



Lifestyle

International Holdings Ltd.
利福國際集團有限公司

Stock Code 股份代號: 1212

*A New
Chapter
of
Excellence*

2017 Annual Report 年報

Contents

目錄

- 01** Corporate Profile
企業簡介
- 02** Corporate Information
企業資料
- 04** Financial Highlights
財務摘要
- 06** 2017 Milestones
二零一七年大事回顧
- 08** Chairman's Statement
主席報告
- 11** Management Discussion and Analysis
管理層討論及分析
- 23** Environmental, Social and Governance Report
環境、社會及管治報告
- 45** Corporate Governance Report
企業管治報告
- 57** Profile of Directors
董事簡介
- 61** Directors' Report
董事會報告
- 73** Independent Auditor's Report
獨立核數師報告
- 79** Consolidated Statement of Profit or Loss and
Other Comprehensive Income
綜合損益及其他全面收益表
- 81** Consolidated Statement of Financial Position
綜合財務狀況表
- 82** Consolidated Statement of Changes in Equity
綜合權益變動表
- 83** Consolidated Statement of Cash Flows
綜合現金流量表
- 85** Notes to the Consolidated Financial Statements
綜合財務報表附註
- 167** Five-Year Group Financial Summary
五年集團財務摘要
- 168** Particulars of Major Properties
主要物業詳情

Corporate Profile

企業簡介

Lifestyle International Holdings Limited (together with its subsidiaries, the "Group") is a Hong Kong-based premier retail operator that specializes in the operation of mid to upper-end department stores in Hong Kong. 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"). With a well-tailored merchandise and service portfolio, the SOGO stores have established themselves as the favorite shopping destinations among tourists and local consumers in Hong Kong. Characterized by the 'one-stop shopping' concept with unparalleled brand equity, the Group's department stores offer a wide variety of goods ranging from daily necessities to luxury products as well as personal care services, such as beauty salons, in a comfortable shopping environment.

Following the Group's disposal of its entire stake in Lifestyle Properties in April 2017, the Group engages principally in department store operations and property development and investment in Hong Kong. To further cement SOGO CWB's position as one of the iconic landmarks in Hong Kong, the Group has launched in October 2017 the CVISION, an imposing outdoor full-HD LED advertising screen at the building façade of the SOGO CWB store, which shall greatly enhance the effectiveness of the Group's advertising activities. The Group also has a new project in the pipeline to fuel its future growth. As part of its efforts to capture the untapped customer base in the East Kowloon area, the Kai Tak Project commenced ground breaking works in December 2017, marking the start of construction for the two commercial blocks that at completion in 2022, will host a new SOGO department store along with other commercial entertainment and dining facilities in the new Kai Tak development area.

利福國際集團有限公司(連同其附屬公司,「本集團」)是扎根於香港的龍頭零售營運商,在香港專門經營中高檔次百貨店。本集團的兩家崇光百貨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」)。憑藉量身定制的商品及服務組合,崇光百貨確立其作為香港旅客及本地消費者首選的購物熱點。在「一站式購物」概念及優越的品牌認受性下,本集團的百貨店於舒適購物環境提供廣泛種類的貨品,從日常必需品至奢侈品以及個人護理服務,例如美妍中心。

本集團於二零一七年四月出售其於利福地產全部股權後,本集團主要業務是於香港經營百貨店以及物業發展及投資。為進一步鞏固銅鑼灣崇光作為香港其中一個標誌性地標的地位,本集團於二零一七年十月在銅鑼灣崇光店外牆啟用大型戶外全高清LED廣告屏幕CVISION,此舉定將大大提升本集團廣告活動的效益。本集團亦正籌備新項目,以期推動日後業務增長。為了吸納九龍東地區的潛在客戶群,啟德項目於二零一七年十二月奠基,標誌著兩幢商業大廈施工開始,並將於二零二二年竣工。位於新啟德發展區的啟德項目將開設一間全新崇光百貨店,並設有其他商業、娛樂及餐飲設施。

Corporate 企業資料 Information

Board of Directors

Executive Directors

Mr. Lau Kam Sen
Ms. Lau Kam Shim

Non-executive Directors

Mr. Lau Luen Hung, Thomas (Chairman)
Mr. Doo Wai Hoi, William
Ms. Lau Yuk Wai, Amy

Independent Non-executive Directors

Mr. Lam Siu Lun, Simon
The Hon. Shek Lai Him, Abraham
Mr. Hui Chiu Chung
Mr. Ip Yuk Keung

Company Secretary

Mr. Poon Fuk Chuen

Audit Committee

Mr. Lam Siu Lun, Simon (Chairman)
The Hon. Shek Lai Him, Abraham
Mr. Hui Chiu Chung
Mr. Ip Yuk Keung

Remuneration Committee

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

Nomination Committee

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

Registered Office

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

董事會

執行董事

劉今晨先生
劉今蟾小姐

非執行董事

劉鑾鴻先生(主席)
杜惠愷先生
劉玉慧女士

獨立非執行董事

林兆麟先生
石禮謙議員
許照中先生
葉毓強先生

公司秘書

潘福全先生

審核委員會

林兆麟先生(主席)
石禮謙議員
許照中先生
葉毓強先生

薪酬委員會

劉鑾鴻先生
林兆麟先生(主席)
石禮謙議員
許照中先生

提名委員會

劉鑾鴻先生
林兆麟先生(主席)
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

Head Office and Principal Place of Business in Hong Kong

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

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

Cayman Islands Share Registrar and Transfer Office

SMP Partners (Cayman) Limited
Royal Bank House, 3rd Floor
24 Shedden Road, P.O. Box 1586
Grand Cayman, KY1-1110
Cayman Islands

Share Information

Place of listing: The Stock Exchange of Hong Kong Limited
Stock code: 1212
Board lot: 500 shares
Financial year end: 31 December
Closing share price at 31 December 2017: HK\$10.38
Market capitalization at 31 December 2017: HK\$16,635 million

Website

www.lifestylehk.com.hk

總辦事處及香港主要營業地點

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
薛馮鄺岑律師行

香港股份過戶登記處

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

開曼群島股份過戶登記處

SMP Partners (Cayman) Limited
Royal Bank House, 3rd Floor
24 Shedden Road, P.O. Box 1586
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
股份代號：1212
每手買賣單位：500 股
財政年度年結日：十二月三十一日
於二零一七年十二月三十一日股份收市價：10.38 港元
於二零一七年十二月三十一日市值：166.35 億港元

網址

www.lifestylehk.com.hk

Financial

財務摘要 Highlights

Operating Results 經營業績

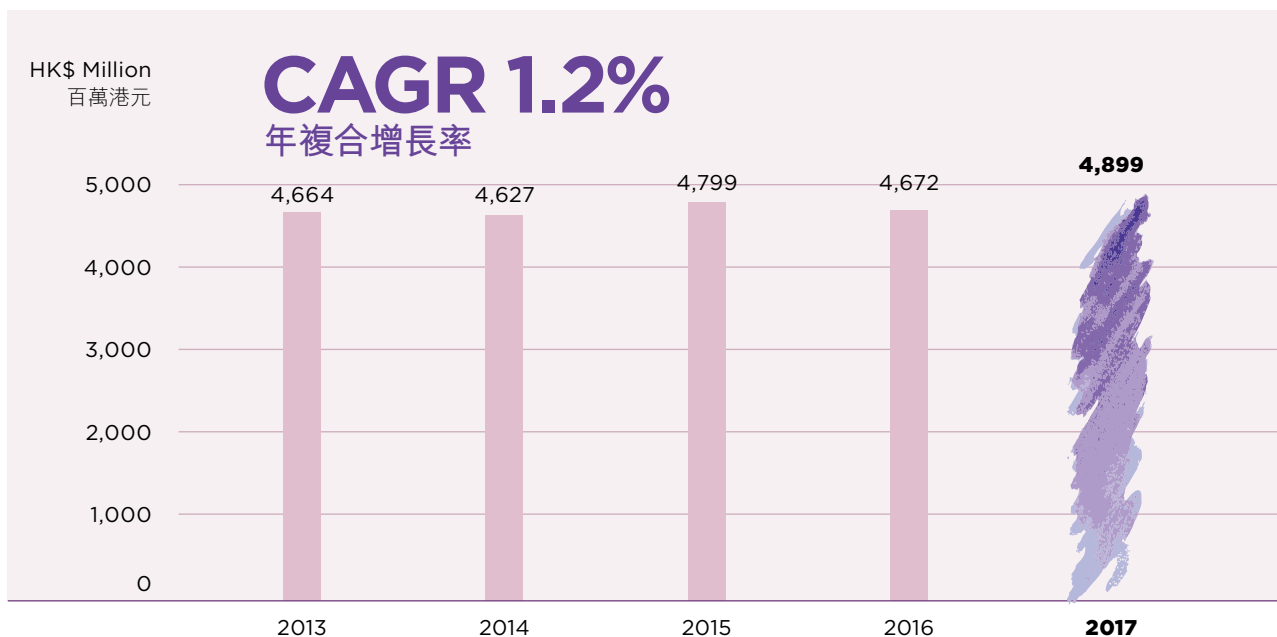
HK\$'000 千港元	2017 Continuing operation 持續 經營業務	2016 Continuing operation 持續 經營業務	2015	2014	2013
Sales proceeds 銷售所得款項	10,247,888	9,605,804	13,836,382	13,616,709	13,795,500
Turnover 營業額	4,898,605	4,671,971	6,171,393	5,969,740	5,955,335
Profit before taxation 除稅前溢利	3,411,474	1,938,603	2,675,411	2,831,865	3,150,477
Profit for the year attributable to owners of the Company 本年度本公司擁有人應佔溢利	2,874,640	1,600,907	1,914,392	2,143,994	2,448,247
Basic earnings per share (HK\$) 每股基本盈利(港元)	1.79	1.00	1.19	1.31	1.48
Total dividends per share (HK cents) 每股股息總額(港仙)	63.2	63.2	63.2	59.1	59.1

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

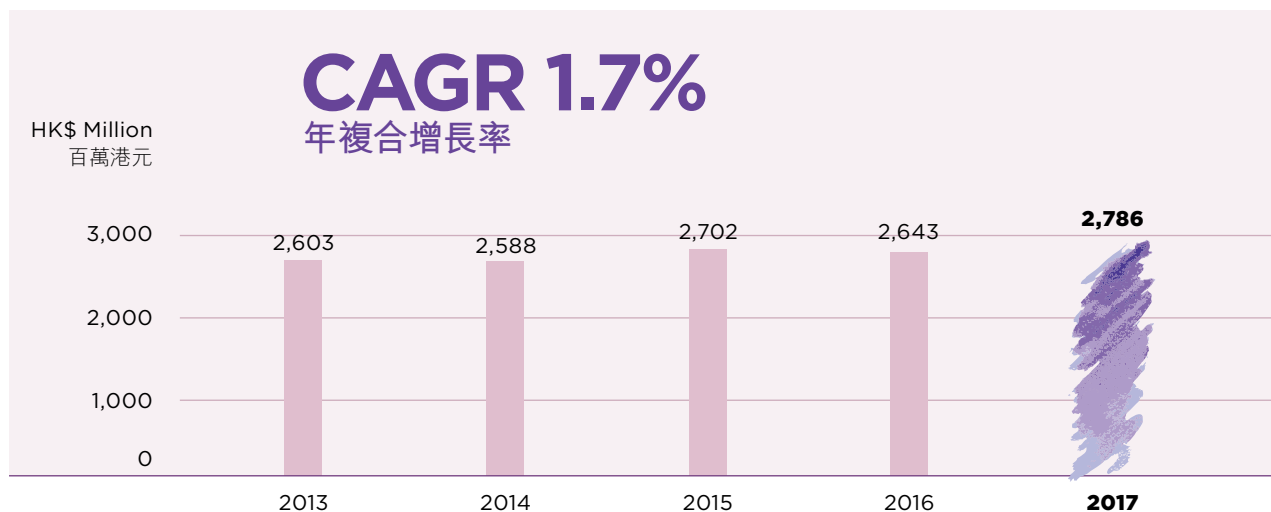
Continuing operations refer only to the Group's department store operations in Hong Kong following the spin-off of Lifestyle China Group and disposal of Lifestyle Properties Group in 2016 and 2017 respectively.

持續經營業務指本集團分別於二零一六年及二零一七年分拆利福中國集團及出售利福地產集團後，於香港的百貨公司業務。

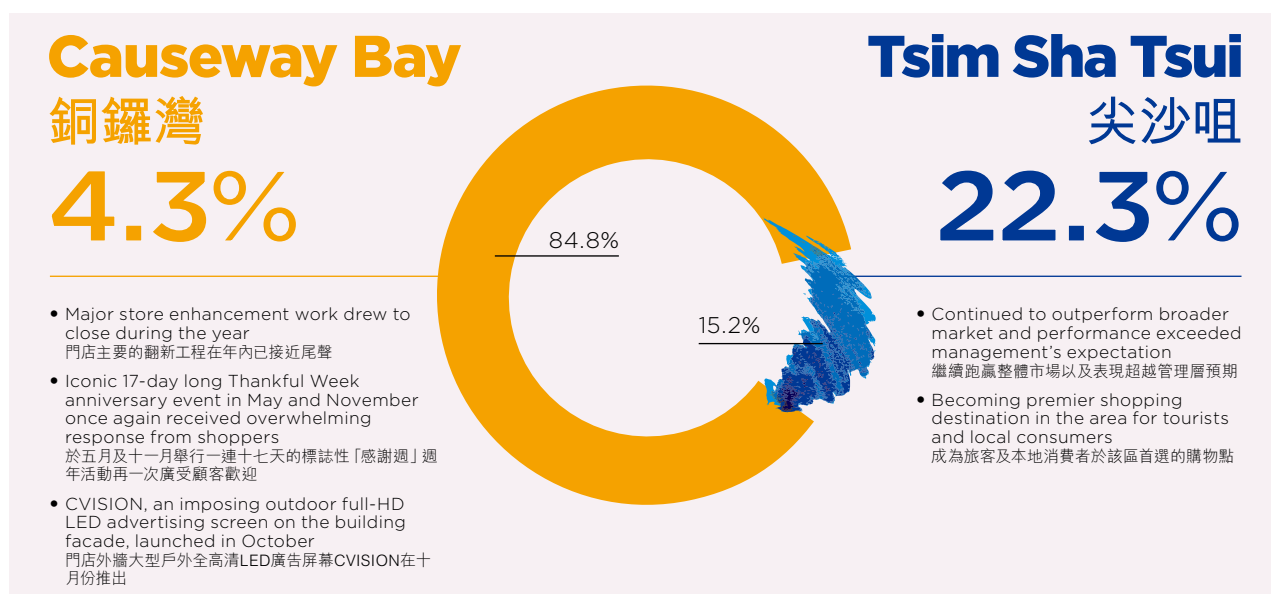
Turnover Growth for continuing operation 持續經營業務之營業額增長



Gross Profit in respect of continuing operation 持續經營業務之毛利



2017 Sales Proceeds and Growth By Store 二零一七年按門店劃分之銷售所得款項及增長



2017 Milestones

二零一七年大事回顧

October 十月

The Group unveiled CVISION, an imposing outdoor full-HD LED advertising screen at the building façade of the SOGO Causeway Bay store. It shall greatly enhance the effectiveness of the Group's advertising activities.

本集團在銅鑼灣崇光店外牆上安裝了 CVISION，一個大型的戶外全高清 LED 廣告屏幕，將大幅提升本集團廣告活動的效益。



November

十一月

Thankful Week achieved record-breaking results at both SOGO CWB and SOGO TST, with total sales revenue reached HK\$1,692.3 million. 銅鑼灣崇光店及尖沙咀崇光店的「感謝周」活動取得破紀錄的佳績，總銷售收入達 1,692,300,000 港元。

December

十二月

Kai Tak Project commenced ground breaking works, marking the start of construction for the two commercial blocks to provide space for both retailing and office use.

啟德項目舉行動土工程，標誌著兩幢商業大廈的建設工程正式開展，將提供零售及辦公用途之空間。

Lau Luen Hung, Thomas 劉鑾鴻

Chairman 主席



08

Chairman's 主席報告 Statement

The year 2017 marked a turning point in the global economy and for the first time since the global financial crisis occurred a decade ago, the world economy embarked on a synchronous upswing. Robust performance of the financial and property market, strong local job market and weakening U.S. dollar have helped lifting consumer confidence and inbound tourism for Hong Kong during the year.

Leveraging its solid foundation and unparalleled brand equity, Lifestyle International refined its business strategy in a timely manner that it was not only able to keep abreast of customer needs but also able to maximise sales opportunities amid the recovering retailing environment. During the year, the Group continued to stay focused on consolidating its competitive strengths and enhancement of customer experiences and these shrewd strategy and efforts paid off with a strong set of financial results, with sales growth outperforming the broader retail market.

As a leading department store operator, the Group stayed committed to implementing customer-centric business strategy. Our store enhancement program was nearing completion with the newly designed Freshmart supermarket reopened in end April that has received encouraging customer feedback. To further cement SOGO Causeway Bay's position as one of the iconic landmarks in Hong Kong, the Group also launched in October the CVISION, an imposing outdoor full-HD LED advertising screen at the building façade of the SOGO CWB. The Group believes that all these store enhancement efforts will help boost foot traffic and further improve the store's sales efficiency in the longer run.

For the year ended 31 December 2017, the Group's turnover from continuing operations rose 4.9% and saw the net profit surged 79.6% to HK\$2.87 billion. On the other hand, the profit from both continuing and discontinued operations surged 107.5% to HK\$3.30 billion, largely due to growth in revenue amid improving operating environment, a revaluation surplus being recorded on the Group's investment property under development, increase in interest and investment income, decrease in finance charge, and one-off gain on disposal of the Group's entire stake in Lifestyle Properties Group Limited (now known as Sansheng Holdings (Group) Co. Ltd.). Earnings per share for the year were HK\$2.06, up 107.5%

二零一七年標誌著全球經濟的轉捩點，自十年前爆發環球金融危機以來，全球經濟首次同步上揚。年內，金融及物業市場表現理想、本地就業市場強韌以及美元疲弱，均有助提振香港消費者信心及訪港旅遊業。

憑藉穩固的基礎及優越的品牌認受性，利福國際在零售市道復甦之際適時調整其業務策略，不僅緊貼顧客需求，亦盡力爭取銷售機會。年內，本集團繼續致力鞏固其競爭優勢並提升顧客體驗，敏銳的策略及付出的努力成功帶來強勁財務表現，銷售額增幅亦優於整體零售市場。

作為龍頭百貨店營運商，本集團矢志奉行以客為尊的業務策略。隨著設計新穎的崇光超市於四月底重開並獲客戶一致好評，本集團的門店改善工程接近完成。為進一步鞏固銅鑼灣崇光作為香港其中一個標誌性地標的地位，本集團亦於十月在銅鑼灣崇光店所在樓宇的正面啟用大型戶外全高清LED廣告屏幕CVISION。本集團相信，此等門店改善措施將有助提高客流量，長遠而言亦可進一步推高門店銷售效益。

截至二零一七年十二月三十一日止年度，本集團持續經營業務的營業額上升4.9%，而溢利淨額則飆升79.6%至2,870,000,000港元。另一方面，持續及非持續經營業務的溢利急升107.5%至3,300,000,000港元，主要因為收入在經營環境有所改善下取得增長、本集團的發展中投資物業錄得重估盈餘、利息及投資收入增加、財務費用減少及出售本集團於利福地產發展有限公司(現稱三盛控股(集團)有限公司)全部權益的一次性收益。年內每股盈利為2.06港元，按年上升107.5%。董事會欣然建議派發每股34.3港

year on year. The board of directors is pleased to recommend a final cash dividend of HK cents 34.3 per share. Together with the interim dividend of HK cents 28.9 already paid during the year, the amount of dividend for the year 2017 totaled HK cents 63.2, same amount as in the year 2016.

During the year, the Group's operation benefitted from the steady recovery of the city's retail market. Leveraging the Group's loyal clientele and effective marketing initiatives, the Group reported a 6.7% increase in gross sales proceeds, outperforming the Hong Kong retail sector which saw its sales edged up only 2.2% in 2017. While the retail consumption began to pick up moderately during the first half of 2017, the recovery gained momentum in the second half of the year, with sales growth accelerating.

With most of the store enhancement works at SOGO CWB store completed in 2017, the Group expects the foot traffic and business should improve in 2018 when comparing to 2017. However, management remains cautiously optimistic about the outlook for the retail market in 2018 as escalating trade restriction, rising geographical tensions and volatile financial market conditions may dampen consumer confidence and business activities. With these uncertainties, the wealth effects brought about by the buoyant global financial market and the returning of inbound tourism that we saw in 2017 may not continue into 2018 and consumer sentiment could be affected then. Nonetheless, as part of our continual efforts towards strengthening our leading position as a department store player, the Group will continue to enhance its market competitiveness through both physical and digital channels. The world of retail is evolving at an ever quickening pace and in order to fulfill our core mission of serving our customers, our team continues to innovate and seek differentiation within an increasingly competitive climate. Additionally, we will continue to deepen our customer engagement through increasingly personalized services and experiential items. With the Group's strong brand equity and loyal clientele, we believe that Lifestyle International is well-positioned to ride the upturn in market sentiment.

Regarding the Group's Kai Tak Project, management is pleased to share with you that ground breaking works of the project already commenced in late December 2017, marking the beginning of construction for the twin commercial blocks that at completion in 2022, will host a new SOGO department store along with other commercial, entertainment and dining facilities in the new Kai Tak development area, East Kowloon.

As always, the Group maintains an open stance towards lucrative business opportunities that have good potential in bringing sustainable returns for our shareholders.

On behalf of the board, I would like to extend my heartfelt thanks to all our management team members and staff for their dedicated hard work and contributions throughout the year. Moreover, I would also like to express my gratitude to our customers, business partners, and shareholders for their long-standing trust in and support for the Group. We look forward to your continued trust and support in the future.

Lau Luen Hung, Thomas
Chairman

5 March 2018

仙的末期現金股息。連同年內已派付的中期股息28.9港仙，二零一七年的派息總額為63.2港仙，與二零一六年的金額相同。

年內，本集團業務營運受惠於本港零售市道穩步復甦。有賴本集團顧客的鼎力支持及有效的營銷策略，本集團銷售所得款項總額增加6.7%，而香港零售業界於二零一七年的銷售額僅上升2.2%。零售消費於二零一七年上半年開始溫和回升，於下半年復甦勢頭轉強，亦加快了銷售增長速度。

隨著銅鑼灣崇光的大部分門店改善工程於二零一七年完成，本集團期望二零一八年的客流量及業務將較二零一七年有所改善。然而，管理層對二零一八年零售市道的前景抱持審慎樂觀態度，原因為貿易限制加劇、地區局勢緊張及金融市況反覆波動，均可能影響消費信心及商業活動。在重重不明朗情況下，二零一七年所見環球金融市場表現向好及訪港旅遊業回暖所帶來的財富效應未必能夠持續至二零一八年，屆時消費意欲可能受到影響。儘管如此，作為鞏固本身在百貨業所佔領導地位作出連翻努力的一部分，本集團將循實體及數碼渠道不斷提升其市場競爭力。零售業的演進步伐更加快速，而為達成以客為尊的重要使命，團隊不斷創新及尋求在競爭日益激烈的環境下脫穎而出。此外，本集團將透過更個人化的服務及體驗項目不斷加深顧客契合度。憑藉本集團的強大品牌認受性及忠實客戶，相信利福國際已處於有利位置迎接市場升勢。

就本集團的啟德項目而言，管理層欣然向閣下宣佈，項目已於二零一七年十二月底展開動土工程，標誌著兩幢商業大廈開始施工，並將於二零二二年竣工。位於九龍東啟德發展區的啟德項目將開設一間全新崇光百貨店，並設有其他商業、娛樂及餐飲設施。

本集團將一如既往繼續持盈保泰，物色能為股東帶來良好可持續回報潛力的商機。

代表董事會，本人謹此向管理團隊成員和員工致以衷心謝意，感謝他們全年的努力工作和貢獻。此外，本人藉此向我們的客戶、業務夥伴和股東致謝，感謝他們對本集團的長期信任和支持。我們期待日後繼續得到閣下的信任和支持。

劉鑾鴻
主席

二零一八年三月五日



*a Paradise
for
Trendsetters*

潮流購物天堂





Management Discussion and Analysis

管理層討論及分析

Market Overview

China, the world's second largest economy, saw its gross domestic product grow 6.9% in 2017, above the government's stated target of around 6.5% and the 6.7% growth in the year 2016, marking the first increase in annual growth rate in seven years.

Hong Kong, the Group's home market, also saw improved economic growth in 2017 amid the buoyant global stock market performance, firm local property market and stable economic performance in mainland China. The city has recorded 3.8% growth in its GDP for the whole 2017, compared with only 1.9% in 2016. Local consumer sentiment was also bolstered by wealth effect brought by rising property and stock prices. Hong Kong retail market continued to recover during the year thanks to robust local demand and uptick in inbound tourism. Weaker US dollar and hence Hong Kong dollar in recent months has benefited the city, lifting visitor arrivals to Hong Kong by 3.2% to 58.5 million in aggregate for 2017, with visitors from mainland China experienced a 3.9% growth. For the whole year, retail sales in Hong Kong saw a growth of 2.2% year-on-year, compared with 8.1% decline saw in 2016. Sales of luxury goods categories, including jewelry and watches, resumed growth whereas department stores sales rose 3.4% year-on-year.

市場概覽

中國為全球第二大經濟體系，於二零一七年的國內生產總值增長6.9%，遠高於政府目標約6.5%及二零一六年6.7%之增長，年度增長率於七年以來首次錄得增幅。

香港作為本集團的本土市場，在環球股市表現向好，加上本地物業市場穩健及中國內地經濟表現平穩的情況下，其於二零一七年的經濟增長亦見改善。香港的本地生產總值於二零一七年全年錄得3.8%增長，而二零一六年則僅為1.9%。樓價及股價攀升帶來的財富效應亦帶動本地消費意欲上升。由於本地需求暢旺及訪港旅遊業回溫，香港零售市場於年內持續復甦。近月美元以至港元疲弱對香港有利，推動訪港旅客總人數於二零一七年上升3.2%至58,500,000人次，其中來自中國內地的訪客錄得3.9%增幅。於整個年度，香港的零售銷售按年上升2.2%，而二零一六年則錄得8.1%跌幅。奢侈品類商品（包括珠寶及手錶）銷售恢復增長，而百貨店銷售則按年上升3.4%。

During the year, the Group continued to energizing its operations with customer-centric strategies and initiatives to tap into the warming consumer sentiment. To further strengthen the Group's brand image and cement the Group's position as one of the leading landmarks in Hong Kong, the Group has since October 2017 unveiled CVISION, a massive outdoor full-HD LED advertising screen at the building façade of the SOGO Causeway Bay store ("SOGO CWB"), as part of its relentless push to innovate and adapt in the digital age. Moreover, the Group also during the year disposed of its entire interest in Lifestyle Properties with an aim to streamline the structure of the Group for its long term growth and better utilization of available resources.

Financial Review 2017

With a strong brand equity and excellent retail experience, the Group was able to capitalise on the opportunities arising from the pickup in consumer confidence and revival in inbound tourism. During the year, the Group continued to strengthen its competitive product categories and enhancing customer engagement via well-crafted marketing efforts. As a result, the Group's operations in Hong Kong outperformed the broader market, with aggregate gross sales proceeds growing 6.7% to approximately HK\$10.2 billion. The better than market performance once again served as a proof of the Group's unparalleled store locations, sound business strategy and strong management team.

On 13 April 2017, the Group completed disposal of its entire 59.56% stake in Lifestyle Properties for a cash consideration of HK\$1,293 million. Lifestyle Properties has since ceased to be a subsidiary of the Group. The gain on such disposal, together with the operating results attributable to Lifestyle Properties up to the date of disposal, are being presented as discontinued operation in the consolidated financial statements of the Group, with the 2016 numbers restated for comparison purpose.

Turnover and Sales Proceeds

For the year ended 31 December 2017, Lifestyle International's continuing operations (the two department stores in Hong Kong) saw its turnover increased 4.9% over the previous year while total gross sales proceeds, derived from both direct and concessionaire sales transactions, was up by 6.7%.

Gross Profit and Concessionaire Rates

The Group's gross profit margin as a percentage of turnover was 56.9%, similar to that in the year 2016 of 56.6%. Gross profit totaled HK\$2,786.3 million, up 5.4% from HK\$2,642.9 million recorded in the previous year. During the year, as changes in sales performance of different category of goods were insignificant, the blended average concessionaire rate for the Group remained relatively stable at approximately 24.7%, compared with approximately 24.5% recorded in the previous year.

年內，本集團不斷改善其業務營運，並奉行以客為尊策略及舉措，務求刺激消費意欲。為進一步加強本集團品牌形象及鞏固本集團作為香港其中一個龍頭地標的地位，本集團自二零一七年十月起在銅鑼灣崇光(「銅鑼灣崇光」)店外牆啟用大型戶外全高清LED廣告屏幕CVISION，不遺餘力革新及適應數碼時代。此外，本集團於年內亦出售其於利福地產全部權益，旨在精簡本集團架構以便長遠發展，亦可更有效運用其可用資源。

二零一七年財務回顧

憑藉優越的品牌認受性及豐富的零售經驗，本集團得以把握消費者信心回升及訪港旅遊業復甦所帶來的機遇。年內，本集團繼續透過精心設計營銷策略，加強具競爭力的產品類別及提高顧客契合程度。因此，本集團的香港業務領先整體市場，其總銷售所得款項總額增加6.7%至約10,200,000,000港元。優於市場之表現再次證明本集團的門店位置優越、業務策略行之有效及管理團隊卓越。

於二零一七年四月十三日，本集團完成出售其於利福地產全部59.56%股權，現金代價為1,293,000,000港元。利福地產自此不再為本集團附屬公司。該出售收益連同利福地產直至出售日期之經營業績於本集團綜合財務報表呈列為非持續經營業務，而二零一六年的數字已予重列以供比較。

營業額及銷售所得款項

截至二零一七年十二月三十一日止年度，利福國際持續經營業務(兩間香港百貨店)的營業額較去年增加4.9%，而直接及特許專櫃銷售交易產生的總銷售所得款項總額亦上升6.7%。

毛利及特許專櫃率

本集團按營業額計算的毛利率為56.9%，與二零一六年的56.6%相若。毛利總額為2,786,300,000港元，較去年2,642,900,000港元上升5.4%。年內，因不同類別貨品的銷售表現變動不大，本集團的平均特許專櫃率維持於約24.7%的穩定水平，而去年則約為24.5%。

All-embracing Offerings

包羅萬有的選擇





Inspire
Imagination
and
Vibrant
Lifestyle

啟發富想像力及
充實活力的生活方式

Net Profit Attributable to Shareholders

The Group's reported net profit (continuing and discontinued operation) attributable to shareholders for the year amounted to HK\$3,299.5 million, up 107.5% from HK\$1,590.4 million recorded in the previous year. Meanwhile, the net profit attributable to only the continuing operation was HK\$2,874.6 million, an increase of 79.6% from HK\$1,600.9 million saw in the year 2016. The significant jump in net profit attributable to the continuing operations, apart from owing to the rise in sales and concessionaire commission income brought about by an improving retail environment during the year, was mainly attributable to (i) an increase in interest and investment income of HK\$367.1 million, including fair value gain from the Group's portfolio of financial assets, on the back of robust performance of the global stock markets during the year; (ii) a fair value revaluation gain on the Group's investment properties of HK\$844.2 million, especially the revaluation surplus after tax of HK\$687.4 million attributable to the portion of the Kai Tak project which has been designated for leasing out for rental income purpose when the project would be completed in a few years' time; and (iii) a decrease in interest charge to the profit and loss account of HK\$242.1 million as compared to the year 2016. Taken as a whole, the Group's net profit margin as a percentage of turnover in respect of its continuing operations increased from 34.3% in the year 2016 to 58.7% in the year 2017. The Group's reported net profit for the year from both continuing and discontinued operations on the other hand was pushed up further by a one-off gain recorded from the disposal in the first half of the year of the Group's 59.56% equity interest in Lifestyle Properties to the tune of HK\$420.8 million.

Selling and Distribution Costs

Aggregate selling and distribution costs of the Group increased 14.6% over the previous year and represented 6.3% (2016: 5.9%) of total gross sales proceeds. The increase was mainly a result of higher rental expenses for SOGO Tsim Sha Tsui ("SOGO TST") as sales increased, additional expenses incurred in relation to sales promotion and store renovations. Higher sales promotion costs was mainly attributed to the SOGO Rewards program, a cash bonus points program launched in July 2016 for rewarding spending by customers. On the other hand, the extensive renovation program for the CWB store in the last few years has resulted in additional depreciation and amortization charges for leasehold improvements and other fixed assets.

Administrative Expenses

General administrative expenses of the Group decreased slightly by 2.1% to approximately HK\$131.1 million when compared to the year 2016. The decrease was mainly due to a relatively small amount of loss on fixed assets write-off during the year as compared to that in the year 2016 as the store's renovation program was largely completed after the revamp of Freshmart supermarket finished in April.

股東應佔溢利淨額

年內，本集團錄得股東應佔溢利淨額(持續及非持續經營業務)3,299,500,000港元，較去年錄得的1,590,400,000港元增加107.5%。與此同時，持續經營業務的溢利淨額則為2,874,600,000港元，較二零一六年的1,600,900,000港元上升79.6%。除了因年內零售市道有所改善以致銷售額及特許專櫃佣金收入上升外，持續經營業務的溢利淨額大幅增加主要由於(i)年內環球股市表現理想，以致利息及投資收入增加367,100,000港元，包括來自本集團金融資產組合的公平值收益；(ii)本集團投資物業錄得844,200,000港元公平值重估收益，特別是來自幾年後落成指定用作出租以賺取租金收入之部分啟德項目，除稅後重估盈餘之687,400,000港元；及(iii)於損益賬中扣除的利息開支較二零一六年減少242,100,000港元。整體而言，本集團就持續經營業務按營業額計算的淨溢利率由二零一六年的34.3%升至二零一七年的58.7%。本集團本年度來自持續及非持續經營業務的溢利淨額因於上半年本集團出售於利福地產59.56%股權的一次性收益420,800,000港元被進一步推高。

銷售及分銷成本

本集團的銷售及分銷成本總額較去年增加14.6%，佔總銷售所得款項總額6.3%（二零一六年：5.9%）。隨著銷售額的增加，尖沙咀崇光（「尖沙咀崇光」）的租金開支相應增加，加上銷售推廣以及門店翻新有關的額外支出導致銷售及分銷成本總額增加。較高的銷售推廣成本主要由於SOGO Rewards計劃（於二零一六年七月推出，就顧客消費提供現金獎勵積分）。除此之外，過往年度銅鑼灣店的大型翻新工程導致就物業裝修及其他固定資產產生額外折舊及攤銷支出。

行政開支

本集團的一般行政開支較二零一六年微跌2.1%至約131,100,000港元。與二零一六年比較，有關減少主要由於年內固定資產撇銷錄得的較少虧損，原因為翻新崇光超市於四月完工後，門店翻新工程已經基本完成。

Staff Costs

Staff costs (excluding those of the directors) of the Group increased 3.8% to approximately HK\$224.8 million during the year under review. While the annual general increment of salaries and wages for the Group's employees was largely in line with the market trend and general inflation, remuneration adjustments and bonuses are based on performance of individual staff and financial performance of the Group. The total number of full time staff of the Group decreased to 632 at the end of 2017 from 703 at the end of 2016.

Other income, Gains and Losses

These comprise mainly management fee, credit card charges and other miscellaneous and project income received from the counters and tenants, other sundry incomes and exchange gain or loss. The decrease of 44.7% when compared to the previous year was mainly due to an exchange loss being recorded on the Group's US dollar denominated bonds and loans payable as while the US dollar depreciated against a basket of other foreign currencies throughout the year, it however strengthened against the Hong Kong dollar. Furthermore, project income from providing interior project services to counters also decreased as most of the renovation work were gradually completing during the year.

Interest and investment Income

The Group's interest and investment income rose to HK\$735.1 million from HK\$368.0 million in the year 2016. The amount comprised mainly interest income of HK\$66.0 million from the Group's bank deposits and net investment income of HK\$669.1 million from a portfolio of financial assets with a market value of approximately HK\$3,349.0 million as at the year end. The relatively large net investment income was mainly attributable to mark-to-market unrealized fair value gain on the Group's holding of financial investments.

Finance Costs

The Group's total finance costs consisted mainly of finance charges and interest expenses on bank loans and bonds payable. The aggregate amount of finance costs and interest incurred, before capitalization, was approximately HK\$384.8 million (2016: HK\$475.8 million) for the whole year. The decrease was mainly due to the fact that while additional interest expense was incurred in respect of loans drawn for financing payment of the acquisition cost of the Kai Tak Land in December 2016, interest was saved from full redemption of the US\$500 million bonds payable in January. Finance costs charged to the profit and loss account during the year amounted to HK\$229.0 million (2016: HK\$471.0 million) after some HK\$155.8 million of the borrowing costs relating to the Kai Tak Land has been capitalized.

員工成本

於回顧年度，本集團的員工成本(不包括董事酬金)增加3.8%至約224,800,000港元。雖然本集團員工的薪金及工資的升幅與市場走勢及整體通脹大致同步，薪酬調整及花紅乃根據本集團個別員工的表現及財務表現而定。本集團於二零一七年年底的全職員工總數由二零一六年年底的703名跌至632名。

其他收入、收益及虧損

其他收入、收益及虧損主要包括從專櫃及租戶收取的管理費收入、信用卡收費以及其他收入及項目收入、其他雜項收入和匯兌收益或虧損。比去年下跌44.7%的原因乃由於本集團以美元計價的應付債券及貸款錄得匯兌虧損，因雖然美元於年內兌一籃子其他外幣貶值，惟其兌港元則升值。此外，加上隨著大部分翻新工程於年內陸續完工，向專櫃提供室內項目服務的項目收入亦下跌。

利息及投資收入

本集團的利息及投資收入由二零一六年的368,000,000港元增至735,100,000港元。該金額主要包括本集團的銀行存款利息收入66,000,000港元及來自金融資產組合的投資收入淨額669,100,000港元，有關金融資產組合於年底的市值約為3,349,000,000港元。錄得較高投資收入淨額主要由於本集團所持金融產品錄得按市價計算的未變現公平值收益。

融資成本

本集團的總融資成本主要包括銀行貸款及應付債券的財務費用及利息開支。整個年度資本化前所產生的融資成本及利息總額約為384,800,000港元(二零一六年：475,800,000港元)。有關減少主要由於雖就二零一六年十二月支付啟德地皮的收購成本撥付資金而動用銀行借貸產生額外的利息開支，惟於一月全數贖回500,000,000美元的應付債券而得以節省利息。於與啟德地皮相關的借貸成本其中155,800,000港元資本化後，年內於損益賬中扣除的融資成本為229,000,000港元(二零一六年：471,000,000港元)。

Liquidity and Financial Resources

The Group's EBITDA (excluding investment income, fair value changes on investment properties, and other non-recurring items, if any) for the year increased 1.9% to HK\$2,223.3 million (2016: HK\$2,182.7 million). As at the end of 2017, before counting the investment portfolio which was worth approximately HK\$3,349.0 million (2016: HK\$2,440.6 million), the Group's net debt decreased from approximately HK\$9,337.4 million in 2016 to HK\$8,432.5 million.

The Group's cash at banks amounted to about HK\$7,389.3 million (2016: HK\$7,520.1 million) as at the end of 2017. Of the cash kept at banks in Hong Kong, approximately 99.5% was denominated in US dollar and Hong Kong dollar and approximately 0.5% in RMB and other currencies.

The Group's bank loans at the end of 2017 amounted to approximately HK\$11,184.1 million (2016: HK\$8,376.2 million) and bonds payable amounted to approximately HK\$4,637.6 million (2016: HK\$8,481.2 million). The decrease in bonds payable was due to full redemption at maturity of the US\$500 million bonds in January 2017. The bank loans comprised HK\$5,000 million term loan and HK\$2,000 million revolving loan drawn under the Hong Kong dollar denominated five-year (due July 2021) HK\$8,000 million secured loan facility, which interest is calculated with reference to HIBOR. The HK\$5,000 million term loan is repayable semi-annually over the loan life, with the first repayment starting from January 2019. The bank loans consist of also a term loan of HK\$3,691 million drawn under the HK\$9,000 million project loan facility for financing payment of part of the land premium of the Kai Tak Land. This HK\$9,000 million project loan facility bear interest calculated with reference to HIBOR and does not require repayment until the end of the 5-year term in the year 2022. The remaining bank loans represented short-term US\$ loans totaling US\$77.0 million (equivalent to HK\$601.6 million) drawn under a US\$255 million facility, which is secured against certain of the Group's financial investments, with interest calculated with reference to LIBOR.

As at the year end, the Group had aggregate unutilized banking facilities in the amount equivalent to approximately HK\$8,099.0 million (2016: HK\$1,937.0 million).

The bonds payable of HK\$4,637.6 million (or US\$600 million at maturity) (2016: US\$1,100 million at maturity) at the year-end comprised a US\$300 million 10-year (bearing interest at 4.25% and maturing in October 2022) and a US\$300 million 10-year (bearing interest at 4.5% and maturing in June 2025) unsecured guaranteed bond.

As at 31 December 2017, the Group's net debt to equity ratio (defined as total borrowings less cash and bank balances divided by equity attributable to the owners of the Company) improved from 504.6% in the year 2016 to 208.5%. The relatively high gearing still was due to the fact that the self-owned self-occupied store property in Causeway Bay, Hong Kong is stated at historical cost less depreciation and amortization thereby its fair market value has not been taken into account in the calculation of the equity attributable to owners of the Company.

流動資金及財務資源

本集團年內的未計利息、稅項、折舊及攤銷前的盈利(亦不包括投資收入、投資物業公平值變動及其他非經常性項目(如有))增加1.9%至2,223,300,000港元(二零一六年:2,182,700,000港元)。於二零一七年年末,不包括投資組合約3,349,000,000港元(二零一六年:2,440,600,000港元),本集團的淨負債由二零一六年約9,337,400,000港元減至8,432,500,000港元。

於二零一七年年末,本集團的銀行現金約為7,389,300,000港元(二零一六年:7,520,100,000港元)。於香港銀行存放的現金,約99.5%以美元及港元計值,以及約0.5%則以人民幣及其他幣值計值。

於二零一七年年末,本集團的銀行貸款約為11,184,100,000港元(二零一六年:8,376,200,000港元)及應付債券約為4,637,600,000港元(二零一六年:8,481,200,000港元)。應付債券減少乃由於二零一七年一月到期日全數贖回500,000,000美元的債券。銀行貸款包括根據以港元計值有抵押五年期貸款融資8,000,000,000港元(於二零一七年七月到期)而提取的5,000,000,000港元定期貸款及2,000,000,000港元可循環貸款,該貸款融資乃參考香港銀行同業拆息計息。該5,000,000,000港元定期貸款於貸款年期內須每半年還款一次,首次還款期由二零一九年一月開始。銀行貸款亦包括根據就支付部分啟德地皮地價撥付資金的9,000,000,000港元項目貸款融資而提取的3,691,000,000港元定期貸款。該9,000,000,000港元項目貸款融資乃參考香港銀行同業拆息計息,直至於二零二二年的五年期結束時才須還款。其餘的銀行貸款為在255,000,000美元融資額度下提取以若干本集團金融產品作抵押取得的合共77,000,000美元(相等於601,600,000港元)的短期美元貸款,此貸款乃參考倫敦銀行同業拆息計息。

於年底,本集團累計未動用的銀行貸款額度折合約8,099,000,000港元(二零一六年:1,937,000,000港元)。

於年底,金額為4,637,600,000港元(或於到期日600,000,000美元)(二零一六年:於到期日1,100,000,000美元)的應付債券包括一筆十年期300,000,000美元(利率為4.25%及於二零二二年十月到期)及一筆十年期300,000,000美元(利率為4.5%及於二零二五年六月到期)的無抵押擔保債券。

於二零一七年十二月三十一日,本集團的淨負債與權益比率(即總借貸減現金及銀行結存除以本公司擁有人應佔權益)由二零一六年的504.6%改善至208.5%。較高的資本負債狀況仍然由於自有自用香港銅鑼灣店物業按歷史成本減折舊及攤銷入賬,其公平市價於計算本公司擁有人應佔權益時並無計算在內。



Pursue
Quality
of Life

追求優質生活

Foreign Exchange Management

The functional currency of the Company and its subsidiaries is Hong Kong dollar, in which most of the transactions are denominated. As described under the "Liquidity and Financial Resources" section above, other monetary assets and liabilities of the Group are mainly denominated in US dollar and, to a small extent, other foreign currencies. The Group currently does not have a comprehensive foreign currency hedging policy as the HK dollar, in which most of the Group's transactions are denominated, is pegged to the US dollar in which certain of the Group's borrowings are denominated.

