



佳華百貨控股有限公司 JIAHUA STORES HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

(Stock Code 股份代號 : 00602)

2020

ANNUAL REPORT

年報



Contents 目錄

Corporate Information	公司資料	2-5
Chairman's Statement	董事長報告	6-13
Biography of Directors and Senior Management	董事及高層管理人員簡歷	14-17
Management Discussion and Analysis	管理層討論及分析	18-42
Corporate Governance Report	企業管治報告	43-53
Report of the Directors	董事會報告	54-69
Independent Auditor's Report	獨立核數師報告	70-77
Consolidated Statement of Comprehensive Income	綜合全面收益表	78
Consolidated Statement of Financial Position	綜合財務狀況表	79-80
Consolidated Statement of Changes in Equity	綜合權益變動表	81
Consolidated Statement of Cash Flows	綜合現金流量表	82-83
Notes to the Consolidated Financial Statements	綜合財務報表附註	84-213
Particulars of Properties	物業詳情	214
Five-Year Financial Summary	五年財務概要	215-216



CORPORATE INFORMATION

公司資料

STOCK CODE

00602

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 715, 7th Floor
Ocean Centre, Harbour City
5 Canton Road
Tsimshatsui
Kowloon
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

4/F
Jiahua Ming Yuan
No. 2146 Xihu Road
Baoan Central District
Shenzhen
The PRC

COMPANY WEBSITE

www.szbjh.com

AUDITOR

BDO Limited
Certified Public Accountants
25th Floor
Wing On Centre
111 Connaught Road Central
Hong Kong

AUTHORISED REPRESENTATIVES

Mr. Zhuang Lu Kun
Mr. Ho Yuet Lee, Leo

股份代號

00602

註冊辦事處

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

香港總辦事處及主要營業地點

香港
九龍
尖沙咀
廣東道5號
海港城海洋中心
7樓715室

中國總辦事處及主要營業地點

中國
深圳市
寶安中心區
新湖路2146號
佳華名苑
4樓

公司網站

www.szbjh.com

核數師

香港立信德豪會計師事務所有限公司
執業會計師
香港
干諾道中111號
永安中心
25樓

授權代表

莊陸坤先生
何悅利先生

Corporate Information (Continued)
公司資料(續)

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law

Woo Kwan Lee & Lo
26th Floor, Jardine House
1 Connaught Place
Central
Hong Kong

As to the Cayman Islands law

Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

As to PRC law

Guangdong Pinfang Law Firm
Room 412-415
Huaye Building Longjin Road
Baoan Second District
Shenzhen
The PRC

**PRINCIPAL SHARE REGISTRAR
AND TRANSFER OFFICE**

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

**BRANCH SHARE REGISTRAR AND TRANSFER
OFFICE IN HONG KONG**

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

公司法律顧問

香港法律
胡關李羅律師行
香港
中環
康樂廣場1號
怡和大廈26樓

開曼群島法律

Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

中國法律

廣東品方律師事務所
中國
深圳市
寶安二區
龍井路華業大廈
412-415室

主要股份過戶登記處

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

Location of Jiahua Stores and Shopping Mall

佳華商場及購物中心位置圖





Xixiang (closed)
西鄉(已關閉)



Songgang
松崗



Gongming
公明



Shiyuan
石岩



Shuyuan Yage
書苑雅閣



Taoyuan
桃源(廣西)



Sanlian (closed)
三聯(已關閉)



Dashatian
大沙田(廣西)



Yanbu
鹽步(佛山)



Longhua
龍華



Shajing (closed)
沙井(已關閉)



Bantian Shopping Mall (include Bantian Store)
坂田購物中心(含坂田店)



Guanlan Shopping Mall (include Guanlan Store)
觀瀾購物中心(含觀瀾店)



Chairman's Statement

董事長報告



CHAIRMAN'S STATEMENT

董事長報告



INTRODUCTION

2020 is the year when the world economy faces the greatest challenge. The new pandemic raging around the world has led to multiple meltdowns in the United States (“US”) stock market, plummeting international oil prices, a significant decline in international trade and investment, and a sharp contraction in the service industry. The global economy will shrink in 2020, among which the economies of advanced economies, emerging markets and developing economies will shrink. The Chinese economy may be the only major economy in the world that has positive economic growth. Some European countries experienced a sharp economic recession, and the new pandemic was the worst in France and Italy. The World Trade Organization predicts that the transportation and tourism industries are greatly restricted, and the global trade in goods will decline in 2020. Asian countries have performed better against the pandemic, and their economies have been less affected. In addition to the positive growth of China’s GDP, Myanmar and Vietnam are expected to grow, while Indonesia’s decline. Some countries have implemented measures such as the lockdown the country and cities, cutting off navigation and routes, and suspending production, which has paralyzed or stagnated globalization characterized by the free flow of production factors. Consumer demand and production demand continue to shift from offline to online, and part of the demand is transferred through online shopping, online education, online medical care,

序言

2020年是世界經濟面臨最大挑戰的一年，肆虐全球的新冠疫情導致美國股市多次熔断、國際油價暴跌、國際貿易投資顯著下降、服務業大幅萎縮。2020年全球經濟將萎縮，其中發達經濟體經濟及新興市場和發展中經濟體經濟將萎縮，中國經濟是全球唯一實現經濟正增長的主要經濟體。部分歐洲國家經濟出現大幅衰退，新冠疫情在法國和意大利最嚴重。世界貿易組織預計，隨著新冠疫情全球大流行，運輸業和旅遊業等均受到極大限制，2020年全球貨物貿易量將下降。亞洲國家在抗擊新冠疫情中表現較好，經濟受到的衝擊較小。除中國經濟國民生產總值保持正增長之外，預計緬甸及越南將增長，印尼則下降。新冠疫情下，一些國家實施封國封城、斷航斷路、停工停產等防疫措施，使得以生產要素自由流動為特徵的全球化陷入癱瘓或停滯狀態。消費需求和生產需求不斷從線下轉移到線上，部分需求通過線上購物、線上教育、線上醫療、線上辦公等形式實現

Chairman's Statement (Continued)

董事長報告(續)

and online office. The internet has played an important role in promoting economic recovery in various countries. At the same time, the new scientific and technological revolution and industrial transformation has driven the rapid development of technology, supported the realization of network transformation in various fields of the economy and society, and accelerated the era of technology, together with Big Data, cloud computing, artificial intelligence, etc., to promote the development of the digital economy and drive entertainment, news, social networking, e-commerce, games and other aspects of consumer Internet development.

In 2020, the consumption growth rate of all countries in the world will be affected significantly. For the two largest consumer markets in the world, China and the United States, there is an obvious trend of shrinking total volume and becoming online. The European economy experienced a severe contraction, and a large number of restaurants and shops have been closed down. The pandemic has changed consumers' shopping habits and turned to online shopping. During the shopping season, total retail sales in the US increased and e-commerce sales soared by nearly 50%. In China, residents' online consumption habits have generally been cultivated, and the scale of online consumption has increased and consumption behaviour has continued to increase. Online retail sales of physical goods in China increased year on year ("YOY") accounted for 25% of the total retail sales of consumer goods. In 2020, some innovative retail trends have also emerged in the retail industry, which are called e-groceries and internet celebrity economy in the US, and community group buying and live broadcast in China.

China's economy will grow by 2.3% under the pandemic in 2020, and final consumption expenditure will account for 54.3% of GDP. For the whole year, the total social retail sales recorded RMB39.2 trillion, a YOY decrease of 3.9%. In the post-pandemic period, online consumption has become more stable. The online retail sales of physical goods for the year increased by 14.8% YOY, accounting for 24.9% of total social retail sales, an increase of 4.2 percentage points from the previous year. The consumption of catering and retail categories showed positive trends of picking up. The negative growth of retail consumption such as house purchases, car purchases and apparel rebounded significantly at the end of the year. Among them, communication equipment, cosmetics, tobacco and alcohol increased significantly, while there was reduction in negative growth categories, including goldsmith, apparel, and catering.

轉移，互聯網對促進各國經濟復蘇發揮了重要作用。同時，新一輪科技革命和產業變革帶動互聯網技術快速發展，支撐經濟社會各領域實現網路化轉型，還加速了物聯網時代與大資料、雲計算、人工智能等一起促進數字經濟發展，帶動娛樂、新聞、社交、電商、遊戲等方面的消費互聯網發展。

2020年全球各國消費增速均受到顯著衝擊。從中美兩個全球最大的消費市場來看，呈現總量萎縮，線上化明顯的趨勢。歐洲經濟出現嚴重萎縮，大批餐館、商店倒閉。疫情改變了消費者的購物習慣，轉而傾向網路購物，購物季期間美國零售總額增加、電商銷售額飆升近五成。在中國，居民的線上消費習慣已普遍養成，線上管道消費規模增長和消費習慣持續增強。中國實物商品網上零售額同比增長，實物商品網上零售額佔社會消費品零售總額的比重達到兩成半。2020年零售行業湧現了一些創新零售趨勢，在美國稱之為電子雜貨和網紅經濟，在中國則叫社區團購和直播。

2020年在疫情影響下，中國經濟實現2.3%的增長，其中最終消費支出佔國民生產總值比重高達54.3%。全年，社會零售總額錄得人民幣39.2萬億元，同比下跌3.9%。後疫情時期，線上消費表現更加穩健，全年實物商品網上零售額同比增長14.8%，佔社會零售總額24.9%，佔比較上年提升4.2個百分點。餐飲、零售業態消費均呈現明顯回暖的積極走勢。購房、購車以及服飾等負增長的零售消費於年末明顯回升。其中，通訊器材、化妝品、煙酒增幅較大，負增長收窄明顯的業態包括金銀珠寶、服飾、餐飲等。

Chairman's Statement (Continued)

董事長報告(續)

In 2020, the three major business sectors of cosmetics, coffee and tea, and new energy vehicles will perform brilliantly. In particular, Chinese brands of domestic products are rapidly deploying in China's urban cities under the impetus of capital. The cosmetics for women is "basic consumption", especially the young generation's concept of beauty and skin care is very popular, not limited to the top international brands. The price performance ratio and quality improvement of domestic products are enough to attract young consumers. As one of the three major business formats for the rapid expansion of retail properties, the cosmetics brand has high floor efficiency and obvious customer flow effect which has become the mainstream of its first-level business format adjustment in shopping malls. After the pandemic has been stable, the gap between the growth rate of cosmetics sales and the market average has further widened, showing the huge potential of this market. Besides, the emergence of domestic tea brands has greatly changed consumers' perceptions of traditional tea consumption. It is not limited to the health of the product itself, but is also accompanied by personality, trend, and fashionable consumption characteristics. This reflects the consumer mentality similar to the early global coffee brand consumption. Under a repetitive business model, high profit margins accelerate capital entry, and leading brands quickly penetrate the markets at all levels. During the same period, domestic competitors emerged rapidly to divide the consumer market. In the context of increasing economic uncertainty, the Chinese tea and coffee market with low and medium unit prices is a mainstream trend. There are more brands of medium-priced single products, which will accelerate market competition. Auto consumption rebounded significantly in the second half of the year, especially the sales of mid-to-high-end vehicles and new energy vehicles continued to increase. The growth rate of new energy vehicle sales exceeded the average growth rate of the automotive industry. With the various factors such as traffic restrictions, reduction of emissions, and purchase tax concessions, the rise of new energy vehicles is a general trend. The advantages of Chinese-owned auto brands in the field of battery research help them to enter the world-wide competition in the new energy vehicle market.

2020年，化妝品、咖啡茶飲、新能源汽車三大業態的表現最為亮眼，尤其中資國貨品牌在資本推動下，快速佈局中國一二線城市。化妝品之於女性消費屬於「基本消費」，尤其是年輕一代在美妝、護膚方面的觀念十分前衛，亦不局限於國際一線大牌，國貨商品的高性價比和品質提升，足以吸引年輕消費者。作為零售物業快速擴張三大業態之一，化妝品牌坪效高、客流效應明顯，備受購物中心青睞，已成為其首層業態調整的主流租戶。疫情穩定後，化妝品類的銷售額增速與市場均值的差距進一步拉大，顯示出這一市場的巨大潛力。另外，國內茶飲品牌的出現極大改變消費者對傳統茶飲的消費觀，茶飲消費不局限於產品本身的健康程度，也相伴而生個性、潮流、時尚的消費特質。這體現出與早期全球性的咖啡品牌消費有相似的消費者心態。同樣在可複製的商業模式下，高利潤率加速資本入局，龍頭品牌快速下滲各級市場。同期，國內競爭對手快速湧現，瓜分消費市場。在經濟不確定性增加的背景下的中國茶飲咖啡市場，中低客單價的品牌擴張是主流趨勢，中價單品的品牌越來越多，加速市場競爭。汽車消費於下半年明顯回升，尤其是中高端汽車和新能源汽車銷售額不斷提升。新能源汽車銷量增幅超過汽車行業平均增速。另加限行措施、節省減排、購置稅優惠等多方因素，新能源汽車的崛起大勢所趨。中資車企品牌在電池研發領域的優勢使其快速加入世界範圍的新能源汽車市場競爭。

Chairman's Statement (Continued)

董事長報告(續)

In the consumption 3.0 era, new consumption content creates more diversified consumption scenes, which in turn complement and improve the consumption scenes of traditional shopping malls, while renewing and upgrading diversified floor plan property to carry more modern consumption. Scenes, such as cultural and creative e-sports, event interpretation, city back streets, parks and greenways, etc. and more yet to be discovered, yet unknown "X scenes". The three-level commercial mode of "city, regional and community level" in traditional cognition cannot meet new diversified and repetitive consumer demands. And the scene of consumption is no longer limited to traditional department stores, shopping malls, outlets, hypermarkets and other high-quality retail properties themselves. The consumption from traditional stores can be generated by more consumer highlights. For example, the neglected place of inheritance of urban culture, the back alleys of the old streets, stimulating the vitality of the night economy.

In terms of shopping malls, the number of newly opened commercial projects in 2020 is 374, a YOY decrease of 28%. The newly added commercial building area was approximately 32.76 million square meters, a decrease of approximately 11.16 million square meters from last year; the average single building area was approximately 90,000 square meters. The number of commercial openings throughout the year will hit a new low in the past three years. The pandemic led to a sharp drop in newly opened properties in 2020. According to the statistics of the annual planned opening of the year at the beginning of 2020, nearly 900 commercial projects was planned to open, but the actual opening rate is only 40%. From a regional perspective, East China, which has a developed economy and large consumption power, is still strong, leading the seven regions with 156 openings throughout the year, accounting for about 42%. Guangdong and Zhejiang ranked second and third respectively. From the perspective of urban distribution, 2020 will still be a pattern of "active frontline and rising sinking markets". Chengdu is the most active; Shanghai ranks second and Shenzhen ranks third. From the perspective of the distribution of commercial scale, the scale is the largest in the range of 50,000 to 100,000 square meters, accounting for about 35%. These premises integrate basic shopping and consumer needs such as shopping, eating, drinking and playing, and also introduce theaters, entertainment clubs, movie theaters, etc. Experiencing formats such as animal museums, which have enough space for event marketing, are often favored by many developers. Although the number of newly opened commercial projects has decreased significantly compared with 2019, giant companies are still increasing market supply. Especially under the pandemic, the company's anti-risk ability and comprehensive ability are tested, and the leading position of giant companies in the

在消費3.0時代，新的消費內容創造更具多元性的消費場景，而新的消費場景反過來在補充完善傳統購物中心消費場景的同時，讓多元化物業載體煥新升級，承載更多現代化消費場景，比如文創電競、賽事演繹、市井後街、公園綠道等等以及更多尚待發掘、尚且未知的「X場景」。傳統認知中的「城市級、區域級、社區級」三級商業體系不能滿足當今日多元、快速運算的消費訴求。而消費發生的場景亦不再局限於傳統的百貨、購物中心、奧特萊斯、大賣場等優質零售物業本身，走出傳統賣場的消費並產生更多消費亮點。例如，常被忽視的市井文化傳承地——老街後巷，刺激夜間經濟的活力。

購物中心方面，2020年全國新開業的商業項目數量374個，同比下跌28%。新增商業建築面積約3,276萬方，同比去年減量約1,116萬方；平均單體建築面積約9萬方。全年開業的商業開業數量均創下了近三年的新低。導致2020年新開物業大跌的最大因素即受疫情影響嚴重，按照2020年年初統計的全年計畫開業資料，近900個商業專案將開業，但實際開業率僅四成。從區域上看，經濟發達、消費力大的華東地區仍然強勢，全年以156個開業量領跑七大區域，佔比高達約42%。廣東及浙江分別居第二三位。從城市分佈情況上看，2020年依舊是「新一線活躍、下沉市場崛起」的格局。成都最為活躍；上海位列第二、深圳列第三。從商業規模的分佈情況上看，規模在5至10萬方數量最多，佔比約35%，這些專案融合了購物、吃喝玩樂等基本購物和消費需求，也引入了劇院、娛樂會所、電影院、動物館等體驗性業態，又有足夠的空間可供活動行銷，往往受到很多開發商青睞。雖然新開商業場所數量較2019年大幅度減少，但龍頭企業還在不斷加大市場供應。尤其是在今年疫情影響下，真正考驗企業的抗風險能力和全面性綜合力，龍頭企業的行業領先地位愈發突顯。與此同時，隨著中國城市化進入到「精

Chairman's Statement (Continued)

董事長報告(續)

industry has become more and more prominent. At the same time, as China's urbanization has entered the era of "refined operation", urban renewal has been a topic that continues to attract attention. The business has evolved from the initial "property renewal" to the commercial integration of "people, industry and city". As far as commercial real estate is concerned, the transformation and renewal of existing commerce is a kind of inheritance of urban culture. In addition to the "dress up", the important thing is to realize the organic renewal of "symbiosis". On the basis of preserving the original architectural culture, the function of the building is expanded through cultural performances, catering and other formats, and the symbiosis of architecture, culture, and commerce is realized. With the outbreak of the pandemic, community business, as the business closest to people's daily life, has played an important role in protecting people's livelihood and promoting stability. Community businesses have main content, including district supermarkets dominated by fresh produce, and district convenience stores, as well as the group buying and home delivery businesses in 2020. The community business mainly refers to the community within the fifteen-minute walk of people. In addition to supermarkets, convenience stores, hypermarkets, it also covers catering, clothing retail, clinics, pharmacies, educational institutions, etc., to meet people's daily lives. Regardless its exterior architecture, interior space design, or the marketing of scene content, more and more commercial projects focus on attractive exterior decoration. Especially in the fierce market competition environment, outlook is also highly focused as the means of differentiated competition. Judging from the performance of the new supply market, the existing renovation properties can give the market a new experience by upgrading their appearance and content, and the newly opened properties are focusing on the "outlook", hoping that the grand opening ceremony can give out surprises. The upgrading of shopping centers is much higher than that of department stores, supermarkets and other industries, and fresh elements must be injected. Some newly opened commercial projects continue to introduce new content in the scene space and business combination, such as themed blocks close to the urban culture, the traditional theme museum, the sky sports field, the theater experience center, the zoo, etc. into the shopping center. On the whole, in addition to the national trend culture, night economy, first store economy, parent-child economy, pet economy and other models are still hot, some distinctive economic forms and marketing models show more enthusiasm and advantages, including livestreaming. Affected by the pandemic, retail store businesses are seeking new ways to bring goods through online live broadcasts. In addition to relying on online sales of goods, they have created some immersive live broadcast scenes that are visually and experienced through unique offline experience characteristics.

細化運營」的時代，城市更新作為一個持續備受關注的話題，業務已經從最初的「建築更新」，發展成為「人、產、城」高度融合的「理性更新」。對商業地產而言，對存量商業的改造更新，不能簡單看作是區域的商業活化，更是一種對城市文化的傳承。除了「換裝」，更關鍵的是實現「共生」的有機更新。保留原有建築文化基礎上通過文藝展演、餐飲等業態擴大建築功能，實現了建築、文化、商業的共生。疫情的爆發，社區商業這個作為最貼近人們日常生活的業態充分發揮了其保民生、促穩定的重要作用。廣泛的社區商業是有主要內容，包括以生鮮為主導的社區超市，以及社區便利店，也包括2020年非常熱鬧的社區團購等到家業務。而社區商業主要是指在人們十五分鐘生活圈內的社區鄰里中心，除了社區超市、便利店、大賣場外，還會涵蓋餐飲、服飾零售、診所藥店、教育機構等業態，滿足人們日常生活所需。無論是外部建築、內部空間設計，還是場景內容的行銷，越來越多的商業專案注重能吸人眼球的外觀裝潢。尤其是激烈的市場競爭環境下，靠顏值取勝也被項目認為是差異化競爭的主要手段。新供應市場的表現上看，存量改造物業通過升級外觀、提升內容度以期能給市場全新感受，新開物業也在「外觀」上下功夫，以期開幕盛況能發出驚喜。購物中心的升級換代會遠高於百貨、超市等行業，要注入新鮮元素。一些新開的商業項目繼續在場景空間、業態組合上引入了新內容，比如一些與城市文化貼近的主題街區、民國主題博物館、天際運動場、戲劇體驗中心、動物園等走進購物中心。整體上看，除了國潮文化、夜經濟、首店經濟、親子經濟、寵物經濟等模式依舊火熱外，一些有特色的經濟形態和行銷模式更顯熱度和優勢。比如直播帶貨。受疫情影響，實體商業尋求線上直播帶貨的新路徑，且在單純的依靠流量賣貨外，更通過線下獨有的體驗特質，打造出了一些有觀感、體驗的沉浸式直播場景。

BUSINESS REVIEW

During the year, the pandemic has affected traditional department stores which faced unprecedented pressure, with the gradual reduction of closure of stores by retail giants in all city area. The retail business has been recovering. The impact upon the operation in the retail industry posed by the surge of e-business gradually surfaced, not to mention the effect brought by high rents, high wage and other rising costs. Due to unfavourable business environment, the Group has performed fair operating results.

Retail industry was generally operating under difficulties. Despite the negative factors, the Group has made changes to its operation and recorded a fair operating result. For the year ended 31 December 2020, the Group has recorded revenue from continuing operations of approximately RMB428.1 million, representing a YOY decrease of approximately 33.7%. Gross profit from direct sales was approximately RMB42.7 million, representing a YOY decrease of approximately 45.7%, and consolidated loss attributable to owners of the Company was approximately RMB194.5 million, representing a YOY increase of approximately 271.5%, mainly attributable to provision of impairment loss on existing loss making stores or shopping malls, and the written off of assets upon closure of three stores during the year. Revenue decrease was principally attributable to the drop in sales of goods, commissions from concessionaire sales, rental income from investment properties and interest income from financing services. However, increase in rental income from subleasing of shopping malls and rental income from sub-leasing of shop premises have partly offset the overall decrease of income.

During the year, the group closed three retail stores. The Xixiang Store was closed due to the expiration of the lease agreement and the deterioration of the surrounding business environment. The Sanlian Store and Shajing Store were respectively affected by the deterioration of the general business environment and increased competition in the surrounding area, which led the Group to make the decision to close the store. For shopping mall, the Guanlan Shopping Mall in Longhua District, Shenzhen has been fully operated during the year to gain market share. The group reformed its operations, reorganized the internal structure of four of its flagship stores, implemented an operational responsibility system, and streamlined business processes. In terms of cost reduction, the headquarters staff structure was adjusted to reduce the pressure on the group's funds.

業務回顧

年內，受新冠疫情影響，實體零售業仍面臨前所未有的壓力，從大城市到二三線城市，零售巨頭關店情況已趨穩定，實體零售業逐漸回暖。零售業除受高租金，高工資及其他成本等不斷上漲之營運情況外，龍頭電商對傳統零售業的影響逐步浮現。經營環境不佳，集團於本年取得一般的營運業績。

零售行業普遍面臨疫情影響，集團面對各種負面因素，在調整轉型中取得一般的經營業績。於截至2020年12月31日止年度，本集團錄得來自持續經營部份之收入約為人民幣428,057,000元，比去年減少約33.7%；直接銷售之毛利率約為人民幣42,681,000元，比去年下跌約45.7%；本公司權益持有人應佔虧損約為人民幣194,461,000元，比去年大幅上升約271.5%，主要由於對現有虧損門店之減值準備及年內三家關閉門店之撇賬損失；收入下降的主要因為銷售貨品，專賣銷售所得佣金，投資物業租金收入及來自金融服務之財務收入的下降。不過，分租購物中心的租金收入及分租店舖物業的租金收入均錄得上升以抵銷整體下降。

年內，集團關閉了三家零售店。西鄉店由於租賃協議到期及周邊經營環境變差而關店，三聯店及沙井店分別受大環境轉差及周邊競爭加劇而使集團作關店決定。購物中心方面，深圳龍華區觀瀾購物中心已於年內作全面開業，爭取市場份額。集團在營運方面進行改革，將其中四家主力店進行了內部架構改組，實行營運負責制，精簡業務流程。於節流方面，進行總部員工架構調整，減輕集團資金壓力。

Chairman's Statement (Continued)

董事長報告(續)

On the administration aspect, the Group has implemented various measures to maintain its operational efficiency and minimize operating costs in relation to the human resources system. Recruitments through various channels such as career fair, head hunting, campus recruitment were held during the year, which enhanced the quality and technical knowledge of new staff members for preparing new business in future. With regard to risk management, the Group has revised the overall risk management framework by enhancing the internal system, internal control, industry knowledge, and special investigation.

PROSPECTS

It is anticipated that the slowdown in economic growth rate of China will exist as the high operating cost will extort the profit margin which led to more business merger in the retail industry in 2020. The traditional retail store will be highly conglomerated with online store by sharing customer data, product information and sales tactics such that to provide a more enjoyable and convenient shopping experience. Apart from this, multi-industries development will be a main stream in retail sector. The China retail market will be highly consolidated into various large operators to make use of its corporate marketing power and ability, and to increase the market competitive strength.

The Directors believe that both opportunities and challenges ahead, and the retail industry will compete and develop in a better market environment.

In business development aspect, the Group will uphold the principle of "consolidating resources and developing retail chain business", to strengthen the management, reiterate the competitive strength, upgrade the brand image and expand in a stable manner. The Group will focus on the development in areas such as Guangdong and Guangxi by making use of different expansion models including "acquisition, merging, investment holdings and joint venture".

On behalf of the Board, I would like to express my sincere appreciation to all staff for their dedication and contribution to the Group, and would like to express my gratitude to all shareholders, business partners, and valuable customers for their utmost support to the Group.

Zhuang Lu Kun
Chairman

Shenzhen, the PRC
29 March 2021

行政管理方面，集團在人資體系建設方面實行多項措施以保持營運效率及減低營運成本。年內舉行了不同形式的招聘會、人才獵頭、校園招聘等，加強新入職員工之質素及專業性，以配對未來不斷出現的新業務。對於風險管理方面，年內修訂對集團整體的風險控制框架，對內部制度，內控建設，宣傳業內知識之教育，審計檢查等方面有所提升。

展望

2020年零售業仍將面臨增速放緩、營運成本高、利潤收窄的壓力，行業整合並購加劇，市場集中度將進一步提高。未來的零售業態中，實體店、網店將高度融合，零售企業通過客戶資源、商品資源和行銷策略的分享，打造兼具網路舒適型和網路便利的購物體驗。另外，多業態發展成區域企業主流，中國零售市場內通過整合企業資源提高市場集中度來提升企業行銷競爭實力和水準，並進一步強化競爭優勢。

董事相信，機遇與挑戰並存，百貨零售業將會在更加完善和良好的市場環境中競爭發展。

業務發展方面，公司仍會以「整合資源，發展連鎖」之理念，加強管理，強化競爭力，提升品牌形象，以穩健為前提，不斷加快拓展步伐，增強廣東及廣西等區域發展力度，充分利用「收購、兼併、控股、參股」等多種方式拓寬市場，增加份額。

本人謹代表董事會向為集團努力及作出貢獻的全體員工表示感謝，並感謝全體股東、業務夥伴及各位尊貴客戶對集團的大力支持及厚愛。

董事長
莊陸坤

中國深圳
二零二一年三月二十九日

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員簡歷

DIRECTORS

Executive Directors

Mr. Zhuang Lu Kun (莊陸坤), aged 60, is the founder, executive Director and the chairman of the Group. He is responsible for the overall management, strategic planning and major decision making of the Group. Mr. Zhuang is the father of Mr. Zhuang Xiao Xiong. Mr. Zhuang has over 26 years of experience in the retail industry. He had served as a honorary deputy chairman of Shenzhen General Chamber of Commerce (深圳市總商會), a committee member of Guangdong Province Committee of Chinese People's Political Consultative Conference (政協廣東省委員會), a member of the China General Chamber of Commerce (中國商業聯合會), a deputy chairman of Shenzhen Private Entrepreneur's Chamber of Commerce (深圳市民營企業家商會), a deputy chairman of Shenzhen Franchise Association (深圳市零售商業行業協會), and a honorary chairman of Shenzhen Baoan General Chamber of Commerce (深圳寶安區總商會). Mr. Zhuang graduated from Guangdong Administrative and Management College (廣東行政學院) majoring in modern management in July 1999, and obtained the Master of Business Administration of senior management from the Sun Yat-sen University (中山大學). He also received the award of "Paragon of Work" of Guangdong province (廣東省勞動模範稱號) in May 2003 and the award of Outstanding Staff Care Private Ownership Entrepreneur (全國關愛員工優秀民營企業家) in September 2006. He was elected as the Top Ten Person of the Year in Commerce of Guangdong in 2007 and the Top Ten Creditable Entrepreneur in the Integrated Retail Industry in China in the year 2007 and 2009 respectively, and the deputy chairman of the Hong Kong Volunteers Federation in 2014. Mr. Zhuang has served the Group for over 26 years.

Mr. Zhuang Pei Zhong (莊沛忠), aged 59, is an executive Director and the chief financial officer of the Group. He is responsible for the financial accounting of the Group. Mr. Zhuang obtained an undergraduate diploma in financial accounting from Guangdong Radio and Television University (廣東廣播電視大學) in 1990 and pursued advanced studies in management in Sun Yat-Sen University. Mr. Zhuang joined the Group in August 1995 and has over 26 years of experience in the retail industry. Mr. Zhuang was accredited senior membership of the International Profession Certification Association (國際認證協會) and membership of the China Association for Employment Promotion (中國就業促進會) in 2008 and has obtained a master degree in business administration from the University of Wales in England in 2014. Mr. Zhuang has served the Group for over 23 years.

董事

執行董事

莊陸坤先生，60歲，為本集團的創辦人、執行董事及董事長。彼負責本集團的整體管理、策略規劃及主要決策。莊先生為莊小雄先生之父親。莊先生於零售行業具有逾二十六年經驗。彼為深圳市總商會榮譽副會長、政協廣東省委員會委員、中國商業聯合會理事、深圳市民營企業家商會理事會副會長、深圳市零售商業行業協會副會長及深圳寶安區總商會理事會名譽會長。莊先生一九九九年七月畢業於廣東行政學院，主修現代管理，並獲中山大學頒授高級管理人員工商管理碩士。彼亦分別於二零零三年五月獲得廣東省勞動模範稱號，二零零六年九月獲得全國關愛員工優秀民營企業家，二零零七年當選為「廣東商業十大風雲人物」，二零零七及二零零九年當選「中國綜合零售行業十大誠信企業家」，及二零一四年當選為香港義工聯盟董事會副主席。莊先生已於集團服務了超過二十六年。

莊沛忠先生，59歲，為本集團的執行董事及財務總監。彼負責本集團的財務會計工作。莊先生於一九九零年取得廣東廣播電視大學的財務會計專科文憑，並於中山大學繼續進修管理。彼於一九九五年八月加入本集團並在零售行業擁有超過二十六年經驗。莊先生於二零零八年獲取國際認證協會高級會計師資格及中國就業促進會會員資格，並於二零一四年取得英國威爾斯大學頒發之工商管理碩士學位。莊先生已於集團服務了超過二十三年。

Biography of Directors and Senior Management (Continued)

董事及高層管理人員簡歷(續)

Mr. Zhuang Xiao Xiong (莊小雄), aged 38, Mr. Zhuang obtained from the University of Luton, United Kingdom a bachelor of arts degree in business administration in 2005 and a master of science degree in finance and business management in 2006. Mr. Zhuang is the deputy chairman of Shenzhen General Chamber of Commerce (Association of the Industrialists and Businessman) (深圳市總商會(工商聯)) and a committee member of the Chinese People's Political Consultative Conference of Shenzhen (政協深圳市委員會). Mr. Zhuang is the son of Mr. Zhuang Lu Kun and Mrs. Zhuang Su Lan. He joined the Group as full time member in 2006 and is responsible for the overall operation management of the Group. Mr. Zhuang has served the Group for over 15 years.

Independent non-executive Directors

Mr. Chin Kam Cheung (錢錦祥), CPA (practising), FCMA, aged 63, is a practising accountant in Hong Kong. Mr. Chin is a fellow member of the Chartered Institute of Management Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in auditing, accounting and financial management. Mr. Chin is an independent non-executive director of Excalibur Global Financial Holdings Limited (SEHK: 08350). Mr. Chin has served the Group for over 13 years.

Mr. Sun Ju Yi (孫聚義), aged 68, graduated from the Finance and Economic Institute of Tianjin in the PRC in 1978 and underwent a master research study program at the Finance and Economics Institute of Tianjin in the PRC in 1978. He is a senior accountant and a registered accountant in the PRC. He had been a lecturer of the Finance and Economic Institute of Tianjin and the assistant to the principal of Shenzhen Zhong Hua Accounting Firm. Mr. Sun has over 31 years of experience in financial lecturing, accounting, auditing and corporate financial management. Mr. Sun was an independent non-executive director of Jinchuan Group International Resources Co. Ltd (formerly known as Macau Investment Holdings Limited) (SEHK: 02362). He is a director of Gemdale Corporation (金地集團) (600383.SH), a listed PRC Shanghai property developer. Mr. Sun has served the Group for over 8 years.

莊小雄先生，38歲，分別於二零零五年及二零零六年獲英國盧頓大學頒授工商管理文學士學位以及財務及商務管理碩士學位。莊先生現為深圳市總商會(工商聯)副會長及政協深圳市委員會委員。莊先生為莊陸坤先生及莊素蘭女士之兒子。彼於二零零六年加盟本集團成為全職僱員。現負責本集團的整體經營管理。莊先生已於集團服務了超過十五年。

獨立非執行董事

錢錦祥先生，CPA (practising)，FCMA，63歲，香港之執業會計師。錢先生是英國特許管理會計師公會資深會員及香港會計師公會會員。彼於審計、會計及財務管理方面有豐富的經驗。錢先生現任駿溢環球金融控股有限公司(聯交所：08350)之獨立非執行董事。錢先生已於集團服務了超過十三年。

孫聚義先生，68歲。彼於一九七八年畢業於天津財經學院，並於一九七八年於中國天津修畢碩士研究生學習課程。彼為中國高級會計師及中國註冊會計師。彼曾為天津財經學院講師及中國深圳中華會計師事務所所長助理。孫先生於財經授課、會計、審計及企業財務管理方面超過31年經驗。孫先生曾為金川集團國際資源有限公司(前名為澳門投資控股有限公司)(聯交所：02362)之獨立非執行董事。現為中國上海上市地產發展商金地(集團)股份有限公司(上交所：600383)之董事。孫先生已於集團服務了超過八年。

Biography of Directors and Senior Management (Continued)

董事及高層管理人員簡歷(續)

Mr. Ai Ji (艾及), aged 67, graduated from Hunan Radio and Television University (湖南廣播電視大學) with a bachelor's degree in law and obtained the qualification of a practising lawyer in 1988. Mr. Ai is a practising lawyer in the PRC, has worked for Hunan Chuhua Law Firm (湖南楚華律師事務所) and Guangdong ShenTianCheng Law Firm (廣東深天成律師事務所), and is a senior partner of the Yingke Law Firm (盈科律師事務所). He is a member of the standing committee of the fifth session of National Committee of the Chinese People's Political Consultative Conference (Shenzhen) (中國人民政治協商會議深圳市委員會), a member of various committees (including member of the sixth and seventh sessions of standing committee of Guangdong, deputy chairman of legal system committee, and deputy chairman of the fourth and fifth sessions of Shenzhen committee) of the China Democratic National Construction Association (中國民主建國會). Mr. Ai practised as a legal counsel and has accumulated over 39 years experience in various commercial and law firms in the PRC. Mr. Ai has served the Group for over 13 years.

SENIOR MANAGEMENT

Mr. Chen Li Chong (陳理崇), aged 45, is the manager for the engineering department of the Group, responsible for the establishment of engineering and facilities management system, purchase of bulk equipment, and project based renovation program etc. Mr. Chen obtained the certificate of Housing Architecture from the Fujian Agriculture And Forestry University and is a PRC registered civil engineer. Mr. Chen joined the Group in 2003. He has extensive engineering facilities management experience. Mr. Chen has served the Group for over 18 years.

Mr. Li Dong (李棟), aged 46, is the manager responsible for security and safety management of the Group. Mr. Li obtained a certificate of Business Administration from the Open University of China in 2011. Mr. Li has served as store manager, deputy manager of the human resources department, the chief operation officer, the general manager of the Guangxi subsidiary and the deputy manager of the procurement department. Mr. Li has over 19 years of experience in the retail industry. Mr. Li has served the Group for over 17 years.

Mr. Wen Meng Chen (溫孟臣), aged 43. Mr. Wen is the deputy manager of supermarket procurement department, responsible for the commodity sourcing and resource allocation. Mr. Wen obtained the bachelor of business administration degree of Xi'an Jiaotong University. Mr. Wen joined the Group in 1997 and had been working as store-in-charge of Shajing store, Longhua store, Shiyan store, and Gongming store etc. He possessed rich experience in retail commercial complex management. Mr. Wen has served the Group for over 22 years.

艾及先生，67歲，一九八八年畢業於湖南廣播電視大學並獲得中國律師資格。艾先生為中國執業律師，曾執業於湖南楚華律師事務所及廣東深天成律師事務所，現為盈科律師事務所任高級合夥人。彼為中國人民政治協商會議深圳市第五屆委員會常務委員，中國民主建國會廣東省委員會第六及七屆委員、法制委員會副主任、中國民主建國會深圳市委員會第四屆及第五屆委員會副主委。艾先生為法律顧問，曾於中國多間企業及律師行累積超過三十九年經驗。艾先生已於集團服務了超過十三年。

高級管理層

陳理崇先生，45歲，工程設備中心總監，負責工程及設備管理體系的建立，大型動力設備的採購，以及大型裝修改造工程項目管理等工作；陳先生取得福建農林大學房屋建築專業證書，為中國註冊土建工程師。陳先生於二零零三年加入本集團，擁有豐富的工程設備管理經驗。陳先生已於集團服務了超過十八年。

李棟先生，46歲，安防總監，負責整體安全防範管理工作。李先生於二零一一年畢業於中央廣播電視大學工商管理專業。李先生擔任過分店店長、人力資源副總監、營運總監、廣西子公司總經理及採配副總監。李先生於零售行業擁有超過十九年經驗。李先生已於集團服務了超過十七年。

溫孟臣先生，43歲，超市採購中心副總監，負責超市商品的採購與資源整合工作。溫先生畢業於西安交通大學工商管理專業。溫先生於一九九七年加入本集團，曾任沙井分店、龍華分店、石岩分店、及公明分店等負責人，擁有豐富的零售商超綜合管理經驗。溫先生已於集團服務了超過二十二年。

Biography of Directors and Senior Management (Continued)

董事及高層管理人員簡歷(續)

Ms. Lang Li (郎麗), aged 38, is the deputy manager of the commercial division operation and marketing development of the Group, responsible for the commercial operation and sales and marketing management. Ms. Lang obtained the certificate of Business Management from the Henan University, possessed commercial operation management experience. She was a senior operation management of Rainbow Department Store and deputy district operation manager of Soring Shenzhen. Ms. Lang joined the Group on June 2018. Ms. Lang has served the Group for over 2 years.

Mr. Liu Ya Feng (劉亞峰), aged 37, is the chief information officer, responsible for the overall information technology of the Group and the operation of its subsidiary – Shenzhen BJH Network Technology Limited. Mr. Liu obtained the certificate of Information Management System from the Guilin University of Electronic Technology in 2005. Mr. Liu performed event management, IT reconstruction 2005, work flow enhancement, and commercial digital operation. He was the IT manager of Shenzhen Guotaian Education Technology Co., Ltd and Xinchuangji Electronics (Shenzhen) Co., Ltd. Mr. Liu joined the Group on October 2018. Mr. Liu has served the Group for over 2 years.

COMPANY SECRETARY

Mr. Ho Yuet Lee, Leo (何悦利), FCCA, CPA, ACG, ACS, aged 47, is the finance manager and company secretary of the Group. Mr. Ho obtained a bachelor degree of Business Administration (Honours) in Accounting from the Hong Kong Baptist University in 1995 and a master degree in Corporate Governance from the Hong Kong Polytechnic University in 2008. He is a fellow member of the Association of Chartered Certified Accountants (“ACCA”), an associate member of the Hong Kong Institute of Certified Public Accountants (“HKICPA”), an associate member of the Hong Kong Institute of Chartered Secretaries (“HKICS”) and an associate member of the The Chartered Governance Institute (“CGI”) – formerly known as The Institute of Chartered Secretaries and Administrators (“ICSA”). He was awarded the Chartered Secretary and Chartered Governance Professional dual qualification of the CGI and HKICS. Mr. Ho has experience in accounting, auditing and corporate finance. Mr. Ho has served the Group for over 13 years.

郎麗女士，38歲，商業部運營副總監及市場營銷研發中心副總監，負責整體商管運營、市場營銷策劃管理等工作。郎女士於二零零五年取得河南大學工商管理專業，擁有商業運營管理經驗，曾任天虹商場股份有限公司高級營運經理、民營企業真正共贏區域運營副總監。郎女士於二零一八年六月加入本集團。郎女士已於集團服務了超過兩年。

劉亞峰先生，37歲，資訊中心總裁，負責整體公司資訊中心以及集團附屬公司深圳市百佳華網絡科技有限公司的工作。劉先生於二零零五年取得桂林電子科技大學信息管理和信息系統專業。劉先生負責項目管控、公司資訊科技整合、架構流程優化、及數字商業化運營。劉先生曾任深圳國泰安教育技術股份有限公司資訊中心總監、信創基電子(深圳)有限公司資訊中心總監等。劉先生於二零一八年十月加入本集團。劉先生已於集團服務了超過兩年。

公司秘書

何悦利先生，FCCA，CPA，ACG，ACS，47歲，為本集團財務經理及公司秘書。分別於一九九五年及二零零八年獲香港浸會大學頒授工商管理學士(榮譽)學位(主修會計)以及香港理工大學頒授公司管治碩士學位。彼為英國特許公認會計師公會資深會員，香港會計師公會會員，香港特許秘書公會會員及特許公司治理公會(前稱：英國特許秘書及行政人員公會)會員。彼取得特許公司治理公會及香港特許秘書公會頒發的特許秘書及特許管治專業人員資格。何先生在會計、審計及企業融資方面擁有經驗。何先生已於集團服務了超過十三年。



Management Discussion and Analysis

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



(A) INDUSTRY REVIEW

In 2020, the COVID-19 pandemic has hit the global economy. The blockade measures across countries caused large-scale economic shutdown and soared unemployment rate. Amid the balance between “life preservation” and “livelihood protection”, the recovery momentum has obviously been slowed down. The International Monetary Fund (IMF) predicts that the global economy will shrink by 4.4% while the Organization for Economic Cooperation and Development (OECD) predicts that the global economy will shrink by 4.2% in 2020. The economy of US has been suffered, but the overall performance was still better than most developed countries.

The widespread pandemic outbreak caused the financial market plummeted successively. In order to stabilize the market, the US Federal Reserve cut interest rates twice and announced quantitative easing measures without caps. It successively launched monetary policy tools to inject liquidity into the market and provided credit support to entities. In order to stabilize the economy, the US government has introduced four batches of US dollar fiscal stimulus measures. With these unprecedented monetary policy and fiscal measures, the US stock market bounced back. The recovery of the US economy will largely depend on the progress of pandemic control. The number of confirmed cases of COVID-19 in the US and overseas has fluctuating, posing challenges to economic recovery.

(一) 行業概覽

2020年，新冠疫情重創全球經濟。各國封鎖措施一度使經濟大面積停擺、失業率飆升，國家在「保生命」和「保生計」之間的艱難平衡中，復蘇勢頭明顯減緩。國際貨幣基金組織(IMF)預計，2020年全球經濟將萎縮4.4%。經濟合作與發展組織(OECD)預計，2020年全球經濟將萎縮4.2%。美國經濟遭受重創，但整體表現仍好於多數發達國家。

美國疫情大規模爆發，金融市場連番暴跌，為穩定市場，美聯儲兩次緊急降息，並宣佈採取不設上限的量化寬鬆措施，先後推出貨幣政策工具，向市場注入流動性，並直接為實體企業提供信貸支持。為穩定經濟，美國政府先後出台了四批美元的財政刺激措施。在史無前例的貨幣政策和財政紓困措施刺激下，美國股市開始收復失地。美國經濟復蘇形勢很大程度上將取決於疫情控制情況。美國境內和海外新冠疫情確診病例數再度反覆，使經濟復蘇面臨挑戰。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

The road to economic recovery in Europe is long and rugged. The outbreak in Europe predates the US, and the social distancing measures adopted by governments to prevent and control the pandemic are generally stricter than those in the US. Europe has also introduced loose monetary and fiscal stimulus policies that are larger than those during the financial crisis, but they are limited by the collective decision-making mechanism of the European Union (EU) and the Eurozone. The policy strength is not as strong as that of the US and the speed of action is also slower than that of the US. These caused the European economy to shrink more than the US in the pandemic. In the first half of 2020, the euro zone's Gross Domestic Product (GDP) fell by 11.8% YOY. Spain fell by 21.5% and was the worst. Germany, the best performer, also fell by 9.8%, which was higher than the 9% decline in the US over the same period. The decline in the United Kingdom (UK) was as deep as 19.8%, the worst recession in 300 years. Under the "second pandemic" and "second blockade", the recovery momentum of the European economy has slowed down significantly, and the economic outlook of the euro zone has deteriorated. The ASEAN economy has been hit hard by the pandemic, but better than that of Europe and the US. In 2020, the GDP of emerging ASEAN economies (Indonesia, Malaysia, the Philippines, Thailand, and Vietnam) is expected to decline by 4.3%, outperforming Europe and the US. The BRICS countries (excluding China) have regained their vitality. As large developing countries, the BRICS countries are located at different continents of the world, with different development conditions, different development pace, and different industrial structures, and their performance in this pandemic varies. In terms of pandemic prevention and control, the BRICS countries are lacking. The cumulative number of confirmed cases in India, Brazil, and Russia ranks second to fourth in the world. In terms of economic performance, the economies of the BRIC countries will shrink significantly during the year. Brazil has experienced the biggest economic recession in nearly 120 years, and the actual pandemic situation is serious. In Brazil's economic structure, the service industry accounts for approximately 63% of GDP, the highest among the BRIC countries (54% in Russia). The service industry is most affected by social distancing measures including large-scale closure of commercial activities and lockdown. The economy is expected to shrink by 5.1% throughout the year.

