



C. Banner

Annual Report 2017 年度報告

C. banner International Holdings Limited

千百度國際控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 1028





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Corporate Profile

公司簡介

C.banner International Holdings Limited

千百度國際控股有限公司

Vision To be a leading international integrated retailer and branded group of mid-to-premium ladies' footwear in China

Brand Values Elegance, Charm, Fashionable

願景 成為領先的國際綜合零售商及中國中高檔女鞋品牌集團

品牌理念 優雅、魅力、時尚

CORPORATE PROFILE

C.banner International Holdings Limited (the "Company" or "C.banner", together with its subsidiaries, the "Group") is the leading international integrated retailer and retailer of mid-to-premium women's formal and casual footwear in the PRC.

The Group distributes self-developed brands and licensed brands products through department stores and independent retail stores in different cities, ranging from first-tier to third-tier cities in the PRC, and is also proactive in developing online business as to further expand its customer base as well as sales and distribution network. In addition, the Group also acts as an OEM or ODM manufacturer for international shoes companies dealing in export markets.

Striving to be the leading branded group of mid-to-premium ladies' footwear in the PRC, the Group upholds a diversified brand strategy and product portfolio as to diversify its footwear offerings and enter diversified market segments. The Group is popular for its brand values of elegance, charm and fashionable in the market, and operates self-developed brands, including C.banner, EBLAN, sundance, MIO, Badgley Mischka and natursun, and licensed brands, including ASH, JC Collezione, United Nude and Steve Madden.







公司簡介

千百度國際控股有限公司(「本公司」或「千百度」, 連同其附屬公司, 統稱「本集團」)乃領先的國際綜合零售商及中國中高檔端莊和休閒女鞋零售商。

本集團透過位於中國多個一二三線城市的百貨商店及獨立零售店舖出售自有產品及特許品牌產品, 亦積極發展線上業務, 以期進一步拓展其客戶群以及銷售及分銷網絡。此外, 本集團亦以OEM或ODM方式為國際鞋業公司生產產品出口海外。

致力成為中國中高檔女鞋的領先品牌集團, 本集團堅持多元化品牌發展戰略, 並豐富產品組合, 以使其鞋履種類多樣化及促進市場多元化。本集團因秉承優雅、魅力、時尚的品牌理念備受市場青睞, 並經營自有品牌包括千百度、伊伴、太陽舞、米奧、Badgley Mischka及natursun, 以及授權品牌包括ASH、JC Collezione、United Nude及Steve Madden。

SELF-DEVELOPED BRANDS

	<p>is one of the leading brands in the mid-to-premium formal and casual segment in the PRC, offers a range of mid-to-premium fashion, business and business casual footwear.</p>	<p>中國中高檔端莊及休閒分部的一大領軍品牌，提供一系列中高檔時尚、商務及商務休閒鞋履。</p>
	<p>is comparatively more youthful, colorful and energetic in its designs.</p>	<p>設計更年輕、更絢麗，更具活力。</p>
	<p>is the most casual in appearance, in line with its younger customer profile.</p>	<p>外觀最為休閒，符合年輕客戶的形象。</p>
	<p>offers a range of trendy and high-quality ladies footwear for most young female customers.</p>	<p>為年輕女性客戶提供一系列新潮優質女鞋。</p>
	<p>is a well-known fashion brand, offers fashion ladies footwear to be worn in important occasions.</p>	<p>是知名時尚品牌，提供重要場合穿著的時尚女鞋。</p>
	<p>is committed to comfort technology research for the creation of comfortable and fashionable footwear targeted at office ladies in China.</p>	<p>致力於舒適技術的研究，為中國白領女性設計舒適時尚的鞋履。</p>

LICENSED BRANDS

	<p>comes from Italy and targeting a fashion conscious generation of men and women who always setting trends, never following them.</p>	<p>來自意大利，是給追求時尚，且不希望被大眾同化的顧客。</p>
	<p>offers comfortable and tasted high-class lady's shoes.</p>	<p>提供舒適、品位的高端女鞋。</p>
	<p>Its simple, elegant and creative style is no substitute.</p>	<p>簡約、優雅、極富創意的風格無可取代。</p>
	<p>is a US-based trendy footwear brand with a wide coverage of footwear, socks, handbags, and accessories of avant-garde style.</p>	<p>美國潮流鞋履品牌，銷售多種風格前衛的鞋襪、手袋和配飾。</p>

Corporate Profile

公司簡介

INTRODUCTION OF LEADING WORLD RENOWNED TOY RETAILER BRAND – HAMLEYS

In October 2015, the Group acquired the entire issued share capital of Hamleys Global Holdings Limited. Hamleys is one of the largest toys retailers in the world. It owns the retail store with the world's highest sales and Hamleys brand with a brand history of over 250 years.

The first Hamleys China flagship store was successfully opened in Nanjing in October 2016. Through the introduction of Hamleys brand, the Group aims to expand its business with a focus on retail premises such as department stores to further implement the global branding strategy. The Group will leverage on its retail platforms to further develop the Hamleys brand and at the same time expand the product offerings through the addition of toys and children's products to strengthen its competitive advantages of retail channels and diversify its businesses, thus shaping C.banner as an international integrated retailer with multi-brands portfolio.

引入領先的全球知名玩具零售商 品牌 – Hamleys

於2015年10月，本集團收購Hamleys Global Holdings Limited之全部已發行股本。Hamleys是全球最大的玩具零售商之一，擁有全球銷售額最高的玩具零售店及超過250年歷史的Hamleys品牌。

首間Hamleys中國旗艦店於2016年10月在南京成功開業。通過引入Hamleys品牌，本集團旨在擴大業務並專注於百貨公司等零售場所，進一步實現全球品牌戰略。本集團將運用其零售平台進一步發展Hamleys品牌，並透過引入玩具及兒童產品擴大產品系列，強化零售渠道優勢，多元化業務發展，將公司打造為多品牌的國際綜合零售商。

ESTABLISHMENT OF A JOINT VENTURE ("JV") COMPANY TO DISTRIBUTE "STEVE MADDEN" PRODUCTS

In June 2017, Xuzhou C.banner, an indirect wholly-owned subsidiary of the Company, entered into the JV Agreement with Madden Asia for the establishment of the JV Company. The JV Company is principally engaged in the business of promoting, marketing, sales and distribution of products bearing the Marks of "STEVE MADDEN" in the PRC. The JV Company will promote, distribute and sell the products under the Marks through integration of both online and offline channels. Based on the current business plan, it is expected that the JV Company will open around 150 points of sale for "STEVE MADDEN" products in the PRC by end of 2020. In addition, the JV Company will sell the "STEVE MADDEN" products through multiple online sales platforms, including the brand's official website and online platforms operated by third parties.

成立合營企業銷售「STEVE MADDEN」產品

2017年6月，本公司間接全資附屬公司徐州千百度與美登亞洲訂立合營協議，成立合營公司。合營公司主要從事於中國促銷、營銷、銷售及分銷印有「STEVE MADDEN」標識產品之業務。合營公司將透過整合線上及線下渠道促銷、分銷及銷售印有標識之產品。依據當前業務計劃，預期合營公司將於2020年底前開設約150個「STEVE MADDEN」產品銷售點。此外，合營公司將透過多個網絡銷售平台（包括品牌官方網站及第三方營運的網絡平台）銷售「STEVE MADDEN」產品。

Corporate Information
公司資料



BOARD OF DIRECTORS

Executive Directors:

Mr. Chen Yixi (Chairman)
Mr. Zhao Wei (President)
Mr. Huo Li
Mr. Yuan Zhenhua
(appointed as Chief Financial Officer
with effect from 2 June 2017)

Non-executive Directors:

Mr. Miao Bingwen
Mr. Wu Guangze
(resigned with effect from 4 April 2018)
Mr. Ngan Wing Ho
(re-designated from executive Director to
non-executive Director on 2 June 2017
and resigned with effect from 4 April 2018)

Independent Non-executive Directors:

Mr. Kwong Wai Sun Wilson
Mr. Li Xindan
Mr. Zhang Zhiyong
Mr. Zheng Hongliang

AUTHORISED REPRESENTATIVES

Mr. Huo Li
Ms. Mok Ming Wai

AUDIT COMMITTEE

Mr. Kwong Wai Sun Wilson (Chairman)
Mr. Miao Bingwen
Mr. Li Xindan
Mr. Zhang Zhiyong
Mr. Zheng Hongliang

REMUNERATION COMMITTEE

Mr. Li Xindan (Chairman)
Mr. Miao Bingwen
Mr. Kwong Wai Sun Wilson
Mr. Zhang Zhiyong
Mr. Zheng Hongliang

NOMINATION COMMITTEE

Mr. Chen Yixi (Chairman)
Mr. Li Xindan
Mr. Kwong Wai Sun Wilson
Mr. Zhang Zhiyong
Mr. Wu Guangze
(resigned with effect from 4 April 2018)
Mr. Zheng Hongliang

董事會

執行董事：

陳奕熙先生(董事長)
趙偉先生(總裁)
霍力先生
袁振華先生
(於2017年6月2日起
獲委任首席財務官)

非執行董事：

繆炳文先生
吳廣澤先生
(於2018年4月4日起辭任)
顏永豪先生
(於2017年6月2日由執行董事
調任為非執行董事，
並於2018年4月4日起辭任)

獨立非執行董事：

鄺偉信先生
李心丹先生
張志勇先生
鄭紅亮先生

授權代表

霍力先生
莫明慧女士

審核委員會

鄺偉信先生(主席)
繆炳文先生
李心丹先生
張志勇先生
鄭紅亮先生

薪酬委員會

李心丹先生(主席)
繆炳文先生
鄺偉信先生
張志勇先生
鄭紅亮先生

提名委員會

陳奕熙先生(主席)
李心丹先生
鄺偉信先生
張志勇先生
吳廣澤先生
(於2018年4月4日起辭任)
鄭紅亮先生

Corporate Information

公司資料



COMPANY SECRETARY

Ms. Mok Ming Wai

公司秘書

莫明慧女士

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2904, 29th Floor
Far East Finance Center
16 Harcourt Road
Hong Kong

香港主要營業地點

香港夏愨道16號
遠東金融中心
29樓2904室

STOCK CODE

1028

股份代號

1028

COMPANY WEBSITE

www.cbanner.com.cn

公司網址

www.cbanner.com.cn

LEGAL ADVISER

Sidley Austin
Level 39
Two International Finance Centre
8 Finance Street
Central, Hong Kong

法律顧問

盛德律師事務所
香港中環
金融街8號
國際金融中心二期39樓

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

核數師

德勤•關黃陳方會計師行
執業會計師

SHARE REGISTRARS

Principal Share Registrar and Share Transfer Agent

Estera Management (Bermuda) Limited
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

股份過戶處

股份登記總處及股份過戶代理

Estera Management (Bermuda) Limited
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

香港股份過戶登記分處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心17樓
1712-1716號舖

PRINCIPAL BANKERS

Agricultural Bank of China, Nanjing Xinjiekou sub-branch
DBS (Bank) Ltd., Hong Kong Branch
China Merchants Bank, Nanjing Chengxi sub-branch
Bank of China, Nanjing Economic Development Zone sub-branch

主要往來銀行

中國農業銀行南京市新街口支行
星展銀行有限公司香港分行
中國招商銀行南京市城西支行
中國銀行南京市高新技術開發區支行



Financial Highlights

財務摘要

		Year ended 31 December 截至12月31日止年度	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Revenue	收益	3,063,524	3,206,562
Gross profit	毛利	1,863,207	1,935,672
Profit before tax	除稅前溢利	80,906	278,729
Income tax expense	所得稅開支	(64,215)	(73,296)
Net profit for the year	年內純利	16,691	205,433
Net profit attributable to equity holders of the Company	本公司權益持有人應佔純利	20,492	206,253
		%	%
Gross profit margin	毛利率	60.8	60.4
Operating profit margin	經營利潤率	2.6	8.7
Net profit margin	淨利潤率	0.5	6.4
Earnings per share	每股盈利		
– Basic (RMB cents)	– 基本 (人民幣分)	1.00	10.01
– Diluted (RMB cents)	– 攤薄 (人民幣分)	1.00	10.01
Bank balances and cash	銀行結餘及現金	540,059	629,299
Borrowings	借貸	1,146,098	703,218
		%	%
Liquidity ratio	流動資金比率	153.6	312.8
Gearing ratio	資產負債比率	28.9	20.7
		Days	Days
		日數	日數
Average inventory turnover period	平均存貨週轉期	245.3	233.9
Average receivables turnover period	平均應收款項週轉期	46.3	46.1
Average payable turnover period	平均應付款項週轉期	54.9	53.4

Note: Liquidity ratio = current assets/current liabilities; gearing ratio = notes payable and bank loans/total assets

附註：流動資金比率 = 流動資產 / 流動負債；資產負債比率 = 應付票據及銀行貸款 / 資產總值



Chairman's Statement

主席報告



Chen Yixi
陳奕熙
Chairman
主席

“Implement global branding strategy and build creative integrated retail platform.”

「實行全球品牌策略，建立創新的綜合零售平台。」

Dear shareholders,

On behalf of the board (the “Board”) of directors (the “Directors”) of the Company, I am pleased to present the annual report of the Group for the year ended 31 December 2017.

During the year, the Company saw lots of encouraging developments, one of which is the grand opening of the third Hamleys flagship store in China in Wangfujin, Beijing last December, which is the largest Hamleys store in the world. Together with our brand-new store format in shopping centers-Banner Plus which offers one-stop shopping for branded men’s, women’s and children’s footwears as well as an extensive range of accessories under the banner of “A Joyful Shoe Store for the Whole Family”, C.banner is well positioned to take advantage of the growth opportunities arising from the current global economic environment.

In 2017, a steady global economic growth, low inflation and accommodative monetary policies all pointed to positive signs of recovery. At the same time, almost all the world’s major economies were in some phrase of recovery and expansion, leading to the most synchronized upswing in recent years. In particular, the US and global equity markets have registered double-digit gains, the highest since 2008 financial crisis while China has also seen strong growth in consumer and service sectors thanks to its supply-side reform, strong Renminbi performance and the generally encouraging global economic environment. These favorable developments provided strong impetus to the growth of retail sector.

致各股東：

本人謹代表本公司董事（「董事」）會（「董事會」）欣然提呈本集團截至2017年12月31日止年度之年度報告。

年內，本公司的業務發展令人鼓舞，尤其是Hamleys在中國的第三間旗艦店於去年12月在北京王府井隆重開幕，該店是全球最大的Hamleys店鋪。同時，Banner Plus在購物中心開設全新格局的Banner Plus，貫徹「一家大小的快樂鞋店」(A Joyful Shoe Store for the Whole Family)的理念，為顧客提供各大品牌的男裝、女裝及童裝鞋履及多款飾物的一站式購物體驗，令千百度處於有利位置，可從目前環球經濟增長的機遇中受惠。

2017年，全球經濟增長穩定，通脹低及寬鬆的貨幣政策，正在展示經濟復蘇跡象。與此同時，全球絕大部分主要經濟體均處於復蘇及擴張的不同階段，將呈現近年最為一致的同步向上趨勢。美國和環球股票市場錄得自2008年金融危機後最大的雙位數升幅，而中國受供給側改革、人民幣表現強勢和全球整體經濟環境樂觀所帶動，在消費及服務行業有明顯增長。各種有利的發展大力推動零售業的增長。

Chairman's Statement

主席報告

Notwithstanding such positive trend, the footwear industry faced tremendous challenges during the past year as the market scale of footwear retail stores continued to shrink due to increasing competition from e-commerce, which accelerated the shifting of consumption activities from physical stores to online purchase. Shopping malls and department stores were losing traffic and more underperforming physical stores were closed to reduce operating costs. Under such backdrop, major women's footwear brands were facing increasingly intense pricing competition from newly emerging online stores and had to resort to heavy retail discounting to clear inventory. However, China remains a promising market for consumer goods due to increasing average disposable income, accelerating urbanization and gradually improving consumer sentiment and it is expected that mid-to-premium brands with reputable and quality, like C.banner, will benefit most and emerge as front runners in this intense competition.

With respect to the toys industry, major markets around the world are struggling amidst a slowdown in global toys sales as children are now spending more and more time on smartphones, tablets and other electronic devices. However, there is an emerging toys market in China owing to the rising birth rate after the full implementation of the two-child policy under the 13th Five-Year Plan in 2016. According to an analysis report of the toys industry, China's toys market entered into a new cycle of rapid growth in 2015, far outperforming the growth rate of the global toys market and is expected to reach RMB80 billion in 2018, accounting for nearly one-third of the total global volume. The global toys retail market is growing at a rate of approximately 3% annually and with the rising educational level, the demand for educational and recreational products of Chinese children will continue to be on the rise.

While the market offers encouraging prospects for future development, the Company, on its part, will endeavour to implement a wide range of strategies to sharpen its competitive edge. With respect to its footwear business, key focus will be placed on constructing a seamless sales system, which could fully integrate the offline channels, including shops in the department stores and shopping malls as well as outlet stores, and online channels, including official websites, Apps, Wechat Shop, Tmall and other third-party platforms. As part of our global branding strategy, the Company has set up a joint venture company with Madden Asia Holding Limited to promote, market, sell and distribute products bearing "STEVE MADDEN", a renowned US shoes and fashion brand, in the PRC through both the Company's online and offline channels.

儘管有前述利好趨勢，由於電子商務的競爭日趨激烈，消費活動加速由實體店鋪轉移至網上購物，導致鞋履零售店鋪的市場規模不斷收縮，鞋履行業於去年依然面臨巨大挑戰。購物中心和百貨公司的人流減少，更多實體店鋪因業績表現欠佳而關閉，以減低經營成本。在此背景下，大型女裝鞋履品牌面臨新興線上店鋪所帶來的激烈價格競爭，需要借助大幅減價以促銷存貨。然而，憑藉市民可支配收入增加、城市化步伐加快及消費情緒逐漸提升，中國依然是對鞋履行業而言前景秀麗的市場，預期千百度等具備名氣和質素的中高檔次品牌將在激烈競爭中受益最大，從眾多競爭對手中脫穎而出。

就玩具業而言，由於現時智能電話、平板電腦和其他電子設備佔用了孩童更多時間，全球主要市場正在玩具銷售低迷的環境中掙扎求存。然而，中國於2016年全面實施十三五規劃下的二孩政策後，國內出生率不斷上升，形成一個新興的玩具市場。根據一項玩具行業的分析報告，中國的玩具市場於2015年進入新的急速增長周期，增長率遙遙領先全球玩具市場，預期2018年總銷售額將達人民幣800億元，佔全球銷售總額近三分之一。全球玩具零售市場每年增長約3%，隨著教育水平不斷提升，內地兒童對教育及娛樂產品的需求將持續上升。

市場的未來發展前景可觀，而本公司亦將致力推行一系列策略以提升競爭力。鞋履業務方面，我們將著力構建無縫的銷售系統，全面整合線下渠道（包括百貨公司、購物中心及奧萊城店鋪）及線上渠道（包括官方網站、手機應用程式、微信店鋪、天貓及其他第三方平臺）。本公司其中一項全球品牌策略是與美登亞洲集團有限公司成立合營公司，在中國透過本公司線上線下渠道推廣、營銷、銷售及分銷印有美國著名鞋履及時裝品牌「STEVE MADDEN」的產品。

In terms of the toys business, the Company continued to expand the operations of Hamleys flagship stores in China's first and second-tier cities to create more sales and enhance its brand awareness. During the year, the second Hamleys flagship store in China was opened in Xuzhou. As a partner of many world-famous toy brands, Hamleys would certainly be a great complement to our wide range of products and services. In fact, the Hamleys flagship stores in Nanjing and Xuzhou have started to contribute revenue while the Beijing store, being the largest Hamleys flagship store in the world, also shows strong growth potential. These encouraging business developments laid a solid foundation for the Company to replicate Hamleys' unique in-store experience with interactive playtime, events and special demonstrations in other populous cities in China to gain more market share.

Looking ahead, China's economy will continue to undergo structural reform toward a consumption-driven growth path. At the same time, it is expected that the footwear industry will continue to experience restructuring in the coming year and will face various challenges before recovery. However, the rising average disposable income, improving consumer sentiment and accelerating urbanization all bode well for the growth prospects of the industry in 2018. As for the toys market, booming growth is tipped for the coming year due to several factors, such as the full implementation of two-child policy, increasing disposable income and the trend of upgrading to more expensive products. However, the wider opportunities imply more intense competition and it is therefore crucial for industry players to target at provinces with promising growth potential and identify target parent segments so as to maximize profit by reaching parents with a variety of marketing and sales channels.

Setting its sight on developing into a leading international integrated retailer, the Company will continue to introduce and implement a range of strategies to spur its growth. As for branding, the Company will adhere to the global branding strategy and consolidate C.banner's image as a leading international integrated retailer which in turn would help building a more comprehensive integrated retail platform. The Company will also continue to implement multi-brands strategy to diversify brand and product portfolio which targets various segmented markets. Besides continuing to develop genes and identities of each brand to strengthen its competitive edges, the Company will also introduce new brands or new licensed brands to cater for the personalized needs of consumers, enlarge brands' influences and add synergy to business.

至於玩具業務，本公司持續於中國一、二線城市擴充Hamleys旗艦店的業務，從而刺激銷售，提升品牌知名度。年內，Hamleys於中國的第二間旗艦店在徐州開幕。Hamleys是多個國際玩具品牌的夥伴，必定可與我們廣泛的產品及服務發揮相輔相成的作用。南京和徐州的旗艦店已開始為本集團帶來收益貢獻，而Hamleys全球最大的北京旗艦店亦呈現強勁增長潛能。這些令人鼓舞的業務發展為本公司奠下穩固基礎，讓我們在中國其他人口眾多的城市複製互動遊戲時間、活動和特別展示等Hamleys獨特的店內體驗，增加市場份額。

展望未來，中國將持續推進結構性改革，帶動經濟轉型為消費主導市場。同時，預期鞋履行業於來年持續進行結構重整，於行業復蘇前將面臨種種挑戰。幸而，可支配收入增加、消費情緒改善、中國的城市化步伐加速，可反映行業2018年增長前景可觀。由於全面落實二孩政策，可支配收入增加，以及傾向購買較昂貴產品的趨勢，玩具市場於來年蓬勃增長可期。可是，機遇增加往往帶來更激烈的競爭，對業內公司而言，必須鎖定具可觀增長潛力的省份為其目標市場和識別目標父母群，繼而透過不同營銷和銷售渠道吸引這些家長。

本公司的願景是發展為國際領先的綜合零售商，為此將持續奉行一系列推動增長的策略。此外，本公司將秉承全球品牌推廣策略，鞏固千百度作為國際領先綜合零售商的形象，從而有助打造更全面的綜合零售平臺。本公司亦將繼續推行多品牌策略，使品牌及產品組合更多元化，並聚焦於不同分部市場。除不斷發掘不同品牌的獨有特性以提升競爭力外，本公司將同時引入新品牌或新授權品牌，以迎合消費者的個性化需要、提升品牌效應和增強業務之間的協同效益。

Chairman's Statement

主席報告

Furthermore, the Company will implement mixed marketing strategy, utilizing O2O integration strategy to launch marketing activities with an aim to enhancing brand exposure and influence and further expanding distribution and retail network. Strenuous efforts will be made in improving supply chain management to uplift product quality and consumer shopping experience. In addition to enhancing cost control and closing underperforming stores, the Company will endeavour to improve same store sales growth of self-developed brands stores. Building on its in-depth collaborative relationship with department stores, the Company will further develop Hamleys brand and expand its product portfolio by introducing toys and children products to strengthen its retail channels. While looking for opportunities to acquire valuable corporations with good brand value, the Company will take full advantage of C.banner's extensive experience in China's retailing industry and comprehensive retail network to rapidly expand Hamleys' business across the mainland with an aim to creating new growth drivers for the Group.

The Company's achievements depend on the valuable contribution of different stakeholders, on behalf of the Board, I would like to express my sincere gratitude to our management, staff, business partners and our shareholders for their solid support throughout the year. We look forward to further developing our business and creating greater value for our shareholders in the coming year.

CHEN Yixi

Chairman

PRC, 29 March 2018

此外，本公司將推行混合營銷策略，採取線上線下整合策略開展營銷活動，從而提高品牌認受性和效應，進一步擴大分銷及零售網絡。我們將繼續致力改善供應鏈管理，提升產品質素及消費者購物體驗。除改善成本控制及關閉表現欠佳之店鋪外，我們亦將致力提升自營品牌店鋪的同店銷售增長。憑藉本公司與各大百貨公司的緊密合作關係，我們將進一步拓展 Hamleys 品牌及透過引入玩具和兒童產品以擴充產品組合，鞏固零售渠道。我們在尋求收購具有良好品牌價值的企業的同時，將借助千百度在中國零售業豐富的經驗及廣大的零售網絡，在中國內地迅速擴充 Hamleys 的業務，從而開拓新的增長點。

本公司所取得之驕人成就全賴不同持份者之寶貴貢獻，本人謹代表董事會衷心感謝管理層、員工、業務夥伴及股東於本年度堅定不移的支持。我們期待於未來一年進一步發展業務，為股東創造更大的價值。

主席

陳奕熙

中國，2018年3月29日

Report of the Directors

董事會報告

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are set out in note 46 to the consolidated financial statements.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2017 is set out in the “Financial Highlights”, “Chairman’s Statement” and “Management Discussion and Analysis” on page 10, pages 12 to 16 and pages 35 to 48 respectively of this annual report.

A description of the principal risks and uncertainties facing the Group can be found in the “Chairman’s Statement” on pages 12 to 16 and note 4 to the financial statements on pages 111 to 113 of this annual report. An analysis using financial key performance indicators can be found in the Financial Highlights on page 10 and Management Discussion and Analysis on pages 35 to 48 of this annual report.

The Group committed to enhancing governance, promoting employee benefits and development, protecting the environment and giving back to society in order to fulfill social responsibility and achieve sustainable growth. Discussions on the Group’s environmental policies and performance, compliance with the relevant laws and regulations which have a significant impact on the Group and relationships with key stakeholders are provided below.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognises the importance of good environmental stewardship and endeavours to increase its utilization rate of energy, water and materials. In the meantime, the Group minimises the use of natural resources and optimises its production process while enhancing efficiency and reducing the use of energy and chemicals of every unit of products. It also adopts various environmental measures and promotes waste reduction as well as recycling and reuse.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group is mainly engaged in mid-to-premium ladies footwear brands in the PRC. For the year ended 31 December 2017, the Group has complied with all relevant laws and regulations concerning labour rights, environmental protection, product safety and health, information privacy and regulatory requirements that have significant impacts on the Company.

董事會欣然呈列其報告連同本集團截至2017年12月31日止年度之經審核綜合財務報表。

主要業務

本公司主要業務為投資控股，而其附屬公司之主要業務載於綜合財務報表附註46。

業務回顧

本集團截至2017年12月31日止年度之業務回顧分別載於本年報第10頁、第12至16頁及第35至48頁之財務摘要、主席報告及管理層討論及分析等節。

有關本集團面對的主要風險及不確定因素載於本年報第12至16頁主席報告及第111至113頁財務報表附註4。使用財務主要表現指標的分析請參閱本年報第10頁財務摘要及第35至48頁管理層討論及分析一節。

本集團致力提升管治、促進僱員福利與發展、保護環境及回饋社會，從而履行社會責任並實現可持續增長。本集團之環境政策及表現、遵守對本集團有重大影響的相關法律及規例的情況以及與其主要權益人的關係之討論載於下文。

環境政策及表現

本集團認同良好環境管理至關重要，致力提升各項能源、水資源、物料的利用效率，同時減少對各項天然資源的使用，並優化生產程序，提升效能及減少每單位產品的能源與化學品使用；亦已採取多項環保措施，做好廢棄物減量及分類再利用等。

遵守相關法律及規例的情況

本集團主要在中國經營中高檔女鞋品牌。於截至二零一七年十二月三十一日止年度，本集團已遵守各有關勞工權利、環境保護、產品安全與健康、資料私隱保障以及監管要求方面且對本公司有重大影響之所有有關法律及規例。

RELATIONSHIPS WITH KEY STAKEHOLDERS

Employees

The Group considers its employees as important and valuable assets, and is committed to providing a pleasant working environment and promoting work-life balance. It also offers competitive remuneration packages and provides a harmonious working environment to its staff members so as to maintain a high retention rate. In addition, the Group organises a comprehensive training programme to enhance employees' capability and efficiency in daily operation.

Customers

The Group considers customers as a major stakeholder and is committed to providing comprehensive and high quality customer services. The Group has established good relationship with many renowned international brands so as to provide customers with the best services and high-quality and safe products.

Suppliers

The Group prudently selects its suppliers and builds long business relationship with numbers of suppliers. Such suppliers have to meet certain assessment criteria of the Group and comply with anti-bribery policies launched by the Group.

RESULTS

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on page 75 of this annual report.

FINAL DIVIDENDS

The Board did not recommend a final dividend for the year ended 31 December 2017 (2016: Nil).

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 26 June 2018 to Friday, 29 June 2018, both days inclusive, in order to determine the identity of the shareholders of the Company (the "Shareholders") who are entitled to attend the forthcoming annual general meeting of the Company to be held on Friday, 29 June 2018. All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712- 1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, 25 June 2018.

與主要權益人的關係

僱員

本集團認為其僱員是重要和寶貴的資產，因此致力提供舒適的工作環境，提倡工作與生活之間的平衡。並提供具有市場競爭力的薪酬待遇及建立和諧工作環境，以致力維持一個高員工挽留率。此外，本集團提供綜合培訓計劃，提高僱員在營運上之能力及效率。

客戶

本集團視客戶為重要的權益人，致力提供全面且高質素的客戶服務。本集團已與多個國際知名品牌建立長期合作關係，為品牌客戶提供最佳服務及提供高品質與高安全性的產品。

供應商

本集團審慎挑選供應商，與多家供應商建立了長期的業務關係。相關供應商均需滿足本集團的若干評估標準，並遵守本集團制訂的反賄賂政策。

業績

本集團截至2017年12月31日止年度之業績載於本年報第75頁之綜合損益及其他全面收益表。

末期股息

董事會並無就截至2017年12月31日止年度建議宣派末期股息(2016年：無)。

暫停辦理股份過戶手續

本公司的股份過戶登記處將於2018年6月26日(星期二)至2018年6月29日(星期五)(包括首尾兩日)暫停辦理股份過戶手續，為釐定有權出席於2018年6月29日(星期五)舉行之本公司應屆股東週年大會之本公司股東(「股東」)身份。所有過戶文件連同相關股票，須不遲於2018年6月25日(星期一)下午4時30分前送交本公司之香港股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712至1716號舖。

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the listing of the Company on 23 September 2011 (after deducting underwriting fees and related expenses) amounted to approximately RMB535.7 million. The use of proceeds as set out in the prospectus (the “Prospectus”) of the Company dated 12 September 2011 was as follows: (i) approximately 40% of the net proceeds for expansion of the retail network; (ii) approximately 25% for expansion and maintenance of the production facilities as well as construction of offices and warehousing facilities; (iii) approximately 20% for selective acquisition of footwear businesses; (iv) approximately 10% for repayment of bank loan; and (v) approximately 5% for expansion of the online sales through the internet.

Up to 31 December 2017, the net proceeds were applied in accordance with the allocation as set out in the Prospectus.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2017, the Group’s five largest suppliers accounted for 36.9% (2016: 27.7%) of the Group’s total purchases and the Group’s largest supplier accounted for 17.8% (2016: 14.8%) of the Group’s total purchases.

For the year ended 31 December 2017, the Group’s sale to its five largest customers accounted for 6.2% (2016: 9.1%) of the Group’s total sale and the Group’s largest customer accounted for 1.7% (2016: 3.0%) of the Group’s total sale.

None of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company’s issued share capital) had any interest in the Group’s five largest customers and suppliers during the year ended 31 December 2017.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2017 are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the share capital and share options of the Company during the year are set out in note 34 and note 36 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

As at 31 December 2017, the Company’s reserves available for distribution amounted to approximately RMB631.3 million (as at 31 December 2016: RMB668.0 million).

上市之所得款項淨額用途

本公司於2011年9月23日上市之所得款項淨額(扣除包銷費用及相關開支後)約為人民幣535.7百萬元。本公司日期為2011年9月12日的售股章程(「售股章程」)所載之所得款項用途如下：(i)所得款項淨額約40%用作擴展零售網絡；(ii)約25%用作擴充及維護生產設施以及興建辦公室及倉儲設施；(iii)約20%用作甄選收購鞋履業務；(iv)約10%用作償還銀行貸款；及(v)約5%用作擴充在互聯網的網上銷售。

截至2017年12月31日，所得款項淨額乃根據售股章程所載分配予以應用。

主要客戶及供應商

截至2017年12月31日止年度，本集團五大供應商佔本集團購買總額之36.9% (2016年：27.7%)，而本集團最大供應商佔本集團購買總額之17.8% (2016年：14.8%)。

截至2017年12月31日止年度，本集團向其五大客戶之銷售佔本集團銷售總額之6.2% (2016年：9.1%)，而本集團最大客戶佔本集團銷售總額之1.7% (2016年：3.0%)。

截至2017年12月31日止年度，董事或任何彼等之緊密聯繫人士或任何股東(據董事所深知持有本公司已發行股本5%以上)概無於本集團五大客戶及供應商中擁有任何權益。

物業、機器及設備

本集團截至2017年12月31日止年度之物業、機器及設備之變動詳情載於綜合財務報表附註13。

股本及購股權

本公司年內股本及購股權變動詳情載於綜合財務報表附註34及附註36。

儲備

本集團年內儲備變動詳情載於綜合權益變動表。

於2017年12月31日，本公司可供分派儲備約為人民幣631.3百萬元(於2016年12月31日：人民幣668.0百萬元)。

Report of the Directors 董事會報告

DIRECTORS

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

Executive Directors:

Mr. Chen Yixi (*Chairman*)

Mr. Zhao Wei (*President*)

Mr. Huo Li

Mr. Yuan Zhenhua

(appointed as Chief Financial Officer on 2 June 2017)

Non-executive Directors:

Mr. Miao Bingwen

Mr. Wu Guangze (resigned with effect from 4 April 2018)

Mr. Ngan Wing Ho (re-designated from executive Director to non-executive Director on 2 June 2017 and resigned with effect from 4 April 2018)

Independent non-executive Directors:

Mr. Kwong Wai Sun Wilson

Mr. Li Xindan

Mr. Zhang Zhiyong

Mr. Zheng Hongliang

In accordance with Bye-law 99 of the bye-laws of the Company (the “Bye-laws”), Mr. Chen Yixi, Mr. Huo Li and Mr. Zhang Zhiyong will retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, had offered themselves for re-election as Directors.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on pages 64 to 68 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to rule 3.13 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) from each of the independent non-executive Directors and the Company considers such Directors to be independent.

董事

年內及直至本報告日期之董事為：

執行董事：

陳奕熙先生 (*主席*)

趙偉先生 (*總裁*)

霍力先生

袁振華先生

(於2017年6月2日獲委任首席財務官)

非執行董事：

繆炳文先生

吳廣澤先生 (於2018年4月4日起辭任)

顏永豪先生 (於2017年6月2日由執行董事調任為非執行董事，並於2018年4月4日起辭任)

獨立非執行董事：

鄺偉信先生

李心丹先生

張志勇先生

鄭紅亮先生

根據本公司細則(「細則」)第99條，陳奕熙先生、霍力先生及張志勇先生將於本公司應屆股東週年大會上輪值退任，且合資格並願意重選連任為董事。

董事會及高級管理層

本集團董事及高級管理層之履歷詳情載於本年報第64至68頁。

確認獨立非執行董事之獨立性

本公司已接獲各獨立非執行董事根據香港聯合交易所有限公司(「香港聯交所」)證券上市規則(「上市規則」)第3.13條發出之年度獨立性確認書，本公司認為該等董事均屬獨立。

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

No Director had a material interest, whether directly or indirectly, in any transactions, arrangements or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party subsisting during or at the end of the year ended 31 December 2017.

MANAGEMENT CONTRACTS

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 during the year ended 31 December 2017.

EMOLUMENT POLICY

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

The Company has adopted a share option scheme and a share award scheme as incentive to eligible employees, details of the schemes are set out in the sections headed "Share Option Scheme" and "Share Award Scheme" below.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals are set out in note 10 to the consolidated financial statements.

董事服務合約

建議於本公司應屆股東週年大會上重選之董事概無與本公司訂立任何於一年內倘本公司終止則須作出賠償(法定賠償除外)之服務合約。

董事之重大交易、安排及合約權益

董事並無直接或間接於截至2017年12月31日止年度期間或結束時存在之本公司或其任何附屬公司涉及本集團業務之任何重大交易、安排及合約中擁有重大權益。

管理合約

截至2017年12月31日止年度，並無訂立或已有涉及本公司整體業務或業務任何重大部分之管理及行政之合約。

薪酬政策

薪酬委員會已告成立，以審閱本集團之薪酬政策及本集團全體董事及高級管理層之薪酬結構，當中考慮到本集團之經營業績、董事及高級管理層之個別表現以及可資比較市場慣例。

本公司已採納購股權計劃及股份獎勵計劃，作為對合資格僱員之獎勵，有關計劃詳情載於下文「購股權計劃」及「股份獎勵計劃」一節。

董事及五名最高薪人士之酬金

董事及五名最高薪人士之酬金詳情載於綜合財務報表附註10。

Report of the Directors

董事會報告

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Pursuant to rule 13.51B of the Listing Rules, the changes in Directors' information are set out below:

Mr. Zhang Zhiyong, an independent non-executive Director, has been appointed as the executive director and chief executive officer of China Dongxiang (Group) Co., Ltd., a company listed on the Hong Kong Stock Exchange (Stock Code: 3818), with effect from 10 October 2017.

Save as disclosed above, during the year ended 31 December 2017, there was no change to information which is required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) of the Listing Rules.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. There is appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

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

As at 31 December 2017, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) (i) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

有關董事資料之變動

根據上市規則第13.51B條，董事資料之變動載列如下：

獨立非執行董事張志勇先生獲委任為中國動向(集團)有限公司(一間於香港聯交所上市之公司，股份代號：3818)之執行董事及首席執行官，於2017年10月10日起生效。

除上文所披露者外，於截至2017年12月31日止年度，概無任何資料之變動須根據上市規則第13.51(2)條第(a)至(e)段及(g)段由董事作出披露。

獲准許之彌償條文

根據細則，每位董事有權就其任期內，或因執行其職務而可能遭致或發生與此相關之一切損失或責任從本公司資產中獲得賠償。本公司已為本集團董事及高級職員購買適當的董事及高級職員責任保險作為保障。

董事及主要行政人員於股份、相關股份及債權證中之權益及淡倉

於2017年12月31日，董事及本公司主要行政人員於本公司或其任何相關法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中，擁有(i)證券及期貨條例第XV部第7及8分部須知會本公司及香港聯交所的權益及淡倉(包括根據證券及期貨條例有關條文彼等被當作或被視為擁有的任何權益或淡倉)或(ii)根據證券及期貨條例第352條記錄於本公司須存置的登記冊內的權益及淡倉，或(iii)根據上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及香港聯交所的權益及淡倉如下：

Name of Director	Nature of interest	Total number of shares/underlying shares held 所持股份/ 相關股份總數	Approximate percentage of interest in the Company 佔本公司權益 概約百分比
董事姓名	權益性質		
Mr. Chen Yixi (Note 1) 陳奕熙先生(附註1)	Interest in a controlled corporation 受控制法團權益	750,000,000 (long position) (好倉)	36.11%
Mr. Miao Bingwen (Note 2) 繆炳文先生(附註2)	Interest in a controlled corporation 受控制法團權益	80,000,000 (long position) (好倉)	3.85%
	Beneficial owner 實益擁有人	20,000,000 (long position) (好倉)	0.96%
Mr. Wu Guangze (Note 3) 吳廣澤先生(附註3)	Interest in a controlled corporation 受控制法團權益	48,000,000 (long position) (好倉)	2.31%
	Beneficial owner 實益擁有人	16,600,000 (long position) (好倉)	0.80%
Mr. Huo Li 霍力先生	Beneficial owner 實益擁有人	979,000 (long position) (好倉)	0.05%
Mr. Zhao Wei 趙偉先生	Beneficial owner 實益擁有人	520,000 (long position) (好倉)	0.03%

Report of the Directors

董事會報告

Notes:

1. Mr. Chen Yixi is the beneficial owner of all the issued share capital of Hongguo International Group Limited ("Hongguo") which holds 750,000,000 shares of the Company in long position, among which Hongguo has charged 370,000,000 shares and 272,000,000 shares in favour of Timely Assets Global Limited and Cheer Hope Holdings Limited, respectively.
2. Mr. Miao Bingwen is the beneficial owner of all the issued share capital of Sure Manage Investments Limited ("Sure Manage") which holds 80,000,000 shares of the Company in long position.
3. Mr. Wu Guangze holds 90% shareholding in China Consumer Capital Partners II Limited, the holding company of China Consumer Capital Fund II, L.P. which is interested in 48,000,000 shares of the Company in long position. Mr. Wu Guangze resigned as a director of the Company with effect from 4 April 2018.

Save as disclosed above, and as at 31 December 2017, none of the Directors or chief executive of the Company had any interests or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, no time during the year ended 31 December 2017 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

附註：

1. 陳奕熙先生為Hongguo International Group Limited (「Hongguo」)全部已發行股本之實益擁有人，該公司持有本公司750,000,000股好倉股份，其中，Hongguo已分別以Timely Assets Global Limited及Cheer Hope Holdings Limited為受益人抵押370,000,000股股份及272,000,000股股份。
2. 繆炳文先生為Sure Manage Investments Limited (「Sure Manage」)全部已發行股本之實益擁有人，該公司持有本公司80,000,000股好倉股份。
3. 吳廣澤先生持有China Consumer Capital Partners II Limited的90%股權，該公司為China Consumer Capital Fund II, L. P.的控股公司，後者於48,000,000股本公司好倉股份中擁有權益。吳廣澤先生於2018年4月4日起辭任本公司董事。

除上文所披露者外，於2017年12月31日，董事或本公司主要行政人員概無於本公司或任何其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及8條須知會本公司及香港聯交所之權益或淡倉，或根據證券及期貨條例第352部須予置存之登記冊內之權益或淡倉，或根據標準守則須予知會本公司及香港聯交所之權益或淡倉。

董事認購股份或債權證之權利

除本年報另行所披露者外，於截至2017年12月31日止年度任何時間概無任何以收購本公司股份或債權證方式獲得利益的權利授予董事或彼等各自的配偶或未滿18歲子女、或彼等有權行使有關權利；或本公司及其任何附屬公司概不為任何令董事或彼等各自的配偶或未滿18歲子女獲得任何實體法團有關權利安排的訂約方。

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

As at 31 December 2017, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

主要股東於股份及相關股份中之權益及淡倉

於2017年12月31日，據董事所深知，以下人士（董事或本公司主要行政人員除外）於股份或相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須予知會本公司的權益或淡倉，或根據證券及期貨條例第336條須記錄於該條文所指本公司登記冊內的權益或淡倉如下：

Name of Shareholder 股東姓名／名稱	Nature of interest 權益性質	Total number of shares/underlying shares held 所持股份／ 相關股份總數	Approximate percentage of interest in the Company 佔本公司權益 概約百分比
Hongguo Hongguo	Beneficial owner 實益擁有人	750,000,000 (long position) (Note 1) (好倉) (附註1)	36.11%
Central Huijin Investment Ltd (Note 2) 中央匯金投資有限責任公司（附註2）	Person having a security interest in shares 對股份持有保證權益的人	302,000,000 (long position) (好倉)	14.54%
	Interest in a controlled corporation 受控制法團權益	108,963,585 (long position) (好倉)	5.25%
China Construction Bank Corporation (Note 2) 中國建設銀行股份有限公司（附註2）	Person having a security interest in shares 對股份持有保證權益的人	302,000,000 (long position) (好倉)	14.54%
	Interest in a controlled corporation 受控制法團權益	108,963,585 (long position) (好倉)	5.25%
Cheer Hope Holdings Limited (Note 2) Cheer Hope Holdings Limited（附註2）	Person having a security interest in shares 對股份持有保證權益的人	302,000,000 (long position) (好倉)	14.54%
	Beneficial owner 實益擁有人	108,963,585 (long position) (好倉)	5.25%
China Huarong Asset Management Co., Ltd. (Note 3) 中國華融資產管理股份有限公司（附註3）	Interest in a controlled corporation 受控制法團權益	535,000,000 (long position) (好倉)	25.76%
		82,500,000 (short position) (淡倉)	3.97%

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Name of Shareholder	Nature of interest	Total number of shares/underlying shares held	Approximate percentage of interest in the Company
股東姓名/名稱	權益性質	所持股份/相關股份總數	佔本公司權益概約百分比
Timely Assets Global Limited (Note 3)	Person having a security interest in shares	370,000,000	17.81%
Timely Assets Global Limited (附註3)	對股份持有保證權益的人	(long position) (好倉)	
	Beneficial owner	165,000,000	7.94%
	實益擁有人	(long position) (好倉)	
		82,500,000	3.97%
		(short position) (淡倉)	

Notes:

- Hongguo has charged 370,000,000 shares and 272,000,000 shares in favour of Timely Assets Global Limited and Cheer Hope Holdings Limited, respectively.
- Cheer Hope Holdings Limited has a security interest in 302,000,000 shares of the Company and interest in 108,963,585 underlying shares of the Company which may be issued by the Company upon conversion of the convertible bonds in the principal amount of US\$50 million issued by the Company. Central Huijin Investment Ltd. holds 57.11% shareholding in China Construction Bank Corporation. China Construction Bank Corporation holds 100% shareholding in CCB International Group Holdings Limited, which in turn holds 100% shareholding in CCB Financial Holdings Limited. CCB Financial Holdings Limited holds 100% shareholding in CCB International (Holdings) Limited, which in turn holds 100% shareholding in CCBI Investments Limited. CCBI Investments Limited holds 100% shareholding in Cheer Hope Holdings Limited. Therefore, the above entities are deemed to be interested in 302,000,000 shares and 108,963,585 underlying shares of the Company, in which Cheer Hope Holdings Limited is interested.
- Timely Assets Global Limited has a security interest in 370,000,000 shares of the Company and is the beneficial owner of 165,000,000 shares of the Company in long position and 82,500,000 shares of the Company in short position. Timely Assets Global Limited is a wholly-owned subsidiary of China Huarong International Holdings Limited. China Huarong International Holdings Limited is owned as to 88.10% and 11.90% by Huarong Real Estate Co., Ltd. and Huarong Zhiyuan Investment & Management Co., Ltd. respectively, which are both wholly owned by China Huarong Asset Management Co., Ltd. China Huarong Asset Management Co., Ltd. is owned as to 63.36% by Ministry of Finance of the People's Republic of China. Therefore, the above entities are deemed to be interested in 535,000,000 shares of the Company in long position and 82,500,000 shares of the Company in short position in which Timely Assets Global Limited is interested.

