

INTERIM REPORT

2017中期報告

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

(Stock code)
(股票代號:210)

Contents

目錄

Corporate Information 公司資料	2
Financial and Operational Highlights 財務及經營摘要	4
Management Discussion and Analysis 管理層討論及分析	6
Condensed Consolidated Income Statement 簡明綜合收益表	15
Condensed Consolidated Statement of Comprehensive Income 簡明綜合全面收益表	16
Condensed Consolidated Balance Sheet 簡明綜合資產負債表	17
Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表	19
Condensed Consolidated Statement of Cash Flows 簡明綜合現金流量表	20
Notes to the Condensed Consolidated Interim Financial Statements 簡明綜合中期財務報表附註	21
Supplementary Information 補充資料	35

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive directors

Mr. Chang Chih-Kai (*Chairman & Chief Executive Officer*)

Mr. Chang Chih-Chiao

Mr. Chen Tommy Yi-Hsun

Non-executive director

Mr. Chen Ying-Chieh

Independent non-executive directors

Mr. Huang Shun-Tsai

Mr. Kuo Jung-Cheng

Mr. Lee Ted Tak Tai

AUDIT COMMITTEE

Mr. Lee Ted Tak Tai (*Chairman*)

Mr. Huang Shun-Tsai

Mr. Kuo Jung-Cheng

NOMINATION COMMITTEE

Mr. Huang Shun-Tsai (*Chairman*)

Mr. Chang Chih-Kai

Mr. Chen Ying-Chieh

Mr. Kuo Jung-Cheng

Mr. Lee Ted Tak Tai

REMUNERATION COMMITTEE

Mr. Kuo Jung-Cheng (*Chairman*)

Mr. Chang Chih-Kai

Mr. Chen Ying-Chieh

Mr. Huang Shun-Tsai

Mr. Lee Ted Tak Tai

COMPANY SECRETARY

Mr. Cheung Chun Hay

AUTHORISED REPRESENTATIVES

Mr. Chang Chih-Kai

Mr. Cheung Chun Hay

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

公司資料

董事會

執行董事

張智凱先生 (*主席兼行政總裁*)

張智喬先生

陳怡勳先生

非執行董事

陳英杰先生

獨立非執行董事

黃順財先生

郭榮振先生

李德泰先生

審核委員會

李德泰先生 (*主席*)

黃順財先生

郭榮振先生

提名委員會

黃順財先生 (*主席*)

張智凱先生

陳英杰先生

郭榮振先生

李德泰先生

薪酬委員會

郭榮振先生 (*主席*)

張智凱先生

陳英杰先生

黃順財先生

李德泰先生

公司秘書

張晉熙先生

授權代表

張智凱先生

張晉熙先生

註冊辦事處

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

17th Floor, Fung House
19-20 Connaught Road Central
Hong Kong
Telephone: (852) 2367 9021
Fax: (852) 2311 3170

香港主要營業地點

香港
干諾道中19-20號
馮氏大廈17樓
電話：(852) 2367 9021
傳真：(852) 2311 3170

OPERATIONAL HEADQUARTER

3908 Hu Qing Ping Road
Zhao Xiang Town
Qingpu District
Shanghai, China
Telephone: (86) 21 3976 2468
Fax: (86) 21 5975 2698

營運總部

中國上海
青浦區
趙巷鎮
滬青平公路3908號
電話：(86) 21 3976 2468
傳真：(86) 21 5975 2698

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

股份過戶登記處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心22樓

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

核數師

羅兵咸永道會計師事務所
執業會計師

PRINCIPAL BANKERS

Agricultural Bank of China
China Construction Bank
Hang Seng Bank
OCBC Wing Hang Bank
Bank of Tokyo-Mitsubishi UFJ
Taipei Fubon Commercial Bank

主要往來銀行

中國農業銀行
中國建設銀行
恒生銀行
華僑永亨銀行
三菱東京UFJ銀行
台北富邦商業銀行

CORPORATE WEBSITES

www.daphneholdings.com
www.daphne.com.cn

公司網址

www.daphneholdings.com
www.daphne.com.cn

INVESTOR RELATIONS

Email: ir@daphneholdings.com

投資者關係

電郵：ir@daphneholdings.com

FINANCIAL AND OPERATIONAL HIGHLIGHTS

財務及經營摘要

FINANCIAL PERFORMANCE

財務表現

		Six months ended 30 June 截至六月三十日止六個月		
		2017 二零一七年	2016 二零一六年	Change 變化
Turnover (HK\$' million)	營業額(百萬港元)	2,732.7	3,400.8	-19.6%
Gross profit (HK\$' million)	毛利(百萬港元)	1,522.0	1,884.2	-19.2%
Operating loss (HK\$' million)	經營虧損(百萬港元)	(205.2)	(249.5)	-17.7%
Loss attributable to shareholders (HK\$' million)	股東應佔虧損(百萬港元)	(209.5)	(163.6)	+28.0%
Gross margin (%)	毛利率(%)	55.7	55.4	+0.3ppt百分點
Operating margin (%)	經營盈利率(%)	-7.5	-7.3	-0.2ppt百分點
Net margin (%)	淨盈利率(%)	-7.7	-4.8	-2.9ppt百分點
Basic loss per share (HK cents)	每股基本虧損(港仙)	(12.7)	(9.9)	+28.3%

KEY FINANCIAL INDICATORS

主要財務指標

		Six months ended 30 June 截至六月三十日止六個月		
		2017 二零一七年	2016 二零一六年	Change 變化
Average inventory turnover (days) (Note 1)	平均存貨週轉期(日)(附註一)	200	232	-32
Average debtors turnover (days) (Note 2)	平均應收賬款週轉期(日)(附註二)	15	14	+1
Average creditors turnover (days) (Note 3)	平均應付賬款週轉期(日)(附註三)	138	124	+14
Cash conversion cycle (days) (Note 4)	現金循環天數(日)(附註四)	77	122	-45
Capital expenditure (HK\$' million) (Note 5)	資本開支(百萬港元)(附註五)	45.3	65.3	-30.6%

		As at 於		
		30 June 2017 二零一七年 六月三十日	31 December 2016 二零一六年 十二月三十一日	Change 變化
Cash and bank balances (HK\$' million) (Note 6)	現金及銀行結餘(百萬港元)(附註六)	850.2	989.5	-14.1%
Bank loans (HK\$' million)	銀行貸款(百萬港元)	242.8	296.7	-18.2%
Equity attributable to shareholders (HK\$' million)	股東應佔權益(百萬港元)	3,283.8	3,371.4	-2.6%
Current ratio (times) (Note 7)	資產流動比率(倍)(附註七)	2.7	2.4	+0.3
Net gearing ratio (%) (Note 8)	淨負債比率(%) (附註八)	Net cash 淨現金	Net cash 淨現金	N/A 不適用

Notes:

1. The calculation of average inventory turnover (days) is based on the average of opening and closing inventory balances divided by the cost of sales and multiplied by the number of days of the relevant period.
2. The calculation of average debtors turnover (days) is based on the average of opening and closing balances of trade receivables divided by the turnover and multiplied by the number of days of the relevant period.
3. The calculation of average creditors turnover (days) is based on the average of opening and closing balances of trade payables divided by the purchases and multiplied by the number of days of the relevant period.
4. The calculation of cash conversion cycle (days) is based on the average inventory turnover (days) plus average debtors turnover (days) minus average creditors turnover (days) of the relevant period.
5. Capital expenditure comprises acquisition of land use rights and property, plant and equipment.
6. Cash and bank balances comprise cash and cash equivalents, pledged bank deposits and bank deposit with maturity over three months.
7. The calculation of current ratio (times) is based on total current assets divided by total current liabilities as at the relevant period/year end.
8. The calculation of net gearing ratio (%) is based on net debt (being bank loans less cash and bank balances) divided by the equity attributable to shareholders as at the relevant period/year end.

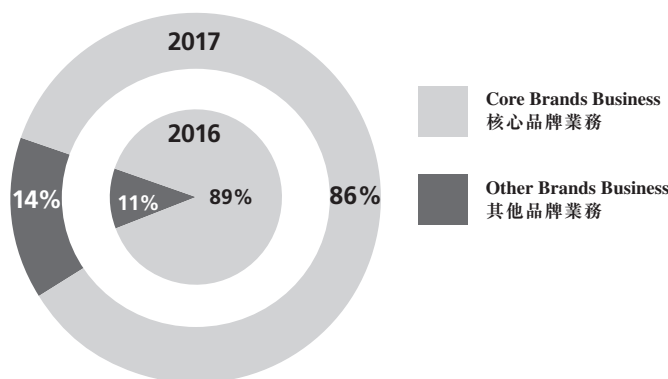
附註：

- 一、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。
- 二、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。
- 三、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。
- 四、現金循環天數(日)乃按有關期間之平均存貨週轉期(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。
- 五、資本開支包括購置土地使用權及物業、廠房及設備。
- 六、現金及銀行結餘包括現金及現金等價物、已抵押銀行存款及存款期超過三個月之銀行存款。
- 七、資產流動比率(倍)乃根據於有關期間/年度結束日之流動資產總額除以流動負債總額計算。
- 八、淨負債比率(%)乃根據於有關期間/年度結束日之負債淨額(即銀行貸款減現金及銀行結餘)除以股東應佔權益計算。

Turnover Analysis

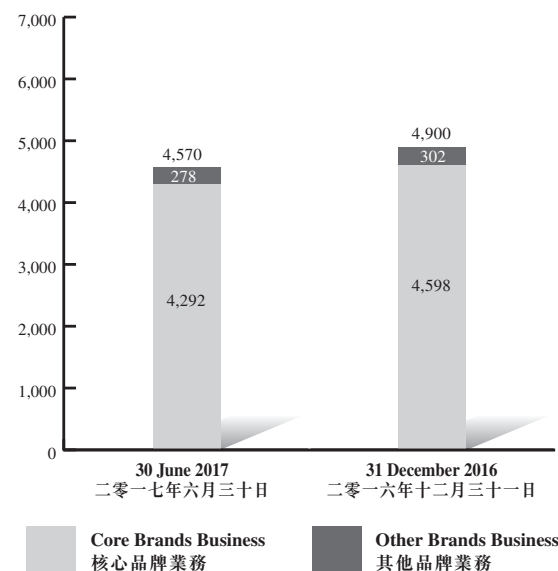
營業額分析

For the six months ended 30 June
截至六月三十日止六個月



Number of Points-of-Sale

銷售點數目



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Group Performance

For the six months ended 30 June 2017, the Group's turnover decreased by 19.6% to HK\$2,732.7 million (2016: HK\$3,400.8 million). The decrease was mainly attributable to a year-on-year decrease of 16.4% in the number of the Group's points-of-sale ("POS"), and decrease in same-store sales at its Core Brands Business. The Group's gross margin increased slightly to 55.7% (2016: 55.4%), although gross profit decreased to HK\$1,522.0 million (2016: HK\$1,884.2 million). Operating expenses decreased by 19.7% year-on-year, in line with the decrease in the Group's turnover. Operating loss decreased by 17.7% to HK\$205.2 million (2016: HK\$249.5 million). However, loss attributable to shareholders was HK\$209.5 million (2016: HK\$163.6 million) because no deferred tax asset would be recognised for certain temporary differences and tax losses when compared to those for the same period of 2016. Basic loss per share was HK12.7 cents compared to HK9.9 cents for the corresponding period in 2016. The board of directors did not recommend the payment of an interim dividend for the six months ended 30 June 2017 (2016: Nil).

During the first half of 2017, the Group's inventory turnover days were 200 days, down by 32 days compared to the same period last year. The inventory level was further reduced by 11.3% to HK\$1,254.7 million from HK\$1,414.5 million as at 31 December 2016. This was a result of the Group's prudent inventory management and its efforts in the clearance of aged products. The financial position of the Group remained solid with the net cash, being cash and bank balances less bank borrowings, at HK\$607.4 million as at 30 June 2017 (31 December 2016: HK\$692.8 million).

With a net closure of 330 POS during the period under review, the Group had a total number of 4,570 POS as at 30 June 2017.

Market Overview

China's gross domestic product (GDP) growth was 6.9% in the first half of 2017, slightly improved by 0.2 percentage point compared to 6.7% in the same period last year. The growth rate of China's total retail sales of consumer goods was 10.4% in the first half of 2017, up by 0.1 percentage point compared with that for the same period last year. However, the mass market for women's footwear was yet to see a consistent improving trend and remained to be intensely competitive. The Group's local peers seemed to be anxious and gave considerable markdowns even as early as the beginning of spring and summer seasons in 2017.

Although the inflation rate decelerated, operating costs such as the costs of labour and logistics continued their growth trend during the first half of 2017.

管理層討論及分析

業務回顧

集團表現

截至二零一七年六月三十日止六個月，本集團營業額減少19.6%至2,732.7百萬港元(二零一六年：3,400.8百萬港元)。這主要是由於本集團銷售點按年減少16.4%及其核心品牌業務同店銷售負增長。本集團毛利率輕微增加至55.7%(二零一六年：55.4%)，儘管毛利下降至1,522.0百萬港元(二零一六年：1,884.2百萬港元)。經營費用按年下降19.7%，與本集團營業額降幅相若。經營虧損收窄17.7%至205.2百萬港元(二零一六年：249.5百萬港元)。然而，相對二零一六年同期，由於沒有為若干暫時差額及稅項虧損確認遞延所得稅項資產，股東應佔虧損為209.5百萬港元(二零一六年：163.6百萬港元)。每股基本虧損為12.7港仙，對比二零一六年同期的9.9港仙。董事會不建議就截至二零一七年六月三十日止六個月派發中期股息(二零一六年：無)。

於二零一七年上半年，本集團存貨週轉天數為200天，與去年同期相比減少32天。存貨水平由二零一六年十二月三十一日的1,414.5百萬港元進一步下降11.3%至1,254.7百萬港元。這有賴本集團審慎的存貨管理並積極清理過季產品。本集團的財務狀況仍然穩健，於二零一七年六月三十日，淨現金(即現金及銀行結餘減去銀行貸款)為607.4百萬港元(二零一六年十二月三十一日：692.8百萬港元)。

本集團於回顧期內淨關閉330個銷售點，於二零一七年六月三十日，本集團擁有銷售點總數為4,570個。

市場概況

二零一七年上半年中國國內生產總值(GDP)為6.9%，較去年同期的6.7%輕微提升0.2百分點。二零一七年上半年，中國社會消費品零售總額增長為10.4%，較去年同期增加0.1百分點。然而，女鞋市場的大眾板塊尚未出現持續的改善趨勢，競爭仍然十分激烈。本集團的本地同業似乎十分憂慮，即使早在二零一七春夏季伊始，就已開始大幅降價。

儘管通脹率放緩，但二零一七年上半年的經營費用，例如人工及物流成本均繼續維持其上升趨勢。

Core Brands Business

The Group's Core Brands Business represents the retail business of footwear products and accessories under its own brands, "Daphne" and "Shoebox", in Mainland China.

The Group continued rationalisation of its stores in the soft market environment and had net closures of 306 POS under the Core Brands for the period under review. Therefore, its Core Brands Business had a total of 4,292 POS (comprising 3,987 directly-managed stores and 305 franchised stores) as at 30 June 2017, which meant a year-on-year reduction of 16.6% from 5,147 POS as at 30 June 2016.