歐洲經濟復蘇之路崎嶇漫長，歐洲疫情爆發早於美國，各國政府為防控疫情採取的社會隔離措施也普遍嚴於美國。歐洲也出台了規模超過金融危機時期的寬鬆貨幣和財政刺激政策，但受限於歐盟和歐元區的成員集體決策機制，政策力度不及美國，出手速度也慢於美國。這些因素導致歐洲經濟在疫情中的收縮幅度超出美國。2020年上半年，歐元區國民生產總值環比斷崖式下跌11.8%，其中西班牙下跌21.5%，衰退最為嚴重，表現最好的德國也下降9.8%，高於美國同期9%的降幅。英國降幅深達19.8%，為300年來最嚴重的衰退。「二次疫情」及「二次封鎖」下，歐洲經濟復蘇勢頭明顯放緩，歐元區經濟前景已經惡化。東盟經濟遭疫情重擊，但勢頭卻強於歐美，2020年東盟新興經濟體生產總值(以印尼、馬來西亞、菲律賓、泰國和越南)預期下滑4.3%，表現好於歐美。金磚國家(不含中國)恢復元氣，作為發展中大國，金磚國家分處世界不同大洲，發展條件不同，發展水準不一，產業結構各異，在此次疫情中的表現也有所差異。疫情防控方面，金磚國家都表現差勁。印度、巴西、俄羅斯累計確診病例分居全球第二到第四。經濟表現方面，年內金磚國家經濟均將大幅萎縮。巴西出現近120年來最大的經濟衰退，實際疫情嚴重。巴西經濟結構中，服務業佔生產總值約63%，在金磚國家中最高(俄羅斯54%)。服務業受大範圍關閉商業活動等社交隔離及封關措施衝擊最大，預計全年經濟萎縮5.1%。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Within China, facing the attack by the pandemic, the prime tasks are the prevention and control of the pandemic, the coordination of economic and social development work, the recovery of economic operations, and the restoration of employment and people's livelihoods. On the demand side, total retail sales of consumer goods for the year were RMB39,198 billion, a decrease of 3.9% YOY. National investment in fixed assets increased by 2.9% YOY, and investment in high-tech industries and social horizon increased rapidly. The total volume of imports and exports of goods for the year increased by 1.9% YOY, and the trade structure continued to be improved. Consumer price index rose by 2.5% throughout the year, which was lower than the 2.9% increase in the previous year. The employment rate is generally stable, with 11.86 million new jobs in the city. The urban unemployment rate in 2020 is 5.6%, which is lower than the expected target of around 6%. The annual per capita disposable income of residents nationwide was RMB32,189, a real increase of 2.1% after deducting price factors, which was basically in line with economic growth. In 2020, China's domestic consumption recovered steadily. Consumption is still the "core stone" for the stable economic growth. The main characteristics of domestic consumption are the continuous recovery of commodity trading, the recovery of service spending, the rapid development of new consumption mode, the recovery of urban and rural markets, and the overall stable of prices. As China has become the world's second largest economy, the per capita income level has gradually increased, with the disposable portion has increased correspondingly. China's consumer market has entered a stage of rapid growth. Therefore, in addition to the expansion of the scale of China's consumer market, the standard of consumer market has also enhanced. Future consumption will move towards high-end, diversified and personalized characteristics.

於國內，面對嚴峻複雜的國內外環境受新冠疫情嚴重衝擊，首要工作為統籌疫情防控和經濟社會發展工作，穩定經濟運行，保障就業民生。從需求來看，全年社會消費品零售總額人民幣391,981億元，比上年下降3.9%。全年全國固定資產投資比上年增長2.9%，高技術產業和社會領域投資增長較快。全年貨物進出口總額比上年增長1.9%，貿易結構持續優化。全年居民消費價格指數上漲2.5%，低於上年2.9%的漲幅。就業形勢總體穩定，全年城鎮新增就業1,186萬人。2020年城鎮失業率為5.6%，低於6%左右的預期目標。全年全國居民人均可支配收入人民幣32,189元，扣除價格因素實際增長2.1%，與經濟增長基本同步。2020年中國國內消費穩步復甦，消費仍然是經濟穩定運行的「壓艙石」。國內消費主要特點是商品消費持續回暖，服務消費有序恢復，新型消費模式快速發展，城鄉市場同步恢復，物價運行平穩。隨着中國成為世界上第二大經濟體，人均收入水平也逐漸提升，其中可供消費的部分相應增加，中國消費市場進入了較快發展階段。因此，中國的消費市場除了規模的擴大，更重要的是水平的提升。未來消費或將走向高端化、多元化和個性化特點。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

In Guangdong, retail chains are facing the domestic trade circulation, the pandemic challenge, the small store economy, community team purchase, livestreaming, touchless delivery, and blind box economy etc. In 2020, the total retail sales of consumer goods in Guangdong Province exceed RMB4.0 trillion. Governments at all levels have formulated policies to promote consumption, focused on supplementing the consumption infrastructure, through distribution of subsidies, consumer vouchers, to promote the sale of automobiles and home appliances in rural area, to encourage information consumption, rural consumption, cultural and travel consumption, and develop online education and remote medical care services. There were some highlights. First, support Guangzhou and Shenzhen to build international consumption cities, establish city duty-free shops with local characteristics to redirect overseas spending. Secondly, implement the “same production line, same standard, same quality” product for domestic and export sales. The “Guangdong Trade” plan to explore the domestic market. Then, the construction of high-quality business circles and building of consumer festive brands. In addition, accelerate rural consumer demand and potential by promoting the replacement of old motor cars, home appliances and necessities. Besides, support the development of new types of consumption, expand consumption on information platforms, develop new business forms such as smart stores and restaurants etc to form new service consumption. Finally, increase public spending by enhancing public service efficiency including education, culture, medical care, aged services, childcare, and sports etc.

於廣東方面，連鎖經營面臨著國內大循環、疫情考驗、小店經濟、社區團購、直播帶貨零售、無接觸配送、及盲盒經濟等因素影響。2020年，廣東省社會消費品零售總額突破人民幣4.0萬億元，各級政府制定促進消費的政策措施，著力補充消費基礎設施差額，通過發放補貼、消費券等多種形式，大力推進汽車下鄉、家電惠民，擴大資訊消費、農村消費、文旅消費，發展線上教育、遠端醫療等消費新業態。廣東市場主要有以下亮點。首先支援廣州、深圳建設國際消費中心城市，佈局一批區域消費中心城市，推動建設具有地方特色的市內免稅店，引導境外消費回流；其次是實施內外銷產品「同線同標同質」，開展「粵貨全國」計劃，積極開拓國內市場；繼而是推動高品質商圈建設，打造消費節慶品牌；另外重視鄉村消費需求，充分挖掘縣鄉消費潛力；加之是推動汽車以舊換新，促進家電及必需品更新消費；再且是支援新型消費加快發展，擴大資訊平台消費，發展智慧商店、智慧餐廳等新模式新業態，形成服務消費等新增長點；最後是合理增加公共消費，提高教育、文化、醫療、養老、育幼、體育等公共服務效率。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Resident consumers affected by the pandemic have shifted from “physical stores + platform-based e-commerce” shopping behavior to “integrated e-commerce, social networking websites, vertical platforms, brand name websites, livestreaming, private domain traffic” multi-purpose cloud living platform. In order to meet customer needs, retailers build the digital connection of people, goods and market place, making transaction through intelligent operation and automated transactions, and completely shift from seller-oriented information to customer-oriented digitization. Through digitization of customer, commodity, marketing and supply chain, the operator could meet customer needs by data combination, analysis and decision. This will enhance operational efficiency, sales technique optimization and core value reconstruction. To further promote the efficient integration and core value development of the entire supply chain such as commodity production, circulation and supporting services. In 2020, “digitalization” has not only surpassed “new retailing” and “smart retailing”, it has even surpassed network technology in the business world. The pandemic has indirectly promoted the improvement of digital service standards and the urgency of enterprises to apply digital technology.

In 2020, the economy of Guangxi's region showed a good momentum of recovery and improvement. The region's GDP was RMB2,215.7 billion, an increase of 3.7% YOY. The condition of agricultural production is good. The annual value of agriculture, pasturage and fishery was increased by 5.0% YOY. The annual grain output was 13.7 million tons, an increase of 2.9% YOY. Industrial production has accelerated significantly, and the output of major products has increased rapidly. The annual incremental value of industrial enterprises over the threshold was increased by 1.2% YOY. From the perspective of major industries, six out of the total ten major industries have recorded growth. In terms of products, 18 products achieved positive output growth. Service industry is growing steadily, and the emerging service industry was gaining momentum. The value of the financial industry was increased by 6.8%, the wholesale and retail industry was increased by 3.1%, and the other service industry was increased by 7.6%. Consumer prices rose moderately, while industrial producer prices fell slightly. The consumer price of the whole year was increased by 2.8% YOY. Residents' income has grown steadily and the employment condition was stable. The annual average disposable income of residents in the district was RMB24,562 per person, or 2.4% after deducting price factors.

受疫情影響居民消費者從「實體店+平台類電商」購物為主的行為轉向「綜合電商、社交網站、垂直平臺、品牌官網、線上直播、私域流量」等多形態共存的「雲端生活」。為了滿足顧客需求，全面構建人、貨、場的數位化連接、智慧化操作和自動化交易，徹底從經營者為中心的資訊化轉向以顧客為中心的數位化，通過顧客數位化、商品數位化、行銷數位化、供應鏈數位化等全流程數位化，以顧客需求為零售活動的起點，最終以資料整合、資料分析和資料智慧決策來實現經營效率提升、零售要素優化、核心價值重構，進一步推動商品生產、流通及配套服務等全供應鏈高效融合、創新價值發展。2020年，「數位化」不只是超過了「新零售」和「智慧零售」，甚至已經超越了網絡科技在商業世界中變得更加主流。新冠疫情間接地推動了數位化服務水準的提升，以及企業應用數位化技術的逼切性。

2020年廣西全區經濟運作呈現加快恢復、提升良好形勢。全區生產總值人民幣22,156億元，比上年增長3.7%。農業生產形勢較好，主要經濟良好。全年農林牧漁業增加值比上年增長5.0%。全年糧食總產量1,370萬噸，比上年增長2.9%。工業生產明顯加快，主要產品產量較快增長。全年規模以上工業增加值比上年增長1.2%。從主要行業來看，十大重點行業中，六大行業實現增長。從主要產品來看，18種產品產量實現正增長。服務業平穩增長，新興服務業發展形勢良好。金融業增加值增長6.8%，批發和零售業增長3.1%，其他服務業增長7.6%。居民消費價格溫和上漲，工業生產者價格小幅下降。全年居民消費價格比上年上漲2.8%。居民收入平穩增長，就業形勢穩定。全年全區居民每人平均可支配收入人民幣24,562元，扣除價格因素實際增長2.4%。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

According to the National Bureau of Statistics, the annual GDP of China of 2020 reached approximately RMB102 trillion, an increase of 2.3% YOY.

In the whole year, the total retail sales of consumer goods were approximately RMB39.2 trillion, a YOY decrease of 3.9%. Among them, the retail sales of consumer goods by enterprises over the threshold size were approximately RMB14.3 trillion, a YOY decrease of 1.9%. According to the location of business units, retail sales of consumer goods in city were approximately RMB33.9 trillion, a YOY decrease of 4.0%; retail sales of consumer goods in rural areas were approximately RMB5.3 trillion, a YOY decrease of 3.2%. In terms of consumption patterns, catering revenue was approximately RMB4.0 trillion, a decrease of 16.6%; retail sales of goods were approximately RMB35.2 trillion, a decrease of 2.3%. The retail sales of communications equipment, cosmetics, and goldsmith and jewellery products of over the threshold units were increased by 26.0%, 21.2%, and 17.3% respectively YOY. During the year, online retail sales across the country reached RMB11.8 trillion, a YOY increase of 10.9%. Among them, the online retail sales of physical goods was RMB9.8 trillion, an increase of 14.8%, accounting for 24.9% of the total retail sales of consumer goods, an increase of 4.2% YOY. Among the online retail sales of physical goods, eat, wear and use consumer goods were increased by 30.6%, 5.8% and 16.2% respectively. By retail format, the retail sales of supermarkets in above the threshold units were increased by 3.1% YOY during the period, while department stores, specialty stores, and exclusive stores decreased by 9.8%, 5.4%, and 1.4%, respectively.

In general, China's export trade has been severely impacted by the sharp decline in international market demand in 2020. In order to help some export trader to tide over the crisis, all provinces have introduced targeted policies and measures on the inner circle economy where exports are transferred to domestic sales. The impact of the pandemic on foreign trade has shifted to the demand side. The transfer of export products to domestic sales will further enrich market supply, meet new consumer demand, increase consumer choice, promote consumption upgrades, and help promote the overall recovery of the consumer market. With the establishment of a new development pattern with the internal circulation policy as the main body and the dual circulation policy mutually supplementing each other, policies to expand domestic demand and promote consumption will continue to exert force. The consumer market will recover steadily, and it is expected to rebound to a positive trend.

根據國家統計總局資料：二零二零年全年國內生產總值達約人民幣102萬億元，比去年同期上升2.3%。

全年，社會消費品零售總額約人民幣39.2萬億元，同比下降3.9%。其中，限額以上企業消費品零售總額約人民幣14.3萬億元，同比下降1.9%。按經營單位所在地分，城鎮消費品零售總額約人民幣33.9萬億元，同比下降4.0%；鄉村消費品零售總額約人民幣5.3萬億元，同比下降3.2%。按消費形態分，餐飲收入約人民幣4.0萬億元，下降16.6%；商品零售約人民幣35.2萬億元，下降2.3%。限額以上單位通訊器材類、化妝品類、金銀珠寶類商品零售額同比分別增長26.0%、21.2%、17.3%。年內，全國網上零售額人民幣11.8萬億元，同比增長10.9%。其中，實物商品網上零售額人民幣9.8萬億元，增長14.8%，佔社會消費品零售總額的比重為24.9%，比上年提高4.2個百分點。在實物商品網上零售額中，吃類、穿類和用類商品分別增長30.6%、5.8%和16.2%。按零售業態分類，期內限額以上零售業單位中的超市零售額同比增長3.1%，百貨店、專業店和專賣店分別下降9.8%、5.4%和1.4%。

總體來說，2020年全年，在國際市場需求大幅下降的背景下，中國外貿受到了嚴重衝擊。為幫助一些外貿企業渡過危機，各省份都出台關於出口轉內銷的內圈經濟的針對性政策措施。新冠疫情對外貿的影響已轉變為需求側為主。出口產品轉內銷，將進一步豐富市場供應，配合新型消費需求，增加消費者選擇，促進消費升級，有助於推動消費市場整體回升。隨著構建以國內大循環為主體、國內國際雙循環相互促進的新發展格局，擴內需、促消費政策將持續發力，消費市場穩定恢復，有望回升向好形勢。

(B) BUSINESS REVIEW

For the year ended 31 December 2020, the Group recorded revenue of approximately RMB428.1 million, representing a YOY decrease of approximately 33.7%. Gross profit amounted to approximately RMB42.7 million, representing a YOY decrease of approximately 45.7%. Loss attributable to owners of the Company was approximately RMB194.5 million, representing an YOY increase of 271.5%. There were 9 stores and 2 shopping malls at the end of the year. During the year, there were closure of 3 stores, namely Shajing store, Sanlian store and Xixiang store. Net loss increased attributable to the outbreak of the COVID-19 pandemic in China since January 2020, the infant stage of operation and competitive business environment of shopping malls operation, the additional expenses on forfeiture of rental deposit and written off of leasehold improvements upon closure of three stores, and impairment loss on non-financial assets. The main task was reduction of expenditure to keep resources for future challenge during the year. Sales of goods decreased by approximately RMB182.9 million, commissions income from concessionaire decreased by approximately RMB45.8 million, rental income from sub-leasing of shop premises increased by RMB6.3 million, rental income from investment properties decreased by approximately RMB2.0 million, rental income from sub-leasing of shopping malls increased by approximately of RMB8.1 million, and interest income from financing services decreased by approximately RMB0.9 million. The Group has adopted positive operating strategy with value-added service in retail stores, and continuously exploring and developing other potential profit opportunities and planned for the expansion of store and shopping mall network.

Recapping on the year of 2020, the Group has the following operation highlights.

(二) 業務回顧

集團截至二零二零年十二月三十一日止年度，集團總收入約為人民幣4億2,810萬元，同比下跌約33.7%；銷售毛利額約為人民幣4,270萬元，同比下跌約45.7%；母公司權益持有人應佔虧損約為人民幣1億9,450萬元，同比上升約271.5%。年末9家零售門店及兩個購物中心。年內關閉了三家零售門店，分別為沙井，三聯及西鄉店。淨虧損增加，主要由於中國自2020年1月起爆發新型冠狀病毒疫情（「新冠疫情」），購物中心營運仍處於初步階段及行業環境競爭激烈，因年內關閉三家零售門店而產生額外租金押金充公及裝修撇銷支出，及非財務資產減值。年內主要為節流工作，以保留實力迎接未來的挑戰。商品銷售減少約人民幣1億8,290萬元，專櫃銷售所得佣金減少約人民幣4,580萬元，店鋪物業分租收入增加約人民幣630萬元，投資物業的租金收入減少約人民幣200萬元，購物中心物業租金收入增加約人民幣810萬元，及來自金融服務之利息收入減少約人民幣90萬元。集團採取積極穩健的經營策略，對實體零售作增值服務，亦對其他投資項目找尋及發展潛在利潤機會，並開始計劃來年之分店網路及購物中心拓展之籌備工作。

回顧二零二零年度，集團於營運方面作出了以下重大亮點。

(1) Sales of supermarkets and concessionaire have fallen, gross profit from sales has been affected

The local governments of Guangdong and Guangxi and merchants distributed discount spending vouchers which are helpful to retail businesses in supermarkets and department stores. However, the persistent of the pandemic has forced resident's spending more cautious, sales have fallen. The Group implemented a series of remedial measures. In terms of display layout, it is planned to uplift the shelves to enhance the visual feeling, and increase the variety in the daily sundries category to boost sales. In addition, we introduce some popular cooked food and pastry to attract customers through market research. In terms of commodity management, we focus on the essence of commodities and perform fine management. By enhancing marketing activities and promotion leaflets, we set sales targets, order management, display method, publicity, follow-up procedure and results review of popular products, and push forward seasonal and thematic promotion campaign in stores. By encouraging concessionaires/vendors promotional sales, we not only to create sales for the supermarket section, but also solve the problem of manpower shortage. Expanding online sales by promoting the in-house developed online sales channel and external online sales platform. The main reason for the gross profit gap is decline in sales. Increase sales, look for high-margin products in the market to introduce special promotions, increase vendor activities and gift promotions, plan promotional activities to obtain thin profits but quicker sales, and carry out product management to speed up product turnover which in return reduce maturity arrival, minimize damaged goods, and avoid price cuts.

(1) 超市及專櫃銷售額倒退，銷售毛利額有所影響

廣東及廣西市政府及商家三月起發出折扣消費券，對零售超市及百貨有正面幫助。但受持續疫情影響令市民消費變得謹慎使銷售有所倒退，集團實施一系列補救措施。在陳列鋪排方面，計劃增高貨架增強視覺感，增加日常雜項類品項以提高銷售。另外，為加大新鮮類貨品吸引顧客的作用，通過市場調研將引進部分民生類熟食、麵點等專案達到聚客作用。於商品管理方面，深入商品本質，做好精細化管理。繼續加大行銷活動以及海報、將受歡迎商品的銷售目標設定、訂貨、陳列、宣傳、過程跟進和結果審核，並推行加強各店季節性、主題性促銷活動。鼓勵專櫃／廠商周促銷，利用專櫃資源為超市部分創造銷售，解決人手短缺難題。擴張線上銷售，推廣自家及外借的線上銷售平台。毛利額薄弱主要原因是銷售下降。提升銷售，尋找市場上高毛利商品引進重點促銷，通過增加廠家活動，利用廠家贈品促銷，計劃促銷活動以帶動薄利多銷來獲取毛利，及做好商品管理，加快商品周轉，並同時降低臨期商品、破損商品機率，及減少削價。

(2) Improving the furnishings of shopping malls, introducing catering and entertaining tenants in stores

The group has been transforming the business model by shifting focus on sales of goods from traditional supermarkets to sub-leasing business. Therefore, the shopping center strengthens decoration spirit to attract online community discussion, and incorporates amusement facilities to highlight the family experience and youthful vitality. Using vacant shops for temporary promotional activities and earning additional income. Adding fragrance dispenser and decorating green plants in toilets to enhance the style of the mall. Providing an “professional service room” amenity for shoppers free consultation service. During the year, the shopping malls have been undergoing four types of changes. Standardize operations for system construction, initiate system compilation and active team building to increase training and market research. Target management, rent collection is strictly controlled to strengthen cash flow. Enhance operating diversification to increase other income. Vacant shops pending for business invitation, commencement and renovation will be closely followed-up to reduce operating losses. Improve products quality, conduct customer satisfaction surveys, and formulate improvement plans. Strengthen quality inspection and supervision, and emphasize on quality stores.

(3) Closure of stores to reduce operational risks, renovation enhancement of major stores to increase store attractiveness

Upon the expiration of the lease agreement in Xixiang Store, the group decided not to renew the contract due to the rapid deterioration of the surrounding business environment during the year. Besides, due to declining geographical advantage and surrounding environmental factors, the performance of Sanlian Store and Shajing Store was badly affected. The Group has decided to terminate the lease agreements before expiry of lease term after granting waiver for compensation of early termination from the respective landlords.

(2) 改善購物中心裝潢陳設，分店引進餐飲娛樂商戶

本集團的經營業績和現金流量，例如通過將銷售重點從傳統超市轉移到轉租賃業務來轉變業務模式。購物中心加強美化陳設以強化網紅潮流屬性，融入休閒遊樂教育設施，突顯親子體驗與年輕活力。利用臨時空舖進行活動宣傳、引進多經資源。衛生間、洗手台新增香薰瓶、裝飾植物，提升商場格調。新進慮引入「專業服務室」，提供免費諮詢服務。年內，購物中心實行四類改革。營運標準化加強體系建設，啟動制度編訂，積極團隊建設，及增加培訓及市調工作。指標管理，跟進並協助租金收繳，強化現金流，提升多經形象，增加其他收入。緊貼空舖招商、進場、裝修跟進，減低營運損失。銷售品質提升，開展顧客滿意度調查，制定改善方案。加強品質巡檢及監督，強調品質商店。

(3) 關閉門店以減低營運風險，升級主力店以增加店舖吸引力

年內，西鄉店因租賃協議到期，加上週邊經營環境急速轉差，集團決定不作續約，以減輕營運負擔。另外，三聯店及沙井店因受失去地理優勢及週邊環境因素，業績轉差，經與業主商討情況及獲得豁免終止賠償後，亦決定提前終止兩店之租賃協議。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

The group continues to enhance and adjust its stores layout to accommodate with the new retail era. In the food section, the shelves have been uplift and adjusted to make the overall display more coordinated and leisable, and more convenient for customers to select goods. In the daily necessities section, the shelves are rearranged to expand the best-selling categories of lady products. In the fresh food section, key items are reviewed every weekend to ensure the best price offered to customers. Meat stalls and vegetables are selling well when the pandemic is severe. All in all, we have increased the product variety for food and daily necessities, relocated the self-service cash counters, introduced renowned daily necessities brand name, and increased the number of food shelves and product variety to refresh the outlook of sales floor.

(4) Implement measures to increase revenue, reduce distribution and administration expenditure

To open up revenue sources, the store and operation department attach great importance to sales, diversification, customer flow, marketing, and Online and Offline (O2O) work; enrich online brands and varieties. In addition, the marketing department expands group purchases, develops member group, and promotes the sales of shopping cards by focusing on information and intelligence resources. Natural loss of employees, reducing personnel complexity, and reducing labor costs. Managing vacant shelves, idle store and new business invitation, improving area utilization and floor efficiency, making full use of physical space to improve efficiency, and properly resolve defective brands in advance.

To reduce expenditure, all unnecessary expenses will be cut down. Promote mobile office, paperless office, and information office. Strict control on the approval procedures of all expenses and expenditure. Simplify organizational structure and personnel structure, fair and efficient appraisal system. Improve the monthly performance appraisal report of the manager of the supermarket and operation department personnel. Improve work efficiency and enforcement. Advocate self-discipline and professional ethics to help execution and sense of responsibility.

集團繼續對分店作升級調整，以迎合新零售趨勢。於食品部將貨架進行了高度調整，整體的陳列更協調、美觀，同時更加的方便顧客挑選貨品。於日常用品部調整貨架陳列，擴大暢銷分類婦女用品。於生鮮部，每週末對重點單品以免扣除或降扣除的折扣形式將價格降到最低，使水果類有競爭優勢。生肉檔與蔬菜在疫情比較嚴重的時候為生活必須品相對銷售較好。總括來說，食品、日常用品增加單品數，重置自助收銀台位置，引進名氣日用雜項專櫃，及增加食品貨架及單品數以改善賣場面貌。

(4) 銷售及行政管理下手，實行開源節流措施

對於開源方面，門店、營運部重視提升銷售、多項經營、客流、行銷、及線上線下工作；豐富線上品牌和品種；另市場部拓展團購、發展會員群組，促進購物卡的銷售工作。重視資訊化、智慧化資源。實員工自然流失，減少人員投入，降低人力成本；做好空櫃舖和新項目招商，提高面積利用率和使用面積效益，充分利用物理空間以提高效益，及提前妥善解決預警品牌工作。

對於節流方面，減少一切不必要的開支；提倡移動辦公、無紙化辦公、資訊化辦公；嚴格把控一切費用支出審核；刪減冗餘的組織結構、人事架構，公平及有效考核制度，完善超市領導和營運部人員每月績效考核評估報表；提升工作效率和執行力。嚴格自律，遵循職業操守，提升執行力和責任心。

(5) Active development in online sales channel to expand customer base

Currently, Baijiahua's O2O business is divided into two aspects: private and public domain. Private domain refers to our Baijiahua Mini Program ("Mini Program") Mall. Public domain encompasses the three mainstream O2O e-commerce platform of Meituan, Ele.me and Jingdong. Since February, online sales have been going up. The three major O2O platforms of Meituan, JD Daojia, and Ele.me have already been connected and launched. Next, we will refine system operations, and improve sales turnover and customer experience. For livestreaming, as there is no live broadcast team and customers have not developed their live shopping habits, large scale investment has not yet been made. Soon, we will try team purchase activities to increase customer adhesiveness and increase sales. The Group tries to make reference to other e-commerce provider to integrate entertainment and social elements into e-commerce operations. Through the "social + e-commerce" model, more users can share benefits with fun and enjoy a new shopping experience. Activate the Mini Program shopping mall module and bring all merchants to the Mini Program, increase the overall sales atmosphere, and drive the sales of the Group and merchants.

(5) 積極發展線上銷售，擴闊顧客群

目前百佳華O2O業務，分為私域和公域兩個方面，私域流量指百佳華小程序(「小程序」)商城，公域方面打通美團、餓了麼、京東到家這三個主流O2O電商平臺。從2月開始，線上銷售額呈上升趨勢。美團、京東到家、餓了麼三大O2O平臺已經對接上線完畢，接下來會將投入到線上精細化系統化運營，以提升銷售和顧客體驗。直播活動，由於目前沒有專門的直播團隊，而顧客直播購物消費習慣也未養成，暫未作大規模投入。稍後會進行拼團活動嘗試，增加顧客依賴度，提升銷售。集團嘗試參考其他新電商開創者，以娛樂社交的元素融入電商運營中，通過「社交+電商」的模式，讓更多的使用者帶著樂趣分享實惠，嘗試全新的共用式購物體驗。啟用小程序購物中心模組，將所有商戶上線到小程序，增加整體銷售氛圍，帶動集團和商戶的銷售。

(6) The impact of the COVID-19 pandemic and the Group's response

Due to the impact of the pandemic, people are confined at home to minimize unnecessary outings. Coupled with concerns about the risk of infection in closed spaces such as shopping arcades and shopping malls, the customer flow in retail industry has been mostly affected. The customer base of supermarkets mainly comes from the residents' demand for daily necessities, but the frequency of purchases of materials has been decreased. At the same time, the purchase demand is competed with online shopping and the customer flow of supermarket is greatly affected. The Group managed inventory level, ensured adequate supply, food safety and daily disinfection work in supermarkets to combat the pandemic. In addition, the group has developed online home delivery business, and worked with third-party platforms to build online ordering and distribution network to meet the needs of people to buy fresh daily necessities online. The impact to online shopping malls is minimal.

Revenue for the year of 2020 dropped by 33.7%. Among them, supermarket and concessionaire revenue fell by 42.3% and 58.4% respectively, and shopping mall revenue increased by 15.3%. For supermarkets, although the customer flow is affected, future revenue is expected to be flat or even grow. The main reason is that the demand for catering and daily necessities of the people is still strong. Although the frequency of personal purchases of materials has decreased, the number of single purchases has increased, and the online home delivery service has been launched. The impact on the income of supermarket stores is not very significant.

(6) 新冠疫情大流行的影響及集團之應對策略

由於疫情影響，民眾居家隔離，儘量減少不必要外出，加上對於購物中心、商場等密閉空間的傳染風險的擔憂，零售業客源受到的影響最大。超市的客源主要來自於民眾對於日常生活必需品的採購需求，但個人採購物資頻次減少，同時採購需求受到線上購物的分流，超市客源受到相當影響。一方面要做到合理管理好食品庫存，保證供應鏈，注意超市的食品安全和日常消毒工作，做好抗疫工作，發展線上到家業務，與第三方平台機構合作構建線上下單及配送體系，滿足民眾網上購買生鮮生活必需品的需求。對線上商城的客源影響最小。

2020年全年收入下跌33.7%。其中超市及專櫃收入分別下跌42.3%及58.4%，購物中心收入上升15.3%。對於超市，雖然客源受到影響，但預計未來收入持平甚至增長。主要原因是民眾餐飲及日常生活用品需求仍然旺盛，雖然個人採購物資頻次減少，但是採購的單次數量增加，而且開展線上下單送貨到家服務，因此對超市實體零售企業的收入影響並非常大。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

There are factors affecting the decline in corporate turnover. The main reasons for the impact on the sales are logistics, the restriction on staff crew to attend duty, the closure of business premises, and the decline in customer demand. Logistics have a major impact on supermarkets and department stores. Insufficient quantity of stocks, difficulties in delivery to customers, and insufficient manpower for order delivery are the main challenges. In the short term, industry inventory sharing, through cross-industry cooperation, can assist other industries to share their inventory and alleviate procurement problems. In the long run, the Group will plan the supply chain strategic network to improve the comprehensive capabilities of supply adequacy, logistics timeliness, and digital transformation.

The group has no funding risk in the coming 12 months. The financial pressure of the Group comes from labor cost, rental expenditures and payment to suppliers. Plan to improve cash flow, obtain provision of credit and preferential interest rate with existing banks. In order to protect the business environment of the retail industry, local governments have issued relevant financial policies or measures. The Group actively communicates with financial institutions, seeks the policy privilege offered by regulatory agencies, and obtains credit support. The Group took measures to reduce costs, such as reducing staff and salaries, to alleviate pressure, complying with relevant laws and regulations, and reduce risks. New financing, including short-term loans, can be obtained when funds are tight to solve short-term liquidity problems under the pandemic.

針對企業銷售下降的影響因素。零售行業企業銷售受影響的最主要原因為物流運輸、銷售人員無法全部到崗、營業場所關閉和客戶需求下降。物流運輸對於超市和百貨影響較大部分品類備貨不足、物流配送困難和線上訂單配送人力不足是主要挑戰。短期而言，行業庫存共用，通過跨行業合作可以協助其他行業消耗部分庫存，緩解採購問題。長期而言，只有保證和強化供應鏈佈局規劃，在貨源保障、物流時效、通過數位化轉型等方面全面提升上中下游綜合能力。

集團在未來12個月內無資金缺口風險。集團資金壓力主要來自於人工成本支出、租金支出及支付供應商款項。改善現金流的計畫，與現有銀行商議討論貸款條款以及利率優惠政策。為維持零售業生存環境，地方政府均已發佈相關金融政策或措施。集團積極與金融機構溝通，取得監管機構發布的政策優惠，爭取信貸支持。集團採取減員降薪等降低成本費用的措施來緩解壓力，符合勞動法等相關法律法規要求，降低風險。資金緊張的情況下可獲得新增融資，包括短期貸款，以解決疫情下短期流動性問題。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

The Group has managed working capital, including formulating cash flow forecasts and monitoring mechanisms, and assessed the impact of potential cash shortages in advance. Working capital management will be made through early negotiation with upstream and downstream partners. On one hand, the Group strived to shorten the collection time of accounts receivable with downstream and minimize the scale of receivables, and on the other hand, strived for longer credit period with upstream suppliers. Actively manage inventory levels, digest inventory or minimize the inventory level to ease the liquidity risk and avoid the financial pressure caused by excessive inventory. Dispose of non-core assets to improve tight cash flow. Identify the under-performing businesses and/or non-core assets of the company. By improving these businesses or selling these assets, it can reduce potential losses during instable period. As such, the Group can keep funds and use resources to concentrate on maintaining major business operations.

The Group has closely contacted with the landlord as soon as possible, negotiated the closure, and actively obtained rent reduction or deferral during the closure period; The Group communicated with the supplier to solve the problems and difficulties, and strive to extend the payment cycle. The Group communicates with the financial institution to maintain good relationship and seek credit support. By lowering loan interest rates, increasing credit loans and term loans, the Group will strive for preferential financing conditions to reduce the pressure on cash flow related to principal and interest repayment. The Group attends closely to relevant policies issued by government, such as preferential policies such as tax reduction or extension, social security refund or deferred payment. For the Group employees, establish an employee protection mechanism to stabilize labour force. Under legal circumstances, advise the staff to take holidays or cut salaries, and work with employees to overcome difficulties.

集團管理營運資金，包括制定現金流預測及監控機制，提前評估潛在現金短缺的影響。營運資本管理，及早與上下游合作企業充分溝通協商。另外，集團一方面與下游爭取縮短應收賬款收款時間，儘量降低應收款項規模，及與上游爭取更長時間的付款賬期。積極管理庫存水準，消化庫存或幫助減少庫存數量，以緩解流動性風險，避免過高庫存帶來的資金壓力。處置非核心資產以改善現金流緊張的現狀。識別企業當中表現不佳的業務和／或非核心資產，通過出售這些業務或資產，降低於疫情特殊期間的潛在虧損，同時回籠資金，利用公司資源集中力量維持公司主營業務。

集團與房東取得緊密聯繫，協商停業，協商停業期間的租金減免或緩繳；集團及早與供應商溝通，解決問題及困難，爭取延長付款週期；集團與合作金融機構充分溝通維持良好關係爭取信貸支持。集團通過適當下調貸款利率、增加信用貸款和中長期貸款等方式，爭取相關融資優惠條件降低還本付息相關現金流壓力。集團關注政府機構出台的相關政策，如稅費減免或延期、社保返還或延期繳納等優惠政策。對於集團員工，建立員工保障機制，穩住軍心。在合法情況下放假降薪，和員工溝通共度難關。

(C) OUTLOOK

During the year, the Group has formulated a series of measure to enhance sales turnover and to avoid unnecessary costs, so as to achieve management target. Moreover, the Group aimed to consolidate the existing stores by reform and innovation. By this, improvement in sales mix, upgrade brand name, enhance shopping experience to provide new shopping experience to customers.

In addition, the Group has explored new commercial retail mode, including shopping mall, trial experience, internet plus, and catering business. With the online resource and shopping outlets, and the synergy of online offline capacity, the Group is able to provide a one-stop shopping experience to customers.

The year 2021 has both opportunity and challenge existed, the Group has prepared to cope with all difficulties, to make use of our core competency in the industry.

Looking ahead, China is still under the fast pace of development stage. The macro-economic condition has significant impact to the industry. Rapid growth in information technology has direct and critical effect to the industry. The directors are confident towards the future. The mission of the Group is to become one of the major operators in the retail industry.

(三) 未來展望

年內，通過一系列營運管理，集團將提升銷售，開源節流，力爭超額完成年度業績目標。另秉著變革與創新，鞏固現有的老店，優化商品結構，升級品牌，加大以消費者為中心場景行銷、體驗式行銷，努力創建以消費者為中心的零售形式。

集團也將不斷探索新一代的商業模式，包括購物中心，體驗模式，互聯網+，餐飲消費等綜合零售。而集團也將充分利用自主的線上應用程式和實體優勢，整合線上與線下資源，充分利用移動互聯網工具，提高顧客的體驗度。

二零二一年機遇與挑戰並存，本集團的團隊已做好一切準備，充分利用本集團在行業中的實力優勢，應對困難，脫穎而出。

展望未來，中國仍處於快速發展階段。國內及國外之環境變化對零售業有一定的影響。加上近年資訊科技的迅速發展及擴張，對零售行業亦有很大影響。董事對本集團的業務前景充滿信心。本集團的任務乃成為中國零售業中的主要綜合企業之一。

FINANCIAL REVIEW

Revenue

The Group's revenue amounted to approximately RMB428.1 million for the year ended 31 December 2020, representing a decrease of 33.7% as compared to approximately RMB645.3 million in the corresponding period of 2019. The drop was principally attributable from the decrease in sales of goods of approximately RMB182.9 million, the decrease in commission from concessionaire sales of approximately RMB45.8 million, the decrease in rental income from investment properties of approximately RMB2.0 million, and decrease in interest income from financing services of approximately RMB0.9 million. However, there were increase in rental income from sub-leasing of shop premises of approximately RMB6.3 million and increase in rental income from subleasing of shopping malls of approximately RMB8.1 million, which altogether partly offset the overall decrease of income.

Sales of goods decreased by 42.3% to RMB249.9 million for the year ended 31 December 2020 from RMB432.8 million in the corresponding period of 2019, principally due to the outbreak of new pandemic in Mainland China which imposed measures including the lockdown of cities and borders and the management of people flow within community. This reduced the customer flow in stores and the Group has closed three stores in response to the pandemic during the period. Besides, the Group has adjusted the sales floor area of direct sales to introduce more leisure experiencing shopping mode. Sales of goods as a percentage of the Group's total revenue was 58.4% for the year ended 31 December 2020 as compared to 67.0% in the corresponding period of 2019.

Commission from concessionaire sales dropped by 58.4% to RMB32.7 million for the year ended 31 December 2020 from RMB78.5 million in the corresponding period of 2019, mainly due to outbreak of pandemic and closure of three stores. Commission from concessionaire sales as a percentage of the Group's total revenue was 7.6% for the year ended 31 December 2020 as compared to 12.2% for the corresponding period of 2019.

Rental income from sub-leasing of shop premises up by 9.7% to RMB70.9 million for the year ended 31 December 2020 from RMB64.6 million for the corresponding period in 2019, mainly due to renewal of some existing tenancy agreements and expansion of sales floor area. Rental income as a percentage of the Group's total revenue was 16.6% for the year ended 31 December 2020 as compared to 10.0% for the corresponding period of 2019.

財務回顧

收入

截至二零二零年十二月三十一日止年度，本集團的收入約人民幣4億2,810萬元，較二零一九年同期約人民幣6億4,530萬元減少約33.7%。收入減少主要由於銷售貨品下跌約人民幣1億8,290萬元，專賣銷售所得佣金下跌約人民幣4,580萬元，投資物業租金收入下跌約人民幣200萬元及來自保理業務之利息收入下跌約人民幣90萬元。不過，分租店舖物業的租金收入增加約人民幣630萬元及分租商場物業租金收入增加約人民幣810萬元而抵銷整體下降。

銷售貨品由二零一九年同期約人民幣4億3,280萬元減少約42.3%至截至二零二零年十二月三十一日止年度約人民幣2億4,990萬元，主要由於新冠疫情爆發令國內實施封城封關及小區人流管理措施令到店人流減少。因此，期內集團關閉了三家零售店舖以應對疫情。另外，集團調整直接銷售商品面積以增加消閒體驗購物形式。截至二零二零年十二月三十一日止年度銷售貨品佔本集團總收入的百分比為58.4%，而二零一九年同期則為67.0%。

專賣銷售所得佣金由二零一九年同期約人民幣7,850萬元下跌58.4%至截至二零二零年十二月三十一日止年度約人民幣3,270萬元，主要由於新冠疫情爆發及關閉了三家零售店舖所致。截至二零二零年十二月三十一日止年度，專賣銷售所得佣金佔本集團總收入的百分比為7.6%，而二零一九年同期則為12.2%。

分租店舖物業的租金收入由二零一九年同期約人民幣6,460萬元增加9.7%至截至二零二零年十二月三十一日止年度約人民幣7,090萬元，主要由於部份店舖租戶簽訂了新租約及增加租賃面積所致。分租店舖物業的租金收入佔截至二零二零年十二月三十一日止年度本集團總收入的百分比為16.6%，而二零一九年同期則為10.0%。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Rental income from sub-leasing of a shopping mall increased by 15.3% of RMB61.0 million for the year ended 31 December 2020 as compared with RMB52.9 million for the corresponding period in 2019 due to (i) the commencement of business of Shenzhen Guanlan shopping mall in the last quarter of 2019; and (ii) the entering into mature stage of operation of the Shenzhen Bantian shopping mall during the period. Rental income from sub-leasing of a shopping mall as a percentage of the Group's total revenue was 14.2% for the year ended 31 December 2020 as compared to 8.2% for the corresponding period of 2019.

Rental income from investment properties down by 20.8% to RMB7.5 million for the year ended 31 December 2020 from RMB9.5 million for the corresponding period in 2019, mainly due to early termination of two tenancies which are still pending for leasing. Rental income from investment properties as a percentage of the Group's total revenue was 1.8% for the year ended 31 December 2020 as compared to 1.5% for the corresponding period of 2019.

Interest income from financing services down by 12.8% to RMB6.0 million for the year ended 31 December 2020 from RMB6.9 million for the corresponding period in 2019, mainly due to the decrease in business of the major customer which has been affected by the pandemic. Interest income from financing services as a percentage of the Group's total revenue was 1.4% for the year ended 31 December 2020 as compared to 1.1% for the corresponding period of 2019.

Purchase of and changes in inventories

Purchase of and changes in inventories amounted to RMB207.2 million for the year ended 31 December 2020, representing a decrease of 41.5% as compared with RMB354.2 million in the corresponding period of 2019, mainly due to decrease in sales of goods. As a percentage of sales of goods, purchase of and changes in inventories was 82.9% for the year ended 31 December 2020 as compared with 81.8% in the same period of 2019.

Other operating income

Other operating income increased by 11.4% to RMB73.2 million for the year ended 31 December 2020 from RMB65.7 million in the corresponding period in 2019, mainly due to increase in government subsidies, net gain on disposal on termination of lease, and rent concession from some of the stores. Nevertheless, decrease in bank interest income and administration and management fee income of approximately RMB2.9 million and RMB10.1 million respectively have largely offset the overall increase.

分租商場物業的租金收入截至二零二零年十二月三十一日止年度約人民幣6,100萬元，比二零一九年同期約人民幣5,290萬元增加15.3%。主要由於(i)深圳觀瀾購物中心已於二零一九年第四季投入營運，及(ii)深圳坂田購物中心已開始進入成熟營運階段所致。分租商場物業租金的收入佔截至二零二零年十二月三十一日止年度本集團總收入的百分比為14.2%，而二零一九年同期則為8.2%。

投資物業租金收入由二零一九年同期約人民幣950萬元減少20.8%至截至二零二零年十二月三十一日止年度約人民幣750萬元，主要由於兩租戶提前解約而該面積仍待租出所致。投資物業租金收入佔截至二零二零年十二月三十一日止年度本集團總收入的百分比為1.8%，而二零一九年同期則為1.5%。

來自金融服務之利息收入由二零一九年同期約人民幣690萬元減少12.8%至截至二零二零年十二月三十一日止年度約人民幣600萬元，主要由於主要客戶之業務受疫情減少所致。來自金融服務之利息收入佔截至二零二零年十二月三十一日止年度本集團總收入的百分比為1.4%，而二零一九年同期則為1.1%。

存貨採購及變動

截至二零二零年十二月三十一日止年度，存貨採購及變動金額約人民幣2億720萬元，較二零一九年同期約人民幣3億5,420萬元減少41.5%，主要由於銷售貨品下跌所致。截至二零二零年十二月三十一日止年度，存貨採購及變動佔銷售貨品百分比為82.9%，而二零一九年同期佔81.8%。

其他經營收入

其他經營收入由二零一九年同期約人民幣6,570萬元增加11.4%至截至二零二零年十二月三十一日止年度約人民幣7,320萬元，主要由於增加政府補助收入，終止租賃協議之淨得益，及部份店舖因疫情租金寬免所致。但銀行利息收入及行政及管理費收入分別下跌約人民幣290萬元及約人民幣1,010萬元抵銷大部份升幅。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Staff costs

Staff costs decreased by 24.9% to RMB80.4 million for the year ended 31 December 2020 from RMB107.0 million in the corresponding period of 2019, primarily due to the closure of three stores and streamline of manpower during the year.

Depreciation of right-of-use assets

Depreciation of right-of-use assets decreased by 6.5% to RMB89.3 million for the year ended 31 December 2020 from RMB95.5 million in the corresponding period of 2019, primarily due to the closure of three stores during the year.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment increased by 5.5% to RMB48.2 million for the year ended 31 December 2020 from RMB45.7 million in the corresponding period in 2019. The increase was mainly due to enhancement of main stores in Shenzhen and the final construction works of Shenzhen Guanlan shopping mall.

Impairment loss on loan receivables

Impairment loss on loan receivables of approximately RMB2.1 million in the year ended 31 December 2020 represented expected credit loss on loan receivables from financing business during the period.

Other operating expenses

Other operating expenses increased by approximately RMB126.1 million, from RMB5.5 million for the year ended 31 December 2019 to RMB131.6 million in the corresponding period of 2020. This was primarily due to forfeiture of rental deposit and written off of leasehold improvements of approximately RMB0.6 million and approximately RMB36.2 million respectively upon closure of three stores, and impairment loss on non-financial assets of approximately RMB89.9 million during the year.

Finance costs

Finance costs, arising from the effect of adoption of HKFRS 16, decreased by approximately RMB5.9 million, from approximately RMB51.8 million for the year ended 31 December 2019 to approximately RMB45.9 million in the corresponding period of 2020, primarily due to the closure of three stores during the year.

Finance costs arising from borrowings during the year was approximately RMB0.9 million.

