

A woman with long, wavy dark hair is sitting on a dark, polished marble table. She is wearing a black, long-sleeved blazer and black high-heeled pumps. Her right hand is resting on the edge of the table, and she is looking down and to the right. To her left, on the table, is a silver, abstract sculpture consisting of several interlocking loops. The background is a plain, light-colored wall.

ANNUAL REPORT

2020年報

CONTENTS

目錄

2	Corporate Information 公司資料
4	Financial and Operational Highlights 財務及經營摘要
6	Five-year Financial Summary 五年財務概要
7	Particulars of Major Properties 主要物業詳情
9	Chairman's Statement 主席報告
11	Management Discussion and Analysis 管理層討論與分析
20	Biographies of Directors and Senior Management 董事及高級管理人員簡歷
22	Corporate Governance Report 企業管治報告
35	Environmental, Social and Governance Report 環境、社會及管治報告
77	Report of the Directors 董事會報告
88	Independent Auditor's Report 獨立核數師報告
97	Consolidated Income Statement 綜合收益表
98	Consolidated Statement of Comprehensive Income 綜合全面收益表
99	Consolidated Balance Sheet 綜合資產負債表
101	Consolidated Statement of Changes in Equity 綜合權益變動表
102	Consolidated Cash Flow Statement 綜合現金流量表
103	Notes to the Consolidated Financial Statements 綜合財務報表附註

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive directors

Mr. Chang Chih-Kai (*Chairman*)
Mr. Chang Chih-Chiao (*Chief Executive Officer*)
Mr. Wang Jungang (*Chief Operating Officer*)

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

董事會

執行董事

張智凱先生 (*主席*)
張智喬先生 (*行政總裁*)
王俊剛先生 (*營運總監*)

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

公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2605, 26/F, The Metropolis Tower
10 Metropolis Drive
Hung Hom
Kowloon
Hong Kong

OPERATIONAL HEADQUARTERS

Unit 601, 6/F, Tower 5, The Hub
99 Shaohong Road
Minhang District
Shanghai
China

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

Agricultural Bank of China
China Construction Bank
Fubon Bank (Hong Kong)
Industrial and Commercial Bank of China
MUFG Bank

CORPORATE WEBSITES

www.daphneholdings.com

INVESTOR RELATIONS

ir@daphneholdings.com

香港主要營業地點

香港
九龍
紅磡
都會道10號
都會大廈26樓2605室

營運總部

中國
上海
閔行區
紹虹路99號
虹橋天地5號樓6樓601室

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

中國農業銀行
中國建設銀行
富邦銀行(香港)
中國工商銀行
三菱UFJ銀行

公司網址

www.daphneholdings.com

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

		For the year ended 31 December 截至十二月三十一日止年度		
		2020 二零二零年	2019 二零一九年	Change 變化
Revenue (HK\$' million)	收益 (百萬港元)	363.9	2,126.4	-83%
Gross profit (HK\$' million)	毛利 (百萬港元)	133.2	781.1	-83%
Operating loss (HK\$' million)	經營虧損 (百萬港元)	(237.1)	(1,019.5)	-77%
Loss attributable to shareholders (HK\$' million)	股東應佔虧損 (百萬港元)	(242.0)	(1,070.1)	-77%
Gross margin (%)	毛利率(%)	36.6	36.7	-0.1ppt百分點
Operating margin (%)	經營盈利率(%)	-65.2	-47.9	-17.3ppt百分點
Net margin (%)	淨盈利率(%)	-66.5	-50.3	-16.2ppt百分點
Basic loss per share (HK cents)	每股基本虧損 (港仙)	(14.4)	(64.9)	-78%

KEY FINANCIAL INDICATORS

主要財務指標

		For the year ended 31 December 截至十二月三十一日止年度		
		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)	161	157	+4
Average debtors turnover (days) (Note 2)	平均應收賬款週轉期 (日) (附註二)	45	19	+26
Average creditors turnover (days) (Note 3)	平均應付賬款週轉期 (日) (附註三)	323	259	+64
Capital expenditure (HK\$' million)	資本開支 (百萬港元)	3.6	26.4	-86%

		As at 31 December 於十二月三十一日		
		2020 二零二零年	2019 二零一九年	Change 變化
Cash and cash equivalents (HK\$' million) (Note 4)	現金及現金等價物 (百萬港元) (附註四)	124.6	182.3	-32%
Convertible notes (HK\$' million)	可換股債券 (百萬港元)	24.0	-	+100%
Equity attributable to shareholders (HK\$' million)	股東應佔權益 (百萬港元)	528.2	692.7	-24%
Current ratio (times) (Note 5)	資產流動比率 (倍) (附註五)	1.5	1.5	-
Net gearing ratio (%) (Note 6)	淨負債比率(%) (附註六)	Net cash 淨現金	Net cash 淨現金	-

FINANCIAL AND OPERATIONAL HIGHLIGHTS

財務及經營摘要

Notes:

1. The calculation of average inventory turnover (days) is based on the average of opening and closing inventory balances divided by the cost of sales and multiplied by number of days in the year.
2. The calculation of average debtors turnover (days) is based on the average of opening and closing balances of trade receivables divided by the revenue and multiplied by number of days in the year.
3. The calculation of average creditors turnover (days) is based on the average of opening and closing balances of trade payables divided by the purchases and multiplied by number of days in the year.
4. Cash and cash equivalents include 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 year end.
6. The calculation of net gearing ratio (%) is based on net debt (being convertible notes less cash and bank balances) divided by equity attributable to shareholders as at year end.

附註：

- 一、 平均存貨週轉期(日)乃按年初及年末存貨之平均結餘除以銷售成本乘以該年度日數計算。
- 二、 平均應收賬款週轉期(日)乃按年初及年末貿易應收賬款平均結餘除以收益乘以該年度日數計算。
- 三、 平均應付賬款週轉期(日)按年初及年末貿易應付賬款平均結餘除以採購額乘以該年度日數計算。
- 四、 現金及現金等價物包括轉撥至分類為持作出售之資產之現金及現金等價物。
- 五、 資產流動比率(倍)乃根據於年末之流動資產總額除以流動負債總額計算。
- 六、 淨負債比率(%)乃根據於年末之負債淨額(即可換股債券減現金及銀行結餘)除以股東應佔權益計算。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

		For the years ended 31 December 截至十二月三十一日止年度				
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Results	業績					
Revenue	收益	363,921	2,126,362	4,127,087	5,210,995	6,501,677
Gross profit	毛利	133,232	781,138	2,061,029	2,753,036	3,311,673
Operating loss	經營虧損	(237,141)	(1,019,535)	(786,577)	(688,823)	(819,488)
Loss attributable to shareholders	股東應佔虧損	(241,987)	(1,070,127)	(994,397)	(734,204)	(819,127)
Basic loss per share (HK cents)	每股基本虧損 (港仙)	(14.4)	(64.9)	(60.3)	(44.5)	(49.7)
		As at 31 December 於十二月三十一日				
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Assets and liabilities	資產及負債					
Non-current assets	非流動資產	567,137	608,015	787,664	1,358,995	1,469,595
Current assets	流動資產	291,541	623,349	2,181,706	2,794,865	3,583,556
Total assets	總資產	858,678	1,231,364	2,969,370	4,153,860	5,053,151
Non-current liabilities	非流動負債	29,111	23,157	3,850	13,409	30,729
Current liabilities	流動負債	192,040	411,854	1,054,064	1,104,790	1,490,372
Total liabilities	總負債	221,151	435,011	1,057,914	1,118,199	1,521,101
Total equity	總權益	637,527	796,353	1,911,456	3,035,661	3,532,050
Attributable to:	以下各方應佔：					
Shareholders	股東	528,230	692,711	1,779,825	2,874,907	3,371,398
Non-controlling interests	非控制性權益	109,297	103,642	131,631	160,754	160,652

PARTICULARS OF MAJOR PROPERTIES

主要物業詳情

(A) INVESTMENT PROPERTIES

(A) 投資物業

Property address*	物業地點	Existing use 目前用途	Lease term 契約年期	The Group's interest 本集團應佔權益
Linbing Community, Hanjiang, Putian, Fujian, China	中國福建省莆田市 涵江區林炳村	Factory 工廠	Medium-term 中期	85%
Room 301, 3/F, Block 15A, Software Park Phase 2, No. 68 Keyuan Main Road, Xixiangtang, Nanning, Guangxi, China	中國廣西省南寧市 西鄉塘區科園大道68號 軟件園區二期15號樓A座3層 301號房	Office 辦公室	Medium-term 中期	100%
Shops 1-118 to 121, 1-135 to 138, Block 00, Today Xinduhui, No. 56 Jiefang Road, Xigong, Luoyang, Henan, China	中國河南省洛陽市 西工區解放路56號 Today新都匯00幢1-118至121、 1-135至138號商舖	Shop 店舖	Medium-term 中期	100%
Shops 1-95, 2-177 to 178, 2-193 to 196, 3-190 to 198, No. 36 Taikang Road, Guancheng Huizu District East, Zhengzhou, Henan, China	中國河南省鄭州市 管城回族區東太康路36號 1-95、2-177至178、2-193至 196、3-190至198號商舖	Shop 店舖	Medium-term 中期	100%
Floor 1 to 9, Block 96, No. 1 Cuizhu Street, High Technology Industry Development Zone, Zhengzhou, Henan, China	中國河南省鄭州市 高新技術產業開發區 翠竹街1號96號樓1-9層	Office 辦公室	Medium-term 中期	100%
Shops C56 & C57, 1-2/F, Block S2, Zone A, Wuhan Jingkai Wanda Plaza, 12C2 Wuhan Economic and Technology Development Zone, Wuhan, Hubei, China	中國湖北省武漢市 武漢經濟技術開發區12C2 武漢經開萬達廣場A區 第S2幢1-2層C56、 C57號商舖	Shop 店舖	Medium-term 中期	100%
Rooms 601-606 & 614-620, Hexixiaoxiang Building, No. 158 Wuyi Main Road, Furong, Changsha, Hunan, China	中國湖南省長沙市 芙蓉區五一大道158號 和諧瀟湘大廈601-606、 614-620室	Office 辦公室	Medium-term 中期	100%
No. 31 Hushitai Main Street South, Hushitai Economic and Technology Development Zone, Shenyang, Liaoning, China	中國遼寧省瀋陽市 虎石台經濟技術開發區 虎石台南大街31號	Office and warehouse 辦公室及倉庫	Medium-term 中期	100%

