

SHOES  
ACCESSORIES  
HANDBAGS  
SUNGLASSES  
WATCHES

# 2010

## Interim Report

中期報告

**DAPHNE INTERNATIONAL HOLDINGS LIMITED**  
達芙妮國際控股有限公司\*

( Stock code:210 )  
( 股票代號:210 )

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr Chen Ying-Chieh (*Chairman*)

Mr Chen Hsien Min (*Managing Director*)

Mr Chang Chih-Kai

Mr Chang Chih-Chiao

#### Non-Executive Director

Ms Ma Xuezheng

#### Independent Non-Executive Directors

Mr Hsiao Hsi-Ming

Mr Huang Shun-Tsai

Mr Kuo Jung-Cheng

#### Alternate Director

Mr Kim Jin-Goon (*Alternate Director to Ms Ma Xuezheng*)

### AUDIT COMMITTEE

Mr Hsiao Hsi-Ming (*Chairman*)

Mr Huang Shun-Tsai

Mr Kuo Jung-Cheng

Ms Ma Xuezheng

### REMUNERATION COMMITTEE

Mr Kuo Jung-Cheng (*Chairman*)

Mr Chen Hsien Min

Mr Hsiao Hsi-Ming

Mr Huang Shun-Tsai

Ms Ma Xuezheng

### NOMINATION COMMITTEE

Mr Huang Shun-Tsai (*Chairman*)

Mr Chen Ying-Chieh

Mr Hsiao Hsi-Ming

Mr Kuo Jung-Cheng

Ms Ma Xuezheng

### COMPANY SECRETARY

Ms Chan Oi Chu

### AUTHORISED REPRESENTATIVES

Mr Chen Hsien Min

Ms Chan Oi Chu

## 公司資料

### 董事會

#### 執行董事

陳英杰先生 (*主席*)

陳賢民先生 (*董事總經理*)

張智凱先生

張智喬先生

#### 非執行董事

馬雪征女士

#### 獨立非執行董事

蕭溪明先生

黃順財先生

郭榮振先生

#### 替任董事

金珍君先生 (*馬雪征女士之替任董事*)

### 審核委員會

蕭溪明先生 (*主席*)

黃順財先生

郭榮振先生

馬雪征女士

### 薪酬委員會

郭榮振先生 (*主席*)

陳賢民先生

蕭溪明先生

黃順財先生

馬雪征女士

### 提名委員會

黃順財先生 (*主席*)

陳英杰先生

蕭溪明先生

郭榮振先生

馬雪征女士

### 公司秘書

陳愛珠女士

### 授權代表

陳賢民先生

陳愛珠女士

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**AUDITOR**

PricewaterhouseCoopers  
Certified Public Accountants

**PRINCIPAL BANKERS**

Agricultural Bank of China  
China Construction Bank Corporation  
Citibank, N.A.  
First Commercial Bank  
First Sino Bank  
Hang Seng Bank Limited  
Mega International Commercial Bank Co. Limited  
Standard Chartered Bank (Hong Kong) Limited  
The Bank of Tokyo-Mitsubishi UFJ, Limited

**CORPORATE WEBSITES**

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**核數師**

羅兵咸永道會計師事務所  
執業會計師

**主要往來銀行**

中國農業銀行  
中國建設銀行股份有限公司  
花旗銀行  
第一商業銀行  
華一銀行  
恒生銀行有限公司  
兆豐國際商業銀行  
渣打銀行(香港)有限公司  
三菱東京UFJ銀行

**公司網址**

<http://www.daphneholdings.com>  
<http://www.daphne.com.cn>

## FINANCIAL AND OPERATIONAL HIGHLIGHTS

The board of directors (the "Board") of Daphne International Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2010, together with the comparative figures for the corresponding period in 2009.

## 財務及經營摘要

達芙妮國際控股有限公司(「本公司」)董事會(「董事會」)欣然宣佈本公司及其附屬公司(「本集團」)截至二零一零年六月三十日止六個月之未經審核簡明綜合中期業績，連同二零零九年同期之比較數字。

## FINANCIAL PERFORMANCE

## 財務表現

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年	2009 二零零九年
Turnover (HK\$' million)	營業額(百萬港元)	3,183.1	2,773.9
Gross profit (HK\$' million)	毛利(百萬港元)	1,813.4	1,519.7
Operating profit (HK\$' million) (Note 1)	經營盈利(百萬港元)(附註1)	479.0	408.7
Profit attributable to equity holders of the Company (HK\$' million)	本公司權益持有人應佔盈利(百萬港元)	190.0	261.4
Basic earnings per share (HK cents)	每股基本盈利(港仙)	11.60	15.96
Interim dividend per share (HK cents)	每股中期股息(港仙)	6.0	3.0

## KEY FINANCIAL INDICATORS

## 主要財務指標

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年	2009 二零零九年
Average inventory turnover (days) (Note 2)	平均存貨週轉期(日)(附註2)	120	180
Average debtors turnover (days) (Note 3)	平均應收賬款週轉期(日)(附註3)	11	11
Average creditors turnover (days) (Note 4)	平均應付賬款週轉期(日)(附註4)	77	86
Cash conversion cycle (days) (Note 5)	現金循環天數(日)(附註5)	54	105
Capital expenditure (HK\$' million)	資本開支(百萬港元)	104.4	80.1
Effective tax rate (%) (Note 6)	實際稅率(%) (附註6)	27.2	27.2

		As at 30 June 2010 於二零一零年 六月三十日	As at 31 December 2009 於二零零九年 十二月三十一日
Cash and bank balances (HK\$' million) (Note 7)	現金及銀行餘額(百萬港元)(附註7)	2,101.5	1,625.8
Bank loans (HK\$' million)	銀行貸款(百萬港元)	10.6	14.6
Convertible bonds (HK\$' million)	可換股債券(百萬港元)	530.6	515.6
Equity attributable to equity holders of the Company (HK\$' million)	本公司權益持有人應佔權益(百萬港元)	2,355.0	2,202.9
Current ratio (times) (Note 8)	資產流動比率(倍)(附註8)	2.4	2.7
Net gearing ratio (%) (Note 9)	淨負債比率(%) (附註9)	Net cash淨現金	Net cash淨現金

Notes:

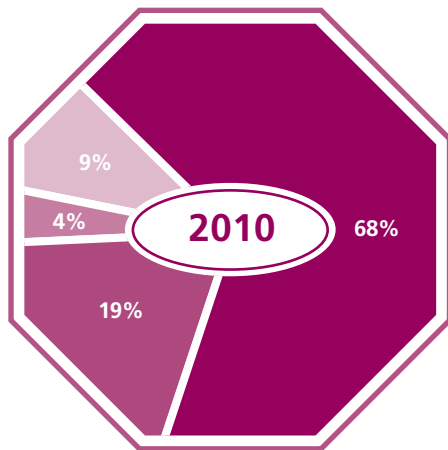
- Operating profit represented profit before fair value loss on derivative financial instrument – warrants, finance costs, share of profit of an associated company and income tax expense.
- The calculation of average inventory turnover (days) is based on average of opening and closing inventory balances divided by cost of sales and multiplied by the number of days of the relevant period.
- The calculation of average debtors turnover (days) is based on average of opening and closing balances of trade receivables divided by turnover and multiplied by the number of days of the relevant period.
- The calculation of average creditors turnover (days) is based on average of opening and closing balances of trade payables divided by purchases and multiplied by the number of days of the relevant period.
- The calculation of cash conversion cycle (days) is based on average inventory turnover (days) plus average debtors turnover (days) minus average creditors turnover (days) of the relevant period.
- Effective tax rate is calculated based on income tax expense including PRC withholding tax divided by profit before income tax excluding fair value loss on warrants.
- Cash and bank balances comprise cash and cash equivalents, bank deposit with maturity over three months and pledged bank deposit.
- The calculation of current ratio (times) is based on total current assets divided by total current liabilities as at the relevant period end.
- The calculation of net gearing ratio (%) is based on net debt (being total of bank loans and convertible bonds, less total cash and bank balances) divided by equity attributable to equity holders of the Company as at the relevant period end.

附註：

- 經營盈利指除金融衍生工具－認股權證之公平價值虧損、財務成本、應佔一間聯營公司盈利及所得稅開支前盈利。
- 平均存貨週轉期(日)乃按期初及期末存貨之平均結餘除以銷售成本乘以有關期間日數計算。
- 平均應收賬款週轉期(日)乃按期初及期末貿易應收賬款平均結餘除以營業額乘以有關期間日數計算。
- 平均應付賬款週轉期(日)乃按期初及期末貿易應付賬款平均結餘除以採購額乘以有關期間日數計算。
- 現金循環天數(日)乃按有關期間內之平均存貨週轉期(日)加上平均應收賬款週轉期(日)減平均應付賬款週轉期(日)計算。
- 實際稅率乃按所得稅開支(包括中國大陸之預扣稅)除以所得稅前盈利(不包括認股權證公平價值虧損)計算。
- 現金及銀行餘額包括現金及現金等價物、存款期超過三個月之銀行存款及已抵押銀行存款。
- 資產流動比率(倍)乃根據於有關期間結束日之流動資產總值除以流動負債總額計算。
- 淨負債比率(%)乃根據於有關期間結束日之負債淨額(即銀行貸款及可換股債券之總額，減現金及銀行餘額總額)除以本公司權益持有人應佔權益計算。

Turnover Contribution Analysis

For the six months ended 30 June

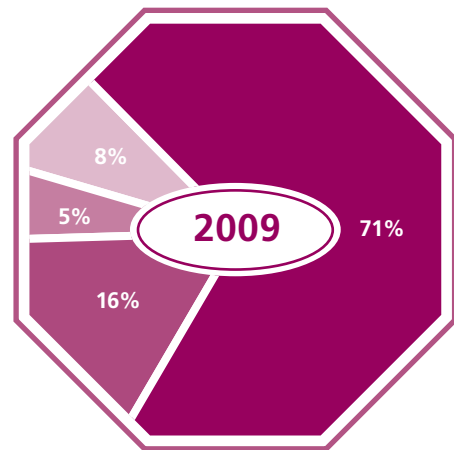


● Daphne Brand  
達芙妮

● Shoebox Brand  
鞋櫃

營業額貢獻分析

截至六月三十日止六個月



● Other Brands  
其他品牌

● OEM Business  
原設備製造業務

Analysis of Segment Turnover and Results

分部營業額及業績分析

	Brand Business 品牌業務				Manufacturing Business 製造業務			
	Daphne 達芙妮		Shoebox 鞋櫃		Others 其他			
For the six months ended 30 June 截至六月三十日止六個月								
HK\$' million 百萬港元	2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
Revenue from external customers 對外客戶收益	2,149.5	1,957.8	592.2	432.9	152.6	162.0	288.8	221.1
Inter-segment revenue 分部間收益	0.2	-	-	-	-	-	284.6	309.5
Total segment revenue 分部收益總額	2,149.7	1,957.8	592.2	432.9	152.6	162.0	573.4	530.6
Segment gross profit 分部毛利	1,292.9	1,162.7	351.3	235.0	67.0	42.4	95.9	76.2
Segment operating profit/(loss) 分部經營盈利/(虧損)	407.3	384.1	103.9	55.4	(33.9)	(43.1)	37.5	22.1

Analysis of "Daphne" and "Shoebox" Points-of-Sale by City Tiers as at 30 June 2010

於二零一零年六月三十日按城市級別劃分之「達芙妮」及「鞋櫃」銷售點分析

City tier 城市級別		Tier 1 一線	Tier 2 二線	Tier 3 三線	Tier 4 四線	Tier 5 五線	Tier 6 六線	Total 合計
Daphne *	達芙妮 *	371	640	475	627	554	822	3,489
Shoebox	鞋櫃	127	196	173	194	172	62	924
Total	合計	498	836	648	821	726	884	4,413

\* Excluding Daphne outlets in Taiwan

\* 不包括台灣達芙妮銷售點

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

In the first half of 2010, as the domestic economy continued its recovery and consumer confidence remained firm, the retail sentiment in China grew at a healthy rate. In line with the favorable market sentiment, the Group's brand business delivered sustainable growth, as both "Daphne" and "Shoebox" continued to achieve satisfactory performance during the period under review.

During the six months ended 30 June 2010, the Group's own-brand business has remained the prime growth driver of the Group, representing 86% (2009: 86%) of the Group's total turnover. As at 30 June 2010, the Group had a total of 4,670 points-of-sale across different city tiers in Mainland China, Hong Kong and Taiwan, solid testimony to its well-established network throughout the Greater China Region.

The recent acquisition of Full Pearl International Limited ("Full Pearl"), a group of retailing companies focusing on quality high-end footwear in first- and second-tier cities in Mainland China, Taiwan and Hong Kong has perfectly complemented the Group's strong position in the mass market and enables it to expand its presence in the flourishing mid-to-high-end female footwear market segments. The Group has achieved good progress in the integration of "Full Pearl" into its existing operational infrastructure. The consolidation efforts, most notably in supply chain, have enabled "Full Pearl" to demonstrate improved business results during the period under review.

