



INTERIM REPORT

DAPHNE INTERNATIONAL HOLDINGS LIMITED
達芙妮國際控股有限公司
(Stock code 股票代號 : 210)

2020中期報告

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Mr. Chang Chih-Chiao

Mr. Chen Tommy Yi-Hsun (resigned on 17 January 2020)

Independent Non-executive Directors

Mr. Hon Ping Cho Terence

Mr. Huang Shun-Tsai

Mr. Kuo Jung-Cheng

AUDIT COMMITTEE

Mr. Hon Ping Cho Terence (*Chairman*)

Mr. Huang Shun-Tsai

Mr. Kuo Jung-Cheng

NOMINATION COMMITTEE

Mr. Huang Shun-Tsai (*Chairman*)

Mr. Chang Chih-Kai

Mr. Hon Ping Cho Terence

Mr. Kuo Jung-Cheng

REMUNERATION COMMITTEE

Mr. Kuo Jung-Cheng (*Chairman*)

Mr. Chang Chih-Kai

Mr. Hon Ping Cho Terence

Mr. Huang Shun-Tsai

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 (於二零二零年一月十七日辭任)

獨立非執行董事

韓炳祖先生

黃順財先生

郭榮振先生

審核委員會

韓炳祖先生 (*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

韓炳祖先生

郭榮振先生

薪酬委員會

郭榮振先生 (*主席*)

張智凱先生

韓炳祖先生

黃順財先生

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

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The Metropolis Tower
10 Metropolis Drive
Hung Hom
Kowloon
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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 54, Hopewell Centre
183 Queen's Road East
Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

China Construction Bank
Fubon Bank (China)
Fubon Bank (Hong Kong)
Hang Seng Bank
MUFG 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
九龍
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都會道10號
都會大廈
26樓2605室
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54樓

核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師

主要往來銀行

中國建設銀行
富邦華一銀行
富邦銀行(香港)
恒生銀行
三菱UFJ銀行

公司網址

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		
		2020 二零二零年	2019 二零一九年	Change 變化
Turnover (HK\$' million)	營業額(百萬港元)	212.1	1,402.8	-85%
Gross profit (HK\$' million)	毛利(百萬港元)	66.0	651.3	-90%
Operating loss (HK\$' million)	經營虧損(百萬港元)	(137.3)	(373.5)	-63%
Loss attributable to shareholders (HK\$' million)	股東應佔虧損(百萬港元)	(141.3)	(389.9)	-64%
Gross margin (%)	毛利率(%)	31.1	46.4	-15.3ppt 百份點
Operating margin (%)	經營盈利率(%)	-64.7	-26.6	-38.1ppt 百份點
Net margin (%)	淨盈利率(%)	-66.6	-27.8	-38.8ppt 百份點
Basic loss per share (HK cents)	每股基本虧損(港仙)	(8.6)	(23.6)	-64%

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		
		2020 二零二零年	2019 二零一九年	Change 變化
Average inventory turnover (days) (Note 1)	平均存貨週轉期(日)(附註一)	153	195	-42
Average debtors turnover (days) (Note 2)	平均應收賬款週轉期(日)(附註二)	53	20	+33
Average creditors turnover (days) (Note 3)	平均應付賬款週轉期(日)(附註三)	384	221	+163
Capital expenditure (HK\$' million)	資本開支(百萬港元)	1.0	20.9	-95%
		At 30 June 2020 於二零二零年 六月三十日	At 31 December 2019 於二零一九年 十二月三十一日	Change 變化
Cash and bank balances (HK\$' million) (Note 4)	現金及銀行結餘(百萬港元)(附註四)	93.5	182.3	-49%
Equity attributable to shareholders (HK\$' million)	股東應佔權益(百萬港元)	540.6	692.7	-22%
Current ratio (times) (Note 5)	資產流動比率(倍)(附註五)	1.4	1.5	-7%
Net gearing ratio (%) (Note 6)	淨負債比率(%) (附註六)	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. Cash and bank balances comprise cash and cash equivalents (including those transferred to assets classified as held-for-sale).
5. The calculation of current ratio (times) is based on total current assets divided by total current liabilities as at the relevant period/year end.
6. 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.

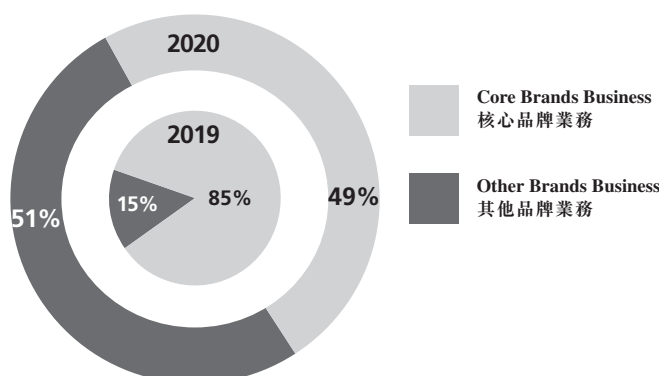
財務及經營摘要

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、現金及銀行結餘包括現金及現金等價物(包括轉撥至分類為持作出售之資產)。
- 五、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。
- 六、淨負債比率(%)乃根據於有關期間/年度結束日之負債淨額(即銀行貸款減現金及銀行結餘)除以股東應佔權益計算。

TURNOVER ANALYSIS

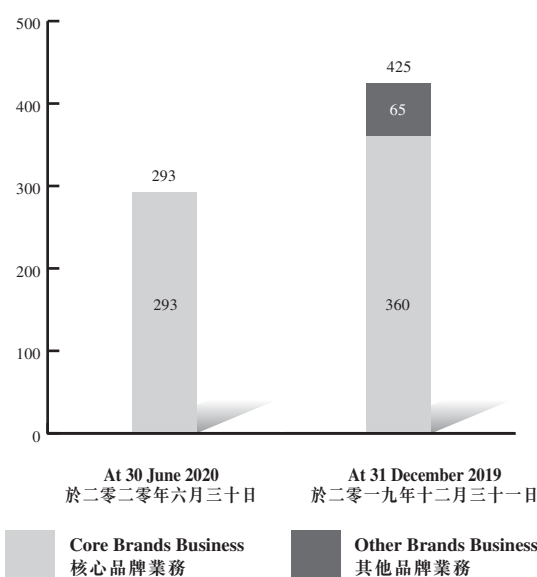
營業額分析



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

NUMBER OF POINTS-OF-SALE

銷售點數目



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The outbreak of the novel coronavirus pneumonia (“COVID-19”) epidemic in early 2020 has dealt a heavy blow to China’s economy. Large-scale factory shutdowns have nearly brought all economic activities to a halt. However, the nationwide campaign to prevent and control the spread of the epidemic has been making headway. Business and daily lives have gradually returned to normal. The Chinese government has also adopted various policies which are conducive to a recovery in economy. As a result, the market for consumer goods has shown signs of a recovery on the back of the gradual release of pent-up demand.

As an interesting development, the epidemic has given rise to the “stay-at-home” economy which accelerates a shift in consumption patterns towards online shopping. This has presented a huge opportunity to the e-commerce market. During the time of quarantine, online shopping is not only a way to shop but also a leisure activity. Online shopping has become such a strong habit that it has also sped up the digitalisation of traditional retail and consumer service companies. This, in turn, has ushered in a new round of rapid development of the e-commerce market. Retail and consumer service companies have to adapt themselves to the preferences and consumption patterns of online shoppers in many aspects, including operation model, takt time and methods of promotion. This has given rise to such ideas as “quick responses for small orders”, “live commerce” and “online-only items”.

Group Performance

With the Group’s large-scale business transformation actions and the adoption of the “asset-light” business model last year, the network of the Group’s stores has been scaled down significantly from 2,820 stores at the beginning of last year to 425 at the end of last year. Affected by this structural change, the Group’s turnover decreased by HK\$1,190.7 million to HK\$212.1 million for the six months ended 30 June 2020, compared with HK\$1,402.8 million in the same period last year. This was mainly due to the year-on-year decrease of 87% in the number of sales points of the Group (from 2,208 as at 30 June 2019 to 293 as at 30 June 2020), and the serious impact of the COVID-19 epidemic on the operation of stores and the consumer market. During the period under review, the Group’s gross profit also fell to HK\$66.0 million (2019: HK\$651.3 million) due to the decrease in sales and its gross profit margin fell to 31.1% (2019: 46.4%).

管理層討論與分析

業務回顧

二零二零年初爆發的新型冠狀病毒肺炎(「新冠肺炎」)疫情對中國經濟發展造成嚴重衝擊，大規模的停工停產使經濟活動幾近停滯。隨著全國防控形勢不斷向好，生產生活秩序逐漸穩步恢復，政府亦出台各項政策支撐整體經濟復甦，被壓抑的消費需求逐步釋放，消費品市場整體出現穩步復甦跡象。

疫情帶動了整個「宅經濟」，加速了消費模式向線上的轉型，為電商市場帶來巨大發展機遇。在疫情隔離期間，網上購物不但是消費者購物的渠道，更成為他們的一種消閒方式。這種網上消費的習慣進一步加速傳統消費服務企業的全面數字化轉型，電商市場迎來新一輪高速發展期，不論是營運模式、生產節奏，還是推廣手法，都必須配合網購消費者的喜好和消費模式，「小單快返」、「直播帶貨」及「線上專款」等概念亦應運而生。

集團表現

隨著去年度本集團進行大規模的業務轉型行動及實現「輕資產」業務模式，本集團店鋪網絡規模已由去年年初2,820家，大幅縮減至去年年底的425家。受此結構性轉變影響，截至二零二零年六月三十日止六個月，本集團營業額減少1,190.7百萬港元至212.1百萬港元，對比去年同期為1,402.8百萬港元。這主要是由於本集團之銷售點數目按年減少87% (由二零一九年六月三十日之2,208個減少至二零二零年六月三十日之293個)，以及新冠肺炎疫情對店鋪營運和消費市道的嚴重影響。回顧期內，由於銷售額減少，本集團毛利額亦下降至66.0百萬港元 (二零一九年：651.3百萬港元)，以及毛利率下滑至31.1% (二零一九年：46.4%)。

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2020, the operating loss was HK\$137.3 million, compared with the operating loss of HK\$373.5 million in the same period last year. The loss attributable to shareholders was HK\$141.3 million (2019: HK\$389.9 million). Basic loss per share was 8.6 HK cents, compared with the basic loss of 23.6 HK cents per share for the same period in 2019. The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2020 (2019: Nil).

