

# ANNUAL REPORT

**2017年報**

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

( Stock code )  
( 股票代號:210 )



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## CORPORATE INFORMATION

### 公司資料

#### 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

#### 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

## CORPORATE INFORMATION

### 公司資料

#### 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

#### OPERATIONAL HEADQUARTER

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

#### SHARE REGISTRAR AND TRANSFER OFFICE

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

#### AUDITOR

PricewaterhouseCoopers  
*Certified Public Accountants*

#### PRINCIPAL BANKERS

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

#### CORPORATE WEBSITES

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

#### INVESTOR RELATIONS

Email: [ir@daphneholdings.com](mailto:ir@daphneholdings.com)

#### 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

#### 營運總部

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

#### 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

#### 核數師

羅兵咸永道會計師事務所  
*執業會計師*

#### 主要往來銀行

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

#### 公司網址

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

#### 投資者關係

電郵：[ir@daphneholdings.com](mailto:ir@daphneholdings.com)

# FINANCIAL AND OPERATIONAL HIGHLIGHTS

## 財務及經營摘要

### FINANCIAL PERFORMANCE

### 財務表現

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

		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)	5,211.0	6,501.7	-19.9%
Gross profit (HK\$' million)	毛利(百萬港元)	2,753.0	3,311.7	-16.9%
Operating loss (HK\$' million)	經營虧損(百萬港元)	(688.8)	(819.5)	-15.9%
Loss attributable to shareholders (HK\$' million)	股東應佔虧損(百萬港元)	(734.2)	(819.1)	-10.4%
Gross margin (%)	毛利率(%)	52.8	50.9	+1.9ppt百分點
Operating margin (%)	經營盈利率(%)	-13.2	-12.6	-0.6ppt百分點
Net margin (%)	淨盈利率(%)	-14.1	-12.6	-1.5ppt百分點
Basic loss per share (HK cents)	每股基本虧損(港仙)	(44.5)	(49.7)	-10.5%

### KEY FINANCIAL INDICATORS

### 主要財務指標

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

		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)	198	201	-3
Average debtors turnover (days) (Note 2)	平均應收賬款週轉期(日)(附註二)	14	13	+1
Average creditors turnover (days) (Note 3)	平均應付賬款週轉期(日)(附註三)	121	130	-9
Cash conversion cycle (days) (Note 4)	現金循環天數(日)(附註四)	91	84	+7
Capital expenditure (HK\$' million)	資本開支(百萬港元)	123.6	110.9	+11.4%

As at 31 December  
於十二月三十一日

		2017 二零一七年	2016 二零一六年	Change 變化
Cash and bank balances (HK\$' million) (Note 5)	現金及銀行結餘(百萬港元)(附註五)	486.3	989.5	-50.9%
Bank loans (HK\$' million)	銀行貸款(百萬港元)	156.3	296.7	-47.3%
Equity attributable to shareholders (HK\$' million)	股東應佔權益(百萬港元)	2,874.9	3,371.4	-14.7%
Current ratio (times) (Note 6)	資產流動比率(倍)(附註六)	2.5	2.4	+0.1
Net gearing ratio (%) (Note 7)	淨負債比率(%) (附註七)	Net cash 淨現金	Net cash 淨現金	N/A 不適用



# FINANCIAL AND OPERATIONAL HIGHLIGHTS

## 財務及經營摘要

### 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 number of days in the year.
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 number of days in the year.
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 number of days in the year.
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).
5. Cash and bank balances comprise cash and cash equivalents (including those transferred to disposal group classified as held-for-sale), bank deposit with maturity over three months and pledged bank deposits.
6. The calculation of current ratio (times) is based on total current assets divided by total current liabilities as at year end.
7. The calculation of net gearing ratio (%) is based on net debt (being bank loans less cash and bank balances) divided by equity attributable to shareholders as at year end.

### 附註：

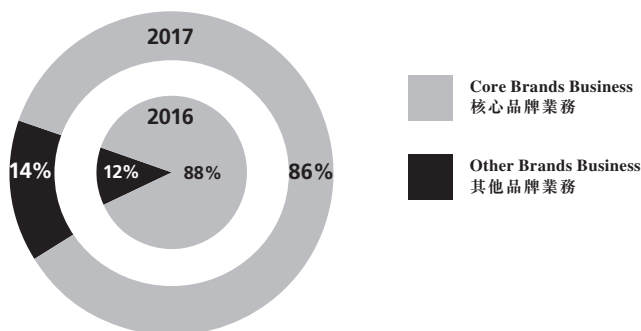
- 一、平均存貨週轉期(日)乃按年初及年終存貨之平均結餘除以銷售成本乘以該年度日數計算。
- 二、平均應收賬款週轉期(日)乃按年初及年終貿易應收賬款平均結餘除以營業額乘以該年度日數計算。
- 三、平均應付賬款週轉期(日)乃按年初及年終貿易應付賬款平均結餘除以採購額乘以該年度日數計算。
- 四、現金循環天數(日)乃按平均存貨週轉期(日)加平均應收賬款週轉期(日)減平均應付賬款週轉期(日)計算。
- 五、現金及銀行結餘包括現金及現金等價物(包括轉撥至分類為持作出售之出售組別的)、存款期超過三個月之銀行存款及已抵押銀行存款。
- 六、資產流動比率(倍)乃根據於年末之流動資產總額除以流動負債總額計算。
- 七、淨負債比率(%)乃根據於年末之負債淨額(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 year ended 31 December)

(截止十二月三十一日止年度)

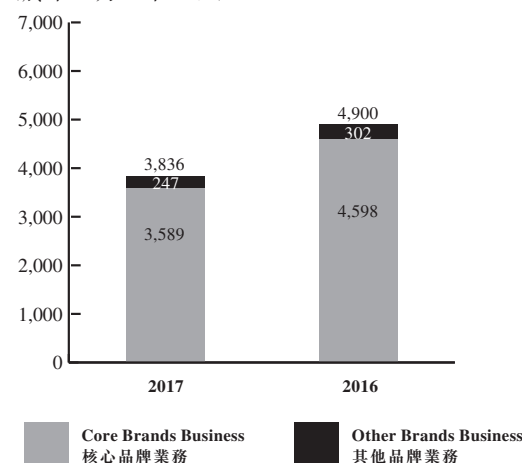


### Number of Points-of-Sale

#### 銷售點數目

(As at 31 December)

(於十二月三十一日)



# FIVE-YEAR FINANCIAL SUMMARY

## 五年財務概要

		For the years ended 31 December 截至十二月三十一日止年度				
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
<b>Results</b>	<b>業績</b>					
Turnover	營業額	5,210,995	6,501,677	8,379,095	10,355,616	10,446,540
Gross profit	毛利	2,753,036	3,311,673	4,724,729	5,737,558	5,838,287
Operating (loss)/profit	經營(虧損)/盈利	(688,823)	(819,488)	(497,623)	262,396	520,152
(Loss)/profit for the year attributable to:	以下各方應佔年內(虧損)/盈利:	(742,029)	(837,537)	(380,087)	182,149	334,334
– shareholders	– 股東	(734,204)	(819,127)	(378,888)	176,031	329,144
– non-controlling interests	– 非控制性權益	(7,825)	(18,410)	(1,199)	6,118	5,190
Basic (loss)/earnings per share (HK cents)	每股基本(虧損)/盈利(港仙)	(44.5)	(49.7)	(23.0)	10.7	20.0
Dividend per share (HK cents)	每股股息(港仙)	–	–	–	3.5	8.0

		As at 31 December 於十二月三十一日				
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Non-current assets	非流動資產	1,358,995	1,469,595	1,801,203	1,907,884	1,731,422
Current assets	流動資產	2,794,865	3,583,556	4,961,955	5,752,529	6,090,894
Total assets	總資產	4,153,860	5,053,151	6,763,158	7,660,413	7,822,316
Non-current liabilities	非流動負債	13,409	30,729	18,184	19,222	24,470
Current liabilities	流動負債	1,104,790	1,490,372	2,095,848	2,388,800	2,548,017
Total liabilities	總負債	1,118,199	1,521,101	2,114,032	2,408,022	2,572,487
Total equity attributable to:	以下各方應佔總權益:	3,035,661	3,532,050	4,649,126	5,252,391	5,249,829
– shareholders	– 股東	2,874,907	3,371,398	4,462,615	5,057,952	5,043,722
– non-controlling interests	– 非控制性權益	160,754	160,652	186,511	194,439	206,107

## CHAIRMAN'S STATEMENT

### 主席報告

In 2017, the world was on a firmer economic footing. Notably, China as a major economy shifted up a gear, reversing the trend of slowdown during the period from 2010 to 2016. Consumer confidence in China also rose gradually, reflecting the people's stronger desire to spend. However, the situation is not all roses for conventional retailers as they grappled with the competition from e-commerce, changing consumption patterns, and competitor's persistent attempts to outdo each other in discounting their goods as part of their promotional campaigns. To fare well in such market, Daphne International Holdings Limited (the "Company", which together with its subsidiaries, is referred to as the "Group") stayed alert to the shifting trends and started transforming its business during the year under review.

Aiming to achieve brand differentiation, raise sales efficiency and attain sustainable growth, the Group embarked on a business transformation programme that encompassed a brand revamp and the upgrading of products. To project a refreshing and stylish brand image that differentiates it from its peers, the Group opened new image stores for "Daphne", launched its first crossover project with a hip and cool fashion brand from the U.S. for its fall and winter collections, and started the adjustment of its channel mix to align it with the new brand images.

Like all kinds of uphill tasks, business transformation usually spawns short-term pains before it brings long-term gains. The upgrading of products meant that the Group had to follow through with its strategic decision to stabilise the prices of its new products at a certain level to match its revamped brand image. This inevitably exerted downward pressure on the Group's sales during the year under review. In addition, the adjustment to the sales channel mix to align it with the refreshed brand positioning also adversely affected the same-store sales in the year. We expect that it will take time for the consumers to get used to our new pricing policy.

Nevertheless, there were some signs of encouraging developments. Decline in the Group's same-store sales decelerated in the fourth quarter of 2017, as a result of the enhanced and well-received product design and product portfolio for the autumn as well as the improved sales efficiency. For the year ended 31 December 2017, the Group recorded an increase in the gross margin to 52.8% from 50.9% for the previous year. The inventory level also further reduced to HK\$1,246.9 million as at 31 December 2017 from HK\$1,414.5 million in 2016. The Group's operating loss narrowed to HK\$688.8 million in 2017 from HK\$819.5 million for the previous year.

於二零一七年世界經濟基礎進一步鞏固，尤其是中國作為一主要經濟體扭轉了二零一零至二零一六年增速放緩的趨勢。中國的消費者信心也逐漸上升，反映出人們更強的消費意慾。然而，傳統零售商的情況並非全部都有改善，因為他們正面對來自電商的競爭，快速轉變的消費模式以及競爭對手不斷在促銷活動上展開激烈競爭，務求以大幅折扣去超越對手。在此市場環境下，達芙妮國際控股有限公司（「本公司」，連同其附屬公司合稱「本集團」）密切關注趨勢變化，於回顧年內開展其業務革新轉型。

為實現品牌差異化，提高銷售效率，並達致可持續發展，本集團開展了業務轉型計劃，其中包括品牌革新與產品升級。為了對外展示與同業品牌有所區別且令人耳目一新的時尚品牌形象，本集團為「達芙妮」開設新形象店舖，並推出其第一個與美國潮流品牌跨界合作的秋冬季系列，而且開始調整其渠道組合以配合全新品牌形象。

像所有艱難的任務一樣，業務革新轉型通常會在其產生長期收益前帶來短期陣痛。產品升級意味著本集團必須貫徹其戰略決策，將其新品價格穩定在一定水平，以配合革新後的品牌形象。這無可避免地在回顧年內為本集團的銷售帶來下行壓力。此外，為配合更新後的品牌定位而對銷售渠道組合作出的調整，亦對年內的同店銷售造成不利影響。我們預期消費者將需要一段時間適應我們新的定價政策。

然而，有些發展跡象是令人鼓舞的。經提升後的秋季產品設計和產品組合受到顧客好評，以及銷售效率的提高，使本集團同店銷售跌幅於二零一七年第四季度有所下降。截至二零一七年十二月三十一日，本集團錄得毛利率上升，由前一年的50.9%上升至52.8%。存貨水平亦由二零一六年的1,414.5百萬港元進一步減少至1,246.9百萬港元。本集團經營虧損由前一年的819.5百萬港元收窄至二零一七年的688.8百萬港元。



## CHAIRMAN'S STATEMENT

### 主席報告

Initiated in parallel with the brand revamp and the upgrading of products is the Group's major organisational restructuring. In that endeavour, emphasis is placed on the brand management to raise efficiency of sales and management. The extensive and complex transformation process called for the phase-in of new systems and practices and the phase-out of the old ones as well as a tremendous amount of external and internal co-ordination and communication across all departments and divisions of the Group. It will take time for the Group to roll out a number of new measures in its nationwide operations, not to mention the time it will take for such measures to yield results. However, the Group is determined to succeed in its strategic business transformation. While forging ahead with the business transformation, the Group will closely monitor and respond to the changing consumer preferences and the evolving market situation so that it can promptly modify the measures if necessary.

The Group is poised to roll-out Daphne's new-image stores steadily in 2018 upon the completion of necessary modifications to the store renovation plan. It will also accelerate the adjustment to its channel mix to match the new brand images. Building on the success of the well-received collection for the autumn of 2017, the Group's product design team and brand management team will enhance the designs, quality, and portfolio of its future products as well as the system for placing orders and product allocation. The Group has also planned to further adapt its supply chain to the overall product upgrade. The Group will continue with its online-to-offline business model at its e-commerce business by strengthening the interaction between its online and offline operations and by improving their efficiency.

Lastly, on behalf of the board of directors, I would like to take this opportunity to express our heartfelt gratitude to all our customers, business partners, and shareholders for their unswerving support. I would also like to express my sincere appreciation to the management team and employees for their hard work and indispensable contribution to the Group's development in the challenging year. Let us all work together in the coming year for the Group's business transformation which, I am confident that, will lead to the revival of the Group's growth.

**Chang Chih-Kai**  
*Chairman*

Hong Kong, 28 March 2018

品牌革新及產品升級同時啟動的是本集團的重大內部架構重組。在這方面，重點主要放在品牌管理上，以提高銷售及管理效率。範圍廣泛而複雜的轉型過程牽涉逐步引入和淘汰新與舊系統和做法，以及在本集團各部門和分部之間大量的對外、對內的協調及溝通工作。本集團需要時間才可把一系列革新轉型措施在全國推行，這些措施也需要時間才能實現並發揮其效益。然而，本集團決心要使戰略業務轉型取得成功。在積極邁向業務轉型的同時，本集團也將密切關注並應對不斷變化的消費者喜好和一直演變的市場環境，以便在必要時及時調整舉措。

在完成對店舖翻新計劃上必須的修改之後，本集團將於二零一八年適時推出更多「達芙妮」新形象店舖。本集團還將加快對其渠道組合的調整，以配合新品牌形象。繼二零一七年秋季系列成功受到顧客好評後，本集團產品設計團隊及品牌管理團隊將提升其未來產品的設計、質量與組合，以及訂單及產品分配系統。本集團亦計劃進一步調整其供應鏈以配合整體產品升級。本集團將通過加強線上及線下業務之間的互動，並提升其效率，以繼續發展其電商業務的「線上至線下」業務模式。

最後，我謹代表董事會，藉此機會向所有的顧客、業務夥伴和股東表達衷心謝意，感謝他們堅定不移的支持。我也衷心感謝管理團隊和員工在充滿挑戰的一年中為本集團發展所付出的辛勤和不可或缺的貢獻。讓我們大家在未來一年為本集團的業務革新轉型而共同努力，我相信，將會迎來本集團業務恢復增長。

主席  
**張智凱**

香港，二零一八年三月二十八日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### BUSINESS REVIEW

#### Group Performance

2017 is an important year for the Group as it initiated a number of transformation measures, including brand revamp and product upgrade, to address the market challenges. In that year of transition, the Group's turnover decreased by 19.9% to HK\$5,211.0 million (2016: HK\$6,501.7 million). This was mainly attributable to the decrease in turnover at its Core Brands Business whose number of stores decreased by 21.9% and its same-store sales saw a decrease. The Group's gross profit declined by 16.9% to HK\$2,753.0 million (2016: HK\$3,311.7 million). However, its gross margin increased to 52.8% (2016: 50.9%) because of an increase in the gross margin at the Core Brands Business.

Despite China's inflationary environment and the Group's investment in transformation initiatives, operating cost dropped by 17.2% in 2017 because the Group remained vigilant in cost control. The decrease was in line with the decline in the Group's sales.

The Group's operating loss was narrowed to HK\$688.8 million in 2017 from HK\$819.5 million for the previous year. Loss attributable to shareholders of the Company decreased to HK\$734.2 million for the year of 2017 (2016: HK\$819.1 million).

Basic loss per share was HK44.5 cents (2016: HK49.7 cents). The board of directors did not recommend the payment of a final dividend (2016: Nil).

Continued efforts in inventory management decreased the inventory level further to HK\$1,246.9 million as at 31 December 2017, from HK\$1,414.5 million in 2016. Average inventory turnover days for the Group was 198 days (2016: 201 days).

The Group's e-commerce operation continued to be profitable, although it faced tougher competition in 2017. In addition, the Group's financial position remained solid with a net cash position of HK\$330.0 million.

The Group initiated adjustment of its channel mix to align with its refreshed brand images and continued to optimise its store network in 2017, and the move led to a net reduction of 1,064 points-of-sale ("POS"). Therefore, the total number of the Group's POS was 3,836 as at 31 December 2017, of which 3,589 POS were under its Core Brands Business and 247 POS were under its Other Brands Business.

#### Core Brands Business

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

The Group started adjusting its channel mix to align with its refreshed brand images and continued store rationalisation during the year under review, and these measures resulted in a net closure of 1,009 POS (including 943 directly-managed stores and 66 franchised stores) for the whole year of 2017. As at 31 December 2017, its Core Brands Business had a total of 3,589 POS (comprising 3,303 directly-managed stores and 286 franchised stores), down by 21.9% from 4,598 POS as at 31 December 2016.

### 業務回顧

#### 集團表現

二零一七年對本集團是重要的一年，因其於年內啟動了多項轉型措施，包括品牌革新和產品升級，以應對市場挑戰。在過渡年內，本集團營業額減少19.9%至5,211.0百萬港元（二零一六年：6,501.7百萬港元），這主要由於核心品牌業務店舖數目減少21.9%，及其同店銷售下降，導致核心品牌業務營業額下降所致。本集團毛利減少16.9%至2,753.0百萬港元（二零一六年：3,311.7百萬港元）。然而，由於核心品牌業務毛利率上升，所以本集團毛利率上升至52.8%（二零一六年：50.9%）。

儘管中國仍處於通脹環境以及本集團為轉型舉措作出投資，但因本集團繼續嚴控成本，二零一七年的經營成本下降17.2%。降幅與本集團銷售降幅相若。

二零一七年本集團經營虧損由前一年的819.5百萬港元收窄至688.8百萬港元。二零一七年本公司股東應佔虧損為734.2百萬港元（二零一六年：819.1百萬港元）。

每股基本虧損為44.5港仙（二零一六年：49.7港仙）。董事會不建議派發末期股息（二零一六年：無）。

本集團在存貨管理的持續努力，使存貨水平由二零一六年的1,414.5百萬港元進一步減少至二零一七年十二月三十一日的1,246.9百萬港元。本集團平均存貨週轉天數為198天（二零一六年：201天）。

儘管於二零一七年面臨更激烈的競爭，本集團電商業務繼續提供盈利。此外，本集團的財務狀況維持穩健，淨現金狀況為330.0百萬港元。

於二零一七年，本集團為配合其全新的品牌形象，開始調整其渠道組合，並繼續優化其店舖網絡，此舉導致淨減少1,064個銷售點。因此，於二零一七年十二月三十一日，本集團的銷售點總數為3,836個，包括核心品牌業務銷售點3,589個和其他品牌業務銷售點247個。

#### 核心品牌業務

本集團之核心品牌業務，主要指本集團於中國大陸銷售自有品牌「達芙妮」和「鞋櫃」的鞋類產品及配件的零售業務。

於回顧年內，本集團開始調整其渠道組合，以配合其全新品牌形象並繼續進行店舖整合，這些舉措導致二零一七全年淨關閉1,009個銷售點（包括943家直營店和66家加盟店）。於二零一七年十二月三十一日，其核心品牌業務擁有3,589個銷售點（包括3,303家直營店和286家加盟店），較二零一六年十二月三十一日的4,598個銷售點減少21.9%。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

#### Number of POS of Core Brands Business:

#### 核心品牌業務銷售點數目：

		At 31 December 2017 於二零一七年 十二月三十一日		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	3,303	92%	4,246	92%	-943	-22.2%
Franchised stores	加盟店	286	8%	352	8%	-66	-18.8%
Total	合計	3,589	100%	4,598	100%	-1,009	-21.9%

#### Number of POS of Core Brands Business by city tier:

#### 核心品牌業務銷售點按城市級別的分佈：

		At 31 December 2017 於二零一七年 十二月三十一日		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	364	10%	514	11%	-150	-29.2%
Tier 2	二線城市	877	25%	1,125	25%	-248	-22.0%
Tier 3	三線城市	680	19%	890	19%	-210	-23.6%
Tier 4-6	四至六線城市	1,668	46%	2,069	45%	-401	-19.4%
Total	合計	3,589	100%	4,598	100%	-1,009	-21.9%

During the transition before transformation measures were fully implemented, the Group continued to face intense competition from the local regional peers as it adopted a more stable pricing policy to align with the new brand images in 2017. This strategic move put the Group's sales under great pressure, especially in the third quarter when the peers offered even greater discounts when compared to those in the corresponding period in the previous year. Although the Group's full-year same-store sales decreased in 2017, it saw a deceleration in the same-store sales decline in the fourth quarter of the year when it launched its well-received autumn collection with enhanced design.

在轉型措施得到全面實施之前的過渡期內，為配合全新品牌形象，本集團於二零一七年採取更為穩定的定價政策，因此讓其繼續面對來自本地區域性同業的激烈競爭。這一戰略舉措使本集團銷售額承受極大壓力，特別是第三季度內同業較去年同期提供了更大的折扣。儘管本集團於二零一七年全年同店銷售錄得跌幅，但當其推出設計提升後的秋季系列並受到顧客好評後，第四季度同店銷售跌幅有所放緩。

As a result of the reduction in store number and decline in same-store sales, turnover at the Group's Core Brands Business decreased by 20.8% to HK\$4,703.2 million (2016: HK\$5,936.0 million). The segment revenue generated from sales to external customers of the Core Brands Business accounted for 86% of the Group's total revenue for 2017 (2016: 88%).

由於店舖數目減少及同店銷售下跌，本集團核心品牌業務營業額減少20.8%至4,703.2百萬港元（二零一六年：5,936.0百萬港元）。二零一七年，核心品牌業務對外客戶的收益佔本集團總營業額86%（二零一六年：88%）。

The Group adopted a stable pricing strategy to support the new brand images, facilitate steady sales through the seasons and enhance the gross margin. Although the strategy exerted downward pressure on the sales during the transition period, it helped enhance the gross margin in 2017. Despite the negative impact of the continued effort to clear the aged inventory during the year, Core Brands Business' gross margin still managed to increase to 49.2%, up by 1.9 percentage points. The average selling price ("ASP") at the Core Brands Business was RMB159 (2016: RMB159).

本集團採取穩定的價格政策以支持全新品牌形象，減少季內的銷售額波幅，並提升毛利率。儘管該策略在過渡期內對銷售產生了下行壓力，但其有助提升二零一七年的毛利率。雖然年內持續清理過季存貨產生了一些負面影響，但核心品牌業務毛利率仍成功提升1.9百分點至49.2%。核心品牌業務平均售價為159元人民幣（二零一六年：159元人民幣）。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

Although the efforts made for key transformation initiatives only started to be reflected at customer touch-points in the second half of 2017, mostly in the last few months, and many of their benefits were not yet realised, the Group was able to narrow the operating loss to HK\$667.6 million in 2017 from HK\$744.1 million in the previous year. The operating margin was -14.2% (2016: -12.5%).

While most of the first half of the year was spent on the careful formulation of the brand-revamp programme and on doing the groundwork and making preparations for the roll-out of major transformation initiatives, including the design of new brand logos and the new store images, and the strengthening of the product design team, the Group opened its first new image prototype store for “Daphne” in June and launched its first crossover project with a hip and cool U.S. fashion brand, “Opening Ceremony” (“OC”), for its autumn and winter collections in the third and fourth quarters of 2017. It also conducted an integrated marketing campaign for the launch that encompassed the opening of pop-up stores, celebrities’ presence, key opinion leaders’ (“KOL”) endorsements, a fashion show, video clips showcasing products, public relations work and customer engagement with an emphasis on social media, and online live broadcasts, etc. The campaign was widely covered by the fashion media and bloggers. This lent significant support to the revitalisation of the brand image of “Daphne”. The launch activities for the OC crossover also demonstrated a shift of focus of the Group’s brand marketing to digital marketing.

The Group picked up the pace of adjustment of its channel mix to align it with its new brand images, and opening of new image stores as well as related store renovation in the second half of 2017. The Group also initiated a major organisational restructuring with emphasis on the brand management to boost the efficiency of management and sales. Besides, the Group upgraded its customer relations management (“CRM”) programme by starting off with an update of the customer data and recruitment of new members. By building and expanding the customer database, the Group will be able to strengthen the customer loyalty and increase repeat business through a more solid CRM programme.

### 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 distributorships such as “AEE”, “STEP HIGHER”, “AEROSOLE” and “ALDO”, in Mainland China, Hong Kong and Taiwan).

Due to the soft market situation and a net decrease of 18.2% in its POS from 302 to 247, the turnover of the mid- to high-end brands portfolio decreased and therefore the turnover of Other Brands Business segment decreased to HK\$733.5 million (2016: HK\$813.0 million). This segment accounted for approximately 14% (2016: 12%) of the Group’s total revenue in 2017.

The gross margin of Other Brands Business slightly decreased to 58.2% from 59.0% as a result of the increased weighting in the sales mix by the e-commerce business. This, together with the weaker performance of the mid- to high-end brands portfolio, led to lower operating margin of Other Brands Business which recorded an operating loss of HK\$7.1 million (2016: a profit of HK\$7.8 million).

儘管主要的轉型舉措在二零一七年下半年(大部分是最後數個月)才在顧客接觸點反映出來,而且許多效益尚未顯現,本集團已把經營虧損由上一年的744.1百萬港元縮窄至二零一七年的667.6百萬港元。經營盈利率為-14.2%(二零一六年:-12.5%)。

本集團上半年大部分時間都在精心制定品牌革新計劃,並為推出重大轉型舉措做準備及前期的工作,包括設計新的品牌標識及新店舖形象,同時加強產品設計團隊。本集團於六月開設第一家「達芙妮」新形象示範店,並於二零一七年第三、四季度與美國時尚品牌「Opening Ceremony」(「OC」)合作推出秋、冬季跨界合作系列產品。本集團還為其首次發佈進行綜合營銷活動,包括開設快閃店、邀請名人出席、關鍵意見領袖(「KOL」)推薦、時裝表演、製作展示產品的視頻、以社交媒體為主的公關活動及與顧客互動、線上直播等。此次活動受到了時尚媒體和博主的廣泛報導,這為激活「達芙妮」品牌形象提供了有力的支持。OC跨界合作項目的首次發佈活動亦顯示出本集團的品牌營銷重點已轉向線上營銷。

於二零一七下半年,本集團加快渠道組合調整,以配合其全新的品牌形象,並開設新形象店舖,及進行有關的店舖翻新。本集團亦啟動大型組織架構重組,重點在於品牌管理,以提高管理及銷售效益。此外,本集團從更新顧客數據和招募新會員兩方面入手,進行顧客關係管理(「CRM」)計劃升級。通過建立並擴大顧客數據庫,本集團將憑藉更堅實的CRM計劃,加強顧客忠誠度並提升重複銷售。

### 其他品牌業務

本集團的其他品牌業務主要是電商業務和來自中高檔品牌(包括於中國大陸、香港和台灣的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)的業務。

由於市況疲弱及銷售點淨減少18.2%(由302個減少至247個),中高檔品牌組合營業額下跌,致其他品牌業務分部營業額下跌至733.5百萬港元(二零一六年:813.0百萬港元)。該分部佔本集團二零一七年總營業額約14%(二零一六年:12%)。

由於電商業務的銷售佔比上升,故其他品牌業務的毛利率由59.0%微降至58.2%。加上中高檔品牌組合表現轉弱,這些都導致其他品牌業務的經營盈利率下降,並錄得7.1百萬港元的經營虧損(二零一六年:盈利7.8百萬港元)。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

Although the online competition became more intense especially during key online shopping events, and the Group had been adhering to its stable pricing policy throughout the year, the Group's e-commerce business was stable and remained profitable in 2017. Its contribution to the Group's revenue continued to increase.

As one of the major developments in the Group's online-to-offline ("O2O") solution, store pick-up service was officially launched in 2017 at selected stores for online orders. This new service, enabled by the warehouse sharing programme, not only helped support online sales and strengthened the inventory management for the Group as a whole, but also encouraged repeat purchases at the offline stores. In addition to the facelift of its virtual stores to align them with the new brand images, the Group also made great efforts to improve the customers' online shopping experience, such as enhancement of the products' visual display and description, product search, customer service and after-sale service. On the marketing front, the Group was more active in collaborating with fashion bloggers and influencers, and in social media to interact with potential customers.

## FINANCIAL REVIEW

### Analysis of Results by Business Segment

For the year ended 31 December 2017, the turnover of the Group was HK\$5,211.0 million (2016: HK\$6,501.7 million), a decrease of 19.9% compared to last year. The business performance of individual segments is summarised as follows:

		Core Brands Business 核心品牌業務		Other Brands Business 其他品牌業務		Manufacturing Business 製造業務	
(HK\$' million 百萬港元)		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	4,477.4	5,691.5	733.5	808.8	-	1.4
Inter-segment revenue	分部間收益	225.8	244.5	-	4.2	199.2	206.4
Total segment revenue	分部收益總額	4,703.2	5,936.0	733.5	813.0	199.2	207.8
Segment gross profit	分部毛利	2,314.9	2,808.2	426.8	480.1	11.6	11.9
Segment gross margin	分部毛利率	49.2%	47.3%	58.2%	59.0%	5.8%	5.7%
Segment operating (loss)/profit	分部經營(虧損)/盈利	(667.6)	(744.1)	(7.1)	7.8	(0.1)	(12.3)
Segment operating margin	分部經營盈利率	-14.2%	-12.5%	-1.0%	1.0%	-0.1%	-5.9%

During the year ended 31 December 2017, total segment revenue of the Core Brands Business decreased by 20.8% to HK\$4,703.2 million from HK\$5,936.0 million in last year. It is mainly due to the closure of stores and decline in the same-store sales. Its gross margin improved from 47.3% to 49.2% as a result of product mix and less clearance of old stocks. The segment recorded an operating loss of HK\$667.6 million compared to that of HK\$744.1 million in last year.

儘管線上競爭變得更加激烈，尤其於重要線上購物活動期間，而且本集團於年內一直堅守其穩定的定價政策，但本集團電商業務於二零一七年仍保持穩定，並繼續提供盈利。其對本集團收入的貢獻亦持續增加。

作為其線上至線下("O2O")方案的主要進展之一，本集團在二零一七年於指定店舖正式推出網上訂單門店自提服務。這項新服務乃透過倉庫共享計劃而引入，不僅有助支持線上銷售，並增強本集團整體的存貨管理，還有助帶動線下店舖的重複銷售。除了替其虛擬店重新改版以配合全新品牌形象外，本集團還努力改善顧客的線上購物體驗，例如提升產品的展示及描述、產品搜索、顧客服務及售後服務。在營銷層面，本集團更積極地與時尚博主和具有時尚影響力的人士合作，並在社交媒體上與潛在顧客進行更多互動。

## 財務回顧

### 按業務分部業績分析

截至二零一七年十二月三十一日止年度，本集團錄得營業額5,211.0百萬港元(二零一六年：6,501.7百萬港元)，較去年減少19.9%。各分部之業務表現載列如下：

截至二零一七年十二月三十一日止年度，核心品牌業務分部收益總額由去年的5,936.0百萬港元減少20.8%至4,703.2百萬港元。這主要由於關閉店舖和同店銷售下降所致。由於產品組合和減少清理過季存貨，其毛利率由47.3%提高至49.2%。此分部錄得經營虧損667.6百萬港元，相對去年則為744.1百萬港元。



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On the other hand, the total segment revenue of Other Brands Business decreased slightly by 9.8% to HK\$733.5 million (2016: HK\$813.0 million) which is also attributable to the closure of stores during the year while the e-commerce business's turnover remained at the similar level as last year. However, the segment recorded an operating loss of HK\$7.1 million compared to that of a profit of HK\$7.8 million last year.

### Other Income

Other income decreased by HK\$33.5 million from HK\$76.7 million in last year to HK\$43.2 million for the year ended 31 December 2017. The drop in other income is mainly because there was no income derived from "Lady Bees" television programme this year.

### Operating Expenses

Overall, the Group's operating expenses (including other losses – net, selling & distribution and general & administrative expenses) decreased by HK\$722.7 million or 17.2% to HK\$3,485.1 million from HK\$4,207.8 million in last year. The drop in operating expenses was generally in line with sales decrease and led mainly by rental cost, depreciation charges and promotional and marketing expenses.

