



C.P. Lotus Corporation
卜蜂蓮花有限公司

(Incorporated in the Cayman Islands with Limited liability) Stock Code : 00121
(於開曼群島註冊成立之有限公司)
股份代號: 00121

ANNUAL 年報 *REPORT* 2016



Have a fresh 在卜蜂蓮花開始

CP Lotus is determined to offer customers with the fresh and pleasurable shopping experience via our great variety of high-quality merchandise at saving price, the clean, tidy and comfortable environment, as well as warm and friendly service. Each year over 300 million customers enjoy their shopping at CP Lotus.

Currently, CP Lotus received a number of national awards and recognition which are China Food Health Seven Star Prize, CCFA Retail Innovation Awards, and China Best Corporate University Awards for its retail management course run by CPCU.



day at Lotus

新鮮的一天

卜蜂蓮花致力於打造顧客所喜愛的生活購物場所，通過豐富優質優惠的商品、乾淨整潔舒適的環境以及親切友好的服務，為顧客提供新鮮、愉快的購物體驗。每年有超過三億的顧客在卜蜂蓮花享受愉悅的購物體驗。

迄今，卜蜂蓮花榮獲一系列國家級獎項及榮譽：中國食品健康七星獎、中國連鎖經營協會零售創新獎、中國最佳企業大學獎。



Our Company

我們的公司



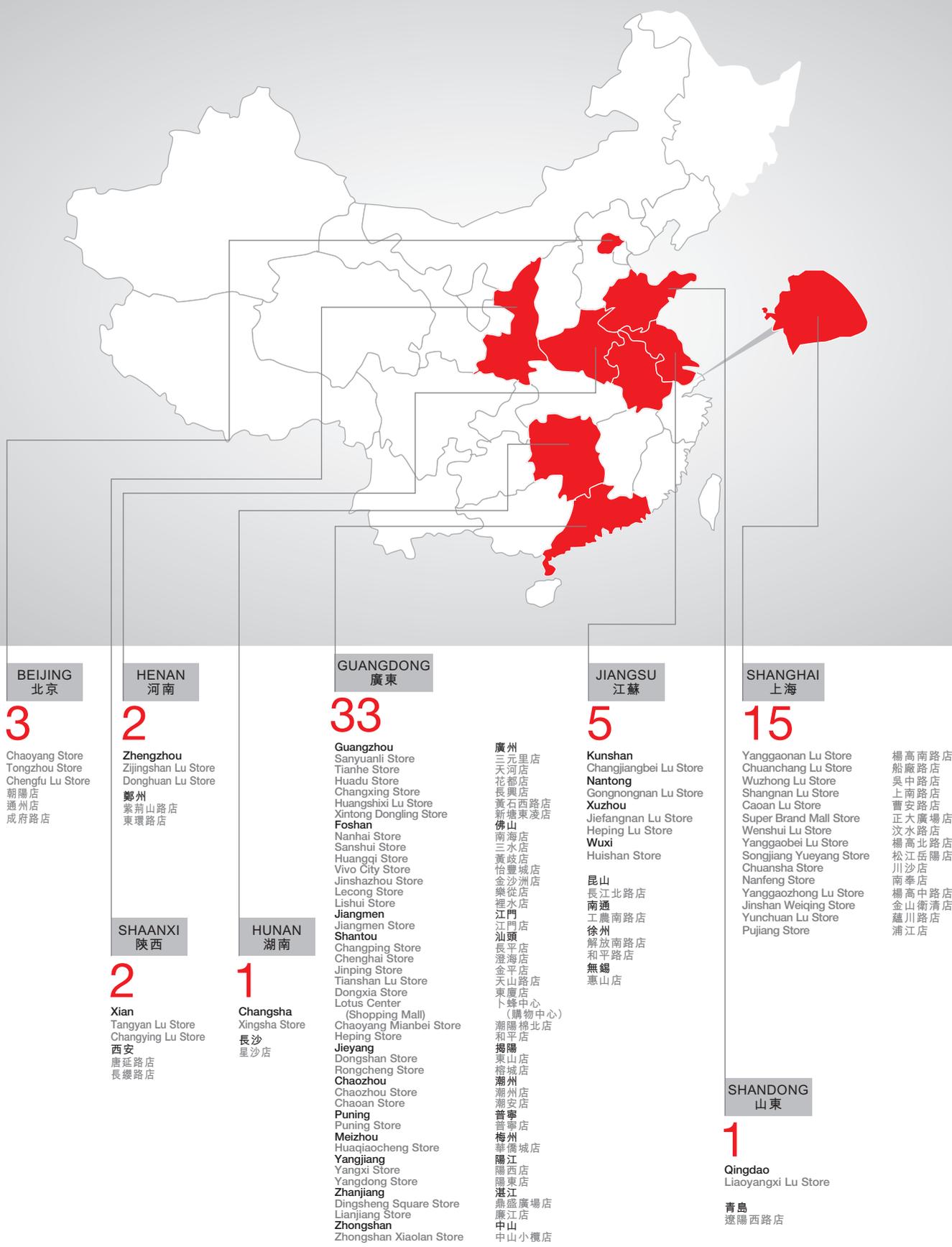
C.P. Lotus Corporation (“CP Lotus”) is one of the leading retail operators in China. CP Lotus currently owns and operates 61 retail stores and 1 shopping mall under the brand name “Lotus”, offering fresh and pleasurable shopping experience to all families by providing a neat and comfortable environment, an assortment of high-quality and safe merchandise, and a warm and friendly service.

Our ultimate controlling shareholder, Charoen Pokphand Group Company Limited (“CP Group”), is one of the leading conglomerates in Asia with over 90 years of operating experience in various industries including Agro-Industry & Food, retail and telecom. While the CP Group is headquartered in Thailand, it is one of the largest and oldest foreign investors in China today.

卜蜂蓮花有限公司（「卜蜂蓮花」）乃中國市場領先的零售商之一。卜蜂蓮花目前已開設並經營61家以「卜蜂蓮花」命名的零售門店及1所購物中心，通過整潔舒適的環境、豐富優質且安全的商品和親切友好的服務，為所有家庭提供新鮮、愉快的購物體驗。

卜蜂蓮花有限公司的最終控股股東Charoen Pokphand Group Company Limited（「卜蜂集團」）是亞洲領先的企業集團之一，在農牧及食品業、零售業和電訊業等多個領域擁有超過90年的悠久歷史。總部位於泰國的卜蜂集團（在中國稱為「正大集團」）目前已成為中國規模最大、歷史最悠久的外資投資方之一。

Store and Shopping Mall Network 門店及購物中心分佈



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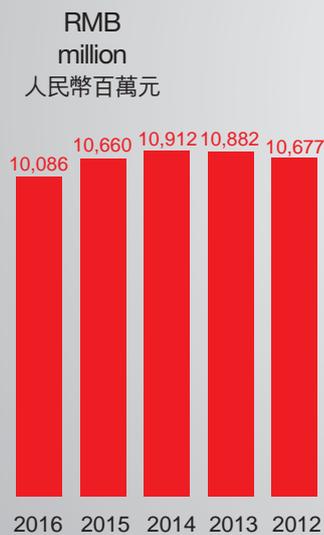
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Financial Highlights

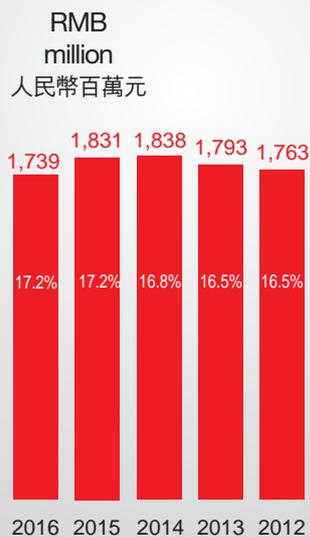
財務摘要

02

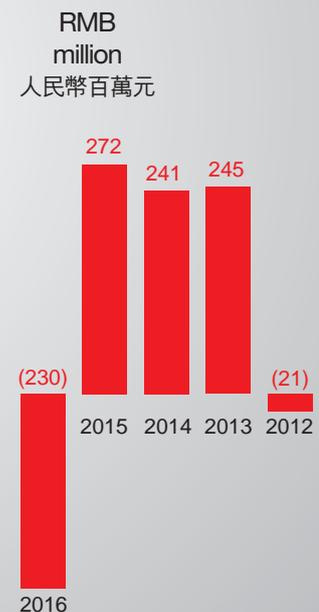
			Revenue 收入	Gross Profit 毛利	Loss for the year 年度虧損	EBITDA 息稅折舊及 攤銷前損益
2016	RMB million 人民幣 百萬元		10,085.7	1,738.5	(537.6)	(229.7)
2015	RMB million 人民幣 百萬元		10,660.4	1,831.4	(18.1)	272.2
	Change 變動		(5.4)%	(5.1)%	2,870.2%	(184.4)%



REVENUE TREND
收入趨勢



GROSS PROFIT AND
GP RATIO TREND
毛利及毛利率趨勢



EBITDA TREND
息稅折舊及攤銷前
損益趨勢



Chairman's Statement

董事長報告書

Operating Environment

In 2016, China's gross domestic products ("GDP") grew by 6.7% to approximately RMB74.4 trillion. The overall consumer price index ("CPI") was up by 2.0% compared to the previous year, the food CPI increased by 4.6%, mainly driven by the pork CPI which grew 16.9% while the vegetable CPI was up by 11.7%. Non-food CPI was relatively stable, increasing by 1.4%.

Total retail sales of consumer goods in China reached RMB33.2 trillion, a growth of 10.4% year on year of which RMB5,155.6 billion came from online sales, an increase of 26.2% compared to last year. According to the China National Commercial Information Centre, the sales growth of 100 key retailers dropped by 0.5%.

Business Review

Against the backdrop of a challenging operation environment, the Group recorded revenue of RMB10,085.7 million and a loss attributable to equity shareholders of the Company was RMB537.6 million for the year ended 31 December 2016. An exchange loss of RMB38.0 million was recorded due to the depreciation of the renminbi currency, which was partially offset by the gain from the forward foreign exchange contracts. Also included in the loss attributable to equity shareholders was an RMB44.6 million termination benefits payment relating to the organisational restructuring to align with the Company's new development and operation strategy going forward. We carried out a deep and wide-ranging review of the business, its strength, shortcomings, opportunities and threats. The result of this comprehensive review is a strategic turnaround plan which sets out clear immediate and medium term objectives and forms the blueprint for the future development and sustainability of CP Lotus. The staffing level at head office has been lowered after a detailed understanding of tasks by role, with duplication and redundant activity removed and this process will continue until the optimal staffing level is reached. We are building a leaner, less-layered and more efficient and responsive workforce to take us to a new chapter in the Company's development. Also included was a goodwill, property, plant and equipment and intangible assets impairment loss of RMB340.5 million which is non-cash in nature and was included having taken into account the deterioration of the Group's business performance in the East China Region. Although we expect the performance of the East China Region will show an improvement following the restructuring, the projected value in use were not sufficient to support their respective carrying values.

營運環境

二零一六年全年中國國內生產總值人民幣74.4萬億元，比上年增長6.7%。全國居民消費價格（「價格」）總水準比上年上漲2.0%，食品價格上漲4.6%，其中，豬肉價格上漲16.9%，鮮菜價格上漲11.7%。非食品價格相對穩定，比上年上漲1.4%。

中國社會消費品零售總額為人民幣33.2萬億元，比上年增長10.4%。全國網上零售額為人民幣5,155.6億元，比上年增長26.2%。根據中華全國商業信息中心的監測資料，二零一六年全年全國百家重點大型零售企業零售額同比下降0.5%。

業務回顧

在此充滿挑戰的營運環境背景之下，本集團於二零一六年錄得收入人民幣100.857億元及股東應佔虧損人民幣5.376億元。因人民幣貶值帶來匯兌損失，部分與遠期外匯合約帶來的收益相抵後，錄得匯兌損失人民幣3,800萬元。股東應佔虧損額中亦已包含根據公司未來新的發展戰略中進行的組織架構重組而支付的員工合約終止補償金人民幣4,460萬元。我們對本集團業務的優勢和劣勢、機遇和挑戰進行了深入而廣泛的審視，進而決定轉變集團發展的戰略方案，制定清晰的短期及中期發展目標，並形成卜蜂蓮花長期可持續發展的藍圖。通過詳細審視各職位的工作內容並刪減重複多餘的工作，總部員工的層級已有所減少，我們將進一步進行調整直至實現最優化的員工層級。我們正致力於建設一支精簡而高效的隊伍，帶領本集團進入發展的新篇章。考慮到華東區目前業績欠佳，而且儘管我們預計華東區實施組織架構重組後業績將有所改善，但其資產的預測使用價值並不足以支持其賬面值，因此，虧損額中亦包含了商譽、物業、房產及設備和無形資產的減值虧損人民幣3.405億元，但實際並未有現金流出。

Chairman's Statement

董事長報告書

05

The Group continued its cautious investment approach in 2016. We opened three new stores, all in Guangdong province, adding a total sales floor area of 18,600 square meters. We also closed one store in the city of Hefei and one store in Xian due to the redevelopment of the properties by the landlord, the Hefei store and the Xian store are expected to re-open in the fourth quarter of 2018 and fourth quarter of 2017 respectively. The Group currently has a network of 61 stores and one shopping mall.

Governance

We have continued to ensure full compliance with all relevant rules and regulations. We have adopted and complied with, the various recommendations and amendments put forward by the Stock Exchange in the consultation conclusion paper on review of the environmental, social and governance reporting guide to provide the stakeholders a deeper understanding of the non-financial performance of the Group.

Prospect

China's economic growth is slowing down. However, the Chinese government's major economic initiative is to rely on internal consumption as a key driver to spur economic growth and the domestic market. We expect this year will continue to be very challenging and we are looking to our management and our staff for more personal accountability, stronger sense of urgency and better decision making. However, we remain confident in China's long term economy and to show our commitment, we are planning to open at least five new stores in 2017. We continue to believe our business model is sustainable over the long term and with the new initiatives designed to deliver greater efficiencies and significant cost savings, I remain optimistic that the 2017 performance will show some improvement.

Appreciation

I would like to take this opportunity, on behalf of the Board, to extend our appreciation and gratitude to our shareholders, banks and vendors for their continuing trust and support, and to every one of my colleagues across the business for their hard work and contribution to what has been an encouraging year for the Group. Lastly, I would also like to thank my fellow Board members for their continued guidance and support.

Soopakij Chearavanont
Chairman

23 February 2017

本集團於二零一六年繼續實施謹慎的投資政策，全年新開三家店鋪，均位於廣東省，銷售面積合計增加18,600平方米。因業主計劃重新開發物業，本集團位於合肥市的一家店鋪和位於西安市的一家店鋪暫停營業，預計將分別於二零一八年第四季度和二零一七年第四季度重新開業。本集團目前擁有61家卜蜂蓮花店鋪和一所購物中心。

企業管治

本集團持續致力於確保完全遵守所有相關法律法規。本集團採取並遵守了聯交所在關於環境、社會及管治報告指引的諮詢總結檔中提出的各項建議和修改要求，以使股東對本集團的非財務業績有更深入的瞭解。

前景

中國經濟增長持續下行，中國政府主要依靠國內消費作為重要驅動力刺激經濟增長和國內市場。我們預計今年將仍是充滿挑戰的一年，我們希望團隊擁有更多的個人責任感、更強的緊迫感，並作出更佳的決策。儘管如此，我們仍對中國經濟的長期發展保持信心，並計劃於二零一七年至少新開五家店鋪。我們相信，我們的商業模式是長期可持續發展的，同時隨著公司各項新政策的實施，將帶來更高的工作效率並大幅縮減費用開支，本人對二零一七年業績將有所改善仍然樂觀。

致謝

本人謹此代表董事會，向過去一年中給予卜蜂蓮花信任及大力支持的股東、銀行及供應商，以及付出不懈努力及貢獻的全體員工表示衷心的感謝。最後，向一直指導和支持我的各董事會成員表示衷心的感謝。

謝吉人
董事長

二零一七年二月二十三日

Management's Discussion and Analysis

管理層討論及分析

Key Performance Indicators ("KPIs")

KPIs of revenue, margin and expenses are detailed in the financial review. Details of other key performance indicators used in the management of the business are provided below:

Retail selling space 零售銷售空間

		2016 二零一六年	2015 二零一五年	Change 變動
Store numbers	店舖數目	61	60	1.7%
Square metres ('000)	平方米(千)	751.7*	726.1	3.5%

We measure our growth not only by how much sales we do, we also look at the amount of retail selling space which in part is determined by how fast we expand our network.

Selling space is defined as the sales floor area and area sub-leased to others, excludes shopping mall

* excludes the two stores currently closed for renovation

關鍵表現指標 (「關鍵表現指標」)

收入、利率及費用之關鍵表現指標已詳列於財務回顧。其他用於業務管理之關鍵表現指標如下：

我們計量增長不單考慮銷售額，亦考慮零售銷售空間數量，這是取決於我們擴展網絡的步伐有多快。

銷售空間為銷售樓層面積及分租予他方之面積，但不包括購物中心

* 不包括因店舖翻新而停業的兩家店舖

Like-for-like sales growth 同比店舖增長

		2016 二零一六年	2015 二零一五年	Change 變動
Sales growth	銷售增長	-8.2%	-3.6%	-4.6%

Comparable store sales are a valuable measure not only of individual store performance but of the overall financial health of the Company.

Like-for-like sales growth is calculated by comparing the sales derived in the stores, which were opened over 12 full months as two consecutive years

可比較店舖銷售額是很重要的計量指標，不僅計量個別店舖的表現，也可計量公司整體的財務健康狀況。

同比店舖增長以比較於連續兩個年度，已開業超過12個整月之店舖之銷售計算

Average customer count per day 每日平均顧客人次

		2016 二零一六年	2015 二零一五年	Change 變動
Customer visit	訪店客數	4,874	5,324	-8.5%

By looking at the customer count change and in particular the change in different demographic groups helps the Company to devise more focused marketing strategies.

Average customer count is calculated as total customer count divided by 365 days of Like-for-like store only

透過注意顧客人次的變化，特別是不同客戶群中人口統計的變化，有助於本公司設計更加合適的營銷策略。

平均顧客人次以同比店舖之總人次除以365天計算

Management's Discussion and Analysis

管理層討論及分析

07

FINANCIAL REVIEW

C.P. Lotus Corporation (the "Company") and its subsidiaries (together the "Group") recorded a net loss attributable to equity shareholders of the Company for the year ended 31 December 2016 (the "Reporting Period") of RMB537.6 million (2015: loss of RMB18.0 million).

財務回顧

卜蜂蓮花有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一六年十二月三十一日止年度(「報告期間」)錄得本公司股東應佔虧損淨額為人民幣537,600,000元(二零一五年: 人民幣18,000,000元之虧損)。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

		2016 二零一六年 RMB million 人民幣百萬元	2015 二零一五年 RMB million 人民幣百萬元	Change 變動 RMB million 人民幣百萬元	Change 變動 %
Revenue	收入	10,085.7	10,660.4	(574.7)	(5.4)
Gross profit	毛利	1,738.5	1,831.4	(92.9)	(5.1)
Other revenue and other net loss	其他收益及其他虧損淨額	124.1	491.9	(367.8)	(74.8)
Distribution and store operating costs	商店配送及營運成本	(1,892.0)	(1,915.1)	23.1	(1.2)
Administrative expenses	行政費用	(402.5)	(334.3)	(68.2)	20.4
Finance costs	融資成本	(82.8)	(73.8)	(9.0)	12.2
Income tax	所得稅	(22.9)	(18.2)	(4.7)	25.8
Loss for the year	年度虧損	(537.6)	(18.1)	(519.5)	2,870.2
Loss for the year attributable to:	以下人士應佔年度虧損:				
Equity shareholders of the Company	本公司股東	(537.6)	(18.0)	(519.6)	2,886.7
Non-controlling interests	非控股權益	-	(0.1)	0.1	(100.0)
		(537.6)	(18.1)	(519.5)	2,870.2

Revenue fell by RMB574.7 million or 5.4% to RMB10,085.7 million. The reduction was due to the fact that the revenue generated by three new stores opened in 2016 was not enough to offset the 8.2% reduction in same store sales which was a result of the continued easing of the economy, the government's anti-waste campaign and the intensified competition from online retailers. All categories recorded a reduction in sales compared to the previous year.

Gross profit margin was 17.2% of sales (2015: 17.2%). Gross margin is comprised of front and back margin. Front margin is sales minus direct cost of sales; back margin represents income from suppliers such as discounts and allowances. Front margin improved by 0.3 percentage point to 8.5% and back margin down 0.3 percentage point from 9.0% to 8.7%. The front margin amount remained relatively stable but the improvement in front margin percentage was mainly the result of lower sales. The drop in sales led to lower volume rebates received from suppliers and hence a reduced back margin.

收入減少人民幣574,700,000元或5.4%至人民幣10,085,700,000元。減少主要由於在二零一六年三家新店所帶來之銷售貢獻不足以抵銷同店銷售下降8.2%，這是由於經濟持續放緩，政府的反浪費運動及來自在線零售商的激烈競爭。所有類別的銷售額均比去年有所下降。

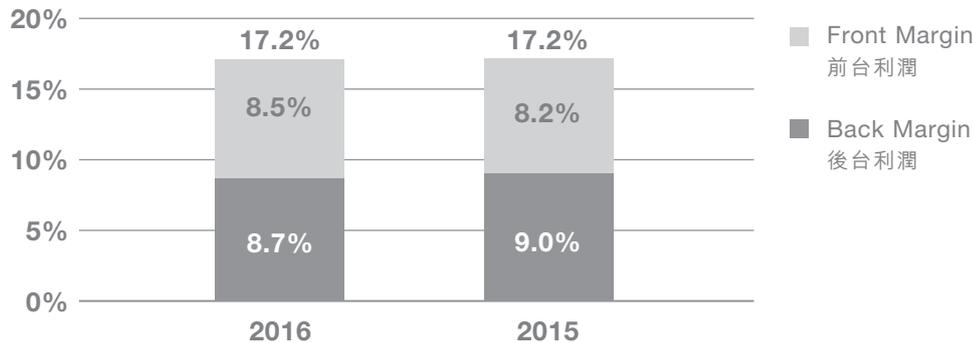
毛利率乃銷售額之17.2% (二零一五年: 17.2%)。毛利率由前台利潤與後台利潤所組成。前台利潤指銷售額減去直接銷售成本；後台利潤指來自供應商之收入，如折扣及津貼。前台利潤改善0.3%至8.5%及後台利潤下降了0.3%，由9.0%下降至8.7%。前台利潤保持相對穩定，但前台毛利率的提高主要是由於銷售額下降。銷售額的下降導致從供應商獲得的返利減少，因此後台利潤降低。

Management's Discussion and Analysis

管理層討論及分析

GROSS PROFIT MARGIN

毛利率



Other revenue and other net loss was RMB124.1 million or 1.2% of sales (2015: RMB491.9 million or 4.6% of sales), comprised mainly lease income which is income received from the leasing of store space and impairment loss of goodwill, intangible assets and property, plant and equipment. Lease income increased by RMB49.0 million to RMB481.2 million as a result of contribution from the three new stores during the year under review and higher rental charged upon lease renewal. An exchange loss of RMB75.9 million as a result of depreciation in RMB/US dollars exchange rate of approximately of 6.8% during the year was recorded against our US dollars (“USD”) borrowing; however, such loss was partially offset by the gain from the USD forward foreign exchange contracts of approximately RMB37.8 million which however was reduced from RMB72.8 million in 2015. Those contracts mature on 21 July 2017. In addition, as the performance of the Group’s business operation in the East China region did not meet the target for the year, an impairment loss of approximately RMB268.2 million was made on the goodwill and intangible assets which arose from the acquisition of Shanghai Lotus Supermarket Chain Store Co., Ltd. (“SLS”) in 2008. A further impairment loss of RMB72.3 million was made in respect of the property, plant and equipment of some of the stores in the East China region comprised in the 2008 acquisition. A RMB10.7 million impairment loss was made over the relevant leasehold improvements and furniture, fixtures and equipment in respect of certain stores closed in 2016 due to the redevelopment plan initiated by the landlords for the sites where these stores were located. These impairment losses are non-cash in nature.

其他收益及其他虧損淨額為人民幣124,100,000元或銷售額之1.2%（二零一五年：人民幣491,900,000元或銷售額之4.6%），主要包括收取出租店舖之租賃收入、商譽、無形資產、物業、房產及設備之減值虧損。由於期內三家新店舖之貢獻及租賃續期收入增加，租賃收入增加人民幣49,000,000元至人民幣481,200,000元。由於本年度人民幣兌美元匯率貶值約6.8%，導致匯兌虧損人民幣75,900,000元，然而，該匯兌虧損部分已由美元遠期外匯期貨合約的溢利進行抵銷，約人民幣37,800,000元。然而，此金額已由二零一五年人民幣72,800,000元下降。這些合約於二零一七年七月二十一日到期。此外，由於本集團於中國華東地區之業務表現沒能達到本年的目標，就二零零八年收購上海易初蓮花連鎖超市有限公司（「上海蓮花」）而產生之商譽及無形資產確認約人民幣268,200,000元的減值虧損。由二零零八年收購華東地區部分店舖組成的物業，廠房及設備進一步確認減值虧損人民幣72,300,000元。若干店舖因業主選擇重建店舖所在之物業而關閉，相關租賃裝修、傢俬、裝置及設備，確認了人民幣10,700,000元的減值虧損。這些減值虧損是非現金性質的。

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Distribution and store operating costs was RMB1,892.0 million or 18.8% of sales (2015: RMB1,915.1 million or 18.0% of sales). It comprised mainly personnel expenses, rental, utilities and depreciation and amortisation for a total of RMB1,626.8 million and represented 7.3%, 5.2%, 1.8% or 1.8% of sales respectively. Personnel expenses increased by approximately RMB45.6 million was mainly attributable to the opening of three new stores and annual increase in statutory minimum wages. Rental expenses reduced by RMB6.4 million due to the closure of two stores, one in April 2016 and one in October 2016, while two of the three new stores opened in December 2016. Total distribution and store operating costs reduced by RMB23.1 million as a result of the continued refining of cost structure and improvement in productivity and work efficiency leading to a reduction in controllable expenses such as cleaning, security, sales promotion and transportation expenses.

Administrative expenses was RMB402.5 million or 4.0% of sales compared to RMB334.3 million or 3.1% of sales in 2015. It mainly included personnel expenses of RMB304.0 million, depreciation and amortisation charge of RMB17.2 million, rental of RMB16.7 million and professional fee of RMB9.9 million. The increase was mainly from the increase in personnel expenses of RMB43.3 million, largely being the restructuring cost relating to the organisational restructuring to align with the Company's new development and operation strategy going forward.

Financial costs was RMB82.8 million, or 0.8% of sales, an increase of RMB9.0 million from last year.

Income tax was RMB22.9 million (2015: RMB18.2 million).

Net loss attributable to equity shareholders of the Company was RMB537.6 million (2015: RMB18.0 million). The significant increase was largely due to the increase in impairment loss of RMB336.2 million, the reduced gain on the forward foreign exchange contracts and the exchange loss of RMB42.3 million and a termination benefits of approximately RMB44.6 million.

Capital expenditure was RMB198.2 million for the year under review, mainly for the opening of new stores, renovation of existing stores and replacement of equipment. The Group financed its capital expenditure through a combination of cash generated from its operating activities and banking facilities.

商店配送及營運成本為人民幣1,892,000,000元或銷售額之18.8%（二零一五年：人民幣1,915,100,000元或銷售額之18.0%）。其主要包括人事費用、店舖租賃費用、公用事業費、折舊及攤銷開支合共人民幣1,626,800,000元及分別為銷售額之7.3%、5.2%、1.8%或1.8%。人事費用增加約人民幣45,600,000元，主要由於三家新店開業及法定最低工資每年增加。租賃費用減少了人民幣6,400,000元，主要由於兩家店舖關閉，其中一家在二零一六年四月，另一家在二零一六年十月，而三家新店中有兩家在二零一六年十二月開業。商店配送及營運成本總額減少人民幣23,100,000元，由於不斷改善成本結構及生產力和工作效率的提高，令整體可控費用如清潔，保安，促銷和運輸等費用降低。

行政費用為人民幣402,500,000元或銷售額之4.0% 比較二零一五年的銷售額為人民幣334,300,000元或銷售額之3.1%。其主要包括人事費用人民幣304,000,000元、折舊及攤銷開支人民幣17,200,000元、租賃費用人民幣16,700,000元及專業費用人民幣9,900,000元。增加主要由於人事費用增加人民幣43,300,000元，主要為架構重組相關的重組成本，以配合公司未來的新發展和經營策略。

財務開支為人民幣82,800,000元，或銷售額之0.8%，對比去年增加了人民幣9,000,000元。

所得稅為人民幣22,900,000元（二零一五年：人民幣18,200,000元）。

本公司股東應佔虧損淨額為人民幣537,600,000元（二零一五年：人民幣18,000,000元），主要是由於減值虧損增加人民幣336,200,000元，遠期外匯期貨合約溢利淨額和人民幣匯兌虧損減少人民幣42,300,000元，合約終止補償約人民幣44,600,000元。

資本開支於回顧年度內為人民幣198,200,000元，主要為開設新店舖、現有店舖翻新及重置設備。本集團從營運業務及銀行融資所產生之現金組合提供予其資本開支。

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

As at 31 December 2016

於二零一六年十二月三十一日

		2016 二零一六年 RMB million 人民幣百萬元	2015 二零一五年 RMB million 人民幣百萬元	Change 變動 RMB million 人民幣百萬元	Change 變動 %
Property, plant and equipment and interests in leasehold land held for own use under operating leases	物業、房產及設備及營運租賃之自用土地租賃權益	1,689.7	1,797.2	(107.5)	(6.0)
Goodwill	商譽	2,654.3	2,911.8	(257.5)	(8.8)
Cash and cash equivalents	現金及現金等額	204.9	165.8	39.1	23.6
Pledged bank deposits	已抵押銀行存款	59.5	59.4	0.1	0.2
Inventories	存貨	1,240.5	1,221.4	19.1	1.6
Trade and other receivables	營運及其他應收款項	830.3	737.1	93.2	12.6
Other assets	其他資產	207.0	234.9	(27.9)	(11.9)
Total Assets	總資產	6,886.2	7,127.6	(241.4)	(3.4)
Loans from controlling shareholder, bank loans, overdrafts and other loans	控股股東貸款、銀行貸款、透支及其他貸款	1,241.2	1,085.5	155.7	14.3
Trade payables and other liabilities	營運應付款項及其他負債	4,122.1	3,992.1	130.0	3.3
Total liabilities	總負債	5,363.3	5,077.6	285.7	5.6
Net Assets	資產淨額	1,522.9	2,050.0	(527.1)	(25.7)
Share capital	股本	405.7	405.7	-	-
Reserves	儲備	1,117.2	1,642.7	(525.5)	(32.0)
Non-controlling interests	非控股權益	-	1.6	(1.6)	(100.0)
Total Equity	權益總額	1,522.9	2,050.0	(527.1)	(25.7)

Property, plant and equipment and interests in leasehold land held for own use under operating lease increased, mainly because of additions in property, plant and equipment of RMB198.2 million for the opening of the three new stores and other store renovation; depreciation and amortisation for the year of RMB192.0 million, and because certain property, plant and equipment with carrying amount of RMB113.8 million was disposed of or impaired during the year under review.

物業、房產及設備及營運租賃之自用土地租賃權益增加主要因開設三家新店與其他店舖翻新而添置物業、房產及設備人民幣198,200,000元；於年度內之折舊及攤銷合共人民幣192,000,000元，及因於回顧年度內出售或減值之物業、房產及設備賬面值為人民幣113,800,000元。

Management's Discussion and Analysis

管理層討論及分析

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Goodwill of RMB2,654.3 million of which RMB2,526.8 million, RMB124.0 million and RMB3.4 million are allocated to the East China Region, the South China Region and the North China Region respectively. Impairment test on the goodwill value is carried out annually based on a number of assumptions including discount rates, forecast growth rates and expected changes to direct prices and selling costs. A goodwill impairment loss of RMB257.5 million was recorded in 2016 having taken into account the performance of the Group's business operation in the East China Region did not meet the target.

Cash and cash equivalents amounted to RMB204.9 million as of 31 December 2016 (2015: RMB165.8 million).

Pledged bank deposits amounted to RMB59.5 million as at 31 December 2016 (2015: RMB59.4 million), mainly represents deposits pledged for the issuance of bank accepted bills for payments to suppliers.

Inventories balance was RMB1,240.5 million as at 31 December 2016, an increase of RMB19.1 million with an average inventory turnover days of 54 days (2015: 47 days).

Trade and other receivables increased by RMB93.2 million to RMB830.3 million (2015: RMB737.1 million). Included in the balance was RMB401.9 million (2015: RMB341.7 million) of trade receivables and other receivables. All the trade and other receivables, apart from rental deposits of RMB117.6 million (2015: RMB97.0 million), are expected to be recovered within one year and thus no provision was made. Also included in the balance was RMB387.2 million (2015: RMB319.6 million) of receivables from related companies. Credit terms of 30 days to 90 days was offered to related companies and corporate customers with ongoing relationship, 73% of the trade receivable outstanding had an ageing of less than 90 days. Subsequent to the end of the reporting period, RMB89.3 million or 22.8% of total trade receivables due from related companies had been received, which was all included in over 90 days category in the ageing analysis. The forward foreign exchange contracts with a net fair value of RMB41.2 million (2015: RMB75.8 million) has been recognised as derivative financial instruments and included in the trade and other receivables during the year under review.

Other assets of RMB207.0 million mainly comprised of intangible assets of RMB145.6 million, deferred tax assets of RMB35.6 million, and prepaid lease payments for premises of RMB16.2 million. Intangible assets relate to operating lease agreements acquired in the acquisition of subsidiaries in 2008 and in 2012. Intangible assets are amortised using the straight-line method over the remaining lease terms which vary from 10 to 30 years. An impairment loss on the intangible assets of RMB10.7 million was recorded having taken into account the performance of the Group's business operation in the East China Region did not meet the target.

商譽人民幣2,654,300,000元，當中人民幣2,526,800,000元、人民幣124,000,000元及人民幣3,400,000元分別分配至華東地區、華南地區以及華北地區。商譽價值之減值測試，為每年根據多項假設（包括貼現率、預測增長率及直接售價與銷售成本之預期改變）進行。考慮到集團於中國華東地區之業務表現沒有達到目標，於二零一六年，商譽減值虧損的確認約人民幣257,500,000元。

現金及現金等額於二零一六年十二月三十一日為人民幣204,900,000元（二零一五年：人民幣165,800,000元）。

已抵押銀行存款於二零一六年十二月三十一日為人民幣59,500,000元（二零一五年：人民幣59,400,000元），主要向供應商付款而發出銀行承兌匯票。

存貨結餘於二零一六年十二月三十一日為人民幣1,240,500,000元，增加人民幣19,100,000元，而平均存貨周轉日數為54日（二零一五年：47日）。

營運及其他應收款項增加人民幣93,200,000元至人民幣830,300,000元（二零一五年：人民幣737,100,000元）。此數額當中包括營運應收款項及其他應收款項人民幣401,900,000元（二零一五年：人民幣341,700,000元）。除了租賃按金人民幣117,600,000元（二零一五年：人民幣97,000,000元）外，預期所有營運應收款項及其他應收款項將可於一年內收回及因此並未計提撥備。此數額當中亦包括應收相關企業款項人民幣387,200,000元（二零一五年：人民幣319,600,000元），三十至九十日之付款期提供予有持續關係之相關企業及公司客戶。營運應收款項的73%的賬齡在九十日以下。於報告期末後，已收取相關企業之營運應收款項為人民幣89,300,000元或總營運應收款項之22.8%，在賬齡分析中，全為超過九十日之賬齡類款。外匯遠期合約之公允值淨額人民幣41,200,000元（二零一五年：人民幣75,800,000元）已確認為衍生金融工具及於回顧年度內計入營運及其他應收款項。

其他資產為人民幣207,000,000元，主要包含無形資產人民幣145,600,000元、遞延稅項資產人民幣35,600,000元及預付物業租賃費人民幣16,200,000元。無形資產乃關於在二零零八年及二零一二年收購附屬公司時收購營運租賃協議。無形資產以直線法於餘下租賃期（介乎10至30年）進行攤銷。考慮到集團於中國華東地區若干店舖之業務表現沒有達到目標，無形資產確認人民幣10,700,000元的減值虧損。

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Loans from controlling shareholder, bank loans, overdrafts and other loans amounted to RMB1,241.2 million as at 31 December 2016, an increase of RMB155.7 million, due mainly to the additional borrowing to finance the business operation. On 21 December 2016, the Group entered into certain loan agreements with C.P. Holdings (BVI) Investment Company Limited ("CPH"), the controlling shareholder of the Company, whereby CPH agreed to provide loans in an aggregate amount of USD139,770,000 (the "Shareholder's Loans") for a terms of two years to enable the Group to fully prepay the outstanding amount under the USD200,000,000 facility with a group of banks in Thailand.

控股股東貸款、銀行貸款、透支及其他貸款於二零一六年十二月三十一日增加了人民幣155,700,000至人民幣1,241,200,000元，主要因增加貸款以應付業務所需。於二零一六年十二月二十一日，本集團與本公司之控股股東C.P. Holding (BVI) Investment Company Limited (「CPH」) 訂立若干貸款協議，當中CPH同意向本集團提供合共139,770,000美元(「股東貸款」)之兩年期貸款，使本集團可悉數償還與泰國銀團訂立之200,000,000美元之貸款融資協議下之未償還金額。

LOAN PORTFOLIO

貸款組合

As at 31 December 2016

於二零一六年十二月三十一日

		Bank loans and overdrafts 銀行貸款及透支 RMB million 人民幣百萬元	Loans from controlling shareholder 控股股東貸款 RMB million 人民幣百萬元	Loans from third parties 第三方提供之貸款 RMB million 人民幣百萬元	Total 總額 RMB million 人民幣百萬元
Within one year	一年內	222.9	-	-	222.9
Over one year	一年後	-	971.9	46.4	1,018.3
Total	總額	222.9	971.9	46.4	1,241.2

Trade payables and other liabilities as at 31 December 2016 was RMB4,122.1 million (2015: RMB3,992.1 million) of which RMB140.4 million (2015: RMB139.6million) was due to related parties.

營運應付款項及其他負債於二零一六年十二月三十一日為人民幣4,122,100,000元(二零一五年：人民幣3,992,100,000元)，當中人民幣140,400,000元(二零一五年：人民幣139,600,000元)為應付相關人士之款項。

Reserves balance was RMB1,117.2 million as at 31 December 2016 (2015: RMB1,642.7 million). It comprises share premium of RMB1,933.2 million, other reserves of RMB243.8 million and accumulated losses of RMB1,059.8 million.

儲備於二零一六年十二月三十一日之結餘為人民幣1,117,200,000元(二零一五年：人民幣1,642,700,000元)。此包含股份溢價人民幣1,933,200,000元、其他儲備人民幣243,800,000元及累計虧損人民幣1,059,800,000元。

Capital structure

The Group finances its own working capital requirement through a combination of funds generated from operations, loans from controlling shareholder and bank and other borrowings.

資本架構

本集團以營運、控股股東貸款與銀行及其他貸款共同產生之資金作為其營運資本。

Liquidity and finance resources

During the year under review, the Group's sources of funds were generated primarily from operating activities, loans from controlling shareholder and bank facilities. The increase in net cash and cash equivalents was mainly due to the cash generated from operation and additional borrowings from controlling shareholder and banks exceeding the CAPEX payments and repayment of bank loans and interest. We expect we will continue to have sufficient cash to meet our business needs.

流動性及財務資源

於回顧年度內，本集團之資金來源主要源自營運業務、控股股東貸款及銀行融資。現金及現金等額淨額增加主要由於營運產生之現金及增加控股股東及銀行貸款超過資本開支與償還銀行貸款及利息。本集團預期將繼續產生充足現金，以應付業務所需。

Management's Discussion and Analysis

管理層討論及分析

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		For the year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年	2015 二零一五年
Cash and cash equivalents (RMB million)	現金及現金等額(人民幣百萬元)	204.9	165.8
Loans from controlling shareholder, bank loans, overdrafts and other loans (RMB million)	控股股東貸款、銀行貸款、 透支及其他貸款 (人民幣百萬元)	1,241.2	1,085.5
Net cash inflow after effect of foreign exchange rate changes (RMB million)	現金流入淨額 (經考慮外幣匯率轉變之影響) (人民幣百萬元)	21.1	25.7
Current ratio (x)	流動比率(倍)	0.56	0.53
Quick ratio (x)	速動比率(倍)	0.26	0.24
Gearing ratio (x) (defined as loans from controlling shareholder, bank loans, overdrafts and other loans divided by total equity)	資本與負債比率(倍) (以控股股東貸款、銀行貸款、 透支及其他貸款 除以總權益計算)	0.82	0.53

During the year under review, bank loans and overdrafts bear floating interest at six to twelve-month People's Bank of China Rate ("PBOC Rate") multiplied by 1.10 to 1.13, being 4.35% to 4.92% per annum. The loans from the Company's controlling shareholder bear interest at three-month London Interbank Offered Rate ("LIBOR") plus 4.50% to 5.65% per annum.

Foreign currency exposure

The Directors consider that as the Group's retail operations are all based in the PRC, the Group is not exposed to significant currency risks in its retail operations.

The Group is exposed to foreign currency risk from controlling shareholder and other loans which are denominated in USD. The Company entered into USD forward foreign contracts with a combined notional amount of USD139.77 million which expire on 21 July 2017. A gain of RMB37.8 million was recorded during the year ended 31 December 2016 from these forward contracts as a result of the depreciation of the RMB. The Group does not enter into derivative transactions for speculative purposes.

Contingent liabilities

As at 31 December 2016, the Group had issued one guarantee to an independent third party which expires in 2025 and one guarantee to a bank which expires in April 2017 in respect of finance lease arrangements entered into by a subsidiary. The Directors do not consider it probable that claims will be made against the Group under either of the guarantees. The maximum liability of the Group as at 31 December 2016 under the guarantees issued was 100% of the future minimum lease payments under the lease arrangements entered into by the subsidiary of RMB60.0 million.

於回顧年度內，銀行貸款及透支按中國人民銀行浮動利率，年利率為六至十二個月中國人民銀行利率(「中國人民銀行利率」)乘以1.10至1.13，即年利率為4.35%至4.92%。本公司控股股東貸款按三個月倫敦銀行同業拆息(「倫敦銀行同業拆息」)加年利率4.50%至5.65%計息。

外匯風險

董事認為本集團之所有零售業務均位於中國，本集團於其零售業務概無重大之外匯風險。

本集團面對之外匯風險為以美元結算之應付控股股東貸款及其他貸款。本公司訂立名義本金額為139,770,000美元遠期外匯期貨合約，並於二零一七年七月二十一日到期。截至二零一六年十二月三十一日止年度，因人民幣貶值使遠期合約產生人民幣37,800,000元之溢利。本集團沒有進行任何投機目的之衍生交易。

或然負債

於二零一六年十二月三十一日，本集團向獨立第三方發出一項於二零二五年到期之擔保，並且發出一項於二零一七年四月到期之銀行擔保，為其附屬公司訂立之融資租賃安排作擔保。董事並不認為以上任何擔保將可能向本集團索償。本集團於發出之擔保下於二零一六年十二月三十一日之最大負債乃附屬公司訂立租賃協議之未來最少租賃付款之100%為人民幣60,000,000元。

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Charge on assets

As at 31 December 2016, the Company had outstanding share charges created in favour of Bangkok Bank Company Limited, Hong Kong Branch ("BBL") on 16 December 2011 whereby, all the shares of its subsidiary, Prime Global Retail Management & Advisory Limited, were pledged. Equitable share mortgages were also created by the Company in favour of BBL on 16 December 2011 whereby the Company agreed to pledge all shares of its subsidiaries, Chia Tai Trading (Beijing) Company Limited, Chia Tai Trading (Qingdao) Company Limited, Chia Tai Trading (Xian) Company Limited, Chia Tai Trading (Zhengzhou) Company Limited, Chia Tai Distribution Investment Company Limited, Yangtze Supermarket Investment Co., Limited and Union Growth Investments Limited ("Union Growth").