### "Daphne"

#### China

During the period under review, there was a substantial increase in the brand's average selling price resulting from the Group's branding positioning and the increasing market demand under stringent supply of stocks. Due to increased purchasing power of target customers and their pursuit of better product quality, the Group is gradually enhancing the brand image and upgrading the brand position in the market through a better product portfolio, leading to an increase in average selling price. Moreover, fewer promotional sales were held in outlets due to the temporary stock-outs during the review period. The labour shortage in the Southern China region caused delayed goods delivery by suppliers. Nevertheless, the Group maintained a stable margin for the brand despite the continuous cost hike and nominal low same store sales growth. Turnover, gross profit and operating profit of "Daphne" all continued to report satisfactory performance, underscoring the Group's sound strategies and a strong brand demand. The number of points-of-sale of "Daphne" as at 30 June 2010 is summarised as follows:

## 管理層討論及分析

### 業務回顧

於二零一零年上半年，隨著中國當地的經濟持續好轉及消費信心保持穩健，消費市道健康地向前推進。本集團的品牌業務也在良好的零售市況下取得平穩的增長。「達芙妮」及「鞋櫃」兩項業務均於回顧期內表現理想。

截至二零一零年六月三十日止六個月，自有品牌業務仍然是本集團重要的增長動力，佔據本集團總營業額的86%（二零零九年：86%）。於二零一零年六月三十日，本集團在中國大陸各級城市，香港及台灣總共擁有4,670個銷售點，顯示本集團在大中華地區擁有強大的覆蓋網絡。

本集團近期所收購的富珍國際有限公司（「富珍」），是一在中國大陸一、二線城市及在台灣和香港專營優質高檔鞋履的零售集團。通過收購富珍，不但進一步穩固了本集團在大眾市場的領導地位，更加有助推動其在發展蓬勃的中高端女鞋市場的拓展步伐。本集團順利把「富珍」與現有的營運互相融合。經整合後，尤其於供應鏈方面，「富珍」業績在回顧期內錄得改善。

### 「達芙妮」

#### 中國

於回顧期內，本集團一方面調整了品牌定位，在殷切的市場需求加上存貨供應緊張，促使品牌的平均售價顯著攀升。鑒於目標客戶群的購買力持續提升，同時追求更優質的產品，本集團隨之著力於強化品牌形象以及提升市場品牌定位，推出更具吸引力的產品組合，此舉使本集團得以提升平均售價。另一方面，由於在回顧期內曾出現短暫產品供不應求的情況，本集團相應減少了促銷活動。華南地區內的勞工短缺導致供應商延遲了交貨時間。然而，在成本持續上漲及同店銷售增長偏低的情況下，本集團仍能保持穩定的利潤率。「達芙妮」的營業額、毛利及經營盈利均繼續錄得滿意表現，這主要歸因於本集團行之有效的策略以及市場對品牌的殷切需求。於二零一零年六月三十日，「達芙妮」銷售點數目總結如下：

As at  
於

		30 June 2010 二零一零年 六月三十日	31 December 2009 二零零九年 十二月三十一日	Change 變化
Directly-managed stores	直接經營店鋪	1,962	1,904	+58
Directly-managed counters	直接經營專櫃	730	716	+14
Franchised outlets	加盟零售點	854	743	+111
<b>Total</b>	<b>總數</b>	<b>3,546</b>	<b>3,363</b>	<b>+183</b>

#### Taiwan

In Taiwan, with enhanced advertising and promotional activities further supported by an improving economy, "Daphne" is becoming a better known and well-received label in the local market. As a result, business has successfully achieved a turnaround in the first half of 2010. As at 30 June 2010, the Group operates 57 points-of-sale. Striking a balance between cost control and marketing efforts, the Group has been prudent in spending on advertising and promotion, and keep expenditure in line with turnover growth.

#### "Shoebox"

Another core brand of the Group, "Shoebox" has performed considerably well as evidenced by significant growth in both turnover and operating profit. During the period under review, 111 points-of-sale were added, bringing the total number of stores to 924 as at 30 June 2010. "Shoebox", which recorded a double-digit same store sales growth rate during the period under review, was one of the principal growth drivers for the Group. As this brand mainly targets the mass population, the rising household income driven by recent salary hikes and robust economic growth in Mainland China further boosted consumption of the brand. Besides, "Shoebox" has been gaining acceptance among consumers and the Group believes the brand has immense potential. As a result, the Group is optimistic about the future development of the business through deeper market penetration in Mainland China.

#### "Full Pearl"

In January 2010, the Group acquired a 59.96% equity interest in "Full Pearl", a retailer of quality high-end footwear. As at 30 June 2010, "Full Pearl" operates 193 stores selling its own brands as well as licensed brands, including the renowned Canadian brand "ALDO" and American fashion brand "Jessica Simpson". The sales network covers mostly shopping malls and department stores in the booming first- and second-tier cities of Mainland China, as well as in Taiwan and Hong Kong.

#### 台灣

隨着台灣的經濟情況持續改善，本集團相應地加強了廣告推廣活動，從而提升「達芙妮」的知名度，使品牌更受當地市場歡迎。此舉使台灣的業務成功於二零一零年上半年轉虧為盈。於二零一零年六月三十日，本集團共經營57個銷售點。為了在成本控制及營銷之間取得平衡，本集團審慎保持廣告及宣傳的開支與營業額升幅相符。

#### 「鞋櫃」

本集團的核心品牌「鞋櫃」表現理想，營業額及經營盈利均大幅上升。於回顧期內，本集團增設了111個銷售點，令二零一零年六月三十日的店鋪總數增至924間。「鞋櫃」在回顧期內的同店銷售取得雙位數字增長，成為本集團主要的增長動力之一。由於此品牌專攻大眾市場，而受惠於薪金上漲及迅速的經濟增長，帶動中國大陸家庭收入上升，最終進一步提高了品牌的銷情。此外，有見「鞋櫃」越來越受顧客喜愛，本集團相信品牌擁有龐大的發展潛力。因此，隨著在中國大陸市場的滲透率不斷擴大，本集團對該業務的未來發展極為樂觀。

#### 「富珍」

於二零一零年一月，本集團購入專營優質高檔鞋履的零售商「富珍」59.96%的股本權益。於二零一零年六月三十日，「富珍」共經營193個自家品牌及代理品牌銷售點，包括加拿大知名品牌「ALDO」及美國時尚品牌「Jessica Simpson」。銷售網絡覆蓋至蓬勃的中國大陸一線及二線城市、台灣及香港的大部分購物廣場及百貨商場。

The acquisition of “Full Pearl” marks a milestone for the Group and helps diversifying its brand portfolio into the mid-to-high-end market and ultimately drives up the Group’s profit margins in the long-term. The Group expects the “Full Pearl” operation to generate greater synergies once the operation is fully incorporated into Daphne’s supply chain system. The Group is optimistic that “Full Pearl” will become another strong growth driver for the Group in the foreseeable future.

## FINANCIAL REVIEW RESULTS PERFORMANCE

For the six months ended 30 June 2010, the Group’s turnover increased by 15% to HK\$3,183.1 million (2009: HK\$2,773.9 million) while operating profit (being profit before fair value loss on derivative financial instrument – warrants, finance costs, share of profit of an associated company and income tax expense) increased by 17% to HK\$479.0 million (2009: HK\$408.7 million). Including the HK\$136.4 million (2009: HK\$28.5 million) fair value loss of warrants, the Group reported a profit attributable to equity holders of HK\$190.0 million (2009: HK\$261.4 million). Basic earnings per share was HK11.60 cents (2009: HK15.96 cents).

During the period under review, total revenue from external customers of the brand business amounted to HK\$2,894.3 million (2009: HK\$2,552.7 million), representing an increase of 13% compared to the same period last year. Moreover, revenue from OEM customers increased by 31% to HK\$288.8 million (2009: HK\$221.2 million) for the first half of 2010.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2010, the Group had cash and bank balances, comprising cash and cash equivalents, bank deposits with maturity over three months and pledged deposits, totalling HK\$2,101.5 million (31 December 2009: HK\$1,625.8 million) denominated mainly in Renminbi, Hong Kong dollars, US dollars and New Taiwan dollars. The net increase of HK\$475.7 million is analysed as follows:

收購「富珍」標誌著本集團邁向另一個重要的里程碑，並有助本集團將更多元化的品牌組合擴展至中高檔市場，長遠而言更可提升本集團的利潤率。本集團預期，當「富珍」的業務全面融入達芙妮的供應鏈系統中後，一定能發揮更顯著的協同效益。本集團對於「富珍」在將來能成為另一個強勁的增長動力也感樂觀。

## 財務回顧 業績表現

截至二零一零年六月三十日止六個月，本集團營業額增加15%至3,183.1百萬港元（二零零九年：2,773.9百萬港元），經營溢利（除金融衍生工具－認股權證之公平價值虧損、財務成本、應佔一間聯營公司盈利及所得稅開支前盈利）增加17%至479.0百萬港元（二零零九年：408.7百萬港元）。計入認股權證共136.4百萬港元（二零零九年：28.5百萬港元）之公平價值虧損後，股東應佔盈利錄得190.0百萬港元（二零零九年：261.4百萬港元）。本集團每股基本盈利為11.60港仙（二零零九年：15.96港仙）。

期內，來自對外顧客的品牌業務總收入為2,894.3百萬港元（二零零九年：2,552.7百萬港元），較去年同期上升13%。另一方面，來自原設備製造業務客戶的收入於二零一零年上半年上升31%至288.8百萬港元（二零零九年：221.2百萬港元）。

## 流動資金及財政資源

於二零一零年六月三十日，本集團的現金及銀行結餘（包括現金及現金等價物、存款期超過三個月之銀行存款及抵押存款）為2,101.5百萬港元（二零零九年十二月三十一日：1,625.8百萬港元），主要以人民幣、港元、美元及新台幣為結算單位。現金及銀行結餘淨增加475.7百萬港元分析如下：

		HK\$' million 百萬元
Net cash generated from operating activities	經營業務產生的現金淨額	713.4
Proceeds from disposal of fixed assets	出售固定資產所得款項	3.8
Capital expenditure	資本性開支	(104.4)
Net dividend paid	已付股息淨額	(85.0)
Repayment of bank loans	償還銀行貸款	(33.7)
Net cash outflow used in acquisition of subsidiary and other investment	收購附屬公司及其他投資之淨現金支出	(32.3)
Net interest paid	已付利息淨額	(0.6)
Effect of exchange rate changes	外匯兌換率變動之影響	14.5
		475.7

As at 30 June 2010, unutilised banking facilities amounted to HK\$252.9 million (31 December 2009: HK\$188.4 million). The Group's current ratio was 2.4 as at 30 June 2010, versus 2.7 as at 31 December 2009. The Group has sufficient resources currently to support expansion and development of business in the future.

The Group's net gearing ratio, calculated on the basis of net debt (being total of bank loans of HK\$10.6 million (31 December 2009: HK\$14.6 million) and convertible bonds of HK\$530.6 million (31 December 2009: HK\$515.6 million) less total cash and bank balances of HK\$2,101.5 million (31 December 2009: HK\$1,625.8 million)) over shareholders' equity of HK\$2,355.0 million (31 December 2009: HK\$2,202.9 million), was net cash as at 30 June 2010 (31 December 2009: Net cash). All bank loans were at floating rates during the period under review.

## FOREIGN EXCHANGE RISK MANAGEMENT

The monetary assets, liabilities and transactions of the Group are mainly denominated in Renminbi, Hong Kong dollars, US dollars and New Taiwan dollars. Foreign exchange risks arising from fluctuation of exchange rates of foreign currencies are managed by the Group using foreign exchange forward contracts when necessary.

## PLEDGE OF ASSETS

As at 30 June 2010, the Group's short-term bank loan of HK\$10.6 million was unsecured. As at 31 December 2009, the Group's bank loan of HK\$14.6 million was secured by an available-for-sale financial asset with nil carry value and a deposit of HK\$2.9 million was pledged for banking facilities.

## SIGNIFICANT CAPITAL INVESTMENTS

During the period, the Group incurred capital expenditure, excluding the acquisition of "Full Pearl" and an available-for-sale financial asset, of HK\$104.4 million (2009: HK\$80.1 million) mainly for retail network expansion and establishing offices and warehouses.

## CONTINGENT LIABILITIES

As at 30 June 2010, the Group had no significant contingent liabilities.

