

INTERIM REPORT

2018 中期報告

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

(Stock code)
股票代號:210

CONTENTS

目錄

Corporate Information 公司資料	2
Financial and Operational Highlights 財務及經營摘要	4
Management Discussion and Analysis 管理層討論及分析	6
Condensed Consolidated Income Statement 簡明綜合收益表	14
Condensed Consolidated Statement of Comprehensive Income 簡明綜合全面收益表	15
Condensed Consolidated Balance Sheet 簡明綜合資產負債表	16
Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表	18
Condensed Consolidated Statement of Cash Flows 簡明綜合現金流量表	19
Notes to the Condensed Consolidated Interim Financial Statements 簡明綜合中期財務報表附註	20
Supplementary Information 補充資料	37

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Mr. Chang Chih-Chiao

Mr. Chen Tommy Yi-Hsun

Non-executive Director

Mr. Chen Ying-Chieh

Independent Non-executive Directors

Mr. Huang Shun-Tsai

Mr. Kuo Jung-Cheng

Mr. Lee Ted Tak Tai

AUDIT COMMITTEE

Mr. Lee Ted Tak Tai (*Chairman*)

Mr. Huang Shun-Tsai

Mr. Kuo Jung-Cheng

NOMINATION COMMITTEE

Mr. Huang Shun-Tsai (*Chairman*)

Mr. Chang Chih-Kai

Mr. Chen Ying-Chieh

Mr. Kuo Jung-Cheng

Mr. Lee Ted Tak Tai

REMUNERATION COMMITTEE

Mr. Kuo Jung-Cheng (*Chairman*)

Mr. Chang Chih-Kai

Mr. Chen Ying-Chieh

Mr. Huang Shun-Tsai

Mr. Lee Ted Tak Tai

COMPANY SECRETARY

Mr. Cheung Chun Hay

AUTHORISED REPRESENTATIVES

Mr. Chang Chih-Kai

Mr. Cheung Chun Hay

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

公司資料

董事會

執行董事

張智凱先生 (*主席兼行政總裁*)

張智喬先生

陳怡勳先生

非執行董事

陳英杰先生

獨立非執行董事

黃順財先生

郭榮振先生

李德泰先生

審核委員會

李德泰先生 (*主席*)

黃順財先生

郭榮振先生

提名委員會

黃順財先生 (*主席*)

張智凱先生

陳英杰先生

郭榮振先生

李德泰先生

薪酬委員會

郭榮振先生 (*主席*)

張智凱先生

陳英杰先生

黃順財先生

李德泰先生

公司秘書

張晉熙先生

授權代表

張智凱先生

張晉熙先生

註冊辦事處

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

CORPORATE INFORMATION

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 HEADQUARTERS

3908 Hu Qing Ping Road
Zhao Xiang Town
Qingpu District
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
China Construction Bank
Hang Seng Bank
MUFG Bank
Taipei Fubon Commercial Bank

CORPORATE WEBSITES

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

INVESTOR RELATIONS

ir@daphneholdings.com

公司資料

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
青浦區
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
中國建設銀行
恒生銀行
三菱UFJ銀行
台北富邦商業銀行

公司網站

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

投資者關係

ir@daphneholdings.com

FINANCIAL AND OPERATIONAL HIGHLIGHTS

財務及經營摘要

FINANCIAL PERFORMANCE

財務表現

		Six months ended 30 June 截至六月三十日止六個月		
		2018 二零一八年	2017 二零一七年	Change 變化
Turnover (HK\$' million)	營業額(百萬港元)	2,259.0	2,732.7	-17.3%
Gross profit (HK\$' million)	毛利(百萬港元)	1,080.2	1,522.0	-29.0%
Operating loss (HK\$' million)	經營虧損(百萬港元)	(489.7)	(205.2)	+138.6%
Loss attributable to shareholders (HK\$' million)	股東應佔虧損(百萬港元)	(492.6)	(209.5)	+135.2%
Gross margin (%)	毛利率(%)	47.8	55.7	-7.9ppt百分點
Operating margin (%)	經營盈利率(%)	-21.7	-7.5	-14.2ppt百分點
Net margin (%)	淨盈利率(%)	-21.8	-7.7	-14.1ppt百分點
Basic loss per share (HK cents)	每股基本虧損(港仙)	(29.9)	(12.7)	+135.4%

KEY FINANCIAL INDICATORS

主要財務指標

		Six months ended 30 June 截至六月三十日止六個月		
		2018 二零一八年	2017 二零一七年	Change 變化
Average inventory turnover (days) (Note 1)	平均存貨週轉期(日)(附註一)	169	200	-31
Average debtors turnover (days) (Note 2)	平均應收賬款週轉期(日)(附註二)	15	15	-
Average creditors turnover (days) (Note 3)	平均應付賬款週轉期(日)(附註三)	113	138	-25
Cash conversion cycle (days) (Note 4)	現金循環天數(日)(附註四)	71	77	-6
Capital expenditure (HK\$' million)	資本開支(百萬港元)	68.8	45.3	+51.9%

		As at 於		
		30 June 2018 二零一八年 六月三十日	31 December 2017 二零一七年 十二月三十一日	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)	374.9	486.3	-22.9%
Bank loan (HK\$' million)	銀行貸款(百萬港元)	156.9	156.3	+0.4%
Equity attributable to shareholders (HK\$' million)	股東應佔權益(百萬港元)	2,365.5	2,874.9	-17.7%
Current ratio (times) (Note 6)	資產流動比率(倍)(附註六)	2.3	2.5	-0.2
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

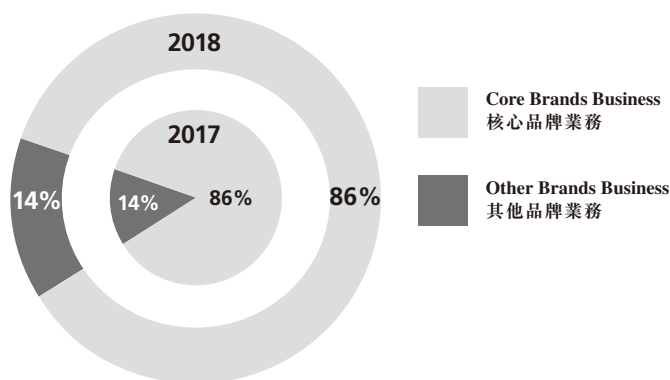
FINANCIAL AND OPERATIONAL HIGHLIGHTS

Notes:

1. The calculation of average inventory turnover (days) is based on the average of opening and closing inventory balances divided by the cost of sales and multiplied by the number of days of the relevant period.
2. The calculation of average debtors turnover (days) is based on the average of opening and closing balances of trade receivables divided by the turnover and multiplied by the number of days of the relevant period.
3. The calculation of average creditors turnover (days) is based on the average of opening and closing balances of trade payables divided by the purchases and multiplied by the number of days of the relevant period.
4. The calculation of cash conversion cycle (days) is based on the average inventory turnover (days) plus average debtors turnover (days) minus average creditors turnover (days) of the relevant period.
5. Cash and bank balances comprise cash and cash equivalents, bank deposit with maturity over three months and pledged bank deposits, including those transferred to assets of disposal group classified as held-for-sale.
6. The calculation of current ratio (times) is based on total current assets divided by total current liabilities as at the relevant period/year end.
7. The calculation of net gearing ratio (%) is based on net debt (being bank loans less cash and bank balances) divided by the equity attributable to shareholders as at the relevant period/year end.

TURNOVER ANALYSIS

營業額分析



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

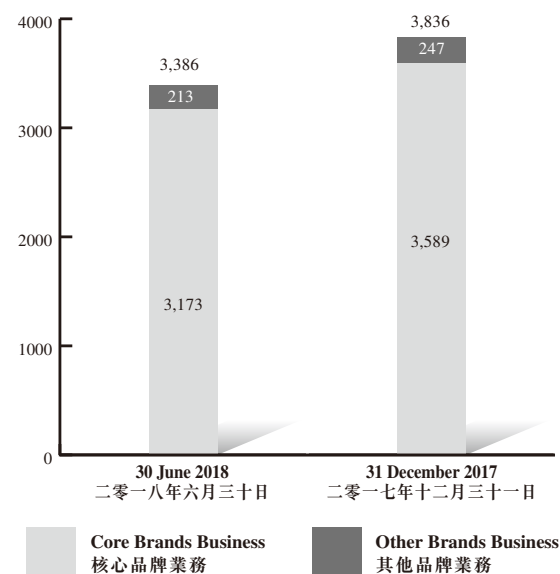
財務及經營摘要

附註：

- 一、平均存貨週轉期(日)乃按期初及期末存貨之平均結餘除以銷售成本乘以有關期間日數計算。
- 二、平均應收賬款週轉期(日)乃按期初及期末貿易應收賬款之平均結餘除以營業額乘以有關期間日數計算。
- 三、平均應付賬款週轉期(日)乃按期初及期末貿易應付賬款之平均結餘除以採購額乘以有關期間日數計算。
- 四、現金循環天數(日)乃按有關期間之平均存貨週轉期(日)加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、存款期超過三個月之銀行存款及已抵押銀行存款(包括轉撥至分類為持作出售之出售組別之資產)。
- 六、資產流動比率(倍)乃根據於有關期間/年度結束日之流動資產總額除以流動負債總額計算。
- 七、淨負債比率(%)乃根據於有關期間/年度結束日之負債淨額(即銀行貸款減現金及銀行結餘)除以股東應佔權益計算。

NUMBER OF POINTS-OF-SALE

銷售點數目



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's Performance

For the six months ended 30 June 2018, the Group's turnover decreased by 17.3% to HK\$2,259.0 million compared with HK\$2,732.7 million for the same period last year. This was mainly attributable to a year-on-year decrease of 25.9% in the number of points-of-sale ("POS") from 4,570 as at 30 June 2017 to 3,386 as at 30 June 2018 and the decrease in the same-store sales at its Core Brands Business. The Group's gross profit decreased to HK\$1,080.2 million (2017: HK\$1,522.0 million) as a result of increased proportion of aged products in the sales mix. Gross profit margin decreased to 47.8% (2017: 55.7%).

During the first half of 2018, operating loss was HK\$489.7 million compared with the operating loss of HK\$205.2 million for the same period last year. Loss attributable to shareholders was HK\$492.6 million (2017: HK\$209.5 million). Basic loss per share was 29.9 HK cents compared with the basic loss of 12.7 HK cents per share for the corresponding period in 2017. The Board of Directors did not recommend the payment of an interim dividend for the six months ended 30 June 2018 (2017: Nil).

The Group continued its efforts to rationalise and adjust its store network to align with its new brand image. After a net closure of 450 POS during the period under review, the Group had a total number of 3,386 POS as at 30 June 2018 (At 31 December 2017: 3,836 POS).

Core Brands Business

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

As one of the key transformation initiatives, the Group continued the adjustment of its channel mix and the rationalisation of its store network. During the period under review, the Group recorded a net closure of 416 POS (including 394 directly-managed stores and 22 franchised stores), or a decrease of 11.6% in the number of POS of Core Brands Business compared to that as at 31 December 2017.