As at 31 December 2016, there was also outstanding an equitable share mortgage which had been created by Union Growth in favour of BBL on 16 December 2011 whereby Union Growth agreed to pledge all shares of its subsidiary, Lotus-CPF (PRC) Investment Company Limited ("Lotus-CPF"), and 10,821,033 shares of Chia Tai-Lotus (Guangdong) Investment Co., Ltd. ("CT-Lotus"). Additionally, an equitable share mortgage was created by Lotus-CPF in favour of BBL on 16 December 2011 whereby Lotus-CPF agreed to pledge 97,389,312 shares of its subsidiary, CT-Lotus.

All the abovementioned share charge and equitable share charges in favour of BBL were created to secure the Group's term loan facility of USD200.0 million in 2011. Following the full prepayment of the facility on 30 December 2016, all of these share charges and equitable share charges were fully released on 4 January 2017. No security over any of the Group's assets was created for the USD139.77 million facility provided by CPH.

Employees, training and remuneration policy

The Group employed approximately 13,970 employees as at 31 December 2016, of whom approximately 1,260 were head office staff and approximately 12,710 were store and distribution centre employees. The Group remunerates its employees based on their performance and experience and prevailing market rate. Other employee benefits include insurance and medical cover, and subsidised training programs.

資產抵押

於二零一一年十二月十六日，本公司以股份押記作為抵押及以盤谷銀行香港分行為受益者，截至二零一六年十二月三十一日，未贖回抵押之股份如下：本公司以其附屬公司栢力環球零售管理及諮詢有限公司之全部股份抵押之股份押記及；本公司以其附屬公司Chia Tai Trading (Beijing) Company Limited、Chia Tai Trading (Qingdao) Company Limited、Chia Tai Trading (Xian) Company Limited、Chia Tai Trading (Zhengzhou) Company Limited、Chia Tai Distribution Investment Company Limited、Yangtze Supermarket Investment Co., Limited 與Union Growth Investments Limited (「Union Growth」)之全部股份抵押之股份權益押記。

截至二零一六年十二月三十一日，Union Growth以其附屬公司Lotus-CPF (PRC) Investment Company Limited (「Lotus-CPF」)之全部股份及Chia Tai-Lotus (Guangdong) Investment Co. Ltd. (「CT-Lotus」)之10,821,033股股份抵押之股份權益押記尚未贖回。此外，於二零一一年十二月十六日，Lotus-CPF以其附屬公司CT-Lotus之97,389,312股股份抵押之股份權益押記。

以上提及之全部股份押記及股份權益押記，乃為本集團於二零一一年200,000,000美元銀團定期貸款融資之抵押，自二零一六年十二月三十日，本集團已提早償還該貸款後，所有股份押記及股份權益押記已於二零一七年一月四日完全解除。本集團並無資產用作抵押CPH提供的139,770,000美元貸款。

僱員、培訓及酬金政策

於二零一六年十二月三十一日，本集團共聘用約13,970名僱員，當中約1,260名為總部之職員及約12,710名為店舖及配送中心之員工。本集團根據僱員之表現與經驗及當時之市場薪酬，釐訂其薪津。其他僱員福利包括保險及醫療與資助培訓。

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BUSINESS REVIEW

Store network

During the year under review, the Group opened three new stores, all of which are situated in the Guangdong Province. The three new stores have a total sales area of approximately 18,600 square meters and all of which are located in the second and third tier cities of Yangjiang, Foshan and Shantou. The Group also closed a store in Hefei in April 2016 and one store in Xian in October 2016 due to the landlord's decision to redevelop the sites where the stores were located. The Group expects to reopen the Hefei store in the fourth quarter of 2018 and the Xian store in the fourth quarter of 2017. As of 31 December 2016, the Group owned and operated a total of 61 retail stores with a total sales area of over 519,400 square meters and a shopping mall LOTUS CENTER.

Optimisation of merchandise and enhanced relationship with suppliers

During the year under review, the Group continued to review and enhance its merchandise mix and offerings. We continued to expand our direct sourcing capabilities and more product supply origins were identified. More direct purchases for fresh food had been made providing our customers with better range and lower prices through the elimination of middlemen and agents. In addition, the Group continued to invest in quality control to ensure freshness and food safety, strictly adhered to the laws and regulations of food and production safety.

The Group continued to review its inventory level regularly in particular the slow-moving items and continued to strengthen inventory management, such as forecast and stock clearance plan after tab promotion ends.

As the disposable income continued to rise and customers look for more premium products, we have expanded our import team capability to bring in a wider range of imports products directly from overseas vendors. Currently, we import mainly snacks, beverages and health supplements and we will continue to add other categories such as kitchenware and other groceries. Our objective is to for import sales to account for over 10% of total sales. The two bakery central-kitchen enabled us to broaden the product categories as well as better control of quality and consistency of our products on offer.

業務回顧

店舖網絡

於回顧年度內，本集團共開設三家新店，均位於廣東省。三家新店之總銷售面積約為18,600平方米，均位於二／三線城市陽江、佛山及汕頭。由於業主選擇重建店舖所在地，本集團於二零一六年四月關閉一家位於合肥的店舖及於二零一六年十月關閉一家位於西安的店舖，本集團預計於二零一八年第四季重開位於合肥的店舖及於二零一七年第四季重開西安的店舖。於截至二零一六年十二月三十一日，本集團擁有及經營合共61家零售店舖(總銷售面積超過519,400平方米)及一所購物中心(LOTUS CENTER)。

優化商品及改善與供應商之關係

於回顧年度內，本集團繼續檢討及加強其商品組合及供應。本集團繼續擴充直接採購能力及鑒認更多產品供應來源。透過直接採購更多新鮮食品，免除中間人和代理人，為顧客提供更佳之採購種類及更低之價格。此外，本集團繼續投資於質量監控以確保新鮮及食品安全，嚴格遵守食品法律法規和生產安全。

本集團繼續定期檢討其存貨水平(尤其滯銷項目)及繼續加強存貨管理，如於促銷結束後之預測及清貨計劃。

由於可支配收入持續上升及顧客尋求更優質產品，本集團已擴張進口團隊之能力以帶來更多種類直接來自海外供應商之進口產品。現時，我們主要進口小食、飲品及保健品，並將繼續增加其他類別如廚具及其他雜貨。我們的目標為進口銷售佔總銷售逾10%。兩家麵包中央廚房讓我們增加產品類別及可更佳控制我們供應的產品質量及一致性。

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The Group continued its review of the allocation of sales space among different categories in response to the relaxation of China's one-child policy and the impact of online retail to the demand of particular categories of merchandise. More space has been allocated to mother and baby care section as a wider range of products were brought in to satisfy the growing demand while sales space for electronics and apparel has been reduced. In addition, our house brand team continued to work closely with the merchandise and marketing team to develop competitively priced house brand products to enhance the Group's differentiation and competitiveness.

The Group further enhanced the data-based approach for supplier selection and procurement. The Group selected suppliers in an open, fair and transparent manner and formed strategic alliance with the suppliers to carry out monitoring and assessment, so as to keep abreast with market trends and improve sales by bringing in new products. We continued to work closely with our suppliers and strictly performed our obligations under supply contracts and offered promotional display of products accordingly, gaining wide recognition among the suppliers. Our vendor service team continued to provide high quality service to our vendors with designated office and meeting space to receive the vendors and answer any enquiry.

Improvement of operation and system efficiency

The Group continued to make use of systems and tools to improve operating efficiency. During the year under review, we continued to enhance the features and functions of our vendor platform system including early availability of performance reports and more flexible inquiry options. We also completed the development of the "invoice-tracking" system with a delivery company. Both our suppliers and our operating subsidiaries are now able to track the status of the invoices online. This new system went live in the first quarter of 2016.

All our shopping carts are now coin-operated, so that customers have to return the shopping cart to the designated area after use in order to get the coin back. We continued to change the price-tag from traditional paper to the use of electronic price-tag in our Fresh department which allows instant price change to reflect the level of freshness of the products. This helps reduce shrinkage and ensure no price discrepancy at check-out. The Group reduced energy costs by imposing control on the use of electricity at stores in different periods, adjusting the calculation of electricity charges and installing energy-saving equipment.

Our nationwide invoice processing team in Shantou continued to receive and process all merchandise invoices of the Group for better invoice management and reduce processing time.

During the Reporting Period, the Group continued the enhancement of the upgraded E-contract system enabling the data on the e-contract to be shared with the VMS system. This helped remove the need for duplicate entry and eliminate human error in data-input and improve efficiency.

本集團繼續檢討不同產品類別的銷售空間分配，以應對中國放寬一孩政策及網上零售對特定類別需求的影響。更多的空間分配給孕婦及嬰兒護理類別，以滿足不斷增長的需求，同時電子和服裝的銷售空間會被減少。此外，我們的品牌團隊繼續與商品和市場團隊緊密合作，開發具競爭力的品牌產品，以提高集團的差異化和競爭力。

本集團進一步加強供應商選擇及採購之數據基礎方案。本集團以公開、公平及透明方式選擇供應商，並與供應商組成戰略聯盟以實行監察及評估，與市場並進及引入新產品以改善銷售。本集團繼續與供應商緊密合作並嚴格執行供應合約之責任並相應地提供推廣性產品展示，贏得供應商間之廣泛認可。我們的供應商服務團隊繼續為供應商提供優質服務，擁有指定辦公室及會議空間以接待供應商及解答疑問。

提升營運及系統效率

本集團繼續利用系統及工具改善營運效率。於回顧年度內，本集團繼續增加供應商平台系統之特色及功能，包括可更早提供表現報告及更彈性查詢選擇。我們亦完成與一家物流公司發展「發票追蹤」系統。我們的供應商及營運附屬公司現時均可於線上追蹤發票狀況。新系統已於二零一六年第一季投入服務。

所有我們的購物車現以投幣式運作，故此顧客需於使用完畢後歸還購物車到指定區域時取回硬幣。我們繼續於生鮮部門使用電子價格標籤取代傳統紙價格標籤，允許即時價格變化以反映產品之新鮮度。此有助減少耗損及確保於結帳時概無價格差異。本集團加強控制店舖不同時段的用電量、調整電費計算和安裝節能設備，以降低能源成本。

我們設於汕頭的全國發票處理團隊繼續接收及處理本集團的所有電子發票，致使更佳之發票管理及縮短處理時間。

於報告期間，本集團繼續加強提升電子合約系統，使電子合約之數據可與虛擬記憶系統共享。此有助移除重複輸入與減少數據輸入之人為錯誤及改善效率。

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We continued our commitment to total quality management (“TQM”) to achieve operational excellence. Currently 48 of our retail stores and all distribution centres are ISO9001 certified. We will continue to work on improving and implementing our TQM.

Optimisation of supply chain management

The distribution centre is an integral part of our retail business and the Group had continued to strengthen its network and improved functionality and efficiency. During the year under review, the Group continued to strengthen its supply chain process and procedures and continued to make use of tools and equipment to improve efficiency and lower human errors. During the year under review, the Group launched a number of research projects of which some had been put in practice including adjustment of workflow of the receiving and quality control departments, and using a new equipment management method thereby effectively reducing the cost of equipment leasing.

Strengthening of customer satisfaction and enhancement of brand awareness

The Group continued our very successful “50% thanks-giving activity” throughout the year with a number of carefully selected products sold at a 50% discount and certain other products also sold at a hefty discount. The activity was not only well-received by our customers but we received very positive support from our vendors too as this creates a platform/opportunity for vendors not only to be able to sell more but also a platform for them to introduce new products. The Group also held a couple of “midnight bonanza” in the Shanghai region to further boost sales.

To encourage and reward our members to frequent and spend more, we continued the “Members’ spend week-by-week”: customers who visit our stores in consecutive weeks and spend over a certain amount of money each week will be rewarded with a cash rebate based on the amount they spent.

We continued to raise awareness of women’s welfare through our widely recognized “Spring Pink” theme; activities include mobile games where customers receive red packet and messages about love and care when they follow the Lotus account on WeChat. We also cooperated with Deslon and Disney and our customers were able to use the coupons earned to redeem knives and rucksacks respectively.

本集團繼續承諾全面品質管理（「全面品質管理」）以達致卓越營運。現時，本集團之48家零售店舖與所有配送中心均已取得ISO9001認證。本集團將繼續改善及實施我們的全面品質管理。

優化供應鏈網絡管理

配送中心乃本集團零售業務之重要部份，本集團已繼續加強其網絡及改善其功能與效率。於回顧年度內，本集團繼續加強其供應鏈網絡流程與程序，並繼續使用工具及設備改善效率及降低人為錯誤。於回顧年度內，本集團推出了多項研究項目，其中一些項目經已落實執行，包括調整接收及質量控制部門的工作流程及採用新的設備管理方法，從而有效降低設備租賃成本。

加強顧客忠誠度及品牌認知

本集團繼續於年內舉行其非常成功之「感恩5折活動」，當中精心挑選多種產品以五折價格出售及若干其他產品以大幅折扣出售。此活動不僅深受我們的顧客歡迎，還得到我們的供應商積極支持，因此活動不僅為供應商提供平台／機會銷售更多產品，還提供平台給供應商推介新產品。本集團亦於上海地區舉辦了數次「午夜獎賞」活動，進一步提升銷售額。

為鼓勵及獎賞我們的會員更頻繁到訪店舖及多消費，我們繼續推出「會員尊享周周刷」活動：顧客連續每週到訪我們店舖及每週消費超過若干金額，將根據其消費金額獲現金回贈獎賞。

我們通過廣泛認可的「粉紅春季」計劃，繼續提高對婦女福利的認識；活動包括手機遊戲，當客戶在微信上追蹤Lotus帳戶時，客戶會收到關於愛和關懷的紅包和訊息。我們還與德世朗和迪士尼合作，讓我們的客戶能使用優惠券分別兌換刀和背包。

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Our performance depends on our ability to attract and retain customers and to service their demand. We continued to make sure our customer service centre in each store and also our call centre are operating effectively and there is sufficient capacity to handle volumes. In addition, we also conducted focus group surveys to assess customer opinions and satisfaction levels to ensure that our staff remains focused on delivering excellent customer service. The Group's customer base is diversified and excluding the wholesale sales to the subsidiaries of Whole Sino Limited ("WSL"), a related party, there is no customer with whom transactions have exceeded 1% of the Group's revenue. The subsidiaries of WSL own and operate certain Lotus retail stores in China, and in 2016, merchandise sold by the Group to these stores amounted to approximately RMB749.1 million or 7.4% of sales (2015: RMB991.4 million or 9.3%). Prices offered to WSL were determined based on prevailing market prices and no less favourable than those available to the Group from independent third parties.

Continued store innovation

The Group continued its efforts to transform our stores into lifestyle model to provide one-stop shopping convenience and a more comfortable shopping environment. During the Year under review, we completed the renovation work of nine stores.

During the Year under review, the Group continued to improve tenant mix in our lease area to offer our customers with diversified and well-known brands and we continued to renovate the vacant or low-productivity areas into revenue generating leasable areas in order to increase our lease income and bring in more customers.

Legal and regulatory compliance

The Group strives to comply in all material aspects with the relevant laws and regulations which are regarded as having a significant impact on the Group, and has not come across incidence of material breach or non-compliance during the year under review.

People Development

Training and development is one of the strategic priorities in attracting, developing and retaining knowledgeable and skilled workforce. During the period under review, the Group completed the overhaul of the organization structure of the East Region head office. By simplifying the reporting hierarchy and optimisation of roles and functions, we were able to reduce the East Region head office headcount by over 45%.

我們之表現取決於我們吸引及保留顧客之能力及服務他們的需求。本集團繼續確保我們每家店舖之客戶服務中心及我們的客戶服務熱線有效地運作及有足夠能力處理大量需求。此外，本集團亦進行集中組別調查以評估顧客意見及滿意度，確保我們的員工維持專注於傳遞最佳顧客服務。本集團的顧客群多元化，沒有任何零售顧客的交易超過本集團收入的1%。本集團向Whole Sino Limited (「WSL」) (本集團的關聯方) 之附屬公司提供批發商品，WSL 之附屬公司於二零一六年在中國擁有及經營若干本集團之零售店舖，由本集團售賣之商品到此店舖約為人民幣749,100,000元或銷售額的7.4% (2015年：人民幣991,400,000元或9.3%)。向WSL 提供的商品價格乃根據現行市價釐定，不遜於獨立第三方向本集團提供之價格。

持續店舖創新

本集團繼續致力轉化店舖為生活館模式，為顧客提供一站式便利購物體驗及更舒適之購物環境。於回顧年度內，本集團完成翻新九家店舖。

於回顧年度內，本集團繼續改善我們出租區之租戶種類，以為顧客提供更多樣化及知名品牌，並會繼續翻新空置及低生產力區域為產生收入之出租區，以增加我們的租賃收入及帶來更多顧客。

法律及規例之遵守

本集團致力遵守在各主要方面被視為對本集團有顯著影響之相關法律及規例，並於回顧年度內概無重大違反或未能遵守之情況。

發展員工

培訓與發展乃吸引、培養及保留知識技能型員工的首要戰略之一。於回顧期內，本集團已完成東區總部之架構重組。通過簡化報告架構和優化角色與職能，我們能夠減少超過45%東區總部人員。

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Our Safety, Occupational Health and Environmental ("SHE") Policy

As a responsible employer and store operator, the Group pays great attention to the health and safety of our employees, our customers and our business partners. In addition, we also recognise we have a responsibility and an obligation to work to reduce the direct impact of our business operations on the natural environment. Our performance in SHE is an integral part of our business activities and a foundation for sustainable development. Our SHE commitment includes:

- Promote SHE culture within the organisation and implement SHE policy and procedures to create a sustainable future;
- Improve the environmental quality of the workplace and ensure that the safety and health of our employees is the top priority;
- Comply with all rules and regulations relating to our business operation;
- Prevention of pollution, disease, injury and accidents;
- Provide continuous training to our employees to increase awareness and knowledge of SHE Policy and encourage participation in SHE activities;
- Explore opportunities through research and new technology to promote energy saving, resource recovery, recycling and re-use of resources; and
- Establish effective communication channel to convey the SHE policy to employees, customers, business partners and the public.

The SHE department identified a total of 48 policies and guidelines relating to SHE matters promulgated by relevant government agencies and ensured that the Group is in full compliance.

For details of the environmental related activities performed in 2016, please refer Company's 2016 ESG Report published on the Company's website and on the website of the Hong Kong Stock Exchange."

安全、職業健康及環境(「SHE」)政策

作為一個負責任之僱主及店舖經營者，本集團極為注視我們僱員、顧客及商業夥伴之健康及安全。此外，我們亦認為我們有責任及義務去努力減低我們企業營運對自然環境的直接影響。我們於SHE的表現為構成整體業務活動之部份及可持續發展之基礎。我們之SHE承諾如下：

- 於機構內推廣SHE文化及實施SHE政策及程序以創造可持續之未來；
- 改善工作環境質素及確保我們僱員之安全及健康為優先重點；
- 符合所有關乎我們企業營運之規則及規例；
- 防止污染、疾病、傷害及意外；
- 提供持續的僱員培訓以增強對SHE政策的認知度及知識，並鼓勵參與SHE活動；
- 透過研發及以新科技探索機會而推廣節能、資源回收、再造及資源再用；及
- 成立有效溝通渠道向僱員、顧客、商業夥伴及公眾傳遞SHE政策。

SHE部門鑒認合共48項相關政府部門頒佈有關SHE議題的政策並確保本集團全面遵從。

有關於2016年本集團參與與環境相關活動的詳情，請參閱透過在本公司及香港交易及結算所有限公司網站公佈的2016年環境、社會及管治報告。

Management's Discussion and Analysis

管理層討論及分析

Principal Risks and Uncertainties Facing the Group

The Group's businesses, financial condition, results of operations or growth prospects maybe affected by risks and uncertainties pertaining to the Group's businesses, the factors set out below are considered to be the principal risks faced by the Group. They do not comprise all of the risks associated with our business and are not set out in priority order. Additional risks not presently known to management, or currently deemed to be less material, may also have an adverse effect on the business.

Business Risks

Unclear strategy or strategy not being implemented – Our business may suffer if we do not have a clear defined strategy or if our strategy follows the wrong direction or is not effectively communicated or implemented. The Group is operating in a highly competitive industry and the retail industry itself is undergoing a transformational change in this digital age. An unclear or unsuccessful strategy against the growth of e-commerce as well as against other competitors and failure to compete on areas including price, product range, quality and multichannel service may adversely affect our market share and profitability.

Mitigating measures:

Business strategy is reviewed regularly to determine how sales and profit budgets can be achieved or bettered, and business operations made more efficient. This process includes setting of seasonal and annual budgets and longer term financial objectives to identify ways to improve/increase shareholders value. Critical to these processes are the consideration of wider economic and industry specific trends that affect the Group's businesses, the competitiveness position of its product offer and the financial structure of the Group. In addition, the Audit Committee monitors strategic and operational risk regularly and any significant matters are reported to the Board.

Product safety – Concerns regarding the safety of products offered at our stores or the safety and quality of our supply chain could cause customers to avoid purchasing certain products from us even if the basis for the concern is beyond our control or whether or not based on fact. These concerns could discourage consumers from buying from us and may have an adverse effect on our turnover and our reputation. Our business may also suffer if we fail to work with our suppliers to ensure our products are designed and delivered to meet a high standard and to ensure we can trace provenance.

本集團面對的主要風險及不明朗因素

本集團之業務、財務狀況、營運業績或增長展望可能受本集團業務相關之風險及不明朗因素影響，以下是本集團面對之主要風險。此等並未包括與我們業務有關之所有風險及並非按優先次序而排列。以及管理層現時仍未知悉之附加風險，或現時被視為較不重要者，亦可能帶來業務之不利影響。

業務風險

不清晰之策略或並未實行之策略 – 倘我們沒有一個清晰明確的策略或倘我們的策略隨著錯誤方向，或未能有效地溝通或實行，或會影響我們的業務。本集團於高競爭性行業營運及零售業本身於此數碼化時代經歷轉型改革。一個不清晰或不成功的策略與電子商貿增長競爭及與任何其他競爭對手競爭及於關鍵範疇包括價格、產品種類、質素及多渠道服務競爭之失敗可能對我們的市場佔有率及盈利帶來不利影響。

緩解措施：

定期審查業務策略，以制定如何令銷售和利潤能達標或超越預期，以及提升業務營運效率。這個過程包括制定季度和年度預算和長期財務目標，以改善／增加股東價值。其中過程關鍵取決於經濟及行業具體趨勢對集團之業務、其提供產品定位的競爭力及本集團的財務結構帶來之影響。此外，審核委員會定期監測策略性和營運風險，並向董事會報告任何重大事項。

產品安全 – 對於我們店舖提供之產品安全之憂慮或我們供應鏈之安全及品質可引致顧客避免向我們購買若干產品（即使憂慮基於非我們所能控制或是否基於事實）。此等憂慮可阻礙顧客向我們購買及可能會帶來我們營業額及聲譽之不利影響。倘我們未能與我們的供應商合作以確保我們的產品在設計及配送方面達到高標準及確保我們可追查來源，我們的業務也可能受影響。

Management's Discussion and Analysis

管理層討論及分析

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Mitigating measures:

Product quality and safety are core requirements at all stages of the product's life cycle. The Group reference and assist suppliers based on strict requirement specifications for hygiene and conformity, among other things. Throughout the supply chain, inspections are increased and particular attention is paid to fresh produce. Stores perform daily checks on the quality of other merchandise and are subject to rigorous analysis and auditing procedures.

Distribution centre and logistics:

The Group regularly reviews the warehousing and distribution operations that support the business. Risks include business interruptions due to physical damage, access restrictions, breakdowns, capacity storages, IT systems failure, inefficient processes and third party failures.

Mitigating measures:

Planning processes are in place to ensure there is sufficient warehouse handling capacity for expected future volumes over the short and longer terms. In addition, service levels, warehouse handling, inbound logistics and delivery costs are monitored continuously to ensure goods are delivered to our warehouses and our retail stores in a timely and cost-efficient manner.

Retail store network – The Group is primarily engaged in the operation of hypermarkets, and our performance depends on profitably developing the trading space of the store network. Prime retail sites will generally remain in demand, and increased competition for these can result in higher future rents.

Mitigating measures:

The predominately leased portfolio is actively monitored by senior management, with openings, refits and closures based on store profitability and cash payback. The Group will continue to invest in new space where its financial criteria are met, and will renew and refurbish its existing portfolio where appropriate.

Reliance on key systems – The Group rely heavily on the continued availability and integrity of its IT systems, which must record and process substantial volume of data and conduct inventory management accurately and quickly. Any significant failure in the IT processes of our retail operations in stores or in our supply chain could impact our ability to trade. The damage or interruption of any of the systems can be due to events that are beyond the control of the Group.

緩解措施：

產品質量和安全是產品於各個階段的生命週期核心要求。本集團參考和協助供應商(其中包括)對衛生和規格的嚴格要求規範。在整個供應鏈中，本集團特別注意對新鮮產品的檢測。在嚴格的分析和審計程式下，店舖會對其他商品進行日常質量檢查。

配送中心及物流：

為提供業務支援，本集團會為倉庫及配送營運作定期檢討。風險包括業務因實物損壞而造成的中斷、存取限制、裝置故障、容量存儲、資訊科技系統故障、低效過程及協力廠商造成的損害。

緩解措施：

本集團有規劃過程以確保倉庫有足夠的能力應付未來預計短期及長期的貨品數量。此外，我們不斷監察服務水準、倉庫處理、入庫物流及運輸成本以確保貨物及時和符合成本效益的方式配送到我們的倉庫及銷售店舖。

銷售店舖網絡 – 本集團主要從事經營大型超市，業績取決於有利地開發零售銷售空間。優質的銷售地點將維持需求殷切，競爭加劇導致未來租金上調。

緩解措施：

主要租賃協議組合由高級管理人員緊密監察，店舖開業、裝修和關閉基於店舖的盈利能力和現金回流。本集團會在達到其財務上的標準下，將繼續投資新店，並將在適當情況下更新和翻新其現有組合。

倚賴重要系統 – 本集團倚重資訊科技的持續可用性及完整性，它必須記錄並處理大量的數據及進行準確快捷的存貨管理。任何我們店舖或供應鏈內之零售運作之資訊科技程式中的重大故障，均可影響我們之交易能力。任何系統上的損毀或中斷可引致本集團控制以外之事件。

Management's Discussion and Analysis

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Mitigating measures:

System's vulnerability and penetration testing, business continuity plans and back up facilities are in place and are tested regularly to ensure that business interruptions are minimized and data is protected from corruption or unauthorized use. IT risks are also managed through the application of internal policies and change management procedures. Despite having proper procedures in place, the Group cannot fully guarantee our systems are foolproof.

Foreign Exchange and Interest Rate Risks

The Group's retail operations are all based in the PRC and all of our turnover and substantial portion of our expenditure are denominated in Renminbi, the Group is therefore not exposed to significant currency risk in its operations. However, as RMB is not a freely convertible currency, the Group is exposed to foreign currency risk from loans from controlling shareholder, bank loans and other loans which are denominated in USD. The risk that exchange rate volatility may have an adverse effect on our balance sheet or profit and loss account.

The interest rate for the shareholder loans and other loans is based on LIBOR, our profit and loss account maybe adversely affected by rising interest rates.

Mitigating measures:

CP Lotus operates a centralised treasury function which is responsible for managing its liquidity, interest and foreign currency risks. The Group's treasury function operates under a Board-approved policy. This includes approved counter-party and other limits which are designed to mitigate the Group's exposure to financial risk. However, there can be no guarantee that the Group would be able to compensate or hedge against such adverse effects.

Funding and Liquidity Risks

The Group finances its operations by a combination of funds generated primarily from operating activities, loans from shareholders and banking facilities. Weak performance could put pressure on free cash flow and credit metrics and affect our ability to borrow or increase our cost of our borrowing. In addition, underperform against plan may result in impairment of asset values.

Mitigating measures:

The Group has adequate medium and long term financing in place to support its business operations, and the Group's cash position and forecasts are regularly monitored and reported.

緩解措施：

本集團具備系統的漏洞和滲透測試、業務持續性計劃及備用設施，並定期測試以確保將業務中斷的影響減至最少及防止貪污舞弊或未經授權使用資料。本集團透過內部的制度及應變管理程式以應付科技風險。即使本集團已具備相應之控制程序，亦未能完全保證系統萬無一失。

外幣匯兌及息率風險

本集團之零售業務全部位於中國，而所有我們的收入及我們大部份開支均以人民幣結算，本集團因此於其業務概無重大之外匯風險。但由於人民幣並非自由兌換貨幣，本集團面對之外匯風險為以美元結算之控股股東貸款、銀行貸款及其他貸款。兌匯率之不穩定可能因此對我們的資產負債表或損益表產生不利影響。

由於股東貸款及其他貸款息率均以倫敦銀行同業拆息為基礎，我們的損益表可能受息率增加而帶來不利影響。

緩解措施：

卜蜂蓮花以集中財務職能運作，負責管理其流動性、息率及外匯風險。本集團之財務職能按董事會批准政策運作。此包括批准之交易方及其他上限，以減輕本集團面對之財務風險。然而，概無法保證本集團可彌補或對沖該等不利影響。

資金及流動風險

本集團以主要源自營運業務、股東貸款及銀行融資產生之資金作為其營運資本。業績不符合預期將構成自由現金流及信用額度之壓力及影響我們借貸能力或增加借貸成本。此外，業績不符合預期可能導致資產減值。

緩解措施：

本集團擁有足夠的中期及長期融資以支持其業務營運，以及本集團定期監察和匯報其現金狀況及預算。

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People

The Group's continued development relies on the continued service of its senior management and technical personnel, and its ability to attract, retain, develop and motivate the best people with the right capabilities at all levels, failure to do so could limit our ability to succeed.

Mitigating measures:

Group offers competitive compensation packages as well as subsidised training program, professional courses and seminars, and regular on the job training. Remuneration policies and succession planning are subject to periodic benchmarking to ensure they remain appropriate for the Group. ”

LOOKING FORWARD

We expect 2017 to be another challenging year with the growth of the Chinese economy continued to ease. The Group will continue to maintain a stable pace in new store expansion in leveraging on the opportunities arising from urbanisation and selecting the location of new stores in a more prudent manner to ensure their quality and profitability. At the same time, we will continue to optimise our process, and improve our logistics and distribution and IT systems to enhance the productivity of our staff and effectiveness of the supply chain. We will continue the restructuring of the head offices including streamlining administrative process to reduce the office overheads and headcounts; and we have been having active negotiations with a number of landlords to restructure the rental payment structure. We will continue to capture new consumer trend, improve product mix, increase direct procurement and step up our house brand development capability. We are confident of improvement in our operating performance in 2017.

員工

本集團之持續發展有賴高級管理人員及專業技術人材持續之努力，以及集團吸引、留住、發展員工和激勵優秀的人材的能力，在各階層盡展所長；否則，集團的成功將受到局限。

緩解措施：

集團提供具有競爭力的薪酬福利及培訓計劃津貼、專業課程和研討會及定期的在職訓練。薪酬政策和繼承計劃需要定時進行檢討以確保它們仍然適合本集團。

展望

隨著中國經濟增長持續放緩，我們預期二零一七年將為另一具挑戰性年度。本集團利用城市化帶來的機會，將持續以穩定步伐擴張新店舖，並以更審慎的方式選擇新店舖的地點，以確保其質素及盈利率。同時，我們將繼續優化我們的流程、改善物流和分銷及信息科技系統，以提高員工的生產力和供應鏈的有效性。我們將繼續重組總部架構，包括精簡行政程序，以減少辦公室的開支和精簡人手；及我們一直與一些業主積極商討重整租金支付結構。我們將繼續把握新的消費趨勢，改善產品組合，增加直接採購及提高我們的品牌開發能力。對於二零一七年營運業績，我們有信心會得到改善。

Corporate Governance Report

企業管治報告書

The Company is committed to maintaining the highest standards of corporate governance that properly protect and promote the interests of all shareholders at all times. The Board believes that good corporate governance practices are the cornerstones for a successful business, not an exercise in compliance.

CORPORATE GOVERNANCE CODE

The Board regularly reviews the Group's corporate governance guidelines and practices. During the year, the Company has applied the principles and complied with all the relevant code provisions prescribed in the Corporate Governance Code ("Code Provisions") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except that the Chairman did not attend the annual general meeting held on 7 June 2016 due to another business engagement, which deviated from code provision E.1.2.

THE BOARD

The Board is accountable to the shareholders for the leadership and control of the Company and is collectively responsible for promoting the success of the Company and its businesses. The Board decides on corporate strategies and supervises the financial performance, management and organisation on behalf of the shareholders.

The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's businesses to certain executive directors and senior management and certain specific responsibilities to the Board committees.

Board Composition

As at the date of this report, the Board comprises of fourteen members, nine are executive directors (including a Chairman, an Executive Chairman and four Vice Chairmen) and five are independent non-executive directors. Detailed biographies of the directors can be found on pages 33 to 37 of this annual report.

On 10 November 2016, Mr. Piyawat Titasattavorakul has resigned as executive director of the Company.

Chairman and Chief Executive Officer ("CEO")

The roles of Chairman and CEO of the Company are separated and the positions are held by separate individuals with a view to maintain an effective segregation of duties between management of the Board and day-to-day management of the Group's business. There is no financial, business, family or other material/relevant relationship between the Chairman and CEO.

本公司承諾謹守奉行最高標準之企業管治，以於任何時間妥善保障及促進全體股東權益。董事會相信良好的企業管治實踐乃成功企業之基石，不僅限於執行遵守守則。

企業管治守則

董事會定期監控本集團之企業管治方針及慣例。於年內，本公司已應用原則及遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之《企業管治守則》之所有相關守則條文（「守則條文」），惟主席因另一業務約會而未能出席於二零一六年六月七日舉行之股東週年大會，因而偏離守則條文E.1.2條。

董事會

董事會就本公司之領導及監控向股東負責，並共同負責促進本公司及其業務之成果。董事會決定有關企業策略及為股東監督財務表現、管理及組織。

董事會委派若干執行董事及高級管理人員權力及責任處理日常營運事務、業務策略及本集團之業務管理及若干特定責任予董事委員會。

董事會之組成

於本報告日，董事會共有十四位成員，當中九位為執行董事（包括一位主席、一位執行董事長及四位副董事長）及五位為獨立非執行董事。董事之履歷詳情載於本年報第33至37頁內。

於二零一六年十一月十日，Piyawat Titasattavorakul先生已辭任為執行董事。

主席及首席執行官（「首席執行官」）

本公司主席及首席執行官之職務已明確區分，並分別由兩人擔任，以維持識別董事會管理與本集團業務日常管理職務之有效分工。主席與首席執行官概無任何財務、業務、親屬或其他重大／相關之關係。

Corporate Governance Report

企業管治報告書

Mr. Soopakij Chearavanont is the Chairman of the Company. He is responsible for overseeing the function of the Board and formulating overall strategies and policies of the Company and providing leadership to the Board so that the Board works efficiently and discharges its responsibilities and that all key and appropriate issues are discussed by the Board in a timely manner.

Mr. Weng Hai Xin is the CEO of the Company. He is responsible for the day-to-day management of the C.P. Lotus Group's business within the strategic development plans of the Company overseen by Mr. Li Wen Hai, Executive Chairman of the Company.

謝吉人先生為本公司之主席。彼負責監察董事會之功能及制訂本公司整體策略與政策、領導董事會使其有效率地工作及履行職責，致使所有重要及合適之事項可獲董事會適時處理。

翁海鑫先生為本公司之首席執行官，負責按李聞海先生（執行董事長）監督本公司策略發展計劃內卜蜂蓮花集團業務之日常管理。

Board and Committee Attendance

The Board held five regular meetings in 2016. Details of the attendance of each individual director at Board meetings, committee meetings and general meetings during 2016 are set out below:

董事會及委員會之出席率

董事會於二零一六年舉行五次定期董事會會議，每位董事於二零一六年內出席董事會會議、委員會會議及股東大會之詳情載列如下：

Directors	董事	Shareholder 股東大會	Board 董事會	No. of meetings attended/held 出席/舉行會議之數目			
				Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會	Corporate Governance Committee 企業管治委員會
Executive Directors	執行董事						
Mr. Soopakij Chearavanont	謝吉人先生	0/2	2/5	1/1	1/1	-	-
Mr. Li Wen Hai	李聞海先生	1/2	4/5	-	-	-	-
Mr. Narong Chearavanont	謝明欣先生	0/2	3/5	-	-	-	-
Mr. Chan Yiu-Cheong, Ed	陳耀昌先生	2/2	5/5	-	-	-	-
Mr. Michael Ross	羅家順先生	0/2	3/5	-	-	-	-
Mr. Yang Xiaoping	楊小平先生	0/2	0/5	-	-	-	-
Mr. Meth Jiaravanont	謝克俊先生	0/2	3/5	-	-	-	-
Mr. Suphachai Chearavanont	謝鎔仁先生	0/2	1/5	-	-	-	-
Mr. Umroong Sanphasitvong	Umroong Sanphasitvong先生	1/2	4/5	-	1/1	2/2*	1/1
Mr. Piyawat Titasattavorakul (resigned on 10 November 2016)	Piyawat Titasattavorakul先生 (於二零一六年 十一月十日辭任)	0/1	1/3	-	-	-	-
Independent Non-Executive Directors	獨立非執行董事						
Mr. Viroj Sangsnit	Viroj Sangsnit先生	2/2	4/5	1/1	1/1	2/2	1/1
Mr. Songkitti Jaggabatara	Songkitti Jaggabatara先生	2/2	5/5	-	1/1	2/2	-
Mr. Itthaporn Subhawong	Itthaporn Subhawong先生	2/2	5/5	-	-	-	-
Mr. Prasobsook Boondech	Prasobsook Boondech先生	2/2	4/5	-	-	-	1/1
Mr. Cheng Yuk Wo	鄭毓和先生	2/2	5/5	1/1	1/1	2/2	-
No. of meetings	會議數目	2	5	1	1	2	1

* attended on voluntary basis

* 自願參加

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Messrs. Soopakij Chearavanont, Narong Chearavanont and Suphachai Chearavanont are brothers. They are the cousins of Mr. Meth Jiaravanont. Mr. Michael Ross is the brother-in-law of Messrs. Soopakij Chearavanont, Narong Chearavanont and Suphachai Chearavanont and cousin-in-law of Mr. Meth Jiaravanont. Save as disclosed above, there are no family relationships among members of the Board and between the Chairman and the CEO.

Continuous Professional Development

The individual training record of each director of the Company was received for the year ended 31 December 2016. Messrs. Soopakij Chearavanont, Li Wen Hai, Narong Chearavanont, Chan Yiu-Cheong, Ed, Meth Jiaravanont, Suphachai Chearavanont, Umroong Sanphasitvong, Piyawat Titasattavorakul (resigned on 10 November 2016), Viroj Sangsnit, Songkitti Jaggabatar, Itthaporn Subhawong, Prasobsook Boondech and Cheng Yuk Wo participated in continuous professional development by attending seminar relevant to business or directors' duties and responsibilities. Messrs. Michael Ross and Yang Xiaoping participated in continuous professional development by reading materials.

Securities Transactions by Directors/Officers

The Company has adopted the Model Code as the code of conduct regarding securities transactions by directors. Having made specific enquiry of all directors, they confirmed that they have fully complied with the required standards as set out in the Model Code. Officers/employees deemed to be in possession of unpublished price-sensitive or confidential information in relation to the Company or its shares are required to prohibit from dealing in securities of the Company in accordance with written guidelines.

Appointment, Re-election and Removal

During the year, there was no appointment of directors.

All newly appointed directors shall be briefed by the Company's lawyers about their duties and obligations as a director of a listed company in Hong Kong.

The executive directors are not appointed for a specific term. The independent non-executive directors are appointed for a term of one year, which is renewable. All the directors are subject to retirement by rotation and re-election by shareholders at general meetings of the Company, in accordance with the Articles of Association of the Company (the "Articles").

Directors who are appointed by the Board must retire at the next following general meeting/annual general meeting after their appointments, but they are eligible for re-election at that general meeting, and such election is separate from the normal retirement of directors by rotation. According to the Articles, at least one-third of the directors who have served the longest on the Board from last re-election are required to retire by rotation at each annual general meeting. The retiring directors are eligible for re-election at the same annual general meeting.

謝吉人先生、謝明欣先生及謝鎔仁先生乃兄弟之關係。彼等乃謝克俊先生之堂弟。羅家順先生乃謝吉人先生、謝明欣先生及謝鎔仁先生之姐夫及謝克俊先生之堂妹夫。除以上披露者外，其他董事會成員之間及主席與首席執行官之間概無任何親屬關係。

持續專業發展

本公司已收到每位董事截至二零一六年十二月三十一日止年度之培訓記錄。謝吉人先生、李闊海先生、謝明欣先生、陳耀昌先生、謝克俊先生、謝鎔仁先生、Umroong Sanphasitvong先生、Piyawat Titasattavorakul先生（於二零一六年十一月十日辭任）、Viroj Sangsnit先生、Songkitti Jaggabatar先生、Itthaporn Subhawong先生、Prasobsook Boondech先生及鄭毓和先生透過出席與業務或董事職責相關之研討會參與持續專業發展。羅家順先生及楊小平先生透過閱讀相關資料參與持續專業發展。

董事／高級職員之證券交易活動

本公司已採納標準守則作為董事證券交易行為之操守守則。經向所有董事作出明確查詢後，彼等確認已完全遵守標準守則所規定之標準。被視為擁有有關本公司或其股份之未公佈的股價敏感或保密資料之高級職員／僱員，須根據書面指引禁止對本公司之證券進行交易。

委任、重選及罷免

於年內，概無董事委任。

任何新委任之董事將獲本公司之律師概述彼等作為香港上市公司董事之職責。

執行董事並無固定任期。獨立非執行董事之任期為一年（可續任）。所有董事須根據本公司之組織章程細則（「細則」）輪席告退及於本公司之股東大會上膺選連任。

獲董事會委任之董事，須在接受委任後的首個股東大會／股東週年大會上退任，但可於該股東大會上膺選連任及該重選並不計入一般董事之輪席告退。根據細則，最少三分之一董事，自彼等上次重選起於董事會之任期最長者，須於每屆股東週年大會上輪席告退。退任董事亦可於同一股東週年大會上膺選連任。

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BOARD AND OTHER COMMITTEES

Audit Committee

The Audit Committee consists of three independent non-executive directors of the Company, Messrs. Cheng Yuk Wo (Chairman), Viroj Sangsnit and Songkitti Jaggabatara with the purpose of monitoring the integrity of the Group's financial statements and provides assurances to the Board that these comply with accounting standards, stock exchange and legal requirements in relation to financial reporting. The Audit Committee met twice in 2016 to review work done by internal and external auditors, oversees financial reporting system and internal control procedures. The Audit Committee receives updates from Internal Audit and has dialogue with senior management on their control responsibilities. The written terms of reference of the Audit Committee is posted on the Company's website.