The overall retail market was seriously affected by the COVID-19 epidemic and the retail of women's shoes was no exception. In the first quarter when the epidemic was at its height, the overall customer traffic recorded by the retail industry dropped rapidly, bringing offline sales activities to a halt. During that period, certain landlords granted certain rent reductions to the Group's directly-managed stores and partnership stores. The concessions offset a small portion of the operating costs of its physical stores. At the same time, the Group also provided appropriate discounts to its business partners and franchisees to help them tide over the difficulties. In the second quarter, China's economy showed signs of a recovery on the back of the gradual stabilisation of the epidemic. Most of the Group's stores across the country have gradually reopened since April. This, coupled with the logistics sector's return to normal, contributed to a gradual recovery in the business of the brick-and-mortar stores in the second quarter. Nevertheless, the retail market remained gloomy amid weak consumer sentiments.

The Group continued with the strategic transformation of its business by switching over to the "asset-light" business model, shifting the focus back to its Core Brands Business, completely withdrawing from the business of retailing at physical stores under the mid-range and high-end brands (including such operations in mainland China and Taiwan), and closing all the points-of-sale ("POS") of its Other Brand Business. In the first half of 2020, the Group recorded 132 net closures of POS, including the closure of 67 POS of its Core Brands Business and the closure of 65 POS of its Other Brands Business. As of 30 June 2020, the Group had a total of 293 POS. All of them belonged to its Core Brands Business.

Core Brands Business

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

管理層討論與分析

於二零二零年上半年內，經營虧損為137.3百萬港元，對比去年同期經營虧損為373.5百萬港元。股東應佔虧損為141.3百萬港元（二零一九年：389.9百萬港元）。每股基本虧損為8.6港仙，對比二零一九年同期每股基本虧損為23.6港仙。董事會不建議就截至二零二零年六月三十日止六個月派發中期股息（二零一九年：無）。

新冠肺炎疫情無可避免地對零售市場造成巨大衝擊，女鞋零售亦不能倖免。在受疫情影響最嚴重的第一季度，零售行業整體客流大幅下降，使線下銷售活動陷入停滯。在此期間，部分業主給予本集團直營店舖以及夥伴聯營店舖一定程度的租金減免，這部份輕微抵銷了少部份線下的營運成本，同時本集團亦為合夥人及加盟商提供了適當折扣，以共渡時艱。隨著疫情逐漸穩定下來，中國整體經濟呈現了恢復勢頭，四月起本集團於全國大部份店舖亦逐漸恢復營業，加之物流恢復暢通，第二季度線下銷售渠道逐步呈現復甦跡象，惟零售市場氣氛依然低落，消費意欲疲弱。

本集團繼續進行「輕資產」業務模式的戰略轉型，將重點放在核心品牌業務，並徹底退出中高檔品牌的實體零售業務（包括中國大陸及台灣），關閉旗下所有其他品牌業務銷售點。二零二零年上半年，本集團淨關閉132個銷售點，包括67個核心品牌業務銷售點及65個其他品牌業務銷售點。於二零二零年六月三十日，本集團擁有銷售點總數為293個，全部為核心品牌業務。

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線下零售業務。

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2020, the Group continued to adjust the network of its sales channels to pursue an “asset-light” business model. During the period under review, the Group’s Core Brands Business recorded 67 net closures of POS (including the closure of 24 directly-managed/partnership stores and 43 franchised stores). The number of POS decreased by 19% compared with that as at 31 December 2019.

The same-store sales at the Group’s Core Brands Business fell by about 50% year-on-year. The weak same-store sales performance, coupled with the further shrinkage of the sales network, resulted in a year-on-year decrease of approximately 92% in the turnover at the Group’s Core Brands Business to HK\$104.8 million (2019: HK\$1,281.4 million).

The overall average selling price (“ASP”) was also facing downward pressure due to the weak retail market. The Group has also made structural adjustments to the ASP in response to the market environment. The Group’s supply chain model of making “quick responses for small orders” began to yield effect so the Group was able to offer less and less discounts on its new products in the first half of the year, thus stabilising the prices of its products. As a result, the offline ASP of products under the Core Brands Business increased in the first half of the year. At the same time, during the period under review, the Group orders small batches of goods in a timely manner with “quick responses for small orders” as its mode of operation. This has enabled the Group to avoid developing sizeable inventory even if sales were under downward pressure.

However, the supply chain model for ordering a small quantity of goods to meet demand in short intervals has also led to an increase in unit cost, which partially offset the increase in ASP. In addition, the shrinkage of the network of stores also entailed the clearance of old aged inventory at wholesale, which led to a decrease in the gross profit margin at the Core Brands Business to 30.4% in the first half of 2020 (2019: 42.5%). Affected by the continued negative operating leverage, the Core Brands Business recorded an operating loss of HK\$84.8 million (2019: HK\$358.2 million).

管理層討論與分析

二零二零年上半年，本集團繼續進行渠道網絡調整，以追求「輕資產」業務模式。回顧期內，本集團的核心品牌業務淨關閉67個銷售點（包括24家直營／聯營店及43家加盟店），銷售點數目較於二零一九年十二月三十一日減少19%。

受新冠肺炎疫情及持續調整的渠道網絡影響，上半年核心品牌業務同店銷售按年下降約五成。疲弱的同店銷售表現，加上進一步收窄的銷售網絡，導致本集團核心品牌業務營業額按年減少約92%至104.8百萬港元（二零一九年：1,281.4百萬港元）。

整體平均售價（「平均售價」）亦因疲弱的零售市場面臨著下行壓力，本集團亦因應市場環境對平均售價進行了結構性調整。然而，受益於本集團「小單快返」供應鏈模式的成效開始反映，上半年，本集團的新品採用減少折扣的定價策略，保持產品售價穩定，上半年核心品牌線下平均售價因而有所增長。同時，回顧期內本集團以「小單快返」模式小批量適時地進行下單，即使銷售受壓，仍然有效避免本集團大量存貨囤積。

然而，小批量的供應鏈模式亦導致單位成本上漲，部份抵銷了平均售價的增幅，加上店鋪規模縮減，因此需要批發清理老舊庫存，二零二零上半年，核心品牌業務毛利率下降至30.4%（二零一九年：42.5%）。受持續負面經營槓桿影響，核心品牌業務錄得經營虧損84.8百萬港元（二零一九年：358.2百萬港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

During the period under review, the Group actively carried out product upgrades to further increase the proportion of athleisure products in the product mix to tap the potential of the market and attract more young and trendy consumers. This has also enabled the Group to develop more customer groups. In addition, the Group launched its first original domestic brand “Ascent” (“芙搖直上”) in June to capitalise on the growing popularity with both the trendy domestic brands and heritage brands in mainland China. “Ascent” made its debut at the Tmall National Style Awards, which was shown in an online live broadcast, exuding its own distinctive charm of a trendy domestic brand. The product series of “Ascent” met with enthusiastic responses from young consumers upon its launch. “Ascent” not only has driven up Daphne’s sales but also has enabled it to project a youthful and fashionable brand image that has won people’s hearts.

On the back of its continued efforts in product upgrades and its established mechanism for customer relationship management, the membership of the Group’s customer clubs at its online and offline sales channels continued to expand in the first half of the year. With the help of “live commerce”, a large number of young consumers who were aged from 20 to 35 became Daphne’s customers, which led to a continued increase in repeat business and strengthened the customer loyalty.

E-Commerce

The COVID-19 epidemic triggered off exponential growth in the “stay-at-home” economy. To capitalise on the trend, the Group increased commitment to its online sales channel. For instance, it stepped up the strategic planning for its e-commerce business. In the first half of the year, the Group not only consolidated its advantage in traditional e-commerce platforms but also actively explored new approaches to sales and marketing. For example, it tapped into a surge in internet traffic to adapt itself to the gradual shift from offline to online consumption. Through its collaborations with such social platforms as “Tik Tok” (“抖音”) and “Kuaishou” (“快手”) for the sharing of short videos, the Group was able to suit the preferences of adolescents in social networking and increase its exposure in the social media, thus advertising its brand name on online platforms that register high volume of traffic. The Group also fully explored the potential of “live commerce” to bring a much more interactive shopping experience to consumers. Such move also made up for a decrease in offline sales which had been impacted by the epidemic.

管理層討論與分析

回顧期內，本集團積極進行產品升級，進一步增加運動休閒品類的佔比，以把握運動休閒的市場潛力，並吸引更多年輕時尚的消費者，開拓更多消費客群。此外，本集團於六月推出首個設計師原創國風品牌「芙搖直上」，並通過線上直播的形式亮相“天貓國風大賞”，向外界傳遞不一樣的國潮新風尚。「芙搖直上」系列一經推出，得到了年輕消費者的熱烈反響，在帶動品牌銷售的同時，進一步使達芙妮年輕時尚的品牌形象深入人心。

受益於產品升級方面的持續努力，以及完善的顧客關係管理機制，上半年本集團在線上及線下渠道會員基礎持續擴大，憑藉「直播帶貨」，吸引了大量20-35歲的年輕消費者成為達芙妮的顧客，並進而帶動重複銷售率的持續上升，顧客忠誠度亦得到進一步加強。

電商業務

新冠肺炎疫情下催生了「宅經濟」的井噴爆發。本集團順勢加大對線上渠道的投入，加速電商業務佈局，以積極把握「宅經濟」帶來的市場機遇。上半年，除了鞏固在傳統電商平台的銷售優勢外，本集團亦積極拓展新的營銷方式，抓住激增的線上流量，配合更多消費者由線下轉移至線上的消費模式。通過與「抖音」和「快手」等新興短視頻分享社交平台合作，迎合時下年輕人的網絡社交趨勢，增加品牌在大流量線上平台的曝光與傳播，並充分挖掘「直播帶貨」潛力，為消費者帶來更具互動性的購物體驗，部份彌補疫情對線下銷售的衝擊。

MANAGEMENT DISCUSSION AND ANALYSIS

Moreover, the Group has stepped up its effort to develop “online-only items” which are reserved for online sales in order to take advantage of the sales trend on the online marketplaces. The Group launched “Must-buy KOL Items” in the first half of the year according to the latest fashion trend. The products met with overwhelming responses from consumers. The Group’s e-commerce business remained profitable thanks to the contribution from the sales of “online-only items”.