## HUMAN RESOURCES

As at 30 June 2010, the Group had more than 23,000 employees (31 December 2009: 21,000) in Hong Kong, Taiwan and China. Employee benefits expense, including directors' emoluments and share-based payment expense, for the period under review was HK\$388.9 million (2009: HK\$257.9 million). The Group values its human resources and

於二零一零年六月三十日，未動用之銀行融資額度為252.9百萬港元(二零零九年十二月三十一日：188.4百萬港元)。集團於二零一零六月三十日之資產流動比率為2.4倍，比對二零零九年十二月三十一日的2.7倍。集團現時擁有足夠資源以支持未來擴充及業務發展所需。

於二零一零年六月三十日，集團之淨負債比率乃根據負債淨額(即銀行貸款10.6百萬港元(二零零九年十二月三十一日：14.6百萬港元)及可換股債券530.6百萬港元(二零零九年十二月三十一日：515.6百萬港元)，減現金及銀行餘額總額2,101.5百萬港元(二零零九年十二月三十一日：1,625.8百萬港元))，除以股東權益2,355.0百萬港元(二零零九年十二月三十一日：2,202.9百萬港元)，處於淨現金水平，(二零零九年十二月三十一日：淨現金)。於回顧期內，所有銀行貸款均以浮息計算。

## 匯率風險管理

集團之貨幣資產、負債及交易主要以人民幣、港元、美元及新台幣結算。如有需要，集團會利用外匯遠期合約對匯率波動所產生之外匯風險加以調控。

## 資產抵押

於二零一零年六月三十日，集團短期銀行貸款為10.6百萬港元均無抵押。於二零零九年十二月三十一日，集團之銀行貸款14.6百萬港元及融資額度是以賬面值為零的可出售金融資產及2.9百萬港元之存款作抵押。

## 重大資本投資

期內，集團的總資本性開支(不包括收購「富珍」及一可供出售金額資產)為104.4百萬港元(二零零九年：80.1百萬港元)，主要用於擴展分銷網絡、設立辦事處及倉儲設施。

## 或然負債

於二零一零年六月三十日，集團並無任何重大或然負債。

## 人力資源

於二零一零年六月三十日，集團於香港、台灣及中國之僱員人數超過23,000人(二零零九年十二月三十一日：21,000人)。回顧期內，僱員福利開支(包括董事酬金及以股份為基礎之款項開支)為388.9百萬港元(二零零九年：257.9百萬港元)。集團一向

recognises the importance of retaining high calibre professionals. Remuneration packages are generally structured with reference to market conditions and terms as well as individual qualifications. The Group also contributes to employee provident fund schemes and provides medical insurance, purchase discounts and training programmes to staff.

On 27 January 2010 and 22 July 2010, the Company granted an aggregate of 67,525,000 and 2,100,000 share options, respectively, to certain directors and employees. Share-based payment expense of HK\$26.5 million (2009: Nil) was recognised in the current period. The grant of share options is a means of the Company to reward executive directors and employees who have contributed to the Group and to encourage them to work towards enhancing the value of Daphne and, in turn, the benefits to the shareholders of the Company.

### SUBSEQUENT EVENT

On 25 August 2010, the Company entered a deed of amendment with Premier China Ltd., the holder of warrants of the Company, to amend the denomination of the exercise price of the warrants from Hong Kong Dollar to Renminbi with effect from 25 August 2010. Following the amendment of the terms, no gain or loss from changes in fair value of the warrants will be recognised in the profit and loss account.

### PROSPECTS

To best prepare our business to capture the opportunities rising from the thriving consumer market in the Greater China region, the Group plans to continue to sharpen its competitive edge by boosting its operational efficiency and optimising its brand portfolio.

Although the expansion pace of “Daphne” outlets was deferred in the first half of the year due to macroeconomic issues, the Group maintains its opening schedule target for “Daphne” outlets for year 2010 of 500 points-of-sale. For the “Shoebox” brand business, guided by well-defined strategies and objectives, the Group aims to open 250 new points-of-sale this year across the country to tap the vast potential of the mass market for footwear, apparel and accessories.

Moreover, after the completion of the acquisition of “Full Pearl”, this business has made a positive contribution in just a few months’ time. The Group believes that its investment in “Full Pearl” will boost its extended brand portfolio, complement its strong position in the mass market, and enable it to expand its presence in the flourishing high-end ladies footwear market.

With our dedicated efforts to enhance supply chain management and corporate governance standards, the Group is optimistic about the future development of its brand business and the future market outlook for 2010. The Group will continue to strengthen its competitiveness and long-term value for shareholders in the foreseeable future.

重視人力資源並深明留聘優質人才的重要性，所提供之薪酬及福利乃參考市場水平及員工個人資歷而定。此外，集團亦為僱員提供強積金、醫療保障、員工購物折扣及培訓課程。

本公司於二零一零年一月二十七日及二零一零年七月二十二日向若干董事及僱員授出分別共67,525,000份及2,100,000份購股權，以股份為單位之開支26.5百萬港元（二零零九年：零）已於本期間確認。本公司藉著授出購股權獎勵為本集團作出貢獻的執行董事及員工，並鼓勵他們共同努力，提升達芙妮的價值及本公司股東的利益。

### 結算日後事項

於二零一零年八月二十五日，本公司與本公司之認股權證持有者Premier China Ltd.簽訂修訂契據，由二零一零年八月二十五日起，認股權證的行使價的計值貨幣由港元改為人民幣。根據契據的修訂條款，認股權證的公平價值變更引起之損益，將不會確認於損益表內。

### 展望

展望未來，為作好充分準備以把握大中華地區強勁的消費市場所湧現的商機，集團將會繼續加強營運效益，並優化品牌組合，以加強競爭優勢。

儘管「達芙妮」的銷售增長在二零一零年上半年因宏觀經濟的影響稍被延緩有所放緩，惟集團仍然維持原訂二零一零年全年開設500個銷售點的目標。「鞋櫃」方面，憑藉集團一直行之有效的策略及理念，集團於全年將於全國開設250個新銷售點，以把握大眾鞋類、服裝及配飾市場的龐大發展商機。

此外，在完成收購「富珍」後，此項業務在短短數月內已為集團帶來正面貢獻。集團有信心「富珍」的投資將可豐富品牌陣容，強化集團在大眾市場穩固的地位，以及進一步在蓬勃的中高端女鞋市場中拓展業務。

憑藉對加強供應鏈管理及企業管治水平所付出的竭誠努力，集團對品牌業務以及市場於二零一零年的發展感到樂觀，集團將會繼續鞏固自身競爭力以及於可見將來為股東建立長遠價值。

**CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**簡明綜合損益表**

FOR THE SIX MONTHS ENDED 30 JUNE 2010

截至二零一零年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
		Note 附註	
Turnover	營業額	2	3,183,105
Cost of sales	銷售成本		(1,369,707)
Gross profit	毛利		1,813,398
Other income	其他收入		38,730
Other losses – net	其他虧損—淨額		(11,303)
Selling and distribution expenses	銷售及分銷開支		(1,145,368)
General and administrative expenses	一般及行政開支		(216,493)
Fair value loss on derivative financial instrument – warrants	衍生金融工具之公平價值虧損—認股權證		(136,359)
Finance costs	財務成本		(21,835)
Share of profit of an associated company	應佔一間聯營公司盈利		255
Profit before income tax	除所得稅前盈利	3	321,025
Income tax expense	所得稅開支	4	(124,483)
Profit for the period	期內盈利		196,542
Attributable to:	以下各方應佔：		
Equity holders of the Company	本公司權益持有人		190,038
Non-controlling interests	非控制性權益		6,504
			196,542
Earnings per share	每股盈利	5	
Basic (HK cents)	基本(港仙)		11.60
Diluted (HK cents)	攤薄(港仙)		11.28
Interim dividend	中期股息	6	98,274

**CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**

FOR THE SIX MONTHS ENDED 30 JUNE 2010

**簡明綜合全面收益表**

截至二零一零年六月三十日止六個月

		<b>Unaudited</b>	
		未經審核	
		<b>Six months ended 30 June</b>	
		截至六月三十日止六個月	
		<b>2010</b>	2009
		二零一零年	二零零九年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Profit for the period	期內盈利	<b>196,542</b>	264,982
Currency translation differences	貨幣匯兌差額	<b>17,387</b>	19,123
Total comprehensive income for the period	期內全面收益總額	<b>213,929</b>	284,105
Attributable to:	以下各方應佔：		
Equity holders of the Company	本公司權益持有人	<b>207,404</b>	280,225
Non-controlling interests	非控制性權益	<b>6,525</b>	3,880
		<b>213,929</b>	284,105

**CONDENSED CONSOLIDATED BALANCE SHEET 簡明綜合資產負債表**

AS AT 30 JUNE 2010

於二零一零年六月三十日

			Unaudited 未經審核 30 June 2010 二零一零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Intangible assets	無形資產	7	132,224	26,875
Land use rights	土地使用權	8	49,494	43,498
Fixed assets	固定資產	8	600,378	560,594
Interest in an associated company	於一間聯營公司之權益		2,957	3,262
Available-for-sale financial assets	可出售之金融資產		63,183	33,624
Long-term rental deposits and prepayments	長期租金按金及預付款項		86,007	92,420
Deferred income tax assets	遞延所得稅資產		44,319	41,466
			<b>978,562</b>	801,739
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨		929,219	889,319
Trade receivables	貿易應收賬款	9	195,536	181,253
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項		435,928	442,731
Pledged bank deposit	已抵押銀行存款		-	2,915
Bank deposit with maturity over three months	存款期超過三個月之銀行存款		34,440	78,000
Cash and cash equivalents	現金及現金等價物		2,067,075	1,544,851
			<b>3,662,198</b>	3,139,069
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	貿易應付賬款	10	619,463	385,317
Other payables and accrued charges	其他應付賬款及應計費用		299,587	271,602
Income tax payable	應繳所得稅		194,478	206,764
Bank loans	銀行貸款	11	10,647	14,567
Derivative financial instrument – warrants	衍生金融工具 – 認股權證	12	423,840	284,261
			<b>1,548,015</b>	1,162,511
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>2,114,183</b>	1,976,558
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>3,092,745</b>	2,778,297

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

AS AT 30 JUNE 2010

於二零一零年六月三十日

		Note 附註	Unaudited 未經審核 30 June 2010 二零一零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元
<b>Financed by:</b>	<b>資金來源：</b>			
Share capital	股本	13	163,789	163,789
Reserves	儲備		2,191,226	2,039,109
<b>Equity attributable to equity holder of the Company</b>	<b>本公司權益持有人 應佔權益</b>		<b>2,355,015</b>	2,202,898
Non-controlling interests	非控制性權益		171,401	39,027
<b>Total equity</b>	<b>總權益</b>		<b>2,526,416</b>	2,241,925
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible bonds	可換股債券	12	530,631	515,625
License fees payable	應付特許使用權費		18,743	17,850
Deferred income tax liabilities	遞延所得稅負債		1,597	2,897
Other non-current liabilities	其他非流動負債		15,358	–
			566,329	536,372
<b>Total equity and non-current liabilities</b>	<b>總權益及非流動負債</b>		<b>3,092,745</b>	2,778,297

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** 簡明綜合權益變動表

FOR THE SIX MONTHS ENDED 30 JUNE 2010

截至二零一零年六月三十日止六個月

		Unaudited 未經審核									Non-controlling interests 非控制性權益	Total equity 總權益	
		Attributable to equity holders of the Company 本公司權益持有人應佔											
		Share capital	Share premium	Capital redemption reserve	Convertible bond capital reserve	Share-based payment reserve	Translation reserve	Merger reserve	Legal reserves	Retained profits	Total		
		股本	股份溢價	股本 贖回儲備	可換股債券 資本儲備	以股份為 基礎之 款項儲備	匯兌儲備	合併儲備	法定儲備	保留盈利	合計		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 January 2010	於二零一零年一月一日 之結餘	163,789	24,505	2,882	26,178	-	185,426	322	80,561	1,719,235	2,202,898	39,027	2,241,925
Profit for the period	期內盈利	-	-	-	-	-	-	-	-	190,038	190,038	6,504	196,542
Currency translation differences	貨幣匯兌差額	-	-	-	-	-	17,366	-	-	-	17,366	21	17,387
Total comprehensive income	全面收益總額	-	-	-	-	-	17,366	-	-	190,038	207,404	6,525	213,929
Profit appropriations	盈利分配	-	-	-	-	-	-	-	1,561	(1,561)	-	-	-
Share of an associated company's reserve	應佔一間聯營公司 儲備	-	-	-	-	-	-	-	63	(63)	-	-	-
Dividends	股息	-	-	-	-	-	-	-	-	(81,784)	(81,784)	(3,762)	(85,546)
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	-	-	129,611	129,611
Share-based payment expense	以股份為基礎之款項開支	-	-	-	-	26,496	-	-	-	-	26,496	-	26,496
Write-back of unclaimed dividends	撥回未領取股息	-	-	-	-	-	-	-	-	1	1	-	1
Total transactions with owners	與擁有人交易總額	-	-	-	-	26,496	-	-	1,624	(83,407)	(55,287)	125,849	70,562
Balance at 30 June 2010	於二零一零年六月三十日 之結餘	163,789	24,505	2,882	26,178	26,496	202,792	322	82,185	1,825,866	2,355,015	171,401	2,526,416
Balance at 1 January 2009	於二零零九年一月一日之結餘	163,789	24,505	2,882	-	11,792	158,571	322	37,669	1,455,003	1,854,533	36,765	1,891,298
Profit for the period	期內盈利	-	-	-	-	-	-	-	-	261,384	261,384	3,598	264,982
Currency translation differences	貨幣匯兌差額	-	-	-	-	-	18,841	-	-	-	18,841	282	19,123
Total comprehensive income	全面收益總額	-	-	-	-	-	18,841	-	-	261,384	280,225	3,880	284,105
Profit appropriations	盈利分配	-	-	-	-	-	-	-	43,484	(43,484)	-	-	-
Share of an associated company's reserve	應佔一間聯營公司儲備	-	-	-	-	-	-	-	11	(11)	-	-	-
Dividends	股息	-	-	-	-	-	-	-	-	(49,137)	(49,137)	(3,743)	(52,880)
Write-back of unclaimed dividends	撥回未領取股息	-	-	-	-	-	-	-	-	3	3	-	3
Issue of convertible bonds	發行可換股債券	-	-	-	26,178	-	-	-	-	-	26,178	-	26,178
Total transactions with owners	與擁有人交易總額	-	-	-	26,178	-	-	-	43,495	(92,629)	(22,956)	(3,743)	(26,699)
Balance at 30 June 2009	於二零零九年六月三十日 之結餘	163,789	24,505	2,882	26,178	11,792	177,412	322	81,164	1,623,758	2,111,802	36,902	2,148,704