Number of POS of Core Brands Business:

		At 30 June 2018 於二零一八年 六月三十日		At 31 December 2017 於二零一七年 十二月三十一日		Change 變化	
Directly-managed stores	直營店	2,909	92%	3,303	92%	-394	-11.9%
Franchised stores	加盟店	264	8%	286	8%	-22	-7.7%
Total	合計	3,173	100%	3,589	100%	-416	-11.6%

管理層討論及分析

業務回顧

集團表現

截至二零一八年六月三十日止六個月，本集團營業額減少17.3%至2,259.0百萬港元，對比去年同期為2,732.7百萬港元。這主要是由於銷售點按年減少25.9%（由二零一七年六月三十日之4,570個減少至二零一八年六月三十日之3,386個）及其核心品牌業務同店銷售下跌。由於過季產品在銷售組合中佔比增加，本集團毛利下降至1,080.2百萬港元（二零一七年：1,522.0百萬港元），而毛利率則下降至47.8%（二零一七年：55.7%）。

截至二零一八年上半年，經營虧損為489.7百萬港元，對比去年同期經營虧損為205.2百萬港元。股東應佔虧損為492.6百萬港元（二零一七年：209.5百萬港元）。每股基本虧損為29.9港仙，對比二零一七年同期每股基本虧損為12.7港仙。董事會不建議就截至二零一八年六月三十日止六個月派發中期股息（二零一七年：無）。

本集團繼續努力整合並調整其店舖網絡，以配合其全新品牌形象。本集團於回顧期內淨關閉450個銷售點，於二零一八年六月三十日本集團擁有銷售點總數為3,386個（於二零一七年十二月三十一日：3,836個）。

核心品牌業務

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

作為業務轉型的重要舉措之一，本集團持續推進渠道組合調整及店舖網絡整合。回顧期內，本集團的核心品牌業務錄得淨關閉416個銷售點（包括394家直營店及22家加盟店），銷售點數目較二零一七年十二月三十一日減少11.6%。

核心品牌業務銷售點數目：

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Number of POS of Core Brands Business by City Tier:

按城市級別的核心品牌業務銷售點數目：

		At 30 June 2018		At 31 December 2017		Change	
		於二零一八年 六月三十日		於二零一七年 十二月三十一日		變化	
Tier 1	一線城市	330	10%	364	10%	-34	-9.3%
Tier 2	二線城市	750	24%	877	25%	-127	-14.5%
Tier 3	三線城市	605	19%	680	19%	-75	-11.0%
Tier 4-6	四至六線城市	1,488	47%	1,668	46%	-180	-10.8%
Total	合計	3,173	100%	3,589	100%	-416	-11.6%

Affected by the weak economic environment and intense market competition, Core Brands Business recorded a year-on-year decline of 9.1% in the same-store sales for the first half of 2018. However, the same-store sales decline in the second quarter narrowed slightly when compared to that in the first quarter.

受疲弱的經濟環境及激烈的市場競爭影響，截至二零一八年上半年，核心品牌業務同店銷售錄得按年下跌9.1%。然而，第二季度同店銷售跌幅較第一季度已略有收窄。

The year-on-year decrease in store number and a weaker same-store sales performance resulted in a year-on-year decrease of 15.6% in the Core Brands Business turnover which amounted to HK\$2,080.5 million (2017: HK\$2,465.1 million). The segment revenue from external customers accounted for approximately 86% (2017: 86%) of the Group's total revenue during the period under review.

銷售點數目按年減少以及同店銷售表現轉差，導致核心品牌業務營業額按年減少15.6%至2,080.5百萬港元（二零一七年：2,465.1百萬港元）。於回顧期內，該分部對外客戶的收益佔本集團總營業額約86%（二零一七年：86%）。

The Group stepped up its efforts in clearance of aged stocks during the period under review, which led to an increased proportion of aged products in the sales mix. As a result, Core Brands Business recorded significant erosion of gross margin, which decreased by 9.5 percentage points year-on-year to 43.0% (2017: 52.5%).

本集團於回顧期內加大力度清理過季存貨，導致過季產品在銷售組合中佔比增加。因此，核心品牌業務毛利率錄得大幅下跌，按年下跌9.5百分點至43.0%（二零一七年：52.5%）。

The decrease in sales and the substantial reduction in gross profit exerted significant pressure on operating margin. Moreover, the Group was still adversely affected by the high fixed cost structure of retail operations and inflationary pressure in key operating costs, especially the frontline salespersons cost during the period under review. As a result, the operating loss of Core Brands Business increased to HK\$481.9 million (2017: HK\$191.1 million) for the first half of 2018. The operating margin was -23.2% (2017: -7.8%).

銷售減少及毛利大幅下跌對經營盈利率造成巨大壓力。此外，本集團於回顧期內仍持續受到零售營運高固定成本結構及主要營運成本的通脹壓力（特別是前線銷售員工費用）的負面影響。因此，截至二零一八年上半年，核心品牌業務經營虧損擴大至481.9百萬港元（二零一七年：191.1百萬港元）。經營盈利率為-23.2%（二零一七年：-7.8%）。

During the period under review, the Group opened new image stores and continued with store renovation to strengthen its brand image and expand its reach to more consumers nationwide.

回顧期內，本集團開設新形象店舖，及繼續進行店舖翻新，以強化全新的品牌形象，並使其觸及全國更多消費者。

MANAGEMENT DISCUSSION AND ANALYSIS

Regarding brand marketing, through cooperation with key opinion leaders in online marketing, the Group successfully launched its spring and summer collections under the crossover project with the U.S. fashion brand “Opening Ceremony” in the first quarter of 2018. Besides, the Group continued to step up its customer relations management activities through special membership privileges programme in order to strengthen customer loyalty and to boost repeat business.

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). The Other Brands Business segment accounted for approximately 14% (2017: 14%) of the Group’s total revenue during the period under review.

During the period under review, the turnover of Other Brands Business decreased to HK\$313.0 million (2017: HK\$380.9 million) due to a year-on-year decrease of 23.4% in the number of its POS from 278 as at 30 June 2017 to 213 as at 30 June 2018. The gross margin of Other Brands Business decreased by 2.8 percentage points year-on-year to 55.5% (2017: 58.3%) as a result of aggressive clearance of aged products and increased proportion of products sold through e-commerce in sales mix. Other Brands Business recorded an operating loss of HK\$5.7 million for the first half of 2018 (2017: an operating profit of HK\$4.1 million).

The Group’s e-commerce remained profitable in spite of the increasingly competitive online market. Its contribution to the Group’s turnover continued to increase. The Group had some of its stores under the Core Brands Business connect to “Tmall’s Smart Store” system. The move accelerated the integration of the Group’s online and offline operations to better serve its customers. Moreover, through the collaboration with emerging social media and e-commerce platforms, the Group proactively explored new sales channels to adapt itself to consumers’ fast-changing shopping behavior.

管理層討論及分析

在品牌營銷方面，本集團與關鍵意見領袖合作進行線上營銷，於二零一八年第一季度成功推出其與美國時尚品牌「Opening Ceremony」跨界合作系列的春夏產品。此外，通過特別的會員專屬項目，本集團繼續強化顧客關係管理活動，以加強顧客忠誠度，並帶動重複銷售。

其他品牌業務

本集團之其他品牌業務主要包括其電商業務及中高檔品牌業務(包括集團的自有品牌及擁有獨家經銷權的品牌)。其他品牌業務分部於回顧期內佔本集團總營業額約14%(二零一七年：14%)。

回顧期內，由於其銷售點數目按年減少23.4%(由二零一七年六月三十日之278個減少至二零一八年六月三十日之213個)，導致其他品牌業務分部營業額減少至313.0百萬港元(二零一七年：380.9百萬港元)。由於積極清理過季產品及電商業務在銷售組合中佔比增加，其他品牌業務毛利率按年下降2.8百分點至55.5%(二零一七年：58.3%)。截至二零一八年上半年，其他品牌業務錄得經營虧損5.7百萬港元(二零一七年：經營盈利4.1百萬港元)。

儘管線上市場的競爭愈發激烈，本集團的電商業務持續提供盈利，其對本集團營業額的貢獻亦繼續增加。本集團核心品牌旗下部分門店與「天貓智慧門店」系統實現對接，此舉加速本集團線上線下的營運整合，以更好地服務顧客。此外，本集團亦與新興社交電商平台合作，積極拓展新的銷售渠道，以迎合消費者不斷變化的購物習慣。

FINANCIAL REVIEW

Analysis of Results by Business Segment

For the six months ended 30 June 2018, the Group recorded turnover of HK\$2,259.0 million, a decrease of 17.3% compared to that for the corresponding period last year. The business performance of individual segments for the period under review is summarised as follows:

財務回顧

按業務分部業績分析

截至二零一八年六月三十日止六個月，本集團錄得營業額為2,259.0百萬港元，較去年同期下降17.3%。各分部於回顧期內業務表現載列如下：

(HK\$ million 百萬港元)		Core Brands Business 核心品牌業務		Other Brands Business 其他品牌業務		Manufacturing Business 製造業務	
		2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年
Revenue from external customers	對外客戶收益	1,946.0	2,351.8	313.0	380.9	-	-
Inter-segment revenue	分部間收益	134.5	113.3	-	-	104.5	85.1
Total segment revenue	分部收益總額	2,080.5	2,465.1	313.0	380.9	104.5	85.1
Segment gross profit	分部毛利	894.1	1,294.9	173.6	222.0	1.9	5.2
Segment gross margin	分部毛利率	43.0%	52.5%	55.5%	58.3%	1.8%	6.1%
Segment operating (loss)/profit	分部經營(虧損)/盈利	(481.9)	(191.1)	(5.7)	4.1	1.8	0.2
Segment operating margin	分部經營盈利率	-23.2%	-7.8%	-1.8%	1.1%	1.7%	0.2%

During the first half of 2018, total revenue of the Core Brands Business decreased by 15.6% to HK\$2,080.5 million from HK\$2,465.1 million for the corresponding period in 2017. It is mainly due to the closure of stores and decline in the same-store sales. Gross margin of the Core Brands Business also declined from 52.5% in the first half of 2017 to 43.0% during the period under review as result of increased proportion of aged products in the sales mix and the lower average selling price.

Revenue of Other Brands Business also decreased by 17.8% year-on-year to HK\$313.0 million (2017: HK\$380.9 million) for the period under review. Gross margin decreased from 58.3% in the first half of 2017 to 55.5% for the first half of 2018 mainly due to the increased proportion of aged products in the sales mix.

Other Income

Other income amounted to HK\$22.2 million (2017: HK\$24.7 million) during the period under review.

Operating Expenses

The Group's operating expenses (including other losses/gains, selling & distribution expenses and general & administrative expenses) dropped by HK\$159.8 million or 9.1%, to HK\$1,592.1 million during the period under review from HK\$1,751.9 million for the corresponding period in 2017. The drop was generally in line with the decrease in sales and number of stores.

Operating Loss

As a result of the above-mentioned reasons, the Group recorded an operating loss of HK\$489.7 million, compared with the operating loss of HK\$205.2 million in the corresponding period last year. Operating margin deteriorated further to -21.7% (2017: -7.5%).

截至二零一八年上半年，核心品牌業務收益總額由二零一七年同期的2,465.1百萬港元減少15.6%至2,080.5百萬港元。這主要是由於關閉店舖及同店銷售下降所導致。受過季產品在銷售組合中佔比增加和平均銷售價格降低影響，回顧期內，核心品牌業務毛利率亦由二零一七上半年的52.5%下降至43.0%。

回顧期內，其他品牌業務收益亦按年減少17.8%至313.0百萬港元(二零一七年：380.9百萬港元)。毛利率由二零一七年上半年的58.3%下降至二零一八年上半年的55.5%，這主要由於過季產品在銷售組合中佔比增加。

其他收入

回顧期內，其他收入共計22.2百萬港元(二零一七年：24.7百萬港元)。

經營費用

回顧期內，本集團之經營費用(包括其他虧損/收益、銷售及分銷開支以及一般及行政開支)由二零一七年上半年的1,751.9百萬港元減少159.8百萬港元或9.1%至1,592.1百萬港元。經營費用之下跌基本上與銷售及店舖數目跌幅相若。

經營虧損

基於上述原因，本集團之經營虧損錄得489.7百萬港元，對比去年同期的經營虧損為205.2百萬港元。營業利潤率為-21.7%(二零一七年：-7.5%)。

MANAGEMENT DISCUSSION AND ANALYSIS

Income Tax Expense

For the period ended 30 June 2018, the Group's income tax expense was HK\$6.2 million, compared with HK\$2.4 million for the same period last year.

Loss Attributable to Shareholders

For the period ended 30 June 2018, the Group's loss attributable to shareholders increased by HK\$283.1 million to HK\$492.6 million (2017: HK\$209.5 million). Basic loss per share was 29.9 HK cents (2017: 12.7 HK cents) during the period under review.

Inventories

As at 30 June 2018, the Group's inventories decreased by HK\$286.6 million or 23.0%, to HK\$960.3 million from HK\$1,246.9 million as at 31 December 2017. Average inventory turnover was 169 days (2017: 200 days) during the period under review. Included in the inventories, the balance of provision for slow-moving and obsolete items was HK\$534.9 million as at 30 June 2018 (At 31 December 2017: HK\$537.9 million).

