

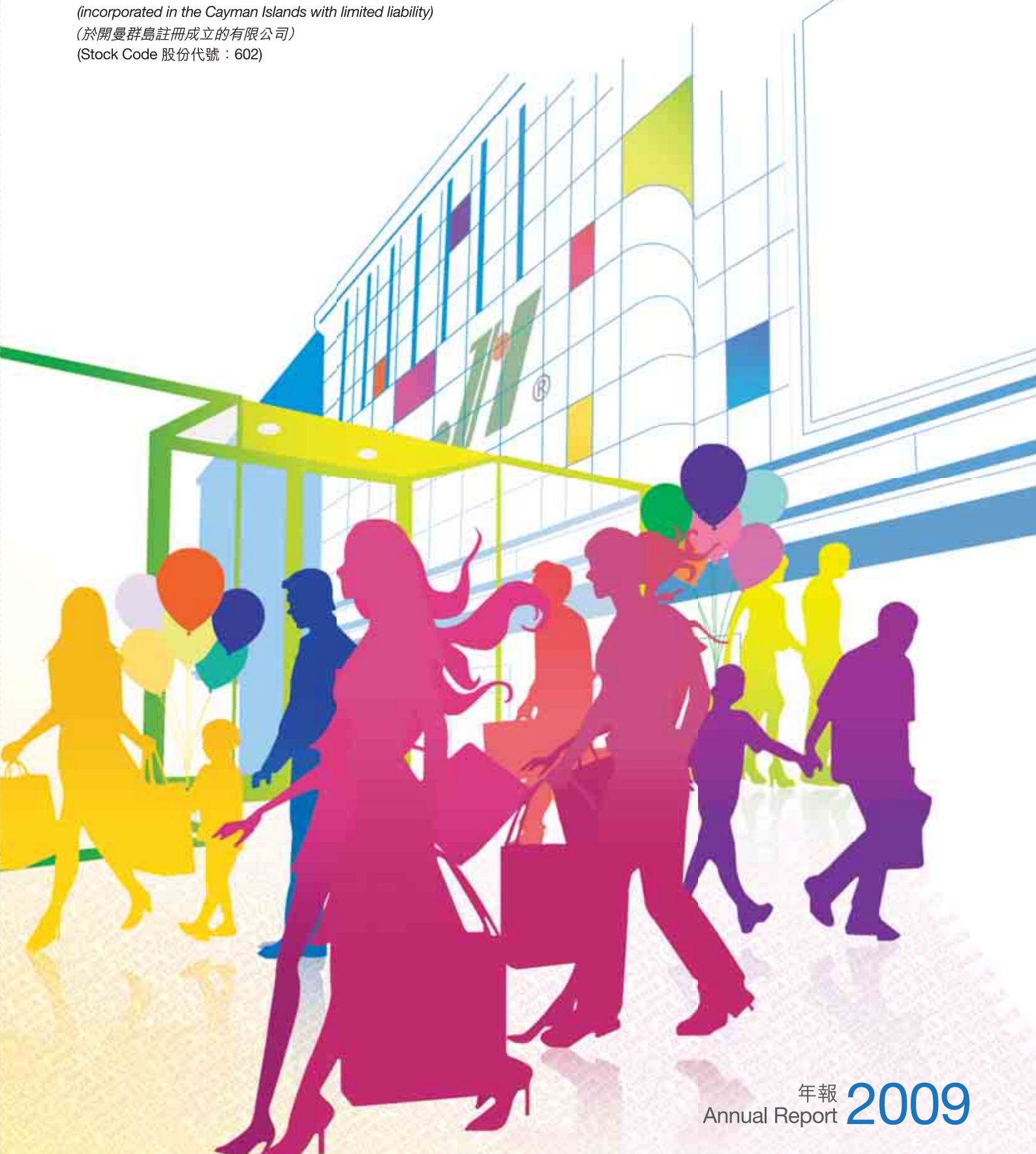


佳華百貨控股有限公司
JIAHUA STORES HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

(Stock Code 股份代號 : 602)





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Corporate Information

公司資料

STOCK CODE

602

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HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
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公司法律顧問

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胡關李羅律師行
香港
中環
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深圳市
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中海大廈7樓

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東28號
金鐘匯中心26樓

Location of Jiahua Stores 佳華商場位置圖





Xixiang 西鄉



Shajing 沙井



Songgang 松崗



Longhua 龍華



Gongming 公明



Zhangmutou 樟木頭(東莞)



Shatoujiao 沙頭角



Shiyang 石岩



Fanshen 翻身



Nanshan 南山



Buji 布吉



Yanbu 鹽步(佛山)



Ronggui 容桂(佛山)



Dashatian 大沙田(廣西)



Shuyuan Yage 書苑雅閣



Qianjin 前進



Honghu 洪湖



Sanlian 三聯



Taoyuan 桃源(廣西)

CHAIRMAN'S STATEMENT

董事長
報告



Chairman's Statement (Continued)
 董事長報告(續)

INTRODUCTION

Due to the impacts of the global financial tsunami, global economies have been affected to different extents. Facing the crisis, the Company timely adjusted our operating directions, resulting in turnover of approximately RMB819.4 million, representing a year-on-year decrease of approximately 12.4%; and consolidated net loss of approximately RMB21.1 million, which is mainly attributed to the to a lump sum write-off of the intangible assets, fixed assets, rental deposits paid, provision for closure costs and reversal of operating lease rental in relation to two loss making stores amounting to approximately RMB40.9 million. In addition, we have made changes to the operating floor areas of some of our stores in response to the change in operating model. By this, the sales of these stores have been partly affected during the renovation period and we have incurred additional amortization costs for the renovation costs. Moreover, the operating results have been adversely affected by the aftermath of the financial tsunami. All in all, we have incurred consolidated net loss for the year.

Despite the net loss in 2009, the Group's overall financial position remains healthy. Therefore, the Board of Directors is still optimistic towards the Group's long-term prospects.

緒言

二零零九年環球經濟於危機中逐漸趨於穩定，本公司在宏觀經濟調整時間，及時調整經營方針，逐步降低自營經營比例，不斷提高毛利率更高的特許專賣經營比例。於期內，本公司錄得營業額約人民幣819,400,000元，較上年下降了約12.4%；合併淨虧損約人民幣21,139,000元，下降的主要原因是：由於對兩家虧損店之無形資產、固定資產、租金按金、關閉店舖成本準備及撥回經營租賃租金之一次性撇賬，由此而影響的金額大約為40,918,000元；此外，為了適應新的經營模式，我們對幾家店舖進行了大規模之裝修、改造，裝修期間對銷售有所影響，並產生了大額需攤銷的費用；另外，受金融危機的影響部分分店業績也有所下滑。上述原因使得年內出現了合併淨虧損。

儘管二零零九年度產生淨虧損，但基於行業前景，及本公司整體財務狀況仍維持穩健，故董事會對本公司長期前景持樂觀態度。



Chairman's Statement (Continued)
董事長報告(續)

Market Overview

2009 was a particularly challenging year for all economies and industries around the world. Although suffering from the financial tsunami, China's GDP still increased by 8.7% as compared with last year. Total retail sales of consumer goods for the year amounted to RMB12,534.3 billion, representing a year-on-year increase of 15.5% and a drop in growth rate of 6.1% lower as compared with last year, among which the sales of consumer goods in wholesale and retail sectors was RMB10,541.3 billion, representing an increase of 15.6%. The Chinese government resumed its aggressive fiscal policy and proposed to invest RMB4,000 billion in the next two years to implement ten policies to expand domestic demand, which is unprecedented in terms of scale and efforts. The various economic stimulation policies introduced by the Chinese government are aimed at addressing the financial crisis and to bring new opportunities for economic development.

Prospects

Looking forward, China's economy will continue to sustain robust growth. Following up with the structural adjustment factors on the Macro economic policy, the Chinese government will focus on the highly labour intensive servicing industry, including the retailing and wholesaling businesses. The further development in this industry will help absorption of the labour force which in turn will promote social stability.

The Directors believe that both opportunities and challenges await ahead, and the department store retail sector will compete and develop in a more comprehensive and fair market environment. In 2010, the Group will stringently follow the direction of State policy, emphasizing on "stability" for its business development, to establish sales networks by sectors, enhance regional competitive edge and lower operation costs. While adequately accelerating the pace for expansion of its retail outlets, the Group will put more emphasis on the establishment of information system and the building of human resources, attracting talented professionals, strengthening staff training and improving review and appraisal systems, so as to ensure the smooth implementation of the strategic plans of the Group.

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

Zhuang Lu Kun
Chairman
Shenzhen, the PRC

8 April 2010

市場概覽

二零零九年對於全球各個經濟和行業都是特別具有挑戰性的，雖然受金融海嘯的衝擊，但中國國內生產總值仍較上年增加了8.7%。全年社會消費品零售總額125,343億元，比上年增長15.5%，增速下跌比上年減少6.1個百分點，其中批發和零售業消費品零售額105,413億元，增長15.6%。中國政府重啟積極財政政策，並提出在未來兩年多時間投入4萬億元實施十項擴大內需政策，投資規模和力度之大屬歷史罕見。中國政府出臺的一系列刺激經濟的政策，都將為應對金融危機以及經濟的發展帶來新的契機。

展望

展望未來，中國經濟將繼續保持強勁增長，出於宏觀經濟結構調整因素，中國政府將會大力發展零售和批發分銷等勞動密集型服務行業，這些行業的發展將會大大幫助中國對勞動力的吸納並促進社會穩定。

董事相信，機遇與挑戰並存，百貨零售業將在更加完善和公平的市場環境中競爭發展。二零一零年，本集團將緊隨國家的政策導向，在拓展業務方面以「穩」字當頭，成片開發形成銷售網路，增強區域競爭優勢，降低運營成本。集團在穩妥快步擴展零售網點的同時，會更加重視資訊系統的建設以及人力資源的建設，引進專業人才，加強對員工的培訓，完善考核機制保障集團戰略策劃的實現。

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

董事長
莊陸坤
中國深圳

二零一零年四月八日

Biography of Directors and Senior Management

董事及高層管理人員簡歷

DIRECTORS

Executive Directors

Mr. Zhuang Lu Kun (莊陸坤), aged 49, is the founder, executive Director and the chairman of the Group. He is responsible for the overall management, strategic planning and major decision-making of the Group. Mr. Zhuang is the father of Mr. Zhuang Xiao Xiong. Mr. Zhuang has over 10 years of experience in the retail industry. He had served as a council member of 中國商業聯合會 (China General Chamber of Commerce) and a deputy chairman of 深圳市總商會 (Shenzhen Chamber of Commerce). Mr. Zhuang graduated from 廣東行政學院 (Guangdong Administrative and Management College) majoring in modern management in July 1999, and obtained the Master of Business Administration of senior management from the Sun Yat-sen University (中山大學). He also received the award of 廣東省勞動模範稱號 (“Paragon of Work” of Guangdong province) in May 2003 and the award of 全國關愛員工優秀民營企業家 (Outstanding Staff Care Private Ownership Entrepreneur) in September 2006. Mr. Zhuang has served the Group for over 10 years.

Mr. Zhuang Pei Zhong (莊沛忠), aged 48, is an executive Director and the chief financial officer of the Group. He is responsible for the financial accounting and product category management function of the Group. Mr. Zhuang obtained an undergraduate diploma in financial accounting from Guangdong Radio and Television University (廣東廣播電視大學) in 1990. Mr. Zhuang pursued advanced studies in management in Sun Yat-Sen University. Mr. Zhuang joined the Group in August 1995 and has over 10 years of experience in the retail industry. Mr. Zhuang was accredited senior membership of the International Profession Certification Association and the membership of the China Association for Employment Promotion in 2008. Mr. Zhuang has served the Group for over 10 years.

Mr. Gu Wei Ming (顧衛明), aged 41, is an executive Director and the chief procurement officer of the Group. Mr. Gu received high school education in the PRC. He joined the Group in August 1997 and has approximately 10 years of experience in the retail industry. He is responsible for the procurement management of the Group. Mr. Gu has served the Group for over 10 years.

Mr. Zhuang Xiao Xiong (莊小雄), aged 27. Mr. Zhuang obtained from the University of Luton, United Kingdom a bachelor of arts degree in business administration in 2005 and a master of science degree in finance and business management in 2006. Mr. Zhuang is the son of Mr. Zhuang Lu Kun. He joined the Group as full time member in 2006 and is responsible for the overall operation management of the Group. Mr. Zhuang has served the Group for over 3 years.

董事

執行董事

莊陸坤先生，49歲，為本集團的創辦人、執行董事及董事長。彼負責本集團的整體管理、策略規劃及主要決策。莊先生為莊小雄先生之父親。莊先生於零售行業具有逾十年經驗。彼為中國商業聯合會委員及深圳市總商會副會長。莊先生於一九九九年七月畢業於廣東行政學院，主修現代管理，並獲中山大學頒授高級管理人員工商管理碩士。彼亦分別於二零零三年五月及二零零六年九月獲得廣東省勞動模範稱號及全國關愛員工優秀民營企業家。莊先生已於集團服務了超過十年。

莊沛忠先生，48歲，為本集團的執行董事及財務總監。彼負責本集團的財務會計及品類管理部工作。莊先生於一九九零年取得廣東廣播電視大學的財務會計專科文憑。莊先生於中山大學繼續進修管理。莊先生於一九九五年八月加入本集團並於零售行業擁有超過十年經驗。莊先生於二零零八年獲取國際認證協會高級會計師資格及中國就業促進會會員資格。莊先生已於集團服務了超過十年。

顧衛明先生，41歲，為本集團執行董事及採購總監。顧先生曾於中國修讀高中。彼於一九九七年八月加入本集團並於零售業擁有約十年經驗。彼負責本集團之採購管理工作。顧先生已於集團服務了超過十年。

莊小雄先生，27歲，分別於二零零五年及二零零六年獲英國盧頓大學頒授工商管理文學士學位以及財務及商務管理理碩士學位。莊先生為莊陸坤先生之兒子。彼於二零零六年加盟本集團成為全職僱員。現負責本集團的整體經營管理。莊先生已於集團服務了超過三年。

Biography of Directors and Senior Management (Continued)
董事及高層管理人員簡歷(續)

Independent non-executive Directors

Mr. Chin Kam Cheung (錢錦祥), CPA (practising), FCMA, aged 52, is a practising accountant in Hong Kong. Mr. Chin is a fellow member of the Chartered Institute of Management Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in auditing, accounting and financial management. Mr. Chin has served the Group for over 2 years.

Dr. Guo Zheng Lin (郭正林), aged 43, is a governor of the Industrial Bank Co. Ltd., Guangxi Nanning Branch. Dr. Guo obtained a doctorate degree in Accounting from South West University of Finance and Economics. Dr. Guo has served the Group for over 2 years.

Mr. Ai Ji (艾及), aged 56, graduated from Hunan Radio and Television University (湖南廣播電視大學) in 1988 with a bachelor's degree in law. Mr. Ai is a practising lawyer in the PRC under the employment of Guangdong ShenTianCheng Law Firm (廣東深天成律師事務所). Mr. Ai has practised as a legal counsel and accumulated over 11 years of experience in various law firms in the PRC. Mr. Ai has served the Group for over 2 years.

SENIOR MANAGEMENT

Ms. Liu Yang (劉陽), aged 46, is the manager responsible for office administration management of the Group. Ms. Liu has over eight years of experience in office administration and human resources management. Ms. Liu obtained an undergraduate diploma in enterprises management from Liaoning University in 1985. Ms. Liu has served the Group for over 9 years.

Mr. Cai Xiao Wen (蔡小文), aged 45, is the manager responsible for human resources of the Group. Mr. Cai has served as operation manager, store manager and deputy manager of the procurement centre before. Mr. Cai has over 20 years of experience in the retail industry. Mr. Cai has served the Group for over 6 years.

Mr. Zhong Hua (鍾華), aged 38, is the deputy manager responsible for information technology development and management of the Group. Mr. Zhong had served as manager and deputy manager of the information center. Mr. Zhong has over 10 years of experience in the information technology of the retail industry. Mr. Zhong has served the Group for over 6 years.

獨立非執行董事

錢錦祥先生，CPA (practising) · FCMA · 52歲，香港之執業會計師。錢先生是英國特許管理會計師公會資深會員及香港會計師公會會員。彼於審計、會計及財務管理方面擁有豐富的經驗。錢先生已於集團服務了超過兩年。

郭正林博士，43歲，為興業銀行廣西南寧分行行長。郭博士獲西南財經大學頒授會計博士學位。郭博士已於集團服務了超過兩年。

艾及先生，56歲，於一九八八年從湖南廣播電視大學畢業，獲授法律學士學位。艾先生為中國執業律師，並受聘於廣東深天成律師事務所。艾先生為法律顧問，曾於中國多間律師行累積超過十一年經驗。艾先生已於集團服務了超過兩年。

高級管理層

劉陽女士，46歲，行政總監，負責本集團的辦公室行政管理工作。劉女士於辦公室行政及人力資源管理方面擁有超過八年經驗。劉女士於一九八五年取得遼寧大學的企業管理專科文憑。劉女士已於集團服務了超過九年。

蔡小文先生，45歲，人力資源總監，負責本集團的人力資源管理工作。蔡先生擔任過營運經理、店舖經理及採購中心副經理。蔡先生於零售行業擁有超過二十年經驗。蔡先生已於集團服務了超過六年。

鍾華先生，38歲，資訊科技副總監，負責本集團的資訊科技發展及管理工作。鍾先生曾擔任資訊中心經理及副經理。鍾先生於零售資訊科技行業具有超過十年經驗。鍾先生已於集團服務了超過六年。

Biography of Directors and Senior Management (Continued)
董事及高層管理人員簡歷(續)

Mr. Li Quan Lin (李全林), aged 37, is the general manager of our Guangxi subsidiary and is responsible for the overall operating management and business development of the Guangxi subsidiary. Mr. Li obtained a bachelor degree in statistics from Hangzhou College of Commerce in 1997. Mr. Li has served the Group for over 4 years.

Mr. Li Dong (李棟), aged 35, is the assistant chief operation officer responsible for operation function of the Group. Mr. Li has served as store manager and assistant chief officer of the human resources department. Mr. Li has over 13 years of experience in the retail industry. Mr. Li has served the Group for over 11 years.

Mr. He Li Bin (何李斌), aged 43, is the assistant chief officer responsible for market development and security management of the Group. Mr. He has over 16 years of experience in the retail industry. Mr. He has served the Group from 2009.

COMPANY SECRETARY

Mr. Ho Yuet Lee, Leo (何悅利), FCCA, CPA, ACIS, ACS aged 36, is the finance manager and company secretary of the Group. Mr. Ho obtained a degree of Bachelor of Business Administration (Honours) in Accounting from the Hong Kong Baptist University in 1995 and a Master degree in Corporate Governance from the Hong Kong Polytechnic University in 2008. He is a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators. Mr. Ho has over 11 years of experience in accounting, auditing and corporate finance. Mr. Ho has served the Group for over 3 years.

李全林先生，37歲，廣西子公司總經理，負責本集團廣西子公司的整體經營管理及業務拓展。於一九九七年取得杭州商學院的統計學學士學位。李先生已於集團服務了超過四年。

李棟先生，35歲，營運副總監，負責本集團的營運工作。李先生擔任過分店店長及人力資源副總監。李先生於零售行業擁有超過十三年經驗。李先生已於集團服務了超過十一年。

何李斌先生，43歲，市場拓展副總監，負責本集團的市場拓展工作及防損管理。何先生於零售行業擁有超過十六年經驗。何先生從二零零九年開始為集團服務。

公司秘書

何悅利先生，FCCA，CPA，ACIS，ACS，36歲，為本集團財務經理及公司秘書。分別於一九九五年及二零零八年獲香港浸會大學頒授工商管理學士(榮譽)學位(主修會計)以及香港理工大學頒授公司管治碩士學位。彼為英國特許公認會計師公會資深會員，香港會計師公會會員，香港特許秘書公會會員及英國特許秘書及行政人員公會會員。何先生在會計、審計及企業融資方面擁有超過十一年經驗。何先生已於集團服務了超過三年。

Management Discussion and Analysis

管理層討論及分析



Management Discussion and Analysis

管理層討論及分析

INDUSTRY OVERVIEW

The PRC economy maintained a considerable growth of 8.7% during 2009 amid the aftermath of the impact of global financial tsunami. China's retail industry sustained its good development momentum in 2009, with ever-rising income per capita and purchasing power.

In 2009, the GDP of the PRC exceeded RMB33 trillion, reaching RMB33,535.3 billion, representing an increase of 8.7% over last year. This rate not only hugely exceeded the average around the world, but also significantly exceeded the growth of major countries and regions. Total retail sales of consumer goods amounted to approximately RMB12,534.3 billion, representing an increase of 15.5% as compared with the corresponding period last year. Among which, the total sales in wholesale and retail sectors was RMB10,541.3 billion, representing a growth of 15.6% over last year.

In 2009, the realized aggregate output of the Guangdong Province amounted to RMB3,908.1 billion, representing an increase of 9.5% as compared with the corresponding period last year; total retail sales of consumer goods reached RMB1,489.1 billion, representing an increase of 16.3% as compared with the corresponding period last year, amongst which the sales in wholesale and retail sectors was RMB1,118.1 billion, representing a growth of 16.1% over last year. The aggregate output of the Guangdong Province accounted for 11.6% of the GDP of the PRC. In 2009, the realized aggregate output of Shenzhen amounted to RMB820.1 billion, representing an increase of 10.7% as compared with the corresponding period last year. Total retail sales of consumer goods amounted to approximately RMB259.8 billion, representing an increase of 15.4% as compared with the corresponding period last year. Among which, the total sales in wholesale and retail sectors was RMB86.1 billion, representing a growth of 14.2% over last year.

行業概覽

二零零九年，雖然仍受到全球金融海嘯的影響餘波，但中國經濟仍保持了8.7%的可觀增長率。中國零售行業在二零零九年繼續保持良好發展勢頭，人均收入及消費力不斷提升。

二零零九年中國國內生產總值超過人民幣33萬億元，達到人民幣335,353億元，比上年增長8.7%。這個速度不僅大大高於世界經濟的平均增速，也明顯超過世界主要國家和地區的增長速度；社會消費品零售總額約人民幣125,343億元，比上年同期增長15.5%，其中批發及零售銷售總額人民幣105,413億元，較上年增長15.6%。

二零零九年，廣東省生產總值累計實現人民幣3,908.1億元，比上年同期增長9.5%；社會消費品零售總額人民幣1,489.1億元，比上年同期增長16.3%。其中批發及零售銷售額人民幣1,118.1億元，較上年增長16.1%。廣東省生產總值佔全中國的生產總值11.6%。二零零九年，深圳市生產總值累計實現人民幣820.1億元，比上年同期增長10.7%；社會消費品零售總額人民幣259.8億元，比上年同期增長15.4%。其中批發及零售銷售總額人民幣86.1億元，較上年增長14.2%。



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

In 2009, the realized aggregate output of the Zhuang Autonomous Region of Guangxi amounted to RMB770.0 billion, representing an increase of 13.9% as compared with the corresponding period last year; total retail sales of consumer goods reached RMB279.0 billion, representing an increase of 19.3% as compared with the corresponding period last year. Among which, the total sales in wholesale and retail sectors was RMB112.3 billion, representing an increase of 19.6% over last year. The aggregate output of the Zhuang Autonomous Region of Guangxi accounted for 2.3% of the GDP of the PRC. In 2009, total realized retail sales of consumer goods of Nanning City amounted to RMB75.7 billion, representing an increase of 19.8% as compared with the corresponding period last year.

The rapid growth of the PRC's economy further stimulated domestic demand and spendings, through which the growth of the consumer retail market gained momentum. Meanwhile, the surge in income of Chinese citizens also boosted consumer demand. The PRC government's substantial efforts in strengthening the social security system and to resolve social issues such as education, medical and housing had significantly enhanced the confidence of Chinese citizens towards the future, which in turns reinforced consumer confidence. In light of the above, the retail market has tremendous potential.

BUSINESS REVIEW

- **Expand retail network and strengthen our economy of scale in the region**

As at 31 December 2009, the Group had 19 outlets under its direct operation with a total gross sales floor area of about 220,000 sq.m. These outlets mainly located in Shenzhen, Guangdong, the Pearl River Delta region and Guangxi. The Dashatian store in Guangxi Province commenced business on 1 January 2009, which marked the beginning of the expansion of the Group's retail network out of Guangdong Province towards the rest of the nation. The opening of the Shuyuan Yage store and Qianjin store in Baoan, Shenzhen on March and May 2009 respectively, together with the Honghu store and Sanlian store in Shenzhen and Taoyuan store in Guangxi opened in the fourth quarter of the year, less the closure of Shengtaosha store on December 2009, the total number of outlets of the Group has reached 19, with a total gross sales floor areas of about 220,000 sq.m. The Group will keep track on the State's regional policy. It will monitor the new situation, capture opportunities and continuously identify new locations to expand its business and networks, in order to establish its regional retail network and enhance its competitive advantage across the region. The Group will also try to accelerate its growth by leasing properties, merger and acquisition (if practicable).

二零零九年，廣西壯族自治區生產總值累計實現人民幣7,700億元，比上年同期增長13.9%；社會消費品零售總額人民幣2,790億元，比上年同期增長19.3%。其中批發及零售銷售總額人民幣1,123億元，較上年增長19.6%。廣西壯族自治區生產總值佔全中國的生產總值2.3%。二零零九年，南寧市社會消費品零售總額累計實現人民幣757億元，比上年同期增長19.8%。

中國經濟的快速增長，進一步擴大國內需求，增強消費經濟增長，帶動消費的零售市場。與此同時，中國居民收入的快速增長，促進了消費需求的增長，中國政府大力加強社會保障體系，致力解決教育、醫療、住房等民生大計問題，使中國居民對未來充滿信心，增強了消費者信心，零售業市場潛力巨大。

業務回顧

- **拓展零售店舖，強化區域規模優勢**

於二零零九年十二月三十一日，本集團直接經營的門店有19家，總建築面積約22萬平方米，主要集中在廣東深圳、珠三角地區及廣西。二零零九年一月一日開業的廣西大沙田店，標誌著集團的零售網絡開始跨出廣東走向全國；加上於二零零九年三月及五月分別於深圳寶安開業的書苑雅閣店及前進店，以及於第四季開業之深圳洪湖、三聯店及廣西桃源店，減去二零零九年十二月停業之聖淘沙店，集團總店舖已達到19家，總建築面積約為22萬平方米；本集團關注國家對地區的政策導向，審視把握新形勢，抓緊機遇，不斷物色新地點拓展業務及網絡，形成區域零售網絡，增加區域競爭優勢。並通過物業租賃、兼併收購(如可行)模式擴張增長速度。

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

- **Strengthen internal operation management and enhance competitiveness**

During 2009, the Group has further improved its internal management, which strengthened its financial budget management and set up a three-tier management structure among the Group, its subsidiaries and outlets. On the other hand, the Group has further improved the appraisal and incentive system on the basis of its existing system to set performance as the most important criteria in assessment. The Group has also devoted efforts to provide trainings for all staff to meet the Company's requirements regarding operation management and development. The Group has strengthened the positioning of shopping centres and enhanced the brand name of various merchandises. The Group has made reasonable reallocation of resources and timely adjustment to its operation in response to market changes. The Group will combine its membership cards with the UnionPay cards of the Bank of China to provide comprehensive benefits to all members. In 2009, we have started a large scale renovation, reconstruction and refurbishment in Shajing store, Xixiang store and Buji store, which resulted in moderate growth in sale as compared with pre-renovation period. In 2010, the Company will commence renovation and reconstruction of its Songgang store and Gongming store to enhance their domestic competitiveness and grading. Through a series of internal management strengthening measures, the Group's ability to handle risk has been strengthened.

- **Ongoing optimization of information management system to explore the value of information resources**

Through ongoing optimization of information management system by gradually adding decision making function on top of the existing system, the Company has effective control over operation management. The internal information management system has been further linked up with the internet, which provides real-time information on ordering, verification, sales, settlement, transfer, reconciliation, online procurement and other information feedbacks to facilitate business dealings between the Company and suppliers, banks and customers, which enhances synergies and qualities and the Company's brand image.

- **Strengthen cost and operating cost control to improve operational efficiency**

Amidst the economic downturn, it becomes more important for us to strengthen cost and operating cost control. During the year under review, the Group has exercised cost control

- **強化內部經營管理，增強競爭力**

集團在二零零九年進一步完善了內部管理，加強財務預算管理實現了集團、子公司、分店的三級管理架構；在原有考核制度的基礎上，進一步完善考核激勵機制，做到一切以業績為考核標準；大力開展全員培訓工作，以適應公司經營管理與發展需要；加強了商場的定位，提升百貨商品品牌、合理配置資源，根據市場變化適時快速調整經營方針；將會員卡與中行銀聯卡進行聯名，擴大會員優惠範圍；二零零九年對沙井、西鄉及布吉分店進行了大規模的裝修、改造、調整，使得這三店的銷售較改造前有了較明顯的增加。二零一零年公司將對松崗及公明店進行調整和改造，增強在當地商圈的競爭力，提升商場經營檔次；通過一系列的加強內部管理的措施，增強了集團抵禦風險的能力。

- **持續完善資訊管理系統，挖掘資訊資源價值**

持續完善資訊管理系統，在原有資訊系統基礎上逐漸增加了決策功能，使公司在經營管理方面得到有效的控制；進一步提高內部資訊系統與互聯網的連接，提供包括訂貨、驗收、銷售、結算、轉賬、對賬、網上採購、其他信息反饋等即時信息，方便公司與供應商、銀行、客戶之間的業務往來，提高合作效益及品質，提升公司品牌形象。

- **加強成本及運營費用控制，提高經營效益**

在經濟不景氣的環境中，加強採購成本及運營費用控制將更顯重要。回顧年內，本集團通過進行採購商品毛利率監控，

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

to ensure operational efficiency by monitoring gross profit margins of the purchased commodities and lowering purchase prices. The Group strives to control and lower operating costs through various measures such as optimization of working procedure, cost approval, staffs rationalization as well as negotiation with shopping centers landlords for lower rentals. In 2009, a decreasing trend in the overall operation costs of 12 comparable outlets had been noticed.

OUTLOOK

Looking forward, China's economy will maintain robust growth and the focus of China's capital investment and exports will shift inwardly to domestic consumption. Coupled with favourable factors such as the continued appreciation of Renminbi and increased disposable household income, the retail industry will undoubtedly become a major driving force for future economic development. Expansion of domestic demand and increase investment in domestic infrastructure will be a major focus of the PRC Government for economic development in 2010.

The Directors believe that both opportunities and challenges await ahead, and the department stores thrive on fair competition with each other in an orderly market. In 2010, the Group will stringently follow the direction of the State policy, emphasizing "stability" for its business development, to establish sales networks by sectors, enhance regional competitive edge and lower operation costs. While accelerating the expansion of its retail outlets, the Group will place more emphasis on the establishment of information system and the building of human resources, recruiting talented professionals, strengthening staff training and review and appraisal systems, so as to ensure the smooth implementation of the strategic plans of the Group.

降低採購價格等方法，對成本進行控制，保證經營效益；本集團通過進行優化工作流程、費用考核、優員增效、與商場業主進行協商降低租賃費用等方式，不斷控制及降低營業費用。二零零九年可比性的十二家分店總體的營運費用均呈下降趨勢。

未來展望

展望將來，中國經濟將繼續保持強勁增長，中國資本投資及出口轉移至國內消費，人民幣的持續升值及可支配家庭收入增加等有利條件，零售業必定成為未來經濟發展之主要動力，擴大內需、加大國內基礎設施投資是二零一零年中國政府經濟工作重心之一。

董事相信，機遇與挑戰並存，百貨零售業將在更加完善和公平的市場環境中競爭發展。二零一零年，本集團將緊隨國家的政策導向，在拓展業務方面以「穩」字當頭，成片開發形成銷售網絡，增強區域競爭優勢，降低運營成本。集團在穩妥快步擴展零售網點的同時，會更加重視信息系統的建設以及人力資源的建設，引進專業人才，加強對員工的培訓，完善考核機制保障集團戰略策劃的實現。



松崗店翻新後模擬圖
Project photo of Songgang store after renovation



公明店翻新後模擬圖
Project photo of Gongming Store after renovation

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

FINANCIAL REVIEW

1. Revenue

Revenue of the Group decreased by 12.4% to approximately RMB819.4 million for the year 2009 from approximately RMB935.1 million for the year 2008, with the adverse effect from the outside environment brought by the financial tsunami, which resulted in the withdrawal of foreign investment or downscale in the suburban area of Shenzhen. This affected both the wholesale and retail business in the local economy.