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

FOR THE SIX MONTHS ENDED 30 JUNE 2010

**簡明綜合現金流量表**

截至二零一零年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Net cash generated from operating activities	經營活動所得現金淨額	713,386	734,369
Net cash used in investing activities	投資活動所用現金淨額	(122,603)	(76,884)
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額	(83,111)	298,712
Increase in cash and cash equivalents	現金及現金等價物增加	507,672	956,197
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	1,544,851	147,962
Effect of foreign exchange rate changes	匯率變動影響	14,552	5,173
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	2,067,075	1,109,332
Analysis of balances of cash and cash equivalents:	現金及現金等價物結餘分析：		
Cash at banks and in hand	銀行及手頭現金	587,475	641,332
Deposits with banks within three months of maturity	存款期為三個月以內之銀行存款	1,479,600	468,000
		2,067,075	1,109,332

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM ACCOUNTS

## 簡明綜合中期賬目附註

### 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2010 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants.

This condensed consolidated interim financial information should be read in conjunction with the annual accounts for the year ended 31 December 2009, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”). The accounting policies and methods of computation used in the preparation of this condensed consolidated interim financial information are consistent with those used in the annual accounts for the year ended 31 December 2009 except that certain comparative figures have been reclassified to conform with changes in presentation in the current period.

In 2010, the Group has adopted the following new/revised HKFRSs that are effective for accounting periods commencing on or after 1 January 2010:

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of HKFRSs
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners
HK – Int 4 (Amendment)	Determination of Length of Lease Term in respect of Hong Kong Land Leases
HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009

HKFRS 3 (Revised) “Business Combination” introduces significant changes in the accounting for business combinations occurring on or after 1 January 2010. Changes affect the valuation of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reporting results.

HKAS 27 (Revised) “Consolidated and Separate Financial Statements” requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss.

### 1 編製基準及會計政策

此截至二零一零年六月三十日止六個月之未經審核簡明綜合中期財務資料乃遵照香港會計師公會頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」之規定編製。

此簡明綜合中期財務資料應與截至二零零九年十二月三十一日止年度之年度賬目一併閱讀，而有關於財務報表已根據香港財務報告準則（「香港財務報告準則」）編製。編製此簡明綜合中期財務資料所用之會計政策與計算方法與截至二零零九年十二月三十一日止年度之年度賬目所採用者一致，惟若干比較數字已經重新分類，以使符合本期間呈列之變動。

於二零一零年，本集團已採納下列於二零一零年一月一日或之後開始之會計期間生效之新訂／經修訂香港財務報告準則：

香港會計準則第27號(經修訂)	綜合及獨立財務報表
香港會計準則第39號(修訂本)	合資格對沖項目
香港財務報告準則第1號(經修訂)	首次採納香港財務報告準則
香港財務報告準則第1號(修訂本)	首次採納者之額外豁免
香港財務報告準則第2號(修訂本)	集團以現金結算的股份為基礎之付款
香港財務報告準則第3號(經修訂)	業務合併
香港(國際財務報告詮釋委員會) – 詮釋第17號	向擁有人分派非現金資產
香港 – 詮釋第4號(修訂本)	就香港土地租賃釐定租期
香港財務報告準則(修訂本)	修訂香港財務報告準則第5號作為二零零八年香港財務報告準則改進之一部份
香港財務報告準則(修訂本)	二零零九年香港財務報告準則之改進

香港財務報告準則第3號(經修訂)「業務合併」對二零一零年一月一日或之後發生之業務合併之會計處理作出重大修改。有關修改影響非控制性權益之估值、交易成本之會計處理、或然代價之初始確認和其後計量，以及分階段進行之業務合併。該等修改影響已確認之商譽金額，以及於發生收購期間及未來報告期間所報告之業績。

香港會計準則第27號(經修訂)「綜合及獨立財務報表」要求對附屬公司擁有權變動(但並無失去控制權)按照與擁有人(以彼等作為擁有人之身份)進行交易的方式入賬。因此，該等交易再不會產生商譽，亦不會產生收益或虧損。

As part of improvements to HKFRSs issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, lessees were required to classify leasehold land as operating leases and presented as prepaid lease prepayments in the consolidated balance sheet. The amendment has removed such a requirement. Instead, the amendment requires the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee.

In accordance with the transitional provisions set out in the amendment to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 January 2010 based on information that existed at the inception of the leases. The application of amendment to HKAS 17 has had no effect on the consolidated accounts of the Group for the current and prior accounting periods.

The adoption of these new/revised HKFRSs had no material effect on the preparation and presentation of the results and financial position of the Group for the current or prior accounting periods.

The Group had not early adopted the following new/revised HKFRSs that have been issued but not yet effective in these condensed consolidated interim accounts.

HKAS 24 (Revised)	Related Party Disclosures <sup>4</sup>
HKAS 32 (Amendment)	Classification of Rights Issues <sup>1</sup>
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosure for First-time Adopters <sup>2</sup>
HKFRS 9	Financial Instruments <sup>5</sup>
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement <sup>4</sup>
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments <sup>2</sup>
HKFRSs (Amendments)	Improvements to HKFRSs 2010 <sup>3</sup>

- <sup>1</sup> Effective for accounting periods beginning on or after 1 February 2010
- <sup>2</sup> Effective for accounting periods beginning on or after 1 July 2010
- <sup>3</sup> Effective for accounting periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
- <sup>4</sup> Effective for accounting periods beginning on or after 1 January 2011
- <sup>5</sup> Effective for accounting periods beginning on or after 1 January 2013

The directors of the Company anticipate that the application of the above new/revised HKFRSs may result in new or amended presentation and disclosures on the accounts but will have no significant impact on the Group's results and financial position.

## 2 TURNOVER AND SEGMENT REPORTING

Turnover represented sales of footwear and accessories to external customers. The directors defined reporting segments as brand business and manufacturing business. Brand business represents trading and distribution of footwear products and accessories under self-owned brands, "Daphne" and "Shoebox" and other self-owned and licensed brands. Manufacturing business represents manufacturing and sales of footwear products under original-equipment manufacturing arrangements and for distribution by brand business. The comparative figures have been reclassified to conform with the current period's presentation.

作為於二零零九年頒佈之香港財務報告準則改進之一部份，香港會計準則第17號「租賃」已就租賃土地之分類作出修訂。於修訂香港會計準則第17號前，承租人須將租賃土地分類為經營租賃，並在綜合資產負債表內將之列作預付租金。該項修訂已經刪除此要求。取而代之，該項修訂要求將租賃土地按照香港會計準則第17號之一般原則分類，即根據與租賃資產所有權相關之風險和回報歸於出租人或承租人之情況而定。

根據香港會計準則第17號之修訂所載之過渡條文，本集團已依據於租約開始時所得之資料，重新評估於二零一零年一月一日之未屆滿租賃土地之分類。應用香港會計準則第17號之修訂對本集團本會計期間及過往會計期間之綜合賬目概無影響。

採納此等新訂／經修訂香港財務報告準則對本集團本會計期間或過往會計期間之業績及財務狀況之編製及呈列並無重大影響。

本集團並無於此簡明綜合中期賬目中提前採納下列已頒佈但尚未生效之新訂／經修訂香港財務報告準則。

香港會計準則第24號(經修訂)	關聯方披露 <sup>4</sup>
香港會計準則第32號(修訂本)	供股分類 <sup>1</sup>
香港財務報告準則第1號(修訂本)	與香港財務報告準則第7號首次採納者作出披露之比較之有限豁免 <sup>2</sup>
香港財務報告準則第9號	金融工具 <sup>5</sup>
香港(國際財務報告詮釋委員會) – 詮釋第14號(修訂本)	預付最低資金規定 <sup>4</sup>
香港(國際財務報告詮釋委員會) – 詮釋第19號	以股本工具抵銷財務負債 <sup>2</sup>
香港財務報告準則(修訂本)	二零一零年香港財務報告準則之改進 <sup>3</sup>

- <sup>1</sup> 於二零一零年二月一日或之後開始之會計期間生效
- <sup>2</sup> 於二零一零年七月一日或之後開始之會計期間生效
- <sup>3</sup> 於二零一零年七月一日及二零一一年一月一日(如適用)或之後開始之會計期間生效
- <sup>4</sup> 於二零一一年一月一日或之後開始之會計期間生效
- <sup>5</sup> 於二零一三年一月一日或之後開始之會計期間生效

本公司董事預計，應用上述新訂／經修訂香港財務報告準則或會致使新增或修訂賬目之呈列及披露，惟不會對本集團之業績及財務狀況構成重大影響。

## 2 營業額及分部報告

營業額指對外客戶銷售鞋類產品及配件。董事將呈報分部劃分為品牌業務及製造業務。品牌業務指買賣及分銷自有品牌「達芙妮」及「鞋櫃」以及其他自有及代理品牌之鞋類產品及配飾。製造業務指根據原設備製造協議及為品牌業務分銷而製造及銷售鞋類產品。比較數字已經重新分類以符合本期間之呈列。

# SHOES ACCESSORIES HANDBAGS SUNGLASSES

The analysis of the Group's turnover and operating results by reportable segment is as follows:

本集團按可呈報分部劃分之營業額及經營業績分析如下：

		Unaudited 未經審核						
		For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月						
		Brand Business 品牌業務			Manufacturing Business 製造業務	Inter- segment elimination 分部間對銷	Group 本集團	
		Daphne 達芙妮 HK\$'000 千港元	Shoebox 鞋櫃 HK\$'000 千港元	Others 其他 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Revenue from external customers	對外客戶收益	2,149,493	592,154	152,615	288,843	-	3,183,105	
Inter-segment revenue	分部間收益	207	-	-	284,613	(284,820)	-	
<b>Total segment revenue</b>	<b>總分部收益</b>	<b>2,149,700</b>	<b>592,154</b>	<b>152,615</b>	<b>573,456</b>	<b>(284,820)</b>	<b>3,183,105</b>	
Segment results	分部業績	407,315	103,937	(33,857)	37,495	6,228	521,118	
Unallocated corporate income	未分配企業收入						1,586	
Unallocated corporate expenses	未分配企業開支						(43,740)	
Fair value loss on derivative financial instrument – warrants	衍生金融工具公平價值虧損 – 認股權證						(136,359)	
Finance costs	財務成本						(21,835)	
Share of profit of an associated company	應佔一間聯營公司盈利						255	
<b>Profit before income tax</b>	<b>除所得稅前盈利</b>						<b>321,025</b>	
Depreciation and amortisation	折舊及攤銷	31,781	12,390	7,966	8,766	-	60,903	
Capital expenditure	資本開支	64,061	17,465	855	21,971	-	104,352	

