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Corporate Profile

企業簡介

Lifestyle International Holdings Limited (together with its subsidiaries, the "Group") is a Hong Kong-based retail operator that specializes in the operation of mid to upper-end department stores in Hong Kong and Mainland China. The Group owns two SOGO stores in Hong Kong including the flagship store in Causeway Bay ("SOGO CWB"), the largest and leading department store in Hong Kong, as well as the Tsim Sha Tsui store, which features a slightly different format that targets a younger group of customers. In Mainland China, we have three stores in operation and our Shanghai Jiuguang Store was first established in 2004 with a similar business format to that of our flagship SOGO CWB, and is now widely recognized as one of the most sought-after shopping locations in Shanghai. Since their opening in January and May 2009 respectively, our Suzhou Jiuguang and Dalian Jiuguang have been gaining traction and delivering satisfactory performances.

The Group's retailer brand names — SOGO and Jiuguang — have become household names over the years, and enabled the Group and its management team to develop concrete retail brand building and management expertise, which is leveraged on to further expand its business into other cities in China. The Group's up and coming Shenyang Jiuguang store is scheduled for launch later in 2013. Meanwhile, to further tap into the vast potential of the important Shanghai market and to push ahead with the Group's long-term growth plan in China, the Group has acquired a plot of land in Zhabei District in Shanghai for development into a commercial complex, part of which will be for housing its second Shanghai Jiuguang store. This project will represent a key strategic milestone of the Group to solidify its presence in the Yangtze River Delta. With the Group's strong balance sheet and operating cash flows as well as its unparalleled brand equity, the Group is always prepared to take on new investment opportunities to further fuel its growth momentum in the future.

利福國際集團有限公司(連同其附屬公司,「本集團」)是紮根於香港的零售營運商,在香港及國內專門經營中高檔次百貨店。本集團的兩家崇光百貨店分別為全港最大型位於銅鑼灣的旗艦店(「銅鑼灣崇光」)以及經營模式稍有不同、目標客戶為年青一族的尖沙咀店。我們於國內共經營三家百貨店,國內首家店是於二零零四年成立的上海久光百貨店,其業務模式與銅鑼灣崇光的旗艦店相類似,上海久光百貨店現已被公認為上海最受追捧的購物地點之一。蘇州久光百貨店及大連久光百貨店分別自二零零九年一月及五月開業後穩步上揚,表現令人滿意。

多年來,崇光及久光兩大零售品牌已成為家喻戶曉的名字,成就了集團及管理團隊於建立零售品牌及管理的才能,致使本集團能夠於中國其他城市進一步拓展業務。瀋陽久光百貨店預期將於二零一三年較後時間開幕。另外,為進一步開拓重要的上海市場的巨大潛力及推進集團於中國的長期發展計劃,集團於上海閘北區投得的一塊地塊,該地塊將發展為綜合商業大樓,當中將包含集團的第二間上海久光百貨店,此舉將鞏固集團於長江三角洲的地位,更將成為集團策略上主要的里程碑。憑藉本集團強勁的資產負債表和營運現金流及優越的品牌效應,我們已整裝待發,發掘新的投資機會以進一步推動集團未來的增長勢頭。



Corporate Information

企業資料

Board of Directors

Executive Directors

Mr. Lau Luen-hung, Thomas (*Managing Director*)
Mr. Doo Wai-hoi, William

Non-executive Directors

Dató Dr. Cheng Yu-tung (*Chairman*)
Dr. Cheng Kar-shun, Henry
Mr. Lau Luen-hung, Joseph
Ms. Lau Yuk-wai, Amy

Independent Non-executive Directors

Mr. Lam Siu-lun, Simon (*ACA, FTIHK*)
Mr. Cheung Yuet-man, Raymond
The Hon. Shek Lai-him, Abraham
Mr. Hui Chiu-chung, Stephen

Chief Financial Officer

Mr. Poon Fuk-chuen, Terry (*CPA*)

Company Secretary

Mr. Poon Fuk-chuen, Terry (*CPA*)

Authorised Representatives

Mr. Lau Luen-hung, Thomas
Mr. Poon Fuk-chuen, Terry (*CPA*)

Audit Committee

Mr. Lam Siu-lun, Simon (*ACA, FTIHK*)
(*Chairman of the Audit Committee*)
Mr. Cheung Yuet-man, Raymond
The Hon. Shek Lai-him, Abraham
Mr. Hui Chiu-chung, Stephen

Remuneration Committee

Mr. Lam Siu-lun, Simon (*ACA, FTIHK*)
(*Chairman of the Remuneration Committee*)
Mr. Lau Luen-hung, Thomas
The Hon. Shek Lai-him, Abraham
Mr. Hui Chiu-chung, Stephen

Nomination Committee

Mr. Lam Siu-lun, Simon (*ACA, FTIHK*)
(*Chairman of the Nomination Committee*)
Mr. Lau Luen-hung, Thomas
The Hon. Shek Lai-him, Abraham
Mr. Hui Chiu-chung, Stephen

Registered Office

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

董事局

執行董事

劉鑾鴻先生 (*董事總經理*)
杜惠愷先生

非執行董事

拿督鄭裕彤博士 (*主席*)
鄭家純博士
劉鑾雄先生
劉玉慧女士

獨立非執行董事

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

財務總監

潘福全先生 (*CPA*)

公司秘書

潘福全先生 (*CPA*)

授權代表

劉鑾鴻先生
潘福全先生 (*CPA*)

審核委員會

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

薪酬委員會

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

提名委員會

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

註冊辦事處

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

Head Office and Principal Place of Business

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

Principal Banker

Bank of China (Hong Kong) Limited

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants

Solicitors

Reed Smith Richards Butler
Sit, Fung, Kwong & Shum

Hong Kong Share Registrar and Transfer Office (Branch Registrar)

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

Cayman Islands Share Registrar and Transfer Office (Registrar)

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

Share Information

Place of listing: Main Board of The Stock Exchange of Hong Kong Limited
Stock code: 1212
Board lot: 500 shares
Financial year end: 31 December
Closing share price at 31 December 2012: HK\$19.00
Market capitalization at 31 December 2012: HK\$31,634 million

Website Address

www.lifestylehk.com.hk

總辦事處及主要營業地點

香港
銅鑼灣
軒尼詩道555號
東角中心20樓

主要往來銀行

中國銀行(香港)有限公司

核數師

德勤•關黃陳方會計師行
執業會計師

律師

禮德齊伯禮律師行
薛馮鄭岑律師行

香港股份過戶登記處(分處)

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

開曼群島股份過戶登記處(總處)

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

股份資料

上市地點：香港聯合交易所有限公司主板
股份代號：1212
每手買賣單位：500股
財政年度年結：十二月三十一日
於二零一二年十二月三十一日股份收市價：19.00港元
於二零一二年十二月三十一日市值：316.34億港元

網址

www.lifestylehk.com.hk

Financial Highlights

財務摘要

Operating Results 經營業績

HK'000 千港元	2012	2011 (Restated) (重列)	2010	2009	2008
Sales proceeds 銷售所得款項	12,883,804	12,052,081	9,832,734	8,399,095	7,674,699
Turnover 營業額	5,523,443	5,131,950	4,317,465	3,756,208	3,521,633
Profit before taxation 除稅前溢利	2,754,961	2,594,401	1,896,256	1,498,442	1,324,637
Profit for the year attributable to owners of the Company 本年度本公司擁有人應佔溢利	2,057,461	1,867,170	1,407,534	1,142,468	927,226
Basic earnings per share (HK cents) 每股基本盈利(港仙)	123.49	111.25	83.9	68.5	54.5
Total dividends per share (HK cents) 每股股息總額(港仙)	49.4	44.9	33.7	28.0	24.0

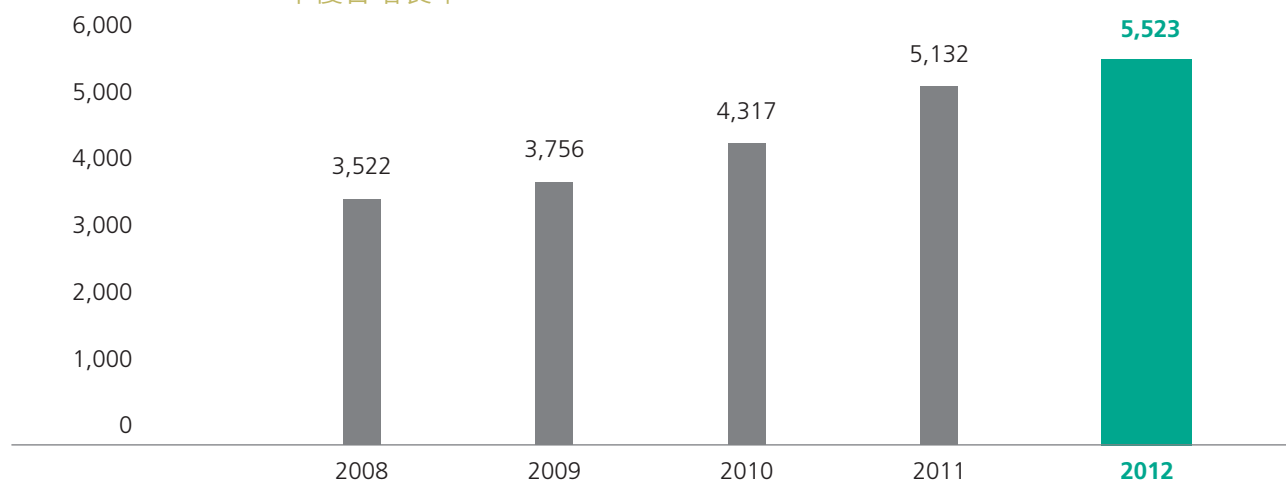
for the year ended 31st December 截至十二月三十一日止年度

Turnover Growth 營業額增長

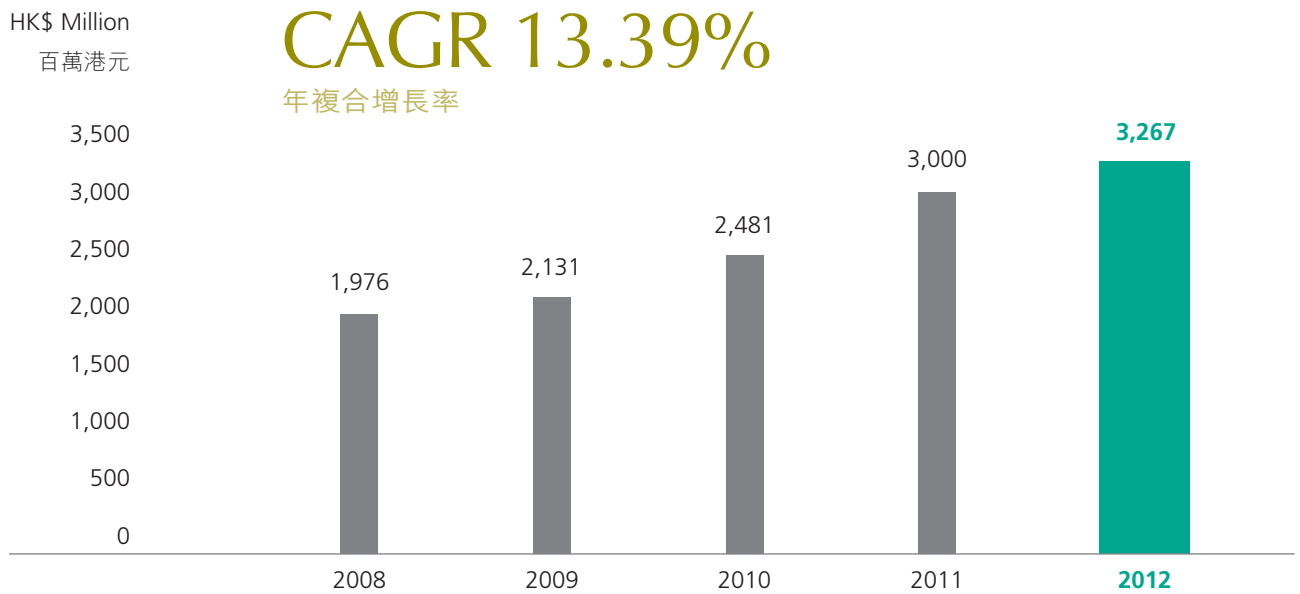
HK\$ Million
百萬港元

CAGR 11.90%

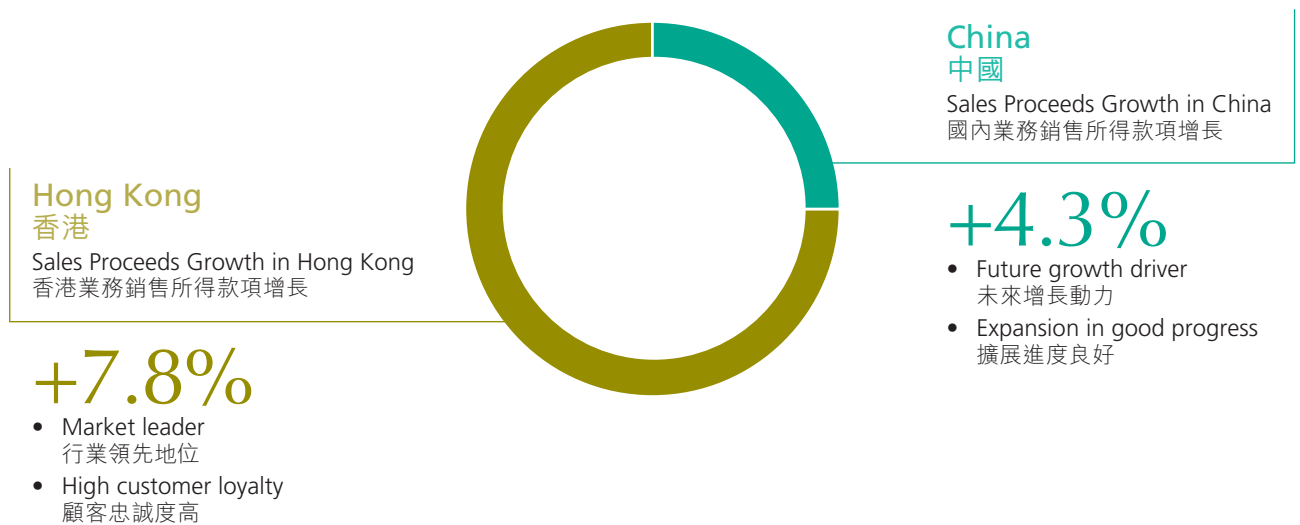
年複合增長率



Gross Profit 毛利



2012 Sales Proceeds By Market 二零一二年按市場劃分之銷售所得款項



Jan 一月

Issue of US\$350,000,000
5.25% Guaranteed Bonds
Due 2017
發行於二零一七年到期利率為
5.25%之350,000,000美元
有擔保債券

Mar 三月

Further issue of US\$150,000,000
5.25% Guaranteed Bonds
Due 2017
增發於二零一七年到期利率為
5.25%之150,000,000美元
有擔保債券

Oct 十月

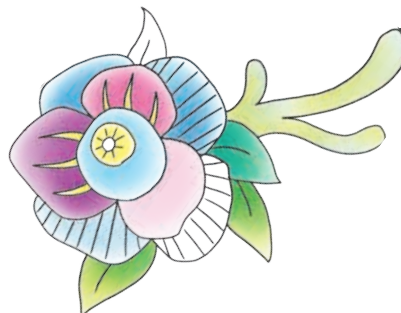
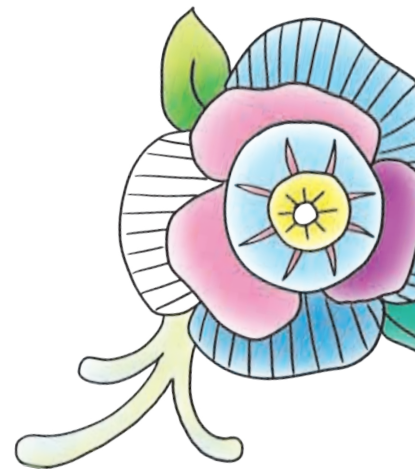
Issue of US\$300,000,000
4.25% Guaranteed Bonds
Due 2022
發行於二零二二年到期利率為
4.25%之300,000,000美元
有擔保債券

Nov 十一月

Thankful Week once again
recorded a groundbreaking sale
revenue of HK\$711,000,000
感謝周再次錄得破記錄的銷售
額，高達711,000,000港元

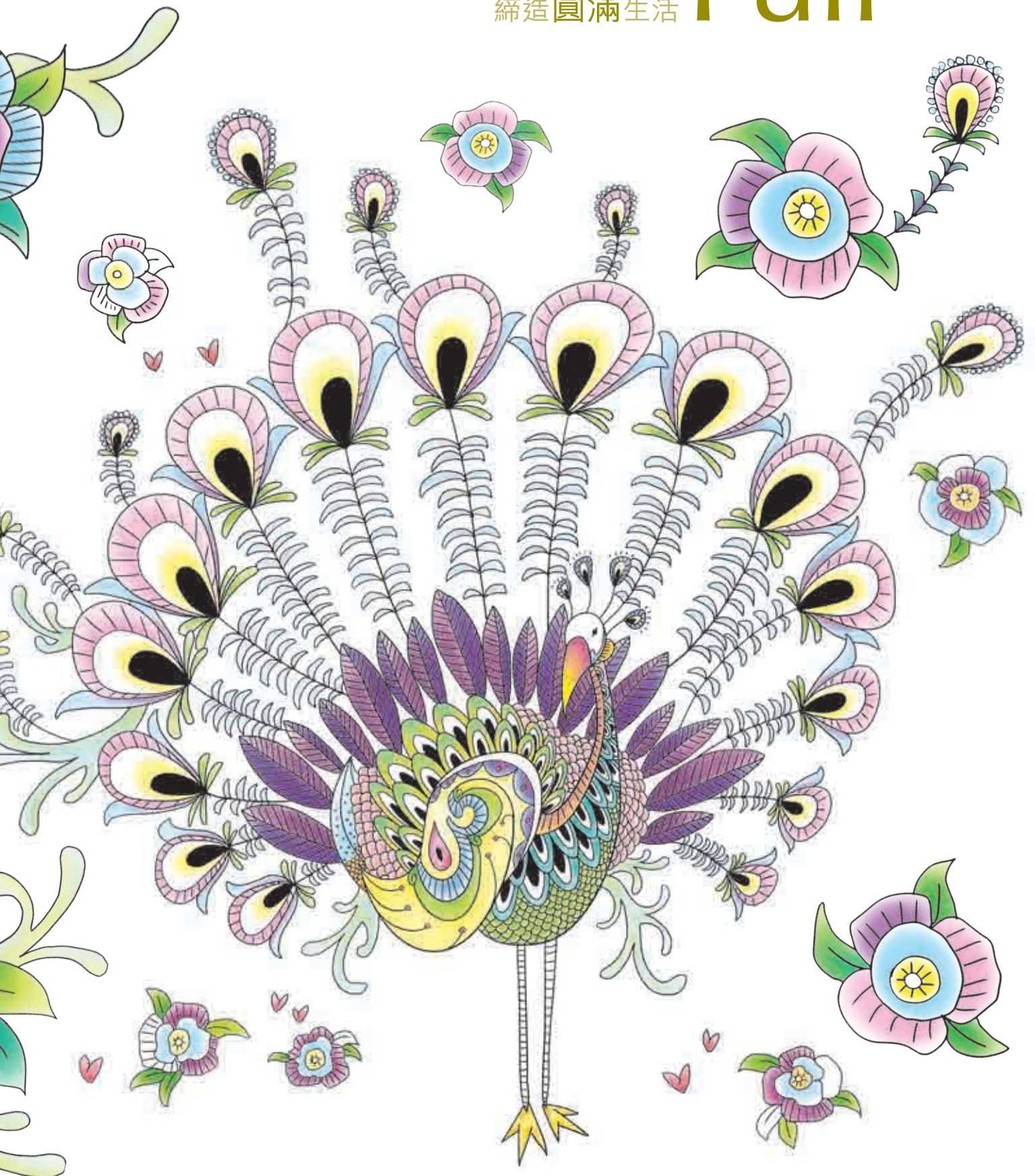
Dec 十二月

Signed a sale and purchase
agreement to dispose of the
entire interest in Tianjin
Lifestyle Plaza
簽訂出售及購買協議
出售天津利福廣場之整體利益



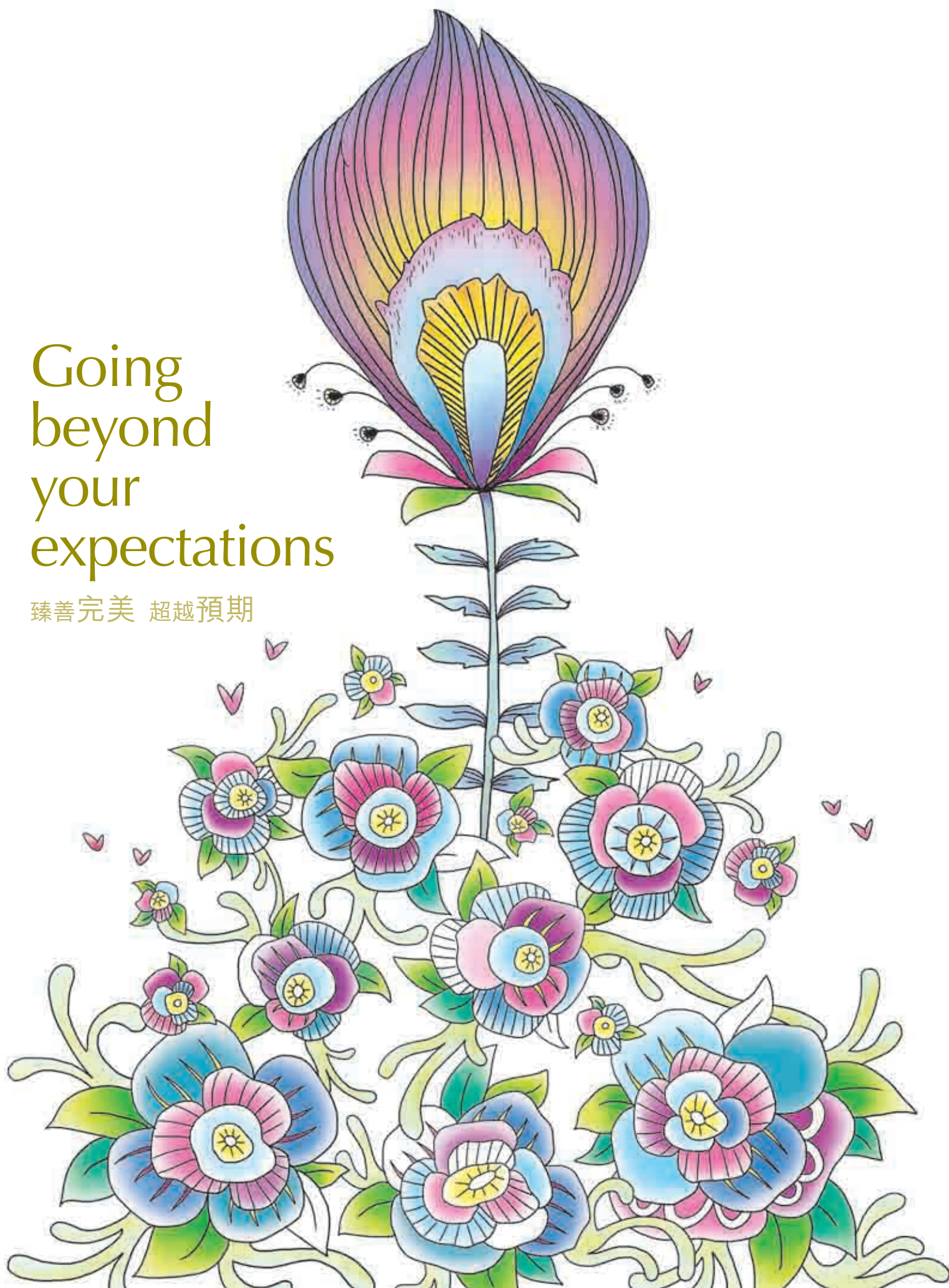
Live life on Full

締造圓滿生活



Going beyond your expectations

臻善完美 超越預期



Managing Director's Message

董事總經理報告



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

The year 2012 was marked by slow economic growth and uncertainties in many parts of the world. While the EU had been preoccupied with rescuing debt-ridden members, the US economy started to show signs of stabilization and slow recovery. Inevitably all these took a toll on growth in emerging markets including China, which experienced a notable slowdown during the year.

Amid the external challenges, Lifestyle International showed its mettle as we maintained a sharp focus on our business strategies and objectives of balancing short term sales growth and profitability while preserving brand equity for enhancing shareholders' return and value in the long run. Our retail operations in Hong Kong and mainland China remained attractive shopping destinations that appeal to all walks of life. Our SOGO and Jiuguang stores are established as retail premises that not only offer unique shopping experiences but also transform shopping into a lifestyle. With this in mind, we focused on executing a host of well thought business, marketing and promotion strategies in 2012, and, as a result, delivered a healthy set of business and financial results for the year.

For the year ended 31 December 2012, the Group's turnover and net profit increased year-on-year by 7.6% and 10.2% respectively to HK\$5,523.4 million and HK\$2,057.5 million. Our aggregate sales revenue grew by 6.9% year-on-year in Hong Kong dollar terms. The Board is pleased to recommend the payment of a final cash dividend of 27.6 Hong Kong cents per share. Together with the interim dividend of 21.8 Hong Kong cents paid during the year, the dividend for the full financial year of 2012 totaled 49.4 Hong Kong cents. Over the last eight years, the Group's earnings represented a compound annual growth rate of 22.2%. Since the listing of the Company's shares on the Stock Exchange in 2004, the Group has been committed to generating decent and steady returns to our shareholders, not least through consistent dividend payout of around 40% of the reported earnings.

二零一二年環球經濟增長緩慢，不明朗因素籠罩各地。年內歐盟為拯救債務纏身的成員國疲於奔命，而美國經濟則漸見穩定及緩慢復甦的勢頭。此等情況無可避免對包括中國以內的新興市場帶來打擊，導致該等市場年內經濟增長明顯放緩。

面對外在的挑戰，利福國際堅持不懈，一直專注於我們的業務策略，致力維持短線銷售增長及盈利能力的平衡，同時積極維持品牌優勢，於長遠而言提升股東回報及價值。集團香港及中國大陸的零售業務仍然是普羅大眾的購物熱點。本集團之崇光及久光店，不單為顧客提供獨特購物經驗，亦將購物轉化成為一種生活品味。銘記此等方向，我們於二零一二年專注落實一連串精心打造的商業、市場推廣及宣傳策略，並為集團帶來穩健的營運及財務業績。

截至二零一二年十二月三十一日止年度，本集團營業額及純利分別按年上升7.6%及10.2%至5,523,400,000港元及2,057,500,000港元。本集團總銷售收益以港元計按年增長6.9%。董事會欣然建議派付末期現金股息每股27.6港仙。連同年內已派付之中期股息每股21.8港仙，二零一二年整個財務年度之股息合共為49.4港仙。過往八年，集團盈利以年度複合增長率22.2%增長。自二零零四年本公司股份於聯交所上市以來，本集團維持約40%的派息比率，致力為股東帶來理想及穩定之回報。

In 2012, our operations in Hong Kong continued to account for a significant share of the local department store sector at approximately 21.3%, and the combined sales revenue of the two stores recorded 7.8% year-on-year growth, and accounted for 73.9% of the Group's total revenue. Despite the relatively weak market sentiment and an exceptionally high base from 2011, the Hong Kong retail market recorded a healthy growth rate of 9.8% during the year.

Our operations in mainland China as a whole remained healthy and stable, thanks in part to our efforts to nurture the brand equity of Jiuguang and to enhance operational efficiency. Shanghai Jiuguang continued to be a popular shopping destination amidst the intensifying competition, while Suzhou Jiuguang continued to gain popularity and looked set to become a sought-after department store too in the locality. By comparison, Dalian Jiuguang was more susceptible to external market conditions and competition but managed to delivering results largely in line with the broader market. The three stores contributed a total of RMB2,733.6 million in net sales revenue, accounting for 26.1% of the Group's total revenue.

The Group's strategic investment in the Beiren Group, a leading retailer based in Shijiazhuang, Hebei province, continued during the year to demonstrate its growth potential and operational efficiency. The pace of new store opening has however seen a slow down during the year following a period of rapid growth before the year 2011. Amid generally more difficult market conditions, the Beiren Group managed to achieve 11.4% growth in sales and share of profit by the Group for the full year increased 26.4% to approximately HK\$280.5 million from HK\$221.9 million in 2011.

Meanwhile, renovation and leasing work of the Group's Shenyang Jiuguang store is progressing according to plan, and the store is scheduled to open around end of the third quarter and beginning of the fourth quarter this year. At the same time, the Group is in the process of obtaining official approvals and permits for launching the construction work of the Zhabei project. Upon completion in 2016/2017, the Zhabei project will mark a key strategic milestone of the Group to further broaden its presence in the Yangtze River Delta region. To leveraging the success of our "Freshmart" operation in the food and confections business in Shanghai, the Group has scheduled to open its first standalone "Freshmart" in the Chang Ning district in Shanghai in around May/June this year. The store will occupy a total of 7,700 sq.m. of GFA and initial investment will amount to approximately RMB50 million.

於二零一二年，集團於香港的業務繼續佔本地百貨店業的龐大份額，約21.3%。兩間分店合計銷售收益錄得按年7.8%的增長，並佔集團總營業額的73.9%。儘管年內整體市場氣氛疲弱，而二零一一年的基數亦高於正常情況，但香港的零售市場仍然於年內維持約9.8%的健康增長。

本集團的內地業務整體而言表現健康及平穩，主要歸功於集團致力培育久光百貨的品牌資產及提升其營運效率。上海久光在激烈的競爭中繼續成為廣受歡迎的購物熱點，而蘇州久光的受歡迎度與日俱增，正逐步成為當地炙手可熱的購物點。相比之下，大連久光則較受市場環境及競爭所影響，但業績表現仍然與市場同步。年內三間久光店共貢獻淨銷售收益人民幣2,733,600,000元，佔本集團總銷售收益26.1%。

紮根於河北石家莊的北人集團乃本集團有策略性參股的龍頭零售集團，北人集團於本年度繼續表現其增長潛力及營運效益。經歷二零一一年之前的快速增長期後，北人集團的新分店拓展步伐於本年度有所放緩。在整體較困難的市場環境下，北人集團仍能取得11.4%的銷售增長，而本集團所佔溢利從二零一一年的221,900,000港元增長26.4%至本年的280,500,000港元。

本集團瀋陽久光店的裝修工程及招商工作正按計劃進行，預期將於本年第三季末或第四季初開幕。與此同時，本集團亦正為閘北項目申領各項批文及證照，以便展開建築工程。閘北項目預期於二零一六/二零一七年完成，其將進一步擴闊集團於長三角地區的覆蓋，並成為集團的重要里程碑。有見集團的食品及糖果糕點業務「鮮品館」於上海表現理想，集團將於二零一三年五月/六月間於上海長寧區開設首間單獨營運的鮮品館。該店將佔總樓面積約7,700平方米，初步投資約達人民幣50,000,000元。

The Group has recently unveiled its plan regarding seeking a separate listing for its property investment and development business on the Hong Kong Stock Exchange ("Proposed Spin-off" or the "Plan"). The Proposed Spin-off is a way to streamline the operation and asset base of the Group so that Lifestyle International can focus in its core department store business to further enhancing its operating efficiency. Upon completion of the Plan, the two different listed groups hopefully would be able to be valued on a standalone basis, thus enhancing its operational and financial transparency. In the meantime, before the Plan is completed, the Group will continue to streamlining its asset and business operations. Indeed, following disposal in 2011 of 90% interest in Sun Plaza, the Group's investment property project in Shenyang, the Group entered into a sale and purchase agreement on 31 December 2012 to dispose of the entire interest of its Lifestyle Plaza in Tianjin, both properties are non-core assets as far as the Group's department store operations are concerned.

No doubt that in the coming year there will still be much uncertainties hanging over the global economy and consumer sentiments will take time to regain and therefore we believe it may not be an easy year ahead for the retail market in China including Hong Kong. The management will however remain prudently optimistic in executing its business strategies. Nevertheless, with many major economies showing signs of stabilization in recent months, and given the Group's position and track record as a veteran retail industry player, we believe our operations in Hong Kong and mainland China will stay on a growth trajectory in 2013. As always, we will continue to be on the lookout for lucrative opportunities to further expand our business, with the ultimate aim of bringing greater value to our shareholders in the long run.

On behalf of the board, I would like to thank our management team members and staff for their hard work and contributions. I am also grateful to our customers, business partners and shareholders, whose support has been instrumental in helping us fulfilling our goals. We all look forward to a better year ahead.

Lau Luen-hung, Thomas
Managing Director

4 March 2013

本集團最近公佈其計劃分拆物業投資及開發業務於香港聯合交易所獨立上市(「建議分拆」或「該計劃」)。建議分拆乃為理順本集團之營運及資產基礎，使利福國際能專注其核心百貨店業務以進一步提升營運效益。待該計劃完成時，兩間不同的上市集團將可在獨立基準下獲得估值，有利改善營運及財政上之透明度。與此同時，在該計劃完成前，本集團將繼續理順其資產及業務運作。誠言，自二零一一年出售本集團於太陽廣場(集團於瀋陽之投資物業項目)的90%權益後，集團已於二零一二年十二月三十一日簽訂銷售及購買協議，出售位處天津之利福廣場全部權益。就本集團之百貨店業務而言，上述兩項物業皆為非核心資產。

不明朗因素於來年無疑將繼續籠罩全球經濟，而消費者情緒亦需時重新建立。故此，我們相信來年對中國以至香港之零售市場而言將不會是容易的一年。然而，管理層仍會審慎樂觀地落實其業務策略。近月多個主要經濟體均展現穩定的勢頭，我們相信憑藉集團作為饒有經驗的零售商的地位及往績，集團於香港及中國大陸的業務於二零一三年仍可保持上升的軌道。一如既往，集團仍會繼續尋找商機，進一步擴展業務，長遠為股東帶來更大的價值。

最後，本人謹代表董事會衷心感謝本集團管理人員及全體員工的努力及貢獻，並對顧客、業務夥伴及股東鼎力支持，協助本集團實現目標表示謝意。我們期望來年更美好。

劉鑾鴻
董事總經理

二零一三年三月四日

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Management Discussion and Analysis

管理層討論及分析

Market Overview

The year 2012 was challenging for economies around the world. At the beginning there was a faint hope that a global recovery was imminent, but the mild optimism soon gave way to growing uncertainties. The year was a particularly difficult period for Europe, which had been struggling to help debt-ridden Greece and other EU debtors and to safeguard the stability of the euro. The US delivered the best performance in the West but the real GDP growth was a meager 2%. Emerging markets remained the key driver of global growth, but even China, the longstanding growth champion, experienced a notable slowdown in the absence of sufficient demand from the West. After reporting in the third quarter a year-on-year growth rate of 7.4% — the weakest expansion since early 2009 — the world's second largest economy picked up in the fourth quarter with a GDP growth of 7.9%. This was thanks to a raft of pro-growth policy steps taken by the Chinese government, which to some extent accelerated economic activity supported by faster infrastructure investment and a heating up of the housing market. Meanwhile, Hong Kong's economy, under the impact of the uncertain economic climate, registered a GDP growth rate of 1.4% compared with 4.9% in the previous year. The slowdown was largely driven by falling exports to the US and EU markets where demand was weak. Nevertheless, Hong Kong managed to avoid a technical recession when it grew by 0.6 per cent in the third quarter, reversing its second-quarter decline.

The mounting uncertainties on the global economies and the relatively tight monetary policy measures in China, especially those launched in the first three quarters of 2012, significantly dampened consumer sentiment in not just China but Hong Kong, whose retail sector is dependent to a considerable extent on mainland Chinese shoppers. As a result, after an exceptionally high growth year in 2011, the Hong Kong retail market experienced a dramatic slowdown. Retail sales growth of consumer goods in China slowed to 14.3% year-on-year, compared with 17.1% in the previous year and 18.4% in 2010. Notwithstanding the tourist arrival into Hong Kong during the year saw an increase of 16% to reach 48.6 million, of which 71.8% or 34.9 million are visitors from mainland China, as most Chinese shoppers cut back their spending on luxury goods, retail sales growth in Hong Kong during the year did not keep up with the growth of tourist arrivals and recorded a growth of only 9.8%, compared with 24.8% in the previous year and 18.2% in 2010.

Financial Review 2012

Amid the economic uncertainties and rather weak consumer sentiment, the Group stayed focused on executing its strategic agenda anchored on profitable growth through effective marketing and promotion, service excellence and sensible expansion. This strategy served to maintain the operating margin of the Group in the short term, while enhancing the image and brand equity of Lifestyle International's stores in a way that will bring benefits to the Group in the long run. As a result of the strategy, the Group's aggregate sales revenue grew by 6.9% year-on-year to approximately HK\$12.88 billion.

In 2012, SOGO CWB and SOGO TST managed to achieve a 7.8% growth in aggregate sales revenue, a pleasing outcome at a time of economic slowdown and weak consumer sentiment. The Group's Hong Kong operations continued to account for a significant share of the local department store sector at 21.3%, and their combined sales revenue constituted 73.9% of the Group's total revenue.

市場概況

二零一二年，全球經濟面對嚴峻挑戰。在年初時，市場仍然憧憬全球經濟復甦快將到來，但隨著不明朗因素不斷升溫，陰霾迅即掩蓋此溫和樂觀情緒。今年對歐洲而言是艱辛的歲月——希臘和另外幾個歐洲國家債務纏身，身陷囹圄，正苦苦等待其他國家出手救援，而歐盟其他成員國也正努力維持歐元的穩定性。西方國家中以美國表現最為理想，然而其實際國內生產總值增長亦只有2%。新興市場仍為全球增長的主要動力，但即使一直錄得增長的中國，年內亦因西方國家需求減弱，導致經濟增長明顯放緩。中國於第三季度錄得自二零零九年初以來最低增幅的7.4%按年增長，然而中國作為全球第二大經濟體，其於第四季度重拾增長動力，國內生產總值錄得7.9%的增幅。此實歸功於中國政府過去出台一系列支持經濟增長的扶持政策，加快基建投資，激活房地產市場，令經濟活動有所提速。與此同時，香港經濟因外圍經濟不明朗而受到影響，相對於往年的4.9%增長，今年只錄得1.4%的經濟增長。放緩主要歸咎於美國及歐盟市場需求疲弱，令出口至當地大幅減少。然而，香港於第三季度取得0.6%的增長，扭轉第二季度下跌的勢頭，避免了技術性衰退。

不穩定性籠罩全球經濟，加上中國相對緊縮的貨幣政策，其中尤以二零一二年首三個月內所實施的為甚，不單對國內消費情緒造成重大打擊，而相當依靠內地自由行旅客的香港零售業，亦無可避免地受到重大打擊。故此，經過二零一一年相對高增長的年度後，香港零售市場增長大幅放緩。中國消費品零售額按年增長14.3%，較往年之17.1%及二零一零年之18.4%有所放緩。縱使本年度訪港旅客增加16%至48,600,000人次（其中71.8%或34,900,000人次乃來自中國大陸之旅客），因大部分國內遊客對奢侈品需求減弱，致使本年度香港零售銷售增幅，不能與訪港旅客增長並駕齊驅，對比往年24.8%及二零一零年18.2%的增幅，只錄得9.8%的增長。

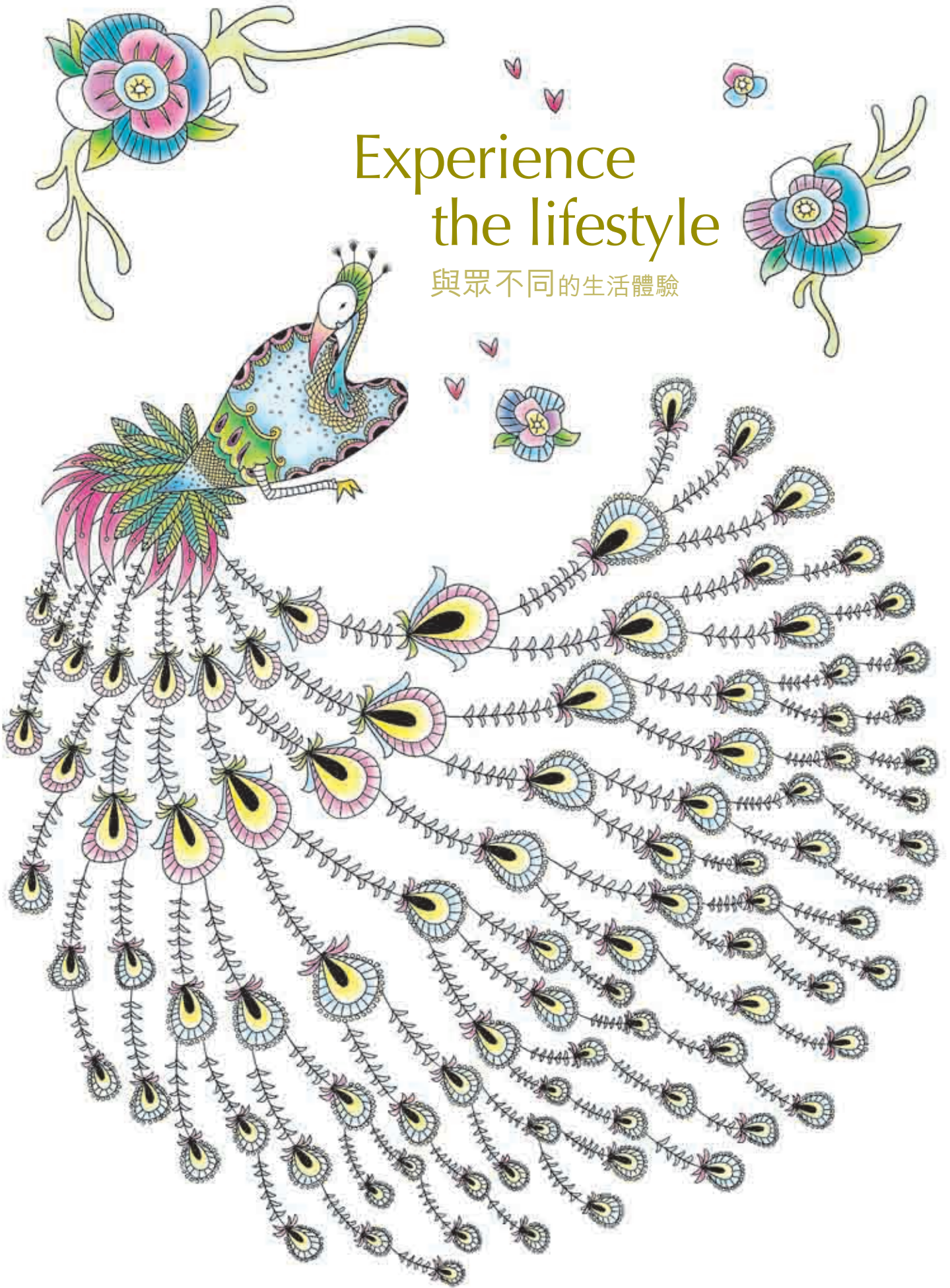
二零一二年財務回顧

儘管經濟不明朗及消費意欲疲弱因素，本集團繼續專注執行其業務策略，通過有效的營銷及推廣、卓越的服務和合理的擴展，爭取盈利增長。此等策略不僅於短期內維持本集團的經營利潤率，長遠而言亦增強了利福國際店舖的形象和品牌資產。因此，本集團的總銷售收入比去年同期按年增長6.9%至約12,880,000,000港元。

二零一二年，銅鑼灣崇光及尖沙咀崇光於經濟放緩及消費意欲疲弱的情況下仍然錄得總銷售收入達7.8%增長，成績使人欣喜。本集團的香港業務繼續佔本地百貨業21.3%，份額顯著；而它們的合併銷售收入構成本集團總收入的73.9%。

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Performance of the Group's mainland operations was by and large healthy and steady, thanks in part to our efforts to nurture the brand equity of Jiuguang and to enhance operational efficiency. During the year, Shanghai Jiuguang maintained its popularity and retail clout in the highly competitive market of Shanghai, while Suzhou Jiuguang was on its way to become a sought-after shopping destination, making growing contribution to the Group's total revenue. Meanwhile, Dalian Jiuguang was relatively more susceptible to external conditions but managed to deliver results in line with the broader market.