Revenue in 2009 was dominant by sales of goods and wholesale of consumables, with a volume of approximately RMB695.0 million, representing approximately 84.8% of total revenue, a decrease of approximately 16.6% over last year (2008: approximately RMB833.1 million, representing approximately 89.1% of total revenue). Revenue of commission from concessionaire sales amounted to approximately RMB93.4 million, representing approximately 11.4% of total revenue, an increase of approximately 21.0% over last year (2008: approximately RMB77.2 million, representing approximately 8.3% of total revenue). Revenue of rental income from sub-leasing of shop premises amounted to approximately RMB31.0 million, representing approximately 3.8% of total revenue, an increase of approximately 25.5% over last year (2008: approximately RMB24.7 million, representing approximately 2.6% of total revenue).

Sales volume of the 5 largest corporate customers amounted to approximately RMB1.2 million, representing approximately 0.15% of total revenue (2008: approximately RMB1.7 million, representing approximately 0.2% of total revenue).

2. Gross Profit and Gross Profit Margin from sale of goods and wholesale of consumables

Gross profit increased by 12.1% to approximately RMB118.6 million for the year ended 2009 from approximately RMB105.8 million for the year ended 2008. Gross profit margin increased by approximately 4.4% to 17.1% in the year ended 2009 compared to 12.7% for the year ended 2008. The percentage of related cost of inventories sold, including principally merchandise for resale, decreased largely to approximately 83.0% for the year ended 2009 from approximately 87.3% for the year ended 2008.

The increase in gross profit was mainly attributable to the change of incentive term in the agreements with suppliers which lowered the cost of sales.

財務概覽

1. 收入

本集團收入由二零零八年度約人民幣935,067,000元減少12.4%至二零零九年度約人民幣819,381,000元。主要由於外圍環境影響，深圳一二線城市仍受著金融海嘯而令外資撤出或縮減規模之影響。波及範圍涉及批發及零售業。

二零零九年的收入主要來自銷售貨品及批發易耗品，銷售量約人民幣695,020,000元，相當於收入總額約84.8%，較去年下跌約16.6%（二零零八年：約人民幣833,115,000元，相當於收入總額約89.1%）。專賣銷售佣金收入約人民幣93,402,000元，相當於收入總額約11.4%，較去年上升約21.0%（二零零八年：約人民幣77,248,000元，相當於收入總額約8.3%）。租賃商舖的分租租金收入約人民幣30,959,000元，相當於收入總額約3.8%，較去年上升約25.5%（二零零八年：約人民幣24,704,000元，相當於收入總額約2.6%）。

五名最大企業客戶的銷售量約人民幣1,200,000元，相當於收入總額約0.15%（二零零八年：約人民幣1,680,000元，相當於收入總額約0.2%）。

2. 銷售貨品及易耗品批發的毛利及毛利率

毛利由二零零八年度約人民幣105,837,000元增加12.1%至二零零九年度約人民幣118,602,000元。毛利率較二零零八年度約12.7%上升約4.4%至二零零九年度約17.1%，已售存貨相關成本主要包括轉售商品，百分比自二零零八年度約87.3%大幅下降至二零零九年度約83.0%。

毛利上升主要由於調整跟供應商之回饋條款而使已售存貨成本減少之緣故。

3. Loss for the Year

Loss attributable to the owners of the Company amounted to approximately RMB21.1 million for the year ended 2009 compared with profit of approximately RMB24.4 million for the year ended 2008. This was mainly attributable to write-off of intangible asset, property, plant and equipment, rental deposits paid and provision for closure costs in relation to two loss making stores. Added with the impact to sales of goods, commission from concessionaires and rental income of Shajing, Xixiang and Buji stores during May to September 2009 for large scale shop renovation, the net loss of the year has increased considerably.

Distribution costs slightly increased by 7.4% to approximately RMB254.2 million for the year ended 2009 from approximately RMB236.7 million for the year ended 2008, mainly attributable to the opening of new stores. Depreciation increased from approximately RMB27.0 million in 2008 to approximately RMB33.0 million in 2009, up by 22.2%, operating lease rental expenses increased from approximately RMB55.3 million in 2008 to approximately RMB67.4 million in 2009, up by 21.9%, and salaries and allowance decreased from approximately RMB80.8 million in 2008 to approximately RMB75.7 million in 2009, down by 6.3%.

Administrative expenses decreased by 25.7% to approximately RMB27.5 million for the year ended 2009 from approximately RMB37.0 million for the year ended 2008, mainly attributable to decrease of approximately RMB7.6 million of net exchange loss brought by the appreciation of RMB against Hong Kong dollar on the cash and bank balance, and decrease of approximately RMB2.1 million for the share-based payment expenditure for the share option granted to staff.

Other operating expenses related to a lump sum write-off of the intangible assets of approximately RMB28.6 million, fixed assets of approximately RMB8.5 million, rental deposits paid of approximately RMB1.3 million, and provision for closure costs of approximately RMB5.0 million in relation to two loss making stores. Reversal of operating lease rental amounting approximately RMB2.5 million has been grouped with the above expenses.

3. 年內虧損

本公司擁有人應佔溢利由二零零八年度約人民幣24,351,000元之溢利大幅減少至二零零九年度約人民幣21,139,000元之虧損，主要由於本年度將涉及兩家虧損分店之無形資產、物業、廠房及設備、租金押金及關閉店舖成本撥備之撇賬。加上沙井、西鄉及布吉店於二零零九年五至九月期間進行了大規模之店舖裝修，使該些店之貨品銷售額、專賣銷售所得佣金及分租店舖物業租金收入有所影響，令本年度虧損淨額大增。

分銷成本由二零零八年度約人民幣236,710,000元輕微增加7.4%至二零零九年度約人民幣254,225,000元，主要由於開立新店相應產生之費用有所增加。折舊費用由去年約人民幣26,988,000元上升至本年約人民幣33,025,000元，上升22.2%。租賃費用由去年約人民幣55,268,000元上升至本年約人民幣67,415,000元，上升約21.9%。工資及津貼費用由二零零八年約人民幣80,769,000元下降至二零零九年約人民幣75,696,000元，下降6.3%。

行政開支由二零零八年度約人民幣36,970,000元減少25.7%至二零零九年度約人民幣27,496,000元，主要由於人民幣兌港元升值，令現金及銀行結餘的匯兌虧損淨額減少約人民幣7,600,000元，及授予員工購股權的股份支付開支減少約人民幣2,100,000元等。

其他營運開支乃關於將涉及兩家虧損分店之無形資產約人民幣28,631,000元、固定資產約人民幣8,498,000元、租金押金約人民幣1,309,000元及關閉店舖成本撥備約人民幣5,000,000元一次過撇賬。撥回經營租賃租金約人民幣2,520,000元已跟上述開支結合。

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

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintains a stable financial position. As at 31 December 2009, the Group had bank balances and cash of approximately RMB270.6 million (2008: approximately RMB281.0 million). During the year, the Group did not use any financial instruments for any hedging purpose.

No gearing ratio is presented as the Group has no bank loans as at 31 December 2009 (2008: Nil).

NET CURRENT ASSETS AND NET ASSETS

The Group's net current assets as at 31 December 2009 was approximately RMB186.1 million, a decrease of 16.5% from the balance of approximately RMB222.8 million recorded as at 31 December 2008.

Net assets slightly down to approximately RMB375.2 million, representing a decrease of approximately RMB33.3 million or 8.2% over the balance as at 31 December 2008.

Save as disclosed above, the Group did not have any other significant subsequent events subsequent to 31 December 2009.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Risk Management

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

(i) Foreign currency risk

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

(ii) Credit risk

The Group has no significant concentrations of credit risk. Most of the sales transactions were settled in cash basis or by credit card payment. The carrying amount of trade and other receivables included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to its financial assets.

流動資金及財務資源

本集團財務狀況維持穩健。於二零零九年十二月三十一日，本集團的銀行結餘及現金約人民幣270,614,000元(二零零八年：約人民幣281,031,000元)。年內，本集團並無採用任何金融工具作對沖用途。

由於本集團於二零零九年十二月三十一日並無銀行貸款，故並無呈列資本負債比率(二零零八年：無)。

流動資產淨值及資產淨值

本集團於二零零九年十二月三十一日的流動資產淨值約人民幣186,059,000元，較二零零八年十二月三十一日所錄得結餘約人民幣222,820,000元下跌16.5%。

資產淨值輕微下跌至約人民幣375,221,000元，較於二零零八年十二月三十一日結餘下跌約人民幣33,278,000元或8.2%。

除上文披露者外，本集團於二零零九年十二月三十一日後並無進行任何其他重大結算日後事項。

企業管治及其他資料

風險管理

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

(i) 外幣風險

本集團於中國經營業務，故本集團大部分收益、開支及現金流量均以人民幣計值。本集團大部分資產及負債以人民幣及港元計值。外幣兌人民幣的匯率如有任何重大波動均可能對本集團構成財務影響。

(ii) 信貸風險

本集團的信貸風險並無出現重大集中情況。大部分銷售交易以現金或信用卡付款結算。綜合財務狀況表內應收貿易賬款及其他應收款項的賬面值為本集團就其金融資產面對的最大信貸風險。

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

(iii) *Interest rate risk*

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

(iv) *Liquidity risk*

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

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2009, the Group had approximately 3,171 full-time employees in the mainland China and Hong Kong. The Group continues to recruit high calibre individuals and provide continuing education and training for employees to help upgrading their skills and knowledge as well as developing team spirit on an on-going basis. During the year, total staff costs were approximately RMB75.7 million. Competitive remuneration packages and performance-based bonuses are structured to commensurate with reference to individual responsibilities, qualification, experience and performance.

CONTINGENT LIABILITIES

As at 31 December 2009, the Group has no significant contingent liabilities.

Capital Expenditure

For the year ended 31 December 2009, capital expenditures of the Group for property, plant and equipment and intangible asset amounted to approximately RMB66.8 million (2008: RMB55.5 million).

Capital Commitments

As at 31 December 2009, the Group had capital commitments contracted, but not provided for, amounting to approximately RMB2.6 million (2008: RMB2.6 million).

(iii) *利率風險*

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

(iv) *流動資金風險*

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

僱員及薪酬政策

於二零零九年十二月三十一日，本集團於中港兩地聘有約3,171名全職僱員。本集團繼續招聘優秀人才，並為僱員提供持續教育與培訓，以不斷提高僱員的技術及知識，並培養團隊精神。年內，員工總成本約為人民幣75,700,000元。本集團按個別僱員的職責、資歷、經驗及表現訂立具競爭力的薪酬待遇與按表現釐定之花紅。

或然負債

於二零零九年十二月三十一日，本集團並無重大或然負債。

資本開支

截至二零零九年十二月三十一日止年度，本集團就物業、廠房及設備及無形資產的資本開支約為人民幣66,800,000元(二零零八年：人民幣55,500,000元)。

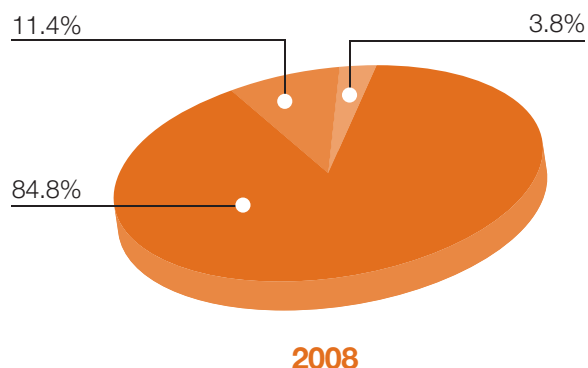
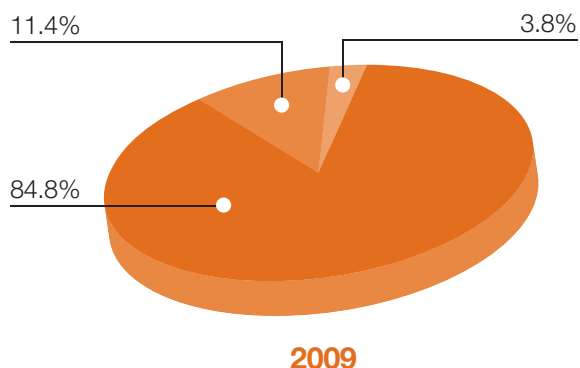
資本承擔

於二零零九年十二月三十一日，本集團已訂約但未撥備的資本承擔約為人民幣2,600,000元(二零零八年：人民幣2,600,000元)。

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

Revenue – Turnover

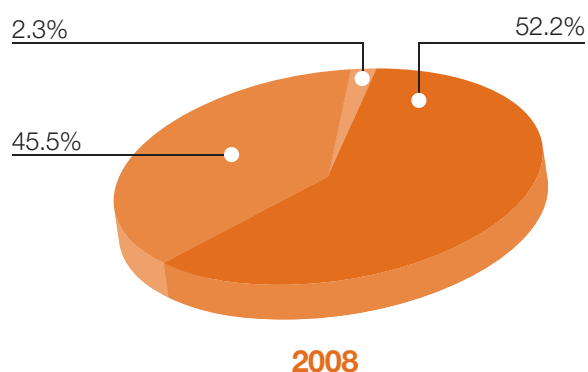
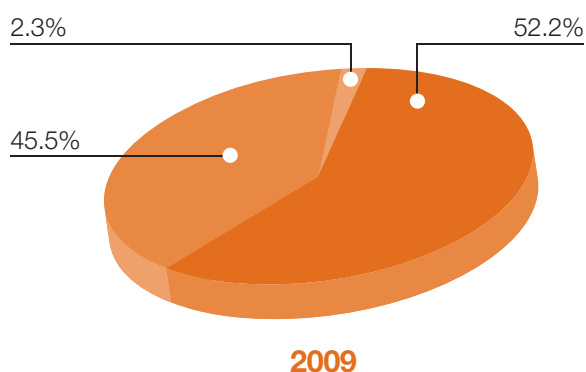
收入 – 營業額



	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
● Sales of goods and wholesale of consumables 銷售貨品及批發易耗品	695,020	833,115
● Commissions from concessionaire sales 專賣銷售所得佣金	93,402	77,248
● Rental income from sub-leasing of shop premises 分租店舖物業的租金收入	30,959	24,704
	819,381	935,067

Gross Proceeds

所得款項總額



	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
● Sales of goods and wholesale of consumables 銷售貨品及批發易耗品	695,020	833,115
● Commissions from concessionaire sales 專賣銷售所得佣金	605,515	518,179
● Rental income from sub-leasing of shop premises 分租店舖物業的租金收入	30,959	24,704
	1,331,494	1,375,998

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

Retail stores	分店	Commence operation 開始經營時間	Storey 樓層	Gross floor area (sqm) 建築面積 (平方米)	Average of daily transactions (Supermarket) 每日平均交易數目 (超市)		Average of daily transactions (Department store) 每日平均交易數目 (百貨)		Estimated no. of visitors per day 估計每日顧客數目	
					FY09	FY08	FY09	FY08	FY09	FY08
					2009年	2008年	2009年	2008年	2009年	2008年
Xixiang	西鄉	1/10/1997	3	8,806	6,458	7,434	718	1,632	10,620	13,418
Shajing	沙井	1/5/1999	5	20,978	3,525	5,965	2,553	2,320	8,387	11,433
Songgang	松崗	1/1/2001	5	23,134	6,240	7,043	3,665	3,792	12,677	19,869
Longhua	龍華	1/11/2001	5	24,549	3,308	4,781	4,962	4,780	9,925	11,282
Gongming	公明	1/9/2002	4	21,843	7,075	8,577	4,717	4,618	14,150	23,570
Zhangmutou	樟木頭	1/8/2006	3	8,364	4,328	4,516	88	1,059	6,625	8,363
Shatoujiao	沙頭角	1/11/2006	4	11,110	3,725	5,704	1,919	1,426	8,352	10,552
Shiyan	石岩	1/1/2007	1	5,852	4,372	4,953	2,568	2,667	8,883	14,754
Shengtaosha (Note 1)	聖淘沙(附註1)	1/8/2007	3	14,401	2,475	2,542	275	635	4,124	4,766
Fanshen	翻身	1/8/2007	2	6,121	3,646	4,586	192	509	5,758	7,643
Nanshan (Note 2)	南山(附註2)	1/8/2007	3	4,352	2,471	3,411	275	379	4,118	5,685
Buji	布吉	1/8/2007	2	10,800	2,688	3,596	896	899	5,377	6,743
Yanbu	鹽步	1/1/2008	4	16,560	3,125	3,476	164	869	4,868	6,431
Ronggui	容桂	1/11/2008	3	10,200	1,967	3,266	104	576	3,065	5,686
Dashatian	大沙田	1/1/2009	3	8,500	3,474	N/A不適用	613	N/A不適用	6,131	N/A不適用
Shuyuan Yage	書苑雅閣	1/3/2009	1	2,694	1,048	N/A不適用	44	N/A不適用	1,604	N/A不適用
Qianjin	前進	16/5/2009	2	4,216	1,329	N/A不適用	13	N/A不適用	1,974	N/A不適用
Honghu	洪湖	1/10/2009	3	11,560	2,870	N/A不適用	216	N/A不適用	4,567	N/A不適用
Sanlian	三聯	5/12/2009	4	9,600	6,531	N/A不適用	272	N/A不適用	9,865	N/A不適用
Taoyuan	桃源	30/12/2009	4	14,493	6,683	N/A不適用	2,864	N/A不適用	14,320	N/A不適用

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

Retail stores	分店	Gross proceeds		Gross proceeds per day		Gross proceeds per operation area per day		Average value per transaction	
		所得款項總額		每日所得款項總額		每日經營面積所得款項總額		每宗交易平均值	
		(RMB million) (人民幣百萬元)		(RMB thousand) (人民幣千元)		(RMB) (人民幣元)		(RMB) (人民幣元)	
		FY09	FY08	FY09	FY08	FY09	FY08	FY09	FY08
		2009年	2008年	2009年	2008年	2009年	2008年	2009年	2008年
Xixiang	西鄉	70.7	89.9	193.3	245.8	24.2	30.7	29.0	30.0
Shajing	沙井	99.4	131.9	271.8	360.3	13.6	18.1	48.3	47.4
Songgang	松崗	176.3	185.6	481.7	507.1	25.2	26.5	51.9	50.8
Longhua	龍華	213.8	188.7	584.3	515.6	27.9	24.6	73.4	59.2
Gongming	公明	283.4	289.0	774.4	789.6	39.5	40.3	70.2	64.9
Zhangmutou	樟木頭	38.1	59.2	104.1	161.7	7.5	11.7	26.5	32.8
Shatoujiao	沙頭角	79.1	89.1	216.1	243.6	23.5	26.5	41.3	38.1
Shiyan	石岩	131.6	128.9	359.5	352.3	76.5	74.9	56.1	51.0
Shengtaosha (Note 1)	聖淘沙(附註1)	39.5	45.7	115.9	125.1	10.3	11.1	42.6	42.0
Fanshen	翻身	23.7	31.3	64.7	85.5	12.4	16.4	17.8	19.0
Nanshan (Note 2)	南山(附註2)	17.3	25.0	47.3	68.3	13.2	19.1	18.8	19.8
Buji	布吉	35.8	43.0	97.8	117.7	11.0	13.2	28.0	28.5
Yanbu	鹽步	37.6	49.0	102.7	136.9	6.5	8.7	33.4	34.5
Ronggui	容桂	25.1	8.1	68.8	150.2	8.5	18.7	32.8	38.7
Dashatian	大沙田	44.6	N/A不適用	122.4	N/A不適用	26.2	N/A不適用	30.5	N/A不適用
Shuyuan Yage	書苑雅閣	7.1	N/A不適用	25.7	N/A不適用	10.5	N/A不適用	26.0	N/A不適用
Qianjin	前進	5.2	N/A不適用	22.9	N/A不適用	16.1	N/A不適用	17.9	N/A不適用
Honghu	洪湖	7.5	N/A不適用	82.0	N/A不適用	7.2	N/A不適用	27.3	N/A不適用
Sanlian	三聯	5.1	N/A不適用	190.0	N/A不適用	30.3	N/A不適用	31.6	N/A不適用
Taoyuan	桃源	1.4	N/A不適用	735.0	N/A不適用	74.8	N/A不適用	66.7	N/A不適用

Notes:

1. This store has ceased business on December 2009.
2. This store has ceased business on January 2010.
3. The above-mentioned are unaudited figures and based on internal records.

附註:

1. 該店於二零零九年十二月結業。
2. 該店於二零一零年一月結業。
3. 上述數字乃未經審核且根據內部記錄作出。

Report on Corporate Governance 企業管治報告

The Group fully acknowledges its obligations to its shareholders and investors. For the year ended 31 December 2009, the Company has been in strict compliance with the applicable legal and regulatory requirements of domestic or foreign securities regulatory authorities and has been devoted to improving the transparency of its corporate governance and the quality of information disclosure. The Group also attaches great importance on communication with its shareholders and strives to ensure the timeliness, completeness and accuracy of its information disclosure to its shareholders and investors and to the protection the interests of investors. The Board has strictly complied with the principles of corporate governance and is dedicated to improving the management quality of the Company and the standard of corporate governance continually in order to protect and enhance value for shareholders. To this end, the Company adopted the principles in the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules (the "Code") with the aim of enhancing the quality of corporate governance of the Group. Such adoption was reflected in the Company's Articles of Association, internal rules and regulations and the corporate governance implementation practices.

The Board is pleased to confirm that, the Company has complied with all provisions of the Code for the year under review and none of the Directors is aware of any information that would reasonably indicate that the Company is not or was not for any time during the year under review in compliance with the provisions of the Code.

本集團深明對股東及投資者的責任。截至二零零九年十二月三十一日止年度，本公司一直嚴格遵守國內或海外證券監管機關的適用法例及監管規定，並致力改善其企業管治的透明度及資料披露的質量。本集團亦重視與股東的溝通，並致力確保能適時向股東及投資者披露完整準確的資料及保障投資者利益。董事會嚴格恪守企業管治原則，並持續致力改善本公司管理質量及企業管治水平，以保障及提升股東價值。就此，本公司已採納上市規則附錄14所載企業管治常規守則（「守則」）的原則，務求提升本集團企業管治水平。採納該等原則已於本公司組織章程細則、內部規則及規例以及企業管治實施常規反映。

董事會欣然確認，本公司於回顧年內已遵守守則所有條文，且概無董事得悉任何資料合理顯示本公司並無或於回顧年內任何期間未有遵守守則條文。

Report on Corporate Governance (Continued)
企業管治報告(續)

BOARD

The Board consists of eight Directors (one executive director be appointed and one executive director resigned during the year), of whom five are executive Directors including the chairman of the Board and three of whom are Independent Non-executive Directors. Profiles and particulars of the chairman of the Company and other Directors are set out under the section headed "Biography of Directors and Senior Management". The term of service of each Director (including Independent Non-executive Directors) is three years (two years for Independent Non-executive Directors), which has been expired and renewed on the date of annual general meeting of the Company in the year 2009. Corresponding to the term of service, all executive Directors have entered into service contracts, which are valid for a term of 3 years (two years for Independent Non-executive Directors) and renewable subject to the applicable laws. The names of Directors referred herein are members of the second session of the Board. The principal responsibilities of the Board include:

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

董事會

董事會由八名董事組成(於年內,一名執行董事獲委任及一名執行董事辭任),其中五名為執行董事(包括董事會主席),另外三名為獨立非執行董事。本公司主席及其他董事的履歷及詳情載於「董事及高層管理人員簡歷」一節。各董事(包括獨立非執行董事)的任期為三年(獨立非執行董事為兩年),已於本公司於二零零九年舉行的股東週年大會日期屆滿並重續。全體執行董事已因應有關服務年期訂立服務合約,有效期為三年(獨立非執行董事為兩年),並可根據適用法律重續。本年報所引述董事姓名為第二屆董事會董事。董事會的主要職責包括:

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

Report on Corporate Governance (Continued)
企業管治報告(續)

BOARD (Continued)

- the management has received clear guidelines and instructions in respect of their authorities, especially under all circumstances to report to the Board and to seek Board's approval prior to making any decision or entering into any commitment on behalf of the Company; and
- to review the responsibilities and authorities delegated to the executive Directors/management on a regular basis and to ensure such arrangements are appropriate. The Board held six meetings during the year. Attendance record of the Directors (including attendance by proxy) is as follows:

Executive Directors

執行董事

5

Name

姓名

Attendance 出席次數

Mr. Zhuang Lu Kun (Chairman)
Mr. Shen Da Jin (resigned on 9 February 2009)
Mr. Zhuang Pei Zhong
Mr. Gu Wei Ming (appointed as Chairman of
Nomination Committee on 9 February 2009)
Mr. Zhuang Xiao Xiong (appointed on 9 February 2009)

莊陸坤先生(董事長)
沈大津先生(於二零零九年二月九日辭任)
莊沛忠先生
顧衛明先生(於二零零九年二月九日
獲委任為提名委員會主席)
莊小雄先生(於二零零九年二月九日獲委任)

3/6
0/6
6/6
6/6
2/6

Independent Non-executive Directors

獨立非執行董事

3

Name

姓名

Attendance 出席次數

Mr. Chin Kam Cheung
Dr. Guo Zheng Lin
Mr. Ai Ji

錢錦祥先生
郭正林博士
艾及先生

6/6
5/6
6/6

Note: Except for the above-mentioned regular Board meetings during the year, the Board also held meetings whenever Board's decision on any specific matter is required. All Directors will receive the meeting notice, detailed agenda of the meeting and the relevant information within a reasonable period prior to the meeting.

附註：除以上年內舉行的董事會例會外，董事會亦於董事會須就特定事項作出決定時舉行會議。全體董事將於會議前的合理期間內接獲會議通告、詳盡會議議程及相關資料。

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

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

Report on Corporate Governance (Continued)
企業管治報告(續)

COMMITTEES

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

Directors	董事	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Executive Directors	執行董事			
Mr. Zhuang Lu Kun (<i>Chairman</i>)	莊陸坤先生(<i>董事長</i>)	-	-	-
Mr. Shen Da Jin (resigned on 9 February 2009)	沈大津先生(於二零零九年二月九日辭任)	-	-	Chairman 主席
Mr. Zhuang Pei Zhong	莊沛忠先生	-	Member 成員	-
Mr. Gu Wei Ming (appointed as Chairman of Nomination Committee on 9 February 2009)	顧衛明先生(於二零零九年二月九日獲委任為提名委員會主席)	-	-	Chairman 主席
Mr. Zhuang Xiao Xiong (appointed on 9 February 2009)	莊小雄先生(於二零零九年二月九日獲委任)	-	-	-
Independent Non-executive Directors	獨立非執行董事			
Mr. Chin Kam Cheung	錢錦祥先生	Chairman 主席	Member 成員	Member 成員
Dr. Guo Zheng Lin	郭正林博士	Member 成員	Chairman 主席	Member 成員
Mr. Ai Ji	艾及先生	Member 成員	Member 成員	Member 成員

AUDIT COMMITTEE

The Company has established an audit committee on 30 April 2007 with written terms of reference in compliance with the Listing Rules. The audit committee comprises the three Independent Non-executive Directors who together have substantial experience in the fields of accounting, business, corporate governance and regulatory affairs.

The audit committee is responsible for reviewing the accounting principles and practices adopted by the Company as well as substantial exceptional items, internal controls and financial reporting matters, which included a review on the audited annual results for the year ended 31 December 2009.

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

Three meetings have been held in 2009.

委員會

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

審核委員會

本公司已於二零零七年四月三十日遵照上市規則成立審核委員會，並書面訂明載有其權責的職權範圍。審核委員會成員包括三名獨立非執行董事，彼等具備會計、商業、企業管治及監管事宜的豐富經驗。

審核委員會負責檢討本公司所採納會計原則及慣例，以及重大特殊項目、內部監控及財務申報事宜，包括審閱截至二零零九年十二月三十一日止年度經審核全年業績。

此外，審核委員會亦負責監察本公司委聘外聘核數師的事宜。

二零零九年曾舉行三次會議。

Report on Corporate Governance (Continued)
企業管治報告(續)

REMUNERATION COMMITTEE

The Company has established a remuneration committee on 30 April 2007 with written terms of reference in compliance with the Listing Rules. The remuneration committee comprises the three Independent Non-executive Directors and one Executive Director.

The primary duties of the remuneration committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to Directors and senior management. In addition, it has responsibility for reviewing and making appropriate recommendations to the Board on the remuneration policy and structure of all the Directors and senior management.

One meeting has been held in 2009.

NOMINATION COMMITTEE

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

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

One meeting has been held in 2009.

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors hereby confirm their responsibilities for preparing the financial statements of the Company. The Directors confirm that the preparation of the financial statements of the Company complied with the relevant laws and accounting standards and that the Company would publish the financial statements of the Company at the appropriate time. The responsibilities of external auditors to the shareholders are set out on page 52.

薪酬委員會

本公司已於二零零七年四月三十日遵照上市規則成立薪酬委員會，並書面訂明載有其權責的職權範圍。薪酬委員會成員包括三名獨立非執行董事及一名執行董事。

薪酬委員會的主要職責為檢討及釐定向董事及高級管理人員支付的薪酬待遇、花紅及其他報酬的條款。此外，薪酬委員會亦負責檢討全體董事及高級管理人員的薪酬政策及結構，並就此向董事會作出恰當建議。

二零零九年曾舉行一次會議。

提名委員會

本公司已於二零零七年四月三十日遵照上市規則成立提名委員會，並書面訂明載有其權責的職權範圍。提名委員會成員包括三名獨立非執行董事及兩名執行董事(於年內，一名執行董事辭任)。提名委員會主要負責就委任董事及管理董事會的繼任事宜向董事會作出建議。提名委員會負責釐定物色合適資格人選的準則，並考慮提名加入董事會的董事人選。

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

二零零九年曾舉行一次會議。

董事及核數師對財務報表的責任

董事謹此確認彼等編製本公司財務報表的責任。董事確認，本公司財務報表的編製符合相關法律及會計準則，且本公司將於適當時候刊發本公司財務報表。外聘核數師對股東的責任載於第52頁。

Report on Corporate Governance (Continued)
企業管治報告(續)

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

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

REMUNERATION OF AUDITORS

The Audit Committee is responsible for considering the appointment of external auditors and reviewing their remuneration. For the year under review, audit fee of approximately RMB727,000 were incurred by the Company to the external auditors as service charge for their audit of the Group's financial statements for the year ended 31 December 2009.

INTERNAL CONTROL

The Board has overall responsibility for the system of internal controls of the Company and for reviewing its effectiveness. The Board is committed to implement an effective and sound internal controls system to safeguard the interest of shareholders and the Group's assets. The Board has delegated to the management the implementation of the system of internal controls and reviewed of all relevant financial, operational, compliance controls and risk management function within an established framework.