Number of POS of Core Brands Business:

		At 30 June 2017 於二零一七年 六月三十日		At 31 December 2016 於二零一六年 十二月三十一日		Change 變化	
Directly-managed stores	直營店	3,987	93%	4,246	92%	-259	-6.1%
Franchised stores	加盟店	305	7%	352	8%	-47	-13.4%
Total	合計	4,292	100%	4,598	100%	-306	-6.7%

Number of POS of Core Brands Business by City Tier:

		At 30 June 2017 於二零一七年 六月三十日		At 31 December 2016 於二零一六年 十二月三十一日		Change 變化	
Tier 1	一線城市	448	10%	514	11%	-66	-12.8%
Tier 2	二線城市	1,062	25%	1,125	25%	-63	-5.6%
Tier 3	三線城市	817	19%	890	19%	-73	-8.2%
Tier 4-6	四至六線城市	1,965	46%	2,069	45%	-104	-5.0%
Total	合計	4,292	100%	4,598	100%	-306	-6.7%

Same-store sales performance was erratic during the first half of 2017 as it was affected by the macro environment factors, increasing competition and the Group's strategic decisions. The Group's adherence to its strategy for stable pricing for new products exerted immense pressure on its sales as the mass market of women's footwear in China was still very competitive and local peers stepped up its discounts much earlier and faster on their spring and summer products during the period under review.

核心品牌業務

本集團的核心品牌業務，指本集團於中國大陸銷售自有品牌「達芙妮」和「鞋櫃」的鞋類產品及配件之零售業務。

在疲弱的市場環境下，本集團繼續進行店舖整合，於回顧期內淨關閉306個核心品牌銷售點。因此，於二零一七年六月三十日，其核心品牌業務擁有4,292個銷售點，包括3,987家直營店及305家加盟店，銷售點數目由二零一六年六月三十日的5,147個按年減少16.6%。

核心品牌業務銷售點數目：

按城市級別的核心品牌業務銷售點數目：

受宏觀環境因素、加劇的市場競爭以及本集團的戰略決策所影響，二零一七年上半年，同店銷售表現較為波動。回顧期內，由於中國女鞋市場的大眾板塊競爭仍十分激烈，本地同業紛紛提前及加快開始其春夏產品的促銷打折，而本集團則緊守其穩定的新品定價策略，這對其銷售造成很大壓力。

Against this backdrop, the Group's Core Brands turnover decreased by 20.8% to HK\$2,465.1 million (2016: HK\$3,113.6 million), as a result of a year-on-year decrease of 16.6% in Core Brands POS from 5,147 as at 30 June 2016 to 4,292 as at 30 June 2017, and negative same-store sales growth. While the average selling price was comparable to that for the same period last year, the decline in sales at Core Brands was mostly driven by the decrease in sales volume. The segment revenue from external customers accounted for 86% of the Group's total revenue during the six months ended 30 June 2017 (2016: 89%).

The Group continued its efforts in clearance of aged inventory. Its negative effect on the gross margin more than offset the positive impact brought by its adherence to stable pricing strategy for new products during the period under review. This led to a small decrease in gross margin of the Core Brands Business from 53.0% to 52.5% during the period under review.

The Group managed to narrow its operating loss at the Core Brands Business to HK\$191.1 million (2016: HK\$236.4 million) for the period under review, although its operating margin decreased to -7.8% (2016: -7.6%) as a result of the decrease in sales and gross profit, as well as the negative operating leverage.

The Group made concrete plans for its brand revamp and devoted time and resources to preparations and groundwork during the period under review to ensure smooth implementation later. The Group carried out its brand revamp initiatives since the second quarter of the year as planned, including the opening of its first new image store for Daphne in June this year. As the Group made crossover projects a core part of its brand marketing, it formulated a comprehensive marketing programme to launch the fall and winter collections through its first crossover project with a hip and cool fashion brand "Opening Ceremony" from the United States. Soft marketing on social media has commenced since June while its launch of shoes into the market would be in early autumn of the year.

Leveraging its online stores and social media platforms, the Group revitalised and enriched its customer relations management programme including its customer loyalty programme, in order to improve its connection with customers, drive repeat business, and expand the customer base.

Other Brands Business

The Group's Other Brands Business mainly consists of its e-commerce business and the operations of mid- to high-end brands (including the Group's own brands, and brands under exclusive distributionships such as "AEE", "STEP HIGHER", "AEROSOLE" and "ALDO", in Mainland China, Hong Kong and Taiwan). The Other Brands Business segment accounted for approximately 14% (2016: 11%) of the Group's total revenue during the period under review.

在此背景下，由於核心品牌銷售點由二零一六年六月三十日的5,147個減少至二零一七年六月三十日的4,292個，按年減少16.6%以及同店銷售負增長，本集團核心品牌業務營業額減少20.8%至2,465.1百萬港元（二零一六年：3,113.6百萬港元）。因為平均售價與去年同期大致相若，所以核心品牌銷售下降主要受銷售數量減少所帶動。截至二零一七年六月三十日止六個月，分部對外客戶收益佔本集團總營業額約86%（二零一六年：89%）。

由於本集團繼續清理過季存貨，其於回顧期內對毛利率的負面影響遠抵銷了本集團堅守新品定價策略所帶來的正面影響，故於回顧期內，核心品牌業務毛利率由53.0%微降至52.5%。

於回顧期內，本集團成功將其核心品牌業務經營虧損收窄至191.1百萬港元（二零一六年：236.4百萬港元），但受到銷售和毛利下跌，以及負面經營槓桿的影響，其經營盈利率率下降至-7.8%（二零一六年：-7.6%）。

本集團為其品牌革新制定了具體計劃，並於回顧期內投入時間及資源進行準備及前期工作，以保證日後的執行順暢。本集團按計劃自今年第二季度開始實施其品牌革新的舉措，其中包括於本年六月開設第一家全新形象的達芙妮店舖。作為其品牌營銷的核心部分，本集團把重點放在跨界合作項目上，並為其與美國潮流時尚品牌「Opening Ceremony」首個跨界合作項目的秋冬系列上市制定了全面的營銷活動計劃。於社交媒體上的軟銷活動已於六月啟動，儘管其鞋類產品將於二零一七年初秋時分才正式推出。

藉其網上商店及社交媒體平台，本集團活化並加強其顧客關係計劃，其中包括顧客忠誠度計劃，這將增加本集團與顧客的聯繫，吸引顧客多次購買，並擴大顧客基礎。

其他品牌業務

本集團之其他品牌業務主要包括其電商業務及中高檔品牌的業務（包括於中國大陸、香港和台灣的本集團自有品牌及擁有獨家經銷權的品牌，例如「愛意」、「STEP HIGHER」、「愛柔仕」及「ALDO」等）。其他品牌業務分部於回顧期內佔本集團總營業額約14%（二零一六年：11%）。

Turnover of the Other Brands Business decreased slightly to HK\$380.9 million (2016: HK\$388.8 million), as the turnover growth of its e-commerce business could not offset the decrease in the revenue from the mid- to high-end brands portfolio and others which resulted from a year-on-year net decrease of 12.3% in the POS from 317 as at 30 June 2016 to 278 as at 30 June 2017. However, overall gross margin of the Other Brands Business increased by 1.4 percentage point to 58.3% mainly due to the increased proportion of new products in the sales mix. Benefiting from the increased contribution of the Group's e-commerce unit, the Other Brands Business saw its operating margin improve and its operating profit increased to HK\$4.1 million (2016: HK\$1.7 million).

The sales network for the Group's mid- to high-end brands portfolio had a net closure of 24 POS during the period under review from 302 as at 31 December 2016 to 278 as at 30 June 2017. This contributed to a decrease in the turnover of mid- to high-end brands portfolio for the period under review.

The Group's e-commerce business continued to record sales growth and remained profitable for the period under review. Therefore, its contribution to the Group's revenue continued to increase. In addition to the facelift given to its virtual stores at online shopping sites to align with the new brand images, the Group also increased the intensity of its online marketing and promotional activities. The Group continued to develop its online-to-offline ("O2O") solution to achieve shorter delivery time of products, share inventory between online and offline stores, and bring more convenience to both online and offline customers including an official launch of store pickup service at the Group's selected stores for customers who have placed orders online.

FINANCIAL REVIEW

Analysis of Results by Business Segment

For the six months ended 30 June 2017, the Group recorded turnover of HK\$2,732.7 million, a decrease of 19.6% compared to the corresponding period last year. The business performance of individual segments for the period under review is summarised as follows:

由於中高檔品牌組合及其他業務的銷售點由二零一六年六月三十日的317個減少至二零一七年六月三十日的278個，按年淨減少12.3%，而電商營業額的增長未能抵銷中高檔品牌組合及其他的收入下跌，因此其他品牌業務營業額輕微減少至380.9百萬港元（二零一六年：388.8百萬港元）。然而，其他品牌業務整體毛利率增加1.4百分點至58.3%，主要因為新品在銷售組合中佔比增加。受惠於本集團電商分部貢獻增加，其他品牌業務經營盈利率有所改善，其經營盈利增加至4.1百萬港元（二零一六年：1.7百萬港元）。

於回顧期內，本集團的中高檔品牌組合淨關閉24個銷售點，由二零一六年十二月三十一日的302個減少至二零一七年六月三十日的278個。這使回顧期內中高檔品牌組合之營業額下跌。

回顧期內，本集團的電商業務繼續保持銷售增長，並維持盈利。因此，其對本集團營業額的貢獻繼續增加。除了更新於購物網站的網店的面貌，以配合全新的品牌形象外，本集團亦加強其線上營銷及推廣活動的力度。本集團繼續開發其線上至線下（「O2O」）解決方案，以縮短產品發貨時間，讓線上及線下商店共享存貨，及為線上及線下顧客帶來更多便利，包括正式推出門店自提服務，網上訂單可在本集團指定門店自助提貨。

財務回顧

業務分部業績分析

截至二零一七年六月三十日止六個月，本集團錄得營業額為2,732.7百萬港元，較去年同期下降19.6%。各分部於回顧期內業務表現載列如下：

(HK\$ million 百萬港元)		Core Brands Business		Other Brands Business		Manufacturing Business	
		核心品牌業務		其他品牌業務		製造業務	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
Revenue from external customers	對外客戶收益	2,351.8	3,009.9	380.9	388.8	-	2.1
Inter-segment revenue	分部間收益	113.3	103.7	-	-	85.1	108.1
Total segment revenue	分部收益總額	2,465.1	3,113.6	380.9	388.8	85.1	110.2
Segment gross profit	分部毛利	1,294.9	1,649.7	222.0	221.2	5.2	5.9
Segment gross margin	分部毛利率	52.5%	53.0%	58.3%	56.9%	6.1%	5.4%
Segment operating (loss)/profit	分部經營(虧損)/盈利	(191.1)	(236.4)	4.1	1.7	0.2	0.8
Segment operating margin	分部經營盈利率	-7.8%	-7.6%	1.1%	0.4%	0.2%	0.7%

During the first half of 2017, total revenue of the Core Brands Business decreased by 20.8% to HK\$2,465.1 million from HK\$3,113.6 million for the corresponding period in 2016. It is mainly due to the closure of stores and decline in the same-store sales. The gross margin of the Core Brands Business also declined slightly from 53.0% to 52.5% during the period under review as result of the product mix.

Revenue of Other Brands Business remained much the same as last year amounting to HK\$380.9 million (2016: HK\$388.8 million) for the period under review. However, the gross margin increased from 56.9% to 58.3% for the first half of 2017 mainly due to increase in selling price and product mix. With the steady growth and contribution from e-commerce business in this business segment, it recorded an improved operating profit of HK\$4.1 million (2016: HK\$1.7 million) for the period under review.

Other Income

Other income decreased by HK\$23.7 million to HK\$24.7 million (2016: HK\$48.4 million) mainly attributable to the one-off income derived from a television programme amounting to HK\$25.8 million in the corresponding period last year.

Operating Expenses

The Group's operating expenses (including other gains/(losses) – net, selling & distribution and general & administrative expenses) dropped by HK\$430.2 million or 19.7%, from HK\$2,182.1 million to HK\$1,751.9 million during the period under review. The drop was generally in line with the decrease in sales and number of stores as well as the lack of the non-recurring production cost of the television programme amounting to HK\$62.1 million in the corresponding period last year.

Operating Loss

As a result of the above, the Group recorded an operating loss amounting to HK\$205.2 million, narrowed by HK\$44.3 million or improved by 17.7% as compared to the loss of HK\$249.5 million in the corresponding period last year. Operating margin remained at -7.5% (2016: -7.3%) similar to the same period last year.

Income Tax (Expense)/Credit

For the period ended 30 June 2017, the Group's income tax expense was HK\$2.4 million, compared to an income tax credit of HK\$83.7 million for the same period last year because no deferred tax assets were recognised for certain timing differences and tax losses during the period under review.

Loss Attributable to Shareholders

Due to the income tax effect, the Group's loss attributable to shareholders increased by HK\$45.9 million to HK\$209.5 million (2016: HK\$163.6 million). Basic loss per share was HK12.7 cents (2016: HK9.9 cents) during the period under review.

二零一七年上半年，核心品牌業務收益總額由二零一六年同期的3,113.6百萬港元減少20.8%至2,465.1百萬港元。這主要是由關閉店舖及同店銷售下降所導致。受產品組合影響，回顧期內核心品牌業務毛利率亦由53.0%輕微下降至52.5%。

回顧期內，其他品牌業務收益與去年基本大致相若，為380.9百萬港元（二零一六年：388.8百萬港元）。然而，二零一七年上半年，毛利率由56.9%增加至58.3%，這主要受銷售價格增加及產品組合影響。受此業務分部的電商業務平穩增長及貢獻，經營盈利於回顧期內錄得改善，提高至4.1百萬港元（二零一六年：1.7百萬港元）。

其他收入

其他收入減少23.7百萬港元至24.7百萬港元（二零一六年：48.4百萬港元），主要由於去年同期有25.8百萬港元一次性電視節目收入所引致。

經營費用

回顧期內，本集團之經營費用（包括其他收益／（虧損）－淨額、銷售及分銷開支以及一般及行政開支）由2,182.1百萬港元減少430.2百萬港元或19.7%至1,751.9百萬港元。經營費用之下跌基本上與銷售及店舖數目跌幅一致，以及沒有去年同期共62.1百萬港元的非經常性電視節目製作成本。

經營虧損

基於以上結果，本集團之經營虧損錄205.2百萬港元，較去年同期的249.5百萬港元收窄44.3百萬港元或改善17.7%。經營盈利率與去年同期相若，維持-7.5%（二零一六年：-7.3%）。

所得稅（開支）／抵免

截至二零一七年六月三十日止期間，本集團之所得稅開支為2.4百萬港元，而去年同期則為83.7百萬港元的所得稅抵免，此乃由於於回顧期內沒有為某些時間性差額及稅務虧損確認遞延稅項資產。

股東應佔虧損

基於所得稅之影響，本集團股東應佔虧損增加45.9百萬港元至209.5百萬港元（二零一六年：163.6百萬港元）。回顧期內，每股基本虧損為12.7港仙（二零一六年：9.9港仙）。

Inventories

As at 30 June 2017, the Group's inventories decreased by HK\$159.8 million or 11.3%, from HK\$1,414.5 million to HK\$1,254.7 million. Average inventory turnover was 200 days (2016: 232 days) during the period under review. Included in the inventories, the balance of provision for slow-moving and obsolete items was HK\$506.3 million (31 December 2016: HK\$527.0 million).

