

An impressionistic painting of a woman in a vibrant blue dress, captured in a dynamic, slightly blurred pose. The background is a mix of soft, pastel colors like lavender and light blue, creating a dreamlike atmosphere. The woman's hair is styled in a bun, and she is wearing elegant high-heeled shoes. The overall style is expressive and artistic, with visible brushstrokes and a rich color palette.

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

Annual Report 2019 年度報告



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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, United Nude.

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鋪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United Nude。

SELF-DEVELOPED BRANDS

SELF-DEVELOPED BRANDS		自有品牌
	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.	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。
	is comparatively more youthful, colorful and energetic in its designs.	設計更年輕、更絢麗，更具活力。
	is the most casual in appearance, in line with its younger customer profile.	外觀最為休閒，符合年輕客戶的形象。
	offers a range of trendy and high-quality ladies footwear for most young female customers.	為年輕女性客戶提供一系列新潮優質女鞋。
	is a well-known fashion brand, offers fashion ladies footwear to be worn in important occasions.	是知名時尚品牌，提供重要場合穿著的時尚女鞋。
	is committed to comfort technology research for the creation of comfortable and fashionable footwear targeted at office ladies in China.	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。

LICENSED BRANDS

LICENSED BRANDS		授權品牌
	Its simple, elegant and creative style is no substitute.	簡約、優雅、極富創意的風格無可取代。



BOARD OF DIRECTORS

Executive Directors:

Mr. Chen Yixi (Chairman)
Mr. Zhao Wei (President)
(resigned on 29 November 2019)
Mr. Huo Li
Mr. Yuan Zhenhua
(President and Chief Financial Officer)
Mr. Wan Xianghua
(appointed on 29 November 2019)
Mr. Wu Weiming
(appointed on 29 November 2019)

Non-executive Director:

Mr. Miao Bingwen

Independent Non-executive Directors:

Mr. Kwong Wai Sun Wilson
Mr. Li Xindan
Mr. Zhang Zhiyong
(resigned on 23 July 2019)
Mr. Zheng Hongliang

AUTHORISED REPRESENTATIVES

Mr. Huo Li
Ms. So Lai Shan

AUDIT COMMITTEE

Mr. Kwong Wai Sun Wilson (Chairman)
Mr. Miao Bingwen
Mr. Li Xindan
Mr. Zhang Zhiyong
(resigned on 23 July 2019)
Mr. Zheng Hongliang

REMUNERATION COMMITTEE

Mr. Li Xindan (Chairman)
Mr. Miao Bingwen
Mr. Kwong Wai Sun Wilson
Mr. Zhang Zhiyong
(resigned on 23 July 2019)
Mr. Zheng Hongliang

NOMINATION COMMITTEE

Mr. Chen Yixi (Chairman)
Mr. Li Xindan
Mr. Kwong Wai Sun Wilson
Mr. Zhang Zhiyong
(resigned on 23 July 2019)
Mr. Zheng Hongliang

董事會

執行董事：

陳奕熙先生(董事長)
趙偉先生(總裁)
(於2019年11月29日辭任)
霍力先生
袁振華先生
(總裁兼首席財務官)
萬祥華先生
(於2019年11月29日獲委任)
吳維明先生
(於2019年11月29日獲委任)

非執行董事：

繆炳文先生

獨立非執行董事：

鄺偉信先生
李心丹先生
張志勇先生
(於2019年7月23日辭任)
鄭紅亮先生

授權代表

霍力先生
蘇麗珊女士

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
(於2019年7月23日辭任)
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
(於2019年7月23日辭任)
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
(於2019年7月23日辭任)
鄭紅亮先生



COMPANY SECRETARY

Ms. So Lai Shan

公司秘書

蘇麗珊女士

REGISTERED OFFICE

Victoria Place
5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

註冊辦事處

Victoria Place
5th Floor
31 Victoria Street
Hamilton HM10
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
夏慤道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

ZHONGHUI ANDA CPA Limited
Certified Public Accountants

核數師

中匯安達會計師事務所有限公司
執業會計師

SHARE REGISTRARS

Principal Share Registrar and Share Transfer Agent

Ocorian Management (Bermuda) Limited
Victoria Place
5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

股份過戶處

股份登記總處及股份過戶代理

Ocorian Management (Bermuda) Limited
Victoria Place
5th Floor
31 Victoria Street
Hamilton HM10
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
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
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	
		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
CONTINUING OPERATIONS	持續經營業務		
Revenue	收益	1,935,538	2,377,197
Gross profit	毛利	1,159,086	1,362,630
Loss before income tax	除所得稅前虧損	(90,567)	(50,996)
Income tax expenses	所得稅開支	(114,709)	(42,360)
Loss for the year from continuing operations	來自持續經營業務的年內虧損	(205,276)	(93,356)
DISCONTINUED OPERATION	已終止業務		
Loss for the year from discontinued operation	已終止業務的年內虧損	(102,159)	(290,898)
Loss for the year attributable to owners of the Company	本公司權益持有人應佔年內虧損：		
Loss from continuing operations	來自持續經營業務的虧損	(209,493)	(95,006)
Loss from discontinuing operations	來自已終止業務的虧損	(101,987)	(292,023)
		(311,480)	(387,029)
		%	%
Gross profit margin from continuing operations	來自持續經營業務之毛利率	59.9	57.3
Operating loss margin from continuing operations	來自持續經營業務的經營虧損率	(4.7)	(2.1)
Net loss margin attributable to owners of the Company from continuing operations	來自持續經營業務的本公司權益持有人應佔淨虧損	(10.8)	(4.0)
Loss per share	每股虧損		
Basic and diluted loss per share (RMB cents)	每股基本及攤薄虧損(人民幣分)		
– from continuing and discontinued operations	–來自持續經營及已終止業務	(15.11)	(18.81)
– from continuing operations	–來自持續經營業務	(10.16)	(4.62)
Bank balances and cash	銀行結餘及現金	401,057	314,216
Borrowings	借貸	–	303,183
		%	%
Liquidity ratio (Note 1)	流動資金比率(附註1)	411.3	204.9
Gearing ratio (Note 1)	資產負債率(附註1)	–	11.7
		Days	Days
		日數	日數
Average inventory turnover (Note 1)	平均存貨周轉期(附註1)	237.8	216.2
Average account receivable turnover (Note 2)	平均應收款項周轉期(附註2)	49.8	43.3
Average payable turnover (Note 2)	平均應付款項周轉期(附註2)	57.1	48.9

Note 1: Liquidity ratio = current assets/current liabilities; gearing ratio = total loans and borrowings/total assets

Note 2: Continuing operations and discontinued operations are included in the calculation of turnover period

附註1: 流動資金比率=流動資產/流動負債; 資產負債比率=總貸款及借貸餘額/資產總額

附註2: 周轉期計算包括持續經營業務與終止業務



Chairman's Statement

主席報告



Chen Yixi 陳奕熙
Chairman 主席

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

「實行全球品牌策略，建立智能的綜合零售平台。」

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 2019.

In 2019, global trade stagnated and was dragging down economic activity in almost all major economies. The intensified trade conflict between China and the United States that lasted almost 15 months came with a bilateral agreement in the first phrase of trade deal at the end of the year, whilst the World Trade Organization’s (“WTO”) dispute settlement mechanism was effectively disbanded – another sign of ongoing trade tension in the global goods market. Despite the slowest quarterly economic growth rate in nearly three decades was recorded, China’s economy saw resilience which was witnessed with strong domestic demand and consumption. Thanks to the “New Retail” era, China’s US\$1.94 trillion e-commerce is the largest in the world and more than three times that of the number two U.S. market.

The footwear industry in China has undergone another year of challenge: the influx of international brands, cross-border e-commerce, changing consumer behaviour, and shifting consumption models, among others. The Company has strived to mitigate part of the adversities of the modest market conditions with its branding, marketing and sales strategies. Whilst it takes time to realise the results of the efforts including the consolidation and refinements of retail channels and sales-driving strategies, the Company has been able to identify new market trends and opportunities arising from “New Retail”. Given the solid and robust foundation established over the years, the Company is well positioned to navigate the ambiguous market under change.

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2019年12月31日止年度的年度報告。

於2019年，全球貿易停滯不前，幾乎所有主要經濟體的經濟活動均受拖累。中美之間已持續接近15個月的貿易衝突加劇，至年底方簽署貿易協定第一階段的雙邊協議，而世界貿易組織（「世貿組織」）的爭端調解機制實際上已失去作用，此為全球商品市場貿易形勢持續緊張的另一跡象。儘管中國錄得近三十年來最低的季度經濟增長率，在強大的內需及消費支持下，其經濟有所復蘇。由於「新零售」時代的到來，中國價值1.94萬億美元的電子商務市場成為全球最大，且相當於位列第二之美國市場的三倍以上。

中國鞋履行業經歷了另一個頗具挑戰的年度：國際品牌的湧現、跨境電子商務、不斷變化的消費行為以及消費模式的轉變等。本公司透過其品牌、營銷及銷售策略，努力緩解平緩的市場環境中的部分不利因素。雖然整合及優化銷售渠道及促銷策略需要一定時間方能取得成果，本公司已能夠於「新零售」時代中找到新市場趨勢及機遇。憑藉多年來建立的堅實及穩固基礎，本公司得以在多變的市場中處於有利地位。

Chairman's Statement

主席報告

Over the past few years, the Company has engaged extensive effort in business development to achieve sustainable growth and divert market risks with the introduction of new footwear brands, extension of brand portfolio, enrichment of retail network, enhancement of online sales channels, and the establishment of joint venture business. The Company further push forward its strategy in forging an exceptional online and offline shopping experience for consumers in 2019 by integrating resources and streamlining operation across various business units, so as to enlarge our brand presence and boost our sales performance.

The year of 2019 also witnessed the emerging athleisure market and its potential, supported by wellness-minded consumers who are increasing in number, and the 400 million Chinese millennials who are willing to spend. The latter in particular are internet-savvy. Reaching young Chinese consumers requires a considered approach to e-commerce and to cultivate a rich and consistent brand image on different platforms.

Leveraging our market insight and established leadership in the footwear market in China, the Company is able to gain an edge by using the emergence of “New Retail” as an occasion to build a new consumer-centric model while at the same time refining operations that are more efficient.

At C.banner, we put customers at the heart of our operations, with full consideration of the end-to-end customer experience, from awareness to purchase to referral. We commit to embedding data and smart technology into our operations and across our organization for cross-function interconnection. The digital ecosystem that encompasses purchase, payment, delivery, and all the other customer touchpoints provides the opportunity to reach consumers whenever and wherever they are online. We will maximise our organizational structure to allow for seamless coordination among functions and between offline and online platforms and efficient cross-functional work on marketing, sales, consumer engagement and data analysis. New distribution channels will be explored to achieve market share increment. We are partnering with Aliyun of Alibaba Group in engineering our new IT system which, when launched soon, is expected to further realise the digitalization of business, enhance operational efficiency, and empower the Company's online business. “New Retail” is a work in progress, requiring us to constantly refine and reinvent ourselves for new occasions and opportunities, new formats and the steady flow of new ideas that will define retailing tomorrow.

過去數年，本公司在業務發展方面作出大量努力，透過引進新鞋履品牌、擴展品牌組合、豐富零售網絡、增強線上銷售渠道以及成立合營公司，以達致可持續增長及分散市場風險。本公司透過整合資源及精簡不同業務部門之間的運營，於2019年進一步推行其為消費者打造的獨特線上及線下購物體驗的策略，從而提升品牌知名度及促進銷售表現。

2019年亦是運動休閒市場興起的一年，越來越多消費者注意健康，且為數4億的中國千禧一代樂於消費，他們尤為精通網上購物，為這個市場帶來巨大潛力。要打入中國的年輕消費群體需要在電子商務上着力以及在不同的線上平台建立豐富及一致的品牌形象。

憑藉我們的市場洞察力及在中國鞋履市場已建立的領導地位，本公司能利用「新零售」時代的出現為契機建立新的以消費者為中心的模式，與此同時提高營運效率，從而獲得優勢。

在千百度，我們視客戶為運營的中心，從吸引顧客到選購到轉介，均充分考慮端對端客戶體驗。我們致力於將數據及智能技術嵌入我們的經營及組織做跨功能相互連接。數字生態系統涵蓋購買、付款、配送及所有其他客戶接觸點，能夠隨時隨地在線上接觸消費者。我們將最大程度利用組織架構，實現各種功能及線上線下平台之間的無縫協調，並在營銷、銷售、消費者參與及數據分析方面開展有效的跨功能工作。我們將探索新的分銷渠道以實現市場份額的增長。我們與阿里巴巴集團的阿里雲合作開發新的IT系統，並將於不久後推出，預期將實現業務數字化、提升經營效率及增強本公司的線上業務。我們正在進軍「新零售」時代，需要不斷完善自我，推陳出新，以迎合未來零售勢態的新場景、新機遇、新格局及源源不絕的新思潮。

Last year, we have completed the disposal of Hamleys business. The resources invested by the Company has been released, allowing us to refocus on our footwear business which has been our core strength since our inception. The disposal once again demonstrates our perennial commitment and our decisiveness in reassuring its leading position in the market. The successful re-centering of business will contribute to the Company's sustainable development, unleashing our potential and resources advantages.

Global economic growth is projected to soften in 2020, with financial market pressures and ongoing trade tensions impacting prospects for emerging markets and developing countries. Unstable geopolitical situation will persist. The outbreak of novel coronavirus has brought severe impact to the world and was under control in China with business and social activities resuming normal starting the second half of March. In spite of these continued headwinds, we see opportunities and remain cautiously positive on the outlook of the women's footwear industry.

On behalf of the Board, I would like to express sincerest gratitude to shareholders, business partners, management, staff and other stakeholders' invaluable support for our achievements in the past year. My sincere thanks to my fellow Board members for leading the Company through this challenging year. We will remain dedicated to maximizing returns to shareholders by exploring and grasping opportunities for further business development.

CHEN Yixi
Chairman

PRC, 27 March 2020

去年，我們已完成出售Hamleys業務。本公司投入的資源得到釋放，使我們得以重新專注於鞋履業務，繼續發揮這個自我們創立以來的核心優勢。是次出售再次顯示我們確保在鞋履市場保持領先地位的長期承諾及決心。成功回歸業務重心將有助於本公司的可持續發展，釋放我們的潛能及資源優勢。

預測2020年全球經濟增長將放緩，金融市場受壓及持續緊張的貿易形勢將影響新興市場及發展中國家的前景。地緣政治局勢將持續不穩。新型冠狀病毒的爆發對世界造成了嚴重影響，惟在中國得到了控制，自3月下旬開始商業和社會活動逐漸回復正常。儘管存在該等不利因素，我們於女士鞋履行業仍能發掘機遇，對其前景保持審慎樂觀。

本人謹代表董事會衷心感謝各位股東、業務夥伴、管理層、員工及其他利益相關者就我們於過去一年取得的成就給予寶貴的支持。本人衷心感謝董事會成員帶領本公司度過這充滿挑戰的一年。我們將繼續探索及把握進一步發展業務的機會，為股東帶來最大回報。

主席
陳奕熙

中國，2020年3月27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 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are set out in note 47 to the consolidated financial statements.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2019 is set out in the “Financial Highlights”, “Chairman’s Statement” and “Management Discussion and Analysis” on page 8, pages 10 to 13 and pages 31 to 45 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 10 to 13 and note 5 to the financial statements on pages 110 to 118 of this annual report. An analysis using financial key performance indicators can be found in the Financial Highlights on page 8 and Management Discussion and Analysis on pages 31 to 45 of this annual report.

The Group is 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.

董事會欣然呈列其報告連同本集團截至2019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47。

業務回顧

本集團截至2019年12月31日止年度之業務回顧分別載於本年報第8頁、第10至13頁及第31至45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10至13頁主席報告及第110至118頁財務報表附註5。使用財務主要表現指標的分析請參閱本年報第8頁財務摘要及第31至45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。

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group is mainly engaged in mid-to-premium ladies footwear brands and retail of toys in the PRC. For the year ended 31 December 2019, 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.

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-term 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 2019 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 2019 (2018: Nil).

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及玩具零售。於截至二零一九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。

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2019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2019年12月31日止年度建議宣派末期股息(2018年：無)。

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 23 June 2020 to Monday, 29 June 2020, 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 Monday, 29 June 2020. 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, 22 June 2020.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2019, the Group’s five largest suppliers accounted for 22.5% (2018: 21.7%) of the Group’s total purchases and the Group’s largest supplier accounted for 6.2% (2018: 5.9%) of the Group’s total purchases.

For the year ended 31 December 2019, the Group’s sale to its five largest customers accounted for 10.5% (2018: 8.8%) of the Group’s total sale and the Group’s largest customer accounted for 3.3% (2018: 2.5%) 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 2019.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2019 are set out in note 16 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 38 and note 41 to the consolidated financial statements.

暫停辦理股份過戶手續

本公司的股份過戶登記處將於2020年6月23日(星期二)至2020年6月29日(星期一)(包括首尾兩日)暫停辦理股份過戶手續，為釐定有權出席於2020年6月29日(星期一)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2020年6月22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分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。

主要客戶及供應商

截至2019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22.5%(2018年：21.7%)，而本集團最大供應商佔本集團購買總額之6.2%(2018年：5.9%)。

截至2019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10.5%(2018年：8.8%)，而本集團最大客戶佔本集團銷售總額之3.3%(2018年：2.5%)。

截至2019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2019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16。

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38及附註41。

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 2019, the Company's reserves available for distribution amounted to approximately RMB139.7 million (as at 31 December 2018: RMB227.2 million).

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*) (resigned on 29 November 2019)
Mr. Huo Li
Mr. Yuan Zhenhua (*President and Chief Financial Officer*)
Mr. Wan Xianghua (appointed on 29 November 2019)
Mr. Wu Weiming (appointed on 29 November 2019)

Non-executive Director:

Mr. Miao Bingwen

Independent non-executive Directors:

Mr. Kwong Wai Sun Wilson
Mr. Li Xindan
Mr. Zhang Zhiyong (resigned on 23 July 2019)
Mr. Zheng Hongliang

At the forthcoming annual general meeting of the Company, Mr. Yuan Zhenhua, Mr. Li Xindan and Mr. Zheng Hongliang will retire by rotation in accordance with Bye-law 99 of the bye-laws of the Company (the "Bye-laws"), and Mr. Wan Xianghua and Mr. Wu Weiming will retire in accordance with Bye-law 102(B) of the Bye-laws. All retiring Directors, being eligible, had offered themselves for re-election as Directors at the forthcoming annual general meeting.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on pages 63 to 66 of this annual report.

儲備

本集團年內儲備變動詳情載於綜合權益變動表。

於2019年12月31日，本公司可供分派儲備約為人民幣139.7百萬元(於2018年12月31日：人民幣227.2百萬元)。

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*) (於2019年11月29日辭任)
霍力先生
袁振華先生(*總裁兼首席財務官*)
萬祥華先生(於2019年11月29日獲委任)
吳維明先生(於2019年11月29日獲委任)

非執行董事：

繆炳文先生

獨立非執行董事：

鄺偉信先生
李心丹先生
張志勇先生(於2019年7月23日辭任)
鄭紅亮先生

於本公司應屆股東週年大會上，袁振華先生、李心丹先生及鄭紅亮先生將根據本公司細則(「細則」)第99條輪值退任，而萬祥華先生及吳維明先生將根據細則第102(B)條退任。所有退任董事均合資格並願意於應屆股東週年大會上重選連任。

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63至66頁。

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.

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 2019.

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 2019.

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.

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。

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2019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2019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。

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 13 to the consolidated financial statements.

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 2019, 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:

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13。

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2019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：

Report of the Directors

董事會報告

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	748,940,000 (long position) (好倉)	36.06%
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. Huo Li 霍力先生	Beneficial owner 實益擁有人	979,000 (long position) (好倉)	0.05%
Mr. Wan Xianghua 萬祥華先生	Beneficial owner 實益擁有人	529,000 (long position) (好倉)	0.03%
Mr. Wu Weiming 吳維明先生	Beneficial owner 實益擁有人	50,000 (long position) (好倉)	少於0.01%

Notes:

1. Mr. Chen Yixi is the beneficial owner of all the issued share capital of Hongguo International Group Limited (“Hongguo”) which held 748,940,000 shares of the Company in long position, among which Hongguo had charged 370,000,000 shares and 348,940,000 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.

Save as disclosed above, and as at 31 December 2019, 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 2019 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748,940,000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348,940,000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。

除上文所披露者外，於2019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2019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 2019, 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2019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 (Note 1) Hongguo (附註1)	Beneficial owner 實益擁有人	748,940,000 (long position) (好倉)	36.06%
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	380,000,000 (long position) (好倉)	18.30%
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	380,000,000 (long position) (好倉)	18.30%
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	380,000,000 (long position) (好倉)	18.30%
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	493,750,000 (long position) (好倉)	23.77%
		41,250,000 (short position) (淡倉)	1.99%
Timely Assets Global Limited (Note 3) Timely Assets Global Limited (附註3)	Person having a security interest in shares 對股份持有保證權益的人	370,000,000 (long position) (好倉)	17.81%
	Beneficial owner 實益擁有人	123,750,000 (long position) (好倉)	5.96%
		41,250,000 (short position) (淡倉)	1.99%

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
Arch Capital Group Ltd (Note 4) Arch Capital Group Ltd (附註4)	Interest in a controlled corporation 受控制法團權益	127,387,086 (long position) (好倉)	6.13%
ADM Galleus Fund II Limited (Notes 4 and 5) ADM Galleus Fund II Limited (附註4及5)	Interest in a controlled corporation 受控制法團權益	127,387,086 (long position) (好倉) (好倉)	6.13%
ADM Investment Management Limited (Note 6) ADM Investment Management Limited (附註6)	Interest in a controlled corporation 受控制法團權益	127,387,086 (long position) (好倉)	6.13%
UTAH Retirement Systems (Note 5) UTAH Retirement Systems (附註5)	Interest in a controlled corporation 受控制法團權益	127,387,086 (long position) (好倉)	6.13%
Utah State Retirement Investment Fund (Note 5) Utah State Retirement Investment Fund (附註5)	Interest in a controlled corporation 受控制法團權益	127,387,086 (long position) (好倉)	6.13%
Eight Dragons Investments Limited (Notes 4 and 5) Eight Dragons Investments Limited (附註4及5)	Person having a security interest in shares 對股份持有保證權益的人	127,387,086 (long position) (好倉)	6.13%
OCI International Holdings Limited (Note 7) OCI International Holdings Limited (附註7)	Person having a security interest in shares 對股份持有保證權益的人	131,000,000 (long position) (好倉)	6.31%

Notes:

附註：

- Hongguo had charged 370,000,000 shares and 348,940,000 shares in favour of Timely Assets Global Limited and Cheer Hope Holdings Limited, respectively.
- Cheer Hope Holdings Limited had a security interest in 380,000,000 shares of the Company. Central Huijin Investment Ltd. held 57.11% shareholding in China Construction Bank Corporation. China Construction Bank Corporation held 100% shareholding in CCB International Group Holdings Limited, which in turn held 100% shareholding in CCB Financial Holdings Limited. CCB Financial Holdings Limited held 100% shareholding in CCB International (Holdings) Limited, which in turn held 100% shareholding in CCBI Investments Limited. CCBI Investments Limited held 100% shareholding in Cheer Hope Holdings Limited. Therefore, the above entities were deemed to be interested in 380,000,000 shares of the Company, in which Cheer Hope Holdings Limited was interested.

- 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348,940,000股股份。
- Cheer Hope Holdings Limited於本公司380,000,000股股份中擁有保證權益。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380,000,000股股份中擁有權益。

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3. Timely Assets Global Limited had a security interest in 370,000,000 shares of the Company and was the beneficial owner of 123,750,000 shares of the Company in long position and 41,250,000 shares of the Company in short position. Timely Assets Global Limited was a wholly-owned subsidiary of China Huarong International Holdings Limited. China Huarong International Holdings Limited was owned as to 88.10% and 11.90% by Huarong Real Estate Co., Ltd. and Huarong Zhiyuan Investment & Management Co., Ltd. respectively, which were both wholly owned by China Huarong Asset Management Co., Ltd.. China Huarong Asset Management Co., Ltd. was owned as to 63.36% by Ministry of Finance of the People's Republic of China. Therefore, the above entities were deemed to be interested in 493,750,000 shares of the Company in long position and 41,250,000 shares of the Company in short position in which Timely Assets Global Limited was interested.
4. Eight Dragons Investments Limited had a security interest in 127,387,086 shares of the Company. Arch Capital Group Ltd held 100% shareholding in Arch Reinsurance Ltd. Arch Reinsurance Ltd held 43.70% shareholding in ADM Galleus Fund II Limited, which in turn held 74.95% shareholding in Eight Dragons Investments Limited. Therefore, the above entities were deemed to be interested in 127,387,086 shares of the Company, in which Eight Dragons Investments Limited was interested.
5. Eight Dragons Investments Limited had a security interest in 127,387,086 shares of the Company. UTAH Retirement Systems held 100% shareholding in Utah State Retirement Investment Fund. Utah State Retirement Investment Fund held 54.90% shareholding in ADM Galleus Fund II Limited, which in turn held 74.95% shareholding in Eight Dragons Investments Limited. Therefore, the above entities were deemed to be interested in 127,387,086 shares of the Company, in which Eight Dragons Investments Limited was interested.
6. Eight Dragons Investments Limited had a security interest in 127,387,086 shares of the Company. According to the notice of disclosure of interests dated 18 January 2018 submitted by ADM Investment Management Limited, it held 100% shareholding in ADM Galleus Fund II Limited, which in turn held 74.95% shareholding in Eight Dragons Investments Limited. Therefore, the above entities were deemed to be interested in 127,387,086 shares of the Company, in which Eight Dragons Investments Limited was interested.
7. OCI International Holdings Limited held 100% of OCI Capital (BVI) Limited, which in turn held 100% of OCI Capital Limited. OCI Capital Limited had a security interest in 131,000,000 shares of the Company. Therefore, OCI International Holdings Limited was deemed to be interested in the 131,000,000 shares of the Company, in which OCI Capital Limited was interested.
3. 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123,750,000股好倉股份及41,250,000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493,750,000股好倉股份及41,250,000股淡倉股份中擁有權益。
4. Eight Dragons Investments Limited於本公司127,387,086股股份中持有保證權益。Arch Capital Group Ltd持有Arch Reinsurance Ltd 100%的股權。Arch Reinsurance Ltd持有ADM Galleus Fund II Limited 43.70%的股權，而ADM Galleus Fund II Limited持有Eight Dragons Investments Limited 74.95%的股權。因此，上述公司被視作為於Eight Dragons Investments Limited擁有權益的本公司127,387,086股股份中擁有權益。
5. Eight Dragons Investments Limited於本公司127,387,086股股份中持有保證權益。UTAH Retirement Systems持有Utah State Retirement Investment Fund 100%的股權。Utah State Retirement Investment Fund持有ADM Galleus Fund II Limited 54.90%的股權，而ADM Galleus Fund II Limited持有Eight Dragons Investments Limited 74.95%的股權。因此，上述公司被視作為於Eight Dragons Investments Limited擁有權益的本公司127,387,086股股份中擁有權益。
6. Eight Dragons Investments Limited於本公司127,387,086股股份中持有保證權益。根據ADM Investment Management Limited呈交日期為2018年1月18日的權益披露通知，其持有ADM Galleus Fund II Limited 100%的股權，而ADM Galleus Fund II Limited持有Eight Dragons Investments Limited 74.95%的股權。因此，上述公司被視作為於Eight Dragons Investments Limited擁有權益的本公司127,387,086股股份中擁有權益。
7. 東建國際控股有限公司持有OCI Capital (BVI) Limited的全部股權，亦即持有OCI Capital Limited的全部股權。OCI Capital Limited於131,000,000股本公司股份中持有保證權益。因此東建國際控股有限公司被視為於在OCI Capital Limited擁有權益的本公司131,000,000股股份中擁有權益。

Save as disclosed above, as at 31 December 2019, 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 2019 (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 2019 are set out in note 46 to the consolidated financial statements. The Directors (including our independent non-executive Directors) believe that the related party transactions set out in the note 46 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 46 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2019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2019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2019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46。董事（包括獨立非執行董事）認為，綜合財務報表附註46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46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。

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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.

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.

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。

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。

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.

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.

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%。

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。

Report of the Directors

董事會報告

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 2019. 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 2019, the Company did not grant any awarded shares (2018: 3,726,000).

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2019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：不得超逾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2019年12月31日止年度，本公司沒有授出獎勵股份(2018年：3,726,000股)。

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 46 to 62 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46至62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 resigned as the auditor of the Company with effect from 11 July 2018. Grant Thornton Hong Kong Limited has been appointed as the auditor of the Company with effect from 25 July 2018 to fill the casual vacancy.

Grant Thornton Hong Kong Limited has resigned as the auditor of the Company with effect from 7 November 2019. ZHONGHUI ANDA CPA Limited has been appointed as the auditor of the Company with effect from 8 November 2019 to fill the casual vacancy.

ZHONGHUI ANDA CPA Limited 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 ZHONGHUI ANDA CPA Limited as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Mr. Chen Yixi
Chairman

PRC, 28 April 2020

核數師

德勤•關黃陳方會計師行於2018年7月11日起辭任本公司核數師，致同(香港)會計師事務所有限公司於2018年7月25日起獲委任為本公司核數師以填補空缺。

致同(香港)會計師事務所有限公司於2019年11月7日起辭任本公司核數師，中匯安達會計師事務所有限公司於2019年11月8日起獲委任為本公司核數師以填補空缺。

中匯安達會計師事務所有限公司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。重新聘任中匯安達會計師事務所有限公司為本公司核數師之決議案將於應屆股東週年大會上提呈。

代表董事會

主席
陳奕熙先生

中國，2020年4月28日

Management Discussion & Analysis

管理層討論及分析

BUSINESS OVERVIEW

In 2019, global growth recorded its weakest pace since the global financial crisis a decade ago. Rising trade barriers and associated uncertainty weighed on business sentiment and activity worldwide. The World Bank expected the global growth to recover to 2.5% in 2020 – up slightly from the post-crisis low of 2.4% registered in 2019 amid weakening trade and investment. Facing a complex external environment, the Chinese government has been undergoing economic and financial measures to stimulate domestic consumption which has become an important economic growth driver. This presented challenges and opportunities to the footwear industry. In response to the changing consumer behaviour and market trends, the Company has adopted a business diversification strategy to mitigate adverse effects while leveraging its brand and resource advantage to capture growth opportunities.

E-commerce has become an important growth accelerator for the economy. According to a study conducted by Shopify Plus, worldwide revenue for the e-commerce fashion industry is expected to rise to US\$712.9 billion by 2022. In China, the online retail sales of physical goods in the first eleven months of 2019 grew by 19.7% year-on-year, accounting for approximately 20% of the total retail sales of consumer goods. While China's 855 million digital consumers represent one of the biggest prizes for both global and domestic marketer, an increasingly crowded marketplace has led to fierce competition between brands. The rising sophistication of Chinese consumers is also requiring a digitally-fuelled strategy to capture the next wave of market growth. This may include a digitally-powered physical retail innovation to tap into omnichannel behaviour; monetizing social attention and engaging with consumers through direct-to-consumer channels; identifying the next pocket of customer growth in the lower-tier cities; fine-tuning the levers of consumer influence, the KOLs; and the use of data-enabled pricing, sales events, and promotions.

業務回顧

於 2019 年，全球經濟錄得自十年前全球金融危機以來的最低增長水平。不斷增加的貿易壁壘及不確定因素給全球商業環境及消費活動帶來壓力。世界銀行預測，在貿易及投資疲弱的環境下，2020 年全球經濟增長率回升至 2.5% – 僅略高於金融危機後在 2019 年錄得的低位 2.4%。面對複雜的外部環境，中國政府已採取經濟及財政措施刺激國內消費，使其成為經濟增長的重要動力。這為鞋履行業帶來挑戰及機遇。為應對不斷變化的消費行為及市場趨勢，本公司已採納多元化業務策略以緩解不利影響，同時憑藉其品牌及資源優勢抓住增長機遇。

電子商務已成為經濟增長的重要推動力。根據 Shopify Plus 的一項研究，預料到 2022 年，時尚產業電商的全球收益將上升至 7,129 億美元。在中國，於 2019 年首 11 個月，實體商品的線上零售額同比增長 19.7%，佔消費品總零售額約 20%。雖然中國線上消費市場人口達 8.55 億，成為全球及國內市場營銷人員最大目標之一，但日益擁擠的市場空間導致品牌之間的競爭更趨激烈。中國消費者日益成熟，亦需要通過數字技術策略助力把握下一波的市場增長。這包括以數字技術驅動的實體零售創新以打開全渠道零售市場；把社交媒體的關注變現及通過向消費者直銷的渠道與消費者接觸；發掘低線城市消費者增長的動力；利用關鍵意見領袖對消費者的影響力；以及使用數字化定價、營銷策劃及活動推廣。

Management Discussion & Analysis

管理層討論及分析

At the same time, the footwear market in China is seeing a shifting trend toward athleisure and sneakers which continue to grab higher consumers' attention than other categories. According to a recent research, the global athleisure market size was valued at US\$155.2 billion in 2018 and is expected to reach US\$257.1 billion by 2026, registering a CAGR of 6.7% from 2019 to 2026. While all segments within the footwear market are growing by more than 10% between 2018 and 2023, the athletic footwear segment shows the highest growth potential and is expected to increase by 46%, reaching US\$89 billion in 2023, according to another study. In China, revenue in this segment is expected to amount to US\$10.6 billion in 2020, and become the world's second-largest market after the United States, growing at a CAGR of 10% between 2020 and 2023. With streetwear and athleisure are steadily on the rise in China, many are putting their money towards one prized fashion accessory in particular: the sneaker. The 400 million Chinese millennials are set to constitute up to 69% of this market segment by 2021. Despite the current size and increasing importance of China's sports footwear and apparel retail market, China still lags behind other major developed economies in per capita annual consumption. The segment continues to show very promising potential.

Tapping into the Market

The Company strategically identified athleisure as a rising market trend early, and has been directing increased resources to tap into the promising market opportunity. Following years of high-speed growth, the high-tier footwear market in China has become mature and crowded with industry players. In view of the keen competition, the Company has adopted a development strategy that aims at lower-tier markets which have been growing at a considerable speed. Over the years, the Company has successfully established a sturdy reputation for quality products with innovative design. While the sophisticated consumers are becoming more concerned in cost-performance, the Company has adopted the strategy by shifting the focus to consumers with a more modest background but still has ample consumption power by offering products with an affordable and attractive price tag.

