14 March 2008.

The share-based payment reserve comprises the fair value of share options and share award granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in note 2.4 to the financial statements. The amount will either be transferred to share capital when the related options or share award are exercised, or be transferred to retained profits should the related options or share award expire or be forfeited.

財務報表附註

Notes to Financial Statements

34. 本公司財務狀況表 (續)

根據開曼群島公司法，於二零一八年十二月三十一日可分派予本公司股東之儲備淨額為港幣2,346,433,000元(二零一七年：港幣2,427,987,000元)，惟倘於緊隨擬分派股息日期後，本公司將可清償於日常業務過程中到期之債項時，方會進行分派。

35. 主要附屬公司詳情

本公司主要附屬公司之詳情如下：

名稱	註冊成立/ 註冊及經營地點	已發行股本/ 繳足股本面值	本公司所佔 股權百分比	主要業務
Name	Place of incorporation/ registration and operations	Nominal value of issued/fully paid share capital	Percentage of equity attributable to the Company	Principal activities
合興餐飲集團控股有限公司 Hop Hing Fast Food Group Holdings Limited	英屬維爾京群島 British Virgin Islands	46,509美元 US\$46,509	100 100	投資控股 Investment holding
北京南河華農農業有限公司* Beijing Nanhe Hua Nong Agricultural Company Limited*	中華人民共和國/中國內地 People's Republic of China/Mainland China	人民幣2,000,000元 RMB2,000,000	100 100	農業業務 Agricultural operation
北京吉野家快餐有限公司* Beijing Yoshinoya Fast Food Company Limited*	中華人民共和國/中國內地 People's Republic of China/Mainland China	人民幣18,770,000元 RMB18,770,000	100 100	經營快餐店 Fast food restaurant operation
迅機投資有限公司 Champ Base Investments Limited	香港 Hong Kong	港幣1元 HK\$1	100 100	提供管理服務 Provision of management services
大連合興快餐有限公司* Dalian Hexing Fast Food Company Limited*	中華人民共和國/中國內地 People's Republic of China/Mainland China	800,000美元 US\$800,000	100 100	經營快餐店 Fast food restaurant operation
哈爾濱合興餐飲管理有限公司* Harbin Hop Hing Catering Management Limited*	中華人民共和國/中國內地 People's Republic of China/Mainland China	人民幣2,000,000元 RMB2,000,000	100 100	經營快餐店 Fast food restaurant operation
夏域有限公司 Hawick Limited	香港 Hong Kong	港幣1,000,000元 HK\$1,000,000	100 100	投資控股 Investment holding

34. Statement of Financial Position of the Company (Continued)

Pursuant to the Companies Law of the Cayman Islands, the net amount of reserves distributable to shareholders of the Company as at 31 December 2018 was HK\$2,346,433,000 (2017: HK\$2,427,987,000), the distribution of which is subject to the condition that, immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

35. Particulars of Principal Subsidiaries

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

財務報表附註

Notes to Financial Statements

35. 主要附屬公司詳情(續)

本公司主要附屬公司之詳情如下：(續)

名稱	註冊成立/ 註冊及經營地點 Place of incorporation/ registration and operations	已發行股本/ 繳足股本面值 Nominal value of issued/fully paid share capital	本公司所佔 股權百分比 Percentage of equity attributable to the Company	主要業務 Principal activities
合興快餐中國北方投資有限公司 Hop Hing Fast Food China North Investment Company Limited	英屬維爾京群島 British Virgin Islands	1美元 US\$1	100	提供管理服務 Provision of management services
合興快餐有限公司 Hop Hing Fast Food Limited	香港 Hong Kong	港幣7,000,000元 HK\$7,000,000	100	提供管理服務 Provision of management services
合興特許有限公司 Hop Hing Franchise Limited	香港 Hong Kong	港幣1元 HK\$1	100	提供管理服務 Provision of management services
合興快餐投資有限公司 Hop Hing QSR Investments Limited	香港 Hong Kong	港幣1元 HK\$1	100	提供管理服務 Provision of management services
呼和浩特合興隆餐飲管理 有限公司*	中華人民共和國/中國內地 People's Republic of China/ Mainland China	人民幣500,000元 RMB500,000	100	經營快餐店 Fast food restaurant operation
遼寧合興快餐有限公司*	中華人民共和國/中國內地 People's Republic of China/ Mainland China	港幣9,100,000元 HK\$9,100,000	100	經營快餐店 Fast food restaurant operation
天津合嘉興泰餐飲管理有限公司*	中華人民共和國/中國內地 People's Republic of China/ Mainland China	人民幣500,000元 RMB500,000	100	投資控股及提供管理服務 Investment holding and provision of management services