* English address is for identification purpose only
英文地址僅供識別

8 PARTICULARS OF MAJOR PROPERTIES

主要物業詳情

Property address*	物業地點	Existing use 目前用途	Lease term 契約年期	The Group's interest 本集團應佔權益
Shops 79-80, Block 1, Wanda Plaza, Jinfeng, Yinchuan, Ningxia, China	中國寧夏自治區銀川市金鳳區萬達廣場1號樓79-80號商舖	Shop 店舖	Medium-term 中期	100%
No. 2916 Shiji Main Road, Zhangqiu, Jinan, Shandong, China	中國山東省濟南章丘區世紀大道2916號	Office and warehouse 辦公室及倉庫	Medium-term 中期	100%
No. 3908 Huqingping Road, Zhaoxiang Town, Qingpu, Shanghai, China	中國上海市青浦區趙巷鎮滬青平公路3908號	Office and warehouse 辦公室及倉庫	Medium-term 中期	100%
22/F, Block B, Ludihui Centre, No. 258 Longqi Road, Xuhui, Shanghai, China	中國上海徐匯區龍啟路258號綠地匯中心B幢22樓	Office 辦公室	Medium-term 中期	100%
Room 11101, Block 6, No.47 Lejuchang Road South, Beilin, Xian, Shaanxi, China	中國陝西省西安市碑林區樂居場南路47號6幢11101室	Office 辦公室	Long-term 長期	100%
Unit 3703-3711, 37/F, Block 2-1, No. 68 Dongda Street, Zhiqian Section, Jinjiang, Chengdou, Sichuan, China	中國四川省成都市錦江區東大街芷泉段68號2棟1單元37樓3703-3711室	Office 辦公室	Medium-term 中期	100%
No. 7 Chuangye Road, Xingwen Street Office, Bazhou, Bazhong, Sichuan, China	中國四川省巴中市巴州區興文街道辦事處創業路7號	Factory 工廠	Medium-term 中期	100%

(B) PROPERTIES HELD-FOR-SALE

(B) 持作出售物業

Property address*	物業地點	Existing use 目前用途	Lease term 契約年期	Approximate gross floor area (M ²) 概約總樓面面積 (平方米)	The Group's interest 本集團應佔權益
No. 1 Juhe Third Street, Tongzhou, Beijing, China	中國北京市通州區聚和三街1號	Office and warehouse 辦公室及倉庫	Medium-term 中期	11,979	100%
Changlin Community, Gongchen Street, Licheng, Putian, Fujian, China	中國福建省莆田市荔城區拱辰街道暢林小區	Factory 工廠	Medium-term 中期	23,316	100%
Room 601, No. 55 Jinbin Main Road, Hedong, Tianjin, China	中國天津市河東區津濱大道55號601室	Office 辦公室	Medium-term 中期	1,164	100%

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board of directors (the “Board”) of Daphne International Holdings Limited (the “Company”) together with its subsidiaries (collectively referred to as the “Group”), I am pleased to present the annual report of the Company for the year ended 31 December 2020.

Looking back at 2020, the global economy has been severely hit by the COVID-19 pandemic. However, China has demonstrated strong resilience and became the only major economy in the world that achieved positive economic growth in 2020. The market continued to pick up and the total retail sales of consumer goods turned around quarter over quarter. However, the apparel and allied industry, which has yet to catch up with the overall retail recovery, was still struggling. The pandemic has fueled the growth of the “stay-at-home” economy, further drove the development of online retail business. During the year under review, the Group was a key transformation period in which an “asset-light” business model was officially implemented. The new model has enabled the Group to demonstrate operational resilience in an uncertain market environment and rise to the occasion, further consolidating the Group’s leading position in the industry as well as supporting the Group’s sustainable development strategy.

The Group carried out a large-scale structural adjustment of its distribution channels, greatly shrinking its stores network to further transform into an asset-light business model. Meanwhile, the Group changed its role to a brand owner who operates the “Daphne” brand, giving franchisees and licensees the initiative in order placing, allowing them to decide on the style and quantity of products ordered, and the time when products are launched. This flexible system not only optimised the resource allocation and allowed the Group to focus on product design, research and development, but also helps franchisees and licensees to adopt the most appropriate marketing strategies. The Group will strictly control the quality of supply chain to ensure its excellent product quality is consistently maintained, to meet the consumers’ expectations of the “Daphne” brand as well as to adhere to the customer-centric principle.

Adhering to the concept of “letting each party to bring their talents and strengths into play”, the new brand owner asset-light business model enables the Group to play to its unique advantages, consolidating its market-leading position. In light of the unprecedented economic and business challenges, the new business model has reduced both operating costs and inventory pressure, successfully minimising the loss during the year. It also further emphasised Daphne’s leading market position as well as demonstrated its strengths in industrial experience and knowledge, product design and supply chain resources, thus strengthened Daphne’s brand value.

致各位股東：

本人謹代表達芙妮國際控股有限公司（「本公司」）連同其附屬公司（合稱「本集團」）董事會（「董事會」）向各位提呈本公司截至二零二零年十二月三十一日止年度之年報。

回顧二零二零年，全球經濟均受到新冠病毒疫情的嚴重打擊，然而，中國展現出自身強勁的經濟復甦能力，成為全球唯一實現經濟正增長的主要經濟體，消費市場持續回暖，社會消費品零售總額增速按季由負轉正，但服裝鞋帽等行業仍尚未追上整體零售的復甦，行業整體仍然舉步維艱。疫情催生了「宅經濟」的蓬勃發展，帶動線上零售業務發展。回顧年內，集團處於重點轉型期，正式實施輕資產業務模式。新模式使集團在不明朗的市場環境下展現營運韌性，迎難而上，進一步鞏固集團行業領導地位，支援集團的可持續發展方針。

銷售渠道方面，本集團實行大規模結構性調整，大幅縮減店舖網絡規模，進一步輕資產化。同時，集團改以品牌商的角色營運「達芙妮」品牌，把下單生產的主導權，交給加盟商及授權商，讓他們自行決定生產訂單的款式、數量和面市時間。此靈活的制度不但優化本集團資源分配，使其更可專注產品設計和研發上，還有助加盟商及授權商採取最適切的營銷策略。本集團將嚴格控制供應鏈品質，確保一貫的優秀產品質量，滿足消費者對「達芙妮」品牌的期望，貫徹以顧客為中心的宗旨。

秉持著「讓專業的人做專業的事，各施所長」的理念，新的品牌商輕資產業務模式使本集團充分發揮其獨特優勢，確立市場領導地位。面對前所未有的經濟和營商環境挑戰，新模式為本集團減省營運成本，減低庫存壓力，成功降低年內的虧損，更進一步突顯達芙妮的市場領導地位，在行業經驗及知識，產品設計以及供應鏈網絡資源各方面的實力，加強「達芙妮」的品牌價值。

CHAIRMAN'S STATEMENT

主席報告

To better cater the tastes of young consumers and project a young and energetic brand image, the Group has integrated fashion elements into the design of women's dress shoes and casual shoes. During the year under review, the Group launched its first designer brand, "Ascent", the national culture themed series, which fully incorporated Chinese patterns, calligraphy, and embroidery to modern shoes, trendsetting a new kind of national culture fashion that is desirable by the young people in China. With the rise of athleisure, major fashion brands expanded their production portfolio to athleisure apparels. The Group has been accelerating its business development in the field to capitalise the rise of athleisure.

Online shopping is an irreversible trend. In which, the Group seized opportunities to cooperate with numerous e-commerce platforms and social platforms to release the potential of "live commerce" and enhance brand influence in online retailing. In order to increase interactive shopping experience and the media exposure of the brands, the Group has been actively promoting the integration of online and offline channels by encouraging online sharing of offline consumption, creating an omni-channel retail strategy. In the future, the Group will develop marketing strategies and products with reference to big data to meet diverse needs of customers.

Looking ahead to 2021, since effective COVID-19 vaccines have been launched and applied around the world, the economy is expected to rebound from the bottom. However, as the tense macro environment lingers, there are still many uncertain factors that may hinder the global economic recovery. Following the vigorous adjustment of the distribution network and the official implementation of the licensing business model in 2020, the Group will continue to optimise its asset-light business model and further play its role as a brand owner in 2021, striving to achieve a win-win situation through cooperating with franchisees and licensees in order. Bringing along business challenges, the pandemic at the same time provides massive business opportunities in view of the rising "stay-at-home" economy. The Group will cautiously deal with the "New Normal" of the COVID-19 pandemic. I believe, as long as opportunity is seized, with the Group's competitive advantages and the joint effort of the entire staff as a cohesive force, the Group shall be able to succeed in practicing the new business model, sustain Daphne's leading position in the industry and project a young image for "Daphne", the nationally renowned and well-established women's footwear brand.

Finally, I would like to express my gratitude to all customers, business partners and shareholders for their support to the Group during the tough times. I would also like to thank the management and all the employees for their valuable contributions during the implementation stage of the asset-light business model.

Chang Chih-Kai
Chairman

Hong Kong, 25 March 2021

本集團在時裝女鞋和休閒鞋設計上加入潮流元素，以更好迎合年輕消費者品味，令品牌煥發年輕且活力的形象。回顧年內，本集團推出首個設計師原創國風品牌「芙搖直上」國潮系列，將中國風的圖案、書法、刺繡藝術的元素充分融入現代鞋款，引領別樣的國潮新風尚，捉緊國內年輕人期待的國潮風尚。隨著運動風氣興盛，各大時尚品牌紛紛進入運動休閒領域，本集團乘著此風潮，加快發展運動休閒產品業務。

線上購物是不可逆轉的趨勢，本集團緊抓機遇，與眾多電商及社交平台合作，釋放「直播帶貨」潛力，提升品牌對線上零售的影響力。為增加購物互動性及品牌的媒體曝光率，本集團積極推動線上線下互動結合，鼓勵線下消費、線上分享，打造全渠道銷售策略。未來，集團將按照大數據制定行銷策略和產品，滿足消費者多樣化的需求。

展望二零二一年，隨著有效新冠病毒疫苗陸續面世及全面應用後，市場普遍預期環球經濟可望從低谷反彈，並逐步改善，但由於宏觀局勢仍持續緊張，存在諸多不確定因素，為全球經濟復甦帶來重大挑戰。繼二零二零年大力調整渠道網絡及正式實行品牌商業模式，於二零二一年，本集團將持續優化其輕資產業務模式，進一步發揮其品牌商的角色，致力與加盟商及授權商同步邁向雙贏。縱然疫情使經營環境變得極具挑戰，卻同時帶來「宅經濟」巨大商機，集團將以審慎的態度，應對新冠病毒疫情新常態。本人相信，只要能抓緊機遇，憑藉集團競爭優勢，加上管理層及各員工的不懈努力，集團新的業務模式會取得成功，繼續保持達芙妮的行業領導地位，也為「達芙妮」這個植根中國女性消費者心中的女鞋品牌增添點新潮年輕的氣息。

最後，謹此向所有顧客、業務合作夥伴及股東表示深深的謝意，感謝在此艱難時期對達芙妮的支持。同時也要感謝管理團隊和所有員工，在輕資產業務模式實施時所做出的寶貴貢獻。

主席
張智凱

香港，二零二一年三月二十五日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

The outbreak of the coronavirus pandemic in early 2020 has not only dealt a heavy blow to the economy and daily lives in China, but also greatly dampened consumer confidence. Notwithstanding that the pandemic in the second half of 2020 was more volatile in some regions, the overall economy of China recovered steadily and recorded an annual growth rate of 2.3%. On the back of the gradual stabilisation of the pandemic, the overall retail market slowly picked up and growth turned positive in the third quarter. The growth of total retail sales of consumer goods in the fourth quarter accelerated by 3.7 percentage points compared with the third quarter. Despite that the retail market continues to pick up, consumer sentiment of apparel, footwear and headwear and knitwear and textile products remains weak, retail sales in China still dropped 6.6% year-on-year, and the footwear industry is still facing huge challenges.

As a result of the pandemic, the demand for at-home consumption has increased notably, the “stay-at-home” economy has benefitted online retail business and have led the industry to flourish. In 2020, online retail sales of physical goods in China further increased and accounted for 24.9% of the total sales of consumer goods. At the same time, to satisfy at-home consumption demands, online sales models and channels have become more diverse and innovative and social selling has seen increasingly influential.