		Unaudited 未經審核						
		For the six months ended 30 June 2009 截至二零零九年六月三十日止六個月						
		Brand Business 品牌業務			Manufacturing Business 製造業務	Inter- segment elimination 分部間對銷	Group 本集團	
		Daphne 達芙妮 HK\$'000 千港元	Shoebox 鞋櫃 HK\$'000 千港元	Others 其他 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Revenue from external customers	對外客戶收益	1,957,779	432,927	162,026	221,168	-	2,773,900	
Inter-segment revenue	分部間收益	-	-	-	309,481	(309,481)	-	
<b>Total segment revenue</b>	<b>總分部收益</b>	<b>1,957,779</b>	<b>432,927</b>	<b>162,026</b>	<b>530,649</b>	<b>(309,481)</b>	<b>2,773,900</b>	
Segment results	分部業績	384,103	55,402	(43,102)	22,059	3,364	421,826	
Unallocated corporate income	未分配企業收入						1,500	
Unallocated corporate expenses	未分配企業開支						(14,589)	
Fair value loss on derivative financial instrument – warrants	衍生金融工具公平價值虧損 – 認股權證						(28,504)	
Finance costs	財務成本						(5,905)	
Share of profit of an associated company	應佔一間聯營公司盈利						146	
<b>Profit before income tax</b>	<b>除所得稅前盈利</b>						<b>374,474</b>	
Depreciation and amortisation	折舊及攤銷	41,548	9,320	4,604	7,453	-	62,925	
Impairment on goodwill	商譽減值	-	-	10,606	-	-	10,606	
Capital expenditure	資本開支	59,829	11,682	6,394	2,173	-	80,078	

The analysis of the Group's assets and liabilities by reportable segment is as follows:

本集團按可呈報分部劃分之資產及負債分析如下：

		Unaudited 未經審核 As at 30 June 2010 於二零一零年六月三十日				
		Brand Business 品牌業務			Manufacturing Business 製造業務	Group 本集團
		Daphne 達芙妮 HK\$'000 千港元	Shoebox 鞋櫃 HK\$'000 千港元	Others 其他 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment assets	分部資產	2,645,022	743,393	515,754	534,360	4,438,529
Interest in an associated company	於一間聯營公司之權益					2,957
Available-for-sale financial assets	可出售之金融資產					63,183
Deferred income tax assets	遞延所得稅資產					44,319
Unallocated corporate assets	未分配企業資產					91,772
Total assets	總資產					4,640,760
Segment liabilities	分部負債	640,815	125,141	83,659	270,403	1,120,018
Deferred income tax liabilities	遞延所得稅負債					1,597
Derivative financial instrument – warrants	衍生金融工具－認股權證					423,840
Convertible bonds	可換股債券					530,631
Unallocated corporate liabilities	未分配企業負債					38,258
Total liabilities	總負債					2,114,344

		Audited 經審核 As at 31 December 2009 於二零零九年十二月三十一日				
		Brand Business 品牌業務			Manufacturing Business 製造業務	Group 本集團
		Daphne 達芙妮 HK\$'000 千港元	Shoebox 鞋櫃 HK\$'000 千港元	Others 其他 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment assets	分部資產	2,123,992	620,242	180,139	460,878	3,385,251
Interest in an associated company	於一間聯營公司之權益					3,262
Available-for-sale financial assets	可出售之金融資產					33,624
Deferred income tax assets	遞延所得稅資產					41,466
Unallocated corporate assets	未分配企業資產					477,205
Total assets	總資產					3,940,808
Segment liabilities	分部負債	517,105	86,100	39,115	243,256	885,576
Deferred income tax liabilities	遞延所得稅負債					2,897
Derivative financial instrument – warrants	衍生金融工具－認股權證					284,261
Convertible bonds	可換股債券					515,625
Unallocated corporate liabilities	未分配企業負債					10,524
Total liabilities	總負債					1,698,883

The executive directors who are identified as the chief operating decision-maker assess the performance of the operating segments based on a measure of segment profit before interest, tax and any fair value gain or loss on derivative financial instruments. Certain corporate overhead expenses are allocated to individual segments based on estimated consumption. Trading business which was formerly identified as a separate reportable segment in the interim period ended 30 June 2009 has been combined with manufacturing business to better reflect management perspective on segment information.

Inter-segment revenue is charged in accordance with terms determined and agreed mutually. Revenue from external customers of brand business is mainly derived from Mainland China and revenue from external customers of manufacturing business is mainly derived from overseas countries. None of the customers accounted for 10% or more of the total turnover of the Group during both six months ended 30 June 2010 and 30 June 2009.

The Group's non-current assets, excluding available-for-sale financial assets and deferred income tax assets, are located mainly in Mainland China.

### 3 PROFIT BEFORE INCOME TAX

Profit before income tax is stated after charging the following:

Amortisation of land use rights	土地使用權攤銷		
Amortisation of license rights	特許使用權攤銷		
Amortisation of trademarks	商標攤銷		
Cost of inventories sold (including provision for slow-moving inventories of HK\$18,607,000 (2009: HK\$26,537,000))	已售存貨成本(包括滯銷存貨撥備18,607,000港元(二零零九年: 26,537,000港元))		
Depreciation of fixed assets	固定資產折舊		
Employee benefits expense (including directors' emoluments and share-based payment expense)	僱員福利開支(包括董事酬金及以股份為基礎之款項開支)		
Impairment on goodwill	商譽減值		
Loss on disposal of fixed assets	出售固定資產之虧損		

### 4 INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made in the accounts as the Group does not have any assessable profit arising in Hong Kong. Taxation on profits arising outside Hong Kong has been calculated on the estimated assessable profit for the six months ended 30 June 2010 at the rates of taxation prevailing in the countries or places in which the Group operates.

身為主要經營決策者之執行董事，會基於除利息、稅項及衍生金融工具任何公平價值收益或虧損前的分部盈利計量，以評定各經營分部的表現。若干企業間接開支按估計開銷分配予個別分部。貿易業務過往於截至二零零九年六月三十日止中期期間乃劃分為獨立可報告分部，惟現已合併入製造業務以更準確反映管理層對分部資料之見解。

分部間收益乃按雙方釐定及協定之條款計算。品牌業務之對外客戶收益主要源自中國大陸，而製造業務之對外客戶收益主要源自海外國家。截至二零一零年六月三十日及二零零九年六月三十日止六個月，概無客戶佔本集團總營業額10%或以上。

本集團之非流動資產(可出售金融資產及遞延所得稅資產除外)主要位於中國大陸。

### 3 除所得稅前盈利

除所得稅前盈利已扣除下列各項：

#### Six months ended 30 June 截至六月三十日止六個月

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
548	819
1,771	983
1,575	-
1,197,575	1,115,108
57,009	62,106
388,941	257,880
-	10,606
8,871	11,679

### 4 所得稅開支

#### Six months ended 30 June 截至六月三十日止六個月

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
128,366	117,286
(3,883)	(7,794)
124,483	109,492

由於本集團並無在香港產生任何應課稅盈利，故並無在賬目內作出香港利得稅撥備。香港以外地區產生之所得稅，乃根據截至二零一零年六月三十日止六個月之估計應課稅盈利，按本集團經營業務所在國家或地方之適用稅率計算。

Provision for the China corporate income tax was calculated based on statutory tax rate of 25% (2009: 25%) on the assessable income of each of the Group's entities except that certain subsidiaries of the Company operating in Mainland China are eligible for certain tax exemptions and concessions including tax holidays and reduced corporate income tax rates during the period. Accordingly, the China corporate income tax for such subsidiaries has been provided after taking into account of these tax exemptions and concessions.

Pursuant to the China corporate income tax laws, 5% withholding tax is levied on dividends distributed by the foreign investment enterprises established in Mainland China to foreign investors incorporated in Hong Kong.

Pursuant to the China corporate income tax laws, withholding tax at a reduced rate of 7% by treaty is applied to the Group's entities incorporated in Hong Kong for royalties received or receivable.

## 5 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company of HK\$190,038,000 (2009: HK\$261,384,000) and 1,637,892,384 (2009: 1,637,892,384) ordinary shares in issue throughout the six months ended 30 June 2010.

The calculation of diluted earnings per share is based on the adjusted profit attributable to equity holders of the Company of HK\$210,480,000 (2009: HK\$263,477,000) and the adjusted weighted average number of ordinary shares of 1,865,743,770 (2009: 1,656,631,063) after taking into consideration of conversion of the convertible bonds and exercise of share options.

中國企業所得稅乃就本集團旗下各實體的應課稅收入按法定稅率25%（二零零九年：25%）計算撥備，惟本公司在中國營運之若干附屬公司合資格享有若干稅項豁免及寬減，包括於期內之免稅期及降低企業所得稅率。因此，此等附屬公司之中國企業所得稅已於計入此等稅項豁免及寬減後作出撥備。

根據中國企業所得稅法，於香港註冊成立之外國投資者從於中國成立之外商投資企業所獲得之股息須按照5%之稅率繳納預扣稅。

根據中國企業所得稅法，本集團於香港註冊成立之實體，須就已收或應收專營權費按經條約寬減之7%稅率繳納預扣稅。

## 5 每股盈利

每股基本盈利乃根據本公司權益持有人應佔本集團盈利190,038,000港元（二零零九年：261,384,000港元），以及截至二零一零年六月三十日止六個月之已發行普通股1,637,892,384股（二零零九年：1,637,892,384股）計算。

每股攤薄盈利經計及兌換可換股債券及行使購股權後，根據經調整本公司權益持有人應佔盈利210,480,000港元（二零零九年：263,477,000港元）及經調整之加權平均普通股1,865,743,770股（二零零九年：1,656,631,063股）計算。

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit attributable to equity holders of the Company	本公司權益持有人應佔盈利	190,038	261,384
Interest on convertible bonds	可換股債券之利息	20,442	2,093
Adjusted profit attributable to equity holders of the Company	經調整本公司權益持有人應佔盈利	210,480	263,477

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 Number of shares 股份數目	2009 二零零九年 Number of shares 股份數目
Number of ordinary shares in issue throughout the period	期內已發行普通股數目	1,637,892,384	1,637,892,384
Effect of conversion of convertible bonds	兌換可換股債券之影響	178,510,572	18,738,679
Effect of exercise of share options	行使購股權之影響	49,340,814	-
Weighted average number of ordinary shares adjusted for effect of dilution	就攤薄影響而調整之普通股加權平均數	1,865,743,770	1,656,631,063

The warrants are anti-dilutive and are ignored in the calculation of diluted earnings per share for both periods ended 30 June 2010 and 30 June 2009.

認股權證具反攤薄影響，故並不包括於截至二零一零年六月三十日及二零零九年六月三十日止兩個期間之每股攤薄盈利之計算中。

## 6 INTERIM DIVIDEND

During the six months ended 30 June 2010, the Company paid a final dividend of HK5.0 cents (2009: HK3.0 cents) per ordinary share, totalling HK\$81,895,000 (2009: HK\$49,137,000), for the year ended 31 December 2009.

On 25 August 2010, the Board proposed an interim dividend of HK6.0 cents (2009: HK3.0 cents) per ordinary share, totalling HK\$98,274,000 (2009: HK\$49,137,000). The proposed dividend is not reflected as a dividend payable in these interim accounts but will be reflected as an appropriation of retained profits for the year ending 31 December 2010.

## 7 INTANGIBLE ASSETS

		Goodwill 商譽 HK\$'000 千港元	Trademarks 商標 HK\$'000 千港元	License rights 特許使用權 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Net book value at 1 January 2010	於二零一零年一月一日之賬面淨值	15,079	-	11,796	26,875
Exchange adjustment	匯兌調整	1	98	49	148
Acquisition of subsidiaries	收購附屬公司	907	71,760	35,880	108,547
Amortisation charge	攤銷費用	-	(1,575)	(1,771)	(3,346)
Net book value at 30 June 2010	於二零一零年六月三十日之賬面淨值	15,987	70,283	45,954	132,224
Net book value at 1 January 2009	於二零零九年一月一日之賬面淨值	25,685	-	13,762	39,447
Amortisation charge	攤銷費用	-	-	(983)	(983)
Impairment	減值	(10,606)	-	-	(10,606)
Net book value at 30 June 2009	於二零零九年六月三十日之賬面淨值	15,079	-	12,779	27,858

## 8 CAPITAL EXPENDITURE

		Land use rights 土地使用權 HK\$'000 千港元	Fixed assets 固定資產 HK\$'000 千港元
Net book value at 1 January 2010	於二零一零年一月一日之賬面淨值	43,498	560,594
Exchange adjustment	匯兌調整	463	4,760
Additions	添置	3,665	100,687
Transfer	轉撥	2,416	(2,416)
Acquisition of subsidiaries	收購附屬公司	-	6,405
Amortisation/depreciation charge	攤銷/折舊費用	(548)	(57,009)
Disposals	出售	-	(12,643)
Net book value at 30 June 2010	於二零一零年六月三十日之賬面淨值	49,494	600,378
Net book value at 1 January 2009	於二零零九年一月一日之賬面淨值	44,944	574,735
Exchange adjustment	匯兌調整	434	4,138
Additions	添置	7,471	72,607
Amortisation/depreciation charge	攤銷/折舊費用	(819)	(62,106)
Disposals	出售	-	(13,546)
Net book value at 30 June 2009	於二零零九年六月三十日之賬面淨值	52,030	575,828