Trade Receivables

The amount of trade receivables as at 30 June 2017 increased by HK\$44.4 million or 21.3% to HK\$252.5 million (31 December 2016: HK\$208.1 million) mainly due to more credit sales from department stores and shopping malls. As a result, the average debtors turnover also slightly increased from 14 days to 15 days during the period under review.

Trade Payables

On the other hand, the Group's trade payables decreased by HK\$165.2 million or 20.5%, from HK\$807.0 million to HK\$641.8 million while its average creditors turnover increased by 14 days, from 124 days to 138 days during the period under review. This is mainly attributable to the stringent measures on working capital management.

Liquidity and Financial Resources

The Group maintains a stable and healthy balance sheet. As at 30 June 2017, the Group had equity attributable to shareholders totalling HK\$3,283.8 million (31 December 2016: HK\$3,371.4 million). Cash and bank balances, comprising cash and cash equivalents, pledged bank deposits and bank deposit with maturity over three months, amounted to HK\$850.2 million (31 December 2016: HK\$989.5 million), which were denominated mainly in Renminbi.

As at 30 June 2017, the Group's short-term bank loans were HK\$242.8 million (31 December 2016: HK\$296.7 million). The bank loans were denominated mainly in United States dollar and at floating rates during the period under review. As at 30 June 2017, the Group was granted with banking facilities amounting to HK\$417.8 million (31 December 2016: HK\$320.5 million). Certain of these banking facilities were secured by pledged bank deposits amounting to HK\$175.0 million (31 December 2016: Nil).

存貨

於二零一七年六月三十日，本集團存貨由1,414.5百萬港元減少159.8百萬港元或11.3%至1,254.7百萬港元。回顧期內，平均存貨週轉期為200日（二零一六年：232日）。包括於存貨中的滯銷及過時存貨撥備餘額為506.3百萬港元（二零一六年十二月三十一日：527.0百萬港元）。

貿易應收賬款

於二零一七年六月三十日之貿易應收賬款增加44.4百萬港元或21.3%至252.5百萬港元（二零一六年十二月三十一日：208.1百萬港元），這主要由於有較多百貨公司及商場的賒銷。因此，於回顧期內，平均應收賬款週轉期由14日輕微增加至15日。

貿易應付賬款

另一方面，於回顧期內，本集團之貿易應付賬款由807.0百萬港元減少165.2百萬港元或20.5%至641.8百萬港元，而平均應付賬款週轉期則由124日增加14日至138日，這主要由於嚴謹的流動資金管理措施。

流動資金及財政資源

本集團維持穩健的財務狀況。於二零一七年六月三十日，本集團之股東應佔權益共有3,283.8百萬港元（二零一六年十二月三十一日：3,371.4百萬港元）。現金及銀行結餘（包括現金及現金等價物、已抵押銀行存款及存款期超過三個月之銀行存款）為850.2百萬港元（二零一六年十二月三十一日：989.5百萬港元），主要以人民幣為結算單位。

於二零一七年六月三十日，本集團之短期銀行貸款為242.8百萬港元（二零一六年十二月三十一日：296.7百萬港元）。回顧期內，銀行貸款主要以美元為結算單位及按浮動利率計息。於二零一七年六月三十日，本集團獲授之銀行融資額度為417.8百萬港元（二零一六年十二月三十一日：320.5百萬港元）。若干銀行融資額度由已抵押銀行存款175.0百萬港元作擔保（二零一六年十二月三十一日：無）。

The net decrease in cash and bank balances of HK\$139.3 million (2016: HK\$483.4 million) is analysed as follows:

現金及銀行結餘淨減少139.3百萬港元(二零一六年: 483.4百萬港元)的分析如下:

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$' million 百萬港元	2016 二零一六年 HK\$' million 百萬港元
Net cash used in operating activities	經營活動所用的現金淨額	(69.8)	(104.3)
Capital expenditure	資本開支	(45.3)	(65.3)
Net dividend paid	已付股息淨額	-	(0.5)
Net interest received	已收利息淨額	7.9	3.4
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之收款	0.9	5.0
Net bank loans repaid	銀行貸款償還淨額	(53.9)	(316.2)
Effect of foreign exchange rate changes	外匯兌換率變動之影響	20.9	(5.5)
		(139.3)	(483.4)

During the first half of 2017, the Group's interest income on bank balances and deposits was HK\$11.4 million (2016: HK\$6.8 million) while finance costs on short-term bank loans amounted to HK\$3.5 million (2016: HK\$3.4 million).

於二零一七年上半年,本集團銀行結餘及存款之利息收入為11.4百萬港元(二零一六年: 6.8百萬港元),短期銀行貸款之財務成本為3.5百萬港元(二零一六年: 3.4百萬港元)。

The Group's current ratio was 2.7 times as at 30 June 2017 (31 December 2016: 2.4 times). The management considered that the Group has sufficient resources currently to support expansion and development of its business in future.

於二零一七年六月三十日,本集團之資產流動比率為2.7倍(二零一六年十二月三十一日: 2.4倍)。管理層認為本集團現時持有足夠資源以支持其業務之未來擴充及發展所需。

As at 30 June 2017, the Group's net gearing, calculated on the basis of net debt (being bank loans less cash and bank balances) over equity attributable to shareholders, was in a net cash (31 December 2016: net cash) position.

於二零一七年六月三十日,本集團之淨負債比率(根據負債淨額(即銀行貸款減現金及銀行結餘)除以股東應佔權益計算)為淨現金(二零一六年十二月三十一日: 淨現金)狀況。

Foreign Exchange Risk Management

Management closely monitors the market situation and may consider tools to manage foreign exchange risk whenever necessary. During the six months ended 30 June 2017 and 2016, the Group entered into forward foreign exchange contracts to hedge the foreign exchange risk exposure on bank loans denominated in United States dollar. The notional principal amount of the outstanding forward foreign exchange contract to sell RMB for USD as at 30 June 2017 was HK\$155.0 million (31 December 2016: HK\$294.5 million).

匯率風險管理

管理層將密切注視市場情況,如有需要時,會考慮利用適當措施調控外匯風險。於截至二零一七年及二零一六年六月三十日止六個月,本集團訂立遠期外匯合約對沖以美元計值之銀行貸款所產生的外匯風險。於二零一七年六月三十日,尚未行使之以人民幣兌換美元之遠期外匯合約之名義本金金額為155.0百萬港元(二零一六年十二月三十一日: 294.5百萬港元)。

Pledge of Assets

As at 30 June 2017, the Group's pledged bank deposits amounting to HK\$175.0 million (31 December 2016: Nil) were pledged for certain banking facilities.

資產抵押

於二零一七年六月三十日,本集團就若干銀行融資額度而抵押之已抵押銀行存款為175.0百萬港元(二零一六年十二月三十一日: 無)。

Capital Expenditure

During the interim period, the Group incurred capital expenditure of HK\$45.3 million (2016: HK\$65.3 million) mainly for retail network expansion and renovation.

資本開支

於中期報告期間,本集團的資本開支為45.3百萬港元(二零一六年: 65.3百萬港元),主要用於擴展及裝修分銷網絡。

Contingent Liabilities

As at 30 June 2017 and 31 December 2016, the Group had no significant contingent liabilities.

或然負債

於二零一七年六月三十日及二零一六年十二月三十一日,本集團並無任何重大或然負債。

Human Resources

As at 30 June 2017, the Group had a workforce of about 14,000 (31 December 2016: 15,000) people predominantly in Mainland China, Taiwan and Hong Kong. Employee benefits expense, including directors' emoluments, retirement benefit costs and share-based payment expense, for the period under review was HK\$406.8 million (2016: HK\$445.1 million). The decrease was mainly due to the reduction in headcount.

The Group values its human resources and recognises the importance of retaining high calibre employees. Remuneration packages are generally structured with reference to market conditions and terms as well as individual qualifications. In addition, share options, share appreciation rights and discretionary bonuses are granted to eligible employees based on the performance of the Group and of the individual employee. The Group also provides mandatory provident fund schemes, medical insurance schemes, staff purchase discounts and training programmes to employees.

AWARDS

Even though there were some new entrants in the Top 15 ranking of the "China Brand Power Index 2017" (Women's Shoes category), an independent annual survey conducted by Chnbrand, Daphne retained its number one position in the ranking for the seventh consecutive year. It also won the "Golden Award" by Chnbrand for more than five years in a row. These awards reflected the strong awareness of the Daphne brand in Mainland China. "Chnbrand" is an institution funded by the Chinese Government's Ministry of Industry and Information Technology, and reputed to be one of the most credible brand rating organisations in China. By interviewing 15,885 consumers in 35 cities across the country, the survey examined brand awareness and customer loyalty and classified the findings by industry and type of products.

Besides, the Group was nominated for the "Best IR Company (Small Cap category)" in the "Investor Relations Awards 2017" organised by the Hong Kong Investor Relations Association in recognition of its efforts to ensure good corporate governance and investor relations.

OUTLOOK

As the Group endeavours in various aspects of its operation to achieve a thorough brand revamp, the year 2017 is likely to mark a significant stage of the Group's transition.

The Group is committed to its plan for business transformation which features a comprehensive brand revamp together with product upgrade. Some measures may take some time to prepare for full implementation and then to yield results. The Group is ready to undertake challenges it may face during the implementation process.

The design and production of the fall and winter collections in 2017 by the energised design team is well under way. Although the upgrading of product design would be intended to be gradual to ensure a smooth transition, the Group believes that the new elements added to the upcoming product portfolio should bring a refreshing look to its fall and winter products. The initial customer response to the announcement of the crossover project by the Group and "Opening Ceremony" has been encouraging. The Group expects that the respective launches of its autumn and winter collections will add impetus to the Daphne brand.

人力資源

於二零一七年六月三十日，本集團於中國大陸、台灣及香港之僱員人數約為14,000人(二零一六年十二月三十一日：15,000人)。回顧期內，僱員福利開支(包括董事酬金、退休福利開支及以股份為基礎之款項開支)為406.8百萬港元(二零一六年：445.1百萬港元)，減少主要由於人數減少。

本集團一向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個人資歷而定。此外，本集團根據本集團及員工個人之表現向合資格員工授予購股權、股份增值權及酌情花紅。本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。

獎項

儘管在《2017年中國品牌力指數》(女鞋類別)排名前十五的榜單中有一些新品牌出現，達芙妮仍然連續第七年位居榜首。這是「中國企業品牌研究中心」每年主辦的獨立調查。達芙妮並因連續五年以上蟬聯第一而繼續獲得「黃金品牌」的榮譽。這些獎項反映了達芙妮品牌在中國大陸強大的品牌知名度。「中國企業品牌研究中心」由中國政府的工業和資訊化部門資助，並被譽為中國最具公信力的品牌評價機構之一。通過訪問全國35個城市合共15,885名消費者，這項調查對各行各業的品牌進行品牌知名度和顧客忠誠度評審。

此外，本集團在香港投資者關係協會所舉辦的「2017投資者關係大獎」中的「最佳投資者關係公司—小型股類別」獎項獲得提名，可見其在確保良好企業管治及投資者關係上的努力。

展望

本集團正在各方面努力實施全方位的品牌革新，所以二零一七年將會是本集團轉型的重要過渡期。

本集團致力於大型革新計劃，其中包括全面品牌重塑及產品升級。有些措施可能需要一段時間才能全面實施，然後取得成果。本集團已做好充足準備，以應對執行過程中可能出現的各項挑戰。

由升級後的設計團隊所負責的二零一七年秋冬季產品的設計及生產進展順利。儘管產品設計的升級須要逐步推進，以確保過渡順暢，本集團相信，在即將推出的產品組合中所加入的新元素應可為其秋冬產品帶來新面貌。顧客對於本集團公佈與「Opening Ceremony」跨界合作的初步反饋令人鼓舞。本集團相信其秋冬系列的上市將為達芙妮品牌帶來新動力。

Also, the Group initiated organisational restructuring in late June to facilitate more effective and consistent brand management, and more direct and efficient internal communication to support the business transformation. The Group expects that this move will enhance the shopping experience and sales efficiency at its stores in the medium and long term.

Other than the efforts to enhance the brand equity and products, the Group continues to optimise its store network and channel mix amid the intense competition in the mass market for women's shoes. Besides, the Group is planning a roll-out of Daphne's new-image stores in coming months. The Group also strives to foster the growth of its e-commerce business by stepping up its online and offline customer engagement via its online stores and social media platforms. It will continue with its omni-channel solution by taking more O2O initiatives while leveraging its vast offline presence.

Although this year will only see the beginning of the Group's efforts for its massive brand revamp and taking new initiatives in business transformation, the progress made in the past eight months made the Group confident that it is heading in the right direction. The Group's determination to succeed in its strategic business transformation is unwavering.

Looking ahead, although the competition in the mass market for women's footwear may remain intense, the dedicated and visionary management team will continue to execute its strategic brand development and business transformation steadily. The team endeavours to develop the Group into a thriving business that can achieve healthy growth and deliver sustainable financial performance in long run.

此外，本集團於六月底啟動組織架構重組，以促進更有效且一致的品牌管理，以及更直接且高效的內部溝通以支持業務轉型。本集團相信此舉動將在中長期內提升購物體驗及店舖的銷售效益。

除了積極提升品牌實力及產品外，本集團在大眾女鞋市場的激烈競爭中，繼續優化其店舖網絡及渠道組合。此外，本集團正打算於未來數月內推出達芙妮的新形象店舖。本集團亦力求通過其網上商店及社交媒體平台，加強其與線上及線下顧客的互動，促進電商業務的發展。本集團將採取更多O2O的措施，同時充分利用其線下的廣泛店舖網絡，繼續發展其全渠道方案。

雖然今年只會看到本集團進行大規模的品牌革新以及採取新措施推進業務改革的初步努力，但過去八個月的進展使本集團有信心正朝著正確的方向前進。本集團對於要成功達成其戰略性業務改革的決心是堅定不移的。

展望未來，儘管大眾女鞋市場的競爭仍可能十分激烈，但行事專注且賦有遠見的管理團隊將繼續堅定而耐心地執行其戰略性品牌發展及業務改革計劃，不遺餘力地將本集團發展成為蓬勃茁壯的業務，長遠而言可以實現健康增長，並交出可持續的財務表現。

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2017

簡明綜合收益表

截至二零一七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	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		Note 附註	
Turnover	營業額	6	2,732,707
Cost of sales	銷售成本		(1,210,702)
Gross profit	毛利		1,522,005
Other income	其他收入	7	24,660
Other gains/(losses) – net	其他收益／(虧損) – 淨額	8	754
Selling and distribution expenses	銷售及分銷開支		(1,587,829)
General and administrative expenses	一般及行政開支		(164,832)
Operating loss	經營虧損	9	(205,242)
Finance costs	財務成本	10	(3,506)
Share of results of associates and joint ventures	應佔聯營公司及合營企業之業績		(29)
Loss before income tax	除所得稅前虧損		(208,777)
Income tax (expense)/credit	所得稅(開支)／抵免	11	(2,433)
Loss for the period	期內虧損		(211,210)
Attributable to:	以下各方應佔：		
Shareholders	股東		(209,463)
Non-controlling interests	非控制性權益		(1,747)
			(211,210)
Loss per share, basic and diluted (HK cents)	每股基本及攤薄虧損(港仙)	12	(12.7)

The notes on pages 21 to 34 are an integral part of these condensed consolidated interim financial statements.