The Group's Performance

The year of 2020 was a key transformation period for the Group. Under the implementation of the asset-light business model, Daphne will focus on brand management and entrustment, and further strengthen its role as a brand owner. As a bridge between franchisees and licensees and the supply chain, Daphne will leverage on its solid brand strength, as well as its experience and knowledge in the women's footwear industry to provide franchisees and licensees with high-quality product designs and supply chain resources, while franchisees and licensees will place orders for production directly from the supply chain system. During the year, although the Group's sales and financial performance were affected by the economic downturn and the uncertain market sentiment, the asset-light business model enabled the Group to demonstrate strong resilience during the pandemic by reducing operating and administrative costs, and easing inventory pressure, which successfully narrowed the Group's losses in a challenging operating environment.

With the Group's business transformation and transition to an asset-light business model, the Group continued to adjust the network of its sales channel in 2020, closed 183 points-of-sales (“POS”), and further scaled down its network of stores from 425 stores at the beginning of the year to 242 stores at the end of the year. During this period of business transformation, the Group's revenue for the year ended 31 December 2020 decreased by HK\$1,762.5 million to HK\$363.9 million, compared to HK\$2,126.4 million last year, mainly due to the Group's shrinkage of the network of stores and the on-going implementation of the business transformation to new asset-light business model.

業務回顧

二零二零年初爆發的新冠病毒疫情不但嚴重打擊中國經濟及日常生活，也明顯影響消費信心。雖然二零二零年下半年疫情在部分區域較為反覆，中國整體經濟仍穩步復甦，並錄得全年經濟增長2.3%。隨著疫情趨緩，整體零售市場亦緩慢地回暖，並於第三季轉為正增長，第四季消費品零售銷售增速更較第三季度加快3.7個百分點。儘管零售市場持續回暖，服裝鞋帽、針紡織品類消費氣氛仍然低迷，於中國的零售銷售額仍按年下跌6.6%，鞋類行業仍面對巨大挑戰。

受疫情影響，居家消費需求明顯增長，「宅經濟」模式惠及線上零售業務，促進行業蓬勃發展。二零二零年中國實物商品網上零售額佔消費品零售總額的比重進一步提升至24.9%。同時，為滿足消費者的居家消費需求，線上零售的模式和渠道變得更五花八門，推陳出新，社交媒體銷售的影響力也越來越大。

本集團表現

二零二零年為本集團的重點轉型期，在實施輕資產業務模式下，達芙妮將集中於品牌管理及委託，進一步加強其品牌商的角色，作為加盟商及授權商與供應鏈體系之間的橋樑，善用「達芙妮」的強大品牌實力，以及其於女鞋行業的經驗及知識，為加盟商及授權商提供優質產品設計和供應鏈資源，由加盟商及授權商直接向供應鏈體系下單生產。年內，儘管本集團的銷售及財務表現受經濟低迷以及不明朗的市場氣氛影響，輕資產業務模式使本集團在疫情期間體現出強大韌性，得以減低營運及行政成本，也減去庫存的壓力，在極具挑戰的經營環境中成功收窄虧損。

隨著本集團的業務轉型和輕資產化，本集團於二零二零年繼續進行銷售渠道網絡調整，淨關閉183個銷售點（「銷售點」），店舖網絡規模由本年初的425家，進一步縮減至本年底的242家。在此業務轉型期間，截至二零二零年十二月三十一日止年度，本集團收益減少1,762.5百萬港元至363.9百萬港元，對比去年為2,126.4百萬港元，主要是由於本集團縮減店舖網絡規模及持續業務轉型至新的輕資產業務模式。

12 MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

In the first half of the year, the Group continued to focus on adjusting the scale of its store network, and simultaneously, attracted franchisees and licensees to operate offline and online with the Daphne brand. After a half-year preparation, the Group has been rolling out of licensing business in late 2020 and Daphne has ushered in a role change with the new business model. Leveraging its past experience, market knowledge and supply chain resources, the Group has shifted its focus from production management to product research and development and design, promotion, and supply chain quality control. The role of initiating order placement and production has been passed to franchisees and licensees, allowing them to decide on the models, quantity of orders and launch date according to their respective market segments. On one hand, it greatly eases the Group's pressure on inventory management, allowing the Group to focus on product design and research and development. On the other hand, it provides greater flexibility and autonomy to franchisees and licensees, allowing them to implement the best marketing strategies in their familiar markets.

As part of the Group's effort in developing a better understanding on the demands of various market segments and product feedback, the Group plans to organise more procurement conferences. Besides introducing the latest products to franchisees and licensees at the conference, the Group will also seize the opportunity to communicate with its franchisees and licensees and listen to the feedback from customers. Communications with franchisees and licensees enable the Group to launch more products that are tailored to meet market needs. In addition to the flagship product series like "Ascent", a national culture themed series launched by the Group to capitalise on the growing popularity of national culture in Mainland China, the Group also launched products with regional characteristics to ride the market trend, in order to meet the needs and preferences of different consumer groups.

Daphne's long-established strong brand value, industry knowledge, scale of network and supply chain resources are the greatest advantages of the Group. As a nationally renowned and well-established women's footwear brand with a large-scale network of stores, Daphne has developed a deep connection and engagement with its customers; with years of expertise in the women's footwear market, Daphne has acquired design and development capabilities to create comfortable and high-quality shoes. Moreover, in response to market demand in recent years, the Group's supply chain adopted "quick responses for small orders" as its mode of operation to cater to today's rapidly-changing consumption habits and market trends, seizing business opportunities in the fast-paced market. These capabilities enabled operators to occupy a more favourable position in China's huge and highly competitive women's footwear industry.

上半年，本集團繼續集中調整直營店網絡規模，同時吸納加盟商及授權商分別在線下和線上以「達芙妮」品牌營運。經過上半年的準備期後，本集團於二零二零年下半年正式以全新的品牌商業模式營運。在新的業務模式下，達芙妮迎來角色轉變。本集團憑藉其過往經驗、市場知識及供應鏈資源，由主導生產管理轉變為集中產品研發及設計、推廣、以及供應鏈品控的角色，把下單生產的主導權交給加盟商及授權商，讓其按各自的細分市場，自行決定生產訂單的款式、數量和面市時間。這一方面使本集團得以大幅減輕庫存管理的壓力，可以專注於產品設計及研發上，另一方面也提供加盟商及授權商更大的彈性和自主性，讓其在熟悉的市場執行最適切的營銷策略。

為更瞭解各細分市場的需求和對產品的反饋，本集團計劃增加舉辦的訂貨會次數。在向加盟商及授權商介紹最新產品以外，也把握機會與加盟商及授權商溝通，聆聽消費者聲音。與加盟商及授權商的交流，使本集團可推出更多切合市場需要的產品。除了本集團為配合國內國風重來的潮流而推出的主題系列「芙搖直上」國潮系列等旗艦產品線外，本集團也推出配合市場風潮及有區域特性的產品，以滿足不同消費群的需求和喜好。

達芙妮長久以來所建立的強大品牌價值、行業知識，網絡規模及供應鏈資源是本集團最大的優勢。作為一個全國知名且成熟的女鞋品牌，並擁有具規模的店舖網絡，達芙妮已植根於其顧客心目中。由於累積多年女鞋市場的專業知識，達芙妮具備設計開發實力，可以為市場提供舒適且優質的鞋款。另外，在近年的市場需求下，本集團的供應鏈體系已採用「小單快返」的運作模式，以滿足現今快速變化的購物習慣和市場趨勢，在急速的市場節奏中把握商機。這些能力可讓經營者在中國龐大而競爭激烈的女鞋市場中佔據更有利的位置。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The new business model is backed by the concept of “letting each party to bring their talents and strengths into play” to achieve a win-win situation. It does not only give full play to the Group’s advantages that are scarce in the market, but also provides franchisees and licensees with business opportunities in the sense that all parties can mutually benefit and grow together. Daphne’s brand value, design capabilities and high-quality supply chain resources enable it to secure a solid position in the market and effectively bridging franchisees, licensees and supply chain system, allowing it to put more effort in managing and operating brands and designing and developing products. With the new business model, franchisees and licensees are in charge of operation and sales as well as the hefty operating costs, such as store rents, renovation, manpower etc. It also greatly reduces back office support and administrative costs and helps the Group to eliminate inventory risks. At the same time, the marketing strategies implemented by franchisees and licensees in each market segment will help gradually increase the market share of our brands and further enhance the brand value of Daphne. In addition, this collaboration not only provides advantages for franchisees and licensees to enter into the huge and fiercely competitive women’s footwear market in China, but also provides them with premium and reliable supply chain resources, so that they can place orders with the supply chain according to their needs, offering them higher operational flexibility and autonomy. Daphne believes that this model will be able to give each party full play to their respective strengths and continue to consolidate the Group’s leading position in the industry.

Brands Business

The Group’s brands business represents the distribution and retailing of footwear products, such as women’s dress shoes, casual shoes, and athleisure shoes through offline channels in Mainland China.

In 2020, the Group continued to adjust its network of sales channels to gradually achieve an asset-light structure. During the year under review, the Group’s brands business recorded 183 net closures of POS (including the net decrease of 110 directly-managed/partnership stores and 73 franchised stores).

Product comfort, materials and consumer experience has always been the Group’s strengths in categories of women’s dress shoes and casual shoes. On top of that, as part of the Group’s effort to attract more young consumers and maintain the vitality of the brand, the Group incorporated trendy elements to the design of women’s dress shoes and casual shoes in recent years and adopted the production model of “quick responses for small orders” to cater for ever-changing and diversified preferences and needs of young consumers. Launched in June 2020, the trendy domestic heritage product series of “Ascent” is the Group’s first national culture themed series. Designers incorporated Chinese elements, such as patterns, calligraphy, and embroidery to modern shoes, allowing the aesthetics of retro elements and modern trends to collide and exude its own distinctive charm of a trendy national culture themed brand. The product series of “Ascent” met with enthusiastic responses from young consumers upon its successive launch.