## 6 中期股息

於截至二零一零年六月三十日止六個月內，本公司已付截至二零零九年十二月三十一日止年度之末期股息每股普通股5.0港仙（二零零九年：3.0港仙），合共81,895,000港元（二零零九年：49,137,000港元）。

於二零一零年八月二十五日，董事會建議派付中期股息每股普通股6.0港仙（二零零九年：3.0港仙），合共98,274,000港元（二零零九年：49,137,000港元）。此擬派股息並無於中期賬目中反映為應付股息，惟將反映為截至二零一零年十二月三十一日止年度之保留盈利分派。

## 7 無形資產

		Goodwill 商譽 HK\$'000 千港元	Trademarks 商標 HK\$'000 千港元	License rights 特許使用權 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Net book value at 1 January 2010	於二零一零年一月一日之賬面淨值	15,079	-	11,796	26,875
Exchange adjustment	匯兌調整	1	98	49	148
Acquisition of subsidiaries	收購附屬公司	907	71,760	35,880	108,547
Amortisation charge	攤銷費用	-	(1,575)	(1,771)	(3,346)
Net book value at 30 June 2010	於二零一零年六月三十日之賬面淨值	15,987	70,283	45,954	132,224
Net book value at 1 January 2009	於二零零九年一月一日之賬面淨值	25,685	-	13,762	39,447
Amortisation charge	攤銷費用	-	-	(983)	(983)
Impairment	減值	(10,606)	-	-	(10,606)
Net book value at 30 June 2009	於二零零九年六月三十日之賬面淨值	15,079	-	12,779	27,858

## 8 資本開支

		Land use rights 土地使用權 HK\$'000 千港元	Fixed assets 固定資產 HK\$'000 千港元
Net book value at 1 January 2010	於二零一零年一月一日之賬面淨值	43,498	560,594
Exchange adjustment	匯兌調整	463	4,760
Additions	添置	3,665	100,687
Transfer	轉撥	2,416	(2,416)
Acquisition of subsidiaries	收購附屬公司	-	6,405
Amortisation/depreciation charge	攤銷/折舊費用	(548)	(57,009)
Disposals	出售	-	(12,643)
Net book value at 30 June 2010	於二零一零年六月三十日之賬面淨值	49,494	600,378
Net book value at 1 January 2009	於二零零九年一月一日之賬面淨值	44,944	574,735
Exchange adjustment	匯兌調整	434	4,138
Additions	添置	7,471	72,607
Amortisation/depreciation charge	攤銷/折舊費用	(819)	(62,106)
Disposals	出售	-	(13,546)
Net book value at 30 June 2009	於二零零九年六月三十日之賬面淨值	52,030	575,828

## 9 TRADE RECEIVABLES

The ageing analysis of trade receivables by invoice date is as follows:

		<b>30 June 2010</b> 二零一零年 六月三十日 HK\$'000 千港元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元
0 – 30 days	0 至 30日	<b>171,792</b>	160,280
31 – 60 days	31 至 60日	<b>11,161</b>	11,001
61 – 90 days	61 至 90日	<b>3,614</b>	6,361
91 – 120 days	91 至 120日	<b>1,939</b>	1,628
121 – 180 days	121 至 180日	<b>2,415</b>	1,165
181 – 360 days	181 至 360日	<b>1,663</b>	400
Over 360 days	360日以上	<b>2,952</b>	418
		<b>195,536</b>	181,253

The Group generally allows an average credit period of 30 to 60 days to its trade customers other than major and long standing customers with whom specific extended terms will be agreed between the Group and the relevant counter parties.

## 9 貿易應收賬款

按發票日期統計之貿易應收賬款賬齡分析如下：

本集團一般給予購貨客戶平均30至60日信貸期，惟主要及長期客戶之特別延長信貸期則由本集團與有關客戶雙方協定。

## 10 TRADE PAYABLES

The ageing analysis of trade payables including balances due to related parties (Note 17(a)) by invoice date is as follows:

		<b>30 June 2010</b> 二零一零年 六月三十日 HK\$'000 千港元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元
0 – 30 days	0 至 30日	<b>451,431</b>	185,629
31 – 60 days	31 至 60日	<b>129,299</b>	159,957
61 – 90 days	61 至 90日	<b>19,074</b>	24,059
91 – 120 days	91 至 120日	<b>4,099</b>	3,789
121 – 180 days	121 至 180日	<b>2,553</b>	1,846
181 – 360 days	181 至 360日	<b>3,110</b>	3,893
Over 360 days	360日以上	<b>9,897</b>	6,144
		<b>619,463</b>	385,317

## 10 貿易應付賬款

按發票日期統計之貿易應付賬款包括應付關聯方款項結餘(附註17(a))賬齡分析如下：

## 11 BANK LOANS

Movements in bank loans are analysed as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Balance at 1 January	於一月一日之結餘	14,567	270,655
Exchange adjustment	匯兌調整	175	(148)
Acquisition of subsidiaries	收購附屬公司	29,640	-
Repayment of bank loans	償還銀行貸款	(33,735)	(284,861)
New bank loans raised	新籌集銀行貸款	-	30,787
Balance at 30 June	於六月三十日之結餘	10,647	16,433

The bank loan was unsecured as at 30 June 2010. As at 31 December 2009, the bank loan was secured by listed securities of Sun Home Leather Corporation Limited classified under available-for-sale financial assets with nil carrying value.

## 11 銀行貸款

銀行貸款之變動分析如下：

於二零一零年六月三十日，銀行貸款為無抵押。於二零零九年十二月三十一日，銀行貸款以分類作可出售金融資產之尚鋒興業股份有限公司之零賬面值上市證券作抵押。

## 12 CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENT – WARRANTS

On 12 June 2009, the Company issued unlisted and unsecured RMB denominated USD settled convertible bonds due in 2014 (the "Bonds") and unlisted warrants to subscribe 100 million new shares of the Company (the "Warrants") in an aggregate principal amount of RMB550,000,000.

The terms of the Bonds and the Warrants are summarised below:

- the Bonds bear interest of 3.125% per annum on the outstanding principal amount of the Bonds and the interests are payable by the Company semi-annually in arrears;
- the Bonds are convertible at the option of the bondholders into fully paid ordinary shares on or after the issue date of the Bonds up to 12 June 2014 at a conversion price of HK\$3.50 per share, subject to certain adjustments pursuant to the terms of the agreement entered with the bondholders;
- 178,510,572 conversion shares will be issued upon full conversion of the Bonds based on the initial conversion price of HK\$3.50 per share;
- the Bonds are redeemable on maturity at a value equal to the USD equivalent of the aggregate of 100% of the outstanding RMB principal amount and all amounts accrued thereon;
- the exercise price of the Warrants is HK\$4.00 per warrant; and
- the Warrants can be exercised at any time during the period commencing from the issue date of the Warrants up to 12 June 2014.

## 12 可換股債券及衍生金融工具 – 認股權證

於二零零九年六月十二日，本公司發行以人民幣計值以美元結算於二零一四年到期之非上市及無抵押可換股債券（「債券」）及可認購100,000,000股本公司新股份之非上市認股權證（「認股權證」），本金總額為人民幣550,000,000元。

債券及認股權證之條款概述如下：

- 債券按未兌換本金額以年利率3.125厘計息。本公司將每半年延付利息；
- 債券持有人可選擇於債券發行日期起至二零一四年六月十二日止按兌換價每股3.50港元（可根據債券持有人所訂立協議之條款作出若干調整）兌換債券為已繳足普通股；
- 債券按最初兌換價每股3.50港元獲悉數兌換後將發行178,510,572股兌換股份；
- 債券可於到期時按相等於尚未兌換人民幣本金額之100%及全部應計款項總和價值之美元等值金額贖回；
- 認股權證之行使價為每份認股權證4.00港元；及
- 認股權證可由認股權證發行日期起至二零一四年六月十二日止期間隨時行使。

The movements of the liability component and the equity component of the Bonds and the Warrants during the period ended 30 June 2010 are as follows:

截至二零一零年六月三十日止期間，債券之負債部份及權益部份及認股權證變動如下：

		Liability component of convertible bonds 可換股債券 負債部份 HK\$' 000 千港元	Equity component of convertible bonds 可換股債券 權益部份 HK\$' 000 千港元	Derivative financial instrument - warrants 衍生金融工具 - 認股權證 HK\$' 000 千港元	Total 合計 HK\$' 000 千港元
Balance at 1 January 2010	於二零一零年一月一日之結餘	515,625	26,178	284,261	826,064
Exchange adjustment	匯兌調整	4,369	-	3,220	7,589
Interest expenses	利息開支	10,637	-	-	10,637
Fair value adjustment	公平價值調整	-	-	136,359	136,359
Balance at 30 June 2010	於二零一零年六月三十日之結餘	530,631	26,178	423,840	980,649
Principal amount issued	已發行本金額	518,341	26,948	79,896	625,185
Exchange adjustment	匯兌調整	(22)	(4)	149	123
Transaction costs	交易費用	(14,726)	(766)	-	(15,492)
Interest expenses	利息開支	1,066	-	-	1,066
Fair value adjustment	公平價值調整	-	-	28,504	28,504
Balance at 30 June 2009	於二零零九年六月三十日之結餘	504,659	26,178	108,549	639,386

As at 30 June 2010, the fair values of the Warrants are determined based on the valuations performed by BMI Appraisals Limited, an independent firm of professional qualified valuers, using the Binomial Option Pricing Mode.

於二零一零年六月三十日，認股權證之公平價值乃根據獨立專業合資格估值師行中和邦盟評估有限公司使用二項式期權定價模式進行之估值釐定。

Subsequent to 30 June 2010, the Company entered a deed of amendment with Premier China Ltd., the holder of warrants of the Company, to amend the denomination of the exercise price of the Warrants from Hong Kong Dollar to Renminbi with effect from 25 August 2010. Following the amendment of the terms, the derivative financial instrument - warrants, stated at fair value, will be transferred to equity and no gain or loss from changes in fair value of the Warrants will be recognised in the profit and loss account.

於二零一零年六月三十日後，本公司與本公司之認股權證持有人Premier China Ltd.訂立修訂契據，以將認股權證之行使價的計值貨幣，由港元改為人民幣，由二零一零年八月二十五日起生效。於修訂有關條款後，按公平價值列賬之衍生金融工具認股權證將轉撥入權益，而認股權證公平價值變動產生之收益或虧損將不會於損益表內確認。

During the six months ended 30 June 2010, no Bonds were redeemed, converted or purchased and cancelled, and no Warrants were exercised.

於截至二零一零年六月三十日止六個月，概無債券被贖回、兌換或購買及註銷，亦無認股權證被行使。

### 13 SHARE CAPITAL

### 13 股本

		30 June 2010 二零一零年 六月三十日 HK\$' 000 千港元	31 December 2009 二零零九年 十二月三十一日 HK\$' 000 千港元
Authorised:	法定股本：		
10,000,000,000 ordinary shares of HK\$0.10 each	10,000,000,000股每股面值0.10港元之普通股	1,000,000	1,000,000
Issued and fully paid:	已發行及繳足股本：		
1,637,892,384 ordinary shares of HK\$0.10 each	1,637,892,384股每股面值0.10港元之普通股	163,789	163,789

During the six months ended 30 June 2010, there was no movement in the share capital of the Company.

於截至二零一零年六月三十日止六個月內，本公司股本並無任何變動。

#### 14 EQUITY SETTLED SHARE-BASED TRANSACTION

During the six months ended 30 June 2010, 67,525,000 (2009: Nil) share options were granted to certain directors and employees of the Group. The share options, other than those subject to certain performance targets to be determined by the board of directors of the Company, are exercisable from each of the five anniversary dates from the date of grant with a validity of ten years. The fair value of services received in return for share options granted were measured by reference to the fair value of share options granted. The estimate of the fair value of the share options were measured based on the Binomial Options Pricing Model.

The variables of the share options input into the model are as follows:

Share price at measurement date	HK\$5.78
Option exercise price	HK\$6.19
Expected annualised volatility	37.26%
Risk-free rate	2.82%
Expected option life	10 years
Expected dividend yield	1.31%

Expected annualised volatility was determined by using the historical volatility of the Company's share price over the previous three to five years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The estimated fair value of the share options granted during the six months ended 30 June 2010 of HK\$26,496,000 was charged to the profit and loss account and credited to the share-based payment reserve.

As at 30 June 2010, 67,525,000 share options were outstanding. No share options were exercised, lapsed or cancelled during the period.

Subsequent to 30 June 2010, the Company granted an aggregate of 2,100,000 share options on 22 July 2010 to at an exercise price of HK\$7.61 per share to certain employees under its share option scheme adopted on 29 May 2003 and amended on 7 December 2009. The share options will vest on each of the three anniversary dates from the date of grant.