第21至34頁之附註為本簡明綜合中期財務報表之組成部份。

**CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE
INCOME**

FOR THE SIX MONTHS ENDED 30 JUNE 2017

簡明綜合全面收益表

截至二零一七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	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss for the period	期內虧損	(211,210)	(169,949)
Other comprehensive income/(loss)	其他全面收益／(虧損)		
Item that may be reclassified subsequently to profit or loss:	可於其後重新分類至損益之項目：		
Currency translation differences	匯兌差額	1,040	289
Revaluation of available-for-sale financial asset	重估可出售金融資產	3,744	-
Item that will not be reclassified subsequently to profit or loss:	不可於其後重新分類至損益之項目：		
Currency translation differences	匯兌差額	116,404	(94,391)
Total comprehensive loss for the period	期內全面虧損總額	(90,022)	(264,051)
Attributable to:	以下各方應佔：		
Shareholders	股東	(91,763)	(255,451)
Non-controlling interests	非控制性權益	1,741	(8,600)
		(90,022)	(264,051)

The notes on pages 21 to 34 are an integral part of these condensed consolidated interim financial statements.

第21至34頁之附註為本簡明綜合中期財務報表之組成部份。

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2017

簡明綜合資產負債表

於二零一七年六月三十日

		Note	Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
		附註		
Non-current assets	非流動資產			
Intangible assets	無形資產	14	20,681	20,641
Land use rights	土地使用權	15	71,945	72,567
Property, plant and equipment	物業、廠房及設備	16	863,979	902,112
Investment properties	投資物業	17	52,033	51,520
Interests in associates	於聯營公司之權益		1,799	1,801
Interests in joint ventures	於合營企業之權益		374	353
Available-for-sale financial asset	可出售金融資產		4,055	–
Long-term rental deposits and prepayments	長期租金按金及預付款項		85,851	91,385
Deferred income tax assets	遞延所得稅項資產		340,674	329,216
			1,441,391	1,469,595
Current assets	流動資產			
Inventories	存貨		1,254,707	1,414,500
Trade receivables	貿易應收賬款	18	252,539	208,118
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	19	901,628	955,786
Derivative financial instruments	衍生金融工具	20	–	15,662
Pledged bank deposits	已抵押銀行存款		174,965	–
Bank deposit with maturity over three months	存款期超過三個月之銀行存款		–	16,721
Cash and cash equivalents	現金及現金等價物		675,237	972,769
			3,259,076	3,583,556
Current liabilities	流動負債			
Trade payables	貿易應付賬款	21	641,840	807,034
Other payables and accrued charges	其他應付賬款及應計費用		329,599	370,166
Derivative financial instrument	衍生金融工具	20	916	–
Current income tax liabilities	即期所得稅負債		13,944	16,478
Bank loans	銀行貸款		242,807	296,694
			1,229,106	1,490,372
Net current assets	流動資產淨值		2,029,970	2,093,184
Total assets less current liabilities	總資產減流動負債		3,471,361	3,562,779

			Unaudited 未經審核 30 June 二零一七年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
		Note 附註		
Equity attributable to shareholders	股東應佔權益			
Share capital	股本	22	164,914	164,914
Reserves	儲備	23	3,118,874	3,206,484
			3,283,788	3,371,398
Non-controlling interests	非控制性權益		162,393	160,652
Total equity	總權益		3,446,181	3,532,050
Non-current liabilities	非流動負債			
Deferred income tax liabilities	遞延所得稅項負債		25,180	30,729
Total equity and non-current liabilities	總權益及非流動負債		3,471,361	3,562,779

Approved by the board of directors on 29 August 2017

已獲董事會於二零一七年八月二十九日批准

CHANG CHIH-KAI

張智凱

Director

董事

CHEN TOMMY YI-HSUN

陳怡勳

Director

董事

The notes on pages 21 to 34 are an integral part of these condensed consolidated interim financial statements.

第21至34頁之附註為本簡明綜合中期財務報表之組成部份。

**CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY**
FOR THE SIX MONTHS ENDED 30 JUNE 2017

簡明綜合權益變動表

截至二零一七年六月三十日止六個月

		Unaudited 未經審核			
		Attributable to shareholders 股東應佔			
		Share capital 股本 HK\$'000 千港元	Reserves 儲備 HK\$'000 千港元	Non- controlling interests 非控制性權益 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	164,914	3,206,484	160,652	3,532,050
Loss for the period	期內虧損	-	(209,463)	(1,747)	(211,210)
Revaluation of available-for-sale financial asset	重估可出售金融資產		3,744	-	3,744
Currency translation differences	匯兌差額	-	113,956	3,488	117,444
Total comprehensive loss	全面虧損總額	-	(91,763)	1,741	(90,022)
Share option scheme: Value of grantee services	購股權計劃： 承授人服務價值	-	4,153	-	4,153
Total transactions with shareholders	與股東交易總額	-	4,153	-	4,153
At 30 June 2017	於二零一七年六月三十日	164,914	3,118,874	162,393	3,446,181
At 1 January 2016	於二零一六年一月一日	164,914	4,297,701	186,511	4,649,126
Loss for the period	期內虧損	-	(163,596)	(6,353)	(169,949)
Currency translation differences	匯兌差額	-	(91,855)	(2,247)	(94,102)
Total comprehensive loss	全面虧損總額	-	(255,451)	(8,600)	(264,051)
Dividends	股息	-	-	(474)	(474)
Share option scheme: Value of grantee services	購股權計劃： 承授人服務價值	-	593	-	593
Total transactions with shareholders	與股東交易總額	-	593	(474)	119
At 30 June 2016	於二零一六年六月三十日	164,914	4,042,843	177,437	4,385,194

The notes on pages 21 to 34 are an integral part of these condensed consolidated interim financial statements.

第21至34頁之附註為本簡明綜合中期財務報表之組成部份。

**CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS**
FOR THE SIX MONTHS ENDED 30 JUNE 2017

簡明綜合現金流量表

截至二零一七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	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Operating activities	經營活動		
Cash used in operations	營運所用之現金	(57,784)	(84,547)
Income tax paid	已付所得稅	(12,053)	(19,730)
Net cash used in operating activities	經營活動所用之現金淨額	(69,837)	(104,277)
Investing activities	投資活動		
Acquisition of land use rights and property, plant and equipment	購置土地使用權及物業、廠房及設備	(45,284)	(65,266)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之收款	909	4,982
(Increase)/decrease in pledged bank deposits	已抵押銀行存款(增加)/減少	(174,965)	2,338
Interest received	已收利息	11,429	6,778
Decrease/(increase) in bank deposit with maturity over three months	存款期超過三個月之銀行存款減少/(增加)	17,286	(17,535)
Net cash used in investing activities	投資活動所用之現金淨額	(190,625)	(68,703)
Financing activities	融資活動		
Interest paid	已付利息	(3,506)	(3,393)
Proceeds from bank loans	銀行貸款之收款	156,007	284,551
Repayment of bank loans	償還銀行貸款	(209,894)	(600,792)
Dividends paid to non-controlling interests	已付非控制性權益股息	-	(474)
Net cash used in financing activities	融資活動所用之現金淨額	(57,393)	(320,108)
Decrease in cash and cash equivalents	現金及現金等價物減少	(317,855)	(493,088)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	972,769	1,072,401
Effect of foreign exchange rate changes	外匯兌換率變動之影響	20,323	(5,462)
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	675,237	573,851
Analysis of balances of cash and cash equivalents:	現金及現金等價物結餘分析：		
Bank balances and cash	銀行結餘及現金	516,365	512,323
Deposits with banks within three months of maturity	存款期為三個月以內之銀行存款	158,872	61,528
		675,237	573,851

The notes on pages 21 to 34 are an integral part of these condensed consolidated interim financial statements.

第21至34頁之附註為本簡明綜合中期財務報表之組成部份。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

1 GENERAL INFORMATION

Daphne International Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in the manufacturing, distribution and retailing of footwear and accessories in Mainland China.

The Company was incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

These condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

These condensed consolidated interim financial statements for the six months ended 30 June 2017 are unaudited and have been reviewed by the audit committee of the Company and approved for issue by the board of directors on 29 August 2017.

2 BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six months ended 30 June 2017 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and it should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

3 PRINCIPAL ACCOUNTING POLICIES

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs that are mandatorily effective for the financial year ending 31 December 2017. The application of the amendments to HKFRSs in the current interim period has had no material impact on the results and financial position of the Group.

HKAS 7 (Amendment)	Statement of Cash Flows
HKAS 12 (Amendment)	Income Taxes
HKFRS 12 (Amendment)	Disclosure of Interest in Other Entities

Save as described above, the accounting policies applied in the condensed consolidated interim financial statements for the six months ended 30 June 2017 are consistent with those of the annual financial statements for the year ended 31 December 2016, as described in those annual financial statements.

1 一般資料

達芙妮國際控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）主要於中國大陸從事製造、分銷及零售鞋類產品及配件業務。

本公司為於開曼群島註冊成立之有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

除另有訂明外，本簡明綜合中期財務報表以港元（「港元」）列值。

此截至二零一七年六月三十日止六個月之簡明綜合中期財務報表為未經審核，惟已由本公司審核委員會審閱，並已於二零一七年八月二十九日經董事會批准發佈。

2 編製基準

此截至二零一七年六月三十日止六個月之簡明綜合中期財務報表乃遵照香港會計師公會頒佈之香港會計準則第34號「中期財務報告」之規定編製，並應與截至二零一六年十二月三十一日止年度之年度財務報表一併閱讀，而該年度財務報表乃根據香港財務報告準則（「香港財務報告準則」）編製。

3 主要會計政策

於本中期報告期間，本集團已首次應用以下截至二零一七年十二月三十一日止財務年度強制生效之香港財務報告準則之修訂。於本中期報告期間採納該等香港財務報告準則之修訂對本集團之業績及財務狀況並無造成重大影響。

香港會計準則第7號（修訂本）	現金流量表
香港會計準則第12號（修訂本）	所得稅
香港財務報告準則第12號（修訂本）	於其他實體的權益之披露

除上文所述外，編製此截至二零一七年六月三十日止六個月之簡明綜合中期財務報表所用之會計政策與截至二零一六年十二月三十一日止年度之年度財務報表所用者一致，如該年度財務報表中所述。

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The following new standards, new interpretations and amendments to standards have been issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after	於下列日期或之 後開始的會計 期間生效
HKAS 28 (Amendment)	Investment in Associates and Joint Ventures	1 January 2018	香港會計準則第28號(修訂本) 於聯營公司及合營企業之投資 二零一八年一月一日
HKAS 40 (Amendment)	Investment Property	1 January 2018	香港會計準則第40號(修訂本) 投資物業 二零一八年一月一日
HKFRS 1 (Amendment)	First Time Adoption of HKFRS	1 January 2018	香港財務報告準則第1號(修訂本) 首次採納香港財務報告準則 二零一八年一月一日
HKFRS 2 (Amendment)	Share-based Payment	1 January 2018	香港財務報告準則第2號(修訂本) 以股份為基礎的付款 二零一八年一月一日
HKFRS 4 (Amendment)	Insurance Contracts	1 January 2018	香港財務報告準則第4號(修訂本) 保險合約 二零一八年一月一日
HKFRS 9	Financial Instruments	1 January 2018 ⁽ⁱ⁾	香港財務報告準則第9號 金融工具 二零一八年一月一日 ⁽ⁱ⁾
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date to be determined	香港財務報告準則第10號及香港會計準則第28號(修訂本) 投資者與其聯營公司或合營企業之間資產銷售或投入 有效日期有待確定
HKFRS 15	Revenue from Contracts with Customers	1 January 2018 ⁽ⁱⁱ⁾	香港財務報告準則第15號 客戶合約收益 二零一八年一月一日 ⁽ⁱⁱ⁾
HKFRS 16	Leases	1 January 2019 ⁽ⁱⁱⁱ⁾	香港財務報告準則第16號 租賃 二零一九年一月一日 ⁽ⁱⁱⁱ⁾
HK (IFRIC) 22	Foreign Currency Transactions and Advance Consideration	1 January 2018	香港(國際財務報告詮釋委員會)詮釋第22號 外幣交易及預付代價 二零一八年一月一日

Notes:

(i) HKFRS 9 “Financial Instruments”

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets because a fair value through other comprehensive income (“FVOCI”) election is available for the equity instrument which is currently classified as available-for-sale and the Group does not have the following financial assets:

- Debt instruments that are classified as available-for-sale financial assets;
- Debt instruments classified as held-to-maturity and measured at amortised cost;
- Equity investment measured at fair value through profit or loss.

There will be no impact on the Group’s accounting for financial liabilities, as the new requirements only affect the accounting for non-derivative financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 “Financial Instruments: Recognition and Measurement” and have not been changed.

3 主要會計政策(續)

以下為已頒佈但於二零一七年一月一日開始的財務年度尚未生效及本集團尚未提前採納的新準則、新詮釋及準則修訂：

		Effective for accounting periods beginning on or after	於下列日期或之 後開始的會計 期間生效
香港會計準則第28號(修訂本)	於聯營公司及合營企業之投資	二零一八年一月一日	香港會計準則第28號(修訂本) 於聯營公司及合營企業之投資 二零一八年一月一日
香港會計準則第40號(修訂本)	投資物業	二零一八年一月一日	香港會計準則第40號(修訂本) 投資物業 二零一八年一月一日
香港財務報告準則第1號(修訂本)	首次採納香港財務報告準則	二零一八年一月一日	香港財務報告準則第1號(修訂本) 首次採納香港財務報告準則 二零一八年一月一日
香港財務報告準則第2號(修訂本)	以股份為基礎的付款	二零一八年一月一日	香港財務報告準則第2號(修訂本) 以股份為基礎的付款 二零一八年一月一日
香港財務報告準則第4號(修訂本)	保險合約	二零一八年一月一日	香港財務報告準則第4號(修訂本) 保險合約 二零一八年一月一日
香港財務報告準則第9號	金融工具	二零一八年一月一日 ⁽ⁱ⁾	香港財務報告準則第9號 金融工具 二零一八年一月一日 ⁽ⁱ⁾
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間資產銷售或投入	有效日期有待確定	香港財務報告準則第10號及香港會計準則第28號(修訂本) 投資者與其聯營公司或合營企業之間資產銷售或投入 有效日期有待確定
香港財務報告準則第15號	客戶合約收益	二零一八年一月一日 ⁽ⁱⁱ⁾	香港財務報告準則第15號 客戶合約收益 二零一八年一月一日 ⁽ⁱⁱ⁾
香港財務報告準則第16號	租賃	二零一九年一月一日 ⁽ⁱⁱⁱ⁾	香港財務報告準則第16號 租賃 二零一九年一月一日 ⁽ⁱⁱⁱ⁾
香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及預付代價	二零一八年一月一日	香港(國際財務報告詮釋委員會)詮釋第22號 外幣交易及預付代價 二零一八年一月一日

附註：

(i) 香港財務報告準則第9號「金融工具」

此新準則處理財務資產及財務負債的分類、計量及終止確認，並引入對沖會計的新規則及新的財務資產減值模式。

本集團預期新指引不會對其財務資產的分類及計量產生重大影響，因為目前分類為可出售之股本工具可選擇按公平價值計入其他全面收益（「按公平價值計入其他全面收益」），以及本集團並無以下金融資產：

- 分類為可出售財務資產之債務工具；
- 分類為持有至到期及按攤銷成本計量之債務工具；
- 按公平價值透過損益計量之股本投資。

因該項新規定只影響指定按公平價值透過損益列賬的非衍生財務負債的會計處理，而本集團並無有關負債，所以該項新規定對本集團財務負債之會計處理並無影響。終止確認規則已自香港會計準則第39號「金融工具：確認及計量」轉移，且並無任何變動。

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(i) HKFRS 9 “Financial Instruments” (continued)

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 “Revenue from Contracts with Customers”, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group’s disclosures about its financial instruments particularly in the year of the adoption of the new standard.