附註：

- Hongguo 已分別以 Timely Assets Global Limited 及 Cheer Hope Holdings Limited 為受益人抵押 370,000,000 股股份及 272,000,000 股股份。
- Cheer Hope Holdings Limited 於本公司 302,000,000 股股份中擁有保證權益，並於本公司 108,963,585 股相關股份（本公司於兌換本公司發行本金額為 5,000 萬美元的可換股債券後發行）中擁有權益。中央匯金投資有限責任公司持有中國建設銀行股份有限公司 57.11% 的股權。中國建設銀行股份有限公司持有建行國際集團控股有限公司全部股權，而建行國際集團控股有限公司持有建行金融控股有限公司全部股權。建行金融控股有限公司持有建銀國際（控股）有限公司全部股權，而建銀國際（控股）有限公司持有 CCBI Investments Limited 全部股權。CCBI Investments Limited 持有 Cheer Hope Holdings Limited 的全部股權。因此，上述實體被視作於 Cheer Hope Holdings Limited 擁有權益的本公司 302,000,000 股股份及 108,963,585 股相關股份中擁有權益。
- Timely Assets Global Limited 於本公司 370,000,000 股股份中持有保證權益及為本公司 165,000,000 股好倉股份及 82,500,000 股淡倉股份的實益擁有人。Timely Assets Global Limited 是 China Huarong International Holdings Limited 之全資附屬公司。China Huarong International Holdings Limited 分別由 Huarong Real Estate Co., Ltd. 及 Huarong Zhiyuan Investment & Management Co., Ltd. 擁有其 88.10% 及 11.90% 權益，而上述兩間公司則由中國華融資產管理股份有限公司全資擁有。中國華融資產管理股份有限公司由中華人民共和國財政部擁有其 63.36% 權益。因此，上述公司被視為於 Timely Assets Global Limited 擁有本公司 535,000,000 股好倉股份及 82,500,000 股淡倉股份中擁有權益。

Save as disclosed above, as at 31 December 2017, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the year ended 31 December 2017 (the “Review Period”), neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Review Period.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws or the laws of Bermuda, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

CONTINUING CONNECTED TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 December 2017 are set out in note 44 to the consolidated financial statements. The Directors (including our independent non-executive Directors) believe that the related party transactions set out in the note 44 to the consolidated financial statements are carried out in the ordinary course of business and on normal commercial terms.

During the year under review, save for the lease agreement between the Group and Hongguo Industry Group Corporation which is an associate of certain Directors, no other transaction listed in note 44 to the consolidated financial statements constituted connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules. The transaction under the above lease agreement is exempt from the relevant reporting, annual review, announcement and independent shareholders’ approval requirements under the Listing Rules.

除上文披露者外，於2017年12月31日，董事概不知悉任何人士（並非董事或本公司主要行政人員）於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須予披露的權益或淡倉，或根據證券及期貨條例第336條須記錄於該條文所指本公司登記冊內的權益或淡倉。

購買、出售或贖回上市證券

於截至2017年12月31日止年度（「回顧期間」），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。

優先權

細則或百慕達（本公司註冊成立所在司法權區）法律項下並無提供優先權，令本公司可按現有股東股權比例發售新股份。

持續關連交易

本集團截至2017年12月31日止年度的關聯交易詳情載於綜合財務報表附註44。董事（包括獨立非執行董事）認為，綜合財務報表附註44所載的關連交易乃為日常經營業務，並按一般商業條款訂立。

於回顧年度，除本集團與若干董事之聯營公司鴻國實業集團有限公司訂立之租賃協議外，於綜合財務報表附註44列示之其他交易均無構成上市規則第14A章項下關連交易或持續關連交易。上述租賃協議項下交易獲豁免遵守上市規則項下相關申報、年度審閱、公佈及獨立股東批准之規定。

NON-COMPETITION UNDERTAKING

Each of Mr. Chen Yixi and Hongguo (the “Substantial Shareholders”) has executed a deed of non-competition through which they have irrevocably and unconditionally warranted and undertaken to the Company not to, directly or indirectly engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business in competition with or likely to be in competition with the business of design, manufacture and sale of footwear and other businesses as conducted by the Group; or take any action which constitutes an interference with or a disruption to the business activities of the Group including, but not limited to, solicitation of customers, suppliers or personnel of the Group.

The Substantial Shareholders have confirmed to the Company of their compliance with the deed of non-competition during the year under review for disclosure in this annual report.

The independent non-executive Directors have reviewed the status of compliance and confirmed the Substantial Shareholders’ compliance of the deed of non-competition.

CONVERTIBLE BONDS AND NOTES

Convertible bonds and notes issued in August 2017

On 4 August 2017, the Company completed the issue of convertible bonds and notes, each with a principal amount of US\$50 million (equivalent to approximately HK\$390,235,000) to Cheer Hope Holdings Limited (the “Subscriber”). Each of the convertible bonds and the notes shall bear interest from and including the date of issue of the convertible bonds and notes until the date of redemption at the rate of four (4)% per annum on the outstanding principal thereof, payable every six (6) months from the issue date in arrears.

不競爭承諾

陳奕熙先生及Hongguo（「主要股東」）各自均已執行不競爭契據，當中彼等不可撤回地及無條件地向本公司保證及承諾，不會直接或間接從事、參與任何與設計、製造及銷售鞋履業務以及本集團從事之其他業務構成或可能構成競爭之任何業務，或於其中持有任何權利或權益，或向其提供任何服務或以其他形式參與有關業務；或採取對本集團業務活動構成干涉或阻礙之行動，包括但不限於招攬本集團客戶、供應商及員工。

主要股東已向本公司確認彼等已於回顧年度遵守本年報所披露之不競爭契據。

獨立非執行董事已審查該等遵守狀況，並確認各主要股東均已遵守不競爭契據。

可換股債券及票據

於2017年8月發行的可換股債券及票據

於2017年8月4日，本公司完成發行本金額為50,000,000美元（約等於390,235,000港元）的可換股債券予Cheer Hope Holdings Limited（「認購人」）。各可換股債券及票據應由發行可換股債券及票據日期起（包括該日）直至贖回日期按未償還本金的四(4)%之年利率計息，須由發行日期起計每六(6)個月之期末支付。

The conversion right attaching to the convertible bonds can be exercised, at the option of the holder thereof, to convert all or any part of an integral multiple of US\$500,000 of the principal amount of the convertible bonds at an initial conversion price of HK\$3.57 per share (subject to adjustment) at any time from and including the issue date of the convertible bonds up to the close of business on the maturity date of the convertible bonds. During the year ended 31 December 2017, there were no conversion of the convertible bonds. As at 31 December 2017, the outstanding principal amount of the convertible bonds was US\$50 million. Based on the conversion price of the convertible bonds as at 31 December 2017, a maximum number of 108,963,585 Shares would be allotted and issued upon exercise of the conversion rights attaching to the outstanding convertible bonds in full, which represent approximately 5.25% of the then existing issued share capital of the Company as at 31 December 2017, and approximately 4.98% of the issued share capital of the Company as enlarged by the issue of the Shares. The shareholding of the controlling shareholder of the Company, Hongguo which is wholly-owned by Mr. Chen Yixi, will be diluted from approximately 36.11% to 34.31% if the conversion rights attaching to the convertible bonds are exercised in full at the initial conversion price of HK\$3.57 per Share. Subsequent to the reporting period, the Company redeemed convertible bonds in the principal amount of US\$10 million in January 2018, after which the principal amount of the outstanding convertible bonds amounted to US\$40 million, which are convertible into 87,170,868 shares of the Company.

Mr. Chen Yixi has unconditionally and irrevocably guaranteed to the Subscriber the punctual discharge by the Company of its obligations of whatever nature under the subscription agreement in relation to the issue of the convertible bonds and the notes and other ancillary transaction documents and promised to pay on demand each sum (together with interest on such sum accrued both before and after the date of demand until the date of payment) which the Company is liable to pay under the subscription agreement and other ancillary transaction documents. Pursuant to the subscription agreement, the bond instrument and the note instrument, it shall be an event of default if Mr. Chen Yixi ceases to (i) be beneficially interested (directly or indirectly) in at least 30% of the issued Shares of the Company and the single largest Shareholder of the Company; or (ii) be the chairman and executive Director of the Company. If an event of default under the subscription agreement occurs, the convertible bonds and the notes are, and they shall become, immediately due and repayable.

可換股債券附帶之兌換權可按其持有人選擇予以行使，以於可換股債券發行日期(包括該日)起至可換股債券到期日營業時間結束時任何時間，按初始兌換價每股股份3.57 港元(可予作出調整)兌換全部或部分可換股債券(按500,000美元本金額的整倍數)。截至2017年12月31日止年度，概無兌換可換股債券。於2017年12月31日，未兌換之可換股債券的本金為50,000,000美元。根據可換股債券於2017年12月31日的兌換價，悉數行使尚未兌換之可換股債券附帶的行使權後，最多可配發及發行108,963,585股股份，佔本公司於2017年12月31日的當時現有已發行股本約5.25%及本公司經發行股份擴大之已發行股本約4.98%。如可換股債券附帶的行使權按初始兌換價每股股份3.57港元獲悉數行使，本公司控股股東Hongguo(由陳奕熙先生全資擁有)之股權將由約36.11%攤薄至約34.31%。報告期後，本公司於2018年1月贖回本金額為10,000,000美元的可換股債券，其後本金額為40,000,000美元的餘下可換股債券兌換為本公司87,170,868股股份。

陳奕熙先生已無條件及不可撤回地向認購人擔保，本公司將準時履行與發行可換股債券及票據有關之認購協議及其他從屬交易文件項下任何性質的責任，並承諾按要求支付本公司根據認購協議及其他從屬交易文件須支付的各项款項(連同該款項於要求支付日期前後直至付款日期產生的利息)。根據認購協議、債券契約及票據契約，倘陳奕熙先生不再為(i)本公司至少30%已發行股份的直接或間接實益權益擁有人及本公司單一最大股東；或(ii)本公司主席兼執行董事，則為違約事項。倘認購協議項下發生違約事項，可換股債券及票據變為即時到期及償還。

Report of the Directors

董事會報告

Each of the net proceeds arising from the issue of the convertible bonds and notes, after deduction of expenses, amounted to approximately HK\$389,455,000 respectively, which shall be applied to replenish the working capital of the Company and cater for potential desirable acquisitions. Up to 31 December 2017, out of the total net proceeds of HK\$778.9 million received from the issue of the convertible bonds and notes, approximately HK\$619.8 million had been applied towards paying the consideration for the acquisition of 45.78% of the share capital in EtonKids Education Group Limited, and approximately HK\$159.1 million had been utilised as general working capital. The approval for the listing of, and the permission to deal in, the 108,963,585 conversion shares upon conversion of the convertible bonds has been granted by the Hong Kong Stock Exchange. Details of the completion of issue of the convertible bonds are set out in the Company's announcement dated 4 August 2017.

Convertible bonds and notes issued in January 2018

On 29 September 2017, the Company and OCI Capital Limited entered into a subscription agreement, pursuant to which the Company has conditionally agreed to issue, and the subscriber has conditionally agreed to subscribe for, (i) the convertible bonds which may be converted into the Shares pursuant to the terms and conditions of the convertible bonds and (ii) the notes, each in the principal amount of US\$10 million (equivalent to approximately HK\$78,083,000). Each of the net proceeds arising from the issue of the convertible bonds and the notes, after deduction of expenses, amounted to approximately HK\$77,768,000 and HK\$76,987,000 respectively, which shall be applied to refinance certain existing indebtedness of the Group and raise funds to replenish its working capital. Completion of the issue of convertible bonds and notes took place subsequent to the reporting period on 17 January 2018. For details, please refer to the Company's announcements dated 29 September 2017 and 17 January 2018.

The convertible bonds and the notes shall bear interest from and including the date of issue of the convertible bonds and notes to the maturity date at the rate of five (5)% and seven (7)% per annum respectively on the outstanding principal thereof, payable every six (6) months from the issue date in arrears.

The conversion right attaching to the convertible bonds can be exercised, at the option of the holder thereof, to convert all or any part in the lots of US\$500,000 of the principal amount of the convertible bonds at an initial conversion price of HK\$3.57 per share (subject to adjustment) at any time from and including the issue date of the convertible bonds up to the close of business on the maturity date of the convertible bonds. Based on the initial conversion price, a total of 21,792,717 Shares will be allotted and issued upon full conversion of the convertible bonds.

Pursuant to the subscription agreement, it shall be an event of default if Mr. Chen Yixi ceases to (i) be beneficially interested (directly or indirectly) in at least 30% of the issued Shares of the Company and the single largest Shareholder of the Company; or (ii) be the chairman and executive Director of the Company. If an event of default under the subscription agreement occurs, the convertible bonds and the notes are, and they shall become, immediately due and repayable.

發行可換股債券及票據之所得款項淨額(扣除開支後)將分別約為389,455,000港元,將用於補充本公司營運資金及迎合潛在合意收購。截至2017年12月31日,發行可換股債券及票據收取之所得款項淨額總額778,900,000港元中,約619,800,000港元已用以支付收購伊頓國際教育集團有限公司45.78%股本之代價,約159,100,000港元已用作一般營運資金。香港聯交所已批准於兌換可換股債券後108,963,585股兌換股份上市及買賣。完成發行可換股債券之詳情載於本公司日期為2017年8月4日之公告。

於2018年1月發行的可換股債券及票據

於2017年9月29日,本公司及東建資本有限公司訂立認購協議,據此,本公司有條件同意發行及認購人有條件同意認購(i)可根據可換股債券之條款及條件兌換為兌換股份之可換股債券及(ii)票據,各自本金額為10,000,000美元(約等於78,083,000港元)。發行可換股債券及票據各自之所得款項淨額(扣除開支後)將分別約為77,768,000港元及76,987,000港元,將用於為本集團若干現有債務再融資及為補充其營運資金籌資。發行可換股債券及票據於2018年1月17日(報告期後)完成。有關詳情,請參閱本公司日期為2017年9月29日及2018年1月17日之公告。

可換股債券及票據應由發行可換股債券及票據日期起(包括該日)直止到期日分別按未償還本金的五(5)%及七(7)%之年利率計息,須由發行日期起計每六(6)個月之期末支付。

可換股債券附帶之兌換權可按其持有人選擇予以行使,以於可換股債券發行日期(包括該日)起至可換股債券到期日營業時間結束時任何時間,按初始兌換價每股股份3.57港元(可予作出調整)兌換全部或部分可換股債券(按500,000美元本金額的整倍數)。根據初始兌換價,悉數兌換可換股債券後合共將配發及發行21,792,717股股份。

根據認購協議,倘陳奕熙先生不再為(i)本公司至少30%已發行股份的直接或間接實益權益擁有人及本公司單一最大股東;或(ii)本公司主席兼執行董事,則為違約事件。倘認購協議項下發生違約事件,可換股債券及票據變為即時到期及償還。

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) on 26 August 2011 which has become effective upon the Company’s listing on 23 September 2011. Subject to early termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on 26 August 2011.

The purpose of the Share Option Scheme is to attract and retain or otherwise maintain on-going business relationship with the eligible persons whose contributions are or will be beneficial to the long-term growth of the Group; and to motivate the eligible persons to optimize their performance efficiency for the benefit of the Group.

Pursuant to the Share Option Scheme, the Board may, at its discretion, offer to grant an option to any employees, executives, officers, directors (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries, any advisers, consultants, suppliers, customers and agents and related entities who, in the sole opinion of the Board, will contribute or have contributed to the Group.

The subscription price shall be a price determined by the Board in its absolute discretion, but shall not be less than the highest of (i) the closing price of the shares on the date of the grant; (ii) the average closing price of the shares for the five trading days immediately preceding the date of the grant; and (iii) the nominal value of the shares.

The acceptance of an offer of the grant of the respective share options must be made within 30 days from the date of grant with a non-refundable payment of HK\$1.00 from each grantee. An option may be exercised at any time during a period to be determined by the Board, which shall not in any event exceed ten years from the date of grant. The Share Option Scheme does not specify any minimum holding period but the Board has the authority to determine the minimum period for which a share option in respect of some or all of the shares forming the subject of the share options must be held before it can be exercised.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme must not exceed 30% of the total issued share capital of the Company from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the total number of shares in issue as at the date of commencement of the listing of the shares on the Hong Kong Stock Exchange. The Company may seek approval of the Shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme save that the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme under the limit as refreshed shall not exceed 10% of the total number of shares in issue as at the date of approval of the limit.

購股權計劃

本公司於2011年8月26日採納購股權計劃（「購股權計劃」），自本公司於2011年9月23日上市起生效。除非本公司於股東大會或董事會提前終止，購股權計劃自2011年8月26日起計10年期間合法有效。

購股權計劃旨在吸引及挽留現時或將會對本集團長遠增長利益有所貢獻之合資格人士，或以其他方式與有關人士維繫持續業務關係；及鼓勵合資格人士為本集團之利益發揮最佳表現及效率。

根據購股權計劃，董事會可酌情向董事會全權認為將向或已向本集團作出貢獻之本公司或其任何附屬公司之任何僱員、高級管理人員、主管及董事（包括執行、非執行及獨立非執行董事）、任何諮詢人、顧問、供應商、客戶及代理商以及相關實體授出購股權。

認購價將為董事會全權酌情釐定之價格，惟不得少於下列最高者(i)股份於授出日期之收市價；(ii)股份於緊接授出日期前五個交易日之平均收市價；及(iii)股份之面值。

各承授人須自授出日期起計30日內接納各授出購股權授出之要約，並不可退還地支付1.00港元。購股權可於董事會釐定之期間之任何時間行使，而該期間自授出日期起計無論如何不得超過十年。購股權計劃並無指定任何最短持有期間，惟董事會有權釐定有關構成購股權標的之若干或全部股份之購股權於可予行使前須持有之最短期間。

於悉數行使根據購股權計劃已授出惟尚未行使之購股權後可予發行之最大股份數目不得超過本公司不時已發行股本總數之30%。於悉數行使根據購股權計劃已授出之購股權後可予發行之股份總數合共將不得超過股份於香港聯交所開始上市日期已發行股份總數之10%。本公司或會於股東大會上尋求股東批准更新購股權計劃項下之10%限額，惟根據經更新限額於悉數行使根據購股權計劃已授出之購股權後可予發行之股份總數將不得超過批准限額當日已發行股份總數之10%。

Report of the Directors

董事會報告

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue as at the date of grant. Where any further grant of options to a participant would result in the total number of shares issued and to be issued upon exercise of all the options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total number of shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such participant and his associates abstaining from voting.

Since the effective date of the Share Option Scheme, no share options had been granted, exercised or cancelled by the Company under the Share Option Scheme and there was no outstanding share option under the Share Option Scheme as at 31 December 2017. As at the date of this annual report, the number of securities of the Company available for issue under the Share Option Scheme was 200,000,000, representing approximately 9.63% of the issued share capital of the Company as at the date of this report.

SHARE AWARD SCHEME

On 31 August 2015, the Company adopted a share award scheme (the "Share Award Scheme") to recognize the contribution of certain employees of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. A summary of the Share Award Scheme is as follows:

- (a) Duration: Subject to any early termination as may be determined by the Board pursuant to the rules to the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on 31 August 2015;
- (b) Maximum aggregate nominal value of shares to be awarded to a selected employee: Shall not exceed one (1) percent of the issued share capital of the Company from time to time; and
- (c) Limit: The Board shall not make any further award of shares which will result in the nominal value of the shares awarded by the Board under the Share Award Scheme exceeding ten (10) percent of the issued share capital of the Company from time to time.

Details of the Share Award Scheme are set out in the Company's announcements dated 31 August 2015 and 19 October 2015. During the year ended 31 December 2017, no awarded shares has been granted (2016: 400,000) to selected employees.

於任何12個月期間於行使授予各參與者之購股權(包括已行使及尚未行使購股權)後已發行及將發行之股份總數不得超過於授出日期已發行股份總數之1%。倘進一步向參與者授出購股權將導致於12個月期間直至及包括有關進一步授出日期於悉數行使已授予及將授予該人士之購股權(包括已行使、註銷及尚未行使購股權)後已發行及將予發行之股份總數合共超過已發行股份總數之1%，則有關進一步授出須於股東大會上單獨獲得股東批准，而有關參與人及其聯繫人士則放棄投票。

自購股權計劃生效日期起，本公司並無根據購股權計劃授出、行使或註銷任何購股權，於2017年12月31日亦無購股權計劃項下之購股權尚未行使。於本年度報告日期，本公司根據購股權計劃可予以發行之證券數目為200,000,000，佔本公司於本報告日期已發行股本約9.63%。

股份獎勵計劃

於2015年8月31日，本公司採納一項股份獎勵計劃(「股份獎勵計劃」)，以表彰本集團若干僱員的貢獻並給予獎勵以挽留彼等為本集團之持續經營及發展而努力，及吸引合適之人才加入，以協助本集團進一步發展。股份獎勵計劃概要詳情如下：

- (a) 期限：除非董事會根據股份獎勵計劃的有關規定提前終止，否則股份獎勵計劃將自2015年8月31日起計十(10)年內有效並生效；
- (b) 授予選定僱員的最高股份總面值：不得超過本公司不時的已發行股本百分之一(1)；及
- (c) 限制：若董事會根據股份獎勵計劃授予股份會導致授出的股份的面值超過本公司不時已發行股本百分之十(10)則董事會不得進一步授予股份。

股份獎勵計劃詳情載於本公司日期為2015年8月31日及2015年10月19日的公告。於截至2017年12月31日止年度，並沒有獎勵股份予獲選僱員(2016年：400,000)。

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme, no equity-linked agreements that will or may result in the Company issuing shares, or that require the Company to enter into any agreements that will or may result in the Company issuing shares, were entered into by the Company during or at the end of the Review Period.

AUDIT COMMITTEE

The Audit Committee had reviewed together with the management and external auditor the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in Appendix 10 — Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") under the Listing Rules. Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such code of conduct during the Review Period.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 49 to 63 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public at all times during the Review Period.

股票掛鈎協議

除購股權計劃外，於回顧期間或結束時，本公司概無訂立將會或可導致本公司發行股份的股票掛鈎協議，或要求本公司訂立任何協議將會或可導致本公司發行股份的股票掛鈎協議。

審核委員會

審核委員會連同管理層及外部核數師已審閱本集團採納之會計原則及政策以及年內經審核綜合財務報表。

董事進行證券交易之操守守則

本公司已採納董事進行證券交易的操守守則，其條款不遜於上市規則項下附錄十一上市發行人董事進行的標準守則（「標準守則」）所載的規定標準。經向全體董事作出特定查詢後，董事均確認彼等於回顧期間已遵守有關操守守則。

企業管治

本公司承諾維持高水平企業管治常規。有關本公司所採納企業管治常規的資料載於本年報第49至63頁之企業管治報告。

公眾持股量之充足性

根據本公司可公開獲得的資料及就董事所知，於回顧期間所有時間，本公司已發行股本總額的最少25%由公眾人士持有。

Report of the Directors

董事會報告

AUDITOR

Deloitte Touche Tohmatsu has acted as auditor of the Company for the year ended 31 December 2017.

Deloitte Touche Tohmatsu shall retire in the forthcoming annual general meeting of the Company and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the forthcoming annual general meeting.

EVENTS AFTER THE REPORTING PERIOD

Completion of Issue of Convertible Bonds and Notes

On 17 January 2018, the Company completed the issue of convertible bonds and notes, each with a principal amount of US\$10 million (equivalent to approximately HK\$78,083,000) to the subscriber. Each of the net proceeds arising from the issue of the convertible bonds and notes, after deduction of expenses, amounted to approximately HK\$77,768,000 and HK\$76,987,000 respectively, which shall be applied to refinance certain existing indebtedness of the Group and raise funds to replenish its working capital. The approval for the listing of, and the permission to deal in, the 21,792,717 conversion shares upon conversion of the convertible bonds has been granted by the Stock Exchange. Details of the completion of issue of the convertible bonds and notes are set out in the Company's announcement dated 17 January 2018.

Disposal of Interest in a Company Engaged in the Operation of Kindergartens in the PRC

Reference is made to the Company's announcements dated 29 December 2017 and 15 March 2018 in relation to the disposal (the "Disposal") of the Company's interest in EtonKids Educational Group Limited, a company engaged in the operation of kindergartens in the PRC. As additional time is required for certain of the conditions precedent under the relevant sale and purchase agreements in respect of the Disposal to be fulfilled or satisfied, the parties thereto have agreed to extend the long-stop date to 30 April 2018. As at the date of this report, the Disposal has not yet been completed.

On behalf of the Board

Mr. Chen Yixi

Chairman

PRC, 29 March 2018

核數師

德勤·關黃陳方會計師行出任本公司截至2017年12月31日止年度之核數師。

德勤·關黃陳方會計師行將於本公司應屆股東週年大會退任，並合資格及願意重獲聘任。重新聘任德勤·關黃陳方會計師行為本公司核數師之決議案將於應屆股東週年大會上提呈。

報告期後事項

完成發行可換股債券及票據

於2018年1月17日，本公司完成發行本金額各自為10,000,000美元（約等於78,083,000港元）的可換股債券及票據予認購人。發行可換股債券及票據之所得款項淨額（扣除開支後）分別約為77,768,000港元及76,987,000港元，將用於本集團若干現有債務再融資及籌集資金補充其營運資金。聯交所已批准於兌換可換股債券後21,792,717股兌換股份上市及買賣。完成發行可換股債券及票據之詳情載於本公司日期為2018年1月17日之公告。

出售一間在中國從事幼兒園經營的公司權益

茲提述本公司日期為2017年12月29日及2018年3月15日有關本公司出售本公司於伊頓國際教育集團有限公司（一間於中國從事幼兒園經營的公司）之權益（「出售事項」）的公告。由於需要更多時間達成或滿足就出售事項的相關買賣協議項下之先決條件，訂約方同意延後最後截止日期至2018年4月30日。於本報告日期，出售事項尚未完成。

代表董事會

主席

陳奕熙先生

中國，2018年3月29日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

2017 remained challenging but also offered promising opportunities. While major economies around the world were in some phase of recovery, China's economy progressed steadily and achieved GDP growth of 6.9% last year with the support of various economic stimulus measures from the central government. Among various sectors, the consumption and service segment reported a particularly strong growth. According to the Ministry of Commerce, China's major retail sales enterprises enjoyed strong sales in 2017 as the country's stabilizing economy spurred consumption. The total sales volume of 2,700 major retail enterprises surveyed rose 4.6% year on year in 2017, 3.0% higher than that of 2016 and indicates a positive outlook for retailers like C.banner.

Of the two major business segments where we operate, the footwear business continued to face severe challenges mainly due to increasing competition from international brands and cross-border e-commerce. However, China remains as a promising market for footwear industry due to the increasing disposable income, accelerating urbanization and improving living standards, and this is especially so in China's lower-tier cities and rural areas which have seen remarkable rise in purchasing power and in turn demand for retail products. Looking forward, it is expected that lower-tier cities will be the major driving forces for the retail market in China as higher-tier cities have already reached a greater level of saturation.

As for the toys industry, the latest two-child policy, progress in urbanization, rising disposable income and increasing willingness of consumers to purchase higher quality products are all expected to benefit the industry. The full implementation of the two-child policy is set to add huge momentum to the development of the toys industry. According to a research conducted by the Hong Kong Trade Development Council, two-child parents give more weight to "place of origin" than one-child parents and although imported brands of toys are more expensive, parents would still prefer them due to their guaranteed quality. In addition, the 2017 Chinese Infant Product Industry Report issued by Nielsen also pointed out that the new generation of Chinese mothers are willing to pay a higher price for quality products. This market trend is especially favorable to C.banner considering the Group's strategic acquisition of Hamleys, which is a renowned UK toys retailer boasting a brand history of over 250 years.

業務概覽

儘管2017年仍是充滿挑戰的一年，但卻湧現不少商機。全球多個經濟體處於復甦階段，中國經濟穩步增長，憑藉中央政府推出多項經濟刺激措施，去年本地生產總值增長達6.9%。於各個行業中，消費及服務業的增長尤為強勁。根據商務部的數據，由於國內經濟穩定刺激消費，2017年大型零售銷售企業的銷售額均有強勁表現。2017年，受訪的2,700家大型零售企業的總銷售額同比增長4.6%，較2016年上升3.0%，反映包含千百度在內的零售商的前景頗為樂觀。

我們經營的兩個主要業務分部中，鞋履業務持續面臨嚴峻挑戰，此乃主要由於國際品牌及跨國電子商務的競爭日趨激烈所致。然而，憑藉市民可支配收入增加、城市化加速及生活水平提升，中國依然是有利鞋履行業的市場，尤其是購買力急升帶來零售商品需求增加的中國中小城市和農村地區，最能體現該等優勢。展望未來，預期中小城市將會成為中國零售市場的主要推動力，因為大城市已漸趨飽和。

至於玩具行業，預期從最近推出的二孩政策、城市化進程、可支配收入增加及消費者購買高質商品意欲提升中受惠。全面實施二孩政策將大力推動玩具行業發展。根據香港貿易發展局的研究調查結果，二孩父母比一孩父母更看重「原產地」，即使進口玩具品牌較為昂貴，但父母為質素保證依然樂意購買。此外，尼爾森發佈的2017年中國嬰幼兒行業報告指出，新一代中國母親願意購買較昂貴的優質產品。這市場趨勢對千百度尤其有利，乃因本集團策略性收購擁有品牌超過250年歷史的英國著名玩具零售商Hamleys。

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管理層討論及分析

However, the above positive trend is accompanied by challenging operating environment. In response, the Group has and will continue to undertake a series of strategies. One key focus is branding and the Group will reinforce its elegant and fashionable brand image and promote its brand positioning as a leading and innovative international integrated retailer. Going forward, C.banner will further optimize its brand portfolio, focusing on improving product quality and design to meet the needs of customers. Building on its strong alliances with international brands, C.banner will continue to identify new potential licensed brands based on consumers' preference to further implement its global branding strategy as well as enhancing its brand popularity and recognition in both Greater China and overseas.

In terms of marketing, the Company will further strengthen the construction of a seamless sales system between offline stores and online sales platforms, as its core part to widen its consumer base. With respect to store management, the Company will continue to adopt a cautious approach in store expansion and focus on optimizing proprietary outlets and third-party retail outlets. Strenuous efforts will also be made in enhancing consumption experience in offline stores and improving same store sales growth.

Hamleys as a Key Growth Driver

Acquired in 2015, Hamleys now forms an integral part of the Group's strategic plan. Hamleys operates in 23 countries across the globe and recorded a 38% increase in international sales (excluding the UK) during 2017. During the year, Hamleys opened 34 new stores globally, comprising 6 proprietary stores and 28 franchised stores. As the majority of these new stores are operated by international franchise partners, capital outlay required for the expansion of retail networks is low. In addition, the Group started trialling wholesale operations in the last quarter of 2017, whereby Hamleys branded products were sold to 2 international toy retailers, which sold them through 4 stores.

During 2017, Hamleys also closed 10 stores, comprising 6 proprietary stores and 4 franchised stores. These stores were closed as leases expired or where the stores were loss-making with no prospect of turning them around to be profitable.

然而，上述良好的勢頭伴隨著充滿挑戰的經營環境。本集團已經並將繼續採取一系列策略應對措施。其中一項關鍵措施是鞏固品牌，本集團將強化其優雅而時尚的品牌形象，推進品牌定位為領先及創新的國際綜合零售商。邁向未來，千百度將進一步優化品牌組合，著重改善產品質素及設計，以迎合消費者需要。在與國際品牌強強聯手的基礎上，千百度將因應消費者的偏好，繼續物色具潛力的特許品牌，從而進一步落實國際品牌策略以及提升集團在大中華和海外的品牌知名度及認受性。

就市場推廣而言，本公司將進一步加強線上及線下銷售平台之間的無縫銷售系統建設，以此作為擴大客戶群的核心措施。店舖管理方面，本公司將在店舖擴充上繼續採取審慎措施，並專注優化自營零售店和第三方零售店。我們將繼續努力改善線下店舖的消費體驗，提高同店銷售增長。

Hamleys 作為主要增長動力

本集團於2015年收購Hamleys，現已成為其策略計劃的重要一環。Hamleys於全球23個國家開展業務，於2017年錄得國際銷售（不包括英國）增長38%。年內，Hamleys於全球開設34間新店，包括6間自營零售店和28間特許經營店。由於這些店舖絕大部分均由國際特許經營合作夥伴運營，擴充零售網絡所需資本性開支較低。此外，本集團於2017年最後一個季度開始試行經營批發業務，將Hamleys品牌的產品向2個國際玩具零售商出售，繼而透過4間店舖銷售。

於2017年，Hamleys亦關閉10間店舖，包括6間自營零售店和4間特許經營店。相關店舖乃因租約期屆滿或蒙受虧損致而預計無法扭虧為盈而關閉。

In the UK, 2017 was one of the most challenging years in UK retail history, and Hamleys was not immune to the impact of Brexit uncertainty, terrorist attacks, macro-economic pressures and general erosion in UK consumer confidence. A number of the Hamleys international markets experienced their own challenges, however Hamleys continued to make tough and difficult decisions to sustainably improve the business and recognise the ever-changing trading environment. This included a strategic review of the Hamleys Group's estate, resulting in the exit of loss-making stores and international markets with little prospect of growth or scale which will result in some exceptional closure and non-cash costs in the UK and Nordics region. In addition, the Hamleys Group realigned its cost base incurring some exceptional restructuring costs that will result in lower head office costs going forward. Despite the various headwinds, Hamleys has continued to deliver its legendary experience to both domestic and international customer groups and sustainably increased its global footprint even further.

In China, the second Hamleys flagship store opened in Xuzhou in September 2017. Together with the first flagship store opening in Nanjing in 2016, both stores have already contributed to the business growth of the Group. The third flagship store in China opened in December 2017 in Wangfujin, Beijing, and is the world's largest Hamleys store. Styled as a traditional British toy kingdom, the new store introduces a wide range of child-related products and is expected to become a key profit driver in the near future.

The Hamleys Group's continued focus to improve customer experience and proposition across all formats, introducing new products and services, continued overseas growth and entry into new proprietary, franchise and international wholesale markets has significantly strengthened the future potential of the Hamleys business. Together with the strategic actions that have been taken, the Group is confident of an improved performance going forward.

In view of this improving performance, the Group plans to replicate the unique Hamleys in-store experience, such as interactive playtime, events and special demonstrations, in other populous Chinese cities in 2018. Besides helping the Group to further develop its business in China's domestic market, Hamleys will also facilitate the Group's expansion into new overseas markets. The Group will also fully leverage on Hamleys' global branding strategy and worldwide retail platform to reach new business heights.

對英國而言，2017年是零售業歷史上最具挑戰的一年，Hamleys亦難免受到脫歐的不確定性、恐襲、宏觀經濟壓力以及當地消費者信心整體下跌所帶來的影響。Hamleys多個國際市場各自面臨種種挑戰，Hamleys不斷作出艱難決定，力求改善業務表現，在千變萬化的營商環境迎難而上。這包括Hamleys集團對旗下物業進行策略性評估，最終決定關閉蒙受虧損的店舖及撤出增長或營運規模前景渺茫的國際市場，而該等店舖或市場預期將會導致英國和北歐地區面臨特殊的業務經營結束及非現金成本。此外，Hamleys集團重整成本基礎，雖然產生額外重整成本，但今後可減低總部成本。儘管面臨諸多阻力，Hamleys依然持續為本地及國際客戶群帶來夢幻體驗，並進一步擴充其業務至全球各地。

Hamleys於中國的第二間旗艦店於2017年9月在徐州開幕。新旗艦店連同於2016年在南京開幕的首間旗艦店為本集團帶來業務增長。中國的第三間旗艦店於2017年12月在北京王府井開幕，該店是Hamleys全球最大的店舖，新旗艦店的設計格局以英國傳統玩具王國為藍圖，店內的兒童產品琳瑯滿目，預期於不久將來成為主要的利潤增長點。

Hamleys集團持續著重透過引入新產品及服務全方位提升客戶體驗和觀感，追求持續海外增長，涉足新自營及特許經營業務及國際批發市場，大大增強Hamleys業務的未來增長潛力。憑藉已採取的策略措施，本集團對未來改善業務表現充滿信心。

為改善業務表現，本集團計劃於2018年在中國其他人口眾多的城市複製Hamleys獨特的店內體驗，例如互動遊戲時間、活動和特別展示。除有助本集團在中國本地市場進一步發展業務外，Hamleys將促使本集團擴展至海外新市場。本集團將充分借助Hamleys全球品牌策略及零售平台以達致業務高峰。

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As of 31 December 2017, there were a total of 129 Hamleys stores comprising 32 proprietary stores and 97 franchised stores. The following table shows the geographic distribution of these stores:

截至2017年12月31日，Hamleys合共管理129間店舖，包括32間自營零售店及97間特許經營店，店舖分佈列示如下表：

Country 國家		Proprietary stores 自營零售店	Franchised stores 特許經營店	Total 總計
United Kingdom	英國	25	–	25
Ireland	愛爾蘭	1	–	1
Denmark	丹麥	1	–	1
Sweden	瑞典	1	–	1
Norway	挪威	1	–	1
China	中國	3	–	3
Czech Republic	捷克共和國	–	1	1
Egypt	埃及	–	3	3
India	印度	–	47	47
Jordan	約旦	–	5	5
Malaysia	馬來西亞	–	6	6
Malta	馬耳他	–	1	1
Mexico	墨西哥	–	3	3
Philippines	菲律賓	–	2	2
Poland	波蘭	–	1	1
Qatar	卡塔爾	–	1	1
Russia	俄國	–	11	11
Saudi Arabia	沙特阿拉伯	–	1	1
Singapore	新加坡	–	2	2
South Africa	南非	–	8	8
Turkey	土耳其	–	1	1
The United Arab Emirates	阿拉伯聯合酋長國	–	3	3
Vietnam	越南	–	1	1
Total	總計	32	97	129

Extensive Shoes Retail Networks

The Group has an extensive shoes retail network covering the majority of first, second and third-tier cities with bright sales prospects. The Group's self-developed and licensed brands are primarily distributed through a broad network of proprietary retail outlets in department stores and shopping malls. It also sells its self-developed brands through authorized distributors.

During the past year, the Group reduced 35 proprietary shoes retail outlets and 85 third-party shoes retail outlets respectively. As of 31 December 2017, the Group oversaw a network of 1,662 proprietary retail outlets and 332 third-party retail outlets across China, maintaining a strong presence in over 31 provinces, municipalities and autonomous regions.

The Group continued to further optimize our retail networks comprising both online and offline stores and strategically cooperated with retailers such as department stores, shopping malls and outlets to increase market share. Our goal is to enhance same store sales growth of each offline store and actively promote online sales.

The following table shows the Group's geographic distribution of shoes outlets:

範圍廣闊的鞋履業務零售網絡

本集團的鞋履業務零售網絡遍佈絕大部份一線、二線及三線城市，且銷售前景良好。本集團主要透過於百貨公司內設立的、覆蓋範圍廣闊的自營零售店網絡，分銷自有及授權品牌，亦透過授權分銷商銷售自有品牌。

於過去一年，本集團鞋履業務自營零售店及第三方零售店分別減少35間和85間。截至2017年12月31日，本集團管理中國的1,662間自營零售店及332間第三方零售店，遍佈中國逾31個省、市及自治區。

本集團將繼續優化我們的零售網路，包括線上和線下的店舖，並與百貨公司、購物中心、奧萊城等零售商戰略合作，以提高市場份額。我們的目標是提高線下門店的同店銷售增長，並積極促進線上銷售。

下表列示本集團鞋履業務零售店的地區分佈：

Distribution Regions	銷售地區	C.banner		EBLAN		Sundance		MIO		Badgley Mischka		Licensed Brands		Total
		千百度		伊伴		太陽舞		米奧		百吉利·米西卡		naturesun 娜冉 授權品牌		
		Proprietary outlets	Third-party outlets	Proprietary outlets	Third-party outlets	Proprietary outlets	Third-party outlets	Proprietary outlets	Third-party outlets	Proprietary outlets	Third-party outlets	Proprietary outlets	Third-party outlets	
Northeast	東北地區	111	28	68	9	13	1	17	9	1	4	20	10	291
Beijing	北京地區	38	18	22	2	8	1	5	5	1	4	12	-	116
Tianjin	天津地區	83	72	33	4	5	-	4	-	1	9	17	-	228
Northwest	西北地區	74	54	39	4	1	-	-	36	-	5	15	-	228
Central China	華中地區	46	16	15	1	1	-	4	-	-	1	12	-	96
Eastern China	華東地區	169	28	87	3	34	-	36	1	2	31	23	-	414
Zhejiang	浙江地區	88	3	25	1	2	-	13	1	1	8	15	-	157
Shanghai	上海地區	59	-	17	-	1	-	2	-	2	13	11	-	105
Southwest	西南地區	115	7	22	2	2	-	9	1	1	-	24	1	184
Southern China	華南地區	108	10	19	3	-	-	11	1	1	8	14	-	175
Total	總計	891	236	347	29	67	2	101	54	10	83	163	11	1,994

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Notes:

- (1) Northeast region includes Jilin province, Liaoning province and Heilongjiang province;
- (2) Beijing region includes Beijing, Inner Mongolia Autonomous Region, Zhangjiakou city and Qinhuangdao city in Hebei province;
- (3) Tianjin region includes Tianjin, Shandong province and Hebei province (except Zhangjiakou city and Qinhuangdao city);
- (4) Northwest region includes Shanxi province, Shaanxi province, Qinghai province, Gansu province, Henan province, Xinjiang Autonomous Region and Ningxia Autonomous Region;
- (5) Central China region includes Hunan province and Hubei province;
- (6) Eastern China region includes Jiangsu province (except Wuxi city and Suzhou city), Anhui province and Jiangxi province;
- (7) Zhejiang region includes Zhejiang province and Wuxi city and Suzhou city in Jiangsu province;
- (8) Shanghai region includes Shanghai;
- (9) Southwest region includes Sichuan province, Guizhou province, Yunnan province, Chongqing city and Tibet Autonomous Region; and
- (10) Southern China region includes Guangdong province, Hainan province, Guangxi Autonomous Region and Fujian province.

附註:

- (1) 東北地區包括吉林省、遼寧省及黑龍江省；
- (2) 北京地區包括北京及內蒙古自治區、河北省的張家口市及秦皇島市；
- (3) 天津地區包括天津、山東省及河北省(河北省的張家口市及秦皇島市除外)；
- (4) 西北地區包括山西省、陝西省、青海省、甘肅省、河南省、新疆及寧夏自治區；
- (5) 華中地區包括湖南省及湖北省；
- (6) 華東地區包括江蘇省(無錫市及蘇州市除外)、安徽省及江西省；
- (7) 浙江地區包括浙江省以及江蘇省的無錫市及蘇州市；
- (8) 上海地區包括上海；
- (9) 西南地區包括四川省、貴州省、雲南省、重慶市及西藏自治區；及
- (10) 華南地區包括廣東省、海南省、廣西自治區及福建省。

Diversified and Enriched Brands and Products Portfolio under our Global Branding Strategy

During the past years, C.banner has been making significant moves toward the goal of developing into a leading international retail brand. In addition to the strong-strong alliance with Hamleys, the Company has also set up a joint venture with Madden Asia Holding Limited to promote, market, sell and distribute products bearing the “STEVE MADDEN” logo, a renowned US shoes and fashion brand, in the PRC through both online and offline channels. These are part of our efforts to continue to shape and diversify the brand’s DNA and enhance our core competitiveness. In the future, C.banner will continue to look out for opportunities to acquire companies, both local and overseas, with attractive brand value to make our already strong brand become even stronger.