ORGANISATIONAL STRUCTURE

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

AUTHORIZATIONS AND CONTROLS

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

TRAINING ON INTERNAL CONTROLS

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

遵守上市規則附錄10上市發行人董事進行證券交易的標準守則

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

核數師酬金

審核委員會負責考慮委聘外聘核數師及檢討其薪酬。於回顧年內，本公司所產生審核費用約為人民幣727,000元，作為外聘核數師審核本集團截至二零零九年十二月三十一日止年度財務報表的服務費用。

內部監控

董事會對本公司內部監控系統及對檢討其效益承擔整體責任。董事會致力落實有效及良好的內部監控系統，以保障股東利益及本集團資產。董事會已委派管理層落實內部監控系統，並檢討已建立的架構內的所有相關財務、營運、遵守規例監控及風險管理效能。

組織架構

本集團已成立組織架構，載列相關經營政策及程序、職責及職權。

授權及控制

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

內部監控培訓

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

ACCOUNTING SYSTEM MANAGEMENT

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

CONTINUING OPERATION

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

INVESTOR RELATIONS

The Company reports to the shareholders regarding corporate information of the Group on a timely and accurate basis. Printed copies of the 2009 interim report have been sent to all shareholders. The Company places great emphasis on communication with shareholders and investors of the Company and improving the Company's transparency of information disclosure. As such, designated officers are assigned to handle relations with investors and analysts. During the year, the Company has met several fund managers analysts and media reporters and answered their inquiries. Site visits to stores and face-to-face meetings were arranged for them so as to enhance their understanding of the Company's operation and also its latest business developments. The Company made disclosures in a faithful, true, accurate, complete and timely manner in strict accordance with the applicable laws and regulations, Articles of Association and Listing Rules. At the same time, the Company places great importance in collecting and analysing various comments and recommendations of analysts and investors on the Company's operations, which would be compiled into reports regularly and adopted selectively in its operations. The Company has set up a website, allowing investors to access updates on the Company's particulars, statutory announcements, management and recent operating affairs. All published annual reports, interim reports, circulars and announcements since the Listing are and will be included in the "Investors Relations" section of the website. The Company persistently adheres to its disclosure principle of honesty and integrity and actively initiates communications with various parties. In particular, it held corporate presentations, press conferences and one-on-one investor meetings following the announcement of interim and annual results and decisions to major investments. The Company also participates in a series of investor relation activities and conducts one-on-one communication with investors on a regular basis.

會計系統管理

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

持續經營

於相關年內，並無可能持續重大影響本集團持續經營的不明朗事件或情況。

投資者關係

本公司按時準確向股東報告有關本集團企業資料。二零零九年度中期報告的印刷本已寄交全體股東。本公司高度重視與本公司股東及投資者的溝通以及改善本公司資料披露的透明度，因此已委派指定員工處理與投資者及分析員的關係。年內，本公司曾會見數名基金經理、分析員及傳媒記者並解答彼等的查詢以及安排彼等實地視察本公司的百貨公司及面談等，以增加彼等對本公司業務及其最新業務發展的認識。本公司嚴格遵守適用法律及規例、組織章程細則及上市規則，真誠、真實、準確、全面及準時作出披露。同時，本公司高度重視收集及分析分析員及投資者對本公司業務的各種評論及建議，並會定期編入報告及於其業務作選擇性採納。本公司設有網站，讓投資者查閱本公司最新資料、法定公佈、管理及最近經營事宜。所有上市後刊發的年報、中期報告、通函及公佈均已經及將會載於網站內「投資者關係」一欄。本公司一直恪守其誠實及完整的披露原則，並積極主動與各方人士溝通。尤其是，本公司於公佈中期及年度業績以及重大投資決定後舉行企業座談會、發佈會及一對一投資者會議。本公司亦參與一系列投資者關係活動及定期與投資者進行一對一交流。

Report of the Directors

董事會報告

The Directors are pleased to present their annual report together with the audited financial statements of the Company for the year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of each member of the Company are set out in note 14 to the financial statements. The principal activities of the operating subsidiaries of the Company during the year ended 31 December 2009 are operation and management of retail stores.

RESULTS

The results of the Company for the year ended 31 December 2009 are set out in the consolidated statement of comprehensive income on page 54.

DIVIDENDS

The Board of Directors do not propose the payment of a final dividend for the year ended 31 December 2009.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Company during the year are set out in note 11 to the financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 22 to the financial statements.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in consolidated statement of changes in equity and note 23 to the financial statements respectively.

SHARE OPTIONS

Details of the Company's share option scheme and the movements in the share options are set out in note 24 to the financial statements.

董事欣然呈列彼等的全年報告，連同本公司於截至二零零九年十二月三十一日止年度的經審核財務報表。

主要業務

本公司主要業務為投資控股。本公司各成員公司的主要業務詳情載於財務報表附註14。本公司各營運附屬公司於截至二零零九年十二月三十一日止年度的主要業務是經營及管理零售店。

業績

本公司截至二零零九年十二月三十一日止年度的業績載於第54頁的綜合全面收益表。

股息

董事會不建議派付截至二零零九年十二月三十一日止年度之末期股息。

物業、廠房及設備

本公司於本年度物業、廠房及設備的變動詳情載於財務報表附註11。

股本

本公司於本年度股本的變動詳情載於財務報表附註22。

儲備

本集團及本公司於本年度儲備的變動詳情分別載於綜合權益變動表及財務報表附註23。

購股權

本公司購股權計劃及購股權變動之詳情載於財務報表附註24。

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

DISTRIBUTABLE RESERVES

As at 31 December 2009, the Company's distributable reserves amounted to approximately RMB252.5 million.

PRE-EMPTIVE RIGHTS

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

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

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

DIRECTORS

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

Executive Directors:

Mr. Zhuang Lu Kun	(Chairman)
Mr. Shen Da Jin	(resigned on 9 February 2009)
Mr. Zhuang Pei Zhong	(Chief Financial Officer)
Mr. Gu Wei Ming	(Chief Procurement Officer)
Mr. Zhuang Xiao Xiong	(appointed on 9 February 2009)

Independent Non-executive Directors:

Mr. Chin Kam Cheung
Dr. Guo Zheng Lin
Mr. Ai Ji

Pursuant to Article 87(1) of the articles of association of the Company, Mr. Gu Wei Ming, Mr. Chin Kam Cheung, and Dr. Guo Zheng Lin shall retire from office at the forthcoming Annual General Meeting by rotation. All retiring Directors, being eligible, will offer themselves for re-election. The re-election of Directors will be individually voted by Shareholders.

可供分派儲備

於二零零九年十二月三十一日，本公司之可供分派儲備約為人民幣252,500,000元。

優先購買權

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

購買、出售或贖回本公司的上市證券

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

董事

本年度及直至本申報日，本公司董事為：

執行董事：

莊陸坤先生 (董事長)
沈大津先生 (已於二零零九年二月九日辭任)
莊沛忠先生 (財務總監)
顧衛明先生 (採配總監)
莊小雄先生 (已於二零零九年二月九日獲委任)

獨立非執行董事：

錢錦祥先生
郭正林博士
艾及先生

根據本公司的公司章程細則第87(1)條，顧衛明先生、錢錦祥先生及郭正林博士將於應屆股東週年大會上輪值告退，惟彼等均合資格及願意應選連任。個別董事的重選將由股東表決批准。

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

DIRECTORS (continued)

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

BIOGRAPHY OF THE DIRECTORS AND THE SENIOR MANAGEMENT

The biographical details of the Directors and the senior management are set out on pages 9 to 11.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company for an initial term of three years (two years for Independent Non-executive Directors) commencing on 21 May 2007 ("Listing Date") unless terminated by not less than three months' (two months' for Independent Non-executive Directors) written notice of termination served by either the Director or the Company. Each of the service contracts further provides that during the term of the service contract and within two years upon the termination of service, the Executive Director cannot engage in any business which is competing or is likely to compete, either directly or indirectly, with the business of the Company. The appointments are subject to the provisions of retirement and rotation of Directors under the Articles of Association of the Company.

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

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

董事(續)

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

董事及高級管理層簡歷

董事及高級管理層簡歷載於第9至11頁。

董事服務合同

每名執行董事均與本公司訂有服務合同，初步為期三年(獨立非執行董事為兩年)，由二零零七年五月二十一日(「上市日期」)開始，除非由董事或本公司發出不少於三個月(獨立非執行董事為兩個月)書面通知終止合同。每份服務合同進一步規定，服務合同期內以及服務終止後兩年內，執行董事不得直接或間接參與任何與本公司業務構成競爭或可能構成競爭的業務。委任受本公司之公司章程細則下有關董事輪值退任的條文所規限。

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

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

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

INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in section under “Continuing Connected Transaction” of this report on pages 40 to 48, no Director nor controlling shareholders had a material interest, either directly or indirectly, in any contract of significance to the business of the Company. There is no contract of significance between the Company, its holding company or any of its subsidiaries or its controlling shareholder during the year.

MANAGEMENT CONTRACTS

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

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) pursuant to a resolution of the sole shareholder of the Company passed on 30 April 2007. The Share Option Scheme complies with the requirements of the Listing Rules. Certain share options have been granted to the Directors and the employees of the Company under the Share Option Scheme since its adoption and up to 31 December 2009. Details of the outstanding options as at the reporting date are set out in note 24 to the financial statements.

As at the date of this annual report, the number of shares in respect of which options had been granted under the Share Option Scheme adopted by the Company and remained outstanding under the Scheme was 25,960,000 shares, representing 2.5% of the shares of the Company in issue.

The remaining life of the scheme is around 7 years.

Regarding the values of options as disclosed in this report, it is warned that due to subjectivity and uncertainty of the values of options, such values are subject to a number of assumptions and the limitation of the model.

重大合同權益

除本報告第40至48頁「持續關連交易」一節所披露者外，概無董事或控股股東直接或間接於本公司業務任何重大合同中擁有重大權益。本公司、其控股公司或其任何附屬公司或其控股股東之間於年內並無訂立任何重大合同。

管理合同

年內概無訂立或訂有有關本公司業務全部或任何主要部分管理及行政的合同。

購股權計劃

本公司根據本公司唯一股東於二零零七年四月三十日通過之決議案採納一項購股權計劃(「購股權計劃」)。購股權計劃符合上市規則之規定。自採納購股權計劃以來及直至二零零九年十二月三十一日為止，若干購股權已授予董事及本公司僱員。於申報日尚未行使之購股權詳情載於財務報表附註24。

於本年報日期，根據本公司採納的購股權計劃授出及尚未行使的購股權所涉及股份數目為25,960,000股，相當於本公司已發行股份2.5%。

計劃之餘下年期約為七年。

有關本報告披露之購股權價值，務請注意，由於購股權價值之主觀性及不確定性，有關價值受多項假設及有關模式限制。

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

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

As at 31 December 2009, the interests or short positions of the Directors and chief executives in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director and chief executives is taken or deemed to have taken under such provisions of the SFO); or which (b) were required pursuant to Section 352 of the SFO to be entered into the register maintained by the Company; or which (c) were required, pursuant to Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉

於二零零九年十二月三十一日，董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債券中，擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉(包括任何有關董事及最高行政人員根據證券及期貨條例有關條文被當作或視作擁有之權益或淡倉)；或(b)根據證券及期貨條例第352條須載入本公司所存置登記冊內之權益或淡倉；或(c)根據上市規則所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益或淡倉如下：

(a) Ordinary Shares of HK\$0.01 each of the Company

(a) 本公司每股面值0.01港元之普通股

Name 姓名	Capacity 身分	Number of shares/ Underlying Shares Held 所持股份／相關股份數目			Percentage of Issued Shares 佔已發行 股份百分比
		Personal Interest 個人權益	Family Interest 家族權益	Total Interest 權益總額	
Mr. Zhuang Lu Kun (Mr. Zhuang) 莊陸坤先生(莊先生)	Beneficial Owner 實益擁有人	617,757,500	67,500,000 (Note 1) (附註1)	685,257,500	66.05%
	Beneficial Owner 實益擁有人	2,000,000 (Note 2) (附註2)	-	-	-
Mr. Shen Da Jin (resigned on 9 February 2009) 沈大津先生(已於二零零九年二月九日辭任)		1,220,000 (Note 3) (附註3)	-	-	-
Mr. Zhuang Pei Zhong 莊沛忠先生	Beneficial Owner 實益擁有人	1,000,000 (Note 4) (附註4)	-	-	-
Mr. Gu Wei Ming 顧衛明先生	Beneficial Owner 實益擁有人	940,000 (Note 5) (附註5)	-	-	-
Mr. Zhuang Xiao Xiong (appointed on 9 February 2009) 莊小雄先生 (已於二零零九年二月九日獲委任)	Beneficial Owner 實益擁有人	75,000,000 2,000,000 (Note 6) (附註6)	- -	75,000,000 -	7.23% -

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

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

(a) Ordinary Shares of HK\$0.01 each of the Company (continued)

Notes:

- (1) 67,500,000 Shares are be held by Mrs. Zhuang Su Lan ("Mrs. Zhuang"). Since Mrs. Zhuang is the spouse of Mr. Zhuang, under the SFO, Mr. Zhuang is deemed to be interested in the said Shares held by Mrs. Zhuang.
- (2) These shares would be allotted to Mr. Zhuang upon the exercise in full of the share options granted to him under the Share Option Scheme.
- (3) These Shares would be allotted Mr. Shen Da Jin upon the exercise in full of the share options granted to him under the Share Option Scheme.
- (4) These Shares would be allotted to Mr. Zhuang Pei Zhong upon the exercise in full of the share options granted to him under the Share Option Scheme.
- (5) These Shares would be allotted to Mr. Gu Wei Ming upon the exercise in full of the share options granted to him under the Share Option Scheme.
- (6) These shares would be allotted to Mr. Zhuang Xiao Xiong upon the exercise in full of the share options granted to him under the Share Option Scheme.

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

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

(a) 本公司每股面值0.01港元之普通股(續)

附註：

- (1) 67,500,000股股份由莊素蘭女士(「莊太」)持有。莊太為莊先生之配偶，故根據證券及期貨條例，莊先生被視作於莊太持有之上述股份中擁有權益。
- (2) 根據購股權計劃，此等股份將於授予莊先生之購股權獲悉數行使後向彼配發。
- (3) 根據購股權計劃，此等股份將於授予沈大津先生之購股權獲悉數行使後向彼配發。
- (4) 根據購股權計劃，此等股份將於授予莊沛忠先生之購股權獲悉數行使後向彼配發。
- (5) 根據購股權計劃，此等股份將於授予顧衛明先生之購股權獲悉數行使後向彼配發。
- (6) 根據購股權計劃，此等股份將於授予莊小雄先生之購股權獲悉數行使後向彼配發。

上文披露之所有權益指於本公司股份及相關股份之好倉。

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

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

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

(b) Share Options

Options to subscribe for Shares

(b) 購股權

可認購股份之購股權

Name/Category of Participants 參與人士姓名／類別	Outstanding options at the beginning of the year 於年初尚未行使之購股權	Number of options granted during the year 年內授出購股權數目	Number of options exercised during the year 年內行使之購股權數目	Number of options lapsed during the year 年內失效之購股權數目	Outstanding options at the end of the year 於年終尚未行使之購股權	Date of grant 授出日期	Exercise Period 行使期	Exercise price per Share 每股股份行使價 HK\$ 港元
Directors								
董事								
Mr. Zhuang Lu Kun 莊陸坤先生	1,000,000	-	-	-	1,000,000	30/4/2007 二零零七年四月三十日	21/11/2007 to 20/11/2012 二零零七年十一月二十一日至二零一二年十一月二十日	1.04
	1,000,000	-	-	-	1,000,000	8/8/2008 二零零八年八月八日	9/8/2008 to 8/8/2013 二零零八年八月九日至二零一三年八月八日	0.46
Mr. Shen Da Jin (resigned on 9 February 2009) 沈大津先生 (已於二零零九年二月九日辭任)	720,000	-	-	(720,000)	-	30/4/2007 二零零七年四月三十日	21/11/2007 to 20/11/2012 二零零七年十一月二十一日至二零一二年十一月二十日	1.04
	500,000	-	-	(500,000)	-	8/8/2008 二零零八年八月八日	9/8/2008 to 8/8/2013 二零零八年八月九日至二零一三年八月八日	0.46
Mr. Zhuang Pei Zhong 莊沛忠先生	600,000	-	-	-	600,000	30/4/2007 二零零七年四月三十日	21/11/2007 to 20/11/2012 二零零七年十一月二十一日至二零一二年十一月二十日	1.04
	400,000	-	-	-	400,000	8/8/2008 二零零八年八月八日	9/8/2008 to 8/8/2013 二零零八年八月九日至二零一三年八月八日	0.46
Mr. Gu Wei Ming 顧衛明先生	540,000	-	-	-	540,000	30/4/2007 二零零七年四月三十日	21/11/2007 to 20/11/2012 二零零七年十一月二十一日至二零一二年十一月二十日	1.04
	400,000	-	-	-	400,000	8/8/2008 二零零八年八月八日	9/8/2008 to 8/8/2013 二零零八年八月九日至二零一三年八月八日	0.46
Mr. Zhuang Xiao Xiong (appointed on 9 February 2009) 莊小雄先生 (已於二零零九年二月九日獲委任)	1,000,000	-	-	-	1,000,000	30/4/2007 二零零七年四月三十日	21/11/2007 to 20/11/2012 二零零七年十一月二十一日至二零一二年十一月二十日	1.04
	1,000,000	-	-	-	1,000,000	8/8/2008 二零零八年八月八日	9/8/2008 to 8/8/2013 二零零八年八月九日至二零一三年八月八日	0.46

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

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

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

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

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

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

As at 31 December 2009, according to the register kept by the Company pursuant to Section 336 of the SFO, and so far as was known to any Director, the following persons (other than the interests of certain Directors disclosed under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any associated Corporation" above), had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

董事收購股份或債權證的權利

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

主要股東於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉

於二零零九年十二月三十一日，按照本公司根據證券及期貨條例第336條存置之登記冊所示，及據董事所知悉，除上文「董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉」一節所披露若干董事之權益外，下列人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露之權益或淡倉：

Name 姓名	Type of interest 權益種類	Capacity 身分	Personal/ corporate interest 個人/ 公司權益	Family interest 家族權益	Total 總計	Percentage of issued share capital 佔已 發行股本 百分比
Mrs. Zhuang 莊太	Personal 個人權益	Beneficial owner 實益擁有人	67,500,000	617,757,500 (Note 1) (附註1) 2,000,000 (Note 2) (附註2)	685,257,500	66.05%
Martin Currie (Holdings) Limited (Note 3)(附註3)	Corporate 公司權益	Interest of controlled corporation 受控法團權益	83,040,000	-	83,040,000	8%
Martin Currie Investment Management Limited	Corporate 公司權益	Beneficial owner 實益擁有人	47,894,000	-	47,894,000	4.61%

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

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

Notes:

- (1) 617,757,500 Shares are held by Mr. Zhuang Lu Kun ("Mr. Zhuang"). Since Mr. Zhuang is the spouse of Mrs. Zhuang, under the SFO, Mrs. Zhuang is deemed to be interested in the said Shares held by Mr. Zhuang.
- (2) These Shares would be allotted to Mr. Zhuang upon the exercise in full of the share options granted to him under the Share Option Scheme. Since Mr. Zhuang is the spouse of Mrs. Zhuang, under the SFO, Mrs. Zhuang is deemed to be interested in the said Shares which are subject to the Share Options granted to Mr. Zhuang.
- (3) Martin Currie Investment Management Ltd and Martin Currie Inc, which are wholly owned subsidiaries of Martin Currie (Holdings) Limited, together hold 47,894,000 Shares and 35,146,000 Shares respectively. Martin Currie (Holdings) Limited is deemed to have interest of 83,040,000 Shares held by Martin Currie Investment Management Limited and Martin Currie Inc.

Save as disclosed above, there was no other person known to the Directors, other than the Directors, who, as at 31 December 2009, had an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

主要股東於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉(續)

附註：

- (1) 617,757,500股股份由莊陸坤先生(「莊先生」)持有。由於莊先生為莊太之配偶，故根據證券及期貨條例，莊太被視作於莊先生持有之上述股份中擁有權益。
- (2) 根據購股權計劃，此等股份將於授予莊先生之購股權獲悉數行使後向彼配發。由於莊先生為莊太之配偶，故根據證券及期貨條例，莊太被視作於莊先生獲授之購股權涉及之上述股份中擁有權益。
- (3) Martin Currie Investment Management Ltd及Martin Currie Inc為Martin Currie (Holdings) Limited全資擁有之附屬公司，分別合共持有47,894,000股及35,146,000股股份。Martin Currie (Holdings) Limited被視為於Martin Currie Investment Management Limited及Martin Currie Inc所持83,040,000股股份中擁有權益。

除上文披露者外，於二零零九年十二月三十一日，據董事所知，除董事以外概無任何人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露之權益或淡倉。

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

CONTINUING CONNECTED TRANSACTIONS

The Company has entered into the following non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules, which the Stock Exchange has granted waivers to, but subject to the disclosure in the annual report under Rule 14A.42 of the Listing Rules.

1. Lease of office premise from Mr. Zhuang

Mr. Zhuang is an executive Director and a controlling shareholder, and thus a connected person of the Company. Pursuant to a lease agreement dated 6 November 2006 (“Office Lease Agreement”) between Mr. Zhuang (as landlord) and 深圳市百佳華百貨有限公司 (Shenzhen Baijiahua Department Stores Company Limited) (“BJH Department Stores”), a subsidiary of the Company (as tenant), BJH Department Stores leases the office premise situated at Unit 301, 3rd Floor, Block 1 Baijiahua Building, Hedong Road, Xixiang Town, Baoan District, Shenzhen, Guangdong Province, the PRC of a gross floor area of approximately 647.84 square meters for a term of 15 years commencing from 1 June 2006 and expiring on 31 May 2021 at a monthly rent of RMB16,843 with triennial increase of 5%. Pursuant to a supplemental agreement dated 6 November 2006 between Mr. Zhuang and BJH Department Stores, the parties agreed that if the Company cannot meet the requirements in respect of continuing connected transactions (including but not limited to obtaining approval by independent shareholders), BJH Department Stores has the right to terminate the transactions under the Office Lease Agreement by giving written notice to Mr. Zhuang, without any payment or compensation. Pursuant to the Office Lease Agreement, the total annual consideration paid by BJH Department Stores for the year ended 31 December 2009 was approximately RMB209,000 and has not exceeded the annual cap of RMB209,000 as disclosed in the prospectus. The relevant amount which are expected to be payable by BJH Department Stores will not exceed RMB220,000 for the year ending 31 December 2010.

The rental paid for Xixiang office as disclosed above of RMB209,000 is included under note 27(b) to the financial statements for the year ended 31 December 2009.

持續關連交易

本公司訂有以下根據上市規則第14A.35條獲聯交所授出豁免的非豁免持續關連交易，惟有關交易須根據上市規則第14A.42條於年報內披露。

1. 由莊陸坤先生出租寫字樓物業

莊陸坤先生為執行董事及控股股東，因此亦為本公司的關連人士。根據莊陸坤先生(作為業主)與本公司附屬公司深圳市百佳華百貨有限公司(「百佳華百貨」，作為租戶)於二零零六年十一月六日訂立的租賃協議(「寫字樓租賃協議」)，百佳華百貨租賃位於中國廣東省深圳市寶安區西鄉鎮河東路百佳華大廈1棟3樓301號的寫字樓物業，建築面積約647.84平方米，租期自二零零六年六月一日起至二零二一年五月三十一日屆滿，為期十五年，月租人民幣16,843元，每三年遞增5%。根據莊陸坤先生與百佳華百貨於二零零六年十一月六日訂立的補充協議，立約雙方同意倘本公司未能遵守持續關連交易的規定(包括但不限於取得獨立股東批准)，百佳華百貨有權向莊陸坤先生發出書面通知，在毋須作出任何付款或賠償下終止寫字樓租賃協議的交易。根據寫字樓租賃協議，百佳華百貨截至二零零九年十二月三十一日止年度支付的年度總代價約為人民幣209,000元，並無超出售股章程所載年度上限人民幣209,000元。預期百佳華百貨截至二零一零年十二月三十一日止年度應付的相關金額不會超過人民幣220,000元。

誠如上文所披露，西鄉寫字樓之已付租金為人民幣209,000元，已載於截至二零零九年十二月三十一日止年度之財務報表附註27(b)內。

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

CONTINUING CONNECTED TRANSACTIONS (continued)

2. Lease of four store premises and rental income received for lease of certain spaces of the Gongming store to Baisheng from BJH Industrial

深圳市百佳華實業發展有限公司 (Shenzhen Baijiahua Industrial Development Company Limited) (“BJH Industrial”) is owned as to 90% by Mr. Zhuang and 10% by Mrs. Zhuang. BJH Industrial is thus an associate of Mr. Zhuang and therefore a connected person of the Company. The Group leases four store premises and rental income received for lease of certain spaces of the Gongming store to Baisheng from BJH Industrial, details of which are set out as follows:

(i) *Lease of store premises for the Longhua Store*

Pursuant to a lease agreement dated 5 April 2005 (“Longhua Store Lease Agreement”) between BJH Industrial (as landlord) and BJH Department Stores (as tenant), BJH Department Stores leases the store premises situated at Levels 1 to 5, Jiahua Emporium, No. 291 Renmin Bei Road, Longhua Street, Baoan District, Shenzhen, Guangdong Province, the PRC of a gross floor area of approximately 24,549.25 square metres for a term of 15 years commencing from 1 March 2004 and expiring on 28 February 2019 at a monthly rent of RMB490,985 with triennial increase of 5% starting from 1 March 2008. Pursuant to a supplemental lease agreement dated 18 November 2006 between BJH Industrial and BJH Department Stores, the parties agreed that if the Company cannot meet the requirements in respect of continuing connected transactions (including but not limited to obtaining approval by independent shareholders), BJH Department Stores has the right to terminate the transactions without any payment or compensation. Pursuant to the Longhua Store Lease Agreement (as supplemented), the total annual consideration paid by BJH Department Stores for the year ended 31 December 2009 was approximately RMB6,186,000 and has not exceeded the annual cap of RMB6,187,000 as disclosed in the prospectus. The relevant amount which are expected to be payable by BJH Department Stores will not exceed RMB6,190,000 for the year ending 31 December 2010.

持續關連交易(續)

2. 由百佳華實業出租四項店舖物業及收取百勝租賃公明百貨店之租金收入

深圳市百佳華實業發展有限公司(「百佳華實業」)由莊陸坤先生及莊太分別擁有90%及10%。因此，百佳華實業為莊陸坤先生的聯繫人士及本公司之關連人士。本集團向百佳華實業租賃四項店舖物業及收取百勝租賃公明百貨店之租金收入，有關詳情如下：

(i) *租賃龍華百貨店的店舖物業*

根據百佳華實業(作為業主)與百佳華百貨(作為租戶)於二零零五年四月五日訂立的租賃協議(「龍華百貨店租賃協議」)，百佳華百貨租賃位於中國廣東省深圳市寶安區龍華街道人民北路291號佳華商場1至5層的店舖物業，建築面積約24,549.25平方米，租期自二零零四年三月一日起至二零一九年二月二十八日屆滿，為期十五年，月租人民幣490,985元，由二零零八年三月一日每三年遞增5%。根據百佳華實業與百佳華百貨於二零零六年十一月十八日訂立的補充租賃協議，立約雙方同意倘本公司未能遵守持續關連交易的規定(包括但不限於取得獨立股東批准)，百佳華百貨有權在毋須作出任何付款或賠償下終止交易。根據龍華百貨店租賃協議(經補充)，百佳華百貨截至二零零九年十二月三十一日止年度支付的年度總代價約為人民幣6,186,000元，並無超出售股章程所載年度上限人民幣6,187,000元。預期百佳華百貨截至二零一零年十二月三十一日止年度應付的相關金額不會超過人民幣6,190,000元。

CONTINUING CONNECTED TRANSACTIONS (continued)

2. Lease of four store premises and rental income received for lease of certain spaces of the Gongming store to Baisheng from BJH Industrial (continued)

(ii) Lease of store premises for the Songgang Store

Pursuant to a lease agreement dated 30 April 2005 ("Songgang Store Lease Agreement") between BJH Industrial (as landlord) and BJH Department Stores (as tenant) and as supplemented by two supplemental agreements dated 18 November 2006 and 29 March 2007 respectively both made between BJH Industrial and BJH Department Stores, BJH Department Stores leases the store premises situated at Levels 1 to 5, Jiahua Emporium, No. 293 Songgang Section of State Avenue 107, Baoan District, Shenzhen, Guangdong Province, the PRC of a gross floor area of approximately 23,134 square metres for a term of 15 years commencing from 1 March 2004 and expiring on 28 February 2019 at a monthly rent of RMB458,260 during the period from 1 March 2004 to 30 April 2005 and RMB462,680 with effect from 1 May 2005. The monthly rent is subject to a triennial increase of 5% starting from 1 March 2008. Pursuant to a supplemental lease agreement dated 18 November 2006 between BJH Industrial and BJH Department Stores, the parties agreed that if the Company cannot comply with the requirements in respect of continuing connected transactions (including but not limited to obtaining approval by independent shareholders), BJH Department Stores has the right to terminate the transactions under the Songgang Store Lease Agreement by giving written notice to BJH Industrial, without any payment or compensation. Pursuant to the Songgang Store Lease Agreement (as supplemented), the total annual consideration paid by BJH Department Stores for the year ended 31 December 2009 was approximately RMB5,830,000 and has not exceeded the annual cap of RMB5,830,000 as disclosed in the prospectus. The relevant amount which are expected to be payable by BJH Department Stores will not exceed RMB5,830,000 for the year ending 31 December 2010.

持續關連交易(續)

2. 由百佳華實業出租四項店舖物業及收取百勝租賃公明百貨店之租金收入(續)

(ii) 租賃松崗百貨店的店舖物業

根據百佳華實業(作為業主)與百佳華百貨(作為租戶)於二零零五年四月三十日訂立的租賃協議(「松崗百貨店租賃協議」)及經百佳華實業與百佳華百貨分別於二零零六年十一月十八日及二零零七年三月二十九日訂立的兩份補充協議所補充,百佳華百貨租賃位於中國廣東省深圳市寶安區107國道松崗路段293號佳華商場1至5層的店舖物業,建築面積約23,134平方米,租期自二零零四年三月一日起至二零一九年二月二十八日屆滿,為期十五年,由二零零四年三月一日至二零零五年四月三十日期內月租人民幣458,260元及由二零零五年五月一日起月租人民幣462,680元。月租由二零零八年三月一日起每三年遞增5%。根據百佳華實業與百佳華百貨於二零零六年十一月十八日訂立的補充租賃協議,立約雙方同意倘本公司未能遵守持續關連交易的規定(包括但不限於取得獨立股東批准),百佳華百貨有權向百佳華實業發出書面通知,在毋須作出任何付款或賠償下終止松崗百貨店租賃協議的交易。根據松崗百貨店租賃協議(經補充),百佳華百貨截至二零零九年十二月三十一日止年度支付的年度總代價約為人民幣5,830,000元,並無超出售股章程所載年度上限人民幣5,830,000元。預期百佳華百貨截至二零一零年十二月三十一日止年度應付的相關金額不會超過人民幣5,830,000元。

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

CONTINUING CONNECTED TRANSACTIONS (continued)

持續關連交易(續)

2. Lease of four store premises and rental income received for lease of certain spaces of the Gongming store to Baisheng from BJH Industrial (continued)

2. 由百佳華實業出租四項店舖物業及收取百勝租賃公明百貨店之租金收入(續)

(iii) Pursuant to a lease agreement dated 1 May 2009 (“Qianjin Store Lease Agreement”) between BJH Industrial (as landlord) and BJH Department Stores (as tenant), BJH Department Stores leases the store premises situated at Level 1 and Level 2 of Block 1, Shenzhen Baoan District 30 Taihua Building, Qianjin Road, Xinan Jiedao, Baoan District, Shenzhen City, Guangdong Province, the PRC of a gross floor area of approximately 4,216 sq.m. for a term of 3 years commencing from 1 June 2009 and expiring on 31 May 2012 for a monthly rental of RMB130,696. Pursuant to the Supplementary Store Lease Agreement dated 28 January 2010 between BJH Industrial (as landlord) and BJH Department Stores (as tenant), the monthly rental has been reduced to RMB84,320. Effective from 1 February 2010 to the end of the original lease. The parties to the Qianjin Store Lease Agreement agreed that if the Company cannot meet with the requirements in respect of continuing connected transactions (including but not limited to obtaining approval by independent shareholders), BJH Department Stores has the right to terminate the transactions under the Qianjin Store Lease Agreement by giving written notice to BJH Industrial without any payment or compensation. Pursuant to the Qianjin Store Lease Agreement, the total annual consideration paid by BJH Department Stores was approximately RMB586,000 for the year ended 31 December 2009, and has not exceeded the annual cap of RMB838,633 as disclosed in the announcement dated 23 February 2009. The annual cap of Qianjin store for the year ended 31 December 2009 has not been revised down upon the rental reduction with effect from 1 February 2010 per our announcement dated 28 January 2010 “Continuing connected transactions - Supplementary agreements and revised annual caps”. This resulted in an overstatement of the annual cap of Qianjin store of approximately RMB253,000 for the year ended 31 December 2009 with the total annual consideration paid which will be amortised by approximately RMB77,000, approximately RMB124,000 and approximately RMB52,000 respectively in the years ending 31 December 2010, 2011 and 2012. The relevant amount which are expected to be payable by BJH Department Stores will not exceed approximately RMB1,005,000 for the year ending 31 December 2010.