Pledge of Assets

As at 31 December 2017, certain of the Group's leasehold land and buildings in Hong Kong with carrying values aggregating approximately HK\$1,246.1 million (2016: HK\$1,264.1 million) and investment properties with carrying value of HK\$322.0 million (2016: HK\$301.0 million), together with shares of certain subsidiaries of the Group, were pledged to secure the HK\$8,000 million (2016: HK\$8,000 million) loan facility granted to the Group, of which HK\$7,000 million (2016: HK\$8,000 million) was utilized at the year end. In addition, the entire Kai Tak Project, comprising the land under development and investment property under development, with an aggregate carrying value of HK\$8,416.2 million (2016: HK\$7,393.0 million) was pledged to secure the HK\$9,000 million loan facility granted to the Group for financing the development of the Kai Tak Project, of which HK\$3,691.0 million was utilized at the year end. Moreover, certain of the Group's financial assets at fair value through profit or loss with carrying value amounting to approximately HK\$1,427.4 million (2016: HK\$841.8 million) were pledged to secure loan facilities in the amount of approximately US\$255 million (2016: US\$255 million).

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2017.

Material Acquisitions and Disposals

To streamline the structure of the Group with an aim to better utilize its available resources, the Group sold all of its 59.56% equity interest holdings in Lifestyle Properties, which in turn owns certain investment properties in mainland China and Hong Kong and a piece of land under development in Shenyang, China, to an independent third party property developer based in Fuzhou, Fujian Province, China, at a cash consideration of approximately HK\$1,293 million. The transaction was completed on 13 April 2017 and the Group intends to use the net proceeds from the disposal for general working capital purposes. The gain from this disposal together with the result from Lifestyle Properties up to the date of disposal, amounted in aggregate to approximately HK\$426.7 million, has been disclosed and presented as profit from discontinued operation in the Group's consolidated profit and loss account.

外匯監管

本公司及其附屬公司的功能貨幣為港元，大部分交易以港元結算。如上述「流動資金及財務資源」部分所述，本集團有其他主要以美元計值及少部分以其他貨幣計值的貨幣資產及負債。因美元與港元掛鈎，本集團大部分交易以港元結算及若干借貸以美元計算，所以現在並無全面外幣對沖政策。

資產抵押

於二零一七年十二月三十一日，本集團已將賬面總值約1,246,100,000港元(二零一六年：1,264,100,000港元)的香港租賃土地及樓宇，以及賬面值約322,000,000港元(二零一六年：301,000,000港元)的投資物業，連同本集團若干附屬公司的股份，作為本集團獲得貸款融資額8,000,000,000港元(二零一六年：8,000,000,000港元)的抵押品，其中7,000,000,000港元(二零一六年：8,000,000,000港元)在年末已被動用。此外，本集團將賬面總值8,416,200,000港元(二零一六年：7,393,000,000港元)的整個啟德項目(包括在建土地及在建投資物業)作為本集團獲得貸款融資額9,000,000,000港元的抵押品，用作撥付啟德項目發展的資金，其中3,691,000,000港元在年末已被動用。另外，本集團將若干賬面值約1,427,400,000港元(二零一六年：841,800,000港元)按公平值計入損益的金融資產作為貸款融資額約255,000,000美元(二零一六年：255,000,000美元)的抵押品。

或然負債

於二零一七年十二月三十一日，本集團並無任何重大或然負債。

重大收購及出售

為精簡本集團架構及更有效運用其可用資源，本集團向一名位於中國福建省福州市的獨立第三方物業發展商出售其於利福地產全部59.56%股權，現金代價約為1,293,000,000港元，利福地產擁有中國內地及香港的若干投資物業以及一幅位於中國瀋陽的在建土地。該交易於二零一七年四月十三日完成，而本集團擬將出售所得款項淨額用作一般營運資金用途。該出售收益連同利福地產直至出售日期的業績合計約為426,700,000港元，已於本集團綜合損益賬披露及呈列為非持續經營業務所得溢利。

Review of Operations

Thanks to its clientele and experienced management team, the Group managed to take full advantage of the steady recovery in the Hong Kong retailing market during 2017. As expected, our department stores once again outperformed the broader retail market.

SOGO CWB

Against the backdrop of recovery in visitor arrivals and improved local consumption, SOGO CWB recorded 4.3% increase in sales revenue for the period under review. While the flagship store's sales revenue was dragged down by the complete closure of the Freshmart supermarket for almost two months during March and April for renovation, SOGO CWB saw sequential improvement in sales growth in the third and fourth quarter of the year. The sales growth recorded in the second half of the year was more than offset the sales decline recorded in the first half of 2017, as the Hong Kong retail market has been on track for a steady recovery, underpinned by robust performance of the stock and property market.

SOGO CWB contributed 84.8% to the Group's gross sales proceeds in 2017. During the year, SOGO CWB vigorously enhanced its operational efficiency, merchandise mix and marketing campaigns, all of which brought visible improvement in the store's performance. While the overall traffic footfall was significantly affected during the period when the Freshmart supermarket was being renovated, SOGO CWB's stay-and-buy ratio remained stable at around 34.1%, with the average ticket size increased from HK\$794 in the year 2016 to HK\$864 in this year.

Launched since July 2016, the SOGO Rewards program has been well received and has registered more than 380,000 members up to the year end. This program has helped increase customer loyalty and strengthened the Group's brand equity that sales revenue from members has been on the rise and accounted for approximately 45.6% of the total sales revenue of the store during the period under review. The Group will work to focus our marketing initiatives upon cultivating and engaging our growing loyalty member database with an aim to increasing sales productivity of the stores.

The store's iconic 17-day long Thankful Week anniversary events in May and November 2017 once again received overwhelming response from shoppers. The biannual promotion events achieved record-breaking results, with total sales revenue reached HK\$1,092.3 million for the May Thankful Week and HK\$1,324.7 million for the November Thankful Week, respectively. In aggregate, sales from the two events accounted for approximately 27.8% of the store's gross sales proceeds of the year.

As the major store enhancement works drew to a close in 2017 with the launch in October of CVISION, an imposing outdoor full-HD LED advertising screen on the building façade of the SOGO Causeway Bay flagship store, the Group expects its investment in enhancing shopping experience of consumers will translate into future revenue growth. The new CVISION shall greatly enhance the effectiveness of the Group's advertising activities by targeting more diverse audiences with dynamic motion graphic product advertising, drawing higher foot traffic and further cement the Group's location as one of the leading landmarks in Hong Kong.

業務回顧

有賴顧客的鼎力支持及管理團隊的豐富經驗，本集團得以於二零一七年充分把握穩步復甦的香港零售市場。本集團百貨店的表現再次優於整體零售市場。

銅鑼灣崇光

在訪港旅遊業復甦及本地消費有所改善的情況下，銅鑼灣崇光於回顧期內的銷售收入錄得4.3%升幅。儘管旗艦店的銷售收入受到崇光超市於三月及四月完全關店接近兩個月以進行翻新所拖累，惟銅鑼灣崇光於今年度的第三季及第四季的銷售額相繼上升。受惠於股市及物業市場暢旺的表現，香港零售市場穩步復甦，下半年的銷售額增幅足以抵銷二零一七年上半年的銷售額跌幅。

於二零一七年，銅鑼灣崇光收入佔本集團銷售所得款項總額84.8%。年內，銅鑼灣崇光大力改善其營運效益、商品組合及營銷活動，顯著推高門店表現。儘管期內整體客流量於崇光超市翻新期間受到嚴重影響，惟銅鑼灣崇光的逗留購買比率維持於約34.1%的穩定水平，而平均每宗交易額則由二零一六年的794港元升至864港元。

自二零一六年七月推出的SOGO Rewards計劃廣受歡迎，直至年末已登記會員有超過380,000名。此計劃有助提升客戶忠誠度及加強本集團的品牌認受性，而來自會員的銷售收入逐漸增加，於回顧期內佔門店總銷售收入約45.6%。本集團將專注在我們的銷售策略以建立及吸引我們不斷增長忠誠顧客群，持續提升門店的銷售生產力。

門店分別於二零一七年五月及十一月舉行一連十七天的標誌性「感謝周」周年活動再次廣受顧客歡迎。半年一度的推廣活動錄得破記錄的業績，五月「感謝周」及十一月「感謝周」的總銷售收入分別達1,092,300,000港元及1,324,700,000港元。兩項活動的銷售額合共佔本年度門店總銷售收入約27.8%。

由於門店主要的翻新工程於二零一七年已經接近尾聲，加上在銅鑼灣崇光旗艦店外牆啟用大型戶外全高清LED廣告屏幕CVISION在十月份已推出，本集團預期在提升顧客購物體驗上的投資，將推動日後營業額增長。全新CVISION透過針對更廣泛客戶群，提供充滿活力的動圖產品廣告，吸引更多人流，從而大大提高本集團宣傳活動的效益，並進一步鞏固本集團作為香港的領先地標之一。

SOGO TST

With a well-tailored merchandise and service portfolio, SOGO TST has established itself as one of the favorite shopping destination amongst tourists and local consumers in the area. SOGO TST, which had an excellent track record of outperforming the broader retail industry since commencing operations in November 2014 at its current location, continued to report stellar growth with a 22.3% increase in sales revenue for the year, after the 12.4% annual growth recorded in the year 2016.

SOGO TST continued to benefit from strong sales momentum of cosmetics and skin care products, whose sales accounted for around 60% of the total sales of the whole TST store. During the year, SOGO TST saw growth of its average ticket size, traffic footfall and stay-and-buy ratio. Surpassing its counterpart SOGO CWB, sales growth of its May and November Thankful Week events were astonishing that revenue recorded for the November event was around HK\$367.6 million which represented a 32.8% rise from the same event in the year 2016.

Equity interests in Lifestyle Properties (discontinued operation)

Lifestyle Properties, in which the Group owned approximately 59.56% interest, recorded a profit attributable to owners for the period up to 13 April 2017 (the date of disposal) of approximately HK\$4.0 million (2016: loss of HK\$30.2 million). As at 13 April 2017, the consolidated net assets value of Lifestyle Properties amounted to HK\$966.2 million, mainly comprising cash and bank balances of HK\$412.3 million (2016: HK\$414.7 million), and investment properties in the amount of HK\$640.4 million (2016: HK\$631.4 million). As mentioned above, the Group disposed of its entire interest in Lifestyle Properties in April 2017 and after the disposal, the Group has been focusing principally on its department store operations and property development and investment in Hong Kong.

Kai Tak Project

To capture the rising purchasing power and untapped customer base in the East Kowloon area, which will be bolstered by a government supported redevelopment plan as well as increasing accessibility brought about by the upcoming Kai Tak Station of the new Shatin-Central Link, the Group through government tender on 23 November 2016 acquired a plot of land in Kai Tak — East Kowloon, at a price of HK\$7,388 million.

The government's Kai Tak redevelopment project is a huge and highly complex project spanning a total planning area of over 320 hectares, encompassing the former airport site together with the adjoining hinterland districts of Kowloon City, Wong Tai Sin and Kwun Tong. Under the current redevelopment plan, the Hong Kong government has proposed to provide a quality living environment for over 100,000 residents, developing a mix of community, housing, business, tourism and infrastructural amenities in the area.

尖沙咀崇光

憑藉度身定制的商品及服務組合，尖沙咀崇光確立其作為區內旅客及本地消費者首選的購物熱點之一。尖沙咀崇光自二零一四年十一月在該位置營運以來往績亮麗，亦優於整體零售業界，於二零一六年錄得12.4%全年增長後，年內繼續錄得22.3%卓越銷售收入增幅。

尖沙咀崇光繼續受惠於化妝品及護膚產品的強勁銷售勢頭，其銷售額佔整個尖沙咀崇光總銷售額約60%。年內，尖沙咀崇光的平均每宗交易額、客流量及逗留購買比率均有所上升。尖沙咀崇光的五月及十一月「感謝周」活動銷售增長驕人，並於十一月活動中錄得收入約367,600,000港元，及較二零一六年同一活動所得收入上升32.8%，超越銅鑼灣崇光之銷售增長。

利福地產股權(非持續經營業務)

由本集團擁有約59.56%股權的利福地產，直至二零一七年四月十三日(出售日期)期間錄得擁有人應佔溢利約4,000,000港元(二零一六年：30,200,000港元虧損)。於二零一七年四月十三日，利福地產的綜合資產淨值為966,200,000港元，主要包括現金及銀行結存412,300,000港元(二零一六年：414,700,000港元)以及投資物業640,400,000港元(二零一六年：631,400,000港元)。如上文所述，本集團已於二零一七年四月出售其於利福地產全部權益，而本集團於出售後主要專注於其香港百貨店業務以及物業發展及投資。

啟德項目

為了吸納因政府支持的重建計劃以及新沙中綫將啟用之啟德站將改善其交通配套之九龍東地區不斷上升的購買力和新的顧客群，本集團於二零一六年十一月二十三日透過政府招標，以作價7,388,000,000港元收購位於九龍東啟德發展區的一幅地皮。

政府的啟德重建項目是一個大型且極為複雜的項目，總規劃面積超過320公頃，覆蓋前啟德機場及鄰近的九龍城、黃大仙及觀塘地區。香港政府於現行重建計劃中建議在區內為超過100,000名居民提供一個集社區、住宅、商業、旅遊及基礎設施混合用途於一身的優質生活環境。

With a site area of approximately 14,159 square metres, the Group's Kai Tak Land will be developed into two blocks of commercial buildings to provide space for both retailing and office use, with a total gross floor area of approximately 101,000 square metres. The retailing portion is planned to house a full-fledged department store and other facilities complementary to the operations of a department store as well as to use for the operation of a shopping mall and other entertaining and dining facilities, and the office space will be divided partly for self-use and partly for leasing out for rental income. The proposed development is expected to be completed by end of 2021 or early 2022, and it is believed that this Kai Tak Project will be able to create a landmark position in the new Kai Tak development and East Kowloon area and will further broaden and solidify the Group's presence in the Hong Kong retailing market. The Kai Tak Project commenced ground breaking works in December 2017, marking the start of construction for the two commercial blocks. The Group aims to complete the foundation construction work in 2019, before the first phase of the Shatin-Central Link, a new underground railway line connecting Shatin in the New Territories to Central, commences operation.

Outlook and Plan

The world economy appears to be gaining steam amid recoveries in investment, manufacturing activity and trade. While resilient external demand and robust domestic household consumption will continue to bolster China's economy in 2018, trade protectionism and monetary tightening could hinder the economic growth of the world's second largest economy. The geopolitical tension and potentially high volatility in the financial market could also dampen consumer sentiment and confidence round the globe.

Hong Kong's economy in 2018 is likely to follow very closely the economic and financial performance in both China and the U.S. Management is hence cautiously optimistic about the near-term outlook for Hong Kong's retail market as, while consumer sentiment is likely to be boosted by the strong local job market, continued revival of inbound tourism and high property price, the volatility in the financial market and the relative strength of the U.S. or Hong Kong dollar against other currencies could on the other hand negatively affect local consumer sentiment and inbound tourism.

As a prominent retail operator in Hong Kong, the Group will continue to strive to provide consumers with the most fitted product and service mix in a great shopping ambience. The Group is confident that the SOGO Rewards program will further strengthen customer loyalty and attract new customers. In addition, the Group will reinvigorate customer experience with the optimized store layout at the revamped SOGO CWB and the launch of CVISION, thus paving way for improvement in store efficiency and customer traffic footfall in the longer term. Meanwhile, in an effort to maintain strong growth momentum at SOGO TST, the Group will stay devoted to catering customers' preferences and emotional experiences.

The Group will continue to pursue long-term and profitable business opportunities that can create synergies with its existing core retailing activities. Leveraging on the Group's strong brand equity and highly competent management team, the Group believes that it is well positioned to ride the upturn in market sentiment.

本集團的啟德地皮佔地面積約14,159平方米，將發展成兩幢商業大廈，提供空間作零售及辦公室用途，總建築面積約101,000平方米。零售部分計劃設立一家全面百貨店及配合百貨店營運的其他設施與用於購物商場以及其他娛樂及餐飲設施，辦公室空間則將部分留作自用，其他部分將會出租以獲取租金收入。有關建築發展項目預期於二零二一年年底或二零二二年年初竣工，我們相信啟德項目將在新啟德發展區及九龍東區創造一個新地標，並將進一步擴展及鞏固本集團於香港零售市場的佔有率。啟德項目於二零一七年十二月動工，標誌著兩座商業大樓開始施工，地基建設工程可望於貫通新界沙田至中環的新地鐵綫沙中綫一期於二零一九年通車前完成。

展望與計劃

隨著投資、製造活動及貿易復甦，全球經濟亦重拾升軌。儘管外需回升及國內消費支出強勁將繼續於二零一八年推動中國經濟，惟貿易保護主義及貨幣緊縮政策可拖慢全球第二大經濟體系的經濟增長步伐。地緣政治局勢緊張，加上金融市場可能大幅波動，或會阻礙環球消費意欲及信心。

於二零一八年，香港經濟可能緊隨中美兩國的經濟及財務表現。因此，管理層對香港零售市場的短期前景抱持審慎樂觀態度，因消費意欲可能因本地就業市場強勁、訪港旅遊業持續回暖以及樓價高企而上升。另一方面，金融市場反覆波動及美元或港元兌其他貨幣相對強勢則可能對本地消費意欲及訪港旅遊業帶來負面影響。

作為香港知名的零售營運商，本集團將繼續致力在優良的購物環境下為消費者提供最合適的產品及服務組合。本集團深信，SOGO Rewards計劃將進一步提升顧客忠誠度及吸引新顧客。此外，憑藉經翻新後銅鑼灣崇光的優化門店設計及啟用CVISION，本集團將增添顧客的購物樂趣，長遠而言為改善門店效益及客流量做好準備。同時，本集團將銳意迎合顧客喜好及感受，以保持尖沙咀崇光的強勁增長勢頭。

本集團將繼續尋覓長遠有利可圖的商機，與其現有核心零售活動發揮協同作用。憑著本集團強大的品牌認受性及極具才幹的管理團隊，本集團相信已準備就緒，可望乘著市場氣氛回暖而上。

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

As the premier department store operator in Hong Kong, Lifestyle International is committed to the conduct as a responsible, ethical and sustainable corporate citizen. We strive to offer a one-stop shopping destination that focuses in providing our customers with the widest range of quality goods and services under an enjoyable shopping environment.

作為香港龍頭百貨店營運商，利福國際堅持負責任、道德及可持續的企業公民品德。我們致力提供一站式購物熱點，重點為顧客在舒適購物環境下提供最多種類優質貨品及服務。

Our business philosophy comprises the engagement of our various stakeholders:

我們的業務理念有賴各持份者的參與：

1. **Customers:** our main goal is to satisfy our customers and provide them with a world-class shopping environment and experience.
2. **Employees:** our people are our most precious asset and their well-being is essential for the productivity and growth of our business.
3. **Business partners:** we treat each brand retailer as our long-term business partner and conduct all businesses with integrity and in a responsible manner.
4. **Community:** we act as a conscientious member of the society and are dedicated to contributing to the well-being of our environment and to providing help to those who are in need.
5. **Shareholders:** we strive to maximize long-term value and return for our shareholders.

1. **顧客：**我們的主要目標為滿足顧客並為其提供世界級購物環境及體驗。
2. **僱員：**我們的員工為我們最寶貴的資產，其身心健康對旗下業務的生產力及增長至關重要。
3. **業務夥伴：**我們視各品牌零售商為長期業務夥伴，並以真誠及負責任的態度進行所有業務。
4. **社區：**我們身為社會上認真負責的一份子，致力為環境健康作出貢獻，並向有需要人士提供幫助。
5. **股東：**我們致力達致股東的長期價值及爭取最大回報。

The commitment towards our stakeholders provides us guidance in our corporate responsibility policy, where we strive to ensure that the values of our social and environmental responsibilities are integrated within our daily operations and business code of conduct.

我們對持份者的承諾為企業責任政策提供指引，據此我們盡力確保社會及環境責任價值整合至日常營運及業務操守準則。

We believe that the pursuit of integrating our sustainability goals within our business is an ever-evolving process and we hope to further improve upon our performance in the years to come.

我們相信旗下業務納入追求可持續發展目標的過程不斷演變，並期望未來數年可進一步提升績效。

Corporate Responsibility Policy

1. Ethical Standards and Responsibility

We strive to conduct our business with the highest level of integrity and responsibility through engaging our business partners

2. Support and Respect our Staff

Employees are our greatest asset and we treat them with fairness and respect, providing them with a supportive working environment within which they can reach their greatest potential

企業責任政策

1. 道德標準及責任

我們致力以最高誠信及責任水平與業務夥伴合作。

2. 支持及尊重員工

僱員為我們最大的資產，我們公平對待及尊重僱員，為其提供支持性的工作環境，讓其可發揮最大潛能

3. Environmental Responsibility

We aim to cultivate an environmentally conscious culture within our company and endeavor to minimize the carbon impact of our business activities

3. 環境責任

我們旨在於本公司內培育環保意識文化，並盡力將業務活動的碳影響減至最低

4. Striving for Excellence

We continue to ceaselessly set high standards for ourselves and encourage our partners to embrace these ideals in order to differentiate ourselves from our competitors

4. 追求卓越

我們不斷自訂高標準，並鼓勵夥伴接納該等理想，以從芸芸競爭對手中脫穎而出

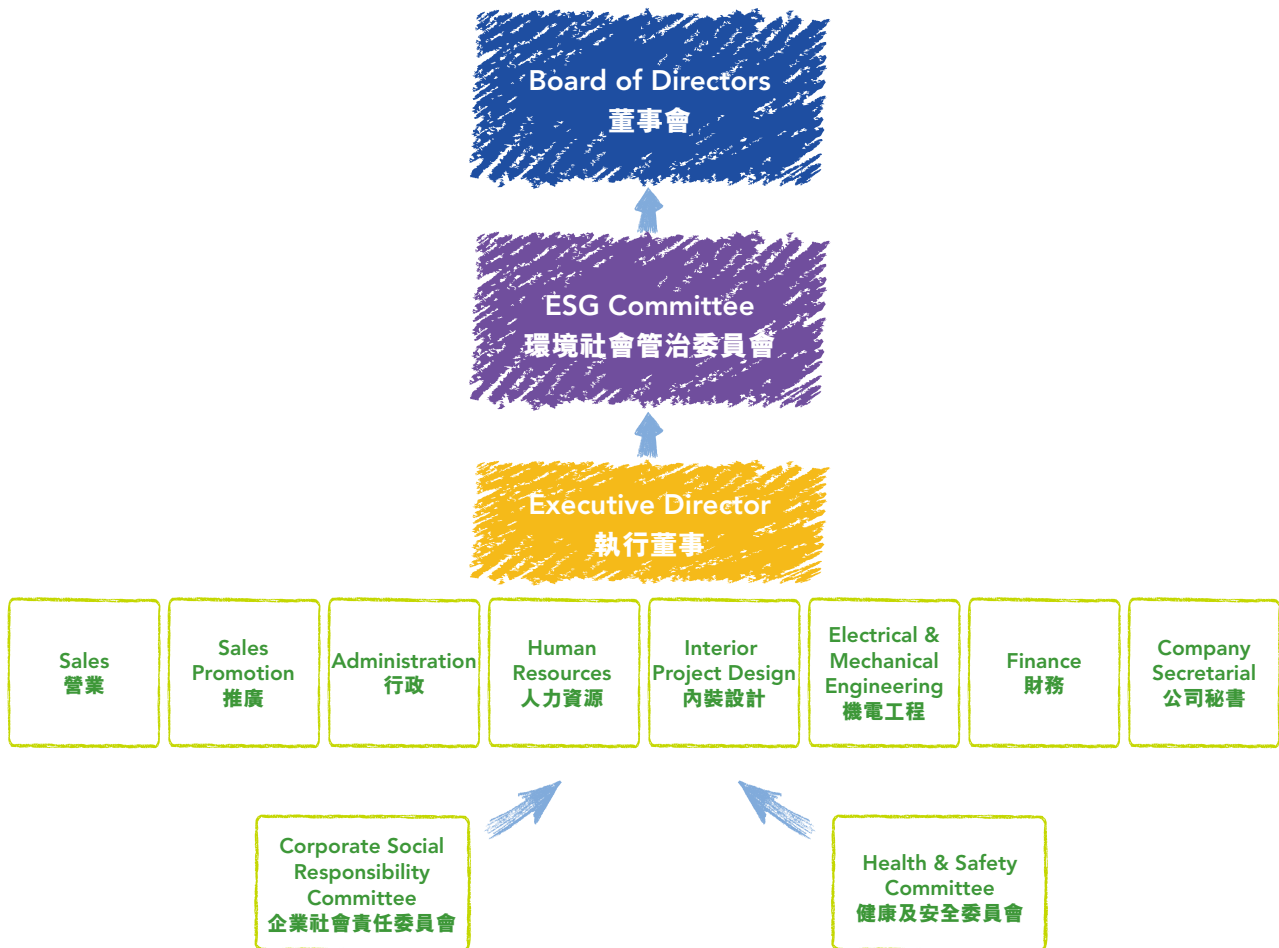
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We aim to holistically integrate our values and corporate responsibility commitments into our business model and company culture, that in turn will support our growth in the long run.

我們旨在整體上整合我們的價值及企業責任承諾至業務模式及公司文化，從而長遠支持業務增長。

Environmental Social Governance Committee

環境社會管治委員會



In 2015, the Group established an Environmental Social Governance Committee (“ESG Committee”) to advise and assist in the development and implementation of sustainability strategies.

ESG committee is chaired by an Executive Director and its' members comprises key heads of our main business functions such as Finance, Sales, Electrical & Mechanical and General Affairs. The involvement of all major departments ensures that the various interests across the Group are all adequately represented. It is the main vehicle for ensuring that sustainable considerations are recognized and included within our business processes.

The committee holds meetings at least once every quarter to plan and strategize long-term sustainability goals, review the Group's ESG performance, and seek solutions that pursue continuous improvement. Each business function is responsible for formulating their respective goals and targets for the year, and department heads report the progress of achieving their sustainability objectives to the committee during the regular meetings. Main responsibilities of ESG Committee include formulating ESG strategies, sustainability reporting, stakeholder engagement, materiality assessment & data analysis and the promotion of ESG issues both within and outside of the company.

With regard to material aspects that affect multiple departments across the Group, cross-departmental working committees are formed to identify and address these issues.

Our Corporate Social Responsibility Committee (“CSR Committee”) was formed in 2015 and is dedicated towards strengthening staff awareness and engagement towards social and community related issues. The committee is wholly composed of our trainee level employees who plan, organize and review our year-long program of charitable events and activities. The committee is an important vehicle that empowers our young staff, by helping them develop leadership and project management skills. This provides them with an opportunity to work with colleagues outside of their own department, sharpening their interpersonal skills and fostering a tight-knit family culture within the Group.

In December 2017, the Group announced the establishment of the Health & Safety Committee that further solidifies the Group's commitment towards fostering a healthy and safe environment for our employees and customers, as well as ensuring the compliance with all legal responsibilities. Health & Safety Committee members comprises representatives across 11 business departments and hold regular meetings to identify potential workplace hazards, recommend corrective measures and organise health & safety related activities that aim to raise the awareness of our various stakeholders.

Materiality Assessment

The purpose of conducting a materiality assessment is to identify issues of importance to the Group from a sustainability perspective and to prioritize those which are considered material. This methodology involves the engagement of the Group's various stakeholders and encourages different stakeholders to consider a range of sustainability indicators, identifying and rating KPIs that are deemed most relevant to our business.

於二零一五年，本集團成立環境社會管治委員會（「環境社會管治委員會」），為制定及推行可持續策略提供意見及協助。

環境社會管治委員會由執行董事擔任主席，而其成員包括財務、銷售、機電工程及行政等主要業務職能的主管。所有主要部門均有參與，可確保充分顧及本集團各方面的利益。委員會亦為確保在業務過程中識別及納入可持續考慮因素的主要組織。

委員會最少每季舉行一次會議，以計劃及部署長遠可持續目標，檢討本集團環境社會管治績效，並尋覓持續改善方案。各業務職能負責制定各自的年度目標，而部門主管則於定期會議向委員會匯報其達成可持續目標的進展。環境社會管治委員會的主要職責包括制定環境社會管治策略、可持續匯報、與持份者交流、重要性評估及數據分析以及於本公司內外推廣環境社會管治事宜。

就可影響本集團多個部門的重要範疇而言，我們將成立跨部門工作委員會識別及處理此等事宜。

企業社會責任委員會（「企業社會責任委員會」）於二零一五年成立，致力加強員工對社會及社區相關事宜的意識及參與。委員會全由實習生職級僱員組成，負責規劃、籌辦及檢討持續一年的慈善項目及活動。委員會對培育年輕員工相當重要，透過協助員工發展領導才能及掌握項目管理技巧。這為他們提供與其部門以外的同事合作的機會，從而加強其人際溝通技巧，在本集團內培養關係緊密的家庭文化。

於二零一七年十二月，本集團宣佈成立健康及安全委員會，進一步加強本集團為僱員及顧客營造健康安全環境的承諾，並確保遵守所有法律責任。健康及安全委員會成員包括十一個業務部門的代表，並定期舉行會議以識別潛在工作場所危害之處，就糾正措施提供建議及舉辦健康安全相關活動，旨在提高各持份者的意識。

重要性評估

進行重要性評估旨在從可持續角度識別出對本集團而言屬重要的事宜，並優先處理該等被視為重要的事宜。此舉需要本集團各持份者參與，鼓勵不同持份者考慮各項可持續指標，識別及評價被視為與旗下業務最相關的關鍵績效指標。

There are a wide range of issues on which we could address. The principle of materiality is defined as aspects that are considered significant in reflecting the Group's economic, environmental and social impact and those that are important in influencing the decision-making process of our stakeholders.

For 2017, the ESG Committee decided to conduct a preliminary materiality assessment exercise that involved the engagement of our internal stakeholder, our employees. The ESG Committee considered a list of material issues of sustainability and conducted a process of prioritization where 21 material aspects were selected. An online survey was designed with each material aspect further defined to provide more clarity towards the audience and briefing sessions were held to introduce and engage our employees in this exercise. Employees participated in the survey rated the 21 material aspects in accordance with a rating scale which categorized topics from "least important" to "critically important". After survey collection, the data was analyzed, further prioritized and validated with the endorsement of ESG Committee. This exercise has helped our committee better understand the areas of materiality that are most relevant to our employees, which in turn informs us on where to focus our sustainable efforts. In the coming year, the committee will plan to focus upon furthering improvement in the following material aspects: Customer Privacy, Occupational Health & Safety and Training & Education.

For 2018, ESG Committee has plans to engage with an independent sustainability consultant to provide guidance in conducting a more comprehensive materiality assessment that will involve the engagement of additional stakeholder groups, in view that this would provide the Group with a more comprehensive picture for the areas of focus in the coming years.

我們可處理事宜有很多。重要性原則界定為被視為對反映本集團經濟、環境及社會影響而言屬重要以及對持份者決策過程產生重要影響的範疇。

於二零一七年，環境社會管治委員會決定進行需要內部持份者——僱員參與的初步重要性評估。環境社會管治委員會考慮了多項重大可持續事宜及排列其優先順序，選定二十一個重要範疇，並就進一步說明各重要範疇設計網上調查以便受訪者清楚理解，亦舉辦簡介會為僱員講解有關舉措以供彼等參與其中。參與調查的僱員根據「最不重要」以至「最重要」的議題評級制度為二十一個重要範疇評級。收集調查資料後，數據在環境社會管治委員會認可下進行分析，進一步確定優先順序及落實推行。此舉有助委員會加深對於與僱員最相關的重要性範疇的了解，從而告訴我們須著力處理的可持續事宜。於未來一年，委員會將計劃主力進一步改善以下重要性範疇：顧客私隱、職業健康與安全及培訓與教育。

於二零一八年，環境社會管治委員會計劃委聘獨立可持續顧問就進行更全面的重要性評估提供指引，當中需要其他持份者參與，從而為本集團未來幾年之重點工作制定更全面計劃。

STAKEHOLDER ENGAGEMENT

持份者參與



Engagement Channels

參與渠道

- Shareholders' meetings
股東大會
- Investors & Analysts meetings
投資者及分析員會議
- Results Presentations
業績發佈
- Financial Reports, Announcements & Circulars
財務報告、公告及通函
- Training & Workshops
培訓及工作坊
- Volunteer Activities
義工活動
- Interviews & Meetings
面談及會議
- Project Collaborations
項目合作
- Public Events & Social Gatherings
公開活動及社交聚會
- Sponsorships & Donations
贊助及捐獻
- Websites
網站
- Industry events
業界活動



Environment Environmental Policy

Lifestyle International's Environmental Policy targets to reduce our environmental carbon footprint and promote an environmentally sustainable atmosphere within our store operations. We will:

- Quantify the environmental impact of our operations by designing measures to reduce our greenhouse gas emissions
 - Consistently work to improve the efficiency of our energy consumption
 - Ensure a healthy and comfortable indoor environment within our business premises
 - Adopt green practices and technologies to better conserve our natural resources
 - Ensure compliance with applicable environmental and related legislations with our staff, business partners & other stakeholders
 - Minimize our waste generation and manage our waste in a responsible manner
 - Raise an environmentally-aware mindset amongst all employees through regular internal communications and trainings
- 量化營運的環境影響，以設計降低溫室氣體排放的措施
 - 持續著力改善能源消耗的效率
 - 確保商業物業的室內環境健康舒適
 - 採納綠色做法及技術以更有效保存天然資源
 - 確保員工、業務夥伴及其他持份者遵守適用環境及相關法例
 - 將我們產生的廢物減至最低及以負責任的態度處理廢物
 - 透過定期內部溝通及培訓提升全體僱員的環保意識

Energy Efficiency

We continuously strive to reduce overall energy consumption and maximize the energy efficiency of all our facilities within our buildings and department stores with respect to electricity, water and gas usage, which are the main sources of energy used in our department store operations.

In order to monitor and improve our energy consumption, a comprehensive record for different zones of the buildings is kept for both data calculation and verification. Data is analyzed on a regular basis so that the equipment or facilities are always working in the optimal conditions.

Majority of the electricity is consumed by the air conditioning systems, vertical transportation (lifts and escalators), general lightings, refrigeration systems, plumbing & drainage systems and I.T. facilities (servers, personal computers and Point of Sales system). In the past few years, we have been carrying out various measures to improve those facilities in order to maintain optimal operational efficiency conditions, such as consideration of more efficient models in new procurement, timely replacement of less efficient parts, and conduct continuous preventive maintenance measures by our professional contractors and in-house maintenance teams.

To minimize the power consumption of our lighting facilities, LED lightings are now used in more than 95% of department store areas, with installation of LED lightings in remaining areas to be completed before the end of first quarter of 2018.

To leverage the latest technology for our operations to minimize impact on the environment, a new full length LED advertising screen on the front façade of our Causeway Bay store ("CVISION") was installed in October 2017 to replace the fixed traditional banners which were lit by energy inefficient floodlights. In order to minimize the brightness of the screen and power consumption, CVISION is equipped with 3 brightness-controlled mechanisms — automatic sensor control, manual control and

能源效益

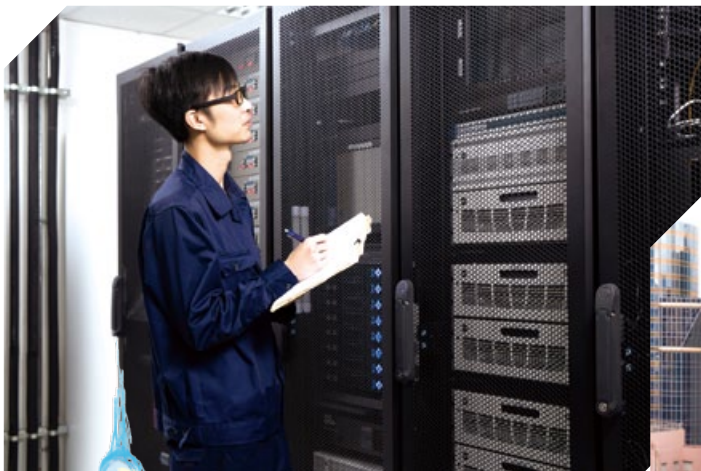
我們繼續竭盡所能降低整體能源消耗，亦盡力提高旗下樓宇及百貨店內所有設施使用水電及燃氣(即百貨店營運所用主要能源)的效益。

為了監測及改善能源消耗的情況，我們保存樓宇不同區域的詳盡記錄以作數據運算及驗證，並定期分析數據，確保設備或設施均以最佳狀態運作。

空調系統、垂直運輸(升降機及自動扶梯)、一般照明、製冷系統、管道及排水系統以及資訊科技設施(伺服器、個人電腦及銷售點系統)耗用大部分電力。於過去數年，我們一直採取多項措施令此等設施能保持最佳運作及高效狀態，例如考慮採購更具效益的型號、適時更換效益欠佳的部件以及由專業承包商及內部維修團隊持續進行預防維修工作。

為了將照明設施耗用的能源減至最低，超過95%的百貨店區域現時採用LED照明，而餘下區域將於二零一八年第一季結束前完成安裝LED照明。

我們的業務營運善用最新科技盡量減低對環境帶來的影響，並於二零一七年十月在銅鑼灣店正面安裝全新大型LED廣告屏幕(「CVISION」)，取代以能源效益欠佳的泛光燈照明的傳統固定橫幅。為降低屏幕亮度及能源消耗，CVISION配備三種亮度監控機制監察其運作情況，即自動感應監控、人手監控及預設時間監控。此等監控機制根據不同背景光暗協



timer pre-setting control to monitor its operations. These controls help to adjust the brightness of the screen to an optimal level in accordance with different background illumination level, conserving electricity consumption in the process. A set of Active Harmonic Filter for LED power supply system is also installed to enhance its efficiency of electricity consumption during operation.

In addition, having well aware of the impact of light pollution on our local communities, operations of all external lighting facilities of our stores such as LED screens, light boxes, logo signages are in full compliance with the requirements under "Charter on External Lighting" by Environment Bureau.

Energy and Water Consumption

The major source of energy consumption for our operations is electricity in our building for facilities such as air-conditioning systems, lightings, vertical transportation facilities, water pumps, firefighting and office equipment.

In comparison to electricity, water consumption is relatively small in our operations. Consumption is mainly for sanitary facilities for both customers and staff within department stores and office premises. Sensor type water taps and flushing facilities have been installed for reducing water consumption in washrooms.

Aggregated energy and water consumption at our Causeway Bay, Tsim Sha Tsui department stores and auxiliary supporting facilities for 2016–2017 is presented as below:

Item 項目		2017 二零一七年	2017 二零一七年 (Intensity by square meter) (每平方米密度)	2016 二零一六年	2016 二零一六年 (Intensity by square meter) (每平方米密度)
GHG Emissions (Scope 2) 溫室氣體排放量 (範圍 2)	Total kg CO ₂ e 二氧化碳當量總公斤	15,957,950kg 15,957,950 公斤	265.18 Kg/m² 每平方米 265.18 公斤	16,568,596 kg 16,568,596 公斤	275 Kg/m ² 每平方米 275 公斤
Purchased Electricity 購買電力	Total KWh 總千瓦小時	21,046,308 kWh 21,046,308 千瓦小時	350 kWh/m² 每平方米 350 千瓦小時	22,077,093 kWh 22,077,093 千瓦小時	367 kWh/m ² 每平方米 367 千瓦小時
Purchased Towngas 購買煤氣	Mega Joules (MJ) 兆焦耳	1,420,224 MJ 1,420,224 兆焦耳	23.60 MJ/m² 每平方米 23.60 兆焦耳	1,458,096 MJ 1,458,096 兆焦耳	24.23 MJ/m ² 每平方米 24.23 兆焦耳
Potable Water 飲用水	Cube Meter 立方米	88,999 m³ 88,999 立方米	1.48 m³/m² 每平方米 1.48 立方米	102,796 m ³ 102,796 立方米	1.71 m ³ /m ² 每平方米 1.71 立方米

Remarks:

- Total operating area used for computation of energy intensity is 60,178.57m².
- Emission Factor used for purchased electricity from Hong Kong Electric and CLP is 0.79 and 0.51 respectively. Emission Factor for Towngas from Hong Kong and China Gas is 0.065 per MJ.
- GHG emissions is calculated basing on purchased electricity and Towngas only, excluding those electricity consumptions by central air-conditioning systems which are not under our operating control as such consumption data cannot be readily available and reliably measured.

助調校屏幕至最適合亮度，減少使用期間所耗電力。我們亦就LED供電系統裝設一套主動式諧波濾波器，以提高運作期間的耗電效益。

此外，我們深明光害對週邊社區的影響，故LED屏幕、燈箱及招牌等所有店舖外部照明設施均全面遵守環境局的《戶外燈光約章》規定。

能源消耗及用水量

我們的業務營運主要能源消耗源自就空調系統、照明、垂直運輸設施、水泵、消防及辦公室設備等樓宇設施耗用電力。

與電力比較，我們的業務營運的用水量相對較小。耗水主要用於百貨店及辦公場所內為顧客及員工而設的衛生設施。我們在洗手間安裝了減少耗水的感應型水龍頭及沖水裝置。

於二零一六年至二零一七年，銅鑼灣百貨店、尖沙咀百貨店及其配套設施的能源消耗及用水總量呈列如下：

備註：

- 計算能源密度所用總營運面積為60,178.57平方米。
- 就香港電燈及中電購買電力所用排放係數分別為0.79及0.51。就香港中華煤氣購買煤氣所用排放係數為每兆焦耳0.065。
- 溫室氣體排放量僅根據購買電力及煤氣計算，不包括並非由我們操作監控的中央空調系統所耗電力，因為不容易取得及可靠計量該等耗電數據。

Sustainable Construction

Lifestyle International is committed to implementing environmentally friendly construction processes that minimize its carbon impact on the surrounding area.

During the design consultation stage, we encourage the use of regionally sourced materials and high efficiency energy fixtures. We strive to minimize the creation of harmful substances during the construction process and all contractors are required to use approved sealants, adhesives, paints and coatings that fulfill the low VOC (Volatile Organic Compounds) requirements. From the pre-construction stage through to the entire construction process, we actively identify and leverage opportunities that can enable us to enhance the environmental friendliness of the construction process.

Waste Management and Recycling

Waste prevention and management plays an indispensable role in our overall environmental policy. In addition to minimizing environmental impact, we believe that waste prevention increases operational efficiency and generates cost savings for the long-run. We recognize the importance of promoting waste consciousness amongst our various stakeholders in order to achieve an effective implementation of our waste management policy. Our waste management policy includes recycling and the promotion of practices that support the reduction of consumption.

To strengthen our recycling efforts within our operations, two recycling machines, namely Reverse Vending Machines have been set up in August 2017 at our two stores for the collection of non-refillable PET bottles. Since its' introduction, over 800 pieces of PET bottles had been collected from the customers in 2017.

For our store renovation works, our contractors are required to appoint a waste management coordinator, who is responsible in ensuring the implementation of construction waste recycling. Prior to the start of any construction works, a construction waste manager is appointed to oversee and monitor the waste recycling process, and set targets for all subcontractors to contribute towards our waste management efforts. In 2017, we have successfully recycled around 19% of the total construction waste generated during the renovation of B2/F Freshmart supermarket at our Causeway Bay store.

可持續建築

利福國際致力執行在施工過程中保護環境，盡量減少對周圍地區的碳影響。

在設計諮詢階段，我們鼓勵使用當地採購的材料和高效能源設備。我們致力在施工過程中盡量減少產生有害物質，所有承包商均須使用符合低VOC(揮發性有機化合物)要求的密封劑、粘合劑、油漆及塗料。從施工前階段到整個施工過程，我們積極識別及利用可以加強施工過程環保情況的機會。

廢物管理及回收

廢物預防及管理在我們的整體環境政策中擔當不可或缺的角色。除了減少環境影響外，我們認為廢物預防可提高營運效率，長遠而言可減省成本。我們確認加強各持份者減廢意識的重要性，以便有效實施減廢政策。我們的廢物管理政策包括回收及推廣支持減耗的做法。

為了加強我們業務營運的循環回收力度，我們於二零一七年八月在兩間百貨店裝設兩部循環回收機(亦即透明膠樽回收機)，以收集不可再裝注的透明塑膠瓶。自引入以來，於二零一七年已向顧客收集到超過800個透明塑膠瓶。

至於店鋪翻新工程方面，承包商須委任廢物管理統籌員負責確保環保回收建築廢料。開始施工前，將委任建築廢料管理人監督及監察廢物回收程序，並為所有分包商制定廢物管理目標以助於我們的廢物管理工作。於二零一七年，我們於翻新銅鑼灣店地庫二層崇光超市期間成功回收約19%總建築廢料。



Workplace Conduct

To reinforce our commitment towards environmental protection and sustainability, we have adopted a Green Office Policy on energy & water savings and waste reduction, which amongst other best practices, includes activating the energy-saving mode of office equipment when they are not in use, minimizing the consumption of office paper by setting double-sided printing as default printing and using space efficient printing formats. We also participate in the Green Office Awards Labelling Scheme (GOALS) organized by World Green Organisation (“WGO”). After undertaking a green audit, we have been granted with two labels — WGO’s “Green Office” label and “Eco-Healthy Workplace” label in recognition of our efforts in implementing green office practices. During the year, significant efforts have also been made on paper and plastic bottle recycling, with the help of our trash collection contractor. To minimize electronic waste, disposed computer equipment or electronic devices are collected and processed by professional recycling companies. In addition, use of rechargeable batteries in place of disposable batteries is adopted whenever feasible.