#### 15 BUSINESS COMBINATION

On 20 January 2010, the Group acquired 59.96% equity interest in Full Pearl International Limited ("Full Pearl"), engaged in the distribution and retail sales of branded footwear, apparel and accessories in Mainland China, Hong Kong and Taiwan. The total consideration of the acquisition is HK\$195,000,000, including HK\$180,000,000 paid during the period and HK\$15,000,000 bearing interest at 5% per annum to be settled after three years from the date of acquisition.

#### 14 以權益結算以股份為基礎之交易

於截至二零一零年六月三十日止六個月內，共向本集團若干董事及僱員授出67,525,000份購股權(二零零九年：無)。除受本公司董事會將予釐定之若干績效目標限制外，該等購股權可於授出日期起計五個週年日每年予以行使，有效期為十年。就授出購股權而收取之服務之公平價值乃參照所授出購股權之公平價值計量。購股權之估計公平價值乃按二項式期權定價模式計量。

該模式之購股權可變輸入數據如下：

於計量日期之股價	5.78港元
購股權行使價	6.19港元
預期年度化波幅	37.26%
無風險利率	2.82%
預期購股權年期	10年
預期孳息率	1.31%

預期年度化波幅乃使用本公司於過去三至五年之股價波幅而釐定。該模式所用之預期年期已按管理層之最佳估計就不可轉讓性、行使限制及行為考慮之影響予以調整。

於截至二零一零年六月三十日止六個月內授出之購股權之估計公平價值為26,496,000港元，已於收益表內扣除，並計入以股份為基礎之款項儲備。

於二零一零年六月三十日，67,525,000份購股權尚未行使。於期內概無購股權被行使、失效或註銷。

於二零一零年六月三十日後，本公司根據於二零零三年五月二十九日採納並於二零零九年十二月七日修訂之購股權計劃，於二零一零年七月二十二日向若干僱員授出合共2,100,000份購股權，行使價為每股7.61港元。購股權將於授出日期起計三個週年日每年歸屬。

#### 15 業務合併

於二零一零年一月二十日，本集團收購富珍國際有限公司(「富珍」)59.96%股本權益，該公司於中國大陸、香港及台灣從事分銷及零售品牌鞋類產品、服飾及配件。收購事項之總代價為195,000,000港元，當中180,000,000港元已於本期內支付，餘款15,000,000港元按年利率5厘計息，須於收購日期起計三年清償。

The net assets acquired in the transaction and the relevant goodwill arising is as follows:

於交易中收購之淨資產與所產生之商譽如下：

		HK\$'000 千港元
Purchase consideration:	購買代價：	
Paid in cash	以現金支付	180,000
Payable recorded as other non-current liabilities	入賬為其他非流動負債之應付款項	15,000
		195,000
Fair value of net identifiable assets acquired:	所收購可識別淨資產之公平價值	
Fixed assets	固定資產	6,405
Intangible assets	無形資產	107,640
Inventories	存貨	58,519
Cash and cash equivalents	現金及現金等價物	177,242
Other assets	其他資產	46,280
Other liabilities	其他負債	(72,382)
		323,704
Non-controlling interests	非控制性權益	(129,611)
		194,093
Goodwill	商譽	907
Net cash outflow arising on the acquisition during the period:	期內收購產生之現金流出淨額：	
Cash consideration paid	已付現金代價	(180,000)
Cash and cash equivalents acquired	所收購之現金及現金等價物	177,242
		(2,758)

The transaction was completed during the period and the Group commenced to account for the business combination from the effective date when the Group gained control over the acquiree. As at 30 June 2010, the initial accounting for the acquisition is determined on a provisional basis as the allocation of fair value to the identifiable assets and liabilities of the acquisition is still progressing. Adjustments to the provisional values of identifiable assets and liabilities, including any additional depreciation, amortisation, and other profit and loss effect, if any, will be recognised on completion of the initial accounting.

有關交易已於期內完成，本集團自取得被收購方控制權當日起將業務合併入賬。於二零一零年六月三十日，收購事項之初步入賬乃按暫時基準釐定，因仍在將收購事項之可識別資產及負債之公平價值進行分配。可識別資產及負債之暫時價值之調整（包括任何額外折舊、攤銷及其他損益影響（如有））將於完成初步入賬時確認。

Full Pearl's contributed revenue and net profit of HK\$122,508,000 and HK\$4,528,000 respectively to the Group for the period ended 30 June 2010 since acquisition. The Group's revenue and profit for the period would not be materially different if the acquisition had occurred on 1 January 2010.

自收購以來，富珍於截至二零一零年六月三十日止期間對本集團貢獻之收益及純利分別為122,508,000港元及4,528,000港元。若收購事項於二零一零年一月一日已經發生，本集團於期內之收益及純利亦不會因此而有重大變動。

## 16 CAPITAL COMMITMENTS FOR PURCHASE OF LAND USE RIGHTS AND FIXED ASSETS

## 16 購買土地使用權及固定資產之資本承擔

		30 June 2010 二零一零年 六月三十日 HK\$'000 千港元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元
Authorised but not contracted	已授權但未訂約	12,894	28,267
Contracted but not provided for	已訂約但未撥備	35,455	27,971
		48,349	56,238

## 17 RELATED PARTY TRANSACTIONS AND BALANCES

During the six months ended 30 June 2010, the Group has entered into the following related party transactions in the normal course of its business:

### (a) Transactions and balances with related companies

		Transactions for the six months ended 30 June 截至六月三十日止六個月之交易		Balances as at 結餘	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	30 June 2010 於二零一零年 六月三十日 HK\$'000 千港元	31 December 2009 於二零零九年 十二月三十一日 HK\$'000 千港元
	Note 附註				
Purchases from:	向下列各方採購:				
An associated company	一間聯營公司 (i)	825	333	721	352
Investee companies	被投資公司 (i)	1,599	1,173	680	799
Management fee to a related company	向一間關連公司支付管理費 (ii)	171	-	116	-

(i) Purchases of shoe materials and footwear from the associated company, Dayong Shoe Material Co., Ltd. Hanjiang Putian City, and investee companies, Sun Home Leather Corporation Limited, Jingxing Shoe Industrial Co., Ltd. Hanjiang Putian City and Daen Shoe Material Company Limited, were conducted in the normal course of the Group's business. The terms of transactions were determined and agreed between the Group and the counter parties and all balances due were repayable according to trade terms.

(ii) Management fee were paid to a group company of a non-controlling shareholder of certain subsidiaries of the Group for provision of administrative services. The terms of transactions were determined and agreed between the Group and the counter party and all balances due were repayable according to the terms of service contract.

### (b) Key management personnel compensation

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Salaries and bonuses	薪金及花紅	13,544	9,729
Defined contribution pension costs	定額供款退休金成本	116	143
Share-based payment expense	以股份為基礎之款項開支	22,053	-
		<b>35,713</b>	9,872

## 17 關聯方交易及結餘

於截至二零一零年六月三十日止六個月內，本集團曾於日常業務過程中進行下列關聯方交易：

### (a) 與關連公司之交易及結餘

(i) 向聯營公司莆田市涵江大永鞋業有限公司及向被投資公司尚鋒興業股份有限公司、莆田市涵江金星鞋業有限公司及大恩鞋材有限公司購買鞋類物料及鞋類產品之交易乃於本集團日常業務過程中進行。交易條款乃經本集團與交易方釐定及協定，而所有應付結餘亦按照交易條款支付。

(ii) 管理費乃就提供行政服務而支付予本集團若干附屬公司之非控制性股東之集團公司。交易條款乃由本集團與交易方釐定及協定，而所有應付結餘亦按照服務合約之條款支付。

### (b) 主要管理人員之薪酬

## SUPPLEMENTARY INFORMATION

### INTERIM DIVIDEND

The Board has resolved on 25 August 2010 to declare an interim dividend of HK6.0 cents (2009: HK3.0 cents) per ordinary share for the year ending 31 December 2010. The interim dividend will be payable on or before 28 September 2010 to shareholders whose names appear on the register of members of the Company at 4:00 p.m. on 15 September 2010.

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 13 September 2010 to 15 September 2010 (both days inclusive) during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates, must be lodged with the registrar of the Company in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong no later than 4:00 p.m. on 10 September 2010.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the six months ended 30 June 2010. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2010, the interests of each director and chief executive in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

Name of director	Nature of interest	Number of shares held	Long/short position	Percentage of the issued share capital of the Company
董事姓名	權益性質	所持股份數目	好倉/淡倉	佔本公司已發行股本百分比
Mr Chen Ying-Chieh 陳英杰先生	Corporate 公司	147,738,920 (Note) (附註)	Long 好倉	9.02

Note: Mr Chen Ying-Chieh has beneficial interest in 147,738,920 shares in the Company through Pushkin Holding Limited, a company incorporated in the British Virgin Islands, in which Mr Chen Ying-Chieh holds one-third of the equity interests.

## 補充資料

### 中期股息

董事會於二零一零年八月二十五日議決宣派截至二零一零年十二月三十一日止年度中期股息每股普通股6.0港仙(二零零九年: 3.0港仙)。中期股息將於二零一零年九月二十八日或之前派發予於二零一零年九月十五日下午四時正名列本公司股東名冊之股東。

### 暫停辦理股東登記手續

本公司將由二零一零年九月十三日至二零一零年九月十五日(首尾兩日包括在內)止期間暫停辦理股東登記手續, 期間概不會辦理股份過戶登記手續。為符合資格享有中期股息, 股東最遲須於二零一零年九月十日下午四時正前將所有過戶文件, 連同有關股票, 一併送交本公司之香港股份過戶登記處卓佳秘書商務有限公司, 地址為香港皇后大道東28號金鐘匯中心26樓。

### 購買、出售或贖回本公司股份

於截至二零一零年六月三十日止六個月內, 本公司並無贖回其任何股份, 且本公司或其任何附屬公司於期內亦無購買或出售本公司任何股份。

### 董事及主要行政人員於本公司股份及相關股份中之權益

於二零一零年六月三十日, 按本公司根據證券及期貨條例(「證券及期貨條例」)第352條之規定存置之登記冊所記錄, 董事及主要行政人員於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份及相關股份中擁有之權益或根據上市公司董事進行證券交易的標準守則(「標準守則」)已知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下:

附註: 陳英杰先生透過Pushkin Holding Limited擁有本公司147,738,920股股份之實益權益。Pushkin Holding Limited於英屬處女群島註冊成立, 由陳英杰先生持有三分之一股本權益。

In addition to the above, Mr Chen Hsien Min, the Managing Director of the Company, also holds non-voting deferred shares and nominee shares of certain subsidiaries solely for the purpose of ensuring that the relevant subsidiaries have more than one member.

Save as disclosed above and the section “Share option scheme”, as at 30 June 2010, none of the directors or chief executive, nor any of their associates (including their spouses and children under 18 years of age), had any interests in or had been granted, or exercised, any rights to subscribe for shares of the Company and its associated corporations required to be disclosed pursuant to the SFO.

At no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interests or short positions in shares or underlying shares in, or debentures of, the Company or its associated corporations.

#### **SUBSTANTIAL SHAREHOLDERS’ INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY**

The register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that as at 30 June 2010, the Company had been notified of the following substantial shareholders’ interests, being 5% or more of the Company’s issued share capital. These interests are in addition to those disclosed under the section “Directors’ and chief executives’ interests in shares and underlying shares of the Company”.