These measures were part of the swift response to the fast-changing market leveraging the Company's robust brand and national retail coverage advantage. The Company has successfully dodged substantial loss to the business amongst the complex macro environment. The nurturing of the growing consumer base will also empower the Company to generate high profits again once the consumer market has recovered from the economic slowdown.

同時，中國鞋履市場正轉向運動休閒及運動鞋發展，該等產品對消費者的吸引力高於其他產品類別。根據最近的一項研究，2018年全球運動休閒市場規模估值為1,552億美元，預計至2026年將達到2,571億美元，於2019年至2026年的複合年增長率為6.7%。另一項研究顯示，於2018年至2023年，鞋履市場的所有分部均增長逾10%，而運動鞋分部增長潛力最大，預計將增長46%，至2023年達890億美元。在中國，2020年該分部收益預期達至106億美元，成為僅次於美國的世界第二大市場，於2020年至2023年的複合年增長率為10%。隨著街頭服飾及運動休閒時尚在中國穩步上升，不少消費力投向其中一類高價的時尚飾品：運動鞋。到2021年，中國為數4億的千禧一代將佔該市場分部的69%。儘管目前中國運動鞋履及服飾零售市場的規模及重要性日益提高，中國的人均年消費額仍落後於其他主要發達經濟體，該分部繼續展現出龐大潛力。

進軍市場

本公司策略性地識別運動休閒市場處於上升的早期，並已投放更多資源以抓住這一前景看好的市場機遇。歷經多年高速增長，中國高端鞋履市場已趨於成熟及行業從業者眾多。有鑑於市場競爭激烈，本公司的發展策略轉向以一直快速增長的低線市場為目標。多年來，本公司以創新的產品設計，成功建立優良的信譽。在成熟消費者越來越關注性價比的同時，本公司採取策略，通過提供具有吸引力的價格，將重點轉移至擁有充足消費力的普羅消費者。

利用本公司的強大品牌及全國零售網絡優勢，該等措施能迅速回應急劇變化的市場。在複雜的宏觀環境下，本公司成功避免業務上的重大損失。一旦消費市場從經濟衰退中復甦，我們所培育的不斷壯大的消費群體亦將使本公司能再次創造高額溢利。

The Company continues to foster its industry leadership with a sophisticated and fashionable brand image. The longstanding reputation as a leading international integrated retailer and manufacturer of mid to high-end women's footwear in China is a valuable asset that lays a solid foundation for sustainable growth. It allows the Company to retain a trustworthy brand value among consumers in spite of adverse market conditions. The Company will continue to bring innovative footwear design to the market, keep up with trends and offer an edgy, fresh portfolio.

Re-centering Our Business to Reinforce Market Visibility

The Company has established market leadership in the women's footwear industry in China, contributed by the immense effort spent since its establishment. It has always been the Company's major business, the most valuable asset that led to our success. As part of the refocusing strategy, the Company decided to seek disposal of its toys business (Hamleys Global Holdings Limited) in late 2018, and the disposal has been completed as indicated in the announcement dated 16 July 2019.

Following the disposal, the resources invested by the Company in the Hamleys business has been released. The Company is a well-established and reputable retailer in the market, and it has re-focused on its self-developed brands, namely "C.banner", "EBLAN", "Sundance", "MIO", "BADGLEY MISCHKA" and "Naturesun". The Company is now standing in a stronger position to direct the resources in strengthening its core business of manufacturing and selling mid-to-premium women's footwear. It demonstrated the Company's unassailable and long-term commitment to its core business, as well as reassuring its leading position in the market. The disposal will also enable us to deploy the resources necessary for enhancing our role as OEM or ODM manufacturer for international shoe companies.

The Company intends to continue to operate the Hamleys stores that had opened in the PRC on a franchise basis, as agreed between the Company and the purchaser of the Hamleys business. After the disposal, the footwear business generated a revenue of RMB1,836.9 million, representing 85.1% of the Company's total revenue (including continuing operations and discontinued operations) during the year ended 31 December 2019, whilst the revenue on retail of toys contributed only 14.9% (RMB320.6 million) of the total revenue. The footwear business has again comprised the major contributor to the Company's principal business.

本公司繼續以先進及時尚的品牌形象鞏固其行業領導地位。作為中國領先的中高端女士鞋履零售商及製造商所累積的長期聲譽，是一項寶貴的資產，為可持續增長奠定堅實基礎。儘管存在不利市場條件，本公司仍然能夠在消費者中保持值得信賴的品牌價值。本公司將繼續為市場帶來創新的鞋履設計，緊貼潮流，提供前衛和令人耳目一新的產品組合。

重建業務重心以增強市場知名度

本公司自成立以來，經過不懈努力，在中國女士鞋履行業確立了市場領導地位。其一直是本公司的主要業務，帶領我們走向成功的最寶貴的資產。作為重新聚焦業務策略的一部分，本公司於 2018 年底決定出售玩具業務 (Hamleys Global Holdings Limited)，並如日期為 2019 年 7 月 16 日的公告所述已完成出售。

於出售後，本公司在 Hamleys 業務方面投資的資源已獲釋放。本公司在市場上是聲譽卓著的零售商，並已重新專注於自行開發的品牌，包括「千百度」、「伊伴」、「太陽舞」、「米奧」、「百吉利·米西卡」及「娜冉」。本公司現正處於一個更有利處境，以投放資源加強其製造及銷售中高端女士鞋履的核心業務。這證明了本公司對其核心業務堅定不移的長期承諾，以及重新確立在市場中的領導地位。該項出售亦將使我們能夠部署必要的資源，以加強我們作為國際鞋履公司原始設備製造商 (OEM) 或原始設計製造商 (ODM) 的角色。

如本公司與 Hamleys 業務的買家所協定，本公司擬繼續以特許經營方式經營在中國開設的 Hamleys 商店。於出售後，鞋履業務產生收益人民幣 1,836.9 百萬元，佔本公司於截至 2019 年 12 月 31 日止年度總收益 (包括持續經營業務及已終止業務) 的 85.1%，而玩具零售收益僅佔總收益的 14.9% (人民幣 320.6 百萬元)。鞋履業務再次成為本公司主營業務的主要貢獻者。

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As part of our business strategies, the Company will continue to optimise and expand its extensive shoes retail network with an effort of expanding e-commerce sales channels and realising growth through the seamless sales system. Increased operating capital will also allow the Company to allocate more resources in diverse sales and joint promotions to stimulate inventory turnover and boost sales revenue.

In the year under review, the Group recorded a net reduction of 203 proprietary shoes retail outlets and 48 third-party shoe retail outlets respectively. As at 31 December 2019, the Group operated a network of 1,214 proprietary retail outlets and 245 third-party retail outlets across China, maintaining a strong presence in 31 provinces, municipalities and autonomous regions. In response to the changing consumption mode and habit, the Group further optimised its retail networks comprising both online and offline stores. We strategically cooperated with retailers such as department stores, shopping malls and outlets of varying scale to increase market presence and coverage, and strived to enhance same store sales growth of each offline store whilst actively promoting online sales.

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

作為本公司業務策略的一部分，本公司將繼續優化及擴展其龐大的鞋業零售網絡，拓展電子商務銷售渠道，並透過線上線下銷售系統的無縫銜接，實現業務增長。增加營運資本亦將使本公司能在多元化銷售及聯合促銷中分配更多的資源，以刺激存貨周轉及增加銷售收益。

於回顧年度，本集團分別減少 203 間自營鞋履零售店及 48 間第三方鞋履零售店。於 2019 年 12 月 31 日，本集團在中國各地擁有由 1,214 間自營鞋履零售店及 245 間第三方鞋履零售店組成的網絡，並在 31 個省、市及自治區保持強大店舖實力。為適應不斷變化的消費模式及習慣，本集團進一步優化由線上及線下店舖組成的零售網絡。我們與不同規模的零售商，如百貨公司、購物中心及奧特萊斯開展策略性合作，以增加市場佔有率和覆蓋面，並致力提高每間線下店舖的同店銷售增長率，同時積極推廣線上銷售。

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		Licensed	Total	
		千百度		伊伴		太陽舞		米奧		百吉利米西卡		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	Proprietary outlets	Proprietary outlets		
Northeast	東北地區	93	20	45	5	4	16	10	-	2	2	197		
Beijing	北京地區	39	11	16	1	5	2	1	1	6	-	82		
Tianjin	天津地區	70	65	24	-	-	9	-	-	6	1	175		
Northwest	西北地區	68	49	28	5	-	-	32	1	5	-	188		
Central China	華中地區	30	8	2	-	1	5	-	1	-	-	47		
Eastern China	華東地區	152	22	61	1	9	43	1	2	33	1	325		
Zhejiang	浙江地區	71	-	12	-	2	6	-	-	7	-	98		
Shanghai	上海地區	54	-	12	-	-	7	-	2	16	1	92		
Southwest	西南地區	85	2	20	1	-	12	5	1	-	-	126		
Southern China	華南地區	92	6	10	-	-	14	-	1	4	2	129		
Total	總計	754	183	230	13	21	114	49	9	79	7	1,459		

Note:

- (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、新疆自治區及寧夏自治區；
- (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。

Enhancing E-commerce Presence to Drive O2O Business Development

Driven by digitalization, the development of the omnichannel and new customer requirements, trade, and retail have undergone profound changes in recent years. Using online resources to reach more consumers while providing a comprehensive offline experience will allow the Company to stand out from the competition in the industry.

增強電子商務覆蓋以帶動線上對線下業務發展

近年來，在數字化、全渠道的發展及新客戶需求的推動下，貿易及零售業態均發生深遠的變化。利用線上資源接觸更多的消費者的同時提供全面的線下體驗，將使本公司在行業競爭中脫穎而出。

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We adopt a forward-thinking approach to engage our customers and to integrate products into the overall customer experience—which includes not only shopping but learning about a product, using it and recommending it. With big data, multi-dimensional digital marketing can help increase the monetization rate of advertisements as well as the conversion rate of the online and offline merchants with the platforms. These will enable the Company to identify trends and continue to create products that speak to particular groups of consumers. Led by experienced management team, we are able to take advantage of retailing's new realities, and making those operations more efficient in the process. We will use real, comprehensive and timely understanding of consumers to optimise research and development, new design and the supply chains by adapting to shorter cycles while engaging with consumers directly in the product development process.

In the year under review, the Company continued to deploy resources in implementing creative online marketing strategies that is engaging and enhancing the overall consumption experience. The Company's official WeChat account, for example, is an effective and matured platform through which we speak to our customers directly with informative and interesting marketing messages such as the latest fashion trend, new product launch, and brand promotion feeds. The Company's online flagship stores on various popular E-commerce platforms are also generating a steady income for the Company.

The Company's extensive geographical network of retail outlets, comprising self-developed and licensed brand stores spreading across China's first, second and third-tier cities, give us a robust reach to customers offline. Integrated into the omnichannel, store renovations, VIP shopping schemes, sales promotions, outdoor advertisements, as well as product catalogues and brochures were among the tools to increase brand visibility, maintain consumer loyalty, and more importantly, enhance the shopping experience in the offline context.

Apart from optimizing the Company's online and offline retail channels, the Company also seeks out strategic cooperation opportunities with third party retailers in order to maximise its market share and presence.

All these new developments continue to shape the brand's DNA in innovation and resilience and reinforcing its core competitiveness. These will also enable our continued adjustment of the product portfolio in accordance with the changing market trends, and empower us to strive and excel amid challenge.

我們採用前瞻性思維的方法來吸引客戶，並將產品融入整體客戶體驗中—不僅包括購物，還包括瞭解產品、使用及推薦該產品。利用大數據、多維數字營銷提高廣告的變現率，以及線上及線下商家與平台之間的轉化率。該等發展將使本公司能識別趨勢並繼續創造出能夠吸引特定消費群體的產品。在經驗豐富的管理團隊的領導下，我們將利用零售業的新形勢所帶來的機會，使該等業務在轉型過程中更有效率。我們將利用對消費者的真實、全面及適時的瞭解，通過適應較短的產品週期，同時讓消費者直接參與產品開發過程來優化研發、新設計及供應鏈。

於回顧年度，本公司繼續投放資源實施具創意的線上營銷策略，以提升整體消費體驗。例如，本公司的官方微信帳號已成為一個有效及成熟的平台，我們可通過該平台直接向客戶傳達資訊及趣味兼備的營銷信息，比如最新時尚潮流、新產品發佈及品牌推廣資訊。本公司在各種流行電子商務平台上的線上旗艦店亦為本公司帶來穩定的收入。

本公司的零售店網絡廣佈各地，包括自主開發及授權品牌店舖遍佈中國的一線、二線及三線城市，使我們能接觸大量線下客戶。整合至全渠道、店舖裝修、VIP 購物計劃、銷售推廣、戶外廣告，以及產品目錄及小冊子，成為我們提高品牌知名度、保持消費者忠誠度的工具，而更重要的是可以提升線下購物體驗。

除優化本公司的線上及線下零售渠道，本公司亦尋求與第三方零售商的戰略合作機會，以盡量擴大其市場份額及地位。

所有該等新發展舉措繼續塑造品牌在創新及韌性方面的 DNA，並加強其核心競爭力。該等措施亦有助於我們根據不斷變化的市場趨勢，持續調整產品組合，並使我們能夠在挑戰中奮力向前。

FINANCIAL REVIEW

For the year ended 31 December 2019, the Group's total revenue decreased by 26.2% to RMB2,157.5 million, compared to the same period of last year. Gross profit from continuing operations decreased by 14.9% to RMB1,159.1 million. (Loss)/profit for the year from continuing operations recorded a loss of RMB205.3 million, compared to a loss of RMB93.4 million in the same period of last year.

Revenue

For the year ended 31 December 2019, the Group's total revenue decreased by 26.2% to RMB2,157.5 million, compared to RMB2,923.7 million for the same period of last year.

The Group's revenue from continuing operations decreased by 18.6% to RMB1,935.5 million as compared to the same period of last year.

The Group's revenue mix comprises income from retail and wholesale of shoes ("Retail and Wholesale"), contract manufacturing of shoes ("Contract Manufacturing") and retail of toys. For the year ended 31 December 2019, revenue from retail of toys amounted to RMB320.6 million. The revenue distribution of Retail and Wholesale, Contract Manufacturing and retail of toys is set out as follows:

財務回顧

截至2019年12月31日止年度，本集團的總收益為人民幣2,157.5百萬元，較去年同期下降26.2%。來自持續經營業務的毛利減少14.9%至人民幣1,159.1百萬元。本年度持續經營業務(虧損)/溢利錄得虧損人民幣205.3百萬元，而去年同期則為虧損人民幣93.4百萬元。

收益

截至2019年12月31日止年度，本集團的總收益為人民幣2,157.5百萬元，較去年同期的人民幣2,923.7百萬元減少26.2%。

本集團來自持續經營業務的收益較去年同期減少18.6%至人民幣1,935.5百萬元。

本集團的收益組合包括來自零售和批發鞋履(「零售及批發業務」)、合約生產鞋履(「合約生產業務」)及玩具零售業務的收入。截至2019年12月31日止年度，玩具零售收益為人民幣320.6百萬元。零售及批發業務、合約生產業務及玩具零售業務的收益分佈情況如下：

		For the year ended 31 December 截至12月31日止年度				
		2019		2018		
		RMB ('000)	% of Total Revenue 佔總收益	RMB ('000)	% of Total Revenue 佔總收益	% Growth 增長百分比
		人民幣千元	百分比	人民幣千元	百分比	
Retail and Wholesale	零售及批發業務	1,625,685	75.3	2,048,973	70.1	-20.7
Contract Manufacturing	合約生產業務	211,226	9.8	229,104	7.8	-7.8
Retail of Toys	玩具零售業務	320,618	14.9	645,582	22.1	-50.3
Total	總計	2,157,529	100	2,923,659	100	-26.2

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The decrease in Retail and Wholesale 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 is mainly attributable to the reorganisation of the Group's OEM production lines; the decrease in retail of toys is mainly due to the disposal of the overseas business of Hamleys in July 2019.

Profitability

For the year ended 31 December 2019, the gross profit from continuing operations decreased by 14.9% to RMB1,159.1 million, the gross profit margin was 59.9%, an increase of 2.6 percentage points from 57.3% in last year.

For the year ended 31 December 2019, distribution and selling expenses from continuing operations reached RMB1,033.5 million, a decrease of 19.5%, compared to expenses of RMB1,283.1 million last year. Distribution and selling expenses from continuing operations accounted for 53.4% of revenue from continuing operations, compared to 54.0% in last year.

For the year ended 31 December 2019, administrative and general expenses from continuing operations amounted to RMB147.7 million, a increase of RMB39.9 million compared to the same period of last year. Administrative and general expenses accounted for 7.6% of revenue from continuing operations, compared to 4.5% in last year.

For the year ended 31 December 2019, the Group's other income and expenses and other gains and losses from continuing operations recorded a net loss of RMB45.8 million as compared to a net profit of RMB34.6 million last year. Other income and expenses and other gains and losses mainly included impairment of property, plant and equipment and other intangible assets, government subsidies, interest income on bank deposits and net foreign exchange gain. The decrease was mainly attributable to the impairment of property, plant and equipment and other intangible assets.

For the year ended 31 December 2019, the Group recorded finance costs of RMB19.6 million, compared to RMB51.8 million last year. The decrease was mainly attributable to the decrease in bank borrowings.

零售及批發業務收益的下降主要是由於鞋履同店銷售較去年同期下降以及關閉低效鞋履店舖；合約生產業務收益的減少主要是由於本集團的OEM生產線進行重組；玩具零售業務收益的減少主要是歸因於在2019年7月Hamleys境外業務的出售。

盈利能力

截至2019年12月31日止年度，持續經營業務的毛利減少14.9%至人民幣1,159.1百萬元，毛利率為59.9%，較去年的57.3%增加2.6個百分點。

截至2019年12月31日止年度，來自持續經營業務的分銷和銷售開支為人民幣1,033.5百萬元，較去年的開支人民幣1,283.1百萬元減少19.5%。來自持續經營業務的分銷和銷售開支佔來自持續經營業務收益的53.4%，而去年則為54.0%。

截至2019年12月31日止年度，來自持續經營業務的行政及一般開支為人民幣147.7百萬元，較去年同期增加人民幣39.9百萬元。行政和一般開支佔來自持續經營業務收益的7.6%，去年為4.5%。

截至2019年12月31日止年度，本集團來自持續經營業務的其他收入及開支以及其他收益及虧損錄得淨虧損人民幣45.8百萬元，而去年則為淨溢利人民幣34.6百萬元。其他收入及開支以及其他收益及虧損主要包括物業、機器及設備及其他無形資產的減值、政府補貼、銀行存款利息收入及匯兌收益淨額。該減少主要歸因於物業、機器及設備及其他無形資產的減值。

截至2019年12月31日止年度，本集團財務成本為人民幣19.6百萬元，去年為人民幣51.8百萬元。該減少的主要原因是銀行借貸減少。

For the year ended 31 December 2019, the Group's income tax expense from continuing operations increased by RMB72.3 million to RMB114.7 million, compared to an expense of RMB42.4 million last year. The increase was mostly attributable to the charge-back of deferred tax.

For the year ended 31 December 2019, the Group recorded loss attributable to owners of the Company of RMB209.5 million from continuing operations, as compared to approximately RMB95.0 million recorded in 2018.

Liquidity, Financial Resources and Capital Structure

During the year, the Group adopted prudent treasury policies in managing cash resources and bank borrowings. As at 31 December 2019, the Group had cash and cash equivalents of RMB401.1 million (2018: RMB314.2 million). The total bank borrowings of the Group as at 31 December 2019 were RMB0 (2018: RMB303.2 million).

According to the Group's current level of cash balances, working resources and banking facilities, the Board is confident that the Group has sufficient resources to meet its future business expansion.

Gearing ratio

The Group's gearing ratio, computed by dividing total loans and borrowings by total assets, was 0.0% as at 31 December 2019 compared with 11.7% as at 31 December 2018.

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 Renminbi, Hong Kong dollars, GBP and U.S. dollars. As of 31 December 2019, the Group had no bank borrowings denominated in foreign currency.

截至 2019 年 12 月 31 日止年度，本集團來自持續經營業務的所得稅開支為人民幣 114.7 百萬元，較去年的開支人民幣 42.4 百萬元增加人民幣 72.3 百萬元。該增長主要歸因於遞延稅項的轉回。

截至 2019 年 12 月 31 日止年度，本集團來自持續經營業務的本公司擁有人應佔虧損為人民幣 209.5 百萬元，而 2018 年則錄得約人民幣 95.0 百萬元。

流動資金、財務資源及資本架構

於本年內，本集團採用審慎的庫務政策管理現金資源及銀行借貸。於 2019 年 12 月 31 日，本集團之現金及現金等價物為人民幣 401.1 百萬元(2018 年：人民幣 314.2 百萬元)；本集團於 2019 年 12 月 31 日之銀行借貸總額為人民幣 0 元(2018 年：人民幣 303.2 百萬元)。

以目前本集團之現金結餘、營運資金及可使用之銀行信貸額之水平，董事會相信本集團擁有足夠資金以應付未來業務發展之需要。

資產負債比率

於 2019 年 12 月 31 日，本集團資產負債比率(按總貸款及借貸額除以總資產計算)為 0.0%，而於 2018 年 12 月 31 日則為 11.7%。

資本架構

本集團的營運主要透過股東權益、本集團可用的銀行融資及內部資源撥付資金。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。本集團的貸款以及現金及現金等價物主要以人民幣、港元、英鎊和美元計值。截至 2019 年 12 月 31 日，本集團並無以外幣計值的銀行借貸。

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Pledge of Asset

As of 31 December 2019, bills payables of RMB20,000,000 were pledged by bank deposits of RMB20,000,000.

Contingent Liabilities

The Group did not have any substantial or contingent liabilities as of 31 December 2019.

Foreign Exchange Risk Management

The Group's sales are mainly denominated in RMB, while its Contract Manufacturing is mainly denominated in USD and its retail of toys is mainly denominated in GBP. The Contract Manufacturing accounted for 9.8% of total revenue, while the retail of toys accounted for 14.9% 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 2019, the Group recorded a RMB1.1 million gain from currency exchange, compared to a RMB1.8 million loss last year. The Group did not hold any derivative instruments for hedging against foreign exchange risk.

Human Resources

As of 31 December 2019, the Group had 7,459 employees (31 December 2018: 9,268 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 Directors do not recommend the payment of final dividend for the year ended 31 December 2019 (2018: nil).

資產質押

截至 2019 年 12 月 31 日，應付票據人民幣 20,000,000 元以銀行存款人民幣 20,000,000 元作抵押。

或然負債

於 2019 年 12 月 31 日，本集團並無任何重大或然負債。

匯兌風險管理

本集團之銷售主要以人民幣計值，而合約生產業務則主要以美元計值，玩具零售業務主要以英鎊計值。合約生產業務佔收益總額的 9.8%，而玩具零售業務佔收益總額的 14.9%。儘管如此，董事會將繼續密切關注匯率對我們業務的影響，並於必要時採取適當措施以減輕影響。

截至 2019 年 12 月 31 日止年度，本集團錄得匯兌收益人民幣 1.1 百萬元，去年則為虧損人民幣 1.8 百萬元。本集團並無持有任何衍生工具以對沖外匯風險。

人力資源

截至 2019 年 12 月 31 日，本集團有 7,459 名僱員(2018 年 12 月 31 日：9,268 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的工作表現向合資格僱員發放酌情花紅。

股息

董事並無就截至 2019 年 12 月 31 日止年度建議宣派末期股息(2018 年：無)。

Events After the Reporting Period

After the outbreak of novel coronavirus in mainland China, the Chinese government decisively adopted joint prevention, control and isolation measures. The suspension of business and work and shutdowns in multiple cities across China has had a huge impact on production and the daily lives and consumption of citizens. Thanks to the joint efforts of the government and the people, the epidemic in the Mainland was brought under control in early March. Companies began to resume business with social activities gradually returning to normal, and the stores of the Group also resumed full operation. However, the epidemic began to spread worldwide at the same time. Affected by the epidemic, some customers canceled their orders in the Group's factory in Dongguan City, Guangdong. The overall business outlook of the Group for 2020 is put to the test.

As at the date of this announcement, the Group has been working to assess the financial impact of the epidemic on the 2020 consolidated financial statements. The Group will continue to pay close attention to the epidemic situation and related developments and take timely measures to reduce the impact on the Group's operations.

In addition, on 20 January 2020, the Company completed the acquisition of 28% equity interest in Mega Brilliant International Limited ("Mega Brilliant") from the sellers at total consideration of approximately RMB59.7 million, after which the Company indirectly holds 79% of the issued share capital of Mega Brilliant.

Outlook

Looking ahead to 2020, the global economy is still facing various uncertain factors. The signing of the first phase of a trade agreement between China and the United States is giving ease to the trade conflict, but the world's economy lacks a strong driving force to grow. At home in China, the economy is undergoing a structural transformation that will bring along both change and opportunity.

Since its inception, the footwear business has always been the Company's core business and strength. This gives us a robust advantage to minimise business risks with our strategy of refocusing on its footwear operation and latching onto new growth engines, aiming at generating new values from existing resources.

報告期後事項

中國內地爆發新型冠狀病毒疫情後，中國政府果斷採取聯防聯控隔離措施，全國多個城市停工，對企業生產與市民生活和消費帶來巨大影響。在政府和人民的努力下，內地疫情在三月初得到控制，企業陸續復工，社會活動逐漸回復正常，本集團的店舖也全面恢復營業，惟同時疫情開始在全球蔓延，受到疫情衝擊，本集團位於廣東省東莞市的工廠出現部份客戶取消訂單，令本集團 2020 年的總體業務展望面臨考驗。

截至本公告日期，本集團正著力評估新型冠狀病毒疫情對 2020 年度綜合財務報表所帶來的財務影響。本集團將繼續密切關注疫情和相關發展，適時採取應對措施，以減低對本集團運營所帶來的影響。

此外，於 2020 年 1 月 20 日，本公司完成向賣方收購 Mega Brilliant International Limited (「Mega Brilliant」) 28% 的股權，總代價約為人民幣 59.7 百萬元，其後本公司間接持有 Mega Brilliant 的 79% 已發行股本。

前景

展望 2020 年，全球經濟仍面對各種不確定因素。中美貿易協定第一階段的簽署緩解了兩國的貿易衝突，但世界經濟仍缺乏強勁增長動力。在中國國內，經濟正在經歷結構性轉型，這將帶來變革及機遇。

自本公司成立以來，鞋履業務一直是我們的核心業務及實力所在。這為我們提供了強大的優勢，使我們在重新聚焦於鞋履業務及抓住新增長動力的同時，能夠降低業務風險，從現有資源中發掘新的價值。

Management Discussion & Analysis

管理層討論及分析

Over the years, the Company has established an image of premium product. Our ability to deliver exceptional consumption experience through a comprehensive and complementary online and offline retail network is a core strength for it to course through the challenging market environment. We will leverage the online-offline synergy to maximise the potentials of its online business and direct online traffic to offline stores, meanwhile converting offline shoppers into online buying force, in order to accelerate growth and boost sales.

Marketing efforts will also be devoted to both online and offline communication channels to enhance brand visibility and awareness. We will employ a robust in-store display strategy to generate a strong desire to buy, in a more consumer-centric way so that products will be set up to please consumers helping them make purchasing decisions quickly. A more personalised consumption experience to consumers will help maintain customer loyalty.

Today the fashion and footwear industries have become more data-driven than ever. We are partnering with Aliyun of Alibaba Group in revamping an all-new IT system that will unify and centralise the data generated and collected across different departments and functions. This system, expected to launch soon, is redesigned to comprise eight major centres and built with Aliyun's most advanced technology architecture. It signifies our unwavering effort in elevating the efficiency of an omnichannel operation and the strategy in keeping ourselves abreast of the latest technology advantage that further empowers the digitalization of our operation and competitiveness differentiation.

In the future, the Company will continue to build its global brand image through the implementation of various branding strategies, retail network expansion, implementation of marketing strategies, and operation efficiency enhancements to sail through adverse market conditions.

多年來，本公司已樹立優質產品的形象。我們能夠通過綜合及互補的線上及線下零售網絡，提供獨特的消費體驗，此為我們應對充滿挑戰的市場環境的核心優勢。我們將充分利用線上線下的協同效應，充分發揮其線上業務的潛力將線上流量引導至線下店舖，同時將線下購物者轉化為線上購買力，以加快增長及促進銷售。

營銷工作亦將致力於線上及線下溝通渠道的提升，以提高品牌形象及知名度。我們將採用更具活力的店內陳設策略，以消費者為中心，觸發顧客的購買欲望，從而讓消費者迅速作出購買決定。我們為消費者營造更加個性化的消費體驗，將有助於維持客戶忠誠度。

現今的時尚及鞋履行業比以往任何時候都更以數據為導向。我們與阿里巴巴集團的阿里雲合作，改造一個全新的 IT 系統，統一及集中不同部門及職能之間所產生及收集的數據，預期將於不久後投入使用。該系統經重新設計後包括八個主要中心，並採用阿里雲最先進的技術架構建立。這標誌著我們在提高全渠道運營效率方面所作出的不懈努力，亦展示我們緊隨最新技術優勢的戰略，進一步加強我們的運營數字化及競爭力差異化。

展望未來，本公司將繼續通過實施各種品牌策略、拓展零售網絡、實施市場營銷策略、提高營運效率等措施建立全球品牌形象，以戰勝不利的市場環境。

The Company's global branding strategy is diligently crafted to increase its brand popularity in both Greater China and overseas markets. It will pave the way for the Company to continue to explore new potential licensed brands and further extend our product offering. Introducing new distribution channels to achieve horizontal expansion and market share increment, as well as new partnerships and product launch, will allow the Company to maximise its market share in the industry. Further optimization of offline sales and distribution network to enhance individual store efficiency and shopping experience, as well as actively developing its online business and platforms will continue to drive the Company's sales performance.

The disposal of the Hamleys overseas business demonstrated the Company's perennial commitment in our core footwear business. Now we are refocused, and more determined than ever to withstand adverse environment and challenge and continue to foster our market leadership with market insights and extensive experience in supply chain management. The Company will continue to explore new growth drivers that can unleash our resources advantage and potential, leading us to a new page in the women's footwear industry.

ADDITIONAL INFORMATION RELATING TO THE QUALIFIED OPINION

The auditors of the Company, Zhonghui Anda CPA Limited ("Zhonghui", also known as the "Auditor"), issued a qualified opinion in relation to (i) the opening balances of the Disposal Group disposed during the year ended 31 December 2019 and the loss for the year from discontinued operation; and (ii) the net carrying values of the Group's Toys Assets at 31 December 2018 (collectively, the Audit Qualification) in the independent auditors' report relating to the audit of the consolidated financial statements of the Group for the year ended 31 December 2019. In view of the qualified opinion, the Board would like to provide the following additional information:

本公司精心打造的全球品牌策略，目的是以提高其在大中華區及海外市場的品牌知名度。這將為本公司繼續尋找具潛力的新授權品牌及進一步擴大我們的產品供應鋪平道路。引入新的分銷渠道以實現橫向擴張及市場份額的增長，以及物色新的合作夥伴及推出產品，將使本公司得以盡量提高其在行業中的市場份額。進一步優化線下銷售及分銷網絡以提高單店效率及購物體驗，以及積極發展線上業務及平台，將繼續推動本公司的銷售業績。

出售 Hamleys 境外業務顯示本公司在核心鞋履業務作出的長期承諾。我們現已重新聚焦業務重心，比以往任何時候更堅定地克服不利的環境及挑戰，並繼續以敏銳的市場洞察力及豐富的供應鏈管理經驗來鞏固我們在市場的領導地位。本公司將繼續探索新的增長動力，從而釋放我們的資源優勢及潛力，領導我們在女士鞋履行業寫下新篇章。

有關保留意見的額外資料

本公司核數師中匯安達會計師事務所有限公司（「中匯」，又稱「核數師」）就(i)於截至2019年12月31日止年度出售集團的期初結餘及來自自己終止經營業務的年內虧損；及(ii)有關本集團截至2019年12月31日止年度的綜合財務報表的審核的獨立核數師報告中於2018年12月31日本集團玩具資產的賬面淨值（統稱審核保留意見）發出保留意見。鑒於該保留意見，董事會將提供以下額外資料：

Management Discussion & Analysis

管理層討論及分析

(i) While Zhonghui was being appointed as the successor auditor on 8 November 2019, the transaction concerning Hamleys Global Holdings Limited and its subsidiaries (collectively, the “Disposal Group”) was completed on 16 July 2019 (the “Completion Date”). Accordingly, the entire audit work of the Disposal Group as at 31 December 2018 was being performed by the predecessor auditor. Subsequently, the management had made their very best effort to arrange an audit on the Disposal Group. Yet, without any further business control to the Disposal Group, any audit arrangement subsequent to the completion of the disposal was being rejected. Meanwhile, the Company did not retain any business record of the Disposal Group after completion of the said transaction. Accordingly, the successor auditor Zhonghui was unable to perform any audit work on the opening balances concerning the Disposal Group. Also, Zhonghui was unable to conduct a physical review on predecessor auditor’s work during their normal course of audit.

The toys business operating in China (the “Toys Business”) has been incurring losses continuously for several financial years. With an aim to narrow down the recurring losses, as well as performing impairment test of relevant Toys Business assets for financial reporting purposes; the management has prepared a budget/financial forecast for the Toys Business as at 31 December 2018. However, owing to the dynamic business environment, the difficulty for management to accurately prepare a reliable budget/financial forecast for the Toys Business was enormous. The evidence provided to the Auditor was not sufficient to enable the Auditor to check the assumption of the forecast and justify the forecast was reasonable.

Business results of the Toys Business were largely deviated from the budget/financial forecast for the year ended 31 December 2019. The magnitude of negative variances severely affected the reliability of the budget/financial forecast in previous accounting year. In this regard, Zhonghui considered relevant audit evidence to be insufficient to satisfy themselves on the recoverability of the assets of the Toys Business thereto as at 31 December 2018.