(iii) 根據百佳華實業(作為業主)與百佳華百貨(作為租戶)於二零零九年五月一日訂立的租賃協議(「前進店租賃協議」),百佳華百貨租賃位於中國廣東省深圳市寶安區新安街道前進路寶城三十區泰華大廈一棟第一、二層,建築面積約4,216平方米,租期自二零零九年六月一日起至二零一二年五月三十一日屆滿,為期三年,月租人民幣130,696元。另外,根據百佳華實業(作為業主)與百佳華百貨(作為租戶)於二零一零年一月二十八日訂立的補充租賃協議,月租將下調至人民幣84,320元。生效期由二零一零年二月一日開始至原協議之終止日。前進店租賃協議之訂約各方同意倘本公司未能遵守持續關連交易的規定(包括但不限於取得獨立股東批准),百佳華百貨有權向百佳華實業發出書面通知,在毋須作出任何付款或賠償下終止前進店租賃協議的交易。根據前進店租賃協議及補充租賃協議,百佳華百貨截至二零零九年十二月三十一日止年度支付的總代價約為人民幣586,000元,並無超於二零零九年二月二十三日之公告所載年度上限人民幣838,633元。尚未根據日期為二零一零年一月二十八日之公告「持續關連交易-補充協議及經修訂年度上限」內所述自二零一零年二月一日生效之減租而調低截至二零零九年十二月三十一日止年度前進店的年度上限。此導致前進店截至二零零九年十二月三十一日止年度之年度上限高出約人民幣253,000元,而截至二零一零年、二零一一年及二零一二年十二月三十一日止年度已付年度代價總額將分別被攤薄約人民幣77,000元、人民幣124,000元及人民幣52,000元。預期百佳華百貨截至二零一零年十二月三十一日止年度應付的相關金額不會超過人民幣1,005,000元。

The rental paid for Longhua store and Songgang store as disclosed above of approximately RMB6,186,000, approximately RMB5,830,000 and approximately RMB586,000 respectively totalling approximately RMB12,602,000 are included under note 27(a)(i) to the financial statements for the year ended 31 December 2009.

誠如上文所披露,龍華百貨店、松崗百貨店及前進百貨店之已付租金分別為約人民幣6,186,000元、約人民幣5,830,000元及約人民幣586,000元,合計約人民幣12,602,000元,已載於截至二零零九年十二月三十一日止年度之財務報表附註27(a)(i)內。

CONTINUING CONNECTED TRANSACTIONS (continued)

2. Lease of four store premises and rental income received for lease of certain spaces of the Gongming store to Baisheng from BJH Industrial (continued)

(iv) Lease of store premises for the Gongming Store

Pursuant to a lease agreement dated 28 April 2002 (“Gongming Store Lease Agreement”) between 深圳市中鵬展實業有限公司 (Shenzhen Zhong Peng Zhan Industrial Co., Ltd.) (“Zhong Peng Zhan”) (as landlord) and BJH Industrial (as tenant), BJH Industrial leases the store premises situated at No. 1 Changchun Nan Road West, Gongming Town, Baoan District, Shenzhen, Guangdong Province, the PRC (“Gongming Premises”) of a gross floor area of approximately 21,843 square metres for a term of 15 years commencing from 16 November 2002 and expiring on 15 November 2017 at a monthly rent of RMB480,546. Pursuant to a supplemental lease agreement dated 1 March 2004 between Zhong Peng Zhan and BJH Industrial (the “Gongming Store Supplemental Lease Agreement”), Zhong Peng Zhan has consented that BJH Industrial can provide the Gongming Premises for occupation by BJH Department Stores. Zhong Peng Zhan also consented that BJH Department Stores shall pay the rental under the Gongming Store Lease Agreement directly to Zhong Peng Zhan, and BJH Industrial has guaranteed the timely payment of rentals to Zhong Peng Zhan by BJH Department Stores. Pursuant to agreement dated 8 December 2006 between BJH Industrial and BJH Department Stores, BJH Industrial confirmed its agreement to provide the Gongming Premises for the use by BJH Department Stores and BJH Department Stores confirmed its agreement to use the Gongming Premises on the same terms of the Gongming Store Lease Agreement (including but not limited to the period of the lease and rental) and BJH Industrial and BJH Department Stores further agreed that if the Company cannot meet the requirements in respect of continuing connected transactions (including but not limited to obtaining approval by independent shareholders), BJH Department Stores has the right to terminate the lease of the Gongming Premises by giving written notice to BJH Industrial, without any payment or compensation. Despite BJH Department Stores pays the rental in respect of the Gongming Premises directly to Zhong Peng Zhan and not to BJH Industrial,

持續關連交易(續)

2. 由百佳華實業出租四項店舖物業及收取百勝租賃公明百貨店之租金收入(續)

(iv) 租賃公明百貨店的店舖物業

根據深圳市中鵬展實業有限公司(「中鵬展」)(作為業主)及百佳華實業(作為租戶)於二零零二年四月二十八日訂立的租賃協議(「公明百貨店租賃協議」)，百佳華實業租賃位於中國廣東省深圳市寶安區公明鎮長春南路西1號的店舖物業(「公明物業」)，建築面積約21,843平方米，租期自二零零二年十一月十六日起至二零一七年十一月十五日屆滿，為期十五年，月租人民幣480,546元。根據中鵬展與百佳華實業於二零零四年三月一日訂立的補充租賃協議(「公明百貨店補充租賃協議」)，中鵬展已同意百佳華實業提供公明物業以供百佳華百貨佔用。中鵬展亦同意百佳華百貨須根據公明百貨店租賃協議直接向中鵬展支付租金，而百佳華實業已保證百佳華百貨準時向中鵬展支付租金。根據百佳華實業與百佳華百貨於二零零六年十二月八日訂立的協議，百佳華實業確認同意提供公明物業予百佳華百貨使用，而百佳華百貨確認同意按照公明百貨店租賃協議之相同條款(包括但不限於租期及租金)使用公明物業，百佳華實業及百佳華百貨並進一步同意，倘本公司未能遵守持續關連交易的規定(包括但不限於取得獨立股東批准)，百佳華百貨有權向百佳華實業發出書面通知，在毋須作出任何付款或賠償下終止公明物業之租約。儘管百佳華百貨直接向中鵬展而非百佳華實業支付公明物業之租金，由於百佳華實業為公明百貨店租賃安排(定義見下文)之訂約方，而百佳華實業已向中鵬展保證百佳華百貨準時支付租金，因此，根據公明百貨店租賃協議、公明百貨店補充租賃協議及上述百佳華實業與百佳華百貨所訂

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

CONTINUING CONNECTED TRANSACTIONS (continued)

2. Lease of four store premises and rental income received for lease of certain spaces of the Gongming store to Baisheng from BJH Industrial (continued)

(iv) Lease of store premises for the Gongming Store (continued)

since BJH Industrial is a party to the Gongming Store Lease Arrangement (as defined below) and BJH Industrial has guaranteed to Zhong Peng Zhan the timely payment of rentals by BJH Department Stores, the lease arrangement pursuant to the Gongming Store Lease Agreement, Gongming Store Supplemental Lease Agreement and the agreement between BJH Industrial and BJH Department Stores mentioned above ("Gongming Store Lease Arrangement") constitute continuing connected transactions of the Company. Pursuant to the Gongming Store Lease Agreement (as supplemented), the total annual consideration paid by BJH Department Stores for the year ended 31 December 2009 was approximately RMB5,510,000 and has not exceeded the annual cap of RMB5,767,000 as disclosed in the prospectus. The relevant amount which are expected to be payable by BJH Department Stores will not exceed RMB5,520,000 for the year ending 31 December 2010.

The rental paid for Gongming store as disclosed above of approximately RMB5,510,000 is included under note 27(a)(ii) to the financial statements for the year ended 31 December 2009.

(v) Lease of certain spaces of the Gongming store to Baisheng

Certain spaces of the Gongming Store are leased to Baisheng pursuant to a lease agreement entered into between BJH Industrial and Baisheng for commercial purposes. Pursuant to the supplemental agreement dated 6 November 2006 between BJH Industrial and BJH Department Stores, all rentals received pursuant to such lease agreement shall belong to BJH Department Stores. The amount of rental income received by the BJH Department Stores in respect of the leasing of spaces of Gongming store by Baisheng was approximately RMB1,284,000 for the year ended 31 December 2009.

The rental received for Gongming store as disclosed above of approximately RMB1,284,000 is included under note 27(a)(iii) to the financial statements for the year ended 31 December 2009.

持續關連交易(續)

2. 由百佳華實業出租四項店舖物業及收取百勝租賃公明百貨店之租金收入(續)

(iv) 租賃公明百貨店的店舖物業(續)

立協議之租賃安排(「公明百貨店租賃安排」)構成本公司之持續關連交易。根據公明百貨店租賃協議(經補充),百佳華百貨截至二零零九年十二月三十一日止年度支付的年度總代價約為人民幣5,510,000元,並無超出售股章程所載年度上限人民幣5,767,000元。預期百佳華百貨截至二零一零年十二月三十一日止年度應付的相關金額不會超過人民幣5,520,000元。

誠如上文所披露,公明百貨店之已付租金約為人民幣5,510,000元,已載於截至二零零九年十二月三十一日止年度之財務報表附註27(a)(ii)內。

(v) 公明百貨店若干地方租予百勝

根據百佳華實業與百勝訂立的租賃協議,公明百貨店若干地方租予百勝作商業用途。根據百佳華實業與百佳華百貨所訂立,日期為二零零六年十一月六日的補充協議,所有根據上述租賃協議收取的租金屬於百佳華百貨所有。於截至二零零九年十二月三十一日止年度,百佳華百貨從百勝收取之年度租金收入約人民幣1,284,000元。

誠如上文所披露,公明百貨店之收取的租金約為人民幣1,284,000元,已載於截至二零零九年十二月三十一日止年度之財務報表附註27(a)(iii)內。

CONTINUING CONNECTED TRANSACTIONS (continued) 持續關連交易(續)

3. Lease of two store premises from JH Real Estate

深圳市佳華房地產開發有限公司 (Shenzhen Jiahua Real Estate Development Company Limited) (“JH Real Estate”) is owned as to 60% by Mrs. Zhuang and 40% by BJH Industrial (a company owned as to 90% by Mr. Zhuang and 10% as to Mrs. Zhuang). Since Mrs. Zhuang is the spouse of Mr. Zhuang, she is an associate of Mr. Zhuang. Since Mrs. Zhuang is interested in the equity capital of JH Real Estate so as to exercise or control the exercise of 30% or more of the voting power at general meetings of JH Real Estate, JH Real Estate is an associate of Mr. Zhuang and also a connected person of the Company. The Group leases two stores premises from JH Real Estate, details of which are set out as follows:

- (i) Pursuant to a lease agreement dated 6 November 2006 (“Shiyan Store Lease Agreement”) between JH Real Estate (as landlord) and BJH Department Stores (as tenant), BJH Department Stores leases the store premises situated at Level 1 of Commercial Podium, Jiahua Hao Yuan, Western Shiyan Avenue, Shiyan Street, Baoan District, Shenzhen, Guangdong Province, the PRC of a gross floor area of approximately 5,851.50 square metres for a term of 15 years commencing from 16 November 2006 and expiring on 15 November 2021 at a monthly rent of RMB222,357 with triennial increase of 5%. Pursuant to a supplemental agreement dated 6 November 2006 between JH Real Estate and BJH Department Stores, the parties agreed that if the Company cannot meet with the requirements in respect of continuing connected transactions (including but not limited to obtaining approval by independent shareholders), BJH Department Stores has the right to terminate the transactions under the Shiyan Store Lease Agreement by giving written notice to JH Real Estate without any payment or compensation. Pursuant to the Shiyan Store Lease Agreement, the total annual consideration paid by BJH Department Stores for the year ended 31 December 2009 was approximately RMB2,685,000 and has not exceeded the annual cap of RMB2,685,000 as disclosed in the prospectus. The relevant amount which are expected to be payable by BJH Department Stores will not exceed RMB2,810,000 for the year ending 31 December 2010.

3. 由佳華房地產出租兩項店舖物業

深圳市佳華房地產開發有限公司(「佳華房地產」)由莊太擁有60%，並由百佳華實業(分別由莊陸坤先生及莊太擁有90%及10%的公司)擁有40%。由於莊太為莊陸坤先生的配偶，彼為莊陸坤先生的聯繫人士。由於莊太於佳華房地產擁有股權，因而可在佳華房地產股東大會上行使或控制行使30%或以上的投票權，佳華房地產為莊陸坤先生的聯繫人士，並為本公司的關連人士。本集團向佳華房地產租賃兩間店舖物業，有關詳情載列如下：

- (i) 根據佳華房地產(作為業主)與百佳華百貨(作為租戶)於二零零六年十一月六日訂立的租賃協議(「石岩百貨店租賃協議」)，百佳華百貨租賃位於中國廣東省深圳市寶安區石岩街道石岩大道西側佳華豪苑商場裙樓1層的店舖物業，建築面積約5,851.50平方米，租期自二零零六年十一月十六日起至二零二一年十一月十五日屆滿，為期十五年，月租人民幣222,357元，每三年遞增5%。根據佳華房地產與百佳華百貨於二零零六年十一月六日訂立的補充協議，立約雙方同意倘本公司未能遵守持續關連交易的規定(包括但不限於取得獨立股東批准)，百佳華百貨有權向佳華房地產發出書面通知，在毋須作出任何付款或賠償下終止石岩百貨店租賃協議的交易。根據石岩百貨店租賃協議，百佳華百貨截至二零零九年十二月三十一日止年度各年支付的總代價約為人民幣2,685,000元，並無超出售股章程所載年度上限人民幣2,685,000元。預期百佳華百貨截至二零一零年十二月三十一日止年度應付的相關金額不會超過人民幣2,810,000元。

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

CONTINUING CONNECTED TRANSACTIONS (continued)

3. Lease of two store premises from JH Real Estate (continued)

(ii) Pursuant to a lease agreement dated 23 February 2009 (“Shuyuan Yage Store Lease Agreement”) between JH Real Estate (as landlord) and BJH Department Stores (as tenant), BJH Department Stores leases the store premises situated at Level 1 of Commercial Podium, Jiahua Shuyuan Yage, Southwestern Side of Dabao Road, Xinan Jiedao, Baoan District, Shenzhen City, Guangdong Province, the PRC of a gross floor area of approximately 2,693.69 square metres for a term of 3 years commencing from 1 March 2009 and expiring on 28 February 2012 for a monthly rental of RMB80,810.7. Pursuant to the Supplementary Store Lease Agreement dated 28 January 2010 between JH Real Estate (as landlord) and BJH Department Stores (as tenant), the monthly rental has been reduced to RMB53,873.8. Effective from 1 February 2010 to the end of the original lease. The parties to the Shuyuan Yage Store Lease Agreement agreed that if the Company cannot meet with the requirements in respect of continuing connected transactions (including but not limited to obtaining approval by independent shareholders), BJH Department Stores has the right to terminate the transactions under the Shuyuan Yage Store Lease Agreement by giving written notice to JH Real Estate without any payment or compensation. Pursuant to the Shuyuan Yage Store Lease Agreement, the total annual consideration paid by BJH Department Stores was approximately RMB546,000 for the year ended 31 December 2009, and has not exceeded the annual cap of RMB740,765 as disclosed in the announcement dated 23 February 2009. The annual cap of Shuyuan Yage store for the year ended 31 December 2009 has not been revised down upon the rental reduction with effect from 1 February 2010 per our announcement dated 28 January 2010 “Continuing connected transactions - Supplementary agreements and revised annual caps”. This resulted in an overstatement of the annual cap of Shuyuan Yage store of approximately RMB195,000 for the year ended 31 December 2009 with the total annual consideration paid which will be amortised by approximately RMB80,000, approximately RMB99,000 and approximately RMB16,000 respectively in the years ending 31 December 2010, 2011 and 2012. The relevant amount which are expected to be payable by BJH Department Stores will not exceed approximately RMB673,000 for the year ending 31 December 2010.

持續關連交易(續)

3. 由佳華房地產出租兩項店舖物業(續)

(ii) 根據佳華房地產(作為業主)與百佳華百貨(作為租戶)於二零零九年二月二十三日訂立的租賃協議(「書苑雅閣店租賃協議」), 百佳華百貨租賃位於中國廣東省深圳市寶安區新安街道大寶路西南側佳華書苑雅閣商業平台一樓的店舖物業, 建築面積約2,693.69平方米, 租期自二零零九年三月一日起至二零一二年二月二十八日屆滿, 為期三年, 月租人民幣80,810.7元。另外, 根據佳華房地產(作為業主)與百佳華百貨(作為租戶)於二零一零年一月二十八日訂立的補充租賃協議, 月租將下調至人民幣53,873.8元。生效期由二零一零年二月一日開始至原協議之終止日。書苑雅閣店租賃協議之訂約各方同意倘本公司未能遵守持續關連交易的規定(包括但不限於取得獨立股東批准), 百佳華百貨有權向佳華房地產發出書面通知, 在毋須作出任何付款或賠償下終止書苑雅閣店租賃協議的交易。根據書苑雅閣店租賃協議及補充租賃協議, 百佳華百貨截至二零零九年十二月三十一日止年度支付的總代價約為人民幣546,000元, 並無超於二零零九年二月二十三日之公告所載年度上限人民幣740,765元。尚未根據日期為二零一零年一月二十八日之公告「持續關連交易-補充協議及經修訂年度上限」內所述自二零一零年二月一日生效之減租而調低截至二零零九年十二月三十一日止年度書苑雅閣店的年度上限。此導致書苑雅閣截至二零零九年十二月三十一日止年度之年度上限高出約人民幣195,000元, 而截至二零一零年、二零一一年及二零一二年十二月三十一日止年度已付年度代價總額將分別被攤薄約人民幣80,000元、人民幣99,000元及人民幣16,000元。預期百佳華百貨截至二零一零年十二月三十一日止年度應付的相關金額不會超過約人民幣673,000元。

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

CONTINUING CONNECTED TRANSACTIONS (continued)

3. Lease of two store premises from JH Real Estate (continued)

The rental paid for Shiyan store and Shuyuan Yage store as disclosed above of approximately RMB2,685,000 and approximately RMB546,000 respectively totalling approximately RMB3,231,000 is included under note 27(b) to the financial statements for the year ended 31 December 2009.

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

The Directors confirm that they have received a confirmation from its auditors regarding the matters as stated in Chapter 14A.38 of the Listing Rules for the continuing connected transactions as stated in para. (1), (2)(i), (2)(ii), (2)(iii) and (3)(i) above.

The Stock Exchange has granted a waiver from strict compliance with the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the lease agreements.

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

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2009, revenue attributable to the largest customer of the Group amounted to approximately 0.03% of the total sales of goods and wholesale of consumables for the year and the five largest customers of the Group accounted for less than 30% of the Group's total revenue for the year.

For the year ended 31 December 2009, purchases attributable to the largest supplier of the Group amounted to approximately 0.3% of the total purchases for the year and the five largest suppliers of the Group accounted for less than 30% of the Group's total purchases for the year.

持續關連交易(續)

3. 由佳華房地產出租兩項店舖物業(續)

誠如上文所披露，石岩百貨店及書苑雅閣百貨店之已付租金分別約為人民幣2,685,000元及約人民幣546,000元，合計約人民幣3,231,000元，已載於截至二零零九年十二月三十一日止年度之財務報表附註27(b)內。

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

董事確認彼等已接獲其核數師有關上文分段(1)、(2)(i)、(2)(ii)、(2)(iii)及(3)(i)之持續關連交易於上市規則第14A.38章所述事宜之確認書。

聯交所已就各租賃協議批准豁免嚴格遵守上市規則第14A章有關公告及獨立股東批准的規定。

董事確認本公司已遵守上市規則第14A章之披露規定。

主要客戶及供應商

截至二零零九年十二月三十一日止年度，來自本集團最大客戶的收入佔年內貨品銷售及易耗品批發總額約0.03%，而本集團五大客戶佔本集團於年內總收入少於30%。

截至二零零九年十二月三十一日止年度，向單一最大供應商作出的採購約佔於年內的採購總額0.3%，而本集團五大供應商約佔本集團於年內的採購總額少於30%。

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

MAJOR CUSTOMERS AND SUPPLIERS (continued)

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

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules for the year ended 31 December 2009. The Company's corporate governance principles and practices are set out on pages 24 to 30.

SUFFICIENCY OF PUBLIC FLOAT

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry made with all Directors, the Directors have complied with the required standard set out in the Model Code, throughout the accounting period covered by the annual report.

COMPETING INTERESTS

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

AUDIT COMMITTEE

In compliance with Rule 3.21 of the Listing Rules, the Board has established an audit committee on 30 April 2007, with written terms of reference. The primary duties of the audit committee are to review the financial reporting procedures and internal controls and provides guidance in relation thereto. The audit committee comprises the three Independent Non-executive Directors of the Company. The audited financial statements of the Company for the year ended 31 December 2009 have been reviewed by the audit committee before recommending to the Board for approval.

主要客戶及供應商(續)

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

企業管治

本公司於截至二零零九年十二月三十一日止年度一直遵守上市規則附錄14所載企業管治常規守則。本公司的企業管治原則及常規載於第24至30頁。

足夠公眾持股量

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

證券交易標準守準

本公司已採用標準守則作為董事買賣本公司證券的操守守則。根據向全體董事作出的特定查詢，董事於本年報涵蓋的整個會計期間一直遵守標準守則所規定準則。

競爭權益

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

審核委員會

為遵守上市規則第3.21條，董事會已於二零零七年四月三十日成立審核委員會，並書面訂明其職權範圍。審核委員會主要職責為審閱財務申報程序及內部監控，並就此提供指引。審核委員會由本公司三名獨立非執行董事組成。本公司截至二零零九年十二月三十一日止年度的經審核財務報表於建議董事會批准前，已交由審核委員會審閱。

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

PROFESSIONAL TAX ADVICE RECOMMENDED

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

USE OF PROCEEDS RAISED FROM LISTING

The net proceeds raised from the Company's newly issued and listed shares on the Stock Exchange in May 2007 (after deduction of related issuance expenses) amounted to approximately HK\$265,000,000. As of 31 December 2009, approximately HK\$120,100,000 of the proceeds so raised was used, and the unused proceeds of approximately HK\$144,900,000 was deposited with banks, the security of which was adequately ensured.

Details of the used proceeds raised of approximately HK\$120,100,000 are set out as follows:

- as to approximately HK\$29,000,000 for acquisition of the business of a retail chain in Shenzhen, the PRC;
- as to approximately HK\$28,300,000 for opening of new stores in Yanbu Foshan and Ronggui Foshan, the PRC;
- as to approximately HK\$8,750,000 for opening of a new store in Nanning Guangxi;
- as to approximately HK\$4,350,000 for opening of two new stores in Xian Baoan;
- as to approximately HK\$10,400,000 for opening of a new store in Luohu Shenzhen;
- as to approximately HK\$15,800,000 for opening of a new store in Buji Shenzhen;
- as to approximately HK\$14,300,000 for opening of another new store in Nanning Guangxi; and
- as to approximately HK\$9,200,000 for setting up of a procurement centre in Shiyuan Shenzhen.

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

建議尋求專業稅務意見

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

上市所得款項用途

本公司於二零零七年五月在聯交所新發行上市股份籌集的所得款項淨額，在扣除相關的發行費用後相等於約265,000,000港元。於二零零九年十二月三十一日，已動用所籌得款項約120,100,000港元，尚未動用的所得款項約144,900,000港元存放在銀行，其安全性有足夠保證。

已動用所籌得款項約120,100,000港元之詳情載列如下：

- 約29,000,000港元用作收購中國深圳連鎖零售店業務；
- 約28,300,000港元用作於中國佛山鹽步及佛山容桂開設新店舖；
- 約8,750,000港元用作於中國廣西南寧開設新店舖；
- 約4,350,000港元用作於中國深圳寶安區開設兩家新店舖；
- 約10,400,000港元用作於中國深圳羅湖區開設新店舖；
- 約15,800,000港元用作於中國深圳布吉開設新店舖；
- 約14,300,000港元用作於中國廣西南寧開設新店舖；及
- 約9,200,000港元用作於中國深圳石岩開設配送中心。

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

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

AUDITORS

The financial statements of the Company for the year ended 31 December 2009 have been audited by Grant Thornton, who will retire and, being eligible, offer themselves for reappointment at the forthcoming annual general meeting.

For and on behalf of the Board
Zhuang Lu Kun
Chairman

8 April 2010
Shenzhen, the PRC

核數師

本公司於截至二零零九年十二月三十一日止年度的財務報表經由均富會計師行審核，其將於應屆股東週年大會上退任，惟合資格且願意獲新聘用。

代表董事會
董事長
莊陸坤

二零一零年四月八日
中國深圳

Independent Auditors' Report

獨立核數師報告



Member of Grant Thornton International Ltd

To the shareholders of Jiahua Stores Holdings Limited

佳華百貨控股有限公司

(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements of Jiahua Stores Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred as the "Group") set out on pages 54 to 126, which comprise the consolidated and company statements of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements 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. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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 as to whether the financial statements are free from material misstatement.

致佳華百貨控股有限公司

(在開曼群島註冊成立的有限公司)

列位股東

本核數師已完成審核第54至126頁所載佳華百貨控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的財務報表，當中包括於二零零九年十二月三十一日的綜合及公司財務狀況表與截至該日止年度的綜合全面收益、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。

董事對財務報表的責任

貴公司董事須負責遵照香港會計師公會頒佈的香港財務報告準則以及香港公司條例的披露規定，編製並真實及公平地呈報財務報表。此責任包括設計、實行及維持有關編製並真實及公平地呈報財務報表的內部監控，以確保財務報表並無任何基於欺詐或錯誤而導致的重大錯誤陳述；選擇及應用適當會計政策；及作出在有關情況下合理的會計估計。

核數師的責任

本核數師的責任為根據審核工作的結果，對財務報表發表意見，並僅向股東全體作出報告，本報告概不作其他用途。本核數師概不就本報告的內容對任何其他人士負責或承擔責任。

本核數師已按照香港會計師公會頒佈的香港核數準則進行審核工作。該等準則要求本核數師須遵守道德規範，並策劃及進行審核工作以合理確定財務報表是否不存有任何重大錯誤陳述。

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



Member of Grant Thornton International Ltd

AUDITORS' RESPONSIBILITY (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 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 Company and of the Group as at 31 December 2009 and of the Group's loss 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.

Grant Thornton
Certified Public Accountants
6th Floor, Nexus Building
41 Connaught Road Central
Hong Kong

8 April 2010

核數師的責任(續)

審核工作包括進程序以取得與財務報表所載數額及披露事項有關的審核憑證。選用的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財務報表存在有重大錯誤陳述的風險。於作出該等風險評估時，核數師將考慮與公司編製並真實及公平地呈報財務報表有關的內部監控，以設計於有關情況下適當的審核程序，但不會就公司內部監控的成效表達意見。審核工作亦包括評估所用會計政策的恰當性以及董事所作會計估計的合理性，並評估財務報表整體呈列方式。

本核數師相信已取得充分恰當的審核憑證，為本核數師的審核意見提供基礎。

意見

我們認為，綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零零九年十二月三十一日的事務狀況以及 貴集團截至該日止年度的虧損及現金流量，並已按照香港公司條例的披露規定妥為編製。

均富會計師行
執業會計師
香港
干諾道中41號
盈置大廈6樓

二零一零年四月八日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

		Notes 附註	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Revenue	收入	6(a)	819,381	935,067
Cost of inventories sold	已售存貨成本		(576,418)	(727,278)
			242,963	207,789
Other operating income	其他經營收入	6(b)	62,761	100,973
Distribution costs	分銷成本		(254,225)	(236,710)
Administrative expenses	行政開支		(27,496)	(36,970)
Other operating expenses	其他經營開支		(40,918)	(2,441)
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	7	(16,915)	32,641
Income tax expense	所得稅開支	8	(4,224)	(8,290)
(Loss)/profit for the year	年內(虧損)/溢利		(21,139)	24,351
Other comprehensive income	其他全面收益			
Exchange loss on translation of financial statements of foreign operations	換算海外業務財務報表產生之匯兌虧損		-	(1,707)
Total comprehensive income for the year	年度全面收益總額		(21,139)	22,644
Dividends	股息	9(a)	-	12,139
(Loss)/earnings per share for (loss)/profit attributable to the owners of the Company during the year	年內本公司擁有人應佔(虧損)/溢利之每股(虧損)/盈利	10		
- Basic (RMB cents)	- 基本(人民幣分)		(2.04)	2.35
- Diluted (RMB cents)	- 攤薄(人民幣分)		N/A不適用	N/A不適用

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2009
於二零零九年十二月三十一日

		Notes 附註	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	138,611	114,136
Intangible asset	無形資產	12	18,805	51,746
Deposits paid and prepayments	已付按金及預付款項	13	34,133	26,277
			191,549	192,159
Current assets	流動資產			
Inventories and consumables	存貨及易耗品	15	130,167	114,583
Trade receivables	應收貿易賬款	16	3,716	5,253
Deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項	13	46,024	47,647
Cash and bank balances	現金及銀行結餘	17	270,614	281,031
			450,521	448,514
Current liabilities	流動負債			
Trade payables	應付貿易賬款	18	176,122	161,562
Coupon liabilities, deposits received, other payables and accruals	息票負債、已收按金、其他應付款項及應計費用	19	83,531	60,387
Amount due to a director	應付一名董事款項	20	738	738
Provision for tax	稅項撥備		4,072	3,007
			264,463	225,694
Net current assets	流動資產淨值		186,058	222,820
Total assets less current liabilities	總資產減流動負債		377,607	414,979
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	21	2,386	6,480
Net assets	資產淨值		375,221	408,499
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY	本公司擁有人應佔權益			
Share capital	股本	22	10,125	10,125
Reserves	儲備	23	365,096	398,374
Total equity	權益總額		375,221	408,499

Zhuang Lu Kun
莊陸坤
Director
董事

Zhuang Pei Zhong
莊沛忠
Director
董事

Statement of Financial Position

財務狀況表

As at 31 December 2009
於二零零九年十二月三十一日

		Notes 附註	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資	14	67,848	67,848
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	14	269,827	282,540
Cash and bank balances	現金及現金等價物	17	413	1,426
			270,240	283,966
Current liabilities	流動負債			
Accruals	應計費用	19	919	807
Net current assets	流動資產淨值		269,321	283,159
Net assets	資產淨值		337,169	351,007
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY	本公司擁有人應佔權益			
Share capital	股本	22	10,125	10,125
Reserves	儲備	23	327,044	340,882
Total equity	權益總額		337,169	351,007