工作場所操守

為加強我們對環保及可持續發展的承諾，我們就節能節水及減廢採納綠色辦公室政策(Green Office Policy)，其他最佳常規當中包括於不使用辦公室設備時啟用節能模式，並設定雙面打印為預設打印模式及使用節省空間打印模式以減低辦公室用紙量。我們亦參與了世界綠色組織(「世界綠色組織」)舉辦的綠色辦公室獎勵計劃(Green Office Awards Labelling Scheme (GOALS))。進行綠色審核後，我們獲授世界綠色組織的「綠色辦公室」標誌及「健康工作間」標誌，表揚我們就推行綠色辦公室常規所作努力。年內，我們亦在廢物收集承包商的協助下銳意循環回收紙張及塑膠瓶。為減少電子廢物，棄置的電腦設備或電子裝置均由專業收回公司收集及處理。此外，我們在可行情況下均使用充電電池代替用完即棄電池。



Environmental Friendly Shopping

To advocate environmentally responsible shopping, we sell reusable bags and have adopted P-life biodegradable plastic shopping bags as storage options for our customers. In addition, we regularly promote and hold various environmental friendly promotional activities. In 2017, we have held the following activities to promote eco-living:

- Tote bag redemption;
- Greenery Living Photo Contest;
- Easter Be a Green Foodie Competition;
- Mother's Day eco wrap redemption and DIY greeting card workshop;
- Father's Day DIY leather good workshop;
- Time to be Cool multi-functional shopping bag redemption and Dyelicious Food Dye Workshop;
- Freshmart Go for Green Fair, Green Autumn Promotion with environmental friendly gift upon purchase.

Food Recycling

The food and confectionery sections of our stores apply the principle of reduce, reuse and recycle in the handling of food wastage. As opposed to having food waste being transported to the landfill, we adopt policies that support the collection and recycling of leftover food products.

"First-in-first-out" policy is implemented for storing and selling food products, so that food waste from perishable produce can be reduced to a minimum. Since October 2016, we have implemented a food recycling programme. The recycling company collects daily food waste and turns them into compost or animal feed, greatly reducing the organic waste produced. In 2017, around 30,200kg food waste were collected, saving approximately 17,214 kg CO₂e emission from landfill.

In addition, we have started donating food to food bank "Food Angel" from November 2017, helping those in need and raising awareness of treasuring food as a precious resource.

環保購物

為了倡導環保購物，我們出售可循環使用的袋子，並採用P-life生物分解塑料購物袋以供顧客使用。此外，我們定期推廣及舉辦各式各樣的環保活動。於二零一七年，我們曾舉辦以下活動推廣生態生活：

- 手挽袋換購；
- Greenery Living攝影比賽；
- 復活節Be a Green Foodie比賽；
- 母親節eco wrap換購及自製心意卡工作坊；
- 父親節手工皮革製品工作坊；
- Time to be Cool多功能購物袋換購及Dyelicious食物染樂工作坊；
- 崇光超市素食節、Green Autumn推廣活動及環保贈品。

食品回收

旗下店鋪的食品和糖果部採用減少使用、物盡其用及回收再用的原則處理廚餘。我們採納政策支持收集和回收剩餘食品，而不會將廚餘送往堆填區。

我們就儲存及出售食品採納「先入先出」政策，力求將易壞食品產生的廚餘減至最低。我們自二零一六年十月起推行食品回收計劃。回收公司負責每日收集廚餘，再將廚餘製作為堆肥或飼料，大大減低產生的有機廢棄物。於二零一七年，已收集到約30,200公斤廚餘，減少約17,214二氧化碳當量公斤的排放物送往堆填區。

此外，我們自二零一七年十一月起開始向食物銀行惜食堂捐贈食品，援助有需要人士及提高珍惜寶貴食物的意識。

Employees

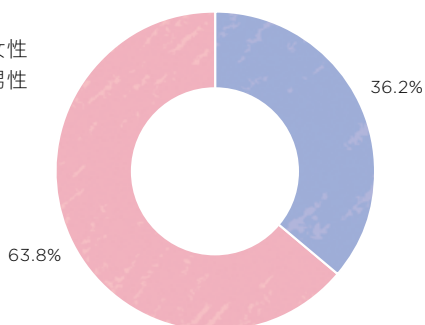
Staff and workplace

As at 31 December 2017, Lifestyle International employed a total of 632 staff and they are all based in Hong Kong. The gender and age distribution of our staff are as follows:

Gender Distribution

性別分佈

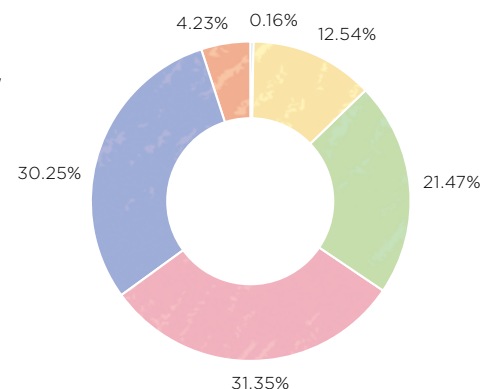
Female 女性
Male 男性



Age Group

年齡組別

20 years old and below
20歲或以下
21-30 years old
21-30歲
31-40 years old
31-40歲
41-50 years old
41-50歲
51-60 years old
51-60歲
60 years old or above
60歲或以上



Lifestyle International has complied with relevant laws, rules and regulations on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare throughout the year.

The performance management system is the foundation for reviewing and reflecting the staff members' performance level, challenges, and to look ahead towards their future aspirations. Observations and evaluations of staff members' work behavior and accomplishments form the basis for decision making within the reward system. These decisions may include wage, salary, and benefit determinations; promotion, demotion, transfer, or termination actions; and coaching and counseling, training, or career development options.

Lifestyle International does not tolerate forced labour nor child labour. We co-operate actively to prevent their occurrence towards not only our direct staff but also towards the possibility of our indirect involvement through our suppliers or business partners, including consignment counters, contractors, labour brokers or recruitment agencies. Throughout the reporting period, we have not noticed any non-compliance cases in the aforesaid areas.

Anti-corruption

Lifestyle International regards fair play, honesty and integrity as our important commercial assets in business. Our anti-corruption policy sets out the basic standard of expected conduct of all staff members. Periodic seminars are arranged for our staff to reinforce the knowledge of recognizing and dealing with bribery and corruption. We have complied with relevant standards, rules and regulations on bribery, extortion, fraud and money laundering throughout the year. No whistleblowing case has been reported during the reporting period.

僱員

員工和工作場所

於二零一七年十二月三十一日，利福國際合共聘用632名員工，彼等均在香港工作。我們員工的性別及年齡分佈如下：

利福國際全年一直遵守有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的相關法律、法規及規例。

績效管理制度為檢討及反映員工表現水平、挑戰及展望其未來抱負的基礎。觀察及評估員工工作態度及成就為獎勵制度作出決策奠定基礎。此等決策可能包括制定工資、薪金及福利；晉升、降級、調職或解聘行動；及輔導和諮詢、培訓或職業發展選擇。

利福國際不容許強制勞工或童工。我們與供應商或業務夥伴(包括寄售專櫃、承包商、勞務經紀人或招聘機構)積極合作防止有關情況在我們的直接員工或間接招聘的員工發生。於整段報告期間，我們概無發現上述範圍的任何不合規情況。

反貪污

利福國際視公平競爭、誠實和誠信為業務中的重要商業資產。我們的反貪污政策載列所有員工預期操守的基本標準。我們為員工安排定期研討會，以增進識別及處理賄賂及貪污的知識。我們全年一直遵守有關賄賂、勒索、欺詐及洗黑錢的相關標準、法規及規例。於報告期間，概無報告任何舉報案件。

Staff Training and Development

Lifestyle International regards human resources as a critical asset. Our mission in talent development is closely intertwined with the achievement of our corporate objectives. We provide our staff with innovative customer and service-oriented training programs that enable them to stay competitive within an ever evolving retail market.

In 2017, staff on average received around 15 training hours. Programs were designed according to the needs of different staff levels including:

- Professional Grooming Workshop
- Beauty Workshop
- Motivation Master at the Workplace
- Master Skills in Managing Thorny Customers Workshop
- Leadership Advancement Workshop
- Managerial Staff Training Camp — Igniting Your Power
- Team Building Workshop
- Effective Performance Management Workshop

員工培訓與發展

利福國際視人力資源為重要的資產。我們在人才培育方面的使命與我們企業目標息息相關。我們為員工提供創新的顧客及服務為本的培訓計劃，使他們能在不斷發展的零售市場中保持競爭力。

於二零一七年，員工平均接受約15小時培訓。培訓計劃乃根據不同員工職級的需要而設，包括：

- 專業禮儀工作坊
- 美容工作坊
- 激勵大師工作坊
- 掌握應對難纏顧客的技巧工作坊
- 領袖訓練工作坊
- 管理人員培訓營 — 點燃動力
- 團隊建立工作坊
- 績效管理工作坊

34





Our emphasis on staff training and development is not limited to work related programs; and we encourage staff members to proactively pursue personal development and growth. Through the performance management system, staff members meet their immediate supervisors and managers to discuss their work performance, personal attributes and potential training opportunities.

Based on the performance review and regular discussions, staff members are able to obtain feedback on their work and share with their superiors about their aspirations and expectations. Training plans are developed and appropriate resources be allocated for achieving both the staff member's personal as well as corporate development goals.

Health and Safety

Lifestyle International considers the health and safety of its' staff, customers, visitors and members of the public at large to be of the greatest importance. To ensure a risk and hazard-free environment for all, Lifestyle International will:

- Conduct regular inspections of all parts of the Group's premises
- Conduct the fire drill for staff members to practice how the department store would be evacuated in the event of a fire or other emergencies
- Obtain professional advice on best health and safety practices where necessary
- Provide staff members with advisory service on health and safety matters
- Provide information and training to enhance staff members' awareness on health and safety issues.

我們對員工培訓與發展的重視不限於與工作相關的計劃；我們鼓勵員工積極尋求個人發展和成長。透過績效管理制度，員工可會見其直屬上司和經理，討論其工作表現、個人特質和潛在的培訓機會。

通過表現檢討及面談，員工能獲得其工作反饋，並與其上司分享其抱負及期望。我們將制定培訓計劃並分配適當的資源，以實現員工個人及企業的發展目標。

健康與安全

利福國際認為員工、顧客、訪客和普羅大眾的健康和安全至關重要。為了確保所有人所在環境免於風險和危害，利福國際將：

- 對本集團處所所有部分進行定期檢查
- 為員工舉辦消防演習，以練習如何在火災或其他緊急情況下疏散百貨店
- 在必要時獲取有關最佳健康及安全實踐的專業意見
- 向員工提供關於健康及安全事宜的諮詢服務
- 提供資料及培訓，以提高員工對健康及安全的意識

Every staff member participates and shares the responsibility in the making and monitoring of procedures and arrangements for safety and health. All staff members will:

- Co-operate in identifying, reporting and rectifying hazards at work in relation to health and safety and report such hazards immediately to superiors or the Security Department
- Co-operate in the investigation of any accident, injury or near accident to minimize re-occurrence
- Adopt safe working methods and procedures
- Offer practical advice and suggestions for the improvement and maintenance in respect of health and safety standards

To promote health and safety at work, we have organized seminars on fire safety, healthy eating and green living in 2017. A health and Safety Committee was formed at the end of 2017 comprising representatives from different departments to initiate, coordinate and promote related topics to all concerning staff members within the Group.

Staff recreation activities such as cooking classes, terrarium classes and scenic tours are organized for staff members to relax and socialize with their peers. In June 2017, 176 staff members, together with their families and friends enjoyed a 2-day tour that included shopping, sightseeing and delicious food in Guangzhou.

Social and Community Support

Lifestyle International is committed towards connecting and interacting with the community in a sustainable manner and the fostering of harmony between the people and the environment.

每名員工均參與並分擔制定及監測安全及健康程序和安排的責任。所有員工將：

- 合作識別、報告和糾正工作中與健康及安全有關的危害，並立即向上級或保安部報告有關危害
- 合作調查任何事故、受傷或準事故，以盡量減少有關情況再次發生
- 採用安全的工作方法和程序
- 提供關於改進和維持健康和安全的實用意見和建議

為了促進工作健康和安全的，我們於二零一七年舉辦了有關消防、健康飲食及綠色生活的研討會。由不同部門代表組成的健康及安全委員會已於二零一七年底成立，以向本集團有關員工講解、協調及推廣相關議題。

我們為員工舉辦了烹飪課程、盆景制作課程及景點旅遊等員工康樂活動，鼓勵員工相聚交流。於二零一七年六月，176名員工連同其親友一同參加為期兩天的廣州購物觀光美食團。

社會及社區支援

利福國際致力於以可持續的方式與社區聯繫及互動，促進與大眾和環境的和諧。



To ensure that our support can reach the needy effectively, we focus on contributing our time and resources towards the following four main aspects:

- Community support
- Environmental protection and sustainability
- Education and youth development
- Arts and Culture Promotion

為了確保我們能夠有效地向有需要人士施以援手，我們將時間和資源集中用於下列四個主要方面：

- 社區支援
- 環境保護和可持續性
- 教育及青年發展
- 文化藝術推廣

To enhance staff awareness and commitment, the “CSR Committee Name and Logo Design Competition” was organized in October 2017 with the winning design being adopted as the official logo of the CSR Committee.

為了加強員工的意識和承諾，我們於二零一七年十月舉辦了「企業社會責任委員會名稱及標誌設計比賽」，勝出的設計將採納為企業社會責任委員會官方標誌。



This year, a total of 7 activities and 1,438 hours of charity works were completed by our volunteers throughout the year, and we have worked with Fu Hong Society, Hong Kong Cleanup, Orbis, Po Leung Kuk, Food Angel, The Hong Kong Federation of Youth Group and Produce Green Foundation.

Volunteering and charitable activities included the Moonwalkers 2017, coastal cleanup, eco tour and organic farming experience day with orphans or kids from low income families, elderly home visits and workshops with patients of mental illness. In addition, the Group has been offering free outdoor advertising airtime on our mega LED billboard to Orbis and the Hong Kong Breast Cancer Foundation to help promote their charitable causes.

Understanding that young people are the future of the society, we are dedicated towards cultivating the young generation and supporting vocational education. In addition to offering internship opportunities to students from secondary schools and universities in Hong Kong, we have been supporting the Hong Kong Arts Festival in 2017.

To sustain the momentum of health consciousness and caring for community, the 3rd SOGO Charity Run was held in March 2017, which was well received and brought in 2,500 participants. A portion of the runners' enrollment fee was donated to Suicide Prevention Services to raise public awareness about suicide. In addition, our "Green Partner, Green Monday" promotional activities also helped to introduce environmental-friendly and low-carbon living practices to our customers.

Our SOGO stores have been participating in Earth Hour organized by World Wide Fund for Nature (WWF) since 2014 to lend our support towards efforts to solve the problems resulting from global warming. All the external lights of both SOGO Causeway Bay and Tsim Sha Tsui store were switched off on the specified date for one hour, from 8:30 pm to 9:30 pm. We will continue to extend support towards these types of events with the aim of contributing towards a more sustainable world.

於本年度，公司義工參加了合共7項活動並完成1,438小時的慈善工作，其中我們曾與扶康會、清潔香港、奧比斯、保良局、惜食堂、香港青年協會及綠田園基金合作。

義工及慈善活動包括盲俠行2017、海岸清潔運動、為孤兒或低收入家庭兒童舉辦的生態旅遊及有機農場體驗日、探訪老人院以及與精神病患者一同參與的工作坊。此外，本集團亦為奧比斯及香港乳癌基金會於我們的巨型LED廣告牌上提供免費戶外廣告播放時段，以幫助推廣其慈善事業。

我們明白青年人是社會的未來棟樑，故致力培育年青一代，支持職業教育。除為香港的中學生及大學生提供實習機會外，我們於二零一七年一直支持香港藝術節。

為保持健康意識及關心社區，我們於二零一七年三月舉行第三屆崇光慈善跑，有關活動廣受歡迎並吸引到2,500名人士參加。我們將部分跑手的報名費捐贈予生命熱線，以提高普羅大眾對有自殺傾向人士的關注。此外，「綠色伙伴Green Monday」推廣活動亦有助向顧客介紹環保低碳生活習慣。

我們崇光店自二零一四年起一直參與由世界自然基金會(WWF)舉辦的地球一小時，顯示我們對解決全球暖化問題的努力的支持。銅鑼灣和尖沙咀崇光店的所有外牆燈光均在特定日期從晚上八時三十分到晚上九時三十分關燈一小時。我們將繼續支持此類活動，為創造一個更可持續的世界作出貢獻。

38



We also provide great support in various arts and cultural activities by bringing the works of different artists from around the world to Hong Kong. Our aim is not only to promote and share the works of those artists, but at the same time to create more enjoyment to our customers and enrich their shopping experiences within our stores. During the year of 2017, we have held a number of exhibitions and events to introduce Japanese arts to our customers, such as “Yayoi Kusama & Contemporary Art Collection Exhibition”, “Kyoto Traditional Arts Exhibition”, “Bizenyaki Fair”, “Kyoohoo Fair”, “Niigata Arts & Crafts Fair”, “Ishikawa Arts & Crafts Fair”, “Wagaku Exhibition” and “Tsubame-sanjoo Exhibition”, etc.

Operating Practices

Product Safety

Our Product Safety Policy enforces our commitment towards the sales of safe merchandise under the Kids Fashion & Toys product category, covering all baby and children products. We embrace the product safety practices vigorously to ensure that our selections are in strict compliance with relevant laws and regulations.

We require all suppliers to attach the utmost importance to the quality of their products, with primary concern placed on the health and safety of the end users of the products. All suppliers are requested to agree and undertake the safety requirements concerning toys and children products and their corresponding intellectual property rights. We maintain a manual which documents all the requirements under the latest Toys and Children’s Products Safety Ordinance, Toys and Children’s Product Safety Regulation, Consumer Goods Safety Ordinance & Regulations, The Trade Mark Ordinance, The Copyright Ordinance, The Trade Descriptions Ordinance and the Prevention of Copyright Piracy Ordinance, with which the suppliers are required to strictly comply. Suppliers are required to fully observe the Group’s requirements, as well as the applicable standards and regulations. Lifestyle International will:

- Comply fully with the Toys and Children’s Products Safety Ordinance and the Consumer Goods Safety Regulation, as these are the fundamental standards to us;
- Conduct regular examinations on our suppliers and business partners to ensure that their products supplied are in strict compliance with the safety standards;
- Act in accordance with the Trade Mark Ordinance and perform continuous inspections as set out in the standards;
- Keep abreast of latest standards, evaluate their impacts and develop up-to-date policies to maintain continuous safety control on our merchandise;
- Enhance the standards of product safety by adopting the best practices;
- Provide regular training to staff to maintain their awareness on the safety issues at all times.
- 全面遵守《玩具及兒童產品安全條例》及《消費品安全條例》，原因是有關規定是我們的基本標準；
- 對供應商及業務夥伴定期進行檢查，確保其提供的產品嚴格遵守安全標準；
- 根據《商標條例》的規定行事，並按照標準所載持續進行檢查；
- 緊貼最新標準、評估其影響及制定最新政策，持續對商品進行安全監控；
- 透過採納最佳常規，提高產品安全標準；
- 為員工提供定期培訓，一直維持其對安全問題的意識。

我們亦通過將世界各地的不同藝術家的作品帶來香港，大力支持各種藝術和文化活動，目的不僅是推廣不同藝術家和分享其作品，同時為顧客帶來更多的樂趣並豐富彼等在我們店鋪的購物體驗。於二零一七年，我們舉辦了多場展覽及活動，向顧客介紹日本藝術，例如：「草間彌生暨當代藝術典藏展」、「京都古美術展」、「備前燒展」、「Kyoohoo手工藝展」、「新潟美術及工藝展」、「石川縣手藝品展」、「和樂展」及「燕三条展」等。

營運慣例

產品安全

我們的產品安全政策強化我們對兒童時裝及玩具類別下出售安全的嬰兒及兒童商品的承諾。我們厲行產品安全常規，確保所出售產品嚴格遵守相關法律及規例。

我們要求所有供應商高度重視產品質量，首要關注產品最終用家的健康及安全，要求所有供應商同意及承諾遵守玩具及兒童產品的安全規定以及相關知識產權。我們設有手冊，載列最新《玩具及兒童產品安全條例》、《玩具及兒童產品安全規例》、《消費品安全條例》、《商標條例》、《版權條例》、《商品說明條例》及《防止盜用版權條例》的一切規定，並要求供應商嚴格遵守。供應商須全面遵循本集團的規定以及適用標準及規例。利福國際將：

Food Safety

We continue to strengthen our food safety management. Consumers place great trust on our food products and the safety and quality of our food products is fundamental to our success and brand equity. Our mission is to provide "Quality food in responsible manner". We have strengthened our sourcing management and improved our product selection throughout this year. We strive to have zero product recalls. Looking ahead, we will further enhance our standard of food labelling.

When sourcing new products, the use of quality ingredients is one of our most important considerations. Evaluation of new vendors is conducted to ensure that their products fully comply with our food safety standards and local regulatory requirements. As a testament to our selection of Japanese merchandise of finest quality, we have been honoured to be awarded the certification of Japanese food and Ingredient Supporters" by Jetro (Japan External Trade Organization) in May 2017 after fulfilling all quality and safety requirements of Japanese food products under the guidelines set by the Ministry of Agriculture, Forestry and Fisheries of Japan. Jetro is an independent government organization which amongst other functions, helps to promote Japanese overseas exports.



食品安全

我們不斷加強食品安全管理力度。消費者相當信賴我們的食品，而食品安全及質量對業務成功及品牌認受性極為重要。我們的使命為「以負責任方式提供優質食品」。我們已於本年度加強採購管理及改善產品選擇。我們銳意做到零產品收回。展望未來，我們將進一步提高食品標籤標準。

採購新產品時，我們其中一項最重要的考慮因素為採用優質材料。我們對新供應商進行評估，確保其產品全面遵守我們的食品安全標準及當地監管規定。於符合根據日本農林水產省制定的指引項下所有日本食品質量及安全規定後，我們於二零一七年五月榮獲Jetro（日本貿易振興機構）頒發的「Japanese food and Ingredient Supporters」證書，證明所選出售日本商品均具極佳質量。Jetro為獨立政府機構，其職能包括協助推動日本對外出口。

Customer Services

Our mission is to satisfy needs of our customers and to provide them with a world-class shopping experience. We respect, listen and take into serious consideration all the views and feedback from our customers. We actively work to improve our dialogue (via comment notes, emails, social media and phone calls) with our customers to better understand their needs and expectations.

Maintaining high-quality customer services is part of our business philosophy in offering quality goods and services under a convenient, comfortable and pleasurable shopping environment. Our customer services are extended towards the after-sales journey which we believe is even more important in our endeavour towards turning a closer relationship with our customers.

Customer services play an important and direct role in our shoppers' in-store experience as well as our overall store service proposition. Our customer services team acts as an effective communication channel between our stores and the customers we serve, which in turn contributes towards the building of customer loyalty in the long-run. We endeavor to provide a swift, sincere and helpful response to any queries or issues raised by our customers, in order to fully meet and exceed their expectations.

顧客服務

我們的使命是滿足顧客的需求，並為彼等提供世界一流的購物體驗。我們尊重、聽取並認真考慮所有顧客的意見和反饋，積極努力通過意見表、電郵、社交媒體及電話改善我們與顧客的溝通，更深入了解其需求和期望。

我們的經營理念是在方便、舒適及愉快的購物環境提供優質的商品和服務，而保持優質的顧客服務是其中一環。我們的顧客服務延伸至我們認為比致力與顧客建立更密切的關係更為重要的售後服務。

顧客服務在顧客的店內體驗及整體店鋪服務方針中起著重要及直接的作用。我們的顧客服務團隊充當旗下店鋪與顧客之間的有效溝通渠道，從而有助於長遠建立顧客忠誠度。我們努力為顧客提出的任何疑問或問題提供快速、真誠和有用的回應，務求完全滿足甚至超越彼等的期望。

Advertising and Marketing

Lifestyle International respects the rights of consumers and engages in responsible advertising and marketing practices. Our advertising and marketing channels actively avoid misleading practices, such as false or deceptive messages, omission of important information or misrepresentation in respect of goods during the course of trade. Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations such as the Trade Descriptions Ordinance.

Our advertising and marketing plans take into consideration impacts towards climate change and we pay attention to any new format available in the market for advertising and communications. To reduce our environmental footprint and accommodate the rising popularity of digital format marketing (such as mobile and APPs), we have steadily increased our digital advertising and marketing budget in recent years.

In 2017, the amount of marketing spending on digital and electronic platforms has been increased by about 25%, compared with that from 3 years earlier. We believe that the growing trend of utilizing digital and electronic platforms shall continue in the future. After the launch of SOGO Rewards membership programme, the mobile APPs, eDM and SMS have become the major communication channels with our members. The quantity of printed direct mailers have decreased by 40%, compared with 2016. Installation of LED display panels on each floor also helps to deliver promotional information to our customers in an environmental friendly way. As a result, the quantity of printing materials has been reduced. We have been closely monitoring the distribution of printing materials in our stores and will adjust the quantity from time to time to prevent any unnecessary wastage.

Consumer Data Management

With the aim of enhancing our customers' shopping experience and increasing their engagement with our SOGO stores via events and promotions, Lifestyle International has leveraged upon an amount allowed by the relevant privacy laws, consumers' personal information for our various direct marketing (including cross-marketing) purposes. We respect the privacy and inviolability of the rights of our customers and we do not reveal or use customer information for any other purpose and strictly comply with our customer privacy policy. Customers have the right to request us to update their personal information or delete their data from our records.

Lifestyle International takes into serious account the protection of personal data and will ensure that adequate resources such as professional staff and appropriate security measures are in place to protect customers' personal data against any unauthorized use, access, modification or disclosure. Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations such as the Personal Data (Privacy) Ordinance.

We place utmost importance in protecting the privacy of customers through the collection, processing and usage of their personal data. We strictly ensure that customers' personal data is always securely stored and processed only for the purposes for which it has been collected. During the reporting year, there were no verified complaints received concerning breaches of customer privacy and losses of customer data.

廣告及營銷

利福國際尊重消費者的權利，進行負責任的廣告及營銷手法。我們的廣告及營銷渠道將積極避免誤導性做法，例如在售賣過程中出現虛假或欺詐信息、省略重要資訊或對貨品作出失實陳述。我們設有合規程序，以確保遵守《商品說明條例》等適用法律、法規及規例。

我們的廣告及營銷計劃考慮到氣候變化的影響，並關注廣告及通訊市場上的任何新形式。為了減少我們的環境足跡，並適應數碼營銷(例如手機及應用程式)日益普及，我們近年來逐步提高數碼廣告及營銷預算。

於二零一七年，數碼及電子平台營銷費用較三年前增加約25%。我們相信使用數碼及電子平台的增長趨勢日後將會持續。推出SOGO Rewards會員計劃後，手機應用程式、電郵推廣及短訊已成為與會員溝通的主要渠道。印刷直銷函件數量較二零一六年減少40%。各樓層安裝LED顯示屏幕亦有助於環保方式向顧客提供促銷資訊。因此，印刷品數量得以降低。我們一直密切監察店鋪派發印刷品的情況，並將不時調整數量以免造成任何不必要浪費。

消費者數據管理

為提升顧客的購物體驗，並通過活動和促銷活動增加彼等與崇光店的互動，利福國際借助相關私隱法例允許下取得的消費者個人資料作不同直銷(包括交叉營銷)用途。我們尊重顧客的私隱權和不受侵犯的權利，不會出於任何其他目的披露或使用顧客資料，並嚴格遵守我們的顧客私隱政策。顧客有權要求我們更新其個人資料或將之從我們的記錄中刪除。

利福國際認真看待個人資料的保護，並將確保有足夠資源，例如安排專業人員及適當的保安措施，以保護顧客的個人資料免受任何未經授權的挪用、存取、修改或披露。我們設有合規程序，以確保遵守《個人資料(私隱)條例》等適用法律、法規及規例。

我們在收集、處理及使用顧客個人資料過程中對保障彼等的私隱給予最高度的重視。我們嚴格確保顧客的個人資料獲安全妥善保存，並只會按收集時指定的用途處理。於報告年度，概無接獲有關違反顧客私隱及遺失顧客資料的經核實投訴。

Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司的環境、社會及管治報告指引

42

A. Environment 環境	Reference 參考
A1. Emissions 排放物	
<ul style="list-style-type: none"> — Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. — 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 	<ul style="list-style-type: none"> — Environment — Environment Policy, Energy Efficiency, Energy and Water Consumption, Sustainable Construction, Waste Management and recycling — 環境 — 環境政策、能源效益、能源消耗及用水量、可持續建築、廢物管理及回收
<ul style="list-style-type: none"> — KPI A1.1 The types of emissions and respective emissions data. — 關鍵績效指標 A1.1 排放物種類及相關排放數據。 	<ul style="list-style-type: none"> — Environment — Energy and water consumption — 環境 — 能源消耗及用水量
<ul style="list-style-type: none"> — KPI A1.2 Greenhouse gas emissions in total and intensity — 關鍵績效指標 A1.2 溫室氣體總排放量及密度。 	<ul style="list-style-type: none"> — Environment — Energy and water consumption — 環境 — 能源消耗及用水量
<ul style="list-style-type: none"> — KPI A1.3 Total hazardous waste produced and intensity — 關鍵績效指標 A1.3 所產生有害廢棄物總量及密度。 	<ul style="list-style-type: none"> — Considered to be not material — 被視為不重大
<ul style="list-style-type: none"> — KPI A1.4 Total non-hazardous waste produced and intensity — 關鍵績效指標 A1.4 所產生無害廢棄物總量及密度。 	<ul style="list-style-type: none"> — Considered to be not material — 被視為不重大
<ul style="list-style-type: none"> — KPI A1.5 Description of measures to mitigate emissions and results achieved. — 關鍵績效指標 A1.5 描述減低排放量的措施及所得成果。 	<ul style="list-style-type: none"> — Environment — Energy Efficiency, Energy and Water Consumption, Sustainable Construction, Waste Management and recycling — 環境 — 能源效益、能源消耗及用水量、可持續建築、廢物管理及回收
<ul style="list-style-type: none"> — KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved — 關鍵績效指標 A1.6 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。 	<ul style="list-style-type: none"> — Environment — Waste Management and recycling — 環境 — 廢物管理及回收
A2. Use of Resources 資源使用	
<ul style="list-style-type: none"> — Policies on the efficient use of resources, including energy, water and other raw materials. — 有效使用資源（包括能源、水及其他原材料）的政策。 	<ul style="list-style-type: none"> — Environment — Environment Policy — 環境 — 環境政策
<ul style="list-style-type: none"> — KPI A2.1 Direct and/or indirect energy consumption by type and intensity — 關鍵績效指標 A2.1 按類型劃分的直接及／或間接能源總耗量及密度。 	<ul style="list-style-type: none"> — Environment — Energy and water consumption — 環境 — 能源消耗及用水量
<ul style="list-style-type: none"> — KPI A2.2 Water consumption in total and intensity — 關鍵績效指標 A2.2 總耗水量及密度。 	<ul style="list-style-type: none"> — Environment — Energy and water consumption — 環境 — 能源消耗及用水量
<ul style="list-style-type: none"> — KPI A2.3 Description of energy use efficiency initiatives and results achieved. — 關鍵績效指標 A2.3 描述能源使用效益計劃及所得成果。 	<ul style="list-style-type: none"> — Environment — Energy Efficiency — 環境 — 能源效益
<ul style="list-style-type: none"> — KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. — 關鍵績效指標 A2.4 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。 	<ul style="list-style-type: none"> — Environment — Energy and water consumption — 環境 — 能源消耗及用水量
<ul style="list-style-type: none"> — KPI A2.5 Total packaging material used for finished products — 關鍵績效指標 A2.5 製成品所用包裝材料的總量。 	<ul style="list-style-type: none"> — Considered to be not material — 被視為不重大

A3. The Environment and Natural Resources 環境及天然資源	
— Policies on minimising the issuer’s significant impact on the environment and natural resources. — 減低發行人對環境及天然資源造成重大影響的政策。	— Environment — Environment Policy — 環境 — 環境政策
— KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. — 關鍵績效指標 A3.1 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	— Environment — Energy Efficiency, Waste Management and recycling — 環境 — 能源效益、廢物管理及回收
B. Social 社會	Reference 參考
Employment and Labour Practices 僱傭及勞工常規	
B1. Employment 僱傭	
— Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. — 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	— Employees — Staff and Workplace — 僱員 — 員工和工作場所
— KPI B1.1 Total workforce by gender, employment type, age group and geographical region. — 關鍵績效指標 B1.1 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	— Employees — Staff and Workplace — 僱員 — 員工和工作場所
B2. Health and Safety 健康與安全	
— Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. — 有關提供安全工作環境及保障僱員避免職業性危害的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	— Employees — Health and Safety — 僱員 — 健康與安全
B3. Development and Training 發展及培訓	
— Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities. — 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	— Employees — Staff Training and Development — 僱員 — 員工培訓與發展
B4. Labour Standards 勞工準則	
— Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. — 有關防止童工及強制勞工的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	— Employees — Staff and Workplace — 僱員 — 員工和工作場所



Operating Practices

營運慣例

B5. Supply Chain Management 供應鏈管理	
<ul style="list-style-type: none"> — Policies on managing environmental and social risks of the supply chain. — 管理供應鏈的環境及社會風險政策。 	<ul style="list-style-type: none"> — Environment — Workplace conduct, Environmental friendly shopping — 環境 — 工作場所操守、環保購物
B6. Product Responsibility 產品責任	
<ul style="list-style-type: none"> — Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. — 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 	<ul style="list-style-type: none"> — Operating Practices — Product Safety, Food Safety — 營運慣例 — 產品安全、食品安全
<ul style="list-style-type: none"> — KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored. — 關鍵績效指標 B6.5 描述消費者資料保障及私隱政策，以及相關執行及監察方法。 	<ul style="list-style-type: none"> — Operating Practices — Consumer Data Management — 營運慣例 — 消費者數據管理
B7. Anti-corruption 反貪污	
<ul style="list-style-type: none"> — Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. — 有關防止賄賂、勒索、欺詐及洗黑錢的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 	<ul style="list-style-type: none"> — Employees — Anti-Corruption — 僱員 — 反貪污

Community

社區

B8. Community Investment 社區投資	
<ul style="list-style-type: none"> — Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. — 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。 	<ul style="list-style-type: none"> — Social and Community Support — 社會及社區支援
<ul style="list-style-type: none"> — KPI B8.1 Focus areas of contribution — 關鍵績效指標 B8.1 專注貢獻範疇。 	<ul style="list-style-type: none"> — Social and Community Support — 社會及社區支援
<ul style="list-style-type: none"> — KPI B8.2 Resources contributed — 關鍵績效指標 B8.2 所動用資源。 	<ul style="list-style-type: none"> — Social and Community Support — 社會及社區支援

Corporate Governance Report

企業管治報告

Corporate Governance Principles

The board of directors (“Board”) and management of the Company are committed to maintaining good corporate governance practices appropriate to the businesses of the Group. The Company has adopted the code provisions in the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) 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 the code provisions of the CG Code for the year ended 31 December 2017.

The Board

(1) Board Composition

As at the date of this report, the Board consists of a total of nine directors, including two executive directors, three 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 number of executive and non-executive directors is reasonable and adequate to provide sufficient checks and balances that would safeguard the interests of the shareholders and the Company. The directors possess 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.

The Company adopted a Board diversity policy in accordance with the requirements set out in the code provisions of the CG Code. The Company recognizes the benefits of having a diverse Board, and sees diversity at the 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” in this annual report. Details of the changes to the composition of the Board during the year and up to the date of this report are provided in the “Directors’ Report” under the section “Directors”. The directors’ biographies and the relationships among them are set out in the “Profile of Directors” in this annual report.

企業管治原則

本公司董事會（「董事會」）及管理層致力對本集團業務維持恰當的良好企業管治常規。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》（「企管守則」）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。

遵守企管守則

本公司截至二零一七年十二月三十一日止年度內已遵守企管守則之守則條文。

董事會

(1) 董事會組成

截至本報告日期，董事會由九位董事組成，包括兩位執行董事、三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，其中一人為會計師。董事會相信，執行董事與非執行董事之數目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。

本公司根據企管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」內。於年內直至本報告日期之董事會組成變動載於「董事會報告」內「董事」一節。各董事之個人資料及董事間的關係，列載於本年報「董事簡介」內。

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 independent.

(2) Chairman and Executive Directors

The Chairman of the Board is responsible for setting overall strategic plan and development of the Group whereas the executive directors are 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 by the Board.

There is a clear segregation of duties and responsibilities between the Chairman and the executive directors.

(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 executive directors, with authorities and responsibilities 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 the shareholders in respect of the manner in which the affairs of the Company are being controlled and managed.

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) 主席及執行董事

董事會主席負責制定本集團整體策略計劃及發展，而執行董事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。

主席與執行董事之間的職務及職責劃分清晰。

(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。董事會委派由執行董事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本公司的最佳利益為前提行事。董事會成員明白，須就本公司的監控和管理事宜向本公司及股東承擔共同和個別的责任。

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 also been provided to all members of the Board on a regular basis to enable them to discharge their duties. Operational and financial information and analysis of the Group can be accessed directly through briefing and reporting by the executive directors and management during Board meetings. Through the company secretary, independent professional advice, on the account of the Company, could be sought should such advice be considered necessary by any director for carrying out his/her duties properly.

(4) Appointment and Re-election of Directors

After recommendation from the nomination committee, appointment of new director(s), if any, is vested 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 first 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) after his/her appointment 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 or three years 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.

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。本集團的營運及財務資料與分析可直接透過執行董事及管理層於董事會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) 董事之委任及重選

經提名委員會推薦後，新董事的委任權(如有)歸董事會。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。新任董事之任期至其委任後本公司首個股東大會止(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)以一年或三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)須每三年輪值退任，並須經重選連任。

(5) Meetings

The Board held five meetings during the year to review and approve, among other matters, the Group's interim and final results announcements and financial statements and the continuing connected transaction, and to review quarterly operating performance of the Group.

Board members attended the Company's Board meetings either in person or through telephone conferencing means in accordance with the provisions of the Company's articles of association. The attendance record of each director at the Board meetings and annual general meeting held during the year is set out below:

Directors	董事	Board Meetings 董事會會議	Annual General Meeting 股東週年大會
Executive Directors			
Mr. Lau Kam Sen*	劉今晨先生*	2/2	–
Ms. Lau Kam Shim	劉今蟾小姐	5/5	1/1
Non-executive Directors			
Mr. Lau Luen Hung, Thomas	劉鑾鴻先生	5/5	1/1
Mr. Doo Wai Hoi, William	杜惠愷先生	3/5	1/1
Ms. Lau Yuk Wai, Amy	劉玉慧女士	4/5	1/1
Independent Non-executive Directors			
Mr. Lam Siu Lun, Simon	林兆麟先生	5/5	1/1
The Hon. Shek Lai Him, Abraham	石禮謙議員	5/5	1/1
Mr. Hui Chiu Chung	許照中先生	5/5	1/1
Mr. Ip Yuk Keung	葉毓強先生	5/5	1/1

* appointed on 1 June 2017

(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 the directors and Board committee members.

(5) 會議

董事會於年內共召開五次會議，以審閱及批准(其中包括)本集團的中期及末期業績公告及財務報表以及持續關連交易，及審閱本集團的季度經營表現。

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。各董事於年內出席董事會會議及股東週年大會之記錄載列如下：

Number of meetings attended/held
出席／舉行會議次數

Board Meetings 董事會會議	Annual General Meeting 股東週年大會
Executive Directors	
Mr. Lau Kam Sen*	–
Ms. Lau Kam Shim	1/1
Non-executive Directors	
Mr. Lau Luen Hung, Thomas	1/1
Mr. Doo Wai Hoi, William	1/1
Ms. Lau Yuk Wai, Amy	1/1
Independent Non-executive Directors	
Mr. Lam Siu Lun, Simon	1/1
The Hon. Shek Lai Him, Abraham	1/1
Mr. Hui Chiu Chung	1/1
Mr. Ip Yuk Keung	1/1

* 於二零一七年六月一日獲委任

(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。

公司秘書負責保存所有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) 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 Company continuously updates the directors on the Group's businesses and the latest developments regarding the Listing Rules and other applicable regulatory requirements.

During the year, the directors participated the following training:

Directors	董事	Types of Training 培訓類型
Executive Directors		
Mr. Lau Kam Sen*	執行董事 劉今晨先生*	A,B,C
Ms. Lau Kam Shim	劉今蟾小姐	A,C
Non-executive Directors		
Mr. Lau Luen Hung, Thomas	非執行董事 劉鑾鴻先生	A,C
Mr. Doo Wai Hoi, William	杜惠愷先生	A,B,C
Ms. Lau Yuk Wai, Amy	劉玉慧女士	A,C
Independent Non-executive Directors		
Mr. Lam Siu Lun, Simon	獨立非執行董事 林兆麟先生	A,B,C
The Hon. Shek Lai Him, Abraham	石禮謙議員	A,B,C
Mr. Hui Chiu Chung	許照中先生	A,C
Mr. Ip Yuk Keung	葉毓強先生	A,B,C

* appointed on 1 June 2017

- A — reading materials given by the Company relating to the Company's businesses and regular updates on the Listing Rules and other applicable regulatory requirements relevant to director's duties and responsibilities
- B — attending briefings/seminars/conferences/forums relevant to director's duties and responsibilities
- C — reading newspapers and journals relating to corporate governance matters, environment and social issues or director's duties and responsibilities

Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules ("Model Code"). After specific enquiries by the Company, all directors confirmed that they have complied with the required standard set out in the Model Code and the Company's own code during the year ended 31 December 2017.

(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。本公司持續向董事提供有關本集團業務近況、上市規則及其他適用監管規定的最新發展。

年內，董事已參與以下培訓：

Types of Training 培訓類型
A,B,C
A,C
A,C
A,B,C
A,C
A,B,C
A,B,C
A,C
A,B,C

* 於二零一七年六月一日獲委任

- A — 閱讀由本公司提供有關本公司業務以及有關董事職務及責任的上市規則及其他適用監管規定的定期更新資料
- B — 出席有關董事職務及責任的簡報會/研討會/會議/論壇
- C — 閱讀有關企業管治事宜、環境及社會課題或董事職務及責任的報章及期刊

董事之證券交易

本公司已就董事進行證券交易採納一項操守準則，其條款不低於上市規則附錄十所載之標準守則所規定之要求(「標準守則」)。經本公司作出特定查詢後，截至二零一七年十二月三十一日止年度內，所有董事確認彼等均遵守標準守則所規定之標準及本公司之自訂守則。

Directors' Responsibility for Financial Statements

The directors acknowledged their responsibility for overseeing the preparation of the financial statements of the Group for the year ended 31 December 2017. The directors have ensured 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's financial statements and aim to present a clear, balanced and understandable assessment of the Group's performance and position through all its publications and communications to the public. They are also 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 2017 is set out in the "Independent Auditor's Report" in 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 2017, the remunerations paid/payable to the external auditor of the Company were approximately HK\$1.5 million and approximately HK\$0.7 million in respect of audit and non-audit services provided to the Group (including discontinued operation) respectively. Details of significant non-audit services and the fees incurred are as follows:

Review of interim financial information for the six months ended 30 June 2017	HK\$0.5 million
Services provided relating to proposed issuance of bonds	HK\$0.2 million

Board Committees

As at the date of this report, the audit committee, the remuneration committee and nomination committee are 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, The Hon. Shek Lai Him, Abraham, Mr. Hui Chiu Chung and Mr. Ip Yuk Keung, all are independent non-executive directors. 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 authorities and duties, which follow closely the guidelines of the code provisions of the CG Code, are available on the Company's website.