全球品牌戰略下多元及豐富的品牌產品組合

過去數年，千百度一直朝著發展成為國際領先零售品牌的目標邁步前行。本公司不單與 Hamleys 強強聯手，還與美登亞洲集團有限公司成立合營公司，以在中國透過線上線下渠道促銷、營銷、銷售及分銷印有美國著名鞋履及時裝品牌「STEVE MADDEN」的產品，致力塑造多元的品牌形象及提升競爭力。千百度今後將繼續探索機會收購其他本地及海外具高品牌價值的公司，使我們的品牌實力更強大。

Creative and Interactive Marketing and Sales Strategies to Bring Exceptional Consumption Experience

In consideration of the upward trend of e-commerce popularity, the Company will focus on constructing a seamless sales system, which could fully integrate the offline channels, including shops in the department stores and shopping malls as well as outlet stores, and online channels which include official websites, Apps, Wechat Shop, Tmall and other third-party platforms. Going forward, C.banner will fully utilize new media platforms such as WeChat to reach a wider range of consumers. We will also continue to operate online flagship stores on Tmall.com and JD.com and launch more attractive online sales promotion to further optimize our O2O business model. On the offline front, the Group will roll out attractive and diversified marketing strategies such as VIP membership scheme, sales promotion, outdoor advertisement and brand-new catalogues and brochures to provide unique and extraordinary consumption experience to our customers.

Customer-Oriented Research and Design

C.banner always puts customers' needs first. In order to deliver products which tailored to the diverse requirements of customers, the Group has established research and development teams led by experienced brand directors and design managers. In-house training is provided to our staff to ensure that they have strong sense and connection to the latest market trend. In addition, the Company continues to collect, analyse and draw on a wealth of sales data to get the latest fashion insights and provide quality and trendy products to our target customers.

Continuous Optimization and Strengthening of Retail Network and Channels

Through years of efforts, C.banner has built a strategic layout of self-developed and licensed brands stores in China's first, second and third-tier cities across China. In the future, the Company will continue to optimize its retails network comprising both online and offline stores and strategically cooperate with third party retailers such as department stores to increase market share. The Company will also strive to enhance same store sales growth of off-line stores and actively promote sales of online stores.

推行創新互動的營銷及銷售策略，提供不同凡響的消費體驗

為提升電子商務的認受性，本公司將著力構建無縫的銷售系統，全面整合線下渠道（包括百貨公司、購物中心及奧萊的店舖）及線上渠道（包括官方網站、手機應用程式、微信店舖、天貓及其他第三方平台）。展望未來，千百度將全面使用微信等媒體平台以吸引更多消費者。我們將繼續於Tmall.com及JD.com經營線上旗艦店，並推出更吸引的線上銷售宣傳，以進一步優化我們的線上線下運作模式。至於線下方面，本集團將推出更吸引及多元化的營銷策略，如貴賓會員計劃、促銷活動、戶外推廣及製作全新產品目錄和宣傳小冊子，以為客戶提供獨特、非凡的購物體驗。

以客為先的研發及設計

千百度一直以客戶需要為先。本集團成立由經驗豐富的品牌總監及設計經理帶領的研發團隊，按客戶多元的需求為其度身訂造稱心的產品。我們為員工提供在職培訓，確保員工緊貼市場流行趨勢。同時，本公司不斷收集、分析及利用詳盡的銷售數據，從而洞悉潮流脈搏，為目標客戶提供優質時尚的產品。

不斷優化及強化零售網絡及渠道

經過多年努力，千百度在中國第一、二及三線城市構建包含自行研發及特許品牌店舖的策略業務版圖。今後，本公司將繼續優化其線上線下店舖的零售網絡，與百貨公司等第三方零售商進行策略合作，從而增大市場份額。同時，本公司將致力提升實體店銷售額，並積極改善線上店舖銷售表現。

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FINANCIAL REVIEW

For the year ended 31 December 2017, the Group's total revenue decreased by 4.5% to RMB3,063.5 million, compared to the same period of last year. Gross profit decreased by 3.7% to RMB1,863.2 million. Profit before tax decreased by 71% to approximately RMB80.9 million during the year under review. The adjusted profit before tax (excluding operating loss in Northern Europe, foreign currency exchange gain and share-based payment expenses) was approximately RMB150.7 million, representing a decrease of 29.0% from approximately RMB212.3 million in 2016. Profit attributable to owners of the Company was approximately RMB20.5 million, representing a decrease of approximately 90.1% over the last year. The adjusted profit attributable to owners of the Company (excluding operating loss in Northern Europe, foreign currency exchange gain and share-based payment expenses) was approximately RMB90.4 million, representing a decrease of 35.4% from approximately RMB140.0 million in 2016.

Revenue

For the year ended 31 December 2017, the Group's total revenue decreased by 4.5% to RMB3,063.5 million, compared to RMB3,206.6 million for the same period of last year.

The Group's revenue mix comprises income from Retail and Wholesale of Shoes, Contract Manufacturing of Shoes and Retail of Toys. The revenue distribution of Retail and Wholesale of Shoes, Contract Manufacturing of Shoes and Retail of Toys is set out as follows:

財務回顧

截至2017年12月31日止年度，本集團的總收益較去年同期減少4.5%至約人民幣3,063.5百萬元。毛利減少3.7%至約人民幣1,863.2百萬元。於回顧年度，除稅前溢利減少71%至約人民幣80.9百萬元。經調整除稅前溢利（不包括北歐地區的經營虧損、外匯收益及以股份支付之開支）約為人民幣150.7百萬元，較2016年約人民幣212.3百萬元下降29.0%。本公司擁有人應佔溢利較去年下降約90.1%至約人民幣20.5百萬元。經調整本公司擁有人應佔溢利（不包括北歐地區的經營虧損、外匯收益及以股份支付之開支）約為人民幣90.4百萬元，較2016年約人民幣140.0百萬元下降約35.4%。

收益

截至2017年12月31日止年度，本集團總收益較去年同期減少4.5%至人民幣3,063.5百萬元，去年同期則為人民幣3,206.6百萬元。

本集團的收益組合包括來自「零售及批發鞋履」、「合約生產鞋履」及「玩具零售」業務的收入。零售及批發鞋履、合約生產鞋履及玩具零售的收益分佈情況如下：

		For the year ended 31 December				
		截至12月31日止年度				
		2017		2016		
		2017年		2016年		
		% of Total		% of Total		% Growth
		RMB ('000)	Revenue	RMB ('000)	Revenue	% Growth
		估總收益	百分比	估總收益	百分比	增長百分比
		人民幣千元	百分比	人民幣千元	百分比	增長百分比
Retail and Wholesale						
of Shoes	零售及批發鞋履	2,290,276	74.8	2,332,464	72.7	-1.8
Contract Manufacturing						
of Shoes	合約生產鞋履	138,506	4.5	249,312	7.8	-44.4
Retail of Toys	玩具零售	634,742	20.7	624,786	19.5	1.6
Total	總計	3,063,524	100	3,206,562	100	-4.5

The decrease in Retail and Wholesale of Shoes is mainly attributable to the decrease in same store sales of shoes as compared with last year and the closure of inefficient shoes outlets; the decrease in Contract Manufacturing of Shoes is mainly attributable to the reorganisation of the Group's OEM production lines.

Profitability

For the year ended 31 December 2017, the gross profit decreased by 3.7% from approximately RMB1,935.7 million in 2016 to approximately RMB1,863.2 million, the gross profit margin was 60.8%, an increase of 0.4% from 60.4% in last year.

For the year ended 31 December 2017, distribution and selling expenses reached RMB1,583.2 million, an increase of 2.1%, compared to expenses of RMB1,550.4 million last year, which was primarily attributable to the closure of certain toy stores operated by Hamleys Nordics by the Group and the increase in Hamleys's stores in China. Distribution and selling expenses accounted for 51.7% of total revenue, compared to 48.3% in last year.

For the year ended 31 December 2017, administrative and general expenses amounted to RMB217 million, an increase of RMB25.3 million compared to the same period of last year. This increase was mainly attributable to the closure of certain toy stores operated by Hamleys Nordics by the Group and the increase in Hamleys's stores in China. Administrative and general expenses accounted for 7.1% of total revenue, compared to 6.0% in last year.

For the year ended 31 December 2017, the Group's other income and expense and other gains and losses recorded a net gain of RMB67.4 million, decreased by RMB57.6 million as compared to a net gain of RMB125.0 million last year. Other income and expenses and other gains and losses mainly included government subsidies, interest income on bank deposits and net foreign exchange gain. The decrease was mainly attributable to the decrease in net foreign exchange gain by RMB55.9 million from RMB66.7 million in the year of 2016 to RMB10.8 million in the year of 2017.

For the year ended 31 December 2017, the Group recorded finance costs of RMB65.9 million, increased by RMB28.5 million compared to RMB37.4 million last year. The increase was mainly attributable to the new borrowings.

零售及批發鞋履收益下降的主要原因是鞋履同店銷售額較去年同期下降及關閉低效鞋履店舖所致；合約生產鞋履收益下降的主要原因是本集團OEM生產線進行結構改造所致。

盈利能力

截至2017年12月31日，本集團之毛利由2016年約人民幣1,935.7百萬元減少3.7%至約人民幣1,863.2百萬元。毛利率為60.8%，較去年之60.4%增加0.4%。

截至2017年12月31日止年度，分銷及銷售開支達人民幣1,583.2百萬元，較去年之開支人民幣1,550.4百萬元增加2.1%，該增加主要歸因於本集團關閉若干Hamleys Nordics經營的玩具店舖及Hamleys中國的店舖增加所致。分銷及銷售開支佔總收益比率為51.7%，而去年為48.3%。

截至2017年12月31日止年度，行政及一般開支達人民幣217百萬元，較去年同期增加人民幣25.3百萬元。該增加主要歸因於本集團關閉若干Hamleys Nordics經營的玩具店舖及Hamleys中國的店舖增加所致。行政及一般開支佔總收益比率為7.1%，而去年同期為6.0%。

截至2017年12月31日止年度，其他收入及開支以及其他收益及虧損錄得淨收益人民幣67.4百萬元，去年的淨收益人民幣125.0百萬元減少人民幣57.6百萬元。其他收入及開支以及其他收益及虧損主要包括政府補貼、銀行存款利息收入及匯兌收益淨額。該減少主要歸因於匯兌收益淨額由2016年人民幣66.7百萬元減少至人民幣10.8百萬元所致。

截至2017年12月31日止年度，財務成本為人民幣65.9百萬元，較去年人民幣37.4百萬元增加人民幣28.5百萬元。該增加主要歸因於新增借款所致。

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For the year ended 31 December 2017, the Group's income tax expense decreased by RMB9.1 million or 12.4% to RMB64.2 million, compared to an expense of RMB73.3 million last year. The effective tax rate over the year was 79.4%, an increase of 53.1 percentage points from 26.3% in last year. The increase was mostly attributable to the decrease in profit before taxation.

For the year ended 31 December 2017, the Group's profit attributable to owners of the Company decreased by 90.1% from approximately RMB206.3 million recorded in 2016 to approximately RMB20.5 million. The adjusted profit attributable to owners of the Company (excluding operating loss in Northern Europe, foreign currency exchange gain and share-based payment expenses) was approximately RMB90.4 million, representing a decrease of 35.4% from approximately RMB140.0 million in 2016.

Liquid Assets, Financial Resources and Capital Expenditure

As of 31 December 2017, the Group had bank balances and cash of RMB540.1 million, compared to RMB629.3 million at the end of last year.

For the year ended 31 December 2017, net cash generated from operating activities was RMB114.5 million, a decrease of RMB131.3 million as compared to RMB245.8 million as of the end of last year.

The Group recorded a net cash outflow of RMB631.9 million from investing activities for the year of 2017, compared to an inflow of RMB40.9 million in 2016. The outflow was primarily due to the investment in an associate subsequently treated as assets classified as held for sale.

Net cash generated from financing activities was RMB449.1 million in 2017, compared to a net cash used in financing activities of RMB93.6 million in 2016. This was mostly attributable to the issuance of other borrowings and notes in 2017 offset by the repayment of bank borrowings.

As of 31 December 2017, the net current assets of the Group were RMB872.4 million, compared to RMB1,329.2 million at the end of last year, a decrease of 34.4% or RMB456.8 million.

截至2017年12月31日止年度，所得稅開支減少人民幣9.1百萬元或12.4%至人民幣64.2百萬元，去年開支則為人民幣73.3百萬元。本年度的所得稅實際稅率為79.4%，較去年同期26.3%上升53.1個百分點。此增加主要歸因於除稅前溢利減少。

截至2017年12月31日止年度，本集團的本公司權益持有人應佔溢利較2016年人民幣206.3百萬元減少90.1%至人民幣20.5百萬元。經調整本公司擁有人應佔溢利（不包括北歐地區的經營虧損、外匯收益及以股份支付之開支）約為人民幣90.4百萬元，較2016年約人民幣140.0百萬元下降約35.4%。

流動資產、財務資源及資本開支

截至2017年12月31日止年度，本集團之銀行結餘及現金為人民幣540.1百萬元，去年年底則為人民幣629.3百萬元。

截至2017年12月31日止年度，經營業務產生之現金淨額為人民幣114.5百萬元，較去年年底人民幣245.8百萬元減少人民幣131.3百萬元。

截至2017年12月31日止年度，本集團於全年錄得投資業務之現金流出淨額人民幣631.9百萬元，於2016年則為流入人民幣40.9百萬元。該流出主要由於於聯營公司的投資期後被視為分類為待售資產所致。

於2017年融資業務所得現金淨額為人民幣449.1百萬元，於2016年則為所用淨額人民幣93.6百萬元。主要歸因於於2017年發行的其他借款由償還銀行貸款所抵銷所致。

截至2017年12月31日止年度，本集團之流動資產淨值為人民幣872.4百萬元，較去年年底人民幣1,329.2百萬元減少34.4%或人民幣456.8百萬元。

On 4 August 2017, the Company issued convertible bonds and notes, each in the principal amount of US\$50 million, to Cheer Hope Holdings Limited, which are guaranteed by Mr. Chen Yixi, the chairman of the Group. Each of the net proceeds of approximately HK\$389 million arising from the issue of the convertible bonds and notes respectively shall be applied to replenish the working capital of the Company and cater for potential desirable acquisitions. For the year ended 31 December 2017, no convertible bonds issued had been converted into shares of the Company. Subsequent to the reporting period, the Company redeemed convertible bonds in the principal amount of US\$10 million in January 2018, after which the principal amount of the outstanding convertible bonds amounted to US\$40 million, which are convertible into 87,170,868 shares of the Company at a conversion price of HK\$3.57 per share. Please refer to the Company's announcements dated 20 July 2017, 26 July 2017 and 4 August 2017 for further details.

Gearing ratio

The Group's gearing ratio, computed by dividing total loans and borrowings by total assets, was 28.9% as at 31 December 2017 compared with 20.7% as at 31 December 2016.

Capital structure

The Group's operations were financed mainly by shareholder's equity, bank facilities available to the Group and internal resources. The Group will continue to adopt its treasury policy of placing its cash and cash equivalent as interest bearing deposits. The Group's loans and cash and cash equivalents were mainly denominated in RMB, Hong Kong dollars, GBP and USD. The Group's bank borrowings denominated in USD as at 31 December 2017 amounted to RMB1,117.1 million.

Pledge of Assets

As at 31 December 2017, the Company's equity interest in Nanjing Mayflower, Dongguan Mayflower, Nanjing Soft and Xuzhou C.banner have been pledged to secure the bank borrowings of the Group.

Contingent Liabilities

The Group did not have any substantial or contingent liabilities as of 31 December 2017.

於2017年8月4日，本公司發行各自本金額為50,000,000美元的可換股債券及票據予Cheer Hope Holdings Limited，並由本公司主席陳奕熙先生擔保。發行可換股債券及票據各自之所得款項淨額將分別約為389,000,000港元，將用於補充本公司營運資金及迎合潛在合意收購。截至2017年12月31日止年度，概無可換股債券兌換為本公司股份。報告期後，本公司於2018年1月贖回本金額為10,000,000美元的可換股債券，其後，未兌換本金額為40,000,000美元之可換股債券可按兌換價每股股份3.57港元兌換為本公司87,170,868股股份。有關更多詳情，請參閱本公司日期為2017年7月20日、2017年7月26日及2017年8月4日之公告。

資產負債比率

於2017年12月31日，本集團資產負債比率(按總貸款及借貸除以總資產計算)為28.9%，而於2016年12月31日則為20.7%。

資本架構

本集團的營運主要透過股東股權、本集團可用的銀行融資及內部資源撥資。本集團將繼續採納其庫存政策，將其現金及現金等價物作為計息存款。本集團的貸款及現金及現金等價物主要以人民幣、港元、英鎊及美元計值。本集團以美元計值的銀行借貸於2017年12月31日為人民幣1,117.1百萬元。

資產質押

於2017年12月31日，本集團在南京美麗華、東莞美麗華、南京舒服特及徐州千百度的權益已抵押擔保本集團的銀行貸款。

或然負債

截至2017年12月31日，本集團並無任何重大或然負債。

Management Discussion and Analysis

管理層討論及分析

Foreign Exchange Risk Management

The Group's sales are mainly denominated in RMB, while its Contract Manufacturing of Shoes is mainly denominated in USD and its Retail of Toys is mainly denominated in GBP. The Contract Manufacturing of Shoes accounted for 4.5% of total revenue, while the Retail of Toys accounted for 20.7% of total revenue. Nevertheless, the Board will keep monitoring the impact of the exchange rate on our business closely and take appropriate measures to mitigate the impact where necessary.

For the year ended 31 December 2017, the Group recorded a RMB10.8 million gain from currency exchange, compared to a RMB66.7 million gain last year. The Group did not hold any derivative instruments for hedging against foreign exchange risk.

Human Resources

As of 31 December 2017, the Group had 10,457 employees (31 December 2016: 11,347 employees). The Group provides its employees with competitive remuneration packages including mandatory pension funds, insurance and medical benefits. In addition, the Group pays discretionary bonuses to qualified employees according to the business performance and their individual work performance.

Dividend

The Board does not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: nil).

Investment

On 21 July 2017, the Company entered into a sale and purchase agreement with independent third parties (the "Sellers"), pursuant to which the Sellers conditionally agreed to sell, and the Company conditionally agreed to purchase, 5,669,931 A series preference shares of US\$0.001 each and 649,889 A-1 series preference shares of US\$0.001 each of EtonKids Educational Group Limited (the "Target Company"), all of which would be simultaneously converted into ordinary shares of US\$0.001 each of the Target Company upon completion (the "Sale Shares") for a cash consideration of US\$79,408,705, representing 45.78% of the issued share capital of the Target Company. Completion of the sale and purchase of the Sale Shares took place on 11 August 2017, after which the Company held 45.78% of the issued share capital of the Target Company.

匯兌風險管理

本集團之銷售主要以人民幣計值，而合約生產鞋履業務則主要以美元計值及玩具零售業務主要以英鎊計值。合約生產鞋履佔收益總額的4.5%，玩具零售業務佔收益總額的20.7%。董事會將密切關注匯率對業務的影響，並於必要時採取適當措施以減輕所造成的影響。

截至2017年12月31日，本集團錄得匯兌收益人民幣10.8百萬元，去年則為收益人民幣66.7百萬元。本集團並無使用任何衍生工具以對沖外匯風險。

人力資源

截至2017年12月31日，本集團聘用合共10,457名僱員(2016年12月31日：11,347名僱員)。本集團為其僱員提供具競爭力的薪酬組合，包括強制性退休基金、保險及醫療福利。此外，本集團亦會按業務表現及個別員工工作表現向合資格僱員發放酌情花紅。

股息

董事會並無就截至2017年12月31日止年度建議宣派末期股息(2016年：無)。

投資

於2017年7月21日，本公司與獨立第三方(「賣方」)訂立買賣協議，據此，賣方有條件同意出售及本公司有條件同意購買伊頓國際教育集團有限公司(「目標公司」)之5,669,931股每股面值0.001美元之A系列優先股及649,889股每股面值0.001美元之A-1系列優先股(「待售股份」)，所有該等股份將於完成後同時轉換為目標公司每股面值0.001美元之普通股，現金代價為79,408,705美元(佔目標公司已發行股本45.78%)。待售股份之買賣於2017年8月11日完成，本公司持有目標公司已發行股本的45.78%。

On 29 December 2017, the Company entered into sale and purchase agreements with Allied Way International Enterprise Limited and Hongkong Hongxing Investment Management Limited (the “Purchasers”), pursuant to which the Company conditionally agreed to sell, and the Purchasers conditionally agreed to purchase, the Sale Shares for an aggregate cash consideration of US\$89,499,900 (the “Disposal”). As at the date of this report, the Disposal has not yet been completed. For details, please refer to the Company’s announcements dated 29 December 2017 and 15 March 2018.

Outlook

China’s economy will continue to develop steadily with the support of a series of government policies such as “One Belt One Road” and “Made in China 2025”. In the long term, China’s structural reform will drive its economy toward a consumption-driven market, which will give substantial growth momentum to the retail industry where the Company operates. Among our two major retail businesses, the footwear market will continue to undergo restructuring and face various challenges before recovery in 2018. However, the accelerating urbanization, rising disposable income and the growing middle-income class in China all point to a generally positive outlook for the industry, especially for mid-to-premium brands which well met the needs of the increasingly sophisticated Chinese consumer base. As for the toys industry, the two-child policy in China will give a strong boost to the consumption demand for child products and services and the mid-to-high-end toys market, the primary market of Hamleys, is set to benefit the most from the policy as parents are more willing to pay higher prices for quality educational products.

In order to grasp the opportunities arising from these positive development trend, C.banner will continue to establish Hamleys-themed shopping malls and replicate the unique in-store experience of Hamleys in populous cities in China to add synergy to our business and diversify our products and services. The Company will also leverage on Steve Madden brand to upgrade its brand image and diversify its business and brand portfolio. The joint venture with Madden Asia Holding Limited will further consolidate the Group’s position in the mid-to-high-end footwear market in the PRC.

於2017年12月29日，本公司與滙進國際企業有限公司及香港鴻興投資管理有限公司（「買方」）訂立買賣協議，據此，本公司有條件同意出售及買方有條件購買待售股份，現金代價合共為89,499,900美元（「出售事項」）。於本報告日期，出售事項尚未完成。有關詳情，請參閱本公司日期為2017年12月29日及2018年3月15日的公告。

前景

在「一帶一路」及「中國製造2025」等一系列政府政策的支持下，中國經濟將繼續穩健發展。長遠而言，中國的結構性改革將帶動經濟轉型為消費主導市場，成為本公司身處的零售市場增長的主要動力。兩大零售業務中，鞋履市場於2018年將繼續進行重整，於經濟復甦前仍將面臨不同挑戰。然而，中國的城市化加速，可支配收入增加及中等收入階層不斷增長，均反映行業整體前景樂觀，尤其是更能滿足日漸成熟的中國客戶群需要的中高檔品牌。至於玩具行業，中國的二孩政策將大力推動兒童產品及服務以及中高檔玩具市場的消費需求。由於父母願意以更高價錢購買優質的教育產品，Hamleys的主要市場從相關政策中將受惠最大。

為了從有利的市場發展趨勢中把握機會，千百度處將繼續在中國人口眾多的城市開發Hamleys主題購物商場，並複製Hamleys獨一無二的店內體驗，以增大業務的協同效益，令我們的產品及服務更多元化。本公司將借由Steve Madden的品牌效應，提升品牌形象，豐富業務及品牌組合。與美登亞洲集團有限公司成立的合營公司將進一步鞏固本集團在中國中高檔鞋履市場的地位。

Management Discussion and Analysis

管理層討論及分析

We will also give strenuous effort to implement our creative seamless sales system to boost sales and enhance brand influence. While making all-out efforts to improve consumption experience in offline stores, such as upgrading the high-end customized 3D foot scanning services in selected stores, we will also redirect sales from offline stores to online platforms to achieve full online-offline integration. On the operation level, the Company will rebuild the production line to increase production flexibility and efficiency in order to meet the needs of small-batch and customized production. The Group understands well that price alone is not a sustainable business practice and will therefore adhere to rational discounting policy to ensure the Group's profitability. Instead, the Group will take other measures such as improving inventory control, enhancing operation efficiency and strengthening supply chain and stores management as solid steps toward the goal of developing C.banner into a globally renowned brand.

此外，我們將竭盡全力落實創新的無縫銷售系統，以刺激銷售及增強品牌效應。我們不但致力改善線下店舖的客戶消費體驗，例如在選定的店舖提升高端定制的3D腳部掃描服務，我們還會將線下店舖的銷售重新與線上平台連繫，以全面達致線上線下整合。至於營運方面，本公司將重建生產線，提高生產的靈活性及效率，以滿足少量及定制的製造要求。本集團深知單憑價格本身並不能支持長遠業務營運，因此，我們將實行合理的節扣政策，確保本集團的盈利能力。另一方面，本集團將採取改善存貨控制、提升營運效率及增強供應鏈及店舖管理等其他有效措施，以實現將千百度發展為全球知名品牌的目標。

Corporate Governance Report

企業管治報告

The Board is pleased to present this corporate governance report in the annual report of the Company for the year ended 31 December 2017.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has complied with all applicable code provisions under the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 14 to the Listing Rules during the Review Period. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, overseeing the Group’s strategic decisions and monitoring the Group’s business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company’s affairs, the Board has established three Board committees including the audit committee (the “Audit Committee”), the remuneration committee (the “Remuneration Committee”) and the nomination committee (the “Nomination Committee”) (together, the “Board Committees”). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

The Company has arranged appropriate liability insurance to indemnify the Directors for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

董事會欣然呈列本公司截至2017年12月31日止年度之年報所載之企業管治報告。

企業管治

本集團致力維持高水平之企業管治以保障股東之利益，並提升企業價值及應有責任。於回顧期間，本公司已遵守上市規則附錄14所載企業管治守則及企業管治報告（「企業管治守則」）項下之所有適用守則條文。本公司將繼續審閱及提升其企業管治常規，以確保遵守企業管治守則。

董事會

職責

董事會負責本集團之整體發展，並監督本集團之策略性決定及監察本集團業務及表現。本集團高級管理層將獲董事會轉授有關本集團日常管理及營運之權力及責任。就監督本公司事務之特定方面，董事會已成立三個董事委員會，包括審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）（統稱「董事委員會」）。董事會向董事委員會授出多項責任，有關責任載於其各自之職權範圍。

全體董事須確保彼等以真誠態度履行職責、遵守適用法例及法規，並一直符合本公司及其股東之利益。

本公司已安排適當的責任保險以彌償董事因從事企業活動所產生之責任。保險之保障範圍將每年予以檢討。

Corporate Governance Report

企業管治報告

Board Composition

During the Review Period, the Board comprised four executive Directors, namely Mr. Chen Yixi, Mr. Zhao Wei, Mr. Huo Li and Mr. Yuan Zhenhua, three non-executive Directors, namely Mr. Miao Bingwen, Mr. Wu Guangze and Mr. Ngan Wing Ho, and four independent non-executive Directors, namely Mr. Kwong Wai Sun Wilson, Mr. Li Xindan, Mr. Zhang Zhiyong and Mr. Zheng Hongliang. Mr. Ngan Wing Ho was re-designated from executive Director to non-executive Director with effect from 2 June 2017. Subsequent to the Review Period, Mr. Wu Guangze and Mr. Ngan Wing Ho resigned as non-executive Directors with effect from 4 April 2018. The biographies of the Directors are set out under the section headed “Directors and Senior Management” of this annual report.

Relationships (including financial, business, family or other material/relevant relationships), if any, among members of the Board are also disclosed. There was no such relationship as between the chairman of the Board (the “Chairman”) and the CEO during the Review Period.

Pursuant the code provision A.5.6 of the CG code, listed issuers are required to adopt a board diversity policy. The Board has adopted the board diversity policy and the summary of the board diversity policy is set out under “Board Committees – Nomination Committee” below.

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

All Directors, including 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. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as their identity and the time involved to the issuer, Directors have agreed to disclose their commitments to the Company in a timely manner.

董事會組成

報告期內，董事會包括四名執行董事，即陳奕熙先生、趙偉先生、霍力先生及袁振華先生，三名非執行董事，即繆炳文先生、吳廣澤先生及顏永豪先生，以及四名獨立非執行董事，即鄺偉信先生、李心丹先生、張志勇先生及鄭紅亮先生。顏永豪先生由執行董事調任為非執行董事，自2017年6月2日起生效。報告期後，吳廣澤先生及顏永豪先生於2018年4月4日起辭任本公司非執行董事。董事之履歷載於本年報「董事及高級管理層」一節。

董事會成員間之關係（包括財務、業務、家族或其他重大／相關關係）（如有）亦予以披露。於回顧期間，董事會主席（「主席」）與首席執行官之間概無任何該等關係。

根據企業管治守則守則條文第A.5.6條，上市發行人須採納一項董事會成員多元化政策。董事會已採納董事會成員多元化政策及董事會成員多元化政策概要載於下文「董事委員會－提名委員會」項下。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書。根據上市規則所載之獨立指引，本公司認為全體獨立非執行董事均屬獨立。

全體董事（包括獨立非執行董事）均為董事會帶來各種不同的寶貴營商經驗、知識及專門技術，使其有效率及有效地運作。獨立非執行董事獲邀加入審核委員會、薪酬委員會及提名委員會。

就企業管治守則條文要求董事向發行人披露於公眾公司或組織出任職務之數目與性質及其他重大承擔以及所涉及職務及時間而言，董事已同意及時向本公司披露彼等的職務承擔。

Chairman and Chief Executive Officer

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. During the Review Period, Mr. Chen Yixi was the Chairman and Mr. Zhao Wei was the CEO. Mr. Chen Yixi is responsible for charting the business strategy and has played a determining role in establishing the Group's presence in the PRC women's footwear industry. Mr. Zhao Wei was responsible for overseeing the operations (including brand and product development), finance and human resource management of the Group during the Review Period. As described above, there is a clear distinction between the Chairman's responsibility for providing leadership for the Board and the CEO's responsibility for managing the day-to-day operations of the Group's business.

Appointment and Re-Election of Directors

All executive Directors have entered into service contracts with the Company for a specific term of two years or three years. In addition, all non-executive Directors, including independent non-executive Directors, have entered into letters of appointment with the Company for a specific term of one year or three years.

In compliance with the code provision in A.4.2 of the CG Code, all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to the bye-law 99 of the Bye-laws, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third but not less than one-third, shall retire from office by rotation. The retiring Directors shall be eligible for re-election. The Company at any general meeting at which any Directors retire may fill the vacated offices.

主席及首席執行官

根據企業管治守則之守則條文第A.2.1條，主席與首席執行官之角色應有所區分，應由不同人士擔任。於回顧期內，陳奕熙先生為主席，趙偉先生則為首席執行官。於回顧期間，陳奕熙先生負責制定業務策略，並就本集團進軍中國女士鞋履行業擔任決策角色。趙偉先生負責監督本集團之營運（包括品牌及產品開發）、財務及人力資源管理。誠如上文所述，兩者的權責有明顯區分，主席負責領導董事會，而首席執行官則負責管理本集團業務日常營運。

委任及重選董事

所有執行董事均已與本公司訂立服務合約，特定任期為兩年或三年。此外，所有非執行董事（包括獨立非執行董事）均已與本公司訂立委任書，特定任期為一年或三年。

為遵守企業管治守則之守則條文第A.4.2條，全體董事最少每三年輪值退任一次。此外，根據細則第99條，於各股東週年大會上當時董事的三分之一（倘股東人數並非三或三之倍數，則最接近但不少於三分之一）須輪值告退。退任董事須合資格重選連任。在本公司任何股東大會上，任何退任董事均可填補空缺。

Corporate Governance Report 企業管治報告

In compliance with the code provision in A.4.2 of the CG Code, all Directors appointed to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after their appointment. By virtue of the bye-law 102(B) of the Bye-laws, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

The procedures and process of appointment, re-election and removal of directors are set out in the Bye-laws. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election and succession planning of Directors.

Induction and Continuing Development of Directors

Each newly appointed Director shall receive formal, comprehensive and tailored induction on the first occasion of his 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 will be continuously updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Briefing and professional development for Directors will be arranged where necessary.

為遵守企業管治守則之守則條文第A.4.2條，所有獲委任以填補空缺之董事須於獲委任後首次股東大會上經股東選出。由於細則第102(B)條規定，董事會有權不時及在任何時間委任任何人士出任董事以填補董事會空缺或加入董事會，惟獲委任之董事人數須不超過股東於股東大會上不時釐定之人數上限。任何獲董事會委任以填補空缺之董事之任期僅直至獲委任後首次本公司股東大會，並須在該大會上重選連任。任何獲董事會委任加入現有董事會之董事之任期僅直下屆本公司股東週年大會，並須合資格重選連任。

委任、重選及罷免董事之程序及過程載於細則。提名委員會負責審閱董事會組成、監察董事之委任、重選及繼任計劃。

董事就任及持續發展

每名新任董事於首次獲委任時將會獲得正式、全面及切合需要之就任資料，以確保合理了解本公司業務及營運，以及充分認識上市規則及相關監管規定項下之董事責任及義務。

董事將不斷了解有關法定及監管制度以及經營環境之最新資料，協助履行彼等之職責。於有需要時可為董事安排簡報及提供專業發展。

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. During the year of 2017, all Directors, namely Mr. Chen Yixi, Mr. Zhao Wei, Mr. Huo Li, Mr. Ngan Wing Ho (re-designated from executive Director to non-executive Director on 2 June 2017), Mr. Yuan Zhenhua (appointed as the Chief Financial Officer on 2 June 2017), Mr. Miao Bingwen, Mr. Wu Guangze, Mr. Kwong Wai Sun Wilson, Mr. Li Xindan, Mr. Zhang Zhiyong and Mr. Zheng Hongliang, participated in continuous professional development to develop and refresh their knowledge and skills by ways of attending trainings and reading materials which are relevant to the Group's business or to directors' duties and responsibilities. In addition, the company secretary of the Company from time to time updates and provides written training material relating to the roles, functions and duties of a director and all the aforesaid Directors study such materials and they are asked to submit a signed training record to the Company on annual basis.

Board Meetings and General Meetings

The Company adopts the practice of holding board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting.

Minutes of the board meetings and committee meetings are recorded in sufficient detail of the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each board meeting and committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held.

本公司鼓勵董事參與持續專業發展，發展並更新彼等之知識及技能。於2017年度，所有董事，即陳奕熙先生、趙偉先生、霍力先生、顏永豪先生（於2017年6月2日由執行董事調任為非執行董事）、袁振華先生（於2017年6月2日獲委任為首席財務官）、繆炳文先生、吳廣澤先生、鄺偉信先生、李心丹先生、張志勇先生及鄭紅亮先生，均透過參加有關董事職務與責任的培訓及閱讀與本集團業務有關的材料，參與持續專業發展，發展並更新彼等之知識及技能。此外，本公司之公司秘書不時更新及提供有關董事之角色、職能及職責之書面培訓材料，而所有前述董事均學習該等材料且須每年向本公司提交已簽署的培訓記錄。

董事會會議及股東大會

本公司採納定期舉行董事會會議之慣例，最少一年舉行四次，大約每季舉行一次。全體董事將獲發不少於十四天之通知以召開定期董事會會議，令全體董事均獲機會出席定期會議並討論議程事項。就其他董事會及委員會會議而言，一般將獲發合理通知。當董事或委員會成員未能出席會議，彼等將獲知會有關將予討論之事宜，並有機會在舉行會議前向主席發表意見。

董事會會議及委員會會議之會議記錄將記錄董事會及委員會認為充分之事項詳情及達成之決定，包括董事所關注之任何事宜。各董事會會議及委員會會議之會議記錄草稿於會議舉行日期後合理時間內寄交董事以提供意見。

Corporate Governance Report 企業管治報告

For the Review Period, four Board meetings and an annual general meeting were held and the attendance of the individual Directors at these meetings is set out in the table below:

於回顧期間，已舉行四次董事會會議及一次股東週年大會，下表載列出席該等會議之董事人數：

Directors	Attended/Eligible to attend		董事	出席次數／舉行次數	
	Board Meetings	General Meeting		董事會會議	股東大會
Mr. Chen Yixi	4/4	1/1	陳奕熙先生	4/4	1/1
Mr. Huo Li	4/4	1/1	霍力先生	4/4	1/1
Mr. Zhao Wei	4/4	1/1	趙偉先生	4/4	1/1
Mr. Ngan Wing Ho (re-designated from executive Director to non-executive Director on 2 June 2017)	2/4	0/1	顏永豪先生 (於2017年6月2日 由執行董事調任 為非執行董事)	2/4	0/1
Mr. Yuan Zhenhua (appointed as the Chief Financial Officer on 2 June 2017)	4/4	1/1	袁振華先生 (於2017年6月2日 獲委任為首席財務官)	4/4	1/1
Mr. Miao Bingwen	2/4	0/1	繆炳文先生	2/4	0/1
Mr. Wu Guangze	3/4	0/1	吳廣澤先生	3/4	0/1
Mr. Kwong Wai Sun Wilson	4/4	1/1	鄺偉信先生	4/4	1/1
Mr. Li Xindan	3/4	0/1	李心丹先生	3/4	0/1
Mr. Zhang Zhiyong	4/4	1/1	張志勇先生	4/4	1/1
Mr. Zheng Hongliang	4/4	0/1	鄭紅亮先生	4/4	0/1

During the Review Period, the Chairman held a meeting with the non-executive Directors (including the independent non-executive Directors) without the executive Directors present on 31 March 2017.

於回顧期間，於2017年3月31日，主席與非執行董事（包括獨立非執行董事）舉行一次會議，而執行董事未出席。

Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made of all the Directors and each of the Directors has confirmed that he has complied with the Model Code throughout the Review Period.

證券交易之標準守則

本公司已採納標準守則作為其有關董事證券交易之操守守則。本公司已對全體董事作出具體查詢，且各董事確認彼於回顧期間已遵守標準守則。

Delegation by the Board

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have resources to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

BOARD COMMITTEES

Audit Committee

The Audit Committee currently comprised four independent non-executive Directors, namely Mr. Kwong Wai Sun Wilson, Mr. Li Xindan, Mr. Zhang Zhiyong and Mr. Zheng Hongliang, and one non-executive Director, namely Mr. Miao Bingwen. Therefore, the majority of members of the Audit Committee are independent non-executive Directors. Mr. Kwong Wai Sun Wilson currently is the chairman of the Audit Committee. The main duties of the Audit Committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the internal audit division or external auditor before submission to the Board
- To review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, reappointment and removal of external auditor
- To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures

董事會授權

董事會保留於本公司所有主要事項之決策權，包括：批准及監察所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（特別是可能涉及利益衝突之交易）、財務資料、委任董事以及其他重大財務及營運事宜。董事擁有資源尋求獨立專業意見以履行其於本公司開支之職責，並鼓勵個別接觸本公司高級管理層並與其商議。

本集團之日常管理、行政及營運已授權高級管理層處理。授權功能及責任由董事會定期檢討。管理層訂立任何重大交易前須取董事會之批准。

董事委員會

審核委員會

審核委員會現包括四名獨立非執行董事，即鄺偉信先生、李心丹先生、張志勇先生及鄭紅亮先生，以及一名非執行董事，即繆炳文先生。因此，審核委員會多數成員均為獨立非執行董事。鄺偉信先生現為審核委員會主席。審核委員會之主要職責包括下列各項：

- 財務報表及報告提呈董事會前進行審閱以及考慮內部審核部門或外部核數師提出之任何重大或非經常事項
- 參考核數師之工作表現、收費及協議條款檢討與外部核數師之關係，並向董事會就委任、重選及罷免外部審數師提出意見
- 檢討本公司財務申報系統、內部監控系統及風險管理系統及相關程序之充份程度及效益

Corporate Governance Report 企業管治報告

During the Review Period, two meetings of the Audit Committee were held and the attendance record of the Audit Committee members is set out in the table below:

於回顧期間，審核委員會已舉行兩次會議，審核委員會成員之出席記錄載於下表：

Directors	Attended/Eligible to attend	董事	出席次數／舉行次數
Mr. Kwong Wai Sun Wilson	2/2	鄺偉信先生	2/2
Mr. Miao Bingwen	2/2	繆炳文先生	2/2
Mr. Li Xindan	2/2	李心丹先生	2/2
Mr. Zhang Zhiyong	2/2	張志勇先生	2/2
Mr. Zheng Hongliang	2/2	鄭紅亮先生	2/2

The Audit Committee held two meetings during the Review Period to review the annual results of the Group for the year ended 31 December 2016 and the interim results of the Group for the six months ended 30 June 2017, the financial reporting and compliance procedures, the Company's internal control and risk management systems and processes (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions), and the re-appointment of the external auditor.

審核委員會於回顧期間舉行兩次會議，以審閱本集團截至2016年12月31日止年度之年度業績以及本集團截至2017年6月30日止六個月之中期業績、財務申報及合規程序、本公司之內部監控及風險管理系統及程序（包括本集團會計、內部審核及財務報告職能的資源、員工資格及經驗、培訓計劃及有關預算是否充足）以及重新委聘外部核數師。

The Audit Committee is also responsible for performing the corporate governance duties, including:

審核委員會亦負責履行企業管治職能，包括：

- To develop and review the Company's policies and practices on corporate governance
 - To review and monitor the training and continuous professional development of Directors and senior management
 - To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements
 - To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors
 - To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report
- 制定及審核本公司之企業管治政策及實務
 - 檢討及監察董事及高級管理人員之培訓及持續專業發展
 - 檢討及監察本公司就遵守法律法規及監管要求之政策及實務
 - 制定、檢討及審核適用於僱員及董事之行為守則及合規手冊（如有）
 - 檢討本公司遵守企業管治守則之情況及於企業管治報告中之披露

Remuneration Committee

The Remuneration Committee currently comprised four independent non-executive Directors, namely Mr. Li Xindan, Mr. Kwong Wai Sun Wilson, Mr. Zhang Zhiyong and Mr. Zheng Hongliang, and one non-executive Director, namely Mr. Miao Bingwen. Therefore, the majority of members of the Remuneration Committee are independent non-executive Directors. Mr. Li Xindan currently is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive Directors and the senior management. The Remuneration Committee has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual executive Directors and senior management. The Remuneration Committee is also responsible for establishing transparent procedures for formulating such remuneration policy and structure and to ensure that no Director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The Remuneration Committee held one meeting during the Review Period to review and consider the existing terms of remuneration of the Directors and senior management with reference to the prevailing market conditions, a Director's experience, responsibility, workload and fees paid by the comparable companies.

Pursuant to Code Provision B.1.5 of the CG Code, the remuneration of the members of the senior management by band for the year ended 31 December 2017 is set out below:

Remuneration band	Number of individuals
RMB1,200,001 to RMB1,600,000	1
More than RMB1,600,000	2

Further particulars relating to Directors' emoluments and the five highest paid individuals are set out in note 10 to the consolidated financial statements.

薪酬委員會

薪酬委員會現包括四名獨立非執行董事，即李心丹先生、鄺偉信先生、張志勇先生及鄭紅亮先生，以及一名非執行董事，即繆炳文先生。因此，薪酬委員會多數成員均為獨立非執行董事。李心丹先生現為薪酬委員會主席。

薪酬委員會之主要職責包括批准執行董事及高級管理層之薪酬政策及結構以及薪酬組合以及就此提供意見。薪酬委員會已採納向董事會提供建議之運作模式，董事會保留批准個別執行董事及高級管理層薪酬之最終權力。薪酬委員會亦負責就制定有關薪酬政策及結構設立具透明度之程序，確保概無董事或其任何聯繫人士將參與決定其本身之薪酬，而有關薪酬將根據個別人士及本公司之表現以及市場慣例及狀況釐定。

於回顧期間，薪酬委員會舉行一次會議，以參照現行市況、董事經驗、責任、工作量及可資比較公司支付之費用審核及審議董事及高級管理層薪酬之現有條款。

根據企業管治守則之守則條文第B.1.5條，截至2017年12月31日止年度，按薪酬範圍之高級管理層成員之薪酬載列如下：

薪酬範圍	人數
人民幣1,200,001元至人民幣1,600,000元	1
人民幣1,600,000元以上	2

有關董事酬金及五位最高薪人士的進一步詳情載於綜合財務報表附註10。

Corporate Governance Report 企業管治報告

During the Review Period, one meeting of the Remuneration Committee was held and the attendance record of the Remuneration Committee members is set out as follows:

Directors	Attended/Eligible to attend	董事	出席次數／舉行次數
Mr. Li Xindan	1/1	李心丹先生	1/1
Mr. Miao Bingwen	1/1	繆炳文先生	1/1
Mr. Kwong Wai Sun Wilson	1/1	鄺偉信先生	1/1
Mr. Zhang Zhiyong	1/1	張志勇先生	1/1
Mr. Zheng Hongliang	1/1	鄭紅亮先生	1/1

於回顧期間，薪酬委員會已舉行一次會議，薪酬委員會成員之出席記錄載於下表：

Nomination Committee

During the Review Period, the Nomination Committee comprised one executive Director, namely Mr. Chen Yixi, one non-executive Director, namely Mr. Wu Guangze, and four independent non-executive Directors, namely Mr. Kwong Wai Sun Wilson, Mr. Li Xindan, Mr. Zhang Zhiyong and Mr. Zheng Hongliang. Therefore, the majority of members of the Nomination Committee were independent non-executive Directors. Mr. Chen Yixi currently is the chairman of the Nomination Committee. Subsequent to the Review Period, Mr. Wu Guangze ceased to be a member of the Nomination Committee with effect from 4 April 2018.

