

PARKSON 百盛

Retail Group Limited
商業集團有限公司

Stock Code 股份代號 : 3368



2019
ANNUAL
REPORT
年報



CORPORATE PROFILE

公司簡介

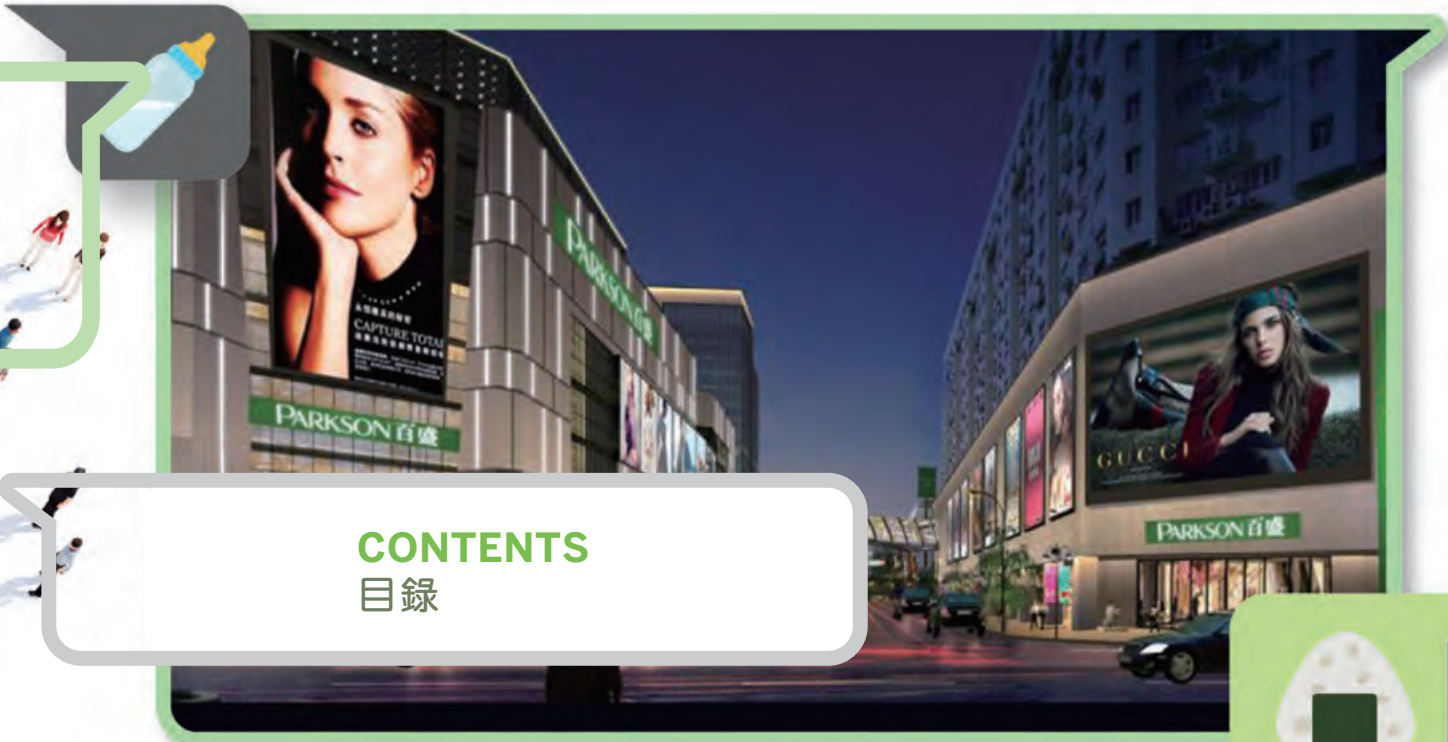
Parkson Retail Group Limited (the "Company") is a leading nationwide lifestyle retail operator in the People's Republic of China ("the PRC"). The Parkson brand was introduced to the Beijing market in the early 1990's and has now operated and managed a diversified collection of retail formats – including department stores, shopping malls, city outlets, supermarkets and food & beverage outlets. As of 31 December 2019, through the Company's subsidiaries, a joint venture and associates (hereinafter collectively referred to as the "Group"), the Group operated and managed 38 stores (including concept stores "Parkson Beauty"), 2 Parkson Newcore City Malls, 1 shopping mall, supermarkets, fashion and food & beverage outlets in over 27 major cities across China.

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

百盛商業集團有限公司（「本公司」）為中華人民共和國（「中國」）全國性時尚生活的領先零售營運商。百盛品牌於九十年代初進入北京市場，現已運營管理零售業態多元化的組合—包括百貨店、購物廣場、城市奧特萊斯、超市及餐飲門店。截至二零一九年十二月三十一日，透過本公司附屬公司、一家合營企業及聯營公司（下文統稱「本集團」），本集團於中國27個主要城市經營及管理38家百貨店（包括概念店「Parkson Beauty」）、兩家百盛優客城市廣場、一家購物廣場、超市、時裝及餐飲門店。

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





CONTENTS

目錄

- 2 Corporate Information
公司資料
- 4 Expansion in the Year 2019
二零一九年業務擴展
- 6 Chairman's Statement
主席報告
- 10 Financial Highlights
財務摘要
- 14 Management Discussion and Analysis
管理層討論及分析
- 23 Biographies of Directors and Senior Management
董事及高級管理層履歷
- 30 Corporate Governance Report
企業管治報告
- 50 Environment, Social and Governance Report
環境、社會及管治報告
- 66 Directors' Report
董事會報告書
- 88 Independent Auditor's Report
獨立核數師報告書



CORPORATE INFORMATION

公司資料

As at 3 April 2020

於二零二零年四月三日

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS:

Tan Sri Cheng Heng Jem (*Chairman*)
Juliana Cheng San San

董事會

執行董事：

丹斯里鍾廷森（主席）
鍾珊珊

NON-EXECUTIVE DIRECTOR:

Dato' Sri Dr. Hou Kok Chung

非執行董事：

拿督斯里何國忠博士

INDEPENDENT NON-EXECUTIVE DIRECTORS:

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

獨立非執行董事：

拿督胡亞橋
Ko Desmond
丘銘劍

REGISTERED OFFICE

Second Floor, Century Yard, Cricket Square, P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

註冊辦事處

Second Floor, Century Yard, Cricket Square, P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

5th Floor, Metro Plaza
No. 555 Loushanguan Road
Changning District
Shanghai 200051
China

總辦事處及主要營業地點

中國
上海市200051
長寧區
婁山關路555號
長房國際廣場5樓

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1010, 10th Floor
Harcourt House
39 Gloucester Road
Wanchai, Hong Kong

香港主要營業地點

香港灣仔
告士打道39號
夏慤大廈
10樓1010室

COMPANY SECRETARY

Yuen Wing Yan, Winnie, FCS (PE), FCIS

公司秘書

袁穎欣FCS (PE), FCIS

AUTHORISED REPRESENTATIVES

Tan Sri Cheng Heng Jem
Yuen Wing Yan, Winnie

法定代表

丹斯里鍾廷森
袁穎欣

AUDIT COMMITTEE

Dato' Fu Ah Kiow (*Chairman*)
Ko Desmond
Yau Ming Kim, Robert
Dato' Sri Dr. Hou Kok Chung

審核委員會

拿督胡亞橋（主席）
Ko Desmond
丘銘劍
拿督斯里何國忠博士

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Services (Cayman Islands) Limited
Second Floor, Century Yard, Cricket Square, P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS IN THE PRC

Bank of China
Agricultural Bank of China
Industrial and Commercial Bank of China
China Construction Bank
China Merchants Bank
Bank of Communications

PRINCIPAL BANKERS IN HONG KONG

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

AUDITOR

Ernst & Young
Certified Public Accountants

WEBSITE

www.parksongroup.com.cn

薪酬委員會

丘銘劍 (主席)
丹斯里鍾廷森
Ko Desmond

提名委員會

丹斯里鍾廷森 (主席)
丘銘劍
拿督胡亞橋

主要股份過戶登記處

Tricor Services (Cayman Islands) Limited
Second Floor, Century Yard, Cricket Square, P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

中國主要往來銀行

中國銀行
中國農業銀行
中國工商銀行
中國建設銀行
中國招商銀行
交通銀行

香港主要往來銀行

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

核數師

安永會計師事務所
執業會計師

網址

www.parksongroup.com.cn

EXPANSION IN THE YEAR 2019

二零一九年業務擴展



A new supermarket opened in Mianyang in April 2019.
於二零一九年四月開設的綿陽超市。



EXPANSION IN THE YEAR 2019 二零一九年業務擴展

A new gourmet supermarket opened in Shanghai in August 2019.
於二零一九年八月在上海新開設一家精品超市。



CHAIRMAN'S STATEMENT

主席報告

The Board is delighted to present the annual report of the Group for the year ended 31 December 2019 ("Year under Review"). In 2019, the Group achieved stable performance, which demonstrated its dedication to continue diversifying its retail formats and enhanced product offerings to reinforce the Group's position as a leading lifestyle retailer in China.

ECONOMIC ENVIRONMENT

Under multiple fronts of downward pressure including the prolonged trade tensions between China and the United States, China's economic growth slowed in 2019 to 6.1%, compared with an economic growth of 6.6% in 2018, according to the latest figures announced by the National Bureau of Statistics of China.

China's retail market also faced a number of challenges. According to the National Bureau of Statistics, China's total retail sales of consumer goods grew by 8.0% in 2019, compared with a sector growth of 9.0% in 2018. The growth of retail sector has been easing for two consecutive years. The economic uncertainty has had Chinese consumers think twice before making any spending decision. Amid risks, however, the retail market demonstrated remarkable resilience compared with other sectors. The stable social and economic environments provide a solid support for the consumer market. Consumption is expected to remain China's leading driver for economic growth with a positive outlook in 2020.

The consumption upgrade trend has been steadily growing as consumers' demands for products with higher quality and better user experience have increased constantly. Although the growth of overall retail sales has slowed down, some sectors such as cosmetics, food, daily necessities and restaurants have increased steadily, with a higher growth rate than that of overall retail sales. This coincides with the Group's strategy of sustainable business development, which takes certain specific consumption sectors as the focus of business development, strives to improve customer experience and actively grasps the consumption upgrade trend, so as to capture the opportunities of China's retail market.

董事會欣然呈報集團截至二零一九年十二月三十一日（「回顧年度」）之全年業績。本集團於二零一九年取得穩健表現，此乃由於本集團致力推動零售業態多元化，並且加強旗下產品組合，務求鞏固我們作為中國領先時尚生活概念零售商的地位。

經濟狀況

二零一九年，中美貿易關係持續緊張，中國經濟多方面面臨下行壓力。根據中國國家統計局公佈的最新數據，二零一九年中國經濟總量較二零一八年增長6.1%，此增幅較二零一八年6.6%的增幅略有放緩。

中國零售市場亦同時受壓。國家統計局資料顯示，二零一九年中國社會消費品零售總額較二零一八年增長8.0%，低於二零一八年9.0%的增幅，零售業務增長連續兩年放緩。經濟環境的不確定性，令中國消費者在消費時變得更審慎。然而，消費市場相對其他市場而言，是一個抗風險能力更強的行業。目前社會和經濟發展局勢基本穩定，為消費市場提供有力的支持。預期於二零二零年，消費仍為推動中國經濟增長的第一動力，前景樂觀。

在消費行為方面，消費者對產品品質有更卓越的追求，亦更注重消費體驗的提升，持續的消費升級已成大勢所趨。雖然總體零售呈增長減慢之勢，但個別消費類別如化妝品、食品、日用品、餐飲等，仍保持穩健增長，且該等類別於二零一九年的增長速度皆高於總體零售消費的增長。這與本集團制訂的可持續業務發展戰略不謀而合，將個別消費類作為業務拓展的重心，致力提升顧客體驗，積極把握消費升級的趨勢，以充分捕捉中國零售市場的潛在發展機遇。

CHAIRMAN'S STATEMENT

主席報告

BUSINESS RESULTS

During the Year under Review, the Group recorded total gross sales proceeds ("GSP") of RMB14,181.2 million inclusive of value-added tax, a decline of 6.7% compared to last year, which was mainly due to the closure of underperforming stores in 2019 and the decline in same store sales ("SSS"). Total operating revenues of the Group increased by RMB178.2 million or 3.7% to RMB5,026.0 million, profit from operations increased by 179.3% year-on-year to RMB474.5 million. SSS decreased by 3.9% in 2019.

For the business performance, Parkson continued to diversify its retail formats to meet growing consumer demand for quality products and service. In order to meet the demand of consumption upgrade, the Group has implemented a series of strategies, including the expansion of product categories such as more international cosmetic brands, sports and apparel brands on top of traditional products, as well as upgrading traditional supermarkets into gourmet supermarkets in department stores to cater for rapid changing of consumer demands.

During the Year under Review, to better utilise resources, we have closed five underperforming stores. As of 31 December 2019, the Group operated and managed 38 Parkson stores (including concept stores "Parkson Beauty"), 1 Lion Mall, 2 Parkson Newcore City Malls, supermarkets, fashion and food & beverage outlets, in 27 major cities across China.

DIFFERENTIAL POSITIONING CREATES SYNERGIES

Following a period of business transformation, Parkson is expanding its retail portfolio while flexibly applying various operating models and financial arrangements to strengthen the Group's position as a leading lifestyle retailer in China. In June 2019, the Group secured the usage right of a property above Bayi Guan Station of Nanchang Rail Transit Line 1 with a total gross area of 42,900 square meters, and this new Nanchang Bayi Guan Store saw its grand opening on 16 January 2020. The new department store is located on the prosperous Zhongshan Road in the old city of Nanchang, above the intersection of two subway lines and is just across the road from Nanchang Zhongshan Road Store. The Zhongshan Road Store is a hub for high-end brands while the Bayi Guan Store focuses on young and fashion brands. The tactics of differential positioning along with close collaboration of the two stores have created synergies and attracted a wider customer group, allowing the Group more flexibility while leveraging on its diversified retail formats.

業務回顧

回顧年度內，本集團錄得銷售所得款項總額（「銷售所得款項總額」）為人民幣14,181.2百萬元（含增值稅），較去年下降6.7%，主要由於二零一九年度關閉業績表現欠佳的門店及同店銷售（「同店銷售」）下降。本集團經營收益總額增長人民幣178.2百萬元或3.7%至人民幣5,026.0百萬元，經營利潤較去年同期增加179.3%至人民幣474.5百萬元。二零一九年同店銷售下降3.9%。

業務上，百盛繼續推動零售業態多元化，以滿足不同消費群體對產品質素和服務水平的需求。為迎合消費升級的需求，本集團實施了一系列戰略部署，包括商品種類的擴充，如在傳統商品之外引入更多國際化妝品品牌、運動潮流服裝等，以及將百貨店內的部分傳統超市升級為精品超市，提供更優質的產品系列，以滿足不同消費層級的市場需求。

回顧年度內，為更有效利用資源，我們關閉了五家業績不甚理想的門店。截至二零一九年十二月三十一日，本集團在中國27個城市運營管理38家百盛門店（包括概念店「Parkson Beauty」）、1家金獅廣場、2家百盛優客城市廣場、超市、服飾及餐飲門店。

定位差異化產生協同效應

經過過去一段時間的業務轉型後，本集團審時度勢，適時作出業務擴充，並靈活運用各種營運模式和資產安排，以進一步鞏固百盛作為中國領先時尚生活概念零售商的地位。二零一九年六月，本集團取得江西省南昌市地鐵1號線「八一館」站上蓋物業的使用權，物業總面積為4.29萬平方米，南昌八一館店於二零二零年一月十六日正式揭幕。該物業位於南昌老城區繁盛的中山路，處於兩條地鐵線的交匯，與南昌中山路店僅一路之隔。中山路店蒼萃高檔品牌，而八一館店則主打年輕時尚路線，兩者透過市場定位差異化，緊密聯動並產生協同效應，輻射更廣的目標消費人群，從而使本集團更有彈性地發揮多元化零售優勢。

CHAIRMAN'S STATEMENT

主席報告

STRATEGIC BUSINESS EXPANSION

In terms of the department store business, the Group's second department store in Datong, Shanxi Province is expected to open in the second quarter of 2020. It is expected that this retail space will be a "Complex of department stores and shopping centers", which will further diversify the product mix within the facility. It also fits into the Group's Differential Positioning tactics for "Multiple Stores in a City", which aim to serve more customers with different spending habits. In addition, preparation work for the Group's department store in Tongren city, Guizhou Province is well under way and the store is expected to welcome guests in the second quarter of 2020.

STRONG PERFORMANCE OF BEAUTY SEGMENT

In recent years, the Group has been actively exploring the beauty segment, and has recorded ideal performance. The Group also focuses on the innovation and exploration of business model in this field. "Parkson Beauty", the Group's beauty concept store, has been performing well and received positive response from customers. It has attracted various international beauty brands and created a brand-new beauty upgrading experience for consumers. Up to now, "Parkson Beauty" has set up three retail outlets in Changsha, Qingdao and Nanning, and has become a leading collection store of high-end beauty brands. In order to enhance the brand image and popularity of the Group's beauty segment, the Group has made a number of promotions actively. It is worth mentioning that, Malaysia's Lee Chong Wei, who is inducted into the Badminton Hall of Fame, was invited to "Parkson Beauty" as a "one-day manager" in its Changsha IFS store in November 2019. The event attracted a large number of customers and fans of Lee Chong Wei.

FAST FASHION SEGMENT WITH BRIGHT PROSPECTS

In addition to the beauty segment, the fast fashion segment has become another new business direction of the Group. In 2019, Parkson has launched its self-owned fast fashion brand "evry-D" and set up sales counters in five retail stores within a short period. With its unique brand concept and business model, "evry-D" has attracted the attention of consumers and the industry. It is also a new trend of Parkson in business transformation and innovation. In view of the growing consumption power of the younger generation, the Group will continue to expand the scale of "evry-D" counters in 2020, so as to enhance its brand influence and enlarge its market share. Besides, the Group has also actively discussed with other brand operators to seek feasible cross-border cooperation, and is committed to promoting the long-term development of the Group's fashion sector through a variety of operation modes.

策略性擴張業務版圖

百貨業務方面，本集團計劃在山西省大同市開設第二家百貨店，預計於二零二零年第二季度開幕。這家新店計劃以「百貨店暨商場綜合體」的方式營運，使物業的零售組合更多元化，這符合本集團「一市多店」的市場定位差異化規劃，使各店能服務更多不同消費習慣的顧客。此外，集團位於貴州省銅仁市百貨店的籌備工作亦全速進行，預計於二零二零年第二季度投入服務。

美妝板塊表現理想

美妝板塊，是本集團近年來積極開拓的領域，並錄得十分理想的市場表現。本集團亦注重在此領域進行商業模式的創新與探索，其中，本集團開設的美妝概念店「Parkson Beauty」市場反應理想，深受客戶追捧。其吸引了多個國際美妝品牌的入駐，為消費者打造了全新的美妝升級體驗。目前「Parkson Beauty」已在長沙、青島和南寧共有三個零售點，已躋身成為領先的高端美妝品牌集合店。為大力提升美妝板塊的品牌形象與知名度，本集團策略性安排了一系列市場推廣活動。值得一提的是，在二零一九年十一月，「Parkson Beauty」邀請了馬來西亞國寶級羽毛球運動員李宗偉蒞臨其長沙IFS店當「一日店長」體驗，該活動吸引了大量消費者和粉絲的參與，備受矚目。

快時尚板塊前景亮麗

除美妝板塊外，快時尚板塊為本集團另一嶄新的業務發展方向。二零一九年，本集團成功推出自家快速時裝品牌「evry-D」，並在短期內以專櫃形式成功落戶五家零售店。其憑藉獨特的品牌理念及商業模式，備受消費者和業界矚目，這也是百盛在業務轉型及創新方面的新動向。隨著年輕一代消費力量的與日俱增，集團計劃在二零二零年將繼續擴張「evry-D」專櫃的規模，提升其品牌影響力，並進一步擴大其市場份額。另外，本集團亦積極與其他品牌營運商展開商討，尋求可行的跨界合作，透過多種渠道的運營模式，致力推進集團時尚板塊的長遠發展，未來可期。

CHAIRMAN'S STATEMENT

主席報告

OUTLOOK

Whilst the macroeconomic environment is expected to be uncertain in the coming year, we remain optimistic about China's retail industry. Furthermore, our strategic business transformation has brought significant benefits to the Group through our practice in the past few years. With more than two decades of experience in the department store sector, we are confident that Parkson can champion the fast-changing retail sector by improving the innovation of operation models and accelerating the development of new businesses. We will remain deeply committed to the Chinese market and create greater long-term value for our shareholders.

Looking forward, we will expand our retail portfolio at the right pace and in the right manner. In order to meet the fast pace of modern life as well as customers' expectations of a pleasant shopping experience, Parkson, which owns a number of one-stop comprehensive retail premises, is poised to take advantage of our product sales, logistics and data collection capabilities to create a comprehensive and relaxed shopping experience for customers.

Meanwhile, Parkson will continue to carry out its strategy of upgrading brands and product categories by diversifying retail formats and further exploring omni-channel marketing. It will also be devoted to developing its various business segments, including the beauty segment led by "Parkson Beauty" and the fashion segment led by its own fast fashion brand "evry-D". The Group will actively strengthen the cooperation between its own brands and other brands, create more interactive effects, and constantly improve brand awareness and product quality. We believe that by virtue of the Group's diversified business strategy and its leading position in China's retail market, the Group is able to provide customers with the best quality services constantly, achieve outstanding performance amid challenging retail environment and drive the Group's long-term development.

I would like to take this opportunity to express our gratitude to our employees, customers, shareholders, suppliers and business partners for their unwavering support throughout the year. We look forward to working with you closely in the years to come.

前景

儘管預期來年宏觀經濟環境繼續不明朗，本集團對中國零售業表現仍持樂觀態度。透過過去幾年的努力實踐，我們看見策略轉型為本集團帶來的顯著成果。憑藉過去二十多年本集團紮根百貨業的豐富經驗，我們有信心百盛可以在日新月異的零售業版圖上，透過加強經營模式創新及加快新業務拓展，繼續深耕中國零售市場，為股東創造更大的長期價值。

展望未來，我們會適時擴大業務規模，以迎合快速的現代生活節奏，充分滿足顧客對愉悅購物體驗的追求。通過打造「一站式」的綜合消費場所，充分發揮集團在商品營銷、物流配送以及數據收集等方面的優勢，進而確保顧客享受到全方位、輕鬆的購物體驗。

同時，百盛會繼續執行以多元化零售業態提升品牌及產品種類，進一步拓展全渠道營銷為核心的策略，發展旗下各個業務板塊，包括以「Parkson Beauty」為領導的美妝板塊以及自家快速時裝品牌「evry-D」引領的時尚板塊等。集團將積極加強旗下品牌與其他品牌間的通力合作，創造更多互動效應，並不斷提升品牌知名度及產品品質。我們相信，憑藉本集團的多元化業務策略以及在中國零售市場的領先地位，集團能夠持續為顧客提供最優質的服務，並在具挑戰性的零售業環境當中取得良好表現，推動集團長遠發展。

藉此良機，本人衷心感謝我們的員工、客戶、股東、供應商及業務夥伴多年來對本集團的堅定支持。我們期待在未來的日子裏繼續密切合作。

FINANCIAL HIGHLIGHTS

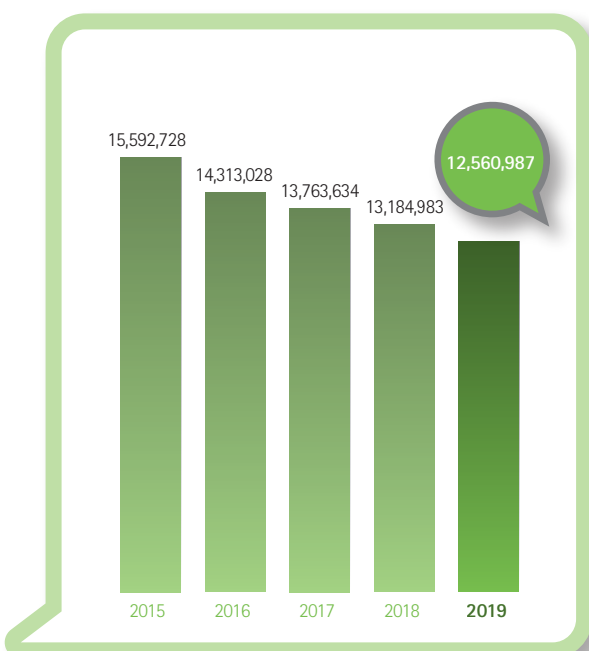
財務摘要

		2015	2016	2017	2018	2019	Change (%)
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年	變動(%)
Operating Results (RMB'000)	經營業績 (人民幣千元)						
Gross sales proceeds ¹	銷售所得款項總額 ¹	15,592,728	14,313,028	13,763,634	13,184,983	12,560,987	(4.7%)
Total operating revenues	經營收益總額	4,738,679	4,605,892	4,677,243	4,847,808	5,026,018	3.7%
(Loss)/profit from operations	經營(虧損)/利潤	(94,472)	(201,901)	83,663	169,932	474,484	179.2%
(Loss)/profit for the year	年內(虧損)/利潤	(182,635)	154,129	(133,753)	(54,612)	(203,680)	273.0%
(Loss)/profit attributable to owners of the parent	母公司擁有人應佔(虧損)/利潤	(186,154)	147,257	(135,952)	(79,283)	(222,751)	181.0%
Basic (loss)/earning per share (RMB) ²	每股基本(虧損)/盈利(人民幣) ²	(0.069)	0.056	(0.052)	(0.030)	(0.085)	183.3%
Interim dividends per share (RMB)	每股中期股息(人民幣)	0.040	0.020	-	0.030	-	(100.0%)
Final dividends per share (RMB)	每股末期股息(人民幣)	0.010	-	-	-	-	-
Full year dividends per share (RMB)	每股全年股息(人民幣)	0.050	0.020	-	0.030	-	(100.0%)

Gross sales proceeds

銷售所得款項總額

RMB'000 人民幣千元



Total operating revenues

經營收益總額

RMB'000 人民幣千元



FINANCIAL HIGHLIGHTS

財務摘要

		2015 二零一五年	2016 二零一六年	2017 二零一七年	2018 二零一八年	2019 二零一九年
Summary of consolidated statement of financial position (RMB'000)	綜合財務狀況表概要 (人民幣千元)					
Non-current assets	非流動資產	8,604,328	6,888,397	6,467,608	8,024,164	10,769,810
Current assets	流動資產	4,621,223	6,278,606	6,507,764	4,568,318	4,776,190
Total assets	總資產	13,225,551	13,167,003	12,975,372	12,592,482	15,546,000
Current liabilities	流動負債	3,788,053	3,832,668	6,935,446	3,238,307	4,007,043
Non-current liabilities	非流動負債	4,398,184	4,458,543	1,120,821	4,729,325	7,192,624
Net assets	資產淨值	5,039,314	4,875,792	4,919,105	4,624,850	4,346,333
Represented by Equity attributable to owners of the parent	以下列各項表示： 母公司所有人應佔權益	4,972,268	4,821,046	4,873,963	4,509,939	4,230,661
Non-controlling interests	非控股權益	67,046	54,746	45,142	114,911	115,672
Total equity	總權益	5,039,314	4,875,792	4,919,105	4,624,850	4,346,333

NOTES:

- GSP (excluded value-added tax) represent the sum of sales proceeds from direct sales and concessionaire sales, income from providing consultancy and management services, rental income, credit service income and other operating revenues.
- The calculation of basic loss per share for the year ended 31 December 2019 is based on the net loss attributable to ordinary equity holders of the parent for the year of approximately RMB222,751,000 and the weighted average number of 2,634,532,000 shares in issue during the year.

The calculation of basic loss per share for the year ended 31 December 2018 is based on the net loss attributable to ordinary equity holders of the parent for the year of approximately RMB79,283,000 and the weighted average number of 2,634,532,000 shares in issue during the year.

附註：

- 銷售所得款項總額(不含增值稅)指來自直接銷售及特許專櫃銷售的銷售所得款項、提供諮詢及管理服務收入、租金收入、信貸服務收入及其他經營收益的總和。
- 截至二零一九年十二月三十一日止年度的每股基本虧損乃根據年內母公司普通股權益持有人應佔虧損淨額約人民幣222,751,000元及年內已發行加權平均數目2,634,532,000股計算。

截至二零一八年十二月三十一日止年度的每股基本虧損乃根據年內母公司普通股權益持有人應佔虧損淨額約人民幣79,283,000元及年內已發行加權平均數目2,634,532,000股計算。



PARKSON SHOPPING EXPERIENCE
百盛購物體驗





MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

GSP and Operating Revenues

During the 2019, GSP (consists of direct sales, sales proceeds from concessionaire sales, rental incomes, consultancy and management service fees, credit service income and other operating revenues) decreased by 6.7% year-on-year to RMB14,181.2 million (inclusive of value-added tax), mainly due to closure of underperforming stores in 2019 and the decline in SSS. SSS decreased by 3.9% in 2019.

財務回顧

銷售所得款項總額及經營收益

二零一九年度，本集團所產生的銷售所得款項總額（包括直接銷售、特許專櫃銷售所得款項、租金收入、諮詢及管理費、信貸服務收入以及其他經營收益）較去年同期下降6.7%至人民幣14,181.2百萬元（含增值稅），主要原因歸於二零一九年度關閉業績表現欠佳的門店及同店銷售下降所致。二零一九年度同店銷售下降3.9%。

TOTAL MERCHANDISE SALES

商品銷售總額

		For the year ended 31 December 截至十二月三十一日止年度					
		2019 二零一九年		2018 二零一八年		Year-on- year change (%) 同比變動 (%)	
		RMB'000	% of total	RMB'000	% of total		
		佔總額的	佔總額的	佔總額的	佔總額的		
		人民幣千元	百分比(%)	人民幣千元	百分比(%)		
Concessionaire sales	特許專櫃銷售	8,963,992	76.8%	9,961,302	81.1%	(10.0%)	
Direct sales	直接銷售	2,712,119	23.2%	2,323,660	18.9%	16.7%	
		11,676,111	100.0%	12,284,962	100.0%	(5.0%)	

Total merchandise sales decreased by RMB608.9 million or 5.0% to RMB11,676.1 million (net of value-added tax) in 2019. Concessionaire sales continued to be the key sales driver in 2019, but as a percentage of our total merchandise sales, it decreased in 2019 compared to 2018. This decrease was primarily due to the growth in sales from our Cosmetics & Accessories category in direct sales, which was mainly attributable to the robust performance of beauty segment.

二零一九年度，本集團的商品銷售總額減少人民幣608.9百萬元或5.0%至人民幣11,676.1百萬元（不含增值稅）。二零一九年度特許專櫃銷售繼續成為銷售主力，但按佔商品銷售總額的百分比計，二零一九年度特許專櫃銷售佔比較二零一八年度特許專櫃銷售佔比有所下降，主要由於本集團美妝板塊的出色表現，導致化妝品與配飾類別直接銷售增長所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MERCHANDISE SALES MIX

商品銷售組合

		For the year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年	2018 二零一八年
		% of total merchandise sales 佔銷售總額 的百分比 (%)	% of total merchandise sales 佔銷售總額 的百分比 (%)
Cosmetics & Accessories	化妝品與配飾	51.4%	48.0%
Fashion & Apparel	時裝與服裝	40.8%	43.3%
Groceries & Perishables	食品及鮮貨	5.1%	5.7%
Household & Electrical	家居用品與電器	2.7%	3.0%
		100.0%	100.0%

In 2019, sales from Cosmetics & Accessories category, which constituted 51.4% of our total merchandise sales, demonstrated faster growth compared to other categories, mainly attributable to the opening of standalone concept store of Parkson Beauty in May and September 2018 and our efforts to enhance market awareness of our beauty segment.

Merchandise gross margin

The Group's merchandise gross margin (a combination of concessionaire commission rate and the direct sales margin) stabilized at 16.0% in 2019, consistent with last year.

Total operating revenues

Total operating revenues of the Group increased by RMB178.2 million or 3.7% to RMB5,026.0 million in 2019, which was primarily attributable to (i) the increase in direct sales of RMB388.5 million which was contributed by the strong sales performance of the Cosmetics & Accessories category and (ii) inclusion of the revenue of RMB57.1 million in credit services generated by Parkson Credit Sdn Bhd which was acquired in October 2018. The increase was partially offset by the decrease in commissions from concessionaire sales due to closure of unprofitable stores and rental income due to the impact of adoption of IFRS 16.

二零一九年度，化妝品與配飾類別的銷售佔本集團商品銷售總額的51.4%，且銷售增長快於其他類別，這主要由於在二零一八年五月及九月開設了獨立概念店Parkson Beauty，以及致力於提高本集團於美妝板塊的市場知名度所致。

商品銷售毛利率

二零一九年度，本集團的商品銷售毛利率（綜合特許專櫃銷售佣金及直接銷售的毛利率）穩定在16.0%，與去年一致。

經營收益總額

二零一九年度，本集團的經營收益總額上升人民幣178.2百萬元或3.7%至人民幣5,026.0百萬元，主要受惠於(i)化妝品與配飾類別強勁銷售表現所帶來的直接銷售金額增加人民幣388.5百萬元；(ii)併入於二零一八年十月收購的Parkson Credit Sdn Bhd提供的信貸服務所產生收入人民幣57.1百萬元。此增長有部分因關閉盈利能力差的門店所帶來的特許專櫃銷售佣金下降和採用國際財務報告準則第16號所帶來的租金收入下降的影響所抵銷。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Operating Expenses

Purchase of goods and change in inventories

The purchase of goods and change in inventories represented the cost of sales for direct sales. In line with the increase in direct sales, cost of sales increased by 14.7% to RMB2,270.5 million in 2019 from RMB1,979.6 million in 2018.

Staff costs

Staff costs decreased by 2.6% to RMB666.6 million in 2019 from RMB684.2 million in 2018. This decrease was primarily due to the closure of unprofitable stores in 2019. The decrease was partially offset by the increase in staff costs incurred by Parkson Beauty, PLAYUP and credit service and an increase in base salaries of our employees. On a same store basis, staff costs increased by 1.2%.

Staff costs as a percentage of GSP increased from 5.2% in 2018 to 5.3% in 2019.

Depreciation and amortisation

Depreciation and amortisation increased by 162.5% to RMB696.7 million in 2019 from RMB265.4 million in 2018. The significant increase was largely attributable to the impact of adoption of IFRS 16. In 2019, RMB456.9 million of depreciation expense on the right-of-use assets was charged to depreciation and amortisation.

Without the impact of IFRS 16, depreciation and amortisation decreased by RMB25.6 million to RMB239.8 million in 2019. The decrease was primarily due to savings from closure of stores and fully depreciated assets in some stores. On a same store basis, depreciation charges decreased by 14.0%, mainly due to the fully depreciated assets mentioned above.

Without the impact of IFRS 16 on depreciation and amortisation, depreciation and amortisation as a percentage of GSP decreased from 2.0% in 2018 to 1.9% in 2019.

經營開支

購買貨物及存貨變動

購買貨物及存貨變動指直接銷售的銷售成本。與直接銷售的增加相符，銷售成本由二零一八年度的人民幣1,979.6百萬元增加14.7%至二零一九年度的人民幣2,270.5百萬元。

員工成本

員工成本由二零一八年度的人民幣684.2百萬元減少2.6%至二零一九年度的人民幣666.6百萬元。該減少主要由於二零一九年度關閉盈利能力差的門店所致。該減少部分被Parkson Beauty、PLAYUP和信貸業務所新增的員工成本及增加員工的基本工資所抵銷。同店員工成本上升1.2%。

員工成本佔銷售所得款項總額的百分比由二零一八年度的5.2%上升至二零一九年度的5.3%。

折舊及攤銷

折舊及攤銷由二零一八年度的人民幣265.4百萬元增加162.5%至二零一九年度的人民幣696.7百萬元。此大幅增加乃主要由於採用國際財務報告準則第16號的影響所致。二零一九年度，計入折舊及攤銷的使用權資產的折舊為人民幣456.9百萬元。

剔除國際財務報告準則第16號的影響，二零一九年度，折舊及攤銷減少人民幣25.6百萬元至人民幣239.8百萬元。此減少乃主要由於關閉門店節約成本及若干百貨店已計足折舊的資產所致。同店折舊成本下降14.0%，主要歸因於前文所述的資產折舊完畢。

剔除採用國際財務報告準則第16號對折舊及攤銷的影響，折舊及攤銷佔銷售所得款項總額的百分比從二零一八年度的2.0%下降至二零一九年度的1.9%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Rental expenses

Rental expenses decreased by 87.8% to RMB113.9 million in 2019 from RMB937.3 million in 2018. The significant decrease was primarily due to the impact of adoption of IFRS 16. Under IFRS 16, rental expenses are replaced with depreciation expense on the right-of-use assets and interest expense on the lease liabilities.

Without the impact of IFRS 16, rental expenses decreased by RMB85.5 million or 9.1% to RMB851.8 million in 2019. The decrease was mainly due to (i) lease term renegotiation of some stores within the Group; and (ii) savings from closure of underperforming stores in 2019. On a same store basis, rental expenses decreased by 1.1%.

Without the impact of IFRS 16 on rental expenses, rental expenses as a percentage of GSP decreased from 7.1% in 2018 to 6.8% in 2019.

Other operating expenses

Other operating expenses which consist of (a) utilities cost; (b) marketing, promotional and selling expenses; (c) property management expenses; (d) general administrative expenses; and (e) city development and educational surcharge, decreased by 0.9% to RMB803.8 million in 2019 from RMB811.3 million in 2018 as a result of closure of underperforming stores in 2019 and management's effort to rationalize cost within the Group. On a same store basis, other operating expenses decreased by 7.4%.

Other operating expenses as a percentage of GSP increased from 6.2% in 2018 to 6.4% in 2019.

Profit from Operations

The Group generated a profit from operations of RMB474.5 million for 2019, an increase of RMB304.6 million or 179.3% compared to RMB169.9 million recorded in 2018.

Without the impact of IFRS 16 on profit from operations, profit from operations increased by RMB79.8 million or 46.9% to RMB249.7 million in 2019; profit from operations as a percentage of GSP increased from 1.3% in 2018 to 2.0% in 2019.

租金開支

租金開支由二零一八年度之人民幣937.3百萬元減少87.8%至二零一九年度之人民幣113.9百萬元。此大幅減少乃主要由於採納國際財務報告準則第16號的影響所致。採納國際財務報告準則第16號後，租金開支將會被使用權資產的折舊開支及租賃負債的利息開支所取代。

剔除國際財務報告準則第16號的影響，二零一九年度租金開支減少人民幣85.5百萬元或9.1%至人民幣851.8百萬元。租金開支減少主要歸因於：(i)重新談判集團內幾家門店的租賃合同；及(ii)二零一九年度關閉業績表現欠佳的門店影響。同店租金開支下降1.1%。

剔除採納國際財務報告準則第16號對租金開支的影響，租金開支佔銷售所得款項總額的百分比從二零一八年度之7.1%下降至二零一九年度之6.8%。

其他經營開支

其他經營開支包括：(a)水電費；(b)市場推廣、宣傳及銷售費用；(c)物業管理費用；(d)一般行政開支；及(e)城市建築及教育附加費，由二零一八年度之人民幣811.3百萬元減少0.9%至二零一九年度之人民幣803.8百萬元，此乃由於二零一九年度關閉業績欠佳的門店及管理層有效的成本控制所致。同店其他經營開支較去年減少7.4%。

其他經營開支佔銷售所得款項總額的百分比從二零一八年度之6.2%上升至二零一九年度之6.4%。

經營利潤

本集團二零一九年度經營利潤錄得人民幣474.5百萬元，與二零一八年度同期經營利潤錄得人民幣169.9百萬元相比增長人民幣304.6百萬元或179.3%。

剔除國際財務報告準則第16號對經營利潤的影響，二零一九年度經營利潤增加人民幣79.8百萬元或46.9%至人民幣249.7百萬元；經營利潤佔銷售所得款項總額的百分比從二零一八年度之1.3%上升至二零一九年度之2.0%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Finance Income/Costs

The Group's finance income decreased by 46.1% to RMB75.4 million in 2019 from RMB139.9 million in 2018. Under IFRS 16, RMB28.6 million of interest income on the net investments in sublease was recognised in finance income in 2019. Without the impact of IFRS 16, finance income decreased by RMB93.1 million or 66.5% to RMB46.8 million in 2019.

The Group's finance costs increased significantly to RMB662.9 million in 2019 from RMB208.1 million in 2018. Under IFRS 16, RMB425.0 million of interest expense on the lease liability was charged to finance costs in 2019. Without the impact of IFRS 16, finance costs increased by RMB29.7 million or 14.3% to RMB237.8 million in 2019. This increase was primarily attributable to the higher interest rate charged for the bank loans compared with bonds.

Share of Profits of a Joint Venture

This is the share of profits from Xinjiang Youhao Parkson Development Co., Ltd., a joint venture of the Group. The share of profits decreased to RMB13.6 million in 2019 from RMB16.2 million in 2018. This decrease was primarily due to the negative impact on local consumption by the slowdown in the PRC economy.

Share of Profits of Associates

This is the share of results from the Group's associated companies. Share of profits of associates decreased to RMB7.1 million in 2019 from RMB7.9 million in 2018. This decrease was primarily due to the negative impact of IFRS 16 of RMB7.9 million. Without the impact of IFRS 16, share of profits of associates increased by RMB7.1 million to RMB15.0 million in 2019. This increase was primarily attributable to the profit from Parkson Newcore which entered into the stable development period.

財務收入／成本

本集團財務收入由二零一八年度之人民幣139.9百萬元減少46.1%至二零一九年度之人民幣75.4百萬元。根據國際財務報告準則第16號，二零一九年度計入財務收入之轉租賃投資淨額的利息收入為人民幣28.6百萬元。剔除採納國際財務報告準則第16號的影響，二零一九年度財務收入減少人民幣93.1百萬元或66.5%至人民幣46.8百萬元。

本集團財務成本由二零一八年度之人民幣208.1百萬元大幅增至二零一九年度之人民幣662.9百萬元。根據國際財務報告準則第16號，二零一九年度計入財務成本的租賃負債的利息開支為人民幣425.0百萬元。剔除採納國際財務報告準則第16號的影響，二零一九年度財務成本增加人民幣29.7百萬元或14.3%至人民幣237.8百萬元。財務成本的增加主要是由於相較於債券，較高的銀行貸款利率所致。

應佔一家合營企業的利潤

此乃應佔本集團一家合營企業新疆友好百盛商業發展有限公司的利潤。應佔合營企業的利潤由二零一八年度之人民幣16.2百萬元下降至二零一九年度之人民幣13.6百萬元。該下降主要是由於中國經濟的放緩對當地消費產生了負面影響。

應佔聯營公司的利潤

此乃本集團應佔聯營公司的業績。應佔聯營公司的利潤由二零一八年度之人民幣7.9百萬元下降至二零一九年度之人民幣7.1百萬元。該下降主要歸因於國際財務報告準則第16號的負面影響人民幣7.9百萬元。剔除國際財務報告準則第16號的影響，二零一九年度應佔聯營公司的利潤增加人民幣7.1百萬元至人民幣15.0百萬元。該增長主要受益於百盛紐可爾進入平穩發展階段。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(Loss)/Profit before Tax ("PBT")

Loss before tax decreased by 138.6% year-on-year to RMB48.6 million in 2019, compared to a profit before tax of RMB125.8 million in 2018. This decrease was primarily due to the impact of adoption of IFRS 16. The combination of straight-line depreciation of the right-of-use assets and effective interest rate method applied on the lease liabilities results in a higher total charge to profit or loss in the initial years of the lease, and decreasing expense during the latter part of the lease term. The negative impact of IFRS 16 on PBT for 2019 was RMB180.3 million.

Without the impact of IFRS 16, our PBT increased by RMB5.9 million to RMB131.7 million in 2019. The increase was primarily attributable to our increased revenues and gains on disposal of a property in 2019.

Without the impact of IFRS 16 on PBT, PBT as a percentage of GSP remained stable at 1.0% in 2019.

Income Tax Expenses

The Group's income tax expense decreased by 14.0% to RMB155.1 million in 2019 from RMB180.4 million in 2018, mainly due to (i) the withholding tax of RMB64.0 million accrued for dividend distribution and (ii) the decrease of profit before tax.

Loss for the Year

As a result of the foregoing, our loss for the year increased by RMB149.1 million to RMB203.7 million in 2019 from RMB54.6 million in 2018. Without the impact of IFRS 16, our loss for the year increased by RMB5.3 million or 9.7% to RMB59.9 million in 2019.

Loss Attributable to Owners of the Parent

Loss attributable to the owners of the parent increased from RMB79.3 million in 2018 to RMB222.8 million in 2019. Without the impact of IFRS 16, loss attributable to owners of the parent increased by RMB0.7 million or 0.9% to RMB80.0 million in 2019.