Trade Receivables

The amount of trade receivables as at 30 June 2018 increased by HK\$14.8 million or 8.2% to HK\$196.1 million (At 31 December 2017: HK\$181.3 million) mainly due to more credit sales from department stores and shopping malls. Average debtors turnover remained at 15 days (2017: 15 days).

Trade Payables

On the other hand, the Group's trade payables decreased by HK\$77.2 million or 13.3%, to HK\$504.0 million as at 30 June 2018 from HK\$581.2 million as at 31 December 2017. As a result, its average creditors turnover decreased by 25 days, from 138 days for the same period last year to 113 days during the period under review.

Liquidity and Financial Resources

The Group maintains a stable and healthy balance sheet. As at 30 June 2018, the Group had equity attributable to shareholders totalling HK\$2,365.5 million (At 31 December 2017: HK\$2,874.9 million). Cash and bank balances amounted to HK\$374.9 million (At 31 December 2017: HK\$486.3 million), which were denominated mainly in Renminbi.

As at 30 June 2018, the Group's short-term bank loan was HK\$156.9 million (At 31 December 2017: HK\$156.3 million). As such, the Group had net cash of HK\$218.0 million (At 31 December 2017: HK\$330.0 million). The bank loan was denominated in United States dollar and at floating interest rates during the period under review. The Group did not hedge its exposure to exchange fluctuation and interest rate risk.

As at 30 June 2018, the Group was granted banking facilities that amounted to HK\$160.0 million (At 31 December 2017: HK\$163.0 million). Certain of these banking facilities were secured by pledged bank deposits amounting to HK\$161.1 million (At 31 December 2017: HK\$181.4 million).

管理層討論及分析

所得稅開支

截至二零一八年六月三十日止期間，本集團之所得稅開支為6.2百萬港元，對比去年同期為2.4百萬港元。

股東應佔虧損

截至二零一八年六月三十日止期間，本集團股東應佔虧損增加283.1百萬港元至492.6百萬港元（二零一七年：209.5百萬港元）。回顧期內，每股基本虧損為29.9港仙（二零一七年：12.7港仙）。

存貨

於二零一八年六月三十日，本集團存貨由二零一七年十二月三十一日的1,246.9百萬港元，減少286.6百萬港元或23.0%至960.3百萬港元。回顧期內，平均存貨週轉期為169日（二零一七年：200日）。於二零一八年六月三十日，包括於存貨中的滯銷及過時存貨撥備餘額為534.9百萬港元（於二零一七年十二月三十一日：537.9百萬港元）。

貿易應收賬款

於二零一八年六月三十日之貿易應收賬款增加14.8百萬港元或8.2%至196.1百萬港元（於二零一七年十二月三十一日：181.3百萬港元），這主要由於有較多百貨公司及購物中心的除銷。平均應收賬款週轉期維持為15日（二零一七年：15日）。

貿易應付賬款

另一方面，本集團之貿易應付賬款由二零一七年十二月三十一日的581.2百萬港元減少77.2百萬港元或13.3%至二零一八年六月三十日的504.0百萬港元。因此，於回顧期內，平均應付賬款週轉期則由去年同期的138日減少25日至113日。

流動資金及財政資源

本集團維持穩健及健康的財務狀況。於二零一八年六月三十日，本集團股東應佔權益共計2,365.5百萬港元（於二零一七年十二月三十一日：2,874.9百萬港元）。現金及銀行結餘為374.9百萬港元（於二零一七年十二月三十一日：486.3百萬港元），主要以人民幣為結算單位。

於二零一八年六月三十日，本集團之短期銀行貸款為156.9百萬港元（於二零一七年十二月三十一日：156.3百萬港元）。因此，本集團之現金淨額為218.0百萬港元（於二零一七年十二月三十一日：330.0百萬港元）。回顧期內，銀行貸款以美元為結算單位及按浮動利率計息。本集團並無對沖所面對之匯率波動及利率風險。

於二零一八年六月三十日，本集團獲授權之銀行融資額度為160.0百萬港元（於二零一七年十二月三十一日：163.0百萬港元）。若干銀行融資額度由已抵押銀行存款161.1百萬港元作擔保（於二零一七年十二月三十一日：181.4百萬港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the first half of 2018, the net decrease in cash and bank balances of HK\$111.4 million (2017: HK\$139.3 million) is analysed as follows:

截至二零一八年上半年，現金及銀行結餘淨減少111.4百萬港元(二零一七年：139.3百萬港元)的分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$' million 百萬港元	2017 二零一七年 HK\$' million 百萬港元
Net cash used in operating activities	經營活動所用的現金淨額	(60.3)	(69.8)
Capital expenditure	資本開支	(68.8)	(45.3)
Net interest received	已收利息淨額	1.6	7.9
Proceeds from disposal of a subsidiary and a financial asset	出售附屬公司和金融資產的所得款項	34.2	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	1.4	0.9
Net bank loan repaid	銀行貸款償還淨額	(0.9)	(53.9)
Effect of exchange rate changes	外匯兌換率變動之影響	(18.6)	20.9
		(111.4)	(139.3)

During the first half of 2018, the Group's interest income on bank balances and deposits was HK\$4.2 million (2017: HK\$11.4 million) while finance costs on a short-term bank loan amounted to HK\$2.6 million (2017: HK\$3.5 million).

截至二零一八年上半年，本集團銀行結餘及存款之利息收入為4.2百萬港元(二零一七年：11.4百萬港元)，而短期銀行貸款之財務成本為2.6百萬港元(二零一七年：3.5百萬港元)。

The Group's current ratio was 2.3 times as at 30 June 2018 (At 31 December 2017: 2.5 times). The management is of the opinion that the Group has sufficient financial resources to fulfil its financial obligations as and when they fall due.

於二零一八年六月三十日，本集團之資產流動比率為2.3倍(於二零一七年十二月三十一日：2.5倍)。管理層認為本集團現時持有足夠的財務資源以履行其到期時的義務。

As at 30 June 2018, the Group's net gearing, calculated on the basis of net debt (being bank loan less cash and bank balances) divided by equity attributable to shareholders, indicated that the Group was in a net cash (At 31 December 2017: net cash) position.

於二零一八年六月三十日，本集團之淨負債比率(根據負債淨額(即銀行貸款減現金及銀行結餘)除以股東應佔權益計算)為淨現金(於二零一七年十二月三十一日：淨現金)狀況。

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 the six months ended 30 June 2018, the Group did not enter into any forward foreign exchange contract.

匯率風險管理

本集團通過定期檢討本集團的外匯風險淨額來管理其外匯風險，而本集團可在預期相關外幣出現重大波動時或會使用遠期外匯合約。截至二零一八年六月三十日止六個月，本集團並無訂立任何遠期外匯合約。

Pledge of Assets

As at 30 June 2018, the Group pledged bank deposits of HK\$161.1 million (At 31 December 2017: HK\$181.4 million) to secure certain banking facilities.

資產抵押

於二零一八年六月三十日，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161.1百萬港元(二零一七年十二月三十一日：181.4百萬港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Expenditure

During the interim period, the Group incurred capital expenditure of HK\$68.8 million (2017: HK\$45.3 million) mainly for retail network expansion and renovation.

Contingent Liabilities

As at 30 June 2018 and 31 December 2017, the Group had no significant contingent liabilities.

Human Resources

As at 30 June 2018, the Group had a workforce of about 10,800 (At 31 December 2017: 13,000) people predominantly in mainland China, Taiwan and Hong Kong. Employee benefits expense, including directors' emoluments, retirement benefit costs and share-based payment expense, for the period under review was HK\$420.7 million (2017: HK\$406.8 million).

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 for the employees.

AWARDS

Daphne ranked top for the eighth consecutive year in the "China Brand Power Index 2018" (in the "Women's Shoes" category). This award reflected Daphne's strong brand awareness and loyalty in China. This independent annual survey was conducted by "Chnbrand", an institution funded by the Ministry of Industry and Information Technology of China and recognised as one of the most credible brand rating organisations in China. This survey ranks companies by industry and category based on the findings from the interviews with 2,666,430 consumers in 40 cities across China about brand awareness and loyalty.

In addition, the Group received a Certificate of Excellence from the Hong Kong Investor Relations Association in "The 4th Session of Investor Relations Awards" in recognition of its efforts to ensure good corporate governance and to maintain good investor relations.

OUTLOOK

The prospect of a recovery in China's mass market for women's footwear is clouded by frequent price wars waged by local shoe brands and retailers. To cope with the situation, the Group will press on with its business transformation initiatives and will make timely adjustments to them to adapt to the market condition.

管理層討論及分析

資本開支

於中期報告期間，本集團的資本開支為68.8百萬港元（二零一七年：45.3百萬港元），主要用於擴張及裝修零售網絡。

或然負債

於二零一八年六月三十日及二零一七年十二月三十一日，本集團並無重大或然負債。

人力資源

於二零一八年六月三十日，本集團於中國大陸、台灣及香港之僱員人數約為10,800人（於二零一七年十二月三十一日：13,000人）。回顧期內，僱員福利開支（包括董事酬金、退休福利開支及以股份為基礎之款項開支）為420.7百萬港元（二零一七年：406.8百萬港元）。

本集團一向重視人力資源並深明留聘優質人才的重要性，所提供之薪酬及福利乃參考市場水平及個人資歷而定。此外，本集團根據本集團及員工個人之表現向合資格員工授予購股權、股份增值權及酌情花紅。本集團亦為僱員提供強積金、醫療保障、員工購物折扣及培訓課程。

獎項

達芙妮連續第八年在《2018年中國品牌力指數》（女鞋類別）中位列榜首。該獎項反映了達芙妮在中國強大的品牌知名度及顧客忠誠度。該獨立年度調查由「中國企業品牌研究中心」主辦。「中國企業品牌研究中心」是由中國政府的工業和資訊化部門資助，被譽為是中國最具公信力的品牌評價機構之一。通過訪問全國40個城市合共2,666,430名消費者，這項調查對各行各業的品牌進行品牌知名度和顧客忠誠度評審。

此外，本集團在香港投資者關係協會所舉辦的「第四屆投資者關係大獎」中獲得「優秀證書」，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

中國大眾女鞋市場復蘇的前景因本地鞋類品牌和零售商頻繁的價格戰而蒙上陰影。為應對此情況，本集團將繼續推行業務轉型舉措，並及時調整，以適應市場狀況。

MANAGEMENT DISCUSSION AND ANALYSIS

To strengthen its upgraded brand image, the Group will continue to optimise its store network by opening more new image stores nationwide and by speeding up the renovation of its stores. In the third quarter of 2018, the Group will launch its next significant crossover collection. It is also planning a series of integrated marketing campaigns to engage more consumers through both the online and offline channels.

The upgrading of the products as a business transformation initiative will remain the key to satisfying customers' different needs and wants. The Group will continue with its product upgrade by increasing the proportion of trendy products and those made of new materials in the sales mix to meet the ever-changing fashion trends. By increasing its investment in product development, the Group is committed to the improvement of product quality to make its products more comfortable for its customers to wear. The ongoing efforts to upgrade the supply chain will also give support to the product upgrade. Moreover, it plans to step up the development of other product categories to capture more business opportunities.

While further increasing e-commerce's contribution to the Group's turnover, the Group plans to have more of its stores connect to "Tmall's Smart Store" system to attract more customers to its offline sales channel. Its e-commerce department will collaborate with its product development team in launching exclusive products that target the young consumers who shop online and follow fashion trends.

As a customer-centric company, the Group will conduct an in-depth, multi-dimensional analysis of the data of its existing customers. This will enable the Group to better predict market trends and consumer preferences. Powered by the big data analytics, the Group will be able to do its product planning with more precision so as to stay abreast of the trend in consumer demand. Besides, customised marketing strategy will be implemented to improve marketing efficiency and boost customer loyalty.

Business transformation is a voyage fraught with uncertainty but it is also full of opportunities. The data for the second half of 2018 to the present shows a slight improvement trend in the sales of the Core Brands Business. The sales channel adjustment that leads to a higher number of new image stores will also gradually yield results. As a customer-centric company whose decision is data-driven, the Group will enhance its capability to analyse customer profiles and then to develop its products to meet diverse needs and desires so as to embrace the "New Retail" movement. The Group believes that its experienced management team, strong brands, and a wide sales network can help it succeed in its business transformation.