FINANCIAL REVIEW

Analysis of Results by Business Segment

For the six months ended 30 June 2020, the Group recorded turnover of HK\$212.1 million, a decrease of 85% compared to that for the corresponding period last year. The business performance of individual segments for the period under review is summarised as follows:

(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	
		2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年
Revenue from external customers	對外客戶收益	104.8	1,193.4	107.4	209.4	-	-
Inter-segment revenue	分部間收益	-	88.0	-	-	-	65.2
Total segment revenue	總分部收益	104.8	1,281.4	107.4	209.4	-	65.2
Segment gross profit/(loss)	分部毛利/(虧損)	31.8	544.9	34.2	108.9	-	(7.5)
Segment gross margin	分部毛利率	30.4%	42.5%	31.9%	52.0%	-	-11.5%
Segment operating loss	分部經營虧損	(84.8)	(358.2)	(40.7)	(4.2)	-	(15.5)
Segment operating margin	分部經營盈利率	-80.9%	-28.0%	-37.9%	-2.0%	-	-23.9%

During the first half of 2020, total revenue of the Core Brands Business decreased by 92% to HK\$104.8 million from HK\$1,281.4 million for the corresponding period in 2019. It is mainly due to the large scale of closure of stores in the past year and the business in mainland China adversely impacted by the COVID-19 epidemic during the period. Gross margin of the Core Brands Business decreased from 42.5% in the first half of 2019 to 30.4% during the period under review as result of clearance of aged products and higher product cost.

The Group continued exiting its non-performing businesses such as mid-range and high-end brands business and retail business in Taiwan. Revenue of Other Brands Business also decreased by 49% year-on-year to HK\$107.4 million (2019: HK\$209.4 million) for the period under review. Gross margin declined from 52.0% in the first half of 2019 to 31.9% for the first half of 2020.

管理層討論與分析

此外，本集團亦加大對「線上專款」的投入，以把握線上市場的銷售趨勢。本集團於上半年推出符合現時潮流的「網紅爆款」，贏得消費者的熱烈反響。受「線上專款」銷售所帶動，電商業務繼續維持盈利。

財務回顧

業務分部業績分析

截至二零二零年六月三十日止六個月，本集團錄得營業額為212.1百萬港元，較去年同期下降85%。各分部於回顧期內業務表現載列如下：

截至二零二零年上半年，核心品牌業務收益總額由二零一九年同期的1,281.4百萬港元減少92%至104.8百萬港元。這主要是由於去年大規模關閉店舖及期內中國內地業務受到新冠肺炎疫情的不利影響所致。核心品牌業務的毛利率由二零一九年上半年的42.5%下降至回顧期內的30.4%，乃由於清理過季產品及產品成本上漲所致。

本集團繼續退出表現欠佳的業務，例如中高檔品牌業務及於台灣的零售業務。回顧期內，其他品牌業務收益亦按年減少49%至107.4百萬港元（二零一九年：209.4百萬港元）。毛利率由二零一九年上半年的52.0%下降至二零二零年上半年的31.9%。

MANAGEMENT DISCUSSION AND ANALYSIS

Other Income

Other income amounted to HK\$15.8 million (2019: HK\$12.3 million) during the period under review. The increase was mainly due to royalty income from licensees.

Operating Expenses

The Group's operating expenses (including other gains – net, selling & distribution and general & administrative expenses) dropped by HK\$817.9 million or 79%, to HK\$219.2 million during the period under review from HK\$1,037.1 million for the corresponding period in 2019. 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\$137.3 million, narrowed by HK\$236.2 million or 63%, compared with the operating loss of HK\$373.5 million in the corresponding period last year.

Income Tax Expense

For the period ended 30 June 2020, the Group's income tax expense was HK\$0.9 million (2019: HK\$7.3 million), mainly comprising the PRC withholding tax on royalties of HK\$0.6 million (2019: HK\$3.8 million).

Loss Attributable to Shareholders

For the period ended 30 June 2020, the Group's loss attributable to shareholders decreased by HK\$248.6 million to HK\$141.3 million (2019: HK\$389.9 million). Basic loss per share was 8.6 HK cents (2019: 23.6 HK cents) during the period under review.

Inventories

As at 30 June 2020, the Group's inventories decreased by HK\$78.3 million or 48%, to HK\$83.7 million from HK\$162.0 million as at 31 December 2019. Average inventory turnover was 153 days (2019: 195 days) during the period under review. Included in the inventories, the balance of provision for slow-moving and obsolete items was HK\$95.4 million as at 30 June 2020 (At 31 December 2019: HK\$170.2 million).

Trade Receivables

The amount of trade receivables as at 30 June 2020 decreased by HK\$7.3 million or 11% to HK\$57.6 million (At 31 December 2019: HK\$64.9 million). Average debtors turnover increased by 33 days to 53 days (2019: 20 days).

管理層討論與分析

其他收入

回顧期內，其他收入合計15.8百萬港元（二零一九年：12.3百萬港元）。該增加乃主要由於來自授權使用者之特許使用權收入所致。

經營費用

回顧期內，本集團的經營費用（包括其他收益－淨額、銷售及分銷開支以及一般及行政開支）由二零一九年同期的1,037.1百萬港元減少817.9百萬港元或79%至219.2百萬港元。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137.3百萬港元，較去年同期收窄236.2百萬港元或63%，去年同期的經營虧損為373.5百萬港元。

所得稅開支

截至二零二零年六月三十日止期間，本集團之所得稅開支為0.9百萬港元（二零一九年：7.3百萬港元），主要包括中國特許使用權之預扣所得稅0.6百萬港元（二零一九年：3.8百萬港元）。

股東應佔虧損

截至二零二零年六月三十日止期間，本集團股東應佔虧損減少248.6百萬港元至141.3百萬港元（二零一九年：389.9百萬港元）。回顧期內，每股基本虧損為8.6港仙（二零一九年：23.6港仙）。

存貨

於二零二零年六月三十日，本集團存貨由二零一九年十二月三十一日的162.0百萬港元，減少78.3百萬港元或48%至83.7百萬港元。回顧期內，平均存貨週轉期為153日（二零一九年：195日）。於二零二零年六月三十日，包括於存貨中的滯銷及過時存貨撥備餘額為95.4百萬港元（於二零一九年十二月三十一日：170.2百萬港元）。

貿易應收賬款

於二零二零年六月三十日之貿易應收賬款金額減少7.3百萬港元或11%至57.6百萬港元（於二零一九年十二月三十一日：64.9百萬港元）。平均應收賬款週轉期增加33日至53日（二零一九年：20日）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Trade Payables

On the other hand, the Group's trade payables decreased by HK\$22.8 million or 16%, to HK\$115.9 million as at 30 June 2020 from HK\$138.7 million as at 31 December 2019. Average creditors turnover increased by 163 days, from 221 days for the same period last year to 384 days during the period under review as a result of the extended credit period of certain major suppliers.

貿易應付賬款

另一方面，本集團之貿易應付賬款由二零一九年十二月三十一日的138.7百萬港元減少22.8百萬港元或16%至二零二零年六月三十日的115.9百萬港元。因此，於回顧期內，平均應付賬款週轉期則由去年同期221日，增加163日至384日，此乃由於若干主要供應商延長信貸期所致。

Liquidity and Financial Resources

As at 30 June 2020, the Group had equity attributable to shareholders totalling HK\$540.6 million (At 31 December 2019: HK\$692.7 million). Cash and bank balances amounted to HK\$93.5 million (At 31 December 2019: HK\$182.3 million), which were denominated mainly in Renminbi. During the first half of 2020, the net decrease in cash and bank balances of HK\$88.8 million (2019: HK\$210.2 million) is analysed as follows:

流動資金及財務資源

於二零二零年六月三十日，本集團股東應佔權益共有540.6百萬港元（於二零一九年十二月三十一日：692.7百萬港元）。現金及銀行結餘為93.5百萬港元（於二零一九年十二月三十一日：182.3百萬港元），主要以人民幣為結算單位。截至二零二零年上半年，現金及銀行結餘淨減少88.8百萬港元（二零一九年：210.2百萬港元）的分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$' million 百萬港元	2019 二零一九年 HK\$' million 百萬港元
Net cash (used in)/generated from operating activities	經營活動(所用)/產生的現金淨額	(91.9)	20.6
Capital expenditure	資本開支	(1.0)	(20.9)
Net interest received/(paid)	已收/(已付)利息淨額	0.3	(1.5)
Proceeds from disposal of a joint venture/subsidiary	出售合營企業/附屬公司之收款	0.4	16.5
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之收款	14.0	65.3
Lease payments	租賃付款	(8.7)	(133.9)
Net bank loans repaid	銀行貸款償還淨額	-	(158.3)
Effect of exchange rate changes	外匯兌換率變動之影響	(1.9)	2.0
		(88.8)	(210.2)

During the first half of 2020, the Group's interest income on bank balances and deposits was HK\$0.3 million (2019: HK\$1.4 million) while there was no finance costs on bank loans (2019: HK\$2.9 million).

於二零二零年上半年，本集團銀行結餘及存款之利息收入為0.3百萬港元（二零一九年：1.4百萬港元），而並無銀行貸款融資成本（二零一九年：2.9百萬港元）。

As at 30 June 2020, the Group's net gearing ratio was in net cash (At 31 December 2019: net cash) position and the current ratio was 1.4 times (At 31 December 2019: 1.5 times).

於二零二零年六月三十日，本集團的淨資產負債比率為淨現金（於二零一九年十二月三十一日：淨現金）及資產流動比率為1.4倍（於二零一九年十二月三十一日：1.5倍）。

MANAGEMENT DISCUSSION AND ANALYSIS

Management continuously reviews the current liquidity position and expected financial resource needs, as changes to the operating environment may have a material impact on financial resources. Taking into the consideration of the plans and measures to improve the liquidity position, such as disposals of certain non-core properties, extension of repayment terms with certain major suppliers and other financial support provided by the Chairman of the Company, it believes that the Group has sufficient financial resources to meet its obligations as and when they fall due at least in the next twelve months.

Foreign Exchange Risk Management

The Group's operations principally locate in mainland China, with transactions and related working capital denominated in Renminbi. In general, it is the Group's policy for each operating entity to borrow in their local currencies, where necessary, to minimise currency risk. As such, the Group is not exposed to significant foreign exchange risk and the Group will monitor this risk on a regular basis.

