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Corporate Profile

Lifestyle International Holdings Limited (together with its subsidiaries, the “Group”) is a Hong Kong-based retail operator that specializes in the operation of mid to upper-end department stores in Hong Kong and Mainland China. The Group’s two SOGO stores in Hong Kong including the flagship store in Causeway Bay (“SOGO CWB”), the largest and leading department store in Hong Kong, as well as the Tsim Sha Tsui store (“SOGO TST”). Currently, SOGO TST has ceased business since 12 February 2014 and a new start in a replacement location in the same vicinity is scheduled for opening in the fourth quarter this year. In Mainland China, we have four stores in operation and our Shanghai Jiuguang Store was first established in 2004 with a similar business format to that of our flagship SOGO CWB, and is now widely recognized as one of the most sought-after shopping locations in Shanghai. Since their opening in January and May 2009 respectively, our Suzhou Jiuguang and Dalian Jiuguang have been gaining traction and delivering satisfactory performances. Shenyang Jiuguang, our fourth Jiuguang Store in Mainland China, was soft-opened in mid October 2013 and the grand opening is scheduled to take place before the May Golden Week this year. The Group’s commercial complex project in Zhabei, Shanghai is currently under construction and is preliminarily scheduled for completion in 2017. This project is set to be a strategic move whereby the Group will be able to leverage its existing resources in Shanghai and further expand its presence in Shanghai.

The Group’s retailer brand names — SOGO and Jiuguang — have become household names over the years, and enabled the Group and its management team to develop concrete retail brand building and management expertise, which is leveraged on to further expand its business into other cities in China. With the Group’s strong financial position and operating cash flows as well as its unparalleled brand equity, the Group is always prepared to take on new investment opportunities to further fuel its growth momentum in the future.

利福國際集團有限公司(連同其附屬公司,「本集團」)是紮根於香港的零售營運商,在香港及國內專門經營中高檔次百貨店。本集團的兩家崇光百貨店分別為全港最大型位於銅鑼灣的旗艦店(「銅鑼灣崇光」)以及尖沙咀店(「尖沙咀崇光」)。目前,尖沙咀崇光已於二零一四年二月十二日結業,而其於同一地區重新開始的替換位置預計可在今年第四季度開業。我們於國內共經營四家百貨店,國內首家店為於二零零四年成立的上海久光百貨店,其業務模式與銅鑼灣崇光的旗艦店相類似,上海久光百貨店現已被公認為上海最受追捧的購物地點之一。蘇州久光百貨店及大連久光百貨店分別自二零零九年一月及五月開業後穩步上揚,表現令人滿意。瀋陽久光是為利福國際於中國的第四間久光店,其於二零一三年十月中試營業。正式開幕計劃於本年度五一黃金周前舉行。本集團位於上海閘北地塊的綜合商業大樓項目正在動工,預計於二零一七年完成。閘北項目為本集團一個策略性進程,據此,本集團將能夠利用其於上海的現有資源進一步擴大其在上海的覆蓋。

多年來,崇光及久光兩大零售品牌已成為家喻戶曉的名字,成就了本集團及管理團隊於建立零售品牌及管理的才能,致使本集團能夠於中國其他城市進一步拓展業務。憑藉本集團強勁的財務狀況和營運現金流及優越的品牌認受性,我們已整裝待發,發掘新的投資機會以進一步推動集團未來的增長勢頭。

Corporate Information

企業資料

Board of Directors

Executive Directors

Mr. Lau Luen Hung, Thomas (*Managing Director*)
Mr. Doo Wai Hoi, William

Non-executive Directors

Dato' Dr. Cheng Yu Tung (*Chairman*)
Dr. Cheng Kar Shun, Henry
Mr. Lau Luen Hung, Joseph
Ms. Lau Yuk Wai, Amy

Independent Non-executive Directors

Mr. Lam Siu Lun, Simon (*ACA, FTIHK*)
Mr. Cheung Yuet Man, Raymond
The Hon. Shek Lai Him, Abraham
Mr. Hui Chiu Chung, Stephen

Chief Financial Officer

Mr. Poon Fuk Chuen, Terry (*CPA*)

Company Secretary

Mr. Poon Fuk Chuen, Terry (*CPA*)

Authorised Representatives

Mr. Lau Luen Hung, Thomas
Mr. Poon Fuk Chuen, Terry (*CPA*)

Audit Committee

Mr. Lam Siu Lun, Simon (*ACA, FTIHK*)
(*Chairman*)
Mr. Cheung Yuet Man, Raymond
The Hon. Shek Lai Him, Abraham
Mr. Hui Chiu Chung, Stephen

Remuneration Committee

Mr. Lam Siu Lun, Simon (*ACA, FTIHK*)
(*Chairman*)
Mr. Lau Luen Hung, Thomas
The Hon. Shek Lai Him, Abraham
Mr. Hui Chiu Chung, Stephen

Nomination Committee

Mr. Lam Siu Lun, Simon (*ACA, FTIHK*)
(*Chairman*)
Mr. Lau Luen Hung, Thomas
The Hon. Shek Lai Him, Abraham
Mr. Hui Chiu Chung, Stephen

Registered Office

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

董事局

執行董事

劉鑾鴻先生 (*董事總經理*)
杜惠愷先生

非執行董事

拿督鄭裕彤博士 (*主席*)
鄭家純博士
劉鑾雄先生
劉玉慧女士

獨立非執行董事

林兆麟先生 (*ACA, FTIHK*)
張悅文先生
石禮謙議員
許照中先生

財務總監

潘福全先生 (*CPA*)

公司秘書

潘福全先生 (*CPA*)

授權代表

劉鑾鴻先生
潘福全先生 (*CPA*)

審核委員會

林兆麟先生 (*ACA, FTIHK*)
(*主席*)
張悅文先生
石禮謙議員
許照中先生

薪酬委員會

林兆麟先生 (*ACA, FTIHK*)
(*主席*)
劉鑾鴻先生
石禮謙議員
許照中先生

提名委員會

林兆麟先生 (*ACA, FTIHK*)
(*主席*)
劉鑾鴻先生
石禮謙議員
許照中先生

註冊辦事處

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Corporate Information (continued) 企業資料(續)**Head Office and Principal Place of Business**

20th Floor, East Point Centre
555 Hennessy Road
Causeway Bay
Hong Kong

Principal Banker

Bank of China (Hong Kong) Limited

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants

Solicitors

Reed Smith Richards Butler
Sit, Fung, Kwong & Shum

**Hong Kong Share Registrar and Transfer Office
(Branch Registrar)**

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

**Cayman Islands Share Registrar and
Transfer Office (Registrar)**

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

Share Information

Place of listing: Main Board of The Stock Exchange of Hong Kong Limited
Stock code: 1212
Board lot: 500 shares
Financial year end: 31 December
Share price at 31 December 2013: HK\$14.36
Market capitalization at 31 December 2013: HK\$23,699 million

Website Address

www.lifestylehk.com.hk

總辦事處及主要營業地點

香港
銅鑼灣
軒尼詩道555號
東角中心20樓

主要往來銀行

中國銀行(香港)有限公司

核數師

德勤•關黃陳方會計師行
執業會計師

律師

禮德齊伯禮律師行
薛馮鄭岑律師行

**香港股份過戶登記處
(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室

**開曼群島股份過戶登記處
(總處)**

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

股份資料

上市地點：香港聯合交易所有限公司主板
股份代號：1212
每手買賣單位：500股
財政年度年結：十二月三十一日
於二零一三年十二月三十一日股價：14.36港元
於二零一三年十二月三十一日市值：236.99億港元

網址

www.lifestylehk.com.hk

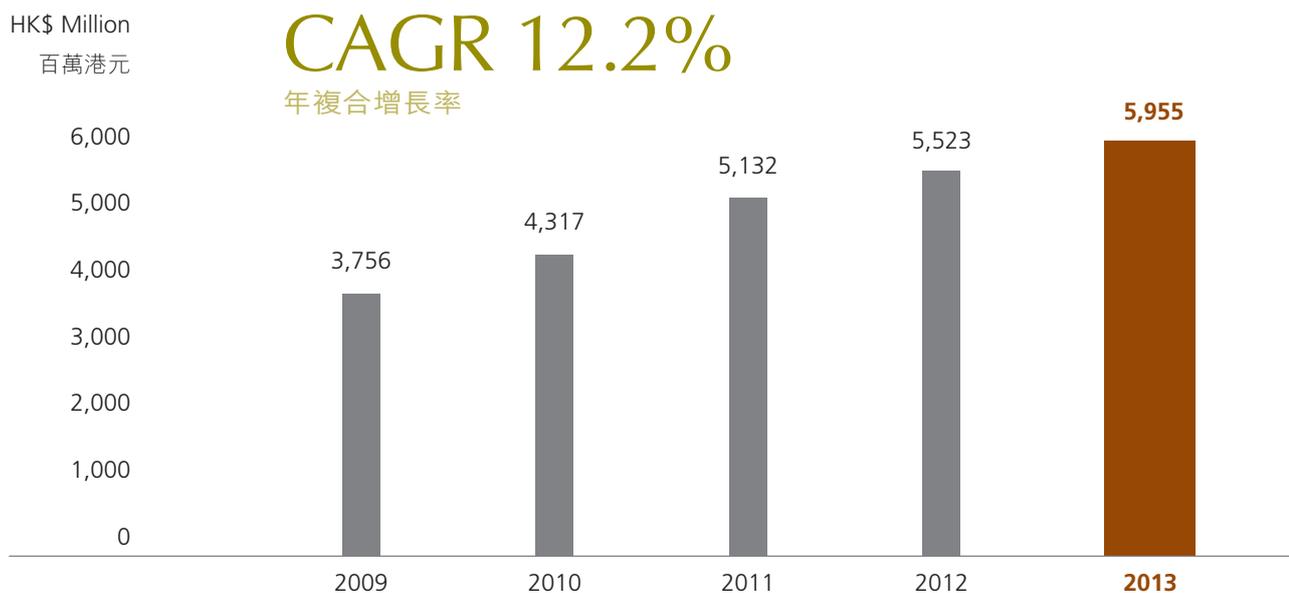
Financial Highlights 財務摘要

Operating Results 經營業績

HK'000 千港元	2013	2012	2011 (Restated) (重列)	2010	2009
Sales proceeds 銷售所得款項	13,795,500	12,883,804	12,052,081	9,832,734	8,399,095
Turnover 營業額	5,955,335	5,523,443	5,131,950	4,317,465	3,756,208
Profit before taxation 除稅前溢利	3,150,477	2,754,961	2,594,401	1,896,256	1,498,442
Profit for the year attributable to owners of the Company 本年度本公司擁有人應佔溢利	2,448,247	2,057,461	1,867,170	1,407,534	1,142,468
Basic earnings per share (HK cents) 每股基本盈利(港仙)	147.83	123.49	111.25	83.9	68.5
Total dividends per share (HK cents) 每股股息總額(港仙)	59.1	49.4	44.9	33.7	28.0

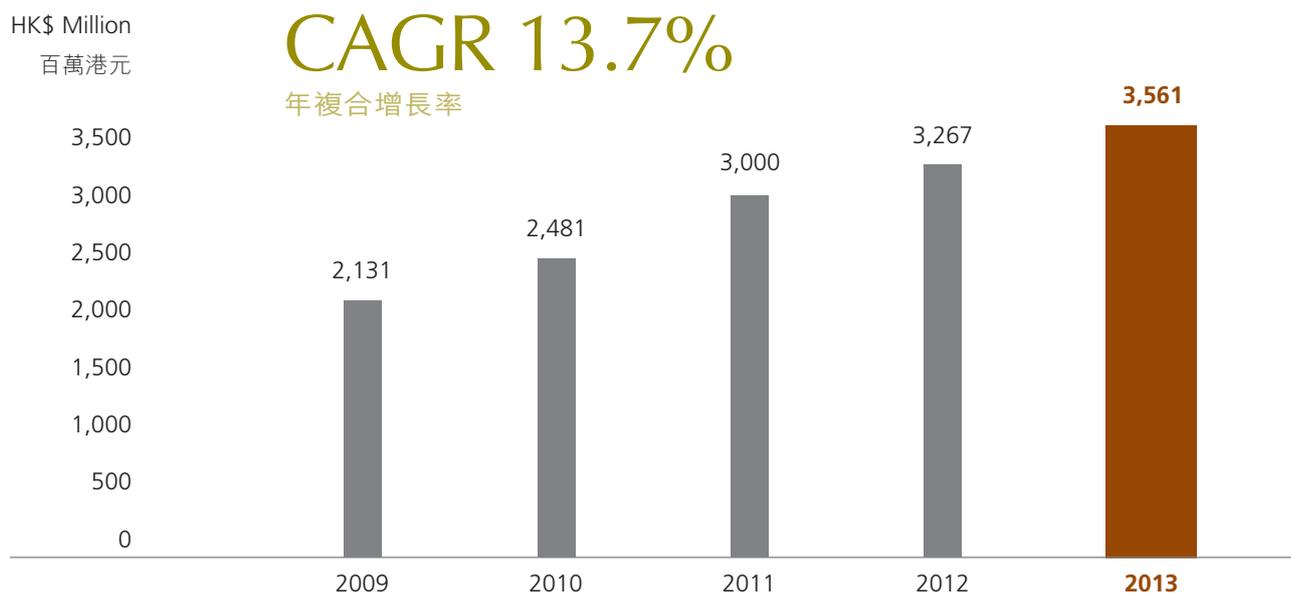
for the year ended 31st December 截至十二月三十一日止年度

Turnover Growth 營業額增長

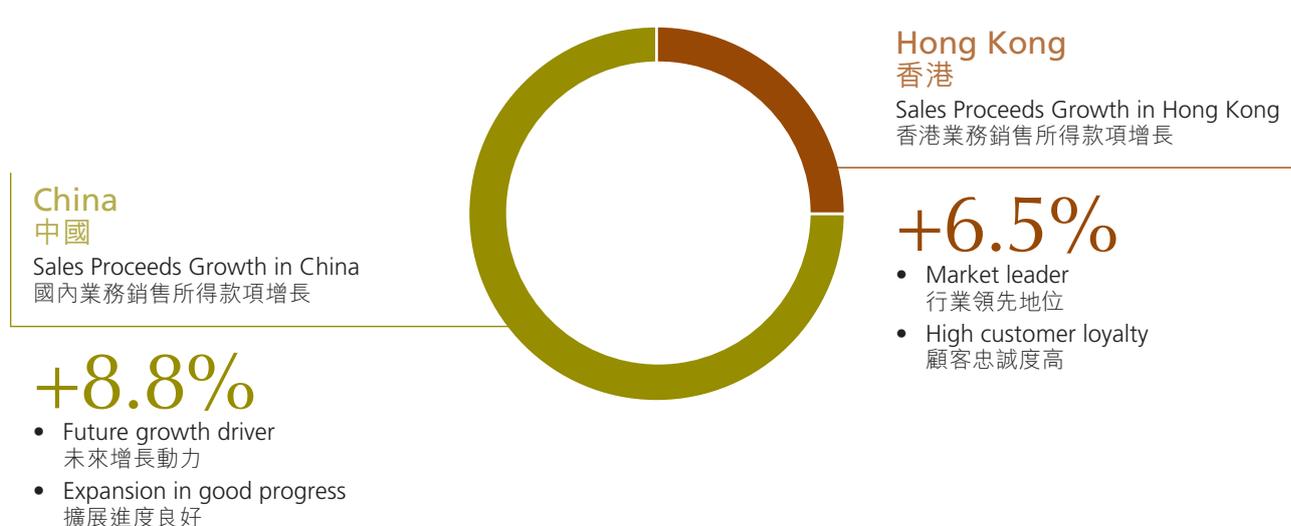


Financial Highlights (continued) 財務摘要(續)

Gross Profit 毛利



2013 Sales Proceeds By Market 二零一三年按市場劃分之銷售所得款項



Jul 七月

The Group's first standalone
Freshmart store launched
in Shanghai

本集團首間獨立經營的「鮮品館」店
於上海開業

Oct 十月

Soft opening of Shenyang
Jiuguang

瀋陽久光試營業

Sep 九月

Completion of spin-off
and separate listing
of Lifestyle Properties
Development Limited on
the Main Board of The
Stock Exchange of Hong
Kong Limited

完成分拆利福地產發展
有限公司及於香港聯合
交易所有限公司主板
獨立上市

2013 Milestones

二零一三年大事回顧

Nov 十一月

Thankful Week once again achieved a record-high daily revenue of HK\$110.4 million on the first day and a new record of over HK\$797 million in total sales for the whole event

感謝周於首日再次創下最高單日銷售額 110,400,000 港元，亦創下感謝周活動的最高期間銷售額 797,000,000 港元



Transcend
Ordinary
Shopping
Experience

超乎想像 突破平凡



Lau Luen Hung, Thomas 劉鑾鴻
Managing Director 董事總經理

Managing Director's Message

The global economy stayed on a largely steady footing in 2013, during which the US economy recovered gradually while EU countries started to recover from its debt crisis. Meanwhile, China recorded an annual GDP growth of 7.7%, not a stellar figure compared with previous years but one slightly higher than the government's target of 7.5%.

Notwithstanding the uncertainties, Lifestyle International's highly professional and dedicated management team remained focused on putting into practice the Group's sound business strategies. These involved implementing well designed marketing and promotion tactics and refining the brand and merchandise portfolios of the Group's various retail operations, with a view to achieving short-to long-term profitability while strengthening its brand equity. These efforts had paid off with a healthy and satisfactory set of results, generated mainly from our solid retail business in Hong Kong, as well as our investment and operations in mainland China that have been growing from strength to strength. The year 2013 saw the opening of the Shenyang Jiuguang bringing the number of our Jiuguang stores in the mainland to four in total. We also launched our first standalone Freshmart store in Shanghai, marking a new chapter in our effort to branch out into new market segments.

全球經濟於二零一三年大致穩定，當中美國經濟逐漸復甦，而歐盟國家亦開始走出其債務危機陰霾。與此同時，中國錄得年度國民生產總值7.7%增長，儘管與早年比較數字並不亮麗，但仍然略高於政府預期之7.5%。

儘管不明朗因素仍然存在，然而利福國際專業而敬業的管理團隊於年內繼續專注執行其行之有效的業務策略，包括推行設計得宜的營銷及推廣技巧並完善本集團各零售業務的品牌及產品組合，以獲得短至長期的利潤的同時亦加強品牌認受性。以上舉措為我們強健的香港零售業務，以及我們日益壯大的國內投資與業務帶來健康及令人滿意的業績。於二零一三年開業的瀋陽久光是為我們於內地的第四間久光店。除此之外，我們亦於上海設立第一間獨立經營的「鮮品館」店，為拓展新市場分部展開新一頁。

Managing Director's Message (continued) 董事總經理報告(續)

For the year ended 31 December 2013, the Group's turnover and net profit grew year-on-year by 7.8% and 19.0% respectively to HK\$5,955.3 million and HK\$2,448.2 million, while aggregate sales revenue was up 7.1% from the previous year. The Board of Directors is pleased to recommend the payment of a final cash dividend of 32.7 Hong Kong cents per share. Together with the interim dividend of 26.4 Hong Kong cents paid during the year, the dividend for the financial year of 2013 amounted to 59.1 Hong Kong cents.

In 2013, our retail operations in Hong Kong continued to make up a significant share and constituted 73.5% of the Group's total revenue, with a year-on-year growth of 6.5%. Bolstered by the steady economic condition and tourist arrivals, the growth of the Group's operations in Hong Kong is considered healthy given its relatively high base and the absence of additional retailing space.

Building on Jiuguang's rising brand equity, our operations in mainland China as a whole grew at a gradual pace. Shanghai Jiuguang's sales performance by and large remained unchanged compared with the previous year, due largely to weak market sentiment, brand reshuffling and fierce competition. However, the store remained widely popular and competent, as evidenced by a 7.6% year-on-year increase in the traffic footfall. Meanwhile, Suzhou Jiuguang continued to ride on a robust growth momentum, whereas the Dalian Jiuguang also reported positive sales growth as it gradually solidified its foothold. In October 2013, Shenyang Jiuguang had a soft opening and got off to a steady start.

The Group's strategic investment in the Beiren Group, a leading retailer based in Shijiazhuang, Hebei Province, continued to build on its strong "Beiguo" brand equity and network, thus leading to handsome sharing of its profits by the Group. For the year 2013, total sales revenue went up 15.6% from the previous year and the Group's share of results of associates (including profit attributable to non-controlling interest) from this investment rose 24.3% to HK\$348.6 million.

The Group completed in September 2013 the spin-off and separate listing of its Hong Kong and mainland property investment and development business ("Lifestyle Properties") on the Main Board of The Stock Exchange of Hong Kong Limited. The spin-off was part of the Group's strategy to optimise its operational efficiency and consolidate its business interests. Following the IPO, Lifestyle International still holds 59.56% equity interest in Lifestyle Properties.

Lifestyle Properties recorded a profit attributable to owners in the amount of HK\$58.7 million for the year ended 31 December 2013. With a small portfolio of investment properties valued at approximately HK\$716.8 million and cash and other receivable of HK\$637.6 million, Lifestyle Properties is expected to have sufficient financial resources to complete the property development project in Shenyang.

The Group currently has one project under development, which involves the site in Zhabei, Shanghai. Piling work already commenced before year-end and the project is preliminarily scheduled for completion in 2017. The project represents a strategic move whereby the Group will be able to leverage its existing resources in Shanghai and further expand its presence in the Yangtze River Delta region.

截至二零一三年十二月三十一日止年度，本集團的營業額及純利分別按年上升7.8%及19.0%至5,955,300,000港元及2,448,200,000港元，而本集團的總銷售收益較去年上升7.1%。董事會欣然建議派付末期現金股息每股32.7港仙。連同年內已派付之中期股息每股26.4港仙，二零一三年整個財政年度之股息合共為59.1港仙。

於二零一三年，本集團於香港的零售業務繼續佔本集團總收入的龐大份額，是為73.5%，按年增長為6.5%。儘管本集團擁有較高的基數及年內並沒有於香港新增零售空間，但受惠於穩定的經濟環境與訪港旅客，本集團在香港業務的增長仍然甚為健康。

建基於久光嶄露頭角的品牌認受性，我們於國內的整體營運正逐步成長。受累於市場氣氛薄弱、品牌洗牌效應及激烈競爭，上海久光的銷售表現與去年比較大致持平。然而，該店仍然是廣受歡迎的流行熱點，其總客流量較去年按年上升7.6%。與此同時，蘇州久光繼續其強勁的增長勢頭；而地位逐漸鞏固的大連久光亦錄得銷售正增長。二零一三年十月，瀋陽久光百貨開始試營業，開店表現平穩。

紮根於河北石家莊的北人集團乃本集團有策略性參股的龍頭零售集團，北人集團於本年度繼續加強其「北國」品牌資產及網絡，為本集團帶來可觀的應佔溢利。於二零一三年，其銷售收益較去年上升15.6%，而本集團來自投資北人集團的應佔溢利(包括非控股權益應佔溢利)增長24.3%至348,600,000港元。

本集團於二零一三年九月完成分拆其香港與內地的物業投資與發展業務(「利福地產」)於香港聯合交易所主板獨立上市。分拆乃集團為理順其營運效益及鞏固其業務利益策略部份。首次公開發行後，利福國際仍持有利福地產59.56%的股本權益。

利福地產於截至二零一三年十二月三十一日止年度錄得擁有人應佔溢利58,700,000港元。利福地產擁有716,800,000港元的投資物業及637,600,000港元的現金及其他應收款組合，預期有足夠的財務資源來完成位於瀋陽的物業發展項目。

本集團位於上海閘北的地塊亦處於發展階段，打樁工程已於年末前展開，項目預期於二零一七年完工。閘北項目為本集團一個策略性步伐，本集團可藉此善用其於上海的現有資源進一步擴展其於長三角地區的覆蓋。

Managing Director's Message (continued) 董事總經理報告(續)

Despite the relatively fragile recovery of the world economy, the management believes the reforms and policies implemented by the new Chinese leadership will benefit the country's economy in the mid- to long-term. Thus, our outlook on the retail sector for the coming year, in particular in terms of discretionary consumer products in Hong Kong and mainland China, is largely positive. Nevertheless, we shall remain prudent and cautious in light of the current relatively weaker consumer sentiment. Nonetheless, the management will remain committed to striving for profitability and the Group's long-term growth, deploying well thought business and marketing strategies so as to stay on a growth trajectory. We will also remain open to lucrative business opportunities, so long as they demonstrate high potential for further expanding our business and solidifying our foundation. Meanwhile, SOGO TST is off to a new start as the business in its current location has ceased since 12 February 2014, while the replacement location in the same vicinity is scheduled for opening in the fourth quarter of this year.

The year 2014 marks the 10th anniversary of Lifestyle International's public listing in Hong Kong, which was a milestone that signified the Group's solid standing in the department store sector in Hong Kong. Since then, the Group has grown to become a leading, seasoned operator of lifestyle department stores, achieving a turnover CAGR of 15.7% from 2004 to 2013. It has also earned its reputation of providing only good quality products and services through its various operations in Hong Kong and the mainland. While the brands SOGO, Jiuguang and Freshmart continue to grow and shine, the Board will spare no effort to uphold the Group's leading industry status and excel further. With the support of our dedicated and experienced management team and staff, the Board is confident that Lifestyle International will continue to play a pivotal role in the industry and that its business will keep expanding, thus bringing greater value to our shareholders in the longer run.

On behalf of the Board, I would like to thank all our management team members and staff for their commitment and contributions. I also greatly appreciate the constant support of our customers, business partners and shareholders. We shall be grateful for your continuing trust and support in the years to come.

Lau Luen Hung, Thomas
Managing Director

24 February 2014

儘管世界經濟的復甦仍然相對脆弱，然而管理層相信，由中國新領導層推行的改革和政策將有利於國家經濟的中長線發展。因此，我們對於香港及國內來年的零售市道前景，尤其是非必要類消費品，抱持甚為正面的態度。然而，考慮到目前較弱的消費情緒，我們將保持審慎和謹慎。儘管如此，管理層將繼續致力於提升盈利及集團的長遠發展，部署業務和市場策略以保持上升的軌道。我們也將對利潤豐厚、高潛力、可進一步擴大業務及鞏固我們業務基礎的機會持開放態度。與此同時，尖沙咀崇光現址已自二零一四年二月十二日起結業，而其於同區重新開始的替換位置預期可在今年第四季度開業。

二零一四年為利福國際於香港上市的十週年紀念，為標誌著本集團穩紮於香港百貨業的里程碑。十年以來，本集團已經發展成為領先同行、經驗豐富的生活時尚百貨店營運商，營業額年複合增長率自二零零四年到二零一三年達到15.7%。本集團通過在香港和內地的各種業務，以提供優質的產品和服務贏得良好名聲。在崇光、久光及鮮品館品牌繼續發揚光大的同時，董事會將不遺餘力地維護及建立本集團於行業內的領導地位。憑藉我們敬業、經驗豐富的管理團隊和員工的支持下，董事會有信心，利福國際將繼續其於行業舉足輕重的地位，其業務將不斷擴大，更長遠地為股東帶來更大的價值。

最後，本人謹代表董事會衷心感謝本集團管理人員及全體員工的辛勞及貢獻，並對顧客、業務夥伴及股東鼎力支持及信任表示謝意。我們感謝你們於來年繼續信任與支持。

劉鑾鴻
董事總經理

二零一四年二月二十四日



A Sense of Excitement and Fulfillment

興奮體驗 滿心滿足

Management Discussion and Analysis

Market Overview

The world economy was on a relatively firm recovery path in 2013, with the Eurozone slowly getting out of its debt crisis, while a notable improvement was detected in the US job and property markets. China, the world's second largest economy, expanded 7.7% in 2013, the weakest GDP growth since 1999, yet a rate slightly higher than the government's target of 7.5%.

During the year, the Chinese government unveiled a series of reforms with an aim to spur domestic demand and boost the economy while keeping relatively tight control over the property and lending markets. Efforts were also stepped up to crack down on corruption. These policies and measures helped stabilise the retail sector to a certain extent but failed to fully arouse consumer sentiment. For the full year, retail sales in mainland China grew 13.1% over 2012 to reach RMB23,438 billion, a slowdown comparing with the 14.3% recorded in the previous year.

市場概況

二零一三年，歐元區緩慢步出其債務危機的陰霾，而美國的就業及物業市場亦見顯著改善，全球經濟走向相對穩固的復甦之路。中國作為全球第二大經濟體，其國內生產總值於二零一三年錄得7.7%增長，雖為其自一九九九年以來最低之國內生產總值增幅，然而仍然略高於政府預期之7.5%。

年內，中央政府公佈各種改革來刺激內需及振興經濟，同時對物業和信貸市場採取相對嚴謹的控制，並致力打擊貪污。該等政策及措施某程度能有助於穩定零售市道，然而未能全面刺激消費意欲。按年度計算，國內的零售銷售較二零一二年錄得13.1%增長至人民幣23,438,000,000,000元，增幅較去年的14.3%有所放緩。



Bringing Endless Possibilities

體現無限可能

Management Discussion and Analysis (continued) 管理層討論及分析(續)

In the Group's home turf of Hong Kong, the year 2013 saw a stable economic environment overall. Notwithstanding a favourable job market, domestic consumption was not particularly strong, due partly to the price overhang in the property market. Much of the growth in the local retail market came mainly from spending by shoppers from across the border. Tourist arrivals hit 54.29 million this year, representing an 11.7% year-on-year increase. In particular, visitors from mainland China, most of who favour luxury goods, grew 16.7% year-on-year to reach 40.75 million. Growth was especially remarkable in the second quarter, when falling gold prices sent consumers snapping up gold and gold jewellery. Growth in the fourth quarter was relatively slow due in part to the long public holidays when many locals went on vacation abroad. For 2013 as a whole, the value of retail sales in Hong Kong increased by 11.0% year-on-year, a slight improvement from 9.8% in 2012.

During the year, Lifestyle International stayed focused on implementing its superior and sound business strategy anchored by solid objectives, high brand equity and sensible moves. The Group's seasoned management team continued to excel on both the management and operation levels, carrying out the aforementioned strategy with efficiency and care while staying committed to the Company's long-term growth. All these have been crucial to the Group's long-running success in the industry, and have enabled the Group to deliver a healthy and satisfactory set of results for 2013, with aggregate sales revenue growing 7.1% to approximately HK\$13.8 billion.

In 2013, SOGO CWB and SOGO TST achieved a 6.5% rise in aggregate sales revenue, a rate that was well within the Group's expectation in view of the stable economic environment. As with previous years, the Hong Kong operations continued to account for a significant share and constituted 73.5% of the Group's total revenue.

Meanwhile, the Group's relatively young operations in mainland China continued to enjoy growing operating leverage to varying degrees as they gradually grew from strength to strength. Total sales revenue of Shanghai Jiuguang was barely flat when compared with 2012, due mainly to a relatively weak consumer sentiment and increasing competition. Nevertheless, the store remained highly competent compared with its industry peers. Riding on the brand equity of Jiuguang and thanks to the unique shopping experience it offers, Suzhou Jiuguang maintained its growth momentum throughout the year as its market share continued to expand. Dalian Jiuguang also delivered positive sales growth as it continued to strengthen its foothold. Shenyang Jiuguang, the Group's youngest operation in the mainland, which had a soft opening in October 2013, got off to a steady start and is expected to improve over time.

於本集團的基地香港，二零一三年的經濟環境整體穩定。儘管就業市場表現理想，然而在價格高企的物業市場下，本土消費未見轉強。大部分的本地零售市場增長主要來自外地顧客的消費。本年訪港旅客高達54,290,000人次，按年增長11.7%。而鍾情奢侈品的國內遊客，按年增加16.7%至40,750,000人次。第二季金價下跌，觸發消費者搶購黃金及黃金首飾時，香港零售的增長尤其顯著。第四季度由於大量本地人於長假期到外地度假，零售增幅相對放緩。按二零一三年年度計算，香港零售銷售價值由二零一二年按年增幅9.8%輕微上升至11.0%。

年內，利福國際維持優越及精心部署的業務策略，配合清晰的目標、廣泛的品牌認受性及靈活的營運手法。本集團經驗豐富的管理層在管理和經營方面繼續表現出色，堅持致力於公司的長期增長同時，有效率而謹慎地經營以上的營商策略。以上種種均為本集團於行業內長期成功的重要因素，同時亦為本集團帶來令人滿意的佳績，在二零一三年期間總銷售收入增長7.1%至約13,800,000,000港元。

於二零一三年，在穩定的經濟環境中，銅鑼灣崇光及尖沙咀崇光的總銷售收入錄得6.5%的增幅，符合管理層預期。一如以往，本集團的香港業務繼續佔本集團總收入龐大份額，是為73.5%。

與此同時，本集團在中國大陸的業務仍然處於相對初期的階段，故繼續享有不同程度的經營槓桿效率，並且業務逐漸壯大。受累相對疲弱的消費者意欲和日益激烈的競爭，上海久光的總銷售收入與二零一二年維持持平。然而，與同業相比，上海店的競爭力依然強勁。至於蘇州久光百貨，受惠於其品牌認受性及店內所提供獨特的購物體驗，蘇州久光百貨年內繼續保持增長，市場佔有率不斷擴大。大連久光亦取得正面銷售增長，並繼續加強其市場佔有率。本集團在內地最新開業的瀋陽久光百貨於二零一三年十月試業，表現平穩，並期望業績會隨時間持續改善及增長。



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to Make
the Most of
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Management Discussion and Analysis (continued) 管理層討論及分析(續)

Financial Review

Turnover and Sales Proceeds

For the year 2013, Lifestyle International's turnover grew 7.8% from the previous year while total sales proceeds (net of VAT), which is derived from both direct and concessionaire sales transactions, went up by 7.1%. Contribution from the stores in China was on the rise while the Group's Hong Kong operations continued to be the main revenue generator.

In terms of sales contribution by region, the Group's operations in Hong Kong and mainland China respectively generated HK\$10,135.7 million and HK\$3,659.8 million worth of sales proceeds, accounting respectively for 73.5% and 26.5% (2012: 73.9% and 26.1%) of the Group's total sales proceeds.

Gross Profit and Concessionaire Rates

The Group's gross profit margin as a percentage of turnover was 59.8%, compared with 59.1% in 2012. Gross profit totalled HK\$3,560.5 million, up 9.0% from HK\$3,267.1 million recorded in the previous year. The Group continued to uphold the strategy of profitable growth and managed to improve the average concessionaire rate from approximately 22.4% in 2012 to approximately 22.7% in 2013, amid a highly competitive operating environment, especially in mainland China.

Net Profit Attributable to Shareholders

The Group's net profit attributable to shareholders for the year amounted to HK\$2,448.2 million, a 19.0% growth from HK\$2,057.5 million for the previous year. The Group's net profit margin expanded from 37.2% in 2012 to 41.1% in 2013. The improvement was partly due to increase in net investment and interest income, increase in share of profits of associates and lower finance charges.

The Group's profit from operations had recorded a healthy growth during the year, thanks to the resilient performance of the Hong Kong stores amid challenging market conditions. The stellar sales growth of Suzhou store, which continued to establish itself as one of the leading department stores in its locality, marked the store's first profitable year. The positive results of the Suzhou store this year, together with the increase in the share of profits of the Group's investment in the Beiren Group, however, was not able to generate positive profit growth for the Group's mainland operations and investment as a whole, mainly due to the start-up loss of the Shenyang store and a slight decline in profit of the Shanghai store. This, however, is well within the management's expectation.

Selling and Distribution Costs

Aggregate selling and distribution costs of the Group increased by 10.8%, which was mainly attributable to additional costs incurred following the launch of the Shenyang store in mid-October 2013 and opening of the standalone Freshmart supermarket in Shanghai in July 2013. Total selling and distribution expenses as a percentage of total sales proceeds of the Group increased slightly from approximately 7.9% in 2012 to 8.2% due to low efficiency of the two new stores opened during the year.

則務回顧

營業額及銷售所得款項

利福國際於二零一三年的營業額比去年增加7.8%。在扣除增值稅後，來自直接和特許專櫃銷售之銷售所得款則增加了7.1%。來自中國店舖的貢獻持續增加，而本集團的香港業務仍是主要的收入來源。

按銷售額地區劃分，本集團來自香港及中國內地之銷售所得款項分別為10,135,700,000港元及3,659,800,000港元，分別佔本集團總銷售所得款項的73.5%及26.5%（二零一二年：73.9%及26.1%）。

毛利及特許專櫃率

本集團的毛利率按營業額計算為59.8%，而二零一二年則為59.1%。毛利總額為3,560,500,000港元，較去年3,267,100,000港元增加9.0%。雖然面對營運環境競爭激烈，尤以中國市場為甚，然而本集團繼續堅守其盈利增長的策略，將平均特許專櫃率由二零一二年約22.4%輕微改善至二零一三年約22.7%。

股東應佔溢利淨額

本集團年度股東應佔溢利淨額為2,448,200,000港元，較二零一二年之2,057,500,000港元增加19.0%。本年度因淨投資及利息收入增加、應佔聯營公司利潤提升以及較低融資成本，以至本集團之淨利潤率從二零一二年的37.2%擴大到二零一三年的41.1%。

儘管市場環境充滿挑戰，然而有賴香港店穩健的表現，年內本集團之經營溢利錄得健康的增長。蘇州店出色的銷售增長為其取得首年營利，及繼續在區內建立成為領先的百貨店之一。然而，因瀋陽店開辦初期虧損和上海店的利潤略有下降，蘇州店的淨利潤以及本集團於北人集團投資應佔利潤增長並未能為本集團的內地業務和投資帶來整體正面的盈利增長。不過此乃為管理層預期之內。

銷售及分銷成本

本集團的銷售及分銷成本上升10.8%，主要是由於二零一三年十月中開業的瀋陽店及二零一三年七月在上海開業及獨立經營的超級市場產生之額外費用。總銷售及分銷開支佔本集團銷售所得款項總額之百分比，由二零一二年的約7.9%輕微上升至8.2%，乃由於上述兩店在年內開業的營運效率比較低所致。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

Administrative Expenses

Increase in the Group's general administrative expenses was again due to additional costs mainly from the Shenyang store and represented approximately 2.2% of the Group's total sales proceeds (2012: 2.0%).

Staff Costs

Staff costs (excluding directors) increased 11.5% to approximately HK\$414.1 million during the year under review. The substantial increase in staff costs was again due to additional headcounts for the two new stores opened during the second half of the year. Salary and wage rise of existing staff during the year was largely in line with the market and general inflation. The total fulltime headcount of the Group at year end was around 2,600 with some 800 working in Hong Kong and the rest in mainland China.

Other Income

Increase in other income this year was mainly from the exchange gain of approximately HK\$36.3 million derived from the RMB denominated cash balances as a result of the RMB appreciation as well as a one-off renovation subsidy received for the Freshmart supermarket during the year, amounting to approximately HK\$13.9 million.

Investment Income

Investment income of HK\$414.2 million (2012: HK\$352.1 million) comprised mainly interest income from the Group's bank deposits and net investment income, including fair value changes, actual coupon interest receivable and dividend, from a portfolio of yield enhancing financial products consisting of corporate bonds, other similar fixed income type financial products and listed equities amounting to approximately HK\$3,295.3 million as at the year end. Assuming the average bank balance during the year was HK\$8,482.4 million and the average investment portfolio size was HK\$2,956.9 million, the average interest rate on bank deposits and average yield on the investment portfolio was approximately 2.1% and 7.7% respectively. The average annual yield of the bank balances and investment portfolio as a whole was approximately 3.5%.

Finance Costs

The Group's total finance costs consisted mainly of interest expense on bank loans and interests payable in respect of the bonds which in aggregate amounted to approximately HK\$413.9 million (2012: HK\$331.8 million) for the whole year. The increase was due to the full year impact of the US\$800 million bond payable in aggregate issued during 2012. The lower finance costs charged to the statement of profit or loss this year of approximately HK\$237.8 million, decreased from HK\$307.8 million a year earlier, was mainly a result of capitalisation of interest expense as part of the cost of properties under development of an approximately of interest expense HK\$161.8 million (2012: nil) of interest payable on the bond, which was designated for the acquisition of the land for the Zhabei project. Assuming the average loan and bond payable balance for the year was HK\$10,892.3 million, the average interest rate of the debt portfolio was approximately 3.8%.

行政開支

本集團的行政開支增加亦是由於瀋陽店所產生的額外成本，開支佔本集團銷售所得款項總額約2.2% (二零一二年：2.0%)。

員工成本

在回顧年度內，員工薪酬 (不包括董事) 增加11.5%至約414,100,000港元。員工成本顯著增加亦是由於二零一三年下半年有兩間新店開業，員工人數增加所致。現有員工的薪金於年內之升幅與市場及通脹同步。本集團於年底的全職員工人數約2,600名，其中約800名在香港，其餘則在中國大陸。

其他收入

今年的其他收入主要由於人民幣升值，導致以人民幣結算的銀行結餘產生約36,300,000港元的匯兌收益。另外，年內上海獨立經營鮮品館超市並收到一次性的裝修補貼，約13,900,000港元。

投資收入

投資收入為414,200,000港元 (二零一二年：352,100,000港元)，主要為集團的銀行存款利息收入及淨投資收入，其包括由企業債券、其他近似獲取固定回報的金融產品及上市股票組成的投資組合之公平值變動、實際應收債券利息及股息。投資組合於年底結餘約3,295,300,000港元。假設年內的平均銀行結餘為8,482,400,000港元和平均投資組合規模為2,956,900,000港元，銀行定期存款的平均回報率和投資組合收益的平均回報率將會分別為約2.1%和7.7%。銀行結餘及投資組合的平均年回報率約3.5%。

融資成本

本集團的總融資成本主要包括年內銀行貸款及債券累計之應付利息413,900,000港元 (二零一二年：331,800,000港元)。融資成本增加是因為二零一二年累積發行之800,000,000美元應付債券的全年效應。本年損益表中的融資成本減少，由去年的307,800,000港元下跌至237,800,000港元，主要因為指定用於闡北項目中作土地收購而發行之應付債券所產生利息中的161,800,000港元 (二零一二年：無) 已資本化成為物業在建工程之部份成本。假設全年的平均貸款及應付債券的結餘為10,892,300,000港元，負債組合之平均利率為3.8%。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

Liquidity and Financial Resources

The Group's cash position has improved over the year due to strong cash flows from operations and a relatively low capital expenditure requirement. As at the end of 2013, before taking into account the investment portfolio to the tune of approximately HK\$3,295.3 million (2012: HK\$2,618.6 million), the Group's net debt has been reduced from approximately HK\$2,647.1 million in 2012 to approximately HK\$2,172.6 million.

The cash in banks amounted to about HK\$8,669.1 million (2012: HK\$8,295.8 million) as at the end of 2013, with the amount of bank loans standing at approximately HK\$4,676.2 million (2012: HK\$4,781.2 million) and bonds payable at approximately HK\$6,165.5 million (2012: HK\$6,161.7 million). Of the cash at banks, approximately 66.6% was denominated in US dollar and Hong Kong dollar and approximately 33.4% in Renminbi.

The bank loan balances included the Hong Kong dollar-denominated five-year (due in September 2016) secured loan facility in the amount of HK\$5,000 million, of which HK\$3,336 million (or two-third of the facility) is in the form of term loan, with the amount outstanding at the year end totalling HK\$2,869.0 million. While this term loan is repayable semi-annually during the five-year term, the remaining one-third of the HK\$5,000 million facility is of a revolver nature and was not utilised at year end. Interest born by this loan facility is calculated with reference to the HIBOR. The remaining bank loan balances comprised: (1) project loan of RMB385.1 million (equivalent to HK\$493.4 million), bearing interest calculated with reference to the PBOC lending rate; (2) an unsecured fixed rate three-year term loan of RMB290 million (equivalent to HK\$371.5 million); (3) short-term US dollar loans totalling US\$121.6 million (equivalent to HK\$942.4 million), which are secured against certain of the Group's financial investments, with the interest calculated with reference to the LIBOR. Apart from the above, the Group has an unutilised unsecured loan facility amounting to HK\$400 million, which bears interest with reference to the HIBOR.

The bonds payable of HK\$6,165.5 million (or US\$800 million at maturity) (2012: US\$800 million at maturity) comprises a US\$500 million 5-year (bearing interest at 5.25% and maturing in January 2017) and a US\$300 million 10-year (bearing interest at 4.25% and maturing in October 2022) unsecured guaranteed bonds issued during 2012, mainly for financing new projects, including the acquisition of the land for the Group's new project in Zhabei, Shanghai.

The Group's net debt to equity ratio (defined as borrowings less cash and bank balances divided by equity attributable to the owners of the Company) was 20.8% (2012: 27.7%).

During the year, the Group did not use any financial instruments for hedging purposes.

流動資金及財務資源

年內，本集團的資金狀況改善，主要由於來自營運業務的強大現金流及相對較低的資本支出要求。截至二零一三年底，不計及金額約3,295,300,000港元投資組合(二零一二年：2,618,600,000港元)，本集團的淨負債由二零一二年的約2,647,100,000港元，減少至二零一三年的約2,172,600,000港元。

於二零一三年年底，在銀行的現金約8,669,100,000港元(二零一二年：8,295,800,000港元)；同時，銀行貸款約4,676,200,000港元(二零一二年：4,781,200,000港元)及應付債券金額約為6,165,500,000港元(二零一二年：6,161,700,000港元)。於銀行的現金，約66.6%以美元及港元計值及33.4%則以人民幣計值。

銀行貸款包括以港元計價有抵押五年期貸款5,000,000,000港元(於二零一六年九月到期)，其中3,336,000,000港元(或三分之二的貸款額)為有年期貸款，而於年底未償還金額為2,869,000,000港元。這有年期貸款於五年期內須每半年還款一次，5,000,000,000港元其餘之三分之一的額度是可循環借貸，並在年底尚未動用。該貸款參考香港銀行同業拆息計息。其他銀行貸款包括：(1)參考中國人民銀行息率計息之人民幣385,100,000元(折合493,400,000港元)項目貸款；(2)無抵押、固定利率計算、三年期之人民幣290,000,000元(折合371,500,000港元)的貸款；(3)以若干本集團金融產品作抵押取得之121,600,000美元(折合942,400,000港元)的美元短期貸款，此貸款是參考倫敦銀行同業拆息利率計息。除此之外，本集團亦於年底擁有400,000,000港元之無抵押、參考香港銀行同業拆息計息之貸款額度尚未動用。

金額為6,165,500,000港元(或於到期日800,000,000美元)(二零一二年：於到期日800,000,000美元)應付債券包括於二零一二年發行，一筆五年期500,000,000美元(利率為5.25%及於二零一七年一月到期)及一筆十年期300,000,000美元(利率為4.25%及於二零二二年十月到期)之無抵押擔保債券。該等債券主要用作融資新項目，包括本集團於上海閘北新項目之土地收購。

本集團的淨負債與股東權益比率(即借貸減現金及銀行結存除以本公司擁有人應佔權益)為20.8%(2012：27.7%)。

年內，本集團並沒有使用金融工具以作對沖用途。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

Foreign Exchange Management

The functional currency of the Company and its major subsidiaries in Hong Kong is HK\$ in which most of the transactions are denominated. The functional currency of those subsidiaries operating in the People's Republic of China ("PRC") is RMB in which most of its transactions are denominated. As described under "Liquidity and Financial Resources" section, certain assets and liabilities of the Group are denominated in United States Dollar. The Group currently does not have a foreign currency hedging policy as HK\$ is effectively pegged to US\$. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Pledge of Assets

As at 31 December 2013, the Group's certain leasehold land and buildings in Hong Kong with a carrying value of approximately HK\$1,414.2 million (2012: HK\$1,458.6 million), together with shares of certain subsidiaries of the Group, has been pledged to secure the HK\$5,000 million (2012: HK\$5,000 million) loan facility granted to the Group, of which HK\$3,336 million (2012: HK\$3,336 million) has been utilised. In addition, certain of the Group's property, plant and equipment in the PRC and the Group's financial assets at fair value through profit or loss with carrying values of approximately HK\$3,403.9 million (2012: HK\$1,471.1 million) and HK\$1,393.9 million (2012: HK\$1,098.2 million) have been respectively pledged to secure loan facilities to the amount of approximately RMB650 million (2012: RMB300 million) and US\$155 million (2012: US\$120 million) respectively.

Contingent Liabilities

Pursuant to two sale and purchase agreements entered into among the subsidiaries in 1985 and 1996, certain properties were transferred within the Group. The assignments of these properties have not been executed. If no exemption for stamp duty is granted under the Stamp Duty Ordinance, upon execution of the assignment of the properties, the Group will be subject to an aggregate stamp duty of approximately HK\$38.9 million.

Material acquisitions and disposals

There were no material acquisitions and disposals during the year.

Review of Operations

Lifestyle International once again managed to achieve healthy growth and delivered a satisfactory profit performance for the year 2013. Leveraging its winning business strategy and robust operating platform, the Group's operations in Hong Kong continued to enjoy sustained growth while the Group's operations in mainland China have performed well within the management's expectation.

Hong Kong SOGO CWB

SOGO CWB remained the biggest contributor to the Group's revenue and profit in 2013, posting a 6.7% annual growth in sales revenue to HK\$9,114.9 million. A perennially popular shopping destination for both locals and tourists despite keen competition, the store continued to attract steady footfall during the year, with the stay-and-buy ratio rising to 33.4% from 32.0% in the previous year. Notwithstanding a slight drop in the total traffic number and transaction number, the sales growth was largely spurred by a 8.1% increase in ticket size. The sustainable growth of the store was a combined result of the Group's leading industry status and sturdy foundation on which it was built, and the store's meticulous efforts in refining its brand mix and optimising its sales and marketing strategies on a timely and proactive basis.

外匯監管

本公司及其位於香港的主要附屬公司的功能貨幣為港元，彼等的大部分交易以港元結算。在中華人民共和國（「中國」）營運的附屬公司的功能貨幣為人民幣，大部分交易並以人民幣結算。如「流動資金及財務資源」部分所述，本集團有若干以美元計值的資產及負債。由於美元和港元掛鈎，本集團現在並無外匯對沖政策，儘管如此，管理層會持續監測外匯風險，必要時會考慮對沖重大外匯風險。

資產抵押

於二零一三年十二月三十一日，本集團已將位於香港賬面值約1,414,200,000港元（二零一二年：1,458,600,000港元）之若干土地及樓宇，連同本公司附屬公司若干股份，作為本集團獲授銀行融資額5,000,000,000港元（二零一二年：5,000,000,000港元）之抵押品，其中3,336,000,000港元（二零一二年：3,336,000,000港元）已動用。此外，本集團將若干位於中國賬面值約3,403,900,000港元（二零一二年：1,471,100,000港元）之物業、廠房及設備及價值1,393,900,000港元（二零一二年：1,098,200,000港元）按公平值計入損益之金融資產分別亦作為約人民幣650,000,000元（二零一二年：人民幣300,000,000元）及155,000,000美元（二零一二年：120,000,000美元）貸款融資額之抵押品。

或然負債

根據附屬公司間於一九八五年及一九九六年訂立之兩份買賣協議，若干物業於本集團內公司間轉讓，惟該等物業轉讓至今仍未執行。倘未能根據印花稅條例獲豁免印花稅，則本集團於轉讓該等物業時，將須繳付合共約38,900,000港元印花稅。

重大收購及出售

年內沒有重大收購及出售。

業務回顧

利福國際於二零一三年再一次取得健康增長及令人滿意的盈利表現。憑藉其成功的業務策略和強大的操作平台，本集團的香港業務持續錄得增長，中國內地的業務表現亦符合管理層預期。

香港

銅鑼灣崇光

於二零一三年，銅鑼灣崇光繼續為本集團收入和盈利的最大貢獻者，年度銷售收益增長6.7%達9,114,900,000港元。雖然面對激烈競爭，銅鑼灣崇光仍為本地顧客及遊客的購物熱點。該店於年內繼續吸引穩定客流量，逗留購買比率由去年的32.0%上升至33.4%。雖然在總客流量和總交易數目稍有下跌，然而平均每宗交易額增加8.1%仍然帶動銷售增長。該店的穩健增長實歸功於本集團在行業的領導地位及其堅固的基礎，該店致力完善的品牌組合及其適時主動優化的銷售及市場推廣策略。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

The store's performance was by and large steady and consistent in both the first and second halves of the year, although the growth momentum was relatively stronger during the second quarter, with a 9.1% year-on-year increase in revenue due to stronger local demand. The month of December was slower by comparison, with a growth rate of 3.1% that could be explained by the long public holidays when a significant number of local people spent time outside of Hong Kong. The average daily traffic footfall dipped slightly by 5.2% for the whole year, due partly to the month-long subway escalator replacement work and partly due to renovation carried out at the store. However, the drop in total traffic did not cause a proportional drop in total transaction numbers, thanks to the support of our loyal customers.

As with previous years, the Thankful Week anniversary event in November 2013 drawn much publicity and once again achieved record-breaking results, with a record-high daily revenue of HK\$110.4 million on the first day and a new record of over HK\$797 million in total sales for the whole event, representing a 12.1% growth on the same event in the previous year.

SOGO TST

A popular and vibrant shopping venue with a track record in delivering profitable growth, SOGO TST concluded the year under review with favourable business results despite the modest growth of 5.0% growth in sales revenue, a rate slightly lower than its CWB counterpart. The stay-and-buy ratio remained stable at 16.4%, with per ticket sales and average daily traffic footfall both going up by 3.4%. All these point to the underlying strength of the store and the effectiveness of its carefully crafted marketing and promotion strategies. Meanwhile, the closure sale of the store, which ceased business in its current location since 12 February was a success and warmly welcomed by shoppers as evidenced by the increase in both revenue and traffic footfall.