新的業務模式是本著「讓專業的人做專業的事，各施所長」的理念達致雙贏，既可充分發揮本集團在市場上稀缺的優勢，同時給予加盟商及授權商發展商機，使各方在互惠互利中共同擴展業務。達芙妮的品牌價值、設計能力和優質供應鏈資源使其在市場上穩佔一席位，並有效銜接加盟商、授權商及供應鏈體系，使本集團得以專注管理及經營品牌、設計及開發產品。在新業務模式下，由加盟商和授權商主理經營、銷售及承擔繁重的經營成本，如店舖租金、裝潢及人力等。亦令後勤辦公室和行政成本得以大大降低，並助本集團脫離庫存壓力。同時，加盟商和授權商因應各細分市場實施的營銷策略，有助逐步提升達芙妮品牌在細分市場的市佔率，進一步提升達芙妮的品牌價值。另一方面，此合作方案不但為加盟商及授權商進入龐大且競爭激烈的中國女鞋市場提供優勢，還提供優質並可信賴的供應鏈資源，使其可按經營需要向供應鏈體系下單生產，從而提高經營靈活性及自主性。達芙妮相信在此模式下，各團隊單位將能完全發揮所長，繼續鞏固本集團於行內的領導地位。

品牌業務

本集團的品牌業務指於中國大陸通過線下渠道分銷及零售時裝女鞋、休閒鞋及運動休閒鞋類產品。

於二零二零年，本集團繼續調整銷售渠道網絡，以逐步達至輕資產架構。回顧年內，本集團的品牌業務淨關閉183個銷售點（包括淨減少110家直營／聯營店及73家加盟店店）。

產品的舒適度、材質及顧客消費體驗長久以來一直是本集團在時裝女鞋及休閒鞋類別的強項。除了繼續發揮此項優勢外，為吸納更多年輕消費者及保持品牌活力，本集團近年在時裝女鞋和休閒鞋設計上加入潮流元素，以「小單快返」的模式生產，滿足時下年輕消費者多變且多元化的喜好和需求。二零二零年六月推出的「芙搖直上」國潮系列是本集團首個設計師原創國風品牌，設計師把中國風的圖案、書法、刺繡藝術元素加入現代鞋款中，使復古的美感和現代潮流相碰撞，向外界傳遞不一樣的國潮新風尚。接連推出的「芙搖直上」國潮系列新品都深受年輕消費者喜愛。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

In response to the rising popularity of the athleisure trend in recent years, many international fashion brands have successively launched athleisure products. The Group also capitalised the trend and tapped the potential of the market. The athleisure product series mainly targets young consumers who value quick response greatly. Trendy culture and elements have been incorporated to the shoe design to meet the mainstream needs of the market. At the same time, the athleisure product series was heavily promoted online in response to consumer preferences and behaviours.

E-Commerce Business

The pandemic fuelled the “stay-at-home” economy to boom and accelerated the shift from offline to online consumption. The potential of online business opportunities is immense. The Group has always valued e-commerce market greatly and is optimistic about its future development. With the new brand owner business model, the Group will focus on brand promotion and designing styles that are well-received online to enhance the Group’s brand value in the online market. The “stay-at-home” economy spawned a large number of social platforms to conduct e-commerce sales. Capitalising on the consumer traffic of these social platforms, in addition to collaborating with large e-commerce platforms, the Group also collaborated with top social platforms such as “Kuaishou”, “Tik Tok” and “Xiaohongshu” etc. to reach out to more consumers and increase its exposure in 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. Moreover, the Group will continue to explore other new approaches to online sales and bolster Daphne’s influence online. Facing the ever-changing consumer market, the Group will conduct market analysis through big data to improve the Group’s marketing strategy and product design to enhance marketing efficiency.

The Group is also actively exploring the operation and promotion strategies to integrate the online and offline business, encouraging consumers to take photos in physical retail stores, then upload and check-in online to share their consumer experience, in the hope of integrating online and offline channels and creating interactive sales, stimulating online discussions and exposure with offline traffic to attract consumers to spend.

FINANCIAL REVIEW

Revenue and Gross Profit

The Group’s revenue mainly comprises sales of goods from directly-managed/partnership stores and franchisees as well as e-commerce business in Mainland China. During the year under review, the Group had been gradually phasing out its retail operation while shifting its focus to licensing business. For the year ended 31 December 2020, the Group’s revenue amounted to HK\$363.9 million (2019: HK\$2,126.4 million), a decrease of 83% compared to last year.

因應近年運動休閒風氣日漸普及與盛行，不少國際時尚品牌都陸續推出運動休閒系列產品。本集團亦乘著此風潮之勢進軍運動休閒產品市場。運動休閒產品線以著重快速反應的年輕消費者為主要目標消費群。鞋款設計上亦加入不少潮流文化及元素，以切合市場主流需求，同時針對消費者偏好及行為，更加著重線上渠道的宣傳。

電商業務

疫情期間，「宅經濟」順勢崛起，更多消費品的銷售由線下走到線上，線上商機的潛力無可限量。本集團一直非常重視電商市場，並看好其未來發展潛力。在新的品牌商業模式模式下，本集團將會集中於品牌推广工作以及設計受線上市場歡迎的款式，以提升本集團在線上市場的品牌價值。「宅經濟」催生了大量通過社交媒體進行商品銷售的平台。為把握這些社交平台的消費者流量，除了與大型電商平台合作，本集團也通過與快手、抖音、小紅書等熱門社交平台合作，與更多消費者接觸，增加品牌在大流量線上市場的曝光與傳播，以宣傳品牌。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。本集團也會繼續探索其他新式網上銷售方式，繼續拓展「達芙妮」品牌在線上零售的影響力。面對瞬息萬變的消費市場，本集團將通過大數據精準分析市場，完善本集團的營銷策略和產品設計，從而提高行銷效益。

本集團亦會積極探索線上線下融合的經營和推廣模式，鼓勵實體零售店消費者在店內拍照、上傳打卡並分享消費體驗，希望融合線上線下，互動銷售，以線下人流帶動線上討論及曝光，吸引消費者進行消費。

財務回顧

收益及毛利

本集團的收益主要包括來自中國大陸直營／聯營店及加盟商以及電商業務的貨品銷售額。回顧年內，本集團逐步淘汰其零售業務，並將重心轉向授權許可業務。截至二零二零年十二月三十一日止年度，本集團錄得收益363.9百萬港元（二零一九年：2,126.4百萬港元），較去年減少83%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

		2020 二零二零年 HK\$ million 百萬港元	2019 二零一九年 HK\$ million 百萬港元	Change 變化
Sales of goods	銷售貨品			
– brands business	– 品牌業務	210.4	1,911.1	-89%
– e-commerce	– 電商業務	148.3	215.3	-31%
Licensing fee income	許可權費收入	5.2	–	+100%
Total revenue	收益總額	363.9	2,126.4	-83%
Cost of sales	銷售成本	(230.7)	(1,345.2)	-83%
Gross profit	毛利	133.2	781.1	-83%
Gross margin	毛利率	36.6%	36.7%	-0.1ppt百分點

The decline in the sales of goods was mainly due to the further closure of stores and on-going implementation of business transformation as well as the adverse impact of the pandemic throughout the year. During the year under review, the overall gross margin was 36.6%, and remained similar to that in last year although the gross margin of sales of goods dropped due to the clearance of old aged stocks.

Other Income

Other income increased by HK\$15.2 million from HK\$25.8 million in last year to HK\$41.0 million for the year under review. The increase in other income is mainly due to the increase in rental income from investment properties this year.

Operating Expenses

Overall, the Group's operating expenses (including other losses – net, selling & distribution, general & administrative expenses and impairment loss on financial assets) decreased by HK\$1,415.1 million or 77% to HK\$411.4 million from HK\$1,826.5 million in last year. The drop in operating expenses was generally in line with sales decrease and continuing scaling down of the operation.

Operating Loss

As a result of the above, the Group incurred an operating loss of HK\$237.1 million in 2020, narrowed by HK\$782.4 million as compared to HK\$1,019.5 million in last year.

Income Tax Expense

The Group's income tax expense for the year was HK\$2.0 million (2019: HK\$54.3 million) primarily comprising of the PRC withholding tax on royalties and dividends.

貨品銷售額下跌主要是由於年內進一步關舖及業務持續轉型，加上疫情造成不利影響所致。回顧年內，儘管貨品銷售毛利率因清理過季存貨而下跌，整體毛利率仍維持於36.6%，與去年相若。

其他收入

回顧年內，其他收入由去年的25.8百萬港元，增加15.2百萬港元至41.0百萬港元。其他收入增加主要是由於年內自投資物業錄得的租金收入有所增加。

經營費用

總體而言，本集團之經營費用（包括其他虧損—淨額、銷售及分銷開支、一般及行政開支以及金融資產減值虧損）由去年的1,826.5百萬港元減少1,415.1百萬港元或77%至411.4百萬港元。經營費用之跌幅大致上與銷售額跌幅及營運規模之持續縮減一致。

經營虧損

基於以上結果，本集團於二零二零年產生經營虧損237.1百萬港元，較去年的1,019.5百萬港元減少782.4百萬港元。

所得稅開支

本集團本年之所得稅開支為2.0百萬港元（二零一九年：54.3百萬港元），主要包括中國特許使用權及股息之預扣所得稅。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Loss Attributable to Shareholders

For the year ended 31 December 2020, the Group's loss attributable to shareholders was also down by 77% to HK\$242.0 million compared to that of HK\$1,070.1 million in last year. Basic loss per share was 14.4 HK cents (2019: 64.9 HK cents).

Inventories

As at 31 December 2020, the Group's inventories largely decreased by HK\$120.4 million or 74% from HK\$162.0 million to HK\$41.6 million. Average inventory turnover during the year was 161 days, increased by 4 days. Included in the inventories, the balance of provision for slow-moving and obsolete items was HK\$83.1 million as at 31 December 2020 (2019: HK\$170.2 million).

Trade Receivables

The amount of trade receivables as at 31 December 2020 decreased by HK\$40.6 million or 63% to HK\$24.3 million compared to that of HK\$64.9 million in 2019. Loss allowance balance for trade receivables amounted to HK\$25.2 million (2019: HK\$15.1 million). Average debtors turnover increased to 45 days (2019: 19 days).

Trade Payables

As at 31 December 2020, the Group's trade payables decreased by HK\$69.5 million or 50%, to HK\$69.2 million (2019: HK\$138.7 million) and the average creditors turnover increased by 64 days to 323 days (2019: 259 days) mainly due to the extended repayments of certain major suppliers.

Liquidity and Financial Resources

As at 31 December 2020, the Group had cash and cash equivalents amounting to HK\$124.6 million (2019: HK\$182.3 million, including those transferred to disposal group), which were denominated mainly in Hong Kong Dollar and Renminbi.

The change in balances of cash and cash equivalents amounting to HK\$57.7 million (2019: HK\$180.7 million) during the year is analysed as follows:

股東應佔虧損

截至二零二零年十二月三十一日止年度，本集團股東應佔虧損亦由去年的1,070.1百萬港元減少77%至242.0百萬港元。每股基本虧損為14.4港仙（二零一九年：64.9港仙）。

存貨

於二零二零年十二月三十一日，本集團存貨由162.0百萬港元大幅減少120.4百萬港元或74%至41.6百萬港元。本年之平均存貨週轉期增加4日，達到161日。於二零二零年十二月三十一日，包括於存貨中的滯銷及過時存貨撥備餘額為83.1百萬港元（二零一九年：170.2百萬港元）。

貿易應收賬款

於二零二零年十二月三十一日之貿易應收賬款減少40.6百萬港元或63%至24.3百萬港元，而二零一九年則為64.9百萬港元。貿易應收賬款之虧損撥備為25.2百萬港元（二零一九年：15.1百萬港元）。平均應收賬款週轉期增加至45日（二零一九年：19日）。

貿易應付賬款

於二零二零年十二月三十一日，本集團之貿易應付賬款減少69.5百萬港元或50%至69.2百萬港元（二零一九年：138.7百萬港元），而平均應付賬款週轉期則增加64日至323日（二零一九年：259日），主要由於延遲向若干主要供應商還款所致。

流動資金及財政資源

於二零二零年十二月三十一日，本集團持有現金及現金等價物124.6百萬港元（二零一九年：182.3百萬港元，包括轉撥至出售組別之現金及現金等價物），主要以港元及人民幣為結算單位。

年內現金及現金等價物餘額之變動為57.7百萬港元（二零一九年：180.7百萬港元），分析如下：

		For the year ended 31 December	
		截至十二月三十一日止年度	
		2020	2019
		二零二零年	二零一九年
		HK\$'million	HK\$'million
		百萬港元	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	(122.6)	218.2
Capital expenditure	資本開支	(3.6)	(26.4)
Proceeds from disposal of fixed assets	出售固定資產所得款項	16.7	70.8
Proceeds from disposal of subsidiaries and other investments	出售附屬公司及其他投資所得款項	0.4	19.8
Net bank interest received/(paid)	已收/(已付)之銀行淨利息	0.5	(1.6)
Net bank loans repaid	淨償還之銀行貸款	-	(191.2)
Proceeds from issue of new shares and convertible notes	發行新股及可換股債券所得款項	58.6	-
Lease payments	租賃付款	(14.1)	(271.0)
Effect of foreign exchange rate changes	外匯兌換率變動之影響	6.4	0.7
		(57.7)	(180.7)

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

As at 31 December 2020, the Group's net gearing ratio was in net cash (2019: net cash) position. Current ratio as at 31 December 2020 was the same as last year at 1.5 times. Management will closely monitor the Group's financial performance and liquidity position. Taking into consideration of the measures and plans to improve the liquidity position, such as disposals of certain non-core properties and looking for additional resources of financing as and when need, it believes that the Group has sufficient working capital in the next twelve months.