稅前(虧損)/利潤(「稅前利潤」)

二零一九年度稅前虧損同比減少138.6%至人民幣48.6百萬元，對照二零一八年度稅前利潤為人民幣125.8百萬元。該減少主要歸因於採納國際財務報告準則第16號的影響。使用權資產的直線折舊及應用於租賃負債的實際利率法的結合，將導致於租賃初期在損益的總開支較高，及於租約後期的開支逐漸減少。二零一九年度，國際財務報告準則第16號對稅前利潤的負面影響為人民幣180.3百萬元。

剔除採納國際財務報告準則第16號的影響，稅前利潤增加人民幣5.9百萬元至二零一九年度的人民幣131.7百萬元。此增加主要受益於二零一九年度本集團收入的增長以及出售物業所得。

剔除採納國際財務報告準則第16號對稅前利潤的影響，二零一九年度稅前利潤佔銷售所得款項總額的百分比維持穩定在1.0%。

所得稅支出

本集團的所得稅支出由二零一八年度的人人民幣180.4百萬元減少14.0%至二零一九年度的人人民幣155.1百萬元，該下降主要由於(i)計提股利分配預扣稅人民幣64.0百萬元及(ii)稅前利潤的減少。

年度虧損

由於上述原因，本集團的年度虧損由二零一八年度的人人民幣54.6百萬元增加人民幣149.1百萬元至二零一九年度的人人民幣203.7百萬元。剔除採納國際財務報告準則第16號的影響，二零一九年度本集團的年度虧損增加人民幣5.3百萬元或9.7%至人民幣59.9百萬元。

母公司所有人應佔虧損

母公司所有人應佔虧損由二零一八年度的人人民幣79.3百萬元增加至二零一九年度的人人民幣222.8百萬元。剔除採納國際財務報告準則第16號的影響，二零一九年度母公司所有人應佔虧損增加人民幣0.7百萬元或0.9%至人民幣80.0百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Impact of IFRS 16 on the Consolidated Statement of Profit or Loss

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

國際財務報告準則第16號對綜合損益表的影響

下表顯示就個別條目確認的調整。概無載入並無受變動影響的條目。因此，所披露的小計及總計不能以所提供的數據重新計算。

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度		
		Results without IFRS 16 未採納 國際財務 報告準則 第16號 的業績 RMB'000 人民幣千元	Impact of IFRS 16 採納 國際財務 報告準則 第16號 的影響 RMB'000 人民幣千元	Results as reported 所呈報 的業績 RMB'000 人民幣千元
Revenue	收益	4,627,087	(58,584)	4,568,503
Other operating revenues	其他經營收益	460,555	(3,040)	457,515
Depreciation and amortisation	折舊及攤銷	(239,774)	(456,900)	(696,674)
Rental expenses	租金開支	(851,765)	737,832	(113,933)
Other operating expenses	其他經營開支	(809,321)	5,525	(803,796)
Profit from operations	經營利潤	249,651	224,833	474,484
Finance income	財務收入	46,821	28,590	75,411
Finance costs	財務成本	(237,838)	(425,040)	(662,878)
Share of profit of a joint venture	應佔一家合營企業利潤	14,358	(764)	13,594
Share of profit of associates	應佔聯營公司利潤	14,982	(7,908)	7,074
Profit/(loss) before tax	稅前利潤／(虧損)	131,677	(180,289)	(48,612)
Income tax expense	所得稅支出	(191,565)	36,497	(155,068)
Loss for the year	年度虧損	(59,888)	(143,792)	(203,680)
Attributable to:	以下項目應佔：			
Owners of the parent	母公司所有人	(80,005)	(142,746)	(222,751)
Non-controlling interests	非控股權益	20,117	(1,046)	19,071
		(59,888)	(143,792)	(203,680)

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquidity and Financial Resources

As at 31 December 2019, the cash and cash equivalents and deposits with licensed banks of the Group (aggregate of principal guaranteed investment deposit, time deposits, financial assets at fair value through profit or loss and cash and bank balances deposited with licensed banks) stood at RMB4,493.7 million, representing a reduction of RMB377.0 million or 7.7% from balance as at 31 December 2018 of RMB4,870.7 million. The decrease was primarily due to (i) net cash inflow from operating activities amounted to RMB589.9 million; (ii) net cash inflow from investing activities amounted to RMB105.4 million; and (iii) net cash outflow from financing activities amounted to RMB1,072.3 million.

Total debt to total assets ratio of the Group was 25.9% as at 31 December 2019.

Current Assets and Net Assets

The Group's current assets as at 31 December 2019 was RMB4,776.2 million. Net assets of the Group as at 31 December 2019 decreased by 6.0% to RMB4,346.3 million.

Information on the Financial Products

Investment in principal guaranteed deposits refer to the principal preservation type wealth management products subscribed by the Group from licensed banks operate in China. As at 31 December 2019, the balance of these products was RMB250.1 million, accounting for approximately 1.6% of the total assets of the Group.

Financial assets at fair value through profit or loss refer to the non-principal preservation type wealth management products subscribed by the Group from licensed banks operate in China. As at 31 December 2019, the fair value of these products was RMB250.8 million, accounting for approximately 1.6% of the total assets of the Group.

Pledge of Assets

As at 31 December 2019, the Group has pledged deposits of RMB1,188.0 million, pledged buildings, investment properties and prepaid land lease payment with a net carrying amount of approximately RMB2,292.6 million, RMB286.8 million and RMB369.9 million respectively to secure general bank loans. Other than the aforesaid, no other assets are pledged to any bank or lender.

流動資金及財務資源

於二零一九年十二月三十一日，本集團存於持牌銀行的現金及現金等價物及存款（存於持牌銀行的保本投資存款、定期存款、按公允價值計量且其變動計入損益之金融資產和現金及存於持牌銀行的銀行存款餘額的總和）為人民幣4,493.7百萬元，較二零一八年十二月三十一日餘額人民幣4,870.7百萬元下降人民幣377.0百萬元或7.7%。此乃由於：(i)經營活動所產生現金流入淨額為人民幣589.9百萬元；(ii)投資活動所產生現金流入淨額為人民幣105.4百萬元；及(iii)融資活動所產生現金流出淨額為人民幣1,072.3百萬元。

於二零一九年十二月三十一日，本集團的債務總額佔總資產的比率為25.9%。

流動資產及資產淨值

於二零一九年十二月三十一日，本集團的流動資產為人民幣4,776.2百萬元。於二零一九年十二月三十一日，本集團的資產淨值下降6.0%至人民幣4,346.3百萬元。

金融產品信息

保本存款投資指本集團自在中國經營的持牌銀行認購的保本型理財產品。於二零一九年十二月三十一日，該等產品餘額為人民幣250.1百萬元，約佔本集團總資產的1.6%。

按公允價值計量且其變動計入損益之金融資產指本集團自在中國經營的持牌銀行認購的非保本型理財產品。於二零一九年十二月三十一日，該等產品的公允價值為人民幣250.8百萬元，約佔本集團總資產的1.6%。

資產抵押

於二零一九年十二月三十一日，本集團為一般銀行貸款提供擔保的抵押存款為人民幣1,188.0百萬元，抵押的物業、投資物業及預付土地租賃款的淨值分別約為人民幣2,292.6百萬元、人民幣286.8百萬元、人民幣369.9百萬元。除上述外，概並無其他資產抵押予任何銀行或貸款人。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Segment Information

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

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

Employees

As at 31 December 2019, total number of employees for the Group was 5,773. The Group ensures that all levels of employees are paid competitively within the standard in the market and employees are rewarded on performance related basis within the framework of the Group's salary, incentives and bonus scheme.

Treasury Policies

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

分部資料

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

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

僱員

於二零一九年十二月三十一日，本集團合共聘用5,773名員工。本集團確保所有級別員工的薪酬與市場標準相若，並在本集團的薪金、獎金及花紅計劃框架下按員工表現釐定薪酬。

財資政策

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

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Tan Sri Cheng Heng Jem, aged 77, is an Executive Director and Chairman of the Company. Tan Sri Cheng is also the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. He has more than 45 years of experience in the business operations of the Lion Group of Companies ("Lion Group") encompassing retail, branding, food and beverage, credit financing and money lending services, property development, mining, steel and tyre manufacturing, motor, agriculture and computer industries. He oversees the operations of Lion Group and is responsible for the formulation and monitoring of the overall corporate strategic plans and business development of the Group.

Tan Sri Cheng was the President of The Associated Chinese Chambers of Commerce and Industry of Malaysia ("ACCCIM") and The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor ("KLSCCCI") from 2003 to 2012 and is now a Life Honorary President of ACCCIM and KLSCCCI. Tan Sri Cheng was also the President of Malaysia Retailers Association ("MRA") from August 2014 to May 2018, and the Chairman of the Federation of Asia-Pacific Retailers Associations ("FAPRA") from October 2017 to September 2019. Thereafter, Tan Sri Cheng was appointed as an Honorary President of MRA in June 2018 and assumed the position of Vice Chairman of FAPRA in September 2019. Tan Sri Cheng is currently a Trustee of ACCCIM's Socio-Economic Research Trust and the President of Malaysia Steel Association.

執行董事

丹斯里鍾廷森，77歲，本公司執行董事兼主席。丹斯里鍾廷森亦為本公司提名委員會主席及薪酬委員會成員。彼在金獅集團公司（「金獅集團」）的業務營運方面累積逾四十五年經驗，其中涵蓋零售、品牌建立、餐飲、信貸融資及放貸服務、物業開發、採礦、鋼鐵及輪胎製造、汽車、農業及計算機行業業務。彼掌管金獅集團的營運，並負責制定和監察本集團的整體企業策略規劃和業務發展。

丹斯里鍾廷森於二零零三年至二零一二年為馬來西亞中華總商會（「馬來西亞中華總商會」）及吉隆坡暨雪蘭莪中華總商會（「隆雪中華總商會」）的會長且目前為馬來西亞中華總商會及隆雪中華總商會永久名譽會長。丹斯里鍾廷森於二零一四年八月至二零一八年五月亦為馬來西亞零售商協會（「馬來西亞零售商協會」）的主席，並於二零一七年十月至二零一九年九月擔任亞太零售商協會聯盟（「亞太零售商協會聯盟」）的主席。丹斯里鍾廷森於二零一八年六月獲委任為馬來西亞零售商協會的名譽主席，並於二零一九年九月擔任亞太零售商協會聯盟的副主席。丹斯里鍾廷森為馬來西亞中華總商會社會經濟研究信託的信託人及馬來西亞鋼鐵協會的主席。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

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

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

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

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

Juliana Cheng San San, aged 50, was appointed as an Executive Director of the Company on 28 August 2015. Ms. Cheng started her career with the Lion Group in 1995 with stints in Singapore and Malaysia. During her tenure from 1995 to 2004 she held various positions in finance, human resource, administration and business development. In 2004, she was seconded to Parkson China as Cosmetics Manager, thus beginning her career in the retail industry. She left Parkson China in May 2006 and joined Chanel (China) Co Ltd as the National Accounts Manager for business development in the PRC. In June 2010, she re-joined Parkson China as Regional Director overseeing retail operations in China. She is also a director of various subsidiaries of the Company. During her 20 years with Lion Group, Parkson China and Chanel (China) Co Ltd, she has accumulated vast experience and knowledge of the retail and branding industry which will enable her to contribute to the Board of the Company.

丹斯里鍾廷森於下列公眾公司擔任董事職務：

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

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

丹斯里鍾廷森為本公司執行董事鍾珊珊的父親。

鍾珊珊，50歲，於二零一五年八月二十八日獲委任為本公司執行董事。鍾女士於一九九五年以金獅集團作為事業的起點，曾於新加坡及馬來西亞工作。於一九九五年至二零零四年在職期間，彼曾出任金融、人力資源、行政及業務發展領域的多個職位。於二零零四年，彼借調至百盛中國出任化妝品經理，自此步入零售業。彼於二零零六年五月從百盛中國離職，加入香奈兒(中國)貿易有限公司擔任全國客戶經理，負責中國的業務開發。於二零一零年六月，鍾女士再次加入百盛中國出任區域營運官，負責監管中國的零售營運。彼亦為本公司多家附屬公司的董事。彼於金獅集團、百盛中國及香奈兒(中國)貿易有限公司任職的二十年期間，在零售及品牌業累積了豐富的經驗及知識，可為本公司董事會提供寶貴貢獻。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

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

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

NON-EXECUTIVE DIRECTOR

Dato' Sri Dr. Hou Kok Chung, aged 57, was appointed as a Non-executive Director and a member of the Audit Committee of the Company on 13 November 2014. Dato' Sri Dr. Hou was a Member of Parliament and the Deputy Minister of Higher Education Malaysia from 2008 to 2013. He holds the Bachelor and Master of Arts from University of Malaya, while his Ph.D was received from the School of Oriental and African Studies, University of London.

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

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

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

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

非執行董事

拿督斯里何國忠博士，57歲，於二零一四年十一月十三日獲委任為本公司非執行董事及審核委員會成員。拿督斯里何博士於二零零八年至二零一三年先後擔任馬來西亞國會議員和副高等教育部長。彼擁有馬來亞大學文學院學士碩士文憑及倫敦大學亞非學院博士學位。

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

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

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dato' Fu Ah Kiow, aged 71, was appointed as an Independent Non-executive Director on 13 November 2014. Dato' Fu was appointed as Chairman of the Audit Committee on 29 February 2016 and is a member of the Nomination Committee of the Company. Dato' Fu holds a Master Degree in Industrial Engineering specializing in Management Science, Post Graduate Diploma in Education and a B.Sc. (Hons) degree in Physics. Dato' Fu has 13 years of distinguished services since 1995 in the Parliament and Malaysian Government as member of the Parliament, Parliamentary Secretary and Deputy Minister. Before joining the Government, Dato' Fu has worked in a few multinational companies. After retirement from politics in 2008, Dato' Fu was appointed as independent director cum chairman in several listed companies.

Dato' Fu is currently an independent non-executive chairman of Tiong Nam Logistics Holding Berhad and STAR Media Group Berhad (formerly known as "STAR Publications (Malaysia) Berhad") respectively, all public listed companies in Bursa Malaysia Berhad.

He resigned as the independent non-executive chairman of Fitters Diversified Berhad on 1 July 2019.

Ko Desmond, aged 51, was appointed as an Independent Non-executive Director on 9 November 2005 and is currently a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Ko has been the Audit Committee Chairman of the Company since 22 November 2006 and had stepped down on 29 February 2016. He remains as a member of the Audit Committee of the Company. Mr. Ko became a member of the Institute of Chartered Accountants in England and Wales in 1994. Mr. Ko is a businessman.

獨立非執行董事

拿督胡亞橋，71歲，於二零一四年十一月十三日獲委任為獨立非執行董事。拿督胡亞橋於二零一六年二月二十九日獲委任為審核委員會主席，亦為本公司提名委員會成員。拿督胡亞橋擁有工業工程碩士學位，專長管理學。彼擁有教育深造文憑及理科榮譽學位，主修物理。彼自一九九五年以來，在馬來西亞國會服務十三年，表現卓越，先後擔任國會議員、政務次長及副部長。拿督胡亞橋在加入政府服務之前，曾在眾多跨國公司工作。拿督胡亞橋於二零零八年離開政壇後，受委任為數家上市公司的獨立董事或主席。

拿督胡亞橋目前分別於Tiong Nam Logistics Holding Berhad及STAR Media Group Berhad（前稱「STAR Publications (Malaysia) Berhad」）擔任獨立非執行主席，均為於馬來西亞股票交易所公開上市的公司。

彼於二零一九年七月一日辭任Fitters Diversified Berhad獨立非執行主席一職。

Ko Desmond，51歲，於二零零五年十一月九日獲委任為獨立非執行董事，並現為本公司審核委員會及薪酬委員會成員。Ko先生自二零零六年十一月二十二日起出任本公司審核委員會主席，於二零一六年二月二十九日卸任，其後繼續為本公司審核委員會成員。Ko先生於一九九四年成為英格蘭及威爾斯特許會計師公會會員。Ko先生為一名商人。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Yau Ming Kim, Robert, aged 81, was appointed as an Independent Non-executive Director on 1 January 2007, and is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. Mr. Yau was the Chief Executive or Managing Director of many major international and local apparel companies since 1971. From 1998 to 2004, he was appointed as the Vice Chairman of Hong Kong Exporters' Association, a member of the Executive Committee of The Hong Kong Shippers' Council and the Garment Advisory Committee of The Hong Kong Trade Development Council.

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

CHANGES OF DIRECTORS' INFORMATION

Subsequent to publication of the 2019 Interim Report and the announcement dated 31 October 2019 of the Company, notifications were received regarding the changes of Directors' information, which are required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"):

With effect from 31 October 2019, Mr. He Dong has resigned as an Executive Director of the Company and as the Chief Financial Officer of the Group.

SENIOR MANAGEMENT

Juliana Cheng San San, aged 50, has been appointed as the Executive Director of the Company since 2015. Ms. Cheng oversees the Cosmetics Division, Branding Division, Merchandising Division and Information Technology Division of the Group. Ms. Cheng is the daughter of Tan Sri Cheng Heng Jem, the Executive Director and Chairman of the Group. Ms. Cheng completed a Program for Global Leadership from Harvard Business School in year 2000. Her other biographical details are set out under the paragraph headed "Executive Directors" above.

Zhou Jia, aged 48, has been appointed as the Chief Operating Officer of the Group since 2016. Mr. Zhou obtained his bachelor degree in Business Administration from Yuzhou University. In 1995, he joined the Merchandising Division of Chongqing Wanyou Parkson and was promoted as the Assistant General Manager of Kunming Parkson in 2002. Mr. Zhou was promoted to be the head of Kunming Parkson, the Regional General Manager and the Group's Senior Operating Officer in 2004, 2010 and 2014 respectively.

丘銘劍，81歲，於二零零七年一月一日獲委任為獨立非執行董事，並為本公司薪酬委員會主席，以及審核委員會及提名委員會成員。自一九七一年起，丘先生曾任多家主要國際及本地服裝公司之行政總裁或董事總經理。於一九九八年至二零零四年，彼獲委任為香港出口商會副主席、香港付貨人委員會執行委員會成員及香港貿易發展局成衣業顧問委員會成員。

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

董事資料變動

於本公司刊發二零一九年中期報告及日期為二零一九年十月三十一日的公告後，已就董事資料變動（乃根據聯交所證券上市規則（「上市規則」）第13.51B(1)條須予披露）收取通知：

何東先生已辭任本公司的執行董事及本集團的首席財務官，自二零一九年十月三十一日起生效。

高級管理層

鍾珊珊，50歲，自二零一五年起獲委任為本公司執行董事。鍾女士分管本集團化妝品部、品牌部、商品部及資訊科技部的工作。鍾女士為本公司執行董事兼主席丹斯里鍾廷森的女兒。鍾女士於二零零零年完成哈佛商學院的全球領導項目。彼其他履歷詳情載於上文「執行董事」一段。

周嘉，48歲，自二零一六年起獲委任為本集團首席營運官。周先生於渝州大學取得工商企業管理學學士學位。彼於一九九五年加入重慶萬友百盛採購部，並於二零零二年調升為昆明百盛總經理助理，二零零四年調升為昆明百盛負責人，二零一零年調升為區域負責人，二零一四年調升為集團高級營運官。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Yu Kai Yan, aged 57, joined the Group as General Manager of Property/Mall Management Division in September 2018. He is in charge of mall construction, asset management, mall operation management and business development for the Group. Mr. Yu obtained the Master Degree of EMBA from Tsinghua University. Prior to joining the Group, he had been working for multi-national property companies and financial institutions for over 34 years. His working experience includes property equity, Merger & Acquisition, investment and development, asset and property management, sales and marketing, real estate development, and construction and design, etc.

Li Bing, aged 63, who owned 15-year-working experience in large state-owned enterprises, graduated from Chongqing University with a bachelor's degree in mechanical engineering. Mr. Li joined Parkson in 1996. In 2005, he was promoted as the head of Nanning Parkson. Then he was promoted as the head of Parkson in both Guangxi and Guangdong provinces in 2011 and worked as the Chief Operating Officer of the two regions in 2014. In 2017, he took charge of the regions of Guangdong, Guangxi, Hunan and Jiangxi provinces. In 2019, he was appointed Deputy Chief Operating Officer of the Group as well as Senior Operating Officer of Southeast Region.

Li Zhong Hui, aged 48, has been appointed as General Manager of risk control division and auditing director of the Group since August 2018. He graduated from Shandong University with a bachelor degree in Economic Law in 1992. Prior to joining the Group, Mr. Li served as the chief risk officer, general manager of risk control division and auditing director in NVC Lighting, Tsinghua Unigroup Ltd. and Cedar Holdings.

Zhang Jin Rui, aged 34, has been appointed as Chief Information Officer of information technology division since October 2019. He obtained his bachelor degree in automation technology from Donghua University. Prior to joining the Group, Mr. Zhang worked with The Dow Chemical Company China and Decathlon China and had been expatriated to Lille, France in the headquarter of Decathlon Group, to be responsible for digital transformation technology.

俞開岩，57歲，自二零一八年九月加入本集團，任職集團置業事業部總經理。他負責購物中心建設、資產管理、購物中心營運管理及集團業務拓展等工作。俞先生擁有清華大學高級工商管理碩士學位。在加入集團之前，他有34年在國際性企業中房地產和金融行業的工作經驗，包括地產基金、收併購、投資開發、資產／物業管理、市場營銷、房地產開發、施工建設以及設計工作等。

李兵，63歲，畢業於重慶大學機械工程專業，學士學位，曾有15年大型國企工作經驗。李先生於一九九六年加入百盛集團，於二零零五年調升為南寧百盛負責人，二零一一年調升為廣西和廣東區負責人，二零一四年調升為廣西和廣東區營運官，二零一七年調升為粵桂湘贛區區域負責人，於二零一九年調升為集團副營運官，同時為集團東南區高級營運官。

李仲輝，48歲，自二零一八年八月起獲委任為本集團風險管控部總經理兼審計總監。彼於一九九二年畢業於山東大學並取得經濟法專業學士學位。加入本集團前，李先生曾任職於雷士照明、紫光集團、雪松控股等企業，擔任首席風險官、風控總經理、審計總監等職務。

張津瑞，34歲，彼自二零一九年十月起獲委任為資訊科技部首席信息官。彼畢業於東華大學自動化技術專業，獲得學士學位。於加入本集團前，張先生曾服務於美國陶氏化學、法國迪卡儂集團，並曾在法國迪卡儂全球總部法國裡爾任職，負責數字技術轉型。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Huang Lu, aged 44, has been appointed as the Director of Marketing Department since 2016. She obtained her bachelor's degree of International Business Management from Oxford Brookes University of the United Kingdom. Ms. Huang worked with Starbucks China and IKEA China as Marketing Director responsible for marketing and brand building before joining the Group.

Zhang Ji Ning, aged 46, has been appointed as the General Manager of the Qingdao Lion Mall and the General Manager of Qingdao region since 2014. Mr. Zhang has more than 20 years of retail operation experience. He obtained his Master of Arts in International Relations from Nankai University. The program was a partnership between the Flinders University from South Australia and Nankai University.

William Tan, aged 43, has been appointed as General Manager of the brands division of the Group since 2018. He obtained his Master Degree of Architecture from Cornell University of the United States of America and Master Degree of Business Administration from University of Oxford of the United Kingdom. Before joining the Group, Mr. Tan was Vice President with Li & Fung Limited where his career traversed corporate finance, global fashion sourcing operations, and responsive supply chain solutions for global brands and retailers. Mr. Tan started his career at the exclusive and world-renowned London-based design and architecture studio of the late Pritzker Prize winner Dame Zaha Hadid, specialising in high-end design projects.

黃路，44歲，自二零一六年起獲委任為本集團市場營銷部總監。彼畢業於英國牛津布魯克斯大學國際工商管理專業，獲本科學位。於加入本集團前，黃女士曾於星巴克中國、宜家中國市場部擔任市場部總監，負責市場推廣與品牌建立。

張繼寧，46歲，自二零一四年起獲委任為青島金獅廣場總經理並兼任青島地區總經理。張先生擁有逾二十年商業零售運營經驗，彼於南開大學取得南開大學與澳大利亞弗林德斯大學合辦的國際經貿關係碩士學位。

陳威廉，43歲，自二零一八年起獲委任為本集團品牌部總經理。彼先後於美國康奈爾大學建築學院及英國牛津大學耶穌學院工商管理系獲得碩士學位。加入本集團前，陳先生曾於利豐集團擔任副總裁，在利豐時陳先生的職務橫跨企業金融、國際時尚採購營運、及國際電商及品牌柔性供應鏈策略。陳先生的職業生涯始於已故設計及建築大師及普利茨克獎得主女爵士紮哈•哈迪德 (Dame Zaha Hadid) 駐倫敦工作室，專於國際高端設計項目。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance to the Company's healthy growth and has devoted considerable efforts in identifying and formulating corporate governance practices appropriate to the Company's records. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code ("CG Code") contained in Appendix 14 of the Listing Rules.

During the year ended 31 December 2019, the Company has complied with the CG Code (to the extent that such provisions are applicable) except for below deviation from the Code Provision A.2.1 of the CG Code which are explained in the relevant paragraph of this report. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its businesses and to review such practices from time to time to ensure that they comply with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). Specific enquiry has been made to all the Directors and all Directors have confirmed that they have complied with the standard as set out in the Model Code throughout the year ended 31 December 2019.

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

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

BOARD OF DIRECTORS

As of the date of this report, the Board comprises two (2) Executive Directors namely Tan Sri Cheng Heng Jem and Juliana Cheng San San; one (1) Non-executive Director namely Dato' Sri Dr. Hou Kok Chung; and three (3) Independent Non-executive Directors namely Dato' Fu Ah Kiow, Ko Desmond and Yau Ming Kim, Robert.

The Directors' biographical information and the relationships between the members of the Board are set out in the "Biographies of Directors and senior management" section on pages 23 to 29.

Save as disclosed in this annual report, there is no financial, business, family or other material/relevant relationship among the Directors.

企業管治常規

本公司深明良好企業管治乃穩健發展的關鍵，故本公司致力物色及制定適合本公司需要的企業管治常規。本公司的企業管治常規乃根據上市規則附錄十四所載企業管治守則（「企業管治守則」）之原則及守則條文制定。

截至二零一九年十二月三十一日止年度，本公司一直遵守企業管治守則（在有關條款適用的情況下），惟下文偏離企業管治守則條文第A.2.1條的情況除外，有關情況於本報告相關段落中闡述。本公司將繼續提升對業務和增長適用的企業管治常規，並不時檢討有關常規，以確保符合企業管治守則。

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《上市發行人董事進行證券交易的標準守則》（「標準守則」）。經向全體董事作出特定查詢後，全體董事均確認彼等於截至二零一九年十二月三十一日止年度內一直遵守標準守則所載的準則。

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

據本公司所知悉，概無僱員違反僱員明文指引。

董事會

於本報告日期，董事會由兩(2)名執行董事（丹斯里鍾廷森及鍾珊珊）、一(1)名非執行董事（拿督斯里何國忠博士）及三(3)名獨立非執行董事（拿督胡亞橋、Ko Desmond及丘銘劍）組成。

董事履歷資料及董事會成員之間關係載於第23頁至第29頁「董事及高級管理層履歷」一節。

除本年報所披露者外，董事之間概無財務、業務、家庭或其他重大／相關關係。

CORPORATE GOVERNANCE REPORT

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under Code Provision A.2.1 of the CG code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following the resignation of Mr. Chong Sui Hiong as the former Chief Executive Officer of the Group ("CEO") on 1 February 2019, certain functions of CEO have been undertaken by Tan Sri Cheng Heng Jem, the Executive Director and Chairman of the Company. Since 1 February 2019, the Company has deviated from Code Provision A.2.1 of the CG Code during the period from 1 February 2019 to 31 December 2019. The Board believes that vesting the roles of both Chairman and the CEO in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board further believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high caliber individuals with sufficient number thereof being Independent Non-executive Directors.

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTORS AND DIRECTORS' RE-ELECTION

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

Each of the Non-executive Director and the Independent Non-executive Directors of the Company are appointed for a term of three years and one year respectively. All the Directors are subject to renewal and retirement by rotation once every three years in accordance with the Articles of Association of the Company and the CG Code.

主席及首席執行官

根據企業管治守則條文第A.2.1條之規定，主席及首席執行官的角色應當分開且不應由同一人擔任。自張瑞雄先生於二零一九年二月一日辭任本集團的首席執行官（「首席執行官」）後，首席執行官之若干職能由本公司執行董事兼主席丹斯里鍾廷森負責。自二零一九年二月一日起，於二零一九年二月一日至二零一九年十二月三十一日期間，本公司偏離了企業管治守則守則條文第A.2.1條之規定。董事會相信，將主席及首席執行官之職務交託予同一人有助確保本集團之領導貫徹一致，且令本集團之整體策略規劃更具效益。董事會亦相信，目前安排將不會損害權力與授權之平衡，且目前的董事會有足夠人數的獨立非執行董事，彼等均為經驗豐富的人才，足以確保權力與授權之間的平衡。

獨立非執行董事

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

非執行董事及董事重選

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

本公司各位非執行董事及獨立非執行董事的指定任期分別為三年及一年。全體董事均須按照本公司的公司章程細則及企業管治守則每三年可予以重續及輪值告退一次。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 31 December 2019, (i) Dato' Fu Ah Kiow has renewed the letter of appointment with the Company for a term of one year commencing on 13 November 2019 (based on the same terms and conditions); (ii) Ko Desmond has renewed the letter of appointment with the Company for a term of one year commencing on 9 November 2019 (based on the same terms and conditions); and (iii) Yau Ming Kim, Robert has renewed the letter of appointment with the Company for a term of one year commencing on 1 January 2020 (based on the same terms and conditions).

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

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

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

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

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

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

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

於截至二零一九年十二月三十一日止年度，(i) 拿督胡亞橋已與本公司重續委任書，自二零一九年十一月十三日起計為期一年（根據相同條款及條件）；(ii) Ko Desmond已與本公司重續委任書，自二零一九年十一月九日起計為期一年（根據相同條款及條件）；及(iii) 丘銘劍已與本公司重續委任書，自二零二零年一月一日起計為期一年（根據相同條款及條件）。

董事會及管理層職責、問責及貢獻

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

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

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

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

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

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

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

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

During the year ended 31 December 2019, the Directors have complied with Code Provision A.6.5 to participate in continuous professional development and receive trainings.

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

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

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

董事的持續專業發展

董事及時瞭解作為本公司董事的職責以及本公司的經營方式、業務活動及發展。

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

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

於截至二零一九年十二月三十一日止年度，董事已遵守守則條文第A.6.5條參與持續專業發展及接受培訓。

CORPORATE GOVERNANCE REPORT

企業管治報告

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

丹斯里鍾廷森已參加以下簡介會、培訓及研討會：

Topics	Name of Institutions	議題	機構名稱
- (i) Corporate Liability & Directors' Personal Liability for Corrupt Practices - Amended MACC Act 2009	Lion Group In-House Directors' Training	- (i)企業及董事個人就貪污行為的責任-二零零九年馬來西亞反貪污委員會法案修訂(Amended MACC Act 2009)	金獅集團內部董事培訓
- (ii) Proposed SC Guidelines on Initial Coin Offerings: Monetising Loyalty Points		- (ii)馬來西亞證監會就首次代幣發售的建議指引：忠誠度點數貨幣化	
- Risk Management and Internal Controls: Internal Audit Programme and Legal Risk Prevention of Company Operation	Lion Group In-House Directors' Training	- 風險管理及內部監控：公司內部審計程序及法律風險防範	金獅集團內部董事培訓

Reading topic

- Financial, Business, Economic and Commercial related Magazine/ Documents

閱覽議題

- 金融、商務、經濟及商業相關雜誌／文件

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

鍾珊珊已參加以下培訓及研討會：

Topics	Name of Institutions	議題	機構名稱
- Risk Management and Internal Controls: Internal Audit Programme and Legal Risk Prevention of Company Operation	Lion Group In-House Directors' Training	- 風險管理及內部監控：公司內部審計程序及法律風險防範	金獅集團內部董事培訓

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

拿督斯里何國忠博士已參加以下培訓：

Reading topic

- The Edge Financial Daily, The Economist Magazine

閱覽議題

- The Edge Financial Daily、經濟學人

CORPORATE GOVERNANCE REPORT

企業管治報告

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

Topics	Name of Institutions
- Briefing on 2020 Budget Highlights	Lion Group In-House Directors' Training
- Malaysia & China Business Outlook	Star Media Group Berhad

Reading topic

- Financial, Business, Economic and Commercial related Magazine/ Documents

Mr. Ko Desmond had attended trainings and seminar as follows:

Topics	Name of Institutions
- Sustainability	Technochimica
- Responsible Luxury Summit	Milan Management School

Reading topic

- Economist and other business magazines

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

Topics	Name of Institutions
- Has corporate governance in Asia truly improved	PriceWaterhouseCoopers

Chong Sui Hiong (Resigned as an Executive Director and Chief Executive Officer of the Group on 1 February 2019) did not attend trainings and seminars during the period from 1 January 2019 to 1 February 2019.

He Dong (Re-designated from a Non-executive Director to an Executive Director on 5 May 2019 and appointed as a Chief Financial Officer of the Group on 5 May 2019 before his resignation from all positions of the Group on 31 October 2019) had attended trainings and seminars as follows:

Topics	Name of Institutions
- Listing Rules Introduction & Compliance Requirement	Lion Group In-House Directors' Training

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

拿督胡亞橋已參加以下培訓及研討會：

議題	機構名稱
- 二零二零年預算摘要簡介	金獅集團內部董事培訓
- 馬來西亞及中國商業前景	Star Media Group Berhad

閱覽議題

- 金融、商務、經濟及商業相關雜誌／文件

Ko Desmond先生已參加以下培訓及研討會：

議題	機構名稱
- 可持續發展	Technochimica
- 負責任奢侈品峰會	Milan Management School

閱覽議題

- 經濟學人及其他商業雜誌

丘銘劍先生已參加以下培訓及研討會：

議題	機構名稱
- 亞洲的企業管治是否真正獲得改善	羅兵咸永道會計師事務所

自二零一九年一月一日起至二零一九年二月一日止期間，張瑞雄（於二零一九年二月一日辭任執行董事及本集團首席執行官）並無參加任何培訓及研討會。

何東（於二零一九年十月三十一日辭去本集團所有職務前，彼於二零一九年五月五日自非執行董事調任為執行董事，並於二零一九年五月五日獲委任為本集團首席財務官）已參加以下培訓及研討會：

議題	機構名稱
- 上市規則介紹及合規規定	金獅集團內部董事培訓

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

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD MEETINGS AND ATTENDANCE

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

During the year ended 31 December 2019, six (6) board meetings were held and the Directors' attendances are listed below:

董事會會議及出席人數

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

於截至二零一九年十二月三十一日止年度，曾舉行六(6)次董事會會議，董事之出席情況如下：

Name of the Directors	董事姓名	Number of Board Meetings Held During the Director's Term of Office in 2019 於二零一九年之董事任期內舉行之董事會會議次數	Number of Meetings Attended 出席會議次數
Tan Sri Cheng Heng Jem (Chairman)	丹斯里鍾廷森(主席)	6	6
Chong Sui Hiong (Resigned as an Executive Director and Chief Executive Officer of the Group on 1 February 2019)	張瑞雄(於二零一九年二月一日辭任執行董事及本集團首席執行官)	0	0
Juliana Cheng San San	鍾珊珊	6	6
Dato' Sri Dr. Hou Kok Chung	拿督斯里何國忠博士	6	6
He Dong (Re-designated from a Non-executive Director to an Executive Director on 5 May 2019 and appointed as a Chief Financial Officer of the Group on 5 May 2019. He had resigned from all positions on 31 October 2019)	何東(於二零一九年五月五日自非執行董事調任為執行董事，並於二零一九年五月五日獲委任為本集團首席財務官。彼於二零一九年十月三十一日辭去所有職務)	4	3
Dato' Fu Ah Kiow	拿督胡亞橋	6	6
Ko Desmond	Ko Desmond	6	3
Yau Ming Kim, Robert	丘銘劍	6	5

CORPORATE GOVERNANCE REPORT

企業管治報告

Mr. Chong Sui Hiong resigned as an Executive Director and Chief Executive Officer of the Group on 1 February 2019. No board meeting was scheduled during the period from 1 January 2019 and up to his resignation date on 1 February 2019. Mr. He Dong was re-designated from a Non-executive Director to an Executive Director on 5 May 2019 and appointed as a Chief Financial Officer of the Group on 5 May 2019. He resigned from both positions on 31 October 2019, during which four (4) board meetings were held and he had attended three (3) board meetings.

於二零一九年二月一日，張瑞雄先生已辭任執行董事及本集團首席執行官。自二零一九年一月一日起至二零一九年二月一日（即彼辭任日期）止期間，並無計劃召開董事會會議。何東先生於二零一九年五月五日自非執行董事調任為執行董事，並於二零一九年五月五日獲委任為本集團首席財務官。彼於二零一九年十月三十一日辭去該兩項職務，彼於該期間舉行的四(4)次董事會會議中出席三(3)次董事會會議。

The Chairman had met with the Independent Non-executive Director without the presence of Executive Directors during the year ended 31 December 2019.

截至二零一九年十二月三十一日止年度，主席已在並無執行董事出席之情況下與獨立非執行董事會晤。

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

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

During the year ended 31 December 2019, the Directors' attendances at the Company's general meeting are listed below:

於截至二零一九年十二月三十一日止年度，董事出席本公司股東大會之情況如下：

Name of the Directors	董事姓名	Annual General Meeting on 23 May 2019 於二零一九年五月二十三日舉行之股東週年大會	Number of Meeting Attended
Tan Sri Cheng Heng Jem (Chairman)	丹斯里鍾廷森 (主席)	1	1
Chong Sui Hiong (Resigned as an Executive Director and Chief Executive Officer of the Group on 1 February 2019)	張瑞雄 (於二零一九年二月一日辭任執行董事及本集團首席執行官)	0	0
Juliana Cheng San San	鍾珊珊	1	1
He Dong (Re-designated from a Non-executive Director to an Executive Director on 5 May 2019 and appointed as a Chief Financial Officer of the Group on 5 May 2019. He had resigned from all positions on 31 October 2019)	何東 (於二零一九年五月五日自非執行董事調任為執行董事，並於二零一九年五月五日獲委任為本集團首席財務官。彼於二零一九年十月三十一日辭去所有職務)	1	1
Dato' Sri Dr. Hou Kok Chung	拿督斯里何國忠博士	1	1
Dato' Fu Ah Kiow	拿督胡亞橋	1	1
Ko Desmond	Ko Desmond	1	1
Yau Ming Kim, Robert	丘銘劍	1	1

CORPORATE GOVERNANCE REPORT

企業管治報告

Mr. Chong Sui Hiong resigned as an Executive Director and Chief Executive Officer of the Group on 1 February 2019. No general meeting was scheduled during the period from 1 January 2019 and up to his resignation date on 1 February 2019. Mr. He Dong had attended one (1) annual general meeting before his resignation from all positions of the Group on 31 October 2019.

AUDIT COMMITTEE

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

The Audit Committee is required: (i) to advise the Board on the appointment and retention of external auditor; (ii) to review the external auditor's independence and objectivity; (iii) to review quarterly, interim and annual accounts of the Group; (iv) to assess the adequacy and effectiveness of internal control; and (v) to review the internal audit function and internal control procedures.

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

於二零一九年二月一日，張瑞雄先生已辭任執行董事及本集團首席執行官。自二零一九年一月一日起至二零一九年二月一日（即彼辭任日期）止期間，並無計劃召開股東大會。何東先生於二零一九年十月三十一日辭去本集團所有職務前，彼曾出席一(1)次股東週年大會。

審核委員會

本公司已成立審核委員會，現時包括四(4)名成員，其中三(3)名為獨立非執行董事，即拿督胡亞橋（審核委員會主席）、Ko Desmond先生及丘銘劍先生，而另外一(1)名為非執行董事，即拿督斯里何國忠博士。

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 31 December 2019, there were four (4) meetings held by the Audit Committee and the attendances are listed below:

於截至二零一九年十二月三十一日止年度，審核委員會曾舉行四(4)次會議，出席情況如下：

Name of the Audit Committee Member	審核委員會成員姓名	Number of Meetings Held during the Member's Term of Office in 2019 於二零一九年之成員任期內舉行之會議次數	Number of Meetings Attended 出席會議次數
Dato' Fu Ah Kiow	拿督胡亞橋	4	4
Ko Desmond	Ko Desmond	4	2
Yau Ming Kim, Robert	丘銘劍	4	4
Dato' Sri Dr. Hou Kok Chung	拿督斯里何國忠博士	4	4

During the year ended 31 December 2019, the Audit Committee had met with the executive Directors and management of the Company to review the interim and annual results, the interim report and annual report and other financial, internal control, corporate governance and risk management matters of the Group and made recommendations to the Board. The Audit Committee had met with the external auditor without the presence of management and discussed about the interim financial report, its annual audit of the consolidated financial statements and key audit issues.

於截至二零一九年十二月三十一日止年度，審核委員會與本公司執行董事及管理層會晤，審閱本集團的中期及年度業績、中期報告及年度報告及其他財務、內部監控、企業管治及風險管理事宜，並向董事會提出推薦意見。審核委員會在管理層避席之情況下與外聘核數師會晤，並討論中期財務報告及其對綜合財務報表之年度審核以及重大審核事宜。

The Group's results for the year 2019 was reviewed by the Audit Committee.

審核委員會已審閱本集團二零一九年的業績。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

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

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

The Remuneration Committee shall meet at least once a year and at such other times as its chairman shall require. During the year ended 31 December 2019, the Remuneration Committee had one (1) meeting and the attendances are listed below:

薪酬委員會

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

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

薪酬委員會每年須至少召開一次會議，並於主席要求的其他時間召開會議。於截至二零一九年十二月三十一日止年度，薪酬委員會曾召開一(1)次會議，出席情況如下：

Name of the Remuneration Committee Member	薪酬委員會成員姓名	Number of Meetings Held during the Member's Term of Office in 2019 於二零一九年之成員任期內舉行之會議次數	Number of Meetings Attended 出席會議次數
Yau Ming Kim, Robert	丘銘劍	1	1
Tan Sri Cheng Heng Jem	丹斯里鍾廷森	1	1
Ko Desmond	Ko Desmond	1	0

The Remuneration Committee has reviewed the remuneration policy and the remuneration packages of the Executive Directors during the year ended 31 December 2019.

於截至二零一九年十二月三十一日止年度，薪酬委員會已檢討薪酬政策及執行董事之薪酬待遇。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE

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

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

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

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

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

The Board and the Nomination Committee regularly examine the Board's size and, with a view to determine the impact of the number upon effectiveness, decide on an appropriate size of the Board, taking into account the scope and nature of the Group's operations.

The Board comprises a balanced and well diversified members of different age, cultural background and ethnicity. They provide the Board with the necessary experience and expertise to direct and lead the Group.

提名委員會

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

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

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

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

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

董事會及提名委員會定期審查董事會的規模，藉此確定人數對有效性的影響，並於經計及本集團營運範圍及性質後，決定董事會的合適規模。

董事會的成員均衡及多元化，包含不同年齡、文化背景及種族。彼等向董事會提供管理及領導本集團所需經驗及專業知識。

CORPORATE GOVERNANCE REPORT

企業管治報告

A truly diverse Board will include and make good use of differences in the skills, region and industry experience, background, race, gender and other qualities of Directors. These differences will be taken into account in determining the optimum composition of the Board. All Board appointments will be based on merit while taking into account diversity. The Nomination Committee will report annually (if it is necessary) in the corporate governance report, on the Board's composition under diversified perspectives, and monitor the implementation of this policy.

The Nomination Committee is satisfied that the Board has the appropriate mix of expertise to lead and govern the Group effectively and provide a balance of views.

The Nomination Committee shall meet at least once a year and at such other times as its chairman shall require. During the year ended 31 December 2019, the Nomination Committee had one (1) meeting and the attendances are listed below:

真正多元化的董事會將具備且能善用董事於技能、地區及行業經驗、背景、種族、性別及其他特質的差異。於釐定董事會最佳組成時將會考慮該等差異。全體董事會成員之委任均以用人唯才為原則，並經計及多元化。提名委員會將每年（如必要）於企業管治報告中匯報董事會在多元化層面的組成，並監察本政策的執行狀況。

提名委員會信納董事會具備適當的專業知識，可有效領導及規管本集團，亦提供均衡的見解。

提名委員會每年須至少召開一次會議，並於主席可能要求的其他時間召開會議。於截至二零一九年十二月三十一日止年度，提名委員會曾召開一(1)次會議，出席情況如下：

Name of the Nomination Committee Member	提名委員會成員姓名	Number of Meetings Held during the Member's Term of Office in 2019 於二零一九年之成員任期內舉行之會議次數	Number of Meetings Attended 出席會議次數
Tan Sri Cheng Heng Jem	丹斯里鍾廷森	1	1
Yau Ming Kim, Robert	丘銘劍	1	1
Dato' Fu Ah Kiow	拿督胡亞橋	1	1

During the year ended 31 December 2019, the Nomination Committee had reviewed the structure, size and composition of the Board and has considered and nominated an individual to the Board for appointment as a Director.

於截至二零一九年十二月三十一日止年度，提名委員會已檢討董事會的架構、規模及組成，並已就委任董事考慮並向董事會提名人選。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIVIDEND POLICY

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

The Board shall take into account the following factors: (a) the Articles of Association of the Company; (b) the applicable restrictions and requirements under the laws of the Cayman Islands; (c) any banking or other funding covenants by which the Company is bound from time to time; (d) the investment and operating requirements of the Company; and (e) any other factors that have material impact on the Company.

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

CORPORATE GOVERNANCE FUNCTIONS

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

During the year ended 31 December 2019, the Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

股息政策

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

董事會應經計及以下因素：(a)本公司的公司章程細則；(b)開曼群島法律下的適用限制及規定；(c)本公司不時受其約束的任何銀行或其他融資契諾；(d)本公司的投資及經營需求；及(e)對本公司構成重大影響的任何其他因素。

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

企業管治職能

董事會成立執行委員會，負責履行企業管治守則第D.3.1條所載的職能。

於截至二零一九年十二月三十一日止年度，董事會已檢討本公司企業管治政策及常規，董事及高級管理層的培訓及持續專業發展，本公司遵守法律及監管規定的政策及常規，遵守標準守則及僱員明文指引的情況，以及本公司遵守企業管治守則及於本企業管治報告作出披露的情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITOR'S REMUNERATION

The remuneration paid/payable to the Company's external auditor, Ernst & Young, in respect of the year ended 31 December 2019 is set out below:

核數師酬金

本公司就截至二零一九年十二月三十一日止年度已付／應付外聘核數師安永會計師事務所的酬金載列如下：

Service Category	服務類型	Fees Paid/ Payable 已付／ 應付費用 RMB 人民幣元
Audit services	核數服務	3,913,050
Non-audit service	非核數服務	882,302
Total	總計	4,795,352

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

The statement of the auditor on their reporting responsibilities on the financial statements of the Group is set out in the Auditor's Report on pages 88 to 95.

董事有關財務報表的責任

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

核數師有關彼等對本集團財務報表的申報責任的聲明載於第88頁至第95頁核數師報告內。

RISK MANAGEMENT AND INTERNAL CONTROLS

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

風險管理及內部監控

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

CORPORATE GOVERNANCE REPORT

企業管治報告

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

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

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

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

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

In order to enhance the Group's system of handling inside information and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group has adopted and implemented an inside information procedure. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include the maintaining of a good control environment with defined organisational structure, limit of authority, reporting lines and responsibilities in accordance with the Company's guidelines and the regulatory requirements.