除上述者外，本公司董事總經理陳賢民先生亦僅就確保若干附屬公司有超過一名股東而持有有關附屬公司之無投票權遞延股份及代理人股份。

除上文及「購股權計劃」一節所披露者外，於二零一零年六月三十日，各董事或主要行政人員或彼等之任何聯繫人士（包括彼等之配偶及18歲以下之子女）概無擁有或獲授或行使可認購本公司及其相聯法團股份之任何權利而須根據證券及期貨條例作出披露。

於期內任何時間，本公司或其任何附屬公司均無參與任何安排致使本公司董事及主要行政人員（包括彼等之配偶及18歲以下之子女）於本公司或其相聯法團股份、相關股份或債券中持有任何權益或淡倉。

#### **主要股東於本公司股份及相關股份中之權益**

根據證券及期貨條例第XV部第336條本公司須予存置之主要股東登記冊所示，於二零一零年六月三十日，本公司已獲知會有以下主要股東擁有本公司已發行股本5%或以上之權益。此等權益是在「董事及主要行政人員於本公司股份及相關股份中之權益」一節外所披露之權益。

Name	Capacity	Number of shares held	Long/short position	Percentage of the issued share capital of the Company
名稱	身份	所持股份數目	好倉／淡倉	佔本公司已發行股本百分比
Lucky Earn International Limited	Beneficial interests 實益擁有人	400,719,995 (Note 1) (附註1)	Long 好倉	24.47
Premier China Ltd.	Beneficial interests 實益擁有人	298,510,572 (Note 2) (附註2)	Long 好倉	18.23
TPG Asia Advisors V, Inc	Interests of controlled corporation 受控公司之權益	298,510,572 (Note 2) (附註2)	Long 好倉	18.23
TPG Asia Genpar V, L.P.	Interests of controlled corporation 受控公司之權益	298,510,572 (Note 2) (附註2)	Long 好倉	18.23
TPG Asia V, L.P.	Interests of controlled corporation 受控公司之權益	298,510,572 (Note 2) (附註2)	Long 好倉	18.23
Mr David Bonderman David Bonderman先生	Interests of controlled corporation 受控公司之權益	298,510,572 (Note 2) (附註2)	Long 好倉	18.23
Mr James G. Coulter James G. Coulter先生	Interests of controlled corporation 受控公司之權益	298,510,572 (Note 2) (附註2)	Long 好倉	18.23
Top Glory Assets Limited	Beneficial interests 實益擁有人	200,846,895 (Note 3) (附註3)	Long 好倉	12.26
Ms Chen Yi-Chen 陳怡臻女士	Interests of controlled corporation 受控公司之權益	200,846,895 (Note 3) (附註3)	Long 好倉	12.26
Mr Chen Yi-Hsun 陳怡勳先生	Interests of controlled corporation 受控公司之權益	200,846,895 (Note 3) (附註3)	Long 好倉	12.26
Pushkin Holding Limited	Beneficial interests 實益擁有人	147,738,920 (Note 4) (附註4)	Long 好倉	9.02
Mr Chen Ying-Chieh 陳英杰先生	Interests of controlled corporation 受控公司之權益	147,738,920 (Note 4) (附註4)	Long 好倉	9.02
Mr Chen Ying-Tien 陳英典先生	Interests of controlled corporation 受控公司之權益	147,738,920 (Note 4) (附註4)	Long 好倉	9.02
Mr Chen Ying-Che 陳英哲先生	Interests of controlled corporation 受控公司之權益	147,738,920 (Note 4) (附註4)	Long 好倉	9.02

Notes:

1. Mr Chang Chih-Kai and Mr Chang Chih-Chiao, both Executive Directors of the Company, and their two sisters have beneficial interests of 26%, 26% and 24% each respectively in Lucky Earn International Limited, a company incorporated in the British Virgin Islands.
2. Premier China, Ltd. has subscribed for convertible bonds and warrants of the Company. Upon full conversions of the convertible bonds and full exercise of the warrants, an aggregate of 278,510,572 shares will be issued. Premier China, Ltd. is an indirect wholly-owned subsidiary of TPG Asia V, Inc., which is in turn owned as to 50% each by Mr David Bonderman and Mr James G. Coulter.
3. Ms Chen Yi-Chen ("Ms Chen") and Mr Chen Yi-Hsun ("Mr Chen") have beneficial interests of 50% each in Top Glory Assets Limited, a company incorporated in the British Virgin Islands. By virtue of the SFO, they are deemed to be interested in the 200,846,895 shares of the Company held by Top Glory Assets Limited. Ms Chen and Mr Chen are the children of Mr Chen Hsien Min, the Managing Director of the Company.
4. Mr Chen Ying-Chieh, the Chairman of the Company, and his two brothers, Mr Chen Ying-Tien and Mr Chen Ying-Che, each has one-third of the beneficial interests of Pushkin Holding Limited. By virtue of the SFO, they are deemed to be interested in the 147,738,920 shares of the Company held by Pushkin Holding Limited.

附註：

1. 本公司執行董事張智凱先生及張智喬先生與彼等兩名姊妹分別實益擁有在英屬處女群島註冊成立之Lucky Earn International Limited 26%、26%及24%權益。
2. Premier China, Ltd.已認購本公司可換股債券及認股權證。於可換股債券全面兌換及於認股權證全面行使時，將予發行合共278,510,572股股份。Premier China, Ltd.為TPG Asia V, Inc.之間接全資附屬公司，而TPG Asia V, Inc.則由David Bonderman先生及James G. Coulter先生各擁有50%。
3. 陳怡臻女士(「陳女士」)及陳怡勳先生(「陳先生」)各自實益擁有在英屬處女群島註冊成立之Top Glory Assets Limited 50%權益。根據證券及期貨條例，彼等被視為在Top Glory Assets Limited所持有之200,846,895股本公司股份中擁有權益。陳女士及陳先生為本公司董事總經理陳賢民先生之子女。
4. 本公司主席陳英杰先生及彼之兩名兄弟陳英典先生及陳英哲先生各自實益擁有Pushkin Holding Limited三分之一的權益。根據證券及期貨條例，彼等被視為在Pushkin Holding Limited所持有之147,738,920股本公司股份中擁有權益。

## SHARE OPTION SCHEME

The Company has adopted and amended its share option scheme (the "Share Option Scheme") on 29 May 2003 and 7 December 2009 respectively to provide incentives to the employees, including any executive and non-executive directors and officers of the Company and its subsidiaries, to contribute to the Group and to enable the Group to recruit high-calibre employees and attract and retain human resources that are valuable to the Group. Pursuant to the Share Option Scheme, the directors may, at their discretion, invite eligible participants including employees, executive and non-executive directors, officers, agents or consultants of the Group to take up share options to subscribe for the Company's shares subject to the terms and conditions stipulated therein. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for ten years.

The total number of shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme must not in aggregate exceed (i) 10% of the shares of the Company in issue on 17 June 2008, the date of approval from shareholders of the Company after the adoption of the Share Option Scheme on 29 May 2003; or (ii) 30% of the issued share capital of the Company from time to time. No share options may be granted under the Share Option Scheme if this will result in such limit exceeded unless another shareholders' approval is obtained. As at 30 June 2010, the number of shares available for issue, save for those granted but yet to be exercised, under the Share Option Scheme is 96,264,238, representing approximately 5.9% of the total number of shares of the Company in issue. The total number of shares of the Company issued and to be issued upon exercise of share options (whether exercised or outstanding) granted in any 12-month period to each participant must not exceed 1% of the shares of the Company in issue.

The exercise price must 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 date of grant; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of the shares.

The offer of a grant of share options may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

## 購股權計劃

本公司分別於二零零三年五月二十九日及二零零九年十二月七日採納及修訂購股權計劃（「購股權計劃」），以獎勵僱員（包括本公司及其附屬公司之任何執行及非執行董事及高級人員）為本集團作出貢獻，以及讓本集團得以招聘、吸納和留聘對本集團而言屬珍貴之優秀人力資源。根據購股權計劃，董事可酌情邀請合資格參與者（包括本集團之僱員、執行及非執行董事、高級人員、代理或顧問）接納購股權，遵照其所訂明之條款及條件認購本公司股份。除被註銷或修訂外，購股權計劃將於十年內有效。

根據購股權計劃將予授出之全部購股權獲行使時可予發行之股份總數，合共不得超過(i)於二零零八年六月十七日（即購股權計劃於二零零三年五月二十九日獲採納後，有關上限獲本公司股東批准之日期）本公司已發行股份之10%；或(ii)本公司不時之已發行股本之30%。如根據購股權計劃授出之購股權將會超出上述限額，則不得授出購股權，惟倘另外獲得股東批准則除外。於二零一零年六月三十日，除該等已授出但尚未行使之購股權外，根據購股權計劃可予發行之股份數目為96,264,238股，佔本公司已發行股份總數約5.9%。每名參與者在任何12個月期間內獲授之購股權（不論已行使或尚未行使）予以行使時已發行及將予發行之本公司股份總數，不得超過本公司已發行股份1%。

行使價不得低於下列最高者：(a)股份於授出日期在聯交所每日報價表所示之收市價；(b)股份在緊接授出日期前五個營業日在聯交所每日報價表所示之平均收市價；及(c)股份面值。

購股權要約可由承授人於要約日期起計28日內經支付合共1港元之象徵性代價後接納。

購股權並不賦予其持有人收取股息或於股東大會上投票之權利。

On 27 January 2010, 67,525,000 share options were granted under the Share Option Scheme to the executive directors and certain employees of the Group at an exercise price of HK\$6.19 per share as follows:

於二零一零年一月二十七日，根據購股權計劃向本集團執行董事及若干僱員授出67,525,000份購股權，行使價為每股6.19港元，詳情如下：

		Number of share options 購股權數目	Exercisable period 行使期
Executive directors 執行董事	Mr Chen Ying-Chieh 陳英杰先生	16,000,000	15% on each of the five anniversary dates from 27 January 2010 and 25% subject to performance targets to be determined 由二零一零年一月二十七日起計五個週年日每年可行使15%，其餘25%須視乎將予釐定之表現目標而定
	Mr Chen Hsien Min 陳賢民先生	12,000,000	
	Mr Chang Chih-Kai 張智凱先生	6,500,000	
	Mr Chang Chih-Chiao 張智喬先生	5,500,000	
Employees 僱員	Mr Chen Yi Hsun (An associate of Mr Chen Hsien Min) 陳怡勳先生 (陳賢民先生之 聯繫人士)	4,000,000	20% on each of the five anniversary dates from 27 January 2010 由二零一零年一月二十七日起計五個週年日每年可行使20%
	Ms Chang Wan Hsun (An associate of Mr Chang Chih-Kai and Mr Chang Chih-Chiao) 張婉絢女士 (張智凱先生及 張智喬先生之 聯繫人士)	4,000,000	
	Other employees 其他僱員	14,525,000	
	Other employees 其他僱員	5,000,000	

During the six months ended 30 June 2010, no share options were exercised, lapsed or cancelled under the Share Option Scheme.

於截至二零一零年六月三十日止六個月內，概無購股權根據購股權計劃被行使、失效或註銷。

Subsequent to 30 June 2010, the Company granted an aggregate of 2,100,000 share options on 22 July 2010 to at an exercise price of HK\$7.61 per share to certain employees under the Share Option Scheme. The share options will vest on each of the three anniversary dates from the date of grant.

於二零一零年六月三十日後，本公司根據購股權計劃於二零一零年七月二十二日向若干僱員授出合共2,100,000份購股權，行使價為每股7.61港元。購股權將於授出日期起計三個週年日每年歸屬。

**CORPORATE GOVERNANCE**

The Company has complied with the Code of Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the period.

**SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. Following specific enquiry by the Company, all directors confirmed that they fully complied with the required standard as set out in the Model Code during the six months ended 30 June 2010.

**AUDIT COMMITTEE**

The Audit Committee, comprises the three independent non-executive directors and one non-executive director of the Company, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters. The Group's unaudited condensed consolidated interim accounts have been reviewed and approved by the Audit Committee, who is of the opinion that such accounts comply with the applicable accounting standards, the Listing Rules and all legal requirements, and that adequate disclosures have been made.

**REMUNERATION COMMITTEE**

The Remuneration Committee comprises the three independent non-executive directors, one non-executive director and one executive director of the Company, is responsible for reviewing and evaluating the remuneration policies of the directors and the senior management and making recommendations to the Board from time to time.

**NOMINATION COMMITTEE**

The Nomination Committee comprises the three independent non-executive directors, one non-executive director and one executive director of the Company, is responsible for reviewing the structure, size and composition of the Board on a regular basis and make recommendations to the Board regarding any proposed changes.

On behalf of the Board

**Chen Ying-Chieh**

*Chairman*

Hong Kong, 25 August 2010

**企業管治**

本公司於期內一直遵守聯交所證券上市規則(「上市規則」)附錄十四所載企業管治常規守則(「守則」)之規定。

**董事進行之證券交易**

本公司已採納上市規則附錄十所載標準守則。本公司各董事在本公司作出特定查詢後確認，彼等於截至二零一零年六月三十日止六個月內一直遵守標準守則所載規定準則。

**審核委員會**

審核委員會由本公司三名獨立非執行董事及一名非執行董事組成，審核委員會已與管理層審閱本集團採納之會計原則及慣例，並商討有關審計、內部監控及財務報告等事宜，本集團之未經審核簡明綜合中期賬目已由審核委員會審閱及批准，委員會認為有關賬目已遵從適用之會計準則、上市規則及所有法列規定，並已作充分披露。

**薪酬委員會**

薪酬委員會由本公司三名獨立非執行董事、一名非執行董事及一名執行董事組成。薪酬委員會之職責為不時檢討及評估董事及高級管理人員之薪酬政策並向董事會提供意見。

**提名委員會**

提名委員會由本公司三名獨立非執行董事、一名非執行董事及一名執行董事組成。提名委員會之職責包括定期檢討董事會之架構、規模及組合，以及就任何建議變動向董事會提供意見。

代表董事會

**陳英杰**

*主席*

香港，二零一零年八月二十五日

**DAPHNE INTERNATIONAL HOLDINGS LIMITED**  
達 芙 妮 國 際 控 股 有 限 公 司\*

[www.daphneholdings.com](http://www.daphneholdings.com)