Capital Commitment

As at 30 June 2020 and 31 December 2019, the Group did not have any significant capital commitment.

Contingent Liabilities

As at 30 June 2020 and 31 December 2019, the Group had no significant contingent liabilities.

Human Resources

As at 30 June 2020, the Group had a workforce of 303 (At 31 December 2019: 948) 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\$80.2 million (2019: HK\$305.1 million). The decrease of HK\$224.9 million or 74% was mainly due to the reduction in headcounts and cost control measures.

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.

管理層討論與分析

由於經營環境的變化可能對財務資源產生重大影響，管理層持續檢討當前流動資金狀況及預期財務資源需求。考慮到改善流動資金狀況的計劃及措施，例如出售若干非核心物業、延長與若干主要供應商的還款期及本公司主席提供的其他財務支持，本集團認為其持有足夠財務資源以應付未來至少十二個月到期之債務。

匯率風險管理

本集團的業務主要位於中國內地，交易及相關營運資金以人民幣計值。一般而言，根據本集團之政策，旗下每家營運機構如有需要盡可能以當地貨幣借貸，以減低貨幣風險。因此，本集團並無面臨重大貨幣風險，且本集團將定期監察該風險。

資本承擔

於二零二零年六月三十日及二零一九年十二月三十一日，本集團並無任何重大資本承擔。

或然負債

於二零二零年六月三十日及二零一九年十二月三十一日，本集團並無任何重大或然負債。

人力資源

於二零二零年六月三十日，本集團於中國大陸、台灣及香港之僱員人數為303人（於二零一九年十二月三十一日：948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80.2百萬港元（二零一九年：305.1百萬港元），減少224.9百萬港元或74%，乃主要由於僱員人數減少及成本控制措施所致。

本集團一向重視人力資源並深明挽留優質人才的重要性，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。

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

Although the nationwide COVID-19 epidemic has basically been brought under control, the situation has not yet stabilised as new cases of the disease have been reported recently in some regions. This has necessitated the extension of the time for regular epidemic prevention and control measures. This has cast uncertainty over the economic outlook in the second half of the year. Although China's consumer market is recovering gradually, it can still undergo volatility in the short and medium term. It will take both effort and time for the consumer market to return to the pre-epidemic level.

The COVID-19 epidemic not only has brought challenges but also engendered new ideas about how traditional retail industry can change their business model. The integration of online and offline channels has also become a new direction in the industry's development. Retailers can grasp this opportunity by rethinking their business plan and strategy for developing both online and offline markets and by exploring the possibilities in the era of new retail. Such moves can also turn crises into opportunities.

As a new growth driver of the Group business, its online business has been marked out for further development in aftermath of the epidemic. This will help to increase the Group's overall profitability.

- First, the Group's e-commerce department will collaborate with its product design team to develop more "online-only items". This, coupled with the support of the supply chain system that enables "quick responses for small orders", will be able to meet the ever-changing online consumers' demand.
- Second, the Group will further consolidate its position in women's footwear market. Through a more targeted pricing strategy and more diverse athleisure products, the Group will be able to connect with its target consumer groups thoroughly and eventually expand its share of the online market.
- The Group will implement a strategy of "omnichannel marketing". It will further expand its online sales channels, increase the repeat business online, gradually raise the sales efficiency and enhance its competitive strength in the online market.

管理層討論與分析

展望

儘管全國新冠肺炎疫情已經基本受控，但部份地區疫情反覆以及常態化疫情防控週期的拉長，為下半年經濟前景帶來不確定性因素。中國消費品市場在穩步復甦的同時，中短期內仍將出現一些結構性波動，距離完全恢復至疫前水平尚需較長一段時間和努力。

新冠肺炎疫情在給傳統零售業帶來挑戰的同時，也為傳統零售商帶來了商業模式轉型的新思路。線上與線下的結合亦成為行業發展新方向，零售商可藉此機會，重新戰略佈局線上及線下市場，探索新零售發展潛力，力求轉危為機。

作為本集團新的業務增長點，線上業務將是本集團在後疫情階段重點發力的方向之一，以不斷提升其盈利水平。

- 首先，電商部門將協同設計團隊，開發更多「線上專款」，並以「小單快反」的供應鏈系統作支持，以更貼切地滿足快速轉變的線上消費者需求。
- 其次，本集團將進一步鞏固在大眾女鞋市場的地位，通過更有針對性的價格策略，擴展運動休閒品類，全方位觸及本集團的目標消費群，從而不斷提升線上市場佔有率。
- 本集團將推行「全渠道打通」的發展策略，進一步開拓線上銷售渠道，提升線上顧客複購率，逐漸提高銷售效率，以增強在線上市場的競爭力。

MANAGEMENT DISCUSSION AND ANALYSIS

Under the “asset-light” business model, the Group’s offline distribution channels will become a crucial component in its brand communication. Collaboration of offline and online channels could create synergy to the highest degree. The Group will continue with the offline sales channel mix, with its main sales channel run under the “partnership system” and its new-image stores as a supplementary one. Steady progress has been made in the businesses at stores under “partnership system”. Although the operation of the partnership stores in the first half year was affected by the epidemic, the Group’s business partners are confident about the outlook of the market and Daphne’s potential for development because of the strength of Daphne’s brand and the good progress in its business transformation. In the future, the Group will expand its business through partnerships and work with its business partners to scale up Daphne’s offline sales network. All these efforts will enable the Group to build up the business presence of the Daphne brand in both online and offline sales channels.

The supply chain system that enables “quick responses for small orders” had already yielded preliminary results in the first half of the year. To better meet the ever-changing demand, the Group will keep cooperating with quality vendors, enhance the responsiveness of the supply chain and strive to reach the optimum level of inventory turnover. The Group will continue its cooperation with external designers, unceasingly enhance the trendiness and comfort of its products and attract more young consumers with products of excellent quality. Adhering to the consumer-centric principle, the Group will seek to satisfy the market’s demand precisely with the help of big data analysis, which will allow the Group to constantly track the ever-changing consumer preferences.

The Group has shown resilience by persevering with its business transformation strategy amid the epidemic. The efficacy of its business transformation has been gradually manifested in the second quarter when the epidemic has abated. Looking ahead, the Group will continue to cautiously push forward with its business transformation measures and explore ways to achieve sustainable development despite the difficult operating environment. The Group will maintain close relations with consumers, step up its brand building effort and raise the standard of its operation and management. Only then can the Group be well-positioned to take advantage of a full recovery in the industry with stronger capabilities and better products.

管理層討論與分析

在「輕資產」業務模式下，線下渠道將作為傳播品牌形象的重要載體，與線上渠道協同合作，釋放最大協同效應。本集團將繼續推行以「合夥人制度」為主，以新形象店為輔的線下銷售渠道組合。「合夥人」業務進展穩定。儘管合夥人上半年的經營也不可避免地遭受了疫情的影響，鑒於達芙妮強大的品牌實力及良好的業務轉型進展，合夥人對達芙妮的市場前景及發展潛力仍然充滿信心。未來，本集團將進一步壯大合夥人規模，共同努力擴大達芙妮的線下銷售網絡，以「輕資產」的規模提高線下市場份額，確保品牌在線上及線下渠道的全面覆蓋。

「小單快返」的供應鏈體系已於上半年初見成效。本集團將繼續與優質供應商合作，進一步提高供應鏈反應速度，努力達到理想的週轉水平，從而更好配合快速變化的銷售需求。本集團將繼續與外部設計團隊合作，不斷提高產品的時尚度與舒適性，以更優質的產品吸引更多年輕消費者。秉承「以消費者為中心」的理念，本集團將藉助大數據分析，追蹤不斷變化的消費者喜好，更精準地滿足市場需求。

本集團的業務轉型策略在疫情期間體現出強大韌性，其部份成效已隨第二季度內疫情好轉而逐步體現出來。展望未來，本集團將繼續審慎推進各項業務轉型措施，逆勢探索出一條可持續發展之路。本集團將時刻與消費者保持緊密聯繫，強化品牌建設、不斷提升營運管理水平，以更強大的產品實力迎接行業全面復甦。

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2020

截至二零二零年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		Note 附註	
Turnover	營業額	4	212,134
Cost of sales	銷售成本		(146,102)
Gross profit	毛利		66,032
Other income	其他收入	5	15,820
Other gains – net	其他收益 – 淨額	6	4,950
Selling and distribution expenses	銷售及分銷開支		(140,188)
General and administrative expenses	一般及行政開支		(83,928)
Operating loss	經營虧損	7	(137,314)
Finance costs	財務成本	8	(881)
Share of losses of associates and joint ventures	應佔聯營公司及合營企業之虧損		(304)
Loss before income tax	除所得稅前虧損		(138,499)
Income tax expense	所得稅開支	9	(894)
Loss for the period	期內虧損		(139,393)
Attributable to:	以下各方應佔：		
Shareholders	股東		(141,257)
Non-controlling interests	非控制性權益		1,864
			(139,393)
Loss per share, basic and diluted (HK cents)	每股基本及攤薄虧損 (港仙)	10	(8.6)

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

以上簡明綜合收益表應與附註一併閱讀。

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2020

截至二零二零年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Loss for the period	期內虧損	(139,393)	(394,407)
Other comprehensive (loss)/income	其他全面(虧損)/收益		
<i>Item 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	匯兌差額	170	(125)
<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	(12,237)	31,746
Total comprehensive loss for the period	期內全面虧損總額	(151,460)	(362,786)
<i>Attributable to:</i>	<i>以下各方應佔:</i>		
Shareholders	股東	(152,120)	(359,483)
Non-controlling interests	非控制性權益	660	(3,303)
		(151,460)	(362,786)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