The management has confirmed to the Board on the effectiveness of the risk management and internal control systems for the year ended 31 December 2019.

本公司的風險管理及內部監控系統乃按下列原則、特質及程序制定：

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

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

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

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

為加強本集團處理內部消息的系統，並確保其公開披露的真實性、準確性、完整性以及及時性，本集團已採納及實施一套內部消息程序。本集團已不時採納若干合理措施以確保設有適當保障，防止違反有關本集團的披露要求，當中包括維持具備明確組織架構、權力規限以及根據本公司指引及監管規定之報告方式及責任之良好監控環境。

管理層已向董事會確認截至二零一九年十二月三十一日止年度之風險管理及內部監控系統的有效性。

CORPORATE GOVERNANCE REPORT

企業管治報告

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

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the risk management and internal control systems, including the financial, operational and compliance controls of the Group, for the year ended 31 December 2019, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

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

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

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

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

在審核委員會以及管理層報告及內部審核結果的支持下，董事會已就截至二零一九年十二月三十一日止年度的本集團風險管理及內部監控系統（包括財務、營運及合規性監控）進行審閱，並認為該等系統屬有效且充足。該年度審閱亦涵蓋財務匯報及內部審核功能，以及員工資歷、經驗及相關資源。

本公司設有舉報程序，以促進本公司員工私下就有關財務匯報、內部監控可能存在的不當情況或本公司其他事宜引起關注。

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

本公司已執行監控程序，以確保嚴禁未經授權而取得及使用內部消息。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPANY SECRETARY

Mrs. Seng Sze Ka Mee, Natalia ("Mrs. Seng") was the Company Secretary of the Company since 1 January 2019 and she resigned on 31 December 2019. Ms. Yuen Wing Yan, Winnie ("Ms. Yuen") has been appointed as the Company Secretary of the Company since 31 December 2019.

Each of Mrs. Seng and Ms. Yuen are nominees of the external professional service providers appointed to act as the Company Secretary of the Company in compliance with the Listing Rules.

The appointment of each of Mrs. Seng and Ms. Yuen as a Company Secretary of the Company during the relevant period has been nominated by Tricor Services Limited under an engagement letter made between the Company and Tricor Services Limited.

Each of Mrs. Seng and Ms. Yuen has attended over 15 hours' relevant seminars during the year ended 31 December 2019 pursuant to Rule 3.29 of the Listing Rules.

During the year ended 31 December 2019, the primary person at the Company with whom each of Mrs. Seng and Ms. Yuen had been contacting in respect of company secretarial matters was Ms. Juliana Cheng San San and Ms. Li Li Ping ("Ms. Li"), deputy general manager of Legal department of the Company. Ms. Li joined the Company since 1 April 2019.

SHAREHOLDERS' RIGHTS

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

公司秘書

自二零一九年一月一日起，沈施加美女士（「沈女士」）曾為本公司的公司秘書，彼於二零一九年十二月三十一日辭任。自二零一九年十二月三十一日起，袁穎欣女士（「袁女士」）已獲委任為本公司的公司秘書。

沈女士及袁女士各為根據上市規則獲委任擔任本公司的公司秘書之外聘專業服務供應商的提名人。

卓佳專業商務有限公司已根據本公司與卓佳專業商務有限公司之間所訂立的委聘書提名委任沈女士及袁女士各自於有關期間擔任本公司的公司秘書。

於截至二零一九年十二月三十一日止年度，沈女士及袁女士各自已根據上市規則第3.29條參加不少於15小時的相關研討會。

於截至二零一九年十二月三十一日止年度，沈女士及袁女士就公司秘書事務方面聯繫的本公司主要人士為鍾珊珊女士及本公司法律部門副總經理黎麗萍女士（「黎女士」）。黎女士自二零一九年四月一日加入本公司。

股東權利

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

CORPORATE GOVERNANCE REPORT

企業管治報告

CONVENING AN EXTRAORDINARY GENERAL MEETING BY SHAREHOLDERS

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

PUTTING FORWARD ENQUIRIES TO THE BOARD

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

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

股東召開股東特別大會

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

向董事會作出查詢

如需向本公司董事會作出任何查詢，股東可將書面查詢發送至本公司。

於正常情況下，本公司不會處理口頭或匿名的查詢。

CORPORATE GOVERNANCE REPORT

企業管治報告

CONTACT DETAILS

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

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

Telephone: (8621) 6229-8001
Fax: (8621) 3258-0520

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

PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETING

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

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

During the year ended 31 December 2019, the Company has not made any changes to its Articles of Association. An up-to-date version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.

聯絡詳情

股東可透過以下方式發送上述查詢或要求：

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

電話：(8621) 6229-8001
傳真：(8621) 3258-0520

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

於股東大會上提呈建議之程序

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

與股東及投資者的溝通

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

於截至二零一九年十二月三十一日止年度，本公司並無修改公司章程細則。本公司最新的公司章程細則可於本公司網站及聯交所網站瀏覽。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

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

In the section that follows, we share with you our 2019 ESG Report prepared in accordance with the *ESG Reporting Guide* set out in Appendix 27 to the Listing Rules, covering the period from 1 January 2019 to 31 December 2019. The ESG Report covers the main businesses of the Group. Conforming to the requirements in the *ESG Reporting Guide*, the Group has disclosed the Key Performance Indicators ("KPIs") in environment area in the ESG Report, covering our department stores (including supermarkets), F&B stores and the centralized kitchen in operation in 2019. Compared with last year, there is no significant adjustment to the scope for this report.

This report has been prepared in accordance with the Reporting Principles of the *ESG Reporting Guide*, which include:

- **Materiality:** The Group identifies key ESG areas through communication with stakeholders and materiality assessment, and develops specific strategies and improvement plans;
- **Quantification:** This report presents the KPIs on environmental and social aspects in quantitative terms;
- **Balance:** The report provides an unbiased picture of the Group's current performance on ESG management following the principle of balance;
- **Consistency:** The data statistics and calculation methods used for this report are consistent with those for the 2018 ESG report to ensure the comparability of information.

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

在後文中，我們將與閣下分享根據上市規則附錄27《ESG報告指引》要求編制的百盛二零一九年ESG報告，報告的時間範圍為二零一九年一月一日至二零一九年十二月三十一日。ESG報告涵蓋百盛集團的主要業務。根據《ESG報告指引》的要求，本集團在本ESG報告中披露了環境範疇的關鍵績效指標，涵蓋本集團在二零一九年內正常運營的百貨店（含超市）、餐飲門店及中央廚房。本報告的披露範圍與去年相比無重大範圍調整。

本報告在編制過程中遵循《ESG報告指引》的匯報原則，包括：

- **重要性：**本集團通過利益相關方溝通及重要性評估，識別出本集團環境、社會及管治的重點關注領域，並擬定對應策略及改善方案；
- **量化：**本報告採用量化數據的方式展現環境與社會層面的關鍵績效指標；
- **平衡：**本報告遵循平衡原則，客觀展現公司的ESG管理現狀；
- **一致性：**本報告的數據統計和計算方法與2018年報告保持一致，確保信息的可比性。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ESG MANAGEMENT STRATEGY

Parkson adheres to the strategy of sustainable development and commits to providing the society with a high-quality diversified collection of retail formats. Based on the core principle of green and sustainable development, the Group has developed its ESG strategies, which provides a direction for ESG management in the daily operation, and reviews the ESG strategy regularly.

The Board supports the Group's commitment to its corporate social responsibility by regularly reviewing the ESG-related issues of the Group, identifying and assessing ESG risks and ensuring that the Group has established appropriate and effective ESG risk management and internal control systems. The Board assumes full responsibility for the Group's ESG strategy and reporting, and is responsible for supervision and approval of the Group's annual ESG report.

The Group's management is responsible for executing ESG risk management and internal control systems, reporting ESG risks and opportunities to the Board, and ensuring the effective operation of relevant ESG systems. In order to carry out ESG managerial work in full coverage, the Group established the ESG panel which is comprised of Parkson's major departments directly involving department heads and designated persons to take the responsibility for ESG management and reporting.

STAKEHOLDER COMMUNICATION

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

ESG管理策略

百盛堅持可持續發展戰略，致力於為社會提供優質的多元化零售業務。本集團基於綠色永續的核心原則制定ESG策略，為日常營運中的ESG管理提供指導，並定期評估ESG策略。

董事會支持本集團對於履行企業社會責任所作的承諾，定期審閱集團的ESG相關事宜，識別評估ESG相關的風險並確保本集團設立合適及有效的ESG風險管理及內部控制系統。董事會對本集團的ESG策略及匯報承擔全部責任，每年監管及審批集團ESG報告工作。

本集團的管理層負責執行ESG風險管理及內部控制體系，向董事會匯報ESG相關的風險與機遇，保障有關ESG體系的有效運行。為了全面開展ESG的管理工作，本集團成立了由百盛主要部門組成的ESG工作組，各部門負責人直接參與，並指定專人負責開展ESG管理和報告的工作。

利益相關方溝通

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

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Stakeholders 利益相關方	Expectations and concerns 期望及關注	Communication channels 溝通渠道	Communication frequency 溝通頻率
Governments and regulators 政府及監管機構	Compliance with laws and regulations 遵守法律及法規 Pay taxes 繳納稅款	Compliance management 合規管理 Proactive in tax payment 主動納稅 Implementation of national policies 執行國家政策	Multiple times per year 每年多次
Shareholders and investors 股東及投資人	Return on investment 投資回報 Corporate governance 企業管治 Information disclosure 信息披露	Announcements and circulars 公告及通函 Annual financial reports 年度財務報告 Shareholders' meeting 股東大會	Multiple times per year 每年多次
Employees 員工	Protect employee's rights and interests 維護員工權益 Career development channel 職業發展通道 Healthy and safe working environment 健康安全的工作環境	Regular meetings and trainings 定期會議及培訓 Talent development programme 人才發展計劃 Employee care activities 員工關懷活動 Intranet websites 內部網站	Multiple times per month 每月多次
Business tenants 租賃商戶	Protect rights and interests of business tenants 保障租賃商戶權益 Win-win cooperation 雙贏合作	Daily communication 日常溝通 Meeting and training 會議及培訓 Service hotline and emails 服務熱線及郵箱	Multiple times per month 每月多次
Consumers 消費者	Provide high quality products and services 提供優質產品及服務 Satisfy the diversified needs of consumers 滿足消費者多元需求	Media activities 媒體活動 Satisfaction survey 滿意度調查 Service hotline and emails 服務熱線及郵箱 Social media and corporate websites 社交媒體和企業網站	Multiple times per month 每月多次

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Stakeholders 利益相關方	Expectations and concerns 期望及關注	Communication channels 溝通渠道	Communication frequency 溝通頻率
Suppliers 供應商	Fair and impartial procurement 公平公開的採購 Win-win cooperation 雙贏合作	Business visit 業務訪廠 Daily meeting 日常會議 Review and performance evaluation 審核及表現評估	Multiple times per month 每月多次
Community 社會公眾	Community engagement 社區參與 Business compliance 業務合規 Environmental awareness 環保意識	Company's official website 公司官網 Public welfare activities 公益活動	Multiple times per year 每年多次

MATERIALITY ASSESSMENT

In order to further define the key ESG areas of the Group and respond to the expectations of stakeholders on the ESG performance of the Group, we conducted a materiality assessment through the following steps:

Step 1 – Identifying ESG issues: We identified 14 ESG issues in accordance with the *ESG Reporting Guide*, and classified them by environment, employees, operation and public welfare;

Step 2 – Ranking ESG issues: According to the industry characteristics and the importance of issues to the business development and stakeholders of Parkson, ESG issues are ranked in their prioritization to construct a ESG materiality assessment model and identify key issues;

Step 3 – Verifying assessment results: The senior management and ESG working team of the Group reviewed and confirmed the assessment results.

重要性評估

為進一步明確本集團ESG的重點關注領域，並回應各利益相關方對本集團ESG方面的期望，我們通過如下步驟開展了重要性評估。

步驟1—識別ESG議題：我們依據《ESG報告指引》要求，識別出14項ESG議題，並按照環境、僱員、營運、公益四方面對其進行分類；

步驟2—ESG議題排序：結合行業特點及各議題對百盛業務發展和各利益相關方的重要程度，對ESG議題進行重要性排序，構建ESG重要性分析模型及識別重要議題；

步驟3—驗證評估結果：本集團高級管理層及ESG工作組審閱並確認評估結果。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



ENVIRONMENT

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

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

- i) *Environmental Protection Law of the People's Republic of China*
《中華人民共和國環境保護法》
- ii) *Law of the People's Republic of China on Energy Conservation*
《中華人民共和國節約能源法》

環境

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

百盛遵守以下中國法律法規，以確保在運營過程中對環境的保護：

- i) 《中華人民共和國環境保護法》
- ii) 《中華人民共和國節約能源法》

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

- | | |
|--|-------------------------------|
| iii) <i>Law of the People's Republic of China on the Prevention and Control of Water Pollution</i> 《中華人民共和國水污染防治法》 | iii) 《中華人民共和國水污染防治法》 |
| iv) <i>Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution</i> 《中華人民共和國大氣污染防治法》 | iv) 《中華人民共和國大氣污染防治法》 |
| v) <i>Emission Standard of Cooking Fume on Food Service (GB18483-2001)</i> 《飲食業油煙排放標準》 (GB18483-2001) | v) 《飲食業油煙排放標準》 (GB18483-2001) |

Conserving Resources

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

Energy, water and packaging materials saving has been a part and parcel in our stores' daily management. In response to the call for "energy saving, environmental protection and low carbon", we conduct regular assessment on the effectiveness of resources consumed during daily operations and renovate the old equipment in time, to minimize the usage of resources and to avoid wastage. We encourage the usage of LED lights and have established a clear opening and closing schedule on equipment such as air conditioner etc to avoid unnecessary waste of resources. Maintenance teams in our stores also regularly repair facilities and check water valves to avoid leakage. Regarding to the packaging materials, we follow the rule against excessive package and encourage the reduction of paper cake boxes usage. We provide regular training to raise our employees' awareness on resources saving and to cultivate a culture that values resources.

節約利用資源

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

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

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

2019 KPIs on the Aspect of Use of Resources

二零一九年資源使用層面關鍵績效指標：

Type of resources	資源類別	2019 二零一九年	2018 二零一八年	2017 二零一七年
Energy consumption in total (in MWh) ¹	能源消耗總量(兆瓦時) ¹	316,378	339,835	365,931
Intensity of energy consumption (in MWh per square meter)	能源消耗密度 (兆瓦時/平方米)	0.187	0.194	0.204
Water consumption in total (in tonne) ²	總耗水量(噸) ²	1,719,174	1,776,753	1,895,317
Intensity of water consumption in total (in tonne per square meter)	總耗水密度 (噸/平方米)	1.015	1.015	1.056
Packaging materials used for finished products in total (in tonne) ³	製成品所用包裝材料總用量 (噸) ³	65	57	58

Notes:

- The energy sources consumed by the Group mainly include electricity, natural gas and heating energy during winter. Total energy consumption is accounted according to electricity consumption, natural gas consumption, heating energy consumption and the default value of parameters related to fossil fuel as listed in Annex 1 of the *Guidelines on Accounting Methods and Reporting of Greenhouse Gas Emissions of Public Building Operators* issued by the National Development and Reform Commission.
- The Group's water consumption is mainly for domestic use and sourced from municipal water supply system, so there is no problem in obtaining applicable water source.
- The Group's stores use paper and plastic packages. As the Group is not a production-oriented enterprise, the packaging material used for finished products per unit produced is not applicable to the Group.

註：

- 本集團使用的主要能源包括電、天然氣和冬季的供暖暖氣。能源消耗總量根據用電量、天然氣使用量、暖氣使用量及國家發展和改革委員會發布的《公共建築運營企業溫室氣體排放核算方法與報告指南》附表1化石燃料相關參數缺省值計算。
- 本集團的主要水耗來自生活用水，水源為市政供水，因此求取適用水源上不存在問題。
- 本集團門店使用紙質和塑料包裝。由於本集團並非生產型企業，因此，製成品所用包裝材料的每生產單位佔量不適用本集團。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Emissions

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

- Office and household waste water of the Group is discharged into municipal sewer system for collective treatment in compliance with the *Wastewater Quality Standards for Discharge to Municipal Sewers* 《污水排入城鎮下水道水質標準》.
- In active response to the relevant requirements of the *Regulation of Household Waste Management of Shanghai* 《上海市生活垃圾管理條例》, the Group has propagated the knowledge of garbage classification among employees and set up specialized areas for collection of classified garbage.
- Non-hazardous wastes produced by the Group in its daily operations are recycled for integrated treatment by respective property management company.

2019 KPIs on the Aspect of Emissions¹

Type of emissions	排放物種類	2019 二零一九年	2018 二零一八年	2017 二零一七年
Waste water in total (in tonne)	廢水總量 (噸)	1,554,991	1,610,091	1,734,246
Non-hazardous waste emissions in total (in tonne) ²	無害廢棄物排放總量 (噸) ²	14,969	27,063	26,806
Intensity of non-hazardous waste (in tonne per square meter)	無害廢棄物密度 (噸/平方米)	0.009	0.015	0.015
Greenhouse gas emissions in total (in tCO ₂ e) ³	溫室氣體排放總量 (噸二氧化碳當量) ³	193,894	207,608	224,412
Intensity of greenhouse gas emissions (in tCO ₂ e per square meter)	溫室氣體排放密度 (噸二氧化碳當量/平方米)	0.115	0.119	0.125

排放物

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

- 本集團的辦公和生活廢水均已達到《污水排入城鎮下水道水質標準》，並最終排入市政污水管網進行統一處理。
- 本集團積極響應《上海市生活垃圾管理條例》相關要求，對員工進行垃圾分類宣導，並設置專用的垃圾分類收集區域。
- 本集團日常運營所產生的無害廢棄物均由各商場物業管理公司進行統一回收和綜合處理。

二零一九年排放物層面關鍵績效指標¹

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Notes:

1. According to the management's assessment results, the Group does not generate hazardous waste during its daily business operation, and therefore KPI A1.3 hazardous waste does not apply.
2. Non-hazardous wastes include engineering waste, domestic waste, grease in grease traps, food waste and recyclable waste (waste paper, scrap iron and plastic waste, etc.). During the reporting period, there was a significant decrease in the total amount of non-hazardous waste emissions compared with previous years due to the decrease in the Group's engineering projects and the amount of engineering waste.
3. Based on the nature of the Group's business operation, the greenhouse gas emissions of the Group include direct emissions resulting from natural gas combustion and indirect emissions resulting from energy consumed through consumption of heating energy and purchased electricity, so greenhouse gases include only carbon dioxide (CO₂). Greenhouse gas emissions are presented as CO₂e (carbon dioxide equivalent) and calculated according to the *Accounting Methods and Reporting Guide for Greenhouse Gas Emissions from Public Building Operators* issued by the National Development and Reform Commission.

The Environment and Natural Resources

Except for the content disclosed above, our business operation does not cause any other significant impact to the environment or significantly consume other environmental and natural resources during our course of operation.

註:

1. 經管理層評估，本集團在日常運營中不產生有害廢棄物，因此A1.3 有害廢棄物的關鍵績效指標不適用。
2. 無害廢棄物包括工程垃圾、生活垃圾、隔油池廢油、餐廚垃圾和可回收垃圾（廢紙、廢鐵和廢塑料等）。本報告期內，集團的工程項目減少，工程垃圾量降低，因此無害廢棄物排放總量較往年有明顯降低。
3. 基於運營特性，我們的溫室氣體排放主要來自天然氣燃燒所造成的直接排放，以及供暖暖氣和外購電力所造成的能源間接排放，因此溫室氣體清單僅包括二氧化碳。溫室氣體核算按二氧化碳當量呈列，並依據國家發展和改革委員會發布的《公共建築運營企業溫室氣體排放核算方法與報告指南》進行核算。

環境及天然資源

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

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

EMPLOYEES

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

Protecting Employees' Rights and Interests

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

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

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

In 2019, we established a set of human resources compliance risk management review mechanism. We reviewed and evaluated human resource compliance risk management through annual self-assessment and headquarter's review to effectively prevent and control human resource compliance risk.

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

僱員

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

保障員工權益

本集團在日常運營中嚴格遵守以下中國相關的勞工法律：

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

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

二零一九年，我們建立了一套人力資源合規風險管理評審機制，通過年度自評及總部評審的方式對人力資源合規風險管理工作進行審查和評價，有效防範和控制人力資源合規風險。

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

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

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

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

Health and Safety

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

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

The concept of safety is continuously reinforced amongst our employees through a number of channels such as periodic training, speeches on firefighting, emergency mock drills, safety campaigns, health knowledge lectures, field inspections together with landlords, periodic safety inspections and displays on safety, in order to promote health and safety during work. We encourage our staff to obtain fire management qualification certificates and reimburse for related examination fees.

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

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

健康與安全

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

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

我們通過定期培訓、消防演講、緊急事故演習、安全宣傳、健康知識講座、業主聯合巡場、定期安全檢查、安全警示牌等多種渠道，不斷提高員工的安全意識，促進工作健康和 safety。我們鼓勵員工考取消防管理相關資格證書，並統一報銷相關考試費用。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In 2019, we held some entertaining athletic activities such as "Parkson Cup" to provide our employees opportunities to relax and exercise themselves after work, and thus creating healthy, united and harmonious corporate culture and atmosphere.

Development and Training

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

Through a structured career development program, we assist our employees to find the intersection between their aspirations and Parkson's company goals. We offer a vast array of training programs to employees at different levels, covering orientation to new comers and leadership training to senior management. In addition, we cooperate with external training institutions to help our employees improve professional skills and develop leadership skills.

In 2019, Parkson carried out AMA (American Management Association) win-win negotiation skills training for 30 management staffs to improve their negotiation strength through the aspects of negotiation skills, expertise, negotiation mentality, etc.

We have also established the *Internal Lecturer Management System* to encourage our employees to act as part-time lecturers, so as to better motivate them to work actively, demonstrate expertise and surpass themselves.

OPERATION

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

二零一九年內，我們舉辦「百盛杯」等趣味競技比賽，讓員工在工作之餘放鬆身心、鍛煉身體，營造健康向上、團結和諧的企業文化和氛圍。

發展與培訓

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

我們通過分層次的職業發展項目幫助員工找到個人抱負和百盛企業目標的契合點，為不同層次的僱員提供多樣的培訓計劃，包括針對新員工的入職培訓、高級管理層領導力培訓等。此外，我們還與外部培訓機構進行合作，幫助僱員提升職業技能，培養領導能力。

二零一九年，百盛對30名管理層職員開展AMA（美國管理協會）雙贏談判技巧培訓，從談判技巧、專業力、心態等角度提高管理人員談判實力。

我們亦建立《內部講師管理制度》鼓勵員工成為兼職講師，最大程度調動員工工作積極性、發揮特長突破自我。

營運

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

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

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

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

Supply Chain Management

The Group is in continuous search for the highest quality merchandise at a competitive price, to satisfy consumers' increasing demand for high quality products. We work hand in hand with our suppliers to make improvements in quality, designs and prices. Parkson ensures that suppliers and business tenants comply with relevant national laws and regulations by the implementation of the *Purchaser and Supplier Management Policy* and the *Environmental and Social Risk Management System for Suppliers and Business Tenants*.

We pay attention to the sustainable development of supply chain, and convey the concept and requirements of sustainable development to our suppliers, in order to encourage them to steer towards sustainable development and social responsibility fulfilment. Supplier management policies and corresponding operating procedures relating to the different categories of products have been developed to guide the supply chain management.

For purpose of enhancing the integrity awareness of suppliers and safeguarding the interests of both parties, we require each supplier to sign the *Letter of Commitment of Integrity* to jointly build a frank, honest and trustworthy cooperative relationship.

本集團在日常運營中嚴格遵守以下中國相關的產品責任法律：

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

供應鏈管理

為滿足消費者對商品質量持續增長的需求，百盛採購有高性價比的商品，並與供貨商一起努力改善產品的質量、設計和價格。百盛通過《採購及供應商管理制度》和《供應商、租賃商戶環境和社會風險管理制度》確保供應商和租賃商戶遵守國家相關法律法規。

我們高度重視供應鏈的可持續發展，通過多種途徑向供貨商傳遞可持續發展的理念和要求，以鼓勵供貨商在可持續發展和社會責任方面的全面發展。本集團建立供貨商管理政策，針對不同類別的產品製定相應的操作程序，規範供應鏈管理。

為強調供應商廉潔意識，保障維護雙方利益，我們要求每一家供應商簽署《廉潔承諾書》，共同構築坦率、正直、信任的合作關係。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Product Responsibility

As stipulated in the *Supplier Management Policy*, suppliers' qualification/credentials are carefully vetted before being admitted into our list of qualified suppliers. A complete response mechanism is in place to handle product recalls timely and smoothly. *Process for Handling Non-conforming Products* was formulated to trace the defective products, and prevent the stores from using or taking out of non-conforming products. The *Store Food Safety Management Policy* is followed by the Group to manage the food quality and safety during the operations of F&B stores, and we also provide regular trainings on food safety to enhance employees' awareness on food safety.

The Group's own brand "Hogan Bakery", adhering to the tenet of "quality first, customer foremost", has prepared the *Quality Management Manual* to ensure product safety. We strictly control the processes, such as procurement, delivery quality inspection and timely disposal of returned goods. By establishing standardized store services and franchise treaties, as well as implementing strict quality management system and scientific production processes, we have been recognized by consumers. In 2019, customer satisfaction for "Hogan Bakery" reached 99%.

Optimizing the Shopping Experience

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

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

Protecting Customers' Rights and Interests

The Group is committed to protecting our customers' rights, interest and privacy. Channels for complaints and suggestions are provided in each store. We comply with the *Consumers' Privacy Protection Policy* to safeguard consumers' right of privacy and protect customers' information.

In 2019, Parkson has checked members' information twice to avoid the leakage of consumer information.

產品責任

百盛根據《供貨商管理政策》挑選合格供貨商時，嚴格審查其資質；我們為產品召回建立了完整的響應機制，確保產品召回的高效與及時；制定《不合格品報廢處理流程》保證對不良品進行追溯，防止門店不合格品的混用及流出；通過《門店食品安全管理制度》管理餐飲門店的食品質量安全，並定期開展食品安全培訓，提高員工的食品安全意识。

本集團自有品牌「哈肯鋪」秉持「質量第一、顧客至上」的質量方針，編制《質量管理手冊》確保產品安全放心。我們嚴把採購關、發貨質量檢驗關與退貨及時銷毀關，建立規範的門市服務、加盟條約、結合嚴格的質量管理體系及科學生產流程，得到消費者的認可。二零一九年，「哈肯鋪」品牌的客戶滿意度高達99%。

優化消費體驗

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

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

保護客戶權益

百盛堅決維護顧客的權益及隱私，各門店均建立了投訴建議渠道。我們根據《消費者隱私保護制度》來維護消費者隱私權，保護消費者信息安全。

二零一九年，百盛對會員信息進行了兩次排查，避免消費者信息洩露。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Standardizing Compliance Operation

Parkson conducts strict review over the contents of its advertisements, to ensure conformity with the *Advertisement Law of the People's Republic of China* 《中華人民共和國廣告法》 and other applicable laws and regulations in China.

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

Parkson has also formulated rules to regulate texts and pictures used in WeChat official account, so as to ensure that the network information published does not contain materials without purchased copyrights.

Anti-corruption

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

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

Parkson maintains a high standard of business integrity, and has joined the Enterprise Anti-Fraud Autonomous Cooperation Organization, Enterprise Anti-Fraud Alliance and Trust and Integrity Enterprise Alliance. Parkson adopts a "zero tolerance" policy for corruption or bribery in any form. Parkson requires our suppliers to sign the *Letter of Commitment of Integrity* and share the same "zero tolerance" policy towards bribery or corruption.

Customers, suppliers, business partners and employees can report any suspicious event by means of e-mail and telephone:

E-mail: Anti-Fraud@139.com;
Phone No.: +86 21-3258 0566;
Mobile phone No.: +86 137 9535 5237 or +86 137 9520 2119

規範合規運營

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

百盛持續加強商標管理，保護商標專用權，亦不侵犯他人商標權。

百盛亦建立微信公眾號圖文規範，確保百盛所發布的網絡信息無違規使用未購買版權的素材。

反貪污

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

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

百盛保持著高標準的商業信譽，已加入企業反舞弊自治合作組織、企業反舞弊聯盟和陽光誠信聯盟，對任何形式的腐敗與賄賂零容忍，並要求供貨商簽訂《廉潔承諾書》，對於各種貪賄行為也採取零容忍的態度。

顧客、供應商、商業夥伴及員工可以通過舉報郵箱、電話等方式對任何可疑事件進行檢舉：

舉報郵箱：Anti-Fraud@139.com；
固定電話：+86 21-3258 0566；
移動電話：+86 137 9535 5237 或
+86 137 9520 2119

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

PUBLIC WELFARE

With corporate social responsibility in mind, Parkson has been passionately serving and giving back to the community by engaging in charity work. The Group has formulated *Parkson Group Charitable and Public Welfare Activities Management Policy* to manage social welfare activities organized by the Group. In 2019, some of the community activities carried out by our network of stores across the nation are as follows:

公益

百盛牢記企業社會責任，一直以積極的態度通過慈善活動力所能及地服務社會、奉獻社會。本集團基於《百盛集團慈善與公益活動管理制度》對集團開展的公益活動進行管理。二零一九年，我們遍布全國的門店開展的活動包括：

Empty Bottle Recycling Programme 空瓶回收換購計劃

From 19 April 2019 to 22 April 2019, Parkson joined hands with Kiehl's to launch the empty bottle recycling programme to encourage consumers to recycle their cosmetics bottles.

二零一九年四月十九日至二十二日，百盛攜手科顏氏共同開啟空瓶回收換購計劃，鼓勵消費者將化妝品空瓶進行回收。



Harbin Taipingqiao Parkson—"Angels that Live on Earth" Charity Activity

Harbin Taipingqiao Parkson held a charity activity on the theme of "Angels that Live on Earth" in 2019. This is the second year of this series of charity activities for the disabled children held by Parkson. Taipingqiao Parkson donated daily necessities, school supplies, school uniforms and flowers to the disabled children from Harbin Liaoyuan School, and auctioned the handicrafts made by these children, raising nearly ten thousand yuan for school improvement.



哈爾濱太平橋百盛—「天使在人間」公益慈善活動

二零一九年哈爾濱太平橋百盛舉辦「天使在人間」慈善活動，這是百盛舉辦關愛殘障兒童系列公益活動的第二年。

太平橋百盛為哈爾濱市燎原學校的殘障兒童捐贈生活、學習用品、校服、及鮮花，同時拍賣孩子親手製作的手工藝品，籌集善款近萬元全部用於改善學校條件。

DIRECTORS' REPORT

董事會報告書

The Board (the "Board") of directors (the "Directors") of Parkson Retail Group Limited (the "Company" and together with its subsidiaries, the "Group") presents this report to the shareholders of the Company (the "Shareholders") together with the audited consolidated financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Company, incorporated with limited liability in the Cayman Islands on 3 August 2005, acts as an investment company. During the year ended 31 December 2019, the principal activities of the Group are the operation and management of a network of department stores in the PRC. The activities of its principal subsidiaries are set out in note 1 to the financial statements.

BUSINESS REVIEW

A review of the business of the Group during the year ended 31 December 2019, which includes an analysis of the Group's performance using financial key performance indicators are set out in the section headed "Management Discussion and Analysis" on page 14 to 22 of this report. The financial risk management objectives and policies of the Group are set out in note 39 to the consolidated financial statements. The principal risks and uncertainties that the Group may face, particulars of important events affecting the Company that have occurred since the end of the financial year, and an indication of likely future development in the Company's business are set out in the section headed "Chairman's Statement" on page 6 to page 9 of this report. A discussion on the Group's environmental policies and relationships with its key stakeholders and investors are set out in the section headed "Environmental, Social and Governance Report" on page 50 to page 65 of this report. An analysis of the Group's performance indicators are set out in the section headed "Financial Highlights" on page 10 to page 11 of this report. The compliance with relevant laws and regulations which have significant impact on the Group is set out in this Directors' report. The reviews form part of this statement.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss on page 96.

FIXED ASSETS

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

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

百盛商業集團有限公司(「本公司」)連同其附屬公司統稱「本集團」董事(「董事」)會(「董事會」)向本公司股東(「股東」)呈列本報告連同截至二零一九年十二月三十一日止年度之經審核綜合財務報表。

主要業務

本公司於二零零五年八月三日在開曼群島註冊成立為投資控股有限公司。於截至二零一九年十二月三十一日止年度，本集團的主要業務為經營及管理位於中國的百貨店網絡。其主要附屬公司的業務載於財務報表附註1。

業務回顧

本集團於截至二零一九年十二月三十一日止年度內業務之回顧(包括使用財務關鍵績效指標對本集團表現進行之分析)載於本報告第14頁至22頁「管理層討論及分析」一節。本集團之財務風險管理目標及政策載於綜合財務報表附註39。本集團可能面對之主要風險及不明朗因素、自財政年度末起所發生影響本公司之重要事件詳情以及本報告業務之可能未來發展之揭示載列於本年報第6頁至9頁「主席報告」一節。有關本集團之環保政策以及與主要持份者及投資者之關係之討論載於本年度第50頁至第65頁「環境、社會及管治報告」一節。有關本集團表現指標之分析載於本報告第10頁至第11頁之財務摘要一節。有關遵守對本集團有重大影響之相關法律及法規之情況載於本董事報告書。回顧構成本聲明一部分。

業績及分配

本集團截至二零一九年十二月三十一日止年度的業績載於第96頁的綜合損益表。

固定資產

本集團固定資產的變動於財務報表附註11內披露。

股息

董事會不建議就截至二零一九年十二月三十一日止年度派發末期股息(二零一八年：零)。

SHARE CAPITAL

Details of movements in the Company's share capital for the year ended 31 December 2019 are set out in note 29 to the financial statements.

DIRECTORS

The Directors of the Company during the year ended 31 December 2019 and as at the date of this report are as follows:

Executive Directors

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

Non-executive Directors

Dato' Sri Dr. Hou Kok Chung

Independent Non-executive Directors

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

NOTES:

1. Re-designated from a Non-executive Director to an Executive Director on 5 May 2019 and appointed as a Chief Financial Officer of the Group on 5 May 2019. He had resigned from all positions on 31 October 2019.

Details of the profile of each member of the Board are set out in the "Biographies of Directors and senior management" section on pages 23 to 29.

In accordance with Article 130 of the Articles of Association, Dato' Fu Ah Kiow and Tan Sri Cheng Heng Jem shall retire and being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

DIRECTORS' SERVICE CONTRACTS

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

股本

本公司截至二零一九年十二月三十一日止年度的股本變動詳情載於財務報表附註29。

董事

於截至二零一九年十二月三十一日止年度及本報告日期本公司董事如下：

執行董事

丹斯里鍾廷森 (*主席*)
張瑞雄 (*首席執行官*)
(於二零一九年二月一日辭任)
鍾珊珊
何東 (附註1)

非執行董事

拿督斯里何國忠博士

獨立非執行董事

拿督胡亞橋
Ko Desmond
丘銘劍

附註：

1. 於二零一九年五月五日由非執行董事調任為執行董事並於二零一九年五月五日獲委任為本集團首席財務官。彼於二零一九年十月三十一日辭任所有職務。

董事會各成員的簡介資料詳情載於第23頁至第29頁「董事及高級管理層履歷」一節。

依據公司章程細則第130條，拿督胡亞橋及丹斯里鍾廷森將於本公司即將召開的股東週年大會上輪值退任，並符合資格及願意膺選連任。

董事服務合約

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

DIRECTORS' REPORT

董事會報告書

MANAGEMENT CONTRACT

During the year ended 31 December 2019, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed.

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

Throughout the year ended 31 December 2019, to the best of their knowledge, information and belief, the Directors were not aware of any non-compliance by the Company with any relevant laws and regulations that had a significant impact on the Company.

COMPETING BUSINESS INTERESTS OF DIRECTORS

During the year ended 31 December 2019 and up to the date of this report, none of the Directors were interested in any business apart from the Company's business, which competed or was likely to compete, either directly or indirectly, with the businesses of the Company and its subsidiaries pursuant to Rule 8.10 of the Listing Rules.

PERMITTED INDEMNITY PROVISION

During the year ended 31 December 2019 and as at the date of this report, a permitted indemnity provision as defined in the Companies Ordinance was in force for the benefit of the Directors. The Company has taken out and maintained appropriate insurance cover in respect of potential losses or liabilities which the Directors or officers may sustain or incur in or about the execution of their duties of their office during the year ended 31 December 2019.

EQUITY LINK AGREEMENT

The Company has not entered into any equity-linked agreement for the year ended 31 December 2019.

管理合約

於截至二零一九年十二月三十一日止年度，概無就本公司整體業務或任何重要業務之管理或行政工作簽訂或存有任何合約。

遵守對本公司有重大影響之相關法律及法規

於截至二零一九年十二月三十一日止整個年度內，據其所深知、盡悉及確信，董事概不知悉本公司有任何違反對本公司有重大影響的相關法律及法規。

董事於競爭業務的權益

於截至二零一九年十二月三十一日止年度及直至本報告日期，根據上市規則第8.10條，除本公司業務外，概無董事於與本公司及其附屬公司業務直接或間接構成競爭或可能構成競爭之任何業務中擁有利益。

獲准許的彌償條文

惠及董事的獲准許的彌償條文（定義見公司條例）於截至二零一九年十二月三十一日止年度及於本報告日期生效。於截至二零一九年十二月三十一日止年度，本公司已選取及投購合適保險，保障董事或高級人員免於在或因彼等任職期間執行職務時可能承受或產生的潛在損失或責任。

股權掛鈎協議

於截至二零一九年十二月三十一日止年度，本公司並無訂立任何股權掛鈎協議。

DIRECTORS' REPORT

董事會報告書

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

As at 31 December 2019, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or Chief Executive is taken or deemed to have under such provisions of the SFO) or which were required to be entered into the register required to be kept by the Company under section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were set out below:

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

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

NOTES:

- Tan Sri Cheng Heng Jem, together with his wife, Puan Sri Chan Chau Ha alias Chan Chow Har, through their interests and a series of companies in which they have a substantial interest, are entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of PHB. Since PHB is entitled to exercise or control the exercise of 100% of the voting power at general meeting of PRG Corporation through East Crest, pursuant to the SFO, he is deemed to be interested in both the 1,438,300,000 Shares held by PRG Corporation and the 9,970,000 Shares held by East Crest in the Company.
- Based on the issued and paid up capital of the Company as at 31 December 2019.

董事及最高行政人員於股份及相關股份的權益及淡倉

於二零一九年十二月三十一日，本公司董事及最高行政人員持有本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」））股份、相關股份及／或債權證（視情況而定）的權益及淡倉，而須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文任何有關董事或最高行政人員被視為或當作持有的權益及淡倉）；或須記入本公司根據證券及期貨條例第352條而須存置的登記冊的權益及淡倉；或根據標準守則須通知本公司及聯交所的權益及淡倉如下：

- (a) 丹斯里鍾廷森於本公司股本中的好倉：

附註：

- 丹斯里鍾廷森連同其妻子潘斯里陳秋霞憑藉彼等的權益及彼等擁有重大權益的一系列公司，有權於PHB股東大會上行使三分之一以上投票權或控制上述投票權的行使。由於PHB透過East Crest有權於PRG Corporation股東大會上行使100%投票權或控制上述投票權的行使，因此，根據證券及期貨條例，被視為於PRG Corporation所持本公司1,438,300,000股股份及East Crest所持本公司9,970,000股股份中擁有權益。
- 以本公司於二零一九年十二月三十一日的已發行及繳足股本為基準。

DIRECTORS' REPORT

董事會報告書

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

(b) 丹斯里鍾廷森於本公司相聯法團(定義見證券及期貨條例)股本中的好倉:

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities 證券數目及類別	Approximate Percentage of Shareholding 股權概約百分比
相聯法團名稱	權益性質	登記擁有人名稱	實益擁有人名稱		
PHB	Beneficial interest and corporate interest 實益權益及公司權益	Tan Sri Cheng Heng Jem together with his spouse Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations 丹斯里鍾廷森連同其配偶潘斯里陳秋霞直接, 及透過一系列受控法團	Tan Sri Cheng Heng Jem together with his spouse Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations 丹斯里鍾廷森連同其配偶潘斯里陳秋霞直接, 及透過一系列受控法團	628,455,084 ordinary shares 628,455,084股普通股	58.88%
East Crest	Corporate interest 公司權益	PHB	PHB	1 ordinary share 1股普通股	100%
Puncak Pelita Sdn. Bhd.	Corporate interest 公司權益	PHB	PHB	2 ordinary shares 2股普通股	100%
Parkson Properties Holdings Co., Ltd.	Corporate interest 公司權益	PHB	PHB	2 ordinary shares 2股普通股	100%
Parkson Vietnam Investment Holdings Co., Ltd.	Corporate interest 公司權益	PHB	PHB	2 ordinary shares 2股普通股	100%
Prime Yield Holdings Limited	Corporate interest 公司權益	PHB	PHB	1 ordinary share 1股普通股	100%
Corporate Code Sdn. Bhd.	Corporate interest 公司權益	PHB	PHB	2 ordinary shares 2股普通股	100%
PRG Corporation	Corporate interest 公司權益	East Crest	East Crest	1 ordinary share 1股普通股	100%
Smart Spectrum Limited	Corporate interest 公司權益	East Crest	East Crest	1 ordinary share 1股普通股	100%

DIRECTORS' REPORT

董事會報告書

Name of Associated Corporation 相聯法團名稱	Nature of Interest 權益性質	Name of Registered Owner 登記擁有人名稱	Name of Beneficial Owner 實益擁有人名稱	Number and Class of Securities 證券數目及類別	Approximate Percentage of Shareholding 股權概約百分比
Park Avenue Fashion Sdn. Bhd.	Corporate interest 公司權益	East Crest	East Crest	250,002 ordinary shares 250,002股普通股	100%
Serbadagang Holdings Sdn. Bhd.	Corporate interest 公司權益	East Crest	East Crest	2 ordinary shares 2股普通股	100%
Parkson Retail Asia Limited	Beneficial interest and corporate interest 實益權益及公司權益	Tan Sri Cheng Heng Jem and through East Crest 丹斯里鍾廷森及透過East Crest	Tan Sri Cheng Heng Jem and through East Crest 丹斯里鍾廷森及透過East Crest	458,433,300 ordinary shares 458,433,300股普通股	68.03%
Parkson Properties NDT (Emperor) Co., Ltd.	Corporate interest 公司權益	Parkson Properties Holdings Co., Ltd.	Parkson Properties Holdings Co., Ltd.	2 ordinary shares 2股普通股	100%
Parkson Properties Hanoi Co., Ltd.	Corporate interest 公司權益	Parkson Properties Holdings Co., Ltd.	Parkson Properties Holdings Co., Ltd.	1 ordinary share 1股普通股	100%
Parkson TSN Holdings Co., Ltd.	Corporate interest 公司權益	Parkson Vietnam Investment Holdings Co., Ltd.	Parkson Vietnam Investment Holdings Co., Ltd.	2 ordinary shares 2股普通股	100%
Dyna Puncak Sdn. Bhd.	Corporate interest 公司權益	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2 ordinary shares 2股普通股	100%
Gema Binari Sdn. Bhd.	Corporate interest 公司權益	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2 ordinary shares 2股普通股	100%
Prestasi Serimas Sdn. Bhd.	Corporate interest 公司權益	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2,000,000 ordinary shares 2,000,000股普通股	100%
Parkson Credit Holdings Sdn. Bhd.	Corporate interest 公司權益	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2 ordinary shares 2股普通股	100%

DIRECTORS' REPORT

董事會報告書

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

DIRECTORS' REPORT

董事會報告書

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities 證券數目及類別	Approximate Percentage of Shareholding 股權概約百分比
相聯法團名稱	權益性質	登記擁有人名稱	實益擁有人名稱		
Parkson Yangon Company Limited	Corporate interest 公司權益	Parkson Retail Asia Limited	Parkson Retail Asia Limited	1,900,000 ordinary shares 1,900,000 股普通股	100% (in aggregate) (合計)
		Parkson Myanmar Co., Pte. Ltd.	Parkson Myanmar Co., Pte. Ltd.	100,000 ordinary shares 100,000 股普通股	
Parkson HBT Properties Co., Ltd.	Corporate interest 公司權益	Parkson TSN Holdings Co., Ltd.	Parkson TSN Holdings Co., Ltd.	2,100,000 capital (USD) 股本2,100,000 (美元)	100%
Idaman Erajuta Sdn. Bhd.	Corporate interest 公司權益	Dyna Puncak Sdn. Bhd.	Dyna Puncak Sdn. Bhd.	2 ordinary shares 2 股普通股	100%
Magna Rimbun Sdn. Bhd.	Corporate interest 公司權益	Dyna Puncak Sdn. Bhd.	Dyna Puncak Sdn. Bhd.	2 ordinary shares 2 股普通股	100%
True Excel Investments Limited	Corporate interest 公司權益	Dyna Puncak Sdn. Bhd.	Dyna Puncak Sdn. Bhd.	1 ordinary share 1 股普通股	100%
Parkson Branding Sdn. Bhd.	Corporate interest 公司權益	Gema Binari Sdn. Bhd.	Gema Binari Sdn. Bhd.	7,000,000 ordinary shares 7,000,000 股普通股	100%
Giftmate Sdn. Bhd.	Corporate interest 公司權益	Gema Binari Sdn. Bhd.	Gema Binari Sdn. Bhd.	120,000 ordinary shares 120,000 股普通股	60%
Ombrello Resources Sdn.Bhd	Corporate interest 公司權益	Prestasi Serimas Sdn.Bhd.	Prestasi Serimas Sdn.Bhd.	457,000 ordinary shares 457,000 股普通股	100%
Parkson SGN Co., Ltd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	4,500,000 Capital (USD) 股本4,500,000 (美元)	100%

DIRECTORS' REPORT

董事會報告書

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities 證券數目及類別	Approximate Percentage of Shareholding 股權概約百分比
相聯法團名稱	權益性質	登記擁有人名稱	實益擁有人名稱		
Parkson Cambodia Holdings Co., Ltd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	1 ordinary share 1股普通股	100%
Parkson Edutainment World Sdn. Bhd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	1,000,000 ordinary shares 1,000,000股普通股	100%
Parkson Lifestyle Sdn. Bhd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	35,000,000 ordinary shares 35,000,000股普通股	100%
Kiara Innovasi Sdn. Bhd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	5,000,000 ordinary shares 5,000,000股普通股	100%
Parkson Haiphong Co., Ltd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	30,000,920 capital (USD) 股本30,000,920 (美元)	100%
Parkson Unlimited Beauty Sdn. Bhd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	3,000,000 ordinary shares 3,000,000股普通股	100%
Parkson Trends Sdn. Bhd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	3,000,000 ordinary shares 3,000,000股普通股	100%
Parkson Private Label Sdn. Bhd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	5,000,000 ordinary shares 5,000,000股普通股	100%

DIRECTORS' REPORT

董事會報告書

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities 證券數目及類別	Approximate Percentage of Shareholding 股權概約百分比
相聯法團名稱	權益性質	登記擁有人名稱	實益擁有人名稱		
Parkson Trading (Vietnam) Company Limited	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	300,000 capital (USD) 股本300,000 (美元)	100%
Solid Gatelink Sdn. Bhd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	3,000,000 ordinary shares 3,000,000股普通股	100%
Parkson Vietnam Co., Ltd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	10,340,000 capital (USD) 股本10,340,000 (美元)	100%
Parkson Myanmar Investment Company Pte. Ltd.	Corporate interest 公司權益	Parkson Myanmar Co., Pte. Ltd.	Parkson Myanmar Co., Pte. Ltd.	2,100,000 ordinary shares 2,100,000股普通股	70%
Festival City Sdn. Bhd.	Corporate interest 公司權益	Idaman Erajuta Sdn. Bhd.	Idaman Erajuta Sdn. Bhd.	500,000 ordinary shares 500,000股普通股	100%
Megan Mastika Sdn. Bhd.	Corporate interest 公司權益	Magna Rimbun Sdn. Bhd.	Magna Rimbun Sdn. Bhd.	300,000 ordinary shares 300,000股普通股	100%
True Excel Investments (Cambodia) Co., Ltd.	Corporate interest 公司權益	True Excel Investments Limited	True Excel Investments Limited	1,000 ordinary shares 1,000股普通股	100%
Parkson Fashion Sdn. Bhd.	Corporate interest 公司權益	Parkson Branding Sdn. Bhd.	Parkson Branding Sdn. Bhd.	5,000,000 ordinary shares 5,000,000股普通股	100%
Parkson Branding (L) Limited (Note 1) (Struck off on 6 July 2019) Parkson Branding (L) Limited (附註1) (於二零一九年七月六日註銷)	Corporate interest 公司權益	Parkson Branding Sdn. Bhd.	Parkson Branding Sdn. Bhd.	300,000 ordinary shares 300,000股普通股	100%

DIRECTORS' REPORT

董事會報告書

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

DIRECTORS' REPORT

董事會報告書

NOTES:

- Parkson Branding (L) Limited will be deemed dissolved if its name remains struck off continuously for 3 years from 6 July 2019 but Labuan Financial Services Authority may apply to the Court on or before the expiration of 3 years to have Parkson Branding (L) Limited put into liquidation.
- The Companies Commission of Malaysia ("CCM") had on 5 February 2020 notified that Parkson Online Sdn. Bhd. ("POSB"), a dormant wholly-owned subsidiary indirectly held by Parkson Retail Asia Limited which is a 67.96% owned subsidiary of PHB, had following its application for deregistration in June 2019, been struck off the CCM's register and dissolved on 7 October 2019 and ceased to be a subsidiary of PHB and an associated corporation of the Company.