Zhuang Lu Kun
莊陸坤
Director
董事

Zhuang Pei Zhong
莊沛忠
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

	Notes 附註	Equity attributable to owners of the Company 本公司擁有人應佔權益									Total 總計
		Share capital 股本	Share premium 股份溢價	Statutory reserve 法定儲備	Statutory welfare reserve 法定 福利基金	Merger reserve 合併儲備	Share option reserve 購股權 儲備	Translation reserve 換算儲備	Retained profits 保留溢利	Dividend proposed 擬派股息	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
At 1 January 2008 於二零零八年 一月一日		10,125	252,478	9,383	2,286	12,373	5,360	738	91,026	22,153	405,922
Paid final dividend relating to 2007 二零零七年已付 末期股息	9(b)	-	-	-	-	-	-	-	-	(22,153)	(22,153)
Share-based compensation 股份支付報酬		-	-	-	-	-	2,086	-	-	-	2,086
Transactions with owners 與擁有人之交易		-	-	-	-	-	2,086	-	-	(22,153)	(20,067)
Profit for the year 年內溢利		-	-	-	-	-	-	-	24,351	-	24,351
Other comprehensive income - Exchange loss on translation of financial statements of foreign operations 其他全面收益 - 換算海外業務 財務報表之 匯兌虧損		-	-	-	-	-	-	(1,707)	-	-	(1,707)
Total comprehensive income for the year 年內全面收益 總額		-	-	-	-	-	-	(1,707)	24,351	-	22,644
Proposed final dividend relating to 2008 二零零八年擬派 末期股息	9(a)	-	-	-	-	-	-	-	(12,139)	12,139	-
Transfer to statutory reserve 轉移至法定儲備	23(b)	-	-	12,591	-	-	-	-	(12,591)	-	-
At 31 December 2008 and 1 January 2009 於二零零八年 十二月三十一日 及二零零九年 一月一日		10,125	252,478	21,974	2,286	12,373	7,446	(969)	90,647	12,139	408,499
Paid final dividend relating to 2008 二零零八年已付 末期股息	9(b)	-	-	-	-	-	-	-	-	(12,139)	(12,139)
Transactions with owners 與擁有人之交易		-	-	-	-	-	-	-	-	(12,139)	(12,139)
Loss and total comprehensive income for the year 年內虧損及全面 收益總額		-	-	-	-	-	-	-	(21,139)	-	(21,139)
Transfer to statutory reserve Lapsed of share-based compensation 轉移至法定儲備 股份支付報酬 失效	23(b)	-	-	4,027	-	-	-	-	(4,027)	-	-
		-	-	-	-	-	(740)	-	740	-	-
At 31 December 2009 於二零零九年 十二月三十一日		10,125	252,478	26,001	2,286	12,373	6,706	(969)	66,221	-	375,221

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

			2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
	Notes 附註			
Cash flows from operating activities		經營業務現金流量		
(Loss)/profit before income tax		除所得稅前(虧損)/溢利	(16,915)	32,641
Adjustments for:		就以下各項作出調整:		
Depreciation of property, plant and equipment		物業、廠房及設備折舊	33,025	26,988
Interest income	7	利息收入	(4,943)	(6,430)
Obsolete inventories written-off and inventories loss	6(b)	陳舊存貨撇銷及存貨虧損	1,279	1,964
Loss/(gain) on disposal of property, plant and equipment	7	出售物業、廠房及設備的虧損/(收益)	110	(2)
Impairment losses on property, plant and equipment	7	物業、廠房及設備減損虧損	8,498	-
Impairment losses on intangible asset	7	無形資產減值虧損	28,631	-
Amortisation of intangible asset	7	無形資產攤銷	4,310	4,742
Deposits paid written-off	7	已付按金撇銷	1,309	-
Share-based payment expenditure	7	股份支付開支	-	2,086
			<hr/>	<hr/>
Operating profit before working capital changes		營運資金變動前經營溢利	55,304	61,989
Increase in inventories and consumables		存貨及易耗品增加	(16,863)	(11,998)
Decrease/(increase) in trade receivables		應收貿易賬款減少/(增加)	1,537	(3,775)
Decrease in deposits paid, prepayments and other receivables		已付按金、預付款項及其他應收款項減少	1,623	7,441
Decrease in amounts due from related parties		應收關連人士款項減少	-	140
Increase in trade payables		應付貿易賬款增加	14,560	15,263
Increase in coupon liabilities, deposits received, other payables and accruals		票息負債、已收按金、其他應付款項及應計費用增加	23,144	12,200
			<hr/>	<hr/>
Cash generated from operations		經營業務所得現金	79,305	81,260
Interest received		已收利息	4,943	6,430
Income tax paid		已繳所得稅	(7,253)	(10,891)
			<hr/>	<hr/>
<i>Net cash generated from operating activities</i>		<i>經營業務所得現金淨額</i>	76,995	76,799

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

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

		Notes 附註	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Cash flows from investing activities	投資活動的現金流量			
Deposits paid and prepayments for rental deposits and acquisition of property, plant and equipment	租金按金及購置物業、廠房及設備所付定金及預付款項	30	(23,610)	(19,094)
Payments for property, plant and equipment	支付物業、廠房及設備款項	30	(52,305)	(53,342)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		642	189
<i>Net cash used in investing activities</i>	<i>投資活動所得現金淨額</i>		(75,273)	(72,247)
Cash flows from financing activities	融資活動的現金流量			
Dividends paid	已付股息		(12,139)	(22,153)
Decrease/(increase) in bank deposits maturing over three months	於三個月內到期的銀行存款減少/(增加)		49,362	(80,000)
<i>Net cash generated from/(used in) financing activities</i>	<i>融資活動所得/(所用)現金淨額</i>		37,223	(102,153)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額		38,945	(97,601)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物		201,031	300,339
Effect of foreign exchange rate changes	匯率變動的影響		-	(1,707)
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價物	17	239,976	201,031

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

1. GENERAL INFORMATION

Jiahua Stores Holdings Limited (“the Company”) was incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office and its principal place of business are located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and 301 on 3rd Floor, Block 1, Baijiahua Building, Hedong Road, Xixiang Town, Baoan District, Shenzhen, Guangdong Province, the People’s Republic of China (the “PRC”) respectively. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. Details of the principal activities of the Company’s subsidiaries are set out in note 14 to the financial statements.

The consolidated financial statements for the year ended 31 December 2009 were approved for issue by the board of directors on 8 April 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements on pages 54 to 126 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collectively includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

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

1. 一般資料

佳華百貨控股有限公司(「本公司」)在開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事處及其主要營業地點分別位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands及中華人民共和國(「中國」)廣東省深圳市寶安區西鄉鎮河東路百佳華大廈1棟3樓301號。本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司主要業務為投資控股。本公司附屬公司之主要業務詳情載於財務報表附註14。

截至二零零九年十二月三十一日止年度之綜合財務報表已於二零一零年四月八日獲董事會批准刊發。

2. 主要會計政策概要

2.1 編製基準

第54至126頁所載之綜合財務報表乃根據整體包括香港會計師公會(「香港會計師公會」)所頒佈所有適用個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋的香港財務報告準則(「香港財務報告準則」)編製。綜合財務報表亦包括香港公司條例及聯交所證券上市規則之適用披露規定。除另有指明外，此等財務報表以人民幣(「人民幣」)呈列，並四捨五入至最近千位。

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

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The financial statements have been prepared on the historical cost basis. The measurement bases are fully described in the accounting policies below.

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

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (together referred to as "the Group") made up to 31 December each year.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group assets sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amount reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

2. 主要會計政策概要(續)

2.1 編製基準(續)

本財務報表已按歷史成本基準編製。計算基準於下文會計政策詳述。

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

2.2 綜合賬目基準

綜合財務報表包括本公司(統稱「本集團」)及其附屬公司每年截至十二月三十一日的財務報表。

附屬公司自其控制權轉移至本集團當日起綜合入賬，並於控制權終止當日不再綜合入賬。

集團內公司間的交易、集團公司間交易的結餘及未變現收益於編製綜合財務報表時對銷。當集團內公司間的資產銷售之未變現虧損於綜合時撥回，相關資產亦會以本集團作考量進行減值測試。於附屬公司財務報表呈報之金額已作出必要調整，以確保與本集團採納之會計政策一致。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2.4 Intangible asset

Intangible asset acquired in a business combination which is the favourable operating leases, is recognised initially at fair value. After initial recognition, intangible asset with finite useful lives are carried at fair value at the date of acquisition less subsequent accumulated amortisation and any accumulated impairment losses.

Amortisation for intangible asset with finite useful lives is provided on straight-line basis over their estimated useful lives, using the straight-line method, at the rates ranging from 6.9% to 17.6% per annum, which are the lives of the operating leases.

Intangible asset is tested for impairment as described below in note 2.6. Amortisation commences when the intangible asset is available for use.

2. 主要會計政策概要(續)

2.3 附屬公司

附屬公司乃指本集團有權控制其財務及經營政策以從其活動取得利益的實體，包括為特殊目的成立的實體。於評估本集團是否控制另一實體時，會考慮現時可行使或可轉換的潛在投票權是否存在及其影響。

於本公司財務狀況表，除非附屬公司為持作出售或計入出售組別，否則附屬公司按成本減任何減值虧損列賬。附屬公司業績按本公司於申報日已收及應收股息為基準入賬。獲投資公司收購前或收購後溢利中收取之全部股息均於本公司損益確認。

2.4 無形資產

於業務合併收購的無形資產(即有利經營租約)初步按公平值確認。初步確認後，具有限可用年期的無形資產按收購日期的公平值減其後累計攤銷及任何累計減值虧損列賬。

具有限可用年期的無形資產以直線基準於其估計可用年期(即經營租約年期)按年率6.9%至17.6%以直線法攤銷。

無形資產按下文附註2.6所述進行減值測試。攤銷由無形資產可供使用時開始計算。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use. Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the assets if it can be demonstrated that such expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the assets.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on property, plant and equipment is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum :

Leasehold improvements	20%
Plant and machinery	10%
Motor vehicles and tools	20%
Furniture, fixtures and equipment	20%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

2.6 Impairment of non-financial assets

Property, plant and equipment, intangible asset, deposits paid and prepayments and investments in subsidiaries are subject to impairment testing. They are tested for impairment whenever there are indications that the carrying amount may not be recoverable.

2. 主要會計政策概要(續)

2.5 物業、廠房及設備

物業、廠房及設備乃按收購成本減累計折舊及任何累積減值虧損列賬，資產成本包括其購買價及將資產達致營運狀況及地點作其擬定用途的直接應佔成本。如能顯示有關開支導致預期自使用資產在未來可獲取更高經濟利益，則物業、廠房及設備的其後開支將計入該等資產的賬面值。

報廢或出售產生的收益或虧損按出售所得款項與資產賬面值的差額釐定，並於損益確認。

物業、廠房及設備的折舊以直線法按以下年率於其估計可用年期計算，以撇銷成本減剩餘價值：

租賃物業裝修	20%
廠房及機器	10%
汽車及工具	20%
家具、裝置及設備	20%

資產之剩餘價值、折舊方法及可用年期於各申報日審閱及調整(如適用)。

2.6 非金融資產減值

物業、廠房及設備、無形資產、已付按金及預付款項以及於附屬公司的投資須進行減值測試。當有跡象顯示其賬面值可能無法收回時進行減值測試。

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Impairment of non-financial assets (continued)

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

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

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

2.7 Foreign currency translation

The financial statements are presented in RMB, which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

2. 主要會計政策概要(續)

2.6 非金融資產減值(續)

減值虧損按資產的賬面值超出其可收回金額的部分即時確認為開支。可收回金額為反映市況公平值減出售成本與使用價值兩者的較高者。評估使用價值時，估計日後現金流量按可反映現行市場對貨幣時間價值的評估及資產特定風險的除稅前貼現率貼現至其現值。

就評估減值而言，倘資產並無產生主要取決於其他資產的現金流入，可收回金額按獨立產生現金流入的最小資產組別(即現金產生單位)而釐定。因此，部分資產個別進行減值測試；部分則以現金產生單位水平進行測試。

倘釐定資產可收回金額所用估計出現有利變動，則撥回減值虧損，惟資產賬面值不得超過倘無確認減值虧損而釐定的賬面值減折舊或攤銷。

2.7 外幣換算

財務報表以人民幣列值(其亦為本公司的功能貨幣)。

於綜合實體的個別財務報表時，使用外幣進行的交易按照交易日期的適用匯率換算成個別實體的功能貨幣。於申報日，以外幣計值的貨幣資產及負債按該日的匯率換算。因結算該等交易及於申報日重新換算貨幣資產及負債產生的外匯收益及虧損，於損益中確認。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Foreign currency translation (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rate at the reporting date. Income and expenses have been converted into the RMB at the exchange rate ruling at the transaction dates, or the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

When a foreign operation is sold, such exchange differences are reclassified from equity to profit or loss as part of the gain or loss on sale.

2.8 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and the use by others of the Group's assets yielding interest and dividends, net of rebates and discounts. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows.

- (i) Sale of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods;
- (ii) Commissions from concessionaire sales are recognised upon the sale of merchandise by the relevant stores;

2. 主要會計政策概要(續)

2.7 外幣換算(續)

按外幣歷史成本計量的非貨幣項目毋須重新換算。

於綜合財務報表內，海外業務所有個別財務報表(原先以有別於本集團呈列貨幣的貨幣呈列)已換算為人民幣。資產及負債已按申報日的收市匯率換算為人民幣。收入及開支已按交易日的匯率或倘匯率於報告期內並無重大波幅則以平均匯率換算為人民幣。因此程序產生的差額於其他全面收入內確認，並於權益中的匯兌儲備獨立累計。

當出售海外業務時，該等匯兌差異將於損益內重新分類為出售收益或虧損的一部分。

2.8 收入確認

收入包括銷售貨品及其他人士使用本集團的資產賺取利息及股息的公平值，扣除回佣及折扣計算。倘經濟利益可能流入本集團，且能可靠計量收益及成本(倘適用)，收入按以下基準確認。

- (i) 銷售貨品於擁有權的重大風險及回報已轉移客戶時確認。此一般指貨品已付運而客戶已接納貨品之時；
- (ii) 專賣銷售佣金乃於相關店舖銷售商品時確認；

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Revenue recognition (continued)

- (iii) Administration and management fee income, products entrance fees income, promotion income, sponsorship income and store display income are recognised on an accrual basis when the right to receive has been established or as services are provided according to contract terms;
- (iv) Rental income under operating leases is recognised in the profit or loss in equal instalments over the accounting periods covered by the lease term. Lease incentives granted are recognised in the profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned; and
- (v) Interest income is recognised on a time-proportion basis using the effective interest method.

2.9 Leases

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

- (i) *Classification of assets leased to the Group*
Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

2. 主要會計政策概要(續)

2.8 收入確認(續)

- (iii) 行政及管理費收入、商品上架費收入、推廣費收入、贊助收入及店舖陳列收入按合約條款於收取費用的權利確立時或提供服務時按應計基準確認；
- (iv) 經營租約的租金收入於租期所涵蓋會計期間，以等額分期於損表內確認。獲給予的租賃優惠於損益中確認為應收租賃淨付款總額的一部分。或然租金於其賺取的會計期間確認為收入；及
- (v) 利息收入以實際利率法按時間比例基準確認。

2.9 租約

倘本集團確定安排將特定資產使用權轉讓一段協定期間以換取一筆或連串付款，則由該項交易或連串交易組成的安排為或包含一項租約。該項決定乃基於安排內容的評估作出，而不論該安排是否以法律租約形式訂立。

- (i) *租予本集團資產的分類*
本集團根據租約持有、且將擁有權絕大部分風險及回報轉移至本集團的資產分類為按融資租約持有。並無將擁有權絕大部分風險及回報轉移至本集團的租約則分類為經營租約。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Leases (continued)

(ii) *Operating lease charges as the lessee*

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to the profit or loss on a straight line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the profit or loss in the accounting period in which they are incurred.

(iii) *Assets leased out under operating leases as the lessor*

Assets leased out under operating leases are measured and presented according to the nature of the assets. 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 over the lease term on the same basis as the rental income.

Rental income receivable from operating leases is recognised in profit or loss on a straight-line basis over the periods covered by the lease term, except where an alternative basis is more representative of the time pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned. Rental income receivable from operating leases is recognised as set out in note 2.8(iv).

2. 主要會計政策概要(續)

2.9 租約(續)

(ii) *作為承租人的經營租約支出*

當本集團有權使用按經營租約持有的資產時，根據租約支付的款項會按租期以直線法在損益扣除，除非有其他基準能更清楚反映租賃資產所產生收益模式則作別論。已收租賃優惠於損益確認為租賃淨付款總額的一部分。或然租金於產生的會計期間在損益扣除。

(iii) *作為出租人按經營租約出租的資產*

按經營租約出租的資產按資產性質計量及呈列。磋商及安排經營租約產生的初步直接成本加入出租資產的賬面值，並按租期以租金收入的相同基準確認為開支。

經營租賃之應收租金收入按租約年期以直線法於損益確認，惟倘有其他基準更能代表使用租賃資產所產生收入之時間模式則除外。授出之租賃獎勵作為應收租賃付款淨額之一部分於損益確認。或然租金於其賺取之會計期間確認為收益。經營租約的應收租金收入按附註2.8(iv)確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Inventories and consumable stores

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

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

2.11 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

2. 主要會計政策概要(續)

2.10 存貨及易耗品

存貨包括為轉售目的而購入的商品，以成本值與可變現淨值兩者的較低者入賬。商品成本值(即購入成本)以先進先出法計算。可變現淨值乃按於日常業務中預計銷售價減任何適用銷售開支計算。

自用的易耗品按成本入賬。成本以加權平均法釐定。

2.11 所得稅會計處理

所得稅包括即期稅項及遞延稅項。

即期所得稅資產及／或負債包括與財務機構就現行或過往呈報期間有關而於申報日尚未支付的責任或申索。該等金額乃根據年內應課稅溢利按相關財政期間適用的稅率及稅法計算。即期稅項資產或負債的所有變動於損益確認為稅項開支一部分。

遞延稅項乃按負債法就於申報日財務報表內資產及負債賬面值與其相應稅基間的暫時差額計算。遞延稅項負債一般會就所有應課稅暫時差額確認。遞延稅項資產乃就所有可扣稅暫時差額、可結轉稅項虧損以及其他未運用稅務抵免確認，惟以可能有應課稅溢利(包括現有應課稅暫時差額)以動用可扣稅暫時差額、未運用稅項虧損及未運用稅務抵免的情況為限。

倘暫時差額因商譽或初步確認業務合併以外交易中的資產及負債(但對應課稅或會計溢利或虧損均無影響)產生，則不會確認遞延稅項資產及負債。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Accounting for income taxes (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset is realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

2. 主要會計政策概要(續)

2.11 所得稅會計處理(續)

遞延稅項負債就於附屬公司的投資所產生應課稅暫時差額確認，惟倘本集團可控制暫時差額的撥回，且該撥回於可預見未來不大可能發生則作別論。

遞延稅項乃按預期於負債清償或資產變賣期間適用的稅率不作貼現計算，惟有關稅率必須為於申報日已實施或大致上實施的稅率。

遞延稅項資產或負債變動於損益或其他全面收入確認，或倘與其他全面收入直接自權益扣除或計入的項目有關，則其他全面收入或直接於權益確認。

即期稅項資產及即期稅項負債僅於以下情況以淨額呈列，

- (a) 本集團有合法行使權力對銷已確認金額；及
- (b) 擬以淨額基準清償或同時變現資產及償還債項。

本集團僅於以下情況以淨額呈列遞延稅項資產及遞延稅項負債，

- (a) 實體具有合法行使權力將即期稅項資產與即期稅項負債對銷；及

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Accounting for income taxes (continued)

- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
- (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.13 Financial assets

The Group's accounting policies for financial assets other than investments in subsidiaries are set out below.

The Group's financial assets include trade receivables, other receivables and cash and bank balances. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs.

2. 主要會計政策概要(續)

2.11 所得稅會計處理(續)

- (b) 遞延稅項資產與遞延稅項負債與同一稅務機關對以下任何一項所徵收之所得稅相關：
- (i) 同一應課稅實體；或
 - (ii) 計劃於預期清償或收回大額遞延稅項負債或資產之未來期間以淨額基準清償即期稅項負債與資產或同時變現資產及清償負債之不同應課稅實體。

2.12 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、存放於銀行之活期存款加上原定到期日為三個月或以下、可隨時轉換為已知金額現金及價值變動風險不大之高度流通短期投資。

2.13 金融資產

本集團就於附屬公司的投資以外的金融資產所採納會計政策載於下文。

本集團的金融資產包括應收貿易賬款、其他應收款項以及現金及銀行結餘。管理層於初步確認時根據購入金融資產的目的確定其金融資產的分類，並於情況許可與適當時，在每個申報日重新評估有關分類。

所有金融資產於本集團成為工具合約條文一方時方會確認。以一般方式購入之金融資產於交易日確認。金融資產於初步確認時按公平值加直接應佔交易成本計量。

Notes to the Financial Statements (Continued)
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

Impairment of financial assets

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2. 主要會計政策概要(續)

2.13 金融資產(續)

金融資產於自投資獲取現金流量的權利屆滿或已轉讓及擁有權絕大部分風險及回報已轉讓時終止確認。

於各申報日，會對金融資產進行審閱，以評估是否出現客觀減值證據。倘出現任何該等證據，將釐定減值虧損並按金融資產之分類確認。

貸款及應收款項

貸款及應收款項為並無於活躍市場報價而附帶固定或可釐定付款之非衍生金融工具。貸款及應收款項其後以實際利率法按攤銷成本減去任何減值虧損計量。攤銷成本乃考慮收購之任何折讓或溢價並計及實際利計及交易成本組成部分之費用計量。

金融資產之減值

於各申報日，除按公平值計入損益外之金融資產外，會對金融資產進行審閱，以釐定是否出現任何客觀減值證據。

個別金融資產之客觀減值證據包括本集團注意到下列一項或多項虧損事件之可觀察數據：

- 債務人陷入重大財務困難；
- 違反合約，例如拖欠或無法償還利息或本金；
- 債務人可能會破產或進行其他財務重整；
- 科技、市場、經濟或法律環境之重大改變對債務人有負面影響；及
- 權益工具投資之公平值大幅或長期下跌至低於成本值。

Notes to the Financial Statements (Continued)
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

Impairment of financial assets (continued)

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

If any such evidence exists, the impairment loss is measured and recognised as follows:

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss as other revenue of the period in which the reversal occurs.

2. 主要會計政策概要(續)

2.13 金融資產(續)

金融資產之減值(續)

一組金融資產之虧損事件包括顯示該組金融資產之估計未來現金流量出現可計量跌幅之可觀察數據。該等可觀察數據包括但不限於組別內債務人之付款狀況，以及與組別內資產拖欠情況有關之國家或當地經濟狀況出現逆轉。

倘出現任何該等證據，減值虧損計量及確認如下：

按攤銷成本列賬之金融資產

倘有客觀證據顯示按攤銷成本列賬之貸款及應收款項出現減值虧損，虧損金額則按資產賬面值與估計日後現金流量(未產生的日後信貸虧損除外)按金融資產原定實際利率(即初步確認時計算的實際利率)貼現的現值間的差額計量。虧損金額於減值期間於損益確認。

倘減值虧損金額於往後期間減少，而減少原因客觀地與確認減值後發生的事件相關，則先前確認的減值虧損將予撥回，惟不得導致金融資產於撥回減值當日的賬面值超出倘無確認減值的攤銷成本。撥回數額在撥回期間在損益內確認為其收入。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Share capital

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

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

2.15 Financial liabilities

The Group's financial liabilities include trade payables, other payables and amount due to a director.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Coupon liabilities

Coupon liabilities are recorded as liabilities when coupons are sold. Coupons surrendered in exchange for products during the year are recognised as sales and transferred to the consolidated profit or loss using the coupon sales value. Coupon liabilities are classified as current liabilities at the end of the year.

2. 主要會計政策概要(續)

2.14 股本

普通股乃列作權益。股本以已發行股份的面值釐定。

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

2.15 金融負債

本集團的金融負債包括應付貿易賬款、其他應付款項及應付一名董事款項。

金融負債在本集團成為工具合約條文一方時確認。所有利息相關開支均在損益中確認為開支。

金融負債於負債下的責任已履行、取消或屆滿時終止確認。

當現有金融負債由同一貸款方按大致不同的條款取代或現有負債條款大幅修訂時，有關替換或修訂會作終止確認原有負債及確認一項新負債處理，並在損益確認相關賬面值的差額。

金融負債最初按公平值確認，其後以實際利率法按攤銷成本計量。

2.16 票息負債

票息負債於票息證出售時列作負債。年內為換取產品出具之票息證確認為銷售並按票息證價值轉撥至綜合損益表。票息負債於年終列作流動負債。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Provisions, contingent liabilities and contingent assets

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

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

Contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

2.18 Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

2. 主要會計政策概要(續)

2.17 撥備、或然負債及或然資產

當本集團因過往事件而須承擔現有責任(法律或推定)，且可能須就履行該等責任而導致經濟效益流出，並能夠可靠估計責任金額，則會確認撥備。倘金額時間價值重大，則按預期用以履行責任的開支現值作出撥備。

所有撥備均於每個申報日檢討，並作出調整，以反映現時最佳估計。

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

或然負債在分配購買價至業務合併所收購資產及負債時確認。或然負債初步按收購當日的公平值計量，其後按上述可作比較的撥備確認款額與初步確認款額減任何累計攤銷(如適用)的較高者計量。

2.18 關連人士

就此等財務報表而言，以下人士被視為本集團關連人士：

- (i) 該方可直接或間接透過一或多個中介人控制本集團或可對本集團的財務經營政策行使重大影響力或可共同控制本集團；

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Related parties (continued)

- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2.19 Employee benefits

Short-term employee benefits

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

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

2. 主要會計政策概要(續)

2.18 關連人士(續)

- (ii) 本集團及該方受共同控制；
- (iii) 該方為本集團一家聯營公司或本集團為投資者的合營企業；
- (iv) 該方為本集團或其母公司的主要管理人員，或有關個別人士的近親，或有關個別人士所控制、共同控制或可行使重大影響力之實體；
- (v) 該方為(i)項所述任何人士的近親或有關個別人士所控制、共同控制或可行使重大影響力之實體；或
- (vi) 該方乃為本集團或屬本集團關連人士的任何實體僱員利益而設的退休福利計劃。

個別人士的近親為該等與實體進行買賣時預期可影響該名個別人士或受該名個別人士影響的家族成員。

2.19 僱員福利

短期僱員福利

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

病假及產假等非累積有薪假期於提取假期時方予確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Employee benefits (continued)

Retirement benefits

Pursuant to the relevant regulations of the PRC government, the Group participates in a local municipal government retirement benefit scheme (the "Retirement Scheme"), whereby the subsidiaries of the Company in the PRC are required to contribute 20% of the basic salaries of its employees to the Retirement Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefit obligations of all existing and future retired employees of the subsidiaries of the Company in the PRC. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Retirement Scheme. Contributions under the Retirement Scheme are charged to profit or loss as incurred. There are no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

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

Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the equity instruments awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

2. 主要會計政策概要(續)

2.19 僱員福利(續)

退休福利

根據中國政府相關規例，本集團參與地方政府退休福利計劃(「退休計劃」)，本公司於中國之附屬公司須向退休計劃作出相當於僱員基本薪金20%之供款，為彼等之退休福利提供資金。地方政府承諾承擔本公司中國附屬公司所有現有及未來退休僱員之退休福利責任。本集團對該計劃之唯一責任為持續支付退休計劃項下所需之供款。退休計劃項下供款於產生時於損益扣除。該計劃項下並無沒收供款可用作扣減日後供款之條文。

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

股份支付僱員酬金

本集團推行股本結算股份酬金計劃作為酬金。

就換取所有僱員服務而授出的任何股份酬金按公平值計量，參考所授出購股權間接釐定。有關價值於授出日期評估，並撇除非市場歸屬條件的影響。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Employee benefits (continued)

Share-based employee compensation (continued)

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the share option reserve in equity. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. After vesting date, when the vested share options are later forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

2.20 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate and are presented separately from the costs.

2.21 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major operations.

2. 主要會計政策概要(續)

2.19 僱員福利(續)

股份支付僱員酬金(續)

倘設有歸屬條件，全部股份支付酬金於歸屬期間於損益確認為開支，或倘已授出股本工具即時歸屬，則於授出日期全數確認為開支(除非酬金符合資格確認為資產)，並於權益內購股權儲備作出相應增加。倘設有歸屬條件，開支則於歸屬期根據預期歸屬股本工具數目之最佳估算確認。有關預期會歸屬之股本工具之數目之假設包括非市場歸屬條件。倘出現任何跡象顯示預期歸屬之股本工具數目與過往估算出現差異，則於其後修訂有關估算。

購股權獲行使時，早前於購股權儲備確認的款項將轉撥至股份溢價。於歸屬日期後，倘已歸屬之購股權其後被沒收或於到期日仍未獲行使，則早前於購股權儲備確認的款項將轉撥至保留溢利。

2.20 政府補貼

政府補貼於能合理確定將可獲取補貼及本集團將符合所有附帶條件情況下，按其公平值確認。與成本相關的政府補貼會遞延處理，並於須與其擬定補貼成本相配期間在損益確認，且與成本分開呈列。

2.21 分部報告

本集團根據定期就供執行董事決定分配資源至本集團業務部分及審閱該等部分之表現而向彼等呈報之內部財務資料，確定經營分部及編製分類資料。向執行董事呈報之內部財務資料中之業務部分乃按本集團之主要業務釐定。

Notes to the Financial Statements (Continued)
財務報表附註(續)

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3. ADOPTION OF NEW AND AMENDED STANDARDS

In current year, the Group has applied for the first time the following new standards, amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2009:

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate
HKFRS 2 (Amendments)	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK (IFRIC) – 13	Customer Loyalty Programme
Various	Annual Improvements to HKFRSs 2008

Other than as noted below, the adoption of the new HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

HKAS 1 (Revised 2007) Presentation of financial statements

The adoption of HKAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. HKAS 1 affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'. The Group has applied changes to its accounting policies on presentation of financial statements and segment reporting retrospectively. However, the changes to the comparatives have not affected the consolidated or company statement of financial position at 1 January 2008 and accordingly this statement is not presented.

3. 採納新訂及經修訂準則

於本年度，本集團已首次採納以下由香港會計師公會頒佈與本集團於二零零九年一月一日開始年度期間之財務報表相關及有效之新訂準則、修訂及詮釋(「新訂香港財務報告準則」)：

香港會計準則第1號 (二零零七年經修訂)	財務報表的呈列方式
香港會計準則第23號 (二零零七年經修訂)	借貸成本
香港會計準則第27號 (修訂本)	於附屬公司、共同控制實體或聯營公司之投資成本
香港財務報告準則第2號 (修訂本)	股份付款－歸屬條件及註銷
香港財務報告準則第7號 (修訂本)	改善金融工具之披露
香港財務報告準則第8號	經營分部
香港(國際財務報告詮釋委員會)－詮釋第13號	客戶長期支持計劃
各項準則	二零零八年香港財務報告準則之年度改善

除下文所示外，採納新訂香港財務報告準則對即期及前期業績及財務狀況之編製及呈報方式並無重大影響。

香港會計準則第1號(二零零七年經修訂)財務報表的呈列方式

採納香港會計準則第1號(二零零七年經修訂)導致主要財務報表之格式及標題以及該等報表內若干項目之呈列方式產生若干變動，亦導致須作出額外披露。本集團資產、負債、收入及開支之計量及確認方法維持不變。香港會計準則第1號對權益擁有人變動之呈列方式構成影響，並引入「全面收入報表」。本集團追溯應用有關財務報表呈列方法及分部呈報之會計政策變動。然而，比較數字變動並無對二零零八年一月一日之綜合或公司財務狀況報表構成影響，故並無呈列此報表。

Notes to the Financial Statements (Continued)
財務報表附註(續)

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3. ADOPTION OF NEW AND AMENDED STANDARDS (continued)

HKAS 27 (Amendments) Cost of an investment in a subsidiary, jointly controlled entity or an associate

The amendment requires the investor to recognise dividends from a subsidiary, jointly controlled entity or associate in profit or loss irrespective the distributions are out of the investee's pre-acquisition or post-acquisition reserves. In prior years, the Company recognised dividends out of pre-acquisition reserves as a recovery of its investment in the subsidiaries, jointly controlled entity or associates (i.e. a reduction of the cost of investment). Only dividends out of post-acquisition reserves were recognised as income in profit or loss.

Under the new accounting policy, if the dividend distribution is excessive, the investment would be tested for impairment according to the Company's accounting policy on impairment of non-financial assets.

The new accounting policy has been applied prospectively as required by these amendments to HKAS 27 and therefore no comparatives have been restated.

There is no impact on the effect of the application of the amendments in respect of the Company's interest in subsidiaries and retained earnings at 31 December 2009 in the separate statement of financial position.

HKFRS 8 Operating segments

The adoption of HKFRS 8 has not affected the identified and reportable operating segments for the Group. However, reported segment information is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns.