### Operating Loss

As a result of the above, the Group incurred an operating loss of HK\$688.8 million in 2017, narrowed by HK\$130.7 million or 15.9% as compared to HK\$819.5 million in last year.

### Income Tax Expense

The Group's income tax expense for the year was HK\$44.1 million (2016: HK\$9.4 million). This is mainly attributable to derecognition of deferred income tax assets for certain timing differences and tax losses.

### Loss Attributable to Shareholders

For the year ended 31 December 2017, the Group's loss attributable to shareholders also dropped by 10.4% to HK\$734.2 million compared to that of HK\$819.1 million in last year. Basic loss per share was HK44.5 cents (2016: HK49.7 cents).

### Inventories

As at 31 December 2017, the Group's inventories decreased by HK\$167.6 million from HK\$1,414.5 million to HK\$1,246.9 million. Average inventory turnover was 198 days, 3 days less than last year. Included in the inventories, the balance of provision for slow-moving and obsolete items was HK\$537.9 million as at 31 December 2017 (2016: HK\$527.0 million).

### Trade Receivables

The amount of trade receivables as at 31 December 2017 decreased by HK\$26.8 million, or 12.9%, to HK\$181.3 million compared to that of HK\$208.1 million in 2016. Average debtors turnover remained stable at around 14 days (2016: 13 days).

### Trade Payables

As at 31 December 2017, the Group's trade payables decreased by HK\$225.7 million, or 28.0%, to HK\$581.3 million (including those transferred to disposal group classified as held-for-sale) (2016: HK\$807.0 million) and the average creditors turnover decreased by 9 days to 121 days (2016: 130 days).

另一方面，其他品牌業務的分部收益總額微降9.8%至733.5百萬港元（二零一六年：813.0百萬港元），亦歸因於年內關閉店舖，而電商業務營業額維持與去年相若的水平。然而，此分部錄得經營虧損7.1百萬港元，相對去年則為盈利7.8百萬港元。

### 其他收入

截至二零一七年十二月三十一日止年度，其他收入由去年的76.7百萬港元減少33.5百萬港元至43.2百萬港元。其他收入的下降主要由於今年沒有來自電視節目《蜜蜂少女隊》之收入。

### 經營費用

總體而言，本集團之經營費用（包括其他虧損－淨額、銷售及分銷開支以及一般及行政開支）由去年的4,207.8百萬港元減少722.7百萬港元或17.2%至3,485.1百萬港元。經營費用之下跌基本上與銷售跌幅一致，並主要由租金成本、折舊費用及促銷與營銷費用引致。

### 經營虧損

基於以上結果，本集團於二零一七年承受經營虧損688.8百萬港元，較去年的819.5百萬港元縮窄130.7百萬港元或15.9%。

### 所得稅開支

本集團本年之所得稅開支為44.1百萬港元（二零一六年：9.4百萬港元）。這歸因於終止確認有關若干時間性差異及稅項虧損之遞延所得稅項資產。

### 股東應佔虧損

截至二零一七年十二月三十一日止年度，本集團股東應佔虧損亦下降10.4%至734.2百萬港元，相對去年819.1百萬港元。每股基本虧損為44.5港仙（二零一六年：49.7港仙）。

### 存貨

於二零一七年十二月三十一日，本集團存貨由1,414.5百萬港元減少167.6百萬港元至1,246.9百萬港元。平均存貨週轉期為198日，較去年減少3日。於二零一七年十二月三十一日，包括於存貨中的滯銷及過時存貨撥備餘額為537.9百萬港元（二零一六年：527.0百萬港元）。

### 貿易應收賬款

於二零一七年十二月三十一日之貿易應收賬款減少26.8百萬港元或12.9%至181.3百萬港元，相對二零一六年的208.1百萬港元。平均應收賬款週轉期穩定維持於大概14日（二零一六年：13日）。

### 貿易應付賬款

於二零一七年十二月三十一日，本集團之貿易應付賬款減少225.7百萬港元或28.0%至581.3百萬港元（包括轉撥至分類為持作出售之出售組別的）（二零一六年：807.0百萬港元），平均應付賬款週轉期減少9日至121日（二零一六年：130日）。



# MANAGEMENT DISCUSSION AND ANALYSIS

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### Liquidity and Financial Resources

As at 31 December 2017, the Group had cash and bank balances, comprising cash and cash equivalents (including those transferred to disposal group classified as held-for-sale), bank deposit with maturity over three months and pledged bank deposits, amounting to HK\$486.3 million (2016: HK\$989.5 million), which were denominated mainly in Renminbi.

As at 31 December 2017, the Group's short-term bank loan was HK\$156.3 million (2016: HK\$296.7 million) and therefore the Group's net cash amounted to HK\$330.0 million (2016: HK\$692.8 million). The bank loan was denominated in USD and at floating rates during the year. The Group did not hedge its exposure to interest rate risks via interest rate swap.

The net decrease in cash and bank balances of HK\$503.2 million (2016: HK\$86.1 million) during the year is analysed as follows:

### 流動資金及財政資源

於二零一七年十二月三十一日，本集團持有現金及銀行結餘(包括現金及現金等價物(包括轉撥至分類為持作出售之出售組別的)、存款期超過三個月之銀行存款及已抵押銀行存款)為486.3百萬港元(二零一六年：989.5百萬港元)，主要以人民幣為結算單位。

於二零一七年十二月三十一日，本集團短期銀行貸款為156.3百萬港元(二零一六年：296.7百萬港元)，因此本集團之淨現金為330.0百萬港元(二零一六年：692.8百萬港元)。年內，銀行貸款主要以美元為結算單位及按浮動利率計息。本集團並無透過利率掉期對沖其面對的利率風險。

年內，現金及銀行結餘淨減少503.2百萬港元(二零一六年：86.1百萬港元)的分析如下：

		For the year ended 31 December 截至十二月三十一日止年度	
		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)/generated from operating activities	經營活動(所用)/產生的現金淨額	(304.8)	327.4
Capital expenditure	資本開支	(123.6)	(110.9)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	3.8	7.3
Proceeds from disposal of subsidiaries	出售附屬公司所得款項	22.5	-
Net interest received	淨利息收入	12.4	9.8
Net bank loans repaid	淨銀行貸款償還	(140.4)	(324.1)
Effect of exchange rate changes and others	外匯兌換率變動之影響和其他	26.9	4.4
		(503.2)	(86.1)

For the year ended 31 December 2017, the Group's interest expenses on bank loans amounted to HK\$6.0 million compared to last year's HK\$6.5 million. The Group's interest income was HK\$22.4 million (2016: HK\$16.3 million).

As at 31 December 2017, the Group was granted banking facilities amounting to HK\$163.0 million (2016: HK\$320.5 million). The Group's net gearing ratio, 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 (2016: net cash) position. Current ratio was 2.5 times as at 31 December 2017 (2016: 2.4 times). The board of directors is of the opinion that the Group has sufficient financial resources to meet its obligation as and when they fall due over the next twelve months.

截至二零一七年十二月三十一日止年度，本集團銀行貸款之利息開支為6.0百萬港元，相對去年6.5百萬港元。本集團之利息收入為22.4百萬港元(二零一六年：16.3百萬港元)。

於二零一七年十二月三十一日，本集團獲授之銀行融資額度為163.0百萬港元(二零一六年：320.5百萬港元)。本集團之淨負債比率(根據淨負債(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：淨現金)。於二零一七年十二月三十一日，資產流動比率為2.5倍(二零一六年：2.4倍)。董事會認為本集團持有足夠財政資源以應付於未來十二個月到期之債務。

# MANAGEMENT DISCUSSION AND ANALYSIS

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### Foreign Exchange Risk Management

The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and the Group may use forward foreign exchange contracts when major fluctuation in the relevant foreign currency is anticipated. During each of the two years ended 31 December 2017, the Group entered into forward foreign exchange contracts to hedge the foreign exchange risk exposure on bank loans denominated in USD. As at 31 December 2017, there were no outstanding forward foreign exchange contracts.

### Pledge of Assets

As at 31 December 2017, the Group's pledged bank deposits amounting to HK\$181.4 million (2016: Nil) were pledged for utilising certain banking facilities.

### Capital Expenditure

During the year, the Group incurred capital expenditure of HK\$123.6 million (2016: HK\$110.9 million) mainly for retail network expansion and renovation.

### Contingent Liabilities

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

### Human Resources

As at 31 December 2017, the Group had a workforce of about 13,000 (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 year was HK\$833.2 million (2016: HK\$889.4 million). The decrease of HK\$56.2 million or 6.3% was mainly due to the reduction in headcount of factories, stores and back office. 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

The Group received a number of accolades in 2017 that reflected its efforts in the improvement of branding, products and corporate governance. Daphne topped the "China Net Promoter Score" in 2017 by Chnbrand in women's footwear category. The annual survey interviewed over 18,900 consumers across 35 cities in China on their willingness to recommend branded products they had used to their friends. The net promoter score examined word-of-mouth reputation and customer loyalty of over 5,600 consumer brands.

### 匯率風險管理

本集團透過定期審閱本集團之外匯風險淨額，管理本集團之外匯風險，本集團於預期相關外幣出現大幅波動時或會使用遠期外匯合約。截至二零一七年十二月三十一日止兩個年度各年，管理層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。於二零一七年十二月三十一日，並無尚未行之遠期外匯合約。

### 資產抵押

於二零一七年十二月三十一日，本集團就使用若干銀行融資額度而抵押之已抵押銀行存款為181.4百萬港元（二零一六年：無）。

### 資本開支

年內，本集團的資本開支為123.6百萬港元（二零一六年：110.9百萬港元），主要用於擴展及裝修分銷網絡。

### 或然負債

於二零一七年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。

### 人力資源

於二零一七年十二月三十一日，本集團於中國大陸、台灣及香港之僱員人數約為13,000人（二零一六年：15,000人）。年內僱員福利開支（包括董事酬金、退休福利及以股份為基礎之款項開支）為833.2百萬港元（二零一六年：889.4百萬港元）。減少56.2百萬港元或6.3%乃主要由於工廠、店舖及後勤辦公室之僱員人數減少。本集團重視其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能力而定，並按本集團及個別員工之表現向合資格員工提供購股權、股份增值權及酌情花紅。此外，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

本集團於二零一七年獲得多項殊榮，顯示其在品牌建設、產品及企業管治各方面的努力。達芙妮在由「中國企業品牌研究中心」舉辦的《2017年中國顧客推薦度指數》（女鞋類別）中排名第一。這項年度調查就消費者是否願意向朋友推薦自己使用過的產品這一課題訪問了全國35個城市逾18,900名消費者。這顧客推薦度指數對超過5,600個消費品品牌的口碑和顧客忠誠度進行評審。

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### 管理層討論與分析

Daphne also retained its number one position in the “China Brand Power Index 2017” (women’s shoes category) by Chnbrand for the seventh consecutive year. It also won the “Golden Award” by Chnbrand because of its top ranking in the same survey for more than five years in a row. These awards reflected the strong awareness of the Daphne brand in Mainland 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.

In Chnbrand’s “China Customer Satisfaction Index 2017” (women’s shoes category), Shoebox topped the ranking for two consecutive years, and Daphne ranked the third this year. The survey polled consumers’ level of satisfaction of a product upon consumption by way of individual face-to-face interviews. Its sample size was 919,000 people across 35 cities.

Chnbrand is a research institution funded by the Chinese Government’s Ministry of Industry and Information Technology, and is reputed to be one of the most credible brand rating organisations in China.

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

China’s economy is expected to continue with its moderate and stable growth in 2018 riding on steady increase in domestic consumption and external demand. Nonetheless, with uncertainties from monetary tightening and emerging trade protectionism around the globe, as well as the cycle of interest rate hikes in the United States, China’s economic growth could be hampered. The potentially high volatility in the financial market could also dampen consumer sentiment and confidence in China.

The relentless rise of online shopping fuelled by aggressive e-tailers will continue to pose huge pressure on the operation of brick-and-mortar retailers in China, in particular fashion retailers. The increasing popularity of outbound travel among local residents coupled with the recent strength of Renminbi could affect local consumption. Price competition driven by local peers in the women’s footwear sector further aggravates the difficulties the Group faces.

Nevertheless, the recent 19th National People’s Congress in China has ensured leadership stability and policy clarity for the next five years, which are expected to further improve business prospect and strengthen consumer confidence. In addition, consumers are becoming more sophisticated with an increasing emphasis on quality and style. The Group is well-positioned to seize business opportunities presented by the above favourable market factors, leveraging its business transformation to achieve brand differentiation, elevate sales efficiency and attain sustainable growth.

達芙妮亦連續第七年在《2017年中國品牌力指數》(由「中國企業品牌研究中心」舉辦)的女鞋類別中維持第一的領先地位。達芙妮並因連續五年以上蟬聯第一而獲得「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知名度。通過採訪全國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。

在「中國企業品牌研究中心」的《2017年中國顧客滿意度指數》(女鞋類別)中，鞋櫃連續兩年排名第一，而達芙妮這年排名第三。該調查通過個人面對面訪談的方式調查了消費者對使用過的產品的滿意水平。其樣本規模覆蓋全國35個城市共919,000人。

「中國企業品牌研究中心」是由中國政府的工業和信息化部門資助的市場調查機構，被譽為中國最具公信力的品牌評級機構之一。

此外，於香港投資者關係協會舉辦的「2017投資者關係大獎」中，本集團在「最佳投資者關係公司(小型股類別)」獎項上獲得提名，以表彰其在確保良好的企業管治及投資者關係方面的努力。

### 展望

隨著國內消費和海外需求的穩步增長，預期中國經濟在二零一八年將繼續平穩上揚。然而，由於全球貨幣緊縮、貿易保護主義抬頭，以及美國加息週期，中國的經濟增長可能受到窒礙。金融市場潛在的高波動性也可能會影響中國的消費意慾和信心。

極為進取的網上零售商推動線上購物不斷增長，這將繼續對中國的實體零售商，尤其是時尚界的零售商造成龐大壓力。中國本地居民出境旅行日益普及，連同人民幣近期走強可能會影響本地消費。由女鞋業內的本土品牌帶動的價格競爭加劇了本集團面臨的困境。

儘管如此，近期中國召開的十九屆全國人民代表大會確保了未來五年領導層的穩定性和政策的明確性，預期將改善業務前景並增強消費者信心。此外，消費者正變得越來越成熟，更加注重質量與款式。本集團正藉業務轉型去實現品牌差異化，提升銷售效率及達致持續增長，目前處於有利位置可抓住上述有利市場因素帶來的機遇。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

The Group is making every endeavour in implementing its plan for business transformation which features a wide spectrum of the Group's operation. Since the beginning of the Group's roll-out of its key initiatives in early 2017, it takes time to prepare for full implementation of the plan with most of the hard work from the implementation process starting to reflect at customer touch points until the third and fourth quarter of 2017. With prudent estimation of the complexity of such an extensive business transformation involving internal restructuring and re-engineering, phase-in and phase-out of new and old systems and practices, tremendous external and internal co-ordination and communication, the Group understands that it takes time to roll out the measures across a vast country and to yield results. Some key initiatives are implemented by phases to tackle the complexity. Along the implementation process, the Group will closely monitor and respond to the changing consumer preferences and the evolving market situation by doing necessary modification to its new measures. It will also analyse sales data and customer responses from the initial runs of new measures, so that it can fine-tune and amend the measures to optimise effects. Although most of its measures are progressing as planned, and the same-store sales performance for the first-quarter-to-date of 2018 on a year-on-year basis was comparable to that of the previous quarter, the Group is well aware that there are still a lot to be done.

The Group is poised to roll-out Daphne's new-image stores steadily in 2018 upon the completion of necessary modification for the store building and renovation plan. It will also continue with the adjustment in its channel mix to complement the new brand images. The Group's product design team and brand management team will analyse sales data and customer feedback from the autumn and winter 2017 collection and incorporate adequate changes in product design and portfolio, product quality, product ordering and allocation to enhance its future product collections. The Group has also planned to make further adaptations of its supply chain to the overall product upgrade. While a new batch of crossover products with "Opening Ceremony" brand for the upcoming spring and summer seasons is about to be launched, the Group is working on the next major crossover project for its autumn and winter collection in 2018. To make its CRM programme more appealing and engaging, the Group will enrich its loyalty programme and improve the recruitment mechanism of new members.

The Group's e-commerce business will continue the pursuit of "O2O" business by strengthening interaction between online and offline, and improve the related efficiency. For example, the Group will extend the coverage of its shop-pick-up service in its store network. It also has plans in the pipeline to expand its online sales distribution network. In addition to bringing a wider range of exclusive products to its online product offerings, the Group will see improving customers' online shopping experience as an ongoing measure. In view of the fast evolution of the online retail market in China, the Group's e-commerce team has dedicated its efforts to closely monitor market dynamics and will plan to take adequate actions to maintain and expand its online market presence.

The Group is confident that the business transformation plan is leading it towards the growth path, albeit that its benefits may take time to realise. It may require some patience for the interlocking measures to settle in and synchronise to give the full effect. Nevertheless, the management is dedicated to ensuring effective execution of the transformation initiatives and resolving challenges during the process. With its stable financial position, the Group will be able to continue with its value creation for shareholders and strive for sustainable growth.

本集團正全力推行全方位的業務轉型計劃。自本集團於二零一七年初開始推出重點改革措施以來，需要時間為計劃的全面執行作準備，大部分的工作直到二零一七年第三及第四季才開始在顧客接觸點中反映出來。本集團審慎評估了此範圍廣泛的業務轉型的複雜程度，其中包括內部架構重組及重新規劃、新舊系統及措施的逐步淘汰及更新、大量的對內及對外的協調及溝通等，所以本集團理解，在這幅員遼闊的國家中推行這些措施並取得成果是需要一定時間。一些重點措施將分階段實施以處理其複雜性。在實施過程中，本集團將密切監控並應對不斷轉變的顧客喜好及瞬息萬變的市場情況，並在必要時對新措施作出調整。本集團還將分析新措施實施初期的銷售數據和顧客反應，以便可以調整並修正措施以優化效果。雖然大部分措施正按計劃進行，而且二零一八年第一季度至今的按年同店銷售表現與上一個季度相若，但本集團充分意識到未來仍有許多工作需要完成。

本集團準備在對店舖營建和翻新計劃的必要修改完成後，於二零一八年在中國適時推出「達芙妮」新形象店舖。本集團亦將繼續調整渠道組合以配合新品牌形象。本集團的產品設計團隊及品牌管理團隊將分析二零一七年秋季系列的銷售數據及顧客反饋，並對產品設計及組合、產品質量、產品訂單及分配上進行適當的調整，以提升其未來的產品系列。本集團亦計劃進一步調整其供應鏈以配合整體產品升級。隨著新一批與「Opening Ceremony」品牌跨界合作的春夏季產品即將上市，本集團正為二零一八年秋冬季系列籌備其下一個重要跨界合作項目。為了使其CRM計劃更具吸引力及互動性，本集團將進一步豐富其顧客忠誠度計劃，並改善新會員招募機制。

本集團的電商業務將通過加強線上與線下的互動，繼續推行「O2O」業務，並提升相關效益。例如，本集團將擴大門店自提服務在店舖網絡中的覆蓋度。本集團還計劃擴大線上銷售分銷網絡。除了為其線上產品系列引入更多獨家產品之外，本集團還將持續提升線上購物體驗。鑒於中國線上零售市場的迅速發展，本集團的電商團隊正致力密切關注市場動態，並計劃採取適當措施，以維持並擴大其在線上市場的地位。

本集團相信，其業務革新轉型計劃正引領其走向增長之路，儘管效益的顯現尚需些時日。而且，可能需要耐心等待互相關聯的措施融入並相配合協調起來，以使其能充分彰顯效益。然而，管理層正致力於確保革新舉措的有效執行，並解決在執行過程中遇到的挑戰。憑藉其穩定的財務狀況，本集團將有能力繼續為股東創造價值，並爭取可持續增長。

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理人員簡歷

#### EXECUTIVE DIRECTORS

**Mr. CHANG Chih-Kai**, aged 37, has been an executive director of the Company since November 2004. He was appointed as the Chairman of the board of the directors in May 2017 and as the Chief Executive Officer (“CEO”) in April 2016. Mr. Chang is responsible for strategic planning and overall management of the Group. He has joined the Group since 2003 and accumulated over 10 years of experience in footwear industry with focus on product development, production, merchandising, as well as general management. He studied a bachelor’s degree of Art in Auckland University after graduated from Pakuranga College in New Zealand. Mr. Chang is the brother of Mr. Chang Chih-Chiao, an executive director, a cousin of Mr. Chen Ying-Chieh, a non-executive director, and Mr. Chen Tommy Yi-Hsun, an executive director. Mr. Chang holds directorships in certain subsidiaries of the Company.

**Mr. CHANG Chih-Chiao**, aged 35, joined the Group in 2007 and has become an executive director of the Company since June 2009. He is currently responsible for product development and design, and marketing functions. Mr. Chang obtained a bachelor’s degree in Visual Communication from Northumbria University in the United Kingdom. Mr. Chang is the brother of Mr. Chang Chih-Kai, the CEO, the Chairman and an executive director, a cousin of Mr. Chen Ying-Chieh, a non-executive director, and Mr. Chen Tommy Yi-Hsun, an executive director.

**Mr. CHEN Tommy Yi-Hsun**, aged 36, has been an executive director of the Company since December 2011 and is currently responsible for merchandising and supply chain management of the Group. Mr. Chen joined the Group in 2004, and worked in trading and manufacturing of footwear business of the Group. He has over 10 years of experience in footwear manufacturing and supply chain management. Mr. Chen graduated from University of Victoria in Canada with a bachelor’s degree in Economics and obtained an EMBA degree in Taiwan National Chung Hsing University. Mr. Chen is a cousin of Mr. Chang Chih-Kai, the CEO, the Chairman and an executive director, Mr. Chen Ying-Chieh, a non-executive director, and Mr. Chang Chih-Chiao, an executive director. Mr. Chen holds directorships in certain subsidiaries of the Company.

#### NON-EXECUTIVE DIRECTOR

**Mr. CHEN Ying-Chieh**, aged 48, is a non-executive director of the Company. Mr. Chen joined the Group in 1992 and acted as an executive director from May 1996 to April 2016. He obtained a bachelor’s degree in International Trade from Chung Yuan Christian University in Taiwan. Mr. Chen is a cousin of Mr. Chang Chih-Kai, the CEO, the Chairman and an executive director, Mr. Chang Chih-Chiao and Mr. Chen Tommy Yi-Hsun, both executive directors of the Company.

#### 執行董事

**張智凱先生**，37歲，自二零零四年十一月起擔任本公司之執行董事。彼於二零一七年五月獲委任為董事會主席，並於二零一六年四月獲委任為行政總裁（「行政總裁」）。張先生主要負責策略規劃及本集團整體管理工作。彼於二零零三年加入本集團並於鞋類行業累積逾十年經驗，主力集中產品研發、生產、採購以及整體管理工作。彼畢業於紐西蘭帕庫蘭卡學院後，於奧克蘭大學修讀文學學士學位課程。張先生為執行董事張智喬先生之兄長、非執行董事陳英杰先生之表弟及執行董事陳怡勳先生之表兄。張先生亦於本公司若干附屬公司擔任董事職位。

**張智喬先生**，35歲，於二零零七年加入本集團，並自二零零九年六月起擔任本公司之執行董事。彼現時主要負責產品研發及設計，以及市場推廣工作。張先生持有英國諾森比亞大學視覺傳媒學士學位。張先生為行政總裁、主席兼執行董事張智凱先生之弟弟、非執行董事陳英杰先生及執行董事陳怡勳先生之表弟。

**陳怡勳先生**，36歲，自二零一一年十二月起擔任本公司之執行董事，現時負責本集團採購及供應鏈管理。陳先生於二零零四年加入本集團，並於本集團從事鞋類貿易及生產工作。彼在鞋類製造及供應鏈管理方面累積逾十年經驗。陳先生畢業於加拿大維多利亞大學，持有經濟學學士學位並取得台灣國立中興大學高級管理人員工商管理碩士學位。陳先生為行政總裁、主席兼執行董事張智凱先生及非執行董事陳英杰先生之表弟，以及執行董事張智喬先生之表兄。陳先生亦於本公司若干附屬公司擔任董事職位。

#### 非執行董事

**陳英杰先生**，48歲，本公司非執行董事。陳先生於一九九二年加入本集團，並於一九九六年五月至二零一六年四月期間擔任執行董事。彼持有台灣中原大學國際貿易學士學位。陳先生為本公司行政總裁、主席兼執行董事張智凱先生、本公司之執行董事張智喬先生及陳怡勳先生之表兄。



## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理人員簡歷

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. HUANG Shun-Tsai**, aged 64, is a director of four health technology companies in Taiwan. He has been active in the health technology field for over 30 years. Mr. Huang has been an independent non-executive director of the Company since 2001.

**Mr. KUO Jung-Cheng**, aged 67, is a director of a manufacturing and distribution company in China. Mr. Kuo is a former senator of the Legislative Council in Taiwan. He has been serving the community in Taiwan as a representative for over 20 years. Mr. Kuo holds an MBA degree from University of Hawaii. Mr. Kuo has been an independent non-executive director of the Company since 2001.

**Mr. LEE Ted Tak Tai**, aged 67, has been an independent non-executive director of the Company since September 2011. Mr. Lee is currently the managing director of T Plus Capital Limited which engages in the provision of strategic, financial and business development advisory services in China. Mr. Lee is an independent non-executive director of East West Bank (China) Limited (a wholly-owned China subsidiary of NASDAQ-listed East West Bancorp, Inc.), ENM Holdings Limited (listed on The Stock Exchange of Hong Kong Limited, stock code 128) and COFCO Meat Holdings Limited (listed on The Stock Exchange of Hong Kong Limited, stock code 1610). Mr. Lee is a US certified public accountant (inactive) and has extensive experience in auditing and accounting sectors. He was a senior partner at Deloitte, where he worked for over 30 years both in the United States and Asia. Mr. Lee graduated from California State University, Fresno with a bachelor's degree in Accounting and obtained an MBA degree from University of Southern California.

#### SENIOR MANAGEMENT

**Mr. LIN Jerry Che-Li**, aged 50, joined the Group as the Chief Financial Officer in January 2010 and is responsible for the overall corporate and financial planning of the Group. Mr. Lin has over two decades of experience in financial planning and management in an international environment. Prior to joining the Group, Mr. Lin spent almost 20 years with General Motors, including 15 years in the finance department. His financial and operating experience included assignments at its treasury headquarters in New York and Singapore as well as senior financial management and CFO positions in Taipei, Seoul and Shanghai. Mr. Lin holds an MBA degree from Columbia Business School and a bachelor's degree in Electrical Engineering from the University of Rochester in the United States.

**Mr. SHIH Jonathan Wen-Che**, aged 58, joined the Group in March 2012 and is now the Chief Operating Officer. He is responsible for the brand management, e-commerce and sales operation management of the Group. Mr. Shih has over 30 years of experience in sales and general management in retail and service industries of which 20 years were in Mainland China. Mr. Shih has held senior management positions of different functions as well as regional general manager and general manager positions in China with various multinational companies such as City Chain, Pizza Hut, McDonald's, 7-11, Starbucks and Burger King. He graduated from National Taiwan Ocean University.

#### 獨立非執行董事

**黃順財先生**，64歲，為台灣四間健康科技公司之董事，從事健康科技業逾三十年。黃先生自二零零一年起擔任本公司獨立非執行董事。

**郭榮振先生**，67歲，為中國一間製造及分銷公司之董事。郭先生亦為前任台灣立法院委員，以議員身份服務台灣民眾逾二十年。郭先生持有夏威夷大學工商管理碩士學位。郭先生自二零零一年起擔任本公司獨立非執行董事。

**李德泰先生**，67歲，於二零一一年九月起擔任本公司獨立非執行董事。李先生現時為泰伽投資有限公司的董事總經理，該公司於中國從事提供策略、財務及業務發展諮詢服務。李先生正擔任華美銀行(中國)有限公司(於納斯達克上市的美國華美銀行於中國的全資控股附屬公司)、安寧控股有限公司(於香港聯合交易所有限公司上市，股票代號128)及中糧肉食控股有限公司(於香港聯合交易所有限公司上市，股票代號1610)的獨立非執行董事。李先生是一名美國註冊會計師(非執業)並於審計及會計方面擁有豐富經驗。李先生曾是德勤的資深合夥人，於該所美國及亞洲地區工作逾三十年。李先生畢業於加州州立大學弗雷斯諾分校，持有會計學學士學位，並取得南加州大學的工商管理碩士學位。

#### 高級管理人員

**林哲立先生**，50歲，於二零一零年一月起出任本集團之首席財務官。林先生負責本集團之整體企業及財務之規劃。林先生擁有超過二十年於跨國公司之財務規劃及管理經驗。加入本集團前，林先生曾於美國通用汽車公司服務近二十年，包括於其財政部門工作達十五年。其財務及營運管理經驗包括在此跨國企業位於紐約及新加坡的司庫總部，以及在台北、首爾及上海擔任高級財務管理及首席財務官的職位。林先生持有美國哥倫比亞大學商學院之工商管理碩士學位及美國羅徹斯特大學電機工程學士學位。

**施文哲先生**，58歲，於二零一二年三月加入本集團，現出任首席運營官一職，負責本集團之品牌營運、電子商務及銷售營運管理。施先生在零售及服務業擁有超過三十年銷售管理經驗，其中二十年在中國大陸。施先生曾於多間跨國品牌企業(包括時間廊、必勝客、麥當勞、7-11、星巴克和漢堡王等)擔任不同職能部門高級管理人員以至區域總經理和中國區總經理等職務。彼畢業於國立台灣海洋大學。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Company recognises the vital importance of good corporate governance to the Group's success and sustainability. The Company is committed to achieving a high standard of corporate governance practices as an essential component of high quality and has introduced corporate governance practices appropriate to the operation and growth of its business.

### A. CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles set out in the Corporate Governance Code (the "CG Code") as contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Throughout the year ended 31 December 2017, the Company complied with all the applicable code provisions set out in the CG Code except for the deviations from code provisions A.2.1 and A.6.7 which are explained under the "Chairman and Chief Executive Officer" section and "Communications with Shareholders and Investors" section on pages 24 and 29 respectively.

The board of directors (the "Board") will continue to enhance its corporate governance practices appropriate to the operation and growth of its business and to review such practices from time to time to ensure that the Company complies with statutory and professional standards and align with the latest development.

### B. DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules for dealing in securities of the Company by the directors. Having made specific enquiry with all directors, all directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2017.

The Company also requires relevant officers and employees of the Company are also bound by the Model Code, which prohibits them to deal in securities of the Company at any time when he possesses inside information in relation to those securities. No incident of non-compliance of the Model Code by the relevant officers and employees was noted by the Company during the year.

本公司確知良好企業管治對於本集團業務成功及持續性甚為重要。本公司致力實踐高水準之企業管治，作為高質素企業管治之重要元素，並已採納適用於其業務運作及增長之企業管治常規。

### A. 企業管治常規

本公司已採用香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治守則（「企業管治守則」）之原則。

截至二零一七年十二月三十一日止年度內，本公司已遵守企業管治守則所載之全部適用之守則條文，惟偏離守則條文第A.2.1條及第A.6.7條之規定，偏離原因已分別於第24頁及第29頁之「主席及行政總裁」及「與股東及投資者之溝通」內作出解釋。

董事會（「董事會」）將繼續加強適合其業務運作及增長之企業管治常規，並不時檢討其企業管治常規，以確保本公司遵守法定及專業標準，並符合最新發展。

### B. 董事之證券交易

有關董事進行本公司之證券交易，本公司已遵照上市規則附錄十所載之「上市發行人董事進行證券交易的標準守則」（「標準守則」）。經向全體董事作出具體查詢後，全體董事均已確認，彼等於截至二零一七年十二月三十一日止年度內一直遵守標準守則所載規定。

本公司亦要求相關高級職員及僱員受標準守則規限，於任何時間持有與本公司證券有關的內幕資料時，一概不得買賣該證券。於年內，本公司並無獲悉相關高級職員及僱員有任何違反標準守則的情況。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### C. THE BOARD OF DIRECTORS

#### (i) Board Composition

The Board and board committees during the year and up to the date of this report comprise:

Members of the Board/board committees 董事會/董事會轄下委員會成員	Date of first becoming director 首次出任董事之日期	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會
<i>Executive directors 執行董事</i>				
Mr. Chang Chih-Kai (Chairman & CEO) 張智凱先生(主席兼行政總裁)	22 November 2004 二零零四年十一月二十二日		M	M
Mr. Chang Chih-Chiao 張智喬先生	12 June 2009 二零零九年六月十二日			
Mr. Chen Tommy Yi-Hsun 陳怡勳先生	31 December 2011 二零一一年十二月三十一日			
<i>Non-executive director 非執行董事</i>				
Mr. Chen Ying-Chieh 陳英杰先生	21 May 1996 一九九六年五月二十一日		M	M
<i>Independent non-executive directors 獨立非執行董事</i>				
Mr. Huang Shun-Tsai 黃順財先生	31 July 2001 二零零一年七月三十一日	M	C	M
Mr. Kuo Jung-Cheng 郭榮振先生	31 July 2001 二零零一年七月三十一日	M	M	C
Mr. Lee Ted Tak Tai 李德泰先生	1 September 2011 二零一一年九月一日	C	M	M

Key: C – chairman of the board committee  
M – member of the board committee

\* With effect from 17 May 2017, Mr. Chen Ying-Chieh has resigned as the Chairman of the Board and Mr. Chang Chih-Kai has been appointed as the Chairman of the Board and a member of the Remuneration Committee.