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二零一七年十二月三十一日止年度之財務報表。董事已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狀況提供清晰、均衡及易於理解的評估。彼等亦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二零一七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」。董事會已採取措施確保外聘核數師的持續客觀及獨立性。截至二零一七年十二月三十一日止年度，本公司外聘核數師就向本集團(包括非持續經營業務)提供核數及非核數服務之已付/應付費用分別約1,500,000港元及約700,000港元。重要非核數服務及所產生費用之詳情如下：

審閱截至二零一七年六月三十日 止六個月之中期財務資料	500,000 港元
就計劃發行債券提供的服務	200,000 港元

董事會轄下的委員會

截至本報告日期，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、石禮謙議員、許照中先生及葉毓強先生，全體成員均為獨立非執行董事。審核委員會由林兆麟先生出任主席，彼為會計師。審核委員會獲提供充裕資源以履行其職責。

按企管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。

The principal duties of the audit committee are as follows:

- (i) to review the services and appointment of the Company's external auditor, the nature and scope of auditing, and the related audit fees;
- (ii) to review the Company's financial statements and reports, the changes in accounting policies and practices, and the compliance with applicable accounting standards, the Listing Rules and legal requirements;
- (iii) to oversee the Group's financial reporting system, risk management and internal control systems; and
- (iv) to review and monitor the corporate governance functions as set out in the CG Code.

The audit committee held two meetings during the year. The attendance record of each committee member is set out below:

Audit committee member	審核委員會成員	Number of meetings attended/held 出席/舉行會議次數
Mr. Lam Siu Lun, Simon (Chairman)	林兆麟先生 (主席)	2/2
The Hon. Shek Lai Him, Abraham	石禮謙議員	2/2
Mr. Hui Chiu Chung	許照中先生	2/2
Mr. Ip Yuk Keung	葉毓強先生	2/2

In the meetings, the audit committee (i) reviewed with external auditor the Group's interim and annual financial statements and reports before they were submitted to the Board for consideration and approval; (ii) reviewed with the external auditor the accounting principles and practices adopted by the Group; (iii) reviewed the effectiveness of the risk management and internal control systems; and (iv) reviewed the corporate governance functions of the Group.

(2) Remuneration Committee

Members of the remuneration committee comprise 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 and one non-executive director, namely, Mr. Lau Luen Hung, Thomas. 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 authorities and duties, which follow closely the guidelines of the code provisions of the CG Code, are available on the Company's website.

The principal duties of the remuneration committee are to provide advices and recommendations to the Board on (i) the remuneration packages of the directors and senior management; (ii) any specific remuneration packages with reference to market conditions, performance of the Group and the individuals with reference to the goals and targets as set by the Board from time to time; and (iii) if necessary, any compensation arrangement for termination of office of directors or senior management.

審核委員會之主要職責如下：

- (i) 審閱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核數費用；
- (ii) 審閱本公司之財務報表及報告、會計政策與慣例之變動，及是否遵守適用會計準則、上市規則及法例規定；
- (iii) 監察本集團之財務申報制度、風險管理及內部監控制度是否恰當；及
- (iv) 檢討及監控企管守則載列之企業管治的職能。

年內，審核委員會曾舉行兩次會議。各委員會成員出席會議之記錄載列如下：

審核委員會於會上(i)與外聘核數師審閱本集團中期及年度財務報表及報告後始呈交董事會以供考慮及批准；(ii)與外聘核數師審閱本集團所採用之會計原則及實務準則；(iii)審閱風險管理及內部監控制度之有效性；及(iv)審閱本集團之企業管治職能。

(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一名非執行董事劉鑾鴻先生組成。薪酬委員會獲提供充裕資源以履行其職責。

按企管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向董事會提供建議及推薦(i)董事及高級管理層之薪酬待遇；(ii)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；及(iii)於必要時就董事或高級管理層終止任期之任何賠償安排作出檢討。

The remuneration committee held two meetings during the year. The attendance record of each committee member is set out below:

Remuneration committee member	薪酬委員會成員	Number of meetings attended/held 出席／舉行會議次數
Mr. Lau Luen Hung, Thomas	劉鑾鴻先生	2/2
Mr. Lam Siu Lun, Simon (Chairman)	林兆麟先生 (主席)	2/2
The Hon. Shek Lai Him, Abraham	石禮謙議員	2/2
Mr. Hui Chiu Chung	許照中先生	2/2

In the meeting, the remuneration committee (i) determined the remuneration package of newly appointed executive director; and (ii) reviewed and recommended for the Board's approval the remuneration packages of the directors and senior management for the year.

(3) Nomination Committee

Members of the nomination committee comprise 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 and one non-executive director, namely, 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 authorities and duties, which follow closely the guidelines of the code provisions of the CG Code, are available on the Company's website.

The principal duties of the nomination committee are as follows:

- (i) to review the structure, size and composition (including skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (iii) to assess the independence of the independent non-executive directors; and
- (iv) to make 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.

年內，薪酬委員會曾舉行兩次會議。各委員會成員出席會議之記錄載列如下：

薪酬委員會於會上(i)釐定新委任之執行董事的薪酬待遇；及(ii)就董事會批准董事及高級管理層年內之薪酬待遇作出檢討和建議。

(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非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。

按企管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：

- (i) 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作出的變動提出建議；
- (ii) 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；
- (iii) 評核獨立非執行董事的獨立性；及
- (iv) 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。

The nomination committee held two meetings during the year. The attendance record of each committee member is set out below:

Nomination committee member	提名委員會成員	Number of meetings attended/held 出席／舉行會議次數
Mr. Lau Luen Hung, Thomas	劉鑾鴻先生	2/2
Mr. Lam Siu Lun, Simon (Chairman)	林兆麟先生 (主席)	2/2
The Hon. Shek Lai Him, Abraham	石禮謙議員	2/2
Mr. Hui Chiu Chung	許照中先生	2/2

In the meeting, the nomination committee (i) considered and recommended for the appointment of executive director; (ii) reviewed the existing structure, size and composition of the Board; (iii) reviewed the independence of independent non-executive directors; and (iv) made recommendations to the Board on the proposed re-election of the retiring directors at the forthcoming annual general meeting.

Risk Management and Internal Controls

The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining sound and effective risk management and internal control systems. As such, the Board not only sets and communicates the Group's strategies and objectives but also oversees the Group's risk management and internal controls systems on an ongoing basis, and to ensure that a review of the effectiveness of the Group's risk management and internal controls systems has been conducted at least annually.

The audit committee plays a vital role in overseeing the risk management and internal controls systems on behalf of the Board. The audit committee reviews, on at least an annual basis, the Group's risk management and internal controls systems to ensure that management has fulfilled its duties in establishing and maintaining an effective risk management and internal controls systems. It also assesses the extent and frequency of the communication of the monitoring results to the Board, as well as considering the results of any investigation into the Group's risk management practices and internal controls and management's responses to the findings of such investigations. The audit committee performs annual review for the adequacy of budget and resources, staff qualification and experience, and the quality of training program of the Group's internal audit, accounting and financial reporting functions.

The Group's system of internal controls which includes a defined management structure with limit of authority is designed to help the achievement of business objectives, safeguard assets against unauthorized 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 for the achievement of the Group's objectives.

年內，提名委員會曾舉行兩次會議。各委員會成員出席會議之記錄載列如下：

提名委員會於會上(i)考慮及建議執行董事的委任；(ii)檢討現時董事會架構、人數及組成；(iii)審閱獨立非執行董事之獨立性；及(iv)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。

風險管理及內部監控

董事會負上整體責任，評估及確定為達致本集團策略目標而願意承擔風險的性質及程度，以及維持風險管理及內部監控的穩健系統。因此，董事會不僅制訂及傳達本集團的策略及目標，亦持續監管本集團的風險管理及內部監控系統，並確保最少每年一次審閱本集團風險管理及內部監控系統的有效性。

審核委員會於代表董事會監管風險管理及內部監控系統上扮演重要角色。審核委員會最少每年一次審閱本集團的風險管理及內部監控系統，以確保管理層已履行其建立及維持有效風險管理及內部監控系統的職責。其亦評估向董事會傳達監察結果的程度及頻密次數，以及於本集團的風險管理實踐及內部監控上考慮任何調查結果以及考慮董事會對有關調查結果的回應。審核委員會就預算及資源充足程度、員工資格及經驗以及本集團內部審核、會計及財務申報職能的培訓計劃質量進行年度審閱。

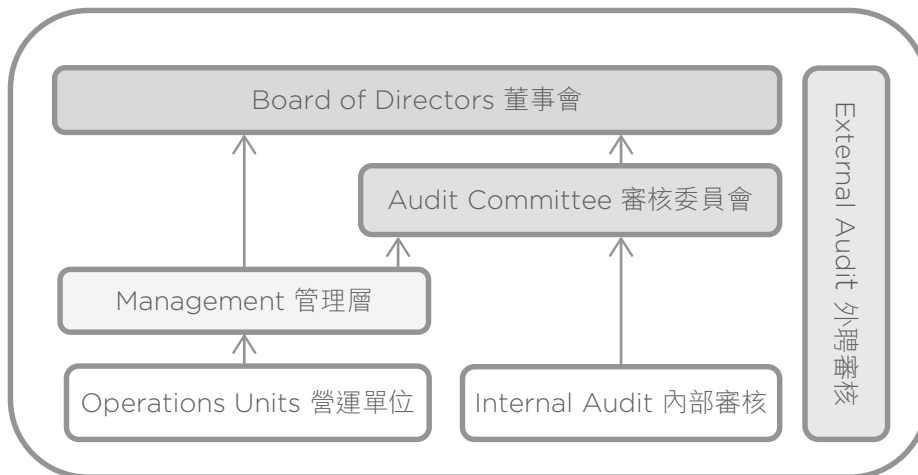
本集團的內部監控系統包括界定管理架構及相關的權限，以協助集團達至業務目標、保管資產以防未經授權使用或處理、確保適當的會計記錄得以保存並可提供可靠的財務資料供內部使用或對外發放，並確保符合相關法例及規例。上述監控系統旨在合理(但並非絕對)保證並無重大失實陳述或損失，並管理(但並非完全消除)營運系統失誤及達致本集團之目標。

The Group also regulates the handling and dissemination of inside information and procedures are in place for the handling of confidential commercial information to ensure that inside information remains confidential until the disclosure of such information is approved, and its dissemination effectively made.

本集團亦規範內幕消息的處理及發佈，並設有處理機密商業資料的程序，以確保內幕消息在有關資料獲披露及有效發佈前保持機密。

The main features of the Group’s risk management and internal controls systems are illustrated below:

本集團風險管理及內部監控系統的主要特點說明如下：



The Group has established an organizational structure with defined levels of responsibility and reporting procedures. Monthly management accounts are available for review of the senior management and the Board (in a concise format of a Monthly Report) for monitoring the Group’s financial and operating results. The management, supported by the operation units and the internal audit team, are responsible for formulating, implementing and monitoring sound risk management and internal control systems, and reporting to the Board and the audit committee on the result of risk assessment, as well as the assessment on the effectiveness of risk management and internal control systems.

董事會已建立責任及申報程序明確的組織架構。每月管理賬目可供高級管理層及董事會查閱(以月報報告的簡潔格式)，以監察本集團的財務及營運業績。由營運單位及內部審核團隊支援的管理層負責制訂、實施及監察穩健的風險管理及內部監控系統，並向董事會及審核委員會報告風險評估以及風險管理及內部監控系統有效性的結果。

The internal audit provides an independent appraisal on the adequacy and effectiveness of the Group’s risk management and internal control systems. The yearly internal audit plan is derived based on the assessed risk of the Group’s major operations and business and, taking into account also result of internal audit activities conducted in the preceding period, are reported to the audit committee for approval. In addition to its scheduled internal audit works, the internal audit team may be requested to conduct other review or investigative work. The results of internal audit reviews and agreed management action plans in response to recommendations of the internal audit are reported to the executive directors and audit committee periodically. The internal audit also follows up with management regarding the implementation of the agreed action plans to ensure that operation procedures and internal controls are continuously enhanced.

內部審核提供對本集團風險管理及內部監控系統的充足程度及有效性之獨立評估。年度內部審核計劃乃基於本集團主要營運及業務的經評估風險，並計及於上一期間進行的內部審核結果，向審核委員會報告以供批准。除其計劃內部審核工作外，內部審核團隊可能被要求進行其他審閱或調查工作。內部審核審閱結果及因應內部審核建議的協定管理行動計劃定期向執行董事及審核委員會報告。內部審核亦就實施協定行動計劃與管理層跟進，以確保營運程序及內部監控得以持續提升。

In addition to the assessment and review of risk management and internal controls undertaken internally, the half-yearly review and annual audit conducted by our external auditors, aim to provide assurance that the Group's financial statements are prepared in accordance with generally accepted accounting principles, the Group's accounting policies and applicable laws, rules and regulations, will also provide to certain extent independent checks on the Group's internal controls system.

For the year ended 31 December 2017, management has conducted regular reviews during the year on the effectiveness of the risk management and internal control systems covering all material aspects related to financial, operational and compliance controls, various functions for risk management and security of physical assets and information systems. The audit committee had been reported during the audit committee meetings of key findings identified by internal auditors and external auditors and discussed findings and actions or measures taken in addressing those findings relating to the Group's risk management and internal controls. No material issues on the risk management and internal controls system have been identified during the year ended 31 December 2017 and no significant areas of concern which might require rectification works or affect our stakeholders, including our shareholders. The Board and its audit committee considered the risk management and internal control system to be effective and adequate, including the adequacy of resources, staff qualifications and experience, training and budget of its accounting, internal audit and financial reporting functions.

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 investing 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 the 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 the publication of interim and annual reports. The annual general meeting of the Company also provides an opportunity for communication between the Board and the shareholders.

除內部進行風險管理及內部監控評估及審閱外，半年度審閱及年度審核由外聘核數師負責進行，旨在保證本集團的財務報表根據公認會計原則編製，本集團的會計政策及適用法律、規則及規例亦將會提供以對本集團的內部監控系統進行若干程度獨立檢查。

截至二零一七年十二月三十一日止年度，管理層於年內檢討風險管理及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、各種風險管理工作以及實物資產及資訊系統保安等重要層面。內部核數師及外聘核數師於審核委員會會議向審核委員會匯報有關本集團風險管理及內部監控之主要發現，並就有關發現所採取之行動或措施作過討論。截至二零一七年十二月三十一日止年度內，並無重大的內部監控問題及重大關注事宜須予重大糾正或影響我們的持份者，包括股東。董事會及其審核委員會認為風險管理及內部監控系統有效及充足，包括資源充足程度、員工資格及經驗、其會計、內部審核及財務申報職能的培訓及預算。

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，以及適時更新公司網站，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。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書面報告外，還包括舉行會議及向市場作出相關公告。本公司之股東週年大會亦為董事會及股東提供一個溝通渠道。

In addition, the Company also maintains a corporate website on which comprehensive information about the Group is made available on a timely basis. 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 (as defined under the Listing Rules) in nature. These activities will 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 and 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.

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 shareholder(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the shareholder(s) as a result of the failure of the Board shall be reimbursed to the shareholder(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 "Corporate Governance" 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:

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

Fax: (852) 2838 2030
Email: info@lifestylehk.com.hk

Constitutional Documents

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

再者，本公司亦設有公司網站，定時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，以提供本集團非內幕消息(定義見上市規則)之最新業務發展。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及發展策略之認識。

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。

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，以處理請求書指明之任何事項；而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，股東可親自以同樣方式召開大會，本公司須向股東付還股東因董事會未能召開大會而招致之所有合理費用。

以上之書面請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「企業管治」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) 2838 2030
電郵：info@lifestylehk.com.hk

組織章程文件

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 Directors

Mr. Lau Kam Sen

Mr. Lau, aged 29, was appointed as an executive director in June 2017. He is responsible for project management of the Group. Mr. Lau holds a Bachelor of Arts degree from Columbia University in the City of New York and a Master of Arts degree from New York University. He has previously worked in investment banking with a global financial institution in Hong Kong. Mr. Lau is a member of the Advisory Committee and the Board of Trustees of China Institute in America. Mr. Lau is the son of Mr. Lau Luen Hung, Thomas, the brother of Ms. Lau Kam Shim and the nephew of Ms. Lau Yuk Wai, Amy.

Ms. Lau Kam Shim

Ms. Lau, aged 30, was appointed as an executive director in March 2016. She also acts as director of subsidiaries of the Company. Ms. Lau joined the Group in October 2012 and was responsible for international boutiques and sales promotion division of the Group. She holds a Bachelor of Arts degree from King's College London, University of London and a Master of Arts degree from Columbia University in the City of New York. Ms. Lau is the daughter of Mr. Lau Luen Hung, Thomas, the sister of Mr. Lau Kam Sen and the niece of Ms. Lau Yuk Wai, Amy.

Non-executive Directors

Mr. Lau Luen Hung, Thomas Chairman

Mr. Lau, aged 63, joined the Company in January 2004. He has been the Chairman of the Company since 2015. Mr. Lau is also the chairman, chief executive officer and an executive director of Lifestyle China Group Limited, a company listed on the Stock Exchange. He is a member of the 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 the father of Mr. Lau Kam Sen and Ms. Lau Kam Shim, and the brother of Ms. Lau Yuk Wai, Amy.

Mr. Doo Wai Hoi, William (JP)

Mr. Doo, aged 73, joined the Company in March 2005. He is also the vice-chairman and non-executive director of New World Development Company Limited and an independent non-executive director of Shanghai Industrial Urban Development Group Limited, both being companies listed on the Stock Exchange. Mr. Doo is the chairman and director of Fung Seng Enterprises Holdings Limited. He is a Justice of the Peace appointed by the Government of the Hong Kong Special Administrative Region. He is also a National Committee Member of the Twelfth Chinese People's Political Consultative Conference of the PRC, the Honorary Consul General of the Kingdom of Morocco in Hong Kong and Macau, and a Governor of the Canadian Chamber of Commerce in Hong Kong. Mr. Doo was awarded the Chevalier de la Légion d'Honneur by the Republic of France in 2008.

執行董事

劉今晨先生

劉先生現年29歲，於二零一七年六月獲委任為執行董事。彼負責本集團項目管理。劉先生持有紐約市哥倫比亞大學文學學士學位及紐約大學文學碩士學位。彼曾於香港一家國際金融機構從事投資銀行工作。劉先生為華美協進社諮詢委員會及理事會成員。劉先生為劉鑾鴻先生之兒子、劉今蟾小姐之胞弟及劉玉慧女士之侄兒。

劉今蟾小姐

劉小姐現年30歲，於二零一六年三月獲委任為執行董事。彼亦擔任本公司附屬公司之董事。劉小姐於二零一二年十月加盟本集團及負責本集團國際品牌及銷售推廣部。劉小姐持有倫敦大學倫敦國王學院文學學士學位及紐約市哥倫比亞大學文學碩士學位。劉小姐為劉鑾鴻先生之女兒、劉今晨先生之胞姊及劉玉慧女士之侄女。

非執行董事

劉鑾鴻先生 主席

劉先生現年63歲，於二零零四年一月加盟本公司。彼自二零一五年起為本公司之主席。劉先生亦為利福中國集團有限公司（為聯交所上市公司）之主席兼首席執行官及執行董事。彼為中國人民政治協商會議上海市委員會委員及中國上海交通大學董事會成員。劉先生為劉今晨先生及劉今蟾小姐之父親以及劉玉慧女士之胞弟。

杜惠愷先生(太平紳士)

杜先生現年73歲，於二零零五年三月加盟本公司。彼亦為新世界發展有限公司之副主席兼非執行董事以及上海實業城市開發集團有限公司之獨立非執行董事（均為聯交所上市公司）。杜先生為豐盛企業集團有限公司之主席兼董事。彼獲香港特別行政區政府頒授太平紳士榮銜。彼亦為中國人民政治協商會議第十二屆全國政協委員、摩洛哥王國駐香港和澳門名譽總領事，以及加拿大商會駐港總監。杜先生於二零零八年獲法國政府頒授法國最高榮譽騎士勳章。

Ms. Lau Yuk Wai, Amy

Ms. Lau, aged 64, joined the Company in March 2004. She is also a non-executive director of Chinese Estates Holdings Limited, a company listed on the Stock Exchange. Ms. Lau holds a Bachelor of Science degree and a Doctor of Dental Surgery degree from University of Toronto, Canada. She is a retired dentist registered with the Royal College of Dental Surgeons of Ontario, Canada. Ms. Lau is the sister of Mr. Lau Luen Hung, Thomas, and the aunt of Mr. Lau Kam Sen and Ms. Lau Kam Shim.

Independent Non-executive Directors

Mr. Lam Siu Lun, Simon (ACA, FTIHK)

Mr. Lam, aged 68, joined the Company in March 2004. Mr. Lam graduated from The University of Hong Kong with a Bachelor of Arts degree. 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. He is also a fellow member of the Taxation Institute of Hong Kong. Mr. Lam has been a practicing accountant for over 25 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 is an independent non-executive director of Le Saunda Holdings Limited, a company listed on the Stock Exchange.

The Hon. Shek Lai Him, Abraham (GBS, SBS, JP)

Mr. Shek, aged 72, joined the Company in March 2004. He has been a member of the Legislative Council for the Hong Kong Special Administrative Region representing real estate and construction functional constituency since 2000. Mr. Shek is a member of the Court of The Hong Kong University of Science and Technology and Court and Council Member of The University of Hong Kong. Mr. Shek is a non-executive director of the Mandatory Provident Fund Schemes Authority and a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption. Mr. Shek is an independent non-executive director of MTR Corporation Limited, Paliburg Holdings Limited, NWS Holdings Limited, Chuang's Consortium International Limited, Chuang's China Investments Limited, ITC Properties Group Limited, Country Garden Holdings Company Limited, Hop Hing Group Holdings Limited, SJM Holdings Limited, China Resources Cement Holdings Limited, Lai Fung Holdings Limited, Cosmopolitan International Holdings Limited, Goldin Financial Holdings Limited and Everbright Grand China Assets Limited, all being companies listed on the Stock Exchange. He is also an independent non-executive director of Eagle Asset Management (CP) Limited (the manager of Champion Real Estate Investment Trust which is listed on the Stock Exchange) and Regal Portfolio Management Limited (the manager of Regal Real Estate Investment Trust which is listed on the Stock Exchange). Mr. Shek holds a Bachelor of Arts degree and has extensive experience in the property development field. Mr. Shek was awarded the Silver Bauhinia Star and Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region in 2007 and 2013 respectively.

劉玉慧女士

劉女士現年64歲，於二零零四年三月加盟本公司。彼亦為Chinese Estates Holdings Limited(華人置業集團)(為聯交所上市公司)之非執行董事。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退休牙科醫生。劉女士為劉鑾鴻先生之胞姊以及劉今晨先生及劉今蟾小姐之姑母。

獨立非執行董事

林兆麟先生(ACA, FTIHK)

林先生現年68歲，於二零零四年三月加盟本公司。林先生畢業於香港大學，獲得文學士學位。畢業後，彼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Hong Kong Society of Accountants(現稱香港會計師公會)確認之會計師資格。彼亦為香港稅務學會資深會員。林先生從事執業會計師超過25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。彼為萊爾斯丹控股有限公司(為聯交所上市公司)之獨立非執行董事。

石禮謙議員(GBS, SBS, 太平紳士)

石先生現年72歲，於二零零四年三月加盟本公司。彼自二零零零年起為香港特別行政區立法會代表地產及建造界功能界別的議員。石先生為香港科技大學顧問委員會成員以及香港大學校董會成員及校務委員會成員。石先生為強制性公積金計劃管理局之非執行董事以及為香港廉政公署貪污問題諮詢委員會委員。石先生為香港鐵路有限公司、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、德祥地產集團有限公司、碧桂園控股有限公司、合興集團控股有限公司、澳門博彩控股有限公司、華潤水泥控股有限公司、麗豐控股有限公司、四海國際集團有限公司、高銀金融(集團)有限公司及光大永年有限公司(全部公司均為聯交所上市公司)的獨立非執行董事。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，該信託於聯交所上市)及富豪資產管理有限公司(富豪產業信託的管理人，該信託於聯交所上市)的獨立非執行董事。石先生持有文學士學位，於物業發展方面擁有豐富經驗。石先生分別於二零零七年及二零一三年榮獲香港特別行政區政府頒授銀紫荊星章及金紫荊星章。

Mr. Hui Chiu Chung (JP)

Mr. Hui, aged 70, joined the Company in July 2005. Mr. Hui is the chairman and chief executive officer of Luk Fook Financial Services Limited and has over 45 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, 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 Hong Kong Special Administrative Region a Justice of the Peace in 2004 and has served as a member of the Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference from 2006 to 2017. He is a fellow member of the Hong Kong Institute of Directors and senior fellow member of the Hong Kong Securities and Investment Institute. Mr. Hui also serves as an independent non-executive director of Zhuhai Holdings Investment Group Limited, Gemdale Properties and Investment Corporation Limited, China South City Holdings Limited, SINOPEC Engineering (Group) Co., Ltd., Agile Group Holdings Limited and FSE Engineering Holdings Limited and a non-executive director of Luk Fook Holdings (International) Limited, all being companies listed on the Stock Exchange.

許照中先生(太平紳士)

許先生現年70歲，於二零零五年七月加盟本公司。許先生現為六福金融服務有限公司之主席兼行政總裁，並具備逾45年之證券及投資經驗。彼多年來曾出任聯交所理事會理事兼副主席、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。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，並自二零零六年至二零一七年擔任中國珠海市人民政治協商會議政協委員。彼為香港董事學會資深會員及香港證券及投資學會傑出資深會員。許先生亦為珠海控股投資集團有限公司、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、雅居樂集團控股有限公司及豐盛機電控股有限公司之獨立非執行董事以及六福集團(國際)有限公司之非執行董事，全部公司均於聯交所上市。

Mr. Ip Yuk Keung

Mr. Ip, aged 65, joined the Company in April 2014. He is an international banking and real estate professional with over 30 years of experience in the United States, Asia and Hong Kong. His expertise are in real estate finance, corporate banking, risk management, wealth management and transaction banking. Previously managing director and corporate bank head of Citigroup and managing director of investments at Merrill Lynch (Asia Pacific), Mr. Ip currently serves as an executive director and the chief executive officer of Langham Hospitality Investments ("LHI") and Langham Hospitality Investments Limited (listed on the Stock Exchange) and LHIL Manager Limited (the trustee-manager of LHI) and a non-executive director of Eagle Asset Management (CP) Limited (the manager of Champion Real Estate Investment Trust which is listed on the Stock Exchange). He is also an independent non-executive director of Hopewell Highway Infrastructure Limited, Hopewell Holdings Limited, Power Assets Holdings Limited and TOM Group Limited, all being companies listed on the Stock Exchange.

Mr. Ip is an Adjunct Professor of City University of Hong Kong, The Hong Kong Polytechnic University, The Hong Kong University of Science and Technology and Hang Seng Management College. He is also a Chairman of the Advisory Board for the Master of Science in Finance and an Honorary Professor at Lingnan University, a Member of the International Advisory Board of College of Business at City University of Hong Kong, a Council Member and a Member of the Business School Advisory Council at The Hong Kong University of Science and Technology, a member of the International Advisory Committee and Distinguished Adjunct Professor in Practice at University of Macau, an executive fellow in Asia and a trustee of the Board of Trustees at Washington University in St. Louis, and an honorary fellow of Vocational Training Council. He is a vice chairman of the World Green Organization and a member of the committee on Certification for Principalship at the Education Bureau of the Hong Kong Special Administrative Region.

Mr. Ip holds a Bachelor of Science degree in Applied Mathematics and Computer Science at Washington University in St. Louis (summa cum laude), a Master of Science degree in Applied Mathematics at Cornell University and a Master of Science degree in Accounting and Finance at Carnegie-Mellon University.

葉毓強先生

葉先生現年65歲，於二零一四年四月加盟本公司。彼為國際銀行及房地產方面的專才，在美國、亞洲及香港擁有逾30年經驗。彼之專業領域涵蓋房地產融資、企業銀行、風險管理、財富管理及交易銀行。葉先生曾任花旗集團董事總經理及企業銀行主管以及美林(亞太)投資部資深執行總裁，彼現為朗廷酒店投資(「朗廷酒店投資」)與朗廷酒店投資有限公司(於聯交所上市)以及朗廷酒店管理人有限公司(朗廷酒店投資的託管人—經理)之執行董事兼行政總裁，以及鷹君資產管理(冠君)有限公司(冠君產業信託之管理人，該信託於聯交所上市)之非執行董事。彼亦為合和公路基建有限公司、合和實業有限公司、電能實業有限公司以及TOM集團有限公司之獨立非執行董事，全部均為聯交所上市公司。

葉先生為香港城市大學、香港理工大學、香港科技大學及恒生管理學院之兼任教授。彼亦為嶺南大學金融學碩士課程諮詢委員會主席及榮譽教授、香港城市大學商學院之學院國際諮詢委員會成員、香港科技大學校董會成員及商學院顧問委員會成員、澳門大學國際顧問委員會委員及特邀實務特聘教授、聖路易斯華盛頓大學之亞洲區行政院士及校董會校董以及職業訓練局榮譽院士。彼為世界綠色組織副主席及香港特別行政區教育局校長資格認證委員會委員。

葉先生持有聖路易斯華盛頓大學應用數學及計算機科學學士學位(最優等)、康乃爾大學應用數學碩士學位及卡內基梅隆大學會計/金融碩士學位。

Directors' Report

董事會報告

The board of directors ("Board") of the Company present their annual report and the audited consolidated financial statements for the year ended 31 December 2017.

Principal Activities

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

Particulars of the Company's principal subsidiaries are set out in note 38 to the consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 79 to 80.

The Board has recommended the payment of a final dividend of HK cents 34.3 in cash per share to the shareholders whose names appear on the register of members of the Company on 11 May 2018. Subject to the approval of the shareholders at the annual general meeting, the final dividend will be paid on 23 May 2018. Together with the interim dividend of HK cents 28.9 per share, the total cash dividend for the year ended 31 December 2017 is HK cents 63.2 per share.

Business Review

A review of the business of the Group for the year ended 31 December 2017, comprising the discussion of the future business development and the principal risks and uncertainties facing the Group, are set out in the "Chairman's Statement" and "Management Discussion and Analysis" on pages 8 to 9 and pages 11 to 22 of this annual report.

An analysis of the Group's performance during the year using financial key performance indicators is provided in the "Financial Highlights" on pages 4 to 5. No important event affecting the Group has occurred since the end of the financial year under review.

Discussions on the Group's environmental policies and performance, relationships with key stakeholders, and compliance with the relevant laws and regulations are contained in the "Environmental, Social and Governance Report" on pages 23 to 44 of this annual report.

Shares

Details of movements during the year in the shares of the Company are set out in note 27 to the consolidated financial statements.

Debentures

The Group has not issued any debentures during the year.

Equity-linked Agreements

Save for the share option scheme described below, the Group has not entered into any equity-linked agreements during the year.

本公司董事會(「董事會」)謹此提呈其年報及截至二零一七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

本公司為一間投資控股公司，及其附屬公司之主要業務為於香港經營百貨店及其他零售業務以及物業發展及物業投資。

本公司主要附屬公司詳情載於綜合財務報表附註38。

業績及分配

本集團截至二零一七年十二月三十一日止年度之業績載於第79至80頁綜合損益及其他全面收益表。

董事會建議向於二零一八年五月十一日名列本公司股東名冊之股東，派付現金末期股息每股34.3港仙。末期股息待股東於股東週年大會批准後，將於二零一八年五月二十三日派付。連同每股28.9港仙之中期股息，截至二零一七年十二月三十一日止年度之現金股息合共每股63.2港仙。

業務回顧

本集團截至二零一七年十二月三十一日止年度之業務回顧包括對未來業務發展以及本集團所面臨主要風險及不明朗因素的討論，載於本年報第8至9頁及第11至22頁之「主席報告」及「管理層討論及分析」。

採用財務表現關鍵指標對本集團於年內表現的分析載於第4至5頁之「財務摘要」。自回顧財政年度結束以來並無發生影響本集團的重要事件。

有關本集團環境政策及表現、與主要持份者的關係及相關法律及法規合規事宜的討論載於本年報第23至44頁之「環境、社會及管治報告」。

股份

本公司股份於年內之變動詳情載於綜合財務報表附註27。

債權證

本集團於年內並無發行任何債權證。

股票掛鈎協議

除下文所述之購股權計劃外，本集團於年內並無訂立任何股票掛鈎協議。

Distributable Reserves

Details of distributable reserves of the Company are set out in note 39 to the consolidated financial statements.

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.

Major Suppliers and Customers

The Group is principally involved in retail business which consists of direct sales and sales under concessionaire arrangement. In the year, the five largest suppliers of the Group in respect of our direct sales accounted for approximately 50% of the Group's total purchase and the largest supplier of the Group accounted for approximately 22% of the Group's total purchase. The five largest customers of the Group accounted for less than 30% of the Group's turnover during the year.

None of the directors, their close associates or any shareholder so far as is known to the directors having more than 5% of the number of issued shares of the Company, within the knowledge of the directors, has any interest in any of the Group's five largest suppliers during the year.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Donations

During the year, the Group (including discontinued operation) made charitable and other donations amounting to HK\$1.5 million (2016: HK\$1.7 million).

Directors

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

Executive Directors

Mr. Lau Kam Sen (appointed on 1 June 2017)
Ms. Lau Kam Shim

Non-executive Directors

Mr. Lau Luen Hung, Thomas (Chairman)
Mr. Doo Wai Hoi, William
Ms. Lau Yuk Wai, Amy

Independent Non-executive Directors

Mr. Lam Siu Lun, Simon
The Hon. Shek Lai Him, Abraham
Mr. Hui Chiu Chung
Mr. Ip Yuk Keung

In accordance with Article 86(3) of the articles of association of the Company, Mr. Lau Kam Sen shall hold office only until the forthcoming annual general meeting and, being eligible, offer himself for re-election.

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39。

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，惟本公司之組織章程細則並無限制有關權利之條文。

主要供應商及客戶

本集團主要通過直銷及專櫃從事零售業務。於本年度，本集團五大供應商佔本集團自營業務總採購額約50%，而本集團最大供應商佔本集團總採購額約22%。年內，本集團五大客戶佔本集團營業額不足30%。

董事、彼等的緊密聯繫人或就董事所知擁有本公司5%以上已發行股份數目的任何股東，據董事所知悉，年內概無於本集團任何五大供應商中擁有任何權益。

管理合約

年內，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。

捐款

年內，本集團(包括非持續經營業務)作出之慈善及其他捐款為1,500,000港元(二零一六年：1,700,000港元)。

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

劉今晨先生(於二零一七年六月一日獲委任)
劉今蟾小姐

非執行董事

劉鑾鴻先生(主席)
杜惠愷先生
劉玉慧女士

獨立非執行董事

林兆麟先生
石禮謙議員
許照中先生
葉毓強先生

根據本公司之組織章程細則第86(3)條規定，劉今晨先生之任期僅至本公司應屆股東週年大會為止，並符合資格願意重選連任。

In accordance with Article 87 of the articles of association of the Company, Mr. Doo Wai Hoi, William, Ms. Lau Yuk Wai, Amy and The Hon. Shek Lai Him, Abraham will retire from office by rotation at the forthcoming annual general meeting and, all being eligible, offer themselves for re-election.

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).

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

As at 31 December 2017, the directors' and the chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), 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 ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") were as follows:

(i) Long position in shares of the Company

Name of director 董事姓名	Nature of interest 權益性質	Number of shares held 持有股份數目	Percentage of issued shares 佔已發行股份之百分比
Mr. Lau Luen Hung, Thomas 劉鑾鴻先生	Beneficial owner 實益擁有人	66,051,460	4.12%
	Interest of controlled corporations (Note 1) 受控制法團權益 (附註 1)	540,000,000	33.70%
	Interest of controlled corporations (Note 2) 受控制法團權益 (附註 2)	222,350,332	13.87%

Notes:

- United Goal Resources Limited ("United Goal") holds 540,000,000 shares. United Goal is ultimately owned as to 80% by Mr. Lau Luen Hung, Thomas through Asia Prime Assets Limited ("Asia Prime") and as to 20% by certain family members of Mr. Lau Luen Hung, elder brother of Mr. Lau Luen Hung, Thomas. By virtue of the SFO, Mr. Lau Luen Hung, Thomas is deemed to be interested in the same parcel of shares in which United Goal is interested.
- Dynamic Castle Limited ("Dynamic Castle"), which is wholly-owned by Mr. Lau Luen Hung, Thomas, holds 222,350,332 shares. By virtue of the SFO, Mr. Lau Luen Hung, Thomas is deemed to be interested in the same parcel of shares held by Dynamic Castle.

根據本公司之組織章程細則第87條規定，杜惠愷先生、劉玉慧女士及石禮謙議員將於應屆股東週年大會上輪值退任，而以上董事均合資格並願意重選連任。

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。

董事及最高行政人員於股份、相關股份及債權證之權益

於二零一七年十二月三十一日，各董事及最高行政人員於本公司或其任何之相聯法團(按《證券及期貨條例》(「證券及期貨條例」)第XV部所界定者)之股份、相關股份及債權證中持有根據證券及期貨條例第352條規定記錄於須寄存之登記冊內或根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十所載之《上市發行人董事進行證券交易的標準守則》(「標準守則」)須知會本公司及聯交所之權益及淡倉載列如下：

(i) 本公司股份之好倉

Name of director 董事姓名	Nature of interest 權益性質	Number of shares held 持有股份數目	Percentage of issued shares 佔已發行股份之百分比
Mr. Lau Luen Hung, Thomas 劉鑾鴻先生	Beneficial owner 實益擁有人	66,051,460	4.12%
	Interest of controlled corporations (Note 1) 受控制法團權益 (附註 1)	540,000,000	33.70%
	Interest of controlled corporations (Note 2) 受控制法團權益 (附註 2)	222,350,332	13.87%

附註：

- United Goal Resources Limited (「United Goal」) 持有 540,000,000 股股份。United Goal 由劉鑾鴻先生通過 Asia Prime Assets Limited (「Asia Prime」) 擁有 80% 股份權益及由劉鑾雄先生(劉鑾鴻先生之胞兄)若干家族成員擁有 20% 股份權益。根據證券及期貨條例，劉鑾鴻先生被視為擁有 United Goal 所持有的相同股份權益。
- 由劉鑾鴻先生全資擁有之 Dynamic Castle Limited (「Dynamic Castle」) 持有 222,350,332 股股份。根據證券及期貨條例，劉鑾鴻先生被視為擁有 Dynamic Castle 所持有的相同股份權益。

(ii) Long position in debentures of LS Finance (2025) Limited (being a wholly-owned subsidiary of the Company) — 4.50% guaranteed bonds due 2025 (“2025 Guaranteed Bonds”)

(ii) LS Finance (2025) Limited (本公司的全資附屬公司) 債權證的好倉 — 4.50% 於2025年到期的擔保債券(「2025擔保債券」)

Name of director 董事姓名	Nature of interest 權益性質	Principal amount of 2025 Guaranteed Bonds held 所持 2025 擔保債券本金額
Mr. Lau Kam Sen 劉今晨先生	Interest of controlled corporation (Note 1) 受控制法團權益 (附註 1)	US\$15,000,000 15,000,000 美元
Ms. Lau Kam Shim 劉今蟾小姐	Interest of controlled corporation (Note 2) 受控制法團權益 (附註 2)	US\$10,000,000 10,000,000 美元

Notes:

- These debentures are held by Magic Achieve Limited (“Magic Achieve”), which is wholly-owned by Mr. Lau Kam Sen. By virtue of the SFO, Mr. Lau Kam Sen is deemed to be interested in the same parcel of debentures in which Magic Achieve is interested.
- These debentures are held by Dynasty Sky Limited (“Dynasty Sky”), which is wholly-owned by Ms. Lau Kam Shim. By virtue of the SFO, Ms. Lau Kam Shim is deemed to be interested in the same parcel of debentures in which Dynasty Sky is interested.

附註：

- 該等債權證由 Magic Achieve Limited (「Magic Achieve」) 持有，該公司由劉今晨先生全資擁有。根據證券及期貨條例，劉今晨先生被視為擁有 Magic Achieve 持有的相同債權證權益。
- 該等債權證由 Dynasty Sky Limited (「Dynasty Sky」) 持有，該公司由劉今蟾小姐全資擁有。根據證券及期貨條例，劉今蟾小姐被視為擁有 Dynasty Sky 持有的相同債權證權益。

Save as disclosed above, as at 31 December 2017, 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 or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code. Nor any of the directors and chief executive had any interest in, or had been granted any right to subscribe for the securities of the Company and its associated corporations (within the meaning of Part XV of the SFO) or had exercised any such right during the year under review.

除上文所披露者外，於二零一七年十二月三十一日，本公司董事及最高行政人員概無持有根據證券及期貨條例第352條規定記錄於須置存之登記冊內或根據標準守則須知會本公司及聯交所之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)之任何股份、相關股份或債權證的權益或淡倉。於回顧年內，各董事及最高行政人員概無擁有或獲授任何可認購本公司及其相聯法團(按證券及期貨條例第XV部所界定者)證券之權利，亦無行使任何該等權利。

Interests of Shareholders Discloseable under the SFO

As at 31 December 2017, 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 as recorded in the register required to be kept under Section 336 of the SFO or notified to the Company:

Long position in shares of the Company

Name	Nature of interest	Number of shares held	Percentage of issued shares
名稱	權益性質	持有股份數目	佔已發行股份之百分比
United Goal	Beneficial owner (Notes 1 and 2) 實益擁有人(附註1及2)	540,000,000	33.70%
Asia Prime	Interest of controlled corporation (Notes 1 and 2) 受控制法團權益(附註1及2)	540,000,000	33.70%
Dynamic Castle	Beneficial owner (Note 2) 實益擁有人(附註2)	222,350,332	13.87%
Qatar Investment Authority	Interest of controlled corporations (Note 3) 受控制法團權益(附註3)	371,122,958	23.16%
FMR LLC	Investment manager 投資經理	108,293,000	6.76%

Notes:

- Asia Prime, a company wholly-owned by Mr. Lau Luen Hung, Thomas holds 80% of the entire issued share capital of United Goal. By virtue of the SFO, Asia Prime is deemed to be interested in the same parcel of shares comprising 540,000,000 shares in which United Goal is interested as beneficial owner.
- Mr. Lau Luen Hung, Thomas, Mr. Lau Kam Sen and Ms. Lau Kam Shim are directors of United Goal. Mr. Lau Luen Hung, Thomas is also the sole director of Asia Prime and Dynamic Castle.
- Bellshill Investment Company is a wholly-owned subsidiary of Qatar Holding LLC, which in turn is wholly-owned by Qatar Investment Authority. By virtue of the SFO, Qatar Holding LLC and Qatar Investment Authority are deemed to be interested in the same parcel of shares comprising 371,122,958 shares held by Bellshill Investment Company as beneficial owner.

Save as disclosed above, the Company has not been notified by any person (other than a director or the chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as at 31 December 2017 which were recorded in the register required to be kept under Section 336 of the SFO or notified to the Company.

根據證券及期貨條例須予披露之股東權益

於二零一七年十二月三十一日，下列人士(不包括本公司董事或最高行政人員)於本公司之股份及相關股份中持有根據證券及期貨條例第336條規定記錄於須置存之登記冊內或知會本公司之權益或淡倉載列如下：

本公司股份之好倉

Name	Nature of interest	Number of shares held	Percentage of issued shares
名稱	權益性質	持有股份數目	佔已發行股份之百分比
United Goal	Beneficial owner (Notes 1 and 2) 實益擁有人(附註1及2)	540,000,000	33.70%
Asia Prime	Interest of controlled corporation (Notes 1 and 2) 受控制法團權益(附註1及2)	540,000,000	33.70%
Dynamic Castle	Beneficial owner (Note 2) 實益擁有人(附註2)	222,350,332	13.87%
Qatar Investment Authority	Interest of controlled corporations (Note 3) 受控制法團權益(附註3)	371,122,958	23.16%
FMR LLC	Investment manager 投資經理	108,293,000	6.76%

附註：

- Asia Prime由劉鑾鴻先生全資擁有，其持有United Goal全部已發行股本之80%。根據證券及期貨條例，Asia Prime被視為於United Goal實益擁有的540,000,000股股份中擁有相同權益。
- 劉鑾鴻先生、劉今晨先生及劉今蟾小姐為United Goal董事。劉鑾鴻先生亦為Asia Prime及Dynamic Castle之唯一董事。
- Bellshill Investment Company為Qatar Holding LLC的全資附屬公司，而後者則由Qatar Investment Authority全資擁有。根據證券及期貨條例，Qatar Holding LLC及Qatar Investment Authority均被視為擁有Bellshill Investment Company以實益擁有人身份所持有的相同371,122,958股股份權益。

除上文所披露者外，概無任何人士(本公司董事或最高行政人員除外)向本公司通知其於二零一七年十二月三十一日持有根據證券及期貨條例第336條規定記錄於須置存之登記冊內或知會本公司之本公司股份或相關股份的權益或淡倉。

Share Options

The share option scheme ("2009 Share Option Scheme") was approved by the shareholders of the Company 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 any employee, director, consultant or adviser, 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 shares 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 10.41% of the issued shares 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.