Turnover and Sales Proceeds

For the year 2012, Lifestyle International's turnover was up 7.6% from the previous year with the total sales proceeds (net of VAT), derived from both direct and concessionaire sales transactions, increased by 6.9%. Contribution from the stores in China was healthy, while the Group's Hong Kong operations remained the main growth driver.

In terms of sales contribution by region, the Group's operations in Hong Kong and mainland China respectively generated HK\$9,518.8 million and HK\$3,365.0 million worth of sales proceeds, accounting respectively for 73.9% and 26.1% (2011: 73.2% and 26.8%) of the Group's total sales proceeds.

Gross Profit and Concessionaire Rates

The Group's gross profit margin as a percentage of turnover was 59.1%, compared with 58.5% in 2011. Gross profit totaled HK\$3,267.1 million, up 8.9% from HK\$2,999.9 million recorded in the previous year. The Group continued to adhere to the strategy of profitable growth and managed to improve marginally the average concessionaire rate from approximately 22.2% in 2011 to approximately 22.4%, amid a highly competitive operating environment, especially in mainland China.

Net Profit Attributable to Shareholders

In spite of escalating operating costs amid a highly competitive business environment in both mainland China and Hong Kong, the Group managed to avoid an operating deleverage during the year. Net profit attributable to shareholders for the year amounted to HK\$2,057.5 million, a 10.2% growth from HK\$1,867.2 million (as restated from HK\$1,886.3 million due to adoption of revised accounting standard) achieved in 2011. The Group's net profit margin as a percentage of turnover expanded from 36.4% in 2011 to 37.2% in 2012 and such margin expansion was the combined result of a slight improvement in operating efficiency; increase in net investment and interest income; as well as increase in share of profit of associates.

Despite the relatively low growth in terms of sales revenue during the year, the Group's profit from operations managed to grow decently at approximately 22.1%, thanks to the steady performance of the Group's operation in Hong Kong and Shanghai and the continued improvement of the Group's Suzhou store which turned profitable during the year. Improvement in net profit of the Group was a result of the fact that the relatively higher interest costs associating with the Group's bonds issued during the year was more than off-set by a significant increase in interest and investment income (including mark-to-market gain) from the Group's surplus cash and investment portfolio, hence avoiding a negative carry situation as far as the bond and loan proceeds are concerned.

Furthermore, the Group's share of profit of associates also increased markedly during the year, thanks to the continued steady growth of the retailing operations of the Beiren Group.

本集團的內地業務表現健康及平穩，主要歸功於集團致力培育久光百貨的品牌資產及提升其營運效率。年內，上海久光百貨在競爭激烈的上海市場繼續保持其知名度和零售影響力；而蘇州久光正逐步成為炙手可熱的購物熱點，對本集團總收入的貢獻日益增加。與此同時，大連久光百貨相對容易受外在環境影響，然而其業績仍然與大市同步。

營業額及銷售所得款項

利福國際於二零一二年的營業額比去年增加7.6%。在扣除增值稅後，來自直接和特許專櫃銷售之銷售所得款項則增加了6.9%。來自中國店舖的貢獻健康，而本集團的香港業務仍是主要的增長動力。

若按銷售額地區劃分，本集團來自香港及中國內地之銷售所得款項分別合共9,518,800,000港元及3,365,000,000港元，分別佔本集團總銷售所得款項的73.9%及26.1%（二零一一年：73.2%及26.8%）。

毛利及特許專櫃率

本集團的毛利率按營業額計算為59.1%，而二零一一年則為58.5%。毛利總額為3,267,100,000港元，較去年2,999,900,000港元增加8.9%。年內營運環境競爭激烈，當中尤以中國市場為甚，然而本集團仍然堅守其盈利增長的策略，平均特許專櫃率由二零一一年之22.2%輕微改善至22.4%。

股東應佔溢利淨額

年內，縱然中國內地及香港的經營環境競爭激烈，經營成本亦不斷上升，但集團於年內成功避免經營去槓桿化，年度股東應佔溢利淨額為2,057,500,000港元，較二零一一年之1,867,200,000港元（由於採用經修訂會計準則，從1,886,300,000港元重列）增加10.2%。本集團按營業額計算之淨利潤率從二零一一年之36.4%擴大到二零一二年的37.2%。利潤率擴張主要因為營運效率有所改善，淨投資和利息收益增加，以及應佔聯營公司利潤有所提升。

本年度內雖然銷售收入增長相對較低，然而本集團的經營溢利仍然錄得約22.1%理想的增長，主要因為本集團在香港和上海的經營表現穩定，及本集團蘇州店的表現持續改善，並於年內錄得盈利。本集團淨利潤之改善，乃因為在年內本集團發行債券所產生相對較高利息成本被本集團的現金盈餘和投資組合的利息及投資收入顯著增加（包括按市場價計之收益）抵銷；因此，對債券及貸款所得款而言，避免了負支出的情況出現。此外，由於北人集團的零售業務持續穩定增長，在年內本集團應佔聯營公司的利潤也顯著增加。

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Selling and Distribution Costs

Selling and distribution costs of the Group in Hong Kong and mainland China increased by approximately 6% over the previous year and was largely in line with the general inflation. Total selling and distribution expenses as a percentage of total sales proceeds of the Group remained stable at approximately 7.9% (2011: 8.0%).

Administrative Expenses

The Group's general administrative expenses increased only approximately 3.8% which represented approximately 2.0% of the Group's total sales proceeds (2011: 2.1%).

Staff Cost

Staff cost (excluding directors) increased 6.1% to approximately HK\$371.3 million during the year, and the increase was largely in line with the market. Due to different labor policies between mainland China and Hong Kong the percentage increase during the year of staff costs was relatively higher in mainland China than its counterpart in Hong Kong. As at the year end, the total fulltime headcount of the Group remained stable at around 2,400 with some 900 working in Hong Kong and the rest in mainland China.

Other Income

Other income, which comprises mainly management fee, remained rather stable during the year. The decrease in other income this year stemmed from the fact that the 2011 figure was lifted by a one-off item in the amount of HK\$36.1 million, representing an exchange reserve being released upon disposal of 90% equity interest in a subsidiary which owned an investment property in Shenyang, PRC.

Investment Income

Investment income of HK\$352.1 million (2011: HK\$64.3 million) comprised mainly interest income from the Group's bank deposits of approximately HK\$151 million, and net investment income of HK\$201 million which includes actual dividend income and interest as well as mark-to market net gains from a portfolio of financial products consisting of mainly fixed income type financial products such as corporate bonds and funds.

Finance Costs

The Group's total finance costs consisted mainly of interest expense on bank loans and interests payable in respect of the bonds issued during the year. The significantly higher finance costs this year — rising to approximately HK\$307.8 million from HK\$57.9 million a year earlier — was mainly a result of the additional interests amounting to approximately HK\$204.4 million payable in respect of the US\$800 million bonds issued during the year. Moreover, the full-year effect of the HK\$5 billion floating rate secured facilities, which bears a higher interest margin compared with the previous facilities upon renewal of the facilities in September 2011, has given rise to a higher interest cost for the year. In 2012, approximately HK\$24.0 million (2011: HK\$11.0 million) of the interests expense was capitalised as part of the cost of property under development.

銷售及分銷成本

本集團在香港及中國內地的銷售及分銷成本比去年增加約6%，大致與整體通脹同步。總銷售及分銷成本佔本集團銷售所得款項總額的百分比保持穩定，約為7.9%（二零一一年：8.0%）。

行政開支

本集團的一般行政開支增加約3.8%，約佔本集團銷售所得款項總額2.0%（二零一一年：2.1%）。

員工成本

年內，員工薪酬（不包括董事）增加6.1%至約371,300,000港元，增幅與市場同步。由於中國內地和香港之間的勞工政策有所不同，於年內中國內地員工成本增加的百分比相對較香港高。截至年底，本集團的全職員工人數保持穩定約2,400名，其中約900名在香港，其餘則在中國大陸。

其他收入

其他收入主要包括管理費，於年內保持穩定。年內其他收入下降源於二零一一年的數字被一個金額為36,100,000港元一次性項目提高，其為出售一間在中國沈陽擁有一個投資物業的附屬公司90%權益所轉出匯兌儲備。

投資收入

投資收入為352,100,000港元（二零一一年：64,300,000港元），主要包括集團的銀行存款利息收入約151,000,000港元及淨投資收入約201,000,000港元，其包括主要由企業債券及其他近似獲取固定回報的金融產品組成的投資組合之實際票面利息以及按市場價計之收益。

融資成本

本集團的總融資成本主要包括銀行貸款利息及年內已發行的債券應付利息。今年融資成本顯著較高，由去年同期57,900,000港元增加至約307,800,000港元，主要是由於年內發行800,000,000美元債券產生額外應付利息約204,400,000港元所致。此外，受到5,000,000,000港元浮動利率抵押融資支出對業績之影響（該融資於二零一一年九月更新，及比較舊有融資附帶較高利率），引致今年的利息成本較高。於二零一二年，約24,000,000港元（二零一一年：11,000,000港元）的利息開支被資本化為部分在建工程成本。

Fair Value Changes on Investment Properties

This represents fair-value changes in respect of the Group's investment properties and the amount this year comprised mainly unrealised fair value gain of HK\$167.2 million (before tax) in respect of the Group's investment property located in Tianjin, PRC ("Tianjin Property") which was classified as assets held for sale as at the year end date as the Group has entered into a sale and purchase agreement on 31 December 2012 to dispose of the entire equity interest of a wholly-owned subsidiary which owns this Tianjin Property. Completion of the disposal is expected before end of March 2013. The amount of fair value changes on investment properties last year represented mainly by a realised fair value gain (before tax) in the amount of approximately HK\$201.8 million upon disposal of 90% of the equity interest of a wholly-owned subsidiary that owns an investment property in Shenyang.

Liquidity and Financial Resources

As at the end of 2012, without counting in the investment portfolio which is in the amount of approximately HK\$2,618 million (2011: HK\$1,094 million), the Group had a net debt of approximately HK\$2,647 million (2011: net cash of HK\$646 million) and the ratio of net debt to equity as at the year end date was 27.6% (2011: net cash). The net debt position was a result of the payment of approximately HK\$2,472 million (equivalent to approximately RMB2,000 million) for acquiring the land use right concerning the Zhabei Project in Shanghai, PRC and an increase in the size of the Group's investment portfolio.

Of the cash in banks amounted to about HK\$8,295.8 million (including bank balance and cash under "Assets classified as held for sale") (2011: 7,269.3 million) as at the end of 2012, approximately 81.7% was denominated in US dollar and HK dollar and 18.3% in renminbi and they are mostly placed with the banks as time deposits.

The amount of bank loans at the end of the year was approximately HK\$4,781.2 million (2011: HK\$6,623.7 million) which included the Hong Kong dollar-denominated five-year (due in September 2016) secured loan facility of HK\$5,000 million, of which HK\$3,336 million is in the form of term loan, has been drawn down with the amount outstanding at the year end totaling HK\$3,202.6 million. While this term loan is repayable semi-annually, the remaining one-third of the HK\$5,000 million facilities is of a revolver nature and was not utilised at the year end. Interest borne by this HK\$5 billion loan facility is calculated with reference to the HIBOR. Other bank loans included: (1) a RMB300 million (equivalent to HK\$373.2 million) of project loan bearing interest calculated with reference to the PBOC lending rate; (2) an unsecured fixed rate three-year term loan of RMB290 million (equivalent to HK\$360.8 million); (3) US dollar loans totaling US\$109.0 million (equivalent to HK\$844.7 million) which is secured against certain of the Group's financial investments, with the interest calculated with reference to the LIBOR. Apart from the above, the Group has available a HK\$400 million unsecured loan facility bearing interest with reference to the HIBOR not utilized as at year end.

As at the year end date, the amount of bonds payable was approximately HK\$6,161.7 million. During the year, the Group issued a total of US\$800 million of unsecured fixed rate guaranteed debt papers for financing the newly committed Zhabei project as well as for future projects use. Of the US\$800 million bonds issued, US\$500 million is of 5-year tenor (maturing in January 2017) which bears interest at 5.25% per annum whereas the 10-year US\$300 million issue will due in October 2022 and bears interest at 4.25% per annum.

投資物業公平值變動

此包括本集團的投資物業公平值變動，今年此數額主要包括本集團於中國天津之投資物業除稅前未變現公平值收益167,200,000港元；因為於二零一二年十二月三十一日，本集團已訂立買賣協議出售一間擁有該天津物業之全資附屬公司的全部股本權益，於年結日該物業被列為持作出售資產。該交易預計將於二零一三年三月底前完成。去年此數額主要包括出售一間在沈陽擁有投資物業的全資附屬公司90%的股權之除稅前已變現公平值收益約201,800,000港元。

流動資金及財務資源

截至二零一二年年底，不計及金額約2,618,000,000港元投資組合(二零一一年：1,094,000,000港元)，本集團的負債淨額約2,647,000,000港元(二零一一年：淨現金646,000,000港元)。於年結日的淨債務權益比率為27.6%(二零一一年：淨現金)。淨負債狀況是因為在中國上海閘北項目取得土地使用權而支付約2,472,000,000港元(折合2,000,000,000元人民幣)及加大了本集團的投資組合規模。

於二零一二年年底，在銀行的現金約8,295,800,000港元(包括「分類為持作出售資產」之銀行結存及現金)(二零一一年：7,269,300,000港元)，約81.7%以美元及港元計值及18.3%則以人民幣計值，主要存放於銀行作定期存款。

於今年年底，銀行貸款數額約4,781,200,000港元(二零一一年：6,623,700,000港元)，其中包括以港元計價有抵押五年期貸款5,000,000,000港元(於二零一六年九月到期)，其中3,336,000,000港元為有年期貸款，並已動用，而於年底未償還金額為3,202,600,000港元。這貸款須每半年還款一次，5,000,000,000港元其餘之三分之一的額度是可循環借貸，並在年底尚未動用。該貸款參考香港銀行同業拆息計息。其他銀行貸款包括：(1)參考中國人民銀行息率計息之300,000,000元人民幣(折合373,200,000港元)項目貸款；(2)無抵押、固定利率計算、三年期之290,000,000元人民幣(折合360,800,000港元)的貸款；(3)以若干本集團金融產品作抵押取得之109,000,000美元(折合844,700,000港元)的美元貸款，此貸款是參考倫敦銀行同業拆息利率計息。除此之外，本集團亦於年底擁有400,000,000港元之無抵押、參考香港銀行同業拆息計息之貸款額度尚未動用。

於年結日，應付債券金額約為6,161,700,000港元。於年內，本集團發行總額800,000,000美元的無抵押定息有擔保債券，作為對閘北新項目以及未來項目提供資金。於800,000,000美元發行債券當中，500,000,000美元是五年期(於二零一七年一月到期)按年利率5.25%計息，而300,000,000美元是十年期(於二零二二年十月到期)，按年利率4.25%計息。

Pledge of Assets

As at 31 December 2012, the Group's certain leasehold land and buildings in Hong Kong with a carrying value of approximately HK\$1,458.6 million (2011: HK\$1,502.9 million), together with certain shares of the Company's subsidiaries, has been pledged to secure the HK\$5,000 million (2011: HK\$5,000 million) banking facilities granted to the Group, of which HK\$3,336 million (2011: HK\$5,000 million) has been utilised. In addition, certain of the Group's property, plant and equipment in the PRC and certain of the Group's financial assets at fair value through profit or loss with carrying values of approximately HK\$1,471.1 million (2011: HK\$1,489.3 million) and HK\$1,098.2 million (2011: HK\$465.9 million) respectively has been pledged to secure loan facilities to the amount of approximately RMB300 million (2011: RMB350 million) and US\$120.0 million (2011: US\$55.9 million) respectively.

Review of Operations

Despite the challenging operating environment, Lifestyle International once again delivered a satisfactory set of results in 2012. The Hong Kong operations continued to enjoy operating leverage, while performance of the businesses in mainland China varied from region to region in a way that mirrored the core competence of each individual store, the state of the local economy and competitive landscape.

Hong Kong SOGO CWB

As with the past years, SOGO CWB was the leading contributor to the Group's revenue and profit during the year under review. Being a pointer to the general economic climate and consumption sentiment of Hong Kong, the store performed more or less in line with fluctuations of the market sentiment as well as the volatility and changes in the financial and local property market. Nonetheless, its concrete foundation and leading industry status, together with the Group's relentless effort to optimise its sales and marketing strategy, ensured a satisfactory performance overall.

After a strong 23.2% growth in 2011 and in light of the much weaker market sentiment, SOGO CWB's sales revenue rose only by 7.4% year-on-year, with the highest year-on-year growth noted in the first quarter. The growth rate started to deteriorate from the second quarter onward before the momentum picked up again towards the last two months of the year. The stay-and-buy ratio edged up slightly to 32.0%, from 31.2% a year ago. Total traffic footfall dipped slightly by 1.4% to approximately 33.2 million amid weakened market sentiment. Daily traffic footfall remained at around 90,600 compared with 92,500 in the previous year. Hysan Place, the newly opened shopping mall one road away from SOGO CWB, did not create much negative impact on our store, apparently due to notable differences between the two in terms of market positioning and business model. Driver for the sales growth of the store during the year was largely attributable to ticket size increase from HK\$743 to HK\$790.

During the Thankful Weeks in May and November, the store once again delivered groundbreaking results. Both events set a new record in terms of sales revenue and traffic footfall, with HK\$565 million in sales recorded in May and HK\$711 million recorded in November. Altogether they generated HK\$1,276 million in sales, representing a 20.5% year-on-year growth and accounting for 15% of the store's annual sales.

資產抵押

截至二零一二年十二月三十一日，本集團已將位於香港賬面值約1,458,600,000港元(二零一一年：1,502,900,000港元)之若干土地及樓宇，連同本公司附屬公司若干股份，作為本集團獲授銀行融資額5,000,000,000港元(二零一一年：5,000,000,000港元)之抵押品，其中3,336,000,000港元(二零一一年：5,000,000,000港元)已動用。此外，本集團將若干位於中國賬面值約1,471,100,000港元(二零一一年：1,489,300,000港元)之物業、廠房及設備及價值1,098,200,000港元(二零一一年：465,900,000港元)按公平值計入損益之金融資產分別亦作為約300,000,000元人民幣(二零一一年：350,000,000元人民幣)及120,000,000美元(二零一一年：55,900,000美元)貸款融資額之抵押品。

業務回顧

縱然營商環境滿佈挑戰，然而利福國際於二零一二年再次取得令人滿意的業績。香港業務表現繼續享有經營槓桿所帶來的優勢，而中國大陸業務表現則按各間門店的核心競爭力、當地經濟狀況及競爭格局而有所不同。

香港 銅鑼灣崇光

一如過往年度，銅鑼灣崇光於回顧年度為本集團收入及盈利最大貢獻者。作為香港經濟氣候及消費情緒之指標，該店表現大致與波動的市場氣氛與及瞬息萬變的金融及本地物業市場同步。然而，憑藉該店穩固的根基、領先的行業地位及努力不懈優化銷售及市務策略，致使該店取得令人滿意的整體表現。

經過二零一一年強勁的23.2%增長後，因應較為疲弱的市場氣氛，銅鑼灣崇光銷售收益只按年增長7.4%，第一季則錄得最高的按年增幅。增長率自第二季度起開始減緩，直至本年最後兩個月份才重拾增長動力，逗留購買比率由去年的31.2%輕微上揚至32.0%。在疲弱的市場氣氛下，總客流量只下跌1.4%至約33,200,000人次。每日客流量維持約90,600人次，比對往年則為92,500人次。一街之隔新開業之購物廣場—希慎廣場並未為本店帶來重大不利影響，主要因為兩者的市場定位以及業務模式均大有不同所致。年內，本店銷售增長動力主要有賴平均每宗交易額從743港元增至790港元所致。

於五月及十一月之感謝周期間，本店再次錄得破紀錄的業績。兩項活動之銷售收益及客流量均刷新紀錄，五月及十一月舉行的感謝周分別錄得565,000,000港元及711,000,000港元之銷售額。兩者共錄得1,276,000,000港元之銷售額，按年增幅20.5%及佔全年本店銷售額的15%。

SOGO TST

As with its Causeway Bay counterpart, SOGO TST is a prosperous and popular shopping destination capable of delivering consistent results. In 2012, its performance was satisfactory and generally steady despite market fluctuations. It logged an 18.1% sales growth in the first half of the year and a notably lower 7.7% in the second half, resulting in an overall sales growth of 12.3% for the whole year that outperformed SOGO CWB and the general retail market in Hong Kong. This was a combined result of the store's inner strength, a host of well-thought marketing and promotion strategies, and an upsurge in tourist arrivals. Stay-and-buy ratio edged up to 16.6% from 16.4% while total daily traffic footfall improved slightly from 29,100 to around 30,400. Like SOGO CWB, sales growth at SOGO TST during the year was largely attributable to ticket size increase from HK\$498 to HK\$526 as well as volume increase.

Mainland China Shanghai Jiuguang

Due to the weak market sentiment and intensifying competition in Shanghai's retailing market, Shanghai Jiuguang's business experienced for the first time since the store was first opened in 2004 a small negative year-on-year growth of 2% in 2012. Notwithstanding the seemingly weaker performance in terms of the sales growth, with its robust foundation and widespread popularity as a mid to high-end shopping destination, the store remained on a solid footing and delivered steady results for the year as a whole.

During the first half of the year, the store recorded an average negative growth of 2.9%, the combined result of weak market sentiment and a major refurbishment initiative in the jewellery section during March and April. The situation started to improve after the section reopened in early May. On the whole, the store reported RMB1,948.7 million in net sales takings, compared with RMB1,988.2 million for the same period last year. Average ticket size was RMB351 and the stay-and-buy ratio remained stable at 42% as compared to 43% in 2011.

Suzhou Jiuguang

Suzhou Jiuguang, a relatively young store opened in 2009, maintained an impressive growth momentum throughout the year. Despite sluggish market sentiment across many parts of the mainland during the year, the store continued to rise in popularity and follow a sustainable growth trend by way of expanding its market share. The opening of Line 1 of the Suzhou Rail Transit in April also significantly heightened the traffic footfall in the area where the store is located and generated greater traffic footfall and revenue for the store as a result.

For the whole year, Suzhou Jiuguang's net sales revenue rose 19.4% to RMB669.2 million from the previous year and the average daily traffic footfall surged 21.1% to 17,200. The store has turned profitable during the year, meeting the Group's expectation and target.

尖沙咀崇光

一如銅鑼灣店，尖沙咀崇光為興旺且流行的購物熱點，足以貢獻理想的業績。於二零一二年，縱使市場波動，其表現大致平穩，令人滿意。該店於上半年錄得18.1%的銷售增長，下半年則錄得相對較少的7.7%增幅，令全年銷售合計增長12.3%，其表現較銅鑼灣崇光及香港整體零售市道為好。此業績實歸功於該店內在優勢、實施得宜的市務推廣策略及訪港遊客人數上升等一系列因素所致。逗留購買比率由16.4%輕微上升至16.6%，而每日總客流量則由去年29,100人次輕微上升至30,400人次。與銅鑼灣崇光相似，本年度尖沙咀崇光之銷售增長主要有賴平均每宗交易額從498港元增至526港元及銷售宗數上升所致。

中國大陸

上海久光

鑑於市場氣氛疲弱及上海零售市場競爭劇烈，上海久光業務於二零一二年經歷輕微的按年負增長2%，為該店於二零零四年開業首次錄得負增長。雖然上海久光的表現從銷售增長的角度而言看似疲弱，然而憑藉其堅實的基礎及廣泛泛受為中至高檔之購物熱點，上海久光仍能站穩步伐，為全年帶來整體平穩的業績。

上海久光於二零一二年上半年錄得平均2.9%之負增長，主要由於市場氛圍疲弱，以及於三月至四月期間在珠寶區進行了主要的翻新工程。珠寶區於五月初重新開業後，情況已改善。整體而言，百貨店取得淨銷售總額達人民幣1,948,700,000元，而去年同期則為人民幣1,988,200,000元。平均每宗銷售額為人民幣351元而逗留購買比率維持平穩的42%，二零一一年則為43%。

蘇州久光

蘇州久光店於二零零九年開業，開業年資尚短，其於年內繼續保持可觀的增長動力。縱使年內國內大部份地方市場氣氛呆滯，然而蘇州久光受歡迎程度與日俱增，並透過擴展其市場份額，打造可持續增長之勢頭。蘇州地鐵一號線於四月投入營運以來大大加強百貨店所在區域之人流，為店舖帶來更大的客流量及收益。

蘇州久光全年之淨銷售收益比往年上升19.4%至人民幣669,200,000元，而每日平均客流量則增加21.1%至17,200人次。該店於年內已錄得盈利貢獻，符合集團的期望及目標。

Dalian Jiuguang

Dalian Jiuguang, a store in Liaoning Province that opened in May 2009, performed largely in line with the local market condition during the year. Net sales decreased by 6.4% from the previous year while the average daily traffic footfall was down from 5,800 to 5,200. Nevertheless, performance in the second half of the year saw a slight improvement from the first half, with the negative growth rate narrowing from 7% in the first half to 5.9% in the second half. The store continued to record losses due in part to relatively high depreciation and amortisation charges.

During the year, the Group made adjustments to the store's brand portfolio and launched a series of marketing efforts to strengthen the customer base. The effects of these initiatives are expected to emerge when market conditions improve.

Tianjin Lifestyle Plaza

Tianjin Lifestyle Plaza, a retail property of the Group located in Tianjin, PRC, has been leased out to earn rental income since December 2010. Performance of its operation has been stable and gross rental income has been increasing gradually. Nevertheless, in a bid to focus on its department store business, the Group signed a sales and purchase agreement on 31 December 2012 to dispose of the entire interest in Tianjin Lifestyle Plaza at a consideration of RMB545 million. The move was in line with the Group's strategy of establishing itself as one of the leading industry players in Mainland China through careful expansion while maintaining a focus on segments with good growth prospects through constant review of its business and assets.

Interests in Associates

The Group's equity investment in the Beiren Group, a leading retailer based in Shijiazhuang, Hebei Province, had a stellar performance in 2012, with sales revenue grew 11.4% year-on-year. The growth in sales revenue was lifted by sales contributions of those newer stores with operations of less than two years. Same-store-sales growth of those more established stores was relatively weak, mostly at single digit growth, reflecting the general overall market situation. On the whole, the investment contributed HK\$280.5 million in profit (including profit attributable to the 40% non-controlling interest) to the Group in 2012, compared with HK\$221.9 million in 2011. Beiren Group currently operates a total of approximately 809,000 square meters of floor space that comprises 12 department stores, 23 supermarkets and various outlets specialising in electrical appliances, consumer electronic products and gold and jewellery.

Expansion in Mainland China

The Group's Shenyang Jiuguang store, located at the well-known pedestrian walk of Zhongjie Lu, is under renovation which leasing work is progressing according to plan. The store is scheduled for opening around the end of third quarter and beginning of fourth quarter this year.

To leverage on the Group's successful "Freshmart" business, the food and confectionary operation available at all the stores of the Group, the Group's first standalone Freshmart has been scheduled to open in around May/June this year at the basement 2 of the L'Avenue Shanghai in Chang Ning district in Shanghai. Occupying a total GFA of around 7,700 sq. metres at a leased premise, the store will feature a variety of food and confectionary counters in addition to a full-lined upper-end supermarket. Initial investment including renovation and equipments will amount to approximately RMB50 million.

大連久光

位處遼寧省的大連久光店於二零零九年五月開業，年內表現與當地市況同步。淨銷售額比對往年下跌6.4%，而每日平均客流量則由5,800人次下跌至5,200人次。儘管如此，大連久光下半年的表現較上半年略有改善，負增長由上半年的7%收窄至下半年的5.9%。因受相對高昂的折舊及攤銷費用所影響，該店依然錄得虧損。

年內，本集團已重整該店品牌組合並開展一連串市務推廣，強化顧客群。預期當市況改善時，此等措施的效用將得以體現。

天津利福廣場

天津利福廣場為本集團位於中國天津市之零售物業，自二零一零年十二月起向外出租以取得租金收入。此業務表現一直平穩，而租金收入總額亦漸漸有所提升。然而，為專注百貨店業務，集團於二零一二年十二月三十一日簽訂出售及購買協議以代價人民幣545,000,000元出售天津利福廣場之整體利益。集團一直透過審慎擴張以確立集團於中國內地的領導地位，同時一直透過定期檢閱其業務及資產，密切關注其他擁有良好業務前景的板塊，而是次出售天津利福廣場的舉措符合集團一貫的策略。

聯營公司

紮根於河北石家莊的北人集團乃本集團有參股的龍頭零售集團，其於二零一二年有出色表現，銷售收益按年增長11.4%。銷售收益增長主要由開業少於兩年的新店所帶動，而開業年期較長的店舖則大多錄得相對較弱的單位數同店銷售增幅，反映整體一般市況。總體而言，該投資於二零一二年為本集團貢獻280,500,000港元溢利(包括40%之非控股權益應佔溢利)，比對二零一一年則為221,900,000港元。北人集團目前經營總面積約809,000平方米的樓面面積，包括12間百貨店、23間超市及多間專門出售電器用品、電子消費產品及黃金珠寶首飾的門市。

於中國內地的擴展

本集團位處著名步行街—中街路的瀋陽久光店現正進行裝飾工程，而招商工作亦按計劃進行，預期於本年第三季末或第四季初開幕。

有見集團的食品及糖果糕點業務「鮮品館」於集團各個分店均表現理想，集團將約於二零一三年五月/六月間於上海長寧區尚嘉中心地下第二層開設首間單獨營運的鮮品館。於佔地總樓面面積約7,700平方米的承租物業上，該店除以全線高檔超級市場模式經營外，更設有各類食物及糖果糕點櫃位。包含裝修及設備之初步投資將約達人民幣50,000,000元。

Meanwhile, the Group is in the process of obtaining official approvals and permits before launching the construction work of the Zhabei project, a plot of land the Group acquired in December 2011. As part of our drive to expand sensibly in Mainland China, we plan to develop the site into a commercial complex comprising a sizeable retail premises, office space, and the Group's second Shanghai Jiuguang. Upon completion in around 2016/2017, the project is expected to further broaden the Group's presence in Shanghai and the Yangzi River Delta region.

Proposed Spin-off

In November 2012, the Group announced its plan on a separate listing for its Hong Kong and mainland China property investment and development business on the Hong Kong Stock Exchange ("Proposed Spin-off"). The Proposed Spin-off, consisting of a portfolio of existing properties not used or not intended to be used in the operation of the Group's core department store business, is part of the Group's strategy to optimise its operational efficiency and consolidate its business interests. Upon completion, the Proposed Spin-off will enable a separate listing on the Stock Exchange and allow the new group to be valued on a standalone basis. This will have the benefits of improving the operational and financial transparency of the new group, making it more flexible for investors to invest in two groups of companies, and enabling Lifestyle International and the new group to establish their own profiles as separate listed entities with the ability to access the debt and equity capital markets to fund their respective operations, future developments and investment opportunities. However, there is no definitive timetable, nor is there any assurance that the separate listing will succeed at the end.

Outlook and Future Prospects

The outlook for 2013 should remain challenging given the lingering global uncertainties. The International Monetary Fund predicts economic growth of a paltry 0.2% for the Eurozone in 2013 and harsh government austerity measures in Europe may keep unemployment elevated in many EU states. Recovery of the US economy is likely to remain fragile and uncertainties will abound. All these do not seem to bode well for growth in Asia in the coming 12 months.

There is, however, reason to believe that the prospect for world growth in 2013 would be brighter than was the case 12 months ago. For one thing, risks of a Eurozone breakup and a Chinese hard landing have diminished substantially during the year 2012. While financial market strains and uncertainties weighed on business and consumer confidence around the world in the first three quarters, stock markets showed signs of gradual improvement in the fourth quarter and market sentiment also gradually picked up.

As for China, the fact that it has avoided a hard landing should benefit domestic demand, which is likely to strengthen further given continuous urbanisation and expansion of the Chinese middle class population. In Hong Kong, the home turf of Lifestyle International, further growth in inbound tourism should continue to render support to the retail business environment, and local consumption will remain resilient so long as the low unemployment and the wealth effect persists.

與此同時，集團現正為於二零一一年十二月購入之閘北項目地塊申領各項批文及證照，以便展開建築工程。作為集團於中國內地審慎擴展的一部份，集團計劃打造此地塊為綜合商業體，包含大規模的零售、辦公面積及集團第二家上海久光店。預期在二零一六/二零一七年完成時，將可進一步擴闊集團於上海及長三角地區的覆蓋。

建議分拆

於二零一二年十一月，集團公佈其計劃為香港及中國大陸物業投資及開發業務於香港聯合交易所作獨立上市（「建議分拆」）。該建議分拆包含現時並不用作或並不打算用作本集團核心百貨店業務之現有物業組合。建議分拆乃集團為理順其營運效益及鞏固其業務利益的策略部份。建議分拆完成後，該等業務將獨立於聯交所上市及可令新集團在獨立基準下獲得估值。此將有利於改善新集團在營運及財政上之透明度，令投資者更具彈性投資於兩類集團且可令利福國際及新集團作為獨立上市企業構建自身條件，配備向債券及資本市場籌措資金，支持各自營運、未來發展及投資契機之能力。然而，目前並沒有明確時間表，亦未能保證獨立上市最終會成功落實。

前景展望

不明朗因素仍然籠罩全球經濟，展望二零一三年仍充滿挑戰。國際貨幣基金組織預期歐元區在二零一三年經濟只稍微增長0.2%，而歐洲政府實施的嚴厲緊縮措施，將令眾多歐盟國家的失業率持續攀升。美國經濟復甦仍然脆弱，充滿不明朗因素。以上種種並未為未來十二個月亞洲區的增長帶來好兆頭。

然而，我們有理由相信二零一三年全球增長前景將較過往十二個月為佳，其中歐元區解體及中國經濟硬著陸的風險於二零一二年間已顯著減少。縱然全球商業及消費者信心於第三季度對金融市場帶來打擊及不穩定，但股票市場於第四季度展現逐步改善的勢頭而市場氣氛也逐漸回升。

至於中國，其已避免硬著陸的風險，應有利於內需，特別是持續的城鎮化及中國中產階層群體持續擴展將可強化內需。對於利福國際的基地——香港，因應訪港旅客進一步增長將可為零售經營環境打下強心針，而本地消費受惠於低失業及財富效應持續將可保持興旺。

On the whole, the management takes a prudently optimistic view on the retail sector in both Mainland China and Hong Kong. Competition in the PRC market should remain keen but given the Group's experience and good track record as a veteran retail industry player, we believe our mainland operations as a whole can stay on a growth trajectory in 2013, barring no major negative development in the market. As for Hong Kong retail, we believe it will continue to benefit from the influx of Chinese shoppers and we reckon our operations will maintain healthy growth both in terms of sales revenue and profit margin.

As mentioned in the interim report and the Company's announcement dated 31 July, 2012, SOGO TST will cease business on 15 February 2014 since the landlord has exercised its rights conferred in the lease to early terminate the tenancy. It is the intention of the management to look for a replacement location with an aim to continue solidifying the Group's leading position in the Hong Kong market.

With the Group's unique business model and strong market presence in Hong Kong and the mainland, we will continue to leverage on our advantages and strive to go from strength to strength. We will focus on upholding the Group's leading market position and make our existing operations even more competitive by devising sound business and marketing plans. We will continue to improve our brand mix, introduce new brands to cater to changing market needs with the ultimate goal of making our stores highly desirable shopping locations for all. Plans are being considered to carry out a major renovation of our SOGO CWB store so as to offer an even better shopping experience. As we continue to keeping ourselves open to new strategic investment opportunities, much effort will go into launching the Shenyang Jiuguang store and finalising the development plan of the newly acquired project in Zhabei, Shanghai. All efforts and plans to foster growth and safeguard our market leader position will be made with the ultimate aim of generating greater returns for our shareholders.

整體而言，管理層對中國大陸及香港零售市道表示審慎樂觀。中國市場的競爭仍會持續激烈，但憑藉集團的經驗及於零售業界良好的往績，我們相信在没有重大不利的市場發展下，集團整體國內業務於二零一三年仍可保持上升的軌道。至於香港零售市道，我們相信將繼續受惠於訪港國內購物人士不斷湧入，並估計於銷售收益及溢利率兩者均可維持健康的增長。

誠如中期報告及本公司日期為二零一二年七月三十一日之公告所述，因業主已行使其於租約中賦予的權利提前終止租約，尖沙咀崇光將於二零一四年二月十五日結業。管理層意向為另覓替代位置以繼續鞏固集團於香港市場的領導地位。

透過集團獨特的商業模式及於香港及中國強大的市場佔有率，我們將把握優勢，努力發展，壯大業務，專注保持集團的市場領導地位，並會透過訂立明智的商業及市務計劃，令現有業務更具競爭力。我們亦會繼續改善品牌組合，引入新品牌，滿足不斷變化的市場需求，務求令我們的店舖成為各人購物的首選。集團現正考慮對銅鑼灣崇光店進行大型翻新的計劃，務求令顧客能享受更佳的購物體驗。與此同時，本集團將繼續對新的策略性投資保持開放態度，而起動瀋陽久光店及落實新購入上海閘北項目的發展計劃將會投入不少精力。然而，所有為提升增長及保持市場領導地位所作的努力及計劃最終皆為提升股東回報而作出。

Corporate Governance Report

企業管治報告

Corporate Governance Principles and Practices

The Board of Directors (“Board”) and management of the Company are committed to maintaining good corporate governance practices and procedures. The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) has enhanced the Code on Corporate Governance Practices (the “Former Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), where the revised code, namely Corporate Governance Code (the “Revised Code”) has become effective on 1 April 2012.

The Company has adopted the code provisions in the Revised Code as its guidelines and focus on a quality Board, sound internal controls, and transparency and accountability to all stakeholders.

Codes Compliance

The Company has complied with all the applicable code provisions of the Former Code and the Revised Code throughout the respective periods from (i) 1 January 2012 to 31 March 2012; and (ii) 1 April 2012 to 31 December 2012, except the following under the Revised Code:

- (i) Code provision A.1.7 requires a physical board meeting rather than a written resolution to deal with matter where a substantial shareholder or a director has a material conflict of interest. Due to the pressing need to conclude the supplemental agreement in respect of the lease of TST Sogo Store, the matter was dealt with by written resolutions (with directors having interests abstained from voting) rather than a physical board meeting.
- (ii) Code provision E.1.2 requires that the chairman of the Board should attend the Company’s annual general meeting. Due to other engagements, Dato’ Dr. Cheng Yu-tung, the Chairman of the Board was unable to attend the 2012 annual general meeting of the Company.

The Board

(1) Board Composition

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

Details of the composition of the Board are set out in the “Corporate Information” section to this Annual Report. The Directors’ biographies, including the relationships among the Directors are set out in the “Profile of Directors” to this Annual Report.

企業管治原則及常規

本公司董事會（「董事會」）及管理層致力維持良好的企業管治常規及程序。香港聯合交易所有限公司（「聯交所」）已提升載列於聯交所證券上市規則（「上市規則」）附錄十四之《企業管治常規守則》（「前守則」），而修訂守則—《企業管治守則》（「修訂守則」）於二零一二年四月一日起生效。

本公司已採納修訂守則之守則條文為指引，並著重高質素之董事會、健全之內部監控，以向所有持份者提供透明度及問責。

遵從企業管治守則

本公司分別於(i)二零一二年一月一日至二零一二年三月三十一日；及(ii)於二零一二年四月一日至二零一二年十二月三十一日期間，遵守前守則及修訂守則之適用守則條文，惟以下修訂守則條文除外：

- (i) 守則條文A.1.7訂明，若有大股東或董事在董事會將予考慮的事項中存有董事會認為重大的利益衝突，有關事項應以舉行董事會會議（而非書面決議）方式處理。由於簽訂尖沙咀崇光百貨店租賃合同之相關補充契據有迫切需要，故該事項以書面決議方式處理（具有利益之董事放棄投票）而非舉行董事會會議。
- (ii) 守則條文E.1.2訂明，董事會主席應出席本公司之股東週年大會。由於董事會主席拿督鄭裕彤博士公務繁忙，故未能參與本公司二零一二年股東週年大會。

董事會

(1) 董事會組成

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

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

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

(2) Chairman and Managing Director

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

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

(3) Responsibilities

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

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

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

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

(2) 主席及董事總經理

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

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

(3) 責任

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

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

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

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

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

Despite the establishment of the Nomination Committee in February 2012, appointment of new director(s), if any, is rested with the Board. Under the Company's Articles of Association, the Board may from time to time appoint a Director either to fill a casual vacancy or as an addition to the Board. Any such new Director shall hold office until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) and shall then be eligible for re-election at the same general meeting.

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

(5) Board Meetings and Directors' Attendance

The Board meets regularly and held five meetings during the year ended 31 December 2012 to review among other things quarterly operating performance of the Group (with monthly details and breakdown), approve the Group's interim and final results announcements and financial statements and to recommend or declare dividends.

Board members attended the Company's board meeting either in person or through telephone conferencing means in accordance with provision in the Company's Articles of Association. During the year, Mr. Lau Luen-hung, Thomas, Ms. Lau Yuk-wai, Amy, Mr. Lam Siu-lun, Simon and Mr. Hui Chiu-chung, Stephen attended all the five meetings; Mr. Doo Wai-hoi, William and The Hon. Shek Lai-him, Abraham attended four of the said meetings; Mr. Cheung Yuet-man, Raymond attended three of the said meetings; Mr. Lau Luen-hung, Joseph attended two of the said meetings; Dato' Dr. Cheng Yu-tung attended one of the said five meetings; while Dr. Cheng Kar-shun, Henry did not attend any of the said five meetings.

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

(4) 董事之委任、重選及罷免

儘管於二零一二年二月成立了提名委員會，委任新董事(如有)須提交董事會審批。根據本公司組織章程細則，董事會可不時委任董事以填補臨時空缺或增添董事會成員。新任董事之任期至本公司下次股東會(如屬填補臨時空缺)或至本公司下屆股東週年大會(如屬增添董事會成員)為止，並有資格於同一股東大會上重選連任。

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

(5) 董事會會議及董事的會議出席率

董事會定期開會並於截至二零一二年十二月三十一日止年度間召開五次會議，除其他事項外，以審閱本集團的季度經營表現(包括月度詳情及明細)，批准本集團的中期及全年業績公佈及財務報表、建議或宣派股息。

根據本公司組織章程細則條文規定，董事會成員可親身或以電話會議方式參與本公司董事會會議。年內，劉鑾鴻先生、劉玉慧女士、林兆麟先生及許照中先生均有出席全部五個董事會會議；杜惠愷先生及石禮謙議員出席上述五個會議中的四個會議；張悅文先生出席上述五個會議中的三個會議；劉鑾雄先生出席上述五個會議中的兩個會議；拿督鄭裕彤博士出席上述五個會議中的一個會議；鄭家純博士則沒有出席任何上述的五個董事會會議。

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

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

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

(7) Directors' Induction and Continuous Professional Development

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

During the year ended 31 December 2012, briefing was made to the Directors regarding the Revised Code. Relevant reading materials were sent to the Directors who were not available to attend the briefing. In addition, during the year ended 31 December 2012, directors were provided with relevant reading materials including (i) consultation conclusions in respect of the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange; and (ii) the Guidelines on Disclosure of Inside Information issued by The Securities and Futures Commission, Hong Kong.

Other than the above, the Company understands that during the year ended 31 December 2012, Mr. Lau Luen-hung, Thomas, Mr. Doo Wai-hoi, William, Mr. Hui Chiu-chung, Stephen, The Hon. Shek Lai-him, Abraham and Mr. Lam Siu-lun, Simon have also received trainings or reading materials regarding (i) update on regulatory environment in Hong Kong; (ii) directors' duties; and/or (iii) other corporate governance related topics.