員工成本

員工成本由二零一九年同期約人民幣1億700萬元減少24.9%至截至二零二零年十二月三十一日止年度約人民幣8,040萬元，主要由於年內集團關閉了三家零售店舖及精簡人手所致。

租賃使用權攤銷

租賃使用權攤銷由二零一九年同期約人民幣9,550萬元減少6.5%至截至二零二零年十二月三十一日止年度約人民幣8,930萬元，主要由於年內集團關閉了三家零售店舖所致。

固定資產折舊

截至二零二零年十二月三十一日止年度，固定資產折舊由二零一九年同期約人民幣4,570萬元增加5.5%至約人民幣4,820萬元。主要由於深圳主力店升級調整及深圳觀瀾購物中心尾期工程所致。

應收貸款之減值

截至二零二零年十二月三十一日止年度，集團產生的應收貸款之減值約人民幣210萬元來自融資業務之預期信貸損失。

其他經營開支

截至二零二零年十二月三十一日止年度的其他經營開支約人民幣1億3,160萬元，較二零一九年同期約人民幣550萬元增加約人民幣1億2,610萬元，主要由於年內三家關閉店舖租賃押金充公及裝修撤銷支出分別約人民幣60萬元及約人民幣3,620萬元，及非財務資產減值約人民幣8,990萬元所致。

財務成本

截至二零二零年十二月三十一日止年度，由於採用香港財務報告準則16而產生的租賃負債利息約人民幣4,590萬元，較二零一九年同期約人民幣5,180萬元減少約人民幣590萬元，主要由於年內集團關閉了三家零售店舖所致。

年內，源於銀行借貸之財務成本約人民幣90萬元。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Income tax expense

Income tax expense amounted to approximately RMB0.9 million for the year ended 31 December 2020, representing a decrease of 63.7% from approximately RMB2.6 million in the corresponding period of 2019, mainly due to decrease of operating profit before tax. The effective tax rate applicable to the Group for the year ended 31 December 2020 were 25% for general subsidiaries (15% for Guangxi subsidiary). In addition, pursuant to the PRC Corporate Income Tax Law, the Group is liable to withholding taxes on dividends distributed by subsidiaries established in China. The applicable tax rate is 10%.

Loss attributable to Shareholders of the Company

As a result of the aforementioned, loss attributable to Shareholders amounted to approximately RMB194.5 million for the year ended 31 December 2020 as compared with loss of approximately RMB52.3 million in the corresponding period of 2019.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2020, the Group had cash and cash equivalents of approximately RMB76.6 million (31 December 2019: approximately RMB117.7 million), while the restricted bank deposits amounted to approximately RMB2.0 million (31 December 2019: RMB Nil). Total borrowings of the Group included bank loans of approximately RMB66.9 million as at 31 December 2020 (31 December 2019: RMB Nil).

As at 31 December 2020, the Group had a net current liabilities of approximately RMB71.7 million, as compared to amount of approximately RMB72.9 million as at 31 December 2019. As at 31 December 2020, the gearing ratio of the Group was approximately 1.55 (31 December 2019: 1.06), which was calculated on the basis of the net debt divided by total equity. Net debt was calculated as total borrowings (including current and non-current bank loans and lease liabilities) less total cash (including cash and cash equivalents and restricted bank deposit).

所得稅開支

所得稅開支由二零一九年同期約人民幣260萬元減少63.7%至截至二零二零年十二月三十一日止年度約人民幣90萬元，主要由於除所得稅前經營溢利減少所致。截至二零二零年十二月三十一日止年度，適用於本集團一般附屬公司的實際稅率為25%（廣西稅率為15%）。此外，根據中國企業所得稅法，本集團須就於中國成立的附屬公司所分派的股息繳付預扣稅，適用稅率為10%。

本公司權益股東應佔虧損

基於上文所述，截至二零二零年十二月三十一日止年度股東應佔虧損約人民幣1億9,450萬元，較二零一九年同期虧損約人民幣5,230萬元有所增加。

流動資金及財務資源

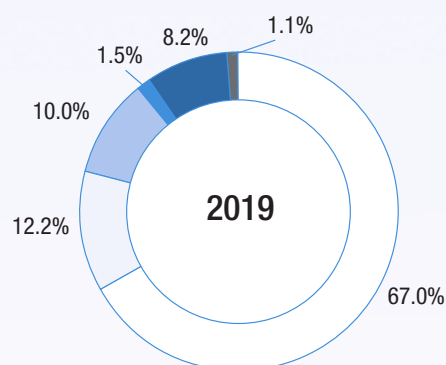
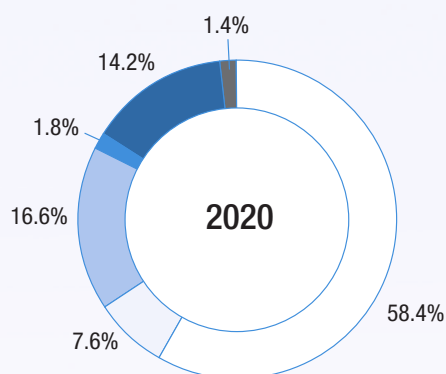
於二零二零年十二月三十一日，本集團的銀行及現金結餘約人民幣76,600,000元（二零一九年十二月三十一日：約人民幣117,700,000元），而受限制銀行存款約人民幣2,000,000元（二零一九年十二月三十一日：人民幣無）。於二零二零年十二月三十一日，本集團借款總額包括銀行貸款約人民幣66,900,000元（二零一九年十二月三十一日：人民幣無）。

於二零二零年十二月三十一日，本集團的流動負債淨值約人民幣71,700,000元，而於二零一九年十二月三十一日之金額則約人民幣72,900,000元。於二零二零年十二月三十一日，本集團的負債比率約為1.55（二零一九年十二月三十一日：1.06）。基礎計算以淨債務除以總資本。債務淨額的計算方法是藉款總額（包括流動和非流動銀行貸款和租賃負債）減去現金總額（包括現金和現金等價物以及受限制的銀行存款）。總資本計算為權益加債務淨額。

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

REVENUE – TURNOVER

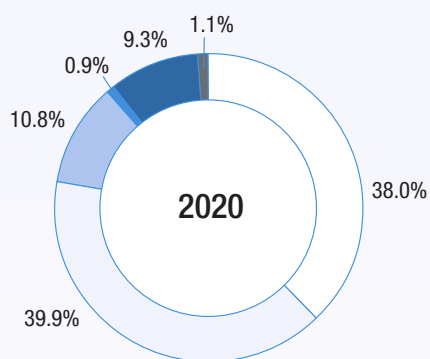
收入 – 營業額



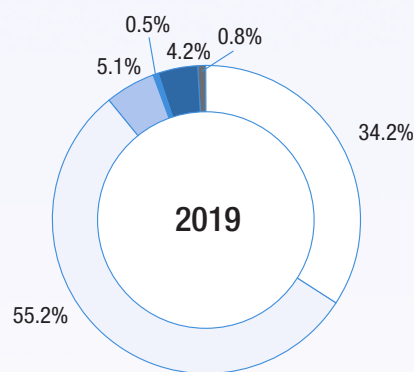
	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
○ Sales of goods	249,865	432,804
○ Commissions from concessionaire sales	32,705	78,540
● Rental income from sub-leasing of shop premises	70,922	64,629
● Rental income from investment properties	7,545	9,528
● Rental income from sub-leasing of shopping malls	61,015	52,940
● Interest income from financing services	6,005	6,888
	428,057	645,329

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

GROSS PROCEEDS



所得款項總額



	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
○ Sales of goods 銷售貨品	249,865	432,804
○ Concessionaire sales 專賣銷售	263,019	699,297
● Rental income from sub-leasing of shop premises 分租店舖物業的租金收入	70,922	64,629
● Rental income from investment properties 投資物業的租金收入	7,545	9,528
● Rental income from sub-leasing of shopping malls 分租商場物業的租金收入	61,015	52,940
● Interest income from financing services 來自金融服務之利息收入	6,005	6,888
	658,371	1,266,086

CORPORATE GOVERNANCE AND OTHER INFORMATION

Risk Management

The activities of the Group expose to a variety of financial risks, including foreign exchange risk, credit risk, interest rate risk and liquidity risk.

(i) Foreign exchange risk

The Group has operation in the PRC so that the majority of the Group's revenue, expenses and cash flows are denominated in RMB. Assets and liabilities of the Group are mostly denominated in RMB or HK\$. Any significant exchange rate fluctuations of foreign currencies against RMB may have financial impact to the Group.

企業管治及其他資料

風險管理

本集團業務承受各種財務風險，包括外匯風險、信貸風險、利率風險及流動資金風險。

(i) 外匯風險

本集團於中國經營業務，故本集團大部分收入、開支及現金流量均以人民幣計值，而本集團大部分資產及負債均以人民幣或港元計值。外幣兌人民幣匯率的任何重大波動可能對本集團造成財務影響。

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

Risk Management (Continued)

(ii) Credit risk

For the operation and management of retail stores and other related businesses, the Group has no significant concentration of credit risk. Most of the sales transactions were settled in cash basis or by credit card payment (or through online payment platforms). Credit risk on cash and bank balances is mitigated as cash is deposited in banks of high credit rating.

The Group's exposure to credit risk mainly arises from loan receivables from financing businesses. In respect of loan receivables, the Group's policy is that all customers who wish to obtain loans from the Group are subject to management review. The Group holds collaterals directly or indirectly to cover its risks associated with loan receivables.

The credit and investment policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

(iii) Interest rate risk

The Group's exposure to interest rate risk mainly arises from cash and bank balances and loan receivables. The Group has not used any derivative contracts to hedge its exposure to interest rate risk. The Group has not formulated a policy to manage the interest rate risk.

(iv) Liquidity risk

The Group's policy is to maintain sufficient cash and bank balances and have available funding to meet its working capital requirements. The Group's liquidity is dependent upon the cash received from its customers. The directors of the Company are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future.

The Group did not use any financial instrument for hedging purposes and the Group did not have any hedging instrument outstanding during the year ended 31 December 2020.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

企業管治及其他資料(續)

風險管理(續)

(ii) 信貸風險

就經營及管理零售店及其他相關業務而言，本集團的信貸風險並無出現重大集中情況。大部分銷售交易以現金或信用卡付款結算(或經網上付款平台)。現金及銀行結餘的信貸風險已因現金存於享有高度信貸評級的銀行而減低。

本集團面對的信貸風險主要來自借貸業務的應收貸款產生。就應收貸款而言，本集團的政策規定所有擬向本集團獲得貸款的客戶須經管理層審核。本集團直接或間接持有抵押物以涵蓋其與應收貸款有關的風險。

信貸及投資政策在過往年度一直由本集團沿用，有效地將本集團承擔之信貸風險限制在理想水平。

(iii) 利率風險

本集團面對的利率風險主要因現金及銀行結餘以及應收借貸款項產生。本集團並無採用任何衍生工具合約對沖其利率風險。本集團並無制定管理利率風險的政策。

(iv) 流動性風險

本集團的政策為維持充足現金及銀行結餘，並取得資金以配合其營運資金需要。本集團的流動資金依賴自其客戶收取的現金。本公司董事信納，本集團將能於可見未來全數履行其到期財務承擔。

截至2020年12月31日止年度，本集團並無使用任何金融工具作對沖用途，且本集團並無任何未使用的對沖工具。

本集團的資金管理旨在保障本集團按持續經營基準繼續營運的能力，以為股東帶來回報，同時兼顧其他權益持有人的利益，並維持最佳的資本結構以減低資金成本。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

Employees And Remuneration Policy

For the year ended December 2020, the Group had 721 full time employees in average in the mainland China and Hong Kong. The Group continues to recruit high calibre individuals and provide continuing education and training for employees to help upgrading their skills and knowledge as well as developing team spirit on an on-going basis. During the year, total staff costs were approximately RMB80.4 million. Competitive remuneration packages are structured to commensurate with reference to individual responsibilities, qualification, experience and performance.

Contingent Liabilities

As at 31 December 2020, the Group has no significant contingent liabilities.

Capital Expenditure

For the year ended 31 December 2020, capital expenditures of the Group for property, plant and equipment amounted to approximately RMB80.1 million (2019: approximately RMB130.3 million).

Changes of assets

As at 31 December 2020, the carrying amount of investment properties amounted to approximately RMB266.8 million (2019: RMB Nil) was pledged as security for the Group's bank loans granted in relation to the Group's retail business.

Capital Commitments

As at 31 December 2020, the Group had capital commitments contracted, but not provided for, amounting to approximately RMB8.6 million (2019: approximately RMB19.3 million).

Dividend policy

Under the Dividend Policy, the declaration, payment and amount of dividends will be subject to the discretion of the Board in accordance with the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the articles of association of the Company and will be dependent upon the Group's current and recent financial performance, cash flow position, working capital requirements and expenditure plan, restriction on distribution of dividends under the relevant laws, rules and regulations, and any other factors that the Board deems appropriate.

In determining any dividend amount for a particular year or interim period, the Board will also take into account, inter alia, the consolidated profit attributable to the owners of the Company for the year or period, dividend distributed during the year, and the retained profits available.

The Company will review the Dividend Policy periodically. There can be no assurance that dividends will be paid in any particular amount for any given period or at all.

企業管治及其他資料(續)

僱員及薪酬政策

截至二零二零年十二月三十一日止年度，本集團於中港兩地聘有平均約721名全職僱員。本集團繼續招聘優秀人才，並為僱員提供持續教育與培訓，以不斷提高僱員的技術及知識，並培養團隊精神。年內，員工總成本約為人民幣80,400,000元。本集團按個別僱員的職責、資歷、經驗及表現訂立具競爭力的薪酬待遇。

或然負債

於二零二零年十二月三十一日，本集團並無重大或然負債。

資本開支

截至二零二零年十二月三十一日止年度，本集團就物業、廠房及設備的資本開支約為人民幣80,100,000元(二零一九年：約人民幣130,283,000元)。

資產抵押

於二零二零年十二月三十一日，賬面值為約人民幣266,800,000元(二零一九年：人民幣無)投資物業已予抵押，以作為就本集團零售業務獲授之銀行貸款的抵押品。

資本承擔

於二零二零年十二月三十一日，本集團已訂約但未撥備的資本承擔約為人民幣8,600,000元(二零一九年：約人民幣19,332,000元)。

股息政策

根據該股息政策，股息的宣派、支付和金額將根據香港法例第622章《公司條例》及本公司章程由董事會酌情決定，並取決於本集團當年及近期財務業績、現金流狀況、資金需求及支出計劃、派付股息的相關法律法規限制及董事會可能認為適當的任何其他因素。

董事會在釐定某個年度或中期的任何股息金額之時，會考慮(其中包括)歸屬於本公司權益持有人應佔綜合利潤、年內已分派的股息以及可分派的保留利潤。

董事會將定期檢討該股息政策，不保證會在任何既定期間派發任何特定金額的股息，抑或不派發股息。

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

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

Retail stores	分店	Commence operation on 開始經營時間	Storey 樓層	Gross floor area (sq.m.) 建築面積 (平方米)	Average of daily transactions (Supermarket) 每日平均交易數目 (超市)		Average of daily transactions (Department store) 每日平均交易數目 (百貨)		Estimated no. of visitors per day 估計每日顧客數目	
					FY20	FY19	FY20	FY19	FY20	FY19
					2020年	2019年	2020年	2019年	2020年	2019年
Xixiang	西鄉	1/10/1997	3	8,806	1,126	3,250	8	19	1,633	4,740
Shajing	沙井	1/5/1999	5	20,978	917	1,737	130	312	1,329	2,971
Songgang	松崗	1/1/2001	5	23,134	3,715	3,096	247	594	5,387	5,349
Longhua	龍華	1/11/2001	5	24,549	2,509	2,281	344	825	3,639	4,504
Gongming	公明	1/9/2002	4	21,843	5,172	4,702	361	866	7,499	8,073
Shiyan	石岩	1/1/2007	1	5,852	3,983	3,983	247	593	5,775	6,635
Yanbu	鹽步	1/1/2008	2	7,987	1,696	1,542	2	4	2,460	2,242
Dashatian	大沙田	1/1/2009	3	8,500	2,330	2,330	39	93	3,378	3,514
Sanlian	三聯	5/12/2009	4	9,600	899	1,730	-	-	1,304	2,509
Taoyuan	桃源	30/12/2009	4	14,493	2,440	2,343	70	169	3,538	3,642
Bantian	坂田	1/12/2017	1	2,927	3,071	2,792	-	-	4,453	4,048
Guanlan	觀瀾	21/12/2019	1	1,674	4,773	-	-	-	6,921	-

Retail stores	分店	Gross proceeds 所得款項總額 (RMB million) (人民幣百萬元)		Gross proceeds per day 每日所得款項總額 (RMB thousand) (人民幣千元)		Gross proceeds per operation area 每日經營面積 所得款項總額 (RMB) (人民幣元)		Average value per transaction 每宗交易平均值 (RMB) (人民幣元)	
		FY20	FY19	FY20	FY19	FY20	FY19	FY20	FY19
		2020年	2019年	2020年	2019年	2020年	2019年	2020年	2019年
Xixiang	西鄉	6.1	48.5	16.8	132.9	2.1	16.6	61.1	42.4
Shajing	沙井	12.1	77.9	33.1	213.5	1.7	10.7	128.2	94.5
Songgang	松崗	63.4	191.4	173.8	524.4	9.1	27.4	75.4	112.7
Longhua	龍華	20.8	229.7	57.1	629.4	2.7	30.1	39.5	145.9
Gongming	公明	103.9	276.1	284.6	756.6	14.5	38.7	92.7	114.4
Shiyan	石岩	187.2	212.9	512.8	583.4	109.2	124.2	122.5	112.5
Yanbu	鹽步	16.1	20.9	44.0	57.3	7.4	9.6	37.9	28.5
Dashatian	大沙田	51.7	50.0	141.5	137.1	30.3	29.4	58.4	52.8
Sanlian	三聯	3.9	19.5	10.7	53.3	1.7	8.5	33.4	47.6
Taoyuan	桃源	57.9	52.2	158.7	143.0	16.2	14.6	60.8	50.7
Bantian	坂田	36.0	45.1	98.5	123.5	36.6	13.8	53.0	34.1
Guanlan	觀瀾	31.4	-	86.1	-	28.8	-	60.8	-

Note:

The above-mentioned are unaudited figures and based on internal records.

附註：

上述數字乃未經審核且根據內部記錄作出。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Group fully acknowledges its obligations to its shareholders and investors. For the year ended 31 December 2020, the Company has been in strict compliance with the applicable legal and regulatory requirements of domestic or foreign securities regulatory authorities and has been devoted to improving the transparency of its corporate governance and the quality of information disclosure. The Group also attaches great importance on communication with its shareholders and strives to ensure the timeliness, completeness and accuracy of its information disclosure to its shareholders and investors and to the protection the interests of investors. The Board has strictly complied with the principles of corporate governance and is dedicated to improving the management quality of the Company and the standard of corporate governance continually in order to protect and enhance value for shareholders. To this end, the Company adopted the principles in the Corporate Governance Code (the “CG Code”) set out in Appendix 14 of the Listing Rules with the aim of enhancing the quality of corporate governance of the Group. Such adoption was reflected in the Company’s Articles of Association, internal rules and regulations and the corporate governance implementation practices.

The Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code for the year ended 31 December 2020 as contained in Appendix 14 of the Listing Rules, except for the following deviations:

Code provision E.1.2 of the Code requires that the chairman of the board should attend the annual general meeting. Mr. Zhuang Lu Kun, the Chairman of the Board was unable to attend the annual general meeting of the Company held on 4 June 2020 due to his other business engagements.

本集團深明對股東及投資者的責任。截至二零二零年十二月三十一日止年度，本公司一直嚴格遵守國內或海外證券監管機關的適用法例及監管規定，並致力改善其企業管治的透明度及資料披露的質量。本集團亦重視與股東的溝通，並致力確保能適時向股東及投資者披露完整準確的資料及保障投資者利益。董事會嚴格恪守企業管治原則，並持續致力改善本公司管理質量及企業管治水平，以保障及提升股東價值。就此，本公司已採納上市規則附錄14所載企業管治守則（「企業管治守則」）的原則，務求提升本集團企業管治水平。採納該等原則已於本公司組織章程細則、內部規則及規例以及企業管治實施常規反映。

董事會認為，除下列偏離外，本公司已於截至二零二零年十二月三十一日止年度遵守上市規則附錄14所載的企業管治守則的守則條文：

根據守則下之守則條文E.1.2條，董事會主席應出席本公司之股東周年大會。由於董事會主席莊陸坤先生公務繁忙，故未能出席本公司於二零二零年六月四日舉行的股東周年大會。

BOARD

The Board consists of six Directors, of whom three are executive Directors including the chairman of the Board and three of whom are Independent Non-executive Directors. Profiles and particulars of the chairman of the Company and other Directors are set out under the section headed “Biography of Directors and Senior Management”. The term of service of each executive Director (Independent Non-executive Director) is three years (two years). Corresponding to the term of service, all executive Directors have entered into service contracts, which are valid for a term of 3 years (two years for Independent Non-executive Directors) and renewable subject to the applicable laws. The names of Directors referred herein are members of the fourteenth session of the Board. The principal responsibilities of the Board include:

- to formulate overall strategies, monitor operating and financial performance and determine proper policies to manage risks exposures arising in the course of achieving the Group’s strategic goals;
- to oversee and review the Company’s internal control system;
- to be ultimately responsible for the preparation of financial statements of the Company and to assess the Company’s performance, financial position and prospects in a balanced, clear and comprehensible way in respect of the interim and annual reports of the Company, other price-sensitive announcements and disclosure of financial information pursuant to the Listing Rules, reports submitted to the regulatory authorities and information disclosure pursuant to legal requirements;
- the executive Directors/management in charge of various aspects of the operations of the Company are responsible for the management of daily operations of the Company. The Board is responsible for setting and handling policies, financial and formulating affairs affecting the overall strategy of the Company, including financial statements, dividends policy, material changes to accounting policies, annual operating budget, material contracts, key finance arrangements, major investments and risk management policies;
- the management has received clear guidelines and instructions in respect of their authorities, especially under all circumstances to report to the Board and to seek Board’s approval prior to making any decision or entering into any commitment on behalf of the Company; and

董事會

董事會由六名董事組成，其中三名為執行董事(包括董事會主席)，另外三名為獨立非執行董事。本公司主席及其他董事的履歷及詳情載於「董事及高層管理人員簡歷」一節。各執行董事(獨立非執行董事)的任期為三年(兩年)。全體執行董事已因應有關服務年期訂立服務合約，有效期為三年(獨立非執行董事為兩年)，並可根據適用法律重續。本年報所引述董事姓名為第十四屆董事會董事。董事會的主要職責包括：

- 制定整體策略、監控經營及財務表現以及釐定適當政策以管理本集團達致其策略目標過程中產生的風險；
- 監督及檢討本公司內部監控制度；
- 最終負責編製本公司財務報表及妥善清晰且全面地審閱本公司中期報告及年報、其他股價敏感公佈及根據上市規則作出的財務資料披露、呈交監管機關的報告及根據法例規定披露的資料，評估本公司表現、財務狀況及前景；
- 負責本公司業務不同範疇的執行董事／管理人員負責管理本公司日常營運。董事會負責制定及處理影響本公司整體策略的政策、財務及制定事宜，包括財務報表、股息政策、會計政策的重大改動、年度經營預算、重大合約、主要財務安排、重大投資及風險管理政策；
- 管理人員已接獲有關彼等職權的清晰指引及指示，尤其是於所有情況下向董事會報告，及代表本公司作出任何決定或訂立任何承擔前徵求董事會批准；及

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD (Continued)

- to review the responsibilities and authorities delegated to the executive Directors/management on a regular basis and to ensure such arrangements are appropriate.

The members of the Board fully acknowledge their own duties and obligations in treating all shareholders on an equal basis and protecting the interests of all investors. The Company ensures that documents and information relating to the businesses of the Group are provided to Board members on a timely basis. The Independent Non-executive Directors perform their duties in compliance with relevant laws and regulations and safeguard the interests of the Company and its shareholders as a whole. The Company has received confirmation letters from each of the Independent Non-Executive Director in respect of their independence pursuant to Rule 3.13 of the Listing Rules.

Under the Articles of Association of the Company, at least one-third of the Directors shall retire by rotation at the annual general meeting and all newly appointed Directors will have to retire at the next annual general meeting. The retiring Directors are eligible to offer themselves for re-election.

Directors' and Officers' Liabilities

The Company has arranged for appropriate insurance coverage in respect of legal action against the Directors and officers against losses or liabilities sustained or incurred from execution of their duties. The insurance coverage is reviewed on an annual basis or any intervals as deemed appropriate by the Board.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

During the year under review, the Board met periodically to review the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Written Employee Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

董事會(續)

- 定期檢討授權執行董事／管理人員處理的職責及職權，並確保該等安排恰當。

董事會成員完全明白彼等按平等基準對待全體股東及保障所有投資者利益的責任及義務。本公司確保按時向董事會成員提供有關本集團業務的文件及資料。獨立非執行董事遵照相關法律及規例執行彼等的職務，且保障本公司及股東整體利益。本公司已接獲各獨立非執行董事根據上市規則第3.13條就彼等的獨立身分發出的確認書。

根據本公司組織章程細則，股東週年大會上最少三分之一董事須輪值告退，而所有新委任董事均須於下屆股東週年大會告退。退任董事合資格應選連任。

董事及高級職員的責任

本公司已就董事及高級職員履行職責時遭受或招致的損失或責任而面對的法律行動安排適當保險。投保範圍乃每年或董事會認為適當的任何時候進行檢討。

企業管治職能

董事會負責履行守則第D.3.1條所載的職能。

於回顧年內，董事會定期舉行會議，審閱本公司的企業管治政策及常規、董事及高級管理層的培訓及持續職業發展、本公司在遵守法律及監管規定方面的政策及常規、遵守標準守則及僱員書面指引的情況及本公司遵守守則的情況以及於本企業管治報告內的披露。

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy with effect from 2 July 2014 and discussed all measurable objectives set for implementing the policy. The Company recognises and embraces the benefits of having a diverse Board with a view to enhancing its effectiveness and achieving a high standard of corporate governance. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), talents, skills, knowledge, length of service and other qualities of Directors. The ultimate decision of all Board appointments should be based on meritocracy and the likely contributions that the selected candidates will bring to the Board. The Nomination Committee has reviewed such board diversity policy in the year.

Continuous Professional Development

The individual training confirmation of each director received for the year ended 31 December 2020 is summarized below:

董事會多元化政策

董事會自2014年7月2日起採納多元化政策以及討論就實施該政策所制定之所有可量度目標。本公司確認及信奉董事會成員多元化利益。其致力於確保董事會於技巧、經驗及多樣化方面達致平衡，以切合本公司之業務要求。候選人選舉將基於多樣化範圍，包括但不限於性別、年齡、文化及教育背景、經驗(專業或其他)、能力、技能、知識、服務時間以及其他董事所需的資質。最終決定將基於所選定候選人的能力以及可能將為董事會帶來的益處及貢獻。提名委員會於本年度內回顧了此多元化政策。

持續專業發展

本公司已收到每位董事於截至二零二零年十二月三十一日止年度之培訓確認函，其概括如下：

Directors	董事	Reading Materials 閱讀資料	Attending seminar(s) relevant to business or directors' duties and responsibilities 出席與業務或 董事職責相關 之研討會
Executive Directors	執行董事		
Mr. Zhuang Lu Kun	莊陸坤先生	✓	✓
Mr. Zhuang Pei Zhong	莊沛忠先生	✓	✓
Mr. Zhuang Xiao Xiong	莊小雄先生	✓	✓
Independent Non-Executive Directors	獨立非執行董事		
Mr. Chin Kam Cheung	錢錦祥先生	✓	✓
Mr. Sun Ju Yi	孫聚義先生	✓	✓
Mr. Ai Ji	艾及先生	✓	✓

COMMITTEES

The monitoring and assessment of certain governance matters are allocated to three committees which operate under written terms of reference. The composition of the committees up to the date of this report is set out in the table below:

Directors	董事	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Executive Directors	執行董事			
Mr. Zhuang Lu Kun (<i>Chairman</i>)	莊陸坤先生(<i>董事長</i>)	-	-	-
Mr. Zhuang Pei Zhong	莊沛忠先生	-	Member 成員	-
Mr. Zhuang Xiao Xiong	莊小雄先生	-	-	-
Independent Non-executive Directors	獨立非執行董事			
Mr. Chin Kam Cheung	錢錦祥先生	Chairman 主席	Member 成員	Member 成員
Mr. Sun Ju Yi	孫聚義先生	Member 成員	Chairman 主席	Member 成員
Mr. Ai Ji	艾及先生	Member 成員	Member 成員	Chairman 主席

AUDIT COMMITTEE

The Company has established an audit committee on 30 April 2007 with written terms of reference in compliance with the Listing Rules. The audit committee comprises the three Independent Non-executive Directors who together have substantial experience in the fields of accounting, business, legal, corporate governance and regulatory affairs. The audit committee is responsible for reviewing the accounting principles and practices adopted by the Company as well as substantial exceptional items, internal controls and financial reporting matters, which included a review on the audited annual results for the year ended 31 December 2020.

In addition, the audit committee also monitors the appointment of the Company's external independent auditor.

REMUNERATION COMMITTEE

The Company has established a remuneration committee on 30 April 2007 with written terms of reference in compliance with the Listing Rules. The remuneration committee comprises the three Independent Non-executive Directors and one Executive Director. The primary duties of the remuneration committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to Directors and senior management. In addition, it has responsibility for reviewing and making appropriate recommendations to the Board on the remuneration policy and structure of all the Directors and senior management.

委員會

若干管治事宜的監察及評估工作分配由三個已訂有書面職權範圍的委員會執行。截至本申報日為止該等委員會的成員如下：

審核委員會

本公司已於二零零七年四月三十日遵照上市規則成立審核委員會，並書面訂明載有其權責的職權範圍。審核委員會成員包括三名獨立非執行董事，彼等具備會計、商業、法律、企業管治及監管事宜的豐富經驗。審核委員會負責檢討本公司所採納會計原則及慣例，以及重大特殊項目、內部監控及財務申報事宜，包括審閱截至二零二零年十二月三十一日止年度經審核全年業績。

此外，審核委員會亦負責監察本公司委聘外聘獨立核數師的事宜。

薪酬委員會

本公司已於二零零七年四月三十日遵照上市規則成立薪酬委員會，並書面訂明載有其權責的職權範圍。薪酬委員會成員包括三名獨立非執行董事及一名執行董事。薪酬委員會的主要職責為檢討及釐定向董事及高級管理人員支付的薪酬待遇、花紅及其他報酬的條款。此外，薪酬委員會亦負責檢討全體董事及高級管理人員的薪酬政策及結構，並就此向董事會作出恰當建議。

NOMINATION COMMITTEE

The Company has established a nomination committee on 30 April 2007 with written terms of reference in compliance with the Listing Rules. The nomination committee comprises the three Independent Non-executive Directors. The nomination committee is mainly responsible for making recommendations to the Board on appointment of Directors and management of Board succession. The responsibilities of the nomination committee are to determine the criteria for identifying candidates suitably qualified and reviewing nominations for the appointment of Directors to the Board.

The duties of the Nomination Committee are mainly to (i) review the Board composition, develop and formulate relevant procedures for the nomination and appointment of directors; (ii) make recommendations to the Board on the appointment and succession planning of directors; and (iii) assess the independence of independent non-executive directors.

The Company also recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage. The Company believes that greater diversity of directors is good for corporate governance and is committed to attract and retain candidate(s) for Board with a combination of competencies from the widest possible pool of available talents; and to assess regularly the diversity profile of the Board and, where applicable, senior management prepared for Board positions under the succession planning of the Company and the progress on achieving diversity objectives, if any.

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

During the year, in response to the amendment to the CG Code effective on 1 January 2019, the Company has also adopted the Director Nomination Policy. Such policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the followings: character and integrity; qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy; diversity in all aspects, including but not limited to gender, age (18 years old or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; requirements of independent non-executive directors on the Board and independence of the proposed independent non-executive directors in accordance with the Listing Rules; and commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

提名委員會

本公司已於二零零七年四月三十日遵照上市規則成立提名委員會，並書面訂明載有其權責的職權範圍。提名委員會成員包括三名獨立非執行董事。提名委員會主要負責就委任董事及管理董事會的繼任事宜向董事會作出建議。提名委員會負責釐定物色具適當資格人選的準則，並考慮提名加入董事會的董事人選。

提名委員會的職務主要為(i)檢討董事會的組成，以及發展及製訂提名及委任董事的相關程式；(ii)就董事委任及董事繼任計劃向董事會提出建議；及(iii)評核獨立非執行董事的獨立性。

本公司亦認同及深明多元化董事會所帶來的裨益，並認為提升董事會層面的多元化程度，是維持本公司競爭優勢不可或缺的一環。本公司相信，董事會趨向多元化有利於企業管治，並致力於廣泛的人才庫中招攬及留聘各具才能的候選人以組成董事會，以及定期評估董事會的多元化情況，同時在本公司繼任計劃下準備獲擢升至董事職位的高級管理層(如適用)，以及實現多元化目標的進展(如有)。

在評估董事會組成時，提名委員會將會考慮董事會多元化政策載列的各個方面，包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識和行業及地區經驗。提名委員會將會討論及協定達致董事會多元化的可計量目標(如需要)並將該等目標推薦予董事會供採納。

年內，為回應2019年1月1日生效的《企業管治守則》修正案，公司還制定了董事提名政策。該等政策載列評估建議候選人對董事會是否適合及潛在貢獻的因素，包括但不限於以下各項：性格及誠信；與本公司業務及企業戰略相關的專業資格、技能、知識及經驗等資歷；於各方面多元化，包括但不限於性別、年齡(18歲或以上)、文化及教育背景、種族、專業經驗、技能、知識及任期；獨立非執行董事根據上市規則於董事會的規定及建議獨立非執行董事的獨立性；以及為履行作為本公司董事會及／或董事委員會成員的職責可投放時間及相關利益的承諾。

NOMINATION COMMITTEE (Continued)

The Director Nomination Policy also sets out the procedures for the selection and appointment of new directors and re-election of directors at general meetings. The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Attendance record of the Directors (including attendance by proxy) is as follows:

提名委員會(續)

董事提名政策亦載列甄選及委任新董事以及於股東大會上重選股事的程序。提名委員會將審閱董事提名政策(如適用)，以確保其行之有效。

董事(包括委派代表出席者)的出席記錄如下：

		Attendance/Number of meetings 出席次數/會議次數					Independent board committee meeting 獨立董事 委員會	AGM 股東週年大會
		Board meetings 董事會	Audit committee meetings 審核委員會	Remuneration committee meetings 薪酬委員會	Nomination committee meetings 提名委員會			
Executive Directors	執行董事							
Mr. Zhuang Lu Kun	莊陸坤先生	3/6	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	0/1	
Mr. Zhuang Pei Zhong	莊沛忠先生	6/6	N/A 不適用	0/0	N/A 不適用	N/A 不適用	1/1	
Mr. Zhuang Xiao Xiong	莊小雄先生	3/6	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	0/1	
Independent Non-Executive Directors	獨立非執行董事							
Mr. Chin Kam Cheung	錢錦祥先生	6/6	3/3	0/0	0/0	1/1	1/1	
Mr. Sun Ju Yi	孫聚義先生	5/6	2/3	0/0	0/0	1/1	1/1	
Mr. Ai Ji	艾及先生	6/6	3/3	0/0	0/0	1/1	1/1	

COMPANY SECRETARY

The company secretary of the Company, Mr. Ho Yuet Lee, Leo, is a full time employee of the Company. During the year, he has taken no less than 15 hours of relevant professional training.

公司秘書

本公司的公司秘書，何悅利先生，是本公司之全職僱員。於年內，彼參加了不少於十五小時的相關職業培訓。

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors hereby confirm their responsibilities for preparing the financial statements of the Company. The Directors confirm that the preparation of the financial statements of the Company complied with the relevant laws and accounting standards and that the Company would publish the financial statements of the Company at the appropriate time. The responsibilities of external independent auditor to the shareholders are set out on pages 74 to 77.

董事及核數師對財務報表的責任

董事謹此確認彼等編製本公司財務報表的責任。董事確認，本公司財務報表的編製符合相關法律及會計準則，且本公司將於適當時候刊發本公司財務報表。外聘獨立核數師對股東的責任載於第74至77頁。

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS IN APPENDIX 10 OF THE LISTING RULES

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions of the Directors of the Company. After specific enquiries to the Directors, the Board is pleased to confirm that all the Directors have fully complied with the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules during the year under review.

REMUNERATION OF AUDITOR

The Audit Committee is responsible for considering the appointment of external independent auditor and reviewing their respectively were remuneration. During the year, fees paid of approximately RMB1,020,000 were incurred by the Company to the external independent auditor as service charge for its audit service of the Group for the year ended 31 December 2020.

RISK MANAGEMENT AND INTERNAL CONTROLS

The main features of the risk management and internal control systems of the Group are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations.

The Group has established a risk management framework, which consists of the Board, the Audit Committee and the senior management of the Group (“Senior Management”). The Board determines the nature and extent of risks that shall be taken in achieving the Group’s strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems. The Board, through the Audit Committee, conducts reviews of the effectiveness of such systems at least annually, covering all material controls including financial, operational and compliance controls.

The Group has formulated and adopted Risk Management Policy in providing directions in identifying, evaluating and managing significant risks. At least on an annual basis, the Senior Management identifies risks that would adversely affect the achievement of the Group’s objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

In addition, the Group has its risk management and internal control department to assist the Board and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group and in performing the internal audit functions for the Group during the year. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

遵守上市規則附錄10上市發行人董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則，作為本公司董事進行證券交易的行為守則。經向董事作出特定查詢後，董事會欣然確認，全體董事於回顧年內均一直遵守上市規則附錄10所載上市發行人董事進行證券交易的標準守則。

核數師酬金

審核委員會負責考慮委聘外聘獨立核數師及檢討其薪酬。於年內，本公司所產生費用分別約為人民幣1,020,000元，作為外聘獨立核數師於本集團截至二零二零年十二月三十一日止年度的審核服務費用。

風險管理及內部監控

本集團的風險管理程序及內部監控系統的主要特點是以清晰的治理架構、政策及程序以及彙報機制，協助本集團管理各業務範疇的風險。

本集團已制定風險管理組織框架，由本集團董事局、審核委員會及高級管理層（「高級管理層」）組成。董事局釐定就達成本集團策略目標應承擔的風險性質及程度，並負責風險管理及內部監控系統的設計、實施及整體有效性。董事局透過審核委員會至少每年一次檢討有系統的有效性，範圍涵蓋所有重大控制措施，包括財務、營運及合規控制措施。

本集團亦已制定及採納風險管理政策，提供識別、評估及管理重大風險的指示。高級管理層至少每年一次識別對實現本集團目標造成不利影響的風險，並根據一套標準準則評估及排列所識別風險的優先次序，從而對主要風險制定風險緩解計劃及指定風險負責人。

此外，年內本集團以其風險管理及內部控制部門協助董事局及審核委員會持續監督本集團的風險管理及內部監控系統以及履行本集團的內部審計職能，識別內部控制設計及實施的不足之處並推薦改進建議。重大內部監控缺失會及時向審核委員會及董事局彙報，以確保採取補救行動。

RISK MANAGEMENT AND INTERNAL CONTROLS (Continued)

The Board, through the Audit Committee, had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board considers the Group's risk management and internal control systems were effective during the year.

The risk management and internal control systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group complies with requirements of Securities and Futures Ordinance ("SFO") and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

ORGANISATIONAL STRUCTURE

The Group has established an organizational structure, which sets out the relevant operating policies and procedures, duties and authorizations.

AUTHORIZATIONS AND CONTROLS

Executive directors and senior management have been delegated the relevant authorizations in respect of corporate strategies, policies and contracting liabilities. Budget controls and financial reporting systems are formulated by relevant departments and are subject to review by directors in charge. The Group has formulated relevant procedures to assess, review and approve significant capital and recurrent expenses, while operating results will be compared against the budgets and reported to executive directors on a regular basis.

風險管理及內部監控(續)

董事局已透過審核委員會就本集團的風險管理及內部監控系統是否有效進行年度檢討，包括但不限於本集團應付其業務轉型及不斷轉變的外在環境的能力、管理層檢討風險管理及內部監控系統的工作範疇及素質、內部審計工作結果、就風險及內部監控檢討結果與董事局通訊的詳盡程度及次數、已識別的重大的監控失誤或弱項以及有關影響，以及就上市規則的合規情況。董事局認為本年度本集團的風險管理及內部監控系統有效。

本集團風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，且僅可就重大的失實陳述或損失作出合理而非絕對的保證。

處理及發放內幕消息的程序和內部監控措施

本集團遵循證券及期貨條例(「證券及期貨條例」)和上市規則的規定。本集團在合理切實可行的情況下，會儘快向公眾披露內幕消息，除非有關消息屬證券及期貨條例所規定屬於任何安全港範圍內。本集團在向公眾全面披露有關消息前，會確保該消息絕對保密。若本集團認為無法保持所需的機密性，或該消息可能已外泄，會即時向公眾披露該消息。本集團致力確保公告或通函中所載的資料就重大事實而言並不屬虛假或具誤導性，或並不因遺漏重大事實而屬虛假或具誤導性，以清晰及平均呈列資料，此需要作出正面及負面事實相等程度的披露。

組織架構

本集團已成立組織架構，載列相關經營政策及程序、職責及職權。

授權及控制

執行董事及高級管理人員獲授權處理有關企業策略、政策及合約責任的職權。預算控制及財務申報制度由相關部門制定，並須經負責董事審閱。本集團已制定相關程序，以評估、審閱及批准重大資本及經常性開支，而經營業績將與預算比較及定期向執行董事報告。

TRAINING ON INTERNAL CONTROLS

Directors and senior managements participate in internal control training programmes provided by the Group, which are designed to equip them with proper and full knowledge on internal controls, and provide guidance to them to apply internal control systems on a consistent basis.

ACCOUNTING SYSTEM MANAGEMENT

The Group has put in place a comprehensive accounting management system, so as to provide the management with indicators to evaluate its financial and operating performance and financial information for reporting and disclosure purposes. Any deviation from expectation will be analysed and explained, and appropriate steps will be carried out to address issues where necessary. The Group has set up appropriate internal control procedures to ensure full, proper and timely record of accounting and management information, which will be reviewed and inspected on a regular basis to ensure the financial statements are prepared in accordance with generally accepted accounting principles, accounting policies of the Group and applicable laws and regulations.

CONTINUING OPERATION

During the year, there are no uncertain events or conditions that may materially affect the continuing operation of Group on a going concern.

INVESTOR RELATIONS

The Company reports to the shareholders regarding corporate information of the Group on a timely and accurate basis. Printed copies of the 2020 interim report have been sent to all shareholders. The Company places great emphasis on communication with shareholders and investors of the Company and improving the Company's transparency of information disclosure. As such, designated officers are assigned to handle relations with investors and analysts. The Company made disclosures in a faithful, true, accurate, complete and timely manner in strict accordance with the applicable laws and regulations, Articles of Association and Listing Rules. At the same time, the Company places great importance in collecting and analyzing various comments and recommendations of analysts and investors on the Company's operations, which would be compiled into reports regularly and adopted selectively in its operations. The Company has set up a website, allowing investors to access updates on the Company's particulars, statutory announcements, management and recent operating affairs. All published annual reports, interim reports, circulars and announcements since the date of Listing are and will be included in the "Investors Relations" section of the website. The Company persistently adheres to its disclosure principle of honesty and integrity and actively initiates communications with various parties.

內部監控培訓

董事及高級管理人員參與由本集團提供的內部監控培訓計劃，計劃專為裝備彼等有關適當及全面的內部監控知識而設，並持續為彼等提供內部監控制度應用指引。

會計系統管理

本集團設有完善會計管理系統，為管理層提供指標以評估其財務及經營表現以及財務資料作申報及披露。任何與預期的偏差將作分析及詮釋，並將於需要情況下採取適當步驟以處理有關事宜。本集團設有適當內部監控程序，以確保全面、適當及適時記錄會計及管理資料，並定期審閱及檢查，以確保財務報表根據公認會計原則、本集團會計政策以及適用法律及規例編製。

持續經營

於年內，並無可能持續重大影響本集團持續經營的不明朗事件或情況。

投資者關係

本公司按時準確向股東報告有關本集團企業資料。二零二零年度中期報告的印刷本已寄交全體股東。本公司高度重視與本公司股東及投資者的溝通以及改善本公司資料披露的透明度，因此已委派指定員工處理與投資者及分析員的關係。本公司嚴格遵守適用法律及規例、組織章程細則及上市規則，真誠、真實、準確、全面及準時作出披露。同時，本公司高度重視收集及分析分析員及投資者對本公司業務的各種評論及建議，並會定期編入報告及於其業務作選擇性採納。本公司設有網站，讓投資者查閱本公司最新資料、法定公佈、管理及最近經營事宜。所有上市日後刊發的年報、中期報告、通函及公佈均已經及將會載於網站內「投資者關係」一欄。本公司一直恪守其誠實及完整的披露原則，並積極主動與各方人士溝通。

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. Besides, pursuant to the Articles of Association, shareholder(s) holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings may request the Company to convene an extraordinary general meeting by sending a written requisition to the Board or the Company Secretary. The objects of the meeting must be stated in the written requisition.

Shareholders may send written enquiries to the Company for putting forward any enquiries or proposals to the Board of the Company. Contact details are as follows:

Address: Suite 715, Ocean Centre, 5 Canton Road,
Tsimshatsui, Kowloon, Hong Kong
(For the attention of the Investor Relations
Department)
Fax: 852-36203100
Email: office@szbjh.com

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

During the year, the Company did not make any changes to its Articles of Association. An up-to-date version of the Articles of Association is available on the Company's website and the Stock Exchange's website. Shareholders may refer to the Articles of Association for further details of their rights.

All resolutions put forward at shareholders' meetings will be voted by poll pursuant to the Listing Rules and the poll voting results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.szbj.com) immediately after the relevant general meetings.

股東權利

為了保障股東權益及權利，股東大會上會就各重大事項(包括選舉個別董事)提呈獨立決議案，供股東考慮及投票。此外，根據組織章程，持有不少於十分之一本公司附有股東大會投票權的繳足股本的股東可要求本公司召開股東特別大會，方法為向董事會或公司秘書發出書面要求。召開會議的目的必須載於書面要求內。

股東可向本公司寄發書面查詢或建議以向本公司董事會作出任何查詢。聯絡詳情如下：

地址：香港九龍尖沙咀廣東道5號
海洋中心715室
(收件人為投資者關係部)
傳真：852-36203100
電子郵件：office@szbjh.com

為免生疑問，股東須將妥為簽署的書面要求、通知或聲明或查詢(視情況而定)的正本存放於及寄發至上述地址，並提供彼等的全名、聯絡詳情及身份，以便本公司回覆。股東資料可能根據法律規定而予以披露。

年內，本公司並無對其組織章程作出任何變動。組織章程的最新版本可在本公司網站及聯交所網站查閱。股東亦可參考組織章程以取得有關其權利的詳情。

根據上市規則，所有在股東大會提呈的決議案均將以一股一票點票方式表決，且投票表決結果將緊隨有關股東大會召開後於聯交所網站(www.hkexnews.hk)及本公司網站(www.szbj.com)刊登。

REPORT OF THE DIRECTORS

董事會報告

The Directors are pleased to present their annual report together with the audited financial statements of the Company for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of each member of the Company are set out in note 34 to the financial statements. The principal activities of the operating subsidiaries of the Company during the year ended 31 December 2020 are operation and management of retail stores and other related businesses and provision of financing services in the PRC.

RESULTS

The results of the Company for the year ended 31 December 2020 are set out in the consolidated statement of comprehensive income on page 78.

DIVIDENDS

The Board of Directors do not recommend the payment of final dividend for the year ended 31 December 2020.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Company during the year are set out in note 12 to the financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 28 to the financial statements.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in consolidated statement of changes in equity and note 29 to the financial statements respectively.