以上簡明綜合全面收益表應與附註一併閱讀。

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

AS AT 30 JUNE 2020

於二零二零年六月三十日

		Note	Unaudited 30 June 2020 未經審核 二零二零年 六月三十日 HK\$'000 千港元	Audited 31 December 2019 經審核 二零一九年 十二月三十一日 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	120,908	167,265
Investment properties	投資物業	13	395,549	369,645
Right-of-use assets	使用權資產		38,429	68,622
Interests in associates	於聯營公司之權益		1,036	1,481
Interests in joint ventures	於合營企業之權益		-	1,002
			555,922	608,015
Current assets	流動資產			
Inventories	存貨		83,660	162,013
Trade receivables	貿易應收賬款	14	57,608	64,875
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	15	91,425	142,689
Cash and cash equivalents	現金及現金等價物		93,181	182,059
			325,874	551,636
Assets classified as held-for-sale	分類為持作出售之資產	16	52,648	71,713
			378,522	623,349
Current liabilities	流動負債			
Trade payables	貿易應付賬款	17	115,943	138,700
Other payables and accrued charges	其他應付賬款及應計費用		134,405	226,912
Lease liabilities	租賃負債		11,185	25,621
Contract liabilities	合約負債		7,085	7,407
Current income tax liabilities	即期所得稅負債		5,739	5,169
			274,357	403,809
Liabilities directly associated with assets classified as held-for-sale	與分類為持作出售之資產直接相關的負債	16	5,591	8,045
			279,948	411,854
Net current assets	流動資產淨值		98,574	211,495
Total assets less current liabilities	總資產減流動負債		654,496	819,510

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

AS AT 30 JUNE 2020

於二零二零年六月三十日

		Note	Unaudited 30 June 2020 未經審核 二零二零年 六月三十日 HK\$'000 千港元	Audited 31 December 2019 經審核 二零一九年 六月三十日 HK\$'000 千港元
Equity attributable to shareholders	股東應佔權益			
Share capital	股本	18	164,914	164,914
Reserves	儲備	19	375,677	527,797
			540,591	692,711
Non-controlling interests	非控制性權益		104,302	103,642
Total equity	總權益		644,893	796,353
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債		7,168	20,469
Deferred income tax liabilities	遞延所得稅項負債		2,435	2,688
			9,603	23,157
Total equity and non-current liabilities	總權益及非流動負債		654,496	819,510

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

以上簡明綜合資產負債表應與相關附註一併閱讀。

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2020

簡明綜合權益變動表

截至二零二零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 2020	於二零二零年一月一日	164,914	527,797	103,642	796,353
Loss for the period	期內虧損	–	(141,257)	1,864	(139,393)
Currency translation differences	匯兌差額	–	(10,863)	(1,204)	(12,067)
Total comprehensive loss	全面虧損總額	–	(152,120)	660	(151,460)
At 30 June 2020	於二零二零年六月三十日	164,914	375,677	104,302	644,893
At 1 January 2019	於二零一九年一月一日	164,914	1,614,911	131,631	1,911,456
Loss for the period	期內虧損	–	(389,866)	(4,541)	(394,407)
Currency translation differences	匯兌差額	–	30,383	1,238	31,621
Total comprehensive loss	全面虧損總額	–	(359,483)	(3,303)	(362,786)
<i>Share option scheme:</i>	<i>購股權計劃：</i>				
Value of grantee services	承授人服務價值	–	66	–	66
Total transactions with shareholders	與股東交易總額	–	66	–	66
At 30 June 2019	於二零一九年六月三十日	164,914	1,255,494	128,328	1,548,736

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

以上簡明綜合權益變動表應與相關附註一併閱讀。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

FOR THE SIX MONTHS ENDED 30 JUNE 2020

截至二零二零年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Operating activities	經營活動		
Cash (used in)/generated from operations	營運（所用）／產生之現金	(91,657)	28,010
Income tax paid	已付所得稅	(212)	(7,398)
Net cash (used in)/generated from operating activities	經營活動（所用）／產生之現金淨額	(91,869)	20,612
Investing activities	投資活動		
Acquisition of property, plant and equipment	購置物業、廠房及設備	(953)	(20,932)
Proceeds from disposal of a joint venture	出售合營企業之收款	403	-
Proceeds from disposal of a subsidiary	出售附屬公司之收款	-	16,545
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之收款	13,951	65,276
Interest received	已收利息	286	1,403
Decrease in pledged bank deposits	已抵押銀行存款減少	-	174,033
Net cash generated from investing activities	投資活動產生之現金淨額	13,687	236,325
Financing activities	融資活動		
Interest paid	已付利息	-	(2,866)
Proceeds from bank loans	銀行貸款之收款	-	27,964
Repayment of bank loans	償還銀行貸款	-	(186,239)
Principal elements of lease payments	租賃付款之本金部分	(7,776)	(123,589)
Interest elements of lease payments	租賃付款之利息部分	(881)	(10,366)
Net cash used in financing activities	融資活動所用之現金淨額	(8,657)	(295,096)
Decrease in cash and cash equivalents	現金及現金等價物減少	(86,839)	(38,159)
Cash and cash equivalents as at 1 January	於一月一日之現金及現金等價物	182,293	188,748
Effect of foreign exchange rate changes	外匯兌換率變動之影響	(1,966)	(950)
Cash and cash equivalents as at 30 June	於六月三十日之現金及現金等價物	93,488	149,639

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes. 以上簡明綜合現金流量表應與相關附註一併閱讀。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

1 GENERAL INFORMATION

Daphne International Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in the 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 2020 are unaudited and have been reviewed by the Audit Committee of the Company and approved for issue by the Board of Directors on 25 August 2020.

2 BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six months ended 30 June 2020 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 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 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

Going concern basis

The Group reported a loss for the period ended 30 June 2020 of HK\$139,393,000 (2019: HK\$394,407,000) and a net cash outflow from operations of HK\$91,869,000 (2019: net cash inflow from operations of HK\$20,612,000). The Group also recorded a cash outflow in relation to lease payments of HK\$8,657,000 (2019: HK\$133,955,000) during the period ended 30 June 2020, which was classified as financing activities. As at 30 June 2020, the Group had cash and cash equivalents of HK\$93,181,000 (At 31 December 2019: HK\$182,059,000).

In the first half of 2020, the Group’s operation performance was adversely impacted by the COVID-19 outbreak which has led to continuing uncertainties and a marked downturn in domestic and global economic activities. In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity requirements and operating performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern.

The management have taken into account the following plans and measures to ensure the Group will have sufficient working capital in the next twelve months:

- The Group continued its efforts to implement various restructuring measures with a view to improving the operating results and strengthening its working capital position. The Group has substantially scaled down its physical store network and restructured its back office to minimise its operating costs. These measures, among others, include negotiation with suppliers to adjust the terms of the purchase orders and further cost control measures.
- The Group intended to dispose certain of its non-core properties with a carrying value of approximately HK\$52,212,000 within the twelve months from 30 June 2020 in an effort to enhance its liquidity position.
- The Chairman of the Company confirmed his intention to arrange a loan facility to the Group amounting to approximately HK\$50,000,000 as and when needed. The Group continues to look for additional sources of financing to enhance its financial position.

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。

此截至二零二零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，並已於二零二零年八月二十五日經董事會批准發佈。

2 編製基準

此截至二零二零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（「香港會計準則」）第34號「中期財務報告」之規定編製，並應與截至二零一九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。

持續經營的基準

本集團於二零二零年六月三十日止期間錄得虧損139,393,000港元（二零一九年：394,407,000港元）及經營現金流出淨額91,869,000港元（二零一九年：經營業務現金流入淨額20,612,000港元）。截至二零二零年六月三十日止期間，本集團亦錄得被列為融資活動有關租賃付款8,657,000港元（二零一九年：133,955,000港元）的現金流出。於二零二零年六月三十日，本集團的現金及現金等價物為93,181,000港元（於二零一九年十二月三十一日：182,059,000港元）。

於二零二零年上半年，新冠肺炎爆發導致國內及全球經濟活動持續不明朗及顯著下滑，亦為本集團的經營表現帶來不利影響。鑑於上述情況，本公司董事已仔細考慮本集團的未來流動資金需求及經營表現及其可用資金來源，以評估本集團是否有足夠財務資源持續經營。

管理層已考慮以下計劃及措施，以確保本集團於未來十二個月擁有充足營運資金：

- 本集團繼續致力實施不同重組措施，以改善經營業績及加強營其運資金狀況。本集團已大幅縮減其實體店舖網絡規模，並對後勤辦公室進行重組，以盡量減少經營成本。此等措施其中包括與供應商磋商，以調整已下採購訂單的條款，以及進一步成本控制措施。
- 本集團擬於二零二零年六月三十日起十二個月內，出售若干非核心物業，其賬面值約為52,212,000港元，以提升本集團流動資金狀況。
- 本公司主席確認彼願意在有需要時安排貸款融資予本集團，金額約為50,000,000港元。本集團繼續尋找額外融資來源以提升其財務狀況。

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2 BASIS OF PREPARATION (CONTINUED)

Going concern basis (Continued)

Notwithstanding the above, whether management are able to achieve its plans and measures as described above, which incorporate assumptions about future events and conditions, are subject to inherent uncertainties. In particular, whether the Group will be able to continue as a going concern would depend upon (a) successful implementation of the above-mentioned measures on improvement of the operating results and cash flows of the Group; (b) successful disposal of non-core properties and collection of sales proceeds in the expected timeframe; and (c) successful draw down of funds from the financial support provided by the Chairman as mentioned above and raising of additional new sources of financing, as and when needed.

The directors, after due consideration of the basis of management's plans and measures, are confident that the Group will have sufficient working capital to meet its financial obligations as and when they fall due at least in the next twelve months from 30 June 2020. Accordingly, the directors considered it is appropriate to prepare the condensed consolidated interim financial statements of the Group on a going concern basis.

3 PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied in the condensed consolidated interim financial statements for the six months ended 30 June 2020 are consistent with those adopted in the consolidated financial statements for the year ended 31 December 2019, except for the adoption of amended standards that are effective for its reporting period beginning on 1 January 2020 as set out below.

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The adoption of these amended standards listed above did not have any material impact on the Group's accounting policies.

4 SEGMENT INFORMATION

The Group is principally engaged in the distribution and retailing of footwear and accessories in mainland China.

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, unallocated corporate income and expenses. Certain corporate overhead expenses, including management fee, rental and utilities were reallocated among individual segments based on estimated consumption.

Revenue from external customers is arrived at after elimination of inter-segment revenue. Inter-segment revenue is charged in accordance with terms determined and agreed mutually by relevant parties. Revenue from external customers of Core Brands Business and Other Brands Business is mainly derived from mainland China and Taiwan. None of the customers accounted for 10% or more of the total turnover of the Group during both six months ended 30 June 2020 and 2019.

The Group's non-current assets are mainly located in mainland China.