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

附註：

- 倘Parkson Branding (L) Limited的名稱自二零一九年七月六月起連續三年保持註銷，則其將被視為解散，但拉布安金融服務管理局可於三年屆滿或之前向法院申請將Parkson Branding (L) Limited清盤。
- 馬來西亞公司委員會（「CCM」）於二零二零年二月五日告知Parkson Online Sdn. Bhd.（「POSB」）（Parkson Retail Asia Limited間接持有的無營業活動全資附屬公司，而Parkson Retail Asia Limited為PHB擁有67.96%的附屬公司）已於二零一九年六月申請撤銷註冊，並於二零一九年十月七日於CCM登記冊註銷且解散，不再為PHB的附屬公司及本公司的相聯法團。

(c) 丹斯里鍾廷森於本公司相聯法團（定義見證券及期貨條例）股本中的淡倉：

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

NOTE:

- Based on the issued and paid up share capital of the Company as at 31 December 2019.

附註：

- 以本公司於二零一九年十二月三十一日的已發行及繳足股本為基準。

DIRECTORS' REPORT

董事會報告書

Save as disclosed above, as at 31 December 2019, none of the Directors or Chief Executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Save from the above disclosure, at no time during the year ended 31 December 2019 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; nor was the Company, its holding company, or any of its subsidiary corporations or fellow subsidiary corporations a party to any arrangement to enable the Directors or their respective spouses or minor children to acquire such rights in any other body corporate.

除上文所披露者外，於二零一九年十二月三十一日，本公司各董事或最高行政人員概無於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債權證中，擁有任何根據證券及期貨條例第XV部第7及8部分須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的有關條文彼等被當作或被視作擁有的權益或淡倉），或根據證券及期貨條例第352條須記入該條所指的登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

允許董事收購股份及債權證之安排

除上文所披露者外，於截至二零一九年十二月三十一日止年度內概無任何時間向任何董事或其各自之配偶或未成年子女授出透過購買本公司股份或債權證而獲得利益之權利，彼等亦概無行使任何有關權利；本公司、其控股公司或其任何附屬公司或同系附屬公司亦概無訂立致使董事或其各自之配偶或未成年子女於任何其他公司法團獲得有關權利之任何安排。

DIRECTORS' REPORT

董事會報告書

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

As at 31 December 2019, so far as the Directors are aware, each of the following persons, not being a Director or Chief Executive of the Company, had interests and short positions in the Company's shares which falls to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

主要股東於股份及相關股份的權益及淡倉

於二零一九年十二月三十一日，據董事所知，以下各人士（並非本公司董事或最高行政人員）於本公司股份中擁有權益及淡倉並須根據證券及期貨條例第XV部第2及第3分部向本公司及聯交所披露：

Name of Shareholder 股東名稱	Long/Short Positions 好倉／淡倉	Nature of Interest 權益性質	Number of Shares 股份數目	Percentage of Shareholding (direct or indirect) 持股百分比 (直接或間接)
PHB	Long 好倉	Corporate interest 公司權益	1,448,270,000 (Note 1) (附註 1)	54.97%
Puan Sri Chan Chau Ha alias Chan Chow Har	Long 好倉	Interest of spouse 配偶權益	1,448,270,000 (Note 2) (附註 2)	54.97%
PRG Corporation	Long 好倉	Beneficial interest 實益權益	1,438,300,000 (Note 1) (附註 1)	54.59%
Chan Kin 陳健	Long 好倉	Corporate interest 公司權益	548,278,580 (Note 3) (附註 3)	20.82%
Argyle Street Management Holdings Limited	Long 好倉	Corporate interest 公司權益	548,721,080 (Note 3) (附註 3)	20.82%
Argyle Street Management Limited	Long 好倉	Investment manager 投資經理	548,278,580 (Note 3) (附註 3)	20.82%
ASM Connaught House General Partner II Limited	Long 好倉	Corporate interest 公司權益	534,851,080 (Note 3) (附註 3)	20.30%
ASM Connaught House Fund LP	Long 好倉	Beneficial interest and corporate interest 實益權益及公司權益	540,106,580 (Note 3) (附註 3)	20.50%

DIRECTORS' REPORT

董事會報告書

Name of Shareholder 股東名稱	Long/Short Positions 好倉/淡倉	Nature of Interest 權益性質	Number of Shares 股份數目	Percentage of Shareholding (direct or indirect) 持股份百分比 (直接或間接)
ASM Connaught House General Partner Limited	Long 好倉	Corporate interest 公司權益	540,106,580 (Note 3) (附註3)	20.50%
ASM Connaught House Fund II LP	Long 好倉	Corporate interest 公司權益	534,851,080 (Note 3) (附註3)	20.30%
Bishan Street Limited ("Bishan")	Long 好倉	Beneficial interest and security interest 實益權益及抵押權益	527,948,080 (Note 3) (附註3)	20.03%
Wang Hung Roger 王恒	Long 好倉	Beneficial interest and trustee 實益權益及受託人	397,129,000 (Note 4) (附註4)	15.07%
Wang Hsu Vivine H 王徐貞賢	Long 好倉	Interest of spouse and beneficiary of a trust 配偶權益及信託受益人	397,129,000 (Note 5) (附註5)	15.07%
GEICO Holdings Limited	Long 好倉	Corporate interest 公司權益	395,686,846 (Note 6) (附註6)	15.01%
Golden Eagle International Retail Group Limited	Long 好倉	Beneficial interest 實益權益	395,686,846 (Note 6) (附註6)	15.01%
Wang Dorothy S L	Long 好倉	Beneficiary of a trust 信託受益人	395,686,846	15.01%
Wang Janice S Y	Long 好倉	Beneficiary of a trust 信託受益人	395,686,846	15.01%
HSBC Holdings Plc	Long 好倉	Corporate interest 公司權益	250,000,000 (Note 7) (附註7)	9.48%

DIRECTORS' REPORT

董事會報告書

NOTES:

1. PRG Corporation is a wholly-owned subsidiary of East Crest which in turn is wholly-owned by PHB. By virtue of the SFO, PHB is deemed to be interested in the Shares held by PRG Corporation in the Company.
2. Puan Sri Chan Chau Ha alias Chan Chow Har is the wife of Tan Sri Cheng Heng Jem and is deemed to be interested in 1,448,270,000 Shares which Tan Sri Cheng Heng Jem is deemed to be interested in for the purposes of the SFO.
3. According to disclosure of interest filings available on the Stock Exchange's website, Mr. Chan Kin is deemed to be interested in the Shares held by several corporations which he directly or indirectly controls. Out of these 548,721,080 Shares, 3,748,080 Shares are interests in cash-settled unlisted derivatives.

Bishan and ASM Connaught House Fund LP beneficially owned 3,748,080 and 12,158,500 Shares respectively. Bishan also held 524,200,000 securities interest on the Shares among the 527,948,080 Shares it is interested in.

Bishan was held indirectly by Argyle Street Management Limited as the Investment Manager through ASM Connaught House Fund II LP, ASM Connaught House Fund LP and several other controlled corporations. ASM Connaught House General Partner II Limited and ASM Connaught House General Partner Limited were two wholly controlled corporations of Argyle Street Management Holding Limited. Mr. Chan Kin has 100% control over Argyle Street Management Limited through his 50.43% control over Argyle Street Management Holding Limited. Accordingly, Mr. Chan Kin, Argyle Street Management Holding Limited and Argyle Street Management Limited were deemed to be interested in an aggregate holding of 548,721,080 Shares by virtue of the SFO.

4. The capacities of Wang Hung Roger in holding the 397,129,000 Shares (Long position) were as to 8,289,154 Shares (Long position) as beneficial owner and 388,839,846 Shares (Long position) as trustee.
5. Wang Hsu Vivine H is the wife of Wang Hung Roger and is deemed to be interested in 397,129,000 Shares held by Wang Hung Roger.
6. Golden Eagle International Retail Group Limited is wholly-owned by GEICO Holdings Limited. By virtue of the SFO, GEICO Holdings Limited is deemed to be interested in the Shares held by Golden Eagle International Retail Group Limited in the Company.

附註：

1. PRG Corporation是East Crest的全資附屬公司，而East Crest又由PHB全資擁有。基於證券及期貨條例，PHB被視作於PRG Corporation在本公司持有的股份中擁有權益。
2. 潘斯里陳秋霞為丹斯里鍾廷森的妻子，基於證券及期貨條例，被視作擁有丹斯里鍾廷森被視為擁有權益的1,448,270,000股股份的權益。
3. 根據聯交所網站可得的權益披露資料，陳健先生被視為為數家其直接或間接控制的公司所持有的股份中擁有權益。在該等548,721,080股股份中3,748,080股股份為於非上市現金結算衍生工具中的權益。

Bishan及ASM Connaught House Fund LP分別實益擁有3,748,080及12,158,500股股份。在其擁有權益的527,948,080股股份中，Bishan亦於524,200,000股股份中擁有抵押權益。

Bishan由Argyle Street Management Limited（作為投資經理）透過ASM Connaught House Fund II LP、ASM Connaught House Fund LP及數家其他受控法團間接持有。ASM Connaught House General Partner II Limited及ASM Connaught House General Partner Limited為Argyle Street Management Holding Limited的兩家完全受控法團。陳健先生透過其擁有50.43%控制權的Argyle Street Management Holding Limited擁有Argyle Street Management Limited的100%控制權。因此，根據證券及期貨條例，陳健先生、Argyle Street Management Holding Limited及Argyle Street Management Limited被視為於合計548,721,080股股份的持股中擁有權益。

4. 王恒所持有的397,129,000股股份（好倉）中，8,289,154股股份（好倉）以實益擁有人身份持有，而388,839,846股股份（好倉）以受託人身份持有。
5. 王徐貞賢為王恒的妻子，被視作於王恒持有的397,129,000股股份中擁有權益。
6. Golden Eagle International Retail Group Limited由GEICO Holdings Limited全資擁有。基於證券及期貨條例，GEICO Holdings Limited被視作於Golden Eagle International Retail Group Limited所持有的本公司股份中擁有權益。

DIRECTORS' REPORT

董事會報告書

7. According to disclosure of interest filings available on the Stock Exchange's website, HSBC Holdings PLC is deemed to be interested in the Shares held through a number of its wholly-owned subsidiaries. The interest in the security is in the form of a "Charge" over the securities.

7. 根據聯交所網站可得的權益披露資料，HSBC Holdings PLC被視為於透過多家其全資附屬公司所持有的股份中擁有權益。抵押權益以證券「押記」形式表現。

As at 31 December 2019, as far as the Directors are aware, each of the following persons, not being a Director or Chief Executive of the Company, was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of a member of the Group other than the Company:

於二零一九年十二月三十一日，據董事所知，以下各位人士（並非本公司董事或最高行政人員）直接或間接持有本集團成員公司（本公司除外）任何類別股本（隨附權利可在任何情況下於股東大會上投票）面值10%或以上權益：

Substantial Shareholder 主要股東	Member of the Group 本集團成員公司	Percentage of Equity Interest Held 持有股權百分比
Xinjiang Youhao ¹ 新疆友好 ¹	Xinjiang Parkson 新疆百盛	49%
Wuxi Supply and Marketing ² 無錫供銷 ²	Wuxi Parkson 無錫百盛	40%
Guizhou Shenqi Enterprise ³ 貴州神奇實業 ³	Guizhou Parkson 貴州百盛	40%
Shanghai Nine Sea Industry 上海九海實業	Shanghai Lion Property ⁴ 上海金獅物業 ⁴	71%
Shanghai Nine Sea Industry 上海九海實業	Shanghai Nine Sea Parkson ⁵ 上海九海百盛 ⁵	29%
Newcore Retail Hong Kong Limited ⁶	Parkson Newcore Retail Shanghai Ltd. 百盛紐可爾瑞特商貿(上海)有限公司	51%
Newcore Retail Hong Kong Limited ⁷	Nanchang Parkson Newcore Retail Ltd. 南昌百盛紐客商貿有限公司	51%
Parkson Credit Holdings Sdn. Bhd.	Parkson Credit Sdn. Bhd.	30%
Koh Wee Lit	Habitat Blue Sdn. Bhd.	40.55%
Bernice Cheong Nyuk Siew	Habitat Blue Sdn. Bhd.	16.67%

DIRECTORS' REPORT

董事會報告書

NOTES:

1. Xinjiang Friendship (Group) Co., Ltd. owns 49% of the equity interest of Xinjiang Youhao Parkson Development Co., Ltd. ("Xinjiang Parkson").
2. Wuxi Supply and Marketing Group Co., Ltd. owns 40% of the equity interest of Wuxi Sanyang Parkson Plaza Co., Ltd. ("Wuxi Parkson").
3. (i) Guizhou Shenqi Enterprise, owns 40% of the equity interest of Guizhou Parkson.
(ii) Zhang Pei, Zhang Zhi Jun and Zhang Ya, own 30%, 40% and 30% of the equity interest in Guizhou Shenqi Enterprise, respectively, representing a 12%, 16% and 12% indirect equity interest in Guizhou Parkson.
4. Shanghai Nine Sea Lion Properties Management Co., Ltd. ("Shanghai Lion Property") is a cooperative joint venture enterprise established under the laws of the PRC between Shanghai Nine Sea Industry Co., Ltd. ("Shanghai Nine Sea Industry") and Exonbury Limited ("Exonbury"), a wholly-owned subsidiary of the Company. According to public records, Shanghai Nine Sea Industry and Exonbury owns 54.79% and 45.21% of the equity interest in Shanghai Lion Property respectively. Shanghai Nine Sea Industry and the Group are entitled to 71% and 29% of the voting rights in the board of Shanghai Lion Property respectively under a mutual agreement between both parties. Shanghai Nine Sea Industry and the Group are entitled to 65% and 35% of the distributable profits of Shanghai Lion Property respectively.
5. Shanghai Nine Sea Parkson Plaza Co., Ltd. ("Shanghai Nine Sea Parkson") is a cooperative joint venture enterprise established under the laws of the PRC between Shanghai Nine Sea Industry and Exonbury. According to public records, Exonbury owns 100% of the equity interest in Shanghai Nine Sea Parkson. Shanghai Nine Sea Industry and the Group are entitled to 29% and 71% of the voting rights in the board of Shanghai Nine Sea Parkson respectively under a mutual agreement between both parties. Shanghai Nine Sea Industry is entitled to a pre-determined distribution of income from Shanghai Nine Sea Parkson while the Group is entitled to 100% of its distributed profit after deducting the aforesaid pre-determined distribution of income attributable to Shanghai Nine Sea Industry.
6. Newcore Retail Hong Kong Limited ("Newcore Hong Kong") owns 51% of the equity interest in Parkson Newcore Retail Shanghai Ltd. ("Parkson Newcore").
7. Parkson Newcore owns 100% of the equity interest in Nanchang Parkson Newcore Retail Ltd. ("Nanchang Newcore"). Newcore Hong Kong owns 51% of the equity interest in Parkson Newcore, and thus Newcore Hong Kong is indirectly interested in 51% of the equity interest in Nanchang Newcore.

附註：

1. 新疆友好(集團)股份有限公司擁有新疆友好百盛商業發展有限公司(「新疆百盛」)49%權益。
2. 無錫供銷集團有限公司擁有無錫三陽百盛廣場有限公司(「無錫百盛」)40%權益。
3. (i) 貴州神奇實業擁有貴州百盛40%權益。
(ii) 張沛、張之君及張婭分別擁有貴州神奇實業的30%、40%及30%股權，佔貴州百盛的12%、16%及12%間接權益。
4. 上海九海金獅物業管理有限公司(「上海金獅物業」)為由上海九海實業有限公司(「上海九海實業」)及香港益盛普利有限公司(「益盛普利」，本公司全資附屬公司)根據中國法律成立的合作經營企業。根據公開記錄，上海九海實業及益盛普利分別擁有上海金獅物業的54.79%及45.21%權益。根據雙方協議，上海九海實業及本集團分別擁有上海金獅物業董事會71%及29%投票權。上海九海實業及本集團分別擁有上海金獅物業65%及35%可供分派利潤。
5. 上海九海百盛廣場有限公司(「上海九海百盛」)為由上海九海實業及益盛普利根據中國法律成立的合作經營企業。根據公開記錄，益盛普利擁有上海九海百盛100%股權。根據雙方協議，上海九海實業及本集團分別擁有上海九海百盛董事會29%及71%投票權。上海九海實業擁有上海九海百盛收入的預定分派，而本集團擁有上海九海百盛於扣除上述應屬於上海九海實業的預定分派利潤後的100%已分派利潤。
6. Newcore Retail Hong Kong Limited(「Newcore Hong Kong」)擁有百盛紐可爾瑞特商貿(上海)有限公司(「百盛紐可爾」)51%股權。
7. 百盛紐可爾擁有南昌百盛紐客商貿有限公司(「南昌紐客」)100%股權。Newcore Hong Kong擁有百盛紐可爾51%股權，故Newcore Hong Kong間接擁有南昌紐客51%股權。

DIRECTORS' REPORT

董事會報告書

Save as disclosed above and so far as the Directors are aware, as at 31 December 2019, no other person had an interest or short position in the Company's shares or underlying shares (as the case may be), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was otherwise directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any its subsidiaries was a party and in which a director of the Company or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the financial year 2019 or at any time during the year ended 31 December 2019.

No contract of significance was entered into between any member of the Group and a controlling shareholder of the Company or any of its subsidiaries corporations or contract of significance for the provision of services to any member of the Group by a controlling shareholder or any of its subsidiaries subsisted as at the end of the financial year 2019 or during the year ended 31 December 2019.

CONNECTED TRANSACTIONS OR CONTINUING CONNECTED TRANSACTIONS

There were no discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules during the year ended 31 December 2019 and up to the date of this report. None of the "Related Party Disclosures" as disclosed in Note 36 to the consolidated financial statements for the year ended 31 December 2019 constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules. To the extent of the above "Related Party Disclosures" constituted connected transactions or continuing connected transactions as defined in the Listing Rules, the company had complied with the relevant requirements under Chapter 14A of the Listing Rules during the year ended 31 December 2019.

除上文所披露者外，據董事所知，於二零一九年十二月三十一日，概無其他人士於本公司股份或相關股份（視情況而定）中，擁有任何根據證券及期貨條例第XV部第2及3分部的條文須知會本公司及聯交所的權益或淡倉，或直接或間接持有本集團任何成員公司任何類別股本（隨附權利可在任何情況下於股東大會上投票）面值10%或以上的權益。

董事於重大交易、安排或合約之權益

於二零一九財政年度末或於截至二零一九年十二月三十一日止年度內任何時間，概無存續由本公司或其任何附屬公司訂立，而本公司董事或其關聯方於當中直接或間接擁有重大權益之有關本集團業務之任何重大交易、安排或合約。

於二零一九財政年度末或截至二零一九年十二月三十一日止年度內，概無存續由本集團任何成員公司與本公司或其任何附屬公司控股股東訂立之重大合約或由控股股東或其任何附屬公司向本集團任何成員公司提供服務之重大合約。

關連交易或持續關連交易

截至二零一九年十二月三十一日止年度及直至本報告日期，概無根據上市規則須予披露的非豁免關連交易或非豁免持續關連交易。於截至二零一九年十二月三十一日止年度的綜合財務報表附註36披露的「關聯方披露」概無構成根據上市規則須予披露的非豁免關連交易或非豁免持續關連交易。倘上述「關聯方披露」構成上市規則定義的關連交易或持續關連交易，本公司已於截至二零一九年十二月三十一日止年度遵守上市規則第十四A章的有關要求。

Deed of Non-competition

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

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

Trademark license agreement

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

不競爭契據

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

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

商標特許協議

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

DIRECTORS' REPORT

董事會報告書

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

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

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

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

During the year ended 31 December 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed interest in any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands although there are no restrictions against such rights under the laws of the Cayman Islands.

EMOLUMENT POLICY AND PENSION SCHEMES

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

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

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

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

獨立非執行董事已審閱上述持續關連交易並確認該等交易乃按:

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

購買、銷售或贖回本公司的上市證券

截至二零一九年十二月三十一日止年度,本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券的權益。

優先購買權

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

酬金政策及退休金計劃

本集團了解與僱員保持良好關係的重要性。應付僱員酬金包括薪金及津貼/花紅。

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

本集團已獲其中國法律顧問告知,上述安排乃符合所有相關法例及法規。

MAJOR CUSTOMERS AND SUPPLIERS

As the Group is principally engaged in retail sales, none of its customers and suppliers accounted for more than 5% of its turnover for the year ended 31 December 2019. None of the directors or shareholders who owned 5% or more of the issued capital of the Company for the year ended 31 December 2019 or any of their respective associates held any interest in any of the five largest customers and suppliers of the Company for the year ended 31 December 2019.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float as at the latest practicable date prior to the issue of this annual report.

CORPORATE GOVERNANCE REPORT

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

AUDITOR

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

On behalf of the Board
Tan Sri Cheng Heng Jem
Executive Director & Chairman
24 February 2020

主要客戶及供應商

由於本集團主要從事零售業務，截至二零一九年十二月三十一日止年度，概無客戶及供應商佔其營業額5%以上。截至二零一九年十二月三十一日止年度，持有本公司已發行股本5%或以上的董事或股東或其各自聯繫人概無於截至二零一九年十二月三十一日止年度持有本公司五大客戶及供應商的任何權益。

足夠公眾持股量

於本年報刊發前的最後實際可行日期，本公司已維持足夠的公眾持股量。

企業管治報告

有關本公司的企業管治常規的詳情載於本年度報告「企業管治報告」一節內。

核數師

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

代表董事會
丹斯里鍾廷森
執行董事兼主席
二零二零年二月二十四日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



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

OPINION

We have audited the consolidated financial statements of Parkson Retail Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 96 to 236, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致百盛商業集團有限公司全體股東
(於開曼群島註冊成立的有限公司)

意見

吾等已審核載於第96頁至第236頁的百盛商業集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，該等綜合財務報表包括於二零一九年十二月三十一日的綜合財務狀況表，及截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，其中包括主要會計政策概要。

依照本核數師的意見，該等綜合財務報表根據國際會計準則委員會(「國際會計準則委員會」)所頒佈之《國際財務報告準則》(「國際財務報告準則」)真實而公允的反映了貴集團於二零一九年十二月三十一日的綜合財務狀況，以及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港《公司條例》的披露規定妥為編製。

意見的基礎

吾等已根據香港會計師公會(「香港會計師公會」)頒佈的《香港審核準則》(「香港審核準則」)進行審核。吾等就該等準則承擔的責任在本報告書核數師就審核綜合財務報表承擔的責任一節中進一步詳述。根據香港會計師公會的職業會計師道德守則(「守則」)，吾等獨立於貴集團，並已按照守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證能充足及適當地為吾等的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告書 (續)

KEY AUDIT MATTERS

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

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

關鍵審核事項

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

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

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 審核中對關鍵審核事項的處理方法
<p><i>Valuation of deferred tax assets</i> 遞延稅項資產估值</p> <p>The Group recognised deferred tax assets amounting to RMB34.9 million as at 31 December 2019 for the carryforward of unused tax losses to the extent that it is probable that future taxable profits will be available against which unused tax losses can be utilised. Assessing the forecasts of future taxable profits is complex and requires significant management estimates and judgements, in particular on the assumptions about the expected future market and economic conditions in the People's Republic of China (the "PRC") which impact the future operating performance of those entities that have carried forward unused tax losses. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter.</p> <p>於二零一九年十二月三十一日，貴集團在很有可能未來應課稅利潤來抵扣未利用稅項虧損的範圍內，確認結轉未利用稅項虧損的遞延稅項資產人民幣34.9百萬元。評估未來應課稅利潤的預測相當複雜，需要管理層作出重大估計及判斷，尤其有關中華人民共和國（「中國」）的預期未來市場及經濟狀況的假設，其將影響該等已結轉未利用稅項虧損實體的未來營運表現。鑒於有關金額及管理層所作判斷的程度相當重大，吾等將此視為一項關鍵審核事項。</p> <p>The Company's disclosures for deferred tax assets in respect of tax losses are included in notes 3 and 19 to the consolidated financial statements.</p> <p>有關貴公司稅項虧損的遞延稅項資產的披露載於綜合財務報表附註3和19。</p>	<p>Our audit procedures included, amongst others, evaluating management's assumptions and estimates, such as the revenue growth rate adopted in their forecast of future taxable profits. We assessed the historical accuracy of management's assumptions and the sensitivity analysis prepared by the Company. We also assessed the disclosures in the consolidated financial statements.</p> <p>吾等的審核程序包括但不限於評估管理層所作的假設與估計，如預測未來應課稅利潤採納的收益增長率。吾等評估管理層過往所作假設的準確性及貴公司所編製的敏感度分析。吾等亦評估載於綜合財務報表的披露。</p>

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告書 (續)

KEY AUDIT MATTERS (continued)

關鍵審核事項 (續)

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 審核中對關鍵審核事項的處理方法
<p data-bbox="162 517 627 546"><i>Impairment of property, plant and equipment</i></p> <p data-bbox="162 553 427 582">物業、廠房及設備減值</p> <p data-bbox="162 595 845 972">The Group operates department stores in the PRC. Having considered the loss-making performance of certain stores, management performed annual impairment testing with respect to the assets of those loss-making department stores with a total carrying amount of RMB402.9 million as at 31 December 2019 and no impairment was provided in the current year. The impairment testing requires management to make assumptions to be used in the underlying cash flow forecasts. The assumptions include expectations for gross margin and growth rates, as well as the overall market and economic conditions in the PRC. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter.</p> <p data-bbox="162 978 845 1227">貴集團於中國經營百貨店。考量到若干門店的虧損表現，管理層就該等虧損百貨店的資產進行年度減值測試。於二零一九年十二月三十一日，該等百貨店的賬面總值為人民幣402.9百萬元，且本年度並無減值撥備。減值測試需要管理層就預測相關現金流量作出假設，該等假設包括對毛利率及增長率，以及中國整體市場與經濟狀況的預測。鑒於有關金額及管理層所作判斷的程度相當重大，吾等將此視為一項關鍵審核事項。</p> <p data-bbox="162 1265 845 1355">The Company's disclosure for impairment of property, plant and equipment are included in notes 3 and 11 to the consolidated financial statements.</p> <p data-bbox="162 1361 845 1426">有關 貴公司物業、廠房及設備減值的披露載於綜合財務報表附註3和11。</p>	<p data-bbox="873 595 1433 972">Our audit procedures included, amongst others, evaluating the Group's policies and procedures to identify triggering events for potential impairment of assets related to the underperforming stores. We have also involved our internal valuation specialists to assist us in evaluating the assumptions, discount rate and methodologies used by the Group, and compared the key assumptions used in the impairment assessment to historical data of the Group and the external data in the similar industry to assess the assumptions made by management. We also assessed the disclosures in the consolidated financial statements.</p> <p data-bbox="873 978 1433 1249">吾等的審核程序包括但不限於評估 貴集團用以辨識引發有關業績欠佳門店的潛在資產減值事件之政策與程序。吾等亦委託吾等的內部估值團隊協助吾等評估 貴集團使用的假設、折現率及方法，並將在減值評估中所使用的關鍵假設與 貴集團歷史數據和相似行業的外部數據進行比較來評估管理層做出的假設。吾等亦評估綜合財務報表內的披露。</p>

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告書 (續)

KEY AUDIT MATTERS (continued)

關鍵審核事項 (續)

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 審核中對關鍵審核事項的處理方法
<p><i>Impairment of goodwill</i> 商譽減值</p> <p>Under IFRSs, the Group is required to perform an impairment assessment of goodwill at least annually. Management performed annual impairment testing with respect to the goodwill with a total carrying amount of RMB1,770.5 million as at 31 December 2019. This area was important to our audit due to the significance of the amount as well as the judgement involved in the assessment. Management's assessment process is complex and highly judgemental and is based on assumptions, in particular those relating to gross margin and growth rates, as well as the overall market and economic conditions. Given the sensitivity of the assumptions and the level of judgement involved, we consider this as a key audit matter.</p> <p>根據國際財務報告準則，貴集團每年至少需進行一次商譽減值評估。管理層就於二零一九年十二月三十一日總賬面值為人民幣1,770.5百萬元的商譽進行年度減值測試。由於金額的重大以及評估中涉及判斷，該部分對吾等審核而言屬重要。管理層的評估過程相當複雜、需作出大量判斷且為基於假設作出，尤其是有關毛利率及增長率的假設以及整體市場及經濟狀況。鑒於假設的敏感度及其涉及的判斷程度，吾等將此視為一項關鍵審核事項。</p> <p>The Company's disclosures for impairment of goodwill are included in notes 3 and 14 to the consolidated financial statements. 有關貴公司商譽減值的披露載於綜合財務報表附註3和14。</p>	<p>Our audit procedures included, amongst others, evaluating the discount rate and methodologies used by the Group with the assistance of our internal valuation specialists, and comparing the key assumptions used in the impairment assessment to the historical data of the Group and the external data in the similar industry, and assessing the assumptions made by management. We also focused on the Company's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill.</p> <p>吾等的審核程序包括但不限於吾等在吾等的內部估值團隊的協助下評估貴集團所用的折現率及方法，並將在減值評估中所使用的關鍵假設與貴集團歷史數據和相似行業的外部數據進行比較並評估管理層做出的假設。吾等亦特別關注貴公司對該等假設所作披露，該等假設指對於減值測試結果最敏感者，即對於釐定商譽可收回金額之最具重大影響的假設。</p>

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告書（續）

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

載於年度報告中的其他資料

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

吾等對於綜合財務報表的意見不包括其他資料，亦不對此發表任何形式的鑒證結論。

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

董事就綜合財務報表須承擔的責任

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

在編製綜合財務報表時，貴公司董事須負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及以持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

貴公司董事由審核委員會協助履行其監督貴集團財務報告過程的責任。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告書 (續)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

核數師就審核綜合財務報表承擔的責任

吾等的目標乃就綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告書。吾等的報告書乃根據香港《公司條例》第405條僅向作為法人團體的股東報告，除此以外，不可用作其他用途。吾等概不會就本報告書的內容對任何其他人士負責或承擔法律責任。

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

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

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 瞭解與審核相關的內部控制，以設計在有關情況下屬適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告書（續）

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

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

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

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

核數師就審核綜合財務報表承擔的責任（續）

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告書 (續)

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 Melody Lam Siu Wah.

Ernst & Young
Certified Public Accountants
Hong Kong
24 February 2020

核數師就審核綜合財務報表承擔的責任 (續)

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

出具獨立核數師報告書的審核項目合夥人為林紹華女士。

安永會計師事務所
執業會計師
香港
二零二零年二月二十四日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
REVENUE	收益	4	4,568,503	4,372,462
Other operating revenues	其他經營收益	4	457,515	475,346
Total operating revenues	經營收益總額		5,026,018	4,847,808
OPERATING EXPENSES	經營開支			
Purchases of goods and changes in inventories	購買貨物及存貨變動		(2,270,490)	(1,979,633)
Staff costs	員工成本		(666,641)	(684,216)
Depreciation and amortisation	折舊及攤銷		(696,674)	(265,408)
Rental expenses	租金開支		(113,933)	(937,327)
Other operating expenses	其他經營開支		(803,796)	(811,292)
Total operating expenses	經營開支總額		(4,551,534)	(4,677,876)
PROFIT FROM OPERATIONS	經營利潤		474,484	169,932
Finance income	財務收入	6	75,411	139,900
Finance costs	財務成本	6	(662,878)	(208,056)
Share of profits and losses of:	應佔利潤及虧損：			
A joint venture	一家合營企業	15	13,594	16,187
Associates	聯營公司	16	7,074	7,874
Gains on disposal of plant, property and equipment, net	出售物業、廠房及設備的所得，淨額		43,703	-
(LOSS)/PROFIT BEFORE TAX	稅前（虧損）／利潤	5	(48,612)	125,837
Income tax expense	所得稅支出	9	(155,068)	(180,449)
LOSS FOR THE YEAR	年度虧損		(203,680)	(54,612)
Attributable to:	以下項目應佔：			
Owners of the parent	母公司所有人		(222,751)	(79,283)
Non-controlling interests	非控股權益		19,071	24,671
			(203,680)	(54,612)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益持有人應佔每股虧損	10		
Basic	基本		(RMB0.085) (人民幣0.085元)	(RMB0.030) (人民幣0.030元)
Diluted	攤薄		(RMB0.085) (人民幣0.085元)	(RMB0.030) (人民幣0.030元)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
LOSS FOR THE YEAR	年度虧損	(203,680)	(54,612)
OTHER COMPREHENSIVE INCOME	其他全面收入		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:	在以後期間可能重分類至損益的其他全面收入：		
Exchange differences on translation of foreign operations	換算海外業務時產生之匯兌差異	(71,354)	(174,096)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	年度稅後其他全面收入	(71,354)	(174,096)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年度全面收入總額	(275,034)	(228,708)
Attributable to:	以下項目應佔：		
Owners of the parent	母公司所有人	(294,105)	(253,379)
Non-controlling interests	非控股權益	19,071	24,671
		(275,034)	(228,708)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2019 二零一九年十二月三十一日

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Notes 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	11	物業、廠房及設備	3,449,090	3,894,419
Investment properties	12	投資物業	303,292	30,293
Right-of-use assets	13(b)	使用權資產	3,248,189	-
Prepaid land lease payments	13(a)	預付土地租賃款	381,185	394,497
Intangible assets	14	無形資產	1,792,053	1,797,675
Investment in a joint venture	15	於一家合營企業的投資	26,934	28,517
Investments in associates	16	於聯營公司的投資	41,769	34,792
Trade receivables	21	應收貿易款項	78,482	91,596
Other assets	17	其他資產	433,331	132,657
Time deposits	24	定期存款	787,899	1,433,142
Deferred tax assets	19	遞延稅項資產	227,586	186,576
Total non-current assets		非流動資產總額	10,769,810	8,024,164
CURRENT ASSETS		流動資產		
Inventories	20	存貨	384,041	350,083
Trade receivables	21	應收貿易款項	265,536	290,183
Prepayments and other receivables		預付款項及其他		
	22	應收款項	420,812	490,462
Financial assets at fair value through profit or loss		按公允價值計量且其變動計入損益之		
	23	金融資產	250,761	544,593
Investments in principal guaranteed deposits	18	保本存款投資	250,050	664,780
Time deposits	24	定期存款	939,482	683,863
Cash and cash equivalents	24	現金及現金等價物	2,265,508	1,544,354
Total current assets		流動資產總額	4,776,190	4,568,318
CURRENT LIABILITIES		流動負債		
Trade payables	25	應付貿易款項	(1,136,563)	(1,354,766)
Other payables and accruals		其他應付款項及		
	26	應計項目	(637,769)	(719,515)
Contract liabilities	27	合約負債	(685,792)	(782,389)
Interest-bearing bank loans	28	計息銀行貸款	(1,011,588)	(321,646)
Lease liabilities	13(c)	租賃負債	(474,677)	-
Tax payable		應繳稅項	(60,654)	(59,991)
Total current liabilities		流動負債總額	(4,007,043)	(3,238,307)
NET CURRENT ASSETS		流動資產淨值	769,147	1,330,011
TOTAL ASSETS LESS CURRENT LIABILITIES		總資產減流動負債	11,538,957	9,354,175

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表 (續)

31 December 2019 二零一九年十二月三十一日

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		Notes 附註		
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank loans	計息銀行貸款	28	(3,013,883)	(3,721,241)
Long term payables	長期應付款項		-	(727,970)
Lease liabilities	租賃負債	13(c)	(3,865,554)	-
Deferred tax liabilities	遞延稅項負債	19	(313,187)	(280,114)
Total non-current liabilities	非流動負債總額		(7,192,624)	(4,729,325)
Net assets	資產淨值		4,346,333	4,624,850
EQUITY	權益			
Equity attributable to owners of the parent	母公司所有應佔權益			
Issued capital	已發行股本	29	55,477	55,477
Reserves	儲備	30	4,175,184	4,454,462
			4,230,661	4,509,939
Non-controlling interests	非控股權益		115,672	114,911
Total equity	總權益		4,346,333	4,624,850

Tan Sri Cheng Heng Jem

Director

丹斯里鍾廷森

董事

Juliana Cheng San San

Director

鍾珊珊

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

	Notes 附註	Attributable to owners of the parent 母公司所有人應佔							Non- controlling interests RMB'000 人民幣千元	Total equity RMB'000 人民幣千元
		Issued capital RMB'000 人民幣千元 (note 29) (附註29)	PRC reserve funds RMB'000 人民幣千元 (note 30 (a)) (附註30 (a))	Exchange reserve RMB'000 人民幣千元	Asset revaluation reserve RMB'000 人民幣千元 (note 30 (b)) (附註30 (b))	Retained earnings RMB'000 人民幣千元	Total RMB'000 人民幣千元			
		已發行股本	中國公積金	匯兌儲備	資產重估 儲備	保留盈利	總計			
At 31 December 2018	於二零一八年十二月三十一日	55,477	285,769*	(434,615)*	251,412*	4,351,896*	4,509,939	114,911	4,624,850	
Effect of adoption of IFRS 16	採納國際財務報告準則第16號的影響	2.2(a)	-	-	-	14,827	14,827	-	14,827	
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)	55,477	285,769	(434,615)	251,412	4,366,723	4,524,766	114,911	4,639,677	
(Loss)/profit for the year	年度(虧損)/利潤	-	-	-	-	(222,751)	(222,751)	19,071	(203,680)	
Exchange differences related to foreign operations	換算海外業務時產生的匯兌差異	-	-	(71,354)	-	-	(71,354)	-	(71,354)	
Total comprehensive income for the year	年度全面收入總額	-	-	(71,354)	-	(222,751)	(294,105)	19,071	(275,034)	
Transfer to the PRC reserve funds	轉撥至中國公積金	-	2,916	-	-	(2,916)	-	-	-	
Dividends paid to non-controlling shareholders	已付非控股股東股息	-	-	-	-	-	-	(18,310)	(18,310)	
At 31 December 2019	於二零一九年十二月三十一日	55,477	288,685*	(505,969)*	251,412*	4,141,056*	4,230,661	115,672	4,346,333	

* As at 31 December 2019, these reserve accounts comprise the consolidated reserves of RMB4,175,184,000 (31 December 2018: RMB4,454,462,000) in the consolidated statement of financial position.