Use of Net Proceeds

On 14 October 2020, the Company completed the allotment of 164,914,238 new shares of the Company at a price of HK\$0.1817 per share and issuance of convertible notes in the aggregate principal amount of RMB25.3 million with the initial conversion price of HK\$0.221 per share and raised net proceeds of approximately HK\$57.3 million after deducting direct transaction costs. As at 31 December 2020, the use of net proceeds was as follows:

於二零二零年十二月三十一日，本集團之淨負債比率為淨現金（二零一九年：淨現金）。於二零二零年十二月三十一日之資產流動比率為1.5倍，與去年相同。管理層將密切監察本集團之財務表現及流動資金情況，且考慮到用於改善流動資金狀況的措施及計劃，例如出售若干非核心物業及在有需要時尋找額外融資來源，其相信本集團持有足夠營運資金供未來十二個月之用。

所得款項淨額用途

於二零二零年十月十四日，本公司完成按每股股份0.1817港元的價格配發164,914,238股本公司新股份及發行本金總額為人民幣25.3百萬元之可換股債券（初始換股價格為每股股份0.221港元），並於扣除直接交易成本後，合共籌得所得款項淨額約57.3百萬港元。於二零二零年十二月三十一日，所得款項淨額動用如下：

		Planned amount to be utilised	Actual amount utilised during the year	Unutilised amount as at 31 December 2020
		計劃動用 金額 HK\$ million 百萬港元	年內實際 動用金額 HK\$ million 百萬港元	於二零二零年 十二月三十一日 尚未動用金額 HK\$ million 百萬港元
Settlement of trade payables to suppliers, and payment of purchase price of merchandises	結算應付供應商的貿易應付賬款，並支付商品的採購價	34.6	26.9	7.7
Improvement of existing e-commerce business platform	完善現有的電商平台	11.5	9.7	1.8
Enhance liquidity position of the Group and for other general corporate purposes	加強本集團的流動資金狀況及作其他一般公司用途	11.2	11.2	-
Total	總計	57.3	47.8	9.5

The remaining unutilised amount should be fully utilised by October 2021 and the directors do not intend to change the planned use of the net proceeds.

剩餘尚未動用金額應在二零二一年十月或之前全數動用。董事不擬更改該計劃所得款項淨額用途。

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 year ended 31 December 2020, the Group did not enter into any foreign exchange forward contract to hedge the foreign exchange risk exposure. As at 31 December 2020, the Group's exposure to foreign exchange risk was not significant.

外匯風險管理

本集團透過定期審閱本集團之淨外匯風險，管理本集團之外匯風險，且本集團於預期相關外幣出現大幅波動時，或會使用遠期外匯合約。截至二零二零年十二月三十一日止年度，本集團未有訂立遠期外匯合約以對沖外匯風險。於二零二零年十二月三十一日，本集團並無面臨重大外匯風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Pledge of Assets

As at 31 December 2020, the Group had no pledged assets (2019: Nil).

Capital Expenditure

During the year, the Group incurred capital expenditure of HK\$3.6 million (2019: HK\$26.4 million) mainly for certain old stores renovation.

Disposal of Material Subsidiaries

On 16 December 2020, the Company disposed 100% equity interest of its indirectly held subsidiary at a consideration of RMB19.5 million (equivalent to approximately HK\$23.5 million). This constitutes a disclosable transaction of the Company under the Listing Rules. For more details, please refer to the Company's announcement dated 16 December 2020.

Contingent Liabilities

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

Human Resources

As at 31 December 2020, the Group had a workforce of 150 (2019: 948) people predominantly in Mainland China and Hong Kong. Employee benefits expense for the year ended 31 December 2020 was HK\$126.0 million (2019: HK\$582.9 million). The overall decrease of HK\$456.9 million or 78% in employee benefits expense was mainly due to the further reduction in headcount of back office as a result of the restructuring of the business.

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

資產抵押

於二零二零年十二月三十一日，本集團並無已抵押資產（二零一九年：無）。

資本開支

年內，本集團的資本開支為3.6百萬港元（二零一九年：26.4百萬港元），主要用於裝修若干舊店舖。

出售重大附屬公司

於二零二零年十二月十六日，本公司以代價人民幣19.5百萬元（相當於約23.5百萬港元）出售其一家間接附屬公司的100%股權。其根據上市規則構成本公司的一項須予披露交易。更多詳情請參閱本公司日期為二零二零年十二月十六日的公告。

或然負債

於二零二零年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

於二零二零年十二月三十一日，本集團於中國大陸及香港之僱員人數為150人（二零一九年：948人）。截至二零二零年十二月三十一日止年度，僱員福利開支為126.0百萬港元（二零一九年：582.9百萬港元）。僱員福利開支整體減少456.9百萬港元或78%，乃主要由於重組業務令後勤辦公室之僱員人數進一步減少。

本集團重視其人力資源並深明留聘優質人才的重要性，所提供之薪酬及福利一般乃參考市場狀況和水平以及個人能力而定，並按本集團及個別員工之表現向合資格員工提供購股權、股份增值權及酌情花紅。此外，本集團亦為僱員提供強積金、醫療保障、員工購物折扣及培訓課程。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

OUTLOOK

The global COVID-19 pandemic remains volatile, and there is an increasing consensus that the novel coronavirus may not be eradicated. The new normal of the pandemic will also dampen consumer sentiment and slow down the recovery of consumption and the economy. Looking ahead to 2021, the Group believes that the overall market sentiment will remain relatively cautious and various industries will continue to adopt a prudent attitude towards major investments. In the past year, the Group was cautious in response to huge market shocks, but the Group firmly believes that change is necessary and will continue to move forward. The Group will continue to take the road of transformation, hoping to make significant progress in the brands business model, online channels development, in-depth collaboration with franchisees and licensees. Daphne will leverage on the advantages of its asset-light business model to cope with the uncertain economic environment and rapidly changing market and start fresh.

With the asset-light business model, the Group will further consolidate its role as a brand owner and invest more in market research and analysis to support the product research and development team to design products that better meet market demands, step up its efforts to develop more athleisure products and achieve parallel development in women's dress shoes and athleisure shoes, and continue to optimise the overall brand network and the overall structure of the Group. The Group's focus on enhancing brand value can attract more franchisees and licensees into Daphne's brand network, thereby establishing a strong and ideal network. As a means to protect the brand image and reputation, the Group will pay close attention to the market, prudently control the scale of the brand network, and strictly select reputable franchisees and licensees. As the business model is still nascent, the Group will continue to review and adjust the model to support the Group's future sustainable development strategies.

展望

全球新冠病毒疫情持續反覆，對於新冠病毒無法根除已日益成為共識。疫情成為新常態也打擊消費者情緒，減慢消費支出回升及經濟復甦的步調。展望二零二一年，本集團相信整體市場氣氛會維持較為保守，各行業對於重大投資也將繼續採取謹慎態度。過去一年，本集團審慎應對市場的巨大衝擊，但本集團堅信轉變是必須的，並會繼續前進。本集團將繼續堅持轉型之路，期望在品牌業務模式、發展線上渠道網絡、深化與加盟商及授權商的合作等方面取得重大進展，並憑藉輕資產業務模式的優勢重新出發，應對不明朗的經濟環境及快速轉變的市場趨勢。

在輕資產業務模式下，本集團將進一步鞏固其作為品牌商的角色，投入更多資源於市場調研及分析，以支持產品研發團隊設計更切合市場需要的產品；加大力度發展運動休閒產品，並行發展時尚女鞋及運動休閒鞋；及繼續優化整體品牌網絡及本集團整體架構。本集團專注提升品牌價值之舉可吸引更多加盟商及授權商加入達芙妮的品牌網絡，從而建立強大而理想的網絡。為保護品牌形象和聲譽，本集團會密切留意市場環境，嚴控品牌網絡的規模，並會嚴格篩選信譽良好的加盟商及授權商。由於此業務模式尚在實施初期，本集團將不斷進行審視及調整業務模式，以支持本集團的未來可持續發展策略。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡歷

EXECUTIVE DIRECTORS

Mr. CHANG Chih-Kai, aged 40, has been an executive director of the Company since November 2004 and has been appointed as the Chairman of the board of directors since May 2017. He was also the Chief Executive Officer (“CEO”) of the Group from April 2016 to October 2020. Mr. Chang now is mainly responsible for management of the Board, product development and supply chain management of the Group.

Mr. Chang studied a bachelor’s degree of Art in Auckland University after graduated from Pakuranga College in New Zealand. He is the brother of Mr. Chang Chih-Chiao, an executive director and CEO, and holds directorships in certain subsidiaries of the Company.

Mr. CHANG Chih-Chiao, aged 38, joined the Group in 2007 and has become an executive director of the Company since June 2009. He was appointed as the CEO of the Company in October 2020 and is currently responsible for strategic and business planning of the Group. He also specialises in product design and marketing functions.

Mr. Chang obtained a bachelor’s degree in Visual Communication from Northumbria University in the United Kingdom. Mr. Chang is the brother of Mr. Chang Chih-Kai, the Chairman and an executive director, and also holds directorships in certain subsidiaries of the Company.

Mr. Wang Jungang, aged 38, was appointed as an executive director of the Company and chief operating officer (“COO”) in October 2020. He is responsible for the overall sales operation and the development of licensing business of the Group. Mr. Wang was a co-founder of Shanghai Tai Yue E-Commerce Ltd., also known as Tailorism, an online made-to-measure startup company which aims to provide solutions for fitting of clothing based on 3D modeling and big data computing, and acted as its chief executive officer from October 2014 to October 2020. He has extensive experience in establishing financial models, and strategic and business operation planning. He was previously the chief operating officer of Shanghai Muyao Textile Ltd. (Shirley Pajamas) from February 2012 to September 2014 and worked at Morgan Stanley Management Service (Shanghai) Ltd. as an analyst from August 2008 to January 2012.

Mr. Wang obtained a master’s degree in Computer Software and Theory from Peking University in July 2008 and a bachelor’s degree in Computer Science and Technology from Nanjing University of Science and Technology in July 2005.