提名委員會

報告期內，提名委員會包括一名執行董事，即陳奕熙先生、一名非執行董事，即吳廣澤先生以及四名獨立非執行董事，即鄺偉信先生、李心丹先生、張志勇先生及鄭紅亮先生。因此，提名委員會多數成員均為獨立非執行董事。陳奕熙先生現為提名委員會主席。報告期後，吳廣澤先生於2018年4月4日起辭任提名委員會成員。

The principal duties of the Nomination Committee include the following:

- To review the structure, size and composition of the Board and make recommendations regarding any proposed changes
- To identify suitable candidates for appointment as Directors
- To make recommendations to the Board on appointment or reappointment of and succession planning for Directors
- To assess the independence of independent non-executive Directors

提名委員會之主要職責包括下列各項：

- 審閱董事會之結構、規模及組成，並就任何建議變動提出意見
- 物色合適人選委任為董事
- 就董事委任或重新委任及繼任計劃向董事會提出意見
- 評估獨立非執行董事之獨立性

The Nomination Committee considered and resolved that all the existing Directors shall be recommended to be retained by the Company. Furthermore, in accordance with the Bye-laws and as resolved by the Nomination Committee, Mr. Chen Yixi, Mr. Huo Li and Mr. Zhang Zhiyong shall retire by rotation, and being eligible, offered themselves for re-election at the forthcoming annual general meeting of the Company.

提名委員會考慮及議決向本公司推薦保留全體現任董事。此外，根據細則且提名委員會議決，即陳奕熙先生、霍力先生及張志勇先生須輪值退任，且合資格並願意於本公司應屆股東週年大會上重選連任。

The Company adopted the board diversity policy with measurable objectives. The Nomination Committee evaluates the balance and blend of skills, experience and diversity of perspectives of the Board. Selection of candidates is based on a range of diversity perspectives, including but not limited to age, cultural and educational background, professional and industry experience, skills, knowledge, ethnicity and other qualities essential to the Company's business, and merit and contribution that the selected candidates will bring to the Board. The Board has reviewed such measurable objectives in March 2017 to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

The Nomination Committee held one meeting during the Review Period. The attendance of each member of the Nomination Committee is set out as follows:

Directors	Attended/Eligible to attend	董事	出席次數／舉行次數
Mr. Chen Yixi	1/1	陳奕熙先生	1/1
Mr. Li Xindan	1/1	李心丹先生	1/1
Mr. Kwong Wai Sun Wilson	1/1	鄺偉信先生	1/1
Mr. Zhang Zhiyong	1/1	張志勇先生	1/1
Mr. Wu Guangze	1/1	吳廣澤先生	1/1
Mr. Zheng Honliang	1/1	鄭紅亮先生	1/1

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the Group's financial statements for the year ended 31 December 2017 which give a true and fair view of the affairs of the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. During the Review Period, the Company provided all members of the Board with monthly updates on the Company's performance, position and prospects.

本公司已採納董事會成員多元化政策並制定可計量目標。提名委員會評估董事會範疇的技能、經驗及多元化之平衡及結合。甄選候選人將按一系列多元化範疇為基準，包括但不限於年齡、文化及教育背景、專業及行業經驗、技能、種族及對本公司業務而言屬不可或缺之其他素質，以及獲甄選候選人將為董事會帶來之優勢及貢獻。董事會已於2017年3月檢討可計量目標以確保其行之有效以及確認達致有關目標所作之努力。

於回顧期間，提名委員會舉行一次會議，提名委員會各成員之出席記錄載列如下：

董事就財務報表之財務報告責任

董事深知其就編製本集團截至2017年12月31日止年度之財務報表之責任，並對本集團事務及本集團之業績及現金流量真實公平地發表意見。

管理層已向董事會提供董事會就本公司財務報表作出知情評估所需的說明及資料，須待董事會批准方可作實。於回顧期間，本公司向董事會所有成員提供有關本公司的表現、狀況及展望的每月最新資料。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is the responsibility of the Board for maintaining an adequate risk management and internal control systems to safeguard Shareholders' investments and the Company's assets and reviewing the effectiveness of such systems on an annual basis.

The Group's internal audit department plays a major role in monitoring the internal governance of the Company. The major tasks of the internal audit department are reviewing the financial condition and internal control of the Company and conducting comprehensive audits of all branches and subsidiaries of the Company on a regular basis.

The Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group and considered the risk management and internal control systems to be effective and adequate during the Review Period.

The Group has embedded its risk management and internal control systems into the core operating practices of the business. On an ongoing basis, it will review and assess the status of potential risks which may impact on their ability to achieve the business objectives of the Group. This review process includes assessment as to whether the existing systems of risk management and internal controls continue to remain relevant, adequately addresses potential risks, and/or should be supplemented. The results of these reviews are reported to the senior management and the Board periodically and regularly. However, the mechanism under the risk management and internal control systems reasonably but not absolutely ensures the non-occurrence of significant error, loss or fraud and it is designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Group has also adopted procedures to regulate the handling and dissemination of inside information, ensuring the inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

AUDITOR'S REMUNERATION

Annual audit fees of the financial statements of the Group for the year ended 31 December 2017 payable to the external auditor are approximately RMB1.75 million and the auditors did not provide any non-audit services for the Group.

風險管理及內部監控

董事會深知其維持完善風險管理及內部監控系統之責任，以保障股東投資及本公司資產，以及按年審閱有關系統之效益。

本集團之內部審核部門在監察本公司內部管治方面擔任主要角色。內部審核部門之主要工作為審閱本公司之財務狀況及內部監控，以及定期對本公司之分公司及附屬公司進行全面審核。

董事會已就本集團風險管理及內部監控系統之效益進行檢討，並認為風險管理及內部監控系統於回顧期間屬有效及充分。

本集團將風險管理及內部控制制度納入業務的核心營運中。本集團將持續審查及評估潛在風險的狀況，此等風險可能影響本集團達成業務目標的能力。此審查過程包括評估現有的風險管理及內部監控制度是否能繼續保持相關性、充分解決潛在風險及／或應予以補充。此等審查結果會定期向高級管理層及董事會報告。然而，風險管理及內部監控制度下的機制合理而非絕對保證不會發生重大錯誤、損失或欺詐，其訂立旨在管理而非消除未能達成業務目標的風險。

本集團亦已採取程序管理內幕信息的處理及傳播，以確保於適當批准披露此類信息前維持保密，以及以有效及一致的方式披露此類信息。

核數師酬金

本集團應付外部核數師截至2017年12月31日止年度之財務報表之年度審核費用約人民幣175萬元，核數師並沒有向集團提供任何非審核服務。

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

To promote effective communication, the Company maintains a website at www.cbanner.com.cn, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each issue at Shareholders' meetings, including the election of individual Directors.

All resolutions put forward at Shareholders' meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Hong Kong Stock Exchange in a timely manner after each Shareholders' meeting.

CONVENING OF SPECIAL GENERAL MEETING

Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the Company's registered office, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

The written requisition must state clearly the name of the Shareholder(s) concerned, his/her/their shareholding, the purposes of the general meeting, signed by the Shareholder(s) concerned and may consist of several documents in like form, each signed by one or more of those Shareholders.

If within twenty-one (21) days of such deposit, the Board fails to proceed to convene such meeting, the requisitionists or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three (3) months from the said date.

與股東之溝通及投資者關係

本公司認為與股東之有效溝通，對改善投資者關係及了解本集團業務、表現及策略甚為重要。本公司亦確認適時及非選擇性披露資料之重要性，將有助股東及投資者作出知情投資決定。

為推動有效溝通，本公司設立網站 www.cbanner.com.cn，為本公司業務營運及發展、財務資料、企業管治常規及其他可供公眾查閱之資料提供最新資料。

股東權利

為保障股東利益及權利，每項事項均以個別決議案方式於股東大會上提呈，包括選舉個別董事。

於股東大會提呈之所有決議案將根據上市規則以按股數投票方式表決，而表決結果將於各股東大會後適時刊載於本公司網站及香港聯交所網站。

召開股東特別大會

於遞呈要求日期時持有不少於本公司繳足股本（附有於本公司股東大會上投票權）十分之一的股東，於任何時候均有權向本公司註冊辦事處發出書面要求，要求董事會就該要求指明的任何業務交易召開股東特別大會，且有關大會應於遞呈該要求後兩(2)個月內舉行。

書面要求必須清楚列明相關股東的姓名、其股權、股東大會目的並由相關股東簽署，且該要求可包括數份類似格式的文件，而各份文件均由一名或多名該等股東簽署。

倘於遞呈要求日期起計二十一(21)日內，董事會未能召開該等會議，則請求人（或當中持有彼等全體總投票權一半以上之任何人士）可自發召開有關大會，惟任何據此召開之大會均不得於上述日期起計三(3)個月屆滿後舉行。

Corporate Governance Report 企業管治報告

Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to convene a meeting shall be repaid to the requisitionists by the Company, and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration in respect of their services to such directors as were in default.

PUTTING FORWARD PROPOSALS

The Company holds an annual general meeting (“AGM”) every year, and may hold a general meeting known as a special general meeting whenever necessary.

Any one or more Shareholders holding (i) not less than one-twentieth of the total voting rights of all Shareholders having the right to vote at the general meeting; or (ii) not less than 100 Shareholders, can submit a written request stating the resolution intended to be moved at the AGM or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.

The written request/statements must be signed by the Shareholder(s) concerned and deposited at the Company’s registered office and its principal office not less than six weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition.

The written request will be verified with the Company’s Hong Kong branch share registrar and upon their confirmation that the request is proper and in order, the Board should (i) include the resolution in the agenda for the AGM; or (ii) circulate the statement for the general meeting, provided that the Shareholder(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company’s expenses in serving the notice of the resolution and/ or circulating the statement submitted by the Shareholder(s) concerned in accordance with the statutory requirements to all the registered Shareholders.

PROPOSING A PERSON FOR ELECTION AS A DIRECTOR

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

請求人因董事會未能妥為召開會議而招致的任何合理開支，須由本公司償還請求人，而任何償還的款項，須由本公司從到期或即將到期就失責董事的服務而應向其支付的費用或酬金中保留。

提出議案

本公司每年均舉行股東週年大會（「股東週年大會」），且於必要時可舉行股東特別大會。

(i) 持有有權於股東大會上投票的所有股東總投票權不少於二十分之一的任何一名或以上股東；或(ii)不少於100名股東，可提交一份書面請求，當中列明即將於股東週年大會上動議之決議案或提交不超過1,000字的陳述，內容有關任何建議之決議案所述之事項或即將於特定股東大會上處理之業務。

書面請求／陳述均必須由有關股東簽署，並存置於本公司註冊辦事處及其主要辦事處，倘要求發出決議案通告，則須於股東週年大會前不少於六週存置，倘為任何其他要求，則須於股東大會前不少於一週存置。

書面申請將由本公司香港股份過戶登記分處核實，且於其確認要求屬適當，董事會應(i)將決議案列入股東週年大會議程；或(ii)傳閱股東大會陳述，惟相關股東須支付董事會釐定的合理金額的費用，以便本公司根據法定要求向全體登記股東寄發決議案通知及／或向彼等傳閱相關股東提呈的陳述。

提名一名人士參選董事

有關提名一名人士參選董事的流程可於本公司網站查閱。

ENQUIRIES TO THE BOARD

Shareholders who intend to put forward their enquiries about the Company to the Board could email their enquiries to info@cbanner.com.cn.

COMPANY SECRETARY

The Company engages Ms. Mandy Mok Ming Wai, director of TMF Hong Kong Limited, (a company secretarial service provider) as its company secretary. Its primary corporate contact person at the Company is Mr. Huo Li, an executive Director.

During the year ended 31 December 2017, Ms. Mok has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

CHANGE IN CONSTITUTIONAL DOCUMENTS

During the Review Period, there is no significant change in constitutional documents of the Company.

向董事會查詢

股東如欲向董事會提出有關本公司的查詢，可將其查詢電郵至 info@cbanner.com.cn。

公司秘書

本公司委聘達盟香港有限公司(一家公司秘書服務供應商)董事莫明慧女士出任公司秘書。其於本公司的主要公司聯絡人為執行董事霍力先生。

於截至2017年12月31日止年度，莫女士已根據上市規則第3.29條接受不少於15個小時的相關職業培訓。

章程文件之變動

於回顧期間，本公司章程文件概無重大變動。

Directors and Senior Management

董事及高級管理層

DIRECTORS

Executive Directors

Chen Yixi (陳奕熙), aged 51, is the Chairman, an executive Director and the chairman of the Nomination Committee. Mr. Chen founded Nanjing Mayflower Footwear Corporation (南京美麗華鞋業有限公司) (“Mayflower Footwear”) in 1995 and is a co-founder of the Group. Mr. Chen is responsible for charting the business strategy of the Group and has played a determining role in establishing the Group’s presence in the PRC women’s footwear industry. Mr. Chen was honored by the People’s Government of Jiangsu Province and the People’s Government of Nanjing as an Outstanding Entrepreneur of Non-Stateowned Companies (優秀民營企業家) and is currently the Vice Chairman of Nanjing Federation of Industry & Commerce (南京市工商業聯合會) and Vice President of Nanjing Enterprise Directors Association (南京市企業家協會). Mr. Chen graduated from Nanjing Normal University with a Bachelor’s Degree in News Propagation in 1988 and obtained a Master of Business Administration Degree from Cheung Kong Graduate School of Business in 2007. He served with the news publications department of Jiangsu Chinese Communist Party Council from 1988 to 1995 before co-founding Mayflower Footwear with other partners. Mr. Chen has not been a director of any other listed company in the three years immediately preceding the date of this annual report.

Zhao Wei (趙偉), aged 51, is an executive Director and the president of the Group, responsible for overseeing the Group’s overall operation. He was a former executive Director for the period from 2 February 2004 to 15 June 2012, responsible for the Group’s expansion strategies and wholesale. Mr. Zhao joined the Group in December 1995 as a sales manager. Mr. Zhao graduated from Jilin Agricultural University in 1990. He also obtained a Master of Business Administration Degree from Singapore Nanyang Technological University in 2008. Mr. Zhao has not been a director of any other listed company in the three years immediately preceding the date of this annual report.

Huo Li (霍力), aged 51, was appointed as an executive Director in 2001 and has been the vice president of the Group since 2008, primarily responsible for evaluating opportunities of, and formulating plans for, mergers and acquisitions as well as international cooperation. Mr. Huo joined the Group as an investment manager in 2001 and is responsible for the external investments, international cooperation of the Group. In 1988, Mr. Huo graduated from Fudan University with a Bachelor’s Degree in Economics. From 1988 to 2001, he held various positions in the Bank of China, including that of deputy general manager of the bank’s Changzhou Branch. Mr. Huo has not been a director of any other listed company in the three years immediately preceding the date of this annual report.

董事

執行董事

陳奕熙，51歲，為董事長、執行董事及提名委員會主席。陳先生於1995年創立南京美麗華鞋業有限公司（「美麗華鞋業」），為本集團創辦人之一，負責制訂本集團業務策略，對於本集團立足中國女裝鞋業舉足輕重。陳先生獲江蘇省人民政府及南京市人民政府評為優秀民營企業家，現時擔任南京市工商業聯合會及南京市企業家協會副主席。陳先生於1988年畢業於南京師範大學，持有新聞傳播學士學位，並於2007年自長江商學院取得工商管理碩士學位。與其他合夥人聯合創辦美麗華鞋業前，彼於1988年至1995年任職中國共產黨江蘇省委宣傳部。陳先生於本年報日期前三年內並無擔任任何其他上市公司董事。

趙偉，51歲，為本集團執行董事兼總裁，負責監管本集團的整體運營。彼曾於2004年2月2日至2012年6月15日期間擔任前執行董事，負責本集團的擴展策略及批發事宜。趙先生於1995年12月加入本集團，擔任銷售經理。趙先生於1990年畢業於吉林農業大學，並於2008年取得新加坡南洋理工大學工商管理碩士學位。於緊接本年報日期前三年內，趙先生概無擔任任何其他上市公司之董事。

霍力，51歲，於2001年獲委任為執行董事，亦自2008年起為本集團副總裁，主要負責評估併購及國際合作商機與制定有關計劃。霍先生於2001年加入本集團，擔任投資經理，負責本集團對外投資及國際合作事宜。霍先生於1988年畢業於復旦大學，獲經濟學士學位。霍先生於1988年至2001年擔任中國銀行多個職位，包括該銀行常州分行副總經理。霍先生於本年報日期前三年內並無擔任任何其他上市公司董事。

Yuan Zhenhua (袁振華), aged 36, is an executive Director and the Chief Financial Officer of the Group and a board member of Hamleys Global Holdings Limited. He obtained a Bachelor's Degree in Accounting from Nanjing University of Aeronautics and Astronautics in 2005. Mr. Yuan is currently a non-practicing member of the PRC Certified Public Accountant Association. From 2005 to 2015, he held various positions in the Deloitte Touche Tohmatsu Certified Public Accountants LLP, Nanjing Branch, including being senior manager of the Deloitte Touche Tohmatsu Certified Public Accountants LLP, Nanjing Branch.

Non-executive Directors

Miao Bingwen (繆炳文), aged 50, is a non-executive Director and a member of the Audit Committee and the Remuneration Committee. Mr. Miao is a co-founder of the Group who served as an executive Director from 1995 to 2007, overseeing the sales and business planning of the Group. With effect from 1 March 2007, Mr. Miao was re-designated as the non-executive Director. Mr. Miao obtained a Bachelor's Degree in Chemistry and a Master of Business Administration Degree from Nanjing University in 1988 and 2005, respectively. He worked in Nanjing University Technology Development Limited (南京大學科技開發公司) from 1988 to 1991 and served as the Nanjing market supervisor from 1991 to 1995, before co-founding Mayflower Footwear with other partners. Mr. Miao has not been a director of any other listed company in the three years immediately preceding the date of this annual report.

Wu Guangze (吳廣澤), aged 40, has been appointed as a non-executive Director on 15 June 2012. He is also a member of the Nomination Committee. Mr. Wu is the partner of China Consumer Capital Partners Limited. Mr. Wu received a Master of Science degree from the University of Reading and a Bachelor of Arts degree from the University of Hertfordshire. Mr. Wu has not been a director of any other listed company in the three years immediately preceding the date of this annual report. Mr. Wu resigned as a non-executive Director and ceased to be a member of the Nomination Committee on 4 April 2018.

Ngan Wing Ho (顏永豪), aged 43, is a non-executive Director and a board member of Hamleys Global Holdings Limited. He has 16 years of experience in corporate finance and equity capital markets, providing capital financing and M&A financing solutions to corporates and financial investors across Asia. Prior to joining the Group, Mr. Ngan held senior management positions at global investment banks where he was a Managing Director and Head of Equity Capital Markets at Huatai Financial Holdings, Head of Taiwan Equity Capital Markets at UBS and Head of Asia Equity Syndicate & Block Origination at ABN AMRO/RBS. He has received a Master's Degree in Accounting and Finance from the University of Southampton, United Kingdom. Mr. Ngan resigned as a non-executive Director on 4 April 2018.

袁振華，36歲，為本集團執行董事兼首席財務官及Hamleys Global Holdings Limited董事。袁先生於2005年畢業於南京航空航天大學，獲會計學學士學位。袁先生現為中國註冊會計師協會非執業會員。袁先生於2005年至2015年擔任德勤華永會計師事務所(特殊普通合夥)南京分所多個職位，包括該所高級經理。

非執行董事

繆炳文，50歲，為非執行董事以及審核委員會及薪酬委員會成員。繆先生為本集團創辦人之一，於1995年至2007年為執行董事，負責監督本集團銷售及業務規劃。繆先生於2007年3月1日調任非執行董事。繆先生於1988年畢業於南京大學，持有化學學士學位，並於2005年取得工商管理碩士學位。彼於1988年至1991年任職南京大學科技開發公司，於1991年至1995年擔任南京市場主任，其後與其他合夥人聯合創辦美麗華鞋業。繆先生於本年報日期前三年內並無擔任任何其他上市公司董事。

吳廣澤，40歲，於2012年6月15日獲委任為非執行董事。彼亦為提名委員會成員。吳先生為China Consumer Capital Partners Limited之合夥人。吳先生取得雷丁大學理學碩士學位及University of Hertfordshire文學學士學位。於緊接本年報日期前三年內，吳先生概無擔任任何其他上市公司之董事。吳先生於2018年4月4日辭任非執行董事，且不再出任提名委員會成員。

顏永豪，43歲，為非執行董事及Hamleys Global Holdings Limited董事。顏先生擁有16年企業融資及股票融資市場相關工作經驗，為亞洲企業和財務投資者提供資本融資和併購融資的解決方案。在加入本集團前，顏先生受僱於國際知名的投資銀行並擔任高級管理職位，其中包括華泰金融控股的董事總經理及亞洲區股票融資市場主管，瑞銀的台灣股票融資市場主管和荷蘭銀行／蘇格蘭皇家銀行的亞洲區股票承銷和股票配售業務主管。顏先生擁有英國南安普頓大學的會計與金融碩士學位。顏先生於2018年4月4日辭任非執行董事。

Directors and Senior Management

董事及高級管理層

Independent Non-executive Directors

Kwong Wai Sun Wilson (鄭偉信), aged 52, is an independent non-executive Director. He is also the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. Mr. Kwong has been appointed as an executive director of China Metal Resources Utilization Limited, a manufacturer of recycled copper products in China and a listed company on the Hong Kong Stock Exchange, with effect from 16 August 2013. He is also an independent non-executive director of Shunfeng International Clean Energy Limited, China Outfitters Holdings Limited and China New Higher Education Group Limited, all of which are listed on the Hong Kong Stock Exchange. Mr. Kwong graduated from Cambridge University, England with a Degree of Bachelor of Arts in 1987 and is currently an associate member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. Mr. Kwong, who previously worked at a number of investment banks in Hong Kong, has 13 years of experience in corporate finance and equity capital markets in Asia. From 2002 to 2003, Mr. Kwong was the head of equity capital markets for Cazenove Asia Limited. From 2004 to 2006, he was a managing director of investment banking and head of Hong Kong and China equity capital market of CLSA Equity Capital Markets Limited. From 2008 to August 2013, he was the President of Gushan Environmental Energy Limited, a leading biodiesel and related products producer in China formerly listed on the New York Stock Exchange.

Li Xindan (李心丹), aged 51, is an independent non-executive Director. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. Mr. Li currently holds several positions with Nanjing University, including the director of the Academic Committee and the Anzhong Chair Professor of the School of Management and Engineering of Nanjing University, the director of the Financial Engineering Research Center and the executive director of the Venture Capital Research and Development Center of the university. Mr. Li graduated from Fudan University in 1988 with a Bachelor's Degree in Management Science as well as a Bachelor's Degree in Economics. He further obtained a Doctor's Degree in Finance from Fudan University in 1999. Mr. Li joined the Southeast University as an assistant professor in 1988 and was promoted to an associate professor and a professor in 1993 and 1999, respectively. Then Mr. Li joined Nanjing University as a professor in 2001. Mr. Li is currently an independent non-executive director of Holly Futures Co., Ltd., a company listed on the Hong Kong Stock Exchange (Stock Code: 3678) and was an independent director of NARI Technology Co., Ltd. (國電南瑞科技股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600406) until 31 March 2015.

獨立非執行董事

鄭偉信，52歲，為獨立非執行董事。彼亦為審核委員會主席以及薪酬委員會及提名委員會成員。鄭先生已獲委任為中國可回收銅產品製造商及香港聯交所上市公司中國金屬資源利用有限公司之執行董事，自2013年8月16日起生效。彼亦為香港聯交所上市公司順風國際清潔能源有限公司、中國服飾控股有限公司及中國新高教集團有限公司之獨立非執行董事。鄭先生1987年畢業於英國劍橋大學，取得文學學士學位，目前乃英格蘭及威爾士特許會計師協會及香港會計師公會會員。鄭先生曾於香港多間投資銀行任職，在亞洲企業融資及證券資本市場擁有13年經驗。2002年至2003年間，鄭先生擔任嘉誠亞洲有限公司證券資本市場部主管。2004年至2006年間，彼擔任里昂證券資本市場有限公司投資銀行融資部董事總經理兼香港及中國證券資本市場部主管。於2008年至2013年8月，彼為古杉環境能源有限公司之總裁，該公司是先前於紐約證券交易所上市的中國領先生物柴油及相關產品生產商。

李心丹，51歲，為獨立非執行董事。彼亦為薪酬委員會主席以及審核委員會及提名委員會成員。李先生現任南京大學多個職位，包括南京大學工程管理學院學術委員會主任及Anzhong講座教授、金融工程研究中心教授及南京大學創業投資研究與發展中心執行主任。李先生於1988年畢業於復旦大學，持有管理科學學士學位及經濟學學士學位，並於1999年取得復旦大學金融學博士學位。李先生於1988年加入東南大學，任助理教授，之後分別於1993年及1999年升為副教授及教授。其後李先生於2001年加入南京大學，出任教授。李先生現任弘業期貨股份有限公司（於香港聯交所上市，股份代號：3678）獨立非執行董事及擔任國電南瑞科技股份有限公司（於上海證券交易所上市，股份代號：600406）獨立董事直至2015年3月31日。

Directors and Senior Management 董事及高級管理層

Zhang Zhiyong (張志勇), aged 50, has been appointed as an independent non-executive Director on 15 October 2012. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Zhang has been appointed as the executive director and chief executive officer of China Dongxiang (Group) Co., Ltd., a company listed on the Hong Kong Stock Exchange (Stock Code: 3818), with effect from 10 October 2017. Mr. Zhang was the former Chief Executive Officer of Li Ning Company Limited (“Li Ning”), a company listed on the Hong Kong Stock Exchange (Stock Code: 2331) for the period from June 2004 to July 2012. Mr. Zhang was also an executive director of Li Ning from 5 June 2004 to 27 June 2014 and a non-executive director of Li Ning from 28 June 2014 to 6 October 2014. Mr. Zhang obtained a bachelor’s degree of economics (經濟學學士學位) from Capital University of Economics and Business (首都經濟貿易大學) (formerly known as Beijing College of Economics (北京經濟學院)) in 1991 and an executive master degree in business administration (高級管理人員工商管理碩士學位) from Guanghua School of Management of Peking University (北京大學光華管理學院) in 2006.

Zheng Hongliang (鄭紅亮), aged 59, is an independent non-executive Director. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Zheng is currently a professor of the Institute of Economics Chinese Academy of Social Science (中國社會科學院經濟研究所). Mr. Zheng is also the executive vice-editor-in-chief of editorial office of Economic Research Journal (《經濟研究》), which is a PRC journal in economic theory research published by the Institute of Economics of Chinese Academy of Social Science. Mr. Zheng’s field of research mainly covers the areas in respect of microeconomics, comparative study of corporate system, theory of corporate governance, and revolution of state enterprises. Mr. Zheng graduated from the Department of Economic of Renmin University of China with a Master Degree in 1987. Mr. Zheng is currently an independent non-executive director of Asian Capital Resources (Holdings) Limited (Stock Code: 8025), a company listed on the Growth Enterprise Market of the Hong Kong Stock Exchange.

張志勇，50歲，於2012年10月15日獲委任為獨立非執行董事。彼亦為審核委員會、薪酬委員會及提名委員會成員。張先生獲委任為中國動向(集團)有限公司(一間於香港聯交所上市之公司，股份代號：3818)之執行董事及首席執行官，於2017年10月10日起生效。於2004年6月至2012年7月期間，張先生曾為李寧有限公司(「李寧」)(一間於香港聯交所上市之公司，股份代號：2331)之前行政總裁。張先生於2004年6月5日至2014年6月27日亦擔任李寧之執行董事，及於2014年6月28日至2014年10月6日擔任李寧之非執行董事。張先生於1991年獲首都經濟貿易大學(前稱北京經濟學院)經濟學學士學位以及於2006年獲北京大學光華管理學院高級管理人員工商管理碩士學位。

鄭紅亮，59歲，為獨立非執行董事。彼亦為審核委員會、薪酬委員會及提名委員會成員。鄭先生現任中國社會科學院經濟研究所教授。鄭先生亦為《經濟研究》編輯部執行副主編，《經濟研究》是由中國社會科學院經濟研究所刊發之中國經濟理論研究期刊。鄭先生之研究領域主要包括微觀經濟學、企業制度比較研究、企業管治理論及國企改革。鄭先生於1987年畢業於中國人民大學經濟系，獲碩士學位。鄭先生現任亞洲資產(控股)有限公司(一間於香港聯交所創業板上市之公司，股份代號：8025)之獨立非執行董事。

Directors and Senior Management

董事及高級管理層

SENIOR MANAGEMENT

Wan Xianghua (萬祥華), aged 49, is the vice president of the Group. Mr. Wan joined the Group in 1996, and is currently responsible for the operation of naturesun brand and the design, research and development and procurement of MIO brand. Mr. Wan has served as a committee member of the National Technical Committee on Footwear of Standardization Administration of China (中國制鞋標準化委員會) since 2008 and has been a professor specializing in footwear manufacturing at Guangling Institute of Yangzhou University (揚州廣陵學院) since 2010.

Wu Weiming (吳維明), aged 46, is the vice president of the Group. Mr. Wu joined the Group in 2000, and is currently responsible for the retail operations of the Group. Prior to joining the Group, Mr. Wu had served with Shenzhen Zhen Xing Footwear Company (深圳珍興鞋業公司) since 1997 and was the general manager of East China Branch of the company when he left the company in 2000.

Gong Lungui (鞏倫貴), aged 44, is the vice president of the Group. Mr. Gong joined the Group in 2002, and is currently responsible for the technical development, manufacturing, outsourcing and supply chain management of self-developed brands.

高級管理層

萬祥華，49歲，本集團副總裁。萬先生於1996年加入本集團，現負責娜冉品牌事業部和米奧品牌的設計研發與採購。萬先生自2008年起為中國制鞋標準化委員會會員，自2010年以來一直擔任揚州廣陵學院鞋履製造方面的教授。

吳維明，46歲，本集團副總裁。吳先生於2000年加入本集團，現負責本集團零售業務。加入本集團前，吳先生自1997年起任職深圳珍興鞋業公司，於2000年離開該公司時擔任其華東分公司總經理。

鞏倫貴，44歲，本集團副總裁。鞏先生於2002年加入本集團，現負責自有品牌的技術開發、生產、採購及供應鏈管理。

Deloitte.

德勤

TO THE MEMBERS OF C.BANNER INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

致千百度國際控股有限公司股東

(於百慕達註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of C.banner International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as “the Group”) set out on pages 75 to 175 which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 2017, 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 Standard 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 International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

意見

本核數師(以下簡稱「我們」)已審核列載於第75至175頁千百度國際控股有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於2017年12月31日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要。

我們認為,綜合財務報表已按照國際會計準則委員會(「國際會計準則委員會」)編製的國際財務報告準則(「國際財務報告準則」)真實而公平地反映貴集團於2017年12月31日之綜合財務狀況及截至該日止年度之綜合財務表現及綜合現金流量表,並已按照香港公司條例之披露規定妥為編製。

意見的基準

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷,認為對本期綜合財務報表的審計最為重要的事項。這些事項是在對綜合財務報表整體進行審計並形成意見的背景下來進行處理的,我們不對這些事項提供單獨的意見。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment on brand with indefinite useful life and goodwill	
<p>We identified the impairment on brand with indefinite useful life and goodwill as a key audit matter due to its nature involving key estimation made by the management of the Company and the significant balances of brand with indefinite useful life and goodwill as at 31 December 2017.</p> <p>As disclosed in Notes 15, 16 and 17 to the consolidated financial statements, as at 31 December 2017, the brand with indefinite useful life was valued at RMB811,996,000 and goodwill was valued at RMB156,712,000, which were both related to the acquisition of Hamleys Global Holdings Limited and its subsidiaries in 2015.</p> <p>The management of the Company are required to make estimation of the recoverable amount of the cash generating units (CGUS), which is the higher of the value in use or fair value less costs of disposal, in assessing whether there is any impairment of brand with indefinite useful life and goodwill. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the CGU and the suitable discount rate in order to calculate the present value.</p>	<p>Our procedures in relation to the management's impairment assessment on brand with indefinite useful life and goodwill included:</p> <ul style="list-style-type: none"> - Obtaining an understanding of the management controls over the impairment assessment of brand with indefinite useful life and goodwill; - Examining the determination of recoverable amounts which are the value in use of the CGU to which brand with indefinite useful life and goodwill have been allocated and obtaining an understanding of financial positions and future prospects of the CGU; - Challenging the reasonableness of key inputs and assumptions used by the management in estimations of value in use, including projections of cash flows, growth rates and weighted average cost of capital (discount rate) applied; - Testing the inputs into the cash flow forecasts against historical performance and in comparison to the Group's strategic plans in respect of the CGU; - Comparing the growth rates used to historical growth rates for the business of the CGU; and - Checking the mathematical accuracy of the calculation of value in use.

關鍵審計事項(續)

關鍵審計事項	我們進行審計時如何處理關鍵審計事項
具有無限可使用年期之品牌及商譽之減值	
<p>我們將具有無限可使用年期之品牌及商譽之減值列為關鍵審計事項乃由於其性質牽涉貴公司管理層所作的關鍵估計及於2017年12月31日具有無限可使用年期之品牌及商譽有重大結餘。</p> <p>誠如於2017年12月31日的綜合財務報表附註15、16及17所披露，具有無限可使用年期之品牌的價值為人民幣811,996,000元及商譽的價值為人民幣156,712,000元，均與2015年收購Hamleys Global Holdings Limited及其屬附公司有關。</p> <p>貴公司管理層於釐定具有無限可使用年期之品牌及商譽是否已減值時需要估計現金產生單元之可收回金額（為使用價值或公平值減出售成本兩者中之較高者）。計算使用價值需要董事估計預期現金產生單元產生之未來現金流量及適用之折現率，以計算現值。</p>	<p>就管理層對具有無限可使用年期之品牌及商譽之減值評估，我們的審計程序包括：</p> <ul style="list-style-type: none"> - 了解管理層對具有無限可使用年期之品牌及商譽之減值評估的控制； - 檢查獲分配具有無限可使用年期之品牌及商譽的現金產生單元的可收回金額（即使用價值）的釐定方式並了解各現金產生單元的財務狀況及未來前景； - 質疑管理層於估計使用價值時所用主要輸入數據及假設的合理性，包括現金流量、增長率及所用的加權平均資本成本（折現率）； - 測試現金流量表的輸入數據（與歷史表現比較），並與貴集團就現金產生單元的策略計劃比較； - 將所用增長率與各現金產生單元的業務的歷史增長率進行比較；及 - 檢查使用價值計算中的數學準確性。

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
<i>Allowance of Inventories obsolescence</i>	
We identified the allowance of inventories obsolescence as a key audit matter due to its nature involving key estimation made by the management of the Company and its significant balance as at 31 December 2017.	Our procedures in relation to the allowance of inventories obsolescence included: <ul style="list-style-type: none"> - Understanding how the inventory provision is estimated by the management;
As disclosed in Note 23 to the consolidated financial statements, as at 31 December 2017, the gross value of inventory, mostly finished goods, held by the Group was RMB907,099,000 and allowance of inventories obsolescence was RMB76,968,000. Inventories were carried in the financial consolidated statements at the lower of cost and net realisable value ("NRV").	<ul style="list-style-type: none"> - Testing the aging analysis of the inventories, on a sample basis, to the source documents including warehouse and production records; - Challenging the NRV estimated by the management by comparing the historical unit market selling prices with predicted future unit selling prices; and - Assessing the reasonableness and accuracy of the provisioning methodology with reference to the selling prices, physical conditions, aging analysis and subsequent usage and sales of inventories.
The management of the Company are required to make estimation of NRV of the inventory based on various factors including inventory aging and predicted future unit selling prices.	

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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.

關鍵審計事項(續)

關鍵審計事項	我們進行審計時如何處理關鍵審計事項
<i>陳舊存貨撥備</i>	
我們將陳舊存貨撥備列為關鍵審計事項乃由於其性質牽涉 貴公司管理層所作的關鍵估計及於2017年12月31日有重大結餘。	我們對陳舊存貨撥備的審計程序包括： <ul style="list-style-type: none"> - 了解管理層如何對陳舊存貨撥備作出估計；
誠如於2017年12月31日的綜合財務報表附註23所披露， 貴集團持有的存貨(大部分為製成品)的總價值為人民幣907,099,000元及為數人民幣76,968,000元的陳舊存貨撥備。存貨按成本及可變現淨值(「可變現淨值」)兩者中之較低者於綜合財務報表入賬。	<ul style="list-style-type: none"> - 透過追溯源文件(包括進行倉庫及生產記錄)抽樣測試存貨的賬齡分析； - 質詢管理層透過將歷史單位售價與估計未來單位售價比較所得的淨實現價值；及 - 經參考售價、實物狀況、賬齡分析及其後存貨的使用及銷售後，評估撥備方式的合理性及真確性。
貴公司管理層需根據多個因素(包括存貨老化及估計未來單位售價)就存貨可變現淨值作出估計。	

其他信息

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

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

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

Independent Auditor's Report

獨立核數師報告

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, 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 judgment and maintain professional skepticism 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.

董事及肩負管治責任者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財務報告準則及香港公司條例的披露規定編製真實而公允的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯報所需的內部控制負責。

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

管治負責人須負責監督貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們的意見的核數師報告，依據百慕達公司法第90條之規定，僅為全體股東編製，而並不可作其他目的。我們不就本報告內容對任意方承擔責任及確認義務。合理保證是高水平的保證，但不能保證按香港審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如按合理預期而錯誤陳述個別或匯總起來可能影響綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別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，以及取得充足及適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險較因錯誤而導致的重大錯誤陳述的風險為高。

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- 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.
- 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.
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的合適性及作出會計估計及相關披露資料的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。如我們認為存在重大不確定性，則有必要在核數師報告中提請使用者關注綜合財務報表中的相關披露資料，假若有關披露資料不足，則我們須出具非無保留意見的核數師報告。我們的結論是基於截至核數師報告日止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映交易及事項。
- 就 貴集團實體或業務活動的財務資料獲取充分、適當的審計憑證，以對綜合財務報表發表意見。我們負責指導、監督及執行集團審計。我們對審計意見承擔全部負責。

We communicate with those charged with governance 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 those charged with governance 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.

我們與管治負責人溝通計劃審計範圍、時間安排、重大審計發現等事項，包括我們於審計期間識別出內部控制的任何重大缺陷。

我們亦向管治負責人提交聲明，說明我們已符合有關獨立性的相關道德要求，並與彼等溝通所有合理地被認為會影響我們的獨立性的關係及其他事項，以及(倘適用)相關的防範措施。

Independent Auditor's Report

獨立核數師報告

From the matters communicated with those charged with governance, 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 the independent auditor's report is Lo Kin Cheong.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

29 March 2018

就與管治負責人溝通的事項而言，我們釐定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們於核數師報告中描述該等事項，除非法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期於我們的報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告中溝通該事項。

獨立核數師報告的審計項目合夥人是勞建昌。

德勤•關黃陳方會計師行

執業會計師

香港

2018年3月29日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2017
截至2017年12月31日止年度

		NOTES 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Revenue	收益	5	3,063,524	3,206,562
Cost of sales	銷售成本		(1,200,317)	(1,270,890)
Gross profit	毛利		1,863,207	1,935,672
Other income and expenses and other gains and losses	其他收入及開支以 及其他收益及虧損	6	67,350	125,020
Distribution and selling expenses	分銷及銷售開支		(1,583,154)	(1,550,370)
Administrative and general expenses	行政及一般開支		(216,982)	(191,699)
Share of profit (loss) of associates	分佔聯營公司溢利 (虧損)		14,615	(3,626)
Share of profit of joint ventures	分佔合營公司溢利		1,775	1,168
Finance costs	財務成本	7	(65,905)	(37,436)
Profit before taxation	除稅前溢利		80,906	278,729
Income tax expense	所得稅開支	8	(64,215)	(73,296)
Profit for the year	年內溢利	9	16,691	205,433
Other comprehensive expenses, net of income tax	其他全面開支， 扣除稅項			
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>可能隨後重新分類 至損益的項目：</i>			
Exchange differences arising on translation of foreign operations	換算外幣產生的 匯兌差額		(5,841)	(32,121)
Total comprehensive income for the year	年內全面總收益		10,850	173,312
Profit (loss) for the year attributable to	下列者應佔年內溢利 (虧損)			
Owners of the Company	本公司擁有人		20,492	206,253
Non-controlling interests	非控股權益		(3,801)	(820)
			16,691	205,433
Total comprehensive income (expenses) for the year attributable to:	下列者應佔年內 全面總收益 (開支)：			
Owners of the Company	本公司擁有人		15,356	174,185
Non-controlling interests	非控股權益		(4,506)	(873)
			10,850	173,312
Earnings per share	每股盈利			
– Basic (RMB cents)	– 基本 (人民幣分)	12	1.00	10.01
– Diluted (RMB cents)	– 攤薄 (人民幣分)	12	1.00	10.01

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2017

於2017年12月31日

		NOTES	2017	2016
		附註	2017年	2016年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	13	270,185	275,797
Prepaid lease payments	預付租金	14	13,019	13,416
Other intangible assets	其他無形資產	15	859,122	860,956
Goodwill	商譽	16	162,437	166,458
Interest in an associate	於聯營公司之權益	18	20,242	19,210
Interest in joint ventures	於合營公司之權益	19	16,693	–
Available-for-sale investment	可供出售投資	20	10,765	–
Deferred tax assets	遞延稅項資產	22	86,645	83,176
Long-term deposits	長期按金		21,703	20,860
			1,460,811	1,439,873
Current assets	流動資產			
Inventories	存貨	23	830,131	783,506
Trade receivables	貿易應收款項	24	392,273	384,464
Other receivables and prepayments	其他應收款項及預付款	25	175,025	150,630
Interest in joint ventures	於合營公司之權益	19	5,231	6,013
Other financial assets	其他金融資產	26	10,000	–
Bank balances and cash	銀行結餘及現金	27	540,059	629,299
			1,952,719	1,953,912
Assets classified as held for sale	分類為待售的資產	21	546,300	–
Current liabilities	流動負債			
Trade payables	貿易應付款項	28	183,263	177,726
Other payables	其他應付款項	29	289,675	209,907
Income tax liabilities	所得稅負債		25,178	37,406
Borrowings	借貸	30	1,045,221	141,150
Deferred revenue	遞延收益	31	30,563	16,912
Obligations under finance leases – due within one year	融資租賃項下責任 — 於一年內到期	32	6,444	6,164
Provisions	撥備	33	17,269	–
Bank overdrafts	銀行透支	30	29,001	35,470
			1,626,614	624,735
Net current assets	流動資產淨值		872,405	1,329,177
Total assets less current liabilities	總資產減流動負債		2,333,216	2,769,050

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2017

於2017年12月31日

		NOTES	2017	2016
		附註	2017年	2016年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	22	159,496	155,645
Borrowings – due after one year	借貸—於一年後到期	30	71,876	526,598
Obligations under finance leases – due after one year	融資租賃項下責任—於一年後到期	32	3,872	4,856
Deferred revenue	遞延收益	31	11,579	6,408
			246,823	693,507
Net assets	資產淨值		2,086,393	2,075,543
Capital and reserves	資本及儲備			
Share capital	股本	34	209,097	209,097
Reserves	儲備		1,822,698	1,807,342
Total equity attributable to owners of the Company	本公司擁有人應佔總權益		2,031,795	2,016,439
Non-controlling interests	非控股權益		54,598	59,104
			2,086,393	2,075,543

The consolidated financial statements on pages 75 to 175 were approved and authorised for issue by the board of directors on 29 March 2018 and are signed on its behalf by:

第75至175頁之綜合財務報表已由董事會於2018年3月29日批准及授權發行並由以下人士代表簽署：

Huo Li
DIRECTOR

Yuan Zhenhua
DIRECTOR

霍力
董事

袁振華
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2017
截至2017年12月31日止年度

		Equity attributable to owners of the Company 本公司持有人應佔權益										
		Shares held under the Share share award scheme 根據股份獎勵計劃持有的股份			PRC statutory reserve 中國法定儲備	Share-based compensation reserve 為基礎的補償儲備	Accumulated profits 累計溢利	Foreign Currency translation reserve 外幣匯兌儲備	Sub-total 小計	Non-controlling interests 非控股權益	Total 總計	
		Share premium 股本	share award scheme 股份溢價	持有的股份 RMB'000 人民幣千元	中國法定儲備 RMB'000 人民幣千元	為基礎的補償儲備 RMB'000 人民幣千元	累計溢利 RMB'000 人民幣千元	外幣匯兌儲備 RMB'000 人民幣千元	小計 RMB'000 人民幣千元	非控股權益 RMB'000 人民幣千元	總計 RMB'000 人民幣千元	
		(Note 35) (附註35)										
At 1 January 2016	於2016年1月1日	209,615	654,477	(50,345)	232,119	-	805,298	(337)	1,850,827	58,338	1,909,165	
Profit (loss) for the year	年內溢利(虧損)	-	-	-	-	-	206,253	-	206,253	(820)	205,433	
Other comprehensive expenses for the year	年內其他全面開支	-	-	-	-	-	-	(32,068)	(32,068)	(53)	(32,121)	
Total comprehensive income (expenses) for the year	年內全面總收益(開支)	-	-	-	-	-	206,253	(32,068)	174,185	(873)	173,312	
Transfer	轉撥	-	-	-	19,879	-	(19,879)	-	-	-	-	
Acquisition of a subsidiary (note 37)	收購一間附屬公司(附註37)	-	-	-	-	-	-	-	-	739	739	
Shares repurchased and cancelled (Note 34)	購回及銷售的股份(附註34)	(518)	(8,435)	-	-	-	-	-	(8,953)	-	(8,953)	
Share purchased for the share award scheme(note 36)	根據股份獎勵計劃購回的股份(附註36)	-	-	(591)	-	-	-	-	(591)	-	(591)	
Equity-settled share award scheme (note 36)	以權益結算的股份獎勵計劃(附註36)	-	-	-	-	971	-	-	971	-	971	
Transfer of awarded shares upon vesting (Note 36)	歸屬時轉讓獎勵股份(附註36)	-	-	950	-	(971)	21	-	-	-	-	
Capital contribution from non-controlling interest	非控股權益注資	-	-	-	-	-	-	-	-	900	900	
At 31 December 2016	於2016年12月31日	209,097	646,042	(49,986)	251,998	-	991,693	(32,405)	2,016,439	59,104	2,075,543	
Profit (loss) for the year	年內溢利(虧損)	-	-	-	-	-	20,492	-	20,492	(3,801)	16,691	
Other comprehensive expenses for the year	年內其他全面開支	-	-	-	-	-	-	(5,136)	(5,136)	(705)	(5,841)	
Total comprehensive income (expenses) for the year	年內全面總收益(開支)	-	-	-	-	-	20,492	(5,136)	15,356	(4,506)	10,850	
Transfer	轉撥	-	-	-	20,357	-	(20,357)	-	-	-	-	
At 31 December 2017	於2017年12月31日	209,097	646,042	(49,986)	272,355	-	991,828	(37,541)	2,031,795	54,598	2,086,393	

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017
截至2017年12月31日止年度

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Operating activities	經營活動		
Profit before tax	除稅前溢利	80,906	278,729
Adjustments for:	調整：		
Share of (profit) loss of associates	分佔聯營公司(溢利)虧損	(14,615)	3,626
Share of profit of a joint venture	分佔合營企業溢利	(1,775)	(1,168)
Finance costs	財務成本	65,905	37,436
Exchange gains	匯兌收益	(10,816)	(86,682)
Depreciation of property, plant and equipment	物業、機器及設備折舊	63,432	59,905
Amortisation of intangible assets	無形資產攤銷	19,415	14,480
Amortisation of prepaid lease payments	預付租金攤銷	397	397
Share-based payment expense	以股份為基礎的支付的開支	-	971
Reversal for inventory obsolescence	陳舊存貨撥回	(9,472)	(9,963)
Interest income on bank deposits	銀行存款利息收入	(9,580)	(4,255)
Income from other financial assets	其他金融資產收入	(63)	(52)
Gain on deemed disposal of an associate	視作減持一間聯營公司之收益	(3,551)	-
Income from held-to-maturity investments	持至到期投資項目收入	-	(107)
Impairment loss recognised on goodwill	確認商譽減值虧損	1,558	-
Impairment loss recognised in respect of property, plant and equipment	確認物業、機器及設備減值虧損	13,444	-
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	195,185	293,317
(Increase) decrease in inventories	存貨(增加)減少	(34,639)	73,166
(Increase) decrease in trade receivables	貿易應收款項(增加)減少	(7,809)	41,759
Increase in other receivables and prepayments	其他應收款項及預付款增加	(24,395)	(13,760)
Increase (decrease) in trade payables	貿易應付款項增加(減少)	5,537	(23,982)
Increase (decrease) in other payables	其他應付款項增加(減少)	55,846	(44,244)
Increase in provisions	撥備增加	17,269	-
(Increase) decrease in long-term deposit	長期按金(增加)減少	(843)	232
Increase in deferred revenue	遞延收益增加	18,822	6,253
Cash generated from operations	經營業務所產生之現金	224,973	332,741
Interest paid	已付利息	(32,863)	(28,098)
Income taxes paid	已付所得稅	(77,564)	(58,813)
Net cash from operating activities	經營業務現金淨額	114,546	245,830

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017

截至2017年12月31日止年度

		NOTE	2017	2016
		附註	2017年	2016年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
Investing activities	投資活動			
Payments for acquisition of property, plant and equipment	收購物業、機器及設備付款		(68,958)	(71,674)
Payments for acquisition of intangible assets	收購無形資產付款		(7,369)	(16,365)
Investment in a joint venture	投資一間合營公司		(16,693)	–
Investment in other financial assets	投資其他金融資產		(10,000)	(22,500)
Investment in an associate subsequently treated as assets classified as held for sale	於聯營公司的投資期後被分類為待售資產		(529,195)	–
Investment in available for sale financial assets	投資可供出售金融資產		(10,765)	–
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項		1,442	3,528
Redemption of held-to-maturity investments	贖回持至到期投資項目		–	3,062
Redemption of investment in other financial assets	贖回於其他金融資產之投資		–	137,500
Income received from other financial assets	已收其他金融資產收入		63	52
Income received from held-to-maturity investments	已收持至到期投資項目收入		–	107
Interest received from bank deposits	已收銀行存款利息		9,580	4,255
Acquisition of a subsidiary	收購附屬公司	37	–	2,981
Net cash (used in) from investing activities	投資活動(所用)所得現金淨額		(631,895)	40,946
Financing activities	融資活動			
New borrowings raised	新增銀行貸款		747,172	5,000
Repayment of borrowings	償還借貸		(294,707)	(82,501)
Payment on repurchase of shares	購回股份的付款		–	(8,953)
Purchase of shares held under the share award scheme	購買根據股份獎勵計劃持有的股份		–	(591)
Repayment of obligation under finance lease	償還融資租賃責任		(3,316)	(7,428)
Capital contribution from non-controlling interests	非控股權益注資		–	900
Net cash from (used in) financing activities	融資活動所得(所用)現金淨額		449,149	(93,573)
Net (decrease) increase in cash and cash equivalents	現金及現金等價物(減少)增加淨額		(68,200)	193,203
Cash and cash equivalents at beginning of year	年初現金及現金等價物		593,829	385,188
Effect of foreign exchange rate changes	外匯匯率變動的影響		(14,571)	15,438
Cash and cash equivalents at end of year	年終現金及現金等價物		511,058	593,829
Cash and cash equivalents at end of year, represented by	年終現金及現金等價物，即：			
bank balances and cash	銀行結餘及現金		540,059	629,299
bank overdrafts	銀行透支		(29,001)	(35,470)
			511,058	593,829

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至2017年12月31日止年度

1. GENERAL

C.banner International Holdings Limited (the “Company”) was incorporated in Bermuda under the Companies Act as an exempted company with limited liability on 26 April 2002. The Company’s shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 23 September 2011. The addresses of registered office and the principal place of business of the Company are disclosed in the Corporate Information section to the annual report.

The Company is an investment holding company. Its subsidiaries are principally engaged in the manufacture and sale of branded fashion footwear and retail of toys. The principal activities of the subsidiaries, the associate and the joint ventures of the Company are set out in notes 46, 18 and 19 respectively. The Company and its subsidiaries are collectively referred to as “the Group”.

The consolidated financial statements are presented in Renminbi (“RMB”), which is the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

2.1 Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied for the first time in the current year the following amendments to IFRSs:

Amendments to International Accounting Standards (“IAS”) 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to IFRS 12	As part of Annual Improvements to IFRSs 2014-2016 Cycle

Except as described below, the application of the amendments to IFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1. 一般資料

千百度國際控股有限公司（「本公司」）於2002年4月26日根據公司法於百慕達註冊成立為獲豁免有限公司。本公司股份於2011年9月23日起在香港聯合交易所有限公司（「香港聯交所」）主板上市。本公司之註冊辦事處及主要營業地點的地址於年報的公司資料一節內披露。

本公司為投資控股公司。其附屬公司主要從事製造及銷售品牌時尚鞋履及玩具零售。本公司附屬公司、聯營公司及合營企業的主要業務分別載於附註46、18及19。本公司及其附屬公司統稱為「本集團」。

綜合財務報表以本公司之功能貨幣人民幣（「人民幣」）呈列。

2. 應用新訂國際財務報告準則（「國際財務報告準則」）及國際財務報告準則之修訂

2.1 於本年度生效的國際財務報告準則之修訂

本集團於本年度首次應用以下國際財務報告準則之修訂：

國際會計準則（「國際會計準則」）第7號之修訂	披露計劃
國際會計準則第12號之修訂	就未變現虧損確認遞延稅項資產
國際財務報告準則第12號之修訂	國際財務報告準則2014年至2016年週期之年度改進

除下文所述者外，於本年度應用該等國際財務報告準則之修訂並無對本集團本年度及過往年度之財務表現及狀況及／或該等綜合財務報表所載之披露構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(CONTINUED)

2.1 Amendments to IFRSs that are mandatorily effective for the current year (continued)

Amendments to IAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) the effect of changes in foreign exchange rates; (iii) changes in fair values.

A reconciliation between the opening and closing balances of these items is provided in note 43. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 43, the application of these amendments has had no impact on the Group’s consolidated financial statements.

2. 應用新訂國際財務報告準則（「國際財務報告準則」）及國際財務報告準則之修訂（續）

2.1 於本年度生效的國際財務報告準則之修訂（續）

國際會計準則第7號之修訂 披露計劃

本集團已在本年度首次採用該等修訂。該等修訂要求實體向財務報表的使用者提供披露資料，以評估融資活動產生的負債變動（包括現金及非現金變動）。此外，該等修訂亦要求，如金融資產在過往產生現金流量或未來的現金流量計入融資活動的現金流量，則需要披露該等金融資產的變動。

具體而言，該修訂本規定須披露下列各項：(i) 融資現金流量之變動；(ii) 外幣匯率變動之影響；(iii) 公平值變動。

有關該等項目期初及期末結餘之對賬已載於附註43。根據修訂本之過渡條文，本集團並無披露去年之比較資料。除附註43的額外披露外，應用該等修訂本並無對本集團綜合財務報表造成影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(CONTINUED)

2.2 New and revised IFRSs in issue but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments ¹	國際財務報告準則第9號	金融工具 ¹
IFRS 15	Revenue from Contracts with Customers and the related Amendments ¹	國際財務報告準則第15號	來自客戶合約之收益及相關澄清修訂 ¹
IFRS 16	Leases ²	國際財務報告準則第16號	租賃 ²
IFRS 17	Insurance Contracts ⁴	國際財務報告準則第17號	保險合約 ⁴
IFRIC-Interpretation 22	Foreign Currency Transactions and Advance Consideration ¹	國際財務報告詮釋委員會—詮釋第22號	外幣交易及預付代價 ¹
IFRIC-Interpretation 23	Uncertainty over Income Tax Treatments ²	國際財務報告詮釋委員會—詮釋第23號	所得稅處理的不確定性 ²
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions ¹	國際財務報告準則第2號之修訂	以股份為基礎支付交易的分類及計量 ¹
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts ¹	國際財務報告準則第4號之修訂	連同國際財務報告準則第4號保險合約一併應用國際財務報告準則第9號金融工具 ¹
Amendments to IFRS 9	Prepayment Features with Negative Compensation ²	國際財務報告準則第9號之修訂	具有負補償的提前還款特性 ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³	國際財務報告準則第10及國際會計準則第28號之修訂	投資者與其聯營公司或合營公司之間的資產出售或投入 ³
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement ²	國際會計準則第19號之修訂	計劃修訂、縮減或清償 ²
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures ²	國際會計準則第28號之修訂	於聯營公司及合營企業的長期權益 ²
Amendments to IAS 28	As part of the Annual Improvements to IFRSs 2014-2016 Cycle ¹	國際會計準則第28號之修訂	國際財務報告準則2014年至2016年週期之年度改進 ¹
Amendments to IAS 40	Transfers of Investment Property ¹	國際會計準則第40號之修訂	轉讓投資物業 ¹
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle ²	國際財務報告準則之修訂	國際財務報告準則2015年至2017年週期之年度改進 ²

2. 應用新訂國際財務報告準則（「國際財務報告準則」）及國際財務報告準則之修訂（續）

2.2 已頒佈但尚未生效之新訂及經修訂國際財務報告準則

本集團尚未提早應用以下已頒佈但尚未生效之新訂及經修訂國際財務報告準則：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(CONTINUED)

2.2 New and revised IFRSs in issue but not yet effective (continued)

- ¹ Effective for annual periods beginning on or after 1 January 2018.
- ² Effective for annual periods beginning on or after 1 January 2019.
- ³ Effective for annual periods beginning on or after a date to be determined.
- ⁴ Effective for annual periods beginning on or after 1 January 2021

IFRS 9 *Financial Instruments*

IFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of IFRS 9 which are relevant to the Group are:

- All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (“FVTOCI”). All other financial assets are measured at their fair value at subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂國際財務報告準則(「國際財務報告準則」)及國際財務報告準則之修訂(續)

2.2 已頒佈但尚未生效之新訂及經修訂國際財務報告準則(續)

- ¹ 於2018年1月1日或之後開始之年度期間生效。
- ² 於2019年1月1日或之後開始之年度期間生效。
- ³ 於將予釐定的日期或之後開始之年度期間生效。
- ⁴ 於2021年1月1日或之後開始之年度期間生效。

國際財務報告準則第9號 *金融工具*

國際財務報告準則第9號引入就金融資產、金融負債、一般對沖會計法及金融資產減值要求之分類及計量的新規定。

與本集團有關之國際財務報告準則第9號之主要規定載列如下：

- 屬於國際財務報告準則第9號範圍內的所有已確認金融資產，其後均按攤銷成本或公允值計量。具體而言，以收取合約現金流為目標的業務模式持有的債務投資，且合約現金流僅為支付本金及尚未償還本金利息，則一般於其後會計期間結束時按攤銷成本計量。以同時收取合約現金流及出售金融資產為目標的業務模式而持有的債務工具，以及金融資產的合約條款令於特定日期產生的現金流僅為支付本金及尚未償還本金的利息的債務工具，按透過其他全面收入按公允值列賬的方式計量。所有其他金融資產於其後會計期間結束時按其公允值計量。此外，根據國際財務報告準則第9號，實體可不可撤回的選擇於其他全面收益內呈列股本投資(並非持作買賣)公允值的其後變動，而股息收入則一般僅於損益內確認。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(CONTINUED)

2.2 New and revised IFRSs in issue but not yet effective (continued)

IFRS 9 *Financial Instruments* (continued)

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group’s financial instruments and risk management policies as at 31 December 2017, the directors of the Company anticipate the following potential impact on initial application of IFRS 9.

Classification and measurement:

- Equity securities classified as available-for-sale investments carried at cost less impairment as disclosed in note 20: these securities are qualified for designation as measured at FVTOCI under IFRS 9 and the Group will measure these securities at fair value at the end of subsequent reporting periods with fair value gains or losses to be recognised as other comprehensive income and accumulated in reserves.
- All other financial assets and financial liabilities will continue to be measured on the same basis as are currently measured under IAS 39.

2. 應用新訂國際財務報告準則(「國際財務報告準則」)及國際財務報告準則之修訂(續)

2.2 已頒佈但尚未生效之新訂及經修訂國際財務報告準則(續)

國際財務報告準則第9號金融工具(續)

- 關於金融資產減值，國際財務報告準則第9號規定按一項預期信用損失模式，而非根據國際會計準則第39號按一項已發生的信用損失模式。該預期信用損失模式規定一個實體須就其預期信用損失及該等預期信用損失之變動在每個報告日期入賬，以反映自初始確認時信貸風險之變動。換句話說，現已不再需要對之前發生的信用事件確認信用損失。

根據本集團於2017年12月31日的金融工具及風險管理策略，董事認為初次應用國際財務報告準則第9號將有以下潛在影響。

分類及計量：

- 附註20所披露分類為可供出售投資的股本證券按成本扣除減值列賬：根據國際財務報告準則第9號，該等證券合資格指定為按公平值計入其他全面收益計量，而本集團將於其後報告期末按公平值計量該等證券，並將公平值收益或虧損確認為其他全面收益及於投資重估儲備累計。
- 所有其他金融資產及金融負債將繼續按目前根據國際會計準則第39號計量的相同基準計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(CONTINUED)

2.2 New and revised IFRSs in issue but not yet effective (continued)

IFRS 9 *Financial Instruments* (continued)

Impairment

In general, the directors of the Company anticipate that the application of the expected credit loss model of IFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of IFRS 9 by the Group.

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by Group as at 1 January 2018 would be slightly increased as compared to the accumulated amount recognised under IAS 39 mainly attributable to expected credit losses provision on trade receivables. Such further impairment recognised under expected credit loss model would reduce the opening accumulated profits and increase the deferred tax assets at 1 January 2018.

IFRS 16 *Leases*

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

2. 應用新訂國際財務報告準則（「國際財務報告準則」）及國際財務報告準則之修訂（續）

2.2 已頒佈但尚未生效之新訂及經修訂國際財務報告準則（續）

國際財務報告準則第9號金融工具（續）

減值

總體而言，董事預計採用國際財務報告準則第9號的預期信貸虧損模式，將導致本集團採用國際財務報告準則第9號時就有關本集團按經攤銷成本計量的金融資產之尚未產生信貸虧損需提早作出撥備。

按照董事的評核，倘本集團應用預期信貸虧損模式，本集團於2018年1月1日確認的減值虧損累計金額將會較根據國際會計準則第39號確認的累計金額輕微增加，此乃由於貿易應收款項的預期信貸虧損撥備所致。按預期信貸虧損模型確認的進一步減值將減少於2018年1月1日的期初累計溢利及增加遞延稅項資產。

國際財務報告準則第16號租賃

國際財務報告準則第16號為識別出租人及承租人之租賃安排及會計處理引入一個綜合模式。國際財務報告準則第16號於生效日期起將取代國際會計準則第17號租賃及有關詮釋。

國際財務報告準則第16號以顧客能否控制某特定資產作為區分租賃及服務合約為準則。除短期租賃及低價值資產租賃外，承租人在會計上對經營及融資租賃之區分會被刪除，而所有承租人之租賃將以確認使用權資產及相對應負債之模式取代。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(CONTINUED)

2.2 New and revised IFRSs in issue but not yet effective (continued)

IFRS 16 Leases (continued)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use while other operating lease payments are presented as operating cash flows. Upon application of IFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating cash flows respectively by the Group.

Under IAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of IFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

2. 應用新訂國際財務報告準則（「國際財務報告準則」）及國際財務報告準則之修訂（續）

2.2 已頒佈但尚未生效之新訂及經修訂國際財務報告準則（續）

國際財務報告準則第16號租賃（續）

使用權資產按成本初步計量及其後按成本（惟受若干例外情況所規限）減累計折舊及減值虧損計量，並就租賃負債之任何重新計量作出調整。租賃負債初步按於租賃付款尚未支付當日之現值計量。其後，租賃負債就利息及租賃付款以及租賃修訂（其中包括）的影響作出調整。就現金流量分類而言，本集團現時將有關自用租賃土地的前期預付租賃付款呈列為投資現金流量，而其他經營租賃付款則呈列為經營現金流量。根據國際財務報告準則第16號之應用，有關租賃負債的租賃付款將分配為本金及利息部分，其將以融資現金流量呈列。

根據國際會計準則第17號，本集團已就融資租賃安排確認一項資產及一項融資租賃相關負債及就本集團為承租人的租賃土地確認已償還租賃款項。採納國際財務報告準則第16號可能導致該等資產分類潛在變動，視乎本集團是否分開呈列有權使用的資產或按將呈列相應相關資產（倘擁有）的相同項目內呈列。

與承租人會計處理方法對比而言，國際財務報告準則第16號大致轉承了國際會計準則第17號的出租人會計處理方法的規定及繼續要求出租人將租賃分類為營運租賃或融資租賃。

此外，國際財務報告準則第16號要求更詳盡的披露資料。

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2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(CONTINUED)

2.2 New and revised IFRSs in issue but not yet effective (continued)

IFRS 16 Leases (continued)

As at 31 December 2017, the Group has non-cancellable operating lease commitments of RMB2,856,662,000 as disclosed in note 39. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of IFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

Other than disclosed above, the directors of the Company anticipate that the application of the other new and revised IFRSs will have no material impact on the financial performance and the financial position of the Group.

2. 應用新訂國際財務報告準則（「國際財務報告準則」）及國際財務報告準則之修訂（續）

2.2 已頒佈但尚未生效之新訂及經修訂國際財務報告準則（續）

國際財務報告準則第16號租賃（續）

於附註39所披露，於2017年12月31日，本集團有不可註銷營運租賃承擔人民幣2,856,662,000元。初步評估表明該等安排將符合國際財務報告準則第16號項下的租賃定義，及因此，本集團將就所有該等租賃確認使用權資產及相應負債，除該等租賃符合低價值或短期租賃外。

此外，納採新規定或會導致上文所指計量、呈列及披露產生變動。

除上述者外，本公司董事預期，應用其他新訂及經修訂國際財務報告準則將不會對本集團的財務表現及財務狀況造成重大影響。

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for IFRS 2 Share-based Payment transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. 主要會計政策

綜合財務報表根據國際財務報告準則編製。此外，綜合財務報表包括香港聯合交易所證券上市規則及香港公司條例規定之適用披露。

除若干金融工具按公平值計量外，綜合財務報表乃按歷史成本法編製。

歷史成本一般根據兌換資產代價之公平值計量。

公平值為於計量日市場參與者於有序交易中出售資產將收取或轉讓負債支付之價格，不論該價格是否可直接觀察或使用其他估值方法估計。於估計資產或負債之公平值時，本集團考慮該資產或負債的特點，若市場參與者於計量日定價資產或負債時考慮這些特點。公平值於本綜合財務報表作計量及／或披露是按此基準釐定，惟國際會計準則第17號租賃範圍內之國際財務報告準則第2號以股份為基礎的支付交易，以及與公平值有些相似但並非公平值之計量（例如國際會計準則第2號存貨中的可變現淨值或國際會計準則第36號資產減值中的使用值）除外。

此外，根據公平值計量之輸入數據之可觀察程度及其對整體公平值計量之重要性分為第一、第二或第三級，以作財務報告之用，敘述如下：

- 第一級輸入數據指實體能於計量日在活躍市場上得到相同資產或負債之報價（未予調整）；
- 第二級輸入數據指除包含在第一級之報價以外，可直接或間接觀察得到的資產或負債的輸入數據；及
- 第三級輸入數據指資產或負債不可觀察得到的輸入數據。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

The principal accounting policies are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. 主要會計政策(續)

主要會計政策載列如下：

綜合基準

綜合財務報表包括本公司及本公司與其附屬公司控制之實體的財務報表。當本公司符合以下各項時，即取得控制權：

- 對投資對象之權力；
- 因參與投資對象而對可變回報承擔風險或享有權利；及
- 行使權力以影響其回報之能力。

倘有事實及情況顯示上述三項控制因素中有一項或多項出現變化，本集團將重新評估其是否對投資對象擁有控制權。

綜合一間附屬公司於本集團取得該附屬公司之控制權時開始，並於本集團失去該附屬公司之控制權時終止。具體而言，年內所收購或出售之附屬公司收入及開支自本集團取得該附屬公司控制權之日起至本集團失去控制權之日止計入綜合損益及其他全面收益表。

損益及其他全面收益之各部分歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使會導致非控股權益產生虧絀結餘。

如有需要，附屬公司之財務報表將予調整，致使彼等之會計政策與本公司之會計政策一致。

與本集團成員公司交易有關之所有集團內資產及負債、權益、收入、開支及現金流量，將於綜合賬目時悉數撇銷。

3. SIGNIFICANT ACCOUNTING POLICIES**(CONTINUED)****Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred 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. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3. 主要會計政策(續)**業務合併**

收購業務使用收購法入賬。業務合併中轉讓的代價按公平值計量，按本集團所轉讓資產、本集團向被收購公司的前任擁有人轉讓的負債及本集團為交換被收購公司的控制權而發行股本權益於收購日的公平值的總和計算。收購相關成本一般於發生損益內確認。

於收購日，所收購的可識別資產及所承擔的負債於收購日按公平值確認，惟下列情況除外：

- 遞延稅項資產或負債，及有關僱員福利安排之資產或負債分別根據國際會計準則第12號所得稅及國際會計準則第19號僱員福利予以確認及計量；
- 被收購方以股份為基礎之付款交易安排相關之負債或權益工具或以本集團以股份為基礎之付款交易代替被收購方之以股份為基礎之付款交易安排於收購日期按照國際財務報告準則第2號計量(見下文會計政策)；及
- 根據國際財務報告準則第5號持作出售之非流動資產及已終止經營業務分類為持作出售之資產(或出售組別)根據該準則計量。

商譽按所轉讓的代價、於被收購公司的任何非控股權益金額及收購人先前持有的被收購公司的股本權益(如有)的公平值的總和超過所收購可識別資產及所承擔的負債於收購日的金額淨額的超額部份計量。如在評估後，所收購可識別資產及所承擔的負債於收購日的金額淨額超過所轉讓的代價、於被收購公司的任何非控股權益金額及收購公司先前於被收購公司持有的權益(如有)的公平值的總和，超額部分隨即按議價購買收益於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3. 主要會計政策(續)

業務合併(續)

屬現時擁有權權益且賦予持有人權利於清盤時按比例分佔實體資產淨值之非控股權益，可初步按公平值或非控股權益應佔被收購方可識別資產淨值之已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類型之非控制權益按照公平值。

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，或然代價按其收購日期公平值計量並視為於業務合併中所轉撥代價之一部份。或然代價的公平值變動如適用計量期間調整則追溯調整，並根據商譽作出相應調整。計量期間調整為於「計量期間」就於收購日期存在之事實及情況獲得的其他資料產生之調整。計量期間自收購日期起計，不超過一年。

或然代價之公平值變動之隨後入賬如不適用計量期間調整，則取決於或然代價如何分類。分類為權益的或然代價並無於隨後申報日期重新計量，而其隨後結算於權益內入賬。分類為資產或負債的或然代價於隨後申報日期重新計量，而相應收益或虧損於損益賬中確認。

倘業務合併的初步會計處理於合併發生之報告期間結算日尚未完成，則本集團報告未完成會計處理之項目臨時數額。該等臨時數額會於計量期間(見上文)予以調整，並確認額外資產或負債，以反映於收購日期已存在而據所知可能影響該日已確認款額的事實與情況所取得的新資料。

3. SIGNIFICANT ACCOUNTING POLICIES**(CONTINUED)****Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

3. 主要會計政策(續)**商譽**

就收購業務產生的商譽按於收購業務日期(見上述會計政策)確定的成本減累計減值虧損(如有)入賬。

就減值測試而言，商譽分配予本集團各個現金產生單元(或現金產生單元群組)，並預期受益於業務組合產生的協同效益，而該單元或單元群組指就內部管理目的監控商譽的最低水平且不超過經營分部。

已分配商譽的現金產生單元(或現金產生單元群組)每年度進行減值測試，或如顯示該單元可能受到減值，則可為頻密地進行測試。就於報告期間進行收購所產生商譽而言，獲分配商譽的現金產生單元(或現金產生單元群組)會於該報告期末進行減值測試。如現金產生單元的可收回金額低於其賬面值，減值虧損首先進行分配，以減少任何分配予該單元的任何商譽的賬面值，然後按百分比基準根據該單元(或現金產生單元群組)的賬面值分配予其他資產。

出售有關現金產生單元時，商譽的可分配金額列入計算出售時損益金額中。

於聯營公司及合營企業權益

聯營公司指本集團對其有重大影響之實體。重大影響是指對被投資公司之財務及經營政策有參與決策之權利，但不能夠控制或者與其他方共同控制該等政策之制定。

合營企業指一項合營安排，據此，對安排擁有共同控制權之訂約方對合營安排之資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有的控制，共同控制僅在當相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Investments in associates and joint ventures (continued)

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of loss of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 主要會計政策(續)

於聯營公司及合營企業權益(續)

聯營公司及合營企業之業績及資產與負債以權益法計入此等綜合財務報表。就權益會計目的而言聯營公司及合營企業之財務報表乃按本集團於類似環境之相似交易及事項而使用之同一會計政策而編製。根據權益法，於聯營公司或合營企業之投資初步按成本於綜合財務狀況表確認，並於其後調整以就確認本集團應佔該聯營公司或合營企業之損益及其他全面收益。損益及其他全面收益除外，聯營公司／合營公司的淨資產變動不會入賬，除非該等變動導致本集團持有的所有權權益出現變動。當本集團應佔聯營公司或合營企業之虧損超出本集團於該聯營公司或合營企業之權益時(包括實質上成為本集團於該聯營公司或合營企業投資淨額一部分之任何長期權益)，本集團終止確認其所佔進一步虧損。僅於本集團已產生法律或推定責任，或已代表該聯營公司或合營企業支付款項之情況下，方會進一步確認虧損。

於被投資方成為一家聯營公司或合營企業當日，對於聯營公司或合營企業之投資採用權益法入賬。於收購一間聯營公司或合營企業之投資時，投資成本超過本集團分佔該被投資方可識別資產及負債公平淨值之任何部分乃確認為商譽，並計入投資之賬面值。倘本集團所佔可識別資產及負債之公平淨值高於收購成本，則差額經重新評估後會於收購投資之期間即時在損益確認。

應用國際會計準則第39號以釐定是否有必要就本集團於共同控制實體投資確認任何減值虧損。在必要時，投資(包括商譽)的整個賬面值根據國際會計準則第36號資產減值作為單一資產，透過將其可收回金額(使用價值與公平值減出售成本兩者之較高者)與其賬面值進行比較而進行減值測試。已確認的任何減值虧損構成投資的賬面值。減值虧損的任何撥回根據國際會計準則第36號進行確認，以投資的可收回金額隨後增加者為限。

3. SIGNIFICANT ACCOUNTING POLICIES**(CONTINUED)****Investments in associates and joint ventures (continued)**

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3. 主要會計政策(續)**於聯營公司及合營企業權益(續)**

倘本集團對聯營公司失去重大影響力或於合營公司擁有共同控制權時，其入賬列作出售被投資方的全部權益，所產生的損益於損益確認。倘根據國際會計準則第39號之範圍，本集團保留於聯營公司或合營公司之權益且該保留權益為金融資產，則本集團會於該日按公平值計量保留權益，而該公平值被視為於初步確認時之公平值。於聯營公司或合營公司之賬面值與任何保留權益及出售聯營公司之相關權益之所得款項公平值間之差額計入釐定出售聯營公司或合營公司之損益。此外，本集團會將先前在其他全面收入就該聯營公司或合營公司確認之所有金額入賬，基準與該聯營公司或合營公司直接出售相關資產或負債所需基準相同。因此，倘該聯營公司先前已於其他全面收入確認之收益或虧損，會於出售相關資產或負債時重新分類至損益。本集團會於出售／部分出售相關聯營公司或合營公司時將收益或虧損由權益重新分類至損益(作為重新分類調整)。

當集團實體與本集團聯營公司或合營企業進行交易(例如銷售或貢獻資產)，由與聯營公司或合營企業進行交易所產生的損益於本集團綜合財務報表內確認，以聯營公司或合營企業內與本集團不相關的權益為限。

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving disposal of an investment in an associate, the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment is classified as held for sale.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates, discounts, sales related taxes and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

3. 主要會計政策(續)

持作待售的非流動資產

倘非流動資產及出售組別的眼面值主要通過銷售交易(而非透過持續使用)收回,則分類為持作銷售。僅於非流動資產可於現況下僅根據銷售該資產一般及慣常條款即時出售或出售機會相當高時,方被視為符合本條件。管理層必須承諾出售,預期應由符合分類日期起計一年內完成出售確認。

當本集團承諾進行涉及出售於聯營公司之投資時,將予出售之該項投資會在滿足上述標準時被分類為持作出售。當出售導致本集團喪失對聯營公司之重大影響力時,本集團將不再就分類為持作出售之部分使用權益法。

分類為持作出售之非流動資產按其先前賬面值金額與公平值減出售成本之較低者計量。

收益確認

按已收或應收代價的公平值計量收益及減除估計客戶退貨、回扣、折讓、銷售稅及其他相若補貼。

當收益數額能可靠地計量,而未來經濟利益可能流入本集團,且符合以下本集團各業務的特定準則時,本集團便會確認收益。

銷售貨品

銷售貨品之收益於已交付貨品及轉讓所有權之後確認。

3. SIGNIFICANT ACCOUNTING POLICIES**(CONTINUED)****Revenue recognition (continued)****Sale of goods (continued)**

Sales of goods that result in award credits for customers under the Group's customer loyalty programme are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods sold and the award credits that are earned by the customers. The consideration allocated to the award credits is measured by reference to the fair value of the awards for which they could be redeemed. Such consideration is not recognised as revenue at the time of the initial sale transaction but is deferred and recognised as revenue when the award credits are redeemed and the Group's obligations have been fulfilled. Under the Group's customer loyalty programme, customers are entitled to convert their award credits into cash equivalents upon the fulfilment of certain criteria as set out in the terms and conditions of the Group's customer loyalty programme.

Royalty

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are earned based on a percentage of the sales of franchisee, is recognised on an accrual basis in the period in which the sales of the franchisee take place, in accordance with the terms of the relevant agreements.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leasing

Leases are classified as finance leases wherever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3. 主要會計政策(續)**收益確認(續)****銷售貨品(續)**

根據本集團客戶忠誠計劃引致客戶獲得獎品積分的貨品銷售入賬為多成分收益交易及已收或應收代價公平值在已售貨品及客戶已賺取的獎品積分之間進行分配。分配到獎勵積分的代價參考可換領獎勵的積分的公平值計量。該項代價在初步出售交易時並不確認為收益，惟會予以遞延在獎品積分贖回及本集團之責任已履行後確認為收益。根據本集團客戶忠誠計劃，客戶有權於達成本集團客戶忠誠計劃的條款及條件內所載的若干標準後將其獎品積分轉換為現金等價物。

特許

特許收益按照有關協議的實質內容累計確認。專營權費於協議期內按直線法以時間基準釐定。按特許銷售比例取得的特許安排根據相關協議的條款，於特許銷售發生期間按應計基準確認。

利息收入

金融資產利息收入在經濟利益可能流向本集團及收入金額能可靠計量時進行確認。利息收入參照未償還本金及適用的實際利率按時間基準累算，適用的實際利率為直至金融資產的預期期限的估計未來現金收入的恰當折讓至初步確認時該資產的賬面淨值的比率。

租賃

當租賃條款將所有權的絕大部份風險及回報轉讓至承租人時，租賃分類為融資租賃。所有其他租賃分類為經營租賃。

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Leasing (continued)

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating lease, such incentives are recognised as a liability. The aggregate benefit of incentive is recognised as a reduction of rental expense over a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land and building

When the group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. Prepaid lease payments which are to be amortised in the next twelve months or less are classified as current assets.

3. 主要會計政策(續)

租賃(續)

本集團作為承租人

融資租賃持有資產於租賃開始時以其公平值或以最低租賃款項之現有價值(以較低者為準)確認為本集團的資產。付予出租人之相關負債於綜合財務狀況表中當作一項融資租賃承擔。

租賃款項以財務費用及租賃承擔之減項按比例計算，以取得餘下負債結餘之不變息率。財務費用即時於損益中確認，除非彼等直接因合資格資產引致，在該情況下彼等根據本集團有關借貸成本的一般政策資本化。或然租金於其產生的期間確認為開支。

經營租賃付款(包括經營租約項下的收購成本)按直線法按租賃期間確認為一項開支。

如已收租賃獎勵以訂立經營租約，該獎勵確認為一項負債。獎勵的總收益作為租金開支的扣減項按直線法進行確認，惟更代表租賃資產的經濟收益使用的時間模式的其他系統性基準除外。

租賃土地及樓宇

當集團就一項租賃包括土地及樓宇的物業利息付款時，本集團根據是否每項元素所附帶的絕大部份風險及回報已轉讓予本集團的評估，作為單獨的融資或經營租賃評估每項元素的分類，除非已明確兩項元素均為經營租賃，在此情況下，整體租賃分類為融資租賃。尤其是所有代價(包括任何一次過預付款)在土地及樓宇間按租賃土地及樓宇部份在初次確認租賃的租賃權益的相關公平值的比例進行分配。

如租賃付款分配不能可靠做出，入賬為經營租賃的租賃土地權益在財務狀況表內呈報為「租賃預付款」並按租賃期間按直線法進行攤銷。將於未來十二個月或更少期間攤銷的租賃預付款分類為流動資產。

3. SIGNIFICANT ACCOUNTING POLICIES**(CONTINUED)****Foreign currencies**

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency of the entity (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 主要會計政策(續)**外幣**

在編製每個單個集團實體的財務報表時，該實功能貨幣(外幣)以外貨幣計值的交易按交易當日現行匯率確認。於報告期結束時，以外幣計值的貨幣項目按該日比率重新換算。按外幣歷史成本計量的非貨幣項目不按公平值釐定當日的匯率重新換算。按外幣歷史成本計量的非貨幣項目不予重新換算。

因結算貨幣項目而產生的匯兌差額及重新換算貨幣項目時，於其產生期間確認為損益。

就呈報綜合財務報表而言，本集團海外業務之資產及負債根據各報告期末通行的匯率，兌換為本集團之呈列貨幣。收支項目按期內之平均匯率兌換。倘產生匯兌差異，則於其他全面收益中確認及於權益中匯兌儲備項下累計。

收購一項海外業務引致對已收購可識別資產作出之商譽及公平值調整，被視為海外業務之資產及負債，並按報告期末通行之匯率兌換。所產生之匯率差異於其他全面收入中確認。

借貸成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的一般與特定借貸成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

借貸成本於其產生期間確認為損益。

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit or loss in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

3. 主要會計政策(續)

政府補助金

直至合理確信本集團將會遵守政府補助金附帶條件及將會收取補助金時方可確認政府補助金。

政府補助金按系統性基準在本集團確認擬補償的補助金的相關成本為開支的期間方予確認。特別是，其主要條件為本集團應購買、興建或以其他方式收購非流動資產的政府補助金在綜合財務狀況表內確認為遞延收益並按系統化及合理基準在有關資產的可使用期間轉讓至損益。

作為已產生開支或虧損的補償或就給予本集團即財務支持而言並無產生未來相關成本的應收的政府補助金於成為應收的期間確認為損益。

僱員福利

界定供款計劃

界定供款計劃屬退休福利計劃，而根據退休供款計劃，本集團應向單獨實體支付定額供款，但無法定或推定責任支付更多供款。界定供款養老計劃的供款責任於僱員提供服務的期間於損益表中確認為支出。

短期福利

短期僱員福利在僱員提供服務期間按預期就服務所支付的福利未折現金額確認。所有短期僱員福利確認為開支，除非另一項國際財務報告準則規定或許可將福利計入資產成本中。

僱員就工資、薪金、年假及病假應計之福利在扣減任何已付金額後確認為負債。

3. SIGNIFICANT ACCOUNTING POLICIES**(CONTINUED)****Equity-settled share-based payment transactions**

The Company operates a share option scheme and share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled share-based payments").

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting condition is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based compensation reserve). For share awards that vest immediately at the date of grant, the fair value of the share awards granted is expensed immediately to profit or loss.

At the end of each reporting period, the Group revises its estimates of the number of equity instrument expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with corresponding adjustments to share-based compensation reserve.

When share options are exercised, the amount previously recognised in share-based compensation reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based compensation reserve will be transferred to accumulated profits.

Where the Company's employee share trust purchases shares from the market, the consideration paid, including any directly attributable incremental costs is presented as "shares held under the share award scheme" and presented as a deduction against equity attributable to the Company's equity holders.

When the awarded shares are transferred to the awardees upon vesting, the related cost of the awarded shares previously recognised in "shares held under the share award scheme", and the related employment costs of the awarded shares previously recognised in "share-based compensation reserve" are transferred to accumulated profits.

3. 主要會計政策(續)**以權益結算的以股份為基礎的交易**

本公司已設立購股權計劃及股份獎勵計劃，藉此激勵及獎賞為本集團業務成功作出貢獻之合資格參與者。本集團僱員（包括董事）收取以股份為基礎的支付形式之薪酬，而僱員提供服務以換取股本工具（「以權益結算的以股份為基礎的支付」）。

向僱員所作出以權益結算的以股份為基礎的支付及提供其他類似服務於授出當日按股本工具的公平值計量。

於授出以權益結算的以股份為基礎的支付當日釐定的公平值（不考慮所有非市場歸屬條件）基於本集團對將最終歸屬的股本工具的估計，按直線法於歸屬期支銷，權益（以股份為基礎的補償儲備）隨之增加。就於授出當日即時歸屬的購股權及獎勵而言，授出的購股權及獎勵之公平值即時於損益列作支出。

於各報告期末，本集團會修訂其對預期最終予以歸屬之購股權數目之估計。於歸屬期間修訂原估計之影響（如有）乃於損益內確認，從而累計開支反映經修訂的估計，並相應調整至以股份為基礎的補償儲備。

當購股權獲行使時，過往於以股份支付之儲備中確認之數額將轉撥至股份溢價。當購股權於歸屬日後被沒收或於屆滿日仍未獲行使，則過往於以股份支付之儲備中確認之數額將轉移至保留盈利。

倘本公司僱員股份信託從市場購買股份，則已付代價（包括直接應佔的新增成本）列作根據股份獎勵計劃持有的股份及列作本公司權益持有人應佔權益之扣減。

倘獎勵股份於歸屬後轉撥至獲獎勵者，則早前於「根據股份獎勵計劃持有的股份」確認的獎勵股份相關成本及早前於「以股份為基礎的補償儲備」確認的獎勵股份相關僱員成本則轉撥至累計溢利。

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before taxation' as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and an associate, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 asset to be recovered.