(i) 中匯於2019年11月8日獲委任為繼任核數師時，有關Hamleys Global Holdings Limited及其附屬公司(統稱為「出售集團」)之交易已於2019年7月16日(「完成日期」)完成。因此，出售集團截至2018年12月31日的全部審計工作均由前任核數師進行。其後，管理層已盡力為出售集團安排核數工作。然而，由於對出售集團並無任何進一步的業務控制，出售完成後的任何審核安排均被拒絕。同時，本公司於上述交易完成後並無保留出售集團的任何業務記錄。因此，接任核數師中匯未能就出售集團的期初結餘進行任何審核工作。此外，中匯亦未能在其正常審計過程中對前任核數師的工作進行實際審閱。

在中國經營的玩具業務(「玩具業務」)於連續數個財政年度錄得虧損。為減少經常性虧損及就財務報告目的進行相關玩具業務資產減值測試；管理層編製了一份截至2018年12月31日玩具業務的預算／財務預測。然而，由於營商環境非常活躍，管理層難以準確編製可靠的玩具業務預算／財務預測。向核數師提供的證據不足以讓核數師核對預測的假設並證明預測是否合理。

截至2019年12月31日止年度，玩具業務的業務業績大體上偏離預算／財務預測。負增長幅度嚴重影響上一個會計年度預算／財政預測的可靠性。就此而言，中匯認為相關審計證據不足以令其滿足其於2018年12月31日的玩具業務資產的可收回性。

- (ii) The management believes that the consolidated financial statements audited by the predecessor auditor for the year ended 31 December 2018 is true and trustworthy. While Zhonghui performed usual audit procedures on the opening balances in accordance with relevant auditing standards, the Company was unable to facilitate this further given the business circumstances mentioned above. Accordingly, as successor auditor, Zhonghui could not express their opinion. However, it is worth mentioning that the Company still planned to continue the Toy Business by the year ended 31 December 2018. For example, the Company introduced a cost effective expansion plan via franchising. Other business initiatives included the recruitment of a franchisee to ensure the business model is feasible. It was not until the financial year ended 31 December 2019 that the Company realized her own limitations arising from the market environment and self-capabilities. At last, the Company decided to sell the Disposal Group and modified the franchising arrangements entered into, which finally resulted in a big gap against the expectation by the end of 31 December 2018.
- (iii) With regards to the Audit Qualification, the audit committee communicated with Zhonghui in detail during a meeting on 28 April 2020. The audit committee also reported the situation to the Board during the board meeting on the same date. The audit committee and the Company both agreed that this matter is non-recurring. Neither the Company's corporate governance, nor impartiality of the Board and management, were impaired.
- (iv) The transaction of the Disposal Group was completed on 16 July 2019. Regarding the Toy Business, sufficient amount of impairment was recognized during the year ended 31 December 2019. Therefore, the management foresees that the financial impact to the next financial year will be minimal. Technically speaking, the assets and liabilities of the Group as at 31 December 2019 are fairly stated. For the year ending 31 December 2020, in a maximum exposure basis, the Auditor will only issue qualified opinions on respective comparative figures. The Company does not anticipate any qualifications in respect of the Disposal Group and relevant Toys Assets for the year ending 31 December 2021.
- (v) The Company noticed that there were formal and proper communications between the predecessor auditor and successor auditor during the transition. As of today, the Company is not aware of any objections raised by the predecessor auditor in relation to the Audit Qualification.
- (ii) 管理層相信，經前任核數師審核的截至2018年12月31日止年度的綜合財務報表乃真實及可信賴。中匯按照相關審計準則對期初結餘進行了常規的審計程序，但鑒於上述的業務情況，本公司無法進一步促進該工作。因此，中匯作為繼任核數師不能發表意見。然而，值得一提的是，該公司仍計劃於截至2018年12月31日止年度之前繼續經營玩具業務。例如，該公司透過特許經營計劃，推行具成本效益的擴展計劃。其他業務計劃，包括招聘專營公司，以確保有關的商業模式是可行的。直至截至2019年12月31日止財政年度，本公司才意識到其因市場環境及自能力而產生的限制。最後，本公司決定出售出售集團，並修改已簽訂的特許經營安排，最終導致與2018年12月31日末的預期存在較大差距。
- (iii) 關於審核保留意見，審核委員會於2020年4月28日的會議上與中匯詳細溝通。審核委員會亦於同日董事會會議上向董事會匯報有關情況。審核委員會及本公司均同意此事項屬非經常性。本公司的企業管治、董事會及管理層的公正性均無受損。
- (iv) 出售集團之交易已於2019年7月16日完成。就玩具業務而言，於截至2019年12月31日止年度已確認足夠的減值金額。因此，管理層預期，對下一個財政年度的財政影響將會為極微。技術上，本集團於2019年12月31日的資產及負債乃公平呈列。截至2020年12月31日止年度，在最高風險的基礎上，核數師只會就相關比較數字發表保留意見。本公司預期截至2021年12月31日止年度並無就出售集團及相關玩具資產作出任何保留意見。
- (v) 本公司注意到前任核數師與繼任核數師之間在過渡期間有正式及適當的溝通。截至今天，本公司並不知悉前任核數師就審核保留意見提出任何反對。

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 2019.

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.

Board Composition

During the Review Period, the Board comprised five executive Directors, namely Mr. Chen Yixi, Mr. Huo Li, Mr. Yuan Zhenhua, Mr. Wan Xianghua and Mr. Wu Weiming, one non-executive Director, namely Mr. Miao Bingwen, and three independent non-executive Directors, namely Mr. Kwong Wai Sun Wilson, Mr. Li Xindan and Mr. Zheng Hongliang. In addition, during the review period, due to their pursuit of other business commitment, Mr. Zhao Wei and Mr. Zhang Zhiyong respectively resigned as executive Director with effect from 29 November 2019 and as independent non-executive Director with effect from 23 July 2019. The biographies of the Directors are set out under the section headed “Directors and Senior Management” of this annual report.

董事會欣然呈列本公司截至2019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。

董事會組成

報告期內，董事會包括五名執行董事，即陳奕熙先生、霍力先生、袁振華先生、萬祥華先生及吳維明先生，一名非執行董事，即繆炳文先生，以及三名獨立非執行董事，即鄺偉信先生、李心丹先生及鄭紅亮先生。此外，於報告期內，由於其他業務承擔，趙偉先生及張志勇先生分別於2019年11月29日辭任執行董事及於2019年7月23日辭任獨立非執行董事。董事之履歷載於本年報「董事及高級管理層」一節。

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 to 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.

Chairman and Chief Executive Officer

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and performed by different individuals. During the Review Period, Mr. Chen Yixi was the Chairman and Mr. Yuan Zhenhua was appointed as the President with effect from 29 November 2019 replacing Mr. Zhao Wei. 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. Yuan Zhenhua 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 President’s responsibility for managing the day-to-day operations of the Group’s business.

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。

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，主席與行政總裁之角色應有所區分，應由不同人士擔任。於回顧期內，陳奕熙先生為主席，袁振華先生則獲委任為總裁，自2019年11月29日起取代趙偉先生。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。袁振華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，而總裁則負責管理本集團業務日常營運。

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.

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.

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。

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至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。

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.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. During the year of 2019, all Directors, namely Mr. Chen Yixi, Mr. Huo Li, Mr. Yuan Zhenhua, Mr. Wan Xianghua, Mr. Wu Weiming, Mr. Miao Bingwen, Mr. Kwong Wai Sun Wilson, Mr. Li Xindan 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 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.

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。

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2019年度，所有董事，即陳奕熙先生、霍力先生、袁振華先生、萬祥華先生、吳維明先生、繆炳文先生、龐偉信先生、李心丹先生及鄭紅亮先生，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, a special general meeting and an annual general meeting were held and the attendance of the individual Directors at these meetings is set out in the table below:

Directors	Attended/Eligible to attend		董事	出席次數／舉行次數	
	Board Meetings	General Meetings		董事會會議	股東大會
Mr. Chen Yixi	4/4	2/2	陳奕熙先生	4/4	2/2
Mr. Huo Li	4/4	1/2	霍力先生	4/4	1/2
Mr. Zhao Wei (resigned on 29 November 2019)	4/4	2/2	趙偉先生(於2019年 11月29日辭任)	4/4	2/2
Mr. Yuan Zhenhua	4/4	2/2	袁振華先生	4/4	2/2
Mr. Wan Xianghua (appointed on 29 November 2019)	0/0	0/0	萬祥華先生(於2019年 11月29日獲委任)	0/0	0/0
Mr. Wu Weiming (appointed on 29 November 2019)	0/0	0/0	吳維明先生(於2019年 11月29日獲委任)	0/0	0/0
Mr. Miao Bingwen	3/4	1/2	繆炳文先生	3/4	1/2
Mr. Kwong Wai Sun Wilson	4/4	2/2	鄺偉信先生	4/4	2/2
Mr. Li Xindan	3/4	1/2	李心丹先生	3/4	1/2
Mr. Zhang Zhiyong (resigned on 23 July 2019)	2/2	1/2	張志勇先生(於2019年 7月23日辭任)	2/2	1/2
Mr. Zheng Hongliang	4/4	2/2	鄭紅亮先生	4/4	2/2

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

During the Review Period, the Chairman held a meeting with the independent non-executive Directors without the presence of other Directors on 29 March 2019.

於回顧期間，於2019年3月29日，主席與獨立非執行董事舉行會議，而其他董事未有出席。

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 three independent non-executive Directors, namely Mr. Kwong Wai Sun Wilson, Mr. Li Xindan and Mr. Zheng Hongliang, and one non-executive Director, namely Mr. Miao Bingwen. During the Review Period, Mr. Zhang Zhiyong ceased to be a member of the Audit Committee with effect from 23 July 2019. 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

審核委員會現包括三名獨立非執行董事，即鄺偉信先生、李心丹先生及鄭紅亮先生，以及一名非執行董事，即繆炳文先生。於回顧期內，張志勇先生不再為審核委員會成員，自2019年7月23日生效。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 (resigned on 23 July 2019)	1/1	張志勇先生 (於2019年7月23日辭任)	1/1
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 2018 and the interim results of the Group for the six months ended 30 June 2019, 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2018年12月31日止年度之年度業績以及本集團截至2019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 three independent non-executive Directors, namely Mr. Li Xindan, Mr. Kwong Wai Sun Wilson and Mr. Zheng Hongliang, and one non-executive Director, namely Mr. Miao Bingwen. During the Review Period, Mr. Zhang Zhiyong ceased to be a member of the Remuneration Committee with effect from 23 July 2019. 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 2019 is set out below:

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

Further particulars relating to Directors' emoluments and the five highest paid individuals are set out in note 13 to the consolidated financial statements.

薪酬委員會

薪酬委員會現包括三名獨立非執行董事，即李心丹先生、鄺偉信先生及鄭紅亮先生，以及一名非執行董事，即繆炳文先生。於回顧期內，張志勇先生不再為薪酬委員會成員，自2019年7月23日生效。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2019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1,000,001元至人民幣1,600,000元	1
人民幣1,600,000元以上	1

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13。

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 (resigned on 23 July 2019)	1/1	張志勇先生 (於2019年7月23日辭任)	1/1
Mr. Zheng Hongliang	1/1	鄭紅亮先生	1/1

Nomination Committee

Currently the Nomination Committee comprised one executive Director, namely Mr. Chen Yixi, and three independent non-executive Directors, namely Mr. Kwong Wai Sun Wilson, Mr. Li Xindan and Mr. Zheng Hongliang. During the Review Period, Mr. Zhang Zhiyong ceased to be a member of the Nomination Committee with effect from 23 July 2019. 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.

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

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. Yuan Zhenhua, Mr. Li Xindan, and Mr. Zheng Hongliang shall retire by rotation in accordance with Bye-law 99 of the Bye-laws, and Mr. Wan Xianghua and Mr. Wu Weiming shall retire in accordance with Bye-law 102(B) of the Bye-laws, and all retiring Directors, being eligible, offered themselves for re-election at the forthcoming annual general meeting of the Company.

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：

提名委員會

提名委員會現包括一名執行董事，即陳奕熙先生，及三名獨立非執行董事，即鄺偉信先生、李心丹先生及鄭紅亮先生。於回顧期內，張志勇先生不再為提名委員會成員，自2019年7月23日生效。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。

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

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，即袁振華先生、李心丹先生及鄭紅亮先生須根據細則第99條輪值退任，而萬祥華先生及吳維明先生須根據細則102(B)退任，且所有退任董事均合資格並願意於本公司應屆股東週年大會上重選連任。

1. NOMINATION POLICY

The Group adopted a nomination policy (the “Nomination Policy”) on 1 January 2019. A summary of this policy is disclosed as below.

1. Objective

- 1.1 The Nomination Committee shall review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy.
- 1.2 The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to shareholders of the Company (the “Shareholder(s)”) for election as Director at general meetings or appoint him/her to fill casual vacancies.
- 1.3 The Nomination Policy helps the Nomination Committee and the Board to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group’s business.

2. Selection Criteria

- 2.1 The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate.
 - (1) Reputation for integrity;
 - (2) Commitment in respect of available time and relevant interest; and

1. 提名董事政策

本集團於2019年1月1日採納提名政策（「提名政策」）。該政策的概要披露如下。

1. 目的

- 1.1 提名委員會須至少每年檢討董事會架構、人數及組成（包括技能、知識及經驗方面），並就任何為配合公司企業策略而擬對董事會作出的變動提出推薦建議。
- 1.2 提名委員會須向董事會提名合適人選以供董事會考慮，並於股東大會選舉有關人士擔任董事或委任有關人士以填補臨時空缺向本公司股東（「股東」）提供推薦建議。
- 1.3 提名政策有助提名委員會及董事會確保董事會具備均衡且切合本集團業務需要的適合技能、經驗及多元化觀點。

2. 甄選準則

- 2.1 在評估擬提名人選時，提名委員會將參考下文所列因素：
 - (1) 誠信聲譽；
 - (2) 可投入時間及相關事務關注的承諾；及

- (3) Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

3. Nomination Procedures

3.1 Appointment of Directors

- (1) The Nomination Committee identifies individual(s) suitably qualified to become Board members, having due regard to the Nomination Policy and the board diversity policy of the Company, and assesses the independence of the proposed independent non-executive Director(s) as appropriate.
- (2) The Nomination Committee makes recommendation(s) to the Board.
- (3) The Board considers the individual(s) recommended by the Nomination Committee, having due regard to the Nomination Policy and the board diversity policy.
- (4) The Board confirms the appointment of the individual(s) as Director(s) or recommends the individual(s) to stand for election at a general meeting.
- (5) The Shareholders approve the election of individual(s), who stand(s) for election at general meeting, as Director(s).

- (3) 董事會各方面的多元化，包括但不限於性別、年齡（18歲或以上）、文化及教育背景、種族、專業經驗、技能、知識和服務年期等方面。

上述因素僅供參考，並非盡列所有因素，亦不具決定性作用。提名委員會可酌情決定提名其認為適當任何人士。

3. 提名程序

3.1 委任董事

- (1) 提名委員會經審慎考慮本公司提名政策及董事會多元化政策後，物色合資格成為董事會成員的人士，並評估擬提名的獨立非執行董事的獨立性（視適用情況而定）。
- (2) 提名委員會向董事會提出推薦建議。
- (3) 董事會經審慎考慮提名政策及董事會多元化政策後，考慮提名委員會推薦的人士。
- (4) 董事會確認委任有關人士為董事或推薦其於股東大會上參選。
- (5) 股東批准在股東大會上參選的人士選舉為董事。

3.2 Re-appointment of Directors

- (1) The Nomination Committee considers each retiring Director, having due regard to the Nomination Policy and the board diversity policy of the Company, and assesses the independence of each retiring independent non-executive Director.
- (2) The Nomination Committee makes recommendation(s) to the Board.
- (3) The Board considers each retiring Director recommended by the Nomination Committee, having due regard to the Nomination Policy and the board diversity policy.
- (4) The Board recommends the retiring Directors to stand for re-election at the annual general meeting in accordance with the Company's bye-laws.
- (5) The Shareholders approve the re-election of Directors at the annual general meeting.

3.3 The Board shall have the ultimate responsibility for all matters relating to the selection and appointment of Directors.

4. Review of the Nomination Policy

4.1 The Nomination Committee will review the Nomination Policy, as appropriate, to ensure the effectiveness of the Nomination Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

3.2 重新委任董事

- (1) 提名委員會經審慎考慮本公司提名政策及董事會多元化政策後，考慮各退任董事，並評估每名退任獨立非執行董事的獨立性。
- (2) 提名委員會向董事會提出推薦建議。
- (3) 董事會經審慎考慮提名政策及董事會多元化政策後，考慮提名委員會推薦的各退任董事。
- (4) 董事會根據本公司組織章程細則推薦退任董事於股東週年大會上重選連任。
- (5) 股東於股東週年大會上批准重選董事。

3.3 董事會對有關甄選及委任董事的所有事宜負有最終責任。

4. 檢討提名政策

4.1 提名委員會將檢討提名政策（視適用情況而定），以確保本政策行之有效。提名委員會將會討論任何可能須作出的修訂，再向董事會提出修訂的推薦建議，以供董事會考慮及批准。

Corporate Governance Report

企業管治報告

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 2019 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 (resigned on 23 July 2019)	1/1	張志勇先生 (於2019年7月23日辭任)	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 2019 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2019年3月檢討可計量目標以確保其行之有效以及已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2019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 2019 payable to the external auditor are approximately RMB1.1 million, the audit fees of the financial statements of the subsidiaries of the Group for the year ended 31 December 2019 payable to its affiliate are approximately RMB0.9 million and the fees of non-audit services in relation to circular for very substantial disposal payable to the external auditor are approximately RMB1 million.

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2019年12月31日止年度之財務報表之年度審核費用約人民幣110萬元，本集團附屬公司截至2019年12月31日止年度應付其聯屬公司的財務報表審計費用約為人民幣90萬元，而應付外聘核數師有關非常重大出售事項的通函的非審計服務費用約為人民幣100萬元。

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。

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. So Lai Shan of TMF Hong Kong Limited, (a company secretarial service provider) as its company secretary. Her primary corporate contact person at the Company is Mr. Huo Li, an executive Director.

During the year ended 31 December 2019, Ms. So 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.

DIVIDEND POLICY

Subject to the Companies Act, the Company, through a general meeting, may declare final dividends in any currency, but no dividend may be declared in excess of the amount recommended by the Board.

Future dividend payments will depend upon the availability of dividends the Company receives from our operating subsidiaries in China. PRC laws require that dividends be paid only out of the net profit calculated according to PRC accounting principles, which differ in many aspects from IFRS. PRC laws also require foreign-invested enterprises, such as the operating subsidiaries of the Company in China, to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from the subsidiaries of the Company may also be restricted if they incur debts or losses or in accordance with any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that the Company or its subsidiaries have entered into or may enter into in the future.

Subject to the above factors, our expected dividend policy is that not less than approximately 20% of our profits available for distribution will be recommended for distribution in each financial year. The amount of dividend actually distributed to the Shareholders of the Company will depend upon the earnings and financial condition, operating requirements, capital requirements of the Company and any other conditions that our Directors may deem relevant and will be subject to approval of our Shareholders.

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)蘇麗珊女士出任公司秘書。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2019年12月31日止年度，蘇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。

股息政策

根據公司法，本公司可於股東大會上宣派以任何貨幣計值的末期股息，惟所宣派的股息不得超過董事會建議之數額。

日後股息派付取決於能否獲得本公司的中國營運附屬公司宣派股息。中國法律規定僅可自按中國會計準則計算之純利派付股息，而中國會計準則在眾多方面有別於國際財務報告準則。中國法律亦規定，外資企業(如本公司在中國的營運附屬公司)須撥出部分純利作為法定儲備且不得用作現金股息分派。倘本公司附屬公司產生債務或出現虧損或根據本公司或本公司附屬公司已訂立或日後可能訂立之銀行信貸融資、可換股債券工具或其他安排的任何限制契約，本公司的附屬公司於作出分派時亦可能受限。

基於上述因素，預期股息政策為各財政年度建議不少於約20%的可供分派溢利用作分派。實際派付予本公司股東的股息金額將視乎本公司的盈利及財務狀況、營運規定、資本規定及董事認為可能相關的其他條件而定，並須經股東批准。

Directors and Senior Management

董事及高級管理層

DIRECTORS

Executive Directors

Chen Yixi (陳奕熙), aged 53, 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 is the sole director of Hongguo International Group Limited, which is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Chen 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 53, 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，53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。陳先生為 Hongguo International Group Limited 的唯一董事，而該公司為本公司的主要股東（定義見證券及期貨條例第XV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。

霍力，53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。

Directors and Senior Management

董事及高級管理層

Yuan Zhenhua (袁振華), aged 38, was appointed as an executive Director in December 2016. He is also the President and the Chief Financial Officer of the Group. 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. Mr. Yuan has not been a director of any other listed company in the three years immediately preceding the date of this annual report.

Mr. Wan Xianghua (萬祥華), aged 51, is the vice president of the Group. Mr. Wan joined the Group in 1996 and was appointed as an executive Director in November 2019. He is currently responsible for the operation of naturesun brand and the design, research and development and procurement of MIO brand and supply chain management. Mr. Wan has served as a committee member of the National Technical Committee on Footwear of Standardization Administration of China (中國制鞋標準化技術委員會) since 2008 and has been a professor specializing in footwear manufacturing at Guangling College of Yangzhou University (揚州大學廣陵學院) since 2010. Mr. Wan also holds a certificate of first level footwear designer. Mr. Wan has not been a director of any other listed company in the three years immediately preceding the date of this annual report.

Mr. Wu Weiming (吳維明), aged 48, is the vice president of the Group. Mr. Wu joined the Group in 2000 and was appointed as an executive Director in November 2019. He 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. Mr. Wu has not been a director of any other listed company in the three years immediately preceding the date of this annual report.

Non-executive Director

Miao Bingwen (繆炳文), aged 52, 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.

袁振華，38歲，於2016年12月獲委任為執行董事。彼亦為本集團總裁兼首席財務官。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(特殊普通合伙)南京分所多個職位，包括該所高級經理。袁先生於緊接本年報日期前三年內並無擔任任何其他上市公司的董事。

萬祥華先生，51歲，本集團副總裁。萬先生於1996年加入本集團並於2019年11月獲委任為執行董事。彼現負責娜冉品牌事業部和米奧品牌的設計研發與採購，以及供應鏈管理。萬先生自2008年起為中國制鞋標準化技術委員會會員，自2010年以來一直擔任揚州大學廣陵學院鞋履製造方面的教授。萬先生亦持有一級鞋類設計師證書。萬先生於緊接本年報日期前三年內並無擔任任何其他上市公司的董事。

吳維明先生，48歲，本集團副總裁。吳先生於2000年加入本集團並於2019年11月獲委任為執行董事。彼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。吳先生於緊接本年報日期前三年內並無擔任任何其他上市公司的董事。

非執行董事

繆炳文，52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。

Independent Non-executive Directors

Kwong Wai Sun Wilson (鄺偉信), aged 54, has been an independent non-executive Director since August 2011. 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. On 15 March 2019, Mr. Kwong was appointed as independent non-executive director of Koolearn Technology Holding Limited (新東方在綫科技控股有限公司), a company listed on the Hong Kong Stock Exchange on 28 March 2019. 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 12 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.

Li Xindan (李心丹), aged 53, has been an independent non-executive Director since August 2011. 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 was an independent non-executive director of Holly Futures Co., Ltd., a company listed on the Hong Kong Stock Exchange (Stock Code: 3678) until 15 November 2018.

獨立非執行董事

鄺偉信，54歲，自2011年8月起為獨立非執行董事。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。鄺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。於2019年3月15日，鄺先生獲委任為新東方在綫科技控股有限公司（一間於2019年3月28日在聯交所上市的公司）的獨立非執行董事。鄺先生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。鄺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12年經驗。2002年至2003年間，鄺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。

李心丹，53歲，自2011年8月起為獨立非執行董事。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。直至2018年11月15日，李先生為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。

Directors and Senior Management

董事及高級管理層

Zheng Hongliang (鄭紅亮), aged 61, has been an independent non-executive Director since April 2014. 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 was 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 GEM of the Hong Kong Stock Exchange.

鄭紅亮，61歲，自2014年4月起為獨立非執行董事。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。鄭先生曾擔任《經濟研究》編輯部常務副主編，《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GEM上市之公司，股份代號：8025)之獨立非執行董事。

Independent Auditor's Report

獨立核數師報告



TO THE SHAREHOLDERS OF C.BANNER INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

QUALIFIED 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 2019, 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, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standard Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

Opening balances and corresponding figures

1) *Hamleys Global Holdings Limited and its subsidiaries (collectively known as the “Disposal Group”)*

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves concerning those opening balances of the Disposal Group disposed during the year ended 31 December 2019. As the opening balances of the Disposal Group significantly affected the determination of the Group’s performance, we were unable to determine whether adjustments to the Group’s loss, loss for the year from discontinued operation (note 12 and note 42) and opening retained earnings might be necessary for the year ended 31 December 2019. Our audit opinion on the consolidated financial statements for the year ended 31 December 2019 was modified accordingly. Our opinion on the current year’s consolidated financial statements is also modified because of the possible effect of this matter on the comparability of the current year’s figures and the corresponding figures.

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)

保留意見

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2019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，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，除我們的報告內「保留意見的基準」一節所述事項的可能影響外，綜合財務報表已按照國際會計準則理事會(「國際會計準則理事會」)頒佈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2019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，並已按照香港公司條例之披露規定妥為編製。

保留意見的基準

年初結餘及相關數字

1) *Hamleys Global Holdings Limited及其附屬公司(統稱為「出售集團」)*

我們未能取得充分恰當之審核憑證，以使我们信納已出售的出售集團於截至2019年12月31日止年度的年初結餘。由於出售集團的年初結餘嚴重影響 貴集團表現之釐定，我們未能釐定是否調整截至2019年12月31日止年度 貴集團虧損、已終止業務年內虧損(附註12及附註42)及年初保留盈利(倘必要)。我們對截至2019年12月31日止年度綜合財務報表的審核意見已作出相應修改。由於該事項可能對本年度數字及相應數字之可資比較性造成影響，故我們對本年度之綜合財務報表之意見已予修改。

Independent Auditor's Report

獨立核數師報告

BASIS FOR QUALIFIED OPINION (CONTINUED)

Opening balances and corresponding figures (continued)

1) *Hamleys Global Holdings Limited and its subsidiaries (collectively known as the "Disposal Group") (continued)*

The loss for the year from discontinued operation are set out in note 12 and the opening balances of the Disposal Group as at 31 December 2018 are as follows:

		RMB'000 人民幣千元
Property, plant and equipment	物業、機器及設備	46,035
Other intangible assets	其他無形資產	639,212
Deferred tax assets	遞延稅項資產	10,840
Inventories	存貨	88,946
Trade receivables	貿易應收款項	17,732
Other receivables and prepayments	其他應收款項及預付款	35,111
Bank balances and cash	銀行結餘及現金	39,978
Trade and bills payables	貿易應付款項及應付票據	(54,402)
Other payables	其他應付款項	(40,445)
Bank overdrafts	銀行透支	(25,242)
Contract liabilities	合約負債	(8,185)
Obligations under finance leases-due within one year	融資租賃項下責任－於一年內到期	(4,243)
Obligations under finance leases-due after one year	融資租賃項下責任－於一年後到期	(1,740)
Provisions	撥備	(5,998)
Current tax liabilities	即期稅項負債	(1,693)
Deferred tax liabilities	遞延稅項負債	(117,883)
Non-controlling interests	非控股權益	6,535
Translation reserve	換算儲備	46,503

2) *Toys segment*

As disclosed in various notes to the consolidated financial statements, the Group's non-current assets in connection with the Toys segment consisted of property, plant and equipment of RMB71,853,000, intangible assets of RMB910,000 and prepayment for rental expenses of RMB11,329,000 (collectively known as "Toys Assets") as at 31 December 2018.

We are unable to obtain sufficient appropriate audit evidence to satisfy ourselves on the recoverability of these Toys Assets, in particular, based on the business results of the Toys segment. Consequently, we are unable to determine whether any adjustments in respect of the net carrying values of the Group's Toys Assets and provision on onerous contract of rental agreement at 31 December 2018 are necessary.

保留意見的基準(續)

年初結餘及相關數字(續)

1) *Hamleys Global Holdings Limited及其附屬公司(統稱為「出售集團」)(續)*

已終止業務年內虧損載於附註12及出售集團於2018年12月31日的年初結餘，載列如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、機器及設備	46,035
Other intangible assets	其他無形資產	639,212
Deferred tax assets	遞延稅項資產	10,840
Inventories	存貨	88,946
Trade receivables	貿易應收款項	17,732
Other receivables and prepayments	其他應收款項及預付款	35,111
Bank balances and cash	銀行結餘及現金	39,978
Trade and bills payables	貿易應付款項及應付票據	(54,402)
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Contract liabilities	合約負債	(8,185)
Obligations under finance leases-due within one year	融資租賃項下責任－於一年內到期	(4,243)
Obligations under finance leases-due after one year	融資租賃項下責任－於一年後到期	(1,740)
Provisions	撥備	(5,998)
Current tax liabilities	即期稅項負債	(1,693)
Deferred tax liabilities	遞延稅項負債	(117,883)
Non-controlling interests	非控股權益	6,535
Translation reserve	換算儲備	46,503

2) *玩具分部*

如綜合財務報表各附註所披露，於2018年12月31日，貴集團玩具分部相關非流動資產包括物業、機器及設備人民幣71,853,000元、無形資產人民幣910,000元及租賃開支預付款人民幣11,329,000元(統稱為「玩具資產」)。

我們未能取得充分恰當之審核憑證，以使我們信納該等玩具資產的可收回性，特別是，根據玩具分部的業務業績。因此，我們未能釐定調整貴集團於2018年12月31日玩具資產的眼面淨值及就租賃協議的虧損性合約計提的撥備是否屬必要。

BASIS FOR QUALIFIED OPINION (CONTINUED)**Opening balances and corresponding figures (continued)****2) Toys segment (continued)**

For the year ended 31 December 2019, the Group recorded the following depreciation, amortisation, written off and impairment loss. We have not yet obtained sufficient and appropriate audit evidence to satisfy ourselves as to these depreciation, amortisation, written off and impairment loss, and whether these depreciation, amortisation, written off and impairment loss should be recognised in current or prior year.

保留意見的基準(續)**年初結餘及相關數字(續)****2) 玩具分部(續)**

截至2019年12月31日止年度，貴集團錄得以下折舊、攤銷、撇銷及減值虧損。我們尚未就該等折舊、攤銷、撇銷及減值虧損以及該等折舊、攤銷、撇銷及減值虧損是否應於本年度或去年確認取得充足及適當的審核憑證以使我們信納。

RMB'000
人民幣千元

Depreciation of right-of-use assets	使用權資產折舊	20,510
Depreciation of property, plant and equipment	物業、機器及設備折舊	7,045
Amortisation of other intangible assets	其他無形資產攤銷	1,944
Written off of property, plant and equipment	物業、機器及設備撇銷	12,446
Impairment loss on prepayment	預付款減值虧損	10,000
Impairment loss on right-of-use assets	使用權資產減值虧損	4,804
Impairment loss on property, plant and equipment	物業、機器及設備減值虧損	53,247
Impairment loss on other intangible assets	其他無形資產減值虧損	910

Any adjustments to the figures as described above might have a consequential effect on the Group's consolidated financial performance and consolidated cash flows for the years ended 31 December 2018 and 2019, the consolidated financial position of the Group as at 31 December 2018, and the related disclosures thereof in the consolidated financial statements.

對上述有關數字作出任何調整可能對貴集團截至2018年及2019年12月31日止年度之綜合財務表現及綜合現金流量、貴集團於2018年12月31日之綜合財務狀況以及綜合財務報表內之相關披露造成相應影響。

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

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我們的報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的「專業會計師道德守則」(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。

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. In addition to the matters described in the Basis for Qualified Opinion Section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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進行處理的，我們不對這些事項提供單獨的意見。除「保留意見的基準」一節所述事項外，我們已釐定下文所述事項為於我們的報告中將予傳達的關鍵審計事項。

KEY AUDIT MATTERS (CONTINUED)

1) Impairment of property, plant and equipment and right-of-use assets

Refer to Note 16 and 17 to the consolidated financial statements

The Group tested the amounts of property, plant and equipment and right-of-use assets for impairment. This impairment test is significant to our audit because the balances of property, plant and equipment of RMB160,993,000 and right-of-use assets of RMB152,289,000 as at 31 December 2019 are material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

- Assessing the identification of the related cash generating units;
- Assessing the arithmetical accuracy of the value-in-use calculations;
- Comparing the actual cash flows with the cash flow projections;
- Assessing the reasonableness of the key assumptions (including revenue growth, profit margins, terminal growth rates and discount rates); and
- Checking input data to supporting evidence.

We consider that the Group's impairment test for property, plant and equipment and right-of-use assets are supported by the available evidence.

關鍵審計事項(續)

1) 物業、機器及設備以及使用權資產之減值

請參閱綜合財務報表附註16及17

貴集團就物業、機器及設備以及使用權資產金額進行減值測試。由於物業、機器及設備以及使用權資產於2019年12月31日之結餘分別為人民幣160,993,000元及人民幣152,289,000元對綜合財務報表而言屬重大，因此有關減值測試對我們的審計非常重要。此外，貴集團之減值測試涉及應用判斷且基於假設及估計。

我們的審計程序包括(其中包括)：

- 評估相關現金產生單位之識別；
- 評估使用價值計算之算數準確性；
- 將實際現金流量與現金流量預測進行對比；
- 評估主要假設(包括收益增長、溢利率、終端增長率及貼現率)之合理性；及
- 檢查支持憑證之輸入數據。

我們認為，貴集團為物業、機器及設備以及使用權資產所作之減值測試由可用證據支持。

KEY AUDIT MATTERS (CONTINUED)

2) Inventories

Refer to Note 25 to the consolidated financial statements

The Group tested the amount of inventories for impairment. This impairment test is significant to our audit because the balance of inventories of RMB510,578,000 as at 31 December 2019 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

Our audit procedures included, among others:

- Assessing the Group's procedures on ordering and holding of inventories;
- Evaluating the Group's impairment assessment;
- Assessing the marketability of the inventories;
- Assessing the ageing of the inventories;
- Assessing the net realisable values of the inventories; and
- Checking subsequent sales and usage of the inventories.

We consider that the Group's impairment test for inventories is supported by the available evidence.