Mainland China Shanghai Jiuguang

Commenced operation in 2004, Shanghai Jiuguang has grown to become a favoured shopping destination in Shanghai with real retail clout. Amid the somewhat sluggish domestic demand and fierce competition in the local market where new retail venues in the form of both department store and shopping mall keep coming, sales revenue (net of tax) of Shanghai Jiuguang remained flat at approximately RMB1,942.7 million in 2013, a satisfactory performance considering the generally weak consumption sentiment in Shanghai, and compared with its industry peers.

During the year, the Group further refined the store's brand portfolio, which included bringing in new upmarket cosmetic brands to keep the store in sync with the latest trends. A vast array of international brands with high brand equity was also introduced to attract customers and fulfil their needs. This helped raise the average daily traffic footfall by 7.6% compared with the previous year, amid keen competition and weak sentiment environment. The increase also indicated the sustained appeal of Shanghai Jiuguang, which stems from its wide variety of merchandise and dining options, the sheer size of the premises and the Group's winning business model.

該店於本年上、半年度的表現平穩及大體一致，然而，第二季較強的本地需求帶來較強的增長動力，故銷售按年增長9.1%。而十二月則因為長假期有大量本地市民離港，故錄得相對較慢的3.1%增長率。全年每日平均客流量微跌5.2%，部分歸咎於進行為期一個月的自動電梯更換工程及店內裝修工程。然而，總客流量下跌並未致使交易數目出現比例性的下跌，此實歸功於我們忠實客戶的支持。

一如以往，二零一三年十一月的年度感謝周活動引起廣泛注視並再次打破記錄，於首日創下最高單日銷售額110,400,000港元，亦創下感謝周活動的最高期間銷售額797,000,000港元，相當於去年感謝周活動的12.1%增幅。

尖沙咀崇光

作為受追捧及擁有優秀往績的購物熱點，尖沙咀崇光於回顧年內錄得5.0%的銷售增長，其增長雖較銅鑼灣店稍低，但仍屬良好的經營業績。逗留購買比率保持16.4%，而每宗交易額及每日平均客流量則雙雙上升3.4%，實有賴該店的堅實競爭力及精心打造的營銷及推廣策略。與此同時，該店現址已於二零一四年二月十二日結業，其結業促銷成功增加其收入及客流量，廣受消費者歡迎。

中國大陸

上海久光

上海久光於二零零四年開業，至今已發展為上海一個受歡迎且具影響力的購物熱點。面對國內內需較為疲弱，以及國內市場日趨激烈，如新興的零售場所百貨公司及購物商場的形式湧現，上海久光於二零一三年總銷售收入在扣除稅項後持平，錄得約人民幣1,942,700,000元。考慮到上海普遍疲弱的消費意欲，上海久光的表現與業內同行比較實屬滿意。

年內，本集團進一步完善該店內的品牌組合，包括引進新的高檔化妝品品牌，緊貼最新潮流。為吸引客戶及滿足其需求，上海久光亦引進大量具有較高認知度的國際品牌。以上舉措有助上海久光於在一片激烈的競爭和疲弱的氣氛環境下，使每日平均客流量較去年增加7.6%。客流量增加反映出上海久光多元化的商品和餐飲場所、廣闊的經營場地以及本集團成功的業務模式的吸引力。

Management Discussion and Analysis (continued) 管理層討論及分析(續)**Suzhou Jiuguang**

Four years after its inception, Suzhou Jiuguang has already secured a solid position as a sought-after shopping destination in Suzhou. It has also become more significant in terms of its revenue contribution to the Group. During the year under review, its sales revenue expanded 17.0% compared with the previous year, amounting to RMB783.1 million. The benefits of the first line of Suzhou Rail Transit, which opened in April 2012, continued to be reflected by the average daily traffic footfall, which was up 15.7% year-on-year to 19,900 visitors. As the store kept rising in popularity, the Group stepped up marketing efforts and upgraded its customer service, which effectively consolidated customer loyalty. With the sustained growth in sales revenue, the store started to enjoy operating leverage and turned profitable during the year for the first time.

Dalian Jiuguang

Dalian Jiuguang managed to record a positive sales growth of 1.6% during the year amid weak market sentiment and keen competition. In what reflected the Group's formula of success, Dalian Jiuguang launched a series of marketing initiatives and optimised its brand portfolio during the review period. The result was a more effective assortment of quality products and services that catered to local demand, and thus a broader customer base. The effects of these measures should be more prominent when market conditions improve further. This store generated positive operating cash flow but has not yet turned profitable.

Shenyang Jiuguang

Soft-opened in Shenyang in mid-October 2013, Shenyang Jiuguang is Lifestyle International's fourth Jiuguang store in mainland China and represents the Group's latest effort to strengthen its foothold in the increasingly affluent region of Northeast China. With a gross floor area of approximately 120,000 sq. m., the store features a wide variety of fashion brands and Freshmart supermarket with a bakery and food and beverage facilities. The store has had a steady start although certain shops and brands will only gradually open after the store's soft opening. It is expected that through a host of marketing and promotion strategies, coupled with the opening of more shops in the next few months, the store's traffic footfall will gradually improve. The grand-opening is scheduled to take place before the May Golden Week this year. As every venture in a new region takes time and patience to ramp up and generate profits, the Group is currently working on building a solid foundation for Shenyang Jiuguang, in the belief that the store will grow persistently and make considerable contribution to the Group's revenue in the near future.

蘇州久光

自四年前創立以來，蘇州久光已穩紮為蘇州一個受追捧的購物熱點。其收入對本集團的貢獻變得日益重要。回顧年內，其零售收入較去年增加17.0%至人民幣783,100,000元。持續受惠於蘇州軌道交通1號線自二零一二年四月開通，該店的每日平均客流量按年增加15.7%至19,900人次。隨著該店的受歡迎程度日增，本集團加緊營銷工作及提高顧客服務質數，有效鞏固顧客忠誠度。隨著銷售收入的持續增長，該店開始受惠於經營槓桿所帶來的優勢，並於年內首次錄得盈利。

大連久光

年內，大連久光於市場氣氛疲弱及激烈競爭下錄得正面銷售增長1.6%。大連久光於回顧期內繼續貫徹集團的成功策略，推出一系列的營銷活動及優化品牌組合，有效整理出更高品質的產品和服務以迎合當地需求，繼而擴大顧客層面。當市場狀況進一步改善時，此等措施的效用預期將更為顯著。該店正產生的正面的現金流，但仍未轉虧為盈。

瀋陽久光

瀋陽久光於二零一三年十月中於瀋陽試業，為利福國際於中國內地的第四間久光店，標誌著本集團致力鞏固其於日益富裕的中國東北地區的業務基礎。該店建築面積約120,000平方米，店內設有各式各樣的時尚品牌及「鮮品館」超級市場包括麵包店、食品 and 飲料設施。該店開業表現平穩，商店和品牌將於該店試業後逐漸開業。集團預期通過一系列的營銷及推廣策略，加上未來數月內將有更多商店開業，該店的客流量將逐漸改善。正式開幕計劃於本年度五一黃金周前舉行。誠如每一個企業在一個新地區開業需要一定的時間與耐性去運作和產生利潤，本集團現正為瀋陽久光建造穩固的基礎，相信該店將持續增長，並在不久的將來為本集團貢獻可觀的收入。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

Freshmart Operation

The Group's first standalone Freshmart store, launched in July 2013, got off to a solid start thanks in part to the brand equity established in Shanghai over the past few years. Located in the Changning District of Shanghai, the store occupies a site with a gross floor area of approximately 7,400 sq. m. The store represents the Group's effort to replicate the success and broaden the presence of the Freshmart brand, whose food and confectionery products have been enjoying widespread popularity at SOGO CWB and Shanghai Jiuguang. With the standalone establishment, the Group is branching out to a new market segment, with a view to strengthening the Group's image as an operator of retail businesses providing high quality products and services.

Interests in Associates

The Group's strategic investment in Beiren Group, a leading retailer based in Shijiazhuang, Hebei Province, once again delivered a stellar performance in 2013 marked by double-digit sales growth. Sales revenue for the second half of the year was particularly impressive, with a 16.3% growth over the same period last year. Total sales revenue for the year 2013 was up 15.6% year-on-year. On the whole, the investment contributed approximately HK\$348.6 million in profit (including profit attributable to non-controlling interest) to Lifestyle International for the year under review, compared with HK\$280.5 million in 2012. Beiren Group currently operates a total of approximately 956,000 square meters of floor space that comprises 15 department stores, 28 supermarkets and various outlets specialising in electric appliances, consumer electronic products and jewellery. Most of these premises are located in Shijiazhuang.

Lifestyle Properties

In September 2013, the Group completed the spin-off and separate listing of its Hong Kong and mainland China property investment and development business on the Main Board of The Stock Exchange of Hong Kong Limited. The share offer of Lifestyle Properties Development Limited ("Lifestyle Properties") consisted of 86,914,000 shares (including over-allotment) that helped raised approximately \$167.4 million of net proceeds (before the IPO expenses). The spin-off was part of the Group's strategy to optimise its operational efficiency and consolidate its business interests. As a result, Lifestyle Properties could be valued on a standalone basis, thus improving the operational and financial transparency of Lifestyle Properties and making it more flexible for investors to invest in two different groups of companies. Following the IPO, Lifestyle International still holds 59.56% equity interest in Lifestyle Properties.

Lifestyle Properties recorded a profit attributable to owners in the amount of HK\$58.7 million for the year ended 31 December 2013. With a small portfolio of investment properties valued at approximately HK\$716.8 million and cash and other receivable totalling HK\$637.6 million, Lifestyle Properties is expected to have sufficient financial resources to complete the property development project in Shenyang. Application for the relevant permits is in process before construction can be commenced, currently scheduled in the second quarter of this year.

「鮮品館」之經營

本集團首間獨立經營的「鮮品館」店於二零一三年七月開業，其良好的開始歸功於過往數年其於上海建立的品牌認知度。該店位為上海長寧區，建築面積約7,400平方米。該店出售的食品和糖果糕點已在銅鑼灣崇光及上海久光享有廣泛認受性，因此，該店標誌本集團銳意拓展「鮮品館」品牌之覆蓋，致力再創成功。憑藉此獨立經營的門店，本集團正開闢新市場分部，以加強本集團作為提供高品質的產品和服務的零售業務運營商的形象。

聯營公司投資

紮根於河北石家莊的北人集團乃本集團策略性投資的當地龍頭零售集團，其銷售於二零一三年繼續其出色表現，達雙位數字增長。下半年銷售收入特別可觀，較去年同期增加16.3%。二零一三年度總銷售收入按年增幅15.6%。總體而言，該投資於回顧年內為利福國際貢獻348,600,000港元溢利(包括非控股權益應佔溢利)，比對二零一二年則為280,500,000港元。北人集團目前經營總面積約956,000平方米的樓面面積，包括15間百貨店、28間超級市場及多間專門出售電器用品、電子消費產品及珠寶首飾的門市。該等經營場所大部分均位於石家莊。

利福地產

二零一三年九月，本集團完成分拆香港與中國內地的物業投資與發展業務及其於香港聯合交易所有限公司主板獨立上市。於股份發售中，利福地產發展有限公司(「利福地產」)共發售86,914,000股股份(包括超額配售股份)，集資款項淨額約為167,400,000港元(未計首次公開發售費用)。分拆為本集團優化其營運效率及鞏固其商業利益之策略。因此，利福地產得以獨立估值，從而改善利福地產的營運及財務透明度，使投資者可更靈活地投資兩組不同的公司。首次公開發售後，利福國際仍持有利福地產59.56%股本權益。

利福地產於截至二零一三年十二月三十一日止年度錄得58,700,000港元的擁有人應佔溢利。利福地產擁有716,800,000港元的投資物業及637,600,000港元的現金及其他應收款組合，預料有足夠的財務資源去完成位於瀋陽的物業發展項目。該項目計劃本於年度第二季動工，現正申請動工前必備的相關許可證。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

A deed of non-competition had been entered into between the Company and Lifestyle Properties on 26 August 2013 (the “Non-compete Deed”). Pursuant to the Non-compete Deed, the Company has sent an annual confirmation to Lifestyle Properties that the Company complied with the terms of the Non-compete Deed for the period from 12 September 2013 to 31 December 2013.

Expansion in Mainland China

At present, the Group has one project in the pipeline, namely the land at Zhabei in Shanghai, which the Group acquired in December 2011. The Group has obtained official construction commencement permits and piling and foundation works have already commenced before the end of 2013. Currently scheduled for completion in 2017, the project is to be developed into a commercial complex comprising a sizeable retail premises, office blocks, and the Group’s second Jiuguang store in Shanghai. The plan is in line with the Group’s strategy of sensible expansion in mainland China. Upon completion, the Zhabei project is expected to strengthen the Group’s presence and influence in Shanghai.

Outlook and Plan

Looking into the future of the retail sector in Hong Kong and mainland China, management takes an optimistic yet cautious view. While the overall global economy appears to be on a surer footing at present, the coming year will not be entirely free of economic hurdles, especially when recovery of developed economies is still slow and halting.

Absent a major hiccup in the global economy, the retail market in both the mainland and Hong Kong is expected to grow at a steady rate in 2014. While the consumption market in China is unlikely to return to the roaring growth as it experienced over the past years, the central government’s political and economic reforms should gradually lead to greater domestic demand. Consumption on the home front will also be driven forward by the process of urbanisation and expansion of the Chinese middle class population. All these will in turn benefit Hong Kong, the home turf of Lifestyle International, where visitors from the mainland contribute a significant part of revenue to the local retail sector.

本公司與利福地產於二零一三年八月二十六日訂定不競爭契約(「不競爭契約」)。據此，本公司已向利福地產發送年度確認函，確認本公司自二零一三年九月十二日至二零一三年十二月三十一日止期間已遵守不競爭契約之條款。

於中國內地的擴展

目前，本集團有一進行中項目，為於二零一一年十二月購入的上海閘北地塊。本集團已取得正式動工許可證，打樁及地基工程已經於二零一三年年底前展開，並計劃於二零一七年完成。該項目將發展為一個商業綜合體，包含大規模的零售場所、辦公樓及本集團第二家上海久光店。此計劃與本集團合理地擴展其於中國大陸業務之策略一致。預期在完成後，閘北項目將加強本集團在上海的覆蓋及影響力。

展望與計劃

管理層對於香港及中國大陸將來的零售市道抱持審慎樂觀的態度。儘管目前全球整體經濟看似靠穩，然而未來一年仍需面對各種經濟障礙，尤其是已發展經濟體系的復甦仍然緩慢和停滯不前。

預期在全球經濟沒有重大阻礙下，內地及香港的零售市場於二零一四年將錄得穩定增長。中國的消費市場雖然未必能如過往數年般錄得高速增長，然而，中央政府的政治和經濟改革預期將逐步帶動內需，國內的城市化及中產階級的擴展也將推動著國內消費。以上種種均有利於利福國際的基地香港，尤其是內地旅客對香港的零售市道收入貢獻良多。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

Nonetheless, regardless of how well or poorly the global economy and retail market perform, Lifestyle International always focuses on its execution and adheres to its long-standing and sound business strategy of seeking profitable growth through effective marketing and promotion, service excellence and sensible expansion. As a leading department store operator, Lifestyle International has proved itself as an industry leader with a knack for capturing market attention and maintaining customer loyalty. In 2014, the Group will remain focused on strengthening its brand value while maintaining its revenue growth. To further enhance the store's image, a major revamp at SOGO CWB has been planned for 2014 and 2015 and small scale works have already started in 2013. The renovation aims to give a fresher and younger look to the store as a whole. Efforts will be made to ensure minimum disruption to the store's daily operation during the renovation period and that it will continue to provide a pleasant shopping environment to customers. On the other hand, the Group's SOGO TST has ceased business since 12 February 2014. To maintain the Group's solid presence in Hong Kong, a replacement location has been secured, which is also in the heart of Tsim Sha Tsui. Renovation work is expected to commence in June and the store is preliminarily scheduled for opening in the fourth quarter of this year.

As for the operations in the mainland, the Group will continue to provide shoppers with a unique shopping environment, complete with trendy and refreshing brand and merchandise mix that caters to the different needs of consumers in different regions. In the months to come, many efforts will go into building up Shenyang Jiuguang's strength through wise marketing and promotion strategies, while other plans will be implemented to foster further growth for the other three Jiuguang stores. Meanwhile, the Group will remain open to new strategic investment opportunities as part of its strategy to expand sensibly, with the ultimate aim of becoming a leading operator in both Hong Kong and mainland China.

The year 2014 marks the 10th anniversary of Lifestyle International's public listing in Hong Kong. Over the past decade, the Group has grown from being a conventional department store operator to a lifestyle department store operator. By "lifestyle", it refers not least to the Group's self-developed and widely successful brands "SOGO" and "Jiuguang" and the emerging "Freshmart" brand. Lifestyle International is not merely a publicly listed company, but also a story of value creation. Its achievement in establishing SOGO CWB as a leading shopping mecca in Hong Kong is a celebrated story at home and abroad, while its ability to transform non-prime locations into must-go shopping destinations is a source of inspiration for the industry. With the Group's core competence and leading industry status, complete with the strong management team whose expertise and experience have contributed a great deal to the Group's success over the years, the Board believes Lifestyle International will continue to grow and shape the future of the department store sector for the better.

然而，不管全球經濟和零售市場表現如何，利福國際始終堅持於執行和貫徹其長期和優良的營商策略，通過有效的市場推廣及宣傳、卓越的服務和合理的擴展，爭取盈利增長。作為龍頭百貨公司運營商，利福國際成功捕捉市場的注視和維持客戶的忠誠度，以確立集團的行業領導地位。二零一四年，本集團將繼續加強其品牌價值及維持盈利增長。為進一步提升銅鑼灣店的形象，大型的翻新工程計劃於二零一四年及二零一五年展開，規模較小的工程已於二零一三年度展開，為整體銅鑼灣店帶給人新鮮及年輕的觀感。工程期間，本集團將致力減少其對百貨店日常運作的騷擾，確保顧客有舒適的購物環境。另一方面，尖沙咀崇光店已於二零一四年二月十二日結業。為保持本集團在香港的覆蓋，本集團已鎖定一位於尖沙咀心臟地帶的位置替代。裝修工程預計於六月展開，百貨店初步定於今年第四季開幕。

至於內地的業務，本集團將繼續為顧客提供獨特的購物環境，以時尚及耳目一新的品牌和商品組合滿足不同地區消費者的不同需求。未來幾個月，本集團將致力通過巧妙的營銷及推廣策略建設瀋陽久光，其他計劃亦將於其他三個久光店實施以進一步帶動增長。與此同時，本集團將對新策略性投資機會持開放態度，以理智擴張策略確立本集團於香港和中國大陸市場的領導地位。

二零一四年為利福國際於香港上市的十週年紀念。過去十年來，本集團由傳統的百貨店運營商蛻變為生活時尚的百貨店運營商。「生活時尚」，不僅指本集團自行創立並獲得廣泛的成功品牌「崇光」和「久光」和新發展的「鮮品館」，利福國際亦不僅是一間上市公司，也是一個關於價值創造的故事。無論於香港或海外，利福國際將崇光銅鑼灣店打造為香港龍頭購物勝地的事跡，便是一個到處傳頌的故事；而集團有能力將非黃金地段轉型為購物熱點，亦為行業帶來啟示。憑藉本集團的核心競爭力和其於行業的領導地位，再加上具專業知識和經驗的管理團隊多年來為本集團的成功作出重要貢獻，董事會相信利福國際將繼續增長，並為百貨業創下更美好的將來。

Corporate Governance Report

企業管治報告

Corporate Governance Principles and Practices

The Board of Directors ("Board") and management of the Company are committed to maintaining good corporate governance practices and procedures. The Company has adopted the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") as its guidelines and focus on a quality Board, sound internal controls, and transparency and accountability to all stakeholders.

Codes Compliance

The Company has complied with all the applicable code provisions of the CG Code throughout the year ended 31 December 2013, except the following:

- (i) Code provision A.6.7 requires independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Non-executive Directors of the Company Dato' Dr. Cheng Yu Tung, Dr. Cheng Kar Shun, Mr. Lau Luen Hung, Joseph, Ms. Lau Yuk Wai, Amy and Independent Non-executive Directors of the Company Mr. Lam Siu Lun, Simon and Mr. Hui Chiu Chung, Stephen were unable to attend the annual general meeting of the Company held on 22 April 2013 (the "AGM") owing to other engagements at the relevant time.
- (ii) Code provision E.1.2 requires that the chairman of the Board should attend the Company's annual general meeting. Due to other engagement, Dato' Dr. Cheng Yu Tung, the Chairman of the Board was unable to attend the AGM of the Company.

The Board

(1) Board Composition

As at the date of this report, the Board consists of a total of ten Directors, including two Executive Directors, four Non-executive Directors and four Independent Non-executive Directors. More than one-third of the Board is represented by Independent Non-executive Directors with one of whom being a certified public accountant. The Board believes that the balance between Executive and Non-executive Directors is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of shareholders and the Company. Each Director has different professional qualification and knowledge and industry experience and expertise, which enable them to make valuable and diversified advice and guidance to the Group's business activities and development.

企業管治原則及常規

本公司董事會(「董事會」)及管理層致力維持良好的企業管治常規及程序。本公司已採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四之《企業管治守則》(「企業管治守則」)之守則條文為指引，並著重高質素之董事會、健全之內部監控，以向所有持份者提供透明度及問責。

遵從企業管治守則

截至二零一三年十二月三十一日止年度內，本公司已遵從企業管治守則所有適用守則條文，惟以下守則條文除外：

- (i) 守則條文A.6.7訂明，獨立非執行董事及其他非執行董事應出席股東大會，對公司股東的意見有公正的了解。非執行董事拿督鄭裕彤博士、鄭家純博士、劉鑾雄先生、劉玉慧女士及獨立非執行董事林兆麟先生及許照中先生因於相關的時間有其他事務而未能出席本公司於二零一三年四月二十二日舉行的股東週年大會(「股東週年大會」)。
- (ii) 守則條文E.1.2訂明，董事會主席應出席本公司之股東週年大會。由於董事會主席拿督鄭裕彤博士公務繁忙，故未能參與本公司股東週年大會。

董事會

(1) 董事會組成

截至本報告日期，董事會由十位董事組成，包括兩位執行董事、四位非執行董事及四位獨立非執行董事。超過三分之一董事會成員由獨立非執行董事出任，其中一人為執業會計師。董事會相信，執行董事與非執行董事之間之平衡是合理且足以提供監察及起平衡作用，以保障股東及本公司之利益。各董事擁有不同專業資格和知識及行業經驗和專門知識，可為本集團業務活動及發展帶來寶貴貢獻及提供不同意見與指引。

Corporate Governance Report (continued) 企業管治報告(續)

On 29 July 2013, the Company adopted the Board diversity policy in accordance with the requirement set out in code provision of the CG Code. The Company recognizes the benefits of having a diverse Board, and sees diversity at Board level is essential in achieving a sustainable and balanced development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, educational background, ethnicity, professional experience, skills, knowledge, industry experience and expertise. All Board appointments are based on meritocracy, and considered against a variety of criteria, having due regard for the benefits of diversity on the Board.

Details of the composition of the Board are set out in the "Corporate Information" section to this Annual Report. The Directors' biographical, including the relationships among the Directors, are set out in the "Profile of Directors" to this Annual Report.

The independence of the Independent Non-executive Directors is assessed according to the relevant rules and requirements under the Listing Rules. The Company has received written confirmation of independence from each of the Independent Non-executive Directors and the Company is of the view that all Independent Non-executive Directors meet the independence guidelines as set out in Rule 3.13 of the Listing Rules and are therefore independent.

(2) Chairman and Managing Director

The Chairman of the Board is responsible for setting overall strategic plan and development of the Group whereas the Managing Director is responsible, in addition to assisting in setting the Group's strategic plan, for implementing the Board's decisions, monitoring and supervising the Group's overall performance, ensuring adequate capital and managerial resources are available to implement the business strategies being adopted from time to time, setting out and monitoring targets, plans and direction for management, reporting to the Board on the Group's performance and proposing business plans and strategies for further evaluation and assessment of the Board.

The positions of the Chairman of the Board and the Managing Director are currently held by two different individuals for the purpose of ensuring an effective segregation of duties and a balance of power and authority.

於二零一三年七月二十九日，本公司根據企業管治守則之守則條文規定採納董事會成員多元化政策。本公司確認並深信董事會成員多元化裨益良多，且將董事會層面之多元化視作達致可持續的均衡發展的關鍵元素。本公司在設定董事會成員組合時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、教育背景、種族、專業經驗、技能、知識、行業經驗及專門知識。董事會所有委任均以用人唯才為原則，並以各種標準充分顧及董事會成員多元化的裨益。

董事會組成詳情列載於本年報「企業資料」部份內。各董事之個人資料，當中包括董事間的關係，列載於本年報「董事簡介」項下。

獨立非執行董事的獨立性乃根據上市規則相關條例及規定而作出評核。本公司已接獲各獨立非執行董事發出之獨立性確認書，本公司認為所有獨立非執行董事皆符合上市規則第3.13條指引之規定，並根據該指引條文屬獨立人士。

(2) 主席及董事總經理

董事會主席負責制定本集團整體策略規劃及發展，而董事總經理除協助制定本集團的策略規劃外，亦負責執行董事會決策、監察與監督本集團整體表現、確保具備充裕資金及管理資源以執行不時所採納之業務策略、為管理層制定及監察目標、計劃及方向、就本集團表現向董事會匯報以及提呈業務計劃和策略以讓董事會作進一步的分析及評估。

董事會主席及董事總經理職位目前由兩位不同的人士擔任，旨在確保有效職責分工以及平衡權力及授權。

Corporate Governance Report (continued) 企業管治報告(續)

(3) Responsibilities

The Board is charged with promoting the success of the Company by directing and supervising its affairs in a responsible and effective manner. The Board steers and oversees the management of the Company including, establishing the strategic direction and setting long-term objectives for the Company, monitoring the performance of management, protecting and maximizing the interests of the Company and its shareholders, and reviewing, considering and approving and the subsequent reviewing and monitoring of the annual budget against actual performances and results. The Board has delegated management, under the leadership of the Managing Director, with authorities and responsibility for the day-to-day operations and administration of the Group.

Each Director has a duty to act in good faith in the best interests of the Company. The Directors are aware of their collective and individual responsibilities to the Company and all stakeholders in respect of the manner in which the affairs of the Company are being controlled and managed.

Directors are requested to make declaration of their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board. If a Director has a potential conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent Board committee will be set up to deal with the matter.

All Directors have full access to and are provided with adequate, reliable and timely information about the operations and latest development of the Group to enable them to discharge their responsibilities and make timely decision. Updates have been provided to all members of the Board on a regular basis to enable them to discharge their duties. Information and analysis of the Company can be accessed directly through briefing and reporting by the Executive Directors and management during regular board meetings. Through the Company Secretary, independent professional advice, at the expense of the Company, could be sought should such advice be considered necessary by any Director for carrying out his/her duties properly.

(4) Appointment, Re-election and Removal of Directors

After recommendation from the Nomination Committee, appointment of new director(s), if any, is rested with the Board. Under the Company's Articles of Association, the Board may from time to time appoint a Director either to fill a casual vacancy or as an addition to the Board. Any such new Director shall hold office until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) and shall then be eligible for re-election at the same general meeting.

All Non-executive Directors (including Independent Non-executive Directors) are appointed for a specific term of one year and all Directors (including Non-executive Directors) are subject to retirement by rotation at least once every three years and are subject to re-election in accordance with the Company's Articles of Association.

(3) 責任

董事會以負責任、重效益的態度領導及監管本公司。董事會負責領導及監管本公司管理層，工作包括制訂本公司之策略方向、訂立本公司長遠目標、監控管理層表現、保障及盡力提高本公司與其股東之利益，以及審閱、考慮及批准及隨後審查及監控年度預算、並對表現及業績作考評。董事會委派由董事總經理所領導的管理層負責管理本集團日常業務及行政事宜。

各董事均有責任真誠地以公司的最佳利益為前提行事。董事會成員明白，須就公司的監控和管理事宜向公司及所有持份者承擔共同和個別的責任。

董事會在考慮方案或交易時，董事須申報其涉及的任何直接或間接利益。若有董事在董事會將予考慮的事項中存有潛在董事會認為重大的利益衝突，有關事項將根據適用的規則及規例處理，並在適當情況下成立董事會轄下獨立委員會處理。

全體董事均可全面取得及獲提供有關本集團之營運及最新發展之足夠、可靠及適時的資料，使彼等履行其責任作出適時決策。本公司亦定期向董事會全體成員提供更新資料，以便彼等可履行彼等職責。本公司的資料及分析可直接透過執行董事及管理層於定期會議匯報及報告時取得。若任何董事於履行職務時認為有必要尋求獨立專業意見，公司秘書可代為安排，費用由本公司支付。

(4) 董事之委任、重選及罷免

得到提名委員會推薦後，新董事之委任(如有)須提交董事會審批。根據本公司組織章程細則，董事會可不時委任董事以填補臨時空缺或增添董事會成員。新任董事之任期至本公司下次股東會(如屬填補臨時空缺)或至本公司下屆股東週年大會(如屬增添董事會成員)為止，並有資格於同一股東大會上重選連任。

所有非執行董事(包括獨立非執行董事)以一年之指定任期獲委任及根據本公司組織章程細則，所有董事(包括非執行董事)須每三年輪流告退，並須經重選連任。

Corporate Governance Report (continued) 企業管治報告(續)**(5) Board Meetings and Directors' Attendance**

The Board meets regularly and held four meetings during the year ended 31 December 2013 to review among other things quarterly operating performance of the Group (with monthly details available), approve the Group's interim and final results announcements and financial statements and to recommend or declare dividends.

Board members attended the Company's board meeting either in person or through telephone conferencing means in accordance with provision in the Company's Articles of Association. During the year, Mr. Lau Luen Hung, Thomas, Mr. Lam Siu Lun, Simon, The Hon. Shek Lai Him, Abraham, Mr. Cheung Yuet Man, Raymond and Mr. Hui Chiu Chung, Stephen attended all the four meetings; Mr. Doo Wai Hoi, William and Mr. Lau Luen Hung, Joseph attended three of the said meetings; Ms. Lau Yuk Wai, Amy attended two of the said meetings; while Dato' Dr. Cheng Yu Tung and Dr. Cheng Kar Shun, Henry did not attend any of the said four meetings.

(6) Practices and Conduct of Board and Board Committee Meetings

The Company Secretary is responsible for ensuring the proper convening and conducting of the Board and Board Committee meetings, with the relevant notices, agenda and Board and Board Committee papers being provided to the Directors and relevant Board Committee members in a timely manner before the meetings.

The Company Secretary is responsible for keeping minutes of all Board and Board Committee meetings. Board and Board Committee minutes are available for inspection by Directors and Board Committee members.

(7) Directors' Induction and Continuous Professional Development

Induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company will be provided to each newly appointed Director, if any. The Group also provides briefings and other training to develop and refresh the Directors' knowledge and skills, and updates all Directors on any regulatory requirements as necessary.

During the year ended 31 December 2013, Directors were provided by the Company with relevant reading materials including (i) consultation conclusions in respect of board diversity and trading halts issued by the Stock Exchange; and (ii) presentation material in respect of the new Companies Ordinance issued by the Companies Registry.

(5) 董事會會議及董事的會議出席率

董事會定期開會並於截至二零一三年十二月三十一日止年度間召開四次會議，除其他事項外，以審閱本集團的季度經營表現（包括月度詳情），批准本集團的中期及全年業績公告及財務報表、建議或宣派股息。

根據本公司組織章程細則條文規定，董事會成員可親身或以電話會議方式參與本公司董事會會議。年內，劉鑾鴻先生、林兆麟先生、石禮謙議員、張悅文先生及許照中先生均有出席全部四個董事會會議；杜惠愷先生及劉鑾雄先生出席上述四個會議中的三個會議；劉玉慧女士出席上述四個會議中的二個會議；拿督鄭裕彤博士及鄭家純博士則沒有出席任何上述的四個董事會會議。

(6) 董事會及其轄下委員會會議之常規及準則

公司秘書負責確保合規地召開及舉行董事會及其轄下委員會會議，並於舉行會議前適時向董事及其轄下有關委員會成員提供相關通知、會議議程及董事會及其轄下委員會會議文件。

公司秘書負責保存董事會及其轄下委員會會議記錄。董事會及其轄下委員會會議記錄可供董事及其轄下委員會成員查閱。

(7) 董事啓導及持續專業發展

每名新委任之董事（如有）皆獲得整套包括本集團業務及上市公司董事在法律及監管規定上責任的啓導資料。本集團亦提供簡報及其他培訓以增進及更新董事的知識和技能及在需要時向董事更新任何監管規定之最新訊息。

截至二零一三年十二月三十一日止年度，本公司已就包括(i)聯交所發出有關董事會成員多元化及短暫停牌的諮詢總結；及(ii)公司註冊處發出有關新《公司條例》的簡報資料向董事提供相關閱讀材料。

Corporate Governance Report (continued) 企業管治報告(續)

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions in the shares of the Company.

In response to a specific enquiry by the Company, all Directors confirmed that they complied with the requirements of the Model Code throughout the year ended 31 December 2013.

Directors' Responsibility for the Financial Statements

The Directors acknowledged their responsibility for overseeing the preparation of the financial statements of the Group for the year ended 31 December 2013. The Directors ensure that the financial statements of the Group are prepared so as to give a true and fair view of the Group's state of affairs, the results and cash flow for the year, and on a going concern basis in accordance with the statutory requirements and applicable accounting and financial reporting standards.

The Directors also ensure timely publication of the Group financial statements and aims to present a clear, balanced and understandable assessment of the Group's performance and position through all its publications and communications to the public and is aware of the requirements under the applicable rules and regulations about timely disclosure of inside information.

The report from the auditor of the Company regarding their responsibilities and opinion on the financial statements of the Group for the year ended 31 December 2013 is set out in the "Independent Auditor's Report" to this Annual Report. The Board has taken steps to ensure the continued objectivity and independence of the external auditor. For the year ended 31 December 2013, the remuneration paid/payable to the external auditor of the Company were approximately HK\$4.2 million and HK\$2.3 million in respect of audit and non-audit services provided to the Group respectively. Details of significant non-audit services and the amount incurred are as follows:

Review of interim financial information for the six months ended 30 June 2013	HK\$0.5 million
Reporting accountants for the Spin-off and Listing of Lifestyle Properties Development Limited	HK\$1.8 million

董事之證券交易

本公司已採納上市規則附錄10所載上市公司董事進行證券交易的標準守則(「標準守則」)，作為其有關董事就本公司股份進行證券交易的操守準則。

經由本公司作出具體查詢後，全體董事確認彼等於截至二零一三年十二月三十一日止整個年度內一直遵守標準守則之要求。

董事對財務報表之責任

董事確認彼等有責任監督編製本集團截至二零一三年十二月三十一日止年度之財務報表。董事必須確保按照法定規定及適用會計及財務報告準則，及按持續經營基準編製本集團財務報表，以真實公平地呈報本集團年內之財務狀況、業績及現金流量。

董事並須確保本集團財務報表適時予以刊發，並旨在透過其向公眾刊發的訊息及溝通就本集團之表現及地位提供清晰、均衡及易於理解的評估，且知悉根據適用的規則和法規而適時披露內幕消息之規定。

本公司核數師對本集團截至二零一三年十二月三十一日止年度財務報表之報告責任及意見之聲明載於本年報「獨立核數師報告書」。董事會已採取措施確保外聘核數師的客觀及獨立性。截至二零一三年十二月三十一日止年度，本公司外聘核數師就向本集團提供核數及非核數服務之已付/應付費用分別約4,200,000港元及2,300,000港元。重要非核數服務之詳情及所產生費用如下：

審閱截至二零一三年六月三十日止六個月中期財務資料	500,000 港元
就分拆利福地產發展有限公司及其上市擔任申報會計師	1,800,000 港元

Corporate Governance Report (continued) 企業管治報告(續)

Board Committees

As at the date of this report, the Audit committee, the Remuneration Committee and Nomination Committee were in operation and they have been established with specific terms of references to assist the Board in discharging its responsibilities.

(1) Audit Committee

The Audit Committee comprises four members, namely, Mr. Lam Siu Lun, Simon, Mr. Cheung Yuet Man, Raymond, The Hon. Shek Lai Him, Abraham and Mr. Hui Chiu Chung, Stephen, all are Independent Non-executive Directors. None of them is, or has previously been, the partner of the Company's current or previous external auditor. The Audit Committee is chaired by Mr. Lam Siu Lun, Simon, who is a certified public accountant. The Audit Committee is provided with sufficient resources to discharge its responsibilities.

The terms of reference of the Audit Committee setting out the committee's authority and duties, which follow closely the guidelines of the code provisions of the CG Code, are available from the Company's website.

The principal duties of the Audit Committee are as follows:

1. consider the service and appointment of the Company's external auditor, nature and scope of auditing, and the related audit fee;
2. review and approve changes in accounting policies and practices, to review effectiveness of the financial reporting system and process and its compliance with applicable accounting standards, the Listing Rules and legal requirements;
3. oversees adequacy of the Group's financial reporting process, internal control procedures and risk management system;
4. assist the Board in overseeing the proper preparation of the Group's financial statements and annual reports; and
5. performs the corporate governance duties as set out in the CG Code.

The Audit Committee held three meetings during the year ended 31 December 2013. Other than Mr. Lam Siu Lun, Simon and Mr. Cheung Yuet Man, Raymond who attended only two of the said meetings, all committee members attended all three of the said meetings.

董事會轄下的委員會

於本報告日期，審核委員會、薪酬委員會及提名委員會正運作，且彼等均以各自的職權範圍協助董事會履行應有職責。

(1) 審核委員會

審核委員會由四名成員組成，即林兆麟先生、張悅文先生、石禮謙議員及許照中先生，全體成員均為獨立非執行董事。彼等並非亦不曾出任本公司現任或前任外聘核數師合夥人。審核委員會由林兆麟先生出任主席，彼為執業會計師。審核委員會獲提供充裕資源以履行其職責。

按企業管治守則的守則條文訂定之審核委員會職權範圍詳列委員會之權力及職責已登載於本公司網站。

審核委員會之主要職責如下：

1. 考慮本公司外聘核數師之服務及其委任以及核數性質與範疇及相關費用；
2. 審閱及批准會計政策與慣例之變動，檢討財務申報系統及程序之效能及是否遵守應用會計準則、上市規則及法例規定；
3. 監察本集團之財務申報程序、內部監控程序及風險管理制度是否恰當；
4. 協助董事會監察適當編製本集團財務報表及年度報告；及
5. 執行企業管治守則載列之企業管治的職責。

截至二零一三年十二月三十一日止年度，審核委員會曾舉行三次委員會會議，除林兆麟先生及張悅文先生出席以上三個會議中的二個會議外，全體委員會成員均有出席該三次會議。

Corporate Governance Report (continued) 企業管治報告(續)

In the meetings, the Audit Committee (i) reviewed and discussed with the external auditor the audit planning report before the commencement of annual audit; (ii) reviewed and discussed with the external auditor the Group's final and interim financial statements before they were submitted to the Board for consideration and approval; (iii) reviewed and discussed with the external auditor the accounting principles and practices adopted by the Group and (iv) reviewed the external auditor's audit findings. No material issue has been reported to the Board by the Audit Committee during the year ended 31 December 2013.

On 20 February 2014, the Audit Committee met to (i) review the Group's audited consolidated financial statements for the year ended 31 December 2013 ("2013 Consolidated Financial Statements"), including the accounting principles and practices adopted by the Group, with the Company's external auditor; (ii) to note the training and continuous professional development of the Directors for the year ended 31 December 2013; and (iii) review the Corporate Governance Report. The Audit Committee recommended the 2013 Consolidated Financial Statements for the approval of the Board.

The Audit Committee also recommended to the Board the re-appointment of Messrs. Deloitte Touche Tohmatsu as the Company's external auditors for the year ending 31 December 2014 and that the related resolution shall be put forth for shareholders' consideration and approval at the 2014 annual general meeting.

(2) Remuneration Committee

The Remuneration Committee members comprise as majority three Independent Non-executive Directors, namely, Mr. Lam Siu Lun, Simon, who is the Chairman of the Remuneration Committee, The Hon. Shek Lai Him, Abraham and Mr. Hui Chiu Chung, Stephen, and one Executive Director, Mr. Lau Luen Hung, Thomas, who is the Managing Director of the Company. The Remuneration Committee is provided with sufficient resources to discharge its responsibilities.

The terms of reference of the Remuneration Committee setting out the committee's authority and duties, which follow closely the requirements of the code provisions of the CG Code, are available from the Company's website.

The principal role of the Remuneration Committee is to provide advice and recommendation to the Board on the remuneration package of Directors and senior management, on any specific remuneration package with reference to market conditions, performance of the Group and the individuals against preset goals and targets as set by the Board from time to time, and if necessary, on any compensation policy for termination of office of Directors or senior management.

The Remuneration Committee held one meeting during the year ended 31 December 2013. Other than Mr. Lam Siu Lun, Simon, all committee members attended the said meeting. In the meeting, the Remuneration Committee reviewed and recommended the remuneration package of Directors and senior management for the year ending 31 December 2013.

委員會於會上(i)審閱及與外聘核數師商討於年度審計開始前的審計計劃報告；(ii)審閱及與外聘核數師商討本集團末期及中期財務報表後始呈交董事會以供考慮及批准；(iii)審閱及與外聘核數師商討本公司所採用之會計原則及實務準則；及(iv)審閱外聘核數師的審計發現。於二零一三年十二月三十一日止年度內概無重大問題由審核委員會向董事會匯報。

審核委員會於二零一四年二月二十日舉行會議，於會上(i)聯同外聘核數師審閱本集團截至二零一三年十二月三十一日止年度的已審核綜合財務報表（「二零一三年度綜合財務報表」），包括集團採納的會計原則及實務準則；(ii)知悉董事於二零一三年十二月三十一日止年度內培訓及持續專業發展之情況；及(iii)審閱企業管治報告。審核委員會建議董事會批准通過二零一三年度綜合財務報表。

審核委員會亦向董事會建議，重新聘任德勤•關黃陳方會計師行為本公司截至二零一四年十二月三十一日止年度的外聘核數師，並建議將有關決議於二零一四年股東週年大會上提交予股東考慮及通過。

(2) 薪酬委員會

薪酬委員會由三名獨立非執行董事，林兆麟先生（彼為薪酬委員會之主席）、石禮謙議員及許照中先生以及執行董事劉鑾鴻先生組成。劉鑾鴻先生為本公司董事總經理。薪酬委員會獲提供充裕資源以履行其職責。

按企業管治守則的守則條文訂定之薪酬委員會職權範圍詳列委員會之權力及職責已登載於本公司網站。

薪酬委員會之主要職責為就董事及高級管理層之薪酬待遇，向董事會提供建議及推薦，並就經參考市場情況、本集團及個人表現及董事會不時制定之目標後，對任何具體薪酬待遇作出檢討，且於必要時就董事或高級管理層終止任期之任何賠償政策作出檢討。

截至二零一三年十二月三十一日止年度，薪酬委員會曾舉行一次委員會會議，除林兆麟先生外，全體委員會成員均有出席該次會議。薪酬委員會於會上檢討及建議董事及高級管理人員於截至二零一三年十二月三十一日止年度之薪酬待遇。

Corporate Governance Report (continued) 企業管治報告(續)

(3) Nomination Committee

The Nomination Committee members comprise as majority three Independent Non-executive Directors, namely, Mr. Lam Siu Lun, Simon, who is the Chairman of the Nomination Committee, The Hon. Shek Lai Him, Abraham and Mr. Hui Chiu Chung, Stephen, and one Executive Director, Mr. Lau Luen Hung, Thomas. The Nomination Committee is provided with sufficient resources to discharge its responsibilities.

The terms of reference of the Nomination Committee setting out the committee's authority and duties, which follow closely the requirements of the code provisions of the CG Code, are available from the Company's website.

The principal duties of the Nomination Committee are as follows:

1. reviews the structure, size and composition (including skills, knowledge and experience) of the Board at least annually and makes recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. identifies individuals suitably qualified to become Board members and selects or makes recommendations to the Board on the selection of individuals nominated for directorships;
3. assesses the independence of the Independent Non-executive Directors; and
4. makes recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive.

The Nomination Committee held one meeting during the year ended 31 December 2013. Other than Mr. Lam Siu Lun, Simon, all committee members attended the said meeting. In the meeting, the Nomination Committee (i) review the existing structure, size and composition of the Board; (ii) confirm independence of Independent Non-executive Directors; and (iii) make recommendation to the Board on the proposed re-election of the retiring Directors at the forthcoming annual general meeting.

Directors' and Officers' Liabilities Insurance and Indemnity

To indemnify Directors and officers of the Company against all costs, charges, losses, expenses and liabilities incurred by them in the execution of and discharge of their duties or in relation thereto, the Company has arranged insurance cover for this purpose.

(3) 提名委員會

提名委員會由三名獨立非執行董事，林兆麟先生(彼為提名委員會之主席)、石禮謙議員及許照中先生以及一名執行董事劉鑾鴻先生組成。提名委員會獲提供充裕資源以履行其職責。

按企業管治守則的守則條文訂定之提名委員會職權範圍詳列委員會之權力及職責已登載於本公司網站。

提名委員會之主要職責如下：

1. 定期至少每年檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合本公司的公司策略而擬對董事會擬作出的變動向董事會提出建議；
2. 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
3. 評核獨立非執行董事的獨立性；及
4. 就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃的有關事宜向董事會提出建議。

截至二零一三年十二月三十一日止年度，提名委員會曾舉行一次委員會會議。除林兆麟先生外，全體委員會成員均有出席該次會議。提名委員會於會上(i)檢討現時董事會架構、人數及組成；(ii)確認獨立非執行董事之獨立性；及(iii)向董事會建議於即將舉行之股東週年大會上重選退任董事之建議。

董事及高級職員之責任保險及彌償

為彌償董事及本公司高級職員因執行及履行彼等之職責或與之有關所產生之所有費用、收費、損失、開支及債務，本公司已就此安排保險投保。

Corporate Governance Report (continued) 企業管治報告(續)**Internal Control Framework****(1) Internal Controls**

The Board acknowledges its responsibility in maintaining a sound and effective system of internal control for the Group to safeguard interests of stakeholders and assets of the Company at all times.

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

Management has conducted regular reviews during the year on the effectiveness of the internal control system covering all material factors related to financial, operational and compliance controls, various functions for risk management and physical and information systems security. The Audit Committee had been reported during the Audit Committee meetings of key findings identified by the Company's external auditors and discussed findings and actions or measures taken in addressing those findings relating to the Group's internal controls. No material issues on the system of internal control have been identified during the year ended 31 December 2013 which required significant rectification works.

The Board has, working in conjunction with senior management, conducted an annual review on the audit work carried out by the internal audit team during the year as well as discussed the audit plans and progress for continuous improvement work of the internal control system of the Company and its subsidiaries.

(2) Internal Audit Function

The Group's internal audit team is responsible for conducting regular review of the Group's internal control procedures, including accounting system and operational procedures, and will make recommendations to the relevant department management for necessary actions. The management considers the present work arrangement of the internal audit functions is effective having taking into account the current organizational structure, lines of responsibility, authority of the management team and the risks associated with the operations of the Group. The management and Audit Committee reviews and monitors closely the works of the team and are committed to strengthening the functions of the Group's internal auditing team. In addition to its agreed scheduled work, the internal audit team may conduct other review and investigative work of the Group's business on an ad hoc basis as and when necessary.

內部監控架構**(1) 內部監控**

董事會知悉其有責任維持本集團良好及有效之內部監控制度系統，使持份者的權益及本公司資產在任何時間均得到保障。

本集團的內部監控系統包括界定管理架構及相關的權限，以協助集團達至業務目標、保管資產以防未經授權使用或處理、確保適當的會計記錄得以保存並可提供可靠的財務資料供內部使用或對外發放，並確保符合相關法例及規例。上述監控系統旨在合理(但並非絕對)保證並無重大失實陳述或損失，並管理(但並非完全消除)營運系統失誤以便達致本集團之目標。

於本年度，管理層定期檢討內部監控制度之成效，該制度涵蓋一切有關財務、營運及合規監控、風險管理工作以及實際及資訊系統保安等重要因素。本公司外聘核數師於審核委員會會議向審核委員會匯報有關內部監控之主要發現，審核委員會就有關之發現所採取行動或措施作過討論。截至二零一三年十二月三十一日止年度，並無重大的內部監控問題須予重大糾正。

董事會亦與高級管理層就持續改善本公司及其附屬公司內部審核隊伍於年內進行之審核工作及內部監控之審計計劃與進度作出年度檢閱。

(2) 內部審核職能

本集團內部審核隊伍負責定期審閱本集團內部監控程序，包括會計系統及營運程序，同時會向相關部門管理層提出建議以作出相應之行動。惟在經考慮現行組織架構、管理層隊伍之職責與權力的分工以及本集團業務所涉及風險後，管理層認為現時內部審核職能之工作安排屬足夠及有效。然而，管理層與審核委員會現正緊密地檢討及監督情況，及現正致力加強本集團內部審核隊伍的職能。除了已定之工作日程外，內部審核隊伍可能在需要時進行本集團非固定的其他審查和調查工作。

Corporate Governance Report (continued) 企業管治報告(續)

Commitment to Transparency

The Board emphasizes in creating and maintaining a high level of transparency through timely disclosure of relevant information on the Group's business and activities to the shareholders, investors, media and investment public, through regular press releases, analysis's briefings, press conferences, as well as timely updating of the Company's website. Our Executive Directors and management, who look after the business operation, are committed to respond to enquiries from regulators, shareholders and business partners.

Investors' Relations and Communication with Shareholders

The Company regards high quality reporting as an essential element in building successful relationships with its shareholders. The Company always seeks to provide relevant information to existing and potential investors, not only to comply with the different regulatory requirements in force but also to enhance transparency and communications with shareholders and the investing public. This is part of a continuous communication program that encompasses meetings and relevant announcements to the market in addition to periodic written reports in the form of preliminary results announcement and publication of interim and annual reports. The annual general meeting of the Company also provides an important opportunity for constructive communication between the Board and the shareholders.

In addition, the Company also maintains a corporate website on which comprehensive information about the Group is made available. Regular meetings are also held with institutional investors and research analysts to provide them with timely updates on the Group's latest business developments which are not inside information in nature. These activities keep the public informed of the Group's activities and foster effective communications.

The Group also participated in investment conferences and forums during the year in order to enhance the awareness of the investing public of the Group's business operations, development strategies.

The Company is committed to ensuring that it is fully complied with disclosure obligations stipulated in the Listing Rules and other applicable laws and regulations, and that all shareholders and potential investors have an equal opportunity to receive and obtain externally available information released by the Group.

提高企業透明度

董事會著重透過定期新聞發佈、分析員簡介、記者招待會、適時更新公司網站，向股東、投資者、媒體及公眾投資人士適時披露本集團的業務及相關資料，以締造及維持高透明度。此外，執行董事及負責業務運作的管理層樂意對監管機構、股東及業務夥伴提出之查詢作積極回應。

投資者關係及與股東之溝通

本公司認為高質素的滙報為與股東成功建立關係之重要元素。本公司一直致力向現有及潛在投資者提供有關資料，所提供資料不單符合不同的生效監管規定，亦同時提高透明度及加強與股東及公眾投資者之溝通。持續的溝通除以初步業績公告以及按中期報告及年報形式定期刊發報告書外，還包括舉行會議及向市場作出有關公告。本公司之股東週年大會亦為董事會及股東提供一個重要的溝通渠道。

再者，本公司亦設有公司網站，提供有關本集團之全面資料。本公司亦定期與機構投資者及證券分析員會面，以提供有關本集團業務之最新發展及非內幕消息。該等活動可讓公眾得知本集團業務狀況，並促進有效溝通。

本集團於年內亦出席投資會議及論壇，以提高公眾投資者對本集團業務運作、發展及策略之認識。

本公司致力確保全面遵守上市規則及其他適用法例與法規訂明之披露責任，而全體股東及潛在投資者均同樣可獲得及取得本集團公佈之公開資料。

Corporate Governance Report (continued) 企業管治報告(續)**Shareholders' Rights**

Pursuant to article 58 of the Articles of Association of the Company, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The above written requisition shall be addressed to the Company's head office at 20th Floor, East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong.

The procedures regarding proposing a person for election as a director are set out under the section "Investor Relations" on the homepage of the Company's website.

Shareholders may at any time send their enquiries to the Board in writing through the Company Secretary whose contact details are as follows:

The Company Secretary
Lifestyle International Holdings Limited
20th Floor, East Point Centre
555 Hennessy Road
Causeway Bay, Hong Kong

Fax: (852) 2831-2932
Email: info@lifestylehk.com.hk

During the year ended 31 December 2013, the Company has not made any changes to its memorandum and articles of association.

股東權益

根據本公司組織章程細則第58條，任何一名或多名股東於存放請求書之日持有在本公司股東大會上具有表決權利之本公司繳足資本不少於十分之一，於任何時間均有權向董事會或本公司之公司秘書發出書面請求，要求董事會召開股東特別大會，以處理該請求書指明之任何事項；而該大會須在存放請求書後兩(2)個月內舉行。如在存放後二十一(21)日內，董事會未能著手召開大會，請求人可親自以同樣方式召開大會，本公司須向請求人付還請求人因董事會未能召開大會而招致之所有合理費用。

以上之書面要求須送交本公司之總辦事處，地址為香港銅鑼灣軒尼詩道555號東角中心20樓。

提名一位人士推選為董事之程序，請參照本公司網頁內「投資者關係」之部份。

股東可於任何時間以書面形式透過公司秘書向董事會提出疑問，聯絡詳情如下：

公司秘書
利福國際集團有限公司
香港銅鑼灣軒尼詩道555號
東角中心20樓

傳真：(852) 2831-2932
電郵：info@lifestylehk.com.hk

於截至二零一三年十二月三十一日止年內，本公司沒有對其組織章程大綱及細則作出任何更改。

Profile of Directors 董事簡介

Executive Director

Mr. LAU Luen Hung, Thomas (BA, MBA)

Managing Director

Mr. Lau, aged 59, joined the Company in January 2004. He is the Chief Executive Officer and Managing Director of the Company who leads and manages the whole Group by setting and implementing policies and strategies, and monitoring results and targets of the operations of the Group. Mr. Lau is a member of each of the Remuneration and Nomination Committees of the Company and a director of certain subsidiaries of the Company.