During the year under review, the remuneration paid/payable to the Group's external auditors, Messrs. KPMG is set out as follows:

Audit Services	審計服務	3,450
Other Services	其他服務	720

Remuneration Committee

The Remuneration Committee consists of three independent non-executive directors of the Company, Messrs. Cheng Yuk Wo (Chairman), Viroj Sangsnit and Songkitti Jaggabatara and two executive directors of the Company, Messrs. Soopakij Chearavanont and Umroong Sanphasitvong. The main roles and responsibilities of the Remuneration Committee are set out by the Board with clearly defined written terms of reference is posted on the Company's website. The Remuneration Committee is responsible for the formulation of the Group's remuneration policies and for the approval of remuneration packages for all directors except that its members do not participate in the determination of their own remuneration. The Remuneration Committee determines the remuneration of executive directors and senior management, including benefits in kind, fees, salaries, allowances, bonuses, incentive payment, share option, pension right and compensation payment (including any compensation payable for loss or termination of their office or appointment etc). The determination of the Remuneration Committee should be made in consultation with and taking recommendations from the Chairman of the Board and other advisers as appropriate and submitted for endorsement by the Board. The Remuneration Committee met once in 2016 to discharge its duties. Details of the directors' emoluments are set out in Note 6 to the financial statements.

董事委員會

審核委員會

審核委員會由本公司三位獨立非執行董事：鄭毓和先生（主席）、Viroj Sangsnit先生及Songkitti Jaggabatara先生組成，以監察本集團財務報表之完整性及向董事會提供保證已遵守與財務報告有關之會計準則及聯交所與法律要求。審核委員會於二零一六年舉行兩次會議，並審閱內部與外聘核數師之工作報告及監督財務報告系統與內部監控程序。審核委員會收取內部審計部門之更新並與高級管理人員商討彼等之監控責任。審核委員會之職權範圍已載於本公司之網站。

於回顧年度內，本集團已付／應付外聘核數師－畢馬威會計師事務所之酬金載列如下：

Fee Paid/Payable
已付／應付費用
2016
二零一六年
(RMB'000)
(人民幣千元)

薪酬委員會

薪酬委員會由本公司三位獨立非執行董事：鄭毓和先生（主席）、Viroj Sangsnit先生及Songkitti Jaggabatara先生，及本公司兩位執行董事：謝吉人先生與Umroong Sanphasitvong先生組成。薪酬委員會之職權由董事會釐定及職權範圍已載於本公司之網站。薪酬委員會負責釐定本集團之薪酬政策及批准所有董事之薪酬待遇，惟其成員不可參與釐定其各自之薪酬。薪酬委員會釐定執行董事及高級管理人員之薪酬，包括非現金利益、費用、薪金、津貼、花紅、獎金、購股權、退休金權利及賠償金額（包括喪失或終止職務或委任之任何應付賠償等）。薪酬委員會之決定乃諮詢及採納董事會主席及其他顧問之意見（如適用），並提呈董事會批准。薪酬委員會於二零一六年舉行一次會議以履行其職責。董事薪酬詳情載於財務報表附註6。

Corporate Governance Report

企業管治報告書

Nomination Committee

The Nomination Committee consists of one executive director of the Company, Mr. Soopakij Chearavanont (Chairman) and two independent non-executive directors of the Company, Messrs. Viroj Sangsnit and Cheng Yuk Wo. The main roles and responsibilities of the Nomination Committee include determining and reviewing the nomination policy and Board diversity policy, making recommendations to the structure, size and composition of the Board at least annually, the appointment and re-appointment of the directors and identify their suitabilities and to access the independence of the independent non-executive directors. The Nomination Committee met once in 2016 to discharge its duties, including assessing the independency of independent non-executive directors under the guidelines of the Listing Rules and review the Board diversity policy and terms of reference. The written terms of reference of the Nomination Committee is posted on the Company's website.

Corporate Governance Committee

The Corporate Governance Committee consists of two independent non-executive directors of the Company, Messrs. Prasobsook Boondech (Chairman) and Viroj Sangsnit and one executive director of the Company, Mr. Umroong Sanphasitvong. The main roles and responsibilities of the Corporate Governance Committee include reviewing the Company's corporate governance policies and practices, review and monitor the training and continuous professional development of directors, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") and written employee guidelines, and the compliance with the Code Provisions. The Corporate Governance Committee met once in 2016 to discharge the aforesaid duties. The written terms of reference of the Corporate Governance Committee is posted on the Company's website.

SUMMARY OF BOARD DIVERSITY POLICY

According to the Board diversity policy of the Company, selection of candidates will be based on a range of diversity perspectives, including but not limited to, gender, age, culture and educational background, ethnicity, professional experience, skills, knowledge and length of service in the Company etc. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. Steady progress was made on achieving those objectives.

提名委員會

提名委員會由本公司一位執行董事：謝吉人先生（主席），及本公司兩位獨立非執行董事：Viroj Sangsnit先生與鄭毓和先生組成。提名委員會之主要職能包括至少每年釐定及檢討提名政策及董事會多元化政策、就董事會之架構、人數及組成提出建議、委任及重新委任董事及確認彼等之合適性，並評核獨立非執行董事之獨立性。提名委員會於二零一六年舉行一次會議以履行其職責，包括按上市規則指引評核獨立非執行董事之獨立性及檢討董事會多元化政策及職權範圍。提名委員會之職權範圍已載於本公司之網站。

企業管治委員會

企業管治委員會由本公司兩名獨立非執行董事，Prasobsook Boondech先生（主席）及 Viroj Sangsnit先生及本公司一名執行董事 Umroong Sanphasitvong先生組成。企業管治委員會的主要角色和職能包括檢討本公司之企業管治政策及常規、檢討及監察董事及高級管理人員之培訓及持續專業發展、遵守法律及監管規定方面之政策及常規、遵守根據上市規則附錄十《上市發行人董事進行證券交易的標準守則》（「標準守則」）所載之守則及僱員指引及本公司遵守企業管治守則之情況。企業管治委員會於二零一六年舉行一次會議，並履行上述職責。企業管治委員會的職權範圍已載於本公司之網站。

董事會多元化政策概要

根據本公司之董事會多元化政策，揀選候選人將根據一系列多元化觀點，包括但不限於，性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及於本公司之服務年期。最終決定取決於揀選之候選人將為董事會帶來之優勢及貢獻。達標之進度平穩。

INTERNAL CONTROL, RISK MANAGEMENT AND FINANCIAL REPORTING

The Board is responsible for managing business and operational risks and maintaining proper and effective systems of risk management and internal control to safeguard the shareholders' investment and the Group's assets against unauthorised use or disposition. The Board has conducted a review of the effectiveness of the risk management and internal control systems of the Company and its subsidiaries. The Group has adopted comprehensive procedures with duly assigned levels of authority in areas of financial, operational controls, and risk management to ensure that its assets and resources remain secure at all times.

The role of the Audit Committee is, through dialogue with management, and the use of risk management and internal audit functions to review the effectiveness of the risk management and internal control systems and to report to the Board any significant risks and issues.

Risk Management function is responsible for analysing possible risks that may affect the Group's business operations; find measures to eliminate, prevent and control risk. The Group has invested in distribution centres and information technology systems such as the store management system and the distribution centre system. Information technology has played a major role in assisting the Group to achieve higher efficiency in data storage and analysis. Therefore, an error or problem in the information technology systems will affect the Group's ability to manage store operation on a normal basis and may negatively affect the Group's operating performance.

The internal audit department is fully independent of business operations. It has full and complete access to any of the Group's records, physical properties and personnel relevant to a review. The authority of the department is defined by the Audit Committee and reports administratively to the CEO and functionally to the Audit Committee.

The Group has developed a risk management system "Enterprise Risk Management System" in accordance with the international standard ISO 31000 for strengthening the internal accountability system on risk management. The system is an on-going process for identifying, evaluating and managing the significant risks associated with the business of the Group. Designated responsible personnel of the relevant business unit is responsible to identify, assess, manage the relevant risks covering all material controls including financial, operational and compliance controls and execute mitigation measures. Results of risk evaluation will be reported to the Audit Committee semi-annually through risk management function which will continuously oversee the effectiveness of the risk management system and ensure that the relevant control measures are properly implemented within timeline. A risk management policy which sets out the framework, guideline, procedures and action plan, was adopted by the Board as recommended by the Audit Committee.

內部監控、風險管理及財務報告

董事會致力管理業務與營運風險，並維持合適而有效之風險管理及內部監控系統，以保障股東之投資及本集團之資產免遭未經授權挪用或處置。董事會已對本公司及其附屬公司之風險管理及內部監控系統之有效性進行檢討。本集團已採納全面之程序，就財務與營運監控及風險管理範疇制定適當之授權架構，確保本集團資產及資源一直得到保障。

審核委員會之角色乃透過與管理層之對話，及履行其風險管理及內部審核職能，以檢討風險管理及內部監控系統之成效並向董事會匯報任何重大風險及問題。

風險管理職能負責分析可能影響本集團業務營運之潛在風險；找出消除、預防及監控風險之措施。本集團已投資於配送中心及資訊科技系統，如店舖管理系統及配送中心系統。資訊科技對本集團達到更高之數據儲存及分析效率有極大幫助。因此，資訊科技系統之錯誤或問題，將會影響本集團於日常運作中管理店舖營運之能力，並可能對本集團之營運表現造成負面影響。

內部審核部門完全獨立於業務營運。其可全面而完整地接觸任何與檢討工作有關之本集團記錄、實物財產及人員。該部門之權力由審核委員會界定，及在行政方面向首席執行官匯報及在職能方面向審核委員會匯報。

本集團根據國際標準ISO 31000，制訂了一套「企業風險管理制度」，來加強內部風險管理的問責制。該制度是一套持續的程序去確定、評估和管理本集團業務之風險。有關業務單位的特定負責人負責確定、評估，管理相關風險（涵蓋所有重要的監控，包括財務監控、運作監控及合規監控）及執行緩解措施。負責人透過風險管理職能將評估結果每半年向審核委員會報告，風險管理職能會不斷監督風險管理措施之有效性及確保相關控制措施在指定時間內正確地執行。董事會根據審核委員會的建議，通過及採納了風險管理政策，其制訂框架、準則、程序和行動方案。

Corporate Governance Report

企業管治報告書

During the year of 2016, the Group had engaged an external advisor to conduct an independent review of the risk management system and to provide suggestion and solutions, which had been submitted to the Audit Committee and the Board for their consideration. In additions, internal audit function of the Group had carried out internal control review on a regular basis and review on internal control procedures to ensure that individual continuing connected transactions are conducted in accordance with the pricing policies or mechanism under the relevant framework agreements. It is responsible for evaluating the effectiveness of procedures in relation to risk management and internal control systems and submitting their reports of their findings to the Audit Committee annually. The Board regularly receives and reviews monthly updates giving an overall assessment of the Company's business performance.

The Audit Committee provides independent review on effectiveness of the risk management and internal control systems of the Group and gives their recommendation to the Board. The Board is responsible for reviewing the internal audit report and approving policies and procedures designed by the management. The Board believes that the existing risk management and internal control systems are adequate and effective. The Board also reviewed the resources, qualification and experience of staff of the Group's accounting and financial reporting function and their training schemes and budget and was satisfied with their adequacy.

The objective of operation audit is to provide an independent and objective evaluation of the quality and effectiveness of store operations including risk management and internal controls established by the management. Each store has to go through a monthly detailed inspection of key operating activities such as cash movement, goods receiving, claims and payments. Storewide physical counts are carried out at least once a year. The operation audit department reports to the Chief Financial Officer.

The Board acknowledges its responsibility for the preparation of financial statements which give a true and fair view of the Group's state of affairs. Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

Regarding the procedures and internal control for the handling and dissemination of inside information, the Company is aware of and has complied with its disclosure obligations under the Listing Rules and Part XIVA of the Securities and Futures Ordinance (the "Inside Information Provisions"). And any information required to be disclosed under Rule 13.09 of the Listing Rules and/or the Inside Information Provisions would be announced timely.

在2016年，本集團已聘請外部顧問對風險管理制度進行獨立審查及作出建議及解決方案，並已提呈審核委員會和董事會以供考慮。此外，本集團之內部審核職能已定期進行內部監控審查及審查內部監控程序，以確保個別持續關連交易已按照有關框架協議的定價政策或機制進行。內部審核職能負責評估風險管理和內部監控制度的有效性，並每年向審核委員會提交其調查結果報告。董事會定期收到並審閱每月更新，來對本公司業績表現進行全面評估。

審核委員會對本集團風險管理和內部監控制度的有效性進行獨立審查，並向董事會提出建議。董事會負責審核內部審核報告及審批管理層在制定的政策和程序。董事會認為，現有的風險管理及內部監控制度充分而且有效。董事會已審核本集團會計及財務報告職能人員的資源、資格及經驗以及彼等的培訓方案及預算，並對上述的充足性感到滿意。

營運審核之目的乃對店舖營運之質素及效率提供獨立客觀之評估，包括管理層訂立之內部監控措施。每家店舖之主要營運活動，如現金流動、收取貨品、索償及付款，均須每月進行詳盡檢查。全店實地盤點於每年至少進行一次。營運審核部門向首席財務長匯報。

董事會確認負責編製旨在能真實及公平地反映本集團業務狀況之財務報表。董事並不知悉任何關於事件或情況之重大不明朗因素而可對本集團之持續經營能力構成重大疑問。

就處理及發佈內幕消息之程序及內部監控方面，本公司已知悉及已符合其於上市規則以及證券及期貨條例第XIVA部（「內幕消息條文」）項下之披露責任。而任何須根據上市規則第13.09條及／或內幕消息條文規定予以披露之資料適時作出公佈。

Corporate Governance Report

企業管治報告書

SHAREHOLDERS' RIGHTS

Pursuant to Article 72 and 73 of the Articles, general meetings can be convened on the written requisition of any two members of the Company deposited at the registered office specifying the objects of the meeting and signed by the requisitionists.

Any extraordinary general meeting called for the passing of a special resolution shall be called by notice in writing of not less than a period which is the longer of twenty-one days and ten clear business days, and any other extraordinary general meeting shall be called by notice in writing of not less than a period which is the longer of fourteen days and ten clear business days. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business (as defined in Article 75 of the Articles), particulars of the resolutions to be considered at the meeting, and shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting to such persons as are, under these Articles, entitled to receive such notices from the Company provided that a meeting of the Company notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.

Shareholders' enquiries put to the Board or any proposals to be put forward at general meetings can be emailed to contact@cplotuscorp.com or by mail to:

C.P. Lotus Corporation
21/F., Far East Finance Centre
16 Harcourt Road, Hong Kong

股東權利

根據細則第72及73條，本公司之任何兩名股東可以書面申請召開股東大會，並須於說明會議目的之書面申請上簽署及交至註冊辦事處。

任何通過一項特別決議案之股東特別大會須發出不少於二十一日及十個完整營業日（以較長期間者為準）之書面通告，及任何其他股東特別大會須發出不少於十四日及十個完整營業日（以較長期間者為準）之書面通告。通告並不包括送達或被視為送達之日期及不包括發出日期，並應說明會議的地點、日期及時間，並在特別業務（按細則第75條之定義）之情況下，說明會議上將考慮的決議案之明細，並應按細則指明或以本公司在股東大會上規定的其他方式（如有），向根據細則有權收到本公司通告之人士發出，惟本公司會議，即使以較細則所規定的通知期短通告召開，倘獲有權與會並在會上投票表決的大多數股東贊成，大多數乃指持有不少於授予該表決權的股份面值百分之九十五，會議被視作適當召開。

股東向董事會提出查詢或在股東大會提出任何建議，可電郵至 contact@cplotuscorp.com 或郵寄至：

卜蜂蓮花有限公司
香港夏慤道十六號
遠東金融中心二十一樓

Corporate Governance Report

企業管治報告書

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

Effective communication with shareholders and investors and the provision of high standards of disclosure and financial transparency have always been one of the Group's priorities. A number of formal communication channels are available to shareholders for the performance of the Group including the annual and interim report and the press release and announcements. Annual general meeting and other general meetings provide a useful opportunity for the Board to maintain a constructive dialogue with our shareholders.

The Group is committed to maintain continuing open dialogue with institutional investors and analysts as a means of developing their understanding of our strategy, operations, management and plans and raising any issues they may have and provide the Group with valuable feedbacks and insights.

The Company has its company website <http://www.cplotuscorp.com> which provides additional channel for shareholders and interested parties to access the Group's information.

CONSTITUTIONAL DOCUMENTS

There is no significant change in the Company's constitutional documents during the year ended 31 December 2016

與股東及投資者之溝通

與股東及投資者之有效溝通及提供高水平之披露與財務透明度乃本集團一貫重點之一。若干正式之溝通渠道可讓股東掌握本集團之表現，包括年度及中期報告與新聞稿及公告。股東週年大會及其他股東大會為董事會與股東提供建設性交流之有效機會。

本集團致力與機構投資者及分析員維持持續開放交流讓彼等對本集團之策略、營運、管理及計劃作進一步了解，並為彼等提出任何意見及為本集團提供寶貴信息及灼見之平台。

本公司之網站為<http://www.cplotuscorp.com>，提供額外渠道使股東及有興趣人士獲取本集團之資料。

組織章程文件

於截至二零一六年十二月三十一日止之年度內，本公司之組織章程文件概無重大變更。

Biographical Details of Directors

董事履歷詳情

Mr. Soopakij Chearavanont, aged 53, is Executive Director and Chairman of the Company and has been an Executive Director since 2000. He has been a member of the Remuneration Committee of the Company and the Chairman of the Nomination Committee of the Company since 1 April 2012. Mr. Soopakij Chearavanont obtained a Bachelor of Science degree in the College of Business and Public Administration of New York University, USA and has extensive multinational investment and management experience in various industries. He is an executive director and Vice Chairman of C.P. Pokphand Co. Ltd., a non-executive director and the Chairman and the Chairman of Nomination Committee of Chia Tai Enterprises International Limited and a non-executive director of Ping An Insurance (Group) Company of China, Ltd., which are companies listed on the Main Board of The Stock Exchange of Hong Kong Limited. Mr. Soopakij Chearavanont is also a director of True Corporation Public Company Limited, CP ALL Public Company Limited and Siam Makro Public Company Limited, all of which are listed on The Stock Exchange of Thailand. He is the Chairman of True Visions Public Company Limited. He is also the Chairman of Charoen Pokphand Group Company Limited with effect from 9 January 2017.

Mr. Li Wen Hai, aged 59, has been an Executive Director of the Company since September 2006. He was re-designated as Vice Chairman of the Company with effect from 18 April 2008 and re-designated as Senior Vice Chairman and Chief Executive Officer of the Company with effect from 22 October 2013. He ceased to be Senior Vice Chairman and Chief Executive Officer and was re-designated as Executive Chairman of the Company with effect from 1 December 2015. Mr. Li obtained a Master degree in Business Administration from Huazhong Normal University, PRC and is a senior economist. He has extensive experience in retail business.

Mr. Narong Chearavanont, aged 52, has been an Executive Director of the Company since 2001. He was re-designated as Vice Chairman of the Company in September 2006. He obtained a Bachelor of Science degree in Business Administration from New York University, USA, Certificate of Advance Management Program in Transforming Proven Leaders into Global Executives from Harvard Business School, Harvard University, USA and an Honorary Doctorate degree of Business Administration from Ramkamhaeng University, Thailand. Mr. Narong Chearavanont has extensive experience in the retail and trading industries. He is a director of True Corporation Public Company Limited, CP ALL Public Company Limited and Siam Makro Public Company Limited, all of which are listed on The Stock Exchange of Thailand.

謝吉人先生，53歲，為本公司之執行董事及主席及自二零零零年出任為執行董事。彼自二零一二年四月一日為本公司之薪酬委員會成員及本公司之提名委員會主席。謝吉人先生持有美國紐約大學商業及公共管理學院之理學士學位，並擁有跨國性投資及管理不同行業之資深經驗。彼現為卜蜂國際有限公司之執行董事及副董事長、正大企業國際有限公司之非執行董事及董事長及提名委員會主席及中國平安保險(集團)股份有限公司之非執行董事(三家均為香港聯合交易所有限公司主板上市之公司)。謝吉人先生亦為True Corporation Public Company Limited、CP ALL Public Company Limited及Siam Makro Public Company Limited之董事(所有均為泰國證券交易所上市之公司)。彼為True Visions Public Company Limited之主席。於二零一七年一月九日起，彼亦為Charoen Pokphand Group Company Limited之主席。

李聞海先生，59歲，自二零零六年九月出任為本公司之執行董事。彼於二零零八年四月十八日調任為本公司之副董事長及於二零一三年十月二十二日調任為本公司之資深副董事長兼首席執行官。彼於二零一五年十二月一日不再擔任本公司之資深副董事長兼首席執行官，並調任為執行董事長。李先生乃中國華中師範大學工商管理系之碩士研究生及高級經濟師。彼擁有零售業務之資深經驗。

謝明欣先生，52歲，自二零零一年出任為本公司之執行董事。彼於二零零六年九月調任為本公司之副董事長。彼持有美國紐約大學工商管理系之理學士學位、美國哈佛大學哈佛商學院進階管理證書(Certificate of Advance Management Program in Transforming Proven Leaders into Global Executives)及泰國Ramkamhaeng University工商管理系之榮譽博士學位。謝明欣先生擁有零售及貿易業務之資深經驗。彼為True Corporation Public Company Limited、CP ALL Public Company Limited及Siam Makro Public Company Limited之董事(所有均為泰國證券交易所上市之公司)。

Biographical Details of Directors

董事履歷詳情

Mr. Chan Yiu-Cheong, Ed, aged 54, has been an Executive Director and Vice Chairman of the Company since 1 April 2012. He obtained a Bachelor degree from the University of Chicago, USA and a Master degree from the Sloan School of Management, Massachusetts Institute of Technology, USA. Mr. Chan was a Regional Director North Asia of the Dairy Farm Group and a director of Dairy Farm Management Services Limited from November 2001 to November 2006. He was the President and Chief Executive Officer of Walmart China from November 2006 to October 2011. Mr. Chan is currently a Vice Chairman of Charoen Pokphand Group Company Limited. He is also a non-executive director of Treasury Wine Estates Limited, a company listed on the Australian Securities Exchange and an independent non-executive director of Link Real Estate Investment Trust, which is listed on the Main Board of The Stock Exchange of Hong Kong Limited. He is also an independent non-executive director of Yum China Holdings, Inc., which is listed on the New York Stock Exchange.

Mr. Michael Ross, aged 52, has been an Executive Director of the Company since September 2006. He was re-designated as Executive Vice Chairman of the Company with effect from 1 May 2008 and ceased to hold such position with effect from 1 September 2010. Mr. Ross was re-designated as Vice Chairman of the Company with effect from 1 January 2012. He obtained a Master degree in Science from University of Salford, United Kingdom and a Bachelor degree in Hospitality Management from The Hong Kong Polytechnic University, Hong Kong. He completed an Executive Program at the Kennedy School of Government of Harvard University in USA in 2009. He has extensive experience in retail business. Since joining Lotus Supercenter in 1999, he has served in major key positions in Business Development, Operations and Merchandising. During this period, Mr. Ross also served as Regional President in Southern Region & Eastern Region of Lotus. Mr. Ross has been a member of the Chinese People's Political Consultative Conference (CPPCC) Shanghai Pudong New Area Committee since June 2013.

陳耀昌先生，54歲，自二零一二年四月一日出任為本公司之執行董事及副董事長。彼持有美國芝加哥大學之學士及美國麻省理工學院斯隆商學院碩士學位。陳先生於二零零一年十一月至二零零六年十一月期間曾為牛奶公司集團北亞區董事。彼於二零零六年十一月至二零一一年十月曾為沃爾瑪中國之總裁兼首席執行官。陳先生現為Charoen Pokphand Group Company Limited之副董事長。彼亦為Treasury Wine Estates Limited（一家於澳洲證券交易所上市之公司）之非執行董事及領展房地產投資信託基金（於香港聯合交易所有限公司主板上市）之獨立非執行董事。彼亦為Yum China Holdings, Inc.（於紐約證券交易所上市）之獨立非執行董事。

羅家順先生，52歲，自二零零六年九月出任為本公司之執行董事。彼於二零零八年五月一日調任為本公司之執行副董事長及於二零一零年九月一日不再擔任該職位。羅先生於二零一二年一月一日調任為本公司之副董事長。彼持有英國University of Salford科學系之碩士學位及香港理工大學酒店管理系學士學位。於二零零九年，彼取得美國哈佛大學肯尼迪學院政府公共管理課程研修證書。彼擁有零售業務之資深經驗。自一九九九年加入易初蓮花以來，彼於事業發展部、營運部及商品部擔任過重要職位。於此期間內，羅先生還曾任職易初蓮花華南區項目總監及華東區項目總監。羅先生自二零一三年六月為中國人民政治協商會議上海市浦東新區政協委員。

Biographical Details of Directors

董事履歷詳情

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Mr. Yang Xiaoping, aged 53, has been an Executive Director of the Company since April 2000. He was re-designated as Vice Chairman of the Company with effect from 14 May 2007 and ceased to hold such position with effect from 1 September 2010. Mr. Yang was re-designated as Vice Chairman of the Company with effect from 1 January 2012. He has more than 20 years' of extensive experience in international trading and investment in the PRC and has good contact with central, provincial and municipal governors. Mr. Yang is a non-executive director of Ping An Insurance (Group) Company of China, Ltd. and CITIC Limited, both of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited, and Tianjin Binhai Teda Logistics (Group) Corporation Limited, a company listed on the GEM Board of The Stock Exchange of Hong Kong Limited.

Mr. Meth Jiaravanont, aged 58, has been an Executive Director of the Company since 2005. He obtained a Bachelor of Arts degree in Economics from Occidental College, California, USA and a Master degree in Business Administration from New York University, USA. Mr. Meth Jiaravanont has extensive experience in investment, finance, banking and strategic business development in Asia and USA. He is currently a non-executive director of C.P. Pokphand Co. Ltd., a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. He is currently also the Senior Executive Assistant to the Chairman-Finance of Charoen Pokphand Group Company Limited and a director of CPPC Public Company Limited.

Mr. Suphachai Chearavanont, aged 50, has been an Executive Director of the Company since 2000. He obtained a Bachelor of Science degree in Business Administration from Boston University in USA, majoring in Financial Management. Mr. Suphachai Chearavanont has extensive experience in the telecommunication and broadcasting industries. He is an executive director of C.P. Pokphand Co. Ltd., a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, a director, President and Chief Executive Officer of True Corporation Public Company Limited and a director of Siam Makro Public Company Limited, both of which are listed on The Stock Exchange of Thailand. Mr. Suphachai Chearavanont is also a director and Chief Executive Officer of True Visions Public Company Limited and True Move Company Limited. He is also the Chief Executive Officer (Telecommunications) of Charoen Pokphand Group Company Limited with effect from 9 January 2017.

楊小平先生，53歲，自二零零零年四月出任為本公司之執行董事。彼於二零零七年五月十四日調任為本公司之副董事長，及於二零一零年九月一日不再擔任該職位。楊先生於二零一二年一月一日調任為本公司之副董事長。彼擁有超過二十年於國際貿易之資深經驗及在中國市場之投資經驗，並與中央、省及縣領導人建立良好聯繫。楊先生現為中國平安保險(集團)股份有限公司及中國中信股份有限公司(兩家均為香港聯合交易所有限公司主板上市之公司)及天津濱海泰達物流集團股份有限公司(一家於香港聯合交易所有限公司創業板上市之公司)之非執行董事。

謝克俊先生，58歲，自二零零五年出任為本公司之執行董事。彼持有美國加州Occidental College之經濟學文學士學位及美國紐約大學工商管理碩士學位。謝克俊先生擁有於亞洲及美國之投資、金融、銀行及策略性業務發展之資深經驗。彼現為卜蜂國際有限公司(一家於香港聯合交易所有限公司主板上市之公司)之非執行董事。彼現亦為Charoen Pokphand Group Company Limited之董事長(財務)資深執行助理及CPPC Public Company Limited之董事。

謝鎔仁先生，50歲，自二零零零年出任為本公司之執行董事。彼持有美國波士頓大學工商管理系之理學士學位，並主修金融管理。謝鎔仁先生擁有電訊及廣播業務之資深經驗。彼現為卜蜂國際有限公司(一家於香港聯合交易所有限公司主板上市之公司)之執行董事、True Corporation Public Company Limited之董事及總裁兼首席執行官及Siam Makro Public Company Limited之董事(二家均為泰國證券交易所上市之公司)。謝鎔仁先生亦為True Visions Public Company Limited及True Move Company Limited之董事及首席執行官。於二零一七年一月九日起，彼亦為Charoen Pokphand Group Company Limited之首席執行長(電訊)。

Mr. Umroong Sanphasitvong, aged 64, has been an Executive Director of the Company since 2005. He was appointed as a member of the Remuneration Committee and Corporate Governance Committee of the Company in December 2006 and August 2016, respectively. He obtained a Bachelor and a Master degree in Accounting from Thammasat University, Thailand and has extensive experience in financial management. Mr. Sanphasitvong is currently a director of True Corporation Public Company Limited, CP ALL Public Company Limited and Siam Makro Public Company Limited, all of which are listed on The Stock Exchange of Thailand, and of CPPC Public Company Limited. He is also the Deputy Group Chief Financial Officer of Charoen Pokphand Group Company Limited.

Mr. Piyawat Titasattavorakul, aged 63, was an Executive Director of the Company from 1 September 2010 to 10 November 2016. He obtained a Bachelor Degree majoring in Marketing from Ramkhamhaeng University, Thailand. He has extensive experience in the marketing and retail business. Mr. Titasattavorakul is a director of CP ALL Public Company Limited and Siam Makro Public Company Limited, both of which are listed on The Stock Exchange of Thailand.

Mr. Viroj Sangsnit, aged 81, has been an Independent Non-Executive Director of the Company and a member of the Audit Committee of the Company since 1999. He is also a member of the Remuneration Committee of the Company. He was appointed as a member of the Nomination Committee and the Corporate Governance Committee of the Company with effect from 1 April 2012 and 20 August 2016 respectively. Mr. Sangsnit was the Deputy Minister of Transport from 1991 to 1992 and the Deputy of Minister of Defense in 1996 in Thailand.

Mr. Songkitti Jaggabatara, aged 66, has been an Independent Non-Executive Director and a member of the Audit Committee and the Remuneration Committee of the Company since 1 April 2012. He obtained a Bachelor of Science degree from the Chulachomklao Royal Military Academy, Thailand and graduated from National Defence College of Thailand. Mr. Jaggabatara served in the Royal Thai Armed Forces for 39 years and was appointed as Chief of Defence Forces of the Royal Thai Armed Forces in 2008. He retired from the Royal Thai Armed Forces on 30 September 2011. Mr. Jaggabatara is currently an Advisor to Kasetphand Industry Co., Ltd., a subsidiary of Charoen Pokphand Group Company Limited.

Umroong Sanphasitvong先生，64歲，自二零零五年出任為本公司之執行董事，並分別於二零零六年十二月及二零一六年八月獲委任為本公司之薪酬委員會及企業管治委員會成員。彼持有泰國 Thammasat University 會計系之學士及碩士學位，擁有金融管理之資深經驗。Sanphasitvong 先生現為 True Corporation Public Company Limited、CP ALL Public Company Limited、Siam Makro Public Company Limited (所有均為泰國證券交易所上市之公司) 及 CPPC Public Company Limited 之董事。彼亦為 Charoen Pokphand Group Company Limited 之集團副首席財務長。

Piyawat Titasattavorakul先生，63歲，自二零一零年九月一日至二零一六年十一月十日出任為本公司之執行董事。彼持有泰國 Ramkhamhaeng University 之市場學系學士學位。彼擁有於市場營銷及零售業務之資深經驗。Titasattavorakul 先生現為 CP ALL Public Company Limited 及為 Siam Makro Public Company Limited 之董事 (二家均為泰國證券交易所上市之公司)。

Viroj Sangsnit先生，81歲，自一九九九年出任為本公司之獨立非執行董事及本公司之審核委員會成員。彼亦為本公司之薪酬委員會成員。彼分別於二零一二年四月一日及二零一六年八月二十日獲委任為提名委員會及企業管治委員會之成員。Sangsnit 先生於一九九一至一九九二年出任泰國運輸部副部長及於一九九六年出任泰國國防部副部長。

Songkitti Jaggabatara先生，66歲，自二零一二年四月一日出任為本公司之獨立非執行董事及本公司之審核委員會與薪酬委員會成員。彼持有泰國 Chulachomklao Royal Military Academy 之理學士學位，並畢業於泰國 National Defence College。Jaggabatara 先生於 Royal Thai Armed Forces 服役 39 年，並於二零零八年獲委任為 Royal Thai Armed Forces 之三軍總長。彼於二零一一年九月三十日退役 Royal Thai Armed Forces。Jaggabatara 先生現為 Kasetphand Industry Co., Ltd. (Charoen Pokphand Group Company Limited 之一家附屬公司) 之顧問。

Biographical Details of Directors

董事履歷詳情

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Mr. Itthaporn Subhawong, aged 65, has been an Independent Non-Executive Director of the Company since 31 December 2012. He graduated from National Defence College of Thailand. Mr. Subhawong served in the Royal Thai Air Force (“RTAF”) for 37 years and was appointed as Air Chief Marshal of the RTAF in 2007. He was appointed the 21st Commander-in-Chief of the RTAF on 1 October 2008. Mr. Subhawong retired as Commander-in-Chief of the RTAF on 30 September 2012.

Mr. Prasobsook Boondech, aged 71, has been an Independent Non-Executive Director of the Company since 31 December 2012. He has been appointed as the Chairman of the Corporate Governance Committee with effect from 20 August 2016. He obtained a Bachelor of Laws degree from Thammasat University, Thailand. Mr. Boondech was admitted as Barrister-at-Law, Institute of Legal Education, Thai Bar Association, Thailand in 1967 and Barrister-at-Law, Lincoln’s Inn, England in 1972. He has extensive experience in the legal field and is a lecturer on Family Law, Faculty of Law, Chulalongkorn University and Institute of Legal Education, Thai Bar Association, Thailand. Mr. Boondech was the President of the Senate of Thailand from 2008 to 2011.

Mr. Cheng Yuk Wo, aged 56, has been an Independent Non-Executive Director of the Company and the Chairman of the Audit Committee of the Company since 2004. He was a member of the Remuneration Committee of the Company and became its Chairman on 1 April 2012, when he also became a member of the Nomination Committee of the Company. Mr. Cheng obtained a Master of Science (Economics) degree, majoring in Accounting and Finance from London School of Economics, England and a Bachelor of Arts (Honours) degree in Accounting from University of Kent, England. He is a Fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, and a member of the Chartered Professional Accountants of Canada. Mr. Cheng has over 20 years’ of expertise in accounting, finance and corporate advisory services.

Mr. Cheng is currently an independent non-executive director of Chia Tai Enterprises International Limited, CSI Properties Limited, Chong Hing Bank Limited, HKC (Holdings) Limited, Goldbond Group Holdings Limited, CPMC Holdings Limited, DTXS Silk Road Investment Holdings Company Limited, Top Spring International Holdings Limited and Liu Chong Hing Investment Limited, all of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited. He is also an independent non-executive director of Miricor Enterprises Holdings Limited and Somerley Capital Holdings Limited, companies listed on the GEM Board of The Stock Exchange of Hong Kong Limited. He was an independent non-executive director of Imagi International Holdings Limited listed on the Main Board of The Stock Exchange of Hong Kong Limited from July 2010 to January 2016.

Itthaporn Subhawong先生，65歲，自二零一二年十二月三十一日出任為本公司之獨立非執行董事。彼畢業於泰國National Defence College。Subhawong先生於Royal Thai Air Force (「RTAF」) 服役37年，並於二零零七年獲委任為RTAF之空軍上將。彼於二零零八年十月一日獲委任為RTAF之第二十一任總司令。Subhawong先生於二零一二年九月三十日退任RTAF之總司令一職。

Prasobsook Boondech先生，71歲，自二零一二年十二月三十一日出任為本公司之獨立非執行董事。於二零一六年八月二十日獲委任為企業管治委員會主席。彼持有泰國Thammasat University法律系之學士學位。Boondech先生於一九六七年認許為泰國Institute of Legal Education，Thai Bar Association之大律師及於一九七二年認許為英國Lincoln’s Inn之大律師。彼擁有於法律方面之資深經驗及為泰國Chulalongkorn University法律系與Institute of Legal Education，Thai Bar Association家庭法之講師。Boondech先生於二零零八至二零一一年曾為泰國上議院主席。

鄭毓和先生，56歲，自二零零四年出任為本公司之獨立非執行董事及本公司之審核委員會主席。彼曾為本公司之薪酬委員會成員及於二零一二年四月一日成為本公司之薪酬委員會主席及本公司之提名委員會成員。鄭先生持有英國倫敦大學經濟學院科學(經濟)碩士(主修會計及金融)及英國肯特大學會計系之榮譽文學士學位。彼乃英格蘭及威爾斯特許會計師公會及香港會計師公會之資深會員，亦為加拿大特許會計師公會之會員。鄭先生擁有逾二十年於會計、金融及企業顧問服務之專業知識。

鄭先生現為正大企業國際有限公司、資本策略地產有限公司、創興銀行有限公司、香港建設(控股)有限公司、金榜集團控股有限公司、中糧包裝控股有限公司、大唐西市絲路投資控股有限公司、萊蒙國際集團有限公司及廖創興企業有限公司之獨立非執行董事(所有均為香港聯合交易所有限公司主板上市之公司)。鄭先生亦為卓珈控股集團有限公司及新百利融資控股有限公司(兩家於香港聯合交易所有限公司創業板上市之公司)之獨立非執行董事。由二零一零年七月至二零一六年一月，彼曾為意馬國際控股有限公司(一家於香港聯合交易所有限公司主板上市之公司)之獨立非執行董事。

Report of the Directors

董事報告書

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The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Through its subsidiaries, the Company is principally engaged in the operation of large scale hypermarket stores located in the northern, southern and eastern parts of China.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2016 is set out in "Management Discussion and Analysis" of this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss on page 64 of the financial statements.

The directors do not recommend the payment of a dividend in respect of the year (2015: Nil).

SHARE CAPITAL

Details of the share capital of the Company are set out in note 25 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2016, the aggregate amount of reserves available for distribution to equity shareholders of the Company was HK\$2,358,326,000 (equivalent to RMB2,095,109,000) (2015: HK\$2,276,932,000 (equivalent to RMB2,021,958,000)) as computed in accordance with the Companies Law of the Cayman Islands.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate purchases attributable to the Group's five largest suppliers accounted for less than 30% of the Group's total purchases for the year.

The aggregate sales attributable to the Group's five largest customers accounted for less than 30% of the Group's total revenue for the year.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to RMB3,000 (2015: RMB4,000).

董事謹提呈彼等之年報及截至二零一六年十二月三十一日止年度之經審核財務報告。

主要業務

本公司乃一家投資控股公司。本公司透過其附屬公司主要於華北、華南及華東地區經營大型超市。

業務回顧

本集團於截至二零一六年十二月三十一日止年度之業務回顧載於「管理層討論及分析」。

業績及股息

本集團於截至二零一六年十二月三十一日止年度之業績載於財務報表第64頁之綜合損益表內。

董事不建議派發本年度之股息(二零一五年：無)。

股本

本公司之股本詳情載於財務報表附註25。

可供分派儲備

於二零一六年十二月三十一日，根據開曼群島之公司法計算，累計之可供分派予本公司股東之儲備為2,358,326,000港元(相等於人民幣2,095,109,000元)(二零一五年：2,276,932,000港元(相等於人民幣2,021,958,000元))。

主要顧客及供應商

本集團於本年度向五大供應商之累計採購額，佔本集團總採購額少於30%。

本集團於本年度向五大顧客之累計銷售額，佔本集團總收入少於30%。

慈善捐款

本集團於年內之慈善捐款為人民幣3,000元(二零一五年：人民幣4,000元)。

Report of the Directors

董事報告書

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DIRECTORS

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

Executive Directors:

Mr. Soopakij Chearavanont
Mr. Li Wen Hai
Mr. Narong Chearavanont
Mr. Chan Yiu-Cheong, Ed
Mr. Michael Ross
Mr. Yang Xiaoping
Mr. Meth Jiaravanont
Mr. Suphachai Chearavanont
Mr. Umroong Sanphasitvong
Mr. Piyawat Titasattavorakul (Resigned on 10 November 2016)

Independent Non-Executive Directors:

Mr. Viroj Sangsnit
Mr. Songkitti Jaggabatara
Mr. Itthaporn Subhawong
Mr. Prasobsook Boondech
Mr. Cheng Yuk Wo

In accordance with Article 116 of the Company's Articles of Association, Messrs. Soopakij Chearavanont, Narong Chearavanont, Umroong Sanphasitvong, Viroj Sangsnit and Cheng Yuk Wo, will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting ("AGM"). Details of the directors proposed to be re-elected at the forthcoming AGM are set out in the relevant circular to be despatched to the shareholders of the Company.

The independent non-executive directors of the Company are appointed for a term of one year, which is renewable and are subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Company's Articles of Association.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), and considers that all of the independent non-executive directors are independent.

DIRECTORS' EMOLUMENTS

Details of directors' emoluments are set out in note 6 to the financial statements.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

董事

於年內及截至本報告日，本公司之董事如下：

執行董事：

謝吉人先生
李聞海先生
謝明欣先生
陳耀昌先生
羅家順先生
楊小平先生
謝克俊先生
謝鎔仁先生
Umroong Sanphasitvong先生
Piyawat Titasattavorakul先生(於二零一六年十一月十日辭任)

獨立非執行董事：

Viroj Sangsnit先生
Songkitti Jaggabatara先生
Itthaporn Subhawong先生
Prasobsook Boondech先生
鄭毓和先生

根據本公司之組織章程細則第116條，謝吉人先生、謝明欣先生、Umroong Sanphasitvong先生、Viroj Sangsnit先生及鄭毓和先生將輪值告退，並表示願意於應屆股東週年大會(「股東週年大會」)上膺選連任。建議於應屆股東週年大會重選之董事資料載於將寄發予本公司股東之有關通函內。

本公司之獨立非執行董事之任期為一年(可續任)，並須按本公司之組織章程細則於本公司之股東週年大會上輪值告退及膺選連任。

本公司已收到每位獨立非執行董事按香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第3.13條之年度確認函，及確認所有獨立非執行董事均為獨立人士。

董事酬金

董事酬金詳情載於財務報表附註6。

董事服務合約

概無建議於應屆股東週年大會重選之董事與本集團簽訂由本集團於一年內終止而須作出任何賠償(法定賠償除外)之服務合約。

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT AND CONTRACT OF SIGNIFICANCE

No transaction, arrangement and contract of significance, in which a director of the Company or an entity connected with a director of the Company had a material interest, either directly or indirectly, subsisted at the end or at any time during the year ended 31 December 2016.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2016, the directors were not aware that any of the directors had interests in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the business of the Group which falls to be disclosed under the Listing Rules.