關鍵審計事項(續)

2) 存貨

請參閱綜合財務報表附註25

貴集團就存貨金額進行減值測試。由於存貨於2019年12月31日之結餘為人民幣510,578,000元對綜合財務報表而言屬重大，因此有關減值測試對我們的審計非常重要。此外，貴集團之減值測試涉及應用判斷且基於估計。

我們的審計程序包括(其中包括)：

- 評估 貴集團訂單及持有存貨之程序；
- 評估 貴集團之減值評估；
- 評估存貨之可銷售性；
- 評估存貨之賬齡；
- 評估存貨之可變現淨值；及
- 檢查存貨之後續銷售及使用情況。

我們認為，貴集團為存貨所作之減值測試由可用證據支持。

KEY AUDIT MATTERS (CONTINUED)

3) Trade receivables

Refer to Note 26 to the consolidated financial statements

The Group tested the amount of trade receivables for impairment. This impairment test is significant to our audit because the balance of trade receivables of RMB286,940,000 as at 31 December 2019 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

Our audit procedures included, among others:

- Assessing the Group's procedures on granting credit limits and credit periods to customers;
- Assessing the Group's relationship and transaction history with the customers;
- Evaluating the Group's impairment assessment;
- Assessing ageing of the debts;
- Assessing creditworthiness of the customers;
- Checking subsequent settlements from the customers;
- Assessing the value of the collateral for the debts; and
- Assessing the disclosure of the Group's exposure to credit risk in the consolidated financial statements.

We consider that the Group's impairment test for trade receivables is supported by the available evidence.

關鍵審計事項(續)

3) 貿易應收款項

請參閱綜合財務報表附註26

貴集團就貿易應收款項金額進行減值測試。由於貿易應收款項於2019年12月31日之結餘為人民幣286,940,000元對綜合財務報表而言屬重大，因此有關減值測試對我們的審計非常重要。此外，貴集團之減值測試涉及應用判斷且基於估計。

我們的審計程序包括(其中包括)：

- 評估 貴集團向客戶授出之信貸限額及信貸期限之程序；
- 評估 貴集團與客戶之關係及交易歷史；
- 估計 貴集團減值評估；
- 評估債務賬齡；
- 評估客戶之信譽；
- 檢查客戶之後續結算情況；
- 評估債務抵押品之價值；及
- 評估 貴集團綜合財務報表信貸風險披露。

我們認為，貴集團為貿易應收款項所作之減值測試由可用證據支持。

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors 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.

其他信息

董事需對其他信息負責。其他信息包括刊載於貴公司年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。其他信息預期將於本核數師報告日期後提供予我們。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不會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，我們的責任是閱讀上文指出可以向我們提供的其他信息，於此過程中，考慮其他信息是否與綜合財務報表或我們於審核過程中所得知的情況有重大抵觸，或者似乎有重大錯誤陳述。

董事就綜合財務報表須承擔的責任

董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定編製真實而公允的綜合財務報表，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誤陳述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。

Independent Auditor's Report

獨立核數師報告

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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>

This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Sze Lin Tang

Audit Engagement Director

Practising Certificate Number P03614

Hong Kong, 28 April 2020

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，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何其他人士承擔責任或接受義務。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。

有關我們就審計綜合財務報表承擔的責任的進一步描述載於香港會計師公會網站：

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>

該描述為我們的核數師報告的組成部分。

中匯安達會計師事務所有限公司

執業會計師

施連燈

審計項目董事

執業牌照號碼P03614

香港，2020年4月28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 2019

截至2019年12月31日止年度

		Notes	2019	2018
		附註	2019年	2018年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
				(Restated)
				(經重列)
CONTINUING OPERATIONS	持續經營業務			
Revenue	收益	7	1,935,538	2,377,197
Cost of sales	銷售成本		(776,452)	(1,014,567)
Gross profit	毛利		1,159,086	1,362,630
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	8	(45,840)	34,605
Distribution and selling expenses	分銷及銷售開支		(1,033,471)	(1,283,111)
Administrative and general expenses	行政及一般開支		(147,724)	(107,825)
Share of profit/(loss) of an associate	分佔聯營公司溢利/(虧損)		1,651	(3,088)
Share of loss of joint ventures	分佔合營公司虧損		(4,713)	(2,439)
Finance costs	財務成本	9	(19,556)	(51,768)
Loss before income tax	除所得稅前虧損		(90,567)	(50,996)
Income tax expenses	所得稅開支	10	(114,709)	(42,360)
Loss for the year from continuing operations	來自持續經營業務的年內虧損	11	(205,276)	(93,356)
DISCONTINUED OPERATION	已終止業務			
Loss for the year from discontinued operation	來自已終止業務的年內虧損	12	(102,159)	(290,898)
Loss for the year	年內虧損		(307,435)	(384,254)
Other comprehensive income/(expenses):	其他全面收益/(開支) :			
<i>Items that may be reclassified to profit or loss:</i>	<i>可重新分類至損益之項目 :</i>			
Exchange differences reclassified to profit or loss on disposal of subsidiaries	重新分類至出售附屬公司損益的匯兌差額		43,565	-
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額		2,938	(8,965)
Share of other comprehensive income of an associate	應佔聯營公司之其他全面收益		20	157
			46,523	(8,808)
<i>Items that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益之項目 :</i>			
Fair value changes of equity investments at fair value through other comprehensive income	按公允值計入其他全面收益之股本投資公允值變動		(20,000)	-
Other comprehensive income/(expenses) for the year	年內其他全面收益/(開支)		26,523	(8,808)
Total comprehensive expenses for the year	年內全面開支總額		(280,912)	(393,062)

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 2019

截至2019年12月31日止年度

	Notes 附註	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元 (Restated) (經重列)
Loss for the year attributable to:	下列者應佔年內虧損：		
Owners of the Company	本公司擁有人		
Loss from continuing operations	來自持續經營業務的虧損	(209,493)	(95,006)
Loss from discontinued operation	來自已終止業務的虧損	(101,987)	(292,023)
		(311,480)	(387,029)
Non-controlling interests	非控股權益		
Profit from continuing operations	來自持續經營業務的溢利 來自已終止業務的(虧損)/	4,217	1,650
(Loss)/Profit from discontinued operation	溢利	(172)	1,125
		4,045	2,775
Total comprehensive (expenses)/income attributable to:	下列者應佔全面(開支)/收益總額：		
Owners of the Company	本公司擁有人	(284,957)	(395,834)
Non-controlling interests	非控股權益	4,045	2,772
		(280,912)	(393,062)
Loss per share	每股虧損		
From continuing and discontinued operations	來自持續經營及已終止業務		
– Basic (RMB cents)	– 基本(人民幣分)	(15.11)	(18.81)
– Diluted (RMB cents)	– 攤薄(人民幣分)	(15.11)	(18.81)
From continuing operations	來自持續經營業務		
– Basic (RMB cents)	– 基本(人民幣分)	(10.16)	(4.62)
– Diluted (RMB cents)	– 攤薄(人民幣分)	(10.16)	(4.62)
From discontinued operations	來自已終止業務		
– Basic (RMB cents)	– 基本(人民幣分)	(4.95)	(14.19)
– Diluted (RMB cents)	– 攤薄(人民幣分)	(4.95)	(14.19)

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Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2019

於2019年12月31日

			2019	2018
		Notes	2019年	2018年
		附註	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	16	160,993	259,811
Right-of-use assets	使用權資產	17	152,289	–
Prepaid lease payments	預付租金	18	–	12,622
Other intangible assets	其他無形資產	19	11,455	651,760
Goodwill	商譽	20	5,725	5,725
Interest in an associate	於聯營公司之權益	21	–	946
Interest in joint ventures	於合營公司之權益	22	7,310	13,219
Equity investments at fair value through other comprehensive income	按公允值計入其他全面收益的股本投資	23	20,000	40,000
Deferred tax assets	遞延稅項資產	24	59,103	117,788
Long-term deposits and prepayments	長期按金及預付款	27	28,520	24,324
			445,395	1,126,195
Current assets	流動資產			
Inventories	存貨	25	510,578	652,043
Trade receivables	貿易應收款項	26	286,940	301,487
Other receivables and prepayments	其他應收款項及預付款	27	84,992	151,076
Interest in joint ventures	於合營公司之權益	22	–	4,731
Current tax assets	即期稅項資產		3,619	–
Financial assets at fair value through profit or loss	按公允值計入損益之金融資產	28	65,300	50,000
Pledged bank deposits	已抵押銀行存款	29	20,000	–
Bank balances and cash	銀行結餘及現金	29	401,057	314,216
			1,372,486	1,473,553
Current liabilities	流動負債			
Trade and bills payables	貿易應付款項及應付票據	30	127,206	152,097
Other payables	其他應付款項	31	132,232	280,871
Borrowings	借貸	32	–	202,446
Bank overdrafts	銀行透支	32	–	25,242
Contract liabilities	合約負債	33	26,932	34,314
Lease liabilities	租賃負債	34	40,645	–
Obligations under finance leases – due within one year	融資租賃項下責任 – 於一年內到期	35	–	4,243
Provisions	撥備	36	–	5,998
Current tax liabilities	即期稅項負債		6,709	14,013
			333,724	719,224
Net current assets	流動資產淨值		1,038,762	754,329
Total assets less current liabilities	總資產減流動負債		1,484,157	1,880,524

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2019

於2019年12月31日

		Notes	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		附註		
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	24	–	117,883
Borrowings	借貸	32	–	75,495
Lease liabilities	租賃負債	34	83,887	–
Obligations under finance leases – due after one year	融資租賃項下責任 – 於一年後到期	35	–	1,740
Contract liabilities	合約負債	33	–	10,932
			83,887	206,050
Net assets	資產淨值		1,400,270	1,674,474
Capital and reserves	資本及儲備			
Share capital	股本	38	209,097	209,097
Reserves	儲備		1,120,714	1,405,671
Total equity attributable to owners of the Company	本公司擁有人應佔總權益		1,329,811	1,614,768
Non-controlling interests	非控股權益		70,459	59,706
Total equity	總權益		1,400,270	1,674,474

The consolidated financial statements on pages 75 to 175 were approved and authorised for issue by the board of directors on 28 April 2020 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2020年4月28日批准及授權刊發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 2019
截至2019年12月31日止年度

Equity attributable to owners of the Company 本公司擁有人應佔權益

		Share capital	Share premium	Shares held under the share award scheme	PRC statutory reserve	Share-based compensation reserve	Equity investment revaluation reserve	Accumulated profits/(losses)	Translation reserve	Sub-total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2018	於2018年1月1日的結餘	209,097	646,042	(49,986)	272,355	-	-	968,757	(37,541)	2,008,724	54,598	2,063,322
Profit/(Loss) for the year	年內溢利/(虧損)	-	-	-	-	-	-	(387,029)	-	(387,029)	2,775	(384,254)
Other comprehensive income/(expenses) for the year	年內其他全面收益/(開支)	-	-	-	-	-	-	-	-	-	-	-
- Exchange differences on translation of foreign operation	- 換算海外業務所產生的匯兌差額	-	-	-	-	-	-	-	(8,962)	(8,962)	(3)	(8,965)
- Share of other comprehensive income of an associate	- 應佔聯營公司之其他全面收益	-	-	-	-	-	-	-	157	157	-	157
Total comprehensive expenses for the year	年內全面開支總額	-	-	-	-	-	-	(387,029)	(8,805)	(395,834)	2,772	(393,062)
Transfer	轉撥	-	-	-	14,413	-	-	(14,413)	-	-	-	-
Deregistration of a subsidiary	一間附屬公司終止註冊	-	-	-	-	-	-	-	-	-	(414)	(414)
Equity-settled share award scheme (Note 41)	以權益結算的股份獎勵計劃(附註41)	-	-	-	-	1,878	-	-	-	1,878	-	1,878
Transfer of awarded shares upon vesting (Note 41)	歸屬時轉讓獎勵股份(附註41)	-	-	9,503	-	(1,878)	-	(7,625)	-	-	-	-
Capital contribution from non-controlling interest	非控股權益注資	-	-	-	-	-	-	-	-	-	2,750	2,750
At 31 December 2018 and at 1 January 2019	於2018年12月31日及於2019年1月1日	209,097	646,042	(40,483)	286,768	-	-	559,690	(46,346)	1,614,768	59,706	1,674,474
Profit/(Loss) for the year	年內溢利/(虧損)	-	-	-	-	-	-	(311,480)	-	(311,480)	4,045	(307,435)
Other comprehensive income/(expenses) for the year	年內其他全面收益/(開支)	-	-	-	-	-	-	-	-	-	-	-
- Exchange differences on translation of foreign operation	- 換算海外業務所產生的匯兌差額	-	-	-	-	-	-	-	2,938	2,938	-	2,938
- Share of other comprehensive income of an associate	- 應佔聯營公司之其他全面收益	-	-	-	-	-	-	-	20	20	-	20
- Exchange differences reclassified to profit or loss on disposal of subsidiaries	- 重新分類至出售附屬公司損益的匯兌差額	-	-	-	-	-	-	-	43,565	43,565	-	43,565
- Fair value change of equity investments at fair value through other comprehensive income	- 按公允值計入其他全面收益之股本投資公允值變動	-	-	-	-	-	(20,000)	-	-	(20,000)	-	(20,000)
Total comprehensive expenses for the year	年內全面開支總額	-	-	-	-	-	(20,000)	(311,480)	46,523	(284,957)	4,045	(280,912)
Transfer	轉撥	-	-	-	2,727	-	-	(2,727)	-	-	-	-
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	-	6,708	6,708
At 31 December 2019	於2019年12月31日	209,097	646,042	(40,483)	289,495	-	(20,000)	245,483	177	1,329,811	70,459	1,400,270

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2019
截至2019年12月31日止年度

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Cash flows from operating activities	來自經營活動的現金流量		
Loss before income tax	除所得稅前虧損	(199,921)	(377,987)
Adjustments for:	調整：		
Share of (profit)/loss of associates	分佔聯營公司(溢利)/虧損	(1,651)	3,088
Share of loss of joint ventures	分佔合營公司虧損	4,713	2,439
Finance costs	財務成本	40,696	54,746
Exchange gains	匯兌收益	-	(11,849)
Depreciation of property, plant and equipment	物業、機器及設備折舊	85,205	44,850
Depreciation of right-of-use assets	使用權資產折舊	63,719	-
Amortisation of intangible assets	無形資產攤銷	9,209	18,590
Amortisation of prepaid lease payments	預付租金攤銷	-	397
Share-based payment expense	以股份支付之開支	-	1,878
(Reversal of)/write-down of inventories to net realisable value	(撥回)/撇減存貨至可變現淨值	(21,689)	26,136
Written off of property, plant and equipment	撇銷物業、機器及設備	12,446	-
Interest income on bank deposits	銀行存款利息收入	(4,555)	(5,215)
Income from other financial assets	其他金融資產收入	(2,750)	(273)
Gain on deemed disposal of an associate	視作減持一間聯營公司收益	(1,008)	-
Gain from disposal of held for sale assets	出售待售資產之收益	-	(23,626)
Gain on modification of right-of-use assets and lease liabilities	修改使用權資產及租賃負債之收益	(1,719)	-
Gain on disposal of property, plant and equipment	出售物業、機器及設備之收益	(1,064)	-
Impairment loss on property, plant and equipment	物業、機器及設備減值虧損	53,247	6,277
Impairment loss on long-term deposit	長期按金減值虧損	1,200	-
Impairment loss on prepayment	預付款減值虧損	10,000	-
Impairment loss on right-of-use assets	使用權資產減值虧損	4,804	-
Impairment loss on goodwill	商譽減值虧損	-	154,318
Impairment loss on other intangible assets	其他無形資產減值虧損	32,689	185,523
Impairment loss on joint ventures	合營公司減值虧損	4,781	-
Impairment loss on an associate	聯營公司減值虧損	2,375	16,662
Reversal of impairment provision in respect of trade receivables	撥回貿易應收款項的減值撥備	(13,445)	(8,784)
Loss on disposal of subsidiaries	出售附屬公司的虧損	62,154	-
Fair value change on financial assets at fair value through profit or loss	按公允值計入損益的金融資產之公允值變動	-	10,765

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2019

截至2019年12月31日止年度

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Operating cash flows before working capital changes	營運資金變動前經營現金流量	139,436	97,935
Change in inventories	存貨變動	92,056	152,043
Change in trade receivables	貿易應收款項變動	11,914	68,471
Change in other receivables and prepayments	其他應收款項及預付款變動	58,777	23,504
Change in trade payables	貿易應付款項變動	19,809	(30,394)
Change in other payables	其他應付款項變動	187,907	15,597
Change in contract liabilities	合約負債變動	(18,347)	3,371
Change in provisions	撥備變動	(5,490)	(11,134)
Change in long-term deposit	長期按金變動	1,255	(2,621)
Change in financial assets at fair value through profit or loss	按公允值計入損益的金融資產變動	(65,300)	-
Cash generated from operations	經營業務所產生之現金	422,017	316,772
Interest paid	已付利息	(17,051)	(65,188)
Income taxes paid	已付所得稅	(77,649)	(81,985)
Net cash from operating activities	經營業務所得現金淨額	327,317	169,599
Cash flows from investing activities	來自投資活動的現金流量		
Change in pledged bank deposits	已抵押銀行存款變動	(20,000)	-
Payments for acquisition of property, plant and equipment	收購物業、機器及設備付款	(97,450)	(53,332)
Payments for acquisition of intangible assets	收購無形資產付款	(46,170)	(3,215)
Payments for acquisition of equity investments at fair value through other comprehensive income	收購按公允值計入其他全面收益之股本投資付款	-	(40,000)
Payments for acquisition of financial assets at fair value through profit or loss	收購按公允值計入損益之金融資產付款	-	(50,000)
Proceeds from disposal of subsidiaries	出售附屬公司所得款項	295,560	-
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項	6,212	13,577
Proceeds from disposal of held for sale assets	出售待售資產所得款項	-	569,926
Redemption of investment in other financial assets	贖回於其他金融資產之投資	-	10,000
Interest received from bank deposits	已收銀行存款利息	1,552	5,215
Income received from other financial assets	已收其他金融資產收入	2,750	273
Net cash from investing activities	投資活動所得現金淨額	142,454	452,444

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2019

截至2019年12月31日止年度

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash flows from financing activities	來自融資活動的現金流量		
New borrowings raised	新增借貸	–	41,627
Repayment of borrowings	償還借貸	(277,520)	(882,329)
Repayment of obligation under finance lease	償還融資租賃責任	–	(5,793)
Repayment of lease liabilities	償還租賃負債	(50,476)	–
Lease interest paid	已付租賃利息	(26,412)	–
Capital contribution from non-controlling interests	非控股權益注資	–	2,750
Net cash used in financing activities	融資活動所用現金淨額	(354,408)	(843,745)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／(減少)淨額	115,363	(221,702)
Cash and cash equivalents at 1 January	於1月1日的現金及現金等價物	288,974	511,058
Effect of foreign exchange rate changes	外匯匯率變動的影響	(3,280)	(382)
Cash and cash equivalents at 31 December	於12月31日的現金及現金等價物	401,057	288,974
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	401,057	314,216
bank overdrafts	銀行透支	–	(25,242)
		401,057	288,974

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019
截至2019年12月31日止年度

1. GENERAL INFORMATION

C. banner International Holdings Limited (the “Company”) was incorporated in the Bermuda under the Companies Act as an exempted company with limited liability on 26 April 2002. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda. The address of its principal place of business is Unit 2904, 29th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. Its subsidiaries, associate and the joint ventures are principally engaged in 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 47, 21 and 22 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. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standard Board (“IASB”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2019. IFRSs comprise International Financial Reporting Standards (“IFRS”); International Accounting Standards (“IAS”); and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years except as stated below.

IFRS 16 “Leases”

On adoption of IFRS 16, the Group recognised right-of-use assets and lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under IAS 17 “Leases.”

IFRS 16 has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised at the date of initial application of IFRS16, being 1 January 2019. Prior periods have not been restated.

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。註冊辦事處的地址為Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda。主要營業地點的地址為香港夏慤道16號遠東金融中心29樓2904室。本公司股份於香港聯合交易所有限公司（「聯交所」）主板上市。

本公司為投資控股公司。其附屬公司、聯營公司及合營公司主要從事製造及銷售品牌時尚鞋履及玩具零售。本公司之附屬公司、聯營公司及合營公司的主要業務分別載於附註47、21及22。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. 採納新訂及經修訂國際財務報告準則

於本年度，本集團已採納由國際會計準則理事會（「國際會計準則理事會」）頒佈的所有新訂及經修訂國際財務報告準則（「國際財務報告準則」），該等新訂及經修訂國際財務報告準則與其經營業務有關及於2019年1月1日開始之會計年度生效。國際財務報告準則包括國際財務報告準則（「國際財務報告準則」）、國際會計準則（「國際會計準則」）及詮釋。除下文所述外，採納此等新訂及經修訂國際財務報告準則對本集團之會計政策、本集團綜合財務報表之呈報以及本年度及過往年度所呈報之金額並無產生重大變動。

國際財務報告準則第16號「租賃」

採納國際財務報告準則第16號後，本集團確認與先前根據國際會計準則第17號「租賃」分類為「經營租賃」的租賃有關的使用權資產及租賃負債。

國際財務報告準則第16號採用經修訂追溯法，採用國際財務報告準則第16號的累計影響於首次應用國際財務報告準則第16號當日（即2019年1月1日）確認。過往期間並無重列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

IFRS 16 “Leases” (continued)

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 January 2019. At this date, the Group has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

For those leases previously classified as finance leases, the right of-use asset and lease liability are measured at the date of initial application at the same amounts as under IAS 17 immediately before the date of initial application.

The operating lease commitments disclosed as at 31 December 2018 were RMB2,593,226,000 while the lease liabilities recognised as at 1 January 2019 were RMB927,506,000 of which RMB48,780,000 were current lease liabilities and RMB878,726,000 were non-current lease liabilities.

The differences between the operating lease commitments discounted using the lessee's incremental borrowing rate of 4.35% to 4.90% and the total lease liabilities recognised in the consolidated statement of financial position at the date of initial application of IFRS 16 comprised the exclusion of short-term lease recognised on a straight-line basis as expenses and inclusion of finance leases.

2. 採納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)

就於國際財務報告準則第16號首次應用日期(即2019年1月1日)已存在之經營租賃而言，本集團選擇於計量使用權資產時不計入初始直接成本。於當日，本集團亦選擇按相等於租賃負債的金額(就於過渡日期存在之任何預付或應計租金予以調整)計量使用權資產。

本集團於首次應用日期並無對使用權資產進行減值檢討，而是依靠其於緊接首次應用國際財務報告準則第16號日期前，所進行有關租賃是否繁重的過往評估。

於過渡期間，就先前按經營租賃入賬處理且剩餘租期少於十二個月之租賃及低價值資產之租賃而言，本集團採取選擇性豁免，不確認使用權資產，但於剩餘租期內以直線法入賬處理租賃開支。

就該等先前列作為融資租賃之租賃而言，使用權資產及租賃負債於首次應用日期按緊接首次應用日期前根據國際會計準則第17號所計量之相等金額計量。

於2018年12月31日披露的經營租賃承擔為人民幣2,593,226,000元，而於2019年1月1日確認的租賃負債為人民幣927,506,000元，其中人民幣48,780,000元為即期租賃負債及人民幣878,726,000元為非即期租賃負債。

使用承租人的增量借貸利率(4.35%至4.90%)折現的經營租賃承擔，與在首次應用國際財務報告準則第16號之日於綜合財務狀況表中確認之租賃負債總額，兩者之差額排除按直線法確認為開支的短期租賃及包括融資租賃。

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

IFRS 16 “Leases” (continued)

The following table summarises the impact of transition to IFRS 16 on the Group’s consolidated statement of financial position as at 1 January 2019:

		As originally stated 31 December 2018 2018年 12月31日 (原先呈列) RMB’000 人民幣千元	IFRS 16 Adjustments 國際財務 報告準則 第16號的調整 RMB’000 人民幣千元	As adjusted 1 January 2019 2019年 1月1日 (經調整) RMB’000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	259,811	(3,639)	256,172
Right-of-use assets	使用權資產	–	961,992	961,992
Prepaid lease payments	預付租金	12,622	(12,622)	–
Current assets	流動資產			
Other receivables and prepayments	其他應收款項及預付款	151,076	(29,648)	121,428
Current liabilities	流動負債			
Other payables	其他應付款項	280,871	(5,440)	275,431
Lease liabilities	租賃負債	–	48,780	48,780
Obligations under finance leases – due within one year	融資租賃項下責任—於一年內到期	4,243	(4,243)	–
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	–	878,726	878,726
Obligations under finance leases – due after one year	融資租賃項下責任—於一年後到期	1,740	(1,740)	–

The Group has not applied the new IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new IFRSs but is not yet in a position to state whether these new IFRSs would have a material impact on its results of operations and financial position.

2. 採納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)

下表概述過渡至國際財務報告準則第16號對本集團於2019年1月1日的綜合財務狀況表的影響：

本集團並無應用已頒佈但尚未生效的新訂國際財務報告準則。本集團已開始著手評估該等新訂國際財務報告準則的影響，惟尚未能夠評定該等新訂國際財務報告準則會否對其經營業績及財務狀況構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

3 SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with IFRSs and the 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.

These consolidated financial statements have been prepared under the historical cost convention, as modified by revaluation of the investments which are carried at their fair values.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements are disclosed in note 4 to the consolidated financial statements.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

3 主要會計政策

該等綜合財務報表乃根據國際財務報告準則及香港聯合交易所有限公司證券上市規則及香港公司條例之適用披露規定而編製。

該等綜合財務報表乃按歷史成本法編製，並經按公允值列賬之投資重估修訂。

編製符合國際財務報告準則的綜合財務報表須採用若干主要假設及估計。亦要求董事於應用該等會計政策的過程中作出判斷。涉及關鍵判斷的範疇及對該等綜合財務報表而言屬重大的假設及估計範疇，於綜合財務報表附註4披露。

編製該等綜合財務報表時採用的主要會計政策載列如下。

綜合賬目

綜合財務報表包括本公司及其附屬公司截至12月31日止之財務報表。附屬公司指本集團對其擁有控制權的實體。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。當本集團的現有權利賦予其有能力掌控有關業務(即大幅影響實體回報的業務)時，則本集團對該實體擁有權力。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有的潛在投票權，以釐定其是否擁有控制權。在持有人能實際行使潛在投票權的情況下，方被視為有潛在投票權。

附屬公司在控制權轉移至本集團之日起綜合入賬，而在控制權終止之日起停止綜合入賬。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidation (continued)

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

3 主要會計政策(續)

綜合賬目(續)

出售一間附屬公司導致失去控制權之收益或虧損指(i)出售代價之公允值加該附屬公司留有任何投資之公允值與(ii)本公司應佔該附屬公司資產淨值加有關該附屬公司之任何餘下商譽及任何有關累計外幣換算儲備間之差額。

集團內公司間之交易、結餘及未變現溢利均予以對銷。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司的會計政策已於必要時變更，以確保與本集團採納的政策一致。

非控股權益指並非本公司直接或間接應佔附屬公司之權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內呈列。非控股權益於綜合損益及其他全面收益表呈列為在非控股股東與本公司擁有人之間分配溢利或虧損及年內全面收益總額。

損益及其他全面收益各部分應歸屬於本公司擁有人及非控股股東，即使此舉會導致非控股權益出現虧絀結餘。

本公司於不會導致失去控制權之附屬公司擁有權益變動按股權交易(即以擁有人身份與擁有人進行之交易)入賬。控股權益及非控股權益之賬面值已作調整，以反映於附屬公司之相關權益變動。非控股權益之調整金額與已付或已收代價之公允值兩者間之任何差額直接於權益確認，並歸屬於本公司擁有人。

Notes to the Consolidated Financial Statements

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in consolidated other comprehensive income (for example, equity investment at fair value through other comprehensive income), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

3 主要會計政策(續)

業務合併及商譽

收購法用於將業務合併中的收購附屬公司入賬。收購成本按所獲資產收購日期的公允值、所發行的股本工具、所產生的負債以及或然代價計量。收購相關成本於有關成本產生及接獲服務期間確認為開支。於收購時，附屬公司的可識別資產及負債均按其於收購日期的公允值計量。

收購成本超出本公司應佔附屬公司可識別資產及負債的公允值淨額的部分列作商譽。本公司應佔可識別資產及負債的公允值淨額超出收購成本的任何部分於綜合損益內確認為本公司應佔議價收購的收益。

對於分段進行的業務合併，先前已持有的附屬公司的股權按其於收購日期的公允值計量，而由此產生的收益或虧損於綜合損益內確認。公允值會加入至收購成本以計算商譽。

倘先前已持有的附屬公司股權的價值變動已於綜合其他全面收益內確認(例如按公允值計入其他全面收益的股本投資)，則於其他全面收益確認的金額乃按在先前已持有的股權被出售的情況下所需的相同基準確認。

商譽會每年進行減值測試或當事件或情況改變顯示可能減值時則更頻繁地進行減值測試。商譽乃按成本減累計減值虧損計量。商譽減值虧損的計量方法與下文會計政策內所述其他資產的計量方法相同。商譽的減值虧損於綜合損益內確認，且隨後不予撥回。就減值測試而言，商譽會被分配至預期因收購的協同效益而產生利益的現金產生單位。

於附屬公司之非控股權益初步按非控股股東應佔該附屬公司於收購日期的可識別資產及負債的公允值淨額比例計量。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

3 主要會計政策(續)

聯營公司

聯營公司指本集團對其有重大影響力的實體。重大影響力乃指有權參與實體的財務及經營政策決策但無法控制或共同控制該等政策的權力。於評估本集團是否具有重大影響力時，會考慮現時可行使或可轉換的潛在投票權(包括其他實體持有的潛在投票權)的存在及影響。評估潛在投票權是否擁有重大影響力時，持有人的意向及是否具有財政能力行使或轉換該權利均不予考慮。

於聯營公司的投資以權益法於綜合財務報表入賬，且初步按成本確認。於收購中，聯營公司的可識別資產及負債按其於收購日期的公允值計量。收購成本超出本集團應佔聯營公司可識別資產及負債的公允值淨額之部分列為商譽。商譽計入投資的賬面值，且倘有客觀證據顯示投資出現減值，則於各報告期末就投資進行減值測試。本集團應佔可識別資產及負債公允值淨額高於收購成本之任何部分於綜合損益確認。

本集團應佔聯營公司之收購後損益於綜合損益確認，而其應佔之收購後儲備變動則於綜合儲備確認。累計收購後變動根據投資之賬面值作出調整。當本集團應佔聯營公司之虧損相等於或超過其於聯營公司之權益(包括任何其他無抵押應收款項)時，本集團不會進一步確認虧損，惟其須代表該聯營公司承擔責任或作出付款則除外。倘聯營公司其後呈報溢利，則本集團僅於其應佔溢利與未確認之應佔虧損相等後方會繼續確認其應佔溢利。

出售聯營公司導致失去重大影響力之收益或虧損指(i)出售代價之公允值加該聯營公司保留任何投資之公允值與(ii)本集團應佔該聯營公司之資產淨值加與該聯營公司有關之任何剩餘商譽及任何有關累計外幣換算儲備之間的差額。倘於聯營公司之投資成為合營公司之投資，則本集團會繼續應用權益法，且不會重新計量保留權益。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Associates (continued)

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint arrangement

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities are activities that significantly affect the returns of the arrangement. When assessing joint control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has joint control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. 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 arrangement.

In relation to its interest in a joint operation, the Group recognises in its consolidated financial statements, its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly, in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

3 主要會計政策(續)

聯營公司(續)

本集團與其聯營公司進行交易的未變現溢利按本集團於聯營公司的權益比例對銷。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產出現減值。倘有需要，聯營公司的會計政策會作出變更，以確保與本集團所採納的政策一致。

合營安排

合營安排指兩方或以上於其中擁有共同控制權的安排。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的各方作出一致同意之決定時存在。相關活動指對安排回報有重大影響之活動。當評估共同控制時，本集團考慮其潛在投票權，以及由其他各方持有的潛在投票權，以釐定是否擁有共同控制權。一個潛在投票權只有在其持有人有行使這一權利的實際能力時才被考慮。

合營安排指共同經營或合營公司。共同經營乃對該項安排擁有共同控制權之各方對該項安排之資產擁有權利及對其負債承擔責任之合營安排。合營公司乃擁有共同控制權之各方對該項安排之資產淨值擁有權利之合營安排。

就共同經營之權益而言，本集團乃按照適用於特定資產、負債、收益及開支之國際財務報告準則，於其綜合財務報表中確認其資產(包括應佔共同持有之任何資產)；其負債(包括應佔共同產生之任何負債)；其來自出售其共同經營所應佔產出之收益；其應佔出售共同經營產出之收益；及其開支(包括應佔共同產生之任何開支)。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Joint arrangement (continued)

Investment in a joint venture is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the joint venture in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of a joint venture's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of a joint venture that results in a loss of joint control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that joint venture and (ii) the Group's share of the net assets of that joint venture plus any remaining goodwill relating to that joint venture and any related accumulated foreign currency translation reserve. If an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

3 主要會計政策(續)

合營安排(續)

於合營公司之投資乃按權益法計入綜合財務報表，並初步按成本確認。於收購中，合營公司之可識別資產及負債按其於收購日期之公允值計量。倘收購成本超出本集團應佔合營公司之可識別資產及負債之公允值淨額，則差額將以商譽入賬。商譽乃計入投資之賬面值，並於有客觀證據顯示該項投資已減值時於各報告期末連同該項投資進行減值測試。倘本集團應佔可識別資產及負債之公允值淨額高於收購成本，則有關差額將於綜合損益內確認。

本集團應佔合營公司收購後溢利或虧損於綜合損益內確認，而其應佔收購後儲備變動則於綜合儲備內確認。收購後之累計變動於投資之賬面值作出調整。倘本集團分佔合營公司虧損相等於或超過其於合營公司之權益(包括任何其他無抵押應收款項)，則本集團不進一步確認虧損，除非本集團已產生責任或代合營公司付款。倘合營公司其後錄得溢利，則本集團僅於其應佔溢利相等於其應佔未確認之虧損後，方會恢復確認其應佔之該等溢利。

因出售合營公司而導致失去共同控制之盈虧乃指(i)出售代價之公允值連同於該合營公司任何保留投資之公允值與(ii)本集團應佔該合資公司資產淨值連同與該合營公司有關之任何餘下商譽及任何有關累計外幣換算儲備兩者間之差額。倘於合營公司之投資成為於聯營公司的投資，則本集團將繼續應用權益法，且不會重新計量保留權益。

本集團與其合營公司之間交易的未變現溢利以本集團於合營公司之權益予以抵銷。除非有關交易提供轉讓資產的減值憑證，否則未變現的虧損亦予以抵銷。合營公司的會計政策在必要時已經更改，以確保與本集團採納的政策保持一致。

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3 SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi, which is the Company's functional and presentation currency.