The executive directors draw on a rich and diverse experience from the footwear distribution business while the non-executive directors (including independent non-executive directors) possess appropriate professional qualifications and management expertise. Through active participation in board meetings, taking the lead in managing issues involving potential conflict of interests and serving on board committees, all non-executive directors (including independent non-executive directors) contribute to the effective direction of the Company and to safeguard the interests of the Company and its shareholders.

### C. 董事會

#### (i) 董事會組成

年內及截至本報告日期，董事會及董事會轄下委員會由下列人士組成：

Members of the Board/board committees 董事會/董事會轄下委員會成員	Date of first becoming director 首次出任董事之日期	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會
<i>Executive directors 執行董事</i>				
Mr. Chang Chih-Kai (Chairman & CEO) 張智凱先生(主席兼行政總裁)	22 November 2004 二零零四年十一月二十二日		M	M
Mr. Chang Chih-Chiao 張智喬先生	12 June 2009 二零零九年六月十二日			
Mr. Chen Tommy Yi-Hsun 陳怡勳先生	31 December 2011 二零一一年十二月三十一日			
<i>Non-executive director 非執行董事</i>				
Mr. Chen Ying-Chieh 陳英杰先生	21 May 1996 一九九六年五月二十一日		M	M
<i>Independent non-executive directors 獨立非執行董事</i>				
Mr. Huang Shun-Tsai 黃順財先生	31 July 2001 二零零一年七月三十一日	M	C	M
Mr. Kuo Jung-Cheng 郭榮振先生	31 July 2001 二零零一年七月三十一日	M	M	C
Mr. Lee Ted Tak Tai 李德泰先生	1 September 2011 二零一一年九月一日	C	M	M

代碼：C – 董事會轄下委員會主席  
M – 董事會轄下委員會成員

\* 自二零一七年五月十七日起，陳英杰先生已辭任其董事會主席職位，張智凱先生獲委任為董事會主席及薪酬委員會成員。

執行董事擁有豐富及廣泛的鞋類分銷業務經驗，而非執行董事（包括獨立非執行董事）則具備相關專業資格及管理專門知識。全體非執行董事（包括獨立非執行董事）透過積極參與董事會會議，在管理涉及潛在利益衝突事務時發揮牽頭引導作用及應邀出任董事會轄下之委員會，從而對本公司作出有效指導以及維護本公司及其股東之利益。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

During the year ended 31 December 2017, the Board was in compliance with the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors (representing at least one-third of the Board), with at least one independent non-executive director possessing appropriate professional qualifications and accounting and related financial management expertise.

Each independent non-executive director gives the Company annual confirmation of his independence to the Company, and the Company considers these directors to be independent pursuant to Rule 3.13 of the Listing Rules. The names, biographies of the directors and relationship among them are set out in the “Biographies of Directors and Senior Management” on pages 18 to 19 of this annual report.

### (ii) Directors’ Responsibilities

The Board is responsible for overall management and control of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflicts of interests), financial information, appointment of directors and other significant financial and operational matters.

All directors have full and timely access to all relevant information as well as the advice and service of the company secretary and senior management. Any director may request independent professional advice in appropriate circumstances at the Company’s expense, upon making reasonable request to the Board.

### (iii) Delegation by the Board

The Board has delegated responsibilities to the executive directors and senior management of the Company, including implementing decisions of the Board and directing and conducting the day-to-day operation and management of the Group. The delegated functions and responsibilities are periodically reviewed by the Board and approval has to be obtained from the Board prior to any significant transactions are entered.

### (iv) Appointments, Re-election and Removal of Directors

The appointment of a new director must be approved by the Board. The Board has delegated to the Nomination Committee to select and recommend candidates for directorship including the consideration of referrals and engagement of external recruitment professionals when necessary. The Nomination Committee has established certain guidelines to assess the candidates. These guidelines emphasise appropriate professional knowledge and industry experience, personal ethics, integrity and personal skills, and possible time commitments to the Board and the Company.

於截至二零一七年十二月三十一日止年度，董事會一直符合上市規則有關委任至少三名獨立非執行董事（佔董事會成員人數至少三分之一），其中最少一名獨立非執行董事須具備合適專業資格及會計及相關財務管理專業知識的規定。

每名獨立非執行董事均有就其獨立性向本公司作出年度確認。根據上市規則第3.13條，本公司認為該等董事均屬獨立人士。各董事之姓名、簡歷及彼此間之關係載於本年報第18至19頁之「董事及高級管理人員簡歷」。

### (ii) 董事責任

董事會負責本公司之整體管理及監控，包括批准及監督一切政策上之事宜、整體策略及預算、內部監控及風險管理制度、重大交易（尤其是可能涉及利益衝突之重大交易）、財務資料、董事委任及其他重大財務及營運事宜。

全體董事可隨時索取所有相關資訊以及得到公司秘書及高級管理人員之意見及幫助。任何董事於向董事會作出合理要求後，可要求於適當情況下尋求獨立專業意見，費用由本公司承擔。

### (iii) 董事會授權

董事會已向本公司之執行董事及高級管理人員作出授權，包括執行董事會之決策，指導及操作本集團之日常營運及管理。董事會定期檢討授權之職能及責任，而於進行任何重大交易前必須先取得董事會之批准。

### (iv) 委任、重選及撤換董事

新董事委任必須經董事會批准。董事會授權提名委員會挑選及推薦董事人選，包括考慮被推薦人選及在有需要時委聘外界招聘專才協助。提名委員會已訂立若干指引評核被推薦董事人選，該等指引著重適當的專業知識及行業經驗、個人操守、誠信及個人技能，以及能向董事會及本公司付出足夠時間的承諾。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

All non-executive directors including independent non-executive directors are appointed for a specific term of one to three years. All directors are subject to retirement by rotation at least once every three years and are eligible for re-election at annual general meetings in accordance with the Listing Rules and the articles of association of the Company (the “Articles of Association”). Every director newly appointed by the Board is subject to election at the first general meeting after his/her appointment.

Mr. Huang Shun-Tsai and Mr. Kuo Jung-Cheng, have served as independent non-executive directors of the Company for more than 9 years. In addition to their confirmations of independence in accordance with Rule 3.13 of the Listing Rules, Mr. Huang and Mr. Kuo continue to demonstrate the attributes of independent non-executive directors and there is no evidence that their tenure have had any impact on their independence. The Board is of the opinion that Mr. Huang and Mr. Kuo remain independent notwithstanding the length of their services and believe that their valuable knowledge and experience continue to generate significant contribution to the Company and the shareholders as a whole.

### (v) Board Practices and Conduct of Meetings

The Board meets regularly throughout the year to formulate overall strategy of the Group, monitor its financial performance and maintain effective oversight over the management. Directors may participate either in person or through electronic means of communications. Notice of regular board meetings is served to all directors at least 14 days prior to the meeting. For other board and committee meetings, reasonable notice is generally given.

Agenda of each board meeting is usually sent to all directors together with the notice of meeting in order to give them an opportunity to include any other matters in the agenda for discussion in the meeting. Board papers together with all appropriate, complete and reliable information are sent to directors at least 3 days before each board meeting to keep the directors apprised of the latest development and financial position of the Group and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

The Chairman and other relevant senior management normally attend regular board and committee meetings, and where necessary, other board and committee meetings to advise on business development, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Group. Draft minutes are normally circulated to all directors for comment in due course after each meeting and the final copy, which is kept by the company secretary, is open for directors’ inspection.

所有非執行董事(包括獨立非執行董事)之任期為一年至三年之特定年期。所有董事均須根據上市規則及本公司之組織章程細則(「組織章程細則」)最少每三年於股東週年大會上輪值退任一次，並符合資格膺選連任。每名獲董事會新委任之董事須於其上任後之首個股東大會接受選舉。

黃順財先生及郭榮振先生擔任本公司之獨立非執行董事超過九年。除了根據上市規則第3.13條確認彼等之獨立性外，黃先生及郭先生亦一直展示有能力出任獨立非執行董事，而現時並無證據顯示，彼等之任期曾對彼等獨立身份造成任何影響。董事會認為，不論黃先生及郭先生服務年期之長短，彼等亦能維持獨立身份，並相信彼等之寶貴知識及經驗，將可繼續為本公司及股東整體帶來重大貢獻。

### (v) 董事會常規及會議進程

董事會年內定期舉行會議，以制定本集團之整體策略、監察其財務表現及對管理層作出有效監督。董事可親身出席或透過電子媒介參與會議。定期董事會會議之通知會於會議舉行之前至少十四日送達所有董事。其他董事會及委員會會議一般會發出合理通知。

各董事會會議之議程一般會連同會議通知發送予所有董事，讓彼等有機會將其他事項納入議程中以於會議上討論。董事會文件以及所有合適、完整及可靠之資料均於每次舉行董事會會議前最少三日發送予所有董事，使彼等知悉本集團之最新發展及財務狀況，以便彼等作出知情之決定。董事會及每名董事於有需要時，亦有自行及獨立地接觸高級管理人員之途徑。

主席及其他相關之高級管理人員一般會出席常規董事會及委員會會議，並於有需要時出席其他董事會及委員會會議，就本集團之業務發展、財務及會計事宜、法定合規事宜、企業管治及其他主要方面提供意見。每次會議後，一般會於合理時間內向所有董事發送會議記錄初稿以供審閱，而最後定稿由公司秘書保存，可供董事查閱。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened board meeting. Except for those circumstances permitted by the Articles of Association, a director who has a material interest in any contract, transaction, arrangement or any other kind of proposal put forward to the Board for consideration abstains from voting on the relevant resolution and such director is not counted for quorum determination purposes.

Apart from regular board meetings, the Chairman of the Board also held a meeting with the non-executive directors (including independent non-executive directors) without the presence of the executive directors during the year.

### (vi) Directors' and Officers' Liability Insurance

Liability insurance for directors and senior management officers of the Company was maintained by the Company with coverage for any legal liabilities which may arise in the course of performing their duties. The scope of coverage of the insurance is subject to review annually.

### (vii) Directors' Training and Professional Development

All directors should keep abreast of their collective responsibilities and of the conduct and business activities of the Company. The Company is responsible for arranging and funding suitable training for its directors. Accordingly, the Company has put in place a training and development programme for the directors including: (i) induction programme on the laws and regulations in relation to directors and the Company, knowledge and current development of the Company, responsibilities and potential liabilities of directors for newly appointed directors; and (ii) on-going training and professional development programmes for directors.

During the year ended 31 December 2017, all directors of the Company had either attended the training sessions arranged by the Company or participated in seminars, reading materials relating to roles and responsibilities of directors, regulatory updates of the Listing Rules and corporate governance development.

### (viii) Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Chang Chih-Kai, who acted as the Chief Executive Officer of the Company, has also appointed as the Chairman of the Board with effect from 17 May 2017. This was in deviation from code provision A.2.1.

任何涉及主要股東或董事利益衝突之重大交易，將在正式召開之董事會會議上由董事會審議及處理。除組織章程細則允許之情況外，於任何合約、交易、安排或向董事會提呈以供考慮之任何其他類別之建議中擁有重大權益之董事，將須就相關決議案放棄投票，且有關董事不會被計入為決定法定人數之數目內。

除常規董事會會議外，董事會主席亦於年內與非執行董事（包括獨立非執行董事）舉行一次會議，當時無執行董事在場。

### (vi) 董事及高級人員之責任保險

本公司已為本公司之董事及高級管理人員購買責任保險，就彼等履行職責時可能引起之任何法律責任提供保障。保險之保障範圍須於每年作出檢討。

### (vii) 董事之培訓及專業發展

所有董事均須瞭解彼等之共同責任以及本公司之行為及業務活動。本公司負責為其董事安排合適之培訓，並提供培訓資金。因此，本公司已就其董事實行一項培訓及發展計劃，包括：(i)為新任董事提供與董事及本公司有關之法律及法規、本公司之認識及目前發展動態、董事之職責及潛在責任之入職培訓；及(ii)為董事提供持續培訓及專業發展計劃。

於截至二零一七年十二月三十一日止年度，本公司所有董事出席本公司安排之培訓課程，或有參與研討會、閱讀與董事之角色及職責有關之參考資料、上市規則及企業管治發展之定期更新資料。

### (viii) 主席及行政總裁

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。張智凱先生擔任本公司行政總裁職務，亦於二零一七年五月十七日起獲委任為董事會主席。此乃偏離守則條文第A.2.1條。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Board 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 also believes that the balance of power and authority will not be compromised and is adequately ensured by the existing Board which comprises experienced and competent individuals with more than one-third of the Board being independent non-executive directors.

### (ix) Board Committees

The Board has established three committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee, to assist it in overseeing the Group's affairs. Each committee has its defined and written terms of reference setting out its duties, powers and functions and being posted on the Company's website and the Stock Exchange's website. The board committees report regularly to the Board on their decisions and recommendations and they are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

#### *Audit Committee*

The Audit Committee of the Company as of the date of this report consists of the following directors:

Mr. Lee Ted Tak Tai	Independent non-executive director (Chairman)
Mr. Huang Shun-Tsai	Independent non-executive director
Mr. Kuo Jung-Cheng	Independent non-executive director

The primary functions of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, and the compliance with the applicable accounting principles and practices, any applicable laws and the Listing Rules of the Stock Exchange and liaison with external auditors and internal auditors of the Group.

During the financial year, three Audit Committee meetings were held and the executive directors, the management and the independent auditors attended to provide necessary information. The Audit Committee considered the audit plan, terms of engagement and fees of the independent auditors for the Board's approval, reviewed the financial information of the Group including the annual and interim financial statements, reviewed the management letters and reports issued by the independent auditor, and the report on the effectiveness of risk management and internal control systems prepared by the Internal Audit Department.

董事會認為，授予張智凱先生主席及行政總裁職務有利於確保本集團領導的一致性，從而為本集團帶來更有效及高效率的策略規劃。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，當中超過三分之一為獨立非執行董事，以確保有足夠的權力制衡。

### (ix) 董事會轄下委員會

董事會轄下設有三個委員會，分別為審核委員會、提名委員會及薪酬委員會，以協助監督本集團事務。各委員會均設有明確書面職權範圍並清楚界定其職責、權力及職能，並於本公司網站及聯交所網站刊載。各董事會轄下委員會定期向董事會報告其決定及建議，而其亦獲提供足夠資源以履行其職責，並於作出合理要求後，可在適當情況下尋求獨立專業意見，費用由本公司承擔。

#### *審核委員會*

於本報告日期，本公司之審核委員會成員包括下列董事：

李德泰先生	獨立非執行董事 (主席)
黃順財先生	獨立非執行董事
郭榮振先生	獨立非執行董事

審核委員會之主要職能為協助董事會審閱財務資料及匯報程序、風險管理及內部監控系統，以及適用會計原則及慣例、任何適用法規及聯交所上市規則之遵從，並聯繫本集團之外聘核數師及內部核數師。

於本財政年內，審核委員會舉行三次會議，執行董事、管理層及獨立核數師均有出席以提供所需資料。審核委員會考慮獨立核數師之審核計劃、委聘條款及費用，以提呈董事會批准；審閱本集團之財務資料，包括年度及中期財務報表；審閱獨立核數師致管理層之函件及報告，以及內部審計部所編製之風險管理及內部監控系統之效益報告。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### *Nomination Committee*

The Nomination Committee of the Company has been established since April 2005 and as of the date of this report consists of the following directors:

Mr. Huang Shun-Tsai (Chairman)	Independent non-executive director
Mr. Chang Chih-Kai	Executive director
Mr. Chen Ying-Chieh	Non-executive director
Mr. Kuo Jung-Cheng	Independent non-executive director
Mr. Lee Ted Tak Tai	Independent non-executive director

The Nomination Committee is responsible for recommending suitable candidates to the Board for directorship, after considering the independence and competence of the nominees, to ensure that all nominations are fair and transparent. The Nomination Committee reviews the structure, size and composition (including skills, knowledge and experience) of the Board and assesses the independence of the independent non-executive directors.

The Company has adopted a board diversity policy (the "Policy") which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. Pursuant to the Policy, the Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, professional experience, skills, knowledge and length of service. The Board sets measurable objectives to implement the Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee reviews the Policy from time to time to ensure its continued effectiveness.

During the financial year, one Nomination Committee meetings was held. The Nomination Committee reviewed the structure, size and diversity of the Board, considered the independence of independent non-executive directors and recommended the re-election of retiring directors which were approved by the shareholders at the annual general meeting.

### *Remuneration Committee*

The Remuneration Committee of the Company has been established since April 2005 and as of the date of this report consists of the following directors:

Mr. Kuo Jung-Cheng (Chairman)	Independent non-executive director
Mr. Chang Chih-Kai	Executive director
Mr. Chen Ying-Chieh	Non-executive director
Mr. Huang Shun-Tsai	Independent non-executive director
Mr. Lee Ted Tak Tai	Independent non-executive director

### *提名委員會*

本公司之提名委員會於二零零五年四月成立，於本報告日期，成員包括下列董事：

黃順財先生 (主席)	獨立非執行董事
張智凱先生	執行董事
陳英杰先生	非執行董事
郭榮振先生	獨立非執行董事
李德泰先生	獨立非執行董事

提名委員會負責向董事會建議合適人選加入董事會，惟須先考慮被提名人之獨立性及能力，以確保所有提名均為公平及透明。提名委員會審議董事會結構、規模及成員組合，包括技能、知識及經驗，以及評估獨立非執行董事之獨立性。

本公司已採納董事會成員多元化政策（「該政策」），當中載列為達致及維持董事會成員多元化以提升董事會之有效性而採取之方針。根據該政策，本公司擬透過考慮多項因素（包括但不限於性別、年齡、文化及教育背景、專業資格及經驗、技能、知識及服務任期）以達致董事會成員多元化。董事會將考慮制定可計量目標以實施該政策，並不時檢討該等目標以確保其合適度及確定達致該等目標之進度。提名委員會將不時檢討該政策，以確保其持續有效。

於本財政年度，提名委員會曾舉行一次會議。提名委員會審議董事會之結構、規模及成員多元化，考慮獨立非執行董事之獨立性，並建議重選退任董事（經股東在股東週年大會上批准）。

### *薪酬委員會*

本公司薪酬委員會於二零零五年四月成立，於本報告日期，成員包括下列董事：

郭榮振先生 (主席)	獨立非執行董事
張智凱先生	執行董事
陳英杰先生	非執行董事
黃順財先生	獨立非執行董事
李德泰先生	獨立非執行董事

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Company has adopted the model whereby the Remuneration Committee makes recommendations to the Board on the remuneration packages of individual executive director and senior management. The Remuneration Committee is also responsible for making recommendations to the Board on the Company's policy and structure for remuneration of all directors of the Company and senior management of the Group and other matters relating to remuneration. The remuneration of all directors is subject to regular monitoring by the Remuneration Committee to ensure that their remuneration and compensation are reasonable.

During the financial year, three Remuneration Committee meetings were held and the remuneration packages of executive directors, non-executive directors (including independent non-executive directors) and senior management were reviewed and considered. They also reviewed the grant of share options to directors, senior management and other employees. Details of the remuneration paid/payable to individual director and the chief executive officer of the Company and senior management of the Group by band during the year are set out in Notes 37 and 13 to the financial statements, respectively.

### (x) Meeting Attendance of Board and Board Committee Members

The attendance record of each director at the board meetings, board committee meetings and annual general meeting ("AGM") of the Company held during the year ended 31 December 2017 is set out in the table below:

		Number of meetings attended/Number of meetings held 會議出席次數/舉行會議次數				
		Board 董事會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	AGM 股東週年大會
<i>Executive directors</i> 執行董事						
Mr. Chang Chih-Kai	張智凱先生	4/4	N/A	1/1	2/2	1/1
Mr. Chang Chih-Chiao	張智喬先生	4/4	N/A	N/A	N/A	1/1
Mr. Chen Tommy Yi-Hsun	陳怡勳先生	4/4	N/A	N/A	N/A	1/1
<i>Non-executive director</i> 非執行董事						
Mr. Chen Ying-Chieh	陳英杰先生	4/4	N/A	1/1	3/3	0/1
<i>Independent non-executive directors</i> 獨立非執行董事						
Mr. Huang Shun-Tsai	黃順財先生	3/4	3/3	1/1	3/3	0/1
Mr. Kuo Jung-Cheng	郭榮振先生	4/4	3/3	1/1	3/3	1/1
Mr. Lee Ted Tak Tai	李德泰先生	4/4	3/3	1/1	3/3	1/1

\* Mr. Chang Chih-Kai was appointed as a member of the Remuneration Committee in May 2017.

本公司採納薪酬委員會向董事會建議個別執行董事及高級管理人員之薪酬待遇之模式。薪酬委員會亦負責就本公司全體董事及本集團高級管理人員之薪酬政策及架構及其他有關薪酬事宜，向董事會提供建議。全體董事之薪酬受到薪酬委員會之定期監察，以確保其薪酬及補償為合理。

於本財政年度，薪酬委員會曾舉行三次會議，審議及考慮執行董事、非執行董事(包括獨立非執行董事)及高級管理人員之薪酬待遇。薪酬委員會亦審議授予董事、高級管理人員及其他員工之購股權。年內已付/應付本公司個別董事/行政總裁及本集團高級管理人員之薪酬幅度詳情分別載於財務報表附註37及13。

### (x) 董事會及董事會轄下委員會成員之會議出席情況

於截至二零一七年十二月三十一日止年度，本公司舉行之董事會會議、董事會轄下委員會會議及股東週年大會之個別董事出席情況記錄載列如下：

\* 張智凱先生於二零一七年五月獲委任為薪酬委員會成員。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### D. CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the corporate governance duties of the Company. Terms of reference adopted by the Board include the duties of the Board on corporate governance functions to develop and review the Group's policies and practices on corporate governance, to review and monitor the training and continuous professional development of the directors and the senior management and to review the Group's compliance with the CG Code and disclosure in this Corporate Governance Report.

### E. ACCOUNTABILITY AND AUDIT

#### (i) Financial Reporting

The directors acknowledge their responsibilities for preparing the financial statements of the Group. The Board, supported by the Chief Financial Officer and the Finance Department, is responsible for the preparation of the financial statements of the Group. In the preparation of the financial statements, the Hong Kong financial reporting standards and the disclosure requirements of the Hong Kong Companies Ordinance have been adopted, the appropriate accounting policies have been consistently applied, and reasonable judgments and estimates are properly made.

The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to shareholders, and make appropriate disclosure and announcements in a timely manner. The directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

#### (ii) Remuneration of Independent Auditors

The statement of the independent auditor of the Company, PricewaterhouseCoopers, regarding their reporting responsibilities on the financial statements of the Group is set out in the "Independent Auditor's Report" on pages 43 to 48 of this annual report.

The remuneration paid/payable to PricewaterhouseCoopers for the provision of audit and non-audit services for the year ended 31 December 2017 was HK\$3,600,000 (2016: HK\$3,941,000) and HK\$315,000 (2016: Nil) respectively.

The Audit Committee is responsible for making recommendations to the Board as to the appointment, re-appointment or removal of the independent auditors. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the independent auditor of the Company.

### D. 企業管治職能

董事會負責履行本公司企業管治職務，董事會之職權範圍包括董事會於企業管治職能之責任，即發展及審閱本集團企業管治政策及常規；審閱及監督董事及高級管理人員之培訓及持續專業發展；及檢討本集團遵守企業管治守則之情況及本企業管治報告披露之資料。

### E. 問責性及審核

#### (i) 財務報告

董事確認其編製本集團財務報表之責任。董事會於本集團之首席財務官及財務部門之幫助下，負責編製本集團之財務報表。於編製該等財務報表時，已採納香港財務報告準則及香港《公司條例》的披露規定，以及貫徹應用適當的會計政策，並正確地作出合理判斷及估計。

董事會旨在年報及中期報告中，就本集團之表現，向股東呈列一份清晰及平衡之評估，並及時作出適當披露及公告。董事並不知悉與事件或情況相關之任何重大不確定性，從而可能導致對本公司的持續經營能力產生重大疑慮。

#### (ii) 獨立核數師酬金

本公司獨立核數師（羅兵咸永道會計師事務所）有關其對本集團之財務報表之申報責任之聲明，載於本年報第43至48頁之「獨立核數師報告」。

截至二零一七年十二月三十一日止年度，就所提供之審核及非審核服務，已付／應付羅兵咸永道會計師事務所之酬金分別為3,600,000港元（二零一六年：3,941,000港元）及315,000港元（二零一六年：無）。

審核委員會負責向董事會建議委聘、續聘或撤換獨立核數師。就篩選、委聘、辭任或撤換本公司獨立核數師，董事會及審核委員會之間並無異議。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (iii) Risk Management and Internal Control

The Board is responsible for risk management and internal control of the Group and for reviewing its effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Procedures have been designed for safeguarding assets against unauthorised use or disposition, ensuring the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensuring compliance of applicable laws, rules and regulations.

The Group has an internal audit function to conduct risk management and internal audit of the Group. It performs risk-based audits to review the effectiveness of the Group's risk management and internal control systems so as to provide assurance that key business and operational risks are identified and managed. The work carried out by the Internal Audit Department reports to the Audit Committee with its findings and makes recommendations. During the year, the Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group.

## F. COMPANY SECRETARY

Mr. Cheung Chun Hay has been the Company Secretary of the Company since 24 December 2013. Mr. Cheung is a full time employee of the Group and has day-to-day knowledge of the Company's affairs. During the financial year, Mr. Cheung has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

## G. INVESTOR RELATIONS

### (i) Communications with Shareholders and Investors

The Board recognises the importance of good communications with its shareholders and potential investors. To promote effective communication, the Company maintains websites at "www.daphne.com.cn" and "www.daphneholdings.com" where extensive information and updates on the Group's business development and operation, financial information, corporate governance practices and other information are available for public access. Shareholders and investors may express their enquires and concerns to the Company by addressing them to the Investor Relations Department of the Company by letter, telephone, fax or email. Details of the contact information are set out on page 3 of this annual report.

During the year, Mr. Huang Shun-Tsai, the independent non-executive director and Mr. Chen Ying-Chieh, a non-executive director, were unable to attend the annual general meeting of the Company held on 24 May 2017 due to their unavoidable business engagements. This was in deviation from code provision A.6.7.

### (iii) 風險管理及內部監控

董事會負責本集團之風險管理及內部監控及檢討其效益。該系統的制定為管理，而非消除未能實現經營目標之風險；對重大錯誤陳述或損失，只能提供合理的，而不是絕對的保證。已制定程序保障資產，以防資產被非授權使用或處置，確保正確會計紀錄之保存以提供可靠財務資料作內部用途或刊載，以及確保遵從所適用法例、規則及法規。

本集團設有內部審計職能，以進行本集團風險管理及內部審核。內部審計部進行基於風險的審核，審閱本集團之風險管理及內部監控系統之有效性，以保證主要業務和營運之風險已被識別和管理。內部審計部向審核委員會報告其開展之工作，並提供調查結果及建議。年內，董事會已就本集團之風險管理及內部監控系統之有效性進行檢討。

## F. 公司秘書

張晉熙先生由二零一三年十二月二十四日起獲委任為本公司之公司秘書，張先生為本集團全職僱員，並對本公司的日常事務有所認識。於本財政年度，張先生已遵守上市規則第3.29條的相關專業培訓規定。

## G. 投資者關係

### (i) 與股東及投資者之溝通

董事會深明與股東及潛在投資者維持良好溝通之重要性。為促進有效溝通，本集團設有「www.daphne.com.cn」及「www.daphneholdings.com」網站，當中提供有關本集團業務發展及營運、財務資料、企業管治常規及其他資料之廣泛資料及最新動態，以供公眾查閱。股東及投資者可透過向本公司投資者關係部門寫信、致電、發送傳真或電郵表達對本公司之質詢及問題。聯絡資料詳情載於本年報第3頁。

年內，本公司獨立非執行董事黃順財先生及非執行董事陳英杰先生，因業務纏身，無法出席本公司於二零一七年五月二十四日召開之股東週年大會。此乃偏離守則條文第A.6.7條。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Company continues to enhance communication and relationship with its shareholders and investors. The Board designates specialised personnel to maintain regular dialogue with institutional investors and analysts to keep them informed of the Group's development.

本公司繼續改善與股東及投資者之溝通及關係。董事會指定專門人士維持與機構投資者及分析員定期對話，使彼等知悉本集團之發展。

### (ii) Investor Conferences and Roadshows Attended in 2017

Date 日期	Event 活動	Location 地點
March 2017 二零一七年三月	Post-results Roadshow 公佈業績後之路演	Hong Kong 香港
May 2017 二零一七年五月	HSBC China Conference 2017 匯豐2017中國會議	Shenzhen 深圳
August 2017 二零一七年八月	Post-results Roadshow 公佈業績後之路演	Hong Kong 香港
September 2017 二零一七年九月	Goldman Sachs China Conference 2017 高盛2017中國投資論壇	Shenzhen 深圳

### (ii) 於二零一七年參與之投資者會議及路演活動

### (iii) Constitutional Documents

There was no change in the Memorandum and Articles of Association of the Company during the year.

### (iii) 憲章文件

年內本公司組織章程大綱及細則並無變動。

## H. SHAREHOLDERS' RIGHTS

### (i) Convening Extraordinary General Meeting and Putting Forward Proposals at General Meetings

Pursuant to Article 57 of the Articles of Association of the Company, the Board may whenever it thinks fit convene an extraordinary general meeting. Any two or more members holding in aggregate not less than 25% of the paid up capital of the Company can make a written requisition to the Board or the Company Secretary to convene an extraordinary general meeting. The written requisition must state the objects of the meeting and must be signed by the relevant shareholders and deposited at the principal place of business of the Company in Hong Kong at 17/F, Fung House, 19-20 Connaught Road Central, Hong Kong.

There are no provisions under the Company's Articles of Association or the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for shareholders to put forward proposals at general meetings other than a proposal of a person for election as director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

## H. 股東權利

### (i) 召開特別股東大會及於股東大會上提呈建議

根據本公司之組織章程細則第57條，董事會可在其認為適當時召開特別股東大會。任何兩個或以上股東（持有本公司已繳足股本總額不少於25%）可以書面呈請向董事會或公司秘書要求召開特別股東大會。該書面呈請須說明特別股東大會之目的及由有關股東簽署，並遞呈至本公司之香港主要營業地點，地址為香港干諾道中19-20號馮氏大廈17樓。

根據本公司之組織章程細則及開曼群島公司法第22章（1961年第3號法例，經合併及修訂），並無有關股東在股東大會提呈其他建議之程序之條文（提名他人參選董事除外）。股東可就書面呈請所指明的任何事項，遵從上述程序召開特別股東大會。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (ii) Putting Forward Enquiries to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the Investor Relations Department of the Company by letter, telephone, fax or email. Details of the contact information are set out on page 3 of this annual report.

On behalf of the Board

**Chang Chih-Kai**

*Chairman & Chief Executive Officer*

Hong Kong, 28 March 2018

### (ii) 向董事會提出查詢

股東可透過向本公司投資者關係部門寫信、致電、發送傳真或電郵發出對董事會之質詢及問題。聯絡資料詳情載於本年報第3頁。

代表董事會

主席兼行政總裁

張智凱

香港，二零一八年三月二十八日



# REPORT OF THE DIRECTORS

## 董事會報告

The directors submit their report together with the audited financial statements of the Company and its subsidiaries (together the “Group”) for the year ended 31 December 2017.

### Principal activities

The Company is an investment holding company. The activities of its principal subsidiaries are set out in Note 39 to the financial statements. The Group is principally engaged in the manufacturing, distribution and retailing of footwear and accessories in Mainland China.

### Business review

The business review of the Group for the year ended 31 December 2017 are provided in the Chairman’s Statement, Management Discussion and Analysis, and the Corporate Governance Report of this annual report.

### Segment information

An analysis of the Group’s performance by reportable segment is set out in Note 5 to the financial statements.

### Results

The results of the Group for the year ended 31 December 2017 and the state of affairs of the Company and of the Group as at that date are set out in the financial statements on pages 49 to 124.

### Dividends

The board of directors did not recommend the payment of a dividend in respect of the year ended 31 December 2017.

### Charitable donations

Donations made for charitable purposes by the Group during the year amounted to HK\$2,946,000 (2016: HK\$415,000).

### Land use rights, property, plant and equipment and investment properties

Movements in land use rights, property, plant and equipment and investment properties of the Group are set out in Notes 14, 15 and 16 to the financial statements, respectively.

### Share capital

Details of the movements in the share capital of the Company during the year are set out in Note 29 to the financial statements.

### Distributable reserves

As at 31 December 2017, the distributable reserves of the Company amounted to HK\$722,885,000 (2016: HK\$779,542,000). Movements in the reserves of the Group and of the Company during the year are set out in Notes 31 and 38 to the financial statements, respectively.

### Pre-emptive rights

There is no provision for pre-emptive rights under the Company’s Articles of Association and there is no restriction against such rights under the laws of the Cayman Islands.