3. 採納新訂及經修訂準則(續)

香港會計準則第27號(修訂本)於附屬公司、共同控制實體或聯營公司之投資成本

該修訂規定，投資者於損益確認在附屬公司、共同控制實體或聯營公司之股息，不論分派是否以被投資公司於收購前或收購後儲備撥付。過往年度，本公司確認自收購前儲備撥付之股息為收回其於附屬公司、共同控制實體或聯營公司之投資，即減少投資成本。僅有自收購後儲備撥付之股息方於損益確認為收入。

根據新會計政策，倘股息分派過多，則投資將按照本公司有關非金融資產減值之會計政策進行減值測試。

新會計政策已按照香港會計準則第27號之修訂所規定提前應用，故並無重列比較數字。

就個別財務狀況報表內本公司於二零零九年十二月三十一日於附屬公司之權益及保留盈利應用有關修訂之效力不受任何影響。

香港財務報告準則第8號經營分部

採納香港財務報告準則第8號並無對本集團已識別及可申報經營分部構成影響。然而，所呈報分部資料現時按照內部管理呈報資料編製，有關內部管理呈報資料由主要營運決策人定期審閱。於過往年度財務報表，有關分部經參考本集團風險及回報之主要來源及性質後識別。

Notes to the Financial Statements (Continued)
財務報表附註(續)

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3. ADOPTION OF NEW AND AMENDED STANDARDS (continued)

HKFRS 7 (Amendments) Improving disclosures about financial instruments

The amendments require additional disclosures for financial instruments which are measured at fair value in the statement of financial position. These fair value measurements are categorised into a three-level fair value hierarchy, which reflects the extent of observable market data used in making the measurements. In addition, the maturity analysis for derivative financial liabilities is disclosed separately and should show remaining contractual maturities for those derivatives where this information is essential for an understanding of the timing of the cash flows. The Group has taken advantage of the transitional provisions in the amendments and has not provided comparative information in respect of the new requirements.

HK(IFRIC) 13 Customer Loyalty programmes

This interpretation requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value of the consideration received is allocated to the award credits and deferred. This is then recognised as revenue over the period that the award credits are redeemed. The Group maintains a loyalty points programme, Jiahua Bonus Card, which allows customers to accumulate points when they purchase products in the Group's retail stores. The points can then be redeemed for free products or cash values on future purchases, subject to a minimum number of points being obtained. The Group's current accounting policy aligns with the requirement of this interpretation, therefore, the adoption of this interpretation did not have any significant impact on the Group's financial statements.

At the date of authorisation of these financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain other new and amended HKFRSs have been issued but are not expected to have a material impact of the Group's financial statements.

3. 採納新訂及經修訂準則(續)

香港財務報告準則第7號(修訂本)改善金融工具之披露

該等修訂規定，須就於財務狀況報表按公平值計量之金融工具作出額外披露。有關公平值計量分為三個公平值級別，反映進行計量時所用可觀察市場數據情況。此外，有關衍生金融負債之到期情況分析分開披露，須顯示該等衍生工具之餘下合約年期，有關資料對瞭解現金流量時限相當重要。本集團善用有關修訂之過渡條文，並無就新規定提供比較資料。

香港(國際財務報告詮釋委員會) – 詮釋第13號 客戶長期支持計劃

該詮釋規定，客戶積分獎賞須以其獲授出之銷售交易獨立部分方式列賬。所收代價公平值部分分配至積分獎賞及遞延，其後於贖回積分獎賞期間確認為收入。本集團保留長期支持積分計劃佳華積分咭，客戶於本集團零售店購買產品時可累積積分。待取得最低積分後，有關積分其後可免費換領產品或於日後購買產品時用作現金。本集團現時之會計政策與該詮釋規定一致，故採納該詮釋並無對本集團財務報表構成重大影響。

於該等財務報表獲授權當日，若干新訂及經修訂香港財務報告準則已刊發但未生效，亦未獲本集團提早採納。

董事預期，本集團會計政策於各規定生效日期後開始之首個期間採納所有規定。有關預期對本集團之會計政策構成影響之新訂及經修訂香港財務報告準則之資料載於下文。若干其他新訂及經修訂香港財務報告準則已頒佈，惟預期不會對本集團財務報表構成重大影響。

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3. ADOPTION OF NEW AND AMENDED STANDARDS (continued)

HKFRS 3 Business combinations (Revised 2008)

The standard is applicable in reporting periods beginning on or after 1 July 2009 and will be applied prospectively. The new standard still requires the use of the purchase method (now renamed the acquisition method) but introduces material changes to the recognition and measurement of consideration transferred and the acquiree's identifiable assets and liabilities, and the measurement of non-controlling interests (previously known as minority interest) in the acquiree. The new standard is expected to have a significant effect on business combinations occurring in reporting periods beginning on or after 1 July 2009.

HKFRS 9 Financial instruments

The standard is effective for accounting periods beginning on or after 1 January 2013 and addresses the classification and measurement of financial assets. The new standard reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in profit or loss except for those on certain equity investments which will be presented in other comprehensive income. The directors are currently assessing the possible impact of the new standard on the Group's results and financial position in the first year of application.

HKAS 27 Consolidated and separate financial statements (Revised 2008)

The revised standard is effective for accounting periods beginning on or after 1 July 2009 and introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. Total comprehensive income must be attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The directors do not expect the standard to have a material effect on the Group's financial statements.

3. 採納新訂及經修訂準則(續)

香港財務報告準則第3號(二零零八年經修訂)業務合併

該準則適用於二零零九年七月一日或之後開始之呈列期間，並會提前應用。新準則仍然規定使用購買法(現改稱收購法)，惟引入有關確認及計量所轉讓代價以及被收購公司可識別資產及負債以及計量於被收購公司非控股權益(前稱少數股東權益)之重大變動。新準則預期對於二零零九年七月一日或之後開始之呈列期間產生之業務合併構成重大影響。

香港財務報告準則第9號金融工具

該準則於二零一三年一月一日或之後開始之會計期間生效，並規定金融資產之分類及計量方法。新準則減少金融資產計量類別數目，所有金融資產將按攤銷成本或公平值計量，視乎實體管理金融資產之營業模式及金融資產之合約現金流量特色而定。公平值收益及虧損將於損益確認，惟若干股本投資將於其他全面收入呈列。董事現正評估新準則於應用首年對本集團業績及財務狀況可能造成之影響。

香港會計準則第27號(二零零八年經修訂)綜合及獨立財務報表

經修訂準則於二零零九年七月一日或之後開始之會計期間生效，並就損失附屬公司控制權及本集團於附屬公司權益之變動引入有關會計規定變動。即使將全面收入總額納入非控股權益導致非控股權益結餘產生虧絀，仍須將全面收入總額納入非控股權益。董事預期該準則不會對本集團財務報表構成重大影響。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Depreciation

The Group depreciates property, plant and equipment on a straight-line basis over the estimated useful lives of 5 to 10 years, starting from the date on which the assets are available for use. The estimated useful lives reflect the directors' estimates of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

Inventory valuation

Inventory is valued using the cost method, which values inventory at the lower of the actual cost and net realisable value. Cost is determined using the first-in, first-out method. The estimated net realisable value is generally the merchandise selling price less selling expenses. The Group reviews its inventory levels in order to identify slow-moving merchandise and use markdowns to clear merchandise. Inventory value is reduced when the decision to markdown below cost is made.

Customer loyalty programme

Significant estimates is required in determining the percentage of redemption of credit awards granted to the customers. These estimates are based on historical records and managements' judgement. Management reassesses the estimation at each reporting date.

4. 重要會計估計及判斷

估計及判斷持續進行評估，並根據過往經驗及其他因素作出調整，包括預期日後在合理情況下相信會發生的事件。

本集團作出有關未來的估計及假設。顧名思義，推算所得的會計估計甚少與相關實際結果相符。以下論述有關具有重大風險導致資產及負債的賬面值須於下個財政年度作出重大調整的估計及假設：

折舊

本集團就物業、廠房及設備按其可使用當日起計5至10年的估計可使用年期，以直線法折舊。估計可使用年期反映董事估計本集團擬從本集團物業、廠房及設備的使用產生未來經濟效益的期間。

存貨估值

存貨乃使用成本法估值，即以存貨的實際成本及可變現淨值的較低者進行估值。成本乃根據先進先出法釐定。估計可變現淨值一般為商品售價減銷售開支。本集團會檢討其存貨水平，以識別滯銷商品，並減價促銷。倘作出減價至低於成本的決定，則將會扣減存貨價值。

客戶長期支持計劃

於釐定授予客戶信貸獎勵贖回百分比時需要重大估計。此等估計乃按過往記錄及管理層判斷作出。管理層於後申報日重估估計。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Impairment of receivables

The Group's management review receivables on a regular basis to determine if any provision for impairment is necessary. This estimate is based on the credit history of its customers, past settlement and industry practice and current market conditions. Management reassesses the impairment of receivables at each reporting date.

Share-based payment expenditure

Expense on share-based payment is subject to the limitations of the option pricing models adopted and the uncertainty in estimates used by management in the assumptions. Should the estimates including limited early exercise behaviour, expected interval and frequency of open exercise periods in the share option life and the relevant parameters of the share option model be changed, there would be material changes in the amount of share option benefits recognised in the profit or loss and share option reserve.

Income tax

Significant judgement is required in determining the amount of the provision of income tax and the timing of payment of the related taxation. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in periods in which such determination are made.

Fair value of intangible asset

Fair value of intangible asset is the estimated favourable operating leases. These estimates are based on the market approach by comparing prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect condition and utility of the appraised assets relative to the market comparables. Management reassesses the impairment of intangible asset at each reporting date.

4. 重要會計估計及判斷(續)

應收款項減值

本集團管理層定期檢討應收款項，以確定是否需要作出減值撥備。此估計乃基於其客戶的信貸歷史、過往交收及市場慣例及現行市況而定。管理層於各申報日重新評估應收款項減值。

股份支付開支

股份支付開支受所採納期權定價模式的限制，以及管理層於假設中所作出估計的不確定因素規限。倘估計有變，包括有限提早行使情況、購股權年期內公開行使期間的預期期間及次數，以及購股權模式相關參數有變，則會對於損益及購股權儲備確認的購股權福利金額構成重大變動。

所得稅

釐定所得稅撥備金額及有關稅項的支付時間時須作出重大判斷。倘最終稅項與最初入賬的金額不同，則該差額將影響作出有關釐定期間的現行稅項及遞延稅項撥備。

無形資產的公平值

無形資產公平值為有利經營租賃之估算。此等估算乃使用市場法，透過比較近期就類似資產支付之價格作出，並對指示市價作出調整，以反映與市場上可資比較之資產相比，獲評值資產之狀況及功能。管理層於各申報日重估無形資產之減值。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
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5. SEGMENT INFORMATION

On adoption of HKFRS 8 “Operating Segments”, the Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group’s executive directors for their decisions about resources allocation to the Group’s business components and review of these components’ performance. There are two business components/reportable segments in the internal reporting to the executive directors, which are operation and management of retail stores and wholesale of consumables. No operating segment analysis is presented as less than 10% of the Group’s revenue, operating result and asset is attributable to the wholesales of consumables.

Revenue from external customers for each operation category, are disclosed in note 6(a).

PRC is the country of domicile of the Group. The country of domicile is determined by referring to the country which the Group regards as its home country, has the majority of operations and centre of management.

No separate analysis of segment information by geographical segment is presented as the Group’s revenue and non-current assets are principally attributable to a single geographical region, which is the PRC.

6. REVENUE AND OTHER OPERATING INCOME

(a) Revenue

The Group is principally engaged in operation and management of retail stores and wholesale of consumables. Revenue, which is also the Group’s turnover, represents invoiced value of goods sold, net of value added tax (“VAT”), after allowances for returns and discounts; and the invoiced value of services rendered. Revenue recognised during the year is as follows:

5. 分部資料

於採納香港財務報告準則第8號「經營分類」後，本集團已根據定期向本集團執行董事呈報，以供彼等決定將資源分配至本集團業務部分及審閱其表現之內部財務資料識別其經營分類及編製分類資料。向執行董事作出內部報告包括兩個業務部分／可呈報分類，即經營及管理零售店及批發易耗品。由於少於10%之本集團收入、經營業績及資產來自批發易耗品，故並無呈列經營分類分析。

來自外在客戶之各項經營分類之收入於附註6(a)披露。

本集團之註冊國家為中國。註冊國家乃指本集團視作其基地之國家，為其大部分業務及管理中心所在地。

由於本集團之收入及非流動資產主要由單一地區(即中國)所佔，故並無獨立呈列按地區分類劃分之分類資料分析。

6. 收入及其他經營收入

(a) 收入

本集團主要業務為經營及管理零售店及批發易耗品。收入(亦即本集團營業額)指售出貨品扣除增值稅(「增值稅」)及退貨及折扣準備，並加上所提供服務的發票值。年內確認的收入如下：

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Sales of goods	銷售貨品	688,617	822,062
Commissions from concessionaire sales	專賣銷售所得佣金	93,402	77,248
Rental income from sub-leasing of shop premises	分租店舖物業的租金收入	30,959	24,704
Wholesale of consumables	易耗品批發	6,403	11,053
		819,381	935,067

Notes to the Financial Statements (Continued)
財務報表附註(續)For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度**6. REVENUE AND OTHER OPERATING INCOME (continued)****(b) Other operating income**

An analysis of the Group's other operating income is as follows:

(b) 其他經營收入

本集團其他經營收入之分析如下：

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Interest income	利息收入	4,943	6,430
Government grants (note i)	政府補貼(附註i)	338	284
Compensation from insurer	保險賠償	-	2,441
Income from suppliers	來自供應商的收入		
- Administration and management fee income	- 行政及管理費收入	40,952	29,907
- Products entrance fee income (note ii)	- 商品上架費收入(附註ii)	-	21,037
- Promotion income (note ii)	- 推廣收入(附註ii)	-	7,809
- Sponsorship income (note ii)	- 贊助收入(附註ii)	-	8,033
- Store display income (note ii)	- 店舖陳列收入(附註ii)	-	5,998
Others	其他	16,528	19,034
		62,761	100,973

Note:

- (i) Various local government grants have been granted to a subsidiary of the Company for information technology enhancement during the year (2008: rewards for employing non-Shenzhen and agricultural residents). There were no unfulfilled conditions or contingencies attaching to these government grants.
- (ii) All contracts with suppliers to receive these types of income have been renewed at the beginning of the year pursuant to which the Group enjoyed purchase discount instead of receiving these types of income during the year.

附註：

- (i) 本公司一家附屬公司獲授多項地方政府補貼，供其於年內提升資訊科技(二零零八年：作為聘用非深圳及務農居民的回報)。該等政府補貼並無附帶任何未達成的條件或附帶事項。
- (ii) 就收取此種類收入與供應商之全部合約已於年初作變更，據此，本集團於年內可享採購折扣，而並非此種類收入。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

7. (LOSS)/PROFIT BEFORE INCOME TAX

7. 除所得稅前(虧損)/溢利

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
(Loss)/profit before income tax is arrived at after charging :	除所得稅前(虧損)/溢利已扣除以下項目:		
Cost of inventories sold recognised as expense	確認為開支的已售存貨成本	576,418	727,278
Auditors' remuneration	審計費	727	836
Amortisation of intangible asset	無形資產攤銷	4,310	4,742
Net exchange loss	匯兌虧損淨額	13	7,629
Depreciation of property, plant and equipment	物業、廠房及設備折舊	33,025	26,988
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備虧損/(收益)	110	(2)
Operating lease rentals in respect of land and buildings	土地及樓宇的營運租賃租金	67,415	55,268
Obsolete inventories written-off	撇銷陳舊存貨	514	139
Inventories loss	存貨虧損	765	1,825
Loss on natural disaster**	天災損失**	-	2,441
Impairment losses on intangible asset (note 12)**	無形資產減值虧損(附註12)**	28,631	-
Impairment losses on property, plant and equipment (note 11)**	物業、廠房及設備減值虧損(附註11)**	8,498	-
Provision for closure costs **	關閉店舖成本撥備**	5,000	-
Rental deposits paid written-off **	租金押金撇賬**	1,309	-
Staff costs, including directors' emoluments (note 25(a))	員工成本, 包括董事酬金(附註25(a))		
Salaries and other benefits	薪金及其他福利	69,525	73,070
Contributions to pension schemes	退休金計劃供款	6,171	5,613
Share-based payment expenditure	股份支付開支	-	2,086
		75,696	80,769
and crediting :	及已計入:		
Reversal of operating lease rental payable **	撥回應付經營租賃租金**	2,520	-
Sub-letting of properties	分租物業		
– Base rents	– 基本租金	27,024	20,033
– Contingent rents *	– 或然租金*	3,935	4,671
Gross rental income	總租金收入	30,959	24,704
Less: Outgoings	減: 開支	(16,947)	(11,075)
Net rental income	淨租金收入	14,012	13,629

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

7. (LOSS)/PROFIT BEFORE INCOME TAX (continued)

Notes:

- * Contingent rents are calculated based on a percentage of the relevant sales of the tenants pursuant to the rental agreements.
- ** The Group has closed down two loss-making stores in December 2009 and January 2010. The intangible assets, property, plant and equipment of these two stores were fully impaired. These impairment losses, provision for closure costs, write-off of rental deposits and reversal of operating lease payable (being the difference between the cash rental expenses and the effective rental expenses of these stores for the previous periods) have been charged to other operating expenses for the year ended 31 December 2009.

Loss on natural disaster have been charged to other operating expenses for the year ended 31 December 2008.

8. INCOME TAX EXPENSE

7. 除所得稅前(虧損)/溢利(續)

附註：

- * 或然租金乃根據租賃協議按租戶相關銷售的若干百分比計算。
- ** 本集團已於二零零九年十二月關閉兩間錄得虧損之店舖，該兩間店舖之無形資產以及物業、廠房及設備已全數減值。有關減值虧損、關閉店舖成本撥備、押金撇賬及撥回應付經營租金(即過往期間該兩間店舖現金租金開支及實際租金開支之差額)已於截至二零零九年十二月三十一日止年度之其他經營開支扣除。

天災損失已於截至二零零八年十二月三十一日止年度之其他經營開支扣除。

8. 所得稅開支

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Current tax	即期稅項		
PRC enterprise income tax – current year	中國企業所得稅—本年度	8,318	9,010
Deferred tax (note 21)	遞延稅項(附註21)	(4,094)	(720)
		4,224	8,290

The Group is not subject to any taxation under the jurisdiction of the Cayman Islands and British Virgin Islands during the year (2008: Nil).

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit in Hong Kong for the year (2008: Nil).

本集團於年內毋須繳納任何開曼群島及英屬處女群島司法權區的稅項(二零零八年：無)。

由於本集團於年內並無來自香港的估計應課稅溢利，故並無就香港利得稅作出撥備(二零零八年：無)。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

8. INCOME TAX EXPENSE (continued)

PRC enterprise income tax of a subsidiary of the Company, Shenzhen Baijiahua Department Stores Company Limited (“BJH Department Stores”) which was established in the PRC and which is situated in Shenzhen (i.e. a Special Economic Zone), has been provided at the preferential enterprise income tax rate of 15% (except for the branches not located in Shenzhen) on the estimated assessable profits during the year ended 31 December 2007. Pursuant to the new PRC enterprise income tax law (“EIT law”) passed by the Tenth National People’s Congress on 16 March 2007, the new enterprise income tax rates for domestic and foreign enterprises are unified at 25% effective from 1 January 2008. Pursuant to the EIT law Article 57 and Guofa [2007] No.39, the new tax rates of BJH Department Stores (including the head office and the branches located in Shenzhen) whose business registration has been completed on or before 16 March 2007 and situated in Shenzhen is eligible for grandfathering treatments with a gradual increase in tax rate from 15% to 25% over a five-year period (i.e. at 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012).

Other subsidiaries of the Company established in the PRC were subject to PRC enterprise income tax at the rate of 25% for the year under the income tax rules and regulations of the PRC (2008: 25%).

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

8. 所得稅開支(續)

於截至二零零七年十二月三十一日止年度，本公司一家於中國成立且位於經濟特區深圳之附屬公司深圳市百佳華百貨有限公司(「百佳華百貨」)之中國企業所得稅已按照其估計應課稅溢利以15%之優惠企業所得稅率作出撥備，惟並非位於深圳之分公司除外。根據第十屆全國人民代表大會於二零零七年三月十六日通過的新中國企業所得稅法(「企業所得稅法」)，內資及外資企業的新企業所得稅劃一為25%，自二零零八年一月一日起生效。根據企業所得稅法第57條及國發[2007]第39號，位於深圳之百佳華百貨(包括位於深圳之總辦事處及分公司)已於二零零七年三月十六日或之前完成商業登記，故根據稅務過渡辦法，合資格按新稅率繳稅，有關稅率於五年期間由15%逐步增加至25%(即於二零零八年為18%、二零零九年為20%、二零一零年為22%、二零一一年為24%及二零一二年為25%)。

本公司其他於中國成立之附屬公司於本年度須根據中國所得稅條例及法規按25%稅率繳納中國企業所得稅(二零零八年：25%)。

按適用稅率計算的所得稅支出與會計(虧損)/溢利之對賬：

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(16,915)	32,641
Tax on (loss)/profit before income tax, calculated at the rates applicable to (loss)/profit in the tax jurisdictions concerned	除所得稅前(虧損)/溢利的稅項，按有關稅務司法權區(虧損)/溢利適用的稅率計算	(4,166)	8,117
Tax benefit of a PRC subsidiary	一家中國附屬公司之稅務優惠	(1,313)	(3,557)
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	12,643	4,450
Tax effect of non-taxable income	毋須課稅收入的稅務影響	(4,428)	(1,182)
Tax effect of tax loss not recognised	未確認稅項虧損的稅務影響	1,563	801
Others	其他	(75)	(339)
Income tax expense	所得稅開支	4,224	8,290

Notes to the Financial Statements (Continued)
財務報表附註(續)For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度**9. DIVIDENDS****(a) Dividends attributable to the year**

		2009	2008
		二零零九年	二零零八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Proposed final dividend for the year ended 31 December 2008 of approximately RMB1.17 cents per ordinary share	截至二零零八年十二月三十一日止年度的建議末期股息每股普通股約人民幣1.17分	-	12,139

The final dividend proposed after the reporting date had not been recognised as a liability at the respective reporting date, but reflected as an appropriation of retained earnings for that year.

申報日後建議宣派的末期股息並無確認為有關申報日的負債，但已反映為該年度的保留盈利分配。

(b) Dividend attributable to the previous financial year, approved and paid during the year

		2009	2008
		二零零九年	二零零八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Final dividend in respect of the previous financial year, of RMB1.17 cents per ordinary share (2008: RMB2.14 cents)	過往財政年度的末期股息每股普通股人民幣1.17分(二零零八年：人民幣2.14分)	12,139	22,153

(b) 年內批准及派付的上個財政年度應佔股息**10. (LOSS)/EARNINGS PER SHARE**

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to the owners of the Company of approximately RMB21,139,000 (2008: profit of RMB24,351,000) and the weighted average number of approximately 1,037,500,000 (2008: 1,037,500,000) ordinary shares in issue during the year.

No diluted (loss)/earnings per share has been presented for the years ended 31 December 2009 and 2008 as the exercise price of the Company's outstanding options were higher than the average market price for the years.

10. 每股(虧損)/盈利

每股基本(虧損)/盈利按年內本公司擁有人應佔(虧損)/溢利約人民幣21,139,000元(二零零八年：溢利約人民幣24,351,000元)及年內已發行普通股加權平均數約1,037,500,000股(二零零八年：1,037,500,000股)計算。

由於本公司尚未行使購股權之行使價高於年內平均市價，故並無呈列截至二零零九及二零零八年十二月三十一日止年度之每股攤薄(虧損)/盈利。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

11. PROPERTY, PLANT AND EQUIPMENT – GROUP 11. 物業、廠房及設備 – 本集團

		Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles and tools 汽車及工具 RMB'000 人民幣千元	Furniture, fixtures and equipment 家具、裝置 及設備 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
At 1 January 2008	於二零零八年一月一日					
Cost	成本	66,956	15,116	7,606	82,967	172,645
Accumulated depreciation	累計折舊	(26,924)	(4,540)	(2,348)	(53,069)	(86,881)
Net book amount	賬面淨值	40,032	10,576	5,258	29,898	85,764
Net book amount	賬面淨值					
At 1 January 2008	於二零零八年一月一日	40,032	10,576	5,258	29,898	85,764
Additions	添置	35,547	9,987	2,441	7,572	55,547
Disposals	出售	–	–	(187)	–	(187)
Depreciation	折舊	(15,523)	(1,710)	(1,550)	(8,205)	(26,988)
At 31 December 2008	於二零零八年十二月三十一日	60,056	18,853	5,962	29,265	114,136
At 31 December 2008	於二零零八年十二月三十一日					
Cost	成本	102,503	25,103	9,775	90,539	227,920
Accumulated depreciation	累計折舊	(42,447)	(6,250)	(3,813)	(61,274)	(113,784)
Net book amount	賬面淨值	60,056	18,853	5,962	29,265	114,136
Net book amount	賬面淨值					
At 1 January 2009	於二零零九年一月一日	60,056	18,853	5,962	29,265	114,136
Additions	添置	49,290	1,589	2,709	13,162	66,750
Disposals	出售	(94)	(23)	(314)	(321)	(752)
Depreciation	折舊	(20,336)	(2,701)	(1,876)	(8,112)	(33,025)
Impairment losses	減值虧損	(3,357)	(1,761)	–	(3,380)	(8,498)
At 31 December 2009	於二零零九年十二月三十一日	85,559	15,957	6,481	30,614	138,611
At 31 December 2009	於二零零九年十二月三十一日					
Cost	成本	146,312	24,419	12,170	99,170	282,071
Accumulated depreciation	累計折舊	(60,753)	(8,462)	(5,689)	(68,556)	(143,460)
Net book amount	賬面淨值	85,559	15,957	6,481	30,614	138,611

Notes to the Financial Statements (Continued)
財務報表附註(續)For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度**11. PROPERTY, PLANT AND EQUIPMENT – GROUP (continued)**

Depreciation charges incurred for the year were recognised in the consolidated statement of comprehensive income as “distribution costs” and “administrative expenses” amounted to approximately RMB32,685,000 (2008: RMB26,664,000) and RMB340,000 (2008: RMB324,000) respectively.

12. INTANGIBLE ASSET – GROUP**11. 物業、廠房及設備—本集團(續)**

年內產生的折舊支出已於綜合全面收益表的「分銷成本」及「行政開支」分別確認約人民幣32,685,000元(二零零八年:人民幣26,664,000元)及人民幣340,000元(二零零八年:人民幣324,000元)。

12. 無形資產—本集團

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Net carrying amount	賬面淨值		
At 1 January	於一月一日	51,746	56,488
Amortisation charge for the year	本年度攤銷費用	(4,310)	(4,742)
Impairment losses	減值虧損	(28,631)	—
		18,805	51,746
At 31 December	於十二月三十一日		
At 31 December	於十二月三十一日		
Gross carrying amount	賬面總值	24,345	58,602
Accumulated amortisation	累計攤銷	(5,540)	(6,856)
		18,805	51,746
Net carrying amount	賬面淨值		

Amortisation charges were included in “distribution costs” in the consolidated statement of comprehensive income.

攤銷費用已計入綜合全面收益表的「分銷成本」。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

13. DEPOSITS PAID, PREPAYMENTS AND OTHER RECEIVABLES – GROUP **13. 已付按金、預付款項及其他應收款項 – 本集團**

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Deposits paid and prepayments	已付按金及預付款項		
– rental deposits	– 租金按金	12,321	11,832
– rental prepayments	– 租金預付款項	12,541	–
– payment in advance for acquisition of property, plant and equipment	– 收購物業、廠房及設備的預付款項	9,271	14,445
		34,133	26,277
Current assets	流動資產		
Deposits paid	已付按金	260	73
Prepayments	預付款項	7,297	7,945
Advances to suppliers	向供應商墊款	6,172	9,686
Other receivables (note)	其他應收款項(附註)	32,295	29,943
		46,024	47,647

Note: Included in the balance was input VAT receivable of approximately RMB21,477,000 as at 31 December 2009 (2008: RMB19,839,000). Input VAT arose when the Group purchases products from suppliers and the input VAT can be deducted from output VAT on sales.

Except for VAT receivables which had no expiry date, all other receivables were repayable on demand. At 31 December 2009, no other receivables was past due (2008: Nil).

The directors of the Company consider that the fair values of other receivables, except for VAT receivables, which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

附註：結餘中包括於二零零九年十二月三十一日應收回進項增值稅約人民幣21,477,000元(二零零八年：人民幣19,839,000元)。有關進項增值稅因本集團向供應商採購產品而產生，並可於出售時自銷項增值稅扣除。

除並無屆滿日期的應收回增值稅外，所有其他應收款項須按要求償還。於二零零九年十二月三十一日，並無其他逾期應收款項(二零零八年：無)。

本公司董事認為，由於該等結餘於產生後在短期內到期，預期於一年內收回之其他應收款項(除應收增值稅外)之公平值與其賬面值並無重大差異。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

14. INTERESTS IN SUBSIDIARIES – COMPANY

14. 於附屬公司的權益 – 本公司

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Investments in subsidiaries	於附屬公司的投資		
Unlisted shares, at cost	非上市股份，按成本	67,848	67,848
Amounts due from subsidiaries	應收附屬公司款項	269,827	282,540

The amounts due from subsidiaries were in the nature of current accounts and were unsecured, interest-free and repayable on demand.

應收附屬公司款項為往來賬項性質，為無抵押、免息及須按要求償還。

Details of the subsidiaries at 31 December 2009 are as follows:

於二零零九年十二月三十一日的附屬公司詳情如下：

Company name 公司名稱	Place of incorporation/ establishment and legal form of entity 註冊成立／成立地點及 其法人類別	Particulars of issued share/ paid-up registered capital 已發行股份／已繳 足註冊資本詳情	Percentage of interest held by the Company 本公司持有權益百分比		Principal activities and place of operations 主要業務及經營地點
			Directly 直接	Indirectly 間接	
Forever Prosperity International Company Limited 永泰國際有限公司	British Virgin Islands, limited liability company 英屬處女群島， 有限責任公司	United States Dollars 20 20美元	100%	–	Investment holding in Hong Kong 於香港進行投資控股
Ding Xin Investment Company Limited 鼎新投資有限公司	Hong Kong, limited liability company 香港，有限責任公司	Hong Kong Dollars ("HK\$") 0.1 0.1港元	–	100%	Investment holding in Hong Kong 於香港進行投資控股
Shenzhen Ding Xin Department Stores Company Limited 深圳鼎新百貨有限公司	The PRC, limited liability company 中國，有限責任公司	RMB5,000,000 人民幣5,000,000元	–	100%	Wholesale of consumables in the PRC 於中國批發易耗品

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
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14. INTERESTS IN SUBSIDIARIES – COMPANY 14. 於附屬公司的權益—本公司(續)
(continued)

Company name 公司名稱	Place of incorporation/ establishment and legal form of entity 註冊成立/成立地點及 其法人類別	Particulars of issued share/ paid-up registered capital 已發行股份/已繳 足註冊資本詳情	Percentage of interest held by the Company 本公司持有權益百分比		Principal activities and place of operations 主要業務及經營地點
			Directly 直接	Indirectly 間接	
			BJH Department Stores 深圳市百佳華百貨有限公司	The PRC, limited liability company 中國·有限責任公司	
Dongguan Jiahua Department Store Company Limited 東莞市佳華百貨有限公司	The PRC, limited liability company 中國·有限責任公司	RMB3,000,000 人民幣3,000,000元	–	100%	Operation and management of retail stores in the PRC 於中國經營及管理零售店
Guangxi Bajiahua Department Stores Company Limited 廣西百佳華百貨有限公司	The PRC, limited liability company 中國·有限責任公司	RMB10,000,000 人民幣 10,000,000元	–	100%	Operation and management of retail stores in the PRC 於中國經營及管理零售店
Hunan Bajiahua Department Stores Company Limited 湖南百佳華百貨有限公司	The PRC, limited liability company 中國·有限責任公司	RMB5,000,000 人民幣5,000,000元	–	100%	Dormant 暫無業務

The financial statements of the above subsidiaries were audited by Grant Thornton, Hong Kong, for statutory purpose and/or for the purpose of the group consolidation.