(b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

3 主要會計政策(續)

外幣換算

(a) 功能及呈報貨幣

本集團各實體之財務報表內項目均以該實體業務所在主要經濟環境通行之貨幣(「功能貨幣」)計量。綜合財務報表以人民幣呈列，該貨幣為本公司之功能及呈報貨幣。

(b) 各實體財務報表之交易及結餘

外幣交易於初始確認時使用交易日期之通行匯率換算為功能貨幣。以外幣為單位之貨幣資產及負債按各報告期末之匯率換算。此換算政策產生之盈虧於損益內確認。

以公允值計量及外幣計值的非貨幣項目按釐定公允值當日之適用匯率換算。

倘非貨幣項目之收益或虧損於其他全面收益內確認，則該收益或虧損之匯兌部份亦於其他全面收益內確認。倘非貨幣項目之收益或虧損於損益內確認，則該收益或虧損之任何匯兌部份亦於損益內確認。

(c) 綜合賬目時進行換算

功能貨幣與本公司之呈報貨幣不同的所有集團實體之業績及財務狀況均按以下方法換算為本公司之呈報貨幣：

- (i) 各財務狀況表所列之資產及負債按財務狀況表日期之收市匯率換算；
- (ii) 收入及支出均按平均匯率換算(除非該平均值並非為按於交易日之匯率累計影響之合理近似值，在此情況下，收入及支出乃按交易日期匯率換算)；及

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation (continued)

(c) Translation on consolidation (continued)

- (iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Property, plant and equipment

Land and buildings comprise mainly factories and offices. Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Buildings	4.5%
Machinery	9%
Furniture and fixtures	5%-33%
Motor vehicles	18%
Leasehold improvements	useful life or over the term of the lease, whichever is shorter

3 主要會計政策(續)

外幣換算(續)

(c) 綜合賬目時進行換算(續)

- (iii) 一切因此而產生之匯兌差額均在外幣換算儲備內確認。

於綜合賬目時，換算境外實體之投資淨額及借貸所產生之匯兌差額於外幣換算儲備內確認。當境外業務被出售時，有關匯兌差額作為出售之盈利或虧損之一部份於綜合損益內確認。

因收購海外實體而產生之商譽及公允值調整，均作為有關海外實體之資產與負債處理，並按收市匯率換算。

物業、機器及設備

土地及樓宇主要包括工廠及辦公室。物業、機器及設備乃按成本減累計折舊及減值虧損列賬。

倘與該項目有關之日後經濟利益有可能流入本集團，及該項目成本能可靠計量時，則其後成本計入資產賬面值或確認為個別資產(如適用)。所有其他維修及保養於其產生期間在損益內確認。

物業、機器及設備之折舊，按足以撇銷其成本減剩餘價值之比率，於估計可使用年內使用直線法計算。主要年率如下：

樓宇	4.5%
機器	9%
傢俬及裝置	5%-33%
汽車	18%
租賃物業裝修	可使用年期或租期(以較短者為準)

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Leases

The Group as lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

Land use rights	50 years
Buildings	over the lease term of 1 year to 13 years

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US\$5,000 (approximately equivalent to RMB35,000).

3 主要會計政策(續)

物業、機器及設備(續)

剩餘價值、可使用年期及折舊法會於各報告期末作出檢討及調整(如適用)。

出售物業、機器及設備之盈虧為出售所得款項淨額與相關資產之賬面值兩者之間差額，於損益確認。

租賃

本集團為承租人

租賃於租賃資產可供本集團使用時確認為使用權資產及相應租賃負債。使用權資產乃按成本減累計折舊及減值虧損列賬。使用權資產乃按資產可使用年期與租賃期二者中較短者以直線法按撇銷其成本的利率折舊。主要年利率如下：

土地使用權	50年
樓宇	租賃期1年至13年

使用權資產乃按成本(包括初步計量租賃負債金額、預付租賃款項、初步直接成本及恢復成本)計量。倘有關利率或本集團的增量借貸利率可予確定，租賃負債包括使用租約內所述利率折現租賃付款的現值淨額。各租賃付款於負債與財務成本之間作出分配。財務成本於租期內在損益內扣除，以使租賃負債餘額的息率固定。

與短期租賃相關的付款及低價值資產租賃於租期內以直線法在損益內確認為開支。短期租賃乃為初步租期為12個月或少於12個月的租賃。低價值資產為價值低於5,000美元(約等於人民幣35,000元)的資產。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

The brand of Hamleys Global with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the brand of Hamleys Global has suffered an impairment loss.

Intangible assets other than the brand of Hamleys Global have finite useful lives.

Intangible assets are stated at cost less accumulated amortisation and impairment losses. The principal useful lives are as

Trademarks	5 years
Other brands (other than the Hamleys Global Brand)	2- 10 years
Software	3-5 years
Concession agreements	6 years
Others	3-5 years

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

3 主要會計政策(續)

無形資產

具有無限可使用年期的Hamleys Global品牌按成本減任何減值虧損列賬。減值於每年或於有任何跡象表明Hamleys Global品牌蒙受減值虧損時進行審閱。

Hamleys Global品牌以外之無形資產具有有限可使用年期。

無形資產按成本減累計攤銷及減值虧損列賬。主要可使用年期如下：

商標	5年
其他品牌(Hamleys Global品牌除外)	2至10年
軟件	3至5年
特許協議	6年
其他	3至5年

存貨

存貨按成本與可變現淨值兩者之較低者入賬。成本以加權平均基準釐定。製成品及在製品之成本包括原材料、直接人工及所有生產經常性開支之適當部分及(如適用)分包費用。可變現淨值按一般業務過程中估計的銷售價格減去尚需投入的估計生產成本及估計銷售費用計算。

確認及終止確認金融工具

本集團於成為工具合約條文之訂約方時，於綜合財務狀況表中確認金融資產及金融負債。

於收取資產現金流量之合約權利屆滿；本集團轉讓有關資產所有權的絕大部分風險及回報，或本集團概無轉讓亦無保留資產所有權的絕大部分風險及回報惟並無保留對資產的控制權時，則終止確認金融資產。於終止確認一項金融資產時，該項資產之賬面值與已收代價總和之差額於損益內確認。

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3 SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Recognition and derecognition of financial instruments (continued)

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified under the following categories:

- Financial assets at amortised cost;
- Equity investments at fair value through other comprehensive income; and
- Financial assets at fair value through profit or loss.

(i) Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

3 主要會計政策(續)

確認及終止確認金融工具(續)

當相關合約中規定之責任獲解除、註銷或屆滿時，則終止確認金融負債。已終止確認之金融負債之賬面值與已付代價之差額於損益內確認。

金融資產

倘屬於根據合約條款規定須於有關市場所規定期限內交付資產之購入或出售資產，則金融資產按交易日基準確認入賬及終止確認，並按公允值加直接應佔交易成本作初步確認，惟按公允值計入損益之投資除外。收購按公允值計入損益的投資之直接應佔交易成本，即時於損益內確認。

本集團之金融資產乃分類為如下類別：

- 按攤銷成本計量之金融資產
- 按公允值計入其他全面收益之股本工具；及
- 按公允值計入損益之金融資產。

(i) 按攤銷成本計量之金融資產

倘金融資產(包括貿易應收款項及其他應收款項)符合以下兩項條件則歸入此分類：

- 資產乃按目的為持有資產以收集合約現金流量的業務模式持有；及
- 資產合約條款於特定日期產生現金流量，有關現金流量僅為本金及尚未償還本金之利息付款。

有關項目其後以實際利率法按攤銷成本減去預期信貸虧損之虧損撥備計量。

3 SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial assets (continued)**(ii) Equity investments at fair value through other comprehensive income**

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that are not held for trading as at fair value through other comprehensive income.

Equity investments at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising from changes in fair values recognised in other comprehensive income and accumulated in the equity investment revaluation reserve. On derecognition of an investment, the cumulative gains or losses previously accumulated in the equity investment revaluation reserve are not reclassified to profit or loss.

Dividends on these investments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

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

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Investments at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.

3 主要會計政策(續)**金融資產(續)****(ii) 按公允值計入其他全面收益之股本工具**

於初始確認時，本集團可作出不可撤回之選擇(按個別工具基準)以指定並非持作買賣之股本工具之投資列作為按公允值計入其他全面收益列賬。

按公允值計入其他全面收益之股本投資其後按公允值計量，而公允值變動所產生之收益及虧損於其他全面收益確認及於股本投資重估儲備累計。終止確認投資時，原先於股本投資重估儲備累計之累計收益或虧損不會重新分類至損益。

該等投資之股息於損益確認，惟股息明顯屬收回部分投資成本則作別論。

(iii) 按公允值計入損益之金融資產

倘金融資產不符合以攤銷成本計量之條件以及按公允值計入其他全面收益之債務投資條件，則金融資產分類為此類別，除非本集團於初步確認時指定並非持有作買賣用途的股本投資列作為按公允值計入其他全面收益列賬。

按公允值計入損益之投資其後按公允值計量，而公允值變動產生的任何收益或虧損於損益確認。於損益確認的公允值收益或虧損扣除任何利息收入及股息收入。利息收入及股息收入於損益確認。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument (“lifetime expected credit losses”) for trade receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

3 主要會計政策(續)

預期信貸虧損的虧損撥備

本集團就按攤銷成本列賬的金融資產的預期信貸虧損確認虧損撥備。預期信貸虧損為加權平均信貸虧損，並以發生相關違約風險的金額作為加權數值。

於各報告期末，就貿易應收款項而言，或倘金融工具的信貸風險自初始確認以來大幅增加，本集團按相等於該金融工具的預計年期所有可能發生違約事件所引致的預期信貸虧損（「全期預期信貸虧損」）的金額計量金融工具的虧損撥備。

倘於報告期末，金融工具（貿易應收款項除外）的信貸風險自初始確認以來並無大幅增加，本集團按相等於反映該金融工具於報告期後12個月內可能發生的違約事件所引致預期信貸虧損的全期預期信貸虧損部分的金額計量該金融工具的虧損撥備。

於報告期末將虧損撥備調整至所需金額的預期信貸虧損或撥回金額，於損益中確認為減值收益或虧損。

現金及現金等價物

就現金流量表而言，現金及現金等價物指銀行現金及手頭現金、銀行及其他金融機構的活期存款，以及可隨時轉換為已知數額現金且價值變動風險並不重大的短期高流通性投資。須按要求償還並構成本集團現金管理的組成部分的銀行透支亦入賬列作現金及現金等價物的一部分。

金融負債及股本工具

金融負債及股本工具乃根據所訂立合約安排的內容及國際財務報告準則項下金融負債及股本工具的定義分類。股本工具乃證明於本集團經扣除其所有負債後的資產中擁有剩餘權益的任何合約。下文載列就特定金融負債及股本工具所採納的會計政策。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Revenue from contract with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

3 主要會計政策(續)

借貸

借貸初步按公允值(扣除已產生交易成本)確認,其後採用實際利率法按攤銷成本計量。

借貸分類為流動負債,除非本集團擁有無條件權利將負債的結算遞延至報告期後至少12個月。

貿易應付款項及其他應付款項

貿易應付款項及其他應付款項初步按其公允值列賬,其後採用實際利率法按攤銷成本計量,除非貼現影響甚微,於此情況下,則以成本列賬。

股本工具

本公司所發行的股本工具按已收所得款項(扣除直接發行成本)入賬。

來自客戶合約的收益

收益乃參考常見業務慣例按客戶合約所列明的代價計量,且不包括代表第三方收取的款項。就客戶付款與轉移已承諾產品或服務之間的期限超過一年的合約而言,代價就重大融資部分的影響作出調整。

本集團於透過將產品或服務的控制權轉移至客戶而履行履約責任時確認收益。視乎合約條款及該合約適用的法例,履約責任可隨時間或於某一時間點履行。倘屬下列情況,履約責任乃隨時間履行:

- 客戶同時獲得及消耗本集團履約所提供的利益;
- 本集團履約創建或提升客戶隨著資產的創建或提升而控制的資產;或
- 本集團履約並無創建對本集團而言具替代用途的資產,且本集團對至今已完成的履約付款擁有可強制執行的權利。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contract with customers (continued)

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

Other revenue

Interest income is recognised using the effective interest method.

Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

The Group also participates in a defined contribution retirement scheme organized by the government in the PRC. The Group is required to contribute a specific percentage of the payroll of its employees to the retirement scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the retirement scheme. No forfeited contributions may be used by the employers to reduce the existing level of contributions.

(c) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

3 主要會計政策(續)

來自客戶合約的收益(續)

倘履約責任隨時間獲履行，收益乃參考履約責任圓滿完成的進度確認。否則，收益於客戶取得產品或服務控制權的時點確認。

其他收益

利息收入採用實際利率法確認。

僱員福利

(a) 僱員有薪假期

僱員可享有的年假及長期服務假期乃於僱員享有假期時確認。撥備乃就僱員直至報告期末所提供服務而可享有的年假及長期服務假期的估計負債作出。

僱員可享有的病假及產假於放假時方予確認。

(b) 退休金責任

本集團向所有僱員均可參與的界定供款退休計劃作出供款。本集團及僱員向計劃作出的供款乃按僱員基本薪金的百分比計算。於損益內扣除的退休福利計劃成本乃指本集團應向基金作出的供款。

本集團亦參與中國政府組織的定額供款退休計劃。本集團須按其僱員薪金的指定百分比向退休計劃作出供款。供款按退休計劃的規則在應付時於損益扣除。僱主不得使用被沒收的供款以減少現有供款數額。

(c) 終止僱傭福利

終止僱傭福利於本集團無法撤回提供該等福利及本集團確認重組成本並涉及支付終止僱傭福利的較早日期予以確認。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payments

The Group issues equity-settled share-based payments to certain directors and employees.

Equity-settled share-based payments are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

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. 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.

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 capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3 主要會計政策(續)

以股份為基礎的支付

本公司向若干董事及僱員發行以權益結算以股份為基礎的支付。

以權益結算以股份為基礎的支付乃於授出日期按股本工具之公允值計量(不包括非市場歸屬條件之影響)。於以權益結算以股份為基礎的支付於授出日期釐定之公允值，根據本集團所估計最終將予歸屬之股份及就非市場歸屬條件調整，按歸屬期以直線法支銷。

就於授出日期立即歸屬的股份獎勵而言，已授出股份獎勵之公允值立即於損益支銷。倘本公司僱員股份信託從市場購買股份，則已付代價(包括任何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。

借貸成本

直接歸屬於收購、建造或生產合資格資產(即需要花費相當長時間才能為其擬定用途或銷售做好準備的資產)的借貸成本資本化為該等資產的部分成本，直至資產大致準備作其擬定用途或銷售為止。有待就合資格資產支銷的特定借貸的暫時投資所賺取的投資收入由符合資格進行資本化的借貸成本中扣除。

倘資金借入作一般用途及用於獲取合資格資產，則合資格資本化的借貸成本金額乃按該資產支銷所應用的資本化比率釐定。資本化比率為適用於本集團期內尚未償還借貸的加權平均借貸成本，不包括為獲取合資格資產而專門借入的借貸。

所有其他借貸成本於其產生期間於損益內確認。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become 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.

Government grants relating to the purchase of assets are deducted from the carrying amount of the assets. The grant is recognised in profit or loss over the life of a depreciable asset by way of a reduced depreciation charge.

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such 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.

3 主要會計政策(續)

政府補助

當有合理保證本集團將遵守政府補助的附帶條件及將接獲補助時，確認政府補助。

有關收入的政府補助將予以遞延，並將於配合擬補助的成本的期間內在損益內確認。

因已產生的開支或虧損或向本集團提供即時財務支持成為應收補償且並無日後相關成本的政府補助，乃於其成為應收款項的期間在損益確認。

有關購買資產的政府補助自資產的眼面值扣減。補助透過扣減折舊費用於可折舊資產年期在損益內確認。

稅項

所得稅指即期稅項及遞延稅項的總額。

即期應付稅項乃根據年內應課稅溢利計算。應課稅溢利與於損益內確認的溢利有所不同，乃由於應課稅溢利不包括其他年度的應課稅或可予扣稅收入或開支項目，且亦不包括免稅或不可扣稅項目。本集團即期稅項負債採用於報告期末已頒佈或已實質頒佈的稅率計算。

遞延稅項按資產及負債於財務報表內的眼面值與計算應課稅溢利採用的相應稅基的差額確認。遞延稅項負債一般按所有應課稅暫時差額確認，而遞延稅項資產則將在可能有應課稅溢利可供作抵銷可予扣減暫時差額、未動用稅項虧損或可動用而未動用稅項抵免時確認。倘暫時差額乃因商譽或初始確認一宗既不影響應課稅溢利亦不影響會計溢利的交易(業務合併除外)中的其他資產及負債而產生，則不會確認有關資產及負債。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests 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.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 主要會計政策(續)

稅項(續)

遞延稅項負債乃按於附屬公司及聯營公司的投資以及於合營公司的權益所產生的應課稅暫時差額確認，惟倘本集團可控制暫時差額的撥回，且該暫時差額可能將不會在可見將來撥回者除外。

遞延稅項資產的賬面值乃於各報告期末進行檢討，並調低至將不再可能有充裕的應課稅溢利以收回所有或部分資產。

遞延稅項乃根據於報告期末已頒佈或已實質頒佈的稅率，按預期在負債結清或資產變現期間應用的稅率計算。遞延稅項於損益中確認，惟倘遞延稅項與其他全面收益確認或直接於權益確認的項目有關則除外，在此情況下遞延稅項亦會於其他全面收益或直接於權益確認。

遞延稅項資產及遞延稅項負債之計量反映本集團於報告期末預計收回或結算資產及負債賬面值之方式而引致之稅務後果。

當有可依法強制執行的權利將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與負債與同一稅務機構所徵收的所得稅相關及本集團有意按淨額基準結算其即期稅項資產及負債時，則可將遞延稅項資產與負債抵銷。

分部報告

經營分部及財務報表所呈報的各分部項目金額取自向本集團最高行政管理人員定期呈報以便其向本集團各業務分配資源以及評估該等業務表現的財務資料。

個別重大經營分部不會為財務報告而合併，除非相關分部具有類似的經濟特徵，且產品及服務性質、生產流程性質、客戶類型或類別、分銷產品或提供服務所用方法及監管環境的性質相似。符合上述多數標準的非個別重大經營分部可合併。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discontinued operations

A discontinued operation is a component of the Group, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale in accordance with IFRS 5, if earlier. It also occurs when the operation is abandoned.

When an operation is classified as discontinued, a single amount is presented in the consolidated statement of profit or loss and other comprehensive income, which comprises:

- The post-tax profit or loss of the discontinued operation; and
- The post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group constituting the discontinued operation.

Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.

3 主要會計政策(續)

已終止業務

已終止業務為本集團之一部分，其經營及現金流量能夠明顯區別於本集團剩餘部分，其亦為單獨的主要業務線或經營地區，或作為出售一項按業務或地區劃分之獨立主要業務之單一統籌計劃一部分，或為一間純粹為轉售而收購之附屬公司。

分類為已終止業務乃於出售或經營業務根據國際財務報告準則第5號符合分類為持作出售之標準(倘更早)時發生。其亦於經營業務撤出時發生。

倘若業務分類為終止經營，則會於綜合損益及其他全面收益表按單一數額呈列，當中包含：

- 已終止業務之除稅後溢利或虧損；及
- 就構成已終止業務之資產或出售集團，計量公允價值減銷售成本或於出售時確認之除稅後損益。

關聯方

關聯方乃與本集團有關聯之人士或實體。

- (a) 倘屬以下人士，即該人士或該人士直系親屬與本集團有關聯：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本公司或本公司母公司之主要管理層人員

3 SIGNIFICANT ACCOUNTING POLICIES**(CONTINUED)****Related parties (continued)**

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

3 主要會計政策(續)**關聯方(續)**

- (b) 倘符合以下任何條件，即實體與本集團有關聯：
- (i) 該實體與本公司屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關聯)。
 - (ii) 一家實體為另一實體之聯營公司或合營公司(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營公司)。
 - (iii) 兩家實體均為同一第三方之合營公司。
 - (iv) 一家實體為第三方實體之合營公司，而另一實體為該第三方實體之聯營公司。
 - (v) 該實體為本集團或與本集團有關聯之實體就僱員利益設立之離職福利計劃。倘本集團本身為該計劃，提供資助之僱主亦與本集團有關聯。
 - (vi) 該實體受(a)所識別人士控制或共同控制。
 - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體母公司)主要管理層人員。
 - (viii) 該實體(或集團(而該實體為當中成員)旗下任何成員公司)向本公司或本公司母公司提供主要管理人員服務。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of assets

Intangible assets that have an indefinite useful life or not yet available for use are reviewed annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and other intangible assets except goodwill, deferred tax assets investments, inventories and receivables 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 asset is estimated in order to determine the extent of any impairment loss. Where 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.

Recoverable amount is the higher of fair value less costs of disposal 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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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 (net of amortisation or depreciation) 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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3 主要會計政策(續)

資產減值

具有無限可使用年期或尚未使用之無形資產會每年檢討減值，亦會於事件或情況改變顯示可能無法收回賬面值時檢討減值。

於各報告期末，本集團檢討其有形資產及其他無形資產(商譽、遞延稅項資產投資、存貨及應收款項)之賬面值，以釐定有否跡象顯示該等資產出現減值虧損。倘存在任何該等跡象，則估計資產之可收回金額以釐定任何減值虧損程度。倘無法估計個別資產之可收回金額，則本集團估計資產所屬現金產生單位之可收回金額。

可收回金額為公允值減出售成本及使用價值兩者之較高者。評估使用價值時，估計未來現金流量會按照可反映現時市場對貨幣時值及資產特定風險之評估之稅前貼現率，貼現至其現值。

倘資產或現金產生單位之可收回金額估計低於其賬面值，則資產或現金產生單位之賬面值減至其可收回金額。減值虧損即時於損益確認，惟倘相關資產以重估金額列賬則除外，在此情況下減值虧損視作重估減少處理。

倘減值虧損於其後撥回，則資產或現金產生單位之賬面值增至其可收回金額之經修訂估計，惟增加後之賬面值不得高於假設過往年度並無就資產或現金產生單位確認減值虧損而釐定之賬面值(扣除攤銷或折舊)。減值虧損撥回即時於損益確認，惟倘相關資產以重估金額列賬則除外，在此情況下減值虧損撥回視作重估增加處理。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATION

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) Consolidation of entity of less than 50% equity interest

Although the Group owns less than 50% of the equity interest in Jiangsu Meisen Footwear Company Limited, Jiangsu Meisen Footwear Company Limited is treated as a subsidiary because the Group is able to control the relevant activities of Jiangsu Meisen Footwear Company Limited as a result of the shareholders' agreement between the Group and other shareholders of Jiangsu Meisen Footwear Company Limited.

3 主要會計政策(續)

撥備及或然負債

在本集團現時須因過往事件承擔法定或推定責任，而履行責任有可能導致經濟利益流出，且能夠可靠地估計責任金額的情況下，便會確認該等時間或金額不確定之負債撥備。倘貨幣時值重大，則撥備之金額乃按預期用於履行該責任之支出之現值列賬。

倘需要流出經濟利益之機會不大，或金額無法可靠估計，則責任乃披露為或然負債，除非經濟利益流出之可能性極低則另作別論。可能出現之責任是否存在僅將取決於日後會否發生一宗或多宗事件，除非經濟利益流出之可能性極低，否則該等責任亦披露為或然負債。

報告期後事項

提供有關本集團於報告期末之狀況之額外資料或顯示持續經營假設並不適當之報告期後事項為調整事項，並反映於財務報表。並非調整事項之報告期後事項，如屬重大時乃於財務報表附註披露。

4. 關鍵判斷及主要估計

應用會計政策時的關鍵判斷

應用會計政策過程中，董事已作出以下對綜合財務報表中所確認金額具有最重大影響的判斷。

(a) 合併權益少於50%的實體

儘管本集團擁有Jiangsu Meisen Footwear Company Limited之股權少於50%，Jiangsu Meisen Footwear Company Limited仍被視為一間附屬公司，因為本集團與Jiangsu Meisen Footwear Company Limited其他股東之間訂立的股東協議，令本集團可控制Jiangsu Meisen Footwear Company Limited的相關活動。

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4. CRITICAL JUDGEMENTS AND KEY ESTIMATION (CONTINUED)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Impairment of property, plant and equipment, intangible assets and right-of-use assets

Property, plant and equipment, intangible assets and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the present value of estimated future cash flows. Where the future cash flows are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of future estimate cash flows, a material impairment loss may arise.

(b) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(c) Intangible assets and amortization

The Group determines the estimated useful lives, residual values and related amortization charges for the Group's intangible assets. This estimate is based on the historical experience of the actual useful lives and residual values of intangible assets of similar nature and functions. The Group will revise the amortization charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(d) Measurement of right-of-use assets and lease liabilities

The Group estimated the right-of-use assets and lease liabilities based on the terms of the rental agreements and the Group's incremental borrowing rate. Estimates are required in determining the Group's incremental borrowing rate.

4. 關鍵判斷及主要估計(續)

估計不明朗因素之主要來源

有關日後之主要假設及於報告期末估計不明朗因素之其他主要來源(擁有可導致下一個財政年度之資產與負債賬面值出現大幅調整之重大風險)於下文討論。

(a) 物業、機器及設備、無形資產及使用權資產減值

當事件或情況有變，顯示資產的賬面值超過其可收回金額，則會審閱物業、機器及設備、無形資產及使用權資產的減值情況。可收回金額參考估計未來現金流量的現值而釐定。倘未來現金流量少於預期或有不利事件及事實與情況變化，導致修訂未來估計現金流量，則可能出現重大減值虧損。

(b) 物業、機器及設備及折舊

本集團釐定其物業、機器及設備之估計可使用年期、剩餘價值及相關折舊費用。本估計乃根據對相似性質及功能之物業、機器及設備之實際可使用年期及剩餘價值之過往經驗作出。倘若可使用年期及剩餘價值與先前作出估計者不同，本集團將修改折舊費用，或其將會撤銷或撤減已廢棄或出售之技術過時或非策略性資產。

(c) 無形資產及攤銷

本集團釐定其無形資產的估計可使用年期、剩餘價值及相關折舊費用。本估計乃根據對相似性質及功能之無形資產之實際可使用年期及剩餘價值之過往經驗作出。倘若可使用年期及剩餘價值與先前作出估計者不同，本集團將修改折舊費用，或其將會撤銷或撤減已廢棄或出售之技術過時或非策略性資產。

(d) 計量使用權資產及租賃負債

本集團根據租賃協議的條款及本集團增量借貸利率估計使用權資產及租賃負債。在釐定本集團增量借貸利率時須作出估計。

4. CRITICAL JUDGEMENTS AND KEY ESTIMATION (CONTINUED)

Key sources of estimation uncertainty (continued)

(e) Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

(f) Provision for impairment of trade and other receivables

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(g) Revenue recognition in relation to the award credits earned by the customers under the Group's customer loyalty programme

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. 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.

(h) Fair value of investment

In the absence of quoted market prices in an active market, the directors estimate the fair value of the Group's investment in equity investments at fair value through other comprehensive income and financial assets at fair value through profit or loss, details of which are set out in note 5(f) to the financial statements.

4. 關鍵判斷及主要估計(續)

估計不明朗因素之主要來源(續)

(e) 滯銷存貨撥備

滯銷存貨撥備乃根據存貨賬齡及估計可變現淨值作出。評估撥備金額涉及判斷及估計。倘日後實際結果有別於初始估計，有關差額將影響有關估計發生變動期間存貨之賬面值及撥備費用/撥回。

(f) 貿易應收款項及其他應收款項減值撥備

本集團基於貿易應收款項及其他應收款項之可收回性(包括各債務人之現行信貸狀況及過往還款記錄)評估，就呆壞賬作出減值虧損。減值於出現事件或情況有變顯示結餘未必可收回時產生。識別呆壞賬時須運用判斷及作出估計。倘實際結果有別於初始估計，則有關差額將影響有關估計出現變動之年度之貿易應收款項及其他應收款項賬面值以及呆賬開支。倘債務人的財務狀況惡化，導致彼等付款的能力減值，則須作出額外撥備。

(g) 有關客戶根據本集團客戶忠誠度計劃賺取的獎品積分的收益確認

本集團經計及包括於屆滿後不被客戶贖回的獎品積分數目等多項因素，審閱年末預期贖回的獎品積分的總數目。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度計劃項下之獎品積分。本估計將會按持續基準進行審閱，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，則將會對將予贖回的獎品積分的預期數目作出修訂。

(h) 投資之公允值

在缺乏活躍市場報價的情況下，董事估計本集團於按公允值計入其他全面收益的股本投資之投資及按公允值計入損益的金融資產之公允值，詳情載於財務報表附註5(f)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019
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5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as part of its business transactions, assets and liabilities are denominated in United States dollars ("US\$"), Hong Kong Dollar ("HK\$"), European Dollar ("EUR") and Great British Pound ("GBP") which are currencies other than the functional currency of the relevant group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

The following table details the group entities sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the reporting date on a 5% change in foreign currency rates. A positive/negative number below indicates a decrease/increase in loss (2018: decrease/increase in loss) where RMB weakens/strengthens 5% against the relevant foreign currency.

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
US\$	美元	(3,216)	(8,203)
HK\$	港元	(3,833)	(4,960)
EUR	歐元	(2)	(22)
GBP	英鎊	(11)	1

5. 金融風險管理

本集團活動面臨若干金融風險：外幣風險、信貸風險、流動資金風險及利率風險。本集團整體風險管理計劃著重針對金融市場的不可預測性，並尋求方法減低對本集團財務表現的潛在不利影響。

(a) 外幣風險

本集團承受若干外幣風險，乃由於其部份業務交易、資產及負債以美元（「美元」）、港元（「港元」）、歐元（「歐元」）及英鎊（「英鎊」）計值，而該等貨幣並非相關集團實體的功能貨幣。本集團現時並無就外幣交易、資產及負債制定外幣對沖政策。本集團將密切監察外幣風險，並將在有需要時考慮對沖重大外幣風險。

敏感度分析

下表載列集團實體對人民幣兌相關外幣上升及下跌5%之敏感度詳情。5%代表管理層對外幣匯率合理可能變動之評估。敏感度分析僅包括以外幣計值之尚未支付貨幣項目，並於報告日期以匯率按5%變動作匯兌調整。下表之正數/負數顯示當人民幣兌相關外幣減弱/轉強5%時，本年度虧損之減少/增加（2018年：虧損減少/增加）。

5. FINANCIAL RISK MANAGEMENT**(CONTINUED)****(b) Credit risk**

The carrying amount of the trade and other receivables, deposits, cash and bank balances and investments included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group has no significant concentrations of credit risk.

It has policies in place to ensure that sales are made to customers with an appropriate credit history.

The credit risk on cash and bank balances and investments are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- internal credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant changes in the value of the collateral or in the quality of guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

5. 金融風險管理(續)**(b) 信貸風險**

計入綜合財務狀況表的貿易應收款項及其他應收款項、按金、現金及銀行結餘及投資賬面值指本集團面臨有關其金融資產之最大信貸風險。

本集團並無重大集中信貸風險。

本公司已制定政策確保向具有適當信貸記錄的客戶進行銷售。

現金及銀行結餘及投資之信貸風險有限，乃由於交易對手為國際信用評級機構給予高信用評級的銀行。

本集團比較金融資產於報告日期之違約風險與於初始確認日期之違約風險，以評估金融資產之信貸風險是否於各報告期內按持續基準大幅增加。本集團考慮所得合理及有據之前瞻性資料。尤其是使用以下資料：

- 內部信貸評級；
- 預期導致對借款人履行責任的能力出現重大變動之業務、財務或經濟狀況之實際或預期重大不利變動；
- 借款人經營業績之實際或預期重大變動；
- 抵押品價值或擔保或信貸提升措施之質素出現重大變動；及
- 借款人預期表現及行為之重大變動，包括借款人之付款狀況變動。

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5. FINANCIAL RISK MANAGEMENT

(CONTINUED)

(b) Credit risk (continued)

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 120 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 360 days past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis, based on undiscounted cash flows, of the Group's financial liabilities is as follows:

5. 金融風險管理(續)

(b) 信貸風險(續)

倘涉及合約付款之債務人逾期超過30日，則假定信貸風險大幅增加。當交易對手無法於合約付款到期時120日內支付款項，則金融資產出現違約。

金融資產於合理預期無法收回(如債務人無法與本集團達成還款計劃)時撇銷。倘債務人於逾期後超過360日無法作出合約付款，本集團通常會撇銷有關貸款或應收款項。倘貸款或應收款項已予撇銷，則本集團在實際可行及符合經濟效應的情況下，繼續採取強制行動試圖收回到期應收款項。

(c) 流動資金風險

本集團之政策為定期監察目前及預期流動資金需要，以確保其維持足夠現金儲備，應付其短期及較長期之流動資金需要。

本集團之金融負債到期日概況(基於未貼現現金流量)如下：

		Total 總計			
		Less than 1 year 少於一年 RMB'000 人民幣千元	Between 1 and 5 years 一至五年 RMB'000 人民幣千元	Undiscounted cash flow 未貼現現金流量 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
At 31 December 2019	於2019年12月31日				
Trade and bills payables	貿易應付款項及應付票據	127,206	-	127,206	127,206
Other payables	其他應付款項	123,201	-	123,201	123,201
		250,407	-	250,407	250,407

5. FINANCIAL RISK MANAGEMENT

(CONTINUED)

(c) Liquidity risk (continued)

5. 金融風險管理(續)

(c) 流動資金風險(續)

		Less than 1 year 少於一年 RMB'000 人民幣千元	Between 1 and 5 years 一至五年 RMB'000 人民幣千元	Total 總計	
				Undiscounted cash flow 未貼現現金流量 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
At 31 December 2018	於2018年12月31日				
Trade and bills payables	貿易應付款項及應付票據	152,097	-	152,097	152,097
Other payables	其他應付款項	251,700	-	251,700	251,700
Borrowings	借貸	213,773	76,485	290,258	277,941
Bank overdrafts	銀行透支	25,242	-	25,242	25,242
Obligations under finance leases	融資租賃項下責任	6,512	1,947	8,459	5,983
		649,324	78,432	727,756	712,963

(d) Interest rate risk

The Group's bank deposits and finance lease payables bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to interest-rate risk arises from its borrowings and bank deposits. These deposits and borrowings bear interests at variable rates varied with the then prevailing market condition.

As the Group has no significant interest-bearing assets and liabilities as at 31 December 2019, the Group's operating cash flows are substantially independent of changes in market interest rates.