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

As at 31 December 2016, the interests and short positions of the directors and chief executive of the Company in shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(i) Long positions in shares of the Company

Name of directors	董事名稱	Number of shares held 持有股份數目	Approximate percentage of shareholding 持股量 概約百分比
Mr. Soopakij Chearavanont	謝吉人先生	183,240,198	1.66%
Mr. Narong Chearavanont	謝明欣先生	183,240,198	1.66%
Mr. Yang Xiaoping	楊小平先生	183,240,198	1.66%
Mr. Meth Jiaravanont	謝克俊先生	61,080,066	0.55%
Mr. Suphachai Chearavanont	謝鎔仁先生	122,160,132	1.11%
Mr. Umroong Sanphasitvong	Umroong Sanphasitvong先生	61,080,066	0.55%

董事於重要交易、安排及合約之權益

於截至二零一六年十二月三十一日止年度之年終或年內之任何時間，本公司之董事或與本公司董事有關連之實體概無直接或間接擁有重大權益之重要交易、安排及合約。

董事於競爭業務之權益

於二零一六年十二月三十一日，董事概不知悉任何董事持有與本集團業務以外直接或間接構成競爭或可能構成競爭之任何業務，而須按上市規則披露。

董事及最高行政人員於股份、相關股份及債權證中擁有之權益及淡倉

於二零一六年十二月三十一日，本公司之董事及最高行政人員根據證券及期貨條例（「證券條例」）第352條須予備存之登記冊所記錄者；或根據《上市發行人董事進行證券交易的標準守則》（「標準守則」）已通知本公司及聯交所於本公司或任何相聯法團（定義見證券條例第XV部）之股份、相關股份及債權證中擁有之權益及淡倉如下：

(i) 於本公司好倉之股份

Report of the Directors

董事報告書

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DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT AND CONTRACT OF SIGNIFICANCE (Continued)

(ii) Long positions in shares of associated corporations

Name of directors 董事名稱	Name of associated corporations 相聯法團名稱	Number of shares held 持有股份數目	Approximate percentage of shareholding 持股票量 概約百分比
Mr. Li Wen Hai 李聞海先生	Kinghill Limited	171,428	0.05%
Mr. Yang Xiaoping 楊小平先生	Kinghill Limited	171,428	0.05%

Save as disclosed above, as at 31 December 2016, none of the directors and chief executive of the Company had any interest or short positions in shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2016, the interests and short positions of the substantial shareholders and other persons, other than a director or chief executive of the Company, in shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long positions in shares of the Company:

Name of shareholders 股東名稱	Notes 附註	Number of shares held 持有股份數目	Approximate percentage of shareholding 持股票量概約 百分比
C.P. Holding (BVI) Investment Company Limited ("CPH")	(1)	18,083,521,003	164.11%
Worth Access Trading Limited ("Worth Access")	(1)	18,083,521,003	164.11%
CPG Overseas Company Limited ("CPG Overseas")	(1)	18,083,521,003	164.11%
Charoen Pokphand Group Company Limited ("CPG")	(1)	18,450,001,399	167.44%

董事及最高行政人員於股份、相關股份及債權證中擁有之權益及淡倉 (續)

(ii) 於相聯法團好倉之股份

除以上披露者外，於二零一六年十二月三十一日，概無本公司之董事及高級行政人員根據證券條例第352條須予備存之登記冊所記錄者；或根據標準守則規定已通知本公司及聯交所於本公司或任何相聯法團（定義見證券條例第XV部）之股份、相關股份及債權證中擁有之權益及淡倉。

大股東及其他人士於股份及相關股份中持有之權益及淡倉

於二零一六年十二月三十一日，大股東及本公司董事或最高行政人員以外之其他人士根據證券條例第336條須予備存之登記冊所記錄者於本公司之股份及相關股份中擁有之權益及淡倉如下：

於本公司好倉之股份

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)

Notes:

- (1) Worth Access had declared an interest in the same 18,083,521,003 shares in which CPH had declared an interest by virtue of Worth Access' shareholding in CPH. CPG Overseas had declared an interest in the same 18,083,521,003 shares by virtue of its shareholding in Worth Access. CPG had declared an interest in the same 18,083,521,003 shares by virtue of its shareholding in CPG Overseas and an interest in 366,480,396 shares by virtue of its shareholding in a subsidiary.

Save as disclosed above, as at 31 December 2016, none of the substantial shareholders and other persons, other than a director or chief executive of the Company, had any interest or short positions in shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section "Continuing Connected Transactions", "Connected Transaction" and notes 30 and 31 to the financial statements, no contract of significance between the Company or any of its subsidiaries and a controlling shareholder of the Company or any of its subsidiaries were entered into or subsisted during the year ended 31 December 2016.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (whether made by the Company or otherwise) was in force for the year ended 31 December 2016.

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

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the year ended 31 December 2016.

大股東及其他人士於股份及相關股份中持有之權益及淡倉(續)

附註：

- (1) Worth Access公佈因擁有CPH之股權而同樣擁有CPH已公佈之18,083,521,003股股份權益。CPG Overseas公佈因擁有Worth Access之股權而同樣擁有18,083,521,003股股份權益。CPG公佈因擁有CPG Overseas之股權而同樣擁有該18,083,521,003股股份權益及因擁有一家附屬公司之股權而同樣擁有其366,480,396股股份權益。

除以上披露者外，本公司於二零一六年十二月三十一日概無大股東及本公司董事或最高行政人員以外之其他人士根據證券條例第336條須予備存之登記冊所記錄者於本公司股份及相關股份中擁有之權益及淡倉。

重要合約

除於「持續關連交易」、「關連交易」一節及財務報表附註30及31所披露外，截至二零一六年十二月三十一日止之年度內，概無本公司或任何其附屬公司與本公司之控股股東或任何其附屬公司訂立或存在之重要合約。

獲准許的彌償條文

截至二零一六年十二月三十一日止年度，獲准許的彌償條文（不論是否由本公司訂立）正有效。

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

管理合約

截至二零一六年十二月三十一日止年度，概無就本公司全部或任何重大部份業務之管理及行政訂立任何合約。

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EMOLUMENT POLICY

The Group's emolument policy and long-term incentive schemes of the Group are set out in "Employees, training and remuneration policy" on page 14 of this annual report.

The emolument payable to any director of the Company was determined with reference to his duties and responsibilities within the Group and his anticipated time and effort to be spent on the Company's matters.

SHARE OPTION SCHEME

The share option scheme adopted by shareholders of the Company on 31 May 2002 (the "Old Scheme") expired on 30 May 2012. The shareholders of the Company approved the termination of the Old Scheme and the adoption of a new share option scheme (the "New Scheme") in place of the Old Scheme at the annual general meeting of the Company on 22 June 2012. All the share options granted under the Old Scheme were exercised.

No share options were granted under the New Scheme since its adoption.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section "Share Option Scheme" above, neither the Company nor any of its holding companies or any of its subsidiaries was a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at the end of the year or at any time during the year ended 31 December 2016.

EQUITY-LINKED AGREEMENTS

As at 31 December 2016, the total convertible preference shares of the Company in issue included 1,518,807,075 Series A convertible preference shares, 3,897,110,334 Series B convertible preference shares, 3,671,509,764 Series C convertible preference shares and 2,211,382,609 Series D convertible preference shares.

1,518,807,075 Series A convertible preference shares were issued on 31 October 2008 pursuant to the Acquisition Agreement dated 17 May 2007 as part of the consideration for the acquisition of subsidiaries. Details are set out in the circular dated 29 June 2007.

3,897,110,334 Series B convertible preference shares were issued on 30 June 2010 pursuant to the Agreement dated 16 March 2010 to redeem the convertible bonds issued by the Company at the aggregate principle amount of HK\$1,519,873,031. Details are set out in the circular dated 1 April 2010.

薪酬政策

本集團之薪酬政策及本集團之長期獎勵計劃載於本年報第14頁之「僱員、培訓及酬金政策」。

支付予本公司任何董事之薪酬參照彼於本集團之職責及彼於處理本公司事務預期所需之時間及努力而釐定。

購股權計劃

本公司之股東於二零零二年五月三十一日採納之購股權計劃（「舊計劃」）已於二零一二年五月三十日到期。本公司之股東已於本公司於二零一二年六月二十二日之股東週年大會上通過終止舊計劃及採納新購股權計劃（「新計劃」）以取代舊計劃。所有於舊計劃下授出之購股權已獲悉數行使。

繼採納新計劃後，概無授出新計劃之購股權。

購入股份或債權證之安排

除上述「購股權計劃」一節所披露外，於截至二零一六年十二月三十一日止年度之年終或年內之任何時間，本公司、其任何控股公司或其任何附屬公司概無作為任何安排下之一方，而使本公司之董事能藉購入本公司或任何其他法人團體之股份或債權證而獲取利益。

股票掛鈎協議

於二零一六年十二月三十一日，本公司之已發行可換股優先股總數分別包括1,518,807,075股A系列可換股優先股、3,897,110,334股B系列可換股優先股、3,671,509,764股C系列可換股優先股及2,211,382,609股D系列可換股優先股。

於二零零八年十月三十一日，本公司根據二零零七年五月十七日之收購協議發行1,518,807,075股A系列可換股優先股，作為收購附屬公司之部份代價。詳情載於二零零七年六月二十九日之通函內。

於二零一零年六月三十日，本公司根據二零一零年三月十六日之協議發行3,897,110,334股B系列可換股優先股以贖回累計本金額1,519,873,031港元之本公司已發行可換股債券。詳情載於二零一零年四月一日之通函內。

EQUITY-LINKED AGREEMENTS (Continued)

3,673,765,764 Series C convertible preference shares were issued on 23 December 2011 pursuant to the Underwriting Agreement dated 14 October 2011 and the Open Offer as set out in the prospectus dated 2 December 2011. Net proceeds from the issue of Series C convertible preference shares amounted to HK\$805,056,000. Up to 31 December 2016, a total of 2,256,000 Series C convertible preference shares were converted to ordinary shares.

2,211,382,609 Series D convertible preference shares were issued on 1 January 2012 pursuant to the Acquisition Agreement dated 14 October 2011 as the consideration for the acquisition of subsidiaries. Details are set out in the circular dated 1 November 2011.

The holders of these preference shares have the right to convert any preference share into the Company's ordinary shares at any time at the conversion ratio of 1 to 1 each subject to the minimum public float requirement under the Listing Rules. Adjustments to the conversion price are only made upon dilutive and other events which are related to the Company issuing new shares or convertible debts.

Save as disclosed above and the section "Share Option Scheme", no equity-linked agreement was entered into or subsisted during the year ended 31 December 2016.

DISCLOSURE PURSUANT TO RULE 13.18 OF LISTING RULES

On 29 November 2011, the Company entered into an agreement (the "Facility Agreement") with a group of banks in Thailand pursuant to the terms and subject to the conditions of which, the Company was granted a term loan facility of US\$28 million (the "Syndicated Bank Loan"), the principal outstanding amount of which is required to be repaid by 12 installments commencing in June 2013 up to and until December 2018. Pursuant to the Facility Agreement, it would be an event of default thereunder if the controlling shareholder of the Company, CPH fails to legally and beneficially own (directly or indirectly) at least 51% of the total issued and paid up ordinary shares in the Company. Please refer to the announcement dated 29 November 2011 for details of the Facility Agreement. The Syndicated Bank Loan had been fully repaid by part of the loan proceeds derived from the Shareholder's Loans.

For details of the Shareholder's Loans, please refer to the announcement of the Company issued on 21 December 2016 and note 20 to the financial statements.

股票掛鈎協議(續)

於二零一一年十二月二十三日，本公司根據二零一一年十月十四日之包銷協議及載於二零一一年十二月二日有關公開發售之章程發行3,673,765,764股C系列可換股優先股。發行C系列可換股優先股所得款項淨額為805,056,000港元。截至二零一六年十二月三十一日，合共2,256,000股C系列可換股優先股已兌換為普通股。

於二零一二年一月一日，本公司根據二零一一年十月十四日之收購協議發行2,211,382,609股D系列可換股優先股，作為收購附屬公司之代價。詳情載於二零一一年十一月一日之通函內。

此等優先股持有人享有於任何時間以每1對1的比率兌換任何優先股為本公司普通股之權利，但須符合上市規則維持最低公眾持股量之規定。兌換價之調整只限於攤薄及其他與本公司發行新股或可換股債務之事項。

除上述及「購股權計劃」一節所披露外，截至二零一六年十二月三十一日止之年度內，概無訂立或存在之股票掛鈎協議。

根據上市規則第13.18條須予披露資料

於二零一一年十一月二十九日，本公司與泰國銀團訂立協議（「融資協議」），根據其條款及條件，本公司獲授定期貸款融資28,000,000美元（「銀團貸款」），貸款未償還之本金須於二零一三年六月起至二零一八年十二月止分十二期償還。根據融資協議，倘本公司之控股股東CPH未能合法及實益擁有（直接或間接）本公司已發行及繳足普通股總數之最少51%，將構成違約事項。有關貸款協議詳情請參閱二零一一年十一月二十九日之公告。銀團貸款由股東貸款中的部份所得貸款全部償還。

有關此股東貸款的詳情，請參閱本公司於二零一六年十二月二十一日刊發的公告及財務報表附註20。

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DISCLOSURE PURSUANT TO RULE 13.51B(1) OF LISTING RULES

Mr. Soopakij Chearavanont has been appointed as the Chairman of Charoen Pokphand Group Company Limited with effect from 9 January 2017.

Mr. Suphachai Chearavanont has been appointed as the Chief Executive Officer (Telecommunications) of Charoen Pokphand Group Company Limited with effect from 9 January 2017

Mr. Chan Yiu-Cheong, Ed has been appointed as an independent non-executive director of Yum China Holdings, Inc. with effect from November 2016, which is listed on the New York Stock Exchange.

Mr. Piyawat Titasattavorakul resigned as executive director of the Company on 10 November 2016.

Mr. Cheng Yuk Wo (“Mr. Cheng”) has been appointed as an independent non-executive director of Miricor Enterprises Holdings Limited with effect from 19 December 2016, a company listed on the GEM Board of The Stock Exchange of Hong Kong Limited on 10 January 2017. Mr. Cheng has also been appointed as an independent non-executive director of Somerley Capital Holdings Limited with effect from 9 March 2017, a company listed on the GEM Board of The Stock Exchange of Hong Kong Limited on 28 March 2017.

CONNECTED TRANSACTION

Disposal of Equity Interest

On 28 April 2016, Shanghai Lianyuan Logistics Co., Ltd. (“Lianyuan Logistics”), 上海喜上屋餐飲管理有限公司 (“SH Xi Shang Wu”) and C.P. Lotus Corporate Management Co., Ltd. (“CPL Corporate Management”) entered into the equity transfer agreement with Chia Tai Land Company Limited (“CT Land”), a connected person of the Company, whereby Lianyuan Logistics, SH Xi Shang Wu and CPL Corporate Management agreed to transfer all of their respective equity interests in Shanghai CP Xi Duo Wu Foods Co., Ltd. (“CP Xi Duo Wu”) to CT Land at the total consideration of RMB8,125,000.

Lianyuan Logistics and CPL Corporate Management are indirect wholly-owned subsidiaries of the Company, which owns 75% and 5% equity interests in CP Xi Duo Wu respectively. The consideration to transfer their interests in CP Xi Duo Wu was RMB6,094,000 and RMB406,000 respectively.

CPG was interested in approximately 64.93% of the issued share capital of the Company as at 28 April 2016, and was therefore the controlling shareholder of the Company. As CT Land was an indirect subsidiary of CPG, CT Land was a connected person of the Company for the purposes of the Listing Rules. Details of the transaction were set out in the announcement dated 28 April 2016.

根據上市規則第13.51B(1)須予披露資料

謝吉人先生自二零一七年一月九日起獲委任為 Charoen Pokphand Group Company Limited 之主席。

謝鎔仁先生自二零一七年一月九日起獲委任為 Charoen Pokphand Group Company Limited 之首席執行長（電訊）。

陳耀昌先生自二零一六年十一月起獲委任為 Yum China Holdings, Inc. 之獨立非執行董事，（於二零一六年十一月在紐約證券交易所上市）。

Piyawat Titasattavorakul 先生自二零一六年十一月十日起辭任為本公司執行董事。

鄭毓和先生（「鄭先生」）自二零一六年十二月十九日起獲委任為卓珈控股集團有限公司之獨立非執行董事（於二零一七年一月十日在香港聯合交易所有限公司創業板上市之公司）。彼自二零一七年三月九日起，鄭先生亦獲委任為新百利融資控股有限公司之獨立非執行董事（於二零一七年三月二十八日在香港聯合交易所有限公司創業板上市之公司）。

關連交易

出售股本權益

於二零一六年四月二十八日，上海蓮源物流有限公司（「蓮源物流」）、上海喜上屋餐飲管理有限公司（「上海喜上屋」）及卜蜂蓮花企業管理有限公司（「卜蜂蓮花企管」）與正大置地有限公司（「正大置地」）（本公司之關連人士）訂立股權轉讓協議，蓮源物流、上海喜上屋及卜蜂蓮花企管同意轉讓其各自於卜蜂喜多屋之所有股本權益予正大置地，總代價為人民幣8,125,000元。

卜蜂喜多屋分別由蓮源物流及卜蜂蓮花企管（均為本公司之間接全資附屬公司）持有75%及5%股權，轉讓代價分別為人民幣6,094,000元及人民幣406,000元。

截至二零一六年四月二十八日，CPG持有本公司已發行股本約64.93%權益，因此乃為本公司之控股股東。由於正大置地乃CPG之一家間接附屬公司，根據上市規則，正大置地乃本公司之關連人士。有關此交易之詳情，已載於本公司於二零一六年四月二十八日之公告內。

CONTINUING CONNECTED TRANSACTIONS

Purchase and Supply Agreements

On 25 November 2013, the Company entered into the 2014 Purchase Agreement with High Orient Enterprises Limited (“HOEL”) to purchase certain merchandise from HOEL or any of the HOEL Related Entities (as defined in that agreement) for the term from 1 January 2014 to 31 December 2016.

On 25 November 2013, the Company entered into the 2014 Supply Agreement with Whole Sino Limited (“WSL”) under which any subsidiaries of the Company would supply certain merchandise to WSL or any of the WSL Related Entities (as defined in that agreement) for the term from 1 January 2014 to 31 December 2016.

Leases and Sub-leases

On 26 May 2008, Kunshan Tailian Supermarket Co., Ltd. (“Kunshan Tailian”) and Kunshan Xinmin Property Co., Ltd. (昆山莘閔房地產有限公司) (“Kunshan Ximin”) entered into a lease (the “Kunshan Lease”) in relation to a property located at West side of North Changjiang Road, Zhoushi Town, Kunshan, the PRC, with an area of approximately 29,466 square meters for the term from 26 May 2008 to 24 November 2024. On 15 December 2014, Shanghai Kinghill Ltd. (上海帝泰發展有限公司) (“Shanghai Kinghill”) acquired 100% equity interest in Kunshan Xinmin.

持續關連交易

採購及供應協議

於二零一三年十一月二十五日，本公司與High Orient Enterprises Limited (「HOEL」) 訂立二零一四年採購協議以向HOEL或任何HOEL相關企業(按該協議之定義)採購若干商品，年期自二零一四年一月一日起至二零一六年十二月三十一日止。

於二零一三年十一月二十五日，本公司與Whole Sino Limited (「WSL」) 訂立二零一四年供應協議，當中本公司之任何附屬公司可向WSL或任何WSL相關企業(按該協議之定義)供應若干商品，年期自二零一四年一月一日起至二零一六年十二月三十一日止。

租賃協議與分租協議

於二零零八年五月二十六日，昆山泰蓮超市有限公司(「昆山泰蓮」)與昆山莘閔房地產有限公司(「昆山莘閔」)就位於中國昆山市周市鎮長江北路西側(面積約29,466平方米)之物業訂立租賃協議(「昆山租賃協議」)，年期自二零零八年五月二十六日起至二零二四年十一月二十四日止。於二零一四年十二月十五日，上海帝泰發展有限公司(「上海帝泰」)收購昆山莘閔100%股本權益。

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CONTINUING CONNECTED TRANSACTIONS (Continued)

Leases and Sub-leases (Continued)

On 31 October 2008, Hefei Ailian Supermarket Co., Ltd. (“Hefei Ailian”) and Tongshan Development & Management (Hefei) Co., Ltd. (桐山實業開發管理(合肥)有限公司) (“Tongshan Enterprise”) entered into a lease (the “Hefei Lease”) in relation to a property located at Southeast Corner, Junction of He’an Road and Furong Road, Hefei Economic & Technological Development Area, Hefei, the PRC, with an area of approximately 23,100 square meters for the term from 1 November 2008 to 17 March 2025. The Hefei Lease Assignment Agreement taken effect from 1 April 2014 was entered into among Hefei Ailian, Tongshan Enterprise and Anhui Zhengtong Enterprises Co., Ltd. (安徽正桐實業有限公司) (“Anhui Zhengtong”) to assign the Hefei Lease from Tongshan Enterprise to Anhui Zhengtong.

Shantou Lotus Supermarket Chain Store Co., Ltd. (“Shantou Lotus”) and Ping An Trust Co., Ltd. (平安信託有限責任公司) (“Ping An Trust”) entered into a lease (the “Shantou Lease”) in relation to a property located at Feng Ze Zhuang, Changping Road, Longhu District, Shantou, the PRC, with an area of approximately 20,400 square meters for the term from 12 December 2005 to 11 December 2025. The Shantou Lease was subsequently revised and assumed by 汕頭市信平投資諮詢有限公司 (“Xinping Investment”) as lessor on 1 December 2013. On 5 March 2015, Shanghai Kinghill acquired 100% equity interest in Xinping Investment.

On 25 November 2013, Shanghai Lotus Supermarket Chain Store Co., Ltd. (“SLS”) and Shanghai Kinghill entered into a lease (the “2014 Super Brand Mall Lease”) in relation to a portion of the Super Brand Mall situated at No. 168 Lujiuzui Xi Road, Pudong New District, Shanghai, the PRC, with a total floor area of approximately 13,500 square meters for the monthly rental of RMB1,500,000, equivalent to an annual rental of RMB18,000,000 for the term from 1 January 2014 to 31 December 2016.

On 15 December 2014, SLS and Chia Tai Commercial Real Estate Management Co., Ltd. (正大商業房地產管理有限公司) (“CTCREM”) entered into a sub-lease (the “2015 SLS Sub-Lease”), for the term from 1 January 2015 to 31 December 2016, for a monthly rent of RMB555,750, equivalent to an annual rent of RMB6,669,000 from 1 May 2015 to 31 December 2016, plus (i) a commission of 5% on the excess of subletting rental income received by CTCREM over the rent receivable by SLS under the 2015 SLS Sub-Lease; and (ii) a commission of 15% on the advertising and promotion income received by CTCREM derived from the property located at No. 2128 Yang Gao Zhong Lu, Pudong New District, Shanghai, the PRC, with an area of approximately 6,527 square meters.

持續關連交易(續)

租賃協議與分租協議(續)

於二零零八年十月三十一日，合肥愛蓮超市有限公司(「合肥愛蓮」)及桐山實業開發管理(合肥)有限公司(「桐山實業」)就位於中國合肥市合肥經濟開發區合安路與芙蓉路交口東南角(面積約23,100平方米)之物業訂立租賃協議(「合肥租賃協議」)，年期自二零零八年十一月一日起至二零二五年三月十七日止。合肥愛蓮、桐山實業及安徽正桐實業有限公司(「安徽正桐」)已訂立於二零一四年四月一日生效之合肥租賃主體變更協議以由桐山實業變更合肥租賃協議之主體至安徽正桐。

汕頭易初蓮花連鎖超市有限公司(「汕頭蓮花」)及平安信託有限責任公司就位於中國汕頭市龍湖區長平路豐澤莊(面積約20,400平方米)之物業訂立租賃協議(「汕頭租賃協議」)，年期自二零零五年十二月十二日至二零二五年十二月十一日止。汕頭租賃協議隨後於二零一三年十二月一日被修訂及汕頭市信平投資諮詢有限公司(「信平投資」)承接為出租方。於二零一五年三月五日，上海帝泰收購信平投資100%股本權益。

於二零一三年十一月二十五日，上海易初蓮花連鎖超市有限公司(「上海蓮花」)與上海帝泰就位於中國上海市浦東新區陸家嘴西路168號正大廣場之部份(總樓房面積約13,500平方米之租賃)訂立租賃協議(「二零一四年正大廣場租賃協議」)，每月租金為人民幣1,500,000元，相等於每年租金人民幣18,000,000元，年期自二零一四年一月一日起至二零一六年十二月三十一日止。

於二零一四年十二月十五日，上海蓮花與正大商業房地產管理有限公司(「正大商房」)訂立分租協議(「二零一五年上海蓮花分租協議」)，年期自二零一五年一月一日起至二零一六年十二月三十一日止，二零一五年五月一日至二零一六年十二月三十一日之每月租金為人民幣555,750元，相等於每年租金人民幣6,669,000元，加上(i)正大商房分租收入減去於二零一五年上海蓮花分租協議下上海蓮花應收租金差額後5%之佣金；及(ii)正大商房源自有關位於中國上海市浦東新區楊高中路2128號之物業(面積約6,527平方米)之廣告及推廣收入15%之佣金。

CONTINUING CONNECTED TRANSACTIONS (Continued)

Leases and Sub-leases (Continued)

Kunshan Tailian, Hefei Ailian, Shantou Lotus and SLS are wholly-owned subsidiaries of the Company established in the PRC.

CPG is interested in approximately 64.93% of the issued share capital of the Company, and is therefore the controlling shareholder of the Company.

As each of Anhui Zhengtong, Kunshan Xinmin, Shanghai Kinghill, CTCREM and HOEL is also an indirect subsidiary of CPG, Anhui Zhengtong, Kunshan Xinmin, Shanghai Kinghill, CTCREM and HOEL are connected persons of the Company for the purposes of the Listing Rules.

As WSL was wholly-owned by a company which was, at the time when the 2014 Supply Agreement was entered into and as at January 2016, directly held as to 51.31% of its issued share capital by the four members of the Chearavanont family, namely Mr. Jaran Chiaravanont, Mr. Montri Jiaravanont, Mr. Sumet Jiaravanon and Mr. Dhanin Chearavanont (together, the “Chearavanont Shareholders”), in aggregate, WSL was then an associate of the Chearavanont Shareholders and a connected person of the Company for the purposes of the Listing Rules.

The transactions contemplated under each of the Kunshan Lease, the Hefei Lease, the Shantou Lease, the 2014 Super Brand Mall Lease and the 2015 SLS Sub-Lease constituted continuing connected transactions exempt from independent shareholders' approval but were subject to reporting and announcement requirements under the Listing Rules.

The transactions contemplated under the 2014 Purchase Agreement and the 2014 Supply Agreement constituted non-exempt continuing connected transactions for the Company within the meaning of the Listing Rules and they were approved by the independent shareholders of the Company on 20 December 2013 and 30 April 2014.

Details of the abovementioned continuing connected transactions are set out in the announcements dated 25 November 2013, 14 March 2014, 15 December 2014 and 6 March 2015 and the circulars dated 5 December 2013 and 4 April 2014.

持續關連交易 (續)

租賃協議與分租協議 (續)

昆山泰蓮、合肥愛蓮、汕頭蓮花及上海蓮花均為本公司於中國成立之全資附屬公司。

CPG持有本公司已發行股本約64.93%權益，並因此為本公司之控股股東。

由於安徽正桐、昆山莘閔、上海帝泰、正大商房及HOEL乃CPG之間接附屬公司，根據上市規則，安徽正桐、昆山莘閔、上海帝泰、正大商房及HOEL乃本公司之關連人士。

由於WSL由謝氏家族股東之四名成員：謝正民先生、謝大民先生、謝中民先生及謝國民先生（統稱「謝氏家族股東」），於二零一六年一月，合共持有51.31%已發行股本之公司全資持有（於訂立二零一四年供應協議時），根據上市規則，WSL當時乃謝氏家族股東之聯繫人士及為本公司之關連人士。

昆山租賃協議、合肥租賃協議、汕頭租賃協議、二零一四年正大廣場租賃協議及二零一五年上海蓮花分租協議項下之交易構成上市規則下獲豁免獨立股東批准規定之持續關連交易及只須符合上市規則有關申報及公告之規定。

二零一四年採購協議項下之交易構成上市規則下本公司不獲豁免持續關連交易，並已於二零一三年十二月二十日及二零一四年四月三十日獲本公司之獨立股東批准。

上述之持續關連交易詳情載於二零一三年十一月二十五日、二零一四年三月十四日、二零一四年十二月十五日及二零一五年三月六日之公告及二零一三年十二月五日及二零一四年四月四日之通函內。

Report of the Directors

董事報告書

CONTINUING CONNECTED TRANSACTIONS (Continued)

Leases and Sub-leases (Continued)

The actual transactions and approved annual caps for the abovementioned continuing connected transaction agreements during the year from 1 January 2016 to 31 December 2016 are as follows:

		Actual Transactions 實際交易 RMB'000 人民幣千元	Approved Annual Caps 獲批年度 上限 RMB'000 人民幣千元
<i>Non-exempt continuing connected transaction agreements:</i>	<i>不獲豁免持續關連交易協議：</i>		
2014 Purchase Agreement	二零一四年採購協議	69,995	187,700
2014 Supply Agreement	二零一四年供應協議	130,956	1,595,900
<i>Exempt continuing connected transaction agreements:</i>	<i>獲豁免持續關連交易協議：</i>		
Kunshan Lease	昆山租賃協議	7,938	N/A
Hefei Lease	合肥租賃協議	2,096	N/A
Shantou Lease	汕頭租賃協議	14,880	N/A
2014 Super Brand Mall Lease	二零一四年正大廣場租賃協議	18,000	18,000
2015 SLS Sub-Lease	二零一五年上海蓮花分租協議	7,337	8,500

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements (HKSAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Company in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

The independent non-executive directors of the Company have reviewed the continuing connected transactions and confirmed that the transactions were entered into:

- in the ordinary and usual course of business of the Group;
- on normal commercial terms or better; and
- according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

持續關連交易 (續)

租賃協議與分租協議 (續)

上述持續關連交易協議於二零一六年一月一日至二零一六年十二月三十一日之年度內之實際交易與獲批年度上限如下：

本公司核數師已獲聘根據香港會計師公會頒佈之香港核證工作準則第3000號「審核或審閱歷史財務資料以外之核證工作」及參照實務說明第740號「關於香港上市規則所述持續關連交易之核數師函件」報告本集團之持續關連交易。核數師已根據上市規則第14A.56條發出無保留意見函件，當中載有核數師對有關本公司披露以上持續關連交易之調查結果及結論。本公司已將核數師函件副本送呈聯交所。

本公司之獨立非執行董事已審閱持續關連交易及確認此等交易：

- 在本集團之日常業務中訂立；
- 按一般商務條款或更佳條款進行；及
- 根據有關交易之協議進行，條款公平合理，並且符合本公司股東之整體利益。

Report of the Directors

董事報告書

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PRE-EMPTIVE RIGHTS

No pre-emptive rights exist under the Company's Articles of Association or laws of the Cayman Islands where the Company is incorporated.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters, including the review of the financial statements for the year ended 31 December 2016.

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 any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules.

AUDITORS

Messrs. KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Messrs. KPMG as auditors of the Company will be proposed at the forthcoming AGM.

On behalf of the Board

Soopakij Chearavanont
Director

Hong Kong, 23 February 2017

優先購買權

根據本公司之組織章程細則及開曼群島(本公司之成立地點)之法例,概無優先購買權。

審核委員會

審核委員會之成員包括本公司之三位獨立非執行董事。審核委員會與管理層已檢討本集團採納之會計準則及規例,並討論內部監控及財務報告事項,包括審閱截至二零一六年十二月三十一日止年度之財務報表。

購買、出售或贖回本公司之上市證券

於年內,本公司及其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

足夠公眾持股量

於本報告日,根據本公司所得之公眾資料及本公司董事知悉,本公司已按上市規則規定維持所述之公眾持股量。

核數師

畢馬威會計師事務所將退任,並願意膺選連任。重選畢馬威會計師事務所為本公司核數師之決議案將於應屆股東週年大會上提呈。

承董事會命

董事
謝吉人

香港,二零一七年二月二十三日

Independent Auditor's Report

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Independent auditor's report to the shareholders of C.P. Lotus Corporation

(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of C.P. Lotus Corporation ("the Company") and its subsidiaries ("the Group") set out on pages 64 to 141, which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

致卜蜂蓮花有限公司 股東之獨立核數師報告書

(於開曼群島註冊成立之有限責任公司)

意見

本核數師(以下簡稱「我們」)已審核列載於第64至第141頁卜蜂蓮花有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,此財務報表包括於二零一六年十二月三十一日之綜合財務狀況報表與截至該日止年度之綜合損益表、綜合損益及其他全面收益報表、綜合權益變動報表與綜合現金流量報表,及主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一六年十二月三十一日之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之披露要求妥為編製。

意見的基礎

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

關鍵審計事項

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

Independent Auditor's Report

獨立核數師報告書

Key audit matters (Continued)

關鍵審計事項(續)

<p>Assessment of going concern 持續經營的評估</p>	
<p>Refer to note 1(b) to the consolidated financial statements. 請參閱綜合財務報表附註1(b)。</p>	
<p>The Key Audit Matter 關鍵審計事項</p>	<p>How the matter was addressed in our audit 我們的審計如何處理該事項</p>
<p>The Group incurred a loss of RMB537.6 million for the year ended 31 December 2016 and had net current liabilities of RMB1,825.0 million as at that date. 截至二零一六年十二月三十一日止年度，貴集團的虧損為人民幣537,600,000元及於該日之流動負債淨額為人民幣1,825,000,000元。</p> <p>The Group finances its operations and expansion plans through a combination of operating cash flows generated from sales of merchandise and leasing store premises and loans from banks and its controlling shareholder. 貴集團以商品銷售、租賃店舖物業與銀行及控股股東貸款共同產生的營運資金作為營運和擴張計劃之資本。</p> <p>Based on the cash flow forecast of the Group for the twelve-month period ending 31 December 2017 prepared by the directors and unutilised financing facilities on hand, the directors have concluded that it is appropriate to prepare the consolidated financial statements on a going concern basis. 根據貴集團董事編製截至二零一七年十二月三十一日止十二個月期間之現金流量預報及現有未使用之融資信貸額，貴集團董事認為以持續經營基礎編製綜合財務報表屬合適。</p>	<p>Our audit procedures to assess the appropriateness of management's use of the going concern assumption in the preparation of the consolidated financial statements included the following: 我們在評估管理層以持續經營基礎編製綜合財務報表是否適當時，執行了以下審計程序：</p> <ul style="list-style-type: none"> walking through the business planning process and assessing the design, implementation and operating effectiveness of management's key internal controls over the assessment of going concern, including the preparation of cash flow forecasts; 對業務規劃流程實施穿行檢查，並評估管理層於評估持續經營(包括編製現金流量預報)時的關鍵內部控制在設計、實施和操作上的有效性； comparing the future expected cash flows in the cash flow forecast with the Group's business plan approved by the board of directors; 將現金流量預測中的未來預期現金流量與貴集團董事會批准的業務計劃作對比； comparing the key assumptions adopted by management in preparing the cash flow forecast, including revenue and lease income, turnover days for inventories and trade payables, store opening plans and relevant capital expenditure, with historical data and assessing whether any material variations were consistent with our expectations based on our understanding of the Group's business; 將管理層在編製現金流量預報時採用的關鍵假設(包括收入和租金收入、庫存和應付賬款周轉天數、開店計劃和相關資本支出)，與歷史數據作比較，並根據我們對貴集團業務的了解，評估有關重大差異是否符合我們的預期； assessing the sensitivities of the cash flow forecast by considering plausible changes to the key assumptions adopted by management and considering the resulting impact on the going concern assumption; 經考慮管理層採納的關鍵假設的合理變動，評估現金流預報的敏感度，並考慮對持續經營假設產生的影響；

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Key audit matters (Continued)

關鍵審計事項(續)

Assessment of going concern (Continued) 持續經營的評估(續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>We identified the assessment of going concern as a key audit matter because the assessment of going concern is dependent upon certain management assumptions and judgements, in particular in relation to the future cash flows to be generated from operations and the ability of the Group to renew or obtain financing facilities as and when necessary.</p> <p>我們將持續經營之評估識別為關鍵審計事項，因為持續經營的評估取決於某些管理層的假設和判斷，尤其是有關營運活動產生之未來現金流量以及貴集團於需要時續期或取得融資信貸之能力。</p>	<ul style="list-style-type: none">• considering the likelihood of a breach of any condition as set out in debt facility agreements occurring and the consequent effect on the cash flow forecast;• 依據我們對敏感度分析的評估，考慮發生違反債務融資協議中規定的任何條件的可能性，及對現金流量預報的影響；• obtaining written confirmations from banks and related parties in respect of the existence and terms of existing debt facilities available during the twelve-month period ending 31 December 2017; and• 就截至二零一七年十二月三十一日止十二個月期間內現有可用之債務融資及條款，向銀行和相關人士取得書面確認；及• considering the disclosures in the consolidated financial statements in respect of the directors' assessment of the Group's ability to continue as a going concern with reference to the requirements of the prevailing accounting standards.• 參照現行會計準則的要求，考慮董事於綜合財務報表中有關貴集團以持續經營基準為營運能力之評估的披露。

Independent Auditor's Report

獨立核數師報告書

Key audit matters (Continued)

關鍵審計事項(續)

Assessing potential impairment of goodwill 商譽潛在減值的評估	
Refer to note 11 and the accounting policies set out in notes 1(g) and 1(l)(ii) to the consolidated financial statements. 請參閱綜合財務報表附註11及附註1(g)與1(l)(ii)所載的會計政策。	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>As at 31 December 2016, the Group's goodwill, which amounted to RMB 2,654.3 million, was allocated to three groups of cash-generating units ("CGUs"), representing the East, South, and North China Regions. 於二零一六年十二月三十一日，貴集團之商譽為人民幣2,654,300,000元，分配至華東、華南及華北地區之三個現金產生單位(「現金產生單位」)組。</p> <p>An annual impairment assessment of goodwill is performed by management. The recoverable amounts of the assets allocated to each group of CGUs are determined by management based on value in use calculations. As the performance of the Group's business operations in the East China Region did not meet the target, the Group recognised impairment of goodwill in the amount of RMB257.5 million for the year ended 31 December 2016. 管理層對商譽進行年度減值評估。管理層根據分配予每組現金產生單位之資產的使用價值而釐定其可收回數額。由於貴集團華東地區業務表現未能達到目標，截至二零一六年十二月三十一日止年度，貴集團確認商譽減值為人民幣257,500,000元。</p> <p>The value in use was estimated by preparing discounted cash flow forecasts. The preparation of discounted cash flow forecasts involves the exercise of significant management judgement, in particular in forecasting future revenue, future gross profit margins and future store operating and administrative expenses and in determining the long-term growth rates and discount rates applied. 使用價值是通過編製貼現現金流量預報來估算的。貼現現金流量預報的編製涉及管理層重大的判斷，特別是在預測未來收入、未來毛利率和未來店舖營運和管理費用，以及確定長期增長率和貼現率。</p>	<p>Our audit procedures to assess potential impairment of goodwill included the following: 我們於評估商譽潛在減值時所執行以下審計程序包括：</p> <ul style="list-style-type: none"> evaluating management's identification of CGUs and the amounts of goodwill and assets allocated to each group of CGUs; 評估管理層對現金產生單位的識別以及分配至每組現金產生單位的商譽和資產金額； using our internal valuation specialists to assist us in evaluating the methodology used by management in the preparation of the discounted cash flow forecasts with reference to the requirements of the prevailing accounting standards; 我們在內部估值專家的協助下參照現行會計準則之規定，評估管理層在編製貼現現金流量預報時使用的方法； comparing the significant inputs used in the discounted cash flow forecasts, including future revenue, future gross profit margins and future store operating and administrative expenses with the relevant data in the financial budgets approved by the board of directors, industry reports and agreements signed subsequent to the reporting date; 將貼現現金流量預報中使用的關鍵輸入值(包括未來收入、未來毛利率和未來營運及管理費用)與董事會批准的財務預算、行業報告和報告日期後簽訂的協議作對比； comparing the significant inputs used in discounted cash flow forecasts prepared in the prior year with the current year's performance to assess how accurate the prior year's discounted cash flow forecasts were and making enquiries of management as to the reasons for any significant variations identified; 將往年編製貼現現金流量預報所使用的關鍵輸入值與本年度業績作對比，以評估往年貼現現金流量預報的準確程度，並向管理層詢問顯著差異的原因；

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Key audit matters (Continued)

關鍵審計事項(續)

Assessing potential impairment of goodwill (Continued) 商譽潛在減值的評估(續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>We identified assessing potential impairment of goodwill as a key audit matter because the impairment assessment prepared by management is complex and involves a significant degree of judgement in determining the assumptions, particularly the long term growth rates and the discount rates applied, and could be subject to management bias.</p> <p>我們將評估商譽的潛在減值識別為關鍵審計事項，因為管理層所編製的減值評估是複雜的，在確定假設時(尤其是所採用的長期增長率和貼現率)涉及重大判斷，並可能因管理層的偏向而有所影響。</p>	<ul style="list-style-type: none">• assessing the long-term growth rate and discount rate used in the discounted cash flow forecasts by benchmarking against other similar retailers;• 透過對比其他同類零售商的標準，評估貼現現金流量預報中使用的長期增長率和貼現率；• obtaining sensitivity analyses of the key assumptions adopted in the discounted cash flow forecasts prepared by management and considering the resulting impact on the impairment charges for the year and whether there were any indicators of management bias; and• 取得管理層在編製貼現現金流量預報時對所採用的關鍵假設準備的敏感性分析，並考慮由此對本年度減值數額所產生的影響以及是否存在管理層偏向的跡象；及• considering the disclosures in the consolidated financial statements in respect of the impairment assessment of goodwill, including the key assumptions and sensitivities to changes in such assumptions, with reference to the requirements of the prevailing accounting standards.• 參照現行會計準則之規定，考慮綜合財務報表中有關商譽減值評估的披露，包括關鍵假設及對該等假設變動的敏感性分析。

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Key audit matters (Continued)

關鍵審計事項(續)