董事欣然呈列彼等的全年報告，連同本公司於截至二零二零年十二月三十一日止年度的經審核財務報表。

主要業務

本公司主要業務為投資控股。本公司各成員公司的主要業務詳情載於財務報表附註34。本公司各營運附屬公司於截至二零二零年十二月三十一日止年度的主要業務是於中國經營及管理零售店及其他相關業務及提供金融業務。

業績

本公司截至二零二零年十二月三十一日止年度的業績載於第78頁的綜合全面收益表。

股息

董事會不建議派付截至二零二零年十二月三十一日止年度之末期股息。

物業、廠房及設備

本公司於本年度物業、廠房及設備的變動詳情載於財務報表附註12。

股本

本公司於本年度股本的變動詳情載於財務報表附註28。

儲備

本集團及本公司於本年度儲備的變動詳情分別載於綜合權益變動表及財務報表附註29。

Report of the Directors (Continued)
董事會報告(續)

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company's distributable reserves amounted to approximately RMB242.9 million.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Associations of the Company or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed or cancelled any of the Company's listed shares.

DIRECTORS

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

Executive Directors:

Mr. Zhuang Lu Kun (Chairman)
Mr. Zhuang Pei Zhong (Chief Financial Officer)
Mr. Zhuang Xiao Xiong

Independent Non-executive Directors:

Mr. Chin Kam Cheung
Mr. Sun Ju Yi
Mr. Ai Ji

Pursuant to Article 87(1) of the articles of association of the Company, Mr. Zhuang Lu Kun and Mr. Zhuang Pei Zhong shall retire from office at the forthcoming Annual General Meeting by rotation. All retiring Directors, being eligible, will offer themselves for re-election. The re-election of Directors will be individually voted by Shareholders.

The Board confirmed that the Company has received from each of the Independent Non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules of the Stock Exchange. The Company considers that all of the Independent Non-executive Directors are independent. All of the Independent Non-executive Directors are members of the Company's audit committee, nomination committee and remuneration committee.

可供分派儲備

於二零二零年十二月三十一日，本公司之可供分派儲備約為人民幣242,900,000元。

優先購買權

根據本公司的公司章程細則或開曼群島法律，概無優先購買權的條文規定本公司須按比例向現有股東提呈發售新股份。

購買、出售或贖回本公司的上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回或註銷任何本公司的上市股份。

董事

本年度及截至本報告日，本公司董事為：

執行董事：

莊陸坤先生 (董事長)
莊沛忠先生 (財務總監)
莊小雄先生

獨立非執行董事：

錢錦祥先生
孫聚義先生
艾及先生

根據本公司的公司章程細則第87(1)條，莊陸坤先生及莊沛忠先生將於應屆股東週年大會上輪值告退，惟彼等均合資格及願意應選連任。個別董事的重選將由股東表決批准。

董事會確認，本公司已接獲每名獨立非執行董事根據聯交所上市規則第3.13條就彼等獨立身分作出的年度確認。本公司認為全體獨立非執行董事均為獨立人士。全體獨立非執行董事均為本公司審核委員會、提名委員會及薪酬委員會的成員。

BIOGRAPHY OF THE DIRECTORS AND THE SENIOR MANAGEMENT

The biographical details of the Directors and the senior management are set out on pages 14 to 17.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company for a term of three years (two years for Independent Non-executive Directors) unless terminated by not less than three months' (two months' for Independent Non-executive Directors) written notice of termination served by either the Director or the Company. Each of the service contracts further provides that during the term of the service contract and within two years upon the termination of service, the Executive Director cannot engage in any business which is competing or is likely to compete, either directly or indirectly, with the business of the Company. The appointments are subject to the provisions of retirement and rotation of Directors under the Articles of Association of the Company.

Save as disclosed above, none of the Directors has entered into any service contracts with the Company or any of its subsidiaries (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)). The Company's policies concerning remuneration of the Executive Directors are as follows:

- (i) the amount of remuneration is determined on a case by case basis depending on the relevant Director's experience, responsibility, workload and the time devoted to the Group;
- (ii) non-cash benefits may be provided at the discretion of the Board to the relevant Directors under their remuneration package; and
- (iii) the Executive Directors may be granted, at the discretion of the Board, the share option scheme adopted by the Company, as part of their remuneration package.

董事及高級管理層簡歷

董事及高級管理層簡歷載於第14至17頁。

董事服務合同

每名執行董事均與本公司訂有服務合同，初步為期三年(獨立非執行董事為兩年)，除非由董事或本公司發出不少於三個月(獨立非執行董事為兩個月)書面通知終止合同。每份服務合同進一步規定，服務合同期內以及服務終止後兩年內，執行董事不得直接或間接參與任何與本公司業務構成競爭或可能構成競爭的業務。委任受本公司之公司章程細則下有關董事輪值退任的條文所規限。

除上文所披露者外，概無董事與本公司或其任何附屬公司訂有任何服務合同(但不包括於一年內屆滿或可由僱主於一年內終止而毋須作出賠償(法定賠償除外)的合同)。本公司有關執行董事薪酬的政策如下：

- (i) 薪酬金額按個別情況就有關董事的經驗、職責、工作量及投入本集團的時間釐定；
- (ii) 非現金福利可由董事會酌情按董事的薪酬待遇發放予有關董事；及
- (iii) 視乎董事會決定，執行董事或會獲授本公司所採納購股權計劃下的購股權，作為彼等薪酬待遇一部分。

INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in section under “Continuing Connected Transactions” of this report on pages 61 to 65, no Director nor controlling shareholders had a material interest, either directly or indirectly, in any contract of significance to the business of the Company. There is no contract of significance between the Company, its holding company or any of its subsidiaries or its controlling shareholder during the year.

MANAGEMENT CONTRACTS

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

重大合同權益

除本報告第61至65頁「持續關聯交易」一節所披露者外，概無董事或控股股東直接或間接於本公司業務任何重大合同中擁有重大權益。本公司、其控股公司或其任何附屬公司或其控股股東之間於年內並無訂立任何重大合同。

管理合同

年內概無訂立或訂有有關本公司業務全部或任何主要部分管理及行政的合同。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2020, the interests or short positions of the Directors and chief executives in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director and chief executives is taken or deemed to have taken under such provisions of the SFO); or which (b) were required pursuant to Section 352 of the SFO to be entered into the register maintained by the Company; or which (c) were required, pursuant to Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉

於二零二零年十二月三十一日，董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債券中，擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉(包括任何有關董事及最高行政人員根據證券及期貨條例有關條文被當作或視作擁有之權益或淡倉)；或(b)根據證券及期貨條例第352條須載入本公司所存置登記冊內之權益或淡倉；或(c)根據上市規則所載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或淡倉如下：

Ordinary Shares of HK\$0.01 each of the Company

本公司每股面值0.01港元之普通股

Name 姓名	Capacity 身分	Number of shares/Underlying Shares Held 所持股份／相關股份數目			Percentage of Issued Shares 佔已發行 股份百分比
		Personal Interest 個人權益	Family Interest 家族權益	Total Interest 權益總額	
Mr. Zhuang Lu Kun ("Mr. Zhuang") 莊陸坤先生(「莊先生」)	Beneficial Owner 實益擁有人	467,985,000	67,500,000 (Note 1) (附註1)	535,485,000	51.61%
Mr. Zhuang Xiao Xiong 莊小雄先生	Beneficial Owner 實益擁有人	75,000,000	—	75,000,000	7.23%

Note:

(1) 67,500,000 Shares are held by Mrs. Zhuang Su Lan ("Mrs. Zhuang"). Since Mrs. Zhuang is the spouse of Mr. Zhuang, under the SFO, Mr. Zhuang is deemed to be interested in the said Shares held by Mrs. Zhuang.

附註：

(1) 67,500,000股股份由莊素蘭女士(「莊太」)持有。由於莊太為莊先生的配偶，故根據證券及期貨條例，莊先生被視作於莊太持有的上述股份中擁有權益。

All the interests disclosed above represent long position in the shares and underlying shares of the Company.

上文披露之所有權益指於本公司股份及相關股份之好倉。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

Save as disclosed above, none of the Company's Directors, chief executive and their associates, had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO at the date of this report.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouses or minor children to acquire such rights in any other body corporate.

董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉(續)

除上文披露者外，本公司的董事、最高行政人員或彼等的聯繫人士概無於本公司或其任何相聯法團的股份及相關股份擁有任何權益或淡倉，而需按證券及期貨條例第352條於本申報日予以記錄。

董事收購股份或債權證的權利

年內任何時間概無向任何董事或彼等各自的配偶或未成年子女授出可藉購買本公司或任何其他法人團體股份或債權證而獲取利益之權利，而彼等亦無行使任何有關權利；或本公司或其任何附屬公司亦無參與任何安排，致使董事、彼等各自的配偶或未成年子女獲得任何其他法人團體之有關權利。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2020, according to the register kept by the Company pursuant to Section 336 of the SFO, and so far as was known to any Director, the following persons (other than the interests of certain Directors disclosed under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any associated Corporation" above), had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

主要股東於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉

於二零二零年十二月三十一日，按照本公司根據證券及期貨條例第336條存置之登記冊所示，及據董事所知悉，除上文「董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉」一節所披露若干董事之權益外，下列人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露之權益或淡倉：

Name 姓名	Type of interest 權益種類	Capacity 身分	Personal/ corporate interest 個人/ 公司權益	Family interest 家族權益	Total 總計	Percentage of issued share capital 佔已發行股本 百分比
Mrs. Zhuang 莊太	Personal 個人權益	Beneficial owner 實益擁有人	67,500,000	467,985,000 (Note 1) (附註1)	535,485,000	51.61%
Ms. Zhuang Xiao Yun 莊小雲女士	Personal 個人權益	Beneficial owner 實益擁有人	75,000,000 (Note 2) (附註2)	-	75,000,000	7.23%
Ms. Chen Li Jun 陳麗君女士	Personal 個人權益	Beneficial owner 實益擁有人	75,000,000 (Note 3) (附註3)	-	75,000,000	7.23%

Notes:

- 467,985,000 Shares are held by Mr. Zhuang Lu Kun ("Mr. Zhuang"). Since Mr. Zhuang is the spouse of Mrs. Zhuang, under the SFO, Mrs. Zhuang is deemed to be interested in the said Shares held by Mr. Zhuang.
- Ms. Zhuang Xiao Yun is the daughter of Mr. Zhuang and Mrs. Zhuang.
- Ms. Chen Li Jun is the daughter-in-law of Mr. Zhuang and Mrs. Zhuang.

附註：

- 467,985,000股股份由莊陸坤先生(「莊先生」)持有。由於莊先生為莊太之配偶，故根據證券及期貨條例，莊太被視作於莊先生持有之上述股份中擁有權益。
- 莊小雲女士是莊先生及莊太的女兒。
- 陳麗君女士是莊先生及莊太的媳婦。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

Save as disclosed above, there was no other person known to the Directors, other than the Directors, who, as at 31 December 2020, had an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

CONTINUING CONNECTED TRANSACTIONS

The Company has entered into the continuing connected transactions under Chapter 14A of the Listing Rules.

1. Rental income received from BJH Group

深圳市百佳華集團有限公司 (Shenzhen Baijiahua Group Company Limited) ("BJH Group") is owned as to 90% by Mr. Zhuang and 10% by Mrs. Zhuang. BJH Group is thus an associate of Mr. Zhuang and therefore a connected person of the Company.

Certain commercial properties are leased to BJH Group pursuant to a lease agreement entered into between BJH Department Stores and BJH Group for commercial purposes. The amount of rental income received by the BJH Department Stores in respect of the leasing of commercial properties was RMB2,302,534.08 for the year ended 31 December 2020, and has not exceeded the annual cap of RMB2,302,534.08. The relevant amount which are expected to be receivable by BJH Department Stores will not exceed RMB2,302,534.08 for the year ending 31 December 2021.

主要股東於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉(續)

除上文披露者外，於二零二零年十二月三十一日，據董事所知，除董事以外概無任何人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露之權益或淡倉。

持續關聯交易

本公司訂有根據上市規則第14A章條獲聯交所授出豁免的持續關聯交易。

1. 收取租金收入自百佳華集團

深圳市百佳華集團有限公司(「百佳華集團」)由莊陸坤先生及莊太分別擁有90%及10%。因此，百佳華集團為莊陸坤先生的聯繫人士及本公司之關聯人士。

根據百佳華百貨與百佳華集團訂立的租賃協議，若干商業物業租予百佳華集團作商業用途。於截至二零二零年十二月三十一日止年度，百佳華百貨從百佳華集團收取之年度租金收入人民幣2,302,534.08元，並無超於年度上限人民幣2,302,534.08元。預期百佳華百貨截至二零二一年十二月三十一日止年度應收的相關金額不會超於人民幣2,302,534.08元。

CONTINUING CONNECTED TRANSACTIONS (Continued)

2. Lease of three store premises from JH Real Estate

深圳市佳華房地產開發有限公司 (Shenzhen Jiahua Real Estate Development Company Limited) (“JH Real Estate”) is owned as to 18% by Mrs. Zhuang and 82% by BJH Group (a company owned as to 90% by Mr. Zhuang and 10% as to Mrs. Zhuang). Since Mrs. Zhuang is the spouse of Mr. Zhuang, she is an associate of Mr. Zhuang. Since Mr. Zhuang is interested in the equity capital of JH Real Estate so as to exercise or control the exercise of 30% or more of the voting power at general meetings of JH Real Estate, JH Real Estate is an associate of Mr. Zhuang and also a connected person of the Company. The Group leased three stores premises from JH Real Estate, details of which are set out as follows:

- (i) Pursuant to a lease agreement dated 6 November 2006 (“Shiyan Store Lease Agreement”) between JH Real Estate (as landlord) and BJH Department Stores (as tenant), BJH Department Stores leases the store premises situated at Level 1 of Commercial Podium, Jiahua Hao Yuan, Western Shiyan Avenue, Shiyan Street, Baoan District, Shenzhen, Guangdong Province, the PRC with a gross floor area of approximately 5,851.50 square metres for a term of 15 years commencing from 16 November 2006 and expiring on 15 November 2021 at a monthly rent of RMB222,357 with triennial increase of 5%. Pursuant to a supplemental agreement dated 6 November 2006 between JH Real Estate and BJH Department Stores, the parties agreed that if the Company cannot meet with the requirements in respect of continuing connected transactions (including but not limited to obtaining approval by independent shareholders), BJH Department Stores has the right to terminate the transactions under the Shiyan Store Lease Agreement by giving written notice to JH Real Estate without any payment or compensation. Pursuant to the Shiyan Store Lease Agreement, the total annual consideration paid by BJH Department Stores for the year ended 31 December 2020 was approximately RMB3,243,316 and has not exceeded the annual cap of RMB3,250,000. The relevant amount which are expected to be payable by BJH Department Stores will not exceed RMB2,840,000 for the year ending 31 December 2021.

持續關聯交易(續)

2. 由佳華房地產出租三項店舖物業

深圳市佳華房地產開發有限公司(「佳華房地產」)由莊太擁有18%，並由百佳華集團(分別由莊陸坤先生及莊太擁有90%及10%的公司)擁有82%。由於莊太為莊陸坤先生的配偶，彼為莊陸坤先生的聯繫人士。由於莊陸坤先生於佳華房地產擁有股權，因而可在佳華房地產股東大會上行使或控制行使30%或以上的投票權，佳華房地產為莊陸坤先生的聯繫人士，並為本公司的關聯人士。本集團向佳華房地產租賃三間店舖物業，有關詳情載列如下：

- (i) 根據佳華房地產(作為業主)與百佳華百貨(作為租戶)於二零零六年十一月六日訂立的租賃協議(「石岩百貨店租賃協議」)，百佳華百貨租賃位於中國廣東省深圳市寶安區石岩街道石岩大道西側佳華豪苑商場裙樓1層的店舖物業，建築面積約5,851.50平方米，租期自二零零六年十一月十六日起至二零二一年十一月十五日屆滿，為期十五年，月租人民幣222,357元，每三年遞增5%。根據佳華房地產與百佳華百貨於二零零六年十一月六日訂立的補充協議，立約雙方同意倘本公司未能遵守持續關聯交易的規定(包括但不限於取得獨立股東批准)，百佳華百貨有權向佳華房地產發出書面通知，在毋須作出任何付款或賠償下終止石岩百貨店租賃協議的交易。根據石岩百貨店租賃協議，百佳華百貨截至二零二零年十二月三十一日止年度各年支付的總代價約為人民幣3,243,316元，並無超出年度上限人民幣3,250,000元。預期百佳華百貨截至二零二一年十二月三十一日止年度應付的相關金額不會超過人民幣2,840,000元。

CONTINUING CONNECTED TRANSACTIONS (Continued)

2. Lease of three store premises from JH Real Estate (Continued)

- (ii) Pursuant to a lease agreement dated 23 February 2009 (“Shuyuan Yage Store Lease Agreement”) between JH Real Estate (as landlord) and BJH Department Stores (as tenant), BJH Department Stores leases the store premises situated at Level 1 of Commercial Podium, Jiahua Shuyuan Yage, Southwestern Side of Dabao Road, Xinan Jiedao, Baoan District, Shenzhen City, Guangdong Province, the PRC with a gross floor area of approximately 2,693.69 square metres for a term of 3 years commencing from 1 March 2009 and expiring on 28 February 2012 for a monthly rental of RMB80,810.7. Pursuant to the Supplementary Lease Agreement dated 28 January 2010 between JH Real Estate and BJH Department Stores, the monthly rental has been reduced to RMB53,873.8 effective from 1 February 2010 to the end of the original lease. Pursuant to a Supplementary Lease Agreement dated 30 May 2011 between JH Real Estate and BJH Department Stores, the lease has been renewed to another three years from 1 June 2011 to 31 May 2014 with a monthly rental of RMB53,873.8. Pursuant to a Lease Agreement dated 30 May 2014 between JH Real Estate and BJH Department Stores, the lease has been renewed to another three years from 1 June 2014 to 31 May 2017 with a monthly rental of RMB56,567.49. Pursuant to a Lease Agreement dated 31 May 2017 between JH Real Estate and BJH Department Stores, the lease has been renewed to another three years from 1 June 2017 to 31 May 2020 with a monthly rental of RMB56,567.49. The parties to the Shuyuan Yage Store Lease Agreement agreed that if the Company cannot meet with the requirements in respect of continuing connected transactions (including but not limited to obtaining approval by independent shareholders), BJH Department Stores has the right to terminate the transactions under the Shuyuan Yage Store Lease Agreement by giving written notice to JH Real Estate without any payment or compensation. Pursuant to the Shuyuan Yage Store Lease Agreement dated 31 May 2017, the total annual consideration paid by BJH Department Stores was approximately RMB282,837 for the year ended 31 December 2020, and has not exceeded the annual cap of RMB300,000.

持續關聯交易(續)

2. 由佳華房地產出租三項店舖物業 (續)

- (ii) 根據佳華房地產(作為業主)與百佳華百貨(作為租戶)於二零零九年二月二十三日訂立的租賃協議(「書苑雅閣店租賃協議」), 百佳華百貨租賃位於中國廣東省深圳市寶安區新安街道大寶路西南側佳華書苑雅閣商業平台一樓的店舖物業, 建築面積約2,693.69平方米, 租期自二零零九年三月一日起至二零一二年二月二十八日屆滿, 為期三年, 月租人民幣80,810.7元。另外, 根據佳華房地產與百佳華百貨於二零一零年一月二十八日訂立的補充租賃協議, 月租將下調至人民幣53,873.8元。生效期由二零一零年二月一日開始至原協議之終止日。根據佳華房地產與百佳華百貨於二零一一年五月三十日訂立的補充租賃協議, 該租賃將重續三年自二零一一年六月一日至二零一四年五月三十一日, 月租為人民幣53,873.8元。根據佳華房地產與百佳華百貨於二零一四年五月三十日訂立的租賃協議, 該租賃將重續三年自二零一四年六月一日至二零一七年五月三十一日, 月租為人民幣56,567.49元。根據佳華房地產與百佳華百貨於二零一七年五月三十一日訂立的租賃協議, 該租賃將重續三年自二零一七年六月一日至二零二零年五月三十一日, 月租為人民幣56,567.49元。書苑雅閣店租賃協議之訂約各方同意倘本公司未能遵守持續關聯交易的規定(包括但不限於取得獨立股東批准), 百佳華百貨有權向佳華房地產發出書面通知, 在毋須作出任何付款或賠償下終止書苑雅閣店租賃協議的交易。根據於二零一七年五月三十一日訂立的書苑雅閣店租賃協議, 百佳華百貨截至二零二零年十二月三十一日止年度支付的總代價約為人民幣282,837元, 並無超出年度上限人民幣300,000元。

CONTINUING CONNECTED TRANSACTIONS (Continued)

2. Lease of three store premises from JH Real Estate (Continued)

- (iii) Pursuant to a lease agreement dated 25 August 2016 (“Bantian Lease Agreement”) between JH Real Estate (as landlord) and Shenzhen Baijiahua Commercial Management Limited (“BJH CM”) (as tenant), BJH CM leases the shopping mall situated at Level 1-6 of Jiahua Ling Hui Plaza located in the South-west side of junction of Ji Hua Road and Wu He West Street, Bantian Street, Longgang District, Shenzhen, Guangdong Province, the PRC with a gross floor area of approximately 34,743.62 square metres for a term of 15 years commencing from 1 January 2017 to 31 December 2031 for a monthly rental of RMB1,806,668.24 with a 5% increment on the monthly rent every 3 years. The parties to the Bantian Lease Agreement agreed that if the Company cannot meet with the requirements in respect of continuing connected transactions (including but not limited to obtaining approval by independent shareholders), BJH CM has the right to terminate the transactions under the Bantian Lease Agreement by giving written notice to JH Real Estate without any payment or compensation. Pursuant to the Bantian Lease Agreement, the total annual consideration paid by BJH CM was RMB22,764,019.82, for the year ended 31 December 2020, and has not exceeded the annual cap of RMB22,764,019.82. The relevant amount which are expected to be payable by BJH CM will not exceed RMB22,764,019.82 for the year ending 31 December 2021.

3. Rental income received from JH Real Estate

Certain commercial properties are leased to Jiahua Real Estate pursuant to a lease agreement entered into between BJH Department Stores and Jiahua Real Estate for commercial purposes. The amount of rental income received by the BJH Department Stores in respect of the leasing of commercial properties was RMB766,542 for the year ended 31 December 2020, and has not exceeded the annual cap of RMB1,000,000.00. The relevant amount which are expected to be receivable by BJH Department Stores will not exceed RMB1,000,000.00 for the year ending 31 December 2021.

持續關聯交易(續)

2. 由佳華房地產出租三項店舖物業 (續)

- (iii) 根據佳華房地產(作為業主)與深圳市百佳華商業管理有限公司(「百佳華商管」)(作為租戶)於二零一六年八月二十五日訂立的租賃協議(「坂田租賃協議」)，百佳華商管租賃位於中國廣東省深圳市龍崗區坂田街道吉華路與五和西街交叉口西南佳華領匯廣場1-6層的店舖物業，建築面積約34,743.62平方米，租期自二零一七年一月一日起至二零三一年十二月三十一日屆滿，為期十五年，月租人民幣1,806,668.24元，每三年遞增5%。坂田租賃協議之訂約各方同意倘本公司未能遵守持續關聯交易的規定(包括但不限於取得獨立股東批准)，百佳華商管有權向佳華房地產發出書面通知，在毋須作出任何付款或賠償下終止書苑雅閣店租賃協議的交易。根據坂田租賃協議，百佳華商管截至二零二零年十二月三十一日止年度支付的總代價約為人民幣22,764,019.82元，並無超出年度上限人民幣22,764,019.82元。預期百佳華商管截至二零二一年十二月三十一日止年度應付的相關金額不會超過人民幣22,764,019.82元。

3. 收取租金收入自佳華房地產

根據百佳華百貨與佳華房地產訂立的租賃協議，若干商業物業租予佳華房地產作商業用途。於截至二零二零年十二月三十一日止年度，百佳華百貨從佳華房地產收取之年度租金收入人民幣766,542元，並無超於年度上限人民幣1,000,000.00元。預期百佳華百貨截至二零二一年十二月三十一日止年度應收相關金額不會超過人民幣1,000,000.00元。

Report of the Directors (Continued) 董事會報告(續)

CONTINUING CONNECTED TRANSACTIONS (Continued)

In the opinion of the Directors (including the Independent Non-Executive Directors), the terms of the continuing connected transactions referred to above are made in the ordinary and usual course of our business, on an arm's length basis and on normal commercial terms which are no less favorable than terms available from independent third parties. The Directors (including the Independent Non-executive Directors) confirm that these transactions have been conducted in accordance with the relevant agreements governing the transactions and are of the view that the terms and conditions of these transactions are fair and reasonable and are in the best interests of our Company and our shareholders as a whole.

The Directors, including the Independent Non-executive Directors, are also of the view that the Annual Caps are fair and reasonable as far as our shareholders taken as a whole are concerned.

The Directors confirm that they have received a confirmation from its auditor regarding the matters as stated in Chapter 14A.56 of the Listing Rules for the continuing connected transactions.

The Directors confirm that the disclosure requirement in accordance with Chapter 14A of the Listing Rules has been complied with by the Company.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2020, revenue attributable to the largest customer of the Group amounted to approximately 0.7% of the total revenue for the year and the five largest customers of the Group accounted for less than 30% of the Group's total revenue for the year.

For the year ended 31 December 2020, purchases attributable to the largest supplier of the Group amounted to approximately 7.2% of the total purchases for the year and the five largest suppliers of the Group accounted for less than 30% of the Group's total purchases for the year.

Save as disclosed above, none of the Directors, their associates or any shareholders (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers and major customers noted above.

SUFFICIENCY OF PUBLIC FLOAT

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

持續關聯交易(續)

董事(包括獨立非執行董事)認為,上述持續關聯交易的條款乃於日常及一般業務過程中,按照不遜於獨立第三方提供者的一般商業條款進行。董事(包括獨立非執行董事)確認,上述交易乃按規管有關交易之相關協議進行,並認為,此等交易的條款及條件誠屬公平合理,並符合本公司及本公司股東整體的最佳利益。

董事(包括獨立非執行董事)亦認為,年度上限對本公司股東整體而言屬公平合理。

董事確認彼等已接獲其核數師有關持續關聯交易於上市規則第14A.56章所述事宜之確認書。

董事確認本公司已遵守上市規則第14A章之披露規定。

主要客戶及供應商

截至二零二零年十二月三十一日止年度,來自本集團最大客戶的收入佔年內收入總額約0.7%,而本集團五大客戶佔本集團於年內總收入少於30%。

截至二零二零年十二月三十一日止年度,向單一最大供應商作出的採購約佔於年內的採購總額7.2%,而本集團五大供應商約佔本集團於年內的採購總額少於30%。

除上文披露者外,概無董事、彼等的聯繫人士或任何股東(就董事所知擁有本公司股本5%以上權益者)於上述主要供應商及主要客戶中擁有權益。

足夠公眾持股量

根據本公司公開資料並就董事所知,於本申報日,本公司已發行股本總額中最少25%由公眾人士持有。

COMPETING INTERESTS

None of the Directors or management shareholders of the Company and their respective associates (as defined in the Main Board Listing Rules) has an interest in a business which competes or may compete with the business of the Company or has any other conflict of interest with the Company during the year.

AUDIT COMMITTEE

The audited financial statements of the Company for the year ended 31 December 2020 have been reviewed by the audit committee before recommending to the Board for approval.

PROFESSIONAL TAX ADVICE RECOMMENDED

If the shareholders of the Company are unsure about the taxation implications of purchasing, holdings, disposing of, dealing in, or the exercise of any rights in relation to, the shares, they are advised to consult an expert.

USE OF PROCEEDS RAISED FROM LISTING

The net proceeds raised from the Company's newly issued and listed shares on the Stock Exchange in May 2007 (after deduction of related issuance expenses) amounted to approximately HK\$265,000,000.

As of 31 December 2020, approximately HK\$207,834,000 of the proceeds so raised was used, and the unused proceeds of approximately HK\$57,166,000 was deposited with banks, the security of which was adequately ensured.

Details of the used proceeds raised of approximately HK\$207,834,000 are set out as follows:

- as to approximately HK\$29,000,000 for acquisition of the business of a retail chain in Shenzhen, the PRC;
- as to approximately HK\$28,300,000 for opening of new stores in Yanbu Foshan and Ronggui Foshan, the PRC;
- as to approximately HK\$8,750,000 for opening of a new store in Nanning Guangxi, the PRC;
- as to approximately HK\$4,350,000 for opening of two new stores in Xinan Baoan Shenzhen, the PRC;
- as to approximately HK\$10,400,000 for opening of a new store in Luohu Shenzhen, the PRC;

競爭權益

年內，本公司董事或管理層股東以及彼等各自的聯繫人士(定義見主板上市規則)概無於與本公司業務構成或可能構成競爭的業務中擁有權益，且並無與本公司存在任何其他利益衝突。

審核委員會

本公司截至二零二零年十二月三十一日止年度的經審核財務報表於建議董事會批准前，已交由審核委員會審閱。

建議尋求專業稅務意見

倘若本公司股東對購買、持有、出售、買賣股份或行使任何有關股份之權利的稅務影響有所疑問，彼等應諮詢專家意見。

上市所得款項用途

本公司於二零零七年五月在聯交所新發行上市股份籌集的所得款項淨額，在扣除相關的發行費用後相等於約265,000,000港元。

於二零二零年十二月三十一日，已動用所籌得款項約207,834,000港元，尚未動用的所得款項約57,166,000港元存放在銀行，其安全性有足夠保證。

已動用所籌得款項約207,834,000港元之詳情載列如下：

- 約29,000,000港元用作收購中國深圳連鎖零售店業務；
- 約28,300,000港元用作於中國佛山鹽步及佛山容桂開設新店舖；
- 約8,750,000港元用作於中國廣西南寧開設新店舖；
- 約4,350,000港元用作於中國深圳寶安區新安街道辦開設兩家新店舖；
- 約10,400,000港元用作於中國深圳羅湖區開設新店舖；

USE OF PROCEEDS RAISED FROM LISTING (Continued)

- as to approximately HK\$15,800,000 for opening of a new store in Buji Shenzhen, the PRC;
- as to approximately HK\$14,300,000 for opening of another new store in Nanning Guangxi, the PRC;
- as to approximately HK\$3,690,000 for opening of a new supermarket in Bantian Longgang, Shenzhen, the PRC;
- as to approximately HK\$8,800,000 for opening of a restaurant and two beverage kiosks in Shenzhen, the PRC;
- as to approximately HK\$3,600,000 for opening of a theme restaurant and a Chinese restaurant in Baoan and Longgang Shenzhen, the PRC respectively;
- as to approximately HK\$9,200,000 for setting up of a procurement centre in Shiyan Shenzhen, the PRC;
- as to approximately HK\$12,919,000 for the purchase of transportation equipment;
- as to approximately HK\$15,000,000 for the purchase of office equipment;
- as to approximately HK\$3,000,000 for the upgrade of the MIS;
- as to approximately HK\$725,000 to promote the Company's brand image; and
- as to approximately HK\$40,000,000 for the refurbishments of existing retail stores.

The unused proceeds will be used by the Company for the purposes as set out in the section headed "Future plans and use of proceeds" in the prospectus of the Company dated 8 May 2007.

上市所得款項用途(續)

- 約15,800,000港元用作於中國深圳布吉開設新店舖；
- 約14,300,000港元用作於中國廣西南寧開設新店舖；
- 約3,690,000港元用作於中國深圳龍崗區坂田開設新超市；
- 約8,800,000港元用作於中國深圳開設一家餐廳及兩家茶店；
- 約3,600,000港元分別用作中國深圳寶安及龍崗開設一家主題餐廳及一家中式餐廳；
- 約9,200,000港元用作於中國深圳石岩開設配送中心；
- 約12,919,000港元用作於購置運輸工具；
- 約15,000,000港元用作於購買辦公室設備；
- 約3,000,000港元用作改良管理資訊系統；
- 約725,000港元用作提升本公司的品牌形象；及
- 約40,000,000港元用作翻新現有的零售店。

未動用之所得款項將由本公司動用作本公司日期為二零零七年五月八日之售股章程「未來計劃及所得款項用途」一節所述用途。

AUDITOR

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO Limited as auditor of the Company.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2020 is set out in the sections of Chairman's Statement, Management Discussion and Analysis and Five Years Financial Summary on pages 6 to 13, pages 18 to 42 and pages 215 to 216 respectively of this annual report.

The Group recognises that its employees, customers and business partners are the keys to the sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality products and services to its customers and enhancing co-operation with its business partners.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is committed to maintaining a clean, energy saving and harmonious environmental conservation policy.

The Environmental, Social and Governance Report of the Company prepared in accordance with Appendix 27 to the Main Board Listing Rules will be published within three months after the publication of the annual report of the Company.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to shareholders by reason of their holding of the Company's securities.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Director's and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622, Laws of Hong Kong) when the Directors' Report prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance (Chapter 622, Laws of Hong Kong).

核數師

有關重新委任立信德豪會計師事務所有限公司為本公司核數師的決議案將於本公司下屆股東週年大會上提呈以取得股東批准。

業務回顧

本集團截至二零二零年十二月三十一日止年度之業務回顧已分別載於本年報第6至13頁、第18至42頁及第215至216頁之「董事長報告」、「管理層討論及分析」及「五年財務概要」等章節。

本集團確認其僱員、客戶及合作夥伴是可持續發展的關鍵。本集團致力與僱員建立密切及關顧之關係、為客戶提供優質產品及服務，並加強與業務合作夥伴的合作。

環境、社會及管治報告

本集團承諾維持清潔、節約能源、和諧的環境保護政策。

本公司按主板上市規則附錄27編制的環境、社會及管治報告將於本公司的年報刊發後的三個月內刊發。

稅務減免

本公司並不知悉股東因持有本公司證券而可享有之任何稅務減免。

獲准許之彌償條文

本公司已就其董事及高級管理層可能會面對由企業活動產生之法律行動，為董事及行政人員之職責作適當投保安排。基於董事利益之獲准許彌償條文根據公司條例(香港法例第622章)第470條之規定於董事編製之董事報告按照公司條例(香港法例第622章)第391(1)(a)條獲通過時生效。

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

The Group is continuously monitoring their compliance to ensure that the Group abides by such laws and regulations from time to time. Besides those general laws and regulations such as the Company Law of the PRC, the Listing Rules of Hong Kong Stock Exchange, the Group has also complied in all material respects with all the laws and regulations that have a significant impact on the business of the Group.

For and on behalf of the Board
Zhuang Lu Kun
Chairman

29 March 2021
Shenzhen, the PRC

遵守對公司有重大影響的有關法律及規例情況

本集團持續監控相關遵守情況，以確保本集團可持續遵守對公司有重大影響的有關法律及規例。除遵守中國公司法、香港聯交所上市規則等常規法律、規例外，於報告年度內，本集團亦在各重大方面遵守對本集團業務有重要影響的法律及規例。

代表董事會
董事長
莊陸坤

二零二一年三月二十九日
中國深圳

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



Tel : +852 2218 8288
Fax : +852 2815 2239
www.bdo.com.hk

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

香港干諾道中111號
永安中心25樓

To the shareholders of Jiahua Stores Holdings Limited
(Incorporated in Cayman Islands with limited liability)

致佳華百貨控股有限公司列位股東
(在開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Jiahua Stores Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 70 to 213, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

意見

本核數師已完成審核第70至213頁所載佳華百貨控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，當中包括於二零二零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全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

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 2020, 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.

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二零二零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》的披露要求妥為擬備。

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.

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。根據香港會計師職業道德準則理事會頒佈的《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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

關鍵審核事項

關鍵審核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核最為重要的事項。這些事項是在我們審核整體綜合財務報表及出具意見時處理。我們不會對這些事項個別提供意見。

KEY AUDIT MATTERS (Continued)

Valuation of investment properties

Refer to notes 2.6, 4 and 14 in the consolidated financial statements.

Management has estimated the fair value of the Group's investment properties located in the People's Republic of China ("PRC") to be approximately RMB284,600,000 as at 31 December 2020 with a fair value loss for the year ended 31 December 2020 recorded in the consolidated statement of comprehensive income of approximately RMB7,500,000. To support management's determination, the Group engaged an independent external valuer as management's expert to perform valuation on the investment properties.

We focused on this area because in determining the fair value of investment properties, significant estimation and judgement were applied by the management in selecting appropriate valuation methodology and key input parameters, including yields and future lease income.

Our key audit procedures in relation to management's assessment for valuation of investment properties included:

- assessing the appropriateness of the valuation methodology and reasonableness of the key input data and assumptions adopted in the valuation;
- checking, on sample basis, the accuracy of the input data used to supportive evidence;
- involving an auditor's expert to assist our assessment; and
- evaluating the competency, capabilities and objectivity of the management's expert and auditor's expert.

Impairment assessment of non-financial assets

Refer to notes 2.8, 4, 12, 13 and 15 in the consolidated financial statements.

As at 31 December 2020, the Group had property, plant and equipment, right-of-use assets and intangible assets with carrying amounts of approximately RMB217,157,000, RMB437,402,000 and RMB5,452,000 respectively after impairment.

關鍵審核事項(續)

投資物業之估值

請參閱綜合財務報表附註2.6、4及14。

管理層估計貴集團位於中華人民共和國(「中國」)之投資物業於二零二零年十二月三十一日之公平值為約人民幣284,600,000元，而記錄於綜合全面收益表中截至二零二零年十二月三十一日止年度之公平值虧損為約人民幣7,500,000元。為支持管理層的決定，貴集團委聘一名獨立估值師作為管理層專家，對該等投資物業進行估值。

我們專注於此方面，原因是釐定投資物業公平值時，管理層就揀選合適的估值方法及關鍵輸入數據參數作出重大估計及判斷，包括回報率及未來租賃收入。

涉及管理層對投資物業估值的評估，我們的關鍵審核程序包括：

- 評估估值過程中採納的估值方法的合適性及主要輸入數據及假設是否合理；
- 抽樣檢查憑證中輸入數據之準確性；
- 委託核數師專家協助評估；及
- 評估管理層專家及核數師專家的能力、專長及客觀性。

非金融資產之減值評估

請參閱綜合財務報表附註2.8、4、12、13及15。

於二零二零年十二月三十一日，貴集團的物業、廠房及設備、使用權資產及無形資產減值後賬面值分別為約人民幣217,157,000元、人民幣437,402,000元及人民幣5,452,000元。

KEY AUDIT MATTERS (Continued)
Impairment assessment of non-financial assets (Continued)

Management is required to perform impairment assessment on the Group's non-financial assets including property, plant and equipment, right-of-use assets and intangible assets where indications of impairment are identified.

For the purpose of assessing impairment, assets were tested at cash generating unit(s) (the "CGU(s)") level, and management has assessed the recoverable amount of these assets based on higher of value-in-use and fair value less costs of disposal. In carrying out the impairment assessments, significant management judgement was used to determine the key assumptions. Based on the assessment performed, for the year ended 31 December 2020, the management concluded that an impairment loss of approximately RMB42,587,000 and RMB47,278,000 was made in respect of the Group's property, plant and equipment and right-of-use assets, respectively. To support management's assessment, the Group engaged an independent external valuer as management's expert.

We focused on this area due to the size of the non-financial assets and in carrying out the impairment assessment, significant management judgement was used to determine the underlying key assumptions.

Our key audit procedures in relation to management's impairment assessment of non-financial assets included:

- assessing the appropriateness of the management's identification of CGUs based on our understanding of the Group's business;
- evaluating the appropriateness of the methodologies applied in respect of the assessment of the recoverable amounts;
- challenging the reasonableness of key assumptions of the cash flow projections including revenue growth rate during budget period, long term growth rate and discount rate based on our knowledge of the business and industry;

關鍵審核事項(續)
非金融資產之減值評估(續)

管理層須對已識別減值跡象的貴集團非金融資產，包括物業、廠房及設備、使用權資產及無形資產進行減值評估。

就評估減值而言，資產乃按各自的現金產生單位(「現金產生單位」)進行測試，且管理層已根據使用價值與公平值減出售成本兩者間之較高者評估該等資產之可回收金額。進行減值評估時，管理層需運用重大判斷以釐定關鍵假設。根據進行之評估，截至二零二零年十二月三十一日止年度，管理層得出之結論為已就貴集團之物業、廠房及設備以及使用權資產作出減值虧損分別約人民幣42,587,000元及人民幣47,278,000元。為支援管理層的評估，本集團委聘一名外部獨立估值師為管理層專家。

我們專注該範疇是由於非金融資產的規模，以及在進行減值評估時，使用了重大管理層判斷以釐定有關的關鍵假設。

涉及管理層對非金融資產的減值評估，我們的關鍵審核程序包括：

- 根據我們對貴集團業務之瞭解而評估現金產生單位識別是否合適；
- 評估釐定可收回金額所採用之方法是否適當；
- 按我們對業務及行業的了解質疑有關現金流量預測的關鍵假設的合理性，包括在預算期間的收益增長率、長期增長率及貼現率；

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

KEY AUDIT MATTERS (Continued) Impairment assessment of non-financial assets (Continued)

Our key audit procedures in relation to management's impairment assessment of non-financial assets included: (Continued)

- reconciling input data to supporting evidence, such as approved budget and considering the reasonableness of this evidence;
- involving an auditor's expert to assist our assessment; and
- evaluating the competency, capabilities and objectivity of the management's expert and auditor's expert.

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

關鍵審核事項(續) 非金融資產之減值評估(續)

涉及管理層對非金融資產的減值評估，我們的關鍵審核程序包括：(續)

- 將輸入數據與相關憑證(如已批准的預算數字)進行協調，及考慮相關憑證的合理性；
- 委託核數師專家協助評估；及
- 評估管理層專家及核數師專家的勝任能力、專長及客觀性。

年報內的其他資料

董事需對其他資料負責。其他資料包括刊載於貴公司年報內的資料，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料，我們亦不對該等其他資料發表任何形式的鑒證結論。

就我們對綜合財務報表的審計，我們的責任是閱讀其他資料，在此過程中，考慮其他資料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，倘我們認為其他資料存在重大錯誤陳述，則我們需要報告該事實。在這方面，我們概無任何報告。

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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. This report is made solely to you, as a body, in accordance with the terms of our 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.

董事就綜合財務報表須承擔的責任

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》的披露要求擬備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擬備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。

在擬備綜合財務報表時，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。

董事亦須負責監督貴集團的財務報告過程。審核委員會就此協助董事履行責任。

核數師就審計綜合財務報表承擔的責任

我們的目標乃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，並出具包括我們意見的核數師報告。本報告根據我們的委聘條款僅向閣下（作為整體）作出，除此以外，我們的報告不可用作其他用途。本行並不就本行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。

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

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

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional 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.

核數師就審計綜合財務報表承擔的責任(續)

合理保證乃高標準的保證，惟不能保證按照《香港審計準則》進行的審計，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，倘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，設計及執行審計程式以應對這些風險，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，故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式，惟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。

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

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

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

核數師就審計綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，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。倘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，或倘有關的披露不足，則我們應當修改意見。我們的結論乃基於直至核數師報告日期所取得的審計憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評價綜合財務報表的整體呈列方式、結構及內容，包括披露，以及綜合財務報表是否中肯反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資訊獲取充足而適當的審計憑證，以對綜合財務報表發表意見。我們負責貴集團審計的方向、監督及執行。我們為審計意見承擔全部責任。

我們與審核委員會商討(其中包括)已計劃的審計範圍、時間安排及重大審計發現，包括我們在審計中識別出內部控制的任何重大缺陷。

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

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

From the matters communicated with the directors, 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.