* 根據中國法例註冊之外商獨資企業

35. Particulars of Principal Subsidiaries (Continued)

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

* Registered as wholly-foreign-owned enterprises under the PRC law

除合興餐飲集團控股有限公司外，上列所有主要附屬公司均由本公司間接持有。於截至二零一八年十二月三十一日止年度，本公司於上述附屬公司所佔股權百分比概無變動。

Except for Hop Hing Fast Food Group Holdings Limited, all the above principal subsidiaries are indirectly held by the Company. There was no change in the percentage of equity attributable to the Company for the above subsidiaries during the year ended 31 December 2018.

董事認為，上表所列之本公司附屬公司對本年度業績均有重大影響，或佔本集團淨資產之重要部份，而載列其他附屬公司之詳情將會使篇幅過於冗長。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

財務報表附註 Notes to Financial Statements

36. 財務報表之核准

本財務報表經由董事會於二零一九年三月二十八日核准及授權刊發。

36. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 28 March 2019.

五年財務概要 Five Year Financial Summary

過去五個財政年度之本集團已刊發的業績以及本集團資產及負債概要載列如下。

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out below.

		截至十二月三十一日止年度 Year ended 31 December				
		二零一八年 2018	二零一七年 2017	二零一六年 2016	二零一五年 2015	二零一四年 2014
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
業績	RESULTS					
營業額	Turnover	2,373,954	2,218,323	2,091,313	2,050,053	2,157,873
經營溢利	Profit from operating activities	180,910	241,540	177,448	94,099	48,284
融資成本	Finance costs	(736)	(942)	(837)	(1,507)	(1,388)
除稅前溢利	Profit before tax	180,174	240,598	176,611	92,592	46,896
所得稅開支	Income tax expense	(57,568)	(73,246)	(51,996)	(26,804)	(11,531)
本年溢利	Profit for the year	122,606	167,352	124,615	65,788	35,365
應佔：	Attributable to:					
本公司股權持有人	Equity holders of the Company	122,606	167,352	124,615	65,788	35,365

五年財務概要

Five Year Financial Summary

於十二月三十一日

As at 31 December

		二零一八年 2018 港幣千元 HK\$'000	二零一七年 2017 港幣千元 HK\$'000	二零一六年 2016 港幣千元 HK\$'000	二零一五年 2015 港幣千元 HK\$'000	二零一四年 2014 港幣千元 HK\$'000
資產	ASSETS					
物業、廠房及設備	Property, plant and equipment	208,449	213,476	188,907	212,409	250,870
於合營企業之投資	Investment in a joint venture	11,185	–	–	–	–
遞延稅項資產	Deferred tax assets	49,873	44,528	34,524	26,789	21,263
預付款項及租賃按金	Prepayment and rental deposits	52,355	51,618	47,016	45,945	44,264
流動資產	Current assets	906,693	917,084	710,763	548,103	539,948
資產總額	TOTAL ASSETS	1,228,555	1,226,706	981,210	833,246	856,345
負債	LIABILITIES					
流動負債	Current liabilities	539,499	548,145	454,245	368,879	422,825
遞延稅項負債	Deferred tax liabilities	24,041	24,751	23,168	16,433	12,995
負債總額	TOTAL LIABILITIES	563,540	572,896	477,413	385,312	435,820
淨資產	NET ASSETS	665,015	653,810	503,797	447,934	420,525



合興集團控股有限公司
HOP HING GROUP HOLDINGS LIMITED



合興集團控股有限公司
HOP HING GROUP HOLDINGS LIMITED