董事謹此提呈截至二零一七年十二月三十一日止年度之報告，連同本公司及其附屬公司（統稱「本集團」）之經審核財務報表。

### 主要業務

本公司為一間投資控股公司，其主要附屬公司之業務載於財務報表附註39。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。

### 業務回顧

截至二零一七年十二月三十一日止年度，本集團之業務回顧載列於本年報之主席報告、管理層討論與分析以及企業管治報告。

### 分部資料

本集團按可申報分部劃分之表現分析載於財務報表附註5。

### 業績

本集團截至二零一七年十二月三十一日止年度之業績，以及本公司及本集團於該日之業務狀況載於第49至124頁之財務報表。

### 股息

董事會不建議就截至二零一七年十二月三十一日止年度派發股息。

### 慈善捐款

本集團於年內作慈善用途之捐款為2,946,000港元（二零一六年：415,000港元）。

### 土地使用權、物業、廠房及設備以及投資物業

本集團之土地使用權、物業、廠房及設備以及投資物業之變動詳情分別載於財務報表附註14、15及16。

### 股本

本公司股本於年內之變動詳情載於財務報表附註29。

### 可供分派儲備

於二零一七年十二月三十一日，本公司可供分派之儲備為722,885,000港元（二零一六年：779,542,000港元）。本集團及本公司於年內之儲備變動詳情分別載於財務報表附註31及38。

### 優先購買權

本公司之組織章程細則並無有關優先購買權之條文及開曼群島法例亦無限制此優先購買權。

# REPORT OF THE DIRECTORS

## 董事會報告

### Equity-linked agreements

Other than the Company's share option schemes as disclosed in the section "Share option scheme", no equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year.

### Five-year financial summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 6 of this annual report.

### Purchase, sale or redemption of shares

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year.

### Directors

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

#### Executive directors

Mr. Chang Chih-Kai (appointed as Chairman on 17 May 2017)  
(Chairman and Chief Executive Officer)  
Mr. Chang Chih-Chiao  
Mr. Chen Tommy Yi-Hsun

#### Non-executive director

Mr. Chen Ying-Chieh (resigned as Chairman on 17 May 2017)

#### Independent non-executive directors

Mr. Huang Shun-Tsai  
Mr. Kuo Jung-Cheng  
Mr. Lee Ted Tak Tai

In accordance with Article 99 of the Company's Articles of Association, Mr. Chang Chih-Kai, Mr. Chang Chih-Chiao and Mr. Lee Ted Tak Tai shall retire from the office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

All the independent non-executive directors have confirmed their independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and based on such confirmation, the Company is of the opinion that the independence status of the independent non-executive directors remains intact as at 31 December 2017.

### Biographies of directors and senior management

Brief biographies of directors and senior management are set out on pages 18 to 19 of this annual report.

### Directors' service contracts

The term of directorship of each non-executive director, including independent non-executive directors, is one year to three years and the term will continue for a successive period of one year to three years unless terminated by either party giving not less than one month's notice to the other party.

### 股份掛鈎協議

除於「購股權計劃」一節所披露之股份期權計劃外，本公司於本年度內及於本年度終結時並無訂立股份掛鈎協議。

### 五年財務概要

本集團於過去五個財政年度之各年業績、資產及負債概要載於本年報第6頁。

### 購買、出售或贖回股份

本公司或其任何附屬公司於年內並無購買、出售或贖回本公司任何股份。

### 董事

本公司於年內及截至本報告日期之董事如下：

#### 執行董事

張智凱先生 (於二零一七年五月十七日獲委任為主席)  
(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 (於二零一七年五月十七日辭任主席)

#### 獨立非執行董事

黃順財先生  
郭榮振先生  
李德泰先生

根據本公司之組織章程細則第99條，張智凱先生、張智喬先生及李德泰先生將於應屆股東週年大會輪值退任，惟彼等符合資格並願意膺選連任。

所有獨立非執行董事已根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）第3.13條，就彼等之獨立性作出確認。基於上述確認，本公司認為，截至二零一七年十二月三十一日，所有獨立非執行董事均為獨立人士。

### 董事及高級管理人員之簡歷

董事及高級管理人員之簡歷載於本年報第18至19頁。

### 董事之服務合約

每名非執行董事（包括獨立非執行董事）之董事任期為一年至三年，除非由任何一方向另外一方發出不少於一個月通知而終止，否則任期會繼續重續一年至三年。

# REPORT OF THE DIRECTORS

## 董事會報告

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

### Directors' material interests in transactions, arrangements and contracts

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### Interests of directors and chief executive

As at 31 December 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 as set out in Appendix 10 to the Listing Rules were as follows:

Long positions in shares and underlying shares of the Company:

將於應屆股東週年大會建議膺選連任之董事概無與本公司訂立不可於一年內免付賠償(法定補償除外)予以終止服務之服務合約。

### 董事於交易、安排及合約之重大權益

本公司之附屬公司概無於本年度年結日或於年內任何時間訂立與本集團業務有關，且本公司董事及其關連人士於其中直接或間接擁有重大權益之重大交易、安排及合約。

### 董事及主要行政人員之權益

於二零一七年十二月三十一日，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，或根據上市規則附錄十「上市發行人董事進行證券交易的標準守則」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	持有股份數目	相關股份數目	權益總計	約佔已發行股份百分比
Mr. Chang Chih-Kai 張智凱先生	Personal interest 個人權益	-	6,000,000 (Note 1) (附註一)	6,000,000	0.36
Mr. Chang Chih-Chiao 張智喬先生	Personal interest 個人權益	-	3,000,000 (Note 1) (附註一)	3,000,000	0.18
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 2) (附註二)	3,000,000 (Note 1) (附註一)	179,508,895	10.88
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 3) (附註三)	14,000,000 (Note 1) (附註一)	161,740,920	9.81



# REPORT OF THE DIRECTORS

## 董事會報告

### Notes:

1. These interests represented the interests in underlying shares of the Company in respect of share options granted to the directors.
2. 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.
3. 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.

Save as disclosed above and the “Share option scheme” section, as at 31 December 2017, none of the directors or chief executive, nor any of their associates (including their spouses and children under 18 years of age), had any interests in, or had been granted, or exercised, any rights to subscribe for shares of the Company, its specified undertakings and its other associated corporations required to be disclosed pursuant to the SFO.

At no time during the year 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.

### 附註：

- 一、 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。
- 二、 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。
- 三、 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。

除上文及「購股權計劃」一節所披露者外，於二零一七年十二月三十一日，各董事或主要行政人員或彼等之任何聯繫人士（包括彼等之配偶及18歲以下之子女）概無擁有或獲授或行使可認購本公司、其指明企業及其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。

於年內任何時間，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。

# REPORT OF THE DIRECTORS

## 董事會報告

### 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 31 December 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:

### 主要股東之權益

按本公司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，於二零一七年十二月三十一日，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	權益總計		約佔已發行股份百分比
Lucky Earn International Limited	Beneficial interests 實益權益	400,719,995	(Note 1) (附註一)	24.30
Top Glory Assets Limited	Beneficial interests 實益權益	174,908,895	(Note 2) (附註二)	10.61
Ms. Chen Jennifer Yi-Chen 陳怡臻女士	Interests of controlled corporation 受控公司之權益	174,908,895	(Note 2) (附註二)	10.61
Mr. Chen Tommy Yi-Hsun 陳怡勳先生	Interests 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 interests 實益權益	147,740,920	(Note 3) (附註三)	8.96
Mr. Chen Ying-Che 陳英哲先生	Interests 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	Interests 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	Interests 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	147,201,010		8.93

# REPORT OF THE DIRECTORS

## 董事會報告

### Notes:

1. Mr. Chang Chih-Kai, the Chairman of the board of directors, 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.
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.
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 of Pushkin Holding Limited. By virtue of the SFO, they are deemed to be interested in the 147,740,920 shares of the Company held by Pushkin Holding Limited.

Saved as disclosed above, as at 31 December 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.

### 附註：

- 一、本公司之董事會主席兼行政總裁兼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。
- 二、陳怡勳先生，本公司之執行董事，及陳怡臻女士各自擁有在英屬處女群島註冊成立之Top Glory Assets Limited 50%的實益權益。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。
- 三、本公司之非執行董事陳英杰先生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。

除上文所披露者外，於二零一七年十二月三十一日，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權益及淡倉而須記錄於根據證券及期貨條例第336條存置之登記冊內。

### 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的股份數目合計，不得超過本公司不時之已發行股份之30%。



## REPORT OF THE DIRECTORS

### 董事會報告

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 at the date of this annual report.

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 option in respect of all or some of the shares the subject of the 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 year, 28,350,000 (2016: Nil) and 300,000 (2016: Nil) share options were granted and lapsed respectively but no share options (2016: Nil) were cancelled or exercised.

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

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。

年內，分別有28,350,000 (二零一六年：無) 及300,000 (二零一六年：無) 份購股權授出及失效，但並無購股權註銷或行使。

# REPORT OF THE DIRECTORS

## 董事會報告

Details of movements of the share options granted under the share option scheme during the year were as follows:

年內，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 於二零一七年一月一日 尚未行使	Granted during the year 年內授出 (Note 11) (附註十一)	Lapsed during the year 年內失效	Outstanding at 31 December 2017 於二零一七年十二月三十一日 尚未行使	Exercisable period 行使期間 (yyyy/mm/dd) (年/月/日)
承授人	授出日期 (yyyy/mm/dd) (年/月/日)	每股行使價 HK\$ 港元					
<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	-	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	2018/01/25-2027/01/24 (Note 8) (附註八)
In aggregate 合計	2017/01/25	0.70	-	600,000	-	600,000	2017/01/25-2027/01/24 (Note 10) (附註十)
			34,155,000	28,350,000	(300,000)	62,205,000	

# REPORT OF THE DIRECTORS

## 董事會報告

### Notes:

1. The share options shall vest one-third each year from the date of grant.
2. 15% of the total of 16,000,000 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 total of 12,000,000 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.
11. The closing price per share immediately before the date of grant was HK\$0.68.

### Share appreciation rights plan

The Group implemented a share appreciation rights plan (“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 this 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、總計16,000,000份的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、總計12,000,000份的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、購股權由二零一一年四月一日起計每個週年日每年歸屬三分之一。
- 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%。
- 十一、緊接授出日期前每股股份之收市價為0.68港元。

### 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。合資格接收人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，合資格接收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。



# REPORT OF THE DIRECTORS

## 董事會報告

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 subjected 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 year, 140,000 (2016: 410,000) SARs were lapsed and no SARs (2016: Nil) were granted, cancelled or exercised under the SAR Plan.

Details of the movements in the SARs granted under the SAR Plan during the year 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。

年內，有140,000（二零一六年：410,000）份股份增值權失效，但並無股份增值權根據股份增值權計劃授出、註銷或行使。

年內，根據股份增值權計劃授出之股份增值權之變動詳情如下：

Grantees	Outstanding at		Outstanding at	
	1 January 2017	Lapsed during the year	31 December 2017	
承授人	於二零一七年一月一日尚未行使	年內失效	於二零一七年十二月三十一日尚未行使	
(i) Executive directors:	執行董事：			
Mr. Chang Chih-Kai	張智凱先生	5,475,000	–	5,475,000
Mr. Chang Chih-Chiao	張智喬先生	4,725,000	–	4,725,000
Mr. Chen Tommy Yi-Hsun	陳怡勳先生	2,000,000	–	2,000,000
(ii) Employees:	僱員：			
In aggregate	合計	6,130,000	(140,000)	5,990,000
		18,330,000	(140,000)	18,190,000

### Management contracts

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

### 管理合約

年內，本公司概無訂立或訂有任何涉及本公司整體或任何主要部分業務之管理及行政合約。

# REPORT OF THE DIRECTORS

## 董事會報告

### Major customers and suppliers

The aggregate sales during the year attributable to the Group's largest and five largest customers were less than 30% of the Group's total turnover.

The aggregate purchases attributable to the Group's largest and five largest suppliers accounted for approximately 23% and 64%, respectively, of the Group's total purchases for the year.

None of the directors, their associates or any shareholder of the Company, which to the knowledge of the directors owns more than 5% of the Company's share capital, had any beneficial interest in the Group's five largest suppliers.

### Permitted Indemnity Provision

Pursuant to the Articles of Association, and subject to the applicable laws and regulations, the directors and officers of the Group shall be indemnified out of the assets and profits of the Company from or against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force during the financial year and up to the date of this report. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

### Sufficiency of public float

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company throughout the year ended 31 December 2017 and up to the date of this annual report, the Company has maintained a sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

### Auditor

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. A resolution for re-appointment of PricewaterhouseCoopers as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the board of directors

**Chang Chih-Kai**

*Chairman*

Hong Kong, 28 March 2018

### 主要客戶及供應商

年內，本集團最大客戶及五大客戶之銷售總額佔本集團之總營業額少於30%。

年內，本集團向最大供應商及五大供應商作出之採購總額分別佔本集團之採購總額約23%及64%。

各董事、彼等之聯繫人士或據董事所知擁有本公司5%以上股本之任何本公司股東，概無擁有本集團五大供應商任何實益權益。

### 獲准許的彌償條文

根據組織章程細則，並受適用法律及法規所規限，本集團董事及高級行政人員基於其職位履行其職務而產生、蒙受或就此蒙受的所有訴訟、費用、收費、損失、損害及開支，有權從本公司資產及盈利中獲得彌償保證。該等獲准許的彌償條文於本財政年度及直至本報告日期一直有效。本公司已為本集團董事及高級行政人員購買合適的董事及行政人員責任保險。

### 足夠公眾持股量

根據本公司獲得之公開資料及據本公司董事所知，於截至二零一七年十二月三十一日止年度直至本年報日期，本公司已根據上市規則規定，維持公眾持股量佔本公司已發行股本25%以上。

### 核數師

本財務報表已由羅兵咸永道會計師事務所審核，其將退任，惟符合資格並願意應聘續任。將於本公司應屆股東週年大會上提呈重新委任羅兵咸永道會計師事務所為本公司核數師之決議案。

代表董事會

主席

**張智凱**

香港，二零一八年三月二十八日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DAPHNE INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

#### OPINION

##### What we have audited

The consolidated financial statements of Daphne International Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 49 to 124, which comprise:

- the consolidated balance sheet as at 31 December 2017;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

##### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKASs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

##### Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

### 獨立核數師報告 致達芙妮國際控股 有限公司股東

(於開曼群島註冊成立的有限公司)

#### 意見

##### 我們已審計的內容

達芙妮國際控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第49至124頁的綜合財務報表,包括:

- 於二零一七年十二月三十一日的綜合資產負債表;
- 截至該日止年度的綜合收益表;
- 截至該日止年度的綜合全面收益表;
- 截至該日止年度的綜合權益變動表;
- 截至該日止年度的綜合現金流量表;及
- 綜合財務報表附註,包括主要會計政策概要。

##### 我們的意見

我們認為,該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一七年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露規定妥為擬備。

#### 意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

##### 獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於貴集團,並已履行守則中的其他專業道德責任。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Provisions for impairment of inventories
- Recognition of deferred tax assets

#### Provisions for impairment of inventories

##### Nature of the Key Audit Matter

*Refer to Notes 4 and 20 to the consolidated financial statements*

At 31 December 2017, the Group held inventories of HK\$1,246,878,000, which were carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses. In the determination of these estimates, the directors applied judgment based upon a detailed analysis of aged inventories, historical experience of selling similar products and their future sales plans where possible changes in customer taste and competitor actions in response to changes in industry conditions are considered.

We focused on this area due to the significance of the balance and significant management judgment and estimates involved.

##### How our audit addressed the Key Audit Matter

Our procedures in relation to management's estimation and judgment applied in calculating the amount of the inventory provisions included:

- Understanding the key inventory controls operating across the Group, including the procedures on periodic review of inventory provisions, and validating their effectiveness on a sample basis.
- Testing, on a sample basis, the accuracy of stock aging report.
- Performing analysis on inventory balance and movement data and comparing, on a sample basis, the carrying amount of inventory items against its selling price during the year and subsequent to the year end to identify slow-moving stock and stock with net realisable value lower than its cost.
- Assessing the historical realisation of sales plans and inventory provisioning by comparing the sales results of prior years against the budgets.
- Evaluating the future sales plans with reference to historical sales performance of similar products through different sales channels, external market data and the Group's business strategies identified through meeting with managements.
- Examining management's sensitivity analysis over the key assumptions in the future sales plans.

Based upon the above, we considered that the management's estimation and judgment applied in respect of the inventory provisions were supportable by available evidence.

### 關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 存貨減值撥備
- 遞延稅項資產之確認

#### 存貨減值撥備

##### 關鍵審計事項之性質

*請參閱綜合財務報表附註4及20*

於二零一七年十二月三十一日，貴集團已持有存貨1,246,878,000港元，按成本值或可變現淨值兩者之較低者列賬。可變現淨值為按日常業務過程中之估計售價減估計銷售開支。於釐定該等估計時，董事根據過季存貨之詳細分析、出售相似產品之過往經驗及其未來銷售計劃（當中已考慮顧客品味可能轉變及競爭對手就行業情況轉變所作出之行動）而作出判斷。

我們關注此領域乃由於其結餘金額重大以及涉及重大的管理層判斷及估計。

##### 我們的審計如何處理關鍵審計事項

對於管理層在計算存貨撥備金額中所運用的估計及判斷，我們的程序包括：

- 了解貴集團應用之關鍵存貨控制，包括存貨撥備之定期審閱程序，及以抽樣方式驗證其有效性。
- 以抽樣方式測試存貨貨齡報告之準確性。
- 對存貨結餘和變動數據進行分析，並以抽樣方式比較存貨項目的賬面價值與其在年內及年末之後的銷售價格，以識別滯銷存貨及可變現淨值低於其成本之存貨。
- 通過比較過往年度的銷售結果與預算，評估過往銷售計劃和存貨撥備的實現。
- 參考相似產品在不同銷售渠道的過往銷售業績、外部市場數據，以及通過與管理層會面所得悉的貴集團業務策略，評估未來的銷售計劃。
- 查閱管理層對未來銷售計劃中的關鍵假設所作的敏感性分析。

基於以上所述，我們認為現有證據足以支持管理層就存貨撥備所運用的估計和判斷。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (CONTINUED)

#### Recognition of deferred tax assets

##### Nature of the Key Audit Matter

Refer to Notes 4 and 32 to the consolidated financial statements

The Group recorded deferred tax assets in the consolidated financial statements resulting from unutilised tax losses carried forward and deductible temporary differences of HK\$275,739,000. The Group recognised these deferred tax assets to the extent that it is probable that future taxable profits will be available for the utilisation of these tax losses and deductible temporary differences. The recognition is impacted by the uncertainties such as the amount and timing of future taxable profits which are estimated by the management based upon their business plans and market forecasts.

We focused on this area due to the significance of the balance and significant management judgment and estimates involved.

##### How our audit addressed the Key Audit Matter

Our procedures in relation to management's estimation and judgment applied in recognition of deferred tax assets included:

- Obtaining detailed tax computation prepared by management and examining the computation of tax losses carried forward and deductible temporary differences.
- Tracing and comparing the tax losses arising from last year to the annual tax filing.
- Evaluating management's assumptions adopted in the business forecast for determination of future taxable profits, such as revenue composition, gross margin, cost structure, and retail market forecasts in Mainland China as well as other relevant industry data. Specifically, we considered the expiry periods of the tax losses and the fact that management is exploring measures to extend those expiry periods.
- Comparing the past performance against budgets used by the management to assess their forecasting process and examining management's sensitivity analysis to assess the potential impact of a range of possible outcomes.

Based upon the above, we considered that the management's estimation and judgment applied in respect of the recognition of deferred tax assets were supportable by available evidence.

### 關鍵審計事項(續)

#### 遞延稅項資產之確認

##### 關鍵審計事項之性質

請參閱綜合財務報表附註4及32

貴集團已於綜合財務報表中記錄由未動用稅務虧損結轉及可抵扣暫時差額所產生的遞延稅項資產275,739,000港元。貴集團已按可能出現可用作抵銷該等稅務虧損及可抵扣暫時差額之未來應課稅盈利之程度來確認該等遞延稅項資產。該項確認受到未來應課稅盈利的金額和時間等不確定性的影響，管理層乃根據其業務計劃和市場預測作出估計。

我們關注此領域乃由於其結餘金額重大以及涉及重大的管理層判斷及估計。

##### 我們的審計如何處理關鍵審計事項

對於管理層在確認遞延稅項資產中所運用的估計及判斷，我們的程序包括：

- 取得管理層擬備的詳細稅務計算，並查閱稅務虧損結轉和可抵扣暫時差額的計算。
- 追溯和比較去年所產生的稅務虧損至年度報稅表。
- 評估用於確定未來應課稅盈利的業務預測中管理層所採用的假設，例如收入構成、毛利率、成本結構和中國大陸的零售市場預測，以及其他相關行業數據。具體來說，我們考慮了稅務虧損的屆滿期限，以及管理層正在探索延長該等屆滿期限的措施。
- 將過去表現與管理層使用的預算進行比較，以評估其預測流程，並查閱管理層的敏感性分析，以評估一系列可能結果的潛在影響。

基於以上所述，我們認為現有證據足以支持管理層就遞延稅項資產的確認所運用的估計和判斷。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### OTHER INFORMATION

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

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

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

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

### RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

### 其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

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

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

### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助董事履行其監督貴集團財務報告過程的責任。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

### 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Yuen Kwok Kin Andrew.

#### 核數師就審計綜合財務報表承擔的責任 (續)

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

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

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

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

出具本獨立核數師報告的審計項目合夥人是袁國健先生。

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 28 March 2018

**羅兵咸永道會計師事務所**  
執業會計師

香港，二零一八年三月二十八日

# CONSOLIDATED INCOME STATEMENT

## 綜合收益表

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

		Note 附註	2017 二零一七年 HK\$' 000 千港元	2016 二零一六年 HK\$' 000 千港元
Turnover	營業額	5	5,210,995	6,501,677
Cost of sales	銷售成本		(2,457,959)	(3,190,004)
Gross profit	毛利		2,753,036	3,311,673
Other income	其他收入	6	43,221	76,685
Other losses – net	其他虧損 – 淨額	7	(13,327)	(59,544)
Selling and distribution expenses	銷售及分銷開支		(3,159,322)	(3,768,768)
General and administrative expenses	一般及行政開支		(312,431)	(379,534)
Operating loss	經營虧損	8	(688,823)	(819,488)
Finance costs	財務成本	9	(6,042)	(6,526)
Share of losses of associates and joint ventures	應佔聯營公司及合營企業之虧損	17, 18	(3,108)	(2,160)
Loss before income tax	除所得稅前虧損		(697,973)	(828,174)
Income tax expense	所得稅開支	10	(44,056)	(9,363)
Loss for the year	年內虧損		(742,029)	(837,537)
Attributable to:	以下各方應佔：			
Shareholders	股東		(734,204)	(819,127)
Non-controlling interests	非控制性權益		(7,825)	(18,410)
			(742,029)	(837,537)
Loss per share, basic and diluted (HK cents)	每股基本及攤薄虧損 (港仙)	11	(44.5)	(49.7)

The notes on pages 55 to 124 are an integral part of these consolidated financial statements. 第55至124頁之附註為本綜合財務報表之組成部份。



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

		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 year	年內虧損	<b>(742,029)</b>	(837,537)
Other comprehensive income/(loss)	其他全面收益／(虧損)		
Items that may be reclassified subsequently to profit or loss:	可於其後重新分類至損益的項目：		
Currency translation differences	匯兌差額	<b>1,445</b>	212
Revaluation of an available-for-sale financial asset	重估可出售金融資產	<b>3,375</b>	-
Item that will not be reclassified subsequently to profit or loss:	不可於其後重新分類至損益的項目：		
Currency translation differences	匯兌差額	<b>234,112</b>	(280,152)
Total comprehensive loss for the year	年內全面虧損總額	<b>(503,097)</b>	(1,117,477)
Attributable to:	以下各方應佔：		
Shareholders	股東	<b>(502,487)</b>	(1,092,092)
Non-controlling interests	非控制性權益	<b>(610)</b>	(25,385)
		<b>(503,097)</b>	(1,117,477)

The notes on pages 55 to 124 are an integral part of these consolidated financial statements.

第55至124頁之附註為本綜合財務報表之組成部份。

# CONSOLIDATED BALANCE SHEET

## 綜合資產負債表

AS AT 31 DECEMBER 2017 於二零一七年十二月三十一日

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Land use rights	土地使用權	14	47,769	72,567
Property, plant and equipment	物業、廠房及設備	15	859,290	902,112
Investment properties	投資物業	16	67,481	51,520
Interests in associates	於聯營公司之權益	17	1,803	1,801
Interests in joint ventures	於合營企業之權益	18	2,487	353
Available-for-sale financial asset	可出售金融資產		3,698	–
Intangible assets	無形資產	19	20,741	20,641
Long-term rental deposits and prepayments	長期租金按金及預付款項		85,590	91,385
Deferred income tax assets	遞延所得稅項資產	32	270,136	329,216
			<b>1,358,995</b>	<b>1,469,595</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	20	1,246,878	1,414,500
Trade receivables	貿易應收賬款	21	181,310	208,118
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	22	827,337	955,786
Derivative financial instruments	衍生金融工具		–	15,662
Pledged bank deposits	已抵押銀行存款	23	181,403	–
Bank deposit with maturity over three months	存款期超過三個月之銀行存款	24	4,785	16,721
Cash and cash equivalents	現金及現金等價物	25	299,830	972,769
			<b>2,741,543</b>	<b>3,583,556</b>
Assets of disposal group classified as held-for-sale	分類為持作出售之出售組別之資產	26	53,322	–
			<b>2,794,865</b>	<b>3,583,556</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	貿易應付賬款	27	581,157	807,034
Other payables and accrued charges	其他應付賬款及應計費用		362,601	370,166
Current income tax liabilities	即期所得稅負債		4,511	16,478
Bank loans	銀行貸款	28	156,274	296,694
			<b>1,104,543</b>	<b>1,490,372</b>
Liabilities of disposal group classified as held-for-sale	分類為持作出售之出售組別之負債	26	247	–
			<b>1,104,790</b>	<b>1,490,372</b>
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>1,690,075</b>	<b>2,093,184</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>3,049,070</b>	<b>3,562,779</b>

# CONSOLIDATED BALANCE SHEET

## 綜合資產負債表

AS AT 31 DECEMBER 2017 於二零一七年十二月三十一日

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Equity attributable to shareholders	股東應佔權益			
Share capital	股本	29	164,914	164,914
Reserves	儲備	31	2,709,993	3,206,484
			<b>2,874,907</b>	3,371,398
Non-controlling interests	非控制性權益		160,754	160,652
Total equity	總權益		<b>3,035,661</b>	3,532,050
Non-current liabilities	非流動負債			
Deferred income tax liabilities	遞延所得稅項負債	32	13,409	30,729
			<b>13,409</b>	30,729
Total equity and non-current liabilities	總權益及非流動負債		<b>3,049,070</b>	3,562,779

Approved by the board of directors on 28 March 2018

已獲董事會於二零一八年三月二十八日批准

**CHANG CHIH-KAI**

張智凱

Director

董事

**CHEN TOMMY YI-HSUN**

陳怡勳

Director

董事

The notes on pages 55 to 124 are an integral part of these consolidated financial statements.

第55至124頁之附註為本綜合財務報表之組成部份。



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

		Attributable to shareholders 股東應佔			Non- controlling interests 非控制 權益 HK\$'000 千港元	Total 總計 HK\$'000 千港元
		Share capital 股本 HK\$'000 千港元	Reserves 儲備 HK\$'000 千港元			
	Note 附註					
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 year	年內虧損	-	(819,127)	(18,410)	(837,537)	
Currency translation differences	匯兌差額	-	(272,965)	(6,975)	(279,940)	
Total comprehensive loss	全面虧損總額	-	(1,092,092)	(25,385)	(1,117,477)	
Dividends	股息	-	-	(474)	(474)	
Share option scheme:	購股權計劃：					
Value of grantee services	承授人服務價值	30	875	-	875	
Total transactions with shareholders	與股東交易總額	-	875	(474)	401	
At 31 December 2016	於二零一六年十二月三十一日	164,914	3,206,484	160,652	3,532,050	
Loss for the year	年內虧損	-	(734,204)	(7,825)	(742,029)	
Revaluation of an available-for-sale financial asset	重估可出售 金融資產	-	3,375	-	3,375	
Currency translation differences	匯兌差額	-	228,342	7,215	235,557	
Total comprehensive loss	全面虧損總額	-	(502,487)	(610)	(503,097)	
Capital injection by a non-controlling interest	非控制性 權益注資	-	-	712	712	
Share option scheme:	購股權計劃：					
Value of grantee services	承授人服務價值	30	5,996	-	5,996	
Total transactions with shareholders	與股東交易總額	-	5,996	712	6,708	
At 31 December 2017	於二零一七年十二月三十一日	164,914	2,709,993	160,754	3,035,661	

The notes on pages 55 to 124 are an integral part of these consolidated financial statements. 第55至124頁之附註為本綜合財務報表之組成部份。

# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

		Note 附註	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)/generated from operations	營運(所用)/產生之現金	33	(292,186)	310,550
Income tax (paid)/refunded	(已付)/退還所得稅		(12,605)	16,816
Net cash (used in)/generated from operating activities	經營活動(所用)/產生之現金淨額		(304,791)	327,366
Investing activities	投資活動			
Interest received	已收利息		18,403	16,342
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		(123,555)	(110,922)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備收款		3,777	7,323
Proceeds from disposal of subsidiaries	出售附屬公司收款		22,485	-
Proceeds from disposal of an available-for-sale financial asset	出售可出售金融資產收款		-	410
(Increase)/decrease in pledged bank deposits	已抵押銀行存款(增加)/減少		(181,403)	3,010
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)		11,936	(16,721)
Net cash used in investing activities	投資活動所用之現金淨額		(248,357)	(100,558)
Financing activities	融資活動			
Dividends paid to non-controlling interests	已付非控制性權益股息		-	(474)
Interest paid	已付利息		(6,042)	(6,526)
Proceeds from bank loans	銀行貸款之收款		156,274	284,444
Repayment of bank loans	償還銀行貸款		(296,694)	(608,542)
Capital injection by a non-controlling interest	非控制性權益注資		712	-
Net cash used in financing activities	融資活動所用之現金淨額		(145,750)	(331,098)
Decrease in cash and cash equivalents	現金及現金等價物減少		(698,898)	(104,290)
Cash and cash equivalents as 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	匯率變動影響		26,243	4,658
Cash and cash equivalents as at 31 December	於十二月三十一日之現金及現金等價物	25	300,114	972,769

The notes on pages 55 to 124 are an integral part of these consolidated financial statements.

第55至124頁之附註為本綜合財務報表之組成部份。

# NOTES TO THE FINANCIAL STATEMENTS

## 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 address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

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

### 2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

#### (a) Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial asset, financial assets and financial liabilities at fair value through profit or loss (including derivative financial instruments), which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

### 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。

除另有指明外，此綜合財務報表以港元（「港元」）列值。

### 2 主要會計政策

編製此綜合財務報表時所採用之主要會計政策載於下文。除另有註明外，該等政策貫徹應用於全部列示之年份。

#### (a) 編製基準

綜合財務報表乃按照香港會計師公會頒佈之所有適用香港財務報告準則（「香港財務報告準則」）編製。綜合財務報表乃按歷史成本法編製，並就重估按公平價值入賬之可出售金融資產、按公平價值計入損益之金融資產及金融負債（包括衍生金融工具）作出調整。

編製符合香港財務報告準則之財務報表需要運用若干關鍵會計估計。管理層亦須在應用本集團之會計政策時作出判斷。涉及高度判斷或複雜性之範疇，或對綜合財務報表屬重大假設及估計之範疇於附註4內披露。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### (a) Basis of preparation (Continued)

##### (i) Amendments to standards effective and adopted by the Group in 2017

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

The adoption of these amendments has no material impact on the results and financial position of the Group.

##### (ii) New standards, amendments to standards and interpretations that have been issued but are not yet effective and not early adopted by the Group

HKAS 28 (Amendment)	Investment in Associates and Joint Ventures <sup>1</sup>
HKAS 40 (Amendment)	Investment Property <sup>1</sup>
HKFRS 1 (Amendment)	First Time Adoption of HKFRS <sup>1</sup>
HKFRS 2 (Amendment)	Share-based Payment <sup>1</sup>
HKFRS 4 (Amendment)	Insurance Contracts <sup>1</sup>
HKFRS 9	Financial Instruments <sup>1</sup> (Note (a))
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>1</sup> (Note (b))
HKFRS 16	Leases <sup>2</sup> (Note (c))
HK (IFRIC) 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
HK (IFRIC) 23	Uncertainty over Income Tax Treatments <sup>2</sup>

<sup>1</sup> Effective for accounting periods beginning on or after 1 January 2018

<sup>2</sup> Effective for accounting periods beginning on or after 1 January 2019

<sup>3</sup> Effective date to be determined

### 2 主要會計政策(續)

#### (a) 編製基準(續)

##### (i) 於二零一七生效及為本集團採納之對準則之修訂

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)	於其他實體權益之披露

採納該等修訂概不會對本集團之業績及財務狀況產生重大影響。

##### (ii) 已頒佈惟未生效及本集團未提前採納之新準則、對準則之修訂及詮釋

香港會計準則第28號(修訂本)	聯營公司及合營企業投資 <sup>1</sup>
香港會計準則第40號(修訂本)	投資物業 <sup>1</sup>
香港財務報告準則第1號(修訂本)	首次採用香港財務報告準則 <sup>1</sup>
香港財務報告準則第2號(修訂本)	以股份為基礎的付款 <sup>1</sup>
香港財務報告準則第4號(修訂本)	保險合約 <sup>1</sup>
香港財務報告準則第9號	金融工具 <sup>1</sup> (附註(a))
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 <sup>3</sup>
香港財務報告準則第15號	客戶合約收益 <sup>1</sup> (附註(b))
香港財務報告準則第16號	租賃 <sup>2</sup> (附註(c))
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 <sup>1</sup>
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅之不確定性之處理 <sup>2</sup>

<sup>1</sup> 於二零一八年一月一日或之後開始之會計期間生效

<sup>2</sup> 於二零一九年一月一日或之後開始之會計期間生效

<sup>3</sup> 生效日期有待確定

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### (a) Basis of preparation (Continued)

##### (ii) New standards, amendments to standards and interpretations that have been issued but are not yet effective and not early adopted by the Group (Continued)

The above new standards, amendments to standards and interpretations are not expected to have a material impact on the results and the financial position of the Group, except those set out below:

Notes:

##### (a) 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.

### 2 主要會計政策 (續)

#### (a) 編製基準 (續)

##### (ii) 已頒佈惟未生效及本集團未提前採納之新準則、對準則之修訂及詮釋 (續)

除以下所述之外，本集團預期上述新準則、對準則之修訂及詮釋對本集團之業績及財務狀況不會造成重大影響：

附註：

##### (a) 香港財務報告準則第9號「金融工具」

此新準則處理金融資產及金融負債的分類、計量及終止確認，並引入對沖會計的新規則及新的金融資產減值模式。

本集團預期新指引不會對其金融資產之分類和計量產生重大影響，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」），而本集團並無以下金融資產：

- 分類為可出售金融資產之債務工具；
- 分類為持有至到期並以攤銷成本計量之債務工具；
- 以公平價值計入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金融負債的會計處理，而本集團並無有關負債，所以該項新規定對本集團金融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。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

## 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of preparation (Continued)

#### (ii) New standards, amendments to standards and interpretations that have been issued but are not yet effective and not early adopted by the Group (Continued)

##### (a) 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. Based on the assessments undertaken to date, the Group does not expect material change to its impairment provisions.