(ii) HKFRS 15 “Revenue from Contracts with Customers”

This new standard will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Group is currently assessing the impact of adopting HKFRS 15 on the Group’s consolidated financial statements, by identifying the separate performance obligations in the contracts with customers and allocating the transactions price, if applicable, which could affect the timing of the revenue recognition. The directors of the Company is currently in the process of evaluating the full impact of HKFRS 15 on the Group’s consolidated financial statements.

(iii) HKFRS 16 “Leases”

HKFRS 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for Group’s operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$1,240,041,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group’s profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

3 主要會計政策(續)

(i) 香港財務報告準則第9號「金融工具」(續)

新減值模式要求按預期信貸虧損，而非香港會計準則第39號項下僅以已產生的信貸虧損確認減值撥備。其適用於按攤銷成本分類之財務資產、按公平價值計入其他全面收益之債務工具、香港財務報告準則第15號「客戶合約收益」項下之合約資產、租賃應收賬款、貸款承擔及若干財務擔保合約。儘管本集團仍未對新模式對減值撥備產生的影響進行詳細評估，但其可能導致提早確認信貸虧損。

新準則亦引入延伸的披露規定及呈列方式變動。該等規定及呈列方式預期將改變本集團有關其金融工具披露的性質及程度，尤其是在採納新準則的年度。

(ii) 香港財務報告準則第15號「客戶合約收益」

該新準則將取代香港會計準則第18號(涵蓋貨品及服務合約)及香港會計準則第11號(涵蓋建築合約)。該新準則乃根據當貨品或服務之控制權轉讓予客戶時方確認收益之原則。該準則准許採納時全面追溯或經修改的追溯方法。

本集團現正通過確定與客戶的合約中的單獨履行義務及分配可能影響收益確認時間之交易價格(如適用)，以評估採納香港財務報告準則第15號後對本集團綜合財務報表之影響。本公司董事目前正在評估香港財務報告準則第15號對本集團綜合財務報表之全部影響。

(iii) 香港財務報告準則第16號「租賃」

由於對經營租賃和融資租賃的劃分已經刪除，香港財務報告準則第16號將會導致幾乎所有租賃須在資產負債表內確認。根據新準則，資產(租賃項目的使用權)和支付租金的財務負債須確認入賬。豁免僅適用於短期和低價值租賃。

出租人的會計處理將不會有重大變動。

此準則會主要影響本集團經營租賃的會計處理。於報告日期，本集團有不可撤銷的經營租賃承擔為1,240,041,000港元。然而，本集團尚未確定該等承擔將導致資產和負債就未來付款確認的程度，以及將如何影響本集團的盈利和現金流的分類。

短期及低價值租賃的豁免可能會涵蓋部分承擔，而某些承擔則可能與香港財務報告準則第16號中不符合租賃條件的安排有關。

該準則於二零一九年一月一日或之後開始的年度報告期間內首個中期期間強制生效。於現階段，本集團不擬於其生效日期前採納該準則。

4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign exchange risk, cash flow and fair value interest rate risk, credit risk and liquidity risk. These condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

There has been no material change in the Group's risk management and policies since 31 December 2016.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

6 SEGMENT INFORMATION

The Group is principally engaged in the manufacturing, distribution and retailing of footwear and accessories.

The chief operating decision-maker ("CODM") has been identified as the executive directors. The CODM assesses the performance of the business from a business unit perspective, i.e. core brands business, other brands business and manufacturing business and allocate resources accordingly.

The CODM assesses the performance of the operating segments based on a measure of segment results before finance costs, amortisation of intangible assets and unallocated corporate income and expenses. Certain corporate overhead expenses, including management fee, rental and utilities were reallocated among individual segments based on estimated consumption.

Revenue from external customers is arrived at after elimination of inter-segment revenue. Inter-segment revenue is charged in accordance with terms determined and agreed mutually by relevant parties. Revenue from external customers of core brands business and other brands business is mainly derived from Mainland China, Taiwan and Hong Kong. None of the customers accounted for 10% or more of the total turnover of the Group during both six months ended 30 June 2017 and 2016.

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

4 財務風險管理

本集團業務面對多項財務風險：外匯風險、現金流量及公允價值利率風險、信貸風險及流動資金風險。此簡明綜合中期財務報表並未包括年度財務報表所需之所有財務風險管理資料及披露，並應與本集團於二零一六年十二月三十一日之年度財務報表一併閱讀。

自二零一六年十二月三十一日以來，本集團之風險管理及政策並無重大變動。

5 重要會計估計及判斷

編製簡明綜合中期財務報表要求管理層對影響會計政策的應用和所報告資產和負債以及收支的數額作出判斷、估計和假設。實際結果或會與此等估計不同。

於編製此簡明綜合中期財務報表時，管理層於應用本集團會計政策時作出之重大判斷以及估計不確定因素之主要來源，與截至二零一六年十二月三十一日止年度綜合財務報表所應用者相同。

6 分部資料

本集團主要從事製造、分銷及零售鞋類產品及配件業務。

已認定執行董事為主要經營決策者（「主要經營決策者」）。主要經營決策者按業務分部評核業務表現，即核心品牌業務、其他品牌業務及製造業務，並將資源作相應分配。

主要經營決策者根據分部業績（未計入財務成本、無形資產攤銷和未分配企業收入及開支）之計量，評核經營分部之業務表現。若干企業經常開支（包括管理費、租金及水電開支）乃根據估計使用量於各分部間重新分配。

對外客戶收益乃於抵銷分部間收益後達成。分部間之收益乃按經雙方釐定及同意之條款支取。核心品牌業務及其他品牌業務之對外客戶收益主要來自中國大陸、台灣及香港。於截至二零一七年及二零一六年六月三十日止六個月期間，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（遞延所得稅項資產除外）主要位於中國大陸。

6 SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the Group's revenue and results by reportable segments as reviewed by the CODM:

6 分部資料(續)

以下為由主要經營決策者審閱之本集團按可申報分部之收益及業績分析：

		Core brands business 核心品牌業務 HK\$'000 千港元	Other brands business 其他品牌業務 HK\$'000 千港元	Manufacturing business 製造業務 HK\$'000 千港元	Inter-segment elimination 分部間對銷 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
Six months ended 30 June 2017 (Unaudited)	二零一七年六月三十日止六個月(未經審核)					
Revenue from external customers	對外客戶收益	2,351,816	380,891	-	-	2,732,707
Inter-segment revenue	分部間收益	113,319	-	85,053	(198,372)	-
Total segment revenue	總分部收益	2,465,135	380,891	85,053	(198,372)	2,732,707
Segment results	分部業績	(191,126)	4,138	189	-	(186,799)
Amortisation of intangible assets	無形資產攤銷					(145)
Corporate income	企業收入					4,540
Corporate expenses	企業開支					(22,838)
Operating loss	經營虧損					(205,242)
Finance costs	財務成本					(3,506)
Share of results of associates and joint ventures	應佔聯營公司及合營企業之業績					(29)
Loss before income tax	除所得稅前虧損					(208,777)
Other information for disclosure:	其他披露資料：					
Amortisation of intangible assets	無形資產攤銷	-	145	-	-	145
Amortisation of land use rights	土地使用權攤銷	968	-	105	-	1,073
Depreciation of property, plant and equipment	物業、廠房及設備折舊	86,012	4,181	4,001	-	94,194
Impairment of property, plant and equipment	物業、廠房及設備減值	1,647	-	-	-	1,647
Capital expenditure	資本開支	41,443	2,123	1,718	-	45,284
Six months ended 30 June 2016 (Unaudited)	二零一六年六月三十日止六個月(未經審核)					
Revenue from external customers	對外客戶收益	3,009,931	388,849	2,065	-	3,400,845
Inter-segment revenue	分部間收益	103,637	-	108,151	(211,788)	-
Total segment revenue	總分部收益	3,113,568	388,849	110,216	(211,788)	3,400,845
Segment results	分部業績	(236,356)	1,660	770	7,402	(226,524)
Amortisation of intangible assets	無形資產攤銷					(2,248)
Corporate income	企業收入					1,165
Corporate expenses	企業開支					(21,853)
Operating loss	經營虧損					(249,460)
Finance costs	財務成本					(3,393)
Share of results of associates and joint ventures	應佔聯營公司及合營企業之業績					(797)
Loss before income tax	除所得稅前虧損					(253,650)
Other information for disclosure:	其他披露資料：					
Amortisation of intangible assets	無形資產攤銷	-	2,248	-	-	2,248
Amortisation of land use rights	土地使用權攤銷	565	-	584	-	1,149
Depreciation of property, plant and equipment	物業、廠房及設備折舊	122,654	3,800	11,011	-	137,465
Impairment of property, plant and equipment	物業、廠房及設備減值	3,035	-	-	-	3,035
Capital expenditure	資本開支	54,519	5,937	4,810	-	65,266

6 SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the Group's assets and liabilities by reportable segments as reviewed by the CODM:

6 分部資料 (續)

以下為由主要經營決策者審閱之本集團按可申報分部之資產及負債分析：

		Core brands business 核心品牌業務 HK\$'000 千港元	Other brands business 其他品牌業務 HK\$'000 千港元	Manufacturing business 製造業務 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
As at 30 June 2017 (Unaudited)	於二零一七年六月三十日 (未經審核)				
Segment assets	分部資產	3,788,000	219,461	115,657	4,123,118
Goodwill	商譽	15,079	-	-	15,079
Other intangible assets	其他無形資產	-	5,602	-	5,602
		3,803,079	225,063	115,657	4,143,799
Interests in associates	於聯營公司之權益				1,799
Interests in joint ventures	於合營企業之權益				374
Investment properties	投資物業				52,033
Available-for-sale financial asset	可出售金融資產				4,055
Deferred income tax assets	遞延所得稅項資產				340,674
Corporate assets	企業資產				157,733
Total assets	總資產				4,700,467
Segment liabilities	分部負債	808,513	115,952	37,873	962,338
Deferred income tax liabilities	遞延所得稅項負債				25,180
Derivative financial instrument	衍生金融工具				916
Corporate liabilities	企業負債				265,852
Total liabilities	總負債				1,254,286
As at 31 December 2016 (Audited)	於二零一六年十二月三十一日 (經審核)				
Segment assets	分部資產	4,179,288	249,985	100,685	4,529,958
Goodwill	商譽	15,079	-	-	15,079
Other intangible assets	其他無形資產	-	5,562	-	5,562
		4,194,367	255,547	100,685	4,550,599
Interests in associates	於聯營公司之權益				1,801
Interests in joint ventures	於合營企業之權益				353
Investment properties	投資物業				51,520
Deferred income tax assets	遞延所得稅項資產				329,216
Derivative financial instruments	衍生金融工具				15,662
Corporate assets	企業資產				104,000
Total assets	總資產				5,053,151
Segment liabilities	分部負債	960,352	143,085	33,629	1,137,066
Deferred income tax liabilities	遞延所得稅項負債				30,729
Corporate liabilities	企業負債				353,306
Total liabilities	總負債				1,521,101

7 OTHER INCOME

7 其他收入

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Franchise and royalty income	特許權及專營權收入	1,285	2,913
Government subsidies	政府補貼	460	3,314
Gross rental income	租金收入總額	5,081	733
Income derived from television programme	電視節目收入	-	25,792
Interest income	利息收入	11,429	6,778
Sale of derivative intellectual property rights	出售衍生知識產權	-	3,123
Others	其他	6,405	5,766
		24,660	48,419

8 OTHER GAINS/(LOSSES) – NET

8 其他收益/(虧損) – 淨額

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Fair value loss on derivative financial instruments	衍生金融工具之公平價值虧損	(14,321)	(5,377)
Gain on disposal of subsidiaries	出售附屬公司收益	3,841	-
Impairment of property, plant and equipment	物業、廠房及設備減值	(1,647)	(3,035)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(986)	(9,101)
Net exchange gain/(loss)	匯兌收益/(虧損)淨額	13,867	(3,207)
		754	(20,720)

9 OPERATING LOSS

Operating loss is stated after charging the following:

9 經營虧損

經營虧損已扣除下列各項：

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Amortisation of land use rights	土地使用權攤銷	1,073	1,149
Amortisation of license rights	特許使用權攤銷	145	1,079
Amortisation of trademarks	商標攤銷	-	1,169
Auditors' remuneration	核數師酬金	2,780	2,944
Cost of inventories sold, including write-back of provision for slow-moving inventories of HK\$37,084,000 (2016: HK\$44,974,000)	售出存貨成本(包括滯銷存貨撥備撥回37,084,000港元(二零一六年: 44,974,000港元))	1,157,684	1,461,117
Depreciation of property, plant and equipment	物業、廠房及設備折舊	94,194	137,465
Depreciation of investment properties	投資物業折舊	1,205	-
Employee benefits expense	僱員福利開支	406,750	445,081
Operating lease rentals (including concessionaire fees) in respect of land and buildings	土地及樓宇之經營租賃租金(包括商場特許銷售費)	827,818	1,026,478
Production cost of a television programme	電視節目製作成本	-	62,055

10 FINANCE COSTS

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest on bank loans	銀行貸款利息	3,506	3,393

11 INCOME TAX (EXPENSE)/CREDIT

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current income tax	即期所得稅稅項	(9,258)	(897)
Under provision in prior years	過往年度撥備不足	(596)	(81)
Deferred income tax	遞延所得稅稅項	7,421	84,679
		(2,433)	83,701

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated weighted average tax rate used for the six months ended 30 June 2017 is 24% (2016: 27%).

The application rate of Hong Kong profits tax is 16.5% (2016: 16.5%). No provision for Hong Kong profits tax has made as the Group does not have any assessable profit arising in Hong Kong during the six months ended 30 June 2017 and 2016.

Provision for China corporate income tax is calculated based on statutory tax rate of 25% (2016: 25%) on the assessable income of each of the Group's entities.

Income tax on overseas (other than Hong Kong and Mainland China) profits has been calculated on the estimated assessable profits for the period at the applicable rates of income tax prevailing in the places where the Group operates.

Pursuant to the China corporate income tax laws, 10% withholding tax is levied on all foreign investors, except that only 5% is levied for foreign investors which are incorporated in Hong Kong, in respect of dividend distributions arising from a foreign investment enterprise's profit earned after 31 December 2007.