Directors' Securities Transactions

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

In response to a specific enquiry by the company, all Directors confirmed that they complied with the requirements of the Model Code throughout the year ended 31 December 2012.

(6) 董事會及其轄下委員會會議之常規及準則

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

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

(7) 董事啓導及持續專業發展

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

截至二零一二年十二月三十一日止年度，就修訂守則已向董事作出簡報，相關之閱讀材料已送交未能抽空出席簡報之董事。此外，截至二零一二年十二月三十一日止年度，已就包括(i)聯交所發出有關環境、社會及管治報告指引的諮詢總結；及(ii)香港證券及期貨事務監察委員會發出之內幕消息披露指引向董事提供相關閱讀材料。

除以上所述外，本公司理解於二零一二年十二月三十一日止年度，劉鑾鴻先生、杜惠愷先生、許照中先生、石禮謙議員及林兆麟先生亦已接受就(i)香港監管環境之更新；(ii)董事職責；及/或(iii)其他企業管治相關題目之培訓或閱讀材料。

董事之證券交易

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

經由本公司作出具體查詢後，全體董事確認彼等於截至二零一二年十二月三十一日止整個年度內一直遵守標準守則之要求。

Directors' Responsibility for the Financial Statements

The Directors acknowledged their responsibility for overseeing the preparation of the financial statements of the Group for the year ended 31 December 2012. The Directors ensure that the financial statements of the Group are prepared so as to give a true and fair view of the Group's state of affairs, the results and cash flow for the year, and on a going concern basis in accordance with the statutory requirements and applicable accounting and financial reporting standards.

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

The report from the auditor of the Company regarding their responsibilities and opinion on the financial statements of the Group for the year ended 31 December 2012 is set out in the "Independent Auditor's Report" to this Annual Report. The Board has taken steps to ensure the continued objectivity and independence of the external auditor. For the year ended 31 December 2012, the remuneration paid/payable to the external auditor of the Company were approximately HK\$3.6 million and approximately HK\$3.54 million in respect of the audit and non-audit services provided to the Group respectively. Details of the significant non-audit service and the related amount are as follows:

Review of interim financial information for the six months ended 30 June 2012	HK\$0.5 million
Act as reporting accountants for bond offering exercise	HK\$1.04 million
Act as reporting accountants for the proposed spin-off	HK\$2.0 million

Board Committees

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

(1) Audit Committee

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

The Board has adopted the terms of reference for corporate governance functions as set out in the Revised Code and has delegated the same to the Audit Committee. The revised terms of reference of the Audit Committee (with the inclusion of the corporate governance functions), follow closely the guidelines of the code provisions of the Revised Code and are available from the Company's website.

董事對財務報表之責任

董事確認彼等有責任監督編製本集團截至二零一二年十二月三十一日止年度之財務報表。董事必須確保按照法定規定及適用會計及財務報告準則，真實公平地呈報本集團年內之財務狀況、業績及現金流量，及按持續經營基準編製財務報表。

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

本公司核數師對本集團截至二零一二年十二月三十一日止年度財務報表之報告責任及意見之聲明載於本年報「獨立核數師報告書」。董事會已採取措施確保外聘核數師的客觀及獨立性。截至二零一二年十二月三十一日止年度，本公司外聘核數師就向本集團提供核數及非核數服務之已付／應付費用分別約3,600,000港元及約3,540,000港元。重要非核數服務之詳情及相關費用如下：

審閱截至二零一二年六月三十日止六個月中期財務資料	500,000 港元
就債券發行項目擔任申報會計師	1,040,000 港元
就建議分拆擔任申報會計師	2,000,000 港元

董事會轄下的委員會

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

(1) 審核委員會

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

董事會已採納按修訂守則下企業管治職能之職權範圍及已向審核委員會授予。按修訂守則的守則條文制訂之審核委員會修訂職權範圍(包含企業管治職能)登載於本公司網站。

The principal duties of the Audit Committee are as follows:

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

The Audit Committee held two meetings during the year ended 31 December 2012. Other than Mr. Hui Chiu-chung, Stephen who attended one of the said meetings, all committee members attended both meetings.

In the meetings, the Audit Committee (i) reviewed and discussed with the external auditor on the Group's final and interim financial statements before they were submitted to the Board for consideration and approval; (ii) reviewed and discussed with the external auditor the accounting principles and practices adopted by the Group; and (iii) reviewed the external auditor's audit findings. No material issue have been reported to the Board by the Audit Committee during the year ended 31 December 2012.

On 1 March 2013, the Audit Committee met to (i) review the Group's audited consolidated financial statements for the year ended 31 December 2012 ("2012 Consolidated Financial Statements"), including the accounting principles and practices adopted by the Group, with the Company's external auditor; (ii) to note the training and continuous professional development of the Directors for the year ended 31 December 2012; and (iii) review the Corporate Governance Report. The Audit Committee recommended the 2012 Consolidated Financial Statements for the approval of the Board.

The Audit Committee also recommended to the Board the re-appointment of Messrs. Deloitte Touche Tohmatsu as the Company's external auditor for the year ending 31 December 2013 and that the related resolution shall be put forth for shareholders' consideration and approval at the 2013 annual general meeting.

審核委員會之主要職責如下：

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

截至二零一二年十二月三十一日止年度，審核委員會曾舉行兩次委員會會議，除許照中先生出席以上二個會議中的一個會議外，全體委員會成員均有出席該兩次會議。

委員會於會上(i)審閱及與外聘核數師商討本集團末期及中期財務報表後呈交董事會以供考慮及批准；(ii)審閱及與外聘核數師商討本公司所採用之會計原則及實務準則；及(iii)審閱外聘核數師的審計發現。於二零一二年十二月三十一日止年度內概無重大問題由審核委員會向董事會匯報。

審核委員會於二零一三年三月一日舉行會議，(i)聯同外聘核數師審閱本集團截至二零一二年十二月三十一日止年度的已審核綜合財務報表(「二零一二年綜合財務報表」)，包括集團採納的會計原則及實務準則；(ii)知悉董事於二零一二年十二月三十一日止年度內培訓及持續專業發展之情況；及(iii)審閱企業管治報告。審核委員會建議董事會批准通過二零一二年綜合財務報表。

審核委員會亦向董事會建議，重新聘任德勤•關黃陳方會計師行為本公司截至二零一三年十二月三十一日止年度的外聘核數師，並建議將有關決議於二零一三年股東週年大會上提交予股東考慮及通過。

(2) Remuneration Committee

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

The terms of reference of the Remuneration Committee were revised during the year in light of the Revised Code and the revised terms of reference of the Remuneration Committee setting out the committee's authority and duties, which follow closely the requirements of the Code Provisions of the Revised Code, are available from the Company's website.

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

The Remuneration Committee held one meeting during the year ended 31 December 2012, with all committee members attended the meeting. In the meeting, the Remuneration Committee reviewed and recommended (i) the remuneration package of Directors and senior management; and (ii) adjustment of the fees for certain directors.

(3) Nomination Committee

In the board meeting held on 27 February 2012, the board has established the Nomination Committee. The Nomination Committee members comprise as majority three Independent Non-executive Directors, namely, Mr. Lam Siu-lun, Simon, who is the Chairman of the Nomination Committee, The Hon. Shek Lai-him, Abraham and Mr. Hui Chiu-chung, Stephen, and one Executive Director, Mr. Lau Luen-hung, Thomas. The Nomination Committee is provided with sufficient resources to discharge its responsibilities.

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

The principal duties of the Nomination Committee are as follows:

1. reviews the structure, size and composition (including skills, knowledge and experience) of the Board at least annually and makes recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(2) 薪酬委員會

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

因應修訂守則，薪酬委員會之職權範圍曾於年內修訂，按修訂守則守則條文訂定之職權範圍詳列委員會之權力及職責已登載於本公司網站。

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

截至二零一二年十二月三十一日止年度，薪酬委員會曾舉行一次委員會會議，全體委員會成員均有出席該次會議。薪酬委員會於會上檢討及建議(i)董事及高級管理人員之薪酬待遇；及(ii)調整若干董事之袍金。

(3) 提名委員會

董事會已於二零一二年二月二十七日的董事會會議上成立了提名委員會。提名委員會由三名獨立非執行董事，林兆麟先生(彼為提名委員會之主席)、石禮謙議員及許照中先生以及執行董事劉鑾鴻先生組成。提名委員會獲提供充裕資源以履行其職責。

按修訂守則守則條文訂定之提名委員會職權範圍詳列委員會之權力及職責已登載於本公司網站。

提名委員會之主要職責如下：

1. 定期至少每年檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合本公司的公司策略而擬對董事會擬作出的變動向董事會提出建議；

2. identifies individuals suitably qualified to become Board members and selects or makes recommendations to the Board on the selection of individuals nominated for directorships;
3. assesses the independence of the Independent Non-executive Directors; and
4. makes recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive.

During the year under review, no meeting was held by the Nomination Committee. However, a meeting of Nomination Committee was held on 1 March 2013 to (i) review the existing structure, size and composition of the Board; (ii) confirm independence of independent non-executive directors; and (iii) make recommendation to the Board on the proposed re-election of the retiring directors at the forthcoming annual general meeting.

Directors' and Officers' Liabilities Insurance and Indemnity

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

Internal Control Framework

(1) Internal Controls

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

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

Management has conducted regular reviews during the year on the effectiveness of the internal control system covering all material factors related to financial, operational and compliance controls, various functions for risk management and physical and information systems security. The Audit Committee had been reported during the Audit Committee meetings of key findings identified by the Company's external auditor and discussed findings and actions or measures taken in addressing those findings relating to the Group's internal controls. No material issues on the system of internal control have been identified during the year ended 31 December 2012 which required significant rectification works.

2. 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
3. 評核獨立非執行董事的獨立性；及
4. 就董事委任或重新委任以及董事（尤其是主席及行政總裁）繼任計劃的有關事宜向董事會提出建議。

在回顧年內，提名委員會並未有召開任何會議。然而，提名委員會於二零一三年三月一日舉行會議以(i)檢討現時董事會架構、人數及組成；(ii)確認獨立非執行董事之獨立性；及(iii)向董事會建議於即將舉行之股東週年大會上重選退任董事之建議。

董事及高級職員之責任保險及彌償

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

內部監控架構

(1) 內部監控

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

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

於本年度，管理層定期檢討內部監控制度之成效，該制度涵蓋一切有關財務、營運及守章監控、風險管理工作以及實際及資訊系統保安等重要因素。本公司外聘核數師於審核委員會會議向審核委員會匯報有關內部監控之主要發現，審核委員會就有關之發現所採取行動或措施作過討論。截至二零一二年十二月三十一日止年度，並無重大的內部監控問題須予重大糾正。

The Board has, working in conjunction with senior management, conducted an annual review on plans and progress for continuous improvement work of the internal control system of the Company and its subsidiaries.

(2) Internal Audit Function

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

Commitment to Transparency

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

Investors' Relations and Communication with Shareholders

The Company regards high quality reporting as an essential element in building successful relationships with its stakeholders. The Company always seeks to provide relevant information to existing and potential investors, not only to comply with the different requirements in force but also to enhance transparency and communications with shareholders and the investing public. This is part of a continuous communication program that encompasses meetings and relevant announcements to the market in addition to periodic written reports in the form of preliminary announcement of results and interim and annual reports. The annual general meeting of the Company also provides an important opportunity for constructive communication between the Board and the shareholders. Other than Dato' Dr. Cheng Yu-tung, Dr. Cheng Kar-shun, Henry, Mr. Lau Luen-hung, Joseph and Ms. Lau Yuk-wai, Amy, other members of the Board attended the Company's 2012 annual general meeting.

In addition, the Company also maintains a corporate website on which comprehensive information about the Group is made available. Regular meetings are also held with institutional investors and research analysts to provide them with timely updates on the Group's latest business developments which are of non-price sensitive nature. These activities keep the public informed of the Group's activities and fosters effective communications.

董事會亦與高級管理層就持續改善本公司及其附屬公司內部監控之檢討計劃及進度作出年度檢閱。

(2) 內部審核職能

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

提高企業透明度

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

投資者關係及與股東之溝通

本公司認為高質素的匯報為與持份者成功建立關係之重要元素。本公司一直致力向現有及潛在投資者提供有關資料，所提供資料不單符合不同的生效規定，亦同時提高透明度及加強與股東及公眾投資者之溝通。持續的溝通除以初步業績公佈以及按中期報告及年報形式定期刊發報告書外，還包括舉行會議及向市場作出有關公佈。本公司之股東週年大會亦為董事會及股東提供一個重要的溝通渠道。除拿督鄭裕彤博士、鄭家純博士、劉鑾雄先生及劉玉慧女士外，董事會其餘成員均有出席本公司二零一二年股東週年大會。

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

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

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

Shareholders' Rights

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

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

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

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

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

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

During the year ended 31 December 2012, the Company has not made any changes to its memorandum and articles of association.

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

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

股東權益

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

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

提名一位人士推選為董事之程序，請參照本公司網頁內「投資者關係」之部份。

股東可於任何時間以書面透過公司秘書向董事會提出疑問，聯絡詳情如下：

公司秘書
利福國際集團有限公司
香港銅鑼灣軒尼詩道555號
東角中心20樓

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

於截至二零一二年十二月三十一日止年內，本公司沒有對其組織章程大綱及細則作出任何更改。

Profile of Directors

董事簡介

Executive Director

Mr. LAU Luen-hung, Thomas (BA, MBA)

Managing Director

Mr. Lau, aged 58, joined the Company in January 2004. He is the Chief Executive Officer and Managing Director of the Company who leads and manages the whole Group by setting and implementing policies and strategies, and monitoring results and targets of the operations of the Group. Mr. Lau is a member of each of the Remuneration and Nomination Committees of the Company and a director of certain subsidiaries of the Company. Mr. Lau holds a Bachelor degree and a Master degree of Business Administration. Mr. Lau is also a member of the Chinese People's Political Consultative Conference Shanghai Committee and a member of the Board of Directors of the Shanghai Jiao Tong University. He is the younger brother of Mr. Lau Luen-hung, Joseph and Ms. Lau Yuk-wai, Amy.

Mr. DOO Wai-hoi, William (JP)

Mr. Doo, aged 68, joined the Company in March 2005. He is the Vice-Chairman of New World China Land Limited, the Deputy Chairman of NWS Holdings Limited, and an Independent Non-executive Director of The Bank of East Asia, Limited and Shanghai Industrial Urban Development Group Limited, all being companies listed on the Hong Kong Stock Exchange. Mr. Doo is the Chairman of Fung Seng Enterprises Limited, director of New World Hotels (Holdings) Limited. Since 1995 he has been serving as a Governor of the Canadian Chamber of Commerce in Hong Kong. From 2008 to January 2013, he has served as the Standing Committee Member as well as the Convener of the Hong Kong and Macau members for the 11th Chinese People's Political Consultative Conference (CPPCC) in Shanghai. In February 2013, he is appointed as a National Committee Member of the 12th CPPCC. Mr Doo is the Honorary Consul General of the Kingdom of Morocco in Hong Kong and Macau. In 2008, he was awarded the Chevalier de la Légion d'Honneur by the French government. Mr. Doo is the son-in-law of Dato' Dr. Cheng Yu-tung and the brother-in-law of Dr. Cheng Kar-shun, Henry.

Non-executive Director

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

Chairman

Dato' Dr. Cheng, aged 87, joined the Company in March 2004. Dato' Dr. Cheng assumes the title of Honorary Chairman of Chow Tai Fook Jewellery Group Limited and Emeritus Chairman of New World Development Company Limited. He is also the chairman of Melbourne Enterprises Limited and a non-executive director of Shun Tak Holdings Limited and SJM Holdings Limited, all being listed companies. Dato' Dr. Cheng is the chairman of Chow Tai Fook Enterprises Limited and a director of Chow Tai Fook (Holding) Limited, Chow Tai Fook Capital Limited, Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, being substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Dato' Dr. Cheng was awarded Grand Bauhinia Medal by the Government of the Hong Kong Special Administrative Region in 2008. Dato' Dr. Cheng is the father of Dr. Cheng Kar-shun, Henry and the father-in-law of Mr. Doo Wai-hoi, William.

執行董事

劉鑾鴻先生 (BA, MBA)

董事總經理

劉先生現年58歲，於二零零四年一月加盟本公司。彼為本公司首席執行官及董事總經理，負責領導及管理本集團，制定及執行政策與策略，以及監督本集團之業績及業務目標。劉先生為本公司薪酬委員會及提名委員會之委員及擔任本公司若干附屬公司之董事。劉先生持有學士學位及工商管理碩士學位。劉先生亦為中國人民政治協商會議上海市委員會會員及上海交通大學董事會董事。彼為劉鑾雄先生及劉玉慧女士之胞弟。

杜惠愷先生 (太平紳士)

杜先生現年68歲，於二零零五年三月加盟本公司。彼亦為新世界中國地產有限公司及新創建集團有限公司之副主席，以及東亞銀行有限公司及上海實業城市開發集團有限公司之獨立非執行董事，上文提述之公司全部均為上市公司。彼亦為豐盛創建企業有限公司主席，新世界酒店(集團)有限公司董事。自一九九五年，彼出任加拿大商會駐港總監之職。此外，二零零八年至二零一三年一月，彼被委任為中國人民政協第十一屆上海市政協常務委員兼全體港澳政協委員之召集人；自二零一三年二月，彼被委任為中國人民政治協商會議第十二屆全國政協委員。彼被摩洛哥王國委任為香港和澳門的名譽總領事。於二零零八年，彼獲法國政府頒授法國最高榮譽騎士勳章。杜先生為拿督鄭裕彤博士之女婿及鄭家純博士之妹夫。

非執行董事

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

主席

拿督鄭裕彤博士現年87歲，於二零零四年三月加盟本公司。拿督鄭博士擔任周大福珠寶集團有限公司名譽主席及新世界發展有限公司榮譽主席之榮譽。彼亦為萬邦投資有限公司之主席及信德集團有限公司及澳門博彩控股有限公司之非執行董事(上述公司全部均為上市公司)。拿督鄭博士為周大福企業有限公司之主席、周大福(控股)有限公司、Chow Tai Fook Capital Limited、Cheng Yu Tung Family (Holdings) Limited及Cheng Yu Tung Family (Holdings II) Limited之董事(該等公司按證券及期貨條例第XV部所述屬本公司之主要股東)。拿督鄭博士於二零零八年獲香港特別行政區政府頒授大紫荊勳章。彼為鄭家純博士之父親及杜惠愷先生之岳父。

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

Dr. Cheng, aged 66, joined the Company in March 2004. Dr. Cheng is also the Chairman and Executive Director of Chow Tai Fook Jewellery Group Limited, New World Development Company Limited, NWS Holdings Limited and International Entertainment Corporation, the Chairman and Non-executive Director of New World Department Store China Limited and Newton Resources Ltd, the Chairman and Managing Director of New World China Land Limited and an independent non-executive director of HKR International Limited. All the companies mentioned above are listed companies. Dr. Cheng is a director of Real Reward Limited, Go Create Limited, Chow Tai Fook Enterprises Limited, Chow Tai Fook (Holding) Limited, Chow Tai Fook Capital Limited, Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, being substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Dr. Cheng is the chairman of the Advisory Council for The Better Hong Kong Foundation and a Standing Committee Member of the Twelfth Chinese People's Political Consultative Conference of The People's Republic of China. He was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region in 2001. Dr. Cheng is the son of Dato' Dr. Cheng Yu-tung and the brother-in-law of Mr. Doo Wai-hoi, William.

Ms. LAU Yuk-wai, Amy

Ms. Lau, aged 59, joined the Company in March 2004. Ms. Lau holds a Bachelor Degree of Science and a Doctor Degree of Dental Surgery from the University of Toronto, Canada. She is a practicing dentist registered with the Royal College of Dental Surgeons of Ontario, Canada. She is also a non-executive director of Chinese Estates Holdings Limited, a Hong Kong listed company. Ms. Lau is the sister of Mr. Lau Luen Hung, Thomas and Mr. Lau Luen Hung, Joseph.

Mr. LAU Luen-hung, Joseph

Mr. Lau, aged 61, joined the Company in March 2004. Mr. Lau is the Chairman and Chief Executive Officer of Chinese Estates Holdings Limited, a Hong Kong listed company. Mr. Lau holds a Bachelor Degree of Science from the University of Windsor, Canada. He has over 37 years of experience in corporate finance, manufacturing and property investment and development. Mr. Lau is the elder brother of Mr. Lau Luen Hung, Thomas and Ms. Lau Yuk-wai, Amy.

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

鄭博士現年66歲，於二零零四年三月加盟本公司。鄭博士亦為周大福珠寶集團有限公司、新世界發展有限公司、新創建集團有限公司及國際娛樂有限公司之主席及執行董事，新世界百貨中國有限公司及新礦資源有限公司之主席及非執行董事，新世界中國地產有限公司之主席及董事總經理，以及香港興業國際集團有限公司之獨立非執行董事。上文提述之公司全部均為上市公司。鄭博士為Real Reward Limited、Go Create Limited、周大福企業有限公司、周大福(控股)有限公司、Chow Tai Fook Capital Limited、Cheng Yu Tung Family (Holdings) Limited及Cheng Yu Tung Family (Holdings II) Limited之董事(該等公司按證券及期貨條例第XV部所述屬本公司之主要股東)。鄭博士為香港明天更好基金顧問委員會主席及中華人民共和國第十二屆全國政協常務委員。彼於二零零一年獲香港特別行政區政府頒授金紫荊星章。鄭博士為鄭裕彤博士之兒子及杜惠愷先生之妻舅。

劉玉慧女士

劉女士現年59歲，於二零零四年三月加盟本公司。劉女士持有加拿大多倫多大學理學士學位及牙科博士學位。彼為加拿大安全省皇家牙科醫學院註冊之執業牙科醫生。彼亦為華人置業集團之非執行董事(為香港上市公司)。劉女士為劉鑾雄先生之胞妹及劉鑾鴻先生之胞姊。

劉鑾雄先生

劉先生現年61歲，於二零零四年三月加盟本公司。劉先生亦為華人置業集團之主席及行政總裁(為香港上市公司)。劉先生持有加拿大溫莎大學理學士學位，彼於企業融資、製造及物業投資與發展方面擁有逾37年經驗。劉先生為劉鑾鴻先生及劉玉慧女士之胞兄。

Independent Non-executive Director

MR. LAM Siu-lun, Simon (BA, ACA, FTIHK)

Mr. Lam, aged 63, joined the Company in March 2004. He is the Chairman of each of the Audit, Nomination and Remuneration Committees of the Company. Mr. Lam graduated from the University of Hong Kong in 1973. After graduation, he worked at KPMG Peat Marwick London and Hong Kong and obtained his qualification as a Certified Public Accountant from HKICPA in 1979. Mr. Lam has been a practicing accountant for over 23 years and is the proprietor of Messrs. S.L. Lam & Company. He has served as a member of the Insider Dealing Tribunal on a number of occasions. He is also an independent non-executive director of Le Saunda Holdings Limited and Kiu Hung Energy Holdings Limited, both are listed companies.

Mr. CHEUNG Yuet-man, Raymond

Mr. Cheung, aged 58, joined the Company in March 2004. He is a member of the Audit Committee of the Company. Mr. Cheung is an entrepreneur and has over 20 years of experience in the textile and garment manufacturing industries and has over 19 years of experience in property investment.

The Hon. SHEK Lai-him, Abraham (BA, DIP. ED., JP)

Mr. Shek, aged 67, joined the Company in March 2004. He is a member of each of the Audit, Nomination and Remuneration Committees of the Company. Mr. Shek obtained his Bachelor degree of Arts in 1969 and has extensive experience in the property development field. He is a member of the Legislative Council for the Hong Kong Special Administrative Region (the "HKSAR") representing real estate and construction functional constituency since 2000. Mr. Shek is a member of the Court of The Hong Kong University of Science & Technology and Court and Council Member of The University of Hong Kong. Mr. Shek is a director of The Hong Kong Mortgage Corporation Limited and an independent non-executive director of MTR Corporation Limited, Midas International Holdings Limited, Paliburg Holdings Limited, NWS Holdings Limited, Chuang's Consortium International Limited, Chuang's China Investments Limited (also acts as Chairman), ITC Corporation Limited, ITC Properties Group Limited (also acts as Vice Chairman), Titan Petrochemicals Group Limited, Country Garden Holdings Company Limited, Hsin Chong Construction Group Limited, Hop Hing Group Holdings Limited, SJM Holdings Limited, Dorsett Hospitality International Limited (formerly known as "Kosmopolito Hotels International Limited"), China Resources Cement Holdings Limited and Lai Fung Holdings Limited, all being listed companies. He is also an independent non-executive director of Eagle Asset Management (CP) Limited (the manager of Champion Real Estate Investment Trust) and Regal Portfolio Management Limited (the manager of Regal Real Estate Investment Trust), both are listed. Mr. Shek was awarded the Silver Bauhinia Star by the Government of the HKSAR in 2007.

獨立非執行董事

林兆麟先生 (BA, ACA, FTIHK)

林先生現年63歲，於二零零四年三月加盟本公司。彼為本公司審核委員會、提名委員會及薪酬委員會之主席。林先生於一九七三年在香港大學畢業後，曾於倫敦及香港畢馬威會計師事務所工作，並於一九七九年獲取香港會計師公會確認之執業會計師資格。林先生從事執業會計師超過23年，並為林兆麟會計師事務所東主。彼曾多次擔任內幕交易審裁處成員。彼亦為利信達集團有限公司及僑雄能源控股有限公司之獨立非執行董事（兩者均為上市公司）。

張悅文先生

張先生現年58歲，於二零零四年三月加盟本公司。彼為本公司審核委員會之委員。張先生為企業家，擁有逾20年紡織及成衣製造業經驗及逾19年物業投資經驗。

石禮謙議員 (BA, DIP. ED., 太平紳士)

石先生現年67歲，於二零零四年三月加盟本公司。彼為本公司審核委員會、提名委員會及薪酬委員會之委員。石先生於一九六九年取得文學士學位，於物業發展方面擁有豐富經驗。石先生為香港特別行政區立法會代表地產及建築功能界別的議員，及香港科技大學的顧問委員會成員及香港大學的顧問委員會成員及校務委員會成員。彼為香港按揭證券有限公司董事，並為香港鐵路有限公司、勤達集團國際有限公司、百利保控股有限公司、新創建集團有限公司、莊士機構國際有限公司、莊士中國投資有限公司(兼任主席)、德祥企業集團有限公司、德祥地產集團有限公司(兼任副主席)、泰山石化集團有限公司、碧桂園控股有限公司、新昌營造集團有限公司、合興集團控股有限公司、澳門博彩控股有限公司、帝盛酒店集團有限公司(前稱「麗悅酒店集團有限公司」)、華潤水泥控股有限公司及麗豐控股有限公司的獨立非執行董事，該等公司的股份均於香港聯交所上市。彼亦為鷹君資產管理(冠君)有限公司(冠君產業信託的管理人)及富豪資產管理有限公司(富豪產業信託的管理人)的獨立非執行董事，該等信託均於香港聯交所上市。石先生於2007年榮獲香港特別行政區政府頒授銀紫荊星章。

Mr. HUI Chiu-chung, Stephen (JP)

Mr Hui, aged 65, joined the Company in July 2005. He is a member of each of the Audit, Nomination and Remuneration Committees of the Company. Mr. Hui is the Chairman and Chief Executive Officer of Luk Fook Financial Services Limited and has over 42 years of experience in the securities and investment industry. He had for years been serving as a Council Member and Vice Chairman of The Stock Exchange of Hong Kong Limited, a member of the Advisory Committee of the Hong Kong Securities and Futures Commission, a director of the Hong Kong Securities Clearing Company Limited, a member of the Listing Committee of the Hong Kong Exchanges and Clearing Limited, an appointed member of the Securities and Futures Appeal Tribunal, a member of Standing Committee on Company Law Reform, and an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A. He was also a member of the Committee on Real Estate Investment Trusts of the Hong Kong Securities and Futures Commission. Mr. Hui was appointed by the Government of the HKSAR a Justice of the Peace in 2004 and was also appointed a member of the Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference in 2006. He is at present a member of Government "Appointees" (independent member) of Appeal Panel of the Travel Industry Council of Hong Kong. Mr. Hui also serves as an Independent Non-executive director of Hong Kong Exchanges and Clearing Limited, Zhuhai Holdings Investment Group Limited (formerly known as "Jiuzhou Development Company Limited"), Chun Wo Development Holdings Limited, Gemdale Properties and Investment Corporation Limited (formerly known as "Frasers Property (China) Limited"), China South City Holdings Limited and Non-executive director of Luk Fook Holdings (International) Limited, whose shares are listed on the Stock Exchange.

許照中先生(太平紳士)

許先生現年65歲，於二零零五年七月加盟本公司。彼為本公司審核委員會、提名委員會及薪酬委員會之委員。許先生現為六福金融服務有限公司之主席及行政總裁，並具備逾42年之證券及投資經驗，多年來曾出任聯交所理事會理事及副主席、香港證券及期貨事務監察委員會諮詢委員會委員、香港中央結算有限公司董事、香港交易及結算所有限公司上市委員會委員、證券及期貨事務上訴審裁處委員、公司法改革常務委員會委員及香港會計師公會調查小組A組委員等。彼曾為香港證券及期貨事務監察委員會房地產投資信託基金委員會委員。許先生於2004年獲香港特別行政區政府頒授太平紳士榮銜，並於2006年獲中國珠海市人民政治協商會議委任為政協委員。彼現為香港旅遊業議會上訴委員會獨立委員，許先生亦為股份於聯交所上市之香港交易及結算所有限公司、珠海控股投資集團有限公司(前稱「九洲發展有限公司」)、俊和發展集團有限公司、金地商置集團有限公司(前稱「星獅地產(中國)有限公司」)、華南城控股有限公司之獨立非執行董事及六福集團(國際)有限公司之非執行董事。

Directors' Report

董事會報告書

The Directors of the Company present their annual report and the audited consolidated financial statements for the year ended 31 December 2012.

Principal Activities

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are the operation of "lifestyle" department stores and other retailing format and property holding in Hong Kong and the PRC. Particulars of the Company's principal subsidiaries are set out in note 46 to the consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2012 are set out in the consolidated statement of comprehensive income on page 57.

An interim dividend of HK cents 21.8 per share was paid during the year ended 31 December 2012. The Directors have recommended the payment of a final dividend of HK cents 27.6 in cash per share to the shareholders whose names appear on the Register of Members of the Company on 26 April 2013. Subject to the approval of the Shareholders at the annual general meeting, the final dividend will be distributed on or about 13 May 2013. Total cash dividend amounting to HK cents 49.4 per share for the year ended 31 December 2012.

Fixed Assets

Details of the movements during the year in the investment properties and property, plant and equipment of the Group are set out in notes 18 and 19 respectively to the consolidated financial statements.

Share Capital

Details of movements during the year in the share capital of the Company are set out in note 36 to the consolidated financial statements.

Issue of Bonds

In January 2012, LS Finance (2017) Limited, a wholly-owned subsidiary of the Company, issued and sold a total of US\$350 million principal amount of 5.25% guaranteed bonds due 2017 ("2017 Bonds") to investors. In addition, in March 2012, LS Finance (2017) Limited further issued and sold a total of US\$150 million 2017 Bonds to investors. The 2017 Bonds are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). All the 2017 Bonds remained outstanding as at 31 December 2012.

In October 2012, LS Finance (2022) Limited, a wholly-owned subsidiary of the Company, issued and sold a total of US\$300 million principal amount of 4.25% guaranteed bonds due 2022 ("2022 Bonds") to investors. The 2022 Bonds are listed on the Stock Exchange. All the 2022 Bonds remained outstanding as at 31 December 2012.

Convertible Securities, Options, Warrants or Similar Rights

Other than the share option schemes described below, the Company had no outstanding convertible securities, options, warrants or similar rights as at 31 December 2012. Save as disclosed below, there has been no issue or exercise of any convertible securities, options, warrants or similar rights during the year.

本公司董事謹此提呈其年報及截至二零一二年十二月三十一日止年度之經審核綜合財務報表。

主要業務

本公司主要業務為投資控股，其附屬公司之主要業務則為於香港及中國經營「生活時尚」百貨店及其他零售業務與及物業持有。本公司主要附屬公司詳情載於綜合財務報表附註46。

業績及分配

本集團截至二零一二年十二月三十一日止年度之業績載於第57頁綜合全面收益表。

截至二零一二年十二月三十一日止年度，本公司已派付中期股息每股21.8港仙。董事建議向於二零一三年四月二十六日名列本公司股東名冊之股東，派付現金末期股息每股27.6港仙。末期股息待股東於股東週年大會批准後，將於二零一三年五月十三日或前後派付。截至二零一二年十二月三十一日止年度現金股息合共每股49.4港仙。

固定資產

有關本集團投資物業及物業、廠房及設備於本年度之變動詳情，分別載於綜合財務報表附註18及19。

股本

本公司股本於本年度之變動詳情載於綜合財務報表附註36。

發行債券

於二零一二年一月，本公司之全資附屬公司LS Finance (2017) Limited向投資者發行及出售本金額為350,000,000美元於二零一七年到期之5.25%有擔保債券（「2017債券」）。另外，LS Finance (2017) Limited於二零一二年三月向投資者進一步發行及出售本金額為150,000,000美元的2017債券。2017債券於香港聯合交易所有限公司（「聯交所」）上市。於二零一二年十二月三十一日，所有2017債券仍未被註銷或贖回。

於二零一二年十月，本公司之全資附屬公司LS Finance (2022) Limited向投資者發行及出售本金額為300,000,000美元於二零二二年到期之4.25%有擔保債券（「2022債券」）。2022債券於聯交所上市。於二零一二年十二月三十一日，所有2022債券仍未被註銷或贖回。

可換股證券、購股權、權證或類似權利

除下文所述之購股權計劃外，本公司於二零一二年十二月三十一日並無任何尚未行使之可換股證券、購股權、權證或類似權利。除下文所述外，本年度內並無發行或行使任何可換股證券、購股權、權證或其他類似權利。

Directors

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

Executive Directors:

Mr. Lau Luen-hung, Thomas (*Managing Director*)
Mr. Doo Wai-hoi, William

Non-executive Directors:

Dato' Dr. Cheng Yu-tung (*Chairman*)
Dr. Cheng Kar-shun, Henry
Mr. Lau Luen-hung, Joseph
Ms. Lau Yuk-wai, Amy

Independent Non-executive Directors:

Mr. Lam Siu-lun, Simon
Mr. Cheung Yuet-man, Raymond
The Hon. Shek Lai-him, Abraham
Mr. Hui Chiu-chung, Stephen

In accordance with Article 87 of the Articles of Association of the Company, Dr. Cheng Kar-shun, Henry, Ms. Lau Yuk-wai, Amy, Mr. Cheung Yuet-man, Raymond and The Hon. Shek Lai-him, Abraham shall retire by rotation and, being eligible, offer themselves for re-election.

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

Each of Mr. Lau Luen-hung, Thomas and Mr. Doo Wai-hoi, William, being Executive Director, has a service contract with the Company with the term from 1 April 2010 to 31 March 2013 and 2 March 2011 to 1 March 2014 respectively in respect of their respective directorships and is subject to renewal and extension automatically for further three years unless terminated by either party in writing. There is no specific clause in both service contracts providing for the amount of compensation in case of early termination of office.

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

董事

於本年度及截至本報告日期期間，本公司董事如下：

執行董事：

劉鑾鴻先生(董事總經理)
杜惠愷先生

非執行董事：

拿督鄭裕彤博士(主席)
鄭家純博士
劉鑾雄先生
劉玉慧女士

獨立非執行董事：

林兆麟先生
張悅文先生
石禮謙議員
許照中先生

根據本公司之章程細則第87條規定，鄭家純博士、劉玉慧女士、張悅文先生及石禮謙議員須輪值告退，惟合資格並願意重選連任。

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

劉鑾鴻先生及杜惠愷先生，均為執行董事，與本公司就各自出任董事訂有服務合約，任期分別為二零一零年四月一日至二零一三年三月三十一日及二零一一年三月二日至二零一四年三月一日及除任何一方發出書面終止通知，否則服務合約將自動續期及延伸三年。該等服務合約並無載有規定提早終止任期補償金額之特定條款。

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

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

As at 31 December 2012, the Directors' and the Chief Executive's interests and short positions in the shares and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers are set out below:

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

Name of Director	Nature of interest	Number of ordinary shares of the Company	Approximate percentage of interest in the issued share capital of the Company (Note 3)
董事姓名	權益性質	本公司之普通股股份數目	佔本公司已發行股本權益之概約百分比 (附註3)
Mr. Lau Luen-hung, Thomas ("Mr. Thomas Lau") 劉鑾鴻先生	Interest in controlled corporation (Note 1) 受控制公司權益(附註1)	1,080,000,000	64.87%
	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	77,043,500	4.63%
	Beneficial owner 實益擁有人	65,250,000	3.92%
Notes:		附註:	
1.	Real Reward Limited ("Real Reward"), which is jointly owned by United Goal Resources Limited ("United Goal") and Go Create Limited ("Go Create") in equal shares, holds 1,080,000,000 shares. United Goal is ultimately owned by Mr. Thomas Lau and a family trust with Mr. Lau Luen-hung, Joseph ("Mr. Joseph Lau") and certain of his family members as eligible beneficiaries. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the 1,080,000,000 shares held by Real Reward.	1.	由 United Goal Resources Limited (「United Goal」) 及 Go Create Limited (「Go Create」) 共同平均擁有之 Real Reward Limited (「Real Reward」) 持有 1,080,000,000 股股份。United Goal 由劉鑾鴻先生及合資格受益人為劉鑾雄先生(「劉鑾雄先生」)及其若干家族成員之家族信託最終擁有。根據證券及期貨條例，劉鑾鴻先生被視作於 Real Reward 所持 1,080,000,000 股股份中擁有權益。
2.	Dynamic Castle Limited ("Dynamic Castle"), which is wholly-owned by Mr. Thomas Lau, holds 77,043,500 shares. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the 77,043,500 shares held by Dynamic Castle.	2.	由劉鑾鴻先生全資擁有之 Dynamic Castle Limited (「Dynamic Castle」) 持有 77,043,500 股股份。根據證券及期貨條例，劉鑾鴻先生被視作於 Dynamic Castle 所持 77,043,500 股股份中擁有權益。
3.	As at 31 December 2012, the issued share capital of the Company was HK\$8,324,607.50 divided into 1,664,921,500 shares of HK\$0.005 each.	3.	於二零一二年十二月三十一日，本公司之已發行股本為 8,324,607.50 港元，分為 1,664,921,500 股每股面值 0.005 港元之股份。

(ii) Long position in the underlying shares of the Company — share options

Name of Director	Nature of interest	Number of underlying shares of the Company (Note)	Approximate percentage of interest in the issued share capital of the Company (Note 3)
董事姓名	權益性質	本公司之相關股份數目(附註)	佔本公司已發行股本權益之概約百分比
Mr. Thomas Lau 劉鑾鴻先生	Beneficial owner 實益擁有人	17,020,000	1.02%
Note: Please refer to the details set out in the section headed "Details of Options Granted by the Company".		附註：詳情請參閱「本公司授予購股權之詳情」一節。	

董事及行政總裁於股份及相關股份之權益

於二零一二年十二月三十一日，根據《證券及期貨條例》第352條規定而備存之登記冊的紀錄，又或根據上市公司董事進行證券交易的標準守則，向本公司及香港聯合交易所有限公司(「聯交所」)發出的通知，各董事及行政總裁持有的本公司或其任何之相聯法團(按《證券及期貨條例》第XV部所界定者)之股份、相關股份及債權證的權益及淡倉載列如下：

(i) 本公司已發行股份之好倉

Name of Director	Nature of interest	Number of ordinary shares of the Company	Approximate percentage of interest in the issued share capital of the Company (Note 3)
董事姓名	權益性質	本公司之普通股股份數目	佔本公司已發行股本權益之概約百分比 (附註3)
Mr. Lau Luen-hung, Thomas ("Mr. Thomas Lau") 劉鑾鴻先生	Interest in controlled corporation (Note 1) 受控制公司權益(附註1)	1,080,000,000	64.87%
	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	77,043,500	4.63%
	Beneficial owner 實益擁有人	65,250,000	3.92%
Notes:		附註:	
1.	Real Reward Limited ("Real Reward"), which is jointly owned by United Goal Resources Limited ("United Goal") and Go Create Limited ("Go Create") in equal shares, holds 1,080,000,000 shares. United Goal is ultimately owned by Mr. Thomas Lau and a family trust with Mr. Lau Luen-hung, Joseph ("Mr. Joseph Lau") and certain of his family members as eligible beneficiaries. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the 1,080,000,000 shares held by Real Reward.	1.	由 United Goal Resources Limited (「United Goal」) 及 Go Create Limited (「Go Create」) 共同平均擁有之 Real Reward Limited (「Real Reward」) 持有 1,080,000,000 股股份。United Goal 由劉鑾鴻先生及合資格受益人為劉鑾雄先生(「劉鑾雄先生」)及其若干家族成員之家族信託最終擁有。根據證券及期貨條例，劉鑾鴻先生被視作於 Real Reward 所持 1,080,000,000 股股份中擁有權益。
2.	Dynamic Castle Limited ("Dynamic Castle"), which is wholly-owned by Mr. Thomas Lau, holds 77,043,500 shares. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the 77,043,500 shares held by Dynamic Castle.	2.	由劉鑾鴻先生全資擁有之 Dynamic Castle Limited (「Dynamic Castle」) 持有 77,043,500 股股份。根據證券及期貨條例，劉鑾鴻先生被視作於 Dynamic Castle 所持 77,043,500 股股份中擁有權益。
3.	As at 31 December 2012, the issued share capital of the Company was HK\$8,324,607.50 divided into 1,664,921,500 shares of HK\$0.005 each.	3.	於二零一二年十二月三十一日，本公司之已發行股本為 8,324,607.50 港元，分為 1,664,921,500 股每股面值 0.005 港元之股份。

(ii) 本公司相關股份之好倉 — 購股權

Name of Director	Nature of interest	Number of underlying shares of the Company (Note)	Approximate percentage of interest in the issued share capital of the Company (Note 3)
董事姓名	權益性質	本公司之相關股份數目(附註)	佔本公司已發行股本權益之概約百分比
Mr. Thomas Lau 劉鑾鴻先生	Beneficial owner 實益擁有人	17,020,000	1.02%
Note: Please refer to the details set out in the section headed "Details of Options Granted by the Company".		附註：詳情請參閱「本公司授予購股權之詳情」一節。	

(iii) Long position in the underlying shares of the Company — Euro Medium Term Note **(iii) 本公司相關股份之好倉 — 歐元中期票據**

Name of Director	Nature of interest	Number of underlying shares of the Company (Note)	Approximate percentage of interest in the issued share capital of the Company
董事姓名	權益性質	本公司之相關股份數目(附註)	佔本公司已發行股本權益之概約百分比

Mr. Thomas Lau 劉鑾鴻先生	Beneficial owner 實益擁有人	804,733	0.05%
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Note: As at 31 December 2012, Mr. Thomas Lau held a Euro Medium Term Note with a notional amount of USD2,000,000 and a maturity date on 23 September 2013 (subject to early redemption). The redemption amount on maturity date will be determined by reference to the final share price of the worst performing stock of the basket of stocks which includes the Company. In the event where Mr. Lau elects to receive the redemption amount on maturity date in the Company's shares in lieu of cash, the number of share, calculated using the exchange rate on 29 June 2011 (date of transaction) and the contracted strike price, will be approximately 804,733 shares.