Mr. Lau has been the chairman and a non-executive director of Lifestyle Properties Development Limited, a Hong Kong listed company, since 26 August 2013. He is currently a member of the Twelfth Chinese People's Political Consultative Conference Shanghai Committee and a member of the board of directors of the Shanghai Jiao Tong University, the PRC. Mr. Lau is a director of Real Reward Limited, United Goal Resources Limited, Asia Prime Assets Limited and Dynamic Castle Limited, being substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He is the younger brother of Mr. Lau Luen Hung, Joseph and Ms. Lau Yuk Wai, Amy.

Mr. DOO Wai Hoi, William (JP)

Mr. Doo, aged 69, joined the Company in March 2005. He is the vice-chairman and non-executive director of New World Development Company Limited and an independent non-executive director of The Bank of East Asia, Limited and Shanghai Industrial Urban Development Group Limited, all are Hong Kong listed companies. Mr. Doo was the vice-chairman and non-executive director of New World China Land Limited, the deputy chairman and non-executive director of NWS Holdings Limited and a director of New World Hotels (Holdings) Limited up to his resignation on 1 July 2013. Mr. Doo is the chairman of Fung Seng Enterprises Limited. Since 1995 he has been serving as a governor of the Canadian Chamber of Commerce in Hong Kong. From 2008 to January 2013, he has served as the standing committee member as well as the convener of the Hong Kong and Macau Members for the 11th Chinese People's Political Consultative Conference (CPPCC) in Shanghai. In February 2013, he is appointed as a national committee member of the 12th CPPCC. Mr Doo is the honorary Consul General of the Kingdom of Morocco in Hong Kong and Macau. In 2008, he was awarded the Chevalier de la Légion d'Honneur by the French government. Mr. Doo is the son-in-law of Dato' Dr. Cheng Yu Tung and the brother-in-law of Dr. Cheng Kar Shun, Henry.

執行董事

劉鑾鴻先生 (BA, MBA)

董事總經理

劉先生現年59歲，於二零零四年一月加盟本公司。彼為本公司首席執行官及董事總經理，負責領導及管理本集團，制定及執行政策與策略，以及監督本集團之業績及業務目標。劉先生為本公司薪酬委員會及提名委員會之委員及擔任本公司若干附屬公司之董事。

劉先生自二零一三年八月二十六日出任香港上市公司利福地產發展有限公司主席及非執行董事。彼亦為第十二屆中國人民政治協商會議上海市委員會委員及上海交通大學董事會成員。劉先生為 Real Reward Limited, United Goal Resources Limited, Asia Prime Assets Limited 及 Dynamic Castle Limited 之董事 (該等公司按《證券及期貨條例》第 XV 部所述屬本公司之主要股東)。彼為劉鑾雄先生及劉玉慧女士之胞弟。

杜惠愷先生 (太平紳士)

杜先生現年69歲，於二零零五年三月加盟本公司。彼為新世界發展有限公司之副主席兼非執行董事，以及東亞銀行有限公司及上海實業城市開發集團有限公司之獨立非執行董事，全部均為香港上市公司。杜先生曾任新世界中國地產有限公司之副主席兼非執行董事、新創建集團有限公司副主席兼非執行董事及新世界酒店(集團)有限公司之董事，直至二零一三年七月一日辭任。彼亦為豐盛創建企業有限公司主席。自一九九五年，彼出任加拿大商會駐港總監之職。此外，二零零八年至二零一三年一月，彼被委任為中國人民政治協第十一屆上海市政協常務委員兼全體港澳政協委員之召集人；自二零一三年二月，彼被委任為中國人民政治協商會議第十二屆全國政協委員。彼被摩洛哥王國委任為香港和澳門的名譽總領事。於二零零八年，彼獲法國政府頒授法國最高榮譽騎士勳章。杜先生為拿督鄭裕彤博士之女婿及鄭家純博士之妹夫。

Profile of Directors (continued) 董事簡介(續)

Non-executive Director

Dato' Dr. CHENG Yu Tung (DPMS, LLD (Hon), DBA(Hon), DSSC(Hon), GBM)

Chairman

Dato' Dr. Cheng, aged 88, joined the Company in March 2004. Dato' Dr. Cheng assumes the title of Honorary Chairman of Chow Tai Fook Jewellery Group Limited and Emeritus Chairman of New World Development Company Limited. He is also the chairman of Melbourne Enterprises Limited and a non-executive director of Shun Tak Holdings Limited, all being Hong Kong listed companies. Dato' Dr. Cheng is the chairman of Chow Tai Fook Enterprises Limited and a director of Chow Tai Fook (Holding) Limited, Chow Tai Fook Capital Limited, Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, being substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Dato' Dr. Cheng was awarded Grand Bauhinia Medal by the Government of the Hong Kong Special Administrative Region in 2008. Dato' Dr. Cheng is the father of Dr. Cheng Kar Shun, Henry and the father-in-law of Mr. Doo Wai Hoi, William.

Dr. CHENG Kar Shun, Henry (BA, MBA, DBA(Hon), LLD(Hon), GBS)

Dr. Cheng, aged 67, joined the Company in March 2004. Dr. Cheng is also the chairman and executive director of Chow Tai Fook Jewellery Group Limited, New World Development Company Limited, NWS Holdings Limited and International Entertainment Corporation, the chairman and non-executive director of New World Department Store China Limited and Newton Resources Ltd, the chairman and managing director of New World China Land Limited, an independent non-executive director of HKR International Limited and a non-executive director of SJM Holdings Limited. All the companies mentioned above are listed companies in Hong Kong. Dr. Cheng is a director of Real Reward Limited, Go Create Limited, Chow Tai Fook Enterprises Limited, Chow Tai Fook (Holding) Limited, Chow Tai Fook Capital Limited, Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, being substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Dr. Cheng is the chairman of the Advisory Council for The Better Hong Kong Foundation and a standing committee member of the Twelfth Chinese People's Political Consultative Conference of The People's Republic of China. He was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region in 2001. Dr. Cheng is the son of Dato' Dr. Cheng Yu Tung and the brother-in-law of Mr. Doo Wai Hoi, William.

Mr. LAU Luen Hung, Joseph

Mr. Lau, aged 62, joined the Company in March 2004. Mr. Lau is the chairman and chief executive officer of Chinese Estates Holdings Limited, a Hong Kong listed company. Mr. Lau has over 38 years of experience in corporate finance, manufacturing and property investment and development. Mr. Lau is a director of each of Real Reward Limited and United Goal Resources Limited, being substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Lau is the elder brother of Mr. Lau Luen Hung, Thomas and Ms. Lau Yuk Wai, Amy.

非執行董事

拿督鄭裕彤博士 (DPMS, LLD(Hon), DBA(Hon), DSSC(Hon), GBM)

主席

拿督鄭博士現年88歲，於二零零四年三月加盟本公司。拿督鄭博士擔任周大福珠寶集團有限公司名譽主席及新世界發展有限公司榮譽主席之榮銜。彼亦為萬邦投資有限公司之主席及信德集團有限公司之非執行董事(上述公司全部均為香港上市公司)。拿督鄭博士為周大福企業有限公司之主席、周大福(控股)有限公司、Chow Tai Fook Capital Limited、Cheng Yu Tung Family (Holdings) Limited及Cheng Yu Tung Family (Holdings II) Limited之董事(該等公司按《證券及期貨條例》第XV部所述屬本公司之主要股東)。拿督鄭博士於二零零八年獲香港特別行政區政府頒授大紫荊勳章。彼為鄭家純博士之父親及杜惠愷先生之岳父。

鄭家純博士 (BA, MBA, DBA(Hon), LLD(Hon), GBS)

鄭博士現年67歲，於二零零四年三月加盟本公司。鄭博士亦為周大福珠寶集團有限公司、新世界發展有限公司、新創建集團有限公司及國際娛樂有限公司之主席及執行董事，新世界百貨中國有限公司及新礦資源有限公司之主席及非執行董事，新世界中國地產有限公司之主席及董事總經理，香港興業國際集團有限公司之獨立非執行董事，以及澳門博彩控股有限公司之非執行董事。上文提述之公司全部均為香港上市公司。鄭博士為Real Reward Limited、Go Create Limited、周大福企業有限公司、周大福(控股)有限公司、Chow Tai Fook Capital Limited, Cheng Yu Tung Family (Holdings) Limited及Cheng Yu Tung Family (Holdings II) Limited之董事(該等公司按《證券及期貨條例》第XV部所述屬本公司之主要股東)。鄭博士為香港明天更好基金顧問委員會主席及中華人民共和國第十二屆全國政協常務委員。彼於二零零一年獲香港特別行政區政府頒授金紫荊星章。鄭博士為拿督鄭裕彤博士之兒子及杜惠愷先生之妻舅。

劉鑾雄先生

劉先生現年62歲，於二零零四年三月加盟本公司。劉先生亦為華人置業集團之主席及行政總裁(為香港上市公司)。劉先生於企業融資、製造及物業投資與發展方面擁有逾38年經驗。劉先生為Real Reward Limited及United Goal Resources Limited之董事(該等公司按《證券及期貨條例》第XV部所述屬本公司之主要股東)。劉先生為劉鑾鴻先生及劉玉慧女士之胞兄。

Profile of Directors (continued) 董事簡介(續)

Ms. LAU Yuk Wai, Amy

Ms. Lau, aged 60, joined the Company in March 2004. Ms. Lau holds a Bachelor Degree of Science and a Doctor Degree of Dental Surgery from the University of Toronto, Canada. She is a practicing dentist registered with the Royal College of Dental Surgeons of Ontario, Canada. She is also a non-executive director of Chinese Estates Holdings Limited, a Hong Kong listed company. Ms. Lau is the sister of Mr. Lau Luen Hung, Thomas and Mr. Lau Luen Hung, Joseph.

Independent Non-executive Director

Mr. LAM Siu Lun, Simon (BA, ACA, FTIHK)

Mr. Lam, aged 64, joined the Company in March 2004. He is the Chairman of each of the Audit, Nomination and Remuneration Committees of the Company. Mr. Lam graduated from the University of Hong Kong in November 1973 with a Bachelor degree of Arts. After graduation, he worked at KPMG Peat Marwick and obtained his qualification as a Chartered Accountant from The Institute of Chartered Accountants in England and Wales in 1979 and Certified Public Accountant from the Hong Kong Society of Accountants (now known as the Hong Kong Institute of Certified Public Accountants) in 1980. Mr. Lam was admitted as a fellow member of the Taxation Institute of Hong Kong in 1992. Mr. Lam has been a practicing accountant for over 24 years and is the proprietor of Messrs. S.L. Lam & Company, a firm of certified public accountants. He has served as a member of the Insider Dealing Tribunal on a number of occasions. He has been an independent non-executive director of Lifestyle Properties Development Limited since 26 August 2013 and is currently also an independent non-executive director of each of Le Saunda Holdings Limited and Kiu Hung Energy Holdings Limited, all are Hong Kong listed companies.

Mr. CHEUNG Yuet Man, Raymond

Mr. Cheung, aged 59, joined the Company in March 2004. He is a member of the Audit Committee of the Company. Mr. Cheung is an entrepreneur and has over 21 years of experience in the textile and garment manufacturing industries and has over 20 years of experience in property investment.

劉玉慧女士

劉女士現年60歲，於二零零四年三月加盟本公司。劉女士持有加拿大多倫多大學理學士學位及牙科博士學位。彼為加拿大安大略省皇家牙科醫學院註冊之執業牙科醫生。彼亦為華人置業集團之非執行董事(為香港上市公司)。劉女士為劉鑾雄先生之胞妹及劉鑾鴻先生之胞姊。

獨立非執行董事

林兆麟先生(BA, ACA, FTIHK)

林先生現年64歲，於二零零四年三月加盟本公司。彼為本公司審核、提名及薪酬委員會之主席。林先生於一九七三年十一月畢業於香港大學，獲得文學士學位。畢業後，曾於畢馬威會計師事務所工作，並於一九七九年獲得英格蘭及威爾士特許會計師公會確認之特許會計師資格，後於一九八零年獲得The Hong Kong Society of Accountants(現稱香港會計師公會)確認之會計師資格。林先生於一九九二年成為香港稅務學會資深會員。林先生從事執業會計師超過24年，現為執業會計師事務所林兆麟會計師事務所東主。彼曾多次擔任內幕交易審裁處成員。彼自二零一三年八月二十六日起出任利福地產發展有限公司之獨立非執行董事，現亦為利信達集團有限公司及僑雄能源控股有限公司之獨立非執行董事(全部均為香港上市公司)。

張悅文先生

張先生現年59歲，於二零零四年三月加盟本公司。彼為本公司審核委員會之委員。張先生為企業家，擁有逾21年紡織及成衣製造業經驗及逾20年物業投資經驗。

Profile of Directors (continued) 董事簡介(續)**The Hon. SHEK Lai Him, Abraham (BA, DIP. ED., JP)**

Mr. Shek, aged 68, joined the Company in March 2004. He is a member of each of the Audit, Nomination and Remuneration Committees of the Company. Mr. Shek obtained his Bachelor degree of Arts in 1969 and has extensive experience in the property development field. He is a member of the Legislative Council for the Hong Kong Special Administrative Region (the "HKSAR") representing real estate and construction functional constituency since 2000. Mr. Shek is a member of the Court of The Hong Kong University of Science & Technology and Court and Council Member of The University of Hong Kong. Mr. Shek is a director of The Hong Kong Mortgage Corporation Limited and an independent non-executive director of MTR Corporation Limited, Midas International Holdings Limited, Paliburg Holdings Limited, NWS Holdings Limited, Chuang's Consortium International Limited, Chuang's China Investments Limited (also acts as Chairman), ITC Corporation Limited, ITC Properties Group Limited (also acts as Vice Chairman), Titan Petrochemicals Group Limited, Country Garden Holdings Company Limited, Hsin Chong Construction Group Limited, Hop Hing Group Holdings Limited, SJM Holdings Limited, Dorsett Hospitality International Limited, China Resources Cement Holdings Limited, Lai Fung Holdings Limited and Cosmopolitan International Holdings Limited, all being Hong Kong listed companies. He is also an independent non-executive director of Eagle Asset Management (CP) Limited (the manager of Champion Real Estate Investment Trust) and Regal Portfolio Management Limited (the manager of Regal Real Estate Investment Trust), both are Hong Kong listed. Mr. Shek was awarded the Silver Bauhinia Star and Gold Bauhinia Star (G.B.S.) by The Government of the HKSAR in 2007 and July 2013 respectively.

Mr. HUI Chiu Chung, Stephen (JP)

Mr. Hui aged 66, join the Company in July 2005. He is a member of each of the Audit, Nomination and Remuneration Committees of the Company. Mr. Hui is the chairman and chief executive officer of Luk Fook Financial Services Limited and has over 43 years of experience in the securities and investment industry. He had for years been serving as a council member and vice chairman of The Stock Exchange of Hong Kong Limited, a member of the Advisory Committee of the Hong Kong Securities and Futures Commission, a director of the Hong Kong Securities Clearing Company Limited, a member of the Listing Committee of the Hong Kong Exchanges and Clearing Limited, an appointed member of the Securities and Futures Appeal Tribunal, a member of Standing Committee on Company Law Reform, and an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A. He was also a member of the Committee on Real Estate Investment Trusts of the Hong Kong Securities and Futures Commission and a member of Government "Appointees" (independent member) of Appeal Panel of the Travel Industry Council of Hong Kong. Mr. Hui was appointed by the Government of the HKSAR a Justice of the Peace in 2004 and was also appointed a member of the Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference in 2006. Mr. Hui also serves as an independent non-executive director of Hong Kong Exchanges and Clearing Limited, Zhuhai Holdings Investment Group Limited, Chun Wo Development Holdings Limited, Gemdale Properties and Investment Corporation Limited, China South City Holdings Limited, Sinopec Engineering (Group) Co., Ltd and non-executive director of Luk Fook Holdings (International) Limited, whose shares are listed on the Stock Exchange.

石禮謙議員 (BA, DIP. ED., 太平紳士)

石先生現年68歲，於二零零四年三月加盟本公司。彼為本公司審核、提名及薪酬委員會之委員。石先生於一九六九年取得文學士學位，於物業發展方面擁有豐富經驗。石先生為香港特別行政區立法會代表地產及建築功能界別的議員，及香港科技大學的顧問委員會成員及香港大學校董會成員及校務委員會成員。彼為香港按揭證券有限公司董事，並為香港鐵路有限公司、勤達集團國際有限公司、百利保控股有限公司、新創建集團有限公司、莊士機構國際有限公司、莊士中國投資有限公司(兼任主席)、德祥企業集團有限公司、德祥地產集團有限公司(兼任副主席)、泰山石化集團有限公司、碧桂園控股有限公司、新昌營造集團有限公司、合興集團控股有限公司、澳門博彩控股有限公司、帝盛酒店集團有限公司、華潤水泥控股有限公司、麗豐控股有限公司及四海國際集團有限公司的獨立非執行董事，該等公司均為香港上市公司。彼亦為鷹君資產管理(冠君)有限公司(冠君產業信託的管理人)及富豪資產管理有限公司(富豪產業信託的管理人)的獨立非執行董事，該等信託均為香港上市公司。石先生分別於二零零七年及二零一三年七月榮獲香港特別行政區政府頒授銀紫荊星章及金紫荊星章。

許照中先生 (太平紳士)

許先生現年66歲，於二零零五年七月加盟本公司。彼為本公司審核、提名及薪酬委員會之委員。許先生現為六福金融服務有限公司之主席及行政總裁，並具備逾43年之證券及投資經驗，多年來曾出任聯交所理事會理事及副主席、香港證券及期貨事務監察委員會諮詢委員會委員、香港中央結算有限公司董事、香港交易及結算所有限公司上市委員會委員、證券及期貨事務上訴審裁處委員、公司法改革常務委員會委員及香港會計師公會調查小組A組委員等。彼曾為香港證券及期貨事務監察委員會房地產投資信託基金委員會委員及香港旅遊業議會上訴委員會獨立委員。許先生於二零零四年獲香港特別行政區政府頒授太平紳士榮銜，並於二零零六年獲中國珠海市人民政治協商會議委任為政協委員。許先生亦為股份於聯交所上市之香港交易及結算所有限公司、珠海控股投資集團有限公司、俊和發展集團有限公司、金地商置集團有限公司、華南城控股有限公司、中石化煉化工程(集團)股份有限公司之獨立非執行董事及六福集團(國際)有限公司之非執行董事。

Directors' Report 董事會報告書

The Directors of the Company present their annual report and the audited consolidated financial statements for the year ended 31 December 2013.

Principal Activities

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are the operation of "lifestyle" department stores and other retailing format and property holding in Hong Kong and the People's Republic of China ("PRC"). Particulars of the Company's principal subsidiaries are set out in note 45 to the consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2013 are set out in the consolidated statement of profit or loss and other comprehensive income on page 61.

An interim dividend of HK cents 26.4 per share was paid during the year ended 31 December 2013. The Directors have recommended the payment of a final dividend of HK cents 32.7 in cash per share to the shareholders whose names appear on the Register of Members of the Company on 22 April 2014. Subject to the approval of the Shareholders at the annual general meeting, the final dividend will be distributed on or about 8 May 2014. Total cash dividend amounting to HK cents 59.1 per share for the year ended 31 December 2013.

Fixed Assets

Details of the movements during the year in the investment properties and property, plant and equipment of the Group are set out in notes 17 and 18 respectively to the consolidated financial statements.

Share Capital

Details of movements during the year in the share capital of the Company are set out in note 35 to the consolidated financial statements.

Distributable Reserves of the Company

Details of distributable reserves of the Company are set out in note 46 to the consolidated financial statements.

Convertible Securities, Options, Warrants or Similar Rights

Other than the share option schemes described below, the Company had no outstanding convertible securities, options, warrants or similar rights as at 31 December 2013. Save as disclosed below, there has been no issue or exercise of any convertible securities, options, warrants or similar rights during the year.

本公司董事謹此提呈其年報及截至二零一三年十二月三十一日止年度之經審核綜合財務報表。

主要業務

本公司主要業務為投資控股，其附屬公司之主要業務則為於香港及中華人民共和國（「中國」）經營「生活時尚」百貨店及其他零售業務與及物業持有。本公司主要附屬公司詳情載於綜合財務報表附註45。

業績及分配

本集團截至二零一三年十二月三十一日止年度之業績載於第61頁綜合損益及其他全面收益表。

截至二零一三年十二月三十一日止年度，本公司已派付中期股息每股26.4港仙。董事建議向於二零一四年四月二十二日名列本公司股東名冊之股東，派付現金末期股息每股32.7港仙。末期股息待股東於股東週年大會批准後，將於二零一四年五月八日或前後派付。截至二零一三年十二月三十一日止年度現金股息合共每股59.1港仙。

固定資產

有關本集團投資物業及物業、廠房及設備於本年度之變動詳情，分別載於綜合財務報表附註17及18。

股本

本公司股本於本年度之變動詳情載於綜合財務報表附註35。

本公司之可供分派儲備

本公司之可供分派儲備之詳情載於綜合財務報表附註46。

可換股證券、購股權、權證或類似權利

除下文所述之購股權計劃外，本公司於二零一三年十二月三十一日並無任何尚未行使之可換股證券、購股權、權證或類似權利。除下文所述外，本年度內並無發行或行使任何可換股證券、購股權、權證或其他類似權利。

Directors' Report (continued) 董事會報告書(續)**Directors**

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

Executive Directors:

Mr. Lau Luen Hung, Thomas (*Managing Director*)
Mr. Doo Wai Hoi, William

Non-executive Directors:

Dato' Dr. Cheng Yu Tung (*Chairman*)
Dr. Cheng Kar Shun, Henry
Mr. Lau Luen Hung, Joseph
Ms. Lau Yuk Wai, Amy

Independent Non-executive Directors:

Mr. Lam Siu Lun, Simon
Mr. Cheung Yuet Man, Raymond
The Hon. Shek Lai Him, Abraham
Mr. Hui Chiu Chung, Stephen

In accordance with Article 87 of the Articles of Association of the Company, Dato' Dr. Cheng Yu Tung, Mr. Lau Luen Hung, Thomas, Mr. Lam Siu Lun, Simon and Mr. Cheung Yuet Man, Raymond ("Mr. Cheung") shall retire by rotation, all being eligible, offer themselves for re-election, except Mr. Cheung who for his other business commitment does not offer himself for re-election.

The term of office of each Non-executive Director and Independent Non-executive Director is appointed for a specific term of one year and is subject to retirement and re-election at annual general meeting in accordance with the Company's Articles of Association.

Each of Mr. Lau Luen Hung, Thomas and Mr. Doo Wai Hoi, William, being Executive Director, has a service contract with the Company with the term from 1 April 2013 to 31 March 2016 and 2 March 2011 to 1 March 2014 respectively in respect of their respective directorship and is subject to renewal and extension automatically for further three years unless terminated by either party in writing. There is no specific clause in both service contracts providing for the amount of compensation in case of early termination of office.

Other than as disclosed above, none of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事

於本年度及截至本報告日期期間，本公司董事如下：

執行董事：

劉鑾鴻先生 (*董事總經理*)
杜惠愷先生

非執行董事：

拿督鄭裕彤博士 (*主席*)
鄭家純博士
劉鑾雄先生
劉玉慧女士

獨立非執行董事：

林兆麟先生
張悅文先生
石禮謙議員
許照中先生

根據本公司之章程細則第87條規定，拿督鄭裕彤博士、劉鑾鴻先生、林兆麟先生及張悅文先生(「張先生」)須輪值退任，以上董事均合資格並願意重選連任，張先生因其他業務承擔而不會重選連任除外。

各非執行董事及獨立非執行董事乃按指定年期一年委任，且須根據本公司之組織章程細則於股東週年大會告退並重選連任。

劉鑾鴻先生及杜惠愷先生，均為執行董事，與本公司就各自出任董事訂有服務合約，任期分別為二零一三年四月一日至二零一六年三月三十一日及二零一一年三月二日至二零一四年三月一日及除任何一方發出書面終止通知，否則服務合約將自動續期及延伸三年。該等服務合約並無載有規定提早終止任期補償金額之特定條款。

除上文披露者外，概無擬於應屆股東週年大會重選連任之董事訂有本集團不作賠償(法定賠償除外)則不可於一年內終止之服務合約。

Directors' Report (continued) 董事會報告書(續)

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

As at 31 December 2013, the Directors' and the Chief Executive's interests and short positions in the shares and 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")) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers are set out below:

(i) Long positions in the issued shares of the Company

Name of Director	Natures of interest	Number of ordinary shares of the Company	Approximate percentage of interest in the issued share capital of the Company (Note 3)
董事姓名	權益性質	本公司之普通股股份數目	佔本公司已發行股本權益之概約百分比 (附註3)
Mr. Lau Luen Hung, Thomas ("Mr. Thomas Lau") 劉鑾鴻先生	Interest in controlled corporation (Note 1) 受控制公司權益(附註1)	850,000,000	51.50%
	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	154,764,000	9.38%
	Interest in controlled corporation (Note 3) 受控制公司權益(附註3)	115,000,000	6.97%
	Beneficial owner 實益擁有人	66,051,460	4.0%

Notes:

- Real Reward Limited ("Real Reward"), which is jointly owned by United Goal Resources Limited ("United Goal") and Go Create Limited ("Go Create") in equal shares, holds 850,000,000 shares. United Goal is ultimately owned by Mr. Thomas Lau and a family trust with Mr. Lau Luen Hung, Joseph ("Mr. Joseph Lau") and certain of his family members as eligible beneficiaries. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the 850,000,000 shares held by Real Reward.
- Dynamic Castle Limited ("Dynamic Castle"), which is wholly-owned by Mr. Thomas Lau, holds 154,764,000 shares. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the same parcel of shares in which Dynamic Castle is interested.
- United Goal holds 115,000,000 Shares. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the same parcel of shares in which United Goal is interested.
- As at 31 December 2013, the issued share capital of the Company was HK\$8,251,705 divided into 1,650,341,000 shares of HK\$0.005 each.

董事及行政總裁於股份及相關股份之權益

於二零一三年十二月三十一日，根據《證券及期貨條例》第352條規定而備存之登記冊的紀錄，又或根據上市公司董事進行證券交易的標準守則，向本公司及香港聯合交易所有限公司（「聯交所」）發出的通知，各董事及行政總裁持有的本公司或其任何之相聯法團（按《證券及期貨條例》第XV部所界定者）之股份、相關股份及債券證的權益及淡倉載列如下：

(i) 本公司已發行股份之好倉

Name of Director	Natures of interest	Number of ordinary shares of the Company	Approximate percentage of interest in the issued share capital of the Company (Note 3)
董事姓名	權益性質	本公司之普通股股份數目	佔本公司已發行股本權益之概約百分比 (附註3)
Mr. Lau Luen Hung, Thomas ("Mr. Thomas Lau") 劉鑾鴻先生	Interest in controlled corporation (Note 1) 受控制公司權益(附註1)	850,000,000	51.50%
	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	154,764,000	9.38%
	Interest in controlled corporation (Note 3) 受控制公司權益(附註3)	115,000,000	6.97%
	Beneficial owner 實益擁有人	66,051,460	4.0%

附註：

- 由 United Goal Resources Limited (「United Goal」) 及 Go Create Limited (「Go Create」) 共同平均擁有之 Real Reward Limited (「Real Reward」) 持有 850,000,000 股股份。United Goal 由劉鑾鴻先生及合資格受益人為劉鑾鴻先生及其若干家族成員之家族信託最終擁有。根據《證券及期貨條例》，劉鑾鴻先生被視作擁有 Real Reward 所持有的 850,000,000 股股份的權益。
- 由劉鑾鴻先生全資擁有之 Dynamic Castle Limited (「Dynamic Castle」) 持有 154,764,000 股股份。根據《證券及期貨條例》，劉鑾鴻先生被視作擁有 Dynamic Castle 所持有的相同股份權益。
- United Goal 持有 115,000,000 股股份。根據《證券及期貨條例》，劉鑾鴻先生被視作擁有 United Goal 所擁有的相同股份權益。
- 於二零一三年十二月三十一日，本公司之已發行股本為 8,251,705 港元，分為 1,650,341,000 股每股面值 0.005 港元之股份。

Directors' Report (continued) 董事會報告書(續)

(ii) Long position in the underlying shares of the Company (ii) 本公司相關股份之好倉 — 購股權 — share options

Name of Director	Natures of interest	Number of underlying shares of the Company (Note)	Approximate percentage of interest in the issued share capital of the Company
董事姓名	權益性質	本公司之相關股份數目(附註)	佔本公司已發行股本權益之概約百分比
Mr. Thomas Lau 劉鑾鴻先生	Beneficial owner 實益擁有人	17,020,000	1.03%

Notes: Please refer to the details set out in the section headed "Details of Options Granted by the Company".

附註：詳情請參閱「本公司授予購股權之詳情」一節。

(iii) Long positions in the shares of associated corporations

(iii) 相聯法團股份之好倉

Name of Director	Name of associated corporation	Nature of interest	Total number of shares held	Percentage of interest
董事姓名	相聯法團名稱	權益性質	所持股份總數	權益百分比
Mr. Thomas Lau 劉鑾鴻先生	Lifestyle Properties Development Limited ("Lifestyle Properties") 利福地產發展有限公司(「利福地產」)	Beneficial owner 實益擁有人	3,262,500	0.78%
	Lifestyle Properties 利福地產	Interest in controlled corporation (Note 1) 受控制公司權益(附註1)	297,861,200	71.07%
	Lifestyle Properties 利福地產	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	3,852,175	0.92%
	Real Reward	Interest in controlled corporation (Note 3) 受控制公司權益(附註3)	1	50%
	Crystal Key Investment Limited	Interest in controlled corporation (Note 4) 受控制公司權益(附註4)	1	100%
	Grandville Venture Corp.	Interest in controlled corporation (Note 4) 受控制公司權益(附註4)	50,000	100%
	Global Centre Investments Limited	Interest in controlled corporation (Note 4) 受控制公司權益(附註4)	1	100%
	Leeson Limited 麗信有限公司	Interest in controlled corporation (Note 4) 受控制公司權益(附註4)	1	100%
	Wise Ocean Limited 偉洋有限公司	Interest in controlled corporation (Note 4) 受控制公司權益(附註4)	1	100%

Directors' Report (continued) 董事會報告書(續)

Notes:

1. Of these shares, 249,611,200 shares are held by the Company, 42,500,000 shares are held by Real Reward and 5,750,000 shares are held by United Goal. The Company is owned as to 51.50% by Real Reward, which is jointly owned by United Goal and Go Create Limited in equal shares. United Goal is ultimately owned by Mr. Thomas Lau through Asia Prime Assets Limited ("Asia Prime") and a family trust with Mr. Joseph Lau and certain of his family members as eligible beneficiaries. By virtue of the SFO, Mr. Thomas Lau, through Asia Prime, is deemed to be interested in the same parcel of share in which the Company, Real Reward and United Goal are interested.
2. These Shares are held by Dynamic Castle, which is wholly-owned by Mr. Thomas Lau. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the same parcel of Shares in which Dynamic Castle is interested.
3. United Goal is ultimately owned by Mr. Thomas Lau and a family trust with Mr. Joseph Lau and certain of his family members as eligible beneficiaries, has 50% interest in Real Reward. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the one share in Real Reward.
4. United Goal is ultimately owned by Mr. Thomas Lau and a family trust with Mr. Joseph Lau and certain of his family members as eligible beneficiaries, has 50% interest in Real Reward. Crystal Key Investment Limited, Grandville Venture Corp., Global Centre Investments Limited, Leeson Limited and Wise Ocean Limited are, either direct or indirect, wholly-owned subsidiaries of Real Reward. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the shares held by Real Reward in Crystal Key Investment Limited, Grandville Venture Corp., Global Centre Investments Limited, Leeson Limited and Wise Ocean Limited.

Save for those disclosed above, as at 31 December 2013, none of the Directors or Chief Executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO.

Interests of Substantial Shareholders

As at 31 December 2013, the following persons (other than a Director or the Chief Executive of the Company) had an interest or short position in the shares and underlying shares of the Company (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange are set out below:

附註：

1. 在該等股份中，249,611,200 股股份由本公司持有，42,500,000 股股份由 Real Reward 持有，另外 5,750,000 股股份由 United Goal 持有。本公司由 Real Reward 擁有 51.50% 權益，而 Real Reward 則由 United Goal 及 Go Create Limited 以相同的股權比例共同擁有。United Goal 最終由劉鑾鴻先生透過 Asia Prime Assets Limited (「Asia Prime」) 及合資格受益人為劉鑾雄先生與其若干家族成員之家族信託擁有。根據證券及期貨條例，劉鑾鴻先生被視為透過 Asia Prime 擁有本公司、Real Reward 及 United Goal 所擁有的相同股份權益。
2. 該等股份由 Dynamic Castle 持有，而 Dynamic Castle 則由劉鑾鴻先生全資擁有。根據證券及期貨條例，劉鑾鴻先生被視為擁有 Dynamic Castle 所擁有的相同股份權益。
3. United Goal 擁有 Real Reward 50% 權益，並由劉鑾鴻先生及合資格受益人為劉鑾雄先生及其若干家族成員之家族信託最終擁有。根據證券及期貨條例，劉鑾鴻先生被視為擁有 Real Reward 所擁有的的一股股份的權益。
4. United Goal 擁有 Real Reward 50% 權益，並由劉鑾鴻先生及合資格受益人為劉鑾雄先生及其若干家族成員之家族信託最終擁有。Crystal Key Investment Limited、Grandville Venture Corp.、Global Centre Investments Limited、麗信有限公司及偉洋有限公司為 Real Reward 直接或間接全資附屬公司。根據證券及期貨條例，劉鑾鴻先生被視為擁有 Real Reward 在 Crystal Key Investment Limited、Grandville Venture Corp.、Global Centre Investments Limited、麗信有限公司及偉洋有限公司持有之股份的權益。

除上述披露者外，於二零一三年十二月三十一日，根據《證券及期貨條例》第 352 條規定而備存之登記冊的記錄，概無任何董事或本公司行政總裁在本公司或其任何相聯法團（按《證券及期貨條例》第 XV 部所界定者）的股份、相關股份或債券證中擁有任何權益或淡倉。

主要股東權益

於二零一三年十二月三十一日，下列人士（不包括董事或本公司行政總裁）根據《證券及期貨條例》第 336 條規定而備存之登記冊的紀錄，又或向本公司及聯交所發出的通知，於本公司之股份及相關股份（按《證券及期貨條例》第 XV 部所界定者）中擁有須予披露之權益或淡倉載列如下：

Directors' Report (continued) 董事會報告書(續)

Long positions in the shares and the underlying shares of the Company

本公司股份及相關股份中之好倉

Name	Nature of interest and capacity	Number of shares	Approximate percentage of interest in the issued share capital of the Company 佔本公司已發行股本權益之概約百分比
名稱	權益性質及身分	股份數目	
Real Reward	Beneficial owner (Note 1) 實益擁有人(附註1)	850,000,000	51.50%
United Goal	Beneficial owner 實益擁有人	115,000,000	6.97%
	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	850,000,000	51.50%
Asia Prime	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	965,000,000	51.50%
Go Create	Interest in controlled corporation (Note 3) 受控制公司權益(附註3)	850,000,000	51.50%
Chow Tai Fook Enterprises Limited ("CTF Enterprises") 周大福企業有限公司 (「周大福企業」)	Interest in controlled corporation (Note 3) 受控制公司權益(附註3)	850,000,000	51.50%
Chow Tai Fook (Holding) Limited ("CTFHL") 周大福(控股)有限公司 (「周大福控股」)	Interest in controlled corporation (Note 4) 受控制公司權益(附註4)	850,000,000	51.50%
Chow Tai Fook Capital Limited ("CTFC")	Interest in controlled corporation (Note 4) 受控制公司權益(附註4)	850,000,000	51.50%
Cheng Yu Tung Family (Holdings) Limited ("CYTFH")	Interest in controlled corporation (Note 4) 受控制公司權益(附註4)	850,000,000	51.50%
Cheng Yu Tung Family (Holdings II) Limited ("CYTFH-II")	Interest in controlled corporation (Note 4) 受控制公司權益(附註4)	850,000,000	51.50%
Dynamic Castle	Beneficial owner (Note 5) 實益擁有人(附註5)	154,764,000	9.38%
European Investors Holding Company, Inc ("EIH")	Interest in controlled corporation (Note 6) 受控制公司權益(附註6)	83,336,700	5.05%
Christian LANGE	Interest in controlled corporation (Note 6) 受控制公司權益(附註6)	83,336,700	5.05%

Notes:

1. Real Reward is a company jointly owned by United Goal and Go Create in equal shares. United Goal is ultimately owned by Mr. Thomas Lau and a family trust with Mr. Joseph Lau and certain of his family members as eligible beneficiaries. Mr. Thomas Lau, Mr. Joseph Lau and Dr. Cheng Kar Shun, Henry, being Directors, are also directors of Real Reward.

附註:

1. Real Reward 由 United Goal 與 Go Create 共同平均擁有。United Goal 由劉鑾鴻先生及合資格受益人為劉鑾雄先生及其若干家族成員之家族信託最終擁有。董事劉鑾鴻先生、劉鑾雄先生及鄭家純博士亦為 Real Reward 之董事。

Directors' Report (continued) 董事會報告書(續)

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|---|--|
| <p>2. Asia Prime, a company wholly owned by Mr. Thomas Lau, holds more than one-third of the entire issued share capital of United Goal, a 50% shareholder of Real Reward. By virtue of the SFO, (i) Asia Prime and United Goal are deemed to be interested in the same parcel of shares comprising 850,000,000 shares in which Real Reward is interested; and (ii) Asia Prime is deemed to be interested in the same parcel of shares comprising 115,000,000 shares in which United Goal is interested as beneficial owner. Mr. Thomas Lau and Mr. Joseph Lau, being Directors, are directors of United Goal and Mr. Thomas Lau is also the sole director of Asia Prime.</p> | <p>2. Asia Prime由劉鑾鴻先生全資擁有，其持有United Goal全部已發行股本超過三分之一，而United Goal為持有Real Reward 50%權益之股東。根據證券及期貨條例，(i) Asia Prime及United Goal被視為擁有Real Reward擁有的850,000,000股股份的相同權益；及(ii) Asia Prime被視為擁有United Goal實益擁有的115,000,000股股份之相同權益。董事劉鑾鴻先生及劉鑾雄先生為United Goal之董事，而劉鑾鴻先生亦為Asia Prime唯一之董事。</p> |
| <p>3. Go Create, which is wholly owned by CTF Enterprises, has 50% interest in Real Reward. By virtue of the SFO, CTF Enterprises and Go Create are deemed to be interested in the 850,000,000 shares held by Real Reward. Dato' Dr. Cheng Yu Tung and Dr. Cheng Kar Shun, Henry, being Directors, are directors of CTF Enterprises and Dr. Cheng Kar Shun, Henry is also a director of Go Create.</p> | <p>3. Go Create由周大福企業全資擁有，Go Create於Real Reward擁有50%權益。根據證券及期貨條例，周大福企業及Go Create被視為於Real Reward持有之850,000,000股股份中擁有權益。董事拿督鄭裕彤博士及鄭家純博士為周大福企業之董事，而鄭家純博士亦為Go Create之董事。</p> |
| <p>4. CTF Enterprises is wholly owned by CTFHL, which is held as to 78.58% by CTFC, which is in turn held as to 48.98% by CYTFH and as to 46.65% by CYTFH-II. By virtue of the SFO, CTFHL, CTFC, CYTFH and CYTFH-II are deemed to be interested in the same parcel of shares held by Real Reward as beneficial owner. Dato' Dr. Cheng Yu Tung and Dr. Cheng Kar Shun, Henry, being Directors, are directors of each of CTFHL, CTFC, CYTFH and CYTFH-II.</p> | <p>4. 周大福企業由周大福控股全資擁有，周大福控股獲CTFC持有約78.58%權益，而CTFC則分別獲CYTFH持有約48.98%權益及CYTFH-II持有約46.65%權益。根據《證券及期貨條例》，周大福控股、CTFC、CYTFH及CYTFH-II均被視為於Real Reward作為實益擁有人持有之股份擁有同等權益。董事拿督鄭裕彤博士及鄭家純博士亦為周大福控股、CTFC、CYTFH及CYTFH-II之董事。</p> |
| <p>5. Dynamic Castle is wholly-owned by Mr. Thomas Lau. Mr. Thomas Lau is also the sole director of Dynamic Castle.</p> | <p>5. Dynamic Castle由劉鑾鴻先生全資擁有。劉鑾鴻先生亦為Dynamic Castle唯一之董事。</p> |
| <p>6. EIH is 46.96% controlled by Christian LANGE and accordingly pursuant to SFO, Christian LANGE is deemed to be interested in the shares of which EIH is deemed to be interested. EIH is deemed to be interested in the 83,336,700 shares held by its controlled corporations.</p> | <p>6. EIH為Christian LANGE 46.96%所控制，故根據證券及期貨條例，Christian LANGE被視為擁有EIH所持有之股份的權益。EIH被視為擁有其受控制公司所持之83,336,700股股份。</p> |
| <p>7. As at 31 December 2013, the issued share capital of the Company was HK\$8,251,705 divided into 1,650,341,000 shares of HK\$0.005 each.</p> | <p>7. 於二零一三年十二月三十一日，本公司之已發行股本為8,251,705港元，分為1,650,341,000股每股面值0.005港元之股份。</p> |
| <p>8. Exemption from compliance with the disclosure of interests requirement of the SFO by LS Finance (2017) Limited and LS Finance (2022) Limited (including substantial shareholders, directors and chief executives) had been granted under section 309(2) of the SFO.</p> | <p>8. LS Finance (2017) Limited及LS Finance (2022) Limited (包括其主要股東、董事及行政總裁)已獲得《證券及期貨條例》第309(2)條下豁免遵守證券及期貨條例披露權益。</p> |

Save for those disclosed above, as at 31 December 2013, no other persons had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

除上述披露者外，於二零一三年十二月三十一日，根據《證券及期貨條例》第336條規定而備存之登記冊的紀錄，概無任何人士在本公司的股份及相關股份中擁有任何權益或淡倉。

Share Option Schemes**(i) The 2004 Share Option Scheme**

The Company's share option scheme (the "2004 Share Option Scheme") was adopted for a period of 10 years commencing 27 March 2004 pursuant to a written resolution of the sole shareholder as incentive or rewards for the contribution of the eligible participants to the Group.

購股權計劃**(i) 二零零四年購股權計劃**

本公司根據唯一股東之書面決議案採納購股權計劃(「二零零四年購股權計劃」)，由二零零四年三月二十七日起為期十年，作為合資格參與者對本集團所作貢獻之獎勵或獎賞。

Directors' Report (continued) 董事會報告書(續)

Under the 2004 Share Option Scheme, the Company may grant options to (i) any full-time employee of the Company or of any subsidiary; (ii) Directors (including Non-executive Directors and Independent Non-executive Directors) of the Company or any subsidiary; (iii) advisors and consultants to the Company or to any subsidiary in the areas of technical, financial, legal or corporate managerial who, at the sole determination of the board of Directors of the Company (the "Board"), have contributed to the Company and/or any subsidiary (the assessment criteria of which are (a) contributions to the development and performance of the Company and/or subsidiary; (b) quality of work performed for the Company and/or any subsidiary; (c) initiative and commitment in performing his/her duties; and (d) length of service or contribution to the Company and/or any subsidiary).

The total number of shares in respect of which options may be granted under the 2004 Share Option Scheme and any other scheme of the Company is not permitted to exceed 10% of the shares of the Company in issue as at the date of the commencement of dealings in the shares on the Stock Exchange, being 144,000,000 shares of HK\$0.005 each after the share subdivision in 2007. Since termination of the 2004 Share Option Scheme had been conditionally confirmed and approved in an extraordinary general meeting held on 3 March 2009, no further options will be offered under the 2004 Share Option Scheme, but all options granted prior to such termination shall continue to be valid and exercisable in accordance with the 2004 Share Option Scheme.

The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue, without prior approval from the Company's shareholders. Options granted to substantial shareholders, Independent Non-executive Directors, or any of their respective associates (including a trustee of a discretionary trust of which they or any of their family interests are discretionary objects) in excess of 0.1% of the Company's share capital and with a value in excess of HK\$5,000,000 must be also approved by the Company's shareholders.

Option granted must be taken up within the time limit specified in the offer letter (which shall not be later than 5 days from the date of offer), upon payment of HK\$1 per option. Options may be exercised at any time during a period commencing on or after the date on which the option is accepted and deemed to be granted and expiring on a date to be notified by the Board to each grantee which shall not be more than 10 years from the date on which the option is accepted and deemed to be granted. The exercise price is determined by the Directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

根據二零零四年購股權計劃，本公司可授予購股權予(i)本公司或任何附屬公司之任何全職僱員；(ii)本公司或任何附屬公司之董事(包括非執行董事及獨立非執行董事)；(iii)經本公司董事會(「董事會」)全權決定，對本公司及／或任何附屬公司作過貢獻之本公司或任何附屬公司的工程、財務、法律或企業管理方面的顧問或專家顧問(評價準則為(a)對本公司及／或任何附屬公司發展及業績之貢獻；(b)為本公司及／或任何附屬公司工作之質量；(c)彼履行職務之主動性及承擔性；及(d)為本公司及／或任何附屬公司提供服務或貢獻之年期)。

根據二零零四年購股權計劃或本公司任何其他計劃可授予購股權所涉及股份總數，不得超過本公司於股份在聯交所開始買賣之日期已發行股份10%，即於二零零七年股份拆細後每股面值0.005港元之144,000,000股股份。由於本公司已經於二零零九年三月三日舉行之股東特別大會上有條件確認及批准終止二零零四年購股權計劃。額外購股權將不會根據二零零四年購股權計劃提出要約，惟於有關終止前，根據二零零四年購股權計劃所有授予之購股權將繼續屬有效及可行使。

如未經本公司股東事先批准，於任何一年，就任何個別人士所獲授及可獲授之購股權已發行及將發行之股份數目，不得超過本公司已發行股份1%。授予主要股東、獨立非執行董事或任何彼等各自之聯繫人(包括全權信託之信託人，彼等或任何彼等之家屬權益為全權受益人)超過本公司股本0.1%或價值超過5,000,000港元之購股權，亦必須經本公司股東批准。

授出之購股權須於要約函件所指定時限(不得遲於要約日期起計5日)內接納，接納時須就每份購股權支付1港元。購股權可於接納及被視為已授予當日或之後起至董事會知會各承授人屆滿當日止期間內隨時行使，惟由接納及被視為已授予購股權當日起計不得超過10年。行使價由本公司董事釐定，將不低於(i)授予日期本公司股份收市價；(ii)緊接授予日期前五個營業日股份平均收市價；及(iii)本公司股份面值三者之較高者。

Directors' Report (continued) 董事會報告書(續)**(ii) The 2009 Share Option Scheme**

The adoption of a new share option scheme (the "2009 Share Option Scheme") was approved by the shareholders of the Company in an extraordinary general meeting held on 3 March 2009 for a period of 10 years commencing from 3 March 2009 as incentive or rewards for the contribution of the eligible participants to the growth of the Group and to provide to the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the eligible participants.

Under the 2009 Share Option Scheme, the Company may grant options to (a) any full-time or part-time employee of the Company and/or any subsidiary; (b) any Director (including Executive, non-Executive and Independent Non-executive Director) of the Company and/or any subsidiary; and (c) any consultant or adviser (whether professional or otherwise and whether on an employment or contractual or honorary basis or otherwise board whether paid or unpaid), distributor, contractor, supplier, service provider, agent, customer and business partner of the Company and/or any subsidiary who, at the sole determination of the Board, have contributed or will contribute to the Company and/or any subsidiary.

There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the 2009 Share Option Scheme. However, the Board may offer to grant any options subject to such terms and conditions in relation to the minimum period of the options to be held and/or the performance targets to be achieved before such options can be exercised and/or any other terms as the Board may determine in its absolute discretion.

The total number of shares which may be issued upon exercise of all options which may be granted under the 2009 Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 166,860,950 shares, representing 10% of the issued share capital of the Company as at 3 March 2009, the date on which the 2009 Share Option Scheme was approved by the shareholders of the Company, which represented approximately 10% of the issued share capital of the Company as at the date of this report.

Unless otherwise approved by the shareholders, the total number of shares issued and to be issued upon exercise of the options granted to each eligible participant (including both exercised and outstanding options under the 2009 Share Option Scheme) in any 12-month period must not exceed 1% of the issued share capital of the Company.

(ii) 二零零九年購股權計劃

本公司股東於二零零九年三月三日舉行之股東特別大會上批准採納新購股權計劃(「二零零九年購股權計劃」)，自二零零九年三月三日起為期十年，作為合資格參與者對本集團發展作出貢獻之激勵或獎賞，並讓本集團更具彈性地向合資格參與者提供獎賞、報酬、補償及／或提供福利。

根據二零零九年購股權計劃，本公司可授予購股權予(a)本公司及／或任何附屬公司之任何全職或兼職僱員；(b)本公司及／或任何附屬公司之任何董事(包括執行、非執行及獨立非執行董事)；及(c)經董事會全權決定，已對或將會對本公司及／或任何附屬公司作出貢獻之本公司及／或任何附屬公司之任何專家顧問或顧問(不論其是否專業人士及不論其基於聘用、合約或榮譽或其他性質及是否受薪)、分銷商、承包商、供應商、服務供應商、代理、客戶及業務夥伴。

對於購股權可以根據二零零九年購股權計劃之條款行使前必須持有購股權之最低期限或須達致之表現目標，並無設立一般性規定。然而，董事會授予任何購股權時可設立有關條款及條件，規限在有關購股權可以行使前必須持有購股權之最低期限及／或須達致之表現目標，及／或董事會可絕對酌情釐定之任何其他條款。

因行使根據二零零九年購股權計劃及本公司任何其他購股權計劃授予之所有購股權而可發行之股份總數，合計不得超過166,860,950股股份，相當於本公司股東於二零零九年三月三日舉行之股東特別大會上有條件批准二零零九年購股權計劃當日本公司已發行股本10%，相當於本公司於本報告日期之已發行股本約10%。

除獲股東另外批准外，各合資格參與者於任何12個月內因行使其獲授購股權(包括二零零九年購股權計劃項下已行使及尚未行使之購股權)而已發行及將發行之股份總數，不得超過本公司已發行股本之1%。

Directors' Report (continued) 董事會報告書(續)

Where options are proposed to be granted to a substantial shareholder or an Independent Non-executive Director of the Company or any of their respective associates, and the proposed grant of options will result in the total number of share issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of the Company on the date of offer and having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5 million, such grant of options must be subject to the approval of the shareholders taken on a poll at general meeting. The connected person involved in such proposed grant to options and all other connected persons of the Company must abstain from voting in such general meeting (except that any connected person may vote against the proposed grant provided that his intention to do so has been stated in the relevant circular to the shareholders).