Pursuant to the China corporate income tax laws, withholding tax at a reduced rate of 7% (2016: 7%) by treaty is applied to the Group's entities incorporated in Hong Kong for royalties received or receivable net with value-added tax. During the six months ended 30 June 2017, withholding tax rate of 7.5% (2016: 7.5%) is applied to management fee received or receivable from a Group's entity with tax jurisdiction in Mainland China.

12 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to shareholders of HK\$209,463,000 (2016: HK\$163,596,000) by the weighted average number of 1,649,142,384 (2016: 1,649,142,384) shares in issue during the six months ended 30 June 2017.

For the six months ended 30 June 2017 and 2016, basic and diluted loss per share are the same as there was no dilutive potential share.

10 財務成本

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest on bank loans	銀行貸款利息	3,506	3,393

11 所得稅(開支)/抵免

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current income tax	即期所得稅稅項	(9,258)	(897)
Under provision in prior years	過往年度撥備不足	(596)	(81)
Deferred income tax	遞延所得稅稅項	7,421	84,679
		(2,433)	83,701

所得稅開支根據管理層對整個財務年度預期之加權平均年度所得稅稅率之估計確認。截至二零一七年六月三十日止六個月之估計加權平均稅率為24% (二零一六年：27%)。

香港利得稅適用稅率為16.5% (二零一六年：16.5%)。由於本集團於截至二零一七年及二零一六年六月三十日止六個月內並無於香港產生任何應課稅盈利，故並無就香港利得稅作出撥備。

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% (二零一六年：25%) 計算撥備。

海外(香港及中國大陸以外地區)盈利之所得稅乃就期內之估計應課稅盈利按本集團經營所在地之現行適用所得稅稅率計算。

根據中國企業所得稅法，所有海外投資者須就外資企業於二零零七年十二月三十一日後所賺取盈利之股息分派，繳納10%之預扣稅，惟於香港註冊成立之海外投資者則僅須繳納5%之預扣稅。

根據中國企業所得稅法，本集團於香港註冊成立之實體，須就已扣除增值稅之已收或應收專營權費按經條約寬減之7% (二零一六年：7%) 稅率繳納預扣稅。於截至二零一七年六月三十日止六個月，就來自本集團於中國大陸徵稅司法權區實體之已收或應收管理費用須繳納7.5% (二零一六年：7.5%) 之預扣稅。

12 每股虧損

每股基本虧損乃根據截至二零一七年六月三十日止六個月之股東應佔虧損209,463,000港元 (二零一六年：163,596,000港元) 除以已發行股份之加權平均數1,649,142,384 (二零一六年：1,649,142,384) 股計算。

截至二零一七年及二零一六年六月三十日止六個月，因無潛在攤薄作用股份，每股基本及攤薄虧損相同。

13 DIVIDEND

The board of directors does not recommend the payment of an interim dividend for the six months ended 30 June 2017 (2016: Nil).

13 股息

董事會不建議就截至二零一七年六月三十日止六個月派發中期股息(二零一六年：無)。

14 INTANGIBLE ASSETS**14 無形資產**

		Goodwill 商譽 HK\$'000 千港元	License rights 特許使用權 HK\$'000 千港元	Trademarks 商標 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Net book value at 1 January 2017	於二零一七年一月一日之賬面淨值	15,079	5,562	-	20,641
Exchange adjustment	匯兌調整	-	185	-	185
Amortisation	攤銷	-	(145)	-	(145)
Net book value at 30 June 2017	於二零一七年六月三十日之賬面淨值	15,079	5,602	-	20,681
Net book value at 1 January 2016	於二零一六年一月一日之賬面淨值	15,079	32,526	19,110	66,715
Exchange adjustment	匯兌調整	-	(670)	(679)	(1,349)
Amortisation	攤銷	-	(1,079)	(1,169)	(2,248)
Net book value at 30 June 2016	於二零一六年六月三十日之賬面淨值	15,079	30,777	17,262	63,118

Amortisation of HK\$145,000 (2016: HK\$2,248,000) is included in the "general and administrative expenses" in the condensed consolidated income statement.

145,000港元(二零一六年：2,248,000港元)攤銷包括於簡明綜合收益表的「一般及行政開支」。

15 LAND USE RIGHTS**15 土地使用權**

		HK\$'000 千港元
Net book value at 1 January 2017	於二零一七年一月一日之賬面淨值	72,567
Exchange adjustment	匯兌調整	2,655
Additions	添置	949
Amortisation	攤銷	(1,073)
Disposals	出售	(3,153)
Net book value at 30 June 2017	於二零一七年六月三十日之賬面淨值	71,945
Net book value at 1 January 2016	於二零一六年一月一日之賬面淨值	80,136
Exchange adjustment	匯兌調整	(1,837)
Amortisation	攤銷	(1,149)
Net book value at 30 June 2016	於二零一六年六月三十日之賬面淨值	77,150

16 PROPERTY, PLANT AND EQUIPMENT

16 物業、廠房及設備

		Buildings	Leasehold improvements	Construction-in-progress	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total
		樓宇 HK\$'000 千港元	租賃物業裝修 HK\$'000 千港元	在建工程 HK\$'000 千港元	廠房及機器 HK\$'000 千港元	傢俱、固定裝置及設備 HK\$'000 千港元	汽車 HK\$'000 千港元	總計 HK\$'000 千港元
Net book value at 1 January 2017	於二零一七年一月一日之賬面淨值	631,436	151,721	7,954	11,974	96,003	3,024	902,112
Exchange adjustment	匯兌調整	20,970	4,836	273	321	2,869	121	29,390
Additions	添置	-	34,843	216	31	5,006	306	40,402
Depreciation	折舊	(9,527)	(62,725)	-	(2,212)	(18,931)	(799)	(94,194)
Impairment	減值	-	(1,647)	-	-	-	-	(1,647)
Disposals	出售	-	(1,548)	-	(1)	(306)	(40)	(1,895)
Disposal of subsidiaries	出售附屬公司	(10,189)	-	-	-	-	-	(10,189)
Net book value at 30 June 2017	於二零一七年六月三十日之賬面淨值	632,690	125,480	8,443	10,113	84,641	2,612	863,979
Net book value at 1 January 2016	於二零一六年一月一日之賬面淨值	714,858	273,947	53,893	12,913	131,010	3,780	1,190,401
Exchange adjustment	匯兌調整	(15,606)	(4,127)	(477)	(206)	(2,315)	(103)	(22,834)
Additions	添置	85	30,381	4,441	16	13,590	1,245	49,758
Transfer	轉撥	45,147	-	(45,147)	-	-	-	-
Depreciation	折舊	(12,890)	(94,575)	-	(4,406)	(24,766)	(828)	(137,465)
Impairment	減值	-	(3,035)	-	-	-	-	(3,035)
Disposals	出售	-	(12,591)	-	(4)	(1,368)	(120)	(14,083)
Net book value at 30 June 2016	於二零一六年六月三十日之賬面淨值	731,594	190,000	12,710	8,313	116,151	3,974	1,062,742

17 INVESTMENT PROPERTIES

17 投資物業

		HK\$'000 千港元
Net book value at 1 January 2017	於二零一七年一月一日之賬面淨值	51,520
Exchange adjustment	匯兌調整	1,718
Depreciation	折舊	(1,205)
Net book value at 30 June 2017	於二零一七年六月三十日之賬面淨值	52,033
Net book value at 1 January 2016	於二零一六年一月一日之賬面淨值	-
Exchange adjustment	匯兌調整	-
Depreciation	折舊	-
Net book value at 30 June 2016	於二零一六年六月三十日之賬面淨值	-

18 TRADE RECEIVABLES

18 貿易應收賬款

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

按發票日期計算之貿易應收賬款賬齡分析如下：

		30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
0 – 30 days	0至30日	140,380	120,709
31 – 60 days	31至60日	65,331	52,135
61 – 90 days	61至90日	21,158	17,436
91 – 120 days	91至120日	6,835	5,484
121 – 180 days	121至180日	3,877	6,274
181 – 360 days	181至360日	14,459	5,267
Over 360 days	360日以上	499	813
		252,539	208,118

19 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

As at 30 June 2017 and 31 December 2016, included in other receivables, deposits and prepayments are mainly value-added tax recoverables, rental prepayments, rental and utility deposits and prepayments to suppliers.

19 其他應收賬款、按金及預付款項

於二零一七年六月三十日及二零一六年十二月三十一日，其他應收賬款、按金及預付款項主要包括可收回增值稅金、預付租金、租金及水電按金及預付供應商款項。

20 DERIVATIVE FINANCIAL INSTRUMENTS**20 衍生金融工具**

		30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
Forward foreign exchange contract – held for trading	遠期外匯合約 – 持作買賣	(916)	15,662

The notional principal amount of the outstanding forward foreign exchange contract to sell RMB for USD at 30 June 2017 was HK\$155,000,000 (31 December 2016: HK\$294,500,000).

於二零一七年六月三十日，尚未行使之以人民幣兌換美元之遠期外匯合約之名義本金金額為155,000,000港元(二零一六年十二月三十一日：294,500,000港元)。

21 TRADE PAYABLES

The ageing analysis of trade payables, including trade balances due to related parties (Note 26(b)), based on invoice date is as follows:

21 貿易應付賬款

按發票日期計算之貿易應付賬款(包括應付關聯方之貿易結餘(附註26(b)))賬齡分析如下：

		30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
0 – 30 days	0至30日	234,953	394,146
31 – 60 days	31至60日	176,924	198,496
61 – 90 days	61至90日	203,317	202,838
91 – 120 days	91至120日	17,005	2,986
121 – 180 days	121至180日	143	393
181 – 360 days	181至360日	2,382	7,500
Over 360 days	360日以上	7,116	675
		641,840	807,034

22 SHARE CAPITAL**22 股本**

		2017 二零一七年		2016 二零一六年	
		Number of ordinary shares of HK\$0.10 each 每股面值0.10港元 之普通股數目	HK\$'000 千港元	Number of ordinary shares of HK\$0.10 each 每股面值0.10港元 之普通股數目	HK\$'000 千港元
Authorised: At 1 January and 30 June	法定： 於一月一日及六月三十日	10,000,000,000	1,000,000	10,000,000,000	1,000,000
Issued and fully paid: At 1 January and 30 June	已發行及繳足： 於一月一日及六月三十日	1,649,142,384	164,914	1,649,142,384	164,914

During the six months ended 30 June 2017 and 2016, there were no movements in the share capital of the Company.

於截至二零一七年及二零一六年六月三十日止六個月，本公司之股本並無變動。

23 RESERVES

23 儲備

		Share premium	Capital redemption reserve	Capital reserve	Revaluation reserve	Share-based payment reserve	Currency translation reserve	Merger reserve	Statutory reserves	Retained earnings	Total
		股份溢價	贖回儲備	資本儲備	重估儲備	以股份為基礎之付款儲備	匯兌儲備	合併儲備	法定儲備	保留盈利	總計
		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
At 1 January 2017	於二零一七年一月一日	120,281	2,882	(197)	-	79,008	(29,654)	322	161,474	2,872,368	3,206,484
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	(209,463)	(209,463)
Revaluation of available-for-sale financial asset	重估可出售金融資產	-	-	-	3,744	-	-	-	-	-	3,744
Profit appropriations	盈利分配	-	-	-	-	-	-	-	56,053	(56,053)	-
Currency translation differences	匯兌差額	-	-	-	-	-	113,956	-	-	-	113,956
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	(1,195)	1,195	-
Total comprehensive loss	全面虧損總額	-	-	-	3,744	-	113,956	-	54,858	(264,321)	(91,763)
Share option scheme:	購股權計劃:										
Value of grantee services	承授人服務價值	-	-	-	-	4,153	-	-	-	-	4,153
Transfer upon lapse of share options	購股權失效時轉撥	-	-	-	-	(663)	-	-	-	663	-
Total transactions with shareholders	與股東交易總額	-	-	-	-	3,490	-	-	-	663	4,153
At 30 June 2017	於二零一七年六月三十日	120,281	2,882	(197)	3,744	82,498	84,302	322	216,332	2,608,710	3,118,874
At 1 January 2016	於二零一六年一月一日	120,281	2,882	(197)	-	78,913	243,311	322	159,793	3,692,396	4,297,701
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	(163,596)	(163,596)
Currency translation differences	匯兌差額	-	-	-	-	-	(91,855)	-	-	-	(91,855)
Total comprehensive loss	全面虧損總額	-	-	-	-	-	(91,855)	-	-	(163,596)	(255,451)
Share option scheme:	購股權計劃:										
Value of grantee services	承授人服務價值	-	-	-	-	593	-	-	-	-	593
Total transactions with shareholders	與股東交易總額	-	-	-	-	593	-	-	-	-	593
At 30 June 2016	於二零一六年六月三十日	120,281	2,882	(197)	-	79,506	151,456	322	159,793	3,528,800	4,042,843

24 SHARE-BASED PAYMENT TRANSACTIONS

24 以股份為基礎之付款交易

(a) Equity settled share-based payment transactions

(a) 以權益結算以股份為基礎之付款交易

Movements in number of share options outstanding and their weighted average exercise prices are as follows:

尚未行使之購股權之數目變動及其加權平均行使價如下:

Six months ended 30 June
截至六月三十日止六個月

		2017 二零一七年		2016 二零一六年	
		Weighted average exercise price	Number of share options outstanding	Weighted average exercise price	Number of share options outstanding
		加權平均行使價	尚未行使之購股權數目	加權平均行使價	尚未行使之購股權數目
At 1 January	於一月一日	6.29	34,155,000	6.31	34,455,000
Granted	授出	0.70	28,350,000	-	-
Lapsed	已失效	6.19	(300,000)	-	-
At 30 June	於六月三十日	3.74	62,205,000	6.31	34,455,000

As at 30 June 2017, out of 62,205,000 (31 December 2016: 34,155,000) share options outstanding, 43,455,000 (31 December 2016: 33,295,000) share options were exercisable. There were no share options exercised during the period (2016: Nil). The total expense recognised for the options granted was HK\$4,153,000 (2016: HK\$593,000) for the period ended 30 June 2017.

於二零一七年六月三十日，62,205,000份（二零一六年十二月三十一日：34,155,000份）尚未行使之購股權中，有43,455,000份（二零一六年十二月三十一日：33,295,000份）購股權可被行使。期內，概無購股權獲行使（二零一六年：無）。截至二零一七年六月三十日止期間，就已授出購股權而確認的費用為4,153,000港元（二零一六年：593,000港元）。

24 SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

(b) Cash settled share-based payment transactions

Movements in the number of share appreciation rights (“SARs”) outstanding during the six months ended 30 June 2017 are as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年	2016 二零一六年
At 1 January	於一月一日	18,330,000	18,740,000
Lapsed	已失效	-	(270,000)
At 30 June	於六月三十日	18,330,000	18,470,000

During the interim period, the Group has recognised expenses of approximately HK\$2,000 (2016: HK\$14,000) in the condensed consolidated income statement in relation to the SARs. As at 30 June 2017, liabilities in relation to the SARs amounting to HK\$825,000 (31 December 2016: HK\$796,000) are included in the “other payables and accrued charges” in the condensed consolidated balance sheet.