管理層討論及分析

為強化其升級後的品牌形象，本集團將繼續優化店舖網絡，開設更多新形象店舖，亦將加速店舖翻新工程，以強化升級後的品牌形象。於二零一八年第三季度，本集團將推出下一個重要的跨界合作系列，並籌劃一系列整合營銷活動，藉助線上及線下渠道吸引更多消費者。

產品升級仍是本集團業務轉型的重點之一，以滿足顧客不同的需求。本集團將繼續進行產品升級，通過增加流行及新材質產品在銷售組合中的佔比，以迎合不斷變化的時尚潮流。本集團將加大對產品開發的投入，致力提升產品品質，使顧客擁有更舒適的穿著體驗。持續進行的供應鏈升級，亦將助力產品升級。此外，本集團計劃加強對其他產品品類的發展，以爭取更多銷售機會。

在進一步提升電商對本集團銷售額貢獻的同時，本集團計劃將更多門店系統接入「天貓智慧門店」，為其線下銷售渠道吸引更多顧客。針對在網上購物並追逐時尚潮流的年輕消費者，電商部門將與產品開發團隊合作推出限定產品。

本集團將以顧客為中心，對現有顧客數據進行多維度深入分析。這將有助本集團更好地預測市場趨勢及顧客喜好。通過大數據分析，本集團將能夠達至更精準的產品規劃，從而與消費者的需求趨勢保持一致。此外，本集團將實行精準營銷策略，以提高營運效益並提升會員忠誠度。

業務轉型過程中，不確定因素與機遇並存。按二零一八年下半年至今的銷售數據可見，核心品牌業務銷售趨勢已略有改善。隨著越來越多新形象店舖的開設，本集團的銷售渠道調整也將逐漸產生效果。本集團將以顧客為核心、以數據為驅動，加強顧客分析，並應用於產品開發，以滿足不同的需求。本集團將以此來迎接「新零售」進程。憑藉其賦有經驗的管理團隊、強大的品牌及廣泛的銷售網絡，本集團將順利完成業務轉型。

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2018

截至二零一八年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	Note 附註		
Turnover	營業額	6	2,259,010
Cost of sales	銷售成本		(1,178,797)
Gross profit	毛利		1,080,213
Other income	其他收入	7	22,222
Other (losses)/gains – net	其他(虧損)/收益—淨額	8	(15,710)
Selling and distribution expenses	銷售及分銷開支		(1,415,308)
General and administrative expenses	一般及行政開支		(161,120)
Operating loss	經營虧損	9	(489,703)
Finance costs	財務成本	10	(2,572)
Share of results of associates and joint ventures	應佔聯營公司及合營企業之業績		(504)
Loss before income tax	除所得稅前虧損		(492,779)
Income tax expense	所得稅開支	11	(6,229)
Loss for the period	期內虧損		(499,008)
Attributable to:	以下各方應佔：		
Shareholders	股東		(492,633)
Non-controlling interests	非控制性權益		(6,375)
			(499,008)
Loss per share, basic and diluted (HK cents)	每股基本及攤薄虧損(港仙)	12	(29.9)

The notes on pages 20 to 36 are an integral part of these condensed consolidated interim financial statements.

第20至36頁之附註為本簡明綜合中期財務報表之組成部分。

**CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE
INCOME**

簡明綜合全面收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2018

截至二零一八年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss for the period	期內虧損	(499,008)	(211,210)
Other comprehensive (loss)/income	其他全面(虧損)/收益		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>可於其後重新分類至損益之項目:</i>		
Currency translation differences of a foreign subsidiary	外國附屬公司之匯兌差額	(156)	1,040
Change in fair value of a financial asset	金融資產之公允價值變動	(70)	3,744
<i>Item that will not be reclassified subsequently to profit or loss:</i>	<i>不可於其後重新分類至損益之項目:</i>		
Currency translation differences	匯兌差額	(16,696)	116,404
Total comprehensive loss for the period	期內全面虧損總額	(515,930)	(90,022)
Attributable to:	以下各方應佔:		
Shareholders	股東	(510,248)	(91,763)
Non-controlling interests	非控制性權益	(5,682)	1,741
		(515,930)	(90,022)

The notes on pages 20 to 36 are an integral part of these condensed consolidated interim financial statements.

第20至36頁之附註為本簡明綜合中期財務報表之組成部分。

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

AS AT 30 JUNE 2018

於二零一八年六月三十日

		Note 附註	Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
Non-current assets	非流動資產			
Land use rights	土地使用權	14	46,390	47,769
Property, plant and equipment	物業、廠房及設備	15	674,287	859,290
Investment properties	投資物業	16	194,044	67,481
Interests in associates	於聯營公司之權益		1,622	1,803
Interests in joint ventures	於合營企業之權益		1,649	2,487
Available-for-sale financial asset	可出售金融資產		–	3,698
Intangible assets	無形資產	17	20,533	20,741
Long-term rental deposits and prepayments	長期租金按金及預付賬款		80,270	85,590
Deferred income tax assets	遞延所得稅項資產		265,104	270,136
			1,283,899	1,358,995
Current assets	流動資產			
Inventories	存貨		960,328	1,246,878
Trade receivables	貿易應收賬款	18	196,131	181,310
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	19	687,491	827,337
Pledged bank deposits	已抵押銀行存款		161,123	181,403
Bank deposit with maturity over three months	存款期超過三個月之銀行存款		–	4,785
Cash and cash equivalents	現金及現金等價物		213,733	299,830
			2,218,806	2,741,543
Assets of disposal group classified as held-for-sale	分類為持作出售之出售組別之資產	20	21,616	53,322
			2,240,422	2,794,865
Current liabilities	流動負債			
Trade payables	貿易應付賬款	21	503,965	581,157
Other payables and accrued charges	其他應付賬款及應計費用		317,211	362,601
Contract liabilities	合約負債		4,978	–
Income tax payable	應付所得稅		6,789	4,511
Bank loan	銀行貸款		156,882	156,274
			989,825	1,104,543
Liabilities of disposal group classified as held-for-sale	分類為持作出售之出售組別之負債	20	202	247
			990,027	1,104,790
Net current assets	流動資產淨值		1,250,395	1,690,075
Total assets less current liabilities	總資產減流動負債		2,534,294	3,049,070

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

AS AT 30 JUNE 2018

於二零一八年六月三十日

			Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
		Note 附註		
Equity attributable to shareholders	股東應佔權益			
Share capital	股本	22	164,914	164,914
Reserves	儲備	23	2,200,635	2,709,993
			2,365,549	2,874,907
Non-controlling interests	非控制性權益		155,072	160,754
			2,520,621	3,035,661

Non-current liabilities	非流動負債			
Deferred income tax liabilities	遞延所得稅項負債		13,673	13,409

Total equity and non-current liabilities	總權益及非流動負債		2,534,294	3,049,070

Approved by the Board of Directors on 28 August 2018

已獲董事會於二零一八年八月二十八日批准

CHANG CHIH-KAI

張智凱

Director

董事

CHEN TOMMY YI-HSUN

陳怡勳

Director

董事

The notes on pages 20 to 36 are an integral part of these condensed consolidated interim financial statements.

第20至36頁之附註為本簡明綜合中期財務報表之組成部分。

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

FOR THE SIX MONTHS ENDED 30 JUNE 2018

截至二零一八年六月三十日止六個月

		Unaudited 未經審核			
		Attributable to shareholders 股東應佔			
		Share capital 股本 HK\$'000 千港元	Reserves 儲備 HK\$'000 千港元	Non- controlling interests 非控制性權益 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	164,914	2,709,993	160,754	3,035,661
Loss for the period	期內虧損	-	(492,633)	(6,375)	(499,008)
Change in fair value of a financial asset	金融資產之公允價值變動	-	(70)	-	(70)
Currency translation differences	匯兌差額	-	(17,545)	693	(16,852)
Total comprehensive loss	全面虧損總額	-	(510,248)	(5,682)	(515,930)
Share option scheme: Value of grantee services	購股權計劃： 承授人服務價值	-	890	-	890
Total transactions with shareholders	與股東交易總額	-	890	-	890
At 30 June 2018	於二零一八年六月三十日	164,914	2,200,635	155,072	2,520,621
At 1 January 2017	於二零一七年一月一日	164,914	3,206,484	160,652	3,532,050
Loss for the period	期內虧損	-	(209,463)	(1,747)	(211,210)
Revaluation of available-for-sale financial asset	重估可出售金融資產	-	3,744	-	3,744
Currency translation differences	匯兌差額	-	113,956	3,488	117,444
Total comprehensive loss	全面虧損總額	-	(91,763)	1,741	(90,022)
Share option scheme: Value of grantee services	購股權計劃： 承授人服務價值	-	4,153	-	4,153
Total transactions with shareholders	與股東交易總額	-	4,153	-	4,153
At 30 June 2017	於二零一七年六月三十日	164,914	3,118,874	162,393	3,446,181

The notes on pages 20 to 36 are an integral part of these condensed consolidated interim financial statements.

第20至36頁之附註為本簡明綜合中期財務報表之組成部分。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

FOR THE SIX MONTHS ENDED 30 JUNE 2018

截至二零一八年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Operating activities	經營活動		
Cash used in operations	營運所用之現金	(60,253)	(57,784)
Income tax paid	已付所得稅	-	(12,053)
Net cash used in operating activities	經營活動所用之現金淨額	(60,253)	(69,837)
Investing activities	投資活動		
Acquisition of land use rights and property, plant and equipment	購置土地使用權及物業、廠房及設備	(68,778)	(45,284)
Proceeds from disposal of a subsidiary	出售附屬公司之收款	30,575	-
Proceeds from disposal of a financial asset	出售金融資產之收款	3,638	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之收款	1,401	909
Interest received	已收利息	4,164	11,429
Decrease in bank deposit with maturity over three months	存款期超過三個月之銀行存款減少	4,832	17,286
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	22,084	(174,965)
Net cash used in investing activities	投資活動所用之現金淨額	(2,084)	(190,625)
Financing activities	融資活動		
Interest paid	已付利息	(2,572)	(3,506)
Repayment of a bank loan	償還銀行貸款	(157,829)	(209,894)
Proceeds from a bank loan	銀行貸款之收款	156,882	156,007
Net cash used in financing activities	融資活動所用之現金淨額	(3,519)	(57,393)
Decrease in cash and cash equivalents	現金及現金等價物減少	(65,856)	(317,855)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	300,114	972,769
Effect of foreign exchange rate changes	外匯兌換率變動之影響	(20,522)	20,323
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	213,736	675,237
Analysis of balances of cash and cash equivalents:	現金及現金等價物結餘分析：		
Bank balances and cash	銀行結餘及現金	213,736	516,365
Bank deposits within three months of maturity	存款期為三個月以內之銀行存款	-	158,872
		213,736	675,237

The notes on pages 20 to 36 are an integral part of these condensed consolidated interim financial statements.

第20至36頁之附註為本簡明綜合中期財務報表之組成部分。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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.

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

These condensed consolidated interim financial statements for the six months ended 30 June 2018 are unaudited and have been reviewed by the Audit Committee of the Company and approved for issue by the Board of Directors on 28 August 2018.

2 BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six months ended 30 June 2018 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and it should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

3 PRINCIPAL ACCOUNTING POLICIES

Other than changes in accounting policies resulting from application of new and amendments to HKFRSs, the accounting policies applied in the condensed consolidated interim financial statements for the six months ended 30 June 2018 are consistent with those adopted in the consolidated financial statements for the year ended 31 December 2017.

(i) New and amended standards effective and adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments, if applicable, as a result of adopting the following standards:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers

The impact of the adoption of these standards and the new accounting policies are disclosed in Notes 3(ii) to 3(v) below. The other standards did not have any impact on the Group’s accounting policies and did not require retrospective adjustments.