<p>Potential impairment of property, plant and equipment and intangible assets of certain of the Group's stores 若干店舖的物業、房產和設備以及無形資產的潛在減值的評估</p>	
<p>Refer to notes 9, 10 and 11 and the accounting policies set out in notes 1(i), 1(j) and 1(l)(ii) to the consolidated financial statements. 請參閱綜合財務報表附註9、10及11以及附註1(i)、1(j)與1(l)(ii)所載的會計政策。</p>	
<p>The Key Audit Matter 關鍵審計事項</p>	<p>How the matter was addressed in our audit 我們的審計如何處理該事項</p>
<p>Certain stores of the Group have sustained losses from operations or have experienced decreasing store turnover or decreasing gross cash flows from operations for at least three consecutive years. 由於 貴集團若干店舖持續經營虧損，或業務運營至少連續三年錄得營業額減少或總現金流減少。</p> <p>Management considers that these factors are the indicators of potential impairment whereby there is a risk that the carrying value of property, plant and equipment and intangible assets (which represent favourable lease interests) of certain of the Group's stores may not be recoverable in full through the future cash flows to be generated from trading operations of these stores or from disposal of these assets. 管理層認為此乃潛在減值的跡象，據此，該等店舖之物業、房產及設備及無形資產(為有利租賃權益)的賬面價值，存有可能無法通過該等店舖運營或資產出售所產生的未來現金流量得以全數收回的風險。</p> <p>Management reviews the performance of individual stores at the end of each reporting period to identify stores for which indicators of impairment exist. 於每個報告期末，管理層檢討各家店舖的業績，以識別有減值跡象之店舖。</p> <p>For those stores where indicators of impairment were identified, the recoverable amount of property, plant and equipment and intangible assets attributable to these stores is determined by management based on value in use calculations on a store-by-store basis. In determining the value in use of these assets, discounted cash flow forecasts were prepared by management for each store for which indicators of impairment were identified. 就已識別有減值跡象之店舖，管理層會根據每家相關店舖的使用價值計算物業、房產及設備以及無形資產的可收回數額。管理層為每家已識別有減值跡象之店舖編製貼現現金流量預報，以釐定其使用價值。</p>	<p>Our audit procedures to assess potential impairment of property, plant and equipment and intangible assets of certain of the Group's stores included the following: 我們於評估 貴集團若干商店舖的物業、房產和設備以及無形資產的潛在減值時所執行的審計程序包括：</p> <ul style="list-style-type: none"> challenging the Group's impairment assessment model by assessing the impairment indicators identified by management and considering whether the discounted cash flow forecasts on a store-by-store basis supported the carrying value of the relevant assets. We also considered whether the assessment indicated that a reversal of a past impairment was necessary; 透過評估管理層識別的減值跡象及考慮每家相關店舖作出的貼現現金流量預測是否支持相關資產的賬面價值，對 貴集團的減值評估模式提出質疑，並考慮該評估是否需要回撥以往的減值； using our internal valuation specialists to assist us in evaluating the methodology used by management in the preparation of the discounted cash flow forecasts with reference to the requirements of the prevailing accounting standards; 我們在內部估值專家的協助參照現行會計準則之規定，評估管理層在編製貼現現金流量預報時所使用的方法； comparing the most significant inputs used in the discounted cash flow forecasts, including future growth rates in revenue, future gross margins and future store operating and administrative expenses, with the historical performance of these stores, store budgets approved by store management, industry reports and agreements signed subsequent to the reporting date; 將貼現現金流量預報中使用的關鍵輸入值(包括未來收入增長率、未來毛利率和未來店舖營運和管理費用)與該等店舖的過往表現、管理層批准的財務預算、行業報告和報告期後簽訂的協議作對比；

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Key audit matters (Continued)

關鍵審計事項(續)

Potential impairment of property, plant and equipment and intangible assets of certain of the Group's stores (Continued) 若干店舖的物業、房產和設備以及無形資產的潛在減值的評估(續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>The preparation of discounted cash flow forecasts involves the exercise of significant management judgement, particularly in estimating future growth rates in revenue, future gross margins and future store operating and administrative expenses and in determining the discount rates applied.</p> <p>貼現現金流量預報的編製涉及管理層重大的判斷，尤其是在估計未來收入增長率、未來毛利率、未來店舖營運與管理費用，以及確定適用的貼現率。</p> <p>We identified the potential impairment of property, plant and equipment and intangible assets of certain of the Group's stores as a key audit matter because determining the indicators of impairment and the level of impairment, if any, involves a significant degree of management judgement, particularly in forecasting future cash flows and estimating the recoverable amounts of these assets, both of which are inherently uncertain and could be subject to management bias.</p> <p>我們將集團若干商店舖的物業、房產和設備以及無形資產的潛在減值識別為關鍵審計事項，因為在確定減值跡象和減值水平(如有)時，涉及到管理層高度的判斷能力，尤其是預測未來現金流量和估計該等資產的可收回數額，兩者俱為內在不確定性的，且可能受管理層的偏向左右。</p>	<ul style="list-style-type: none"> comparing the most significant inputs used in the discounted cash flow forecasts prepared in the prior year with the current year's performance of these stores to assess the accuracy of the prior year's discount cash flow forecasts and enquiring of management for any significant variations identified; 比較往年編製的貼現現金流量預測中使用的關鍵輸入值與該等店舖當年的業績，以評估往年貼現現金流預測的準確性，並向管理層詢問任何重大差異的原因； assessing the discount rates used in the discounted cash flow forecasts, by benchmarking against other similar retailers; 透過對比其他同類零售商的標準，評估貼現現金流量預報中使用的貼現率； obtaining a sensitivity analysis of the key assumptions adopted in the discounted cash flow forecasts prepared by management and considering the resulting impact on the impairment charge for the year and whether there were any indicators of management bias; and 取得管理層對於編製的貼現現金流量預報採用的關鍵假設進行敏感性分析，並考慮由此對年度內減值數額的影響以及是否存在管理層偏見的跡象；及 considering the disclosures in the consolidated financial statements in respect of the impairment assessment of property, plant and equipment and intangible assets of certain of the Group's stores, including the key assumptions and sensitivities to changes in such assumptions, with reference to the requirements of the prevailing accounting standards. 參照現行會計準則之規定，考慮綜合財務報表中就有關 貴集團若干商店舖的物業、房產和設備以及無形資產的潛在減值評估的披露，包括關鍵假設及對此等假設變動的敏感性分析。

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Key audit matters (Continued)

關鍵審計事項 (續)

<p>Recognition of supplier income 供應商收入確認</p>	
<p>Refer to the accounting policies set out in note 1(m) to the consolidated financial statements. 請參閱綜合財務報表附註1(m)所載的會計政策。</p>	
<p>The Key Audit Matter 關鍵審計事項</p>	<p>How the matter was addressed in our audit 我們的審計如何處理該事項</p>
<p>The Group earns supplier income under several types of different arrangements with its suppliers. The arrangements vary in nature and size and include volume based discounts and rebates and fees earned from assisting suppliers with their marketing campaigns. 貴集團通過與供應商訂立多種不同安排賺取供應商收入。該等安排於性質與規模上各有不同，類型包括按量釐定的折扣和返利，以及通過協助供應商進行營銷活動而收取的費用。</p> <p>Volume based discounts and rebates are recognised as a deduction from the cost of purchase of merchandise when the performance conditions associated with them are met. 按量釐定的折扣和返利在符合相關績效條件達成情況下被確認為商品採購成本的扣減額。</p> <p>Fees earned from assisting suppliers with their marketing campaigns are earned over the period of the contractual agreements with individual suppliers. The total income recognised is, therefore, based on the expected entitlement earned up to the financial reporting date under each agreement. 通過協助供應商進行營銷活動而賺取的費用乃於與個別供應商訂立的合同協議期內確認為收入。因此，該總收入乃根據各份協議截至財務報表日期預期賺取的權利而釐定。</p> <p>We identified recognition of supplier income as a key audit matter because the size and complexity of the arrangements with suppliers increase the risk that the consolidated financial statements may not promptly or accurately reflect the Group's entitlements under the contracts agreed with suppliers. 我們將供應商收入確認確定為關鍵審計事項，因為與供應商訂立安排的規模和複雜性會增加貴集團與供應商所訂立協議項下的權益可能無法在綜合財務報表中及時或準確地反映的風險。</p>	<p>Our audit procedures to assess the recognition of supplier income included the following: 我們於評估供應商收入確認時所執行的審計程序包括：</p> <ul style="list-style-type: none"> understanding and evaluating the design, implementation and operating effectiveness of management's key internal controls over the recognition of supplier income; 了解和評估管理層於確認供應商收入時所採用的關鍵內部控制在設計、實施和操作上的有效性； assessing the Group's revenue recognition policies in respect of supplier income by inspecting the terms and conditions set out in each type of standard agreement used with suppliers with reference to the requirements of the prevailing accounting standards; 審查與供應商使用的各類型標準協議中載列的條款和條件，以評估貴集團就供應商收入確認的政策是否參照現行會計準則之規定； evaluating, on a sample basis, the inputs to the information technology applications which calculate volume based discounts and rebates by comparing the inputs with underlying documentation, including sales and purchase volume data and discount and rebate rates in the respective agreements; 透過抽樣審閱按量釐定折扣和返利的資訊科技應用程式之輸入值，並將該等資料與相關文件(包括銷售和採購數據以及各份協議中載列的折扣和返利率)作對比； evaluating, on a sample basis, the recognition of fees earned from assisting suppliers with their marketing campaigns by inspecting underlying documentation, including supplier income agreements or confirmations from suppliers in respect of the fulfilment of performance conditions; and 透過抽樣審閱相關文件(包括供應商收入協議或自供應商有關達成績效條件的確認書)以評估通過協助供應商進行營銷活動所收取費用是否已確認；及

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Key audit matters (Continued)

關鍵審計事項(續)

Recognition of supplier income (Continued) 供應商收入確認(續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
	<ul style="list-style-type: none"> comparing, on a sample basis, the amount of supplier income received by the Group for the year with that confirmed by the respective suppliers through the "invoice-tracking system", which is an on-line platform accessible by both the suppliers and the Group. 透過抽樣比較 貴集團於本年度收取供應商之收入金額，與相關供應商通過「發票追蹤系統」(供應商及貴集團均可登錄的線上平台)所確認之收入金額。

Valuation of inventories 存貨估值	
<p>Refer to note 14 and the accounting policies set out in note 1(m) to the consolidated financial statements. 請參閱綜合財務報表附註14及附註1(m)所載的會計政策。</p>	
<p>Inventories are carried at the lower of cost and net realisable value. 存貨乃按成本及可變現淨額兩者中之較低者列賬。</p> <p>Management reviews the status of inventories on hand on a regular basis to identify slow moving items and may determine either to provide markdowns or to return certain items to suppliers at cost after deduction of unearned supplier income. 管理層定期檢查現有存貨的狀況，以識別滯銷貨品，並決定是否需要撥備，或在扣除未賺取的供應商收入後按供應商原始成本向其退回部分貨品。</p> <p>The provision for inventories is calculated based on an inventory ageing analysis, actual sales and purchase data and management experience and judgement regarding estimated markdowns as well as the current inventory profile. 存貨之撥備，乃根據存貨庫齡分析、實際銷售與採購數據和管理層對估計降價以及當前存貨狀況的經驗和判斷而計算的。</p> <p>No provision is provided for inventories returnable to suppliers at their original cost based on the terms set out in certain purchase agreement. 對於根據特定採購協議所載條款按原始成本退回供應商的存貨，不予計提撥備。</p>	<p>Our audit procedures to assess the valuation of inventories included the following: 我們於評估存貨估值時所執行的審計程序包括：</p> <ul style="list-style-type: none"> understanding and evaluating the design, implementation and operating effectiveness of management's key internal controls over inventory management, including the purchase of inventories and review of inventory status; 了解和評估管理層於存貨管理(包括購買存貨和審閱存貨狀態)所採用的關鍵內部控制在設計、實施和操作上的有效性； assessing whether the provision for inventories at the year end date was consistent with the Group's inventory provision policy by recalculating the provision for inventories based on the percentages and other parameters in the Group's inventory provision policy and considering the Group's inventory provision policy with reference to the requirements of the prevailing accounting standards; 透過 貴集團存貨撥備政策下的各項百分比和其他參數重新計算存貨撥備，以評估 貴集團於年末之存貨撥備是否與存貨撥備政策一致；及考慮 貴集團的存貨撥備政策是否符合現行會計準則的要求；

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Key audit matters (Continued)

關鍵審計事項 (續)

Valuation of inventories (Continued) 存貨估值 (續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>We identified the valuation of inventories as a key audit matter because determining an appropriate provision for inventories involves significant management judgement in determining the markdowns necessary to sell slow moving inventories which cannot be returned to suppliers.</p> <p>我們識別存貨估值為關鍵審計事項，因於釐定適當的存貨撥備時，管理層需就銷售不能退回供應商的滯銷貨品之降價金額，作出重大判斷。</p>	<ul style="list-style-type: none"> assessing, on a sample basis, whether items in the inventory ageing report were classified within the appropriate ageing bracket by comparing the details with the respective purchase records for the selected sample; 透過抽樣審核於存貨庫齡報告中所列項目是否被劃分在適當的庫齡區間內，並將該等貨品項目與相應的採購記錄作對比； evaluating the Group's inventory provision policy by comparing management's forecasts of markdowns for a sample of inventories in prior years to the historical sales amounts and markdown data for the current and prior years; and 透過將管理層對過往年度存貨降價預測的抽查樣本與歷史銷售額、現時及過往年度的降價數據作對比，評估 貴集團的存貨撥備政策；及 assessing the enforceability of inventory return arrangements agreed with suppliers, on a sample basis, by inspecting the terms set in the respective purchase agreements, and evaluating the Group's inventory provision policy for returnable items by comparing the actual losses resulting from the return of inventories to suppliers, including additional transportation costs and the reduction in purchase related supplier income, with the total amount of inventory returns in prior years. 透過抽樣審核採購協議中載列的條款，對與供應商訂立存貨退貨安排的可強制執行性進行評估，並透過將存貨退回供應商所產生的實際損失(包括額外運輸成本和相關供應商收入減少)與過往年度的存貨回報總額作對比，評估 貴集團可退回貨品的存貨撥備政策。

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Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

綜合財務報表及其核數師報告以外之信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之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之重大錯誤陳述所需的內部監控負責。

在編製綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關之事項，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。

審計委員會協助董事履行監督貴集團的財務報表過程的責任。

Independent Auditor's Report

獨立核數師報告書

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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

核數師就審計綜合財務報表承擔之責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但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，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

Independent Auditor's Report

獨立核數師報告書

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Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

- 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.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wai Ka Lun.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

23 February 2017

核數師就審計綜合財務報表承擔之責任(續)

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部監控的任何重大缺陷。

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

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

出具本獨立核數師報告的審計項目合夥人是韋家倫。

畢馬威會計師事務所
執業會計師
香港中環
遮打道十號
太子大廈八樓

二零一七年二月二十三日

Consolidated Statement of Profit or Loss

綜合損益表

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For the year ended 31 December 2016 (Expressed in Renminbi Yuan)
截至二零一六年十二月三十一日止年度(以人民幣元為單位)

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	2	10,085,679	10,660,452
Cost of sales	銷售成本	14	(8,347,148)	(8,829,048)
Gross profit	毛利		1,738,531	1,831,404
Other revenue	其他收益	3	539,608	521,273
Other net loss	其他虧損淨額	3	(415,507)	(29,347)
Distribution and store operating costs	商店配送及營運成本		(1,892,055)	(1,915,061)
Administrative expenses	行政費用		(402,505)	(334,339)
(Loss)/profit from operations	經營(虧損)/溢利		(431,928)	73,930
Finance costs	融資成本	4(a)	(82,783)	(73,777)
(Loss)/profit before taxation	除稅前(虧損)/溢利	4	(514,711)	153
Income tax	所得稅	5	(22,889)	(18,224)
Loss for the year	年度虧損		(537,600)	(18,071)
Attributable to:	以下人士應佔:			
Equity shareholders of the Company	本公司股東		(537,587)	(17,958)
Non-controlling interests	非控股權益		(13)	(113)
Loss for the year	年度虧損		(537,600)	(18,071)
Loss per share	每股虧損	8		
Basic (RMB cents)	基本(人民幣分)		(2.41)	(0.08)
Diluted (RMB cents)	攤薄(人民幣分)		(2.41)	(0.08)

The notes on pages 71 to 141 form part of these financial statements. 第71至141頁之附註乃本財務報表之部份。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益報表

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For the year ended 31 December 2016 (Expressed in Renminbi Yuan)
截至二零一六年十二月三十一日止年度(以人民幣元為單位)

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Loss for the year	年度虧損	(537,600)	(18,071)
Other comprehensive income for the year (after tax and reclassification adjustments)	年度其他全面收益 (除稅及重分類調整後)		
Items that may be reclassified subsequently to profit or loss:	其後可重分類至損益之項目：		
Exchange differences on translation of financial statements of entities outside the People's Republic of China ("PRC")	換算中華人民共和國(「中國」)以外公司財務報表之匯兌差額	12,118	5,956
Total comprehensive income for the year	年度全面收益總額	(525,482)	(12,115)
Attributable to:	以下人士應佔：		
Equity shareholders of the Company	本公司股東	(525,469)	(12,002)
Non-controlling interests	非控股權益	(13)	(113)
		(525,482)	(12,115)

The notes on pages 71 to 141 form part of these financial statements. 第71至141頁之附註乃本財務報表之部份。

Consolidated Statement of Financial Position

綜合財務狀況報表

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(Expressed in Renminbi Yuan)
(以人民幣元為單位)

			31 December 2016 二零一六年 十二月 三十一日 RMB' 000 人民幣千元	31 December 2015 二零一五年 十二月 三十一日 RMB' 000 人民幣千元
	Note 附註			
Non-current assets		非流動資產		
Property, plant and equipment	9	物業、房產及設備	1,560,671	1,661,887
Interests in leasehold land held for own use under operating leases	9	營運租賃之自用土地租賃權益	129,064	135,358
			1,689,735	1,797,245
Intangible assets	10	無形資產	145,568	166,481
Goodwill	11	商譽	2,654,252	2,911,778
Prepaid lease payments for premises	13	預付物業租賃費	10,851	20,852
Other long-term prepayments		其他長期預付費用	9,461	3,390
Deferred tax assets	24(b)	遞延稅項資產	35,647	31,262
			4,545,514	4,931,008
Current assets		流動資產		
Prepaid lease payments for premises	13	預付物業租賃費	5,388	12,849
Inventories	14	存貨	1,240,544	1,221,436
Trade and other receivables	15	營運及其他應收款項	830,302	737,066
Pledged bank deposits	16	已抵押銀行存款	59,545	59,436
Cash and cash equivalents	17	現金及現金等額	204,920	165,842
			2,340,699	2,196,629
Current liabilities		流動負債		
Trade and other payables	18	營運及其他應付款項	3,885,544	3,764,731
Bank loans and overdrafts	19	銀行貸款及透支	222,900	267,118
Other loans	21	其他貸款	-	43,500
Obligations under finance leases	22	融資租賃責任	11,345	9,895
Current taxation	24(a)	即期稅項	17,823	20,402
Provisions	23	撥備	28,069	1,101
			4,165,681	4,106,747
Net current liabilities		流動負債淨額	(1,824,982)	(1,910,118)
Total assets less current liabilities		總資產減流動負債	2,720,532	3,020,890

The notes on pages 71 to 141 form part of these financial statements. 第71至141頁之附註乃本財務報表之部份。

Consolidated Statement of Financial Position

綜合財務狀況報表

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(Expressed in Renminbi Yuan)
(以人民幣元為單位)

		Note	31 December 2016 二零一六年 十二月 三十一日 RMB'000 人民幣千元	31 December 2015 二零一五年 十二月 三十一日 RMB'000 人民幣千元
		附註		
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	19	-	774,860
Loans from controlling shareholder	應付控股股東貸款	20	971,877	-
Other loans	其他貸款	21	46,446	-
Obligations under finance leases	融資租賃責任	22	142,439	153,784
Deferred tax liabilities	遞延稅項負債	24(b)	36,842	42,225
			1,197,604	970,869
NET ASSETS	資產淨額		1,522,928	2,050,021
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	25(c)	405,726	405,726
Reserves	儲備		1,117,202	1,642,671
Total equity attributable to equity shareholders of the Company	本公司股東應佔總權益		1,522,928	2,048,397
Non-controlling interests	非控股權益		-	1,624
TOTAL EQUITY	權益總額		1,522,928	2,050,021

Approved and authorised for issue by the board of directors on 23 February 2017.

於二零一七年二月二十三日獲董事會批准及授權刊發。

Soopakij Chearavanont
謝吉人
Director
董事

Umroong Sanphasitvong
Director
董事

The notes on pages 71 to 141 form part of these financial statements.

第71至141頁之附註乃本財務報表之部份。

Consolidated Statement of Changes in Equity

綜合權益變動報表

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For the year ended 31 December 2016 (Expressed in Renminbi Yuan)
截至二零一六年十二月三十一日止年度(以人民幣元為單位)

Attributable to equity shareholders of the Company
本公司股東應佔

		Share capital 股本 (note 25(c)) RMB' 000 人民幣千元	Share premium 股份溢價 (note 25(d)) RMB' 000 人民幣千元	Share option reserve 購股權儲備 (note 25(d)) RMB' 000 人民幣千元	Revaluation reserve 重估儲備 (note 25(d)) RMB' 000 人民幣千元	Exchange reserve 匯兌儲備 (note 25(d)) RMB' 000 人民幣千元	Accumulated losses 累計虧損 RMB' 000 人民幣千元	Total 總額 RMB' 000 人民幣千元	Non-controlling interests 非控股權益 RMB' 000 人民幣千元	Total 總額 RMB' 000 人民幣千元
At 1 January 2015	於二零一五年一月一日	396,093	1,836,932	53,841	(9,166)	234,929	(504,251)	2,008,378	1,737	2,010,115
Loss for the year	年度虧損	-	-	-	-	-	(17,958)	(17,958)	(113)	(18,071)
Other comprehensive income	其他全面收益	-	-	-	-	5,956	-	5,956	-	5,956
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	5,956	(17,958)	(12,002)	(113)	(12,115)
Shares issued upon exercise of share options (note 25(c))	行使購股權而發行之股份 (附註25(c))	9,633	96,229	(53,841)	-	-	-	52,021	-	52,021
At 31 December 2015	於二零一五年十二月三十一日	405,726	1,933,161	-	(9,166)	240,885	(522,209)	2,048,397	1,624	2,050,021
At 1 January 2016	於二零一六年一月一日	405,726	1,933,161	-	(9,166)	240,885	(522,209)	2,048,397	1,624	2,050,021
Loss for the year	年度虧損	-	-	-	-	-	(537,587)	(537,587)	(13)	(537,600)
Other comprehensive income	其他全面收益	-	-	-	-	12,118	-	12,118	-	12,118
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	12,118	(537,587)	(525,469)	(13)	(525,482)
Disposal of two subsidiaries (note 31)	出售兩家附屬公司 (附註31)	-	-	-	-	-	-	-	(1,611)	(1,611)
At 31 December 2016	於二零一六年十二月三十一日	405,726	1,933,161	-	(9,166)	253,003	(1,059,796)	1,522,928	-	1,522,928

The notes on pages 71 to 141 form part of these financial statements. 第71至141頁之附註乃本財務報表之部份。

Consolidated Cash Flow Statement

綜合現金流量報表

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For the year ended 31 December 2016 (Expressed in Renminbi Yuan)
截至二零一六年十二月三十一日止年度(以人民幣元為單位)

	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Operating activities			
(Loss)/profit before taxation		(514,711)	153
Adjustments for:			
Depreciation of property, plant and equipment	4(c)	185,656	181,129
Amortisation of land lease premium	4(c)	6,294	6,294
Amortisation of intangible assets	4(c)	10,250	10,838
Impairment losses	3	351,206	15,020
Net loss on disposal of property, plant and equipment	3	26,437	10,565
Gain on disposal of two subsidiaries	31	(148)	-
Finance costs	4(a)	82,783	73,777
Interest income	3	(2,633)	(4,490)
Foreign exchange loss		75,861	69,140
Gain on the forward foreign exchange contracts	3	(37,849)	(72,765)
Operating profit before changes in working capital		183,146	289,661
Decrease in prepaid lease payments for premises		17,462	15,803
Increase in inventories		(21,222)	(162,524)
(Increase)/decrease in bank deposits pledged for inventory purchases and guarantees to landlords		(109)	12,445
Increase in trade and other receivables		(83,337)	(35,396)
Increase in trade and other payables		150,887	208,207
Cash generated from operations		246,827	328,196
PRC income tax paid	24(a)	(35,236)	(22,072)
Net cash generated from operating activities		211,591	306,124

The notes on pages 71 to 141 form part of these financial statements. 第71至141頁之附註乃本財務報表之部份。

Consolidated Cash Flow Statement

綜合現金流量報表

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For the year ended 31 December 2016 (Expressed in Renminbi Yuan)
截至二零一六年十二月三十一日止年度(以人民幣元為單位)

	Note	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Investing activities			
Payment for purchases of property, plant and equipment		(198,197)	(324,739)
Interest received		2,633	4,490
Proceeds from disposal of property, plant and equipment		4,336	4,530
Net cash inflows from disposal of seven stores to WSL		26,657	188,545
Net cash inflows from disposal of two subsidiaries	31	4,738	-
Net cash used in investing activities		(159,833)	(127,174)
Financing activities			
Proceeds from bank loans		204,900	-
Proceeds from loans from controlling shareholder		971,877	-
Repayment of bank loans		(1,102,386)	(126,033)
Capital element of finance leases paid		(9,895)	(8,968)
Interest element of finance leases paid		(15,725)	(16,653)
Interest on bank loans paid		(48,848)	(48,445)
Interest on other loans paid		(1,083)	(775)
Interest on issuance of bank accepted bills		(8,869)	(4,361)
Loan arrangement and guarantee fees paid		(21,723)	(1,215)
Net proceeds from exercise of share options	25(c)	-	52,021
Net cash used in financing activities		(31,752)	(154,429)
Net increase in cash and cash equivalents		20,006	24,521
Effect of foreign exchange rate changes		1,072	1,267
Cash and cash equivalents at 1 January		165,842	140,054
Cash and cash equivalents at 31 December	17	186,920	165,842

The notes on pages 71 to 141 form part of these financial statements. 第71至141頁之附註乃本財務報表之部份。

Notes to the Financial Statements

財務報表附註

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For the year ended 31 December 2016 (Expressed in Renminbi Yuan unless otherwise indicated)
截至二零一六年十二月三十一日止年度(除另有說明外,以人民幣元為單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 1(e) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the “Group”).

As the Group’s hypermarket stores are all located in the PRC and most of the Group’s transactions are conducted and denominated in Renminbi (“RMB”), which is the functional currency of the Company’s operating subsidiaries, the financial statements are presented in RMB, rounded to the nearest thousand, unless otherwise stated. The functional currency of the Company is Hong Kong Dollars (“HK\$”).

The Group incurred a loss of approximately RMB537.6 million for the year ended 31 December 2016 (2015: RMB 18.1 million). As at 31 December 2016, the Group had net current liabilities of approximately RMB1,825.0 million (2015: RMB 1,910.1 million).

1 主要會計政策

(a) 合規聲明

本財務報表已根據香港會計師公會(「香港會計師公會」)所頒佈之所有適用香港財務報告準則(「香港財務報告準則」),此統稱包括所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋、香港公認會計原則及香港公司條例之披露規定編製。本財務報表亦符合香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露條文。下文載列本集團採納之主要會計政策概要。

香港會計師公會已頒佈若干首次生效或可供本集團及本公司於即期會計期間提早採納之新訂及經修訂香港財務報告準則。附註1(e)提供有關於首次應用此等發展導致與本集團即期及過往會計期間有關,並反映於本財務報表會計政策之任何變動資料。

(b) 財務報表編製基準

截至二零一六年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司(統稱「本集團」)。

由於本集團之大型超市全部位於中國及本集團大部份交易均以人民幣(「人民幣」)(本公司營運附屬公司之功能貨幣)進行及結算,本財務報表以人民幣呈列,除另有說明外,計算至最接近千位。本公司之功能貨幣為港元(「港元」)。

截至二零一六年十二月三十一日止年度,本集團產生之虧損約為人民幣537,600,000元(二零一五年:人民幣18,100,000元)。於二零一六年十二月三十一日,本集團之流動負債淨額約為人民幣1,825,000,000元(二零一五年:人民幣1,910,100,000元)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2016 (Expressed in Renminbi Yuan unless otherwise indicated)
截至二零一六年十二月三十一日止年度(除另有說明外,以人民幣元為單位)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

In view of these circumstances, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

The directors note that despite the loss from operations of RMB431.9 million for the year ended 31 December 2016, the Group generated net cash from operating activities of approximately RMB211.6 million during the year (2015: RMB306.1 million). In December 2016, the Group has implemented a restructuring plan to streamline its organisation structure and to reduce operating costs. Although this organisational restructuring resulted in a significant amount of termination benefits in 2016, the directors believe this will improve the performance and operating cashflows of the Group in future periods.

As disclosed in notes 19 and 20, the Group had borrowed loans from its controlling shareholder amounting to approximately USD139.8 million (equivalent to RMB971.9 million) with maturities in December 2018. These loans from controlling shareholder were fully used to repay syndicated bank loans led by The Siam Commercial Bank Public Company Limited, which were originally repayable with instalment repayments scheduled through December 2018.

Based on the Group's 2017 business plan and cash flow forecast and unused bank facilities on hand, the directors believe the Group will generate sufficient cash flows to meet its liabilities as and when they fall due in the next twelve months. In preparing the cash flow forecast, the directors also consider the Group's ultimate holding company will continue to support the Group to the extent necessary.

In view of the above, the directors consider that the Group will generate sufficient financial resources for its working capital and capital expenditure requirements and that it will be able to meet its financial obligations as when they fall due. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

1 主要會計政策(續)

(b) 財務報表編製基準(續)

鑑於此等情況,董事對本集團之未來流動資金與業績及其可能之資金來源以評估本集團是否將有充足財務資源繼續持續經營已作出仔細考慮。

董事注意到儘管截至二零一六年十二月三十一日止年度內,營運虧損為人民幣431,900,000元,於本年度內,本集團由經營活動所產生之現金約人民幣211,600,000元(二零一五年:人民幣306,100,000元)。於二零一六年十二月,本集團已實施重組計劃以精簡組織架構及減少營運成本。雖然此重組計劃導致二零一六年確認重大合約終止補償金額,董事相信此舉將會未來期間改善集團表現及經營現金流。

如附註19及20所披露,本集團已取得由控股股東借出於二零一八年十二月到期的貸款金額約為139,800,000美元(相等於人民幣971,900,000元),此控股股東貸款全部用於償還以The Siam Commercial Bank Public Company Limited為首之銀團貸款,其原定於二零一八年十二月前分期償還。

根據本集團二零一七年之業務計劃及現金流量預報及現有未用銀行信貸額,董事相信本集團將會產生充足現金流以應付其於未來十二個月內到期之債務。於編製現金流量預報時,董事亦已考慮本集團之最終控股公司在所需程度上將繼續支持本集團。

鑑於上文所述,董事認為本集團將擁有充足財務資源以應付其營運資金及資本開支要求,並能應付其到期之財務責任。據此,本綜合財務報表以持續經營基準而編製。

Notes to the Financial Statements

財務報表附註

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For the year ended 31 December 2016 (Expressed in Renminbi Yuan unless otherwise indicated)
截至二零一六年十二月三十一日止年度(除另有說明外,以人民幣元為單位)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Basis of measurement

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the derivative financial instruments are stated at their fair value as explained in note 1(h).

(d) Use of estimation and judgement

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 34.

(e) Change in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

1 主要會計政策(續)

(c) 計量基準

除已於附註1(h)解釋之衍生金融工具乃按公允值列賬外,編製此等財務報表所採用之計量基準為歷史成本法。

(d) 使用估計及判斷

編製符合香港財務報告準則之財務報表需要管理層作出影響採納政策及資產、負債、收入及開支之報告金額之判斷、估計及假設。該等估計及相關假設以過往經驗及在若干情況下屬合理之不同其他因素作依據,所得結果構成未能從其他來源得出之資產及負債賬面值之判斷基準。實際結果或會有別於該等估計。

本集團會持續檢討該等估計及相關假設。倘會計估計之修訂僅影響當期,將於該段期間確認有關修訂;或倘修訂影響當期及未來期間,將於修訂當期及未來期間確認有關修訂。

有關管理層在應用香港財務報告準則時所作出對財務報表有重大影響之判斷,及不明確估計之主要來源,已於附註34詳述。

(e) 會計政策之變動

香港會計師公會已頒佈多項香港財務報告準則之修訂本,於本集團即期會計期間首次生效。採納有關準則對本集團於本會計期間及前會計期間之會計政策、呈列、所匯報之業績及財務狀況並無重大影響。

本集團於即期會計期間並未採納任何尚未生效之新準則或詮釋。

Notes to the Financial Statements

財務報表附註

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截至二零一六年十二月三十一日止年度(除另有說明外,以人民幣元為單位)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cashflows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment. Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and the total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

1 主要會計政策(續)

(f) 附屬公司及非控股權益

附屬公司乃本集團控制之企業。當本集團通過參與一家企業之經營以承擔可變動回報的風險或取得相應權利,以及有運用權力影響該等回報金額的能力,均視有控制權。於評估本集團是否有權力時,惟由本集團及其他人士持有的實質性權力才被考慮。

於一家附屬公司之投資於擁有控制權日期起綜合至綜合財務報表,直至該控制權終止為止。集團內部之結餘與交易和現金流及因內部交易而產生之任何未實現溢利,均於編製綜合財務報表時全數抵銷。在沒有跡象出現減值之情況下,集團內部交易所產生之未實現虧損,按與未實現溢利相同之方法抵銷。非控股權益乃附屬公司之權益但不直接或間接由本公司應佔,就此而言,本集團並無與該等權益之持有人協定任何額外條款,以致本集團整體需就該等權益承擔涉及金融負債所界定之契約責任。於每次業務合併,本集團可選擇以公允值或按應佔附屬公司可辨別淨資產之比例而計量任何非控股權益。非控股權益於綜合財務狀況報表之權益項目中與本公司股東應佔權益分開列示。本集團業績內之非控股權益於綜合損益表及綜合損益及其他全面收益報表內,以非控股權益與本公司股東之間分配之本年度損益總額及全面收益總額列示。

本集團於附屬公司之權益變動,如不會導致喪失控制權,便會按權益交易列賬,並在綜合權益項目中調整控股及非控股權益之數額,以反映相關權益之變動,惟不會調整商譽及不會確認損益。

Notes to the Financial Statements

財務報表附註

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For the year ended 31 December 2016 (Expressed in Renminbi Yuan unless otherwise indicated)
截至二零一六年十二月三十一日止年度(除另有說明外,以人民幣元為單位)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Subsidiaries and non-controlling interests (Continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(l)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(g) Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then the excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit ("CGU"), or groups of CGUs, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(l)).

On disposal of a CGU during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(h) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

1 主要會計政策(續)

(f) 附屬公司及非控股權益(續)

當本集團失去於附屬公司之控制權時,按出售有關附屬公司之全部權益列賬,由此產生溢利或虧損在損益中確認。在失去控制權日所保留有關前附屬公司之權益,按公允價值確認,此數額在該權益初始確認於金融資產時當作其公允價值,或(如適用)在初始確認於聯營公司或合營企業之投資時當作成本。

於本公司之財務狀況報表內,於一家附屬公司之投資按成本扣除減值虧損列示(見附註1(l)),惟有關投資被分類為待出售(或計入分類為待出售之出售組合)除外。

(g) 商譽

收購附屬公司所產生之商譽乃(i)轉讓代價之公允價值,被收購方之任何非控股權益額及本集團先前持有被收購方之股本權益公允價值之總和,超過(ii)被收購方於收購日之可辨別資產及負債之公允價值淨額。

當(ii)大於(i),此超出額將即時在損益中確認為議價收購之溢利。

商譽按成本扣減累計減值虧損列賬。業務合併產生之商譽會分配至預期於合併中獲益的每個現金產生單位(「現金產生單位」)或現金產生單位組,並每年進行減值測試(見附註1(l))。

於年內出售之現金產生單位,應佔之已收購商譽之任何相關金額均於出售時計入損益內。

(h) 衍生金融工具

衍生金融工具初始時按公允價值確認,並於每個報告期間時重新計量公允價值。重新計量公允價值所產生之溢利或虧損將即時在損益內確認。

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財務報表附註

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For the year ended 31 December 2016 (Expressed in Renminbi Yuan unless otherwise indicated)
截至二零一六年十二月三十一日止年度(除另有說明外,以人民幣元為單位)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(l)):

- buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease (see note 1(k)); and
- other items of plant and equipment.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives, being no more than 30 years after the date of completion.
- Leasehold improvements 13 – 20 years or over the remaining term of the lease, whichever is shorter
- Furniture, fixtures and equipment 3 – 8 years
- Motor vehicles 3 – 8 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Stores under fit out represent the cost of leasehold improvements and other fit out costs incurred to date. Stores under fit out are transferred to leasehold improvements and the relevant other asset categories when the stores are substantially ready for their intended use. No depreciation is provided in respect of stores under fit out.

1 主要會計政策(續)

(i) 物業、房產及設備

以下物業、房產及設備之項目按成本扣減累計折舊及減值虧損(見附註1(l))列賬:

- 位於租賃土地之持有作自用之樓宇,於建立租賃時,樓宇之公允值可與租賃土地之公允值分開計算(見附註1(k));及
- 其他房產及設備項目。

報廢或出售物業、房產及設備項目所產生之損益以出售所得款項淨額與項目賬面值之差額釐定,並於報廢或出售日確認於損益內。

物業、房產及設備之項目之折舊以直線法在以下其各自估計使用年期內沖銷其成本(已扣除估計餘值(如有))計算如下:

- 位於租賃土地之樓宇按未屆滿租賃期及其估計使用年期(即完成日起計不超過30年)之較短者計算折舊。
- 租賃裝修 13-20年或租賃剩餘年期之較短者
- 傢俬、裝置及設備 3-8年
- 汽車 3-8年

如物業、房產及設備項目之組成部份有不同使用年期,有關項目之成本會按照合理基準分配至各個部份,而每個部份會獨立計算折舊。一項資產之使用年期及其餘值(如有)每年均予以檢討。

裝修中之店舖乃截至現時之租賃裝修成本及其他裝修成本。如店舖已預備投入其預計用途,裝修中之店舖將轉移至租賃裝修及相關之其他資產類別。裝修中之店舖概無計算折舊。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Intangible assets (other than goodwill)

Intangible assets represent the favourable aspect of operating leases relative to market terms acquired in business combinations, where the acquiree is the lessee. These intangible assets are recognised and measured at fair value upon acquisition. The fair value is determined based on a comparison of the market and contractual rental rates at the date of acquisition.

Intangible assets associated with favourable aspects of operating leases acquired in a business combination are stated at cost less accumulated amortisation and impairment losses (see note 1(l)). Amortisation is charged to profit or loss on a straight-line basis over the remaining lease term.

(k) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

1 主要會計政策(續)

(j) 無形資產(商譽除外)

無形資產乃當業務合併時,被收購方為承租人,所得之營運租賃較市場條款有利。此等無形資產於收購時被確認並以公允值計量。公允值按收購日之市場及合約租金比較而釐定。

於業務合併中所收購之有利營運租賃之無形資產,以成本扣除累計攤銷及減值虧損(見附註1(l))列示。攤銷以直線法於餘下租賃期於損益中列支。

(k) 租賃資產

倘本集團決定於協定期限內通過一項交易或一連串交易以一筆或一連串付款為代價取得一項或多項特定資產之使用權之安排,則該項安排屬於或包含租賃。該項決定乃按安排之實質而評估,而不論該項安排是否採取租賃之法律形式。

(i) 本集團租賃資產之分類

本集團以租賃方式持有之資產,而租賃使與所有權相關之絕大部份風險及回報已轉移至本集團,有關之資產便會分類為以融資租賃持有;如租賃不會使與相關所有權之絕大部份風險和回報轉移至本集團,便會分類為營運租賃。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Leased assets (Continued)

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 1(i). Impairment losses are accounted for in accordance with the accounting policy as set out in note 1(l). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

1 主要會計政策(續)

(k) 租賃資產(續)

(ii) 以融資租賃收購之資產

若本集團以融資租賃收購資產之使用權,以租賃資產之公允值數額或最低租賃付款之現值之較低者,包括於物業、房產及設備,同時,相關負債(扣除融資費用),列作融資租賃責任。折舊乃於相關租賃期間或資產使用期間(若本集團將取得資產所有權),按撇銷資產成本或估值之比率計算(見附註1(i))。減值虧損按附註1(l)所載之會計政策計算。租賃付款所包含之融資費用將於租賃期間於損益中列支,使各會計期間對責任結餘以相若之固定期間比率扣減。或然租金將於產生之會計期間於損益中列支。

(iii) 營運租賃費用

若本集團以營運租賃持有資產之使用權,根據租賃作出之付款在租期所涵蓋之會計期間內,以等額在損益中列支;惟其他基準能更有代表性反映租賃資產所產生之收益模式除外。租賃所收取之獎勵作為累計租賃付款淨額之組成部份在損益中確認。或然租金將於產生之會計期間於損益中列支。

以營運租賃收購土地之成本按直線法在租期內攤銷。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Impairment of assets

(i) Impairment of receivables

Current and non-current receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal repayments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of the assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

1 主要會計政策(續)

(I) 資產減值

(i) 應收款項之減值

本集團在每個報告日審閱已按成本或攤餘成本入賬之流動與非流動應收款項,以確定是否有客觀之減值憑證。減值之客觀憑證包括可見之數據,為以下一項或多項本集團注意之虧損事件:

- 債務人之重大財務困難;
- 違反合約,如未履行或延遲利息或本金之還款;
- 債務人可能將會破產或進行其他財務重組;及
- 市場、經濟或法律上之重大變更致使對債務人有不利影響。

如任何以上憑證出現,則減值虧損以資產之賬面值及估計未來現金流之現值之差額計量。若貼現之影響重大,估計未來現金流之現值以金融資產原先之實際利率貼現計算(即計算此等資產之初始有效利率)。此等金融資產具備類似的風險特徵,例如類似的逾期情況及不曾單獨評估為減值,則有關評估會共同進行。共同評估有否減值的金融資產,其未來現金流量會根據與整個組別具有類似信貸風險特徵的資產之過往虧損情況而評估。

如一項減值虧損在其後之期間減少,而減少客觀上與減值虧損確認後發生之事件有關,應通過撥回撥減值虧損。減值虧損之撥回不應使資產之賬面值超逾其在以往年度沒有確認任何減值虧損而應已釐定之數額。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Impairment of assets (Continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- interests in leasehold land held for own use under operating leases;
- intangible assets;
- goodwill;
- prepaid lease payments for premises; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a CGU).

1 主要會計政策(續)

(I) 資產減值(續)

(ii) 其他資產之減值

本集團於每個報告期末審閱內部及外來之信息來源,以確定以下資產是否出現減值迹象(惟商譽除外),或是以往確認之減值虧損已不再存在或可能已經減少:

- 物業、房產及設備;
- 營運租賃之自用土地租賃權益;
- 無形資產;
- 商譽;
- 預付物業租賃費;及
- 於本公司財務狀況報表附屬公司之投資

如出現任何此類迹象,便需估計資產之可收回數額。此外,就商譽而言,不論是否有任何減值迹象存在,亦於每年估計其可收回數額。

- 計算可收回數額

一項資產之可收回數額乃其售價淨額與使用價值之較高者。在評估使用價值時,預計未來現金流會按照能反映當時市場對貨幣時間值及資產特定風險之評估之稅前貼現率貼現至其現值。如資產未能產生主要獨立於其他資產所產生之現金流入,以獨立產生現金流入之最小資產組別(即現金產生單位)釐定可收回數額。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the CGU to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(I)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

1 主要會計政策(續)

(I) 資產減值(續)

(ii) 其他資產之減值(續)

– 確認減值虧損

當一項資產或所屬現金產生單位之賬面值高於其可收回數額,便會於損益中確認減值虧損。就現金產生單位確認之減值虧損會首先分配予減少已分配至該現金產生單位(或該組單位)之任何商譽之賬面值,然後按比例減少該單位(或該組單位)內其他資產之賬面值;惟一項資產之賬面值不得減少至低於其個別公允值扣減出售成本後所得數額或其使用價值(如能釐定)。

– 撥回減值虧損

就商譽以外之資產而言,如用以釐定可收回數額之估計出現正面之變化,有關之減值虧損便會撥回;惟商譽之減值虧損不可回撥。

所回撥之減值虧損以假設在以往年度沒有確認任何減值虧損而釐定之資產賬面值為限。回撥之減值虧損在確認回撥之年度內計入損益。

(iii) 中期財務報告及減值

根據上市規則,本集團須根據香港會計準則第34號,《中期財務報告》就財政年度首六個月編製中期財務報告。於中期完結時,本集團採用於財務年度完結時採用之同一減值測試、確認及回撥條件(見附註1(I)(i)及1(ii))。

於中期內就商譽所確認之減值虧損不可在往後期間回撥。假設在中期相關之財政年度完結時才評估減值,此時即使沒確認虧損或確認較少虧損,亦不會回撥減值虧損。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the moving weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, after deducting discounts and payments from suppliers, except where such payments represent a reimbursement of identifiable expenditures incurred by the Group which provide identifiable benefits to the suppliers separate from the Group's purchase of the supplier's goods. Supplier payments include cash or its equivalent in form (e.g, free goods, credits applied to future purchase).