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.

##### (b) 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 which could affect the timing of the revenue recognition. Based on the assessments undertaken to date, the Group does not expect material impact on the timing and amount of revenue recognised in the respective reporting periods. More detailed assessments will be carried out by the Group to estimate the impact of the new rules on the Group’s consolidated financial statements.

## 2 主要會計政策(續)

### (a) 編製基準(續)

#### (ii) 已頒佈惟未生效及本集團未提前採納之新準則、對準則之修訂及詮釋(續)

##### (a) 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金融資產、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。根據到目前為止的評估，本集團預期其減值撥備不會有重大改變。

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。

##### (b) 香港財務報告準則第15號「客戶合約收益」

這項新準則將取代涵蓋貨品及服務合約的香港會計準則第18號及涵蓋建築合約的香港會計準則第11號。新準則之原則是當商品或服務之控制權轉移予客戶時便確認收入。該準則允許採用全面追溯或修改的追溯方法。

本集團正評估採納香港財務報告準則第15號對本集團綜合財務報表的影響，方法為識別客戶合約中的獨立履行責任，這可以影響收入確認的時間。根據到目前為止的評估，本集團預期相關報告期間之收入之確認時間及金額不會受到重大影響。本集團將進行更詳細之評估，以估計新規定對本集團綜合財務報表之影響。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### (a) Basis of preparation (Continued)

(ii) New standards, amendments to standards and interpretations that have been issued but are not yet effective and not early adopted by the Group (Continued)

(c) 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 the Group’s operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of approximately HK\$1,275,733,000. 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 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.

#### (b) Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 December.

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

### 2 主要會計政策 (續)

#### (a) 編製基準 (續)

(ii) 已頒佈惟未生效及本集團未提前採納之新準則、對準則之修訂及詮釋 (續)

(c) 香港財務報告準則第16號「租賃」

香港財務報告準則第16號將導致幾乎所有租賃均在資產負債表中確認，因為經營租賃與融資租賃之間的區分已被解除。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。

出租人的會計處理不會發生重大變化。

該準則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約1,275,733,000港元。然而，本集團尚未確定這些承擔在多大程度上會導致確認資產和未來支付負債，以及這將如何影響本集團的盈利和現金流分類。

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。

該準則對於二零一九年一月一日或之後開始的年度報告期是強制性的。在此階段，本集團無意在生效日期前採用該準則。

#### (b) 綜合賬目

綜合財務報表包括本公司及其所有附屬公司截至十二月三十一日止之財務報表。

(i) 附屬公司

附屬公司為所有本集團擁有控制權之實體（包括結構性實體）。當本集團通過干預該實體以得到不同的回報，及通過對該實體的權力影響該等回報時，本集團則對該實體擁有控制權。

附屬公司由其控制權轉讓予本集團之日起全面綜合入賬，並由該控制權終止之日起終止綜合入賬。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

## 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### (b) Consolidation (Continued)

#### (i) Subsidiaries (Continued)

Inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provided evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to former shareholders of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRSs. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

## 2 主要會計政策(續)

### (b) 綜合賬目(續)

#### (i) 附屬公司(續)

集團內公司之間的交易、結餘及未變現收益予以對銷。未變現虧損亦予以撇除，除非該交易提供所轉讓資產減值的證據。附屬公司的會計政策已按需要變更，以確保與本集團採用的政策符合一致。

本集團採用會計收購法計算業務合併。收購附屬公司的轉讓代價為所轉讓資產、對被收購方原股東所產生負債及本集團所發行股本權益的公平價值。所轉讓代價包括或然代價安排產生的任何資產或負債的公平價值。於業務合併時所收購的可辨別資產及所承擔的負債及或然負債，初步按收購日的公平價值計量。本集團按逐項收購基準確認任何被收購方之非控制性權益。當被收購方之非控制性權益為現存擁有權權益並賦予其持有人於清盤時按相應比例分配該實體之資產淨值，本集團以公平價值或現存擁有權權益按比例應佔被收購方已確認可辨別資產淨值，計量被收購方之非控制性權益。所有其他非控制性權益的組件以其收購日公平價值計量，除非香港財務報告準則另有規定。收購相關成本於產生時列為開支。

所轉讓代價及非控制性權益公平價值之總和超出所收購之可辨別資產及所承擔負債之淨值的差額初步計量為商譽。倘該代價低於所收購附屬公司資產淨值之公平價值，則有關差額將於損益內確認。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

## 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### (b) Consolidation (Continued)

#### (i) Subsidiaries (Continued)

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the shareholders in their capacity as shareholders of the subsidiary. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

#### (ii) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

## 2 主要會計政策(續)

### (b) 綜合賬目(續)

#### (i) 附屬公司(續)

與非控制性權益進行未導致喪失控制權的交易視為股本交易，即與以附屬公司股東身份與股東進行的交易。所支付的任何代價的公平價值與所收購的附屬公司資產淨值賬面值的相關應佔部分的差額，於權益中入賬。向非控制性權益進行出售所產生的盈虧亦於權益入賬。

倘本集團不再擁有控制權，其於該實體之任何保留權益按其失去控制權日期的公平價值重新計量，而賬面值變動則於損益中確認。就保留權益列作聯營公司、合營企業或金融資產之其後入賬，以該公平價值作初始賬面值。此外，先前於其他全面收益內確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。這可能意味著先前在其他全面收益內確認之金額重新分類至損益。

#### (ii) 獨立財務報表

於附屬公司的投資乃以成本減減值的方法入賬。成本亦包括投資的直接應佔費用。附屬公司之業績由本公司按已收及應收股息入賬。

如股息超過股息宣派期間附屬公司全面收益總額或如於獨立財務報表之投資賬面值超過綜合財務報表內被投資方資產淨值(包括商譽)的賬面值，則須於收取該等投資股息時對附屬公司投資進行減值測試。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

## 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### (b) Consolidation (Continued)

#### (iii) Associates and joint arrangements

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of losses of associates and joint ventures" in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 2 主要會計政策(續)

### (b) 綜合賬目(續)

#### (iii) 聯營公司及合營安排

聯營公司指本集團可對該公司行使重大影響力但並無控制權之公司，一般持有佔其投票權20%至50%之股權。於聯營公司之投資按權益會計法入賬。根據權益法，投資初步按成本值確認，賬面值將會增減以確認投資者在收購日期後佔被投資方損益的比例。本集團於聯營公司投資包括在收購時所識別的商譽。

倘於聯營公司之所有權權益減少，而重大影響力獲保留，則先前於其他全面收益內確認之金額僅有一定比例部分重新分類至損益(如適用)。

本集團應佔收購後盈利或虧損乃於綜合收益表確認，而應佔收購後其他全面收益變動則連同對投資賬面值作出的相應調整於其他全面收益內確認。倘本集團應佔聯營公司之虧損相等於或超出其於該聯營公司之權益(包括任何其他無抵押應收賬款)，則本集團不會再繼續確認虧損，除非本集團已代表該聯營公司承擔法定或推定責任或已替該聯營公司付款。

本集團於每個報告日釐定是否有任何客觀證據顯示於聯營公司之投資減值。如存在該情況，本集團將減值金額計算為聯營公司可收回金額與其賬面值的差額及在綜合收益表內毗鄰「應佔聯營公司及合營企業虧損」確認相關金額。

因本集團與其聯營公司之間的上游及下游交易而產生的損益在本集團綜合財務報表內確認，僅以非相關投資者於聯營公司的權益為限。未變現虧損予以撇除，除非該交易提供所轉讓資產減值的證據。聯營公司的會計政策在需要時已予變動，以確保與本集團採納的政策一致。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### (b) Consolidation (Continued)

##### (iii) Associates and joint arrangements (Continued)

Gains or losses on dilution of equity interest in associates are recognised in the consolidated income statement.

Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised loss is also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### (c) Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK\$, while the Company's functional currency is Renminbi ("RMB").

### 2 主要會計政策 (續)

#### (b) 綜合賬目 (續)

##### (iii) 聯營公司及合營安排 (續)

聯營公司股權攤薄的收益或虧損於綜合收益表內確認。

根據香港財務報告準則第11號，於合營安排之投資視乎各位投資者的合約權利及義務分類為合營業務或合營企業。本集團已評估合營安排的性質及將合營安排釐定為合營企業。合營企業使用權益法入賬。

根據會計權益法，於合營企業之權益初步按成本值確認及其後調整，以確認本集團應佔收購後損益及其他全面收益變動。當本集團應佔合營企業虧損等於或超過其於合營企業之權益（包括實質上構成本集團於合營企業之投資淨額一部份的任何長期權益），本集團並不再繼續確認虧損，除非已產生責任或代表合營企業作出付款。

本集團與合營企業之間交易的未變現收益予以撇除，以本集團於合營企業權益為限。未變現虧損亦予撇除，除非該交易提供所轉讓資產減值之證據。合營企業的會計政策在需要時已予變動，以確保與本集團採納的政策一致。

#### (c) 外幣換算

##### (i) 功能及呈報貨幣

本集團各實體之財務報表內包括之項目乃以有關實體業務所在主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以港元列值，而本公司之功能貨幣為人民幣（「人民幣」）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### (c) Foreign currency translation (Continued)

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

##### (iii) Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from foreign operations may be reclassified subsequently to profit or loss while exchange differences arising from non-foreign operations are not reclassified subsequently to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

#### (d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions.

### 2 主要會計政策(續)

#### (c) 外幣換算(續)

##### (ii) 交易及結餘

外幣交易乃以交易或估值(如項目重新計量)日期之匯率換算為功能貨幣。結算該等交易及按年結日之匯率換算以外幣計值之貨幣資產及負債產生之匯兌收益及虧損會於綜合收益表確認。

##### (iii) 集團公司

功能貨幣有別於呈報貨幣之所有集團實體(並不涉及嚴重通脹經濟體系之貨幣)之業績及財務狀況會按以下方式換算為呈報貨幣:

- 各資產負債表所呈報資產及負債按該資產負債表日期之收市匯率換算;
- 各收益表內之收入及開支按平均匯率換算(除非該項平均值並非交易日匯率累計影響的合理概約值,在該情況下收益及開支按於各交易日期之匯率換算);及
- 所有由此產生之匯兌差額於其他全面收益內確認。

由海外業務產生之匯兌差額可能隨後被重新分類至損益,而非海外業務產生之匯兌差額則不會隨後被重新分類至損益。

收購海外實體產生之商譽及公平價值調整均列作該海外實體之資產及負債,並按收市匯率換算。所產生之貨幣換算差額於其他全面收益內確認。

#### (d) 分部報告

經營分部之申報方式與向主要經營決策者(「主要經營決策者」)提供之內部報告一致。本公司執行董事已獲辨識為負責分配資源及評估經營分部表現的主要經營決策者,並作出策略性決定。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### (e) Intangible assets

##### (i) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred and the fair value of the non-controlling interest in the acquiree over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

##### (ii) License rights

Separately acquired license rights are stated at historical cost. License rights acquired in a business combination are recognised at fair value at the acquisition date. License rights have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is calculated using the straight-line method to allocate the cost of license rights over their estimated useful lives of between 5 to 30 years.

##### (iii) Trademarks

Separately acquired trademarks are stated at historical cost. Trademarks acquired in a business combination are recognised initially at fair value at the acquisition date and subsequently carried at the amount initially recognised less accumulated amortisation and accumulated impairment losses, if any. Amortisation of trademarks that have definite useful lives is calculated using the straight-line method to allocate the costs of acquired trademarks over their estimated useful lives of 20 years.

### 2 主要會計政策(續)

#### (e) 無形資產

##### (i) 商譽

商譽因收購附屬公司、聯營公司及合營企業而產生及指所轉讓代價及被收購方非控制性權益之公平價值超過本集團於被收購方可識別資產、負債及或然負債淨額之權益之公平價值淨額的差額。

就減值測試而言，於業務合併中收購的商譽分配至預期受益於合併協同效益的每個現金產生單位（「現金產生單位」）或現金產生單位組別。被分配商譽的各個單位或單位組別指實體內最低層面，當中商譽予以監控作為內部管理目的。商譽按經營分部層面予以監控。

商譽減值審閱每年進行一次，如有事件或情況變動顯示潛在減值，則進行更多頻次的商譽減值審閱。包含商譽之現金產生單位之賬面值與可收回金額進行比較，可收回金額為使用價值及公平價值減出售成本兩者之較高者。任何減值即時確認為一項開支及其後不予撥回。

##### (ii) 特許使用權

單獨收購的特許使用權按歷史成本列賬。業務合併中收購的特許使用權按收購日的公平價值確認。擁有有限可使用年期的特許使用權按成本減累計攤銷及累計減值虧損（如有）列賬。攤銷使用直線法計算，於特許使用權5至30年之估計可使用年內攤分特許使用權的成本。

##### (iii) 商標

單獨收購的商標按歷史成本列賬。於企業合併時所收購的商標最初按於收購日的公平價值列值，其後按其初始列值數額扣除累計攤銷及累計減值虧損（如有）列值。有特定使用年限的商標的攤銷以直線法計算，於20年的估計可使用年內攤分所收購商標的成本。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### (f) Land use rights

Land use rights are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Cost represents consideration paid for the rights to use the land on which various plants and buildings are situated for periods of between 20 to 50 years. Amortisation of land use rights is calculated on a straight-line basis over the period of the rights.

#### (g) Property, plant and equipment

Property, plant and equipment other than construction-in-progress are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values, where appropriate, over their estimated useful lives, as follows:

Buildings	20 to 50 years
Leasehold improvements	1 to 3 years
Plant and machinery, furniture, fixtures and equipment and motor vehicles	5 to 10 years

Construction-in-progress represents buildings, plant and machinery under construction and pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction of buildings and the costs of plant and machinery. No depreciation is charged on construction-in-progress until such time as the relevant assets are completed and are ready for intended use. When the assets concerned are brought to use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy stated above.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(i)).

### 2 主要會計政策(續)

#### (f) 土地使用權

土地使用權按成本值減累計攤銷及累計減值虧損(如有)列賬。成本值指就廠房及樓宇所在地之土地使用權而已支付之代價,而有關於土地使用權為期20至50年。攤銷土地使用權乃於使用權期間以直線法計算。

#### (g) 物業、廠房及設備

在建工程以外物業、廠房及設備按歷史成本值減累計折舊及累計減值虧損(如有)列賬。歷史成本值包括收購有關項目之直接應佔開支。

本集團僅於資產未來可能產生之經濟利益將流入本集團以及能可靠計量該項目成本時,將其後成本列入資產賬面值或確認為獨立資產(視情況而定)。更換部分之賬面值會解除確認。所有於財政期間產生之其他維修及保養費用在綜合收益表列支。

物業、廠房及設備之折舊按其估計可使用年期以直線法將成本分攤至其剩餘價值計算如下:

樓宇	20至50年
租賃物業裝修	1至3年
廠房及機器、傢俱、固定裝置及設備及汽車	5至10年

在建工程指興建中及有待安裝之樓宇、廠房及機器,乃按成本值減累計減值虧損(如有)列賬。成本值包括樓宇之建造成本及廠房及機器之成本。於有關資產完工及可作擬定用途前,不會就在建工程作出折舊。當有關資產可予使用時,成本值將根據上述政策轉撥為物業、廠房及設備及計提折舊。

於各個結算日,本集團會檢討資產之剩餘價值及可使用年期,並作出適當調整。倘資產之賬面值超過其估計可收回金額,則即時撇減其賬面值至其可收回金額(附註2(i))。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### (g) Property, plant and equipment (Continued)

Gains or losses on disposals of property, plant and equipment are the difference between the net sales proceeds and the carrying amount of the relevant assets and are recognised in the consolidated income statement.

##### (h) Investment properties

Investment properties, comprising buildings, are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group.

Investment properties are initially measured at cost, including related transaction costs. After initial recognition, the investment properties are stated at historical costs less accumulated depreciation and provision for impairment loss.

Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent expenditure is charged to the carrying amount of the asset only when it is probable that future economic benefits associated with the property will flow to the Group and the cost of the property can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to write off the cost over the estimated useful lives to their estimated residual values. Estimated useful lives of the buildings are 20 to 50 years.

The residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying amounts of assets are reviewed regularly. An investment property's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(i)).

Gains or losses on disposals are determined as the difference between the net sales proceeds and the carrying amounts of the relevant assets and are recognised in the consolidated income statement.

#### 2 主要會計政策(續)

##### (g) 物業、廠房及設備(續)

出售物業、廠房及設備之收益或虧損為出售收款淨額與有關資產賬面值之差額，並會於綜合收益表內確認。

##### (h) 投資物業

投資物業(包括樓宇)為獲得長期租金收益或資本升值或同時獲得兩者而持有但並非由本集團佔用之物業。

投資物業初步按成本(包括相關交易成本)計量。於初步確認後，投資物業按歷史成本值減累計折舊及累計減值虧損列賬。

歷史成本值包括收購該等資產直接應佔開支。僅於與有關物業有關連的未來經濟利益將可能流入本集團以及能可靠地計量有關物業成本時，其後成本才會包括入資產賬面值。所有其他維修及保養費用於其產生的財務期間，於綜合收益表列支。

折舊按其估計可使用年期以直線法將成本分攤至其剩餘價值。樓宇之估計可使用年期為20至50年。

於各個結算日，本集團會檢討剩餘價值及可使用年期，並作出適當調整，並定期檢討資產之賬面值。倘一項投資物業之賬面值超過其估計可收回金額，則即時撇減其賬面值至其可收回金額(附註2(i))。

出售之收益或虧損為出售收款淨額與有關資產賬面值之差額，並會於綜合收益表內確認。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### (i) Impairment of non-financial assets

Assets that have an indefinite useful life or are not yet ready for use are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

#### (j) Non-current assets held-for-sale

Non-current assets are classified as held-for-sale when their carrying amounts are to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets (except for certain assets as explained below), are stated at the lower of carrying amount and fair value less costs to sell. Deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries and associates) and investment properties, which are classified as held-for-sale, would continue to be measured in accordance with the policies set out elsewhere in Note 2.

#### (k) Financial assets Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the Group's financial assets at initial recognition.

#### (i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current assets.

### 2 主要會計政策(續)

#### (i) 非金融資產減值

具無限可用年期或尚未可供使用之資產毋須攤銷，惟每年進行一次減值測試。資產於出現顯示可能無法收回賬面值之事件或狀況變動時進行檢討。倘資產賬面值超出其可收回金額，則會按該款額確認減值虧損。可收回金額為資產公平價值減出售成本及使用價值(以較高者為準)。評估減值時，資產乃按可個別識別現金流量(現金產生單位)之最低層次組合。已出現減值之非金融資產(除商譽外)於各結算日檢討是否可能撥回減值。

#### (j) 持作出售非流動資產

當非流動資產的賬面價值主要通過出售交易收回且出售被視為極有可能時，分類為持作出售。非流動資產(下文解釋的若干資產除外)乃按賬面價值及公平價值減銷售成本兩者中的較低列賬。遞延稅項資產、由僱員福利產生的資產、金融資產(不包括附屬公司及聯營公司之投資)以及投資物業被分類為持作出售，將繼續根據附註2所載列之政策計量。

#### (k) 金融資產 分類

本集團將其金融資產分類為：按公平價值計入損益、貸款及應收賬款，以及可出售金融資產。分類視乎購入金融資產之目的而定。管理層於初步確認時釐定本集團金融資產之分類。

#### (i) 按公平價值計入損益之金融資產

按公平價值計入損益之金融資產為持作買賣金融資產。倘收購旨在於短期內出售，則分類為此金融資產類別。除非指定作對沖用途，否則衍生工具分類為持作買賣類別。如預期於十二個月內結清，屬於此類別之資產分類為流動資產；否則分類為非流動資產。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### (k) Financial assets (Continued)

##### Classification (Continued)

##### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables comprise trade receivables and other receivables (Note 2(n)), pledged bank deposits, bank deposit with maturity over three months, and cash and cash equivalents (Note 2(o)) in the balance sheet.

##### (iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

##### Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the consolidated income statement within “other losses – net” in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated income statement as part of other income when the Group’s right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

### 2 主要會計政策 (續)

#### (k) 金融資產 (續)

##### 分類 (續)

##### (ii) 貸款及應收賬款

貸款及應收賬款為並無於活躍市場掛牌而有固定或可釐定款額之非衍生金融資產。貸款及應收賬款計入流動資產，惟到期日為結算日起計超過十二個月的，則分類為非流動資產。貸款及應收賬款包括資產負債表之貿易應收賬款及其他應收賬款(附註2(n))、已抵押銀行存款、存款期超過三個月之銀行存款及現金及現金等價物(附註2(o))。

##### (iii) 可出售金融資產

可出售金融資產為指定列入此類別或並無分類為任何其他類別之非衍生工具。除非管理層有意於結算日起計十二個月內出售投資，否則可出售金融資產計入非流動資產。

##### 確認及計量

金融資產之常規買賣於買賣日期確認，買賣日期即本集團承諾買賣資產之日期。所有非按公平價值計入損益之金融資產投資初步以公平價值加交易成本確認。按公平價值計入損益之金融資產初步按公平價值確認，而交易成本則於綜合收益表支銷。自投資收取現金流量之權利屆滿或轉讓，且本集團已轉讓所有權絕大部分風險及回報時，將會解除確認金融資產。可出售金融資產及按公平價值計入損益之金融資產其後按公平價值列賬。貸款及應收賬款其後以實際利率法按攤銷成本列賬。

由被分類為按「公平價值計入損益之金融資產」之公平價值變動而產生之收益或虧損，均於產生期間在綜合收益表列作「其他虧損 – 淨額」。按公平價值計入損益之金融資產之股息收入於確立本集團收取款項之權利時，在綜合收益表確認為其他收入之一部分。

分類為可出售的貨幣及非貨幣證券的公平價值變動於其他全面收益內確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### (k) Financial assets (Continued)

##### Recognition and measurement (Continued)

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as gains or losses from available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

### 2 主要會計政策(續)

#### (k) 金融資產(續)

##### 確認及計量(續)

當分類為可出售的證券出售或減值時，在權益內確認的累計公平價值調整作為可出售金融資產的收益或虧損列入綜合收益表內。

使用實際利率法計算的可出售證券利息在綜合收益表內確認，作為其他收入的一部份。可出售股本工具之股息於確立本集團收取款項之權利時，在綜合收益表確認為其他收入之一部分。

本集團於每個結算日評估有否客觀證據顯示金融資產或金融資產組別已減值。僅因初步確認資產後發生的一個或多個事件(「虧損事件」)而存在減值客觀證據時及該虧損事件對金融資產或金融資產組別之估計未來現金流量產生影響並能可靠地估計下，則金融資產或金融資產組別予以減值並產生減值虧損。

減值證據可能包括債務人或一組債務人發生重大財務困難、違約或拖欠利息或本金，極有可能進入破產或其他財務重組，及可觀察數據顯示估計未來現金流量有可計量的減值，如與違約相關的拖欠情況或經濟狀況變動的跡象。

就貸款及應收賬款而言，虧損金額計量為資產賬面值與按金融資產的原有實際利率折現的估計未來現金流量(不包括尚未發生未來信貸虧損)之現值之間的差額。資產賬面值予以減少及虧損金額在綜合收益表內確認。如貸款為可變利率，計量任何減值虧損的折現率為根據合約釐定的即期實際利率。作為實際權宜之計，本集團可按工具基於可觀察市場價格的公平價值計量減值。

如於其後期間減值虧損金額減少及該項減少乃客觀上與確認減值後發生的事件(如債務人信貸評級提高)有關，則在綜合收益表內確認先前已確認減值虧損的撥回。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

## 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### (k) Financial assets (Continued)

#### Recognition and measurement (Continued)

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### (l) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gains or losses depends on whether the derivative is designated and qualified as a hedging instrument, and if so, the nature of the item being hedged. Since the derivative financial instrument entered into by the Group does not qualify for hedge accounting, changes in fair value of the derivative financial instrument is recognised immediately in the consolidated income statement within "other losses – net".

### (m) Inventories

Inventories comprise raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) and excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

## 2 主要會計政策(續)

### (k) 金融資產(續)

#### 確認及計量(續)

就分類為可出售之股本投資而言，若證券之公平價值大幅或長期降至低於其成本值，則顯示資產有減值跡象。倘可出售金融資產出現任何該等跡象，累計虧損(按收購成本與現行公平價值之差額減早前於損益中確認之金融資產任何減值虧損計量)自權益中剔除及於損益中確認。於綜合收益表確認之股本工具減值虧損，不會透過綜合收益表回撥。

#### 抵銷金融工具

倘有抵銷已確認金額的法定可執行權力，且有意按淨額基準結算或變現資產並同時結算負債時，則金融資產與負債將相互抵銷，淨額於資產負債表內呈報。這法定可執行權力不能取決於將來發生之事件，但必須執行於日常業務及當本集團或交易方出現違約、無力償還或破產事件。

### (l) 衍生金融工具

衍生工具於訂立衍生工具合約日期初步按公平價值確認及其後按公平價值重新計量。確認因此而產生之收益或虧損的方法取決於衍生工具是否被指定為對沖工具及符合對沖工具資格，如真是如此，則取決於所對沖項目的性質。由於本集團訂立的衍生金融工具並不符合對沖會計，衍生金融工具公平價值變動隨即在綜合收益表確認於「其他虧損 – 淨額」內。

### (m) 存貨

存貨包括原材料、在製品及製成品，按成本值或可變現淨值兩者之較低者入賬。成本值按加權平均法計算，包括物料成本、直接工資、其他直接成本及有關生產之經常開支(根據一般營運能力)，惟不包括借貸成本。可變現淨值按日常業務之估計售價減適用之不定額銷售開支釐定。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### (n) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the loss upon provision made is recognised in the consolidated income statement. When a receivable is proven uncollectible, it is written off against the provision for impairment of receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement. If collection of receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

##### (o) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks with original maturities of three months or less.

##### (p) Share capital

Ordinary shares are classified as equity. Incremental costs, net of tax, directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

##### (q) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### (r) Borrowings and borrowing costs

###### (i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### 2 主要會計政策(續)

##### (n) 應收賬款

應收賬款初步按公平價值確認，其後以實際利率法按攤銷成本，扣除減值撥備計算。應收賬款乃於有客觀憑證證明本集團將無法根據應收賬款原訂條款收回所有到期款項時，確立減值撥備。撥備款額乃資產賬面值與按原有實際利率貼現之估計未來現金流量現值之差額。虧損撥備金額於綜合收益表確認。當應收賬款被證實為不可收回時，將在應收賬款減值撥備中予以撇銷。倘日後收回過往所撇銷之金額，將把有關金額計入綜合收益表。如應收賬款預期於一年內(或如較長時間，在業務正常營運期內)收回，應收賬款分類為流動資產。否則，應收賬款列為非流動資產。

##### (o) 現金及現金等價物

現金及現金等價物包括手頭現金及原訂於三個月或以內到期之銀行活期存款。

##### (p) 股本

普通股分類為權益。發行新股份或期權所增加之直接成本(扣除稅項)於權益中列為所得款項之扣減項目。

##### (q) 貿易應付賬款

貿易應付賬款首先按公平價值確認，其後以實際利率法按攤銷成本計量。

##### (r) 借貸及借貸成本

###### (i) 借貸

借貸初步以公平價值確認(扣除所產生交易成本)。借貸其後以攤銷成本列賬；收款(扣除交易成本)與贖回價值之間之差額，乃以實際利率法於借貸期間在綜合收益表確認。

借貸歸類為流動負債，除非本集團有無條件權利將債項還款期延長至結算日起計最少十二個月後。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

## 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### (r) Borrowings and borrowing costs (Continued)

#### (ii) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to the consolidated income statement in the period in which they are incurred.

### (s) Current and deferred income taxes

Income tax for the year comprises current and deferred tax. Income tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

#### (i) Current income tax

Current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the places where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (ii) Deferred income tax

##### Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## 2 主要會計政策 (續)

### (r) 借貸及借貸成本 (續)

#### (ii) 借貸成本

直接歸屬於收購、建設或生產合資格資產 (即必須佔用大量時間以準備就緒以供擬定使用或出售之資產) 的一般及特定借貸成本將加到該等資產的成本之上，直至該等資產已大致準備就緒，以供擬定使用或出售。所有其他借貸成本在產生期間在綜合收益表內列支。

### (s) 即期及遞延所得稅項

本年度所得稅包括即期及遞延稅項。所得稅於綜合收益表確認，除與於其他全面收益或直接於權益確認之項目相關。在該情況下，稅項分別於其他全面收益或直接於權益中確認。

#### (i) 即期所得稅

即期所得稅開支按本集團經營所在及產生應課稅收入之地方於結算日已實施或大致上實施之稅法計算。管理層就適用稅項法規有待詮釋的情況下，定期評估稅項申報情況，並在適當情況下按預期將支付予稅務機構的款額為基準確定撥備。

#### (ii) 遞延所得稅項

##### 內部差額

遞延所得稅項乃就資產與負債之稅基及其於綜合財務報表中之賬面值兩者之暫時差額，以負債法確認。然而，如在初步確認商譽時產生的遞延所得稅項負債，不予確認；倘遞延所得稅項乃產生自於 (業務合併除外) 初步確認資產或負債之交易，而交易當時並無影響會計或應課稅盈利或虧損，則不會列賬。遞延所得稅項乃以於結算日已實施或大致上實施之稅率及法例釐定，並預期於變現相關遞延所得稅項資產或結算遞延所得稅項負債時適用。

遞延所得稅項資產按可能出現可用作抵銷暫時差額之日後應課稅盈利之程度來確認。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

## 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### (s) Current and deferred income taxes (Continued)

#### (ii) Deferred income tax (Continued)

##### Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

#### (iii) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### (t) Employee benefits

#### (i) Bonus plans

The Group recognises a liability and an expense for bonuses with reference to a number of factors including the Group's operating results, individual and market performance and directors' discretion. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## 2 主要會計政策(續)

### (s) 即期及遞延所得稅項(續)

#### (ii) 遞延所得稅項(續)

##### 外部差額

本集團就於附屬公司、聯營公司及合營安排之投資所產生之應課稅暫時差額作出遞延所得稅項負債撥備，本集團可控制撥回暫時差額之時間，且暫時差額不大可能於可預見將來撥回之遞延所得稅項負債則屬例外。一般而言，本集團無法控制聯營公司暫時差額之撥回。僅當訂有協議讓本集團於可預見將來有能力控制暫時差額之撥回，否則因聯營公司未分派盈利所產生之應課稅暫時差額相關之遞延所得稅項負債將不被確認。

因於附屬公司、聯營公司及合營安排之投資產生之可扣減暫時差額而確認之遞延所得稅項資產，僅以暫時差額極有可能於未來撥回及有充足的應課稅盈利可供用作對沖可利用的暫時差額為限。

#### (iii) 抵銷

當有法定可執行權力將當期稅項資產與當期稅務負債抵銷，且遞延所得稅項資產和負債涉及由同一稅務機關對應課稅實體或不同應課稅實體徵稅，並有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅項資產與負債互相抵銷。

### (t) 僱員福利

#### (i) 花紅計劃

本集團參考多項因素就花紅確認負債及開支，包括本集團之經營業績、個人及市場表現及董事之酌情決定。於出現合約責任或過往慣例引致推定責任時，本集團即確認撥備。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### (t) Employee benefits (Continued)

##### (ii) Pension obligations

The Group participates in various defined contribution retirement schemes which are established by governments or separately administered funds. A defined contribution plan is a pension plan under which the Group pays fixed contributions to separately administered funds on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group's contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### (iii) Share-based compensation

###### Equity-settled share-based payment transactions

The Group operates two equity-settled share-based compensation plans under which the Group receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, including any market performance conditions and the impact of any non-vesting conditions, and excluding the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest based on non-market vesting conditions. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

### 2 主要會計政策(續)

#### (t) 僱員福利(續)

##### (ii) 退休金責任

本集團參與由政府或獨立管理基金成立的多項定額供款退休計劃。定額供款計劃為本集團按強制、合約或自願方式向獨立管理基金作出定額供款之退休金計劃。如基金並無足夠資產支付所有僱員於本期間及過往期間提供服務而享有之有關僱員服務福利，本集團亦無法定或推定責任再次支付供款。於到期支付時，本集團供款確認為僱員福利開支及以可全數取得供款前已退出該計劃之僱員供款扣減。預付供款確認為資產，惟以現金退款或日後付款扣減為限。

##### (iii) 以股份為基礎之補償

###### 以權益結算以股份為基礎之付款交易

本集團推行兩項以權益結算以股份為基礎之補償計劃，據此，僱員向本集團提供服務以作為獲授本集團股本工具(購股權)之代價。授出購股權而取得僱員服務之公平價值乃確認為開支。於歸屬期內列作開支之總金額乃參照已授出購股權之公平價值釐定，包括任何市場表現狀況及任何非歸屬條件之影響，並不包括任何服務及非市場表現歸屬條件之影響。非市場歸屬條件包括在預期可予歸屬之購股權數目之假設。支銷總金額於歸屬期間內確認，即達成所有規定歸屬條件之期間。於各結算日，本集團會根據非市場歸屬條件修訂可予歸屬之購股權數目之估計，並於綜合收益表確認修訂原來估計數字(如有)之影響，以及對權益作相應調整。

當購股權獲行使時，已收之收款扣除任何直接應佔交易成本，乃計入股本(面值)及股份溢價中。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### (t) Employee benefits (Continued)

##### (iii) Share-based compensation (Continued)

###### Equity-settled share-based payment transactions (Continued)

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

If an equity award is cancelled by forfeiture, when the vesting conditions (other than market conditions) have not been met, any expense not yet recognised for that award, as at the date of forfeiture, is treated as if it had never been recognised. At the same time, any expense previously recognised on such cancelled equity awards are reversed from the accounts effective as at the date of forfeiture.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

###### Cash-settled share-based payment transactions

For cash-settled share-based payment transactions, the Group measures the services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

##### (iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

### 2 主要會計政策(續)

#### (t) 僱員福利(續)

##### (iii) 以股份為基礎之補償(續)

###### 以權益結算以股份為基礎之付款交易(續)

如註銷股本結算獎勵，該項獎勵視為猶如已於註銷日期歸屬，並隨即確認該獎勵尚未確認的任何開支。然而，如新的獎勵取代已註銷獎勵並於授出日期被指定為替代獎勵，已註銷及新獎勵視為猶如原有獎勵的修訂。

如以沒收方式註銷股本獎勵，當並未達成歸屬條件(市場條件除外)，該項獎勵於沒收日期尚未確認的任何開支視為猶如從未確認。同時，就該項已註銷股本獎勵於先前確認的任何開支於沒收日期從賬目撥回。

未行使購股權的攤薄影響(如有)反映為計算每股盈利的額外股份攤薄。

###### 以現金結算以股份為基礎之付款交易

就以現金結算以股份為基礎之付款交易，本集團以已獲得之服務及所產生之負債計量有關負債之公平價值。直至負債結算前，本集團於每報告期結束日及負債結算日重新計量負債之公平價值，公平價值之任何變動則確認於有關期間之損益中。

##### (iv) 辭退福利

當本集團在正常退休日期前終止僱傭，或當僱員接納自願冗員裁減以換取該等利益時產生應付辭退福利。本集團於下列日期(以較早者為準)確認辭退福利：(a)當本集團不能撤回該等利益之要約；及(b)當本集團確認屬於香港會計準則第37號範圍之內並涉及支付辭退福利之重組成本。如屬鼓勵自願冗員裁減而作出之要約，根據預期接納要約的僱員人數計算辭退福利。在結算日後十二個月以後到期的福利折現至現值。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### (t) Employee benefits (Continued)

##### (v) Employee leave entitlements

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

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

#### (u) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of economic resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions for restructuring comprise lease termination penalties, employee termination payments and anticipated loss on disposal of relevant assets. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow of economic resources will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligations using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### (v) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of applicable value-added tax, returns, rebates and discounts, and after eliminating sales within the Group.