簡明綜合中期財務報表附註

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。

除另有訂明外，本簡明綜合中期財務報表以港元（「港元」）列值。

此截至二零一八年六月三十日止六個月之簡明綜合中期財務報表為未經審核，惟已由本公司審核委員會審閱，並已於二零一八年八月二十八日經董事會批准發佈。

2 編製基準

此截至二零一八年六月三十日止六個月之簡明綜合中期財務報表乃遵照香港會計師公會頒佈之香港會計準則第34號「中期財務報告」之規定編製，並應與截至二零一七年十二月三十一日止年度之年度財務報表一併閱讀，而該年度財務報表乃根據香港財務報告準則（「香港財務報告準則」）編製。

3 主要會計政策

除應用新訂和已修改的香港財務報告準則修訂所導致的會計政策變動外，編製此截至二零一八年六月三十日止六個月之簡明綜合中期財務報表所用之會計政策與截至二零一七年十二月三十一日止年度之綜合財務報表所採納是一致的。

(i) 本集團已採納新訂和已修改的準則

若干新修訂或已修改的準則於本報告期間已適用，由於採納以下準則本集團須改變其會計政策並進行追溯調整（如適用）：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	與客戶之間的合同產生的收入

採納此等準則和新會計政策的影響載於附註3(ii)至3(v)，其他準則對本集團的會計政策沒有影響，因此也並未被要求追溯調整。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(ii) HKFRS 9 “Financial Instruments” – Impact of adoption

HKFRS 9 replaces the provisions of HKAS 39 “Financial Instruments: Recognition and Measurement” that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Group adopted HKFRS 9 from 1 January 2018. In accordance with the transitional provisions in HKFRS 9, comparative figures have not been restated.

On 1 January 2018 (the date of initial application of HKFRS 9), the Group’s management has assessed which business models apply to the financial assets held by the Group and has classified its financial assets into the appropriate HKFRS 9 categories. The majority of the Group’s financial assets include:

- investments in unlisted companies previously classified as available-for-sale financial assets was reclassified to financial assets at fair value through other comprehensive income under HKFRS 9; and
- loans and receivables previously measured at amortised cost which meet the conditions for classification at amortised cost under HKFRS 9.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (“ECL”) rather than only incurred credit losses as is the case under HKAS 39. The Group has trade receivables and other receivables that are subject to HKFRS 9’s new ECL model.

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Group’s retained earnings as at 1 January 2018 was immaterial.

The following table shows the impact on each individual line item. Line items that were not affected by the changes have not been included.

		Impact on initial adoption of HKFRS 9 首次採納 香港財務 報告準則 第9號之影響	As at 1 January 2018 於 二零一八年 一月一日 HK\$’000 千港元
As at 31 December 2017 於 二零一七年 十二月 三十一日 HK\$’000 千港元		HK\$’000 千港元	HK\$’000 千港元
Non-current assets	非流動資產		
Available-for-sale financial asset	可供出售金融資產	3,698	(3,698)
Financial asset at fair value through other comprehensive income	以公允價值計入其他全面收益之金融資產	–	3,698
			3,698

3 主要會計政策(續)

(ii) 香港財務報告準則第9號「金融工具」—採納的影響

香港財務報告準則第9號取代了香港會計準則第39號「金融工具：確認與計量」關於金融資產和金融負債的確認、分類與計量，金融工具終止的確認，金融資產減值與對沖會計處理的規定。

本集團自二零一八年一月一日起採納香港財務報告準則第9號。根據香港財務報告準則第9號的過渡要求，比較數字並沒有被重列。

於二零一八年一月一日(香港財務報告準則第9號首次採納日)，本集團管理層評估了本集團所持有金融資產的業務模式，並將金融資產分類至香港財務報告準則第9號下的適當類別。本集團的主要金融資產包括：

- 以前分類為可供出售金融資產的非上市公司的投資，須根據香港財務報告準則第9號重新分類為以公允價值計入其他全面收益之金融資產；
- 以前按照攤銷成本計量的貸款及應收款項符合根據香港財務報告準則第9號按攤銷成本分類的條件。

新減值模型要求根據預期信貸虧損(「預期信貸虧損」) 確認減值撥備，而非只按香港會計準則第39號的情況確認已發生的信貸虧損。本集團的貿易應收賬款及其他應收款項須遵守香港財務報告準則第9號的新預期信貸虧損模型。

本集團須按照香港財務報告準則第9號的規定修訂其對各類資產的減值方法。減值方法的變更對本集團二零一八年一月一日的保留盈利影響並不重大。

下表顯示了對每個項目的影響，未包括未受更改影響的項目：

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

- (iii) HKFRS 9 “Financial Instruments” – Summary of significant accounting policies applied from 1 January 2018

Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The Group subsequently measures all equity investments at fair value. Where the Group’s management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group’s right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gains/(losses) in the income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

簡明綜合中期財務報表附註

3 主要會計政策(續)

- (iii) 香港財務報告準則第9號「金融工具」— 自二零一八年一月一日起應用的會計政策

分類

自二零一八年一月一日起，本集團將金融資產分為以下計量類別：

- 其後按公允價值計量(計入其他全面收益或計入損益)的金融資產；及
- 按攤銷成本計量的金融資產。

該分類視乎本集團管理金融資產的業務模式以及現金流量的合同條款而定。

對於以公允價值計量的資產，其收益和虧損計入損益或其他全面收益。對於非交易性的權益工具投資，則將取決於本集團在初始確認時是否作出不可撤銷的選擇而將其作為以公允價值計入其他全面收益的權益投資入賬。

僅當管理該等資產的業務模式發生變化時，本集團才會對債務投資進行重新分類。

計量

對於不被分類為以公允價值計量且變動計入損益的金融資產，於初始確認時，本集團以其公允價值加上可直接歸屬於獲得該項金融資產的交易費用進行計量。以公允價值計入損益的金融資產的交易費用於損益支銷。

本集團以公允價值對所有股權投資進行後續計量。如果本集團管理層選擇將股權投資的公允價值收益及虧損於其他全面收益列報，則當終止確認該項投資時，不會將公允價值收益及虧損重分類至損益。當本集團確立收取股息付款的權利時，該等投資的股息才作為其他收入繼續於損益中確認。

對於以公允價值計入損益的金融資產，其公允價值變動於損益表的其他收益/(虧損)中確認(如適用)。對於以公允價值計入其他全面收益的股權投資，其減值虧損(以及減值虧損撥回)不會與其他公允價值變動分開列示。

減值

自二零一八年一月一日起，對於以攤銷成本計量和以公允價值計入其他全面收益的債務工具，本集團就其預期信貸虧損做出前瞻性評估。減值方法取決於其信用風險有否顯著增加。

對於貿易應收賬款，本集團應用香港財務報告準則第9號允許的簡化方法，在初始確認貿易應收賬款時確認整個存續期的預期損失。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impairment on other receivables is measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

(iv) HKFRS 15 “Revenue from Contracts with Customers” – Impact of adoption

HKFRS 15 replaces 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 Group adopted HKFRS 15 from 1 January 2018. The Group has adopted the modified retrospective approach and the comparatives were not restated. The impact of the adoption of HKFRS 15 was immaterial and there was no adjustment in retained earnings as at 1 January 2018.

Management has assessed and identified the effects of applying the new standard on the Group’s financial statements as follows:

“Receipt in advance from customers” and “deferred revenue” which were previously included in other payables and accrued charges, amounting to HK\$5,798,000 and HK\$246,000 respectively as at 1 January 2018, are now included under contract liabilities to reflect the terminology of HKFRS 15.

The adoption of HKFRS 15 does not have a significant impact when the Group recognises revenue from sales of goods.

The following table shows the impact on each individual line item. Line items that were not affected by the changes have not been included.

		Impact	
	As at 31	on initial	As at
	December	adoption of	1 January
	2017	HKFRS 15	2018
	於	首次採納	於
	二零一七年	香港財務	二零一八年
	十二月	報告準則	一月一日
	三十一日	第15號之影響	一月一日
	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元
Current liabilities	流動資產		
Other payables and accrued charges	其他應付款和應計費用	362,601	356,557
Contract liabilities	合約負債	(6,044)	6,044
		-	-

3 主要會計政策(續)

其他應收賬款之減值，要視乎自初始確認後其信用風險是否有顯著增加，可以以十二個月內的預期信貸虧損或存續期的預期信貸虧損計量。如果有應收賬款自初始確認後，其信用風險有顯著增加，其減值將會以存續期的預期信貸虧損計量。

(iv) 香港財務報告準則第15號「與客戶之間的合同產生的收入」-採納的影響

香港財務報告準則第15號取代現時載於香港會計準則第18號之商品與服務合同及香港會計準則第11號之建造合同。新準則是根據貨品與合同的控制權已經轉移至客戶作為原則。

本集團自二零一八年一月一日起採納香港財務報告準則第15號。本集團已採納修訂追溯方式來應用該準則而比較數字不會重列。採納香港財務報告準則第15號的影響並不重大，因此並未調整於二零一八年一月一日的保留盈利。

管理層已評估及確定將新準則應用於本集團財務報表的影響如下：

於二零一八年一月一日，之前已包括在其他應付款項及應計費用中的「預收客戶款項」及「遞延收入」分別為5,798,000港元及246,000港元，現列入合約負債以反映香港財務報告準則第15號的術語。

採納香港財務報告準則第15號對本集團何時確認貨品銷售收入並無重大影響。

下表顯示了對每個項目的影響，未包括未受更改影響的項目：

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

- (v) HKFRS 15 “Revenue from contracts with customers” – Summary of significant accounting policies applied from 1 January 2018

Sale of goods - wholesale

Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler’s acceptance of the products.

The goods are often sold with sales discounts. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. No element of financing is deemed present.

Sale of goods - retail

Revenue from the sale of goods is recognised when the Group sells a product to the customer. Payment of the transaction price is due immediately when the customer purchases the goods.

- (vi) New and amended standards and interpretations issued but not yet adopted by the Group

HKFRS 16 “Leases” 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\$983,665,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group’s profit and classification of cash flows.

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

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

簡明綜合中期財務報表附註

3 主要會計政策(續)

- (v) 香港財務報告準則第15號「與客戶之間的合同產生的收入」— 於二零一八年一月一日採納的會計政策

銷售貨品－批發

當產品交付予批發商，產品控制權已轉移，而批發商對產品銷售之渠道及價格有完全決定權，且不存在可能影響批發商對產品接收的未履行義務時，本集團即確認產品銷售收入。

本集團之產品銷售通常有銷售折扣。銷售收入是根據合同約定的價格扣除於銷售時估計的銷售折扣後確認，並排除融資成分的存在。

銷售貨品－零售

銷售貨品收入會在本集團出售貨品予客戶時確認，當顧客購買貨品時，交易金額之款項需立即支付。

- (vi) 已發佈但集團尚未採納的新訂和已修改之準則及詮釋

香港財務報告準則第16號「租賃」將導致差不多所有租賃在資產負債表內確認，經營租賃與融資租賃的劃分已被刪除。根據該新準則，資產(該租賃項目的使用權)與支付租金的金融負債被確認。唯一例外者為短期和低價值租賃。對出租人的會計處理將不會有重大改變。

此準則將主要影響本集團經營租賃的會計處理。於報告日期，本集團有不可取消的經營租賃承擔事項共計約983,665,000港元。然而，本集團仍未釐定該等承擔將導致資產和負債就未來付款確認的程度，以及將如何影響本集團的利潤和現金流量分類。

若干承擔或會由短期和低價值租賃的例外所涵蓋，同時根據香港財務報告準則第16號，部分承擔可能不符合租賃的定義。

此準則必須在二零一九年一月一日或之後開始的年度報告期內的首個中期期間採納。目前，本集團預計不會在生效日期前採納此準則。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

4 FINANCIAL RISK MANAGEMENT

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. These condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements as at 31 December 2017.

There has been no material change in the Group's risk management and policies since 31 December 2017.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017.

6 SEGMENT INFORMATION

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

The chief operating decision-maker ("CODM") has been identified as the executive directors. The CODM assesses the performance of the business from a business unit perspective, i.e. Core Brands Business, Other Brands Business and Manufacturing Business and allocate resources accordingly.

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

Revenue from external customers is arrived at after elimination of inter-segment revenue. Inter-segment revenue is charged in accordance with terms 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. None of the customers accounted for 10% or more of the total turnover of the Group during both six months ended 30 June 2018 and 2017.