2 編製基準(續) 持續經營的基準(續)

儘管如此，管理層能否實現上述計劃及措施(其中包含有關未來事件和狀況的假設)受到固有不確定性因素影響。尤其是，本集團能否持續經營將取決於(a)成功實施上述改善本集團經營業績及現金流量的措施；(b)在預計時間表內成功出售非核心物業及收取銷售所得款項；及(c)如上文所述，成功從主席提供的財務支持中提取資金，並於需要時籌集額外新融資來源。

在充分考慮管理層的計劃及措施之基礎後，董事有信心本集團將有足夠的營運資金以應付由二零二零年六月三十日起計未來至少十二個月到期的財務債務。因此，董事認為按持續經營基準編制本集團簡明綜合中期財務報表乃屬適當的。

3 主要會計政策

除採納下文所載於二零二零年一月一日開始的報告期間生效的經修訂準則外，截至二零二零年六月三十日止六個月的簡明綜合中期財務報表所應用的會計政策與截至二零一九年十二月三十一日止年度的綜合財務報表所採納是一致的。

香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義
香港財務報告準則第3號(修訂本)	業務的定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率基礎改革

採納上列之經修訂準則對本集團之會計政策並無任何重大影響。

4 分部資料

本集團主要於中國大陸從事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、無形資產攤銷和減值，以及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和台灣。截至二零二零年及二零一九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主要位於中國大陸。

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4 SEGMENT INFORMATION (CONTINUED)

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

4 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/ Corporate 分部門 對銷/企業 HK\$'000 千港元	Group 集團 HK\$'000 千港元
Six months ended 30 June 2020 (Unaudited)	二零二零年六月三十日止六個月 (未經審核)					
Revenue from external customers	對外客戶收益	104,776	107,358	-	-	212,134
Inter-segment revenue	分部間收益	-	-	-	-	-
Total segment revenue	總分部收益	104,776	107,358	-	-	212,134
Segment results	分部業績	(84,779)	(40,724)	-	-	(125,503)
Corporate income	企業收入					1,438
Corporate expenses	企業開支					(13,249)
Operating loss	經營虧損					(137,314)
Finance costs	財務成本					(881)
Share of losses of associates and joint ventures	應佔聯營公司及合營企業之虧損					(304)
Loss before income tax	除所得稅前虧損					(138,499)
<i>Other information for disclosure:</i>	<i>其他披露資料:</i>					
Depreciation of investment properties	投資物業折舊	4,683	-	-	2,560	7,243
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,340	789	-	2,271	10,400
Depreciation of right-of-use assets	使用權資產折舊	8,738	2,272	-	232	11,242
Capital expenditure	資本開支	953	-	-	-	953
Six months ended 30 June 2019 (Unaudited)	二零一九年六月三十日止六個月 (未經審核)					
Revenue from external customers	對外客戶收益	1,193,382	209,420	-	-	1,402,802
Inter-segment revenue	分部間收益	87,972	-	65,176	(153,148)	-
Total segment revenue	總分部收益	1,281,354	209,420	65,176	(153,148)	1,402,802
Segment results	分部業績	(358,152)	(4,211)	(15,549)	4,978	(372,934)
Corporate income	企業收入					2,247
Corporate expenses	企業開支					(2,799)
Operating loss	經營虧損					(373,486)
Finance costs	財務成本					(13,232)
Share of losses of associates and joint ventures	應佔聯營公司及合營企業之虧損					(363)
Loss before income tax	除所得稅前虧損					(387,081)
<i>Other information for disclosure:</i>	<i>其他披露資料:</i>					
Depreciation of investment properties	投資物業折舊	3,082	-	-	630	3,712
Depreciation of property, plant and equipment	物業、廠房及設備折舊	40,492	5,005	7,180	-	52,677
Depreciation of right-of-use assets	使用權資產折舊	129,773	10,374	111	338	140,596
Capital expenditure	資本開支	20,649	221	62	-	20,932

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4 SEGMENT INFORMATION (CONTINUED)

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

4 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 集團 HK\$'000 千港元
As at 30 June 2020 (Unaudited)	於二零二零年六月三十日(未經審核)				
Segment assets	分部資產	349,408	67,578	-	416,986
Investment properties	投資物業				395,549
Interests in associates	於聯營公司之權益				1,036
Assets classified as held-for-sale	分類為持作出售之資產				52,648
Corporate assets	企業資產				68,225
Total assets	總資產				934,444
Segment liabilities	分部負債	227,789	39,450	-	267,239
Deferred income tax liabilities	遞延所得稅項負債				2,435
Liabilities directly associated with assets classified as held-for-sale	與分類為持作出售之資產直接相關的負債				5,591
Corporate liabilities	企業負債				14,285
Total liabilities	總負債				289,550
As at 31 December 2019 (Audited)	於二零一九年十二月三十一日(經審核)				
Segment assets	分部資產	609,326	103,836	66,463	779,625
Investment properties	投資物業				369,645
Interests in associates	於聯營公司之權益				1,481
Interests in joint ventures	於合營企業之權益				1,002
Assets classified as held-for-sale	分類為持作出售之資產				71,713
Corporate assets	企業資產				7,898
Total assets	總資產				1,231,364
Segment liabilities	分部負債	358,374	48,451	5,662	412,487
Deferred income tax liabilities	遞延所得稅項負債				2,688
Liabilities directly associated with assets classified as held-for-sale	與分類為持作出售之資產直接相關的負債				8,045
Corporate liabilities	企業負債				11,791
Total liabilities	總負債				435,011

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5 OTHER INCOME

5 其他收入

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Franchise and royalty income	特許經營權及特許使用權收入	3,523	–
Government subsidies	政府補貼	1,468	704
Gross rental income	租金收入總額	5,893	6,141
Interest income	利息收入	286	1,403
Others	其他	4,650	4,058
		15,820	12,306

6 OTHER GAINS – NET

6 其他收益 – 淨額

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Gain on disposal of a subsidiary	出售附屬公司收益	–	7,836
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	5,192	8,359
Loss on disposal of a joint venture	出售合營企業虧損	(336)	–
Net exchange gain/(loss)	匯兌收益／(虧損) 淨額	94	(3,774)
		4,950	12,421

7 OPERATING LOSS

Operating loss is stated after charging the following:

7 經營虧損

經營虧損已扣除下列各項：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Auditors' remuneration	核數師酬金	1,857	2,591
Cost of inventories sold, including write-back of provision for slow-moving inventories of HK\$72,426,000 (2019: HK\$3,086,000)	售出存貨成本(包括滯銷存貨撥備撥回72,426,000港元(二零一九年: 3,086,000港元))	135,128	723,901
Depreciation of investment properties	投資物業折舊	7,243	3,712
Depreciation of property, plant and equipment	物業、廠房及設備折舊	10,400	52,677
Depreciation of right-of-use assets	使用權資產折舊	11,242	140,596
Employee benefits expense	僱員福利開支	80,170	305,108
Expenses relating to short-term leases and variable lease payments	有關短期租賃和可變租賃付款開支	35,401	299,204
Loss on termination of leases	終止租賃虧損	1,244	–
Net impairment loss on financial assets	金融資產減值虧損淨額	2,417	4,208

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8 FINANCE COSTS

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest on bank loans	銀行貸款利息	-	2,866
Interest on lease liabilities	租賃負債利息	881	10,366
		881	13,232

8 財務成本

9 INCOME TAX EXPENSE

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current income tax	即期所得稅稅項	864	4,701
Deferred income tax	遞延所得稅稅項	30	2,625
		894	7,326

9 所得稅開支

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 2020 is 21% (2019: 25%).

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。截至二零二零年六月三十日止六個月之估計加權平均稅率為21% (二零一九年：25%)。

10 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to shareholders of HK\$141,257,000 (2019: HK\$389,866,000) by the weighted average number of 1,649,142,384 (2019: 1,649,142,384) shares in issue during the six months ended 30 June 2020.

10 每股虧損

每股基本虧損乃根據截至二零二零年六月三十日止六個月之股東應佔虧損141,257,000港元 (二零一九年：389,866,000港元) 除以已發行股份之加權平均數1,649,142,384 (二零一九年：1,649,142,384) 股計算。

For the six months ended 30 June 2020 and 2019, basic and diluted loss per share are the same since there was no dilutive potential share.

截至二零二零年及二零一九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。

11 DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2020 (2019: Nil).

11 股息

董事會不建議就截至二零二零年六月三十日止六個月派發中期股息 (二零一九年：無)。

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12 PROPERTY, PLANT AND EQUIPMENT

12 物業、廠房及設備

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	廠房及機器	傢俱、固定裝置及設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Net book value at 1 January 2020	於二零二零年一月一日之賬面淨值	142,935	2,180	1,412	20,128	610	167,265
Exchange adjustment	匯兌調整	(1,510)	(19)	(20)	(267)	(14)	(1,830)
Additions	添置	-	87	-	-	-	87
Depreciation	折舊	(1,775)	(1,102)	(553)	(6,812)	(158)	(10,400)
Transfer to investment properties	轉移至投資物業	(39,062)	-	-	-	-	(39,062)
Transfer from/(to) assets classified as held-for-sale	轉移從/(至)分類為持作出售之資產	10,109	(258)	-	(60)	42	9,833
Disposals	出售	(12)	(516)	(217)	(4,070)	(170)	(4,985)
Net book value at 30 June 2020	於二零二零年六月三十日之賬面淨值	110,685	372	622	8,919	310	120,908
Net book value at 1 January 2019	於二零一九年一月一日之賬面淨值	328,390	79,923	5,169	48,994	1,174	463,650
Exchange adjustment	匯兌調整	5,569	1,338	70	690	39	7,706
Additions	添置	-	7,056	62	7,474	160	14,752
Depreciation	折舊	(4,976)	(30,498)	(1,424)	(15,429)	(350)	(52,677)
Transfer to investment properties	轉移至投資物業	(24,350)	-	-	-	-	(24,350)
Transfer to assets classified as held-for-sale	轉移至分類為持作出售之資產	(38,227)	-	-	(6)	(44)	(38,277)
Disposals	出售	-	(21,171)	-	(1,275)	(521)	(22,967)
Net book value at 30 June 2019	於二零一九年六月三十日之賬面淨值	266,406	36,648	3,877	40,448	458	347,837

13 INVESTMENT PROPERTIES

13 投資物業

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Net book value at 1 January	於一月一日之賬面淨值	369,645	173,092
Exchange adjustment	匯兌調整	(5,915)	2,824
Depreciation	折舊	(7,243)	(3,712)
Transfer from property, plant and equipment	從物業、廠房及設備轉移	39,062	24,350
Net book value at 30 June	於六月三十日之賬面淨值	395,549	196,554

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14 TRADE RECEIVABLES

14 貿易應收賬款

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
Trade receivables	貿易應收賬款	74,302	79,976
Less: loss allowance	減：虧損撥備	(16,694)	(15,101)
Trade receivables – net	貿易應收賬款－淨額	57,608	64,875

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

按發票日期計算之貿易應收賬款賬齡分析如下：

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
0 – 30 days	0至30日	26,661	22,058
31 – 60 days	31至60日	13,984	16,777
61 – 90 days	61至90日	2,587	12,328
91 – 180 days	91至180日	3,638	10,302
181 – 360 days	181至360日	9,234	10,034
Over 360 days	360日以上	18,198	8,477
		74,302	79,976

15 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

As at 30 June 2020 and 31 December 2019, other receivables, deposits and prepayments mainly comprise value-added tax recoverables and rental and other deposits.