Revenue is recognised when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sales have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customers, the type of transactions and specifics of each arrangement.

### 2 主要會計政策(續)

#### (t) 僱員福利(續)

##### (v) 僱員假期權利

僱員享有年假的權利在該等假期向僱員累算時確認。就僱員於直至結算日所提供的服務而產生的年假之估計負債作出撥備。

直至放取假期時才確認僱員享有病假及產假的權利。

#### (u) 撥備及或然負債

倘本集團因過往事件而須承擔現有法定或推定責任，而履行該責任時有可能涉及經濟資源流失，並能可靠地衡量涉及金額，則確認有關撥備。重組撥備包括租賃終止罰款、僱員離職付款及出售相關資產之預期虧損。不會就未來經營虧損確認撥備。

倘有多項類似責任，於釐定履行有關責任而引致經濟資源流出之可能性時，會整體考慮該等責任類別。即使同一責任類別所包含任何一個項目之資源流出之可能性極低，仍須確認撥備。

撥備乃按履行該責任預計所需開支以除稅前貼現率計算之現值計量，有關貼現率反映當時市場對貨幣時間值及該責任特定風險之評估。因時間流逝而增加之撥備確認為利息支出。

#### (v) 收入確認

收入包括本集團在日常業務過程中銷售產品所得收入之已收或應收代價之公平價值。所示收入已扣除適用增值稅、退貨、回扣及折扣，並已撇銷本集團內部銷售。

當未來經濟利益可能流入本集團及當已達成下文所述本集團各項活動的特定標準，而收入金額能可靠地計量，則確認收入。在所有銷售有關的或然事項已經得到解決後，收入金額方才視為能可靠計量。本集團根據歷史業績進行其估計，並考慮客戶類型、交易類型及各項安排的特色。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### (v) Revenue recognition (Continued)

###### (i) Sales of goods

Revenue from sales of goods manufactured or traded is recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

###### (ii) Government incentives

Government incentives are recognised where there is reasonable assurance that the incentives will be received and all attaching conditions will be complied with.

###### (iii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

###### (iv) Franchise and royalty income

Franchise and royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

###### (v) Rental income

Rental income under operating leases is recognised on a straight-line basis over the lease periods.

###### (vi) Dividend income

Dividend income is recognised when the right to receive payment is established.

##### (w) Operating leases

###### (i) Accounting by lessee

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Payments made under operating leases (net of any incentives received from the lessor), including upfront payment made for leasehold land use rights, are charged to the consolidated income statement on a straight-line basis over the lease periods.

###### (ii) Accounting by lessor

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

When assets are leased out under an operating lease, the asset is included in the consolidated balance sheet based on the nature of the asset. Lease income on operating leases is recognised over the term of the lease on a straight-line basis.

#### 2 主要會計政策(續)

##### (v) 收入確認(續)

###### (i) 貨品銷售

銷售生產或貿易之貨品之收入是於擁有權之大部分風險與回報轉移時確認，一般為貨品送抵客戶及所有權轉移時同步發生。

###### (ii) 政府補貼

政府補貼於合理保證將可收取補貼及所有隨附條件均獲遵守之情況下確認。

###### (iii) 利息收入

利息收入以實際利率法按時間比例確認。倘一筆應收賬款出現減值，本集團會將賬面值減至其按有關金融工具原有實際利率貼現之估計未來現金流量而設定之可收回款額，並繼續解除貼現作為利息收入。已減值貸款之利息收入採用原有實際利率確認。

###### (iv) 專營權及特許權收入

專營權及特許權收入根據有關協議規定按累算基準確認。

###### (v) 租金收入

經營租賃租金收入於租賃期內按直線法確認。

###### (vi) 股息收入

股息收入於收取股息之權利確立時確認。

##### (w) 經營租賃

###### (i) 承租人之入帳

凡有關資產擁有權之絕大部分風險及回報由出租人保留之租賃均以經營租賃方式入帳。經營租賃之付款減任何自出租人獲取之優惠(包括就租賃土地使用權支付之首期款項)在租賃期內以直線法在綜合收益表中支銷。

###### (ii) 出租人之入帳

租賃為一份同意書，當中出租人給予承租人於所同意的期間使用一項資產的權利，以換取一次款項或一系列之款項。

當資產按經營租賃租出，該資產根據其性質包括於綜合資產負債表中。經營租賃之租賃收入在租賃期內以直線法確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### (x) Dividend distribution

Dividend distribution to the shareholders of the Company is recognised as a liability in the Company's and the Group's financial statements in the period in which the dividends are approved by the board of directors and the shareholders of the Company, where appropriate.

### 3 FINANCIAL RISK MANAGEMENT

#### (a) Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, cash flow interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group may use financial derivatives to manage certain risk exposures.

##### (i) Foreign exchange risk

The Group mainly operates in Mainland China with transactions primarily settled in RMB, HK\$ and United States dollars ("US\$"). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in currencies other than the functional currency of the Group's entities to which they relate. The Group is exposed to foreign exchange risk from various currencies, primarily with respect to HK\$ and US\$.

The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and the Group may use forward foreign exchange contracts when major fluctuation in the relevant foreign currency is anticipated.

As at 31 December 2017, if the RMB had strengthened/weakened by 5% against the HK\$ or the US\$ with all other variables held constant, the loss for the year would have increased/decreased by approximately HK\$5,515,000 (2016: HK\$3,826,000) as a result of the translation of HK\$ and US\$ denominated cash and bank balances, payables and bank loans.

### 2 主要會計政策(續)

#### (x) 股息分派

向本公司股東分派之股息乃於董事會及本公司股東(如適用)批准股息之期間內在本公司及本集團財務報表確認為負債。

### 3 財務風險管理

#### (a) 財務風險因素

本集團業務面對多項財務風險：外匯風險、現金流量利率風險、信貸風險及流動資金風險。本集團之整體風險管理計劃針對金融市場之難以預測性，並尋求減低對本集團財務表現構成之潛在不利影響。本集團或會使用金融衍生工具管理若干風險。

##### (i) 外匯風險

本集團主要於中國大陸營運，交易主要以人民幣、港元及美元(「美元」)結算。外匯風險來自未來商業交易及以本集團實體相關功能貨幣以外之貨幣計值之已確認資產與負債。本集團承擔來自多個貨幣(主要為港元及美元)的外匯風險。

本集團透過定期審閱本集團之外匯風險淨額，管理本集團之外匯風險，本集團於預期相關外幣出現大幅波動時或會使用遠期外匯合約。

於二零一七年十二月三十一日，若人民幣兌港元或美元升值／減值5%，在所有其他可變動因素維持不變下，由於換算港元及美元計值之現金及銀行結餘、應付賬款及銀行貸款，年內虧損將增加／減少約5,515,000港元(二零一六年：3,826,000港元)。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (a) Financial risk factors (Continued)

##### (ii) Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk mainly arising from bank deposits and short-term bank loans bearing interest at floating rates. Management intend to draw short-term bank loans as to increase flexibility in financing. The Group will review whether bank loans bearing fixed or floating rates should be drawn from time to time with reference to the trend of changes in interest rates. The Group did not enter into any interest rate swaps to hedge its exposure to interest rate risks.

As at 31 December 2017, if the interest rate had increased/decreased by 100 basis points with all other variables held constant, the loss for the year would have decreased/increased by approximately HK\$3,300,000 (2016: HK\$6,928,000).

##### (iii) Credit risk

The Group has no significant concentration of credit risk. The carrying amounts of trade receivables, other receivables, rental deposits and bank deposits stated in the consolidated balance sheet represent the Group's maximum exposure to credit risk in relation to its financial assets.

The majority of the Group's trade and other receivables arose from credit sales to trading customers. The Group has policies in place to evaluate and monitor the credit terms and payment history of its customers to ensure recoverability of trade debts. The Group also reviews the balance of trade receivables at each balance sheet date to ensure that adequate provision for uncollectible receivables is made.

Rental deposits are mainly placed with various landlords in Mainland China, Taiwan and Hong Kong and are due to refund upon the expiry of the tenancy agreements and handover of the leased premises. During the year, the Group did not experience significant defaults by the landlords.

As at 31 December 2017 and 31 December 2016, substantially all the Group's bank deposits, including pledged bank deposits, bank deposit with maturity over three months and cash and cash equivalents, are placed with registered financial institutions located in Mainland China, Taiwan and Hong Kong which are of acceptable credit quality based on management's assessment. The Group has a policy to limit the credit exposure to any financial institution and management does not expect any significant loss arising from non-performance of these counterparties.

### 3 財務風險管理(續)

#### (a) 財務風險因素(續)

##### (ii) 現金流量利率風險

本集團所承擔之現金流量利率風險主要來自按浮動利率計息之銀行存款及短期銀行貸款。管理層擬提取短期銀行貸款以增加資金之靈活性。本集團將不時參考利率變動趨勢以檢討應提取按固定利率或浮動利率計息之銀行貸款。本集團並無訂立任何利率掉期以對沖所承擔之利率風險。

於二零一七年十二月三十一日，倘利率增加/減少100基點，而所有其他可變動因素維持不變，年內虧損將減少/增加約3,300,000港元(二零一六年：6,928,000港元)。

##### (iii) 信貸風險

本集團並無高度集中之信貸風險。本集團有關其金融資產之最大信貸風險反映於綜合資產負債表所載貿易應收賬款、其他應收賬款、租金按金及銀行存款之賬面值。

本集團大部分貿易及其他應收賬款來自貿易客戶之信貸銷售。本集團已有政策評估及監控客戶之信貸期及付款記錄，以確保收回貿易應收賬款。本集團亦於各結算日審視貿易應收賬款之結餘，確保就未能收回之應收款項作出充足撥備。

租金按金主要給予中國大陸、台灣及香港之多名業主，並於租賃協議屆滿及交還租賃物業時可予退還。年內，本集團並無遭遇重大業主違約事件。

於二零一七年十二月三十一日及二零一六年十二月三十一日，本集團絕大部份銀行存款，包括已抵押銀行存款、存款期超過三個月之銀行存款及現金及現金等價物乃存放於中國大陸、台灣及香港之註冊金融機構，而根據管理層之評估，該等機構之信貸質素屬可接納。本集團有政策限制其承受任何金融機構之信貸風險，管理層並不預期會承擔該等交易對手不履約所產生的任何損失。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (a) Financial risk factors (Continued)

##### (iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities. As at 31 December 2017, the Group was granted with banking facilities amounting to HK\$163.0 million (2016: HK\$320.5 million).

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

### 3 財務風險管理 (續)

#### (a) 財務風險因素 (續)

##### (iv) 流動資金風險

審慎的流動資金風險管理意味著維持足夠之現金及從充足的承諾信貸額度獲得資金。

管理層監控本集團流動資金需求的滾動預測，以確保其擁有足夠現金以應付業務需求，同時維持其未動用承諾借貸融資額度的足夠淨額。於二零一七年十二月三十一日，本集團獲授銀行融資額度達163.0百萬港元（二零一六年：320.5百萬港元）。

下表根據於結算日至合約到期日之剩餘期間，將本集團金融負債分析為相關到期組別。該表披露之金額乃合約非貼現現金流量。

		Within 1 year 一年內 HK\$'000 千港元	Between 1 and 5 years 一至五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2017	於二零一七年十二月三十一日			
Trade payables	貿易應付賬款	581,301	-	581,301
Other payables	其他應付賬款	342,723	-	342,723
Bank loans	銀行貸款	157,738	-	157,738
		<b>1,081,762</b>	<b>-</b>	<b>1,081,762</b>
At 31 December 2016	於二零一六年十二月三十一日			
Trade payables	貿易應付賬款	807,034	-	807,034
Other payables	其他應付賬款	349,471	-	349,471
Bank loans	銀行貸款	298,776	-	298,776
		<b>1,455,281</b>	<b>-</b>	<b>1,455,281</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (b) Fair value estimation of financial instruments

Financial instruments carried at fair value are measured according to the levels of the fair value hierarchy defined as follows:

- (i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- (iii) Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

At 31 December 2017, the Group's available-for-sale financial asset was measured by level 1 of fair value hierarchy (2016: nil).

At 31 December 2017 and 2016, the Group's derivative financial instruments were measured by level 2 of fair value hierarchy.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Details of the fair value of the investment properties are disclosed in Note 16.

#### (c) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern as well as maximising returns for shareholders and benefits for other stakeholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, obtain new bank borrowings or issue new shares.

The Group monitors capital using debt-to-equity ratio, calculated on the basis of total bank loans divided by total equity. As at 31 December 2017, debt-to-equity was 5.1% (2016: 8.4%) and the Group had a net cash position (the aggregate balances of all bank deposits and cash and cash equivalents exceeded the balance of bank loan) of approximately HK\$330,028,000 (2016: HK\$692,796,000).

### 3 財務風險管理(續)

#### (b) 金融工具之公平價值估計

按公平價值列賬之金融工具乃根據以下界定之公平價值層級計量：

- (i) 第一層 – 相同資產或負債於活躍市場的報價(未作調整)；
- (ii) 第二層 – 為第一層報價以外，其他直接(即價格)或間接(即從價格推衍)可觀察的有關資產或負債的資料；及
- (iii) 第三層 – 並非根據可觀察的市場數據的資產或負債的資料(即無法觀察的資料)。

於二零一七年十二月三十一日，本集團之可出售金融資產按第一層公平價值層級計量(二零一六年：無)。

於二零一七年及二零一六年十二月三十一日，本集團之衍生金融工具乃按第二層公平價值層級計量。

倘金融工具(例如場外交易衍生工具)之市場並不活躍，本集團以估值方法確定公平價值，該等估值方法盡量採用現有的可觀察市場數據及盡可能減少依賴個別實體而定之估計。如公平價值所需的所有重大數據為可觀察的，該工具納入第二層。

投資物業之公平價值詳情載列於附註16。

#### (c) 資本風險管理

本集團資本管理之主要目標為保障本集團之持續經營能力及盡量提高股東回報及其他持份者之利益。

本集團管理其資本架構，並就經濟狀況變動作出調整。本集團可能調整向股東派發之股息、取得新銀行借貸或發行新股份以維持或調整資本結構。

本集團採用淨負債比率(即銀行貸款總額除以總權益)監察資本。於二零一七年十二月三十一日，淨負債比率為5.1%(二零一六年：8.4%)，本集團擁有淨現金狀況(所有銀行存款和現金及現金等價物之結餘超過銀行貸款結餘)約330,028,000港元(二零一六年：692,796,000港元)。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

#### (a) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated selling expenses. These estimates are based on the current market condition and historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in economic conditions in places where the Group operates and changes in customer taste and competitor actions in response to changes in industry conditions. Management reassesses these estimates at each balance sheet date.

#### (b) Income tax

The Group is subject to income taxes in several jurisdictions. Judgment is required in determining the provision for income taxes. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against the temporary differences or tax losses can be utilised. Deferred income tax liabilities on temporary differences relating to undistributed profits of the Group's subsidiaries in Mainland China are recognised to the extent that profits are expected to be distributed as the Company controls and pre-determines the dividend policy of these subsidiaries and management expects it is probable that profits will be partly retained and not distributed from these subsidiaries to their foreign holding companies in the foreseeable future. Management reassesses its expectation at each balance sheet date.

### 4 重要會計估計及判斷

本集團基於過往經驗及其他因素，包括經考慮有關情況後合理預期日後將發生之事件，持續評估估計及判斷。

本集團會對未來作出估計及假設。誠如其界定涵義，所產生之會計估計甚少與有關之實際結果相同。有重大風險會對下個財政年度之資產及負債之賬面值造成大幅調整之估計及假設論述如下。

#### (a) 存貨之可變現淨值

存貨之可變現淨值乃於日常業務過程中之估計售價減估計出售開支。此等估計乃根據現時市況及製造及出售性質類似產品之過往經驗而作出，可能會因本集團經營地點之經濟狀況轉變及因客戶品味改變及競爭對手就行業情況轉變所作出之行動而有重大變化。管理層於各結算日重新評估有關估計。

#### (b) 所得稅

本集團須繳納數個司法權區之所得稅，決定所得稅撥備時須作出判斷。日常業務中有多項無法確定最終稅項之交易及計算。倘最終稅務結果與初步記錄款額有別，差額將影響作出確定期間之即期及遞延所得稅項撥備。

倘管理層預期可能出現日後應課稅盈利而須動用暫時差額或稅項虧損，即會確認與暫時差額及稅項虧損相關之遞延所得稅項資產。本集團並已就中國大陸附屬公司之未分派盈利，在將於可見未來分派盈利之情況下，確認暫時差額之遞延所得稅項負債，因本公司可控制及預先制定該等附屬公司之股息政策，管理層預期該等附屬公司在可見將來將保留部分盈利，而非向其海外控股公司分派盈利。管理層於各結算日重新評定其預期。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

##### (c) Consolidation of some stores operating under franchise arrangement and some limited liability companies in Mainland China

Some stores in Mainland China are operated under franchise and other relevant contractual agreements with franchisees. Management considered the nature of its relationship with these franchisees and also how they interact with the Group, e.g. financing reliance and business relationships, etc. and determined that the Group has the ability to direct these franchisees to act on the Group's behalf. The Group considered the decision-making rights of these franchisees and its indirect exposure, or rights, to variable returns through these franchisees together with its own and hence determined it has control over the operation of these stores.

The Group also appointed a number of limited liability companies to provide certain day-to-day operational and administrative services to its stores in Mainland China. Pursuant to the terms in the service agreements and the nature of relationship with these companies, management considered the Group has the power to direct the relevant activities of these companies and it has the ability to use its power over these companies to affect its exposure to returns.

#### 5 SEGMENT INFORMATION

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

The 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 and impairment 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 as 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 and revenue from external customers of manufacturing business is mainly derived from Mainland China. None of the customers accounted for 10% or more of the total turnover of the Group for each of the two years ended 31 December 2017 and 2016.

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

#### 4 重要會計估計及判斷(續)

##### (c) 於中國大陸根據專營權安排經營之若干店舖及若干有限責任公司的綜合入賬

於中國大陸的部份店舖乃按照特許經營及其他相關之約訂協議由特許經營商戶營運。管理層考慮本集團與該等特許經營商戶的關係性質，及其對本集團的相互影響如財政依靠、商業關係等，確定本集團具有能力支配該等特許經營商戶代其作為。本集團認為其對該等特許經營商戶具有決定權，及對其擁有改變該等店舖之收益的間接影響或權利，因此認定對此等店舖營運具有控制權。

本集團亦聘用若干有限責任公司對中國大陸之店舖提供若干日常經營及行政管理服務。根據服務協議內的條款及與該等公司之關係之性質，管理層認為，本集團擁有指示該等公司相關活動的權力及能夠利用其對該等公司的權力影響其對收益的承擔。

#### 5 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。主要經營決策者按業務分部，即核心品牌業務、其他品牌業務及製造業務評核業務表現，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、無形資產攤銷及減值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，而製造業務之對外客戶收益主要來自中國大陸。於截至二零一七年及二零一六年十二月三十一日止兩個年度，各年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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 5 SEGMENT INFORMATION (CONTINUED)

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

### 5 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：

		Year ended 31 December 2017 截至二零一七年十二月三十一日止年度				
		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 分部間抵銷 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
Revenue from external customers	對外客戶收益	4,477,461	733,534	-	-	5,210,995
Inter-segment revenue	分部間收益	225,768	-	199,208	(424,976)	-
<b>Total segment revenue</b>	<b>總分部收益</b>	<b>4,703,229</b>	<b>733,534</b>	<b>199,208</b>	<b>(424,976)</b>	<b>5,210,995</b>
<b>Segment results</b>	<b>分部業績</b>	<b>(667,630)</b>	<b>(7,137)</b>	<b>(146)</b>	<b>566</b>	<b>(674,347)</b>
Amortisation of intangible assets	無形資產攤銷					(295)
Corporate income	企業收入					8,034
Corporate expenses	企業開支					(22,215)
Operating loss	經營虧損					(688,823)
Finance costs	財務成本					(6,042)
Share of losses of associates and joint ventures	應佔聯營公司及合營企業之虧損					(3,108)
Loss before income tax	除所得稅前虧損					(697,973)
<b>Other information for disclosure:</b>	<b>其他披露資料:</b>					
Amortisation of intangible assets	無形資產攤銷	-	295	-	-	295
Amortisation of land use rights	土地使用權攤銷	1,097	-	1,101	-	2,198
Depreciation of investment properties	投資物業折舊	1,015	-	2,439	-	3,454
Depreciation of property, plant and equipment	物業、廠房及設備折舊	155,885	7,707	12,508	-	176,100
Capital expenditure	資本開支	114,258	4,691	4,606	-	123,555



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 5 SEGMENT INFORMATION (CONTINUED) 5 分部資料(續)

Year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

		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 分部間抵銷 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
Revenue from external customers	對外客戶收益	5,691,472	808,806	1,399	-	6,501,677
Inter-segment revenue	分部間收益	244,563	4,228	206,413	(455,204)	-
<b>Total segment revenue</b>	<b>總分部收益</b>	<b>5,936,035</b>	<b>813,034</b>	<b>207,812</b>	<b>(455,204)</b>	<b>6,501,677</b>
<b>Segment results</b>	<b>分部業績</b>	<b>(744,127)</b>	<b>7,825</b>	<b>(12,344)</b>	<b>15,735</b>	<b>(732,911)</b>
Amortisation of intangible assets	無形資產攤銷					(4,446)
Impairment of intangible assets	無形資產減值					(37,464)
Corporate income	企業收入					836
Corporate expenses	企業開支					(45,503)
Operating loss	經營虧損					(819,488)
Finance costs	財務成本					(6,526)
Share of losses of associates and joint ventures	應佔聯營公司及合營企業之虧損					(2,160)
Loss before income tax	除所得稅前虧損					(828,174)
<b>Other information for disclosure:</b>	<b>其他披露資料:</b>					
Impairment of intangible assets	無形資產減值	-	37,464	-	-	37,464
Impairment of an investment property	投資物業減值	-	-	9,979	-	9,979
Provision for/(reversal of) impairment of property, plant and equipment	物業、廠房及設備減值/(減值撥回)	3,806	-	(5,805)	-	(1,999)
Amortisation of intangible assets	無形資產攤銷	-	4,446	-	-	4,446
Amortisation of land use rights	土地使用權攤銷	1,112	-	1,153	-	2,265
Depreciation of investment properties	投資物業折舊	-	-	1,151	-	1,151
Depreciation of property, plant and equipment	物業、廠房及設備折舊	220,616	7,780	16,586	-	244,982
Capital expenditure	資本開支	88,838	16,162	5,922	-	110,922

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 5 SEGMENT INFORMATION (CONTINUED)

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

### 5 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：

		As at 31 December 2017 於二零一七年十二月三十一日			
		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
Segment assets	分部資產	3,390,977	157,634	105,377	3,653,988
Goodwill	商譽	15,079	-	-	15,079
Other intangible assets	其他無形資產	-	5,662	-	5,662
		3,406,056	163,296	105,377	3,674,729
Investment properties	投資物業				67,481
Interests in associates	於聯營公司之權益				1,803
Interests in joint ventures	於合營企業之權益				2,487
Available-for-sale financial asset	可出售金融資產				3,698
Deferred income tax assets	遞延所得稅項資產				270,136
Assets of disposal group classified as held-for-sale	分類為持作出售之 出售組別之資產				53,322
Corporate assets	企業資產				80,204
Total assets	總資產				4,153,860
Segment liabilities	分部負債	800,344	86,988	46,719	934,051
Deferred income tax liabilities	遞延所得稅項負債				13,409
Liabilities of disposal group classified as held-for-sale	分類為持作出售之 出售組別之負債				247
Corporate liabilities	企業負債				170,492
Total liabilities	總負債				1,118,199

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 5 SEGMENT INFORMATION (CONTINUED) 5 分部資料(續)

		As at 31 December 2016 於二零一六年十二月三十一日			
		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
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
Investment properties	投資物業				51,520
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
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	分部負債				353,306
Total liabilities	總負債				1,521,101

#### 6 OTHER INCOME

#### 6 其他收入

		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	1,932	5,325
Government subsidies	政府補貼	2,390	5,880
Gross rental income	租金收入總額	8,574	3,199
Income derived from a television programme	電視節目收入	–	34,475
Interest income	利息收入	22,378	16,342
Others	其他	7,947	11,464
		43,221	76,685



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 7 OTHER LOSSES – NET

#### 7 其他虧損 – 淨額

		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)/gain on derivative financial instruments	衍生金融工具之公平價值 (虧損)/收益	(14,699)	11,001
Gain on disposal of an available-for-sale financial asset	出售可出售金融 資產收益	–	36
Gain on disposal of subsidiaries	出售附屬公司收益	797	–
Impairment of intangible assets	無形資產減值	–	(37,464)
Impairment of an investment property	投資物業減值	–	(9,979)
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損	(15,164)	(22,219)
Net exchange gain/(loss)	匯兌收益/(虧損) – 淨額	15,739	(2,918)
Reversal of impairment of property, plant and equipment	物業、廠房及設備 減值撥回	–	1,999
		(13,327)	(59,544)

#### 8 OPERATING LOSS

#### 8 經營虧損

Operating loss is stated after charging the following:

經營虧損已扣除下列各項：

		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	2,198	2,265
Amortisation of license rights	特許使用權攤銷	295	2,134
Amortisation of trademarks	商標攤銷	–	2,312
Auditors' remuneration	核數師酬金	4,155	4,764
Cost of inventories sold, including reversal of provision for slow-moving inventories of HK\$25,802,000 (2016: provision of HK\$34,212,000)	售出存貨成本，包括滯銷存貨 減值撥回25,802,000 港元 (二零一六年： 撥備34,212,000 港元)	2,358,490	3,089,148
Depreciation of investment properties	投資物業折舊	3,454	1,151
Depreciation of property, plant and equipment	物業、廠房及設備折舊	176,100	244,982
Employee benefits expense (Note 13)	僱員福利開支(附註13)	833,176	889,438
Net provision for impairment of trade receivables	貿易應收賬款減值 撥備淨額	3,286	111
Operating lease rentals (including concessionaire fees) in respect of land and buildings	土地及樓宇的經營租賃租金 (包括商場特許銷售費)	1,594,524	1,924,513
Production cost of a television programme	電視節目製作成本	–	60,929

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 9 FINANCE COSTS

#### 9 財務成本

		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	6,042	6,526

#### 10 INCOME TAX EXPENSE

#### 10 所得稅開支

		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	11,106	12,524
Over-provision in prior years	過往年度超額撥備	(22,246)	(36)
Deferred income tax (Note 32)	遞延所得稅稅項 (附註32)	55,196	(3,125)
		<b>44,056</b>	9,363

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the applicable domestic tax rates of the Group entities as follows:

本集團有關除所得稅前虧損之所得稅與假若採用本集團實體之適當地稅率而計算之理論稅項之差額如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(697,973)	(828,174)
Add: share of losses of associates and joint ventures	加：應佔聯營公司及合營企業虧損	3,108	2,160
		<b>(694,865)</b>	(826,014)
Income tax calculated at applicable domestic tax rates	適用之當地稅率計算之所得稅	171,157	199,506
Income not subject to tax	毋須繳稅收入	7,707	24,209
Expenses not deductible for tax purposes	不可扣稅開支	(12,117)	(24,206)
Tax losses for which no deferred tax asset was recognised	未確認遞延稅項資產之稅項虧損	(121,805)	(74,033)
Derecognition of previously recognised deferred income tax assets	終止確認過往已確認之遞延所得稅項資產	(88,015)	(122,924)
Other temporary differences not recognised	未確認之其他暫時差異	(15,058)	(2,495)
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	866	748
Over-provision in prior years	過往年度超額撥備	22,246	36
Withholding taxes on royalties and profits appropriated by subsidiaries in Mainland China	專營權費及中國大陸附屬公司分派盈利之預扣稅	(9,037)	(10,204)
Income tax expense	所得稅開支	<b>(44,056)</b>	(9,363)

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 10 INCOME TAX EXPENSE (CONTINUED)

The weighted average domestic tax rate was 25% (2016: 24%). The increase is caused by a change in the profit or loss before income tax of the Group's subsidiaries in the respective places.

The applicable rate of Hong Kong profits tax is 16.5% (2016: 16.5%). No provision for Hong Kong profits tax has been made in the financial statements as the Group does not have any assessable profit arising in Hong Kong during each of the two years ended 31 December 2017 and 2016.

Provision for China corporate income tax is calculated based on the 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 year 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.

#### 11 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to shareholders of HK\$734,204,000 (2016: HK\$819,127,000) by the weighted average number of 1,649,142,384 (2016: 1,649,142,384) shares in issue during the year.

For each of the two years ended 31 December 2017 and 2016, basic and diluted loss per share are the same as there was no dilutive potential share.

#### 12 DIVIDENDS

The board of directors did not recommend the payment of a dividend in respect of the year ended 31 December 2017 (2016: Nil).

#### 10 所得稅開支(續)

加權平均地方稅率為25% (二零一六年: 24%)，增幅乃由於本集團附屬公司於有關地區的除所得稅前盈利或虧損變動所致。

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十二月三十一日止兩個年度各年內並無於香港產生任何應課稅盈利，故財務報表內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)盈利之所得稅乃就本年度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。

#### 11 每股虧損

每股基本虧損乃根據股東應佔虧損734,204,000港元 (二零一六年: 819,127,000港元) 除以年內已發行股份加權平均數1,649,142,384股 (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十二月三十一日止兩個年度各年，因無潛在攤薄作用股份，每股基本及攤薄虧損相同。

#### 12 股息

董事會不建議就截至二零一七年十二月三十一日止年度派發股息 (二零一六年: 無)。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 13 EMPLOYEE BENEFITS EXPENSE

Employee benefits expense, including directors' emoluments, represents:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Wages, salaries, allowances and bonuses	工資、薪金、津貼及花紅	766,647	798,978
Defined contribution pension costs (Note (a))	定額供款退休金成本(附註(a))	60,531	62,610
Retirement benefits	退休福利	-	26,945
Share-based payment expense	以股份為基礎之付款開支	5,998	905
		<b>833,176</b>	<b>889,438</b>

**(a) Defined contribution pension costs**

During the year, no unvested benefits were utilised by the Group to reduce the level of contributions (2016: Nil). As at 31 December 2017 and 2016, no unvested benefits are available to be utilised in future years.