3. 主要會計政策(續)

稅項

所得稅開支為目前應付稅項及遞延稅項的總和。

目前應付稅項乃根據年內應課稅溢利計算。應課稅溢利與在綜合損益及其他全面收益表內呈報的「除稅前溢利」有所不同，乃由於其他年度應課稅或應扣減的收入或開支項目及毋須課稅或扣減的項目而引致。本集團即期稅項負債使用報告期結束時頒佈或實質頒佈的稅率計算。

就綜合財務報表內的資產及負債的賬面值與計算應課稅溢利中使用的相應稅基的暫時差額確認遞延稅項。一般就所有應課稅暫時差額確認遞延稅項負債。就所有可扣減暫時差額(以應課稅溢利可能用作對沖可動用的可扣減暫時差額為限)一般確認遞延稅項資產。如因商譽或初步確認(業務合併除外)既不影響應課稅溢利亦不會影響會計溢利的一項交易中的其他資產及負債時而產生暫時差額，則不予確認該等遞延稅項資產及負債。此外，倘臨時差額產生自初始確認商譽，則遞延稅項資產不會確認。

就投資附屬公司及聯營公司權益及於合營企業權益相關的應課稅暫時差額確認遞延稅項負債，惟本集團能控制暫時差額的撥回及暫時差額可能不會於可見未來撥回時除。因該等投資及權益相關的可扣減暫時差額產生的遞延稅項資產僅在可能將會有足夠的應課稅溢利對沖利用暫時差額利益並預期於可見未來撥回的情況下確認。

遞延稅項資產的賬面值於每個報告期結束時審閱及減少至不再可能有充足的應課稅溢利可用作備低全部或部份將予收回的資產。

3. SIGNIFICANT ACCOUNTING POLICIES**(CONTINUED)****Taxation (continued)**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment including buildings, buildings, leasehold land (classified as finance leases) and freehold land held for use in the production or supply of goods or services, or for administrative purposes (other than construction as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. 主要會計政策(續)**稅項(續)**

遞延稅項資產及負債按報告期結束時已頒佈或實質頒佈的稅率(及税法)清償負債或變現資產期間按預期適用的稅率計量。

遞延稅項資產及負債的計量反映將會以本集團預期的方式在報告期結束時將會產生的稅務後果，以彌補或結清其資產及負債的賬面值。

年內即期或遞延稅項於損益內確認，彼等與於其他全面收入或直接於權益確認的項目有關則除外，在該情況下即期及遞延稅項亦分別於其他全面收入或直接於權益確認。如即期或遞延稅項因業務合併的初步會計核算而產生，稅務影響應列入業務合併的會計處理內。

物業、機器及設備

物業、機器及設備(包括在生產或供應貨品或服務時或就行政管理用途持作使用的樓宇、租賃土地(分類為金融資產)及永久業權土地(以下所述在建物業除外))，在綜合財務狀況表內按成本減其後累計折舊及其後累計減值虧損(如有)列賬。

具生產、供應或行政目的在建物業按成本減任何已確認的減值虧損列賬。成本包括專業費用及根據本集團會計政策為合資格資產而資本化之借貸成本。該等物業分類為適當類別的物業、機器及設備。該等資產按與其他物業資產相同的基準，在資產準備就緒可作擬定用途時開始折舊。

確認折舊，從而按其可使用年期使用直線法撇銷資產(在建中物業除外)成本減去剩餘價值。於每個報告期結束時審閱估計可使用年期、剩餘價值及折舊法，及估計任何變動的影響按預期基準入賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Property, plant and equipment (continued)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation for intangible assets is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful life that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Alternatively, intangible assets acquired in a business combination with indefinite useful life are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. 主要會計政策(續)

物業、機器及設備(續)

根據融資租賃持有的資產按相同基準於其預期可使用年內折舊。然而，倘並無合理確定所有權將於租期末獲得，則資產於租期及其可使用年期(以較短者為準)折舊。

在出售或並無未來經濟利益預期從持續使用資產中產生時取消確認物業、機器及設備項目。因出售或棄用物業、機器及設備項目而產生的任何收益或虧損釐定為銷售所得款項與資產賬面值的差額及在損益內確認。

無形資產

單獨收購的有限期可使用年期的無形資產按成本減累計攤銷及累計減值虧損列賬。按直線法按估計可使用年期確認無形資產攤銷。估計可使用年期及攤銷法於每個報告期結束時審閱，估計任何變動影響按預期基準入賬。單獨收購的具有不確定可使用年期的無形資產按成本減累計減值虧損列賬。

於業務合併中收購的無形資產

於業務合併中收購的無形資產於商譽中單獨確認並於初始於收購日期按其公平值(視為其成本)確認。

於初始確認後，具有不確定可使用年期的於業務合併中收購的無形資產按與單獨收購的無形資產相同的基準，以成本減累計攤銷及任何累計減值虧損呈報。另外，於業務合併中購得的具有不確定可使用年期的無形資產按成本減累計減值虧損列賬。

無形資產於出售時或當預期使用或出售未來並無經濟利益時，取消確認無形資產。因取消確認無形資產而產生的收益及虧損(計量為出售所得款項淨額與資產賬面值兩者的差額)在取消確認資產時於損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES**(CONTINUED)****Impairment of tangible and intangible assets other than goodwill**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 主要會計政策(續)**有形及無形資產(商譽除外)減值**

於每個報告期結束時，本集團審閱其有形及無形資產之賬面值，以釐定是否存在該等資產已遭受減值虧損的跡象。如存在任何該等跡象，評估資產的可收回金額，從而釐定減值虧損(如有)的程度。

如不可能估計個別資產的可收回金額，本集團估計該資產所屬的現金產生單元的可收回金額，或以其他方式將其分配至可識別合理及一致分配基準的現金產生單元的最小群組。

具有無限可使用年期的無形資產及尚未可供使用的無形資產至少每年及於出現可能減值的跡象時進行減值測試。

可收回金額為公平值減出售成本與使用中價值兩者的較高者。在評估使用中價值時，估計未來現量使用反映目前對貨幣的時間價值的市場評估及及尚未調整未來現金流量估計的資產特有的風險的稅前折讓率折讓至現有價值。

如資產(或現金產生單元)的可收回金額估計低於其賬面值，資產(或現金產生單元)的賬面值減少至其可收回金額。於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後按比例根據該單位各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可計量)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產。減值虧損會即時於損益確認。

當其後撥回減值虧損時，資產(或現金產生單元)的賬面值增至其可收回金額的經修訂估計，惟增加的賬面值不得超過過往年度對資產(或現金產生單元)尚無確認減值虧損情況下原本會釐定的賬面值。隨即於損益內確認撥回減值虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

The Group’s financial assets are classified into the following specified categories: available-for-sale (“AFS”) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策(續)

存貨

存貨按成本與可變現淨值兩者之較低者入賬。存貨成本使用加權平均法計算。可變現淨值指存貨估計售價減完成之全部估計成本及銷售所需成本。

撥備

倘本集團因過往事件而現時須承擔法定或推定責任，且本集團可能需要履行有關責任，而責任金額能可靠估計時，則會確認撥備。

確認為撥備的金額為於報告期末履行現時責任所需代價的最佳估算，當中已計及責任所附帶的風險及不確定因素。倘撥備以履行現時責任的估計現金流量計量時，其賬面值為該等現金流量之現值（倘貨幣時間價值之影響屬重大）。

金融工具

當集團實體成為工具合約條款的訂約方時確認金融資產及金融負債。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債（按公平值計入損益（「公平值計入損益」）的金融資產及金融負債除外）直接應佔交易成本在初步確認時加在金融資產或金融負債（如適用）之上或從中扣減。按公平值計入損益收購的金融資產或金融負債直接應佔交易成本隨即於損益內確認。

金融資產

本集團金融資產分類為以下指定類別：可供出售金融資產及貸款及應收款項。分類取決於金融資產的性質及目的，且將於初步確認時釐定。所有常規方式購買或銷售金融資產按交易日基準確認及取消確認。常規方式購買或銷售乃需要在法規或市場慣例確定的一定時限內交付資產的金融資產的買賣。

3. SIGNIFICANT ACCOUNTING POLICIES**(CONTINUED)****Financial instruments (continued)***Financial assets (continued)**Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL. The Group designated investment of unlisted equity securities as AFS financial assets on initial recognition of the item which is specified in note 20.

Equity securities held by the Group that are classified as AFS financial assets are measured at fair value at the end of each reporting period except for unquoted equity investments whose fair value cannot be reliably measured. Changes in foreign exchange rates are recognised in profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of reserves. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the reserves is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

3. 主要會計政策(續)**金融工具(續)****金融資產(續)***實際利息法*

實際利息法乃計算債務工具的攤銷成本及在有關期間分配利息收入的方法。實際利率乃透過債務工具的有限年限或(如適用)初始確認時至賬面淨值的更較期間的估計未來現金收入(包括已付或已收可構成實際利息一部分的所有費用及點數、交易成本及其他溢價或折讓)的精確折讓。

利息收入按債務工具的實際利息基準確認。

可供出售之金融資產

可供出售之金融資產乃指定歸入或未分類為(a)貸款及應收款項、(b)持有至到期投資或(c)透過損益按公平值列賬之金融資產之非衍生工具。本集團於初始確認非上市股本證券的投資時將其指定為可供出售金融資產，詳情載於附註20。

由本集團持有分類為可供銷售金融資產之股本證券，於各報告期末按公平值計量，未能可靠計量公平值之非上市股權投資項目除外。匯率變動於損益中確認。當本集團收取有關股息之權利確定時，可供銷售股本工具之股息在損益中確認。可供銷售金融資產之賬面值的其他變動於其他全面收益內確認並於儲備欄目下累計。當投資被出售或確認出現減值時，過往於投資重估儲備中累計之累積收益或虧損會重新分類至損益。

對沒有活躍市場所報市價及公平值不能可靠計量的可供出售股本投資，於各呈報期結算日按成本減已識別減值虧損計量。

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables and other receivables, other financial assets and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivable and other financial assets where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, observable changes in national or local economic conditions that correlate with default on receivables.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項

貸款及應數款項為在活躍市場並無報價的具有固定或可釐定支付非衍生金融資產。於初步確認後，貸款及應收款項(包括貿易應收款項及其他應收款項、其他金融資產及銀行結餘及現金)使用實際利息法按攤銷成本減任何已確定減值虧損計量(請參閱下文有關金融資產減值之會計政策)。

利息收入採用實際利率確認，在確認利息下短期應收款項微不足道除外。

金融資產減值

在報告期結束時評估金融資產(不包括按公平值計入損益的金融資產)是否有減值跡象。當有客觀證據顯示因初始確認金融資產後產生的一宗或多宗事件，投資的估計未來現金流量受到影響，則金融資產視為減值。

就可供銷售之股本投資而言，證券之公平值大幅或長期下降低於其成本可被視為減值之客觀證據。

就所有其他金融資產而言，減值客觀證據可能包括以下各項：

- 發行人或對手方出現重大財政困難；或
- 違約，如違約或拖欠利息或本金支付；借款人有可能面臨破產或財務重組；或
- 由於財政困難，該金融資產的活躍市場不再存在。

應收款項組合減值的客觀證據可能包括本集團過往收集付款的經驗，組合超過平均信貸期60日押後支付的數目增加以及與應收款項拖欠相關的國內或本地經濟條件的可觀察變動。

3. SIGNIFICANT ACCOUNTING POLICIES**(CONTINUED)****Financial instruments (continued)****Financial assets (continued)****Impairment of financial assets (continued)**

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

3. 主要會計政策(續)**金融工具(續)****金融資產(續)****金融資產減值(續)**

就按攤銷成本列值的金融資產而言，已確認的減值虧損金額乃資產賬面值與按金融資產原先實際利率折讓的估計未來現金流量現值之間的差額。

金融資產賬面值就所有金融資產直接減少減值虧損，惟貿易及其他應收款項除外，如賬面值透過使備抵賬目而減少。備抵賬目的賬面值變動於損益內確認。當應收款項視為不可收回時，就備抵賬目進行撇銷。先前撇銷的其後收回金額計入損益。

當可供銷售金融資產須作減值時，之前於其他全面收益中確認之累計損益，將於該期間重新分類到損益中。

就按攤銷成本計量的金融資產而言，如在其後期間，減值虧損的金額減少及減少額可能客觀上與確認減值虧損後發生的事件，先前確認的減值虧損透過損益予以撥回，如撥回減值日資產的賬面值並未超過如並無確認減值原本會產生的攤銷成本。

就可供銷售股本投資而言，先前已於損益確認之減值虧損將不會透過損益撥回。減值虧損後之公平值之任何增加於其他全面收益確認並於投資重估儲備累計。

金融負債及股本工具

集團實體發行的負債及股本工具按照合約安排的內容及金融負債及股本工具的定义分類為金融負債或股本。

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities at amortised costs

Financial liabilities at amortised costs (including trade payables, other payables, borrowings, obligation under finance leases and bank overdrafts) are subsequently measured at amortised cost using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

股本工具

股本工具乃證明在扣除所有負債後實體資產的剩餘權益的任何合約。本集團發行的股本工具按已收所得款項減直接發行成本確認。

購回本公司自身的股本工具於權益直接確認及扣減。並無就購買、出售、發行或註銷本公司自身的股本工具於損益確認收益或虧損。

實際利息法

實際利息法乃計算金融負債攤銷成本及在有關期間分配利息開支的方法。實際利率乃透過金融負債的預期年期或(如適用)初步確認時至賬面值的更短期間對估計未來現金支付(包括已付或已收可構成實際利息一部分的所有費用及點數、交易成本及其他溢價或折讓)進行準確折讓的利率。

利息開支按實際利息基準進行確認。

按攤銷成本列值的金融負債

按攤銷成本列值的金融負債(包括貿易應付款項、其他應收款項、借貸、融資租賃承擔及銀行透支)隨後使用實際利息法按攤銷成本計量。

取消確認

僅當資產的現金流量的合約權利屆滿時，或當其將金融資產及資產所有權的絕大部份風險及回報轉讓至另一實體時，本集團方會取消確認金融資產。倘本集團並無轉移亦無保留擁有權之絕大部份風險及回報並繼續控制已轉讓資產，本集團確認於資產的保留權益及其可能須支付的相關負債金額。倘本集團保留已轉讓金融資產擁有權之絕大部份風險及回報，本集團繼續確認金融資產，亦就已收取之所得款項確認有抵押借貸。

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial instruments (continued)

Derecognition (continued)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are 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.

3. 主要會計政策(續)

金融工具(續)

取消確認(續)

當取消確認所有金融資產時，資產賬面值與已收及應收代價總和的差額及已於其他全面收益內確認及於權益內累計的累計收益或虧損於損益內確認。

當且僅當本集團責任解除、取消或屆滿時，本集團取消確認金融負債。取消確認的金融負債的賬面值與已付及應付代價之間的差額於損益內確認。

4. 估計不明朗性主要來源

在應用本集團會計政策(於附註3內說明)時，本公司董事須就與其他來源並無明顯差別的資產及負債的賬面值作出估計及假設。估計及相關假設乃基於過往經驗及視為相關的其他因素。實際業績可能與該等結果有所不同。

按持續基準審閱估計及相關假設。會計估計修訂於修訂估計的期間確認，如修訂僅影響該期間或修訂期間及未來期間，如修訂影響目前及未來期間。

估計不明朗性的主要來源

下列有關未來的主要假設及於報告期末估計不明朗性的其他主要來源具有重大風險，導致對下一財政年度內的資產及負債的賬面值作出重大調整。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

Impairment of brand with indefinite useful life and goodwill

Determining whether brand with indefinite useful life and goodwill are impaired requires an estimation of the recoverable amount of the cash-generating units to which brand with indefinite useful life and goodwill have been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, or changes in facts and circumstances which results in downward revision of future cash, a material impairment loss or further impairment loss may arise.

The carrying amount of brand with indefinite useful life and goodwill at 31 December 2017 were RMB811,996,000 and RMB162,437,000 respectively (31 December 2016: RMB805,182,000 and RMB166,458,000). No impairment loss was recognised on brand with indefinite useful life during 2017 (2016: nil). An impairment of RMB1,558,000 has been recorded during 2017 (2016: nil). Details of the impairment calculation are set out in note 17.

Allowance of inventories obsolescence

Inventories are valued at the lower of cost and net realisable value. Also, the Group regularly inspects and reviews its inventories to identify slow-moving and obsolete inventories. The amount of the impairment loss is measured as the difference between inventories' cost and net realised value.

The identification of impairment of inventories requires the use of judgement and estimate of expected net realised value. Where the net realised value is lower than the carrying amount, a material impairment loss may arise. As at 31 December 2017, the carrying amount of inventories was RMB830,131,000 (2016: RMB783,506,000), net of write-down of inventories of RMB76,968,000 (2016: RMB86,366,000).

4. 估計不明朗性主要來源(續)

估計不明朗性的主要來源(續)

具有無限可使用年期之品牌及商譽之減值

釐定具有無限可使用年期之品牌及商譽是否已減值時需要估計具有無限可使用年期之品牌及商譽所獲分配之現金產生單元之可收回金額(為使用價值與公平價值減出售成本兩者中之較高者)。計算使用價值需要董事估計預期現金產生單元產生之未來現金流量及適用之折現率，以計算現值。倘未來實際現金流量少於預期，或事實及情況有變而致令估計未來現金流量需向下修訂，則可能產生重大減值虧損或產生進一步減值虧損。

於2017年12月31日，具有無限可使用年期之品牌及商譽之賬面值分別為人民幣811,996,000元及人民幣162,437,000元(2016年12月31日：人民幣805,182,000元及人民幣166,458,000元)。於2017年並無確認減值虧損(2016年：無)。有關減值計算詳情載於附註17。

陳舊存貨撥備

存貨按成本及可變現淨值兩者之較低者估值。此外，本集團定期審查及審閱其存貨，以識別滯留及陳舊存貨。減值虧損金額計量為存貨成本與可變現價值兩者之差額。

識別存貨減值需要應用判斷及估計預期可變現淨值。如可變現淨值低於賬面值，可能產生重大減值虧損。於2017年12月31日，存貨賬面值為人民幣830,131,000元(2016年：人民幣783,506,000元)，扣除存貨撇減人民幣76,968,000元(2016年：人民幣86,366,000元)。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

Revenue recognition in relation to the award credits earned by the customers under the Group's customer loyalty program

In accordance with the Group's accounting policy, sales of goods that result in award credits for customers under the Group's customer loyalty program are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods sold and the award credits that are earned by the customers. The portion allocated to the award credits is deferred and recognised as revenue when the award credits are redeemed and the Group's obligations have been fulfilled. The amount of revenue recognised is based on the number of award credits that have been redeemed in exchange for awards, relative to the total number of award credits expected to be redeemed.

The Group reviews the total number of award credits expected to be redeemed at the end of the year, taking into accounts various factors including the number of award credits not redeemed by the customers upon expiration. The directors of the Company estimate that customers will redeem the award credits under its customer loyalty program in the valid period of the award credits in a manner consistent with historical redemption pattern. The amount of deferred revenue recognised in accordance with IFRIC Interpretation 13 "Customer Loyalty Programmes" is classified as deferred revenue under current liability at the end of the reporting period. As at 31 December 2017, the carrying amount of deferred revenue arising from customer loyalty programme was RMB30,563,000 (2016: RMB16,912,000).

This estimate will be reviewed on an ongoing basis, and revision to the expected number of award credits to be redeemed will be made if there is significant difference between the actual number of award credits redeemed and the expected number redeemed in the future.

4. 估計不明朗性主要來源(續)

估計不明朗性的主要來源(續)

有關客戶根據本集團客戶忠誠計劃賺取的獎品積分的收入確認

根據本集團會計政策，引致本集團客戶忠誠計劃項下的客戶獎品積分的貨品的銷售入賬為多元素收益交易及已收或應收代價的公平值在已售貨品與客戶所賺取的獎品積分之間進行分配。分配予獎品積分的部份予以遞延及在獎品積分贖回及本集團責任已履行後確認。已確認收益金額乃根據為換取獎品已被贖回的獎品積分相對預期贖回的總數目計算。

本集團審閱年末預期贖回的獎品積分的總數目，考慮包括於屆滿後不被客戶贖回的獎品積分數目等多項因素。本公司董事估計，客戶將於獎品積分有效期間以與過往贖回模式一致的方式贖回客戶忠誠計劃項下之獎品積分。根據國際財務報告詮釋委員會詮釋第13號「客戶忠誠計劃」確認的遞延收益金額因而於報告期結束時分類為流動負債項下之遞延收益。於2017年12月31日，客戶忠誠計劃遞延收益的賬面值為人民幣30,563,000元(2016年：人民幣16,912,000元)。

本估計將會按持續基準進行審閱，將予贖回的獎品積分的預期數目將會作出修訂，如已贖回的獎品積分實際數目與未來預期贖回的數目有重大差別。

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5. REVENUE AND SEGMENT INFORMATION

The Group's operating and reportable segments are based on information prepared and reported to the chief operating decision makers ("CODM"), the board of directors of the Company, for the purposes of resource allocation and performance assessment. The Group is organised into three segments, (1) retail and wholesale of branded fashion footwear ("Retail and wholesale of shoes"), (2) contract manufacturing of footwear ("Contract manufacturing of shoes") and (3) retail of toys. These segments are the basis on which the Group reports its segment information.

The following is an analysis of the Group's revenue and results by operating and reportable segments for the year:

5. 收益及分部資料

本集團之經營及可報告分部以向主要營運決策人(「主要營運決策人」, 本公司董事會)編製及呈報之資料為基礎, 以作資源分配及表現評估用途。本集團分為三個分部, (1) 品牌時尚鞋履零售及批發(「零售及批發鞋履」)、(2) 鞋履合約生產(「合約生產鞋履」)及(3) 玩具零售。該等分部乃根據本集團所報告之分部資料而劃分。

本集團年內來自經營及可呈報分部之收益及業績分析如下:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Segment revenue	分部收益		
Retail and wholesale of shoes	零售及批發鞋履		
– external sales	– 外部銷售	2,290,276	2,332,464
Contract manufacturing of shoes	合約生產鞋履		
– external sales	– 外部銷售	138,506	249,312
– inter-segment sales	– 分部間銷售	33,104	15,521
Retail of toys	玩具零售		
– external sales	– 外部銷售	634,742	624,786
Segment revenue	分部收益	3,096,628	3,222,083
Eliminations	對銷	(33,104)	(15,521)
Group revenue	集團收益	3,063,524	3,206,562
Segment results	分部業績		
Retail and wholesale of shoes	零售及批發鞋履	333,501	298,435
Contract manufacturing of shoes	合約生產鞋履	(26,407)	(9,966)
Retail of toys	玩具零售	(176,673)	30,047
		130,421	318,516
Investment income from held-to-maturity investments	持至到期投資項目之投資收入	–	107
Finance costs	財務成本	(65,905)	(37,436)
Share of profit (loss) of associates	分佔聯營公司溢利(虧損)	14,615	(3,626)
Share of profit of joint ventures	分佔合營公司溢利	1,775	1,168
Profit before income tax	除所得稅前溢利	80,906	278,729
Income tax expense	所得稅開支	(64,215)	(73,296)
Net profit for the year	年內純利	16,691	205,433

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represent the profits earned by each segment and excluding finance costs, share of profit (loss) of associates, share of profit of joint ventures and income tax expense. This is the measure reported to CODM for the purpose of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market prices.

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Segment assets	分部資產		
Retail and wholesale of shoes	零售及批發鞋履	3,244,405	3,129,963
Contract manufacturing of shoes	合約生產鞋履	437,726	449,383
Retail of toys	玩具零售	1,436,346	1,416,812
Total segment assets	分部資產總值	5,118,477	4,996,158
Eliminations	對銷	(1,833,758)	(1,710,772)
Unallocated	未分配	675,111	108,399
Total consolidated assets	綜合資產總值	3,959,830	3,393,785
Segment liabilities	分部負債		
Retail and wholesale of shoes	零售及批發鞋履	341,064	249,460
Contract manufacturing of shoes	合約生產鞋履	259,049	251,756
Retail of toys	玩具零售	1,780,310	1,186,065
Total segment liabilities	分部負債總額	2,380,423	1,687,281
Eliminations	對銷	(691,660)	(562,090)
Unallocated	未分配	184,674	193,051
Total consolidated liabilities	綜合負債總額	1,873,437	1,318,242

For the purposes of monitoring segment performance and allocating resources between segments, segment assets are allocated to operating segments other than interest in an associate, deferred tax assets, interests in joint ventures and assets classified as held for sale, while all liabilities are allocated to operating segments other than deferred tax liabilities and income tax liabilities.

5. 收益及分部資料(續)

經營及可報告分部之會計政策與本集團會計政策一致。分部業績指各分部所賺取之溢利，不包括財務成本、分佔聯營公司溢利(虧損)、分佔合營公司溢利及所得稅開支。此乃向主要營運決策人報告之措施，以作資源分配及表現評估用途。

分部間銷售乃按當前市場價格進行。

本集團按經營及可報告分部劃分之資產及負債分析如下：

就監控分部表現及於分部間分配資源而言，分部資產乃分配至於聯營公司之權益、遞延稅項資產、於合營公司之權益及分類至持作出售的資產之外之經營分部，而所有負債分配至遞延稅項負債及所得稅負債之外之經營分部。

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5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment information

5. 收益及分部資料(續)

其他分部資料

		Retail and wholesale of shoes 零售及批發鞋履 RMB'000 人民幣千元	Contract manufacturing of shoes 合約生產鞋履 RMB'000 人民幣千元	Retail of toys 零售玩具 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
For the year ended 31 December 2017	截至2017年12月31日止年度				
Depreciation expense	折舊開支	27,833	1,790	33,809	63,432
Amortisation of intangible assets	無形資產攤銷	3,366	86	15,963	19,415
Amortisation of prepaid lease payments	預付租金攤銷	397	-	-	397
(Reversal) provision for inventory obsolescence	陳舊存貨(撥回)撥備	(27,877)	1,471	16,934	(9,472)
Purchase of property, plant and equipment	購買物業、機器及設備	15,131	501	54,943	70,575
Purchase of intangible assets	購買無形資產	615	-	7,112	7,727
Impairment loss recognised on goodwill	確認商譽減值虧損	-	-	1,558	1,558
Impairment loss recognise in respect of property, plant and equipment	確認物業、機器及設備 減值虧損	-	-	13,444	13,444
Gain on deemed disposal of an associate	視作減持一間聯營公司之收益	3,551	-	-	3,551
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備 所得款項	1,331	111	-	1,442
Interest income on bank deposits	銀行存款利息收入	(9,135)	(32)	(413)	(9,580)
Interest income on other financial assets	其他金融資產利息收入	(63)	-	-	(63)
For the year ended 31 December 2016	截至2016年12月31日止年度				
Depreciation expense	折舊開支	37,931	1,941	20,033	59,905
Amortisation of intangible assets	無形資產攤銷	2,936	151	11,393	14,480
Amortisation of prepaid lease payments	預付租金攤銷	397	-	-	397
(Reversal) provision for inventory obsolescence	陳舊存貨(撥回)撥備	(12,077)	497	1,617	(9,963)
Purchase of property, plant and equipment	購買物業、機器及設備	24,134	2,930	50,278	77,342
Purchase of intangible assets	購買無形資產	9,093	-	15,121	24,214
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備 所得款項	3,218	310	-	3,528
Interest income on bank deposits	銀行存款利息收入	(4,102)	(18)	(135)	(4,255)
Interest income on other financial assets	其他金融資產利息收入	(52)	-	-	(52)

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5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are mainly located in the People's Republic of China (the "PRC") and United Kingdom of Great Britain and Northern Ireland ("UK").

The Group's revenue from external customers, based on location of the domiciles of its group entities and information about its non-current assets by geographical location of the assets are detailed below:

		Revenue from external customers 來自外部客戶收益	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
The PRC	中國	2,351,982	2,349,782
UK	英國	420,915	470,179
The United States of America	美國	139,384	247,205
Other countries	其他國家	151,243	139,396
Total	總計	3,063,524	3,206,562

		Non-current assets 非流動資產	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
The PRC	中國	271,599	268,674
UK	英國	599,251	614,228
Other countries	其他國家	503,316	473,795

Note: Non-current assets exclude deferred tax assets.

There is no single customer contributing over 10% of the total sales of the Group during both years.

5. 收益及分部資料(續)

地區資料

本集團業務主要位於中華人民共和國(「中國」)及大不列顛及北愛爾蘭聯合王國(「英國」)。

本集團來自外部客戶(按集團實體註冊所在地劃分)之收益,以及按資產所在地劃分之非流動資產資料詳述如下:

		Revenue from external customers 來自外部客戶收益	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
The PRC	中國	2,351,982	2,349,782
UK	英國	420,915	470,179
The United States of America	美國	139,384	247,205
Other countries	其他國家	151,243	139,396
Total	總計	3,063,524	3,206,562

		Non-current assets 非流動資產	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
The PRC	中國	271,599	268,674
UK	英國	599,251	614,228
Other countries	其他國家	503,316	473,795

附註: 非流動資產不包括遞延稅項資產。

於兩個年度內並無單一客戶為本集團銷售總額帶來逾10%之貢獻。

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6. OTHER INCOME AND EXPENSES AND OTHER GAINS AND LOSSES

6. 其他收入及開支以及其他收益及虧損

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Other income	其他收入		
Government grants (note)	政府補助金(附註)	51,102	47,377
Interest income on bank deposits	銀行存款利息收入	9,580	4,255
Interest income on other financial assets	其他金融資產利息收入	63	52
Others	其他	7,240	6,563
		67,985	58,247
Other gains and losses	其他收益及虧損		
Net foreign exchange gain	匯兌收益淨額	10,816	66,666
Gain on deemed disposal of an associate	視作減持一間聯營公司之收益	3,551	-
Investment income from held-to-maturity investments	持至到期投資項目之投資收入	-	107
Impairment loss recognized in respect of property, plant and equipment	確認物業、機器及設備減值虧損	(13,444)	-
Impairment loss recognised in respect of goodwill	確認商譽減值虧	(1,558)	-
		(635)	66,773
		67,350	125,020

Note: The amount mainly represented the subsidies received from the local governments in the PRC where the Group entities were located for encouragement of business development activities in the local areas.

附註：該金額主要指收取本集團實體在中國當地政府為鼓勵於當地開展業務發展活動之補助金。

7. FINANCE COSTS

7. 財務成本

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest on borrowings	銀行貸款利息	65,905	37,436

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8. INCOME TAX EXPENSE

8. 所得稅開支

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Current tax:	即期稅項：		
The PRC Enterprise Income Tax ("EIT")	中國企業所得稅(「企業所得稅」)	69,108	62,933
UK profits tax	英國利得稅	656	9,346
Under (over) provision of EIT in prior years	過往年度企業所得稅撥備不足/ (過度)		
EIT	中國企業所得稅	1,323	(2,166)
UK	英國利得稅	(5,751)	-
		65,336	70,113
Deferred tax (credit) charge (Note 22)	遞延稅開支(抵免)(附註22)	(1,121)	3,183
		64,215	73,296

The tax charge for the year ended 31 December 2017 can be reconciled to the profit before tax as follows:

截至2017年12月31日止年度之稅項開支與除稅前溢利之對賬如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	80,906	278,729
Tax at the income tax rate of 25% (2016: 25%) (Note)	按所得稅稅率25%計算之稅項 (2016年：25%)(附註)	20,227	69,682
Tax effect of share of (profit) loss of associates	分佔聯營公司(溢利)虧損之 稅務影響	(3,654)	907
Tax effect of share of profit of a joint venture	分佔合營公司溢利之稅務影響	(444)	(292)
Tax effect of expenses not deductible for tax purpose	就稅務目的不可扣減之開支 之稅務影響	15,392	9,311
Tax effect of income not taxable for tax purpose	就稅務目的毋須課稅之收入 之稅務影響	(17)	(2,265)
Decrease in opening deferred tax liability resulting from a decrease in applicable tax rate	年初遞延稅項負債因適用稅率 下調而減少	-	(3,365)
Over provision in respect of prior year	過往年度過度撥備	(4,428)	(2,166)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	25,391	1,180
Effect of different tax rates of group entities operating in jurisdictions other than the PRC	於中國以外司法權區運營之 集團實體不同稅率之影響	9,781	(1,292)
Tax effect on withholding tax on undistributed profits in the PRC	中國未分配溢利預扣稅之 稅務影響	1,967	1,596
Income tax expense for the year	年內所得稅開支	64,215	73,296

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8. INCOME TAX EXPENSE (CONTINUED)

Note: Pursuant to the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the two years.

The Company incorporated in Bermuda is not subject to any income tax in that jurisdiction during the year ended 31 December 2017 (2016: nil).

Best Invent Holdings Limited ("Best Invent") and Best Value Profits Limited ("Best Value"), two subsidiaries of the Company incorporated in the British Virgin Islands (the "BVI"), are not subject to any income tax in that jurisdiction during the year ended 31 December 2017 (2016: nil) as both of them have no assessable income in the current year.

Allied Great International Holdings Limited ("Allied Great"), and China Ease Enterprise Limited ("China Ease"), which are both subsidiaries of the Company incorporated in Hong Kong, are subject to Hong Kong profits tax at 16.5% during the year ended 31 December 2017 (2016: 16.5%). None of group entities have any assessable profits subject to Hong Kong profits tax during the year ended 31 December 2017 and 31 December 2016.

Hamleys Global Holdings Limited ("Hamleys Global") incorporated in UK is subject to UK profits tax at 19% during the year ended 31 December 2017 (year ended 31 December 2016: 20%).

At the summer budget 2015, the government of UK announced legislation setting the profits tax rate at 19% for the years started/starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. At budget 2016, the government of UK announced a further reduction to the profits tax rate (for all profits except ring fence profits) for the year starting 1 April 2020, at 17%.

8. 所得稅開支(續)

附註：根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於兩個年度的稅率為25%。

本公司於百慕達註冊成立，於截至2017年12月31日止年度毋須繳納該司法權區的任何所得稅(2016年：無)。

本公司兩間附屬公司Best Invent Holdings Limited(「Best Invent」)及Best Value Profits Limited(「Best Value」)於英屬處女群島(「英屬處女群島」)註冊成立，於截至2017年12月31日止年度毋須繳納該司法權區的任何所得稅(2016年：無)，原因為兩間公司於本年度概無產生應課稅收入。

本公司兩間附屬公司匯英國際集團(「匯英」)及華誼企業有限公司(「華誼」)於香港註冊成立，於截至2017年12月31日止年度須按16.5%繳納香港利得稅(2016年：16.5%)。於截至2017年12月31日及2016年12月31日止年度，並無集團實體有任何應課稅溢利而須繳納香港利得稅。

Hamleys Global Holdings Limited(「Hamleys Global」)於英國註冊成立及於截至2017年12月31日(截至2016年12月31日止年度：20%)止年度按19%的稅率繳納英國利得稅。

於2015年的夏季預算中，英國政府宣佈立法規定，自2017年、2018年及2019年4月1日開始的年度利得稅率訂為19%，及自2020年4月1日開始的年度利得稅率訂為18%。於2016年的財政預算中，英國政府宣佈自2020年4月1日開始的年度進一步減低利得稅的主要稅率(除保障利潤外的所有利潤)，將利率訂為17%。

8. INCOME TAX EXPENSE (CONTINUED)

Under the relevant tax law and implementation regulations of the PRC, withholding income tax is applicable to dividends payable to investors that are “non-PRC tax resident enterprises”, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends have their sources within the PRC. Under such circumstances, dividends distributed from the PRC subsidiaries to non-PRC tax resident group entities in Hong Kong shall be subject to the withholding tax at 5%. Dividend distributed from a PRC subsidiary to a non-PRC tax resident group entity in the BVI shall be subject to the withholding tax at 10%. As at 31 December 2017, except for those provided for as detailed in Note 22, no deferred tax has been provided in relation to withholding income tax for the remaining undistributed profits of RMB967,292,000 (31 December 2016: RMB781,363,000) retained by PRC entities, as the directors of the Company did not anticipate to distribute such profits from its PRC subsidiaries in the foreseeable future.

9. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

8. 所得稅開支(續)

根據中國相關稅法與實施條例，應付予「非中國稅務居民企業」投資者的股息須以源自中國境內的所得為限繳納預扣所得稅，該等投資者於中國並無設立機構或營業場所，或於中國有設立機構或營業場所但相關所得實際上與其在中國設立的機構或營業場所無關。據此情況，中國附屬公司向香港境內的非中國稅務居民的集團實體分配的股息，須按5%稅率繳納預扣稅。中國附屬公司派付予英屬處女群島的非中國稅務居民企業集團實體的股息須按10%的預扣所得稅稅率繳納。於2017年12月31日，除就中國實體留存的人民幣967,292,000元(2016年12月31日：人民幣781,363,000元)的餘下未分配溢利作出預扣所得稅的撥備(詳情見附註22)外，由於本公司董事預期並不會於可見之將來分配來自中國附屬公司的溢利，故並未作出有關遞延稅項撥備。

9. 年內溢利

年內溢利已經扣除以下各項：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Depreciation of property, plant and equipment	物業、機器及設備折舊	63,432	59,905
Amortisation (included in administrative and general expenses)	攤銷(包含在行政及一般開支中)		
– prepaid lease payment	– 預付租金	397	397
– intangible assets	– 無形資產	19,415	14,480
Total depreciation and amortisation	折舊及攤銷總額	83,244	74,782
Capitalised in inventories	存貨資本化	(5,402)	(7,992)
		77,842	66,790
Auditors' remuneration	核數師酬金	1,750	1,650
Employee benefits expense	僱員福利開支	636,719	594,115
Reversals of inventories	撥回存貨	(9,472)	(9,963)
Cost of inventories recognised as an expense	已確認為開支之存貨成本	1,200,317	1,270,890

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10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to the directors of the Company were as follows:

10. 董事、主要行政人員及僱員酬金

已付或應付予本公司董事之酬金如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Directors' emoluments:	董事酬金：		
– Directors' fee	– 董事袍金	1,191	1,253
– Salaries and other benefits	– 工資及其他福利	5,206	3,312
– Contributions to retirement benefits scheme	– 退休福利計劃供款	65	61
Total	合計	6,462	4,626

		Directors' fee 董事袍金 RMB'000 人民幣千元	Salaries and other benefits 工資及其他福利 RMB'000 人民幣千元	Contributions to retirement benefits scheme 退休福利計劃供款 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
For the year ended 31 December 2017	截至2017年12月31日止年度				
Executive directors:	執行董事：				
Chen Yixi	陳奕熙	59	1,914	9	1,982
Zhao Wei	趙偉	–	1,215	20	1,235
Huo Li	霍力	–	1,001	20	1,021
Yuan Zhenhua (Note 2)	袁振華(附註2)	–	634	16	650
Ngan Wing Ho (Notes 2 and 3)	顏永豪(附註2及3)	–	442	–	442
Non-executive directors:	非執行董事：				
Miao Bingwen	繆炳文	172	–	–	172
Wu Guangze	吳廣澤	172	–	–	172
Ngan Wing Ho (Notes 2 and 3)	顏永豪(附註2及3)	100	–	–	100
Independent non-executive directors:	獨立非執行董事：				
Kwong Wai Sun Wilson	鄺偉信	172	–	–	172
Li Xindan	李心丹	172	–	–	172
Zhang Zhiyong	張志勇	172	–	–	172
Zheng Hongliang	鄭紅亮	172	–	–	172
		1,191	5,206	65	6,462

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10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

10. 董事、主要行政人員及僱員酬金(續)

		Salaries and other benefits	Contributions to retirement benefits scheme	Total
	Directors' fee	工資及 其他福利	退休福利 計劃供款	合計
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
For the year ended 31 December 2016	截至2016年12月31日止年度			
Executive directors:	執行董事：			
Chen Yixi	陳奕熙	179	–	179
Zhao Wei	趙偉	–	1,284	1,304
Huo Li	霍力	–	1,025	1,045
Xu Tingyu (Note 1)	徐庭裕 (附註1)	–	945	965
Yuan Zhenhua (Note 2)	袁振華 (附註2)	–	58	59
Non-executive directors:	非執行董事：			
Miao Bingwen	繆炳文	179	–	179
Wu Guangze	吳廣澤	179	–	179
Independent non-executive directors:	獨立非執行董事：			
Kwong Wai Sun Wilson	鄺偉信	179	–	179
Li Xindan	李心丹	179	–	179
Zhang Zhiyong	張志勇	179	–	179
Zheng Hongliang	鄭紅亮	179	–	179
		1,253	3,312	4,626

The executive director's emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The non-executive directors' emoluments shown above were for their services as directors of the Company. There is no arrangement of waive the remuneration.

上表所列執行董事的酬金主要為彼等與本公司及本集團管理事宜相關服務的報酬。非執行董事的酬金乃主要為彼等擔任本公司董事提供服務的報酬。

Notes:

- The director resigned on 12 December 2016.
- The directors were appointed on 12 December 2016.
- Mr. Ngan Wing Ho was re-designated from an executive director to non-executive director on 2 June 2017.

附註：

- 該董事於2016年12月12日辭任。
- 該董事於2016年12月12日任職。
- 顏永豪先生於2017年6月2日由執行董事調任為非執行董事。

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10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

Of the five individuals with the highest emoluments in the Group two (2016: two) were directors of the Company whose emoluments are included in the disclosures above. The emoluments of the remaining three (2016: three) individual were as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	5,520	5,939
Contributions to retirement benefits scheme	退休福利計劃供款	405	578
Total	合計	5,925	6,517

The emoluments of the five highest paid individuals (including directors) were within the following bands:

		2017 2017年 No. of employees 僱員數目	2016 2016年 No. of employees 僱員數目
Nil to HKD1,000,000	0港元至1,000,000港元	–	–
HKD1,000,001 to HKD1,500,000	1,000,001港元至1,500,000港元	2	1
HKD1,500,001 to HKD2,000,000	1,500,001港元至2,000,000港元	1	1
HKD2,000,001 to HKD2,500,000	2,000,001港元至2,500,000港元	2	2
HKD2,500,001 to HKD3,000,000	2,500,001港元至3,000,000港元	–	1
		5	5

During both years, no emoluments were paid by the Group to the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

10. 董事、主要行政人員及僱員酬金(續)

本集團五名最高薪人士中，兩名(2016年：兩名)為本公司董事，彼等的薪酬載於上述披露中。餘下三名(2016年：三名)人士的薪酬如下：

五名最高薪人士(包括董事)彼等之酬金介乎下列範圍：

於兩個年度內，本集團概無向五名最高薪酬人士(包括董事及僱員)支付任何酬金，作為其加入本集團時或之後之獎勵，或作為其離職補償。

11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during 2017, nor has any dividend been proposed since the end of the reporting period (2016: nil).

11. 股息

董事會並無就2017年派付或建議宣派股息予普通股持有人，且自報告期末起並無建議宣派任何股息（2016年末期股息：無）。

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company for the year is based on the following data:

12. 每股盈利

年內本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

		2017 2017年	2016 2016年
Earnings (RMB'000)	盈利(人民幣千元)		
Earnings for the purposes of calculating basic and diluted earnings per share (profit for the year attributable to owners of the Company)	用作計算每股基本及攤薄盈利之盈利(本公司擁有人應佔年內溢利)	20,492	206,253
Number of shares ('000)	股份數目(千股)		
Weighted average number of ordinary shares in issue less shares held under the share award scheme during the year for the purpose of calculating basic and dilutive earnings per share	於計算每股基本及攤薄盈利的已發行普通股加權平均數減根據股份獎勵計劃於年內持有之股份	2,057,400	2,061,346
Earnings per share (RMB cents)	每股盈利(人民幣分)		
– Basic	– 基本	1.00	10.01
– Diluted	– 攤薄	1.00	10.01

The weighted average number of ordinary shares for the purpose of calculating basic and dilutive earnings per share were the same. Accordingly, the dilutive earnings per share was the same as the basic earnings per share for the year ended 31 December 2017.

計算基本每股盈利的加權平均股數和攤薄每股盈利的加權平均股數相同。因此於截至2017年12月31日止年度，基本每股盈利和攤薄每股盈利相同。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、機器及設備

		Buildings	Machinery	Fixtures and equipment	Motor vehicles	Leasehold Improvements	Construction in progress	Property, plant and equipment under finance leases 融資租賃 項下的物業、 機器及設備	Total
		樓宇	機器	裝置及設備	汽車	租賃物業裝修	在建工程	機器及設備	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
COST	成本								
At 1 January 2016	於2016年1月1日	149,198	54,979	124,291	29,423	81,542	127	7,541	447,101
Exchange adjustment	匯兌調整	-	-	(14,071)	-	(457)	-	(1,512)	(16,040)
Additions	添置	607	4,728	13,154	4,340	48,845	-	5,668	77,342
Acquired on acquisition of a subsidiary (note 37)	收購一間附屬公司所得 (附註37)	-	-	1,116	-	-	-	-	1,116
Disposals	出售	-	(7,344)	(1,648)	(5,171)	(9,918)	(127)	-	(24,208)
At 31 December 2016	於2016年12月31日	149,805	52,363	122,842	28,592	120,012	-	11,697	485,311
Exchange adjustment	匯兌調整	-	-	4,551	-	111	-	478	5,140
Additions	添置	-	1,492	11,039	730	55,697	-	1,617	70,575
Disposals	出售	-	(763)	(3,664)	(3,410)	(801)	-	-	(8,638)
At 31 December 2017	於2017年12月31日	149,805	53,092	134,768	25,912	175,019	-	13,792	552,388
DEPRECIATION	折舊								
At 1 January 2016	於2016年1月1日	34,978	31,288	32,177	18,098	59,001	-	160	175,702
Exchange adjustment	匯兌調整	-	-	(5,027)	-	(69)	-	(317)	(5,413)
Provided for the year	年內撥備	6,801	4,790	20,601	4,568	21,635	-	1,510	59,905
Eliminated on disposals	出售時撤銷	-	(5,201)	(1,421)	(4,140)	(9,918)	-	-	(20,680)
At 31 December 2016	於2016年12月31日	41,779	30,877	46,330	18,526	70,649	-	1,353	209,514
Exchange adjustment	匯兌調整	-	-	2,594	-	24	-	183	2,801
Provided for the year	年內撥備	6,823	4,014	27,935	2,936	18,017	-	3,707	63,432
Eliminated on disposals	出售時撤銷	-	(382)	(3,224)	(2,789)	(801)	-	-	(7,196)
At 31 December 2017	於2017年12月31日	48,602	34,509	73,635	18,673	87,889	-	5,243	268,551
IMPAIRMENT	減值								
At 31 December 2016	於2016年12月31日	-	-	-	-	-	-	-	-
Exchange adjustment	匯兌調整	-	-	208	-	-	-	-	208
Provided for the year	年內撥備	-	-	13,444	-	-	-	-	13,444
At 31 December 2017	於2017年12月31日	-	-	13,652	-	-	-	-	13,652
CARRYING VALUES	賬面值								
At 31 December 2017	於2017年12月31日	101,203	18,583	47,481	7,239	87,130	-	8,549	270,185
At 31 December 2016	於2016年12月31日	108,026	21,486	76,512	10,066	49,363	-	10,344	275,797

13. PROPERTY, PLANT AND EQUIPMENT**(CONTINUED)**

The above items of property, plant and equipment other than construction in progress are depreciated, after considering their residual values, on a straight-line basis at the following rates per annum:

Buildings	4.5%
Machinery	9%
Fixtures and equipment	5%-33%
Motor vehicles	18%
Leasehold improvements	useful life or over the term of the lease, whichever is shorter

In addition, the Group's obligations under finance leases (see note 32) are secured by the lessors' title to the leased assets, which have a carrying amount of RMB8,549,000 (31 December 2016: RMB10,344,000).

During the year ended 31 December 2017, the Group closed certain toy stores operated by Hamleys Nordics ApS ("Hamleys Nordics", formerly known as "HScan Holding ApS"). In the near future, the Group had made plans to close more stores. As a result, the directors of the Company reviewed the conditions of property, plant and equipment in these stores and identified that certain fixtures and equipment were fully impaired due to no future usage expected. Accordingly, an impairment loss of RMB13,444,000 was recorded. These assets were used in the Group's retail of toys segment.