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

4 財務風險管理

本集團業務面對多項財務風險：外匯風險、現金流量利率風險、信貸風險及流動資金風險。此簡明綜合中期財務報表並未包括年度財務報表所需之所有財務風險管理資料及披露，並應與本集團於二零一七年十二月三十一日之綜合財務報表一併閱讀。

自二零一七年十二月三十一日以來，本集團之風險管理及政策並無重大變動。

5 重要會計估計及判斷

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

於編製此簡明綜合中期財務報表時，管理層於應用本集團會計政策時作出之重大判斷以及估計不確定因素之主要來源，與截至二零一七年十二月三十一日止年度之綜合財務報表所應用者相同。

6 分部資料

本集團主要從事製造、分銷及零售鞋類產品及配件業務。

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

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

對外客戶收益乃於抵銷分部間收益後達成。分部間之收益乃按經雙方釐定及同意之條款支取。核心品牌業務及其他品牌業務之對外客戶收益主要來自中國大陸、台灣及香港。於截至二零一八年及二零一七年六月三十日止六個月期間，概無客戶佔本集團總營業額10%或以上。

本集團之非流動資產（遞延所得稅項資產除外）主要位於中國大陸。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

6 SEGMENT INFORMATION (CONTINUED)

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

6 分部資料(續)

以下為由主要經營決策者審閱之本集團按可申報分部之收益及業績分析：

		Core Brands Business 核心品牌業務 HK\$'000 千港元	Other Brands Business 其他品牌業務 HK\$'000 千港元	Manufacturing Business 製造業務 HK\$'000 千港元	Inter-segment elimination 分部間對銷 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
Six months ended 30 June 2018 (Unaudited)	截至二零一八年六月三十日 止六個月(未經審核)					
Revenue from external customers	對外客戶收益	1,945,965	313,045	-	-	2,259,010
Inter-segment revenue	分部間收益	134,503	-	104,473	(238,976)	-
Total segment revenue	總分部收益	2,080,468	313,045	104,473	(238,976)	2,259,010
Segment results	分部業績	(481,878)	(5,720)	1,811	10,571	(475,216)
Amortisation of intangible assets	無形資產攤銷					(157)
Corporate income	企業收入					2,260
Corporate expenses	企業開支					(16,590)
Operating loss	經營虧損					(489,703)
Finance costs	財務成本					(2,572)
Share of results of associates and joint ventures	應佔聯營公司及合營企業之業績					(504)
Loss before income tax	除所得稅前虧損					(492,779)
<i>Other information for disclosure:</i>	<i>其他披露資料:</i>					
Amortisation of intangible assets	無形資產攤銷	-	157	-	-	157
Amortisation of land use rights	土地使用權攤銷	503	-	353	-	856
Depreciation of investment properties	投資物業折舊	1,317	-	1,046	-	2,363
Depreciation of property, plant and equipment	物業、廠房及設備折舊	64,069	3,738	6,342	-	74,149
Capital expenditure	資本開支	59,057	763	8,958	-	68,778
Six months ended 30 June 2017 (Unaudited)	截至二零一七年六月三十日 止六個月(未經審核)					
Revenue from external customers	對外客戶收益	2,351,816	380,891	-	-	2,732,707
Inter-segment revenue	分部間收益	113,319	-	85,053	(198,372)	-
Total segment revenue	總分部收益	2,465,135	380,891	85,053	(198,372)	2,732,707
Segment results	分部業績	(191,126)	4,138	189	1,091	(185,708)
Amortisation of intangible assets	無形資產攤銷					(145)
Corporate income	企業收入					4,540
Corporate expenses	企業開支					(23,929)
Operating loss	經營虧損					(205,242)
Finance costs	財務成本					(3,506)
Share of results of associates and joint ventures	應佔聯營公司及合營企業之業績					(29)
Loss before income tax	除所得稅前虧損					(208,777)
<i>Other information for disclosure:</i>	<i>其他披露資料:</i>					
Amortisation of intangible assets	無形資產攤銷	-	145	-	-	145
Amortisation of land use rights	土地使用權攤銷	968	-	105	-	1,073
Depreciation of investment properties	投資物業折舊	-	-	1,205	-	1,205
Depreciation of property, plant and equipment	物業、廠房及設備折舊	86,012	4,181	4,001	-	94,194
Impairment of property, plant and equipment	物業、廠房及設備減值	1,647	-	-	-	1,647
Capital expenditure	資本開支	41,443	2,123	1,718	-	45,284

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

6 SEGMENT INFORMATION (CONTINUED)

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

6 分部資料(續)

以下為由主要經營決策者審閱之本集團按可申報分部之資產及負債分析：

		Core Brands Business 核心品牌業務 HK\$'000 千港元	Other Brands Business 其他品牌業務 HK\$'000 千港元	Manufacturing Business 製造業務 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
As at 30 June 2018 (Unaudited)	於二零一八年六月三十日(未經審核)				
Segment assets	分部資產	2,861,721	161,344	172,746	3,195,811
Goodwill	商譽	15,079	-	-	15,079
Other intangible assets	其他無形資產	-	5,454	-	5,454
		2,876,800	166,798	172,746	3,216,344
Interests in associates	於聯營公司之權益				1,622
Interests in joint ventures	於合營企業之權益				1,649
Deferred income tax assets	遞延所得稅項資產				265,104
Assets of disposal group classified as held-for-sale	分類為持作出售之出售組別之資產				21,616
Corporate assets	企業資產				17,986
Total assets	總資產				3,524,321
Segment liabilities	分部負債	693,878	81,033	52,747	827,658
Deferred income tax liabilities	遞延所得稅項負債				13,673
Liabilities of disposal group classified as held-for-sale	分類為持作出售之出售組別之負債				202
Corporate liabilities	企業負債				162,167
Total liabilities	總負債				1,003,700
As at 31 December 2017 (Audited)	於二零一七年十二月三十一日(經審核)				
Segment assets	分部資產	3,390,977	157,634	172,858	3,721,469
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	172,858	3,742,210
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 CONDENSED
CONSOLIDATED INTERIM FINANCIAL
STATEMENTS**

簡明綜合中期財務報表附註

7 OTHER INCOME

7 其他收入

Six months ended 30 June
截至六月三十日止六個月

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Franchise and royalty income	特許權及專營權收入	252	1,285
Government subsidies	政府補貼	5,962	460
Gross rental income	租金收入總額	6,396	5,081
Interest income	利息收入	4,164	11,429
Others	其他	5,448	6,405
		22,222	24,660

8 OTHER (LOSSES)/GAINS – NET

8 其他(虧損)/收益 – 淨額

Six months ended 30 June
截至六月三十日止六個月

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fair value loss on derivative financial instruments	衍生金融工具之公平價值虧損	–	(14,321)
Impairment of property, plant and equipment	物業、廠房及設備之減值	–	(1,647)
(Loss)/gain on disposal of a subsidiary	出售附屬公司(虧損)/收益	(1,334)	3,841
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(12,612)	(986)
Net exchange (loss)/gain	匯兌(虧損)/收益淨額	(2,084)	13,867
Others	其他	320	–
		(15,710)	754

9 OPERATING LOSS

9 經營虧損

Operating loss is stated after charging the following:

經營虧損已扣除下列各項：

Six months ended 30 June
截至六月三十日止六個月

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Amortisation of land use rights	土地使用權攤銷	856	1,073
Amortisation of license rights	特許使用權攤銷	157	145
Auditors' remuneration	核數師酬金	2,431	2,780
Cost of inventories sold, including provision for slow-moving inventories of HK\$2,422,000 (2017: write-back of HK\$37,084,000)	售出存貨成本(包括滯銷存貨撥備 2,422,000港元(二零一七年：撥備撥回37,084,000港元))	1,136,906	1,157,684
Depreciation of investment properties	投資物業折舊	2,363	1,205
Depreciation of property, plant and equipment	物業、廠房及設備折舊	74,149	94,194
Employee benefits expense	僱員福利開支	420,655	406,750
Operating lease rentals (including concessionaire fees) in respect of land and buildings	土地及樓宇之經營租賃租金(包括商場特許銷售費)	693,513	827,818

**NOTES TO THE CONDENSED
CONSOLIDATED INTERIM FINANCIAL
STATEMENTS**

簡明綜合中期財務報表附註

10 FINANCE COSTS

10 財務成本

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest on bank loan	銀行貸款利息	2,572	3,506

11 INCOME TAX EXPENSE

11 所得稅開支

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current income tax	即期所得稅稅項	3,444	9,258
Under-provision in prior years	過往年度撥備不足	-	596
Deferred income tax	遞延所得稅稅項	2,785	(7,421)
		6,229	2,433

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated weighted average tax rate used for the six months ended 30 June 2018 is 24.6% (2017: 24.3%).

所得稅開支根據管理層對整個財務年度預期之加權平均年度所得稅稅率之估計確認。截至二零一八年六月三十日止六個月之加權平均稅率估計為24.6% (二零一七年：24.3%)。

12 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to shareholders of HK\$492,633,000 (2017: HK\$209,463,000) by the weighted average number of 1,649,142,384 (2017: 1,649,142,384) shares in issue during the six months ended 30 June 2018.

12 每股虧損

每股基本虧損乃根據截至二零一八年六月三十日止六個月之股東應佔虧損492,633,000港元 (二零一七年：209,463,000港元) 除以已發行股份之加權平均數1,649,142,384 (二零一七年：1,649,142,384) 股計算。

For the six months ended 30 June 2018 and 2017, basic and diluted loss per share are the same since there was no dilutive potential share.

截至二零一七年及二零一八年六月三十日止六個月，因無潛在攤薄作用之股份，每股基本及攤薄虧損相同。

13 DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2018 (2017: Nil).

13 股息

董事會不建議就截至二零一八年六月三十日止六個月派發中期股息 (二零一七年：無)。

14 LAND USE RIGHTS

14 土地使用權

		HK\$'000 千港元
Net book value at 1 January 2018	於二零一八年一月一日之賬面淨值	47,769
Exchange adjustment	匯兌調整	(523)
Amortisation	攤銷	(856)
Net book value at 30 June 2018	於二零一八年六月三十日之賬面淨值	46,390
Net book value at 1 January 2017	於二零一七年一月一日之賬面淨值	72,567
Exchange adjustment	匯兌調整	2,655
Additions	添置	949
Amortisation	攤銷	(1,073)
Disposals	出售	(3,153)
Net book value at 30 June 2017	於二零一七年六月三十日之賬面淨值	71,945

**NOTES TO THE CONDENSED
CONSOLIDATED INTERIM FINANCIAL
STATEMENTS**

簡明綜合中期財務報表附註

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 HK\$'000 千港元	租賃物業裝修 HK\$'000 千港元	在建工程 HK\$'000 千港元	廠房及機器 HK\$'000 千港元	傢俱、固定 裝置及設備 HK\$'000 千港元	汽車 HK\$'000 千港元	總計 HK\$'000 千港元
Net book value at 1 January 2018	於二零一八年一月一日 之賬面淨值	621,366	149,212	120	9,620	76,262	2,710	859,290
Exchange adjustment	匯兌調整	(1,462)	(556)	3	(6)	(266)	(12)	(2,299)
Additions	添置	8,904	26,121	-	30	4,638	4	39,697
Depreciation	折舊	(8,910)	(46,409)	-	(2,227)	(15,896)	(707)	(74,149)
Transfer to investment properties	轉撥至投資 物業	(134,116)	-	(123)	-	-	-	(134,239)
Disposals	出售	(3)	(11,378)	-	-	(2,583)	(49)	(14,013)
Net book value at 30 June 2018	於二零一八年六月三十日 之賬面淨值	485,779	116,990	-	7,417	62,155	1,946	674,287
Net book value at 1 January 2017	於二零一七年一月一日 之賬面淨值	631,436	151,721	7,954	11,974	96,003	3,024	902,112
Exchange adjustment	匯兌調整	20,970	4,836	273	321	2,869	121	29,390
Additions	添置	-	34,843	216	31	5,006	306	40,402
Depreciation	折舊	(9,527)	(62,725)	-	(2,212)	(18,931)	(799)	(94,194)
Impairment	減值	-	(1,647)	-	-	-	-	(1,647)
Disposals	出售	-	(1,548)	-	(1)	(306)	(40)	(1,895)
Disposal of subsidiaries	出售附屬公司	(10,189)	-	-	-	-	-	(10,189)
Net book value at 30 June 2017	於二零一七年六月三十日 之賬面淨值	632,690	125,480	8,443	10,113	84,641	2,612	863,979

16 INVESTMENT PROPERTIES

16 投資物業

		HK\$'000 千港元
Net book value at 1 January 2018	於二零一八年一月一日之賬面淨值	67,481
Exchange adjustment	匯兌調整	(5,313)
Depreciation	折舊	(2,363)
Transfer from property, plant and equipment	轉撥至物業、廠房及設備	134,239
Net book value at 30 June 2018	於二零一八年六月三十日之賬面淨值	194,044
Net book value at 1 January 2017	於二零一七年一月一日之賬面淨值	51,520
Exchange adjustment	匯兌調整	1,718
Depreciation	折舊	(1,205)
Net book value at 30 June 2017	於二零一七年六月三十日之賬面淨值	52,033

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

17 INTANGIBLE ASSETS

		Goodwill 商譽 HK\$'000 千港元	License rights 特許使用權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Net book value at 1 January 2018	於二零一八年一月一日 之賬面淨值	15,079	5,662	20,741
Exchange adjustment	匯兌調整	-	(51)	(51)
Amortisation	攤銷	-	(157)	(157)
Net book value at 30 June 2018	於二零一八年六月三十日 之賬面淨值	15,079	5,454	20,533
Net book value at 1 January 2017	於二零一七年一月一日 之賬面淨值	15,079	5,562	20,641
Exchange adjustment	匯兌調整	-	185	185
Amortisation	攤銷	-	(145)	(145)
Net book value at 30 June 2017	於二零一七年六月三十日 之賬面淨值	15,079	5,602	20,681

Amortisation of HK\$157,000 (2017: HK\$145,000) is included in the "general and administrative expenses" in the condensed consolidated income statement.