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).

購股權

本公司股東於二零零九年三月三日批准採納購股權計劃(「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，本公司經董事會全權決定，可授予購股權予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僱員、董事、專家顧問或顧問、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，相當於本公司於二零零九年三月三日獲股東批准之二零零九年購股權計劃當日本公司已發行股份10%，相當於本公司於本報告日期之已發行股份約10.41%。

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%。

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)。

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.

No options were granted or subsisted at any time during the year.

Arrangements to Purchase Shares or Debentures

Other than the share option scheme of 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 Transactions, Arrangements and Contracts

Save as disclosed under the section "Continuing Connected Transactions" below, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company or any entities connected with the director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Specific Performance Covenant on Controlling Shareholders

In July 2016, the Company as guarantor and through its wholly-owned subsidiary as borrower entered into a HK\$8 billion 5-year secured loan facility agreement with a group of banks.

In April 2017, a wholly-owned subsidiary of the Company, as borrower, entered into a facility agreement with a syndicate of financial institutions for a term loan of up to HK\$9 billion. The final maturity date of the facility shall be the earlier of the date falling (i) 60 months from the utilisation date of the facility; and (ii) 6 months after issuance of a certificate of compliance by the Director of Lands for the development of the New Kowloon Land Lot No. 6557, Kai Tak Area 1E Site 2, Kowloon, Hong Kong

Under the aforesaid facility agreements, unless with the banks' written consent, Mr. Lau Luen Hung, Thomas, his family members and/or his family trust arrangements and Mr. Lau Luen Hung, Joseph's family members and/or his family trust arrangements shall remain the major shareholders of the Company with shareholding interest, directly or indirectly, of not less than 50.1% and retain management control of the Group.

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。

於年內任何時間並無授出購股權或存續。

購買股份或債權證之安排

除本公司之購股權計劃外,於年內任何時間,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權證而獲益。

董事於交易、安排及合約之權益

除下文「持續關連交易」一節及所披露外,本公司董事或與董事有關連的任何實體概無於本公司或其任何附屬公司所訂立且於本年度年結日或年內任何時間仍然生效之重大交易、安排或合約中,直接或間接擁有重大權益。

控股股東須履行之特定責任

於二零一六年七月,本公司(作為擔保人)及透過其全資附屬公司(作為借款人)與一銀團訂立80億港元5年期有抵押貸款融資協議。

於二零一七年四月,本公司之全資附屬公司(作為借款人)與若干金融機構訂立總金額不超過90億港元定期貸款融資協議。該融資額度的最終到期日將為(i)自該融資額度提款之日起60個月;及(ii)地政總署署長簽發有關香港九龍啟德第1E區2號土地的新九龍內地段第6557號開發之合規證明後6個月屆滿之日(以較早者為準)。

根據上述融資協議,除非銀行書面同意,劉鑾鴻先生、其家族成員及/或家族信託安排以及劉鑾雄先生的家族成員及/或家族信託安排需繼續為本公司的主要股東,合共持有的股權(不論直接或間接)不低於50.1%,並繼續對本集團擁有管理控制權。

Lapse of Non-Competition Undertaking

Following completion of the disposal the Group's interest in Lifestyle Properties Development Limited ("Lifestyle Properties") (now known as Samsheng Holdings (Group) Co. Ltd.) on 13 April 2017 ("Disposal"), the deed of non-competition dated 26 August 2013 made between the Company and Lifestyle Properties (as varied and amended by a supplemental deed dated 6 June 2016) has lapsed automatically and ceased to have effect on the Company.

Details of the above are set out in the Company's announcement dated 13 April 2017.

Continuing Connected Transaction

The following transaction of the Group constituted non-exempt continuing connected transaction ("Continuing Connected Transaction") for the Company during the year ended 31 December 2017 under the Listing Rules.

Hong Kong Restaurant Tenancy Agreement

The Group through its subsidiary, Congenial Company Limited, entered into a tenancy agreement with Global Top Limited ("Global Top") dated 10 June 2016 ("Hong Kong Restaurant Tenancy Agreement") to lease a portion of 22/F., East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong ("HK Restaurant Property") for restaurant operation purpose for a term from 1 June 2016 to 31 December 2018 at a rent calculated at 17% of the monthly sales proceeds of Global Top generated at the HK Restaurant Property (exclusive of government rent, rates and management fee).

The Company is owned as to 33.70% by United Goal and United Goal is one of the controlling shareholders of Lifestyle China. Mr. Lau Luen Hung, Thomas, a non-executive director of the Company, ultimately owns 80% interest in United Goal through Asia Prime. Mr. Lau Luen Hung, Thomas also either directly or through Dynamic Castle owns another 17.99% interest in Lifestyle China. Hence, Lifestyle China and its subsidiaries (including Global Top, "Lifestyle China Group") are associates of United Goal and, therefore, are connected persons of the Company under the Listing Rules.

The transactions contemplated under the Hong Kong Restaurant Tenancy Agreement constituted continuing connected transactions of the Company under the Listing Rules. In such respect, the Group received rental of approximately HK\$11.67 million for the year ended 31 December 2017.

The Continuing Connected Transaction above has been reviewed by the independent non-executive directors of the Company who have confirmed that for the year ended 31 December 2017 the Continuing Connected Transaction has been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

不競爭承諾失效

於二零一七年四月十三日完成出售本集團於利福地產發展有限公司(「利福地產」, 現稱三盛控股(集團)有限公司)權益(「出售事項」)後, 本公司與利福地產所訂立日期為二零一三年八月二十六日的不競爭契約(經日期為二零一六年六月六日的補充契約修改及修訂)已自動失效及不再對本公司具有任何效力。

上述詳情載於本公司日期為二零一七年四月十三日的公告。

持續關連交易

截至二零一七年十二月三十一日止年度內, 根據上市規則, 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」)。

香港餐廳租賃協議

本集團透過其附屬公司 Congenial Company Limited 與世高有限公司(「世高」)於二零一六年六月十日訂立租賃協議(「香港餐廳租賃協議」), 以租用香港銅鑼灣軒尼詩道555號東角中心22樓的一部分(「香港餐廳物業」)作餐廳經營用途, 年期由二零一六年六月一日至二零一八年十二月三十一日, 租金按世高於香港餐廳物業產生的每月銷售所得款項17%計算(扣除政府租金、差餉及管理費)。

本公司由United Goal擁有33.70%股份權益, 而United Goal為利福中國的控股股東之一。本公司非執行董事劉鑾鴻先生透過Asia Prime最終擁有United Goal的80%股份權益。劉鑾鴻先生亦直接或透過Dynamic Castle擁有利福中國的另外17.99%權益。因此, 利福中國及其附屬公司(包括世高, 統稱為「利福中國集團」)為United Goal的聯繫人, 及因此根據上市規則為本公司的關連人士。

根據上市規則, 香港餐廳租賃協議項下擬進行交易構成本公司的持續關連交易。就此而言, 本公司於截至二零一七年十二月三十一日止年度共收取租金約11,670,000港元。

本公司之獨立非執行董事已審閱以上持續關連交易, 並確認截至二零一七年十二月三十一日止年度, 該等持續關連交易乃(i)屬本集團日常業務中訂立; (ii)按照一般商務條款或更佳條款進行; 及(iii)根據該等交易的協議條款進行, 條款公平合理, 並符合本公司股東的整體利益。

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 (Revised) "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 an unqualified letter containing its findings and conclusions in respect of the Continuing Connected Transaction in accordance with Rule 14A.56 of the Listing Rules.

Related Party Transactions

On 6 June 2016, Lifestyle Properties (a non-wholly owned subsidiary of the Company before 13 April 2017) entered into a services framework agreement ("Newco Framework Agreement") with Lifestyle China for the purpose of provision of certain non-exclusive property project related services as set out in the Newco Framework Agreement by Lifestyle Properties to Lifestyle China Group for the period from 14 July 2016 to 31 December 2018.

During the period from 1 January 2017 to the date of completion of the Disposal, a total of HK\$3.2 million service fees was received from Lifestyle China Group under the Newco Framework Agreement.

Details of the Newco Framework Agreement are set out in the announcement of Lifestyle Properties dated 6 June 2016 and the circular of Lifestyle Properties dated 8 June 2016.

To the extent the transaction disclosed in Continuing Connected Transaction section above which is also related party transaction as disclosed in note 36 to the consolidated financial statements, this related party transaction constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules and the Company has complied with the relevant requirements under Chapter 14A of the Listing Rules during the year. The remaining related party transactions in note 36 to the consolidated financial statements constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules but are exempt from shareholders' approval and disclosure and other requirements.

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(經修訂)「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。核數師已根據上市規則第14A.56條,就持續關連交易發出包括其發現及結論之無保留函件。

關連人士交易

於二零一六年六月六日,利福地產(直至二零一七年四月十三日為止為本公司非全資擁有附屬公司)與利福中國訂立服務框架協議(「新公司框架協議」),以規定利福地產於二零一六年七月十四日至二零一八年十二月三十一日期間向利福中國集團提供新公司框架協議所載條款之若干非獨家物業項目相關服務。

於二零一七年一月一日至完成出售事項日期期間,根據新公司框架協議已從利福中國集團收取服務費合共3,200,000港元。

新公司框架協議的詳情載於利福地產日期為二零一六年六月六日的公告及日期為二零一六年六月八日的通函。

上述於持續關連交易部份涵蓋之交易,亦為於綜合財務報表附註36所載之關連人士交易,此關連人士交易構成上市規則第14A章所定義之關連交易或持續關連交易,而本公司於年內已就此交易遵守第14A章之相關規定。於綜合財務報表附註36其餘的關連人士交易構成關連交易或持續關連交易,惟可獲豁免遵守上市規則第14A章之股東批准和披露及其他規定。

Directors' Interests in Competing Businesses

The following directors have interests in the following businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group as disclosed pursuant to Rule 8.10 of the Listing Rules:

董事於競爭業務之權益

下列董事被視為擁有根據上市規則第8.10條所披露與本集團業務直接或間接構成競爭或可能構成競爭之業務權益：

Name of director 董事姓名	Name of entity 實體名稱	Description of businesses 業務簡介	Nature of interest of the director in the entity 董事於該實體之權益性質
Mr. Doo Wai Hoi, William 杜惠愷先生	New World Development Company Limited 新世界發展有限公司	Property development and investment and department store operations 物業發展及投資及百貨營運	Director 董事
	Amelia Gold Limited group of companies Amelia Gold Limited 旗下集團	Property investment 物業投資	Director and shareholder 董事及股東
	Fortune Success Limited group of companies 勝運有限公司旗下集團	Property investment 物業投資	Director and shareholder 董事及股東
	Fung Seng Enterprises Investment Company Limited group of companies 豐盛企業投資有限公司旗下集團	Property investment 物業投資	Director and shareholder 董事及股東
	Fung Seng Enterprises Limited group of companies 豐盛創建企業有限公司旗下集團	Property investment and management 物業投資及管理	Director and shareholder 董事及股東
	Golden Wealth Investment Limited group of companies 金寶投資有限公司旗下集團	Property investment and development 物業投資及發展	Director and shareholder 董事及股東
	Silver City International Limited group of companies Silver City International Limited 旗下集團	Property investment and food and beverage operations 物業投資及餐飲營運	Director and shareholder 董事及股東
	Sunshine Dragon Group Limited group of companies Sunshine Dragon Group Limited 旗下集團	Property investment 物業投資	Director and shareholder 董事及股東
Ms. Lau Yuk Wai, Amy 劉玉慧女士	Chinese Estates Holdings Limited Chinese Estates Holdings Limited (華人置業集團)	Property investment and development 物業投資及發展	Director 董事

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

本公司董事會乃獨立於上述公司的董事會，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及按公平磋商進行其業務。

Changes in Information of Directors

Below are the changes in directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Mr. Lau Kam Sen

- appointed as a member of the Advisory Committee and Board of Trustees of China Institute in America

Mr. Lau Luen Hung, Thomas

- appointed as a member of the 13th Chinese People's Political Consultative Conference Shanghai Committee
- his director's fee was adjusted to HK\$1,000,000 per annum with effect from 1 January 2018

The Hon. Shek Lai Him, Abraham

- appointed on 16 January 2018 as an independent non-executive director of Everbright Grand China Assets Limited, a company listed on the Stock Exchange
- resigned, with effect from 4:00 p.m. on 26 January 2018, as an independent non-executive director of Midas International Holdings Limited, a company listed on the Stock Exchange

Mr. Ip Yuk Keung

- appointed as a trustee of the Board of Trustees at Washington University in St. Louis
- appointed as an Adjunct Professor at The Hong Kong University of Science and Technology
- ceased to be a research fellow of the Institute for Financial Economics at Singapore Management University

Permitted Indemnity Provision

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

Purchase, Sale or Redemption of the Company's Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2017.

董事資料變更

以下是根據上市規則第13.51B(1)條之規定，須予披露之董事資料變更。

劉今晨先生

- 獲委任為華美協進社諮詢委員會及理事會成員。

劉鑾鴻先生

- 獲委任為中國人民政治協商會議上海市第十三屆委員會委員
- 自二零一八年一月一日起其董事袍金調整至每年1,000,000港元

石禮謙議員

- 於二零一八年一月十六日獲委任為光大永年有限公司(為聯交所上市公司)獨立非執行董事
- 自二零一八年一月二十六日下午四時正起辭任勤達集團國際有限公司(為聯交所上市公司)獨立非執行董事

葉毓強先生

- 獲委任為聖路易斯華盛頓大學校董會校董
- 獲委任為香港科技大學兼任教授
- 不再擔任新加坡管理大學金融經濟研究所研究院士

獲准許之彌償條文

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

購買、出售或贖回本公司證券

截至二零一七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。

Remuneration Policy

The remuneration policy of the Group is set on the basis of the employees' merit, qualifications and competence. The emoluments of the directors of the Company are reviewed by the remuneration committee, taking into consideration of 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 of the Group.

Employees

As at 31 December 2017, the Group employed a total of 632 employees in Hong Kong. Staff costs (excluding directors' emoluments) amounted to HK\$224.8 million (2016: HK\$216.6 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. Under the share option scheme of the Company, options may be granted to the directors and employees of the Group to subscribe for the shares of the Company.

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 shares has been held by the public as at the date of this report.

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 of the Company to reappoint Deloitte as auditor of the Company.

On behalf of the Board
Lau Kam Shim
Executive Director

5 March 2018

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。本公司董事之酬金乃由薪酬委員會經考慮本公司經營業績、個別表現及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本集團董事及合資格僱員。

僱員

於二零一七年十二月三十一日，本集團於香港共僱用632名僱員。本年度之員工成本(不包括董事酬金)為224,800,000港元(二零一六年：216,600,000港元)。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。根據本公司之購股權計劃，本集團董事及僱員可獲授予購股權，以認購本公司之股份。

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股份之25%。

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。

代表董事會
劉今蟾
執行董事

二零一八年三月五日

Independent Auditor's Report 獨立核數師報告

Deloitte.

德勤

**TO THE SHAREHOLDERS OF
LIFESTYLE INTERNATIONAL HOLDINGS LIMITED**
(incorporated in the Cayman Islands with limited liability)

Opinion

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 79 to 166, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

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)

意見

本核數師(以下簡稱「我們」)已審計列載於第79至166頁的利福國際集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此財務報表包括於二零一七年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一七年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為編製。

意見的基礎

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

關鍵審計事項

Valuation of completed investment properties and the investment property under development

已完成投資物業及在建投資物業的估值

We identified the valuation of completed investment properties and the investment property under development as a key audit matter due to the significant unobservable inputs and significant judgement associated with determining their fair values.

由於與確定公平值相關的重大不可觀察的輸入數據和重大判斷，我們識別出已完成投資物業及在建投資物業的估值為關鍵審核事項。

As set out in note 16 to the consolidated financial statements, the fair values of the Group's completed investment properties as at 31 December 2017 of approximately HK\$322,000,000 were determined based on valuations performed by an independent professional valuer by using the direct comparison method, based on assumption of sales of each of the properties in its existing state and comparable sales evidence of similar nature properties available in the relevant market with key inputs of price per square feet and level adjustment.

誠如綜合財務報表附註16所載，貴集團於二零一七年十二月三十一日之已完成投資物業公平值約為322,000,000港元，該價值乃根據獨立專業估值師採用直接比較法，假設各物業於其現有狀態下出售及參考相關市場中現有相似質素物業可比銷售交易，進行估值而釐定，主要參數為每平方尺價及樓層調整因素。

The fair value of the Group's investment property under development as at 31 December 2017 of approximately HK\$4,620,000,000 was determined based on a valuation performed by an independent professional valuer by using residual method based on the comparable sales transactions in the relevant property market and the construction cost already incurred as well as the estimated cost to be incurred to complete the management's development budgets, with key inputs of price per square feet and estimated project development cost.

貴集團於二零一七年十二月三十一日之已在建投資物業公平值約為4,620,000,000港元，該價值乃根據獨立專業估值師採用剩餘法進行估值，根據相關物業市場的可比銷售交易，就管理層對該發展項目之估算的應計以及預計所需的建設成本，主要參數為每平方尺價及估算項目發展的建設成本。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

Our procedures to assess the valuation of the completed investment properties and the investment property under development included:

我們對評估已完成投資物業及在建投資物業的估值採取的程序包括：

- Obtaining an understanding of the valuation process including the valuation methodology and key inputs to the model with the involvement of the independent qualified valuer
在獨立合資格估值師的參與下了解估值過程，包括估值方法和該模式的重要參數
- Evaluating the competence, capabilities and objectivity of the independent professional external valuer;
評估獨立專業外部估值師的資歷、能力和客觀性；
- Reviewing the valuation reports from independent qualified valuer, and holding discussion with management and independent qualified valuer to understand the valuation methodology and key inputs used; and
審閱獨立合資格估值師的估值報告，並與管理層和獨立合資格估值師討論並了解其估值方法和使用的的重要參數；及
- Checking, on a sample basis, the calculation of the valuation and assessing the key inputs used by checking to available market data; and
在抽樣基礎上檢查估值報告的計算方法，並以現有的市場數據來評估所使用的重要參數；及
- Review management's development budgets with reference to the construction contracts and available market data.
參考建築合同及現有市場數據，以審閱管理層對該發展項目之估算。

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

Accounting for disposal of the entire equity interests in Lifestyle Properties Group (as defined below)

出售利福地產集團全部權益的會計處理，如下所述

We identified the accounting for disposal of the entire equity interests in Lifestyle Properties Development Limited ("Lifestyle Properties") and its subsidiaries (the "Lifestyle Properties Group") as a key audit matter due to the significance of the transaction to the consolidated financial statements as a whole.

我們識別出，出售利福地產發展有限公司（「利福地產」）及其附屬公司（統稱「利福地產集團」）的全部股份之會計處理為關鍵審核事項，因為該交易對整個綜合財務報表具重大影響。

As set out in notes 13(a) and 29(a) to the consolidated financial statements, during the year ended 31 December 2017, the Group completed the disposal of the Lifestyle Properties Group.

誠如綜合財務報表附註 13(a) 及 29(a) 所載，截至二零一七年十二月三十一日止年度，貴集團已完成出售利福地產集團。

We focused on the accounting and disclosure in respect of presenting the Lifestyle Properties Group as a discontinued operation within the consolidated financial statements.

我們專注於在綜合財務報表內呈報利福地產集團為非持續經營業務的會計處理及披露資料。

Our procedures in relation to assessing the accounting for the disposed of entire equity interests in Lifestyle Properties Group included:

我們就評估有關出售利福地產集團全部權益的會計處理採取的程序包括：

- Assessing management's analysis in support of whether the disposal meets the required criteria to be accounted for as a discontinued operation; 評估管理層的分析，以支持出售是否符合要求的準則，作為非持續經營業務入賬；

- Checking the computation of the items included within the discontinued operation disclosure notes and determining whether they appropriately represent the amounts of the Lifestyle Properties Group up to the date of disposal; and 檢查非持續經營業務的披露附註中的已納入的項目的計算，並確定其是否適當地代表利福地產集團截至出售日期的相關金額；及

- Evaluating the appropriateness of the disclosure of Lifestyle Properties Group as a discontinued operation within the Group's consolidated financial statements in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operation". 根據香港財務報告準則第 5 號「持作出售的非流動資產及非持續經營業務」，評估利福地產集團於貴集團綜合財務報表內作為非持續經營業務的披露資料的適當性。

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

其他資訊

貴公司董事需對其他資訊負責。其他資訊包括刊載於年報內的資訊，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資訊，我們亦不對該等其他資訊發表任何形式的保證結論。

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

董事及治理層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》的披露要求編製真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

治理層須負責監督 貴集團的財務報告過程。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照我們商定的業務約定條款僅向全體成員出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。我們並不就此報告之內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水準的保證，但不能擔保按照《香港審計準則》進行審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Lau King Pak.

除其他事項外，我們與治理層溝通了計畫的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與治理層溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計專案合夥人是劉勁柏。

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
5 March 2018

德勤·關黃陳方會計師行
執業會計師

香港
二零一八年三月五日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		NOTES 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (重列)
Continuing operation	持續經營業務			
Turnover	營業額	5	4,898,605	4,671,971
Cost of sales	銷售成本		(2,112,296)	(2,029,047)
Gross profit	毛利		2,786,309	2,642,924
Other income, gains and losses	其他收入、收益及虧損	7	54,456	98,500
Selling and distribution costs	銷售及分銷成本		(648,542)	(565,821)
Administrative expenses	行政開支		(131,058)	(133,936)
Interest and investment income	利息及投資收入	8	735,063	367,958
Fair value changes on investment properties	投資物業公平值變動	16	844,200	—
Finance costs	融資成本	9	(228,954)	(471,022)
Profit before taxation	除稅前溢利		3,411,474	1,938,603
Taxation	稅項	10	(536,834)	(337,696)
Profit for the year from continuing operation	本年度來自持續經營業務之溢利	11	2,874,640	1,600,907
Discontinued operation	非持續經營業務			
Profit for the year from discontinued operation	本年度來自非持續經營業務之溢利	13	426,710	94,990
Profit for the year	本年度溢利		3,301,350	1,695,897
Other comprehensive income (expense)	其他全面收入（支出）			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>隨後可能重新分類至損益之項目：</i>			
Exchange differences arising on translation of foreign operation	換算海外業務時產生之匯兌差額		16,177	(170,580)
Release of exchange reserve upon disposal of foreign subsidiaries	分拆海外業務時匯兌儲備之轉出		(102,178)	132,667
Share of other comprehensive expense of associates	應佔聯營公司之其他全面支出		—	(32,638)
Share of other comprehensive expense of a joint venture	應佔一間合資企業之其他全面支出		—	(3,638)
			(86,001)	(74,189)
<i>Items that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益之項目：</i>			
Revaluation of property, plant and equipment upon transfer to investment properties	物業、廠房及設備轉撥至投資物業時的重估			
— surplus on revaluation	— 重估盈餘		—	283,703
— deferred tax	— 遞延稅項	26	—	(46,661)
			—	237,042
Other comprehensive (expense) income for the year (net of tax)	本年度其他全面（支出）收入（扣除稅項）		(86,001)	162,853
Total comprehensive income for the year	本年度全面收入總額		3,215,349	1,858,750

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued) 綜合損益及其他全面收益表(續)

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		NOTE 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (重列)
Profit (loss) for the year attributable to owners of the Company:	本年度本公司擁有人應佔溢利(虧損):			
— from continuing operation	— 來自持續經營業務		2,874,640	1,600,907
— from discontinued operation	— 來自非持續經營業務		424,848	(10,477)
			3,299,488	1,590,430
Profit for the year attributable to non-controlling interests:	本年度非控股權益應佔溢利:			
— from continuing operation	— 來自持續經營業務		-	-
— from discontinued operation	— 來自非持續經營業務		1,862	105,467
			1,862	105,467
Profit for the year	本年度溢利		3,301,350	1,695,897
Total comprehensive income attributable to:	應佔全面收入總額:			
Owners of the Company	本公司擁有人		3,206,945	1,798,656
Non-controlling interests	非控股權益		8,404	60,094
			3,215,349	1,858,750
Earnings per share	每股盈利	15		
From continuing and discontinued operation	來自持續及非持續經營業務			
— Basic	— 基本		HK\$2.06	HK\$0.99
From continuing operation	來自持續經營業務			
— Basic	— 基本		HK\$1.79	HK\$1.00

Consolidated Statement of Financial Position

綜合財務狀況表

at 31 December 2017 於二零一七年十二月三十一日

		NOTES 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	16	4,942,000	4,628,884
Property, plant and equipment	物業、廠房及設備	17	5,689,962	5,649,186
Prepaid lease payments	預付租賃款項	18	–	548,191
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備 之按金		29,899	66,230
Club debentures	會所債券		19,137	19,137
			10,680,998	10,911,628
Current assets	流動資產			
Inventories	存貨	19	37,571	34,533
Prepaid lease payments	預付租賃款項	18	–	16,123
Trade and other receivables	應收賬款及其他應收款項	20	174,887	194,307
Financial assets at fair value through profit or loss	按公平值計入損益之 金融資產	21	3,349,047	2,440,605
Bank balances and cash	銀行結存及現金	22	7,389,274	7,520,140
			10,950,779	10,205,708
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	23	1,293,288	1,243,211
Tax payable	應繳稅項		199,343	308,930
Bank borrowings — due within one year	銀行借貸 — 一年內到期	24	2,601,552	3,427,208
Bonds — due within one year	債券 — 一年內到期	25	–	3,879,914
			4,094,183	8,859,263
Net current assets	流動資產淨值		6,856,596	1,346,445
Total assets less current liabilities	總資產減流動負債		17,537,594	12,258,073
Non-current liabilities	非流動負債			
Bank borrowings — due after one year	銀行借貸 — 一年後到期	24	8,582,586	4,949,040
Bonds — due after one year	債券 — 一年後到期	25	4,637,641	4,601,335
Deferred tax liabilities	遞延稅項負債	26	272,883	259,782
			13,493,110	9,810,157
			4,044,484	2,447,916
Capital and reserves	資本及儲備			
Share capital	股本	27	8,013	8,013
Reserves	儲備		4,036,471	1,842,361
Equity attributable to owners of the Company	本公司擁有人應佔權益		4,044,484	1,850,374
Non-controlling interests	非控股權益		–	597,542
			4,044,484	2,447,916

The consolidated financial statements on pages 79 to 166 were approved and authorised for issue by the Board of Directors on 5 March 2018 and are signed on its behalf by:

第79至166頁綜合財務報表獲董事會於二零一八年三月五日批准及授權刊發，並由下列董事代表簽署：

Ms. Lau Kam Shim 劉今蟾小姐
Executive Director 執行董事

Mr. Lau Kam Sen 劉今晨先生
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 2017 截至二零一七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 capital	Statutory surplus reserve	Capital redemption reserve	Asset revaluation reserve	Translation reserve	Retained profits	Total	Non-controlling interests	Total
		股本	法定盈餘公積金	資本贖回儲備	資產重估儲備	換算儲備	保留溢利	總計	非控股權益	總計
		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
			(Note 28)							
			(附註 28)							
At 1 January 2016	於二零一六年一月一日	8,013	80,693	687	3,680	121,359	10,908,627	11,123,059	1,973,072	13,096,131
Profit for the year	本年度溢利	-	-	-	-	-	1,590,430	1,590,430	105,467	1,695,897
Other comprehensive income (expenses)	其他全面收入(支出)	-	-	-	237,042	(28,816)	-	208,226	(45,373)	162,853
Total comprehensive income (expense) for the year	本年度全面收入(支出)總額	-	-	-	237,042	(28,816)	1,590,430	1,798,656	60,094	1,858,750
Dividends paid (Note 14)	已派付股息(附註 14)	-	-	-	-	-	(1,012,835)	(1,012,835)	-	(1,012,835)
Special interim dividend by way of distribution in specie of shares of a subsidiary (Notes 14 & 29(b))	以實物方式分派一間附屬公司股份之特別中期股息(附註 14 及 29(b))	-	-	-	-	-	(10,058,506)	(10,058,506)	-	(10,058,506)
Transfer upon distribution in specie of shares of a subsidiary	以實物方式分派一間附屬公司股份時轉撥	-	(80,468)	-	-	-	80,468	-	(1,435,624)	(1,435,624)
At 31 December 2016	於二零一六年十二月三十一日	8,013	225	687	240,722	92,543	1,508,184	1,850,374	597,542	2,447,916
Profit for the year	本年度溢利	-	-	-	-	-	3,299,488	3,299,488	1,862	3,301,350
Other comprehensive (expense) income	其他全面(支出)收入	-	-	-	-	(92,543)	-	(92,543)	6,542	(86,001)
Total comprehensive (expense) income for the year	本年度全面(支出)收入總額	-	-	-	-	(92,543)	3,299,488	3,206,945	8,404	3,215,349
Dividends paid (Note 14)	已派付股息(附註 14)	-	-	-	-	-	(1,012,835)	(1,012,835)	-	(1,012,835)
Disposal of subsidiaries (Note 29(a))	出售附屬公司(附註 29(a))	-	-	-	-	-	-	-	(605,946)	(605,946)
Transfer upon disposal of subsidiaries	出售附屬公司後轉移	-	(225)	-	-	-	225	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	8,013	-	687	240,722	-	3,795,062	4,044,484	-	4,044,484

Consolidated Statement of Cash Flows

綜合現金流量表

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		NOTE 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務			
Profit before taxation	除稅前溢利			
— from continuing operation	— 來自持續經營業務		3,411,474	1,938,603
— from discontinued operation	— 來自非持續經營業務		426,710	298,357
Adjustments for:	經作出以下調整：		3,838,184	2,236,960
Interest income on bank deposits	銀行存款之利息收入		(67,703)	(88,182)
Other interest income	其他利息收入		—	(1,534)
Finance costs	融資成本		228,954	401,807
Depreciation of property, plant and equipment	物業、廠房及設備折舊		162,133	211,410
Release of prepaid lease payments	預付租賃款項轉出		4,642	18,617
Gain on disposal of subsidiaries	出售附屬公司之收益	29	(420,843)	—
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		(50,077)	(58,271)
Interest income from financial assets at fair value through profit or loss	按公平值計入損益之 金融資產之利息收入		(1,012)	(76,842)
Loss on disposal/written off of property, plant and equipment	出售／撇減物業、廠房及設備 虧損		2,177	11,087
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		(624,617)	(68,115)
Changes in fair value of investment properties	投資物業之公平值變動		(844,200)	900
Unrealised exchange loss	未變現之匯兌虧損		42,797	—
Share of profit of a joint venture	應佔一間合資企業溢利		—	(19,372)
Share of profits of associates	應佔聯營公司溢利		—	(192,366)
Reversal of write-down of obsolete inventories	滯銷存貨撇減撥回		(1)	(65)
Reversal of provision on trade and other receivables	應收賬款及其他應收款項 撥備撥回		(17)	(1,000)
Operating cash flows before movements in working capital	營運資金變動前經營現金 流量		2,270,417	2,375,034
(Increase) decrease in inventories	存貨（增加）減少		(3,037)	6,407
Increase in properties under development	發展中物業增加		—	(23,886)
Increase in trade and other receivables	應收賬款及其他應收款項增加		(43,935)	(14,123)
Decrease in amount due to a joint venture	應付一間合資企業款項減少		—	(20,652)
Increase (decrease) in trade and other payables	應付賬款及其他應付款項增加 （減少）		129,201	(38,706)
Cash generated from operations	經營業務所得現金		2,352,646	2,284,074
Interest received	已收利息		59,738	88,979
Hong Kong Profits Tax paid	已繳香港利得稅		(329,163)	(327,282)
PRC Enterprise Income Tax paid	已繳中國企業所得稅		—	(77,018)
Hong Kong Profits Tax refunded	香港利得稅退稅		—	15
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額		2,083,221	1,968,768

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

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		NOTES 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動			
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		1,186,264	4,523,752
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		6,503	76,842
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		50,077	58,271
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款		-	914
Purchase of property, plant and equipment	購買物業、廠房及設備		(239,579)	(4,138,606)
Additions to investment properties	購買投資物業		(22,350)	(3,696,468)
Net cash outflows from disposal of subsidiaries	出售附屬公司之淨現金流出	29 (b)	-	(2,062,996)
Net cash inflow from disposal of subsidiaries	出售附屬公司之淨現金流入	29 (a)	872,496	-
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		(1,509,885)	(1,837,690)
Investment expenses paid for derivative financial instruments	已付衍生金融工具之投資支出		-	(5,448)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	投資活動所得(所用)現金淨額		343,526	(7,081,429)
FINANCING ACTIVITIES	融資活動			
New bank borrowings raised	新借銀行貸款		5,859,340	8,262,161
Redemption of bonds	贖回債券		(3,879,932)	-
Repayment of bank borrowings	償還銀行貸款		(3,031,565)	(2,702,482)
Dividends paid	已派付股息		(1,012,835)	(1,012,835)
Finance costs paid	已付融資成本		(433,787)	(485,654)
Upfront arrangement fee incurred in connection with new bank borrowings	與新借銀行貸款相關的預付費用		(67,620)	(72,898)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資活動(所用)所得現金淨額		(2,566,399)	3,988,292
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額		(139,652)	(1,124,369)
EFFECT OF FOREIGN EXCHANGE RATE DIFFERENCE	匯率差異之影響		8,786	(25,117)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物		7,520,140	8,669,626
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終現金及現金等價物		7,389,274	7,520,140
ANALYSIS OF CASH AND CASH EQUIVALENTS	現金及現金等價物之分析			
Bank balances and cash	銀行結存及現金		7,389,274	7,520,140

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

1. General

Lifestyle International Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability under the Companies Law in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company’s ultimate controlling party is Mr. Thomas Lau, who is the Chairman and a non-executive director of the Company.

In 2016, the Group underwent a group reorganisation for the spin-off (“Spin-off”) and separate listing the shares of Lifestyle China Group Limited (“Lifestyle China”) and its subsidiaries (collectively referred to as “Lifestyle China Group”) on the Main Board of the Stock Exchange. Pursuant to a resolution of the board of directors of the Company on 28 June 2016, the Company declared a special interim dividend, satisfied by distribution in specie of the entire issued share capital of Lifestyle China to the Company’s shareholders (the “Distribution”). The Distribution was made by way of allocating one share of Lifestyle China for every one share of the Company held by the Company’s shareholders. The distribution in specie by the Company was recognised at the carrying amount of the net assets of Lifestyle China Group attributable to the owners of the Company as the directors of the Company considered that Lifestyle China was ultimately under the control of the same parties before and after the Distribution. The Spin-off was completed on 14 July 2016 when shares of Lifestyle China were issued to the Company’s shareholders and Lifestyle China ceased to be a subsidiary of the Company. Following the Spin-off, the Company and its subsidiaries (collectively referred to as the “Group”) is principally engaged in the operation of department stores in Hong Kong, property development and property investment in Hong Kong and the People’s Republic of China (“PRC”). Lifestyle China Group is principally engaged in the operation of department stores and the supermarket business in the PRC and the restaurant business. The profit from Lifestyle China Group for the period from 1 January 2016 to 14 July 2016 was presented as a discontinued operation in the consolidated financial statements for the year ended 31 December 2016.

1. 一般事項

利福國際集團有限公司(「本公司」)為一間於開曼群島根據開曼群島公司法註冊成立為受豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。

本公司的最終控制方為本公司的主席及非執行董事劉鑾鴻先生。

於二零一六年，本集團就利福中國集團有限公司(「利福中國」)及其附屬公司(統稱為「利福中國集團」)的股份分拆(「分拆」)及於聯交所主板獨立上市，進行集團重組。根據本公司董事會於二零一六年六月二十八日之決議，本公司宣派特別中期股息，並以實物方式分派利福中國的全部已發行股本予本公司股東(「分派」)。分派是按照股東持有每一股本公司之股份可獲發一股利福中國股份。本公司董事認為在分派前後，利福中國最終均由同一方控制，故此，實物分派乃根據本公司擁有人應佔利福中國集團淨資產之賬面值確認。分拆於二零一六年七月十四日完成(即利福中國之股份分派予本公司股東時)，及利福中國將不再為本公司的附屬公司。分拆後，本公司及其附屬公司(統稱「本集團」)主要從事經營香港的百貨店、香港及中華人民共和國(「中國」)的物業發展及物業投資。利福中國集團則專注於經營中國的百貨店及超市業務以及餐廳業務。利福中國集團從二零一六年一月一日至二零一六年七月十四日的溢利於截至二零一六年十二月三十一日止年度的綜合財務報表中呈列為非持續經營業務。

1. General (continued)

As disclosed in note 13, the Group completed during the year the disposal of its entire 59.56% equity interests in Lifestyle Properties Development Limited, now known as Sansheng Holdings (Group) Co. Ltd (“Lifestyle Properties”) and its subsidiaries (collectively “Lifestyle Properties Group”) held by the Group. Accordingly, results of the Lifestyle Properties Group before the disposal has been presented as a discontinued operation in the Group’s consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017 and the comparative figures in the preceding year have been restated. Following the disposal, the Group is principally engaged in the operation of department stores, and property development and investment in Hong Kong.

Details of the discontinued operations are set out in note 13.

The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

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

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

Amendments to HKFRSs that are mandatorily effective for the current year

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

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

Except as described below, the application of the amendments to 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.

1. 一般事項(續)

如附註13所披露，本集團於年內出售其全部59.56%利福地產發展有限公司股權，現稱三盛控股(集團)有限公司(「利福地產」)及其附屬公司(統稱為「利福地產集團」)。因此，利福地產集團於出售前之業績在截至二零一七年十二月三十一日止年度的本集團綜合損益及其他全面收益表呈列為非持續經營業務，而去年之比較數字亦已相應重列。出售後，本集團主要從事於香港的百貨店經營，物業發展及投資。

有關非持續經營業務之詳情載於附註13。

本公司註冊辦事處地址和主要營業地點已在年報企業資料部分中披露。

綜合財務報表以本公司功能貨幣港元列值。

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」)

於本年度強制生效之經修訂香港財務報告準則

本集團於本年度首次應用以下香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則之修訂：

香港會計準則第7號(修訂本)	披露計劃
香港會計準則第12號(修訂本)	就未變現虧損確認遞延稅項資產
香港財務報告準則第12號(修訂本)	作為部分香港財務報告準則年度改善(2014年至2016年週期)

除以下所述，於本年度應用之經修訂之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。

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

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

Amendments to HKAS 7 “Disclosure Initiative”

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

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in note 34. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 34, the application of these amendments has had no impact on the Group’s 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)

於本年度強制生效之經修訂香港財務報告準則 (續)

香港會計準則第7號(修訂本)「披露計劃」

本集團於本年度首次應用該等修訂本。修訂本規定實體提供披露資料，以便財務報表使用者可評估融資活動產生的負債變動，包括現金及非現金變動。此外，修訂本亦規定，倘金融資產的現金流或未來現金流已經或將計入融資活動的現金流，則須就該等金融資產變動作出披露。

具體而言，修訂本規定須披露以下各項：(i) 融資現金流變動；(ii) 因獲得或失去附屬公司或其他業務控制權的變動；(iii) 外幣匯率變動的影響；(iv) 公平價值變動；及(v) 其他變動。

此等項目的期初與期末結餘對賬載於附註34。為符合修訂本的過渡條文，本集團並無披露上一年度的比較資料。除附註34所作額外披露外，應用該等修訂本對本集團綜合財務報表並無影響。

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

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ²
HKFRS 16	Leases ³
HKFRS 17	Insurance contracts ⁵
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ²
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ³
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ²
Amendments to HKFRS 4	Applying HKFRS 9 "Financial Instruments" with HKFRS 4 "Insurance contracts" ²
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 28	Long-term interests in associates and joint ventures ³
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle ²
Amendments to HKAS 40	Transfers of Investment Property ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle ³

¹ The Group has early applied HKFRS 9 issued in November 2009 and revised in October 2010 regarding classification and measurement of financial assets and disclosure requirements. The Group has not yet early applied a revised version of HKFRS 9 issued in September 2014 which deals with classification and measurement, general hedge accounting and impairment which is mandatorily effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2018.

³ Effective for annual periods beginning on or after 1 January 2019.

⁴ Effective for annual periods beginning on or after a date to be determined.

⁵ Effective for annual periods beginning on or after 1 January 2021.

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)

已頒佈但未生效之新訂及經修訂之香港財務報告準則

本集團並無提早採用以下已頒佈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9號	金融工具 ¹
香港財務報告準則第15號	來自客戶合約之收益及相關修訂 ²
香港財務報告準則第16號	租賃 ³
香港財務報告準則第17號	保險合約 ⁵
香港(國際財務報告詮釋委員會)一詮釋第22號	外幣交易及預付代價 ²
香港(國際財務報告詮釋委員會)一詮釋第23號	所得稅處理的不確定性 ³
香港財務報告準則第2號(修訂本)	以股份付款交易之分類及計量 ²
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合同 ²
香港財務報告準則第9號(修訂本)	具有負補償的提前還款特徵 ³
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合資企業之間的出售或注入資產 ⁴
香港會計準則第28號(修訂本)	在聯營公司和合資企業的長期權益 ³
香港會計準則第28號(修訂本)	作為部分香港財務報告準則年度改善(2014年至2016年週期) ²
香港會計準則第40號(修訂本)	投資物業轉讓 ²
香港財務報告準則(修訂本)	作為部分香港財務報告準則年度改善(2015年至2017年週期) ³

¹ 本集團已提早應用於二零零九年十一月頒佈及於二零一零年十月修訂之香港財務報告準則第9號中對金融資產之分類、計量及披露要求。然而，本集團並未提早應用於二零一四年九月頒佈香港財務報告準則第9號(修訂版)中對分類及計量、一般對沖會計法和減值的處理，其於二零一八年一月一日或之後開始之年度有效，允許提早採納。

² 對二零一八年一月一日或之後開始的年度有效。

³ 對二零一九年一月一日或之後開始之年度有效。

⁴ 對年度報告開始或以後的生效日期尚待確定。

⁵ 對二零二一年一月一日或之後開始之年度有效。

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

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

Except for the new and amendments to HKFRSs and Interpretations mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs and Interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 9 “Financial Instruments”

HKFRS 9 was amended in 2013 to include the new requirements for general hedge accounting. A revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (“FVTOCI”) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 which are relevant to the Group are described below:

- Certain financial assets held within a business model whose objective is achieved both collecting contractual cash flows and selling financial assets should be measured at FVTOCI (unless designated at fair value through profit and loss (“FVTPL”) to eliminate or significantly reduce a measurement mismatch). This applies to assets passing the contractual cash flow characteristics assessment (which is the same test used to determine whether financial assets are measured at amortised cost). Interest revenue, foreign exchange gains and losses and impairment gains and losses shall be recognised in profit or loss with all other gains or losses (i.e. the difference between those items and the total change in fair value) being recognised in other comprehensive income. Any cumulative gain or loss recorded in other comprehensive income would be reclassified to profit and loss on derecognition, or potentially earlier if the asset is reclassified because of a change in business model. Interest income and impairment gains and losses would be recognised and measured in the same manner as for assets measured at amortised cost such that the amounts in other comprehensive income represents the difference between the amortised cost value and fair value. These results in the same information in profit or loss as if the asset was measured at amortised cost, yet the consolidated statement of financial position would reflect the instrument’s fair value.