執行董事

張智凱先生，40歲，自二零零四年十一月起擔任本公司之執行董事，並自二零一七年五月起獲委任為董事會主席。於二零一六年四月至二零二零年十月，彼亦為本集團行政總裁（「行政總裁」）。張先生現時主要負責管理董事會，以及本集團產品研發和供應鏈管理。

張先生畢業於紐西蘭帕庫蘭卡學院後，於奧克蘭大學修讀文學學士學位課程。彼為執行董事兼行政總裁張智喬先生之兄長，亦於本公司若干附屬公司擔任董事職位。

張智喬先生，38歲，於二零零七年加入本集團，並自二零零九年六月起擔任本公司之執行董事。彼於二零二零年十月獲委任為本公司行政總裁，現時主要負責本集團之策略及業務規劃。彼亦專注負責產品設計以及市場推廣工作。

張先生持有英國諾森比亞大學視覺傳媒學士學位。張先生為主席兼執行董事張智凱先生之弟弟，亦於本公司若干附屬公司擔任董事職位。

王俊剛先生，38歲，於二零二零年十月獲委任為本公司執行董事兼營運總監（「營運總監」）。彼負責本集團整體銷售運作和授權許可業務發展。王先生曾為上海態樂電子商務有限公司（又稱良衣）的共同創辦人。良衣是一家網上量體裁衣創業公司，旨在提供基於3D建模及大數據計算的服裝定製解決方案。彼於二零一四年十月至二零二零年十月擔任該公司行政總裁。彼於建立財務模型以及策略和商業營運規劃方面經驗豐富。彼於二零一二年二月至二零一四年九月曾任上海慕瑤紡織品有限公司（雪俐家居服）營運總監，並於二零零八年八月至二零一二年一月於摩根士丹利管理服務（上海）有限公司擔任分析師。

王先生於二零零八年七月獲得北京大學計算機軟件與理論專業碩士學位，以及於二零零五年七月獲得南京理工大學計算機科學與技術專業學士學位。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Hon Ping Cho Terence, aged 61, has been an independent non-executive director of the Company since September 2019. Currently, Mr. Hon is also an independent non-executive director of the four companies listed on The Stock Exchange of Hong Kong Limited, namely Xiabuxiabu Catering Management (China) Holdings Co., Ltd. (Stock Code: 520), Jimu Group Limited (Stock Code: 8187), 361 Degrees International Limited (Stock Code: 1361) and SinoMab BioScience Limited (Stock Code: 3681). He was previously the chief financial officer and company secretary of DTXS Silk Road Investment Holdings Company Limited (Stock Code: 620) from June 2016 (as chief financial officer) and November 2016 (as company secretary) until September 2018. Prior to working at DTXS Silk Road Investment Holdings Company Limited, Mr. Hon worked at a number of companies, including Auto Italia Holdings Limited (Stock Code: 720) as chief financial officer and company secretary between December 2013 and April 2016, China Dongxiang (Group) Co., Ltd. (Stock Code: 3818) as chief financial officer between December 2010 and October 2012, Ka Wah Construction Materials (Hong Kong) Limited as chief financial officer between September 2008 to December 2010, TOM Group Limited (Stock Code: 2383) between June 2001 and February 2008 with his last position as the group finance director, and Ng Fung Hong Limited as a company secretary of the group between 1996 and 2001. Before moving to the commercial section, Mr. Hon worked in an international accounting firm.

Mr. Hon is a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales. He obtained a master's degree in Business Administration (Financial Services) from The Hong Kong Polytechnic University in November 2004.

Mr. HUANG Shun-Tsai, aged 67, is a director of two health technology companies in Taiwan. He has been active in the health technology field for over 30 years. Mr. Huang has been an independent non-executive director of the Company since 2001.

Mr. KUO Jung-Cheng, aged 70, is a director of a manufacturing and distribution company in China. Mr. Kuo is a former senator of the Legislative Council in Taiwan. He has been serving the community in Taiwan as a representative for over 20 years. Mr. Kuo holds an MBA degree from University of Hawaii. Mr. Kuo has been an independent non-executive director of the Company since 2001.

獨立非執行董事

韓炳祖先生，61歲，於二零一九年九月起擔任本公司之獨立非執行董事。韓先生現時亦為四家於香港聯合交易所有限公司上市公司之獨立非執行董事，分別為呷哺呷哺餐飲管理(中國)控股有限公司(股票代號：520)、積木集團有限公司(股票代號：8187)、361度國際有限公司(股票代號：1361)及中國抗體製藥有限公司(股票代號：3681)。彼過去於二零一八年九月前為大唐西市絲路投資控股有限公司(股票代號：620)之首席財務官(自二零一六年六月)及公司秘書(自二零一六年十一月)。於大唐西市絲路投資控股有限公司任職前，韓先生曾於多家公司任職，包括於二零一三年十二月至二零一六年四月期間擔任意達利控股有限公司(股票代號：720)之首席財務官兼公司秘書，於二零一零年十二月至二零一二年十月期間為中國動向(集團)有限公司(股票代號：3818)之首席財務官，於二零零八年九月至二零一零年十二月期間為嘉華建材有限公司的財務總裁，於二零零一年六月至二零零八年二月期間於TOM集團有限公司(股票代號：2383)最後職位為集團財務總監，以及於一九九六年及二零零一年期間出任五豐行有限公司之集團公司秘書。於轉行至商業行業前，韓先生曾於國際會計師事務所工作。

韓先生為特許公認會計師公會資深會員、香港會計師公會會員及英格蘭及威爾士特許會計師公會會員。彼於二零零四年十一月獲得香港理工大學工商管理(金融服務)碩士學位。

黃順財先生，67歲，為台灣兩家健康科技公司之董事，從事健康科技業逾三十年。黃先生自二零零一年起擔任本公司獨立非執行董事。

郭榮振先生，70歲，為中國一家製造及分銷公司之董事。郭先生亦為前任台灣立法院委員，以議員身份服務台灣民眾逾二十年。郭先生持有夏威夷大學工商管理碩士學位。郭先生自二零零一年起擔任本公司獨立非執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告

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

1. CORPORATE GOVERNANCE PRACTICES

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

Throughout the year ended 31 December 2020, the Company complied with all the applicable code provisions set out in the CG Code except for the deviation from code provision A.2.1 which is explained under the "Chairman and Chief Executive Officer" section on page 26.

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

2. 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 Listing Rules for dealing in securities of the Company by the directors. Having made specific enquiry with all directors, all directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2020.

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

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

1. 企業管治常規

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

截至二零二零年十二月三十一日止年度內，本公司已遵守企業管治守則所載之全部適用之守則條文，惟偏離守則條文第A.2.1條之規定，偏離原因已於第26頁之「主席及行政總裁」內作出解釋。

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

2. 董事之證券交易

有關董事進行本公司之證券交易，本公司已遵照上市規則附錄十所載之「上市發行人董事進行證券交易的標準守則」（「標準守則」）。經向全體董事作出具體查詢後，全體董事均已確認，彼等於截至二零二零年十二月三十一日止年度內一直遵守標準守則所載規定。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

3. THE BOARD OF DIRECTORS

3.1 Board Composition

The Board and Board Committees as at the date of this report comprise:

Members of the Board/Board Committees 董事會/董事會轄下委員會成員	Date of first becoming director 首次出任董事之日期	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會
<i>Executive directors 執行董事</i>				
Mr. Chang Chih-Kai (<i>Chairman</i>) 張智凱先生 (主席)	22 November 2004 二零零四年十一月二十二日		Member 成員	Member 成員
Mr. Chang Chih-Chiao 張智喬先生	12 June 2009 二零零九年六月十二日			
Mr. Wang Jungang 王俊剛先生	21 October 2020 二零二零年十月二十一日			
<i>Independent non-executive directors 獨立非執行董事</i>				
Mr. Hon Ping Cho Terence 韓炳祖先生	25 September 2019 二零一九年九月二十五日	Chairman 主席	Member 成員	Member 成員
Mr. Huang Shun-Tsai 黃順財先生	31 July 2001 二零零一年七月三十一日	Member 成員	Chairman 主席	Member 成員
Mr. Kuo Jung-Cheng 郭榮振先生	31 July 2001 二零零一年七月三十一日	Member 成員	Member 成員	Chairman 主席

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

During the year ended 31 December 2020, the Board was in compliance with the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors (representing at least one-third of the Board), with at least one independent non-executive director possessing appropriate professional qualifications and accounting and related financial management expertise.

Each independent non-executive director gives the Company annual confirmation of his independence to the Company, and the Company considers these directors to be independent pursuant to Rule 3.13 of the Listing Rules. The names, biographies of the directors and relationship among them are set out in the “Biographies of Directors and Senior Management” on pages 20 to 21 of this annual report.

3. 董事會

3.1 董事會組成

截至本報告日期，董事會及董事會轄下委員會由下列人士組成：

執行董事擁有豐富及廣泛的鞋類分銷及零售業務經驗，而獨立非執行董事則具備相關專業資格及管理專門知識。全體獨立非執行董事透過積極參與董事會會議，在管理涉及潛在利益衝突事務時發揮牽頭引導作用及服務於董事會轄下之委員會，從而對本公司作出有效指導以及維護本公司及其股東之利益。

於截至二零二零年十二月三十一日止年度，董事會一直符合上市規則有關委任至少三名獨立非執行董事（佔董事會成員人數至少三分之一），其中最至少一名獨立非執行董事須具備合適專業資格及會計及相關財務管理專業知識的規定。

每名獨立非執行董事均有就其獨立性向本公司作出年度確認。根據上市規則第3.13條，本公司認為該等董事均屬獨立人士。各董事之姓名、簡歷及彼此間之關係載於本年報第20至21頁之「董事及高級管理人員簡歷」。

CORPORATE GOVERNANCE REPORT

企業管治報告

3.2 Directors' Responsibilities

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

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

3.3 Delegation by the Board

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

3.4 Appointment, Re-election and Removal of Directors

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

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

3.2 董事責任

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

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

3.3 董事會授權

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

3.4 委任、重選及撤換董事

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

所有董事與本公司已簽訂服務協議，任期為一年至三年之特定年期。所有董事均須根據上市規則及本公司之組織章程細則（「組織章程細則」）最少每三年於股東週年大會上輪值退任一次，並符合資格膺選連任。每名獲董事會新委任之董事須於其上任後之首個股東大會接受重選。

CORPORATE GOVERNANCE REPORT

企業管治報告

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

3.5 Board Practices and Conduct of Meetings

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

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

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

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

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

3.5 董事會常規及會議進程

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

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

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

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

3.6 Directors' and Officers' Liability Insurance

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

3.7 Directors' Training and Professional Development

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

During the year ended 31 December 2020, all directors of the Company have attended the training sessions arranged by the Company. Newspapers, magazines and other materials relating to roles and responsibilities of directors, and regulatory updates of the Listing Rules and corporate governance development were also provided by the Company to the directors from time to time.

3.8 Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Chang Chih-Kai, an executive director, acted as both of the Chairman and Chief Executive Officer of the Company from 17 May 2017 to 21 October 2020. This was a deviation from code provision A.2.1.

With effect from 21 October 2020, Mr. Chang Chih-Kai has resigned as the CEO due to internal adjustment of work commitment but will continue to be the Chairman of the Board, while Mr. Chang Chih-Chiao, an executive director, has been appointed as the CEO. As such, the Company has complied with this code provision A.2.1 since 21 October 2020.