* 於二零一九年十二月三十一日，該等儲備賬目組成綜合財務狀況表內的綜合儲備人民幣4,175,184,000元(二零一八年十二月三十一日：人民幣4,454,462,000元)。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表 (續)

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Attributable to owners of the parent 母公司所有人應佔								
		Issued capital	PRC reserve funds	Exchange reserve	Asset revaluation reserve	Retained earnings	Total	Non-controlling interests	Total equity	
		已發行股本	中國公積金	匯兌儲備	資產重估儲備	保留盈利	總計	非控股權益	總權益	
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
		(note 29)	(note 30 (a))		(note 30 (b))					
		(附註29)	(附註30 (a))		(附註30 (b))					
At 1 January 2018	於二零一八年一月一日	55,477	283,457	(260,519)	251,412	4,544,136	4,873,963	45,142	4,919,105	
(Loss)/profit for the year	年度(虧損)/利潤	-	-	-	-	(79,283)	(79,283)	24,671	(54,612)	
Exchange differences related to foreign operations	換算海外業務時產生的匯兌差異	-	-	(174,096)	-	-	(174,096)	-	(174,096)	
Total comprehensive income for the year	年度全面收入總額	-	-	(174,096)	-	(79,283)	(253,379)	24,671	(228,708)	
Acquisition of non-controlling interests	收購非控股權益	-	-	-	-	(31,608)*	(31,608)	30,150*	(1,458)	
Transfer to the PRC reserve funds	轉撥至中國公積金	-	2,312	-	-	(2,312)	-	-	-	
Interim 2018 dividend paid	已付二零一八年中股息	-	-	-	-	(79,037)	(79,037)	-	(79,037)	
Acquisition of a subsidiary	收購一家附屬公司	31	-	-	-	-	-	28,706	28,706	
Dividends paid to non-controlling shareholders	已付非控股股東股息	-	-	-	-	-	-	(13,758)	(13,758)	
At 31 December 2018	於二零一八年十二月三十一日	55,477	285,769	(434,615)	251,412	4,351,896	4,509,939	114,911	4,624,850	

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

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

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Notes 附註			
CASH FLOWS FROM OPERATING ACTIVITIES		經營活動的現金流量		
(Loss)/profit before tax		稅前(虧損)/利潤	(48,612)	125,837
Adjustments for:		就以下各項作出調整:		
Share of profits and losses of a joint venture and associates		應佔一家合營企業及聯營公司利潤及虧損	(20,668)	(24,061)
Finance income	6	財務收入	(75,411)	(139,900)
Finance costs	6	財務成本	662,878	208,056
Depreciation and amortisation		折舊及攤銷	696,674	266,447
(Gains)/losses on disposal of items of property, plant and equipment, net		出售物業、廠房及設備的(所得)/虧損·淨額	(43,703)	17,363
Impairment of inventories		存貨減值	198	-
Reversal of impairment of other receivables		其他應收款項減值撥回	(43)	(6,071)
Impairment of receivables	5	應收款項減值	14,871	2,439
Impairment of property, plant and equipment		物業、廠房及設備減值	-	7,843
Foreign exchange loss	5	匯兌虧損	24,295	-
			1,210,479	457,953
(Increase)/decrease in other assets		其他資產(增加)/減少	(70,607)	78,366
Increase in inventories		存貨增加	(34,156)	(35,627)
Decrease/(increase) in trade receivables		應收貿易款項減少/(增加)	22,890	(4,028)
Decrease in prepayments and other receivables		預付款項及其他應收款項減少	32,495	74,649
Decrease in trade payables		應付貿易款項減少	(218,203)	(129,646)
Decrease in other payables and accruals		其他應付款項及應計項目減少	(34,049)	(753,190)
(Decrease)/increase in contract liabilities		合約負債(減少)/增加	(96,597)	782,389
(Decrease)/increase in long term payables		長期應付款項(減少)/增加	(57,323)	23,403
Cash generated from operations		經營活動產生的現金	754,929	494,269
Income tax paid		已付所得稅	(153,028)	(118,970)
Net cash flows from operating activities		經營活動產生的現金流量淨額	601,901	375,299

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表 (續)

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年	2018 二零一八年
	Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES 投資活動的現金流量			
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備所得款項	89,695	874
Purchases of items of property, plant and equipment	購買物業、廠房及設備	(131,504)	(347,173)
Dividends received	已收股息	15,274	18,213
Interest received	已收利息	81,725	116,387
Decrease in financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益之金融資產減少	293,832	1,059,837
Decrease in investments in principal guaranteed deposits	保本存款投資減少	414,730	2,495,680
Acquisition of a subsidiary	收購一家附屬公司	31	(70,841)
Decrease/(increase) in time deposits with original maturity of more than three months when acquired	購入時原有到期日超過三個月的定期存款減少／(增加)	389,624	(2,090,940)
Litigation compensation paid	已付法律訴訟賠償	-	(90,000)
Income tax paid on investing activities	就投資活動已付之所得稅	(12,645)	(75,098)
Proceeds from subleases	轉租賃所得款項	62,833	-
Repayment of a loan from an associate	收到一家聯營公司償還的貸款	-	9,800
Net cash flows from investing activities	投資活動所產生的現金流量淨額	1,203,564	1,026,739
CASH FLOWS FROM FINANCING ACTIVITIES 融資活動的現金流量			
Increase in an amount due to the ultimate holding company	應付最終控股公司款項增加	26(c)	4,886
Net proceeds from bank loans	銀行貸款所得款項淨額	3,465,426	3,542,945
Repayment of bank loans	償還銀行貸款	(3,566,172)	(727,329)
Repurchase of bonds	購回債券	-	(3,077,639)
Interest paid	已付利息	(227,616)	(235,336)
Dividends paid	已付股息	-	(79,037)
Payment of lease liabilities	租賃負債付款	(730,556)	-
Distribution to non-controlling shareholders	分派予非控股股東	(18,310)	(13,758)
Net cash flows used in financing activities	融資活動所用現金流量淨額	(1,072,342)	(590,154)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表 (續)

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Notes	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		附註		
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物 增加淨額		733,123	811,884
Cash and cash equivalents at beginning of year	年初的現金及現金等價物		1,544,354	726,724
Effect of foreign exchange rate changes, net	匯率變動之影響，淨額		(11,969)	5,746
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末的現金及現金 等價物		2,265,508	1,544,354
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物 結餘分析			
Cash and bank balances	現金及銀行結餘	24	788,901	1,112,087
Non-pledged time deposits with original maturity of less than three months when acquired	購入時原有到期日不足 三個月的無抵押 定期存款		1,476,607	432,267
Cash and cash equivalents as stated in the statement of cash flows	現金流量表所列現金 及現金等價物	24	2,265,508	1,544,354

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

Parkson Retail Group Limited is a limited liability company incorporated in the Cayman Islands on 3 August 2005. The Company has established a principal place of business in Hong Kong in Room 1010, 10th floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

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

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

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

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

1. 公司及集團資料

百盛商業集團有限公司於二零零五年八月三日在開曼群島註冊成立為有限公司。本公司於香港的主要營業地點為香港灣仔告士打道39號夏慤大廈10樓1010室。

年度期間，本集團在中華人民共和國（「中國」）經營及管理百貨店網絡。

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

有關附屬公司的資料

本公司附屬公司的詳情如下：

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下: (續)

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下: (續)

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Paid-up capital 繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Anshan Tianxing Parkson Shopping Centre Co., Ltd. *** 鞍山天興百盛購物中心有限公司	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	-	100	Operation of department stores 經營百貨店
Guizhou Shenqi Parkson Retail Development Co., Ltd. *** 貴州神奇百盛商業發展有限公司	The PRC 中國	RMB17,000,000 人民幣 17,000,000元	-	60	Operation of department stores 經營百貨店
Parkson Investment Holdings Co., Ltd. * 金獅百盛投資有限公司	The PRC 中國	US\$30,000,000 30,000,000美元	-	100	Investment holding 投資控股
Parkson Retail Development Co., Ltd. ("Beijing Parkson")* 百盛商業發展有限公司(「北京百盛」)	The PRC 中國	US\$16,680,000 16,680,000美元	-	100	Operation of department stores 經營百貨店
Global Heights Investment Limited 宇盛投資有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Asia Victory International Limited 勝信國際有限公司	British Virgin Islands 英屬處女群島	US\$50,000 50,000美元	-	100	Investment holding 投資控股
Shunhe International Investment Limited 順和國際投資有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	100	Investment holding 投資控股
Kunming Yun Shun He Retail Development Co., Ltd. * 昆明雲順和商業發展有限公司	The PRC 中國	RMB30,000,000 人民幣 30,000,000元	-	100	Operation of department stores 經營百貨店
Creation (Hong Kong) Investment & Development Limited 創意(香港)投資發展有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	100	Investment holding 投資控股
Creation International Investment & Development Limited 創意國際投資發展有限公司	British Virgin Islands 英屬處女群島	US\$50,000 50,000美元	-	100	Investment holding 投資控股

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下: (續)

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下: (續)

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Paid-up capital 繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Lanzhou Parkson Retail Co., Ltd. * 蘭州時尚百盛商業有限公司	The PRC 中國	RMB20,000,000 人民幣 20,000,000元	-	100	Operation of department stores 經營百貨店
Capital Park Development Limited	British Virgin Islands 英屬處女群島	US\$2 2美元	-	100	Investment holding 投資控股
Capital Park (HK) Investment & Development Limited 凱邦(香港)投資發展有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Malverest Trading International Limited	British Virgin Islands 英屬處女群島	US\$2 2美元	-	100	Investment holding 投資控股
Malverest (Hong Kong) Limited 先峰(香港)有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Oroleon International Limited	British Virgin Islands 英屬處女群島	US\$2 2美元	-	100	Investment holding 投資控股
Oroleon (Hong Kong) Limited	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Releomont International Limited	British Virgin Islands 英屬處女群島	US\$2 2美元	-	100	Investment holding 投資控股
Releomont (Hong Kong) Limited 利奧萬(香港)有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Leonemas International Limited	British Virgin Islands 英屬處女群島	US\$2 2美元	-	100	Investment holding 投資控股
Leonemas (Hong Kong) Limited 利內滿(香港)有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Anshan Parkson Retail Development Co., Ltd. 鞍山百盛商業發展有限公司	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	-	100	Operation of department stores 經營百貨店

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下: (續)

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下: (續)

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下: (續)

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下: (續)

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下: (續)

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下: (續)

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Paid-up capital 繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Shanghai Parkson Food & Beverage Management Co., Ltd.* 上海偉盛餐飲管理有限公司	The PRC 中國	RMB1,000,000 人民幣 1,000,000元	-	100	Food and beverage management services 餐飲管理服務
Kunming Hogan Food & Beverage Management Co., Ltd. **** 昆明哈肯舖餐飲管理有限公司	The PRC 中國	RMB1,000,000 人民幣 1,000,000元	-	100	Food and beverage operation 經營餐飲業
Guizhou Tongren Parkson Retail Co., Ltd.* 貴州銅仁百盛商業有限公司	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	-	100	Operation of department stores 經營百貨店
Jiangxi Parkson Shopping Centre Management Co., Ltd.* 江西百盛購物中心管理有限公司	The PRC 中國	RMB30,000,000 人民幣 30,000,000元	-	100	Property management 物業管理
Parkson Business Commerce Sole Co., Ltd.	Laos 老撾	LAK20,000,000,000 基普 20,000,000,000元	-	100	Operation of department stores 經營百貨店

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

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

2.1 BASIS OF PREPARATION

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下: (續)

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

2.1 編製基準

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

綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一九年十二月三十一日止年度的財務報表。附屬公司為一家由本公司直接或間接控制的實體(包括一家結構性實體)。當本集團有權參與投資對象的營運而獲得或有權取得各樣回報以及具有對投資對象行使其權力以影響投資者回報金額之能力,則達致控制權(即現有權利賦予本集團指導投資對象相關活動的現有能力)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

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

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

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

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

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

2.1 編製基準 (續)

綜合基準 (續)

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i>
IFRS 16	<i>Leases</i>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements to IFRSs 2015-2017 Cycle</i>	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

Except for the amendments to IFRS 9 and IAS 19, and *Annual Improvements to IFRSs 2015-2017 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

- (a) IFRS 16 replaces IAS 17 *Leases*, International Financial Reporting Interpretations Committee ("IFRIC") 4 *Determining whether an Arrangement contains a Lease*, Standing Interpretations Committee ("SIC") 15 *Operating Leases – Incentives* and SIC 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in IAS 17.

2.2 會計政策及披露之變動

本集團已於本年度的財務報表首次採用下列新訂及經修訂國際財務報告準則。

國際財務報告準則第9號之修訂	具有負補償的提前還款特性
國際財務報告準則第16號	租賃
國際會計準則第19號之修訂	計劃修訂、縮減或結算
國際會計準則第28號之修訂	於聯營公司及合營企業之長期權益
國際財務報告詮釋委員會第23號	所得稅處理之不確定性
國際財務報告準則二零一五年至二零一七年週期之年度改進	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號之修訂

除與編製本集團財務報表無關的國際財務報告準則第9號及國際會計準則第19號之修訂以及國際財務報告準則二零一五年至二零一七年週期之年度改進外，該等修訂的性質及影響如下：

- (a) 國際財務報告準則第16號取代國際會計準則第17號租賃、國際財務報告詮釋委員會（「國際財務報告詮釋委員會」）第4號釐定安排是否包括租賃、準則詮釋委員會（「準則詮釋委員會」）第15號經營租賃—獎勵及準則詮釋委員會第27號評估涉及租賃法律形式交易的內容。該準則載有租賃確認、計量、呈列和披露原則，並要求承租人在單一資產負債表的模型中計算所有租賃以確認及計量使用權資產及租賃負債，惟若干確認豁免除外。國際財務報告準則第16號大致沿用國際會計準則第17號內出租人的會計處理方式。出租人繼續使用與國際會計準則第17號類似的原則將租賃分類為經營租賃或融資租賃。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

For a sublease arrangement, the classification of the sublease is made by reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying asset. The Group reassessed sublease arrangements at 1 January 2019 that were previously classified as operating leases applying IAS 17 based on the remaining contractual terms and conditions of the head lease and sublease at 1 January 2019, and determined that some of these arrangements are finance leases applying IFRS 16. Accordingly, the Group recognised a net investment in subleases amounting to RMB328,518,000 and derecognised the corresponding right-of-use asset of the head lease amounting to RMB304,090,000, prepayments and other receivables amounting to RMB6,638,000, other payables and accruals amounting to RMB368,000, deferred tax assets amounting to RMB3,331,000, resulting in a gain of RMB14,827,000 recognised in the opening balance of retained profits at 1 January 2019.

The Group has adopted IFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under IAS 17 and related interpretations.

2.2 會計政策及披露之變動 (續)

(a) (續)

就轉租安排而言，轉租的分類乃參照主租賃產生的使用權資產而非參照相關資產。本集團於二零一九年一月一日根據二零一九年一月一日主租賃及轉租賃的餘下合約條款及條件重新評估過往應用國際會計準則第17號分類為經營租賃的轉租賃安排並應用國際財務報告準則第16號確定該等安排中的一些為融資租賃。因此，本集團於二零一九年一月一日確認轉租賃投資淨額人民幣328,518,000元並終止確認主租賃相關使用權資產人民幣304,090,000元、預付款項及其他應收款項人民幣6,638,000元、其他應付款項及應計項目人民幣368,000元、遞延稅項資產人民幣3,331,000元，致使於保留利潤期初結餘中確認利得人民幣14,827,000元。

本集團已採用經修訂追溯法採納國際財務報告準則第16號，並於二零一九年一月一日首次應用。根據該方法，本集團已追溯應用該準則，並將首次採納的累計影響確認為對於二零一九年一月一日之保留利潤期初結餘的調整，且概不會重列二零一八年的比較資料，而繼續根據國際會計準則第17號及相關詮釋作出報告。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

New definition of a lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

2.2 會計政策及披露之變動 (續)

(a) (續)

租賃的新定義

根據國際財務報告準則第16號，倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約是租賃或包含租賃。當客戶有權從使用可識別資產獲得絕大部分經濟利益以及擁有直接使用可識別資產的權利時，即有控制權。本集團選擇應用過渡性的實際權宜辦法以允許該準則僅適用於先前於首次應用日期已根據國際會計準則第17號及國際財務報告詮釋委員會第4號確定為租賃之合約。根據國際會計準則第17號及國際財務報告詮釋委員會第4號未確定為租賃的合約不會重新評估。因此，國際財務報告準則第16號項下的租賃定義僅適用於在二零一九年一月一日或之後訂立或變更的合約。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of property and other equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less ("short-term leases") (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019. The right-of-use assets were 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 1 January 2019.

All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

2.2 會計政策及披露之變動 (續)

(a) (續)

作為承租人 – 先前分類為經營租賃的租賃

採納國際財務報告準則第16號的影響性質

本集團擁有多個物業及其他設備項目的租賃合約。作為承租人，本集團先前根據對租賃是否將資產所有權的絕大部分回報及風險轉移至本集團的評估，將租賃分類為融資租賃或經營租賃。根據國際財務報告準則第16號，本集團採用單一方法確認及計量所有租賃的使用權資產及租賃負債，惟低價值資產租賃（按個別租賃基準選擇）及租期為12個月或以下的租賃（「短期租賃」）（按相關資產類別選擇）的兩項選擇性豁免除外。本集團自二零一九年一月一日開始確認使用權資產折舊（及減值，如有）及尚未償還租賃負債的應計利息（為融資成本），而非於租期內按直線法於經營租賃項下確認租金開支。

過渡影響

於二零一九年一月一日之租賃負債按剩餘租賃付款的現值，使用二零一九年一月一日的增量借款利率貼現後予以確認。使用權資產根據租賃負債金額計量，並就與緊接二零一九年一月一日前於財務狀況表確認的租賃相關的任何預付或應計租賃付款金額作出調整。

所有該等資產於該日均根據國際會計準則第36號就任何減值作出評估。本集團選擇於財務狀況表中單獨列示使用權資產。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

As a lessee – Leases previously classified as operating leases (continued)

Impact on transition (continued)

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application;
- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics when measuring the lease liabilities at 1 January 2019.

Financial impact at 1 January 2019

The impact arising from the adoption of IFRS 16 as at 1 January 2019 was as follows:

2.2 會計政策及披露之變動 (續)

(a) (續)

作為承租人 – 先前分類為經營租賃的租賃 (續)

過渡影響 (續)

於二零一九年一月一日應用國際財務報告準則第16號時，本集團使用以下選擇性實際權宜辦法：

- 對於租期自首次應用日期起12個月內終止的租賃應用短期租賃豁免；
- 於二零一九年一月一日計量租賃負債，對具有合理相似特徵的租賃組合採用單一折現率。

於二零一九年一月一日的財務影響

於二零一九年一月一日採納國際財務報告準則第16號產生的影響如下：

		RMB'000 人民幣千元
Assets	資產	
Increase in right-of-use assets	使用權資產增加	3,836,781
Increase in other assets	其他資產增加	262,015
Decrease in prepayments and other receivables	預付款項及其他應收款項減少	(14,261)
Decrease in deferred tax assets	遞延稅項資產減少	(3,331)
Increase in total assets	總資產增加	4,081,204
Liabilities	負債	
Increase in lease liabilities	租賃負債增加	4,770,431
Decrease in other payables and accruals	其他應付款項及應計項目減少	(33,407)
Decrease in long-term payables	長期應付款項減少	(670,647)
Increase in total liabilities	總負債增加	4,066,377
Increase in retained profits	保留利潤增加	14,827

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)
Financial impact at 1 January 2019 (continued)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

2.2 會計政策及披露之變動 (續)

(a) (續)
於二零一九年一月一日的財務影響 (續)

於二零一九年一月一日的租賃負債與二零一八年十二月三十一日的經營租賃承擔的對賬如下：

		RMB'000 人民幣千元
Operating lease commitments as at 31 December 2018	於二零一八年十二月三十一日的經營租賃承擔	7,495,208
Less: Commitments relating to short-term leases and those leases with a remaining lease term ended on or before 31 December 2019	減：與短期租賃及剩餘租期於二零一九年十二月三十一日或之前屆滿的租賃有關的承擔	(36,469)
Add: Payments for optional extension periods not recognised as at 31 December 2018	加：於二零一八年十二月三十一日未確認的可延期付款	93,245
		7,551,984
Weighted average incremental borrowing rate as at 1 January 2019	於二零一九年一月一日的加權平均增量借款利率	9.92%
Lease liabilities as at 1 January 2019	於二零一九年一月一日的租賃負債	4,770,431

(b) Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group considered that there are no long-term interests that in substance form part of the net investment in the associate or joint venture. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(b) 國際會計準則第28號之修訂釐清國際財務報告準則第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，實體應用國際財務報告準則第9號而非國際會計準則第28號（包括國際財務報告準則第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，國際會計準則第28號繼而應用於淨投資（包括長期權益）。本集團認為並無實質上構成於聯營公司或合營企業之淨投資一部分之長期權益。因此，該等修訂不會對本集團的財務狀況或表現產生任何影響。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(c) IFRIC 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup service charge and entrusted loan. Based on the Group's tax compliance and transfer pricing study, the Group determined that it is probable that its transfer pricing policy will be accepted by the tax authorities. Accordingly, the interpretation did not have any impact on the financial position or performance of the Group.

2.2 會計政策及披露之變動 (續)

(c) 國際財務報告詮釋委員會第23號提供倘稅項處理涉及影響國際會計準則第12號的應用的不確定性(通常稱之為「不確定稅務狀況」),對即期及遞延所得稅的會計處理方法。該詮釋不適用於國際會計準則第12號範圍外的稅項或徵稅,尤其亦不包括與不確定稅項處理相關的權益及處罰相關規定。該詮釋具體處理(i)實體是否考慮對不確定稅項進行單獨處理;(ii)實體對稅務機關的稅項處理檢查所作的假設;(iii)實體如何釐定應課稅利潤或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率;及(iv)實體對事實及情況變動的考慮。於採納該詮釋時,本集團考慮其是否有任何因集團內公司間服務費用及委託貸款的轉讓定價而引起的不確定稅務狀況。根據本集團的稅務合規及轉讓定價研究,本集團認為稅務機關很可能接納其轉讓定價政策。因此,該詮釋不會對本集團的財務狀況或表現產生任何影響。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

Amendments to IFRS 3	<i>Definition of a Business</i> ¹
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ²
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2020

² No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效的國際財務報告準則

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

國際財務報告準則第3號之修訂	<i>業務的定義</i> ¹
國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號之修訂	<i>利率基準改革</i> ¹
國際財務報告準則第10號及國際會計準則第28號之修訂	<i>投資者與其聯營或合營企業之間的資產出售或注資</i> ²
國際會計準則第1號及國際會計準則第8號之修訂	<i>重大性的定義</i> ¹

¹ 於二零二零年一月一日或以後開始之年度期間生效

² 尚未釐定強制生效日期惟可供採納

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

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

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

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

Amendments to IFRS 9, IAS 39 and IFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

有關預期適用於本集團的國際財務報告準則的進一步資料如下。

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

國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號(修訂本)旨在解決銀行同業拆息改革對財務申報的影響。該等修訂提供可在替換現有利率基準前的不確定期限內繼續進行對沖會計處理的暫時性補救措施。此外，該等修訂規訂公司須向投資者提供有關直接受該等不確定因素影響的對沖關係的額外資料。該等修訂於二零二零年一月一日或之後開始的年度期間生效。允許提早應用。預期該等修訂不會對本集團的財務報表造成任何重大影響。

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

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

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

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

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

2.4 主要會計政策概要

於聯營公司及合營企業的投資

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures (continued)

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

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

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

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

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

2.4 主要會計政策概要 (續)

於聯營公司及合營企業的投資 (續)

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

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill

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

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

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

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

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

2.4 主要會計政策概要 (續)

業務合併及商譽

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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

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

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

Fair value measurement

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

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

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

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

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

公允價值計量

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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

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

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

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

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

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

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

2.4 主要會計政策概要 (續)

公允價值計量 (續)

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

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

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

第一層－ 按同等資產或負債於活躍市場之報價（未經調整）計算

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

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

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

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

2.4 主要會計政策概要 (續)

非金融資產減值

倘存在減值跡象，或須對資產作出年度減值測試（存貨、遞延稅項資產、金融資產、投資物業、商譽及非流動資產除外）時，則估計資產的可收回金額。資產的可收回金額按資產或現金產生單位的使用價值及其公允價值減出售成本（以較高者為準）計算，並就個別資產釐定，除非有關資產並無產生現金流入，且在頗大程度上獨立於其他資產或資產類別（在此情況下，則會就該資產所屬的現金產生單位釐定可收回金額）。

減值虧損僅於資產賬面值超過其可收回金額時予以確認。在評估使用價值時，是將估計日後現金流量折算至現值，所用的稅後折現率可反映當前市場評估的貨幣時值及有關資產特定風險。減值虧損乃於產生期間在損益表中支銷，除非有關資產以重估價值入賬（在此情況下，減值虧損乃根據該重估資產的有關會計政策入賬）。

於各報告期末將評估有否跡象顯示以往確認的減值虧損可能不再存在或已減少。如存在該跡象，則估計可收回金額。以往確認的資產（不包括商譽）的減值虧損僅於用作釐定該資產可收回金額估計出現變動時撥回，惟撥回數額不得高於假設過往年度並無確認該資產減值虧損情況下而釐定的賬面值（扣除任何折舊／攤銷）。所撥回的該減值虧損，乃於撥回期間計入損益，除非資產以重估價值入賬（在此情況下，所撥回的減值虧損乃根據該重估資產的有關會計政策入賬）。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

2.4 主要會計政策概要 (續)

關聯方

在下列情況下，一方被視為與本集團有關連：

- (a) 該方為該名人士家族的人士或直系親屬，而該名人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團施加重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 倘符合下列任何條件，該方即屬實體：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 一間實體為另一實體的聯營公司或合營企業（或另一實體的母公司、附屬公司或同系附屬公司）；
 - (iii) 該實體及本集團均為同一第三方的合營企業；
 - (iv) 一家實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註（續）

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) (continued)

- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the parent of the Group.

2.4 主要會計政策概要（續）

關聯方（續）

(b) （續）

- (v) 該實體為離職後福利計劃，該計劃的受益人為本集團或與本集團有關的實體的僱員；
- (vi) 該實體由(a)項所述人士控制或共同控制；
- (vii) (a)(i)項所述人士對該實體有重大影響或屬該實體（或該實體的母公司）主要管理層成員；及
- (viii) 該實體或其任何集團成員公司提供主要管理人員服務予本集團或本集團之母公司。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

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

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal estimated useful lives for this purpose are as follows:

Land and buildings	35 – 45 years
Leasehold improvements	5 years
Motor vehicles	5 years
Equipment and fixtures	5 – 10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何減值虧損入賬。物業、廠房及設備的成本包括其購買價及將資產達致可使用狀態及運抵使用地點作擬定用途的任何直接應計成本。

物業、廠房及設備投入運作後產生的開支，例如維修及保養費用，一般於產生期間自綜合損益表扣除。倘符合確認標準，相關主要檢測費用可按撥充資本計入作為重置的資產賬面值。倘大部分物業、廠房及設備須不時重置，本集團則將該部分確認為個別具有特定使用年期的資產，並相應折舊。

折舊乃按直線法計算，以於其估計可使用年期內將各物業、廠房及設備的成本撇銷至其剩餘價值，就此所採用的主要估計使用年期如下：

土地及樓宇	35至45年
租賃物業裝修	5年
汽車	5年
設備及裝置	5至10年

當一項物業、廠房及設備的各部分可使用年期各有不同，此項目各部分的成本將按合理基礎分配，而每部分將作個別折舊。剩餘價值、可使用年期和折舊方法至少於各財政年度末進行檢討及調整（如適合）。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents stores, buildings and storage facilities under construction or renovation works in progress which are stated at cost less any impairment losses, and are not depreciated. Cost comprises development and construction expenditures incurred and other direct costs attributable to the development less any accumulated impairment losses. Construction in progress is reclassified to the appropriate category of property, plant and equipment or investment properties when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

Investment properties are measured at cost less accumulated depreciation and provision for any impairment in value. Depreciation is calculated on the straight-line basis over the expected useful life.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

物業、廠房及設備的項目包括初步確認的任何重大部分，如已處置或倘預期不會因使用或出售而產生任何未來經濟利益，則會終止確認。年內終止確認的資產因其出售或報廢並在本年損益表中被確認的任何損益，乃有關資產的銷售所得款項淨額與賬面值的差額。

在建工程指正在興建的百貨店、樓宇及倉儲設施，或正在進行的翻新工程。在建工程按成本減任何減值虧損入賬，且不會折舊。成本由已產生的開發及工程開支，以及來自開發的其他直接成本減任何累計減值虧損組成。在建工程在完成並可使用時會被重新分類至物業、廠房及設備或投資物業的合適類別。

投資物業

投資物業指土地及樓宇權益，持有作賺取租金收入及／或資本增值用途，而非用作生產或提供貨品或服務或作行政用途，或於日常業務過程中作銷售用途。

投資物業按成本減累計折舊及任何減值撥備計量。折舊按預計可使用年限以直線法計算。

任何報廢或出售投資物業的盈虧於報廢或出售年度的損益表中確認。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at least at each financial year end. The principal estimated useful lives for this purpose are as follows:

Computer software	5 years
Licence	10 – 14 years
Franchise agreement	10 years
Trademark	10 years
Customer relationship	5 years

Prepaid land lease payments

Prepaid land lease payments represent land use rights paid to the PRC government authorities. Land use rights are carried at cost and are charged to profit or loss on the straight-line basis over the respective periods of the rights ranging from 42 to 45 years. When the prepaid land lease payments cannot be allocated reliably between the land and buildings elements, the entire prepaid land lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

Leases (applicable from 1 January 2019)

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.4 主要會計政策概要 (續)

無形資產 (商譽除外)

另行收購的無形資產於初步確認時按成本計量。於業務合併時所收購無形資產的成本為該資產於收購日期的公允價值。無形資產的可使用年期評估為有限或無限。年期有限的無形資產隨後於可使用經濟年期內攤銷，並於有跡象顯示該無形資產可能出現減值時進行減值評估。可使用年期有限的無形資產的攤銷年期及攤銷方法至少於各財政年度末覆核一次。就此而言，主要估計使用年期如下：

電腦軟件	5年
特許權	10至14年
特許經營協議	10年
商標	10年
客戶關係	5年

預付土地租賃款

預付土地租賃款指向中國政府機關支付的土地使用權。土地使用權按成本入賬，並於有關權利介乎42年至45年的生效期內按直線法於損益內扣除。於預付土地租賃款未能在土地及樓宇項目之間可靠分配時，則全部預付土地租賃款會作為物業、廠房及設備的融資租賃一項列於土地及樓宇成本項下。

租賃 (自二零一九年一月一日起適用)

本集團在合約開始時評估合約是否為租賃或包含租賃。倘合約為換取對價而授予在一段期間內可識別資產的使用控制權，則該合約為租賃或包含租賃。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019) (continued)

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Property	2 – 16 years
----------	--------------

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 主要會計政策概要 (續)

租賃 (自二零一九年一月一日起適用) (續)

本集團作為承租人

本集團就所有租賃應用單一確認及計量方法，惟短期租賃及低價值資產租賃除外。本集團確認租賃負債以作出租賃付款，而使用權資產指使用相關資產的權利。

(a) 使用權資產

使用權資產於租賃開始日期 (即相關資產可供使用之日期) 確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就重新計量租賃負債作出調整。使用權資產的成本包括已確認的租賃負債金額，已發生的初始直接成本，以及於開始日期或之前作出的租賃付款減已收取的任何租賃優惠。使用權資產按直線法於租期及資產估計可使用年期 (以較短者為準) 內折舊如下：

物業	2至16年
----	-------

倘租賃資產的擁有權於租期完結前轉讓予本集團，或成本反映購買權獲行使，則使用資產的估計可使用年期計算折舊。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019) (continued)

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. Lease payments on short-term leases and leases of low-value-assets are recognised as an expense on a straight-line basis over the lease term.

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)(續)

本集團作為承租人(續)

(b) 租賃負債

於租賃開始日期，租賃負債按租期內作出的租賃付款之現值計予以確認。租賃付款包括固定付款(包括實質固定付款)減去任何應收租賃優惠、取決於某一指數或比率的可變租賃付款，以及預期在剩餘價值擔保下支付的金額。租賃付款亦包括本集團合理地肯定行使的購買選擇權之行使價，及如果租期反映了本集團行使終止選擇權，則終止租賃而需支付的罰款。不取決於某一指數或比率的可變租賃付款於觸發付款的事件或條件發生的期間確認為開支。

於計算租賃付款的現值時，因租賃中所隱含的利率不易確定，則本集團在租賃開始日期使用其增量借款利率。於開始日期之後，租賃負債的金額將會增加以反映利息的增加及就已作出的租賃付款作出扣減。此外，如有修改、租賃期限發生變化、租賃付款變化(例如指數或比率變動導致未來租賃付款發生變化)或購買相關資產的選擇權評估的變更，租賃負債的賬面值將重新計量。

(c) 短期租賃及低價值資產租賃

本集團對短期租賃(即自開始日期起計之租期不超過12個月且不包括購買選擇權的租賃)應用短期租賃確認豁免。本集團對被認為價值較低的辦公設備的租賃應用低價值資產確認豁免。倘本集團就低價值資產訂立租賃，則本集團決定是否按個別租賃基準將有關租賃撥充資本。短期租賃及低價值資產租賃的租賃付款於租期內以直線法確認為開支。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019) (continued)

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying assets to the lessee are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

2.4 主要會計政策概要 (續)

租賃 (自二零一九年一月一日起適用) (續)

本集團作為出租人

當本集團作為出租人，將租賃於租賃開始時 (或發生租賃變更時) 分為經營租賃或融資租賃。

本集團並無轉讓相關資產擁有權絕大部分風險及回報的租賃，均分類為經營租賃。當合約包含租賃及非租賃部分，本集團按相對單獨價格基準分配合約的代價至各租賃部分。租金收入於租期內按直線法列賬，並因其經營性質於損益表內列為收益。於協商及安排經營租賃時產生的初始直接成本乃加至租賃資產的賬面值，並按與租金收入相同之基準於租期內確認。或然租金於賺取期間確認為收入。

將相關資產擁有權附帶的絕大部分風險及回報轉讓予承租人的租賃，入賬列作融資租賃。於開始日期，租賃資產的成本按租賃付款及相關付款 (包括初步直接成本) 的現值進行資本化，並按相當於租賃投資淨額的金額呈列為應收款項。該等租賃的融資成本自損益表扣除，以產生租期內的固定定期費率。

本集團作為中介出租人時，本集團參照主租賃所產生的使用權資產將分租賃分類為融資租賃或經營租賃。倘本集團對屬於短期租賃的主租賃應用資產負債表外確認豁免，則本集團將分租賃分類為經營租賃。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable before 1 January 2019)

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Investments and other financial assets

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.

2.4 主要會計政策概要 (續)

租賃 (於二零一九年一月一日前適用)

凡資產所有權的絕大部分回報及風險轉移到本集團 (法定業權除外) 的租賃乃列為融資租賃。於融資租賃開始時，租賃資產的成本乃按最低租賃付款的現值撥充資本，並連同反映購買及融資的承擔 (不包括利息部分) 記賬。根據已撥充資本融資租賃 (包括融資租賃項下的預付土地租賃付款) 持有的資產均計入物業、廠房及設備內並按租期及資產的估計可使用年期的較短者折舊。有關租賃的融資成本乃於損益表內扣除以按租期提供一個扣除的固定比率。

透過具融資性質的租購合約收購的資產乃列作融資租賃，惟有關資產乃按估計可使用年期折舊。

資產擁有權之所有報酬和風險實質上仍由租賃公司持有之租約乃作為經營租約入賬。倘本集團為出租人，則本集團按租約租出之資產列作非流動資產並按租約年期以直線法自損益確認收入。倘本集團為承租人，經營租約之租金支出均以直線法按租約年期自損益表扣除。

投資及其他金融資產

初步確認及計量

於初步確認時，金融資產獲分類為其後按攤銷成本計量、按公允價值計量且其變動計入其他全面收入及按公允價值計量且其變動計入損益。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" 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. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured 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.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

初步確認及計量 (續)

於初步確認時，金融資產的分類取決於金融資產的合約現金流動特性及本集團管理資產的業務模式。除並不包含重大融資組成部分或本集團已就此應用不調整重大融資組成部分的影響的可行權宜方式中的簡易處理方法之應收貿易款項外，本集團初始按公允價值加上（倘金融資產並非經損益按公允價值入賬）交易成本計量金融資產。並不包含重大融資組成部分或本集團已就此應用可行權宜方式中的簡易處理方法之應收貿易款項，乃根據載於下文「收益確認」的政策按國際財務報告準則第15號釐定之交易價格計量。

為使金融資產按攤銷成本或按公允價值計量且其變動計入其他全面收入進行分類及計量，需產生就未償還本金款項僅支付本金及利息（「僅付本息」）的現金流量。金融資產如具備非僅屬本金及利息付款的現金流量，不論業務模式，均獲分類並按公允價值計入損益計量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式決定現金流量是否將來自收集合約現金流量、出售金融資產，或兩者皆有。按攤銷成本分類及計量的金融資產在旨在持有金融資產以收取合同現金流量的業務模式內持有，而按公允價值計入其他全面收益分類及計量的金融資產則在旨在持有以收集合同現金流量及出售的業務模式內持有。並非在上述業務模式內持有的金融資產則以按公允價值計入損益分類及計量。

所有以正常方式購買及出售金融資產均在交易日（即本集團承諾購買或出售資產的日期）確認。以正常方式購買或出售金融資產是指須按照市場規定或慣例通常訂立的期限內交付資產。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

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

This category includes wealth management products 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 statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

隨後計量

金融資產的隨後計量取決於其分類，詳情如下：

按攤銷成本計量的金融資產(債務工具)

按攤銷成本計量的金融資產隨後使用實際利率法計量，並須進行減值。當資產被終止確認、修改或減值，收益及虧損於損益表中確認。

按公允價值計量且其變動計入損益的金融資產

按公允價值計量且其變動計入損益的金融資產按公允價值列入財務狀況表，公允價值變動淨額於損益表中確認。

該類別包括本集團已不可撤銷地選擇按公允價值計量且其變動計入其他全面收入分類的理財產品。當確立支付權時，按公允價值計量且其變動計入損益分類為金融資產的有關股權投資的股息亦於損益表中確認為其他收入，與股息相關的經濟利益可能將流入本集團且股息金額可藉此計量。

終止確認金融資產

在下列情況下，本集團將終止確認金融資產(或(如適用)一項或一組同類金融資產的部分)(即從本集團綜合財務狀況表中去除)：

- 收取該項資產所得現金流量的權利經已屆滿；或
- 本集團已轉讓自資產收取現金流量的權利，或已根據一項「轉付」安排承擔責任，在無重大延誤情況下，將所得現金流量全數付予第三方；及本集團(a)已轉讓資產的絕大部分風險及回報；或(b)本集團並無轉讓或保留資產的絕大部分風險及回報，但已轉讓資產的控制權。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (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

The Group recognises an allowance for expected credit losses ("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).

2.4 主要會計政策概要 (續)

終止確認金融資產 (續)

倘本集團已轉讓其收取資產所得現金流量的權利或已訂立一項轉付安排，本集團評估是否以及在何種程度上保留該資產所有權的風險及回報。倘本集團並無轉讓或保留該資產的絕大部分風險及回報，或並無轉讓該資產的控制權，該資產在本集團持續參與該資產的前提下予以確認入賬。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債按反映本集團已保留權利及責任的基準計量。

倘以本集團就已轉讓資產作出保證的形式繼續參與，則已轉讓資產乃以該項資產的原賬面值及本集團或須償還的代價數額上限（以較低者為準）計量。

金融資產減值

本集團確認對並非按公允價值計量且其變動計入損益的所有債務工具預期信貸虧損（「預期信貸虧損」）的撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。

一般方式

預期信貸虧損分兩個階段進行確認。就自初步確認起未有顯著增加的信貸風險而言，預期信貸虧損提供予由未來12個月內可能發生違約事件而導致的信貸虧損（12個月預期信貸虧損）。就自初步確認起經已顯著增加的信貸風險而言，不論何時發生違約，於剩餘風險年期內的預期信貸虧損均須計提虧損撥備（年限內預期信貸虧損）。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (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 as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 主要會計政策概要 (續)

金融資產減值 (續)

一般方式 (續)

於各報告日期，本集團評估相關金融工具的信用風險自初始確認後是否已顯著增加。於作出評估時，本集團比較就金融工具於報告日期發生違約的風險與金融工具於首次確認當日發生違約的風險進行比較，並考慮合理可靠且毋須付出不必要的成本或努力即可獲得的資料（包括歷史及前瞻性資料）。

倘合約付款逾期90天，本集團認為金融資產違約。然而，於若干情況下，倘內部或外部資料顯示，在計及本集團持有的任何信貸提升措施前，本集團不大可能悉數收回未償還合約款項，則本集團亦可認為金融資產已違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

按攤銷成本計量的金融資產於一般方法下須減值，且除下文詳述該等金融資產被分類為以下預期信貸虧損計量階段。

第一階段 – 信貸風險自初步確認起並無顯著增加及虧損撥備乃按與12個月預期信貸虧損相等金額計量的金融工具

第二階段 – 信貸風險自初步確認起顯著增加，但並非信貸減值金融資產且其虧損撥備按與年限內預期信貸虧損相等金額計量的金融工具

第三階段 – 於報告日期信貸減值（但非購回或初始信貸減值）及虧損撥備乃按與年限內預期信貸虧損相等金額計量的金融資產

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, interest-bearing bank loans and lease liabilities.

Subsequent measurement

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

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

2.4 主要會計政策概要 (續)

金融負債

初步確認及計量

金融負債於初步確認時分類為按公允價值計量且其變動計入損益的金融負債、貸款及借貸、應付款項，或指定為有效對沖的對沖工具的衍生工具（如適用）。

所有金融負債於初步確認時按公允價值確認，及倘為貸款及借貸、應付款項，則扣除直接應佔交易成本確認。

本集團的金融負債包括應付貿易款項、其他應付款項及應計項目、計息銀行貸款及租賃負債。

隨後計量

金融負債的隨後計量取決於其分類，詳情如下：

按攤銷成本列賬的金融負債（貸款及借貸）

於初步確認後，計息貸款及借貸隨後以攤銷成本使用實際利率法計量，除非折現影響並不重大（在此情況下按成本呈列）。盈虧乃於負債終止確認時按實際利率攤銷過程在損益表中確認。

攤銷成本乃經計及收購所產生的任何折讓或溢價以及作為實際利率部分的費用或成本而計算。實際利率攤銷計入損益表中融資成本項下。

終止確認金融負債

當負債項下的責任獲解除或取消或屆滿時，終止確認金融負債。

倘現有金融負債被來自同一借款人但條款有重大差別的另一項負債所取代，或對現有負債的條款進行大幅修改，上述更替或修訂將被視作終止確認原有負債及確認新負債，而有關賬面值的差額於損益表內確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Offsetting of financial instruments

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.

Inventories

Inventories comprise merchandise purchased for resale and consumables and are stated at the lower of cost and net realisable value. The cost of merchandise is determined on the weighted average basis. Net realisable value is determined based on estimated selling prices less any estimated costs to be incurred to disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 主要會計政策概要 (續)

金融工具的抵銷

當目前有可執行法定權利抵銷已確認金額並擬按淨額基準結算，或同時變賣資產及償還負債，則金融資產及金融負債會互相抵銷，並在財務狀況表內以淨額列示。

存貨

存貨包括購入作轉售用途的貨品及消耗品，並按成本與可變現淨值的較低者入賬。貨品成本按加權平均基準釐定。可變現淨值以估計售價減任何因出售而將產生的估計成本為基準釐定。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及短期高流動投資（可隨時兌換為已知現金數額且價值變動風險不大，期限短，一般於收購後三個月內到期）減須按要求償還的銀行透支，且為本集團現金管理的一部分。

就本綜合財務狀況表而言，現金及現金等價物由手頭現金及銀行現金組成，包括定期存款及與現金性質類似的資產，該等資產的使用並不受限制。

撥備

當因過往事件而產生即期承擔（法定或推定）並可能導致日後資源流出以結付債務時，倘能可靠估計有關承擔的數額，則須就此確認撥備。

倘折現影響重大，則按預期須於日後就結付該債務所作的開支於報告期末的現值而確認撥備。折現現值數額值隨時間而增加的有關增幅於損益表內列為融資成本。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Coupon liabilities

Coupon liabilities are recognised as a reduction in revenues upon granting of bonus points to customers in accordance with the announced bonus points scheme. The Group estimates future redemption of bonus points based on its historical experiences.

Income tax

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

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

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

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要 (續)

優惠券負債

優惠券負債乃根據已公佈的積分計劃於授予客戶積分後確認為收益減少。本集團根據其過往經驗估計積分未來兌換數額。

所得稅

所得稅包括即期及遞延稅項。與在損益賬以外確認的項目有關的所得稅，乃於損益賬以外確認，即於其他全面收入或直接於股權確認。

即期稅項資產及負債乃根據於報告期末已頒佈或實質頒佈的稅率（及稅法），經計及本集團經營所在國家的現行詮釋及慣例，按預期可自稅務機關收回或支付予稅務機關的金額計算。

遞延稅項乃根據資產及負債的稅基及其就財務呈報目的賬面值之間於報告期末的所有暫時差額以負債法撥備。

已就所有應課稅暫時差額確認遞延稅項負債，惟以下各項除外：

- 在交易時不影響會計利潤及應課稅利潤或虧損的非業務合併交易中，初步確認商譽或資產或負債時產生的遞延稅項負債；及
- 就有關投資於附屬公司、聯營公司及合營企業的應課稅暫時差額而言，倘若撥回暫時差額的時間可以控制，並且暫時差額於可預見將來可能不會被撥回者。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carry-forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liability relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產根據所有可扣除的暫時差額、結轉未動用稅項抵免及任何未動用稅項虧損確認。應課稅利潤將可供用作抵銷可扣除暫時差額，並可利用結轉的未動用稅項抵免及未動用稅項虧損，方會確認遞延稅項資產，惟以下各項除外：

- 在交易時不影響會計利潤或應課稅利潤或虧損的非業務合併交易中，因初步確認資產或負債而產生的可扣除暫時差額有關的遞延稅項資產；及
- 就有關投資於附屬公司、聯營公司及合營企業的可扣除暫時差額而言，遞延稅項資產僅可在暫時差額將於可見將來撥回，並且應課稅利潤將可用以抵銷暫時差額的情況下確認。

遞延稅項資產的賬面值於各報告期末審閱及減少至不再有足夠的應課稅利潤可供所有或部分遞延稅項資產動用為止。未確認的遞延稅項資產於各報告期末重新評估，並以有足夠應課稅利潤可使全部或部分遞延稅項資產將被收回為限予以確認。

遞延稅項資產及負債按預期適用於變現資產或清償負債期間的稅率計量，並按報告期末已制訂或實質上已制訂的稅率（及稅法）為基準。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期的有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之不同稅務實體徵收之所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants

Government grants are recognised at their fair values where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

2.4 主要會計政策概要 (續)

政府補助

倘若合理保證可能收到補助並且符合所有附帶條件，則政府補助按其公允價值確認入賬。倘補助與某一開支項目有關，則於補助擬補償成本支銷期間內按系統基準確認為收入。

收益確認

來自客戶的合約收益

來自客戶的合約收益乃於按反映本集團預期有權交換該等貨品或服務的代價的金額將貨品或服務的控制權轉讓予客戶時確認。

當合約中的代價包括可變金額時，估計代價的金額為本集團將有權交換以將貨品或服務轉讓予客戶。可變代價乃於合約開始時估計且受約束，直至當可變代價的相關不確定性於其後解除，很可能不會發生已確認的累計收益金額的重大收益撥回為止。

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer.

Some contracts for the sale of goods provide customers with rights of return. The rights of return give rise to variable consideration.

Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(b) Provision of concessionaire sale services

Revenue from the provision of concessionaire sale services is recognised upon the commission rate of the gross concessionaire sales which was recognised upon the delivery of goods.

(c) Provision of consultancy and management services

Revenue from the provision of consultancy and management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

2.4 主要會計政策概要 (續)

收益確認 (續)

來自客戶的合約收益 (續)

(a) 銷售貨品

銷售貨品的收益於資產控制權轉讓至客戶時確認。

銷售貨品的若干合約為客戶提供退貨權。退貨權產生可變代價。

退貨權

就提供於特定期內的退貨權的合約而言，本集團採用預期價值法估計將不予退回的貨品，因該方法可最佳預期本集團將有權獲得的可變代價金額。本集團應用國際財務報告準則第15號有關限制估計可變代價的規定以釐定可計入交易價格的可變代價金額。就預期將予退回的貨品而言，退款負債（而非收益）獲確認。就從客戶處收回產品的權利而言，退貨權資產（及銷售成本的相應調整）亦獲確認。

(b) 提供特許專櫃銷售服務

提供特許專櫃銷售服務的收益經考慮及交付貨物時確認的特許專櫃銷售總額佣金率後確認。

(c) 提供諮詢及管理服務

提供諮詢及管理服務的收益於預期期間以直線法確認，因客戶同時收取及消耗本集團所提供的利益。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註（續）

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

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 shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Promotion income and minimum guaranteed sales commissions are recognised according to the underlying contract terms with concessionaires and as these services have been provided in accordance therewith.

Credit card handling fees, administration fees and service fees are recognised when the relevant services are rendered.