Option granted must be taken up within the time limit specified in the offer letter (which shall not be later than 5 days from the date of offer), upon payment of HK\$1 on acceptance of the offer. Options may be exercised at any time during a period to be notified by the Board to each grantee which shall not be more than 10 years from the date of the offer. The exercise price is determined by the Directors of the Company, and will be at least the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

倘於截至及包括授予日期前任何12個月內建議向本公司主要股東、獨立非執行董事或彼等各自之任何聯繫人授予購股權，會使該人士因行使所有已獲授及將獲授購股權(包括已行使、註銷及尚未行使之購股權)而已發行及將發行之股份總數合計超過本公司於要約日期已發行股本之0.1%，而有關總值(按各授予日期股份收市價計算)超過5,000,000港元，則該次購股權授予須在股東大會上獲得股東按股數投票表決批准。涉及該次建議授予購股權之關連人士以及本公司之所有其他關連人士須在上述股東大會上放棄投票(然而，任何關連人士均可投票反對授予建議，惟其相關意向須載列於致股東之相關通函內)。

授予之購股權須於要約函件所指定時限(不得遲於要約日期起計5日)內接納，於接納要約時須支付1港元。購股權可於董事會知會各承授人期間內隨時行使，惟於要約日期起計不得超過10年。行使價由本公司董事釐定，將至少為下列三者中之最高者(i) 授予日期本公司股份收市價；(ii) 緊接授予日期前五個營業日股份平均收市價；及(iii) 本公司股份面值。

Details of Options Granted by the Company

As at 31 December 2013, options to subscribe for an aggregate of 19,378,000 shares of the Company granted to a Director (as disclosed above) and certain full-time employees pursuant to the Scheme remained outstanding, details of which were as follows:

本公司授予購股權之詳情

於二零一三年十二月三十一日，誠如上文所披露，本公司根據該計劃已向一名董事及若干全職僱員授予可供認購合共19,378,000股本公司股份且尚未行使之購股權詳情如下：

	Date of grant 授予日期	Number of share options 購股權數目					Outstanding as at 31 December 2013 於二零一三年 十二月三十一日 尚未行使	Option period 購股權期限	Subscription price per share 每股認購價
		Outstanding as at 1 January 2013 於二零一三年 一月一日 尚未行使	Granted during the year 年內授予	Exercised during the year 年內行使	Lapsed during the year 年內失效	Cancelled during the year 年內註銷			
Director 董事									
Mr. Thomas Lau 劉鑾鴻先生	31.08.2007	17,020,000	-	-	-	-	17,020,000	01.10.2008 – 26.03.2014 (Note 2) (附註2)	HK\$18.50 18.50港元
Employees 僱員									
	07.10.2005	455,000	-	(433,000)	-	-	22,000	07.10.2006 – 26.03.2014 (Note 1) (附註1)	HK\$6.16 6.16港元
	02.02.2009	4,828,000	-	(2,492,000)	-	-	2,336,000	07.02.2010 – 26.03.2014 (Notes 3 & 4) (附註3及4)	HK\$6.40 6.40港元
Total 總計		22,303,000	-	(2,925,000)	-	-	19,378,000		

Directors' Report (continued) 董事會報告書(續)

Notes:

1. The options, granted on 7 October 2005, are exercisable from 7 October 2006 to 26 March 2014 (both days inclusive) in the following manner:
 - (i) up to 40% of the total number of options granted under the Scheme commencing 7 October 2006;
 - (ii) up to 70% of the total number of options granted under the Scheme commencing 7 October 2007; and
 - (iii) up to 100% of the total number of options granted under the Scheme commencing 7 October 2008.
2. The options, granted on 31 August 2007, are exercisable from 1 October 2008 to 26 March 2014 (both days inclusive) in the following manner:
 - (i) up to 40% of the total number of options granted under the Scheme commencing 1 October 2008;
 - (ii) up to 70% of the total number of options granted under the Scheme commencing 1 October 2009; and
 - (iii) up to 100% of the total number of options granted under the Scheme commencing 1 October 2010.
3. On 3 March 2009, the outstanding options previously granted to employees of the Group on 31 August 2007 (which entitled such employees to subscribe for an aggregate of 20,400,000 shares) were cancelled and replaced by new options granted by the Company entitling them to subscribe for the same number of shares at an exercise price of HK\$6.40 per share (the "2009 Employee Options"). The 2009 Employee Options are exercisable from 7 February 2010 to 26 March 2014 (both days inclusive) in the following manner:
 - (i) up to 40% of the total number of options granted under the Scheme commencing 7 February 2010;
 - (ii) up to 70% of the total number of options granted under the Scheme commencing 7 February 2011; and
 - (iii) up to 100% of the total number of options granted under the Scheme commencing 7 February 2012.

附註：

1. 該等於二零零五年十月七日授予之購股權可於二零零六年十月七日至二零一四年三月二十六日期間(包括首尾兩日)按以下方式行使：
 - (i) 自二零零六年十月七日起最多由該購股權計劃所授出購股權總數之40%；
 - (ii) 自二零零七年十月七日起最多由該購股權計劃所授出購股權總數之70%；及
 - (iii) 自二零零八年十月七日起最多由該購股權計劃所授出購股權總數之100%。
2. 該等於二零零七年八月三十一日授予之購股權可於二零零八年十月一日至二零一四年三月二十六日期間(包括首尾兩日)按以下方式行使：
 - (i) 自二零零八年十月一日起最多由該購股權計劃所授出購股權總數之40%；
 - (ii) 自二零零九年十月一日起最多由該購股權計劃所授出購股權總數之70%；及
 - (iii) 自二零一零年十月一日起最多由該購股權計劃所授出購股權總數之100%。
3. 於二零零九年三月三日，先前於二零零七年八月三十一日授予本集團僱員之尚未行使購股權(其賦予該等僱員權利可認購合共20,400,000股股份)已獲註銷並由本公司所授予之新購股權取代，該等新購股權賦予彼等權利可按每股6.40港元之行使價認購相同數目之股份(「二零零九年僱員購股權」)。二零零九年僱員購股權可自二零一零年二月七日至二零一四年三月二十六日期間(包括首尾兩日)按以下方式行使：
 - (i) 自二零一零年二月七日起由該購股權計劃所授出購股權總數之40%；
 - (ii) 自二零一一年二月七日起由該購股權計劃所授出購股權總數之70%；及
 - (iii) 自二零一二年二月七日起由該購股權計劃所授出購股權總數之100%。

Directors' Report (continued) 董事會報告書(續)

4. According on the Black-Scholes pricing model (the "Model"), the fair value of the options granted in 2009 was estimated at HK\$19.9 million. The variables used in the model were as follows:

Exercise price	HK\$6.40	
Share price on grant date as defined in accordance with HKFRS 2	HK\$5.53	Closing price on 3 March 2009
Expected volatility	55.26%	Historical volatility of the Company's share price over previous years
Expected life	1.5-3.5 years	Based on management's best estimation, taking into account non-transferability, exercise restrictions and other behavioural considerations
Risk-free rate	0.57-1.27%	Reference to yield of Exchange Fund Notes in accordance with expected life of the option
Expected dividend yield	4.34%	Based on historical dividend yield of the shares of yield the Company over 12-month period

This Model was developed to estimate the fair value of publicly traded options that have no vesting restriction and are fully transferable. As the Company's share options have characteristics significantly different from those traded options, and the value of the share options varies with different variables of certain subjective assumptions, any change in the variables so used may materially affect the estimation of the fair value of the share options.

4. 根據「柏力克－舒爾斯」期權定價模式(「模式」)·於二零零九年所授予購股權之公平值估計為19,900,000港元。模式所採用變數如下：

行使價	6.40港元	
根據香港財務報告準則第2號界定之授予日期之股價	5.53港元	於二零零九年三月三日之收市價
預期波幅	55.26%	過往年度本公司股價之歷史波幅
預計年期	1.5-3.5年	根據管理層之最佳估計·並已考慮不可轉讓性·行使限制及其他行為上的考慮因素
無風險利率	0.57-1.27%	按照購股權預計年期參考外匯基金債券收益率
預期股息率	4.34%	根據12個月期間本公司股份之歷史股息率

此模式乃為估計並無歸屬限制及可全面轉讓之公開買賣購股權之公平值而設。由於本公司購股權之特點與該等買賣購股權有重大差異·且購股權之價值會因應若干主觀假設之不同變數而改變·故所採用變數之任何變動可大幅影響購股權公平值之估計。

Arrangements to Purchase Shares or Debentures

Other than as disclosed under the section "Details of options granted by the Company", at no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Interests in Contracts of Significance

Other than as disclosed under the section "Continuing Connected Transactions", no contracts of significance to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Continuing Connected Transactions

The following transactions of the Group constituted non-exempt continuing connected transactions ("Continuing Connected Transactions") for the Company during the financial year ended 31 December 2013 under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

購買股份或債券之安排

除「本公司授予購股權之詳情」一節披露者外·於本年度任何時間·本公司·其控股公司或其任何附屬公司或同系附屬公司概無訂立任何安排·致使本公司董事藉收購本公司或任何其他法人團體股份或債券而獲益。

董事之重大合約權益

除「持續關連交易」一節披露者外·本公司董事概無於本公司·其控股公司·附屬公司或同系附屬公司所訂立且於本年度年結日或本年度任何時間仍然生效之重大合約中·直接或間接擁有重大權益。

持續關連交易

截至二零一三年十二月三十一日止年度內·根據香港聯合交易所有限公司證券上市規則(「上市規則」)·本集團之下列交易構成不獲豁免持續關連交易(「持續關連交易」)：

Directors' Report (continued) 董事會報告書(續)**(1) Shanghai Ongoing Department Store's tenancy agreement**

On 26 November 2004, the Group's 65% owned Shanghai Ongoing Department Store Limited ("Shanghai Ongoing") entered into a tenancy agreement with the Group's 50% owned 上海九百城市廣場有限公司 ("CityPlaza Co") in respect of the lease of the entire building of Shanghai Joinbuy CityPlaza ("Joinbuy CityPlaza") of approximately 92,000 square metres ("sq.m."), for a period of 20 years commencing from 1 October 2004 ("Tenancy Agreement"), at a basic annual rental of RMB125 million, with adjustment for additional rental at the rate of 3.5% on the amount over and above the annual turnover of RMB1,500 million generated from the sales at the whole Joinbuy CityPlaza. Management fee was on a cost incurred basis.

The Tenancy Agreement was arranged for the leasing of the retailing space as necessary for the operation of the Group's Shanghai Jiuguang Department Store ("Shanghai Jiuguang Store").

As stated in the announcement of the Company dated 20 December 2013, the annual caps of the rental were renewed and set at RMB165 million, RMB169 million and RMB171 million for each of the three financial years ending 31 December 2014, 2015 and 2016 respectively, and the annual caps of the management fee were renewed and set at RMB42 million, RMB44 million and RMB46 million for each of the three financial years ending 31 December 2014, 2015 and 2016 respectively.

During the year end 31 December 2013, a total of RMB195.1 million (equivalent to approximately HK\$246.4 million) rental and management fee was paid by Shanghai Ongoing to Cityplaza Co. under the Tenancy Agreement.

The Group's 65% owned Shanghai Ongoing is owned as to 5% by 上海九百(集團)有限公司 ("Joinbuy Group") and 30% by 上海九百股份有限公司 ("Joinbuy Co"). The Group's 50% owned Cityplaza Co is owned as to 12% by Joinbuy Group and 38% by Joinbuy Co. Joinbuy Group is the controlling shareholder of Joinbuy Co. Thus, Joinbuy Group and Joinbuy Co, being substantial shareholders of Shanghai Ongoing, are connected persons of the Company. In view of Joinbuy Group and Joinbuy Co have substantial equity interest in Cityplaza Co, Cityplaza Co is an associate of Joinbuy Group and a connected person of the Company. Thus, the transaction under the Tenancy Agreement constituted a continuing connected transaction for the Company.

(2) Leasing of the premises for the Sogo Tsimshatsui Store

On 24 February 2005, the Group's wholly-owned subsidiary, Sogo Hong Kong Company Limited ("Sogo HK") entered into a lease agreement as tenant with Hong Kong Island Development Limited ("HK Island") as landlord for the leasing of portion of ground floor, portion of podium 1 and the entire podium 2 of The Amazon at No. 12 Salisbury Road, Tsimshatsui, Kowloon to Sogo HK for a term of 15 years commencing from 30 September 2005 ("Lease"), at a turnover rent based on sales generating within the leasing premises at a rate of 6% for the 1st to the 10th year and 7% for the 11th to the 15th year.

(1) 上海久光百貨店租賃協議

於二零零四年十一月二十六日，本集團擁有65%股權之上海久光百貨有限公司(「上海久光」)與本集團擁有50%股權之上海九百城市廣場有限公司(「城市廣場公司」)就租賃整幢上海九百城市廣場(「九百城市廣場」)約92,000平方米訂立租賃協議(「租賃協議」)，自二零零四年十月一日起計為期20年，基本年租為人民幣125,000,000元，並可按整幢九百城市廣場年度營業額超逾人民幣1,500,000,000元之部分以3.5%計算加收額外租金。管理費按收回成本基準收取。

訂立租賃協議旨在租用經營本集團上海久光百貨店(「上海久光店」)所需零售舖位。

根據本公司日期為二零一三年十二月二十日之公告所載，二零一四年、二零一五年及二零一六年十二月三十一日止三個年度各年的應付租金上限分別更新為人民幣165,000,000元、人民幣169,000,000元及人民幣171,000,000元，及於二零一四年、二零一五年及二零一六年十二月三十一日止三個年度各年的應付管理費上限分別更新為人民幣42,000,000元、人民幣44,000,000元及人民幣46,000,000元。

截至二零一三年十二月三十一日止年度內，上海久光根據租賃協議支付城市廣場公司合共人民幣195,100,000元(約相當於246,400,000港元)租金及管理費。

本集團擁有65%權益之上海久光分別由上海九百(集團)有限公司(「九百集團」)及上海九百股份有限公司(「上海九百」)擁有5%及30%。本集團擁有50%權益之城市廣場公司之股權分別由九百集團及上海九百擁有12%及38%。九百集團為上海九百之控股股東。因此，身為上海久光之主要股東的九百集團及上海九百亦為本公司之關連人士。鑒於九百集團及上海九百擁有城市廣場公司之重大股本權益，城市廣場公司為九百集團之聯繫人士亦為本公司之關連人士。因此，租賃協議下之交易構成本公司之持續關連交易。

(2) 尖沙咀崇光店物業租賃

於二零零五年二月二十四日，本集團之全資附屬公司崇光(香港)百貨有限公司(「崇光香港」)作為租戶與香島發展有限公司(「香島」)作為業主訂立租賃協議，將九龍尖沙咀梳士巴利道12號亞瑪遜地下部分、地庫1之部分及地庫2全層租予崇光香港，由二零零五年九月三十日起計為期15年(「租約」)，崇光香港須按在租賃物業內產生之銷售額支付營業額租金，租賃期內第1至10年為6%，而第11至15年則為7%。

Directors' Report (continued) 董事會報告書(續)

The Lease was negotiated as at an arm's length with general commercial terms. This leased premise is occupied by the Group for its necessary operation of the Tsimshatsui lifestyle department store in Kowloon side.

On 31 July 2012, Sogo HK and HK Island entered into a supplemental deed ("Supplemental Deed") to the Lease, pursuant to which (i) part of the premises with a gross floor area of approximately 750 square feet would be surrendered and delivered up to HK Island on or before 1 December 2012 and the remaining part of the premises would be surrendered and delivered up to HK Island on or before 15 February 2014; and (ii) the Lease was to terminate on 15 February 2014.

During the year, a total of HK\$74.0 million rental, management fee and other charges was paid by Sogo HK to HK Island under the Lease (as amended by the Supplemental Deed).

HK Island is an associate of Chow Tai Fook Enterprises Limited ("CTF Enterprises") who has 50% indirect interest in Real Reward Limited ("Real Reward"), a controlling shareholder of the Company, and is therefore a connected person of the Company. Hence, the transaction under the Lease (as amended by the Supplemental Deed) constituted a continuing connected transaction for the Company.

(3) Framework Agreement — Chow Tai Fook Jewellery Group Limited ("CTF Jewellery Group")

On 29 November 2011, the Company entered into a framework agreement which took effect on 15 December 2011 for continuing connected transactions entered into between the Company and CTF Jewellery Group, an associate of CTF Enterprises (the "Framework Agreement") for the purpose of consolidating and governing all the transactions between members of the Group and members of CTF Jewellery Group and its subsidiaries (collectively "CTFJ Group") arising from the following:

- (a) concessionaire arrangements in respect of retailing counters for the sale of jewellery and watches by CTFJ Group at properties in Hong Kong and PRC owned by, or leased to, the Group or at which the Group operates its business; and
- (b) leasing or sub-leasing of premises to members of CTFJ Group at properties in Hong Kong and PRC which are owned by, or leased to, the Group

(collectively the "Transactions").

For the year ended 31 December 2013, a total of HK\$48.3 million was received/receivable pursuant to the Framework Agreement.

是項租約乃在公平原則下按一般商業條款磋商。租賃物業由本集團佔用，乃本集團在九龍尖沙咀經營時尚百貨店所必須租用。

於二零一二年七月三十一日，崇光香港及香島訂立租約之補充契據（「補充契據」），據此(i)於二零一二年十二月一日或以前向香島空出及交還建築面積約750平方呎該物業之部份並於二零一四年二月十五日或以前向香島空出及交還該物業之餘下部份；及(ii)租約於二零一四年二月十五日終止。

年內，崇光香港根據租約（經補充契據修訂）支付香島合共74,000,000港元租金、管理費及其他收費。

香島為周大福企業有限公司（「周大福企業」）之聯繫人，周大福企業間接擁有本公司控股股東Real Reward Limited（「Real Reward」）之50%權益，因此亦為本公司之關連人士。故租約（經補充契據修訂）下之交易構成本公司之持續關連交易。

(3) 框架協議 — 周大福珠寶集團有限公司（「周大福珠寶」）

於二零一一年十一月二十九日，本公司就與周大福企業之聯繫人，周大福珠寶所訂立之持續關連交易訂立框架協議（「框架協議」）。框架協議由二零一一年十二月十五日起生效，以綜合及規管本集團成員公司與周大福珠寶及其成員公司（統稱「周大福珠寶集團」）之間由以下項目引致之所有交易：

- (a) 有關周大福珠寶集團於本集團在香港及中國經營業務之自有或租賃物業之零售專櫃銷售珠寶及鐘錶之特許安排；及
- (b) 於本集團在香港及中國自有或租賃之物業向周大福珠寶集團成員公司出租或分租物業

（統稱「該等交易」）。

截至二零一三年十二月三十一日止年度，根據框架協議已收取／可獲收取合共48,300,000港元。

Directors' Report (continued) 董事會報告書(續)

The Directors consider that the inclusion of jewellery and watches at "Chow Tai Fook" branded retailing counters in the stores operated by the Group provides a well mix of products for the Group's customers. In view of the strong brand equity of "Chow Tai Fook", the Directors consider that it is beneficial to the Group to continue to enter into the Transactions as the Transactions have facilitated, and will continue to facilitate, the operation and growth of the Group's business. The Directors are of the view that the Transactions are and will be entered into in the ordinary and usual course of business of the Group and are and will be on normal commercial terms.

As CTF Enterprises is a connected person of the Company and its associate, CTF Jewellery Group, is also deemed to be a connected person of the Company, the Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company.

(4) Service Framework Agreement – Lifestyle Properties together with its subsidiaries (Collectively, "Lifestyle Properties Group")

On 26 August 2013, the Company entered into a services framework agreement ("Service Framework Agreement") with Lifestyle Properties which took effect upon the listing of its shares on the Stock Exchange on 12 September 2013 up to and including 31 December 2015. This agreement regulates, inter alia, all future transactions between member(s) of the Lifestyle Properties Group and member(s) of the Group excluding member(s) of Lifestyle Properties Group ("Remaining Group"), arising from provision by the Lifestyle Properties Group of non-exclusive property project related services in respect of property development, including but without limitation feasibility study, design, project co-ordination and supervision, for the relevant property(ies) owned by or leased to the Remaining Group and situated in the PRC and Hong Kong ("Services"). The Services do not cover the provision of routine property management services by Lifestyle Properties Group for existing properties of the Remaining Group.

During the period from 12 September 2013 to 31 December 2013, a total of HK\$2.7 million service fee and other was paid/payable under the Service Framework Agreement.

Upon listing of the shares of Lifestyle Properties on the Main Board of the Stock Exchange on 12 September 2013, Lifestyle Properties become a non-wholly owned subsidiary of the Company. Real Reward Limited, being a substantial shareholder of the Company, directly hold approximately 10.22% of the issued share capital of Lifestyle Properties. As such, Lifestyle Properties is a connected person of the Company and thus, the Service Framework Agreement and the transactions contemplated thereunder will constitute continuing connected transactions for the Company.

董事認為，在本集團經營之商店之「周大福」品牌零售專櫃提供珠寶及鐘錶，可為本集團之客戶提供優良產品組合。鑑於「周大福」之強大品牌資產，董事認為由於該等交易促進並將繼續促進本集團業務之營運及增長，繼續訂立該等交易對本集團有利。董事認為，該等交易乃按並將按一般商業條款在本公司之日常及一般業務過程中訂立。

周大福企業為本公司的關連人士，其聯繫人周大福珠寶亦被視為本公司之關連人士。因此，框架協議及其下之交易構成本公司之持續關連交易。

(4) 服務框架協議 – 利福地產連同其附屬公司(統稱「利福地產集團」)

於二零一三年八月二十六日，本公司與利福地產訂立服務框架協議(「服務框架協議」)，自利福地產股份於二零一三年九月十二日於聯交所上市起至二零一五年十二月三十一日(包括該日)生效。該協議規範(其中包括)利福地產集團成員公司及本集團(不包括利福地產集團成員(「保留集團」))成員公司之間有關利福地產集團向保留集團在中國及香港自有或租賃物業提供物業發展的非獨家物業項目相關服務而進行的所有交易(「交易」)，包括但不限於可行性研究、設計、項目統籌及監督(「服務」)。服務並不包括利福地產集團為保留集團現有物業提供的日常物業管理服務。

自二零一三年九月十二日起至二零一三年十二月三十一日止期間，本公司根據服務框架協議已支付／應付服務及其他費用合共2,700,000港元。

自其股份於二零一三年九月十二日於聯交所上市，利福地產成為本公司非全資擁有附屬公司。Real Reward Limited作為本公司之一名主要股東直接持有利福地產已發行股本約10.22%。因此，利福地產為本公司的關連人士，服務框架協議及其下之交易構成本公司之持續關連交易。

Directors' Report (continued) 董事會報告書(續)

All the Continuing Connected Transactions above have been reviewed by the Independent Non-executive Directors of the Company who have confirmed that for the year ended 31 December 2013, the Continuing Connected Transactions have been entered into (i) in the ordinary and usual course of business of the Company; (ii) either on normal commercial terms or on terms no less favourable to the Company than terms available to (or from) independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Notice 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the Continuing Connected Transactions disclosed by the Group in pages 53 to 55 of the Annual Report in accordance with Main Board Listing Rule 14A.38. A copy of the auditor's letter has been provided to the Stock Exchange.

Regarding the related party transactions as set out in notes 25 and 43 to the consolidated financial statements, the transactions as shown in note 43(a)(i), (iv) and (v) are continuing connected transactions subject to reporting, annual review, announcement and requirement but exempt from independent shareholder's approval requirement; the entrusted loan and its interest accrued as shown in note 25 and the transactions as shown in note 43(a)(ii) and (iii) are continuing connected transactions exempt from reporting, annual review, announcement and independent shareholder's approval requirement. Save as disclosed, there is no other connected or continued connected transaction under Chapter 14A of the Listing Rules in note 25. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of these connected transactions.

Remuneration Policy

The remuneration policy of the Group is set on the basis of the employees' merit, qualifications and competence.

The emoluments package of the Directors of the Company are reviewed and concluded by the Remuneration Committee, with consideration to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out under the section headed "Share Option Schemes" above.

本公司之獨立非執行董事已審閱以上全部持續關連交易，並確認截至二零一三年十二月三十一日止年度，該等持續關連交易乃(i)屬本公司一般及日常業務過程中訂立；(ii)按一般商業條款或不遜於獨立第三方可取得或提供之條款進行；及(iii)根據該等交易之協議條款進行，屬公平合理，並符合本公司股東之整體利益。

本公司已聘用本公司之核數師根據香港會計師公會發出之香港核證委聘準則第3000號「審核或審閱過往財務資料以外的核證工作」，並參考《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」，就本集團之持續關連交易作出匯報。核數師根據主板上市規則第14A.38條，就本集團於本年報第53至55頁所披露之持續關連交易發出包括其發現及結論之無保留函件。核數師信件之副本已提交聯交所。

有關綜合財務報表附註25及43所載之關連人士交易，附註43(a)(i)、(iv)及(v)之交易均為須遵守申報、年度審查、公告規定之持續關連交易，惟可獲豁免遵守獨立股東批准條文；附註25之委託貸款及其累計利息及附註43(a)(ii)及(iii)之交易均為可獲豁免遵守申報、年度審查、公告及獨立股東批准規定之持續關連交易。除上文所披露外，附註25中概沒有其他根據上市規例第十四A為關連或持續關連之交易。本公司已就有關關連交易遵守上市規則第十四A章之披露規定。

薪酬政策

本集團之薪酬政策按僱員之表現、資歷及能力而制定。

本公司董事之酬金待遇乃由薪酬委員會經考慮本公司經營業績、個別表現及可比較市場數據而作出檢討及總結。

本公司已採納購股權計劃以獎勵董事及合資格僱員，計劃詳情載於上文「購股權計劃」一節。

Directors' Report (continued) 董事會報告書(續)

Directors' Interests in Competing Business

The following Directors are considered to have interest in a business which competes or is likely to compete, either directly or indirectly, with any business of the Group pursuant to the Listing Rules:

董事於競爭業務之權益

根據上市規則，以下董事被視為與本集團之任何業務構成直接或間接競爭之業務中擁有權益：

Businesses which are considered to compete or likely to compete with the businesses of the Group
被視為與本集團業務構成競爭或可能構成競爭的業務

Name of Director 董事姓名	Name of entity 實體名稱	Description of business 業務簡介	Nature of Interest of the Director in the entity 董事於該實體的權益性質
Cheng Kar Shun, Henry 鄭家純博士	New World Development Company Limited 新世界發展有限公司	Equity interest in New World Department Store China Limited, which operates department stores in the PRC 持有在中國經營百貨公司之新世界百貨中國有限公司的權益	Director 董事
	New World Department Store China Limited 新世界百貨中國有限公司	Operations of department stores in the PRC 在中國經營百貨公司	Director 董事
Doo Wai Hoi, William 杜惠愷先生	New World Development Company Limited 新世界發展有限公司	Equity interest in New World Department Store China Limited, which operates department stores in the PRC 持有在中國經營百貨公司之新世界百貨中國有限公司的權益	Director 董事

As the Board of the Company is independent of the boards of the above-mentioned entities and none of the above directors is in control the Board of the Company, the Group is therefore capable of carrying on its businesses independently of, and at arm's length, from the businesses of these entities.

本公司董事會乃獨立於上述實體的董事會，且概無上述董事可控制本公司董事會，故本集團有能力獨立地按公平基準進行其業務。

Purchase, Sale or Redemption of the Company's Securities

During the year ended 31 December 2013, the Company repurchased 17,505,500 ordinary shares on the Stock Exchange at an aggregate consideration of approximately HK\$291 million (excluding expenses) for enhancing its per share net asset value and earnings. All the repurchased shares were subsequently cancelled. Details of the repurchase of shares are summarized as follows:

購買、出售或贖回本公司證券

於截至二零一三年十二月三十一日止年度，本公司在聯交所總代價約291,000,000港元(不包括費用)購回17,505,500股普通股以提高其每股的資產淨值及盈利。該等回購股份其後已被註銷。有關購回股份之詳情載列如下：

Month of the repurchase 購回月份	Total number of ordinary shares repurchased 購回普通股總數	Highest price paid per share HK\$ 所付每股最高價 港元	Lowest price paid per share HK\$ 所付每股最低價 港元	Aggregate consideration (excluding expenses) HK\$ 總代價 (不包括費用) 港元
April 2013 2013年4月	6,882,000	17.42	16.92	118,246,320
May 2013 2013年5月	3,951,000	17.30	15.92	64,720,510
June 2013 2013年6月	3,296,500	17.50	15.88	54,333,080
September 2013 2013年9月	63,000	16.14	16.08	1,014,490
October 2013 2013年10月	3,313,000	16.10	15.66	52,694,220
	17,505,500			291,008,620

Directors' Report (continued) 董事會報告書(續)

Saved as those disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2013.

Pre-emptive Rights

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

Employees

As at 31 December 2013, the Group employed a total of approximately 800 employees in Hong Kong and 1,800 employees in the PRC. Staff costs (excluding directors' emoluments), including employees' share option charges of Nil (2012: HK\$0.2 million), amounted to HK\$414.1 million (2012: HK\$371.3 million) for the year. The Group ensures that the pay levels of its employees are competitive and in line with market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

Major Customers and Suppliers

The Group is principally involved in retail business. The five largest customers and the five largest suppliers of the Group accounted for less than 30% of the Group's turnover and purchases respectively during the year.

Sufficiency of Public Float

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

Charitable Donations

During the year, the Group made charitable and other donations amounting to HK\$1.2 million (2012: HK\$232,000).

Management Contract

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.

Auditor

The consolidated financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu ("Deloitte"). A resolution will be submitted to the forthcoming annual general meeting to reappoint Deloitte as auditor of the Company.

除上文所披露者外，截至二零一三年十二月三十一日止年度內，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。

優先購買權

儘管開曼群島法例並無有關優先購買權之限制，惟本公司之章程細則並無限制有關權利之條文。

僱員

於二零一三年十二月三十一日，本集團分別於香港及中國共僱用約800名及1,800名員工。本年度員工成本約414,100,000港元(二零一二年：371,300,000港元)，包括僱員購股權開支零(二零一二年：200,000港元)，但不包括董事酬金。本集團確保僱員薪酬水平符合市場趨勢並具競爭力，僱員之薪酬乃根據本集團之一般薪金及花紅制度因應僱員表現釐定。

主要客戶及供應商

本集團主要從事零售業務。於本年度，本集團五大客戶及五大供應商分別佔本集團營業額及採購額不足30%。

足夠公眾持股量

根據本公司所獲之公開資料及據董事所知悉，於本報告日期，公眾人士最少持有本公司已發行股本總額25%。

慈善捐款

於年內，本集團作出之慈善及其他捐款為1,200,000港元(二零一二年：232,000港元)。

管理合約

本年度內，本公司並無就整體業務或任何重要業務之管理或行政工作簽訂或存有任何合約。

核數師

本年度綜合財務報表已經由核數師德勤•關黃陳方會計師行(「德勤」)審核。本公司將於即將舉行之股東週年大會提呈續聘德勤為本公司核數師之決議案。

On behalf of the Board
Lau Luen Hung, Thomas
Managing Director

24 February 2014

代表董事會
董事總經理
劉鑾鴻

二零一四年二月二十四日

Independent Auditor's Report 獨立核數師報告書

Deloitte. 德勤

TO THE SHAREHOLDERS OF LIFESTYLE INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Lifestyle International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 61 to 159, which comprise the consolidated statement of financial position as at 31 December 2013, 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 a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

致：利福國際集團有限公司各位股東

(於開曼群島註冊成立的有限公司)

本行已完成審核載於第61至159頁利福國際集團有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此等綜合財務報表包括於二零一三年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例之披露規定編製及真實而公平地呈列該等綜合財務報表，及負責董事確定須要的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

本行的責任是根據本行的審核對該等綜合財務報表作出意見，且本行的意見僅按照協定委聘條款，為股東(作為一個團體)而報告，並不為其他任何目的。本行並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。本行已根據香港會計師公會頒佈的香港審計準則進行審核。該等準則規定本行遵守道德規範，並規劃及執行審核，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

Independent Auditor's Report (continued) 獨立核數師報告書(續)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2013 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

審計涉及執行情序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該實體編製及真實而公平地呈列綜合財務報表相關的內部監控，以設計適當的審核程序，惟並非為對實體的內部監控的效能發表意見。審計亦包括評價董事所採用會計政策的合適性及所作出會計估計的合理性，以及評價綜合財務報表的整體呈列方式。

本行相信，本行所獲得審核憑證已充足和適當地為本行的審核意見提供基礎。

意見

本行認為，綜合財務報表已根據香港財務報告準則真實與公平地反映貴集團於二零一三年十二月三十一日的財政狀況及貴集團於截至該日止年度的溢利和現金流量，並已按照香港公司條例之披露規定妥善編製。

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24 February 2014

德勤•關黃陳方會計師行
執業會計師
香港
二零一四年二月二十四日

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 2013 截至二零一三年十二月三十一日止年度

		NOTES 附註	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Turnover	營業額	7	5,955,335	5,523,443
Cost of sales	銷售成本	7	(2,394,809)	(2,256,346)
Gross profit	毛利		3,560,526	3,267,097
Other income	其他收入	9	308,767	226,871
Selling and distribution costs	銷售及分銷成本		(1,130,078)	(1,020,015)
Administrative expenses	行政開支		(310,207)	(258,292)
Investment income	投資收入	10	414,201	352,080
Fair value changes on investment properties	投資物業公平值變動	17	6,491	184,420
Gain on disposal of subsidiaries	出售附屬公司收益	38	157,160	–
Share of profit of a joint venture	應佔一家合資企業溢利	22	31,870	30,297
Share of profits of associates	應佔聯營公司溢利	21	349,554	280,290
Finance costs	融資成本	11	(237,807)	(307,787)
Profit before taxation	除稅前溢利		3,150,477	2,754,961
Taxation	稅項	12	(480,248)	(497,832)
Profit for the year	本年度溢利	13	2,670,229	2,257,129
Other comprehensive income	其他全面收入			
Items that may be reclassified subsequently to profit or loss:	隨後可能重新分類至損益之項目：			
Exchange differences arising on translation of foreign operation	換算海外業務時產生之匯兌差額		209,303	74,684
Share of exchange differences of associates	應佔聯營公司匯兌差額		42,593	11,218
Share of exchange difference of a joint venture	應佔一家合資企業匯兌差額		6,850	1,817
			258,746	87,719
Reclassification of exchange difference upon disposal of a subsidiary	出售一間附屬公司時重新分類匯兌差額	38	(50,819)	–
Other comprehensive income for the year	本年度其他全面收入		207,927	87,719
Total comprehensive income for the year	本年度全面收入總額		2,878,156	2,344,848
Profit for the year attributable to:	本年度應佔溢利：			
Owners of the Company	本公司擁有人		2,448,247	2,057,461
Non-controlling interests	非控股權益		221,982	199,668
			2,670,229	2,257,129
Total comprehensive income attributable to:	應佔全面收入總額：			
Owners of the Company	本公司擁有人		2,624,498	2,140,122
Non-controlling interests	非控股權益		253,658	204,726
			2,878,156	2,344,848
Earnings per share	每股盈利			
– basic	– 基本	16	HK\$1.4783	HK\$1.2349
– diluted	– 攤薄	16	HK\$1.4759	HK\$1.2310

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2013 於二零一三年十二月三十一日

		NOTES 附註	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	17	716,753	684,397
Property, plant and equipment	物業、廠房及設備	18	5,211,461	4,268,354
Prepaid lease payments	預付租賃款項	19	4,497,222	4,454,178
Long-term deposits paid	已付長期按金	20	27,852	23,101
Interests in associates	於聯營公司權益	21	2,682,188	2,314,880
Interest in a joint venture	於一家合資企業權益	22	486,231	483,112
Club debentures	會所債券		15,637	12,737
			13,637,344	12,240,759
Current assets	流動資產			
Inventories	存貨	23	80,339	78,753
Prepaid lease payments	預付租賃款項	19	95,052	91,098
Trade and other receivables	應收賬款及其他應收款項	24	657,713	350,381
Amount due from a joint venture	應收一家合資企業款項	25	230,570	209,275
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	26	3,345,920	2,669,210
Bank balances and cash	銀行結存及現金	27	8,669,060	8,291,994
			13,078,654	11,690,711
Assets classified as held for sale	分類為持作出售資產	28	–	667,335
			13,078,654	12,358,046
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	29	2,690,620	2,250,170
Amount due to a joint venture	應付一家合資企業款項	25	156,391	92,056
Tax payable	應繳稅項		358,620	271,564
Bank borrowings	銀行借貸			
– due within one year	– 一年內到期	30	1,857,774	1,240,457
Derivative financial liabilities	衍生金融負債	31	12,580	16,429
			5,075,985	3,870,676
Liabilities associated with assets classified as held for sale	分類為持作出售資產之負債	28	–	66,063
			5,075,985	3,936,739
Net current assets	流動資產淨值		8,002,669	8,421,307
Total assets less current liabilities	總資產減流動負債		21,640,013	20,662,066

Consolidated Statement of Financial Position (continued) 綜合財務狀況表(續)

At 31 December 2013 於二零一三年十二月三十一日

		NOTES 附註	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Non-current liabilities	非流動負債			
Bank borrowings — due after one year	銀行借貸 — 一年後到期	30	2,818,433	3,540,720
Bonds	債券	32	6,165,476	6,161,708
Deferred tax liabilities	遞延稅項負債	33	211,441	301,848
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司一名非控股股東之款項	34	180,893	175,765
			9,376,243	10,180,041
			12,263,770	10,482,025
Capital and reserves	資本及儲備			
Share capital	股本	35	8,252	8,325
Reserves	儲備		10,456,313	9,540,226
Equity attributable to owners of the Company	本公司擁有人應佔權益		10,464,565	9,548,551
Non-controlling interests	非控股權益		1,799,205	933,474
			12,263,770	10,482,025

The consolidated financial statements on pages 61 to 159 were approved and authorised for issue by the Board of Directors on 24 February 2014 and are signed on its behalf by:

第61至159頁綜合財務報表獲董事會於二零一四年二月二十四日批准及授權刊發，並由下列董事代表簽署：

Lau Luen Hung, Thomas 劉鑾鴻
MANAGING DIRECTOR 董事總經理

Doo Wai Hoi, William 杜惠愷
EXECUTIVE DIRECTOR 執行董事

Consolidated Statement of Changes in Equity

綜合權益變動表

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

Attributable to owners of the Company
本公司擁有人應佔部分

		Share	Share	Reserve	Capital	Asset	Exchange	Share-	Retained	Total	Non-	Total
		capital	premium		redemption	revaluation	reserve	payment	profits		controlling	
		股本	股份溢價	儲備	資本贖回	資產重估	匯兌儲備	股份付款	保留溢利	總計	非控股	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(Note 46(c))	(Note 37)								
			(附註 46(c))	(附註 37)								
At 1 January 2012	於二零一二年一月一日	8,338	530,652	52,950	305	123,641	606,592	157,451	6,822,484	8,302,413	806,526	9,108,939
Profit for the year	本年度溢利	-	-	-	-	-	-	-	2,057,461	2,057,461	199,668	2,257,129
Other comprehensive income for the year	本年度其他全面收入	-	-	-	-	-	82,661	-	-	82,661	5,058	87,719
Total comprehensive income for the year	本年度全面收入總額	-	-	-	-	-	82,661	-	2,057,461	2,140,122	204,726	2,344,848
Recognition of equity-settled share based payments	確認股本結算股份付款	-	-	-	-	-	-	221	-	221	-	221
Share repurchase	股份贖回	-	-	-	-	-	-	-	-	-	-	-
- repurchase of shares	- 購回股份	(44)	-	-	-	-	-	-	-	(44)	-	(44)
- premium on repurchase of shares	- 購回股份之溢價	-	(141,696)	-	-	-	-	-	-	(141,696)	-	(141,696)
- transfer	- 轉讓	-	-	-	44	-	-	-	(44)	-	-	-
Exercise and cancellation of share options	購股權行使及註銷	31	45,204	-	-	-	-	(6,248)	176	39,163	-	39,163
Dividends paid to non-controlling shareholders	已派付予非控股權益股息	-	-	-	-	-	-	-	-	-	(77,778)	(77,778)
Dividends paid (note 15)	已派付股息(附註 15)	-	(429,003)	-	-	-	-	-	(362,625)	(791,628)	-	(791,628)
Transfer of reserves	轉撥儲備	-	-	24,692	-	-	-	-	(24,692)	-	-	-
At 31 December 2012	於二零一二年十二月三十一日	8,325	5,157	77,642	349	123,641	689,253	151,424	8,492,760	9,548,551	933,474	10,482,025
Profit for the year	本年度溢利	-	-	-	-	-	-	-	2,448,247	2,448,247	221,982	2,670,229
Other comprehensive income for the year	本年度其他全面收入	-	-	-	-	-	176,251	-	-	176,251	31,676	207,927
Total comprehensive income for the year	本年度全面收入總額	-	-	-	-	-	176,251	-	2,448,247	2,624,498	253,658	2,878,156
Share repurchase	股份贖回	-	-	-	-	-	-	-	-	-	-	-
- repurchase of shares	- 購回股份	(88)	-	-	-	-	-	-	-	(88)	-	(88)
- premium on repurchase of shares	- 購回股份之溢價	-	(14,743)	-	-	-	-	-	(276,904)	(291,647)	-	(291,647)
- transfer	- 轉讓	-	-	-	88	-	-	-	(88)	-	-	-
Exercise of share options	購股權行使	15	21,661	-	-	-	-	(3,060)	-	18,616	-	18,616
Dividend paid to non-controlling shareholders	已派付予非控股權益股息	-	-	-	-	-	-	-	-	-	(96,242)	(96,242)
Dividends paid (note 15)	已派付股息(附註 15)	-	-	-	-	-	-	-	(894,498)	(894,498)	-	(894,498)
Transfer of asset revaluation reserve to retained profits upon disposal of a subsidiary (note 38(a))	出售一間附屬公司時由資產重估儲備轉回保留溢利(附註 38(a))	-	-	-	-	(119,961)	-	-	119,961	-	-	-
Distribution in specie (notes 1, 15 and 45)	實物分派(附註 1、15 及 45)	-	-	-	-	-	(6,946)	-	(386,863)	(393,809)	393,809	-
Deemed disposal of partial interest in a subsidiary without losing control, net of transaction costs (notes 1 and 45)	視作出售一間附屬公司部分權益而沒有失去控制權(扣除交易成本)(附註 1 及 45)	-	-	-	-	-	(4,353)	-	(142,705)	(147,058)	314,506	167,448
Transfer of reserves	轉撥儲備	-	-	(20,552)	-	-	-	-	20,552	-	-	-
At 31 December 2013	於二零一三年十二月三十一日	8,252	12,075	57,090	437	3,680	854,205	148,364	9,380,462	10,464,565	1,799,205	12,263,770

Consolidated Statement of Cash Flows

綜合現金流量表

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

		NOTE 附註	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務			
Profit before taxation	除稅前溢利		3,150,477	2,754,961
Adjustments for:	經作出以下調整：			
Interest income on bank deposits	銀行存款之利息收入		(169,463)	(147,623)
Imputed interest income	估算利息收入		(12,976)	-
Other interest income	其他利息收入		(4,686)	(3,554)
Finance costs	融資成本		237,807	307,787
Depreciation of property, plant and equipment	物業、廠房及設備折舊		226,555	216,227
Release of prepaid lease payments	預付租賃款項轉出		13,762	10,775
Dividend income from financial assets at fair value through profit or loss	按公平值計入損益之金融資產之股息收入		(31,189)	(12,432)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損		136	262
Fair value changes in respect of financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值變動		(195,887)	(188,471)
Changes in fair value of investment properties	投資物業之公平值變動		(6,491)	(184,420)
Share of profit of a joint venture	應佔一家合資企業溢利		(31,870)	(30,297)
Share of profits of associates	應佔聯營公司溢利		(349,554)	(280,290)
(Reversal of) write-down of obsolete inventories	(撥回)滯銷存貨撇減		(353)	274
Impairment and written-off of trade and other receivables	應收賬款及其他應收款項減值及註銷		1,331	128
Share-based payment expense	股份付款開支		-	221
Gain on disposal of subsidiaries	出售附屬公司溢利	38	(157,160)	-
Operating cash flows before movements in working capital	營運資金變動前經營現金流量		2,670,439	2,443,548
Increase in inventories	存貨增加		(340)	(6,853)
Decrease (increase) in trade and other receivables	應收賬款及其他應收款項減少(增加)		34,904	(25,655)
Decrease (increase) in amount due from a joint venture	應收一家合資企業款項減少(增加)		18,734	(13,411)
Increase in trade and other payables	應付賬款及其他應付款項增加		56,743	20,600
Cash generated from operations	經營業務所得現金		2,780,480	2,418,229
Interest received	已收利息		169,463	147,623
Hong Kong Profits Tax paid	已繳香港利得稅		(349,648)	(312,320)
PRC Enterprise Income Tax paid	已繳中國企業所得稅		(120,939)	(127,850)
Hong Kong Profits Tax refunded	香港利得稅退稅		5,368	139
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額		2,484,724	2,125,821

Consolidated Statement of Cash Flows (continued) 綜合現金流量表(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

	NOTE 附註	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產所得款	2,207,186	1,420,924
Interest received from financial assets at fair value through profit or loss	按公平值計入損益之金融資產之已收利息	49,516	36,731
Proceeds from disposal of investment properties	出售投資物業所得款	864	23,748
Dividend received from an associate	從一家聯營公司之已收股息	24,839	16,467
Dividend received from financial assets at fair value through profit or loss	從按公平值計入損益之金融資產之已收股息	31,189	12,432
Advance to a joint venture	借款給一家合資企業	-	(99,520)
Interest received from a joint venture	一家合資企業之已收利息	3,576	3,504
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之金融資產	(2,741,374)	(2,791,724)
Acquisition of prepaid lease payments	收購預付租賃款項	(39,558)	(2,517,983)
Purchase of property, plant and equipment	購買物業、廠房及設備	(435,023)	(460,941)
Purchase of investment properties	購買投資物業	(7,396)	(13,638)
Purchase of club debentures	購買會所債券	(2,900)	-
Proceeds from disposal of subsidiaries	出售附屬公司所得款項	340,344	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款	621	599
Deposit received from disposal of a subsidiary	出售一間附屬公司所得保證金	-	37,320
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(568,116)	(4,332,081)
FINANCING ACTIVITIES			
Advance from a joint venture	一家合資企業借款	61,488	92,056
Issue of shares of a subsidiary upon initial public offer	一間附屬公司於首次公開發售發行股份	172,089	-
Expenses in connection with issue of shares of a subsidiary	一間附屬公司發行股份所產生之有關費用	(4,641)	-
Issuance of bonds	發行債券	-	6,159,692
New bank borrowings raised	新借銀行借貸	2,105,341	2,230,997
Exercise of share options	行使購股權	18,616	39,163
Repayment of bank borrowings	償還銀行借貸	(2,233,115)	(4,077,886)
Dividends paid	已派付股息	(894,498)	(791,628)
Finance costs paid	已付融資成本	(413,514)	(215,072)
Repurchase of ordinary shares of the Company	購回普通股	(291,735)	(141,740)
Dividends paid to non-controlling shareholders	已派付給非控股股東股息	(96,242)	(77,778)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資活動(所用)所得現金淨額	(1,576,211)	3,217,804
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	340,397	1,011,544
EFFECT OF FOREIGN EXCHANGE RATE DIFFERENCE	匯率差異之影響	32,864	14,961
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物	8,295,799	7,269,294
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終現金及現金等價物	8,669,060	8,295,799
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank balances and cash	現金及現金等價物之分析 銀行結存及現金	8,669,060	8,291,994
Bank balances and cash included in assets classified as held for sale	分類為持作出售資產包含之 銀行結存及現金	-	3,805
		8,669,060	8,295,799

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

1. General

The Company is a public listed company incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's holding and ultimate holding company is Real Reward Limited ("Real Reward"), a company incorporated in the Cayman Islands. The addresses of the registered office and the head office and principal place of business of the Company are disclosed in the Corporate Information to the annual report.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are the operation of "lifestyle" department stores and other retailing format and property holding.

During the year, the Group has completed a separate spin-off of its property investment and development business by way of distribution in specie to the Company's shareholders and listing of the shares of Lifestyle Properties Development Limited ("Lifestyle Properties") and its subsidiaries (together with Lifestyle Properties collectively reference to as the "Lifestyle Properties Group") on the Main Board of the Stock Exchange (the "Spin-off Listing"). The distribution in specie was through distribution of the shares of Lifestyle Properties (the "Lifestyle Properties Share(s)") held by the Company in proportion of one Lifestyle Properties Share for every 20 shares held by all shareholders of the Company, representing approximately 24.86% of the issued share capital of Lifestyle Properties at the time of the distribution (or 19.70% of the entire issued share capital of Lifestyle Properties after completion of the Public Offer and Placing, as defined in the prospectus of Lifestyle Properties dated 2 September 2013 (the "Prospectus")) (the "Distribution"). In addition, as part of the Spin-off Listing, Lifestyle Properties issued 86,914,000 shares (including shares issued in connection with the over allotment option) by way of Public Offer and Placing, representing approximately 20.74% of the entire issued share capital of Lifestyle Properties after completion of the Spin-off Listing and accounted for as deemed disposal of partial interest in a subsidiary without losing control in the consolidated financial statements. Lifestyle Properties was listed on the Stock Exchange on 12 September 2013. Upon completion of the Spin-off Listing, the Company holds 59.56% interest in Lifestyle Properties and remained as a subsidiary of the Company.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

1. 一般事項

本公司為一間於開曼群島註冊成立為受豁免有限公司之公眾上市公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。於開曼群島註冊成立之 Real Reward Limited（「Real Reward」）為本公司之控股及最終控股公司。本公司之註冊辦事處及總辦事處以及主要營業地點地址於年報企業資料披露。

本公司為投資控股公司，其主要附屬公司之主要業務為經營「生活時尚」百貨店及其他零售業務、以及物業持有。

於年內，本集團已完成一項透過向本公司股東以實物分派方式將其物業投資及發展業務獨立分拆；及利福地產發展有限公司（「利福地產」）及其附屬公司（統稱為「利福地產集團」）的股份於聯交所（「分拆上市」）主板上市。實物分派是通過分派本公司持有的利福地產股份（「利福地產股份」）按比例本公司股東每持20股持可分1股利福地產股份；約佔在分派時的已發行利福地產股本之24.86%（或佔公開發售及配售事項完成後利福地產之全部已發行股本之19.70%，即如利福地產二零一三年九月二日刊發的招股書（「招股書」）中說明定義）（「分派」）。此外，作為分拆上市的一部分，利福地產通過公開發售及配售方式發行86,914,000股股份（包括根據超額配股權而發行的股份），即約佔利福地產分拆上市完成後全部已發行股本之20.74%，及於綜合財務報表中視作出售一間附屬公司部分權益而沒有失去控制權入賬。利福地產於二零一三年九月十二日於聯交所上市；於分拆上市完成後，本公司持有利福地產59.56%權益，故其仍為本公司之附屬公司。

綜合財務報表以本公司功能貨幣港元列值。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

Amendments to HKFRSs	Annual improvements to HKFRSs 2009 – 2011 cycle
Amendments to HKFRS 7	Disclosures — Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to HKAS 1	Presentation of items of other comprehensive income
HK(IFRIC)-INT 20	Stripping costs in the production phase of a surface mine

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

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 “Consolidated financial statements”, HKFRS 11 “Joint arrangements”, HKFRS 12 “Disclosure of interests in other entities”, HKAS 27 (as revised in 2011) “Separate financial statements” and HKAS 28 (as revised in 2011) “Investments in associates and joint ventures”, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度，本集團首次應用下列由香港會計師公會所頒佈之新訂及經修訂的香港財務報告準則。

香港財務報告準則(修訂本)	2009年至2011年周期之年度改進
香港財務報告準則第7號(修訂本)	披露 — 金融資產與金融負債之抵銷
香港財務報告準則第10號、第11號及第12號(修訂本)	綜合財務報表、聯合安排及於其他實體權益的披露：過渡指引
香港財務報告準則第10號	綜合財務報表
香港財務報告準則第11號	聯合安排
香港財務報告準則第12號	於其他實體權益的披露
香港財務報告準則第13號	公平值計量
香港會計準則第19號(2011年經修訂)	僱員福利
香港會計準則第28號(2011年經修訂)	投資於聯營公司及合資企業
香港會計準則第1號(修訂本)	呈列其他全面收入項目
香港(國際財務報告詮釋委員會) — 詮釋第20號	露天礦場於生產階段之剝採成本

除以下敘述，於本年度應用之新訂及經修訂的香港財務報告準則對本集團於本年度及過往年度之財務表現及狀況及／或於該等綜合財務報表所載列之披露並無重大影響。

新訂及經修訂的準則於合併、聯合安排、聯營公司及披露

於本年度，本集團首次採用有關合併、聯合安排、聯營公司及披露五個準則：包括香港財務報告準則第10號「綜合財務報表」、香港財務報告準則第11號「聯合安排」、香港財務報告準則第12號「於其他實體權益的披露」、香港會計準則第27號(2011年經修訂)「獨立財務報表」及香港會計準則第28號(2011年經修訂)「投資於聯營公司及合資企業」；與香港財務報告準則第10號(修訂本)、香港財務報告準則第11號(修訂本)和香港財務報告準則第12號關於過渡指引。

由於本集團不涉及獨立財務報表，故香港會計準則第27號(2011年經修訂)並不適用。

應用這些準則的影響呈列如下。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)**Impact of the application of HKFRS 10**

HKFRS 10 replaces the parts of HKAS 27 “Consolidated and separate financial statements” that deal with consolidated financial statements and HK(SIC) INT-12 “Consolidation — Special purpose entities”. HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The directors of the Company have made an assessment as at the date of initial application of HKFRS 10 (i.e. 1 January 2013) in respect of the Group’s control in its investees under the new definition in the new and revised HKFRSs and concluded that the application of the new standard has no impact on the classification of investees currently reported in the consolidated financial statements.

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 “Interests in joint ventures”, and the guidance contained in a related interpretation, HK(SIC)-INT 13 “Jointly controlled entities — non-monetary contributions by venturers”, has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements — joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) 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 (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 contemplated three types of joint arrangements — jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)**應用香港財務報告準則第10號之影響**

香港財務報告準則第10號取代香港會計準則第27號「綜合及獨立財務報表」中有關綜合財務報表及香港詮釋委員會標準—詮釋第12號「合併—特殊目的實體」之部份。香港財務報告準則第10號改變了控制的定義，使投資者可控制被投資方；當：(a)對被投資方有控制權，(b)對其參與投資方所得可變回報之風險或權利，及(c)有能力運用其權力影響其回報。這三個條件必須完全符合，投資方才擁有對被投資方的控制。此前，控制被定義為對一個企業的財務和經營政策有監管權，並藉此從其業務中獲取利益。為解釋當一個投資者可控制被投資方，更多的指引已被列入香港財務報告準則第10號。

本公司董事在新訂及經修訂香港財務報告準則的新定義下，於香港財務報告準則第10號的初次應用日(即2013年1月1日)就本集團對被投資方的控制已作出評估，並得出結論，新準則的應用對目前在綜合財務報表中被投資方的分類並沒有影響。

應用香港財務報告準則第11號之影響

香港財務報告準則第11號取代了香港會計準則第31號「合資企業中的權益」以及香港詮釋委員會標準—詮釋第13號中的指引「共同控制實體—非貨幣性貢獻的企業」，已經包含在香港會計準則第28號(2011年經修訂)。香港財務報告準則第11號處理有兩個或以上個體共同控制的聯合安排應如何分類及處理。根據香港財務報告準則第11號，聯合安排只可分為聯合經營及合資企業。根據香港財務報告準則第11號，聯合安排的分類是基於各方的權利和義務，包括考慮其結構、法律形式上的安排、各方同意的合約條款，以及(當適用)其他事實和有關情況。一個聯合經營為聯合安排，據此擁有安排控制權之各方(即共同經營者)具有就該安排之資產控制和負債義務。一個合資企業為一個聯合安排，據此擁有安排控制權之各方(即合資者)在對淨資產的安排上，擁有共同控制權。前此，根據香港會計準則第31號有三種類型的聯合安排：共同控制實體、共同控制經營及共同控制資產。根據香港會計準則第31號聯合安排的分類主要是在法律形式安排的基礎上而確定(例如通過一個單獨的實體而成立的聯合安排將列為共同控制實體)。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)**Impact of the application of HKFRS 11 (continued)**

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

The directors of the Company reviewed and assessed the classification of the Group’s interests in joint arrangement in accordance with the requirements of HKFRS 11. The directors have determined that the Group’s current investment which was previously classified as jointly controlled entity under HKAS 31 is classified as joint venture under HKFRS 11 and continue to apply the equity method. The directors of the Company do not anticipate that there is material impact on the amounts currently reported in the consolidated financial statements.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements with respect to the Group’s interests in associates and joint venture (please see notes 21, 22 and 45 for details).