At 31 December 2018, if interest rates at that date had been 50 basis points lower with all other variables held constant, consolidated loss after tax for the year would have been RMB 1,093,000 lower, arising mainly as a result of lower interest expense on borrowings. If interest rates had been 50 basis points higher, with all other variables held constant, consolidated loss after tax for the year would have been RMB1,093,000 higher, arising mainly as a result of higher interest expense on borrowings.

(d) 利率風險

本集團銀行存款及融資租賃應付款項按固定利率計息，並因此面臨公允價值利率風險。

本集團面臨的利率風險來自其借貸及銀行存款。該等存款及借貸按其時現行市場狀況變動釐定之浮動利率計息。

於2019年12月31日，由於本集團並無重大計息資產及負債，本集團經營現金流量大部分獨立於市場利率變動。

於2018年12月31日，倘利率在該日期降低50個基點而所有其他變量保持不變，當年的稅後綜合虧損將減少人民幣1,093,000元，主要是因為借貸利息開支減少。倘利率提高50個基點而所有其他變量保持不變，當年的稅後綜合虧損將增加人民幣1,093,000元，主要是因為借貸利息支出增加。

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截至2019年12月31日止年度

5. FINANCIAL RISK MANAGEMENT

(CONTINUED)

(e) Categories of financial instruments at 31 December

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Financial assets:	金融資產：		
Financial assets at fair value through profit or loss Mandatorily measured	按公允值計入損益之 金融資產 強制計量	65,300	50,000
Equity investments at fair value through other comprehensive	按公允值計入其他全面收益的 股本投資	20,000	40,000
Financial assets at amortised cost (including cash and cash equivalents)	按攤銷成本計量的金融資產 (包括現金及現金等價物)	782,652	672,532
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本計量的金融負債	250,407	712,963

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

5. 金融風險管理(續)

(e) 於12月31日的金融工具類別

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Financial assets:	金融資產：		
Financial assets at fair value through profit or loss Mandatorily measured	按公允值計入損益之 金融資產 強制計量	65,300	50,000
Equity investments at fair value through other comprehensive	按公允值計入其他全面收益的 股本投資	20,000	40,000
Financial assets at amortised cost (including cash and cash equivalents)	按攤銷成本計量的金融資產 (包括現金及現金等價物)	782,652	672,532
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本計量的金融負債	250,407	712,963

(f) 公允值

綜合財務狀況表反映的本集團金融資產及金融負債的賬面值與其各自公允值相若。

公允值為市場參與者於計量日期進行之有序交易中出售資產所收取或轉讓負債所支付之價格。以下公允值計量披露使用之公允值層級，將計量公允值所用之估值技術所用輸入數據分為三個等級：

第一級輸入數據：本集團於計量日期可以取得的相同資產或負債於活躍市場之報價(未經調整)。

第二級輸入數據：就資產或負債直接或間接地可觀察之輸入數據(第一級內包括的報價除外)。

第三級輸入數據：資產或負債的不可觀察輸入數據。

本集團之政策為確認截至於事項或狀況變動導致該轉移之日期止該等三個等級之任何轉入及轉出。

5. FINANCIAL RISK MANAGEMENT

(CONTINUED)

(f) Fair values (continued)

(i) Disclosures of level in fair value hierarchy

At 31 December 2019

Description 描述	Fair value measurements using: 使用以下輸入數據之公允值計量			
	Level 1	Level 2	Level 3	Total
	第一級	第二級	第三級	總計
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Recurring fair value measurements:	經常性公允值計量：			
Financial assets at fair value through profit or loss	按公允值計入損益的金融資產			
Unlisted wealth investment product	非上市理財產品			
	-	-	65,300	65,300
Equity investments at fair value through other comprehensive income	按公允值計入其他全面收益的股本投資			
Private equity investments	私人股本投資			
	-	-	20,000	20,000
Total recurring fair value measurements	-	-	85,300	85,300

At 31 December 2018

於2018年12月31日

Description 描述	Fair value measurements using: 使用以下輸入數據之公允值計量			
	Level 1	Level 2	Level 3	Total
	第一級	第二級	第三級	總計
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Recurring fair value measurements:	經常性公允值計量：			
Financial assets at fair value through profit or loss	按公允值計入損益的金融資產			
Option to acquire unlisted equity investment	購買非上市股本投資之期權			
	-	-	50,000	50,000
Equity investments at fair value through other comprehensive income	按公允值計入其他全面收益的股本投資			
Private equity investments	私人股本投資			
	-	-	40,000	40,000
Total recurring fair value measurements	-	-	90,000	90,000

5. 金融風險管理(續)

(f) 公允值(續)

(i) 公允值層級披露

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5. FINANCIAL RISK MANAGEMENT

(CONTINUED)

(f) Fair values (continued)

(ii) Reconciliation of assets measured at fair value based on level 3:

At 31 December 2019

Description	
描述	
At beginning of year	於年初
Total gains or losses recognised in – other comprehensive income	於其他全面收益確認的收益或 虧損總額
Purchases	購買
Transfer to other receivables	轉撥至其他應收款項
At end of year	於年末
(#) Include gains or losses for assets held at end of reporting period	(#) 計入報告期末所持資產的 收益或虧損

At 31 December 2018

Description	
描述	
At beginning of year	於年初
Purchases	購買
At end of year	於年末
(#) Include gains or losses for assets held at end of reporting period	(#) 計入報告期末所持資產的 收益或虧損

5. 金融風險管理(續)

(f) 公允值(續)

(ii) 根據第三級按公允值計量的
資產對賬：

於2019年12月31日

Financial assets at fair value through profit or loss	Equity investments at fair value through other comprehensive income	Total
按公允值 計入損益的 金融資產	按公允值 計入其他 全面收益的 股本投資	總計
RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
50,000	40,000	90,000
–	(20,000)	(20,000)
65,300	–	–
(50,000)	–	(50,000)
65,300	20,000	20,000
–	(20,000)	(20,000)

於2018年12月31日

Financial assets at fair value through profit or loss	Equity investments at fair value through other comprehensive income	Total
按公允值 計入損益的 金融資產	按公允值 計入其他 全面收益的 股本投資	總計
RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
–	–	–
50,000	40,000	90,000
50,000	40,000	90,000
–	–	–

5. FINANCIAL RISK MANAGEMENT

(CONTINUED)

(f) Fair values (continued)**(iii) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements**

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Level 3 fair value measurements**At 31 December 2019**

Description	Valuation technique	Unobservable inputs	Effect on fair value for increase of inputs	Fair value
描述	估值技巧	不可觀察輸入數據	輸入數據增加對公允值之影響	公允值 RMB'000 人民幣千元
Financial assets at fair value through profit or loss – Unlisted wealth investment product	Discounted cash flow	Rate of return of 2.29%	Increase	65,300
按公允值計入損益的金融資產 – 非上市理財產品	貼現現金流	收益率2.29%	增加	
Equity investments at fair value through other comprehensive income – Private equity investment	Selling price	Selling price	Increase	20,000
按公允值計入其他全面收益的股本投資 – 私人股本投資	售價	售價	增加	

5. 金融風險管理(續)**(f) 公允值(續)****(iii) 本集團所用估值程序及公允值計量所採用估值技巧及輸入數據披露**

本集團財務總監負責為財務報告過程中指定資產及負債計量公允值，包括第三級公允值計量。財務總監直接向董事會報告該等公允值計量。財務總監與董事會每年最少就估值過程及結果進行兩次討論。

就第三級公允值計量而言，本集團一般會委聘具認可專業資格及近期經驗的外部估值專家進行估值。

第三級公允值計量**於2019年12月31日**

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5. FINANCIAL RISK MANAGEMENT

(CONTINUED)

(f) Fair values (continued)

(iii) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value (continued)

Level 3 fair value measurements (continued)

At 31 December 2018

Description	Valuation technique	Unobservable inputs	Effect on fair value for increase of inputs 輸入數據增加對公允值之影響	Fair value RMB'000 人民幣千元
描述	估值技巧	不可觀察輸入數據	公允值之影響	公允值 RMB'000 人民幣千元
Financial assets at fair value through profit or loss – Option to acquire unlisted equity investment 按公允值計入損益的金融資產 – 購買非上市股本投資之期權	Selling price 售價	Selling price 售價	Increase 增加	50,000
Equity investments at fair value through other comprehensive income – private equity investment 按公允值計入其他全面收益的股本投資 – 私人股本投資	Asset-based on the market value of individual assets and liabilities 基於個別資產及負債市值的資產	Estimate price of similar assets and liabilities 類似資產及負債的估計價格	Increase 增加	40,000

5. 金融風險管理(續)

(f) 公允值(續)

(iii) 本集團所用估值程序及公允值計量所採用估值技巧及輸入數據披露(續)

第三級公允值計量(續)

於2018年12月31日

6. OPERATING SEGMENT INFORMATION

The Group's operating 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 has three reportable segments as follows:

- retail and wholesale of branded fashion footwear ("Retail and wholesale of shoes")
- contract manufacturing of footwear ("Contract manufacturing of shoes")
- retail of toys

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 3 to the consolidated financial statements. Segment profits or losses do not include loss on disposal of subsidiaries, gain from disposal of held for sale assets, gain on deemed disposal of an associate, impairment of an associate and joint ventures, share of profit/(loss) of an associate and joint ventures, finance costs and income tax expense. Segment assets do not include interest in an associate, deferred tax assets, current tax assets, interests in joint ventures, financial assets at fair value through profit or loss, and other unallocated head office and corporate assets. Segment liabilities do not include deferred tax liabilities and income tax liabilities.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

6. 經營分部資料

本集團之經營分部以向主要營運決策人（「主要營運決策人」，即本公司董事會）編製及呈報之資料為基礎，以作資源分配及表現評估用途。

本集團的三個可呈報分部如下：

- 品牌時尚鞋履零售及批發（「零售及批發鞋履」）
- 鞋履合約生產（「合約生產鞋履」）
- 玩具零售

本集團的可呈報分部屬提供不同產品及服務的戰略業務單位。由於每項業務均需要不同技術及營銷策略，故有關業務乃分開管理。

經營分部的會計政策與綜合財務報表附註3所述者相同。分部的溢利或虧損並不包括出售附屬公司的虧損、出售待售資產收益、視作減持一間聯營公司之收益、一間聯營公司及合營公司的減值、分佔聯營公司及合營公司的溢利／（虧損）、財務成本及所得稅開支。分部資產不包括於聯營公司之權益、遞延稅項資產、即期稅項資產、於合營公司之權益、按公允值計入損益的金融資產、及其他未分配營業總部及企業資產。分部負債不包括遞延稅項負債及所得稅負債。

本集團將分部間銷售及轉讓列賬，猶如有關銷售或轉讓乃向第三方（即按現時市價）作出。

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6. OPERATING SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the Group's revenue and results by operating and reportable segments for the year:

6. 經營分部資料(續)

本集團按年內經營及可呈報分部劃分的收益及業績分析如下：

		2019 2019年			2018 2018年		
		Continuing operations 持續經營業務 RMB'000 人民幣千元	Discontinued operations 已終止業務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Continuing operations 持續經營業務 RMB'000 人民幣千元 (Restated) (經重列)	Discontinued operations 已終止業務 RMB'000 人民幣千元 (Restated) (經重列)	Total 總計 RMB'000 人民幣千元 (Restated) (經重列)
Segment revenue	分部收益						
Retail and wholesale of shoes – external sales	零售及批發鞋履 – 外部銷售	1,625,685	–	1,625,685	2,048,973	–	2,048,973
Contract manufacturing of shoes – external sales	合約生產鞋履 – 外部銷售	211,226	–	211,226	229,104	–	229,104
– inter-segment sales	– 分部間銷售	112	–	112	12,762	–	12,762
Retail of toys – external sales	玩具零售 – 外部銷售	98,627	221,991	320,618	99,120	546,462	645,582
Segment revenue	分部收益	1,935,650	221,991	2,157,641	2,389,959	546,462	2,936,421
Eliminations	對銷	(112)	–	(112)	(12,762)	–	(12,762)
Group revenue	本集團收益	1,935,538	221,991	2,157,529	2,377,197	546,462	2,923,659
Segment results	分部業績						
Retail and wholesale of shoes	零售及批發鞋履	70,520	–	70,520	43,795	–	43,795
Contract manufacturing of shoes	合約生產鞋履	1,674	–	1,674	(30,373)	–	(30,373)
Retail of toys	玩具零售	(19,609)	(26,060)	(45,669)	(14,087)	22,105	8,018
Less: Impairments of goodwill	減：商譽減值	–	–	–	–	(154,318)	(154,318)
Written off of property, plant and equipment	撇銷物業、機器及設備	(12,446)	–	(12,446)	–	–	–
Impairment loss on long-term deposit	長期按金減值虧損	(1,200)	–	(1,200)	–	–	–
Impairment loss on prepayment	預付款減值虧損	(10,000)	–	(10,000)	–	–	–
Impairment on right-of-use assets	使用權資產減值	(4,804)	–	(4,804)	–	–	–
Impairment on property, plant and equipment	物業、機器及設備減值	(53,247)	–	(53,247)	–	(6,277)	(6,277)
Impairment loss on other intangible assets	其他無形資產減值虧損	(32,689)	–	(32,689)	–	(185,523)	(185,523)
		(133,995)	(26,060)	(160,055)	(14,087)	(324,013)	(338,100)
		(61,801)	(26,060)	(87,861)	(665)	(324,013)	(324,678)
Loss on disposal of subsidiaries	出售附屬公司的虧損	–	(62,154)	(62,154)	–	–	–
Gain from disposal of held for sale assets	出售待售資產收益	–	–	–	23,626	–	23,626
Gain on deemed disposal of an associate	視作減持一間聯營公司之收益	1,008	–	1,008	–	–	–
Impairment loss on an associate	一間聯營公司之減值虧損	(2,375)	–	(2,375)	(16,662)	–	(16,662)
Impairment loss on joint ventures	合營公司減值虧損	(4,781)	–	(4,781)	–	–	–
Finance costs	財務成本	(19,556)	(21,140)	(40,696)	(51,768)	(2,978)	(54,746)
Share of profit/(loss) of associate	分佔聯營公司溢利/(虧損)	1,651	–	1,651	(3,088)	–	(3,088)
Share of loss of joint ventures	分佔合營公司虧損	(4,713)	–	(4,713)	(2,439)	–	(2,439)
Loss before income tax	除所得稅前虧損	(90,567)	(109,354)	(199,921)	(50,996)	(326,991)	(377,987)
Income tax expense	所得稅開支	(114,709)	7,195	(107,514)	(42,360)	36,093	(6,267)
Net loss for the year	年內淨虧損	(205,276)	(102,159)	(307,435)	(93,356)	(290,898)	(384,254)

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6. OPERATING SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the Group's assets and liabilities by operating and reportable segments for the year:

6. 經營分部資料(續)

本集團按年內經營及可呈報分部劃分的資產及負債分析如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018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	1,773,392	1,880,784
Contract manufacturing of shoes	合約生產鞋履	119,151	440,622
Retail of toys	玩具零售	79,614	987,581
Total segment assets	分部資產總值	1,972,157	3,308,987
Eliminations	對銷	(309,607)	(845,922)
Unallocated	未分配	155,331	136,683
Total consolidated assets	綜合資產總值	1,817,881	2,599,748
Segment liabilities	分部負債		
Retail and wholesale of shoes	零售及批發鞋履	209,657	262,547
Contract manufacturing of shoes	合約生產鞋履	229,992	128,087
Retail of toys	玩具零售	285,442	917,067
Total segment liabilities	分部負債總額	725,091	1,307,701
Eliminations	對銷	(314,189)	(514,323)
Unallocated	未分配	6,709	131,896
Total consolidated liabilities	綜合負債總額	417,611	925,274

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6. OPERATING SEGMENT INFORMATION

(CONTINUED)

Other segment information

6. 經營分部資料(續)

其他分部資料

		Continuing operations		Discontinued operations		Total
		持續經營業務		已終止業務		
		Retail and wholesale of shoes 零售及 批發鞋履 RMB'000 人民幣千元	Contract 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	Retail of toys 零售玩具 RMB'000 人民幣千元	
For the year ended 31 December 2019	截至2019年12月31日止年度					
Depreciation of property, plant and equipment	物業、機器及設備折舊	61,909	1,113	7,045	12,758	82,825
Depreciation of right-of-use assets	使用權資產折舊	20,597	8,122	20,510	14,490	63,719
Amortisation of other intangible assets	其他無形資產攤銷	1,594	–	1,944	5,671	9,209
Provision/(Reversal) for inventory obsolescence	陳舊存貨撥備/(撥回)	(21,998)	309	–	18,469	(3,220)
Purchase of property, plant and equipment	購買物業、機器及設備	91,863	2,255	72	3,260	97,450
Purchase of intangible assets	購買無形資產	642	–	34,537	4,340	39,519
Reversal of impairment provision in respect of trade receivables	撥回貿易應收款項的減值撥備	(13,445)	–	–	–	(13,445)
Impairment loss on long-term deposit	長期按金減值虧損	–	–	1,200	–	1,200
Impairment loss on prepayment	預付款減值虧損	–	–	10,000	–	10,000
Impairment loss on right-of-use assets	使用權資產減值虧損	–	–	4,804	–	4,804
Impairment loss on property, plant and equipment	物業、機器及設備減值虧損	–	–	53,247	–	53,247
Impairment loss on other intangible assets	其他無形資產減值虧損	–	–	32,689	–	32,689
Written off of property, plant and equipment	撇銷物業、機器及設備	–	–	12,446	–	12,446
Interest income on bank deposits	銀行存款的利息收入	(4,462)	(63)	(30)	–	(4,555)
Interest income on other financial assets	其他金融資產的利息收入	(2,750)	–	–	–	(2,750)

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6. OPERATING SEGMENT INFORMATION

(CONTINUED)

Other segment information (continued)

6. 經營分部資料(續)

其他分部資料(續)

		Continuing operations		Discontinued operations		Total
		Retail and wholesale of shoes 零售及批發鞋履	Contract manufacturing of shoes 合約生產鞋履	Retail of toys 零售玩具	Retail of toys 零售玩具	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 (Restated) (經重列)	RMB'000 人民幣千元 (Restated) (經重列)	RMB'000 人民幣千元
For the year ended 31 December 2018	截至2018年12月31日止年度					
Depreciation of property, plant and equipment	物業、機器及設備折舊	19,914	1,094	11,648	12,194	44,850
Amortisation of other intangible assets	其他無形資產攤銷	2,867	-	4,547	11,176	18,590
Amortisation of prepaid lease payments	預付租金攤銷	397	-	-	-	397
Provision/(Reversal) for inventory obsolescence	陳舊存貨撥備/(撥回)	34,834	(940)	(17)	(7,741)	26,136
Reversal of impairment provision in respect of trade receivables	撥回貿易應收款項的減值撥備	(8,784)	-	-	-	(8,784)
Purchase of property, plant and equipment	購買物業、機器及設備	13,325	809	28,422	12,357	54,913
Purchase of intangible assets	購買無形資產	394	-	467	2,354	3,215
Impairment loss recognised on goodwill	確認商譽減值虧損	-	-	-	154,318	154,318
Impairment loss recognised on other intangible assets	確認其他無形資產減值虧損	-	-	-	185,523	185,523
Impairment loss recognised in respect of property, plant and equipment	確認物業、機器及設備減值虧損	-	-	-	6,277	6,277
Interest income on bank deposits	銀行存款的利息收入	(4,948)	(21)	(229)	(17)	(5,215)
Interest income on other financial assets	其他金融資產的利息收入	(273)	-	-	-	(273)

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6. OPERATING 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:

The PRC	中國
The United States of America	美利堅合眾國
Discontinued operations	已終止業務
Total	總計

Note: Non-current assets exclude deferred tax assets, equity investments at fair value through other comprehensive income and long-term deposits.

There is no single customer contributing over 10% of the total sales of the Group during both years.

6. 經營分部資料(續)

地區資料

本集團業務主要位於中華人民共和國(「中國」)以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	
2019	2018
2019年	2018年
RMB'000	RMB'000
人民幣千元	人民幣千元
1,724,312	2,155,150
211,226	222,047
221,991	546,462
2,157,529	2,923,659

附註：非流動資產不包括遞延稅項資產、按公允值計入其他全面收益的股本投資及長期存款。

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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7. REVENUE

7. 收益

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Retail and wholesale of shoes	零售及批發鞋履	1,625,685	2,048,973
Contract manufacturing of shoes	合約生產鞋履	211,226	229,104
Retail of toys	玩具零售	320,618	645,582
Total revenue	總收益	2,157,529	2,923,659
Representing	以下項目佔		
Continuing operations	持續經營業務	1,935,538	2,377,197
Discontinued operations	已終止業務	221,991	546,462
		2,157,529	2,923,659

Disaggregation of revenue from contracts with customers:

來自客戶合約收益的分類：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Geographical markets	地區市場		
The PRC	中國	1,724,312	2,155,150
UK	英國	176,939	459,347
The United States of America	美利堅合眾國	211,226	230,228
Other countries	其他國家	45,052	78,934
Total	總計	2,157,529	2,923,659
Major products/service	主要產品／服務		
Retail and wholesale of branded fashion footwear	零售及批發品牌時尚鞋履	1,625,685	2,048,973
Contract manufacturing of footwear	合約生產鞋履	211,226	229,104
Retail of toys	玩具零售	320,618	645,582
Total	總計	2,157,529	2,923,659
Timing of revenue recognition	確認收益的時間		
At a point in time	於某一時間點	2,157,529	2,923,659

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7. REVENUE (CONTINUED)

Retail and wholesale of shoes

The Group manufactures and sells self-developed brands and licensed brands footwear to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Wholesale of shoes to customers are normally made with credit terms of 60 to 75 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability. The Group would also allow longer credit period for certain customers with long term relationship. No credit terms are granted to retail customers. In respect of sales to retail customers made through cooperative stores, credit terms of 30 to 90 days are granted to cooperative stores.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Contract manufacturing of shoes

The Group acts as an original equipment manufacturer ("OEM") or original design manufacturer ("ODM") for international shoes companies dealing in export. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Wholesale of shoes to customers are normally made with credit terms of 60 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

7. 收益(續)

零售及批發鞋履

本集團生產及向客戶出售自有品牌及特許品牌的鞋履。銷售於以下情況確認：產品的控制權轉移時(即產品交付予客戶時)，概無可能影響客戶接納產品的未履行責任，且客戶獲得了使用該產品的法定權利。

向客戶批發鞋履通常以60至75天為信貸期限。就新客戶而言，可能需要訂金或貨到付款。收到的訂金確認為合約負債。本集團亦會就若干長期業務關係客戶授予較長的信貸期。概無向零售客戶授予信貸期限。就透過合作店舖銷售予零售客戶而言，授予合作店舖的信貸期限為30至90天。

應收款項於產品交付予客戶時確認，乃因代價於該時點變為無條件，僅須待時間過去便可收取付款。

合約生產鞋履

本集團以原始設備製造商(「原始設備製造商」)或原始設計製造商(「原始設計製造商」)的角色，向從事出口的國際鞋業公司提供產品及服務。銷售於以下情況確認：產品的控制權轉移時(即產品交付予客戶時)，概無可能影響客戶接納產品的未履行責任，且客戶獲得了使用該產品的法定權利。

向客戶批發鞋履通常以60天為信貸期限。就新客戶而言，可能需要訂金或貨到付款。收到的訂金確認為合約負債。

應收款項於產品交付予客戶時確認，乃因代價於該時點變為無條件，僅須待時間過去便可收取付款。

7. REVENUE (CONTINUED)

Retail of toys

The Group sells toys to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products. No credit terms are granted to customers.

Customer loyalty programmes

Within its retail segment, the Group operates a loyalty points programme, which allows customers to accumulate points when they purchase products in the Group's retail stores. The customers are entitled to redeem the award credits as cash to be used in future sales upon the fulfilment of certain criteria as set out in the terms and conditions of the Group's customer loyalty programme.

Consideration received for the products sold within the retail segment is allocated between the products sold and the points issued based on the relative stand-alone selling prices of the products sold and the points issued. The stand-alone selling prices of the points are determined by applying the expected cost plus a margin approach. The value allocated to the points issued is deferred and recognised as a contract liability. Such contract liability is recognised as revenue when the points are redeemed or expired.

7. 收益(續)

玩具零售

本集團向客戶出售玩具。銷售於以下情況確認：產品的控制權轉移時(即產品交付予客戶時)，概無可能影響客戶接納產品的未履行責任，且客戶獲得了使用該產品的法定權利。概無向零售客戶授予信貸期限。

客戶忠誠度計劃

本集團在其零售分部實施忠誠度積分計劃，該計劃使客戶在本集團的零售商店購買產品時可以累積積分。客戶符合本集團客戶忠誠度計劃的條款和條件所規定的若干標準後，可以將獎勵積分兌換成現金，於將來使用。

零售分部中所售產品所收取的代價乃根據所售產品和所發行積分的相對獨立售價，在所售產品和所發行積分之間分配。積分的獨立售價乃通過應用預期成本加利潤方法而釐定。分配予已發行積分的價值將遞延並確認為合約負債。當積分被兌換或過期時，有關合約負債將確認為收益。

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8. OTHER INCOME AND EXPENSES AND OTHER GAINS AND LOSSES

8. 其他收入及開支以及其他收益及虧損

			2019	2018
		Notes	2019年	2018年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Other income	其他收入			
Government grants	政府補助金	(i)	43,530	27,285
Interest income on bank deposits	銀行存款的利息收入		4,555	5,215
Interest income on other financial assets	其他金融資產的利息收入		2,750	273
Gain on disposal of property, plant and equipment	出售物業、機器及設備之收益		1,064	-
Others	其他		7,711	6,766
			59,610	39,539
Other gains and losses	其他收益及虧損			
Net foreign exchange gain/ (loss)	匯兌收益/(虧損)淨額		1,142	(1,806)
Reversal of impairment provision in respect of trade receivables	撥回貿易應收款項的減值撥備		13,445	8,784
Gain on deemed disposal of an associate	視作減持一間聯營公司之收益		1,008	-
Impairment loss on property, plant and equipment	物業、機器及設備減值虧損		(53,247)	(6,277)
Impairment loss on long-term deposit	長期按金減值虧損		(1,200)	-
Impairment loss on prepayment	預付款減值虧損	(ii)	(10,000)	-
Impairment loss on right-of-use assets	使用權資產減值虧損		(4,804)	-
Impairment loss on goodwill	商譽減值虧損		-	(154,318)
Impairment loss on other intangible assets	其他無形資產減值虧損		(32,689)	(185,523)
Impairment loss on joint ventures	合營公司減值虧損		(4,781)	-
Impairment loss on an associate	聯營公司減值虧損		(2,375)	(16,662)
Fair value change on financial assets at fair value through profit or loss	按公允值計入損益的金融資產之公允值變動		-	(10,765)
Gain from disposal of held for sale assets	出售待售資產收益		-	23,626
Gain on modification of right-of-use assets and lease liabilities	修改使用權資產及租賃負債之收益		1,719	-
Written off of property, plant and equipment	撇銷物業、機器及設備	(iii)	(12,446)	-
			(104,228)	(342,941)
Total 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的總額		(44,618)	(303,402)

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8. OTHER INCOME AND EXPENSES AND OTHER GAINS AND LOSSES

8. 其他收入及開支以及其他收益及虧損(續)

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Representing	以下項目佔		
Continuing operations	持續經營業務	(45,840)	34,605
Discontinued operations	已終止業務	1,222	(338,007)
		(44,618)	(303,402)

(i) 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.

(i) 該金額主要指收取本集團實體所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。

(ii) The Group plans to early terminate the rental agreement of a retail shop. Accordingly, impairment loss on relevant rental prepayment for rental expenses of RMB10,000,000 was recognised.

(ii) 本集團計劃提前終止一間零售店舖的租賃協議。因此，已就租賃開支確認相關租賃預付款之減值虧損人民幣10,000,000元。

(iii) The Group terminated rental agreement of a retail shop and written off property, plant and equipment of the retail shop of RMB12,446,000 accordingly.

(iii) 本集團終止一間零售店舖的租賃協議，並相應撤銷該零售店舖的物業、機器及設備人民幣12,446,000元。

9. FINANCE COSTS

9. 財務成本

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Leases interests	租賃利息	26,412	–
Interest on borrowings	借貸利息	14,284	54,746
		40,696	54,746
Representing	以下項目佔		
Continuing operations	持續經營業務	19,556	51,768
Discontinued operations	已終止業務	21,140	2,978
		40,696	54,746

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10. INCOME TAX EXPENSES

10. 所得稅開支

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Current tax – PRC Enterprise Income Tax	即期稅項—中國企業所得稅		
Provision for the year	年內撥備	72,473	59,896
Over-provision in prior years	過往年度超額撥備	(7,986)	(193)
		64,487	59,703
Current tax – PRC withholding tax	即期稅項—中國預扣稅	2,375	23,412
Current tax – United Kingdom Corporation Tax	即期稅項—英國企業稅		
Provision for the year	年內撥備	507	1,190
Over-provision in prior years	過往年度超額撥備	–	(13,489)
		507	(12,299)
Deferred tax	遞延稅項	40,145	(64,549)
Income tax expenses	所得稅開支	107,514	6,267
Representing	以下項目佔		
Continuing operations	持續經營業務	114,709	42,360
Discontinued operations	已終止業務	(7,195)	(36,093)
		107,514	6,267

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10. INCOME TAX EXPENSES (CONTINUED)

The reconciliation between the income tax expense and the product of loss before tax from continuing operations multiplied by the PRC enterprise income tax rate is as follows:

10. 所得稅開支(續)

所得稅開支與持續經營業務除稅前產品虧損乘以中國企業所得稅稅率之對賬載列如下：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(經重列)
Loss before tax	除稅前虧損	(90,567)	(50,996)
Tax at the income tax rate of 25% (2018: 25%) (Note)	按所得稅稅率25%計算之稅項 (2018年：25%) (附註)	(22,642)	(12,749)
Tax effect of share of (profit)/loss of an associate	分佔聯營公司(溢利)/虧損之 稅務影響	(100)	623
Tax effect of share of loss of joint ventures	分佔合營公司虧損之稅務影響	1,465	1,377
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	19,950	18,403
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	(1,050)	-
Over provision in prior year	過往年度過度撥備	(7,986)	(8,653)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	51,547	19,374
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	(3,515)	4,135
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	-	(3,562)
Tax effect on withholding tax on distributed profits in the PRC	中國已分配溢利預扣稅之 稅務影響	2,375	23,412
Tax effect of other temporary differences not recognised	其他未確認暫時差額之 稅務影響	20,467	-
Reversal of deferred tax assets recognised in prior years	撥回過往年度確認之 遞延稅項資產	54,198	-
Income tax expense for the year	年內所得稅開支	114,709	42,360

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10. INCOME TAX EXPENSES (CONTINUED)

The Group is not subject to taxation in the Bermuda and the British Virgin Islands (“BVI”).

No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2019 and 31 December 2018 as the Group did not generate any assessable profits arising in and derived from Hong Kong in both years.

United Kingdom Corporation Tax has been provided at a rate of 19% on the estimated assessable profit for the year ended 31 December 2019 (2018 : 19%).

PRC Enterprise Income Tax has been provided at a rate of 25% on the estimated assessable profit for the year ended 31 December 2019 (2018 : 25%).

Under the relevant tax law and implementation regulations in 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 BVI shall be subject to the withholding tax at 10%.

10. 所得稅開支(續)

本集團於百慕達及英屬處女群島(「英屬處女群島」)毋須繳納稅項。

截至2019年12月31日及2018年12月31日止年度並無就香港利得稅計提撥備，乃由於本集團於兩個年度並無於香港產生任何應課稅溢利。

英國企業稅已根據截至2019年12月31日止年度之估計應課稅溢利按稅率19% (2018年：19%)計提撥備。

中國企業所得稅已根據截至2019年12月31日止年度之估計應課稅溢利按稅率25% (2018年：25%)計提撥備。

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%的稅率繳納預扣稅。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%的稅率繳納預扣稅。

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11. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

Loss for the year has been arrived at after (crediting)/charging:

11. 來自持續經營業務的年內虧損

年內虧損已經(計入)/扣除以下各項：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元 (Restated) (經重列)
Depreciation of property, plant and equipment	物業、機器及設備折舊	70,067	32,656
Depreciation of right-of-use assets	使用權資產折舊	49,229	-
Amortisation of prepaid lease payment	預付租金攤銷	-	397
Amortisation of other intangible assets	其他無形資產攤銷	3,538	7,414
Directors' emoluments	董事袍金	6,447	6,749
Auditors' remuneration	核數師酬金	1,100	2,738
Cost of inventories sold	已售出存貨的成本	776,452	1,014,567
(Reversal of)/write-down of inventories to net realisable value (included in cost of inventories sold)	(撥回)/撇減存貨至可變現淨值(包括已售出存貨的成本)	(21,689)	33,877
Reversal of impairment provision in respect of trade receivables	撥回貿易應收款項的減值撥備	(13,445)	(8,784)
Share-based payment expenses	以股份支付之開支	-	1,878
Impairment loss on property, plant and equipment	物業、機器及設備減值虧損	53,247	-
Impairment loss on long-term deposit	長期按金減值虧損	1,200	-
Impairment loss on prepayment	預付款減值虧損	10,000	-
Impairment loss on right-of-use assets	使用權資產減值虧損	4,804	-
Impairment loss on other intangible assets	其他無形資產減值虧損	32,689	-
Impairment loss on an associate	一間聯營公司減值虧損	2,375	16,662
Impairment loss on joint ventures	合營公司減值虧損	4,781	-
Written off of property, plant and equipment	撇銷物業、機器及設備	12,446	-
Employee benefits expenses	僱員福利開支		
– Salaries, bonus and allowances	– 薪金、花紅及津貼	454,885	480,954
– Retirement benefits scheme contributions	– 退休福利計劃供款	71,576	73,322
		526,461	554,276

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12. DISCONTINUED OPERATION

12. 已終止業務

		Notes	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		附註		
Revenue	收益	7	221,991	546,462
Cost of sales	銷售成本		(115,910)	(236,297)
Gross profit	毛利		106,081	310,165
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	8	1,222	(338,007)
Distribution and selling expenses	分銷及銷售開支		(105,055)	(237,637)
Administrative and general expenses	行政及一般開支		(28,308)	(58,534)
Finance costs	財務成本	9	(21,140)	(2,978)
Loss before income tax	除所得稅前虧損		(47,200)	(326,991)
Income tax credit	所得稅抵免	10	7,195	36,093
Loss for the year	年內虧損		(40,005)	(290,898)
Loss on disposal of subsidiaries	出售附屬公司的虧損	42	(62,154)	–
Loss for the year from discontinued operation	來自已終止業務的年內虧損		(102,159)	(290,898)

Details of the discontinued operations are set out in Note 42 to the consolidated financial statements.