13. 物業、機器及設備(續)

上述物業、機器及設備項目(在建工程除外)在考慮其剩餘價值後,以直線法按下列年率於租賃期限(以較短者為準)進行折舊:

樓宇	4.5%
機器	9%
裝置及設備	5%至33%
汽車	18%
租賃物業裝修	可使用年期或租期 (以較短者為準)

此外,本集團融資租賃項下的承擔(參見附註32)以出租人對租賃資產的所有權作抵押,其賬面值為人民幣8,549,000元(2016年12月31日:人民幣10,344,000元)。

於截至2017年12月31日止年度,本集團關閉若干Hamleys Nordics ApS(「Hamleys Nordics」,前稱「HScan Holding ApS」)經營的玩具店舖。本集團已計劃於不久將來關閉更多店舖。有鑑於此,本公司董事審查該等店舖的物業、廠房及設備的狀況,亦確認若干裝置及設備因預期沒有用途而悉數減值。因此,錄得減值虧損人民幣13,444,000元。相關資產用於本集團的玩具零售分部。

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14. PREPAID LEASE PAYMENTS

14. 預付租金

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cost	成本		
At beginning and end of the year	年初及年末	21,037	21,037
Accumulated amortisation	累計攤銷		
At beginning of the year	年初	7,224	6,827
Amortisation	攤銷	397	397
At end of the year	年末	7,621	7,224
Carrying amount	賬面值		
At end of the year	年末	13,416	13,813
Analysed for reporting purposes as:	就報告目的的分析：		
Current asset (note 25)	流動資產(附註25)	397	397
Non-current asset	非流動資產	13,019	13,416
		13,416	13,813

The amount represents the lease premium payment for land use rights which is situated in the PRC. It is amortised over 50 years and the amortisation periods is in line with the period of land use rights.

該金額指位於中國的土地使用權的租賃溢價付款。按50年攤銷及攤銷期與土地使用權的期間一致。

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15. OTHER INTANGIBLE ASSETS

15. 其他無形資產

		Trademark 商標 RMB'000 人民幣千元	Brand 品牌 RMB'000 人民幣千元	Software 軟件 RMB'000 人民幣千元	Concession agreements 特許協議 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	成本						
At 1 January 2016	於2016年1月1日	3,954	844,677	13,284	33,924	2,127	897,966
Exchange adjustment	匯兌調整	(760)	(39,194)	(1,185)	(671)	(534)	(42,344)
Additions	添置	2,503	14,556	5,666	-	1,489	24,214
At 31 December 2016	於2016年12月31日	5,697	820,039	17,765	33,253	3,082	879,836
Exchange adjustment	匯兌調整	245	9,601	387	920	158	11,311
Additions	添置	1,452	2,511	3,406	-	358	7,727
At 31 December 2017	於2017年12月31日	7,394	832,151	21,558	34,173	3,598	898,874
Amortisation	攤銷						
At 1 January 2016	於2016年1月1日	79	15	5,831	131	57	6,113
Exchange adjustment	匯兌調整	(189)	(425)	(713)	(129)	(257)	(1,713)
Charge for the year	年內開支	441	2,483	4,027	6,681	848	14,480
At 31 December 2016	於2016年12月31日	331	2,073	9,145	6,683	648	18,880
Exchange adjustment	匯兌調整	92	198	248	820	99	1,457
Charge for the year	年內開支	2,561	6,817	3,962	4,563	1,512	19,415
At 31 December 2017	於2017年12月31日	2,984	9,088	13,355	12,066	2,259	39,752
Carrying values	賬面值						
At 31 December 2016	於2016年12月31日	5,366	817,966	8,620	26,570	2,434	860,956
At 31 December 2017	於2017年12月31日	4,410	823,063	8,203	22,107	1,339	859,122

The above intangible assets other than the brand of Hamleys Global have finite useful lives. These intangible assets are amortised on a straight-line basis over the following periods:

Other brands	2~10 years
Trademarks	5 years
Software	3~5 years
Concession agreements	6 years
Others	3~5 years

上述無形資產(不包括「Hamelys Global」品牌)具有有限使用年限。該等無形資產於以下期間按直線法基準攤銷：

其他品牌	2至10年
商標	5年
軟件	3至5年
特許協議	6年
其他	3至5年

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15. OTHER INTANGIBLE ASSETS (CONTINUED)

The brand of Hamleys Global, which arose from the acquisition of Hamleys Global Holdings Limited and its subsidiaries (“Hamleys Global Group”) in November 2015, is stated at RMB811,996,000 (2016: RMB805,182,000) and has an indefinite useful life. This indefinite useful life is supported by Hamleys Global being a well-established and reputable brand and is the world’s oldest toy store. There are no known legal or contractual provisions that would limit the useful life of the brand and it is protected by trademarks that can be renewed indefinitely.

15. 其他無形資產(續)

Hamleys Global之品牌(乃於2015年11月收購Hamleys Global Holdings Limited及其附屬公司(「Hamleys Global集團」)所產生),列賬為人民幣811,996,000元(2016年:人民幣805,182,000元),並且具有無限年期。具有無限年期是建基於Hamleys Global為卓越和受尊崇的品牌,並是全球歷史最悠久的玩具店。並無現存的法律或合約條文限制品牌的年期,品牌受商標保障,而商標可予以無限續期。

16. GOODWILL

16. 商譽

		Amount 金額 RMB'000 人民幣千元
COST	成本	
At 1 January 2016	於2016年1月1日	182,946
Arising on acquisition of subsidiary (note)	收購一間附屬公司所產生者(附註)	1,558
Exchange adjustment	匯兌調整	(18,046)
At 31 December 2016	於2016年12月31日	166,458
Exchange adjustment	匯兌調整	(2,463)
At 31 December 2017	於2017年12月31日	163,995
IMPAIRMENT	減值	
At 1 January 2016 and 31 December 2016	於2016年1月1日及2016年12月31日	–
Impairment loss recognised in the year (note)	年內確認減值虧損(附註)	(1,558)
At 31 December 2017	於2017年12月31日	(1,558)
CARRYING VALUES	賬面值	
At 31 December 2016	於2016年12月31日	166,458
At 31 December 2017	於2017年12月31日	162,437

Note:

On 14 January 2016, the Group acquired 80% of the issued share capital of Hamleys Nordics for a cash consideration of RMB4,514,000, resulting in a goodwill of RMB1,558,000, details of which are set out in Note 37. During the year ended 31 December 2017, the Group closed certain toy stores operated by Hamleys Nordics. In the near future, the Group had made plans to close more stores. As a result, the goodwill arising from the acquisition of Hamleys Nordics was accordingly fully impaired. Particulars regarding impairment testing on goodwill are disclosed in note 17.

附註:

於2016年1月14日,本集團收購Hamleys Nordics 80%已發行股本,現金代價為人民幣4,514,000元,產生人民幣1,558,000元的商譽(詳情載於附註37)。於截至2017年12月31日止年度,本集團關閉若干Hamleys Nordics經營的玩具店舖。本集團已計劃於不久將來關閉更多店舖。有鑑於此,收購Hamleys Nordics所產生的商譽已因而悉數減值。有關商譽減值測試之詳情載於附註17。

17. IMPAIRMENT TESTING ON INTANGIBLE ASSET WITH INDEFINITE USEFUL LIFE AND GOODWILL

For the purposes of impairment testing, brand with indefinite useful life and goodwill set out in notes 15 and 16 have been allocated to three individual cash-generating units (CGUs). The carrying amounts of brand with indefinite useful life and goodwill as at 31 December 2017 allocated to these units are as follows:

		Goodwill		Brand with indefinite useful lives	
		商譽		具有無限可使用年期的品牌	
		2017	2016	2017	2016
		2017年	2016年	2017年	2016年
		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
Hamleys Global (Unit A)	Hamleys Global (單位A)	156,712	159,175	811,996	805,182
Mega Brilliant International Limited (Unit B)	美宏國際有限公司 (單位B)	5,725	5,725	–	–
Hamleys Nordics (Unit C)	Hamleys Nordics (單位C)	–	1,558	–	–
		162,437	166,458	811,996	805,182

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

Unit A

The recoverable amount of this unit has been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by directors of the Company covering a ten-year period, and discount rate of 15%. Unit A's cash flow beyond the four-year period are extrapolated using an average 5% per annum growth rate. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. The management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of Unit A to exceed the aggregate recoverable amount of Unit A.

17. 具有無限可使用年期的無形資產及商譽之減值測試年限

就減值測試而言，附註15及16所載商譽及具有無限可使用年期的品牌已分配至三個單獨的現金產生單位。分配至該等單位的商譽及品牌於2017年12月31日的賬面值如下：

上述現金產生單位的可收回金額的基準及彼等主要相關假設概述如下：

單位A

該單位之可收回金額乃以計算使用價值釐定，有關計算使用根據董事所批准覆蓋四年期之財務預算及15%之折現率得出之現金流預測作出。超過四年期間之單位A現金流量按每年平均5%之增長率推算得出。計算使用價值之其他主要假設與估計現金流入／流出相關，包括預算銷售額及毛利率。該等估計乃根據單位之過往表現以及管理層對市場發展的預期作出。管理層相信任何該等假設之任何合理可能變動，將不會導致單位A之賬面總值超過單位A之可收回總金額。

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17. IMPAIRMENT TESTING ON INTANGIBLE ASSET WITH INDEFINITE USEFUL LIFE AND GOODWILL (CONTINUED)

Unit B

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by directors of the Company covering a five-year period, and discount rate of 10%. Unit B's cash flow beyond the two-year period are extrapolated using an average 5% per annum growth rate. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. The management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of Unit B to exceed the aggregate recoverable amount of Unit B.

Unit C

During the year ended 31 December 2017, the Group closed certain toy stores operated by Hamleys Nordics. The Group has planned to close more stores in near future. The recoverable amount of Unit C became nil then. An impairment loss of RMB1,558,000 (2016: nil) in relation to Unit C was recognised accordingly.

18. INTEREST IN AN ASSOCIATE

17. 具有無限可使用年期的無形資產及商譽之減值測試年限(續)

單位B

該單位之可收回金額乃以計算使用價值釐定，有關計算使用根據董事所批准覆蓋五年期之財務預算及10%之折現率得出之現金流預測作出。超過兩年期間之單位B現金流量按每年平均5%之增長率推算得出。計算使用價值之其他主要假設與估計現金流入／流出相關，包括預算銷售額及毛利率。該等估計乃根據單位之過往表現以及管理層對市場發展的預期作出。管理層相信任何該等假設之任何合理可能變動，將不會導致單位B之賬面總值超過單位B之可收回總金額。

單位C

於截至2017年12月31日止年度，本集團關閉若干Hamleys Nordics經營的玩具店舖。本集團已計劃於不久將來關閉更多店舖。因此，單位C之可回收金額為零。就單位C確認減值虧損人民幣1,558,000元(2016年：零)。

18. 於聯營公司的權益

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cost of unlisted investment in an associate	於聯營公司的非上市投資成本	26,924	26,924
Share of post-acquisition total comprehensive loss	分佔收購後全面虧損總額	(6,682)	(7,714)
		20,242	19,210

18. INTEREST IN AN ASSOCIATE (CONTINUED)

Details of each of the Group's associates at the end of the reporting period are as follow:

18. 於聯營公司的權益(續)

於報告期末，聯營公司之詳情如下：

Name of associate 聯營公司名稱	Place and date of incorporation 註冊成立/成立 地點及日期	Principal place of operation 主要營業地點	Proportion of nominal value of issued/paid up capital and voting power held by the Group 本集團持有之已發行/實繳股本及 投票權面值之比例		Principal activity 主要業務
			2017 2017年	2016 2016年	
United Nude international Limited ("UN")	The BVI 28 April 2008	Hong Kong	20%	26%	Branded shoes supplier and trading
United Nude International Limited ("UN")	英屬處女群島 2008年4月28日	香港			品牌鞋履供應商及貿易

During the year ended 31 December 2017, the Group's interests in UN was reduced from 26% to 20% due to the capital injection of a new shareholder of UN. The reduction of the Group's equity interests from 26% to 20% was treated as a deemed disposal. The gain on deemed disposal amounted to RMB3,551,000 is included in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017. The changes in the Group's equity interests in UN did not result in the Group losing significant influence over UN.

The summarised consolidated financial information in respect of the Group's associate which is accounted for using the equity method is set out below:

於截至2017年12月31日止年度，本集團於UN權益由26%減至20%，此乃由於UN的一名新股東注資所致。本集團之權益由26%減至20%被視為視作減持。視作減持之收益人民幣3,551,000元計入截至2017年12月31日止年度的綜合損益及其他全面收益報表。本集團於UN的權益變動並無導致本集團在UN的影響力大幅減少。

有關本集團使用權益法入賬且並非單獨重大的聯營公司的綜合資料概要載列如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Current assets	流動資產	56,053	41,709
Non-current assets	非流動資產	820	2,704
Current liabilities	流動負債	39,124	34,695

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18. INTEREST IN AN ASSOCIATE (CONTINUED)

The above amounts of assets and liabilities include the following:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	24,168	9,713
Revenue	收入	79,287	57,510
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(12,489)	(14,850)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Net assets	淨資產	17,749	9,718
Proportion of the Group's ownership interest	本集團擁有權權益比例	20%	26%
Goodwill	商譽	7,418	7,418
Effect of fair value adjustments at acquisition	公平值調整對收購之影響	9,244	9,244
Carrying amount of the Group's interest	本集團權益之賬面值	20,242	19,210

18. 於聯營公司的權益(續)

上述資產及負債的金額包括下列各項：

上述財務資料概要與於綜合財務報表中已確認合營企業權益的賬面值的對賬：

19. INTEREST IN JOINT VENTURES

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cost of unlisted investments in joint ventures	於合營企業非上市投資成本	42,944	26,251
Share of post-acquisition loss	分佔收購後虧損	(21,020)	(20,238)
		21,924	6,013
Shown under current asset	列於流動資產下	(5,231)	(6,013)
Non-current portion	非流動部分	16,693	-

19. 於合營企業的權益

19. INTEREST IN JOINT VENTURES

(CONTINUED)

As at the end of the reporting period, the Group had interest in the following joint ventures:

19. 於合營企業的權益(續)

於報告期末，本集團於下列合營企業擁有權益：

Name of joint venture 合營企業名稱	Place and date of incorporation 註冊成立/成立 地點及日期	Principal place of operation 地點及日期 地點	Proportion of nominal value of issued/paid up capital and voting power held by the Group 本集團持有之已發行/實繳股本 及投票權面值之比例		Principal activity 主要業務
			2017 2017年	2016 2016年	
B&H Footwear Company Company Limited ("Hong Kong B&H")* (note i) 美康鞋業有限公司 (「香港美康」)*(附註i)	Hong Kong 29 May 2007 香港 2007年5月29日	Hong Kong 香港	49%	49%	Trading 貿易
SM (Jiangsu) Co., Ltd. ("SM")* (note ii) 笙曼商貿(江蘇)有限公司 (「笙曼商貿」)*(附註ii)	Jiangsu the PRC 27 June 2017 中國江蘇 2017年6月27日	The PRC 中國	50%	N/A	Trading 貿易

Notes:

- i. Dongguan B&H Footwear Industries Limited東莞美康鞋業有限公司("Dongguan B&H") is a 100% subsidiary held by Hong Kong B&H. The principal activity of Dongguan B&H is manufacture and retail of branded fashion footwear. The joint venture agreement of Dongguan B&H expired in 2017. The Group and respective joint venture partners decided to close the operation of Dongguan B&H and the liquidation procedures were still in process as of 31 December 2017. The carrying amount of the interest in the joint venture will be collected back by cash payment from Dongguan B&H.
- ii. Xuzhou C.banner (as defined in Note 46), an indirect wholly-owned subsidiary of the Company, entered into an agreement with Madden Asia International Limited ("Madden Asia") for the establishment of SM (Jiangsu) Co., Ltd ("SM"). SM is owned as to 50% by Xuzhou C.banner, and as to 50% by Madden Asia.

附註：

- i. 東莞美康鞋業有限公司(「東莞美康」)為香港美康全資擁有之附屬公司。東莞美康之主要業務為生產及零售品牌時尚鞋履。東莞美康之合營企業協議已於2017年屆滿。本集團及各合營企業夥伴決定結束東莞美康的營運，於2017年12月31日清盤程序仍在進行中。於合營企業之權益的賬面值將自東莞美康以現金付款收回。
- ii. 本公司間接全資附屬公司徐州千百度(定義見附註46)與Madden Asia International Limited(「Madden Asia」)訂立協議，成立笙曼商貿(江蘇)有限公司(「笙曼」)。笙曼由千百度擁有50%及由Madden Asia擁有50%。

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19. INTEREST IN JOINT VENTURES

(CONTINUED)

The summarised consolidated financial information in respect of the Group's joint ventures which is accounted for using the equity method is set out below:

Dongguan B&H 東莞美康		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Current assets	流動資產	11,455	13,817
Non-current assets	非流動資產	204	465
Current liabilities	流動負債	984	2,011

The above amounts of assets and liabilities include the following:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	11,450	13,786
Revenue	收益	–	35,576
		(1,596)	1,347
(Loss) profit and total comprehensive (expenses) income for the year	年內(虧損)溢利及全面(開支)收益總額	(1,596)	1,347

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Net assets	淨資產	10,675	12,271
Proportion of the Group's ownership interest	本集團擁有權權益比例	49%	49%
Carrying amount of the Group's interest	本集團權益之賬面值	5,231	6,013

19. 於合營企業的權益(續)

有關本集團使用權益法入賬的合營企業的綜合資料概要載列如下：

上述資產及負債的金額包括下列各項：

上述財務資料概要與於綜合財務報表中已確認合營企業權益的賬面值的對賬：

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19. INTEREST IN JOINT VENTURES
(CONTINUED)

19. 於合營企業的權益(續)

SM 笙曼		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Current assets	流動資產	40,789	—
Non-current assets	非流動資產	70	—
Current liabilities	流動負債	7,473	—

The above amounts of assets and liabilities include the following:

上述資產及負債的金額包括下列各項：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	30,962	—
Revenue	收益	3,711	—
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(55)	—

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

以上財務資源與合營公司權益賬面值之對賬於綜合財務報表確認：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Net assets	淨資產	33,386	—
Proportion of the Group's ownership interest	本集團擁有權權益比例	50%	—
Carrying amount of the Group's interest	本集團權益之賬面值	16,693	—

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20. AVAILABLE-FOR-SALE INVESTMENT

20. 可供出售投資

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Unlisted equity securities	非上市股本證券	10,765	—

The unlisted equity securities represent an insignificant portion of the equity interest in AMTU Inc., an independent automatic teller machine (“ATM”) deployer in the PRC, which is principally engaged in deployment, operation, maintenance, sales of ATM and development of relative software. It is measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors are of the opinion that its fair values cannot be reliably measured.

非上市股本證券即中國獨立自動櫃員機（「自動櫃員機」）機構AMTU Inc.之股權中非重大部分，該機構主要從事自動櫃員機的部署、運營、維修、銷售及相關軟件開發。非上市股本證券於報告期末以成本減去減值計量，由於合理的公平值估計範圍重大，董事認為其公平值無法可靠計量。

21. ASSETS CLASSIFIED AS HELD FOR SALE

On 11 August 2017, the Company acquired 6,319,820 ordinary shares of US\$0.001 each of Etonkids Educational Group Limited (“Etonkids”) (“Sale Shares”) from independent third parties, representing 45.78% of the issued share capital of Etonkids for a cash consideration of US\$79,408,705 (equivalent to approximately RMB529,195,000), which was accounted for an interest in an associate at acquisition because the Company can exercise significant influence over Etonkids. Etonkids is a company incorporated in the Cayman Islands and, together with its subsidiaries and controlled companies, is an education group operating kindergartens under the brand “EtonKids” in the PRC.

21. 分類為持作待售的資產

於2017年8月11日，本公司向獨立第三方收購伊頓國際教育集團有限公司（「伊頓」）之6,319,820股每股面值0.001美元之普通股（「待售股份」），佔伊頓已發行股本約45.78%，現金代價為79,408,705美元（相當於約人民幣529,195,000元），入賬為收購後於聯營公司之權益，由於本公司在伊頓擁有重大影響力。伊頓是一家在開曼群島註冊成立的公司，與其附屬公司及控股公司為於中國經營幼兒園的教育集團。

As set out in the Company’s announcement dated 29 December 2017, the Company conditionally agreed to sell 3,175,095 Sale Shares for a cash consideration of US\$44,965,000 (equivalent to approximately RMB295,964,000) and 3,144,725 Sale Shares for a cash consideration of US\$44,534,900 (equivalent to approximately RMB293,133,000) to independent third parties, representing approximately 23.00% and 22.78% of the issued share capital of the Etonkids respectively. Etonkids had been accounted for using the equity accounting up to the date of this report, when it is reclassified to as assets held for sale, and the Group’s share of Etonkids’ results of RMB17,105,000 was included in the consolidated statement of profit or loss and other comprehensive income. Upon the completion of the above transaction, the Company will cease to be a shareholder of the Etonkids.

誠如本公司日期為2017年12月29日的公告所載，本公司有條件同意出售3,175,095股待售股份（現金代價為44,965,000美元（相當於約人民幣295,964,000元））及3,144,725股待售股份（現金代價為44,534,900美元（相當於約人民幣293,133,000元））予獨立第三方，分別佔伊頓已發行股本約23.00%及22.78%。於本報告日期，伊頓已透過權益會計法入賬，當其重新分類為持作待售資產時，本集團應佔伊頓業績人民幣17,105,000元已計入綜合損益及其他綜合收益表。以上交易完成後，本公司將不再為伊頓的股東。

At 31 December 2017, the Group’s interest in Etonkids has been included under assets classified as held for sale in the consolidated statement of financial position.

於2017年12月31日，本集團於伊頓的權益已於綜合財務狀況表以分類為待售的資產列賬。

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22. DEFERRED TAXATION

The following are the deferred tax balances recognised by the Group and movements thereon during the year:

22. 遞延稅項

以下為本集團確認的遞延稅項結餘及其年內變動：

		Unrealised profit in inventories	Write down of inventories	Tax losses	Deferred income	Withholding tax on undistributed profits	Fair value adjustment on intangible assets arising from acquisition of a subsidiary	Others	Total
		存貨未變現溢利	存貨撇減	稅項虧損	遞延收入	未變現溢利預扣稅	無形資產的公平值調整	其他	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
At 1 January 2016	於2016年1月1日	58,039	23,516	1,203	4,213	-	(168,051)	4,693	(76,387)
(Charge) credit to profit or loss	(自損益扣除)計入損益	(7,995)	(2,308)	6,548	15	(1,596)	5,282	(3,129)	(3,183)
Exchange differences	匯兌差額	-	-	-	-	-	7,454	(353)	7,101
At 31 December 2016	於2016年12月31日	50,044	21,208	7,751	4,228	(1,596)	(155,315)	1,211	(72,469)
(Charge) credit to profit or loss	(自損益扣除)計入損益	(2,700)	(7,076)	3,983	3,413	(1,967)	1,140	4,328	1,121
Exchange differences	匯兌差額	-	-	145	-	-	(1,758)	110	(1,503)
At 31 December 2017	於2017年12月31日	47,344	14,132	11,879	7,641	(3,563)	(155,933)	5,649	(72,851)

The following is the analysis of the deferred tax balances for financial reporting purposes:

以下為為財務報告目的遞延稅項結餘之分析：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	86,645	83,176
Deferred tax liabilities	遞延稅項負債	(159,496)	(155,645)
		(72,851)	(72,469)

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22. DEFERRED TAXATION (CONTINUED)

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries that are received by non-PRC resident entities from 1 January 2008 onwards. Deferred tax liability has been provided for distributable profits which were determined according to the dividend policies of the PRC subsidiaries.

As at 31 December 2017, the Group has unused tax losses of RMB58,695,000 (2016: RMB29,302,000), which will expire due after five years since the tax loss making year. Deferred tax asset of RMB11,879,000 has been recognised in respect of such tax losses as at 31 December 2017 (2016: RMB7,751,000).

For the year ended 31 December 2017, the Group has unused tax loss of approximately RMB115,032,000 (2016: RMB4,764,000) available to offset against future profits, in respect of which no deferred tax assets have been recognised, due to the unpredictability of future profit streams. Such unrecognised losses will expire at 2022.

23. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品
Allowance of inventories obsolescence	陳舊存貨撥備

22. 遞延稅項(續)

根據企業所得稅法，就中國附屬公司從2008年1月1日起自非中國居民企業所賺取的溢利宣派股息徵收預扣稅。遞延稅項負債已就可分派溢利作出撥備，可分派溢利乃根據中國附屬公司之股息政策釐定。

於2017年12月31日，本集團未動用的稅項虧損為人民幣58,695,000元(2016年：人民幣29,302,000)，自稅項虧損年度起五年後屆滿。於2017年12月31日，已就該項虧損人民幣11,879,000元確認遞延稅項資產(2016年：人民幣7,751,000元)。

截至2017年12月31日止年度，本集團未動用的稅項虧損約人民幣115,032,000元(2016年：人民幣4,764,000元)可作抵銷日後溢利之用。由於日後溢利來源無法預測，故並無就此確認遞延稅項資產。該等未確認虧損將於2022年屆滿。

23. 存貨

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Raw materials	原材料	28,596	25,527
Work in progress	在製品	20,358	17,822
Finished goods	製成品	858,145	826,523
		907,099	869,872
Allowance of inventories obsolescence	陳舊存貨撥備	(76,968)	(86,366)
		830,131	783,506

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24. TRADE RECEIVABLES

24. 貿易應收款項

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Amounts receivable from sales of goods	來自銷售貨品的應收款項	384,467	351,686
Amounts receivable from royalty revenue	來自特許經營收益的應收款項	7,806	32,778
Total	合計	392,273	384,464

The Group allows a credit period of 15-60 days for collection of the trade receivables. Certain trade receivables which are past due are interest bearing. The Group would also allow longer credit period for certain customers with long term relationship.

本集團就貿易應收款項授出15至60天的信貸期。過期的部分貿易應收款項須計息。本集團亦會就若干長期業務關係客戶授予較長的信貸期。

The following is an aged analysis of trade receivables, presented based on the revenue recognition dates at the end of the reporting period.

以下為貿易應收款項於報告期末按收益確認日期呈列的賬齡分析。

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
0 to 60 days	0到60天	319,516	296,660
61 to 180 days	61天到180天	41,598	59,001
181 days to 1 year	181天到1年	10,657	8,460
Over 1 year	超過1年	20,502	20,343
		392,273	384,464

Pursuant to the contracts with department store operators, the Group will issue invoices upon the receipt of the regular statements from the department store operators and therefore invoices may be dated later than the revenue recognition dates.

根據與百貨公司運營商的合約，本集團將於收到百貨公司運營商的定期報表後開具發票，故發票日期或會遲於收入確認日期。

At 31 December 2017, 81% (2016: 77%) of the trade receivables that are neither past due nor impaired. No impairment loss is provided for these receivables because they are within the credit period granted to the respective customer and the management considers the default rate is low for such receivables based on historical information and experience.

於2017年12月31日，貿易應收款項的81% (2016年：77%) 既無逾期亦無減值。就該等應收款項概無計提減值虧損撥備，乃由於其在向各個客戶授出的信貸期內及管理層認為，根據過往資料及經驗，該等應收款項的違欠支付率偏低。

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24. TRADE RECEIVABLES (CONTINUED)

Included in the Group's trade receivables are debtors with a carrying amount of RMB72,757,000 as at 31 December 2017 (2016: RMB87,804,000), which were past due for which the Group has not provided for impairment loss as there has not been a significant change in credit quality of respective debtors and the amounts are still considered recoverable.

Aging of trade receivables which are past due but not impaired

61 to 180 days	61天至180天
181 days to 1 year	181天至1年
Over 1 year	超過1年
Amounts receivable from sales of goods	銷售貨品應收款項

The Group does not hold any collateral over these balances. In determining the recoverability of the trade receivables, the Group monitors any change in the credit quality of the trade receivables since the credit was granted and up to the reporting date. After reassessment, the directors believe that no allowance is required.

Details of the Group's trade receivables denominated in foreign currency of the relevant group entities are as follows:

Denominated in:	以下列貨幣列值：
The United States Dollar ("USD")	美元

24. 貿易應收款項(續)

本集團貿易應收款項內包括於2017年12月31日賬面值為人民幣72,757,000元(2016年：人民幣87,804,000元)的應收款項，且已逾期，而本集團並無計提減值虧損撥備，乃由於各個應收款項的信貸質素並無重大變動及該等金額仍視為可收回。

已逾期但未減值的貿易應收款項的賬齡

2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
41,598	59,001
10,657	8,460
20,502	20,343
72,757	87,804

本集團對該等結餘並無持有任何抵押品。在釐定貿易應收款項的可收回性時，本集團監控貿易應收款項自授出信貸以來及直至報告日的信貸質素的任何變動。在重新評估後，董事認為毋須作出撥備。

本集團以相關集團實體的外幣計值的貿易應收款項詳情如下：

2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
63,044	68,882

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25. OTHER RECEIVABLES AND PREPAYMENTS

25. 其他應收款項及預付款

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Advance payments to suppliers	向供應商墊付款項	96,729	93,202
Value-added tax receivable	應收增值稅	8,574	5,035
Deferred expenses	遞延開支	45,324	35,528
Prepaid lease payments (note 14)	預付租賃款項(附註14)	397	397
Others	其他	24,001	16,468
Total	合計	175,025	150,630

26. OTHER FINANCIAL ASSETS

26. 其他金融資產

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Other financial assets under current assets	流動資產項下的其他金融資產	10,000	—

As at 31 December 2017, other financial assets represent interest rate linked other financial assets (“OFAs”) placed by the Group to a number of banks or the Group’s investments in other restricted low risk debt instruments arranged by banks for terms less than one year. Pursuant to the relevant underlying agreements, the OFAs carry interest at rate of 3.9% per annum during the investment period and the principal sums are denominated in RMB fixed and guaranteed by those banks.

於2017年12月31日，其他金融資產指本集團存放於多家銀行且與利率掛鉤的其他金融資產(「其他金融資產」)或本集團於銀行安排的其他受限制低風險債務工具之投資，期限少於1年。根據有關協議，其他金融資產於投資期間按每年3.9%的可變動利率計息，而本金款項以人民幣計值，且由該等銀行擔保。

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27. BANK BALANCES AND CASH

Bank balances and cash comprise cash and short-term bank deposits with an original maturity of three months or less which carried interest at market rates from 0.01% to 0.35% per annum at 31 December 2017 (2016: from 0.01% to 0.35% per annum).

The Group's bank balances and cash that were denominated in foreign currencies other than the functional currency of the relevant group entities are set out below:

27. 銀行結餘及現金

銀行結餘及現金包括現金及原有到期日三個月或以下之短期銀行存款，該等款項於2017年12月31日按每年介乎0.01%至0.35% (2016年：每年介乎0.01%至0.35%) 的市場利率計息。

本集團以有關集團實體功能貨幣以外的外幣計值的銀行結餘及現金載列如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Bank balances and cash denominated in:	計值單位：		
USD	美元	15,377	24,853
European Monetary Unit ("EUR")	歐元	5,386	11,424
Hong Kong Dollars ("HKD")	港元	3,713	2,819
Norwegian Krona ("NOK")	挪威克朗	—	1,645
Swedish Krona ("SEK")	瑞典克朗	—	3,466
Danish Krone ("DKK")	丹麥克朗	—	996

28. TRADE PAYABLES

28. 貿易應付款項

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Trade payables for purchases of goods from third parties	就向第三方購買貨品之貿易應付款項	183,263	177,726

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28. TRADE PAYABLES (CONTINUED)

Trade payables comprise amounts outstanding for trade purchases. Payment terms with suppliers are mainly on credit within 90 days from the invoice date. The aging of trade payables presented based on the invoice dates at the end of the reporting period is as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Age	賬齡		
0 to 90 days	0到90天	166,402	160,124
91 to 180 days	91天到180天	16,079	10,878
181 to 1 year	181天到1年	643	5,026
Over 1 year	超過1年	139	1,698
		183,263	177,726

The Group's trade payables that were denominated in other currencies, foreign currency of the relevant group entities, were re-translated into RMB and stated for reporting purposes as:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Denominated in:	以下列貨幣列值：		
USD	美元	34,796	21,743

28. 貿易應付款項(續)

貿易應付款項包括尚未支付的貿易購買款項。供應商授出之信貸期主要為自發票日期起計90內付款。於報告期末按發票日期呈列的貿易應付款項的賬齡如下：

本集團以其他貨幣(有關集團實體的外幣)就報告目的重新換算為人民幣，詳情如下：

29. OTHER PAYABLES

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Accruals	應計費用	70,286	39,486
Advance from customers	客戶墊款	12,747	12,271
Payroll payable	應付薪資	53,677	54,470
Other tax liabilities	其他稅項負債	57,708	60,206
Deposit from wholesale customers	批發客戶按金	12,560	13,517
Payable for decoration of outlets	銷售點裝飾應付款項	10,636	9,442
Interest payable	應付利息	26,440	2,518
Others	其他	45,621	17,997
		289,675	209,907

29. 其他應付款項

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30. BORROWINGS

30. 借貸

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Bank overdrafts	銀行透支	29,001	35,470
Bank borrowings	銀行貸款	463,677	667,748
Other borrowings	其他貸款	653,420	–
		1,146,098	703,218
Unsecured	無抵押	29,001	35,470
Secured	已抵押	1,117,097	667,748
		1,146,098	703,218
The carrying amounts of the above borrowings are repayable*	上述借貸的賬面值須於下列情況下償還*		
Within one year	於一年內	682,421	176,620
Within a period of more than one year but not exceeding two years	於超過一年但不超過兩年的期間內	–	133,289
Within a period of more than two years but not exceeding five years	於超過兩年但不超過五年的期間內	71,876	393,309
		754,297	703,218
The carrying amount of bank loans that are repayable on demand due to breach of loan covenants (shown under current liabilities) (Note i)	因違反貸款契約按要求償還的銀行貸款賬面值 (如流動負債所示) (附註 i)	391,801	–
		1,146,098	703,218
Less: Amounts due within one year shown under current liabilities:	減：流動負債項下列示於一年內到期的款項：		
Bank borrowings	銀行貸款	(1,045,221)	(141,150)
Bank overdrafts	銀行透支	(29,001)	(35,470)
Amounts shown under non-current liabilities	非流動負債項下列示的款項	71,876	526,598

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

* 到期款項按貸款協議載列的計劃還款日期計算。

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30. BORROWINGS (CONTINUED)

At 31 December 2017 and 31 December 2016, the bank overdrafts were unsecured and interest free.

During the year, the Company raised other borrowings from CCB International Asset Management Limited with principal amount of US\$100,000,000 (equivalent to approximately RMB671,320,000). As at 31 December 2017, the other borrowings are guaranteed by Mr. Chen Yixi.

At 31 December 2017, the Company's bank borrowings of RMB463,677,000 (2016: RMB667,748,000) carried interest at London Interbank Offered Rate ("LIBOR") plus variable rate from 1.4% to 5% per annum (at 31 December 2016: at LIBOR plus variable rate from 1.5% to 5% per annum). Interest is reset every three months.

Details of assets pledged by the Group at the end of the reporting period are set out in note 41. As at 31 December 2017 and 31 December 2016, the bank borrowings were also guaranteed by Mr Chen Yixi, the Chairman of the Group, Ms Yuan Yanan, spouse of Mr Chen Yixi and other third parties.

The ranges of effective interest rates on the Company's borrowings are as follows:

Effective interest rate:	實際利率：
Fixed-rate borrowings	固息借貸
Variable-rate borrowings	浮息借貸

The Group's borrowings that are denominated in currencies other the functional currencies of the relevant group entities are set out below:

		USD 美元 RMB'000 人民幣千元	GBP 英鎊 RMB'000 人民幣千元
As at 31 December 2017 (Note ii)	於2017年12月31日(附註ii)	1,117,097	—
As at 31 December 2016	於2016年12月31日	35,470	667,748

30. 借貸(續)

於2017年12月31日及2016年12月31日，銀行透支為無抵押及免息。

年內，本公司從建銀國際資產管理有限公司獲取本金額為100,000,000美元(相當於約人民幣671,320,000元)的其他貸款。於2017年12月31日，其他貸款由陳奕熙先生擔保。

於2017年12月31日，本公司人民幣463,677,000元(2016年：人民幣667,748,000元)的銀行貸款按倫敦同業銀行拆息(「倫敦同業銀行拆息」)加浮動利率介乎1.4%至5%(於2016年12月31按倫敦同業銀行拆息加浮動利率介乎1.5%至5%)計息的浮息借貸。利息每三個月重設。

本集團於報告期末已抵押資產之詳情載於附註41。於2017年12月31日及2016年12月31日，銀行貸款亦由本集團主席陳奕熙先生及陳奕熙先生的配偶袁亞南女士及其他第三方擔保。

本公司借貸的實際利率範圍介乎：

	2017 2017年	2016 2016年
Fixed-rate borrowings	8.00%	4.35%
Variable-rate borrowings	2.02%~5.52%	1.87%~5.37%

本集團以相關集團實體功能貨幣以外的貸款如下

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30. BORROWINGS (CONTINUED)

Notes:

- i. During the year, in respect of the bank borrowings with carrying amount of RMB391,801,000 as at 31 December 2017, the Group breached certain of the terms of the bank borrowing, which are primarily related to the new issuance of the other borrowings of the Group. On discovery of the breach, the directors of the Company informed the lender and commenced a renegotiation of the terms of the loan with the relevant banker. As at 31 December 2017, those negotiations had not been concluded. Since the lender has not agreed to waive its right to demand immediate payment as at the end of the reporting period, the loan has been classified as a current liability as at 31 December 2017. At 13 February 2018, a supplementary agreement was signed between the Group and the bank, according to which certain bank borrowings need to be repaid within 2018.
- ii. On 26 July 2017, the Group signed an agreement with a bank to redenominate currency of bank borrowings brought from 2015 from Great Britain Pounds (“GBP”) to USD. The interest rate and maturity remain unchanged.

30. 借貸(續)

附註：

- i. 年內，就2017年12月31日賬面值為人民幣391,801,000元的銀行貸款而言，本集團違反若干銀行貸款的條款，其主要與本集團新獲取其他貸款有關。在發現違約時，本公司董事通知貸款人並與相關銀行就貸款條款進行磋商。於2017年12月31日，有關磋商尚未有定論。由於貸款人於報告期末並不同意豁免其要求即時還款之權利，有關貸款於2017年12月31日已予分類為流動負債。於2018年2月13日，本集團與銀行訂立補充協議，據此，若干銀行貸款須於2018年內償還。
- ii. 於2017年7月26日，本集團與一間銀行訂立協議，以將2015年獲取之銀行貸款由英鎊計值改為以美元計值。利率與到期日均維持不變。

31. DEFERRED REVENUE

31. 遞延收益

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Deferred revenue arising from customer loyalty programme (Note i)	客戶忠誠度計劃產生的遞延收益(附註i)	30,563	16,912
Deferred revenue arising from franchise agreements (Note ii)	特許經營協議產生的遞延收益(附註ii)	11,579	6,408
Deferred revenue	遞延收益	42,142	23,320
Less: deferred revenue under current portion	減：流動部分項下的遞延收益	(30,563)	(16,912)
Deferred revenue under non-current portion	非流動部分項下的遞延收益	11,579	6,408

Notes:

- i. At 31 December 2017 and 31 December 2016, the amount arising from customer loyalty programme represents deferred revenue arising in respect of the Group's customer loyalty programme recognised in accordance with IFRIC 13 *Customer Loyalty Programmes*.
- ii. At 31 December 2017 and 31 December 2016, the amount arising from franchise agreements represents non-refundable exclusivity fee received from franchisees, which guarantees the franchisee the exclusive right to operate Hamleys' stores in certain territories and will be recognised as revenue over the contract term.

附註：

- i. 於2017年12月31日及2016年12月31日，客戶忠誠度計劃產生的金額指就根據國際財務報告準則第13號客戶忠誠度計劃確認的本集團客戶忠誠度計劃產生的遞延收益。
- ii. 於2017年12月31日及2016年12月31日，特許經營協議產生的金額指從特許經營人收取的不可退還的獨有權費用，保證特許經營人擁有獨有權利可在若干地區經營Hamleys商店並將於合約期內確認為收益。

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32. OBLIGATIONS UNDER FINANCE LEASES 32. 融資租賃承擔

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Analysed for reporting purposes as:	為呈報目的而作出之分析如下：		
Current liabilities	流動負債	6,444	6,164
Non-current liabilities	非流動負債	3,872	4,856
		10,316	11,020

Certain group entities entered into finance lease arrangements to acquire equipment. The average lease term is 3 years (31 December 2016: average lease term is 3 years). Interest rates underlying all obligations under finance lease are fixed at respective contract dates ranging from 8% to 12% (31 December 2016: 8.52% to 12.69%) per annum. Leased assets are pledged as security for the related finance lease liability.

若干集團實體訂立融資租賃安排以收購設備。平均租賃期限為3年(2016年12月31日：平均租賃期限為3年)。所有融資租賃承擔的有關利率均於各合約日期釐定，介乎每年8%至12%(2016年12月31日：8.52%至12.69%)。租賃資產已抵押作為有關融資租賃負債的擔保。

		Minimum Lease payments 最低租賃付款		Present value of minimum lease payments 最低租賃付款之現值	
		31/12/2017 2017年 12月31日 RMB'000 人民幣千元	31/12/2016 2016年 12月31日 RMB'000 人民幣千元	31/12/2017 2017年 12月31日 RMB'000 人民幣千元	31/12/2016 2016年 12月31日 RMB'000 人民幣千元
Obligations under finance lease payable:	應付融資租賃承擔：				
Within one year	一年內	7,011	6,960	6,612	6,164
Within a period of more than one year but not more than 5 years	超過一年但不超過5年的期間	4,033	5,062	3,704	4,856
		11,044	12,022	10,316	11,020
Less: future finance charges	減：未來融資開支	(728)	(1,002)	N/A 不適用	N/A 不適用
Present value of lease obligations	租賃承擔之現值	10,316	11,020	10,316	11,020

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33. PROVISIONS

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	–	–
Provision in the year	年內撥備	17,269	–
At 31 December 2017	於2017年12月31日	17,269	–

The provision relates to an exit fee that Hamleys Global need to pay to terminate an lease agreement which has been reached between Hamleys Global and the landlord in Ireland. The estimated current cost of exiting the lease is RMB17,269,000. Anticipated expenditure will be settled in the year of 2018. These amounts have not been discounted for the purposes of measuring the provision for the leases, because the effect is not material.

撥備涉及Hamleys Global需要支付的退出費用，以終止Hamleys Global與愛爾蘭業主之間訂立的租賃協議。估計終止租賃的當前成本為人民幣17,269,000元。預計盟支將於2018年結算。為計量租賃撥備，相關金額尚未貼現，由於影響並不重大。

34. SHARE CAPITAL

34. 股本

		Number of shares 普通股數目	Amount 金額 USD'000 千美元
Ordinary shares of USD0.015 each	每股面值0.015美元		
Authorised:	法定：		
At 1 January 2016 & 31 December 2016 & 31 December 2017	於2016年1月1日及2016年12月31日 及2017年12月31日	20,000,000,000	300,000
Issued and fully paid:	已發行並繳足：		
At 1 January 2016	於2016年1月1日	2,082,000,000	31,230
Shares repurchased and cancelled	購回及註銷的股份	(5,000,000)	(75)
At 31 December 2016 and 31 December 2017	於2016年12月31日及2017年12月31日	2,077,000,000	31,155
Shown in the consolidated statement of financial position	於綜合財務狀況表列示		
At 1 January 2016	於2016年1月1日		209,615
At 31 December 2016 and 31 December 2017	於2016年12月31日及2017年12月31日		209,097

34. SHARE CAPITAL (CONTINUED)

During the year ended 31 December 2017, the Company did not repurchase any shares through the Hong Kong Stock Exchange.

During the year ended 31 December 2016, pursuant to the general mandate granted to the directors of the Company, the Company repurchased its own shares through the Hong Kong Stock Exchange as follows:

Month of repurchase 購回月份	No. of ordinary shares of USD0.015 each of the Company 本公司每股0.015美元 之普通股數目	Price per share 每股價格		Aggregate consideration paid 已付總代價 HKD'000 千港元
		Highest 最高 HKD 港元	Lowest 最低 HKD 港元	
For the year ended 31 December 2016 截至2016年12月31日 止年度				
20 October 2016 2016年10月20日	2,160,000	2.19	2.07	4,582
24 October 2016 2016年10月24日	840,000	2.17	2.09	1,789
8 November 2016 2016年11月8日	1,014,000	2.01	1.99	2,028
9 November 2016 2016年11月9日	586,000	2.00	1.94	1,148
11 November 2016 2016年11月11日	400,000	2.00	1.99	799
	5,000,000			10,346

During the year ended 31 December 2016, a total of 5,000,000 shares were repurchased and cancelled, accordingly, the nominal value of approximately USD75,000 (equivalent to approximately RMB518,000) of the shares, and the premium paid and the related costs incurred for the repurchase of approximately HKD10,346,000 (equivalent to approximately RMB8,435,000) was charged against the share capital and share premium account of the Company.

35. PRC STATUTORY RESERVES

Pursuant to the relevant laws and regulations in the PRC applicable to foreign investment enterprises and the Articles of Association of the PRC subsidiaries, the PRC subsidiaries are required to maintain a statutory surplus reserve fund. Appropriations to this fund are made out of net profit after taxation as reported in the PRC statutory financial statements of the subsidiaries (the "PRC Accounting Profit").