附註：於二零一二年十二月三十一日，劉鑾鴻先生持有一份於二零一三年九月二十三日到期(可提前贖回)票面金額為2,000,000美元之歐元中期票據。於到期日之贖回額將按一籃子股票(當中包括本公司)中表現最差之股票之最後股價決定。若劉先生於到期日選擇收取本公司股票而非現金作為該筆贖回額，按二零一一年六月二十九日(交易之日期)之匯率及合約中的執行股價計算，彼將收取約804,733股本公司股份。

(iv) Long positions in associated corporations**(iv) 於相聯法團之好倉**

Name of Director	Name of associated corporation	Nature of interest	Total number of shares held	Percentage of interest
董事姓名	相聯法團名稱	權益性質	所持股份總數	權益百分比
Mr. Thomas Lau 劉鑾鴻先生	Real Reward	Interest in controlled corporation (Note 1) 受控制公司權益(附註1)	1	50%
	Crystal Key Investment Limited	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1	100%
	Grandville Venture Corp.	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	50,000	100%
	Global Centre Investments Limited	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1	100%
	Leeson Limited 麗信有限公司	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1	100%
	Wise Ocean Limited 偉洋有限公司	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1	100%

Notes:

1. United Goal is ultimately owned by Mr. Thomas Lau and a family trust with Mr. Joseph Lau and certain of his family members as eligible beneficiaries, has 50% interest in Real Reward. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the one share in Real Reward.

附註：

1. United Goal 擁有 Real Reward 50% 權益，並由劉鑾鴻先生及合資格受益人為劉鑾雄先生及其若干家族成員之家族信託最終擁有。根據證券及期貨條例，劉鑾鴻先生被視作於 Real Reward 一股股份中擁有權益。

2. United Goal is ultimately owned by Mr. Thomas Lau and a family trust with Mr. Joseph Lau and certain of his family members as eligible beneficiaries, has 50% interest in Real Reward. Crystal Key Investment Limited, Grandville Venture Corp., Global Centre Investments Limited, Leeson Limited and Wise Ocean Limited are, either direct or indirect, wholly-owned subsidiaries of Real Reward. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the shares held by Real Reward in Crystal Key Investment Limited, Grandville Venture Corp., Global Centre Investments Limited, Leeson Limited and Wise Ocean Limited.

Saved for those disclosed above, as at 31 December 2012, none of the Directors or Chief Executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO.

Interests of Substantial Shareholders

As at 31 December 2012, the following persons (other than a Director or the Chief Executive of the Company) had an interest or short position in the shares and underlying shares of the Company (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange are set out below:

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

Name	Nature of interest and capacity	Number of shares	Approximate percentage of interest in the issued share capital of the Company 佔本公司已發行股本權益之概約百分比
名稱	權益性質及身分	股份數目	
Real Reward	Beneficial owner (Note 1) 實益擁有人(附註1)	1,080,000,000	64.87%
United Goal	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1,080,000,000	64.87%
Asia Prime Assets Limited ("Asia Prime")	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1,080,000,000	64.87%
Go Create	Interest in controlled corporation (Note 3) 受控制公司權益(附註3)	1,080,000,000	64.87%
Chow Tai Fook Enterprises Limited ("CTF Enterprises") 周大福企業有限公司 (「周大福企業」)	Interest in controlled corporation (Note 3) 受控制公司權益(附註3)	1,080,000,000	64.87%
Chow Tai Fook (Holding) Limited ("CTFHL") 周大福(控股)有限公司 (「周大福控股」)	Interest in controlled corporation (Note 4) 受控制公司權益(附註4)	1,080,000,000	64.87%

2. United Goal擁有Real Reward 50%權益，並由劉鑾鴻先生及合資格受益人為劉鑾雄先生及其若干家族成員之家族信託最終擁有。Crystal Key Investment Limited、Grandville Venture Corp.、Global Centre Investments Limited、麗信有限公司及偉洋有限公司為Real Reward直接或間接全資附屬公司。根據證券及期貨條例，劉鑾鴻先生被視作於Real Reward在Crystal Key Investment Limited、Grandville Venture Corp.、Global Centre Investments Limited、麗信有限公司及偉洋有限公司持有之股份中擁有權益。

除上述披露者外，於二零一二年十二月三十一日，根據《證券及期貨條例》第352條規定而備存之登記冊的記錄，概無任何董事或本公司行政總裁在本公司或其任何相聯法團(按《證券及期貨條例》第XV部所界定者)的股份、相關股份或債權證中擁有任何權益或淡倉。

主要股東權益

於二零一二年十二月三十一日，下列人士(不包括董事或本公司行政總裁)根據《證券及期貨條例》第336條規定而備存之登記冊的紀錄，又或向本公司及聯交所發出的通知，於本公司之股份及相關股份(按《證券及期貨條例》第XV部所界定者)中擁有須予披露之權益或淡倉權益載列如下：

本公司股份及相關股份中之好倉

Name	Nature of interest and capacity	Number of shares	Approximate percentage of interest in the issued share capital of the Company 佔本公司已發行股本權益之概約百分比
名稱	權益性質及身分	股份數目	
Chow Tai Fook Capital Limited ("CTFC")	Interest in controlled corporation (Note 4) 受控制公司權益(附註4)	1,080,000,000	64.87%
Cheng Yu Tung Family (Holdings) Limited ("CYTFH")	Interest in controlled corporation (Note 4) 受控制公司權益(附註4)	1,080,000,000	64.87%
Cheng Yu Tung Family (Holdings II) Limited ("CYTFH-II")	Interest in controlled corporation (Note 4) 受控制公司權益(附註4)	1,080,000,000	64.87%
European Investors Holding Company, Inc ("EIH")	Interest in controlled corporation (Note 5) 受控制公司權益(附註5)	83,336,700	5.01%
Christian LANGE	Interest in controlled corporation (Note 5) 受控制公司權益(附註5)	83,336,700	5.01%

Notes:

- Real Reward is a company jointly owned by United Goal and Go Create in equal shares. United Goal is ultimately owned by Mr. Thomas Lau and a family trust with Mr. Joseph Lau and certain of his family members as eligible beneficiaries. Mr. Thomas Lau, Mr. Joseph Lau and Dr. Cheng Kar-shun, Henry, being Directors, are also directors of Real Reward.
- Asia Prime, a company wholly owned by Mr. Thomas Lau, holds more than one-third of the entire issued share capital of United Goal, a 50% shareholder of Real Reward. By virtue of the SFO, Asia Prime and United Goal are deemed to be interested in the 1,080,000,000 shares held by Real Reward. Mr. Thomas Lau and Mr. Joseph Lau, being Directors, are directors of United Goal and Mr. Thomas Lau is also the sole director of Asia Prime.
- Go Create, which is wholly owned by CTF Enterprises, has 50% interest in Real Reward. By virtue of the SFO, CTF Enterprises and Go Create are deemed to be interested in the 1,080,000,000 shares held by Real Reward. Dato' Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, being Directors, are directors of CTF Enterprises and Dr. Cheng Kar-shun, Henry is also a director of Go Create.
- CTF Enterprises is wholly owned by CTFHL, which is held as to 74.04% by CTFC, which is in turn held as to 48.98% by CYTFH and as to 46.65% by CYTFH-II. By virtue of the SFO, CTFHL, CTFC, CYTFH and CYTFH-II are deemed to be interested in the same parcel of shares held by Real Reward. Dato' Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, being Directors, are directors of each of CTFHL, CTFC, CYTFH and CYTFH-II.
- EIH is 46.96% controlled by Christian LANGE and accordingly pursuant to SFO, Christian LANGE is deemed to be interested in the shares of which EIH is deemed to be interested. EIH is deemed to be interested in the 83,336,700 shares held by its controlled corporations.
- As at 31 December 2012, the issued share capital of the Company was HK\$8,324,607.50 divided into 1,664,921,500 shares of HK\$0.005 each.
- Exemption from compliance with the disclosure of interests requirement of the SFO by LS Finance (2017) Limited and LS Finance (2022) Limited (including substantial shareholders, directors and chief executives) had been granted under section 309(2) of the SFO.

附註:

- Real Reward由United Goal與Go Create共同平均擁有。United Goal由劉鑾鴻先生及合資格受益人為劉鑾雄先生及其若干家族成員之家族信託最終擁有。董事劉鑾鴻先生、劉鑾雄先生及鄭家純博士亦為Real Reward之董事。
- Asia Prime由劉鑾鴻先生全資擁有，其持有United Goal全部已發行股本超過三分之一，而United Goal為持有Real Reward 50%權益之股東。根據證券及期貨條例，Asia Prime及United Goal被視為於Real Reward所持之1,080,000,000股股份中擁有權益。董事劉鑾鴻先生及劉鑾雄先生為United Goal之董事，而劉鑾鴻先生亦為Asia Prime唯一之董事。
- Go Create由周大福企業全資擁有，Go Create於Real Reward擁有50%權益。根據證券及期貨條例，周大福企業及Go Create被視為於Real Reward持有之1,080,000,000股股份中擁有權益。董事拿督鄭裕彤博士及鄭家純博士為周大福企業之董事，而鄭家純博士亦為Go Create之董事。
- 周大福企業由周大福控股全資擁有，周大福控股獲CTFC持有約74.04%權益，而CTFC則分別獲CYTFH持有約48.98%權益及CYTFH-II持有約46.65%權益。根據證券及期貨條例，周大福控股、CTFC、CYTFH及CYTFH-II均被視為於Real Reward持有之股份擁有同等權益。董事拿督鄭裕彤博士及鄭家純博士亦為周大福控股、CTFC、CYTFH及CYTFH-II之董事。
- EIH為Christian LANGE 46.96%所控制，故根據證券及期貨條例，Christian LANGE被視為於EIH被視為持有之股份擁有權益。EIH被視為擁有其受控制公司所持之83,336,700股股份。
- 於二零一二年十二月三十一日，本公司之已發行股本為8,324,607.50港元，分為1,664,921,500股每股面值0.005港元之股份。
- LS Finance (2017) Limited及LS Finance (2022) Limited (包括其主要股東、董事及行政總裁)已獲得證券及期貨條例第309(2)條下豁免遵守證券及期貨條例披露權益。

Save for those disclosed above, as at 31 December 2012, no other persons had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Share Option Schemes

(i) The 2004 Share Option Scheme

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

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

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

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

除上述披露者外，於二零一二年十二月三十一日，根據《證券及期貨條例》第336條規定而備存之登記冊的紀錄，概無任何人士在本公司的股份及相關股份中擁有任何權益或淡倉。

購股權計劃

(i) 二零零四年購股權計劃

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

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

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

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

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

(ii) The 2009 Share Option Scheme

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

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

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

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

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

(ii) 二零零九年購股權計劃

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

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

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

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

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

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

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

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

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

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

Details of Options Granted by the Company

As at 31 December 2012, options to subscribe for an aggregate of 22,259,000 shares of the Company granted to a Director (as disclosed above) and certain full-time employees pursuant to the Scheme remained outstanding, details of which were as follows:

本公司授予購股權之詳情

於二零一二年十二月三十一日，誠如上文所披露，本公司根據該計劃已向一名董事及若干全職僱員授予可供認購合共22,259,000股本公司股份且尚未行使之購股權詳情如下：

	Date of grant 授予日期	Number of share options 購股權數目					Outstanding as at 31 December 2012 於二零一二年 十二月三十一日 尚未行使	Option period 購股權期限	Subscription price per share 每股認購價
		Outstanding as at 1 January 2012 於二零一二年 一月一日 尚未行使	Granted during the year 年內授予	Exercised during the year 年內行使	Lapsed during the year 年內失效	Cancelled during the year 年內註銷			
Director 董事									
Mr. Thomas Lau 劉鑾鴻先生	31.08.2007	17,020,000	-	-	-	17,020,000	01.10.2008 – 26.03.2014 (Note 2) (附註2)	HK\$18.50 18.50 港元	
Employees 僱員									
	07.10.2005	594,000	-	(183,000)	-	411,000	07.10.2006 – 26.03.2014 (Note 1) (附註1)	HK\$6.16 6.16 港元	
	02.02.2009	10,951,000	-	(5,943,000)	(180,000)	4,828,000	07.02.2010 – 26.03.2014 (Notes 3 & 4) (附註3及4)	HK\$6.40 6.40 港元	
Total 總計		28,565,000	-	(6,126,000)	(180,000)	22,259,000			

Notes:

- The options, granted on 7 October 2005, are exercisable from 7 October 2006 to 26 March 2014 (both days inclusive) in the following manner:
 - up to 40% of the total number of options granted under the Scheme commencing 7 October 2006;
 - up to 70% of the total number of options granted under the Scheme commencing 7 October 2007; and
 - up to 100% of the total number of options granted under the Scheme commencing 7 October 2008.
- The options, granted on 31 August 2007, are exercisable from 1 October 2008 to 26 March 2014 (both days inclusive) in the following manner:
 - up to 40% of the total number of options granted under the Scheme commencing 1 October 2008;
 - up to 70% of the total number of options granted under the Scheme commencing 1 October 2009; and
 - up to 100% of the total number of options granted under the Scheme commencing 1 October 2010.

附註：

- 該等於二零零五年十月七日授予之購股權可於二零零六年十月七日至二零一四年三月二十六日期間(包括首尾兩日)按以下方式行使：
 - 自二零零六年十月七日起最多由該購股權計劃所授出購股權總數之40%；
 - 自二零零七年十月七日起最多由該購股權計劃所授出購股權總數之70%；及
 - 自二零零八年十月七日起最多由該購股權計劃所授出購股權總數之100%。
- 該等於二零零七年八月三十一日授予之購股權可於二零零八年十月一日至二零一四年三月二十六日期間(包括首尾兩日)按以下方式行使：
 - 自二零零八年十月一日起最多由該購股權計劃所授出購股權總數之40%；
 - 自二零零九年十月一日起最多由該購股權計劃所授出購股權總數之70%；及
 - 自二零一零年十月一日起最多由該購股權計劃所授出購股權總數之100%。

3. On 3 March 2009, the outstanding options previously granted to employees of the Group on 31 August 2007 (which entitled such employees to subscribe for an aggregate of 20,400,000 shares) were cancelled and replaced by new options granted by the Company entitling them to subscribe for the same number of shares at an exercise price of HK\$6.40 per share (the "2009 Employee Options"). The 2009 Employee Options are exercisable from 7 February 2010 to 26 March 2014 (both days inclusive) in the following manner:

- (i) up to 40% of the total number of options granted under the Scheme commencing 7 February 2010;
- (ii) up to 70% of the total number of options granted under the Scheme commencing 7 February 2011; and
- (iii) up to 100% of the total number of options granted under the Scheme commencing 7 February 2012.

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

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

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

Arrangements to Purchase Shares or Debentures

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

Directors' Interests in Contracts of Significance

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

3. 於二零零九年三月三日，先前於二零零七年八月三十一日授予本集團僱員之尚未行使購股權（其賦予該等僱員權利可認購合共20,400,000股股份）已獲註銷並由本公司所授予之新購股權取代，該等新購股權賦予彼等權利可按每股6.40港元之行使價認購相同數目之股份（「二零零九年僱員購股權」）。二零零九年僱員購股權可自二零一零年二月七日至二零一四年三月二十六日期間（包括首尾兩日）按以下方行使：

- (i) 自二零一零年二月七日起由該購股權計劃所授出購股權總數之40%；
- (ii) 自二零一一年二月七日起由該購股權計劃所授出購股權總數之70%；及
- (iii) 自二零一二年二月七日起由該購股權計劃所授出購股權總數之100%。

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

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

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

購買股份或債券之安排

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

董事之重大合約權益

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

Continuing Connected Transactions

The following transactions of the Group constituted non-exempt continuing connected transactions ("Continuing Connected Transactions") for the Company during the financial year ended 31 December 2012 under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

(1) Shanghai Ongoing Department Store's tenancy agreement

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

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

During the year end 31 December 2012, a total of RMB193.9 million (equivalent to approximately HK\$238.7 million) rental and management fee was paid by Shanghai Ongoing to Cityplaza Co. under the Tenancy Agreement.

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

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

On 24 February 2005, the Group's 100% owned Sogo Hong Kong Company Limited ("Sogo HK") entered into a lease agreement as tenant with Hong Kong Island Development Limited ("HK Island") as landlord for the leasing of portion of ground floor, portion of podium 1 and the entire podium 2 of The Amazon at No. 12 Salisbury Road, Tsimshatsui, Kowloon to Sogo HK for a term of 15 years commencing from 30 September 2005 ("Lease"), at a turnover rent based on sales generating within the leasing premises at a rate of 6% for the 1st to the 10th year and 7% for the 11th to the 15th year.

持續關連交易

截至二零一二年十二月三十一日止年度內，根據香港聯合交易所有限公司證券上市規則（「上市規則」），本集團之下列交易構成不獲豁免持續關連交易（「持續關連交易」）：

(1) 上海久光百貨店租賃協議

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

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

截至二零一二年十二月三十一日止年度內，上海久光根據租賃協議支付城市廣場公司合共人民幣193,900,000元（約相當於238,700,000元港幣）租金及管理費。

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

(2) 尖沙咀崇光店物業租賃

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

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

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

During the year, a total of HK\$69.6 million rental, management fee and other charges was paid by Sogo HK to HK Island under the Lease (as amended by the Supplemental Deed).

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

(3) Framework Agreement

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

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

(collectively the "Transactions").

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

於二零一二年七月三十一日，崇光香港及香島訂立租約之補充契據（「補充契據」），據此(i)於二零一二年十二月一日或以前向香島空出及交還建築面積約750平方呎該物業之部份並於二零一四年二月十五日或以前向香島空出及交還該物業之餘下部份；及(ii)租約應於二零一四年二月十五日終止。就補充契據之詳情，請參閱本公司日期為二零一二年七月三十一日之公告。

年內，崇光香港根據租約（經補充契據修訂）支付香島合共69,600,000港元租金、管理費及其他收費（經補充契據修訂）。

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

(3) 框架協議

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

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

（統稱「該等交易」）。

For the year ended 31 December 2012, a total of HK\$44.9 million was received/receivable pursuant to the Framework Agreement.

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

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

All the Continuing Connected Transactions above have been reviewed by the Independent Non-executive Directors of the Company who have confirmed that for the year ended 31 December 2012 the Continuing Connected Transactions have been entered into (i) in the ordinary and usual course of business of the Company; (ii) either on normal commercial terms or on terms no less favourable to the Company than terms available to (or from) independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice 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 auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in pages 49 to 51 of the Annual Report in accordance with Main Board Listing Rule 14A.38. A copy of the auditor's letter has been provided to The Stock Exchange of Hong Kong Limited.

Remuneration Policy

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

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

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

截至二零一二年十二月三十一日止年度，根據框架協議已收取／可獲收取合共44,900,000港元。

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

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

本公司之獨立非執行董事已審閱以上全部持續關連交易，並確認截至二零一二年十二月三十一日止年度，該等持續關連交易乃(i)屬本公司一般及日常業務過程中訂立；(ii)按一般商業條款或不遜於獨立第三方可取得或提供之條款進行；及(iii)根據該等交易之協議條款進行，屬公平合理，並符合本公司股東之整體利益。

根據上市規則第14A.38條，本公司已聘用本公司之核數師根據香港會計師公會發出之香港核證委聘準則第3000號「審核或審閱過往財務資料以外的核證工作」，並參考《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」，就本集團之持續關連交易作出匯報。核數師根據主板上市規則第14A.38條，就本集團於本年報第49至51頁所披露之持續關連交易發出包括其發現及結論之無保留函件。核數師信件之副本已提交香港聯合交易所有限公司。

薪酬政策

本集團之薪酬政策按僱員之表現、資歷及能力而制定。

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

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

Directors' Interests in Competing Business

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

董事於競爭業務之權益

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

Businesses which are considered to compete or likely to compete with the businesses of the Group 被視為與本集團業務構成競爭或可能構成競爭的業務			
Name of Director 董事姓名	Name of entity 實體名稱	Description of business 業務簡介	Nature of Interest of the Director in the entity 董事於該實體的權益性質
Cheng Kar Shun, Henry 鄭家純博士	New World Development Company Limited 新世界發展有限公司	Equity interest in New World Department Store China Limited, which operates department stores in the People's Republic of China 持有在中華人民共和國經營百貨公司之新世界百貨中國有限公司的權益	Director 董事
	New World Department Store China Limited 新世界百貨中國有限公司	Operations of department stores in the People's Republic of China 在中華人民共和國經營百貨公司	Director 董事
Dato' Dr. Cheng Yu-tung 拿督鄭裕彤博士	New World Development Company Limited 新世界發展有限公司	Equity interest in New World Department Store China Limited, which operates department stores in the People's Republic of China 持有在中華人民共和國經營百貨公司之新世界百貨中國有限公司的權益	Director (resigned on 1 March 2012) 董事(於二零一二年三月一日辭任)

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

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

Purchase, Sale or Redemption of The Company's Securities

During the year ended 31 December 2012, the Company repurchased 8,718,000 ordinary shares on the Stock Exchange at an aggregate consideration of approximately HK\$141 million (excluding expenses) for enhancing its per share net asset value and earnings. All the repurchased shares were subsequently cancelled. Details of the repurchase of shares are summarized as follows:

Month of the repurchase	Total number of ordinary shares repurchased	Highest price paid per share HK\$	Lowest price paid per share HK\$	Aggregate consideration (excluding expenses) HK\$
購回月份	購回普通股總數	所付每股最高價 港元	所付每股最低價 港元	總代價 (不包括費用) 港元
May 2012 2012年5月	1,563,500	16.38	15.60	24,840,060
June 2012 2012年6月	5,314,000	16.52	15.92	86,708,180
August 2012 2012年8月	1,840,500	16.26	16.14	29,836,300
	8,718,000			141,384,540

Saved as those disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2012.

Pre-emptive Rights

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

Employees

As at 31 December 2012, the Group employed a total of approximately 900 employees in Hong Kong and 1,500 employees in the PRC. Staff costs (excluding directors' emoluments), including employees' share option charges of HK\$0.2 million (2011: HK\$2.5 million), amounted to HK\$371.3 million (2011: HK\$349.7 million) for the year. The Group ensures that the pay levels of its employees are competitive and in line with market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

Major Customers and Suppliers

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

購買、出售或贖回本公司證券

於截至二零一二年十二月三十一日止年度，本公司在聯交所總代價約141,000,000港元(不包括費用)購回8,718,000股普通股以提高其每股的資產淨值及盈利。該等回購股份其後已被註銷。有關購回股份之詳情載列如下：

除上文所披露者外，截至二零一二年十二月三十一日止年度內，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

優先購買權

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

僱員

於二零一二年十二月三十一日，本集團分別於香港及中國共僱用約900名及1,500名員工。本年度員工成本約371,300,000港元(二零一一年：349,700,000港元)，包括僱員購股權開支200,000港元(二零一一年：2,500,000港元)，但不包括董事酬金。本集團確保僱員薪酬水平符合市場趨勢並具競爭力，僱員之薪酬乃根據本集團之一般薪金及花紅制度因應僱員表現釐定。

主要客戶及供應商

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

Sufficiency of Public Float

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

Charitable Donations

During the year, the Group made charitable and other donations amounting to HK\$232,000 (2011: HK\$1,349,000).

Management Contracts

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

Auditor

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

On behalf of the Board
Lau Luen-hung, Thomas
Managing Director

4 March 2013

足夠公眾持股量

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

慈善捐款

於年內，本集團作出之慈善及其他捐款為232,000港元(二零一一年：1,349,000港元)。

管理合約

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

核數師

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

代表董事會
董事總經理
劉鑾鴻

二零一三年三月四日

Independent Auditor's Report 獨立核數師報告書



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

We have audited the consolidated financial statements of Lifestyle International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 57 to 142, which comprise the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

致：利福國際集團有限公司各位股東

(於開曼群島註冊成立的有限公司)

本行已完成審核載於第57至142頁利福國際集團有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此等綜合財務報表包括於二零一二年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

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

核數師的責任

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2012 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
4 March 2013

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

本行相信，本行所獲得審核憑證已充足和適當地為本行的審核意見提供基礎。

意見

本行認為，綜合財務報表已根據香港財務報告準則真實與公平地反映 貴集團於二零一二年十二月三十一日的財政狀況及 貴集團於截至該日止年度的溢利和現金流量，並已按照香港公司條例之披露規定妥善編製。

德勤•關黃陳方會計師行
執業會計師
香港
二零一三年三月四日

Consolidated Statement of Comprehensive Income

綜合全面收益表

for the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		NOTES 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (restated) (重列)
Turnover	營業額	7	5,523,443	5,131,950
Cost of sales	銷售成本	7	(2,256,346)	(2,132,077)
Gross profit	毛利		3,267,097	2,999,873
Other income	其他收入	9	226,871	249,898
Selling and distribution costs	銷售及分銷成本		(1,020,015)	(962,011)
Administrative expenses	行政開支		(258,292)	(248,797)
Investment income	投資收入	10	352,080	64,301
Fair value changes on investment properties	投資物業公平值變動			
Realised gains on disposals	出售變現收益	11	1,498	203,346
Unrealised gains	未變現收益	11	182,922	94,417
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利	23	30,297	29,393
Share of profits of associates	應佔聯營公司溢利	22	280,290	221,892
Finance costs	融資成本	12	(307,787)	(57,911)
Profit before taxation	除稅前溢利		2,754,961	2,594,401
Taxation	稅項	13	(497,832)	(554,282)
Profit for the year	本年度溢利	14	2,257,129	2,040,119
Other comprehensive income	其他全面收入			
Exchange differences arising on translation of foreign operation	換算海外業務時產生之匯兌差額		74,684	197,429
Release of exchange reserve upon disposal of a subsidiary	出售一間附屬公司時解除匯兌儲備	39	–	(36,067)
Share of exchange differences of associates	應佔聯營公司匯兌差額		11,218	42,762
Share of exchange difference of a jointly controlled entity	應佔一家共同控制實體匯兌差額		1,817	9,753
Other comprehensive income for the year	本年度其他全面收入		87,719	213,877
Total comprehensive income for the year	本年度全面收入總額		2,344,848	2,253,996
Profit for the year attributable to:	本年度應佔溢利：			
Owners of the Company	本公司擁有人		2,057,461	1,867,170
Non-controlling interests	非控股權益		199,668	172,949
			2,257,129	2,040,119
Total comprehensive income attributable to:	應佔全面收入總額：			
Owners of the Company	本公司擁有人		2,140,122	2,059,251
Non-controlling interests	非控股權益		204,726	194,745
			2,344,848	2,253,996
Earnings per share	每股盈利			
— basic	— 基本	17	HK\$1.2349	HK\$1.1125
— diluted	— 攤薄	17	HK\$1.2310	HK\$1.1028

Consolidated Statement of Financial Position

綜合財務狀況表

at 31 December 2012 於二零一二年十二月三十一日

		NOTES 附註	31.12.2012 二零一二年 十二月 三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月 三十一日 HK\$'000 千港元 (restated) (重列)	1.1.2011 二零一一年 一月一日 HK\$'000 千港元 (restated) (重列)
Non-current assets	非流動資產				
Investment properties	投資物業	18	684,397	1,147,261	1,609,018
Property, plant and equipment	物業、廠房及設備	19	4,268,354	3,985,972	3,815,144
Prepaid lease payments	預付租賃款項	20	4,454,178	1,373,133	1,334,765
Long-term deposits paid	已付長期按金	21	23,101	631,214	3,083
Interests in associates	於聯營公司權益	22	2,314,880	2,039,839	1,348,828
Interest in a jointly controlled entity	於一家共同控制實體權益	23	483,112	486,089	467,929
Club debenture	會所債券		12,737	12,737	12,737
			12,240,759	9,676,245	8,591,504
Current assets	流動資產				
Inventories	存貨	24	78,753	71,949	61,611
Prepaid lease payments	預付租賃款項	20	91,098	22,715	21,721
Trade and other receivables	應收賬款及其他應收款項	25	350,381	326,673	214,012
Amount due from a jointly controlled entity	應收一家共同控制實體款項	26	209,275	69,899	–
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	27	2,669,210	1,144,574	786,370
Bank balances and cash	銀行結存及現金	28	8,291,994	7,269,294	3,760,829
			11,690,711	8,905,104	4,844,543
Assets classified as held for sale	分類為持作出售資產	29	667,335	–	436,909
			12,358,046	8,905,104	5,281,452
Current liabilities	流動負債				
Trade and other payables	應付賬款及其他應付款項	30	2,250,170	2,078,733	2,009,463
Amount due to a jointly controlled entity	應付一家共同控制實體款項	26	92,056	–	29,934
Tax payable	應繳稅項		271,564	262,877	166,742
Bank borrowings	銀行借貸				
— due within one year	— 一年內到期	31	1,240,457	2,693,114	2,985,200
Derivative financial liabilities	衍生金融負債	32	16,429	14,333	–
			3,870,676	5,049,057	5,191,339
Liabilities associated with assets classified as held for sale	分類為持作出售資產之負債	29	66,063	–	–
			3,936,739	5,049,057	5,191,339
Net current assets	流動資產淨值		8,421,307	3,856,047	90,113
Total assets less current liabilities	總資產減流動負債		20,662,066	13,532,292	8,681,617

Consolidated Statement of Financial Position (continued) 綜合財務狀況表(續)
at 31 December 2012 於二零一二年十二月三十一日

		NOTES 附註	31.12.2012 二零一二年 十二月 三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月 三十一日 HK\$'000 千港元 (restated) (重列)	1.1.2011 二零一一年 一月一日 HK\$'000 千港元 (restated) (重列)
Non-current liabilities	非流動負債				
Bank borrowings	銀行借貸				
— due after one year	— 一年後到期	31	3,540,720	3,930,620	413,000
Bonds	債券	33	6,161,708	—	—
Deferred tax liabilities	遞延稅項負債	34	301,848	318,354	277,204
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司一名非控股股東之款項	35	175,765	174,379	166,987
			10,180,041	4,423,353	857,191
			10,482,025	9,108,939	7,824,426
Capital and reserves	資本及儲備				
Share capital	股本	36	8,325	8,338	8,395
Reserves	儲備		9,540,226	8,294,075	7,129,861
Equity attributable to owners of the Company	本公司擁有人應佔權益		9,548,551	8,302,413	7,138,256
Non-controlling interests	非控股權益		933,474	806,526	686,170
			10,482,025	9,108,939	7,824,426

The consolidated financial statements on pages 57 to 142 were approved and authorised for issue by the Board of Directors on 4 March 2013 and are signed on its behalf by:

第57至142頁綜合財務報表獲董事會於二零一三年三月四日批准及授權刊發，並由下列董事代表簽署：

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

Doo Wai-hoi, William 杜惠愷
Executive Director 執行董事

Consolidated Statement of Changes in Equity

綜合權益變動表

for the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔部分										
		Share capital	Share premium	Reserve	Capital redemption reserve	Asset revaluation reserve	Exchange reserve	Share-based payment reserve	Retained profits	Total	Non-controlling interests	Total
		股本	股份溢價	儲備	資本贖回儲備	資產重估儲備	匯兌儲備	股份付款儲備	保留溢利	總計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(Note 47(c))	(Note 38)								
			(附註 47(c))	(附註 38)								
At 1 January 2011 (as originally stated)	於二零一一年一月一日 (原列)	8,395	1,424,231	29,334	228	123,641	414,511	159,144	5,057,400	7,216,884	686,170	7,903,054
Effect of change in accounting policy (note 2)	會計政策之變動之影響 (附註 2)	-	-	-	-	-	-	-	(78,628)	(78,628)	-	(78,628)
At 1 January 2011 (as restated)	於二零一一年一月一日(重列)	8,395	1,424,231	29,334	228	123,641	414,511	159,144	4,978,772	7,138,256	686,170	7,824,426
Profit for the year	本年度溢利	-	-	-	-	-	-	-	1,867,170	1,867,170	172,949	2,040,119
Other comprehensive income for the year	本年度其他全面收入	-	-	-	-	-	192,081	-	-	192,081	21,796	213,877
Total comprehensive income for the year	本年度全面收入總額	-	-	-	-	-	192,081	-	1,867,170	2,059,251	194,745	2,253,996
Recognition of equity-settled share based payments	確認股本結算股份付款	-	-	-	-	-	-	2,513	-	2,513	-	2,513
Share repurchase	股份購回											
— repurchase of shares	— 購回股份	(77)	-	-	-	-	-	-	-	(77)	-	(77)
— premium on repurchase of shares	— 購回股份之溢價	-	(280,986)	-	-	-	-	-	-	(280,986)	-	(280,986)
— transfer	— 轉讓	-	-	-	77	-	-	-	(77)	-	-	-
Exercise and lapse of share options	購股權獲行使及失效	20	29,630	-	-	-	-	(4,206)	235	25,679	-	25,679
Dividends paid to non-controlling shareholders	已派付予非控股權益股息	-	-	-	-	-	-	-	-	-	(74,389)	(74,389)
Dividends paid (note 16)	已派付股息(附註 16)	-	(642,223)	-	-	-	-	-	-	(642,223)	-	(642,223)
Transfer of reserves	轉撥儲備	-	-	23,616	-	-	-	-	(23,616)	-	-	-
At 31 December 2011 (as restated)	於二零一一年十二月三十一日 (重列)	8,338	530,652	52,950	305	123,641	606,592	157,451	6,822,484	8,302,413	806,526	9,108,939
Profit for the year	本年度溢利	-	-	-	-	-	-	-	2,057,461	2,057,461	199,668	2,257,129
Other comprehensive income for the year	本年度其他全面收入	-	-	-	-	-	82,661	-	-	82,661	5,058	87,719
Total comprehensive income for the year	本年度全面收入總額	-	-	-	-	-	82,661	-	2,057,461	2,140,122	204,726	2,344,848
Recognition of equity-settled share based payments	確認股本結算股份付款	-	-	-	-	-	-	221	-	221	-	221
Share repurchase	股份購回											
— repurchase of shares	— 購回股份	(44)	-	-	-	-	-	-	-	(44)	-	(44)
— premium on repurchase of shares	— 購回股份之溢價	-	(141,696)	-	-	-	-	-	-	(141,696)	-	(141,696)
— transfer	— 轉讓	-	-	-	44	-	-	-	(44)	-	-	-
Exercise and cancellation of share options	購股權獲行使及註銷	31	45,204	-	-	-	-	(6,248)	176	39,163	-	39,163
Dividends paid to non-controlling shareholders	已派付予非控股權益股息	-	-	-	-	-	-	-	-	-	(77,778)	(77,778)
Dividends paid (note 16)	已派付股息(附註 16)	-	(429,003)	-	-	-	-	-	(362,625)	(791,628)	-	(791,628)
Transfer of reserves	轉撥儲備	-	-	24,692	-	-	-	-	(24,692)	-	-	-
At 31 December 2012	於二零一二年十二月三十一日	8,325	5,157	77,642	349	123,641	689,253	151,424	8,492,760	9,548,551	933,474	10,482,025

Consolidated Statement of Cash Flows

綜合現金流量表

for the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		NOTE 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務			
Profit before taxation	除稅前溢利		2,754,961	2,594,401
Adjustments for:	經作出以下調整：			
Interest income on bank deposits	銀行存款之利息收入		(147,623)	(52,035)
Other interest income	其他利息收入		(3,554)	-
Finance costs	融資成本		307,787	57,911
Depreciation of property, plant and equipment	物業、廠房及設備折舊		216,227	211,870
Release of prepaid lease payments	預付租賃款項轉出		10,775	11,111
Dividend income from financial assets at fair value through profit or loss	按公平值計入損益之金融資產之股息收入		(12,432)	(13,763)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損		262	172
Fair value changes in respect of financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值變動		(188,471)	1,497
Change in fair value of investment properties	投資物業之公平值變動		(184,420)	(297,763)
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利		(30,297)	(29,393)
Share of profits of associates	應佔聯營公司溢利		(280,290)	(221,892)
Write-down of (reversal of) obsolete inventories	滯銷(撥回)存貨撇減		274	(355)
Impairment for (reversal of) trade and other receivables	應收賬款及其他應收款項減值(撥回)撥備		128	(142)
Share-based payment expense	股份付款開支		221	2,513
Gain on disposal of a subsidiary	出售一間附屬公司溢利	39	-	(36,067)
Operating cash flows before movements in working capital	營運資金變動前經營現金流量		2,443,548	2,228,065
Increase in inventories	存貨增加		(6,853)	(9,163)
Increase in trade and other receivables	應收賬款及其他應收款項增加		(25,655)	(90,316)
Increase in amount due from a jointly controlled entity	應收一家共同控制實體款項增加		(13,411)	(99,833)
Increase in trade and other payables	應付賬款及其他應付款項增加		20,600	302,618
Cash generated from operations	經營業務所得現金		2,418,229	2,331,371
Interest received	已收利息		147,623	52,035
Hong Kong Profits Tax paid	已繳香港利得稅		(312,320)	(261,670)
PRC Enterprise Income Tax paid	已繳中國企業所得稅		(127,850)	(116,731)
Hong Kong Profits Tax refunded	香港利得稅退稅		139	1,749
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額		2,125,821	2,006,754

Consolidated Statement of Cash Flows (continued) 綜合現金流量表(續)
for the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

	NOTE 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through profit or loss	投資活動 出售按公平值計入損益之金融資產所得款	1,420,924	218,094
Interest received from financial assets at fair value through profit or loss	按公平值計入損益之金融資產之已收利息	36,731	1,608
Proceeds from disposal of investment properties	出售投資物業所得款	23,748	13,553
Dividend received from an associate	從一家聯營公司之已收股息	16,467	10,551
Dividend received from financial assets at fair value through profit or loss	從按公平值計入損益之金融資產之已收股息	12,432	13,763
(Advance to) repayment from a jointly controlled entity	(借款)還款給一家共同控制實體	(99,520)	20,986
Interest received from a jointly controlled entity	一家共同控制實體之已收利息	3,504	–
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之金融資產	(2,791,724)	(532,660)
Acquisition of prepaid lease payments	收購預付租賃款項	(2,517,983)	–
Purchase of property, plant and equipment	購買物業、廠房及設備	(460,941)	(956,363)
Purchase of investment properties	購買投資物業	(13,638)	(82,175)
Deposit received from disposal of a subsidiary	出售一間附屬公司所得保證金	37,320	–
Proceeds from disposal of a subsidiary (net of cash and cash equivalents disposed of)	出售一間附屬公司所得款項(已扣除所出售之現金及現金等價物)	–	596,726
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款	599	22
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(4,332,081)	(695,895)
FINANCING ACTIVITIES			
Advance from a jointly controlled entity	融資活動 一家共同控制實體借款	92,056	–
Issuance of bonds	發行債券	6,159,692	–
New bank borrowings raised	新借銀行借貸	2,230,997	7,833,537
Exercise of share options	行使購股權	39,163	25,679
Repayment of bank borrowings	償還銀行借貸	(4,077,886)	(4,633,595)
Dividends paid	已派付股息	(791,628)	(642,223)
Finance costs paid	已付融資成本	(215,072)	(68,929)
Repurchase of ordinary shares	購回普通股	(141,740)	(281,063)
Dividends paid to non-controlling shareholders	已派付給非控股股東股息	(77,778)	(74,389)
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	3,217,804	2,159,017
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	1,011,544	3,469,876
EFFECT OF FOREIGN EXCHANGE RATE DIFFERENCE	匯率差異之影響	14,961	38,589
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物	7,269,294	3,760,829
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終現金及現金等價物	8,295,799	7,269,294
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank balances and cash	現金及現金等價物之分析 銀行結存及現金	8,291,994	7,269,294
Bank balances and cash included in assets classified as held for sale	分類為持作出售資產包含之 銀行結存及現金	3,805	–
		8,295,799	7,269,294

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

1. General

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

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

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

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

In the current year, the Group has applied the following revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Amendments to HKAS 12	Deferred tax: Recovery of underlying assets
Amendments to HKFRS 7	Financial instruments: Disclosures — transfers of financial assets

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

Amendments to HKAS 12 Deferred tax: Recovery of underlying assets

The Group has applied for the first time the amendments to HKAS 12 “Deferred tax: Recovery of underlying assets” in the current year. Under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 “Investment property” are presumed to be recovered entirely through sale (the “Presumption”) for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

As a result of the application of the amendments to HKAS 12, the directors of the Company reviewed the Group’s investment property portfolios and concluded that none of the Group’s investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors of the Company have determined that the Presumption set out in the amendments to HKAS 12 is not rebutted as all of the Group’s investment properties portfolio has been held for the purpose of capital appreciation since their respective acquisition date.

1. 一般事項

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

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

綜合財務報表以本公司功能貨幣港元列值。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團採用下列由香港會計師公會頒佈之經修訂香港財務報告準則。

香港會計準則第 12 號（修訂本）	遞延稅項：相關資產之收回
香港財務報告準則第 7 號（修訂本）	金融工具：披露 — 金融資產轉移

除以下敘述外，於本年度應用經修訂香港財務報告準則對本集團本年度或過往年度之業績及財務狀況及／或於該等綜合財務報表之披露並無重大影響。

香港會計準則第 12 號之修訂本：遞延稅項：相關資產之收回

於本年度，本集團首次應用香港會計準則第 12 號之修訂本「遞延稅項：相關資產之收回」。根據該修訂，按照香港會計準則第 40 號「投資物業」以公平價值模式計量的投資物業是假設可透過出售全部收回（「假定」）而作為計算遞延稅項，除非此項假設在某些情況下被駁回。

在應用香港會計準則第 12 號之修訂本，本公司董事審閱本集團之投資物業組合，並認為本集團並沒有投資物業是透過按隨時間消耗大部分含於該等投資物業經濟利益的商業模式下持有，而是透過出售收回。因此本公司的董事已經確定，於香港會計準則第 12 號之修訂本所載之假設並未被駁回，因為本集團之投資物業組合是從其收購日起持作資本增值為目的。

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

Amendments to HKAS 12 Deferred tax: Recovery of underlying assets (continued)

The application of the amendments to HKAS 12 has resulted in the Group not recognising any deferred taxes on changes in fair value of the investment properties situated in Hong Kong, as it is expected that the Group is not subject to any income taxes on disposal of its investment properties situated in Hong Kong. Previously, the Group recognised deferred taxes on changes in fair value of investment properties situated in Hong Kong on the basis that the entire carrying amounts of the properties were recovered through use.

On the other hand, as a result of the application of the amendments to HKAS 12, the Group has recognised deferred taxes on changes in fair value of the investment properties in the People’s Republic of China (the “PRC”) as those properties are subject to land appreciation taxes and enterprise income taxes upon disposal. Previously, the Group did not recognise deferred taxes on land appreciation tax due to changes in fair value of investment properties in the PRC on the basis that the entire carrying amounts of the properties were recovered through use.

The amendments to HKAS 12 have been applied retrospectively, resulting in the Group’s deferred tax liabilities being increased by HK\$78,628,000 as at 1 January 2011, with the corresponding charge being recognised in retained profits. Similarly, the deferred tax liabilities have been increased by HK\$97,759,000 as at 31 December 2011.

The adjustments to the deferred tax liabilities as at 1 January 2011 and 31 December 2011 as presented in the interim condensed financial statements for the six months ended 30 June 2012 have been restated to the above mentioned amounts as the Presumption is not rebutted since the respective acquisition date of the subject properties.