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)

已頒佈但未生效之新訂及經修訂之香港財務報告準則(續)

除下文所述新訂及修訂香港財務報告準則及詮釋外，本公司董事預期於可見將來，在應用所有其他新訂及經修訂之香港財務報告準則及詮釋將對綜合財務報表並無重大影響。

香港財務報告準則第9號「金融工具」

於二零一三年修訂之香港財務報告準則第9號，包括一般對沖會計處理法的新規定。於二零一四年頒佈香港財務報告準則第9號的經修訂版本主要加入(a)財務資產的減值規定及(b)藉為若干簡單債務工具引入透過「按公平值計入其他全面收益」(「按公平值計入其他全面收益」)計量類別，對分類及計量規定作出有限修訂。

香港財務報告準則第9號與本集團有關的主要規定如下所述：

- 一個商業模式內所持有的若干財務資產目的為同時收取合約現金及出售財務資產的，應按公平值計入其他全面收益表內(除非指定以公平值計入損益(「以公平值計入損益」)以消除或減少顯著的計量不匹配)。這適用於資產通過合同現金流量特徵評估(相等用於確定金融資產是否以按攤銷成本計量的測試)。利息收入、匯兌收益和損失及減值損益應確認於損益與其他所有收益或損失(即那些項目和公平值變動總額之間的差額)確認被計入其他全面收益表。任何計入其他面收益表內累計的收益或損失於終止確認時將重新分類至損益，或可能因為商業模式的改變，更早重新分類該資產。利息收入和減值損益將以同樣的方式以攤銷成本確認及計量，以使得在其他綜合收益的金額代表著攤銷成本價值與公平值之間的差額。這導致如果該資產按攤銷成本計量，損益將呈列相同資料；而綜合財務狀況表將反映工具的公平值。

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

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

HKFRS 9 "Financial Instruments" (continued)

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

Based on the Group's financial instruments and risk management policies as at 31 December 2017, application of the revised version of HKFRS 9 issued in September 2014 in the future may have an impact on the impairment of the Group's financial assets. The directors of the Company anticipate the following potential impact on initial application of HKFRS 9:

Impairment

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

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

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)

已頒佈但未生效之新訂及經修訂之香港財務報告準則(續)

香港財務報告準則第9號「金融工具」(續)

- 就財務資產的減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式需要實體於每結算日將預期信貸虧損及該等信貸虧損的預期變動入賬，以反映自開始確認以來信貸風險的變動。換言之，毋須再待發生信貸事件前即可確認信貸虧損。

根據本集團於二零一七年十二月三十一日之金融工具及風險管理政策，將來應用於二零一四年九月頒佈之香港財務報告準則第9號的修訂本，可能對本集團的金融資產之減值產生影響。本公司董事預計在首次應用財務報告準則第9號時，有以下潛在影響：

減值

一般而言，本公司董事預期應用香港財務報告準則第9號的預期信貸虧損模式將導致較早就本集團應用香港財務報告準則第9號須作出減值撥備之本集團按攤銷成本計量的金融資產而尚未產生的信貸損失作撥備。

根據本公司董事的評估，倘本集團採用預期信用損失模式，於二零一八年一月一日將予確認的累計減值虧損將較根據香港會計準則第39號確認的累計金額輕微上升，主要就應收賬款的預期信貸虧損撥備。在預期信用損失模型下確認的進一步減值將導致在二零一八年一月一日的期初保留溢利減少並增加遞延所得稅資產。

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

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

HKFRS 15 "Revenue from contracts with customers"

HKFRS 15 has been issued and it establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The Group has a customer loyalty scheme that rewards a customer with reward credit. The expected impacts arising from the adoption of HKFRS 15 on the Group is the Group should account for reward credit of the customer loyalty scheme as a separate performance obligation of the sales transaction in which they are granted. The Group estimates the fair value of the reward credit, allocate the transaction price to the sales by reference to the goods expected to be provided. The Group has assessed on this expected impact and anticipate that the standard will not have material impact, when applied, on the consolidated financial statements of the Group.

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)

已頒佈但未生效之新訂及經修訂之香港財務報告準則(續)

香港財務報告準則第15號「來自客戶合約之收益」

香港財務報告準則第15號制定一項單一全面模式供實體用作將自客戶合約所產生的收益入賬。於香港財務報告準則第15號生效後，其將取代現時載於香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋的收益確認指引。

香港財務報告準則第15號的核心原則為實體所確認描述向客戶轉讓承諾貨品或服務的收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則引入確認收益的五個步驟：

- 第一步： 識別與客戶訂立的合約
- 第二步： 識別合約中的履約責任
- 第三步： 釐定交易價
- 第四步： 將交易價分配至合約中的履約責任
- 第五步： 於實體完成履約責任時(或就此) 確認收益

根據香港財務報告準則第15號，實體於完成履約責任時(或就此)確認收益，即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時。香港財務報告準則第15號已就特定情況的處理方法加入更明確的指引。此外，香港財務報告準則第15號要求更詳盡的披露。

二零一六年，香港會計師公會頒佈對香港財務報告準則第15號的澄清，內容有關識別履約責任、委託人對代理人的考慮因素及許可授權的應用指引。

本集團設有顧客忠誠計劃，給予顧客獎賞積分。採納香港財務報告準則第15號對本集團產生的預期影響為本集團須將顧客忠誠計劃的獎賞積分入賬列作獲授獎賞積分的銷售交易的獨立履約責任。經參考預期將提供的貨品，本集團估計獎賞積分的公平價值，並分配交易價至銷售。本集團已評估此項預期影響，並預計應用該準則時將不會對本集團綜合財務報表構成重大影響。

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

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

HKFRS 15 "Revenue from contracts with customers" (continued)

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

HKFRS 16 "Leases"

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

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

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

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

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)

已頒佈但未生效之新訂及經修訂之香港財務報告準則(續)

香港財務報告準則第15號「來自客戶合約之收益」(續)

本公司董事預計就應用香港財務報告準則第15號在將來會導致更多披露，然而，本公司董事不預期就應用香港財務報告準則第15號，會對相應報告期間所確認之收入時間及金額產生重大影響。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制，來區分租賃及服務合約。除短期租賃及低值資產租賃外，就承租人會計處理中移除就經營租賃及融資租賃的區別，並須就承租人的所有租賃確認使用權資產及相應負債的模式所替代。

使用權資產初步按成本計量，並隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債任何重新計量而作出調整。租賃負債最初是以該日未支付的租賃款項現值作計量。隨後，租賃負債就(其中包括)利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前就自用租賃土地及該等分類為投資物業呈列預付租賃款項為投資現金流量，而其他經營租賃款項則以經營現金流量呈列。於應用香港財務報告準則第16號，有關租賃負債的租賃款項將分配為本金及利息部份，本集團將以融資現金流量呈列。

根據香港會計準則第17號，本集團已確認租賃土地(本集團為承租人)的預付租賃款項。取決於本集團是否單獨呈列使用權資產，或在呈列相應相關資產(若有關資產由集團擁有)的同一項目呈列，應用香港財務報告準則第16號可能導致該等資產在分類上產生潛在變動。

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

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

HKFRS 16 “Leases” (continued)

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

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of HK\$435,021,000 as disclosed in note 30. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$24,911,000 and refundable rental deposits received of HK\$16,632,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, these deposits are not payments relating to the right to use the underlying assets. Accordingly, the carrying amounts of these deposits may be adjusted to amortised cost and the adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

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

3. Significant Accounting Policies

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

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies 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」)(續)

已頒佈但未生效之新訂及經修訂之香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

與承租人會計處理方法相反，香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計規定，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號亦要求較詳盡的披露。

誠如附註30所披露，於二零一七年十二月三十一日，本集團有不可撤銷經營租約承擔435,021,000港元。初步評估顯示此等安排將符合租賃定義。應用香港財務報告準則第16號後，本集團將就所有此等租賃確認使用權資產及相應負債，除非其符合低值或短期租賃資格則另作別論。

此外，本集團目前認為已付可退還租賃按金24,911,000港元及已收可退還租賃按金16,632,000港元視為香港會計準則第17號適用的租賃項下權利及責任。根據香港財務報告準則第16號租賃付款的定義，該等按金並非與使用相關資產的權利有關的付款，因此，該等按金賬面值可能調整至攤銷成本，而有關調整被視為額外租賃付款。對已付可退還租賃按金的調整將計入使用權資產的賬面值。對已收可退還租賃按金的調整將被視為預付租賃付款。

另外，應用新規定或會導致上文所述計量、呈列及披露出現變動。

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及香港公司條例(「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各報告期末按公平值計算。

3. Significant Accounting Policies (continued)

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 "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, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transferred at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

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

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

3. 主要會計政策(續)

歷史成本一般指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號股份付款中的股份付款、香港會計準則第17號「租賃」中的租賃交易和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「存貨」中的可變現淨值或香港會計準則第36號「資產減值」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。

非金融資產的公平值計量考慮到市場參與者通過以資產的最大和最佳用途使用，或者通過將資產出售給另一名市場參與者，將以其最大和最佳使用來產生經濟利益的能力。

對於以公平值轉讓的金融工具和投資物業，在以後期間採用不可觀察輸入數據來計量公平值的估值方法，則會對估值方法進行校準，以使估值方法的結果等於交易價格。

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：

- 第一級輸入數據乃實體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。

3. Significant Accounting Policies (continued)

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies 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.

3. 主要會計政策(續)

主要會計政策如下。

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報表。控制得到實現是當本公司：

- 對被投資方有控制權；
- 對其因參與被投資方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，則本集團會重估是否仍然控制被投資方。

本集團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集團獲得控制權日期綜計入綜合損益及其他全面收益表，直至本集團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對銷。

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

Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. 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 attributable to the owners of the Company. 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 HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Distribution of non-cash assets to owners

Upon loss of control of a subsidiary through distribution of shares in the subsidiary to the shareholders of the Company where the subsidiary is ultimately controlled by the same parties both before and after the distribution, the Group (a) derecognises the assets and liabilities of the subsidiary at their carrying amounts at the date when control is lost; and (b) measures the distribution and the liability to distribute non-cash assets as a dividend to its owners at the carrying amount of the net assets to be distributed.

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

當本集團失去對一家附屬公司的控制權，該附屬公司的資產及負債及非控股權益(如有)將被終止確認。收益或虧損並計入損益中，並以：(i)已收代價公平值之總和及任何保留權益公平值；及(ii)本公司擁有人應佔的附屬公司資產(包括商譽)及負債原本賬面值之差額計算。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(即採用適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會計準則第39號入賬之初步確認公平值，或當適用，為最初確認投資於聯營公司或合資企業的成本。

向擁有人分派非現金資產

因向本公司股東分派附屬公司股份而對附屬公司失去控制權時(附屬公司於分派前後均由相同人士最終控制)，本集團(a)於失去控制權當日按附屬公司之資產及負債的賬面值剔除確認該等資產及負債；及(b)計量分派及按所分派資產淨值之賬面值向其擁有人分派非現金資產作為股息之負債。

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。

一間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。

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

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in the ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceed 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.

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，於一間聯營公司及一間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。除損益及其他全面收益，聯營公司／合資企業之淨資產變動不會入賬（惟該等變動導致本集團持有的擁有權權益出現變動除外）。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，由該被投資方成為一間聯營公司或一間合資企業開始。在收購一間聯營公司或一間合資企業時，任何收購成本超出本集團應佔被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間聯營公司或一間合資企業之投資確認任何減值。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。任何已確認之減值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。

3. Significant Accounting Policies (continued)

Investments in associates and joint ventures (continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, 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.

Investments in subsidiaries

Investments in subsidiaries presented in the statement of financial position of the Company included in note 39 are stated at cost less any identified impairment loss.

Revenue recognition

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

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

Revenue from sales of goods is recognised when goods are delivered and title have passed.

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 relevant shops are required to pay the minimum guarantee amount and hence the minimum guarantee amount is recognised as income at that time.

3. 主要會計政策(續)

於聯營公司及合資企業之投資(續)

倘本集團失去聯營公司的重大影響力，或合資企業的共同控制，則於損益確認收益或虧損並計為出售被投資方的全部權益。此外，本集團按相同基準，將先前於其他全面收益確認的與聯營公司或合資企業的相關款額入賬，猶如該聯營公司或合資企業之相關資產或負債入賬已被直接出售。因此，倘該聯營公司或合資企業先前於其他全面收益確認收益或虧損，則會於出售相關資產或負債時重新分類至損益，而當出售／部分出售有關聯營公司或合資企業時，本集團會將收益或虧損轉撥至損益(作為重新分類調整)。

倘本集團旗下實體與本集團之一間聯營公司或一間合資企業進行交易，則以本集團在聯營公司或合資企業之與本集團無關權益為限於綜合財務報表中確認損益。

於附屬公司之投資

於附屬公司之投資按成本減任何已確定減值虧損於本公司之財務狀況表呈列及包括在附註39。

收益確認

收益按已收或應收代價之公平值計算。收益因估計顧客退貨、回扣和其他類似補貼而減少。

當收益的金額能夠可靠計量時；如果未來經濟利益很可能流入本集團，並且在本集團各項活動已符合指定下文所述的標準時，則確認收益。

收益來自貨品銷售於貨品售出及擁有權轉移時確認。

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，有關店舖須要支付最低保證金額，該最低保證金額於該時候確認為收入。

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

Sales of goods that result in award credits for customers, under the Group's customer loyalty scheme, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to the fair value of the awards for which they could be redeemed. This consideration is not recognised as revenue at the time of the initial sale transaction but is deferred and recognised as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

Service income is recognised when services are provided.

Dividend income from investment is recognised when the rights to receive payment have been established.

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

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

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.

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. Amortisation of prepaid lease payments provided during the construction period is included as part of costs of properties under construction. 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.

3. 主要會計政策(續) 收益確認(續)

根據本集團的顧客忠誠計劃，導致給予顧客獎賞積分之貨品銷售乃列作多元素收益交易，而已收或應收代價之公平值乃於供應貨品及所授出之獎賞積分之間分配。分配至獎賞積分之代價乃參考可換取產品之獎賞積分之公平值計算。有關代價於初次銷售交易時不會確認為收益，惟將會遞延，並於獎賞積分被換領，而本集團已履行其責任時確認為收益。

服務收入於提供服務時確認。

投資所得股息收入乃於股東收取款項之權利確立時確認。

利息收入乃按應計的時間基準，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。

本集團確認經營租賃收入的會計政策已在下列租賃會計政策中說明。

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)。

在建工程以供生產、供應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。在建期間的預付租賃付款攤銷已包括在發展中物業的成本一部分。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。

3. Significant Accounting Policies (continued) Property, plant and equipment (continued)

Depreciation is recognised so as to write off the cost of assets (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.

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant prepaid lease payments) at the date of transfer is recognised in other comprehensive income and accumulated in asset revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

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.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes).

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.

3. 主要會計政策(續)

物業、廠房及設備(續)

折舊乃按資產成本(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前瞻性基準列賬。

若一項物業、廠房及設備因為其使用已改變,並已證明不再自用,該物業將成為投資物業,該物業之賬面值與公平值之差額(包括相關預付租賃付款),於轉撥日在其他全面收益內確認及於資產重估儲備積累。在資產其後出售或報廢時,相關之重估儲備將被直接轉移到保留溢利。

物業、廠房及設備項目於出售時或預期待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。

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(包括作該用途之在建建築中的物業)。

投資物業初步按成本計算,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。

在建投資物業產生的工程成本已資本化,作為在建投資物業賬面值的一部分。

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。

3. Significant Accounting Policies (continued) 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. Other than investment properties measured under fair value model, such costs are recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

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

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

3. 主要會計政策(續) 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，加以租賃資產之賬面值。除按公平值計量之投資物業外，其成本則按租賃年期以直線法確認作開支。

本集團作為承租人

經營租賃款項(包括以經營租賃購入之土地)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

當本集團就一項包含土地及樓宇兩元素之物業權益付款時，本集團會將按每個元素附帶的絕大部份風險和回報是否已轉移到本集團基礎以評估，並將其分類為融資或經營租賃。除非很明顯地該兩個元素均是經營租賃，在這種情況下，整項物業則列作為經營租賃。具體來說，整項代價(包括一次性預付款)於初步確認時將按相關的公平值，按比例分配到土地及樓宇。

倘在一定程度上租賃費能可靠地作分配，租賃土地權益可以「預付租賃款項」形式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，惟在公平值模式下分類和列賬為投資物業除外。當租賃費無法可靠地分配在土地及樓宇元素時，整項物業一般將視該租賃土地為融資租賃作歸類。

3. Significant Accounting Policies (continued) 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 recognised 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 Group's interest in associates/joint ventures. 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 rates prevailing at the end of each 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.

On the disposal of a foreign operation (that is 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), 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.

3. 主要會計政策(續) 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。

匯兌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，並會當出售聯營公司／合資企業權益時從權益重新分類至損益。換算以公平值入賬的非貨幣性項目所產生的匯兌差額於期內損益列賬，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)。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。

出售海外業務(即出售本集團於海外業務的全部權益，或出售涉及喪失對包括海外業務的附屬公司的控制權)後，就本公司擁有人應佔該業務的於權益內累積的所有匯兌差額重新分類至損益。

3. Significant Accounting Policies (continued) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' 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 bases 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 deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, 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 are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable 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 rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3. 主要會計政策(續) 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。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資產和負債所引起，則不會確認該等遞延資產和負債。

遞延稅項負債乃就於附屬公司之投資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。

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

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.

For the purposes of measuring deferred taxes 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.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Impairment losses on tangible assets

At the end of each 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 relevant asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an asset individually, 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.

The 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策(續) 稅項(續)

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。

在計算遞延稅項資產時，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。

即期及遞延稅項於損益確認，惟當其與於其他全面收入或直接於權益確認之項目有關時，則亦分別於其他全面收入或直接於權益確認。

有形資產減值虧損

於呈報期結算日，本集團審閱其有限期有形資產之賬面值，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，以確定減值虧損(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(或現金產生單位)特定風險的評估。

3. Significant Accounting Policies (continued) Impairment losses on tangible assets (continued)

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

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

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 FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

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.

3. 主要會計政策(續) 有形資產減值虧損(續)

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。在分配減值損失時,減值虧損乃根據該單位各項資產的賬面值按比例分配以減少資產的賬面值。資產的賬面值不會被減值至低於其公平價值減去處置費用(如可計量),其使用價值(如可確定)和零價值之最高價值。原本已分配予該資產的減值損失金額按比例分配給該單位的其他資產。減值虧損即時於損益確認。

倘減值虧損其後撥回,則資產(或現金產生單位)賬面值須增至其重新估計之可回收金額,惟增加後之賬面值不得超過假設該項資產(或現金產生單位)於過往年度未有確認減值虧損而釐定的賬面值。減值虧損撥回即時於損益中確認。

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量。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。

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指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。

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

Financial assets (continued)

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

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

Financial assets at FVTPL

Investments in equity instruments are classified as FVTPL, unless the Group designates an investment that is not held for trading as at 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(續)

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計量(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。

實際利率法

實際利率法是一種計算有關期間內債務工具之攤銷成本及分配利息收入的方法。實際利率指將債務工具在預計年期或較短期間(倘適用)之估計未來現金收入(包括構成實際利率的所有已付或已收費用和點數、交易成本及其他溢價或折讓)準確貼現至初步確認時賬面淨值之利率。

按實際利率基礎確認隨後按攤銷成本計量之債務工具之利息收入。利息收入確認為損益並列入「利息及投資收入」的項目。

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。本集團並無指定按公平值計入其他全面收入之非上市股本證券投資。

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，但被指定為以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按不同的基礎計量資產或負債或確認其收益和損失而產生計量或確認不一致。

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

Financial assets (continued)

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

For 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.

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益報表中的「利息及投資收入」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

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；

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，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。

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 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

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

Equity instruments

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

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

Effective interest method

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

Interest expense is recognised on an effective interest basis.

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債務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

股本工具為體現個體資產經扣除所有負債後餘下權益之任何合約。由本公司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於損益中確認任何收益或虧損。

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及分配利息支出的方法。實際利率指將金融負債在預計年期或較短期間(倘適用)之估計未來現金付款(包括構成實際利率的所有已付或已收費用和點數、交易成本及其他溢價或折讓)準確貼現至初步確認時賬面淨值之利率。

利息開支按實際利率法確認。

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

Financial liabilities and equity instruments (continued)

Financial liabilities at amortised cost

Financial liabilities including bank borrowings, bonds and trade and other payables 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 have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Inventories

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

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.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

按攤銷成本計量之金融負債

金融負債包括銀行借貸、債券、應付賬款及其他應付款項，其後採用實際利率法按已攤銷成本計量。

衍生金融工具

衍生工具初始於衍生工具合同訂立之日按公平價值確認，其後在報告期末重新計量其公平價值。所產生的收益或虧損立即確認至損益。

剔除確認

當只有資產現金流量的合同權利屆滿，或轉移金融資產及幾乎所有該資產的風險和回報所有權給另一個實體時，本集團才剔除確認金融資產。

於剔除確認一項金融資產時，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本集團之責任遭免除、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。

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完成及銷貨所需成本。

借貸成本

因收購、建設或生產合資格資產(即需相當長時間準備方可作擬定用途或出售的資產)而直接產生的借貸成本計入該等資產的成本，直至該等資產實質可作擬定用途或出售為止。特定借貸撥作合資格資產的支出前暫時投資所賺取的投資收入自合資格資本化的借貸成本扣除。

所有其他借貸成本均於產生期間在損益確認。

3. Significant Accounting Policies (continued)

Short-term employee benefits

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

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

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.

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 are the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purpose 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 for the deferred taxation relating to investment properties in Kai Tak and Hong Kong Island, the presumption that the value of these properties is capable of being recovered entirely through sale, is rebutted because the business model applicable to them is to consume substantially all the economic benefits embodied in them over time rather than through sale. Accordingly, deferred tax relating to investment properties in Kai Tak and Hong Kong Island is determined on the basis of recovery through use. The Group recognised deferred tax liabilities of HK\$185,744,000 (2016: HK\$46,661,000) on changes in fair value of the investment properties situated in Hong Kong.

3. 主要會計政策(續)

短期僱員福利

短期僱員福利在僱員提供服務時以預計須支付的未折現福利金額確認。所有短期僱員福利確認為費用，除非另一項香港財務報告準則要求或允許將該利益納入資產成本。

在扣除已經支付的任何金額後，對僱員應得的福利(如工資、薪金和年假)確認為負債。

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。

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，則於有關修訂當前期間及未來期間確認。

在應用會計政策時的重大判斷

除其他部分牽涉以估值計算(見下文)，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

就計量採用公平價值模式計量的投資物業所產生遞延稅項負債而言，本公司董事已檢視本集團的投資物業組合，並斷定就與啟德及港島區投資物業有關的遞延稅項而言，有關此等物業價值可從出售中全部收回的假定被推翻，原因為就此適用的商業模式是透過使用其中包含的所有經濟利益，而不是通過出售。因此，與啟德及港島區投資物業有關的遞延稅項乃按透過使用收回的基準釐定。本集團已就位於香港的投資物業公平價值變動確認遞延稅項負債185,744,000港元(二零一六年：46,661,000港元)。

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued) Critical judgements in applying accounting policies (continued)

Deferred taxation on investment properties (continued)

The Group did not recognise deferred tax liabilities (2016: HK\$147,461,000) on changes in fair value of the investment properties situated in the PRC as those properties were subject to land appreciation taxes ("LAT") and enterprise income taxes upon disposal as appropriate. The deferred tax liabilities in respect of land appreciation taxes in the PRC were determined based on valuations of the investment properties performed by independent professional valuers and on the assumption that the values were the actual proceeds to be received from the sale of these properties. No deferred tax has been recognised on changes in fair value of investment properties situated in Kowloon as it is not expected to have tax consequence upon disposal of these properties.

Financial assets at fair value through profit or loss

The Group has a portfolio of investments in which the directors of the Company confirm that the business model of holding these investments is not just to collect the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Accordingly, they are classified as financial assets at fair value through profit or loss in accordance with HKFRS 9 issued in November 2009 and revised in October 2010. At 31 December 2017, the Group's financial assets are measured at fair value through profit or loss which are approximately HK\$3,349,047,000 (2016: HK\$2,440,605,000).

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 may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of completed investment properties and the investment property under development

As described in note 16, the fair value of the Group's completed investment properties amounting to HK\$322,000,000 at 31 December 2017 (2016: HK\$932,416,000) has been arrived at based on a valuation carried out at that date by Cushman & Wakefield Limited (formerly known as DTZ Cushman & Wakefield Limited) ("C&W"), an independent professional valuer. The fair value is arrived at based on direct comparison method assuming sales of each of the properties in its existing state and by making reference to comparable sales evidence of similar nature properties available in the relevant market and adjusted by level adjustment. By 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.

4. 重大會計判斷和主要不確定估計來源 (續)

在應用會計政策時的重大判斷(續)

投資物業的遞延稅項(續)

本集團並無就位於中國的投資物業公平價值變動確認遞延稅項負債(二零一六年: 147,461,000港元), 原因為該等物業須於出售時按適用情況繳納土地增值稅(「土地增值稅」)及企業所得稅。與中國土地增值稅有關的遞延稅項負債乃根據獨立專業估值師對投資物業所作估值釐定, 並假設價值為將從銷售該等物業收取的實際所得款項。概無就位於九龍的投資物業公平價值變動確認遞延稅項, 原因為預期出售該等物業將不會有稅務後果。

以公平值計入損益之金融資產

本集團擁有的投資組合被本公司的董事確認持有這些投資的商業模式並只是以收取合同的流動現金(即全為按未償還本金額而支付本金和利息)。因此, 按照香港財務報告準則第9號(於二零零九年十一月頒佈, 並於二零一零年十月修訂), 該投資組合被分類為以公平值計入損益之金融資產。於二零一七年十二月三十一日, 本集團以公平值計入損益之金融資產的賬面金額為3,349,047,000港元(二零一六年: 2,440,605,000港元)。

主要不確定估計來源

以下為於報告期末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。

已完成投資物業及在建投資物業的估值

誠如附註16所述, 本集團已完成的投資物業之公平值由獨立專業估值師戴德梁行有限公司(「戴德梁行」)在二零一七年十二月三十一日進行估值, 為322,000,000港元(二零一六年: 932,416,000港元)。公平值乃根據直接比較法釐定, 假設各物業於其現有狀態下出售及參考相關市場中相似質素物業可比銷售交易以及樓層調整因素。憑藉獨立專業估值師的估值報告, 管理層已作出判斷並確信估值方法反映各報告期末的現行市況。本集團投資物業的公平值將會受市況的任何變動影響。

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued) Key sources of estimation uncertainty (continued)

Investment properties

The fair value of the Group's investment property under development amounting to HK\$4,620,000,000 at 31 December 2017 was arrived at based on a valuation using residual method carried out on that date by C&W and was determined based on recent comparable sales transactions in the relevant property market (on the assumption that the property had already been completed at the valuation date). It also takes into account the construction cost already incurred as well as the estimated cost to be incurred to complete the project plus the developer's estimated profit and margin for risk.

The fair value of the Group's investment property under development amounting to HK\$3,696,468,000 at 31 December 2016 was determined by the directors of the Company with reference to the transaction price of the investment properties concerned, where the transaction was completed near to the year end of 2016.

The basis of valuation is disclosed in note 16. Changes to these assumptions and inputs would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the profit or loss.

Fair value measurements and valuation processes

Some of the Group's assets 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.

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 designated team works closely with the qualified external valuers to establish and determine the appropriate valuation techniques, verifies all major inputs to the independent valuation and assesses property valuation movements when compared to the prior year valuation for Level 2 and Level 3 fair value measurements. The Group will first consider and adopt Level 2 inputs where inputs can be derived from 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 16.

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)

投資物業

於二零一七年十二月三十一日，本集團之在建投資物業的公平值為4,620,000,000港元，乃根據戴德梁行於該日以剩餘法進行估值而釐定，並根據相關物業市場的近期可比銷售交易(假設該物業已在估值日期完成)。其已考慮到已產生的建設成本以及完成該項目估計仍所需的成本，再加上開發商的估算利潤和風險。

於二零一六年十二月三十一日，本集團之發展中投資物業的公平價值為3,696,468,000港元乃由本公司董事釐定，並參考有關投資物業之於接近二零一六年年末之交易價格。

估值基準於附註16披露。該等假設及輸入數據的變動將導致本集團投資物業的公平值變動及相應調整於損益中呈報的收益或虧損。

公平值計量及估值程序

本集團部分資產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，以確定適當的估值方法和參數去計量公平值。

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，專責團隊與合資格外界估值師密切合作，建立及確認適當估值方法、校驗獨立估值中所有主要參數，和評估與上年度估值相比之物業估值變動的情況，以確定第2級及第3級公平值計量。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級參數的估值方法。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方法及參數的資料於附註16披露。

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 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 or quoted market prices provided by brokers at the end of each reporting period.

Note 33 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 at FVTPL.

5. Turnover

Turnover represents the amount received and receivable for goods sold by the Group to outside customers (net of discounts), income from concessionaire sales, service income and rental income during the year, and is analysed as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (重列)
Continuing operation	持續經營業務		
Sales of goods — direct sales	貨品銷售 — 直接銷售	2,885,665	2,805,895
Income from concessionaire sales	特許專櫃銷售收入	1,900,837	1,757,926
Service income	服務收入	63,113	62,070
Rental income	租金收入	48,990	46,080
		4,898,605	4,671,971

The Group has no customers that contributed over 10% of the total revenue of the Group for both years.

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或經紀提供的市場報價評估金融工具的價值。

附註33提供有關釐定本集團按公平值計量之金融資產之公平價值時所採用之估值方法，參數及主要假設的詳細資料。

5. 營業額

營業額指本集團年內就向外界客戶出售貨品的已收及應收款項減折扣、來自特許專櫃銷售之收益、服務收入以及租金收入，茲分析如下：

於今年及去年，本集團並無客戶貢獻超過本集團收益之10%。

6. Segment Information

Following the disposal of Lifestyle Properties Group, during the year ended 31 December 2017, the internal organisation structure and reporting has been changed such discontinued operation attributable to Lifestyle Properties Group is no longer separately assessed or reviewed. Instead, the information reviewed by the chief operating decision makers (“CODM”) as at the end of the reporting period analyses only performance of the continuing operation.

The Group’s operating activities are attributable to a single operating segment under HKFRS 8 “Operating segments” which focuses on the operation of department stores and property development and investment in Hong Kong. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies that conform to HKFRSs as disclosed in note 2, that are regularly reviewed by the CODM (i.e. the executive directors of the Company). The CODM regularly reviews revenue analysis and profit for the year of the Group as a whole to make decisions about resource allocation. Other than these, no operating results and other discrete financial information is available for the assessment of performance. Accordingly, no separate segment information other than entity level information is prepared. Comparative figures have been restated to reflect the disposal of the Lifestyle Properties Group during the current year because the discontinued operation was no longer separately assessed or reviewed.

The Group’s operations are located in Hong Kong. The Group’s non-current assets are all based in Hong Kong.

7. Other Income, Gains and Losses

	持續經營業務
Management fee income	管理費收入
Project income	項目收入
Net exchange loss	淨匯兌虧損
Others (note)	其他 (附註)

Note:

Others mainly represent bank credit card recharge and commission income.

6. 分部資料

在截至二零一七年十二月三十一日止年度出售利福地產集團後，內部組織結構及報告方式已更改，因此有關利福地產集團之非持續經營業務不再單獨進行評估或審閱。相反，主要經營決策者（「主要經營決策者」）於期末只審閱有關持續經營業務之資料以分析其表現。

本集團的經營業務專注在香港經營百貨店、物業發展及投資，根據香港財務報告準則第8號「經營分部」界定為單一經營分部。該經營分部乃基於遵循香港財務報告準則（如附註2所露）的會計政策而編制之內部管理報告予以識別，由主要經營決策者（即本公司執行董事）定期審閱。主要經營決策者定期審閱本集團整體在本年度的收益分析及溢利，以作出資源分配決策。除此之外，概無經營業績及其他單獨財務資料可作表現評估。因此，並無編制實體資料以外的個別分部資料。由於非持續經營業務將不再被獨立評估或審閱，在今個年度出售利福地產集團後，比較數字亦已相應重列。

本集團的業務位於香港。所有本集團的非流動資產是基於香港。

7. 其他收入，收益及虧損

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (重列)
Continuing operation		
Management fee income	58,129	56,057
Project income	2,324	6,644
Net exchange loss	(45,022)	(10,574)
Others (note)	39,025	46,373
	54,456	98,500

附註：

其他主要代表銀行信用卡費用回扣及佣金收入。

8. Interest and investment Income

8. 利息及投資收入

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (重列)
Continuing operation	持續經營業務		
Interest income on bank deposits	銀行存款之利息收入	65,995	55,191
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	48,728	57,762
Interest income from financial assets at FVTPL	按公平值計入損益之金融資產的 利息收入	1,012	76,842
Change in fair value of financial instruments:	金融工具公平值變動：		
— financial assets at FVTPL other than derivative financial instruments	— 衍生金融工具以外按公平值 計入損益之金融資產	593,097	108,360
— derivative financial instruments	— 衍生金融工具	26,231	(7,553)
Other interest income	其他利息收入	-	77,356
		735,063	367,958

9. Finance Costs

9. 融資成本

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (重列)
Continuing operation	持續經營業務		
Interest on:	以下項目之利息：		
Bank borrowings	銀行借貸	159,677	60,616
Bonds	債券	225,079	415,143
		384,756	475,759
Less: Amounts capitalised in construction in progress and investment property under development	減：在建工程及在建投資物業 之資本化金額	(155,802)	(4,737)
		228,954	471,022

Borrowing costs capitalised are interest expenses incurred specifically for financing the development of qualifying assets.

已資本化之融資成本主要為就發展中的合資格資產之融資所產生的利息支出。

10. Taxation

10. 稅項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (重列)
Continuing operation	持續經營業務		
Hong Kong Profits Tax:	香港利得稅：		
Current Tax	本期稅項	376,553	326,354
Overprovision in prior years	過往年度過多撥備	(281)	(338)
		376,272	326,016
Deferred tax charge (note 26)	遞延稅項支出 (附註 26)	160,562	11,680
		536,834	337,696

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。

The tax charge for the year can be reconciled to the profit before taxation in the consolidated statement of profit or loss and other comprehensive income as follows:

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：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (重列)
Profit before taxation (from continuing operating)	除稅前溢利 (來自持續經營業務)	3,411,474	1,938,603
Tax at Hong Kong Profits Tax rate	按香港利得稅率計算之稅項	562,893	319,869
Tax effect of income not taxable for tax purposes	毋須課稅收入之稅項影響	(70,672)	(63,036)
Tax effect of expense not deductible for tax purposes	不可扣稅開支之稅項影響	43,942	80,502
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	(228)	(209)
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	1,144	13
Overprovision in prior years	過往年度過多撥備	(281)	(338)
Others	其他	36	895
Tax charge for the year (from continuing operation)	本年度稅項支出 (來自持續經營業務)	536,834	337,696

11. Profit for the Year from Continuing Operation 11. 本年度來自持續經營業務之溢利

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (重列)
Profit for the year from continuing operation has been arrived at after charging:	本年度來自持續經營業務溢利已扣除下列項目：		
Directors' remuneration (note 12):	董事酬金(附註12)：		
Fees	袍金	1,717	1,567
Salaries and allowances	薪酬及津貼	3,500	4,540
Bonus	花紅	15,000	9,500
Retirement benefits scheme contributions	退休福利計劃供款	29	24
		20,246	15,631
Other staff costs, excluding retirement benefits scheme contributions	除退休福利計劃外之其他員工成本	216,959	208,478
Retirement benefits scheme contributions, net of forfeited contributions for staff	退休福利計劃供款減沒收供款	7,846	8,076
Total staff costs	總員工成本	245,051	232,185
Auditor's remuneration	核數師酬金	2,228	2,562
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	162,122	140,993
Rental payments paid under operating lease in respect of leasehold land and buildings	就經營租約下租賃土地及樓宇所支付之租金	129,429	91,338
Loss on disposal/written off of property, plant and equipment	出售/撇減物業、廠房及設備之虧損	2,177	11,134
Cost of inventories recognised as an expense	確認為支出之存貨成本	2,112,296	2,029,047
Gross rental income from investment properties	投資物業租金總額	11,665	5,864
Gross rental income from sub-letting of commercial properties under an operating lease	經營租約下之商用物業分租租金總額	37,325	40,216
Reversal of impairment and write-off of trade and other receivables	應收賬款及其他應收款項減值及註銷撥回	17	1,000
Reversal of write-down of obsolete inventories	滯銷存貨撇減撥回	1	113

12. Directors' and Employees' Remuneration

Directors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, are as follows:

For the year ended 31 December 2017

		Directors' fees	Salaries and allowances	Bonus*	Contributions to retirement benefits scheme	Total
		董事袍金	薪金及津貼	花紅*	退休福利計劃供款	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
(A) EXECUTIVE DIRECTORS	(A) 執行董事					
Ms. Lau Kam Shim	劉今蟾小姐	200	2,100	7,500	18	9,818
Mr. Lau Kam Sen (note a)	劉今晨先生 (附註 a)	117	1,400	7,500	11	9,028
Sub-total	小計	317	3,500	15,000	29	18,846

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

12. 董事及僱員酬金

年內董事的酬金已根據適用的上市規則及公司條例披露，酬金如下：

截至二零一七年十二月三十一日止年度

上述乃就執行董事向本公司及本集團管理事務上提供服務之董事酬金。

(B) NON-EXECUTIVE DIRECTORS	(B) 非執行董事					
Mr. Lau Luen Hung, Thomas	劉鑾鴻先生	200	-	-	-	200
Mr. Doo Wai Hoi, William	杜惠愷先生	200	-	-	-	200
Ms. Lau Yuk Wai, Amy	劉玉慧女士	200	-	-	-	200
Sub-total	小計	600	-	-	-	600

The non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

上述乃作為本公司或其附屬公司之非執行董事所提供之服務的董事酬金。

(C) INDEPENDENT NON-EXECUTIVE DIRECTORS	(C) 獨立非執行董事					
Mr. Lam Siu Lun, Simon	林兆麟先生	200	-	-	-	200
Mr. Shek Lai Him, Abraham	石禮謙先生	200	-	-	-	200
Mr. Hui Chiu Chung, Stephen	許照中先生	200	-	-	-	200
Mr. Ip Yuk Keung	葉毓強先生	200	-	-	-	200
Sub-total	小計	800	-	-	-	800
Total	總計	1,717	3,500	15,000	29	20,246

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

上述乃作為本公司獨立非執行董事所提供之服務的董事酬金。

12. Directors' and Employees' Remuneration (continued)

For the year ended 31 December 2016 (Restated)

12. 董事及僱員酬金(續)

截至二零一六年十二月三十一日止年度(重列)

		Directors' fees	Salaries and allowances	Bonus*	Contributions to retirement benefits scheme	Total
		董事袍金	薪金及津貼	花紅*	退休福利計劃供款	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
(A) EXECUTIVE DIRECTORS	(A) 執行董事					
Ms. Lau Kam Shim	劉今蟾小姐	167	1,000	500	15	1,682
Mr. Lau Luen Hung, Thomas (note b)	劉鑾鴻先生(附註b)	98	3,540	9,000	9	12,647
Sub-total	小計	265	4,540	9,500	24	14,329
The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.		上述乃就執行董事向本公司及本集團管理事務上提供服務之董事酬金。				
(B) NON-EXECUTIVE DIRECTORS	(B) 非執行董事					
Mr. Lau Luen Hung, Thomas (note b)	劉鑾鴻先生(附註b)	102	—	—	—	102
Mr. Doo Wai Hoi, William	杜惠愷先生	200	—	—	—	200
Ms. Lau Yuk Wai, Amy	劉玉慧女士	200	—	—	—	200
Sub-total	小計	502	—	—	—	502
The non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.		上述乃作為本公司或其附屬公司之非執行董事所提供之服務的董事酬金。				
(C) INDEPENDENT NON-EXECUTIVE DIRECTORS	(C) 獨立非執行董事					
Mr. Lam Siu Lun, Simon	林兆麟先生	200	—	—	—	200
Mr. Shek Lai Him, Abraham	石禮謙先生	200	—	—	—	200
Mr. Hui Chiu Chung, Stephen	許照中先生	200	—	—	—	200
Mr. Ip Yuk Keung	葉毓強先生	200	—	—	—	200
Sub-total	小計	800	—	—	—	800
Total	總計	1,567	4,540	9,500	24	15,631
The independent non-executive directors' emoluments shown above were for their services as directors of the Company.		上述乃作為本公司獨立非執行董事所提供之服務的董事酬金。				

* The bonus was determined with reference to performance and market trends.

* 花紅取決於集團業績及市場趨勢。

12. Directors' and Employees' Remuneration (continued)

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the years.

Notes:

- (a) Mr. Lau Kam Sen was appointed as an executive director on 1 June 2017.
- (b) Mr. Lau Luen Hung, Thomas, was re-designated from an executive director to a non-executive director with effect from 28 June 2016.

Of the five highest paid individuals of the Group for the year ended 31 December 2017, two of them (2016: two) were directors of the Company whose remuneration are disclosed above. The remaining three (2016: three) are employees of the Group, details of whose remuneration are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Employees:	僱員：		
Salaries, allowances and other benefits	薪金、津貼及其他福利	5,481	5,341
Retirement benefits scheme contributions	退休福利計劃供款	54	54
Performance related incentive payments	與表現掛鈎獎金	1,182	768
		6,717	6,163

The emoluments of the remaining three (2016: three) were within the following bands:

		2017 二零一七年 Number of individuals 人數	2016 二零一六年 Number of individuals 人數
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	2	2
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	-	1
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	1	-

During the year ended 31 December 2017, no remuneration was paid by the Group to the directors of the Company or the three (2016: three) highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

12. 董事及僱員酬金(續)

於兩年期間，沒有董事或行政總裁放棄或同意放棄任何酬金之安排。

附註：

- (a) 劉今晨先生於二零一七年六月一日委任為執行董事。
- (b) 劉鑾鴻先生由執行董事重新調任為非執行董事，並於二零一六年六月二十八日辭任本公司首席執行官職務。

截至二零一七年十二月三十一日止年度，本集團五名最高薪人士中，兩名(二零一六年：兩名)為本公司董事，彼之酬金於上文披露。另外三名(二零一六年：三名)則為本集團僱員，彼等之酬金詳情載列如下：

其餘三名(二零一六年：四名)最高薪人士之薪酬介乎以下範圍：

截至二零一七年十二月三十一日止年度，本集團並無向本公司董事或三名(二零一六年：三名)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。

13. Discontinued Operation

- (a) On 13 April 2017, the Group entered into a sale and purchase agreement to dispose of its entire 59.56% equity interest holdings in Lifestyle Properties Group for a cash consideration of HK\$1,292,986,000 to an independent third party and the disposal was completed on the same date. The principal business and activity of the Lifestyle Properties Group was property development and investments. The results of the Lifestyle Properties Group from 1 January 2017 to 13 April 2017, date of disposal, has been accounted for as a discontinued operation in the Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017 and the comparative figures for the preceding year have been restated accordingly.

The profit (loss) for the period/year from the discontinued operation is analysed as follows:

13. 非持續經營業務

- (a) 於二零一七年四月十三日，本集團訂立一份買賣協議，以向一名獨立第三方以現金代價1,292,986,000港元出售其59.56%於利福地產集團的全部股權，並於同日完成出售事項。利福地產集團的主要業務為經營物業發展及投資。利福地產集團在二零一七年一月一日至二零一七年四月十三日（交易完成日期）之業績於截至二零一七年十二月三十一日止年度在本集團綜合損益及其他全面收益表中入賬並列作非持續經營業務，而去年之比較數字並相應重列。

期間／年度來自非持續經營業務溢利（虧損）分析如下：

		For the period from 1 January 2017 to 13 April 2017 截至二零一七年 一月一日至 二零一七年 四月十三日期間 HK\$'000 千港元	For the year ended 31 December 2016 截至二零一六年 十二月三十一日 止年度 HK\$'000 千港元
Other income, gains and losses	其他收入，收益及虧損	6,655	10,360
Selling and distribution costs	銷售及分銷成本	(5,791)	(13,265)
Administrative expenses	行政開支	(7,757)	(23,549)
Interest and investment income (expense)	利息及投資收入（支出）	12,760	(26,095)
Fair value changes on investment properties	投資物業公平值變動	-	(900)
Profit (loss) before taxation	除稅前溢利（虧損）	5,867	(53,449)
Taxation	稅項	-	(265)
Profit (loss) for the period/year	期間／年度溢利（虧損）	5,867	(53,714)
Gain on disposal of subsidiaries, net of transaction costs	出售附屬公司已扣除交易成本之收益	420,843	-
Profit (loss) for the period/year from the discontinued operation	期間／年度來自非持續經營業務之溢利（虧損）	426,710	(53,714)

13. Discontinued Operation (continued)

(a) (continued)

13. 非持續經營業務 (續)

(a) (續)

		For the period from 1 January 2017 to 13 April 2017 截至二零一七年 一月一日至 二零一七年 四月十三日期間 HK\$'000 千港元
Profit for the period from the discontinued operation has been arrived at after charging:	期間來自非持續經營業務之溢利 已扣除下列項目：	
Auditor's remuneration	核數師酬金	20
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	11

During the period from 1 January 2017 to 13 April 2017, Lifestyle Properties Group contributed HK\$641,000 to the Group's net operating cash outflows and paid HK\$697,000 in respect of investing activities.

- (b) Pursuant to a resolution of the board of directors of the Company on 28 June 2016, the Company declared a special interim dividend, satisfied by distribution in specie of the entire issued share capital of its subsidiary, Lifestyle China, to the Company's shareholders. The Distribution was made by way of allocating one share of Lifestyle China for every one share of the Company held by the Company's shareholders. Upon share of completion of the Distribution, the Group ceased to hold any interest in Lifestyle China Group and Lifestyle China Group ceased to be subsidiaries of the Company. Details of the distribution in specie have been disclosed in the announcement of the Company dated 28 June 2016 and note 13 to the consolidation financial statements contained in the Company's annual report dated 13 March 2017 respectively.