34. 股本(續)

於截至2017年12月31日止年度，本公司並無透過香港聯交所購回任何股份。

於截至2016年12月31日止年度，根據授予本公司董事的一般授權，本公司透過聯交所購回其本身的股份如下：

截至2016年12月31日止年度，共5,000,000股股份購回及註銷，因此，股份約75,000美元之面值（約等於人民幣518,000元），及就購回支付之溢價及所產生的成本約10,346,000港元（約等於人民幣8,435,000元）於本公司股本及股份溢價賬扣除。

35. 中國法定儲備

根據中國外商投資企業適用的有關法律法規，中國附屬公司須維持法定盈餘儲備基金。向從中國附屬公司法定財務報表中呈報的稅後純利（「中國會計溢利」）中向該基金作出撥款。

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35. PRC STATUTORY RESERVES (CONTINUED)

Nanjing Mayflower, Dongguan Mayflower, Nanjing Soft, 江蘇美嘉 (as defined in note 46) are required to transfer 10% of their PRC Accounting Profit to the statutory surplus reserve fund in each profit making year until the balances reach 50% of the registered capital of each of the company respectively. The statutory surplus reserve fund may be used to make up prior year losses incurred and, with approval from relevant government authority, to increase capital.

Xuzhou C.banner (as defined in note 46) is not required to maintain this statutory surplus reserve fund according to the relevant laws and regulations in the PRC applicable to Sino-foreign joint investment enterprises. However, as at 31 December 2017, the directors of Xuzhou C.banner approved on a discretionary basis to transfer 10% (2016: 10%) of the PRC Accounting Profit to the statutory surplus reserve fund.

36. SHARE-BASED PAYMENTS

Pursuant to written resolution passed on 26 August 2011, the Company adopted a share option scheme (the “Hongguo Hong Kong Share Option Scheme”), details of which are set out in “Report of the Directors-Share Option Scheme” to the annual report. No share option has been granted under the Hongguo Hong Kong Share Option Scheme since its adoption.

On 31 August 2015, the Company adopted a share award scheme (the “Share Award Scheme”) under which shares of the Company may be awarded to selected employees (including executive directors) of the Group (the “Selected Employees”) pursuant to the terms of the scheme rules and trust deed of the Share Award Scheme. The Share Award Scheme became effective on the adoption date and, unless otherwise terminated or amended, will remain in force for a term of 10 years commencing on the adoption date.

The Board shall not make any further award of awarded shares which will result in the nominal value of the Shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time. The maximum number of the Awarded Shares which may be awarded to a selected employee shall not exceed 1% of the issued share capital of the Company from time to time.

35. 中國法定儲備(續)

南京美麗華、東莞美麗華、南京舒服特、江蘇美嘉(定義見附註46)須於每個盈利年度將其中國會計溢利的10%轉撥至法定盈餘儲備基金，直至結餘分別達各公司註冊股本的50%。法定盈餘儲備基金可能用作彌補上年度發生的虧損，在取得有關政府機關的批准下增加資本。

根據中國中外合資企業適用的有關法律及法規，徐州千百度(定義見附註46)無須維持此項法定盈餘儲備基金。然而，於2017年12月31日，徐州千百度董事酌情批准轉撥中國會計溢利的10%(2016年：10%)予法定盈餘儲備基金。

36. 以股份為基礎的支付

根據於2011年8月26日通過的書面決議案，本公司採納一項新的購股權計劃(「鴻國香港購股權計劃」)，其詳情載於年報「董事會報告－購股權計劃」。自採納以來，概無根據鴻國香港購股權計劃授出購股權。

於2015年8月31日，本公司採納股份獎勵計劃(「股份獎勵計劃」)，據此，可根據股份獎勵計劃的計劃規則及信托契據之條款，向本集團包括執行董事在內的獲選僱員(「獲選僱員」)授出本公司股份。股份獎勵計劃於採納日期起生效，除另行被終止或修訂外，將自採納日期起計10年有效。

倘進一步授出獎勵股份會導致董事會根據股份獎勵計劃授出的股份面值超過本公司不時已發行股本的10%，則董事會不得進一步授出獎勵股份。可授予獲選僱員的獎勵股份的最高數目不得超過本公司不時已發行股本的1%。

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36. SHARE-BASED PAYMENTS (CONTINUED)

When a Selected Employee has satisfied all vesting conditions, which might include service and/or performance conditions specified by the board of directors of the Company at the time of making the award and become entitled to the shares of the Company forming the subject of the award, the trustee shall transfer the relevant awarded shares to that employee at no consideration. The Selected Employee however is not entitled to receive any income or distribution, such as dividend derived from the unvested Awarded Shares allocated to him/her.

Movement of the Company's shares held by the trustee under the Share Award Scheme during the year is as follows:

		Number of shares		
		股份數目(千股)		
		Held by the trustee yet to be awarded 尚未授予而由受託人所持	Held by the trustee for the grantee 受託人為承授人所持	Total held by the trustee 受託人所持總數
Balance at 1 January 2016	於2016年1月1日的結餘	19,799,000	–	19,799,000
Granted to grantees during the year	年內授予授予人	(400,000)	400,000	–
Transfer to grantee upon vesting	歸屬時轉予授予人	–	(400,000)	(400,000)
Number of the Company's shares acquired by the trustee under the Share Award Scheme	受託人根據股份獎勵計劃購得的本公司股份數目	201,000	–	201,000
Balance at 1 January 2017 and at 31 December 2017	於2017年1月1日及2017年12月31日的結餘	19,600,000	–	19,600,000

During the year ended 31 December 2017, no ordinary shares were acquired by trustee or granted by the Company.

During the year ended 31 December 2016, based on the Company's instruction, the trustee acquired 201,000 ordinary shares of USD0.015 each in the Company for the Share Award Scheme through purchases in the open market at a total cost, including related transaction costs, of approximately RMB591,000.

36. 以股份為基礎的支付(續)

倘獲選僱員符合本公司董事會於作出有關獎勵列明的全部歸屬條件(其中可能包括對服務年期及/或表現的條件),便可獲取有關獎勵的本公司股份,受託人須以無代價向該名僱員轉讓有關獎勵股份。然而,獲選僱員無權收取任何收入或分派,如來自分配予彼的未歸屬獎勵股份的股息。

受託人於年內根據股份獎勵計劃所持本公司股份的變動如下:

於截至2017年12月31日止年度,概無受託人購入普通股且本公司並無授予普通股。

於截至2016年12月31日止年度,按照本公司的指示,受託人根據股份獎勵計劃在公開市場購買本公司201,000股每股面值0.015美元的普通股,總成本包括相關交易成本約人民幣591,000元。

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36. SHARE-BASED PAYMENTS (CONTINUED)

During the year ended 31 December 2016, the Company granted 400,000 ordinary shares of USD0.015 each to Selected Employees, details are set out below.

36. 以股份為基礎的支付(續)

於截至2016年12月31日止年度，本公司授出400,000股每股面值0.015美元的普通股予獲選僱員，詳情載列下文。

Date of grant	Number of awarded shares granted	Fair value	Vesting period	Number of awarded shares			Outstanding as at 31 December 2016	
				At 31 December 2015	Granted during the year	Vested during the year		
授出日期	授出獎勵股份數目	公平值 HK\$'000 千港元	歸屬期	於2015年 12月31日	年內授出	年內歸屬	於2016年 12月31日 尚未行使	
15 June 2016	2016年6月15日	400,000	1,160	6 days	–	400,000	(400,000)	–

The closing price of the Company's shares on 15 June 2016, the date of grant of the awarded shares, was HK\$2.90 (equivalent to approximately RMB2.45). The Group recognised a total expense of RMB971,000 in relation to share award granted by the Company during the year.

本公司股份於2016年6月15日(授出獎勵股份日期)之收市價為2.90港元(約等於人民幣2.45元)。本集團就本公司授出獎勵股份確認總開支人民幣971,000元。

37. ACQUISITION OF A SUBSIDIARY

At 31 December 2016

On 14 January 2016, the Group acquired 80% of the issued share capital of Hamleys Nordics for a cash consideration of approximately GBP506,000 (equivalent to approximately RMB4,514,000) from an independent third party. At the meantime, certain amount of outstanding debt due from Hamleys Nordics was waived. The contractual value of the debt was approximately GBP1,936,000 (equivalent to approximately RMB17,298,000). The fair value and carrying amount of the debt at the acquisition date was nil. This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was RMB1,558,000. Hamleys Nordics is engaged in retail of toys in Nordic market. Hamleys Nordics was acquired so as to continue the expansion of the Group's retail network of toys.

37. 收購附屬公司

於2016年12月31日

於2016年1月14日，本集團從獨立第三方收購Hamleys Nordics 80%已發行股本，代價為約506,000英鎊(約等於人民幣4,514,000元)。同時，若干未償還Hamleys Nordics的債務獲豁免償還。債務的合約價值約1,936,000英鎊(約等於人民幣17,298,000元)。於收購事項日期的債務公平值及賬面值為零。該收購事項已採用收購法入賬。自該收購所產生的商譽為人民幣1,558,000元。Hamleys Nordics的主要業務於北歐市場作玩具零售。收購Hamleys Nordics以繼續擴展本集團玩具零售網絡。

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37. ACQUISITION OF A SUBSIDIARY

(CONTINUED)

Assets acquired and liabilities recognised at the date of acquisition

37. 收購附屬公司(續)

於收購事項日期收購的資產及確認的負債

		14 January 2016 2016年 1月14日 RMB'000 人民幣千元
Current assets	流動資產	
Inventories	存貨	3,386
Trade and other receivables	貿易及其他應收款項	3,666
Bank balances and cash	銀行結餘及現金	7,495
Non-current assets	非流動資產	
Property, plant and equipment	物業、機器及設備	1,116
Deferred tax assets	遞延稅項資產	8
Current liabilities	流動負債	
Trade and other payables	貿易及其他應付款項	(8,725)
Other current liabilities	其他流動負債	(3,251)
		3,695

The fair value and the gross contractual amounts of those trade and other receivables acquired amounted to RMB3,666,000 at the date of acquisition. All contractual cash flows were expected to be collected.

於收購事項日期，該等貿易及其他應收款項的公允值及合約總金額為人民幣3,666,000元。預期將會收取所有合約現金流。

Goodwill arising on acquisition

收購事項產生的商譽

		14 January 2016 2016年 1月14日 RMB'000 人民幣千元
Consideration transferred	轉讓的代價	4,514
Plus: non-controlling interests (20% in Hamleys Nordics)	加：非控股權益(20% Hamleys Nordics)	739
Less: fair value of identifiable net assets acquired	減：收購的可識別資產淨值之公平值	(3,695)
Goodwill arising on acquisition	收購事項產生的商譽	1,558

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37. ACQUISITION OF A SUBSIDIARY

(CONTINUED)

Assets acquired and liabilities recognised at the date of acquisition (continued)

Goodwill arose in the acquisition of Hamleys Nordics because the cost of the combination included a control premium, together with the combination in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Hamleys Nordics. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Net cash inflow on acquisition of subsidiary

Consideration paid in cash	以現金支付的代價	4,514
Less: cash and cash equivalent balance acquired	減：收購的現金及現金等價物結餘	(7,495)

		<u>(2,981)</u>
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Impact of acquisition on the results of the Group

Included in the profit for the year ended 31 December 2016 is a loss of approximately RMB10,875,000 attributable to Hamleys Nordics. Revenue for the year includes approximately RMB35,344,000 in respect of Hamleys Nordics.

38. MAJOR NON-CASH TRANSACTIONS

Part of the consideration for the purchase of property, plant and equipment and other intangible assets that occurred during the year comprised finance lease arrangements. Further details are set out in note 13 and note 15.

Part of the consideration for the purchase of a subsidiary that occurred during the year ended 31 December 2016 comprised waiving of outstanding debt. Further details of the acquisition are set out in note 37 above.

37. 收購附屬公司(續)

於收購事項日期收購的資產及確認的負債(續)

由於收購成本包括控制權溢價，以及預期協同效益、收益增長、未來市場發展及 Hamleys Nordics 配套員工的福利綜合作用，收購 Hamleys Nordics 產生商譽。由於並未達致可識別無形資產之確認標準，此等利益並未於商譽中單獨確認。

預期收購事項將不會產生任何作扣稅目的之商譽。

收購附屬公司的現金流入淨額

RMB'000

人民幣千元

收購事項對本集團業績的影響

計入截至2016年12月31日止年度溢利的項目為 Hamleys Nordics 的應佔虧損人民幣10,875,000元。年內收益包括有關 Hamleys Nordics 的約人民幣35,344,000元。

38. 主要非現金交易

於本年度購買物業、廠房及設備及其他無形資產的部份代價包含融資租賃安排。有關購買的進一步詳情載列於附註13及註15。

於截至2016年12月31日止年度收購一間附屬公司的部份代價包含未償還債務的豁免。有關進一步詳情載列於上述附註37。

39. OPERATING LEASE

The Group as lessee

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Minimum lease payments paid under operating leases in the year	年內根據經營租賃支付的最低租金付款	109,941	102,680

At the end of the reporting period, the Group has outstanding commitment in respect of non-cancellable operating leases which fall due as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Within one year	一年內	115,525	93,989
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	403,791	298,148
After five years	五年後	2,337,346	2,225,167
Total	合計	2,856,662	2,617,304

Operating lease payments represented rentals payable by the Group for its rental of factory premises and retail outlets. Leases and rentals for the factory premises and retail outlets are negotiated and fixed for terms ranging from ten to twenty years and one to two years respectively.

Pursuant to the lease agreement signed by Hamleys Nanjing and Hamleys Xuzhou (defined in note 46), the lease expenses of Hamleys Nanjing and Hamleys Xuzhou is calculated based on a percentage of its revenue from toys retailing on a monthly basis.

40. CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

39. 經營租賃

本集團作為承租人

於報告期末，本集團到期未償還的不可撤銷經營租賃承擔如下：

經營租賃付款指本集團租賃廠房樓宇及零售商舖而應付的租金。廠房樓宇及零售商舖的租約及租金予以磋商及分別按介乎十至二十年及一至兩年的租期釐定。

根據哈姆雷斯南京及哈姆雷斯徐州(定義見附註46)簽立的租賃協議，哈姆雷斯南京及哈姆雷斯徐州的租賃開支乃按每月玩具零售收益的百分比計算。

40. 資本風險管理及金融工具

本集團管理資本以確保本集團實體將會按持續經營基準經營，同時透過優化債務及股本結餘向股東提供最大回報。本集團整體策略與上年度仍無變動。

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40. CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

The capital structure of the Group consists of net debts, which includes bank borrowings and other borrowings as disclosed in note 30, net of bank deposits and cash, and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated profits.

The management of the Company review the capital structure on an on-going basis. As part of this review, the management consider the cost of capital and the risks associate with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

40A. Categories of financial instruments

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)	966,333	1,030,231
Available-for-sale investments	可供出售投資	10,765	—
Financial liabilities	金融負債		
Amortised cost	攤銷成本	1,451,855	978,888
Obligations under finance leases	衍生金融工具	10,316	11,020

40B. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, other financial assets, bank balances and cash, trade and other payables, borrowings, obligations under finance leases and bank overdrafts. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

40. 資本風險管理及金融工具(續)

本集團資本架構包括債務淨額(包括附註30披露的銀行借貸及其他借貸)、銀行存款及現金淨額及本公司擁有人應佔權益(包括已發行股本、儲備及累計溢利)。

本公司管理層按持續基準審閱資本架構。作為此項審閱的一部份,管理層認為資本成本及與每類別資本相關的風險。基於管理層的推薦意見,本集團將會透過支付股息、新股份發行及股份購回以及發行新債務或贖回現有債務而平衡整體資本架構。

40A. 金融工具類別

40B. 金融風險管理目標及政策

本集團主要金融工具包括貿易及其他應收款項、其他金融資產、銀行結餘及現金、貿易及其他應付款項、借貸、融資租賃承擔及銀行透支。該等金融工具之詳情於各自附註內披露。與該等金融工具相關的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。如何降低該等風險的政策載列如下。管理層管理及監控該等風險,以確保及時及有效實施適當措施。

40. CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

40B. Financial risk management objectives and policies (continued)

40B.1 Market risk

Foreign currency risk

The primary economic environment in which the principal subsidiaries of the Company operate is PRC and their functional currency is RMB while a subsidiary of the Company operates in the UK and its functional currency is GBP. The Group also has certain sales and purchases denominated in USD, EUR, DKK, NOK and SEK, which are currencies other than the functional currency of the relevant group entities and expose the Group to foreign currency risk. Transactions in HKD are limited.

The carrying amount of the Group's major foreign currency denominated monetary assets and monetary liabilities, at the reporting date are as follows:

		Liabilities		Assets	
		負債		資產	
		2017	2016	2017	2016
		2017年	2016年	2017年	2016年
		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
USD	美元	1,151,998	21,737	78,421	58,265
EUR	歐元	206	22,462	5,386	12,078
HKD	港元	–	789	3,713	2,819
GBP	英鎊	–	662,748	1,628	12,360
DKK	丹麥克朗	352	5,348	–	2,348
NOK	挪威克朗	–	2,700	–	3,245
SEK	瑞典克朗	–	1,736	–	3,847

The Group currently does not have a foreign currency hedging policy but the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

40. 資本風險管理及金融工具(續)

40B. 金融風險管理目標及政策(續)

40B.1 市場風險

外幣風險

本公司主要附屬公司經營的主要經濟環境為中國及其功能貨幣為人民幣，而本公司之一間附屬公司於英國營運且其功能貨幣為英鎊。本集團亦擁有若干買賣以美元、歐元、丹麥克朗、挪威克朗及瑞典克朗計值，美元為有關集團實體功能貨幣以外的貨幣並使本集團面臨外幣風險。以港元(「港元」)計值的交易數量有限。

於報告日期，本集團主要外幣計值貨幣資產及貨幣負債(而非其他金融資產)如下：

目前，本集團並無外幣對沖政策，但管理層監控外匯風險及將會考慮在需要出現時對沖重大外幣風險。

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40. CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

40B. Financial risk management objectives and policies (continued)

40B.1 Market risk (continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% change in RMB against GBP, USD and HKD. 5% (2016: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currencies denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2016: 5%) change in foreign currency rates. A positive number below indicates an increase in post-tax profit for the year where the relevant foreign currencies strengthen 5% (2016: 5%) against RMB. For a 5% (2016: 5%) weakening of the relevant foreign currency against RMB, there would be an equal and opposite impact on the before-tax profit for the year.

40. 資本風險管理及金融工具(續)

40B. 金融風險管理目標及政策(續)

40B.1 市場風險(續)

敏感度分析

下表詳列本集團人民幣兌換英鎊、美元及港元在5%變動範圍內的敏感性。5% (2016年：5%) 乃向主要管理人員內部呈報外幣風險時採用之敏感度比率，且指管理層評估外匯匯率的合理可能變動幅度。敏感性分析僅包括未償還的外幣計值貨幣項目及在報告期結束時按外幣匯率5% (2016年：5%) 調整其換算。如有關外幣兌換人民幣升值5% (2016年：5%)，以下正值數字顯示年內除稅後溢利增加。如有關外幣兌換人民幣減值5% (2016年：5%)，將會對年內除稅前溢利有相等及相反的影響。

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
(Decrease) increase in before-tax profit where the foreign currency strengthen 5% (2016: 5%) against RMB:	如外幣兌換人民幣升值5% (2016年：5%)，除稅前溢利(減少)增加：		
USD impact	美元影響	(53,336)	3,683
HKD impact	港元影響	174	134
GBP impact	英鎊影響	81	(32,519)

40. CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

40B. Financial risk management objectives and policies (continued)

40B.1 Market risk (continued)

Sensitivity analysis (continued)

In addition, the following table details the Group's sensitivity to a 5% change in GBP against USD, EUR, DDK and SEK (2016: 5%).

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Increase (decrease) in before-tax profit where the foreign currency strengthen 5% (2016: 5%) against GBP:	如外幣兌換英鎊升值5% (2016年：無)，除稅前溢利增加(減少)：		
USD impact	美元影響	(1,793)	(1,857)
EUR impact	歐元影響	259	(488)
DKK impact	丹麥克朗影響	(18)	(150)
SEK impact	瑞典克朗影響	-	106

Interest rate risk

The Group is exposed to fair value interest rate risk for its interest bearing financial assets, including the liability component of the convertible bonds and other financial assets which carried interest at fixed rates. The Group is also exposed to cash flow interest rate risk in relation to bank balances and variable-rate borrowings (see note 30 for details of these borrowings). It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate risk exposure and will consider hedging significant interest rate exposure should the need arises.

40. 資本風險管理及金融工具(續)

40B. 金融風險管理目標及政策(續)

40B.1 市場風險(續)

敏感度分析(續)

此外，下表詳述本集團對英鎊兌換美元、歐元、丹麥克朗及瑞典克朗變動5% (2016年：5%) 的敏感度。

利率風險

本集團計息金融資產(包括可換股債券的負債部分及其他金融資產(按固定利率計息))面臨公平值利率風險。本集團銀行結餘及浮息借貸(請見附註30有關該等借貸的詳情)亦面臨現金流量利率風險。本集團的政策為按浮息利率保持其借貸，從而將公平值利率風險降至最低。

本集團目前並無利率對沖政策。然而，管理層監控利率風險及將會在需要出現時考慮對沖重大利率風險。

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40. CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

40B. Financial risk management objectives and policies (continued)

40B.1 Market risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments (including bank balances and borrowings) at the end of the period and the stipulated changes taking place at the beginning of the financial year and held constant throughout the reporting period in the case of bank balances and borrowings.

A 5 basis points (2016: 5 basis points) increase or decrease in interest rates on variable bank balances, and a 50 basis points (2016: 50 basis points) increase or decrease in interest rates on variable-rate borrowings represent the managements' assessment of the reasonably possible changes in interest rates.

If the interest rates on variable-rate bank balances had been 5 basis points (2016: 5 basis points) higher and all other variables were held constant, a positive number below indicates an increase in post-tax profit.

Increase in post-tax profit for the year	年內除稅後溢利增加
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The post-tax profit for the year would be decreased by the same amount as mentioned above if interest rates on variable-rate bank balances had been 5 basis points (2016: 5 basis points) lower and all other variables were held constant.

If the interest rate on variable-rate borrowings had been 50 basis points (2016: 50 basic points) higher and all other variables were held constant, a positive number below indicates a decrease in post-tax profit for the year.

40. 資本風險管理及金融工具(續)

40B. 金融風險管理目標及政策(續)

40B.1 市場風險(續)

敏感度分析

下文敏感度分析基於期末金融工具面臨的利率風險及於財政年度初發生的指定變動且在銀行結餘及借貸於整個呈報期間保持不變下而釐定。

浮動銀行結餘的利率上升或下降5個基點(2016年:5個基點),且浮息借貸的利率上升或下降50個基點(2016年:50個基點),表示管理層評估利率屬可能合理變動。

倘浮息銀行結餘的利率已上升5個基點(2016年:5個基點)且所有其他變數保持不變,則下文正數表示除稅後溢利增加。

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元
205	225

倘浮息銀行結餘的利率已下降5個基點(2016年:5個基點)且所有其他變數保持不變,則年內除稅後溢利將減少上述相同的金額。

倘浮息借貸的利率已上升50個基點(2016年:50個基點)且所有其他變數保持不變,則下文正數表示除稅後溢利減少。

40. CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

40B. Financial risk management objectives and policies (continued)

40B.1 Market risk (continued)

Sensitivity analysis (continued)

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Decrease in post-tax profit for the year	年內除稅後溢利減少	
	6,039	3,314

The post-tax profit for the year would be increased by the same amount as mentioned above if the interest rate on variable-rate borrowings had been 50 basis points lower and all other variables were held constant.

40B.2 Credit risk

As at 31 December 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group has policies in place to ensure that sales of products on credit terms are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. The Group's concessionaire sales through department stores are generally collectible within 60 days from the invoice date while credit sales are generally on credit terms within 60 days. The Group's royalty revenue are generally collectible within 15-30 days from the recognition date. The Group's retail revenue are mostly settled by cash. So the directors are of the opinion that the credit risk in retail revenue is remote.

40. 資本風險管理及金融工具(續)

40B. 金融風險管理目標及政策(續)

40B.1 市場風險(續)

敏感度分析(續)

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Decrease in post-tax profit for the year	年內除稅後溢利減少	
	6,039	3,314

倘浮息借貸的利率已下降50個基點且所有其他變數保持不變，則年內除稅後溢利將增加上述相同的金額。

40B.2 信貸風險

於2017年12月31日，本集團因交易對手未能履行責任而面臨的可能對本集團造成財務虧損的最大信貸風險來自於綜合財務狀況表所列各已確認金融資產之賬面值。

本集團訂有政策確保向信貸記錄良好的客戶按除賬期銷售產品，且本集團會定期評估客戶的信貸狀況。本集團於百貨商場的特許銷售一般可於發票日起60日內收回，而信貸銷售通常按60日內的信貸期。本集團的版權收益一般自確認日期起的15至30日內可收回。本集團的零售收益大部分以現金結清。因此，董事認為，零售收益的信貸風險甚微。

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40. CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

40B. Financial risk management objectives and policies (continued)

40B.2 Credit risk (continued)

Normally the Group does not require collaterals from trade debtors. The existing debtors have no significant defaults in the past and directors are of the opinion that no provision for uncollectible receivables is required.

The Group's credit risk on trade receivables is concentrated in the PRC and UK. However, the exposure spreads over a large number of counterparties and customers.

There is significant concentration of credit risk as the deposits placed in top five banks for approximately 70.4% (2016: 56%) of the carrying amounts of bank balances as at 31 December 2017. The credit risk on bank balances is limited because these banks are with high credit ratings assigned by international credit-rating agencies.

40B.3 Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date in which the Group can be required to pay. The tables include both interest and principal cash flows.

40. 資本風險管理及金融工具(續)

40B. 金融風險管理目標及政策(續)

40B.2 信貸風險(續)

本集團一般不會要求貿易債務人提供抵押。現有債務人於過往並無重大違約，而董事認為無須就不可收回應收款項計提撥備。

本集團有關貿易應收款項的信貸風險集中於中國及英國。然而，風險遍佈於大量的交易對手方及客戶。

信貸風險有高度集中性，乃由於存入五大銀行的存款於2017年12月31日佔銀行結餘的約70.4% (2016年：56%)。由於該等銀行獲國際評級機構較高的信貸評級，故有關銀行結餘的信貸風險有限。

40B.3 流動資金風險

在管理流動資金風險中，本集團監控及維持由管理層視為充足的一定水平的現金及現金等值，以為本集團營運提供資金及減少現金流量波動的影響。

下表詳列本集團金融負債的合約到期日。該表乃根據本集團可能需要支付的最早日期計算的金融負債的未貼現現金流量。該表包括利息及本金現金流量。

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40. CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

40B. Financial risk management objectives and policies (continued)

40B.3 Liquidity risk (continued)

Liquidity and interest risk table

40. 資本風險管理及金融工具(續)

40B. 金融風險管理目標及政策(續)

40B.3 流動資金風險(續)

流動資金及利息風險表

		Weighted average effective interest rate	On demand or less than 1 year	1-5 years	Total undiscounted cash flows	Carrying amount
		加權平均 實際利率 %	按要求或 少於1年 RMB'000 人民幣千元	1至5年 RMB'000 人民幣千元	未貼現現金 流量總額 RMB'000 人民幣千元	賬面值 RMB'000 人民幣千元
At 31 December 2017	於2017年12月31日					
Trade and other payables	貿易及其他應付款項	N/A 不適用	305,757	–	305,757	305,757
Bank overdrafts	銀行透支	N/A 不適用	29,001	–	29,001	29,001
Bank borrowings	銀行借貸	7.03%	422,353	79,845	502,198	463,677
Other borrowings	其他借貸	8.00%	705,693	–	705,693	653,420
Obligation under finance leases	融資租賃責任	11.80%	7,010	4,033	11,043	10,316
			1,469,814	83,878	1,553,692	1,462,171
At 31 December 2016	於2016年12月31日					
Trade and other payables	貿易及其他應付款項	N/A 不適用	275,670	–	275,670	275,670
Bank overdrafts	銀行透支	N/A 不適用	35,470	–	35,470	35,470
Borrowings	借貸	4.55	141,150	544,602	685,752	667,748
Obligation under finance leases	融資租賃責任	11.80	6,960	5,062	12,022	11,020
			459,250	549,664	1,008,914	989,908

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40. CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

40B. Financial risk management objectives and policies (continued)

40B.3 Liquidity risk (continued)

Liquidity and interest risk table (continued)

During the year, in respect of the bank borrowings with carrying amount of RMB391,801,000 as at 31 December 2017, the Group breached certain of the terms of the bank borrowing, which are primarily related to the new issuance of the other borrowings of the Group. On discovery of the breach, the directors of the Company informed the lender and commenced a renegotiation of the terms of the loan with the relevant banker. As at 31 December 2017, those negotiations had not been concluded. Since the lender has not agreed to waive its right to demand immediate payment as at the end of the reporting period, the loan has been classified as a current liability as at 31 December 2017. At 13 February 2018, a supplementary agreement was signed between the Group and the bank, according to which certain bank borrowings need to be repaid within 2018.

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

40C. Fair value measurement of financial instruments

The fair value of financial assets and financial liabilities are determined as the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair values at the end of reporting period.

41. PLEDGE OF ASSETS

At 31 December 2017, the Company's equity interest in Nanjing Mayflower, Dongguan Mayflower, Nanjing Soft and Xuzhou C.banner (as defined in note 46) have been pledged to secure the bank borrowings of the Group.

40. 資本風險管理及金融工具(續)

40B. 金融風險管理目標及政策(續)

40B.3 流動資金風險(續)

流動資金及利息風險表(續)

年內，就2017年12月31日賬面值為人民幣391,801,000元的銀行貸款而言，本集團違反若干銀行貸款的條款，其主要與本集團新獲取其他貸款有關。在發現違約時，本公司董事通知貸款人並與相關銀行就貸款條款進行磋商。於2017年12月31日，有關磋商尚未有定論。由於貸款人於報告期末並不同意豁免其要求即時還款之權利，有關貸款於2017年12月31日已予分類為流動負債。於2018年2月13日，本集團與銀行訂立補充協議，據此，若干銀行貸款須於2018年內償還。

倘浮動利率變動有別於各報告期末釐定之該等利率估計，上述浮動利率工具金額或會出現變動。

40C. 金融工具公平值計量

金融資產及金融負債之公平值按：其他金融資產及金融負債之公平值乃根據使用貼現現金流分析之普遍採納定價模式釐定。

本公司董事認為，於綜合財務報表確認的金融資產及金融負債之公平值與它們於報告期末的公平值相若。

41. 質押資產

於2017年12月31日，本公司於南京美麗華、東莞美麗華、南京舒服特及徐州千百度(定義見附註46)的股權已抵押作為本集團銀行借貸的擔保。

42. CAPITAL COMMITMENTS

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Capital expenditure in respect of the acquisition of non-current assets contracted for but not provided in the consolidated financial statements	已訂約但尚未於綜合財務報表撥備的非流動資產收購的資本承擔	—	806

42. 資本承擔

43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

43. 融資活動所產生的負債變動之對賬

下表詳述本集團融資活動所產生的負債變動(包括現金及非現金變動)。融資活動所產生的負債已經或將會於本集團綜合現金流量表內分類為融資活動現金流量。

		Obligations under		
		Borrowings	finance leases	Total
		(note 30)	(note 32)	
		貸款	融資租賃	總計
		(附註30)	(附註32)	
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於2017年1月1日	667,748	11,020	678,768
Financing cash flows	融資現金流量	452,465	(3,316)	449,149
New finance leases	新融資租賃	—	1,975	1,975
Amortisation of unsettled financial charges	未結算的財務費用攤銷	9,120	—	9,120
Foreign exchange	外匯變動	(12,236)	637	(11,599)
At 31 December 2017	於2017年12月31日	1,117,097	10,316	1,127,413

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44. RELATED PARTY TRANSACTIONS

(1) Related party transactions

During the year, in addition to those disclosed elsewhere in the consolidated financial statements, the Group had the following related party transactions:

Relationship with related parties 與關聯方關係	Nature of transactions 交易性質	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
An associate 一間聯營公司	Purchase of goods 購買貨品	12,012	31,425
A joint venture 一間合營企業	Sales of goods 銷售貨品	–	2,828
	Purchase of goods 購買貨品	–	25,062
A related company, in which certain directors of the Company have controlling interest 一間關聯公司，本公司若干董事於 其中擁有控股權益	Rental expense 租賃開支	1,120	1,120

(2) Compensation of key management personnel

The remuneration of directors, who are also the key management, are disclosed in note 10.

44. 關聯方交易

(1) 關聯方交易

年內，除綜合財務報表其他外之披露資料外，本集團的關聯方交易如下：

(2) 主要管理人員薪酬

身為主要管理人員的董事的薪酬於附註10內披露。

45. RETIREMENT BENEFITS SCHEMES

Pursuant to the relevant regulations of the PRC government, the PRC subsidiaries have participated in a central pension scheme (the “Scheme”) operated by local municipal government whereby the PRC subsidiaries are required to contribute 18% of basic salaries of the employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefit obligations of all existing and future retired employees of the PRC subsidiaries. The only obligation of the PRC subsidiaries with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above. Contributions under the Scheme are charged to profit or loss as incurred.

Pursuant to the legal requirement of UK, the UK subsidiaries have participated in an auto-enrolment pension scheme (the “Auto-enrolment”) operated by UK government whereby the UK subsidiaries are required to contribute 1% of qualifying earnings of the employees to the Auto-enrolment to fund their retirement benefits. The only obligation of the UK subsidiaries with respect to the Auto-enrolment is to pay the ongoing required contributions under the Auto-enrolment mentioned above.

During the reporting period, the total amounts contributed by the Group to the Scheme and the Auto-enrolment which were charged to profit or loss representing contribution payable to the Scheme and auto-enrolment by the Group at rates specified in the rules of the Scheme are as follows:

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Amount contributed and charged to profit or loss	71,787	43,161

As at 31 December 2017, there was no outstanding contributions payable to the Scheme (2016: nil).

45. 退休福利計劃

根據中國政府的有關法規，中國附屬公司參加由當地市政府運作的中央退休金計劃（「該計劃」），據此，中國附屬公司須將僱員基本工資的18%供款予該計劃，以為其退休福利提供資金。當地市政府承諾承擔所有中國附屬公司現有及未來退休的僱員的退休福利責任。中國附屬公司就該計劃的唯一責任為持續支付上述計劃項下的供款。根據該計劃作出的供款於產生時於損益中扣除。

根據英國法律規定，英國附屬公司已參與英國政府運作的自動參與養老計劃（「自動參與」），而英國附屬公司須繳入1%的僱員合資格盈利至自動參與以為其退休福利撥資。就自動參與而言英國附屬公司的唯一責任為根據上述自動參與持續繳入所需供款。

於報告期間，本集團向該計劃供款的總金額及自損益中扣除的金額指本集團按該計劃規則指定的比率應付該計劃的供款及載列如下：

於2017年12月31日，概無尚未償還的應付該計劃的供款（2016年：無）。

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46. PARTICULARS OF SUBSIDIARIES

46. 附屬公司詳情

Name of subsidiary 附屬公司名稱	Place/Country of incorporation/ establishment and operations 註冊成立／成立／及 營運地點／國家	Attributable equity interest of the Company 本公司應佔 股本權益		Principal activities 主要業務
		2017 2017年	2016 2016年	
Held directly by the Company: 本公司持有：				
Best Invent	The BVI 英屬處女群島	100%	100%	Investment holding 投資控股
Best Value	The BVI 英屬處女群島	100%	100%	Investment holding 投資控股
Allied Great 滙英國際集團有限公司	Hong Kong 香港	100%	100%	Investment holding 投資控股
China Ease 華誼企業有限公司	Hong Kong 香港	100%	100%	Investment holding 投資控股
Hamleys Global	UK 英國	100%	100%	Investment holding 投資控股
Hamleys Holdings Limited	Hong Kong 香港	100%	100%	Investment holding 投資控股
Held by subsidiaries of the Company: 本公司附屬公司持有：				
Mayflower (Nanjing) Enterprise Limited ("Nanjing Mayflower") (note 1) 美麗華企業(南京)有限公司 〔南京美麗華〕(附註1)	The PRC 中國	100%	100%	Retail sale of branded fashion footwear 零售品牌時尚鞋履
Dongguan Mayflower Footwear Corporation Limited ("Dongguan Mayflower") (note 1) 東莞美麗華鞋業有限公司 〔東莞美麗華〕(附註1)	The PRC 中國	100%	100%	Contract manufacture and sale of branded fashion footwear 訂約生產及銷售 品牌鞋履

46. PARTICULARS OF SUBSIDIARIES (CONTINUED)

46. 附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place/Country of incorporation/ establishment and operations 註冊成立/成立/及 營運地點/國家	Attributable equity interest of the Company 本公司應佔 股本權益		Principal activities 主要業務
		2017 2017年	2016 2016年	
Held by subsidiaries of the Company: (continued) 本公司附屬公司持有：(續)				
Nanjing Soft Garment & Footwear Co., Ltd. ("Nanjing Soft") (note 1) 南京舒服特服飾鞋業有限公司 ("南京舒服特")(附註1)	The PRC 中國	100%	100%	Manufacture and sale of branded fashion footwear and related materials 生產及銷售品牌時尚 鞋履及有關物料
Xuzhou C.banner Shoes Co., Ltd. ("Xuzhou C.banner") (note 2) 徐州千百度鞋業有限公司 ("徐州千百度")(附註2)	The PRC 中國	100%	100%	Manufacture and sale of branded fashion footwear and related materials 生產及銷售品牌時尚 鞋履及有關物料
Mega Brilliant International Limited 美宏國際有限公司	Hong Kong 香港	51%	51%	Investment holding 投資控股
Jiangsu Mega Shoes Co., Ltd (note 1) 江蘇美嘉鞋業有限公司 ("江蘇美嘉")(附註1)	The PRC 中國	51%	51%	Manufacture and sale of branded fashion footwear and related materials 生產及銷售品牌時尚 鞋履及有關物料
Xuzhou Mayflower Footwear Co., Ltd (note 1) 徐州美麗華鞋業有限公司 (附註1)	The PRC 中國	100%	100%	Manufacture and sale of branded fashion footwear and related materials 生產及銷售品牌時尚 鞋履及有關物料

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46. PARTICULARS OF SUBSIDIARIES

(CONTINUED)

46. 附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place/Country of incorporation/ establishment and operations 註冊成立/成立/及 營運地點/國家	Attributable equity interest of the Company 本公司應佔 股本權益		Principal activities 主要業務
		2017 2017年	2016 2016年	
Held by subsidiaries of the Company: (continued) 本公司附屬公司持有：(續)				
Beijing Mei Hao Future Internet Business Co., Ltd (“Mei Hao Future”) 北京美好未來電子商務有限公司 (「美好未來」)	The PRC 中國	70%	70%	Internet service and sales 互聯網服務及銷售
Hamleys Group Limited	UK 英國	100%	100%	Investment holding 投資控股
Hamleys of London Limited	UK 英國	100%	100%	Toys retailing 玩具零售
Hamleys (Franchise) Limited	UK 英國	100%	100%	Franchise company 特許經營公司
Hamleys Asia Limited	Hong Kong 香港	100%	100%	Import company 進口公司
Hamleys Toys (Ireland) Limited	Ireland 愛爾蘭	100%	100%	Toys retailing 玩具零售
Hamleys BV	The Netherlands 荷蘭	100%	100%	Investment holding 投資控股
Scrumpalicious Limited	UK 英國	100%	100%	Toys retailing 玩具零售
Luvley Limited	UK 英國	100%	100%	Toys retailing 玩具零售
Hamleys Toys (China) Co., Ltd (“Hamleys China”) 哈姆雷斯玩具(中國)有限公司 (「哈姆雷斯中國」)	The PRC 中國	100%	N/A 不適用	Toys retailing 玩具零售

46. PARTICULARS OF SUBSIDIARIES (CONTINUED)

46. 附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place/Country of incorporation/ establishment and operations 註冊成立/成立/及 營運地點/國家	Attributable equity interest of the Company 本公司應佔 股本權益		Principal activities 主要業務
		2017 2017年	2016 2016年	
Held by subsidiaries of the Company: (continued) 本公司附屬公司持有：(續)				
Hamleys Toys (Nanjing) Co., Ltd ("Hamleys Najing") 哈姆雷斯玩具(南京)有限公司 (「哈姆雷斯南京」)	The PRC 中國	100%	100%	Toys retailing 玩具零售
Xuzhou Hamleys Toys Co., Ltd 徐州哈姆雷斯玩具有限公司	The PRC 中國	100%	N/A 不適用	Toys retailing 玩具零售
Hamleys Nordics	Denmark 丹麥	80%	80%	Investment holding 投資控股
Hamleys Finland Oy	Finland 芬蘭	80%	80%	Toys retailing 玩具零售
Hamleys Denmark ApS	Denmark 丹麥	80%	80%	Toys retailing 玩具零售
Hamleys Norway AS	Norway 挪威	80%	80%	Toys retailing 玩具零售
Hamleys Swenden AB	Sweden 瑞典	80%	80%	Toys retailing 玩具零售

Notes:

(1) wholly-foreign owned enterprise established in the PRC

(2) sino-foreign owned enterprise established in the PRC

None of the Company's subsidiaries had issued any debt securities at the end of the year.

At 31 December 2017, out of the total 30 subsidiaries (2016: 28), 22 subsidiaries (2016: 20) are wholly-owned by the Group. The remaining 8 subsidiaries (2016: 8) do not have material non-controlling interests.

附註：

(1) 於中國成立外商獨資企業

(2) 於中國成立之中外合資企業

於本年度末，本公司的附屬公司概無發行任何債務證券。

於2017年12月31日，合共30間(2016年：28間)附屬公司中，有22間(2016年：20間)附屬公司由本集團全資擁有。餘下8間(2016年：8間)附屬公司並無重大非控制性權益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

47. 本公司財務狀況表及儲備

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Assets	資產		
Non-current assets	非流動資產		
Investment in subsidiaries	於附屬公司之投資	1,274,245	1,274,245
Property, plant and equipment	物業、廠房及設備	5	9
Other intangible asset	其他無形資產	11,352	12,784
Amount due from a subsidiary	應收一間附屬公司款項	301,190	277,270
		1,586,792	1,564,308
Current assets	流動資產		
Dividends receivables from subsidiaries	應收附屬公司股息	127,786	127,786
Other receivables and prepayments	其他應收款項及預付款項	20,704	21,983
Amount due from subsidiaries	應收附屬公司款項	95,686	130,615
Bank balances and cash	銀行結餘及現金	13,646	20,018
		257,822	300,402
Assets classified as held for sale	分類為待售的資產	546,300	–
		804,122	300,402
Liabilities	負債		
Current liabilities	流動負債		
Other payables	其他應付款項	194,266	5,110
Amount due to subsidiaries	應付附屬公司款項	239,192	319,714
Borrowings	借貸	1,045,221	136,150
		1,478,679	460,974
Net current liabilities	流動(負債)資產淨值	(674,557)	(160,572)
Non-current liabilities	非流動負債		
Borrowings – due after one year	一年後到期的借貸	71,876	526,598
		71,876	526,598
Net assets	資產淨值	840,359	877,138
Capital and reserves	資本及儲備		
Share capital	股本	209,097	209,097
Reserves	儲備	631,262	668,041
Total equity	總權益	840,359	877,138

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

47. STATEMENT OF FINANCIAL POSITION
AND RESERVES OF THE COMPANY

47. 本公司財務狀況表及儲備(續)

(CONTINUED)

Movement in Company's reserves:

本公司之儲備變動

		Share premium	Shares held under the share award scheme 根據 購股權計劃 持有的股份	Share-based compensation reserve 以股份為基礎 的補償儲備	Accumulated profits	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2016	於2016年1月1日	654,477	(50,345)	–	58,303	662,435
Profit and total comprehensive income for the year	年內溢利及全面收益總額	–	–	–	13,661	13,661
Shares repurchased and cancelled	已購回及註銷的股份	(8,435)	–	–	–	(8,435)
Share purchased for the share award scheme	就購股權計劃購買的股份	–	(591)	–	–	(591)
Equity-settled share award scheme	以權益結算的股份獎勵計劃	–	–	971	–	971
Transfer of awarded shares upon vesting	歸屬時轉讓獎勵股份	–	950	(971)	21	–
At 31 December 2016	於2016年12月31日	646,042	(49,986)	–	71,985	668,041
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	–	–	–	(36,779)	(36,779)
At 31 December 2017	於2017年12月31日	646,042	(49,986)	–	35,206	631,262

Financial Summary

財務摘要

		2013	2014	2015	2016	2017
		2013年	2014年	2015年	2016年	2017年
		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
Financial results	財務業績					
Revenue	收益	2,430,007	2,820,738	3,045,805	3,206,562	3,063,524
Net profit attributable to equity holders of the Company	本公司權益持有人應佔純利	231,338	242,224	257,492	206,253	20,492
		2013	2014	2015	2016	2017
		2013年	2014年	2015年	2016年	2017年
		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
Balance sheet summary	資產負債表概要					
Total assets	資產總額	2,371,857	2,302,078	3,407,717	3,393,785	3,959,830
Total liabilities	負債總額	524,989	753,334	1,498,552	1,318,242	1,873,437
Total equity	權益總額	1,846,868	1,548,744	1,909,165	2,075,543	2,086,393



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