於中期報告期間，本集團於簡明綜合收益表確認有關股份增值權之費用約2,000港元（二零一六年：14,000港元）。於二零一七年六月三十日，有關股份增值權之負債為825,000港元（二零一六年十二月三十一日：796,000港元），並包括於簡明綜合資產負債表的「其他應付賬款及應計費用」中。

24 以股份為基礎之付款交易（續）

(b) 以現金結算以股份為基礎之付款交易

截至二零一七年六月三十日止六個月，尚未行使之股份增值權（「股份增值權」）之數目變動如下：

25 CAPITAL COMMITMENTS FOR PURCHASE OF LAND USE RIGHTS AND PROPERTY, PLANT AND EQUIPMENT

25 購買土地使用權及物業、廠房及設備之資本承擔

		30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
Contracted but not provided for	已訂約但未撥備	17,742	6,624

26 RELATED PARTY TRANSACTIONS AND BALANCES

During the six months ended 30 June 2017, the Group entered into the following related party transactions in the normal course of its business:

(a) Transactions with related companies

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Sales of goods to a joint venture (Note (i))	向一間合營企業銷售貨品 (附註(i))	1,642	2,112
Royalty fee to a joint venture (Note (ii))	向一間合營企業支付特許權費 (附註(ii))	565	594

Notes:

- (i) Sales of goods to a joint venture are conducted in the normal course of the Group’s business. The terms of transactions were determined and agreed between the Group and the counter party.
- (ii) Royalty fee paid or payable to a joint venture was charged in accordance with terms as determined and agreed between the Group and the counter party.

26 關聯方交易及結餘

於截至二零一七年六月三十日止六個月內，本集團於其日常業務過程中曾進行下列關聯方交易：

(a) 與關聯公司之交易

附註：

- (i) 向一間合營企業銷售貨品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同意。
- (ii) 向一間合營企業之已付或應付之特許權費已根據本集團與交易方釐定及同意之條款計入。

26 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Balances with related companies

		30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
Receivables from joint ventures (Note (i))	應收合營企業款項 (附註(i))	7,103	6,757
Payables to joint ventures (Note (ii))	應付合營企業款項 (附註(ii))	3,667	3,276
Loans to a joint venture (Note (iii))	予一間合營企業借款 (附註(iii))	10,084	8,617

Notes:

- (i) The receivables from joint ventures arise mainly from sales of goods. The balances are unsecured, interest-free and repayable according to the trade terms.
- (ii) The payables to joint ventures arise mainly from trademark licensing transactions. The balances are unsecured, interest-free and repayable according to the agreed terms.
- (iii) The loans to a joint venture are unsecured, interest-free and repayable according to the agreed terms.

附註：

- (i) 應收合營企業款項主要由銷售貨品產生。餘額為無抵押、免息，並按照貿易條款償還。
- (ii) 應付合營企業款項主要由商標特許使用權之交易產生。餘額為無抵押、免息，並按照已同意之條款償還。
- (iii) 予一間合營企業之借款為無抵押、免息，並按照已同意之條款償還。

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid/payable to the directors of the Company were as follows:

(c) 主要管理人員之薪酬

本集團主要管理人員之薪酬 (包括已付／應付本公司董事之款項) 如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries, allowance and bonuses	薪金、津貼及花紅	8,841	8,828
Defined contribution pension costs	定額供款退休金成本	-	9
Share-based payment expense	以股份為基礎之款項開支	2,650	455
		11,491	9,292

SUPPLEMENTARY INFORMATION

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 30 June 2017, the interests and short positions of each director and chief executive of the Company 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) were as follows:

Long positions in shares and underlying shares of the Company:

補充資料

董事及主要行政人員之權益

於二零一七年六月三十日，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，本公司各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之權益及淡倉，或根據上市發行人董事進行證券交易之標準守則（「標準守則」）已知會本公司及聯交所之權益及淡倉如下：

於本公司股份及相關股份之好倉：

Name of directors	Capacity	Number of shares held	Number of underlying shares	Total interests	Approximate % of total issued shares
董事名稱	身份	所持股份數目	相關股份數目	總權益	約佔已發行股份總額百分比
Mr. Chen Ying-Chieh 陳英杰先生	Interest of controlled corporation and personal interest 受控公司之權益及個人權益	147,740,920 (Note 1) (附註一)	14,000,000 (Note 2) (附註二)	161,740,920	9.81
Mr. Chen Tommy Yi-Hsun 陳怡勳先生	Interest of controlled corporation and personal interest 受控公司之權益及個人權益	176,508,895 (Note 3) (附註三)	3,000,000 (Note 2) (附註二)	179,508,895	10.88
Mr. Chang Chih-Kai 張智凱先生	Personal interest 個人權益	–	6,000,000 (Note 2) (附註二)	6,000,000	0.36
Mr. Chang Chih-Chiao 張智喬先生	Personal interest 個人權益	–	3,000,000 (Note 2) (附註二)	3,000,000	0.18

Notes:

1. Mr. Chen Ying-Chieh has beneficial interest in 147,740,920 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 interest.
2. These interests represented the interests in underlying shares of the Company in respect of share options granted to the directors.
3. Mr. Chen Tommy Yi-Hsun has beneficial interest in 174,908,895 shares in the Company through Top Glory Assets Limited, a company incorporated in the British Virgin Islands, in which Mr. Chen Tommy Yi-Hsun holds one-half of the equity interest. He also has personal interest in 1,600,000 shares of the Company.

Save as disclosed above, as at 30 June 2017, none of the directors or chief executive of the Company, nor any of their associates (including their spouses and children under 18 years of age), had any interests in, had been granted, or exercised, any rights to subscribe for the shares of the Company, its specified undertakings and its other associated corporations required to be disclosed pursuant to the SFO.

At no time during the period was the Company, any of its subsidiaries or its other associated corporations a party to any arrangement to enable the directors and chief executive 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 specified undertakings or other associated corporations.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that as at 30 June 2017, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executive.

Long positions in shares and underlying shares of the Company:

Name of shareholders	Capacity	Total interests	Approximate % of total issued shares
股東名稱	身份	總權益	約佔已發行股份 總額百分比
Lucky Earn International Limited	Beneficial interest 實益權益	400,719,995 (Note 1) (附註一)	24.30
Top Glory Assets Limited	Beneficial interest 實益權益	174,908,895 (Note 2) (附註二)	10.61
Ms. Chen Jennifer Yi-Chen 陳怡臻女士	Interest of controlled corporation 受控公司之權益	174,908,895 (Note 2) (附註二)	10.61

附註：

- 一、陳英杰先生透過Pushkin Holding Limited擁有本公司147,740,920股股份之實益權益。Pushkin Holding Limited乃於英屬處女群島註冊成立之公司，由陳英杰先生持有三分之一股權。
- 二、該等權益指授予董事之購股權所涉及之本公司相關股份之權益。
- 三、陳怡勳先生透過Top Glory Assets Limited擁有本公司174,908,895股股份之實益權益。Top Glory Assets Limited乃於英屬處女群島註冊成立之公司，由陳怡勳先生持有一半股權。彼亦擁有1,600,000股本公司股份之個人權益。

除上文所披露者外，於二零一七年六月三十日，本公司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、其指明企業及其他相聯法團之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、其任何附屬公司或其他相聯法團概無訂立任何安排，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)持有本公司或其指明企業或其他相聯法團之股份、相關股份或債券之權益或淡倉。

主要股東之權益

根據證券及期貨條例第XV部第336條之規定而須存置之主要股東登記冊所示，於二零一七年六月三十日，本公司已獲知會下列主要股東權益及淡倉(即佔本公司已發行股本5%或以上)。此等權益並不包括以上所披露有關董事及主要行政人員之權益。

於本公司股份及相關股份之好倉：

Name of shareholders	Capacity	Total interests	Approximate % of total issued shares
股東名稱	身份	總權益	約佔已發行股份 總額百分比
Mr. Chen Tommy Yi-Hsun 陳怡勳先生	Interest of controlled corporation and personal interest 受控公司之權益及個人權益	179,508,895 (Note 2) (附註二)	10.88
Pushkin Holding Limited	Beneficial interest 實益權益	147,740,920 (Note 3) (附註三)	8.96
Mr. Chen Ying-Che 陳英哲先生	Interest of controlled corporation 受控公司之權益	147,740,920 (Note 3) (附註三)	8.96
Mr. Chen Ying-Tien 陳英典先生	Interest of controlled corporation 受控公司之權益	147,740,920 (Note 3) (附註三)	8.96
Mr. Chen Ying-Chieh 陳英杰先生	Interest of controlled corporation and personal interest 受控公司之權益及個人權益	161,740,920 (Note 3) (附註三)	9.81
Wellington Management Group LLP	Investment manager 投資經理	148,257,390	8.99

Notes:

附註：

1. Mr. Chang Chih-Kai, the Chairman of the board of directors, the Chief Executive Officer and an executive director of the Company and Mr. Chang Chih-Chiao, an executive director 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. 一、本公司之董事會主席、行政總裁及執行董事張智凱先生及執行董事張智喬先生，與彼等兩名姊妹分別擁有在英屬處女群島註冊成立之Lucky Earn International Limited 26%、26%及各24%之實益權益。
2. Mr. Chen Tommy Yi-Hsun, an executive director of the Company, and Ms. Chen Jennifer Yi-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 174,908,895 shares of the Company held by Top Glory Assets Limited. 二、陳怡勳先生，本公司之執行董事，及陳怡臻女士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174,908,895股本公司股份中擁有權益。
3. Mr. Chen Ying-Chieh, a non-executive director of the Company, and his two brothers, Mr. Chen Ying-Che and Mr. Chen Ying-Tien, each has one-third of the beneficial interests in Pushkin Holding Limited. By virtue of the SFO, they are deemed to be interested in 147,740,920 shares of the Company held by Pushkin Holding Limited. 三、陳英杰先生，本公司之非執行董事，及彼之兩名兄弟陳英哲先生及陳英典先生各自擁有Pushkin Holding Limited三分之一的實益權益。根據證券及期貨條例，彼等被視為在Pushkin Holding Limited所持有之147,740,920股本公司股份中擁有權益。

Save as disclosed above, as at 30 June 2017, the Company had not been notified by any person (other than directors and chief executive of the Company) of any interest and short position in the shares and underlying shares which were required to be recorded in the register kept under Section 336 of the SFO.

SHARE OPTION SCHEME

On 29 May 2003, the Company adopted a share option scheme (the “Old Scheme”), which was amended on 7 December 2009 and expired on 28 May 2013. Upon expiry of the Old Scheme, no further share options could be granted under the Old Scheme but, in all other respects, the provisions of the Old Scheme shall remain in force to the extent necessary to give effect to the exercise of any share option granted prior to the expiry of the Old Scheme.

On 27 August 2013, a new share option scheme (the “New Scheme”) was approved by shareholders of the Company and adopted by the Company. Unless otherwise cancelled or amended, the New Scheme will remain in force for 10 years from the date of adoption.

The purpose of the New Scheme is to enable the Company to grant options to eligible participants, including any full-time or part-time employees, executives, officers, executive or non-executive directors of the Group and any advisers, consultants, agents, suppliers, customers, distributors and such other persons at the discretion of the board of directors, as incentives or rewards for their contribution or potential contribution to the Group.

The maximum number of shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share option schemes of the Company must not exceed 10% of the shares of the Company in issue on 27 August 2013, the date of approval and adoption of the New Scheme unless shareholders’ approval has been obtained. The shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option schemes of the Company at any time shall not, in aggregate, exceed 30% of the shares of the Company in issue from time to time.

The total number of shares available for issue under the New Scheme is 163,954,238 which is approximately 9.94% of the issued share capital of the Company as the date of this interim report.

除上文所披露者外，於二零一七年六月三十日，本公司並不知悉有任何人士（本公司董事及主要行政人員除外）於股份及相關股份中擁有任何須記錄於根據證券及期貨條例第336條存置之登記冊內之權益及淡倉。

購股權計劃

於二零零三年五月二十九日，本公司採納購股權計劃（「舊計劃」），該計劃於二零零九年十二月七日修訂及於二零一三年五月二十八日屆滿。於舊計劃屆滿後，舊計劃下不可再授出購股權，惟在所有其他方面，舊計劃的條文仍然具有所須的效力使舊計劃屆滿前已經授出的任何購股權仍能有效行使。

於二零一三年八月二十七日，本公司股東批准一項新的購股權計劃（「新計劃」）並被本公司採納。除被取消或修改外，新計劃將自採納日期起維持十年內有效。

新計劃之宗旨為讓本公司向合資格參與者（包括本集團任何全職或兼職僱員、高級行政人員、高級人員、執行或非執行董事及任何諮詢人、顧問、代理、供應商、客戶、分銷商及董事會酌情釐定之其他人士）授出購股權，作為彼等對本集團作出之貢獻或潛在貢獻之獎勵或回報。

根據新計劃及本公司任何其他購股權計劃所授出之全部購股權獲行使而可能發行之最高股份數目，不得超過於批准及採納新計劃日期二零一三年八月二十七日本公司已發行股份之10%，除非已取得股東批准。根據新計劃及本公司任何其他購股權計劃已授出惟未行使的所有未行使購股權獲行使後可能發行之股份數目合計，不得超過本公司不時之已發行股份之30%。

新計劃下可供發行之股份總數量為163,954,238股，佔本公司於本中期報告日期已發行股本約9.94%。

The total number of shares issuable under the New Scheme and any other share option schemes of the Company to each eligible participant within any 12-month period shall not exceed 1% of the shares of the Company in issue as at the date of grant unless shareholders' approval has been obtained. Share options granted to a director, chief executive or substantial shareholder of the Company or any of their associates shall be subject to prior approval by the independent non-executive directors. Share options granted to a substantial shareholder or an independent non-executive director of the Company or any of their associates, in excess of 0.1% of the shares of the Company in issue or with an aggregate value in excess of HK\$5 million, within any 12-month period, shall be subject to prior approval by shareholders of the Company.

The period within which the shares must be taken up under an option shall be determined by the board of directors and specified in the letter to the grantee, which may be varied by the board of directors in accordance with the terms of the New Scheme, provided that it shall not under any circumstances exceed 10 years from the date of grant of the relevant option. The board of directors may, in its discretion, determine the time or period when the right to exercise the relevant option will vest.

The exercise price of the share options is determinable by the board of directors and must not be less than 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 30 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.

During the six months ended 30 June 2017, 28,350,000 (2016: Nil) share options were granted and 300,000 (2016: Nil) share options were lapsed under the share option scheme. No share options were cancelled or exercised.