截至二零一七年一月一日至二零一七年四月十三日期間，利福地產集團為本集團貢獻之經營現金流入淨額為641,000港元，就投資活動支付697,000港元。

- (b) 根據本公司董事會於二零一六年六月二十八日之決議，本公司宣派特別中期股息，並以實物分派方式分派其附屬公司利福中國的全部已發行股本予本公司股東。分派是按照股東持有每一股本公司之股份可獲發一股利福中國股份。於分派完成後，本集團於利福中國集團將不會持有任何權益，而利福中國集團亦將不再為本公司之附屬公司。有關以實物分派之詳情已載於本公司二零一六年六月二十八日之公告以及本公司日期為二零一七年三月十三日之年報所載綜合財務報表的附註13。

13. Discontinued Operation (continued)

(b) (continued)

The consolidated profit for the period from the discontinued operation in 2016 is set out below.

		For the period from 1 January 2016 to 14 July 2016 截至二零一六年 一月一日至 二零一六年 七月十四日期間 HK\$'000 千港元
Profit for the period from discontinued operation	期間來自非持續經營業務之溢利	281,371
Release of exchange reserve upon disposal of foreign subsidiaries	分拆海外附屬公司時匯兌儲備之轉出	(132,667)
		148,704

Details of the results of Lifestyle China Group for the period from 1 January 2016 to 14 July 2016, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

13. 非持續經營業務(續)

(b) (續)

以下是於二零一六年期間來自非持續經營業務之綜合溢利。

		For the period from 1 January 2016 to 14 July 2016 截至二零一六年 一月一日至 二零一六年 七月十四日期間 HK\$'000 千港元
Turnover	營業額	650,551
Cost of sales	銷售成本	(179,995)
Other income, gains and losses	其他收入、收益及虧損	56,175
Selling and distribution costs	銷售及分銷成本	(324,145)
Administrative expenses	行政開支	(58,523)
Investment income	投資收入	28,437
Share of profit of a joint venture	應佔一間合資企業溢利	19,372
Share of profits of associates	應佔聯營公司溢利	192,366
Listing expenses	上市費用	(24,291)
Finance costs	融資成本	(8,141)
Profit before taxation	除稅前溢利	351,806
Taxation	稅項	(70,435)
Profit for the period from discontinued operation	期間來自非持續經營業務之溢利	281,371

綜合損益及其他全面收益表內已包括利福中國集團截至二零一六年一月一日至二零一六年七月十四日期間之業績，詳情如下：

13. Discontinued Operation (continued)

(b) (continued)

13. 非持續經營業務(續)

(b) (續)

For the
period from
1 January 2016
to 14 July 2016
截至二零一六年
一月一日至
二零一六年
七月十四日期間
HK\$'000
千港元

Profit for the period from discontinued operation has been arrived at after charging (crediting):	期間來自非持續經營業務之溢利已扣除 (計入) 下列項目:	
Auditor's remuneration	核數師酬金	1,367
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(47)

During the period from 1 January 2016 to 14 July 2016, Lifestyle China Group contributed HK\$45,861,000 to the Group's net operating cash inflows, paid HK\$205,777,000 in respect of investing activities and recorded cash outflows HK\$36,215,000 in respect of financing activities.

The carrying amounts of the assets and liabilities of Lifestyle Property Group and Lifestyle China Group at the date of disposal are disclosed in note 29.

截至二零一六年一月一日至二零一六年七月十四日期間，利福中國集團為本集團貢獻之經營現金流入淨額為45,861,000港元，就投資活動支付205,777,000港元及就融資活動錄得現金流出36,215,000港元。

利福地產集團及利福中國集團於出售日期之資產及負債賬面值於附註29披露。

14. Dividends

14. 股息

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Dividends recognised as distributions during the year:	年內確認為分派的股息：		
Final dividend in cash paid for the year ended 31 December 2016 — HK cents 34.3 per share (2016: HK cents 34.3 per share paid for the year ended 31 December 2015)	截至二零一六年十二月三十一日止年度以現金派付之末期股息 — 每股 34.3 港仙 (二零一六年：派付截至二零一五年十二月三十一日止年度 — 每股 34.3 港仙)	549,687	549,687
Interim dividend in cash paid for the six months ended 30 June 2017 — HK cents 28.9 per share (2016: HK cents 28.9 per share paid for the six months ended 30 June 2016)	截至二零一七年六月三十日止六個月以現金派付之中期股息 — 每股 28.9 港仙 (二零一六年：派付截至二零一六年六月三十日止六個月 — 每股 28.9 港仙)	463,148	463,148
Sub-total	小計	1,012,835	1,012,835
Special interim dividend by way of distribution in specie of subsidiaries (Note a)	以實物方式分派附屬公司股份之特別中期股息(附註a)	-	10,058,506
Total	總計	1,012,835	11,071,341

Notes:

- (a) On 28 June 2016, the Company declared a special interim dividend, satisfied by distribution in specie of the entire issued share capital of Lifestyle China to the shareholders whose names appear on the register of members of the Company at the close of business on the Distribution Record Date (as defined in the Company's announcement dated 28 June 2016). The Distribution was made by way of allocating one share of Lifestyle China for every one share of the Company held by the shareholders of the Company at the close of business on the Distribution Record Date. Distribution of this special interim dividend, amounting to HK\$10,058,506,000, and was completed on 14 July 2016.
- (b) Subsequent to the end of the reporting period, a final dividend of HK cents 34.3 (2016: HK cents 34.3) 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：

- (a) 於二零一六年六月二十八日，本公司宣派特別中期股息，並以實物方式分派利福中國的全部已發行股本予於分派記錄日期(定義見本公司日期為二零一六年六月二十八日之公告)營業時間結束時名列本公司股東名冊之股東。分派按於分派記錄日期營業時間結束時，股東持有每一股本公司之股份可獲發一股利福中國股份。此特別中期股息10,058,506,000港元，並已於二零一六年七月十四日分派。
- (b) 於報告期間結束後，董事建議派付末期現金股息每股34.3港仙(二零一六年：34.3港仙)，惟須待股東於應屆股東週年大會批准。

15. Earnings Per Share From continuing operation

Calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

Earnings figures are calculated as follows:		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (重列)
	盈利計算如下：		
Profit for the year attributable to owners of the Company	本年度本公司擁有人應佔溢利	3,299,488	1,590,430
Less: (Profit) loss for the year from discontinued operation	減：本年度來自非持續經營業務之(溢利)虧損	(424,848)	10,477
Earnings for the purpose of basic earnings per share from continuing operation	就計算來自持續經營業務之每股基本盈利的盈利	2,874,640	1,600,907

15. 每股盈利

來自持續經營業務

本公司擁有人應佔每股基本盈利乃根據以下數據計算：

Number of shares		2017 二零一七年 '000 千股	2016 二零一六年 '000 千股
	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之普通股加權平均數	1,602,587	1,602,587

No dilutive earnings per share is presented as there were no dilutive potential ordinary shares during both years.

由於在兩個年度沒有任何潛在可攤薄普通股，故並沒有呈列每股攤薄盈利。

From continuing and discontinued operations

Calculation of the basic earnings per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

來自持續及非持續經營業務

就來自持續及非持續經營業務，本公司擁有人應佔每股基本盈利乃根據以下數據計算：

Earnings		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (重列)
	盈利：		
Profit for the year attributable to owners of the Company for the purposes of basic earnings per share	就計算每股基本盈利之本年度本公司擁有人應佔溢利	3,299,488	1,590,430

15. Earnings Per Share (continued)**From discontinued operation**

Calculation of the basic earnings per share from the discontinued operation of HK\$0.27 per share (2016: HK\$0.01 basic losses per share) is based on the profit for the year from the discontinued operation attributable to owners of the Company of HK\$424,848,000 (2016: loss of HK\$10,477,000).

The denominators used for the calculation of basic earnings per share for both continuing and discontinued operation are the same.

16. Investment Properties**15. 每股盈利(續)****來自非持續經營業務**

來自非持續經營業務之基本每股盈利為每股0.27港元(二零一六年：每股基本虧損0.01港元)乃基於本公司擁有人應佔來自非持續經營業務之424,848,000港元溢利(二零一六年：10,477,000港元虧損)。

就計算持續及非持續經營業務之每股基本盈利，所使用的分母均相同。

16. 投資物業

		Completed	Under development	Total
		已完成	發展中	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
FAIR VALUE	公平值			
At 1 January 2016	於二零一六年一月一日	668,390	-	668,390
Additions	添置	-	3,696,468	3,696,468
Decrease in fair value recognised in profit or loss	於損益表確認之公平值減少			
— Unrealised loss	未變現虧損	(900)	-	(900)
Transfer from property, plant and equipment upon distribution in specie of Lifestyle China Group	以實物方式分派利福中國集團時，由物業、廠房及設備轉撥	301,000	-	301,000
Exchange adjustments	匯兌調整	(36,074)	-	(36,074)
At 31 December 2016	於二零一六年十二月三十一日	932,416	3,696,468	4,628,884
Additions	添置	-	100,332	100,332
Increase in fair value recognised in profit or loss	於損益表確認之公平值增加			
— Unrealised gain	— 未變現收益	21,000	823,200	844,200
Disposal of subsidiaries (note 29(a))	出售附屬公司(附註29(a))	(640,435)	-	(640,435)
Exchange adjustments	匯兌調整	9,019	-	9,019
At 31 December 2017	於二零一七年十二月三十一日	322,000	4,620,000	4,942,000

All of the Group's property interests held under operating leases 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 completed investment properties at 31 December 2017, 31 December 2016 and at the date of transfer from property, plant and equipment was arrived based on a valuation carried out at that date by C&W, an independent professional valuer whose address is 16/F, 1063 King's Road, Quarry Bay, Hong Kong. C&W is a member of the Hong Kong Institute of Surveyors. The fair value is arrived at based on the direct comparison method assuming sales of each of the property in their existing state and by making reference to comparable sales' evidence of similar nature properties available in the relevant market.

本集團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值方式計量，並分類及入賬為投資物業。

本集團的已完成投資物業於二零一七年十二月三十一日、二零一六年十二月三十一日以及由物業、廠房及設備轉撥日的公平值乃參考與本集團並無關連之獨立合資格專業估值師戴德梁行，地址為香港鰂魚涌英皇道1063號16樓，於相應日期之估值釐定。戴德梁行為香港測量師學會之會員。該等公平值是以直接比較法假設每個物業在現狀出售及參考有關市場之同類質素物業的可比銷售交易來釐定。

16. Investment Properties (continued)

The fair value of the Group's investment property under development at 31 December 2017 was arrived at based on a valuation using residual method carried out on that date by C&W and was determined based on recent comparable sales transactions in the relevant property market (on the assumption that the property had already been completed at the valuation date). It also takes into account the construction cost already incurred as well as the estimated cost to be incurred to complete the project plus the developer's estimated profit and margin for risk.

The fair value of the Group's investment properties under development at 31 December 2016 was determined by the directors of the Company with reference to the transaction price of the investment properties concerned, where the transaction was completed near to the year end of 2016.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

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 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參數	Significant unobservable input(s) 重大無法觀察的輸入參數	Relationship of unobservable inputs to fair value 無法觀察的輸入參數與公平值的關係
At 31 December 2017 於二零一七年十二月三十一日				
Completed commercial properties in Hong Kong Island, Hong Kong HK\$322,000,000 位於香港港島區已完成商業物業 322,000,000 港元	Level 3 第三級	Direct comparison method assuming sale in its existing state and by making reference to comparable sales evidence of similar nature properties as available in the relevant market. 以現狀出售及參考有關市場同類物業之可比銷售交易的直接比較法。 The key inputs are: 主要參數為： (1) Price per square foot; and 每平方米價格；及 (2) Level adjustment 樓層調整	Price per square foot, using market direct comparables and taking into account location and other individual factors such as environment, building facilities, levels, etc., which is ranging from HK\$29,580/sq.ft to HK\$33,978/sq.ft. 按每平方米價格使用直接市場可比數據並經計入位置及個別因素如環境、物業設施、樓層等各項因素，為每平方米 29,580 港元至 33,978 港元。 Level adjustment of the property range from 0.5% to 7.5%. 物業的樓層調整為 0.5% 至 7.5%	The higher the price per square foot, the higher the fair value. 每平方米價格越高，公平值越高。 The higher the level adjustment, the higher the fair value. 樓層調整越高，公平值越高

16. 投資物業(續)

於二零一七年十二月三十一日，本集團之在建投資物業乃根據戴德梁行於該日以剩餘法進行估值而釐定，並根據相關物業市場的近期可比銷售交易（假設該物業已在估值日期完成）。其已考慮到已產生的建設成本以及完成該項目估計仍所需的成本，再加上開發商的估算利潤和風險。

本集團發展中投資物業於二零一六年十二月三十一日的公平價值乃由本公司董事釐定，並參考有關投資物業於接近二零一六年年末之交易價格。

在估算物業的公平價值時，最高和最佳使用為該等物業當前使用用途。

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。

16. Investment Properties (continued)

16. 投資物業(續)

Carrying value of investment properties held by the Group 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參數	Significant unobservable input(s) 重大無法觀察的輸入參數	Relationship of unobservable inputs to fair value 無法觀察的輸入參數與公平值的關係
At 31 December 2016 於二零一六年十二月三十一日				
Completed commercial property in Harbin, the PRC RMB277,500,000 (equivalent to HK\$308,580,000) 位於中國哈爾濱已完成商業物業 人民幣 277,500,000 元 (相等於 308,580,000 港元)	Level 3 第三級	Direct comparison method assuming sale in its existing state and by making reference to comparable sales evidence of similar nature properties as available in the relevant market. 以現狀出售及參考有關市場同類物業之可比銷售交易的直接比較法。	Price per square metre, using market direct comparables and taking into account location and other individual factors such as environment, building facilities, levels, etc., of RMB27,500/sq.m. 按每平方米價格使用直接市場可比數據並經計入位置及個別因素如環境、物業設施、樓層等各項因素，為每平方米人民幣 27,500 元。	The higher the price per square metre, the higher the fair value. 每平方米價格越高，公平值越高。
		The key inputs are: 主要參數為：	Level adjustment on individual floors of the property ranging from 50% to 70% on specific levels. 物業各樓層的樓層調整為個別層級的 50% 至 70%。	The higher the level adjustment, the lower the fair value. 樓層調整越高，公平值越低。
		(1) Price per square metre; and 每平方米價格；及		
		(2) Level adjustment 樓層調整		
Completed commercial properties in Hong Kong Island, Hong Kong HK\$301,000,000 位於香港港島區已完成商業物業 301,000,000 港元	Level 3 第三級	Direct comparison method assuming sale in its existing state and by making reference to comparable sales evidence of similar nature properties as available in the relevant market. 以現狀出售及參考有關市場同類物業之可比銷售交易的直接比較法。	Price per square foot, using market direct comparables and taking into account location and other individual factors such as environment, building facilities, levels, etc., which is ranging from HK\$27,322/sq.ft to HK\$31,012/sq.ft. 按每平方尺價格使用直接市場可比數據並經計入位置及個別因素如環境、物業設施、樓層等各項因素，為每平方尺 27,322 港元至 31,012 港元。	The higher the price per square foot, the higher the fair value. 每平方尺價格越高，公平值越高。
		The key inputs are: 主要參數為：	Level adjustment of the property ranging from 1% to 9%. 可比數據與物業的樓層調整為 1% 至 9%。	The higher the level adjustment, the higher the fair value. 樓層調整越高，公平值越高。
		(1) Price per square foot; and 每平方尺價格；及		
		(2) Level adjustment 樓層調整		
Commercial properties under development in Kai Tak, Hong Kong HK\$3,696,468,000 位於香港啟德發展中商業物業 3,696,468,000 港元	Level 2 第二級	Determined by the directors of the Company with reference to the transaction price of the investment properties concerned, where the transaction was completed near to the year end. 由本公司董事釐定，並參考有關投資物業之於接近年末之交易價格。	N/A 不適用	N/A 不適用
Completed commercial properties in Kowloon, Hong Kong ("IP in Kowloon") HK\$41,500,000 位於香港九龍區已完成商業物業 ([九龍投資物業]) 41,500,000 港元	Level 2 第二級	Direct comparison method assuming sale in its existing state and by making reference to comparable sales evidence of similar nature properties as available in the relevant market. 以現狀出售及參考有關市場同類物業之可比銷售交易的直接比較法。	N/A 不適用	N/A 不適用

Details of the pledge of assets are set out in note 35.

有關資產抵押詳情，載於附註 35。

17. Property, Plant and Equipment

17. 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 2016	於二零一六年一月一日	5,522,009	906,411	396,252	301,843	20,728	1,411,353	8,558,596
Exchange adjustment	匯兌調整	(40,476)	(7,030)	(2,448)	(1,015)	(100)	(17,663)	(68,732)
Additions	添置	475	75,230	18,409	66,488	699	3,990,905	4,152,206
Transfer to investment properties	轉撥至投資物業	(29,468)	-	-	-	-	-	(29,468)
Disposals/write-offs	出售/註銷	(1,112)	(23,450)	(5,521)	(18,427)	-	-	(48,510)
Disposal upon Spin-off	分拆時轉出	(2,968,661)	(524,229)	(182,543)	(71,746)	(7,257)	(1,527,429)	(5,281,865)
At 31 December 2016	於二零一六年十二月三十一日	2,482,767	426,932	224,149	277,143	14,070	3,857,166	7,282,227
Exchange adjustment	匯兌調整	-	-	1	(136)	-	1,876	1,741
Additions	添置	26,407	77,183	8,464	153,686	576	99,716	366,032
Disposals/write-offs	出售/註銷	-	(10,752)	(1,257)	(8,045)	-	-	(20,054)
Disposal of subsidiaries	分拆時轉出	-	-	(44)	(5,419)	(11)	(162,573)	(168,047)
At 31 December 2017	於二零一七年十二月三十一日	2,509,174	493,363	231,313	417,229	14,635	3,796,185	7,461,899
DEPRECIATION 折舊								
At 1 January 2016	於二零一六年一月一日	1,570,151	655,779	210,058	164,734	12,108	-	2,612,830
Exchange adjustment	匯兌調整	(8,078)	(5,802)	(1,119)	(771)	(61)	-	(15,831)
Provided for the year	年內折舊	101,502	54,791	14,882	37,925	2,310	-	211,410
Eliminated on disposals/write-offs	出售時對銷/註銷	(404)	(19,746)	(2,412)	(13,947)	-	-	(36,509)
Eliminated on transfer to investment properties	轉撥至投資物業時對銷	(12,171)	-	-	-	-	-	(12,171)
Eliminated on disposal upon Spin-off	分拆時轉出對銷	(552,160)	(431,941)	(84,058)	(54,080)	(4,449)	-	(1,126,688)
At 31 December 2016	於二零一六年十二月三十一日	1,098,840	253,081	137,351	133,861	9,908	-	1,633,041
Exchange adjustment	匯兌調整	-	-	2	(136)	-	-	(134)
Provided for the year	年內折舊	46,973	54,297	14,622	44,459	1,782	-	162,133
Eliminated on disposals/write-offs	出售時對銷/註銷	-	(9,908)	(647)	(7,322)	-	-	(17,877)
Eliminated on disposal of subsidiaries	出售附屬公司時對銷	-	-	(44)	(5,171)	(11)	-	(5,226)
At 31 December 2017	於二零一七年十二月三十一日	1,145,813	297,470	151,284	165,691	11,679	-	1,771,937
NET BOOK VALUES 賬面淨值								
At 31 December 2017	於二零一七年十二月三十一日	1,363,361	195,893	80,029	251,538	2,956	3,796,185	5,689,962
At 31 December 2016	於二零一六年十二月三十一日	1,383,927	173,851	86,798	143,282	4,162	3,857,166	5,649,186

Included in construction in progress are borrowing costs capitalised during the year amounting to HK\$77,842,000 (2016: HK\$102,541,000).

在建工程包括年內已資本化之借貸成本為77,842,000港元(二零一六年: 102,541,000港元)。

17. 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 lease terms or 40 years
Leasehold improvements	Over the shorter of lease terms or 10 years
Plant and machinery	5 to 10 years
Furniture, fixtures and equipment	5 to 10 years
Motor vehicles	5 years

Details of the pledge of assets are set out in note 35.

18. Prepaid Lease Payments

The Group's prepaid lease payments comprise:

17. 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，以直線法按下列使用年期計算折舊：

租賃土地及樓宇	按租約年期或四十年
租賃物業裝修	按租約年期或十年 (以較短者為準)
廠房及機器	五年至十年
傢俬、固定裝置及設備	五年至十年
汽車	五年

有關資產抵押詳情，載於附註35。

18. 預付租賃款項

本集團之預付租賃款項包括：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Analysed for reporting purposes as:	就呈報目的分析為：		
Current portion	即期部份	-	16,123
Non-current portion	非即期部份	-	548,191
		-	564,314

Details of the pledge of assets are set out in note 35.

有關資產抵押詳情，載於附註35。

19. Inventories

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Merchandise held for resale	持有作轉售商品	37,571	34,533

19. 存貨

20. Trade and Other Receivables

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables	應收賬款	105,093	57,240
Less: Allowance for doubtful debts	減：呆賬撥備	(2,194)	(2,211)
		102,899	55,029
Prepayments	預付賬款	18,568	16,222
Deposits paid	已付按金	35,630	36,256
Value added tax ("VAT") receivables	應收增值稅	-	532
Others	其他	17,790	86,268
		174,887	194,307

The Group's retail sales to customers are mainly made in cash, through debit card or credit card payments. Its major trade receivables arising from credit card sales which are normally settled in one to two business days in arrears and the rental income receivables are normally settled 30 days in arrears. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date, which approximates the respective revenue recognition dates:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0-30 days	0 日至 30 日	99,252	52,110
31-60 days	31 日至 60 日	3,581	2,806
61-90 days	61 日至 90 日	29	70
Over 90 days	超過 90 日	37	43
		102,899	55,029

Included in the Group's trade receivables balance are debtors with an aggregate carrying amount of HK\$3,647,000 (2016: HK\$2,919,000) 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 (2016: 90 days).

20. 應收賬款及其他應收款項

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。本集團主要應收賬款來自一般於一至兩個工作日收回的信用卡銷售及通常於三十日內收回應收租金收入。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(與各自收益確認日期相近)之賬齡分析:

本集團應收賬款結餘包括賬面總值3,647,000港元(二零一六年:2,919,000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(二零一六年:90日)。

20. Trade and Other Receivables (continued)

Aging of trade receivables which are past due but not impaired

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
31-60 days	31日至60日	3,581	2,806
61-90 days	61日至90日	29	70
Over 90 days	超過90日	37	43
		3,647	2,919

The Group has not fully provided for all receivables over 90 days because historical experience indicated that such receivables would be recoverable from the relevant debtors.

Movement in the allowance for doubtful debts on trade receivables

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Balance at beginning of the reporting period	報告期初結餘	2,211	2,206
Impairment loss recognised	已確認之減值虧損	-	5
Reversal of impairment loss recognised	已確認之減值虧損撥回	(17)	-
Balance at the end of the reporting period	報告期終結餘	2,194	2,211

20. 應收賬款及其他應收款項(續)

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

21. Financial Assets at Fair Value Through Profit or Loss

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 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	— 於香港上市股票	1,261,871	840,760
— Listed equity securities in New York	— 於紐約上市股票	536,996	378,151
— Listed equity securities in Tokyo	— 於東京上市股票	514,258	386,992
— Listed equity securities in London	— 於倫敦上市股票	112,955	-
— Listed equity securities in Paris	— 於巴黎上市股票	16,118	-
— Listed debt securities (note a)	— 上市債券(附註a)	8,743	8,117
— Listed investment funds	— 上市投資基金	506,250	452,836
— Unlisted securities (note b)	— 非上市證券(附註b)	311,778	343,738
— Written put options (note c)	— 認沽期權(附註c)	34,057	30,011
— Unlisted equity-linked notes (note d)	— 非上市股權掛鈎債券(附註d)	46,021	-
		3,349,047	2,440,605

Notes:

- (a) The listed debt securities mainly represent an investment in corporate bonds which are mainly listed in Hong Kong and Switzerland.
- (b) The unlisted securities mainly include hedge funds with a carrying amount of HK\$153,648,000 (2016: HK\$61,440,000) and investment portfolios managed by financial institutions with a carrying amount of HK\$158,130,000 (2016: HK\$282,298,000).

附註:

- (a) 上市債券主要指在香港及瑞士上市之企業債券投資。
- (b) 非上市債券主要包括賬面值為153,648,000港元對沖基金(二零一六年: 61,440,000港元)及由金融機構管理賬面值為158,130,000港元投資組合(二零一六年: 282,298,000港元)。

21. Financial Assets at Fair Value Through Profit or Loss (continued)

Notes: (continued)

- (c) The written put options are derivative financial instruments. The details of the written put options are as follows:

Underlying variables 相關資產	Strike 行使價	Quantities 數量	Expiry date 到期日
At 31 December 2017			
於二零一七年十二月三十一日			
EURO STOXX 50 Index 歐洲斯托克 50 指數 (exercisable only at expiry date) (於到期日才能夠行使)	3,450 to 3,525 points 3,450 點至 3,525 點	459	19 January 2018 to 16 March 2018 二零一八年一月十九日至 二零一八年三月十六日
S&P 500 ETF Trust 標準普爾 500 指數 ETF 基金 (exercisable anytime until the expiry date) (可於到期日前任何時間行使)	US\$250 to US\$265 250 美元至 265 美元	38,400	5 January 2018 to 16 February 2018 二零一八年一月五日至 二零一八年二月十六日
Nikkei 225 Index 日經平均指數 (exercisable only at expiry date) (於到期日才能夠行使)	20,875 to 21,625 points 20,875 點至 21,625 點	50,000	12 January 2018 to 9 March 2018 二零一八年一月十二日至 二零一八年三月九日
iShares FTSE A50 China Index ETF iShares 安碩富時 A50 中國指數 ETF (exercisable only at expiry date) (於到期日才能夠行使)	HK\$12.9 to HK\$14.0 12.9 港元至 14.0 港元	4,580,000	11 January 2018 to 27 February 2018 二零一八年一月十一日至 二零一八年二月二十七日
At 31 December 2016			
於二零一六年十二月三十一日			
EURO STOXX 50 Index 歐洲斯托克 50 指數 (exercisable only at expiry date) (於到期日才能夠行使)	2,875 to 3,050 points 2,875 點至 3,050 點	545	20 January 2017 to 17 March 2017 二零一七年一月二十日至 二零一七年三月十七日
S&P 500 ETF Trust 標準普爾 500 指數 ETF 基金 (exercisable anytime until the expiry date) (可於到期日前任何時間行使)	US\$210 to US\$221 210 美元至 221 美元	46,200	6 January 2017 to 17 February 2017 二零一七年一月六日至 二零一七年二月十七日
Nikkei 225 Index 日經平均指數 (exercisable only at expiry date) (於到期日才能夠行使)	15,750 to 18,000 points 15,750 點至 18,000 點	65,000	13 January 2017 to 10 March 2017 二零一七年一月十三日至 二零一七年三月十日
iShares FTSE A50 China Index ETF iShares 安碩富時 A50 中國指數 ETF (exercisable only at expiry date) (於到期日才能夠行使)	HK\$9.5 to HK\$10.6 9.5 港元至 10.6 港元	7,725,000	10 January 2017 to 15 March 2017 二零一七年一月十日至 二零一七年三月十五日

- (d) As at 31 December 2017, the equity-linked notes are denominated in United States Dollars ("US\$") and Japanese Yen ("JPY") with a principal amount of US\$5,000,000 and JPY111,500,000 respectively. They have a tenor of 4 to 6 months. The equity-linked notes are linked with the listed shares (the "Underlying Shares") in Hong Kong and the United States. The final redemption amount at the maturity date is with reference to the performance of the share price of the Underlying Shares. The maturity dates of the equity-linked notes outstanding as at 31 December 2017 were within one year and were therefore classified as a current asset.

At 31 December 2017, financial assets at FVTPL with a carrying amount of HK\$1,427,438,000 (2016: HK\$841,837,000) were pledged as security for short-term loan facilities granted to the Group. Details of the pledge of assets are set out in note 35.

21. 按公平值計入損益之金融資產(續)

附註：(續)

- (c) 認沽期權屬金融衍生工具。認沽期權的詳情如下：

Underlying variables 相關資產	Strike 行使價	Quantities 數量	Expiry date 到期日
At 31 December 2017			
於二零一七年十二月三十一日			
EURO STOXX 50 Index 歐洲斯托克 50 指數 (exercisable only at expiry date) (於到期日才能夠行使)	3,450 to 3,525 points 3,450 點至 3,525 點	459	19 January 2018 to 16 March 2018 二零一八年一月十九日至 二零一八年三月十六日
S&P 500 ETF Trust 標準普爾 500 指數 ETF 基金 (exercisable anytime until the expiry date) (可於到期日前任何時間行使)	US\$250 to US\$265 250 美元至 265 美元	38,400	5 January 2018 to 16 February 2018 二零一八年一月五日至 二零一八年二月十六日
Nikkei 225 Index 日經平均指數 (exercisable only at expiry date) (於到期日才能夠行使)	20,875 to 21,625 points 20,875 點至 21,625 點	50,000	12 January 2018 to 9 March 2018 二零一八年一月十二日至 二零一八年三月九日
iShares FTSE A50 China Index ETF iShares 安碩富時 A50 中國指數 ETF (exercisable only at expiry date) (於到期日才能夠行使)	HK\$12.9 to HK\$14.0 12.9 港元至 14.0 港元	4,580,000	11 January 2018 to 27 February 2018 二零一八年一月十一日至 二零一八年二月二十七日
At 31 December 2016			
於二零一六年十二月三十一日			
EURO STOXX 50 Index 歐洲斯托克 50 指數 (exercisable only at expiry date) (於到期日才能夠行使)	2,875 to 3,050 points 2,875 點至 3,050 點	545	20 January 2017 to 17 March 2017 二零一七年一月二十日至 二零一七年三月十七日
S&P 500 ETF Trust 標準普爾 500 指數 ETF 基金 (exercisable anytime until the expiry date) (可於到期日前任何時間行使)	US\$210 to US\$221 210 美元至 221 美元	46,200	6 January 2017 to 17 February 2017 二零一七年一月六日至 二零一七年二月十七日
Nikkei 225 Index 日經平均指數 (exercisable only at expiry date) (於到期日才能夠行使)	15,750 to 18,000 points 15,750 點至 18,000 點	65,000	13 January 2017 to 10 March 2017 二零一七年一月十三日至 二零一七年三月十日
iShares FTSE A50 China Index ETF iShares 安碩富時 A50 中國指數 ETF (exercisable only at expiry date) (於到期日才能夠行使)	HK\$9.5 to HK\$10.6 9.5 港元至 10.6 港元	7,725,000	10 January 2017 to 15 March 2017 二零一七年一月十日至 二零一七年三月十五日

- (d) 於二零一七年十二月三十一日，股權掛鈎債券分別以美元及日元計值，本金額為5,000,000美元及111,500,000日元。該等債券年期為4至6個月。股權掛鈎債券與香港及美國的上市股份（「相關股份」）掛鈎。於到期日的最終贖回金額乃參考相關股份的股價表現。於二零一七年十二月三十一日，股權掛鈎債券之到期日在一年內，因此分類為流動資產。

於二零一七年十二月三十一日，賬面值為1,427,438,000港元（二零一六年：841,837,000港元）之按公平值計入損益之金融資產以抵押作為獲取授予本集團短期融資額度。有關資產抵押詳情，載於附註35。

22. Bank Balances and Cash

At the end of the reporting period, bank balances and cash comprised mainly short-term deposits with original maturity within three months and carry interest at prevailing market rates ranging from 0.01% to 4.30% per annum (2016: 0.01% to 5.60% per annum).

Included in bank balances and cash are the following amounts denominated in a currency other than the functional currencies of the respective group entities:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
US\$	美元	1,234,489	5,657,904
RMB	人民幣	25,920	30,300

22. 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4.3厘)(二零一六年：年利率介乎0.01厘至5.6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：

23. Trade and Other Payables

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade payables	應付賬款	212,794	177,669
Construction payables	應付工程款	-	357
Concessionaire sales payables	應付特許專櫃銷售款項	545,905	500,854
Deferred income	遞延收益	220,799	201,867
Rental deposits received	已收租賃按金	16,632	17,273
Accrued expenses	應計支出	246,069	203,964
VAT payable	應付增值稅	-	46
Interest payables	應付利息	32,575	114,260
Others	其他	18,514	26,921
		1,293,288	1,243,211

23. 應付賬款及其他應付款項

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

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。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0-30 days	0日至30日	172,248	131,610
31-60 days	31日至60日	38,847	40,949
61-90 days	61日至90日	490	1,662
Over 90 days	超過90日	1,209	3,448
		212,794	177,669

The average credit period of trade payables and concessionaire sales payables is within 45 days from the invoice date. All concessionaire sales payables are aged within 45 days from the invoice date. The Group has financial risk management policies in place to ensure that the payables are settled within the credit timeframe.

應付賬款及應付特許專櫃銷售款項之平均信貸期為由發票日期計起45日以內。所有應付特許專櫃銷售款項之賬齡均為由發票日期計起45日以內。本集團設有財務風險管理政策，確保應付款項於信貸期限內支付。

24. Bank Borrowings

24. 銀行借貸

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Bank borrowings comprise bank loans and analyse as follows:	銀行借貸由銀行貸款組成，並按以下分析：		
Secured	有抵押	11,184,138	8,376,248
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：		
Within one year*	一年內償還*	2,601,552	3,427,208
More than one year, but not exceeding two years	一年後但不超過兩年	494,899	-
More than two years, but not exceeding three years	二年後但不超過三年	494,899	494,904
More than three years, but not exceeding four years	三年後但不超過四年	3,959,193	494,904
More than four years, but not exceeding five years	四年後但不超過五年	3,633,595	3,959,232
		11,184,138	8,376,248
Less: Amount due within one year shown under current liabilities	減：列入流動負債於一年內到期之款項	(2,601,552)	(3,427,208)
Amount due after one year	一年後到期之款項	8,582,586	4,949,040

* Bank borrowings amounting to approximately HK\$601.6 million (2016: HK\$441.8 million) contained repayment on demand clauses.

* 約601,600,000港元銀行借款(二零一六年：441,800,000港元)包含須於要求時償還條款。

24. Bank Borrowings (continued)

Variable rate borrowings comprise:

24. 銀行借貸(續)

浮息借貸包括：

		Carrying amount 賬面值	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$ bank loans at Hong Kong Interbank Offered Rate ("HIBOR") + 0.81% per annum ⁽¹⁾	港元銀行貸款，按香港銀行同業拆息加年息 0.81 厘計息 ⁽¹⁾	6,948,991	7,934,431
HK\$ bank loans at HIBOR + 0.85% per annum ⁽²⁾	港元銀行貸款，按香港銀行同業拆息加年息 0.85 厘計息 ⁽²⁾	3,633,595	—
US\$ bank loans at London Interbank Offered Rate ("LIBOR") + 0.65% per annum ⁽³⁾	美元銀行貸款，按倫敦銀行同業拆息加年息 0.65 厘計息 ⁽³⁾	—	31,363
Euro ("EUR") bank loans at Euro Interbank Offered Rate ("EURIBOR") + 0.65% per annum ⁽³⁾	歐羅銀行貸款，按歐洲銀行同業拆息加年息 0.65 厘計息 ⁽³⁾	166,842	24,912
Japanese Yen ("JPY") bank loans at LIBOR + 0.65% per annum ⁽³⁾	日元銀行貸款，按倫敦銀行同業拆息加年息 0.65 厘計息 ⁽³⁾	434,710	385,542
Total bank borrowings	銀行借貸總額	11,184,138	8,376,248

⁽¹⁾ The bank borrowings comprised HK\$7 billion (2016: approximately HK\$8 billion) and were setoff by approximately a HK\$51.0 million (2016: HK\$65.6 million) amortized upfront arrangement fee paid to financial institution. The amount is repayable in four years (2016: five years) and interest rates will be repriced every one month to three months.

⁽²⁾ The bank borrowings comprised approximately HK\$3.7 billion and were setoff by approximately HK\$57.4 million of amortized upfront arrangement fees paid to a financial institution. The amount is repayable in five years and interest rates will be repriced every one month to three months.

⁽³⁾ Repayable in one year and interest rates will be repriced one month to three months.

⁽¹⁾ 此銀行貸款包括7,000,000,000港元(二零一六年：約8,000,000,000港元)，並扣減已向銀行支付及攤銷後現值約51,000,000港元銀行費用(二零一六年：65,600,000港元)。此金額需於四年(二零一六年：五年)內償還，而利率每隔一至三個月重新定價。

⁽²⁾ 此銀行貸款包括約3,700,000,000港元，並扣減已向銀行支付及攤銷後現值約57,400,000港元銀行費用。此金額需於五年內償還，而利率每隔一至三個月重新定價。

⁽³⁾ 需於一年內償還，而利率將每隔一至三個月重新定價。

The range of effective interest rates of the borrowings is 1.15% to 1.85% (2016: 1.02% to 1.53%) per annum.

無抵押的銀行貸款由本公司作出擔保。借貸實際利率幅度介乎年息1.15厘至1.85厘(二零一六年：1.02厘至1.53厘)。

At the end of the reporting period, the Group had 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：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Floating rate — expiring beyond one year	浮息 — 一年後到期	8,098,998	1,936,983

25. Bonds

25. 債券

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Carrying amount repayable:	應償還賬面值：		
Within one year	一年內償還	-	3,879,914
More than four years, but not more than five years	超過四年但不超過五年	2,324,490	-
After five years	超過五年	2,313,151	4,601,335
		4,637,641	8,481,249
US\$500,000,000 bond with a fixed coupon rate of 5.25% per annum, payable semi-annually, maturing in January 2017	500,000,000 美元債券，固定票面年利率為 5.25%，每半年支付一次，直至二零一七年一月到期為止	-	3,879,914
US\$300,000,000 bond with a fixed coupon rate of 4.25% per annum, payable semi-annually, maturing in October 2022	300,000,000 美元債券，固定票面年利率為 4.25%，每半年支付一次，直至二零二二年十月到期為止	2,324,490	2,306,231
US\$300,000,000 bond with a fixed coupon rate of 4.50% per annum, payable semi-annually, maturing in June 2025	300,000,000 美元債券，固定票面年利率為 4.50%，每半年支付一次，直至二零二五年六月到期為止	2,313,151	2,295,104
		4,637,641	8,481,249

In January and March 2012, LS Finance (2017) Limited, a wholly owned subsidiary of the Company, concluded a public offering of the US\$350,000,000 and US\$150,000,000 bonds respectively (equivalent to approximately HK\$3,875,000,000 in aggregate). The bonds carry a fixed coupon rate of 5.25% per annum, payable semi-annually in arrears. The first tranche bond, issued at discount, has an effective interest rate of 5.54% per annum, whereas the second tranche bond, issued at premium, has an effective interest rate of 4.70% per annum. The principal amount of the bonds issued under the first and second tranche are repayable 5 years from the date of issue of the first tranche of the bonds, i.e. January 2017 and are unconditionally and irrevocably guaranteed by the Company.

In October 2012, LS Finance (2022) Limited, another wholly owned subsidiary of the Company, concluded a public offering of the US\$300,000,000 bonds (equivalent to approximately HK\$2,325,000,000). The bonds carry a fixed coupon rate of 4.25% per annum, payable semi-annually in arrears. The bonds, issued at discount, have an 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 are 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，並且是由本公司無條件及不可撤回地作擔保。

於二零一二年十月，本集團的另一全資附屬公司 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%。債券的本金將會在以債券之發行日期計起的十年後償還，即二零二二年十月，並且是由本公司無條件及不可撤回地作擔保。

25. Bonds (continued)

In June 2015, LS Finance (2025) Limited, another wholly owned subsidiary of the Company, concluded a public offering of the US\$300,000,000 bonds (equivalent to approximately HK\$2,325,000,000). The bonds carry a fixed coupon rate of 4.50% per annum, payable semi-annually in arrears. The bonds, issued at discount, have an effective interest rate of 4.70% per annum. The principal amount of the bonds is repayable 10 years from the date of issue of the bonds, i.e. June 2025 and are unconditionally and irrevocably guaranteed by the Company.

The purpose of the bonds is to satisfy funding requirements for the capital expenditure relating to store renovation and new department store projects. 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, LS Finance (2022) Limited and LS Finance (2025) 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, LS Finance (2022) Limited or LS Finance (2025) Limited.

25. 債券(續)

於二零一五年六月，本集團的另一全資附屬公司LS Finance (2025) 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4.50%，每半年支付一次。債券以折讓價發行，實際年利率為4.70%。債券的本金將會在以債券之發行日期計起的十年後償還，即二零二五年六月，並且是由本公司無條件及不可撤回地作擔保。

發行債務的主要目的是滿足有關店舖裝修及新百貨店項目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項時，LS Finance (2017) Limited、LS Finance (2022) Limited和LS Finance (2025) 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，債券包含一條款，當LS Finance (2017) Limited、LS Finance (2022) Limited或LS Finance (2025) 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。

26. Deferred Tax Liabilities

The following are the major deferred tax liabilities recognised and movements thereon during the current and prior years:

26. 遞延稅項負債

以下為已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：

		Accelerated tax depreciation	Revaluation of investment properties	LAT on fair value change of investment properties	Distributable profits of PRC subsidiaries, associates and a joint venture 中國附屬公司、 聯營公司及 一間合資企業之 可分配利潤	Total
		加快稅項 折舊 HK\$'000 千港元	投資物業 重新估值 HK\$'000 千港元	投資物業公平值 變動之土地 增值稅 HK\$'000 千港元	聯營公司及 一間合資企業之 可分配利潤 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	53,620	56,485	99,993	23,922	234,020
Exchange adjustments	匯率調整	-	(3,255)	(5,762)	-	(9,017)
Charge to profit or loss	於損益扣除	11,601	-	-	9,710	21,311
Charge to other comprehensive income	計入其他綜合收入	-	46,661	-	-	46,661
Disposal of subsidiaries (note 29(b))	出售附屬公司 (附註 29(b))	439	-	-	(33,632)	(33,193)
At 31 December 2016	於二零一六年十二月 三十一日	65,660	99,891	94,231	-	259,782
Exchange adjustments	匯率調整	-	814	1,441	-	2,255
Charge to profit or loss (note 10)	於損益扣除 (附註 10)	21,479	139,083	-	-	160,562
Disposal of subsidiaries (note 29(a))	出售附屬公司 (附註 29(a))	-	(54,044)	(95,672)	-	(149,716)
At 31 December 2017	於二零一七年 十二月三十一日	87,139	185,744	-	-	272,883

At the end of the reporting period, the Group had unused tax losses of approximately HK\$268.6 million (2016: approximately HK\$345.5 million) available for offset against future profits. No deferred tax asset was recognised in respect of tax losses for year ended 31 December 2016 due to unpredictability of future profit streams. Tax losses in Hong Kong may be carried forward indefinitely. The unrecognised tax losses arising from subsidiaries operating in the PRC will expire as follows:

於報告期間結算日，本集團有未動用稅項虧損約 268,600,000 港元 (二零一六年：約 345,500,000 港元) 可用作抵銷日後溢利。於二零一六年十二月三十一日，由於日後溢利流量難以預測，故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：

26. Deferred Tax Liabilities (continued)**26. 遞延稅項負債(續)**

Tax losses expiring in	稅項虧損到期之年份	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
2017	二零一七年	-	11,479
2018	二零一八年	-	11,920
2019	二零一九年	-	9,585
2020	二零二零年	-	9,304
2021	二零二一年	-	9,485
		-	51,773

27. Share Capital

Details of the changes in the Company's share capital during both years are as follows:

27. 股本

截至去年及今年，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 2016, 31 December 2016 and 31 December 2017	於二零一六年一月一日、 二零一六年十二月三十一日及 二零一七年十二月三十一日 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 2016, 31 December 2016 and 31 December 2017	於二零一六年一月一日、 二零一六年十二月三十一日及 二零一七年十二月三十一日	1,602,586,500	8,013

28. Statutory Surplus Reserve

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries are required to transfer 10% of their respective after-tax profits as reflected in the statutory financial statements of the PRC subsidiaries to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The statutory surplus reserve can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation, provided that such reserve fund is maintained at a minimum of 25% of the registered capital.