已終止業務的詳情載於綜合財務報表附註42。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to the directors of the Company were as follows:

13. 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：

		Directors' fee	Salaries and other benefits	Contributions to retirement benefits scheme	Total
		董事袍金	工資及其他福利	退休福利計劃供款	合計
For the year ended 31 December 2019		RMB'000	RMB'000	RMB'000	RMB'000
截至2019年12月31日止年度		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors:	執行董事：				
Chen Yixi	陳奕熙	-	2,957	16	2,973
Huo Li	霍力	-	1,019	19	1,038
Yuan Zhenhua	袁振華	-	801	19	820
Wan Xianghua (Note i)	萬祥華(附註i)	-	58	2	60
Wu Weiming (Note i)	吳維明(附註i)	-	54	2	56
Zhao Wei (Note ii)	趙偉(附註ii)	-	670	19	689
Non-executive director:	非執行董事：				
Miao Bingwen	繆炳文	177	-	-	177
Independent non-executive directors:	獨立非執行董事：				
Kwong Wai Sun Wilson	鄺偉信	177	-	-	177
Li Xindan	李心丹	177	-	-	177
Zheng Hongliang	鄭紅亮	177	-	-	177
Zhang Zhiyong (Note iii)	張志勇(附註iii)	103	-	-	103
		811	5,559	77	6,447
For the year ended 31 December 2018	截至2018年12月31日止年度				
Executive directors:	執行董事：				
Chen Yixi	陳奕熙	-	2,785	15	2,800
Zhao Wei	趙偉	-	1,201	20	1,221
Huo Li	霍力	-	1,019	20	1,039
Yuan Zhenhua	袁振華	-	794	20	814
Non-executive directors:	非執行董事：				
Miao Bingwen	繆炳文	175	-	-	175
Wu Guangze (Note iv)	吳廣澤(附註iv)	-	-	-	-
Ngan Wing Ho (Note v)	顏永豪(附註v)	-	-	-	-
Independent non-executive directors:	獨立非執行董事：				
Kwong Wai Sun Wilson	鄺偉信	175	-	-	175
Li Xindan	李心丹	175	-	-	175
Zhang Zhiyong	張志勇	175	-	-	175
Zheng Hongliang	鄭紅亮	175	-	-	175
		875	5,799	75	6,749

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13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

There was no arrangement under which a director waived or agreed to waive any emoluments during the years ended 31 December 2019 and 31 December 2018.

Notes:

- i. Mr. Wan Xianghua and Mr. Wu Weiming appointed as executive directors on 29 November 2019.
- ii. Mr. Zhao Wei resigned as an executive directors on 29 November 2019.
- iii. Mr. Zhang Zhiyong resigned as an independent non-executive directors on 23 July 2019.
- iv. Mr. Wu Guangze resigned as a non-executive directors on 4 April 2018. The Group was not required to pay Mr. Wu's emoluments for the period from 1 January to 4 April 2018.
- v. Mr. Ngan Wing Ho resigned on 4 April 2018. The Group was not required to pay Mr. Ngan's emoluments for the period 1 January to 4 April 2018.

The five highest paid individuals in the Group during the year included four (2018: four) directors whose emoluments are reflected in the analysis presented above. For the year ended 31 December 2019, the emoluments of the remaining one individuals are set out below:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	632	2,618
Contributions to retirement benefits scheme	退休福利計劃供款	18	270
Total	合計	650	2,888

13. 董事、主要行政人員及僱員酬金(續)

概無訂立董事放棄或同意放棄收取截至2019年12月31日及2018年12月31日止年度任何酬金的安排。

附註：

- i. 萬祥華先生及吳維明先生於2019年11月29日獲委任為執行董事。
- ii. 趙偉先生於2019年11月29日辭任執行董事。
- iii. 張志勇先生於2019年7月23日辭任獨立非執行董事。
- iv. 吳廣澤先生於2018年4月4日辭任非執行董事。本集團無需向吳先生支付2018年1月1日至4月4日期間的酬金。
- v. 顏永豪先生於2018年4月4日辭任。本集團無需向顏先生支付2018年1月1日至4月4日期間的酬金。

於本年度，本集團五名最高薪人士包括四名(2018年：四名)董事，其酬金反映於上文分析。截至2019年12月31日止年度，餘下一名人士之酬金載列如下：

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

The emoluments fell within the following band:

Nil to HKD1,000,000	0 港元至1,000,000 港元
HKD3,00,001 to HKD3,500,000	3,000,001港元至3,500,000港元

During the both years, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

14. DIVIDENDS

The directors of the Company did not recommend the payment of any dividend for the years ended 31 December 2019 and 2018.

15. LOSS PER SHARE**From continuing and discontinued operations****Basic loss per share**

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately RMB311,480,000 (2018: approximately RMB387,029,000) and the weighted average number of ordinary shares (deducted shares held under the share award scheme of 15,874,000) of 2,061,126,000 (2018: 2,058,111,000) in issue during the year.

Diluted loss per share

There was no dilutive potential ordinary shares outstanding for both years. Accordingly, the diluted loss per share is same as basic loss per share for both years.

13. 董事、主要行政人員及僱員酬金(續)

酬金介乎下列範圍：

2019 2019年 No. of employees 僱員數目	2018 2018年 No. of employees 僱員數目
1	–
–	1
1	1

於兩個年度內，本集團概無向任何董事或最高薪酬人士支付任何酬金，作為其加入本集團時或之後之獎勵，或作為其離職補償。

14. 股息

本公司董事並無建議就截至2019年及2018年12月31日止年度派付任何股息。

15. 每股虧損**來自持續經營及已終止業務****每股基本虧損**

本公司擁有人應佔每股基本虧損乃根據本公司擁有人應佔年內虧損約人民幣311,480,000元(2018年：約為人民幣387,029,000元)及於年內發行的普通股加權平均數(扣除根據股份獎勵計劃持有的股份15,874,000股)2,061,126,000股(2018年：2,058,111,000股)而計算。

每股攤薄虧損

該兩個年度內，概無發行在外的潛在攤薄普通股。因此，該兩個年度之每股攤薄虧損與每股基本虧損相同。

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15. LOSS PER SHARE (CONTINUED)

From continuing operations

Basic loss per share

The calculation of basic loss per share from continuing operations attributable to owners of the Company is based on the loss for the year from continuing operations attributable to owners of the Company of approximately RMB209,493,000 (2018: approximately RMB95,006,000) and the weighted average number of ordinary shares (deducted shares held under the share award scheme of 15,874,000) of 2,061,126,000 (2018: 2,058,111,000) in issue during the year.

Diluted loss per share

There was no dilutive potential ordinary shares outstanding for both years. Accordingly, the diluted loss per share is same as basic loss per share for both years.

From discontinued operations

Basic loss per share

The calculation of basic loss per share from discontinued operations attributable to owners of the Company is based on the loss for the year from discontinued operations attributable to owners of the Company of approximately RMB101,987,000 (2018: approximately RMB292,023,000) and the weighted average number of ordinary shares (deducted shares held under the share award scheme of 15,874,000) of 2,061,126,000 (2018: 2,058,111,000) in issue during the year.

Diluted loss per share

There was no dilutive potential ordinary shares outstanding for both years. Accordingly, the diluted loss per share is same as basic loss per share for both years.

15. 每股虧損(續)

來自持續經營業務

每股基本虧損

本公司擁有人應佔來自持續經營業務的每股基本虧損乃根據本公司擁有人應佔來自持續經營業務的年度虧損約人民幣209,493,000元(2018年：約為人民幣95,006,000元)及於年內發行的普通股加權平均數(扣除根據股份獎勵計劃持有的股份15,874,000股)2,061,126,000股(2018年：2,058,111,000股)而計算。

每股攤薄虧損

該兩個年度內，概無發行在外的潛在攤薄普通股。因此，該兩個年度之每股攤薄虧損與每股基本虧損相同。

來自已終止業務

每股基本虧損

本公司擁有人應佔來自已終止業務的每股基本虧損乃根據本公司擁有人應佔來自已終止業務的年度虧損約人民幣101,987,000元(2018年：約為人民幣292,023,000元)及於年內發行的普通股加權平均數(扣除根據股份獎勵計劃持有的股份15,874,000股)2,061,126,000股(2018年：2,058,111,000股)而計算。

每股攤薄虧損

該兩個年度內，概無發行在外的潛在攤薄普通股。因此，該兩個年度之每股攤薄虧損與每股基本虧損相同。

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、機器及設備

		Buildings	Machinery	Fixtures and equipment	Motor vehicles	Leasehold Improvements	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		合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	成本							
At 1 January 2018	於2018年1月1日	149,805	53,092	134,768	25,912	175,019	13,792	552,388
Additions	添置	-	1,104	6,686	1,088	44,454	1,581	54,913
Disposals	出售	-	(2,122)	(5,657)	(2,227)	(15,650)	-	(25,656)
Exchange adjustment	匯兌調整	-	-	(1,803)	-	(87)	(202)	(2,092)
At 31 December 2018 and 1 January 2019	於2018年12月31日 及2019年1月1日	149,805	52,074	133,994	24,773	203,736	15,171	579,553
Additions	添置	-	4,098	4,064	1,167	88,121	-	97,450
Disposals	出售	-	(8,344)	(3,399)	(4,519)	(1,606)	-	(17,868)
Written off	撇銷	-	-	-	-	(15,316)	-	(15,316)
Disposal of subsidiaries (Note 42)	出售附屬公司(附註42)	-	-	(107,481)	-	(85,309)	-	(192,790)
Transfer to right-of-use assets	轉讓使用權資產	-	-	-	-	-	(15,171)	(15,171)
Exchange adjustment	匯兌調整	-	-	419	-	331	-	750
At 31 December 2019	於2019年12月31日	149,805	47,828	27,597	21,421	189,957	-	436,608
Accumulated depreciation and impairment	累計折舊及 減值							
At 1 January 2018	於2018年1月1日	48,602	34,509	87,287	18,673	87,889	5,243	282,203
Charge for the year	年內開支	6,823	3,410	11,414	2,357	18,067	2,779	44,850
Impairment loss	減值虧損	-	-	2,084	-	554	3,639	6,277
Disposals	出售	-	(1,473)	(5,404)	(1,804)	(3,398)	-	(12,079)
Exchange adjustment	匯兌調整	-	-	(1,358)	-	(22)	(129)	(1,509)
At 31 December 2018 and 1 January 2019	於2018年12月31日及於2019年1 月1日	55,425	36,446	94,023	19,226	103,090	11,532	319,742
Charge for the year	年內開支	6,823	3,614	4,872	2,597	67,299	-	85,205
Impairment loss	減值虧損	-	-	-	-	53,247	-	53,247
Disposals	出售	-	(6,355)	(2,434)	(3,931)	-	-	(12,720)
Written off	撇銷	-	-	-	-	(2,870)	-	(2,870)
Disposal of subsidiaries (Note 42)	出售附屬公司(附註42)	-	-	(73,444)	-	(82,554)	-	(155,998)
Transfer to right-of-use assets	轉讓使用權資產	-	-	-	-	-	(11,532)	(11,532)
Exchange adjustment	匯兌調整	-	-	275	-	266	-	541
At 31 December 2019	於2019年12月31日	62,248	33,705	23,292	17,892	138,478	-	275,615
Carrying values	賬面值							
At 31 December 2019	於2019年12月31日	87,557	14,123	4,305	3,529	51,479	-	160,993
At 31 December 2018	於2018年12月31日	94,380	15,628	39,971	5,547	100,646	3,639	259,811

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16. PROPERTY, PLANT AND EQUIPMENT

(CONTINUED)

As at 31 December 2018, the Group's obligations under finance leases (see note 35) were secured by the lessors' title to the leased assets, which had a carrying amount of RMB3,639,000.

The Group carried out reviews of the recoverable amount of its property, plant and equipment as a result of the deterioration of the markets of the Group's products. These assets are used in the Group's retail of toys segment in the PRC. The Group expects the toys segment in the PRC will continuously incurring losses. The reviews led to the recognition of an impairment loss for all property, plant and equipment of the toys segment of approximately RMB53,247,000 that has been recognised in profit or loss. The recoverable amount of the relevant assets of RMB300,000 has been determined on the basis of their value in use using discounted cash flow method (level 3 fair value measurements). The discount rate used was 10%.

17. LEASES AND RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

At 31 December:
Right-of-use assets
– Land use rights
– Land and buildings

Lease commitments of short-term leases

The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:

– Less than 1 year
– Between 1 and 2 years
– Between 2 and 5 years
– Over 5 years

16. 物業、機器及設備(續)

於2018年12月31日，本集團融資租賃項下責任(參見附註35)以出租人對租賃資產的所有權作抵押，其賬面值為人民幣3,639,000元。

由於本集團的產品市場轉差，本集團對物業、機器及設備的可收回金額進行審閱。該等資產用於本集團的中國玩具零售分部。本集團預期中國的玩具分部將持續產生虧損。該等審閱令本集團於損益中確認玩具分部的所有物業、機器及設備之減值虧損約人民幣53,247,000元。相關資產的可收回金額為人民幣300,000元，乃根據彼等的使用價值並採用貼現現金流量法(第三級公允值計量)釐定。所用貼現率為10%。

17. 租賃及使用權資產

租賃相關項目披露：

		2019 2019年 RMB'000 人民幣千元
	於12月31日：	
	使用權資產	
	– 土地使用權	12,622
	– 土地及樓宇	139,667
		152,289
	短期租賃的租賃承擔	3,395
		155,684
	基於未貼現現金流量之本集團租賃負債到期日分析如下：	
	– 少於1年	41,662
	– 1至2年	29,890
	– 2至5年	40,869
	– 超過5年	30,999
		143,420

17. LEASES AND RIGHT-OF-USE ASSETS (CONTINUED)

17. 租賃及使用權資產(續)

		2019 2019年 RMB'000 人民幣千元
Year ended 31 December:	截至12月31日止年度：	
Depreciation charge of right-of-use assets	使用權資產之折舊費用	
– Land use rights	– 土地使用權	397
– Land and buildings	– 土地及樓宇	63,322
		63,719
Impairment loss on right-of-use assets	使用權資產減值虧損	4,804
Lease interests	租賃利息	26,412
Expenses related to short-term leases	與短期租賃有關之開支	19,675
Expenses related to leases of low-value assets that are not short-term leases	與並非短期租賃之低價值資產租賃有關之開支	2,721
Expenses related to variable lease payments not included in lease liabilities	與並無計入租賃負債之可變租賃付款有關之開支	463
Total cash outflow for lease	租賃現金流出總額	99,747
Additions to right-of-use assets	使用權資產添置	10,136

The Group leases various land use rights and land and buildings. Lease agreements are typically made for fixed periods of 50 years and 1 to 13 years respectively. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

Some of the Group's property leases contain variable lease payment terms that are linked to sales generated from the Group's shops. There is a wide range of sales percentages applied. Variable lease payment terms are used to minimise the fixed costs for newly established shops. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs. A 5% increase in sales in 2019 across all shops in the Group with leases containing variable lease payment terms would increase total lease payments by approximately RMB308,000 in 2019.

本集團租賃多個土地使用權以及土地及樓宇。租賃協議的固定期限通常分別為50年及1至13年。租賃條款乃按個別基準進行磋商，包含各種不同的條款及條件。租賃協議並無施加任何契諾，而租賃資產不得用作借貸用途的抵押品。

本集團部分物業租賃包含本集團店舖所產生銷售有關的可變租賃付款條款。所應用銷售百分比範圍廣泛。可變租賃付款用於盡可能減少新開店舖的固定成本。取決於銷售的可變租賃付款於觸發該等付款的條件發生期間於損益確認。本集團所有店舖(租賃包含可變租賃付款條款)於2019年的銷售增加5%將令2019年租賃付款總額增加約人民幣308,000元。

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17. LEASES AND RIGHT-OF-USE ASSETS

(CONTINUED)

The Group carried out reviews of the recoverable amount of its right-of-use assets as a result of the deterioration of the markets of the Group's products. These assets are used in the Group's retail of toys segment in the PRC. The Group expects the toys segment in the PRC will continuously making losses. The reviews led to the recognition of an impairment loss right-of-use assets of the toys segment of approximately RMB4,804,000 that has been recognised in profit or loss. The recoverable amount of the relevant right-of-use assets of RMB51,187,000 has been determined on the basis of their value in use using discounted cash flow method. The discount rate used was 10%.

18. PREPAID LEASE PAYMENTS

	成本		
Cost	成本		
At beginning and end of the year	年初及年末	–	21,037
Accumulated amortisation	累計攤銷		
At beginning of the year	年初	–	7,621
Amortisation	攤銷	–	397
At end of the year	年末	–	8,018
Carrying amount	賬面值		
At end of the year	年末	–	13,019
Analysed for reporting purposes as:	就報告目的的分析：		
Current asset (Note 27)	流動資產(附註27)	–	397
Non-current asset	非流動資產	–	12,622

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.

17. 租賃及使用權資產(續)

由於本集團的產品市場轉差，本集團對使用權資產的可收回金額進行審閱。該等資產用於本集團的中國玩具零售分部。本集團預期中國的玩具分部將持續產生虧損。該等審閱令本集團於損益中確認玩具分部的使用權資產減值虧損約人民幣4,804,000元。相關使用權資產的可收回金額為人民幣51,187,000元，乃根據彼等的使用價值並採用貼現現金流量法釐定。所用貼現率為10%。

18. 預付租金

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Cost	–	21,037
Accumulated amortisation		
At beginning of the year	–	7,621
Amortisation	–	397
At end of the year	–	8,018
Carrying amount		
At end of the year	–	13,019
Analysed for reporting purposes as:		
Current asset (Note 27)	–	397
Non-current asset	–	12,622

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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19. OTHER INTANGIBLE ASSETS

19. 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 2018	於2018年1月1日	7,394	832,151	21,558	34,173	3,598	898,874
Additions	添置	609	85	1,552	-	969	3,215
Exchange adjustment	匯兌調整	(106)	(6,150)	(166)	(80)	(839)	(7,341)
At 31 December 2018 and 1 January 2019	於2018年12月31日 及2019年1月1日	7,897	826,086	22,944	34,093	3,728	894,748
Additions	添置	25	-	5,076	34,409	9	39,519
Written off	撤銷	-	-	-	-	(110)	(110)
Disposal of subsidiaries (Note42)	出售附屬公司(附註42)	(7,732)	(815,773)	(15,446)	(34,231)	(1,771)	(874,953)
Exchange adjustment	匯兌調整	31	3,903	9	138	7	4,088
At 31 December 2019	於2019年12月31日	221	14,216	12,583	34,409	1,863	63,292
Accumulated amortisation and impairment losses	累計攤銷及 減值虧損						
At 1 January 2018	於2018年1月1日	2,984	9,088	13,355	12,066	2,259	39,752
Charge for the year	年內開支	2,852	5,759	3,497	5,643	839	18,590
Impairment loss	減值虧損	-	185,503	10	10	-	185,523
Exchange adjustment	匯兌調整	(59)	(140)	(122)	(48)	(508)	(877)
At 31 December 2018 and 1 January 2019	於2018年12月31日及 於2019年1月1日	5,777	200,210	16,740	17,671	2,590	242,988
Charge for the year	年內開支	98	4,876	1,810	2,247	178	9,209
Impairment loss	減值虧損	-	-	-	32,689	-	32,689
Written off	撤銷	-	-	-	-	(110)	(110)
Disposal of subsidiaries (Note42)	出售附屬公司(附註42)	(5,688)	(199,510)	(8,262)	(18,266)	(1,539)	(233,265)
Exchange adjustment	匯兌調整	29	152	71	68	6	326
At 31 December 2019	於2019年12月31日	216	5,728	10,359	34,409	1,125	51,837
Carrying values	賬面值						
At 31 December 2019	於2019年12月31日	5	8,488	2,224	-	738	11,455
At 31 December 2018	於2018年12月31日	2,120	625,876	6,204	16,422	1,138	651,760

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19. OTHER INTANGIBLE ASSETS (CONTINUED)

The Group carried out reviews of the recoverable amount of its other intangible assets as a result of the deterioration of the markets of the Group's products. These assets are used in the Group's retail of toys segment in the PRC. The Group expects the toys segment in the PRC will continuously making losses. The reviews led to the recognition of an impairment loss for all other intangible assets of the toys segment of approximately RMB32,689,000 that has been recognised in profit or loss. The recoverable amount of the relevant assets of RMB nil has been determined on the basis of their value in use using discounted cash flow method (level 3 fair value measurements). The discount rate used was 10%.

The brand of Hamleys Global, which arose from the acquisition of Hamleys Global Holdings Limited and its subsidiaries ("Hamleys Global Group") in November 2015, was stated at RMB620,313,000 and had an indefinite useful life as at 31 December 2018. Hamleys Global Group was disposed in 2019 (Note 42).

20. GOODWILL

The amount of goodwill recognised in the consolidated statement of financial position, arising from the acquisitions of subsidiaries, is as follows:

19. 其他無形資產(續)

由於本集團的產品市場轉差，本集團對其他無形資產的可收回金額進行審閱。該等資產用於本集團的中國玩具零售分部。本集團預期中國的玩具分部將持續產生虧損。該等審閱令本集團於損益中確認玩具分部的所有其他無形資產減值虧損約人民幣32,689,000元。相關資產的可收回金額為人民幣零元，乃根據彼等的使用價值並採用貼現現金流量法(第三級公允價值計量)釐定。所用貼現率為10%。

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)，於2018年12月31日列賬為人民幣620,313,000元且具有無限可使用年期。Hamleys Global集團於2019年出售(附註42)。

20. 商譽

於綜合財務狀況表確認產生自收購附屬公司的商譽金額如下：

		RMB'000 人民幣千元
Cost	成本	
At 1 January 2018	於2018年1月1日	163,995
Exchange adjustment	匯兌調整	(2,394)
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	161,601
Disposal of subsidiaries	出售附屬公司	(155,876)
At 31 December 2019	於2019年12月31日	5,725
Impairment	減值	
At 1 January 2018	於2018年1月1日	1,558
Charge for the year	年內開支	154,318
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	155,876
Disposal of subsidiaries	出售附屬公司	(155,876)
At 31 December 2019	於2019年12月31日	-
Carrying values	賬面值	
At 31 December 2019	於2019年12月31日	5,725
At 31 December 2018	於2018年12月31日	5,725

20. GOODWILL (CONTINUED)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (“CGUs”) that are expected to benefit from that business combination. The carrying amount of brand with indefinite useful lives and goodwill had been allocated as follows:

		Goodwill 商譽		Brand with indefinite useful lives 具有無限可使用年期的品牌	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Retail of toys Hamleys Global (Unit A)	玩具零售 Hamleys Global (單位A)	–	–	–	620,313
Retail and wholesale of shoes Mega Brilliant International Limited (Unit B)	零售及批發鞋履 美宏國際有限公司 (單位B)	5,725	5,725	–	–
		5,725	5,725	–	620,313

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarized below:

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%(2018: 10%). Unit B's cash flow beyond the five-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. 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.

20. 商譽(續)

業務合併所收購之商譽於收購時獲分配至預期將受惠於業務合併之現金產生單位(「現金產生單位」)。具有無限可使用年期的品牌及商譽之賬面值已獲分配如下：

上述現金產生單位的可收回金額及其主要相關假設的基準概述於下文：

單位B

該單位之可收回金額乃以計算使用價值釐定，有關計算使用根據本公司董事所批准覆蓋五年期之財務預算及10%(2018年：10%)之貼現率得出之現金流預測作出。超過五年期之單位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。

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21. INTEREST IN AN ASSOCIATE

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Unlisted investment:	未上市投資	2,375	946
Share of net assets	應佔資產淨值	16,662	16,662
Goodwill	商譽	19,037	17,608
Impairments	減值	(19,037)	(16,662)
		-	946

The associate is accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the financial statements of the associates using IFRS.

聯營公司乃使用權益法於綜合財務報表入賬。所呈列概述財務資料乃基於聯營公司採用國際財務報告準則的財務報表。

Name of associate 聯營公司名稱	Place and date of incorporation 註冊成立 地點及日期	Principal place of operation 主要營業地點	% of ownership interests/voting rights held by the Group 本集團持有之擁有權 權益/投票權之百分比		Principal activity 主要業務
			2019 2019年	2018 2018年	
United Nude international Limited (“UN”)	The British Virgin Islands 28 April 2008	Hong Kong	19%	20.17%	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

As at 31 December 2019, the operations of the associate continued to incur operating losses and is expected to continue its downward trends. The Group carries out impairment assessment on the investment with impairment indications to assess the recoverable amount of the interest in an associate. Impairment loss on the Group's equity interests in UN amounted of approximately RMB2,375,000 (2018: RMB16,662,000) was made. The impairment loss mainly resulted from revision of financial outlook of the associate and changes in the market environment of the underlying business.

於2019年12月31日，聯營公司經營繼續產生虧損及預期將持續該下降趨勢。本集團對有關具有減值跡象的投資進行減值評估以評估於聯營公司的權益的可收回金額。已對本集團於UN的股權約人民幣2,375,000元(2018年：人民幣16,662,000元)作出減值虧損。減值虧損主要由於聯營公司財務前景修正及相關業務的市場環境的變動所致。

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22. INTEREST IN JOINT VENTURES

22. 於合營公司的權益

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Unlisted investments:	非上市投資：		
Share of net assets	應佔資產淨值	12,091	17,950
Impairments	減值	(4,781)	-
		7,310	17,950
Analysed as:	分析為：		
Non-current assets	非流動資產	7,310	13,219
Current asset	流動資產	-	4,731
		7,310	17,950

The following table shows, in aggregate, the Group's share of the amounts of all individually immaterial joint ventures that are accounted for using the equity method.

下表列示本集團應佔使用權益法入賬的所有單獨重大合營公司金額的匯總。

Name of joint venture	SM (Jiangsu) Co., Ltd.		B&H Footwear Company Limited ("Hong Kong B&H")	
	("SM")		Limited ("Hong Kong B&H")	
合營公司名稱	笙曼商貿(江蘇)有限公司 (「笙曼商貿」)		美康鞋業有限公司 (「香港美康」)	
	2019	2018	2019	2018
	2019年	2018年	2019年	2018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
Place of incorporation	Jiangsu, the PRC		Hong Kong	
註冊成立地點	中國江蘇		香港	
Principal place of operation	The PRC		Hong Kong	
主要營業地點	中國		香港	
Principal activity	Trading		Trading	
主要業務	貿易		貿易	
% of ownership interests/voting rights held by the Group	50%	50%	49%	49%
本集團持有之擁有權權益/投票權百分比				

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22. INTEREST IN JOINT VENTURES (CONTINUED) 22. 於合營公司的權益(續)

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Current assets	流動資產	17,134	34,440	10,692	10,589
Non-current assets	非流動資產	–	2,089	–	–
Current liabilities	流動負債	(2,516)	(10,091)	(934)	(934)
Net assets	資產淨值	14,618	26,438	9,758	9,655
Group's share of carrying amount of interests	本集團應佔權益賬面值	7,310	13,219	4,781	4,731
Impairments	減值	–	–	(4,781)	–
		7,310	13,219	–	4,731

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Year ended 31 December:	截至12月31日止年度:				
Revenue	收益	17,726	28,395	–	–
Interest income	利息收入	35	33	102	109
Depreciation and amortisation	折舊及攤銷	(274)	(61)	–	(102)
(Loss)/profit and total comprehensive income/ (expenses) for the year	年內(虧損)/溢利及全面收益/(開支)總額	(11,820)	(6,894)	102	(1,020)

As at 31 December 2019, the bank and cash balances of the Group's joint ventures in the PRC denominated in Renminbi ("RMB") amounted to RMB25,436,000 (2018: RMB20,375,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

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 2019. The management provide fully impairment on the investment in Dongguan B&H accordingly.
- ii. Xuzhou C.banner Shoes Co., Ltd. ("Xuzhou C.banner"), 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.

於2019年12月31日，本集團的中國合營公司以人民幣(「人民幣」)計值的銀行及現金結餘為人民幣25,436,000元(2018年：人民幣20,375,000元)。人民幣兌換為外幣須遵守中國外匯管理條例。

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。東莞美康之合營公司協議已於2017年屆滿。本集團及各合營公司夥伴決定結束東莞美康的營運，於2019年12月31日清盤程序仍在進行中。管理層據此就於東莞美康的投資計提全額減值。
- ii. 本公司間接全資附屬公司徐州千百度鞋業有限公司(「徐州千百度」)與Madden Asia International Limited(「Madden Asia」)訂立協議，成立笙曼商貿(江蘇)有限公司(「笙曼商貿」)。笙曼商貿由徐州千百度擁有50%及由Madden Asia 擁有50%。

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

23. 按公允值計入其他全面收益的金融資產

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Unlisted equity investments, at fair value	20,000	40,000

The above investments were intended to be held for the medium to long-term on initial recognition. Designation of these investments as equity investments at fair value through other comprehensive income can avoid the volatility of the fair value changes of these investments to the profit or loss.

On 24 December 2018, Xuchou C.banner (as defined in Note 47) entered into an agreement of the capital increase and share expansion with 南京書友緣文化有限公司 (“書友緣”), a company established in the PRC (“Agreement”). Xuchou C.banner subscribed for 2.78% of the registered capital of 書友緣 at a consideration of RMB40,000,000.

On 22 January 2020, the Group disposed of 2.78% of the registered capital of 書友緣 at a consideration of RMB20,000,000.

上述投資於初次確認時擬作中長期持有。指定該等投資為按公允值計入其他全面收益之股本投資可避免該等投資公允值變動波動於損益出現。

於2018年12月24日，徐州千百度(定義見附註47)與南京書友緣文化有限公司(「書友緣」，一間於中國成立的公司)訂立增資擴股協議(「該協議」)。徐州千百度已按代價人民幣40,000,000元認購書友緣的2.78%註冊資本。

於2020年1月22日，本集團按代價人民幣20,000,000元出售書友緣2.78%之註冊資本。

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24. DEFERRED TAXATION

The following are the major deferred tax (liabilities) and assets recognised by the Group.

24. 遞延稅項

以下為本集團確認的主要遞延稅項(負債)及資產：

		Unrealised profit in inventories	Write down of inventories	Tax losses	ECL allowances	Contract liabilities	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	預期信貸虧損撥備	合約負債	未變現溢利預扣稅	無形資產的公允值調整	其他	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於2018年1月1日	47,344	14,132	11,879	7,691	7,641	(3,563)	(155,933)	5,649	(65,160)
(Charge)/ credit to profit or loss	(自損益扣除)/計入損益	(2,153)	8,771	19,601	(2,197)	(1,263)	3,563	37,387	840	64,549
Exchange differences	匯兌差額	-	-	(75)	-	-	-	663	(72)	516
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	45,191	22,903	31,405	5,494	6,378	-	(117,883)	6,417	(95)
(Charge)/ credit to profit or loss	(自損益扣除)/計入損益	11,793	(14,894)	(26,982)	(5,434)	(5,921)	-	1,293	-	(40,145)
Disposal of subsidiaries	出售附屬公司	-	(6,407)	(4,441)	-	-	-	116,803	(6,443)	99,512
Exchange differences	匯兌差額	-	-	18	-	-	-	(213)	26	(169)
At 31 December 2019	於2019年12月31日	56,984	1,602	-	60	457	-	-	-	59,103

The following is the analysis of the deferred tax balances for financial reporting purposes:

以下為就財務報告目的遞延稅項結餘之分析：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	59,103	117,788
Deferred tax liabilities	遞延稅項負債	-	(117,883)
		59,103	(95)

24. DEFERRED TAXATION (CONTINUED)

At the end of the reporting period the Group has unused tax losses of RMB370,906,000 (2018: RMB310,837,000) available for offset against future profits. A deferred tax asset has been recognised in respect of RMB nil (2018: RMB131,203,000) of such losses. No deferred tax asset has been recognised in respect of the remaining RMB 370,906,000 (2018: RMB179,634,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of RMB310,079,000 (2018: RMB137,044,000) that will expire in 2024. Other tax losses may be carried forward indefinitely.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries, associates and joint ventures for which deferred tax liabilities have not been recognised is RMB1,082,292,000 (2018: RMB880,266,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

25. 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	

Because of the change in the market conditions of the Group's products during the year, part of the inventories written down in previous years were sold during 2019. As a result, allowance made in prior years against the inventories of RMB21,689,000 (2018: RMB Nil) from continuing operation was reversed.

24. 遞延稅項(續)

於報告期末，本集團未動用的稅項虧損人民幣370,906,000元(2018年：人民幣310,837,000元)可作抵銷日後溢利之用。就有關虧損人民幣零元(2018年：人民幣131,203,000元)確認遞延稅項資產。由於日後溢利流無法預測，故並無就餘額人民幣370,906,000元(2018年：人民幣179,634,000元)確認遞延稅項資產。計入未確認稅項虧損為將於2024年到期的虧損人民幣310,079,000元(2018年：人民幣137,044,000元)。其他稅項虧損可無限期結轉。

於報告期末，有關就附屬公司、聯營公司及合營公司未分派盈利的未確認遞延稅項負債的暫時差額總額為人民幣1,082,292,000元(2018年：人民幣880,266,000元)。由於本集團有能力控制暫時差額撥回的時間，且該等差額很可能在可見將來不能撥回，故並無就該等差額確認負債。

25. 存貨

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		19,606	20,580
		11,481	15,124
		549,844	719,443
		580,931	755,147
		(70,353)	(103,104)
		510,578	652,043

由於年內本集團產品市況的變化，於過往年度內已撇減的部分存貨於2019年售出。因此，於過往年度就來自持續經營業務的存貨人民幣21,689,000元(2018年：人民幣零元)作出的撥備已撥回。

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26. TRADE RECEIVABLES

The Group's trading terms with other customers are mainly on credit. The credit terms generally range from 30 to 90 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors. The Group would also allow longer credit period for certain customers with long term relationship.