15 其他應收賬款、按金及預付款項

於二零二零年六月三十日及二零一九年十二月三十一日，其他應收賬款、按金及預付款項主要包括可收回增值稅金以及租金及其他按金。

16 ASSETS CLASSIFIED AS HELD-FOR-SALE

(i) The following non-current assets were classified as held-for-sale as at 30 June 2020:

16 分類為持作出售之資產

(i) 於二零二零年六月三十日，以下分類為待出售之非流動資產：

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
<i>Assets classified as held-for-sale:</i>	<i>分類為持作出售之資產：</i>		
Property, plant and equipment	物業、廠房及設備	14,339	27,983
Right-of-use assets	使用權資產	2,803	2,901
		17,142	30,884

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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16 ASSETS CLASSIFIED AS HELD-FOR-SALE (CONTINUED)

(ii) The following assets and liabilities of disposal group were classified as held-for-sale as at 30 June 2020:

16 分類為持作出售之資產(續)

(ii) 於二零二零年六月三十日，以下分類為持作出售之出售組別之資產及負債：

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
<i>Assets classified as held-for-sale:</i>	<i>分類為持作出售之資產：</i>		
Property, plant and equipment	物業、廠房及設備	28,255	30,641
Right-of-use assets	使用權資產	6,815	9,906
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	129	48
Cash and cash equivalents	現金及現金等價物	307	234
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	35,506	40,829
<i>Liabilities directly associated with assets classified as held-for-sale:</i>	<i>與分類為持作出售之資產直接相關的負債：</i>		
Other payables and accrued charges	其他應付賬款及應計費用	3,741	6,408
Deferred income tax liabilities	遞延所得稅項負債	1,850	1,637
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	5,591	8,045

Cumulative (loss)/gain recognised in other comprehensive income relating to disposal group classified as held-for-sale is as follows:

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)/收益如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Currency translation differences	匯兌差額	(892)	453

17 TRADE PAYABLES

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

17 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 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
0 – 30 days	0至30日	14,253	19,579
31 – 60 days	31至60日	19,800	32,133
61 – 90 days	61至90日	15,492	24,294
91 – 180 days	91至180日	33,533	19,324
181 – 360 days	181至360日	13,939	37,597
Over 360 days	360日以上	18,926	5,773
		115,943	138,700

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18 SHARE CAPITAL

18 股本

		2020 二零二零年		2019 二零一九年	
		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
<i>Authorised:</i>	<i>法定：</i>				
At 1 January and 30 June	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
<i>Issued and fully paid:</i>	<i>已發行及繳足：</i>				
At 1 January and 30 June	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 2020 and 2019, there were no movements in the share capital of the Company.

截至二零二零年及二零一九年六月三十日止六個月，本公司之股本並無變動。

19 RESERVES

19 儲備

		Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 股本 贖回儲備 HK\$'000 千港元	Capital reserve 股本儲備 HK\$'000 千港元	Merger reserve 合併儲備 HK\$'000 千港元	Share-based payment reserve 以股份為基礎 之付款儲備 HK\$'000 千港元	Currency translation reserve 匯兌儲備 HK\$'000 千港元	Statutory reserves 法定儲備 HK\$'000 千港元	Retained profits 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	120,281	2,882	(197)	322	23,427	69,315	173,007	138,760	527,797
Loss for the period	期內虧損	-	-	-	-	-	-	-	(141,257)	(141,257)
Currency translation differences	匯兌差額	-	-	-	-	-	(10,863)	-	-	(10,863)
Total comprehensive loss	全面虧損總額	-	-	-	-	-	(10,863)	-	(141,257)	(152,120)
<i>Share option scheme:</i>	<i>購股權計劃：</i>									
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	-	(20,308)	-	-	20,308	-
Total transactions with shareholders	與股東交易總額	-	-	-	-	(20,308)	-	-	20,308	-
At 30 June 2020	於二零二零年六月三十日	120,281	2,882	(197)	322	3,119	58,452	173,007	17,811	375,677
At 1 January 2019	於二零一九年一月一日	120,281	2,882	(197)	322	34,273	86,163	173,007	1,198,180	1,614,911
Loss for the period	期內虧損	-	-	-	-	-	-	-	(389,866)	(389,866)
Currency translation differences	匯兌差額	-	-	-	-	-	30,383	-	-	30,383
Disposal of a subsidiary	出售附屬公司	-	-	-	-	-	204	-	(204)	-
Total comprehensive loss	全面虧損總額	-	-	-	-	-	30,587	-	(390,070)	(359,483)
<i>Share option scheme:</i>	<i>購股權計劃：</i>									
Value of grantee services	承授人服務價值	-	-	-	-	66	-	-	-	66
Total transactions with shareholders	與股東交易總額	-	-	-	-	66	-	-	-	66
At 30 June 2019	於二零一九年六月三十日	120,281	2,882	(197)	322	34,339	116,750	173,007	808,110	1,255,494

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20 SHARE-BASED PAYMENT TRANSACTIONS

(a) Equity-settled share-based payment transactions

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

		2020 二零二零年		2019 二零一九年	
		Weighted average exercise price 加權平均行使價 HK\$ 港元	Number of share options 購股權數目	Weighted average exercise price 加權平均行使價 HK\$ 港元	Number of share options 購股權數目
At 1 January	於一月一日	2.79	24,380,000	2.84	34,390,000
Lapsed	已失效	4.75	(11,900,000)	-	-
At 30 June	於六月三十日	0.92	12,480,000	2.84	34,390,000
Exercisable at 30 June	於六月三十日可行使	0.92	12,480,000	2.84	34,390,000

(b) Cash-settled share-based payment transactions

Movements in the number of share appreciation rights (“SARs”) outstanding during the six months ended 30 June 2020 are as follows:

		2020 二零二零年	2019 二零一九年
At 1 January	於一月一日	16,500,000	18,060,000
Lapsed	已失效	(15,050,000)	(180,000)
As 30 June	於六月三十日	1,450,000	17,880,000
Exercisable at 30 June	於六月三十日可行使	1,450,000	17,880,000

There were no material expenses or liabilities in relation to the SARs.

並無與股份增值權有關的重大費用或負債。

21 RELATED PARTY TRANSACTIONS AND BALANCES

During the six months ended 30 June 2020, the Group entered into the following related party transactions:

(a) Transactions with related companies

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Sales of goods to a joint venture	向合營企業銷售貨品	-	2,625

Sales of goods to a joint venture were conducted in the normal course of the Group’s business. The terms of transactions are determined and agreed between the Group and the counter parties.

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。

20 以股份為基礎之付款交易

(a) 以權益結算以股份為基礎之付款交易

尚未行使之購股權數目及其加權平均行使價之變動如下：

(b) 以現金結算以股份為基礎之付款交易

截至二零二零年六月三十日止六個月，尚未行使股份增值權（「股份增值權」）之數目變動如下：

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**21 RELATED PARTY TRANSACTIONS AND BALANCES
(CONTINUED)**

(b) Balances with related companies

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
Trade receivable from a joint venture	應收合營企業款項	2,770	5,096

Trade receivable from a joint venture arose mainly from the sales of goods. The balance is unsecured, interest-free and repayable according to the trade terms.

應收合營企業款項主要由銷售貨品產生。餘額為無抵押、免息，並按貿易條款償還。

(c) Key management personnel compensation

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

(c) 主要管理人員之薪酬

本集團主要管理人員之薪酬(包括已付/應付本公司董事之款項)如下:

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries, allowances and bonuses	薪金、津貼及花紅	2,530	5,875
Share-based payment expense	以股份為基礎之付款開支	-	49
		2,530	5,924

SUPPLEMENTARY INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months ended 30 June 2020, 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (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 2020.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 30 June 2020, the interests and short positions of each director and chief executive of the Company in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules were as follows:

Long positions in shares and underlying shares of the Company:

Name of directors	Capacity	Number of shares held	Number of underlying shares	Total interests	Approximate % of total issued shares
董事名稱	身份	持有股份數目	相關股份數目	總權益	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) (附註)	6,000,000	0.36
Mr. Chang Chih-Chiao 張智喬先生	Personal interest 個人權益	-	3,000,000 (Note) (附註)	3,000,000	0.18

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

Save as disclosed above and the "Share option scheme" section, as at 30 June 2020, 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 interest 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.

At no time during the period was the Company, any of its subsidiaries, its fellow subsidiaries, its parent company 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 interest or short position in shares or underlying shares in, or debentures of, the Company or its specified undertakings or other associated corporations.

補充資料

購買、出售或贖回本公司股份

於截至二零二零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

本公司已遵照香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十所載之上市發行人董事進行證券交易的標準守則(「標準守則」)。經本公司作出具體查詢後，本公司全體董事均確認，彼等截至二零二零年六月三十日止六個月內一直遵守標準守則所載規定準則。

董事及主要行政人員之權益

於二零二零年六月三十日，按本公司根據證券及期貨條例(「證券及期貨條例」)第352條之規定存置之登記冊所記錄，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標準守則已知會本公司及聯交所之權益及淡倉如下：

於本公司股份及相關股份之好倉：

Name of directors	Capacity	Number of shares held	Number of underlying shares	Total interests	Approximate % of total issued shares
董事名稱	身份	持有股份數目	相關股份數目	總權益	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) (附註)	6,000,000	0.36
Mr. Chang Chih-Chiao 張智喬先生	Personal interest 個人權益	-	3,000,000 (Note) (附註)	3,000,000	0.18

附註：該等權益指授予董事之購股權所涉及之本公司相關股份之權益。

除上文及「購股權計劃」一節所披露者外，於二零二零年六月三十日，各董事或主要行政人員或彼等之任何聯繫人士(包括彼等之配偶及18歲以下之子女)概無擁有或獲授或行使可認購本公司、其指明企業及其他相聯法團之股份之任何權利而須根據證券及期貨條例作出披露。

於期內任何時間，本公司、其任何附屬公司、其共同系附屬公司、其母公司或其他相聯法團概無訂立任何安排，致使本公司董事及主要行政人員(包括彼等之配偶及18歲以下之子女)持有本公司或其指明企業或其他相聯法團之股份、相關股份或債券之權益或淡倉。

SUPPLEMENTARY INFORMATION

補充資料

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

主要股東之權益

The register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that as at 30 June 2020, 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.