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 1(l)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

1 主要會計政策(續)

(m) 存貨

存貨以成本及可變現淨額兩者中之較低者入賬。

成本以移動加權平均成本法計算,並包括所有採購成本、變換成本及將存貨達致其現時地點及狀況所產生之其他成本,扣除供應商之折扣和付款後,除該等付款為償付本集團為供應商提供與本集團購買供應商之貨物獨立之可識別收益而產生之認可支出外。供應商付款包括現金或其等價物(例如:免費商品、用於未來採購之抵免)。

可變現淨額以日常業務過程中之估計售價扣減估計完成成本及銷售所需之估計成本後所得數額。

出售存貨後,該等存貨之賬面值於相關收入獲確認之期間確認為支出。存貨數額之任何撇減至可變現淨額與存貨之所有虧損均於出現撇減或虧損之期間內確認為支出。可變現淨額增加產生之任何存貨撇減值回撥,將於回撥出現之期間確認為支出之存貨額減少。

(n) 營運及其他應收款項

營運及其他應收款項按公允值初始確認,其後按攤餘成本扣減呆壞賬減值虧損(見附註1(l))列賬;惟若應收款項為提供予相關人士不設固定還款期之免息貸款或其貼現影響並不重大除外。在此等情況下,應收款項會按成本扣減呆壞賬減值虧損列賬。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(p) Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends on preference share capital classified as equity are recognised as distributions within equity.

(q) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 1(u)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

1 主要會計政策(續)

(o) 附息借貸

附息借貸按公允值扣減應佔交易成本初始確認。初始確認後,附息借貸以攤餘成本列賬,而初始確認金額與贖回價值之任何差額,均以實際利率法於借貸期內連同任何應付利息及費用在損益中確認。

(p) 優先股本

優先股本如不能贖回,或惟根據本公司意願贖回,及任何股息均隨意,將被分類為權益。分類為權益之優先股本之股息確認為權益內可分派部份。

(q) 營運及其他應付款項

營運及其他應付款項按公允值初始確認。除根據附註1(u)(i)計算之財務擔保負債外,營運及其他應付款項其後按攤餘成本入賬,惟若貼現影響並不重大,則按成本入賬。

(r) 現金及現金等額

現金及現金等額包括銀行存款及現金、存放於銀行和其他財務機構之活期存款,及短期與高流動性之投資,該等投資可隨時換算為已知數額之現金(價值變動風險不大),並在購入後三個月內到期。就編製綜合現金流量報表而言,現金及現金等額亦包括須按要求償還、並構成本集團現金管理一部份之銀行透支。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Employee benefits

- (i) *Short-term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

- (ii) *Share-based payments*

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share option reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits/accumulated losses).

- (iii) *Termination benefits*

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

1 主要會計政策(續)

(s) 僱員福利

- (i) *短期僱員福利及定額供款退休計劃之供款*

薪金、年度花紅、有薪年假、定額供款退休計劃之供款及非貨幣福利成本於僱員提供相關服務之年度內列為開支。如延遲付款或結算會造成重大之影響,此等數額會以現值列賬。

- (ii) *以股份為基礎支付*

授予僱員之購股權以公允值確認為僱員成本,同時相應增加於權益中之購股權儲備。公允值於授出日使用二項模式計量,並考慮授出購股權時之條款及條件。當僱員於無條件獲授購股權前,應先符合歸屬條件。根據考慮購股權歸屬之可能性,估計之購股權公允值總額按歸屬期分攤。

於歸屬期內,將檢討預期歸屬之購股權數目。任何對過往年度確認的累計公允值所作之任何最終調整將於檢討年度在損益中列支/抵扣,相應之調整於購股權儲備反映,惟初始僱員開支符合資格於一項資產中確認除外。在歸屬日,確認為支出之數額將作出調整,以反映歸屬的實際購股權數目(於購股權儲備作出相應之調整),惟因本公司之股份市價致使歸屬情況未能達到而引致作廢除外。權益金額確認為購股權儲備,直至購股權獲行使(在此情況下將轉至股份溢價帳)或購股權到期屆滿(在此情況下將直接回撥保留溢利/累計虧損內)。

- (iii) *合約終止補償*

合約終止補償會於當本集團不能再撤回該等補償提議時,或於其確認重組成本涉及支付合約終止補償時,之較早者時候受確認。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

1 主要會計政策(續)

(t) 所得稅

本年度所得稅包括即期所得稅及遞延稅項資產及負債之變動。即期所得稅及遞延稅項資產及負債之變動均在損益內確認,惟其他全面收益或直接於權益確認之項目除外,此等相關稅項數額分別於其他全面收益或直接於權益中確認。

即期所得稅乃年度應課稅收入,根據在報告期末已執行或實質上已執行之稅率計算之預期應付稅項,及過往年度應付稅項之任何調整。

遞延稅項資產及負債分別由可抵扣及應課稅暫時差額產生。暫時差額指資產及負債就財務報表而言之賬面值與此等資產及負債之稅基之差額。遞延稅項資產亦可由未動用之可抵扣稅務虧損及未動用之稅務抵免產生。

除了若干有限之例外情況,所有遞延稅項負債和遞延稅項資產(只以未來可能有應課稅溢利予以抵銷之資產為限)均予以確認。支持確認由可抵扣暫時差額所產生之遞延稅項資產之未來應課稅溢利(包括因回撥目前之應課稅暫時差額而產生之數額;但此等回撥之差額必須與同一稅務機關及同一應課稅實體有關,並預期在可抵扣暫時差額預計回撥之同一期間或遞延稅項資產所產生可抵扣稅務虧損可向後期或向前期之期間內回撥)。在決定目前存在之應課稅暫時差額是否足以支持確認由未動用稅務虧損與稅務抵免所產生之遞延稅項資產時,亦會採用同一準則,即差額是否與同一稅務機關及同一應課稅實體有關,及是否預期在能夠使用未動用稅務虧損與稅務抵免回撥之同一期間內回撥。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

1 主要會計政策(續)

(t) 所得稅(續)

確認為遞延稅項資產及負債之有限例外情況乃產生自不可抵扣稅項之商譽之暫時差額,資產或負債之初始確認不影響會計或應課稅溢利(不可為業務合併之一部份);以及投資附屬公司之暫時差額(如屬應課稅差額,只限於本集團可控制回撥之時間,而且在可預見之將來不大可能回撥之暫時差額;或如屬可抵扣差額,則只限於可能在將來回撥之差額)。

遞延稅項乃按照資產及負債賬面值之預期實現或清償方式,根據在報告日已執行或實質上已執行之稅率確認。遞延稅項資產及負債均不予貼現。

遞延稅項資產之賬面值於每個報告日評估。預期不再可能獲得足夠之應課稅溢利以抵扣相關之稅務利益時,該遞延稅項資產之賬面值便會調低;但如日後有可能獲得足夠之應課稅溢利,有關減額便會回撥。

股息分派產生之額外所得稅於確認支付相關股息負債時確認。

即期與遞延稅項結餘及其變更將各自列示且不予抵銷。即期及遞延稅項資產只會在本公司或本集團有合法可強制執行權利,並且符合以下附帶條件之情況下,方可分別以即期稅項資產抵扣即期稅項負債、以遞延稅項資產抵扣遞延稅項負債:

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Income tax (Continued)

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(u) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

1 主要會計政策(續)

(t) 所得稅(續)

- 即期稅項資產及負債:本公司或本集團計劃按淨額基準結算,或同時變現該資產及償還該負債;或
- 遞延稅項資產及負債:此等資產及負債必須與同一稅務機關就以下其中一項徵收之所得稅有關:
 - 同一應課稅實體;或
 - 不同之應課稅實體:此等實體預期在未來每個有重大遞延稅項負債需償還或重大遞延稅項資產可收回之期間內,按淨額基準實現即期稅項資產及償還即期稅項負債,或同時實現該資產及清償該負債。

(u) 發出之財務擔保、撥備及或然負債

(i) 發出之財務擔保

財務擔保乃由簽發者(即擔保人)預備特別款項以補償擔保受益人(「持有人」)因特定債務人未能根據債務文據之條款於到期日償還貸款之損失之契約。

倘本集團發出財務擔保,擔保之公允值初始於營運及其他應付款項中確認為遞延收入。倘相關信息可獲取時發出之財務擔保之公允值是參考發出擔保時通過正常交易方式下同類服務所收取的費用而釐定的,或者倘相關信息能可靠估計時,參考有擔保貸款和無擔保貸款的利率差異而釐定,倘就簽發擔保可收取或應收取代價,則代價根據本集團適用於該類別資產之政策確認。倘並無收取或應收取代價,則於初始確認任何遞延收入時在損益內確認為即時開支。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Financial guarantees issued, provisions and contingent liabilities (Continued)

(i) Financial guarantees issued (Continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 1(u)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee, i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

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

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

1 主要會計政策(續)

(u) 發出之財務擔保、撥備及或然負債(續)

(i) 發出之財務擔保(續)

初始確認為遞延收入之擔保金額於擔保期內在損益中攤銷確認為發出財務擔保之收入。此外,倘若及當(i)擔保之持有人根據擔保要求本集團履行擔保;及(ii)向本集團索償之金額超出當時就該擔保在營運及其他應付款項內列賬之金額(即初始確認金額扣減累計攤銷後之餘額),將根據附註1(u)(ii)確認撥備。

(ii) 其他撥備及或然負債

撥備乃本集團或本公司因過往事項而產生之法定或推定責任之時間或金額不明確之其他責任,並將需以經濟利益流出以完成責任及作出可靠估計。若貨幣時間值屬重大,撥備需按預期完成責任之支出現值入賬。

若流出經濟利益之可能性較低,或數額未能作出可靠估計時,該責任將披露為或然負債,惟流出經濟利益之可能性極低者除外。僅由於一項或多項未來事項之發生或不發生而確認是否存在之可能責任亦需披露為或然負債,惟流出經濟利益之可能性極低者除外。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customers. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Promotion and service income

Promotion and service income not related to the purchase of goods are recognised when the services are rendered.

(iv) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method.

1 主要會計政策(續)

(v) 收入確認

收入按已收及應收代價之公允值計量。如經濟效益很可能流入本集團,而收入及成本(如適用)能可靠地計量時,收入將按下列基準在損益中確認:

(i) 銷售貨品

收入於擁有權之重大風險及收益轉移予顧客時確認。收入並不包括增值稅或其他銷售稅,亦經扣除任何貿易折扣。

(ii) 營運租賃之租賃收入

營運租賃之應收租賃收入在租賃期所涵蓋之會計期間內以等額在損益中確認;惟其他基準能更有代表性地反映使用租賃資產所產生之收益模式除外。租賃獎勵均在損益中確認為累計應收租賃款項淨額之主要部份。或然租金在其賺取之會計期間內確認為收入。

(iii) 推廣及服務收入

推廣及服務收入(與購買貨品無關)於提供服務時確認。

(iv) 股息

非上市投資之股息收入於股東收取款項之權利確立時確認。

(v) 利息收入

利息收入按實際利率法於應計時確認。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Revenue recognition (Continued)

(vi) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(w) Translation of foreign currency

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Except as noted below, exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of entities outside the PRC are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. The assets and liabilities of entities outside the PRC are translated into RMB at the closing foreign exchange rates at the end of reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

Exchange differences arising from monetary items that in substance form part of the net investment in foreign operations are recognised in other comprehensive income in the consolidated financial statements.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

1 主要會計政策(續)

(v) 收入確認(續)

(vi) 政府補助

政府補助於本集團能夠合理確認將會收取及將遵守附帶條件的情況下初始計入財務狀況報表。補償本集團已產生之開支補助將於損益中於費用發生的相同期間系統確認為收入。補償本集團資產成本之補助,在相關資產賬面值中扣除,其後於該資產的可使用年期內以減少折舊開支方式於損益確認。

(w) 外幣換算

年內之外幣交易按交易日之外幣匯率換算。以期末外幣計值之貨幣資產及負債按報告日之外幣匯率換算。除以下所示,匯兌盈虧在損益中確認。

以歷史成本計量之外幣非貨幣資產及負債按交易日之外幣匯率換算。以外幣為計值並以公允值列賬之非貨幣資產及負債按釐定公允值當日之外幣匯率換算。

中國以外公司之業績按與交易日之外幣匯率相若之匯率換算為人民幣。中國以外公司之資產及負債則按報告期末之外幣匯率換算為人民幣。產生之匯兌差額確認於其他全面收益,並獨立累計於匯兌儲備之權益中。

實質上構成海外業務投資淨額的貨幣項目產生之匯兌差額,計入綜合財務報表之其他全面收益。

出售海外業務時,如出售之溢利或虧損被確認,與海外業務有關之累計匯兌差額之數額由權益重新分類至損益。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(y) 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 the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (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.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

1 主要會計政策(續)

(x) 借貸成本

借貸成本若與收購、建造或生產資產直接相關,並需長時間投入擬定用途或銷售,將予以資本化作為該資產之成本。其他借貸成本於產生期間列支。

於資產的開支產生、借貸成本產生及預備資產投入擬定用途或銷售所必須的準備工作進行時,借貸成本將開始資本化為合資格資產之成本部份。當預備資產投入擬定用途或銷售所必須的準備工作終止或完成時,借貸成本資本化將停止或完結。

(y) 相關人士

(a) 一名人士,或該人士之一名近親,被視為與本集團相關:

- (i) 該人士對本集團有控制權或共同控制權;
- (ii) 該人士重大影響本集團;或
- (iii) 該人士為本集團或本集團母公司之主要管理層成員。

(b) 一家企業被視為與本集團相關,倘以下任何條件相符:

- (i) 該企業與本集團為同一集團之成員(即指母公司、附屬公司及同系附屬公司與對方相關)。
- (ii) 一家企業乃另一家企業之聯營公司或合資企業(或集團成員之聯營公司或合資企業,而另一家企業為成員)。
- (iii) 兩家企業均為同一第三方之合資企業。
- (iv) 一家企業為一家第三方企業之合資企業,而另一家企業為該第三方業之聯營公司。
- (v) 該企業為本集團或一家與本集團相關之企業之僱員受益退休福利計劃。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Related parties (Continued)

- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

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.

(z) Segment reporting

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

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

2 REVENUE AND SEGMENT INFORMATION

The principal activity of the Group is the operation of hypermarket stores in the PRC. Revenue represents the net amounts received and receivable for goods sold by the Group to external customers, less returns, discounts and value added taxes.

The Group's customer base is diversified and there is no customer with whom transactions have exceeded 10% of the Group's revenue.

All revenue from external customers are generated in the PRC and all significant operating assets of the Group are located in the PRC. Accordingly, the Group has a single operating and reportable segment – operation of hypermarket stores in the PRC.

1 主要會計政策(續)

(y) 相關人士(續)

- (vi) 該企業由上文(a)所述之一名人士控制或共同控制。
- (vii) 上文(a)(i)所述之一名人士對該企業有重大影響或為該企業(或該企業之母公司)之主要管理層成員。
- (viii) 該企業(或任何該企業所屬集團之企業成員)向本集團或本集團母公司提供主要管理層成員服務。

一名人士之近親乃於處理該企業之事務時預期可影響該人士或受該人士影響之家庭成員。

(z) 分部報告

營運分部及財務報表內報告各分部項目之金額,乃取自向本集團最高資深行政管理層定期提供用作向本集團若干業務分配資源及評估表現之財務資料。

個別重大之營運分部不會為財務報告目的而合計,惟有關分部具有類似經濟特性,並且具有類似之產品及服務性質、客戶類型或類別、分銷產品或提供服務方法,以及監管環境性質除外。個別非重大之營運分部倘符合上述大多數準則可予合計。

2 收入及分部資料

本集團之主要業務乃於中國經營大型超市。收入乃本集團向外來顧客銷售貨品收取或應收之淨額扣除退貨、折扣及增值稅。

本集團之顧客基礎多樣化,概無顧客之交易佔本集團收入超過10%。

所有外來顧客之收入來自於中國及本集團所有重大營運資產位於中國。因此,本集團僅有一個業務及報告分部—於中國經營大型超市。

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3 OTHER REVENUE AND OTHER NET LOSS 3 其他收益及其他虧損淨額

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Other revenue	其他收益		
Leasing of store premises	店舖物業租賃收入	481,154	432,125
Other promotion and service income	其他推廣及服務收入	51,829	76,058
Interest income	利息收入	2,633	4,490
Government grants (note (i))	政府補助(附註(i))	3,992	8,600
		539,608	521,273
Other net loss	其他虧損淨額		
Net foreign exchange loss	匯兌虧損淨額	(75,861)	(68,472)
Gain on the forward foreign exchange contracts (note 15(ii))	遠期外匯期貨合約之溢利(附註15(ii))	37,849	72,765
Net loss from store project cancellations (note (ii))	取消店舖計劃之虧損淨額(附註(ii))	-	(8,055)
Net gain on disposal of two subsidiaries (note 31)	出售兩家附屬公司之溢利淨額(附註31)	148	-
Impairment losses	減值虧損		
– property, plant and equipment (note 9(a))	– 物業、房產及設備(附註9(a))	(83,017)	(11,192)
– intangible assets (note 10)	– 無形資產(附註10)	(10,663)	(3,828)
– goodwill (note 11)	– 商譽(附註11)	(257,526)	-
Net loss on disposal of property, plant and equipment	出售物業、房產及設備之虧損淨額	(26,437)	(10,565)
		(415,507)	(29,347)

Notes:

- (i) Government grants represent subsidies received from local authorities.
- (ii) This represents the losses incurred in relation to the cancellation of certain store opening projects in 2015.

附註:

- (i) 政府補助為地方政府提供之津貼。
- (ii) 此為二零一五年取消若干開店計劃帶來之虧損。

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4 (LOSS)/PROFIT BEFORE TAXATION

4 除稅前(虧損)/溢利

(Loss)/profit before taxation is arrived at after charging:

除稅前(虧損)/溢利自列支後產生:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
(a) Finance costs:	(a) 融資成本:		
Interest on borrowings wholly-repayable within five years	於五年內悉數償還之貸款利息:		
– Bank loans	– 銀行貸款	48,848	48,445
– Other loans	– 其他貸款	1,083	775
Finance charges on obligations under finance leases (note 22)	融資租賃責任之融資費用(附註22)	15,725	16,653
Interest on issuance of bank accepted bills	銀行發出之承兌匯票利息	8,869	4,361
Total interest expense on financial liabilities not at fair value through profit or loss		74,525	70,234
Loan arrangement and guarantee fees	貸款安排及擔保費用	8,258	3,543
		82,783	73,777
(b) Staff costs:	(b) 僱員成本:		
Salaries, wages and other benefits	薪金、工資及其他福利	896,247	844,814
Contributions to defined contribution retirement plans (note 29)	定額供款退休計劃之供款(附註29)	92,898	84,939
Termination benefits (note (i))	合約終止補償(附註(i))	44,640	–
		1,033,785	929,753
(c) Other items:	(c) 其他項目:		
Depreciation (note 9(a))	折舊(附註9(a))	185,656	181,129
Amortisation	攤銷		
– land lease premium (note 9(a))	– 土地租賃價款(附註9(a))	6,294	6,294
– intangible assets (note 10)	– 無形資產(附註10)	10,250	10,838
Auditors' remuneration – audit services	核數師酬金 – 審計服務	3,450	3,600
Operating lease charges – property rentals	營運租賃費用 – 物業租賃	498,387	485,997
Donations	捐款	3	4
Cost of inventories (note 14)	存貨成本(附註14)	8,347,148	8,829,048

Note:

附註:

(i) During the year ended 31 December 2016, the Group has implemented a restructuring plan to streamline the organisation structure, which has resulted to the termination of certain employee's services. Accordingly, the Group has made provision for the related termination benefits at the end of the reporting period.

(i) 截至二零一六年十二月三十一日止年度內,本集團已實施重組計劃以精簡組織架構,導致終止若干僱員服務。因此,本集團於報告期末時為相關合約終止補償作出了撥備。

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5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

5 於綜合損益表之所得稅

(a) Taxation in the consolidated statement of profit or loss represents:

(a) 於綜合損益表之稅項乃：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current tax – PRC			
Provision for the year	即期稅項－中國 年度撥備	28,097	31,733
Under/(over)-provision in respect of prior years	往年度未足／(超額)額 撥備	4,560	(3,851)
		32,657	27,882
Deferred tax			
Origination and reversal of temporary differences (note 24(b))	遞延稅項 產生及回撥暫時差額 (附註24(b))	(9,768)	(9,658)
		22,889	18,224

Income tax is calculated at the rates prevailing in the relevant jurisdictions.

No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries did not generate any assessable profits in Hong Kong during the year.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Pursuant to the Corporate Income Tax Law ("CIT law") of the PRC, subsidiaries of the Group established in the PRC are subject to PRC income tax at 25% (2015: 25%) on their assessable profits as determined in accordance with the CIT law.

Further, under the CIT law, 10% withholding tax is levied on the foreign investor in respect of dividend distributions arising from a foreign invested enterprise's profit earned after 1 January 2008. As at 31 December 2016, the PRC subsidiaries of the Group had accumulated losses and therefore no deferred tax liabilities were recognised in this regard.

所得稅按相關司法權區之現行稅率計算。

由於本公司及其附屬公司概無於香港產生任何應課稅溢利,故於本年度內未就香港利得稅作出撥備。

根據開曼群島及英屬維爾京群島之法例及法規,本集團概無於開曼群島及英屬維爾京群島產生任何所得稅。

根據中國企業所得稅法(「企業所得稅法」),本集團於中國成立之附屬公司之應評稅溢利稅率按企業所得稅法為25%(二零一五年:25%)。

此外,於企業所得稅法下,就外商投資企業就其於二零零八年一月一日後所賺取之溢利向其海外投資者分派股息,徵收10%有關股息分派之預扣稅。於二零一六年十二月三十一日,本集團之中國附屬公司產生累計虧損,因此,概無對此確認遞延稅項負債。

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5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

5 於綜合損益表之所得稅(續)

(b) Reconciliation between tax expense and accounting (loss)/profit at applicable tax rates:

(b) 稅項費用與會計(虧損)/溢利按適用稅率計算之對賬如下:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
(Loss)/profit before taxation	除稅前(虧損)/溢利	(514,711)	153
Notional tax on (loss)/profit before taxation, calculated at 25% (2015: 25%) (note)	以25%計算之除稅前(虧損)/溢利假設稅項(二零一五年: 25%) (附註)	(128,678)	38
Under/(over)-provision in prior years	往年度未足額/(超額)撥備	4,560	(3,851)
Tax effect of non-deductible impairment loss for goodwill	不可扣除商譽減值虧損之稅務影響	64,382	-
Tax effect of other non-deductible expenses	其他不可扣除開支之稅務影響	11,297	14,126
Tax effect of non-taxable income	非課稅收入之稅務影響	(9,462)	(16,849)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	46,389	28,296
Tax effect of temporary differences from impairment losses for property, plant and equipment and intangible assets not recognised	未確認物業、房產及設備及無形資產減值虧損暫時差額之稅務影響	23,420	3,755
Tax effect of other temporary differences not recognised	未確認其他暫時差額之稅務影響	15,957	-
Tax effect of prior year's unrecognised temporary differences utilised	使用往年未確認之其他暫時差額之稅務影響	-	(3,158)
Tax effect of prior year's recognised tax losses expired/reversed	已到期/轉回往年已確認稅項虧損之稅務影響	-	2,135
Tax effect of prior year's unrecognised tax losses utilised	使用往年未確認稅務虧損之稅務影響	(4,976)	(6,268)
Actual tax expense	實際稅項費用	22,889	18,224

Note: The PRC Corporate Income Tax rate of 25% (2015: 25%) is used as the operations of the Group are substantially based in the PRC.

附註: 由於本集團主要於中國營運,故以25%(二零一五年: 25%)之中國企業所得稅稅率計算。

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6 DIRECTORS' REMUNERATION

6 董事酬金

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

根據香港公司條例第383(1)條及《公司(披露董事利益資料)規例》第2部披露之董事酬金如下:

For the year ended 31 December 2016:

截至二零一六年十二月三十一日止年度:

		Salaries, allowances and benefits in kind	Discretionary bonus	Retirement benefit scheme contributions	Sub-total	Share- based payments 以股份為 基礎支付	Total	
	董事袍金	薪金、津貼及 非現金利益	酌定之花紅	退休金供款	小計	基礎支付	總額	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Executive directors	執行董事							
Mr. Soopakij Chearavanont	謝吉人先生	-	5,003	-	15	5,018	-	5,018
Mr. Li Wen Hai	李聞海先生	-	6,153	-	15	6,168	-	6,168
Mr. Narong Chearavanont	謝明欣先生	-	3,525	-	-	3,525	-	3,525
Mr. Chan Yiu-Cheong, Ed	陳耀昌先生	-	4,640	-	15	4,655	-	4,655
Mr. Michael Ross	羅家順先生	-	-	-	-	-	-	-
Mr. Yang Xiaoping	楊小平先生	-	-	-	-	-	-	-
Mr. Meth Jiaravanont	謝克俊先生	-	802	-	-	802	-	802
Mr. Suphachai Chearavanont	謝鏊仁先生	-	-	-	-	-	-	-
Mr. Umroong Sanphasitvong	Umroong Sanphasitvong先生	-	-	-	-	-	-	-
Mr. Piyawat Titasattavorakul (resigned on 10 November 2016)	Piyawat Titasattavorakul先生 (於二零一六年十一月十日 辭職)	-	-	-	-	-	-	-
Independent non-executive directors	獨立非執行董事							
Mr. Viroj Sangsnit	Viroj Sangsnit先生	206	-	-	-	206	-	206
Mr. Songkitti Jaggabatara	Songkitti Jaggabatara先生	206	-	-	-	206	-	206
Mr. Itthaporn Subhawong	Itthaporn Subhawong先生	206	-	-	-	206	-	206
Mr. Prasobsook Boondech	Prasobsook Boondech先生	206	-	-	-	206	-	206
Mr. Cheng Yuk Wo	鄭毓和先生	206	-	-	-	206	-	206
Total	總額	1,030	20,123	-	45	21,198	-	21,198

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6 DIRECTORS' REMUNERATION (Continued)

6 董事酬金(續)

For the year ended 31 December 2015:

截至二零一五年十二月三十一日止年度:

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonus	Retirement benefit scheme contributions	Sub-total	Share-based payments	Total
	董事袍金	薪金、津貼及非現金利益	酌定之花紅	退休金供款	小計	基礎支付	總額
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事						
Mr. Soopakij Chearavanont	-	4,702	-	14	4,716	-	4,716
Mr. Li Wen Hai	-	4,826	-	-	4,826	-	4,826
Mr. Narong Chearavanont	-	3,537	-	-	3,537	-	3,537
Mr. Chan Yiu-Cheong, Ed	-	4,357	-	14	4,371	-	4,371
Mr. Michael Ross	-	-	-	-	-	-	-
Mr. Yang Xiaoping	-	227	-	1	228	-	228
Mr. Meth Jiaravanont	-	753	-	-	753	-	753
Mr. Suphachai Chearavanont	-	-	-	-	-	-	-
Mr. Umroong Sanphasitvong	-	-	-	-	-	-	-
Mr. Piyawat Titasattavorakul	-	-	-	-	-	-	-
Independent non-executive directors	獨立非執行董事						
Mr. Viroj Sangsnit	193	-	-	-	193	-	193
Mr. Songkitti Jaggabatara	193	-	-	-	193	-	193
Mr. Itthaporn Subhawong	193	-	-	-	193	-	193
Mr. Prasobsook Boondech	193	-	-	-	193	-	193
Mr. Cheng Yuk Wo	193	-	-	-	193	-	193
Total		總額					
	965	18,402	-	29	19,396	-	19,396

During the years ended 31 December 2016 and 2015, there were no amounts paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no director waived any emoluments for the years ended 31 December 2016 and 2015.

截至二零一六年及二零一五年十二月三十一日止之年度內,本集團概無向董事支付或應付金額作為邀請加入本集團或於加入時之報酬或離職之賠償。此外,於截至二零一六年及二零一五年十二月三十一日止之年度內,概無董事放棄任何酬金。

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7 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, four (2015: four) are directors whose emoluments are disclosed in note 6. The emoluments in respect of the other one (2015: one) individual is as follows:

7 最高薪酬僱員

在五位最高薪酬僱員中,四位(二零一五年:四位)為董事,其酬金已於附註6披露。餘下之一位(二零一五年:一位)僱員之累計酬金詳情如下:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他酬金	4,925	4,744
Discretionary bonuses	酌定之花紅	-	-
Share-based payments	以股份為基礎支付	-	-
Retirement scheme contributions	退休金供款	-	-
		4,925	4,744

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8 LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share is based on the following data:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Loss for the year attributable to equity shareholders of the Company	本公司股東應佔之年度虧損	(537,587)	(17,958)

The weighted average number of shares is calculated based on the following data:

		2016 二零一六年	2015 二零一五年
Number of ordinary shares in issue at 1 January	於一月一日已發行之普通股股數	11,019,072,390	10,408,271,730
Effect of ordinary shares issued upon exercise of share options on 21 May 2015	於二零一五年五月二十一日行使購股權而發行普通股之影響	-	376,520,955
Number of Series A convertible preference shares in issue	已發行之A系列可換股優先股股數	1,518,807,075	1,518,807,075
Number of Series B convertible preference shares in issue	已發行之B系列可換股優先股股數	3,897,110,334	3,897,110,334
Number of Series C convertible preference shares in issue	已發行之C系列可換股優先股股數	3,671,509,764	3,671,509,764
Number of Series D convertible preference shares in issue	已發行之D系列可換股優先股股數	2,211,382,609	2,211,382,609
Total	總額	22,317,882,172	22,083,602,467

As set out in note 25(c), the holders of the convertible preference shares are entitled to receive the same dividends as the holders of ordinary shares.

(b) Diluted loss per share

The diluted loss per share for the year ended 31 December 2016 is the same as the basic loss per share as there were no dilutive potential ordinary or convertible preference shares outstanding during the year.

The diluted loss per share for the year ended 31 December 2015 is the same as the basic loss per share as all the potential ordinary or convertible preference shares outstanding during the year are anti-dilutive.

8 每股虧損

(a) 每股基本虧損

每股基本虧損按下列資料計算：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Loss for the year attributable to equity shareholders of the Company	本公司股東應佔之年度虧損	(537,587)	(17,958)

加權平均股份數目以下列資料計算：

		2016 二零一六年	2015 二零一五年
Number of ordinary shares in issue at 1 January	於一月一日已發行之普通股股數	11,019,072,390	10,408,271,730
Effect of ordinary shares issued upon exercise of share options on 21 May 2015	於二零一五年五月二十一日行使購股權而發行普通股之影響	-	376,520,955
Number of Series A convertible preference shares in issue	已發行之A系列可換股優先股股數	1,518,807,075	1,518,807,075
Number of Series B convertible preference shares in issue	已發行之B系列可換股優先股股數	3,897,110,334	3,897,110,334
Number of Series C convertible preference shares in issue	已發行之C系列可換股優先股股數	3,671,509,764	3,671,509,764
Number of Series D convertible preference shares in issue	已發行之D系列可換股優先股股數	2,211,382,609	2,211,382,609
Total	總額	22,317,882,172	22,083,602,467

根據附註25(c), 可換股優先股持有人可享有與普通股持有人收取相同股息之權利。

(b) 每股攤薄虧損

於截至二零一六年十二月三十一日之年度, 由於本公司於年度內並無任何具潛在攤薄效應之普通或可換股優先股, 因此每股攤薄虧損與每股基本虧損相同。

於截至二零一五年十二月三十一日之年度, 因所有潛在普通或可換股優先股均屬反攤薄性, 因此每股攤薄虧損與每股基本虧損相同。

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9 PROPERTY, PLANT AND EQUIPMENT AND LEASEHOLD LAND

9 物業、房產及設備及租賃土地

(a) Reconciliation of carrying amount

(a) 賬面值之對賬

		Buildings	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Stores under fit out	Sub-total	Interests in leasehold land held for own use under operating leases	Total
		樓宇	租賃裝修	傢俬、裝置及設備	汽車	裝修中之店舖	小計	營運租賃之自用土地租賃權益	總額
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost:	成本:								
At 1 January 2015	於二零一五年一月一日	234,324	1,588,472	563,817	23,281	27,131	2,437,025	201,042	2,638,067
Exchange adjustments	匯兌調整	-	-	133	110	-	243	-	243
Additions	添置	-	2,308	32,137	12,531	277,763	324,739	-	324,739
Transfer	轉移	-	170,787	114,536	910	(286,233)	-	-	-
Disposals	出售	-	(14,633)	(57,399)	(5,576)	(270)	(77,878)	-	(77,878)
At 31 December 2015	於二零一五年十二月三十一日	234,324	1,746,934	653,224	31,256	18,391	2,684,129	201,042	2,885,171
At 1 January 2016	於二零一六年一月一日	234,324	1,746,934	653,224	31,256	18,391	2,684,129	201,042	2,885,171
Exchange adjustments	匯兌調整	-	-	168	365	-	533	-	533
Additions	添置	-	1,646	29,206	1,427	165,918	198,197	-	198,197
Transfer	轉移	-	23,158	72,523	725	(96,406)	-	-	-
Disposals	出售	-	(28,355)	(45,928)	(7,019)	-	(81,302)	-	(81,302)
Disposal of two subsidiaries (note 31)	出售兩家附屬公司(附註31)	-	-	(81)	-	-	(81)	-	(81)
At 31 December 2016	於二零一六年十二月三十一日	234,324	1,743,383	709,112	26,754	87,903	2,801,476	201,042	3,002,518
Accumulated depreciation and impairment losses:	累計折舊及減值虧損:								
At 1 January 2015	於二零一五年一月一日	100,201	593,236	187,973	10,880	-	892,290	59,390	951,680
Exchange adjustments	匯兌調整	-	-	130	284	-	414	-	414
Charge for the year	年度內確認	11,405	92,595	70,139	6,990	-	181,129	6,294	187,423
Impairment losses (note 3)	減值虧損(附註3)	-	7,920	3,272	-	-	11,192	-	11,192
Written back on disposal	出售之回撥	-	(12,574)	(46,644)	(3,565)	-	(62,783)	-	(62,783)
At 31 December 2015	於二零一五年十二月三十一日	111,606	681,177	214,870	14,589	-	1,022,242	65,684	1,087,926
At 1 January 2016	於二零一六年一月一日	111,606	681,177	214,870	14,589	-	1,022,242	65,684	1,087,926
Exchange adjustments	匯兌調整	-	-	168	302	-	470	-	470
Charge for the year	年度內確認	11,405	95,501	75,455	3,295	-	185,656	6,294	191,950
Impairment losses (note 3)	減值虧損(附註3)	-	63,940	19,077	-	-	83,017	-	83,017
Written back on disposal	出售之回撥	-	(17,002)	(27,704)	(5,823)	-	(50,529)	-	(50,529)
Written back on disposal of two subsidiaries (note 31)	出售兩家附屬公司之回撥(附註31)	-	-	(51)	-	-	(51)	-	(51)
At 31 December 2016	於二零一六年十二月三十一日	123,011	823,616	281,815	12,363	-	1,240,805	71,978	1,312,783
Net book value:	賬面值:								
At 31 December 2016	於二零一六年十二月三十一日	111,313	919,767	427,297	14,391	87,903	1,560,671	129,064	1,689,735
At 31 December 2015	於二零一五年十二月三十一日	122,718	1,065,757	438,354	16,667	18,391	1,661,887	135,358	1,797,245

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9 PROPERTY, PLANT AND EQUIPMENT AND LEASEHOLD LAND (Continued)

(a) Reconciliation of carrying amount (Continued)

Impairment losses

As at 31 December 2016, due to a significant increase in loss of certain stores, leasehold improvements, furniture, fixtures and equipment, and intangible assets used in these stores of the Group were stated net of impairment losses of RMB58,329,000 (2015: RMB7,920,000), RMB14,017,000 (2015: RMB3,272,000), and RMB10,663,000 (2015: RMB3,828,000), to write down the carrying amount of these assets to their recoverable amount of approximately RMB36,030,000 (2015: RMB16,950,000), RMB8,658,000 (2015: RMB7,003,000) and RMB22,107,000 (2015: RMB2,440,000) respectively. In calculating these losses, the recoverable amounts of the relevant assets were determined on the basis of their value in use. The pre-tax discount rate of 13.5% used reflects the current market assessment of the time value of money and the risks specific to the CGUs.

As at 31 December 2016, certain stores were closed due to the redevelopment plan initiated by the landlords for the sites where the stores were located. The Group made an impairment loss of RMB5,611,000 and RMB5,060,000 respectively over the relevant leasehold improvements and furniture, fixtures and equipment of these stores to write down the carrying value to these assets to their net recoverable amounts, which was determined based on their fair value less costs of disposal.

(b) The analysis of net book value of properties is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
In the PRC – medium-term leases	於中國內 – 中期租賃	240,377	258,076
Representing: Buildings	分別為: 樓宇	111,313	122,718
Interests in leasehold land held for own use under operating leases	營運租賃之自用土地 租賃權益	129,064	135,358
		240,377	258,076

9 物業、房產及設備及租賃土地(續)

(a) 賬面值之對賬(續)

減值虧損

於二零一六年十二月三十一日,因本集團若干店舖之虧損顯著增加,此等店舖之租賃裝修、傢俬、裝置及設備及無形資產,已分別扣除為人民幣58,329,000元(二零一五年:人民幣7,920,000元)、人民幣14,017,000元(二零一五年:人民幣3,272,000元)及人民幣10,663,000元(二零一五年:人民幣3,828,000元)之減值虧損,並分別將此等資產之賬面值撇減至可回收數額約為人民幣36,030,000元(二零一五年:人民幣16,950,000元)、人民幣8,658,000元(二零一五年:人民幣7,003,000元)及人民幣22,107,000元(二零一五年:人民幣2,440,000元)。於計算此等虧損,相關資產的可回收數額按其使用價值而釐定。稅前貼現率為13.5%反映現在市場評估現金產生單位之金額時間值及現金產生單位特有之風險。

於二零一六年十二月三十一日,若干店舖因業主選擇重建店舖所在之物業而關閉。本集團就相關店舖之租賃裝修、傢俬、裝置及設備之賬面值減值至根據其公允值減去出售成本而釐定之收回數額,分別確認人民幣5,611,000元及人民幣5,060,000元之減值虧損。

(b) 物業之賬面值分析如下:

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9 PROPERTY, PLANT AND EQUIPMENT AND LEASEHOLD LAND (Continued)

(c) Assets held under finance leases

At 31 December 2016, the net book value of buildings held under finance leases of the Group was RMB94,945,000 (2015: RMB102,449,000). The leases do not include contingent rentals. The buildings are situated in the PRC and held under medium-term land use rights.

10 INTANGIBLE ASSETS

Cost:

At 1 January and 31 December

成本:

於一月一日及十二月三十一日

Accumulated amortisation/and impairment losses:

At 1 January

Charge for the year

Impairment losses (notes 3 and 9(a))

累計攤銷/及減值虧損:

於一月一日

年度內確認

減值虧損(附註3及9(a))

At 31 December

於十二月三十一日

Net book value:

賬面值:

Intangible assets relate to operating lease agreements acquired in the acquisition of subsidiaries in 2008 and 2012. The fair value on acquisition was determined based on a valuation report prepared by independent third party valuers and comparison of the market rental rates at the dates of acquisition and the estimated present value of payments due under the lease contracts entered into by the acquired subsidiaries. The intangible assets are amortised using the straight-line method over the remaining lease terms which vary from 10 to 30 years.

The amortisation charge for the year is included in "Distribution and store operating costs" in the consolidated statement of profit or loss.

9 物業、房產及設備及租賃土地(續)

(c) 融資租賃持有之資產

於二零一六年十二月三十一日,本集團融資租賃樓宇之賬面值為人民幣94,945,000元(二零一五年:人民幣102,449,000元)。此租賃並不包括或然租金。樓宇位於中國,並以中期土地使用權持有。

10 無形資產

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost:	成本:		
At 1 January and 31 December	於一月一日及十二月三十一日	237,250	237,250
Accumulated amortisation/and impairment losses:	累計攤銷/及減值虧損:		
At 1 January	於一月一日	70,769	56,103
Charge for the year	年度內確認	10,250	10,838
Impairment losses (notes 3 and 9(a))	減值虧損(附註3及9(a))	10,663	3,828
At 31 December	於十二月三十一日	91,682	70,769
Net book value:	賬面值:	145,568	166,481

無形資產與於二零零八年及二零一二年收購附屬公司所收購之營運租賃協議相關。收購之公允值按獨立第三方估值師編製之估價報告與收購日之市值租金比較及所收購附屬公司簽訂租賃合同應付款項之估計現值而釐定。無形資產以直線法按餘下租賃期(由10至30年不等)攤銷。

於年內之攤銷費用包括於綜合損益表內之「商店配送及營運成本」。

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11 GOODWILL

11 商譽

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost:	成本:		
At 1 January and 31 December	於一月一日及十二月三十一日	2,962,782	2,962,782
Accumulated impairment losses:	累計減值虧損:		
At 1 January	於一月一日	(51,004)	(51,004)
Impairment losses (note 3)	減值虧損(附註3)	(257,526)	-
At 31 December	於十二月三十一日	(308,530)	(51,004)
Carrying amount:	賬面值:		
At 31 December	於十二月三十一日	2,654,252	2,911,778

Impairment tests for CGUs containing goodwill

包含商譽之現金產生單位減值測試

Goodwill is allocated to the following three groups of CGUs, identified according to region of operation of the Group:

商譽之分配乃根據本集團營運區域分類為以下三個組別現金產生單位:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
East China Region	華東地區	2,526,847	2,784,373
South China Region	華南地區	124,007	124,007
North China Region	華北地區	3,398	3,398
		2,654,252	2,911,778

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11 GOODWILL (Continued)

The recoverable amount of each of the above CGUs is determined based on value in use calculations. The key assumptions for the value in use calculations are those relating to the discount rate, long-term growth rates, and the expected changes to gross margin and store operating and administrative expenses. These calculations use cash flow projections based on financial budgets approved by management covering a one-year period, which are extrapolated up to the following ten years by using estimated growth rates of -3.8% to 2.3% per annum (2015: 0% to 5% per annum) for the East China Region and 4.7% to 5% per annum (2015: 3.5% to 5% per annum) for the South China Region, respectively. The forecasts are extrapolated beyond ten years based on estimated long-term growth rates of 2% (2015: 2%) per annum. The growth rates used do not exceed the long-term growth rates for the business in which the CGU operates. The pre-tax discount rate of 13.5% (2015: 11%) used reflects the current market assessment of the time value of money and the risks specific to the CGUs. Changes in gross margin and store operating and administrative expenses are based on past practices and expectations of future changes in the market.