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

3.6 董事及高級人員之責任保險

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

3.7 董事之培訓及專業發展

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

於截至二零二零年十二月三十一日止年度，本公司所有董事均有出席本公司安排之培訓課程，公司也會不時提供一些與董事之角色及職責有關之參考資料，以及上市規則及企業管治發展之報紙、雜誌及其他更新資料，以供董事參閱。

3.8 主席及行政總裁

企業管治守則條文第A.2.1條列明主席及行政總裁的角色應有區分，並不應由一人同時擔任。執行董事張智凱先生於二零一七年五月十七日至二零二零年十月二十一日期間兼任本公司主席兼行政總裁職務，此乃偏離守則條文第A.2.1條。

自二零二零年十月二十一日起，張智凱先生因內部工作變動而辭去行政總裁職務，惟將繼續擔任董事會主席，而執行董事張智喬先生則獲委任為行政總裁。因此，本公司自二零二零年十月二十一日起已遵守守則條文第A.2.1條。

CORPORATE GOVERNANCE REPORT

企業管治報告

3.9 Board Committees

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

Audit Committee

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

Mr. Hon Ping Cho	Independent non-executive director
Terence (<i>Chairman</i>)	
Mr. Huang Shun-Tsai	Independent non-executive director
Mr. Kuo Jung-Cheng	Independent non-executive director

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

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

3.9 董事會轄下委員會

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

審核委員會

於本報告日期，本公司之審核委員會成員包括下列董事：

韓炳祖先生	獨立非執行董事
(主席)	
黃順財先生	獨立非執行董事
郭榮振先生	獨立非執行董事

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

於本財政年度，審核委員會曾舉行三次會議。執行董事、管理層及獨立核數師均有出席相關會議以提供所需資料。審核委員會考慮獨立核數師之審核計劃、委聘條款及費用，以提呈董事會批准；審閱及批准本集團核數師所提供之非審計服務；審閱本集團之財務資料，包括全年及中期財務報表；審閱獨立核數師致管理層之函件及報告；以及審閱內部審核部所編製之風險管理及內部監控系統等事宜之報告。

CORPORATE GOVERNANCE REPORT

企業管治報告

Nomination Committee

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

Mr. Huang Shun-Tsai	Independent non-executive director (Chairman)
Mr. Hon Ping Cho Terence	Independent non-executive director
Mr. Kuo Jung-Cheng	Independent non-executive director
Mr. Chang Chih-Kai	Executive director

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

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

During the financial year, two Nomination Committee meetings were held. The Nomination Committee reviewed the structure, size and diversity of the Board, considered the independence of independent non-executive directors and recommended the re-appointment of retiring directors which were approved by the shareholders at the annual general meeting. It also made recommendations to the Board on the appointment of an executive director as well as change of chief executive officer during the year.

提名委員會

於本報告日期，本公司之提名委員會成員包括下列董事：

黃順財先生 (主席)	獨立非執行董事
韓炳祖先生	獨立非執行董事
郭榮振先生	獨立非執行董事
張智凱先生	執行董事

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

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

於本財政年度，提名委員會曾舉行兩次會議。提名委員會審議董事會之結構、規模及成員多元化，考慮獨立非執行董事之獨立性，並建議重選退任董事（經股東在股東週年大會上批准）。提名委員會年內亦就委任執行董事及變更行政總裁向董事會提出了建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

Remuneration Committee

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

Mr. Kuo Jung-Cheng (Chairman)	Independent non-executive director
Mr. Hon Ping Cho Terence	Independent non-executive director
Mr. Huang Shun-Tsai	Independent non-executive director
Mr. Chang Chih-Kai	Executive director

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

During the financial year, two Remuneration Committee meetings were held and the remuneration packages of executive directors and senior management were reviewed and considered. They also reviewed the remuneration of the newly-appointed executive director and chief operating officer as well as the chief executive officer. Details of the remuneration paid/payable to individual director and the chief executive officer of the Company and senior management or officers of the Group by band during the year are set out in Note 35 to the consolidated financial statements.

薪酬委員會

於本報告日期，本公司之薪酬委員會成員包括下列董事：

郭榮振先生 (主席)	獨立非執行董事
韓炳祖先生	獨立非執行董事
黃順財先生	獨立非執行董事
張智凱先生	執行董事

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

於本財政年度，薪酬委員會曾舉行兩次會議，審議及考慮執行董事及高級管理人員之薪酬待遇。薪酬委員會亦審議新委任執行董事兼營運總監及行政總裁的薪酬。年內已付／應付本公司個別董事和行政總裁及本集團高級管理人員或高級職員之薪酬幅度詳情載於綜合財務報表附註35。

CORPORATE GOVERNANCE REPORT

企業管治報告

3.10 Meeting Attendance of Board and Board Committee Members

The attendance records of each director at the board meetings, board committee meetings, annual general meeting (AGM) of the Company held during the year ended 31 December 2020 are set out in the table below:

Name of directors 董事名稱		Number of meetings attended/Number of meetings held 會議出席次數／舉行會議次數				
		Board 董事會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	AGM 股東週年大會
<i>Executive directors</i> 執行董事						
Mr. Chang Chih-Kai (Chairman)	張智凱先生(主席)	6/6	-	2/2	2/2	1/1
Mr. Chang Chih-Chiao	張智喬先生	6/6	-	-	-	1/1
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)	0/0	-	-	-	0/0
Mr. Wang Jungang (appointed on 21 October 2020)	王俊剛先生 (於二零二零年十月二十一日 獲委任)	1/1	-	-	-	0/0
<i>Independent non-executive directors</i> 獨立非執行董事						
Mr. Hon Ping Cho Terence	韓炳祖先生	6/6	3/3	2/2	2/2	1/1
Mr. Huang Shun Tsai	黃順財先生	6/6	3/3	2/2	2/2	1/1
Mr. Kuo Jung-Cheng	郭榮振先生	6/6	3/3	2/2	2/2	1/1

3.10 董事會及董事會轄下委員會成員之會議出席情況

於截至二零二零年十二月三十一日止年度本公司舉行之董事會會議、董事會轄下委員會會議及股東週年大會之個別董事出席情況記錄載列如下：

4. CORPORATE GOVERNANCE FUNCTION

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

4. 企業管治職能

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

CORPORATE GOVERNANCE REPORT

企業管治報告

5. ACCOUNTABILITY AND AUDIT

5.1 Financial Reporting

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

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

5.2 Remuneration of Independent Auditors

The statement of the independent auditor of the Company, PricewaterhouseCoopers, regarding their reporting responsibilities on the financial statements of the Group is set out in the "Independent Auditor's Report" on pages 88 to 96 of this annual report.

The remuneration paid/payable to PricewaterhouseCoopers for the provision of audit for the year ended 31 December 2020 was HK\$2,000,000 (2019: HK\$3,100,000) and non-audit service for tax advisory was HK\$391,000 (2019: Nil) during the year.

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

5.3 Risk Management and Internal Control

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

5. 問責性及審核

5.1 財務報告

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

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

5.2 獨立核數師酬金

本公司獨立核數師（羅兵咸永道會計師事務所）有關其對本集團之財務報表之申報責任之聲明，載於本年報第88至96頁之「獨立核數師報告」。

截至二零二零年十二月三十一日止年度，就年內所提供之審核服務及有關稅務諮詢之非審核服務，已付／應付羅兵咸永道會計師事務所之酬金分別為2,000,000港元（二零一九年：3,100,000港元）及391,000港元（二零一九年：無）。

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

5.3 風險管理及內部監控

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

CORPORATE GOVERNANCE REPORT

企業管治報告

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

6. COMPANY SECRETARY

Mr. Cheung Chun Hay has joined the Group since 2007 and has been the Company Secretary of the Company since December 2013. Mr. Cheung is currently also the vice president in finance of the Group and has day-to-day knowledge of the Company's affairs. During the financial year, Mr. Cheung has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

7. INVESTOR RELATIONS

7.1 Communications with Shareholders and Investors

The Board recognises the importance of good communication with its shareholders and investors. To promote effective communication, the Company maintains website at "www.daphneholdings.com" where extensive information and updates on the Group's business development and operation, financial information, corporate governance practices and other information are available to the public. Shareholders and investors may address enquires to the Company's investor relations personnel by letter or email. Contact details are listed on page 3 of this annual report.

The Company continues to enhance communication and relationship with its shareholders and investors. The Board designates personnel to maintain regular dialogue with institutional investors and analysts through one-on-one meetings, non-deal roadshows and investor briefings, whenever necessary, to keep them informed of the Group's developments.

7.2 Constitutional Documents

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

本集團設有內部審核部門，以進行本集團風險管理及內部審核。內部審核部進行基於風險的審核，審閱本集團之風險管理及內部監控系統之有效性，以保證主要業務和營運之風險已被識別和管理。內部審核部每年最少向審核委員會報告兩次其開展之工作，並提供調查結果及建議。年內，董事會已就本集團之風險管理及內部監控系統之有效性進行檢討。

6. 公司秘書

張晉熙先生自二零零七年起加入本集團，並由二零一三年十二月起獲委任為本公司之公司秘書，張先生現時亦為本集團財務副總裁，並對本公司的日常事務有所認識。於本財政年度，張先生已遵守上市規則第3.29條的相關專業培訓規定。

7. 投資者關係

7.1 與股東及投資者之溝通

董事會深明與股東及潛在投資者維持良好溝通之重要性。為促進有效溝通，本集團設有「www.daphneholdings.com」網站，其中提供有關本集團業務發展及營運、財務資料、企業管治常規及其他資料之廣泛資料及最新動態，以供公眾查閱。股東及投資者可透過郵寄或電郵向本公司投資者關係人員作出查詢。聯絡資料詳情載於本年報第3頁。

本公司持續改善與股東及投資者之溝通及關係。董事會指定專門人員，在需要時通過一對一會議、非交易路演及投資者簡介會，維持與機構投資者及分析員定期對話，使彼等知悉本集團之發展。

7.2 憲章文件

年內，本公司的組織章程大綱及細則並無變動。

CORPORATE GOVERNANCE REPORT

企業管治報告

7.3 Dividend Policy

The Company has adopted a dividend policy (the “Dividend Policy”) with effect from 1 January 2019. According to the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia, the following factors:

- (i) the general financial condition of the Group;
- (ii) the Group’s actual and future operations and liquidity position;
- (iii) the Group’s expected working capital requirements and future expansion plans;
- (iv) the Group’s debt to equity ratios and the debt level;
- (v) the retained profits and distributable reserves of the Company and each of the members of the Group;
- (vi) the shareholders’ and the investors’ expectation and industry’s norm;
- (vii) the general market conditions; and
- (viii) any other factors that the Board deems appropriate.

Dividends may be declared and paid to the shareholders of the Company by way of cash or by other means that the Board considers appropriate. The declaration and payment of a dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and the Company’s Articles of Association and any other applicable laws and regulations. The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time.