HKFRS 13 Fair value measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are within the scope of HKAS 17 “Leases”, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)**應用香港財務報告準則第11號之影響(續)**

合資企業和聯合經營在最初及其後的會計處理方法有所不同。投資於合資企業應採用權益法(比例合併法是不再允許的)。投資於聯合經營的處理方法根據每位聯合經營者確認其資產(包括其應佔共同持有的資產)、其負債(包括其應佔共同產生的負債)、其收益(包括其應佔聯合經營產生的收益)以及其支出(包括其應佔聯合經營產生的支出)。每位聯合經營者須根據有關適用的準則處理有關於聯合經營權益的資產、負債、收益及支出。

本公司董事將根據香港財務報告準則第11號的要求，檢討及評估本集團權益於聯合安排的分類。本公司董事決定，根據香港會計準則第31號，本集團目前的投資之前分類為共同控制實體，根據香港財務報告準則第11號，應分類為合資企業，並繼續採用權益法處理。本公司董事並不預期對綜合財務報表目前所列的金額有重大影響。

應用香港財務報告準則第12號之影響

香港財務報告準則第12號是一項新的披露準則，適用於附屬公司、聯合安排、聯營公司及／或未經綜合結構實體有權益的實體。在一般情況下，香港財務報告準則第12號的應用導致本集團於聯營公司及合資企業的權益在綜合財務報表有更廣泛的披露(請參見附註21、22及45)。

香港財務報告準則第13號公平值計量

本集團於本年度首次採用香港財務報告準則第13號。香港財務報告準則第13號建立了有關公平值計量及披露公平值計量單一的指引。香港財務報告準則第13號的範圍是廣泛的：香港財務報告準則第13號的公平值計量要求同時適用於其他財務報告準則規定或允許公平值計量及披露公平值計量的金融工具項目及非金融工具項目，除了在香港財務報告準則第2號股份支付範圍內以股份支付的交易；在香港會計準則第17號租賃範圍內的租賃交易和計量一些與公平價值相似，但不是公平值(例如：用於減值評估目的之為計量庫存或使用價值之可變現淨值)。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)**HKFRS 13 Fair value measurement (continued)**

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The Group has applied the amendments to HKAS 1 “Presentation of items of other comprehensive income”. Upon the adoption of the amendments to HKAS 1, the Group’s “statement of comprehensive income” is renamed as the “statement of profit or loss and other comprehensive income”. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)**香港財務報告準則第13號公平值計量(續)**

香港財務報告準則第13號定義資產的公平值為(或在確定為負債的公平值的情況下支付轉讓負債)根據目前的市場條件在計算日於主要市場(或最有利)正常交易下可收到出售資產的價格。根據香港財務報告準則第13號公平值為退出價格,不論價格為直接觀察或使用其他估值方法估計得出。此外,香港財務報告準則第13號包括廣泛的披露要求。

香港財務報告準則第13號要求前瞻應用。依據香港財務報告準則第13號過渡性條文,本集團沒有就香港財務報告準則第13號要求對於2012年度比較期間作出任何新披露。除額外披露外,應用香港財務報告準則第13號對綜合財務報表中確認金額並沒有任何重大影響。

香港會計準則第1號呈報其他全面收益項目之修訂

本集團已採用香港會計準則第1號「呈報其他全面收益項目」。當採用香港會計準則第1號之修訂,本集團之「全面收益表」改名為「損益及其他全面收益表」。香港會計準則第1號仍保留以單一報表或兩個獨立但連續報表呈報損益及其他全面收益的選擇。此外,香港會計準則第1號要求其他全面收益部分額外的披露,因此其他全面收益項目分為兩類:(a)將不會隨後重新分類至損益的項目;及(b)在符合特定條件下,可能會隨後重新分類至損益的項目。其他全面收益項目的所得稅須在相同基礎上分配—修訂不會改變呈報稅前或扣除稅項後的其他全面收益項目之選擇。該修訂已追溯應用,因此,已修改呈報其他全面收益項目以反映更改。除上述呈報變改以外,應用香港會計準則第1號不會對損益,其他全面收益及全面收益總額收入造成任何影響。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities ¹
Amendments to HKAS 19	Defined benefit plans: Employee contributions ²
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ¹
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets ¹
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting ¹
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle ³
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle ²
HKFRS 9	Financial instruments: Hedge accounting ⁴
HK(IFRIC)-INT 21	Levies ¹

- ¹ Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 July 2014. Early application is permitted.
- ³ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
- ⁴ The Group has early applied HKFRS 9 requirements for classification and measurement of financial assets/liabilities but has not yet early applied hedge accounting. Effective for application — the mandatory effective date will be determined when the outstanding phase of HKFRS 9 are finalised.

The directors of the Company anticipate the application of these new and revised HKFRSs will have no impact on the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

本集團並無提早採用以下已頒布但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第10號、 香港財務報告準則第12號 及香港會計準則第27號 (修訂本)	投資實體 ¹
香港會計準則第19號 (修訂本)	界定福利計劃： 員工供款 ²
香港會計準則第32號 (修訂本)	金融資產與 金融負債 的互相抵消 ¹
香港會計準則第36號 (修訂本)	非金融資產 可收回金額 的披露 ¹
香港會計準則第39號 (修訂本)	衍生工具更替及 對沖會計法之 延續 ¹
香港財務報告準則 (修訂本)	2010年至2012年 週期之年度 改進 ³
香港財務報告準則 (修訂本)	2011年至2013年 週期之年度 改進 ²
香港財務報告準則第9號	金融工具： 對沖會計法 ⁴
香港(國際財務報告準則 詮釋委員會) — 第21號	徵費 ¹

- ¹ 對2014年1月1日或之後開始之年度有效，允許提早採用。
- ² 對2014年7月1日或之後開始之年度有效，允許提早採用。
- ³ 對2014年7月1日或之後開始之年度有效，少數情況例外。
- ⁴ 本集團已提早採用香港財務報告第9號規定以分類及計量金融資產／負債，但尚未提前採用對沖會計法。有效採用 — 當香港財務報告準則第9號的尚欠階段完成，強制生效日期將被確定。

本公司董事預期應用該新訂及經修訂香港財務報告準則對本集團之綜合財務報表不會有影響。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and by the Hong Kong Companies Ordinance.

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

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

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

The principal accounting policies are set out below.

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例規定之適用披露。

綜合財務報表乃根據歷史成本基準編製，誠如以下會計政策所闡釋，惟若干投資物業及金融工具則在每一個年度末按公平值計算。

歷史成本一般按交換貨物和服務所付代價之公平值。

公平值為於計量日的有序交易中，市場參與者間出售資產之應收價值或轉移負債之應付價格，而不論該價值是否直接可觀察，或以其他估值方法估計。在估計資產或負債的公平值時，本集團會考慮資產或負債的特徵即市場參與者於計算日所考慮對資產或負債定價的特徵。除香港財務報告準則第2號中的股份付款、香港會計準則第17號中的租賃交易和香港會計準則第2號中與公平值相似但並非公平值的計算，例如香港會計準則第2號中的可變現淨值或香港會計準則第36號中的使用價值外，綜合財務報表的公平值之計算和／或披露均以該基準確定。

此外，就財務報告而言，公平值的計算按用以計算公平值的輸入數據的可觀察性和該數據對整個公平值的計算的重要性，分為一、二或三級。描述如下：

- 第一級輸入數據乃於計算日活躍市場對完全相同的資產或負債所報之未調整價格；
- 第二級輸入數據乃第一級之報價外，可根據直接或間接觀察資產或負債所得出之輸入數據；及
- 第三級輸入數據乃並非可根據觀察資產或負債所得出之輸入數據。

主要會計政策如下。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

3. Significant Accounting Policies (continued)**Basis of consolidation**

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

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

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

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. 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 owners of the Company.

3. 主要會計政策(續)**綜合基準**

綜合財務報表包括本公司與本公司所控制實體及其附屬公司的財務資料。控制得到實現當本公司：

- 對被投資方有控制權；
- 對其因參與被投資的可變回報之風險及權力；及
- 有能力運用其權力影響其回報。

倘事實及情況反映上文所列三項控制因素其中一項或多項改變，則本公司會重估是否仍然控制被投資方。

本公司獲得附屬公司控制權時便開始將附屬公司綜合入賬，於喪失控制權時則終止入賬。具體而言，年內所收購或出售附屬公司之收入及開支於本公司獲得控制權日期綜計入綜合損益及其他全面收益表，直至本公司不再控制該附屬公司為止。

損益及其他全面收益各項目均歸屬於本公司的擁有人及非控股權益。附屬公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致結餘為負數的非控股權益。

必要時會調整附屬公司財務報表以使其會計政策與本集團會計政策一致。

所有有關本集團成員之間的集團內資產及負債、權益、收入、開支及現金流量會於綜合時全數撇銷。

本集團於現有附屬公司之擁有權益變動

本集團於附屬公司之擁有權益變動若無導致本集團失去對有關附屬公司之控制權，則按權益交易入賬。本集團權益及非控股權益之賬面值作出調整，以反映其於附屬公司之相關權益變動。非控股權益之調整金額以及已付或已收代價之公平值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 (continued) 綜合財務報表附註(續)
for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

3. Significant Accounting Policies (continued)

Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries (continued)

Changes in the Group's ownership interests in an existing subsidiary through distribution of shares in the subsidiary to the shareholders of the Company where the subsidiary is ultimately controlled by the same party both before and after the distribution, the carrying amount of the Group's interest and the non-controlling interest are adjusted to reflect the changes in its relative interest in the subsidiary. The Group measures the distribution and the liability to distribute non-cash assets as a dividend to its owners at the proportionate share of the carrying amount of the subsidiary's net assets and transfer to non-controlling interests.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investments in associates and joint ventures

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

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

3. 主要會計政策(續)

綜合基準(續)

本集團於現有附屬公司之擁有權益變動(續)

本集團擁有現有附屬公司權益之變動如透過分派附屬公司股份給本公司股東而在分派前後附屬公司最終仍受同一方控制，本集團權益之賬面值及非控股權益將進行調整，以反映於附屬公司相關權益之變化。本集團測量分派和分配非現金資產之能力，即按佔附屬公司的淨資產賬面值之比例和轉讓非控股權益給其擁有者作為股息。

當本集團失去對一家附屬公司的控制權，收益或虧損計入損益中，並計算之間的差異：(i) 已收代價公平值之總和及任何保留權益公平值；及(ii) 附屬公司資產(包括商譽)及負責原本賬面值及任何非控股權益。所有原先在其他全面收益中確認有關該附屬公司的金額猶如本集團已直接出售附屬公司相關的資產或負債入賬(即採用香港財務報告準則規定/允許，重新分類至損益或轉移至另外一類權益)。在失去控制權當日，任何保留在前附屬公司投資公平值被視作其後根據香港財務報告準則第9號入賬之初步確認公平值。當適用，為最初確認投資於聯營公司或合資企業的成本。

於聯營公司及合資企業之投資

聯營公司是指本集團對其有顯著影響力的實體。顯著的影响力是有權參與被投資方的財務和經營政策之決策，惟並非控制或共同控制該等政策。

一家合資企業是一個合資安排，據此，各方有權共同控制安排合資安排的資產淨值。共同控制，是指按照合同的安排，它只存在當對有關的業務的決策需要分享控制權各方一致同意。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

3. Significant Accounting Policies (continued)**Investments in associates and joint ventures (continued)**

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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

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

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

3. 主要會計政策(續)**於聯營公司及合資企業之投資(續)**

聯營公司及合資企業之業績及資產與負債採用權益會計法計入綜合財務報表。在類似情況下的交易及事件，聯營公司及合資企業採用權益法編制的財務報表與本集團會計政策統一。根據權益法，於一家聯營公司及一家合資企業之投資按成本於綜合財務狀況表列賬，並就本集團應佔聯營公司或合資企業收購後損益及其他全面收益作出調整。倘本集團應佔聯營公司或合資企業虧損超出其於該聯營公司或合資企業之權益(包括實際組成本集團於該聯營公司或合資企業投資淨值其中部分之任何長期權益)，則本集團終止確認其應佔之進一步虧損。倘本集團產生法定或推定責任或代表該聯營公司或合資企業付款，方始額外確認應佔虧損。

於聯營公司或合資企業之投資按權益會計法入賬，由該投資對象成為一家聯營公司或一家合資企業開始。在收購一家聯營公司或一家合資企業時，任何收購成本超出本集團應佔投資方可識別資產及負債之公平淨值之差額確認為商譽，並已包括在投資的賬面價值中。本集團應佔可識別資產及負債淨公平值超出收購成本之任何差額，在重新評估後即時確認於該投資收購年度之損益。

香港會計準則第39號之規定適用於釐定有否需要就本集團於一家聯營公司或一家合資企業之投資確認任何減損。如有需要，投資之全部賬面值(包括商譽)會根據香港會計準則第36號「資產減值」作為單一資產進行減值測試，方法為將可收回金額(即使用價值與公平值減銷售成本之較高者)與賬面值作比較。任何已確認之減損構成投資賬面值之一部分。倘其後投資之可收回金額增加，則根據香港會計準則第36號確認該減損之撥回。

倘本集團旗下實體與本集團之一家聯營公司或一家合資企業進行交易(如出售或資產貢獻)，則以本集團在聯營公司或合資企業之權益為限於綜合財務報表中撇銷損益。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)
for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

3. Significant Accounting Policies (continued)

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

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

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sales of goods is recognised when goods are delivered and title has been passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service income is recognised when services are rendered.

Income from concessionaire sales is recognised upon sales of goods by the relevant shops based on certain percentage of turnover in accordance with the terms of contracts. When the concessionaires fail to meet the minimum guarantee income in accordance with the terms of contracts, the minimum guarantee amount is recognised as income.

3. 主要會計政策(續)

持作出售之非流動資產

如其賬面金額將主要透過出售交易(而非透過持續使用)收回,則此非流動資產或出售集團分類為持作出售。在出售很可能進行及資產(或出售集團)可按現況即時出售,此條件才被視作達成論。管理層必須致力於銷售,應預期限定在從分類日起一年內確認為完成銷售。

當本集團致力於一項銷售計劃涉及損失一間附屬公司的控制權,當上述標準都滿足時,該附屬公司的資產和負債將被列為持作出售,不論本集團在出售後是否在其前附屬公司保留非控股利益。

分類為持作出售之非流動資產(或出售集團)需按資產過往賬面金額及公平值減銷售成本之較低者計量。

收益確認

收益乃按已收或應收代價之公平值計算,指於日常業務中就所售出貨品及提供服務之應收款項扣除折扣及銷售相關稅項。

收益來自貨品銷售於貨品售出及擁有權轉移時確認,以及滿足下列條件:

- 本集團已將貨品擁有權之主要風險及回報轉移予買方;
- 本集團並無保留對所售貨品之持續管理參與權(達與一般擁有權相關之程度),亦無保留其實際控制權;
- 該收入金額能可靠地計量;
- 與交易相關的經濟利益很可能流入本集團;及
- 就該項交易已經或將會產生之成本能可靠地計量。

服務收入於提供服務時確認。

特許專櫃銷售收入於有關店舖售出貨品時及根據合約條款按照營業額之特定百分比確認。當特許專櫃經銷商不能符合按照合同條款之最低保證收入,該最低保證金額確認為收入。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

3. Significant Accounting Policies (continued)**Revenue recognition (continued)**

Interest income from a financial asset including financial assets at fair value through profit or loss is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investment is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Property, plant and equipment

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

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

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

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

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

3. 主要會計政策(續)**收益確認(續)**

金融資產(包括按公平值計入損益之金融資產)之利息收入乃按時間基準,經參考未償還本金及適用之實際利率計算,該利率為確實地將金融資產預計可用年期內之估計未來現金收入貼現至該資產於初步確認時之賬面淨值之貼現率。

投資所得股息收入乃於股東收取款項之權利確立時確認(假設經濟利益很可能流入本集團及收入能夠可靠地計算)。

物業、廠房及設備

物業、廠房及設備包括租賃土地及建築物持作用於生產或提供商品或服務,或用作行政用途(在建工程除外)於綜合財務狀況表中乃按成本減其後累計折舊及累計減值虧損列賬(如有)。

折舊乃按物業、廠房及設備(除在建工程外)估計可使用年期,減其估計剩餘價值後,以直線法撇銷其成本計算。估計可使用年期、估計剩餘價值及折舊方法於每個報告結算日審查,而估計變動之影響以預期基準列賬。

在建工程以供生產、供其本身使用或管理之物業乃按成本減任何已確認減值虧損列賬。成本包括專業費用及按本集團會計政策於合資格資產被資本化借貸成本。在建工程於落成及備妥作擬定用途時,將適當分類為物業、廠房及設備。該等資產按與其他物業資產相同之基準於資產可作擬定用途時開始折舊。

物業、廠房及設備項目於出售時或預期日後將不會自持續使用資產獲得經濟利益時剔除確認。剔除確認資產產生之任何收益或虧損(按出售所得款淨額與有關項目賬面值之差額計算)計入損益。

當用作生產或行政用途之發展中樓宇,於建築期間預付租賃款項的攤銷將計入為在建中樓宇成本一部份。在建樓宇按成本列賬,減任何已識別減值虧損。當樓宇可供使用(即樓宇之地點及狀況已達致管理層擬定之經營方式)時開始計算折舊。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

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3. Significant Accounting Policies (continued)**Investment properties**

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes). Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Impairment

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

3. 主要會計政策(續)**投資物業**

投資物業為持有以賺取租金及／或資本增值之物業(包括在建築中的物業)。投資物業包括持有但未確定未來用途之土地，其被視為持作資本增值用途。

投資物業按成本計算，包括任何直接應佔開支。於初步確認後，投資物業採用公平值模式按其公平值計算。投資物業公平值變動產生之收益或虧損計入產生期間之損益。

在建投資物業產生之建築成本乃撥充資本為撥作在建投資物業部分賬面金額。

投資物業於出售時或當投資物業永久不再使用及預期出售投資物業不會帶來未來經濟利益時剔除確認。剔除確認資產產生之任何收益或虧損(按該資產之出售所得款淨額與賬面值間之差額計算)於該項目被剔除確認之期間計入損益。

減值

於呈報期結算日，本集團審閱其有形資產之賬面值具有有限使用年限，以確定有否任何跡象顯示該等資產蒙受減值虧損。倘存在任何有關跡象，則會估計資產之可收回金額，以決定減值虧損(如有)的程度。倘無法估計個別資產的可收回金額，則本集團將估計資產所屬現金產生單位之可收回金額。倘可識別合理一致的分配基準，公司資產亦會被分配至個別現金產生單位，否則會被分配至可識別合理一致的分配基準之最小現金產生單位組別中。

可收回金額為公平值減出售成本與使用價值之較高者。評估使用價值時，估計未來現金流量按稅前貼現率貼現至其現值。該貼現率反映現時市場對貨幣時間值及未調整未來現金流量估計之資產特定風險的評估。

倘估計資產(或現金產生單位)的可收回金額低於其賬面值，則資產(或現金產生單位)賬面值扣減至其可收回金額。減值虧損即時於損益確認。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

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**3. Significant Accounting Policies (continued)
Impairment (continued)**

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

Club debentures

Club debentures are measured at cost less any impairment losses.

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an income in the period in which they are incurred.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Leasehold land and building

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

3. 主要會計政策(續)**減值(續)**

倘某項減值虧損其後撥回，則資產賬面值須增至其可回收金額經修訂後的估值，惟增加後之賬面值不得超過假設該項資產(現金產生單位)於過往年度未有確認減值虧損而會釐定的賬面值。減值虧損撥回即時確認於損益賬。

會所債券

會所債券按成本減任何減值虧損計算。

租賃

當租賃條款將涉及擁有權之絕大部分風險及回報轉讓予承租人時，該租賃乃分類為融資租賃。所有其他租賃均分類為經營租賃。

本集團作為出租人

經營租賃之租金收入乃按相關租賃年期以直線法於損益確認。於磋商及安排經營租賃產生之初步直接成本，加上租賃資產之賬面值，按租賃年期以直線法確認作開支。根據經營租賃所產生的或然租金在其產生期間確認為收入。

本集團作為承租人

經營租賃款項於有關租賃期間按直線法確認為開支。於經營租賃產生或然租金於產生期間確認為支出。

若訂立經營租賃時獲得租賃優惠，該優惠將被確認為負債。該優惠總利益將按直線法扣減租金支出確認。

租賃土地及樓宇

當租賃包括土地及樓宇成份，本集團會按因擁有每個成份而附帶的絕大部份風險和回報是否已轉移到本集團的基礎上評估，以分類為融資或經營租賃。除非很明顯地，該兩個成份均是經營租賃，在這種情況下，整個租賃則分類為經營租賃。具體來說，最低租賃款項(包括任何一次性預付款)按在開始租賃時土地成份及樓宇成份租賃權益之相對公平值，按比例分配到土地及樓宇成份。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)
for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

3. Significant Accounting Policies (continued)

Leasehold land and building (continued)

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company’s net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income and accumulated in equity and will be reclassified from equity to profit or loss on disposal of the foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rate prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

3. 主要會計政策(續)

租賃土地及樓宇(續)

在一定程度上租賃費能可靠地分配，租賃土地權益以「預付租賃款項」在綜合財務狀況報表列賬為經營租賃，並在租賃期內按直線法攤銷，除非那些在公平值模式下分類和列賬為投資物業。當租賃費無法可靠地分配在土地及樓宇成份，整個租賃一般歸類為融資租賃及列為物業、廠房及設備。

外幣

於編製各個別集團實體之財務報表時，以該實體之功能貨幣以外貨幣(外幣)進行之交易按交易日期適用之匯率(即該實體經營業務所在主要經濟環境之貨幣)列賬。於報告期間結算日，以外幣結算之貨幣項目按結算日適用之匯率重新換算。按公平值列賬且以外幣結算之非貨幣項目按釐定公平值當日適用之匯率重新換算。按過往成本以外幣計算之非貨幣項目不會重新換算。

匯率差異引起的結算貨幣性項目，及重新換算貨幣項目，是在其發生期間確認損益，除公司海外業務的淨投資的組成部分產生之匯兌差額之貨幣項目外，在這種情況下，有關匯兌差額確認在其他全面收益和累計權益，並會從權益重新分類至處置海外業務損益。換算以公平值入賬的非貨幣性項目所產生的匯兌差額列入換算非貨幣性項目所產生的收益和損失方面的匯兌差額除了換算非貨幣性項目所產生的收益和損失直接計入其他全面收入外，在此情況下，匯兌差額亦直接確認於其他全面收入。

就綜合財務報表呈報方式而言，本集團海外業務之資產及負債按報告期間結算日適用之匯率換算為本集團之呈列貨幣(即港元)，而其收入及開支則按年內平均匯率換算，除非匯率於期內出現大幅波動，在該情況下，則採用交易日期適用之匯率換算。所產生匯兌差額(如有)於其他全面收入確認，並於匯兌儲備累計。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

3. Significant Accounting Policies (continued)**Foreign currencies (continued)**

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Borrowing costs

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

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

Taxation

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences 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)**外幣(續)**

海外業務出售(即集團的海外業務全部權益出售,或處置涉及失去控制權之一家附屬公司之外國業務,處置涉及失去共同控制權之一家合資企業之外國業務,或處置涉及處置失去重大影響之一間聯營公司之外國業務),所有歸屬於本公司股東權益的累計匯兌差額,將重新分類收益和損失。

借貸成本

收購、興建或生產合資格資產(即需長時間準備以達致其擬定用途或可供出售之資產)直接應佔借貸成本將計入該等資產成本中,直至該資產大致可供用作擬定用途或出售為止。就開支用合資格資產前作短暫投資之特定借貸所賺取投資收入,自合資格撥充資本之借貸成本扣除。

所有其他借貸成本均於產生期間在損益確認。

稅項

所得稅支出指現行應繳稅項與遞延稅項之總和。

現行應繳稅項乃按本年度應課稅溢利計算。應課稅溢利不計入其他年度的應課稅或可扣稅收支項目,亦不計入收益表中毋須課稅或不獲扣稅項目,故有別於綜合損益或其他全面收益表所報稅前溢利。本集團有關現行稅項之責任按於結算日已實施或大致上已實施之稅率計算。

遞延稅項按綜合財務報表中資產及負債賬面值與計算應課稅溢利所用相應稅基間差額確認。所有暫時應課稅差額一般都會確認為遞延稅項負債,惟遞延稅項資產則於應課稅溢利有可能抵銷可扣稅暫時差額予以確認。但倘若有關暫時差額是由商譽又或由初步確認(非業務合併)既不影響應課稅溢利亦不影響會計溢利的交易的其他資產和負債所引起,則不會確認該等資產和負債。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

3. Significant Accounting Policies (continued)**Taxation (continued)**

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

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

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

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Inventories

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

Financial instruments

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

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

3. 主要會計政策(續)**稅項(續)**

遞延稅項負債乃就於附屬公司及聯營公司之投資及於合營企業之權益所產生之暫時應課稅差額確認，惟倘本集團能控制暫時差額之撥回以及暫時差額有機會不會於可見將來撥回除外。可扣減暫時差額產生之遞延稅項資產(與該等投資及權益有關)僅於可能將有足夠應課稅溢利可動用暫時差額之利益，且彼等預期於可預見將來撥回之情況下方予以確認。

遞延稅項資產賬面值於報告期間結算日檢討，並於不可能有足夠應課稅溢利以收回全部或部分資產時作出扣減。

遞延稅項資產及負債乃按照於報告期間結算日已實施或大致實施之稅率及稅法，於清償有關負債或變賣有關資產時，按預計有關期間適用稅率計算。

遞延稅項負債及資產之計量反映出於報告期間結算日將依循本集團所預計以收回或清償其資產及負債賬面金額之方式之稅務後果。現行及遞延稅項於損益確認。

在計算遞延稅項負債或資產時，以公平值計量之投資物業其賬面價值假定是從出售中全部收回，除非被駁回。當投資物業是可折舊的，以及是透過按隨時間消耗大部分含於該等投資物業經濟利益的商業模式持有，而不是通過出售，以上假設將被駁回。

存貨

存貨以成本及可變現淨值較低者入賬。商品成本以加權平均方法計算。可變現淨值指存貨估計售價減估計所有銷貨完成所需成本。

金融工具

當本集團旗下實體成為金融工具合約條文之訂約方時確認金融資產及金融負債。

金融資產及金融負債初步按公平值計算。收購或發行金融資產及金融負債(按公平值計入損益之金融資產及金融負債除外)產生之直接應佔交易成本，於初步確認金融資產或金融負債之公平值加入或扣除(視適用情況而定)。收購按公平值計入損益之金融資產或金融負債時產生之直接應佔交易成本即時於損益確認。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

3. Significant Accounting Policies (continued)**Financial instruments (continued)****Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

Income is recognised on an effective interest method for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in "investment income" line item.

Financial assets at fair value through profit or loss ("FVTPL")

Investments in equity instruments are classified as at FVTPL, unless the Group designates an investment that is not held for trading as at fair value through other comprehensive income ("FVTOCI") on initial recognition. The Group has not designated investments in unlisted equity securities as at FVTOCI.

Debt instruments that do not meet the amortised cost criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

3. 主要會計政策(續)**金融工具(續)****金融資產**

根據金融資產的分類，所有已確認之金融資產隨後以其整體按攤銷成本或公平值計量。所有以正常方式購買或出售之金融資產按交易日基準確認及剔除確認。正常購買或出售方式規定須於規例或市場慣例設定之時限內以交付資產方式購買或出售金融資產。

按攤銷成本計量之金融資產

符合下列條件之債務工具其後按攤銷成本減減值損失(除了初步確認時指定以公平值計入損益的債務投資)：

- 於一個商業模式內持有資產，而其持有資產的目的是為了收取合約現金流量；及
- 工具合同條款引致於指定日期之現金流量僅為支付本金和未償還之本金利息。

所有其他金融資產在期後按公平價值進行計量。

按實際利率法

實際利率法計算是以攤銷成本計量的金融資產和分配有關期間的利息收入的方法。實際利率折現估計未來現金收入(包括支付或收取的所有費用率，形成一個組成部分的實際利率，交易成本及其他溢價或折讓)通過金融資產的預期壽命，或在適當的情況下，在初始確認時的賬面淨值的較短期間。

按實際利率法確認隨後按攤銷成本計量之債務工具之收入，利息收入確認為損益並列入「投資收入」的項目。

按公平值計入損益(「按公平值計入損益」)之金融資產

權益工具投資被分類為按公平值計入損益，除非本集團指定的非持作買賣投資於初步確認按公平值計入其他全面收入(「按公平值計入其他全面收入」)。本集團並無指定投資於非上市股本證券按公平值計入其他全面收入。

債務工具不符合成本攤銷標準(見上文)乃按公平值計入損益。此外，債務工具符合成本攤銷標準，但被指定為公平值計入損益乃按公平值計入損益計量。債務工具於初步確認可以指定為按公平值計入損益，如果該指定可以消除或顯著減少計量或確認不一致而產生按不同的基礎計量資產或負債或確認其收益和損失。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

3. Significant Accounting Policies (continued)**Financial instruments (continued)****Financial assets (continued)***Financial assets at fair value through profit or loss ("FVTPL") (continued)*

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as FVTPL on initial recognition is not allowed.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the "investment income" line item in the consolidated statement of profit or loss and other comprehensive income. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on these financial assets.

Impairment of financial assets

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

For financial assets carried at amortised cost, objective evidence of impairment could include:

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

3. 主要會計政策(續)**金融工具(續)****金融資產(續)***按公平值計入損益(「按公平值計入損益」)之金融資產(續)*

當商業模式的改變使攤銷成本的標準不再符合時，債務工具由按攤銷成本重新分類為按公平值計入損益。初步確認被指定為按公平值計入損益之債務工具是不允許重新分類。

於每個報告期末按公平值計入損益之金融資產按公平值計量，與重新計量所產生任何收益或虧損確認入損益。確認入損益中之淨收益或虧損包括在綜合損益及其他全面收入報表中的「投資收入」項目。確認入損益中之淨收益或虧損不包括從其金融資產取之任何股息或利息。

金融資產減值

按攤銷成本計量之金融資產(按公平值計入損益之金融資產除外)會於報告期間結算日評定是否有減值跡象。金融資產於有客觀證據顯示其估計未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響時作出減值。

就按攤銷成本計量之金融資產而言，減值之客觀證據可包括：

- 發行人或對手的重大財務困難；或
- 違約，如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組；

就若干類別之金融資產(如應收賬款)而言，被評估不會個別減值之資產，將會其後彙集一併評估減值。應收款項組合出現減值之客觀證據包括本集團過往收款記錄、組合中已超出平均信貸期30日以內之延遲繳款次數增加，以及國家或地區經濟狀況出現明顯變動導致應收賬款未能償還。

就按已攤銷成本計量之金融資產而言，當有客觀證據證明資產已減值，減值虧損於損益中確認，並按資產賬面值與按原實際利率貼現之估計日後現金流量現值之差額計算。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

3. Significant Accounting Policies (continued)**Financial instruments (continued)****Impairment of financial assets (continued)**

The carrying amount of the financial asset is reduced by the impairment loss directly with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with to the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liabilities are either held for trading or those designated as at FVTPL.

3. 主要會計政策(續)**金融工具(續)****金融資產減值(續)**

金融資產賬面值之減值會直接按減值虧損扣減，惟應收賬款除外，其賬面值會透過使用撥備賬作出扣減。撥備賬內之賬面值變動會於損益中確認。當應收賬款被視為不可收回時，其將於撥備賬內撇銷。其後收回已撇銷的款項，均計入損益內。

就按已攤銷成本計量之金融資產而言，如在隨後期間，減值虧損金額減少，而有關減少在客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該資產於減值被撥回當日之賬面值，不得超過未確認減值時之已攤銷成本。

金融負債及股本工具

本集團旗下實體發行之金融負債及股本工具按所訂立訂約安排內容以及金融負債及股本工具之定義分類。

股本工具

股本工具為體現本集團資產經扣除所有負債後餘下權益之任何合約。由本集團發行的股本工具在已收所得款項扣除直接發行成本後確認。

購回公司股本直接在回購權益中確認及扣除。購買、出售、發行或註銷本公司的股本並不會確認任何收益或虧損於利潤表中。

實際利率法

實際利率法是一種計算相關期間內金融負債之攤銷成本以及分配利息收入之方法。實際利率是一種在金融負債之預期年期或(如適用)更短期間內能夠精確貼現預計未來現金付款(包括所有已支付或收取並為實際利率、交易成本及其他溢價或折讓組成部分之費用)貼現至於初步確認時之賬面淨值之利率。

利息開支按實際利率法確認。

按公平值計入損益之金融負債

金融負債在持作買賣或它被指定為按公平值計入損益時被列為按公平值計入損益的金融負債。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

3. Significant Accounting Policies (continued)**Financial instruments (continued)****Financial liabilities and equity instruments (continued)***Financial liabilities at FVTPL (continued)*

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss is included in the “investment income” line item in profit or loss and includes any interest paid on the financial liabilities.

Other financial liabilities

Other financial liabilities including bank borrowings, bonds, trade and other payables, concessionaire sales payable and amount due to a non-controlling shareholder of subsidiaries are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策(續)**金融工具(續)****金融負債及股本工具(續)***按公平值計入損益之金融負債(續)*

倘出現下列情況，金融負債將被分類為持作買賣：

- 它被收購的主要目的在於短期內回購，或
- 於初步確認，這是本集團共同管理的可辨認金融工具組合的一部分，具有最近實際短期獲利回吐模式；或
- 它是一種衍生工具，除了這是一個財務擔保合同或指定且為有效套期工具的衍生工具。

按公平值計入損益之金融負債按公平值計量，因重新計量產生的收益或虧損直接確認至該期間損益內。淨收益或虧損計入損益項目中的「投資收益」，包括任何金融負債的利息支付。

其他金融負債

其他金融負債包括銀行借貸、債券、應付賬款及其他應付款項、應付特許專櫃銷售款項及應付一家附屬公司一名非控股股東之款項，其後採用實際利率法按已攤銷成本量。

衍生金融工具

衍生工具初始按公平值確認的衍生工具合同訂立之日起，其後在報告期末重新計量其公平價值。所產生的收益或損失立即確認至損益。

剔除確認

本集團剔除確認金融資產，只有當資產現金流量的合同權利屆滿，或金融資產轉移幾乎所有的風險和回報的資產所有權給另一個實體。

於剔除確認整體金融資產時，資產賬面值與已收及應收代價之總和間之差額於損益確認。

本集團之金融負債會於及只會於有關合約所指定責任遭免除、註銷或屆滿時剔除確認。剔除確認之金融負債賬面值與已付或應付代價間之差額於損益確認。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

3. Significant Accounting Policies (continued)**Share-based payment transactions**

The fair value of employee services received in an equity-settled share-based payment transaction is determined by reference to the fair value of share options at the grant date. The fair value of employee services is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based payment reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

When the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the share options are not exercised at the expiry date, the amount previously recognised in share based payment reserve will be transferred to retained profits.

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Other government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策(續)**股份付款交易**

於股本結算股份付款交易所收取之僱員服務之公平值乃參考於授出日期購股權之公平值而釐定。僱員服務之公平值於歸屬期以直線法支銷，並於權益(股份付款儲備)作相應增加。

於報告期間結算日，本集團修訂其估計預期最終歸屬之購股權數目。修訂估計之影響(如有)於歸屬期間於損益確認，從而累計支出反映重訂估計，並於股份付款儲備作出相應調整。

於購股權獲行使時，先前於股份付款儲備確認之金額將轉撥至股份溢價。倘購股權於到期日尚未行使，則先前於股份付款儲備確認之金額將轉撥至保留溢利。

政府補助

政府補助於本集團確認該等補助擬補償之有關成本為開支之期間內按有系統基準於損益確認。其他應收政府補助作為補償已產生有關成本或虧損，或作為向本集團提供即時財務援助(並無日後相關成本)之政府補助金，乃於其成為可收取之期間於損益確認。

退休福利成本

定額供款退休福利計劃供款，在僱員提供服務而有權獲得供款時列作支出。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolio and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors of the Company have determined that the sale presumption that the carrying amounts of the investment properties are presumed to be recovered by sale is not rebutted. The Group has not recognised any deferred taxes on changes in fair value of the investment properties situated in Hong Kong, as it is expected that the Group will not subject to any income taxes on disposal of its investment properties situated in Hong Kong. On the other hand, the Group has recognised deferred taxes on changes in fair value of the investment properties in the People's Republic of China (the "PRC") as those properties are subject to land appreciation taxes and enterprise income taxes upon disposal. The deferred tax liabilities in respect of land appreciation taxes in the PRC are determined based on valuations of the investment properties performed by independent professional valuers and on the assumption that the values are the actual proceeds to be received from the sale of these properties.

4. 重大會計判斷和主要不確定估計來源

應用於附註3所述之本集團會計政策時，本公司董事須就未能於其他來源獲取之資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃以過往經驗及其他被認為屬有關之因素為依據。實際結果或會與該等估計有所出入。

估計及相關假設均會按持續審閱。倘會計估計之修訂僅影響作出估計修訂之期間，則會於該期間確認會計估計之修訂，或倘修訂影響當前及未來期間，則於有關修訂及未來期間確認。

會計政策應用的重大判斷

除其他部分牽涉以估值計算，以下為本公司董事於應用本集團之會計政策時所作出之重大判斷，其對於綜合財務報表確認之金額造成最重大影響。

投資物業的遞延稅項

為了計算以公平價值模式計量之投資物業所產生的遞延稅項負債，本公司董事審閱本集團之投資物業組合，並認為本集團並沒有投資物業是透過按隨時間消耗大部分含於該等投資物業經濟利益的商業模式下持有，而是透過出售收回。因此本公司的董事已經確定，投資物業賬面值經出售而收回的假設並未被駁回。本集團並無就位於香港之投資物業之公平價值變動確認任何遞延稅項，概因本集團預期於出售該等投資物業時，並不受限於任何所得稅。但是，本集團已確認在中國的投資物業因公平價值變動產生的遞延稅項，此乃由於出售該等物業於出售時需交付土地增值稅和所得稅。因中國土地增值稅而產生之遞延稅項負債是根據獨立專業估值師進行投資物業估值及出售物業時所收取的實際所得款項假設的價值。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)**Key sources of estimation uncertainty**

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

Income taxes

At 31 December 2013, no deferred tax asset has been recognised on the tax losses of approximately HK\$535.5 million (2012: HK\$538.7 million) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future assessable profits or taxable temporary differences will be available in the future. In cases where the estimated future assessable profits or taxable temporary difference are more than previously estimated, a material recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which the revised estimate takes place.

Financial assets at fair value through profit or loss

As described in note 26, the Group has investment in an unlisted equity investment (representing the 10% equity interest in an entity in the PRC, Shenyang Jiajian Property Development Limited (“Shenyang Jiajian”)) with carrying amount of HK\$50.7 million (2012: HK\$50.7 million) in the consolidated statement of financial position as at 31 December 2013. The management estimated its fair value taking into account primarily the fair value of underlying property held by the investee after adjusting for lack of marketability of the equity investment. Favourable or unfavourable change to the estimation could affect the fair value of the investment measured at fair value through profit or loss.

4. 重大會計判斷和主要不確定估計來源(續)**主要不確定估計來源**

以下為於報告期內對有關未來和其他不確定性估計之主要來源之假設，對此可能導致下一個財政年度內大幅調整資產及負債賬面值的顯著風險。

所得稅

於二零一三年十二月三十一日，由於未能預測日後之溢利來源，故並無就稅項虧損約535,500,000港元(二零一二年：538,700,000港元)確認遞延稅項資產。遞延稅項資產之可變現情況主要取決於日後是否有充裕應課稅溢利或應課稅暫時差額。倘日後應課稅溢利或應課稅暫時差額較先前預期少，或會產生重大遞延稅項資產確認，而有關確認將於修訂估計之期間內確認入損益。

按公平值計入損益之金融資產

如附註26所述，本集團擁有在截至二零一三年十二月三十一日的綜合財務狀況表賬面金額50,700,000港元(為位於中國的瀋陽佳建置業開發有限公司(「瀋陽佳建」)之10%股權)(二零一二年：50,700,000港元)的非上市股本投資。管理層估計其公平值已考慮因權益性證券投資缺乏市場而給予調整後的相關投資物業的公平值。有利或不利的估計變化可能會影響透過損益按公平值計量之投資產品之公平值。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)**Key sources of estimation uncertainty (continued)
Investment properties situated in the PRC**

As described in note 17, investment properties that are situated in the PRC, other than the property in Tianjin as at 31 December 2012, are stated at fair value determined by independent professional valuers. At 31 December 2012, the fair value of investment property in Tianjin is determined by reference to the sale and purchase agreement signed by the Group with an independent third party on the same date (also see note 28). The fair value of the Group's investment properties situated in the PRC at 31 December 2013 are determined based on the income method — direct capitalisation approach by capitalising future rental income derived from the property interest at an appropriate market yield for the remaining term of the land use rights of the properties. The fair value of the Group's investment properties situated in the PRC at 31 December 2012 are determined based on the income method — direct capitalisation approach by dividing the potential rental income of the property to be valued by the appropriate capitalisation rate, and also consider direct comparison approach assuming sales of each of the property interests in their existing state and making references to comparable sales transactions as available in the relevant markets. In relying on the valuation reports of the independent professional valuers, the management has exercised its judgment and is satisfied that the method of valuation is reflective of the market conditions prevailing at the end of each reporting period. Any changes in the market conditions will affect the fair value of the investment properties of the Group.

Prepaid lease payments

Included in the Group's prepaid lease payments in note 19 is a parcel of land of 31,376 square metres adjacent to the Group's department store site located in Shenhe District, Shenyang in the PRC (the "Yifu Land") which the land use right was awarded to the Group through a tender. It was intended that the Yifu Land will be for commercial building development use substantially be held for sale. The land premium was fully paid on 22 February 2010 but the Group at that time has yet to apply for the land use right certificate and development has not yet commenced. It was the management's understanding that the development of Yifu Land was subject to a 30-metre height limit during the process when the Yifu Land Grant Contract was concluded in December 2011. During the preliminary communication with local governmental authorities for the preparation for application of the Planning Permit for Construction Land (建設用地規劃許可證) in August 2012, the Group learnt from a planning drawing of Yifu Land made available by the Shenyang Planning and Design Institute (瀋陽市規劃設計研究院) that the development of the Yifu Land may be subject to a 15-metre height limit (instead of a 30-metre height limit which the Group understood during its acquisition of the Yifu Land). Thereafter, the Group started to seek clarifications with the relevant government departments including the District Government Office and Shenyang Planning & State-owned Land Resources Bureau (瀋陽市規劃和國土資源局) ("Shenyang Planning & Land Bureau").

4. 重大會計判斷和主要不確定估計來源(續)**主要不確定估計來源(續)****位於中國之投資性物業**

如附註17所日述，除於二零一二年十二月三十一日天津物業外，其他位於中國的投資物業，均由獨立專業估值師釐定之公平值列賬。於二零一二年十二月三十一日，天津投資物業之公平值乃參考同日本集團與獨立第三方簽訂之買賣合約所釐定(見附註28)。於二零一三年十二月三十一日本集團位於中國投資物業之公平值是根據收入法 — 直接資本化方法，資本化來自該物業土地使用權利之剩餘年期，物業權益在適當市場收益率衍生之未來租金收入。於二零一二年十二月三十一日本集團位於中國投資物業之公平值是根據收入法 — 直接資本化方法，資本化由適合的資本化率進行估值之潛在物業租金收入；並考慮直接比較法，假設在現況和參考其他相關市場提供可比較銷售交易下銷售每個物業權益。在依賴獨立專業估值師的估值報告下，管理層已作出判斷，並相信於報告期內估值方法已反映現行市場情況。任何市場情況改變會影響本集團投資物業之公平值。

預付租賃款項

於附註19本集團預付租賃款項包括一幅毗鄰於本集團位於中國瀋陽瀋河區百貨店之31,376平方米土地(「怡富地塊」)，本集團透過招標獲得該土地使用權。怡富地塊會用作商業樓宇發展用途實質上持作出售。於二零一零年二月二十二日土地出讓金已全數支付，但本集團於該時間仍未申請土地使用權證書和尚未開始發展。這是管理層的理解，怡富地塊在發展過程是受於二零一一年十二月怡富地塊出讓合同總結即受到30米高度限制。於二零一二年八月，為準備申請建設用地規劃許可證初步與當地政府部門的溝通，本集團從瀋陽市規劃設計研究院之怡富地塊規劃圖了解到，該土地的發展可能須受到15米高度限制，(而不是本集團從收購怡富地塊過程中理解的30米高度限制)。其後，本集團開始與相關政府部門包括瀋陽市規劃和國土資源局(瀋陽市規劃和國土局)尋求澄清。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)**Key sources of estimation uncertainty (continued)
Prepaid lease payments (continued)**

The Group received a letter dated 19 April 2013 from Shenhe District Government (瀋河區人民政府) indicating that the planning standard shall remain the same as that applicable at the time of grant of the Yifu Land, i.e. at a height not exceeding 30 metres. The Group further received a letter from Construction Management Office (建設工程管理處) of Shenyang Planning & Land Bureau dated 8 May 2013 confirming that the planning design scheme of Haiyanli-1 commercial project (i.e. the development project on the Yifu Land) with a construction height of 29.9 metres had been preliminarily agreed by the Shenyang Planning & Land Bureau, and the Group is required to submit an alternative design scheme incorporated comments from designated review panel relating to architectural structure/layout for construction approval in accordance with municipal government's review opinion. In late July 2013, the Group submitted the alternative design scheme to Shenyang Planning & Land Bureau for review. The Group has received a letter dated 17 September 2013 from Construction Land Management Office (建設用地管理處) of Shenyang Planning & Land Bureau confirming that, based on the planning drawing of the Yifu Land endorsed by the Shenyang Planning and Design Institute (瀋陽市規劃設計研究院), the height limit applicable to the development on the Yifu Land shall not exceed 30 metres.

In October 2013, the Group has received a notice from the Shenyang Planning & Land Bureau dated 28 October 2013 confirming that the height limit applicable to the Yifu Land shall not exceed 30-metre and subsequently in December 2013, the Group has obtained the land use right certificate on the Yifu Land. At the date of approval of these consolidated financial statements, the Group has not yet obtained the final approval on the planning design scheme. If the Group fails to obtain the final approval for the development of the Yifu Land, the development project may be delayed or adversely affected. However, the management considers that no impairment is necessary as the Group has already obtained the preliminary approval and confident that the final approval on the design scheme can be obtained. At 31 December 2013, the carrying amount of approximately HK\$705,799,000 (being the aggregated payment made in relation to the Yifu Land) is included in prepaid lease payments (2012: HK\$685,871,000).

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company has a designated team to determine the appropriate valuation techniques and inputs for fair value measurements.

4. 重大會計判斷和主要不確定估計來源(續)**主要不確定估計來源(續)****預付租賃款項(續)**

於二零一三年四月十九日本集團所接獲瀋河區人民政府的函件指明怡富土地授出之時適用的規劃標準維持不變，即高度不可超過30米。於二零一三年五月八日本集團進一步接獲瀋陽市規劃和建設工程管理處的函件，確認海堰里-1商業項目的發展高度為29.9米(即怡富土地發展項目)的規劃設計方案已獲瀋陽市規劃和土地局初步同意，和本集團須根據市政府的審閱意見，提交另一份設計方案，其中加入專門審閱小組關於建築架構/藍圖的意見以供獲得建築批文。在二零一三年七月底，本集團向瀋陽市規劃和土地局提交另一份設計方案以供審閱。於二零一三年九月十七日本集團收到由瀋陽市規劃及土地局建設用地管理處發出的函件，基於瀋陽市規劃設計研究院批准怡富地塊的設計繪圖，當局確認怡富地塊的發展高度限制不可高於30米。

於二零一三年十月，本集團收到由瀋陽市規劃及土地局發出日期為二零一三年十月二十八日的通知，確認怡富地塊的發展高度限制不可高於30米，及隨後於二零一三年十二月，本集團成功取得怡富地塊的土地使用證。於批核此綜合財務報表當天，本集團尚未取得規劃設計方案的最終批文。如果本集團不能夠取得怡富地塊發展的最終批文，此發展項目將會有可能延遲或有不利的影響。然而，鑑於本集團已獲得設計方案初步批文且相信可獲得最終批文，故本集團管理層認為不必減值。於二零一三年十二月三十一日，金額為約705,799,000港元(即怡富地塊相關的累計付款)分類為預付租賃款項(二零一二年：685,871,000港元)。

公平值計量及估值程序

本集團部分資產及負債以公平值計量以作財務報告之目的。本公司董事會有一個專責團隊，以確定適當的估值技術和參數去計量公平值。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)
for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

**Key sources of estimation uncertainty (continued)
Fair value measurements and valuation processes (continued)**

In estimating the fair value of the Group's investment properties, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation of the Group's investment properties. At the end of each reporting period, the management of the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The Group will first consider and adopt Level 2 inputs where inputs can be derived observable quoted prices in the active market. When Level 2 inputs are not available, the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the board of directors of the Company. Information about the valuation techniques and inputs used in determining the fair value of the Group's investment properties are disclosed in note 17.

In estimating the fair value of the Group's financial assets at FVTPL, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the management of the Group will assess the valuation of financial instruments based on quoted bid prices of the previous trading day in the over-the-counter markets at the end of each reporting period. As mentioned above, for the fair value of the Group's unlisted equity investment (representing the 10% equity interest in Shenyang Jiajian), the management of the Group will assess its fair value taking into account primarily the fair value of underlying property held by the investee after adjusting for lack of marketability of the equity investment at the end of the reporting period. In estimating the fair value of the Group's financial liabilities at FVTPL (representing the Group's derivative financial liabilities as disclosed in note 31), the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the management of the Group will assess the valuation of the derivative financial liabilities based on discounted cash flow method at the end of the reporting period. The management of the Group will exercise their judgements based on their experience to establish and determine the appropriate valuation techniques and inputs to the valuation model. Where there is a material change in the fair value of the assets/liabilities, the causes of the fluctuations will be reported to the board of directors of the Company. Note 6 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of the Group's financial assets/liabilities at FVTPL.