**(b) Five highest paid individuals**

The five highest paid individuals for the year include three (2016: three) directors whose emoluments are reflected in the analysis shown in Note 37. The emoluments of the remaining two (2016: two) individuals are as follows:

#### 13 僱員福利開支

僱員福利開支(包括董事酬金)指:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Wages, salaries, allowances and bonuses	工資、薪金、津貼及花紅	766,647	798,978
Defined contribution pension costs (Note (a))	定額供款退休金成本(附註(a))	60,531	62,610
Retirement benefits	退休福利	-	26,945
Share-based payment expense	以股份為基礎之付款開支	5,998	905
		<b>833,176</b>	<b>889,438</b>

**(a) 定額供款退休金成本**

年內，本集團並未使用未歸屬利益減低供款水平(二零一六年：無)。於二零一七年及二零一六年十二月三十一日，概無未歸屬利益可於未來數年內使用。

**(b) 五名最高薪人士**

年內，五名最高薪人士包括三名(二零一六年：三名)董事，其酬金反映於附註37的分析。其餘兩名(二零一六年：兩名)人士之酬金如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries, allowances and bonuses	薪金、津貼及花紅	7,048	6,579
Share-based payment expense	以股份為基礎之付款開支	1,332	536
		<b>8,380</b>	<b>7,115</b>

Emolument bands	薪金幅度	Number of individuals 人數	
		2017 二零一七年	2016 二零一六年
HK\$3,000,001 to HK\$4,000,000	3,000,001港元至4,000,000港元	1	2
HK\$4,000,001 to HK\$5,000,000	4,000,001港元至5,000,000港元	1	-
		<b>2</b>	<b>2</b>

No emoluments have been paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. No directors or the five highest paid individuals waived or has agreed to waive any emoluments during the year.

本集團並無向董事或五名最高薪人士支付任何酬金，作為吸引彼等加入本集團，或作為加入本集團時獎勵或離職補償。年內，各董事或五名最高薪人士均無放棄或同意放棄任何酬金。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 14 LAND USE RIGHTS

### 14 土地使用權

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost	成本值		
At 1 January	於一月一日	103,077	110,061
Exchange adjustment	匯兌調整	7,523	(7,452)
Additions	添置	969	468
Transfer to disposal group classified as held-for-sale	轉撥至分類為持作出售之 出售組別	(31,253)	-
Disposal of subsidiaries	出售附屬公司	(4,402)	-
At 31 December	於十二月三十一日	75,914	103,077
Accumulated amortisation	累計攤銷		
At 1 January	於一月一日	30,510	29,925
Exchange adjustment	匯兌調整	1,813	(1,680)
Amortisation	攤銷	2,198	2,265
Transfer to disposal group classified as held-for-sale	轉撥至分類為持作出售之 出售組別	(5,189)	-
Disposal of subsidiaries	出售附屬公司	(1,187)	-
At 31 December	於十二月三十一日	28,145	30,510
Net book value	賬面淨值		
At 31 December	於十二月三十一日	47,769	72,567
At 1 January	於一月一日	72,567	80,136

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 15 PROPERTY, PLANT AND EQUIPMENT

### 15 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	租賃物業裝修	在建工程	廠房及機器	傢俱、固定裝置及設備	汽車	總計
		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
Cost	成本值							
At 1 January 2016	於二零一六年一月一日	878,148	811,809	53,893	128,404	382,350	31,346	2,285,950
Exchange adjustment	匯兌調整	(54,718)	(46,198)	(1,529)	(5,121)	(23,538)	(1,942)	(133,046)
Additions	添置	639	88,638	4,782	195	19,979	2,450	116,683
Transfer	轉撥	49,192	-	(49,192)	-	-	-	-
Transfer to investment properties	轉撥至投資物業	(127,252)	(1,690)	-	-	-	-	(128,942)
Disposals	出售	(3,203)	(183,039)	-	(86,262)	(28,488)	(8,220)	(309,212)
At 31 December 2016	於二零一六年十二月三十一日	742,806	669,520	7,954	37,216	350,303	23,634	1,831,433
Exchange adjustment	匯兌調整	53,107	45,269	582	2,902	23,490	1,781	127,131
Additions	添置	2,385	121,216	-	674	10,850	866	135,991
Transfer to investment properties	轉撥至投資物業	(31,065)	-	-	-	-	-	(31,065)
Transfer to disposal group classified as held-for-sale	轉撥至分類為持作出售之出售組別	-	-	(8,416)	-	-	-	(8,416)
Disposals	出售	(515)	(227,726)	-	(12,266)	(50,632)	(3,590)	(294,729)
Disposal of subsidiaries	出售附屬公司	(14,491)	-	-	(90)	-	-	(14,581)
At 31 December 2017	於二零一七年十二月三十一日	752,227	608,279	120	28,436	334,011	22,691	1,745,764
Accumulated depreciation and impairment	累計折舊及減值							
At 1 January 2016	於二零一六年一月一日	163,290	537,862	-	115,491	251,340	27,566	1,095,549
Exchange adjustment	匯兌調整	(8,877)	(34,004)	-	(4,348)	(16,872)	(1,653)	(65,754)
Depreciation	折舊	20,395	171,747	-	4,641	45,681	2,518	244,982
Transfer to investment properties	轉撥至投資物業	(62,695)	(1,092)	-	-	-	-	(63,787)
Provision for/(reversal of) impairment	減值/(減值撥回)	-	2,805	-	(4,284)	(386)	(134)	(1,999)
Disposals	出售	(743)	(159,519)	-	(86,258)	(25,463)	(7,687)	(279,670)
At 31 December 2016	於二零一六年十二月三十一日	111,370	517,799	-	25,242	254,300	20,610	929,321
Exchange adjustment	匯兌調整	8,965	34,470	-	2,228	17,822	1,517	65,002
Depreciation	折舊	18,726	117,234	-	3,701	35,180	1,259	176,100
Transfer to investment properties	轉撥至投資物業	(3,975)	-	-	-	-	-	(3,975)
Disposals	出售	(129)	(210,436)	-	(12,265)	(49,553)	(3,405)	(275,788)
Disposal of subsidiaries	出售附屬公司	(4,096)	-	-	(90)	-	-	(4,186)
At 31 December 2017	於二零一七年十二月三十一日	130,861	459,067	-	18,816	257,749	19,981	886,474
Net book value	賬面淨值							
At 31 December 2017	於二零一七年十二月三十一日	621,366	149,212	120	9,620	76,262	2,710	859,290
At 31 December 2016	於二零一六年十二月三十一日	631,436	151,721	7,954	11,974	96,003	3,024	902,112



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 16 INVESTMENT PROPERTIES

### 16 投資物業

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost	成本值		
At 1 January	於一月一日	122,964	-
Exchange adjustment	匯兌調整	10,150	(5,978)
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	31,065	128,942
Transfer to disposal group classified as held-for-sale	轉撥至分類為持作出售之出售組別	(40,450)	-
At 31 December	於十二月三十一日	123,729	122,964
Accumulated depreciation and impairment	累計折舊及減值		
At 1 January	於一月一日	71,444	-
Exchange adjustment	匯兌調整	5,500	(3,473)
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	3,975	63,787
Transfer to disposal group classified as held-for-sale	轉撥至分類為持作出售之出售組別	(28,125)	-
Depreciation	折舊	3,454	1,151
Provision for impairment	減值	-	9,979
At 31 December	於十二月三十一日	56,248	71,444
Net book value	賬面淨值		
At 31 December	於十二月三十一日	67,481	51,520
At 1 January	於一月一日	51,520	-

Investment properties are situated in Mainland China and rented out under operating leases. Rental income arising from the investment properties amounting to HK\$7,337,000 (2016: HK\$1,970,000) is included in the "other income" in the consolidated income statement.

As at 31 December 2017, the fair values of the investment properties are approximately HK\$230,545,000 (2016: HK\$190,860,000). The fair values of the investments properties were estimated by management using income approach. The fair value of investment property is a level 3 fair value measurement.

投資物業位於中國大陸，並以經營租賃租出。投資物業產生的租金收入為7,337,000港元（二零一六年：1,970,000港元），並計入綜合收益表「其他收入」中。

於二零一七年十二月三十一日，投資物業的公平價值約為230,545,000港元（二零一六年：190,860,000港元）。投資物業的公平價值由管理層採用收入法估計。投資物業的公平價值屬第三級公平價值計量。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 17 INTERESTS IN ASSOCIATES

### 17 於聯營公司之權益

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	1,801	2,007
Exchange adjustment	匯兌調整	104	(76)
Share of losses	應佔虧損	(102)	(130)
At 31 December	於十二月三十一日	1,803	1,801

Details of the associates as at 31 December 2017 are as follows:

於二零一七年十二月三十一日，聯營公司之詳情如下：

Name 名稱	Place of incorporation and operation 註冊成立及營運地點	Particulars of paid-up capital 已繳足股本詳情	Interest held indirectly 所持間接權益	Principal activities 主要業務
Hanjiang Dayong Shoe Material Co., Ltd., Putian City 莆田市涵江大永鞋業有限公司	China 中國	RMB5,457,000 5,457,000元人民幣	30%	Manufacture of shoe materials 製造鞋類物料
Hanjiang Jinxing Shoe Industrial Co., Ltd., Putian City 莆田市涵江金星鞋業有限公司	China 中國	US\$4,900,000 4,900,000美元	30%	Manufacture of footwear products 製造鞋類產品

Note: The English names of the associates represent the best effort by the directors in translating their Chinese names as they do not have official English names.

附註：聯營公司的英文名稱為董事盡力翻譯其中文名稱所得，因為該等聯營公司並沒有正式的英文名稱。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 18 INTERESTS IN JOINT VENTURES

### 18 於合營企業之權益

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	353	2,028
Exchange adjustment	匯兌調整	(61)	355
Contributions by way of loans to joint ventures	通過貸款方式向合營企業投資	5,201	-
Share of losses	應佔虧損	(3,006)	(2,030)
At 31 December	於十二月三十一日	2,487	353

Details of the joint ventures as at 31 December 2017 are as follows:

於二零一七年十二月三十一日，合營企業之詳情如下：

Name 名稱	Place of incorporation/ operation 註冊成立／營運地點	Particulars of paid-up capital 已繳足股本詳情	Interest held indirectly 所持間接權益	Principal activities 主要業務
Marlow House Asia Limited	British Virgin Islands/ Malaysia 英屬處女群島／ 馬來西亞	2 shares of US\$1 each 2股每股 面值1美元 之股份	50%	Distribution of footwear and accessories and investment holding 分銷鞋類產品及配 件以及投資控股
Ondul Investment Limited 圓漾投資有限公司	Hong Kong 香港	100,000 ordinary shares of HK\$100,000 100,000港元 分為100,000股 普通股	50%	Holding of trademarks 持有商標



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 19 INTANGIBLE ASSETS

### 19 無形資產

		Goodwill 商譽 HK\$'000 千港元 (Note) (附註)	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
Cost	成本值				
At 1 January 2016	於二零一六年一月一日	26,698	47,682	76,722	151,102
Exchange adjustment	匯兌調整	-	(2,994)	(3,137)	(6,131)
Termination of a license right	終止特許使用權	-	(1,747)	-	(1,747)
At 31 December 2016	於二零一六年十二月三十一日	26,698	42,941	73,585	143,224
Exchange adjustment	匯兌調整	-	527	-	527
At 31 December 2017	於二零一七年十二月三十一日	26,698	43,468	73,585	143,751
Accumulated amortisation and impairment	累計攤銷及減值				
At 1 January 2016	於二零一六年一月一日	11,619	15,156	57,612	84,387
Exchange adjustment	匯兌調整	-	(927)	(1,040)	(1,967)
Amortisation	攤銷	-	2,134	2,312	4,446
Termination of a license right	終止特許使用權	-	(1,747)	-	(1,747)
Impairment	減值	-	22,763	14,701	37,464
At 31 December 2016	於二零一六年十二月三十一日	11,619	37,379	73,585	122,583
Exchange adjustment	匯兌調整	-	132	-	132
Amortisation	攤銷	-	295	-	295
At 31 December 2017	於二零一七年十二月三十一日	11,619	37,806	73,585	123,010
Net book value	賬面淨值				
At 31 December 2017	於二零一七年十二月三十一日	15,079	5,662	-	20,741
At 31 December 2016	於二零一六年十二月三十一日	15,079	5,562	-	20,641

Amortisation of HK\$295,000 (2016: HK\$4,446,000) is included in the "general and administrative expenses" in the consolidated income statement.

Note:

Goodwill is allocated to the Group's CGU identified according to the operating segment. The Group performs impairment tests on goodwill annually, or more frequently if there is any indication that it may be impaired, by comparing the recoverable amount to the carrying amount as at the balance sheet date.

295,000港元(二零一六年: 4,446,000港元)攤銷包括於綜合收益表的「一般及行政開支」。

附註:

商譽已分配至根據經營分部劃分之本集團現金產生單位。本集團就商譽每年(或如出現可能減值之任何跡象,則更頻繁)進行減值測試,方法為於結算日將可收回金額與賬面值作比較。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 19 INTANGIBLE ASSETS (CONTINUED)

As at 31 December 2017, the recoverable amount of the CGU was determined based on value-in-use calculations. These calculations used cash flow projections based on financial budgets approved by management covering a 5-year period. The key assumptions, long term growth rate and discount rate used in the value-in-use calculations in 2017 and 2016 are as follows:

		2017 二零一七年	2016 二零一六年
Compound annual revenue growth rate (%)	複合年度營業額增長率(%)	11.2	10.3
Gross margin (%)	毛利率(%)	54.5	53.4
Long term growth rate (%)	長期增長率(%)	2.0	2.0
Pre-tax discount rate (%)	稅前貼現率(%)	22.7	22.7
Average annual capital expenditure (HK\$' 000)	平均每年資本開支(千港元)	50,221	42,825

The budgeted annual revenue growth rate, gross margin and net profit margin were determined by the management for the CGU based on past performance and its expectations for market development. Management has performed sensitivity analysis for the operation of the CGU by adjusting the revenue growth rate over a 5-year period. Management believes that any reasonably foreseeable change in any of the above key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount significantly.

#### 20 INVENTORIES

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Raw materials	原材料	7,063	8,525
Work-in-progress	在製品	13,234	10,185
Finished goods	製成品	1,226,581	1,395,790
		1,246,878	1,414,500

Inventories as at 31 December 2017 are stated net of provisions of HK\$537,911,000 (2016: HK\$527,007,000).

#### 19 無形資產(續)

於二零一七年十二月三十一日，現金產生單位之可收回金額乃按使用價值而釐定。該計算乃使用根據管理層批准之五年財政預算之現金流量預測計算。二零一七年及二零一六年用於計算使用價值的關鍵假設、長期增長率及貼現率如下：

現金產生單位之預算年度營業額增長率、毛利率及淨盈利率乃由管理層按過往表現及其對市場發展之預期而釐定。管理層調整五年期間之營業額增長率以對現金產生單位之營運進行敏感性分析。管理層相信，倘上述任何關鍵假設出現任何合理可預見變更，均不會導致商譽之賬面值大幅超逾其可收回金額。

#### 20 存貨

於二零一七年十二月三十一日，存貨乃按扣除撥備537,911,000港元(二零一六年：527,007,000港元)後列賬。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 21 TRADE RECEIVABLES

#### 21 貿易應收賬款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables	貿易應收賬款	186,541	209,816
Less: Provision for impairment	減：減值撥備	(5,231)	(1,698)
Trade receivables – net	貿易應收賬款 – 淨額	181,310	208,118

Movements in provision for impairment of trade receivables are as follows:

貿易應收賬款減值撥備之變動載列如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	1,698	1,808
Exchange adjustment	匯兌調整	247	(116)
Provision for impairment	減值撥備	4,970	1,780
Write-back of provision for impairment	減值撥備撥回	(1,684)	(1,669)
Receivables written off during the year as uncollectible	年內撇銷列作不可收回之應收賬款	–	(105)
At 31 December	於十二月三十一日	5,231	1,698

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：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 – 30 days	0至30日	109,753	120,709
31 – 60 days	31至60日	47,884	52,135
61 – 90 days	61至90日	14,449	17,436
91 – 120 days	91至120日	3,333	5,484
121 – 180 days	121至180日	2,910	6,274
181 – 360 days	181至360日	2,934	5,267
Over 360 days	360日以上	47	813
		181,310	208,118



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 21 TRADE RECEIVABLES (CONTINUED)

As at 31 December 2017, trade receivables of HK\$28,871,000 (2016: HK\$36,814,000) were past due but not impaired. These related to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered. The ageing analysis by past due date of trade receivables is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Past due but not impaired:	已逾期但無減值：		
1 – 30 days past due	逾期1至30日	16,546	17,659
31 – 60 days past due	逾期31至60日	6,046	4,509
61 – 90 days past due	逾期61至90日	2,680	4,378
91 – 120 days past due	逾期91至120日	1,004	4,509
121 – 180 days past due	逾期121至180日	1,437	3,384
181 – 360 days past due	逾期181至360日	1,158	2,375
		<b>28,871</b>	36,814
Neither past due nor impaired	未逾期亦無減值	<b>152,439</b>	171,304
		<b>181,310</b>	208,118

The carrying amounts of trade receivables are denominated in the following currencies:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
RMB	人民幣	166,103	191,185
New Taiwan dollar (“NTD”)	新台幣 (「新台幣」)	14,004	10,419
US\$	美元	1,203	5,918
HK\$	港元	-	596
		<b>181,310</b>	208,118

The carrying values of trade receivables approximated their fair values. The Group generally allows an average credit period of 30 to 90 days to its trade customers other than major and long standing customers with whom specific extended terms will be agreed between the Group and the relevant counter parties.

#### 21 貿易應收賬款 (續)

於二零一七年十二月三十一日，貿易應收賬款28,871,000港元(二零一六年：36,814,000港元)已逾期但無減值。該等款項乃關於多名並無重大財務困難之獨立客戶，並且根據過往經驗，逾期金額將可收回。按逾期日計算之貿易應收賬款賬齡分析如下：

貿易應收賬款之賬面值以下列貨幣計值：

貿易應收賬款之賬面值與其公平價值相若。本集團一般給予購貨客戶平均30至90日信貸期，惟主要及長期客戶之特別延長信貸期則由本集團與有關客戶雙方協定。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 22 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Other receivables, deposits and prepayments mainly comprise rental prepayments, value-added tax recoverables, rental and utility deposits and prepayments to suppliers.

#### 23 PLEDGED BANK DEPOSITS

The Group's pledged bank deposits are placed with banks to secure certain corporate banking facilities granted to the Group. As at 31 December 2017, the balances were denominated in RMB and USD and the weighted average effective interest rate of these deposits was 3.8% (2016: Nil) per annum.

#### 24 BANK DEPOSIT WITH MATURITY OVER THREE MONTHS

The weighted average effective interest rate of the Group's bank deposit with maturity over three months as at 31 December 2017 was 3.9% (2016: 1.8%) per annum. The balance was denominated in RMB.

#### 25 CASH AND CASH EQUIVALENTS

#### 22 其他應收賬款、按金及預付款項

其他應收賬款、按金及預付款項主要包括預付租金、可收回增值稅金、租金及水電按金及預付供應商款項。

#### 23 已抵押銀行存款

本集團之已抵押銀行存款乃就擔保授予本集團的若干企業銀行融資而存放。於二零一七年十二月三十一日，結餘以人民幣及美元計值，該存款之加權平均實際年利率為3.8厘（二零一六年：無）。

#### 24 存款期超過三個月之銀行存款

於二零一七年十二月三十一日，本集團存款期超過三個月之銀行存款之加權平均實際年利率為3.9厘（二零一六年：1.8厘）。該等存款以人民幣計值。

#### 25 現金及現金等價物

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cash at banks and in hand	銀行存款及手頭現金	140,692	217,374
Deposits with banks within three months of maturity	存款期為三個月以內之 銀行存款	159,422	755,395
		300,114	972,769
Less: Transfer to disposal group classified as held-for-sale	減：轉撥至分類為持作出售 之出售組別	(284)	-
		299,830	972,769

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 25 CASH AND CASH EQUIVALENTS (CONTINUED)

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
RMB	人民幣	230,871	864,559
US\$	美元	51,045	79,783
NTD	新台幣	11,685	22,254
HK\$	港元	6,513	6,169
Others	其他	-	4
		<b>300,114</b>	972,769

As at 31 December 2017, the weighted average effective interest rate of the Group's bank deposits within three months of maturity was 1.7% (2016: 1.9%) per annum.

RMB is not a freely convertible currency in the international market. The conversion of RMB into foreign currencies and remittance of RMB out of Mainland China is subject to the rules and regulations of exchange control promulgated by the government of Mainland China.

#### 25 現金及現金等價物(續)

現金及現金等價物之賬面值以下列貨幣計值：

於二零一七年十二月三十一日，本集團存款期為三個月以內之銀行存款之加權平均實際年利率為1.7厘(二零一六年：1.9厘)。

人民幣不可於國際市場自由兌換。將人民幣兌換為外幣及匯出中國大陸須受中國政府頒佈之外匯管制規則及法規限制。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 26 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE

The following assets and liabilities were reclassified as held-for-sale as at 31 December 2017:

#### 26 分類為持作出售之出售組別之資產及負債

於二零一七年十二月三十一日，以下資產及負債已重新分類為持作出售：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(a)	Assets classified as held-for-sale		
	Land use rights	26,064	-
	Property, plant and equipment	8,416	-
	Investment properties	12,325	-
	Deferred income tax assets	5,603	-
	Other receivables, deposits and prepayments	630	-
	Cash and cash equivalents	284	-
	<b>Total assets of disposal group classified as held-for-sale</b>	<b>53,322</b>	<b>-</b>
(b)	Liabilities directly associated with assets classified as held-for-sale		
	Trade payables	144	-
	Other payables and accrued charges	103	-
	<b>Total liabilities of disposal group classified as held-for-sale</b>	<b>247</b>	<b>-</b>
(c)	Cumulative loss recognised in other comprehensive income relating to disposal group classified as held-for-sale		
		508	-

分類為持作出售之資產

土地使用權

物業、廠房及設備

投資物業

遞延所得稅項資產

其他應收賬款、按金及預付款項

現金及現金等價物

分類為持作出售之出售組別之資產合計

與分類為持作出售之資產直接相關之負債

貿易應付賬款

其他應付賬款及應計費用

分類為持作出售之出售組別之負債合計

(c) 與分類為持作出售之出售組別有關，並於其他全面收益確認的累計虧損

匯兌差額

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 27 TRADE PAYABLES

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 – 30 days	0至30日	272,888	394,146
31 – 60 days	31至60日	91,435	198,496
61 – 90 days	61至90日	207,666	202,838
91 – 120 days	91至120日	5,560	2,986
121 – 180 days	121至180日	185	393
181 – 360 days	181至360日	513	7,500
Over 360 days	360日以上	3,054	675
		<b>581,301</b>	807,034
Less: Transfer to disposal group classified as held-for-sale	減：轉撥至分類為持作出售之出售組別	(144)	–
		<b>581,157</b>	807,034

#### 28 BANK LOANS

As at 31 December 2017 and 2016, the Group's short-term bank loans were repayable within one year and denominated in the following currencies:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	–	20,000
US\$	美元	156,274	276,694
		<b>156,274</b>	296,694

The carrying values of the bank loans approximated their fair value and the effective interest rate of the bank loans was 2.6% (2016: 2.2%) per annum. As at 31 December 2017, the bank loan was secured by a pledged deposit amounting to HK\$174,645,000. As at 31 December 2016, the bank loans were unsecured.

#### 27 貿易應付賬款

按發票日期計算之貿易應付賬款賬齡分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 – 30 days	0至30日	272,888	394,146
31 – 60 days	31至60日	91,435	198,496
61 – 90 days	61至90日	207,666	202,838
91 – 120 days	91至120日	5,560	2,986
121 – 180 days	121至180日	185	393
181 – 360 days	181至360日	513	7,500
Over 360 days	360日以上	3,054	675
		<b>581,301</b>	807,034
Less: Transfer to disposal group classified as held-for-sale	減：轉撥至分類為持作出售之出售組別	(144)	–
		<b>581,157</b>	807,034

#### 28 銀行貸款

於二零一七年及二零一六年十二月三十一日，本集團短期銀行貸款須於一年內償還及以下列貨幣計值：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	–	20,000
US\$	美元	156,274	276,694
		<b>156,274</b>	296,694

銀行貸款之賬面值與其公平價值相若及銀行貸款的實際年利率為2.6厘(二零一六年：2.2厘)。於二零一七年十二月三十一日，就銀行貸款而抵押之銀行存款為174,645,000港元。於二零一六年十二月三十一日，銀行貸款為無抵押。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 29 SHARE CAPITAL

### 29 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:	法定：				
At 1 January and 31 December	於一月一日及 十二月三十一日	10,000,000,000	1,000,000	10,000,000,000	1,000,000
Issued and fully paid:	已發行及繳足：				
At 1 January and 31 December	於一月一日及 十二月三十一日	1,649,142,384	164,914	1,649,142,384	164,914

### 30 SHARE-BASED PAYMENT TRANSACTIONS

### 30 以股份為基礎之付款交易

#### (a) Equity-settled share-based payment transactions

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 share options are generally valid for a period of ten years and will lapse if the grantees leave the Group before the share options are exercisable. The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

#### (a) 以權益結算以股份為基礎之付款交易

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。

購股權有效期一般為十年，而倘承授人於購股權可行使前不再任職於本集團，購股權即告失效。本集團並無法定或推定責任以現金購回或結清購股權。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 30 SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

#### (a) Equity-settled share-based payment transactions (Continued)

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

		2017 二零一七年		2016 二零一六年	
		Weighted average exercise price 加權平均行使價 HK\$ 港元	Number of share options 購股權數目	Weighted average exercise price 加權平均行使價 HK\$ 港元	Number of share options 購股權數目
At 1 January	於一月一日	6.29	34,155,000	6.31	34,455,000
Lapsed	已失效	6.19	(300,000)	8.30	(300,000)
Granted	已授出	0.70	28,350,000	-	-
At 31 December	於十二月三十一日	3.74	62,205,000	6.29	34,155,000

Details of the share options outstanding as at 31 December are as follows:

### 30 以股份為基礎之付款交易 (續)

#### (a) 以權益結算以股份為基礎之付款交易 (續)

尚未行使之購股權數目及其加權平均行使價之變動如下：

於十二月三十一日尚未行使之購股權詳情如下：

Date of grant 授出日期	Grantees 承授人	Exercise price 行使價 HK\$ 港元	Note 附註	Number of share options 購股權數目	
				2017 二零一七年	2016 二零一六年
27 January 2010 二零一零年一月二十七日	Director 董事	6.19	(i)	12,000,000	12,000,000
	Consultant 顧問	6.19	(ii)	8,400,000	8,400,000
	Employees 僱員	6.19	(i)	4,695,000	4,995,000
22 July 2010 二零一零年七月二十二日	Employees 僱員	7.61	(iii)	300,000	300,000
11 January 2012 二零一二年一月十一日	Employees 僱員	8.27	(iv)	700,000	700,000
20 March 2012 二零一二年三月二十日	Employees 僱員	10.132	(v)	2,600,000	2,600,000
21 January 2014 二零一四年一月二十一日	Director 董事	4.50	(vi)	2,000,000	2,000,000
	Consultant 顧問	4.50	(vii)	1,000,000	1,000,000
	Employees 僱員	4.50	(vi)	1,820,000	1,820,000
25 January 2017 二零一七年一月二十五日	Employees 僱員	4.50	(viii)	340,000	340,000
	Directors 董事	0.70	(ix)	12,000,000	-
	Employees 僱員	0.70	(ix)	15,000,000	-
	Employees 僱員	0.70	(x)	750,000	-
	Employees 僱員	0.70	(xi)	600,000	-
				62,205,000	34,155,000

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 30 SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

#### (a) Equity-settled share-based payment transactions (Continued)

As at 31 December 2017, out of 62,205,000 (2016: 34,155,000) outstanding share options, 43,455,000 (2016: 33,295,000) share options were exercisable. There were no share options exercised during the year (2016: Nil). The total expense recognised for the options granted was HK\$5,996,000 (2016: HK\$875,000) for the year ended 31 December 2017.

Notes:

- (i) These share options vested in 5 tranches equally on 27 January 2011, 27 January 2012, 27 January 2013, 27 January 2014 and 27 January 2015 respectively. The five tranches are exercisable from the respective dates of vesting to 26 January 2020.
- (ii) These share options vested in 5 tranches as follows: 15% on 27 January 2011, 15% on 27 January 2012, 15% on 27 January 2013, 15% on 27 January 2014 and 40% on 27 January 2015. The five tranches are exercisable from the respective dates of vesting to 26 January 2020.
- (iii) These share options vested in 3 tranches equally on 1 April 2011, 1 April 2012 and 1 April 2013 respectively. The three tranches are exercisable from the respective dates of vesting to 21 July 2020.
- (iv) These share options vested in 3 tranches equally on 11 January 2013, 11 January 2014 and 11 January 2015 respectively. The three tranches are exercisable from the respective dates of vesting to 10 January 2022.
- (v) These share options vested in 5 tranches equally on 20 March 2013, 20 March 2014, 20 March 2015, 20 March 2016 and 20 March 2017 respectively. The five tranches are exercisable from the respective dates of vesting to 19 March 2022.
- (vi) These share options vested on 21 January 2016 and are exercisable from the date of vesting to 20 January 2024.
- (vii) These share options vested on 21 January 2015 and are exercisable from the date of vesting to 20 January 2024.
- (viii) These share options vested on 21 January 2017 and are exercisable from the date of vesting to 20 January 2024.
- (ix) These share options shall vest in 3 tranches equally on 25 January 2017, 25 January 2018 and 25 January 2019 respectively. The three tranches are exercisable from the respective dates of vesting to 24 January 2027.
- (x) These share options shall vest in 3 tranches equally on 25 January 2018, 25 January 2019 and 25 January 2020 respectively. The three tranches are exercisable from the respective dates of vesting to 24 January 2027.
- (xi) These share options vested on 25 January 2017 and are exercisable from the date of vesting to 24 January 2027.

### 30 以股份為基礎之付款交易(續)

#### (a) 以權益結算以股份為基礎之付款交易(續)

於二零一七年十二月三十一日，62,205,000份(二零一六年：34,155,000份)尚未行使的購股權中，有43,455,000份(二零一六年：33,295,000份)購股權可被行使。年內，概無購股權獲行使(二零一六年：無)。截至二零一七年十二月三十一日止年度，就已授出購股權而確認的費用為5,996,000港元(二零一六年：875,000港元)。

附註：

- (i) 該等購股權分五批分別於二零一一年一月二十七日，二零一二年一月二十七日，二零一三年一月二十七日，二零一四年一月二十七日及二零一五年一月二十七日均等地歸屬。該五批可於各歸屬日期起至二零二零年一月二十六日期間行使。
- (ii) 該等購股權分五批按以下時間歸屬：15%於二零一一年一月二十七日起歸屬，15%於二零一二年一月二十七日起歸屬，15%於二零一三年一月二十七日起歸屬，15%於二零一四年一月二十七日起歸屬及40%於二零一五年一月二十七日起歸屬。該五批可於各歸屬日期起至二零二零年一月二十六日期間行使。
- (iii) 該等購股權分三批分別於二零一一年四月一日，二零一二年四月一日及二零一三年四月一日均等地歸屬。該三批可於各歸屬日期起至二零二零年七月二十一日期間行使。
- (iv) 該等購股權分三批分別於二零一三年一月十一日，二零一四年一月十一日及二零一五年一月十一日均等地歸屬。該三批可於各歸屬日期起至二零二零年一月十日期間行使。
- (v) 該等購股權分五批分別於二零一三年三月二十日，二零一四年三月二十日，二零一五年三月二十日，二零一六年三月二十日及二零一七年三月二十日均等地歸屬。該五批可於各歸屬日期起至二零二零年三月十九日期間行使。
- (vi) 該等購股權於二零一六年一月二十一日歸屬，並可於歸屬日期起至二零二四年一月二十日期間行使。
- (vii) 該等購股權於二零一五年一月二十一日歸屬，並可於歸屬日期起至二零二四年一月二十日期間行使。
- (viii) 該等購股權於二零一七年一月二十一日歸屬，並可於歸屬日期起至二零二四年一月二十日期間行使。
- (ix) 該等購股權分三批分別於二零一七年一月二十五日，二零一八年一月二十五日及二零一九年一月二十五日均等地歸屬。該三批可於各歸屬日期起至二零二七年一月二十四日期間行使。
- (x) 該等購股權分三批分別於二零一八年一月二十五日，二零一九年一月二十五日及二零二零年一月二十五日均等地歸屬。該三批可於各歸屬日期起至二零二七年一月二十四日期間行使。
- (xi) 該等購股權於二零一七年一月二十五日歸屬，並可於歸屬日期起至二零二七年一月二十四日期間行使。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 30 SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

##### (a) Equity-settled share-based payment transactions (Continued)

###### Fair value of share options and assumptions

The fair value of services received in return for share options granted was measured by reference to the fair value of share options granted. The weighted average fair value of the share options granted during the year ended 31 December 2017 was HK\$0.26 per share option which was determined using the Binomial Options Pricing Model with significant inputs into the model as follows:

Weighted average share price at measurement date (HK\$)	於計量日之加權平均股價 (港元)	0.68
Weighted average option exercise price (HK\$)	加權平均購股權行使價 (港元)	0.70
Expected annualised volatility (%)	預期每年波幅 (%)	51.38
Weighted average risk-free rate (%)	加權平均無風險利率 (%)	1.84
Expected option life (year)	預期購股權年期 (%)	10
Weighted average expected dividend yield (%)	預期加權平均孳息率 (%)	1.82

##### (b) Cash-settled share-based payment transactions

The Company has granted share appreciation rights (“SARs”) to certain directors of the Company and certain employees of the Group. Under the terms of 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.