26. 貿易應收款項

本集團主要以信貸方式與其他客戶訂立交易條款。信貸期一般介於30至90天不等。每位客戶均有信貸上限。新客戶一般需要提前付款。本集團力求對其尚未收取的應收款項維持嚴格監控。董事定期檢閱逾期結餘。本集團亦會就若干長期業務關係客戶授予較長的信貸期。

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	295,473	323,465
Provision for loss allowance	虧損準備的撥備	(8,533)	(21,978)
		286,940	301,487

The aging analysis of trade receivables, based on the revenue recognition date, and net of allowance, is as follows:

基於收益確認日期並扣除撥備後的貿易應收款項賬齡分析如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
0 to 60 days	0至60天	198,623	234,736
61 to 180 days	61至180天	54,133	37,032
181 days to 1 year	181天至1年	4,203	12,965
Over 1 year	超過1年	29,981	16,754
		286,940	301,487

Reconciliation of loss allowance for trade receivables:

貿易應收款項虧損撥備的對賬：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
At the beginning of year	年初	21,978	30,762
Decrease in loss allowance for the year	年內虧損撥備減少	(13,445)	(8,784)
At the end of year	年末	8,533	21,978

26. TRADE RECEIVABLES (CONTINUED)

The Group applies the simplified approach under IFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

26. 貿易應收款項(續)

本集團應用國際財務報告準則第9號項下的簡易方法就所有貿易應收款項使用全期預期虧損撥備計算預期信貸虧損。為計量預期信貸虧損，貿易應收款項已根據共享信貸風險特徵及逾期天數分類。預期信貸虧損亦包含前瞻性資料。

		Neither past due nor impaired 既無逾期 亦無減值	Over 1 days to 1 year past due 逾期 1天至1年	Over 1 years past due 逾期 超過1年	Total 總計
At 31 December 2019	於2019年12月31日				
Weighted average expected loss rate	加權平均預期虧損率	2%	4%	6%	3%
Receivable amount (RMB'000)	應收金額(人民幣千元)	199,423	64,612	31,438	295,473
Loss allowance (RMB'000)	虧損撥備(人民幣千元)	4,319	2,323	1,891	8,533
At 31 December 2018	於2018年12月31日				
Weighted average expected loss rate	加權平均預期虧損率	6%	6%	23%	7%
Receivable amount (RMB'000)	應收金額(人民幣千元)	248,437	53,239	21,789	323,465
Loss allowance (RMB'000)	虧損撥備(人民幣千元)	13,700	3,243	5,035	21,978

After the reporting period, trade receivables of RMB20,681,000 (including trade receivables of RMB15,794,000 over due more than 1 year) was settled as part of the condition of acquisition of 28% of the issued share capital of Mega Brilliant International Limited (美宏國際有限公司), a non-wholly-owned subsidiary of the Company (see note 48).

於報告期後，人民幣20,681,000元(包括逾期超過1年的貿易應收款項人民幣15,794,000元)的貿易應收款項已結清，作為收購美宏國際有限公司(本公司非全資附屬公司)28%已發行股本的部分條件(參見附註48)。

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27. OTHER RECEIVABLES AND PREPAYMENTS

27. 其他應收款項及預付款

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current assets	非流動資產		
Long-term deposits	長期按金	21,869	24,324
Prepayments for acquisition of intangible assets	收購無形資產的預付款	6,651	-
		28,520	24,324
Current assets	流動資產		
Prepaid rental expenses	預付租金開支	-	31,009
Prepayments	預付款	4,776	78,322
Value-added tax receivable	應收增值稅	7,430	8,843
Prepaid lease payments (Note 18)	預付租金(附註18)	-	397
Interest receivables	應收利息	8,008	5,005
Refund of deposits for acquisition of 書友緣 (Note 28)	退還收購書友緣的按金(附註28)	50,000	-
Others	其他	14,778	27,500
Total	總計	84,992	151,076
Total	總計	113,512	175,400

28. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

28. 按公允值計入損益的金融資產

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Option to subscribe for additional interest in 書友緣	認購書友緣額外股權的購股權	-	50,000
Unlisted wealth investment product	非上市理財產品	65,300	-
		65,300	50,000

28. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Note:

- (i) In addition to the shares acquired as disclosed in Note 23, Xuchou C.banner acquired an option to subscribe for additional interests of the enlarged equity interest of 書友緣 within 12 months from the date of the sale and purchase agreement at a consideration of RMB50,000,000. Should Xuchou C.banner exercises its option before the deadline (i.e. 7 December 2019), the amount paid would become capital contribution to 書友緣. Given the option not being exercised, the amount paid would be refunded to Xuzhou C.banner within 10 working days of the deadline.

The Group did not exercise the option and full amount of RMB50,000,000 was being refunded on 23 January 2020.

29. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

As at 31 December 2019, the bank and cash balances of the Group denominated in Renminbi (“RMB”) amounted to RMB319,901,000 (2018: RMB298,203,000). Conversion of RMB into foreign currencies is subject to the PRC’s Foreign Exchange Control Regulations.

As at 31 December 2019, bills payables of RMB20,000,000 are secured by bank deposits of RMB20,000,000 (note 30).

30. TRADE AND BILLS PAYABLES

Trade payables 貿易應付款項
Bills payables 應付票據

28. 按公允值計入損益的金融資產(續)

附註：

- (i) 除附註23所披露的收購股份外，徐州千百度於買賣協議日期起計12個月內已收購可認購書友緣已擴大股權額外權益的購股權，代價為人民幣50,000,000元。倘徐州千百度於截止日期(即2019年12月7日)前行使其購股權，則已付金額將成為對書友緣的出資。鑒於購股權未獲行使，已付金額將於截止日期後10個工作日內退還給徐州千百度。

本集團並無行使購股權及人民幣50,000,000元已於2020年1月23日全數退回。

29. 已抵押銀行存款及銀行結餘及現金

於2019年12月31日，本集團以人民幣(「人民幣」)計值的銀行及現金結餘為人民幣319,901,000元(2018年：人民幣298,203,000元)。人民幣兌換為外幣須遵守中國外匯管理條例。

於2019年12月31日，應付票據人民幣20,000,000元以銀行存款人民幣20,000,000元作抵押(附註30)。

30. 貿易應付款項及應付票據

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Trade payables	貿易應付款項	107,206	152,097
Bills payables	應付票據	20,000	-
		127,206	152,097

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30. TRADE AND BILLS PAYABLES (CONTINUED)

The aging analysis of trade payables, based on the invoice date, is as follows:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
0 to 90 days	0至90天	104,329	125,919
91 to 180 days	91至180天	1,987	21,338
181 days to 1 year	181天至1年	677	4,591
Over 1 year	超過1年	213	249
		107,206	152,097

As at 31 December 2019, bills payables of RMB20,000,000 are secured by bank deposits of RMB20,000,000 (note 29).

30. 貿易應付款項及應付票據(續)

根據發票日期，貿易應付款項賬齡分析如下：

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
0 to 90 days	104,329	125,919
91 to 180 days	1,987	21,338
181 days to 1 year	677	4,591
Over 1 year	213	249
	107,206	152,097

於2019年12月31日，應付票據人民幣20,000,000元以銀行存款人民幣20,000,000元作抵押(附註29)。

31. OTHER PAYABLES

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Accruals	應計費用	65,258	57,773
Advance from third parties (Note)	第三方墊款(附註)	-	79,170
Accrued payroll	應計薪資	24,442	60,251
Other tax liabilities	其他稅項負債	9,031	29,171
Security deposits from wholesale customers	批發客戶保證金	7,967	3,131
Payable for decoration of outlets	銷售點裝飾應付款項	-	21,853
Interest payable	應付利息	-	2,767
Others	其他	25,534	26,755
		132,232	280,871

Note: The amount due was non-trade in nature, unsecured, interest free and had no fixed terms of repayment.

31. 其他應付款項

附註：該款項為非交易性質、無抵押、不計息及無固定還款期。

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32. BORROWINGS AND OVERDRAFTS

32. 借貸及透支

		Note	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Unsecured bank overdrafts	無抵押銀行透支	(i)	–	25,242
Unsecured other borrowings	無抵押其他借貸	(ii)	–	44,592
Secured bank borrowings	已抵押銀行借貸	(iii)	–	233,349
			–	303,183
The borrowings are repayable as follows:	借貸須於下列期限償還：			
On demand or within one year	按要求或於一年內		–	227,688
In the second year	於第二年		–	75,495
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：於12個月內到期結算之款項(列於流動負債項下)		–	303,183
Amount due for settlement after 12 months	於12個月後到期結算之款項		–	(227,688)
			–	75,495
Analysed as:	分析為：			
Current portion	流動部分			
Bank overdrafts	銀行透支	(i)	–	25,242
Bank borrowings	銀行借貸	(iii)	–	157,854
Other borrowings	其他借貸	(ii)	–	44,592
			–	202,446
Non-current portion	非流動部分			
Bank borrowings	銀行借貸	(iii)	–	75,495
			–	303,183

Notes:

附註：

- (i) At 31 December 2018, the bank overdrafts were unsecured, repayable on demand and interest free.
- (ii) During the year ended 31 December 2018, the Company raised other borrowings from non-financial institution with principal amount of HK\$50,000,000 (equivalent to approximately RMB44,592,000), which carried interest rate at 1% per month for the first six months and 1.5% per month afterwards. As at 31 December 2018, the other borrowings of RMB44,592,000 were guaranteed by Mr. Chen Yixi, the Chairman of the Group. All other borrowings were repaid during 2019.
- (iii) At 31 December 2018, the Group's bank borrowings of RMB233,349,000 carried interest at London Interbank Offered Rate ("LIBOR") plus variable rates from 1.4% to 6% per annum. Interest was reset every three months. All bank borrowings were repaid during 2019.
- (i) 於2018年12月31日，銀行透支為無抵押，按要求償還及免息。
- (ii) 截至2018年12月31日止年度，本公司向非金融機構籌集其他借貸，本金額為50,000,000港元(相等於約人民幣44,592,000元)，首六個月月利率為1%，隨後月利率為1.5%。於2018年12月31日，其他借貸人民幣44,592,000元由本集團主席陳奕熙先生擔保。所有其他借貸已於2019年償還。
- (iii) 於2018年12月31日，本集團人民幣233,349,000元的銀行借貸按倫敦同業銀行拆息(「倫敦同業銀行拆息」)加浮動年利率介乎1.4%至6%計息。利息每三個月重設。所有銀行借貸已於2019年償還。

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32. BORROWINGS AND OVERDRAFTS

(CONTINUED)

At 31 December 2018, the Company's equity interest in Mayflower (Nanjing) Enterprise Limited, Dongguan Mayflower Footwear Corporation Limited, Nanjing Soft Garment & Footwear Co., Ltd. and Xuzhou C.banner Shoes Co., Ltd. have been pledged to secure the bank borrowings of the Group of RMB 233,349,000. At 31 December 2018, the bank borrowings were also guaranteed by Mr Chen Yixi, Ms Yuan Yanan, spouse of Mr Chen Yixi and other third parties.

33. CONTRACT LIABILITIES

Disclosures of revenue-related items:

		As at 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元	As at 1 January 2018 於2018年 1月1日 RMB'000 人民幣千元
Contract liabilities - customer loyalty programme	合約負債－客戶忠誠度計劃	17,397	25,956	30,563
Contract liabilities - franchise agreements	合約負債－特許經營協議	1,613	10,932	11,579
Contract liabilities - advance from customers	合約負債－預收客戶賬款	7,922	8,358	12,747
Total contract liabilities	合約負債總額	26,932	45,246	54,889
Contract receivables (included in trade receivables)	合約應收款項(計入貿易應收款項)	286,940	301,487	392,273

Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
- 2019	- 2019年	-	35,256
- 2020	- 2020年	26,261	9,125
- 2021	- 2021年	942	942
- 2022	- 2022年	942	942
		28,145	46,265

32. 借貸及透支(續)

於2018年12月31日，本公司在美麗華企業(南京)有限公司、東莞美麗華鞋業有限公司、南京舒服特服飾鞋業有限公司及徐州千百度鞋業有限公司的股權已抵押以獲得本集團的銀行借貸人民幣233,349,000元。於2018年12月31日，銀行借貸亦由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。

33. 合約負債

收益相關項目披露：

於年末分配至未履行的履約責任的交易價及預期於下列年度確認為收益：

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33. CONTRACT LIABILITIES (CONTINUED)

Year ended 31 December

33. 合約負債(續)

截至12月31日止年度

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Revenue recognised in the year that was included in contract liabilities at beginning of year	37,375	43,310

Significant changes in contract liabilities during the year:

於年內合約負債的重大變動：

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Increase due to operations in the year	323,403	506,446
Transfer of contract liabilities to revenue	(341,641)	(461,200)

A contract liability represents the Group's obligation to transfer products or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

合約負債指本集團就已收客戶代價(或到期代價款項)向客戶轉移產品或服務之義務。

34. LEASE LIABILITIES

34. 租賃負債

	Lease payments 租賃付款		Present value of lease payments 租賃付款之現值	
	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Within one year	41,662	-	40,645	-
In the second to fifth years, inclusive	70,759	-	63,433	-
After five years	30,999	-	20,454	-
	143,420	-	124,532	-
Less: Future finance charges	(18,888)	-		
Present value of lease liabilities	124,532	-		
Less: Amount due for settlement within 12 months (shown under current liabilities)			(40,645)	-
Amount due for settlement after 12 months			83,887	-

At 31 December 2019, the average effective borrowing rate was 4.35% to 4.90% (2018: Nil%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

於2019年12月31日，平均實際借貸利率為4.35%至4.90%(2018年：零%)。利率於合約日期釐定及因此令本集團承受公允價值利率風險。

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35. OBLIGATIONS UNDER FINANCE LEASES 35. 融資租賃項下責任

Analysed for reporting purposes as:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Current liabilities	流動負債	–	4,243
Non-current liabilities	非流動負債	–	1,740
		–	5,983

		Minimum Lease payments 最低租賃付款		Present value of lease payments 租賃付款之現值	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Within one year	一年內	–	6,512	–	4,243
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	–	1,947	–	1,740
		–	8,459	–	5,983
Less: Future finance charges	減：未來融資開支	–	(2,476)		
Present value of finance lease liabilities	融資租賃負債之現值	–	5,983		
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：於12個月內到期 結算之款項(列於 流動負債項下)			–	(1,740)
Amount due for settlement after 12 months	於12個月後到期結算之 款項			–	4,243

36. PROVISIONS

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
At 1 January	於1月1日	5,998	17,269
Reduction of provision as a result of settlement during the year	年內因結算而減少撥備	(5,490)	(11,134)
Disposal of subsidiaries	出售附屬公司	(532)	(137)
Exchange difference	匯兌差額	24	-
At 31 December	於12月31日	-	5,998

The provision relates to an exit fee that Hamleys Global Group need to pay to terminate a lease agreement. Consensus has been reached between Hamleys Global and the landlord in Ireland.

37. RETIREMENT BENEFITS SCHEMES FROM CONTINUING OPERATIONS

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.

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:

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Amount contributed and charged to profit or loss	71,576	73,322

As at 31 December 2019 and 31 December 2018, there was no outstanding contributions payable to the Scheme.

36. 撥備

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
At 1 January	5,998	17,269
Reduction of provision as a result of settlement during the year	(5,490)	(11,134)
Disposal of subsidiaries	(532)	(137)
Exchange difference	24	-
At 31 December	-	5,998

該撥備涉及Hamleys Global集團為終止租賃協議而須支付的退出費。Hamleys Global及愛爾蘭業主已達成共識。

37. 持續經營業務之退休福利計劃

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。

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自動登記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自動登記金額載列如下：

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Amount contributed and charged to profit or loss	71,576	73,322

於2019年12月31日及2018年12月31日，概無尚未支付的應付該計劃的供款。

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38. SHARE CAPITAL

38. 股本

		Number of shares 股份數目	Amount 金額 USD'000 千美元
	Note 附註		
Ordinary shares of USD0.015 each			
Authorised:	法定：		
At 1 January 2018 and 31 December 2018,	於2018年1月1日、2018年12月		
1 January 2019 and 31 December 2019	31日、2019年1月1日及2019	20,000,000,000	300,000
	年12月31日		
Issued and fully paid:	已發行並繳足：		
At 1 January 2018 and 31 December 2018,	於2018年1月1日、2018年12月		
1 January 2019 and 31 December 2019	31日、2019年1月1日及2019	2,077,000,000	31,155
	年12月31日		
			Amount 金額 RMB'000 人民幣千元
At 1 January 2018 and 31 December 2018,	於2018年1月1日、2018年12月		
1 January 2019 and 31 December 2019	31日、2019年1月1日及2019		209,097
	年12月31日		

During the year ended 31 December 2019 and 2018, the Company did not repurchase any shares through the Hong Kong Stock Exchange.

截至2019年及2018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。

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39. STATEMENT OF FINANCIAL POSITION
AND RESERVES OF THE COMPANY

39. 本公司財務狀況表及儲備

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current assets	非流動資產		
Investment in subsidiaries	於附屬公司之投資	540,038	824,897
Property, plant and equipment	物業、機器及設備	1	1
Other intangible asset	其他無形資產	8,488	9,920
Amount due from a subsidiary	應收一間附屬公司款項	–	266,108
		548,527	1,100,926
Current assets	流動資產		
Dividends receivables from subsidiaries	應收附屬公司股息	–	1,701
Other receivables and prepayments	其他應收款項及預付款	579	20,635
Amount due from subsidiaries	應收附屬公司款項	98,735	84,842
Bank balances and cash	銀行結餘及現金	5,011	4,208
		104,325	111,386
Current liabilities	流動負債		
Other payables	其他應付款項	5,438	87,125
Amount due to subsidiaries	應付附屬公司款項	298,609	410,983
Borrowings	借貸	–	202,446
		304,047	700,554
Net current liabilities	流動負債淨值	(199,722)	(589,168)
Non-current liabilities	非流動負債		
Borrowings – due after one year	借貸 – 一年後到期	–	75,495
Net assets	資產淨值	348,805	436,263
Capital and reserves	資本及儲備		
Share capital	股本	209,097	209,097
Reserves	儲備	139,708	227,166
Total equity	總權益	348,805	436,263

Approved and authorised for issue by the board of directors on 28 April 2020.

於2020年4月28日獲董事會批准及授權刊發。

Huo Li
Director

Yuan Zhenhua
Director

霍力
董事

袁振華
董事

Notes to the Consolidated Financial Statements

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40. RESERVES

(a) Group

(i) The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(ii) *Share premium*

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and is not distributable but may be applied in paying up unissued shares of the Company to be issued to the shareholders of the Company as fully paid bonus shares or in providing for the premiums payable on repurchase of shares.

(iii) *Shares held under the share award scheme*

Shares held under the share award scheme represents 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. The details are set out in Note 41.

(iv) *PRC statutory reserve*

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").

40. 儲備

(a) 本集團

(i) 本集團之儲備金額及其變動呈列於綜合損益及其他全面收益表及綜合權益變動表。

(ii) *股份溢價*

股份溢價指按超過其每股面值之價格發行股份所產生之溢價，屬不可分派，惟可用於繳足將發行予本公司股東作為悉數繳足股款紅利股份之本公司未發行股份之股款，或用於計提購回股份應付溢價。

(iii) *根據股份獎勵計劃持有的股份*

根據股份獎勵計劃持有的股份指本公司僱員股份信託從市場購買股份，則已付代價(包括任何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。詳情載於附註41。

(iv) *中國法定儲備*

根據中國外商投資企業適用的有關法律及法規以及中國附屬公司之組織章程細則，中國附屬公司須維持法定盈餘儲備基金。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。

40. RESERVES (CONTINUED)**(a) Group (continued)****(iv) PRC statutory reserve (continued)**

Nanjing Mayflower, Dongguan Mayflower, Nanjing Soft, Jiangsu Mega Shoes Co., Ltd 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 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 2018, the directors of Xuzhou C.banner approved on a discretionary basis to transfer the maximum amount of RMB9,465,000 to the statutory surplus reserve fund as the statutory reserve fund balance reach 50% of the registered capital.

(v) Equity investment revaluation reserve

The equity investment revaluation reserve comprises the cumulative net change in the fair value of equity investments at fair value through other comprehensive income held at the end of the reporting period and is dealt with in accordance with the accounting policy in Note 3 to consolidated the financial statements.

(vi) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 3 to the consolidated financial statements.

40. 儲備(續)**(a) 本集團(續)****(iv) 中國法定儲備(續)**

南京美麗華、東莞美麗華、南京舒服特、江蘇美嘉鞋業有限公司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資本的50%。法定盈餘儲備基金可能用作彌補去年發生的虧損，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，徐州千百度無須維持此項法定盈餘儲備基金。然而，於2018年12月31日，由於法定儲備基金餘額達註冊資本的50%，徐州千百度董事酌情批准轉撥最高金額人民幣9,465,000元至法定盈餘儲備基金。

(v) 股本投資重估儲備

股本投資重估儲備包括於報告期末所持按公允值計入其他全面收益的股本投資的公允值的累計變動淨額，並根據綜合財務報表附註3的會計政策處理。

(vi) 換算儲備

換算儲備包括所有換算海外業務財務報表所產生之匯兌差額。有關儲備已根據綜合財務報表附註3所載之會計政策處理。

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40. RESERVES (CONTINUED)

(b) Company

		Share Premium	Shares held under the share award scheme 根據股份獎勵計劃持有的股份	Share-based compensation reserve 以股份為基礎的補償儲備	Accumulated profits/(losses) 累計溢利/(虧損)	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	646,042	(49,986)	-	35,206	631,262
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	(405,974)	(405,974)
Equity-settled share award scheme	以權益結算的股份獎勵計劃	-	-	1,878	-	1,878
Transfer of awarded shares reserve upon vesting	歸屬時轉讓獎勵股份儲備	-	9,503	(1,878)	(7,625)	-
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	646,042	(40,483)	-	(378,393)	227,166
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	(87,458)	(87,458)
At 31 December 2019	於2019年12月31日	646,042	(40,483)	-	(465,851)	139,708

41. 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.

40. 儲備(續)

(b) 本公司

		Share Premium	Shares held under the share award scheme 根據股份獎勵計劃持有的股份	Share-based compensation reserve 以股份為基礎的補償儲備	Accumulated profits/(losses) 累計溢利/(虧損)	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	646,042	(49,986)	-	35,206	631,262
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	(405,974)	(405,974)
Equity-settled share award scheme	以權益結算的股份獎勵計劃	-	-	1,878	-	1,878
Transfer of awarded shares reserve upon vesting	歸屬時轉讓獎勵股份儲備	-	9,503	(1,878)	(7,625)	-
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	646,042	(40,483)	-	(378,393)	227,166
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	(87,458)	(87,458)
At 31 December 2019	於2019年12月31日	646,042	(40,483)	-	(465,851)	139,708

41. 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，本公司採納一項股份獎勵計劃（「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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41. 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		
		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
At 1 January 2018	於2018年1月1日	19,600,000	–	19,600,000
Granted to grantees during the year	年內授予承授人	(3,726,000)	3,726,000	–
Transfer to grantee upon vesting	歸屬時轉予承授人	–	(3,726,000)	(3,726,000)
At 31 December 2018, 1 January 2019 and 31 December 2019	於2018年12月31日、2019年1月1日及2019年12月31日	15,874,000	–	15,874,000

During the year ended 31 December 2019, no ordinary shares were acquired by trustee (2018: Nil).

During the year ended 31 December 2018, the Company granted 3,726,000 ordinary shares of USD0.015 each to Selected Employees, details are set out below.

於截至2019年12月31日止年度，概無受託人購入普通股(2018年：無)。

於截至2018年12月31日止年度，本公司授出3,726,000股每股面值0.015美元的普通股予獲選僱員，詳情載列下文。

					Number of shares 股份數目			
Date of grant		Number of awarded shares granted	Fair value	Vesting period	At 31 December 2017	Granted during the year	Vested during the year	Outstanding as at 31 December 2018
授出日期		授出獎勵股份數目	公允值 HK\$'000 千港元	歸屬期	於2017年 12月31日	年內授出	年內歸屬	於2018年 12月31日 尚未行使
22 October 2018	2018年10月22日	3,726,000	2,124	25 days 天	–	3,726,000	(3,726,000)	–

The closing price of the Company's shares on 22 October 2018, the date of grant of the awarded shares, was HK\$0.57 (equivalent to approximately RMB0.50). The Group recognised a total expense of RMB1,878,000 in relation to share award granted by the Company during the year.

本公司股份於2018年10月22日(授出獎勵股份日期)之收市價為0.57港元(相等於約人民幣0.50元)。年內，本集團就本公司授出獎勵股份確認總開支人民幣1,878,000元。

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42. DISPOSAL OF SUBSIDIARIES

On 9 May 2019, the Company entered into a sale and purchase agreement with Reliance Brands Limited to dispose 100% equity interest of Hamleys Global Holdings Limited (the "Disposal") at a consideration of GBP34,293,436 (equivalent to approximately RMB 293,963,000).

The Disposal was completed on 16 July 2019. Upon completion of the Disposal, Hamleys Global Holdings Limited ceased to be subsidiaries of the Company and their results, assets and liabilities and cash flows ceased to be consolidated to that of the Group since then. A loss on disposal of RMB62,154,000 was recognised upon the completion, being calculated as follows:

42. 出售附屬公司

於2019年5月9日，本公司與Reliance Brands Limited訂立買賣協議，以代價34,293,436英鎊(相等於約人民幣293,963,000元)出售Hamleys Global Holdings Limited的100%股權(「出售事項」)。

出售事項已於2019年7月16日完成。出售事項完成後，Hamleys Global Holdings Limited不再為本公司的附屬公司，其業績、資產及負債以及現金流量自此不再綜合計入本集團。出售的虧損人民幣62,154,000元已於完成時確認，其計算方法如下：

		RMB'000 人民幣千元
Net assets at the date of disposal were as follows:	於出售日期資產淨值如下：	
Property, plant and equipment	物業、機器及設備	36,792
Right of use assets	使用權資產	775,800
Other intangible assets	其他無形資產	641,688
Deferred tax assets	遞延稅項資產	17,292
Inventories	存貨	73,854
Trade receivables	貿易應收款項	16,150
Other receivables and prepayments	其他應收款項及預付款	20,796
Bank balances and cash	銀行結餘及現金	7,004
Trade payables	貿易應付款項	(39,480)
Other payables	其他應付款項	(333,779)
Lease liabilities	租賃負債	(783,686)
Provisions	撥備	(532)
Bank overdrafts	銀行透支	(31,409)
Current tax liabilities	即期稅項負債	(650)
Deferred tax liabilities	遞延稅項負債	(116,804)
		283,036
Release of foreign currency translation reserve	外幣換算儲備之撥回	43,565
Non-controlling interests	非控股權益	6,708
Direct cost to the disposal	出售之直接成本	22,808
Loss on disposal of subsidiaries	出售附屬公司之虧損	(62,154)
Total consideration-satisfied by cash	總代價—以現金支付	293,963
Net cash inflow arising on disposal:	出售產生的現金流入淨額	
Cash consideration received	已收取的現金代價	293,963
Cash paid for direct cost	以現金已付之直接成本	(22,808)
Cash and cash equivalents and bank overdrafts disposed of	已出售之現金及現金等價物以及銀行透支	24,405
		295,560

43. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table shows the Group's changes in liabilities arising from financing activities during the year:

43. 融資活動所產生的負債變動

下表列示本集團年內融資活動所產生的負債變動：

		Lease liabilities	Borrowings	Obligations under finance leases	Total
		租賃負債	借貸	融資租賃項下責任	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於2018年1月1日	–	1,117,097	10,316	1,127,413
Changes in cash flows	現金流量變動	–	(840,702)	(5,793)	(846,495)
Non-cash changes	非現金變動				
– new finance leases	– 新融資租賃	–	–	1,581	1,581
– exchange differences	– 匯兌差額	–	1,546	(121)	1,425
At 31 December 2018	於2018年12月31日	–	277,941	5,983	283,924
Changes in cash flows	現金流量變動	(76,888)	(277,520)	–	(354,408)
Interest paid	已付利息	–	(14,284)	–	(14,284)
Non-cash changes	非現金變動				–
– IFRS 16 adjustments	– 國際財務報告準則第16號調整	927,506	–	(5,983)	921,523
– modification of lease	– 租賃修改	19,490	–	–	19,490
– additions of lease	– 租賃添置	10,136	–	–	10,136
– interest charged	– 已付利息	26,412	14,284	–	40,696
– disposal of subsidiaries	– 出售附屬公司	(783,686)	–	–	(783,686)
– exchange differences	– 匯兌差額	1,562	(421)	–	1,141
At 31 December 2019	於2019年12月31日	124,532	–	–	124,532

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44. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2018 2018年 RMB'000 人民幣千元
Within one year	一年內	95,618
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	355,707
After five years	五年後	2,141,901
Total	合計	<u>2,593,226</u>

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 Toys (Nanjing) Co., Ltd and Xuzhou Hamleys Toys Co., Ltd, the lease expenses is calculated based on a percentage of its revenue from toys retailing on a monthly basis.

45. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Intangible assets	無形資產		
Contracted but not provided for	已訂約但並無計提撥備	<u>8,192</u>	-

44. 經營租賃承擔

於報告期末，根據不可撤銷經營租賃之應付未來最低租賃付款總額如下：

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。

根據哈姆雷斯玩具(南京)有限公司及徐州哈姆雷斯玩具有限公司簽立的租賃協議，租賃開支乃按每月玩具零售收益的百分比計算。

45. 資本承擔

本集團於報告期末的資本承擔如下：

46. RELATED PARTY TRANSACTIONS**(i) 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	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
An associate 一間聯營公司	Purchase of goods 購買貨品	–	11,383
A joint venture 一間合營公司	Sales of goods 銷售貨品	–	16
	Purchase of goods 購買貨品	2,856	–
	Providing management services 提供管理服務	2,730	6,904
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

(ii) Compensation of key management personnel

The remuneration of directors, who are also the key management, are disclosed in Note 13.

46. 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13內披露。

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47. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2019 are as follows:

47. 於附屬公司的投資

於2019年12月31日附屬公司的詳情如下：

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
		2019 2019年	2018 2018年	
Held directly by the Company: 本公司直接持有：				
Best Invent Holdings Limited	The BVI 英屬處女群島	100%	100%	Investment holding 投資控股
Best Value Profits Limited	The BVI 英屬處女群島	100%	100%	Investment holding 投資控股
Allied Great international holdings Limited 滙英國際集團有限公司	Hong Kong 香港	100%	100%	Investment holding 投資控股
China Ease Enterprise Limited 華誼企業有限公司	Hong Kong 香港	100%	100%	Investment holding 投資控股
Toy Kingdom Hong Kong Ltd	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

47. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

47. 於附屬公司的投資(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
		2019 2019年	2018 2018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 (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
Hamleys Asia Limited	Hong Kong 香港	100%	100%	Import company 進口公司

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47. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

47. 於附屬公司的投資(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
		2019 2019年	2018 2018年	
Held by subsidiaries of the Company (Continued) 本公司附屬公司持有：(續)				
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%	100%	Toys retailing 玩具零售
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 ("Hamleys Xuzhou") 徐州哈姆雷斯玩具有限公司 (「哈姆雷斯徐州」)	The PRC 中國	100%	100%	Toys retailing 玩具零售
Jiangsu Meisen Footwear Company Limited	The PRC 中國	45%	45%	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
Meihong Footwear Company Limited (Note 3) Meihong Footwear Company Limited (附註3)	The PRC 中國	100%	N/A 不適用	Retail sale of branded fashion footwear 零售品牌時尚鞋履

47. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Notes:

- (1) wholly-foreign owned enterprise established in the PRC
- (2) sino-foreign owned enterprise established in the PRC
- (3) the company was incorporated during the year

None of the Company's subsidiaries had issued any debt securities at the end of the year.

48. EVENTS AFTER THE REPORTING PERIOD

On 17 January 2020, Best Invent Holdings Limited ("Best Invent"), a wholly-owned subsidiary of the Company, and Fortune Title Holdings Limited, Empire Sky Holdings Limited, Goldrun Holdings Limited, Cowinner Limited, Gold Title Limited (collectively the "Conditional Sellers") and Skill Plus Holdings Limited, Well Prosper Holdings Limited, (collectively the "Unconditional Sellers") entered into a sale and purchase agreement, pursuant to which the Conditional Sellers and Unconditional Sellers conditionally agreed to sell, and Best Invent conditionally agreed to purchase 28% of the issued share capital of Mega Brilliant International Limited (美宏國際有限公司), a non-wholly-owned subsidiary of the Company (the "Target Company"), for a total cash consideration of RMB59,717,391.

In respect of each Conditional Seller, completion is conditional upon the full repayment of trade receivables of RMB20,681,000 (note 26) by such Conditional Seller's affiliated footwear distributor to Jiangsu Mega Shoes Co., Ltd. (江蘇美嘉鞋業有限公司), a wholly-owned subsidiary of the Target Company.

Upon Completion, the Company indirectly holds 79% of the issued share capital of Mega Brilliant International Limited.

49. APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 28 April 2020.

47. 於附屬公司的投資(續)

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
- (3) 該公司於年內已註冊成立

於本年度末，本公司的附屬公司概無發行任何債務證券。

48. 報告期後事件

於2020年1月17日，Best Invent Holdings Limited (「Best Invent」) (本公司的全資附屬公司)與Fortune Title Holdings Limited、Empire Sky Holdings Limited、Goldrun Holdings Limited、Cowner Limited、Gold Title Limited (統稱為「有條件賣方」)及Skill Plus Holdings Limited、Well Prosper Holdings Limited (統稱為「無條件賣方」)訂立買賣協議，據此有條件賣方及無條件賣方有條件同意出售，及Best Invent有條件同意購買美宏國際有限公司(本公司的非全資附屬公司) (「目標公司」)已發行股本的28%，總現金代價為人民幣59,717,391元。

就各有條件賣方而言，完成須待該有條件賣方的聯屬鞋履分銷商向江蘇美嘉鞋業有限公司(目標公司的全資附屬公司)悉數償還貿易應收款項人民幣20,681,000元(附註26)後，方告完成。

完成後，本公司間接持有美宏國際有限公司已發行股本之79%。

49. 批准財務報表

該等綜合財務報表乃由董事會於2020年4月28日批准並授權刊發。

Financial Summary

財務摘要

		2015	2016	2017	2018	2019
		2015年	2016年	2017年	2018年	2019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	3,045,805	3,206,562	3,063,524	2,923,659	2,157,529
Net profit attributable to equity holders of the Company	本公司權益持有人應佔純利	257,492	206,253	20,492	(387,029)	(311,480)
		2015	2016	2017	2018	2019
		2015年	2016年	2017年	2018年	2019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	3,407,717	3,393,785	3,959,830	2,599,748	1,817,881
Total liabilities	負債總額	1,498,552	1,318,242	1,873,437	925,274	417,611
Total equity	權益總額	1,909,165	2,075,543	2,086,393	1,674,474	1,400,270



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