4. 重大會計判斷和主要不確定估計來源(續)

**主要不確定估計來源(續)
公平值計量及估值程序(續)**

在估計本集團投資物業的公平值時，本集團使用可獲得的市場可觀察數據。倘並無第1級參數，本集團委聘第三方合資格估值師對本集團的投資物業進行估值。於各報告期末，本集團管理層與合資格外界估值師密切合作，確定第2級及第3級公平值計量的適當估值技術及參數。如可從活躍市場可觀察報價得出參數，則本集團會先考慮及採用第2級參數。如無第2級參數，則本集團會採用含第3級參數的估值技術。倘資產公平值發生重大變動，會向本公司董事會報告波動原因。有關釐定本集團投資物業公平值所用估值技術及參數的資料於附註17披露。

在估計本集團按公平值計入損益之金融資產的公平值時，本集團使用可獲得的市場可觀察數據。倘並無第1級參數，本集團管理層將在各報告期末，以場外交易市場上一交易日所報買入價評估金融工具的價值。根據以上所述，於報告期期末就本集團的非上市股本投資(為瀋陽佳建的10%股權)，管理層估計其公平值時主要考慮由被投資方擁有之物業，經因股本證券缺乏市場流通性而予以調整後的公平值。於估計本集團按公平值計入損益之金融負債(即在附註31披露之本集團之衍生金融負債)，本集團利用可提供範圍內市場可觀察數據。如沒有第1級參數，本集團管理層將於報告期末，根據貼現現金流量方法評估衍生金融負債估值。本集團管理層將根據自己的經驗，建立和確定適當的估值技術和於估值模式的參數而作出判斷。倘資產/負債公平值發生重大變動，會向本公司董事會報告波動原因。附註6提供了有關本集團去計量金融資產/負債的公平值所採用的估值技術、參數和主要假設的詳細資料。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

5. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes the bank borrowings and bonds disclosed in notes 30 and 32, respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

6. Financial Instruments**Categories of financial instruments****Financial assets**

Financial assets at FVTPL (note 26)

Financial assets measured at amortised cost
(including cash and cash equivalents)**Financial liabilities**

Financial liabilities measured at amortised cost

Derivative financial liabilities

金融資產按公平值計入損益之金融資產
(附註26)按攤銷成本計量之金融資產
(包括現金及現金等價物)**金融負債**

按攤銷成本計量之金融負債

衍生金融負債

Financial risk management objectives and policies

The Group's major financial instruments include bank balances and cash, financial assets at fair value through profit or loss, trade and other receivables, trade and other payables, derivative financial liabilities, amount due from/to a joint venture, concessionaire sales payable, bank borrowings, bonds and amount due to a non-controlling shareholder of subsidiaries. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

5. 資本風險管理

本集團管理其資本，以確保本集團之實體能繼續持續經營，同時透過優化債務及股本結餘，為股東提供最佳回報。本集團之整體策略與去年相同。

本集團之資本架構包括債務(包括附註30和32披露之借貸及債券)、扣除現金及現金等價物以及本公司擁有人應佔權益(包括已發行股本、儲備及保留盈利)。

本公司董事定期檢討資本架構。作為該檢討之一部分，董事會考慮資本成本與各類資本相關之風險。根據董事之建議，本集團將透過派付股息、發行新股及股份購回以及發行新債或贖回現有債項以平衡其整體資本架構。

6. 金融工具**金融工具類別**

		31.12.2013 二零一三年 十二月 三十一日 HK\$'000 千港元	31.12.2012 二零一二年 十二月 三十一日 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at FVTPL (note 26)	按公平值計入損益之金融資產 (附註26)	3,345,920	2,669,210
Financial assets measured at amortised cost (including cash and cash equivalents)	按攤銷成本計量之金融資產 (包括現金及現金等價物)	9,410,693	8,693,349
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債	13,270,282	12,851,957
Derivative financial liabilities	衍生金融負債	12,580	16,429

財務風險管理目的及政策

本集團之主要金融工具包括銀行結存及現金、按公平值計入損益之金融資產、應收及其他應收款項、應付及其他應付款項、衍生金融負債、應收/付一家合資企業款項、應付特許專權銷售款項、銀行借貸、債券及應付附屬公司一名非控股股東之款項。這些金融工具資料在各自附註披露。與此等金融工具相關之風險及減低有關風險之政策載於下文。管理層會管理及監控該等風險，以確保及時與有效地採取適當措施。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

6. Financial Instruments (continued)**Financial risk management objectives and policies (continued)****Currency risk**

The functional currency of the Company and its major subsidiaries in Hong Kong is HK\$ in which most of the transactions are denominated. The functional currency of subsidiaries operating in the PRC is Renminbi ("RMB") in which most of its transactions are denominated. Certain subsidiaries of the Group which provides financing function for the Group, their functional currency is United States Dollar ("US\$").

The Group has certain bank balances which are denominated in US\$ and RMB (being currencies other than the functional currency of the respective group entity) amounting to approximately HK\$2,486,354,000 (2012: HK\$2,983,159,000) and HK\$1,234,161,000 (2012: HK\$271,336,000), respectively. Furthermore, the Group has certain bank borrowings which are denominated in US\$ and RMB (being currencies other than the functional currency of the respective group entity) amounting to approximately HK\$407,929,000 (2012: HK\$694,313,000) and HK\$371,490,000 (2012: HK\$360,760,000), respectively.

In addition, certain financial assets at fair value through profit or loss are denominated in US\$ and RMB (being currencies other than the functional currency of the respective group entity) amounting to approximately HK\$2,257,212,000 (2012: HK\$2,486,676,000) and HK\$396,970,000 (2012: HK\$ nil), respectively.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Under the pegged exchange rate system in Hong Kong, HK\$ is effectively pegged against US\$ and therefore the Group is mainly exposed to foreign currency risk of RMB, hence the sensitivity of US\$ against HK\$ is not presented below. In addition, in the opinion of the directors of the Company, other foreign currency risks are not significant to the consolidated financial statements.

6. 金融工具(續)**財務風險管理目的及政策(續)****外匯風險**

本公司及其香港主要附屬公司之功能貨幣為港元，當中大部分交易以港元結算。於中國經營之附屬公司之功能貨幣為人民幣，當中大部分交易以人民幣結算。若干本集團提供融資功能的附屬公司之功能貨幣為美元。

本集團有若干以美元及人民幣的銀行結餘(集團個體的功能貨幣以外之貨幣)分別約2,486,354,000港元(二零一二年: 2,983,159,000港元)及1,234,161,000港元(二零一二年: 271,336,000港元)。此外，本集團有若干以美元及人民幣銀行借貸(集團個體的功能貨幣以外之貨幣)，分別約407,929,000港元(二零一二年: 694,313,000港元)及371,490,000港元(二零一二年: 360,760,000港元)。

再者，以美元及人民幣值計的按公平值計入損益的若干金融資產(集團個體的功能貨幣以外之貨幣)分別約2,257,212,000港元(二零一二年: 2,486,676,000港元)及396,970,000港元(二零一二年: 無)。

由於港元與美元是掛鈎貨幣，本集團現時並無外幣對沖政策。然而，管理層會監控外匯風險，並於需要時考慮對沖重大外幣風險。

根據香港的聯繫匯率制度，港元與美元掛鈎，故本集團主要面對人民幣外匯風險，因此美元兌港元的敏感度分析並沒有在以下呈列。此外，本公司董事認為，其他外幣風險對綜合財務報表並沒有重大影響。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

6. Financial Instruments (continued)**Financial risk management objectives and policies (continued)****Currency risk (continued)**

The following table details the Group's sensitivity to a reasonably possible change of 3.0% (2012: 3.0%) in exchange rate of RMB against HK\$, while all other variables are held constant. 3.0% (2012: 3.0%) is the sensitivity rate used when reporting foreign currency risk internally to the key management personnel and represents the management's assessment of the reasonably possible change in foreign currency rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 3.0% (2012: 3.0%) change in foreign currency rate. A positive number below indicates an increase in profit for the year where HK\$ weakens against the relevant foreign currency. Where HK\$ strengthens against the relevant foreign currency, there would be an equal and opposite impact on the profit for the year and the balances below would be negative.

6. 金融工具(續)**財務風險管理目的及政策(續)****外匯風險(續)**

下表詳列本集團於人民幣兌港元之匯率可能出現3.0%(二零一二年:3.0%)合理變動時之敏感度,而所有其他變數維持不變。3.0%(二零一二年:3.0%)是代表向主要管理人員提出內部報告時之外匯風險敏感率,亦代表管理層對外幣匯率變動的評估。敏感度分析包括於報告期末以外幣結算的貨幣性項目,並以3.0%(二零一二年:3.0%)變動進行換算。下列正數表示港元兌各外幣匯率減弱,使年度溢利增加。當港元兌各外幣匯率增強時,對年度的利潤會有相等及相反的影響,使下列結餘列為負數。

		Year ended 31 December 截至十二月三十一日止年度	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
RMB	人民幣	37,789	2,683

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

管理層認為,由於年結日之風險並無反映年內風險,故敏感度分析並不代表固有外匯風險。

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings, fixed coupon rate bonds and fixed-rate balances with a joint venture. The Group is also exposed to cash flow interest rate risk relating to the Group's floating-rate bank deposits and bank borrowings. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

利率風險

本集團對有關的固定利率銀行借款,固定票面利率債券和與一間合資企業的固定利率結餘面對公平值利率風險。本集團亦對有關浮息銀行存款及銀行借貸面對現金流量利率風險。本集團現時並無任何利率對沖政策。然而,管理層會監控利率風險,並於需要時考慮對沖重大利率風險。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)
for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

6. Financial Instruments (continued)

Financial risk management objectives and policies (continued)

Interest rate risk (continued)

The Group's sensitivity to cash flow interest rate risk has been determined based on the exposure to interest rates for bank borrowings (excluding the specific bank borrowing for construction purpose), floating-rate bank deposits in the PRC and Hong Kong at the end of the reporting period and the reasonably possible change taking place at the beginning of each year and held constant throughout the year. A 100 basis points (2012: 100 basis points) increase or decrease is used for variable-rate balances when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. For those bank balances with interest rates below 1% per annum, the analysis below only reflects the sensitivity of 50 basis points decrease (limit to 0%). The Group's sensitivity to interest rate risk at the end of the reporting period while all other variables were held constant after taking into account the impact of the finance costs capitalised in construction in progress is as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Increase (decrease) in profit for the year	年內溢利增加(減少)		
— as a result of increase in interest rate	— 由於利率上升	37,710	45,881
— as a result of decrease in interest rate	— 由於利率下降	(32,583)	(41,215)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2013 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the management of the Group has formulated a defined fixed credit policy and delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivable regularly at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Retail sales are mainly on cash basis, either in cash, debit card or credit card payments.

6. 金融工具(續)

財務風險管理目的及政策(續)

利率風險(續)

本集團對現金流利率風險之敏感度，乃根據於報告期間結算日銀行借貸(不包括特定之銀行借貸作建築用途)及於中國及香港浮息銀行存款之利率風險，以及於每年年初合理地可能出現之變動而於全年維持不變釐定。100個基點(二零一二年：100基點)增加或減少用於其他浮息結餘，當向主要管理人員內部匯報利率風險時並代表管理層對利率可能合理變動的評估。對於年息低於1%利率的銀行結餘，下面的分析中只反映其利率下降50個基點的敏感度(局限於下降到0%)。當所有其他變數維持不變，經考慮利息資本化於在建工程後，本集團於報告期間結算日對利率風險敏感度如下：

信貸風險

於二零一三年十二月三十一日，本集團就對手方未能履行其責任而按各類別已確認金融資產面對之最高信貸風險，指綜合財務狀況表所述該等資產之賬面值。為盡量減低信貸風險，本集團管理層已制定明確之既定信貸政策，並委任一組人員，專責釐定信貸限額、批核信貸額及進行其他監管程序，以確保能跟進有關逾期債務之追討事宜。此外，本集團會於報告期間結算日定期檢討各項個別應收賬款之可收回金額，以確保就不可收回款項作出足夠減值虧損。就此，本公司董事認為，本集團之信貸風險已大幅減少。零售銷售主要以現金進行，可以現金、記賬卡或信用卡付款。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

6. Financial Instruments (continued)**Financial risk management objectives and policies (continued)****Credit risk (continued)**

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies or government authorities.

The Group has no significant concentration of credit risk in relation to trade and other receivables, with exposure spread over a number of counterparties and customers.

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for approximately 50% (2012: 60%) of the total trade receivables as at 31 December 2013.

Price risk

The Group's financial assets at fair value through profit or loss and derivative financial liabilities are measured at fair value at the end of the reporting period. Therefore, the Group is exposed to price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles. Details of the financial assets at fair value through profit or loss and derivative financial liabilities are set out in notes 26 and 31, respectively.

The Group's sensitivity to price risk on the financial assets at fair value through profit or loss and derivative financial liabilities at the end of the reporting period while all other variables were held constant is as follows:

		HK\$'000 千港元
2013	二零一三年	
Reasonably possible change in price	價格之可能合理變動	5%
Increase (decrease) in post-tax profit for the year	年內除稅後溢利增加(減少)	
— as a result of increase in price	— 由於價格增加	162,497
— as a result of decrease in price	— 由於價格減少	(162,497)
2012	二零一二年	
Reasonably possible change in price	價格之可能合理變動	5%
Increase (decrease) in post-tax profit for the year	年內除稅後溢利增加(減少)	
— as a result of increase in price	— 由於價格增加	111,846
— as a result of decrease in price	— 由於價格減少	(111,846)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings and bonds as a significant source of liquidity. As at 31 December 2013, the Group has available unutilised borrowing facilities of approximately HK\$2,662.1 million (2012: HK\$2,149.3 million). Details of bank borrowings are set out in note 30.

6. 金融工具(續)**財務風險管理目的及政策(續)****信貸風險(續)**

由於對手方均為獲國際信貸評級機構高信貸評級之銀行及政府機構，故流動資金之信貸風險有限。

本集團沒有重大集中信貸風險於應收及其他應收款，風險分散於眾多交易對手及客戶。

本集團的集中信貸風險從地域而言，主要是在香港，約佔截至二零一三年十二月三十一日應收賬款總額之50% (二零一二年：60%)。

價格風險

本集團按公平值計入損益之金融資產及衍生金融負債乃按報告期間結算日之公平值計量。因此，本集團面對價格風險。管理層透過維持具不同風險之投資組合以管理是項風險。按公平值計入損益之金融資產及衍生金融負債之詳情分別載於附註26及31。

在其他變數維持不變下，本集團於報告期間結算日對按公平值計入損益之金融資產及衍生金融負債之價格風險敏感度如下：

流動資金風險

於管理流動資金風險時，本集團監察及維持管理層視為足以應付本集團業務所需資金水平之現金及現金等價物，並減低現金流量波動影響。管理層監察銀行借貸之運用，確保遵守貸款契約。

本集團依靠銀行借貸及債券作為重要的流動資金來源。於二零一三年十二月三十一日，本集團之未提取銀行借貸融資額度為約2,662,100,000港元(二零一二年：2,149,300,000港元)，詳情載於附註30。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

6. Financial Instruments (continued)**Financial risk management objectives and policies (continued)****Liquidity risk (continued)**

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis, and the undiscounted gross (inflows) and outflows on those derivatives that require gross settlement. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates/exchange rates as illustrated by the interest rate/exchange rate existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

*Liquidity and interest risk tables***6. 金融工具(續)****財務風險管理目的及政策(續)****流動資金風險(續)**

下表詳列本集團非衍生金融負債餘下合約到期日。下表乃按照本集團可能被要求還款之最早日期，以金融負債之非貼現現金流量顯示。

下表已載列利率及主要現金流。若利息流為浮動利率，貼現金額來自在報告期末的的利率率曲線。

此外，下表詳列本集團的衍生金融工具的流動性分析。該表根據需淨額結算衍生工具之未貼現按合約淨現金(流入)及流出，及那些衍生工具需總額結算之未貼現總(流入)及流出制定。當應付金額不固定，披露金額參考預計利率或匯率(如在報告期末現有利率或匯率所示)確定。本集團的衍生金融工具的流動性分析基於合約到期日，因為管理層認為，合約到期日對了解衍生工具的現金流量時間非常重要。

流動資金及利息風險表

		Weighted average effective interest rate 加權平均實際利率 %	Less than 1 month 一個月內 HK\$'000 千港元	1-3 months 一至三個月 HK\$'000 千港元	3 months to 1 year 三個月至一年 HK\$'000 千港元	1-5 years 一至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元	Total undiscounted cash flows 總非貼現現金流量 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
31 December 2013	二零一三年十二月三十一日								
Non-derivative financial liabilities	非衍生金融負債								
Trade and other payables	應付賬款及其他應付款項	-	1,796,776	265,312	29,227	-	-	2,091,315	2,091,315
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司一名非控股股東之貸款	-	-	-	-	180,893	-	180,893	180,893
Amount due to a joint venture	應付一家合資企業款項	0.50%	-	-	156,783	-	-	156,783	156,391
Bank borrowing — fixed rate	銀行借貸—固定利率	3.50%	-	3,206	379,576	-	-	382,782	371,490
Bank borrowings — variable rate	銀行借貸—浮動利率	1.69%	522,599	671,919	359,626	2,911,286	-	4,465,430	4,304,717
Bonds	債券	4.94%	101,719	-	200,531	4,778,844	2,720,250	7,801,344	6,165,476
			2,421,094	940,437	1,125,743	7,871,023	2,720,250	15,078,547	13,270,282
Derivative — gross settlement	衍生工具 — 總額結算								
Interest rate swap	利率掉期								
— Inflow	— 流入	-	-	(34)	(103)	(1,060)	(1,416)	(2,613)	
— Outflow	— 流出	-	-	-	761	3,046	1,900	5,707	
			-	(34)	658	1,986	484	3,094	1,172
Derivative — gross settlement	衍生工具 — 總額結算								
Cross currency swap	交叉貨幣掉期								
— Inflow	— 流入	-	-	(237)	(888)	(388,675)	-	(389,800)	
— Outflow	— 流出	-	-	-	5,918	400,466	-	406,384	
			-	(237)	5,030	11,791	-	16,584	11,408

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

6. Financial Instruments (continued)
Financial risk management objectives and policies (continued)
Liquidity risk (continued)
Liquidity and interest risk tables (continued)

6. 金融工具(續)
財務風險管理目的及政策(續)
流動資金風險(續)
流動資金及利息風險表(續)

		Weighted average effective interest rate 加權平均 實際利率 %	Less than 1 month 一個月內 HK\$'000 千港元	1-3 months 一至三個月 HK\$'000 千港元	3 months to 1 year 三個月至一年 HK\$'000 千港元	1-5 years 一至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元	Total undiscounted cash flows 總非貼現 現金流量 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
31 December 2012	二零一二年 十二月三十一日								
Non-derivative financial liabilities	非衍生金融負債								
Trade and other payables	應付賬款及 其他應付款項	-	1,245,174	396,077	-	-	-	1,641,251	1,641,251
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司一名 非控股股東之貸款	-	-	-	-	175,765	-	175,765	175,765
Amount due to a joint venture	應付一家合資企業款項	0.50%	-	-	92,287	-	-	92,287	92,056
Bank borrowing — fixed rate	銀行借貸—固定利率	3.50%	-	3,113	9,513	368,440	-	381,066	360,760
Bank borrowings — variable rate	銀行借貸—浮動利率	1.65%	849,006	174,927	266,617	3,311,773	-	4,602,323	4,420,417
Bonds	債券	4.94%	101,719	-	200,531	5,152,297	2,720,250	8,174,797	6,161,708
			2,195,899	574,117	568,948	9,008,275	2,720,250	15,067,489	12,851,957
Derivative — gross settlement	衍生工具 — 總額結算								
Interest rate swap	利率掉期								
— Inflow	— 流入	-	-	(99)	(299)	(1,140)	(13,552)	(15,090)	
— Outflow	— 流出	-	-	-	1,710	6,841	24,958	33,509	
			-	(99)	1,411	5,701	11,406	18,419	9,579
Derivative — net settlement	衍生工具 — 淨額結算								
Cross currency swap	交叉貨幣掉期		-	7,029	-	-	-	7,029	6,850

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

上文就非衍生金融負債之浮動利率工具包括之金額，會因浮動利率變動有別於報告期間結算日所釐定估計而有變。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

6. Financial Instruments (continued)**Fair value measurements of financial instruments
Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis**

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

6. 金融工具(續)**金融工具之公平值計量**

本集團金融資產及金融負債按經常性基準計量的公平值

本集團若干金融資產和金融負債在每個報告期末時按公平值計量。下表提供有關如何確定這些金融資產和金融負債的公平值(尤其是估值方法和使用的輸入數據)。

Financial assets/ financial liabilities	Fair value as at 31.12.2013 於二零一三年 十二月三十一日 的公平值 HK\$'000 千港元	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input	Relationship of unobservable inputs to fair value 無法觀察的 輸入數據與 公平值的關係
Financial assets at FVTPL 按公平值計入損益之金融資產					
1. Listed equity securities 上市股本證券	575,643	Level 1 等級一	Quoted bid prices in active markets. 於活躍市場中的買入價。	N/A 不適用	N/A 不適用
2. Listed debt securities 上市債券	1,109,396	Level 2 等級二	Quoted bid prices of the previous trading day in the over-the-counter markets. 前一交易日場外交易市場的買入價。	N/A 不適用	N/A 不適用
3. Unlisted securities 非上市證券	1,610,221	Level 2 等級二	Quoted bid prices of the previous trading day in the over-the-counter markets. 前一交易日場外交易市場的買入價。	N/A 不適用	N/A 不適用
4. Unlisted equity investment 非上市股本投資	10 per cent equity interest in Shenyang Jiajian holding a commercial property held for sale 10%瀋陽佳建(其擁有一座持作出售商業物業)股權 50,660 (Note 1) (附註1)	Level 3 等級三	Reference to the fair value of the underlying property and after adjustment for lack of marketability. 參考相關物業的公平值及因缺乏市場而作出調整。	The fair value of the underlying property based on valuation model. (Note 2) 基於估值模式釐定相關投資物業的公平值(附註2)	The higher the fair value of the underlying property, the higher the fair value. 相關投資物業之公平值越高,資產公平值越高。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

6. Financial Instruments (continued)

Fair value measurements of financial instruments (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

6. 金融工具(續)

金融工具之公平值計量(續)

本集團金融資產及金融負債按經常性基準計量的公平值(續)

Financial assets/ financial liabilities	Fair value as at 31.12.2013 於二零一三年 十二月三十一日 的公平值 HK\$'000 千港元	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input	Relationship of unobservable inputs to fair value 無法觀察的 輸入數據與 公平值的關係
Financial liabilities at FVTPL 按公平值計入損益之金融負債					
5. Interest rate swap	1,172	Level 2	Discounted cash flow: Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
利率掉期		第二級	貼現現金流量：基於遠期利率（從報告期末時可觀察收益率曲線）和合約利率，按反映各交易對手的信貸風險利率貼現，預計未來現金流量。	不適用	不適用
6. Foreign currency forward contracts	11,408	Level 2	Discounted cash flow: Future cash flows are estimated based on difference between predetermined forward exchange rates and spot exchange rates at the end of the reporting period discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
外匯遠期合約		第二級	貼現現金流量：基於預定遠期匯率和報告期末時即期匯率的差別，按反映各交易對手的信貸風險利率貼現，預計未來現金流量。	不適用	不適用

Notes:

- (1) There was no significant change in fair value during the year ended 31 December 2013.
- (2) If the fair value of the underlying property is 5% higher/lower while all other variables were held constant, the carrying amount of the unlisted equity investment would increase/decrease by approximately HK\$4,301,000.

附註：

- (1) 於二零一三年十二月三十一日止年度，公平值沒有顯著的變化。
- (2) 若相關投資物業之公平值的上升/下降5%，而所有其他可變因素維持不變，非上市股本投資的賬面值將增加/減少約4,301,000港元。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

6. Financial Instruments (continued)**Fair value measurements of financial instruments (continued)****Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)**

There were no transfers between Level 1, 2 and 3 during both years.

Except as detailed in the following table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values:

6. 金融工具(續)**金融工具之公平值計量(續)**

本集團金融資產及金融負債按經常性基準計量的公平值(續)

第一級、第二級和第三級之間在今年及去年同期間並無任何轉移。

除載於下表，本公司董事認為，在綜合財務報表按攤銷成本列賬的金融資產和金融負債的賬面值與其公平值相若。

		31 December 2013 二零一三年十二月三十一日	
		Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Financial liabilities	金融負債		
Bonds	債券	6,165,476	6,250,422
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司之一位非控股股東的款項	180,893	176,920

Fair value hierarchy**公平值等級架構**

		31 December 2013 二零一三年十二月三十一日			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at FVTPL:	按公平值計入損益之金融資產：				
— Listed equity securities	— 上市股本證券	575,643	—	—	575,643
— Listed debt securities	— 上市債券	—	1,109,396	—	1,109,396
— Unlisted securities	— 非上市證券	—	1,610,221	—	1,610,221
— Unlisted equity investment (note)	— 非上市股本投資(附註)	—	—	50,660	50,660
Total	總計	575,643	2,719,617	50,660	3,345,920
Financial liabilities at FVTPL:	按公平值計入損益之金融負債：				
Derivative financial liabilities	衍生金融負債	—	12,580	—	12,580

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

6. Financial Instruments (continued)
Fair value hierarchy (continued)

6. 金融工具(續)
公平值等級架構(續)

31 December 2012
二零一二年十二月三十一日

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at FVTPL:	按公平值計入損益之 金融資產：				
— Listed equity securities	— 上市股本證券	131,874	—	—	131,874
— Listed debt securities	— 上市債券	—	1,116,853	—	1,116,853
— Unlisted securities	— 非上市證券	—	1,369,823	—	1,369,823
— Unlisted equity investment (note)	— 非上市股本投資(附註)	—	—	50,660	50,660
Total	總計	131,874	2,486,676	50,660	2,669,210
Financial liabilities at FVTPL:	按公平值計入損益之 金融負債：				
Derivative financial liabilities	衍生金融負債	—	16,429	—	16,429

Note: The unlisted equity investment at 31 December 2013 and 31 December 2012, represents the retained 10% equity interest in Shenyang Jiajian after the disposal in 2011. There was no significant change in fair value during both years.

附註：於二零一三年十二月三十一日及二零一二年十二月三十一日之非上市股本投資代表在二零一一年出售瀋陽佳建後保留的10%股權。在兩個年度的公平值沒有顯著的變化。

7. Turnover

Turnover represents the amount received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes, income from concessionaire sales, service income and rental income during the year, and is analysed as follows:

7. 營業額

營業額指本集團本年度就向外界客戶售出貨品之已收及應收款項減折扣及銷售相關稅項、特許專櫃銷售收入、服務收入以及租金收入，茲分析如下：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Sales of goods — direct sales	貨品銷售—直接銷售	3,268,622	3,059,477
Income from concessionaire sales	特許專櫃銷售收入	2,442,305	2,219,242
Service income	服務收入	123,728	121,681
Rental income	租金收入	120,680	123,043
		5,955,335	5,523,443
The cost of sales are analysed as follows:	銷售成本分析如下：		
Cost of goods sold	貨品銷售成本	2,313,926	2,167,834
Other cost of sales	其他銷售成本	80,883	88,512
		2,394,809	2,256,346

The Group has no customers that contributed over 10% of the total revenue of the Group for both years.

於今年及去年，本集團並無客戶貢獻超過本集團總收益之10%。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

8. Segment Information

Information reported to the board of directors of the Company (the "Board of Directors"), being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focusing on sales of goods, provision of services, lease operations and property holding in Hong Kong and the PRC.

The Group has two reportable and operating segments geographically, Hong Kong and the PRC which are managed separately. The Group determines its operating segments based on the internal reports reviewed by the Board of Directors that are used to allocate resources and assess performance.

Segment revenues and results

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

8. 分部資料

匯報資料給作為主要營運決策的公司董事會之主要目的是按銷售、服務、租賃業務及物業控股在香港及中國分部之資源分配，評估其表現。

本集團有兩個分開管理之地區經營分部，即香港及中國。本集團按集團董事會審閱並據此作出決策之內部報告釐定其經營分部。

分部收益及業績

本集團按可報告分部劃分之收益及業績分析如下：

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
For the year ended 31 December 2013				
截至二零一三年十二月三十一日止年度				
Segment revenue	分部收益			
External sales	對外銷售	4,725,027	1,230,308	5,955,335
Result	業績			
Segment result	分部業績	2,113,268	315,740	2,429,008
Investment income	投資收入			414,201
Fair value changes on investment properties	投資物業公平值變動			6,491
Gain on disposal of subsidiaries	出售附屬公司收益			157,160
Share of profit of a joint venture	應佔一家合資企業溢利			31,870
Share of profits of associates	應佔聯營公司溢利			349,554
Finance costs	融資成本			(237,807)
Profit before taxation	除稅前溢利			3,150,477

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

**8. Segment Information (continued)
Segment revenues and results (continued)****8. 分部資料(續)
分部收益及業績(續)**

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度				
Segment revenue	分部收益			
External sales	對外銷售	4,392,649	1,130,794	5,523,443
Result	業績			
Segment result	分部業績	1,886,296	329,365	2,215,661
Investment income	投資收入			352,080
Fair value changes on investment properties	投資物業公平值變動			184,420
Share of profit of a joint venture	應佔一家合資企業溢利			30,297
Share of profits of associates	應佔聯營公司溢利			280,290
Finance costs	融資成本			(307,787)
Profit before taxation	除稅前溢利			2,754,961

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without share of profits of associates and a joint venture, fair value changes on investment properties, investment income, gain on disposal of subsidiaries and finance costs. This is the measure reported to the Board of Directors for the purposes of resources allocation and performance assessment.

可報告分部之會計政策與本集團於附註3所述會計政策相同。分部溢利指各分部賺取之溢利，惟未計應佔聯營公司及一家合資企業溢利、投資物業公平值變動、投資收入、出售附屬公司收益及融資成本。此指標乃用作董事會就資源分配及表現評估之根據。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

8. Segment Information (continued)**Segment assets and liabilities**

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

8. 分部資料(續)**分部資產及負債**

本集團按可報告分部劃分之資產及負債分析如下：

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
As at 31 December 2013	於二零一三年十二月三十一日			
Assets	資產			
Segment assets	分部資產	8,713,169	11,242,283	19,955,452
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產			3,345,920
Interest in a joint venture	於一家合資企業權益			486,231
Amount due from a joint venture	應收一家合資企業款項			230,570
Interests in associates	於聯營公司權益			2,682,188
Unallocated assets	未分配資產			15,637
Consolidated total assets	綜合資產總值			26,715,998
Liabilities	負債			
Segment liabilities	分部負債	1,207,063	1,483,557	2,690,620
Amount due to a joint venture	應付一家合資企業款項			156,391
Bank borrowings	銀行借貸			4,676,207
Bonds	債券			6,165,476
Unallocated liabilities	未分配負債			763,534
Consolidated total liabilities	綜合負債總值			14,452,228

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)
for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

8. Segment Information (continued)
Segment assets and liabilities (continued)

8. 分部資料(續)
分部資產及負債(續)

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
Other segment information	其他分部資料			
Amounts included in the measure of segment profit or loss or segment assets:	計量分部損益或分部資產包括之數額：			
Addition to non-current assets	非流動資產添置	31,911	1,138,238	1,170,149
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	95,964	130,591	226,555
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	44	92	136
Impairment and written-off of trade and other receivables	應收賬款及其他應收款項減值及註銷	1,099	232	1,331
(Reversal of) write-down of obsolete inventories	滯銷存貨(撥回)撇減撥備	(603)	250	(353)
Release of prepaid lease payments	預付租賃款項轉出	-	13,762	13,762

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
As at 31 December 2012	於二零一二年 十二月三十一日			
Assets	資產			
Segment assets	分部資產	8,529,225	9,713,031	18,242,256
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產			2,669,210
Interest in a joint venture	於一家合資企業權益			483,112
Amount due from a joint venture	應收一家合資企業款項			209,275
Interests in associates	於聯營公司權益			2,314,880
Assets classified as held for sale	分類為持作出售資產			667,335
Unallocated assets	未分配資產			12,737
Consolidated total assets	綜合資產總值			24,598,805
Liabilities	負債			
Segment liabilities	分部負債	1,295,475	954,695	2,250,170
Amount due to a joint venture	應付一家合資企業款項			92,056
Bank borrowings	銀行借貸			4,781,177
Bonds	債券			6,161,708
Liabilities associated with assets classified as held for sale	分類為持作出售資產之負債			66,063
Unallocated liabilities	未分配負債			765,606
Consolidated total liabilities	綜合負債總值			14,116,780

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

**8. Segment Information (continued)
Segment assets and liabilities (continued)****8. 分部資料(續)
分部資產及負債(續)**

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
Other segment information	其他分部資料			
Amounts included in the measure of segment profit or loss or segment assets:	計量分部損益或分部資產包括之數額：			
Addition to non-current assets	非流動資產添置	66,530	2,995,085	3,061,615
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	82,574	133,653	216,227
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)虧損	(213)	475	262
Impairment and written-off of trade and other receivables	應收賬款及其他應收款項減值及註銷	21	107	128
(Reversal of) write-down of obsolete inventories	滯銷存貨(撥回)撇減撥備	(63)	337	274
Release of prepaid lease payments	預付租賃款項轉出	-	10,775	10,775
Share-based payment	股份付款	221	-	221

At 31 December 2013 and 31 December 2012, the unallocated segment assets represent club debentures held by the Group and unallocated segment liabilities mainly represent tax payable, deferred tax liabilities, amount due to a non-controlling shareholder of subsidiaries and derivative financial liabilities.

於二零一三年十二月三十一日和二零一二年十二月三十一日，未分配的分部資產代表本集團所持之會所債券和未分配的分部負債主要指應付稅項、遞延稅務負債、應付附屬公司之一位非控股股東款項及衍生金融負債。

Geographical information

Analysis of the Group's non-current assets by geographical location of the assets are detailed below:

地區資料

按資產所在地區劃分之本集團非流動資產分析如下：

		2013 二零一三年		2012 二零一二年	
		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元
Non-current assets	非流動資產	1,739,111	8,729,814	1,800,800	7,641,967

Note: Non-current assets excluded interests in associates and a joint venture.

附註：非流動資產不包括於聯營公司及一家合資企業權益。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

9. Other Income

9. 其他收入

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Management fee income	管理費收入	97,666	87,508
Project income	項目收入	9,271	7,842
Government subsidies (note a)	政府補助(附註a)	21,441	25,950
Net exchange gain	淨匯兌收入	36,331	2,589
Others (note b)	其他(附註b)	144,058	102,982
		308,767	226,871

Notes:

附註：

(a) The amount represents the government subsidies received from the PRC local authorities for subsidising its operational activities and promotional activities conducted by the Group. All of them had no specific conditions attached.

(a) 該金額是中國地方當局提供給予的政府補助，作為本集團進行其業務活動及宣傳推廣活動。所有補助並無任何特別附加條件。

(b) Others mainly represent bank credit card recharge and commission income.

(b) 其他主要代表銀行信用卡費用回扣及佣金收入。

10. Investment Income

10. 投資收入

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Interest income on bank deposits	銀行存款之利息收入	169,463	147,623
Imputed interest income (note)	估算利息收入(附註)	12,976	-
Dividend income from financial assets at FVTPL	按公平值計入損益之金融資產的股息收入	31,189	12,432
Change in fair value of financial instruments:	金融資產公平值變動：		
Financial assets at FVTPL other than derivative	衍生金融工具以外按公平值計入損益之金融資產	200,404	188,046
Derivative financial instruments	衍生金融工具	(4,517)	425
Others	其他	4,686	3,554
		414,201	352,080

Note: Imputed interest income represents unwinding of imputed interest arising on amortisation of fair value adjustment of deferred consideration receivable for disposal of a subsidiary.

附註：估算利息收入指出售一間附屬公司時的遞延應收款項之公平值調整的攤銷所產生的應計利息。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)
for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

11. Finance Costs

11. 融資成本

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Interest on:	以下項目之利息：		
Bank borrowings:	銀行借貸：		
— wholly repayable within five years	— 須於五年內悉數償還	76,935	113,223
Bonds:	債券：		
— wholly repayable within five years	— 須於五年內悉數償還	204,506	182,881
— wholly repayable after five years	— 須於五年後悉數償還	101,708	21,489
Others	其他	30,735	14,204
		413,884	331,797
Less: Amounts capitalised	減：資本化金額	(176,077)	(24,010)
		237,807	307,787

Borrowing costs capitalised during the year arising on HK\$ denominated borrowings, RMB denominated borrowings and US\$ denominated bonds at interest rates calculated by reference to Hong Kong Interbank Offered Rate ("HIBOR") plus a certain percentage ranging from 1.43% to 1.50% (2012: 1.45% to 1.67%) per annum, at fixed interest rate of 3.5% (2012: 3.5%) per annum and at fixed interest rate of 5.25% (2012: nil) per annum, respectively, on qualifying assets.

年內，已資本化之融資成本乃就合資格資產，源自分別為參考香港銀行同業拆息加若干百分比介乎1.43厘至1.50厘(二零一二年：介乎1.45厘至1.67厘)之港元借貸、固定利率為3.5厘(二零一二年：3.5厘)之人民幣借貸以及固定利率為5.25厘(二零一二年：無)之美元債券。

12. Taxation

12. 稅項

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
The tax charge comprises:	稅項支出包括下列項目：		
Hong Kong Profits Tax	香港利得稅	344,802	321,378
PRC Tax (note)	中國企業所得稅(附註)	216,578	139,720
		561,380	461,098
Under(over)provision in prior years:	過往年度不足(過多)撥備：		
Hong Kong Profits Tax	香港利得稅	6,440	(4,280)
PRC Tax	中國企業所得稅	2,835	—
		9,275	(4,280)
Deferred tax (credit) charge (note 33)	遞延稅項(扣抵)支出(附註33)	570,655	456,818
		(90,407)	41,014
		480,248	497,832

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

香港利得稅乃根據兩個年度之估計應課稅溢利按16.5%計算。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

12. Taxation (continued)

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Under the EIT Law, withholding tax is imposed on dividends in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation of HK\$20,621,000 (2012: HK\$19,877,000) in respect of distributable profit of PRC entities amounting of HK\$206,214,000 (2012: HK\$198,771,000) have been provided during the year ended 31 December 2013.

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax ("LAT") effective from 1 January 1994 and amended on 8 January 2011, and the Implementation Rules on the Provisional Regulations of the PRC on Land Appreciation Tax effective from 27 January 1995 (collectively referred to the "LAT Regulations"), all gains arising from the sale or transfer of real estate in the PRC with effect from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including payments made for acquisition of land use rights, costs and expenses for the development of the land or for construction of new buildings and supporting facilities, or the assessed value for old buildings and structures, tax payable relating to transfer of the real estate and other deductible items prescribed by the Ministry of Finance. Apart from the aforementioned deductions, property developers enjoy an additional deduction, which is equal to 20% of the payment made for acquisition of land use rights and the costs of land development and construction of new buildings or related facilities.

Note:

12. 稅項(續)

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司自二零零八年一月一日起之稅率為25%。

根據企業所得稅法，從二零零八年一月一日起開始就中國附屬公司所賺取的利潤之股息徵收預扣稅。於二零一三年十二月三十一日止年度，中國實體可分派利潤206,214,000港元(二零一二年：198,771,000港元)所確認之遞延稅項為20,621,000港元(二零一二年：19,877,000港元)。

根據一九九四年一月一日起生效的中華人民共和國土地增值稅暫行條例(「土地增值稅」)及於二零一一年一月八日修訂，和一九九五年一月二十七日起生效中國土地增值稅暫行條例實施細則的要求(統稱「土地增值稅條例」)，於一九九四年一月一日起所有中國房地產的出售或轉讓而產生的收益須繳納按土地增值金額(即物業銷售的所得款項減去可扣減支出，包括支付收購土地使用權，土地發展，新建築及配套設施建設的成本和費用，或舊有建築物和結構的評估值，有關轉讓房地產的應納稅額和財務部規定的其他扣除項目)的累進稅率從30%至60%不等的土地增值稅。除了上述扣減，房地產開發商享有額外扣除，相等於支付於收購土地使用權及土地開發和建設新建築物或相關設施款項的20%。

附註：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
The PRC Tax charge for the year comprises:	本年度中國稅務支出包括：		
Tax arising from disposal of a subsidiary that owns an investment property in the PRC	出售一家擁有中國投資物業的附屬公司產生之稅項	100,930	-
PRC Enterprise Income Tax ("EIT")	中國企業所得稅	115,648	139,720
		216,578	139,720

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

12. Taxation (continued)

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

12. 稅項(續)

本年度稅項支出與綜合損益及其他全面收益表所示除稅前溢利之對賬如下：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Profit before taxation	除稅前溢利	3,150,477	2,754,961
Tax at Hong Kong Profits Tax rate	按香港利得稅率計算之稅項	519,829	454,569
Tax effect of share of profit of a joint venture	應佔一家合資企業溢利之稅項影響	(5,259)	(4,999)
Tax effect of share of profits of associates	應佔聯營公司溢利之稅項影響	(57,677)	(46,248)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅項影響	(83,668)	(35,458)
Tax effect of expense not deductible for tax purpose	不可扣稅開支之稅項影響	35,915	41,333
Tax effect on utilisation of tax losses previously not recognised	動用早前未確認稅項虧損之稅項影響	(7,016)	(7,155)
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	27,581	9,311
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營之附屬公司不同稅率之稅項影響	34,035	38,479
Under(over)provision in prior years	過往年度不足(過多)撥備	9,275	(4,280)
Withholding tax	預扣稅	20,621	19,877
LAT	土地增值稅	5,445	53,627
Tax effect of LAT	土地增值稅之稅項影響	(899)	(8,848)
Others	其他	(17,934)	(12,376)
Tax charge for the year	本年度稅項支出	480,248	497,832

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

13. Profit for the year

13. 本年度溢利

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Profit for the year has been arrived at after charging:	本年度溢利已扣除下列項目：		
Directors' remuneration: (note 14)	董事酬金：(附註14)		
Fees	袍金	1,535	1,500
Other emoluments	其他薪酬	7,200	7,200
Bonus	花紅	20,000	20,000
Retirement benefits scheme contributions	退休福利計劃供款	15	14
		28,750	28,714
Other staff costs	其他員工成本	392,844	352,153
Retirement benefits scheme contributions, net of forfeited contributions	退休福利計劃供款減沒收供款	21,266	18,969
Share-based payment	股份付款	-	221
Total staff costs	總員工成本	442,860	400,057
Auditor's remuneration	核數師酬金	4,654	4,300
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	226,555	216,227
Release of prepaid lease payments	預付租賃款項轉出	127,554	22,785
Less: Amount capitalised in construction in progress (note 18)	減：在建工程資本化金額 (附註18)	(113,792)	(12,010)
		13,762	10,775
Impairment and written-off of trade and other receivables	應收賬款及其他應收款項減值及註銷	1,331	128
Write-down of obsolete inventories	滯銷存貨撇減	250	274
Rental payments paid under operating lease in respect of leasehold land and buildings to	就經營租約下租賃土地及樓宇向以下人士支付之租金款項		
— a joint venture	— 一家合資企業	198,122	193,511
— other parties	— 其他人士	80,071	66,574
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	136	262
Cost of inventories recognised as expense	確認為支出之存貨成本	2,313,926	2,167,834
and crediting:	以及計入下列項目：		
Gross rental income from investment properties	投資物業租金總額	4,490	20,809
Less: Outgoings expense	減：經營開支	(4,573)	(14,489)
Gross rental income from sub-letting of commercial properties	商用物業分租租金總額	116,190	102,234
Less: Direct operating expenses in respect of sub-letting of commercial properties	減：分租商用物業的直接經營開支	(86,966)	(83,150)
Net rental income	租金收入淨額	29,141	25,404
Reversal of write-down of obsolete inventories	滯銷存貨撇減撥回	603	-

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

14. Directors', Chief Executive's and Employees' Remuneration

The emoluments paid or payable to each of the 10 (2012: 10) directors were as follows:

2013

	Lau Luen Hung, Thomas 劉鑾鴻	Doo Wai Hoi, William 杜惠愷	Cheng Kar Cheng Yu Tung 鄭裕彤	Cheng Kar Shun, Henry 鄭家純	Lau Luen Hung, Joseph 劉鑾雄	Lau Yuk Wai, Amy 劉玉慧	Lam Siu Lun, Simon 林兆麟	Cheung Yuet Man, Raymond 張悅文	Shek Lai Him, Abraham 石禮謙	Hui Chiu Chung, Stephen 許照中	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Fees 袍金	135	200	100	100	100	100	200	200	200	200	1,535
Other emoluments 其他酬金											
Salaries and other benefits 薪金及其他福利	7,200	-	-	-	-	-	-	-	-	-	7,200
Bonus* 花紅*	20,000	-	-	-	-	-	-	-	-	-	20,000
Contributions to retirement benefits schemes 退休福利計劃供款	15	-	-	-	-	-	-	-	-	-	15
Share-based payment 股份付款	-	-	-	-	-	-	-	-	-	-	-
Total emoluments 酬金總額	27,350	200	100	100	100	100	200	200	200	200	28,750

2012

	Lau Luen Hung, Thomas 劉鑾鴻	Doo Wai Hoi, William 杜惠愷	Cheng Kar Cheng Yu Tung 鄭裕彤	Cheng Kar Shun, Henry 鄭家純	Lau Luen Hung, Joseph 劉鑾雄	Lau Yuk Wai, Amy 劉玉慧	Lam Siu Lun, Simon 林兆麟	Cheung Yuet Man, Raymond 張悅文	Shek Lai Him, Abraham 石禮謙	Hui Chiu Chung, Stephen 許照中	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Fees 袍金	100	200	100	100	100	100	200	200	200	200	1,500
Other emoluments 其他酬金											
Salaries and other benefits 薪金及其他福利	7,200	-	-	-	-	-	-	-	-	-	7,200
Bonus* 花紅*	20,000	-	-	-	-	-	-	-	-	-	20,000
Contributions to retirement benefits schemes 退休福利計劃供款	14	-	-	-	-	-	-	-	-	-	14
Share-based payment 股份付款	-	-	-	-	-	-	-	-	-	-	-
Total emoluments 酬金總額	27,314	200	100	100	100	100	200	200	200	200	28,714

* The bonus is determined having regard to the performance and market trends.

No directors waived any emoluments for both years.

Mr. Lau Luen Hung, Thomas, is also the Chief Executive of the Company and his emoluments disclosed above include those of services rendered by him as the Chief Executive.

14. 董事、行政總裁及僱員酬金

向各10名(二零一二年:10名)董事已付或應付之酬金如下:

二零一三年

二零一二年

* 花紅取決於集團業績及市場趨勢。

無董事於本年及去年放棄收取任何酬金。

劉鑾鴻先生是公司的行政總裁，而上述就他所披露的薪酬已包括他作為行政總裁所提供服務之報酬。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

14. Directors', Chief Executive's and Employees' Remuneration (continued) 14. 董事、行政總裁及僱員酬金(續)

Of the five highest paid individuals of the Group for the year ended 31 December 2013, one of them (2012: one) was a director of the Company whose remuneration is disclosed above. The remaining four (2012: four) are employees of the Group, details of whose remuneration were as follows:

截至二零一三年十二月三十一日止年度，本集團五名最高薪人士中，一名(二零一二年：一名)為本公司董事，彼之酬金於上文披露。另外四名(二零一二年：四名)則為本集團僱員，彼等之酬金詳情載列如下：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Employees:	僱員：		
Salaries, allowances and other benefits	薪金、津貼及其他福利	5,933	5,943
Retirement benefits scheme contributions	退休福利計劃供款	60	55
Performance related incentive payments	與表現掛鈎獎金	5,304	2,430
Share-based payment	股份付款	-	30
		11,297	8,458

The emolument of the remaining four were within the following bands:

其餘四名最高薪人士之薪酬介乎以下範圍：

		2013 二零一三年 Number of individuals 人數	2012 二零一二年 Number of individuals 人數
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	-	1
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1	2
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	2	-
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	-	-
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	-	-
HK\$3,500,001 to HK\$4,000,000	3,500,001 港元至 4,000,000 港元	-	1
HK\$4,000,001 to HK\$4,500,000	4,000,001 港元至 4,500,000 港元	-	-
HK\$4,500,001 to HK\$5,000,000	4,500,001 港元至 5,000,000 港元	-	-
HK\$5,000,001 to HK\$5,500,000	5,000,001 港元至 5,500,000 港元	1	-

During the years ended 31 December 2013 and 2012, no remuneration was paid by the Group to the directors of the Company or the four highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

截至二零一三年及二零一二年十二月三十一日止年度，本集團並無向董事或四名最高薪僱員支付酬金，以吸引彼等加入本集團或作為加入本集團之獎金或離職補償。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)
for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

15. Dividends

15. 股息

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Dividend recognised as distributions during the year: 年內確認為分派之股息：			
Special interim dividend by way of a distribution in specie of shares of Lifestyle Properties (note)	以實物分派利福地產股份作為特別中期股息(附註)	393,809	—
Final dividend in cash paid for year ended 31 December 2012 — HK cents 27.6 per share (2012: HK cents 25.7 per share paid for year ended 31 December 2011)	截至二零一二年十二月三十一日止年度以現金派付之末期股息 — 每股27.6港仙(二零一二年：派付截至二零一一年十二月三十一日止年度每股25.7港仙)	458,430	429,003
Interim dividend in cash paid for six months ended 30 June 2013 — HK cents 26.4 per share (2012: HK cents 21.8 per share paid for six months ended 30 June 2012)	截至二零一三年六月三十日止六個月以現金派付之中期股息 — 每股26.4港仙(二零一二年：派付截至二零一二年六月三十日止六個月每股21.8港仙)	436,068	362,625
		1,288,307	791,628

Note: On 29 July 2013, the Company declared a conditional special interim dividend in respect of the Distribution (see note 1), subject to the approval from the Stock Exchange for the assured entitlement to Lifestyle Properties Shares to be given by the Company to the shareholders by way of distribution in compliance with the requirements of Practice Note 15 of the Listing Rules and when the share offer of Lifestyle Properties becomes unconditional, which the approval from the Stock Exchange was obtained on 11 September 2013. On 12 September 2013, a total of 82,588,800 Lifestyle Properties Shares were distributed to the shareholders of the Company.

Subsequent to the end of the reporting period, final dividend of HK cents 32.7 (2012: HK cents 27.6) per share has been proposed by the directors of the Company which is subject to approval by the shareholders in the forthcoming general meeting.

附註：於二零一三年七月二十九日，本公司已宣布就分派(見附註1)一項有條件特別中期股息，惟須聯交所批准就遵照上市規則第15項應用指引，本公司以分派方式給予股東利福地產股份配額權，及當股份配售將會成為無條件。而在二零一三年九月十一日聯交所之批准。於二零一三年九月十二日，合共82,588,800股之利福地產股份分派予本公司股東。

於報告期間結束後，董事建議派付末期股息每股32.7港仙(二零一二年：27.6港仙)，惟須待股東於應屆股東週年大會批准。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

16. Earnings per Share

The calculation of the basic and diluted earnings per share attributable to the ordinary shareholders of the Company is based on the following data:

16. 每股盈利

本公司普通股股東應佔每股基本及攤薄盈利乃按下列數據計算得出：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Earnings	盈利		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	就計算每股基本及攤薄盈利而言之本公司擁有人應佔本年度溢利	2,448,247	2,057,461
		2013 二零一三年 '000 千股	2012 二零一二年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利而言之普通股加權平均數	1,656,084	1,666,119
Effect of dilutive potential ordinary shares issuable under the Company's share option scheme	本公司購股權計劃項下可予發行之潛在攤薄普通股之影響	2,718	5,275
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就計算每股攤薄盈利而言之普通股加權平均數	1,658,802	1,671,394

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)
for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

17. Investment Properties

17. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2012	於二零一二年一月一日	1,147,261
Additions during the year	年內添置	13,638
Increase in fair value recognised in profit or loss	於損益表確認之公平值增加	
— Realised gain on disposal	— 出售後之可變現收益	1,498
— Unrealised gain	— 未變現收益	182,922
Disposals	出售	(23,748)
Reclassified to held for sale (note 28)	分類為持作出售資產(附註28)	(647,920)
Exchange adjustments	匯兌調整	10,746
At 31 December 2012	於二零一二年十二月三十一日	684,397
Additions during the year	年內添置	7,396
Increase in fair value recognised in profit or loss	於損益表確認之公平值增加	
— Realised gain on disposal	— 出售後已變現收益	4
— Unrealised gain	— 未變現收益	6,487
Disposals	出售	(864)
Exchange adjustments	匯兌調整	19,333
At 31 December 2013	於二零一三年十二月三十一日	716,753

The carrying amount of investment properties shown above comprises:

以上投資物業的賬面金額包括：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Land in Hong Kong held under medium-term lease	於香港根據中期租約持有之土地	38,400	35,900
Land in the PRC held under medium-term lease	於中國根據中期租約持有之土地	678,353	648,497
		716,753	684,397

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

17. Investment Properties (continued)

All of the Group's property interests held under operating leases in the PRC to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of the Group's investment properties situated in the PRC at 31 December 2013 had been arrived at based on a valuation carried out on that date by Shanghai BDGH Chartered Valuation Surveyors Co., Ltd. ("BDGH"), an independent qualified professional valuer not connected to the Group whose address is Unit A407, No. 701 Dongchangzhi Road, Changzhi Building, Hongkou District, Shanghai, 200080, the PRC. BDGH is a member of The Royal Institute of Chartered Surveyors.

The fair value of the Group's investment properties situated in Hong Kong at 31 December 2013 had been arrived at based on a valuation carried out on that date by Knight Frank Petty Limited ("Knight Frank"), an independent qualified professional valuer not connected to the Group whose address is 4/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong. Knight Frank is member of the Hong Kong Institute of Surveyors.

The fair value of the Group's investment properties situated in Hong Kong and the PRC at 31 December 2012 had been arrived at based on a valuation carried out on that date by CBRE Limited ("CBRE"), an independent qualified professional valuer not connected to the Group whose address is 4/F, Three Exchange Square, 8 Connaught Place, Central, Hong Kong. CBRE is a member of the Hong Kong Institute of Surveyors.

The fair value of the Group's investment properties situated in Hong Kong at 31 December 2013 and 31 December 2012 carried out by Knight Frank and CBRE, respectively, were determined based on direct comparison method assuming sales of each property interests in their existing state and making references to comparable market observable transactions of similar properties in the same locations and conditions as available in the relevant market.

The fair value of the Group's investment properties situated in Qingdao and Harbin, the PRC at 31 December 2013 carried out by BDGH were determined based on income method — direct capitalisation approach by capitalising future rental income derived from the property interest at an appropriate market yield for the remaining term of the land use rights of the properties.

The fair value of the Group's investment properties situated in the Qingdao and Harbin, the PRC at 31 December 2012 carried out by CBRE were determined based on income method — direct capitalisation approach by dividing the potential rental income of the property to be value by the appropriate capitalisation rate, and also consider direct comparison approach assuming sales of each of the property interests in their existing state and making references to comparable sales transactions as available in the relevant markets. The fair value of the Group's investment property situated in Tianjin, the PRC at 31 December 2012 was determined by reference to the sales and purchase agreement signed by the Group with an independent third party on the same date (see note 28).