Impairment loss recognised during the year ended 31 December 2016 relates to the Group's operations located in the East China Region. As the group of CGUs in respect of the East China Region has reduced to its recoverable amount of RMB2,526,847,000, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

11 商譽(續)

上述每個個別現金產生單位可收回數額之計算基於使用價值。計算使用價值之主要假設乃有關之貼現率、長期增長率、毛利及商店經營與管理費用之預期改變。此等計算所用之預期現金流量基於已獲管理層批准之一年期財務預算,華東地區及華南地區並分別以每年-3.8%至2.3%(二零一五年:每年0%至5%)及4.7%至5%(二零一五年:每年3.5%至5%)之估計增長率而推展至未來十年。超過十年的預測乃基於估計每年2%(二零一五年:2%)的長期增長率而推斷。所採用的增長率為不超出現金產生單位所在行業的長期增長率。稅前貼現率為13.5%(二零一五年:11%)反映現在市場評估現金產生單位之金額時間值及現金產生單位特有之風險。毛利、商店經營與管理費用之變更基於過往慣例及預期將來之市場改變。

截至二零一六年十二月三十一日止之年度內,減值虧損確認與本集團位於華東地區之業務有關。由於華東地區組別現金產生單位之可收回數額減至人民幣2,526,847,000元,於計算可收回數額所用之假設有任何不利改變,將導致進一步減值虧損。

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12 INTERESTS IN SUBSIDIARIES

The following list contains only the particulars of the Group's subsidiaries which principally affected the results, assets or liabilities of the Group. The Group's effective interest in the entities below are all held by subsidiaries of the Company. The entities below are all companies established in the PRC with limited liability.

12 附屬公司權益

以下列表僅包含主要影響本集團業績,資產或負債之本集團附屬公司資料。本集團於以下企業之有效權益全部由本公司之附屬公司持有。以下企業均為於中國成立之有限責任公司。

Name of companies 公司名稱	Registered and paid up capital 註冊及已繳股本		Group's effective interest 本集團之有效權益	
	2016 二零一六年	2015 二零一五年	2016 二零一六年 %	2015 二零一五年 %
北京易初蓮花連鎖超市有限公司 Beijing Lotus Supermarket Chain Store Co., Ltd.	USD25,000,000美元 (note 1)(附註1)	USD25,000,000美元	100	100
西安易初蓮花連鎖超市有限公司 Xian Lotus Supermarket Chain Store Co., Ltd.	RMB人民幣19,000,000元 (note 1)(附註1)	RMB人民幣19,000,000元	100	100
鄭州易初蓮花連鎖超市有限公司 Zhengzhou Lotus Supermarket Chain Store Co., Ltd.	USD5,000,000美元/ USD4,922,924美元 (note 1)(附註1)	USD5,000,000美元/ USD4,922,924美元	100	100
青島易初蓮花連鎖超市有限公司 Qingdao Lotus Supermarket Chain Store Co., Ltd.	USD6,500,000美元 (note 1)(附註1)	USD6,500,000美元	100	100
廣州易初蓮花連鎖超市有限公司 Guangzhou Lotus Supermarket Chain Store Co., Ltd.	USD48,000,000美元 (note 1)(附註1)	USD48,000,000美元	100	100
汕頭易初蓮花連鎖超市有限公司 Shantou Lotus Supermarket Chain Store Co., Ltd.	USD12,000,000美元 (note 3)(附註3)	USD12,000,000美元	100	100
佛山市南海區華南通商貿發展有限公司 Foshan Nanhai Hua Nan Tong Trading Development Co., Ltd.	RMB人民幣3,000,000元 (note 1)(附註1)	RMB人民幣3,000,000元	100	100
廣東華南通商貿發展有限公司 Guangdong Hua Nan Tong Trading Development Co., Ltd.	RMB人民幣29,500,000元 (note 1)(附註1)	RMB人民幣29,500,000元	100	100
上海易初蓮花連鎖超市有限公司 Shanghai Lotus Supermarket Chain Store Co., Ltd.	USD180,000,000美元/ USD137,200,000美元 (note 1)(附註1)	USD180,000,000美元/ USD132,200,000美元	100	100
上海長發購物中心有限公司 Shanghai Changfa Shopping Centre Co., Ltd.	RMB人民幣25,000,000元 (note 1)(附註1)	RMB人民幣25,000,000元	100	100
上海怡蓮超市有限公司 Shanghai Yilian Supermarket Co., Ltd.	RMB人民幣10,000,000元 (note 4)(附註4)	RMB人民幣10,000,000元	100	100
上海采蓮超市有限公司 Shanghai Cailian Supermarket Co., Ltd.	RMB人民幣60,000,000元 (note 4)(附註4)	RMB人民幣60,000,000元	100	100
南通通蓮超市有限公司 Nantong Tonglian Supermarket Co., Ltd.	RMB人民幣500,000元 (note 4)(附註4)	RMB人民幣500,000元	100	100

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12 INTERESTS IN SUBSIDIARIES (Continued)

12 附屬公司權益(續)

Name of companies 公司名稱	Registered and paid up capital 註冊及已繳股本		Group's effective interest 本集團之有效權益	
	2016 二零一六年	2015 二零一五年	2016 二零一六年 %	2015 二零一五年 %
昆山泰蓮超市有限公司 Kunshan Tailian Supermarket Co., Ltd.	RMB人民幣10,000,000元 (note 4)(附註4)	RMB人民幣10,000,000元	100	100
上海雅蓮超市有限公司 Shanghai Yalian Supermarket Co., Ltd.	RMB人民幣13,500,000元 (note 4)(附註4)	RMB人民幣13,500,000元	100	100
上海佳蓮超市有限公司 Shanghai Jialian Supermarket Co., Ltd.	RMB人民幣13,500,000元 (note 1)(附註1)	RMB人民幣13,500,000元	100	100
佛山市卜蜂蓮花管理諮詢有限公司 Foshan C.P. Lotus Management Consulting Co., Ltd.	RMB人民幣8,949,000元 (note 4,5)(附註4、5)	RMB人民幣8,949,000元	100	100
卜蜂蓮花企業管理有限公司 C.P. Lotus Corporate Management Co., Ltd.	USD16,800,000美元 (note 1,5)(附註1、5)	USD16,800,000美元	100	100
上海蓮源物流有限公司 Shanghai Lianyuan Logistics Co., Ltd.	RMB人民幣1,000,000元 (note 2,5)(附註2、5)	RMB人民幣1,000,000元	100	100
上海卜蜂喜多屋食品有限公司 Shanghai CP Xi Duo Wu Foods Co., Ltd.	- (note 3,5)(附註3、5)	RMB人民幣10,000,000元	-	80
西安德蓮貿易有限公司 Xian Delian Trading Co., Ltd.	- (note 2,5)(附註2、5)	RMB人民幣600,000元	-	100
無錫愛蓮連鎖超市有限公司 Wuxi Ailian Supermarket Chain Store Co., Ltd.	RMB人民幣14,500,000元 (note 1)(附註1)	RMB人民幣14,500,000元	100	100
合肥愛蓮超市有限公司 Hefei Ailian Supermarket Co., Ltd.	RMB人民幣14,500,000元 (note 1)(附註1)	RMB人民幣14,500,000元	100	100
長沙初蓮超市有限公司 Changsha Chulian Supermarket Co., Ltd.	RMB人民幣14,500,000元 (note 1)(附註1)	RMB人民幣14,500,000元	100	100
徐州雅蓮連鎖超市有限公司 Xuzhou Yalian Supermarket Chain Store Co., Ltd.	RMB人民幣6,000,000元 (note 4)(附註4)	RMB人民幣6,000,000元	100	100
湛江卜蜂蓮花超市有限公司 Zhanjiang C.P. Lotus Supermarket Co., Ltd.	RMB人民幣10,000,000元 (note 4)(附註4)	RMB人民幣10,000,000元	100	100
廣州卜蜂蓮花超市有限公司 Guangzhou C.P. Lotus Supermarket Co., Ltd.	RMB人民幣3,000,000元 (note 4)(附註4)	RMB人民幣3,000,000元	100	100
汕頭金平東廈卜蜂蓮花超市有限公司 Shantou Jinping Dongxia C.P. Lotus Supermarket Co., Ltd.	RMB人民幣20,000,000元 (note 4)(附註4)	RMB人民幣20,000,000元	100	100
汕頭潮陽棉北卜蜂蓮花超市有限公司 Shantou Chaoyang Mianbei C.P. Lotus Supermarket Co., Ltd.	RMB人民幣3,000,000元 (note 4)(附註4)	RMB人民幣3,000,000元	100	100
陽江卜蜂蓮花超市有限公司 Yangjiang C.P. Lotus Supermarket Co., Ltd.	RMB人民幣10,000,000元 (note 4)(附註4)	-	100	-

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12 INTERESTS IN SUBSIDIARIES (Continued)

Notes:

- (1) These are wholly-foreign-owned enterprises.
- (2) The equity interests of these two companies are held by individual nominees on behalf of the Company. These companies are domestic enterprises in the PRC legally owned by PRC nationals. Pursuant to the various agreements in place between the Group and the nominees, the Group operates the business owned by the nominee companies and in return is entitled to all the profit or loss from the operation of the nominee companies. As the Group bears the risks and rewards of its operation of the nominee companies, the directors of the Company, after taking legal advice, consider that the Group has effective control over these enterprises. Therefore the financial results and positions of these enterprises have been consolidated into the Group since their respective dates of establishment.
- (3) These are Sino-foreign joint ventures established in the PRC.
- (4) These are domestic enterprises in the PRC. Yangjiang C.P. Lotus Supermarket Co., Ltd. is newly established in the PRC in 2016.
- (5) C.P. Lotus Corporate Management Co., Ltd. is engaged in the provision of management services to subsidiaries within the Group. Shanghai Lianyuan Logistics Co., Ltd. and Foshan C.P. Lotus Management Consulting Co., Ltd. are engaged in the provision of logistic services. Shanghai CP Xi Duo Wu Foods Co., Ltd. and Xian Delian Trading Co., Ltd. are engaged in the provision of sourcing products. All other companies listed above are involved in the operation of hypermarket stores in the PRC.

On 6 July 2016 and 14 September 2016, the Group disposed its entire equity interests in Xian Delian Trading Co., Ltd. and Shanghai CP Xi Duo Wu Foods Co., Ltd., respectively (note 31).

12 附屬公司權益(續)

附註:

- (1) 此等為外商獨資企業。
- (2) 此兩家公司之股本權益由受託代理人代本公司持有。此等公司均由中國自然人合法持有之中國本地企業。根據本集團與代理人已訂立之若干協議,本集團經營由代理公司持有之業務及因此應得代理公司營運之所有溢利或虧損。由於本集團承擔所有其營運代理公司之風險及收益,本公司董事經考慮法律意見後,認為本集團擁有有效控制權於此等企業,因此,此等企業之財務業績及狀況自其各自之成立日綜合於本集團內。
- (3) 此等為於中國成立之中外合資企業。
- (4) 此等為於中國之本地企業。陽江卜蜂蓮花超市有限公司為二零一六年於中國成立之新公司。
- (5) 卜蜂蓮花企業管理有限公司,為本集團旗下之附屬公司提供管理服務。上海蓮源物流有限公司及佛山市卜蜂蓮花管理諮詢有限公司從事物流服務。上海卜蜂喜多屋食品有限公司及西安德蓮貿易有限公司從事採購商品。所有其他上列之公司均於中國經營大型超市業務。

於二零一六年七月六日及二零一六年九月十四日,本集團分別出售西安德蓮貿易有限公司及上海卜蜂喜多屋食品有限公司之全部股本權益(附註31)。

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13 PREPAID LEASE PAYMENTS FOR PREMISES

13 預付物業租賃費

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	33,701	49,504
Charged to profit or loss for the year	年度內列支至損益	(17,462)	(15,803)
At 31 December	於十二月三十一日	16,239	33,701
Represented by:	分別為:		
Non-current portion	非即期部份	10,851	20,852
Current portion	即期部份	5,388	12,849
		16,239	33,701

These amounts represent prepaid rentals for hypermarket stores operated by the Group.

此等數額乃本集團經營大型超市之預付租賃費。

14 INVENTORIES

14 存貨

All inventories as at 31 December 2016 and 31 December 2015 are trading merchandise. The analysis of the amount of inventories recognised as an expense is as follows:

所有於二零一六年十二月三十一日及二零一五年十二月三十一日之存貨均為貿易商品。確認為支出之存貨數額分析如下:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Carrying amount of inventories sold	售出存貨之賬面值	8,323,946	8,813,853
Write-down of inventories	存貨之減值	23,202	15,195
		8,347,148	8,829,048

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15 TRADE AND OTHER RECEIVABLES

15 營運及其他應收款項

	Note	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	(i)	86,498	38,767
Other receivables	(i)	315,359	302,881
Amounts due from related companies (note 30(b))	(i)	387,206	319,648
Derivative financial instruments	(ii)	41,239	75,770
		830,302	737,066

- (i) All of the trade and other receivables apart from rental deposits of the Group amounting to RMB117,602,000 (2015: RMB96,951,000) are expected to be recovered within one year.

Sales to retail customers are mainly made by cash or credit cards. Credit terms of 30 to 90 days are offered to related companies and corporate customers with ongoing relationship.

At the end of the reporting period, the ageing analysis of trade receivables due from third parties and related companies, based on the invoice date (or date of revenue recognition, if earlier) and net of allowance for doubtful debts, is as follows:

- (i) 除租賃按金人民幣117,602,000元(二零一五年:人民幣96,951,000元)外,所有本集團之營運及其他應收款項預期於一年內收回。

零售顧客之銷售主要以現金或信用卡交易。三十至九十日之付款期提供予有持續關係之相關企業及公司客戶。

來自第三者及相關企業之營運應收款項扣除呆壞賬之撥備,按發票日期(或以收入確認日期,若較早),於報告期末之賬齡分析如下:

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 30 days	174,641	144,177
31 to 60 days	54,597	94,117
61 to 90 days	50,928	479
Over 90 days (note)	110,948	2,753
	391,114	241,526

Note: Subsequent to the end of the reporting period, RMB89,300,000 trade receivables due from related companies had been received, which was all included in over 90 days category in the above ageing analysis.

附註: 於本報告期末後,已收取相關企業之營運應收款項為人民幣89,300,000元,在以上賬齡分析中,全為超過九十日之賬齡類款。

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15 TRADE AND OTHER RECEIVABLES (Continued)

(i) (Continued)

Included in the Group's above trade receivables are debtors with aggregate carrying amount of RMB163,843,000 (2015: RMB5,225,000) which are past due at the reporting date with ageing analysis as follows:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Overdue	逾期	52,250	1,993
31 to 60 days	三十一日至六十日	76,691	479
61 to 90 days	六十一日至九十日	34,229	876
Over 90 days	超過九十日	673	1,877
		163,843	5,225

The directors consider no impairment provision is required in respect of the above trade receivables as they are due from either related companies controlled by the ultimate controlling shareholder or counterparties that have a good track record with the Group.

- (ii) At 31 December 2016, the Group had a USD non-delivered forward exchange contract with a notional amount of USD139,770,000 (2015: USD170,200,000). The forward exchange contract is recognised as "derivative financial instruments" at its net fair value of RMB41,239,000 (2015: RMB75,770,000). The forward exchange contract has maturity of less than one year after the end of the reporting period, and the amount is expected to be recovered within one year. The fair value of the derivative financial instruments at the end of the reporting period is determined based on the valuation techniques disclosed in note 26(e).

15 營運及其他應收款項(續)

(i) (續)

本集團上述之營運應收款項包括已逾期應收款額合共人民幣163,843,000元(二零一五年:人民幣5,225,000元),於報告日之賬齡分析如下:

	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Overdue	52,250	1,993
31 to 60 days	76,691	479
61 to 90 days	34,229	876
Over 90 days	673	1,877
	163,843	5,225

董事認為無需對上述營運應收款項計提減值撥備,因此等數額乃自最終控股股東控制之相關企業或與本集團有良好往績紀錄之交易方之應收款項。

- (ii) 於二零一六年十二月三十一日,本集團有一項名義本金額為139,770,000美元(二零一五年:170,200,000美元)之無本金交割美元外匯遠期合約。外匯遠期合約公允淨值為人民幣41,239,000元(二零一五年:人民幣75,770,000元)被確認為「衍生金融工具」。此外匯遠期合約於報告期末結束後少於一年內到期及此數額預期於一年內收回。截至報告期末,衍生金融工具之公允價值乃按附註26(e)所披露之估值技術而釐定。

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16 PLEDGED BANK DEPOSITS

At 31 December 2016, RMB46,174,000 (2015: RMB49,450,000) of the Group's bank deposits were pledged to banks as guarantees for the issuance of bank accepted bills for payments to suppliers.

In addition, at 31 December 2016, RMB13,371,000 (2015: RMB9,986,000) of the Group's bank deposits were pledged to banks for the issuance of letters of guarantee to landlords of certain subsidiaries.

16 已抵押銀行存款

於二零一六年十二月三十一日,本集團之銀行存款為人民幣46,174,000元(二零一五年:人民幣49,450,000元)已抵押予銀行作為向供應商付款而發出銀行承兌匯票之擔保。

此外,於二零一六年十二月三十一日,人民幣13,371,000元(二零一五年:人民幣9,986,000元)之本集團銀行存款已抵押予銀行以向若干附屬公司之房東發出擔保函件。

17 CASH AND CASH EQUIVALENTS

17 現金及現金等額

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash at bank and in hand and cash and cash equivalents in the consolidated statement of financial position	於綜合財務狀況報表之銀行結存及現金與現金及現金等額	204,920	165,842
Bank overdrafts (note 19)	銀行透支(附註19)	(18,000)	-
Cash and cash equivalents in the consolidated cash flow statement	於綜合現金流量報表之現金及現金等額	186,920	165,842

Cash and cash equivalents of the Group amounting to RMB12,543,000 (2015: RMB19,618,000) are non-interest bearing.

本集團無附息之現金及現金等額為人民幣12,543,000元(二零一五年:人民幣19,618,000元)。

18 TRADE AND OTHER PAYABLES

18 營運及其他應付款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Notes payable	應付票據	128,369	146,618
Trade creditors	營運應付款項	2,374,897	2,322,090
Advance receipts from customers	預收顧客之款項	458,165	481,291
Other creditors and accrued charges	其他應付款項及應付費用	783,694	675,167
Amounts due to related companies (note 30(b))	應付相關企業款項(附註30(b))	140,419	139,565
		3,885,544	3,764,731

All of the trade and other payables are expected to be settled within one year.

所有營運及其他應付款項預期於一年內償還。

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18 TRADE AND OTHER PAYABLES (Continued)

Advance receipts from customers represent the unutilised balance of prepaid card sold by the Group.

The above balances with related parties are unsecured, non-interest bearing and repayable on demand.

Included in the Group's trade and other payables are trade creditors and notes payable of RMB2,503,266,000 (2015: RMB2,468,708,000) with the following ageing analysis, based on the invoice date as at the end of the reporting period:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Uninvoiced purchases	未開具發票之採購	1,008,634	996,750
Within 30 days	三十日內	1,149,138	1,220,070
31 to 60 days	三十一至六十日	98,280	83,436
61 to 90 days	六十一至九十日	52,861	55,535
More than 90 days	超過九十日	194,353	112,917
		2,503,266	2,468,708

19 BANK LOANS AND OVERDRAFTS

At 31 December 2016, the bank loans and overdrafts were repayable as follows:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within 1 year	一年內	222,900	267,118
After 1 year but within 2 years	一年後但兩年內	-	322,371
After 2 years but within 5 years	兩年後但五年內	-	452,489
		-	774,860
		222,900	1,041,978

18 營運及其他應付款項(續)

預收顧客之款項為本集團銷售預付卡之未使用餘額。

以上所有與相關人士有關之數額均為無抵押、不付息及按要求償還。

本集團之營運及其他應付款項包括營運應付款項及應付票據人民幣2,503,266,000元(二零一五年:人民幣2,468,708,000元),報告期末其賬齡根據發票日期分析如下:

19 銀行貸款及透支

於二零一六年十二月三十一日,銀行貸款及透支之還款期如下:

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19 BANK LOANS AND OVERDRAFTS (Continued)

At 31 December 2016, the Group's bank loans and overdrafts are unsecured and secured/guaranteed as follows:

19 銀行貸款及透支(續)

於二零一六年十二月三十一日,本集團之銀行貸款及透支為無抵押及已抵押/擔保如下:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Bank loans	銀行貸款		
– Unsecured	– 無抵押	204,900	–
– Secured by assets held by the Group	– 以本集團之資產抵押	–	1,041,978
Unsecured overdrafts	無抵押透支	18,000	–
		222,900	1,041,978

As at 31 December 2016, the Group has drawn down floating rate bank loans and overdrafts of RMB204,900,000 and RMB18,000,000, respectively, bearing interest at six to twelve-month PBOC Rate multiplied by 1.10 to 1.13, being 4.35% to 4.92% per annum.

於二零一六年十二月三十一日,本集團已提取浮動利率銀行貸款及透支,分別為人民幣204,900,000元及人民幣18,000,000元,年利率為六至十二個月中國人民銀行利率乘以1.10至1.13,即年利率為4.35%至4.92%。

At 31 December 2015, the Group has drawn down floating rate syndicated bank loans led by The Siam Commercial Bank Public Company Limited of USD160,320,000 (equivalent to RMB1,041,978,000), bearing interest at three-month LIBOR plus 3.50% per annum, which are secured by the share capital of certain subsidiaries of the Company. These bank loans were originally repayable with instalment repayments scheduled through December 2018. In December 2016, these loans were fully repaid.

於二零一五年十二月三十一日,本集團已提取由The Siam Commercial Bank Public Company Limited為首之浮動利率銀團貸款160,320,000美元(相等於人民幣1,041,978,000元),按三個月倫敦銀行同業拆息加年利率3.50%,以本公司若干附屬公司之股本作抵押。此等銀行貸款其原定於二零一八年十二月前分期償還。此等銀行貸款已於二零一六年十二月全數償還。

20 LOANS FROM CONTROLLING SHAREHOLDER

At 31 December 2016, the Group has borrowed floating rate loans of USD139,770,000 (equivalent to RMB971,877,000) from its controlling shareholder, C.P. Holding (BVI) Investment Company Limited ("CPH"), bearing interest at three-month LIBOR plus 4.50% to 5.65% per annum. The loans from the controlling shareholder are unsecured and repayable in December 2018.

20 應付控股股東貸款

於二零一六年十二月三十一日,本集團已取得由控股股東C.P. Holding (BVI) Investment Company Limited (「CPH」)提供的浮動利率貸款為139,770,000美元,(相等於人民幣971,877,000元),按三個月倫敦銀行同業拆息加年利率4.50%至5.65%計息。此控股股東貸款為無抵押及於二零一八年十二月到期。

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21 OTHER LOANS

At 31 December 2016, other loans were repayable as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	一年內	-	43,500
After 1 year but within 2 years	一年後但兩年內	46,446	-
		46,446	43,500

At 31 December 2016, third-party loans of USD6,656,000 (equivalent to RMB46,446,000) (2015: USD6,656,000 (equivalent to RMB43,500,000)) are unsecured and bear interest at three-month LIBOR plus 1.50% per annum. These third-party loans were originally repayable on 31 December 2016 but were agreed by both parties on that date to extend the maturity date to 31 December 2018 with all other terms under the original agreement remaining unchanged. Accordingly, these third-party loans were reclassified into non-current liabilities as at 31 December 2016.

21 其他貸款

於二零一六年十二月三十一日,其他貸款之還款期如下:

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	-	43,500
After 1 year but within 2 years	46,446	-
	46,446	43,500

於二零一六年十二月三十一日,獨立第三方之貸款6,656,000美元(相等於人民幣46,446,000元)(二零一五年:6,656,000美元)(相等於人民幣43,500,000元)並無抵押,按三個月美元倫敦銀行同業拆息加年利率1.50%,此等第三方貸款最初於二零一六年十二月三十一日償還,但雙方於該日同意將到期日延至二零一八年十二月三十一日,原協議下之所有其他條款保持不變。因此,截至二零一六年十二月三十一日,此等第三方貸款已重分類為非流動負債。

22 OBLIGATIONS UNDER FINANCE LEASES

At 31 December 2016, the Group had obligations under finance leases repayable as follows:

		2016 二零一六年		2015 二零一五年	
		Present value of the minimum lease payments 最低租賃付款現值 RMB'000 人民幣千元	Total minimum lease payments 最低租賃付款總額 RMB'000 人民幣千元	Present value of the minimum lease payments 最低租賃付款現值 RMB'000 人民幣千元	Total minimum lease payments 最低租賃付款總額 RMB'000 人民幣千元
Within 1 year	一年內	11,345	26,035	9,895	25,620
After 1 year but within 2 years	一年後但兩年內	12,909	26,405	11,345	26,035
After 2 years but within 5 years	兩年後但五年內	48,626	80,450	43,307	79,641
After 5 years	五年後	80,904	96,158	99,132	123,372
		142,439	203,013	153,784	229,048
		153,784	229,048	163,679	254,668
Less: Total future interest expenses	減: 未來利息開支總額		(75,264)		(90,989)
Present value of lease obligations	租賃責任之現值		153,784		163,679

22 融資租賃責任

於二零一六年十二月三十一日,本集團之應付融資租賃責任如下:

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23 PROVISIONS

Provisions have been made for the directors' best estimate of the expected costs associated with terminations benefits, cancellation of certain store opening projects, store closures and disputes with certain suppliers. Provisions are summarised as follows:

		Termination benefits 合約終止補償 RMB'000 人民幣千元	Supplier claims 供應商索賠 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	-	471	-	471
Provision incurred	撥備之產生	-	875	-	875
Provision utilised	撥備之使用	-	(245)	-	(245)
At 31 December 2015	於二零一五年十二月三十一日	-	1,101	-	1,101
At 1 January 2016	於二零一六年一月一日	-	1,101	-	1,101
Provision incurred	撥備之產生	44,640	6,148	7,933	58,721
Provision utilised	撥備之使用	(30,177)	-	(1,576)	(31,753)
At 31 December 2016	於二零一六年十二月三十一日	14,463	7,249	6,357	28,069

The provision balance at 31 December 2016 is expected to be utilised within one year.

撥備乃董事對有關合約終止補償、撤銷若干開店項目、店舖關閉及與若干供應商訴訟之預期成本作出最適當之評估。撥備之總結如下：

於二零一六年十二月三十一日之撥備餘額預期將於一年內使用。

24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Balance at the beginning of the year	年度期初結餘	20,402	14,592
Under/(over)-provision in respect of prior years	往年度未足額/(超額)撥備	4,560	(3,851)
Provision for PRC income tax for the year	年度內中國所得稅撥備	28,097	31,733
PRC income tax paid	已付中國稅項	(35,236)	(22,072)
		17,823	20,402

24 綜合財務狀況報表內之所得稅

(a) 綜合財務狀況報表內之即期稅項乃：

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24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

24 綜合財務狀況報表內之所得稅(續)

(b) 已確認之遞延稅項資產及負債

於年內已確認於綜合財務狀況報表之遞延稅項資產/(負債)之構成部份及其轉變如下:

		Tax losses	Property, plant and equipment	Interests in leasehold land held for own use under operating leases	Intangible assets	Others	Total
		稅項虧損	物業、房產及設備	營運租賃之自用土地租賃權益	無形資產	其他	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Deferred tax arising from: 遞延稅項產生自:							
At 1 January 2015	於二零一五年一月一日	10,536	5,617	(10,302)	(45,287)	18,815	(20,621)
Credited/(charged) to profit or loss (note 5(a))	計入/(列支)至損益(附註5(a))	5,933	(502)	943	3,667	(383)	9,658
At 31 December 2015	於二零一五年十二月三十一日	16,469	5,115	(9,359)	(41,620)	18,432	(10,963)
At 1 January 2016	於二零一六年一月一日	16,469	5,115	(9,359)	(41,620)	18,432	(10,963)
(Charged)/credited to profit or loss (note 5(a))	(列支)/計入至損益(附註5(a))	(840)	(407)	942	5,228	4,845	9,768
At 31 December 2016	於二零一六年十二月三十一日	15,629	4,708	(8,417)	(36,392)	23,277	(1,195)

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24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

24 綜合財務狀況報表內之所得稅(續)

(b) Deferred tax assets and liabilities recognised (Continued)

(b) 已確認之遞延稅項資產及負債(續)

An analysis of the net deferred tax assets and liabilities is set out as follows:

遞延稅項資產及負債淨額之分析如下:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Net deferred tax assets	遞延稅項資產淨額	35,647	31,262
Net deferred tax liabilities	遞延稅項負債淨額	(36,842)	(42,225)
		(1,195)	(10,963)

(c) Deferred tax assets not recognised

(c) 未確認之遞延稅項資產

Deferred tax assets have not been recognised in respect of the items below as it is not probable that future taxable profits against which these items can be utilised will be available in the relevant tax jurisdictions and entities.

上述項目相關之遞延稅項資產項目尚未確認,因不太可能獲得有關稅務司法權區及企業可用於抵銷上述項目未來應課稅之溢利。

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Tax losses	稅項虧損	751,692	692,236
Deductible temporary differences	可抵扣之暫時差額	277,623	120,115
		1,029,315	812,351

Excluding the tax losses of the Company which do not expire, the tax losses of its subsidiaries established in the mainland China can be carried forward up to five years from the year in which the loss originated, and will expire in the following years:

除本公司之稅項虧損沒有到期日外,稅項虧損可於虧損產生年度起之以後五年內使用,並於下列年期到期:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
2016	二零一六年	-	131,562
2017	二零一七年	206,576	206,576
2018	二零一八年	150,211	150,211
2019	二零一九年	61,596	61,596
2020	二零二零年	116,677	113,185
2021	二零二一年	185,555	-
		720,615	663,130

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25 CAPITAL, RESERVES AND DIVIDENDS

25 股本、儲備及股息

(a) Movement in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

		Share premium 股份溢價 (Note (d)) (附註(d)) RMB' 000 人民幣千元	Share option reserve 購股權儲備 (Note (d)) (附註(d)) RMB' 000 人民幣千元	Exchange reserve 匯兌儲備 (Note (d)) (附註(d)) RMB' 000 人民幣千元	Retained earnings 保留溢利 (Note (b)) (附註(b)) RMB' 000 人民幣千元	Total 總額 RMB' 000 人民幣千元
At 1 January 2015	於二零一五年一月一日	1,836,932	53,841	(296,426)	507,564	2,101,911
Loss for the year	年度虧損	-	-	-	(418,767)	(418,767)
Other comprehensive income	其他全面收益	-	-	150,317	-	150,317
Total comprehensive income for the year	年度全面收益總額	-	-	150,317	(418,767)	(268,450)
Shares issued upon exercises of share options (Note (c))	行使購股權而發行股份 (附註(c))	96,229	(53,841)	-	-	42,388
At 31 December 2015	於二零一五年十二月三十一日	1,933,161	-	(146,109)	88,797	1,875,849
At 1 January 2016	於二零一六年一月一日	1,933,161	-	(146,109)	88,797	1,875,849
Profit for the year	年度溢利	-	-	-	73,151	73,151
Other comprehensive income	其他全面收益	-	-	154,160	-	154,160
Total comprehensive income for the year	年度全面收益總額	-	-	154,160	73,151	227,311
At 31 December 2016	於二零一六年十二月三十一日	1,933,161	-	8,051	161,948	2,103,160

(a) 權益構成部份之變動

本集團之綜合權益的每個組成部分的期初與期末結餘之間的調節, 載於綜合權益變動報表。本公司之權益的各個組成部分年初與年末之變動詳情載列如下:

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25 CAPITAL, RESERVES AND DIVIDENDS (Continued)

25 股本、儲備及股息(續)

(b) Dividends

No dividend was paid or proposed during the years ended 31 December 2016 and 2015, nor has any dividend been proposed since the reporting date.

(b) 股息

截至二零一六年及二零一五年十二月三十一日止之年度內,概無派發或建議派發股息,並自報告日起無建議派發任何股息。

(c) Authorised and issued share capital

(c) 法定及已發行股本

		2016 and 2015 二零一六年及二零一五年	
		No. of shares 股數 ('000) (千)	HK\$('000) 千港元
Authorised:	法定:		
Ordinary shares at par value of HK\$0.02 each	每股面值0.02港元之普通股	34,000,000	680,000
Series A convertible preference shares at par value of HK\$0.02 each	每股面值0.02港元之A系列可換股優先股	2,000,000	40,000
Series B convertible preference shares at par value of HK\$0.02 each	每股面值0.02港元之B系列可換股優先股	4,000,000	80,000
Series C convertible preference shares at par value of HK\$0.02 each	每股面值0.02港元之C系列可換股優先股	4,500,000	90,000
Series D convertible preference shares at par value of HK\$0.02 each	每股面值0.02港元之D系列可換股優先股	2,500,000	50,000

		2016 二零一六年		2015 二零一五年	
		No. of shares 股數 ('000) (千)	RMB' 000 人民幣千元	No. of shares 股數 ('000) (千)	RMB' 000 人民幣千元
Issued and fully paid:	已發行及繳足:				
Ordinary shares	普通股	11,019,072	215,159	10,408,272	205,526
At 1 January	於一月一日				
Shares issued under share option scheme	於購股權計劃下發行之股份	-	-	610,800	9,633
At 31 December	於十二月三十一日	11,019,072	215,159	11,019,072	215,159
Convertible preference shares	可換股優先股	11,298,810	190,567	11,298,810	190,567
At 1 January/31 December	於一月一日/十二月三十一日				
Total at 31 December	於十二月三十一日之總額	22,317,882	405,726	22,317,882	405,726

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25 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(c) (Continued)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

At 31 December 2016 and 2015, the total convertible preference shares in issue include 1,518,807,075 Series A convertible preference shares, 3,897,110,334 Series B convertible preference shares, 3,671,509,764 Series C convertible preference shares and 2,211,382,609 Series D convertible preference shares, respectively.

All the convertible preference shares are non-voting shares. The holders of these shares are entitled to receive the same dividends as the holders of ordinary shares. In addition, the holders of these shares have the right to convert any preference share into the Company's ordinary shares at any time at the conversion price at the rate of 1 to 1 each subject to the minimum public float requirement as set out under the Listing Rules being maintained. Adjustments to the conversion price are only made upon dilutive and other events which are related to the Company issuing new shares or convertible debts.

On 21 May 2015, 610,800,660 ordinary shares of par value of HK\$0.02 each were issued at a price of HK\$0.108 per share (equivalent to RMB0.085 per share) to settle all the outstanding options granted on 24 May 2005. Net proceeds from the shares issued amounted to HK\$65,966,000 (equivalent to RMB52,021,000) out of which HK\$12,216,000 (equivalent to RMB9,633,000) and HK\$53,750,000 (equivalent to RMB42,388,000) were recorded in share capital and share premium, respectively. In addition, the share option reserve of RMB53,841,000 originally resulted from the issuance of the respective share options was transferred to share premium accordingly.

(d) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands.

Under the Companies Law of the Cayman Islands, share premium 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.

25 股本、儲備及股息(續)

(c) (續)

普通股持有人享有收取不時宣派股息之權利及於本公司股東大會享有每股一票權。所有普通股對本公司之剩餘資產享有同等地位。

於二零一六年及二零一五年十二月三十一日,本公司之已發行可換股優先股總數分別包括1,518,807,075股A系列可換股優先股、3,897,110,334股B系列可換股優先股、3,671,509,764股C系列可換股優先股及2,211,382,609股D系列可換股優先股。

所有可換股優先股乃不享有投票權之股份。此等股份之持有人享有與普通股持有人收取相同股息之權利。此外,此等股份之持有人可享有於任何時間以兌換價以每1對1的比率轉換任何優先股為本公司普通股之權利,但須符合上市規則維持最低公眾持股量之規定。兌換價之調整只限於攤薄及其他與本公司發行新股或可換股債務之事項。

於二零一五年五月二十一日,因行使所有於二零零五年五月二十四日授出而未行使之購股權,本公司以每股0.108港元(相等於每股人民幣0.085元)發行610,800,660股每股面值0.02港元之普通股。發行股份所得款項淨額為65,966,000港元(相等於人民幣52,021,000元),當中12,216,000港元(相等於人民幣9,633,000元)及53,750,000港元(相等於人民幣42,388,000元)分別計入股本及股份溢價賬。此外,源於發行購股權之購股儲備人民幣53,841,000元也相應地轉至股份溢價。

(d) 儲備之性質及目的

(i) 股份溢價

股份溢價賬之應用需參照開曼群島之公司法。

根據開曼群島之公司法,股份溢價可分派予本公司之股東,惟於緊隨建議分派股息後,本公司將有能力償還因正常業務而產生之到期債項。

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25 CAPITAL, RESERVES AND DIVIDENDS (Continued)

25 股本、儲備及股息(續)

(d) Nature and purpose of reserves (Continued)

(ii) Revaluation reserve

The revaluation reserve represents the difference between the Group's share of the fair value of the associate's net assets and the Group's interest in associate at the date the associate became a subsidiary of the Group.

(iii) Share option reserve

The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 1(s)(ii). The share option reserve of RMB53,841,000 was transferred to share premium upon the exercise of the respective share options on 21 May 2015 as set out in note 25(c).

(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of entities outside the PRC. The reserve is dealt with in accordance with the accounting policy set out in note 1(w).

(e) Distributability of reserves

At 31 December 2016, the aggregate amount of reserves available for distribution to equity shareholders of the Company was HK\$2,358,326,000 (equivalent to RMB2,095,109,000) (2015: HK\$2,276,932,000 (equivalent to RMB2,021,958,000)) as computed in accordance with the Company Law of the Cayman Islands.

(f) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern so that it can provide returns for equity holders and benefits for other stakeholders and secure access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher equity holder's return that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. The Group also monitors capital on the basis of the gearing ratio which is calculated by dividing loans from controlling shareholder, bank loans, overdraft and other loans by total equity.

(d) 儲備之性質及目的(續)

(ii) 重估儲備

重估儲備乃於聯營公司成為本集團之一家附屬公司當日,本集團於聯營公司所佔之資產淨額公允值與本集團於該聯營公司之權益差額。

(iii) 購股權儲備

購股權儲備乃根據附註1(s)(ii)採納以股份為基礎支付之會計政策,授予本公司僱員之實際或估計未行使購股權數目之公允值列賬。因於二零一五年五月二十一日行使購股權而將購股權儲備人民幣53,841,000元轉至股份溢價之詳情,載列於附註25(c)。

(iv) 匯兌儲備

匯兌儲備包含所有因換算中國以外地區企業業務之財務報表而產生之匯兌差額。儲備根據載列於附註1(w)之會計政策處理。

(e) 儲備之分派性

於二零一六年十二月三十一日,根據開曼群島之公司法計算,累計之可供分派予本公司股東之儲備為2,358,326,000港元(相等於人民幣2,095,109,000元)(二零一五年:2,276,932,000港元(相等於人民幣2,021,958,000元))。

(f) 資本管理

本集團於管理資本之目的乃保證本集團繼續以持續經營基準營運之能力,致使為其股東提供回報及為其他有利益關係之人士帶來益處,並確保以一個合理成本融資。

本集團積極及定期對資本結構進行檢討和管理,以在較高股東回報情況下可能伴隨之較高借貸水平與穩健的資本狀況帶來的好處和保障之間取得平衡,並因應經濟環境的變化對資本結構作出調整。本集團亦以資本與負債比率(以控股股東貸款、銀行貸款、透支及其他貸款除以總權益計算)作為監控資本之基準。

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26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management monitors the exposures to these credit risks on an ongoing basis.

Credit risk in respect of trade receivables is limited as the balances mainly arise from credit card sales. Credit terms of 30 to 90 days are offered in rare cases to corporate customers with ongoing relationship. The Group grants 60 days to WSL and its related entities for store merchandise sales to them.

As set out in note 30(b), the Group had receivables due from WSL and its related entities and other subsidiaries and associates of Charoen Pokphand Group Company Limited ("CPG"), the ultimate holding company, amounting to approximately RMB387.2 million (2015: RMB319.6 million) as at 31 December 2016, which represents approximately 46.6% (2015: 43.4%) of the Group's total trade and other receivables. Given CPG is the Company's ultimate holding company, the directors consider that these amounts are fully recoverable.

Except for the above, the Group has no other significant concentration of credit risk on trade and other receivables. Cash and deposits are placed with banks which the directors consider have sound credit ratings.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Group does not provide any guarantees which would expose the Group to credit risk.

26 金融風險管理及公允值

本集團正常業務過程中涉及信貸、流動資金、利率及外匯風險。

本集團承擔之此等風險及本集團採納之財務風險管理政策及慣例以管理此等風險詳情載列如下。

(a) 信貸風險

本集團之信貸風險主要來自營運及其他應收款項。管理層持續監察此等信貸風險。

營運應收款項之信用風險主要限於信用咭銷售應收款。三十至九十日付款期仍少數提供予有持續關係之公司客戶。本集團就其店舖商品之銷售給予 WSL 及其相關企業六十日付款期。

根據附註30(b)所載,於二零一六年十二月三十一日,本集團向 WSL 及其相關企業及 Charoen Pokphand Group Company Limited (「CPG」) (最終控股公司) 之其他附屬公司及聯營公司應收之款項約為人民幣 387,200,000 元 (二零一五年: 人民幣 319,600,000 元), 此等數額佔本集團之營運及其他應收款項總額約 46.6% (二零一五年: 43.4%)。由於 CPG 乃本公司之最終控股公司, 董事認為此等款項將可全數收回。

除以上者外, 本集團之營運及其他應收款項概無其他信貸過度集中之風險。現金及存款存放於董事認為擁有高信貸評級之銀行。

承擔之最高信貸風險乃財務狀況報表內各金融資產之賬面值。本集團概無提供任何擔保而使本集團承擔信貸風險。

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26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

26 金融風險管理及公允值(續)

(b) Liquidity risk

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflow from operations and obtain adequate finance from external parties or its ultimate holding company to meet its debt obligations and committed future capital expenditures as and when they fall due.

As at 31 December 2016, the Group had net current liabilities of approximately RMB1,825.0 million (2015: RMB1,910.1 million).

In preparing the financial statements, the directors have considered the cash flow forecast of the Group for the twelve months ending 31 December 2017, which was prepared based on historical cash requirements of the Group which may impact the operations of the Group during the next twelve-month period. The directors are of the opinion that the assumptions which are included in the cash flow forecast are reasonable. However, as with all assumptions in regard to future events, these are subject to inherent limitations and uncertainties and some or all of these assumptions may not be realised.

Based on the cash flow forecast prepared and unused bank facilities on hand, the directors have determined that adequate liquidity exists to finance the working capital and capital expenditure requirements of the Group for the forthcoming year.