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，於二零二零年六月三十日，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。

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 shareholders 股東名稱	Capacity 身份	Number of shares 股份數目	Approximate % of total issued shares 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	176,508,895 (Note 2) (附註二)	10.70
Pushkin Holding Limited	Beneficial interests 實益權益	147,740,920 (Note 3) (附註三)	8.96
Mr. Chen Ming-Yuan 陳明源先生	Interests of controlled corporation 受控公司之權益	147,740,920 (Note 3) (附註三)	8.96
Mr. Ma Liang Chun 馬良駿先生	Beneficial interests 實益權益	83,660,000	5.07

Notes:

附註：

1. Mr. Chang Chih-Kai, the Chairman of the Board of Directors, 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 ex-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. Pushkin Holding Limited is solely owned by Mr. Chen Ming-Yuan. By virtue of the SFO, Mr. Chen is deemed to be interested in 147,740,920 shares of the Company held by Pushkin Holding Limited.

- 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、陳怡勳先生，本公司之前董事，及陳怡臻女士各自擁有在英屬處女群島註冊成立之Top Glory Assets Limited 50%的實益權益。根據證券及期貨條例，彼等被視為在Top Glory Assets Limited所持有之174,908,895股本公司股份中擁有權益。
- 三、Pushkin Holding Limited由陳明源先生全資擁有。根據證券及期貨條例，陳先生被視為在Pushkin Holding Limited所持有之147,740,920股本公司股份中擁有權益。

Save as disclosed above, as at 30 June 2020, the Company had not been notified by any person (other than directors and chief executive of the Company) of any interest and short position in the shares and underlying shares of the Company which was required to be recorded in the register kept under Section 336 of the SFO.

除上文所披露者外，於二零二零年六月三十日，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）於本公司股份及相關股份中擁有任何權益及淡倉而須記錄於根據證券及期貨條例第336條存置之登記冊內。

SUPPLEMENTARY INFORMATION

SHARE OPTION SCHEME

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

The purpose of the 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 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 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 Scheme and any other share option schemes of the Company at any time shall not, in aggregate, exceed 30% of the shares of the Company in issue from time to time.

The total number of shares available for issue under the Scheme is 142,624,238 which is approximately 8.65% of the issued share capital of the Company as the date of this interim report.

The total number of shares issuable under the 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 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.

補充資料

購股權計劃

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

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

根據本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本計劃日期二零一三年八月二十七日本公司已發行股份之10%，除非已取得股東批准。根據本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%。

本計劃下可供發行之股份總數量為142,624,238股，佔本公司於本中期報告日期已發行股本約8.65%。

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

期權下之股份必須由董事會釐定並在給予承授人信件中指明之期間內接受，有關期間或會因董事會根據本計劃之條款而更改，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。

SUPPLEMENTARY INFORMATION

補充資料

The exercise price of the share options is determinable 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 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 2020, 11,900,000 (2019: Nil) share options were lapsed but no (2019: Nil) share options were granted, exercised or cancelled under the Scheme.

Details of movements of share options granted under the Scheme for the six months ended 30 June 2020 are as follows:

購股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。

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。

截至二零二零年六月三十日止六個月，11,900,000 (二零一九年：無) 購股權已失效，但並無 (二零一九年：無) 購股權根據本計劃獲授出、行使或註銷。

於截至二零二零年六月三十日止六個月，根據本計劃授出之購股權之變動詳情如下：

Grantees	Date of grant	Exercise price per share	Outstanding at 1 January 2020	Lapsed during the period	Outstanding at 30 June 2020	Exercisable period
承授人	授出日期 (yyyy/mm/dd) (年/月/日)	每股行使價 HK\$ 港元	於二零二零年 一月一日 尚未行使	期內失效	於二零二零年 六月三十日 尚未行使	行使期間 (yyyy/mm/dd) (年/月/日)
(i) Executive directors 執行董事						
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 (resigned on 17 January 2020) 陳怡勳先生 (於二零二零年一月十七日辭任)	2017/01/25	0.70	3,000,000	(3,000,000)	-	2017/01/25 - 2027/01/24
(ii) Consultants 顧問						
In aggregate 合計	2010/01/27	6.19	8,400,000	(8,400,000)	-	2011/01/27 - 2020/01/26
(iii) Employees 僱員						
In aggregate 合計	2010/01/27	6.19	300,000	(300,000)	-	2011/01/27 - 2020/01/26
In aggregate 合計	2010/07/22	7.61	300,000	-	300,000	2011/04/01 - 2020/07/21 (Note 2) (附註二)
In aggregate 合計	2014/01/21	4.50	200,000	(100,000)	100,000	2016/01/21 - 2024/01/20 (Note 3) (附註三)
In aggregate 合計	2014/01/21	4.50	80,000	-	80,000	2017/01/21 - 2024/01/20 (Note 4) (附註四)
In aggregate 合計	2017/01/25	0.70	3,000,000	-	3,000,000	2017/01/25 - 2027/01/24 (Note 1) (附註一)
In aggregate 合計	2017/01/25	0.70	100,000	(100,000)	-	2017/01/25 - 2027/01/24
			24,380,000	(11,900,000)	12,480,000	

SUPPLEMENTARY INFORMATION

Notes:

1. The share options shall vest one-third each year from the date of grant.
2. One-third of the share options shall vest on each anniversary with the first tranche starting on 1 April 2011.
3. 100% of the share options shall vest after two years from the date of grant.
4. 100% of the share options shall vest after three years from 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.

Under the SAR Plan, the exercise price of the SAR shall be determined by the Board of Directors and must not be less than the highest of:

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

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

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. 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。
3. 購股權由授出日期起計兩年後歸屬100%。
4. 購股權由授出日期起計三年後歸屬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。

股份增值權計劃下，股份增值權之行使價由董事會釐定及不得低於下列最高者：

- (a) 股份於授出日期在聯交所每日報價表所示之收市價；
- (b) 股份在緊接授出日期前五個營業日在聯交所每日報價表所示之平均收市價；及
- (c) 股份面值。

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

SUPPLEMENTARY INFORMATION

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 2020, 15,050,000 (2019: 180,000) SARs were lapsed and no SARs (2019: Nil) were granted, cancelled or exercised under the SAR Plan.

The details of the SARs granted under the SAR Plan as at 30 June 2020 are as follows:

Grantees	承授人	Outstanding at 1 January 2020 於二零二零年 一月一日 尚未行使	Lapsed during the period 期內失效	Outstanding at 30 June 2020 於二零二零年 六月三十日 尚未行使
(i) <i>Executive directors</i>	(i) <i>執行董事</i>			
Mr. Chang Chih-Kai	張智凱先生	5,475,000	(4,875,000)	600,000
Mr. Chang Chih-Chiao	張智喬先生	4,725,000	(4,125,000)	600,000
Mr. Chen Tommy Yi-Hsun (resigned on 17 January 2020)	陳怡勳先生 (於二零二零年一月十七日辭任)	2,000,000	(2,000,000)	-
(ii) <i>Employees</i>	(ii) <i>僱員</i>			
In aggregate	合計	4,300,000	(4,050,000)	250,000
		16,500,000	(15,050,000)	1,450,000

CHANGES IN DIRECTORS' INFORMATION

There were no changes in directors' details which are required to be disclosed pursuant to Rule 13.51(2) and Rule 13.51B(1) of the Listing Rules since the date of the Annual Report 2019 of the Company and up to the date of release of the interim results of the Company.

補充資料

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

於截至二零二零年六月三十日止六個月內，15,050,000 (二零一九年：180,000) 份購股權已失效，概無 (二零一九年：無) 股份增值權根據股份增值權計劃授出、註銷或行使。

於截至二零二零年六月三十日止六個月內，根據股份增值權計劃授出之股份增值權之變動詳情如下：

董事資料更改

本公司自二零一九年年報日期及截至本公司中期業績公告日期止，董事資料詳情並無變動，而該等董事資料詳情須根據「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 set out in Appendix 14 to the Listing Rules throughout the period except for the deviation from code provision A.2.1 which is 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 of Directors is of the opinion that vesting the roles of both Chairman and CEO in Mr. Chang Chih-Kai has the benefit of ensuring consistent leadership within the Group thus enabling more effective and efficient strategic planning for the Group. The Board of Directors also believes that the balance of power and authority will not be compromised and is adequately ensured by the existing Board of Directors which comprises experienced and competent individuals with more than one-third of the Board of Directors being independent non-executive directors.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee, comprises three independent non-executive directors of the Company as at the date of this interim report, namely, Mr. Hon Ping Cho Terence, Mr. Huang Shun-Tsai and Mr. Kuo Jung-Cheng, has reviewed with management the Group’s unaudited condensed consolidated interim financial statements and the interim results announcement, and confirmed that these comply with the applicable accounting standards and the Listing Rules.

補充資料

遵守企業管治常規守則

除下文所述偏離守則條文第A.2.1外，本公司於整個期間一直遵守上市規則附錄十四所載的企業管治守則（「企業管治守則」）。

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

董事會認為，授予張智凱先生主席及行政總裁職務有利於確保本集團領導的一致性，從而為本集團帶來更有效及高效率的策略規劃。董事會亦相信，權力制衡並不會受到影響，而現時之董事會由經驗豐富和能幹的人士組成，當中超過三分之一為獨立非執行董事，以確保有足夠的權力制衡。

審計委員會審閱

於本中期報告日期，審核委員會由三名獨立非執行董事組成，分別為韓炳祖先生、黃順財先生及郭榮振先生已與管理層審閱本集團未經審核簡明綜合中期財務報表及中期業績公告，以及認為有關財務報表已遵從適用之會計準則及上市規則。