17. 投資物業(續)

本集團在中國以收取租金收入或以資本增值為目的的經營租賃下持有的物業權益採用公平價值模式計量，並分類及入賬為投資物業。

本集團位於中國的投資物業於二零一三年十二月三十一日的公平值乃基於與本集團並無關連之獨立合資格專業估值師上海八達國瑞房地產土地估價有限公司(「八達國瑞」，地址為中國上海市虹口區東長治路701號長治大廈A407室，郵編200080)於當日進行之估值釐定。八達國瑞是皇家特許測量師學會之成員。

本集團在香港的投資物業於二零一三年十二月三十一日的公平值由與本集團並無關連之獨立合資格專業估值師萊坊測計師行有限公司於該日對本集團的投資物業發出估值報告，地址為香港灣仔港灣道6-8號瑞安中心4字樓。萊坊測計師行有限公司為香港測量師學會之成員。

本集團位於香港與內地之投資物業於二零一二年十二月三十一日之公平值由與本集團並無關連之獨立合資格專業估值師世邦魏理仕有限公司(「世邦魏理仕」)於該日進行評估確定。地址為香港中環康樂廣場八號交易廣場第三期四樓。世邦魏理仕是香港測量師學會之成員。

本集團位於香港之投資物業於二零一三年十二月三十一日及二零一二年十二月三十一日之公平值乃由萊坊測計師行有限公司與世邦魏理仕有限公司於該日進行之評估確定。估價是以直接比較法假設每個物業權益在現狀出售及參考有關市場可比銷售交易來釐定。

本集團位於中國青島及哈爾濱的投資物業於二零一三年十二月三十一日的公平價值參考「八達國際」採用收入法 — 直接資本化法，在物業的剩餘土地使用期的將來租金收入以合適市場回報率資本化作估值。

本集團位於中國青島及哈爾濱之投資物業於二零一二年十二月三十一日之公平值參考世邦魏理仕之估值釐定。公平值按收入法 — 直接資本化法以估值物業之潛在租金收入除以適當資本化比率釐定，亦考慮假設按現況銷售各項物業權益及參考相關市場可比較銷售交易之直接比較法。位於天津之投資物業於二零一二年十二月三十一日之公平值參考本集團與一名獨立第三方於同日簽訂的買賣協議釐定(見附註28)。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)
for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

17. Investment Properties (continued)

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Carrying value of investment properties held by the Group in the consolidated statement of financial position

綜合財務狀況表內
本集團所持投資物業之賬面值

Fair value hierarchy
公平值
等級架構

Valuation technique(s) and key input(s)
估值方法
和主要輸入的數據

Significant unobservable input(s)
重大無法
觀察的輸入數據

Relationship of unobservable inputs to fair value
無法觀察的輸入數據
與公平值的關係

Sensitivity
敏感度

At 31 December 2013
二零一三年十二月三十一日

Commercial property in
Qingdao
HK\$323,516,000
青島商業物業
323,516,000港元

Level 3
第三級

Income method — Direct
Capitalisation Approach
收入法 — 直接資本化方法

The key inputs are:
主要參數為：
(1) Capitalisation rate;
資本化比率；
(2) Daily unit rent; and
單位日租；及
(3) Level adjustment
級別調整

Capitalisation rate, taking into
account the capitalisation of
rental income potential, nature
of the property, prevailing
market condition, of 11%.
經計入資本化租金收入潛力、
物業性質及當前市況，資本化
比率為11%。

Daily unit rent, based on gross
floor area using direct market
comparables and taking into
account time, location and
individual factors such as road
frontage, size of property and
facilities, of RMB13.17/sq.m/day.
基本層級的單位日租使用直接市場
比較方法並經計入時間、位置及
臨街道路、物業及設施規模等
各項因素，為每日每平方米
人民幣13.17元。

Level adjustment on individual
floors of the property range
from 65% to 95% on specific
levels.
物業各樓層的級別調整為特定
層級的65%至95%。

The higher the capitalisation rate,
the lower the fair value.
資本化比率越高，公平值越低。

The higher the daily unit rent,
the higher the fair value.
單位日租越高，公平值越高。

The higher the level adjustment,
the lower the fair value.
級別調整越高，公平值越低。

If the capitalisation rate to the
valuation model is 5% higher/
lower, while all other variables
were held constant, the carrying
amount of the property would
decrease by approximately
HK\$11,708,000 and increase by
approximately HK\$12,464,000
respectively.
倘估值模式的資本化比率上升/下降
5%，而所有其他變量保持不變，
則物業賬面值將分別減少
約11,708,000港元及增加
約12,464,000港元。

If the daily unit rent to the
valuation model is 5% higher/
lower, while all other variables
were held constant, the carrying
amount of the property would
increase by approximately
HK\$15,872,000 and decrease by
approximately HK\$15,884,000
respectively.
倘估值模式的單位日租上升/下降
5%，而所有其他變量保持不變，
則物業賬面值將分別增加
約15,872,000港元及減少
約15,884,000港元。

If the level adjustment to the
valuation model is 5% higher/
lower, while all other variables
were held constant, the carrying
amount of the property would
decrease by approximately
HK\$47,410,000 and increase by
approximately HK\$62,987,000
respectively.
倘估值模式的級別調整上升/下降
5%，而所有其他變量保持不變，
則物業賬面值將分別減少
約47,410,000港元及增加
約62,987,000港元。

17. 投資物業(續)

下表載列該等投資物業公平值的釐定方法(尤其是估值方法及所使用參數)以及公平值等級，根據公平等級，公平值計量基於公平值計量參數的可觀察程度分為一至三級。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)
for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

17. Investment Properties (continued)

17. 投資物業(續)

Carrying value of investment properties held by the Group in the consolidated statement of financial position 綜合財務狀況表內 本集團所持投資物業之賬面值	Fair value hierarchy 公平值 等級架構	Valuation technique(s) and key input(s) 估值方法 和主要輸入的數據	Significant unobservable input(s) 重大無法 觀察的輸入數據	Relationship of unobservable inputs to fair value 無法觀察的輸入數據 與公平值的關係	Sensitivity 敏感度
Commercial property in Harbin HK\$354,837,000 哈爾濱商業物業 354,837,000港元	Level 3 第三級	Income method – Direct Capitalisation Approach 收入法 – 直接資本化方法 The key inputs are: 主要參數為: (1) Capitalisation rate; 資本化比率; (2) Daily unit rent; and 單位日租; 及 (3) Level adjustment 級別調整	Capitalisation rate, taking into account of the capitalisation of rental income potential, nature of the property, prevailing market condition, of 12%. 經計入資本化租金收入潛力、物業性質及當前市況，資本化比率為12%。 Daily unit rent, based on gross floor area using direct market comparables and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB15.48/sq.m/day. 基本層級的單位日租使用直接市場比較方法並經計入時間、位置及臨街道路、物業及設施規模等各項因素，為每日每平方米人民幣15.48元。 Level adjustment on individual floors of the property range from 50% to 95% on specific levels. 物業各樓層的級別調整為特定層級的50%至95%。	The higher the capitalisation rate, the lower the fair value. 資本化比率越高，公平值越低。 The higher the daily unit rent, the higher the fair value. 單位日租越高，公平值越高。 The higher the level adjustment, the lower the fair value. 級別調整越高，公平值越低。	If the capitalisation rate to the valuation model is 5% higher/lower, while all other variables were held constant, the carrying amount of the property would decrease by approximately HK\$13,579,000 and increase by approximately HK\$14,539,000 respectively. 倘估值模式的資本化比率上升/下降5%，而所有其他變量保持不變，則物業賬面值將分別減少約13,579,000港元及增加約14,539,000港元。 If the daily unit rent to the valuation model is 5% higher/lower, while all other variables were held constant, the carrying amount of the property would increase by approximately HK\$17,755,000 and decrease by approximately HK\$17,742,000 respectively. 倘估值模式的單位日租上升/下降5%，而所有其他變量保持不變，則物業賬面值將分別增加約17,755,000港元及減少約17,742,000港元。 If the level adjustment to the valuation model is 5% higher/lower, while all other variables were held constant, the carrying amount of the property would decrease by approximately HK\$26,683,000 and increase by approximately HK\$29,117,000 respectively. 倘估值模式的級別調整上升/下降5%，而所有其他變量保持不變，則物業賬面值將分別減少約26,683,000港元及增加約29,117,000港元。
Commercial properties in Hong Kong HK\$38,400,000 香港商業物業 38,400,000港元	Level 2 第二級	Direct comparison method based on market observable transactions of similar properties and adjust to reflect the conditions and locations of the subject property. 基於同類物業市場可觀察交易與反映標的物業情況及位置的調整的直接比較法。	N/A 不適用	N/A 不適用	N/A 不適用

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)
for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

18. Property, Plant and Equipment

18. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房及 機器 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、固定 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本							
At 1 January 2012	於二零一二年一月一日	4,348,003	843,616	237,451	155,257	12,938	409,260	6,006,525
Exchange adjustment	匯兌調整	15,137	3,403	709	437	33	3,314	23,033
Reclassified to held for sale	重新分類為持作出售	-	-	(16,914)	-	-	-	(16,914)
Additions	添置	29,824	21,914	18,472	27,129	2,293	395,442	495,074
Disposals	出售	-	(34,325)	-	(4,004)	(1,164)	-	(39,493)
Transfer	轉撥	4,232	11,664	-	-	-	(15,896)	-
At 31 December 2012	於二零一二年十二月三十一日	4,397,196	846,272	239,718	178,819	14,100	792,120	6,468,225
Exchange adjustment	匯兌調整	34,126	12,942	8,928	2,928	797	20,943	80,664
Additions	添置	7,523	1,940	22,256	12,128	2,948	1,068,749	1,115,544
Disposals	出售	-	(56)	-	(552)	(1,640)	-	(2,248)
Transfer	轉撥	1,341,544	50,960	111,636	-	-	(1,504,140)	-
At 31 December 2013	於二零一三年十二月三十一日	5,780,389	912,058	382,538	193,323	16,205	377,672	7,662,185
DEPRECIATION	折舊							
At 1 January 2012	於二零一二年一月一日	1,100,348	639,834	172,453	99,958	7,960	-	2,020,553
Exchange adjustment	匯兌調整	2,514	2,682	473	255	30	-	5,954
Reclassified to held for sale	重新分類為持作出售	-	-	(4,231)	-	-	-	(4,231)
Provided for the year	年內折舊	114,669	62,964	21,462	14,858	2,274	-	216,227
Eliminated on disposals	出售時對銷	-	(34,325)	-	(3,621)	(686)	-	(38,632)
At 31 December 2012	於二零一二年十二月三十一日	1,217,531	671,155	190,157	111,450	9,578	-	2,199,871
Exchange adjustment	匯兌調整	9,571	10,433	2,098	3,596	91	-	25,789
Provided for the year	年內折舊	109,999	76,849	19,352	18,762	1,593	-	226,555
Eliminated on disposals	出售時對銷	-	(14)	-	(428)	(1,049)	-	(1,491)
At 31 December 2013	於二零一三年十二月三十一日	1,337,101	758,423	211,607	133,380	10,213	-	2,450,724
NET BOOK VALUES	賬面淨值							
At 31 December 2013	於二零一三年十二月三十一日	4,443,288	153,635	170,931	59,943	5,992	377,672	5,211,461
At 31 December 2012	於二零一二年十二月三十一日	3,179,665	175,117	49,561	67,369	4,522	792,120	4,268,354

Included in construction in progress is borrowing costs and prepaid lease payments capitalised during the year, amounting to HK\$176,077,000 (2012: HK\$24,010,000) and HK\$113,792,000 (2012: HK\$12,010,000), respectively.

在建工程包括年內已資本化之借貸成本及預付租賃款項，分別為176,077,000港元(二零一二年：24,010,000港元)及113,792,000港元(二零一二年：12,010,000港元)。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

18. Property, Plant and Equipment (continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated after taking into account their estimated residual value, using straight-line method over the following useful lives:

Leasehold land and buildings	Over the shorter of lease terms or 40 years
Leasehold improvements	Over the shorter of the lease terms, or 5 years
Plant and machinery	10 years
Furniture, fixtures and equipment	5 years
Motor vehicles	5 years

18. 物業、廠房及設備(續)

除在建工程外，上述物業、廠房及設備項目乃扣除了其估計殘值後，以直線法按下列年率計算折舊：

租賃土地及樓宇	按租約年期或四十年 (以較短者為準)
租賃物業裝修	按租約年期或五年 (以較短者為準)
廠房及機器	十年
傢俬、固定裝置及設備	五年
汽車	五年

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
The carrying amount of leasehold land and buildings comprises land and buildings:	租賃土地及樓宇賬面值包括以下土地及樓宇：		
— long lease in Hong Kong	— 位於香港受長期租約管轄	449,895	458,764
— medium-term lease in Hong Kong	— 位於香港受中期租約管轄	1,091,893	1,129,943
— medium-term lease in the PRC	— 位於中國受中期租約管轄	1,541,788 2,901,500	1,588,707 1,590,958
		4,443,288	3,179,665

The Group has pledged certain leasehold land and buildings in Hong Kong with net book values of approximately HK\$1,414.2 million (2012: HK\$1,458.6 million) to secure general banking facilities of approximately HK\$4,533.0 million (2012: HK\$4,866.0 million) granted to the Group.

本集團已抵押賬面淨值約1,414,200,000港元(二零一二年：1,458,600,000港元)之若干租賃土地及樓宇，以獲取授予本集團4,533,000,000港元(二零一二年：4,866,000,000港元)之一般銀行信貸。

Certain of the Group's property, plant and equipment in the PRC with carrying value of approximately HK\$3,403.9 million (2012: HK\$1,471.1 million) have been pledged to secure loan facilities. Details of which are set out in note 42.

本集團已抵押賬面值約3,403,900,000港元(二零一二年：1,471,100,000港元)位於中國之若干物業、廠房及設備，以獲授貸款融資，詳細資料列於附註42。

19. Prepaid Lease Payments

The Group's prepaid lease payments comprise:

19. 預付租賃款項

本集團之預付租賃款項包括：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Leasehold land in the PRC Medium-term lease	位於中國之租賃土地 中期租約	4,592,274	4,545,276
Analysed for reporting purposes as:	就呈報目的分析為：		
Current portion	即期部份	95,052	91,098
Non-current portion	非即期部份	4,497,222	4,454,178
		4,592,274	4,545,276

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)
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19. Prepaid Lease Payments (continued)

Included in the Group's prepaid lease payments was a prepayment for the Yifu Land of carrying amount HK\$705,799,000 at 31 December 2013 (2012: HK\$685,871,000). As more fully explained in note 4, in October 2013, the Group has obtained a notice from the Shenyang Planning & Land Bureau confirming the height limit applicable to the Yifu Land shall not exceed 30-metre, and subsequently, in December 2013, the Group has obtained the land use right certificate on the Yifu Land.

19. 預付租賃款項(續)

於二零一三年十二月三十一日本集團預付租金款項包括怡富土地之預付款為705,799,000港元(二零一二年: 685,871,000港元)·詳細披露在附註4·在二零一三年十月本集團收到由瀋陽市規劃和國土局發出確認有關怡富土地項目不得超過30米的通知。在二零一三年十二月本集團取得怡富地塊的土地使用權證書。

20. Long-Term Deposits Paid

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備已付按金	27,852	23,101

20. 已付長期按金

21. Interests in Associates

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Unlisted, at cost	非上市·按成本	1,514,131	1,514,131
Discount arising on acquisition of additional interest in an associate in prior years	於過往年度收購一家聯營公司額外權益產生之折讓	114,556	114,556
Share of post-acquisition profits and other comprehensive income, net of dividends	應佔收購後之溢利及其他全面收入·扣除股息	1,053,501	686,193
		2,682,188	2,314,880

21. 於聯營公司權益

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

21. Interests in Associates (continued)

As at 31 December 2013 and 2012, the Group had interests in the following associates:

21. 於聯營公司權益(續)

於二零一三年及二零一二年十二月三十一日，本集團於下列聯營公司擁有權益：

Name of entity 實體名稱	Form of business structure 業務結構模式	Place/country of establishment/incorporation 註冊成立/註冊地點/國家	Principal place of operation 主要經營地點	Proportion of nominal value of issued capital/registered capital held by the Group 本集團所持已發行股本/註冊股本面值比例		Proportion of voting power held 所持投票權比例		Principal activity 主要業務
				2013 二零一三年	2012 二零一二年	2013 二零一三年	2012 二零一二年	
石家莊北國人百集團有限公司 ("Beiren Group") (note 1) (「北人集團」) (附註1)	Incorporation 註冊成立	PRC 中國	PRC 中國	49%	49%	49%	49%	Investment holding of a group of companies engaging in the operation of department stores, supermarkets and property leasing 從事百貨店、超市及物業租賃業務之集團公司之投資控股
河北北國先天下廣場有限責任公司 ("Future Mall") (note 2) (「先天下廣場」) (附註2)	Incorporation 註冊成立	PRC 中國	PRC 中國	48%	48%	48%	48%	Retailing business in the PRC 在中國從事零售業務
Dragon Sign Limited 龍信有限公司	Incorporation 註冊成立	Hong Kong 香港	PRC 中國	50%	50%	50%	50%	Investment holding of a company engaging in operation of a restaurant in the PRC 在中國從事食肆經營之公司之投資控股

Notes:

- (1) The Group's 60% owned subsidiary holds equity interest of 49% (2012: 49%) in Beiren Group.
- (2) At 31 December 2013 and 2012, the Group's 60% owned subsidiary, Ample Sun Group Limited, held equity interest of 48% in Future Mall. In addition, 51% equity interest of Future Mall is being indirectly held by a non-wholly owned subsidiary of Beiren Group.

附註：

- (1) 本集團持有60%權益之附屬公司持有北人集團49%(二零一二年：49%)股本權益。
- (2) 於二零一三年十二月三十一日及二零一二年十二月三十一日，本集團持有60%權益之附屬公司益良集團有限公司持有先天下廣場48%股本權益。此外，51%的先天下廣場股權由北人集團非全資擁有之附屬公司間接擁有。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

21. Interests in Associates (continued)

The financial information in respect of the Group's associates is set out below:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Total assets	資產總額	12,663,618	12,265,364
Total liabilities	負債總額	8,422,550	8,732,051
Net assets	資產淨值	4,241,068	3,533,313
Group's share of associates' net assets	本集團應佔聯營公司資產淨值	2,682,188	2,314,880
Revenue	收益	17,887,103	15,468,261
Profits for the year	本年度溢利	441,643	369,576
Other comprehensive income	其他全面收入	67,950	17,098
Group's share of profits of associates for the year	本集團應佔聯營公司本年度溢利	349,554	280,290
Group's share of other comprehensive income of associates for the year	本集團應佔聯營公司本年度其他全面收入	42,593	11,218

Summarised financial information of material associates

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

Beiren Group is the only material associate to the Group and it is accounted for using the equity method in these consolidated financial statements.

Beiren Group

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Current assets	流動資產	7,434,613	8,416,765
Non-current assets	非流動資產	5,012,687	3,827,804
Current liabilities	流動負債	7,841,471	8,261,367
Non-current liabilities	非流動負債	373,161	456,344
Non-controlling interests	非控股權益	723,828	525,667

21. 於聯營公司權益(續)

有關本集團聯營公司之財務資料如下：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Total assets	資產總額	12,663,618	12,265,364
Total liabilities	負債總額	8,422,550	8,732,051
Net assets	資產淨值	4,241,068	3,533,313
Group's share of associates' net assets	本集團應佔聯營公司資產淨值	2,682,188	2,314,880
Revenue	收益	17,887,103	15,468,261
Profits for the year	本年度溢利	441,643	369,576
Other comprehensive income	其他全面收入	67,950	17,098
Group's share of profits of associates for the year	本集團應佔聯營公司本年度溢利	349,554	280,290
Group's share of other comprehensive income of associates for the year	本集團應佔聯營公司本年度其他全面收入	42,593	11,218

重大聯營公司之財務資料概要

有關本集團重大聯營公司之財務資料概要載列如下。以下財務資料概要呈列於聯營公司之財務報表之金額，是按照香港財務報告準則編制。

北人集團是本集團唯一重大的聯營公司，是採權益法於綜合財務報表入賬。

北人集團

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

21. Interests in Associates (continued)

Summarised financial information of material associates (continued)
Beiren Group (continued)

21. 於聯營公司權益(續)

重大聯營公司之財務資料概要(續)

北人集團(續)

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Revenue	收益	17,767,637	15,346,521
Profit for the year	本年度溢利	439,699	370,000
Other comprehensive income for the year	本年度其他全面收入	67,950	17,098
Total comprehensive income for the year	本年度全面收入總額	507,649	387,098
Dividends received from the associate during the year	於年內從該聯營公司之已收股息	24,839	16,467

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate in respect of Beiren Group recognised in the consolidated financial statements:

有關北人集團於綜合財務報表中確認聯營公司權益之賬面值與上述財務資料概述對賬：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Net assets of Beiren Group attributable to owners	擁有人應佔北人集團之資產淨值	3,508,840	3,001,191
Proportion of the Group's ownership interest in Beiren Group	本集團於北人集團按比例擁有之權益	49%	49%
Add: Interest in Beiren Group through other subsidiaries of the Group	加：通過本集團其他附屬公司於北人集團擁有之權益	958,656	841,068
Carrying amount of the Group's interest in Beiren Group	本集團於北人集團權益之賬面值	2,677,988	2,311,652

Aggregate information of associates that are not individually material

非個別重大之聯營公司綜合資料

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
The Group's share of profit (loss) and total comprehensive income	本集團應佔溢利(虧損)及全面收入總額	972	(213)
Aggregate carrying amount of the Group's interests in these associates	本集團於聯營公司權益之總賬面值	4,200	3,228

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

22. Interest in a Joint Venture

At 31 December 2013 and 2012, the Group had interest in the following joint venture:

Name of entity	Form of business structure	Place of establishment/operation	Proportion of nominal value of issued capital held by the Group 本集團所持已發行股本面值比例	Proportion of voting power held 所持投票權比例	Principal activities
實體名稱	業務結構模式	成立/經營地點			主要業務
上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co., Ltd.)	Sino-foreign equity joint venture 中外合資合營企業	PRC 中國	50%	50%	Property holding and leasing 物業持有及租賃

The joint venture is accounted for using the equity method of accounting:

22. 於一家合資企業權益

於二零一三年及二零一二年十二月三十一日，本集團於下列合資企業擁有權益：

合資企業按權益會計法入賬：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Cost of unlisted investment in a joint venture	一家合資企業非上市投資之成本	433,104	433,104
Share of post-acquisition profits and other comprehensive income, net of dividends	分佔收購後之溢利及其他全面收入，扣除股息	53,127	50,008
		486,231	483,112

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

22. Interest in a Joint Venture (continued)

The summarised financial information related to the Group's interest in the joint venture is set out below:

22. 於一家合資企業權益(續)

有關本集團於合資企業之權益之財務資料概述如下：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Non-current assets	非流動資產	1,322,422	1,357,361
Current assets	流動資產	170,903	131,988
Current liabilities	流動負債	520,863	523,125
Cash and cash equivalents	現金及現金等價物	13,841	12,556
Current financial liabilities (excluding trade and other payables and provisions)	流動金融負債(不包括應付賬款及其他應付款項及撥備)	493,407	491,007
Income	收入	248,748	239,990
Expenses	開支	185,008	179,396
Profit for the year	本年度溢利	63,740	60,594
Other comprehensive income	其他全面收入	13,700	3,634
Total comprehensive income for the year	本年度全面收入總額	77,440	64,228
Dividend income recognised during the year	年內已確認之股息收入	35,601	35,091
Group's share of profit of the joint venture	本集團應佔合資企業溢利	31,870	30,297
Group's share of other comprehensive income of the joint venture	本集團應佔合資企業其他全面收入	6,850	1,817

The above profit for the year includes the following:

以上本年度溢利包括以下項目：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Depreciation and amortisation	折舊及攤銷	-	71
Interest income	利息收入	238	243
Interest expense	利息支出	15,989	16,891
Income tax expense	所得稅支出	26,333	25,249

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

22. Interest in a Joint Venture (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Net assets of the joint venture	合資企業之資產淨值	972,462	966,224
Proportion of the Group's ownership interest	本集團擁有權益比例	50%	50%
Carrying amount of the Group's interest in the joint venture	本集團於合資企業權益之賬面值	486,231	483,112

22. 於一家合資企業權益(續)

上述財務資料概述和綜合財務報表中於合資企業權益之賬面值對賬：

23. Inventories

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Merchandise held for resale	持有作轉售商品	80,339	78,753

23. 存貨**24. Trade and Other Receivables**

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Trade receivables	應收賬款	88,841	103,608
Less: Allowance for doubtful debts	減：呆賬撥備	(3,135)	(2,091)
Prepayment	預付賬款	85,706	101,517
Deposits paid	已付按金	52,357	60,971
Value added tax ("VAT") receivable	應收增值稅	26,131	25,257
Consideration receivable for disposal of a subsidiary (note 38(a))	出售一家附屬公司應收作價(附註38(a))	68,162	72,073
Others	其他	349,964	-
		75,393	90,563
Total trade and other receivables	應收賬款及其他應收款項總額	657,713	350,381

24. 應收賬款及其他應收款項

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

24. Trade and Other Receivables (continued)

The Group's retail sales to customers are mainly made in cash, through debit card or credit card payments without a defined credit policy. Its major trade receivables arise from credit card sales and the receivables from concessionaire income are normally settled 30 days in arrear. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
0-30 days	0日至30日	79,822	99,110
31-60 days	31日至60日	4,783	1,530
61-90 days	61日至90日	517	372
Over 90 days	超過90日	584	505
		85,706	101,517

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$1,101,000 (2012: HK\$877,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 90 days (2012: 90 days).

Aging of trade receivables which are past due but not impaired

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
61-90 days	61日至90日	517	372
Over 90 days	超過90日	584	505
		1,101	877

The Group has not provided fully for all receivables over 90 days because historical experience is such that receivables are recoverable from the relevant debtors.

Movement in the allowance for doubtful debt on trade receivables

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Balance at beginning of the reporting period	報告期初結餘	2,091	2,070
Impairment loss recognised	已確認之減值虧損	1,044	21
Balance at the end of the reporting period	報告期終結餘	3,135	2,091

24. 應收賬款及其他應收款項(續)

本集團向顧客作出的零售銷售主要以現金、透過記賬卡或信用卡付款，並無既定信貸政策。本集團主要應收賬款來自信用卡銷售及通常於三十日內收回應收特許經營商收入賬款。以下為於報告期間結算日應收賬款(扣除呆賬撥備)根據發票日期之賬齡分析。

本集團應收賬款結餘包括賬面總值1,101,000港元(二零一二年:877,000港元)之應收款，該等應收款於報告日期逾期尚未收回，而本集團未曾作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。該等應收款項之平均賬齡為90日(二零一二年:90日)。

逾期但未減值之應收賬款的賬齡如下

本集團並未就所有超過90日的應收款作全數撥備，原因為根據過往經驗，集團可從有關債務人收回該等應收款。

應收賬款呆賬撥備變動

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

25. Amount due from (to) a Joint Venture

The amount due from a joint venture includes an entrusted loan to a joint venture of HK\$102,480,000 (2012: HK\$99,520,000) which carries fixed rate of 3.5% per annum, and repayable within one year. The remaining balance of HK\$128,090,000 (2012: HK\$109,755,000) is unsecured, non-interest bearing and repayable on demand.

The amount due to a joint venture represents an entrusted loan from a joint venture which carries at fixed interest rate of 0.5% per annum and repayable within one year.

25. 應收(應付)一家合資企業款項

應收一家合資企業之款項包括借予一家合資企業之委託貸款102,480,000港元(二零一二年: 99,520,000港元),其固定年利率為3.5%,及於一年內還款。餘下結餘128,090,000港元(二零一二年: 109,755,000港元),為免息及須於要求時償還。

應付一家合資企業之款項代表由一家合資企業借出之委託貸款,其固定年利率為0.5%,及於一年內償還。

26. Financial Assets at Fair Value Through Profit or Loss**26. 按公平值計入損益之金融資產**

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Financial assets at FVTPL:	按公平值計入損益之金融資產		
— listed equity securities in Hong Kong	— 於香港上市股本證券	345,235	128,534
— listed equity securities in Singapore	— 於新加坡上市股本證券	22,375	—
— listed equity securities in London	— 於倫敦上市股本證券	3,015	3,340
— listed equity securities in Tokyo	— 於東京上市股本證券	109,521	—
— listed equity securities in New York	— 於紐約上市股本證券	95,497	—
— listed debt securities (note 1)	— 上市債券(附註1)	1,109,396	1,116,853
— unlisted securities (note 2)	— 非上市證券(附註2)	1,610,221	1,369,823
— unlisted equity investment (note 3)	— 非上市股本投資(附註3)	50,660	50,660
		3,345,920	2,669,210

Notes:

- (1) The listed debt securities mainly represent investment in corporate bonds which are mainly listed in Hong Kong and Singapore.
- (2) The unlisted securities mainly include certificates of deposit and investment funds managed by financial institutions.
- (3) At 31 December 2013 and 31 December 2012, the unlisted equity investment in the PRC represents the Group's retained 10% equity interest in Shenyang Jiajian after the disposal in 2011. The fair value is determined by reference to the fair value of the underlying property assessed by the management of the Group and after adjusting for lack of marketability of the investment.

At 31 December 2013, financial assets at FVTPL with carrying amount of HK\$1,393,922,000 (2012: HK\$1,098,175,000) have been pledged as security for loan facilities granted to the Group.

附註:

- (1) 上市債券主要指在香港及新加坡上市之投資債券。
- (2) 非上市債券主要包括存款證及由金融機構管理的投資基金。
- (3) 於二零一三年十二月三十一日及二零一二年十二月三十一日,在中國非上市股本證券乃代表於二零一一年出售瀋陽佳建之後尚餘之10%權益。其公平值取決於瀋陽佳建擁有的投資物業之公平值及因相關投資欠缺市場流通性而作出之調整。

於二零一三年十二月三十一日,已抵押賬面值1,393,922,000港元(二零一二年: 1,098,175,000港元)之按公平值計入損益之金融資產,以獲取授予本集團融資額度。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

27. Bank Balances and Cash

At the end of the reporting period, bank balances and cash comprised mainly short-term deposits with original maturity within 3 months which carry interests at prevailing market rates ranging from 0.01% to 3.3% per annum (2012: 0.01% to 3.6% per annum).

Included in bank balances and cash are the following amounts denominated in currencies other than functional currency of the relevant group entities:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
US\$	美元	2,486,354	2,983,159
RMB	人民幣	1,234,161	271,336

28. Assets Classified as Held for Sale/Liabilities Associated with Assets Classified as Held for Sale

On 31 December 2012, the Group entered into a sale and purchase agreement (the "Tianjin Disposal Agreement") with an independent third party (the "Purchaser") whereby (i) the Purchaser agreed to purchase the entire equity interest in Li Hua Jia (Tianjin) for a total cash consideration of RMB545,000,000 (equivalent to approximately HK\$677,980,000) less all loans, including principal or interest, outstanding and owed by Li Hua Jia (Tianjin) to other subsidiaries of the Company in an aggregate amount of approximately RMB99,113,000 (equivalent to approximately HK\$123,296,000) as at 31 December 2012 (the "Loans") and (ii) the Purchaser would provide funding to, and will procure, Li Hua Jia (Tianjin) to repay the Loans on the completion date. As at 31 December 2012, the outstanding loans owed to Hui Fu Commercial Consultancy (Shanghai) Co., Ltd. ("會福商務諮詢(上海)有限公司") and Lifestyle (China) Investment Company Limited by Li Hua Jia (Tianjin) amounted to approximately RMB40,044,000 (equivalent to approximately HK\$49,815,000) and RMB59,069,000 (equivalent to approximately HK\$73,481,000), respectively.

The assets and liabilities attributable to Li Hua Jia (Tianjin), which is expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position at 31 December 2012. The transaction was completed on 25 April 2013.

27. 銀行結存及現金

於報告期間結算日，銀行結存及現金主要包括按現行市場利率計息(年利率介乎0.01厘至3.3厘)(二零一二年：年利率介乎0.01厘至3.6厘)的於三個月內到期之短期存款。

銀行結存及現金包括下列以相關集團實體功能貨幣以外貨幣計算的款項：

28. 分類為持作出售資產／分類為持作出售資產之負債

於二零一二年十二月三十一日，本集團與獨立第三方(「買方」)簽訂買賣合約(「出售天津合約」)，據此(i)買方同意購買利華佳(天津)的全部股權，以作價現金為人民幣545,000,000元(相等於約677,980,000港元)減去於二零一二年十二月三十一日之所有貸款，包括本金或利息及利華佳(天津)欠本公司其他附屬公司之未償還金額，總金額約人民幣99,113,000元(相等於約123,296,000港元)(「貸款」)。及(ii)買方將提供資金，並會促使利華佳(天津)於完成日期完成償還貸款。於二零一二年十二月三十一日利華佳(天津)欠會福商務諮詢(上海)有限公司(「會福」)及利福中國(投資)有限公司之未償還貸款金額，分別為約人民幣40,044,000元(相等於約49,815,000港元)及人民幣59,069,000元(相等於約73,481,000港元)。

利華佳(天津)應佔資產和負債(預計於十二個月內出售)已分類為持作出售，並單獨呈列於二零一二年十二月三十一日之綜合財務狀況表。交易於二零一三年四月二十五日完成。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

28. Assets Classified as Held for Sale/Liabilities Associated with Assets Classified as Held for Sale (continued)

The major classes of assets and liabilities of Li Hua Jia (Tianjin) classified as held for sale as at 31 December 2012 are as follows:

		HK\$'000 千港元
Investment property	投資物業	647,920
Property, plant and equipment	物業、廠房及設備	12,683
Rental and other receivables	應收租金賬款及其他應收款項	2,927
Bank balances and cash	銀行結存及現金	3,805
Total assets classified as held for sale	分類為持作出售資產之資產總數	667,335
Other payables and rental deposits received	其他應付款項及已收租賃按金	(8,543)
Deferred tax liabilities	遞延稅項負債	(57,520)
Total liabilities classified as held for sale	分類為持作出售資產之負債總數	(66,063)
Net assets classified as held for sale	分類為持作出售資產淨值	601,272

28. 分類為持作出售資產／分類為持作出售資產之負債(續)

於二零一二年十二月三十一日利華佳(天津)被分類為持作出售的資產和負債主要類別如下：

29. Trade and Other Payables**29. 應付賬款及其他應付款項**

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Trade payables	應付賬款	286,140	283,233
Construction payables	應付工程款	407,476	12,073
Concessionaire sales payable	應付特許專櫃銷售款項	1,235,160	1,177,604
Deferred income	遞延收益	168,650	160,401
Rental deposit received	已收租賃按金	65,304	50,882
Accrued expense	應計支出	186,946	224,758
VAT payable	應付增值稅	32,342	30,567
Receipt in advance from sale of a subsidiary (note 38(a))	出售一家附屬公司 之預收款項(附註38(a))	-	37,320
Interest payables	應付利息	110,620	113,426
Others	其他	197,982	159,906
		2,690,620	2,250,170

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

29. Trade and Other Payables (continued)

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
0–30 days	0日至30日	238,868	238,740
31–60 days	31日至60日	41,351	42,074
61–90 days	61日至90日	3,728	126
Over 90 days	超過90日	2,193	2,293
		286,140	283,233

The average credit period of trade payables and concessionaire sales payable is within 45 days. All concessionaire sales payable are aged within 45 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

29. 應付賬款及其他應付款項(續)

以下為於報告期間結算日應付賬款根據發票日期之賬齡分析。

應付賬款及應付特許專櫃銷售款項之平均信貸期為45日以內。所有應付特許專櫃銷售款項之賬齡均為45日以內。本集團設有財務風險管理政策，確保所有應付款項於信貸期限內支付。

30. Bank Borrowings

30. 銀行借貸

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Bank borrowings comprised bank loans and analysed as:	銀行借貸由銀行貸款組成，並按以下分析：		
Secured	有抵押	4,304,717	4,420,417
Unsecured	無抵押	371,490	360,760
		4,676,207	4,781,177
Carrying amount repayable based on contractual repayment dates:	按合約中償還日期分類之應償還賬面值：		
On demand or within one year	應要求或一年內償還	1,857,774	1,240,457
More than one year, but not exceeding two years	一年後但不超過兩年	720,621	902,440
More than two years, but not exceeding three years	兩年後但不超過三年	1,956,031	675,120
More than three years, but not exceeding four years	三年後但不超過四年	141,781	1,888,520
More than four years, but not exceeding five years	四年後但不超過五年	-	74,640
		4,676,207	4,781,177
Less: Amounts due within one year shown under current liabilities	減：列入流動負債於一年內到期之款項	(1,857,774)	(1,240,457)
Amount due after one year	一年後到期之款項	2,818,433	3,540,720

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

30. Bank Borrowings (continued)

Fixed/variable rate borrowings comprise:

30. 銀行借貸(續)

固定利息/浮息借貸包括：

		Carrying amount 賬面值	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
HK\$ bank loans at HIBOR + 1.22% per annum ⁽¹⁾	港元銀行貸款，按香港銀行同業拆息加年息1.22厘計息 ⁽¹⁾	2,868,960	3,202,560
US\$ bank loans at a range from London Interbank Offered Rate ("LIBOR") + 0.3% per annum to LIBOR + 0.5% per annum ⁽²⁾	美元銀行貸款，按倫敦銀行同業拆息加年息0.3厘至0.5厘計息 ⁽²⁾	407,929	694,312
Euro bank loans at LIBOR + 0.5% per annum ⁽²⁾	歐羅銀行貸款，按倫敦銀行同業拆息加年息0.5厘計息 ⁽²⁾	346,973	125,232
Great Britain Pound bank loans at LIBOR + 0.5% per annum ⁽²⁾	英鎊銀行貸款，按倫敦銀行同業拆息加年息0.5厘計息 ⁽²⁾	66,669	25,113
Singapore Dollar bank loans at LIBOR + 0.5% per annum ⁽²⁾	新加坡元銀行貸款，按倫敦銀行同業拆息加年息0.5厘計息 ⁽²⁾	28,493	—
Japanese Yen bank loans at LIBOR + 0.5% per annum ⁽²⁾	日元銀行貸款，按倫敦銀行同業拆息加年息0.5厘計息 ⁽²⁾	92,320	—
Other RMB bank loans ⁽³⁾	其他人民幣銀行貸款 ⁽³⁾	864,863	733,960
Total borrowings	借貸總額	4,676,207	4,781,177

(1) Repayable in one to three years (2012: one to four years) and interest rates will be repriced every one month to three months.

(1) 須於一年至三年(二零一二年：一年至四年)內償還，而利率每隔一至三個月重新定價。

(2) Repayable on demand and interest rates will be repriced every three months.

(2) 須應要求償還，而利率將每三個月重新定價。

(3) Included in RMB bank loans were amounts of HK\$493,373,000 (2012: HK\$373,200,000) which were repayable in four years (2012: five years) and the loans carried interest with reference to benchmark loan rates of financial institutions set by The People's Bank of China. The remaining RMB bank loans carried at fixed interest rate of 3.5% per annum and repayable in one year (2012: two years).

(3) 人民幣銀行貸款當中包括493,373,000港元(二零一二年：373,200,000港元)之貸款，須於四年(二零一二年：五年)內償還，而有關貸款之利息以參考中國人民銀行制定之金融機構基準貸款利率為基準。其餘的人民幣銀行貸款則維持於年息3.5厘之固定利率及須於一年(二零一二年：兩年)內償還。

The ranges of effective interest rates of the borrowings are also equal to contracted interest rates ranging from 1.95% to 2.01% (2012: 1.45% to 1.67%) per annum.

借貸實際利率幅度介乎年息1.95厘至2.01厘(二零一二年：1.45厘至1.67厘)，亦與訂約利率相同。

At the end of the reporting period, the Group has undrawn borrowing facilities as follows:

於報告期間結算日，本集團之未提取銀行融資額度如下：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Floating rate	浮息		
— expiring beyond one year	— 一年後到期	2,662,143	2,149,343

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31. Derivative Financial Liabilities

31. 衍生金融負債

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Other derivatives (not under hedge accounting):	其他衍生工具		
	(不根據對沖會計):		
Interest rate swaps	利率掉期	1,172	9,579
Foreign currency forward contracts	外匯遠期合約	11,408	6,850
		12,580	16,429

Major terms of the interest rate swaps are as follows:

利率掉期的主要條款如下:

Notional amount 名義金額	Maturity 到期日	Pay fixed 支付固定利息之利率	Receiving floating 收取浮動利息之利率
At 31 December 2013 於二零一三年十二月三十一日			
US\$3,000,000 3,000,000 美元	20 May 2021 二零二一年五月二十日	3.23% 3.23 厘	LIBOR 倫敦銀行同業拆息
At 31 December 2012 於二零一二年十二月三十一日			
US\$3,000,000 3,000,000 美元	20 May 2021 二零二一年五月二十日	3.23% 3.23 厘	LIBOR 倫敦銀行同業拆息
US\$3,000,000 3,000,000 美元	9 June 2041 二零四一年六月九日	4.025% 4.025 厘	LIBOR 倫敦銀行同業拆息

Note: The Group will pay fixed interest on the notional amount semi-annually and receive floating interest on the notional amount quarterly based on the interest rate swaps contracts.

附註: 本集團將於每半年按名義金額支付固定利息和按利率掉期合約以名義金額收取季度浮動利息。

Major terms of the foreign currency forward contracts are as follows:

外幣遠期合約的主要條款如下:

Notional amount 名義金額	Maturity 到期日	Exchange rates 匯率
At 31 December 2013 於二零一三年十二月三十一日		
Buy US\$50,040,617 買 50,040,617 美元	13 May 2015 二零一五年五月十三日	US\$1: RMB6.155 1 美元兌 6.155 人民幣
At 31 December 2012 於二零一二年十二月三十一日		
Buy US\$31,746,032 買 31,746,032 美元	27 February 2013 二零一三年二月二十七日	US\$1: RMB6.3 1 美元兌 6.3 人民幣
Buy US\$30,158,730 買 30,158,730 美元	27 February 2013 二零一三年二月二十七日	US\$1: RMB6.3 1 美元兌 6.3 人民幣

These interest swaps contracts and foreign currency forward contracts can be terminated by the Group at any time before the maturity date.

本集團可以於到期日前終止該等掉期合約和外幣遠期合約。

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32. Bonds**32. 債券**

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Carrying amount repayable:	應償還賬面值：		
More than two years, but not more than five years	兩年後但不超過五年	3,871,494	3,870,557
Over five years	超過五年	2,293,982	2,291,151
		6,165,476	6,161,708
US\$500,000,000 bond carries fixed coupon rate of 5.25% per annum, payable semi-annually with maturity up until January 2017	500,000,000美元債券，固定票面年利率為5.25%，每半年派發一次，直至二零一七年一月到期為止	3,871,494	3,870,557
US\$300,000,000 bond carries fixed coupon rate of 4.25% per annum, payable semi-annually with maturity up until October 2022	300,000,000美元債券，固定票面年利率為4.25%，每半年派發一次，直至二零二二年十月到期為止	2,293,982	2,291,151
		6,165,476	6,161,708

In January and March 2012, LS Finance (2017) Limited, the wholly owned subsidiary of the Company, concluded public offering of the bonds of US\$350,000,000 and US\$150,000,000 respectively (equivalent to approximately HK\$3,875,000,000 in aggregate). The bonds carry fixed coupon rate of 5.25% per annum, payable semi-annually in arrears. The first tranche bond, issued at discount, carries effective interest rate of 5.54% per annum, whereas the second tranche, issued at premium, carries effective interest rate of 4.70% per annum. The principal amount of the bonds issued under the first and second tranche is repayable 5 years from the date of issue of the first tranche of the bonds, i.e. January 2017 and unconditionally and irrevocably guaranteed by the Company.

於二零一二年一月及三月，本集團的全資附屬公司LS Finance (2017) Limited已發行分別為350,000,000美元及150,000,000美元之債券(總額等值約為3,875,000,000港元)。債券之固定票面年利率為5.25%，每半年支付一次。第一批債券以折讓價發行，實際年利率為5.54%，而第二批債券則以溢價發行，實際年利率為4.70%。第一批與第二批債券的本金將會以第一批債券之發行日期計起的五年後償還，即二零一七年一月，並且是由本集團無條件及不可撤回地作擔保。

In October 2012, LS Finance (2022) Limited, another wholly owned subsidiary of the Company, concluded public offering of the bonds of US\$300,000,000 (equivalent to approximately HK\$2,325,000,000). The bonds carry fixed coupon rate of 4.25% per annum, payable semi-annually in arrears. The bond, issued at discount, carries effective interest rate of 4.43% per annum. The principal amount of the bonds is repayable 10 years from the date of issue of the bonds, i.e. October 2022 and unconditionally and irrevocably guaranteed by the Company.

於二零一二年十月，本集團的全資附屬公司LS Finance (2022) Limited已發行300,000,000美元之債券(等值約為2,325,000,000港元)。債券之固定票面年利率為4.25%，每半年支付一次。債券以折讓價發行，實際年利率為4.43%。債券的本金將會在債券之發行日期計起的十年後償還，即二零二二年十月，並且是由本集團無條件及不可撤回地作擔保。

The purpose of the bonds is to satisfy funding requirements for the capital expenditures relating to new department store projects in the PRC. The bonds are subject to redemption, in whole but not in part, at their principal amounts, together with interest accrued to the date of redemption, at the option of LS Finance (2017) Limited and LS Finance (2022) Limited at any time in the event of certain changes affecting taxes of the British Virgin Islands and the Cayman Islands. The Bonds also contain a provision for redemption at the option of the bondholders at 101% of the principal amount of each bond, together with interest accrued to the date for redemption, upon a change of controlling shareholder with respect to LS Finance (2017) Limited or LS Finance (2022) Limited.

發行債務的主要目的是符合在中國發展新百貨公司項目所導致之資本開支的資金需求。當任何時間出現改變而影響英屬維爾京群島和開曼群島的稅收時，LS Finance (2017) Limited和LS Finance (2022) Limited有權選擇贖回全部而非部分的債券之本金連同直至贖回日的應付利息。另外，當LS Finance (2017) Limited和LS Finance (2022) Limited的控股股東有變化的時候，債券持有人可選擇以債券之本金連同直至贖回日的應付利息的101%贖回債券。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

33. Deferred Tax Liabilities

The following are the major deferred tax liabilities recognised and movements thereon during the current and prior years:

33. 遞延稅項負債

以下為本集團確認之主要遞延稅項負債以及於本年度及過往年度的變動：

		Property, plant and equipment 物業、廠房及 設備/投資 物業 HK\$'000 千港元 (note) (附註)	EIT on fair value change of investment properties 按投資物業 公平值變動 應計的 企業所得稅 HK\$'000 千港元 (note) (附註)	LAT 土地增值稅 HK\$'000 千港元 (note) (附註)	Distributable profits of PRC subsidiaries, associates and joint venture 中國附屬公司、 聯營公司及 合資企業 之可分配利潤 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2012	於二零一二年一月一日	17,146	92,186	150,408	58,614	318,354
Charge to profit or loss (note 12)	扣除自損益 (附註12)	1,052	22,108	53,627	19,877	96,664
Reclassified to held for sale (note 28)	分類為持作出售資產 (附註28)	-	(57,520)	-	-	(57,520)
Released upon dividends declared (note 12)	宣派股息後解除 (附註12)	-	-	-	(55,650)	(55,650)
At 31 December 2012	於二零一二年十二月 三十一日	18,198	56,774	204,035	22,841	301,848
(Credit) charge to profit or loss (note 12)	(扣抵)扣除自損益 (附註12)	(1,710)	4,547	(95,485)	20,621	(72,027)
Released upon dividends declared (note 12)	宣派股息後解除 (附註12)	-	-	-	(18,380)	(18,380)
At 31 December 2013	於二零一三年 十二月三十一日	16,488	61,321	108,550	25,082	211,441

Note: The amounts represent deferred tax liabilities recognised in relation to accelerated tax depreciation of property, plant and equipment, LAT and EIT on fair value changes of investment properties located in the PRC.

附註：該金額代表物業、廠房及設備之加快稅項折舊及位於中國之投資物業的公平值變動之應計土地增值稅及企業所得稅之確認遞延稅項負債。

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33. Deferred Tax Liabilities (continued)

At the end of the reporting period, the Group has unused tax losses of approximately HK\$535.5 million (2012: HK\$538.7 million) available for offset against future profits. No deferred tax asset has been recognised in respect of tax losses for both years due to unpredictability of future profit streams. The tax losses in Hong Kong may be carried forward indefinitely. The unrecognised tax losses arising from subsidiaries operated in the PRC will expire as follows:

Tax losses expiry in	稅項虧損到期之年份	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
2013	二零一三年	-	48,933
2014	二零一四年	32,965	55,618
2015	二零一五年	33,597	58,881
2016	二零一六年	27,732	44,652
2017	二零一七年	25,915	39,899
2018	二零一八年	165,661	-
		285,870	247,983

During the year ended 31 December 2013, approximately HK\$35.1 million (2012: HK\$80.7 million) tax losses expired. Included in tax losses at 31 December 2012 was accumulated tax losses of approximately HK\$92.7 million arising from Li Hua Jia (Tianjin).

33. 遞延稅項負債(續)

於報告期間結算日，本集團有未動用稅項虧損約535,500,000港元(二零一二年：538,700,000港元)可用作抵銷日後溢利。由於日後溢利來源難以預測，故此去年及今年均並無就此稅項虧損確認遞延稅項資產。香港的所有稅項虧損均可無限期結轉。而在中國經營的附屬公司產生之未確認稅項虧損將會於下列年份到期：

截至二零一三年十二月三十一日止年度，約35,100,000港元(二零一二年：80,700,000港元)之稅項虧損已經過期。於二零一二年十二月三十一日，累計稅項虧損中，包括利華佳(天津)約92,700,000港元的累計稅項虧損。

34. Amount Due to a Non-Controlling Shareholder of Subsidiaries

The amount is unsecured and interest free. The non-controlling shareholder of subsidiaries agreed not to demand for repayment within one year from the end of the reporting period.

34. 應付附屬公司一名非控股股東之款項

該款項為無抵押及免息。附屬公司之非控股股東同意不會要求在報告期末後一年內償還款項。

35. Share Capital

Details of the changes in the Company's share capital during the year ended 31 December 2013 are as follows:

35. 股本

截至二零一三年十二月三十一日止年度，本公司之股本變動詳情如下：

		Number of shares 股份數目	Amount 款項 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.005 each as at 1 January 2012, 31 December 2012 and 31 December 2013	於二零一二年一月一日、二零一二年十二月三十一日及二零一三年十二月三十一日每股面值0.005港元之普通股	4,000,000,000	20,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2012	於二零一二年一月一日	1,667,513,500	8,338
Exercise of share options — ordinary shares of HK\$0.005 each	行使購股權 — 每股面值0.005港元之普通股	6,126,000	31
Shares repurchased	購回之股份	(8,718,000)	(44)
At 31 December 2012	於二零一二年十二月三十一日	1,664,921,500	8,325
Exercise of share options — ordinary shares of HK\$0.005 each (note a)	行使購股權 — 每股面值0.005港元之普通股(附註a)	2,925,000	15
Share repurchased (note b)	購回之股份(附註b)	(17,505,500)	(88)
At 31 December 2013	於二零一三年十二月三十一日	1,650,341,000	8,252

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35. Share Capital (continued)

Notes:

- (a) During the year, 433,000 shares (2012: 183,000 shares) of HK\$0.005 each were issued at HK\$6.16 per share (2012: HK\$6.16 per share) upon exercise of the 2005 share option (as defined under note 36) and 2,492,000 shares (2012: 5,943,000 shares) of HK\$0.005 each were issued at HK\$6.40 per share (2012: HK\$6.40 per share) upon exercise of the 2009 share option (as defined under note 36) of the Company by share option holders and all these shares rank pari passu with other ordinary shares of the Company in all respects.
- (b) During the year, the Company repurchased its own shares on the Stock Exchange as follows:

Month of repurchased 回購月份	Total number of ordinary shares repurchased 回購之普通股 股份總數目 '000 千股	Price per share 每股作價		Aggregate consideration paid 總支付金額 HK\$'000 千港元	
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元		
April 2013	二零一三年四月	6,882	17.42	16.92	118,530
May 2013	二零一三年五月	3,951	17.30	15.92	64,892
June 2013	二零一三年六月	3,297	17.50	15.88	54,469
September 2013	二零一三年九月	63	16.14	16.08	1,017
October 2013	二零一三年十月	3,313	16.10	15.66	52,827
		17,506			291,735

In prior year, the Company repurchased its own shares on the Stock Exchange as follows:

Month of repurchased 回購月份	Total number of ordinary shares repurchased 回購之普通股 股份總數目 '000 千股	Price per share 每股作價		Aggregate consideration paid 總支付金額 HK\$'000 千港元	
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元		
May 2012	二零一二年五月	1,564	16.38	15.60	24,840
June 2012	二零一二年六月	5,314	16.52	15.92	86,708
August 2012	二零一二年八月	1,840	16.26	16.14	29,836
		8,718			141,384

36. Share-Based Payment Transactions

The 2004 Share Option Scheme

The Company's share option scheme (the "Scheme") was adopted for a period of 10 years commencing 27 March 2004. Under the Scheme, the Company may grant options to selected full-time employees and directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to eligible advisors and consultants to the Company and its subsidiaries at the discretion of the board of directors of the Company (the "Board of Directors").

35. 股本(續)

附註:

- (a) 年內，本公司於購股權持有人行使二零零五年購股權及二零零九年購股權(定義見附註36)時分別按每股6.16港元(二零一二年：每股6.16港元)發行433,000股(二零一二年：183,000股)每股面值0.005港元之股份及按每股6.40港元(二零一二年：每股6.40港元)發行2,492,000股(二零一二年：5,943,000股)每股面值0.005港元之股份，所有該等股份於各方面均與本公司其他普通股享有同等權益。
- (b) 年內，本公司從聯交所購回公司股份詳情如下：

36. 股份付款交易

二零零四年購股權計劃

本公司已採納由二零零四年三月二十七日起為期十年之購股權計劃(「該計劃」)。根據該計劃，本公司可向本公司及其附屬公司經甄選之全職僱員及董事授出購股權，以認購本公司股份。此外，本公司可不時按董事會酌情權向本公司及其附屬公司之合資格顧問及諮詢顧問授出購股權。

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36. Share-Based Payment Transactions (continued)**The 2004 Share Option Scheme (continued)**

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders, independent non-executive directors, or any of their respective associates (including a discretionary trust whose discretionary objects include a substantial shareholder or an independent non-executive director or any of their respective associates) in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved by the Company's shareholders.