BDO Limited
Certified Public Accountants
Tsui Ka Che, Norman
Practising Certificate Number P05057

Hong Kong, 29 March 2021

核數師就審計綜合財務報表承擔的責任(續)

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與彼等商討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(倘適用)用以消除對獨立性產生威脅的行動或採取的防範措施。

從與董事溝通的事項中，我們確定該等事項對本期綜合財務報表的審計最為重要，並因而構成關鍵審計事項。我們在核數師報告中描述該等事項，除非法律法規不允許公開披露有關事項，或在極端罕見的情況下，倘合理預期在我們報告提及事項造成的不良後果重於產生的公眾利益，則我們決定不應在報告中提及有關事項。

香港立信德豪會計師事務所有限公司
執業會計師
徐家賜
執業證書編號P05057

香港，二零二一年三月二十九日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue	收入	6(a)	428,057	645,329
Cost of inventories sold	已售存貨成本		(207,184)	(354,233)
			220,873	291,096
Other operating income	其他經營收入	6(b)	73,167	65,703
(Decrease)/increase in fair value of investment properties	投資物業之公平值(減少)/增加	14	(7,500)	800
Selling and distribution costs	銷售及分銷成本		(250,254)	(290,102)
Administrative expenses	行政開支		(50,226)	(60,063)
Other operating expenses	其他經營開支	8	(131,606)	(5,455)
Impairment loss on loan receivables	應收貸款減值損失		(2,076)	–
Finance costs	融資成本	7	(45,905)	(51,750)
Loss before income tax	除所得稅前虧損	8	(193,527)	(49,771)
Income tax expense	所得稅開支	9	(934)	(2,571)
Loss and total comprehensive income for the year and attributable to owners of the Company	年內及本公司擁有人應佔虧損及全面收益總額		(194,461)	(52,342)
Loss per share for loss attributable to the owners of the Company during the year:	年內本公司擁有人應佔虧損之每股虧損：			
– Basic and diluted (RMB cents)	– 基本及攤薄(人民幣分)	11	(18.74)	(5.05)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2020
於二零二零年十二月三十一日

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Notes 附註			
ASSETS AND LIABILITIES		資產及負債		
Non-current assets		非流動資產		
Property, plant and equipment	12	物業、廠房及設備	217,157	264,614
Right-of-use assets	13	使用權資產	437,402	643,753
Investment properties	14	投資物業	284,600	292,100
Intangible assets	15	無形資產	5,452	4,970
Deposits paid, prepayments and other receivables	16	已付按金、預付款項及其他應收款項	27,198	31,448
Interests in an associate	17	於一間聯營公司之權益	-	-
			971,809	1,236,885
Current assets		流動資產		
Inventories and consumables	18	存貨及易耗品	26,395	28,136
Trade and loan receivables	19	應收貿易賬款及貸款	59,929	70,809
Deposits paid, prepayments and other receivables	16	已付按金、預付款項及其他應收款項	55,311	51,955
Restricted bank deposit	20	受限制銀行存款	2,000	-
Cash and cash equivalents	21	現金及現金等價物	76,624	117,737
Tax recoverable		可收回稅項	66	57
			220,325	268,694
Current liabilities		流動負債		
Trade payables	22	應付貿易賬款	75,054	98,057
Contract liabilities	23	合約負債	20,859	20,242
Deposits received, other payables and accruals	24	已收按金、其他應付款項及應計費用	119,606	143,651
Amount due to a director	25	應付一名董事款項	59	59
Lease liabilities	13	租賃負債	64,523	75,840
Borrowings	26	借貸	2,280	-
Provision for taxation		稅項撥備	9,651	3,723
			292,032	341,572
Net current liabilities		流動負債淨值	(71,707)	(72,878)
Total assets less current liabilities		總資產減流動負債	900,102	1,164,007

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

As at 31 December 2020
於二零二零年十二月三十一日

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	13	474,318	605,995
Borrowings	借貸	26	64,663	–
Deferred tax liabilities	遞延稅項負債	27	21,701	24,131
			560,682	630,126
Net assets	資產淨值		339,420	533,881
EQUITY	權益			
Share capital	股本	28	10,125	10,125
Reserves	儲備	29	329,295	523,756
Total equity	權益總額		339,420	533,881

Zhuang Lu Kun
莊陸坤
Director
董事

Zhuang Pei Zhong
莊沛忠
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

		Share capital	Share premium	Statutory reserve	Statutory welfare reserve	Merger reserve	Property revaluation reserve	Translation reserve	Retained profits/ (accumulated losses)	Dividend proposed	Total
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	二零一九年一月一日	10,125	252,478	66,222	2,286	12,373	431	(969)	243,277	19,505	605,728
Loss for the year	年內虧損	-	-	-	-	-	-	-	(52,342)	-	(52,342)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	-	(52,342)	-	(52,342)
Dividend approved for 2018	二零一八年之獲批准股息 10	-	-	-	-	-	-	-	-	(19,505)	(19,505)
Transfer to statutory reserve	轉移至法定儲備	-	-	619	-	-	-	-	(619)	-	-
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	10,125	252,478	66,841	2,286	12,373	431	(969)	190,316	-	533,881
Loss for the year	年內虧損	-	-	-	-	-	-	-	(194,461)	-	(194,461)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	-	(194,461)	-	(194,461)
Transfer to statutory reserve	轉移至法定儲備	-	-	1,193	-	-	-	-	(1,193)	-	-
At 31 December 2020	於二零二零年十二月三十一日	10,125	252,478	68,034	2,286	12,373	431	(969)	(5,338)	-	339,420

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Notes 附註			
Cash flows from operating activities	經營活動的現金流量			
Loss before income tax	除所得稅前虧損		(193,527)	(49,771)
Adjustments for:	就以下各項作出調整：			
Interest income	利息收入	6(b)	(1,237)	(4,099)
Finance costs	融資成本	7	45,905	51,750
COVID-19-related rent concessions	COVID-19有關的租金寬免	13	(7,199)	—
Depreciation of property, plant and equipment	物業、廠房及設備折舊	8	48,227	45,725
Depreciation of right-of-use assets	使用權資產折舊	8	89,348	95,533
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備的(收益)/虧損	8	(16)	35
Decrease/(increase) in fair value of investment properties	投資物業公平值減少/(增加)	14	7,500	(800)
Amortisation of intangible assets	無形資產攤銷	8	651	506
Impairment loss on property, plant and equipment	物業、廠房及其他設備之減值虧損	8	42,587	—
Impairment loss on right-of-use assets	使用權資產之減值虧損	8	47,278	—
Impairment loss on loan receivables	應收貸款之減值虧損		2,076	—
Obsolete inventories written-off and inventories loss	陳舊存貨撇銷及存貨虧損	8	356	84
Written-off of property, plant and equipment	物業、廠房及設備撇銷	8	36,225	1,336
(Gain)/loss on early termination of lease	提早終止租約(收益)/虧損	13	(4,601)	1
Operating profit before working capital changes	營運資金變動前經營溢利		113,573	140,300
Decrease in inventories and consumables	存貨及易耗品減少		1,385	24,356
Decrease/(increase) in trade and loan receivables	應收貿易賬款及貸款減少/(增加)		8,804	(9,950)
(Increase)/decrease in deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項(增加)/減少		(3,356)	488
Decrease in trade payables	應付貿易賬款減少		(23,003)	(73,946)
Increase/(decrease) in contract liabilities	合約負債增加/(減少)		617	(3,377)
(Decrease)/increase in deposits received, other payables and accruals	已收按金、其他應付款項及應計費用(減少)/增加		(24,045)	50,310

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Cash generated from operations	經營業務所得現金		73,975	128,181
Interest received	已收利息		1,237	4,099
Income tax refunded/(paid)	已退還/(已繳)所得稅		2,555	(10,666)
<i>Net cash from operating activities</i>	<i>經營業務所得現金淨額</i>		77,767	121,614
Cash flows from investing activities	投資活動的現金流量			
Decrease/(increase) in deposits paid and prepayments	已付按金及預付款項減少/(增加)		3,407	(12,006)
Purchase of property, plant and equipment	購入物業、廠房及設備		(79,266)	(126,443)
Purchase of intangible assets	購入無形資產		(1,133)	(4,171)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項		543	619
Decrease/(increase) in bank deposits maturing over three months	於三個月後到期之銀行存款減少/(增加)		20,000	(10,000)
Increase in restricted bank deposit	受限制銀行存款增加		(2,000)	-
<i>Net cash used in investing activities</i>	<i>投資活動所用現金淨額</i>		(58,449)	(152,001)
Cash flows from financing activities	融資活動的現金流量			
Proceeds from borrowings	借貸所得款項	35	67,513	-
Repayment of borrowings	償還借貸	35	(570)	-
Repayment of principal portion of lease liabilities	償還租賃負債之本金部分	35	(61,469)	(61,517)
Repayment of interest portion of lease liabilities	償還租賃負債之利息部分	35	(45,023)	(51,750)
Dividends paid to owners of the Company	已付本公司擁有人股息		-	(19,505)
Interest paid	已付利息	35	(882)	-
<i>Net cash used in financing activities</i>	<i>融資活動所用現金淨額</i>		(40,431)	(132,772)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(21,113)	(163,159)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物		97,737	260,896
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價物	21	76,624	97,737

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

1. GENERAL INFORMATION

Jiahua Stores Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office and its principal place of business are located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and Level 4, Jiahua Ming Yuan, 2146 Xinhua Road, Baoan Central District, Shenzhen, Guangdong Province, the People’s Republic of China (the “PRC”) respectively. The Company’s shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (“Stock Exchange”).

The principal activity of the Company is investment holding. Details of the principal activities of the Company’s subsidiaries are set out in note 34 to the consolidated financial statements. “The Group” comprises the Company and its subsidiaries.

The consolidated financial statements for the year ended 31 December 2020 were approved for issue by the board of directors on 29 March 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

(a) Statement of compliance

The financial statements on pages 70 to 213 have been prepared in accordance with all HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

1. 一般資料

佳華百貨控股有限公司(「本公司」)在開曼群島註冊成立為獲豁免有限公司。其註冊辦事處及主要營業地點分別位於 Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands 及中華人民共和國(「中國」)廣東省深圳市寶安中心區新湖路2146號佳華名苑4樓。本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司主要業務為投資控股。本公司附屬公司之主要業務詳情載於綜合財務報表附註34。「本集團」包括本公司及其附屬公司。

截至二零二零年十二月三十一日止年度之綜合財務報表已於二零二一年三月二十九日獲董事會批准刊發。

2. 主要會計政策概要

2.1 編製基準

(a) 合規聲明

第70至213頁所載之財務報表乃根據所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(以下統稱「香港財務報告準則」)及香港《公司條例》之適用披露編製。此外，財務報表包括聯交所證券上市規則所要求之適用披露。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(a) Statement of compliance (Continued)

The significant accounting policies that have been used in the preparation of the consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRS and the impacts on the consolidated financial statements, if any, are disclosed in note 3.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

(b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared on the historical cost basis except for investment properties which are stated at fair values. The measurement bases are fully described in the accounting policies below.

2. 主要會計政策概要(續)

2.1 編製基準(續)

(a) 合規聲明(續)

編製此等綜合財務報表時所採用重大會計政策於下文概述。除另有說明者外，此等政策已獲貫徹應用於所有呈報年度。採納新訂或經修訂香港財務報告準則及對綜合財務報表之影響(如有)於附註3披露。

務請注意，編製綜合財務報表時須作出會計估計及假設。儘管此等估計乃以管理層就現行事件及行動的最佳認知及判斷為基準，惟實際結果最終或會與該等估計不同。涉及高度判斷或複雜性的範圍，或對綜合財務報表屬重大的假設及估計範圍，於附註4披露。

(b) 計量基準及持續經營假設

本綜合財務報表已按歷史成本基準編製，以公平值計量之投資物業除外。計量基準於以下會計政策詳述。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) Basis of measurement and going concern assumption (Continued)

The outbreak of the COVID-19 pandemic and the lockdown measures imposed by PRC government in the PRC to contain the spreading of COVID-19 pandemic had negatively impacted the results of the Group during the reporting period and the liquidity position. For the year ended 31 December 2020, the Group has incurred a loss of approximately RMB194,461,000 and at the end of the reporting period, its current liabilities exceeded its current assets by approximately RMB71,707,000. These conditions may cast significant doubt about the Group's ability to continue as a going concern. The management of the Group has prepared a cash flow projection covering a period of 12 months from the date of the consolidated financial statements. The directors of the Company ("the Directors"), after making due enquires and considering the management's projection and taking account of the following, believe that there will be sufficient financial resources to continue its operations and to meet its financial obligation as and when they fall due within the next 12 months from the date of the consolidated financial statements:

- (i) At the date of approval of these consolidated financial statements, the unutilised bank facility available for drawdown amounted to approximately RMB82,487,000; and

2. 主要會計政策概要(續)

2.1 編製基準(續)

(b) 計量基準及持續經營假設(續)

COVID-19疫情的爆發以及中國政府為遏制COVID-19疫情的蔓延而在中國實施的封鎖措施對本集團在報告期內的業績和流動性狀況產生了負面影響。截至二零二零年十二月三十一日止年度，本集團虧損約人民幣194,461,000元，於報告期末，其流動負債超出其流動資產約人民幣71,707,000元。這些情況可能使人們對本集團持續經營的能力產生極大懷疑。本集團管理層已編制了一份自綜合財務報表日期起的12個月期間的現金流量預測。本公司董事（「董事」）在進行了適當的詢問並考慮了管理層的預測並考慮到以下因素後，認為將有足夠的財務資源在綜合財務報表日期起的未來12個月內繼續運營並履行其財務義務：

- (i) 於批准本綜合財務報表之日，可供提取的未動用銀行融資約為人民幣82,487,000元；和

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) Basis of measurement and going concern assumption (Continued)

- (ii) the management of the Group has been endeavouring to improve the Group's operating results and cash flows through various means, such as, transforming the business model by shifting the focus on sales of goods from traditional supermarkets to sub-leasing business.

Accordingly, the consolidated financial statements have been prepared on a going concern basis.

(c) Functional and presentation currency

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's presentation and functional currency. All values are rounded to the nearest thousand except when otherwise indicated.

2. 主要會計政策概要(續)

2.1 編製基準(續)

(b) 計量基準及持續經營假設(續)

- (ii) 本集團的管理層一直致力於通過各種方式來改善本集團的經營業績和現金流量，例如通過將銷售重點從傳統超市轉移到轉租賃業務來轉變業務模式。

據此，該綜合財務報表已按持續經營基準編製。

(c) 功能及呈列貨幣

各集團實體財務報表中的項目皆按有關實體營運所在的主要經濟環境的貨幣(「功能貨幣」)計算。綜合財務報表則以人民幣(本公司的呈報及功能貨幣)呈列。除另有指明外，所有數值均四捨五入至最接近千位。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive processes and whether the acquired set has the ability to produce outputs.

2. 主要會計政策概要(續)

2.2 業務合併及綜合賬目基準

綜合財務報表包括本集團的財務報表。集團公司之間進行之公司間交易及結餘以及未變現利潤乃於編製綜合財務報表時全數對銷。未變現虧損亦予以對銷，除非該交易提供有關所轉讓資產之減值證據，於此情況下，虧損於損益內確認。

年內所收購或出售附屬公司之業績乃自收購日期起或直至出售日期為止(按適用情況)計入綜合全面收益表。倘有必要，將對附屬公司之財務報表作出調整，以令彼等之會計政策與本集團其他成員公司所採用者一致。

當收購的業務及資產組符合一項業務的定義，且其控制權轉移至本集團時，該業務合併以收購法入賬。於釐定特定活動及資產組是否成其為一項業務時，本集團評估所收購資產組及活動是否至少包含一項輸入及實質流程，及所收購資產組是否具備輸出能力。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Business combination and basis of consolidation (Continued)

The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRS. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

2. 主要會計政策概要(續)

2.2 業務合併及綜合賬目基準(續)

收購成本乃按所轉讓資產、所產生負債及本集團(作為收購方)發行之股權於收購日期之公平值總額計量。所收購可識別資產及所承擔負債主要按收購日期之公平值計量。本集團先前所持收購對象之股權以收購日期之公平值重新計量，而所產生之收益或虧損則於損益確認。本集團可按每宗交易選擇以公平值或應佔收購對象之可識別資產淨值比例計算非控股權益(即現時於附屬公司之擁有權權益)。除非香港財務報告準則規定使用其他計量基準，否則所有其他非控股權益均按公平值計量。所產生之收購相關成本均列作開支，除非該等成本乃於發行股本工具時產生，在該情況下，有關成本則自權益中扣除。

收購方將予轉讓之任何或然代價按收購日期之公平值確認。其後對代價之調整僅於調整源自於計量期(最長為收購日期起計十二個月)內所取得有關收購日期之公平值之新資料時，方於商譽確認。所有其他分類為資產或負債之或然代價之其後調整均於損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Business combination and basis of consolidation (Continued)

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

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

When the Group loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for on the same basis as would be required if the relevant assets or liabilities were disposed of.

2. 主要會計政策概要(續)

2.2 業務合併及綜合賬目基準(續)

收購後，代表目前於附屬公司擁有權益的非控股權益的賬面值為該等權益於初步確認時的金額另加有關非控股權益應佔的其後權益變動。非控股權益乃於綜合財務狀況表的權益中與本公司擁有人應佔權益分開呈列。溢利或虧損及其他全面收益內各組成部分歸屬於本公司擁有人及非控股權益。即使會導致非控股權益出現虧絀結餘，全面收入總額仍歸屬於非控股權益。

本集團於附屬公司的權益變動如不引致失去附屬公司控制權，則作為權益交易入賬。本集團權益及非控股權益的賬面值已予調整，以反映其於附屬公司的相關權益變動。非控股權益的調整金額與已付或已收代價公平值之間的任何差額直接於權益確認，並歸屬於本公司擁有人。

倘本集團喪失一間附屬公司之控制權，則出售收益或虧損乃按以下兩者之差額計算：(i)已收代價公平值與任何保留權益公平值之總和；及(ii)附屬公司資產(包括商譽)與負債及任何非控股權益之過往賬面值。過往於其他全面收益確認與附屬公司有關之金額按出售相關資產或負債時所規定之相同基準入賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (i) power over the investee, (ii) exposure, or rights, to variable returns from the investee, and (iii) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2.4 Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

2. 主要會計政策概要(續)

2.3 附屬公司

附屬公司指本公司能夠行使控制權的被投資公司。倘所有以下三項元素存在，則本公司乃控制被投資公司：(i)對被投資公司擁有權力、(ii)就被投資公司的可變回報承受風險或擁有權利及(iii)使用其權力影響該等可變回報的能力。當有事實及情況表明任何該等控制元素可能存在變動時，則控制權予以重估。

於本公司的財務狀況表中，於附屬公司的投資乃按成本減去減值虧損(如有)列賬。附屬公司的業績由本公司按已收及應收股息為基準入賬。

2.4 聯營公司

聯營公司為本集團對其有重大影響力的實體，且既非附屬公司，亦非共同安排。重大影響力指有權參與被投資公司的財務及經營政策決策，惟對該等政策並無控制或共同控制權。

聯營公司以權益法入賬，初步按成本確認，其後賬面值按本集團應佔聯營公司資產淨值於收購後的變動作出調整，惟超逾本集團於聯營公司權益的虧損將不予確認，除非本集團有責任彌補該等虧損。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Associates (Continued)

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

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

2. 主要會計政策概要(續)

2.4 聯營公司(續)

本集團與其聯營公司間進行交易所產生的溢利及虧損僅以無關聯投資者於聯營公司的權益為限予以確認。投資者應佔該等交易所產生的聯營公司溢利及虧損與聯營公司的賬面值對銷。倘未變現虧損證明所轉移資產出現減值，則即時於損益中確認。

就聯營公司已付高於本集團應佔所收購可識別資產、負債及或然負債公平價值的任何溢價會撥充資本，並計入該聯營公司的賬面值。本集團應佔可識別資產及負債的淨公平價值高於投資成本的部分，經重新評估後，即時於損益確認。倘客觀證據證明於聯營公司的投資有減值，則投資的賬面值與其他非金融資產相同方式檢測減值。

2.5 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及累計減值虧損列賬。物業、廠房及設備的成本包括其購買價及收購項目的直接應佔成本。

其後成本僅在與該項目相關的未來經濟利益很可能流入本集團且該項目的成本能夠可靠計量時，方計入該資產的賬面值或確認為獨立資產(如適用)。被替換部分的賬面價值被終止確認。所有其他維修及保養在其發生的財務期間在損益中確認為開支。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Leasehold buildings	54 years or over the terms of land use rights, whichever is shorter
Leasehold improvements	5 to 10 years or over the lease terms, whichever is shorter
Plant and machinery	10%
Motor vehicles and tools	20%
Furniture, fixtures and equipment	20%

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

2. 主要會計政策概要(續)

2.5 物業、廠房及設備(續)

物業、廠房及設備折舊以按直線法將其成本或估價淨額在估計可使用年限內扣除預期剩餘價值。於各報告期末，對可使用年限、剩餘價值及折舊方法進行審查並在適當時進行調整。使用年限如下：

租賃樓宇	54年或土地使權期限(以較短者為準)
租賃物業裝修	5至10年或按租期(以較短者為準)
廠房及機械	10%
汽車及工具	20%
家具、裝置及設備	20%

倘資產的賬面值高於資產的估計可收回金額，則資產會即時撇減至其可收回金額。

出售物業、廠房及設備項目的收益或虧損為出售所得款項淨額與其賬面值之間的差額，並於出售時於損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Investment properties

Investment properties are properties held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

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 the disposal. 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 profit or loss in the period in which the property is derecognised.

2.7 Intangible assets

(i) Intangible assets acquired separately

Intangible assets acquired separately are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

The amortisation expense is recognised in profit or loss and included in administrative expenses. The useful lives and amortisation method are reviewed, and adjusted if appropriate, at the end of each reporting period. Amortisation is provided on a straight-line basis over their useful lives as follows:

Computer software	5-10 years
-------------------	------------

2. 主要會計政策概要(續)

2.6 投資物業

投資物業乃為賺取租金或資本增值或達成上述兩項目的而持有的物業，且並非於日常業務過程中持作銷售，也並非用於生產或提供產品或服務或用於行政用途。投資物業於初始確認時按成本計量，其後按公平值計量，而當中的任何變動會於損益中確認。

投資物業於出售時或當投資物業之用途永久撤銷及預期出售後不會有未來經濟利益時終止確認。投資物業終止確認所產生之任何收益或虧損，乃出售該資產的所得款項淨額與其賬面值之差額計算，並於投資物業終止確認之期間於損益中確認。

2.7 無形資產

(i) 個別收購的無形資產

個別收購的無形資產初步按成本確認。其後，具有有限使用年期的無形資產以成本減累計攤銷及累計減值虧損列賬。

攤銷開支於損益中確認並計入行政開支。使用年期及攤銷方法於各報告期末檢討及於適當時予以調整。攤銷在其使用年期內採用直線法撥備如下：

電腦軟件	五至十年
------	------

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Intangible assets (Continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iii) Derecognition of intangible assets

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

(iv) Impairment of intangible assets

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 2.8).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease to the extent of its revaluation surplus.

2. 主要會計政策概要(續)

2.7 無形資產(續)

(ii) 其後開支

其後開支僅於其增加有關特定資產的未來經濟利益時予以資本化。所有其他開支於產生時在損益表內確認。

(iii) 終止確認無形資產

無形資產於出售或當預期待使用或出售該資產後不會帶來未來經濟利益時終止確認。終止確認無形資產產生之收益及虧損按出售所得款淨額與資產賬面值間之差額計算，並於終止確認資產時於損益內予以確認。

(iv) 無形資產減值

倘有跡象顯示，具有限可使用年期之無形資產可能減值，則會進行減值測試。尚未可供使用之無形資產每年進行減值測試，不論該等無形資產是否已出現任何減值跡象。無形資產乃透過比較其賬面值及可收回金額進行減值測試(請參閱附註2.8)。

倘估計資產之可收回金額少於其賬面值，則該項資產之賬面值將減少至其可收回金額。

減值虧損會即時確認為開支，除非有關資產按重估金額列賬，在此情況下，減值虧損被視為重估減幅至其重估盈餘。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of assets (other than financial assets) to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value-in-use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent 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 in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value-in-use is based on the estimated future cash flows expected to be derived from the asset or cash-generating unit, 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 cash-generating unit.

2. 主要會計政策概要(續)

2.8 資產減值(金融資產除外)

於各報告期末，本集團審閱資產(金融資產除外)之賬面值，以釐定是否有任何跡象顯示該等資產已遭受減值虧損或先前確認之減值虧損不再存在或已減少。

倘估計資產之可收回金額(即公平值減出售成本及使用價值兩者中較高者)少於其賬面值，則該項資產賬面值將減少至其可收回金額。減值虧損會被即時確認為開支，除非有關資產按另一香港財務報告準則按重估金額列賬，在此情況下，減值虧損根據該香港財務報告準則被視為重估減值。

就評估減值而言，倘資產並無產生主要取決於其他資產的現金流入，則可收回金額按獨立產生現金流入的最小資產組別(即現金產生單位)而釐定。

倘減值虧損於隨後撥回，則資產之賬面值乃增至其可收回之經修訂估計金額，惟所增加之賬面值不可超逾假設過往年度並無就資產確認減值虧損原應釐定之賬面值。減值虧損撥回即時確認為收入。除非相關資產於其他香港財務報告準則中按重估金額列賬，在此情況下，於該香港財務報告準則之下減值虧損撥回可視為重估增加處理。

使用價值乃根據預期將來自資產或現金產生單位的估計未來現金流量折現至其現值，並使用反映現行市場對貨幣時間價值的評估及資產或現金產生單位之特定風險的除稅前貼現率貼現至其現值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Foreign currency

Transactions entered into by the Company/group entities in currencies other than the currency of the primary economic environment in which it/they operate(s) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. 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 translation of monetary items, are recognised in profit or loss in the period in which they arise. 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 differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income ("OCI"), in which case, the exchange differences are also recognised in OCI.

2. 主要會計政策概要(續)

2.9 外幣

本公司／集團實體以其業務營運所處的主要經濟環境貨幣以外的貨幣進行的交易，按進行交易時的當前匯率入賬。外幣貨幣資產及負債則以報告期末的當前匯率換算。以外幣列值並按公平值列賬的非貨幣項目按釐定公平值日期之當前匯率重新換算。按外幣歷史成本計量的非貨幣項目毋須重新換算。

因結算及換算貨幣項目而產生的匯兌差額會於產生期間在損益中確認。重新換算以公平值列賬的非貨幣項目所產生的匯兌差額於期內計入損益，惟重新換算非貨幣項目產生的盈虧差異於其他全面收益內確認，在此情況下，匯兌差額亦於其他全面收益(「其他全面收益」)中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Foreign currency (Continued)

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. RMB) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in OCI and accumulated in equity as foreign exchange reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to OCI and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

2. 主要會計政策概要(續)

2.9 外幣(續)

於綜合賬目時，海外業務的收入及開支項目按年內平均匯率換算為本集團呈報貨幣(即人民幣)，除非期內匯率波幅嚴重，在此情況下，則使用交易進行時的相若匯率。海外業務所有資產及負債按報告期末的當前匯率換算。所產生的匯兌差額(如有)在其他全面收益內確認，並於權益內作為外匯儲備累計(如適用，作為非控股權益)。就換算構成本集團相關海外業務的投資淨額的長期貨幣項目於集團實體之獨立財務報表確認的匯兌差額重新分類至其他全面收益，並於權益內作為外匯儲備累計。

於出售海外業務時，確認於該業務截至出售日期止的外匯儲備的累計匯兌差額，將重新分類至損益，作為出售之損益的一部分。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

2. 主要會計政策概要(續)

2.10 收入確認

當商品或服務的控制權轉移至客戶時，確認客戶合約收益，收益金額反映本集團預期就交換該等貨品或服務而有權獲得的對價，代表第三方收取之款項除外。收益不包括增值稅或其他銷售稅項且已扣除任何貿易折現。

視乎合約條款及適用於該合約之法律規定，商品或服務控制權可經過一段時間或於某一時間點轉移。倘本集團在履約過程中滿足下列條件，商品或服務之控制權將經過一段時間轉移：

- 提供全部利益，而客戶亦同步收到並消耗有關利益；
- 創建或提升客戶所控制之資產；或
- 沒有創建對本集團而言有其他用途之資產，而本集團可強制執行其權利收回累計至今已完履約部份之款項。

倘商品或服務之控制權經過一段時間轉移，收益確認將按整個合約期間已完成履約責任之進度進行。否則，收益於客戶獲得商品或服務控制權之時間點確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Revenue recognition (Continued)

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(i) Sale of goods

The Group sells goods directly to retail customers within retail stores. Revenue recognised from sale of goods is recognised at a point in time when the product is transferred to the customers. There is generally only one performance obligation. Payment of the transaction price is due immediately when the customers purchase the good. Discounts, coupons and other cash incentive to customers are accounted for as reduction of the transactions prices.

2. 主要會計政策概要(續)

2.10 收入確認(續)

當合約中包含為客戶提供向其轉移貨品或服務超過一年的重大融資利益的融資部分時，收益按應收金額的現值計量，並以本集團與客戶之間於合約開始時的分立融資交易所反映的折現率折現。

當合約中包含為本集團提供重大財務利益的融資部分時，根據合約確認的收益包括按實際利率法計算的合約負債所產生的利息開支。

對於付款與轉移承諾商品或服務之間的期限為一年或以下的合約，交易價格不會根據香港財務報告準則第15號的實際權宜方法就重大融資部分的影響而調整。

(i) 銷售商品

本集團於零售店直接向零售客戶銷售商品。自銷售商品確認的收益乃於產品轉移至客戶的時間點確認。通常僅有一項履約責任。交易價格於客戶購買商品時即時到期支付。提供予客戶的折扣、優惠券及其他現金優惠列賬為交易價格扣減。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Revenue recognition (Continued)

(i) Sale of goods (Continued)

Some of the Group's contracts with customers from the sale of goods provides customers a right of return. These rights of return allow the returned goods to be refund in cash. The right of return gives rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred. In addition, a refund liability and a right to recover returned goods assets are recognised.

(ii) Commissions from concessionaire sales

The Group recognises commission income over time which it is entitled and is based on certain percentage of sales made by the concessionaires in accordance with the terms of contracts. When they fail to meet the minimum guarantee income in accordance with the terms of certain contracts, the minimum guarantee amount is recognised as income as it is the amount that the Group has the right to receive. Invoices are usually payable from 30 to 90 days.

2. 主要會計政策概要(續)

2.10 收入確認(續)

(i) 銷售商品(續)

本集團來自銷售商品的若干客戶合約向客戶提供退貨權。該等退貨權允許退回貨品時獲得現金退款。退貨權產生可變代價。可變代價乃於合約開始時估計並受限制至相關不確定性其後得到解決。對可變代價的限制應用增加將會遞延的收益金額。此外，退款責任及收回被退回商品資產的權利予以確認。

(ii) 專賣銷售佣金

本集團有權收取佣金收入，並根據合約條款所規定專賣銷售的若干百分比予以確認。當未能達致若干合約條款所規定的最低保證收入時，最低保證收入確認為收入，因本集團有權收取最低保證收入。發票通常於30至90日內收取。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Revenue recognition (Continued)

(iii) Customer loyalty programme and prepaid gift cards

The Group operates a customer loyalty programme where retail customers accumulate points for purchases made which entitle them to redeem award points for discounts in future purchase. The transaction price of award points is allocated to the product and the award points on a relative stand-alone selling price basis. Revenue from the award points and prepaid gift cards is recognised when the award points and prepaid gift cards are redeemed. Contract liabilities are recognised until the award points and prepaid gift cards are redeemed. Contract liabilities in relation to customer loyalty programme and prepaid gift cards were included in contract liabilities.

(iv) Variable consideration

For contracts that contain variable consideration, the Group recognises the amount of consideration to which it is entitled using the most likely amount, which better predicts the amount of consideration to which the Group is entitled. The amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

2. 主要會計政策概要(續)

2.10 收入確認(續)

(iii) 客戶長期支持計劃及預付禮品卡

本集團經營客戶長期支持計劃，使零售客戶購物時可以累積獎勵積分並按此客戶可行使獎勵積分以換取日後購物折扣。獎賞分數之交易作價乃按相對獨立之售價基準分攤至產品及獎賞分數。當獎賞分數及預付禮品卡獲行使或其行使期限屆滿時，獎賞分數及預付禮品卡所產生之相關收入將獲確認。直至獎賞分數及預付禮品卡獲行使之前，將確認為合約負債。與客戶長期支持計劃及預付禮品卡有關的合約負債已計入合約負債。

(iv) 可變代價

就包含可變代價的合約而言，本集團使用最可能金額(更佳預測本集團有權收取的代價金額)確認其有權收取的代價金額。可變代價之金額僅在計入交易價格將不會於未來與可變代價相關不確定因素其後獲解決後導致大額收益遭撥回的範圍內計入交易價格。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Revenue recognition (Continued)

(v) Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent). The Group is a principal if it controls the specified goods or service before that goods or service is transferred to a customer. The Group is an agent if its performance obligation is to arrange for the provision of the specified goods or service by another party. In this case, the Group does not control the specified goods or service provided by another party before that goods or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

The Group acts as an agent for concessionaire sales as the Group does not control the specified goods provided by the concessionaires before the goods transferred to a customer.

(vi) Rental income

Rental income under operating leases is recognised in accordance with note 2.11.

2. 主要會計政策概要(續)

2.10 收入確認(續)

(v) 當事人與代理人

當另一方從事向客戶提供貨品或服務，本集團釐定其承諾之性質是否為提供指定貨品或服務本身之履約義務(即本集團為當事人)或安排由另一方提供該等貨品或服務(即本集團為代理人)。倘本集團在向客戶轉讓貨品或服務之前控制指定貨品或服務，則本集團為當事人。倘本集團之履約義務為安排另一方提供指定之貨品或服務，則本集團為代理人。在此情況下，在將貨品或服務轉讓予客戶之前，本集團不控制另一方提供之指定貨品或服務。當本集團為代理人時，應就為換取另一方安排提供之指定貨品或服務預期有權取得之任何收費或佣金之金額確認收益。

本集團為專賣銷售的代理人，因商品轉移至客戶前本集團並不控制專櫃所提供指定商品。

(vi) 租金收入

經營租賃之租金收入乃根據附註2.11確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Revenue recognition (Continued)

(vii) Administration and management fee income

The Group provides administration and management service to operators of concessionaire counters and tenants. The administration and management fee income is recognised overtime when the Group transfers the control of services over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, as the operators of concessionaire counters and tenants receive and consume the benefits simultaneously. Invoices are usually receivable from 30 to 90 days.

(viii) Interest income

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

(ix) Contract assets and contract liabilities

A contract asset represents rights to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional.

A contract liability represents the Group's obligations to transfer services to a customer for which the Group has received consideration, (or an amount of consideration is due) from the customer.

2. 主要會計政策概要(續)

2.10 收入確認(續)

(vii) 行政及管理費收入

本集團向專櫃營運商及租戶提供行政及管理服務。行政管理費收入於本集團根據截至報告期末所提供實際服務(作為將予提供總服務的一部分)隨時間轉移服務控制權時予以確認,因專櫃營運商及租戶同時收取及消費利益。發票通常於30至90日內收取。

(viii) 利息收入

利息收入乃按照本金結存及適用之利率以時間基準累計。

(ix) 合約資產及合約負債

合約資產指換取本集團已轉移予客戶的服務(尚未成為無條件)代價的權利。

合約負債為本集團向客戶轉讓本集團已收取代價的服務的責任,或應自客戶收取代價金額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Leases

(i) The Group as a lessee

All leases are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for both of the choices. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is initially recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

2. 主要會計政策概要(續)

2.11 租賃

(i) 本集團作為承租人

所有租賃須於綜合財務狀況表資本化為使用權資產及租賃負債，惟實體擁有會計政策選擇，可選擇不將(i)屬短期租賃的租賃及／或(ii)相關資產為低值的租賃進行資本化。本集團已選擇不就兩個選項確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租賃期內按直線法支銷。

使用權資產

使用權資產初步按成本確認並將包括：(i)初始計量租賃負債的金額(見下文有關租賃負債入賬的會計政策)；(ii)於開始日期或之前作出的任何租賃付款減已收的任何租賃獎勵；(iii)承租人產生的任何初始直接成本；及(iv)承租人在根據租賃條款及條件規定的情況下分解及移除相關資產時將產生的估計成本，除非該等成本乃為生產存貨而產生則除外。除了符合投資物業之定義之使用權資產外，本集團應用成本模式計量使用權資產。根據成本模式，本集團按成本減任何累計折舊及任何減值虧損計量使用權資產，並就租賃負債的任何重新計量作出調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Leases (Continued)

(i) The Group as a lessee (Continued)

Right-of-use asset (Continued)

The Group accounts for leasehold land and buildings that are held for rental or capital appreciation purpose under HKAS 40 and are carried at fair value. The Group accounts for leasehold buildings which is held for own use under HKAS 16 and are carried at cost less accumulated depreciation. The Group also has leased a number of properties under tenancy agreements which the Group exercises its judgement and determines that it is a separate class of asset from the leasehold buildings which is held for own use. As a result, the right-of-use assets arising from the properties under tenancy agreements are carried at depreciated cost.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

2. 主要會計政策概要(續)

2.11 租賃(續)

(i) 本集團作為承租人(續) *使用權資產(續)*

本集團根據香港會計準則第40號將為租賃或資本增值目的而持有的租賃土地及樓宇入賬並按公平值列賬。本集團根據香港會計準則第16號將持作自用的租賃樓宇入賬並按成本減累計折舊列賬。本集團亦已根據租賃協議租賃若干物業，按本集團自行判斷，確認其為獨立於持作自用租賃樓宇的資產類別。因此，租賃協議項下物業產生的使用權資產按折舊成本列賬。

租賃負債

租賃負債按於租賃開始日期未支付之租賃付款的現值確認。租賃付款將採用租賃暗含的利率貼現(倘該利率可輕易釐定)。倘該利率無法輕易釐定，本集團將採用承租人的增量借款利率。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Leases (Continued)

(i) The Group as a lessee (Continued)

Lease liability (Continued)

The following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payments.

2. 主要會計政策概要(續)

2.11 租賃(續)

(i) 本集團作為承租人(續) *租賃負債(續)*

下列並非於租賃開始日期支付的租賃期內就相關資產之使用權支付之款項被視為租賃付款：(i)固定付款減任何應收租賃獎勵；(ii)初始按開始日期之指數或利率計量的浮動租賃付款(取決於指數或利率)；(iii)承租人根據剩餘價值擔保預期應付的款項；(iv)倘承租人合理確定行使購買選擇權，該選擇權的行使價；及(v)倘租賃期反映承租人行使選擇權終止租賃，終止租賃之罰款付款。

於開始日期後，本集團將透過下列方式計量租賃負債：(i)增加賬面值以反映租賃負債的利息；(ii)減少賬面值以反映作出的租賃付款；及(iii)重新計量賬面值以反映任何重估或租賃修訂，或反映實質固定租賃付款修訂。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Leases (Continued)

(i) The Group as a lessee (Continued)

Lease liability (Continued)

When the Group renegotiates the contractual terms of a lease with the lessor, if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease, in all other cases, where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount. With the exception to which the practical expedient for COVID-19-Related Rent Concessions applies (see note 3(a)), if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date and the right-of-use asset is adjusted by the same amount.

2. 主要會計政策概要(續)

2.11 租賃(續)

(i) 本集團作為承租人(續) *租賃負債(續)*

當本集團與出租人重新磋商租賃合約條款時，倘重新磋商導致以與獲得額外使用權的單獨價格相當的金額租賃一項或多項額外資產，則該修改入賬列為單獨租賃，在所有其他情況下，倘重新磋商增加租賃範圍(無論為延長租期，或租賃一項或多項額外資產)，則使用於修改日期適用的貼現率重新計量租賃負債，且使用權資產按相同金額進行調整。除COVID-19相關租金優惠採用的可行權宜方法(參見附註3(a))外，倘重新磋商導致租賃範圍減小，則租賃負債的賬面值及使用權資產按相同比例減少，以反映部分或全部終止租賃，而任何差額於損益確認。其後對租賃負債進行進一步調整，以確保其賬面值反映經重新磋商期限內重新磋商的付款金額，經修改的租賃款項按於修改日期適用的比率貼現，且使用權資產按相同金額進行調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Leases (Continued)

(ii) The Group as a lessor

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

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate leases. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

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

Any changes in the scope of the consideration for a lease that was not part of the original terms and conditions of the lease are accounted for as lease modifications. The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, recognising the remaining lease payments as income on either a straight-line basis or another systematic basis over the remaining lease term.

2. 主要會計政策概要(續)

2.11 租賃(續)

(ii) 本集團作為出租人

凡租賃條款將租賃資產擁有權的絕大部分風險及回報轉移至承租人的租賃，均列作融資租賃。所有其他租賃則列作經營租賃。

倘本集團為中間出租人，其將總租約及分租約入賬為兩份獨立租約。經參考總租約產生的使用權資產，分租被分類為融資或經營租賃。

經營租約之租賃收入按直線法於相關租期內在損益確認。磋商及安排經營租約產生的初步直接成本加入出租資產的賬面值，並按租期以直線基準於開支確認。

租賃代價的範圍作出不屬於原租賃條款及條件一部份的改變將作為租賃修訂入賬。本集團自修訂生效日起將經營租賃修訂作為新租賃入賬，租賃付款餘額於餘下的租賃期內按直線法或另一體系基準確認為收入。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Inventories and consumables

Inventories comprise merchandise for resale and are stated at lower of cost and net realisable value. Cost of merchandise, representing the purchase cost, is calculated on the first-in first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make to sale.

Consumables for own consumption are stated at cost. Cost is determined using the weighted average method.

2.13 Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill not deductible for tax purposes and initial recognition of assets and liabilities that are not part of the business combination which affect neither accounting nor taxable profits, taxable temporary differences arising on investments in subsidiaries, associates and joint ventures 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 liabilities are recognised for all taxable temporary differences.

2. 主要會計政策概要(續)

2.12 存貨及易耗品

存貨包括為轉售商品，以成本值與可變現淨值兩者的較低者入賬。商品成本值(即購入成本)以先進先出法計算。可變現淨值乃按於日常業務中的預計銷售價減預計銷售成本。

自用的易耗品按成本入賬。成本以加權平均法釐定。

2.13 所得稅

年內所得稅包括即期及遞延稅項。

即期稅項乃根據日常業務中的損益項目計算，並根據就所得稅而言屬非課稅或不獲減免項目而作出調整，以及使用於結算日已制定或大致制定的稅率計算。應付或應收即期稅項的金額為預期將予支付或收取稅項金額的最佳估計，該金額反映與所得稅有關的任何不明朗因素。

遞延稅項乃就用於財務申報目的之資產及負債的賬面值與用於稅務目的之相應金額之間的暫時差額確認。除不可在稅務方面獲得扣減的商譽及不屬於不影響會計或應稅溢利的業務合併部分的資產或負債的初始確認、於附屬公司、聯營公司及合營企業的投資產生的應課稅暫時差額(當中本集團能夠控制暫時差額的撥回且暫時差額不會於可見將來撥回)以外，會就所有應課稅暫時差額確認遞延稅項負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Income taxes (Continued)

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences are not arisen from initial recognition of assets and liabilities in a transaction other than in a business combination that affects neither taxable profit nor the accounting profit. Deferred tax is measured at the tax rate appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period, and reflects any uncertainty related to income taxes.

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

The carrying amounts of deferred tax assets are reviewed at each reporting date 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 assets to be recovered.

2. 主要會計政策概要(續)

2.13 所得稅(續)

遞延稅項資產於可能有應課稅溢利以抵銷應課稅之暫時差額時確認，前提為應課稅之暫時差額並非由不影響應課稅溢利及會計溢利之業務合併以外的交易中資產及負債的初步確認產生。遞延稅項乃按適用於預期變現資產或清償負債賬面值的方式以及於報告期末已頒佈或實質上已頒佈的稅率計量，並反映與所得稅有關的任何不明朗因素。

倘有合法強制執行權利以即期稅項資產抵銷即期稅項負債，而該等資產與負債乃與同一稅務當局所徵收之所得稅有關，及本集團有意按淨值基準清償其即期稅項資產與負債，則遞延稅項資產與負債可予以抵銷。

所有可扣減之暫時差額遞延稅項資產的賬面值於各報告日期檢討，並減少至不再可能有足夠應課稅溢利以供收回全部或部分資產。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Income taxes (Continued)

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 “Investment Property”. Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Income taxes are recognised in profit or loss except when they relate to items recognised in OCI in which case the taxes are also recognised in OCI or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

2.14 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value, and have a short maturity of generally within 3 months when acquired.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at bank which are not restricted as to use.

2. 主要會計政策概要(續)

2.13 所得稅(續)

對於計量遞延稅項金額時用於釐定適合稅率的一般規定而言，有一個例外情況，即投資物業根據香港會計準則第40號「投資物業」而按公平值列賬。除非該假定被推翻，否則該等投資物業之遞延稅項金額，乃以出售該等投資物業時所適用稅率，以及按其於報告日期之賬面值計量。倘投資物業可計提折舊並根據一個商業模式而持有，而該商業模式的目的是隨著時間推移而消耗該物業所體現的絕大部份經濟利益（而不是通過出售）時，該假定即被推翻。

所得稅乃於損益內確認，除非所得稅與於其他全面收益中確認的項目有關則作別論，而在此情況下，稅項亦於其他全面收益內確認，或除非該等稅項與於權益直接確認的項目有關，而在此情況下，該等稅項亦直接於權益內確認。

2.14 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭及銀行現金、銀行活期存款以及可隨時轉換為已知數額現金、價值變動風險不大且期限較短（一般於購入後三個月內到期）之短期及高度流通投資（原到期日為三個月或以下）。

就綜合財務狀況表而言，現金及現金等價物包括並無限制用途之手頭及銀行現金。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. Trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

2. 主要會計政策概要(續)

2.15 金融工具

(i) 金融資產

金融資產(並無重大融資部分的應收貿易賬款除外)首次按公平價值加上與收購或發行金融資產直接應佔的交易成本計量(倘屬並非按公平值計入損益(「按公平值計入損益」)的項目)。並無重大融資部分的應收貿易賬款首次按交易價格計量。

所有以常規方式購買及出售的金融資產均於交易日(即本集團承諾購買或出售資產之日)確認。以常規方式購買或出售指需在市場規例或慣例規定的期限內交付的金融資產購買或出售。

確定具有嵌入衍生工具的金融資產的現金流量是否僅為支付本金及利息時，應整體考慮該等金融資產。

債務工具

債務工具的後續計量取決於本集團管理該資產的業務模式以及該資產的現金流量特徵。本集團將債務工具分為以下三種計量類別：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Financial instruments (Continued)

(i) Financial assets (Continued)

Debt instruments (Continued)

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

Fair value through other comprehensive income (“FVTOCI”): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVTOCI. Debt investments at FVTOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

2. 主要會計政策概要(續)

2.15 金融工具(續)

(i) 金融資產(續)

債務工具(續)

攤銷成本：對於持有作收取合約現金流量的資產，如果現金流量僅代表本金和利息的付款，則該資產按攤銷成本計量。按攤銷成本計量之金融資產其後採用實際利率法計量。利息收入、匯兌收益及虧損以及減值在損益確認。終止確認的任何收益均在損益確認。

按公平值計入其他全面收益(「按公平值計入其他全面收益」)：倘為收取合約現金流量及出售金融資產而持有的資產的現金流量僅為支付本金及利息，則該等資產按公平值計入其他全面收益計量。按公平值計入其他全面收益之債務投資其後按公平值計量。使用實際利率法計算的利息收入、匯兌收益及虧損及減值乃於損益確認。其他收益及虧損淨額於其他全面收益確認。取消確認時，其他全面收益累計的收益及虧損重新分類至損益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Financial instruments (Continued)

(i) Financial assets (Continued)

Debt instruments (Continued)

FVTPL: Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVTOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

2. 主要會計政策概要(續)

2.15 金融工具(續)

(i) 金融資產(續)

債務工具(續)

按公平值計入損益：此等資產包括持作買賣的金融資產、於初始確認時指定按公平值計入損益的金融資產，或強制要求以公平值計量的金融資產。倘收購金融資產旨在於近期內出售或購回，則歸類為持作買賣。衍生工具(包括單獨的嵌入衍生工具)亦歸類為持作買賣，除非被指定為有效對沖工具。

現金流量不僅為本金和利息付款的金融資產按公平值計入損益進行分類及計量，而不論其業務模式為何。儘管如上文所述債務工具可分類為以攤銷成本列賬或按公平值計入其他全面收益，倘能夠消除或顯著減少會計錯配，則債務工具或會於初步確認時指定為按公平值計入損益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Financial instruments (Continued)

(i) Financial assets (Continued)

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. Equity investments at FVTOCI are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on trade receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12-months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

2. 主要會計政策概要(續)

2.15 金融工具(續)

(i) 金融資產(續)

股本工具

初步確認並非持作買賣的股本投資時，本集團可選擇不可撤銷地在其他全面收益中呈列投資公平價值的其後變動。此選擇是視乎每個投資的基礎而作出。按公平值計入其他全面收益的股本投資按公平值計量。股息收入在損益中確認，除非股息收入明確代表回收部分投資成本。其他淨收益及虧損於其他全面收益確認，並不會重新分類至損益。所有其他股本工具分類為按公平值計入損益，當中公平價值、股息及利息收入的變動在損益中確認。

(ii) 金融資產之減值虧損

本集團就應收貿易賬款及按攤銷成本計量之金融資產確認預期信貸虧損(「預期信貸虧損」)的虧損撥備。預期信貸虧損按以下其中一項基準計量：(1)十二個月預期信貸虧損：其為於報告日期後十二個月內發生的潛在違約事件導致的預期信貸虧損；及(2)全期預期信貸虧損：此乃於財務工具預計年內所有可能的違約事件產生的預期信貸虧損。於估計預期信貸虧損時所考慮的最長期間為本集團面對信貸風險的最長合約期間。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

Measurements of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group measured loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on lifetime ECLs except when there has not been a significant increase in credit risk since initial recognition, in which case the allowance will be based 12-month ECLs.