上述附屬公司的財務報表已就符合法例規定及/或集團綜合賬目由香港均富會計師行審核。

15. INVENTORIES AND CONSUMABLES – GROUP 15. 存貨及易耗品—本集團

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Merchandise for resale	轉售商品	117,979	102,855
Low value consumables	低值易耗品	12,188	11,728
		130,167	114,583

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

16. TRADE RECEIVABLES – GROUP

All of the Group's sales are on cash basis except for certain wholesale of consumables, bulk sales of merchandise to corporate customers and rental income receivables from tenants. The credit terms offered to these customers or tenants are generally for a period of one to three months.

The aging analysis of the Group's trade receivables, based on invoice dates, is as follows:

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Within 30 days	30日內	1,898	3,397
31-60 days	31至60日	913	342
61-180 days	61至180日	761	720
181-365 days	181至365日	144	707
Over 1 year	一年以上	-	87
		3,716	5,253

Impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtors and default or delinquency in payments are considered indicators that the trade receivables are impaired. All of the Group's trade receivables have been reviewed for indicators of impairment.

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. There was no allowance for impairment loss as at 31 December 2009 (2008: Nil).

16. 應收貿易賬款－本集團

除若干向企業客戶作出的易耗品批發、大量商品銷售及應收租客的租金收入外，本集團所有銷售均以現金進行。授予此等客戶或租客的信貸期一般為一至三個月。

本集團應收貿易賬款按發票日期的賬齡分析如下：

倘有客觀證據顯示本集團將無法按照應收款項原定年期收回所有到期款項，則確定應收貿易賬款已減值。欠款人面對重大財政困難以及欠付或拖欠款項被視為應收貿易賬款已減值的指標。本集團所有應收貿易賬款均已檢討是否出現減值指標。

應收貿易賬款之減值虧損以撥備賬記錄，除非本集團認為金額之可收回性極微，於此情況下，減值虧損直接於應收貿易賬款撇銷。於二零零九年十二月三十一日並無就減值虧損作出撥備(二零零八年：無)。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

16. TRADE RECEIVABLES – GROUP (continued)

The aging analysis of Group's trade receivables that were neither past due at the reporting date nor impaired and, past due at the reporting date but not impaired, based on due date is as follows:

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Neither past due nor impaired	無逾期或減值	3,456	3,929
1-30 days past due	逾期1至30日	62	433
31-180 days past due	逾期31至180日	198	804
181-365 days past due	逾期181至365日	-	87
		3,716	5,253

Trade receivables that were neither past due nor impaired related to customers or tenants for whom there were no recent history of default. Trade receivables that were past due but not impaired related to a number of customers or tenants that had a good track record of credit with the Group. Based on past experience, management believed that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances were still considered fully recoverable.

The directors of the Company consider that the fair values of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

16. 應收貿易賬款－本集團(續)

於申報日並無逾期或減值及於報告日已逾期但無減值的本集團應收貿易賬款按到期日的賬齡分析如下：

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Neither past due nor impaired	無逾期或減值	3,456	3,929
1-30 days past due	逾期1至30日	62	433
31-180 days past due	逾期31至180日	198	804
181-365 days past due	逾期181至365日	-	87
		3,716	5,253

並無逾期或減值的應收貿易賬款與並無近期欠款記錄的客戶或租客有關。已逾期但並無減值的應收貿易賬款與本集團多名信貸記錄良好的客戶或租客有關。根據過往經驗，管理層相信，由於信貸質素並無重大轉變及結餘仍被視為可全數收回，故毋須就此等結餘作出減值撥備。

本公司董事認為，由於該等結餘於產生後在短期內到期，預期於一年內收回之應收貿易賬款之公平值與其賬面值並無重大差異。

Notes to the Financial Statements (Continued)
財務報表附註(續)For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度**17. CASH AND BANK BALANCES – GROUP AND COMPANY** **17. 現金及銀行結餘 – 本集團及本公司**

		Group 本集團		Company 本公司	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Cash at banks and in hand	銀行及手頭現金	87,121	73,162	413	407
Bank deposits maturing within three months	於三個月內到期的 銀行存款	152,855	127,869	–	1,019
Cash and cash equivalents for the purpose of statement of cash flows	現金流量表的現金及 現金等價物	239,976	201,031	413	1,426
Bank deposits maturing over three months	於三個月內到期的 銀行存款	30,638	80,000	–	–
		270,614	281,031	413	1,426

The Group had cash and bank balances denominated in RMB of approximately RMB270,104,000 (2008: RMB279,272,000) and the remittance of these funds out of the PRC was subject to the exchange control restrictions imposed by the PRC government. The Company did not have cash and bank balances denominated in RMB as at 31 December 2009 (2008: Nil).

The cash at banks bore interests at floating rates based on daily bank deposit rates.

The bank deposits bore interest at floating rates. The effective interest rates at 31 December 2009 ranged from 0.36% to 3.6% (2008: ranged from 0.05% to 6.5% per annum). They had maturities ranged from 1 day to 6 months (2008: ranged from 1 day to 6 months) and were eligible for immediate cancellation without receiving any interest for the last deposit period.

The directors of the Company considered that the fair values of the short-term bank deposits is not materially different from their carrying amounts because of the short maturity period on their inception.

本集團以人民幣計值的現金及銀行結餘約為人民幣270,104,000元(二零零八年: 人民幣279,272,000元), 將該等資金匯出中國須受中國政府實施的外匯管制限制規限。於二零零九年十二月三十一日, 本公司並無任何以人民幣計值的現金及銀行結餘(二零零八年: 無)。

銀行現金按浮息計息, 乃按每日銀行存款利率計算。

銀行存款按浮息計息。於二零零九年十二月三十一日的實際年利率介乎0.36厘至3.6厘(二零零八年: 介乎0.05厘至6.5厘), 到期期限由一日至六個月(二零零八年: 由一日至六個月)不等, 可於不收取最近一期存款期利息的情況下即時取消。

本公司董事認為, 由於有關款項於產生後在短期內到期, 短期銀行存款之公平值與其賬面值並無重大差異。

Notes to the Financial Statements (Continued)
財務報表附註(續)

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18. TRADE PAYABLES – GROUP

The credit terms granted by suppliers are generally for a period of 30 to 60 days. The aging analysis of the trade payables, based on invoice dates, is as follows :

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Within 30 days	30日內	139,159	116,730
31-60 days	31至60日	27,105	35,695
61-180 days	61至180日	9,632	8,385
181-365 days	181至365日	226	752
		176,122	161,562

All amounts are short term and hence the carrying amounts of the Group's trade payables are considered to be a reasonable approximation of fair values.

18. 應付貿易賬款 – 本集團

供應商授出的信貸期一般為30至60日。應付貿易賬款按發票日期的賬齡分析如下：

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Within 30 days	30日內	139,159	116,730
31-60 days	31至60日	27,105	35,695
61-180 days	61至180日	9,632	8,385
181-365 days	181至365日	226	752
		176,122	161,562

所有款項均為短期，因此，本集團之應付貿易賬款賬面值被視為其公平值之合理約數。

19. COUPON LIABILITIES, DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS – GROUP AND COMPANY

19. 票息負債、已收按金、其他應付款項及應計費用 – 本集團及本公司

		Group 本集團		Company 本公司	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Coupon liabilities	票息負債	8,204	7,486	-	-
Deposits received	已收按金	18,023	10,639	-	-
Other payables (note)	其他應付款項(附註)	33,121	21,181	-	-
Accruals	應計費用	24,183	21,081	919	807
		83,531	60,387	919	807

Note :Included in the balance was other PRC tax payable, other than PRC enterprise income tax payable, of approximately RMB6,335,000 (2008: RMB3,962,000) at 31 December 2009. Balance also included amounts received from (i) suppliers when they send promoters to the retail stores and (ii) staff when joining the retail stores of approximately RMB5,807,000 at 31 December 2009 (2008: RMB4,702,000).

附註：結餘中包括應繳中國企業所得稅以外其他應繳中國稅項，於二零零九年十二月三十一日約人民幣6,335,000元(二零零八年：人民幣3,962,000元)。結餘中亦包括(i)於供應商派遣推廣人員至零售店時應收供應商的款項；及(ii)於員工加盟零售店時應收員工的款項，於二零零九年十二月三十一日約人民幣5,807,000元(二零零八年：人民幣4,702,000元)。

Notes to the Financial Statements (Continued)
財務報表附註(續)

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19. COUPON LIABILITIES, DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS – GROUP AND COMPANY (continued)

All amounts are short term and hence the carrying amounts of the Group's and Company's coupon liabilities, deposit received, other payables and accruals are considered to be a reasonable approximation of fair values.

20. AMOUNT DUE TO A DIRECTOR – GROUP

The amount was unsecured, interest free and repayable on demand.

21. DEFERRED TAX LIABILITIES – GROUP

Deferred taxation attributable to temporary differences between the fair values of the identifiable assets recognised by the Group on acquisition, namely property, plant and equipment and intangible asset, and their respective tax bases in the PRC is calculated in full under the liability method using the tax rate of 18% to 25%, being the PRC enterprise income tax rates applicable to the Company's subsidiaries operate in the PRC. The movement on the deferred tax liabilities arising from business combination is as follows:

19. 票息負債、已收按金、其他應付款項及應計費用－本集團及本公司(續)

所有款項均為短期，因此，本集團及本公司之票息負債、已收按金、其他應付款項及應計費用賬面值被視為其公平值之合理約數。

20. 應付一名董事款項－本集團

有關款項為無抵押、免息及按要求償還。

21. 遞延稅項負債－本集團

本集團於中國收購時所確認可識別資產(即物業、廠房及設備以及無形資產)公平值與其各自的稅基的暫時差額產生的遞延稅項按負債法以於中國營運之子公司適用之中國企業所得稅率18%至25%全數計算。因業務合併產生的遞延稅項負債變動如下：

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
At 1 January	於一月一日	6,480	7,200
Deferred taxation credited to the consolidated statement of comprehensive income	計入綜合全面收益表的遞延稅項	(720)	(720)
Reversal of deferred tax liabilities arising from the impairment of intangible asset	撥回無形資產減值產生的遞延稅項負債	(3,374)	-
At 31 December	於十二月三十一日	2,386	6,480

No deferred tax liabilities have been recognised in respect of the temporary differences of approximately RMB56,000,000 (2008: RMB33,000,000) associated with undistributed earnings of certain subsidiaries because the Group is in a position to control the dividend policies of its subsidiaries and it is probable that such differences will not be reversed in the foreseeable future.

由於本集團可控制其附屬公司之股息政策，且與若干附屬公司未分派盈利相關之暫時差異約人民幣56,000,000元(二零零八年：人民幣33,000,000元)不大可能於可見將來撥回，故概無就該等差異確認遞延稅項負債。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
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21. DEFERRED TAX LIABILITIES – GROUP (continued)

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. At 31 December 2009, the Group has unrecognised tax losses to carry forward against future taxable income as follows :

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Expire in	於以下年度屆滿		
– 2012	– 二零一二年	8,697	8,697
– 2013	– 二零一三年	3,206	3,206
– 2014	– 二零一四年	6,095	–
		17,998	11,903

21. 遞延稅項負債 – 本集團(續)

遞延稅項資產於相關稅項利益可能透過日後應課稅溢利變現時就結轉稅項虧損確認。於二零零九年十二月三十一日，本集團可結轉以抵銷日後應課稅收入的未確認稅項虧損如下：

22. SHARE CAPITAL – COMPANY

22. 股本 – 本公司

		2009 二零零九年		2008 二零零八年	
		Number of shares ('000) 股份數目 (千股)	RMB'000 人民幣千元	Number of shares ('000) 股份數目 (千股)	RMB'000 人民幣千元
Authorised :	法定 :				
Ordinary shares of HK\$0.01 each	每股面值0.01港元 的普通股				
At 1 January and 31 December	於一月一日及 十二月三十一日	10,000,000	97,099	10,000,000	97,099
Issued and fully paid :	已發行及繳足 :				
Ordinary shares of HK\$0.01 each	每股面值0.01港元的 普通股				
At 1 January and 31 December	於一月一日及 十二月三十一日	1,037,500	10,125	1,037,500	10,125

Notes to the Financial Statements (Continued)
財務報表附註(續)For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

23. RESERVES – GROUP AND COMPANY

23. 儲備 – 本集團及本公司

		Notes 附註	Group 本集團		Company 本公司	
			2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Share premium	股份溢價	(a)	252,478	252,478	252,478	252,478
Statutory reserve	法定儲備	(b)	26,001	21,974	-	-
Statutory welfare reserve	法定福利基金	(c)	2,286	2,286	-	-
Merger reserve	合併儲備	(d)	12,373	12,373	-	-
Share option reserve	購股權儲備	(e)	6,706	7,446	6,706	7,446
Contributed surplus	繳入盈餘	(f)	-	-	67,848	67,848
Translation reserve	換算儲備		(969)	(969)	-	-
Retained profits	保留溢利		66,221	90,647	12	971
			365,096	386,235	327,044	328,743
Dividend proposed	擬派股息		-	12,139	-	12,139
			365,096	398,374	327,044	340,882

The movements of the Group's reserves for the year are presented in the consolidated statement of changes in equity.

本集團年內儲備變動已於綜合權益變動表呈列。

Notes to the Financial Statements (Continued)
財務報表附註(續)

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23. RESERVES – GROUP AND COMPANY (continued)

Reserve movements of the Company for the year are set out below:

23. 儲備—本集團及本公司(續)

本公司年內儲備變動載列如下：

		Share premium	Share option reserve	Contributed surplus	Retained profits/ (accumulated losses)	Dividend proposed	Total
		股份溢價 RMB'000 人民幣千元	購股權儲備 RMB'000 人民幣千元	繳入盈餘 RMB'000 人民幣千元	保留溢利/ (累計虧損) RMB'000 人民幣千元	擬派股息 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2008	於二零零八年 一月一日	252,478	5,360	67,848	2,587	22,153	350,426
Proposed final dividend relating to 2008	二零零八年建議末期 股息	-	-	-	(12,139)	12,139	-
Paid final dividend relating to 2007	二零零七年已付末期 股息	-	-	-	-	(22,153)	(22,153)
Share-based compensation	股份支付報酬	-	2,086	-	-	-	2,086
Transactions with owners	與擁有人之交易	-	2,086	-	(12,139)	(10,014)	(20,067)
Total comprehensive income for the year	年內全面收益總額	-	-	-	10,523	-	10,523
At 31 December 2008 and 1 January 2009	於二零零八年 十二月三十一日及 二零零九年一月一日	252,478	7,446	67,848	971	12,139	340,882
Paid final dividend relating to 2008	二零零八年已付末期 股息	-	-	-	-	(12,139)	(12,139)
Lapsed of share-based compensation	股份支付報酬失效	-	(740)	-	740	-	-
Transactions with owners	與擁有人之交易	-	(740)	-	740	(12,139)	(12,319)
Loss and total comprehensive income for the year	年內虧損及全面收益 總額	-	-	-	(1,699)	-	(1,699)
At 31 December 2009	於二零零九年 十二月三十一日	252,478	6,706	67,848	12	-	327,044

Of the consolidated loss attributable to the owners of the Company of RMB21,139,000 (2008: profit of RMB24,351,000), a loss of RMB1,699,000 (2008: profit of RMB10,523,000) has been dealt with in the financial statements of the Company.

本公司擁有人應佔綜合虧損人民幣21,139,000元(二零零八年：溢利人民幣24,351,000元)中，虧損人民幣1,699,000元(二零零八年：溢利人民幣10,523,000元)已於本公司財務報表處理。

Notes to the Financial Statements (Continued)
財務報表附註(續)

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23. RESERVES – GROUP AND COMPANY (continued)

Notes:

- (a) Under the Companies Law of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.
- (b) According to the relevant PRC laws, subsidiaries established in the PRC are required to transfer at least 10% of their net profit after tax, as determined under the PRC accounting regulation, to a statutory reserve until the reserve balance reaches 50% of the entity's registered capital. The transfer of this reserve must be made before the distribution of dividend to the subsidiaries equity owners. The statutory reserve is non-distributable other than upon the liquidation of the entity.
- (c) According to the relevant PRC laws, subsidiaries established in the PRC are required to transfer a certain percentage, as approved by the board of directors, of its net profit after tax, as determined under the PRC accounting regulation, to a statutory welfare reserve. This reserve can only be used to provide staff facilities and other collective benefits to its employees. The statutory welfare reserve is non-distributable other than upon the liquidation of the entity.
- (d) The merger reserve of the Group arose as a result of the reorganisation completed on 30 April 2007 and represented the difference between the nominal value of the Company's shares issued under the reorganisation and the nominal value of the aggregate share capital/registered capital and share premium of the subsidiaries then acquired.
- (e) The share option reserve of the Group arose as a result of the options granted to the employees, directors and consultant of the Group.
- (f) The contributed surplus of the Company arose as a result of the reorganisation and represents the excess of the nominal value of the Company's shares issued in exchange for the then consolidated net assets value of the subsidiaries then acquired.

23. 儲備—本集團及本公司(續)

附註：

- (a) 根據開曼群島公司法，股份溢價賬可分派予本公司股東，惟本公司於緊隨建議派付股息日期後須能清償其於日常業務過程中到期償還的債務。
- (b) 根據有關中國法律，於中國成立的附屬公司須將其按中國會計規例釐定的除稅後淨溢利最少10%轉撥至法定儲備，直至儲備結餘達到實體註冊資本之50%為止。此儲備轉撥必須於向附屬公司權益持有人派發股息前作出。除非實體清盤，否則法定儲備不得分派。
- (c) 根據有關中國法律，在中國成立的附屬公司須將其按中國會計規例釐定的除稅後淨溢利經董事會批准的若干百分比轉撥至法定福利基金。該基金僅可用於向其僱員提供員工設施及其他集體利益。除非實體清盤，否則法定福利基金不得分派。
- (d) 於二零零七年四月三十日完成的重組導致本集團出現合併儲備，合併儲備指根據重組所發行本公司股份的面值與當時所收購附屬公司股本／註冊資本及股份溢價面值總額的差額。
- (e) 本集團購股權儲備因向本集團僱員、董事及一名顧問授出購股權而產生。
- (f) 本公司繳入盈餘因重組而產生，指本公司就交換代價所發行股份的面值超出當時所收購附屬公司當時的綜合資產淨值的差額。

Notes to the Financial Statements (Continued)
財務報表附註(續)

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24. SHARE-BASED COMPENSATION – GROUP AND COMPANY

Pursuant to the written resolutions of all the shareholders passed on 30 April 2007, the Company has adopted the Share Option Scheme (the “Scheme”).

The purpose of the Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants and for such other purposes as the board of directors (the “Board”) may approve from time to time.

Pursuant to the Scheme, the Board may, at its absolute discretion, invite any executive or non-executive directors including independent non-executive directors or any employees (whether full-time or part-time) of any member of the Group; any consultants, professional and other advisers to any member of the Group (or persons, firms or companies proposed to be appointed for providing such services), (together, the “Participants” and each a “Participant”), to take up options (“Option(s)”) to subscribe for shares at a price determined in accordance with the paragraphs below.

The subscription price in respect of each share issued pursuant to the exercise of Options granted shall be a price solely determined by the Board and notified to a Participant and shall be at least the highest of:

- (a) the closing price of the shares as stated in the Stock Exchange’s daily quotations sheet on the offer date;
- (b) a price being the average of the closing prices of the shares as stated in the Stock Exchange’s daily quotations sheets for the 5 business days immediately preceding the offer date (provided that the new issue price shall be used as the closing price for any business day falling within the period before listing of the shares where the Company has been listed for less than 5 business days as at the offer date); and
- (c) the nominal value of a share.

24. 股份支付報酬—本集團及本公司

根據全體股東於二零零七年四月三十日通過的書面決議案，本公司採納購股權計劃(「該計劃」)。

該計劃旨在讓本公司以靈活的方法向參與者給予激勵、獎勵、酬金、報酬及／或福利，以及達致董事會(「董事會」)可能不時批准的其他目的。

根據該計劃，董事會可全權酌情邀請本集團任何成員公司的任何執行或非執行董事(包括獨立非執行董事)或任何僱員(不論全職或兼職)以及本集團任何成員公司的任何顧問、專業人士及其他顧問(或擬委任以提供該等服務的人士、商行或公司)(上述人士稱為「參與者」)接納購股權(「購股權」)，根據下段釐定的價格認購股份。

根據所授出購股權獲行使而發行每股股份的認購價，必須由董事會全權釐定及知會參與者，且不得低於以下最高者：

- (a) 於要約日聯交所每日報價表所列股份收市價；
- (b) 緊接要約日前五個營業日聯交所每日報價表所列股份平均收市價的價格(惟倘本公司於要約日前已上市的天數少於五個營業日，則新發行價將用作股份上市前期間任何營業日的收市價)；及
- (c) 股份面值。

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For the year ended 31 December 2009
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24. SHARE-BASED COMPENSATION – GROUP AND COMPANY (continued)

The total number of shares, which may be issued upon exercise of all options to be granted under the Scheme and any other share option scheme of the Company shall not in aggregate exceed 100,000,000 shares, being 10% of the total number of shares on the listing date, unless the Company obtains an approval from its shareholders. Options lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating such 10% limit.

On and subject to the terms of the Scheme, the Board shall be entitled at any time, within 10 years after 30 April 2007 to make an offer of the grant of an Option by the Board (the “Offer”) to any Participant as the Board may in its absolute discretion select to subscribe for such number of shares as the Board may determine at the subscription price. In determining the basis of eligibility of each Participant, the Board would mainly take into account the experience of the Participant in the Group’s business, the length of service of the Participant has exerted and made towards the success of the Group and/or the amount of potential efforts and contributions the Participant is likely to be able to give or make towards the success of the Group in the future.

Notwithstanding any provisions of the Scheme, the limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not exceed 30% of the shares in issue from time to time.

Unless approved by the shareholders, the total number of shares issued and to be issued upon exercise of the Options granted to each Participant (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

24. 股份支付報酬—本集團及本公司(續)

除非本公司自其股東取得批准，否則根據該計劃及本公司任何其他購股權計劃授出的所有購股權獲行使時可能發行的股份總數合共不得超過100,000,000股，即上市日期股份總數的10%。就計算該10%限制而言，按照該計劃條款已失效的購股權將不計算在內。

按照並在該計劃的條款規限下，董事會有權於二零零七年四月三十日後十年內，隨時向其全權酌情挑選的任何參與者提出授予購股權的要約(「要約」)，以按認購價認購董事會可能決定的股份數目。於釐定每名參與者資格的基準時，董事會主要考慮參與者於本集團的業務經驗、參與者為本集團的成就所付出服務年期及／或參與者可能對本集團的日後成就所作出的潛在努力和貢獻的多寡。

不論該計劃任何條文，因行使根據該計劃及本公司任何其他購股權計劃授出但尚未行使的全部未行使購股權而可能發行的股份數目限額，不得超過不時已發行股份的30%。

除非獲股東批准，否則於任何十二個月期間因行使授予每名參與者的購股權(包括已行使及尚未行使的購股權)而已發行及將予發行的股份總數，不得超過已發行股份總數的1%。

Notes to the Financial Statements (Continued)
財務報表附註(續)

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24. SHARE-BASED COMPENSATION – GROUP AND COMPANY (continued)

An Offer shall be deemed to have been accepted by any Participant (the “Grantee”) who accepts an Offer in accordance with the terms of the Scheme or (where the context so permits) the legal personal representative(s) entitled to any such Scheme in consequence of death of the Grantee and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the Offer duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the granting thereof is received by the Company within the date upon which the Offer is made to such date as the Board may determine and specify in the offer letter (both days inclusive).

All share-based employee compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the Options.

The Options vest after one year from the date of grant and then exercisable within a period of five years.

Details of the Options granted by the Company pursuant to the Scheme and the Options outstanding as at 31 December 2009 were as follows:

24. 股份支付報酬—本集團及本公司(續)

當本公司於作出要約日期至董事會可能釐定並於要約函件註明的日期(包括首尾兩日)期間內收到按照該計劃的條款接納要約的參與者(「承授人」)或(如文義許可)因承授人身故而於該計劃享有權益的合法遺產代理人妥為簽署接納該份購股權的要約函件複本，並向本公司支付1.00港元作為授出該份購股權代價後，該份購股權將被視為已獲接納，而與要約有關的該份購股權被視為已授出及生效。

所有股份支付僱員報酬均於權益中結算。本集團並無法定或推定責任回購或清償購股權。

購股權自授出日期起計一年歸屬，其後於五年內可行使。

於二零零九年十二月三十一日本公司根據該計劃授出的購股權及尚未行使購股權的詳情如下：

Grant to 承授人	Date of grant 授出日期	Exercisable period 行使期	Number of Options 購股權數目		Exercise price per share 每股行使價 HK\$ 港元	
			Balance at 1 January 2009 於二零零九年 一月一日 結餘	Lapsed during the year 年內失效		Balance at 31 December 2009 於二零零九年 十二月三十一日 結餘
Executive Directors 執行董事						
Mr. Zhuang Lu Kun 莊陸坤先生	30 April 2007 二零零七年四月三十日	21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日	1,000,000	–	1,000,000	1.04
	8 August 2008 二零零八年八月八日	9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日	1,000,000	–	1,000,000	0.46

Notes to the Financial Statements (Continued)
財務報表附註(續)For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度**24. SHARE-BASED COMPENSATION – GROUP AND COMPANY (continued)** **24. 股份支付報酬—本集團及本公司(續)**

Grant to 承授人	Date of grant 授出日期	Exercisable period 行使期	Number of Options 購股權數目		Exercise price per share 每股行使價 HK\$ 港元	
			Balance at 1 January 2009 二零零九年 一月一日 結餘	Balance at 31 December 2009 於二零零九年 十二月三十一日 結餘		
Mr. Shen Da Jin (resigned on 9 February 2009) 沈大津先生(於二零零九年 二月九日辭任)	30 April 2007 二零零七年 四月三十日	21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日	720,000	(720,000)	–	1.04
	8 August 2008 二零零八年八月八日	9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日	500,000	(500,000)	–	0.46
Mr. Zhuang Pei Zhong 莊沛忠先生	30 April 2007 二零零七年 四月三十日	21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日	600,000	–	600,000	1.04
	8 August 2008 二零零八年八月八日	9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日	400,000	–	400,000	0.46
Mr. Gu Wei Ming 顧衛明先生	30 April 2007 二零零七年 四月三十日	21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日	540,000	–	540,000	1.04
	8 August 2008 二零零八年八月八日	9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日	400,000	–	400,000	0.46

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

24. SHARE-BASED COMPENSATION – GROUP AND COMPANY (continued) **24. 股份支付報酬—本集團及本公司(續)**

Grant to 承授人	Date of grant 授出日期	Exercisable period 行使期	Number of Options 購股權數目		Exercise price per share 每股行使價 HK\$ 港元	
			Balance at 1 January 2009 二零零九年 一月一日 結餘	Balance at 31 December 2009 於二零零九年 十二月三十一日 結餘		
Mr. Zhuang Xiao Xiong (appointed on 9 February 2009) 莊小雄先生(於二零零九年 二月九日獲委任)	30 April 2007 二零零七年 四月三十日	21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日	1,000,000	–	1,000,000	1.04
	8 August 2008 二零零八年八月八日	9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日	1,000,000	–	1,000,000	0.46
Employees of the Group 本集團僱員	30 April 2007 二零零七年 四月三十日	21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日	14,170,000	(410,000)	13,760,000	1.04
	8 August 2008 二零零八年八月八日	9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日	6,210,000	(550,000)	5,660,000	0.46
Consultant 顧問	30 April 2007 二零零七年 四月三十日	21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日	600,000	–	600,000	1.04
			28,140,000	(2,180,000)	25,960,000	

Notes to the Financial Statements (Continued)
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For the year ended 31 December 2009
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24. SHARE-BASED COMPENSATION – GROUP AND COMPANY (continued) 24. 股份支付報酬—本集團及本公司(續)

Details of the Options granted by the Company pursuant to the Scheme and the Options outstanding as at 31 December 2008 were as follows:

於二零零八年十二月三十一日本公司根據該計劃授出的購股權及尚未行使購股權的詳情如下：

Grant to 承授人	Date of grant 授出日期	Exercisable period 行使期	Number of Options 購股權數目				Exercise price per share 每股行使價 HK\$ 港元
			Balance at 1 January 2008 二零零八年 一月一日 結餘	Granted during the year 年內授出	Lapsed during the year 年內失效	Balance at 31 December 2008 於二零零八年 十二月三十一日 結餘	
Executive Directors 執行董事							
Mr. Zhuang Lu Kun 莊陸坤先生	30 April 2007 二零零七年 四月三十日	21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日	1,000,000	-	-	1,000,000	1.04
	8 August 2008 二零零八年八月八日	9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日	-	1,000,000	-	1,000,000	0.46
Mr. Shen Da Jin 沈大津先生	30 April 2007 二零零七年 四月三十日	21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日	720,000	-	-	720,000	1.04
	8 August 2008 二零零八年八月八日	9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日	-	500,000	-	500,000	0.46
Mr. Zhuang Pei Zhong 莊沛忠先生	30 April 2007 二零零七年 四月三十日	21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日	600,000	-	-	600,000	1.04
	8 August 2008 二零零八年八月八日	9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日	-	400,000	-	400,000	0.46

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
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24. SHARE-BASED COMPENSATION – GROUP AND COMPANY (continued) **24. 股份支付報酬—本集團及本公司(續)**

Grant to 承授人	Date of grant 授出日期	Exercisable period 行使期	Number of Options 購股權數目				Exercise price per share 每股行使價 HK\$ 港元
			Balance at 1 January 2008 二零零八年 一月一日 結餘	Granted during the year 年內授出	Lapsed during the year 年內失效	Balance at 31 December 2008 於二零零八年 十二月三十一日 結餘	
Mr. Gu Wei Ming 顧衛明先生	30 April 2007 二零零七年 四月三十日	21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日	540,000	-	-	540,000	1.04
	8 August 2008 二零零八年八月八日	9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日	-	400,000	-	400,000	0.46
Employees of the Group 本集團僱員	30 April 2007 二零零七年 四月三十日	21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日	15,450,000	-	(280,000)	15,170,000	1.04
	8 August 2008 二零零八年八月八日	9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日	-	7,380,000	(170,000)	7,210,000	0.46
Consultant 顧問	30 April 2007 二零零七年 四月三十日	21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日	600,000	-	-	600,000	1.04
			18,910,000	9,680,000	(450,000)	28,140,000	

Notes to the Financial Statements (Continued)
財務報表附註(續)

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24. SHARE-BASED COMPENSATION – GROUP AND COMPANY (continued)

Options granted on 30 April 2007:

The fair values of Options granted for the year ended 31 December 2007 of approximately RMB5,360,000 were determined using the Black-Scholes Option Pricing Model. Significant inputs into the calculation included a share price on issue date of HK\$1.04 and exercise prices as illustrated above. Furthermore, the calculation took into account the expected dividend yield of nil and a volatility rate of 41.11%, based on expected share price. Risk-free annual interest rate was determined at 4.26%.

The underlying expected volatility was determined with reference to the historical share price information of a company listed on the Main Board of the Stock Exchange which was engaged in similar business to the Group as there was no historical volatility rate of the Company prior to the date of grant of the Options.

Options granted on 8 August 2008:

The fair values of Options granted for the year ended 31 December 2008 of approximately RMB2,086,000 were determined using the Black-Scholes Option Pricing Model. Significant inputs into the calculation included a share price on issue date of HK\$0.46 and exercise prices as illustrated above. Furthermore, the calculation took into account the expected dividend yield of nil and a volatility rate of 60.49%, based on expected share price. Risk-free annual interest rate was determined at 3.065%.

The underlying expected volatility was determined based on the historical share price information of the Company from the date of listing on 21 May 2007 to the date of Options granted.

No options were expired, forfeited or exercised pursuant to the Scheme during the year (2008: Nil).