28. 法定盈餘公積金

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需轉撥於法定財務報表呈列的除稅後溢利之10%到法定盈餘公積金，直至儲備結餘達到註冊資本的50%。法定盈餘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，條件是該儲備額要維持最少25%的註冊資本。

29. Disposal of Subsidiaries

- (a) As disclosed in note 1 and note 13(a) above, the Group completed the disposal of its entire equity interest holdings in Lifestyle Properties Group on 13 April 2017.

The assets and liabilities disposed of at the Disposal Date ("Disposal Date") are disclosed below:

29. 出售附屬公司

- (a) 如以上附註1及附註13(a)所披露，本集團於二零一七年四月十三日完成出售其於利福地產集團的全部股權。

於出售日(「出售日」)出售之資產及負債如下：

		HK\$'000 千港元
Investment properties	投資物業	640,435
Property, plant and equipment	物業、廠房及設備	162,821
Prepaid lease payments	預付租賃款項	568,303
Deposits, prepayments and other receivables	訂金、預付款及其他應收款項	2,770
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	102,966
Bank balances and cash	銀行結存及現金	412,322
Other payables and accrued charges	其他應付及應計款項	(11,107)
Taxation payable	應繳稅項	(156,695)
Deferred tax liabilities	遞延稅項負債	(149,716)
Non-controlling interests	非控股權益	(605,946)
Net assets disposed of	出售之淨資產	966,153
Consideration received	已收代價	1,292,986
Transaction costs attributable to the disposal	出售之交易成本	(8,168)
Net consideration received	已收代價淨額	1,284,818
Less: Net assets disposed of	減：出售之資產淨值	(966,153)
Reclassification of cumulative translation reserve upon disposal to profit or loss	於出售重新分類至損益之 累積匯兌儲備	102,178
Gain on disposal	出售之收益	420,843
Net cash inflow (outflow) arising on disposal:	因出售產生之淨現金流入(流出)：	
Net cash consideration received	已收代價淨額	1,284,818
Bank balances and cash disposed of	出售包含之銀行結存及現金	(412,322)
		872,496

29. Disposal of Subsidiaries (continued)

- (b) As disclosed in note 1 and note 13(b) above, Lifestyle China Group companies ceased to be subsidiaries of the Company upon the distribution of the entire issue share capital of Lifestyle China to the Company's shareholders on 14 July 2016 as a special interim dividend by way of a distribution in specie.

The net assets of Lifestyle China Group on the date of distribution in specie are disclosed below:

29. 出售附屬公司(續)

- (b) 如以上附註1及附註13(b)所披露，於二零一六年七月十四日，本公司向本公司股東以實物分派方式分派利福中國的全部已發行股本，以作為中期特別股息，自此利福中國集團公司不再為本公司之附屬公司。

於實物分派日，利福中國集團之資產淨值如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	4,155,177
Prepaid lease payments	預付租賃款項	2,812,293
Interests in associates	於聯營公司權益	3,362,524
Interest in a joint venture	於一間合資企業權益	472,014
Properties under development	發展中物業	793,252
Deferred tax assets	遞延稅項資產	439
Inventories	存貨	37,964
Trade and other receivables	應收賬款及其他應收款項	161,221
Amount due from a joint venture	應收一間合資企業款項	34,920
Bank balances and cash	銀行結存及現金	2,062,996
Trade and other payables	應付賬款及其他應付款項	(1,032,045)
Amount due to a joint venture	應付一間合資企業款項	(18,905)
Tax payable	應繳稅項	(27,773)
Bank borrowings	銀行借貸	(1,157,489)
Deferred tax liabilities	遞延稅項負債	(33,632)
Amount due to a non-controlling shareholder of subsidiaries	來自附屬公司一名非控股股東之貸款	(128,826)
Net assets attributable to Lifestyle China Group at the date of distribution in specie	於實物分派日，利福中國集團應佔的資產淨值	11,494,130
Non-controlling interests	非控股權益	(1,435,624)
Net assets distributed under distribution in specie	以實物分派方式分派之資產淨值	10,058,506
Cash outflows on distribution:	於分拆時的現金流出：	
Bank balances and cash	銀行結存及現金	2,062,996

30. Operating Leases The Group as lessee

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (重列)
Minimum lease payments paid under operating leases during the year:	年內根據經營租約已付之最低租約款項：		
Other assets	其他資產	-	397
Leasehold land and buildings	租賃土地及樓宇	71,600	39,174
		71,600	39,571

During the year ended 31 December 2017, the Group incurred HK\$57,829,000 (2016: HK\$51,767,000) of contingent rents which were based on a certain percentage of sales.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases (fixed rent only) which fall due as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	75,432	72,019
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	313,886	304,950
Over five years	超過五年	45,703	127,512
		435,021	504,481

Operating lease payments represent rentals payable by the Group for certain of its leasehold land and buildings amounting to HK\$435,021,000 (2016: HK\$504,481,000).

30. 經營租約 本集團作為承租人

截至二零一七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57,829,000港元(二零一六年：51,767,000港元)。

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(只限固定租金)將於下列年期到期：

經營租約款項指由本集團就租賃土地及房屋支付435,021,000港元(二零一六年：504,481,000港元)。

30. Operating Leases (continued)**The Group as lessee (continued)**

Operating lease payments represent rentals payable by the Group for leasing commercial properties and other assets which represent machinery. Rentals payable are predetermined at fixed amounts except for certain leases of which contingent rentals are charged based on a 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 for the following:

- (a) Lease of the Elegance at the Sheraton Hotel at the junction of Nathan Road and Salisbury Road, Kowloon by Sogo HK for the period from 15 July 2014 to 14 July 2023.
- (b) Prior to the completion of the Spin-off during the year ended 31 December 2016, the 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 in not less than 12 months before the expiry of the lease terms.

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

Within one year	一年內
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)

Leases are generally negotiated for terms ranging from one year to three years.

In addition, the Group contracted with its concessionaires and tenants to receive contingent rentals based on the concessionaires' turnover for terms ranging from one to two years.

30. 經營租約(續)**本集團作為承租人(續)**

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) 崇光(香港)所訂立有關九龍彌敦道及梳士巴利道交界之喜來登酒店之租約為二零一四年七月十五日至二零二三年七月十四日。
- (b) 在截至二零一六年十二月三十一日止年度內分拆完成前，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。

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：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	1,811	2,542
In the second to fifth year inclusive	958	1,847
	2,769	4,389

租約一般按租賃期由一至三年協商。

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。

31. Capital and Other Commitments

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Capital and other expenditure in respect of acquisition of property, plant and equipment and property development project contracted for but not provided in the consolidated financial statements	已訂約惟未於綜合財務報表撥備之有關購入物業、廠房及設備及物業發展項目之資本及其他開支	1,188,826	237,929

32. 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 the prior year.

The capital structure of the Group consists of debt, which includes the bank borrowings and bonds disclosed in notes 24 and 25, respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, retained profits and other reserves.

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.

31. 資本及其他承擔**32. 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，為持份者提供最佳回報。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24和25披露之銀行借貸及債券)、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、保留溢利及其他儲備)。

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。根據本公司董事之建議，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。

33. Financial Instruments

Categories of financial instruments

33. 金融工具

金融工具類別

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at FVTPL (note 21)	按公平值計入損益之金融資產 (附註21)	3,349,047	2,440,605
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)	7,509,963	7,661,437
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債	16,628,576	17,666,184

Financial risk management objectives and policies

The Group's major financial instruments include bank balances and cash, financial assets at FVTPL, trade and other receivables, trade and other payables, concessionaire sales payables, bank borrowings and bonds. Details of these financial instruments are disclosed in the 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.

Currency risk

The functional currency of the Company and its major subsidiaries in Hong Kong is the HK\$ in which most of the transactions are denominated. For subsidiaries that provide financing functions for the Group, their functional currency is the 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\$1,234,489,000 (2016: HK\$5,657,904,000) and HK\$25,920,000 (2016: HK\$30,300,000), respectively. Furthermore, the Group has certain bank borrowings which are denominated in EUR, JPY and US\$ (being currencies other than the functional currency of the respective group entity) amounting to approximately HK\$166,842,000 (2016: HK\$24,912,000), HK\$434,710,000 (2016: HK\$385,542,000) and Nil (2016: HK\$31,363,000), respectively.

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、應付特許專權銷售款項、銀行借貸及債券。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。

外幣風險

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。若干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計值的銀行結餘(集團個體的功能貨幣以外之貨幣)，分別1,234,489,000港元(二零一六年：5,657,904,000港元)及25,920,000港元(二零一六年：30,300,000港元)。此外，本集團有若干以歐羅、日元及美元(集團個體的功能貨幣以外之貨幣)計值銀行借貸，分別166,842,000港元(二零一六年：24,912,000港元)、434,710,000港元(二零一六年：385,542,000港元)及零港元(二零一六年：31,363,000港元)。

33. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Currency risk (continued)

In addition, certain financial assets at FVTPL are denominated in US\$, EUR, British Pounds (“GBP”), JPY and RMB (being currencies other than the functional currency of the respective group entity) amounting to approximately HK\$1,283,345,000 (2016: HK\$1,100,032,000), HK\$248,673,000 (2016: HK\$98,326,000), HK\$19,658,000 (2016: Nil), HK\$527,718,000 (2016: HK\$388,840,000) and Nil (2016: HK\$8,118,000), 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 arise.

Notwithstanding HK\$ is effectively pegged to US\$ under the pegged exchange rate system in Hong Kong, given the Group’s large amount of net liabilities denominated in US\$, the Group is still exposure to the exchange risk of US\$ against HK\$ within the band of US\$1 to HK\$7.75 and 7.85. The Group is hence exposed to foreign currency risk of US\$/RMB/EUR/GBP/JPY against the HK\$ and in the opinion of the directors of the Company, other foreign currency risks are not significant to the consolidated financial statements.

The following table details the Group’s sensitivity to a reasonably possible change of 0.5% for exchange rate of US\$ against HK\$ (2016: 0.5%), and 3% (2016: 3%) for the exchange rate of RMB/EUR/GBP/JPY against the HK\$, while all other variables are held constant. Those 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 0.5% (2016: 0.5%) change in US\$ against HK\$ and a 3% (2016: 3%) change in RMB/EUR/GBP/JPY against HK\$. A positive number below indicates an increase in profit for the year where the HK\$ weakens against the relevant foreign currency. Where the HK\$ strengthens against the relevant foreign currency, there would be an equal and opposite impact on the post-tax profit for the year and the balances below would be negative.

33. 金融工具(續) 財務風險管理目的及政策(續)

外幣風險(續)

此外，以美元、人民幣、歐羅、英鎊、日元及人民幣(集團個體的功能貨幣以外之貨幣)計值的按公平值計入損益的若干金融資產，分別1,283,345,000港元(二零一六年：1,100,032,000港元)、248,673,000港元(二零一六年：98,326,000港元)、19,658,000港元(二零一六年：無)、527,718,000港元(二零一六年：388,840,000港元)及零港元(二零一六年：8,118,000港元)。

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。

儘管港元在香港聯繫匯率制下與美元掛鈎，鑑於本集團有大量以美元計價的淨負債，本集團仍面對美元兌港元匯率在1美元對7.75–7.85港元區間之風險，本集團因此面對美元／人民幣／歐羅／英鎊／日元兌港元及美元兌人民幣的外幣風險，而本公司董事認為，其他外幣風險對綜合財務報表並沒有重大影響。

下表詳列本集團於美元兌港元之匯率可能出現0.5%(二零一六年：0.5%)，以及人民幣／歐羅／英鎊／日元兌港元之匯率可能出現3.0%(二零一六年：3.0%)合理變動時之敏感度，而所有其他變數維持不變。向主要管理人員內部匯報外幣風險時將使用該等外幣風險敏感率，亦代表管理層對外幣匯率可能合理變動的評估。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0.5%(二零一六年：0.5%)作美元兌港元及3.0%(二零一六年：3.0%)作人民幣／歐羅／英鎊／日元兌港元變動進行換算。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，對年度的除稅後利潤會有相等及相反的影響，使下列結餘列為負數。

33. Financial Instruments (continued)
Financial risk management objectives and policies
(continued)
Currency risk (continued)

33. 金融工具(續)
財務風險管理目的及政策(續)

外幣風險(續)

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
US\$ against HK\$	美元兌港元	(8,851)	(7,325)
RMB against HK\$	人民幣兌港元	649	962
EUR against HK\$	歐羅兌港元	2,090	1,839
GBP against HK\$	英鎊兌港元	492	-
JPY against HK\$	日元兌港元	2,339	83

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 deposits and fixed coupon rate bonds (2016: fixed-rate bank deposits and fixed coupon rate bonds). The Group is also exposed to cash flow interest rate risk relating to the Group's variable-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定期存款及固定票面利率債券面對公平值利率風險。(二零一六年：固定利率銀行定期存款，固定票面利率債券)。本集團亦對有關浮息銀行存款及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。

33. 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 borrowings for construction purposes) 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 50 basis points (2016: 50 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. 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 tax and finance costs capitalised in construction in progress and investment property under development is as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(Decrease) increase in post-tax profit for the year	年內除稅後溢利(減少)增加		
— as a result of increase in interest rate	— 由於利率上升	(19,139)	(7,694)
— as a result of decrease in interest rate	— 由於利率下降	19,139	7,694

In management's opinion, the sensitivity is unrepresentative of the inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

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 2017 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 a cash basis, either in cash, debit card or credit card payments.

33. 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)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。當向主要管理人員內部匯報利率風險時，50個基點(二零一六年：50基點)增加或減少用於其他浮息結餘，並代表管理層對利率可能合理變動的評估。當所有其他變數維持不變，經考慮稅項及利息資本化於在建工程及在建投資物業後，本集團於報告期間結算日對利率風險敏感度如下：

管理層認為，由於年結日之風險並不反映年內風險，故敏感度分析並不代表固有利率風險。

信貸風險

於二零一七年十二月三十一日，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。

33. 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.

Price risk

The Group's financial assets at FVTPL 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 FVTPL are set out in note 21.

The Group's sensitivity to price risk on the financial assets at FVTPL at the end of the reporting period while all other variables were held constant is as follows:

		HK\$'000 千港元
2017	二零一七年	
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	156,978
— as a result of decrease in price	— 由於價格減少	(156,978)
2016	二零一六年	
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	115,094
— as a result of decrease in price	— 由於價格減少	(115,094)

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 2017, the Group had available unutilised borrowing facilities of approximately HK\$8,099.0 million (2016: HK\$1,937.0 million). Details of bank borrowings are set out in note 24.

33. 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或政府機構，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。

價格風險

本集團按公平值計入損益之金融資產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之詳情分別載於附註21。

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，確保遵守貸款契諾。

本集團依靠銀行借貸及債券作為重要的流動資金來源。於二零一七年十二月三十一日，本集團之未提取銀行借貸融資額度為約8,099,000,000港元(二零一六年：1,937,000,000港元)，詳情載於附註24。

33. 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 of floating rate, the undiscounted amount is derived from an 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 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 considers that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

Liquidity and interest risk tables

		Weighted average effective interest rate	On demand/ less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
		加權平均 實際利率 %	按要求/ 一個月內 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月至一年 HK\$'000 千港元	一至五年 HK\$'000 千港元	五年以上 HK\$'000 千港元	總非貼現 現金流量 HK\$'000 千港元	賬面值 HK\$'000 千港元
31 December 2017	二零一七年十二月三十一日								
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	-	745,636	38,359	22,802	-	-	806,797	806,797
Bank borrowings — variable rate (note a)	銀行借貸—浮動利率 (附註a)	1.91%	2,622,964	27,695	129,085	9,155,249	-	11,934,993	11,184,138
Bonds	債券	4.38%	-	-	182,211	3,163,050	2,606,588	5,951,849	4,637,641
			3,368,600	66,054	334,098	12,318,299	2,606,588	18,693,639	16,628,576
Derivative — gross settlement	衍生工具—總額結算								
Written put options — Outflow (note b)	認沽期權 — 流出(附註b)		169,049	142,714	-	-	-	311,763	34,057

33. 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。

下表已載列利息及本金現金流。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。該表根據需總額結算之衍生工具未貼現總(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

33. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

		Weighted average effective interest rate	On demand/ less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
		加權平均 實際利率 %	一個月內 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月至一年 HK\$'000 千港元	一至五年 HK\$'000 千港元	五年以上 HK\$'000 千港元	總非貼現 現金流量 HK\$'000 千港元	賬面值 HK\$'000 千港元
31 December 2016	二零一六年十二月三十一日								
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	-	753,665	32,366	22,656	-	-	808,687	808,687
Bank borrowings — variable rate (note a)	銀行借貸—浮動利率 (附註a)	1.51%	3,451,014	12,579	58,633	5,246,300	-	8,768,526	8,376,248
Bonds	債券	4.94%	3,981,850	-	203,700	814,800	5,121,600	10,121,950	8,481,249
			8,186,529	44,945	284,989	6,061,100	5,121,600	19,699,163	17,666,184
Derivative — gross settlement Written put options — Outflow (note b)	衍生工具 — 總額結算 認沽期權 — 流出(附註b)		189,112	167,683	-	-	-	356,795	30,011

33. 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)

33. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

Notes:

- (a) Bank borrowings with a repayment on demand clause are included in the "on demand or less than 1 month" time band in the above maturity analysis. As at 31 December 2017, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$601.6 million (2016: HK\$441.8 million). Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans will be repaid within one year from the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to HK\$601.8 million (2016: HK\$441.8 million).
- (b) The amount included above for written put options is the maximum amount the Group is obliged to settle under the written put option arrangements if the underlying index or ETF go to zero upon the exercise or expiry of the written put options. Certain written put options amounting to HK\$77,934,000 (2016: HK\$77,196,000) are included in the "on demand or less than 1 month" time band in the above maturity analysis as those options could be exercised at any time before the expiration dates. The remaining written put options are included in the respective time bands according to the expiration dates of the options since the options could only be exercised on those dates. Based on expectations at the end of the reporting period, the Group considers that it is very unlikely that such an amount will be payable under the written put option arrangements as the chance of the index or ETF dropping to zero is remote. However, this estimate is subject to change depending on the market volatility of underlying index and ETF of the written put options, and final settlement price of the options along with other factors.

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 from the estimates of interest rates determined at the end of the reporting period.

33. 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)

附註：

- (a) 附帶按要求還款條款的銀行借貸在上述列表被歸類為按要求或一個月之內到期，於二零一七年十二月三十一日，該等非貼現的銀行貸款本金分別合共601,600,000港元(二零一六年：441,800,000港元)。考慮到本集團的財務狀況，董事相信銀行不會行使選擇權要求即時償還上述的借貸。本公司董事亦認為以上的借貸會於由報告期末起一年內按照貸款協議的還款日期償還。屆時合計的本金與利息現金流出將為601,800,000港元(二零一六年：441,800,000港元)。
- (b) 當行使認沽期權或認沽期權到期，如相關指數或交易所買賣基金跌至零，上述金額為本集團就認沽期權合約所需結算之最大金額。若干價值77,934,000港元認沽期權(二零一六年：77,196,000港元)歸類為按需求或少於一個月是由於該等認沽期權可於到期日前任何時間行使。其餘認沽期權則根據期權到期日分類至所屬時間範圍，因該期權只能於這些日期行使。根據於報告期末時推算，因有關指數及交易所買賣基金會跌至零的機會很微，本集團認為根據認沽期權合約需要支付該金額的可能性很低。然而，這估計會因認沽期權有關指數及交易所買賣基金之市場波動及期權最終結算價以及其他因素而改變。

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。

33. 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 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 are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
金融資產	公平值於		公平值等級架構	估值方法和主要輸入的參數
	31.12.2017 二零一七年 十二月三十一日 HK\$'000 千港元	31.12.2016 二零一六年 十二月三十一日 HK\$'000 千港元		
Financial assets at FVTPL 按公平值計入損益之金融資產				
1. Listed equity securities 上市股票	2,442,198	1,605,903	Level 1 等級一	Quoted bid prices in active markets. 於活躍市場中的買入價。
2. Listed debt securities 上市債券	8,743	8,117	Level 2 等級二	Quoted prices in over-the-counter markets. 場外交易市場報價。
3. Listed investment funds 上市投資基金	506,250	452,836	Level 2 等級二	Quoted market prices provided by brokers which are financial institutions. (note a) 作為經紀的金融機構提供的市場價格。(附註 a)
4. Unlisted hedge funds 非上市對沖基金	153,648	61,440	Level 2 等級二	Quoted market prices provided by brokers which are financial institutions. (note a) 作為經紀的金融機構提供的市場價格。(附註 a)
5. Unlisted investment portfolios 非上市投資組合	158,130	282,298	Level 2 等級二	Quoted market prices provided by brokers which are financial institutions. (note a) 作為經紀的金融機構提供的市場價格。(附註 a)
6. Written put options 認沽期權	34,057	30,011	Level 2 等級二	Quoted prices in over-the-counter markets. 場外交易市場的報價。
7. Unlisted equity-linked notes 非上市股權掛鈎債券	46,021	–	Level 2 等級二	Quoted prices in over-the-counter markets. 場外交易市場的報價。

Note:

- (a) Quoted market prices provided by brokers which are financial institutions represent the net asset value of the respective funds, based on the quoted prices of the underlying investments, reported to the trustee by the administrators.

There were no transfers between Level 1, 2 and 3 during both years.

33. 金融工具(續)**金融工具之公平值計量**

本集團經常性按公平值計量的金融資產及金融負債之公平值

本集團若干的金融資產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的公平值(尤其是估值方法和使用的輸入參數)。

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
金融資產	公平值於		公平值等級架構	估值方法和主要輸入的參數
	31.12.2017 二零一七年 十二月三十一日 HK\$'000 千港元	31.12.2016 二零一六年 十二月三十一日 HK\$'000 千港元		
Financial assets at FVTPL 按公平值計入損益之金融資產				
1. Listed equity securities 上市股票	2,442,198	1,605,903	Level 1 等級一	Quoted bid prices in active markets. 於活躍市場中的買入價。
2. Listed debt securities 上市債券	8,743	8,117	Level 2 等級二	Quoted prices in over-the-counter markets. 場外交易市場報價。
3. Listed investment funds 上市投資基金	506,250	452,836	Level 2 等級二	Quoted market prices provided by brokers which are financial institutions. (note a) 作為經紀的金融機構提供的市場價格。(附註 a)
4. Unlisted hedge funds 非上市對沖基金	153,648	61,440	Level 2 等級二	Quoted market prices provided by brokers which are financial institutions. (note a) 作為經紀的金融機構提供的市場價格。(附註 a)
5. Unlisted investment portfolios 非上市投資組合	158,130	282,298	Level 2 等級二	Quoted market prices provided by brokers which are financial institutions. (note a) 作為經紀的金融機構提供的市場價格。(附註 a)
6. Written put options 認沽期權	34,057	30,011	Level 2 等級二	Quoted prices in over-the-counter markets. 場外交易市場的報價。
7. Unlisted equity-linked notes 非上市股權掛鈎債券	46,021	–	Level 2 等級二	Quoted prices in over-the-counter markets. 場外交易市場的報價。

附註：

- (a) 作為經紀的金融機構提供的市場價格乃代表由管理人匯報給受託人，根據相關投資報價釐定之各基金資產淨值。

第一級、第二級和第三級之間在今年及去年期間並無任何轉移。

33. Financial Instruments (continued)**Fair value measurements and valuation processes**

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:

33. 金融工具(續)**公平值計量及估值流程**

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 2017 二零一七年十二月三十一日		31 December 2016 二零一六年十二月三十一日	
		Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元	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	4,637,641	4,659,102	8,481,249	8,293,849

Fair value hierarchy**公平值等級架構**

		31 December 2017 二零一七年十二月三十一日			
		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	— 上市股票	2,442,198	—	—	2,442,198
— Listed debt securities	— 上市債券	—	8,743	—	8,743
— Listed investment funds	— 上市投資基金	—	506,250	—	506,250
— Unlisted hedge funds	— 非上市對沖基金	—	153,648	—	153,648
— Unlisted investment portfolios	— 非上市投資組合	—	158,130	—	158,130
— Written put options	— 認沽期權	—	34,057	—	34,057
— Unlisted equity-linked notes	— 非上市股權掛鈎債券	—	46,021	—	46,021
Total	總計	2,442,198	906,849	—	3,349,047

		31 December 2016 二零一六年十二月三十一日			
		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	— 上市股票	1,605,903	—	—	1,605,903
— Listed debt securities	— 上市債券	—	8,117	—	8,117
— Listed investment funds	— 上市投資基金	—	452,836	—	452,836
— Unlisted hedge funds	— 非上市對沖基金	—	61,440	—	61,440
— Unlisted investment portfolios	— 非上市投資組合	—	282,298	—	282,298
— Written put options	— 認沽期權	—	30,011	—	30,011
Total	總計	1,605,903	834,702	—	2,440,605

34. Reconciliation of Liabilities Arising From Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		Bank borrowings	Bonds	Interest payable	Accruals of Commitment fee for bank borrowings	Dividend payable	Total
		銀行借貸	債券	應付利息	應計銀行貸款承諾費用	應付股息	總計
		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
At 1 January 2017	於二零一七年一月一日	8,376,248	8,481,249	114,260	3,417	-	16,975,174
Financing cash flows	融資現金流	2,760,155	(4,098,406)	(202,867)	(12,446)	(1,012,835)	(2,566,399)
Exchange difference	匯兌差額	22,862	29,719	145	-	-	52,726
Interest expenses	利息支出	24,873	189,569	745	13,767	-	228,954
Capitalization of interest expenses	已資本化利息支出	-	35,510	120,292	-	-	155,802
Dividend declared	已宣派股息	-	-	-	-	1,012,835	1,012,835
At 31 December 2017	於二零一七年十二月三十一日	11,184,138	4,637,641	32,575	4,738	-	15,859,092

35. Pledge of Assets

At 31 December 2017, the Group pledged certain leasehold land and buildings in Hong Kong with carrying values of approximately HK\$1,246.1 million (2016: HK\$1,264.1 million), investment properties with carrying values of HK\$322.0 million (2016: HK\$301.0 million), together with certain shares of the Company's subsidiaries, to secure the available banking facilities of HK\$8,000 million (2016: HK\$8,000 million) granted to the Group. In addition, financial assets at FVTPL with a carrying value of approximately HK\$1,427.4 million (2016: HK\$841.8 million) have been pledged to secure loan facilities in the amount of approximately US\$255 million (equivalent to approximately HK\$1,991.6 million) (2016: US\$255.0 million (equivalent to approximately HK\$1,978.8 million)).

Moreover, the entire Kai Tak Project, comprising the land and investment properties under development, with an aggregate carrying value of HK\$8,416.2 million (31 December 2016: HK\$7,393.0 million) was pledged to secure the HK\$9,000 million loan facility granted to the Group for financing the development of the Kai Tak Project. As at 31 December 2017, HK\$3,691.0 million was utilized (2016: Nil).

34. 融資活動產生的負債對賬

下表詳述本集團來自融資活動的負債變動，包括現金及非現金變動。融資活動產生的負債是指在本集團綜合現金流量表中分類為融資活動之現金流的以往或未來的現金流以作撥付之負債。

35. 資產抵押

於二零一七年十二月三十一日，本集團將賬面值約為1,246,100,000港元(二零一六年：1,264,100,000港元)位於香港之若干租賃土地及樓宇、賬面值為322,000,000港元之投資物業(二零一六年：301,000,000港元)，連同本公司若干附屬公司股份抵押，作為本集團獲授銀行可用的融資額8,000,000,000港元(二零一六年：8,000,000,000港元)。此外，約賬面值為1,427,400,000港元之按公平值計入損益之金融資產(二零一六年：841,800,000港元)作抵押以取得約255,000,000美元(相當於約1,991,600,000港元)(二零一六年：255,000,000美元(約相當於1,978,800,000港元))貸款融資額。

此外，賬面總值8,416,200,000港元(二零一六年十二月三十一日：7,393,000,000港元)的整個啟德項目(包括土地及在建投資物業)已抵押以取得授予本集團的貸款融資額9,000,000,000港元，用作撥付啟德項目發展的資金。於二零一七年十二月三十一日，已動用3,691,000,000港元之融資額(二零一六年：無)。

36. Related Party Disclosures**(a) Transactions**

During the year, the Group entered into the following significant transactions with the following related parties.

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Nature of related parties 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)	(i) 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)	-	115,663
(ii) Loan interest income received from Property JV (note 1)	(ii) 向物業合資企業收取之貸款利息收入(附註1)	-	629
(iii) Rental income received from a subsidiary of Lifestyle China	(iii) 向利福中國一間附屬公司收取之租金收入	11,665	5,864
(iv) Rental expenses paid to subsidiaries of Lifestyle China	(iv) 向利福中國附屬公司支付之租金支出	129	229
(v) Project management service income from subsidiaries of Lifestyle China (note 2)	(v) 向利福中國附屬公司收取之項目管理服務收入(附註2)	3,237	6,039

Notes:

- (1) Prior to the completion of distribution in specie in connection with the spin-off of Lifestyle China during the year ended 31 December 2016, the Group held a 50% interest in Property JV.
- (2) It represented the amount received or receivable by Lifestyle Properties from Lifestyle China Group after completion of the Spin-off. The transaction ceased after the disposal of Lifestyle Properties Group.
- (3) All of the above related party transactions were conducted in accordance with the terms and conditions mutually agreed by the contracting parties.

(b) Compensation of key management personnel

The remuneration of executive directors, being the key management personnel, were determined by the remuneration committee of the Company having regard to the performance of the individuals and market, details of which, together with the other three (2016: three) highest paid employees, are disclosed in note 12.

36. 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：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Nature of related parties 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)	(i) 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)	-	115,663
(ii) Loan interest income received from Property JV (note 1)	(ii) 向物業合資企業收取之貸款利息收入(附註1)	-	629
(iii) Rental income received from a subsidiary of Lifestyle China	(iii) 向利福中國一間附屬公司收取之租金收入	11,665	5,864
(iv) Rental expenses paid to subsidiaries of Lifestyle China	(iv) 向利福中國附屬公司支付之租金支出	129	229
(v) Project management service income from subsidiaries of Lifestyle China (note 2)	(v) 向利福中國附屬公司收取之項目管理服務收入(附註2)	3,237	6,039

附註：

- (1) 在截至二零一六年十二月三十一日止年度內就利福中國分拆並以實物方式分派完成前，本集團擁有50%合資企業權益。
- (2) 此金額為於分拆完成後，利福地產已收或應收利福中國集團之金額。於出售利福地產後該項交易並已終止。
- (3) 以上所有的關聯交易均按照由合同雙方共同協商的條款和條件進行。

(b) 主要管理人員薪酬

執行董事為主要管理人員，其酬金乃由本公司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三名(二零一六年：三名)最高收入員工之酬金詳情於附註12披露。

37. 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\$30,000. 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 remuneration.

PRC

Before the disposal of Lifestyle Properties Group, the employees of the Group in the PRC were members of state-managed retirement benefit schemes operated by the respective local governments in the relevant jurisdictions. The Group was required to contribute and recognise a specified percentage of payroll costs to the schemes to fund the benefits. The only obligation of the Group with respect to these schemes was 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 from continuing operation in respect of the above-mentioned schemes amounted to HK\$7,875,000 (2016: HK\$8,100,000).

37. 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，有關每月入息上限為30,000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。

中國

在出售利福地產集團前，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。

有關上述的計劃中計入來自持續經營業務之損益的總成本費用總額為7,875,000港元(二零一六年：8,100,000港元)。

38. Particulars of Principal Subsidiaries

At 31 December 2017 and 2016, the details of the Company's principal subsidiaries are as follows:

38. 主要附屬公司詳情

於二零一七年及二零一六年十二月三十一日，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 1) 本集團應佔權益 (附註 1)		Principal activities 主要業務
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
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	HK\$10,000,000	100%	100%	Property holding and leasing 物業持有及租賃
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	HK\$500,000	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	HK\$2	100%	100%	Property holding and leasing 物業持有及租賃
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	HK\$2	100%	100%	License holder 特許權持有人
Forceworld 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	HK\$500,000	100%	100%	Property holding and leasing 物業持有及租賃
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	US\$3	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	HK\$500,000	100%	100%	Provision of property security and management services 提供物業保安及管理服務
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	HK\$2	100%	100%	Property holding and leasing 物業持有及租賃

38. Particulars of Principal Subsidiaries (continued) 38. 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 1) 本集團應佔權益(附註1)		Principal activities 主要業務
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
Leading Rainbow Limited 領彩有限公司	Hong Kong 2 September 2016 香港 二零一六年九月二日	HK\$1	HK\$1	100%	100%	Advertising 廣告
Leader Bright Limited 領耀有限公司	Hong Kong 18 December 2015 香港 二零一五年十二月十八日	HK\$1	HK\$1	100%	100%	Properties development 物業發展
Lifestyle Properties 利福地產	Cayman Islands/ Hong Kong 5 January 2012 開曼群島/香港 二零一二年一月五日	HK\$41,911,400 (As at Disposal Date) (截至出售日)	HK\$41,911,400	- (notes 2) (附註2)	59.56%	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	US\$1	100%	100%	Financing 融資
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	US\$1	100%	100%	Financing 融資
LS Finance (2025) Limited	British Virgin Islands/ Hong Kong 2 June 2015 英屬維爾京群島/香港 二零一五年六月二日	US\$1	US\$1	100%	100%	Financing 融資
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	HK\$2	100%	100%	Property holding and leasing 物業持有及租賃

38. Particulars of Principal Subsidiaries (continued) 38. 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 1) 本集團應佔權益(附註1)		Principal activities 主要業務
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
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	HK\$1,000	100%	100%	Property holding and leasing 物業持有及租賃
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	HK\$1,000,000	100%	100%	Club operator 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	HK\$4,000,000	100%	100%	Retailing business 零售業務
Superlite 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	US\$1	100%	100%	Property holding and leasing 物業持有及租賃
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 (As at Disposal Date) (截至出售日)	US\$89,990,000	- (notes 2) (附註 2)	59.56%	Property holding 物業持有
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 (As at Disposal Date) (截至出售日)	RMB225,000,000	- (notes 2) (附註 2)	59.56%	Property investment 物業投資
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 (As at Disposal Date) (截至出售日)	US\$18,000,000	- (notes 2) (附註 2)	59.56%	Property investment 物業投資

* wholly foreign-owned enterprises established in the PRC.

* 於中國成立之中外合資企業

38. Particulars of Principal Subsidiaries (continued)

Notes:

1. LS finance (2017) Limited, LS Finance (2022) Limited and LS Finance (2025) Limited are directly held by the Company. Other subsidiaries are indirectly held by the Company.
2. The subsidiaries are disposed during the year ended 31 December 2017. Details are set out in note 29.

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. All of these subsidiaries operate in Hong Kong. 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	
		2017 二零一七年	2016 二零一六年
Restaurant operator 餐廳經營	Hong Kong 香港	-	1
		-	1
Securities investment 證券投資	Hong Kong 香港	5	6

As at 31 December 2017, all of the Group's subsidiaries are wholly owned. As at 31 December 2016, the directors of the Company are of the opinion that 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.

38. 主要附屬公司詳情(續)

附註：

1. LS Finance (2017) Limited、LS Finance (2022) Limited及LS Finance (2025) Limited是由本公司直接持有。其他附屬公司是由本公司間接持有。
2. 該等附屬公司於截至二零一七年十二月三十一日止年度被出售。詳情載於附註29。

上述列表列出本公司董事認為主要影響本集團業績或資產之附屬公司。本公司董事認為，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。所有該等附屬公司在香港經營。該等附屬公司之主要業務概述如下：

於二零一七年十二月三十一日，本集團之附屬公司均是全資擁有。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。

39. Statement of Financial Position and Reserves of the Company

Information about the statement of financial position of the Company at the end of the reporting period includes:

39. 本公司財務狀況表及儲備

於報告期間結算日，本公司財務狀況表資料包括：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司權益	9,741,000	774,924
Amount due from a subsidiary (note a)	應收一間附屬公司款項(附註a)	3,698,000	6,598,880
		13,439,000	7,373,804
Current assets	流動資產		
Other receivables	其他應收款項	1,117	947
Amounts due from subsidiaries (note b)	應收附屬公司款項(附註b)	191,999	8,679,174
Bank balances and cash	銀行結存及現金	179,527	3,719
		372,643	8,683,840
Current liabilities	流動負債		
Other payables	其他應付款項	2,718	2,661
Amounts due to subsidiaries (note b)	應付附屬公司款項(附註b)	8,814,669	15,402,396
Tax payable	應繳稅項	170	149
		8,817,557	15,405,206
Net current liabilities	流動負債淨值	(8,444,914)	(6,721,366)
		4,994,086	652,438
Non-current liabilities	非流動負債		
Amounts due to subsidiaries (note c)	應付附屬公司(附註c)	3,698,000	-
		3,698,000	-
Net assets	資產淨值	1,296,086	652,438
Capital and reserves	資本及儲備		
Share capital	股本	8,013	8,013
Reserves (note d)	儲備(附註d)	1,288,073	644,425
		1,296,086	652,438

39. Statement of Financial Position and Reserves of the Company (continued)

Movement of the reserves of the Company is as follows:

		Capital redemption reserve	Retained profits	Total
		資本贖回儲備	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2016	於二零一六年一月一日	687	2,843,436	2,844,123
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	-	6,899,416	6,899,416
Dividends paid	已派付股息	-	(1,012,835)	(1,012,835)
Dividend by way of distribution in specie (note e)	以實物方式分派之股息(附註e)	-	(8,086,279)	(8,086,279)
At 31 December 2016	於二零一六年十二月三十一日	687	643,738	644,425
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	-	1,656,483	1,656,483
Dividends paid	已派付股息	-	(1,012,835)	(1,012,835)
At 31 December 2017	於二零一七年十二月三十一日	687	1,287,386	1,288,073

Notes:

- The amount due from a subsidiary is unsecured, interest-bearing at prevailing interest rate and have no fixed repayment terms. In the opinion of the directors, based on their assessment as at the end of the reporting period of the estimated future cash flows from the subsidiary, the amount due from the subsidiary will not be repayable within one year from the end of the reporting period, accordingly the amount is classified as non-current.
- The amounts due from (to) subsidiaries are unsecured, interest-free, and repayable on demand.
- The amounts due to subsidiaries are unsecured, interest-bearing at prevailing interest rate and have no fixed repayment terms. In the opinion of the directors, based on their assessment at the end of the reporting period of the estimated future cash flows, the amounts due to subsidiaries will not be repayable within one year from the reporting period, accordingly, the amount are classified as non-current.
- The Company's reserves available for distribution as at 31 December 2017 consisted of retained profits of HK\$1,287,386,000 (2016: HK\$643,738,000).
- The amount represents the carrying amount of the investment in Lifestyle China as recorded at the Company's books. Details of the distribution in specie in the Group's consolidated financial statements amounting to HK\$10,058,506,000 million are set out in note 1.

39. 本公司財務狀況表及儲備(續)

本公司的儲備變動如下：

		Capital redemption reserve	Retained profits	Total
		資本贖回儲備	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2016	於二零一六年一月一日	687	2,843,436	2,844,123
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	-	6,899,416	6,899,416
Dividends paid	已派付股息	-	(1,012,835)	(1,012,835)
Dividend by way of distribution in specie (note e)	以實物方式分派之股息(附註e)	-	(8,086,279)	(8,086,279)
At 31 December 2016	於二零一六年十二月三十一日	687	643,738	644,425
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	-	1,656,483	1,656,483
Dividends paid	已派付股息	-	(1,012,835)	(1,012,835)
At 31 December 2017	於二零一七年十二月三十一日	687	1,287,386	1,288,073

附註：

- 應收一間附屬公司之款項乃無抵押，按現行利率計息及沒有固定還款條款。董事會認為根據他們在期末評估附屬公司的估算未來現金流之後，該金額將不會在報告期末一年以內償還，故此被分類為非流動。
- 應收／(應付)附屬公司款項是無抵押、免息及須於要求時償還。
- 應付附屬公司之款項乃無抵押，按現行利率計息及沒有固定還款條款。董事會認為根據他們在期末評估的估算未來現金流之後，該金額將不會在報告期末一年以內償還，故此被分類為非流動。
- 於二零一七年十二月三十一日，本公司可供分派儲備為保留溢利約1,287,386,000港元(二零一六年：643,738,000港元)。
- 該金額為本公司賬面上記錄的投資於利福中國之賬面值。有關金額為10,058,506,000港元之實物分派的詳情載於本集團綜合財務報表附註1。

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

		2017 二零一七年 HK\$'000 千港元 Continuing operation 持續 經營業務	2016 二零一六年 HK\$'000 千港元 Continuing operation 持續 經營業務	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Turnover	營業額	4,898,605	4,671,971	6,171,393	5,969,740	5,955,335
Profit attributable to owners of the Company	本公司擁有人應佔溢利	2,874,640	1,600,907	1,914,392	2,143,994	2,448,247
Earnings per share (HK\$)	每股盈利(港元)					
— Basic	— 基本	1.79	1.00	1.19	1.31	1.48
— Diluted	— 攤薄	N/A	N/A	N/A	1.31	1.48
Total dividends per share (HK cents)	每股股息總額(港仙)	63.2	63.2	63.2	59.1	59.1

Continuing operations refer only to the Group's department store operations in Hong Kong following the spin-off of Lifestyle China Group and disposal of Lifestyle Properties Group in 2016 and 2017 respectively.

持續經營業務指本集團分別於二零一六年及二零一七年分拆利福中國集團及出售利福地產集團後，於香港的百貨公司業務。

Assets and Liabilities

At 31 December

資產及負債

於十二月三十一日

		2017 二零一七年 HK\$'000 千港元 (note 1) (附註1)	2016 二零一六年 HK\$'000 千港元 (note 2) (附註2)	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Total assets	資產總值	21,631,777	21,117,336	28,804,274	26,847,895	26,715,998
Total liabilities	負債總額	(17,587,293)	(18,669,420)	(15,708,143)	(13,858,982)	(14,452,228)
Net assets	資產淨值	4,044,484	2,447,916	13,096,131	12,988,913	12,263,770
Non-controlling interests	非控股權益	-	(597,542)	(1,973,072)	(1,886,546)	(1,799,205)
Net assets attributable to owners of the Company	本公司擁有人應佔資產淨值	4,044,484	1,850,374	11,123,059	11,102,367	10,464,565
Net assets per share (HK\$)	每股資產淨值(港元)	2.52	1.53	8.17	7.97	7.43
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)	2.52	1.15	6.94	6.81	6.34
Number of shares issued	已發行股份數目	1,602,586,500	1,602,586,500	1,602,586,500	1,629,385,000	1,650,341,000

Notes:

- (1) During the year, the Group completed the disposal of its entire 59.56% equity interest in Lifestyle Properties Development Limited.
- (2) In 2016, the Group underwent a group reorganisation to spin-off and separately listing the shares of Lifestyle China on the Main Board of the Stock Exchange. The Company declared a special interim dividend, satisfied by distribution in specie of the entire issued share capital of Lifestyle China to the shareholders of the Company, the aggregate amount of this special interim dividend was approximately HK\$10,058,506,000.

附註：

- (1) 於年內，本集團已出售其全部59.56%利福地產發展有限公司之股權。
- (2) 於二零一六年，本集團就利福中國的股份分拆及於聯交所主板獨立上市，進行集團重組。本公司宣派特別中期股息，並以實物方式分派利福中國的全部已發行股本予本公司股東，此特別中期股息約值10,058,506,000港元。

Particulars of Major Properties

主要物業詳情

Investment Properties

投資物業

Descriptions	Gross floor area	Nature of property	Attributable interest to the Group	Category of lease
概況	總樓面面積 (sq. m.) (平方米)	物業性質	本集團 應佔權益	租賃類別
1. An unit in a commercial building located at 555 Hennessy Road, Causeway Bay, Hong Kong 位於香港銅鑼灣軒尼詩道555號一座商業大廈的一個單位	1,074.79	Commercial 商業	100%	Long 長期

Property under development

發展中物業

Descriptions	Gross floor area	Site area	Nature of property	Attributable interest to the Group	Category of lease	Stage of completion	Expected completion	Lot number
概況	總樓面面積 sq.m. 平方米	佔地面積 sq.m. 平方米	物業性質	本集團 應佔權益	租賃類別	完成階段	預計竣工	宗地編號
1. Property under development located at New Kowloon Inland Kai Tak, Area 1E Site 2, Kowloon, Hong Kong 位於香港九龍啟德第1E區2號地盤的新九龍內地段之發展中物業	101,900*	14,159	Commercial 商業	100%	Medium 中期	Under development 發展中	End of 2021/ early 2022 二零二一年底 或 二零二二年初	6557

* Approximately 49.5% of the development is expected to be for own use.

* 項目約49.5%預計作自用。



Lifestyle International Holdings Limited

(incorporated in the Cayman Islands with limited liability)
20/F., East Point Centre, 555 Hennessy Road
Causeway Bay, Hong Kong

利福國際集團有限公司

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