The change in accounting policy has resulted in the Group’s income tax expense for the years ended 31 December 2012 and 31 December 2011 being increased by HK\$31,229,000 and HK\$19,131,000, respectively, and hence resulted in profit for the years ended 31 December 2012 and 31 December 2011 being decreased by HK\$31,229,000 and HK\$19,131,000 respectively.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第12號之修訂本：遞延稅項：相關資產之收回(續)

在應用香港會計準則第12號之修訂本，本集團並無就位於香港之投資物業之公平值變動確認任何遞延稅項，概因本集團預期於出售該等投資物業時，並不受限於任何所得稅。過往，本集團乃按物業賬面值通過使用收回的基礎上，確認於香港投資物業公平值變動之遞延稅項。

但是，在應用香港會計準則第12號之修訂本，本集團已確認在中國的投資物業因公平價值變動產生的遞延稅項，此乃由於出售該等物業於出售時需交付土地增值稅和所得稅。過往，本集團按物業賬面值通過使用收回的基礎上，並未確認在中國的投資物業公平價值變動就土地增值稅涉及的遞延稅項。

香港會計準則第12號之修訂本已追溯應用，導致於二零一一年一月一日，本集團之遞延稅務負債增加78,628,000港元，並於保留溢利確認相應支出。同樣地，於二零一一年十二月三十一日，遞延稅務負債增加97,759,000港元。

呈列於截至二零一二年六月三十日止六個月的中期簡明財務報表中二零一一年一月一日和二零一一年十二月三十一日之遞延稅項負債的調整已重列至以上提及金額，及從各自收購物業日起並沒有駁回假設。

會計政策之變動導致本集團截至二零一二年十二月三十一日及二零一一年十二月三十一日止年度之所得稅費用分別增加31,229,000港元及19,131,000港元，因此導致截至二零一二年十二月三十一日及二零一一年十二月三十一日止年度之溢利分別減少31,229,000港元及19,131,000港元。

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

Summary of the effect of the above change in accounting policy

The effect of change in accounting policy described above on the results for the current and prior year by line item is as follows:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Increase in taxation	稅項增加	31,229	19,131
Decrease in profit for the year	本年度溢利減少	31,229	19,131

The effect of the above change in accounting policy on the financial positions of the Group as at 1 January 2011 and 31 December 2011 is as follows:

		As at 1 January 2011 (originally stated) 於 二零一一年 一月一日 (原列) HK\$'000 千港元	Adjustments	As at 1 January 2011 (restated) 於 二零一一年 一月一日 (重列) HK\$'000 千港元	As at 31 December 2011 (originally stated) 於 二零一一年 十二月三十一日 (原列) HK\$'000 千港元	Adjustments	As at 31 December 2011 (restated) 於 二零一一年 十二月三十一日 (重列) HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	198,576	78,628	277,204	220,595	97,759	318,354
Total effect on equity	對權益全部影響	198,576	78,628	277,204	220,595	97,759	318,354

The effect of the above change in accounting policy on the financial positions of the Group as at 31 December 2012 is as follows:

		As at 31 December 2012 於 二零一二年 十二月三十一日 HK\$'000 千港元
Increase in deferred tax liabilities	遞延稅項負債增加	128,988
Total effect on equity	對權益全部影響	128,988

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

上文會計政策之變動之影響概述

上文所述會計政策之變動對本年度及過往年度業績之影響按項目列出如下：

會計政策之變動對本集團於二零一一年一月一日及二零一一年十二月三十一日之財務狀況之影響如下：

上文會計政策之變動對本集團於二零一二年十二月三十一日之財務狀況之影響如下：

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

Summary of the effect of the above change in accounting policy (continued)

The effects of the above changes in accounting policies on the Group’s basic and diluted earnings per share for the current and prior year are as follows:

Impact on basic and diluted earnings per share

		Impact on basic earnings per share 對每股基本盈利之影響		Impact on diluted earnings per share 對每股攤薄後盈利之影響	
		2012 二零一二年 HK cents 港仙	2011 二零一一年 HK cents 港仙	2012 二零一二年 HK cents 港仙	2011 二零一一年 HK cents 港仙
Figures before adjustment	調整前之數字	1.2536	1.1239	1.2497	1.1141
Adjustment arising from changes in the Group’s accounting policy in relation to application of amendments to HKAS 12 in respect of deferred taxes on investment properties	就會計政策之變動而應用香港會計準則第12號之修訂本導致對投資物業之遞延稅項之調整	(0.0187)	(0.0114)	(0.0187)	(0.0113)
Figures after adjustment	調整後之數字	1.2349	1.1125	1.2310	1.1028

Change in inventory costing method

In previous years, the cost of inventories is determined by the retail method and is computed by reference to the retail selling price of goods less the average gross profit margins. A new inventory application system has been implemented during the year to enhance the inventory control. Upon the new implementation, costs of inventories are recalculated using the weighted average method. The new implementation has no significant impact to the Group’s consolidated financial statements.

Change of depreciation rate

During the current year, Sogo Hong Kong Company Limited (“Sogo HK”), a wholly owned subsidiary of the Company, has agreed with the landlord, Hong Kong Island Development Limited (“Hong Kong Island”), to early terminate the lease of the Amazon, No. 12 Salisbury Road, Tsimshatsui, Kowloon (the “Premises”) after Hong Kong Island has exercised its right of early termination under the lease. Sogo HK has agreed, inter alia, to surrender and deliver up vacant possession of the Premises by stage on or before 15 February 2014. As a result of the early termination, the depreciation rate of the related leasehold improvements and fixtures to the Premises has been changed and charged over the remaining lease term. The change in depreciation rate of these leasehold improvements and fixtures has resulted an increase in depreciation charge for the year by approximately HK\$8.0 million and the remaining periods in year 2013 and 2014 by approximately HK\$20.0 million.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

上文會計政策之變動之影響概述(續)

上文會計政策之變動對本集團本年度及過往年度每股基本及攤薄後盈利之影響如下：

對每股基本及攤薄後盈利之影響

		Impact on basic earnings per share 對每股基本盈利之影響		Impact on diluted earnings per share 對每股攤薄後盈利之影響	
		2012 二零一二年 HK cents 港仙	2011 二零一一年 HK cents 港仙	2012 二零一二年 HK cents 港仙	2011 二零一一年 HK cents 港仙
Figures before adjustment	調整前之數字	1.2536	1.1239	1.2497	1.1141
Adjustment arising from changes in the Group’s accounting policy in relation to application of amendments to HKAS 12 in respect of deferred taxes on investment properties	就會計政策之變動而應用香港會計準則第12號之修訂本導致對投資物業之遞延稅項之調整	(0.0187)	(0.0114)	(0.0187)	(0.0113)
Figures after adjustment	調整後之數字	1.2349	1.1125	1.2310	1.1028

存貨成本核算方法的變動

於過往年度，存貨成本的計算方法是以零售價法確定，即參照商品的零售價減平均毛利率。於年內，新的存貨應用系統已經採用，以加強存貨控制。當採用新的計算系統，存貨成本以加權平均法重新計算。採用新的計算方法對本集團之綜合財務報表並無重大影響。

折舊率的變動

於年內，本公司之全資附屬公司崇光(香港)百貨有限公司(「崇光香港」)於業主—香島發展有限公司(「香島」)行使其於租約下賦予之提前終止租權後與香島達成協議，提前終止位於九龍尖沙咀梳士巴利道12號亞瑪遜物業(「該物業」)之租約。而崇光香港已同意於二零一四年二月十五日或以前分階段交還該物業。因該租約提前終止，有關該物業裝修及固定裝置折舊率已更改及按餘下租約期攤銷。該物業裝修及固定裝置折舊率變動令本年度及二零一三年與二零一四年餘下租約期之折舊支出分別增加大約8,000,000港元及20,000,000港元。

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

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

Amendments to HKFRSs	Annual improvements to HKFRSs 2009–2011 cycle ¹
Amendments to HKFRS 7	Disclosures — Offsetting financial assets and financial liabilities ¹
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities ²
HKFRS 10	Consolidated financial statements ¹
HKFRS 11	Joint arrangements ¹
HKFRS 12	Disclosure of interests in other entities ¹
HKFRS 13	Fair value measurement ¹
HKAS 19 (as revised in 2011)	Employee benefits ¹
HKAS 27 (as revised in 2011)	Separate financial statements ¹
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures ¹
Amendments to HKAS 1	Presentation of items of other comprehensive income ³
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ²
HK(IFRIC)-INT 20	Stripping costs in the production phase of a surface mine ¹

¹ Effective for annual periods beginning on or after 1 January 2013.

² Effective for annual periods beginning on or after 1 January 2014.

³ Effective for annual periods beginning on or after 1 July 2012.

Annual improvements to HKFRSs 2009–2011 cycle issued in June 2012

The Annual improvements to HKFRSs 2009–2011 cycle include a number of amendments to various HKFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to HKFRSs include the amendments to “HKAS 16 Property, plant and equipment” and the amendments to HKAS 32 “Financial instruments: Presentation”.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

本集團並無提早應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則 (修訂本)	2009年至2011年週期之年度改進 ¹
香港財務報告準則第7號(修訂本)	披露—金融資產與金融負債之抵銷 ¹
香港財務報告準則第10號、第11號及第12號(修訂本)	綜合財務報表，聯合安排及於其他實體權益的披露： 過渡指引 ¹
香港財務報告準則第10號、第12號及第27號(修訂本)	投資實體 ²
香港財務報告準則第10號	綜合財務報表 ¹
香港財務報告準則第11號	聯合安排 ¹
香港財務報告準則第12號	於其他實體權益的披露 ¹
香港財務報告準則第13號	公平值計量 ¹
香港會計準則第19號(2011年經修訂)	僱員福利 ¹
香港會計準則第27號(2011年經修訂)	獨立財務報表 ¹
香港會計準則第28號(2011年經修訂)	投資於聯營公司及合營企業 ¹
香港會計準則第1號(修訂本)	呈列其他全面收益項目 ³
香港會計準則第32號(修訂本)	金融資產與金融負債的抵銷 ²
香港(國際財務報告詮釋委員會)—詮釋第20號	露天礦場於生產階段之剝採成本 ¹

¹ 由2013年1月1日起或以後年度期間生效。

² 由2014年1月1日起或以後年度期間生效。

³ 由2012年7月1日起或以後年度期間生效。

於2012年6月頒佈之2009年至2011年週期之年度改進

2009年至2011年週期之年度改進包括與各種香港財務報告準則的一些的修訂。該修訂於2013年1月1日或之後年度期間開始生效。香港財務報告準則的修訂包括「香港會計準則第16號物業、廠房及設備」及「香港會計準則第32號金融工具：呈列」的修訂。

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

Annual improvements to HKFRSs 2009–2011 cycle issued in June 2012 (continued)

The amendments to HKAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in HKAS 16 and as inventory otherwise. The directors of the Company do not anticipate that the application of the amendments will have a material effect on the Group’s consolidated financial statements.

The amendments to HKAS 32 clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 “Income taxes”. The directors of the Company anticipate that the amendments to HKAS 32 will have no effect on the Group’s consolidated financial statements as the Group has already adopted this treatment.

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

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 “Consolidated and separate financial statements” that deal with consolidated financial statements. HK(SIC)-INT 12 “Consolidation — Special purpose entities” will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor’s returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 “Interests in joint ventures”. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK(SIC)-INT 13 “Jointly controlled entities — Non-monetary contributions by ventures” will be withdrawn upon the effective date of HKFRS 11. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於2012年6月頒佈之2009年至2011年週期之年度改進(續)

香港會計準則第16號的修訂澄清，當符合香港會計準則第16號物業、廠房及設備的定義，零件、候命設備和維修設備應歸類為物業、廠房及設備，否則為存貨。本公司董事並不預期應用該修訂對本集團之綜合財務報表有重大影響。

香港會計準則第32號的修訂澄清，權益工具持有人分派及股權交易的交易成本的所得稅應按照香港會計準則第12號「所得稅」處理。本公司董事預期香港會計準則第32號的修訂將不會對本集團之綜合財務報表有影響，因為本集團已經採用了這方法。

合併、聯合安排、聯營公司及披露之新訂及經修訂的準則

一組關於合併、聯合安排、聯營公司及披露的五個準則於2011年6月頒佈，其中包括香港財務報告準則第10號、香港財務報告準則第11號、香港財務報告準則第12號、香港會計準則第27號(2011年經修訂)及香港會計準則第28號(2011年經修訂)。

這五個準則的關鍵要求描述如下。

香港財務報告準則第10號取代部份有關處理綜合財務報表之香港會計準則第27號「綜合及獨立財務報表」。香港詮譯委員會標準一詮釋第12號「合併 — 特殊目的實體」將於香港財務報告準則第10號生效日期後被撤銷。根據香港財務報告準則第10號，只有控制是合併的唯一基礎。此外，香港財務報告準則第10號對控制的新定義包含三個要素：(一)對被投資方的控制權；(二)對其參與投資的可變回報之風險及權利；及(三)對被投資方的投資回報之影響能力。香港財務報告準則第10號已添加了廣泛處理複雜情況的指引。

香港財務報告準則第11號取代了香港會計準則第31號「合資企業中的權益」。香港財務報告準則第11號處理有兩個或以上個體共同控制的聯合安排應如何分類。香港詮譯委員會標準一詮釋第13號「共同控制實體 — 非貨幣性貢獻的企業」將於香港財務報告準則第11號生效日期起被撤銷。根據香港財務報告準則第11號，聯合安排根據各方的權利和義務的安排可分為聯合經營或合資企業。相反，根據香港會計準則第31號有三種類型的聯合安排：共同控制實體，共同控制資產及共同控制經營。此外，根據香港財務報告準則第11號，合資企業應採用權益法處理，而共同控制實體根據香港會計準則第31號可採用權益法或比例合併法處理。

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

New and revised standards on consolidation, joint arrangements, associates and disclosures (continued)

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided that all of these standards are applied at the same time.

The directors of the Company anticipate that these five standards will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 January 2013. The directors of the Company have assessed the control in respect of its subsidiaries, associates and a jointly controlled entity under the new definition in the new and revised HKFRSs. The directors of the Company anticipate that the application of these five standards is unlikely to have significant impact on amounts in connection to subsidiaries, associates and a jointly controlled entity of the Company currently reported in the consolidated financial statements.

HKFRS 13 Fair value measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 “Financial instruments: Disclosures” will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The directors of the Company anticipate that HKFRS 13 will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard is unlikely to have significant impact on amounts reported in the consolidated financial statements and disclosures in the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

合併、聯合安排、聯營公司及披露之新訂及經修訂的準則（續）

香港財務報告準則第12號是一個披露準則，是適用於擁有附屬公司、聯合安排、聯營公司及／或不合併結構實體權益之實體。在一般情況下，在香港財務報告準則第12號的披露要求比現行準則更加廣泛。

於2012年7月，香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號之修訂已頒佈，澄清了一些於第一次應用這五項香港財務報告準則過渡性的指引。

這五項準則連同有關過渡性指引之修訂，於2013年1月1日或以後開始的年度期間生效。只要這些準則同時應用，該等準則可提早採用。

本公司董事預計將在2013年1月1日年度開始於本集團之綜合財務報表採用這五項準則。在新訂及經修訂香港財務報告準則新定義下，本公司董事已評估於附屬公司、聯營公司及一家共同控制實體之控制。本公司董事預計，應用這五項準則，對本公司附屬公司、聯營公司及一家共同控制實體於綜合財務報表中目前匯報之金額不大可能有重大影響。

香港財務報告準則第13號公平值計量

香港財務報告準則第13號建立了有關公平值計量及披露公平值計量單一的指引。這準則定義了公平值、建立了計量公平值的框架，及有關公平值計量披露的要求。香港財務報告準則第13號的範圍是廣泛的；除非在特定的情況下，它同時適用於其他香港財務報告準則要求或允許公平值計量及有關公平值計量的披露的金融工具項目及非金融工具項目。在一般情況下，香港財務報告準則第13號的披露要求比現行準則更加廣泛。例如，目前根據香港財務報告準則第7號「金融工具：披露」金融工具定性和定質的披露基於三個公平值階層，香港財務報告準則第13號將其擴展到包括所有資產和負債在內。

香港財務報告準則第13號由2013年1月1日或之後年度期間生效，但允許提前應用。本公司董事預計將在2013年1月1日年度開始於本集團之綜合財務報表採用香港財務報告準則第13號，及新準則的應用對綜合財務報表的匯報金額及披露不大可能會產生重大影響。

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

Amendments to HKAS 1 Presentation of items of other comprehensive income

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a “statement of comprehensive income” is renamed as a “statement of profit or loss and other comprehensive income” and an “income statement” is renamed as a “statement of profit or loss”. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The directors of the Company anticipate that the amendments to HKAS 1 will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 January 2013 and the presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the consolidated financial statements in the future accounting periods.

Amendments to HKAS 32 Offsetting financial assets and financial liabilities and amendments to HKFRS 7 Disclosures — Offsetting financial assets and financial liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realisation and settlement”.

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to HKFRS 7 are effective for the Group for the annual period beginning on 1 January 2013 and interim periods within the annual period. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective and will be adopted by the Group until annual period beginning on 1 January 2014, with retrospective application required.

The directors of the Company anticipate that the application of these amendments to HKAS 32 and HKFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

The directors of the Company anticipate that application of the other new or revised HKFRSs will have no material impact on the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第1號呈報其他全面收益的項目之修訂

香港會計準則第1號的修訂為全面收益表和收益表引入了新的術語。在修訂香港會計準則第1號中「全面收益表」改名為「損益及其他全面收益表」及「收益表」改名為「損益表」。香港會計準則第1號的修訂保留呈報損益及其他全面收益於一個單獨的報表或在連續兩個獨立的報表之選擇。然而，香港會計準則第1號的修訂要求其他綜合收益項目分為兩類：(a) 將不會隨後重新分類至損益的項目；及(b) 在符合特定條件下，可能會隨後重新分類至損益的項目。其他綜合收益項目的所得稅須在相同基礎上分配。修訂不會改變呈報稅前或扣除稅項的其他綜合收益項目之選擇。

香港會計準則第1號的修訂於2012年7月1日或以後的年度期間開始生效。本公司董事預計將在2013年1月1日年度開始於本集團之綜合財務報表採用香港會計準則第1號的修訂，及當修訂被應用在未來會計期間的綜合財務報表，呈報其他綜合收益的項目將相應修改。

香港會計準則第32號抵銷金融資產和金融負債之修訂及香港財務報告準則第7號披露 — 抵銷金融資產和金融負債之修訂

香港會計準則第32號的修訂澄清現有應用有關抵銷金融資產和金融負債的要求。具體而言，該修訂澄清「目前有一個法律約束執行的抵銷權利」及「同步實現及交收」的意思。

香港財務報告準則第7號之修訂要求實體披露有關抵銷權利的資料及可執行總淨額結算協議或類似安排下對金融工具相關的安排(如抵押品發布要求)。

香港財務報告準則第7號之修訂，本集團於2013年1月1日年度期間及年度期間中期內開始生效。披露內容也應追溯提供所有比較期間。然而，香港會計準則第32號之修訂尚未生效，本集團將於2014年1月1日年度期間開始追溯應用的要求。

本公司董事預期，於未來應用香港會計準則第32號及香港財務報告準則第7號之修訂可能會導致對抵銷金融資產和金融負債有更多的披露。

本公司董事預期，應用其他新訂的或經修訂的香港財務報告準則對綜合財務報表將不會有重大影響。

3. Significant Accounting Policies

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

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in existing subsidiaries

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

3. 重大會計政策

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

綜合財務報表乃根據歷史成本基準編製，誠如下會計政策所闡釋，惟若干投資物業及金融工具則按公平值計算。

綜合基準

綜合財務報表涵蓋本公司及本公司控制之實體（其附屬公司）之財務報表。於本公司有權控制實體之財務及營運政策以自其業務獲取利益，即達到控制目的。

年內所收購或出售附屬公司自實際收購日期起及直至實際出售日期止（視適用情況而定）之收入及開支計入綜合全面收益表。

如需要，附屬公司財務報表會作出調整，以符合本集團其他成員公司所用會計政策。

集團內公司間所有交易、結存、收入及開支於綜合賬目時對銷。

於附屬公司非控股權益與本集團於其中的權益分開呈列。

附屬公司的綜合全面收益與開支會分配予公司擁有人及非控股權益，即使這將導致非控股權益金額為負數。

本集團於現有附屬公司之擁有權益變動

本集團於附屬公司之擁有權益變動若無導致本集團失去對有關附屬公司之控制權，則按權益交易入賬。本集團權益及非控股權益之賬面值作出調整，以反映其於附屬公司之相關權益變動。非控股權益之調整金額以及已付或已收代價之公平值間之任何差額直接於權益確認，並歸屬於本公司擁有人。

3. Significant Accounting Policies (continued)

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

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 "Financial instruments: Recognition and measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income taxes" and HKAS 19 "Employee benefits" respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based payment" at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations" are measured in accordance with that Standard.

3. 主要會計政策(續)

本集團於現有附屬公司之擁有權益變動(續)

當本集團失去一家附屬公司之控制權時，集團將會(i)在失去控制權之日起終止確認附屬公司的資產(包括任何商譽)和負債之其賬面金額；及(ii)在失去控制權的日期時終止確認前附屬公司的任何非控股權益的賬面金額(包括任何與他們有關之其他全面收入)，(iii)確認收取代價的公平值及任何保留權益的公平值的總和，及任何差異確認於本集團應佔的收益或損失於損益表。倘該附屬公司若干資產按重估金額或公平值計量，而相關累計損益已於其他全面收益確認及於權益累計，則原先於其他全面收益確認及於權益累計之金額按猶如本集團已直接出售相關資產入賬(即根據適用香港財務準則重分類至損益或直接轉往保留盈利)。前附屬公司中之任何保留投資於失去控制權當日之公平值，根據香港會計準則第39號「金融工具：確認及計量」視作初步確認時之公平值，以供隨後會計處理，或(如適用)於初步確認聯營公司或一家共同控制實體投資時視作成本。

企業合併

收購業務採用購買法進行會計處理。企業合併成本會以公平值計量，包括在交易日本集團為換取被收購者的控制權而轉讓的資產、承擔被收購者前擁有人的負債，以及發行的股本權益的公平值的差異。與收購有關的成本一般會於發生時計入損益。

於收購日，被收購的能識別資產、承擔負債應按其在收購日的公平值予以確認，惟以下各項除外：

- 遞延稅項資產或負債及僱員福利安排的相關資產或負債應分別按「香港會計準則第12號—所得稅」和「香港會計準則第19號—僱員福利」予以確認和計量；
- 於收購日，有關被收購者股份付款交易或被收購者股份付款交易以本集團股份付款交易取代之負債或權益工具，應按香港財務報告準則第2號「股份付款」計量(參看以下會計政策)；及
- 按照香港財務報告準則第5號「持有待售的非流動資產和終止經營」劃歸為持有待售的資產(或出售集團)應按該準則予以計量。

3. Significant Accounting Policies (continued)

Business combinations (continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another standard.

Investments in associates

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

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

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

3. 主要會計政策(續)

企業合併(續)

商譽按轉讓代價，於被收購者非控股權益金額及之前於被收購者持有股本權益(如有)公平值之總和與已收購能識別資產及承擔負債於收購日淨值之差額計量。如果在重新評估後，已收購能識別淨資產及承擔負債於收購日之淨值額超過了轉讓價、在被購者的任何非控股權益金額以及購買方先前在被收購者持有的權益(如有)的總額，超出的差額立即作為廉價購入收益計入損益。

非控股權益為現有擁有權益，當發生清盤時給予持有人相應於公司淨資產佔有比例。其初步以公平值或非控股權益於被收購者能識別淨資產應佔確認金額計量，計量基準選擇按個別交易基準決定。其他種類非控股權益按公平值或(當適用)按其他準則要求之基準計量。

於聯營公司之投資

聯營公司為投資者可對其行使重大影響力，且並非附屬公司或於合營企業之權益之實體。重大影響為有權參與受投資方之財務及營運決策，惟並非控制或共同控制該等決策。

聯營公司之業績及資產與負債採用權益會計法計入綜合財務報表，惟分類為持作出售之投資除外。在類似情況下的交易及事件，聯營公司採用權益法編制的財務報表與本集團會計政策統一。根據權益法，於聯營公司之投資按成本於綜合財務狀況表列賬，並就本集團應佔聯營公司收購後損益及其他全面收益作出調整。倘本集團應佔一家聯營公司虧損相等於或超出其於該聯營公司之權益(包括實際組成本集團於該聯營公司投資淨值其中部分之任何長期權益)，則本集團終止確認其應佔之進一步虧損。倘本集團產生法定或推定責任或代表該聯營公司付款，方始額外確認應佔虧損。

任何收購成本超出本集團應佔於收購日期確認之聯營公司可識別資產及負債之公平淨值之差額確認為商譽，並已包括在投資的賬面價值中。

本集團應佔可識別資產、負債及或然負債淨公平值超出收購成本之任何差額，在重新評估後即時於損益確認。

3. Significant Accounting Policies (continued)

Investments in associates (continued)

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

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the jointly controlled entities. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

The financial statements of jointly controlled entities used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of a jointly controlled entity recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

3. 主要會計政策(續)

於聯營公司之投資(續)

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

倘本集團旗下實體與本集團之聯營公司進行交易，則以本集團在有關聯營公司之權益為限於綜合財務報表中撇銷損益。

共同控制實體

涉及成立合營企業商對實體之經濟活動擁有共同控制權之個別實體之合營企業安排稱為共同控制實體。

共同控制實體業績及資產與負債採用權益會計法計入綜合財務報表。根據權益法，於共同控制實體之投資按成本於綜合財務狀況表列賬，並就本集團應佔共同控制實體收購後損益及其他全面收益作出調整。倘本集團應佔一家共同控制實體虧損相等於或超出其於該共同控制實體之權益(包括實際組成本集團於該共同控制實體投資淨值其中部分之任何長期權益)，則本集團終止確認其應佔之進一步虧損。倘本集團產生法定或推定責任或代表該共同控制實體付款，方始額外確認應佔虧損。

在類似情況下的交易及事件，共同控制實體採用權益法編制的財務報表與本集團會計政策統一。

任何收購成本超出本集團應佔於收購日期確認之共同控制實體可識別資產、負債及或然負債公平淨值之差額確認為商譽，並已包括在投資的賬面價值中。

本集團應佔可識別資產、負債及或然負債淨公平值超出收購成本之任何差額，在重新評估後即時於損益確認。

3. Significant Accounting Policies (continued)

Jointly controlled entities (continued)

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

When a group entity transacts with its jointly controlled entity, profits and losses resulting from the transactions with the jointly controlled entity are recognised in the Group's consolidated financial statements only to the extent of interests in the jointly controlled entity that are not related to the Group.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

For non-current assets (and disposal groups) classified as held for sale fall within the scope of HKFRS 5, they are measured at the lower of their previous carrying amount and fair value less costs to sell.

Revenue recognition

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

Sales of goods are recognised when goods are sold and title has been passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

3. 主要會計政策(續)

共同控制實體(續)

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

倘本集團旗下實體與本集團之共同控制實體進行交易，則以本集團在共同控制實體之權益為限於綜合財務報表中撇銷損益。

持作出售之非流動資產

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

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

根據香港財務報告準則第5號的範圍，分類為持作出售之非流動資產(或出售集團)需按資產過往賬面金額及公平值減銷售成本之較低者入賬。

收益確認

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

貨品銷售於貨品售出及擁有權轉移時確認，以及滿足下列條件：

- 本集團已將貨品擁有權之主要風險及回報轉移予買方；
- 本集團並無保留對所售貨品之持續管理參與權(達與一般擁有權相關之程度)，亦無保留其實際控制權；

3. Significant Accounting Policies (continued)

Revenue recognition (continued)

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from concessionaire sales is recognised upon sales of goods by the relevant shops.

Service income is recognised when services are rendered.

Minimum guaranteed commission income representing commission charged to concessionaires based on certain percentage of turnover made, or floor area is recognised in accordance with terms of contracts.

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

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

Property, plant and equipment

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

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

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

3. 主要會計政策(續)

收益確認(續)

- 該收入金額能可靠地計量；
- 與交易相關的經濟利益很可能流入本集團；
- 就該項交易已經或將會產生之成本能可靠地計量。

特許專櫃銷售收入於有關店舖售出貨品時確認。

服務收入於提供服務時確認。

最低保證銷售佣金是向特許專櫃經銷商根據營業額之特定百分比或面積而收取之佣金，按照合同條款確認。

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

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

物業、廠房及設備

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

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

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

3. Significant Accounting Policies (continued)

Property, plant and equipment (continued)

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

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

Investment properties

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

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

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

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

Club debenture

Club debenture is measured at cost less any impairment losses.

Leasing

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

The Group as lessor

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

3. 主要會計政策(續)

物業、廠房及設備(續)

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

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

投資物業

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

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

在建投資物業產生之建築成本乃撥充資本為撥作在建投資物業部分賬面金額。

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

會所債券

會所債券按成本減任何減值虧損計算。

租賃

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

本集團作為出租人

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

3. Significant Accounting Policies (continued)

Leasing (continued)

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land and building

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

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

Foreign currencies

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

3. 主要會計政策(續)

租賃(續)

本集團作為承租人

除非有另一個系統基準更能表達在使用該租賃資產而獲得經濟利益的時間模式，經營租賃款項於有關租賃期間按直線法確認為開支。於經營租賃產生或然租金於產生期間確認為支出。

若訂立經營租賃時獲得租賃優惠，該優惠將被確認為負債。除非有另一個系統基準是更能表達在使用該租賃資產而獲得經濟利益的時間模式，該優惠將按直線法扣減租金支出確認。

租賃土地及樓宇

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

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

外幣

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

3. Significant Accounting Policies (continued)

Foreign currencies (continued)

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

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

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3. 主要會計政策(續)

外幣(續)

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

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

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

借貸成本

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

所有其他借貸成本均於產生期間在損益確認。

3. Significant Accounting Policies (continued)

Taxation

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

3. 主要會計政策(續)

稅項

所得稅支出指現行應繳稅項與遞延稅項之總和。

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

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

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

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

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

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

3. Significant Accounting Policies (continued)

Taxation (continued)

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12.

Inventories

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

Financial instruments

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

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

Financial assets

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

Financial assets at amortised cost

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

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

All other financial assets are subsequently measured at fair value.

3. 主要會計政策(續)

稅項(續)

在計算遞延稅項負債或資產時，以公平值計量之投資物業其賬面價值假定是從出售中全部收回，除非被駁回。當投資物業是可折舊的，以及是透過按隨時間消耗大部分含於該等投資物業經濟利益的商業模式持有，而不是通過出售，以上假設將被駁回。如果這項假設被駁回，該投資物業的遞延稅項負債及遞延稅項資產將按照香港會計準則第12號所定出上述的一般原則計量。

存貨

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

金融工具

當本集團旗下實體成為金融工具合約條文之訂約方時，於綜合財務狀況表確認金融資產及金融負債。

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

金融資產

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

按攤銷成本計量之金融資產

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

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

所有其他金融資產在期後按公平價值進行計量。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method

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

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

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

Investments in equity instruments are classified as at FVTPL, unless the Group designates an investment that is not held for trading as at fair value through other comprehensive income ("FVTOCI") on initial recognition. The Group has not designated investments in unlisted equity securities as at FVTOCI on initial application of HKFRS 9 (see note 27).

Debt instruments that do not meet the amortised cost criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as FVTPL on initial application of HKFRS 9.

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

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

Impairment of financial assets

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

按實際利率法

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

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

按公平值計入損益(「按公平值計入損益」)之金融資產

權益工具投資被分類為按公平值計入損益,除非本集團指定的非持作買賣投資於初步確認按公平值計入其他全面收入(「按公平值計入其他全面收入」)。於首次應用香港財務報告準則第9號(見註27),本集團並無指定非上市股本證券投資按公平值計入其他全面收入。

債務工具不符合成本攤銷標準(見上文)乃按公平值計入損益。此外,債務工具符合成本攤銷標準,但被指定為公平值計入損益乃按公平值計入損益計量。債務工具於初步確認可以指定為按公平值計入損益,如果該指定可以消除或顯著減少計量或確認不一致而產生按不同的基礎計量資產或負債或確認其收益和損失。當初步應用香港財務報告準則第9號時,本集團並無任何指定債務工具按公平值計入損益。

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

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

金融資產減值

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

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

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

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

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

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

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

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

Financial liabilities and equity instruments

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

3. 主要會計政策(續)

金融工具(續)

金融資產減值(續)

就按攤銷成本計量之金融資產而言，減值之客觀證據可包括：

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

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

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

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

就按已攤銷成本計量之金融資產而言，如在隨後期間，減值虧損金額減少，而有關減少在客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該資產於減值被撥回當日之賬面值，不得超過未確認減值時之已攤銷成本。

金融負債及股本工具

本集團旗下實體發行之金融負債及股本工具按所訂立訂約安排內容以及金融負債及股本工具之定義分類。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Equity instruments

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

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

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss is included in the 'Investment income' line item in profit or loss and includes any interest paid on the financial liabilities.

Other financial liabilities

Other financial liabilities including bank borrowings, bonds, trade and other payables, concessionaire sales payable and amount due to a non-controlling shareholder of subsidiaries are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

股本工具

股本工具為體現本集團資產經扣除所有負債後餘下權益之任何合約。由本集團發行的股本工具在已收所得款項扣除直接發行成本後確認。

購回公司股本直接在回購權益中確認及扣除。購買、出售、發行或註銷本公司的股本並不會確認任何收益或虧損於利潤表中。

實際利率法

實際利率法是一種計算相關期間內金融負債之攤銷成本以及分配利息收入之方法。實際利率是一種在金融負債之預期年期或(如適用)更短期間內能夠精確貼現預計未來現金付款(包括所有已支付或收取並為實際利率、交易成本及其他溢價或折讓組成部分之費用)貼現至於初步確認時之賬面淨值之利率。

利息開支按實際利率法確認。

按公平值計入損益之金融負債

金融負債在持作買賣或它被指定為按公平值計入損益時被列為按公平值計入損益的金融負債。

倘出現下列情況，金融負債將被分類為持作買賣：

- 它被收購的主要目的在於短期內回購，或
- 於初步確認，這是本集團共同管理的可辨認金融工具組合的一部分，具有最近實際短期獲利回吐模式；或
- 它是一種衍生工具，除了這是一個財務擔保合同或指定且為有效套期工具的衍生工具。

按公平值計入損益之金融負債按公平值計量，因重新計量產生的收益或虧損直接確認至該期間損益內。淨收益或虧損計入損益項目中的「投資收益」，包括任何金融負債的利息支付。

其他金融負債

其他金融負債包括銀行借貸、債券、應付賬款及其他應付款項、應付特許專櫃銷售款項及應付一家附屬公司一名非控股股東之款項，其後採用實際利率法按已攤銷成本量。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Share-based payment transactions

The fair value of employee services received in an equity-settled share-based payment transaction is determined by reference to the fair value of share options at the grant date. The fair value of employee services is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based payment reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

When the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the share options are not exercised at the expiry date, the amount previously recognised in share based payment reserve will be transferred to retained profits.

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Other government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

衍生金融工具

衍生工具初始按公平值確認的衍生工具合同訂立之日起，其後在報告期末重新計量其公平價值。所產生的收益或損失立即確認至損益。

剔除確認

本集團剔除確認金融資產，只有當資產現金流量的合同權利屆滿，或金融資產轉移幾乎所有的風險和回報的資產所有權給另一個實體。

於剔除確認整體金融資產時，資產賬面值與已收及應收代價之總和間之差額於損益確認。

本集團之金融負債會於及只會於有關合約所指定責任遭免除、註銷或屆滿時剔除確認。剔除確認之金融負債賬面值與已付或應付代價間之差額於損益確認。

股份付款交易

於股本結算股份付款交易所收取之僱員服務之公平值乃參考於授出日期購股權之公平值而釐定。僱員服務之公平值於歸屬期以直線法支銷，並於權益(股份付款儲備)作相應增加。

於報告期間結算日，本集團修訂其估計預期最終歸屬之購股權數目。修訂估計之影響(如有)於歸屬期間於損益確認，從而累計支出反映重訂估計，並於股份付款儲備作出相應調整。

於購股權獲行使時，先前於股份付款儲備確認之金額將轉撥至股份溢價。倘購股權於到期日尚未行使，則先前於股份付款儲備確認之金額將轉撥至保留溢利。

政府補助

政府補助於本集團確認該等補助擬補償之有關成本為開支之期間內按有系統基準於損益確認。其他應收政府補助作為補償已產生有關成本或虧損，或作為向本集團提供即時財務援助(並無日後相關成本)之政府補助金，乃於其成為可收取之期間於損益確認。

退休福利成本

定額供款退休福利計劃供款，在僱員提供服務而有權獲得供款時列作支出。

4. Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are estimates that the directors of the Company, have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Income taxes

At 31 December 2012, no deferred tax asset has been recognised on the tax losses of approximately HK\$538.7 million (2011: HK\$606.3 million) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future assessable profits or taxable temporary differences will be available in the future. In cases where the estimated future assessable profits or taxable temporary difference are more than previously estimated, a material recognition of deferred tax assets may arise, which would be recognised in the consolidated statement of comprehensive income for the period in which the revised estimate takes place.

Financial assets at fair value through profit or loss

As described in note 27, the Group has investments in unlisted equity securities with carrying amount of HK\$50.7 million (2011: HK\$50.7 million) in the consolidated statement of financial position as at 31 December 2012. The management estimated its fair value taking into account primarily the fair value of underlying investment property held by the investee after adjusting for lack of marketability of the equity securities. Favourable or unfavourable change to the estimation could affect the fair value of the investments measured at fair value through profit or loss.

Investment properties situated in the PRC

As described in note 18, investment properties situated in the PRC, other than the property in Tianjin as at 31 December 2012, are stated at fair value determined by professional valuers or the management of the Group by reference to valuations performed by independent professional valuers.

4. 主要不確定估計來源

應用於附註3所述之本集團會計政策時，本公司董事須就未能於其他來源獲取之資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃以過往經驗及其他被認為屬有關之因素為依據。實際結果或會與該等估計有所出入。

估計及相關假設均會按持續審閱。倘會計估計之修訂僅影響作出估計修訂之期間，則會於該期間確認會計估計之修訂，或倘修訂影響當前及未來期間，則於有關修訂及未來期間確認。以下為本公司董事於應用實體之會計政策時所作出之重大判斷，其對於綜合財務報表確認之金額造成最重大影響。

所得稅

於二零一二年十二月三十一日，由於未能預測日後之溢利來源，故並無就稅項虧損約538,700,000港元(二零一一年：606,300,000港元)確認遞延稅項資產。遞延稅項資產之可變現情況主要取決於日後是否有充裕應課稅溢利或應課稅暫時差額。倘日後應課稅溢利或應課稅暫時差額較先前預期少，或會產生重大遞延稅項資產確認，而有關確認將於修訂估計之期間內在綜合全面收益表確認。

按公平值計入損益之金融資產

如附註27所述，本集團擁有在截至二零一二年十二月三十一日的綜合財務狀況表賬面金額50,700,000港元(二零一一年：50,700,000港元)的非上市股本證券投資。管理層估計其公平值已考慮因權益性證券投資缺乏市場而給予調整後的相關投資物業的公平值。有利或不利的估計變化可能會影響透過損益按公平值計量之投資產品之公平值。

位於中國之投資性物業

如附註18所述，除天津物業於二零一二年十二月三十一日的估值，其他位於中國的投資物業均由專業估值師或本集團管理層參考由獨立專業估值師進行估值確定。

4. Key Sources of Estimation Uncertainty (continued)

Investment properties situated in the PRC (continued)

The fair value of completed investment property situated in Qingdao is determined based on the direct capitalisation method by applying with appropriate capitalisation rate in converting the rental income into capital value, and also consider income method by taking into account the current rents passing of the property interests and the reversionary potentials of the tenancies. The fair value of investment property situated in Harbin, which has substantially completed the construction and is under process in obtaining property ownership certificate and related inspection on completion, is determined by reference to comparable sales evidence as available in the relevant market to arrive at the capital value of the property interest as if the property interests were completed at the date of valuation and taking into account the expected costs estimated to completion. The fair value of investment property situated in Tianjin as at 31 December 2012 is determined by reference to the sale and purchase agreement signed by the Group with an independent third party on the same date (see note 29).

In relying on the valuation reports of the independent professional valuers, the management has exercised its judgment and is satisfied that the method of valuation is reflective of the market conditions prevailing at the end of each reporting period. Any changes in the market conditions will affect the fair value of the investment properties of the Group.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolio and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors of the Company have determined that the "sale" presumption set out in the amendments to HKAS 12 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties situated in Hong Kong as the Group is not expected to have tax consequence on disposal of those investment properties. For investment properties situated in PRC, the Group has recognised deferred taxes on changes in fair value as those properties are subject to land appreciation taxes and enterprise income taxes upon disposal as appropriate.

4. 主要不確定估計來源(續)

位於中國之投資性物業(續)

位於青島已落成投資物業的公平值是按直接資本化方法的基礎上應用適當資本化比率的租金收入轉化為資本值，同時亦考慮現有物業權益之租金與復歸潛力之租約的收入方法。位於哈爾濱市投資物業(已基本完成建設及正在取產權証及相關檢查當中)的公平值是以假設物業權益完成後的估值日期，參考相關市場獲得的可比較銷售額以達到確定的物業權益的資本值，並在考慮到預期的成本估計完成。而位於天津投資物業於二零一二年十二月三十一日的公平值是參考本集團與一名獨立第三方於同一日所簽訂的銷售和購買協議(見附註29)。

依靠專業估值師的估值報告中，管理層已行使其判斷，並信納估值方法是反映各報告期末的現行市場條件。在市場條件下的任何變化將影響本集團的投資物業的公平值。

投資物業的遞延稅項

在計算使用公平值計算的投資物業而產生的遞延稅項負債，本公司董事審閱本集團之投資物業組合，並認為本集團並沒有投資物業是透過按隨時間消耗大部分含於該等物業經濟利益的商業模式持有，而是透過出售收回。因此本集團董事認為在香港會計準則第12號之修訂本所轉載之「出售」假設並未被駁回。因此，本集團並無就位於香港的投資物業之公平值變動確認任何遞延稅項，概因本集團於出售該等投資物業時，預期不會有任何稅務影響。至於位於中國的投資物業，本集團已確認在因公平價值變動產生的遞延稅項，此乃由於出售該等物業時需交付土地增值稅和所得稅相應的所致。

4. Key Sources of Estimation Uncertainty (continued)

Prepaid lease payments

Included in the Group's prepaid lease payments is a parcel of land of 31,376 square meters adjacent to the Group's department store site located in Shenhe District, Shenyang in the PRC (the "Plot") which land use right was awarded to the Group through a tender. The carrying amount of the Plot is HK\$655,442,000 as at 31 December 2012 (2011: HK\$650,172,000) (see note 20). It was intended that the Plot will be for commercial building development use. The land premium was fully paid on 22 February 2010 but the Group has yet to apply for the land use right certificate and development has not yet been commenced. It was the Group's understanding that the Plot was subject to a 30-metre height limit during the process of which the contract for the grant of land use right dated 28 December 2011 was entered and concluded with the government. However, the Group has learnt in around late August 2012 that a 15-metre height limit to the Plot may have been imposed, which the Group suspects to have followed a change of the city planning relating to protection of historical architectural sites. The Group has therefore been seeking clarification of, and assistance in dealing with, the situation through the district government.

Up to the date of these financial statements, the Group has not received any formal response or feedback, and therefore unable to verify the news about the change of the city planning and its implications to the Plot. As this matter is still at a preliminary stage and given the counter party is the government and involves a number of different departments/bureaux, the management of the Group is not in a position to assess with certainty the development, impact and outcome. Accordingly there can be no assurance that a 30-metre height limit will still be applicable to the Plot or that had the 15-metre height limit been confirmed, an agreed resolution could be achieved or that the Group would be successful in obtaining a reasonable remedy and/or financial compensation without undue delay.

If the Group fails to obtain better terms for the development of the Plot or if further less favourable terms to the Group are imposed by the relevant authority prior to obtaining the land use rights certificate, the development project of the Plot may be delayed or adversely affected, which may adversely affect the carrying amounts of prepaid lease payments of the Group.

Despite the uncertainties involved, the management of the Group considers no impairment is necessary as the Group has reasonable grounds to pursue the matter with the relevant government authorities based on the advice from its PRC legal counsels.