24. 股份支付報酬—本集團及本公司(續)

於二零零七年四月三十日授出的購股權：

截至二零零七年十二月三十一日止年度授出的購股權的公平值約為人民幣5,360,000元，乃按栢力克—舒爾斯期權定價模式釐定。計算所用重大數據輸入包括於發行日期的股價1.04港元及上述行使價。此外，計算亦已計及預期零股息率及按預計股價計算的波幅41.11%。無風險年利率定為4.26%。

由於並無購股權授出日期前本公司的歷史波幅率，故相關預計波幅乃經參考從事與本集團類似業務的聯交所主板上市公司的過往股價資料釐定。

於二零零八年八月八日授出的購股權：

截至二零零八年十二月三十一日止年度授出的購股權的公平值約為人民幣2,086,000元，乃按栢力克—舒爾斯期權定價模式釐定。計算所用重大數據輸入包括於發行日期的股價0.46港元及上述行使價。此外，計算亦已計及預期零股息率及按預計股價計算的波幅率60.49%。無風險年利率定為3.065%。

相關預計波幅乃根據本公司自上市日期二零零七年五月二十一日至授出購股權當日的過往股價資料釐定。

年內並無購股權根據該計劃屆滿、被沒收或獲行使(二零零八年：無)。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

25. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS **25. 董事薪酬及高級管理人員酬金**

(a) Directors' emoluments

(a) 董事酬金

		Fees 袍金 RMB'000 人民幣千元	Salaries, allowance and other benefits in kind 薪金、津貼 及其他 實物利益 RMB'000 人民幣千元	Share-based payment expenditure 股份支付開支 RMB'000 人民幣千元	Contributions to pension schemes 退休金計劃 供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2009						
<i>Executive directors</i> 二零零九年 執行董事						
Mr. Zhuang Lu Kun	莊陸坤先生	-	505	-	4	509
Mr. Shen Da Jin*	沈大津先生*	-	-	-	-	-
Mr. Zhuang Pei Zhong	莊沛忠先生	-	322	-	4	326
Mr. Gu Wei Ming	顧衛明先生	-	298	-	3	301
Mr. Zhuang Xiao Xiong**	莊小雄先生**	-	276	-	4	280
		-	1,401	-	15	1,416
<i>Independent non-executive directors</i> 獨立非執行董事						
Mr. Chin Kam Cheung	錢錦祥先生	90	-	-	-	90
Dr. Guo Zheng Lin	郭正林博士	100	-	-	-	100
Mr. Ai Ji	艾及先生	100	-	-	-	100
		290	-	-	-	290
		290	1,401	-	15	1,706
2008						
<i>Executive directors</i> 二零零八年 執行董事						
Mr. Zhuang Lu Kun	莊陸坤先生	-	516	215	4	735
Mr. Shen Da Jin	沈大津先生	-	438	108	-	546
Mr. Zhuang Pei Zhong	莊沛忠先生	-	320	86	4	410
Mr. Gu Wei Ming	顧衛明先生	-	318	86	2	406
		-	1,592	495	10	2,097
<i>Independent non-executive directors</i> 獨立非執行董事						
Mr. Chin Kam Cheung	錢錦祥先生	96	-	-	-	96
Dr. Guo Zheng Lin	郭正林博士	96	-	-	-	96
Mr. Ai Ji	艾及先生	96	-	-	-	96
		288	-	-	-	288
		288	1,592	495	10	2,385

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

25. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(a) Directors' emoluments (Continued)

No directors of the Company waived any emoluments paid by the Group during the year (2008: Nil).

No emoluments were paid to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office for the year (2008: Nil).

* Resigned as executive director on 9 February 2009.

** Appointed as executive director on 9 February 2009.

(b) Five highest paid individuals

The five highest paid individuals of the Group included four directors (2008: four) of the Company for the year, whose emoluments are disclosed in note 25(a). Details of the remuneration paid to the remaining one (2008: one) highest paid individual for the year, which fell within the band of Nil – HK\$1 million (equivalent to approximately Nil – RMB890,000) is as follows:

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	587	580
Contributions to pension schemes	退休金計劃供款	10	12
Share-based payment expenditure	股份支付開支	–	43
		597	635

No emoluments were paid by the Group to any of the highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office for the year (2008: Nil).

200,000 share options were granted to the highest paid individual, other than directors of the Company, for the year ended 31 December 2008.

25. 董事薪酬及高級管理人員酬金(續)

(a) 董事酬金(續)

年內概無本公司董事放棄本集團所付任何酬金(二零零八年：無)。

年內本公司董事並無獲支付任何酬金，作為招攬加入本集團或於加入時的獎勵或離職補償(二零零八年：無)。

* 於二零零九年二月九日辭任執行董事。

** 於二零零九年二月九日獲委任為執行董事。

(b) 五名最高薪酬人士

年內本集團五名最高薪酬人士包括本公司四名董事(二零零八年：四名)，彼等的酬金已於附註25(a)披露。年內付予餘下一名(二零零八年：一名)最高薪酬人士的薪酬介乎零港元至1,000,000港元(約相當於人民幣零元至人民幣890,000元)，詳情如下：

年內本集團並無向任何最高薪酬人士支付任何酬金，作為招攬加入本集團或於加入時的獎勵或離職補償(二零零八年：無)。

截至二零零八年十二月三十一日止年度，除本公司董事外，最高薪酬人士獲授200,000份購股權。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

26. COMMITMENTS

(a) Capital Commitments

The Group had the following outstanding capital commitments:

	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Contracted, but not provided for, in respect of property, plant and equipment 有關物業、廠房及設備已訂約但未撥備	2,584	2,595

The Company did not have any capital commitment as at 31 December 2009 (2008: Nil).

(b) Operating lease commitments

(i) Group as lessee

The total future minimum lease payments under non-cancellable operating leases in respect of land and buildings payable to independent third parties is as follows :

	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Within one year 一年內	57,472	49,952
In the second to fifth years 第二年至第五年	236,627	209,930
After five years 五年後	360,012	373,178
	654,111	633,060

26. 承擔

(a) 資本承擔

本集團有以下未支付資本承擔：

	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Contracted, but not provided for, in respect of property, plant and equipment 有關物業、廠房及設備已訂約但未撥備	2,584	2,595

於二零零九年十二月三十一日，本公司並無任何資本承擔(二零零八年：無)。

(b) 經營租賃承擔

(i) 本集團作為承租人

根據土地及樓宇的不可撤銷經營租賃而須於未來應付予獨立第三方的最低租賃付款總額如下：

	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Within one year 一年內	57,472	49,952
In the second to fifth years 第二年至第五年	236,627	209,930
After five years 五年後	360,012	373,178
	654,111	633,060

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
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26. COMMITMENTS (continued)

(b) Operating lease commitments (continued)

(i) Group as lessee (continued)

The total future minimum lease payments under non-cancellable operating leases in respect of land and buildings payable to Mr. Zhuang Lu Kun, a director of the Company, and related companies, namely Shenzhen Baijiahua Industrial Development Company Limited ("BJH Industrial") and Shenzhen Jiahua Real Estate Development Company Limited ("JH Real Estate"), companies in which Mr. Zhuang Lu Kun and Mrs. Zhuang Su Lan have beneficial interests, are as follows:

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Within one year	一年內	16,708	15,247
In the second to fifth years	第二年至第五年	64,962	63,859
After five years	五年後	79,504	95,811
		161,174	174,917

The Group leases a number of land and buildings under operating leases. The leases run for initial periods of five to fifteen years, with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and respective landlords. None of the leases include contingent rentals.

26. 承擔(續)

(b) 經營租賃承擔(續)

(i) 本集團作為承租人(續)

根據不可撤銷的土地及樓宇經營租賃而須於未來應付予本公司董事莊陸坤先生以及莊陸坤先生及莊素蘭女士擁有實益權益的關連公司深圳市百佳華實業發展有限公司(「百佳華實業」)及深圳市佳華房地產開發有限公司(「佳華房地產」)的最低租賃付款總額如下：

本集團根據經營租賃租用多項土地及樓宇。租賃初步為期五至十五年，並有權於屆滿日或按本集團與相關業主共同協定日期選擇重續租期。租賃概無包括或然租金。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

26. COMMITMENTS (continued)

(b) Operating lease commitments (continued)

(ii) *Group as lessor*

The Group sub-leases out a number of land and buildings under operating leases. One of the leases run for an initial period of ten years and are cancellable with three months' notice. The rentals on this lease are calculated based on a percentage of the relevant sales of the tenants pursuant to the rental agreement. Contingent rents recognised in the profit or loss during the years ended 31 December 2009 and 2008 are disclosed in note 6(a) to these financial statements. All other leases are cancellable with one to two months' notice.

The Company did not have any lease commitment as at 31 December 2009 (2008: Nil).

27. RELATED PARTY TRANSACTIONS – GROUP

In addition to those transactions and balances detailed elsewhere in these financial statements, the following transactions were carried out with related parties:

(a) Transactions with BJH Industrial

26. 承擔(續)

(b) 經營租賃承擔(續)

(ii) 本集團作為出租人

本集團根據經營租賃分租多項土地及樓宇。其中一項租賃初步為期十年，並可於發出三個月通知後予以撤銷。這項租賃的租金乃按租賃協議規定以租戶相關銷售百分比計算。於截至二零零九年及二零零八年十二月三十一日止年度在損益確認的或然租金已於財務報表附註6(a)披露。所有其他租賃可於發出一至兩個月通知後予以撤銷。

於二零零九年十二月三十一日，本公司並無任何租賃承擔(二零零八年：無)。

27. 關連人士交易 – 本集團

除財務報表其他部分詳列的交易及結餘外，以下為與關連人士進行的交易：

(a) 與百佳華實業之交易

			2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
		Notes 附註		
Operating lease rentals paid in respect of land and buildings	有關土地及樓宇支付的經營租賃租金	(i)	(12,602)	(11,444)
Operating lease rentals arrangement in respect of land and buildings	有關土地及樓宇的經營租賃租金安排	(ii)	(5,510)	(5,510)
Rental income arrangement	租金收入安排	(iii)	1,284	877
Utilities income arrangement	公用服務收入安排	(iii)	618	597

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

**27. RELATED PARTY TRANSACTIONS – GROUP
(continued)**

(a) Transactions with BJH Industrial (continued)

Notes:

- (i) The amounts were determined in accordance with the terms of the underlying agreements.
- (ii) BJH Industrial (as tenant) entered into lease arrangements with certain independent third parties (as landlords) to lease certain premises rented by the Group. The Group paid rental expenses of these premises as disclosed above directly to the landlords and not to BJH Industrial.

Pursuant to a lease agreement dated 28 April 2002 between 深圳市中鵬展實業有限公司 (“Zhong Peng Zhan”) (as landlord) and BJH Industrial (as tenant), BJH Industrial leases store premises for a term of 15 years commencing from 16 November 2002 and expiring on 15 November 2017 at a monthly rent of approximately RMB481,000. Pursuant to a supplemental lease agreement dated 1 March 2004 between Zhong Peng Zhan and BJH Industrial, Zhong Peng Zhan has consented that BJH Industrial can provide the store premises for occupation by BJH Department Stores. Zhong Peng Zhan also consented that BJH Department Stores shall pay the rental under this lease agreement directly to Zhong Peng Zhan and BJH Industrial has guaranteed the timely payment of rentals to Zhong Peng Zhan by the Group.

- (iii) BJH Industrial (as lessor) entered into a sub-lease arrangement with an independent third party (as tenant) to sub-lease part of the retail stores which were rented by the Group. BJH Industrial received the rental income and utilities income as disclosed above on behalf of the Group. Pursuant to a supplemental agreement dated 6 November 2006 between BJH Industrial and the Group, BJH Industrial confirmed that the Group was entitled to the rental and utilities income as lessor from the independent third party commencing 1 March 2004. The rentals and utilities income were determined in accordance with the terms of underlying agreements.

- (b) During the year, the Group leased properties from Mr. Zhuang Lu Kun and JH Real Estate. The operating lease rental expenses incurred were approximately RMB208,000 (2008: RMB202,000) and RMB3,231,000 (2008: RMB2,668,000) respectively. The amounts were determined in accordance with the terms of the underlying agreements.

27. 關連人士交易 – 本集團(續)

(a) 與百佳華實業之交易(續)

附註：

- (i) 該款額乃根據相關協議的條款釐定。
- (ii) 百佳華實業作為租戶與若干獨立第三方作為業主訂立租賃安排，以租賃若干由本集團租用的物業。誠如上文所披露，本集團就該等物業支付的租金開支乃直接向業主支付而非付予百佳華實業。

根據深圳市中鵬展實業有限公司(「中鵬展」)作為業主與百佳華實業作為租戶所訂立日期為二零零二年四月二十八日的租賃協議，百佳華實業租賃店舖物業，租期為十五年，由二零零二年十一月十六日開始至二零一七年十一月十五日屆滿，每月租金約為人民幣481,000元。根據中鵬展與百佳華實業所訂立日期為二零零四年三月一日的補充租賃協議，中鵬展同意百佳華實業提供店舖物業供百佳華百貨佔用。中鵬展亦同意百佳華百貨根據此租賃協議直接向中鵬展支付租金，而百佳華實業已保證本集團準時向中鵬展支付租金。

- (iii) 百佳華實業作為出租人與一名獨立第三方作為租戶訂立若干分租安排，分租由本集團租用的部分零售店。百佳華實業已代表本集團收取上文所披露租金收入及公用服務收入。根據百佳華實業與本集團所訂立日期為二零零六年十一月六日的補充協議，百佳華實業確認，本集團由二零零四年三月一日起有權以業主身分向該獨立第三方收取租金及公用服務收入。租金及公用服務收入乃根據相關協議的條款釐定。

- (b) 年內，本集團向莊陸坤先生及佳華房地產租用物業，並產生經營租賃租金開支分別約人民幣208,000元(二零零八年：人民幣202,000元)及人民幣3,231,000元(二零零八年：人民幣2,668,000元)。該款額乃根據相關協議的條款釐定。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

27. RELATED PARTY TRANSACTIONS – GROUP (continued) **27. 關連人士交易 – 本集團(續)**

(c) Compensation of key management personnel

(c) 主要管理人員酬金

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Total remuneration of directors and other members of key management during the year (note 25(a) and (b))	年內董事及其他主要管理人員的薪酬總額 (附註25(a)及(b))	2,303	3,020

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS **28. 財務風險管理及公平值計量**

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including currency risk and interest risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the board of directors. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets. Long term financial investments are managed to generate lasting returns with acceptable risk levels.

It is not the Group's policy to engage in the trading of financial instruments for speculative purposes. The most significant financial risks to which the Group is exposed to are described below.

本集團因其日常業務經營及投資業務使用金融工具而面對財務風險。財務風險包括市場風險(包括貨幣風險及利率風險)、信貸風險及流動資金風險。

財務風險管理由本集團總部協調，並與董事會密切合作。管理財務風險之整體目標重點在於透過盡量減少金融市場風險，確保本集團短期至中期現金流量。長期金融投資以可接受風險程度產生持續回報管理。

本集團之政策並非從事以投機為目的金融工具買賣。本集團所面對最重要的金融風險說明如下。

Notes to the Financial Statements (Continued)
財務報表附註(續)For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度**28. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (continued)** **28. 財務風險管理目標及公平值計量(續)****(i) Categories of financial assets and liabilities**

The carrying amounts presented in the statements of financial position relate to the following categories of financial assets and financial liabilities:

(i) 金融資產及負債類別

於財務狀況表呈列有關以下金融資產及金融負債類別之賬面值如下：

		Group 本集團		Company 本公司	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Financial assets:	金融資產：				
Loans and receivables	貸款及應收款項				
- Cash and bank balances	- 現金及銀行結餘	270,614	281,031	413	1,426
- Trade receivables	- 應收貿易賬款	3,716	5,253	-	-
- Other receivables	- 其他應收款項	32,295	29,943	-	-
- Amounts due from subsidiaries	- 應收附屬公司款項	-	-	269,827	282,540
		306,625	316,227	270,240	283,966

		Group 本集團	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Financial liabilities:	金融負債：		
Financial liabilities measured at amortised costs	按攤銷成本計量之金融負債		
- Trade payables	- 應付貿易賬款	176,122	161,562
- Other payables	- 其他應付款項	33,121	21,181
- Amount due to a director	- 應付一名董事款項	738	738
		209,981	183,481

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
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28. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (continued)

(ii) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

The Group's and the Company's exposures at the reporting date to currency risk arising from cash and bank balances denominated in currency other than the functional currency of the entity to which they relate are set out below:

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Group	本集團	571	1,997
Company	本公司	463	1,620

Sensitivity analysis – Group

At 31 December 2009, if RMB had strengthened by 5% against HK\$, with all other variables held constant, post-tax loss for the year and retained profits would have been approximately RMB25,000 higher and lower respectively (2008: post-tax profit for the year and retained profits would have been approximately RMB88,000 lower), as a result of foreign exchange losses on translation of HK\$ denominated cash and bank balances.

28. 財務風險管理目標及公平值計量(續)

(ii) 外幣風險

貨幣風險指金融工具之公平值或未來現金流量由於匯率變動而波動之風險。

本集團於中國經營業務，故本集團大部分收入、開支及現金流量均以人民幣計值。本集團大部分資產及負債以人民幣及港元計值。外幣兌人民幣的匯率如有任何重大波動均可能對本集團構成財務影響。

由於現金及銀行結餘以與有關實體的功能貨幣不同的貨幣計值，故本集團及本公司於報告日承受下列貨幣風險：

敏感度分析—本集團

於二零零九年十二月三十一日，倘人民幣兌港元升值5%，而其他因素不變，年內稅後虧損及保留溢利將因換算港元計值的現金及銀行結餘而錄得的匯兌虧損分別增加及減少約人民幣25,000元(二零零八年：年內稅後溢利及保留溢利將減少約人民幣88,000元)。

Notes to the Financial Statements (Continued)
財務報表附註(續)

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28. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (continued)

(ii) Foreign currency risk (continued)

Sensitivity analysis – Group (continued)

Conversely, if RMB had weakened by 5% against HK\$, with all other variables held constant, post-tax loss for the year and retained profits would have been approximately RMB25,000 lower and higher respectively (2008: post-tax profit for the year and retained profits would have been approximately RMB88,000 higher), as a result of foreign exchange gains on translation of HK\$ denominated cash and bank balances.

Sensitivity analysis – Company

At 31 December 2009, if RMB had strengthened by 5% against HK\$, with all other variables held constant, post-tax loss for the year and retained profit would have been approximately RMB21,000 higher (2008: post-tax profit for the year and retained profits would have been approximately RMB71,000 lower), as a result of foreign exchange losses on translation of HK\$ denominated cash and bank balances.

Conversely, if RMB had weakened by 5% against HK\$, with all other variables held constant, post-tax loss for the year and retained profit would have been approximately RMB21,000 lower (2008: post-tax profit for the year and retained profits would have been approximately RMB71,000 higher), as a result of foreign exchange gains on translation of HK\$ denominated cash and bank balances.

These are the same method and assumption used in preparing the sensitivity analysis included in the financial statements for the year ended 31 December 2008.

The policies to manage foreign currency risk have been followed by the Group since prior years and are considered to be effective.

28. 財務風險管理目標及公平值計量(續)

(ii) 外幣風險(續)

敏感度分析—本集團(續)

相反，倘人民幣兌港元貶值5%，而其他因素不變，年內稅後虧損及保留溢利將因換算港元計值的現金及銀行結餘而錄得的匯兌收益分別減少及增加約人民幣25,000元(二零零八年：年內稅後溢利及保留溢利將增加約人民幣88,000元)。

敏感度分析—本公司

於二零零九年十二月三十一日，倘人民幣兌港元升值5%，而其他因素不變，年內稅後虧損及保留溢利將因換算港元計值的現金及銀行結餘而錄得的匯兌虧損增加約人民幣21,000元(二零零八年：年內稅後溢利及保留溢利將減少約人民幣71,000元)。

相反，倘人民幣兌港元貶值5%，而其他因素不變，年內稅後虧損及保留溢利將因換算港元計值的現金及銀行結餘而錄得的匯兌收益減少約人民幣21,000元(二零零八年：年內稅後溢利及保留溢利將增加約人民幣71,000元)。

所使用的方法及假設與編製截至二零零八年十二月三十一日止年度財務報表所載的敏感度分析所採用者相同。

本集團一直沿用過往年度管理外幣風險的政策，並認為其具有成效。

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (continued)

(iii) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities.

The Group has no significant concentrations of credit risk. Most of the sales transactions were settled in cash basis or by credit card payment. The carrying amount of trade and other receivables included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to its financial assets. Credit risk on cash and bank balances is mitigated as cash is deposited in banks of high credit rating.

The Group's policy is to deal only with credit worthy counterparties. Credit terms are granted to new customers after a credit worthiness assessment by the credit control department. When considered appropriate, customers may be requested to provide proof as to their financial position. Customers who are not considered creditworthy are required to pay in advance or on delivery of goods. Payment record of customers is closely monitored. Monthly reports of customer payment history are produced and reviewed by the finance department. Overdue balances and significant trade receivables are highlighted. The finance director will determine the appropriate recovery actions.

This is no requirement for collateral or other credit enhancement by the Group and the Company.

The Company does not have significant exposure to credit risk at reporting date (2008: Nil).

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

28. 財務風險管理目標及公平值計量(續)

(iii) 信貸風險

信貸風險指金融工具的交易對手將無法根據金融工具條款履行其責任，令本集團出現財務虧損的風險。本集團面對的信貸風險主要來自日常營運向客戶授出信貸及其投資活動。

本集團的信貸風險並無出現重大集中情況。大部分銷售交易以現金或信用卡付款結算。綜合財務狀況表內應收貿易賬款及其他應收款項的賬面值為本集團就其金融資產面對的最大信貸風險。由於現金已存放於高信貸評級之銀行，故已舒緩現金及銀行結餘的信貸風險。

本集團的政策為與信用良好的交易對手交易。授予新客戶的信貸期由信貸監控部門對新客戶進行信用評估後授出。於適當情況下，客戶或會被要求提供其財務狀況的證明文件。不被視為信用良好的客戶須預先付款或貨到付款。客戶的付款記錄會受到密切監察。客戶每月的付款記錄報告由財政部編製及審閱，並會加緊處理逾期結餘及重大應收貿易賬款。財務總監將釐定合適的收款行動。

本集團及本公司並無要求提供抵押品或其他信用提升。

本公司於報告日並無面對重大信貸風險(二零零八年：無)。

本集團一直沿用過往年度的信貸及投資政策，並認為其使本集團面對的信貸風險限制為可接受程度具有成效。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (continued)

(iv) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk mainly arises on cash and bank balances (note 17). The Group has not used any derivative contracts to hedge its exposure to interest rate risk. The Group has not formulated a policy to manage the interest rate risk.

A reasonable change in interest rate in the next twelve months is assessed to result in immaterial change in the Group's loss after tax and retained profits. Changes in interest rates have no impact on the Group's/Company's other components of equity. The Group adopts centralised treasury policies in cash and financial management and focuses on reducing the Group's overall interest expense.

(v) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations and also in respect of its cash flow management.

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

The liquidity policies have been followed by the Group since prior years and are considered to have been effective in managing liquidity risks.

28. 財務風險管理目標及公平值計量(續)

(iv) 利率風險

利率風險指金融工具的公平值或現金流量由於市場利率變動而波動的風險。

本集團及本公司面對的利率風險主要因現金及銀行結餘(附註17)產生。本集團並無採用任何衍生工具合約對沖其利率風險。本集團並無制定管理利率風險的政策。

倘於未來十二個月利率出現合理變動，預計不會對本集團除稅後虧損及保留溢利構成重大變動。利率變動對本集團／本公司權益之其他組成部分並無影響。本集團就現金及財政管理採取中央庫務政策，著重於減低本集團整體利息開支。

(v) 流動資金風險

流動資金風險指本集團無法履行其金融工具承擔的風險。本集團就償付應付貿易賬款及其財務承擔以及就其現金流量管理面對流動資金風險。

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

本集團一直沿用過往年度的流動資金政策，並認為其對管理流動資金風險具有成效。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (continued)

(v) Liquidity risk (continued)

Analysed below is the Group's remaining contractual maturities for its non-derivative as at 31 December 2009. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

At 31 December 2009		於二零零九年十二月三十一日
Trade payables		應付貿易賬款
Other payables		其他應付款項
Amount due to a director		應付一名董事款項
Total		總計

At 31 December 2008		於二零零八年十二月三十一日
Trade payables		應付貿易賬款
Other payables		其他應付款項
Amount due to a director		應付一名董事款項
Total		總計

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular, its cash resources and other liquid assets that readily generate cash. The Group's existing cash resources and other liquid assets significantly exceed the cash outflow requirements.

The Company does not have any exposures to liquidity risk at the reporting date (2008: Nil).

28. 財務風險管理目標及公平值計量(續)

(v) 流動資金風險

以下分析為本集團於二零零九年十二月三十一日的非衍生金融負債的尚餘合約到期狀況。若債權人可選擇清付負債的時間，負債按本集團可能被要求還款的最早日期記賬。若負債分期償還，則各分期付款分配至本集團承諾還款的最早期間。

Carrying amount	Total contractual undiscounted cash flows	Repayable within one year or on demand
賬面值	合約無貼現現金流量總額	一年內或須按 要求償還
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元

176,122	176,122	176,122
33,121	33,121	33,121
738	738	738
209,981	209,981	209,981
161,562	161,562	161,562
21,181	21,181	21,181
738	738	738
183,481	183,481	183,481

本集團於評估及管理流動資金風險時已考慮金融資產之預計現金流量，尤其是其現金資源及其他可即時產生現金的流動資產。本集團現有現金資源及其他流動資產大幅超出現金流量需求。

本公司於報告日並無面對任何流動資金風險(二零零八年：無)。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (continued)

(vi) Fair value measurements recognised in the statement of financial position – Group and Company

The Group adopted the amendments to HKFRS 7 Improving Disclosures about Financial Instruments effective from 1 January 2009. These amendments introduce a three-level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements. The Group has taken advantage of the transitional provisions in the amendments to HKFRS 7 and accordingly, no comparatives for the hierarchy for fair value measurement disclosures have been presented.

The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: 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 form prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

As at 31 December 2009, no financial assets and liabilities measured at fair value in the statements of financial position in accordance with the fair value hierarchy.

28. 財務風險管理目標及公平值計量(續)

(vi) 於財務狀況表確認的公平值計量 – 本集團及本公司

本集團已採納於二零零九年一月一日起生效的香港財務報告準則第7號改善金融工具的披露的修訂。該等修訂為公平值計量披露引入三層架構，並且就公平值計量之相對可靠性引入額外披露。本集團已運用香港財務報告準則第7號之修訂之過渡條文，因此，並無就公平值計量披露之架構呈列比較數字。

該架構根據計量此等金融資產及負債之公平值所使用之主要資料輸入之相對可靠性，將金融資產及負債劃分為三層。公平值架構分為以下各層：

- 第1層：相同資產及負債於活躍市場之報價(未作調整)
- 第2層：就資產或負債可直接(即價格)或間接(即從價格推行)觀察得出之資料輸入(不包括第1層所包含之報價)；及
- 第3層：並非根據可觀察之市場數據得出之資產或負債之資料輸入(無法觀察之資料輸入)。

金融資產或負債整體按對公平值計量具有重大意義之最低層次資料輸入分類為公平值架構之不同層級。

於二零零九年十二月三十一日，概無金融資產及負債於財務狀況表內根據公平值架構以公平值計量。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

29. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group, prevailing and projected capital expenditures and projected strategic investment opportunities.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management regards total equity as capital, for capital management purpose. The amount of capital as at 31 December 2009 amounted to approximately RMB375,221,000 (2008: RMB408,499,000), in which management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

30. MAJOR NON-CASH TRANSACTIONS

The Group paid RMB14,445,000 as payment in advance for acquisition of property, plant and equipment during the year ended 31 December 2008. These payments formed part of the additions of property, plant and equipment during the year ended 31 December 2009 (2008: RMB2,205,000).

29. 資金管理

本集團資金管理目標為確保本集團持續經營業務的能力，並確保貨物及服務之定價符合風險程度以為股東提供足夠回報。

本集團積極定期檢討及管理其資金結構，以確保達致最佳資金結構及股東回報，並考慮本集團日後資金需要、現行及預計資金開支及預計策略投資機會。

為維持或調整資本結構，本集團或會調整付予股東之股息、向股東退回股本、發行新股份或出售資產以減低債務。

就資金管理而言，管理層視權益總額為資金。於二零零九年十二月三十一日的資金金額約為人民幣375,221,000元(二零零八年：人民幣408,499,000元)，管理層於考慮預計資金開支及預計策略投資機會後認為屬恰當。

30. 主要非現金交易

本集團已支付人民幣14,445,000元作為於截至二零零八年十二月三十一日止年度收購物業、廠房及設備的預付款項。有關款項(二零零八年：人民幣2,205,000元)組成於截至二零零九年十二月三十一日止年度添置物業、廠房及設備的一部分。

Five-Year Financial Summary

五年財務概要

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2005	2006	2007	2008	2009
		二零零五年	二零零六年	二零零七年	二零零八年	二零零九年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	576,171	630,622	829,848	935,067	819,381
Cost of inventories sold	已售存貨成本	(443,271)	(484,054)	(630,466)	(727,278)	(576,418)
		132,900	146,568	199,382	207,789	242,963
Other operating income	其他經營收入	68,268	78,374	109,084	100,973	62,761
Excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost of acquisition	收購人於收購對象的可識別資產、負債及或然負債的公平淨值應佔權益超出收購成本差額	-	-	34,453	-	-
Distribution costs	分銷成本	(107,788)	(131,593)	(208,948)	(236,710)	(254,225)
Administrative expenses	行政開支	(26,883)	(27,768)	(43,372)	(36,970)	(27,496)
Other operating expenses	其他經營開支	-	-	-	(2,441)	(40,918)
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	66,497	65,581	90,599	32,641	(16,915)
Income tax expense	所得稅開支	(9,962)	(8,676)	(11,482)	(8,290)	(4,224)
(Loss)/profit attributable to the owners of the Company	本公司擁有人應佔(虧損)/溢利	56,535	56,905	79,117	24,351	(21,139)
Dividends	股息	80,000	22,000	22,153	12,139	-
(Loss)/earnings per share – Basic	每股(虧損)/盈利 – 基本	RMB人民幣 7.54 cents分	RMB人民幣 7.59 cents分	RMB人民幣 8.53 cents分	RMB人民幣 2.35 cents分	RMB人民幣 (2.04) cents分
- Diluted	- 攤薄	N/A 不適用	N/A 不適用	RMB人民幣 8.52 cents分	N/A 不適用	N/A 不適用

Five-Year Financial Summary (Continued)
五年財務概要(續)

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				
		2005	2006	2007	2008	2009
		二零零五年	二零零六年	二零零七年	二零零八年	二零零九年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	258,018	275,824	613,234	640,673	642,070
Total liabilities	總負債	(156,969)	(228,009)	(207,312)	(232,174)	(266,849)
Net assets	資產淨值	<u>101,049</u>	<u>47,815</u>	<u>405,922</u>	<u>408,499</u>	<u>375,221</u>

Notes:

附註：

- The financial information for each of the two years ended 31 December 2006 has been prepared on a combined basis to indicate the results of the Group as if the Group structure, at the time when the Company's shares were listed on The Stock Exchange of Hong Kong Limited, had been in existence throughout the years concerned. The results for the two years ended 31 December 2006, and the assets and liabilities as at 31 December 2005 and 2006 have been extracted from the prospectus of the Company dated 8 May 2007.
- The results for year ended 31 December 2009, and the assets and liabilities as at 31 December 2009 have been extracted from the audited consolidated statement of comprehensive income and audited consolidated statement of financial position as set out on pages 54 and 55 respectively, of the financial statements.

- 截至二零零六年十二月三十一日止兩個年度各年的財務資料乃根據合併基準編製，以列示本集團業績，猶如於本公司股份於香港聯合交易所有限公司上市時的本集團結構於有關年度一直存在。截至二零零六年十二月三十一日止兩個年度的業績，以及截至二零零五年及二零零六年十二月三十一日的資產及負債乃摘自本公司日期為二零零七年五月八日的售股章程。
- 截至二零零九年十二月三十一日止年度的業績，以及截至二零零九年十二月三十一日的資產及負債分別摘自財務報表第54頁及第55頁的經審核綜合全面收益表及經審核綜合財務狀況表。