Display space leasing fees and equipment leasing income are recognised on a time proportion basis over the lease terms.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.4 主要會計政策概要（續）

收益確認（續）

其他來源收益

租金收入於租賃期間以時間比例基準確認。並非取決於某一指數或比率的可變租賃付款於產生的會計期間確認為收入。

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使用年期或較短時期（如適用）內所產生的估計未來現金收入準確貼現至該金融資產賬面淨值的折現率確認。

股息收入於股東收取款項的權利被確立時確認，與股息相關的經濟利益可能將流入本集團且股息金額可藉此計量。

促銷收入及最低銷售保證佣金乃根據與特許專櫃商訂立的相關合約條款，於按有關條款提供該等服務時確認。

信用卡手續費、行政費用及服務費用於提供有關服務時確認。

展銷場地租金及設備租賃收入以時間比例基準於各租賃的期限內確認。

合約負債

合同負債於本集團轉讓相關貨品或服務前收到客戶付款或付款到期（以較早者為準）時確認。倘本集團根據合同履約（即向客戶轉讓相關產品或服務的控制權），則合同負債確認為收益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other employee benefits

Pursuant to the relevant PRC laws and regulations, each of the PRC subsidiaries of the Group is required to participate in a retirement benefit scheme organised by the local municipal government whereby the Group is required to contribute a certain percentage of the salaries of its employees to the retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to pay the ongoing required contributions. Contributions made to the defined contribution retirement benefit scheme are charged to the statement of profit or loss as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in note 32 to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 主要會計政策概要 (續)

其他僱員福利

根據相關中國法律及法規，本集團各中國附屬公司均須參與當地市政府設立的退休福利計劃，據此本集團須按其僱員薪酬的若干百分比向退休福利計劃供款。本集團就退休福利計劃須承擔的唯一責任為持續支付所需的供款。向界定供款退休福利計劃作出的供款乃於產生時在損益表中扣除。

借貸成本

收購、建造或生產合資格資產（即需頗長時間方可作擬定用途或銷售的資產）直接應佔的借貸成本作為該等資產的成本部分撥充資本。有關借貸成本在資產大致可作擬定用途或銷售時不再撥充資本。在特定借貸撥作合資格資產的支出前暫時用作投資所賺取的投資收入須自撥充資本的借貸成本中扣除。所有其他借貸成本於產生期間支銷。借貸成本包括實體借用資金產生的利息及其他成本。

股息

末期股息將於股東大會上獲股東批准後確認為負債。建議末期股息披露於財務報表附註32。

由於本公司組織章程大綱及細則授權董事宣派中期股息，故中期股息乃同步建議及宣派。因此，中期股息乃於建議及宣派時即時確認為負債。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

These financial statements are presented in Renminbi, which is different from the functional currency of the Company – the United States dollar. The Company's consolidated financial statements are presented in Renminbi because management considers that a substantial majority of the group companies are in the PRC and the Group primarily generates and expends cash in Renminbi. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

As at the end of the reporting period, the assets and liabilities of the entities in the Group are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their profit or loss is translated into Renminbi at the weighted average exchange rates for the year.

2.4 主要會計政策概要 (續)

外幣

該等財務報表以人民幣呈列，與本公司的功能貨幣美元不同。本公司綜合財務報表以人民幣呈列的原因為管理層認為大多數集團公司乃位於中國，且本集團賺取及動用的現金亦主要為人民幣。本集團各實體的財務報表所列項目，乃按該實體自行決定的功能貨幣計量。本集團實體所錄得的外幣交易最初均按交易當日的匯率換算為功能貨幣。外幣計值的貨幣資產及負債以報告期末的匯率換算為功能貨幣。因結算或換算貨幣項目產生的差額於損益表中確認。

按外幣歷史成本計量的非貨幣項目，以初始交易日匯率換算。按公允價值計量的外幣非貨幣項目以計量公允價值日期的匯率換算。換算按公允價值計量的非貨幣項目所產生的收益或虧損與確認該項目公允價值變動的盈虧的處理方法一致（即於其他全面收入或損益中確認公允價值盈虧的項目的匯兌差額，亦分別於其他全面收入或損益中確認）。

於釐定就有關資產、開支或收入初步確認的匯率或終止確認有關預付代價的非貨幣性資產或非貨幣性負債的收入時，初步交易日期為本集團初步確認預付代價所產生的非貨幣性資產或非貨幣性負債的日期。倘存在多項預先付款或收款，本集團釐定有關各預先付款或收款的交易日期。

於報告期末，本集團實體的資產與負債乃根據於報告期末的現行匯率換算為本公司呈列貨幣，而彼等的損益乃按年內的加權平均匯率換算為人民幣。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Renminbi at the exchange rates prevailing at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Renminbi at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

2.4 主要會計政策概要 (續)

外幣 (續)

因此產生的匯兌差額將於其他全面收入確認及累計於匯兌儲備。當出售海外業務時，與該海外業務有關的其他全面收入部份將於損益表中確認入賬。

任何因收購海外業務而產生的商譽以及任何因收購而產生的資產與負債賬面值的公允價值調整，均被視作海外業務的資產與負債，並按收市匯率換算。

就綜合現金流量表而言，海外附屬公司產生的現金流量以現金流動當日的匯率換算為人民幣。海外附屬公司於整個年度內頻繁且經常產生的現金流量，以年內的加權平均匯率換算為人民幣。

3. 主要會計判斷及估計

編製本集團財務報表要求管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響所呈報的收益、開支、資產及負債金額、及其相關披露，以及或然負債的披露。該等假設及估計之不確定性或會導致日後受影響的資產或負債賬面值須作重大調整。

判斷

於應用本集團會計政策的過程中，除涉及估計的該等判斷外，管理層已作出以下對財務報表內已確認金額構成最重大影響的判斷：

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

Identifying performance obligations in sale of goods and commissions from concessionaire sales

The Group recognises revenue when a performance obligation is satisfied when control of goods or services is transferred to the customer on sale of goods and commissions from concessionaire sales. For contracts with customers, the Group determined that the performance obligations of for loyalty points programme are capable of being distinct. The Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis. The stand-alone selling price of the distinct goods or services underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service to a customer.

Property lease classification – Group as lessor

The Group has entered into sublease contracts for its department stores business. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as whether the lease term constituting a major part of the economic life of the investment properties and right-of-use assets and the present value of the minimum lease payments amounting to substantially all the fair value of the investment properties and right-of-use assets, whether it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases or finance leases.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for the lease of a property of which the lease has a short non-cancellable period of three years.

3. 主要會計判斷及估計 (續)

判斷 (續)

確定特許權銷售中的銷售貨品及佣金的履約義務

本集團於特許權銷售的銷售貨品及佣金的控制權轉讓至客戶之履約義務獲履行時確認收益。就與客戶的合約而言，本集團確定忠誠點數計劃的履約義務具有明顯區別。本集團按照相對獨立售價基準將交易價格分配至各履約責任。有關各履約責任的可區分貨物或服務的獨立售價於合約開始時釐訂。該價格指本集團將單獨向客戶出售承諾貨物或服務的價格。

物業租賃分類 – 本集團作為出租人

本集團就其百貨店業務訂立商業物業租賃。根據對有關安排條款及條件之評估，如租期是否構成投資物業及使用權資產之經濟壽命的主要部分且最低租賃款項現值是否等於投資物業及使用權資產之絕大部分公允價值，本集團是否已釐定其保留該等出租物業所有權附帶的絕大部分重大風險及回報，並將有關合約以經營租賃或融資租賃入賬。

釐定有重續選擇權合約的租期時所用重大判斷

本集團擁有若干包含續租權及終止權的租賃合約。本集團在評估是否行使續租權或終止權時作出判斷。換言之，本集團會考慮對其行使續租權或終止權構成經濟激勵的所有相關因素。於開始日期後，倘發生重大事件或情況出現重大變動，而該等事件或變動處於本集團的可控範圍內並影響其行使（或不行使）續租權或終止權的能力，例如對租賃物業進行重大改善或對租賃資產進行重大定制，則本集團將會重新評估租期。

本集團將續期作為租賃期的一部分，該租賃的租賃期為三年且無法撤銷。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

Tax provisions

Determining tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is assessed periodically to take into account all the changes in tax legislation and practices.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

3. 主要會計判斷及估計 (續)

判斷 (續)

稅項撥備

釐定稅項撥備涉及判斷若干交易的未來稅務處理。本集團仔細評估該等交易的稅務影響，並據此釐定稅項撥備。本集團將定期評估該等交易的稅務處理，藉此計入稅務條例及常規的所有變動。

投資物業與自用物業的分類

本集團釐定一項物業是否符合一項投資物業的資格，並已制定作出該判斷的標準。投資物業乃為賺取租金或資本增值或同時為兩者目的而持有的物業。因此，本集團考慮一項物業是否產生現金流量很大程度上獨立於本集團所持有的其他資產。部分物業包括為賺取租金或資本增值而持有的部分及另外為用於生產或供應貨物或服務或用作行政用途而持有的部分。倘該等部分能根據融資租賃被獨立出售或出租，本集團將個別對該等部分進行會計處理。倘該等部分不能被獨立出售，則該物業為投資物業，惟用於生產或供應貨物或服務或用作行政用途而持有的部分並不重大。判斷乃按個別物業基準作出，以釐定輔助服務是否重要至使該物業不能符合投資物業的資格。

估計之不確定性

有關未來的主要假設及於報告期末帶來估計不確定因素的其他主要因素（該等因素涉及重大風險，可導致未來財政年度內的資產及負債賬面須作重大調整）如下文所述。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with the expected future market and economic conditions in the PRC and tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2019 was RMB34,905,000 (2018: RMB12,880,000). The amount of unrecognised tax losses at 31 December 2019 was RMB1,274,346,000 (2018: RMB1,162,836,000). Further details are given in note 19 to the financial statements.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Intangible assets with indefinite lives are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit based on assumptions, in particular those relating to gross margin and growth rates, as well as the overall market and economic conditions in the PRC and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 主要會計判斷及估計 (續)

估計之不確定性 (續)

遞延稅項資產

在很有可能未來應課稅利潤來抵扣稅項虧損的範圍內，就所有未利用的稅項虧損確認遞延稅項資產。這需要管理層作出重大判斷來根據未來應課稅利潤發生的時間和金額，結合預期未來中國市場及經濟狀況和稅務規劃策略，以釐定應確認的遞延稅項資產的金額。於二零一九年十二月三十一日，與已確認稅項虧損相關的遞延稅項資產的賬面值為人民幣34,905,000元（二零一八年：人民幣12,880,000元）。於二零一九年十二月三十一日的未確認稅項虧損為人民幣1,274,346,000元（二零一八年：人民幣1,162,836,000元）。詳情載於財務報表附註19。

非金融資產減值 (商譽除外)

本集團於各報告期末評估所有非金融資產（包括使用權資產）是否出現減值跡象。本集團會每年（及於有減值跡象出現時）對無限無形資產進行減值測試。倘有跡象顯示其他非金融資產的賬面值不可收回時，則對該等非金融資產進行減值測試。當資產或現金產生單位的賬面值超過其可收回金額（其公允價值減出售成本與其使用價值中的較高者）時，即出現減值。公允價值減出售成本乃按類似資產以公平交易方式從具法律約束力的出售交易中可獲得的數據，或可觀察市價減出售資產的增量成本計算。當計算使用價值時，管理層必須基於與毛利率、增長率及中國整體市場與經濟狀況相關的假設估計來自資產或現金產生單位的預期未來現金流量，並選擇合適的折現率，以計算該等現金流量的現值。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units based on assumptions, in particular those relating to gross margin and growth rates, as well as the overall market and economic conditions in the PRC and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2019 was RMB1,770,538,000 (2018: RMB1,770,538,000). Further details of the impairment testing of goodwill are given in note 14 to the financial statements.

Provision for expected credit losses on trade receivables and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by service type).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the retail and credit service sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and other receivables is disclosed in notes 21 and 22 to the financial statements, respectively.

3. 主要會計判斷及估計(續)

估計之不確定性(續)

商譽減值

本集團至少每年釐定一次商譽是否出現減值。這需要估計商譽所獲分配之現金產生單位的使用價值。估計使用價值要求本集團基於與毛利率、增長率及中國整體市場與經濟狀況相關的假設估計來自現金產生單位的預期未來現金流量，並須選擇合適的折現率，以計算該等現金流量的現值。於二零一九年十二月三十一日，商譽的賬面值為人民幣1,770,538,000元(二零一八年：人民幣1,770,538,000元)。有關商譽減值測試的詳情載於財務報表附註14。

有關應收貿易款項及其他應收款項的預期信貸虧損撥備

本集團採用撥備矩陣以計算應收貿易款項及其他應收款項的預期信貸虧損。撥備率乃基於因就擁有類似虧損模式的多個客戶分部進行分組(如服務類別)。

撥備矩陣最初乃基於本集團的歷史觀察違約率。本集團將通過調整矩陣以調整過往信貸損失經驗及前瞻性資料。例如，倘預測經濟狀況(如國內生產總值/地方生產總值)預期將於未來一年發生變化，其可能導致零售和信貸服務部分的違約數量增加，歷史違約率將獲調整。於各報告日期，將更新歷史觀察違約率並分析前瞻性估計的變動。

有關歷史觀察違約率、預測經濟狀況及預期信貸虧損間的關聯性評估為重大估計。預期信貸虧損金額對環境及經濟狀況預期的變動較為敏感。本集團的過往信貸損失經驗及經濟狀況預測亦無法代表客戶未來的實際違約。有關本集團應收貿易款項及其他應收款項的預期信貸虧損的資料分別於財務報表附註21及22披露。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Provision against obsolete and slow-moving inventories

Management reviews the condition of inventories of the Group and makes a provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at the end of each reporting period and makes a provision against obsolete and slow-moving items. Management reassesses the estimation by the end of each reporting period.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

3. 主要會計判斷及估計 (續)

估計之不確定性 (續)

租賃 – 估算增量借款利率

本集團無法輕易釐定租賃內所隱含的利率，因此，使用增量借款利率（「增量借款利率」）計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品與類似期間借入所需資金應支付之利率。因此，增量借款利率反映了本集團「應支付」的利率，當無可觀察的利率時（如就並無訂立融資交易之附屬公司而言）或當須對利率進行調整以反映租賃之條款及條件時（如當租賃並非以附屬公司之功能貨幣訂立時），則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據（如市場利率）估算增量借款利率並須作出若干實體特定的估計（如附屬公司的個別的信貸評級）。

陳舊及呆滯存貨撥備

管理層審查本集團存貨的狀況，並對確定為不再適合銷售或使用的陳舊及呆滯存貨作出撥備。管理層主要根據最新發票價格及當前市況估計該等存貨的變現淨值。本集團於各報告期末審查存貨，並對陳舊及呆滯項目作出撥備。管理層於各報告期末重新評估估計。

金融工具的公允價值

若於財務狀況表入賬的金融資產及金融負債的公允價值未能於活躍市場取得報價，則其公允價值將採用估值技術（包括折算現金流量模式）釐定。倘可能，該等模式的輸入數據乃取自可觀察市場；倘不可行，於確定公允價值時則需作出某種程度的判斷。判斷包括考慮流動資金風險、信貸風險及波動性等輸入數據。有關該等因素假設的變動會影響金融工具的呈報公允價值。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Depreciation and amortisation

The Group has estimated the useful lives of the property, plant and equipment, investment properties, right-of-use assets and intangible assets (other than goodwill) to be 2 to 45 years, after taking into account their estimated residual values, as set out in the principal accounting policies above. Depreciation and amortisation of items of property, plant and equipment, investment properties, right-of-use assets and intangible assets (other than goodwill) is calculated on the straight-line basis over their expected useful lives. The carrying amounts of items of property, plant and equipment, investment properties, right-of-use assets and intangible assets (other than goodwill) as at 31 December 2019 were RMB3,449,090,000 (2018: RMB3,894,419,000), RMB303,292,000 (2018: RMB30,293,000), RMB3,248,189,000 (2018: nil), and RMB21,515,000 (2018: RMB27,137,000) respectively. Further details are given in notes 11, 12, 13 and 14 to the financial statements, respectively.

4. REVENUE, OTHER OPERATING REVENUES AND SEGMENT INFORMATION

Revenue

An analysis of revenue is as follows:

3. 主要會計判斷及估計 (續)

估計之不確定性 (續)

折舊及攤銷

本集團經考慮上文主要會計政策所載有關物業、廠房及設備、投資物業、使用權資產及無形資產(商譽除外)的估計剩餘價值後,估計物業、廠房及設備、投資物業、使用權資產及無形資產(商譽除外)的可使用年期為2至45年。物業、廠房及設備、投資物業、使用權資產以及無形資產(商譽除外)以直線法於其預計可使用年期內計算折舊及攤銷。於二零一九年十二月三十一日,物業、廠房及設備、投資物業、使用權資產以及無形資產(商譽除外)的賬面值分別為人民幣3,449,090,000元(二零一八年:人民幣3,894,419,000元)、人民幣303,292,000元(二零一八年:人民幣30,293,000元)、人民幣3,248,189,000元(二零一八年:零)及人民幣21,515,000元(二零一八年:人民幣27,137,000元)。有關詳情分別載於財務報表附註11、12、13及14。

4. 收益、其他經營收益以及分部資料

收益

收益的分析列示如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<i>Revenue from contracts with customers</i> (Note a)	來自客戶合約的收益 (附註a)		
Sale of goods from direct sales	自營銷售額	2,712,119	2,323,660
Commissions from concessionaire sales (Note b)	特許專櫃銷售佣金 (附註b)	1,429,023	1,624,127
Consultancy and management service fees	諮詢及管理服務費	12,263	9,011
		4,153,405	3,956,798
<i>Revenue from other sources</i>	其他來源收益		
Gross rental income	租金總收入	357,952	406,023
Credit services	信貸服務	57,146	9,641
		415,098	415,664
		4,568,503	4,372,462

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

4. REVENUE, OTHER OPERATING REVENUES AND SEGMENT INFORMATION (continued)

Revenue (continued)

Note a: Revenue from contracts with customers are analysed as follows:

(i) Disaggregated revenue information For the year ended 31 December 2019

Region		Sales of goods from direct sales	Commissions from concessionaire sales	Consultancy and management services	Total
地區		自營銷售額 RMB'000 人民幣千元	特許專櫃 銷售佣金 RMB'000 人民幣千元	諮詢及 管理服務費 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
South region	南部	1,348,861	625,594	2,811	1,977,266
North region	北部	682,023	535,499	1,741	1,219,263
East region	東部	681,235	267,930	7,711	956,876
Revenue from contracts with customers	來自客戶合約的收益	2,712,119	1,429,023	12,263	4,153,405

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

Region		Sales of goods from direct sales	Commissions from concessionaire sales	Consultancy and management services	Total
地區		自營銷售額 RMB'000 人民幣千元	特許專櫃 銷售佣金 RMB'000 人民幣千元	諮詢及 管理服務費 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
South region	南部	1,051,956	687,440	397	1,739,793
North region	北部	647,208	628,303	1,078	1,276,589
East region	東部	624,496	308,384	7,536	940,416
Revenue from contracts with customers	來自客戶合約的收益	2,323,660	1,624,127	9,011	3,956,798

4. 收益、其他經營收益以及分部資料 (續)

收益 (續)

附註a：來自客戶合約的收益分析如下：

(i) 細分收益資料 截至二零一九年十二月三十一日止年度

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

4. REVENUE, OTHER OPERATING REVENUES AND SEGMENT INFORMATION (continued)

Revenue (continued)

Note a: Revenue from contracts with customers are analysed as follows: (continued)

(i) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in contract liabilities at the beginning of the reporting period:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Direct sales and gross revenue from concessionaire sales 自營銷售及特許專櫃銷售總收益	782,389	771,447

(ii) Performance obligations

Sale of goods and commissions from concessionaire sales

The performance obligation is satisfied at a point in time when control of the asset is transferred to the customers.

The amounts of transaction prices allocated to the remaining performance obligations were RMB685,792,000 as at 31 December 2019 (2018: RMB782,389,000), which are all expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration subject to constraint.

4. 收益、其他經營收益以及分部資料 (續)

收益 (續)

附註a：來自客戶合約的收益分析如下：(續)

(i) 細分收益資料 (續)

下表列示本報告期間確認的收入金額，該等金額於報告期初已計入合約負債內：

(ii) 履約責任

銷售貨品及特許專櫃銷售的佣金

履約義務於資產之控制權轉移至客戶時達成。

於二零一九年十二月三十一日，分配予剩餘履約責任的交易價格為人民幣685,792,000元（二零一八年：人民幣782,389,000元），預計將於一年內確認為收益。上文所披露金額並不包括受限制的可變代價。

Note b: Commissions from concessionaire sales are analysed as follows:

附註b：特許專櫃銷售佣金分析如下：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Gross revenue from concessionaire sales 特許專櫃銷售總收益	8,963,992	9,961,302
Commissions from concessionaire sales 特許專櫃銷售佣金	1,429,023	1,624,127

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

4. REVENUE, OTHER OPERATING REVENUES AND SEGMENT INFORMATION (continued)

Revenue (continued)

Other operating revenues

4. 收益、其他經營收益以及分部資料 (續)

收益 (續)

其他經營收益

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Credit card handling fees	信用卡手續費	48,685	56,290
Promotion income	促銷收入	72,306	80,760
Electricity and water fees	電費及水費	126,934	143,426
Administration fees	行政費用	89,404	83,954
Display space and equipment leasing income	展銷場地及設備租賃收入	61,783	48,584
Service fees	服務費用	25,897	24,126
Government grants (Note)	政府補助 (附註)	8,953	8,141
Other income	其他收入	23,553	30,065
		457,515	475,346

Note:

Various local government grants have been granted to reward the Group for its contributions to the local economy. There were no unfulfilled conditions or contingencies attaching to these government grants.

Segment information

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

As the consumer financing business in Malaysia and other companies out of the PRC do not have a material impact on the Group's results based on a measure of revenue, net profit and total assets, respectively, for management purpose, there is no need to disclose a separate operating and reportable segment.

附註：

本集團獲地方政府授予多項補助，以獎勵其對當地經濟的貢獻。該等政府補助並無附帶未實現條件或或然事項。

分部資料

因管理需求，除Parkson Credit主要於馬來西亞開展的消費金融業務外，本集團僅擁有一個經營及可報告分部，即中國經營及管理的百貨店。除信貸服務外，本集團來自外部客戶的經營收益均源自中國，所有主要資產均位於中國。

分別基於收益、淨利潤及總資產之計量基準來評估，馬來西亞及中國以外其他公司的消費金融業務對本集團業績並無重大影響，就管理層而言，毋需將其視為單獨的經營分部報告予以披露。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

5. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/crediting:

5. 稅前(虧損)/利潤

本集團的稅前(虧損)/利潤乃經扣除/(計入)下列項目後達致:

		2019 二零一九年	2018 二零一八年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Notes 附註			
	Cost of inventories recognised as expenses	2,270,490	1,979,633
	Staff costs excluding directors' and chief executive's remuneration		
	Wages, salaries and bonuses	488,148	502,328
	Pension scheme contributions	58,193	66,529
	Social welfare and other costs	110,065	105,530
		656,406	674,387
	Directors' and chief executive's remuneration (note 7)	10,235	9,829
		666,641	684,216
	Depreciation and amortisation	696,674	265,408
	Impairment of receivables	14,871	2,439
	Reversal of impairment of other receivables	(43)	(6,071)
	Impairment of property, plant and equipment	-	7,843
	Foreign exchange differences, net	25,719	869
	Lease payments not included in the measurement of lease liabilities:		
	Minimum lease payments *	18,435	793,572
	Contingent rents **	95,498	143,755
		113,933	937,327

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

5. (LOSS)/PROFIT BEFORE TAX (continued)

5. 稅前(虧損)/利潤(續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Notes 附註		
(Gains)/losses on disposal of items of property, plant and equipment, net	出售物業、廠房及設備的(所得)/虧損,淨額	(43,703)	17,363
Auditor's remuneration	核數師酬金	3,913	3,888
Gross rental income in respect of investment properties	投資物業的租金收入總額	(3,807)	(5,213)
Lease income in respect of sublease of properties under operating lease:	經營租賃項下物業轉租賃的租金收入:		
Minimum lease payments *	最低租金*	(254,723)	(299,945)
Contingent lease payments **	或然租金**	(99,422)	(100,865)
		(354,145)	(400,810)
Total gross rental income	合計租金總收入	(357,952)	(406,023)
Direct operating expenses arising from rental-earning investment properties	投資物業產生的直接經營開支	664	1,005

* Minimum lease payments of the Group include pre-determined rental payments and minimum guaranteed rental payments for lease agreements with contingent rental payments.

** Contingent lease payments are calculated based on a percentage of the relevant performance of the tenants pursuant to the rental agreements.

* 本集團最低租金包括固定租金及根據租賃協定與或然租金掛鈎的保底租金。

** 或然租金乃根據租賃協定的約定按照經營業績計算提成租金。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

6. FINANCE INCOME/COSTS

6. 財務收入／成本

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Finance income:	財務收入：		
Bank interest income	銀行利息收入	33,809	114,713
Gain on redemption of financial assets at fair value through profit or loss	贖回按公允價值計量且 其變動計入損益之 金融資產收益	11,497	19,239
Change of fair value of financial assets at fair value through profit or loss	按公允價值計量且 其變動計入損益之 金融資產之公允價值變動	1,515	5,948
Finance income on the net investments in subleases	轉租賃投資淨額之財務收入	28,590	-
		75,411	139,900
Finance costs:	財務成本：		
Interest on bonds	債券利息	-	(32,270)
Interest expense on lease liabilities	租賃負債的利息開支	(425,040)	-
Interest on interest-bearing bank loans and other borrowings	計息銀行貸款及其他借款 之利息	(237,838)	(175,786)
		(662,878)	(208,056)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

7. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR EXECUTIVES' EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Fees	袍金	1,499	1,494
Other emoluments:	其他酬金：		
Salaries, allowances, bonuses and other benefits	薪金、津貼、花紅及其他福利	8,736	8,190
Pension scheme contributions	退休金計劃供款	-	145
		8,736	8,335
		10,235	9,829

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Mr. Dato' Fu Ah Kiow	拿督胡亞橋先生	223	218
Mr. Ko Desmond	Ko Desmond先生	223	218
Mr. Yau Ming Kim, Robert	丘銘劍先生	223	218
		669	654

There were no other emoluments payable to the independent non-executive directors for the year ended 31 December 2019 (2018: nil).

7. 董事、首席執行官及高級行政人員酬金

根據香港聯合交易所有限公司證券上市規則(「上市規則」、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露的董事及首席執行官年度酬金如下：

(a) 獨立非執行董事

年內向獨立非執行董事支付的袍金如下：

截至二零一九年十二月三十一日止年度並無其他應付予獨立非執行董事的酬金(二零一八年：零)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

7. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

(b) Executive directors, non-executive directors and the chief executive

7. 董事、首席執行官及高級行政人員酬金 (續)

(b) 執行董事、非執行董事及首席執行官

		Fees	Salaries, allowances, bonuses and other benefits 薪金、津貼、花紅及其他福利	Pension scheme contributions 退休金計劃供款	Total 合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
2019	二零一九年				
Executive directors:	執行董事:				
Tan Sri Cheng Heng Jem	丹斯里鍾廷森	215	3,008	-	3,223
Mr. He Dong (re-designated on 5 May 2019 and resigned on 31 October 2019)	何東先生 (於二零一九年五月五日獲調任並於二零一九年十月三十一日辭任)	111	1,559	-	1,670
Ms. Juliana Cheng San San	鍾珊珊女士	215	2,400	-	2,615
		541	6,967	-	7,508
Non-executive directors:	非執行董事:				
Mr. He Dong (re-designated on 5 May 2019)	何東先生 (於二零一九年五月五日獲調任)	74	405	-	479
Dato' Sri Dr. Hou Kok Chung	拿督斯里何國忠博士	215	8	-	223
		289	413	-	702
Chief executive:	首席執行官:				
Mr. Chong Sui Hiong (resigned on 1 February 2019)	張瑞雄先生 (於二零一九年二月一日辭任)	-	1,356	-	1,356
		830	8,736	-	9,566

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

7. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

(b) Executive directors, non-executive directors and the chief executive (continued)

7. 董事、首席執行官及高級行政人員酬金 (續)

(b) 執行董事、非執行董事及首席執行官 (續)

		Fees	Salaries, allowances, bonuses and other benefits 薪金、津貼、花紅及其他福利	Pension scheme contributions 退休金計劃供款	Total 合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
2018	二零一八年				
Executive directors:	執行董事:				
Tan Sri Cheng Heng Jem	丹斯里鍾廷森	210	3,008	-	3,218
Mr. Chong Sui Hiong	張瑞雄先生	210	-	-	210
Ms. Juliana Cheng San San	鍾珊珊女士	210	2,128	-	2,338
		630	5,136	-	5,766
Non-executive director:	非執行董事:				
Dato' Sri Dr. Hou Kok Chung	拿督斯里何國忠博士	210	8	-	218
Chief executive:	首席執行官:				
Mr. Chong Sui Hiong	張瑞雄先生	-	3,046	145	3,191
		840	8,190	145	9,175

There was no arrangement under which any directors or the chief executive waived or agreed to waive any remuneration during the year.

年內概無就任何董事或首席執行官放棄或同意放棄任何酬金而作出任何安排。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

7. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

(c) Five highest paid employees

The five highest paid employees during the year included two executive directors, details of whose remuneration are set out above. Details of the remuneration for the year of the remaining three (2018: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries, allowances, bonuses and other benefits	薪金、津貼、花紅及其他福利	7,523	4,334
Pension scheme contributions	退休金計劃供款	-	92
		7,523	4,426

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

酬金介乎以下範圍的最高薪酬僱員 (並非董事，亦非首席執行官) 的人數如下：

		Number of employees 僱員人數	
		2019 二零一九年	2018 二零一八年
HK\$2,000,000 to HK\$2,500,000 (equivalent to RMB1,792,000 to RMB2,239,000)	2,000,000港元至2,500,000港元 (相等於人民幣1,792,000元至人民幣2,239,000元)	1	1
Over HK\$2,500,000 (equivalent to RMB2,239,000)	2,500,000港元 (相等於人民幣2,239,000元) 以上	2	1
		3	2

In the opinion of the directors, the Group has no key management personnel (as defined in IAS 24 *Related Party Disclosures*) other than the directors and the five highest paid employees as disclosed above.

董事認為，除上文所披露的董事及五名最高薪酬僱員外，本集團並無任何其他主要管理人員 (定義見國際會計準則第24號 *關聯方披露*)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

8. RETIREMENT BENEFIT SCHEME

The PRC subsidiaries of the Group are required to participate in the employee retirement benefit scheme operated by the relevant local government authorities in the PRC. The PRC government is responsible for the pension liability to the retired employees. The Group was required to make contributions for those employees who are registered as permanent residents in the PRC and are within the scope of the relevant PRC regulations at rates ranging from 14% to 21% of the employees' salaries for the years ended 31 December 2019 and 2018.

The Group's contributions to pension costs for the year ended 31 December 2019 amounted to approximately RMB58,193,000 (2018: RMB66,674,000).

9. INCOME TAX

The Group is subject to income tax on an entity basis on the profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

During the year, seven (2018: seven) PRC entities of the Group obtained approval from the relevant PRC tax authorities and were subject to corporate income tax at a preferential tax rate of 15%. Under the relevant PRC income tax law, except for certain preferential treatments available to certain PRC subsidiaries and the joint venture of the Group, the PRC entities of the Group are subject to corporate income tax at a rate of 25% (2018: 25%) on their respective taxable income.

An analysis of the provision for tax in the consolidated statement of profit or loss is as follows:

8. 退休福利計劃

本集團的中國附屬公司均須參與中國相關地方政府機關運作的僱員退休福利計劃。中國政府負責向該等已退休僱員支付退休金。截至二零一九年及二零一八年十二月三十一日止年度，本集團須為已登記成為中國永久居民及有關中國法規所涵蓋的該等僱員按僱員薪金介乎14%至21%不等的比例供款。

截至二零一九年十二月三十一日止年度，本集團向退休金成本供款約人民幣58,193,000元（二零一八年：人民幣66,674,000元）。

9. 所得稅

本集團須按就其成員公司在其各所在及經營的稅務司法權區所產生或獲得的利潤，按基準繳納所得稅。

年內，本集團的七家（二零一八年：七家）中國實體獲有關中國稅務機關批准按15%優惠稅率繳納企業所得稅。根據相關中國所得稅法，除本集團若干中國附屬公司及合營企業可享有若干優惠待遇外，本集團的中國實體均須就彼等各自的應課稅收入按25%（二零一八年：25%）稅率繳付企業所得稅。

於綜合損益表的稅項撥備的分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current income tax	本期所得稅	166,336	207,497
Deferred income tax (note 19)	遞延所得稅（附註19）	(11,268)	(27,048)
		155,068	180,449

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

9. INCOME TAX (continued)

A reconciliation of the tax expense applicable to (loss)/profit before tax at the statutory rates for the countries (or jurisdictions) in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

2019

	Hong Kong	Singapore	Cayman Islands	British Virgin Islands 英屬處女群島	Malaysia	Laos	PRC	Total
	香港	新加坡	開曼群島	處女群島	馬來西亞	老撾	中國	合計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
(Loss)/profit before tax	(5,503)	(1,002)	(255,234)	(1,890)	9,102	(7,115)	213,030	(48,612)
Tax at the statutory tax rate	(908)	16.5	(170)	17.0	-	-	-	-
Tax effect of preferential tax rates	-	-	-	-	-	-	-	-
Profits and losses attributable to a joint venture and associates	(27)	0.5	-	-	-	-	(5,127)	(2.4)
Tax losses not recognised	-	-	170	(17.0)	-	-	164	1.8
Tax losses previously recognised, now reversed	-	-	-	-	-	-	1,423	(20.0)
Tax losses previously not recognised, now recognised	-	-	-	-	-	-	2,658	1.2
Expenses not deductible for tax	935	(17.0)	-	-	-	-	(11,879)	(5.6)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	-	-	-	-	-	-	11,877	5.6
Adjustments in respect of current tax of previous periods	-	-	-	-	-	(1,202)	(13.2)	-
Tax charge for the year	-	-	-	-	-	1,147	12.6	-

9. 所得稅 (續)

使用本公司及其大部分附屬公司經營所在國家 (或司法權區) 的法定稅率計算的稅前 (虧損) / 利潤之適用稅項開支, 與按實際稅率計算的稅項開支的對賬, 以及適用稅率 (即法定稅率) 與實際稅率的對賬如下:

二零一九年

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

9. INCOME TAX (continued)

2018

	Hong Kong	Singapore	Cayman Islands	British Virgin Islands	Malaysia	Lays	PRC	Total								
	香港	新加坡	開曼群島	處女群島	馬來西亞	老撾	中國	合計								
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000								
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元								
(Loss)/profit before tax	稅前(虧損)/利潤	(3,468)	(120)	(222,840)	(1,592)	3,787	(2,115)	352,185	125,837							
Tax at the statutory tax rate	按法定稅率計算的稅項	(572)	16.5	(20)	17.0	-	-	-	909	24.0	(423)	20.0	88,046	25.0	87,940	70.0
Tax effect of preferential tax rates	優惠稅率的稅務影響	-	-	-	-	-	-	-	-	-	-	-	(31,099)	(8.8)	(31,099)	(24.7)
Profits and losses attributable to a joint venture and associates	一間合營企業及聯營公司應佔利潤及虧損	(15)	0.4	-	-	-	-	-	-	-	-	-	(5,993)	(1.7)	(6,008)	(4.8)
Tax losses not recognised	尚未確認的稅項虧損	-	-	20	(17.0)	-	-	-	91	2.4	423	(20.0)	55,303	15.7	55,837	44.4
Tax losses previously recognised, now reversed	先前確認而現已撥回的稅項虧損	-	-	-	-	-	-	-	-	-	-	-	3,692	1.0	3,692	2.9
Tax losses previously not recognised, now recognised	先前尚未確認而現已確認的稅項虧損	-	-	-	-	-	-	-	-	-	-	-	(4,172)	(1.2)	(4,172)	(3.3)
Expenses not deductible for tax	不可用作抵稅項的開支	587	16.9	-	-	-	-	-	-	-	-	-	39,847	11.3	40,434	32.1
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	本集團中國附屬公司可分配利潤的預扣稅影響	-	-	-	-	-	-	-	-	-	-	-	33,127	9.5	33,127	26.2
Adjustments in respect of current tax of previous periods	就過往期間即期稅項作出的調整	-	-	-	-	-	-	-	-	-	-	-	698	0.2	698	0.6
Tax charge for the year	本年度稅項支出	-	-	-	-	-	-	-	1,000	26.4	-	-	179,449	51.0	180,449	143.4

The share of tax attributable to the joint venture and associates amounting to RMB2,484,000 (2018: RMB2,875,000) and RMB1,027,000 (2018: RMB2,249,000), respectively, is included in "Share of profits and losses of a joint venture and associates" in the consolidated statement of profit or loss.

合營企業及聯營公司應佔稅項分別為人民幣2,484,000元(二零一八年: 人民幣2,875,000元)及人民幣1,027,000元(二零一八年: 人民幣2,249,000元)已於綜合損益表內「應佔合營企業及聯營公司利潤及虧損」入賬。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,634,532,000 (2018: 2,634,532,000) in issue during the year.

The calculation of the diluted loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2019 and 2018.

The calculations of basic and diluted loss per share are based on:

10. 母公司普通股權益持有人應佔每股虧損

每股基本虧損乃根據年內母公司普通股權益持有人應佔虧損以及年內已發行普通股加權平均數2,634,532,000股(二零一八年: 2,634,532,000股)計算。

每股攤薄虧損乃根據年內母公司普通股權益持有人應佔虧損以及年內已發行普通股加權平均數(如同每股基本虧損的計算方法), 加上所有攤薄性潛在普通股在視作行使或轉換為普通股時以零代價發行的普通股加權平均數計算。

截至二零一九年及二零一八年十二月三十一日止年度, 本集團並無已發行潛在攤薄普通股。

每股基本及攤薄虧損的計算乃根據下列項目:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Loss	虧損		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculations	用於計算每股基本及攤薄虧損的母公司普通股權益持有人應佔虧損	(222,751)	(79,283)
		Number of shares 股份數目	
		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	用於計算每股基本虧損的年內已發行普通股加權平均數	2,634,532	2,634,532

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

11. PROPERTY, PLANT AND EQUIPMENT

11. 物業、廠房及設備

		Land and buildings 土地及樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Equipment and fixtures 設備及裝置 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2018, net of accumulated depreciation and impairment	於二零一八年一月一日，經扣除累計折舊及減值	2,605,281	310,552	4,988	138,436	738,335	3,797,592
Additions	添置	206,200	72,417	804	18,788	70,516	368,725
Acquisition of a subsidiary	收購一家附屬公司	-	430	-	1,895	-	2,325
Transfer from investment properties	投資物業撥入	2,336	-	-	-	-	2,336
Transfers from construction in progress	由在建工程撥入	13,521	43,098	-	9,923	(66,542)	-
Disposals	出售	-	(12,370)	(125)	(5,742)	-	(18,237)
Depreciation charged during the year	年內折舊支出	(75,723)	(140,091)	(1,817)	(32,848)	-	(250,479)
Impairment provided for the year	年內減值撥備	-	(5,839)	(187)	(1,817)	-	(7,843)
At 31 December 2018 and 1 January 2019, net of accumulated depreciation and impairment	於二零一八年十二月三十一日及二零一九年一月一日，經扣除累計折舊及減值	2,751,615	268,197	3,663	128,635	742,309	3,894,419
Additions	添置	-	53,499	372	14,558	45,563	113,992
Transfer to investment properties (note 12)	投資物業撥入 (附註12)	(273,663)	-	-	-	-	(273,663)
Transfers from construction in progress	由在建工程撥入	246	23,049	-	3,549	(26,844)	-
Disposals	出售	(51,726)	(2,797)	(386)	(10,573)	-	(65,482)
Depreciation charged during the year	年內折舊支出	(81,230)	(112,552)	(1,136)	(25,258)	-	(220,176)
At 31 December 2019, net of accumulated depreciation and impairment	於二零一九年十二月三十一日，經扣除累計折舊及減值	2,345,242	229,396	2,513	110,911	761,028	3,449,090

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

11. PROPERTY, PLANT AND EQUIPMENT (continued)

11. 物業、廠房及設備 (續)

		Land and buildings 土地及樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Equipment and fixtures 設備及裝置 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 31 December 2018:	於二零一八年十二月三十一日:						
Cost	成本	3,239,658	1,791,823	21,594	475,855	742,685	6,271,615
Accumulated depreciation and impairment	累計折舊及減值	(488,043)	(1,523,626)	(17,931)	(347,220)	(376)	(2,377,196)
Net carrying amount	賬面淨值	2,751,615	268,197	3,663	128,635	742,309	3,894,419
At 31 December 2019:	於二零一九年十二月三十一日:						
Cost	成本	2,770,761	1,594,874	19,387	408,729	761,404	5,555,155
Accumulated depreciation and impairment	累計折舊及減值	(425,519)	(1,365,478)	(16,874)	(297,818)	(376)	(2,106,065)
Net carrying amount	賬面淨值	2,345,242	229,396	2,513	110,911	761,028	3,449,090

All of the Group's land and buildings are located in the PRC.

本集團所有土地及樓宇均位於中國。

As at 31 December 2019, the buildings of Qingdao Lion Plaza and Tianjin Parkson with a net carrying amount of approximately RMB2,292.6 million (2018: RMB1,895.4 million) were pledged to secure the Company's bank loans (note 28).

於二零一九年十二月三十一日，青島金獅廣場及天津百盛賬面淨值約為人民幣2,292.6百萬元（二零一八年：人民幣1,895.4百萬元）的樓宇，為本公司銀行貸款提供擔保（附註28）。

In view of the fact that the business of four subsidiaries of the Group had been loss making in recent years and it was not considered probable that profits would be available in the foreseeable future, an impairment loss of RMB7,843,000 was recognised for property, plant and equipment of the subsidiaries with a carrying amount of RMB7,843,000 (before deducting the impairment loss) in 2018. Impairment of RMB7,467,000 was written off in 2019 and no impairment is recognised in the current year.

鑒於近年來本集團四家附屬公司業務虧損，且於可見將來不大可能獲利，故已就於二零一八年附屬公司之物業、廠房及設備確認減值虧損人民幣7,843,000元，其賬面值為人民幣7,843,000元（未扣除減值虧損前）。於二零一九年撇銷減值人民幣7,467,000元且本年度並無確認減值。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

12. INVESTMENT PROPERTIES

12. 投資物業

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 31 December:	於十二月三十一日:		
Cost	成本	392,839	35,196
Accumulated depreciation	累計折舊	(89,547)	(4,903)
Net carrying amount	賬面淨值	303,292	30,293

A reconciliation of the net carrying amount of investment properties at the beginning and end of the year is as follows:

年初及年末的投資物業的賬面淨值對賬如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Net carrying amount at 1 January	於一月一日的賬面淨值	30,293	33,634
Depreciation	折舊	(664)	(1,005)
Transfer from/(to) owner-occupied property (note 11)	撥入/(轉撥至)自用物業 (附註11)	273,663	(2,336)
Net carrying amount at 31 December	於十二月三十一日的賬面淨值	303,292	30,293

The Group's investment properties were revalued at approximately RMB3.0 billion on an open market, existing use basis on 31 December 2019 by the Group. The investment properties are situated in the PRC and leased to third parties under medium term operating leases, further summary details of which are included in note 13 to the financial statements.

本集團的投資物業由本集團按於二零一九年十二月三十一日的公開市場、現有用途基準重估約為人民幣30億元。投資物業均位於中國及根據中期經營租約出租予第三方，其詳情摘要載於財務報表附註13。

As at 31 December 2019, the building of Beijing Parkson with a net carrying amount of approximately RMB286.8 million (2018: RMB3.0 million) was pledged to secure the Company's bank loans (note 28).

於二零一九年十二月三十一日，北京百盛賬面淨值約為人民幣286.8百萬元（二零一八年：人民幣3.0百萬元）的樓宇，為本公司銀行貸款提供擔保（附註28）。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

13. LEASES

The Group as a lessee

The Group has lease contracts for various items of property and other equipment used in its operations. Leases of property generally have lease terms between 2 and 16 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. There are several lease contracts that include variable lease payments, which are further discussed below.

(a) Prepaid land lease payments

Prepaid land lease payments represent lump sum payments made upfront to acquire the leased land from the owner with lease periods of 42 to 45 years, and no ongoing payments will be made under the terms of these land lease and are amortised on the straight-line basis over the respective lease agreement periods.

As at 31 December 2019, the building of Beijing Parkson with a net carrying amount of approximately RMB369.9 million (2018: RMB382.7 million) was pledged to secure the Company's bank loans (note 28).

(b) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

13. 租賃

本集團作為承租人

本集團就其業務營運中所用的各物業及其他設備擁有租賃合約。物業租賃的租賃期通常為2至16年。其他設備的租期通常為12個月或以內及／或個別價值較低。數份租賃合約包括可變租賃付款，詳情於下文進一步討論。

(a) 預付土地租賃款

預付土地租賃款是指為自擁有人獲得租期為42至45年的租賃土地而預先支付的一次性付款，且不會根據此等土地租賃的條款作出任何持續性付款，而是於各自的租賃協議期限內按直線法攤銷。

於二零一九年十二月三十一日，北京百盛賬面淨值約為人民幣369.9百萬元（二零一八年：人民幣382.7百萬元）的樓宇已質押，為本公司的銀行貸款提供擔保（附註28）。

(b) 使用權資產

下文載列本集團使用權資產的賬面值以及本年度變動：

		Buildings 樓宇 RMB'000 人民幣千元
As at 1 January 2019	於二零一九年一月一日	3,836,781
Additions arising from new leases	新租賃產生的添置	20,538
Depreciation charged for the year	本年度折舊費用	(456,900)
Decrease arising from lease term modification and termination	租期修改及終止產生的減少	(148,599)
Decrease arising from sublease	轉租賃產生的減少	(3,631)
As at 31 December 2019	於二零一九年十二月三十一日	3,248,189

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

13. LEASES (continued)

The Group as a lessee (continued)

(c) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		Lease liabilities 租賃負債 RMB'000 人民幣千元
Carrying amount at 1 January 2019	於二零一九年一月一日的賬面值	4,770,431
Additions arising from new leases	新租賃產生的添置	20,512
Accretion of interest recognised during the year	年內確認的利息增加	425,040
Payments	付款	(730,556)
Decrease arising from lease term modification and termination	租期修改及終止產生的減少	(145,196)
Carrying amount at 31 December 2019	於二零一九年十二月三十一日的賬面值	4,340,231
Analysed into:	分析如下:	
Current portion	即期部分	474,677
Non-current portion	非即期部分	3,865,554

The maturity of analysis of lease liabilities is disclosed in note 39 to the financial statements.