(b) 流動資金風險

本集團之流動資金狀況主要取決於其業務能維持足夠營運現金流入及取得外方或其最終控股公司之足夠融資以應付到期之債務及未來已承擔之資本開支之能力。

於二零一六年十二月三十一日,本集團之流動負債淨額約為人民幣1,825,000,000元(二零一五年:人民幣1,910,100,000元)。

於編製財務報表時,董事已考慮本集團截至二零一七年十二月三十一日止十二個月之現金流量預報,此乃根據本集團過往現金需求而可能影響本集團未來十二個月期間之營運而編製。董事認為包括於現金流量預報之假設屬合理。然而,所有有關未來項目之假設(根據現存之限制及未知之數),若干或全部此等假設或不會實現。

根據已編製之現金流量預報及現有未使用之銀行融資,董事認為本集團之流動資金足以應付來年之營運資金及資本開支要求。

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26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

26 金融風險管理及公允值(續)

(b) Liquidity risk (Continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

(b) 流動資金風險(續)

以下乃金融負債之契約期限,包括估計利息付款及撇除結算協議之影響:

	Contractual undiscounted cash outflow 契約非貼現現金流出					Carrying amount 賬面值 RMB'000 人民幣千元
	Within 1 year or on demand 一年內或已到期 RMB'000 人民幣千元	More than 1 year but less than 2 years 一年後但兩年內 RMB'000 人民幣千元	More than 2 years but less than 5 years 兩年後但五年內 RMB'000 人民幣千元	More than 5 years 五年後 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元	
31 December 2016	二零一六年十二月三十一日					
Non-derivative financial liabilities	非衍生工具之金融負債					
Bank loans and overdrafts	(230,550)	-	-	-	(230,550)	222,900
Loans from controlling shareholder	(58,575)	(1,036,233)	-	-	(1,094,808)	971,877
Other loans	(1,153)	(47,331)	-	-	(48,484)	46,446
Notes payable, creditors and accrued charges	(3,745,125)	-	-	-	(3,745,125)	3,745,125
Amounts due to related companies	(140,419)	-	-	-	(140,419)	140,419
Obligations under finance leases	(26,035)	(26,405)	(80,450)	(96,158)	(229,048)	153,784
	(4,201,857)	(1,109,969)	(80,450)	(96,158)	(5,488,434)	5,280,551
31 December 2015	二零一五年十二月三十一日					
Non-derivative financial liabilities	非衍生工具之金融負債					
Bank loans	(307,131)	(350,858)	(466,413)	-	(1,124,402)	1,041,978
Other loans	(44,418)	-	-	-	(44,418)	43,500
Notes payable, creditors and accrued charges	(3,625,166)	-	-	-	(3,625,166)	3,625,166
Amounts due to related companies	(139,565)	-	-	-	(139,565)	139,565
Obligations under finance leases	(25,620)	(26,035)	(79,641)	(123,373)	(254,669)	163,679
	(4,141,900)	(376,893)	(546,054)	(123,373)	(5,188,220)	5,013,888

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26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

26 金融風險管理及公允值(續)

(c) Interest rate risk

(i) Interest rate profile

The Group's exposure to changes in interest rates relates primarily to the Group's cash and cash equivalents, pledged bank deposits, bank loans and overdrafts, loans from controlling shareholder, other loans, and obligations under finance leases.

The following table details the interest rate profile of the Group's net borrowings (interest-bearing liabilities less interest-bearing financial investments excluding cash held for short-term working capital purposes) at the end of the reporting period.

(c) 利率風險

(i) 利率概況

本集團承擔之利率波動風險,主要關乎本集團之現金及現金等額、已抵押之銀行存款、銀行貸款及透支、應付控股股東貸款、其他貸款及融資租賃責任。

下表詳列本集團於報告期末之借貸淨額(附息負債扣減附息財務投資(撇除作為短期營運資金目的所持有之現金))之利率概況。

		2016 二零一六年		2015 二零一五年	
		Effective interest rate 有效利率	Carrying value 賬面值 RMB' 000 人民幣千元	Effective interest rate 有效利率	Carrying value 賬面值 RMB' 000 人民幣千元
Variable rate instruments:	浮動利率工具:				
Pledged bank deposits	已抵押之銀行存款	0.42%	59,545	1.04%	59,436
Cash and cash equivalents	現金及現金等額	0.23%	192,377	0.38%	146,224
Bank loans and overdrafts	銀行貸款及透支	4.60%	(222,900)	4.10%	(1,041,978)
Loans from controlling shareholder	應付控股股東貸款	6.02%	(971,877)	-	-
Other loans	其他貸款	2.50%	(46,446)	2.11%	(43,500)
			(989,301)		(879,818)
Fixed rate instruments:	固定利率工具:				
Obligations under finance leases	融資租賃責任	9.8% - 10.03%	(153,784)	9.8% - 10.03%	(163,679)

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26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

26 金融風險管理及公允值(續)

(c) Interest rate risk (Continued)

(c) 利率風險(續)

(ii) Sensitivity analysis

(ii) 敏感度分析

At 31 December 2016, it is estimated that a change of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's net loss and retained profits by the amounts shown below:

於二零一六年十二月三十一日,估計息率之100個基點變更(其他所有可變因素維持不變)將增加/減少本集團之虧損淨額及保留溢利數額如下:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Variable rate instrument	浮動利率工具:		
100 basis point increase	增加100個基點	9,893	8,798
100 basis point decrease	減少100個基點	(9,893)	(8,798)

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The analysis is performed on the same basis for 2015.

以上之敏感度分析假設利率於報告日變更及於當日已存在之金融工具應用利率風險。分析與二零一五年之基準相同。

(d) Currency risk

(d) 外匯風險

The directors consider that as the Group's retail operations are all based in the PRC, the Group is not exposed to significant currency risk in its retail operations.

董事認為本集團之零售業務全部位於中國,本集團於其零售業務概無重大外匯風險。

The Group is exposed to foreign currency risk from bank loans and loans from controlling shareholder held by certain PRC subsidiaries, which are denominated in USD. At 31 December 2016, the relevant loans amounted to USD120,170,000 (2015: USD137,920,000). The Group used a forward exchange contract to economically hedge the currency risk of the above loans. Changes in the fair value of the forward exchange contract are recognised in profit or loss. The net fair value of the forward exchange contract at 31 December 2016 is RMB41,239,000 (2015: RMB75,770,000), which is recognised as "derivative financial instruments" in the consolidated statement of financial position. The forward exchange contract has maturity of less than one year after the end of the reporting period.

本集團之外匯風險主要源自若干中國附屬公司以美元為結算單位之銀行貸款及應付控股股東貸款。於二零一六年十二月三十一日,相關之貸款為120,170,000美元(二零一五年:137,920,000美元)。本集團使用一項外匯遠期合約經濟地對沖上述貸款之外匯風險。外匯遠期合約公允值之變動確認於損益內。於二零一六年十二月三十一日,外匯遠期合約公允淨值為人民幣41,239,000元(二零一五年:人民幣75,770,000元)並在綜合財務狀況表內被確認為「衍生金融工具」。此外匯遠期合約於報告期末結束後少於一年內到期。

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26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

26 金融風險管理及公允值(續)

(d) Currency risk (Continued)

RMB is not a freely convertible currency and the PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. Changes in the foreign exchange control system may prevent the Group from satisfying sufficient foreign currency demand and the Group may not be able to pay dividends in foreign currencies to its shareholders.

(d) 外匯風險(續)

人民幣並非自由滙兌貨幣及中國政府於未來或考慮限制現時會計交易以外幣進行。外幣滙兌控制系統之改變或妨礙本集團滿足足夠外匯需求及本集團或未能向其股東以外幣派發股息。

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

At 31 December 2016, the Group has certain derivative financial instruments – exchange forward contract, which is measured at fair value. When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2: inputs other than quoted prices included in level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

The fair value measurement of the forward exchange contract as at 31 December 2016 is categorised into Level 2 fair value measurement and is determined by discounting the contractual forward price and deducting the forward rate as at 31 December 2016 offered by issuance bank. The Group did not hold any other financial assets and liabilities carried at fair value as at 31 December 2016 and 2015.

(e) 公允值之計量

(i) 按公允值計量之金融資產及負債

於二零一六年十二月三十一日,本集團之若干衍生金融工具—外匯遠期合約,以公允值計量。當計量一項資產或一項負債的公允值時,本集團盡可能採用市場可觀察的數據。公允值是根據以下估值方法的資料運用被劃分為不同等級:

第一級: 在計量日有相同資產或負債於活躍市場上未經調整的報價。

第二級: 除包含於第一級報價外,其他直接(即價格)或間接(即源自價格者)可觀察的有關資產或債務的資料。

第三級: 重大不可觀察的資料。不可觀察的資料為無法獲得的市場數據。

於二零一六年十二月三十一日,外匯遠期合約之公允值計量被劃分為第二級公允值計量,及由貼現合同遠期外匯價格,並扣除發行銀行提供於二零一六年十二月三十一日的遠期外匯價格而確定。於二零一六年及二零一五年十二月三十一日,本集團並無其他按公允值列賬之金融資產及負債。

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26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(e) Fair value measurement (Continued)

- (ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amount of the Group's financial assets and liabilities carried at cost or amortised cost are not materially different from their fair value as at 31 December 2016 and 2015.

27 OPERATING LEASE COMMITMENTS

As lessee

At 31 December 2016, total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	一年內	592,203	583,871
After 1 year but within 5 years	一年後但五年內	459,875	477,912
After 5 years	五年後	9,637	13,034
		1,061,715	1,074,817

The Group is the lessee in respect of a number of office and store premises held under operating leases. The leases typically run for an initial period up to 20 years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually increased every 1 to 7 years to reflect market rentals. None of the leases includes contingent rentals. The store leases typically provide the Group with the ability to cancel the leases within the lease period on payment of a penalty and/or after a minimum period of leasing.

As lessor

Property rental income earned net of negligible outgoings from subletting of the Group's leased properties during the year amounted to approximately RMB481,154,000 (2015: RMB432,125,000).

26 金融風險管理及公允值(續)

(e) 公允值之計量(續)

- (ii) 按非公允值計量之金融資產及負債的公允值

於二零一六年及二零一五年十二月三十一日,本集團之金融資產及負債按成本或攤餘成本入賬之賬面值與其公允值並無重大差異。

27 營運租賃之承擔

為承租人

於二零一六年十二月三十一日,不可取消之營運租賃之未來最低租賃應付款項總額如下:

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	592,203	583,871
After 1 year but within 5 years	459,875	477,912
After 5 years	9,637	13,034
	1,061,715	1,074,817

本集團乃若干辦公室及店舖物業之營運租賃承租人。租賃一般之初始期可達至二十年,並於再商議所有條款時有權選擇續租。租賃付款通常每一至七年增加以反映市場租務狀況。此等租賃概無包括或然租賃。店舖租賃通常讓本集團於租賃期內以支付罰款及/或於最低租賃期後可取消租賃。

為出租人

於年內,本集團之租賃物業租金收入於扣減分租輕微開支後約為人民幣481,154,000元(二零一五年:人民幣432,125,000元)。

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27 OPERATING LEASE COMMITMENTS

As lessor (Continued)

At 31 December 2016, the total future minimum lease payments under non-cancellable operating leases are receivable as follows:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within 1 year	一年內	183,760	190,133
After 1 year but within 5 years	一年後但五年內	216,267	121,254
After 5 years	五年後	51,026	45,165
		451,053	356,552

The leases typically run for an initial period of 3 months to 2 years, with an option to renew the lease when all terms are renegotiated. In addition to the minimum rental payments disclosed above, the tenants have commitments to pay additional rent of a proportion of turnover for certain sub-leased properties if the turnover generated from those sub-leased properties exceeds the predetermined levels. Contingent rentals are not included in the above commitments as it is not possible to estimate the amounts which may be payable.

28 CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2016 not provided for in the consolidated financial statements were as follows:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Contracted for	已訂約	8,766	59,849
Authorised but not contracted for	已批准但未訂約	832,632	840,034
		841,398	899,883

All of the above capital commitments were made in respect of the establishment of new hypermarket stores and renovation work on existing stores.

27 營運租賃之承擔(續)

為出租人(續)

於二零一六年十二月三十一日,不可取消之營運租賃之未來最低應收租賃款項總額如下:

租賃一般之初始期為三個月至兩年,並於再商議所有條款時有權選擇續租。除上述披露之最低租賃付款外,若干分租物業當其產生之營業額超過預定之水平時,租戶承諾按營業額之若干部份繳付額外之租金。由於未能評估承租人應付金額,以上之承擔並未包括或然租金。

28 資本承擔

於二零一六年十二月三十一日,於綜合財務報表尚未撥備之資本承擔如下:

上述所有資本承擔均為成立新大型超市及為現有店舖之翻新工程而設。

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29 EMPLOYEE RETIREMENT BENEFITS

The Group has arranged for its Hong Kong employees to join a Mandatory Provident Fund (the “MPF scheme”), a defined contribution scheme managed by an independent trustee. Under the rules of the MPF scheme, each of the Group and the employee make monthly contributions to the scheme at 5% of the employees’ gross earnings, subject to a maximum of HK\$1,500 per month per employee. The only obligation of the Group with respect to the MPF scheme is to make the required contributions under the scheme.

Employees of the Group in the PRC participate in several defined contribution retirement schemes organised separately by PRC municipal governments in regions where the major operations of the Group are located. The Group is required to contribute to these schemes at rates ranging from 13% to 20% (2015: 13% to 21%) of salary costs including certain allowances. A member of the retirement schemes is entitled to retirement benefits equal to a fixed proportion of the salary at the retirement date. The retirement benefit obligations of all existing and future retired staff of the Group are assumed by these schemes.

29 僱員退休福利

本集團安排香港之僱員參與強制性公積金(「強積金計劃」),一個由獨立信託人管理之供款計劃。根據強積金計劃規例,本集團及僱員每月各按僱員總收入之5%對計劃供款,最高供款額為每僱員每月1,500港元。本集團對強積金計劃之唯一責任乃按計劃繳付所需供款。

本集團在中國之僱員參與於集團主要經營地區,由中國地區政府分別管理之若干退休供款計劃。本集團需為此等計劃按薪金成本(包括若干津貼)繳付13%至20%(二零一五年:13%至21%)之供款。退休計劃成員享有於退休日以其薪金之固定部份作為退休福利。本集團透過此等計劃履行其對所有現在及未來退休僱員之退休福利責任。

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30 MATERIAL RELATED PARTY TRANSACTIONS

30 重大相關人士之交易

(a) The Group entered into the following material transactions with entities controlled by, or related to, the ultimate holding company, CPG, during the year.

(a) 本集團於年內與由最終控股公司CPG控制/相關之企業之重大交易如下。

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Continuing related party transactions (note (i))	持續相關人士之交易(附註(i))		
Store merchandise sold to WSL and its related entities	銷售店舖商品予WSL及其相關企業	749,107	991,377
Store merchandise purchased from High Orient Enterprises Limited ("HOEL") and its related entities	採購店舖商品自High Orient Enterprises Limited (「HOEL」)及其相關企業	69,995	97,078
Rental income from Chia Tai Commercial Real Estate Management Co., Ltd. ("CTCREM") and its subsidiary	租賃收入自正大商業房地產管理有限公司(「正大商房」)及其附屬公司	7,337	7,293
Rental expenses to	租賃支出支付予		
- Shanghai Kinghill Limited ("SKL")	- 上海帝泰發展有限公司(「上海帝泰」)	18,000	18,000
- Anhui Zhengtong Enterprises Co., Ltd.	- 安徽正桐實業有限公司	2,096	8,384
- Kunshan Xinmin Property Co., Ltd.	- 昆山莘閔房地產有限公司	7,938	8,198
- Shantou Xinping Investment Consultation Co., Ltd.	- 汕頭市信平投資諮詢有限公司	14,880	14,930
Master trademark fee paid to CPG	主商標費用支付予CPG	962	879
Other related party transactions (note (ii))	其他相關人士之交易(附註(ii))		
Reimbursement of staff costs (note (iii))	僱員成本退還(附註(iii))	13,671	16,145
Allocation of administrative expenses at cost to WSL and its related entities (note (iii))	行政費用以成本分配予WSL及其相關企業(附註(iii))	6,138	9,826
Guarantee fee payable to Zheng Xin Bank Co., Ltd.	擔保費用支付予正信銀行有限公司	625	525

Notes:

- (i) These related party transactions constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules and the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. In addition, master trademark fee paid to CPG is exempt from the disclosure requirements in Chapter 14A of the listing rules. Since 27 January 2016, the store merchandise sold to WSL and its related entities is no longer continuing connected transactions, as the share-holding structure of CPG changed. The store merchandise sold to WSL and its related entities during the period from 1 January 2016 to 26 January 2016 (inclusive) was RMB130,955,824.
- (ii) These related party transactions constitute connected transactions as defined in Chapter 14A of the Listing Rules, however, they are exempt from the disclosure requirements in Chapter 14A of the Listing Rules.
- (iii) The employment contracts of certain individuals who previously worked for the Group but now work for WSL and its related entities on a full-time basis remained with the Group. The employment costs of such individuals were reimbursed by WSL and its related entities to the Group. Total staff costs disclosed in note 4(b) are stated net of such reimbursement.

Further, following the organisation restructuring in 2013, the Group shares certain administrative services with WSL and its related entities. The Group charges the costs applicable to WSL and its related entities on a cost basis.

附註:

- (i) 此等相關人士之交易構成上市規則第14A章定義下之持續關連交易及本公司已遵守根據上市規則第14A章之披露規定。此外,支付予CPG之主商標費用於上市規則第14A章下獲豁免披露。自二零一六年一月二十七日起,由於CPG之持股結構發生變化,銷售予WSL及其相關企業之商品不再是持續關連交易。於二零一六年一月一日至二零一六年一月二十六日(包括首尾兩天)期間向WSL及其相關企業銷售之店舖商品為人民幣130,955,824元。
- (ii) 此等相關人士之交易構成上市規則第14A章定義下之關連交易,然而,於上市規則第14A章下獲豁免披露。
- (iii) 若干曾於本集團工作但現為WSL及其相關企業全職工作之人士之僱傭合約仍保留於本集團。每位員工之僱傭成本由WSL及其相關企業退還予本集團。於附註4(b)披露之僱員成本總額已撇除該退還。

此外,緊隨於二零一三年之架構重組,本集團與WSL及其相關企業分享若干行政服務。本集團以成本價格收取應用於WSL及其相關企業之費用。

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30 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

30 重大相關人士之交易(續)

(b) The Group had the following balances with related companies:

In addition to the loans from controlling shareholder disclosed in note 20, the Group had other balances due with related companies as follows.

(b) 本集團與相關企業之結餘如下:

除附註20所披露之應付控股股東貸款外,本集團與其他相關企業之結餘如下:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Due from related companies	應收相關企業款項		
- WSL and its related entities	- WSL及其相關企業	384,788	315,152
- HOEL and its related entities	- HOEL及其相關企業	208	422
- CTCREM and its subsidiary	- 正大商房及其附屬公司	2,210	4,074
		387,206	319,648
Due to related companies	應付相關企業款項		
- CPG	- CPG	1,005	915
- WSL and its related entities	- WSL及其相關企業	80,172	85,736
- HOEL and its related entities	- HOEL及其相關企業	16,482	22,559
- SKL and its subsidiaries	- 上海帝泰及其附屬公司	42,571	30,073
- Other related companies	- 其他相關企業	189	282
		140,419	139,565

(c) Key management personnel remuneration

Remuneration of key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 6, is as follows:

(c) 主要管理人員酬金

本集團主要管理人員之酬金,包括附註6披露之支付予本公司董事之金額如下:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Short-term employee benefits	短期僱員福利	26,077	24,112
Post-employment benefits	受僱期後福利	46	30
Termination benefits	合約終止補償	-	-
Equity compensation benefits	權益代價福利	-	-
		26,123	24,142

Total remuneration is included in "staff costs" (see note 4(b)).

酬金總額包括於「僱員成本」(見附註4(b))內。

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31 DISPOSAL OF TWO SUBSIDIARIES

(a) Disposal of Shanghai CP Xi Duo Wu Foods Co., Ltd. (“CP Xi Duo Wu”)

The Group entered into an agreement to dispose of its equity interest in CP Xi Duo Wu to a related company, Chia Tai Land Company Limited, for a consideration of approximately RMB6.5 million. The disposal was completed on 14 September 2016.

For the year ended 31 December 2016, CP Xi Duo Wu contributed approximately RMB1.6million (2015: RMB2.8 million) to the Group’s revenue and accounted for approximately RMB0.1 million of the Group’s net loss (2015: RMB0.5 million).

This transaction constituted a connected transaction as defined in Chapter 14A of the Listing Rule and the Company has complied with the disclosure requirements in accordance with the Chapter 14A of the Listing Rules.

(b) Disposal of Xian Delian Trading Co., Ltd. (“Xian Delian”)

On 24 May 2016, the Group entered into an agreement to dispose of its equity interest in Xian Delian to an independent third party for a consideration of approximately RMB1.0 million. The disposal was completed on 6 July 2016.

For the year ended 31 December 2016, Xian Delian contributed approximately RMB4.5million (2015: RMB14.6 million) to the Group’s revenue and accounted for approximately RMB0.4 million of the Group’s net loss (2015: net profit of RMB0.4million).

31 出售兩家附屬公司

(a) 出售上海卜蜂喜多屋食品有限公司 (「卜蜂喜多屋」)

本集團與本公司之一家相關企業,正大置地有限公司訂立股權轉讓協議,以代價人民幣6,500,000元出售卜蜂喜多屋之股本權益。此項出售已於二零一六年九月十四日完成。

截止二零一六年十二月三十一日止年度,卜蜂喜多屋佔本集團收入約人民幣1,600,000元(二零一五年:人民幣2,800,000元)及佔本集團虧損淨額約人民幣100,000元(二零一五年:人民幣500,000元)。

此交易根據上市規則第14A章定義下已構成一項關連交易及本公司已遵守根據上市規則第14A章之披露規定。

(b) 出售西安德蓮貿易有限公司 (「西安德蓮」)

於二零一六年五月二十四日,本集團與獨立第三方訂立股權轉讓協議,以代價約人民幣1,000,000元出售西安德蓮之股本權益。此項出售已於二零一六年七月六日完成。

截止二零一六年十二月三十一日止年度,西安德蓮佔本集團收入約人民幣4,500,000元(二零一五年:人民幣14,600,000元)及佔本集團虧損淨額約人民幣400,000元(二零一五年:溢利淨額為人民幣400,000元)。

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31 DISPOSAL OF TWO SUBSIDIARIES (Continued)

31 出售兩家附屬公司(續)

(c) The major classes of assets and liabilities in CP Xi Duo Wu and Xian Delian as at the date of disposal were as follows:

(c) 於出售日期,卜蜂喜多屋及西安德蓮之出售組合內之主要資產及負債類別如下:

		CP Xi Duo Wu	Xian Delian
		卜蜂喜多屋 RMB'000 人民幣千元	西安德蓮 RMB'000 人民幣千元
Property, plant and equipment (note 9(a))	物業、房產及設備 (附註9(a))	10	20
Inventories	存貨	1,523	591
Trade and other receivables	營運及其他應收款項	7,064	97
Cash and cash equivalents	現金及現金等額	2,564	209
Trade and other payables	營運及其他應付款項	(3,104)	-
		8,057	917
Shareholding percentage	應佔權益比例	80%	100%
Net assets disposed of	出售資產淨額	6,446	917
Gain on disposal (note 3)	出售之溢利(附註3)	54	94
Cash consideration receivable	應收現金之代價款項	6,500	1,011
An analysis of the net inflow of cash and cash equivalents in respect of the disposal is as follows:	有關出售之現金及現金等額 流入淨額分析如下:		
Consideration received, satisfied in cash	已收代價款項,以現金方式 收取	6,500	1,011
Cash and cash equivalents disposed of	出售之現金及現金等額	(2,564)	(209)
Net inflow of cash and cash equivalents in respect of the disposal	有關出售之現金及現金等額 流入淨額	3,936	802

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32 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

32 本公司財務狀況報表

		31 December 2016 二零一六年 十二月 三十一日 RMB'000 人民幣千元	31 December 2015 二零一五年 十二月 三十一日 RMB'000 人民幣千元
Non-current assets	非流動資產		
Property, plant and equipment	物業、房產及設備	694	1,296
Interests in subsidiaries	附屬公司權益	2,416,371	2,797,484
Other long-term prepayments	其他長期預付費用	1,333	1,590
		2,418,398	2,800,370
Current assets	流動資產		
Trade and other receivables	營運及其他應收款項	321,324	93,451
Cash and cash equivalents	現金及現金等額	12,764	23,566
		334,088	117,017
Current liabilities	流動負債		
Trade and other payables	營運及其他應付款項	89,479	473,167
Bank loans	銀行貸款	-	36,595
Other loans	其他貸款	17,365	16,264
		106,844	526,026
Net current assets/(liabilities)	流動資產/(負債)淨額	227,244	(409,009)
Total assets less current liabilities	總資產減流動負債	2,645,642	2,391,361
Non-current liabilities	非流動負債		
Bank loans	銀行貸款	-	109,786
Loans from controlling shareholder	應付控股股東貸款	136,756	-
		136,756	109,786
NET ASSETS	資產淨額	2,508,886	2,281,575
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	25(c) 405,726	405,726
Reserves	儲備	25(a) 2,103,160	1,875,849
TOTAL EQUITY	權益總額	2,508,886	2,281,575

Approved and authorised for issue by the board of directors on 23 February 2017.

於二零一七年二月二十三日獲董事會批准及授權刊發。

Soopakij Chearavanont
謝吉人
Director
董事

Umroong Sanphasitvong
Director
董事

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33 IMMEDIATE AND ULTIMATE HOLDING COMPANIES

At 31 December 2016, the directors consider the immediate holding company to be C.P. Holding (BVI) Investment Company Limited, which is incorporated in the British Virgin Islands, and ultimate holding company to be Charoen Pokphand Group Company Limited, which is incorporated in the Kingdom of Thailand. None of these entities produces financial statements available for public use.

34 ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing the consolidated financial statements. Notes 9, 10 and 11 contain information about the assumptions and their risk factors relating to impairment assessment of property, plant and equipment, intangible assets and goodwill. Other key sources of estimation uncertainty are as follows:

(a) Going concern

The directors of the Company have given careful consideration to the future liquidity of the Group in light of the Group's net current liabilities of approximately RMB1,825.0 million. The directors consider that it is appropriate to prepare the financial statements using a going concern basis. Further details are set out in notes 1(b) and 26(b). Should the Group be unable to continue as a going concern, all of the Group's assets and liabilities would have to be stated at net realisable value. In particular, the non-current assets and the non-current liabilities would have to be reclassified as current assets and current liabilities respectively and provision for contingent liabilities may be required as a result.

(b) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Group reviews annually the estimated useful lives of the assets and their residual values, if any. The useful lives are based on the Group's historical experience with similar assets. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

33 直接及最終控股公司

於二零一六年十二月三十一日,董事認為本公司之直接控股公司為於英屬維爾京群島註冊成立之C.P. Holding (BVI) Investment Company Limited, 及最終控股公司為於泰國註冊成立之Charoen Pokphand Group Company Limited。此等公司概無為公眾人士而編製之財務報表。

34 會計估計及判斷

估計及判斷會被持續評估,並根據過往經驗及其他因素進行,包括在某些情況下對未來事件之預測認為合理。在審閱綜合財務報表時,所考慮之因素包括重要會計政策之選擇、影響該等政策應用之判斷及其他不明朗因素,及報告結果對條件及假設變更之敏感度。附註9、10及11包括有關物業、房產及設備、無形資產與商譽減值評估之假設及其各自風險因素之資料。其他估計不明朗因素之主要來源如下:

(a) 持續經營

本公司之董事對本集團之未來流動資金(有關本集團之流動負債淨額約人民幣1,825,000,000元)已作出仔細考慮。董事認為以持續經營基準編製財務報表屬合適。進一步詳情載於附註1(b)及26(b)。倘本集團無法繼續持續經營,本集團之所有資產及負債需按可變現淨額列示。尤其是非流動資產及非流動負債分別重分類至流動資產及流動負債,並可能需因此撥備或然負債。

(b) 物業、房產及設備折舊

物業、房產及設備經計及估計餘值後,按估計使用年期以直線法折舊。本集團每年審閱資產之估計使用年期及其餘值(如有)。使用年期乃根據本集團對類似資產之過往經驗釐定。倘過往估計出現重大變更時,未來期間之折舊開支會予以調整。

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34 ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

34 會計估計及判斷(續)

(c) Impairment

If circumstances indicate that the carrying value of property, plant and equipment, leasehold land, goodwill and other non-current assets may not be recoverable, these assets may be considered “impaired”, and an impairment loss may be recognised in accordance with HKAS 36, “*Impairment of assets*”. The carrying amounts of these assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable, except for goodwill which is tested annually for impairment. When such a decline has occurred, the carrying amount is reduced to the recoverable amount. Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling prices because quoted market prices for the Group’s assets are not readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and amount of operating costs.

(d) Deferred tax

At 31 December 2016, the Group has recognised a deferred tax asset in relation to tax losses carried forward of certain PRC subsidiaries, as set out in note 24(b). The realisability of the deferred tax asset mainly depends on whether it is probable that future taxable profits will be available against which the asset can be utilised. In assessing the need to recognise a deferred tax asset, management considers all available evidence, including projected future taxable income, tax planning strategies, historical taxable income, and the expiration period of the losses carried forward. In cases where the actual future taxable profits are less than expected, a reversal of a deferred tax asset may arise, which will be recognised in profit or loss in the period in which such a reversal takes place.

(c) 減值

倘情況顯示於物業、房產及設備、租賃土地、商譽及其他非流動資產之賬面值可能無法收回時,此等資產或會被視為「減值」,而減值虧損可按香港會計準則第36號,「*資產減值*」而確認。此等資產之賬面值會定期審閱,以評估可收回數額是否已跌至低於賬面值。當有事件或變動顯示此等資產之記錄賬面值可能無法收回時,此等資產會進行減值測試,惟每年進行減值測試之商譽除外。在出現減值時,賬面值會減至可收回數額。釐定商譽有否減值須估計商譽分配予之現金產生單位之使用價值。可收回數額為售價淨額或使用價值之較高者。由於並未取得本集團資產之市場報價,因此難於準確估計銷售價。於釐定使用價值時,資產產生之預期現金流按其現值貼現,而此需要就收益及營運成本金額作出重大判斷。本集團利用所有現有資料釐定可收回數額之合理概約金額,包括基於收益及營運成本金額之合理及有支持之假設與預測而作出估計。

(d) 遞延稅項

於二零一六年十二月三十一日,本集團已確認披露於附註24(b)若干中國附屬公司與稅項虧損結轉相關之一項稅項資產。遞延稅項資產之實現主要基於未來應課稅溢利是否可抵扣可使用之資產。於評估確認一項遞延稅項資產時,管理層考慮所有可得之證據,包括預期未來應課稅收入、稅務計劃策略、過往應課稅收入,及虧損結轉之屆期。當實際未來應課稅溢利低於預期,一項遞延稅項資產回撥可能出現,並將於該回撥出現之期間確認於損益。

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35 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the group.

35 已頒佈惟尚未於截至二零一六年十二月三十一日止年度生效之修訂、新準則及詮釋之可能影響

直至刊發本財務報表之日期為止,香港會計師公會已頒佈多項修訂及新準則,惟尚未於截至二零一六年十二月三十一日止年度生效及並未於本財務報表內採納。其中包括可能與本集團相關之以下內容。

Effective for accounting periods beginning on or after
於會計期間開始或以後生效

Amendments to HKAS 7, <i>Statement of cash flows: Disclosure Initiative</i>	香港會計準則第7號(修訂本), 現金流量:主動披露	1 January 2017	二零一七年一月一日
Amendments to HKFRS 40, <i>Investment property: Transfers of investment property</i>	香港財務報告準則第40號(修訂本), 投資物業:轉讓投資物業	1 January 2018	二零一八年一月一日
HKFRS 9, <i>Financial instruments</i>	香港財務報告準則第9號, 金融工具	1 January 2018	二零一八年一月一日
HKFRS 15, <i>Revenue from contracts with customers</i>	香港財務報告準則第15號, 客戶合約之收益	1 January 2018	二零一八年一月一日
Amendments to HKFRS 2, <i>Share-based payment: Classification and measurement of share-based payment transactions</i>	香港財務報告準則第2號, 股份支付: 股份支付交易的分類和計量	1 January 2018	二零一八年一月一日
Amendments to HKAS 12, <i>Income taxes: Recognition of deferred tax assets for unrealised losses</i>	香港會計準則第12號(修訂本), 所得稅: 就未變現虧損確認遞延稅項資產	1 January 2017	二零一七年一月一日
Amendments to HKFRS 4, <i>Insurance contracts: Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance</i>	香港財務報告準則第4號(修訂本), 保險合約:於香港財務報告準則第4號 「保險合約」下香港財務報告準則第9號 「金融工具」之使用	1 January 2018	二零一八年一月一日
HKFRS 16, <i>Leases</i>	香港財務報告準則第16號(修訂本), 租賃	1 January 2019	二零一九年一月一日

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35 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

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 the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course and will be taken into consideration when determining whether to adopt any of these new requirements before their effective date and which transitional approach to take, where there are alternative approaches allowed under the new standards.

HKFRS 16, *Leases*

As disclosed in note 1(k), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

35 已頒佈惟尚未於截至二零一六年十二月三十一日止年度生效之修訂、新準則及詮釋之可能影響(續)

本集團正在評估此等修訂及新準則於首次應用期間之影響。迄今本集團已確定新準則在某些方面可能對綜合財務報表產生重大影響。有關預期影響之進一步詳情於下文論述。由於本集團尚未完成評估,因此可能會在適當時候確定進一步的影響,並確定在其生效日期之前是否採用任何此等新規定,及考慮採用何種新準則允許之可行方法過渡。

香港財務報告準則第16號, *租賃*

誠如附註1(k)所披露,本集團目前將租賃分類為融資租賃和營運租賃,並根據租賃的分類對租賃安排作出不同的會計處理。本集團作為出租人訂立若干租賃,而其他則作為承租人。

預期香港財務報告準則第16號將不會對出租人於租賃下的權利和責任的會計模式產生重大影響。然而,一旦採用香港財務報告準則第16號,承租人將不再區分融資租賃與營運租賃。相反,受實際權益方法的規限,承租人將以現有融資租賃之會計模式處理所有租賃,即於租賃生效日期開始,承租人將按未來最低租賃付款之現值確認和計量租賃負債,同時,將確認相關「使用權」資產。於初始確認該資產和負債後,承租人將根據尚未償還結餘確認應付之利息費用,及確認使用權資產之折舊,而非以現有營運租賃會計模式按系統基準確認租賃期內的租賃費用。作為實際的權益方法,承租人可選擇不將此會計模式應用於短期租賃(即租賃期為12個月或以下)及低價值資產的租賃,而繼續按系統基準於租賃期內確認租賃費用。

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35 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

HKFRS 16, *Leases* (Continued)

The Group is the lessee in respect of a number of store premises and warehouses to operate supermarket stores in the PRC. HKFRS 16 will primarily affect the Group's accounting as a lessee of leases, which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in note 27, at 31 December 2016 the Group's future minimum lease payments under non-cancellable operating leases amount to approximately RMB1,062 million. Some of these amounts may need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

HKFRS 16 is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

35 已頒佈惟尚未於截至二零一六年十二月三十一日止年度生效之修訂、新準則及詮釋之可能影響(續)

香港財務報告準則第16號, *租賃* (續)

本集團作為若干店舖物業及倉庫之承租人經營其於中國之大型超市。香港財務報告準則第16號將主要影響本集團作為租賃之承租人以現有營運租賃模式的會計模式。預期採用新會計模式將導致資產和負債均有所增加,並影響在租賃期內損益表中費用確認的時間。如附註27所披露,於二零一六年十二月三十一日,本集團不可撤銷營運租賃之未來最低租賃付款額約為人民幣1,062,000,000元。因此,一旦採納香港財務報告準則第16號,若干該等款項可能須確認為租賃負債,同時,確認相關「使用權」資產。本集團將進行更詳細分析,經考慮實際權益方法和調整於目前與採納香港財務報告準則第16號之間訂立或終止的任何租約及貼現之影響,以釐定在採納香港財務報告準則第16號後,對營運租賃之承擔所產生的新資產及負債之金額。

香港財務報告準則第16號於二零一九年一月一日或之後開始之財政年度強制生效。在現階段,本集團並無意於生效日期前採納該準則。

Summary of Financial Information

財務資料概要

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(Expressed in Renminbi Yuan)
(以人民幣元為單位)

A summary of the results, assets and liabilities of the Group for the last five financial years is as follows:

本集團過去五個財政年度之業績、資產及負債概要如下：

		2012 二零一二年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
RESULTS	業績					
Revenue	收入	10,677,425	10,881,553	10,911,966	10,660,452	10,085,679
(Loss)/profit before taxation	除稅前(虧損)/溢利	(324,494)	(21,121)	(23,472)	153	(514,711)
Income tax	所得稅	(67,145)	(75,801)	(34,972)	(18,224)	(22,889)
Loss for the year	年度虧損	(391,639)	(96,922)	(58,444)	(18,071)	(537,600)
Attributable to:	以下人士應佔：					
Equity shareholders of the Company	本公司股東	(391,530)	(96,837)	(58,428)	(17,958)	(537,587)
Non-controlling interests	非控股權益	(109)	(85)	(16)	(113)	(13)
Loss for the year	年度虧損	(391,639)	(96,922)	(58,444)	(18,071)	(537,600)
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	7,717,340	7,631,416	6,945,156	7,127,637	6,886,213
Total liabilities	總負債	(5,644,600)	(5,561,900)	(4,935,041)	(5,077,616)	(5,363,285)
NET ASSETS	資產淨額	2,072,740	2,069,516	2,010,115	2,050,021	1,522,928
CAPITAL AND RESERVES	資本及儲備					
Total equity attributable to equity shareholders of the Company	本公司股東應佔權益總額	2,070,902	2,067,763	2,008,378	2,048,397	1,522,928
Non-controlling interests	非控股權益	1,838	1,753	1,737	1,624	-
TOTAL EQUITY	權益總額	2,072,740	2,069,516	2,010,115	2,050,021	1,522,928

Corporate Information

公司資料

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Executive Directors

Mr. Soopakij Chearavanont (*Chairman*)
Mr. Li Wen Hai (*Executive Chairman*)
Mr. Narong Chearavanont (*Vice Chairman*)
Mr. Chan Yiu-Cheong, Ed (*Vice Chairman*)
Mr. Michael Ross (*Vice Chairman*)
Mr. Yang Xiaoping (*Vice Chairman*)
Mr. Meth Jiaravanont
Mr. Suphachai Chearavanont
Mr. Umroong Sanphasitvong

Independent Non-Executive Directors

Mr. Viroj Sangsnit
Mr. Songkitti Jaggabatara
Mr. Itthaporn Subhawong
Mr. Prasobsook Boondech
Mr. Cheng Yuk Wo

Audit Committee

Mr. Cheng Yuk Wo (*Chairman*)
Mr. Viroj Sangsnit
Mr. Songkitti Jaggabatara

Remuneration Committee

Mr. Cheng Yuk Wo (*Chairman*)
Mr. Soopakij Chearavanont
Mr. Viroj Sangsnit
Mr. Songkitti Jaggabatara
Mr. Umroong Sanphasitvong

Nomination Committee

Mr. Soopakij Chearavanont (*Chairman*)
Mr. Viroj Sangsnit
Mr. Cheng Yuk Wo

Corporate Governance Committee

Mr. Prasobsook Boondech (*Chairman*)
Mr. Viroj Sangsnit
Mr. Umroong Sanphasitvong

Company Secretary

Ms. Chung Wing Man

Authorized Representatives

Mr. Umroong Sanphasitvong
Ms. Chung Wing Man

Registered Office

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

執行董事

謝吉人先生 (*主席*)
李聞海先生 (*執行董事長*)
謝明欣先生 (*副董事長*)
陳耀昌先生 (*副董事長*)
羅家順先生 (*副董事長*)
楊小平先生 (*副董事長*)
謝克俊先生
謝鎔仁先生
Umroong Sanphasitvong先生

獨立非執行董事

Viroj Sangsnit先生
Songkitti Jaggabatara先生
Itthaporn Subhawong先生
Prasobsook Boondech先生
鄭毓和先生

審核委員會

鄭毓和先生 (*主席*)
Viroj Sangsnit先生
Songkitti Jaggabatara先生

薪酬委員會

鄭毓和先生 (*主席*)
謝吉人先生
Viroj Sangsnit先生
Songkitti Jaggabatara先生
Umroong Sanphasitvong先生

提名委員會

謝吉人先生 (*主席*)
Viroj Sangsnit先生
鄭毓和先生

企業管治委員會

Prasobsook Boondech先生 (*主席*)
Viroj Sangsnit先生
Umroong Sanphasitvong先生

公司秘書

鍾詠文小姐

授權代表

Umroong Sanphasitvong先生
鍾詠文小姐

註冊辦事處

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

Corporate Information

公司資料

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Principal Place of Business

21st Floor
Far East Finance Centre
16 Harcourt Road
Hong Kong

Auditors

Messrs. KPMG
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

Principal Bankers

Standard Chartered Bank (Hong Kong) Limited
The Siam Commercial Bank Public Company Limited

Share Registrars

Hong Kong
Tricor Progressive Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

Cayman Islands

Maples Corporate Services Limited
P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Share Listing

The Stock Exchange of Hong Kong Limited
Stock Code: 00121

Company Website

<http://www.cplotuscorp.com>

主要營業地點

香港夏慤道十六號
遠東金融中心二十一樓

核數師

畢馬威會計師事務所
香港中環
遮打道十號
太子大廈八樓

主要往來銀行

渣打銀行(香港)有限公司
The Siam Commercial Bank Public Company Limited

股份過戶登記處

香港
卓佳廣進有限公司
香港皇后大道東一百八十三號
合和中心二十二樓

開曼群島

Maples Corporate Services Limited
P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

股份上市地點

香港聯合交易所有限公司
股份代號：00121

公司網站

<http://www.cplotuscorp.com>

Financial Calendar and Shareholder Information

財務曆程及股東資料

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FINANCIAL CALENDAR 2017 二零一七年財務曆程

Annual Results announced 已公佈之年度業績	23 February 2017 二零一七年二月二十三日
Annual General Meeting 股東週年大會	June 2017 二零一七年六月
2017 Interim Results 二零一七年年中期業績	August 2017 二零一七年八月
Financial year end 財務年度終結日	31 December 十二月三十一日

SHAREHOLDER INFORMATION 股東資料

Share Capital 股本	Nominal value 面值 HK\$ 港元	Number of shares 股數	HK\$' 000 千港元
As at 31 December 2016 於二零一六年十二月三十一日			
Ordinary Shares 普通股			
Authorised 法定	0.02	34,000,000,000	680,000
Issued and Fully Paid-up 已發行及繳足	0.02	11,019,072,390	220,381
Series A Convertible Preference Shares A系列可換股優先股			
Authorised 法定	0.02	2,000,000,000	40,000
Issued and Fully Paid-up* 已發行及繳足*	0.02	1,518,807,075	30,376
Series B Convertible Preference Shares B系列可換股優先股			
Authorised 法定	0.02	4,000,000,000	80,000
Issued and Fully Paid-up* 已發行及繳足*	0.02	3,897,110,334	77,942
Series C Convertible Preference Shares C系列可換股優先股			
Authorised 法定	0.02	4,500,000,000	90,000
Issued and Fully Paid-up** 已發行及繳足**	0.02	3,671,509,764	73,430
Series D Convertible Preference Shares D系列可換股優先股			
Authorised 法定	0.02	2,500,000,000	50,000
Issued and Fully Paid-up* 已發行及繳足*	0.02	2,211,382,609	44,228

* Held by C.P. Holding (BVI) Investment Company Limited

* 由C.P. Holding (BVI) Investment Company Limited持有

** Held by C.P. Holding (BVI) Investment Company Limited & Public

** 由C.P. Holding (BVI) Investment Company Limited及公眾持有

Shareholding 持股量

As at 31 December 2016 於二零一六年十二月三十一日	Number of shares 股數	% of issued share capital 已發行股本 之百分比
C.P. Holding (BVI) Investment Company Limited	6,788,319,021	61.61%
Public & Others 公眾及其他	4,230,753,369	38.39%
TOTAL 總數	11,019,072,390	100%

Stock Code 股份代號

Hong Kong Stock Exchange	香港聯交所	00121
Reuters	Reuters	0121 HK
Bloomberg	Bloomberg	121 HK

Request for Feedback

請求意見

Please email to contact@cplotuscorp.com for any comments on our public announcements and disclosures.

如對本公司之公告及披露有任何意見，請電郵至 contact@cplotuscorp.com。



C.P. Lotus Corporation

卜蜂蓮花有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 00121