根據新計劃及本公司任何其他購股權計劃，於任何12個月期間可向每名合資格參與者發行之股份總數不得超過本公司於授出日期已發行股份之1%，除非已取得股東批准。向本公司董事、主要行政人員或主要股東或彼等任何聯繫人士授出之購股權，須事先獲得獨立非執行董事批准。向本公司主要股東或獨立非執行董事或彼等任何聯繫人士授出超過本公司於任何12個月期間已發行股份之0.1%或總價值超過5百萬港元之購股權，須事先獲本公司股東批准。

期權下之股份必須由董事會釐定並在給予承授人信件中指明之期間內接受，有關期間或會因董事會根據新計劃之條款而更改，在任何情況下不得超過授出日期起計十年。董事會可酌情決定相關期權之行使權利歸屬的時間或期間。

購股權之行使價由董事會釐定及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30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。

於截至二零一七年六月三十日止六個月內，根據購股權計劃有28,350,000份(二零一六年：無)購股權獲授出及300,000份(二零一六年：無)購股權已失效，概無購股權被註銷或獲行使。

Details of movements of share options granted under the share option scheme for the six months ended 30 June 2017 were as follows:

於截至二零一七年六月三十日止六個月，根據購股權計劃授出之購股權之變動詳情如下：

Grantees	Date of grant	Exercise price per share	Outstanding at 1 January 2017	Granted during the period	Lapsed during the period	Outstanding at 30 June 2017	Exercisable period
承授人	授出日期	每股行使價	於二零一七年一月一日尚未行使	期內授出	期內失效	於二零一七年六月三十日尚未行使	行使期間
	(yyyy/mm/dd) (年/月/日)	HK\$ 港元					(yyyy/mm/dd) (年/月/日)
<i>(i) Executive directors 執行董事</i>							
Mr. Chang Chih-Kai 張智凱先生	2017/01/25	0.70	-	6,000,000	-	6,000,000	2017/01/25 – 2027/01/24 (Note 1)(附註一)
Mr. Chang Chih-Chiao 張智喬先生	2017/01/25	0.70	-	3,000,000	-	3,000,000	2017/01/25 – 2027/01/24 (Note 1)(附註一)
Mr. Chen Tommy Yi-Hsun 陳怡勳先生	2017/01/25	0.70	-	3,000,000	-	3,000,000	2017/01/25 – 2027/01/24 (Note 1)(附註一)
<i>(ii) Non-executive director 非執行董事</i>							
Mr. Chen Ying-Chieh 陳英杰先生	2010/01/27	6.19	12,000,000	-	-	12,000,000	2011/01/27 – 2020/01/26 (Note 2)(附註二)
	2014/01/21	4.50	2,000,000	-	-	2,000,000	2016/01/21 – 2024/01/20 (Note 3)(附註三)
<i>(iii) Consultants 顧問</i>							
In aggregate 合計	2010/01/27	6.19	8,400,000	-	-	8,400,000	2011/01/27 – 2020/01/26 (Note 4)(附註四)
In aggregate 合計	2014/01/21	4.50	1,000,000	-	-	1,000,000	2015/01/21 – 2024/01/20 (Note 5)(附註五)
<i>(iv) Employees 僱員</i>							
In aggregate 合計	2010/01/27	6.19	4,995,000	-	(300,000)	4,695,000	2011/01/27 – 2020/01/26 (Note 6)(附註六)
In aggregate 合計	2010/07/22	7.61	300,000	-	-	300,000	2011/04/01 – 2020/07/21 (Note 7)(附註七)
In aggregate 合計	2012/01/11	8.27	700,000	-	-	700,000	2013/01/11 – 2022/01/10 (Note 8)(附註八)
In aggregate 合計	2012/03/20	10.132	2,600,000	-	-	2,600,000	2013/03/20 – 2022/03/19 (Note 6)(附註六)
In aggregate 合計	2014/01/21	4.50	1,820,000	-	-	1,820,000	2016/01/21 – 2024/01/20 (Note 3)(附註三)
In aggregate 合計	2014/01/21	4.50	340,000	-	-	340,000	2017/01/21 – 2024/01/20 (Note 9)(附註九)
In aggregate 合計	2017/01/25	0.70	-	600,000	-	600,000	2017/01/25 – 2027/01/24 (Note 10)(附註十)
In aggregate 合計	2017/01/25	0.70	-	15,000,000	-	15,000,000	2017/01/25 – 2027/01/24 (Note 1)(附註一)
In aggregate 合計	2017/01/25	0.70	-	750,000	-	750,000	2018/01/25 – 2028/01/24 (Note 8)(附註八)
			34,155,000	28,350,000	(300,000)	62,205,000	

Notes:

1. The share options shall vest one-third each year from the date of grant.
2. 15% of the share options shall vest on each of the five anniversary dates of the date of grant and 25% of the share options shall vest, subject to certain performance targets determined by the board of directors of the Company, on the fifth anniversary of the date of grant.
3. 100% of the share options shall vest after two years from the date of grant.
4. 15% of the share options shall vest on each of the four anniversary dates of the date of grant and 40% of the share options shall vest on the fifth anniversary date of the date of grant.
5. 100% of the share options shall vest after one year from the date of grant.
6. 20% of the share options shall vest on each of the five anniversary dates of the date of grant.
7. One-third of the share options shall vest on each anniversary with the first tranche starting on 1 April 2011.
8. One-third of the share options shall vest on each of the three anniversary dates of the date of grant.
9. 100% of the share options shall vest after three years from the date of grant.
10. 100% of the share options shall vest on the date of grant.

SHARE APPRECIATION RIGHTS PLAN

The Group implemented a share appreciation rights plan (the “SAR Plan”) to motivate and award the directors, employees, advisers, consultants, agents, suppliers, customers, distributors and such other persons of the Company and the Group at the discretion of the board of directors for their contribution or potential contribution to the Group.

Under the SAR Plan, share appreciation rights (“SARs”) are granted in units with each unit representing one ordinary share of the Company. No share will be issued under the SAR Plan. The eligible recipients who are granted with such incentive do not actually hold the shares, and do not have any rights as the shareholders such as voting rights or rights to dividends. Therefore, this does not affect the total number of the shares of the Company outstanding and will not result in any dilution effect on the shares of the Company.

Upon exercise of the SARs, the eligible recipients will receive, subject to any applicable tax, a cash payment amount equal to the product of the number of SARs exercised and the difference between the exercise price and market price of the Company’s shares at the date of exercise. The Company recognises compensation expense of the SARs over the applicable vesting period.

附註：

- 一、購股權由授出日期起計每年歸屬三分之一。
- 二、購股權由授出日期起計五個週年日每年歸屬15%，其餘25%須待本公司董事會將予釐定之若干表現目標達成後於授出日期起計第五個週年日歸屬。
- 三、購股權由授出日期起計兩年後歸屬100%。
- 四、購股權由授出日期起計四個週年日每年歸屬15%，其餘40%於授出日期起計第五個週年日歸屬。
- 五、購股權由授出日期起計一年後歸屬100%。
- 六、購股權由授出日期起計五個週年日每年歸屬20%。
- 七、購股權於二零一一年四月一日歸屬三分之一，並由該日起計每個週年日歸屬三分之一。
- 八、購股權由授出日期起計三個週年日每年歸屬三分之一。
- 九、購股權由授出日期起計三年後歸屬100%。
- 十、購股權於授出日期歸屬100%。

股份增值權計劃

本集團實施股份增值權計劃（「股份增值權計劃」），由董事會酌情決定本公司及本集團之董事、僱員、諮詢人、顧問、代理、供應商、客戶、分銷商及有關其他人士對本集團之貢獻或潛在貢獻，鼓勵及獎勵該等人士。

根據股份增值權計劃，股份增值權（「股份增值權」）乃多份授出，而每份代表本公司一股普通股股份。概無股份將根據股份增值權計劃發行。合資格人士在授予此獎勵時並無實質持有股份，及不能擁有跟股東相同之權益，如投票權或收取股息之權利。因此，這對本公司現時股份總數並無影響及對本公司股份沒有攤薄作用。

於行使股份增值權後，合資格收款人將收到相等於所行使股份增值權數目乘以行使價與本公司股份於行使當日之市價之差額之現金款項（須繳納任何適用稅項）。本公司於適用歸屬期間確認股份增值權之補償開支。

Under the SAR Plan, the exercise price of the SAR shall be determined by the board of directors and must not be less than 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 SARs granted pursuant to the SAR Plan is valid for 10 years from the date of grant and upon the expiry of which all unexercised SARs shall automatically lapse.

Under the terms of the grant, the outstanding SARs are subject to a vesting period of one to three years from the date of grant. The exercise price is from HK\$4.50 to HK\$6.19 per unit.

During the six months ended 30 June 2017, no SARs (2016: Nil) were granted, lapsed, cancelled or exercised under the SAR Plan.

The details of the SARs granted under the SAR Plan as at 30 June 2017 were as follows:

股份增值權計劃下，股份增值權之行使價由董事會釐定及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。

根據股份增值權計劃，授予之股份增值權由授出日期起計，有效期為十年，並於有效期屆滿後所有尚未行使之股份增值權將自動失效。

根據授出條款，尚未行使之股份增值權須符合由授出日期起計一至三年之歸屬期，其行使價為每份4.50港元至6.19港元。

於截至二零一七年六月三十日止六個月內，概無(二零一六年：無)股份增值權根據股份增值權計劃授出、失效、註銷或行使。

於二零一七年六月三十日，根據股份增值權計劃授出之股份增值權之詳情如下：

Grantees	Outstanding at 30 June 2017 於二零一七年 六月三十日 尚未行使
承授人	
(i) <i>Executive directors</i>	
Mr. Chang Chih-Kai	5,475,000
Mr. Chang Chih-Chiao	4,725,000
Mr. Chen Tommy Yi-Hsun	2,000,000
(ii) <i>Employees</i>	
In aggregate	6,130,000
	18,330,000

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months ended 30 June 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

購買、出售或贖回本公司股份

於截至二零一七年六月三十日止六個月內，本公司或其任何附屬公司並無購買、出售或贖回本公司任何股份。

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange. Following specific enquiry by the Company, all directors of the Company confirmed that they fully complied with the required standards as set out in the Model Code during the six months ended 30 June 2017.

CHANGES IN DIRECTORS’ INFORMATION

Changes in directors’ details since the date of the Annual Report 2016 of the Company and up to the date of release of the interim results of the Company which are required to be disclosed pursuant to Rule 13.51(2) and Rule 13.51B(1) of the Listing Rules, are set out below:

1. With effect from 17 May 2017, Mr. Chen Ying-Chieh, a non-executive director of the Company, has resigned as the Chairman of the board of directors and ceased to be an authorised representative of the Company; and
2. With effect from 17 May 2017, Mr. Chang Chih-Kai, an executive director and the Chief Executive Officer (“CEO”) of the Company, has been appointed as the Chairman of the board of directors, an authorised representative of the Company and a member of Remuneration Committee.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 14 to the Listing Rules throughout the period except for the deviations from code provisions A.2.1 and A.6.7 which are explained below.

Code provision A.2.1 of the CG Code stipulates that the roles of Chairman and CEO should be separated and should not be performed by the same individual. Mr. Chang Chih-Kai acted as the Chairman and the CEO of the Company since 17 May 2017. This was in deviation from code provision A.2.1.

The board of directors is of the opinion that vesting the roles of both Chairman and CEO in Mr. Chang Chih-Kai has the benefit of ensuring consistent leadership within the Group thus enabling more effective and efficient strategic planning for the Group. The board of directors also believes that the balance of power and authority will not be compromised and is adequately ensured by the existing board of directors which comprises experienced and competent individuals with more than one-third of the board of directors being independent non-executive directors.

董事進行之證券交易

本公司已遵照聯交所證券上市規則（「上市規則」）附錄十所載之標準守則。經本公司作出具體查詢後，本公司全體董事均確認，彼等於截至二零一七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。

董事資料更改

根據上市規則第13.51(2)條及第13.51B(1)條之披露要求，自本公司二零一六年年報日期至本公司中期業績公佈日期，董事資料之更改載列如下：

- 一、由二零一七年五月十七日起生效，陳英杰先生，本公司之非執行董事，已辭任董事會主席，並不再擔任本公司之授權代表；及
- 二、由二零一七年五月十七日起生效，張智凱先生，本公司之執行董事兼行政總裁（「行政總裁」），已獲委任為董事會主席、本公司之授權代表及薪酬委員會之成員。

遵守企業管治常規守則

除於下文說明偏離第A.2.1及第A.6.7條守則條文外，本公司於期內已遵守上市規則附錄十四所載企業管治守則及企業管治報告（「企業管治守則」）。

企業管治守則條文第A.2.1條列明主席及行政總裁的角色應有區分，並不應由一人同時擔任。自二零一七年五月十七日起，張智凱先生擔任本公司主席及行政總裁，此乃偏離守則條文第A.2.1條。

董事會認為，主席及行政總裁之角色由張智凱先生同時兼任，好處在於確保本集團內統一領導，從而使本集團之策略計劃更有效及有更高效率。董事會亦相信，權力制衡並不會受到影響，而現時之董事會由經驗豐富和能幹的人士組成，其中有三分之一以上為獨立非執行董事，確保有足夠的權力制衡。

During the period under review, the Company held an annual general meeting (the “AGM”) on 24 May 2017. Due to unavoidable business engagements, Mr. Huang Shun-Tsai, the independent non-executive director of the Company, was unable to attend the AGM. This was in deviation from code provision A.6.7 of the CG code.

AUDIT COMMITTEE

The Audit Committee, comprises three independent non-executive directors of the Company, Mr. Lee Ted Tak Tai, Mr. Huang Shun-Tsai and Mr. Kuo Jung-Cheng, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls, risk management and financial reporting matters. The Group’s unaudited condensed consolidated interim financial statements have been reviewed and approved by the Audit Committee, who is of the opinion that such financial statements comply with the applicable accounting standards, the Listing Rules and all legal requirements, and that adequate disclosures have been made.

NOMINATION COMMITTEE

The Nomination Committee, comprises three independent non-executive directors of the Company, Mr. Huang Shun-Tsai, Mr. Kuo Jung-Cheng and Mr. Lee Ted Tak Tai, one executive director of the Company, Mr. Chang Chih-Kai and one non-executive director of the Company, Mr. Chen Ying-Chieh, is responsible for reviewing the structure, size and composition of the board of directors on a regular basis and make recommendations to the board of directors regarding any proposed changes.

REMUNERATION COMMITTEE

The Remuneration Committee, comprises three independent non-executive directors of the Company, Mr. Kuo Jung-Cheng, Mr. Huang Shun-Tsai and Mr. Lee Ted Tak Tai, one executive director of the Company, Mr. Chang Chih-Kai and one non-executive director of the Company, Mr. Chen Ying-Chieh, is responsible for reviewing and evaluating the remuneration policies of the directors and the senior management and making recommendations to the board of directors from time to time.

回顧期內，本公司於二零一七年五月二十四日召開股東週年大會（「股東週年大會」）。因業務纏身，本公司獨立非執行董事黃順財先生，無法出席股東週年大會，此乃偏離企業管治守則第A.6.7條規定。

審核委員會

審核委員會由本公司三名獨立非執行董事李德泰先生、黃順財先生及郭榮振先生組成，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、風險管理及財務報告事宜。本集團之未經審核簡明綜合中期財務報表已由審核委員會審閱及批准，審核委員會認為該財務報表已遵從適用之會計準則、上市規則及所有法例規定，並已作充分披露。

提名委員會

提名委員會由本公司三名獨立非執行董事黃順財先生、郭榮振先生及李德泰先生，一名執行董事張智凱先生，以及一名非執行董事陳英杰先生組成。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。

薪酬委員會

薪酬委員會由本公司三名獨立非執行董事郭榮振先生、黃順財先生及李德泰先生，一名執行董事張智凱先生，以及一名非執行董事陳英杰先生組成。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。

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

www.daphneholdings.com