租賃負債分析的到期日情況於財務報表附註39披露。

(d) The amounts recognised in profit or loss in relation to leases are as follows:

(d) 於損益中就租賃確認的金額如下:

		2019 二零一九年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債的利息	425,040
Depreciation charge of right-of-use assets	使用權資產的折舊費用	456,900
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019	有關餘下租期於二零一九年十二月三十一日或之前結束的短期租賃及其他租賃的開支	18,435
Variable lease payments not included in the measurement of lease liabilities	並無計入租賃負債計量的可變租賃付款	95,498
		995,873

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

13. LEASES (continued)

The Group as a lessee (continued)

(e) Variable lease payments

The Group leased a number of the retail stores which contain variable lease payment terms that are based on the Group's turnover or profit before tax generated from the retail stores. There are also minimum annual base rental arrangements for these leases. The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

2019	二零一九年	Fixed payments 固定付款 RMB'000 人民幣千元	Variable payments 可變付款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Fixed rent	固定租金	288,647	-	288,647
Variable rent with minimum payment	含有最低付款的可變租金	467,620	31,548	499,168
Variable rent only	僅可變租金	-	63,950	63,950
As at 31 December 2019	於二零一九年十二月三十一日	756,267	95,498	851,765

(f) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 33(c) and 35(c), respectively, to the financial statements.

The Group as a lessor

The Group leases its investment properties (note 12) and right-of-use assets in the PRC under operating lease or finance lease arrangements, with leases negotiated for terms ranging from 1 to 15 years. The terms of the lease generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

13. 租賃 (續)

本集團作為承租人 (續)

(e) 可變租賃付款

本集團租賃許多零售店，其中包含基於本集團零售店的營業額或所產生除稅前利潤的可變租賃付款條款。該等租賃亦有最低年度基本租金安排。下文提供有關本集團可變租賃付款的資料，包括與固定付款有關的數額：

(f) 租賃的現金流出總額及與尚未開始的租賃有關的未來現金流出分別於財務報表附註33(c)及35(c)披露。

本集團作為出租人

本集團根據經營租賃或融資租賃安排在中國租賃其投資物業(附註12)及使用權資產，而磋商的租賃期限介乎1至15年。租賃條款通常要求租戶支付保證金，並根據當時的現行市況進行定期租金調整。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

13. LEASES (continued)

The Group as a lessor (continued)

(a) Operating leases

Rental income recognised by the Group during the year was RMB357,952,000 (2018: RMB406,023,000), details of which are included in note 5 to the financial statements.

At 31 December 2019, the undiscounted fixed lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

13. 租賃 (續)

本集團作為出租人 (續)

(a) 經營租賃

本集團於年內確認的租金收入為人民幣357,952,000元(二零一八年:人民幣406,023,000元),詳情載於財務報表附註5。

於二零一九年十二月三十一日,本集團於未來期間根據與其租戶的不可撤銷經營租賃應收的未貼現固定租賃付款如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	179,729	226,764
After one year but within two years	一年後但於兩年內	127,820	148,794
After two years but within three years	兩年後但於三年內	69,804	109,947
After three years but within four years	三年後但於四年內	51,359	91,370
After four years but within five years	四年後但於五年內	37,075	76,730
After five years	五年後	48,619	177,201
		514,406	830,806

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

13. LEASES (continued)

The Group as a lessor (continued)

(b) Finance leases

The carrying amount of net investments in the subleases and the movements during the year are as follows:

		Net investments in the subleases 轉租賃 投資淨額 RMB'000 人民幣千元
Carrying amount at 1 January 2019	於二零一九年一月一日的賬面值	328,518
Additions arising from new leases	新租賃產生的添置	4,512
Accretion of interest recognised during the year	年內確認的利息增加	28,590
Proceeds from subleases	轉租賃所得款項	(62,833)
Carrying amount at 31 December 2019	於二零一九年十二月三十一日的賬面值	298,787
Analysed into:	分析如下：	
Current portion	即期部分	40,877
Non-current portion	非即期部分	257,910

At 31 December 2019, the undiscounted fixed lease payments receivable by the Group in future periods under non-cancellable finance leases with its tenants are as follows:

於二零一九年十二月三十一日，本集團於未來期間根據與其租戶的不可撤銷融資租賃應收的未貼現固定租賃付款如下：

		2019 二零一九年 RMB'000 人民幣千元
Within one year	一年內	61,988
After one year but within two years	一年後但於兩年內	62,273
After two years but within three years	兩年後但於三年內	61,632
After three years but within four years	三年後但於四年內	62,785
After four years but within five years	四年後但於五年內	59,876
After five years	五年後	80,848
		389,402

In addition to the above, the annual contingent rental amount is calculated on a percentage of the turnover or net profit of the respective tenants.

除上文所述外，年度或然租金按各租戶的營業額或淨利潤的某百分比計算。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

14. INTANGIBLE ASSETS

The movements of intangible assets are as follows:

		Goodwill 商譽 RMB'000 人民幣千元	Computer software 電腦軟件 RMB'000 人民幣千元	Licence* 特許權* RMB'000 人民幣千元	Franchise agreement** 特許經營協議** RMB'000 人民幣千元	Trademark ** 商標** RMB'000 人民幣千元	Customer Relationship*** 客戶關係*** RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2018, net of accumulated amortisation and impairment	於二零一八年一月一日，經扣除累計攤銷及減值	1,755,889	755	3,343	-	-	-	1,759,987
Acquisition of a subsidiary	收購一家附屬公司	14,649	-	-	-	-	24,689	39,338
Amortisation provided during the year	年內攤銷撥備	-	(416)	(411)	-	-	(823)	(1,650)
At 31 December 2018 and 1 January 2019, net of accumulated amortisation and impairment	於二零一八年十二月三十一日及二零一九年一月一日，經扣除累計攤銷及減值	1,770,538	339	2,932	-	-	23,866	1,797,675
Amortisation provided during the year	年內攤銷撥備	-	(269)	(415)	-	-	(4,938)	(5,622)
At 31 December 2019, net of accumulated amortisation and impairment	於二零一九年十二月三十一日，經扣除累計攤銷及減值	1,770,538	70	2,517	-	-	18,928	1,792,053

14. 無形資產

無形資產的變動如下：

		Goodwill 商譽 RMB'000 人民幣千元	Computer software 電腦軟件 RMB'000 人民幣千元	Licence* 特許權* RMB'000 人民幣千元	Franchise agreement** 特許經營協議** RMB'000 人民幣千元	Trademark** 商標** RMB'000 人民幣千元	Customer Relationship*** 客戶關係*** RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 31 December 2018:	於二零一八年十二月三十一日：							
Cost	成本	2,254,533	19,420	28,678	6,177	36,009	24,689	2,369,506
Accumulated amortisation and impairment	累計攤銷及減值	(483,995)	(19,081)	(25,746)	(6,177)	(36,009)	(823)	(571,831)
Net carrying amount	賬面淨值	1,770,538	339	2,932	-	-	23,866	1,797,675
At 31 December 2019:	於二零一九年十二月三十一日：							
Cost	成本	2,254,533	19,420	28,678	6,177	36,009	24,689	2,369,506
Accumulated amortisation and impairment	累計攤銷及減值	(483,995)	(19,350)	(26,161)	(6,177)	(36,009)	(5,761)	(577,453)
Net carrying amount	賬面淨值	1,770,538	70	2,517	-	-	18,928	1,792,053

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

14. INTANGIBLE ASSETS (continued)

- * Among the balance, there was amount of RMB19,510,000 related to the licence rights of "Quiznos", "The Library Coffee Bar" and "Johnny Rockets" which have been fully impaired in prior years.
- ** Franchise agreement and trademark have been fully impaired in prior years.
- *** A subsidiary acquired by the Group in 2018 has established relationships with its customers through contracts, for a period of 5 years commencing from 2018. The amount represents the fair value of the customer relationship acquired by the Group.

Impairment testing of goodwill

The carrying amount of goodwill has been allocated to the following cash-generating units:

14. 無形資產 (續)

- * 結餘中，人民幣19,510,000元的金額與「Quiznos」、「The Library Coffee Bar」及「Johnny Rockets」的特許權有關，而該等特許權已於過往年度悉數減值。
- ** 特許經營協議及商標已於過往年度悉數減值。
- *** 本集團於二零一八年收購的一家附屬公司透過合約與其客戶建立關係，自二零一八年起為期五年。該金額指本集團所獲得業務關係的公允價值。

商譽的減值測試

商譽的賬面值已分配至下列現金產生單位：

		Notes	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Jiangxi Parkson Retail Co., Ltd.	江西百盛中山城百貨有限公司	(a)	381,682	381,682
Asia Victory International Limited	華信國際有限公司	(b)	315,225	315,225
Parkson Retail Development Co., Ltd.	百盛商業發展有限公司	(c)	297,097	297,097
Anshan Tianxing Parkson Shopping Centre Co., Ltd.	鞍山天興百盛購物中心有限公司	(d)	272,743	272,743
Nanning Brilliant Parkson Commercial Co., Ltd.	南寧柏聯百盛商業有限公司	(e)	155,066	155,066
Xi'an Lucky King Parkson Plaza Co., Ltd.	西安立豐百盛廣場有限公司	(f)	111,104	111,104
Mianyang Fulin Parkson Plaza Co., Ltd.	綿陽富臨百盛廣場有限公司	(g)	91,478	91,478
Shenyang Parkson Shopping Plaza Co., Ltd.	瀋陽百盛購物廣場有限公司	(h)	72,491	72,491
Lung Shing International Investment & Development Company Limited	隆盛國際投資發展有限公司	(i)	59,003	59,003
Parkson Credit Sdn. Bhd.	Parkson Credit Sdn. Bhd.	(j)	14,649	14,649
			1,770,538	1,770,538

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

14. INTANGIBLE ASSETS (continued)

Impairment testing of goodwill (continued)

Notes:

- (a) Jiangxi Parkson Retail Co., Ltd. principally engages in the operation of one department store in Nanchang, the PRC.
- (b) Asia Victory International Limited and its subsidiaries principally engage in the operation of two department stores in Kunming, the PRC.
- (c) Parkson Retail Development Co., Ltd. principally engages in the operation of three department stores in Beijing and Harbin, the PRC.
- (d) Anshan Tianxing Parkson Shopping Centre Co., Ltd. principally engages in the operation of one department store in Anshan, the PRC.
- (e) Nanning Brilliant Parkson Commercial Co., Ltd. principally engages in the operation of three department stores in Nanning, the PRC.
- (f) Xi'an Lucky King Parkson Plaza Co., Ltd. principally engages in the operation of one department store in Xi'an, the PRC.
- (g) Mianyang Fulin Parkson Plaza Co., Ltd. principally engages in the operation of two department stores in Mianyang, the PRC.
- (h) Shenyang Parkson Shopping Plaza Co., Ltd. principally engages in the operation of one department store in Shenyang, the PRC.
- (i) Lung Shing International Investment & Development Company Limited and its subsidiary principally engage in property investment and holding in Anshan, the PRC.
- (j) Parkson Credit Sdn. Bhd. principally engages in the hire purchase and credit sale business in Malaysia.

The recoverable amount of each cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by the executive directors. Apart from Parkson Credit Sdn. Bhd., a newly acquired subsidiary in 2018, the post-tax discount rate applied to the cash flow projections is 11.0%. The post-tax discount rate applied to the cash flow projections for Parkson Credit Sdn. Bhd. is 16.3%. Cash flows beyond the five-year period are extrapolated using a growth rate of 2.0%, which was the same as the long term average growth rate of the industry.

14. 無形資產 (續)

商譽的減值測試 (續)

附註:

- (a) 江西百盛中山城百貨有限公司主要於中國南昌經營一家百貨店。
- (b) 華信國際有限公司及其附屬公司主要於中國昆明經營兩家百貨店。
- (c) 百盛商業發展有限公司主要於中國北京及哈爾濱經營三家百貨店。
- (d) 鞍山天興百盛購物中心有限公司主要於中國鞍山經營一家百貨店。
- (e) 南寧柏聯百盛商業有限公司主要於中國南寧經營三家百貨店。
- (f) 西安立豐百盛廣場有限公司主要於中國西安經營一家百貨店。
- (g) 綿陽富臨百盛廣場有限公司主要於中國綿陽經營兩家百貨店。
- (h) 瀋陽百盛購物廣場有限公司主要於中國瀋陽經營一家百貨店。
- (i) 隆盛國際投資發展有限公司及其附屬公司主要於中國鞍山經營物業投資控股。
- (j) Parkson Credit Sdn. Bhd. 主要於馬來西亞經營租購及除銷業務。

各現金產生單位的可收回金額乃根據使用價值按現金流量預測釐定。現金流量預測乃根據執行董事已批准涵蓋五年期間的財政預算作出。除Parkson Credit Sdn. Bhd. (一家於二零一八年新收購的附屬公司)外，現金流量預測的適用稅後折現率為11.0%。Parkson Credit Sdn. Bhd.現金流量預測的適用稅後折現率為16.3%。超出五年期間的現金流量則按增長率2.0%推算，這與業內長期平均增長率相同。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

14. INTANGIBLE ASSETS (continued)

Key assumptions used in the value in use calculation

The following describes the key assumptions of the cash flow projections:

Revenue: The bases used to determine the future earnings are historical sales and average expected growth rates of the retail market and credit services in the PRC and Malaysia, respectively.

Gross margins: Gross margins are based on the average gross margins achieved in the past five years immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Operating expenses: The bases used to determine the values assigned are the cost of inventories purchased for resale, staff costs, depreciation and amortisation, rental expenses and other operating expenses. The value assigned to the key assumption reflects past experience and management's commitment to maintain the operating expenses to an acceptable level.

Discount rates: Discount rates reflect management's estimate of specific risks relating to the relevant units.

Sensitivity to changes in assumptions

With regard to the assessment of values in use of the respective cash-generating units, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amounts, including goodwill, of the relevant units to materially exceed their recoverable amounts.

14. 無形資產 (續)

用於計算使用價值的主要假設

以下陳述現金流量預測的主要假設：

收益： 用於釐定未來盈利的基準為過往銷售記錄以及分別於中國及馬來西亞零售市場及信貸服務的平均預期增長率。

毛利率： 毛利率乃根據緊接預算年度前五年所達致的平均毛利率計算，按預期效率改進及預期市場發展而增長。

經營開支： 用於釐定指定價值的基準為供轉售而購入的存貨成本、員工成本、折舊及攤銷、租金開支及其他經營開支。該等指定價值的主要假設反映過往經驗及管理層將經營開支維持於可接受水平的承諾。

折現率： 折現率反映管理層就與相關單位有關的特定風險的估計。

假設變動的敏感度

就評估各現金產生單位的使用價值方面，管理層相信上述任何主要假設並無合理可能出現變動，致使有關單位賬面值（包括商譽）遠超於其可收回金額。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

15. INVESTMENT IN A JOINT VENTURE

15. 於一家合營企業的投資

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Share of net assets	應佔資產淨值	26,934	28,517

Particulars of the Group's joint venture are as follows:

本集團合營企業詳情如下：

Name 公司名稱	Paid-up capital 繳足資本	Place of registration and business 註冊及經營地點	Percentage of 應佔下列各項的百分比				Principal activity 主要業務
			ownership interest 所有權權益	Voting power 投票權	Profit sharing 利潤分佔		
Xinjiang Youhao Parkson Development Co., Ltd. ("Xinjiang Parkson") 新疆友好百盛商業發展有限公司 (「新疆百盛」)	RMB20,000,000 人民幣20,000,000元	The PRC 中國	51	51	51	Operation of department stores 經營百貨店	

Although the Group has ownership of more than half of the voting power of the subject entity, the joint venture agreement establishes joint control over the subject entity. The joint venture agreement ensures that no single venture is in a position to control the activities of the entity unilaterally.

儘管本集團擁有目標實體的過半數投票權，合營協議規定須共同控制目標實體。合營協議確保並無單一合營夥伴可單方面控制實體業務活動。

Xinjiang Parkson is considered as a material joint venture of the Group, and is accounted for using the equity method.

新疆百盛被認為是本集團一個重要的合營企業，以權益法進行會計處理。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

15. INVESTMENT IN A JOINT VENTURE (continued)

The following table illustrates the summarised financial information in respect of Xinjiang Parkson adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

15. 於一家合營企業的投資 (續)

下表概述有關新疆百盛的財務資料，已就會計政策的任何差異作出調整以及對賬至財務報表內的賬面值：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	147,295	57,017
Other current assets	其他流動資產	21,284	115,551
Current assets	流動資產	168,579	172,568
Non-current assets	非流動資產	78,229	13,270
Financial liabilities, including trade, other payables and provisions	金融負債，包括貿易、其他應付款項及撥備	(101,327)	(82,941)
Other current liabilities	其他流動負債	(42,523)	(45,298)
Current liabilities	流動負債	(143,850)	(128,239)
Non-current liabilities	非流動負債	(50,145)	(1,683)
Net assets	資產淨值	52,813	55,916
Reconciliation to the Group's interest in the joint venture:	本集團於合營企業的權益對賬：		
Proportion of the Group's ownership	本集團所有權比例	51%	51%
Group's share of net assets of the joint venture	本集團應佔合營企業資產淨值	26,934	28,517
Total operating revenues	經營收益總額	172,262	177,871
Purchases of goods and changes in inventories	採購貨物及存貨變動	(65,256)	(66,833)
Depreciation and amortisation	折舊及攤銷	(26,021)	(3,844)
Operating expenses	營運開支	(47,828)	(76,266)
Finance income	財務收入	5,129	6,448
Finance cost	財務成本	(6,760)	-
Tax	稅項	(4,871)	(5,637)
Profit and total comprehensive income for the year	年內利潤及全面收入總額	26,655	31,739
Share of profit of the joint venture	應佔一家合營企業利潤	13,594	16,187
Dividends received	已收股息	15,177	17,931
Share of tax attributable to the joint venture	應佔一家合營企業稅項	(2,484)	(2,875)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

16. INVESTMENTS IN ASSOCIATES

16. 於聯營公司的投資

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Share of net assets before impairment	應佔減值前資產淨值	59,351	52,374
Impairment of investments in associates	於聯營公司投資減值	(17,582)	(17,582)
Share of net assets	應佔資產淨值	41,769	34,792

Particulars of the material associate are as follows:

重要聯營公司的詳情如下：

Name	Paid-up capital	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activities
公司名稱	繳足資本	註冊成立/ 註冊及經營 地點	本集團應佔 所有權權益 百分比	主要業務
Parkson Newcore Retail Shanghai Ltd. ("Parkson Newcore") 百盛紐可爾瑞特商貿(上海) 有限公司(「百盛紐可爾」)	RMB80,000,000 人民幣80,000,000元	The PRC 中國	49	Operation of outlet stores 經營奧特萊斯

Parkson Newcore, which is considered a material associate of the Group, is engaged in operating and managing outlets stores, and is accounted for using the equity method.

百盛紐可爾(從事經營及管理奧特萊斯)被認為是本集團重要聯營公司，以權益法進行會計處理。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

16. INVESTMENTS IN ASSOCIATES (continued)

The following table illustrates the summarised financial information in respect of Parkson Newcore adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

16. 於聯營公司的投資 (續)

下表概述有關百盛紐可爾的財務資料，已就會計政策的任何差異作出調整以及對賬至綜合財務報表內的賬面值：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current assets	流動資產	192,061	166,966
Non-current assets	非流動資產	454,714	85,162
Current liabilities	流動負債	(199,873)	(176,932)
Non-current liabilities	非流動負債	(366,482)	(8,885)
Net assets	資產淨值	80,420	66,311
Reconciliation to the Group's interest in the associate:	本集團於聯營公司的權益對賬：		
Proportion of the Group's ownership	本集團所有權比例	49%	49%
Group's share of net assets of the associate	本集團應佔聯營公司資產淨值	39,406	32,493
Carrying amount of the investments	投資的賬面值	39,406	32,493
Gross revenues	總收益	902,270	842,895
Profit and total comprehensive income for the year	年內利潤及全面收入總額	14,108	15,885
Share of profits of the associate	應佔聯營公司利潤	6,913	7,783
Share of tax attributable to the associate	應佔聯營公司稅項	(1,018)	(2,205)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

16. INVESTMENTS IN ASSOCIATES (continued)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Share of the associates' profit for the year	應佔聯營公司年內利潤	161	91
Share of the associates' total comprehensive income	應佔聯營公司全面收入總額	161	91
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司投資的賬面總值	2,363	2,299

16. 於聯營公司的投資 (續)

下表說明本集團個別而言並不重要的聯營公司的合計財務資料：

17. OTHER ASSETS

		Notes 附註	31 December 2019 二零一九年 十二月 三十一日 RMB'000 人民幣千元	1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月 三十一日 RMB'000 人民幣千元
Lease prepayments	預付租金	(a)	175,421	104,814	132,657
Net investments in the subleases	轉租賃投資淨額	(b)	257,910	289,858	-
			433,331	394,672	132,657

Notes:

- (a) This represents the long-term portion of lease prepayments. As a result of the initial application of IFRS 16, lease prepayment of RMB27,843,000 previously included in "other assets" and RMB52,921,000 previously included in "prepayments and other receivables", respectively, were adjusted to right-of-use assets at 1 January 2019. Refer to note 2.2(a) to the financial statements for further details.
- (b) This represents the long-term portion of net investments in the subleases. As a result of the initial application of IFRS 16, the Group recognised net investments in the subleases amount of RMB328,518,000, including RMB289,858,000 included in "other assets" and RMB38,660,000 included in "prepayments and other receivables", respectively, as a result of the sublease contracts classified as finance leases.

附註：

- (a) 這指預付租金的長期部分。由於國際財務報告準則第16號的首次應用，先前計入「其他資產」的人民幣27,843,000元及先前計入「預付款項及其他應收款項」的人民幣52,921,000元預付租金已調整至二零一九年一月一日的使用權資產。有關進一步詳情請參閱財務報表附註2.2(a)。
- (b) 這指轉租賃投資淨額的長期部分。由於國際財務報告準則第16號的首次應用，本集團確認轉租賃投資淨額人民幣328,518,000元，包括計入「其他資產」的人民幣289,858,000元及計入「預付款項及其他應收款項」的人民幣38,660,000元，乃由於轉租賃合約分類為融資租賃所致。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

18. INVESTMENTS IN PRINCIPAL GUARANTEED DEPOSITS

18. 保本存款投資

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Investments in principal guaranteed deposits in licensed banks in the PRC (Note)	存於中國持牌銀行的 保本存款投資 (附註)	250,050	664,780

Note:

These investments in principal guaranteed deposits have terms of less than one year and have an expected annual rate of return of 3.53% (2018: 3.38%) on average. Pursuant to the underlying contracts or notices, the investments in principal guaranteed deposits are capital guaranteed upon the maturity date.

As at 31 December 2019, there were no investments in principal guaranteed deposits pledged to secure the interest-bearing bank loans (31 December 2018: RMB125.0 million) as detailed in note 28.

附註：

該等保本存款投資的期限少於一年，預期全年回報率平均為3.53%（二零一八年：3.38%）。根據相關合約或通知，保本存款投資的本金於到期日已獲保證。

於二零一九年十二月三十一日，本集團並無保本存款投資作為保證計息銀行貸款的抵押（二零一八年十二月三十一日：人民幣125.0百萬元），詳情載於附註28。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

19. DEFERRED TAX ASSETS AND LIABILITIES

19. 遞延稅項資產及負債

2019	二零一九年	Notes 附註	Balance at 31 December 2018 於 二零一八年 十二月 三十一日 的結餘 RMB'000 人民幣千元	Effect of adoption of IFRS 16 採納國際財務 報告準則 第16號的影響 RMB'000 人民幣千元	Balance at 1 January 2019 於 二零一九年 一月一日 的結餘 RMB'000 人民幣千元	Recognised in the consolidated statement of profit or loss 已於綜合 損益表確認 RMB'000 人民幣千元	Balance at 31 December 2019 於 二零一九年 十二月 三十一日 的結餘 RMB'000 人民幣千元
Deferred tax assets:	遞延稅項資產:						
Depreciation	折舊		2,085	-	2,085	(182)	1,903
Accrued other expenses	其他應計開支		3,906	-	3,906	2,510	6,416
Accrued rental expenses	應計租金開支		160,882	(160,882)	-	-	-
Right-of-use assets and lease liabilities	使用權資產及 租賃負債		-	157,551	157,551	20,029	177,580
Accrued coupon provision	應計優惠券撥備		6,823	-	6,823	(41)	6,782
Tax losses	稅項虧損	(a)	12,880	-	12,880	22,025	34,905
			186,576	(3,331)	183,245	44,341	227,586
Deferred tax liabilities:	遞延稅項負債:						
Depreciation	折舊		(10,141)	-	(10,141)	2,004	(8,137)
Fair value adjustments arising from acquisition of subsidiaries	收購附屬公司 所產生的 公允價值調整		(247,116)	-	(247,116)	6,066	(241,050)
Compensation for policy-based relocation	政策性搬遷 補償金		(9,440)	-	(9,440)	9,440	-
Withholding taxes	預扣稅	(b)	(13,417)	-	(13,417)	(50,583)	(64,000)
			(280,114)	-	(280,114)	(33,073)	(313,187)
			(93,538)	(3,331)	(96,869)	11,268	(85,601)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

19. DEFERRED TAX ASSETS AND LIABILITIES (continued)

19. 遞延稅項資產及負債 (續)

		Balance at 1 January 2018 於 二零一八年 一月一日 的結餘 RMB'000 人民幣千元	Recognised in the consolidated statement of profit or loss 已於綜合 損益表確認 RMB'000 人民幣千元	Balance at 31 December 2018 於 二零一八年 十二月 三十一日 的結餘 RMB'000 人民幣千元
Deferred tax assets:	遞延稅項資產:			
Depreciation	折舊	2,318	(233)	2,085
Accrued other expenses	其他應計開支	6,282	(2,376)	3,906
Accrued rental expenses	應計租金開支	161,311	(429)	160,882
Accrued coupon provision	應計優惠券撥備	6,733	90	6,823
Tax losses	稅項虧損 (a)	23,458	(10,578)	12,880
		200,102	(13,526)	186,576
Deferred tax liabilities:	遞延稅項負債:			
Depreciation	折舊	(12,139)	1,998	(10,141)
Fair value adjustments arising from acquisition of subsidiaries	收購附屬公司所產生 的公允價值調整	(243,609)	(3,507)	(247,116)
Compensation for policy-based relocation	政策性搬遷補償金	(9,440)	-	(9,440)
Withholding taxes	預扣稅 (b)	(55,500)	42,083	(13,417)
		(320,688)	40,574	(280,114)
		(120,586)	27,048	(93,538)

Notes:

附註:

(a) The Group has not recognised deferred tax assets in respect of tax losses arising from overseas subsidiaries of RMB15,298,000 (2018: RMB6,500,000), including amount of RMB9,230,000 (2018: RMB2,115,000) that will expire within three years, RMB1,062,000 (2018: RMB379,000) that will expire within seven years and RMB5,006,000 (2018: RMB4,006,000) that are available indefinitely, respectively, for offsetting against future taxable profits, and tax losses from the PRC subsidiaries of RMB1,259,048,000 (2018: RMB1,156,336,000) that will expire within the next five years, as it was not considered probable at 31 December 2019 that taxable profits would be available against which such tax losses can be utilised.

(a) 由於本集團於二零一九年十二月三十一日認為不大可能獲得可用於抵銷稅項虧損的應課稅利潤，故並未就海外附屬公司產生抵銷未來應課稅利潤的稅項虧損人民幣15,298,000元（二零一八年：人民幣6,500,000元）（包括將於三年內到期的人民幣9,230,000元（二零一八年：人民幣2,115,000元）、將於七年內到期的人民幣1,062,000元（二零一八年：人民幣379,000元）及無限期可用的人民幣5,006,000元（二零一八年：人民幣4,006,000元））以及在中國的附屬公司產生將於未來五年內到期的稅項虧損人民幣1,259,048,000元（二零一八年：人民幣1,156,336,000元）確認遞延稅項資產。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

19. DEFERRED TAX ASSETS AND LIABILITIES (continued)

Notes: (continued)

- (b) Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate of 5% may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

At 31 December 2019, deferred tax liability of RMB64,000,000 has been recognised for withholding taxes. Other than that, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries and joint ventures established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries and joint ventures will distribute such earnings in the foreseeable future.

19. 遞延稅項資產及負債 (續)

附註：(續)

- (b) 根據中國企業所得稅法，於中國內地成立的外商投資企業向外國投資者宣派股息將繳納10%的預扣稅。該規定自二零零八年一月一日起生效，適用於二零零七年十二月三十一日之後產生的盈利。如中國與外國投資者所在司法管轄區訂有稅收協定，則可適用5%的較低預扣稅率。本集團有責任就中國內地成立的該等附屬公司於二零零八年一月一日起產生的盈利所分派的股息繳付預扣稅。

於二零一九年十二月三十一日，遞延稅項負債人民幣64,000,000元已就預扣稅獲確認。除此之外，並無就因本集團於中國內地成立的附屬公司及合營企業須繳納預扣稅的未匯出盈利而應付的預扣稅確認遞延稅項。董事認為，該等附屬公司及合營企業不大可能於可見未來分派有關盈利。

20. INVENTORIES

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Merchandise	商品	366,245	332,240
Consumables	消耗品	23,658	23,507
Impairment	減值	(5,862)	(5,664)
		384,041	350,083

20. 存貨

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

20. INVENTORIES (continued)

The movements in provision for impairment of inventories are as follows:

20. 存貨 (續)

存貨減值撥備的變動如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At the beginning of the year	年初	5,664	19,983
Impairment losses recognised	已確認減值虧損	198	-
Written off	已撇銷	-	(14,319)
At the end of the year	年末	5,862	5,664

Included in the above provision for impairment of inventories is the provision for individually impaired inventories of RMB5,862,000 (2018: RMB5,664,000) with a carrying amount before provision of RMB13,437,000 (2018: RMB7,543,000).

計入上述存貨減值撥備為個別減值存貨撥備人民幣5,862,000元(二零一八年:人民幣5,664,000元),其撥備前賬面值為人民幣13,437,000元(二零一八年:人民幣7,543,000元)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

21. TRADE RECEIVABLES

21. 應收貿易款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current	即期		
Third party	第三方	267,493	294,659
Impairment	減值	(1,957)	(4,476)
		265,536	290,183
Non-current	非即期		
Third party	第三方	85,388	94,295
Impairment	減值	(6,906)	(2,699)
		78,482	91,596
Total	總計	344,018	381,779

Trade receivables of the Group mainly arise from purchase by customers with credit cards and credit services arise from loan receivables. The credit period of trade receivables is generally one month. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Among the balance, RMB260,184,000 are with an interest rate range from 9% to 19% depending on the payment term of loan receivables, while others are interest-free.

Included in the balance as at 31 December 2019 were trade receivables from the joint venture and an associate of approximately RMB194,000 (31 December 2018: RMB195,000) and RMB350,000 (31 December 2018: RMB350,000), respectively, which are attributable to the consultancy fee income of the Group. These balances are unsecured and interest-free.

本集團應收貿易款項主要來源於客戶以信用卡的購買以及來源於應收貸款的信貨服務。應收貿易款項的信用期一般為一個月。本集團對其尚未償還應收賬款維持嚴格控制，並設有信貸監控部門以儘量減低信貸風險。逾期結餘由高級管理層定期審閱。考慮到上述各項及本集團之應收貿易款項來自大量多元化客戶，故並無高度集中的信貸風險。本集團並無就其應收貿易款項結餘持有任何抵押品或其他信貸保證。結餘中，人民幣260,184,000元的利率介乎9%至19%，該利率取決於應收貸款的還款期限，而其餘為免息。

於二零一九年十二月三十一日，結餘包括本集團諮詢費收入應佔來自合營企業及聯營公司的應收貿易款項分別約人民幣194,000元（二零一八年十二月三十一日：人民幣195,000元）及人民幣350,000元（二零一八年十二月三十一日：人民幣350,000元）。該等結餘為無抵押及免息。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

21. TRADE RECEIVABLES (continued)

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

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 1 year	一年以內	265,536	290,183
1 to 2 years	一至兩年	64,537	68,778
Over 2 year	兩年以上	13,945	22,818
Total	總計	344,018	381,779

The Group applies general approach for the impairment of trade receivables. Under the general approach, an impairment analysis is performed at each reporting date based on three stages to measure expected credit losses. The Group determines whether there has been a significant increase in credit risk since initial recognition of trade receivables or whether an asset is considered to be credit-impaired and, hence, whether it needs to provide for 12-month ECLs or lifetime ECLs. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

21. 應收貿易款項 (續)

於報告期末，按發票日期及扣除虧損撥備之應收貿易款項之賬齡分析如下：

本集團就貿易應收款項減值應用一般方法。根據一般方法，於各報告日期根據三個階段進行減值分析，以計量預期信貸虧損。本集團釐定自首次確認貿易應收款項以來信貸風險是否已顯著增加，或資產是否被視為信貸減值，因此釐定是否需要就12個月預期信貸虧損或年限內預期信貸虧損計提撥備。該計算反映出概率加權結果、金錢的時間價值以及於報告日期可獲得有關過往事件、當前狀況及對未來經濟狀況的預測的合理及可支持的資料。通常而言，倘貿易應收款項逾期超過一年且不可進行強制執行活動則予以撇銷。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

21. TRADE RECEIVABLES (continued)

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. Set out below is the information about the credit risk exposure on the Group's trade receivables:

As at 31 December 2019

		12-month ECLs 12個月 預期信貸 虧損	Lifetime ECLs – not credit impaired financial assets 年限內預期 信貸虧損 – 非信貸 減值 金融資產	Lifetime ECLs – credit impaired financial assets 年限內預期 信貸虧損 – 信貸減值 金融資產	Total 總計
Expected credit loss rate	預期信貸虧損率	0.84%	8.25%	37.95%	2.51%
Gross carrying amount (RMB'000)	賬面總值 (人民幣千元)	320,650	20,358	11,873	352,881
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	2,678	1,679	4,506	8,863

As at 31 December 2018

		12-month ECLs 12個月 預期信貸 虧損	Lifetime ECLs – not credit impaired financial assets 年限內預期 信貸虧損 – 非信貸 減值 金融資產	Lifetime ECLs – credit impaired financial assets 年限內預期 信貸虧損 – 信貸減值 金融資產	Total 總計
Expected credit loss rate	預期信貸虧損率	0.04%	9.42%	34.17%	1.84%
Gross carrying amount (RMB'000)	賬面總值 (人民幣千元)	339,498	39,897	9,559	388,954
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	149	3,760	3,266	7,175

21. 應收貿易款項 (續)

在無法識別具有信貸級別的可資比較公司的情况下，則應參考本集團的歷史虧損記錄，採用虧損率方法估計預期信貸虧損。虧損率乃經調整以反映當前狀況及未來經濟狀況的預測（如適用）。本集團應收貿易款項之信貸風險資料載列如下：

於二零一九年十二月三十一日

於二零一八年十二月三十一日

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

21. TRADE RECEIVABLES (continued)

Under the general approach, an impairment analysis is performed at each reporting date based on three stages to measure expected credit losses. Set out below is the movements in the loss allowance for impairment of the Group's trade receivables:

As at 31 December 2019

		12-month ECLs	Lifetime ECLs – not credit impaired financial assets	Lifetime ECLs – credit impaired financial assets	Total
		12個月 預期信貸 虧損	年限內預期 信貸虧損 – 非信貸 減值 金融資產	年限內預期 信貸虧損 – 信貸減值 金融資產	總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At the beginning of year	年初	149	3,760	3,266	7,175
Impairment losses	減值虧損	2,529	(2,081)	14,423	14,871
Written off	撇銷	-	-	(13,183)	(13,183)
		2,678	1,679	4,506	8,863

As at 31 December 2018

於二零一八年十二月三十一日

		12-month ECLs	Lifetime ECLs – not credit impaired financial assets	Lifetime ECLs – credit impaired financial assets	Total
		12個月 預期信貸 虧損	年限內預期 信貸虧損 – 非信貸 減值 金融資產	年限內預期 信貸虧損 – 信貸減值 金融資產	總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At the beginning of year	年初	-	-	-	-
Acquisition of a subsidiary	收購附屬公司	113	2,858	4,761	7,732
Impairment losses	減值虧損	36	902	1,501	2,439
Written off	撇銷	-	-	(2,996)	(2,996)
		149	3,760	3,266	7,175

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

22. PREPAYMENTS AND OTHER RECEIVABLES

22. 預付款項及其他應收款項

		Notes	31 December 2019 二零一九年 十二月 三十一日 RMB'000 人民幣千元	1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月 三十一日 RMB'000 人民幣千元
Lease prepayments	預付租金	(a)	76,369	86,986	139,907
Utilities and rental deposits	水電費及租金按金		97,283	98,964	98,964
Advances to suppliers	向供應商預付款		74,272	82,613	82,613
Prepaid tax	預付稅項		16,234	4,633	4,633
Interest receivables	應收利息		24,786	59,690	59,690
Other prepayments	其他預付款項		47,269	48,958	48,958
Net investments in the subleases	轉租賃投資淨額	(a)	40,877	38,660	-
Other receivables	其他應收款項		51,618	63,636	63,636
			428,708	484,140	498,401
Impairment allowance	減值撥備	(b)	(7,896)	(7,939)	(7,939)
			420,812	476,201	490,462
Less: Lease prepayments	減：預付租金		76,369	86,986	139,907
Less: Advances to suppliers	減：向供應商預付款		74,272	82,613	82,613
Less: Prepaid tax	減：預付稅項		16,234	4,633	4,633
Less: Other prepayments	減：其他預付款項		47,269	48,958	48,958
Financial assets included in other receivables	計入其他應收款項內的金融資產		206,668	253,011	214,351

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

22. PREPAYMENTS AND OTHER RECEIVABLES (continued)

Notes:

- (a) Please refer to note 17 for the effect of initial application as at 1 January 2019.
- (b) The movements in the provision for impairment of prepayments and other receivables are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At the beginning of the year	年初	7,939	14,010
Reversal of impairment losses	減值虧損撥回	(43)	(6,071)
At the end of the year	年末	7,896	7,939

For financial assets included in other receivables, 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 loss rate as at 31 December 2019 was 3.8% (2018: 3.7%).

就計入其他應收款項的金融資產而言，應參考本集團的歷史虧損記錄，採用虧損率方法估計預期信貸虧損。虧損率乃經調整以反映當前狀況及未來經濟狀況的預測（如適用）。於二零一九年十二月三十一日的虧損率為3.8%（二零一八年：3.7%）。

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

23. 按公允價值計量且其變動計入損益之金融資產

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Wealth management products	理財產品		
Balance at 1 January	於一月一日的結餘	544,593	1,604,430
Addition during the year	年內添置	1,757,513	2,907,910
Redemption during the year	年內贖回	(2,052,860)	(3,973,695)
Change in fair value of financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益之金融資產之公允價值變動	1,515	5,948
Balance at 31 December	於十二月三十一日的結餘	250,761	544,593

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The wealth management products are managed by licensed financial institutions in the PRC to invest principally in certain financial assets, including bonds, trusts, cash funds, bond funds or unlisted equity investment issued and are circulated in the PRC in accordance with the related entrusted agreements.

The investments are measured at fair value at the end of the reporting period. The gain on the change in fair value of RMB1,515,000 (2018: RMB5,948,000) is credited to "Finance income" in the current year.

23. 按公允價值計量且其變動計入損益之金融資產 (續)

該等理財產品由中國持牌金融機構根據有關信託協議管理，主要投資於若干金融資產，包括於中國發行及流通之債券、信託、現金基金、債券基金或非上市股本投資。

於報告期末，該等投資按公允價值計量。公允價值之變動收益人民幣1,515,000元(二零一八年：人民幣5,948,000元)於本年度計入「財務收入」。

24. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

24. 現金及現金等價物及定期存款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	788,901	1,112,087
Short term deposits	短期存款	2,416,089	1,116,130
Long term deposits	長期存款	787,899	1,433,142
		3,992,889	3,661,359
Less: Pledged short term time deposits for interest-bearing bank loans	減：為計息銀行貸款作擔保的短期定期存款	(400,118)	(380,729)
Less: Pledged long term time deposits for interest-bearing bank loans	減：為計息銀行貸款作擔保的長期定期存款	(787,899)	(1,433,142)
Less: Non-pledged time deposits with original maturity of more than three months when acquired	減：購入時原有到期日超過三個月的無抵押的定期存款	(539,364)	(303,134)
Cash and cash equivalents	現金及現金等價物	2,265,508	1,544,354

The cash and bank balances and time deposits of the Group denominated in Renminbi amounted to RMB3,965,223,000 as at 31 December 2019 (2018: RMB3,483,474,000), which is not freely convertible in the international market. The remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government.

As at 31 December 2019, the Group's time deposits with a carrying amount of RMB1,188.0 million (2018: RMB1,813.9 million) were pledged to secure the interest-bearing bank loans as detailed in note 28.

於二零一九年十二月三十一日，本集團現金及銀行結餘以及定期存款為人民幣3,965,223,000元(二零一八年：人民幣3,483,474,000元)以人民幣(不能於國際市場上自由兌換)計值。將資金匯出中國須受中國政府實施的外匯管制所規限。

於二零一九年十二月三十一日，本集團賬面值為人民幣1,188.0百萬元(二零一八年：人民幣1,813.9百萬元)的定期存款已抵押，為計息銀行貸款作擔保(如附註28詳述)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

25. TRADE PAYABLES

An ageing analysis of the trade payables is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 3 months	三個月內	1,059,831	1,281,771
4 to 12 months	四至十二個月	48,663	44,346
Over 1 year	一年以上	28,069	28,649
		1,136,563	1,354,766

25. 應付貿易款項

應付貿易款項的賬齡分析如下：

26. OTHER PAYABLES AND ACCRUALS

		Notes 附註	31 December 2019 二零一九年 十二月 三十一日 RMB'000 人民幣千元	1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月 三十一日 RMB'000 人民幣千元
Rental payables	應付租金	(a)	19,532	59,405	92,812
Other tax payables	其他應付稅項		44,793	49,942	49,942
Deposits from suppliers	供應商按金		145,924	151,831	151,831
Construction fee payables	應付建築費		55,327	82,324	82,324
Accrued salaries and bonuses	應計薪金及花紅		46,023	40,824	40,824
Accrued interest	應計利息	(c)	11,219	3,831	3,831
Provision for litigation settlement	法律訴訟賠償撥備	(b)	10,000	10,000	10,000
Other payables and accruals	其他應付款項及 應計項目	(c)	304,951	287,951	287,951
			637,769	686,108	719,515

26. 其他應付款項及應計項目

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

26. OTHER PAYABLES AND ACCRUALS (continued)

Notes:

- (a) As a result of the initial application of IFRS 16, accrued lease payments of RMB33,407,000 previously included in "other payables and accruals" were adjusted to the right-of-use assets recognised at 1 January 2019. Refer to note 2.2(a) to the financial statements for further details.
- (b) The balance represents the provision for litigation settlement, payable to a fellow subsidiary of the Group.
- (c) Other payables and accruals included a one-year loan to Parkson Credit granted by PHB with an aggregate amount of RM3,000,000, equivalent to RMB4,886,000, which is due in April 2020, and accrued interest of RMB208,000 with a fixed interest rate of 6.18% per annum is included in accrued interest.

26. 其他應付款項及應計項目 (續)

附註：

- (a) 由於國際財務報告準則第16號的首次應用，先前計入「其他應付款項及應計項目」的人民幣33,407,000元已調整至二零一九年一月一日確認的使用權資產。有關進一步詳情請參閱財務報表附註2.2(a)。
- (b) 結餘指應付本集團同系附屬公司的法律訴訟賠償撥備。
- (c) 其他應付款項及應計項目包括PHB授予Parkson Credit的一年期貸款總金額為林吉特3,000,000元（相當於人民幣4,886,000元），於二零二零年四月到期，以及固定年利率為6.18%的應計利息人民幣208,000元已計入應計利息。

27. CONTRACT LIABILITIES

27. 合約負債

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Prepayment from customers	客戶預付款項	664,126	759,500
Provision for loyalty points programme	忠誠點數計劃撥備	21,666	22,889
		685,792	782,389

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

28. INTEREST-BEARING BANK LOANS

28. 計息銀行貸款

		31 December 2019 二零一九年 十二月三十一日		31 December 2018 二零一八年 十二月三十一日	
		Maturity 到期日	RMB'000 人民幣千元	Maturity 到期日	RMB'000 人民幣千元
Current	即期				
RM secured bank loan	以林吉特計值的有抵押銀行貸款	2020 二零二零年	25,479	2019 二零一九年	21,424
HK\$ secured bank loan	以港元計值的有抵押銀行貸款	2020 二零二零年	173,786	2019 二零一九年	169,982
HK\$ current portion of long term bank loans – secured	以港元計值的長期銀行貸款的即期部分—有抵押	2020 二零二零年	781,137	2019 二零一九年	55,732
US\$ current portion of long term bank loans – secured	以美元計值的長期銀行貸款的即期部分—有抵押	N/A 不適用	-	2019 二零一九年	48,042
RM current portion of long term bank loans – secured	以林吉特計值的長期銀行貸款的即期部分—有抵押	2020 二零二零年	31,186	2019 二零一九年	26,466
			1,011,588		321,646
Non-current	非即期				
HK\$ secured bank loan	以港元計值的有抵押銀行貸款	2021-2022 二零二一年至 二零二二年	2,923,891	2020 二零二零年	259,356
US\$ secured bank loan	以美元計值的有抵押銀行貸款	N/A 不適用	-	2021 二零二一年	3,344,325
RM secured bank loan	以林吉特計值的有抵押銀行貸款	2021-2022 二零二一年至 二零二二年	89,992	2020-2022 二零二零年至 二零二二年	117,560
			3,013,883		3,721,241
			4,025,471		4,042,887

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Analysed into:	分析如下：		
Bank loans	銀行貸款		
Within one year or on demand	一年內或按要求	1,011,588	321,646
In the second year	第二年	1,063,125	259,356
In the third to fifth year, inclusive	第三至第五年 (包括首尾兩年)	1,950,758	3,461,885
		4,025,471	4,042,887

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

28. INTEREST-BEARING BANK LOANS (continued)

Notes:

- (a) The Group has undrawn borrowing facilities amounting to RMB99.3 million (2018: RMB353.6 million) as at the end of the reporting period.
- (b) Certain of the Group's bank loans are secured by:
- (i) mortgages over the Group's investment property situated in Beijing, which had an aggregate carrying value at the end of the reporting period of RMB286.8 million (2018: RMB3.0 million);
 - (ii) mortgages over the Group's buildings, which had an aggregate carrying value at the end of the reporting period of approximately RMB2,292.6 million (2018: RMB1,895.4 million);
 - (iii) mortgages over the Group's prepaid land lease payment, which had an aggregate carrying value at the end of the reporting period of approximately RMB369.9 million (2018: RMB382.7 million);
 - (iv) the pledge of certain of the Group's time deposits and principal guaranteed deposit amounting to RMB1,188.0 million and nil, respectively (2018: RMB1,813.9 million and RMB125.0 million, respectively).