2. 主要會計政策概要(續)

2.15 金融工具(續)

(ii) 金融資產之減值虧損(續)

預期信貸虧損之計量

預期信貸虧損是信貸虧損的概率加權估計。信貸虧損乃按根據合約應付予本集團的所有合約現金流量與本集團預期收取的所有現金流量之間的差額計量。差額其後按資產原有實際利率的近似值貼現。

本集團採納香港財務報告準則第9號簡化法計量應收貿易賬款的虧損撥備，並根據全期預期信貸虧損計算預期信貸虧損。本集團已設立根據本集團過往信貸虧損經驗計算的撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

就其他債務金融資產而言，預期信貸虧損以12個月預期信貸虧損為基準，惟信貸風險自初始認起顯著增加時，撥備將以全期預期信貸虧損為基準。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

Significant increases in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

2. 主要會計政策概要(續)

2.15 金融工具(續)

(ii) 金融資產之減值虧損(續)

信貸風險顯著增加

當釐定金融資產的信貸風險自初步確認後是否顯著增加及於估計預期信貸虧損時，本集團會考慮相關及毋須付出過多成本或努力即可獲得的合理及有理據的資料。此包括根據本集團的過往經驗及已知信貸評估得出的定量及定性資料分析，並包括前瞻性資料。

本集團會比較於報告日期評估及於初步確認日期評估的金融工具發生違約的風險。於重新評估時，本集團認為，倘(i)於本集團未有採取追索行動，如變現抵押品(倘持有任何抵押品)的情況下，借款人全數履行其對本集團之信貸責任的可能性不大；或(ii)金融資產已逾期90天，則構成違約事件。本集團會考慮合理可靠的定量及定性資料，包括過往經驗及毋需付出不當成本或努力即可獲得的前瞻性資料。

視乎金融工具的性质而定，信貸風險顯著增加的評估乃按個別基準或共同基準進行。倘評估為按共同基準進行，金融工具則按共同的信貸風險特徵(如逾期狀況及信貸風險評級)進行分組。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

Significant increases in credit risk (Continued)

The Group considers a financial asset to be credit-impaired when: (i) significant financial difficulty of the debtor; (ii) a breach of contract, such as a default or delinquency in interest or principal payments; (iii) it is probable that the debtor will enter bankruptcy or other financial reorganisation; (iv) significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtors; or (v) the disappearance of an active market for a security because of financial difficulties of the issuer.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2. 主要會計政策概要(續)

2.15 金融工具(續)

(ii) 金融資產之減值虧損(續)

信貸風險顯著增加(續)

本集團認為金融資產於下列情況下將出現信貸減值：(i)債務人陷入嚴重財務困難；(ii)違反合約，如拖欠或拖延利息或本金付款；(iii)本集團根據其他情況下不會考慮之條款重組貸款或墊款；(iv)科技、市場、經濟或法律環境出現對債務人造成不利影響的重大變化；或(v)因發行人財務困難而導致該項抵押品失去活躍市場。

本集團就所有金融工具於損益確認減值收益或虧損，並通過虧損撥備賬對彼等之賬面值作出相應調整。

撇銷政策

倘有資料顯示債務人陷入嚴重財困，且並無收回款項的實際可能時，本集團會撇銷金融資產。經計及在適當情況下的法律意見後，已撇銷的金融資產仍可根據本集團的收回程序實施強制執行。任何收回款項會於損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

Basis of calculation of interest income

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVTPL are initially measured at fair value and financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade payables, other payables and accruals, amount due to a director, borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

2. 主要會計政策概要(續)

2.15 金融工具(續)

(ii) 金融資產之減值虧損(續)

計算利息收入之基準

信貸減值金融資產的利息收入乃根據金融資產的攤銷成本(即總賬面值減虧損撥備)計算。對於非信貸減值金融資產，利息收入根據總賬面值計算。

(iii) 金融負債

本集團視乎負債產生的因由而對金融負債分類。按公平值計入損益的金融負債初步按公平值計量及按攤銷成本列賬的金融負債初步按公平值扣除直接應佔已產生成本計量。

按攤銷成本列賬的金融負債

按攤銷成本列賬的金融負債包括貿易應付款項、其他應付款項及應計費用、應付一名董事款項、借貸及租賃負債，於其後以實際利率法按攤銷成本計量。有關利息開支會於損益內確認。

當負債終止確認及進行攤銷時，收益或虧損於損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Financial instruments (Continued)

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

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

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

2.16 Employee benefits

Short-term employee benefits

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2. 主要會計政策概要(續)

2.15 金融工具(續)

(iv) 實際利率法

實際利率法為計算金融資產或金融負債攤銷成本之方法，亦用於在相關期內分配利息收入或利息開支。實際利率為於金融資產或負債之預計有效期或(如適用)更短期間內，實際貼現估計未來所收或所付現金之利率。

(v) 股本工具

由本公司發行的股本工具按已收所得款項扣除直接發行成本入賬。

(vi) 終止確認

本集團在與金融資產有關的未來現金流量合約權利屆滿，或金融資產已轉讓，且該轉讓根據香港財務報告準則第9號符合終止確認標準時，終止確認金融資產。

倘於有關合約的指定責任獲解除、註銷或到期時，則會終止確認金融負債。

2.16 僱員福利

短期僱員福利

僱員享有的年假於僱員可享有時確認，並就截至報告日期為止因僱員所提供服務而享有的年假的估計負債作出撥備。

病假及產假等非累積有薪假期於提取假期時方予確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Employee benefits (Continued)

Retirement benefits

Pursuant to the relevant regulations of the PRC government, the Group participates in a local municipal government retirement benefit scheme (the "Retirement Scheme"), whereby the subsidiaries of the Company in the PRC are required to contribute certain percentages of the basic salaries of its employees to the Retirement Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefit obligations of all existing and future retired employees of the subsidiaries of the Company in the PRC. The only obligation of the Group with respect to the Retirement Scheme is to pay the ongoing required contributions under the Retirement Scheme. Contributions under the Retirement Scheme are charged to profit or loss as incurred. There are no provisions under the Retirement Scheme whereby forfeited contributions may be used to reduce future contributions.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all employees in Hong Kong who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit or loss as they become payable in accordance with the rules of the MPF Scheme.

2. 主要會計政策概要(續)

2.16 僱員福利(續)

退休福利

根據中國政府相關規例，本集團參與地方政府退休福利計劃(「退休計劃」)，本公司於中國之附屬公司須向退休計劃作出相當於僱員基本薪金若干百分比之供款，為彼等之退休福利提供資金。地方政府承諾承擔本公司中國附屬公司所有現有及未來退休僱員之退休福利責任。本集團對退休計劃之唯一責任為持續支付退休計劃項下所需之供款。退休計劃項下供款於產生時於損益扣除。退休計劃項下並無沒收供款可用作扣減日後供款之條文。

本集團根據強制性公積金計劃條例，為所有合資格參與強制性公積金退休福利計劃(「強積金計劃」)的香港僱員設立定額供款強積金計劃。根據強積金計劃規則，供款乃按僱員基本薪金的某一百分比作出，並於應付時在損益扣除。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Government grants

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

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

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

2. 主要會計政策概要(續)

2.17 政府補貼

在合理地保證本集團將會遵守政府補助的附帶條件以及將會得到補助後，政府補助方會予以確認。

政府補助於本集團將補助擬補償的相關成本確認為開支的期間系統地在損益中確認。具體而言，首要條件為本集團應購置、建造或以其他方式收購非流動資產(包括物業、廠房及設備)的政府補助於財務狀況表內確認為遞延收入，並於有關資產的可使用年期內系統及合理地轉撥至損益。

作為已產生的開支或虧損的補償或旨在給予本集團的即時財務支援(無日後相關成本)的應收政府補助，會於有關補助成為應收款項及確認為其他收益(而非減少相關開支)的期間在損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.19 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

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

2. 主要會計政策概要(續)

2.18 股本

普通股乃列作權益。股本以已發行股份的面值釐定。

任何與發行股份相關的交易成本自股份溢價扣除(減去任何有關所得稅利益)，惟以股本交易直接應佔的遞增成本為限。

2.19 撥備及或然負債

倘本集團因過去事件須承擔法定或推定責任，而履行有關責任很可能引致能可靠估計經濟利益的流出，則會就未確定時間或金額的負債確認撥備。

倘不大可能需要經濟效益流出以履行責任或金額未能可靠估計，則該等責任將披露作或然負債，除非出現經濟效益流出的可能性極微。可能出現的責任(僅於一項或多項未來事件發生或不發生的情況下方能確定)亦披露為或然負債，除非出現經濟效益流出的可能性極微。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

2. 主要會計政策概要(續)

2.20 關聯方

- (a) 符合以下條件的人士或其近親被視為與本集團有關聯：
- (i) 可控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 本集團或本公司母公司主要管理人員的成員。
- (b) 符合以下任何條件的實體被視為與本集團有關聯：
- (i) 實體與本集團為同一集團旗下成員(即母公司與各附屬公司及同系附屬公司均為相互的關聯人士)。
 - (ii) 實體為另一家實體的聯營公司或合營企業(或實體為該另一家實體的集團成員的聯營公司或合營企業)。
 - (iii) 兩家實體為同一家第三方的合營企業。
 - (iv) 實體為一家第三方實體的合營企業及另一家實體為該第三方實體的聯營公司。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Related parties (Continued)

(b) (Continued)

- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

2. 主要會計政策概要(續)

2.20 關聯方(續)

(b) (續)

- (v) 實體乃為本集團或與本集團有關聯的實體僱員利益而設的退休福利計劃。
- (vi) 實體被(a)項界定的人士控制或共同控制。
- (vii) 在(a)(i)項界定的人士對實體有重大影響，或該人士為實體(或實體的母公司)的主要管理人員。
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團母公司提供主要管理人員服務。

某一人士的近親為該等與實體進行買賣時預期可影響該名人士或受該名人士影響的家族成員，及包括：

- (i) 該名人士子女及配偶或家庭夥伴；
- (ii) 該名人士的配偶或家庭夥伴的子女；及
- (iii) 該名人士或該名人士的配偶或家庭夥伴的受養人。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major operations.

3. ADOPTION OF NEW OR AMENDED HKFRS

(a) Adoption of new/amended HKFRS – effective 1 January 2020

The Hong Kong Institute of Certified Public Accountants has issued a number of new or amended HKFRS that are first effective for the current accounting period of the Group:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

None of these new or amended HKFRS has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRS that is not yet effective for the current accounting period except for the amendment to HKFRS 16, COVID-19-Related Rent Concessions. Impact on the applications of these amended HKFRS are summarised below.

2. 主要會計政策概要(續)

2.21 分部報告

本集團根據定期就供執行董事決定分配資源至本集團業務部分及審閱該等部分之表現而向彼等呈報之內部財務資料，確定經營分部及編製分部資料。向執行董事呈報之內部財務資料中之業務部分乃按本集團之主要業務釐定。

3. 採納新訂或經修訂香港財務報告準則

(a) 採納新訂／經修訂香港財務報告準則 – 二零二零年一月一日生效

香港會計師公會已頒佈多項於本集團本會計期間首次生效的新訂或經修訂香港財務報告準則：

香港財務報告準則第3號 (修訂本)	業務之定義
香港會計準則第1號及香港會計準則第8號 (修訂本)	重大性之定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率基準改革

該等新訂或經修訂香港財務報告準則概無對本期間或過往期間本集團的業績及財務狀況構成重大影響。除香港財務報告準則第16號的修訂本「Covid-19-相關租金寬減」外，本集團並無提早應用任何於本會計期間尚未生效的新訂或經修訂香港財務報告準則。應用該等經修訂香港財務報告準則的影響概述如下。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. ADOPTION OF NEW OR AMENDED HKFRS (Continued)

(a) Adoption of new/amended HKFRS – effective 1 January 2020 (Continued)

Amendment to HKFRS 16, COVID-19-Related Rent Concessions

HKFRS 16 was amended to provide a practical expedient to lessees in accounting for rent concessions arising as a result of the COVID-19 pandemic, by including an additional practical expedient in HKFRS 16 that permits entities to elect not to account for rent concessions as modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 pandemic and only if all of the following criteria are satisfied:

- (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (ii) the reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (iii) there is no substantive change to other terms and conditions of the lease.

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則 – 二零二零年一月一日生效(續)

香港財務報告準則第16號(與COVID-19相關的租金優惠)的修訂

修訂香港財務報告準則第16號，為承租人提供實際權宜之計，以應付因COVID-19疫情而產生的租金減免，方法是在香港財務報告準則第16號中加入一項額外的實際權宜之計，允許實體選擇不計入租金減免作為修改。實際的權宜之計僅適用於COVID-19疫情直接導致的租金優惠，並且必須滿足以下所有條件：

- (i) 租賃付款的變更導致租賃的修訂對價與變更前的租賃對價實質上相同或小於該對價；
- (ii) 租賃付款的減少僅影響原定於二零二一年六月三十日或之前到期的付款；和
- (iii) 租賃的其他條款和條件沒有實質性變化。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. ADOPTION OF NEW OR AMENDED HKFRS (Continued)

(a) Adoption of new/amended HKFRS – effective 1 January 2020 (Continued)

Amendment to HKFRS 16, COVID-19-Related Rent Concessions (Continued)

Rent concessions that satisfy these criteria may be accounted for in accordance with this practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of lease modification. Lessees shall apply other requirements of HKFRS 16 in accounting for the rent concession.

Accounting for rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

The Group has elected to utilise the practical expedient for all rent concessions that meet the criteria. In accordance with the transitional provisions, the Group has applied the amendment retrospectively, and has not restated prior period figure. As the rent concessions have arisen during the current financial period, there is no retrospective adjustment to opening balance of retained earnings at 1 January 2020 on initial application of the amendment.

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則 – 二零二零年一月一日生效(續)

香港財務報告準則第16號(與COVID-19相關的租金優惠)的修訂(續)

符合這些條件的租金減讓可以按照該實際權宜法進行核算，這意味著承租人無需評估租金減讓是否符合租賃修改的定義。承租人應採用香港財務報告準則第16號的其他要求來計算租金優惠。

將租金減讓作為租賃變更進行會計處理，將導致本集團使用經修訂的折現率對租賃負債進行重新計量，以反映經修訂的對價，並將租賃負債的變化記錄為使用權資產。通過採用實際的權宜之計，本集團無需確定修訂的折現率，並且在發生觸發租金減讓的事件或條件的期間，租賃負債變動的影響反映在損益中。

本集團已選擇將實際權宜之計用於所有符合該準則的租金優惠。根據過渡性規定，本集團已追溯應用該修訂，未重述上期數字。由於在當前財政期間出現了租金減免，因此，在最初應用該修正案的情況下，對二零二零年一月一日的未分配利潤的期初餘額沒有追溯調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. ADOPTION OF NEW OR AMENDED HKFRS (Continued)

(b) New/amended HKFRS that have been issued but are not yet effective

The following new/amended HKFRS, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ⁴
Amendments to HK Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁴
Amendments to HKAS 16	Property, plant and equipment: Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
HKFRS 17	Insurance Contracts ⁴
Amendments to HKFRS 3	Reference to the Conceptual Framework ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ¹
Annual Improvements to HKFRSs 2018-2020 ²	

3. 採納新訂或經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則

以下與本集團綜合財務報表可能有關的新訂／經修訂香港財務報告準則已經頒佈，但尚未生效且本集團並無提早採納。本集團目前擬在有關變動生效當日採用。

香港會計準則第1號(修訂本)	負債的流動或非流動分類 ⁴
香港詮釋第5號(二零二零年)(修訂本)	財務報表的呈列－借入人對包含按要求條款還款的定期貸款的分類 ⁴
香港會計準則第16號(修訂本)	物業、廠房及設備：作擬定用途前的所得款項 ²
香港會計準則第37號(修訂本)	繁重合約－履行合約的成本 ²
香港財務報告準則第17號	保險合約 ⁴
香港財務報告準則第3號(修訂本)	提述概念框架 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營企業之間的資產出售或注資 ⁵
香港會計準則第39號、香港財務報告準則第4號、香港財務報告準則第7號、香港財務報告準則第9號及香港財務報告準則第16號(修訂本)	利率基準改革－第2期 ¹
香港財務報告準則二零一八年至二零二零年週期之年度改進 ²	

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. ADOPTION OF NEW OR AMENDED HKFRS (Continued)

(b) New/amended HKFRS that have been issued but are not yet effective (Continued)

- 1 Effective for annual periods beginning on or after 1 January 2021
- 2 Effective for annual periods beginning on or after 1 January 2022
- 3 Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022
- 4 Effective for annual periods beginning on or after 1 January 2023
- 5 The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Int 5 (2020) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Int 5 (2020) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

3. 採納新訂或經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則(續)

- 1 於二零二一年一月一日或之後開始之年度期間生效
- 2 於二零二二年一月一日或之後開始之年度期間生效
- 3 適用於收購日期為二零二二年一月一日或之後開始的第一個年度期間開始之日或之後的業務合併
- 4 於二零二三年一月一日或之後開始之年度期間生效
- 5 該等修訂本將追溯適用於在待釐定日期當日或之後開始的年度期間所發生的資產出售或出資

香港會計準則第1號(修訂本)－負債的流動或非流動分類及香港詮釋第5號(二零二零年)(修訂本)，財務報表的呈列－借款人對包含按要求條款還款的定期貸款的分類

該等修訂本規定，將負債分類為流動或非流動乃基於報告期末存在的權利，並訂明分類不受有關實體是否會行使其延遲清償負債的權利的預期影響，並解釋倘在報告期末遵守契諾，則權利即告存在。該等修訂本亦引入「結算」的定義，以明確結算是指將現金、股權工具、其他資產或服務轉讓予合約對方。

香港詮釋第5號(二零二零年)已因二零二零年八月頒佈的香港會計準則第1號(修訂本)而作出修訂。經修訂香港詮釋第5號(二零二零年)更新了詮釋中的措辭，以與香港會計準則第1號(修訂本)一致，但結論並無變動，亦不會更改現行規定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. ADOPTION OF NEW OR AMENDED HKFRS (Continued)

(b) New/amended HKFRS that have been issued but are not yet effective (Continued)

Amendments to HKAS 16, Property, plant and equipment: Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

Amendments to HKAS 37, Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contracts. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

HKFRS 17 – Insurance Contracts

The new standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes HKFRS 4, Insurance Contracts. The standard outlines a 'General Model', which is modified for insurance contracts with direct participation features, described as the 'Variable Fee Approach'. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.

3. 採納新訂或經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則(續)

香港會計準則第16號(修訂本)－物業、廠房及設備：作擬定用途前的所得款項

該等修訂本禁止從物業、廠房及設備項目成本中扣除出售任何使資產達到管理層擬定的營運方式所需的地點及狀況時產生的項目的所得款項。相反，出售該等項目的所得款項及生產該等項目的成本則於損益中確認。

香港會計準則第37號(修訂本)－繁重合約－履行合約的成本

該等修訂本訂明，「履行合約的成本」包括「與合約直接有關的成本」。與合約直接有關的成本可以是履行該合約的增量成本(如直接勞工及材料)或與履行合約直接有關的其他成本的分配(如履行合約所使用的物業、廠房及設備項目的折舊費用的分配)。

香港財務報告準則第17號－保險合約

該新訂準則確立了保險合約的確認、計量、呈列和披露的原則，並取代了香港財務報告準則第4號保險合約。該準則概述了一個「通用模型」，針對具有直接參與特徵的保險合約進行了修改，稱為「可變費用法」。倘若通過使用保險費分配方法來衡量剩餘保險的責任，則可以簡化通用模型。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. ADOPTION OF NEW OR AMENDED HKFRS (Continued)

(b) New/amended HKFRS that have been issued but are not yet effective (Continued)

Amendments to HKFRS 3, Reference to the Conceptual Framework

The amendments update HKFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK(IFRIC)-Int 21 Levies, the acquirer applies HK(IFRIC)-Int 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

3. 採納新訂或經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則(續)

香港財務報告準則第3號(修訂本)－提述概念框架

該等修訂本更新了香港財務報告準則第3號，使其參考經修訂二零一八年財務報告的概念框架而非二零一零年頒佈的版本。該等修訂本在香港財務報告準則第3號中增添一項規定，即就香港會計準則第37號範圍內的義務而言，收購方應用香港會計準則第37號釐定於收購日期是否因過往事件而存在現有義務。對於香港(國際財務報告詮釋委員會)－詮釋第21號徵款範圍內的徵款，收購方應用香港(國際財務報告詮釋委員會)－詮釋第21號以釐定導致支付徵款責任的責任事件是否已於收購日期發生。該等修訂本亦增添一項明確聲明，即收購方不會確認在業務合併中收購的或然資產。

香港財務報告準則第10號及香港會計準則第28號(修訂本)－投資者及其聯營公司或合營企業之間資產出售或投入

該等修訂本闡明存在投資者與其聯營公司或合營企業之間的資產出售或注資的情況。當與採用權益法入賬的聯營公司或合營企業進行交易時，因喪失對不包含業務的附屬公司的控制權而產生的任何收益或虧損僅以非關聯投資者在該聯營公司或合營企業的權益為限在損益中確認。同樣地，將任何前附屬公司(已成為聯營公司或合營企業)的保留權益按公平值重新計量而產生的任何收益或虧損，僅以非關聯投資者於新聯營公司或合營企業的權益為限在損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. ADOPTION OF NEW OR AMENDED HKFRS (Continued)

(b) New/amended HKFRS that have been issued but are not yet effective (Continued)

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16, Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the “Reform”). The amendments complement those issued in November 2019 and relate to (a) changes to contractual cash flows in which an entity will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate; (b) hedge accounting in which an entity will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and (c) disclosures in which an entity will be required to disclose information about new risks arising from the Reform and how it manages the transition to alternative benchmark rates.

Annual Improvements to HKFRSs 2018-2020

The annual improvements amends a number of standards, including:

- HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards, which permit a subsidiary that applies paragraph D16(a) of HKFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to HKFRSs.

3. 採納新訂或經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則(續)

香港會計準則第39號、香港財務報告準則第4號、香港財務報告準則第7號、香港財務報告準則第9號及香港財務報告準則第16號(修訂本)－利率基準改革－第2期

該等修訂本解決因利率基準改革(「改革」)而導致公司以替代基準利率取代舊利率基準時可能影響財務報告的問題。該等修訂本與二零一九年十一月發佈的修訂本相輔相成，涉及(a)合約現金流變動，實體無需因改革所要求的變動而終止確認或調整金融工具的賬面金額，而是更新實際利率以反映替代基準利率的變動；(b)對沖會計法，倘對沖符合其他對沖會計標準，實體無須純粹因改革所要求的變動而終止其對沖會計法；及(c)披露資料，實體須披露關於改革所帶來的新風險的資料，以及如何管理向替代基準利率的過渡。

香港財務報告準則二零一八年至二零二零年週期之年度改進

年度改進對多項準則進行了修訂，包括：

- 香港財務報告準則第1號「首次採納香港財務報告準則」，允許應用香港財務報告準則第1號第D16(a)段的附屬公司根據母公司過渡至香港財務報告準則的日期，使用母公司報告的金額計量累計匯兌差額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. ADOPTION OF NEW OR AMENDED HKFRS (Continued)

(b) New/amended HKFRS that have been issued but are not yet effective (Continued)

Annual Improvements to HKFRSs 2018-2020 (Continued)

- HKFRS 9, Financial Instruments, which clarify the fees included in the '10 per cent' test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other's behalf are included.
- HKFRS 16, Leases, which amend Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- HKAS 41, Agriculture, which remove the requirement to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. 採納新訂或經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則(續)

香港財務報告準則二零一八年至二零二零年週期之年度改進(續)

- 香港財務報告準則第9號「金融工具」，闡明香港財務報告準則第9號第B3.3.6段「10%」測試所包括的費用，以評估是否終止確認金融負債，並解釋僅實體與貸款人之間支付或收取的費用，包括實體或貸款人代表其他方支付或收取的費用。
- 香港財務報告準則第16號「租賃」，修訂第13項範例以刪除由出租人償還租賃裝修的說明，進而解決因該示例中租賃優惠的說明方式而可能產生的任何有關租賃優惠處理的潛在混淆。
- 香港會計準則第41號「農業」，已刪除以現值法計量生物資產的公平值時不包括稅項現金流量的規定。

本集團正在評估該等修訂本及新準則於首次應用期間的預期影響。截至目前本集團認為採納該等修訂本及新準則不大可能對綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the Directors are required to make judgments, 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. Given COVID-19 pandemic has created and may continue to create significant uncertainty in macroeconomic conditions, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There is significant ongoing uncertainty surrounding the COVID-19 pandemic and the extent and duration of impacts that it may have on operations of the Group. There is heightened potential for future credit losses on receivables, impairments of property, plant and equipment, right-of-use assets and intangible assets. In the current environment, assumptions about results of operation of the Group and customer creditworthiness have greater variability than normal, which could in the future significantly affect the valuation of the Group's assets, both financial and non-financial. The Group's cash flow projections for certain assets are based on a longer time horizon due to the long-term nature of its underlying contracts, allowing time for a recovery of such assets. As an understanding of the long-term impacts of COVID-19 pandemic on the Group's customers and business develops, there is heightened potential for changes in these views over the remainder of 2021.

4. 重要會計估計及估計不確定因素的主要來源

於應用本集團的會計政策時，董事須對未能從其他來源確定的資產及負債的賬面值作出判斷、估計及假設。有關估計及關聯假設以過往經驗及其他被視為相關的因素為依據。鑑於COVID-19疫情已經及可能繼續對宏觀經濟狀況造成重大不確定性，實際結果可能有別於此等估計。

估計及相關假設須持續檢討。倘會計估計的修訂僅影響作出修訂的期間，則有關修訂會在該期間確認，或倘修訂對現時及未來期間均有影響，則在作出修訂的期間及未來期間確認。

有關COVID-19疫情及其可能對本集團的經營產生影響的程度及持續時間存在很大不確定性。應收款項、物業、廠房及設備減值、使用權資產以及無形資產未來產生信貸虧損的可能性增加。在當前的環境下，對有關本集團的經營業績以及客戶信譽的假設較一般情況下有更大變動，這未來可能會對本集團的金融及非金融資產的估值有重大影響。鑒於相關合約的長期性質，本集團對若干資產的現金流量預測乃基於較長時間範圍而作出，並已預留收回該等資產的時間。據理解，COVID-19疫情會對本集團的客戶及業務發展產生長遠影響，故該等對二零二一年餘下時間的觀點很可能會發生變動。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(a) Critical judgments in applying accounting policies

The following is the critical judgement, apart from those involving estimates (see below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Going concern consideration

The assessment of the going concern assumption involves making a judgement by the Directors, at a particular point of the time, about the future outcome of events or conditions which are inherently uncertain. The Directors consider that the Group has the capability to continue as a going concern and the going concern assumption is set out in note 2.1(b).

Revenue recognition

Application of various accounting principles related to the measurement and recognition of revenue requires the Group to make judgements and estimates. Specifically, significant judgments include determining whether the Group is acting as the principal in a transaction. The Group is a principal in a transaction if the Group obtains control of the products sold or services provided before they are transferred to customers. If control is unclear, when the Group is primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices and selecting suppliers, or has several but not all of these indicators, the Group records revenues on a gross basis. Otherwise, the Group records the net amount earned as commissions from products sold.

4. 重要會計估計及估計不確定因的主要來源(續)

(a) 於應用會計政策時的關鍵判斷

除涉及估計的判斷(見下文)以外,以下為董事於應用本公司之會計政策過程中所作的關鍵判斷,對財務報表中確認的金額產生最重大的影響。

評估持續經營

假設時,董事需於特定時間就本質不確定之事件或情況之未來結果作出判斷。董事認為本集團有能力按持續經營基準經營,持續經營假設載於附註2.1(b)。

收益確認

應用與計量及確認收入相關的各項會計原則要求本集團作出判斷及估計。具體而言,重大判斷包括決定本集團是否作為交易的主理人。倘本集團向客戶轉讓產品或服務前控制所售出的產品或提供的服務,則本集團為交易的主理人。若不能確定控制權,於本集團在交易中承擔主要責任、承擔存貨風險、可自由訂立價格及選擇供應商或擁有若干但非全部該等指標時,本集團收入按總額入賬。否則,本集團將所賺取淨額入賬列為出售產品的佣金。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(a) Critical judgments in applying accounting policies (Continued)

Deferred tax for investment properties

For the purposes of measuring deferred taxation arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the Directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. Accordingly, deferred taxation in relation to the Group's investment properties has been measured based on the tax consequences of recovering the carrying amounts entirely through use.

Determination of lease term

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. The renewal options for leases of properties for own use are not included as part of the lease term as these are not reasonably certain to be exercised.

4. 重要會計估計及估計不確定因的主要來源(續)

(a) 於應用會計政策時的關鍵判斷(續)

投資物業的遞延稅項

就按公平值模式計量之投資物業產生之遞延稅項之計量而言，董事已審閱本集團之投資物業組合，認為本集團之投資物業乃透過目的為消費該等投資物業所附之絕大部分經濟利益而非銷售的商業模式而持有。因此，於計量本集團投資物業之遞延稅項時，董事已釐定按公平值模型計量之投資物業之賬面值透過銷售全部收回之假設經已推翻。因此，有關本集團投資物業的遞延稅項已透過使用按全數收回賬面值的稅務結果計量。

釐定租賃期

本集團有若干份具有延長及終止選擇權的租賃合約。本集團在評估是否行使選擇權進行重續或終止租賃時作出判斷。即考慮產生行使重續或終止租賃的經濟誘因的所有相關因素。於租賃開始日期後，倘發生其控制範圍內重大事件或情況改變，對本集團行使或不行使重續或終止選擇權的能力構成影響，則本集團會重新評估租賃期。租賃作自用物業的重續選擇權並不計入租賃期一部分，因為不能合理確定該等選擇權獲行使。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment on property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment, right-of-use assets and intangible assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value-in-use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rates in the cash flow projections, could materially affect the net present value used in the impairment test.

4. 重要會計估計及估計不確定因的主要來源(續)

(b) 估計不確定因素之主要來源

日後之主要假設及於各報告期末估計不確定因素之其他主要來源(彼等均具有導致下個財政年度之資產及負債之賬面值出現大幅調整之重大風險)乃討論如下。本集團根據編制綜合財務報表時可獲得的參數作出其假設及估計。然而，現有情況及對未來發展的假設或會因本集團無法控制的市場變動或情況而改變。有關變動會在發生時於假設內有所反映。

物業、廠房及設備、使用權資產及無形資產減值

物業、廠房及設備、使用權資產及無形資產按成本減累計折舊及減值(如有)列賬。於釐定資產是否減值時，本集團需要行使判斷及作出估計，尤其評估：(1)是否有事件已發生或有任何指標可能影響資產淨值；(2)資產賬面值是否能夠以可收回金額(如為使用價值)支持，即按照持續使用資產估計的未來現金流量的淨現值；及(3)將應用於估計可收回金額的適當關鍵假設(包括現金流量預測及適當的貼現率)。當無法估計個別資產(包括使用權資產)的可收回金額時，本集團估計資產所屬現金產生單位的可收回金額。更改以釐定現金流量預測的假設及估計(包括貼現率或增長率)，可顯著影響減值測試所採用淨現值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

Loss allowance for receivables

Management estimates the amount of loss allowance for ECLs on financial assets at amortised cost based on the credit risk of the respective financial instrument. The loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of the respective financial instrument. The assessment of the credit risk of the respective financial instrument involves high degrees of estimation and uncertainty about future economic conditions which have an adverse effect on debtors' business, debtors' creditworthiness, the payment delinquency or default in interest or principal payments. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly. The economic downturn and uncertainties that have arisen as a result of COVID-19 pandemic have made these estimates more judgemental, which the Group has taken into account in its determination of applicable expected credit losses. Further information on the impairment assessment on financial assets are provided in note 36(iii).

4. 重要會計估計及估計不確定因的主要來源(續)

(b) 估計不確定因素之主要來源(續)

應收款項虧損撥備

管理層根據有關金融工具的信貸風險，估計按攤銷成本計量的金融資產預期信貸虧損的虧損撥備金額。虧損撥備金額按資產賬面值及估計未來現金流量現值之間差額計量，並考慮有關金融工具的預期未來信貸虧損。評估有關金融工具的信貸風險涉及較大程度的估計及不確定因素，包括對債務人業務有負面影響的未來經濟狀況、債務人的信譽、無法還款或拖欠利息或本金。若實際未來現金流少於預期或多於預期，可能會因此產生重大減值虧損或減值虧損重大撥回。經濟下行及COVID-19疫情所產生不明朗因素使該等估計涉及更大判斷，而本集團於確定適用預期信貸虧損時亦已考慮此因素。有關對金融資產之減值評估之進一步詳情載於附註36(iii)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

Fair value measurement

The Group measures investment properties at fair value. Certain assets included in the Group's consolidated financial statements also require disclosure of fair value. Significant estimation and judgement are required to determine the fair value.

The fair value measurement utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

For more information in relation to the fair value measurement of the investment properties, please refer to note 14 to the consolidated financial statements.

5. SEGMENT INFORMATION

On adoption of HKFRS 8 Operating Segments, the Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. There are two operating segments in the internal reporting to the executive directors, which are operation and management of retail stores and other related businesses and provision of financing services.

4. 重要會計估計及估計不確定因的主要來源(續)

(b) 估計不確定因素之主要來源(續)

公平值計量

本集團按公平值計算投資物業。本集團綜合財務報表所載若干資產亦須作出公平值披露。釐定公平值時須作出重大估計及判斷。

公平值計量盡量使用市場可觀察輸入資料及數據。釐定公平值計量所用之輸入資料乃基於獲採納之估值技巧所用輸入資料之可觀察程度，分類為以下不同層級(「公平值層級」)：

- 第1層：相同項目於活躍市場之報價(未作調整)；
- 第2層：可直接或間接觀察得出之輸入資料(不包括第1層輸入資料)；
- 第3層：不可觀察輸入資料(即並非由市場數據得出)。

將項目分類至上述層級之基準為對有關項目之公平值計量有重大影響之最低層次輸入資料。層級間轉移項目於發生期間確認。

有關按公平值計量投資物業的更多資料，請參閱綜合財務報表附註14。

5. 分類資料

就採納香港財務報告準則第8號經營分類而言，本集團已根據向執行董事匯報的定期內部財務資料辨識其經營分類及編製分類資料以供彼等作出對本集團業務組成部分分配資源及審閱該等組成部分表現的決定。向執行董事作出的內部匯報包括兩個經營分類，即年內經營及管理零售店及其他相關業務以及提供金融服務。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分類資料(續)

		Operation and management of retail stores and other related businesses 經營及管理零售店及其他相關業務 RMB'000 人民幣千元	Provision of financing services 提供金融服務 RMB'000 人民幣千元	Consolidated 合併 RMB'000 人民幣千元
Year ended 31 December 2020	截至二零二零年十二月三十一日止年度			
Revenue from external customers	外部客戶收入	422,052	6,005	428,057
Inter-segment revenue	分類間收入	-	-	-
Reportable segment revenue	可呈報分類收益	422,052	6,005	428,057
Revenue recognition	收入確認			
Timing of revenue recognition under HKFRS15	根據香港財務報告準則第15號 確認收入之時間			
- At a point in time	- 於某時間點	249,865	-	249,865
- Over time	- 隨時間轉移	32,705	-	32,705
From other sources	來自其他來源	139,482	6,005	145,487
		422,052	6,005	428,057
Segment results	分類業績	(191,980)	3,073	(188,907)
Other unallocated corporate income	其他未分配企業收入			49
Other unallocated corporate expenses	其他未分配企業開支			(4,669)
Loss before income tax	除所得稅前虧損			(193,527)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分類資料(續)

	Operation and management of retail stores and other related businesses 經營及管理零售店及其他相關業務 RMB'000 人民幣千元	Provision of financing services 提供金融服務 RMB'000 人民幣千元	Consolidated 合併 RMB'000 人民幣千元	
Year ended 31 December 2020	截至二零二零年十二月三十一日止年度			
Other segment information	其他分類資料			
Interest income	利息收入	(1,171)	(66)	(1,237)
Additions to non-current assets (other than financial instruments)	非流動資產添置(除財務工具外)	120,860	-	120,860
Amortisation of intangible assets	無形資產攤銷	553	98	651
Depreciation of right-of-use assets	租賃使用權資產折舊	89,348	-	89,348
Depreciation of property, plant and equipment	物業、廠房及設備折舊	48,212	15	48,227
Gain on disposal of property, plant and equipment	出售物業、廠房及設備得益	(16)	-	(16)
Written-off of property, plant and equipment	物業、廠房及設備撇銷	36,225	-	36,225
Obsolete inventories written-off	陳舊存貨撇銷	143	-	143
Inventories loss	存貨虧損	213	-	213
Impairment loss on right-of-use assets	使用權資產減值損失	47,278	-	47,278
Impairment loss on property, plant and equipment	物業、廠房及設備減值損失	42,587	-	42,587
Impairment loss on loan receivables	應收貸款減值損失	-	2,076	2,076
Decrease in fair value of investment properties	投資物業公平值減少	7,500	-	7,500

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分類資料(續)

		Operation and management of retail stores and other related businesses 經營及管理零售店及 其他相關業務 RMB'000 人民幣千元	Provision of financing services 提供 金融服務 RMB'000 人民幣千元	Consolidated 合併 RMB'000 人民幣千元
At 31 December 2020	於二零二零年十二月三十一日			
Reportable segment assets	可呈報分類資產	1,103,466	46,136	1,149,602
Tax recoverable	可收回稅項			66
Other unallocated corporate assets	其他未分配企業資產			42,466
Total assets	總資產			1,192,134
Reportable segment liabilities	分類負債	819,121	65	819,186
Provision for taxation	稅項撥備			9,651
Deferred tax liabilities	遞延稅項負債			21,701
Other unallocated corporate liabilities	其他未分配企業負債			2,176
Total liabilities	總負債			852,714

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分類資料(續)

		Operation and management of retail stores and other related businesses 經營及管理零售店及 其他相關業務 RMB'000 人民幣千元	Provision of financing services 提供 金融服務 RMB'000 人民幣千元	Consolidated 合併 RMB'000 人民幣千元
Year ended 31 December 2019	截至二零一九年 十二月三十一日止年度			
Revenue from external customers	外部客戶收入	638,441	6,888	645,329
Inter-segment revenue	分類間收入	-	-	-
Reportable segment revenue	可呈報分類收益	638,441	6,888	645,329
Revenue recognition	收入確認			
Timing of revenue recognition under HKFRS15	根據香港財務報告準則第15號 確認收入之時間			
- At a point in time	- 於某時間點	432,804	-	432,804
- Over time	- 隨時間轉移	78,540	-	78,540
From other sources	來自其他來源	127,097	6,888	133,985
		638,441	6,888	645,329
Segment results	分類業績	(49,861)	6,166	(43,695)
Other unallocated corporate income	其他未分配企業收入			4
Other unallocated corporate expenses	其他未分配企業開支			(6,080)
Loss before income tax	除所得稅前虧損			(49,771)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分類資料(續)

	Operation and management of retail stores and other related businesses 經營及管理零售店及其他相關業務 RMB'000 人民幣千元	Provision of financing services 提供金融服務 RMB'000 人民幣千元	Consolidated 合併 RMB'000 人民幣千元
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度		
Other segment information	其他分類資料		
Interest income	利息收入	(4,079)	(4,095)
Additions to non-current assets (other than financial instruments)	非流動資產添置(除財務工具外)	366,451	366,451
Amortisation of intangible assets	無形資產攤銷	425	506
Depreciation of right-of-use assets	使用權資產折舊	95,533	95,533
Depreciation of property, plant and equipment	物業、廠房及設備折舊	45,702	45,725
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	35	35
Written-off of property, plant and equipment	物業、廠房及設備撇銷	1,336	1,336
Obsolete inventories written-off	陳舊存貨撇銷	84	84
Increase in fair value of investment properties	投資物業公平值增加	(800)	(800)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分類資料(續)

	Operation and management of retail stores and other related businesses 經營及管理零售店及其他相關業務 RMB'000 人民幣千元	Provision of financing services 提供金融服務 RMB'000 人民幣千元	Consolidated 合併 RMB'000 人民幣千元
At 31 December 2019	於二零一九年十二月三十一日		
Reportable segment assets	可呈報分類資產	1,451,705	1,502,221
Tax recoverable	可收回稅項		57
Other unallocated corporate assets	其他未分配企業資產		3,301
Total assets	總資產		1,505,579
Reportable segment liabilities	分類負債	941,651	941,717
Provision for taxation	稅項撥備		3,723
Deferred tax liabilities	遞延稅項負債		24,131
Other unallocated corporate liabilities	其他未分配企業負債		2,127
Total liabilities	總負債		971,698

The PRC is the country of domicile of the Group. The country of domicile is determined by referring to the country which the Group regards as its home country, has the majority of operations and centre of management.

No separate analysis of segment information by geographical segment is presented as the Group's revenue and non-current assets, are principally attributable to a single geographical region, which is the PRC.

Information about a major customer

There was no single customer that contributed to 10% or more of the Group's revenue for the years ended 31 December 2019 and 2020.

本集團之註冊國家為中國。註冊國家乃指本集團視作其基地之國家，為其大部分業務及管理中心所在地。

由於本集團之收益及非流動資產主要來自單一地區(即中國)，故並無獨立呈列按地區分類劃分之分類資料分析。

關於主要客戶的資料

於截至二零一九年及二零二零年十二月三十一日止年度，概無單一客戶佔本集團收益10%或以上。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

6. REVENUE AND OTHER OPERATING INCOME

(a) Revenue

The Group is principally engaged in operation and management of retail stores and other related businesses and provision of financing services. Revenue, which is also the Group's turnover, represents invoiced value of goods sold, net of value added tax and after allowances for returns and discounts, commissions from concessionaire sales, rental income and interest income from financing services. Revenue recognised during the year is as follows:

6. 收入及其他經營收入

(a) 收入

本集團主要業務為經營及管理零售店及其他相關業務及提供金融服務，收入(亦為本集團之營業額)，指售出貨品扣除增值稅及退貨及折扣、專賣銷售所得佣金、租金收入及提供金融服務所產生的利息之後的發票價值。年內確認的收入如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue from Contracts with Customers within the scope of HKFRS 15:	香港財務報告準則第15號範疇內之客戶合約的收入：		
Sales of goods	銷售貨品	249,865	432,804
Commissions from concessionaire sales	專賣銷售所得佣金	32,705	78,540
		282,570	511,344
Revenue from other sources:	來自其他來源的收入：		
Rental income from investment properties	投資物業的租金收入	7,545	9,528
Rental income from sub-leasing of shop premises	分租店舖物業的租金收入	70,922	64,629
Rental income from sub-leasing of shopping malls	分租商場物業的租金收入	61,015	52,940
Interest income from financing services	來自金融服務之利息收入	6,005	6,888
		145,487	133,985
		428,057	645,329

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

6. REVENUE AND OTHER OPERATING INCOME (Continued)

(a) Revenue (Continued)

The following table provides information about trade receivables and contract liabilities from contracts with customers.

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade receivables	應收貿易賬款	1,535	4,323
Contract liabilities (Note 23)	合約負債(附註23)	20,859	20,242

(b) Other operating income

An analysis of the Group's other operating income is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Interest income	利息收入	1,237	4,099
Net exchange gain	匯兌收益淨額	-	419
Government grants (Note)	政府補貼(附註)	10,445	2,608
Administration and management fee income	行政及管理費收入	36,492	46,580
Gain on early termination of lease	提早終止租賃協議得益	4,601	-
COVID-19-related rent concessions	COVID-19有關的租金寬免	7,199	-
Gain on disposal of property, plant and equipment	物業、廠房及設備處置得益	16	-
Others	其他	13,177	11,997
		73,167	65,703

6. 收入及其他經營收入(續)

(a) 收入(續)

下表提供有關來自客戶合約的應收貿易賬款及合約負債資料。

(b) 其他經營收入

本集團其他經營收入之分析如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

6. REVENUE AND OTHER OPERATING INCOME (Continued)

(b) Other operating income (Continued)

Note:

Various local government grants have been granted to subsidiaries of the Group during the years ended 31 December 2019 and 2020. The amounts mainly represented unconditional cash subsidies from government for subsidising enterprises as an encouragement for the contribution in specific industry in the region and remedy for COVID-19 pandemic. There were no unfulfilled conditions or contingencies attaching to these government grants.

7. FINANCE COSTS

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	45,023	51,750
Interest on borrowings	銀行借貸利息	882	—
		45,905	51,750

6. 收入及其他經營收入(續)

(b) 其他經營收入(續)

附註：

截至及二零一九年及二零二零年十二月三十一日止年度本集團之附屬公司獲地方政府授予多項補助。該金額主要是政府為補貼企業而提供的無條件現金補貼，以鼓勵該地區特定行業的貢獻及新冠疫情之補償。該等政府補助並無附帶未實現條件或或然事項。

7. 融資成本

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/
(crediting):

8. 除所得稅前虧損

除所得稅前虧損乃經扣除/(計入)下列各項得出：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Cost of inventories sold recognised as expense	確認為開支的已售存貨成本	207,184	354,233
Auditor's remuneration	審計師費	1,151	1,235
Depreciation of property, plant and equipment (Note 12)	物業、廠房及設備折舊(附註12)	48,227	45,725
Depreciation of right-of-use assets:	使用權資產折舊：		
– Properties leased for own use (Note 13)	– 自用租賃物業(附註13)	89,087	95,272
– Leasehold land for own use (Note 13)	– 自用租賃土地(附註13)	261	261
Amortisation of intangible assets (Note 15)	無形資產攤銷(附註15)	651	506
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備(得益)/虧損	(16)	35
Short term lease expense (Note 13)	短期租賃開支(附註13)	693	3,806
Low value lease expense (Note 13)	價值較低的租賃開支(附註13)	11	37
COVID-19-related rent concessions (Note 13)	新冠疫情有關租金寬免(附註13)	(7,199)	–
Obsolete inventories written-off	撤銷陳舊存貨	143	84
Inventories loss	存貨虧損	213	–
Impairment loss on property, plant and equipment (Note (i)) (Note 12)	物業、廠房及設備減值損失(附註(i))(附註12)	42,587	–
Impairment loss on right-of-use assets (Note (i)) (Note 13)	租賃使用權資產減值損失(附註(i))(附註13)	47,278	–
Written-off of property, plant and equipment (Note (i)) (Note 12)	撤銷物業、廠房及設備(附註(i))(附註12)	36,225	1,336
Staff costs, including directors' emoluments (Note 30(a))	員工成本，包括董事酬金(附註30(a))		
Salaries and other benefits	薪金及其他福利	73,468	92,357
Contributions to retirement schemes	退休金計劃供款	6,889	14,628
		80,357	106,985

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

8. LOSS BEFORE INCOME TAX (Continued) Loss before income tax is arrived at after charging/ (crediting): (Continued)

8. 除所得稅前虧損(續) 除所得稅前虧損乃經扣除/(計 入)下列各項得出:(續)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Net exchange loss/(gain)	匯兌收益/(損失)	162	(419)
Rental income from investment properties	投資物業之租金收入	(7,545)	(9,528)
Income from subleasing of right-of-use assets	次租使用權資產收入		
– Base rents	– 基本租金	(129,844)	(114,097)
– Contingent rents (Note (ii))	– 或然租金(附註(ii))	(2,093)	(3,472)
		(131,937)	(117,569)
Total gross rental income	總租金收入	(139,482)	(127,097)
Less: Direct operating expenses arising from investment properties that generated rental income during the year	減: 於年內賺取租金收入的投資物業產生的直接經營開支	1,952	2,058
Less: Outgoings of subleasing of right-of-use assets	減: 租賃使用權資產開支	14,770	16,261
Net rental income	淨租金收入	(122,760)	(108,778)

Notes:

- (i) Impairment loss on property, plant and equipment and right-of-use assets and written-off of property, plant and equipment had been included in other operating expenses.
- (ii) Contingent rents are calculated based on a percentage of the relevant sales of the tenants pursuant to the rental agreements.