4. 主要不確定估計來源(續)

預付租賃款項

本集團的預付租賃款項包括一幅鄰近位於中國沈陽市沈河區屬於本集團百貨公司的31,376平方米之土地，其土地使用權是透過投標而獲得。於二零一二年十二月三十一日，此土地賬面值為655,442,000港元(二零一一年：650,172,000港元)(見附註20)。該地塊將會作商業建築發展用途。於二零一零年二月二十二日本集團已繳足土地出讓金，但尚未辦理土地使用權證書和此發展尚未開始。本集團理解在二零一一年十二月二十八日經政府批出及確定的土地使用權合同列明發展高度不可高於30米。然而，本集團在二零一二年八月下旬發現有關保護該處歷史建築遺址的城市規劃已經實施，限制該地塊的發展高度不可超過15米。本集團因此與當地政府尋求澄清及協助跟進相關情況。

截至本財務報表的日期，本集團尚未收到任何正式的回應或反饋，因此無法核實城市規劃變化的消息及對該地塊的影響。由於此事仍處於初步階段，而另一方是牽涉當地政府及許多不同的部門，本集團管理層難以對當地發展、影響和結果作出評估。因此，無法保證30米的高度限制仍然適用於該塊土地或15米的高度限制已被證實，透過協商解決，本集團或可成功獲得一個合理的補救措施和/或即時的經濟補償。

倘若本集團未能對該土地獲得更好的補償條件，或在取得土地使用權證書之前，有關當局對給予本集團較不吸引條件，此土地的發展項目可能會延遲或構成不利影響，這可能會影響本集團的預付租賃款項的賬面值。

儘管涉及的不確定性，中國法律顧問的意見認為本集團在此事上有合理理由追究有關政府當局，因此管理層認為對預付租賃款項並無減值必要。

5. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes the bank borrowings and bonds disclosed in notes 31 and 33, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

6. Financial Instruments Categories of financial instruments

		31.12.2012 二零一二年 十二月 三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月 三十一日 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at FVTPL (note 27)	按公平值計入損益之金融資產 (附註27)	2,669,210	1,144,574
Financial assets measured at amortised cost (including cash and cash equivalents)	按攤銷成本計量之金融資產 (包括現金及現金等價物)	8,693,349	7,434,084
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債	12,882,524	8,457,286
Derivative financial liabilities	衍生金融負債	16,429	14,333

Financial risk management objectives and policies

The Group's major financial instruments include bank balances and cash, financial assets at fair value through profit or loss, trade and other receivables, trade and other payables, derivative financial liabilities, amount due from/to a jointly controlled entity, concessionaire sales payable, bank borrowings, bonds and amount due to a non-controlling shareholder of subsidiaries. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

5. 資本風險管理

本集團管理其資本，以確保本集團之實體能繼續持續經營，同時透過優化債務及股本結餘，為股東提供最佳回報。本集團之整體策略與去年相同。

本集團之資本架構包括債務(包括附註31和33披露之借貸及債券)、扣除現金及現金等價物以及本公司擁有人應佔權益(包括已發行股本、儲備及保留盈利)。

本公司董事定期檢討資本架構。作為該檢討之一部分，董事會考慮資本成本與各類資本相關之風險。根據董事之建議，本集團將透過派付股息、發行新股及股份購回以及發行新債或贖回現有債項以平衡其整體資本架構。

6. 金融工具 金融工具類別

財務風險管理目的及政策

本集團之主要金融工具包括銀行結存及現金、按公平值計入損益之金融資產、應收及其他應收款項、應付及其他應付款項、衍生金融負債、應收/付一家共同控制實體款項、應付特許專權銷售款項、銀行借貸、債券及應付附屬公司一名非控股股東之款項。這些金融工具資料在各自附註披露。與此等金融工具相關之風險及減低有關風險之政策載於下文。管理層會管理及監控該等風險，以確保及時與有效地採取適當措施。

6. Financial Instruments (continued)

Financial risk management objectives and policies

(continued)

Currency risk

The functional currency of the Company and its major subsidiaries in Hong Kong is HK\$ in which most of the transactions are denominated. The functional currency of those subsidiaries operating in PRC is RMB in which most of its transactions are denominated. Certain bank balances and bank borrowings of the Group are denominated in United States Dollar ("US\$") amounting to approximately HK\$2,983,159,000 (2011: HK\$561,057,000) and HK\$694,313,000 (2011: HK\$433,974,000), respectively. In addition, certain financial assets at fair value through profit or loss are denominated in US\$ amounting to approximately HK\$2,486,676,000 (2011: HK\$1,011,431,000). Moreover, bonds are denominated in US\$ amounting to approximately HK\$6,161,708,000 (2011: HK\$nil). The Group currently does not have a foreign currency hedging policy as HK\$ is effectively pegged to US\$. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

The following table details the Group's sensitivity to a reasonably possible change of 0.5% (2011: 0.5%) in exchange rate of US\$ against HK\$ while all other variables are held constant. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 0.5% (2011: 0.5%) change in foreign currency rates.

		Year ended 31 December 截至十二月三十一日止年度	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
(Decrease) increase in profit for the year	年內溢利(減少)增加		
— if HK\$ weakens against US\$	— 倘若港元兌美元貶值	(6,931)	5,692
— if HK\$ strengthens against US\$	— 倘若港元兌美元升值	6,931	(5,692)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings, fixed coupon rate bonds and fixed-rate balances with a jointly controlled entity. The Group is also exposed to cash flow interest rate risk relating to the Group's floating-rate bank deposits and bank borrowings. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

6. 金融工具(續)

財務風險管理目的及政策(續)

外匯風險

本公司及其香港主要附屬公司之功能貨幣為港元，當中大部分交易以港元結算。於中國經營之附屬公司之功能貨幣為人民幣，當中大部分交易以人民幣結算。本集團若干分別為數約2,983,159,000港元(二零一一年：561,057,000港元)之銀行結存及694,313,000港元(二零一一年：433,974,000)之銀行借貸均以美元結算。此外，若干分別為數約2,486,676,000港元(二零一一年：1,011,431,000港元)之按公平值計入損益之金融資產及分別為數約6,161,708,000港元(二零一一年：零港元)之債券亦以美元結算。由於港元與美元是掛鈎貨幣，本集團現時並無外幣對沖政策。然而，管理層會監控外匯風險，並於需要時考慮對沖重大外幣風險。

下表詳列本集團於美元兌港元之匯率可能出現0.5% (二零一一年：0.5%)合理變動，而所有其他變數維持不變時之敏感度。敏感度分析僅包括未兌換外幣結算貨幣項目，並於報告期間結算日按0.5% (二零一一年：0.5%)外匯率變動調整換算。

管理層認為，由於年結日之風險並無反映年內風險，故敏感度分析並不代表固有外匯風險。

利率風險

本集團對有關的固定利率銀行借款，固定票面利率債券和固定利率的一間共同控制實體的結餘面對公平值利率風險。本集團亦對有關浮息銀行存款及銀行借貸面對現金流量利率風險。本集團現時並無任何利率對沖政策。然而，管理層會監控利率風險，並於需要時考慮對沖重大利率風險。

6. Financial Instruments (continued)

Financial risk management objectives and policies

(continued)

Interest rate risk (continued)

The Group's sensitivity to cash flow interest rate risk has been determined based on the exposure to interest rates for bank borrowings (excluding the specific bank borrowing for construction purpose) and floating rate bank deposits at the end of the reporting period and the reasonably possible change taking place at the beginning of each year and held constant through the year. A 100 basis points (2011: 100 basis points) increase or decrease is used for other variable rate balances, which represents management's assessment of the reasonably possible change in interest rates. For those bank balances with interest rates below 1% per annum, the analysis below only reflects the sensitivity of 50 basis points decrease (limit to 0%). The Group's sensitivity to interest rate risk at the end of the reporting period while all other variables were held constant after taking into account the impact of the finance costs capitalised in construction in progress is as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Increase (decrease) in profit for the year	年內溢利增加(減少)		
— as a result of increase in interest rate	— 由於利率上升	48,991	20,271
— as a result of decrease in interest rate	— 由於利率下降	(43,998)	(19,017)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2012 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the management of the Group has formulated a defined fixed credit policy and delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivable regularly at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Retail sales are mainly on cash basis, either in cash, debit card or credit card payments.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies or government authority.

The Group has no significant concentration of credit risk in relation to trade and other receivables, with exposure spread over a number of counterparties and customers.

6. 金融工具(續)

財務風險管理目的及政策(續)

利率風險(續)

本集團對現金流利率風險之敏感度，乃根據於報告期間結算日銀行借貸(不包括特定之銀行借貸作建築用途)及浮息銀行存款之利率風險，以及於每年年初合理地可能出現之變動而於全年維持不變釐定。100個基點(2011：100基點)增加或減少用於其他浮息結餘，代表管理層對利率可能合理變動的評估。對於年息低於1%利率的銀行結餘，下面的分析中只反映其利率下降50個基點的敏感度(局限於下降到0%)。當所有其他變數維持不變，經考慮利息資本化於在建工程後，本集團於報告期間結算日對利率風險敏感度如下：

信貸風險

於二零一二年十二月三十一日，本集團就對手方未能履行其責任而按各類別已確認金融資產面對之最高信貸風險，指綜合財務狀況表所述該等資產之賬面值。為盡量減低信貸風險，本集團管理層已制定明確之既定信貸政策，並委任一組人員，專責釐定信貸限額、批核信貸額及進行其他監管程序，以確保能跟進有關逾期債務之追討事宜。此外，本集團會於報告期間結算日定期檢討各項個別應收賬款之可收回金額，以確保就不可收回款項作出足夠減值虧損。就此，本公司董事認為，本集團之信貸風險已大幅減少。零售銷售主要以現金進行，可以現金、記賬卡或信用卡付款。

由於對手方均為獲國際信貸評級機構高信貸評級之銀行及政府機構，故流動資金之信貸風險有限。

本集團與交易對手及客戶沒有重大集中信貸風險於應收及其他應收款。

6. Financial Instruments (continued)

Financial risk management objectives and policies

(continued)

Credit risk (continued)

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 60% (2011: 66%) of the total trade receivable as at 31 December 2012.

Price risk

The Group's financial assets at fair value through profit or loss and derivative financial liabilities are measured at fair value at the end of the reporting period. Therefore, the Group is exposed to price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles. Details of the financial assets at fair value through profit or loss and derivative financial liabilities are set out in notes 27 and 32 respectively.

The Group's sensitivity to price risk on the financial assets at fair value through profit or loss and derivative financial liabilities at the end of the reporting period while all other variables were held constant is as follows:

		HK\$'000 千港元
2012	二零一二年	
Reasonably possible change in price	價格之可能合理變動	5%
Increase (decrease) in post-tax profit for the year	年內除稅後溢利增加(減少)	
— as a result of increase in price	— 由於價格增加	112,100
— as a result of decrease in price	— 由於價格減少	(112,100)
2011	二零一一年	
Reasonably possible change in price	價格之可能合理變動	5%
Increase (decrease) in post-tax profit for the year	年內除稅後溢利增加(減少)	
— as a result of increase in price	— 由於價格增加	47,721
— as a result of decrease in price	— 由於價格減少	(47,721)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings and bonds as a significant source of liquidity. As at 31 December 2012, the Group has available unutilised borrowing facilities of approximately HK\$2,149.3 million (2011: HK\$261.7 million). Details of which are set out in note 31.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

6. 金融工具(續)

財務風險管理目的及政策(續)

信貸風險(續)

本集團的集中信貸風險從地域而言，主要是在香港，佔截至二零一二年十二月三十一日應收賬款總額之60% (二零一一年：66%)。

價格風險

本集團按公平值計入損益之金融資產及衍生金融負債乃按報告期間結算日之公平值計量。因此，本集團面對價格風險。管理層透過維持具不同風險之投資組合以管理是項風險。按公平值計入損益之金融資產及衍生金融負債之詳情分別載於附註27及32。

在其他變數維持不變下，本集團於報告期間結算日對按公平值計入損益之金融資產及衍生金融負債之價格風險敏感度如下：

流動資金風險

於管理流動資金風險時，本集團監察及維持管理層視為足以應付本集團業務所需資金水平之現金及現金等價物，並減低現金流量波動影響。管理層監察銀行借貸之運用，確保遵守貸款契諾。

本集團依靠銀行借貸及債券作為重要的流動資金來源。於二零一二年十二月三十一日，本集團之未提取銀行借貸融資額度為約2,149,300,000港元(二零一一年：261,700,000港元)，詳情載於附註31。

下表詳列本集團非衍生金融負債餘下合約到期日。下表乃按照本集團可能被要求還款之最早日期，以金融負債之非貼現現金流量顯示。

下表已載列利率及主要現金流。若利息流為浮動利率，貼現金額來自在報告期末的的利率曲線。

6. Financial Instruments (continued)

Financial risk management objectives and policies

(continued)

Liquidity risk (continued)

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis, and the undiscounted gross (inflows) and outflows on those derivatives that require gross settlement. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates/exchange rates as illustrated by the interest rate/exchange rate existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

Liquidity and interest risk tables

		Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
		加權平均 實際利率 %	一個月內 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月至一年 HK\$'000 千港元	一至五年 HK\$'000 千港元	五年以上 HK\$'000 千港元	總非貼現 現金流量 HK\$'000 千港元	賬面值 HK\$'000 千港元
31 December 2012	二零一二年 十二月三十一日								
Non-derivative financial liabilities	非衍生金融負債								
Trade and other payables	應付賬款及 其他應付款項	-	1,275,741	396,077	-	-	-	1,671,818	1,671,818
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司一名 非控股股東之貸款	-	-	-	-	175,765	-	175,765	175,765
Amount due to a jointly controlled entity	應付一家共同控制 實體款項	0.50%	-	-	92,287	-	-	92,287	92,056
Bank borrowing — fixed rate	銀行借貸—固定利率	3.50%	-	3,113	9,513	368,440	-	381,066	360,760
Bank borrowings — variable rate	銀行借貸—浮動利率	1.65%	849,006	174,927	266,617	3,311,773	-	4,602,323	4,420,417
Bonds	債券	4.94%	101,719	-	200,531	5,152,297	2,720,250	8,174,797	6,161,708
			2,226,466	574,117	568,948	9,008,275	2,720,250	15,098,056	12,882,524
Derivative — gross settlement	衍生工具 — 總額結算								
Interest rate swap	利率掉期								
— Inflow	— 流入	-	-	(99)	(299)	(1,140)	(13,552)	(15,090)	
— Outflow	— 流出	-	-	-	1,710	6,841	24,958	33,509	
			-	(99)	1,411	5,701	11,406	18,419	9,579
Derivative — net settlement	衍生工具 — 淨額結算								
Cross currency swap	交叉貨幣掉期		-	7,029	-	-	-	7,029	6,850

6. 金融工具(續)

財務風險管理目的及政策(續)

流動資金風險(續)

此外，下表詳列本集團的衍生金融工具的流動性分析。該表根據需淨額結算衍生工具之未貼現按合約淨現金(流入)及流出，及那些衍生工具需總額結算之未貼現總(流入)及流出制定。當應付金額不固定，披露金額參考預計利率或匯率(如在報告期末現有利率或匯率所示)確定。本集團的衍生金融工具的流動性分析基於合約到期日，因為管理層認為，合約到期日對了解衍生工具的現金流量時間非常重要。

流動資金及利息風險表

6. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Liquidity risk (continued) Liquidity and interest risk tables (continued)

		Weighted average effective interest rate 加權平均 實際利率 %	Less than	1-3	3 months	1-5	Over	Total	Carrying amount 賬面值 HK\$'000
			1 month 一個月內 HK\$'000 千港元	months 一至三個月 HK\$'000 千港元	to 1 year 三個月至一年 HK\$'000 千港元	years 一至五年 HK\$'000 千港元	5 years 五年以上 HK\$'000 千港元	undiscounted cash flows 總非貼現 現金流量 HK\$'000 千港元	
31 December 2011	二零一一年 十二月三十一日								
Non-derivative financial liabilities	非衍生金融負債								
Trade and other payables	應付賬款及其他 應付款項	-	1,211,065	366,742	31,826	49,540	-	1,659,173	1,659,173
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司一名 非控股股東之貸款	-	-	-	-	174,379	-	174,379	174,379
Bank borrowing — fixed rate	銀行借貸 — 固定利率	3.50%	-	3,131	9,394	379,779	-	392,304	357,860
Bank borrowings — variable rate	銀行借貸 — 浮動利率	1.16%	2,503,063	14,406	248,239	3,699,378	77,722	6,542,808	6,265,874
			3,714,128	384,279	289,459	4,303,076	77,722	8,768,664	8,457,286
Derivative — gross settlement	衍生工具 — 總額結算								
Interest rate swap	利率掉期								
— Inflow	— 流入	-	-	(133)	(401)	(1,790)	(15,243)	(17,567)	
— Outflow	— 流出	-	-	-	1,719	6,877	26,815	35,411	
			-	(133)	1,318	5,087	11,572	17,844	9,994
Derivative — net settlement	衍生工具 — 淨額結算								
Cross currency swap	交叉貨幣掉期	-	-	-	6,543	-	-	6,543	4,339

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices;
- the fair value of derivative instruments is calculated using discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

6. 金融工具(續) 財務風險管理目的及政策(續)

流動資金風險(續) 流動資金及利息風險表(續)

上文就非衍生金融負債之浮動利率工具包括之金額，會因浮動利率變動有別於報告期間結算日所釐定估計而有變。

公平值

金融資產及金融負債之公平值釐定如下：

- 附帶標準條款及條件並於高度流通市場買賣之金融資產之公平值乃參考所報市場買入價釐定；
- 衍生工具公平值乃使用貼現現金流，以非可選衍生工具的期限適當的收益曲線計算；及
- 其他金融資產及金融負債之公平值乃按公認訂價模式，採用貼現之現金流量分析釐定。

6. Financial Instruments (continued)

Financial risk management objectives and policies (continued)

Fair value (continued)

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

6. 金融工具(續)

財務風險管理目的及政策(續)

公平值(續)

本公司董事認為，按攤銷成本於綜合財務報表入賬之金融資產及金融負債賬面值與其公平值相若。

於綜合財務狀況表確認之公平值計量

下表提供初步以公平值確認後計量之金融工具分析，其按可觀察公平值程度分為一至三級。

- 第一級公平值計量乃自己識別資產或負債於活躍市場中所報之未調整價格所得出。
- 第二級公平值計量乃除第一級計入之報價外，自資產或負債可直接(即價格)或間接(自價格衍生)觀察輸入數據得出。
- 第三級公平值計量乃計入並非根據可觀察市場數據(無法觀察輸入數據)之資產或負債之估值方法得出。

		31 December 2012 二零一二年十二月三十一日			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at FVTPL:	按公平值計入損益之 金融資產：				
Held for trading investments	持作買賣投資				
— Listed equity securities	— 上市股本證券	131,874	—	—	131,874
— Unlisted debt securities	— 非上市債券	—	2,486,676	—	2,486,676
Others	其他				
— Unlisted equity securities (note)	— 非上市股本證券(附註)	—	—	50,660	50,660
Total	總計	131,874	2,486,676	50,660	2,669,210
Financial liabilities at FVTPL:	按公平值計入損益之 金融負債：				
Derivative financial liabilities	衍生金融負債	—	16,429	—	16,429

6. Financial Instruments (continued)
Fair value measurements recognised in the consolidated statement of financial position
(continued)

6. 金融工具(續)
於綜合財務狀況表確認之公平值計量
(續)

		31 December 2011 二零一一年十二月三十一日			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at FVTPL:	按公平值計入損益之金融資產：				
Held for trading investments	持作買賣投資				
— Listed equity securities	— 上市股本證券	82,483	—	—	82,483
— Unlisted debt securities	— 非上市債券	—	1,011,431	—	1,011,431
Others	其他				
— Unlisted equity securities (note)	— 非上市股本證券	—	—	50,660	50,660
Total	總計	82,483	1,011,431	50,660	1,144,574
Financial liabilities at FVTPL:	按公平值計入損益之金融負債：				
Derivative financial liabilities	衍生金融負債	—	14,333	—	14,333

Note: The unlisted equity securities investment at 31 December 2012 and 31 December 2011, represents the retained 10% equity interest in Shenyang Jiajian Property Development Limited ("Shenyang Jiajian") after the disposal in 2011 set out in note 39. There was no significant change in fair value during both years.

附註：於二零一二年十二月三十一日及二零一一年十二月三十一日之非上市股本證券投資代表附註39在二零一一年所載的出售瀋陽佳建物業發展有限公司(「瀋陽佳建」)後保留的10%股權。在兩個年度的公平值沒有顯著的變化。

There were no transfers between level 1 and 2 in the current and prior years.

第一級和第二級之間在今年及去年並沒有轉移。

7. Turnover

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

7. 營業額

營業額指本集團本年度就向外界客戶售出貨品之已收及應收款項減折扣及銷售相關稅項、特許專櫃銷售收入、服務收入以及租金收入，茲分析如下：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Sales of goods — direct sales	貨品銷售—直接銷售	3,059,477	2,871,430
Income from concessionaire sales	特許專櫃銷售收入	2,219,242	2,046,443
Service income	服務收入	121,681	112,410
Rental income	租金收入	123,043	101,667
		5,523,443	5,131,950
The cost of sales are analysed as follows:	銷售成本分析如下：		
Cost of goods sold	貨品銷售成本	2,167,834	2,045,005
Other cost of sales	其他銷售成本	88,512	87,072
		2,256,346	2,132,077

8. Segment Information

Information reported to the board of directors of the Company (the "Board of Directors"), being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focusing on sales of goods, provision of services, lease operations and property holding in Hong Kong and the PRC.

The Group has two reportable and operating segments geographically, Hong Kong and the PRC which are managed separately. The Group determines its operating segments based on the internal reports reviewed by the Board of Directors that are used to allocate resources and assess performance.

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

Segment revenues and results

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

8. 分部資料

匯報資料給作為主要營運決策的公司董事會之主要目的是按銷售、服務、租賃業務及物業控股在香港及中國分部之資源分配，評估其表現。

本集團有兩個分開管理之地區經營分部，即香港及中國。本集團按集團董事會審閱並據此作出決策之內部報告釐定其經營分部。

於今年及去年，本集團並無客戶貢獻超過本集團之總收益10%。

分部收益及業績

本集團按可報告分部劃分之收益及業績分析如下：

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
For the year ended 31 December 2012	截至二零一二年十二月三十一日止年度			
Segment revenue	分部收益			
External sales	對外銷售	4,392,649	1,130,794	5,523,443
Result	業績			
Segment result	分部業績	1,886,296	329,365	2,215,661
Fair value changes on investment properties	投資物業公平值變動			184,420
Investment income	投資收入			352,080
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利			30,297
Share of profits of associates	應佔聯營公司溢利			280,290
Finance costs	融資成本			(307,787)
Profit before taxation	除稅前溢利			2,754,961

8. Segment Information (continued)
Segment revenues and results (continued)

8. 分部資料(續)
分部收益及業績(續)

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
For the year ended 31 December 2011	截至二零一一年十二月三十一日止年度			
Segment revenue	分部收益			
External sales	對外銷售	4,091,393	1,040,557	5,131,950
Result	業績			
Segment result	分部業績	1,756,746	282,217	2,038,963
Fair value changes on investment properties	投資物業公平值變動			297,763
Investment income	投資收入			64,301
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利			29,393
Share of profits of associates	應佔聯營公司溢利			221,892
Finance costs	融資成本			(57,911)
Profit before taxation	除稅前溢利			2,594,401

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without share of profits of associates and a jointly controlled entity, fair value changes on investment properties, investment income and finance costs. This is the measure reported to the Board of Directors for the purposes of resources allocation and performance assessment.

可報告分部之會計政策與本集團於附註3所述會計政策相同。分部溢利指各分部賺取之溢利，惟未計應佔聯營公司及共同控制實體溢利、投資物業公平值變動、投資收入及融資成本。此指標乃用作董事會就資源分配及表現評估之根據。

8. Segment Information (continued)

Segment assets and liabilities

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

8. 分部資料(續)

分部資產及負債

本集團按可報告分部劃分之資產及負債分析如下：

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
As at 31 December 2012	於二零一二年十二月三十一日			
Assets	資產			
Segment assets	分部資產	8,529,225	9,713,031	18,242,256
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產			2,669,210
Interest in a jointly controlled entity	於一家共同控制實體權益			483,112
Amount due from a jointly controlled entity	應收一家共同控制實體款項			209,275
Interests in associates	於聯營公司權益			2,314,880
Assets classified as held for sale	分類為持作出售資產			667,335
Unallocated assets	未分配資產			12,737
Consolidated total assets	綜合資產總值			24,598,805
Liabilities	負債			
Segment liabilities	分部負債	1,295,475	954,695	2,250,170
Amount due to a jointly controlled entity	應付一家共同控制實體款項			92,056
Bank borrowings	銀行借貸			4,781,177
Bonds	債券			6,161,708
Liabilities associated with assets classified as held for sale	分類為持作出售資產之負債			66,063
Unallocated liabilities	未分配負債			765,606
Consolidated total liabilities	綜合負債總值			14,116,780

8. Segment Information (continued)
Segment assets and liabilities (continued)

8. 分部資料(續)
分部資產及負債(續)

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
Other segment information	其他分部資料			
Amounts included in the measure of segment profit or loss or segment assets:	計量分部損益或分部資產包括之數額：			
Addition to non-current assets	非流動資產添置	66,530	2,995,085	3,061,615
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	82,574	133,653	216,227
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)虧損	(213)	475	262
Impairment for trade and other receivables	應收賬款及其他應收款項減值	21	107	128
(Reversal of) write-down of obsolete inventories	滯銷存貨(撥回)撇減撥備	(63)	337	274
Release of prepaid lease payments	預付租賃款項轉出	–	10,775	10,775
Share-based payment	股份付款	221	–	221

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元 (restated) (重列)
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As at 31 December 2011

於二零一一年
十二月三十一日

Assets	資產			
Segment assets	分部資產	7,343,148	7,485,063	14,828,211
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產			1,144,574
Interest in a jointly controlled entity	於一家共同控制實體權益			486,089
Amount due from a jointly controlled entity	應付一家共同控制實體款項			69,899
Interests in associates	於聯營公司權益			2,039,839
Unallocated assets	未分配資產			12,737
Consolidated total assets	綜合資產總值			18,581,349
Liabilities	負債			
Segment liabilities	分部負債	1,174,792	903,941	2,078,733
Bank borrowings	銀行借貸			6,623,734
Unallocated liabilities	未分配負債			769,943
Consolidated total liabilities	綜合負債總值			9,472,410

8. Segment Information (continued)
Segment assets and liabilities (continued)

8. 分部資料(續)
 分部資產及負債(續)

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
Other segment information	其他分部資料			
Amounts included in the measure of segment profit or loss or segment assets:	計量分部損益或分部資產包括之數額：			
Addition to non-current assets	非流動資產添置	46,979	928,147	975,126
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	75,251	136,619	211,870
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	172	172
Impairment for (reversal of impairment for) trade and other receivables	應收賬款及其他應收款項減值(撥回)	120	(262)	(142)
(Reversal of) write-down of obsolete inventories	滯銷存貨撇減(撥回)撥備	(439)	84	(355)
Release of prepaid lease payments	預付租賃款項轉出	—	11,111	11,111
Share-based payment	股份付款	2,513	—	2,513

At 31 December 2012 and 31 December 2011, the unallocated segment assets represent club debentures held by the Group and unallocated segment liabilities mainly represent tax payable, deferred tax liabilities, amount due to a non-controlling shareholder of subsidiaries and derivative financial liabilities.

於二零一二年十二月三十一日和二零一一年十二月三十一日，未分配的分部資產代表本集團所持之會所債券和未分配的分部負債主要指應付稅項、遞延稅務負債、應付附屬公司之一位非控股股東款項及衍生金融負債。

Geographical information

Analysis of the Group's non-current assets by geographical location of the assets are detailed below:

地區資料

按資產所在地區劃分之本集團非流動資產分析如下：

		2012 二零一二年		2011 二零一零年	
		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元
Non-current assets	非流動資產	1,800,800	7,641,967	1,832,374	5,317,943

Note: Non-current assets excluded interests in associates and a jointly controlled entity.

附註：非流動資產不包括於聯營公司及一家共同控制實體權益。

9. Other Income

9. 其他收入

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Management fee income	管理費收入	87,508	72,990
Project income	項目收入	7,842	5,360
Government subsidy (note a)	政府補助(附註a)	25,950	25,964
Net exchange gain	淨匯兌收入	2,589	12,157
Release of exchange reserve upon disposal of a subsidiary	出售一間附屬公司時解除 匯兌儲備	-	36,067
Others (note b)	其他(附註b)	102,982	97,360
		226,871	249,898

Notes:

附註:

(a) The amount represents the government subsidies provided by the PRC local authorities to the Group for subsidising its operational activities and promotional activities conducted by the Group. All of them had no specific conditions attached.

(a) 該金額是中國地方當局提供與本集團的政府補助，作為本集團進行其業務及宣傳推廣之活動。該金額並無任何特別附加條件。

(b) Others mainly represent bank credit card recharge, commission income and entrance fee income.

(b) 其他主要代表銀行信用卡費用回扣、佣金收入及進場費收入。

10. Investment Income

10. 投資收入

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Interest income on bank deposits	銀行存款之利息收入	147,623	52,035
Dividend income	股息收入		
Held for trading investments	持作買賣投資	12,432	13,763
Change in fair value of financial assets	金融資產公平值變動		
Held for trading investments	持作買賣投資	188,046	12,391
Derivative financial instruments	衍生金融工具	425	(13,888)
Others	其他	3,554	-
		352,080	64,301

11. Fair Value Changes on Investment Properties

11. 投資物業公平值變動

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Change in fair value of investment properties:	投資物業公平值變動		
— realised gains on disposal of other investment properties	— 出售其他投資物業變現收益	1,498	1,564
— realised gains on disposal of an investment properties holding subsidiary (note 39)	— 出售擁有投資物業之 附屬公司的變現收益 (附註39)	-	201,782
		1,498	203,346
— unrealised gains	— 未變現收益	182,922	94,417
		184,420	297,763

12. Finance Costs

12. 融資成本

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Interest on:	以下項目之利息：		
Bank borrowings:	銀行借貸：		
— wholly repayable within five years	— 須於五年內悉數償還	113,223	57,779
— wholly repayable after five years	— 須於五年後悉數償還	—	4,739
Bonds:	債券：		
— wholly repayable within five years	— 須於五年內悉數償還	182,881	—
— wholly repayable after five years	— 須於五年後悉數償還	21,489	—
Others	其他	14,204	6,411
Less: Amounts capitalised	減：資本化金額	331,797 (24,010)	68,929 (11,018)
		307,787	57,911

Borrowing costs capitalised during the year arising on HK dollar denominated borrowings and RMB denominated borrowings at interest rates calculated by reference to Hong Kong Interbank Offered Rate ("HIBOR"), ranging from 1.45% to 1.67% (2011: 0.35% to 1.51%) per annum and at fixed interest rate of 3.5% (2011: 3.5%) per annum respectively, on qualifying assets.

年內，已資本化之融資成本乃就合資格資產，源自分別為參考香港銀行同業拆息介乎1.45厘至1.67厘(二零一一年：介乎0.35厘至1.51厘)之港元借貸以及固定利率為3.5厘(二零一一年：3.5厘)之人民幣借貸。

13. Taxation

13. 稅項

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (restated) (重列)
The tax charge comprises:	稅項支出包括下列項目：		
Hong Kong Profits Tax	香港利得稅	321,378	279,144
PRC Tax (note)	中國企業所得稅(附註)	139,720	233,826
(Over)underprovision in prior years:	過往年度(額外)不足撥備:		
Hong Kong Profits Tax	香港利得稅	(4,280)	162
Deferred tax charge (note 34)	遞延稅項支出(附註34)	456,818 41,014	513,132 41,150
		497,832	554,282

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

香港利得稅乃根據兩個年度之估計應課稅溢利按16.5%計算。

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司自二零零八年一月一日起之稅率為25%。

Under the EIT Law, withholding tax is imposed on dividends in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation of HK\$19,877,000 (2011: HK\$19,356,000) in respect of distributable profit of PRC entities amounting of HK\$198,771,000 (2011: HK\$193,563,000) have been provided during the year ended 31 December 2012.

根據企業所得稅法，從二零零八年一月一日起開始就中國附屬公司所賺取的利潤之股息徵收預扣稅。於二零一二年十二月三十一日止年度，中國實體可分派利潤198,771,000港元(二零一一年：193,563,000港元)所確認之遞延稅項為19,877,000港元(2011：19,356,000港元)。

13. Taxation (continued)

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax ("LAT") effective from 1 January 1994 and amended on 8 January 2011, and the Implementation Rules on the Provisional Regulations of the PRC on Land Appreciation Tax effective from 27 January 1995 (collectively referred to the "LAT Regulations"), all gains arising from the sale or transfer of real estate in the PRC with effect from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including payments made for acquisition of land use rights, costs and expenses for the development of the land or for construction of new buildings and supporting facilities, or the assessed value for old buildings and structures, tax payable relating to transfer of the real estate and other deductible items prescribed by the Ministry of Finance. Apart from the aforementioned deductions, property developers enjoy an additional deduction, which is equal to 20% of the payment made for acquisition of land use rights and the costs of land development and construction of new buildings or related facilities.

Note:

13. 稅項(續)

於一九九四年一月一日起生效的中華人民共和國土地增值稅暫行條例(「土地增值稅」)，修訂於二零一一年一月八日，和一九九五年一月二十七日起生效中國土地增值稅暫行條例實施細則的要求(統稱「土地增值稅條例」)，於一九九四年一月一日起所有中國房地產的出售或轉讓而產生的收益須繳納土地增值稅的累進稅率從30%至60%不等的升值土地增值稅，物業銷售的所得款項減去可扣減支出，包括支付收購土地使用權，土地發展，新建築及配套設施建設的成本和費用，或舊的建築物 and 構築物的評估，有關轉讓房地產的應納稅額和財務部規定的其他扣除項目。除了上述扣減，房地產開發商享有額外扣除，相等於支付於收購土地使用權及土地開發和建設新建築或相關設施款項的20%。

附註：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (restated) (重列)
The PRC Tax charge for the year comprises:	本年度中國稅務支出包括：		
Tax arising from disposal of investment properties in the PRC	出售中國投資物業的稅項	-	151,728
PRC Enterprise Income Tax	中國企業所得稅	139,720	82,098
		139,720	233,826

13. Taxation (continued)

The charge for the year can be reconciled to the profit before taxation per the consolidated statement of comprehensive income as follows:

13. 稅項(續)

本年度支出與綜合全面收益表所示除稅前溢利之對賬如下：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (restated) (重列)
Profit before taxation	除稅前溢利	2,754,961	2,594,401
Tax at Hong Kong Profits Tax rate	按香港利得稅率計算之稅項	454,569	428,076
Tax effect of share of profit of a jointly controlled entity	應佔一家共同控制實體溢利之稅項影響	(4,999)	(4,849)
Tax effect of share of profits of associates	應佔聯營公司溢利之稅項影響	(46,248)	(36,612)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅項影響	(35,458)	(19,644)
Tax effect of expense not deductible for tax purpose	不可扣稅開支之稅項影響	41,333	6,319
Tax effect on utilisation of tax losses previously not recognised	動用早前未確認稅項虧損之稅項影響	(7,155)	(438)
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	9,311	19,365
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營之附屬公司不同稅率之稅項影響	38,479	39,226
(Over)underprovision in prior years	過往年度超過或不足撥備	(4,280)	162
Tax arising from disposal of a subsidiary	出售一間附屬公司之稅項	-	79,407
Withholding tax	預扣稅	19,877	19,356
LAT	土地增值稅	53,627	39,298
Tax effect of LAT	土地增值稅之稅項影響	(8,848)	(6,484)
Others	其他	(12,376)	(8,900)
Tax charge for the year	本年度稅項支出	497,832	554,282

14. Profit for the year

14. 本年度溢利

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Profit for the year has been arrived at after charging:	本年度溢利已扣除下列項目：		
Directors' remuneration: (note 15)	董事酬金：(附註15)		
Fees	袍金	1,500	1,000
Other emoluments	其他薪酬	7,200	2,400
Bonus	花紅	20,000	20,000
Retirement benefits scheme contributions	退休福利計劃供款	14	12
Other staff costs	其他員工成本	28,714	23,412
Retirement benefits scheme contributions, net of forfeited contributions	退休福利計劃供款減沒收供款	352,153	331,132
Share-based payment	股份付款	18,969	16,037
		221	2,513
Total staff costs	總員工成本	400,057	373,094
Auditor's remuneration	核數師酬金	4,300	4,227
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	216,227	211,870
Release of prepaid lease payments	預付租賃款項轉出	10,775	11,111
Impairment for trade and other receivables	應收賬款及其他應收款項減值	128	-
Write-down of obsolete inventories	滯銷存貨撇減	274	-
Rental payments paid under operating lease in respect of leasehold land and buildings to	就經營租約下租賃土地及樓宇 向以下人士支付之租金款項		
— a jointly controlled entity	— 一家共同控制實體	193,511	191,554
— other parties	— 其他人士	104,386	96,487
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	262	172
Cost of inventories recognised as expense	確認為支出之存貨成本	2,167,834	2,045,005
and crediting:	以及計入下列項目：		
Gross rental income from investment properties	投資物業租金總額	20,809	14,950
Less: Outgoings expense	減：經營開支	(14,489)	(13,850)
Gross rental income from sub-letting of commercial properties	商用物業分租租金總額	102,234	86,717
Less: Direct operating expenses in respect of sub-letting of commercial properties	減：分租商用物業的直接經營 開支	(83,150)	(72,973)
Net rental income	租金收入淨額	25,404	14,844
Reversal of impairment for trade and other receivables	應收賬款及其他應收款項減值撥回	-	142
Reversal of write-down of obsolete inventories	滯銷存貨撇減撥回	-	355

15. Directors', Chief Executive's and Employees' Remuneration

The emoluments paid or payable to each of the 10 (2011: 10) directors were as follows:

2012

		Lau Luen Hung, Thomas 劉鑾鴻	Doo Wai Hoi, William 杜惠愷	Cheng Yu Tung 鄭裕彤	Cheng Kar Shun, Henry 鄭家純	Lau Luen Hung, Joseph 劉鑾雄	Lau Yuk Wai, Amy 劉玉慧	Lam Siu Lun, Simon 林兆麟	Cheung Yuet Man, Raymond 張悅文	Shek Lai Him, Abraham 石禮謙	Hui Chiu Chung, Stephen 許照中	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Fees	袍金	100	200	100	100	100	100	200	200	200	200	1,500
Other emoluments	其他酬金											
Salaries and other benefits	薪金及其他福利	7,200	-	-	-	-	-	-	-	-	-	7,200
Bonus*	花紅*	20,000	-	-	-	-	-	-	-	-	-	20,000
Contributions to retirement benefits schemes	退休福利計劃供款	14	-	-	-	-	-	-	-	-	-	14
Share-based payment	股份付款	-	-	-	-	-	-	-	-	-	-	-
Total emoluments	酬金總額	27,314	200	100	100	100	100	200	200	200	200	28,714

2011

		Lau Luen Hung, Thomas 劉鑾鴻	Doo Wai Hoi, William 杜惠愷	Cheng Yu Tung 鄭裕彤	Cheng Kar Shun, Henry 鄭家純	Lau Luen Hung, Joseph 劉鑾雄	Lau Yuk Wai, Amy 劉玉慧	Lam Siu Lun, Simon 林兆麟	Cheung Yuet Man, Raymond 張悅文	Shek Lai Him, Abraham 石禮謙	Hui Chiu Chung, Stephen 許照中	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Fees	袍金	100	100	100	100	100	100	100	100	100	100	1,000
Other emoluments	其他酬金											
Salaries and other benefits	薪金及其他福利	2,400	-	-	-	-	-	-	-	-	-	2,400
Bonus*	花紅*	20,000	-	-	-	-	-	-	-	-	-	20,000
Contributions to retirement benefits schemes	退休福利計劃供款	12	-	-	-	-	-	-	-	-	-	12
Share-based payment	股份付款	-	-	-	-	-	-	-	-	-	-	-
Total emoluments	酬金總額	22,512	100	100	100	100	100	100	100	100	100	23,412

* The bonus is determined having regard to the performance and market trends.

No directors waived any emoluments for both years.

Mr. Lau Luen Hung, Thomas is also the Chief Executive of the Company and his emolument disclosed above include those of services rendered by him as the Chief Executive.

15. 董事、行政總裁及僱員酬金

向各10名(二零一一年: 10名)董事已付或應付之酬金如下:

二零一二年

二零一一年

* 花紅取決於集團業績及市場趨勢。

概無董事於本年及去年放棄收取任何酬金。

劉鑾鴻先生是公司的行政總裁而上述所披露他的薪酬已包括他作為行政總裁所提供的服務。

15. Directors', Chief Executive's and Employees' Remuneration (continued)

Of the five highest paid individuals of the Group for the year ended 31 December 2012, one of them (2011: one) was a director of the Company whose remuneration is disclosed above. The remaining four (2011: four) are employees of the Group, details of whose remuneration were as follows:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Employees:	僱員：		
Salaries, allowances and other benefits	薪金、津貼及其他福利	5,943	6,926
Retirement benefits scheme contributions	退休福利計劃供款	55	48
Performance related incentive payments	與表現掛鈎獎金	2,430	7,980
Share-based payment	股份付款	30	759
		8,458	15,713

The emolument of the remaining four were within the following bands:

15. 董事、行政總裁及僱員酬金(續)

截至二零一二年十二月三十一日止年度，本集團五名最高薪人士中，一名(二零一一年：一名)為本公司董事，彼之酬金於上文披露。另外四名(二零一一年：四名)則為本集團僱員，彼等之酬金詳情載列如下：

其餘四名最高薪人士之薪酬介乎以下範圍：

		2012 二零一二年 Number of individuals 人數	2011 二零一一年 Number of individuals 人數
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	-
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	2	-
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	-	-
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	-	1
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	-	-
HK\$3,500,001 to HK\$4,000,000	3,500,001 港元至 4,000,000 港元	1	1
HK\$4,000,001 to HK\$4,500,000	4,000,001 港元至 4,500,000 港元	-	1
HK\$4,500,001 to HK\$5,000,000	4,500,001 港元至 5,000,000 港元	-	1

During the years ended 31 December 2012 and 2011, no remuneration was paid by the Group to the directors of the Company or the four highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

截至二零一二年及二零一一年十二月三十一日止年度，本集團並無向董事或四名最高薪僱員支付酬金，以吸引彼等加入本集團或作為加入本集團之獎金或離職補償。

16. Dividends

16. 股息

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Dividend recognised as distributions during the year:	年內確認為分派之股息：		
Final dividend in cash paid for year ended 31 December 2011 — HK cents 25.7 per share (2011: HK cents 19.0 paid for year ended 31 December 2010)	截至二零一一年十二月三十一日 止年度以現金派付之 末期股息 — 每股 25.7 港仙 (二零一一年：派付截至 二零一零年十二月三十一日 止年度股息 19.0 港仙)	429,003	319,268
Interim dividend in cash paid for six months ended 30 June 2012 — HK cents 21.8 per share (2011: HK cents 19.2 paid for six months ended 30 June 2011)	截至二零一二年六月三十日 止六個月以現金派付之 中期股息 — 每股 21.8 港仙 (二零一一年：派付截至 二零一一年六月三十日止 六個月股息 19.2 港仙)	362,625	322,955
		791,628	642,223

Subsequent to the end of the reporting period, final dividend of HK cents 27.6 (2011: HK cents 25.7) per share has been proposed by the directors of the Company which is subject to approval by the shareholders in the forthcoming general meeting.