157,000港元(二零一七年: 145,000港元)攤銷包括於簡明綜合收益表的「一般及行政開支」。

18 TRADE RECEIVABLES

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

		30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
0 – 30 days	0至30日	100,166	109,753
31 – 60 days	31至60日	58,474	47,884
61 – 90 days	61至90日	17,537	14,449
91 – 120 days	91至120日	7,803	3,333
121 – 180 days	121至180日	5,476	2,910
181 – 360 days	181至360日	6,417	2,934
Over 360 days	360日以上	258	47
		196,131	181,310

19 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

As at 30 June 2018 and 31 December 2017, included in other receivables, deposits and prepayments are mainly value-added tax recoverables, rental prepayments, rental and utility deposits and prepayments to suppliers.

18 貿易應收賬款

按發票日期計算之貿易應收賬款賬齡分析如下：

19 其他應收賬款、按金及預付款項

於二零一八年六月三十日及二零一七年十二月三十一日，其他應收賬款、按金及預付款項主要包括可收回增值稅金、預付租金、租金及水電按金及預付供應商款項。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

20 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE

The following assets and liabilities were classified as held-for-sale as at 30 June 2018:

20 分類為持作出售之出售組別之資產 及負債

於二零一八年六月三十日，以下資產及負債分類為持作出售：

		30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
(a) Assets classified as held-for-sale:	(a) 分類為持作出售之資產：		
Land use rights	土地使用權	3,428	26,064
Property, plant and equipment	物業、廠房及設備	-	8,416
Investment properties	投資物業	12,014	12,325
Deferred income tax assets	遞延所得稅項資產	5,547	5,603
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	624	630
Cash and cash equivalents	現金及現金等價物	3	284
Total assets of disposal group classified as held-for-sale	分類為持作出售之出售組別之資產合計	21,616	53,322
(b) Liabilities directly associated with assets classified as held-for-sale:	(b) 與分類為持作出售之資產相關之負債：		
Trade payables	貿易應付賬款	142	144
Other payables and accrued charges	其他應付賬款及應計費用	60	103
Total liabilities of disposal group classified as held-for-sale	分類為持作出售之出售組別之負債合計	202	247
		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(c) Cumulative loss recognised in other comprehensive income relating to disposal group classified as held-for-sale:	(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：		
Currency translation differences	匯兌差額	200	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

21 TRADE PAYABLES

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

21 貿易應付賬款

按發票日期計算之貿易應付賬款賬齡分析如下：

		30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
0 – 30 days	0至30日	188,118	272,888
31 – 60 days	31至60日	153,662	91,435
61 – 90 days	61至90日	150,427	207,666
91 – 120 days	91至120日	5,324	5,560
121 – 180 days	121至180日	1,664	185
181 – 360 days	181至360日	1,755	513
Over 360 days	360日以上	3,157	3,054
		504,107	581,301
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	(142)	(144)
		503,965	581,157

22 SHARE CAPITAL

22 股本

		2018 二零一八年		2017 二零一七年	
		Number of ordinary shares of HK\$0.10 each 每股面值0.10港元 之普通股數目	HK\$'000 千港元	Number of ordinary shares of HK\$0.10 each 每股面值0.10港元 之普通股數目	HK\$'000 千港元
Authorised: At 1 January and 30 June	法定： 於一月一日及六月三十日	10,000,000,000	1,000,000	10,000,000,000	1,000,000
Issued and fully paid: At 1 January and 30 June	已發行及繳足： 於一月一日及六月三十日	1,649,142,384	164,914	1,649,142,384	164,914

During the six months ended 30 June 2018 and 2017, there were no movements in the share capital of the Company.

截至二零一七年及二零一八年六月三十日止六個月，本公司之股本並無變動。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

23 RESERVES

23 儲備

		Share premium 溢價	Capital redemption reserve 資本 贖回儲備	Capital reserve 資本 儲備	Merger reserve 合併 儲備	Revaluation reserve 重估 儲備	Share-based payment reserve 以股份為基礎 之付款儲備	Currency translation reserve 匯兌 儲備	Statutory reserves 法定 儲備	Retained profits 保留 盈利	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	120,281	2,882	(197)	322	3,375	84,328	191,502	185,974	2,121,526	2,709,993
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	(492,633)	(492,633)
Disposal of a financial asset	出售金融資產	-	-	-	-	(3,305)	-	-	-	3,305	-
Change in fair value of a financial asset	金融資產之公允價值變動	-	-	-	-	(70)	-	-	-	-	(70)
Currency translation differences	匯兌差額	-	-	-	-	-	-	(17,545)	-	-	(17,545)
Disposal of a subsidiary	出售附屬公司	-	-	-	-	-	-	150	-	(150)	-
Total comprehensive loss	全面虧損總額	-	-	-	-	(3,375)	-	(17,395)	-	(489,478)	(510,248)
Share option scheme:	購股權計劃:										
Value of grantee services	承授人服務價值	-	-	-	-	-	890	-	-	-	890
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	-	-	(16,373)	-	-	16,373	-
Total transactions with shareholders	與股東交易總額	-	-	-	-	-	(15,483)	-	-	16,373	890
At 30 June 2018	於二零一八年六月三十日	120,281	2,882	(197)	322	-	68,845	174,107	185,974	1,648,421	2,200,635
At 1 January 2017	於二零一七年一月一日	120,281	2,882	(197)	322	-	79,008	(29,654)	161,474	2,872,368	3,206,484
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	(209,463)	(209,463)
Revaluation of available-for-sale financial asset	重估可出售金融資產	-	-	-	-	3,744	-	-	-	-	3,744
Profit appropriations	盈利分配	-	-	-	-	-	-	-	56,053	(56,053)	-
Currency translation differences	匯兌差額	-	-	-	-	-	-	113,956	-	-	113,956
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	(1,195)	1,195	-
Total comprehensive loss	全面虧損總額	-	-	-	-	3,744	-	113,956	54,858	(264,321)	(91,763)
Share option scheme:	購股權計劃:										
Value of grantee services	承授人服務價值	-	-	-	-	-	4,153	-	-	-	4,153
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	-	-	(663)	-	-	663	-
Total transactions with shareholders	與股東交易總額	-	-	-	-	-	3,490	-	-	663	4,153
At 30 June 2017	於二零一七年六月三十日	120,281	2,882	(197)	322	3,744	82,498	84,302	216,332	2,608,710	3,118,874

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

24 SHARE-BASED PAYMENT TRANSACTIONS

(a) Equity settled share-based payment transactions

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

		Six months ended 30 June 截至六月三十日止六個月			
		2018 二零一八年		2017 二零一七年	
		Weighted average exercise price 加權平均行使價	Number of share options outstanding 尚未行使之購股權數目	Weighted average exercise price 加權平均行使價	Number of share options outstanding 尚未行使之購股權數目
At 1 January	於一月一日	3.74	62,205,000	6.29	34,155,000
Granted	已授出	-	-	0.70	28,350,000
Lapsed	已失效	4.07	(10,935,000)	6.19	(300,000)
At 30 June	於六月三十日	3.67	51,270,000	3.74	62,205,000

As at 30 June 2018, out of 51,270,000 (At 31 December 2017: 62,205,000) share options outstanding, 44,020,000 (At 31 December 2017: 43,455,000) share options were exercisable. There were no share options exercised during the period (2017: Nil). The total expense recognised for the options granted was HK\$890,000 (2017: HK\$4,153,000) for the period ended 30 June 2018.

於二零一八年六月三十日，51,270,000份（於二零一七年十二月三十一日：62,205,000份）尚未行使的購股權中，有44,020,000份（於二零一七年十二月三十一日：43,455,000份）購股權可被行使。期內，概無購股權獲行使（二零一七年：無）。截至二零一八年六月三十日止期間，就已授出購股權而確認的費用為890,000港元（二零一七年：4,153,000港元）。

(b) Cash settled share-based payment transactions

Movements in the number of share appreciation rights (“SARs”) outstanding are as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年	2017 二零一七年
At 1 January	於一月一日	18,190,000	18,330,000
Lapsed	已失效	(130,000)	-
At 30 June	於六月三十日	18,060,000	18,330,000

During the interim period, there was no expense recognised (2017: HK\$2,000) in the condensed consolidated income statement in relation to the SARs. As at 30 June 2018, liabilities in relation to the SARs amounting to HK\$848,000 (At 31 December 2017: HK\$856,000) are included in the “other payables and accrued charges” in the condensed consolidated balance sheet.

於中期報告期間，本集團於簡明綜合收益表並無確認有關股份增值權之費用（二零一七年：2,000港元）。於二零一八年六月三十日，有關股份增值權之負債為848,000港元（於二零一七年十二月三十一日：856,000港元），並包括於簡明綜合資產負債表的「其他應付賬款及應計費用」中。

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

25 購買土地使用權及物業、廠房及設備之資本承擔

		30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
Contracted but not provided for	已訂約但未撥備	1,546	2,621

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

26 RELATED PARTY TRANSACTIONS AND BALANCES

During the six months ended 30 June 2018, the Group entered into the following related party transactions in the normal course of its business:

(a) Transactions with related companies

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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))	4,106	1,642
Royalty fee to a joint venture (Note (ii))	向合營企業支付特許權費 (附註(ii))	-	565

Notes:

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

(b) Balances with related companies

		30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
Trade receivables from a joint venture	應收合營企業貿易賬款	4,413	2,742

The balance is unsecured, interest-free and repayable according to the trade terms.