附註:

- (i) 物業、廠房及設備及使用權資產減值損失, 及物業、廠房及設備撇銷已包含於其他經營開支內。
- (ii) 或然租金乃根據租賃協議按租客相關銷售的若干百分比計算。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

9. INCOME TAX EXPENSE

9. 所得稅

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current income tax	即期所得稅		
– PRC enterprise income tax	– 中國企業所得稅	2,744	2,371
Under-provision in respect of prior years	年前未預提稅項	620	–
Deferred tax (Note 27)	遞延稅項(附註27)	(2,430)	200
		934	2,571

The Group is not subject to any taxation under the jurisdiction of the Cayman Islands and British Virgin Islands during the year (2019: Nil).

本集團於年內毋須繳納任何開曼群島及英屬處女群島司法權區的稅項(二零一九年：無)。

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits in Hong Kong for the year (2019: Nil).

由於本集團於年內並無來自香港的估計應課稅溢利，故並無就香港利得稅作出撥備(二零一九年：無)。

For a subsidiary of the Group in Guangxi, its PRC Enterprise Income Tax has been provided at the preferential enterprise income tax rate of 15% (2019: 15%) for the year pursuant to the privilege under the China's Western Development Program.

就本集團於廣西的一家附屬公司，根據中國西部大開發計劃的優惠政策，年內其中國企業所得稅按優惠企業所得稅稅率15%(二零一九年：15%)繳納。

A subsidiary of the Group in Shenzhen, namely 深圳市百佳華網絡科技有限公司, is qualified as a High and New Technology Enterprise and enjoys a preferential income tax of 15% as approved by the PRC tax authority for the years ended 31 December 2020, 2021 and 2022. The High and New Technology Enterprise qualification is subjected to be renewed every three years.

本集團位於深圳的附屬公司深圳市百佳華網絡科技有限公司是高新科技企業，並享有中國稅務部門批准的截至二零二零年、二零二一年及二零二二年十二月三十一日止年度的15%優惠所得稅率。高新科技企業資格須每三年重續。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

9. INCOME TAX EXPENSE (Continued)

Other subsidiaries of the Group established in the PRC were mainly subject to PRC Enterprise Income Tax at the rate of 25% (2019: 25%) for the year under the income tax rules and regulations of the PRC.

Reconciliation between income tax expense and accounting loss at applicable tax rates:

9. 所得稅(續)

本集團於中國成立的其他附屬公司於本年度須根據中國所得稅條例及法規按25%(二零一九年: 25%)稅率繳納中國企業所得稅。

按適用稅率計算的所得稅開支與會計虧損之對賬:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Loss before income tax	除所得稅前虧損	(193,527)	(49,771)
Tax on loss before income tax, calculated at the rates applicable to loss in the tax jurisdictions concerned	除所得稅前虧損的稅項，按有關稅務司法權區虧損適用的稅率計算	(48,722)	(13,007)
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	33,828	11,646
Tax effect of non-taxable income	毋須課稅收入的稅務影響	(3,718)	(4,047)
Utilisation of tax losses previously not recognised	使用先前未確認的稅項虧損	-	(930)
Tax effect of tax loss not recognised	未確認稅項虧損的稅務影響	21,240	8,909
Under-provision in respect of prior years	先前年度撥備不足	620	-
Others	其他	(2,314)	-
Income tax expense	所得稅開支	934	2,571

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

10. DIVIDENDS

No dividend has been paid or declared by the Company for the year ended 31 December 2020 (2019: Nil).

Dividend attributable to the previous year, approved and paid during the year:

10. 股息

截至二零二零年十二月三十一日止年度，本公司沒有已付或已宣派股息(二零一九年：無)。

年內批准及派付的上個年度應佔股息

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Final dividend in respect of the previous year, of RMB Nil (2019: RMB1.88 cents) per ordinary share	上個年度的末期股息每股普通股人民幣零(二零一九年：人民幣1.88分)		
- Approved during the year	- 年內批准	-	19,505
- Paid during the year	- 年內派付	-	(19,505)
		-	-

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on following data:

		2020 二零二零年	2019 二零一九年
Loss	虧損		
Loss for the purposes of basic and diluted loss per share (RMB'000)	就計算每股基本及攤薄虧損的虧損(人民幣千元)	(194,461)	(52,342)
Number of shares	股份數目		
Weighted average number of ordinary shares	普通股加權平均數	1,037,500,002	1,037,500,002
Basic and diluted loss per share (RMB cents)	每股基本及攤薄虧損(人民幣分)	(18.74)	(5.05)

Diluted loss per share equals to basic loss per share, as there were no potential dilutive ordinary shares issued during the years ended 31 December 2019 and 2020.

11. 每股虧損

計算本公司擁有人應佔每股基本及攤薄虧損，乃根據以下數據計算：

每股攤薄虧損相等於每股基本虧損，原因為截至二零一九年及二零二零年十二月三十一日止年度，並無其他具攤薄潛力之普通股。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Leasehold buildings 租賃樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles and tools 汽車及工具 RMB'000 人民幣千元	Furniture, fixtures and equipment 家具、裝置及設備 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日						
Cost	成本	21,357	449,521	21,481	11,384	109,683	613,426
Accumulated depreciation	累計折舊	(1,717)	(304,939)	(18,081)	(9,319)	(97,324)	(431,380)
Net carrying amount	賬面淨值	19,640	144,582	3,400	2,065	12,359	182,046
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度						
Opening net carrying amount	年初賬面淨值	19,640	144,582	3,400	2,065	12,359	182,046
Additions	添置	-	115,080	18	469	14,716	130,283
Disposals	出售	-	-	-	(547)	(107)	(654)
Written off	撇銷	-	-	(83)	-	(1,253)	(1,336)
Depreciation	折舊	(3,779)	(36,739)	(443)	(931)	(3,833)	(45,725)
Closing net carrying amount	年末賬面淨值	15,861	222,923	2,892	1,056	21,882	264,614
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日						
Cost	成本	21,357	444,909	19,966	8,876	109,159	604,267
Accumulated depreciation	累計折舊	(5,496)	(221,986)	(17,074)	(7,820)	(87,277)	(339,653)
Net carrying amount	賬面淨值	15,861	222,923	2,892	1,056	21,882	264,614
Year ended 31 December 2020	截至二零二零年十二月三十一日止年度						
Opening net carrying amount	年初賬面淨值	15,861	222,923	2,892	1,056	21,882	264,614
Additions	添置	-	65,704	-	1,047	13,358	80,109
Disposals	出售	-	-	(54)	-	(473)	(527)
Written off	撇銷	-	(33,872)	(302)	-	(2,051)	(36,225)
Depreciation	折舊	(305)	(42,214)	(277)	(345)	(5,086)	(48,227)
Impairment loss	減值虧損	-	(42,587)	-	-	-	(42,587)
Closing net carrying amount	年末賬面淨值	15,556	169,954	2,259	1,758	27,630	217,157
At 31 December 2020	於二零二零年十二月三十一日						
Cost	成本	21,357	385,358	16,945	9,922	110,298	543,880
Accumulated depreciation and impairment	累計折舊及減值	(5,801)	(215,404)	(14,686)	(8,164)	(82,668)	(326,723)
Net carrying amount	賬面淨值	15,556	169,954	2,259	1,758	27,630	217,157

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation charges incurred for the year were recognised as “selling and distribution costs” and “administrative expenses” amounted to approximately RMB47,213,000 (2019: RMB45,135,000) and RMB1,014,000 (2019: RMB590,000) respectively.

Written off incurred for the year were recognised as “other operating expenses” amounted to approximately RMB36,225,000 (2019: RMB1,336,000).

For the year ended 31 December 2020, the management identified impairment indication for property, plant and equipment due to decline in performance of the Group resulting from the deteriorated economic environment and uncertain outlook of the Group’s business following the influence of the COVID-19 pandemic.

The Group assessed the recoverable amounts of the property, plant and equipment which were allocated to the respective cash-generating unit(s) (“CGU(s)”) under the segment of operation and management of retail stores and other related businesses, and as a result of the assessment, the carrying amounts of the property, plant and equipment were written down to their recoverable amounts of approximately RMB217,157,000. Impairment loss of approximately RMB42,587,000 for the segment of operation and management of retail stores and other related businesses was recognised in other operating expenses in the consolidated statement of comprehensive income.

12. 物業、廠房及設備(續)

年內折舊支出已於「銷售及分銷成本」及「行政開支」分別確認約人民幣47,213,000元(二零一九年：人民幣45,135,000元)及人民幣1,014,000元(二零一九年：人民幣590,000元)。

年內產生並確認為「其他經營開支」的撇銷約為人民幣36,225,000元(二零一九年：人民幣1,336,000元)。

截至二零二零年十二月三十一日止年度，由於受COVID-19疫情的影響，令經濟環境惡化及本集團業務前景變得不明朗，導致本集團表現下滑，因此管理層就物業、廠房及設備確定減值跡象。

本集團已評估分配至各自現金產生單位(「現金產生單位」，在經營及管理零售店及其他相關業務分類之下)的物業、廠房及設備可收回金額，由於評估，物業、廠房及設備的賬面值已撇減至其可收回金額約人民幣217,157,000元。經營及管理零售店及其他相關業務分類的減值虧損約人民幣42,587,000元已於綜合全面收益表的其他經營開支中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

The recoverable amount of the CGUs to which the property, plant and equipment, right-of-use assets (note 13) and intangible assets (note 15) were allocated have been determined based on value-in-use calculations. The calculations use cash flow projections based on the most recent financial budgets approved by the Directors of the Company covering a period of five years, which represented the management's best estimate on the ongoing operation of the CGUs where the existing CGUs will continue to operate in the foreseeable future and are consistent with past actual outcomes.

For the CGUs under the segment of operation and management of retail stores and other related businesses, revenue growth rates over five-year period are ranged from 1.43% to 12.81%, based on current industry trends. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 3.00%, which does not exceed the long-term average growth rate for the market in which the CGU operates. The pre-tax discount rate used ranged from 13.28% to 19.08%, which reflects specific risk relating to the segments in which it operates.

The estimates would face a challenge due to the COVID-19 pandemic, therefore management's estimated cash flows factor in possible cash flow scenarios.

12. 物業、廠房及設備(續)

獲分配物業、廠房及設備、使用權資產(附註13)及無形資產(附註15)的現金產生單位的可收回金額已根據使用價值計算確定。該等計算使用的現金流量預測乃以本公司董事批准的五年期最新財務預算為基礎，而有關預算代表管理層就現金產生單位持續運作(即現有現金產生單位於可見將來將繼續營運)作出的最佳估計，且與過往的實際結果一致。

就經營及管理零售店及其他相關業務分類下的現金產生單位而言，根據目前的行業趨勢，五年期的收入增長率介乎1.43%至12.81%。五年期以後的現金流量採用估計加權平均增長率3.00%進行推算，該增長率並不超過現金產生單位經營市場的長期平均增長率。所使用的稅前折現率介乎13.28%至19.08%，反映與其經營分類有關的具體風險。

此等估計將由於COVID-19疫情而面臨挑戰，因此管理層的現金流估計已考慮可能出現的現金流情況。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

13. LEASES

The Group as a lessee

Nature of leasing activities (in the capacity as lessee)

(i) *Properties leased for own use*

The Group entered into various lease agreements for retail stores, shopping malls and employees' accommodation with independent third parties and the related companies, namely Shenzhen Baijiahua Group Company Limited ("BJH Group") and Shenzhen Jiahua Real Estate Development Company Limited ("JH Real Estate"), companies in which Mr. Zhuang Lu Kun and Mrs. Zhuang Su Lan, the spouse of Mr. Zhuang Lu Kun, have beneficial interests.

The leases with independent third parties have initial period of non-cancellable leases between 1 and 15 years (2019: between 1 and 15 years) as at 31 December 2020.

The leases with related companies, BJH Group and JH Real Estate, have initial period of non-cancellable leases between 2 and 14 years (2019: between 2 and 14 years) as at 31 December 2020.

(ii) *Leasehold land for own use*

The Group is the registered owner of the leasehold land. The leasehold land will expire in 2066. Lump sum payment has made upfront to acquire the land.

13. 租賃

本集團作為承租人

租賃活動性質(以承租人身份)

(i) *自用租賃物業*

本集團與獨立第三方及關聯公司，即深圳市百佳華集團有限公司(「百佳華集團」)及深圳市佳華房地產開發有限公司(「佳華房地產」)(莊陸坤先生及其配偶莊素蘭女士於該公司擁有實益權益)，就零售門店、購物中心及員工住宿訂有多項租賃協議。

於二零二零年十二月三十一日，與獨立第三方所訂租賃之不可撤銷初步租賃期介乎1至15年(二零一九年：介乎1至15年)之間。

於二零二零年十二月三十一日，與關聯公司，即百佳華集團及佳華房地產所訂租賃之不可撤銷初步租賃期介乎2至14年(二零一九年：介乎2至14年)之間。

(ii) *自用租賃土地*

本集團為租賃土地的登記持有人。租賃土地將於二零六六年屆滿。在收購土地時已預先一筆過支付款項。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

13. LEASES (Continued)

The Group as a lessee (Continued)

Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Properties leased for own use	自用租賃物業	425,523	631,613
Leasehold land for own use	自用租賃土地	11,879	12,140
		437,402	643,753

		Properties leased for own use 自用租賃物業 RMB'000 人民幣千元	Leasehold land for own use 自用租賃土地 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	498,970	12,401	511,371
Additions	添置	227,975	–	227,975
Early termination of lease	提早終止租賃	(60)	–	(60)
Depreciation	折舊	(95,272)	(261)	(95,533)
At 31 December 2019 and 1 January 2020	於二零一九年 十二月三十一日及 二零二零年一月一日	631,613	12,140	643,753
Additions	添置	38,848	–	38,848
Early termination of lease	提早終止租賃	(64,163)	–	(64,163)
Depreciation	折舊	(89,087)	(261)	(89,348)
Effect of lease modification	租賃修訂的影響	(44,410)	–	(44,410)
Impairment loss	減值虧損	(47,278)	–	(47,278)
At 31 December 2020	於二零二零年 十二月三十一日	425,523	11,879	437,402

13. 租賃(續)

本集團作為承租人(續)

使用權資產

使用權資產按相關資產類別劃分的賬面淨值分析如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

13. LEASES (Continued) The Group as a lessee (Continued)

Right-of-use assets (Continued)

For the year ended 31 December 2020, the management identified impairment indication for right-of-use assets due to decline in performance of the Group resulting from the deteriorated economic environment and uncertain outlook of the Group's business following the influence of the COVID-19 pandemic.

The Group assessed the recoverable amounts of the right-of-use assets which were allocated to the respective CGUs under the segment of operation and management of retail stores and other related businesses, and as a result of the assessment, the carrying amount of the properties leased for own use was written down to its recoverable amount of approximately RMB425,523,000. Impairment loss of approximately RMB47,278,000 for the segment of operation and management of retail stores and other related businesses was recognised in other operating expenses in the consolidated statement of comprehensive income.

The key input and assumptions of the impairment assessment of the CGUs related to the segment of operation and management of retail stores and other related businesses of which the right-of-use assets were allocated to were summarised in note 12 to these financial statements.

13. 租賃(續) 本集團作為承租人(續)

使用權資產(續)

截至二零二零年十二月三十一日止年度，由於受COVID-19疫情的影響，令經濟環境惡化及本集團業務前景變得不明朗，導致本集團表現下滑，因此管理層發現使用權資產減值跡象。

本集團已評估在經營及管理零售店及其他相關業務下分配至各自現金產生單位的使用權資產的可收回金額；由於評估，自用租賃物業的賬面值已撇減至其可收回金額約人民幣425,523,000元。經營及管理零售店及其他相關業務分類的減值虧損約人民幣47,278,000元已於綜合全面收益表的其他經營開支中確認。

與獲分配使用權資產的經營及管理零售店及其他相關業務分類有關的現金產生單位減值評估的主要輸入數據及假設概述於該等財務報表附註12。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

13. LEASES (Continued) The Group as a lessee (Continued) Lease liabilities

13. 租賃(續) 本集團作為承租人(續) 租賃負債

		Properties leased for own use 自用租賃物業 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	515,438
Additions	添置	227,975
Early termination of lease	提早終止租賃	(61)
Interest expenses	利息開支	51,750
Lease payments	租賃付款	(113,267)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	681,835
Additions	添置	38,848
Early termination of lease	提早終止租賃	(68,764)
Effect of lease modification	租賃修訂的影響	(44,410)
Interest expenses	利息開支	45,023
COVID-19-related rent concessions (Note)	COVID-19有關的租金寬免(附註)	(7,199)
Lease payments	租賃付款	(106,492)
At 31 December 2020	於二零二零年十二月三十一日	538,841

Note:

As disclosed in note 3(a), the Group has elected to apply the practical expedient introduced by the amendment to HKFRS 16 to all rent concessions that satisfy the criteria. All of the rent concessions entered into during the year ended 31 December 2020 satisfy the criteria to apply the practical expedient. The application of the practical expedient has resulted in the reduction of total lease liabilities of approximately RMB7,199,000. The effect of this reduction has been recorded in profit or loss in the period in which the event or condition that triggers those payments occurs.

附註：

誠如附註3(a)所披露，本集團已選擇將香港財務報告準則第16號修訂本引入的實際權宜方法應用於所有符合有關準則的租金優惠。截至二零二零年十二月三十一日止年度，所訂立的全部租金優惠均符合應用實際權宜方法的準則。應用實際權宜方法導致租賃負債總額減少約人民幣7,199,000元。該減少的影響已在觸發該等付款的事件或條件發生的期間內計入損益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

13. LEASES (Continued) The Group as a lessee (Continued)

Lease liabilities (Continued)

Extension and termination options:

Extension and termination options are included in a number of properties lease for own use across the Group. These are used to maximise operational flexibility in terms of managing assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the mutual agreement between the Group and the respective lessor.

Future lease payments are due as follows:

13. 租賃(續) 本集團作為承租人(續)

租賃負債(續)

續期及終止選擇權：

續期及終止選擇權包括在本集團若干自用物業租賃內。該等選擇權乃用於盡量提高管理本集團業務所用資產的營運彈性。所持的大部分續期及終止選擇權僅可由本集團與相關出租人雙方協定行使。

未來租賃付款的到期情況如下：

		Minimum lease payments 最低租賃付款 RMB'000 人民幣千元	Interest 利息 RMB'000 人民幣千元	Present value 現值 RMB'000 人民幣千元
At 31 December 2020	二零二零年 十二月三十一日			
Not later than one year	不遲於一年	102,138	37,615	64,523
Later than one year and not later than two years	遲於一年及不遲於兩年	93,168	33,066	60,102
Later than two years and not later than five years	遲於兩年及不遲於五年	273,404	72,581	200,823
More than five years	五年以上	253,929	40,536	213,393
		722,639	183,798	538,841

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

13. LEASES (Continued)
The Group as a lessee (Continued)
Lease liabilities (Continued)

13. 租賃(續)
本集團作為承租人(續)
租賃負債(續)

		Minimum lease payments 最低租賃付款 RMB'000 人民幣千元	Interest 利息 RMB'000 人民幣千元	Present value 現值 RMB'000 人民幣千元
At 31 December 2019	二零一九年 十二月三十一日			
Not later than one year	不遲於一年	124,578	48,738	75,840
Later than one year and not later than two years	遲於一年及不遲於兩年	116,905	40,704	76,201
Later than two years and not later than five years	遲於兩年及不遲於五年	319,305	99,867	219,438
More than five years	五年以上	370,905	60,549	310,356
		931,693	249,858	681,835

The present value of future lease payments are analysed as:

未來租賃付款的現值分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current liabilities	流動負債	64,523	75,840
Non-current liabilities	非流動負債	474,318	605,995
		538,841	681,835

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Short term lease expense	短期租賃開支	693	3,806
Low value lease expense	低價值租賃開支	11	37
COVID-19-related rent concessions	COVID-19有關的租金寬免	(7,199)	-
(Gain)/loss on early termination of lease	提早終止租賃(收益)/虧損	(4,601)	1

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

13. LEASES (Continued)

The Group as a lessor – Operating leases

The Group leases out a number of properties leased for own use and investment properties under operating leases.

The total future minimum lease receivables under non-cancellable operating leases from independent third parties are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Not later than one year	不遲於一年	66,943	72,035
Later than one year and not later than two years	遲於一年及不遲於兩年	59,501	68,174
Later than two years and not later than three years	遲於兩年及不遲於三年	45,494	57,591
Later than three years and not later than four years	遲於三年及不遲於四年	33,203	42,195
Later than four years and not later than five years	遲於四年及不遲於五年	22,149	27,866
Later than five years	五年以上	61,065	76,434
		288,355	344,295

13. 租賃(續)

本集團作為出租人－經營租賃

本集團根據經營租賃分租若干自用租賃物業及投資物業。

根據不可撤銷經營租賃應收獨立第三方的未來最低租賃應收款項總額如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

13. LEASES (Continued)

The Group as a lessor – Operating leases (Continued)

The total future minimum lease receivables under non-cancellable operating leases from related companies, namely BJH Group and JH Real Estate are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Not later than one year	不遲於一年	4,527	3,993
Later than one year and not later than two years	遲於一年及不遲於兩年	4,639	3,761
Later than two years and not later than three years	遲於兩年及不遲於三年	3,821	3,872
Later than three years and not later than four years	遲於三年及不遲於四年	2,418	3,821
Later than four years and not later than five years	遲於四年及不遲於五年	2,458	2,418
Later than five years	五年以上	1,692	4,150
		19,555	22,015

13. 租賃(續)

本集團作為出租人 – 經營租賃(續)

根據不可撤銷經營租賃，應收關聯公司百佳華集團及佳華房地產之未來最低租賃應收款項總額如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

14. INVESTMENT PROPERTIES

14. 投資物業

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At beginning of the year (Decrease)/increase in fair value of investment properties	年初 投資物業公平值(減少)/ 增加	292,100 (7,500)	291,300 800
At end of the year	年末	284,600	292,100

The investment properties represent various leasehold land and buildings located in the PRC held for generating rental income and the leasehold land will expire in 2066.

投資物業指為產生租金收入而持有的眾多中國租賃土地及樓宇，而租賃土地的期限將於二零六六年屆滿。

The fair values of the Group's investment properties as at 31 December 2019 and 2020 were arrived at on the basis of valuations carried out at the date by Chung Hin Appraisal Limited and Valor Appraisal & Advisory Limited respectively, the independent firms of qualified professional valuers not connected to the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

本集團投資物業於二零一九年及二零二零年十二月三十一日的公平值，乃基於中衍評估有限公司及匯來評估及顧問有限公司於該日進行的估值達致，其為與本集團概無關聯的一間獨立合資格專業估值師行，並具有評估相關地區類似物業之適當資格及近期經驗。

The fair value of investment properties is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided below:

投資物業的公平值為第3層經常性公平值計量。年初及年末的公平值結餘對賬載列如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Opening balance (level 3 recurring fair value) (Decrease)/increase in fair value of investment properties	年初結餘 (第3層經常性公平值) 投資物業公平值(減少)/ 增加	292,100 (7,500)	291,300 800
Closing balance (level 3 recurring fair value)	年末結餘 (第3層經常性公平值)	284,600	292,100
Change in unrealised (losses)/gains for the year included in profit or loss for assets held at 31 December	於十二月三十一日就持有 資產計入損益的年內 未變現(虧損)/收益變動	(7,500)	800

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

14. INVESTMENT PROPERTIES (Continued)

Fair values of investment properties are determined using the investment method on the basis of capitalisation of the net rental incomes with due allowance for reversionary income potential. The fair value measurement is positively correlated to the market monthly rental rate and negatively correlated to property yield.

14. 投資物業(續)

投資物業的公平值乃透過資本化(附有的復歸收入潛力的適當條文)淨租金收入採用投資法釐定。公平值計量與市場每月租金成正比，而與物業回報率則成反比。

	Valuation techniques 估值技術	Significant unobservable inputs 重大無法觀察之輸入資料	Range 範圍
At 31 December 2020 於二零二零年十二月三十一日			
Investment properties 投資物業	Investment method 投資法	Market monthly rental rate taking into account of individual factors such as location, floor, size. etc. (RMB/sq.m) 市場每月租金計及位置、樓層、呎寸等個別因素(人民幣/平方米)	RMB100 to RMB330 (2019: RMB105 to RMB340) 人民幣100元至人民幣330元 (二零一九年：人民幣105元至人民幣340元)
		Capitalisation rate of reversionary income 復歸收入的資本化比率	4% to 5% (2019: 4% to 5%) 4%至5% (二零一九年：4%至5%)

There were no changes to the valuation techniques during the years.

年內估值技術並無任何變動。

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

公平值計量乃基於上述物業得到完全充分使用(與其實際用途相同)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

15. INTANGIBLE ASSETS

15. 無形資產

		Computer software 電腦軟件 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	
Cost	成本	1,640
Accumulated amortisation	累計攤銷	(335)
Net carrying amount	賬面淨值	1,305
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度	
Opening net carrying amount	年初賬面淨值	1,305
Additions – externally acquired	添置－外部收購	4,171
Amortisation	攤銷	(506)
Closing net carrying amount	年末賬面淨值	4,970
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	
Cost	成本	5,811
Accumulated amortisation	累計攤銷	(841)
Net carrying amount	賬面淨值	4,970
Year ended 31 December 2020	截至二零二零年十二月三十一日止年度	
Opening net carrying amount	年初賬面淨值	4,970
Additions – externally acquired	添置－外部收購	1,133
Amortisation	攤銷	(651)
Closing net carrying amount	年末賬面淨值	5,452
At 31 December 2020	於二零二零年十二月三十一日	
Cost	成本	6,944
Accumulated amortisation	累計攤銷	(1,492)
Net carrying amount	賬面淨值	5,452

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

16. DEPOSITS PAID, PREPAYMENTS AND OTHER RECEIVABLES

16. 已付按金、預付款項及其他應收款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Rental deposits (Note(i))	租賃按金(附註(i))	16,868	19,786
Payment in advance for acquisition of property, plant and equipment	收購物業、廠房及設備的預付款項	8,030	7,862
Other receivable	其他應收款項	2,300	3,800
		27,198	31,448
Current assets	流動資產		
Deposits paid	已付按金	4,118	1,992
Prepayments	預付款項	3,244	6,620
Advances to suppliers	向供應商墊款	705	1,090
Other receivables (Note (ii))	其他應收款項(附註(ii))	47,244	42,253
		55,311	51,955

Notes:

- (i) As at 31 December 2020, included in the rental deposits of approximately RMB3,327,000 (2019: RMB3,327,000) and RMB5,352,000 (2019: RMB5,352,000) represented rental deposits paid to BJH Group and JH Real Estate respectively.
- (ii) Included in the balance was input value added tax ("VAT") receivable of approximately RMB38,413,000 (2019: RMB33,001,000) as at 31 December 2020. Input VAT arose when the Group purchases products from suppliers and the input VAT can be deducted from output VAT on revenue.

Except for input VAT receivables which had no expiry date, all other receivables were repayable either on demand or within one year.

The Directors consider that the fair values of other receivables (current portion), except for input VAT receivables, which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

Further details on the Group's credit policy and credit risk arising from deposits and other receivables are set out in note 36(iii).

附註：

- (i) 於二零二零年十二月三十一日，計入租賃按金中的約人民幣3,327,000元(二零一九年：人民幣3,327,000元)及人民幣5,352,000元(二零一九年：人民幣5,352,000元)分別指向百佳華集團及佳華房地產支付的租賃按金。
- (ii) 結餘中包括於二零二零年十二月三十一日應收回進項增值稅(「增值稅」)約人民幣38,413,000元(二零一九年：人民幣33,001,000元)。有關進項增值稅因本集團向供應商採購產品而產生，並可於收益中自銷項增值稅扣除。

除並無屆滿日期的應收回進項增值稅外，所有其他應收款項須按要求或於一年內償還。

董事認為，由於該等結餘於產生後在短期內到期，預期於一年內收回之其他應收款項(除應收回進項增值稅外)之公平值與其賬面值並無重大差異。

有關本集團信貸政策及按金及其他應收款項所產生信貸風險的詳情載於附註36(iii)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

17. INTERESTS IN AN ASSOCIATE

17. 於一家聯營公司之權益

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Share of net liabilities	應佔負債淨值	(484)	(484)
Goodwill	商譽	600	600
Less: Accumulated impairment losses	減：累計減值虧損	(116)	(116)
		-	-

Details of the associate are as follows:

聯營公司詳情如下：

Company name 公司名稱	Place of incorporation/ establishment and legal form of entity 註冊成立／成立地點及 其法人類別	Particulars of paid-up registered capital 繳足註冊 資本詳情	Percentage of interest held by the Company Indirectly 本公司間接 持有權益百分比	Principal activities and place of operations 主要業務及 經營地點
Shenzhen Egoos Mobile Internet Limited	The PRC, limited liability company	RMB10,000,000	30%	Operation and management of online sale in the PRC
深圳市移樂購移動互聯 有限公司	中國，有限責任公司	人民幣10,000,000元	30%	於中國經營與 管理網上銷售

In the opinion of the Directors, the above associate is immaterial to the Group.

董事認為，上述聯營公司對本集團並不重大。

The summarised financial information of the associate is unavailable for the years ended 31 December 2019 and 2020, and the Directors considered the impact of it is immaterial in view of the insignificance of the carrying amount of this associate.

截至二零一九年及二零二零年十二月三十一日止年度無法取得聯營公司的財務資料概要，且董事認為鑒於此聯營公司之賬面值並不重大，故其影響不算重大。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

18. INVENTORIES AND CONSUMABLES

18. 存貨及易耗品

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Merchandise for resale	轉售商品	23,815	24,951
Low value consumables	低值易耗品	2,580	3,185
		26,395	28,136

19. TRADE AND LOAN RECEIVABLES

All of the Group's sales are on cash basis except for trade receivables from certain bulk sales of merchandise to corporate customers, rental income receivables from tenants and loan receivables from provision of financing services. The credit terms offered to the customers from operation and management of retail stores and other related businesses are generally for a period of one to three months (2019: one to three months), while to customers from financing services are repayable on demand or one month (2019: repayable on demand or one to seven months).

As at 31 December 2020, included in trade receivables of approximately RMB17,969,000 (2019: RMB20,009,000) represented rental income receivables from tenants.

As at 31 December 2020, included in trade receivables of approximately RMB276,000 (2019: Nil) represented trade receivables due from related companies.

Trade receivables were non-interest-bearing. Loan receivables from provision of financing services which bore interest at fixed rates with effective interest rates ranging from 12% to 15% (2019: 12% to 15%) per annum. The loan receivables are secured and with recourse.

19. 應收貿易賬款及貸款

除若干向企業客戶作出的大量商品銷售、應收租客的租金收入及應收金融業務的貸款賬款，本集團所有銷售均以現金進行。授予此等經營及管理零售店及其他相關業務之客戶的信貨期一般為一至三個月(二零一九年：一至三個月)，而授予金融業務之客戶的信貨期一般為即期還款或壹個月(二零一九年：即期還款或壹至七個月)。

於二零二零年十二月三十一日，計入應收貿易賬款的約人民幣17,969,000元(二零一九年：人民幣20,009,000元)指應收租客的租金收入。

於二零二零年十二月三十一日，計入應收貿易賬款的約人民幣276,000元(二零一九年：無)指應收關連公司之應收貿易賬款。

應收貿易賬款為免息。源自金融業務之應收貸款賬款附帶介乎12厘至15厘之固定實際年利率(二零一九年：介乎12厘至15厘)。該應收貸款是有抵押及追索權。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

19. TRADE AND LOAN RECEIVABLES (Continued)

19. 應收貿易賬款及貸款(續)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade receivables (Note (i))	應收貿易賬款(附註(i))	19,504	24,332
Loan receivables (Note (ii))	應收貸款(附註(ii))	42,501	46,477
Less: Loss allowance (Note 36(iii))	減: 減值準備(附註36(iii))	(2,076)	-
		40,425	46,477
		59,929	70,809

Notes:

附註:

(i) The aging analysis of the Group's trade receivables, based on invoice dates, is as follows:

(i) 本集團之應收貿易賬款按發票日期的賬齡分析如下:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 30 days	30日內	15,705	22,320
31-60 days	31至60日	1,257	973
61-180 days	61至180日	781	726
181-365 days	181至365日	1,688	313
Over 365 days	365日外	73	-
		19,504	24,332

(ii) The aging analysis of the Group's loan receivables is as follows:

(ii) 本集團應收貸款的賬齡分析如下:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Repayable on demand or within one year	即期還款或一年內	40,425	46,477

The Directors consider that the fair values of trade and loan receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

董事認為，由於該等結餘於產生後在短期內到期，預期於一年內收回的應收貿易賬款及貸款的公平值與其賬面值並無重大差異。

Further details on the Group's credit policy and credit risk arising from trade and loan receivables are set out in note 36(iii).

有關本集團應收貿易賬款及貸款產生的信貸政策及信貸風險的進一步詳情載於附註36(iii)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

20. RESTRICTED BANK DEPOSIT

Restricted bank deposit amounted to RMB2,000,000 represented the bank deposit restricted for the repayment of the principal and interest of the secured bank loan required by the bank.

21. CASH AND CASH EQUIVALENTS

20. 受限制銀行存款

受限制銀行存款為人民幣2,000,000元，指受限制用於應銀行要求償還有抵押銀行貸款本金及利息的銀行存款。

21. 現金及銀行結餘

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Cash at banks and in hand	銀行及手頭現金	76,624	69,169
Bank deposits maturing within three months	於三個月內到期的銀行存款	-	28,568
Cash and cash equivalents for the purpose of statement of cash flows	現金流量表的現金及現金等價物	76,624	97,737
Bank deposits maturing over three months	於三個月後到期的銀行存款	-	20,000
		76,624	117,737

The Group had cash and bank balances denominated in RMB of approximately RMB70,272,000 (2019: RMB112,793,000) of which the remittance out of the PRC was subject to the exchange control restrictions imposed by the PRC government.

The cash at banks bore interests at floating rates based on daily bank deposit rates. As at 31 December 2020, certain bank deposits bore interest at floating rate with effective interest rate was 0.30% per annum.

As at 31 December 2019, certain bank deposits bore interest at floating rate with effective interest rate was 0.35% per annum. The other bank deposits bore interest at fixed rates with effective interest rates ranged from 1.65% to 2.1% per annum. They had maturities ranged from 6 months to 12 months and were eligible for immediate cancellation without receiving any interest for the last deposit period.

本集團以人民幣計值的現金及銀行結餘約為人民幣70,272,000元(二零一九年：人民幣112,793,000元)，其中匯出中國之款項須受中國政府實施的外匯管制限制規限。

銀行現金按浮息計息，乃按每日銀行存款利率計算。於二零二零年十二月三十一日，若干銀行存款按浮息計息，實際年利率為0.30厘。

於二零一九年十二月三十一日，若干銀行存款按浮息計息，實際年利率為0.35厘。其他銀行存款按固定利率計息，實際年利率介乎1.65厘至2.1厘。到期期限由六個月至十二個月不等，可於不收取最近一期存款期利息的情況下即時取消。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

22. TRADE PAYABLES

The credit terms granted by suppliers are generally for a period of 30 to 60 days. The aging analysis of the trade payables, based on invoice dates, is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 30 days	30日內	35,649	63,905
31-60 days	31至60日	20,482	19,589
61-180 days	61至180日	9,718	9,352
181-365 days	181至365日	3,527	2,118
Over 1 year	一年以上	5,678	3,093
		75,054	98,057

All amounts are short term and hence the carrying amounts of the Group's trade payables are considered to be a reasonable approximation of fair values.

22. 應付貿易賬款

供應商授出的信貸期一般為30至60日。應付貿易賬款按發票日期的賬齡分析如下：

所有款項均為短期，因此，本集團之應付貿易賬款賬面值被視為其公平值之合理約數。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

23. CONTRACT LIABILITIES

23. 合約負債

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Contract liabilities	合約負債	20,859	20,242
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Contract liabilities in relation to:	合約負債涉及：		
Operation and management of retail stores and other related businesses	經營及管理零售店及其他相關業務		
– Prepaid gift cards	– 預付禮品卡	12,820	12,075
– Customer loyalty programme	– 客戶長期支持計劃	8,039	8,167
		20,859	20,242

The contract liabilities represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of each reporting period. The Group expects the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue when the award points in relation to customer loyalty programme and prepaid gift cards are redeemed.

合約負債指截至各報告期間分配至未達成履約責任的交易價格總額。本集團預期，當兌換有關客戶長期支持計劃及預付禮品卡的獎勵積分時，分配至未達成履約責任的交易價格將確認為收入。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

23. CONTRACT LIABILITIES (Continued)

Movements in contract liabilities:

2020	二零二零年	Prepaid gift cards	Award points under customer loyalty programme	Total
		預付禮品卡 RMB'000 人民幣千元	客戶長期支持計劃下之獎勵積分 RMB'000 人民幣千元	
At 1 January	於一月一日	12,075	8,167	20,242
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	因年內確認於年初計入合約負債的收入而導致合約負債減少	(12,075)	(1,168)	(13,243)
Increase in contract liabilities	合約負債增加	12,820	1,040	13,860
At 31 December	於十二月三十一日	12,820	8,039	20,859

23. 合約負債(續)

合約負債變動：

2019	二零一九年	Prepaid gift cards	Award points under customer loyalty programme	Total
		預付禮品卡 RMB'000 人民幣千元	客戶長期支持計劃下之獎勵積分 RMB'000 人民幣千元	
At 1 January	於一月一日	16,360	7,259	23,619
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	因年內確認於年初計入合約負債的收入而導致合約負債減少	(16,360)	(1,535)	(17,895)
Increase in contract liabilities	合約負債增加	12,075	2,443	14,518
At 31 December	於十二月三十一日	12,075	8,167	20,242

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

23. CONTRACT LIABILITIES (Continued)

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Prepaid gift cards

The Group sells the prepaid gift cards to the customers who redeems the prepaid gift cards for future purchases. The prepaid gift cards are non-refundable and with no expiry date.

Award points under customer loyalty programme

Under the Group's customer loyalty programme, customers who participate in the loyalty programme can earn award points by spending. Valid awards points as at end of reporting period are with no expiry date.

24. DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS

23. 合約負債(續)

對經確認合約負債金額構成影響之一般支付條款如下：

預付禮品卡

本集團向顧客出售預付禮品卡，而該預付禮品卡可作日後消費。預付禮品卡是不可退回且無有效期限。

客戶長期支持計劃下之獎賞分數

在本集團之客戶長期支持計劃下，參與客戶長期支持計劃之顧客可以消費賺取獎賞分數。截至報告期末之有效獎賞分數並無有效期限。

24. 已收按金、其他應付款項及應計費用

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Deposits received	已收按金	39,915	48,179
Other payables (Note)	其他應付款項(附註)	60,716	75,153
Accruals	應計費用	18,975	20,319
		119,606	143,651

Note: As at 31 December 2020, included in other payables of approximately RMB37,815,000 (2019: RMB56,370,000) represented payables for construction on leasehold improvement.

As at 31 December 2020, included in other payables of approximately RMB738,000 (2019: RMB3,312,000) represented other PRC tax payables, other than PRC Enterprise Income Tax.

As at 31 December 2020, included in other payables of approximately RMB28,000 (2019: RMB2,631,000) represented amounts received from (i) suppliers when they send promoters to the retail stores and (ii) staff when joining the retail stores in aggregate.

As at 31 December 2020, included in other payables of approximately RMB10,342,000 (2019: RMB6,152,000) represented retention monies held by the Group regarding construction on leasehold improvement, which are payable by the end of maintenance period.

附註：於二零二零年十二月三十一日，計入其他應付款項約人民幣37,815,000元(二零一九年：人民幣56,370,000元)指建設租賃物業裝修之應付款項。

於二零二零年十二月三十一日，計入其他應付款項約人民幣738,000元(二零一九年：人民幣3,312,000元)指除中國企業所得稅以外之其他應付中國稅項。

於二零二零年十二月三十一日，計入其他應付款項約人民幣28,000元(二零一九年：人民幣2,631,000元)指(i)於供應商派遣推廣人員至零售店時應收供應商的款項及(ii)於員工加盟零售店時應收員工的款項兩者之總額。

於二零二零年十二月三十一日，計入其他應付款項約人民幣10,342,000元(二零一九年：人民幣6,152,000元)指本集團所持有關租賃物業裝修建築工程的保留金，須於保養期結束前支付。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

24. DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS (Continued)

All amounts are short term and hence the carrying amounts of the Group's deposits received, other payables and accruals are considered to be a reasonable approximation of fair values.

25. AMOUNT DUE TO A DIRECTOR

The amount was unsecured, interest free and repayable on demand.

26. BORROWINGS

24. 已收按金、其他應付款項及應計費用(續)

所有款項均為短期，因此，本集團之已收按金、其他應付款項及應計費用賬面值被視為其公平值之合理約數。

25. 應付一名董事款項

有關款項為無抵押、免息及按要求償還。

26. 借貸

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current – secured bank loan	即期－有抵押銀行貸款	2,280	–
Non-current – secured bank loan	非即期－有抵押銀行貸款	64,663	–
		66,943	–

As at 31 December 2020, total current and non-current secured bank loan were scheduled to repay as follows:

截至二零二零年十二月三十一日，即期及非即期有抵押銀行貸款總額按計劃須於下列期間償還：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within one year	一年內	2,280	–
More than one year, but not exceeding two years	超過一年，但不超過兩年	2,280	–
More than two years, but not exceeding five years	超過兩年，但不超過五年	7,680	–
More than five years	超過五年	54,703	–
		66,943	–

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

26. BORROWINGS (Continued)

During the year, banking facility of approximately RMB180,000,000 was granted by a bank to a subsidiary of the Group. The Group has drawn down of approximately RMB67,513,000 and repaid of approximately RMB570,000 for the year. As at 31 December 2020, the Group has undrawn banking facility of approximately RMB112,487,000. The banking facility is secured by the Group's investment properties amounted to approximately RMB266,800,000 and trade receivables of approximately RMB143,000 as at 31 December 2020 and guaranteed by BJH Group.

The bank loan is variable interest bearing which carried interest based on the 5-year loan prime rate issued by the National Inter-bank Funding Center plus 0.25% per annum. The effective interest rate as at 31 December 2020 is 4.9%.

As at 31 December 2020, the Group has not breached any of the covenants of the banking facilities.

The bank loan is arranged at variable interest rate and expose the Group to cash flow interest rate risk. Further details of the Group's management of interest rate risk are set out in note 36(iv).

26. 借貸(續)

年內，一家銀行向本集團一家附屬公司授出銀行融資約人民幣180,000,000元。於本年度，本集團提取約人民幣67,513,000元及償還約人民幣570,000元。於二零二零年十二月三十一日，本集團未動用的銀行融資為約人民幣112,487,000元。該銀行融資以本集團於二零二零年十二月三十一日的投資物業約人民幣266,800,000元及應收貿易賬款約人民幣143,000元作抵押，並由百佳華集團提供擔保。

銀行貸款的利息為浮動，按全國銀行間同業拆借中心發佈的五年期貸款最優惠利率加0.25%年利率計息。於二零二零年十二月三十一日，實際利率為4.9%。

於二零二零年十二月三十一日，本集團並無違反銀行融資的任何契約。

銀行貸款按浮動利率安排，使本集團面臨現金流利率風險。本集團管理利率風險的進一步詳情載於附註36(iv)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

27. DEFERRED TAXATION

The following are the major deferred tax asset and liabilities recognised by the Group and movements thereon during the current and previous financial years.

27. 遞延稅項

以下為本集團於本年度及過往財政年度已確認的主要遞延稅項資產及負債及有關變動。

		Revaluation of investment properties 投資物業重估 RMB'000 人民幣千元	Undistributed profits of subsidiaries 附屬公司之 未分派溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	20,831	3,100	23,931
Deferred taxation debited to the profit or loss (Note 9)	扣除損益的遞延稅項(附註9)	200	-	200
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	21,031	3,100	24,131
Deferred taxation credited to the profit or loss (Note 9)	計入損益的遞延稅項(附註9)	(1,875)	(555)	(2,430)
At 31 December 2020	於二零二零年十二月三十一日	19,156	2,545	21,701

Pursuant to the Detailed Implementation Regulations for implementation of the new Corporate Income Tax Law of the PRC issued on 6 December 2007, a 10% withholding income tax shall be levied on the dividends remitted by the companies established in the PRC to their foreign investors starting from 1 January 2008. Dividends declared or proposed out from the profits generated by the PRC companies after 1 January 2008 shall be subject to this withholding income tax.

As at 31 December 2020, the aggregate amount of temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognised totalled approximately RMB208,000,000 (2019: RMB284,000,000), as the Directors consider that timing of reversal of the related temporary differences can be controlled and it is probable that such differences will not be reversed in the foreseeable future.

根據於二零零七年十二月六日頒佈的中國新企業所得稅法實施條例，由二零零八年一月一日起，將對在中國成立的公司向其海外投資者派付的股息徵收10%的預扣所得稅。於二零零八年一月一日後，以中國公司產生的溢利宣派或建議宣派的股息須繳納該項預扣所得稅。

於二零二零年十二月三十一日，與於附屬公司的投資有關而尚未就此確認遞延稅項負債的暫時差異總額合計約為人民幣208,000,000元(二零一九年：人民幣284,000,000元)，因為董事認為可以控制撥回相關暫時差異的時間，而且有關差異可能不會於可預見未來撥回。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

27. DEFERRED TAXATION (Continued)

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2020 the Group has estimated unused tax losses of approximately RMB135,716,000 (2019: RMB50,044,000) which were available for offset against future profits and are subject to expiry period of five years as follows. No deferred tax asset has been recognised in respect of the estimated tax losses due to the unpredictability of future profit streams.

27. 遞延稅項(續)

遞延稅項資產於相關稅項利益可能透過日後應課稅溢利變現時就結轉稅項虧損予以確認。於二零二零年十二月三十一日，本集團已有估計未動用稅務虧損約人民幣135,716,000元(二零一九年：人民幣50,044,000元)，可用以抵銷日後溢利，並按照以下五個年度期間屆滿。因未能預測日後溢利來源，概無遞延稅項資產就有關估計稅項虧損而獲確認。

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Expire in	於以下年度屆滿		
- 2020	- 二零二零年	-	-
- 2021	- 二零二一年	-	-
- 2022	- 二零二二年	11,319	11,319
- 2023	- 二零二三年	3,090	3,090
- 2024	- 二零二四年	35,635	35,635
- 2025	- 二零二五年	85,672	-
		135,716	50,044

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

28. SHARE CAPITAL

28. 股本

		2020 二零二零年		2019 二零一九年	
		Number of shares (‘000) 股份數目 (千股)	RMB’000 人民幣千元	Number of shares (‘000) 股份數目 (千股)	RMB’000 人民幣千元
Authorised:	法定：				
Ordinary shares of Hong Kong Dollars (“HK\$”) 0.01 each	每股面值0.01港元(「港元」) 的普通股				
At 1 January and 31 December	於一月一日及十二月 三十一日	10,000,000	97,099	10,000,000	97,099
Issued and fully paid:	已發行及繳足：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股				
At 1 January and 31 December	於一月一日及 十二月三十一日	1,037,500	10,125	1,037,500	10,125

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

29. RESERVES

The movements of the Group's reserves for the year are presented in the consolidated statement of changes in equity.