於報告期間結束後，董事建議派付末期股息每股 27.6 港仙(二零一一年：25.7 港仙)，須待股東於應屆股東週年大會批准。

17. Earnings per Share

The calculation of the basic and diluted earnings per share attributable to the ordinary shares holders of the Company is based on the following data:

17. 每股盈利

本公司普通股股東應佔每股基本及攤薄盈利乃按下列數據計算得出：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (restated) (重列)
Earnings	盈利		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	就計算每股基本及攤薄盈利 而言之本公司擁有人應佔 本年度溢利	2,057,461	1,867,170
		2012 二零一二年 '000 千股	2011 二零一一年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利而言之 普通股加權平均數	1,666,119	1,678,376
Effect of dilutive potential ordinary shares issuable under the Company's share option scheme	本公司購股權計劃項下可予發行之 潛在攤薄普通股之影響	5,275	14,762
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就計算每股攤薄盈利而言之 普通股加權平均數	1,671,394	1,693,138

18. Investment Properties

18. 投資物業

		Completed investment properties 已落成投資物業 HK\$'000 千港元	Investment properties under construction 在建中投資物業 HK\$'000 千港元	Total 總計 HK\$'000 千港元
FAIR VALUE	公平值			
At 1 January 2011	於二零一一年一月一日	998,958	610,060	1,609,018
Additions during the year	年內添置	20,734	39,884	60,618
Increase in fair value recognised in the consolidated statement of comprehensive income	於綜合全面收益表確認之公平值增加			
— Realised gain on disposal	— 出售後之可變現收益	1,564	—	1,564
— Unrealised gain	— 未變現收益	94,417	—	94,417
Disposals	出售	(13,553)	—	(13,553)
Disposal of a subsidiary (note 39)	出售一間附屬公司 (附註39)	—	(662,352)	(662,352)
Exchange adjustments	匯兌調整	45,141	12,408	57,549
At 31 December 2011	於二零一一年 十二月三十一日	1,147,261	—	1,147,261
Additions during the year	年內添置	13,638	—	13,638
Increase in fair value recognised in the consolidated statement of comprehensive income	於綜合全面收益表 確認之公平值增加			
— Realised gain on disposal	— 出售後之可變現 收益	1,498	—	1,498
— Unrealised gain	— 未變現收益	182,922	—	182,922
Disposals	出售	(23,748)	—	(23,748)
Reclassified to held for sale (note 29)	分類為持作出售資產 (附註29)	(647,920)	—	(647,920)
Exchange adjustments	匯兌調整	10,746	—	10,746
At 31 December 2012	於二零一二年 十二月三十一日	684,397	—	684,397

The carrying amount of investment properties shown above comprises:

以上投資物業的賬面金額包括：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Land in Hong Kong held under medium lease	於香港根據中期租約持有之土地	35,900	53,250
Land in PRC held under medium lease	於中國根據中期租約持有之土地	648,497	1,094,011
		684,397	1,147,261

18. Investment Properties (continued)

The fair value of the Group's investment properties in Hong Kong at 31 December 2011 were determined by the directors of the Company. At 31 December 2011, the directors of the Company carried out an assessment on the fair value of the Group's investment properties in Hong Kong with reference to a valuation report prepared by CBRE HK Limited ("CBRE"), an independent qualified professional valuer not connected with the Group (whose address is 4/F Three Exchange Square, 8 Connaught Road, Central, Hong Kong), carried out at 30 November 2011 and recent property market data of similar properties in the relevant locations during December 2011. CBRE are members of the Hong Kong Institute of Surveyors, and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. In the opinion of the directors, the fair values of these properties at 31 December 2011 approximate the fair value at 30 November 2011. The valuation at 30 November 2011 prepared by CBRE was arrived at using direct comparison method by reference to relevant market prices for similar properties in the same locations and conditions.

Fair value of the Group's investment properties situated in the PRC as at 31 December 2011 was determined by directors of the Company. At 31 December 2011, the directors of the Company carried out an assessment on the fair value of the Group's investment properties in the PRC with reference to a valuation report prepared by CBRE, carried out at 30 November 2011 and recent property market data of similar properties in the relevant locations during December 2011. CBRE are members of the Hong Kong Institute of Surveyors, and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. In the opinion of the directors, the fair value of these properties at 31 December 2011 approximated the fair value at 30 November 2011. The fair value of the investment property in Qingdao at 30 November 2011 prepared by CBRE was determined based on the direct capitalisation method by applying with appropriate capitalisation rate in converting the rental income into capital value, and also considered income method by taking into account the current rents passing of the property interest and the reversionary potentials of the tenancies. The fair value of the investment property in Harbin at 30 November 2011 prepared by CBRE, which had substantially completed the construction and is under process in obtaining property ownership certificate and related inspection on completion, was determined by reference to comparable sales evidence as available in the relevant market to arrive at the capital value of the property interest as if the property interest was completed at the date of valuation and taking into account the expected cost estimated to completion (including the cost of obtaining property ownership certificate). The fair value of the investment property in Tianjin at 30 November 2011 prepared by CBRE was determined by reference to comparable sales evidence as available in the relevant market, and also considered income method by taking into account the current rents passing of the property interest and the reversionary potentials of the tenancies.

18. 投資物業(續)

本集團在香港的投資物業於二零一一年十二月三十一日的公平值由本公司董事確定。於二零一一年十二月三十一日，本公司董事參考與本集團並無關連之獨立合資格專業估值師世邦魏理仕香港有限公司「(世邦魏理仕)」在二零一一年十一月三十日對本集團的投資物業發出估值報告，及二零一一年十二月在相關地點同類物業市場數據而對其公平值作出評估。世邦魏理仕的地址為香港中環康樂廣場八號交易廣場第三期四樓。世邦魏理仕是香港測量師學會會員，並有相應的資格和最近在相關地點類似物業估值經驗。董事認為，這些投資物業在二零一一年十二月三十一日及二零一一年十一月三十日之公平值相若。於二零一一年十一月三十日的估值乃參考類似物業在相同的位置和條件有關的市場價格採用直接比較法釐定。

本集團在中國的投資物業於二零一一年十二月三十一日的公平值由本公司董事確定。於二零一一年十二月三十一日，本公司董事參考世邦魏理仕在二零一一年十一月三十日對本集團的投資物業發出估值報告，及二零一一年十二月在相關地點同類物業市場數據而對其公平值作出評估。世邦魏理仕是香港測量師學會會員，並有相應的資格和最近在相關地點類似物業估值經驗。董事認為，這些投資物業在二零一一年十二月三十一日及二零一一年十一月三十日之公平值相若。在青島市的投資物業於二零一一年十一月三十日的公平值採用直接資本化方法，應用適當的資本化比率的租金收入轉化為資本值，也考慮到現行租金收入的方法租約物業權益的復歸潛力。在哈爾濱市的投資物業(已基本完成建設及正在取產權証及相關檢查當中)於二零一一年十一月三十日的公平值以假設物業權益完成後的估值日期，採用參考相關市場獲得的可比較銷售額以達到確定的物業權益的資本值，並在考慮到預期的成本估計完成(包括取得產權證的成本)。在天津的投資物業於二零一一年十一月三十日的公平值採用參考相關市場獲得的可比較銷售額，同時亦考慮現有物業權益之租金與復歸潛力之租約的收入方法。

18. Investment Properties (continued)

The fair value of the Group's investment properties situated in Hong Kong at 31 December 2012 had been arrived at on the basis of a valuation carried out on that date by CBRE and by reference to relevant market prices for similar properties in the same locations and conditions.

Fair value of the Group's investment properties situated in the PRC as at 31 December 2012 had been arrived at based on a valuation carried out on that date by CBRE. The fair value of investment property situated in Qingdao at 31 December 2012 is determined based on the direct capitalisation method by applying with appropriate capitalisation rate in converting the rental income into capital value, and also considered income method by taking into account the current rents passing of the property interests and the reversionary potentials of the tenancies. The fair value of investment property situated in Harbin at 31 December 2012, which has substantially completed the construction and is under process in obtaining property ownership certificate and related inspection on completion, was determined by reference to comparable sales evidence as available in the relevant market to arrive at the capital value of the property interest as if the property interest were completed at the date of valuation and taking into account the expected cost estimated to completion (including the cost of obtaining property ownership certificate). The fair value of investment property situated in Tianjin at 31 December 2012 is determined by reference to the sale and purchase agreement signed by the Group with an independent third party on the same date (see note 29).

All of the Group's property interests held under operating leases in the PRC for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

18. 投資物業(續)

本集團位於香港之投資物業於二零一二年十二月三十一日之公平值乃基於世邦魏理仕考慮類似物業在相同的位置和條件有關的市場價格而發出的估值報告。

本集團位於中國之投資物業於二零一二年十二月三十一日之公平值參考於世邦魏理仕於該日進行之估值釐定。位於青島市的投資物業的公平值採用直接資本化方法，應用適當的資本化比率的租金收入轉化為資本值，也考慮到現行租金收入的方法租約物業權益的復歸潛力。位於哈爾濱市的投資物業(已基本完成建設及正在取產權証及相關檢查當中)的公平值採用參考在市場上提供可比銷售數據，如果完成了在估值日的物業權益，並包括獲得產權証之成本。位於天津的投資物業於二零一二年十二月三十一日的公平值是由本集團與一名獨立第三方簽訂的買賣協議來確定(見附註29)。

本集團在中國以資本增值為目的的經營租賃下持有的物業權益採用公平值模式計量，並分類及入賬為投資物業。

19. Property, Plant and Equipment

19. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房及 機器 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、固定 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST 成本								
At 1 January 2011	於二零一一年一月一日	4,279,397	811,989	226,913	130,329	12,291	141,340	5,602,259
Exchange adjustment	匯兌調整	64,206	18,143	4,427	7,259	311	6,791	101,137
Disposal of a subsidiary (note 39)	出售一間附屬公司 (附註39)	-	-	-	(56)	-	-	(56)
Additions	添置	203	11,265	6,111	18,084	1,177	272,469	309,309
Disposals	出售	-	(4,924)	-	(359)	(841)	-	(6,124)
Transfer	轉撥	4,197	7,143	-	-	-	(11,340)	-
At 31 December 2011	於二零一一年十二月三十一日	4,348,003	843,616	237,451	155,257	12,938	409,260	6,006,525
Exchange adjustment	匯兌調整	15,137	3,403	709	437	33	3,314	23,033
Reclassified to held for sale (note 29)	重新分類為持作出售 (附註29)	-	-	(16,914)	-	-	-	(16,914)
Additions	添置	29,824	21,914	18,472	27,129	2,293	395,442	495,074
Disposals	出售	-	(34,325)	-	(4,004)	(1,164)	-	(39,493)
Transfer	轉撥	4,232	11,664	-	-	-	(15,896)	-
At 31 December 2012	於二零一二年十二月三十一日	4,397,196	846,272	239,718	178,819	14,100	792,120	6,468,225
DEPRECIATION 折舊								
At 1 January 2011	於二零一一年一月一日	966,786	575,744	151,848	86,827	5,910	-	1,787,115
Exchange adjustment	匯兌調整	10,913	11,138	2,328	2,296	856	-	27,531
Disposal of a subsidiary (note 39)	出售一間附屬公司(附註39)	-	-	-	(33)	-	-	(33)
Provided for the year	年內折舊	122,649	57,876	18,277	11,191	1,877	-	211,870
Eliminated on disposals	出售時對銷	-	(4,924)	-	(323)	(683)	-	(5,930)
At 31 December 2011	於二零一一年十二月三十一日	1,100,348	639,834	172,453	99,958	7,960	-	2,020,553
Exchange adjustment	匯兌調整	2,514	2,682	473	255	30	-	5,954
Reclassified to held for sale (note 29)	重新分類為持作出售 (附註29)	-	-	(4,231)	-	-	-	(4,231)
Provided for the year	年內折舊	114,669	62,964	21,462	14,858	2,274	-	216,227
Eliminated on disposals	出售時對銷	-	(34,325)	-	(3,621)	(686)	-	(38,632)
At 31 December 2012	於二零一二年十二月三十一日	1,217,531	671,155	190,157	111,450	9,578	-	2,199,871
NET BOOK VALUES 賬面淨值								
At 31 December 2012	於二零一二年十二月三十一日	3,179,665	175,117	49,561	67,369	4,522	792,120	4,268,354
At 31 December 2011	於二零一一年十二月三十一日	3,247,655	203,782	64,998	55,299	4,978	409,260	3,985,972

Included in construction in progress is borrowing cost and prepaid lease payments capitalised during the year, amounting to HK\$24,010,000 (2011: HK\$11,018,000) and HK\$12,010,000 (2011: HK\$11,914,000) respectively.

在建工程包括年內已資本化之借貸成本及預付租賃款項，分別為24,010,000港元(二零一一年：11,018,000港元)及12,010,000港元(二零一一年：11,914,000港元)。

19. Property, Plant and Equipment (continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated after taking into account their estimated residual value, using straight-line method at the following rates per annum:

Leasehold land and buildings	Over the shorter of lease terms or 40 years
Leasehold improvements	Over the shorter of the lease terms, or 5 years
Plant and machinery	10 years
Furniture, fixtures and equipment	5 years
Motor vehicles	5 years

19. 物業、廠房及設備(續)

除在建工程外，上述物業、廠房及設備項目乃扣除了其估計殘值後，以直線法按下列年率計算折舊：

租賃土地及樓宇	按租約年期或四十年 (以較短者為準)
租賃物業裝修	按租約年期或五年 (以較短者為準)
廠房及機器	十年
傢俬、固定裝置及設備	五年
汽車	五年

		31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月三十一日 HK\$'000 千港元
The carrying amount of leasehold land and buildings comprises land and buildings:	租賃土地及樓宇賬面值包括 以下土地及樓宇：		
— long lease in Hong Kong	— 位於香港受長期租約管轄	458,764	467,633
— medium term lease in Hong Kong	— 位於香港受中期租約管轄	1,129,943	1,167,993
		1,588,707	1,635,626
— medium term lease in the PRC	— 位於中國受中期租約管轄	1,590,958	1,612,029
		3,179,665	3,247,655

The Group has pledged certain leasehold land and buildings in Hong Kong with net book values of approximately HK\$1,458.6 million (2011: HK\$1,502.9 million) to secure general banking facilities of approximately HK\$4,866 million (2011: HK\$5,000 million) granted to the Group.

本集團已抵押賬面淨值約1,458,600,000港元(二零一一年：1,502,900,000港元)之若干租賃土地及樓宇，以獲取授予本集團4,866,000,000港元(二零一一年：5,000,000,000港元)之一般銀行信貸。

Certain of the Group's property, plant and equipment in the PRC with carrying value of approximately HK\$1,471.1 million (2011: HK\$1,489.3 million) have been pledged to secure loan facility. Details of which are set out in note 43.

本集團已抵押賬面值約1,471,100,000港元(二零一一年：1,489,300,000港元)位於中國之若干物業、廠房及設備，以獲授貸款融資，詳細資料列於附註43。

20. Prepaid Lease Payments

The Group's prepaid lease payments comprise:

20. 預付租賃款項

本集團之預付租賃款項包括：

		31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月三十一日 HK\$'000 千港元
Leasehold land in the PRC Medium-term lease (Note)	位於中國之租賃土地 中期租約(附註)	4,545,276	1,395,848
Analysed for reporting purposes as:	就呈報目的分析為：		
Current portion	即期部份	91,098	22,715
Non-current portion	非即期部份	4,454,178	1,373,133
		4,545,276	1,395,848

20. Prepaid Lease Payments (continued)

Note: The Group's prepaid lease payments comprise prepayment for the Plot (as more fully disclosed in note 4) of which the Group has not yet obtained the legal document in respect of the land use right certificate. Management of the Group considers there is no material legal impediment for the Group to obtain the land use right certificate and that no impairment is necessary as the Group has reasonable grounds to pursue the matter with the relevant government authorities based on the advice from its PRC legal counsels.

20. 預付租賃款項(續)

附註：本集團的預付租賃款項包括該土地預付款(詳細資料列於附註4)。就有關土地使用權證，本集團並未取得相關法律文件。本集團管理層認為不存在重大法律障礙獲取土地使用權證書，而根據中國法律顧問的意見，本集團有合理理由追究相關政府部門有關事項，因此沒有減值必要。

21. Long-Term Deposits Paid

		31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月三十一日 HK\$'000 千港元
Deposit paid for:	就以下各項已付按金：		
— acquisition of land use rights	— 收購土地使用權	-	610,000
— acquisition of property, plant and equipment	— 收購物業、廠房及設備	23,101	21,214
		23,101	631,214

21. 已付長期按金

22. Interests in Associates

		31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月三十一日 HK\$'000 千港元
Unlisted, at cost	非上市，按成本	1,514,131	1,514,131
Discount arising on acquisition of additional interest in an associate	收購一家聯營公司額外權益產生之折讓	114,556	114,556
Share of post-acquisition profits and other comprehensive income, net of dividend	應佔收購後之溢利及其他全面收入，扣除股息	686,193	411,152
		2,314,880	2,039,839

22. 於聯營公司權益

22. Interests in Associates (continued)

As at 31 December 2012 and 2011, the Group had interests in the following associates:

Name of entity 實體名稱	Form of business structure 業務結構模式	Place/ country of establishment/ incorporation 註冊成立/ 註冊地點/國家	Principal place of operation 主要經營地點	Proportion of nominal value of issued capital/ registered capital held by the Group 本集團所持已發行股本/ 註冊股本面值比例		Proportion of voting power held 所持投票權比例		Principal activity 主要業務
				2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年	
石家莊北國人百集團 有限公司("Beiren Group") (note 1) (「北人集團」) (附註1)	Incorporation 註冊成立	PRC 中國	PRC 中國	49%	49%	49%	49%	Investment holding of a group of companies engaging in the operation of department stores, supermarkets and property leasing 從事百貨店、超市及物業 租賃業務之集團公司之 投資控股
河北北國先天下廣場 有限責任公司 ("Future Mall") (note 2) (「先天下廣場」) (附註2)	Incorporation 註冊成立	PRC 中國	PRC 中國	48%	48%	48%	48%	Retailing business in the PRC 在中國從事零售業務
Dragon Sign Limited 龍信有限公司	Incorporation 註冊成立	Hong Kong 香港	PRC 中國	50%	50%	50%	50%	Investment holding of a company engaged in operation of restaurants in the PRC 在中國從事食肆經營之 公司之投資控股

Notes:

- The Group's 60% owned subsidiary holds equity interest of 49% (2011: 49%) in the Beiren Group.
- At 31 December 2012 and 2011, the Group's 60% owned subsidiary, Ample Sun Group Limited, held equity interest of 48% in Future Mall.

During the year ended 31 December 2011, the Beiren Group transferred its 51% equity interest in the Future Mall to a non wholly-owned subsidiary and as a result reduced its effective interest therein from 51% to 37.7% as at 31 December 2011.

22. 於聯營公司權益(續)

於二零一二年及二零一一年十二月三十一日，有關本集團聯營公司之財務資料概述如下：

附註：

- 本集團持有60%權益之附屬公司持有北人集團49% (二零一一年：49%)股本權益。
- 於二零一二年十二月三十一日及二零一一年十二月三十一日，本集團持有60%權益之附屬公司益良集團有限公司持有先天下廣場48%股本權益。

於二零一一年十二月三十一日年度期間，北人集團完成出售先天下廣場51%的股本權益給與其一家非全資附屬公司，因此，其實際權益於二零一一年十二月三十一日由51%減至37.7%。

22. Interests in Associates (continued)

Summarised financial information in respect of the Group's associates is set out below:

		31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月三十一日 HK\$'000 千港元
Total assets	資產總額	12,267,023	10,649,337
Total liabilities	負債總額	9,257,718	8,026,830
Net assets	資產淨值	3,009,305	2,622,507
Group's share of associates' net assets	本集團應佔聯營公司資產淨值	2,314,880	2,039,839
Revenue	收益	15,468,261	13,046,449
Profits for the year	本年度溢利	392,014	305,654
Other comprehensive income	其他全面收入	17,218	58,904
Group's share of profits of associates for the year	本集團應佔聯營公司本年度溢利	280,290	221,892
Group's share of other comprehensive income of associates for the year	本集團應佔聯營公司本年度其他全面收入	11,218	42,762

22. 於聯營公司權益(續)

有關本集團聯營公司之財務資料概述如下：

23. Interest in a Jointly Controlled Entity

At 31 December 2012 and 2011, the Group had interests in the following significant jointly controlled entity:

23. 於一家共同控制實體權益

於二零一二年及二零一一年十二月三十一日，本集團於下列重要共同控制實體擁有權益：

Name of entity	Form of business structure	Place of establishment/operation	Proportion of nominal value of issued capital held by the Group 本集團所持已發行股本面值比例	Proportion of voting power held 所持投票權比例	Principal activity
實體名稱	業務結構模式	成立/經營地點			主要業務
上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co., Ltd.)	Sino-foreign equity joint venture 中外合資合營企業	PRC 中國	50%	50%	Property holding and leasing 物業持有及租賃

Jointly controlled entity is accounted for using the equity method of accounting:

共同控制實體按權益會計法入賬：

		31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月三十一日 HK\$'000 千港元
Cost of unlisted investments in a jointly controlled entity	一家共同控制實體非上市投資之成本	433,104	433,104
Share of post-acquisition profits and other comprehensive income, net of dividend	分佔收購後之溢利及其他全面收入，扣除股息	50,008	52,985
		483,112	486,089

23. Interest in a Jointly Controlled Entity (continued)

The summarised financial information related to the Group's interest in the jointly controlled entity is set out below:

		31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月三十一日 HK\$'000 千港元
Non-current assets	非流動資產	1,357,361	1,409,082
Current assets	流動資產	13,579	19,645
Current liabilities	流動負債	292,756	246,769
Non-current liabilities	非流動負債	111,960	209,780
Income	收入	239,990	235,068
Expenses	開支	179,396	176,282
Other comprehensive income	其他全面收入	3,634	19,506
Group's share of profit of the jointly controlled entity	本集團應佔共同控制實體溢利	30,297	29,393
Group's share of other comprehensive income of the jointly controlled entity	本集團應佔共同控制實體其他全面收入	1,817	9,753

23. 於一家共同控制實體權益(續)

有關本集團於共同控制實體之權益之財務資料概述如下：

24. Inventories

		31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月三十一日 HK\$'000 千港元
Merchandise held for resale	持有作轉售商品	78,753	71,949

24. 存貨

25. Trade and Other Receivables

25. 應收賬款及其他應收款項

		31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月三十一日 HK\$'000 千港元
Trade receivables	應收賬款	103,608	93,128
Less: Allowance for doubtful debts	減：呆賬撥備	(2,091)	(2,070)
Prepayment	預付賬款	101,517	91,058
Deposit paid	已付按金	60,971	71,833
Value added tax ("VAT") receivable	應收增值稅	25,257	20,869
Others	其他	72,073	69,181
		90,563	73,732
Total trade and other receivables	應收賬款及其他應收款項總額	350,381	326,673

The Group's retail sales to customers are mainly made in cash, through debit card or credit card payments without a defined credit policy. Its major trade receivables arise from credit card sales and the receivables from concessionaire income are normally settled 30 days in arrear. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

本集團向顧客作出的零售銷售主要以現金、透過記賬卡或信用卡付款。由於本集團主要應收賬款來自信用卡銷售，而且應收特許經營商收入賬款通常於三十日內收回，故並無既定信貸政策。以下為於報告期間結算日應收賬款(扣除呆賬撥備)根據發票日期之賬齡分析。

		31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月三十一日 HK\$'000 千港元
0-30 days	0日至30日	99,110	89,456
31-60 days	31日至60日	1,530	1,335
61-90 days	61日至90日	372	235
Over 90 days	超過90日	505	32
		101,517	91,058

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$877,000 (2011: HK\$2,053,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 90 days (2011: 90 days).

本集團應收賬款結餘包括賬面總值877,000港元(二零一一年：2,053,000港元)之應收款，該等應收款於報告日期逾期尚未收回，而本集團未曾作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。該等應收款項之平均賬齡為90日(二零一一年：90日)。

25. Trade and Other Receivables (continued)
Ageing of trade receivables which are past due but not impaired

		31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月三十一日 HK\$'000 千港元
0–30 days	0日至30日	–	1,786
31–60 days	31日至60日	–	–
61–90 days	61日至90日	372	235
Over 90 days	超過90日	505	32
		877	2,053

The Group has not provided fully for all receivables over 90 days because historical experience is such that receivables are recoverable from the relevant debtors.

Movement in the allowance for doubtful debt on trade receivables

		31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月三十一日 HK\$'000 千港元
Balance at beginning of the reporting period	報告期初結餘	2,070	2,665
Impairment loss recognised	確認之減值	21	24
Written off as uncollectible	壞賬撇銷	–	(619)
Balance at end of the reporting period	報告期終結餘	2,091	2,070

26. Amount due from (to) a Jointly Controlled Entity

The amount due from a jointly controlled entity includes an entrusted loan of HK\$99,520,000 (2011: nil) to a jointly controlled entity which carries fixed rate of 3.5% per annum, and repayable within one year. The remaining balance of HK\$109,755,000 (2011: HK\$69,899,000) was unsecured, non-interest bearing and repayable on demand.

The amount due to a jointly controlled entity represents an entrusted loan from a jointly controlled entity which carries at fixed interest rate of 0.5% per annum and repayable within one year.

25. 應收賬款及其他應收款項(續)
逾期但未減值之應收賬款的賬齡如下

本集團並未就所有超過90日的應收款作全數撥備，原因為根據過往經驗，集團可從有關債務人收回該等應收款。

應收賬款呆賬撥備變動

26. 應收(應付)一家共同控制實體款項

應收一家共同控制實體之款項包括借予一家共同控制實體之委託貸款99,520,000港元(二零一一年：無)，其固定年利率為3.5%，及於一年內還款。餘下結餘港幣109,755,000港元(二零一一年：69,899,000港元)，為無抵押，免息及須於要求時償還。

應付一家共同控制實體之款項代表由一家共同控制實體借出之委託貸款，其固定年利率為0.5%，及於一年內償還。

27. Financial Assets at Fair Value Through Profit or Loss

		31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月三十一日 HK\$'000 千港元
Financial assets held for trading purpose:	持作出售用途之金融資產		
— listed equity securities in Hong Kong	— 於香港上市股本證券	128,534	68,430
— listed equity securities in Singapore	— 於新加坡上市股本證券	—	10,483
— listed equity securities in London	— 於倫敦上市股本證券	3,340	3,570
— unlisted debt securities	— 非上市債券	2,486,676	1,011,431
		2,618,550	1,093,914
Others:	其他		
— unlisted equity securities	— 非上市股本證券	50,660	50,660
		2,669,210	1,144,574

At 31 December 2012, financial assets at FVTPL with carrying amount of HK\$1,098,175,000 (2011: HK\$465,907,000) have been pledged as security for loan facility granted to the Group.

At 31 December 2012 and 31 December 2011, the unlisted equity investment in the PRC represents the Group's retained 10% equity interest in Shenyang Jiajian after the disposal as set out in note 39. The fair value is determined by reference to the fair value of the underlying investment property and after adjusting for lack of marketability of the investment.

28. Bank Balances and Cash

At the end of the reporting period, bank balances and cash comprised mainly short-term deposits which carry interests at prevailing market rates ranging from 0.01% to 3.6% per annum (2011: 0.01% to 2.66% per annum).

Included in bank balances and cash are the following amounts denominated in currency other than functional currency of the relevant group entities:

		31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月三十一日 HK\$'000 千港元
US\$	美元	2,983,159	561,057

27. 按公平值計入損益之金融資產

於二零一二年十二月三十一日，已抵押賬面值 1,098,175,000 港元(二零一一年：465,907,000 港元)之按公平值計入損益之金融資產，以獲取授予本集團融資額度。

於二零一二年十二月三十一日及二零一一年十二月三十一日，在中國非上市股本證券乃代表列於附註 39 出售瀋陽佳健之後尚餘之 10% 權益。其公平值取決於瀋陽佳健擁有的投資物業之公平值及因相關投資欠缺市場流通性而作出之調整。

28. 銀行結存及現金

於報告期間結算日，銀行結存及現金主要包括按現行市場利率計息(年利率介乎 0.01 厘至 3.6 厘)(二零一一年：年利率介乎 0.01 厘至 2.66 厘)的短期存款。

銀行結存及現金包括下列以相關集團實體功能貨幣以外貨幣計算的款項：

29. Assets Classified as Held for Sale/Liabilities Associated with Assets Classified as Held for Sale

On 31 December 2012, the Group entered into a sale and purchase agreement (the "Tianjin Disposal Agreement") with an independent third party (the "Purchaser") whereby (i) the Purchaser agreed to purchase the entire equity interest in Li Hua Jia Commercial Building (Tianjin) Co., Ltd. ("Li Hua Jia (Tianjin)") for a total cash consideration of RMB545,000,000 (equivalent to approximately HK\$677,980,000) less all loans, including principal or interest, outstanding and owed by Li Hua Jia (Tianjin) to other subsidiaries of the Company in an aggregate amount of approximately RMB99,113,000 (equivalent to approximately HK\$123,296,000) as at 31 December 2012 (the "Loans") and (ii) the Purchaser would provide funding to, and will procure, Li Hua Jia (Tianjin) to repay the Loans on the completion date. As at 31 December 2012, the outstanding loans owed to Hui Fu Commercial Consultancy (Shanghai) Co., Ltd. ("會福商務諮詢(上海)有限公司") and Lifestyle (China) Investment Company Limited by Li Hua Jia (Tianjin) were amounting to approximately RMB40,044,000 (equivalent to approximately HK\$49,815,000) and RMB59,069,000 (equivalent to approximately HK\$73,481,000), respectively.

The assets and liabilities attributable to Li Hua Jia (Tianjin), which is expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position.

The major classes of assets and liabilities of Li Hua Jia (Tianjin) classified as held for sale as at 31 December 2012 are as follows:

29. 分類為持作出售資產／分類為持作出售資產之負債

於二零一二年十二月三十一日，本集團與獨立第三方(「買方」)簽訂買賣合約(「出售天津合約」)，據此(i)買方同意購買利華佳商廈(天津)有限公司(「利華佳(天津)」)的全部股權，以作價現金為人民幣545,000,000元(相等於約677,980,000港元)減去於二零一二年十二月三十一日之所有貸款，包括本金或利息及利華佳(天津)欠本公司其他附屬公司之未償還金額，總金額約人民幣99,113,000元(相等於約123,296,000港元)(「貸款」)。及(ii)買方將提供資金，並會促使利華佳(天津)於完成日期完成償還貸款。於二零一二年十二月三十一日利華佳(天津)欠會福商務諮詢(上海)有限公司(「會福」)及利福中國(投資)有限公司之未償還貸款金額，分別為約人民幣40,044,000元(相當於約49,815,000港元)及人民幣59,069,000元(相等於約73,481,000港元)。

利華佳(天津)應佔資產和負債(預計於十二個月內出售)已分類為持作出售，並單獨呈列於綜合財務狀況表。

於二零一二年十二月三十一日利華佳(天津)被分類為持作出售的資產和負債主要類別如下：

		HK\$'000 千港元
Investment property	投資物業	647,920
Property, plant and equipment	物業、廠房及設備	12,683
Rental and other receivables	應收租金賬款及其他應收款項	2,927
Bank balances and cash	銀行結存及現金	3,805
Total assets classified as held for sale	分類為持作出售資產之資產總數	667,335
Other payables and rental deposits received	其他應付款項及已收租賃按金	(8,543)
Deferred tax liabilities	遞延稅項負債	(57,520)
Total liabilities classified as held for sale	分類為持作出售資產之負債總數	(66,063)
Net assets classified as held for sale	分類為持作出售資產淨值	601,272

30. Trade and Other Payables

30. 應付賬款及其他應付款項

		31.12.2012 二零一二年 十二月 三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月 三十一日 HK\$'000 千港元
Trade payables	應付賬款	283,233	291,820
Concessionaire sales payable	應付特許專櫃銷售款項	1,177,604	1,168,121
Deferred income	遞延收益	160,401	151,786
Rental deposit received	已收租賃按金	50,882	53,378
Accrued expense	應計支出	224,758	214,395
VAT payable	應付增值稅	30,567	31,298
Receipt in advance (Note)	預收款項(附註)	37,320	-
Interest payables	應付利息	113,426	10,690
Others	其他	171,979	157,245
		2,250,170	2,078,733

Note: As at 31 December 2012, amount of RMB30,000,000 (equivalent to approximately HK\$37,320,000) represented the Group's receipt in advance from sale of Li Hua Jia (Tianjin). Details are disclosed in note 29 above.

附註：於二零一二年十二月三十一日，預收款項乃出售利華佳(天津)所得金額人民幣30,000,000元(相當於約37,320,000港元)。詳情已於附註29披露。

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

以下為於報告期間結算日應付賬款根據發票日期之賬齡分析。

		31.12.2012 二零一二年 十二月 三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月 三十一日 HK\$'000 千港元
0-30 days	0日至30日	238,740	251,839
31-60 days	31日至60日	42,074	37,459
61-90 days	61日至90日	126	514
Over 90 days	超過90日	2,293	2,008
		283,233	291,820

The average credit period of trade payables and concessionaire sales payable is within 45 days. All concessionaire sales payable are aged within 45 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

應付賬款及應付特許專櫃銷售款項之平均信貸期為45日以內。所有應付特許專櫃銷售款項之賬齡均為45日以內。本集團設有財務風險管理政策，確保所有應付款項於信貸期限內支付。

31. Bank Borrowings

31. 銀行借貸

		31.12.2012 二零一二年 十二月 三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月 三十一日 HK\$'000 千港元
Bank borrowings comprised bank loans and analysed as:	銀行借貸由銀行貸款組成，並按以下分析：		
Secured	有抵押	4,420,417	5,865,874
Unsecured	無抵押	360,760	757,860
		4,781,177	6,623,734
Carrying amount repayable based on contractual repayment dates:	按合約中償還日期分類之應償還賬面值：		
On demand or within one year	應要求或一年內償還	1,240,457	2,693,114
More than one year, but not exceeding two years	一年後但不超過兩年	902,440	395,300
More than two years, but not exceeding three years	兩年後但不超過三年	675,120	898,940
More than three years, but not exceeding four years	三年後但不超過四年	1,888,520	674,520
More than four years, but not exceeding five years	四年後但不超過五年	74,640	1,887,820
Over five years	超過五年	-	74,040
		4,781,177	6,623,734
Less: Amounts due within one year shown under current liabilities	減：列入流動負債於一年內到期之款項	(1,240,457)	(2,693,114)
Amount due after one year	一年後到期之款項	3,540,720	3,930,620

Fixed/Variable rate borrowings comprise:

固定利息／浮息借貸包括：

		Carrying amount 賬面值	
		31.12.2012 二零一二年 十二月 三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月 三十一日 HK\$'000 千港元
HK\$ bank loans at HIBOR + 1.22% per annum ⁽¹⁾	港元銀行貸款，按香港銀行同業拆息加年息1.22厘計息 ⁽¹⁾	3,202,560	5,400,000
US\$ bank loans at a range from London Interbank Offered Rate ("LIBOR") + 0.3% per annum to LIBOR + 0.5% per annum ⁽²⁾	美元銀行貸款，按倫敦銀行同業拆息加年息0.3厘至0.5厘計息 ⁽²⁾	694,312	433,974
Euro bank loans at LIBOR + 0.5% per annum ⁽²⁾	歐羅銀行貸款，按倫敦銀行同業拆息加年息0.5厘計息 ⁽²⁾	125,232	-
Great Britain Pound bank loans at LIBOR + 0.5% per annum ⁽²⁾	英鎊銀行貸款，按倫敦銀行同業拆息加年息0.5厘計息 ⁽²⁾	25,113	-
Other RMB bank loans ⁽³⁾	其他人民幣銀行貸款 ⁽³⁾	733,960	789,760
Total borrowings	借貸總額	4,781,177	6,623,734

(1) Repayable in one to four years (2011: one to five years) and interest rates will be repriced every one month to three months.

(1) 須於一年至四年(二零一一年：一年至五年)內償還，而利率每隔一至三個月重新定價。

(2) Repayable on demand and interest rates will be repriced every three months.

(2) 須應要求償還，而利率將每三個月重新定價。

(3) Included in RMB bank loans were amounts of HK\$373,200,000 (2011: HK\$431,900,000) which were repayable in five years (2011: six years) and the loans carry interest with reference to benchmark loan rates of financial institutions set by The People's Bank of China. The remaining RMB bank loans carry at fixed interest rate of 3.5% per annum and repayable in two years (2011: three years).

(3) 人民幣銀行貸款當中包括373,200,000港元(二零一一年：431,900,000港元)之貸款，須於五年(二零一一年：六年)內償還，而有關貸款之利息以參考中國人民銀行制定之金融機構基準貸款利率為基準。其餘的人民幣銀行貸款則維持於年息3.5厘之固定利率及須於兩年(二零一一年：三年)內償還。

31. Bank Borrowings (continued)

The ranges of effective interest rates of the borrowings are also equal to contracted interest rates ranging from 0.52% to 6.12% per annum.

At the end of the reporting period, the Group has undrawn borrowing facilities as follows:

		31.12.2012 二零一二年 十二月 三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月 三十一日 HK\$'000 千港元
Floating rate	浮息		
— expiring beyond one year	— 一年後到期	2,149,343	261,666

31. 銀行借貸(續)

借貸實際利率幅度(年息介乎0.52厘至6.12厘)亦與訂約利率相同。

於報告期間結算日，本集團之浮息未提取銀行融資額度如下：

32. Derivative Financial Liabilities

		31.12.2012 二零一二年 十二月 三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月 三十一日 HK\$'000 千港元
Other derivatives (not under hedge accounting):	其他衍生工具 (不根據對沖會計):		
Interest rate swaps	利率掉期	9,579	9,994
Foreign currency forward contracts	外匯遠期合約	6,850	4,339
		16,429	14,333

Major terms of the interest rate swaps are as follows:

Notional amount 名義金額	Maturity 到期日	Pay fixed 支付固定利息之利率	Receiving floating 收取浮動利息之利率
US\$3,000,000 3,000,000 美元	20 May 2021 二零二一年五月二十日	3.23% 3.23 厘	LIBOR 倫敦銀行同業拆息
US\$3,000,000 3,000,000 美元	9 June 2041 二零四一年六月九日	4.025% 4.025 厘	LIBOR 倫敦銀行同業拆息

Note: The Group will pay fixed interest on the notional amount semi-annually and receive floating interest on the notional amount quarterly based on the interest rate swaps contracts. These interest swaps contracts can be terminated at any time by the Group before the maturity date, therefore are classified as current liabilities.

利率掉期的主要條款如下：

附註：本集團將於每半年按名義金額支付固定利息和按利率掉期合約以名義金額收取季度浮動利息。本集團可以於到期日前終止掉期合約。因此，利率掉期合約分類為流動負債。

Major term of the foreign currency forward contract is as follows:

Notional amount 名義金額	Maturity 到期日	Exchange rates 匯率
Buy US\$31,746,032 買 31,746,032 美元	27 February 2013 二零一三年二月二十七日	US\$1: RMB6.3 1 美元兌 6.3 人民幣
Buy US\$30,158,730 買 30,158,730 美元	27 February 2013 二零一三年二月二十七日	US\$1: RMB6.3 1 美元兌 6.3 人民幣

外幣遠期合約的主要條款如下：

33. Bonds

33. 債券

		31.12.2012 二零一二年 十二月 三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月 三十一日 HK\$'000 千港元
Carrying amount repayable:	應償還賬面值：		
More than two years, but not more than five years	兩年後但不超過五年	3,870,557	—
Over five years	超過五年	2,291,151	—
		6,161,708	—
US\$500,000,000 bond carries fixed coupon rate of 5.25% per annum, payable semi-annually with maturity up until January 2017	美金 500,000,000 元債券，固定票面年利率為 5.25%，每半年派發一次，直至二零一七年一月到期為止	3,870,557	—
US\$300,000,000 bond carries fixed coupon rate of 4.25% per annum, payable semi-annually with maturity up until October 2022	美金 300,000,000 元債券，固定票面年利率為 4.25%，每半年派發一次，直至二零二二年十月到期為止	2,291,151	—
		6,161,708	—

In January and March 2012, LS Finance (2017) Limited, the wholly owned subsidiary of the Company, concluded public offering of the bonds of US\$350,000,000 and US\$150,000,000 respectively (equivalent to approximately HK\$3,875,000,000 in aggregate). The bonds carry fixed coupon rate of 5.25% per annum, payable semi-annually in arrears. The first tranche bond, issued at discount, carries effective interest rate of 5.54% per annum, whereas the second tranche, issued at premium, carries effective interest rate of 4.70% per annum. The principal amount of the bonds is repayable 5 years from the date of issue of the first tranche of the bonds, i.e. January 2017 and unconditionally and irrevocably guaranteed by the Company.

於二零一二年一月及三月，本集團的全資附屬公司LS Finance (2017) Limited已發行分別為美金350,000,000元及美金150,000,000元之債券(總額等值約為3,875,000,000港元)。債券之固定票面年利率為5.25%，每半年支付一次。第一批債券以折讓價發行，實際年利率為5.54%，而第二批債券則以溢價發行，實際年利率為4.70%。債券的本金將會以第一批債券之發行日期計起的五年後償還，即二零一七年一月，並且是由本集團無條件及不可撤回地作擔保。

In October 2012, LS Finance (2022) Limited, another wholly owned subsidiary of the Company, concluded public offering of the bonds of US\$300,000,000 (equivalent to approximately HK\$2,325,000,000). The bonds carry fixed coupon rate of 4.25% per annum, payable semi-annually in arrears. The bond, issued at discount, carries effective interest rate of 4.43% per annum. The principal amount of the bonds is repayable 10 years from the date of issue of the bonds, i.e. October 2022 and unconditionally and irrevocably guaranteed by the Company.

於二零一二年十月，本集團的全資附屬公司LS Finance (2022) Limited已發行美金300,000,000元之債券(等值約為2,325,000,000港元)。債券之固定票面年利率為4.25%，每半年支付一次。債券以折讓價發行，實際年利率為4.43%。債券的本金將會在債券之發行日期計起的十年後償還，即二零二二年十月，並且是由本集團無條件及不可撤回地作擔保。

The purpose of the bonds is to satisfy funding requirements for the capital expenditures relating to new department store projects in the PRC. The bonds are subject to redemption, in whole but not in part, at their principal amounts, together with interest accrued to the date of redemption, at the option of LS Finance (2017) Limited and LS Finance (2022) Limited at any time in the event of certain changes affecting taxes of the British Virgin Islands and the Cayman Islands. The Bonds also contain a provision for redemption at the option of the bondholders at 101% of the principal amount of each bond, together with interest accrued to the date for redemption, upon a change of controlling shareholder with respect to LS Finance (2017) Limited or LS Finance (2022) Limited.

發行債務的主要目的是符合在中國發展新百貨公司項目所導致之資本開支的資金需求。當任何時間出現改變而影響英屬維爾京群島和開曼群島的稅收時，LS Finance (2017) Limited和LS Finance (2022) Limited有權選擇贖回全部而非部分的債券之本金連同直至贖回日的應付利息。另外，當LS Finance (2017) Limited和LS Finance (2022) Limited的控股股東有變化的時候，債券持有人可選擇以債券之本金連同直至贖回日的應付利息的101%贖回債券。

34. Deferred Tax Liabilities

The following are the major deferred tax liabilities recognised and movements thereon during the current and prior years:

		Property, plant and equipment/ investment properties	LAT	Distributable profits of PRC subsidiaries, associates and a jointly controlled entity	Total
		物業、廠房及 設備／投資 物業 HK\$'000 千港元 (note) (附註)	土地增值稅 HK\$'000 千港元 (note) (附註)	中國附屬公司、 聯營公司及 共同控制實體 之可分配利潤 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2011 (as originally stated)	於二零一一年一月一日 (原列)	159,318	–	39,258	198,576
Effect of change in accounting policy (note 2)	會計政策之變動之影響 (附註2)	(32,482)	111,110	–	78,628
At 1 January 2011 (as restated)	於二零一一年一月一日 (重列)	126,836	111,110	39,258	277,204
Charge to profit or loss (note 13)	扣除自損益 (附註13)	21,523	39,298	19,356	80,177
Disposal of a subsidiary (note 13 and 39)	出售一間附屬公司 (附註13及39)	(39,027)	–	–	(39,027)
At 31 December 2011 (as restated)	於二零一一年十二月 三十一日(重列)	109,332	150,408	58,614	318,354
Charge to profit or loss (note 13)	扣除自損益 (附註13)	23,160	53,627	19,877	96,664
Reclassified to held for sale (note 29)	分類為持作出售資產 (附註29)	(57,520)	–	–	(57,520)
Released upon dividends declared (note 13)	宣派股息後解除 (附註13)	–	–	(55,650)	(55,650)
At 31 December 2012	於二零一二年 十二月三十一日	74,972	204,035	22,841	301,848

Note: The amounts represent deferred tax liabilities recognised in relation to accelerated tax depreciation of property, plant and equipment and fair value changes of investment properties.