In addition, a subsidiary of the Group, Parkson Retail Development Co., Ltd., has guaranteed certain of the Group's bank loans up to HK\$3,900.0 million (2018: nil) as at the end of the reporting period.

28. 計息銀行貸款 (續)

附註:

- (a) 本集團於報告期末擁有未提取銀行融資人民幣99.3百萬元(二零一八年:人民幣353.6百萬元)。
- (b) 本集團的若干銀行貸款由以下項目作抵押:
- (i) 本集團位於北京的投資物業的抵押,其於報告期末的賬面總值為人民幣286.8百萬元(二零一八年:人民幣3.0百萬元);
 - (ii) 本集團樓宇的抵押,其於報告期末的賬面總值為約人民幣2,292.6百萬元(二零一八年:人民幣1,895.4百萬元);
 - (iii) 本集團預付土地租賃款的抵押,其於報告期末的賬面總值為約人民幣369.9百萬元(二零一八年:人民幣382.7百萬元);
 - (iv) 本集團若干定期存款及保本存款的質押,其金額分別為人民幣1,188.0百萬元及零(二零一八年:分別為人民幣1,813.9百萬元及人民幣125.0百萬元)。

此外,本集團附屬公司百盛商業發展有限公司已於報告期末為本集團最多3,900.0百萬港元(二零一八年:零)的若干銀行貸款提供擔保。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

29. SHARE CAPITAL AND TREASURY SHARES

29. 股本及庫存股

		Number of	Nominal value	
		ordinary shares	HK\$'000	RMB'000
		普通股數目	千港元	人民幣千元
		'000		
		千股		
Authorised:	法定:			
Ordinary shares of HK\$0.02 each	每股面值0.02港元的普通股	7,500,000	150,000	156,000
Issued and fully paid:	已發行及繳足:			
At 1 January 2019 and 31 December 2019	於二零一九年一月一日及二零一九年十二月三十一日	2,634,532	52,691	55,477

A summary of movements in the Company's issued share capital and treasury shares is as follows:

本公司已發行股本及庫存股的變動概述如下:

	Number of	Issued
	shares in issue	capital
	已發行股份數目	已發行股本
	'000	RMB'000
	千股	人民幣千元
At 1 January 2019 and 31 December 2019	於二零一九年一月一日及二零一九年十二月三十一日	55,477
		2,634,532

No transactions occurred in the Company's issued share capital during the year ended 31 December 2019.

截至二零一九年十二月三十一日止年度，本公司已發行股本概無發生交易。

30. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 100 to 101 of the financial statements.

30. 儲備

本集團本年度及過往年度的儲備金額及有關變動載於財務報表第100至101頁的綜合權益變動表。

(a) PRC reserve funds

Pursuant to the relevant laws and regulations for Sino-foreign joint venture enterprises, a portion of the profits of the Group's joint ventures which are established in the PRC has been transferred to reserve funds which are restricted as to use.

(a) 中國公積金

根據中外合資企業的相關法律及法規，在中國成立的本集團合營企業已將部分利潤轉至限制用途的儲備基金。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

30. RESERVES (continued)

(a) PRC reserve funds (continued)

Pursuant to the relevant PRC laws and regulations, Sino-foreign joint venture companies registered in the PRC are required to transfer a certain percentage, as approved by the board of directors, of their profit after income tax, as determined in accordance with PRC accounting rules and regulations, to the reserve fund, the enterprise expansion fund and the employee bonus and welfare fund. These funds are restricted as to use.

Pursuant to the relevant PRC laws and regulations, each of the wholly-owned foreign enterprises ("WOFEs") registered in the PRC is required to transfer not less than 10% of its profit after tax, as determined in accordance with generally accepted accounting principles in the PRC ("PRC GAAP"), to the reserve funds, until the balance of the funds reaches 50% of the registered capital of that company. WOFEs registered in the PRC are required to transfer a certain percentage, as approved by the board of directors, of their profit after income tax to the employee bonus and welfare fund. These funds are restricted as to use.

In accordance with the relevant PRC laws and regulations, PRC domestic companies are required to transfer 10% of their profit after income tax, as determined in accordance with PRC GAAP, to the statutory common reserve, until the balance of the fund reaches 50% of their registered capital. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory common reserve may be used to offset against the accumulated losses, if any.

(b) Asset revaluation reserve

The asset revaluation reserve represented the fair value adjustments to the property, plant and equipment, investment properties and lease prepayments which were already owned by the Group before the acquisition of the remaining 44% equity interest in Parkson Retail Development Co., Ltd. in 2006.

30. 儲備 (續)

(a) 中國公積金 (續)

根據相關中國法律及法規，於中國註冊的中外合資公司均須在董事會批准的情況下，根據中國會計規則及規例，將除所得稅後利潤按一定百分比轉撥至公積金、企業發展基金以及僱員花紅及福利基金。該等基金的用途均有限制。

根據相關中國法律及法規，於中國註冊的各外商獨資企業（「外商獨資企業」）須將根據中國公認會計準則（「中國公認會計準則」）釐定的不少於其除稅後利潤10%轉撥至公積金，直至基金結餘達到該公司註冊資本50%為止。於中國註冊的外商獨資企業須在董事會批准的情況下，將除所得稅後利潤按一定百分比撥入僱員花紅及福利基金。該等基金的用途均有限制。

根據相關中國法律及法規，中國內資公司須將根據中國公認會計準則釐定的除所得稅後利潤10%轉撥至法定公積金，直至基金結餘達到該公司註冊資本50%為止。受限於相關中國法規所載的若干限制，法定公積金可用作抵銷累計虧損（如有）。

(b) 資產重估儲備

資產重估儲備指於二零零六年收購百盛商業發展有限公司餘下44%權益前，對本集團已擁有的物業、廠房及設備、投資物業及預付租金的公允價值的調整。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

31. BUSINESS COMBINATION

On 18 October 2018, the Group acquired a 70% equity interest in Parkson Credit from a subsidiary of the ultimate holding company. Parkson Credit is engaged in providing hire purchase and credit sales financing to customers. The acquisition was made as part of the Group's strategy to expand its market share of credit sales business. The purchase consideration for the acquisition was in the form of cash, with RM49,000,000 (equivalent to RMB81.6 million) paid at the acquisition date.

The fair values of the identifiable assets and liabilities of Parkson Credit as at the date of acquisition were as follows:

31. 業務合併

於二零一八年十月十八日，本集團自最終控股公司的一間附屬公司收購 Parkson Credit 70% 權益。Parkson Credit 從事為客戶提供租賃購買及信貸銷售融資。此次收購為本集團擴大其信貸銷售業務市場份額戰略的一部分。收購的購買代價以現金形式結算，於收購日期已支付林吉特 49,000,000 元（相當於人民幣 81.6 百萬元）。

於收購日期，Parkson Credit 可識別資產及負債之公允價值如下：

		Fair value recognised on acquisition 收購時確認 公允價值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	2,325
Intangible assets	無形資產	24,689
Deferred tax assets	遞延稅項資產	1,662
Cash and cash equivalents	現金及現金等價物	10,788
Trade receivables	應收貿易款項	243,695
Prepayments and other receivables	預付款項及其他應收款項	4,587
Deferred tax liabilities	遞延稅項負債	(5,925)
Trade payables	應付貿易款項	(11,185)
Interest-bearing bank loans	計息銀行貸款	(169,922)
Other payables and accruals	其他應付款項及應計項目	(5,028)
Total identifiable net assets at fair value	按公允價值列賬之可識別資產淨值總額	95,686
Non-controlling interests	非控股權益	(28,706)
Goodwill on acquisition	收購之商譽	14,649
Satisfied by cash	以現金支付	81,629

The fair values of trade receivables and prepayments and other receivables as at the date of the acquisition amounted to RMB243,695,000 and RMB4,587,000, respectively. The gross contractual amounts of trade receivables and prepayments and other receivables were RMB251,427,000 and RMB4,587,000, respectively, of which a loss of loans of RMB7,732,000 was recognised in trade receivables.

於收購日期，應收貿易款項及預付款項及其他應收款項的公允價值分別為人民幣 243,695,000 元及人民幣 4,587,000 元。應收貿易款項及預付款項及其他應收款項的合約總額分別為人民幣 251,427,000 元及人民幣 4,587,000 元，其中貸款虧損人民幣 7,732,000 元已於應收貿易款項中確認。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

31. BUSINESS COMBINATION (continued)

The Group incurred transaction costs of RMB209,000 for this acquisition. These transaction costs have been expensed and are included in other operating expenses in the consolidated statement of profit or loss.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

		RMB'000 人民幣千元
Cash consideration	現金代價	(81,629)
Cash and bank balances acquired	獲得現金及銀行結餘	10,788
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得現金流量之現金及現金等價物流出淨額	(70,841)
Transaction costs of the acquisition included in cash flows from operating activities	計入經營活動所得現金流量之收購事項交易成本	(209)
		(71,050)

Since the acquisition, Parkson Credit contributed RMB9,641,000 to the Group's revenue and RMB1,315,000 to the consolidated profit for the year ended 31 December 2018.

Had the combination taken place at the beginning of the year of 2018, the revenue and the loss of the Group for the year would have been RMB4,418,711,000 and RMB41,956,000, respectively.

31. 業務合併 (續)

本集團就收購事項產生之交易成本為人民幣209,000元。該等交易成本已支銷並於綜合損益表內入賬為其他經營開支。

就收購附屬公司之現金流量分析如下：

自收購事項以來，Parkson Credit於截至二零一八年十二月三十一日止年度為本集團貢獻收益人民幣9,641,000元及綜合利潤人民幣1,315,000元。

倘有關合併於二零一八年年初發生，則本集團年內收益及虧損將分別為人民幣4,418,711,000元及人民幣41,956,000元。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

32. DIVIDENDS

32. 股息

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interim – nil (2018: RMB0.03) per ordinary share	中期—無(二零一八年: 人民幣0.03元)每普通股	–	79,037
Proposed final – nil (2018: nil) per ordinary share	擬派末期—無 (二零一八年:零)每普通股	–	–
		–	79,037

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

33. 綜合現金流量表附註

(a) Major non-cash transactions

During the year, the Group had non-cash decrease to right-of-use assets and lease liabilities of RMB131,692,000 and RMB124,684,000, respectively, in respect of lease arrangements for buildings for department stores (2018: nil).

(a) 主要非現金交易

年內，本集團有關百貨店樓宇租賃安排的使用權資產及租賃負債的非現金減少分別為人民幣131,692,000元及人民幣124,684,000元(二零一八年：無)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities 2019

33. 綜合現金流量表附註 (續)

(b) 產生自融資活動的負債變動 二零一九年

		Interest-bearing bank loans	Lease liabilities	Accrued interest included in other payables and accruals	Amount due to the ultimate holding company in other payables and accruals
		計息銀行貸款 RMB'000 人民幣千元	租賃負債 RMB'000 人民幣千元	計入其他應付款項及應計項目的應計利息 RMB'000 人民幣千元	其他應付款項及應計項目中應付最終控股公司款項 RMB'000 人民幣千元
At 31 December 2018	於二零一八年十二月三十一日	4,042,887	-	3,831	-
Effect of adoption of IFRS 16	採納國際財務報告準則第16號的影響	-	4,770,431	-	-
At 1 January 2019 (restated)	於二零一九年一月一日 (經重列)	4,042,887	4,770,431	3,831	-
Changes from financing cash flows	融資現金流變動	(100,746)	(730,556)	(227,616)	4,886
New leases	新租賃	-	20,512	-	-
Foreign exchange movements	外匯變動	83,330	-	(2,834)	210
Decrease from lease modification and termination	租賃修改及終止產生的減少	-	(145,196)	-	-
Interest expense	利息開支	-	425,040	237,838	-
At 31 December 2019	於二零一九年十二月三十一日	4,025,471	4,340,231	11,219	5,096

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities (continued)

2018

		Interest-bearing bank loans	Bonds	Accrued interest included in other payables and accruals
		計息銀行貸款 RMB'000 人民幣千元	債券 RMB'000 人民幣千元	計入其他應付款項及應計項目的應計利息 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	788,743	3,162,523	26,183
Changes from financing cash flows	融資現金流變動	2,815,616	(3,077,639)	(235,336)
Foreign exchange movements	外匯變動	438,528	(84,884)	4,928
Interest expense	利息開支	-	-	208,056
At 31 December 2018	於二零一八年十二月三十一日	4,042,887	-	3,831

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

(c) 租賃現金流出總額

計入現金流量表中的租賃現金流出總額如下：

		2019 二零一九年 RMB'000 人民幣千元
Within operating activities	經營活動內	213,796
Within financing activities	融資活動內	730,556
		944,352

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(d) Total taxes paid

The total taxes paid during the year is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Operating activities:	經營活動：		
PRC tax paid	已付中國稅項	(153,028)	(118,970)
Investing activities:	投資活動：		
PRC tax paid	已付中國稅項	(12,645)	(75,098)
		(165,673)	(194,068)

34. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank loans are included in note 28 to the financial statements.

35. COMMITMENTS

(a) The Group had the following capital commitments at the end of the reporting period:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約，但未撥備：		
Leasehold improvements	租賃物業裝修	40,829	19,188

(b) Operating lease commitments as at 31 December 2018

As lessee

The Group leased certain of its properties under operating lease arrangements. Majority of these leases had non-cancellable lease terms ranging from 15 to 20 years and there were no restrictions placed upon the Group by entering into these lease agreements.

33. 綜合現金流量表附註 (續)

(d) 已付稅項總額

年內已付稅項總額如下：

34. 資產抵押

本集團就本集團銀行貸款所抵押資產的詳情載於財務報表附註28。

35. 承擔

(a) 本集團於報告期末有以下資本承擔：

(b) 於二零一八年十二月三十一日的經營租賃承擔

作為承租人

本集團根據經營租賃安排租用若干物業。大部分該等租賃的不可撤銷租期介乎15至20年之間，且本集團概無因訂立該等租賃協議而受到任何限制。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

35. COMMITMENTS (continued)

(b) Operating lease commitments as at 31 December 2018 (continued)

As lessee (continued)

As at 31 December 2018, the Group had total future minimum lease payables under non-cancellable operating leases with its tenants falling due as follows:

		2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	921,627
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	3,412,801
After five years	五年後	3,160,780
		7,495,208

A lease that is cancellable only upon the occurrence of some remote contingencies is a non-cancellable operating lease as defined under IFRSs. Pursuant to the relevant lease agreements, the Group is entitled to terminate the underlying lease agreement if the attributable department store business has incurred losses in excess of a prescribed amount or any department store will not be in a position to continue its business because of the losses.

In addition to the above, the annual contingent rental amount is chargeable at a percentage of the turnover or profit before tax of the respective stores.

- (c) The Group has several lease contracts that have not yet commenced as at 31 December 2019. The future lease payments for these non-cancellable lease contracts due within one year is nil, RMB266,968,000 due in the second to fifth years, inclusive, and RMB740,424,000 due after five years.

35. 承擔(續)

- (b) 於二零一八年十二月三十一日的經營租賃承擔(續)

作為承租人(續)

本集團於二零一八年十二月三十一日根據與租戶訂立的不可撤銷經營租約的應付未來最低租金總額如下:

僅可在發生若干遠期或然事項時撤銷的租約為國際財務報告準則界定的不可撤銷經營租約。根據有關租賃協議，倘百貨店業務產生超乎規定數額的虧損或任何百貨店因虧損而無法持續經營業務，則本集團有權終止有關租賃協議。

除上文所述外，年度或然租金按各百貨店的營業額或除稅前利潤的某一百分比支付。

- (c) 本集團於二零一九年十二月三十一日擁有尚未開始的數份租賃合約。該等不可撤銷租約於一年內、第二至第五年(包括首尾兩年)及五年後到期的未來租賃付款分別為零、人民幣266,968,000元及人民幣740,424,000元。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

36. RELATED PARTY TRANSACTIONS

- (a) The Group had the following significant transactions with related parties during the year:

36. 關聯方交易

- (a) 年內，本集團與關聯方進行的重大交易如下：

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Royalty expenses	特許權開支	(i)	1,002	1,350
Trademark expenses	商標開支	(ii)	-	58
Consultancy income	諮詢收入	(iii)	3,062	3,190
Property management expenses	物業管理開支	(iv)	9,577	9,730
Rental income	租金收入	(v)	-	49,119
Royalty income	特許權收入	(vi)	-	121
Entrusted loans repayment	委託貸款還款	(vii)	-	9,800
Interest income	利息收入	(viii)	25,783	336
Payment for litigation compensation	法律訴訟賠償的付款	(ix)	-	90,000
Payment for business combination	業務合併的付款	(x)	-	81,629
Loan	貸款	(xi)	4,886	-
Interest expense	利息開支	(xii)	208	-

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

36. RELATED PARTY TRANSACTIONS (continued)

- (a) The Group had the following significant transactions with related parties during the year: (continued)

Notes:

- (i) The royalty expenses are paid or payable to Smart Spectrum Limited, a fellow subsidiary of the Company, for the Group's entitlement to use the "Parkson" trademark in the PRC.
- (ii) Trademark expenses are paid or payable to F&B Essentials Sdn. Bhd, an associate of PHB, for the Group's entitlement to use "The Library Coffee Bar" trademark in the PRC. The trademark expenses is nil (2018: RMB58,000) because of the closure of these stores.
- (iii) The consultancy income received or receivable from Xinjiang Parkson, a joint venture of the Group, amounted to RMB1,741,000 (2018: RMB1,869,000) and Parkson Newcore, an associate of the Group, amounted to RMB1,321,000 (2018: RMB1,321,000). The consultancy income is determined according to the underlying contracts.
- (iv) The property management expenses are payable to Shanghai Nine Sea Lion Properties Management Co., Ltd., an associate of the Company. The property management fee of RMB9,577,000 (2018: RMB9,730,000) per annum was charged according to the underlying contract.
- (v) No rental income is recognised in 2019 from Parkson Newcore due to the adoption of IFRS 16, which was recognised in interest income resulted from the net investment in sublease.

36. 關聯方交易 (續)

- (a) 年內，本集團與關聯方進行的重大交易如下：(續)

附註：

- (i) 特許權開支為本集團於中國使用「百盛」商標而已付或應付本公司一家同系附屬公司Smart Spectrum Limited的款項。
- (ii) 商標開支為本集團於中國使用「The Library Coffee Bar」商標而已付或應付PHB的聯營公司F&B Essentials Sdn. Bhd的款項。由於該等店舖關閉，商標開支為零(二零一八年：人民幣58,000元)。
- (iii) 向本集團的一家合營企業新疆百盛收取或應收的諮詢收入為人民幣1,741,000元(二零一八年：人民幣1,869,000元)及向本集團的一家聯營公司百盛紐可爾收取或應收的諮詢收入為人民幣1,321,000元(二零一八年：人民幣1,321,000元)。諮詢收入乃根據相關合約釐定。
- (iv) 物業管理開支為應付予本公司的一家聯營公司上海九海金獅物業管理有限公司的款項。物業管理費每年人民幣9,577,000元(二零一八年：人民幣9,730,000元)乃根據相關合約收取。
- (v) 因採納國際財務報告準則第16號，於二零一九年並無確認來自百盛紐可爾的租金收入，其已於轉租賃投資淨額產生的利息收入確認。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

36. RELATED PARTY TRANSACTIONS (continued)

- (a) The Group had the following significant transactions with related parties during the year: (continued)

Notes: (continued)

- (vi) No royalty income is received or receivable from Entity B Management Sdn. Bhd., an associate of PHB, for the franchise of the "Franco" trademark (2018: RMB121,000).
- (vii) The Group entered into two entrusted loans with Parkson Newcore at an aggregate amount of RMB22,540,000 in 2016. One of the entrusted loans of RMB12,740,000 was repaid by Parkson Newcore in February 2017. The remaining amount of RMB9,800,000 was repaid in September 2018.
- (viii) The interest income is received or receivable from Parkson Newcore. The interest income in 2019 is resulted from the net investment in sublease, and in 2018, it was determined according to the underlying entrusted loans agreement.
- (ix) The payment of litigation compensation is paid to Serbadagang Holdings Sdn. Bhd., a fellow subsidiary of the Group, in 29 May 2018. The litigation compensation is determined according to the compensation agreement for an equity interest ownership dispute with Dalian Tianhe Building Co., Ltd.
- (x) The Group acquired a subsidiary, Parkson Credit, from a subsidiary of PHB at a consideration of RM49,000,000, equivalent to RMB81,629,000, based on an internal valuation of the business performed by the directors of the Company in 2018.

36. 關聯方交易 (續)

- (a) 年內，本集團與關聯方進行的重大交易如下：(續)

附註：(續)

- (vi) 特許權收入為特許經營「Franco」商標而向PHB的聯營公司Entity B Management Sdn. Bhd.收取或應收的款項，特許權收入本年為零(二零一八年：人民幣121,000元)。
- (vii) 本集團與百盛紐可爾於二零一六年訂立兩份委託貸款，總額為人民幣22,540,000元，其中一項委託貸款人民幣12,740,000元已由百盛紐可爾於二零一七年二月償還。餘額人民幣9,800,000元已於二零一八年九月償還。
- (viii) 利息收入為向百盛紐可爾收取或應收的款項。於二零一九年該利息收入乃因轉租賃投資淨額產生，而於二零一八年有關收入根據相關委託貸款協議釐定。
- (ix) 法律訴訟賠償款項已於二零一八年五月二十九日支付予本集團同系附屬公司Serbadagang Holdings Sdn. Bhd.。法律訴訟賠償乃根據與大連天河大廈有限公司股權所有權爭議有關的賠償協議釐定。
- (x) 本集團於二零一八年自PHB的附屬公司收購一間附屬公司Parkson Credit，代價為林吉特49,000,000元(相等於人民幣81,629,000元)(根據本公司董事進行的業務內部估值)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

36. RELATED PARTY TRANSACTIONS (continued)

- (a) The Group had the following significant transactions with related parties during the year: (continued)

Notes: (continued)

- (xi) PHB granted a one-year loan to Parkson Credit with an aggregate amount of RM3,000,000, equivalent to RMB4,886,000, in April 2019, and charged a fixed interest rate of 6.18% per annum. The principal is due in April 2020.
- (xii) The interest expense is paid or payable to PHB. The interest expense is determined according to the underlying loan agreement signed in April 2019.

The royalty expenses generated from a subsidiary of the Group and the loan and related interest expense generated from the ultimate holding company of the Group constitute connected transactions and continuing connection transactions as defined in Chapter 14A of the Listing Rules. However, as these continuing connected transactions represent less than 0.1% of the relevant percentage ratios, pursuant to paragraph 14A.76(1)(a) of the Listing Rules, these continuing connected transactions are exempted from the reporting, annual review, announcement and independent shareholders' approval requirements.

The consultancy income generated from the joint venture and an associate of the Group, the property management expenses payable to an associate of the Group, and the interest income generated from an associate of the Group do not constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

36. 關聯方交易 (續)

- (a) 年內，本集團與關聯方進行的重大交易如下：(續)

附註：(續)

- (xi) PHB於二零一九年四月向 Parkson Credit 授出總金額為林吉特3,000,000元(相等於人民幣4,886,000元)的一年期貸款，並按每年6.18%的固定利率收取利息。該本金額於二零二零年四月到期。
- (xii) 利息開支為已付或應付予 PHB。該利息開支乃按二零一九年四月簽署的相關貸款協議釐定。

本集團附屬公司所產生的特許權使用開支及本集團最終控股公司所產生的貸款及有關利息開支構成關連交易及持續關連交易(定義見上市規則第十四A章)。然而，由於該等持續關連交易的相關百分比率低於0.1%，根據上市規則第14A.76(1)(a)段，該等持續關連交易獲豁免遵守申報、年度審閱、公告及獨立股東批准規定。

本集團一家合營企業及聯營公司所產生的諮詢收入、應付本集團一家聯營公司的物業管理開支及本集團一家聯營公司所產生的利息收入並不構成關連交易或持續關連交易(定義見上市規則第十四A章)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

36. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel of the Company:

36. 關聯方交易 (續)

(b) 本公司主要管理人員薪酬：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Fees	袍金	1,499	1,494
Other emoluments:	其他酬金：		
Salaries, allowances, bonuses and other benefits	薪金、津貼、花紅及其他福利	8,736	8,190
Pension scheme contributions	退休金計劃供款	-	145
		8,736	8,335
		10,235	9,829

Further details of directors' and the chief executive's emoluments are included in note 7 to the financial statements.

董事及最高行政人員酬金之進一步詳情載於財務報表附註7。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

37. 金融工具分類

各類金融工具於報告期末的賬面值如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Financial assets	金融資產		
Financial assets at amortised cost:	按攤銷成本計量的金融資產		
Trade receivables	應收貿易款項	344,018	381,779
Financial assets included in prepayments and other receivables	計入預付款項及其他應收款項的金融資產	206,668	214,351
Investments in principal guaranteed deposits	保本存款投資	250,050	664,780
Cash and cash equivalents	現金及現金等價物	2,265,508	1,544,354
Time deposits	定期存款	1,727,381	2,117,005
Financial assets at fair value:	按公允價值計量的金融資產：		
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益的金融資產	250,761	544,593
		5,044,386	5,466,862

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Financial liabilities	金融負債		
Financial liabilities at amortised cost:	按攤銷成本列賬的金融負債：		
Trade payables	應付貿易款項	1,136,563	1,354,766
Financial liabilities included in other payables and accruals	計入其他應付款項及應計項目的金融負債	90,964	178,968
Interest-bearing bank loans	計息銀行貸款	4,025,471	4,042,887
Lease liabilities	租賃負債	4,340,231	-
		9,593,229	5,576,621

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, time deposits, investments in principal guaranteed deposits, financial assets included in prepayments and other receivables, trade receivables, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by a director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The director reports directly to the audit committee. At each reporting date, the finance manager analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the director. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of time deposits and interest-bearing bank loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank loans as at 31 December 2019 was assessed to be insignificant.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Mainland China. 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.

38. 金融工具公允價值及公允價值層級

管理層評定現金及現金等價物、定期存款、保本存款投資、計入預付款項及其他應收款項內的金融資產、貿易應收款項、貿易應付款項及計入其他應付款項及應計項目內的金融負債的公允價值大致相當於其賬面值，很大程度上由於該等金融工具短期內到期所致。

由董事牽頭的本集團財務部主要負責確定金融工具公允價值計量的政策及程序。董事直接向審核委員會報告。於每個報告日期，財務經理分析金融工具的價值變動及釐定估值採用的主要數據。估值由董事審閱及批准。審核委員會每年兩次討論估值程序及結果，以便作出中期及年度財務報告。

金融資產及負債的公允價值按自願雙方可於當前交易（脅迫或清盤銷售除外）中交換該工具所需之金額入賬。估計公允價值使用以下方法及假設：

定期存款及計息銀行貸款非即期部分的公允價值乃透過利用具備類似條款、信貸風險及剩餘期限的工具的當前適用利率貼現預期未來現金流量計算得出。於二零一九年十二月三十一日，因本集團本身的計息銀行貸款不履約風險產生的公允價值變動被評估為並不顯著。

本集團投資於非上市投資，即中國內地銀行發行的理財產品。本集團已採用貼現現金流估值模式按條款及風險相若的工具的市場利率估計該等非上市投資的公允價值。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

For financial assets at fair value through profit or loss, the following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Level 1 –	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 –	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 –	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

38. 金融工具公允價值及公允價值層級 (續)

就按公允價值計量且其變動計入損益之金融資產而言，下表提供有關該等金融資產的公允價值如何釐定的資料（特別是所用的估值技術及輸入數據），以及根據公允價值計量的輸入數據可觀察程度，對分類公允價值計量的公允價值層級水平（第一級至第三級）。

第一層 –	按同等資產或負債於活躍市場之報價（未經調整）計算
第二層 –	按估值技術計算（藉此直接或間接可觀察對公允價值計量而言屬重要之最低層輸入數據）
第三層 –	按估值技術計算（藉此不能觀察對公允價值計量而言屬重要之最低層輸入數據）

	Fair value as at 於下列日期之公允價值		Valuation technique and key inputs 估值技術及 主要輸入數據	Level 3 第三層 Significant unobservable inputs 重要的不可 觀察輸入數據	Weighted average yield rate 加權平均 收益率
	31 December 2019 二零一九年 十二月 三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月 三十一日 RMB'000 人民幣千元			
Financial assets 金融資產					

Financial assets at fair value through profit or loss – wealth management products 按公允價值計量且其變動計 入損益之金融資產 – 理財產品	250,761	544,593	Discounted cash flows 貼現現金流	Expected yield rate 預期收益率	3.64% (2018: 3.62%) (二零一八年： 3.62%)
---	---------	---------	-----------------------------------	---------------------------------	---

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註（續）

31 December 2019 二零一九年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank loans, financial assets at fair value through profit or loss, investments in principal guaranteed deposits, time deposits and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities, such as trade receivables, financial assets included in prepayments and other receivables, trade payables and financial liabilities included in other payables and accruals, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank loans with floating interest rates.

39. 財務風險管理目標及政策

本集團的主要金融工具包括計息銀行貸款、按公允價值計量且其變動計入損益之金融資產、保本存款投資、定期存款及現金及現金等價物。該等金融工具的主要用途乃為本集團的營運籌集資金。本集團擁有應收貿易款項、計入預付款項及其他應收款項之金融資產、應付貿易款項及計入其他應付款項及應計項目之金融負債等多項直接於營運產生的金融資產及負債。

本集團來自金融工具的主要風險為利率風險、外幣風險、信貸風險及流動資金風險。董事會審閱並同意管理各項有關風險的政策，該等政策概述如下。

利率風險

本集團面臨的市場利率變動風險主要為本集團的浮動利率計息銀行貸款。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss after tax and equity through the impact on interest-bearing bank loans with floating interest rates.

		Increase/ (decrease) in basis points 基點增加/ (減少) %比率	(Increase)/ decrease in loss after tax 稅後虧損 (增加)/減少 RMB'000 人民幣千元	(Decrease)/ increase in equity 權益 (減少)/增加 RMB'000 人民幣千元
2019	二零一九年			
HK\$ bank loans	港元銀行貸款	5	(1,939)	(1,939)
HK\$ bank loans	港元銀行貸款	(5)	1,939	1,939
RM bank loans	林吉特銀行貸款	5	(73)	(73)
RM bank loans	林吉特銀行貸款	(5)	73	73
2018	二零一八年			
HK\$ bank loans	港元銀行貸款	5	(243)	(243)
HK\$ bank loans	港元銀行貸款	(5)	243	243
US\$ bank loans	美元銀行貸款	5	(1,696)	(1,696)
US\$ bank loans	美元銀行貸款	(5)	1,696	1,696
RM bank loans	林吉特銀行貸款	5	(83)	(83)
RM bank loans	林吉特銀行貸款	(5)	83	83

Foreign currency risk

The Group's exposure to foreign currency risk mainly arises from the Group's debt financing denominated in HK\$, US\$ and RM, other than the units' functional currency.

Since the Group mainly engages in the operation of department stores in the PRC, the transactional currency exposure arising from sales or purchases in currencies other RMB has an immaterial impact on the Group's loss after tax and equity.

39. 財務風險管理目標及政策 (續)

利率風險 (續)

下表呈列倘其他變量維持不變，本集團經計及浮動利率計息銀行貸款影響的稅後虧損及權益對利率合理可能變動的敏感度。

外幣風險

本集團面臨的外幣風險主要來自本集團以單位功能貨幣以外的港元、美元及林吉特計值的債務融資。

由於本集團主要從事經營中國的百貨店，故面臨以人民幣以外貨幣進行的銷售或採購的交易風險對本集團稅後虧損及權益影響不大。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity as at 31 December 2019 to a reasonably possible change in the HK\$, US\$ and RM exchange rates, with all other variables held constant, of the Group's equity (due to the translation of the operating results and financial position of each subsidiary with functional currencies other than RMB into the presentation currency of RMB used for the consolidated financial statements of the Group).

39. 財務風險管理目標及政策 (續)

外幣風險 (續)

下表呈列倘其他變量維持不變，於二零一九年十二月三十一日本集團權益對港元、美元及林吉特匯率的可能合理變動的敏感度（由於每家附屬公司的經營業績及財務狀況使用的人民幣以外功能貨幣換算為本集團綜合財務報表呈列所用的人民幣）。

		(Decrease)/ increase in US\$ rate 美元匯率 (減少)/ 增加 %	(Increase)/ decrease in loss after tax 稅後虧損 (增加)/減少 RMB'000 人民幣千元	(Decrease)/ increase in equity 權益 (減少)/增加 RMB'000 人民幣千元
2019	二零一九年			
RMB strengthens against US\$	人民幣兌美元升值	(5)	(788)	(788)
RMB weakens against US\$	人民幣兌美元貶值	5	788	788
2018	二零一八年			
RMB strengthens against US\$	人民幣兌美元升值	(5)	168,497	168,497
RMB weakens against US\$	人民幣兌美元貶值	5	(168,497)	(168,497)
		(Decrease)/ increase in HK\$ rate 港元匯率 (減少)/ 增加 %	Decrease/ (increase) in loss after tax 稅後虧損 減少/(增加) RMB'000 人民幣千元	Increase/ (decrease) in equity 權益增加/ (減少) RMB'000 人民幣千元
2019	二零一九年			
RMB strengthens against HK\$	人民幣兌港元升值	(5)	193,163	193,163
RMB weakens against HK\$	人民幣兌港元貶值	5	(193,163)	(193,163)
2018	二零一八年			
RMB strengthens against HK\$	人民幣兌港元升值	(5)	16,293	16,293
RMB weakens against HK\$	人民幣兌港元貶值	5	(16,293)	(16,293)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

		(Decrease)/ increase in RM rate 林吉特匯率 (減少)/增加 %	Decrease/ (increase) in loss after tax 稅後虧損 減少/(增加) RMB'000 人民幣千元	Increase/ (decrease) in equity 權益增加/ (減少) RMB'000 人民幣千元
2019	二零一九年			
RMB strengthens against RM	人民幣兌林吉特升值	(5)	7,022	7,022
RMB weakens against RM	人民幣兌林吉特貶值	5	(7,022)	(7,022)
2018	二零一八年			
RMB strengthens against RM	人民幣兌林吉特升值	(5)	7,957	7,957
RMB weakens against RM	人民幣兌林吉特貶值	5	(7,957)	(7,957)

Credit risk

The Group trades on credit only with third parties who have an established trading history with the Group and have no history of default. It is the Group's policy that new customers who wish to trade on credit terms are subject to credit verification procedures. Concentrations of credit risk are managed by analysis by customer/counterparty. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed.

39. 財務風險管理目標及政策 (續)

外幣風險 (續)

信貸風險

本集團僅與本集團長期交易且並無拖欠款項的第三方進行賒賬交易。根據本集團的政策，須核實擬賒賬交易的新客戶的信用狀況。集中信貸風險由客戶/交易對手方分析管理。本集團貿易應收款項客戶廣泛分散，故並無重大集中信貸風險。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Maximum exposure and year-end staging

The tables below show 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. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2019

39. 財務風險管理目標及政策 (續)

最大風險及年末階段分類

下表載列本集團基於信貸政策的信貸質素及最大信貸風險，主要根據逾期資料（除非其他資料不需付出不必要的成本或努力即可取得）及於十二月三十一日之年末階段分類。載列金額為金融資產的賬面總值。

於二零一九年十二月三十一日

		12-month ECLs 12個月 預期信貸 虧損	Lifetime ECLs 年期預期信貸虧損			Total 總計
		Stage 1 階段1	Stage 2 階段2	Stage 3 階段3		
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Trade receivables	應收貿易款項	320,650	20,358	11,873	352,881	
Financial assets included in prepayments and other receivables	計入預付款項及其他 應收款項內的金融資產	210,322	-	4,242	214,564	
Investments in principal guaranteed deposits	保本存款投資	250,050	-	-	250,050	
Cash and cash equivalents	現金及現金等價物	2,265,508	-	-	2,265,508	
Time deposits	定期存款	1,727,381	-	-	1,727,381	
		4,773,911	20,358	16,115	4,810,384	

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2018

39. 財務風險管理目標及政策 (續)

最大風險及年末階段分類 (續)

於二零一八年十二月三十一日

		12-month ECLs 12個月 預期信貸 虧損	Lifetime ECLs 年期預期信貸虧損			Total 總計
		Stage 1 階段1	Stage 2 階段2	Stage 3 階段3		
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Trade receivables	應收貿易款項	339,498	39,897	9,559	388,954	
Financial assets included in prepayments and other receivables	計入預付款項及其他應收款項內的金融資產	217,548	-	4,742	222,290	
Investments in principal guaranteed deposits	保本存款投資	664,780	-	-	664,780	
Cash and cash equivalents	現金及現金等價物	1,544,354	-	-	1,544,354	
Time deposits	定期存款	2,117,005	-	-	2,117,005	
		4,883,185	39,897	14,301	4,937,383	

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and other receivables are disclosed in notes 21 and 22 to the financial statements, respectively.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank loans and lease liabilities. 18% of the Group's debts would mature in less than one year as at 31 December 2019 (2018: 8%) based on the carrying value of borrowings reflected in the financial statements. The directors have reviewed the Group's liquidity position, working capital and capital expenditure requirements and determined that the Group has no significant liquidity risk.

有關本集團自應收貿易款項及其他應收款項產生的信貸風險的進一步量化數據分別於財務報表附註21及22披露。

流動資金風險

本集團旨在透過利用計息銀行貸款及租賃負債，維持資金延續性與靈活性之間的平衡。於二零一九年十二月三十一日，根據財務報表中反映的借貸的賬面值，本集團債務的18%將於一年內到期（二零一八年：8%）。董事已審閱本集團的流動資金狀況、營運資金及資本開支需求，並確認本集團並無重大流動資金風險。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on contractual undiscounted payments, is as follows:

		2019 二零一九年			
		Within 1 year 一年內 RMB'000 人民幣千元	1 to 5 years 一至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade payables	應付貿易款項	1,136,563	-	-	1,136,563
Financial liabilities included in other payables and accruals	計入其他應付款項及應計項目內的金融負債	90,964	-	-	90,964
Lease liabilities	租賃負債	701,973	2,894,533	2,620,494	6,217,000
Interest-bearing bank loans	計息銀行貸款	1,165,781	3,200,891	-	4,366,672
		3,095,281	6,095,424	2,620,494	11,811,199

		2018 二零一八年			
		Within 1 year 一年內 RMB'000 人民幣千元	1 to 5 years 一至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade payables	應付貿易款項	1,354,766	-	-	1,354,766
Financial liabilities included in other payables and accruals	計入其他應付款項及應計項目內的金融負債	341,424	-	-	341,424
Interest-bearing bank loans	計息銀行貸款	323,096	3,744,269	-	4,067,365
		2,019,286	3,744,269	-	5,763,555

39. 財務風險管理目標及政策 (續)

流動資金風險 (續)

本集團於報告期末的金融負債基於合約未貼現付款的到期日如下：

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objective of the Group's capital management is to ensure that it maintains the Group's stability and growth.

The Group regularly reviews and manages its capital structure and makes adjustments to it, taking into consideration changes in economic conditions, future capital requirements of the Group, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Group monitors capital using a gearing ratio, which is net adjusted debt divided by the capital plus net adjusted debt. The net adjusted debt includes interest-bearing bank loans, long term payables, trade payables, contract liabilities and lease liabilities, other payables and accruals less cash and cash equivalents, time deposits, investments in principal guaranteed deposits and financial assets at fair value through profit or loss. The gearing ratios as at the end of the reporting periods were as follows:

39. 財務風險管理目標及政策 (續)

資本管理

本集團資本管理的主要目標是保證維持本集團的穩定及增長。

本集團定時檢討及管理其資本架構，依以下因素對其進行調整：經濟環境變化、本集團未來資本需求、當時及預測盈利能力、經營現金流量，預測資本開支及預測戰略投資機會。

本集團按資本負債比率監控其資本，該比率乃按經調整淨債務除以資本加經調整淨債務計算。經調整淨債務包括計息銀行貸款、長期應付款項、應付貿易款項、合約負債及租賃負債、其他應付款項及應計項目減現金及現金等價物、定期存款、保本存款投資及按公允價值計量且其變動計入損益之金融資產。於報告期末的資本負債比率如下：

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

39. 財務風險管理目標及政策 (續)

資本管理 (續)

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Interest-bearing bank loans	計息銀行貸款	4,025,471	4,042,887	4,042,887
Long term payables	長期應付款項	-	57,323	727,970
Trade payables	應付貿易款項	1,136,563	1,354,766	1,354,766
Other payables and accruals	其他應付款項及 應計項目	637,769	686,108	719,515
Contract liabilities	合約負債	685,792	782,389	782,389
Lease liabilities (Note)	租賃負債 (附註)	4,340,231	4,770,431	-
Less: Cash and cash equivalents	減: 現金及現金等價物	(2,265,508)	(1,544,354)	(1,544,354)
Time deposits	定期存款	(1,727,381)	(2,117,005)	(2,117,005)
Investments in principal guaranteed deposits	保本存款投資	(250,050)	(664,780)	(664,780)
Financial assets at fair value through profit or loss	按公允價值計量 且其變動計入 損益之金融資產	(250,761)	(544,593)	(544,593)
Net adjusted debt	經調整淨債務	6,332,126	6,823,172	2,756,795
Capital: equity attributable to owners of the parent	資本: 母公司所有人 應佔權益	4,230,661	4,524,766	4,509,939
Capital and net adjusted debt	資本及經調整淨債務	10,562,787	11,347,938	7,266,734
Gearing ratio	資本負債比率	60%	60%	38%

Note: The Group has adopted IFRS 16 using the modified retrospective approach and the effect of the initial adoption is adjusted against the opening balances as at 1 January 2019 with no adjustments to the comparative amounts as at 31 December 2018. This resulted in an increase in the Group's net debt and hence the Group's gearing ratio increased from 38% to 60% on 1 January 2019 when compared with the position as at 31 December 2018.

附註: 本集團已使用經修改追溯法採納國際財務報告準則第16號, 且首次採納的影響乃對於二零一九年一月一日的期初餘額進行調整, 而不對二零一八年十二月三十一日的可比較金額進行調整。這導致本集團的淨債務增加, 因此, 與二零一八年十二月三十一日的狀況相比, 本集團的資本負債比率於二零一九年一月一日由38%增加至60%。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

40. 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:

40. 本公司財務狀況表

本公司於報告期末有關財務狀況表的資料如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司的投資	3,500,458	3,620,975
Total non-current assets	非流動資產總額	3,500,458	3,620,975
CURRENT ASSETS	流動資產		
Prepayments and other receivables	預付款項及其他應收款項	20,136	10,949
Cash and cash equivalents	現金及現金等價物	5,689	160,145
Total current assets	流動資產總額	25,825	171,094
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計項目	(5,071)	(3,551)
Interest-bearing bank loans	計息銀行貸款	(781,137)	(103,774)
Total current liabilities	流動負債總額	(786,208)	(107,325)
NET CURRENT (LIABILITIES)/ASSETS	流動(負債)/資產淨值	(760,383)	63,769
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	2,740,075	3,684,744
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank loans	計息銀行貸款	(2,923,891)	(3,603,681)
Total non-current liabilities	非流動負債總額	(2,923,891)	(3,603,681)
Net (liabilities)/assets	(負債)/資產淨值	(183,816)	81,063
EQUITY	權益		
Issued capital	已發行股本	55,477	55,477
Reserves (Note)	儲備(附註)	(239,293)	25,586
Total (deficit)/equity	總(虧絀)/權益	(183,816)	81,063

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

		Exchange reserve 匯兌儲備 RMB'000 人民幣千元	Retained earnings 保留盈利 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	(405,763)	758,996	353,233
Interim 2018 dividend paid	已付二零一八年中期股息	-	(79,037)	(79,037)
Total comprehensive income for the year	年度全面收入總額	(16,135)	(232,475)	(248,610)
At 31 December 2018	於二零一八年十二月三十一日	(421,898)	447,484	25,586
Total comprehensive income for the year	年度全面收入總額	(9,828)	(255,051)	(264,879)
At 31 December 2019	於二零一九年十二月三十一日	(431,726)	192,433	(239,293)

40. 本公司財務狀況表 (續)

附註:

本公司儲備概要如下:

41. EVENT AFTER THE REPORTING PERIOD

With the recent development of the coronavirus outbreak from January 2020, the government of many cities in the PRC have required entities to limit or suspend business operations and implemented travel restrictions and quarantine measures. These measures and policies have led to some department stores of the Group postponed operations or shortened business hours since the spring festival in 2020. Management is closely monitoring the coronavirus outbreak progress and proactively coping with the impacts on business operation and finance.

42. COMPARATIVE AMOUNTS

As further explained in note 2.2(a) to the financial statements, the Group adopted IFRS 16 on 1 January 2019 using the modified retrospective approach. Under this approach, the comparative amounts in the financial statements were not restated and continued to be reported under the requirements of the previous standard, IAS 17, and related interpretations.

43. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 24 February 2020.

41. 報告期後事項

隨著二零二零年一月以來冠狀病毒爆發的最新進展，中國許多城市的政府已要求實體限制或暫停業務運營，並實施旅行限制及檢疫措施。該等措施及政策導致本集團的部分百貨店自二零二零年春節以來推遲營運或縮短營業時間。管理層正在密切監察冠狀病毒的爆發進展，並積極應對對業務營運及財務的影響。

42. 比較金額

誠如財務報表附註2.2(a)進一步解釋，本集團於二零一九年一月一日使用經修改追溯法採納國際財務報告準則第16號。根據該方法，財務報表內的比較金額未經重列並繼續根據先前準則國際會計準則第17號的規定及相關詮釋進行呈報。

43. 批准財務報表

董事會已於二零二零年二月二十四日批准及授權刊發財務報表。

PARKSON 百盛

Retail Group Limited

商業集團有限公司