Option granted must be taken up within the time limit specified in the offer letter (which shall not be later than 5 days from the date of offer), upon payment of HK\$1 per option. Options may be exercised at any time during a period commencing on or after the date on which the option is accepted and deemed to be granted and expiring on a date to be notified by the Board of Directors to each grantee which shall not be more than 10 years from the date on which the option is accepted and deemed to be granted. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

The 2009 Share Option Scheme

The adoption of a new share option scheme (the "2009 Share Option Scheme") was approved by the shareholders of the Company in an extraordinary general meeting held on 3 March 2009 for a period of 10 years commencing from 3 March 2009 as incentive or reward for the contribution of the eligible participants to the growth of the Group and to provide to the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the eligible participants.

Under the 2009 Share Option Scheme, the Company may grant options to (a) any full-time or part-time employee of the Company and/or any subsidiary; (b) any directors (including executive, non-executive and independent non-executive director) of the Company and/or any subsidiary; and (c) any consultant or adviser (whether professional or otherwise and whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid), distributor, contractor, supplier, service provider, agent, customer and business partner of the Company and/or any subsidiary who, at the sole determination of the Board of Directors, have contributed or will contribute to the Company and/or any subsidiary.

36. 股份付款交易(續)**二零零四年購股權計劃(續)**

如未經本公司股東事先批准，根據該計劃可授出購股權所涉及股份總數，不得超過本公司於任何時間已發行股份10%。如未經本公司股東事先批准，於任何一年，就任何個別人士所獲授及可獲授之購股權已發行及將發行之股份數目，不得超過本公司於任何時間已發行股份1%。授予主要股東、獨立非執行董事或任何彼等各自之聯繫人(包括全權信託，而有關全權受益人包括主要股東或獨立非執行董事或任何彼等各自之聯繫人)超過本公司股本0.1%或價值超過5,000,000港元之購股權，亦必須經本公司股東批准。

授出之購股權須於提呈函件所指定時限(不得遲於提呈日期起計5日)內接納，接納時須就每份購股權支付1港元。購股權可於接納及被視為已授出當日或之後起至董事會知會各承授人屆滿當日止期間內隨時行使，惟由接納及被視為已授出購股權當日起計不得超過10年。行使價由本公司董事釐定，將不低於(i)授出日期本公司股份收市價；(ii)緊接授出日期前五個營業日股份平均收市價；及(iii)本公司股份面值三者之較高者。

二零零九年購股權計劃

本公司股東於二零零九年三月三日舉行之股東特別大會上批准採納新購股權計劃(「二零零九年購股權計劃」)，自二零零九年三月三日起為期十年，作為合資格參與者對本集團發展作出貢獻之激勵或獎賞，並讓本集團更具彈性地向合資格參與者提供獎賞、報酬、補償及/或提供福利。

根據二零零九年購股權計劃，本公司可授予購股權予(a)本公司及/或任何附屬公司之任何全職或兼職僱員；(b)本公司及/或任何附屬公司之任何董事(包括執行、非執行及獨立非執行董事)；及(c)經董事會全權決定，已對或將會對本公司及/或任何附屬公司作出貢獻之本公司及/或任何附屬公司之任何專家顧問或顧問(不論其是否專業人士及不論其基於聘用、合約或榮譽或其他性質及是否受薪)、分銷商、承包商、供應商、服務供應商、代理、客戶及業務夥伴。

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36. Share-Based Payment Transactions (continued)**The 2009 Share Option Scheme (continued)**

There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the 2009 Share Option Scheme. However, the Board of Directors may offer to grant any options subject to such terms and conditions in relation to the minimum period of the options to be held and/or the performance targets to be achieved before such options can be exercised and/or any other terms as the Board of Directors may determine in its absolute discretion.

The total number of shares which may be issued upon exercise of all options which may be granted under the 2009 Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 166,860,950 shares, representing 10% of the issued share capital of the Company as at 3 March 2009, the date on which the 2009 Share Option Scheme was approved by the shareholders of the Company. The Board of Directors may seek approval by shareholders in general meeting to renew such limit provided that it must not exceed 10% of the issued share capital of the Company at the date of approval of the renewed limit. The maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2009 Share Option Scheme and any other scheme must not exceed such number of shares as shall represent 30% of the issued share capital of the Company from time to time.

Where options are proposed to be granted to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates, and the proposed grant of options will result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of the Company on the date of offer and having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5 million, such grant of options must be subject to the approval of the shareholders taken on a poll at general meeting. The connected person involved in such proposed grant of options and all other connected persons of the Company must abstain from voting in such general meeting (except that any connected person may vote against the proposed grant provided that his intention to do so has been stated in the relevant circular to the shareholders).

Option granted must be taken up within the time limit specified in the offer letter (which shall not be later than 5 days from the date of offer), upon payment of HK\$1 on acceptance of the offer. Options may be exercised at any time during a period to be notified by the Board of Directors to each grantee which shall not be more than 10 years from the date of the offer. The exercise price is determined by the directors of the Company, and will be at least the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

36. 股份付款交易(續)**二零零九年購股權計劃(續)**

對於購股權可以根據二零零九年購股權計劃之條款行使前必須持有購股權之最低期限或須達致之表現目標，並無設立一般性規定。然而，董事會授予任何購股權時可設立有關條款及條件，規限在有關購股權可以行使前必須持有購股權之最低期限及／或須達致之表現目標，及／或董事會可絕對酌情釐定之任何其他條款。

因行使根據二零零九年購股權計劃及本公司任何其他購股權計劃授予之所有購股權而可發行之股份總數，合計不得超過166,860,950股股份，相當於本公司股東於二零零九年三月三日舉行之股東特別大會上有條件批准二零零九年購股權計劃當日本公司已發行股本10%。董事會可於股東大會上尋求股東之批准以更新有關限額，惟該限額不得超過更新限額批准當日本公司已發行股本之10%。行使根據二零零九年購股權計劃及任何其他計劃所有已授予而尚未行使之未行使購股權時發行之股份數目，合計最多不得超過本公司不時已發行股本30%之股份數目。

倘於截至及包括授予日期前任何12個月內建議向本公司主要股東、獨立非執行董事或彼等各各自之任何聯繫人授予購股權，會使該人士因行使所有已獲授及將獲授購股權(包括已行使、註銷及尚未行使之購股權)而已發行及將發行之股份總數合計超過本公司於要約日期已發行股本之0.1%，而有關總值(按各授予日期股份收市價計算)超過5,000,000港元，則該次購股權授予須在股東大會上獲得股東按股數投票表決批准。涉及該次建議授予購股權之關連人士以及本公司之所有其他關連人士須在上述股東大會上放棄投票(然而，任何關連人士均可投票反對授予建議，惟其相關意向須載列於致股東之相關通函內)。

授予之購股權須於要約函件所指定時限(不得遲於要約日期起計5日)內接納，於接納要約時須支付1港元。購股權可於董事會知會各承授人期間內隨時行使，惟於要約日期起計不得超過10年。行使價由本公司董事釐定，將至少為下列三者中之最高者(i)授予日期本公司股份收市價；(ii)緊接授予日期前五個營業日股份平均收市價；及(iii)本公司股份面值。

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36. Share-Based Payment Transactions (continued)

Details of specific categories of options are as follows:

Option type	Date of grant	Vesting period	Exercise period	Exercise price	Adjusted exercise price
購股權種類	授出日期	歸屬期	行使期	行使價 HK\$ 港元	經調整 行使價 HK\$ 港元
Under the 2004 Share Option Scheme 在2004年購股權計劃下					
2005 二零零五年	7.10.2005 二零零五年 十月七日	7.10.2005–7.10.2008 二零零五年十月七日至 二零零八年十月七日	7.10.2006–26.3.2014 二零零六年十月七日至 二零一四年三月二十六日	12.32	6.16 (note 1) (附註1)
2007A 二零零七年甲	31.8.2007 二零零七年 八月三十一日	31.8.2007–1.10.2011 二零零七年八月三十一日至 二零一一年十月一日	1.10.2009–26.3.2014 二零零九年十月一日至 二零一四年三月二十六日	37.00	18.50 (note 1) (附註1)
2007B 二零零七年乙	31.8.2007 二零零七年 八月三十一日	31.8.2007–1.10.2010 二零零七年八月三十一日至 二零一零年十月一日	1.10.2008–26.3.2014 二零零八年十月一日至 二零一四年三月二十六日	37.00	18.50 (note 1) (附註1)
2007C 二零零七年丙	31.8.2007 二零零七年 八月三十一日	31.8.2007–1.10.2010 二零零七年八月三十一日至 二零一零年十月一日	1.10.2008–26.3.2014 二零零八年十月一日至 二零一四年三月二十六日	37.00	18.50 (note 1) (附註1)
Under the 2009 Share Option Scheme 在2009年購股權計劃下					
2009 (note 2) 二零零九年(附註2)	2.2.2009 (note 3) 二零零九年 二月二日(附註3)	2.2.2009–7.2.2012 二零零九年二月二日 二零一二年二月七日	7.2.2010–26.3.2014 二零一零年二月七日至 二零一四年三月二十六日	6.40	6.40

Notes:

- (1) The exercise price has been adjusted upon sub-division of shares of the Company of HK\$0.01 to HK\$0.005 on 27 September 2007.
- (2) During the year ended 31 December 2009, 20,400,000 share options were newly granted as replacement for the cancelled share options under option types of 2007A and 2007B and this is accounted for as a modification of the original share options.
- (3) Option subject to approval by independent shareholders was proposed and granted by the Board of Directors on 2 February 2009. The approval was subsequently obtained on 3 March 2009, which is the date of grant as defined in accordance with HKFRS 2.

36. 股份付款交易(續)

特定類別購股權之詳情如下：

Option type	Date of grant	Vesting period	Exercise period	Exercise price	Adjusted exercise price
購股權種類	授出日期	歸屬期	行使期	行使價 HK\$ 港元	經調整 行使價 HK\$ 港元
Under the 2004 Share Option Scheme 在2004年購股權計劃下					
2005 二零零五年	7.10.2005 二零零五年 十月七日	7.10.2005–7.10.2008 二零零五年十月七日至 二零零八年十月七日	7.10.2006–26.3.2014 二零零六年十月七日至 二零一四年三月二十六日	12.32	6.16 (note 1) (附註1)
2007A 二零零七年甲	31.8.2007 二零零七年 八月三十一日	31.8.2007–1.10.2011 二零零七年八月三十一日至 二零一一年十月一日	1.10.2009–26.3.2014 二零零九年十月一日至 二零一四年三月二十六日	37.00	18.50 (note 1) (附註1)
2007B 二零零七年乙	31.8.2007 二零零七年 八月三十一日	31.8.2007–1.10.2010 二零零七年八月三十一日至 二零一零年十月一日	1.10.2008–26.3.2014 二零零八年十月一日至 二零一四年三月二十六日	37.00	18.50 (note 1) (附註1)
2007C 二零零七年丙	31.8.2007 二零零七年 八月三十一日	31.8.2007–1.10.2010 二零零七年八月三十一日至 二零一零年十月一日	1.10.2008–26.3.2014 二零零八年十月一日至 二零一四年三月二十六日	37.00	18.50 (note 1) (附註1)
Under the 2009 Share Option Scheme 在2009年購股權計劃下					
2009 (note 2) 二零零九年(附註2)	2.2.2009 (note 3) 二零零九年 二月二日(附註3)	2.2.2009–7.2.2012 二零零九年二月二日 二零一二年二月七日	7.2.2010–26.3.2014 二零一零年二月七日至 二零一四年三月二十六日	6.40	6.40

附註：

- (1) 當股份於二零零七年九月二十七日從0.01港元拆細至0.005港元時，行使價已被調整。
- (2) 截止二零零九年十二月三十一日止年度，本公司新授出20,400,000份購股權，以取代二零零七年甲及二零零七年乙購股權種類項下已註銷之購股權，並以修改原購股權之方式入賬。
- (3) 董事會於二零零九年二月二日建議及授出有待獨立股東批准之購股權，其後於根據香港財務報告準則第2號界定之授出日期二零零九年三月三日取得批准。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

36. Share-Based Payment Transactions (continued)

The following table discloses movements of the Company's share options held by certain employees and directors:

2013

Option type	購股權種類	Outstanding at 1 January 2013 於二零一三年一月一日尚未行使	Exercised during the year 年內行使	Outstanding at 31 December 2013 於二零一三年十二月三十一日尚未行使
2005	二零零五年	455,000	(433,000)	22,000
2007C	二零零七年丙	17,020,000	-	17,020,000
2009	二零零九年	4,828,000	(2,492,000)	2,336,000
Total	總計	22,303,000	(2,925,000)	19,378,000
Exercisable at end of the year	於年終可予行使			19,378,000
		HK\$ 港元	HK\$ 港元	HK\$ 港元
Weighted average exercise price per share	每股加權平均行使價	15.63	6.36	17.03

36. 股份付款交易(續)

下表披露若干僱員及董事所持本公司購股權之變動：

二零一三年

2012

二零一二年

Option type	購股權種類	Outstanding at 1 January 2012 於二零一二年一月一日尚未行使	Exercised during the year 年內行使	Cancelled during the year 年內註銷	Outstanding at 31 December 2012 於二零一二年十二月三十一日尚未行使
2005	二零零五年	638,000	(183,000)	-	455,000
2007C	二零零七年丙	17,020,000	-	-	17,020,000
2009	二零零九年	10,951,000	(5,943,000)	(180,000)	4,828,000
Total	總計	28,609,000	(6,126,000)	(180,000)	22,303,000
Exercisable at end of the year	於年終可予行使				22,303,000
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Weighted average exercise price per share	每股加權平均行使價	13.60	6.39	6.40	15.65

In respect of the share options exercised during the year, the weighted average share price at the dates of exercise is HK\$16.91 (2012: HK\$17.78).

就年內已行使購股權而言，各行使日期之加權平均股價為16.91港元(二零一二年：17.78港元)。

The Group recognised an expense in the consolidated profit or loss of approximately HK\$nil (2012: HK\$221,000) for the year ended 31 December 2013 in relation to share options granted by the Company.

於截至二零一三年十二月三十一日止年度，本集團沒有就本公司授出購股權於綜合損益表確認開支(二零一二年：221,000港元)。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

37. Reserve

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries are required to maintain a statutory surplus reserve fund. Appropriation to such reserve is made out of net profit after taxation as reflected in the statutory financial statements of the PRC subsidiaries while the amounts and allocation basis are decided by its board of directors annually. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation.

38. Disposal of Subsidiaries**(a) Disposal of Li Hua Jia (Tianjin)**

As detailed in note 28, on 31 December 2012, the Group entered into the Tianjin Disposal Agreement for disposal of the entire equity interest in Li Hua Jia (Tianjin), at a total cash consideration of RMB545,000,000 (equivalent to approximately HK\$677,980,000) less all loans, including principal or interest, outstanding and owed by Li Hua Jia (Tianjin) to other subsidiaries of the Company in an aggregate amount of approximately RMB99,000,000 (equivalent to HK\$123,156,000) ("Outstanding Loans") as at the date of completion, subject to the adjusting conditions as set out below. The assets and liabilities of Li Hua Jia (Tianjin) had been classified as a disposal group held for sale and were presented separately in the consolidated statement of financial position as at 31 December 2012.

Pursuant to the Tianjin Disposal Agreement, the Group shall reimburse to the purchaser of an amount equal to the net current liabilities in the management account of Li Hua Jia (Tianjin) at the completion date after repayment of the Outstanding Loans and an amount of approximately RMB4,449,000 (equivalent to approximately HK\$5,535,000) was paid by the Group to the Purchaser. Pursuant to a memorandum entered on 31 December 2012, an amount of RMB2,000,000 (equivalent to approximately HK\$2,488,000) representing part of the consideration payable shall be withheld by the Purchaser as guarantee deposit and released to the Group on or before 25 April, 2014 ("Guarantee Deposit"). The transaction was completed on 25 April 2013 and the final total consideration is RMB540,551,000 (equivalent to approximately HK\$672,445,000).

37. 儲備

按有關中國外資企業之相關法律及法規，本公司之中國附屬公司須存置法定公積金。有關儲備之撥款乃來自中國附屬公司法定財務報表之除稅後純利，而款額及分配基準由董事會每年決定。法定公積金可用於彌補過往年度之虧損（如有），並可以資本化之方式轉換為資本。

38. 出售附屬公司**(a) 出售利華佳(天津)**

如附註28所列，於二零一二年十二月三十一日，本集團就出售利華佳(天津)的全部股權簽訂買賣合約，總現金代價為人民幣545,000,000元(相等於約677,980,000港元)減去所有貸款，包括於交易完成日期當天利華佳(天津)欠本公司其他附屬公司之未償還本金及利息，合共約人民幣99,000,000元(相等於約123,156,000港元)（「應付貸款」），並受載於下文的條件作出調整。利華佳(天津)應佔資產和負債已分類為持作出售，並單獨呈列於二零一二年十二月三十一日的綜合財務狀況表。

根據出售天津合約，本集團應償付買方一筆款項，相等於利華佳(天津)於交易完成日，償還應付貸款後，於管理賬目之淨流動負債。而有關款項約人民幣4,449,000元(約5,535,000港元)，已由本集團支付給買方。根據於二零一二年十二月三十一日之備忘錄，部份代價款人民幣2,000,000元(約2,488,000港元)會被買方扣起，以作為保證金。此保證金會於二零一四年四月二十五日或以前歸還本集團。此交易已於二零一三年四月二十五日完成，最後總代價為人民幣540,551,000元(約672,445,000港元)。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

38. Disposal of Subsidiaries (continued)**(a) Disposal of Li Hua Jia (Tianjin) (continued)****38. 出售附屬公司(續)****(a) 出售利華佳(天津)(續)**

		HK\$'000 千港元
Analysis of assets and liabilities disposed of:	出售的資產和負債分析：	
Investment property	投資物業	647,920
Property, plant and equipment	物業、廠房及設備	12,683
Rental and other receivables	應收租金及其他應收款項	2,857
Bank balances and cash	銀行結存及現金	1,995
Deferred tax liabilities	遞延稅項負債	(57,520)
Other payables and rental deposits received	其他應付款項及已收租金按金	(7,782)
Amounts due to subsidiaries of the Company	應付本公司附屬公司款項	(123,156)
Net assets disposed of	出售的淨資產	476,997
Gain on disposal	出售之收益	
Consideration received and receivable representing:	已收代價款項及應收代價款項為：	
Receipt in advance in 2012 (note 29)	於二零一二年已收預收款項(附註29)	37,320
Consideration receivable (note)	應收代價款項(附註)	326,880
Cash consideration received by the Group	本集團已收現金代價款項	292,869
		657,069
Less: Amounts due to subsidiaries of the Company	減：應付本公司附屬公司款項	(123,156)
Net assets disposed of	出售的淨資產	533,913 (476,997)
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss	由權益重新分類至損益的附屬公司淨資產之累計匯兌差額	50,819
Gain on disposal	出售之收益	107,735
Net cash inflow arising on disposal	因出售而產生之現金流入淨額	
Cash consideration received by the Group during the year	於本年本集團已收現金代價款項	292,869
Less: bank balances and cash disposed of	減：出售之銀行結餘及現金	(1,995)
		290,874

Note: Pursuant to the Tianjin Disposal Agreement, the final payment of RMB272,500,000 (equivalent to approximately HK\$339,768,000) (the "Final Payment") shall be payable to the Group within nine months from the completion date by the purchaser and Guarantee Deposit of RMB2,000,000 (equivalent to approximately HK\$2,488,000) representing part of the consideration payable withheld by the Purchaser shall be released to the Group on or before 25 April 2014. The Final Payment with deferred payment term is recognised at amortised cost with effective interest of 6.0% p.a. and fair value adjustment of approximately RMB11,734,000 (equivalent to approximately HK\$15,376,000) is recognised at the completion date. The Final Payment was subsequently received on 24 January 2014.

附註：根據出售天津合約，買方須於完成交易日九個月內，將最後付款人民幣272,500,000元(約339,768,000港元)的款項(「最後付款」)繳清予本集團。另外，買方須於二零一四年四月二十五日或以前，將人民幣2,000,000元(約2,488,000港元)的部分代價保證金還予本集團。附帶延遲付款條款之最後付款以實際利率6%攤分成本方式入賬，及人民幣11,734,000元(即約15,376,000港元)的公平值調整已於完成交易日確應入賬。最後付款已於二零一四年一月二十四日收到。

In the opinion of the directors of the Company, the fair value of the investment property at the disposal date approximates the fair value at 31 December 2012. The related asset revaluation reserve previously recognised in equity amounting to HK\$119,961,000 were transferred to retained profits upon disposal of the subsidiary.

公司董事認為該投資物業於出售日的公平值與於二零一二年十二月三十一日的公平值相若。當完成出售附屬公司，之前於權益表內確認的相關資產重估儲備119,961,000港元已轉撥到保留溢利。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

38. Disposal of Subsidiaries (continued)**(b) Disposal of Lakehill Holdings Limited**

On 5 July 2013, the Group disposed of its entire interest in a subsidiary, Lakehill Holdings Limited, which holds certain of the Group's trademark license to an independent third party for a cash consideration of US\$7,375,000 (equivalent to HK\$57,220,000). The details of the net assets at the date of disposal are as follows:

		HK\$'000 千港元
Royalty receivables	應收專利費	7,750
Other receivables	其他應收款項	45
		7,795
Gain on disposal	出售之收益	
Consideration received	已收代價款項	57,220
Net assets disposed of	出售的淨資產	(7,795)
Gain on disposal	出售之收益	49,425
Net cash inflow arising on disposal	因出售而產生之現金流入淨額	
Cash consideration	現金代價款項	57,220
Less: amount received in 2012	減：於二零一二年已收款項	(7,750)
		49,470

39. Operating Leases**The Group as lessee**

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Minimum lease payments paid under operating leases during the year:	期內根據經營租約已付之最低租約款項：		
Other assets	其他資產	516	1,060
Leasehold land and buildings	租賃土地及樓宇	168,508	156,556
		169,024	157,616

During the year ended 31 December 2013, the Group incurred HK\$109,685,000 (2012: HK\$103,529,000) contingent rents which was based on certain percentage of sales.

39. 經營租約**本集團作為承租人**

於截至二零一三年十二月三十一日止年度，本集團按銷售若干百分比支付或然租金為109,685,000港元(二零一二年：103,529,000港元)。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

39. Operating Leases (continued)**The Group as lessee (continued)**

At the end of the reporting period, the Group has commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Within one year	一年內	192,899	166,446
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	918,987	692,803
Over five years	超過五年	1,459,422	1,222,386
		2,571,308	2,081,635

Operating lease payments represent rental payable by the Group for certain of its leasehold land and building amounting of HK\$2,570,439,000 (2012: HK\$2,080,940,000) and other assets amounting of HK\$869,000 (2012: HK\$695,000).

Operating lease payments represent rentals payable by the Group for leasing commercial properties and other assets which represented machineries and rentals payable are predetermined at fixed amounts except for certain lease of which contingent rental are charged based on certain percentage of sales. Leases are generally negotiated for terms ranging from one to five years and rentals are fixed for terms ranging from one to two years except the following:

- (a) Lease of Shanghai Joinbuy Cityplaza by Shanghai Ongoing Department Store Limited, a non-wholly owned subsidiary of the Company, for the period from 1 October 2004 to 30 September 2024, with an option to renew for a further 10 years upon the request from Shanghai Ongoing Department Store Limited not less than 12 months before the expiry of the lease terms.
- (b) Originally, lease of the Amazon, No. 12 Salisbury Road, Tsimshatsui, Kowloon by Sogo Hong Kong Company Limited ("Sogo HK"), for the period from 30 September 2005 to 29 September 2020, with an option to renew for a further 5 years upon the provision of a written notice by Sogo HK not less than 3 months before the expiry of the lease terms. In 2012, Hong Kong Island Development Limited ("Hong Kong Island") and Sogo HK mutually agreed to early terminate the lease in Tsimshatsui, and Sogo HK agreed to surrender and deliver up vacant possession on or before 15 February 2014.

39. 經營租約(續)**本集團作為承租人(續)**

於報告期間結算日，本集團就不可撤銷經營租約之所承擔日後最低租約款項如下：

	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
經營租約款項指由本集團應支付在租賃土地及房屋2,570,439,000港元(二零一二年：2,080,940,000港元)及在其他資產869,000港元(二零一二年：695,000港元)的租金。	192,899	166,446
經營租約款項指本集團就租用商業物業及其他資產(即機器)應付之租金。而應付之租金則預定在固定的金額，除了一些根據銷售額比例為條件而收取租金的租約。租約一般按租賃期一至五年協商，租金固定於每一至兩年釐定，惟以下各項則除外：	918,987	692,803
	1,459,422	1,222,386
	2,571,308	2,081,635

經營租約款項指由本集團應支付在租賃土地及房屋2,570,439,000港元(二零一二年：2,080,940,000港元)及在其他資產869,000港元(二零一二年：695,000港元)的租金。

經營租約款項指本集團就租用商業物業及其他資產(即機器)應付之租金。而應付之租金則預定在固定的金額，除了一些根據銷售額比例為條件而收取租金的租約。租約一般按租賃期一至五年協商，租金固定於每一至兩年釐定，惟以下各項則除外：

- (a) 本公司非全資附屬公司上海久光百貨有限公司所訂立有關上海九百城市廣場之租約，租期由二零零四年十月一日至二零二四年九月三十日，可選擇進一步續期十年，但上海久光百貨有限公司須在租賃期限屆滿前不少於十二個月內提出請求。
- (b) 崇光(香港)百貨有限公司(「崇光(香港)」)所訂立有關九龍尖沙咀梳士巴利道12號亞瑪遜之租約，原本租期由二零零五年九月三十日至二零二零年九月二十九日，可選擇進一步續期五年，但崇光(香港)須在租賃期限屆滿前不少於3個月內提出書面通知。於二零一二年，崇光(香港)與香島發展有限公司(「香島」)雙方同意提前終止尖沙咀之租約，同時崇光(香港)同意於二零一四年二月十五日將物業交還業主。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

39. Operating Leases (continued)**The Group as lessor**

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Within one year	一年內	85,659	76,419
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	113,738	108,705
Over five years	超過五年	2,034	619
		201,431	185,743

Leases are generally negotiated for terms ranging from one to five years.

In addition, the Group had contracted with its concessionaires to receive contingent rentals based on the concessionaires' turnover for terms ranging from one to two years.

39. 經營租約(續)**本集團作為出租人**

於報告期間結算日，本集團已與租戶訂約的日後最低租約款項如下：

租約一般按租賃期由一至五年協商。

此外，本集團與其特許專櫃就按特許專櫃營業額收取或然租金訂立年期為期由一至兩年之合約。

40. Capital Commitments

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Capital expenditure in respect of acquisition of property, plant and equipment and property development project	有關購入物業、廠房及設備及物業發展項目之資本開支		
— Authorised but not contracted for	— 已授權惟未訂約	6,460,900	3,940,700
— Contracted for but not provided in the consolidated financial statements	— 已訂約惟未於綜合財務報表撥備	192,700	533,400
		6,653,600	4,474,100

40. 資本承擔**41. Contingent Liabilities**

Pursuant to two sales and purchase agreements entered into among the subsidiaries in 1985 and 1996, certain properties were transferred within the Group. The assignments of these properties have not been executed. If no exemption for stamp duty is granted under the Stamp Duty Ordinance, upon execution of the assignment of the properties, the Group will be subject to an aggregate stamp duty of approximately HK\$38.9 million.

41. 或然負債

根據附屬公司間於一九八五年及一九九六年訂立之兩份買賣協議，若干物業於本集團內公司間轉讓，惟該等物業轉讓至今仍未執行。倘未能根據印花稅條例獲豁免印花稅，則本集團於轉讓該等物業時，將須繳付合共約38,900,000港元印花稅。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

42. Pledge of Assets

At 31 December 2013, the Group has pledged certain leasehold land and buildings in Hong Kong with carrying values of HK\$1,414.2 million (2012: HK\$1,458.6 million), together with certain shares of the Company's subsidiaries, to secure the available banking facilities of HK\$4,533.0 million (2012: HK\$4,866.0 million) granted to the Group.

In addition, certain of the Group's property, plant and equipment in the PRC and financial assets at fair value through profit or loss with carrying value of approximately HK\$3,403.9 million (2012: HK\$1,471.1 million) and HK\$1,393.9 million (2012: HK\$1,098.2 million) respectively have been pledged to secure loan facilities in the amount of approximately RMB650.0 million (equivalent to approximately HK\$832.7 million) (2012: RMB300.0 million (equivalent to approximately HK\$373.2 million)) and US\$155.0 million (equivalent to approximately HK\$1,201.3 million) (2012: US\$120.0 million (equivalent to approximately HK\$736.3 million)) respectively.

43. Related Party Disclosure

(a) Transactions

During the year, the Group had entered into the following significant transactions with the following related parties:

42. 資產抵押

於二零一三年十二月三十一日，本集團將賬面值為1,414,200,000港元(二零一二年：1,458,600,000港元)位於香港之若干租賃土地及樓宇，連同本公司附屬公司若干股份抵押，作為本集團獲授銀行可用的融資額4,533,000,000港元(二零一二年：4,866,000,000港元)之抵押。

另外，本集團賬面值約3,403,900,000港元(二零一二年：1,471,100,000港元)之位於中國的物業、廠房及設備及賬面值1,393,900,000港元(二零一二年：1,098,200,000港元)之按公平值計入損益之金融資產已分別為人民幣650,000,000元(約相當於832,700,000港元)(二零一二年：人民幣300,000,000元(約相當於373,200,000港元))及155,000,000美元(相當於1,201,300,000港元)(二零一二年：120,000,000美元(約相當於736,300,000港元))貸款融資額作抵押。

43. 有關連人士披露

(a) 交易

年內，本集團曾與以下有關連人士進行下列重大交易：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Nature of related party transactions	與有關連人士的交易性質		
(i) Rental and management fee paid to Shanghai Joinbuy City Plaza Co. Ltd. ("Property JV") (note 1)	給予上海九百城市廣場有限公司(「物業合資企業」)之租金及管理費(附註1)	246,394	238,687
(ii) Loan interest income received from Property JV (note 1)*	向物業合資企業收取之貸款利息收入(附註1)*	3,576	3,504
(iii) Loan interest expenses paid to Property JV (note 1)*	向物業合資企業支付之貸款利息(附註1)*	592	415
(iv) Concessionaire fees received from Chow Tai Fook Jewellery Group Limited and its subsidiaries ("CTF Group") (note 2)	向周大福珠寶集團有限公司及其附屬公司(「周大福集團」)收取之特許專櫃費用(附註2)	48,333	44,898
(v) Rental, vetting fee, air-conditioning charges and management fee paid to Hong Kong Island (note 2)	向香港支付之租金、審批費用、空調費及管理費(附註2)	73,998	69,557

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)
for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

43. Related Party Disclosure (continued)

(a) Transactions (continued)

Notes:

- (1) Property JV is a joint venture in which the Group has a 50% interest.
- (2) CTF Group and Hong Kong Island are associates of Chow Tai Fook Enterprises Limited and Chow Tai Fook Enterprises Limited holds 50% equity interest in Real Reward which is the holding and ultimate holding company of the Company. As such, CTF Group and Hong Kong Island are connected parties of the Company and the transactions constitute connected party transactions under the Listing Rules.
- (3) At 31 December 2013, concessionaire sales payable included amounts HK\$45,961,000 (2012: HK\$43,695,000) aged within 30 days due to CTF Group. The amount was trading in nature and related to payables arising from concessionaire sales. These trading balances are unsecured, non-interest bearing and repayable according to the terms of the concessionaire dealership agreement.
- * These transactions constitute connected transactions but are exempted from complying with the disclosure requirements under the Listing Rules.

(b) Compensation of key management personnel

The remuneration of executive directors during the year was determined by the remuneration committee having regard to the performance of the individuals and market. Details of which together with the other 4 highest paid management personnel are disclosed in note 14 above.

44. Retirement Benefits Schemes

Hong Kong

The Group participates in a defined contribution scheme under Occupational Retirement Schemes Ordinance (“ORSO Scheme”) and Mandatory Provident Fund Scheme (“MPF Scheme”).

For members of the MPF Scheme, both the Group and the employee contribute 5% of the employee’s relevant income, subject to a cap of monthly relevant income of HK\$25,000 effective 1 June 2012 for the MPF ordinance. No forfeited contribution was available to reduce the contribution payable in the future years.

The ORSO Scheme is funded by monthly contributions from both employees and the Group at 5% of the employee’s basic salary.

43. 有關連人士披露(續)

(a) 交易(續)

附註：

- (1) 物業合資企業為本集團擁有50%權益之一家合資企業。
- (2) 周大福集團及香島為周大福企業有限公司之聯繫人。周大福企業有限公司擁有Real Reward 50%股權，而Real Reward為本公司之控股及最終控股公司。因此，周大福集團及香島為本公司關連人士，而交易於上市規則下構成關連交易。
- (3) 於二零一三年十二月三十一日，應付特許專權銷售款項包括須於30天內支付予有關連人士周大福珠寶約45,961,000港元(二零一二：43,695,000港元)。該筆款項屬貿易性質，與特許專權銷售所產生應付款項相關。此等賬款結餘為無抵押、免息及須按特許專權經營協議條款償還。
- * 該等交易構成關連交易但獲豁免遵守上市規則之披露要求。

(b) 主要管理人員薪酬

年內，執行董事之酬金乃由薪酬委員會按個別表現及市場狀況釐定，彼等之酬金連同其餘四名最高收入管理層成員之酬金詳情於上文附註14披露。

44. 退休福利計劃

香港

本集團參與職業退休計劃條例下界定供款計劃(「職業退休計劃」)及強積金計劃(「強積金計劃」)。

作為強積金計劃成員，本集團及員工均以5%有關入息向計劃供款。從二零一二年六月一日，根據強積金計劃條例，有關每月入息上限為25,000港元。無沒收供款可用作減低將來年度應付供款。

職業退休計劃由員工及本集團每月按員工基本薪金之5%出資供款。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

44. Retirement Benefits Schemes (continued)

PRC

The employees of the Group in the PRC are members of state-managed retirement benefit schemes operated by the respective local governments in relevant jurisdictions. The Group is required to contribute and recognise a specified percentage of payroll costs to the schemes to fund the benefits. The only obligations of the Group with respect to these schemes are to make the specified contributions and recognise the respective retirement pay in accordance with terms set out in the schemes and relevant jurisdiction requirements.

The total cost charged to profit or loss in respect of the above-mentioned schemes in the PRC amounted to approximately HK\$12,827,000 (2012: HK\$11,072,000).

44. 退休福利計劃(續)

中國

本集團在中國的員工都是由有關司法管轄區的相關地方政府運作的國家管理退休福利計劃的成員。本集團須提供並確認工資成本的指定百分比到計劃以資助有關福利。本集團就這些計劃唯一的義務是作出指定供款並確認按照計劃所載的條款和有關司法管轄區的要求之相關退休工資。

有關上述在司法管轄區的計劃中計入損益的總成本費用總額約為12,827,000港元(二零一二年：11,072,000港元)。

45. Particulars of Principal Subsidiaries

At 31 December 2013 and 2012, the details of the Company's principal subsidiaries are as follows:

45. 主要附屬公司詳情

於二零一三年及二零一二年十二月三十一日，本公司間接持有之主要附屬公司詳情如下：

Name of company 公司名稱	Place/Date of incorporation/ establishment and operation 註冊成立及營業地點 以及註冊成立日期	Issued and fully paid share capital/registered capital 已發行及實繳/註冊股本		Attributable equity interest of the Group (note a) 本集團應佔股本權益(附註a)		Principal activities 主要業務
		2013 二零一三年	2012 二零一二年	2013 二零一三年	2012 二零一二年	
Ample Sun Group Limited 益良集團有限公司	Hong Kong 17 August 2007 香港 二零零七年八月十七日	HK\$10,000 10,000港元	HK\$10,000 10,000港元	60%	60%	Investment holding 投資控股
Congenial Company Limited	Hong Kong 24 April 1981 香港 一九八一年四月二十四日	HK\$10,000,000 10,000,000港元	HK\$10,000,000 10,000,000港元	100%	100%	General trading and property holding 一般貿易及物業持有
Eastlord Development Limited 加諾發展有限公司	Hong Kong 21 August 1987 香港 一九八七年八月二十一日	HK\$500,000 500,000港元	HK\$500,000 500,000港元	100%	100%	Property holding and leasing 物業持有及租賃
Everwin Worldwide Limited 永盛環球有限公司	Hong Kong 17 November 2000 香港 二零零零年十一月十七日	HK\$2 2港元	HK\$2 2港元	100%	100%	Property leasing 物業租賃
Fine Shine Limited 遠耀有限公司	Hong Kong 11 September 2003 香港 二零零三年九月十一日	HK\$2 2港元	HK\$2 2港元	100%	100%	License holder 特許權持有人
Foreworld Investments Limited 可偉投資有限公司	Hong Kong 15 July 1988 香港 一九八八年七月十五日	HK\$500,000 500,000港元	HK\$500,000 500,000港元	100%	100%	Property holding 物業持有
Future Develop Limited	British Virgin Islands/ Hong Kong 12 December 2003 英屬維爾京群島/香港 二零零三年十二月十二日	US\$3 3美元	US\$3 3美元	100%	100%	Investment holding 投資控股
Glory Line Management Limited 偉業管理有限公司	Hong Kong 5 September 1995 香港 一九九五年九月五日	HK\$500,000 500,000港元	HK\$500,000 500,000港元	100%	100%	Provision of property security and management services 提供物業保安及管理服務

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)
for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

45. Particulars of Principal Subsidiaries (continued)

45. 主要附屬公司詳情(續)

Name of company 公司名稱	Place/Date of incorporation/ establishment and operation 註冊成立及營業地點 以及註冊成立日期	Issued and fully paid share capital/registered capital 已發行及實繳/註冊股本		Attributable equity interest of the Group (note a) 本集團應佔股本權益(附註a)		Principal activities 主要業務
		2013 二零一三年	2012 二零一二年	2013 二零一三年	2012 二零一二年	
Grand Kinetic Limited 堅享有限公司	Hong Kong 7 February 2001 香港 二零零一年二月七日	HK\$2 2港元	HK\$2 2港元	100%	100%	Property holding and leasing 物業持有及租賃
Lifestyle Properties 利福地產發展有限公司	Cayman Islands/Hong Kong 5 January 2012 開曼群島/香港 二零一二年一月五日	HK\$41,911,000 41,911,000港元	HK\$2 2港元	59.56%	100%	Investment holding 投資控股
LS Finance (2017) Limited	British Virgin Islands/ Hong Kong 1 November 2011 英屬維爾京群島/香港 二零一一年十一月一日	US\$1 1美元	US\$1 1美元	100%	100%	Financing 融資安排
LS Finance (2022) Limited	British Virgin Islands/ Hong Kong 27 September 2012 英屬維爾京群島/香港 二零一二年九月二十七日	US\$1 1美元	US\$1 1美元	100%	100%	Financing 融資安排
Pacific Trump Development Limited 沛駿發展有限公司	Hong Kong 6 July 1995 香港 一九九五年七月六日	HK\$2 2美元	HK\$2 2港元	100%	100%	Property holding and leasing 物業持有及租賃
Public Might Limited 群量有限公司	Hong Kong 30 August 1984 香港 一九八四年八月三十日	HK\$1,000 1,000港元	HK\$1,000 1,000港元	100%	100%	Property investment and provision of building management services 物業投資及提供大廈 管理服務
Ronson Kwok Asia Pacific Limited	Hong Kong 5 October 1993 香港 一九九三年十月五日	HK\$1,000,000 1,000,000港元	HK\$1,000,000 1,000,000港元	100%	100%	Building management and club operator 大廈管理及會所營運
Sogo Hong Kong Company Limited 崇光(香港)百貨有限公司	Hong Kong 23 September 1983 香港 一九八三年九月二十三日	HK\$4,000,000 4,000,000港元	HK\$4,000,000 4,000,000港元	100%	100%	Retailing business 零售業務
Superite Limited	British Virgin Islands/ Hong Kong 3 April 2001 英屬維爾京群島/香港 二零零一年四月三日	US\$1 1美元	US\$1 1美元	100%	100%	Property holding 物業持有
上海久光百貨有限公司* (Shanghai Ongoing Department Store Limited)	PRC 26 July 2004 中華人民共和國 二零零四年七月二十六日	US\$12,000,000 12,000,000美元	US\$12,000,000 12,000,000美元	65%	65%	Retailing business 零售業務
Wingold Limited 捷金有限公司	Hong Kong 20 April 2007 香港 二零零七年四月二十日	HK\$10,000 10,000港元	HK\$10,000 10,000港元	60%	60%	Investment holding 投資控股
利怡達商業置業有限公司**	PRC 23 April 2012 中華人民共和國 二零一二年四月二十三日	RMB2,500,000,000 人民幣2,500,000,000元	RMB2,500,000,000 人民幣2,500,000,000元	100%	100%	Investment holding 投資控股

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

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45. Particulars of Principal Subsidiaries (continued)

45. 主要附屬公司詳情(續)

Name of company 公司名稱	Place/Date of incorporation/ establishment and operation 註冊成立及營業地點 以及註冊成立日期	Issued and fully paid share capital/registered capital 已發行及實繳/註冊股本		Attributable equity interest of the Group (note a) 本集團應佔股本權益(附註 a)		Principal activities 主要業務
		2013 二零一三年	2012 二零一二年	2013 二零一三年	2012 二零一二年	
上海利海超商業有限公司**	PRC 31 March 2012 中華人民共和國 二零一二年三月三十一日	RMB1,000,000 人民幣1,000,000元	RMB1,000,000 人民幣1,000,000元	100%	100%	Investment holding 投資控股
瀋陽卓遠置業有限公司**	PRC 1 December 2006 中華人民共和國 二零零六年十二月一日	RMB710,090,392 人民幣710,090,392元	RMB710,090,392 人民幣710,090,392元	100%	100%	Property holding 物業持有
瀋陽怡富置業有限公司**	PRC 12 March 2007 中華人民共和國 二零零七年三月十二日	US\$89,990,000 89,990,000美元	US\$74,990,000 74,990,000美元	59.56%	100%	Property holding 物業持有
利福廣場(蘇州)有限公司** Lifestyle Plaza (Suzhou) Co., Limited	PRC 1 March 2007 中華人民共和國 二零零七年三月一日	RMB600,000,000 人民幣600,000,000元	RMB600,000,000 人民幣600,000,000元	100%	100%	Property holding and leasing 物業持有及租賃
久光百貨(蘇州)有限公司**	PRC 17 January 2008 中華人民共和國 二零零八年一月十七日	US\$12,000,000 12,000,000美元	US\$12,000,000 12,000,000美元	100%	100%	Retailing business 零售業務
利福商廈(大連)有限公司**	PRC 9 October 1993 中華人民共和國 一九九三年十月九日	US\$45,000,000 45,000,000美元	US\$45,000,000 45,000,000美元	100%	100%	Retailing business 零售業務
利華佳商廈(天津)有限公司** Li Hua Jia Commercial Building (Tianjin) Co., Ltd.	PRC 7 August 1996 中華人民共和國 一九九六年八月七日	US\$40,000,000 40,000,000美元	US\$40,000,000 40,000,000美元	- (note b) (附註 b)	100%	Property holding and leasing 物業持有及租賃
嘉標商廈(青島)有限公司** Lifestyle Plaza (Qingdao) Co., Limited	PRC 31 December 1995 中華人民共和國 一九九五年十二月三十一日	RMB225,000,000 人民幣225,000,000元	RMB225,000,000 人民幣225,000,000元	59.56%	100%	Property holding 物業持有
哈爾濱利福商廈有限公司**	PRC 16 October 1995 中華人民共和國 一九九五年十月十六日	US\$18,000,000 18,000,000美元	US\$18,000,000 18,000,000美元	59.56%	100%	Property holding 物業持有

* a sino-foreign equity joint venture established in the PRC.

** wholly foreign-owned enterprises established in the PRC.

Notes:

(a) Lifestyle Properties is directly held by the Company. Other subsidiaries are indirectly held by the Company.

(b) In December 2012, the Group entered into a sale and purchase agreement to dispose its 100% equity interest in Li Hua Jia (Tianjin) to an independent third party. The disposal was completed on 25 April 2013. Details are disclosed in notes 28 and 38.

* 於中國成立之中外合資企業

** 於中國成立之全外資企業

附註：

(a) 利福地產是由本公司直接持有。其他附屬公司由本公司間接持有。

(b) 二零一二年十二月，本集團訂立出售及購買協議出售其在利華佳商廈(天津)的全部股權予獨立第三方。出售事項已於二零一三年四月二十五日完成。詳情載於附註28及38。

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for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

45. Particulars of Principal Subsidiaries (continued)

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong and the PRC. The principal activities of these subsidiaries are summarised as follows:

Principal activities 主要業務	Principal place of business 主要經營地點	Number of subsidiaries 附屬公司數量	
		2013 二零一三年	2012 二零一二年
Restaurant operator 餐廳經營	Hong Kong 香港	2	2
	PRC 中國	1	1
		3	3
Securities investment 證券投資	Hong Kong 香港	5	4

As described in note 1, during the year, the Group has completed the Spin-off Listing of Lifestyle Properties. Upon completion of the Spin-off Listing, the Group's interest in Lifestyle Properties Group has reduced from 100% to 59.56% and the Group continued to have control over Lifestyle Properties Group. As a result of the Distribution, an amount of HK\$393,809,000 (being the proportionate share of the carrying amount of the net assets of Lifestyle Properties Group) has been transferred to non-controlling interests. In addition, as a result of the Public Offer and Placing (as defined in the Prospectus), an amount of HK\$314,506,000 (being the proportionate share of the carrying amount of the net assets of Lifestyle Properties Group) has been transferred to non-controlling interests and the difference of HK\$147,058,000 between the increase in the non-controlling interests and the net proceeds from the Public Offer and Placing has been debited to retained earnings and exchange reserve in the amount of HK\$142,705,000 and HK\$4,353,000 respectively.

The directors of the Company are of the opinion that the none of the Group's subsidiaries that has non-controlling interests are material to the consolidated financial statements as a whole and therefore, the financial information in respect of those subsidiaries that has non-controlling interests are not presented.

45. 主要附屬公司詳情(續)

上述列表列出董事認為主要影響本集團業績或資產之附屬公司。董事認為，提供其他附屬公司資料會導致詳情過長。

於報告期期末，本公司之其他附屬公司對本集團沒有重大影響。大部分該等附屬公司在香港及中國經營。該等附屬公司之主要業務概述如下：

如附註1所述，本集團於年內已完成分拆利福地產上市。於分拆上市完成後，本集團於利福地產集團的股權由100%減少至59.56%，而本集團繼續擁有利福地產集團的控制權。分派之後，393,809,000港元(即按比例分佔利福地產集團的淨資產賬面值)已經轉移到非控股權益。此外，公開發售及配售之後(定義見招股書)，314,506,000港元(即應佔利福地產集團的淨資產賬面值)已經轉移到非控股權益，而非控股權益的增加與公開發售及配售所得款項淨額差額147,058,000港元已分別扣除保留溢利及匯兌儲備，金額分別為142,705,000港元及4,353,000港元。

本公司董事認為，本集團並沒有對綜合財務報表整體有重大影響、擁有非控股權益之附屬公司，故此有關該等附屬公司之財務資料並沒有呈列。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

46. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period includes:

46. 本公司財務狀況表

於報告期間結算日，本公司財務狀況表資料包括：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Non-current asset	非流動資產		
Interests in subsidiaries	於附屬公司權益	774,925	4,194
Current assets	流動資產		
Other receivables	其他應收款項	1,449	952
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	9,307	28,642
Tax recoverable	應收稅項	-	628
Amounts due from subsidiaries (note a)	應收附屬公司款項(附註a)	5,817,224	9,738,469
Bank balances and cash	銀行結存及現金	280,991	549,083
		6,108,971	10,317,774
Current liabilities	流動負債		
Other payables	其他應付款項	2,377	3,069
Amounts due to subsidiaries (note a)	應付附屬公司款項(附註a)	4,486,833	7,017,977
Tax payable	應繳稅項	118	-
		4,489,328	7,021,046
Net current assets	流動資產淨值	1,619,643	3,296,728
		2,394,568	3,300,922
Capital and reserves	資本及儲備		
Share capital	股本	8,252	8,325
Reserves	儲備	2,386,316	3,292,597
		2,394,568	3,300,922

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

for the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

46. Statement of Financial Position of the Company (continued)

Movement of reserves of the Company is as follows:

		Share premium	Capital redemption reserve	Share-based payment reserve	Retained profits	Total
		股份溢價	資本贖回儲備	股份付款儲備	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		(note c)			(note c)	
		(附註c)			(附註c)	
At 1 January 2012	於二零一二年一月一日	530,652	305	157,451	3,485,190	4,173,598
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	-	-	-	12,970	12,970
Recognition of equity-settled share based payments	確認股本結算股份付款	-	-	221	-	221
Share repurchase	股份購回					
— premium on repurchase of shares	— 購回股份之溢價	(141,696)	-	-	-	(141,696)
— transfer	— 轉讓	-	44	-	(44)	-
Exercise and cancellation of share options	購股權獲行使及註銷	45,204	-	(6,248)	176	39,132
Dividends paid	已派付股息	(429,003)	-	-	(362,625)	(791,628)
At 31 December 2012	於二零一二年十二月三十一日	5,157	349	151,424	3,135,667	3,292,597
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	-	-	-	516,275	516,275
Share repurchase	股份購回					
— premium on repurchase of shares	— 購回股份之溢價	(14,743)	-	-	(276,904)	(291,647)
— transfer	— 轉讓	-	88	-	(88)	-
Exercise of share options	購股權獲行使	21,661	-	(3,060)	-	18,601
Dividends paid	已派付股息	-	-	-	(894,498)	(894,498)
Distribution in specie (note b)	實物分派(附註b)	-	-	-	(255,012)	(255,012)
At 31 December 2013	於二零一三年十二月三十一日	12,075	437	148,364	2,225,440	2,386,316

Notes:

- a. The amounts due from (to) subsidiaries are unsecured, interest-free, and repayable on demand.
- b. Pursuant to the Distribution, the distribution in specie is recognised at the proportionate share of the interest in Lifestyle Properties in the statement of financial position of the Company and debited to retained profits.
- c. Under the Company Law (2009 Revision) of the Cayman Islands, the share premium of the Company is available for distribution or paying dividends to shareholders subject to the provisions of its memorandum or articles of association and provided that immediately following the distribution of dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. The Company's reserve available for distribution as at 31 December 2013 consisted of share premium of approximately HK\$12,075,000 (2012: HK\$5,157,000) and retained profits of approximately HK\$2,225,440,000 (2012: HK\$3,135,667,000).

附註：

- a. 應收／(應付)附屬公司款項是無抵押、免息及須於要求時償還。
- b. 根據分派，按比例應佔利福地產於財務狀況表中的權益以實物分派確認及於保留溢利扣除。
- c. 根據開曼群島公司法(2009修訂)，本公司之股份溢價可根據其公司組織章程大綱或細則之規定，分派予股東或作為股息向股東派發，惟緊隨股息分派後，本公司須有能力支付其於日常業務過程中到期之債務。於二零一三年十二月三十一日，本公司之可供分派儲備由股份溢價約12,075,000港元(二零一二年：5,157,000港元)及保留溢利約2,225,440,000港元(二零一二年：3,135,667,000港元)組成。

46. 本公司財務狀況表(續)

本公司的儲備變動如下：

Five-Year Group Financial Summary 五年集團財務摘要

Results

For the year ended 31 December

業績

截至十二月三十一日止年度

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (重列)	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Turnover	營業額	5,955,335	5,523,443	5,131,950	4,317,465	3,756,208
Profit attributable to owners of the Company	本公司擁有人應佔溢利	2,448,247	2,057,461	1,867,170	1,407,534	1,142,468
Earnings per share (HK cents)	每股盈利(港仙)					
– Basic	– 基本	147.8	123.5	111.3	83.9	68.5
– Diluted	– 攤薄	147.6	123.1	110.3	83.4	68.1
Total dividends per share (HK cents)	每股股息總額(港仙)	59.1	49.4	44.9	33.7	28.0

Assets and Liabilities

At 31 December

資產及負債

於十二月三十一日

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (重列)	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Total assets	資產總值	26,715,998	24,598,805	18,581,349	13,872,956	12,301,402
Total liabilities	負債總額	(14,452,228)	(14,116,780)	(9,472,410)	(5,969,902)	(5,618,395)
Net assets	資產淨值	12,263,770	10,482,025	9,108,939	7,903,054	6,683,007
Non-controlling interests	非控股股東權益	(1,799,205)	(933,474)	(806,526)	(686,170)	(561,538)
Net assets attributable to owners of the Company	本公司擁有人應佔資產淨值	10,464,565	9,548,551	8,302,413	7,216,884	6,121,469
Net assets per share (HK\$)	每股資產淨值(港元)	7.43	6.30	5.46	4.71	3.99
Net assets per share attributable to owners of the Company (HK\$)	本公司擁有人應佔每股資產淨值(港元)	6.34	5.74	4.98	4.30	3.66
Number of shares issued	已發行股份數目	1,650,341,000	1,664,921,500	1,667,513,500	1,678,985,000	1,673,620,000

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