At the end of the reporting period, the Group has unused tax losses of approximately HK\$538.7 million (2011: HK\$606.3 million) available for offset against future profits. No deferred tax asset has been recognised in respect of tax losses for both years due to unpredictability of future profit streams. The tax losses in Hong Kong may be carried forward indefinitely. The unrecognised tax losses arising from subsidiaries operated in the PRC will expire as follows:

34. 遞延稅項負債

以下為本集團確認之主要遞延稅項負債以及於本年度及過往年度的變動：

		Property, plant and equipment/ investment properties	LAT	Distributable profits of PRC subsidiaries, associates and a jointly controlled entity	Total
		物業、廠房及 設備／投資 物業 HK\$'000 千港元 (note) (附註)	土地增值稅 HK\$'000 千港元 (note) (附註)	中國附屬公司、 聯營公司及 共同控制實體 之可分配利潤 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2011 (as originally stated)	於二零一一年一月一日 (原列)	159,318	–	39,258	198,576
Effect of change in accounting policy (note 2)	會計政策之變動之影響 (附註2)	(32,482)	111,110	–	78,628
At 1 January 2011 (as restated)	於二零一一年一月一日 (重列)	126,836	111,110	39,258	277,204
Charge to profit or loss (note 13)	扣除自損益 (附註13)	21,523	39,298	19,356	80,177
Disposal of a subsidiary (note 13 and 39)	出售一間附屬公司 (附註13及39)	(39,027)	–	–	(39,027)
At 31 December 2011 (as restated)	於二零一一年十二月 三十一日(重列)	109,332	150,408	58,614	318,354
Charge to profit or loss (note 13)	扣除自損益 (附註13)	23,160	53,627	19,877	96,664
Reclassified to held for sale (note 29)	分類為持作出售資產 (附註29)	(57,520)	–	–	(57,520)
Released upon dividends declared (note 13)	宣派股息後解除 (附註13)	–	–	(55,650)	(55,650)
At 31 December 2012	於二零一二年 十二月三十一日	74,972	204,035	22,841	301,848

附註：該金額代表物業、廠房及設備之加快稅項折舊及投資物業的公平值變動之遞延稅項負債確認。

於報告期間結算日，本集團有未動用稅項虧損約538,700,000港元(二零一一年：606,300,000港元)可用作抵銷日後溢利。由於日後溢利來源難以預測，故此去年及今年均並無就此虧損確認遞延稅項資產。香港的所有稅項虧損均可無限期結轉。而在中國經營的附屬公司產生之未確認稅項虧損將會於下列年份到期：

34. Deferred Tax Liabilities (continued)

Tax losses expiry in

		31.12.2012 二零一二年 十二月 三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月 三十一日 HK\$'000 千港元
2012	二零一二年	-	80,684
2013	二零一三年	48,933	48,933
2014	二零一四年	55,618	55,618
2015	二零一五年	58,881	71,576
2016	二零一六年	44,652	63,612
2017	二零一七年	39,899	-
		247,983	320,423

During the year ended 31 December 2012, approximately HK\$80.7 million tax losses expired. Included in tax losses at 31 December 2012 was accumulated tax losses of approximately HK\$92.7 million arising from Li Hua Jia (Tianjin).

截至二零一二年十二月三十一日止年度，約80,700,000港元之稅項虧損已經過期。於二零一二年十二月三十一日，累計稅項虧損中，包括利華佳(天津)約92,700,000港元的累計稅項虧損。

35. Amount Due to a Non-Controlling Shareholder of Subsidiaries

The amount is unsecured and interest free. The non-controlling shareholder of subsidiaries agreed not to demand for repayment within one year from the end of the reporting period.

35. 應付附屬公司一名非控股股東之款項

該款項為無抵押及免息。附屬公司之非控股股東同意不會要求在報告期末後一年內償還款項。

36. Share Capital

Details of the changes in the Company's share capital during the year ended 31 December 2012 are as follows:

36. 股本

截至二零一二年十二月三十一日止年度，本公司之股本變動詳情如下：

		Number of shares 股份數目	Amount 款項 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.005 each as at 1 January 2011, 31 December 2011 and 31 December 2012	於二零一一年一月一日、 二零一一年十二月三十一日 及二零一二年十二月三十一日 每股面值0.005港元之普通股	4,000,000,000	20,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2011	於二零一一年一月一日	1,678,985,000	8,395
Exercise of share options — ordinary shares of HK\$0.005 each	行使購股權 — 每股面值 0.005港元之普通股	4,016,000	20
Shares repurchased	購回之股份	(15,487,500)	(77)
At 31 December 2011	於二零一一年十二月三十一日	1,667,513,500	8,338
Exercise of share options — ordinary shares of HK\$0.005 each (note a)	行使購股權 — 每股面值 0.005港元之普通股(附註a)	6,126,000	31
Share repurchased (note b)	購回之股份(附註b)	(8,718,000)	(44)
At 31 December 2012	於二零一二年十二月三十一日	1,664,921,500	8,325

36. Share Capital (continued)

Notes:

- (a) During the year, 183,000 shares (2011: 100,000 shares) of HK\$0.005 each were issued at HK\$6.16 per share (2011: HK\$6.16 per share) upon exercise of the 2005 share option (as defined under note 37) and 5,943,000 shares (2011: 3,916,000 shares) of HK\$0.005 each were issued at HK\$6.40 per share (2011: HK\$6.40 per share) upon exercise of the 2009 share option (as defined under note 37) of the Company by share option holders and all these shares rank pari passu with other ordinary shares of the Company in all respects.
- (b) During the year, the Company repurchased its own shares on the Stock Exchange as follows:

Month of repurchased 回購月份		Total number of ordinary shares repurchased 回購之普通股 股份數目 '000 千股	Price per share 每股作價		Aggregate consideration paid 總支付金額 HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
May 2012	二零一二年五月	1,564	16.38	15.60	24,840
June 2012	二零一二年六月	5,314	16.52	15.92	86,708
August 2012	二零一二年八月	1,840	16.26	16.14	29,836
		8,718			141,384

In prior year, the Company repurchased its own shares on the Stock Exchange as follows:

Month of repurchased 回購月份		Total number of ordinary shares repurchased 回購之普通股 股份數目 '000 千股	Price per share 每股作價		Aggregate consideration paid 總支付金額 HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
September 2011	二零一一年九月	351	18.80	17.94	6,425
October 2011	二零一一年十月	7,489	18.44	16.54	131,293
November 2011	二零一一年十一月	6,810	19.98	17.18	128,436
December 2011	二零一一年十二月	838	17.18	16.64	14,225
		15,488			280,379

37. Share-Based Payment Transactions

The 2004 Share Option Scheme

The Company's share option scheme (the "Scheme") was adopted for a period of 10 years commencing 27 March 2004. Under the Scheme, the Company may grant options to selected full-time employees and directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to eligible advisors and consultants to the Company and its subsidiaries at the discretion of the board of directors of the Company (the "Board of Directors").

36. 股本(續)

附註：

- (a) 年內，本公司於購股權持有人行使二零零五年購股權及二零零九年購股權(定義見附註37)時分別按每股6.16港元(二零一一年：每股6.16港元)發行183,000股(二零一一年：100,000股)每股面值0.005港元之股份及按每股6.40港元(二零一一年：每股6.40港元)發行5,943,000股(二零一一年：3,916,000股)每股面值0.005港元之股份，所有該等股份於各方面均與本公司其他普通股享有同等權益。
- (b) 年內，本公司從證券交易所購回之公司股份詳情如下：

於二零一一年，本公司從證券交易所購回之公司股份詳情如下：

37. 股份付款交易

二零零四年購股權計劃

本公司已採納由二零零四年三月二十七日起為期十年之購股權計劃(「該計劃」)。根據該計劃，本公司可向本公司及其附屬公司經甄選之全職僱員及董事授出購股權，以認購本公司股份。此外，本公司可不時按董事會酌情權向本公司及其附屬公司之合資格顧問及諮詢顧問授出購股權。

37. Share-Based Payment Transactions (continued)

The 2004 Share Option Scheme (continued)

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders, independent non-executive directors, or any of their respective associates (including a discretionary trust whose discretionary objects include a substantial shareholder or an independent non-executive director or any of their respective associates) in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved by the Company's shareholders.

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

The 2009 Share Option Scheme

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

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

37. 股份付款交易(續)

二零零四年購股權計劃(續)

如未經本公司股東事先批准，根據該計劃可授出購股權所涉及股份總數，不得超過本公司於任何時間已發行股份10%。如未經本公司股東事先批准，於任何一年，就任何個別人士所獲授及可獲授之購股權已發行及將發行之股份數目，不得超過本公司於任何時間已發行股份1%。授予主要股東、獨立非執行董事或任何彼等各自之聯繫人(包括全權信託，而有關全權受益人包括主要股東或獨立非執行董事或任何彼等各自之聯繫人)超過本公司股本0.1%或價值超過5,000,000港元之購股權，亦必須經本公司股東批准。

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

二零零九年購股權計劃

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

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

37. Share-Based Payment Transactions (continued)

The 2009 Share Option Scheme (continued)

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

The total number of shares which may be issued upon exercise of all options which may be granted under the 2009 Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 166,860,950 shares, representing 10% of the issued share capital of the Company as at 3 March 2009, the date on which the 2009 Share Option Scheme was approved by the shareholders of the Company. The Board of Directors may seek approval by shareholders in general meeting to renew such limit provided that it must not exceed 10% of the issued share capital of the Company at the date of approval of the renewed limit. The maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2009 Share Option Scheme and any other scheme must not exceed such number of shares as shall represent 30% of the issued share capital of the Company from time to time.

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

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

37. 股份付款交易(續)

二零零九年購股權計劃(續)

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

因行使根據二零零九年購股權計劃及本公司任何其他購股權計劃授予之所有購股權而可發行之股份總數，合計不得超過166,860,950股股份，相當於本公司股東於二零零九年三月三日舉行之股東特別大會上有條件批准二零零九年購股權計劃當日本公司已發行股本10%。董事會可於股東大會上尋求股東之批准以更新有關限額，惟該限額不得超過更新限額批准當日本公司已發行股本之10%。行使根據二零零九年購股權計劃及任何其他計劃所有已授予而尚未行使之未行使購股權時發行之股份數目，合計最多不得超過本公司不時已發行股本30%之股份數目。

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

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

37. Share-Based Payment Transactions (continued)

Details of specific categories of options are as follows:

37. 股份付款交易(續)

特定類別購股權之詳情如下：

Option type	Date of grant	Vesting period	Exercise period	Exercise price	Adjusted exercise price
購股權種類	授出日期	歸屬期	行使期	行使價 HK\$ 港元	經調整 行使價 HK\$ 港元
Under the 2004 Share Option Scheme 在2004年購股權計劃下					
2005 二零零五年	7.10.2005 二零零五年 十月七日	7.10.2005–7.10.2008 二零零五年十月七日至 二零零八年十月七日	7.10.2006–26.3.2014 二零零六年十月七日至 二零一四年三月二十六日	12.32	6.16 (note 1) (附註1)
2007A 二零零七年甲	31.8.2007 二零零七年 八月三十一日	31.8.2007–1.10.2011 二零零七年八月三十一日至 二零一一年十月一日	1.10.2009–26.3.2014 二零零九年十月一日至 二零一四年三月二十六日	37.00	18.50 (note 1) (附註1)
2007B 二零零七年乙	31.8.2007 二零零七年 八月三十一日	31.8.2007–1.10.2010 二零零七年八月三十一日至 二零一零年十月一日	1.10.2008–26.3.2014 二零零八年十月一日至 二零一四年三月二十六日	37.00	18.50 (note 1) (附註1)
2007C 二零零七年丙	31.8.2007 二零零七年 八月三十一日	31.8.2007–1.10.2010 二零零七年八月三十一日至 二零一零年十月一日	1.10.2008–26.3.2014 二零零八年十月一日至 二零一四年三月二十六日	37.00	18.50 (note 1) (附註1)
Under the 2009 Share Option Scheme 在2009年購股權計劃下					
2009 (note 2) 二零零九年(附註2)	2.2.2009 (note 3) 二零零九年 二月二日(附註3)	2.2.2009–7.2.2012 二零零九年二月二日 二零一二年二月七日	7.2.2010–26.3.2014 二零一零年二月七日至 二零一四年三月二十六日	6.40	6.40

Notes:

- (1) The exercise price has been adjusted upon sub-division of shares of the Company of HK\$0.01 to HK\$0.005 on 27 September 2007.
- (2) During the year ended 31 December 2009, 20,400,000 share options were newly granted as replacement for the cancelled share options under option types of 2007A and 2007B and this is accounted for as a modification of the original share options.
- (3) Option subject to approval by independent shareholders was proposed and granted by the Board of Directors on 2 February 2009. The approval was subsequently obtained on 3 March 2009, which is the date of grant as defined in accordance with HKFRS 2.

附註：

- (1) 當股份於二零零七年九月二十七日從0.01港元拆細至0.005港元時，行使價已被調整。
- (2) 截止二零零九年十二月三十一日止年度，本公司新授出20,400,000份購股權，以取代二零零七年甲及二零零七年乙購股權種類項下已註銷之購股權，並以修改原購股權之方式入賬。
- (3) 董事會於二零零九年二月二日建議及授出有待獨立股東批准之購股權，其後於根據香港財務報告準則第2號界定之授出日期二零零九年三月三日取得批准。

37. Share-Based Payment Transactions (continued)

The following table discloses movements of the Company's share options held by certain employees and directors:

2012

Option type	購股權種類	Outstanding at 31 December 2011 於二零一一年十二月三十一日尚未行使	Exercised during the year 年內行使	Cancelled during the year 年內註銷	Outstanding at 31 December 2012 於二零一二年十二月三十一日尚未行使
2005	二零零五年	594,000	(183,000)	-	411,000
2007C	二零零七年丙	17,020,000	-	-	17,020,000
2009	二零零九年	10,951,000	(5,943,000)	(180,000)	4,828,000
Total	總計	28,565,000	(6,126,000)	(180,000)	22,259,000
Exercisable at end of the year	於年終可予行使				22,259,000
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Weighted average exercise price per share	每股加權平均行使價	13.60	6.39	6.40	15.65

2011

Option type	購股權種類	Outstanding at 31 December 2010 於二零一零年十二月三十一日尚未行使	Exercised during the year 年內行使	Lapsed during the year 年內失效	Outstanding at 31 December 2011 於二零一一年十二月三十一日尚未行使
2005	二零零五年	694,000	(100,000)	-	594,000
2007C	二零零七年丙	17,020,000	-	-	17,020,000
2009	二零零九年	15,107,000	(3,916,000)	(240,000)	10,951,000
Total	總計	32,821,000	(4,016,000)	(240,000)	28,565,000
Exercisable at end of the year	於年終可予行使				22,859,000
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Weighted average exercise price per share	每股加權平均行使價	12.67	6.39	6.40	13.60

In respect of the share options exercised during the year, the weighted average share price at the dates of exercise is HK\$17.78 (2011: HK\$21.13).

The Group recognised an expense in the consolidated statement of comprehensive income of approximately HK\$221,000 (2011: HK\$2,513,000) for the year ended 31 December 2012 in relation to share options granted by the Company.

37. 股份付款交易(續)

下表披露若干僱員及董事所持本公司購股權之變動：

二零一二年

Option type	購股權種類	Outstanding at 31 December 2011 於二零一一年十二月三十一日尚未行使	Exercised during the year 年內行使	Cancelled during the year 年內註銷	Outstanding at 31 December 2012 於二零一二年十二月三十一日尚未行使
2005	二零零五年	594,000	(183,000)	-	411,000
2007C	二零零七年丙	17,020,000	-	-	17,020,000
2009	二零零九年	10,951,000	(5,943,000)	(180,000)	4,828,000
Total	總計	28,565,000	(6,126,000)	(180,000)	22,259,000
Exercisable at end of the year	於年終可予行使				22,259,000
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Weighted average exercise price per share	每股加權平均行使價	13.60	6.39	6.40	15.65

二零一一年

Option type	購股權種類	Outstanding at 31 December 2010 於二零一零年十二月三十一日尚未行使	Exercised during the year 年內行使	Lapsed during the year 年內失效	Outstanding at 31 December 2011 於二零一一年十二月三十一日尚未行使
2005	二零零五年	694,000	(100,000)	-	594,000
2007C	二零零七年丙	17,020,000	-	-	17,020,000
2009	二零零九年	15,107,000	(3,916,000)	(240,000)	10,951,000
Total	總計	32,821,000	(4,016,000)	(240,000)	28,565,000
Exercisable at end of the year	於年終可予行使				22,859,000
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Weighted average exercise price per share	每股加權平均行使價	12.67	6.39	6.40	13.60

就年內已行使購股權而言，各行使日期之加權平均股價為17.78港元(二零一一年：21.13港元)。

於截至二零一二年十二月三十一日止年度，本集團就本公司授出購股權於全面收益表確認開支約221,000港元(二零一一年：2,513,000港元)。

38. Reserve

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries are required to maintain a statutory surplus reserve fund. Appropriation to such reserve is made out of net profit after taxation as reflected in the statutory financial statements of the PRC subsidiaries while the amounts and allocation basis are decided by its board of directors annually. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation.

39. Disposal of a Subsidiary

On 17 June 2011, the Group entered into a sale and purchase agreement with a third party for the disposal of 90% equity interests in a subsidiary, Shenyang Jiajian, at a cash consideration of RMB540,000,000 (or equivalent to approximately HK\$657,726,000). The transaction was completed on 31 October 2011.

Analysis of assets and liabilities disposed of:

38. 儲備

按有關中國外資企業之相關法律及法規，本公司之中國附屬公司須存置法定公積金。有關儲備之撥款乃來自中國附屬公司法定財務報表之除稅後純利，而款額及分配基準由董事會每年決定。法定公積金可用於彌補過往年度之虧損(如有)，並可以資本化之方式轉換為資本。

39. 出售一間附屬公司

於二零一一年六月十七日，本集團與一間第三方公司訂立買賣協議，以作價人民幣540,000,000元(或相當於約657,726,000港元)出售一間附屬公司瀋陽佳建之90%權益。此交易已於二零一一年十月三十一日完成。

有關出售之資產和負債分析：

		HK\$'000 千港元
Investment property	投資物業	662,352
Property, plant and equipment	物業廠房及設備	23
Other receivables	其他應收款項	2,710
Bank balances and cash	銀行結存及現金	61,000
Other payables	其他應付款項	(180,398)
Tax payables	應交稅金	(56)
Deferred tax liabilities	遞延稅項負債	(39,027)
		506,604
Gain on disposal of a subsidiary	出售一間附屬公司之收益	
Consideration received	已收作價	657,726
Net assets disposed of	出售之淨資產	(506,604)
Financial assets at fair value through profit or loss retained	已保留之按公平值計入損益之金融資產	50,660
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control of the subsidiary	失去附屬公司控制後，附屬公司的淨資產從權益重新分類至損益的累計匯兌差額	36,067
Gain on disposal	出售之收益	237,849
Gain on disposal recognised:	出售之收益確認：	
as realised gain on change in fair value of investment properties	投資物業公平值變動之變現收益	201,782
as reclassification of exchange differences accumulated in exchange reserve to other income	從匯兌儲備重新分類至其他收入之累計匯兌差額	36,067
		237,849
Cash inflow arising on disposal:	出售所產生之現金流入：	
Cash consideration received	已收現金作價	657,726
Less: Bank balance and cash disposed of	減：出售之銀行結存及現金	(61,000)
		596,726

40. Operating Leases The Group as lessee

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Minimum lease payments paid under operating leases during the year:	期內根據經營租約已付之最低租約款項：		
Other assets	其他資產	1,060	1,496
Leasehold land and buildings	租賃土地及樓宇	193,308	199,006
		194,368	200,502

During the year ended 31 December 2012, the Group incurred HK\$103,529,000 (2011: HK\$87,539,000) contingent rental which was based on certain percentage of sales.

於截至二零一二年十二月三十一日止年度，本集團按銷售若干百分比支付或然租金為103,529,000港元(二零一一年：87,539,000港元)。

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

於報告期間結算日，本集團就不可撤銷經營租約之所承擔日後最低租約款項如下：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Within one year	一年內	166,446	161,826
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	692,803	617,075
Over five years	超過五年	1,222,386	1,195,437
		2,081,635	1,974,338

Operating lease payments represent rental payable by the Group for certain of its leasehold land and building amounting of HK\$2,080,940,000 (2011: HK\$1,974,091,000) and other assets amounting of HK\$695,000 (2011: HK\$247,000).

經營租約款項指由本集團應支付在租賃土地及房屋2,080,940,000港元(二零一一年：1,974,091,000港元)及在其他資產695,000港元(二零一一年：247,000港元)的租金。

Operating lease payments represent rentals payable by the Group for leasing commercial properties and other assets which represented machineries and rentals payable are predetermined at fixed amounts except for certain lease of which contingent rental are charged based on certain percentage of sales. Leases are generally negotiated for terms ranging from one to five years and rentals are fixed for terms ranging from one to two years except the following:

經營租約款項指本集團就租用商業物業及其他資產(即機器)應付之租金。而應付之租金則預定在固定的金額，除了一些根據銷售額比例為條件而收取租金的租約。租約一般按租賃期一至五年協商，租金固定於每一至兩年釐定，惟以下各項則除外：

- (a) Lease of Shanghai Joinbuy Cityplaza by Shanghai Ongoing Department Store Limited, a non-wholly owned subsidiary of the Company, for the period from 1 October 2004 to 30 September 2024, with an option to renew for a further 10 years upon the request from Shanghai Ongoing Department Store Limited not less than 12 months before the expiry of the lease terms.

- (a) 本公司非全資附屬公司上海久光百貨有限公司所訂立有關上海九百城市廣場之租約，租期由二零零四年十月一日至二零二四年九月三十日，可選擇進一步續期十年，但上海久光百貨有限公司須在租賃期限屆滿前不少於12個月內提出請求。

40. Operating Leases (continued)

The Group as lessee (continued)

- (b) Originally, lease of the Amazon, No. 12 Salisbury Road, Tsimshatsui, Kowloon by Sogo HK, for the period from 30 September 2005 to 29 September 2020, with an option to renew for a further 5 years upon the provision of a written notice by Sogo HK not less than 3 months before the expiry of the lease terms. During the year, Hong Kong Island and Sogo HK mutually agreed to early terminate the lease in Tsimshatsui, and Sogo HK agreed to surrender and deliver up vacant possession on or before 15 February 2014.

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Within one year	一年內	76,419	76,952
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	108,705	100,187
Over five years	超過五年	619	1,625
		185,743	178,764

Leases are generally negotiated for terms ranging from one to five years.

In addition, the Group had contracted with its concessionaires to receive contingent rentals based on the concessionaires' turnover for terms ranging from one to two years.

40. 經營租約(續)

本集團作為承租人(續)

- (b) 崇光(香港)百貨有限公司所訂立有關九龍尖沙咀梳士巴利道12號亞瑪遜之租約，原本租期由二零零五年九月三十日至二零二零年九月二十九日，可選擇進一步續期五年，但崇光(香港)百貨有限公司須在租賃期限屆滿前不少於3個月內提出書面通知。年內，崇光(香港)百貨有限公司與業主雙方同意提前終止尖沙咀之租約，同時崇光(香港)百貨有限公司同意於二零一四年二月十五日將物業交還業主。

本集團作為出租人

於報告期間結算日，本集團已與租戶訂約的日後最低租約款項如下：

租約一般按租賃期由一至五年協商。

此外，本集團與其特許專櫃就按特許專櫃營業額收取或然租金訂立年期為期由一至兩年之合約。

41. Capital and Other Commitments

41. 資本及其他承擔

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Capital expenditure in respect of the acquisition of property, plant and equipment	有關購入物業、廠房及設備之資本開支		
— Authorised but not contracted for	— 已授權惟未訂約	3,940,700	537,700
— Contracted for but not provided in the consolidated financial statements	— 已訂約惟未於綜合財務報表撥備	533,400	430,700
		4,474,100	968,400
Capital expenditure in respect of the acquisition of PRC land use right contracted for but not provided in the consolidated financial statements	已訂約收購中國土地使用權但未在綜合財務報表撥備的資本開支	—	2,434,300
		4,474,100	3,402,700

42. Contingent Liabilities

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

43. Pledge of Assets

At 31 December 2012, the Group has pledged certain leasehold land and buildings in Hong Kong with carrying values of HK\$1,458.6 million (2011: HK\$1,502.9 million), together with certain shares of the Company's subsidiaries, to secure the banking facilities of HK\$4,866 million (2011: HK\$5,000 million) granted to the Group.

In addition, certain of the Group's property, plant and equipment in the PRC and Group's financial assets at fair value through profit or loss with carrying value of approximately HK\$1,471.1 million (2011: HK\$1,489.3 million) and HK\$1,098.2 million (2011: HK\$465.9 million) respectively have been pledged to secure loan facilities in the amount of approximately RMB300.0 million (equivalent to approximately HK\$373.2 million) (2011: HK\$431.9 million) and US\$120 million (equivalent to HK\$736.3 million) (2011: HK\$434.0 million) respectively.

44. Related Party Disclosure

(a) Transactions

During the year, the Group had entered into the following significant transactions with the following related parties and connected parties:

42. 或然負債

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

43. 資產抵押

於二零一二年十二月三十一日，本集團將賬面值為1,458,600,000港元(二零一一年：1,502,900,000港元)位於香港之若干租賃土地及樓宇，連同本公司附屬公司若干股份抵押，作為本集團獲授銀行融資額4,866,000,000港元(二零一一年：5,000,000,000港元)之抵押。

另外，本集團賬面值約1,471,100,000港元(二零一一年：1,489,300,000港元)之位於中國的物業、廠房及設備及賬面值1,098,200,000港元(二零一一年：465,900,000港元)之按公平價值計入損益之金融資產已分別為人民幣300,000,000元(約相當於373,200,000港元)(二零一一年：431,900,000港元)及120,000,000美元(相當於736,300,000港元)(二零一一年：434,000,000港元)貸款融資額作抵押。

44. 有關連人士披露

(a) 交易

年內，本集團曾與以下有關連人士及關連人士進行下列重大交易：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Nature of related parties transactions	與有關連人士的交易性質		
Rental and management fee paid to Shanghai Joinbuy City Plaza Co. Ltd. ("Property JV") (note 1)	給予上海九百城市廣場有限公司(「物業合資企業」)之租金及管理費(附註1)	238,687	234,174
Loan interest income received from Property JV (note 1)*	向物業合資企業收取之貸款利息收入(附註1)*	3,504	—
Loan interest expenses paid to Property JV (note 1)*	向物業合資企業支付之貸款利息(附註1)*	415	—
Nature of connected parties transactions	與關連人士的交易性質		
Concessionaire fees received from Chow Tai Fook Jewellery Group Limited and its subsidiaries ("CTF Group") (note 2)	向周大福珠寶集團有限公司(「周大福珠寶」)及其附屬公司收取之特許專櫃費用(附註2)	44,898	39,741
Rental, vetting fee, air-conditioning charges and management fee paid to Hong Kong Island Development Limited ("Hong Kong Island") (note 2)	向香島發展公司(「香島」)支付之租金、審批費用、空調費及管理費(附註2)	69,557	61,626

44. Related Party Disclosure (continued)

(a) Transactions (continued)

Notes:

- (1) Property JV is a jointly controlled entity in which the Group has a 50% interest.
- (2) CTF Group and Hong Kong Island are associates of Chow Tai Fook Enterprises Limited.
- (3) At 31 December 2012, concessionaire sales payable included amounts of HK\$43,695,000 (2011: HK\$54,848,000) aged within 30 days due to CTF Group. The amount was trading in nature and related to payables arising from concessionaire sales. These trading balances are unsecured, non-interest bearing and repayable according to the terms of the concessionaire dealership agreement.

* These transactions constitute connected transactions which are exempted from complying with the disclosure requirements under the Listing Rules.

(b) Compensation of key management personnel

The remuneration of executive directors during the year was determined by the remuneration committee having regard to the performance of the individuals and market. Details of which together with the other 4 highest paid management personnel are disclosed in note 15 above.

45. Retirement Benefits Schemes

Hong Kong

The Group participates in a defined contribution scheme under Occupational Retirement Schemes Ordinance ("ORSO Scheme") and Mandatory Provident Fund Scheme ("MPF Scheme").

For members of the MPF Scheme, both the Group and the employee contribute 5% of the employee's relevant income to the Scheme according to the MPF ordinance.

The ORSO Scheme is funded by monthly contributions from both employees and the Group at 5% of the employee's basic salary.

PRC

The employees of the Group in PRC are members of state-managed retirement benefit schemes operated by the respective local governments in relevant jurisdictions. The Group is required to contribute and recognise a specified percentage of payroll costs to the schemes to fund the benefits. The only obligations of the Group with respect to these schemes are to make the specified contributions and recognise the respective retirement pay in accordance with terms set out in the schemes and relevant jurisdiction requirements.

The total cost charged to profit or loss in respect of the above-mentioned schemes in the PRC amounted to approximately HK\$11,072,000 (2011: HK\$8,699,000).

44. 有關連人士披露(續)

(a) 交易(續)

附註:

- (1) 物業合資企業為本集團擁有50%權益之共同控制實體。
- (2) 周大福珠寶及香島為周大福企業有限公司之聯繫人。
- (3) 於二零一二年十二月三十一日,應付特許專權銷售款項包括須於30天內支付予有關連人士周大福珠寶約43,695,000港元(二零一一年: 54,848,000港元)。該筆款項屬貿易性質,與特許專權銷售所產生應付款項相關。此等賬款結餘為無抵押、免息及須按特許專權經營協議條款償還。

* 此等交易構成關連交易但獲豁免遵守上市規則之披露要求。

(b) 主要管理人員薪酬

年內,執行董事之酬金乃由薪酬委員會按個別表現及市場狀況釐定,彼等之酬金連同其餘四名最高收入管理層成員之酬金詳情於上文附註15披露。

45. 退休福利計劃

香港

本集團參與職業退休計劃條例下界定供款計劃(「職業退休計劃」)及強積金計劃(「強積金計劃」)。

作為強積金計劃成員,本集團及員工均根據強積金條例,以5%有關入息向計劃供款。

職業退休計劃由員工及本集團每月按員工基本薪金之5%出資供款。

中國

本集團在中國的員工都是由有關司法管轄區的相關地方政府運作的國家管理退休福利計劃的成員。本集團須提供並確認工資成本的指定百分比到計劃以資助有關福利。本集團就這些計劃唯一的義務是作出指定供款並確認按照計劃所載的條款和有關司法管轄區的要求之相關退休工資。

有關上述在司法管轄區的計劃中計入損益的總成本費用總額約為11,072,000港元(二零一一年: 8,699,000港元)。

46. Particulars of Principal Subsidiaries

At 31 December 2012 and 2011, the details of the Company's principal subsidiaries, all held indirectly, are as follows:

46. 主要附屬公司詳情

於二零一二年及二零一一年十二月三十一日，本公司間接持有之主要附屬公司詳情如下：

Name of company 公司名稱	Place/Date of incorporation/ establishment and operation 註冊成立及營業地點以及註冊成立日期	Issued and fully paid share capital/registered capital 已發行及實繳/註冊股本		Attributable equity interest of the Group 本集團應佔股本權益		Principal activities 主要業務
		2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年	
Ample Sun Group Limited 益良集團有限公司	Hong Kong 17 August 2007 香港 二零零七年八月十七日	HK\$10,000 10,000港元	HK\$10,000 10,000港元	60%	60%	Investment holding 投資控股
Congenial Company Limited	Hong Kong 24 April 1981 香港 一九八一年四月二十四日	HK\$10,000,000 10,000,000港元	HK\$10,000,000 10,000,000港元	100%	100%	General trading and property holding 一般貿易及物業持有
Eastlord Development Limited 加諾發展有限公司	Hong Kong 21 August 1987 香港 一九八七年八月二十一日	HK\$500,000 500,000港元	HK\$500,000 500,000港元	100%	100%	Property holding and leasing 物業持有及租賃
Evenwin Worldwide Limited 永盛環球有限公司	Hong Kong 17 November 2000 香港 二零零零年十一月十七日	HK\$2 2港元	HK\$2 2港元	100%	100%	Property leasing 物業租賃
Fine Shine Limited 遠耀有限公司	Hong Kong 11 September 2003 香港 二零零三年九月十一日	HK\$2 2港元	HK\$2 2港元	100%	100%	License holder 特許權持有人
Forceworld Investments Limited 可偉投資有限公司	Hong Kong 15 July 1988 香港 一九八八年七月十五日	HK\$500,000 500,000港元	HK\$500,000 500,000港元	100%	100%	Property holding 物業持有
Future Develop Limited	British Virgin Islands/ Hong Kong 12 December 2003 英屬維爾京群島/香港 二零零三年 十二月十二日	US\$3 3美元	US\$3 3美元	100%	100%	Investment holding 投資控股
Glory Line Management Limited 偉業管理有限公司	Hong Kong 5 September 1995 香港 一九九五年九月五日	HK\$500,000 500,000港元	HK\$500,000 500,000港元	100%	100%	Provision of property security and management services 提供物業保安及管理服務
Grand Kinetic Limited 堅享有限公司	Hong Kong 7 February 2001 香港 二零零一年二月七日	HK\$2 2港元	HK\$2 2港元	100%	100%	Property holding and leasing 物業持有及租賃
LS Finance (2017) Limited	British Virgin Islands/ Hong Kong 1 November 2011 英屬維爾京群島/香港 二零一一年十一月一日	US\$1 1美元	US\$1 1美元	100%	100%	Financing 融資安排
LS Finance (2022) Limited	British Virgin Islands/ Hong Kong 27 September 2012 英屬維爾京群島/香港 二零一二年九月二十七日	US\$1 1美元	-	100%	-	Financing 融資安排

46. Particulars of Principal Subsidiaries (continued)

46. 主要附屬公司詳情(續)

Name of company 公司名稱	Place/Date of incorporation/ establishment and operation 註冊成立及營業地點 以及註冊成立日期	Issued and fully paid share capital/registered capital 已發行及實繳/註冊股本		Attributable equity interest of the Group 本集團應佔股本權益		Principal activities 主要業務
		2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年	
Pacific Trump Development Limited 沛駿發展有限公司	Hong Kong 6 July 1995 香港 一九九五年七月六日	HK\$2 2港元	HK\$2 2港元	100%	100%	Property holding and leasing 物業持有及租賃
Public Might Limited 群量有限公司	Hong Kong 30 August 1984 香港 一九八四年八月三十日	HK\$1,000 1,000港元	HK\$1,000 1,000港元	100%	100%	Property investment and provision of building management services 物業投資及提供大廈 管理服務
Ronson Kwok Asia Pacific Limited	Hong Kong 5 October 1993 香港 一九九三年十月五日	HK\$1,000,000 1,000,000港元	HK\$1,000,000 1,000,000港元	100%	100%	Building management and club operator 大廈管理及會所營運
Sogo Hong Kong Company Limited 崇光(香港)百貨有限公司	Hong Kong 23 September 1983 香港 一九八三年九月二十三日	HK\$4,000,000 4,000,000港元	HK\$4,000,000 4,000,000港元	100%	100%	Retailing business 零售業務
Superlite Limited	British Virgin Islands/ Hong Kong 3 April 2001 英屬維爾京群島/香港 二零零一年四月三日	US\$1 1美元	US\$1 1美元	100%	100%	Property holding 物業持有
上海久光百貨有限公司* (Shanghai Ongoing Department Store Limited)	PRC 26 July 2004 中華人民共和國 二零零四年七月二十六日	US\$12,000,000 12,000,000美元	US\$12,000,000 12,000,000美元	65%	65%	Retailing business 零售業務
Wingold Limited 捷金有限公司	Hong Kong 20 April 2007 香港 二零零七年四月二十日	HK\$10,000 10,000港元	HK\$10,000 10,000港元	60%	60%	Investment holding 投資控股
利怡達商業置業有限公司**	PRC 23 April 2012 中華人民共和國 二零一二年四月二十三日	RMB2,500,000,000 人民幣2,500,000,000元	-	100%	-	Investment holding 投資控股
上海利海超商業有限公司**	PRC 31 March 2012 中華人民共和國 二零一二年三月三十一日	RMB1,000,000 人民幣1,000,000元	-	100%	-	Investment holding 投資控股
瀋陽卓遠置業有限公司**	PRC 1 December 2006 中華人民共和國 二零零六年十二月一日	RMB710,090,392 人民幣710,090,392元	US\$94,762,988 94,762,988美元	100%	100%	Property holding 物業持有
瀋陽怡富置業有限公司**	PRC 12 March 2007 中華人民共和國 二零零七年三月十二日	US\$74,990,000 74,990,000美元	US\$74,990,000 74,990,000美元	100%	100%	Property holding 物業持有

46. Particulars of Principal Subsidiaries (continued)

46. 主要附屬公司詳情(續)

Name of company 公司名稱	Place/Date of incorporation/ establishment and operation 註冊成立及營業地點 以及註冊成立日期	Issued and fully paid share capital/registered capital 已發行及實繳/註冊股本		Attributable equity interest of the Group 本集團應佔股本權益		Principal activities 主要業務
		2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年	
利福廣場(蘇州)有限公司** Lifestyle Plaza (Suzhou) Co., Limited	PRC 1 March 2007 中華人民共和國 二零零七年三月一日	RMB600,000,000 人民幣600,000,000元	RMB600,000,000 人民幣600,000,000元	100%	100%	Property holding and leasing 物業持有及租賃
久光百貨(蘇州)有限公司**	PRC 17 January 2008 中華人民共和國 二零零八年一月十七日	US\$12,000,000 12,000,000美元	US\$12,000,000 12,000,000美元	100%	100%	Retailing business 零售業務
利福商廈(大連)有限公司**	PRC 9 October 1993 中華人民共和國 一九九三年十月九日	US\$45,000,000 45,000,000美元	US\$45,000,000 45,000,000美元	100%	100%	Retailing business 零售業務
利華佳商廈(天津)有限公司** Li Hua Jia Commercial Building (Tianjin) Co., Ltd.	PRC 7 August 1996 中華人民共和國 一九九六年八月七日	US\$40,000,000 40,000,000美元	US\$40,000,000 40,000,000美元	100% (note)	100%	Property holding and leasing 物業持有及租賃
嘉標商廈(青島)有限公司** Lifestyle Plaza (Qingdao) Co., Limited	PRC 31 December 1995 中華人民共和國 一九九五年十二月三十一日	RMB225,000,000 人民幣225,000,000元	RMB225,000,000 人民幣225,000,000元	100%	100%	Property holding 物業持有
哈爾濱利福商廈有限公司**	PRC 16 October 1995 中華人民共和國 一九九五年十月十六日	US\$18,000,000 18,000,000美元	US\$18,000,000 18,000,000美元	100%	100%	Property holding 物業持有

* a sino-foreign equity joint venture established in the PRC

** wholly foreign-owned enterprises established in the PRC

* 於中國成立之中外合資企業

** 於中國成立之全外資企業

Note: In December 2012, the Group entered into a sale and purchase agreement to dispose its 100% equity interest in Li Hua Jia Commercial Building (Tianjin) Co., Ltd. to an independent third party. Details are disclosed in note 29.

附註1：二零一二年十二月，本集團訂立出售及購買協議出售其在利華佳商廈(天津)有限公司的全部股權予獨立第三方。詳情載於附註29。

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

上述列表列出董事認為主要影響本集團業績或資產之附屬公司。董事認為，提供其他附屬公司資料會導致詳情過長。

47. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period includes:

47. 本公司財務狀況表

於報告期間結算日，本公司財務狀況表資料包括：

		31.12.2012 二零一二年 十二月 三十一日 HK\$'000 千港元	31.12.2011 二零一一年 十二月 三十一日 HK\$'000 千港元
Non-current asset	非流動資產		
Interests in subsidiaries	於附屬公司權益	4,194	4,194
Current assets	流動資產		
Other receivables	其他應收款項	952	486
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	28,642	-
Tax recoverable	應收稅項	628	-
Amounts due from subsidiaries (note a)	應收附屬公司款項(附註a)	9,738,469	5,970,366
Bank balances and cash	銀行結存及現金	549,083	4,777
		10,317,774	5,975,629
Current liabilities	流動負債		
Other payables	其他應付款項	3,069	1,742
Amounts due to subsidiaries (note a)	應付附屬公司款項(附註a)	7,017,977	1,795,360
Tax payable	應繳稅項	-	785
		7,021,046	1,797,887
Net current assets	流動資產淨值	3,296,728	4,177,742
		3,300,922	4,181,936
Capital and reserves	資本及儲備		
Share capital	股本	8,325	8,338
Reserves (note b & c)	儲備(附註b及c)	3,292,597	4,173,598
		3,300,922	4,181,936

Note:

- The amounts due from (to) subsidiaries are unsecured, interest-free, and repayable on demand.
- Profit for the year ended 31 December 2012 of the Company amounted to approximately HK\$12,970,000 (2011: HK\$1,500,528,000).
- Under the Company Law (2009 Revision) of the Cayman Islands, the share premium of the Company is available for distribution or paying dividends to shareholders subject to the provisions of its memorandum or articles of association and provided that immediately following the distribution of dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. The Company's reserve available for distribution as at 31 December 2012 consisted of share premium of approximately HK\$5,157,000 (2011: HK\$530,652,000) and retained profits of approximately HK\$3,135,667,000 (2011: HK\$3,485,191,000).

附註：

- 應收/(應付)附屬公司款項是無抵押、免息及須於要求時償還。
- 截至二零一二年十二月三十一日止年度，本公司之溢利約為12,970,000港元(二零一一年：1,500,528,000港元)。
- 根據開曼群島公司法(2009修訂)，本公司之股份溢價可根據其公司組織章程大綱或細則之規定，分派予股東或作為股息向股東派發，惟緊隨股息分派後，本公司須有能力支付其於日常業務過程中到期之債務。於二零一二年十二月三十一日，本公司之可供分派儲備由股份溢價約5,157,000港元(二零一一年：530,652,000港元)及保留溢利約3,135,667,000港元(二零一一年：3,485,191,000港元)組成。

Five-Year Group Financial Summary

五年集團財務摘要

Consolidated Statement of Comprehensive Income

For the year ended 31 December

綜合全面收益表

截至十二月三十一日止年度

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (重列)	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Turnover	營業額	5,523,443	5,131,950	4,317,465	3,756,208	3,521,633
Profit attributable to owners of the Company	本公司擁有人應佔溢利	2,057,461	1,867,170	1,407,534	1,142,468	927,226
Earnings per share (HK cents)	每股盈利(港仙)					
— Basic	— 基本	123.5	111.3	83.9	68.5	54.5
— Diluted	— 攤薄	123.1	110.3	83.4	68.1	54.3
Total dividends per share (HK cents)	每股股息總額(港仙)	49.4	44.9	33.7	28.0	24.0

Consolidated Statement of Financial Position

At 31 December

綜合財務狀況表

於十二月三十一日

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (重列)	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Total assets	資產總值	24,598,805	18,581,349	13,872,956	12,301,402	10,562,218
Total liabilities	負債總額	(14,116,780)	(9,472,410)	(5,969,902)	(5,618,395)	(4,707,235)
Total net assets	資產淨值總額	10,482,025	9,108,939	7,903,054	6,683,007	5,854,983
Non-controlling interests	非控股股東權益	(933,474)	(806,526)	(686,170)	(561,538)	(677,271)
Total net assets attributable to owners of the Company	本公司擁有人應佔資產淨值總額	9,548,551	8,302,413	7,216,884	6,121,469	5,177,712
Net assets per share (HK\$)	每股資產淨值(港元)	6.30	5.46	4.71	3.99	3.50
Net assets per share attributable to owners of the Company (HK\$)	本公司擁有人應佔每股資產淨值(港元)	5.74	4.98	4.30	3.66	3.09
Number of shares issued	已發行股份數目	1,664,921,500	1,667,513,500	1,678,985,000	1,673,620,000	1,673,965,500

Particulars of Major Properties

主要物業詳情

Descriptions	Gross floor area	Nature of property	Attributable interest to the Group	Category of lease
概況	總樓面面積 (sq. m.) (平方米)	物業性質	本集團 應佔權益	租賃類別
1. Lifestyle Plaza, located at No. 219 Binjiang Road, Heping District, Tianjin, the PRC 利福廣場 中國 天津市 和平區 濱江道219號	36,221.16	Commercial 商業	100%	Medium 中期
2. A commercial building, located at Nos. 152–158 Jiaozhou Road, Shibe District, Qingdao City, Shandong Province, the PRC 一座商業大樓 中國 山東省 青島市 市北區 膠州路152–158號	26,507.07	Commercial 商業	100%	Medium 中期
3. A commercial building located at No. 86 Zhongyang Avenue, Daoli District, Harbin City, Heilongjiang Province, the PRC 一座商業大樓 中國 黑龍江省 哈爾濱市 道里區 中央大街86號	10,090.12	Commercial 商業	100%	Medium 中期

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