As at 31 December 2017, 18,190,000 (2016: 16,450,000) units of the outstanding SARs were exercisable.

Movements in the number of SARs outstanding during the year ended 31 December 2017 are as follows:

		Number of SARs 股份增值權數目	
		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	(140,000)	(410,000)
At 31 December	於十二月三十一日	18,190,000	18,330,000

#### 30 以股份為基礎之付款交易 (續)

##### (a) 以權益結算以股份為基礎之付款交易 (續)

###### 購股權之公平價值及假設

以授出購股權換取之服務之公平價值根據授出購股權之公平價值計量。於截至二零一七年十二月三十一日止年度，已授出購股權之加權平均公平價值為每份購股權0.26港元，此乃按二項式期權定價模式釐定，以下為輸入此模式的重要數據：

##### (b) 以現金結算以股份為基礎之付款交易

本公司向本公司若干董事及本集團若干僱員授出股份增值權（「股份增值權」）。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。

於二零一七年十二月三十一日，18,190,000（二零一六年：16,450,000）份尚未行使的股份增值權可被行使。

截至二零一七年十二月三十一日止年度，尚未行使股份增值權之數目變動如下：



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 30 SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

##### (b) Cash-settled share-based payment transactions (Continued)

During the year ended 31 December 2017, the Group has recognised an expense of approximately HK\$2,000 (2016: HK\$30,000) in the consolidated income statement in relation to the SARs. As at 31 December 2017, liabilities in relation to the SARs amounting to HK\$856,000 (2016: HK\$796,000) are included in the “other payables and accrued charges” in the consolidated balance sheet.

The fair value of outstanding SARs as at 31 December 2017 determined using the Binomial Option Pricing Model was approximately HK\$856,000 (2016: HK\$796,000). The fair value for these SARs was estimated at the balance sheet date with the following weighted-average assumptions:

#### 30 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(續)

截至二零一七年十二月三十一日止年度，本集團於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：30,000港元)。於二零一七年十二月三十一日，有關股份增值權之負債為856,000港元(二零一六年：796,000港元)，並包括於綜合資產負債表的「其他應付賬款及應計費用」中。

於二零一七年十二月三十一日尚未行使之股份增值權，按二項式期權定價模式釐定之公平價值約為856,000港元(二零一六年：796,000港元)。該等股份增值權之公平價值乃於結算日根據以下加權平均假設估計：

		2017 二零一七年	2016 二零一六年
Weighted average risk-free interest rate (%)	加權平均無風險利率(%)	0.96	0.96
Weighted average expected life (year)	預期加權平均年期(年)	2.18	3.18
Weighted average expected volatility (%)	預期加權平均波幅(%)	45.75	45.75
Weighted average expected dividend yield (%)	預期加權平均孳息率(%)	2.31	2.31

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 31 RESERVES

### 31 儲備

		Share premium	Capital redemption reserve	Capital reserve	Merger reserve	Revaluation reserve	Share-based payment reserve	Currency translation reserve	Statutory reserves	Retained profits	Total
		股份溢價	股本贖回儲備	股本儲備	合併儲備	重估儲備	以股份為基礎之 付款儲備	匯兌儲備	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
			(Note (a)) (附註(a))		(Note (b)) (附註(b))				(Note (c)) (附註(c))		
At 1 January 2016	於二零一六年一月一日	120,281	2,882	(197)	322	-	78,913	243,311	159,793	3,692,396	4,297,701
Currency translation differences:	匯兌差額：										
Group	本集團	-	-	-	-	-	-	(273,244)	-	-	(273,244)
Associates and a joint venture	聯營公司及合營企業	-	-	-	-	-	-	279	-	-	279
Profit appropriations	盈利分配	-	-	-	-	-	-	-	1,681	(1,681)	-
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(819,127)	(819,127)
Share option scheme:	購股權計劃：										
Value of grantee services	承受人服務價值	-	-	-	-	-	875	-	-	-	875
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	-	-	(780)	-	-	780	-
At 31 December 2016	於二零一六年十二月三十一日	120,281	2,882	(197)	322	-	79,008	(29,654)	161,474	2,872,368	3,206,484
Revaluation of an available-for-sale financial asset	重估可出售金融資產	-	-	-	-	3,375	-	-	-	-	3,375
Currency translation differences:	匯兌差額：										
Group	本集團	-	-	-	-	-	-	228,299	-	-	228,299
Associates and a joint venture	聯營公司及合營企業	-	-	-	-	-	-	43	-	-	43
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	(7,186)	(3,034)	10,220	-
Profit appropriations	盈利分配	-	-	-	-	-	-	-	27,534	(27,534)	-
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(734,204)	(734,204)
Share option scheme:	購股權計劃：										
Value of grantee services	承受人服務價值	-	-	-	-	-	5,996	-	-	-	5,996
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	-	-	(676)	-	-	676	-
At 31 December 2017	於二零一七年十二月三十一日	120,281	2,882	(197)	322	3,375	84,328	191,502	185,974	2,121,526	2,709,993

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 31 RESERVES (CONTINUED)

Notes:

(a) Capital redemption reserve

The capital redemption reserve represents the nominal amount of shares repurchased by the Company in 1999.

(b) Merger reserve

The merger reserve represents the difference between the aggregate nominal amount of the share capital of the subsidiaries at the date on which they were acquired by the Company and the nominal amount of the share capital issued by the Company as consideration for the acquisition pursuant to the corporate reorganisation in 1995.

(c) Statutory reserves

As stipulated by regulations in Mainland China, the Company's subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior year losses) to the statutory reserves and enterprise expansion fund, at rates determined by their respective boards of directors. The statutory reserves can be utilised to offset prior year losses or be utilised for the issuance of bonus shares, whilst the enterprise expansion fund can be utilised for the development of business operations. When the statutory reserves reach an amount equal to 50% of the registered capital of the Company's subsidiaries, further appropriation is optional.

#### 32 DEFERRED INCOME TAX

The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

#### 31 儲備 (續)

附註：

(a) 股本贖回儲備

股本贖回儲備指本公司於一九九九年購回股份之面值。

(b) 合併儲備

合併儲備指附屬公司於被本公司收購當日之股本面值總額與本公司根據一九九五年公司重組作為收購代價所發行股本面值兩者之差額。

(c) 法定儲備

根據中國大陸法規，本公司於中國大陸成立及經營之附屬公司須將其稅後盈利(經抵銷上一年度虧損後)之一部份撥入法定儲備及企業發展基金，撥款比例由附屬公司各自之董事會釐定。法定儲備可用作抵銷上一年度虧損或用作發行紅股，而企業發展基金可用作發展業務營運。法定儲備達到本公司附屬公司註冊資本50%後，可選擇不再撥款。

#### 32 遞延所得稅項

經適當抵銷後釐定並列入綜合資產負債表之金額如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Net deferred income tax assets	遞延所得稅項資產淨額	275,739	329,216
Less: Transfer to disposal group classified as held-for-sale	減：轉撥至分類為持作出售之出售組別	(5,603)	-
		<b>270,136</b>	329,216
Net deferred income tax liabilities	遞延所得稅項負債淨額	<b>(13,409)</b>	(30,729)
		<b>256,727</b>	298,487



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 32 DEFERRED INCOME TAX (CONTINUED)

Deferred income tax is calculated on temporary differences under the liability method using the applicable tax rates.

The movement in net deferred income tax assets is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	298,487	316,042
Exchange adjustment	匯兌調整	20,117	(20,680)
(Charged)/credited to consolidated income statement	(扣除自)/計入綜合收益表	(55,196)	3,125
Transfer to disposal group classified as held-for-sale	轉撥至分類為持作出售之出售組別	(5,603)	-
Disposal of subsidiaries	出售附屬公司	(1,078)	-
At 31 December	於十二月三十一日	256,727	298,487

#### 32 遞延所得稅項(續)

遞延所得稅項採用負債法就暫時差額按適用稅率計算。

遞延所得稅項資產淨值之變動如下：

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

年內，遞延稅項資產及負債(在同一徵稅司法權區之結餘抵銷前)之變動如下：

Deferred income tax assets 遞延所得稅項資產	Provisions 撥備		Decelerated tax depreciation 減速稅項折舊		Tax losses 稅項虧損		Others 其他		Total 總計	
	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	147,145	151,041	10,015	11,406	168,087	167,633	3,969	4,056	329,216	334,136
Exchange adjustment	9,119	(9,594)	809	(692)	11,332	(11,724)	210	(119)	21,470	(22,129)
(Charged)/credited to consolidated income statement	(25,359)	5,698	2,072	(699)	(41,396)	12,178	2,774	32	(61,909)	17,209
Transfer to disposal group classified as held-for-sale	-	-	-	-	(7,733)	-	-	-	(7,733)	-
Disposal of subsidiaries	(2)	-	(28)	-	(2,263)	-	-	-	(2,293)	-
At 31 December	130,903	147,145	12,868	10,015	128,027	168,087	6,953	3,969	278,751	329,216

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 32 DEFERRED INCOME TAX (CONTINUED) 32 遞延所得稅項(續)

Deferred income tax liabilities 遞延所得稅項負債	Accelerated tax depreciation 加速稅項折舊		Withholding tax on undistributed profits 未分派盈利預扣稅		Others 其他		Total 總計	
	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January 於一月一日	20,756	16,198	8,182	1,414	1,791	482	30,729	18,094
Exchange adjustment 匯兌調整	966	(1,352)	-	-	387	(97)	1,353	(1,449)
(Credited)/charged to consolidated income statement (計入)/扣除自綜合收益表	(13,539)	5,910	-	6,768	6,826	1,406	(6,713)	14,084
Transfer to disposal group classified as held-for-sale 轉撥至分類為持作出售之出售組別	(2,130)	-	-	-	-	-	(2,130)	-
Disposal of subsidiaries 出售附屬公司	(1,215)	-	-	-	-	-	(1,215)	-
At 31 December 於十二月三十一日	4,838	20,756	8,182	8,182	9,004	1,791	22,024	30,729

The expiry of unrecognised tax losses are as follows:

未確認稅項虧損之屆滿情況如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Tax losses expiring in 5 years 五年內屆滿之稅項虧損	1,307,075	787,411
Tax losses expiring after 5 years 五年後屆滿之稅項虧損	8,471	4,853
Tax losses without expiry date 無屆滿日期之稅項虧損	73,852	58,299
At 31 December 於十二月三十一日	1,389,398	850,563

As at 31 December 2017, the potential deferred income tax assets in respect of the above unrecognised tax losses amounted to HK\$337,752,000 (2016: HK\$203,873,000).

於二零一七年十二月三十一日，與上述未確認稅項虧損相關之潛在遞延所得稅項資產金額為337,752,000港元(二零一六年：203,873,000港元)。

Deferred income tax liabilities of HK\$82,072,000 (2016: HK\$98,123,000), in respect of unremitted earnings of approximately HK\$1,623,896,000 as at 31 December 2017 (2016: HK\$1,955,824,000), had not been recognised for the withholding tax as the Group controls the dividend policy of these subsidiaries.

本集團並未就若干附屬公司未匯出盈利之應付預扣稅82,072,000港元(二零一六年：98,123,000港元)確認遞延所得稅項負債，原因為本集團控制該等附屬公司之股息政策。於二零一七年十二月三十一日，未匯出盈利約為1,623,896,000港元(二零一六年：1,955,824,000港元)。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 33 CASH FLOW INFORMATION

##### Cash generated from operations

Reconciliation of operating loss to cash (used in)/generated from operations is as follows:

#### 33 現金流信息

##### 營運產生之現金

經營虧損與營運(所用)/產生之現金之對賬如下:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Operating loss	經營虧損	(688,823)	(819,488)
Amortisation	攤銷	2,493	6,711
Derivative financial instruments – forward foreign exchange contracts	衍生金融工具－遠期外匯合約	14,699	(11,001)
Depreciation	折舊	179,554	246,133
Gain on disposal of an available-for-sale financial asset	出售可出售金融資產之收益	–	(36)
Gain on disposal of subsidiaries	出售附屬公司之收益	(797)	–
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	15,164	22,219
Reversal of impairment of property, plant and equipment	物業、廠房及設備減值撥回	–	(1,999)
Impairment of intangible assets	無形資產減值	–	37,464
Impairment of an investment property	投資物業減值	–	9,979
Interest income	利息收入	(22,378)	(16,342)
Share-based payment expense	以股份為基礎之付款開支	5,998	875
Operating cash flows before working capital changes	營運資金變動前之經營現金流量	(494,090)	(525,485)
Decrease in inventories	存貨減少	274,932	537,557
Decrease in trade receivables, other receivables, deposits and prepayments	貿易應收賬款、其他應收賬款、按金及預付款項減少	256,460	463,772
Decrease in trade payables, other payables and accrued charges	貿易應付賬款、其他應付賬款及應計費用減少	(329,488)	(165,294)
Cash (used in)/generated from operations	營運(所用)/產生之現金	(292,186)	310,550



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 34 COMMITMENTS

(a) Capital commitments for purchase of land use rights and property, plant and equipment

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Contracted but not provided for	已訂約但未撥備	2,621	6,624

(b) Commitments under operating leases

As at 31 December 2017, the Group had future aggregate minimum lease payments in respect of warehouses, offices and distribution outlets under non-cancellable operating leases as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Not later than one year	一年內	725,365	701,911
Later than one year and not later than five years	一年後及五年內	543,338	518,847
Later than five years	五年後	7,030	2,074
		<b>1,275,733</b>	<b>1,222,832</b>

Payment obligations in respect of operating leases on properties with contingent rent vary with respect to gross revenues are not included as future minimum lease payments.

#### 34 承擔

(a) 購買土地使用權及物業、廠房及設備之資本承擔

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Contracted but not provided for	已訂約但未撥備	2,621	6,624

(b) 經營租賃承擔

於二零一七年十二月三十一日，本集團就倉庫、辦公室及分銷店之不可撤銷經營租賃之未來最低付款總額如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Not later than one year	一年內	725,365	701,911
Later than one year and not later than five years	一年後及五年內	543,338	518,847
Later than five years	五年後	7,030	2,074
		<b>1,275,733</b>	<b>1,222,832</b>

就收入總額收取或然租金之物業經營租賃之應付租金，並未計入未來最低付款總額內。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 35 FINANCIAL INSTRUMENTS BY CATEGORY

### 35 金融工具分類

Assets as per consolidated balance sheet	綜合資產負債表 所示資產	Loans and receivables 貸款及 應收賬款 HK\$'000 千港元	Assets at fair value through profit or loss 按公平價值 計入損益 之資產 HK\$'000 千港元	Available- for-sale 可出售 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2017	於二零一七年十二月三十一日				
Available-for-sale financial asset	可出售金融資產	-	-	3,698	3,698
Trade receivables	貿易應收賬款	181,310	-	-	181,310
Other receivables excluding non-financial assets	其他應收賬款 (扣除非金融資產)	171,754	-	-	171,754
Pledged bank deposits	已抵押銀行存款	181,403	-	-	181,403
Bank deposit with maturity over three months	存款期超過三個月之 銀行存款	4,785	-	-	4,785
Cash and cash equivalents	現金及現金等價物	300,114	-	-	300,114
<b>Total</b>	<b>合計</b>	<b>839,366</b>	<b>-</b>	<b>3,698</b>	<b>843,064</b>
At 31 December 2016	於二零一六年十二月三十一日				
Trade receivables	貿易應收賬款	208,118	-	-	208,118
Other receivables excluding non-financial assets	其他應收賬款 (扣除非金融資產)	227,050	-	-	227,050
Derivative financial instruments	衍生金融工具	-	15,662	-	15,662
Bank deposit with maturity over three months	存款期超過三個月之 銀行存款	16,721	-	-	16,721
Cash and cash equivalents	現金及現金等價物	972,769	-	-	972,769
<b>Total</b>	<b>合計</b>	<b>1,424,658</b>	<b>15,662</b>	<b>-</b>	<b>1,440,320</b>
				<b>Financial liabilities at amortised cost</b> 以攤銷成本計量的金融負債 <b>HK\$'000</b> 千港元	
<b>Liabilities as per consolidated balance sheet</b>	<b>綜合資產負債表所示負債</b>				
At 31 December 2017	於二零一七年十二月三十一日				
Trade payables	貿易應付賬款				<b>581,301</b>
Other payables and accrued charges excluding non-financial liabilities	其他應付賬款及應計費用 (扣除非金融負債)				<b>342,723</b>
Bank loan	銀行貸款				<b>156,274</b>
<b>Total</b>	<b>合計</b>				<b>1,080,298</b>
At 31 December 2016	於二零一六年十二月三十一日				
Trade payables	貿易應付賬款				807,034
Other payables and accrued charges excluding non-financial liabilities	其他應付賬款及應計費用 (扣除非金融負債)				349,471
Bank loans	銀行貸款				296,694
<b>Total</b>	<b>合計</b>				<b>1,453,199</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 36 RELATED PARTY TRANSACTIONS AND BALANCES

The Group entered into the following related party transactions during the year:

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

		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))	向合營企業銷售貨品 (附註(i))	4,635	3,207
Royalty fee to a joint venture (Note (ii))	向合營企業支付之特許權費 (附註(ii))	-	1,169

Notes:

- (i) Sales of goods to a joint venture are conducted in the normal course of the Group's business. The terms of transactions are 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 the terms as determined and agreed between the Group and the counter party.

##### (b) Year-end balances with related companies

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables from a joint venture (Note (i))	應收合營企業款項 (附註(i))	2,742	6,757
Payables to a joint venture (Note (ii))	應付合營企業款項 (附註(ii))	-	3,276

Notes:

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

#### 36 關聯方交易及結餘

本集團於年內曾進行下列關聯方交易：

##### (a) 與關聯公司之交易

		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))	向合營企業銷售貨品 (附註(i))	4,635	3,207
Royalty fee to a joint venture (Note (ii))	向合營企業支付之特許權費 (附註(ii))	-	1,169

附註：

- (i) 向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協定及同意後釐定。
- (ii) 向合營企業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。

##### (b) 與關聯公司之年末結餘

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables from a joint venture (Note (i))	應收合營企業款項 (附註(i))	2,742	6,757
Payables to a joint venture (Note (ii))	應付合營企業款項 (附註(ii))	-	3,276

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，並按貿易條款償還。
- (ii) 應付合營企業款項主要由商標特許使用交易產生。餘額為無抵押、免息，並按已同意之條款償還。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 36 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

##### (c) Key management personnel compensation

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries, allowances and bonuses	薪金、津貼及花紅	16,357	15,814
Defined contribution pension costs	定額供款退休金成本	-	18
Retirement benefits	退休福利	-	26,945
Share-based payment expense	以股份為基礎之付款開支	3,837	643
		<b>20,194</b>	<b>43,420</b>

#### 37 BENEFITS AND INTERESTS OF DIRECTORS

##### (a) Emoluments of directors and chief executive officer ("CEO")

The remuneration of each director and the CEO of the Company for the year ended 31 December is set out below:

		Fees 袍金 HK\$'000 千港元 (Note (i)) (附註(i))	Salaries 薪金 HK\$'000 千港元 (Note (ii)) (附註(ii))	Share-based payment expense 以股份為基礎 之付款開支 HK\$'000 千港元 (Note (ii)) (附註(ii))	Employer's contribution to a retirement benefit scheme 僱主的退休 福利計劃供款 HK\$'000 千港元 (Note (ii)) (附註(ii))	Total 總計 HK\$'000 千港元
<b>2017</b>	<b>二零一七年</b>					
Mr. Chang Chih-Kai (CEO)	張智凱先生 (行政總裁)	-	3,824	1,254	-	5,078
Mr. Chang Chih-Chiao	張智喬先生	-	2,076	626	-	2,702
Mr. Chen Tommy Yi-Hsun	陳怡勳先生	-	2,076	626	-	2,702
Mr. Chen Ying-Chieh	陳英杰先生	600	-	-	-	600
Mr. Huang Shun-Tsai	黃順財先生	150	-	-	-	150
Mr. Kuo Jung-Cheng	郭榮振先生	150	-	-	-	150
Mr. Lee Ted Tak Tai	李德泰先生	433	-	-	-	433
		<b>1,333</b>	<b>7,976</b>	<b>2,506</b>	<b>-</b>	<b>11,815</b>
<b>2016</b>	<b>二零一六年</b>					
Mr. Chang Chih-Kai (CEO)	張智凱先生 (行政總裁)	-	2,865	2	-	2,867
Mr. Chang Chih-Chiao	張智喬先生	-	1,898	2	-	1,900
Mr. Chen Tommy Yi-Hsun	陳怡勳先生	-	1,898	2	-	1,900
Mr. Chen Ying-Chieh	陳英杰先生	425	1,424	102	18	1,969
Mr. Huang Shun-Tsai	黃順財先生	150	-	-	-	150
Mr. Kuo Jung-Cheng	郭榮振先生	150	-	-	-	150
Mr. Lee Ted Tak Tai	李德泰先生	425	-	-	-	425
		<b>1,150</b>	<b>8,085</b>	<b>108</b>	<b>18</b>	<b>9,361</b>

#### 36 關聯方交易及結餘 (續)

##### (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:

#### 37 董事利益及權益

##### (a) 董事及行政總裁 (「行政總裁」) 酬金

截至十二月三十一日止年度, 本公司各董事及行政總裁之酬金如下:

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 37 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

##### (a) Emoluments of directors and chief executive officer (“CEO”) (Continued)

Notes:

- (i) The emoluments paid or payable to the directors of the Company were in respect of their respective services as a director of the Company or its subsidiaries.
- (ii) The emoluments paid or payable to the directors of the Company were in respect of directors' other services in connection with the management of the affairs of the Company or its subsidiary undertakings.

##### (b) Retirement benefits of directors

During the year ended 31 December 2017, no retirement benefits were paid or payable to the directors.

During the year ended 31 December 2016, discretionary retirement benefits paid/payable to Mr. Chen Ying-Chieh in respect of his services in connection with the management of the affairs of the Company or its subsidiaries undertakings was HK\$26,945,000. No other retirement benefits were paid or payable to him in respect of his services as a director of the Company or its subsidiaries. No retirement benefit was paid or payable to any other directors of the Company.

##### (c) Termination benefits of directors, and consideration provided to third parties for making available directors' services

For each of the two years ended 31 December 2017 and 2016, no termination benefit was paid or payable to any director of the Company. No consideration was paid or payable to any third party for making available any director's services.

##### (d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 31 December 2017 and 2016, no loan, quasi-loan or other dealing was entered into by the Company or any of its subsidiary undertakings in favour of any director of the Company, any controlled body corporate by or connected entity with any director of the Company.

##### (e) Directors' material interests in transactions, arrangements and contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

#### 37 董事利益及權益 (續)

##### (a) 董事及行政總裁 (「行政總裁」) 酬金 (續)

附註：

- (i) 已付或應付本公司董事之酬金乃根據彼等向本公司或其附屬公司提供之相關董事服務。
- (ii) 已付或應付本公司董事之酬金乃根據彼等就管理本公司或其附屬企業事務而提供的其他服務。

##### (b) 董事退休福利

截至二零一七年十二月三十一日止年度，概無已付或應付董事退休福利。

截至二零一六年十二月三十一日止年度，就陳英杰先生管理本公司或其附屬企業事務而提供之服務，已付或應付之酌情退休款項為26,945,000港元。就彼向本公司或其附屬公司提供相關董事服務，概無已付或應付其他退休福利。概無已付或應付退休福利予本公司之任何其他董事。

##### (c) 終止僱傭福利，及就作出董事服務向第三方提供的代價

截至二零一七年及二零一六年十二月三十一日止兩個年度各年，概無向本公司任何董事已付或應付終止僱傭福利，亦無就作出董事服務向任何第三方已付或應付代價。

##### (d) 有關以董事、該等董事的受控制法人團體及關聯實體為受益人的貸款、準貸款及其他交易的資料

於截至二零一七年及二零一六年十二月三十一日，本公司及其任何附屬企業概無訂立貸款、準貸款或其他交易以本公司任何董事、本公司任何董事的任何受控制法人團體或關聯實體為受益人。

##### (e) 董事於交易、安排及合約之重大權益

本公司概無於本年度年結日或於年內任何時間訂立與本集團業務有關，且本公司董事於其中直接或間接擁有重大權益之重大交易、安排及合約。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

#### Balance sheet of the Company

### 38 本公司資產負債表及儲備變動

#### 本公司資產負債表

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	368,822	368,822
Current assets	流動資產		
Other receivables	其他應收賬款	329	475
Derivative financial instrument	衍生金融工具	–	8,289
Amount due from a subsidiary	應收附屬公司賬款	674,727	688,041
Cash and cash equivalents	現金及現金等價物	1,546	111
		676,602	696,916
Current liabilities	流動負債		
Other payables and accrued charges	其他應付賬款及應計費用	5,090	6,993
Bank loan	銀行貸款	156,274	155,019
		161,364	162,012
Net current assets	流動資產淨值	515,238	534,904
Total assets less current liabilities	總資產減流動負債	884,060	903,726
Equity	權益		
Share capital	股本	164,914	164,914
Reserves	儲備	719,146	738,812
Total equity	總權益	884,060	903,726



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

### 38 本公司資產負債表及儲備變動(續)

#### Reserve movement of the Company

#### 本公司儲備變動

		Share premium	Capital redemption reserve	Contributed surplus	Share-based payment reserve	Currency translation reserve	Retained profits	Total
		股份溢價	股本贖回儲備	繳入盈餘	以股份為基礎之付款儲備	匯兌儲備	保留盈利	總計
		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
			(Note 31(a)) (附註31(a))	(Note (a)) (附註(a))				
At 1 January 2016	於二零一六年一月一日	120,281	2,882	152,891	78,913	(6,087)	398,573	747,453
Currency translation differences	匯兌差額	-	-	-	-	(37,525)	-	(37,525)
Profit for the year	年內盈利	-	-	-	-	-	28,009	28,009
Share option scheme:	購股權計劃:							
Value of grantee services	承受人服務價值	-	-	-	875	-	-	875
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	(780)	-	780	-
At 31 December 2016	於二零一六年十二月三十一日	120,281	2,882	152,891	79,008	(43,612)	427,362	738,812
Currency translation differences	匯兌差額	-	-	-	-	36,991	-	36,991
Loss for the year	年內虧損	-	-	-	-	-	(62,653)	(62,653)
Share option scheme:	購股權計劃:							
Value of grantee services	承受人服務價值	-	-	-	5,996	-	-	5,996
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	(676)	-	676	-
At 31 December 2017	於二零一七年十二月三十一日	120,281	2,882	152,891	84,328	(6,621)	365,385	719,146

Notes:

(a) Contributed surplus

The contributed surplus of the Company represents the difference between the aggregate net assets of the subsidiaries acquired by the Company under the corporate reorganisation in 1995 and the nominal amount of the Company's shares issued for the acquisition.

(b) Distributable reserves

The Company's reserves available for distribution to its shareholders of the Company comprise share premium, contributed surplus, share-based payment reserve and retained profits. Under the Companies Law (Revised) of the Cayman Islands, the Company's reserve is available for paying distributions or dividends to shareholders subject to the provisions of its Articles of Association and provided that immediately following the distribution or the payment of dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares. In accordance with the Company's Articles of Association, dividends shall be payable out of the profits or other reserves, including the share premium, of the Company.

附註:

(a) 繳入盈餘

本公司之繳入盈餘指本公司根據一九九五年公司重組收購附屬公司之資產淨值總額與本公司因收購而發行之股份面值兩者之差額。

(b) 可供分派儲備

本公司可供分派予本公司股東之儲備包括股份溢價、繳入盈餘、以股份為基礎之付款儲備及保留盈利。根據開曼群島公司法(經修訂),本公司之儲備可用作向股東分派或支付股息,惟須受組織章程細則之條文所規限,而緊隨作出分派或支付股息後,本公司必須能於日常業務過程中償還到期債項。股份溢價亦可以繳足紅股形式分派。根據本公司之組織章程細則,股息須以本公司之盈利或其他儲備(包括股份溢價)支付。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 39 SUBSIDIARIES

The following is a list of the principal subsidiaries as at 31 December 2017:

### 39 附屬公司

下表載列於二零一七年十二月三十一日之主要附屬公司：

Name 名稱	Place of incorporation <sup>(c)</sup> 註冊成立地點 <sup>(c)</sup>	Particulars of issued/paid-up capital 已發行/繳足股本詳情	Interest held 所持權益	Principal activities 主要業務
Aee International Ltd. <sup>(a)</sup> 愛意精品鞋業(上海)有限公司 <sup>(a)</sup>	China 中國	US\$8,580,000 8,580,000美元	59.96%	Distribution of footwear and accessories 分銷鞋類產品及配件
Bright Crown Holdings Limited 亮峰控股有限公司	British Virgin Islands 英屬處女群島	1 share of US\$1 each 1股每股面值1美元之股份	100%	Investment holding 投資控股
Colossus Asia Limited 鉅實亞洲有限公司	Hong Kong 香港	100 ordinary shares of HK\$100 100港元分為100股普通股	59.96%	Retailing of footwear and accessories 零售鞋類產品及配件
Daphne Footwear (Sichuan) Co., Ltd. <sup>(a)</sup> 達芙妮(四川)鞋業有限公司 <sup>(a)</sup>	China 中國	RMB87,300,000 87,300,000元人民幣	100%	Manufacture of footwear 製造鞋類產品
Daphne Investment (Group) Co., Ltd. <sup>(a)</sup> 達芙妮投資(集團)有限公司 <sup>(a)</sup>	China 中國	US\$30,000,000 30,000,000美元	100%	Distribution of footwear and accessories and investment holding 分銷鞋類產品及配件以及投資控股
Full Pearl International Limited 富珍國際有限公司	British Virgin Islands 英屬處女群島	3,294 shares of US\$1 each 3,294股每股面值 1美元之股份	59.96%	Investment holding and trading of footwear and accessories 投資控股及買賣鞋類產品及配件
Gentlefit Trading Limited 祥田貿易有限公司	Hong Kong 香港	100 ordinary shares of HK\$100; 13,055,667 non-voting deferred shares of HK\$13,055,667 <sup>(d)</sup> 100港元分為100股 普通股; 13,055,667港元 分為13,055,667股 無投票權遞延股份 <sup>(d)</sup>	100%	Investment and trademark holding 投資控股及持有商標
Prime Success (BVI) Limited	British Virgin Islands 英屬處女群島	5,000,000 shares of US\$0.01 each 5,000,000股每股面值 0.01美元之股份	100%	Investment holding 投資控股
Shanghai Aixie Information Technology Co., Ltd. <sup>(a)</sup> 上海愛攜信息科技有限公司 <sup>(a)</sup>	China 中國	RMB1,000,000 1,000,000元人民幣	100%	Operation of e-commerce business 經營電子商務業務
Shoebox Commerce Co., Ltd. <sup>(a)</sup> 鞋櫃商貿有限公司 <sup>(a)</sup>	China 中國	RMB460,000,000 460,000,000元人民幣	96.46%	Distribution of footwear and accessories 分銷鞋類產品及配件
Shoebox Holdings Limited 鞋櫃控股有限公司	Hong Kong 香港	14,111 ordinary shares of HK\$381,470,740 381,470,740港元 分為14,111股普通股	96.46%	Investment and trademark holding 投資控股及持有商標
Victoria Success (Shanghai) Co., Ltd. <sup>(a)</sup> 永恩實業(上海)有限公司 <sup>(a)</sup>	China 中國	US\$23,000,000 23,000,000美元	100%	Property holding 持有物業

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 39 SUBSIDIARIES (CONTINUED)

Notes:

- (a) These companies were established in China in the form of wholly foreign-owned enterprises.
- (b) Other than investments in Full Pearl International Limited and Prime Success (BVI) Limited which are held directly by the Company, all subsidiaries shown above are held indirectly by the Company.
- (c) Other than Bright Crown Holdings Limited, Full Pearl International Limited and Prime Success (BVI) Limited which operate in Hong Kong, all subsidiaries shown above operate in the same place in which they were incorporated, respectively.
- (d) The non-voting deferred shares practically carry no rights to dividends, nor rights to receive notice, nor rights to attend and vote at any general meeting of the respective companies, nor rights to participate in any distribution on winding up.
- (e) None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.
- (f) The English names of the subsidiaries established in Mainland China represent the best effort by the directors in translating their Chinese names as they do not have official English names.

#### 39 附屬公司(續)

附註：

- (a) 該等公司為於中國成立之全外資企業。
- (b) 除於富珍國際有限公司及Prime Success (BVI) Limited之投資由本公司直接持有外，上列所有附屬公司均由本公司間接持有。
- (c) 除亮峰控股有限公司，富珍國際有限公司及Prime Success (BVI) Limited於香港營運外，上列的所有附屬公司分別於其註冊成立地點營運。
- (d) 無投票權遞延股份實際上無權收取有關公司之股息或接收該公司任何股東大會通告或出席股東大會並於會上投票。於有關公司清盤時亦無權參與任何分派。
- (e) 各附屬公司於年終或年內任何時間概無任何未償還債務證券。
- (f) 於中國大陸成立之附屬公司的英文名稱為董事盡力翻譯其中文名稱所得，因為該等附屬公司並沒有正式的英文名稱。



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