(c) Key management personnel remuneration

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

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries, allowance and bonuses	薪金、津貼及花紅	7,139	8,841
Share-based payment expense	以股份為基礎之款項開支	171	2,650
		7,310	11,491

26 關聯方交易及結餘

截至二零一八年六月三十日止六個月內，本集團於日常業務過程中曾進行下列關聯方交易：

(a) 與關聯公司之交易

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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))	4,106	1,642
Royalty fee to a joint venture (Note (ii))	向合營企業支付特許權費 (附註(ii))	-	565

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) 向合營企業之已付或應付之特許權費已根據本集團與交易方釐定及同意之條款計入。

(b) 與關聯公司之結餘

		30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
Trade receivables from a joint venture	應收合營企業貿易賬款	4,413	2,742

餘額為無抵押、免息，並按貿易條款償還。

(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：

SUPPLEMENTARY INFORMATION

補充資料

INTERESTS OF DIRECTORS' AND CHIEF EXECUTIVE

As at 30 June 2018, 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 of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

董事及主要行政人員之權益

於二零一八年六月三十日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條之規定存置之登記冊所記錄，本公司各董事及主要行政人員於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份及相關股份中之權益及淡倉，或根據上市規則附錄十所載的上市發行人董事進行證券交易之標準守則（「標準守則」）已知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

Long positions in shares and underlying shares of the Company:

於本公司股份及相關股份之好倉：

Name of directors 董事名稱	Capacity 身份	Number of shares held 持有股份數目	Number of underlying shares 相關股份數目	Total interests 權益總計	Approximate % of total issued shares 約佔已發行股份總額百分比
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(L) (Note 3) (附註三)	14,000,000 (Note 1) (附註一)	161,740,920	9.81

Notes:

附註：

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

- 該等權益代表本公司有關授予董事的購股權的相關股份權益。
- 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。彼亦擁有本公司1,600,000股股份的個人權益。
- 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。

Save as disclosed above and the "Share option scheme" section, as at 30 June 2018, none of the directors or chief executive of the Company, nor any of their associates (including their spouses and children under 18 years of age), had any interests in, or had been granted, or exercised, any rights to subscribe for the shares of the Company, its specified undertakings and its other associated corporations required to be disclosed pursuant to the SFO.

除上文及「購股權計劃」一節所披露者外，於二零一八年六月三十日，各董事或主要行政人員或彼等之任何聯繫人士（包括彼等之配偶及十八歲以下之子女）概無擁有或獲授或行使可認購本公司、其指明企業及其他相聯法團之股份之任何權利而須根據證券及期貨條例作出披露。

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

於期內任何時間，本公司、其任何附屬公司或其他相聯法團概無訂立任何安排，致使本公司董事及主要行政人員（包括彼等之配偶及十八歲以下之子女）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。

SUPPLEMENTARY INFORMATION

補充資料

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that as at 30 June 2018, 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 underling shares of the Company:

主要股東之權益

根據證券及期貨條例第XV部第336條之規定而須存置之主要股東登記冊所示，於二零一八年六月三十日，本公司已獲知會下列主要股東權益及淡倉（即佔本公司已發行股本5%或以上）。此等權益並不包括以上所披露有關董事及主要行政人員之權益。

於本公司股份及相關股份之好倉：

Name of shareholders	Capacity	Total interests	Approximate % of total issued shares
股東名稱	身份	權益總計	約佔已發行股份總額百分比
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	148,805,220	9.02

SUPPLEMENTARY INFORMATION

Notes:

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

Save as disclosed above, as at 30 June 2018, the Company had not been notified by any person (other than directors and chief executives 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.

補充資料

附註：

- 一、本公司之董事會主席、行政總裁及執行董事張智凱先生及執行董事張智喬先生，與彼等兩名姊妹分別擁有在英屬處女群島註冊成立之Lucky Earn International Limited 26%、26%及各24%之實益權益。
- 二、本公司之執行董事陳怡勳先生，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%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，於二零一八年六月三十日，本公司並不知悉有任何人士（本公司董事及主要行政人員除外）於股份及相關股份中擁有任何須記錄於根據證券及期貨條例第336條存置之登記冊內之權益及淡倉。

購股權計劃

於二零零三年五月二十九日，本公司採納購股權計劃（「舊計劃」），該計劃於二零零九年十二月七日修訂及於二零一三年五月二十八日屆滿。於舊計劃屆滿後，舊計劃下不可進一步授出購股權，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。

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，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（即二零一三年八月二十七日）本公司已發行股份之10%。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%。

SUPPLEMENTARY INFORMATION

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

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

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

The exercise price of the share options is determinable by the Board of Directors and must not be less than the highest of:

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

The offer of a grant of share options may be accepted within 30 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee.

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

During the six months ended 30 June 2018, no share options (2017: 28,350,000) were granted and 10,935,000 (2017: 300,000) share options were lapsed under the share option scheme. No share options (2017: Nil) were cancelled or exercised.

補充資料

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

根據新計劃及本公司任何其他購股權計劃，於任何十二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十二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。

截至二零一八年六月三十日止六個月內，並無購股權獲授出（二零一七年：28,350,000份）和期內10,935,000份（二零一七年：300,000份）購股權失效。無購股權註銷或行使（二零一七年：無）。

SUPPLEMENTARY INFORMATION

補充資料

Details of movements of share options granted under the share option scheme for the six months ended 30 June 2018 were as follows:

截至二零一八年六月三十日止六個月，根據購股權計劃已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 2018 於二零一八年一月一日 尚未行使	Lapsed during the period 期內失效	Outstanding at 30 June 2018 於二零一八年六月三十日 尚未行使	Exercisable period
承授人	授出日期 (yyyy/mm/dd) (年/月/日)	每股行使價 HK\$ 港元				行使期間 (yyyy/mm/dd) (年/月/日)
<i>(i) Executive directors 執行董事</i>						
Mr. Chang Chih-Kai 張智凱先生	2017/01/25	0.70	6,000,000	–	6,000,000	2017/01/25 – 2027/01/24 (Note 1)(附註一)
Mr. Chang Chih-Chiao 張智喬先生	2017/01/25	0.70	3,000,000	–	3,000,000	2017/01/25 – 2027/01/24 (Note 1)(附註一)
Mr. Chen Tommy Yi-Hsun 陳怡勳先生	2017/01/25	0.70	3,000,000	–	3,000,000	2017/01/25 – 2027/01/24 (Note 1)(附註一)
<i>(ii) Non-executive director 非執行董事</i>						
Mr. Chen Ying-Chieh 陳英杰先生	2010/01/27	6.19	12,000,000	–	12,000,000	2011/01/27 – 2020/01/26 (Note 2)(附註二)
	2014/01/21	4.50	2,000,000	–	2,000,000	2016/01/21 – 2024/01/20 (Note 3)(附註三)
<i>(iii) Consultants 顧問</i>						
In aggregate 合計	2010/01/27	6.19	8,400,000	–	8,400,000	2011/01/27 – 2020/01/26 (Note 4)(附註四)
In aggregate 合計	2014/01/21	4.50	1,000,000	–	1,000,000	2015/01/21 – 2024/01/20 (Note 5)(附註五)
<i>(iv) Employees 僱員</i>						
In aggregate 合計	2010/01/27	6.19	4,695,000	(735,000)	3,960,000	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	(720,000)	1,100,000	2016/01/21 – 2024/01/20 (Note 3)(附註三)
In aggregate 合計	2014/01/21	4.50	340,000	(80,000)	260,000	2017/01/21 – 2024/01/20 (Note 9)(附註九)
In aggregate 合計	2017/01/25	0.70	15,000,000	(5,250,000)	9,750,000	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	(100,000)	500,000	2017/01/25 – 2027/01/24 (Note 10)(附註十)
			62,205,000	(10,935,000)	51,270,000	

SUPPLEMENTARY INFORMATION

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.

SHARE APPRECIATION RIGHTS PLAN

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

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

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

補充資料

附註：

1. 購股權由授出日期起計每年歸屬三分之一。
2. 16,000,000份購股權總額中，將由授出日期的五個週年日期每年各自歸屬15%，而25%的購股權將根據本公司董事會釐定的若干表現目標，由授予日期的第五個週年日歸屬。
3. 購股權由授出日期起計兩年後歸屬100%。
4. 12,000,000份購股權總額中，將由授出日期的四個週年日期每年各自歸屬15%，而40%的購股權將由授出日期的第五個週年日歸屬。
5. 購股權由授出日期起計一年後歸屬100%。
6. 購股權將於授出日期的五個週年日期每年各自歸屬20%。
7. 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。
8. 購股權由授出日期起計三個週年日每年歸屬三分之一。
9. 購股權由授出日期起計三年後歸屬100%。
10. 購股權由授出日期起計歸屬100%。

股份增值權計劃

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

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

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

SUPPLEMENTARY INFORMATION

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:

- the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant;
- 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
- the nominal value of the shares.

The SARs granted pursuant to the SAR Plan is valid for 10 years from the date of grant and upon the expiry of which all unexercised SARs shall automatically lapse.

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

During the six months ended 30 June 2018, 130,000 SARs (2017: Nil) were lapsed and no SARs (2017: Nil) were granted, cancelled or exercised under the SAR Plan.

The details of the SARs granted under the SAR Plan as at 30 June 2018 were as follows:

Grantees	承授人	Outstanding at 1 January 2018 於二零一八年 一月一日 尚未行使	Lapsed during the period 期內失效	Outstanding at 30 June 2018 於二零一八年 六月三十日 尚未行使
(i) Executive directors:	(i) 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:	(ii) 僱員：			
In aggregate	合計	5,990,000	(130,000)	5,860,000
		18,190,000	(130,000)	18,060,000

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2018, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange. Following specific enquiry by the Company, all directors of the Company confirmed that they fully complied with the required standards as set out in the Model Code during the six months ended 30 June 2018.

CHANGES IN DIRECTORS' INFORMATION

There were no changes in directors' information since the date of the Annual Report 2017 of the Company and up to the date of this Interim Report which are required to be disclosed pursuant to Rule 13.51(2) and Rule 13.51B(1) of the Listing Rules.

補充資料

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：

- 股份於授出日期在聯交所每日報價表所示之收市價；
- 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
- 股份面值。

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

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

截至二零一八年六月三十日止六個月內，130,000份(二零一七年：無)股份增值權已失效，概無(二零一七年：無)股份增值權根據股份增值權計劃授出、註銷或行使。

於二零一八年六月三十日，根據股份增值權計劃已授出之股份增值權之變動詳情如下：

購買、出售或贖回股份

截至二零一八年六月三十日止六個月內，本公司或其任何附屬公司並無購買、出售或贖回本公司任何股份。

董事進行之證券交易

本公司已遵照聯交所證券上市規則(「上市規則」)附錄十所載之標準守則。經本公司作出具體查詢後，本公司全體董事均確認，彼等於截至二零一八年六月三十日止六個月內一直遵守標準守則所載規定準則。

董事資料更改

自本公司二零一七年年報日期及截至此中期報告日期止，董事資料並無變動，而該等董事資料須根據「上市規則」第13.51(2)條及第13.51B(1)條規則予以披露。

SUPPLEMENTARY INFORMATION

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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

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

The Board 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.

During the period under review, the Company held an annual general meeting (the “AGM”) on 25 May 2018. Due to unavoidable business engagements, Mr. Chen Ying-Chieh, the non-executive director and Mr. Huang Shun-Tsai, the independent non-executive director of the Company, were unable to attend the AGM. This was in deviations from code provision A.6.7.

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

補充資料

遵守企業管治常規守則

除於下文說明偏離第A.2.1及第A.6.7條守則條文外，本公司回顧期內已遵守上市規則附錄十四所載之企業管治守則（「企業管治守則」）之全部適用的守則條文。

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

董事會認為，授予張智凱先生為主席兼行政總裁職務，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更高效率的策略規則。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。

回顧期內，本公司於二零一八年五月二十五日召開之股東週年大會（「股東週年大會」）。因業務纏身，本公司非執行董事陳英杰先生，以及獨立非執行董事黃順財先生，均無法出席股東週年大會，此乃偏離企業管治守則第A.6.7條規定。

審核委員會

審核委員會由本公司三名獨立非執行董事李德泰先生、黃順財先生及郭榮振先生組成，審核委員會已與管理層審閱本集團採納之會計原則及慣例，並商討有關審計、內部監控、風險管理及財務報告事宜。本集團之未經審核簡明綜合中期財務報告已由審核委員會審閱及批准，審核委員會認為有關財務報表已遵從適用之會計準則、上市規則及所有法例規定，並已作充分披露。

薪酬委員會

薪酬委員會由本公司三名獨立非執行董事郭榮振先生、黃順財先生及李德泰先生，一名非執行董事陳英杰先生，以及一名執行董事張智凱先生組成。薪酬委員會之職責為不時檢討及評估董事及高級管理人員之薪酬政策，並向董事會提供建議。

提名委員會

提名委員會由本公司三名獨立非執行董事黃順財先生、郭榮振先生及李德泰先生，一名非執行董事陳英杰先生，以及一名執行董事張智凱先生組成。提名委員會之職責包括定期檢討董事會之架構、規模及組合，以及就任何提議之變動向董事會提供建議。

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

www.daphneholdings.com