The movements of the Company's reserves for the year are set out below:

29. 儲備

本集團於年內之儲備變動已於綜合權益變動表呈列。

本公司於年內之儲備變動載列如下：

		Share premium	Contributed surplus	Retained profits/ (accumulated losses)	Dividend proposed	Total
		股份溢價	繳入盈餘	保留溢利/ (累計虧損)	擬派股息	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日	252,478	67,848	1,086	19,505	340,917
Loss and total comprehensive income for the year	年內虧損及全面收益總額	-	-	(6,070)	-	(6,070)
Dividend approved for 2018	二零一八年之獲批准股息	-	-	-	(19,505)	(19,505)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	252,478	67,848	(4,984)	-	315,342
Loss and total comprehensive income for the year	年內虧損及全面收益總額	-	-	(4,612)	-	(4,612)
At 31 December 2020	於二零二零年十二月三十一日	252,478	67,848	(9,596)	-	310,730

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

29. RESERVES (Continued)

Share premium

Under the Companies Law of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

Statutory reserve

According to the relevant PRC laws, subsidiaries established in the PRC are required to transfer at least 10% of their net profit after tax, as determined under the PRC accounting regulation, to a statutory reserve until the reserve balance reaches 50% of the entity's registered capital. The transfer of this reserve must be made before the distribution of dividend to the subsidiaries equity owners. The statutory reserve is non-distributable other than upon the liquidation of the entity.

Statutory welfare reserve

According to the relevant PRC laws, companies established in the PRC are required to transfer a certain percentage, as approved by the directors of the subsidiaries, of its net profit after tax, as determined under the PRC accounting regulation, to a statutory welfare reserve. This reserve can only be used to provide staff facilities and other collective benefits to its employees. The statutory welfare reserve is non-distributable other than upon the liquidation of the entity. According to the relevant PRC laws, from 1 January 2006, no subsequent profit distribution to the statutory welfare reserve was needed.

29. 儲備(續)

股份溢價

根據開曼群島公司法，股份溢價賬可分派予本公司股東，惟本公司於緊隨建議派付股息當日後須能清償其於日常業務過程中到期償還的債務。

法定儲備

根據有關中國法律，於中國成立的附屬公司須將其按中國會計規例釐定的除稅後純利最少10%轉撥至法定儲備，直至法定儲備結餘達到實體註冊資本的50%為止。此儲備轉撥必須於向附屬公司權益持有人派發股息前作出。除非實體清盤，否則法定儲備不得分派。

法定福利基金

根據有關中國法律，在中國成立的公司須將其按中國會計規例釐定的除稅後純利經附屬公司的董事批准的若干百分比轉撥至法定福利基金。該基金僅可用於向其僱員提供員工設施及其他集體利益。除非實體清盤，否則法定福利基金不得分派。根據有關中國法律，自二零零六年一月一日起，概無其後須分派至法定福利基金的溢利。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

29. RESERVES (Continued)

Merger reserve

The merger reserve of the Group arose as a result of the reorganisation completed on 30 April 2007 and represented the difference between the nominal value of the Company's shares issued under the reorganisation and the nominal value of the aggregate share capital/registered capital and share premium of the subsidiaries then acquired.

Property revaluation reserve

The property revaluation reserve represented the revaluation gain in respect of the leasehold land and buildings which were reclassified as investment properties for the year ended 31 December 2014.

Translation reserve

Translation reserve represents the exchange differences arising from the translation of the financial statements of subsidiaries into presentation currency of the Company.

Contributed surplus

The contributed surplus of the Company arose as a result of the reorganisation completed on 30 April 2007 and represents the excess of the nominal value of the Company's shares issued in exchange for the consolidated net assets value of the subsidiaries then acquired.

29. 儲備(續)

合併儲備

於二零零七年四月三十日完成的重組導致本集團出現合併儲備，合併儲備指根據重組所發行本公司股份的面值與當時所收購附屬公司股本／註冊資本及股份溢價面值總額的差額。

物業重估儲備

物業重估儲備指就租賃土地及樓宇(截至二零一四年十二月三十一日止年度重新分類為投資物業)的重估收益。

換算儲備

換算儲備指換算附屬公司財務報表為本公司呈列貨幣產生的匯兌差額。

繳入盈餘

本公司繳入盈餘因於二零零七年四月三十日完成的重組而產生，指本公司就交換代價所發行股份的面值超出當時所收購附屬公司的綜合資產淨值的差額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

30. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emolument

The emoluments paid or payable to the Directors were as follows:

30. 董事薪酬及高級管理人員酬金

(a) 董事酬金

已付或應付董事之酬金如下：

	Fees	Salaries, allowance and other benefits in kind	Contributions to retirement schemes	Total
	袍金	薪金、津貼及其他實物利益	退休計劃供款	總計
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2020				
Executive directors				
Mr. Zhuang Lu Kun	-	-	-	-
Mr. Zhuang Pei Zhong	600	146	47	793
Mr. Zhuang Xiao Xiong	720	258	45	1,023
	1,320	404	92	1,816
Independent non-executive directors				
Mr. Chin Kam Cheung	152	-	-	152
Mr. Sun Ju Yi	151	-	-	151
Mr. Ai Ji	151	-	-	151
	454	-	-	454
	1,774	404	92	2,270

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

30. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(a) Directors' emolument (Continued)

30. 董事薪酬及高級管理人員酬金(續)

(a) 董事酬金(續)

		Fees	Salaries, allowance and other benefits in kind	Contributions to retirement schemes	Total
		袍金	薪金、津貼及其他實物利益	退休計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
2019	二零一九年				
Executive directors	執行董事				
Mr. Zhuang Lu Kun	莊陸坤先生	-	-	-	-
Mr. Zhuang Pei Zhong	莊沛忠先生	600	103	36	739
Mr. Zhuang Xiao Xiong	莊小雄先生	720	203	46	969
		1,320	306	82	1,708
Independent non-executive directors	獨立非執行董事				
Mr. Chin Kam Cheung	錢錦祥先生	152	-	-	152
Mr. Sun Ju Yi	孫聚義先生	151	-	-	151
Mr. Ai Ji	艾及先生	151	-	-	151
		454	-	-	454
		1,774	306	82	2,162

None of the Directors waived any emoluments paid by the Group during the year (2019: Nil).

No emoluments were paid to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office for the year (2019: Nil).

年內概無董事放棄本集團所付任何酬金(二零一九年：無)。

年內董事並無獲支付任何酬金，作為招攬加入本集團或於加入時的獎勵或離職補償(二零一九年：無)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

30. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(b) Five highest paid individuals

The five highest paid individuals of the Group included two (2019: two) directors of the Company for the year, whose emoluments are disclosed in Note 30(a). Details of the remuneration paid to the remaining three (2019: three) non-director highest paid individuals who were also members of senior management of the Group, which fell within the band of Nil – HK\$1 million (equivalent to approximately Nil – RMB899,000) are as follows:

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind 薪金、津貼及實物利益	1,658	2,298
Contributions to retirement schemes 退休計劃供款	108	118
	1,766	2,416

No emoluments were paid by the Group to any of the highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office for the year (2019: Nil).

年內本集團並無支付酬金予任何最高薪酬人士，作為招攬加入本集團或於加入時的獎勵或離職補償(二零一九年：無)。

(c) Senior management's emoluments

The emoluments paid or payable to six (2019: six) members of senior management whose emoluments fell within the following bands:

	2020 二零二零年	2019 二零一九年
Nil to HK\$1,000,000 (equivalent to approximately Nil – RMB899,000) 零港元至1,000,000港元 (相當於約人民幣零元至人民幣899,000元)	6	6

30. 董事薪酬及高級管理人員酬金 (續)

(b) 五名最高薪酬人士

年內本集團五名最高薪酬人士包括本公司兩名(二零一九年：兩名)董事，彼等的酬金已於附註30(a)披露。支付予餘下三名(二零一九年：三名)最高薪酬非董事人士(亦為本集團高級管理人員)的薪酬介乎零港元至1,000,000港元(相當於約人民幣零元至人民幣899,000元)，詳情如下：

(c) 高級管理人員酬金

已付或應付六名(二零一九年：六名)高級管理層成員之酬金介乎以下組別：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

31. CAPITAL COMMITMENTS

The Group had the following outstanding capital commitments:

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Contracted, but not provided for, in respect of property, plant and equipment	8,606	19,332

Contracted, but not provided for, in respect of property, plant and equipment

有關物業、廠房及設備已訂約但未撥備

31. 資本承擔

本集團具有以下未支付資本承擔：

32. RELATED PARTY TRANSACTIONS

In addition to those transactions and balances detailed elsewhere in these financial statements, the following transactions were carried out with related parties:

(a) Transactions with BJH Group

	Note 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Rental income in respect of investment properties	(i)	2,303	2,229

Note:

(i) The amounts were determined in accordance with the terms of the underlying agreements.

32. 關聯人士交易

除於該等財務報表其他部分詳列之交易及結餘外，以下為與關聯人士進行之交易：

(a) 與百佳華集團之交易

附註：

(i) 該等金額乃根據相關協議條款釐定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

32. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with JH Real Estate

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
		Notes 附註		
Rental income in respect of investment properties	有關投資物業的租賃收入	(i)	767	730
Revenue in respect of sales of goods	有關銷售貨品的收入	(i)	2,238	3,076
Service income in respect of online platform supporting service	有關網上平台支援服務的 服務收入	(i)	566	400
Rental income in respect of computer software	有關電腦软件的租賃收入	(i)	131	47

Note:

- (i) The amounts were determined in accordance with the terms of the underlying agreements.

附註：

- (i) 該等金額乃根據相關協議的條款釐定。

(c) Transactions with Shenzhen Baijiahua Yunzhuo Hotel Management Limited

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
		Notes 附註		
Service income in respect of online platform supporting service	有關網上平台支援服務的 服務收入	(ii)	-	400
Rental income in respect of computer software	有關電腦软件的租賃收入	(ii)	107	40
Expense in respect of accommodation	住宿費用	(ii)	(292)	-

Notes:

- (i) Mr. Zhuang Lu Kun and Mrs. Zhuang Su Lan, the spouse of Mr. Zhuang Lu Kun, have beneficial interests in Shenzhen Baijiahua Yunzhuo Hotel Management Limited.

- (ii) The amounts were determined in accordance with the terms of the underlying agreements.

附註：

- (i) 莊陸坤先生及莊素蘭女士（莊陸坤先生的配偶）於深圳市百佳華雲著酒店管理有限公司擁有實益權益。

- (ii) 該金額乃根據相關協議的條款釐定。

32. 關聯人士交易(續)

(b) 與佳華房地產的交易

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
		Notes 附註		
Rental income in respect of investment properties	有關投資物業的租賃收入	(i)	767	730
Revenue in respect of sales of goods	有關銷售貨品的收入	(i)	2,238	3,076
Service income in respect of online platform supporting service	有關網上平台支援服務的 服務收入	(i)	566	400
Rental income in respect of computer software	有關電腦软件的租賃收入	(i)	131	47

附註：

- (i) 該等金額乃根據相關協議的條款釐定。

(c) 與深圳市百佳華雲著酒店管理有限公司的交易

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
		Notes 附註		
Service income in respect of online platform supporting service	有關網上平台支援服務的 服務收入	(ii)	-	400
Rental income in respect of computer software	有關電腦软件的租賃收入	(ii)	107	40
Expense in respect of accommodation	住宿費用	(ii)	(292)	-

附註：

- (i) 莊陸坤先生及莊素蘭女士（莊陸坤先生的配偶）於深圳市百佳華雲著酒店管理有限公司擁有實益權益。

- (ii) 該金額乃根據相關協議的條款釐定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

32. RELATED PARTY TRANSACTIONS (Continued)

(d) Transactions with Shenzhen Jiahua Property Management Limited

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Service income in respect of online platform supporting service	有關網上平台支援服務的服務收入	189	400
Rental income in respect of computer software	有關電腦软件的租賃收入	107	40
Expenses in respect of property management	有關物業管理的開支	(113)	(131)
Short term lease expense in respect of car parking lot	有關停車位的短期租賃開支	(1,331)	(982)

Notes:

- (i) Mr. Zhuang Lu Kun and Mrs. Zhuang Su Lan, the spouse of Mr. Zhuang Lu Kun, have beneficial interests in Shenzhen Jiahua Property Management Limited.
- (ii) The amounts were determined in accordance with the terms of the underlying agreements.

附註：

- (i) 莊陸坤先生及莊素蘭女士（莊陸坤先生的配偶）於深圳市佳華物業管理有限責任公司擁有實益權益。
- (iii) 該金額乃根據相關協議的條款釐定。

(e) Compensation of key management personnel

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Total remuneration of directors (Note 30(a)) and other members of key management	董事(附註30(a))及其他主要管理人員的薪酬總額		
– Short term employee benefits	– 短期僱員福利	4,902	5,476
– Contributions to retirement schemes	– 退休計劃供款	313	351
		5,215	5,827

32. 關聯人士交易(續)

(d) 與深圳市佳華物業管理有限責任公司的交易

(e) 主要管理人員酬金

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

33. 本公司財務狀況表

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
		Notes 附註		
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資		67,848	67,848
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項		249,213	256,445
Other receivables	其他應收款項		—	13
Cash and bank balances	現金及銀行結餘		5,970	3,288
			255,183	259,746
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及 應計費用		2,176	2,127
Net current assets	流動資產淨值		253,007	257,619
Net assets	資產淨值		320,855	325,467
EQUITY	權益			
Share capital	股本	28	10,125	10,125
Reserves	儲備	29	310,730	315,342
Total equity	權益總額		320,855	325,467

Zhuang Lu Kun

莊陸坤

Director

董事

Zhuang Pei Zhong

莊沛忠

Director

董事

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

34. INTERESTS IN SUBSIDIARIES

Details of the subsidiaries as at 31 December 2019 and 2020 are as follows:

34. 於附屬公司的權益

於二零一九年及二零二零年十二月三十一日，附屬公司詳情如下：

Company name 公司名稱	Place of incorporation/ establishment and legal form of entity 註冊成立/成立地點及 其法人類別	Particulars of issued share/ paid-up registered capital 已發行股份/ 已繳足註冊資本	Percentage of interest held by the Company 本公司持有權益百分比				Principal activities and place of operations 主要業務及經營地點
			2020 二零二零年		2019 二零一九年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Forever Prosperity International Company Limited 永泰國際有限公司	British Virgin Islands, limited liability company 英屬處女群島， 有限責任公司	US\$20 20美元	100%	-	100%	-	Investment holding in Hong Kong 於香港進行投資控股
Ding Xin Investment Company Limited 鼎新投資有限公司	Hong Kong, limited liability company 香港，有限責任公司	HK\$0.1 0.1港元	-	100%	-	100%	Investment holding in Hong Kong 於香港進行投資控股
Shenzhen Baijiahua Commercial Management Limited 深圳市百佳華商業管理有限公司	The PRC, limited liability company 中國，有限責任公司	RMB45,000,000 人民幣45,000,000元	-	100%	-	100%	Operation and management of shopping malls in the PRC 於中國經營及 管理購物中心
Shenzhen Qianhai Baijiahua Commercial Factoring Limited 深圳市前海百佳華商業保理 有限公司	The PRC, limited liability company 中國，有限責任公司	RMB50,000,000 人民幣50,000,000元	-	100%	-	100%	Commercial factoring services in the PRC 於中國進行商業保理服務
Shenzhen Baijiahua Department Stores Company Limited 深圳市百佳華百貨有限公司	The PRC, limited liability company (wholly-foreign owned enterprise) 中國，有限責任公司 (外商獨資企業)	RMB220,400,000 人民幣220,400,000元	-	100%	-	100%	Investment holding and operation and management of retail stores in the PRC 於中國進行投資控股及 經營及管理零售店

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

34. INTERESTS IN SUBSIDIARIES (Continued)

34. 於附屬公司的權益(續)

Company name 公司名稱	Place of incorporation/ establishment and legal form of entity 註冊成立/成立地點及 其法人類別	Particulars of issued share/ paid-up registered capital 已發行股份/ 已繳足註冊資本	Percentage of interest held by the Company 本公司持有權益百分比				Principal activities and place of operations 主要業務及經營地點
			2020 二零二零年		2019 二零一九年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Guangxi Baijiahua Department Stores Company Limited 廣西百佳華百貨有限公司	The PRC, limited liability company 中國, 有限責任公司	RMB10,000,000 人民幣10,000,000元	-	100%	-	100%	Operation and management of retail stores in the PRC 於中國經營及管理零售店
Shenzhen BJH Network Technology Limited 深圳市百佳華網絡科技有限公司	The PRC, limited liability company 中國, 有限責任公司	RMB10,000,000 人民幣10,000,000元	-	100%	-	100%	Operation and management of online sale in the PRC 於中國經營及管理網上銷售
Shenzhen Baijiahua Convenient Stores Chain Management Limited 深圳市百佳華連鎖便利店管理有限公司	The PRC, limited liability company 中國, 有限責任公司	RMB5,000,000 人民幣5,000,000元	-	100%	-	100%	Inactive 暫無業務
Shenzhen Baijiahua Supply Chain Management Limited 深圳市百佳華供應鏈管理有限公司	The PRC, limited liability company 中國, 有限責任公司	RMB5,000,000 人民幣5,000,000元	-	100%	-	100%	Supply chain financing services in the PRC 於中國進行供應鏈 金融服務

The financial statements of the above subsidiaries were audited by BDO Limited, for statutory purpose and/or for the purpose of the group consolidation.

None of the subsidiaries had issued any debt securities at the end of the year.

上述附屬公司的財務報表已就符合法例規定及/或集團綜合賬目由香港立信德豪會計師事務所有限公司審核。

於年末, 概無附屬公司發行任何債務證券。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

35. 融資活動產生之負債之調控

		Borrowings (Note 26) 借貸 (附註26) RMB'000 人民幣千元	Lease liabilities (Note 13) 租賃負債 (附註13) RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	-	681,835
Changes in cash flow:	現金流量變動：		
Proceeds from borrowings	借貸所得款項	67,513	-
Repayment of borrowings	償還借貸	(570)	-
Interest paid	已付利息	(882)	-
Repayment of principal portion of lease liabilities	償還租賃負債之本金部分	-	(61,469)
Repayment of interest portion of lease liabilities	償還租賃負債之利息部分	-	(45,023)
Total changes from financing cash flows:	融資現金流量變動總額：	66,061	(106,492)
Other changes:	其他變動：		
Interest on borrowings	借貸利息	882	-
Interest on lease liabilities	租賃負債利息	-	45,023
Increase in lease liabilities from entering into new leases	訂立新租賃導致租賃負債增加	-	38,848
Decrease in lease liabilities from early termination of leases	提早終止租賃導致租賃負債減少	-	(68,764)
Effect of lease modification	租賃修訂的影響	-	(44,410)
COVID-19-related rent concessions	COVID-19有關的租金寬免	-	(7,199)
Total other changes:	其他變動總計：	882	(36,502)
At 31 December 2020	於二零二零年十二月三十一日	66,943	538,841

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (Continued)

35. 融資活動產生之負債之調控 (續)

		Lease liabilities (Note 13) 租賃負債 (附註13) RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	515,438
Changes in cash flow:	現金流量變動：	
Repayment of principal portion of lease liabilities	償還租賃負債之本金部分	(61,517)
Repayment of interest portion of lease liabilities	償還租賃負債之利息部分	(51,750)
Total changes from financing cash flows:	融資現金流量變動總額：	(113,267)
Other changes:	其他變動：	
Interest on lease liabilities	租賃負債利息	51,750
Increase in lease liabilities from entering into new leases	訂立新租賃導致租賃負債增加	227,975
Decrease in lease liabilities from early termination of leases	提早終止租賃導致租賃負債減少	(61)
Total other changes:	其他變動總計：	279,664
At 31 December 2019	於二零一九年十二月三十一日	681,835

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including currency risk and interest risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the Board. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets. Long term financial investments are managed to generate lasting returns with acceptable risk levels.

It is not the Group's policy to engage in the trading of financial instruments for speculative purposes. The most significant financial risks to which the Group is exposed to are described below.

36. 財務風險管理及公平值計量

本集團因其日常業務經營過程及投資業務使用金融工具而面對財務風險。有關財務風險包括市場風險(包括貨幣風險及利率風險)、信貸風險及流動資金風險。

財務風險管理由本集團總部協調，並與董事會密切合作。管理財務風險之整體目標重點在於透過盡量減少金融市場風險，確保本集團短期至中期現金流量。長期金融投資以可接受風險程度產生持續回報管理。

本集團之政策並非從事以投機為目的的金工具買賣。本集團所面對最重大的金融風險說明如下。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(i) Categories of financial assets and liabilities

The carrying amounts presented in the statements of financial position relate to the following categories of financial assets and financial liabilities:

36. 財務風險管理及公平值計量 (續)

(i) 金融資產及負債類別

於財務狀況表呈列有關金融資產及金融負債類別之賬面值如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Financial assets:	金融資產：		
Financial assets measured at amortised costs	按攤銷成本計量之金融資產		
– Trade and loan receivables	– 應收貿易賬款及貸款	59,929	70,809
– Deposits paid and other receivables	– 已付按金及其他應收款項	32,117	34,830
– Restricted bank deposit	– 受限制銀行存款	2,000	–
– Cash and cash equivalents	– 現金及現金等價物	76,624	117,737
		170,670	223,376
Financial liabilities:	金融負債：		
Financial liabilities measured at amortised costs	按攤銷成本計量之金融負債		
– Trade payables	– 應付貿易賬款	75,054	98,057
– Deposits received, other payables and accruals	– 已收按金、其他應付款項及應計費用	119,606	143,651
– Amount due to a director	– 應付一名董事款項	59	59
– Lease liabilities	– 租賃負債	538,841	681,835
– Borrowings	– 借貸	66,943	–
		800,503	923,602

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(ii) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has operation in the PRC so that the majority of the Group's revenues, expenses and cash flows are denominated in RMB. Assets and liabilities of the Group are mostly denominated in RMB and HK\$. Any significant exchange rate fluctuations of foreign currencies against RMB may have financial impact to the Group.

The Group's exposures at the reporting date to currency risk arising from foreign currency denominated monetary assets in currency other than the functional currency of the entity to which they relate are set out below:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Financial assets:	金融資產：		
Cash and bank balances – HK\$	現金及銀行結餘－港元	6,352	4,470
Deposits and other receivables – HK\$	按金及其他應收款項－港元	95	–
		6,447	4,470
Financial liabilities:	金融負債：		
Other payables and accruals – HK\$	其他應付款項及應計費用－港元	(1,723)	–
Net exposure	風險淨額	4,724	4,470

36. 財務風險管理及公平值計量(續)

(ii) 外幣風險

貨幣風險指金融工具之公平值或未來現金流量由於匯率變動而波動之風險。

本集團於中國經營業務，故本集團大部分收入、開支及現金流量均以人民幣計值。本集團大部分資產及負債以人民幣及港元計值。外幣兌人民幣的匯率如有任何重大波動均可能對本集團構成財務影響。

由於以外幣計值的貨幣資產以與有關實體的功能貨幣不同的貨幣計值，故本集團於報告日期承受下列貨幣風險：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(ii) Foreign currency risk (Continued)

Sensitivity analysis

As at 31 December 2020, if RMB had strengthened by 5% against HK\$, with all other variables held constant, post-tax profit for the year and, accumulated losses would have been approximately RMB225,000 higher (2019: retained profits of RMB214,000 lower), as a result of foreign exchange gains on translation of foreign currency denominated financial assets and liabilities.

The same % decrease in the foreign currency exchange rate on RMB against HK\$ would have the same magnitude on the Group's post-tax profit for the year and retained profits as shown above but of opposite effect, on the basis all variances held constant.

These are the same method and assumption used in preparing the sensitivity analysis included in the financial statements for the years ended 31 December 2019 and 2020.

The policies to manage foreign currency risk have been followed by the Group since prior years and are considered to be effective.

36. 財務風險管理及公平值計量(續)

(ii) 外幣風險(續)

敏感度分析

於二零二零年十二月三十一日，倘人民幣兌港元升值5%，而所有其他變數不變，則年內稅後溢利及累計虧損將因換算外幣計值的金融資產及負債錄得匯兌收益而增加約人民幣225,000元(二零一九年：減少保留溢利214,000元)。

倘所有變數維持不變，則人民幣兌港元匯率之相同下跌百分比對本集團年內稅後溢利及保留溢利應具有上文所示相同幅度但相反方向之影響。

所使用的方法及假設與編製截至二零一九年及二零二零年十二月三十一日止年度財務報表所載的敏感度分析所採用者相同。

本集團一直沿用過往年度管理外幣風險的政策，並認為其具有成效。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(iii) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's maximum exposure to credit risk is the carrying amounts of cash and bank balance, trade and loan receivables, deposits paid and other receivables.

For the operation and management of retail stores and other related businesses, the Group has no significant concentrations of credit risk. Most of the sales transactions were settled in cash basis, by credit card payment or through online payment platforms. Credit terms are only offered to corporate customers with whom the Group has an established and ongoing relationship. Regarding trade receivables arising from rental income, the Group maintains a defined credit policy including stringent credit evaluation on and payment of a rental deposit from tenants. Receivables are regularly reviewed and closely monitored to minimise any associated credit risk.

The Group's trade receivables, deposits paid and other receivables are actively monitored to avoid significant concentrations of credit risk. The Group is not exposed to any significant credit risk from any single counterparty or any group of counterparties having similar characteristics. The Group's bank deposits were deposited with major financial institutions in Hong Kong and the PRC, which management believes are of high-credit-quality without significant credit risk.

36. 財務風險管理及公平值計量(續)

(iii) 信貸風險

信貸風險指金融工具的交易對手將無法根據金融工具條款履行其責任，令本集團出現財務虧損的風險。本集團面對的最大信用風險為現金及銀行存款、應收貿易賬款及貸款、已付按金及其他應收款項之賬面值。

就經營及管理零售店及其他相關業務而言，本集團的信貸風險並無出現重大集中情況。大部分銷售交易以現金、信用卡付款或透過網上支付平台結算。本集團僅向擁有持續關係的企業客戶提供信貸期。視乎租金收入產生的應收貿易賬款，本集團設有界定清晰的信貸政策，包括嚴格的信貸評估及向租戶收取租賃按金。我們會定期審閱及密切監測應收款項，以減少任何相關信貸風險。

我們會主動監測本集團的應收貿易賬款、已付按金及其他應收款項，以免信貸風險嚴重集中。本集團並無因具有類似特徵的任何單一交易對手或任何交易對手群體受到任何重大信貸風險。本集團的銀行按金存置於香港及中國的主要金融機構，管理層相信該等機構具備高品質信貸，不會出現重大信貸風險。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(iii) Credit risk (Continued)

All of the Group's trade receivables, deposits paid and other receivables have no collateral. Details of the Group's ECLs assessments are as follows:

(a) Trade receivables

The Group applies the simplified approach in providing for ECLs as prescribed by HKFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated by reference to past default experience of the debtor and current market condition in relation to each debtor's exposure. The ECLs also incorporates forward-looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle receivables. To measure the ECLs, trade receivables have been grouped based on share credit risk characteristics.

No provision for impairment loss for these trade receivables (including rental income receivables) were made at 31 December 2020 and 2019 as the financial assets were considered to be of low credit risk and the ECLs of these financial assets was immaterial.

36. 財務風險管理及公平值計量(續)

(iii) 信貸風險(續)

本集團所有應收貿易賬款、已付按金及其他應收款項概無抵押物。本集團的預期信貸虧損評估詳情如下：

(a) 應收貿易賬款

按照香港財務報告準則第9號所規定，本集團應用簡化法提供預期信貸虧損，就所有應收貿易賬款使用全期預期損失撥備。本集團一直按相當於全期預期信貸虧損的金額就應收貿易賬款計量虧損撥備。應收貿易賬款的預期信貸虧損參考債務人的過往違約記錄及各債務人面對的市場現況估計。預期信貸虧損包括以可能影響債務人能否結付應收款項的整體宏觀經濟條件為參考的前瞻性資料。為計量預期信貸虧損，應收貿易賬款已根據共同信用風險特徵分組。

於二零二零年及二零一九年十二月三十一日，概無就該等應收貿易賬款(包括應收租金收入)計提減值虧損撥備，原因在於金融資產的信貸風險較低且該等金融資產的預期信貸虧損並不重大。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(iii) Credit risk (Continued)

(b) Deposits and other receivables

The Group determines ECLs for deposits and other receivables based on 12-month ECLs which take into account the historical default experiences and forward-looking information, as appropriate, for example, the Group considers the consistently low historical default rates of counterparties. It is concluded that credit risk inherent in the Group's outstanding deposits paid and other receivables are insignificant. The Group has assessed that the deposits paid and other receivables do not have a significant increase in credit risk since initial recognition and risk of default is insignificant, therefore, the ECLs for those deposits paid and other receivables were immaterial under the 12-month ECLs method. No loss allowance for the deposits paid and other receivables were recognised for the years ended 31 December 2019 and 2020.

36. 財務風險管理及公平值計量(續)

(iii) 信貸風險(續)

(b) 按金及其他應收款項

本集團基於十二個月預期信貸虧損就按金及其他應收款項釐定預期信貸虧損，當中計及過往違約記錄及前瞻性資料(如適用)，例如本集團會考慮違約率過往一直較低的交易對手。因此，結論為本集團的未結清按金及其他應收款項固有的信貸風險並不重大。本集團評估自首次確認以來，已付按金及其他應收款項的信貸風險未有顯著增加，且違約風險並不重大，故該等已付按金及其他應收款項根據十二個月預期信貸虧損法的預期信貸虧損並不重大。截至二零一九年及二零二零年十二月三十一日止年度並無確認已付按金及其他應收款項的虧損撥備。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(iii) Credit risk (Continued)

(c) Loan receivables

The Group's exposure to credit risk mainly arises from loan receivables from financing services business. As at 31 December 2020, the five largest loan receivables, in aggregate, contributed approximately RMB40,425,000 or 67% (2019: RMB46,477,000 or 66%) to the Group's total trade and loan receivables.

In respect of loan receivables, the Group's policy is that all customers who wish to obtain loans from the Group are subject to management review. The Group holds collaterals directly or indirectly to cover its risks associated with loan receivables.

The Group applies HKFRS 9 to measure ECLs which uses a 12-month ECLs for loan receivables. To measure the ECLs, loan receivables have been grouped based on shared credit risk characteristics. The internal credit risk ratings are based on qualitative (such as debtors' operating conditions, financial positions, external rating of customers, etc.) and quantitative factors (mainly includes past due information of the loan receivables).

36. 財務風險管理及公平值計量(續)

(iii) 信貸風險(續)

(c) 應收貸款

本集團面對的信貸風險主要來自金融服務業務的應收貸款產生。於二零二零年十二月三十一日，排名前五的應收貸款合共佔本集團總應收貿易賬款及貸款約人民幣40,425,000元或67%（二零一九年：人民幣46,477,000元或66%）。

就應收貸款而言，本集團的政策規定所有擬向本集團獲得貸款的客戶須經管理層審查。本集團直接或間接持有抵押物以涵蓋其與應收貸款有關的風險。

本集團應用香港財務報告準則第9號，對應收貸款使用十二個月預期信貸虧損。為計量預期信貸虧損，應收貸款已根據共同信用風險特徵分組。內部信用風險評級以定性（如債務人的經營狀況、財務狀況、客戶外部評級等）及定量因素（主要包括應收貸款的逾期資料）為基準。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(iii) Credit risk (Continued)

(c) Loan receivables (Continued)

The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is by referencing the external data adjusted by macroeconomic factors and forward-looking information including the actual and expected impact of the COVID-19 pandemic.

The credit policies have been followed by the Group throughout the year and are considered to be effective.

The Group did not provide any loss allowance for the loan receivables for the year ended 31 December 2019 as the financial impact arising from the credit risk of loan receivables was considered as minimal.

Movement in the loss allowance account in respect of loan receivables during the year is as follows:

Loss allowances	12-month ECLs 十二個月 預期信貸虧損 RMB'000 人民幣千元
Balance as at 1 January 2019, 31 December 2019 and 1 January 2020	於二零一九年一月一日、 二零一九年十二月三十一日 及二零二零年一月一日的 結餘 -
Impairment loss recognised	已確認減值虧損 2,076
At 31 December 2020	於二零二零年十二月三十一日 2,076

36. 財務風險管理及公平值計量(續)

(iii) 信貸風險(續)

(c) 應收貸款(續)

計量預期信貸虧損乃指違約概率、違約損失率程度(即倘違約損失的程度)及違約風險的函數。評估違約概率及違約損失率程度以外部數據為參考，並因應宏觀經濟因素及前瞻性資料(包括COVID-19疫情的實際及預期影響)調整。

信貸及投資政策在全年一直由本集團沿用，且被視為有效。

截至二零一九年十二月三十一日止年度，本集團認為應收貸款信用風險產生的財務影響極微，故未對應收貸款計提任何虧損撥備。

年內，應收貸款虧損撥備賬的變動如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(iv) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises primarily from bank balances, borrowings and loan receivables. The bank balances and borrowings are at variable interest rates which expose the Group to cash flow interest rate risk. The loan receivables are at fixed interest rates which expose the Group to fair value interest rate risk.

The Group has not used any derivative contracts to hedge its exposure to interest rate risk. The Group has not formulated a policy to manage the interest rate risk.

Management monitors the related interest exposure closely to ensure the interest rate risks are maintained at an acceptable level. The level of mismatch of interest rate repricing that may be undertaken is monitored closely.

Management considers the Group's exposure to fair value interest rate risk is not significant due to the short-term maturities of these instruments.

Management considers the Group's exposure to cash flow interest rate risk is not significant due to the deposit rates in Hong Kong and the PRC and the loan prime rate in the PRC are expected to remain stable by reference to the historical data.

36. 財務風險管理及公平值計量(續)

(iv) 利率風險

利率風險有關金融工具的公平值或現金流量將由於市場利率變動而波動的風險。

本集團之利率風險主要來自銀行結餘、借貸及應收貸款。銀行結餘及借貸按浮動利率計息，令本集團面對現金流量利率風險。應收貸款按固定利率計息，令本集團面對公平值利率風險。

本集團並無採用任何衍生工具合約對沖其面對的利率風險。本集團並無制定管理利率風險的政策。

管理層密切監察相關利息風險，以確保利率風險維持於可接受水平。管理層密切監察利率重新訂價錯配的水平。

由於此等工具的年期較短，故管理層認為本集團面對的公平值利率風險並不重大。

經參考過往數據後，管理層認為，由於香港及中國的存款利率及中國的貸款最優惠利率預期將維持穩定，因此本集團面對的現金流利率風險並不重大。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(iv) Interest rate risk (Continued)

Sensitivity analysis:

The management estimates the general increase or decrease of 25 basis points in interest rates, with all other variables held constant to result in immaterial change in the Group's loss for the year and retained profits. The 25 basis points represents management's assessment of the reasonable change in interest rates of bank balances and borrowings. Changes in interest rates have no impact on the Group's other components of equity. The Group adopts centralised treasury policies in cash and financial management and focuses on reducing the Group's overall interest expense.

(v) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations and also in respect of its cash flow management.

The Group's policy is to maintain sufficient cash and bank balances and have available funding to meet its working capital requirements. The Group's liquidity is dependent upon the cash received from its customers.

36. 財務風險管理及公平值計量(續)

(iv) 利率風險(續)

敏感度分析：

管理層估計，在所有其他變數保持不變的情況下，利率普遍上升或下降25個基點，將導致本集團年內虧損及保留溢利出現輕微變動。該25個基點代表管理層對銀行結餘及借貸利率合理變動的評估。利率變動對本集團權益之其他部分並無影響。本集團就現金及財務管理採取中央庫務政策，著重於減低本集團整體利息開支。

(v) 流動資金風險

流動資金風險有關本集團無法履行其金融負債承擔的風險。本集團就償付應付貿易賬款及其財務承擔以及就其現金流量管理面對流動資金風險。

本集團的政策為維持充足現金及銀行結餘，並取得資金以配合其營運資金需要。本集團的流動資金依賴自其客戶收取的現金。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(v) Liquidity risk (Continued)

During the year, the Group has incurred a loss of RMB194,461,000 and at the end of reporting period, its current liabilities exceeded its current assets by RMB71,707,000. The management of the Group has prepared a cash flow projection covering a period of 12 months from the date of consolidated financial statements. The Directors, after making due enquires and considering the management's projection and taking account of the followings, believe that there will be sufficient financial resources to continue its operations and to meet its financial obligation as and when they fall due within the next 12 months from the date of consolidated financial statements: (i) At the date of approval of these consolidated financial statements, the unutilised bank facility available for drawdown amounted to approximately RMB82,487,000; and (ii) the management of the Group has been endeavouring to improve the Group's operating results and cash flows through various means, such as, transforming the business model by shifting the focus on sales of goods from traditional supermarkets to sub-leasing business.

The liquidity policies have been followed by the Group since prior years and are considered to have been effective in managing liquidity risks.

36. 財務風險管理及公平值計量(續)

(v) 流動資金風險(續)

於本年度，本集團產生虧損人民幣194,461,000元，而於報告期末，其流動負債超過其流動資產，差額為人民幣71,707,000元。本集團管理層已編製現金流量預測，覆蓋由綜合財務報表日期起的十二個月。董事經作出適當查詢，以及考慮管理層預測與計及下列各項後，相信將有充足財務資源，可由綜合財務報表日期起未來十二個月內，繼續其營運及於財務責任到期時予以履行；(i)於批准該等綜合財務報表之日，可供提取的未動用銀行融資約為人民幣82,487,000元；及(ii)本集團的管理層一直致力於通過各種方式來改善本集團的經營業績和現金流量，例如通過將銷售重點從傳統超市轉移到轉租賃業務來轉變業務模式。

本集團一直沿用過往年度的流動資金政策，並認為其對管理流動資金風險具有成效。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(v) Liquidity risk (Continued)

Analysed below is the Group's remaining contractual maturities for its non-derivative as at 31 December 2019 and 2020. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

36. 財務風險管理及公平值計量(續)

(v) 流動資金風險(續)

以下分析為本集團於二零一九年及二零二零年十二月三十一日的非衍生項目的尚餘合約到期狀況。倘債權人可選擇清付負債的時間，則負債按本集團可被要求還款的最早日期計賬。倘負債分期償還，則各分期付款分配至本集團承諾還款的最早期間。

		Carrying amount	Total contractual undiscounted cash flows	Repayable			
				within 1 year or on demand	Over 1 year but less than 2 years	Over 2 years but less than 5 years	More than 5 years
	賬面值	合約未貼現金流量總額	一年內或須按	一年以上	兩年以上	五年以上	
	RMB'000	RMB'000	要求償還	但少於兩年	但少於五年	五年以上	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2020	於二零二零年十二月三十一日						
Trade payables	應付貿易賬款	75,054	75,054	75,054	-	-	-
Deposits received, other payables and accruals	已收按金、其他應付款項及應計費用	119,606	119,606	119,606	-	-	-
Amount due to a director	應付一名董事款項	59	59	59	-	-	-
Lease liabilities	租賃負債	538,841	722,639	102,138	93,168	273,404	253,929
Borrowings	借貸	66,943	98,873	5,563	5,450	16,508	71,352
Total	總計	800,503	1,016,231	302,420	98,618	289,912	325,281
At 31 December 2019	於二零一九年十二月三十一日						
Trade payables	應付貿易賬款	98,057	98,057	98,057	-	-	-
Deposits received, other payables and accruals	已收按金、其他應付款項及應計費用	143,651	143,651	143,651	-	-	-
Amount due to a director	應付一名董事款項	59	59	59	-	-	-
Lease liabilities	租賃負債	681,835	931,693	124,578	116,905	319,305	370,905
Total	總計	923,602	1,173,460	366,345	116,905	319,305	370,905

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular, its cash resources and other liquid assets that readily generate cash. The Group's existing cash resources and other liquid assets significantly exceed the cash outflow requirements.

本集團於評估及管理流動資金風險時已考慮金融資產之預期現金流量，尤其是其現金資源及其他可即時產生現金的流動資產。本集團現有現金資源及其他流動資產大幅超出現金流量需求。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

37. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group, prevailing and projected capital expenditures and projected strategic investment opportunities.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management regards total equity as capital, for capital management purpose. The amount of capital as at 31 December 2020 amounted to approximately RMB339,420,000 (2019: RMB533,881,000), in which management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

37. 資本管理

本集團資本管理目標為確保本集團持續經營業務的能力，並確保貨物及服務的定價符合風險水平以為股東提供足夠回報。

本集團積極定期檢討及管理其資本結構，以確保達致最佳資本結構及股東回報，並考慮本集團日後資金需要、現行及預計資本開支及預計策略投資機會。

為維持或調整資本結構，本集團或會調整支付予股東的股息金額、向股東退回股本、發行新股份或出售資產以減低債務。

就資本管理而言，管理層視權益總額為資本。於二零二零年十二月三十一日的資本金額約為人民幣339,420,000元(二零一九年：人民幣533,881,000元)，管理層於考慮預計資本開支及預計策略投資機會後認為其屬恰當。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

37. CAPITAL MANAGEMENT (Continued)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by capital. Net debt is calculated as total borrowings (including “current and non-current borrowings and lease liabilities” as shown in the consolidated statement of financial position) less total cash (including “cash and cash equivalents” and “restricted bank deposits” as shown in the consolidated statement of financial position). Capital is calculated as “equity” as shown in the consolidated statement of financial position. The gearing ratios at 31 December 2020 and 2019 were as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Borrowings	借貸	66,943	–
Lease liabilities	租賃負債	538,841	681,835
Less:	減：		
Cash and cash equivalents	現金及現金等價物	(76,624)	(117,737)
Restricted bank deposit	受限制銀行存款	(2,000)	–
Net debt	淨債務	527,160	564,098
Total equity	權益總額	339,420	533,881
Gearing ratio	資本負債比率	1.55	1.06

38. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2020 were approved for issue by the Directors on 29 March 2021.

37. 資本管理(續)

本集團以資本負債比率為基準監察資金。該比率以淨債務除以資金計算得出。淨債務以借貸總額(包括綜合財務狀況表所示「即期及非即期借款及租賃負債」)減現金總額(包括綜合財務狀況表所示「現金及現金等價物」及「限制銀行存款」)計算得出。資金以綜合財務狀況表所示的「權益」計算得出。於二零二零年及二零一九年十二月三十一日的資本負債比率如下：

38. 批准刊發財務報表

截至二零二零年十二月三十一日止年度的綜合財務報表獲董事於二零二一年三月二十九日批准刊發。

PARTICULARS OF PROPERTIES

物業詳情

INVESTMENT PROPERTIES

投資物業

Location 地點	Use 用途	Tenure 租期	Attributable interest of the Group 本集團應佔權益
1/F, 2/F, 3/F and 4/F partial, Jiahua Ming Yuan No. 2146 Xihu Road Baoan Central District Shenzhen The PRC 中國 深圳市 寶安中心區 新湖路2146號 佳華名苑 1, 2, 3及4樓(部份)	Commercial premises for rental 商業出租	Medium term lease 中期租約	100%

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (re-presented) (重列)	2018 二零一八年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Continuing operations	持續經營業務					
Revenue	收入	728,903	690,124	710,336	645,329	428,057
Cost of inventories sold	已售存貨成本	(468,950)	(418,357)	(410,424)	(354,233)	(207,184)
		259,953	271,767	299,912	291,096	220,873
Other operating income	其他經營收入	69,992	63,135	71,509	65,703	73,167
Increase/(decrease) in fair value of investment properties	投資物業公平值增加/(減少)	10,600	20,100	500	800	(7,500)
Selling and distribution costs	銷售及分銷成本	(216,943)	(218,184)	(284,905)	(290,102)	(250,254)
Administrative expenses	行政開支	(54,047)	(53,507)	(49,997)	(60,063)	(50,226)
Other operating expenses	其他經營開支	(4,911)	(7,120)	(3,465)	(5,455)	(131,606)
Impairment loss on loan receivables	應收貸款減值損失	-	-	-	-	(2,076)
Finance costs	財務成本	-	-	-	(51,750)	(45,905)
Share of loss of an associate	應佔一間聯營公司虧損	(116)	-	-	-	-
Profit/(loss) before income tax	除所得稅前溢利/(虧損)	64,528	76,191	33,554	(49,771)	(193,527)
Income tax expense	所得稅開支	(23,393)	(26,665)	(9,085)	(2,571)	(934)
Profit/(loss) from continuing operations for the year	持續經營業務之年內溢利/(虧損)	41,135	49,526	24,469	(52,342)	(194,461)
Discontinued operation (Loss)/profit from discontinued operation for the year	已終止經營業務已終止經營業務之年內(虧損)/溢利	-	(16,327)	734	-	-
Profit/(loss) for the year	年內溢利/(虧損)	41,135	33,199	25,203	(52,342)	(194,461)
Profit/(loss) attributable to:	以下人士應佔溢利/(虧損):					
- Owners of the Company	- 本公司擁有人	41,306	33,199	25,203	(52,342)	(194,461)
- Non-controlling interest	- 非控股股東權益	(171)	-	-	-	-
		41,135	33,199	25,203	(52,342)	(194,461)
Dividends	股息	25,004	19,816	19,505	-	-
Earnings/(loss) per share	每股溢利/(虧損)					
- Basic	- 基本	RMB人民幣 3.98 cents分	RMB人民幣 3.20 cents分	RMB人民幣 2.43 cents分	RMB人民幣 (5.05) cents分	RMB人民幣 (18.74) cents分
- Diluted	- 攤薄	RMB人民幣 3.98 cents分	RMB人民幣 3.20 cents分	RMB人民幣 2.43 cents分	RMB人民幣 (5.05) cents分	RMB人民幣 (18.74) cents分

Five-Year Financial Summary (Continued)
五年財務概要(續)

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				
		2016	2017	2018	2019	2020
		二零一六年	二零一七年	二零一八年	二零一九年	二零二零年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	875,313	942,416	947,752	1,505,579	1,192,134
Total liabilities	總負債	(283,732)	(342,640)	(342,024)	(971,698)	(852,714)
Net assets	資產淨值	591,581	599,776	605,728	533,881	339,420

Note:

1. The results for year ended 31 December 2020, and the assets and liabilities as at 31 December 2020 have been extracted from the audited consolidated statement of comprehensive income and audited consolidated statement of financial position as set out on page 78 and pages 79 to 80 respectively, of the financial statements.

附註：

1. 截至二零二零年十二月三十一日止年度的業績，以及於二零二零年十二月三十一日的資產及負債分別摘錄自財務報表第78頁及第79至80頁的經審核綜合全面收益表及經審核綜合財務狀況表。

香港地址：香港九龍尖沙咀廣東道5號海港城海洋中心7樓715室
電話：(00852) 3620 2368

Hong Kong Address: Suite 715, 7/F, Ocean Centre, Harbour City,
5 Canton Road, Tsimshatsui, Kowloon
Tel: (00852) 3620 2368

www.szbjh.com