7.3 股息政策

本公司已採納股息政策（「股息政策」），並由二零一九年一月一日起生效。根據股息政策，在決定是否建議派發股息及釐定股息金額時，董事會須考慮下列因素，其中包括：

- (i) 本集團的一般財務狀況；
- (ii) 本集團的實際和未來營運及流動資金狀況；
- (iii) 本集團預期營運資金需求及未來擴展計劃；
- (iv) 本集團的負債對權益比率及債務水平；
- (v) 本公司及本集團各成員公司的保留盈利和可供分派儲備；
- (vi) 股東及投資者的期望及行業的常規；
- (vii) 一般市場情況；及
- (viii) 董事會認為適當的任何其它因素。

股息可以現金方式或董事會認為適當的其他方式宣派及派付予本公司股東。本公司宣派及派付股息亦須遵守開曼群島公司法及本公司組織章程細則及任何其他適用法律法規的任何限制。董事會亦將持續檢討股息政策並保留其唯一及絕對酌情權隨時更新、修訂、修改及／或取消股息政策。股息政策概不會以任何方式構成本公司有關其未來股息的具法律約束力承諾及／或不會以任何方式令本公司有責任於任何時間或不時宣派股息。

CORPORATE GOVERNANCE REPORT

企業管治報告

8. SHAREHOLDERS' RIGHTS

8.1 Convening Extraordinary General Meeting and Putting Forward Proposals at General Meetings

Pursuant to Article 58 of the Articles of Association of the Company, the Board may whenever it thinks fit convene an extraordinary general meeting. Any one or more members holding not less than one-tenth of the paid up capital of the Company can make a written requisition to the Board or the Company Secretary to convene an extraordinary general meeting. The written requisition must state the objects of the meeting and must be signed by the relevant shareholders and deposited at the principal place of business of the Company in Hong Kong as listed on page 3 of this annual report.

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

8.2 Putting Forward Enquiries to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the investor relations personnel of the Company by letter or email. Details of the contact information are set out on page 3 of this annual report.

On behalf of the board of directors

Chang Chih-Kai
Chairman

Hong Kong, 25 March 2021

8. 股東權利

8.1 召開特別股東大會及於股東大會上提呈建議

根據本公司之組織章程細則第58條，董事會可在其認為適當時召開特別股東大會。任何一名或以上股東（持有不少於本公司已繳足股本十分之一）可以書面呈請向董事會或公司秘書要求召開特別股東大會。該書面呈請須說明特別股東大會之目的及由有關股東簽署，並遞呈至本年報第3頁所載之本公司香港主要營業地點。

根據本公司之組織章程細則及開曼群島公司法第22章（一九六一年第3號法例，經合併及修訂），並無有關股東在股東大會提呈其他建議之程序之條文（提名他人參選董事除外）。股東可就書面呈請所指明的任何事項，遵從上述程序召開特別股東大會。

8.2 向董事會提出查詢

股東可透過向本公司投資者關係人員寫信或發送電郵而向董事會提出查詢及關注事宜。聯絡資料詳情載於本年報第3頁。

代表董事會

主席
張智凱

香港，二零二一年三月二十五日

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

About This Report

Daphne International Holdings Limited (hereafter referred to as the “Company” or “Daphne”) along with its subsidiaries (collectively referred to as the “Group”) is pleased to present its Environmental, Social and Governance (“ESG”) Report (the “Report”). It is prepared in accordance with the “comply or explain” provisions of the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) set out in Appendix 27 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Group principally engages in the distribution, retailing and licensing of footwear and accessories in Mainland China. Unless otherwise stated, this Report mainly covers the Group’s operations of brand business and headquarters in Mainland China as it represents the majority of the Group’s revenue. Unless otherwise specified, this Report covers our financial year from 1 January 2020 to 31 December 2020.





This Report serves to communicate the Group’s ESG policies, initiatives, performances, and plans relating to material environmental and social issues. All information has been prepared and published based on policies, practices, official documents or academic papers in an accurate, genuine and transparent manner. The preparation of this Report strictly adheres to the reporting principles of “materiality”, “quantitative”, “balance”, and “consistency”.

關於本報告

達芙妮國際控股有限公司（以下稱為「本公司」或「達芙妮」）連同其附屬公司（統稱「本集團」）欣然提呈環境、社會及管治（「ESG」）報告（「本報告」）。本報告乃按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」）附錄二十七《環境、社會及管治報告指引》（「ESG指引」）所載的「不遵守就解釋」條文而編製。

本集團主要在中國大陸從事鞋類產品及配件的分銷、零售及授權許可業務。除另有註明外，本報告主要涵蓋本集團在中國大陸的品牌業務及總部，原因是本集團大部分收益乃來自此業務板塊。除另有指明外，本報告涵蓋我們自二零二零年一月一日起至二零二零年十二月三十一日止財政年度。

本報告旨在闡述本集團與重要環境及社會議題相關的ESG政策、措施、表現及計劃。所有資料均基於政策、慣例、官方文件或學術論文，以準確、真實及透明的方式編撰及刊發。本報告嚴格遵循有關「重要性」、「量化」、「平衡」及「一致性」的匯報原則編製。

<p>Materiality 重要性</p> 	<p>A materiality assessment was conducted to identify and assess material ESG issues during the year under review. This Report is structured based on the materiality of these issues, which was reviewed and confirmed by the board of directors (the “Board”) and management. Where applicable, follow-up improvement measures are also disclosed.</p> <p>重要性評估乃為識別及評估回顧年度內的重要ESG議題而進行。本報告基於該等議題的重要性而編撰，而有關議題已經董事會（「董事會」）及管理層審閱和確認，另外亦在適用情況下披露跟進改善措施。</p>
<p>Quantitative 量化</p> 	<p>This Report discloses quantitative key performance indicators (“KPIs”) of the Group’s brand business in Mainland China. Unless otherwise specified, environmental and social data in this Report mainly refers to our headquarters.</p> <p>本報告披露本集團位於中國大陸的品牌業務的量化關鍵績效指標（「關鍵績效指標」）。除另有指明外，本報告所載的環境及社會數據主要指本集團總部的相關數據。</p>
<p>Balance 平衡</p> 	<p>This Report provides an unbiased overview of the Group’s ESG performance. It discloses both achievements and areas of improvement.</p> <p>本報告以中立角度概述本集團在ESG方面的表現，並披露成果及有待改善之處。</p>
<p>Consistency 一致性</p> 	<p>This Report is prepared in accordance with the ESG Guide, as well as consistent methodology for the calculation of KPIs. For further details of the quantification methodology, please refer to the “Our Environment” section.</p> <p>本報告按照ESG指引編製及按一貫方法計算關鍵績效指標。有關量化方法的進一步詳情，請參閱「我們的環境」一節。</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

We highly value reader feedback on this Report and our approach to sustainability. If you have any comments or suggestions, please share with us at ir@daphneholdings.com. For further information regarding the Group's corporate governance, please refer to the "Corporate Governance Report" on pages 22 to 34 of this annual report.

Sustainability at Daphne

The Group highly appreciates the continuous support from shareholders, customers, partners, employees and the community. We attach great importance to business ethics, product and service quality, relationship with partners and employee well-being and development. At the same time, we also acknowledge the challenges imposed by climate change and its impacts on human mankind. Thus, we strive to strike a balance between optimising business opportunities and respecting natural resources through sustainability management.

ESG Governance

Our sustainability governance is led by the Board, who has the overall responsibility in overseeing and governing ESG matters. The Board delegates management across different departments to review the Group's operations, identify and report relevant ESG risks and issues, as well as assist the preparation of this Report.

The Board is responsible for reviewing ESG policies, initiatives, as well as the progress made against ESG goals and indicators on an annual basis. They also strive to evaluate, identify and manage ESG risks, as well as uncover opportunities through closely observing laws and regulations, relevant updates, as well as industry practices. Moving forward, the Board will consider facilitating communication on ESG topics by reviewing them biannually.

Stakeholder Engagement

Understanding stakeholder interests and expectations enable effective examination and management of ESG matters, which in turn strengthen their support towards the Group's business directions. Furthermore, it allows the Group to align its policy and strategy with consideration to stakeholder interests and expectations. During the year, the Group ensured that diverse channels were in place for meaningful communication.

我們十分重視讀者對本報告及本集團可持續發展方針的反饋。閣下如有任何意見或建議，歡迎電郵至 ir@daphneholdings.com 向我們提出。有關本集團企業管治的更多資料，請參閱本年報第22至34頁的「企業管治報告」。

達芙妮的可持續發展

本集團十分感謝股東、顧客、夥伴、員工及社區一直以來的支持。我們重視商業道德、產品和服務質素、與夥伴的關係以及員工的福祉和發展。同時，我們亦明白氣候變化所帶來的挑戰及對人類造成的影響，因此，我們致力通過可持續管理，在優化商機與珍惜自然資源之間取得平衡。

ESG管治

我們的可持續發展管治由對監督和規管ESG事宜全面負責的董事會領導。董事會指派不同部門的管理層檢視本集團的業務營運、識別和匯報相關ESG風險和議題，並協助編製本報告。

董事會負責每年審閱ESG政策、措施以及ESG目標和指標的進展情況。董事會亦致力評估、識別及管理ESG風險，並透過嚴格遵守法律法規、相關最新規定和行業慣例發掘機遇。日後，董事會將考慮通過每半年進行審閱，加強有關ESG課題的溝通。

持份者參與

了解持份者的利益及期望有助有效審視和管理ESG事宜，並從而鞏固彼等對本集團業務方向的支持。再者，此舉有助本集團根據持份者的利益和期望調整政策和策略。於年內，本集團確保設有多個不同的渠道以助有效溝通。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Stakeholder Groups 持份者組別	Engagement Channels 聯繫渠道
Shareholders and Investors 股東及投資者	<ul style="list-style-type: none"> Announcements and circulars 公告及通函 Interim and annual reports 中期及年度報告 Shareholder meetings 股東大會 Company websites 公司網站
Customers 顧客	<ul style="list-style-type: none"> Social media (Weibo, WeChat and internet live-streaming video platforms) 社交媒體 (微博、微信及在線直播視頻平台) Customer hotline 顧客意見熱線 Regular debriefing sessions with frontline staff to collect customer feedback 前線員工定期匯報顧客意見
Employees 僱員	<ul style="list-style-type: none"> Correspondences 信函 Suggestion boxes 意見箱 Annual performance appraisals 年度表現評估
Suppliers and Subcontractors 供應商及分包商	<ul style="list-style-type: none"> Business correspondences 商務信函 Procurement contracts 採購合同 Performance appraisals 表現評估
Regulatory Bodies 監管機構	<ul style="list-style-type: none"> Compliance inspections 合規檢查 Due submissions 盡職呈報 Conferences and seminars 會議及研討會
Community and the Public 社區及公眾	<ul style="list-style-type: none"> Press releases and news 新聞發佈及消息

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Materiality Assessment

In addition to the aforementioned engagement channels, Daphne has engaged an independent sustainability consultancy to conduct an ESG-specific stakeholder survey during the year. A meeting was conducted with the Board and management to discuss current ESG-related strategy and initiatives, as well as to confirm material aspects and issues for the stakeholder survey. A 4-step approach has been adopted to assess the materiality of ESG issues.

重要性評估

除上述聯繫渠道外，達芙妮於年內亦委聘獨立可持續發展顧問進行關於ESG的持份者問卷調查。該顧問曾與董事會及管理層舉行一次會議，討論現行的ESG相關策略及措施，以及確認持份者調查所涉及的重要範疇及議題。我們已採用四步法評估ESG議題的重要性。

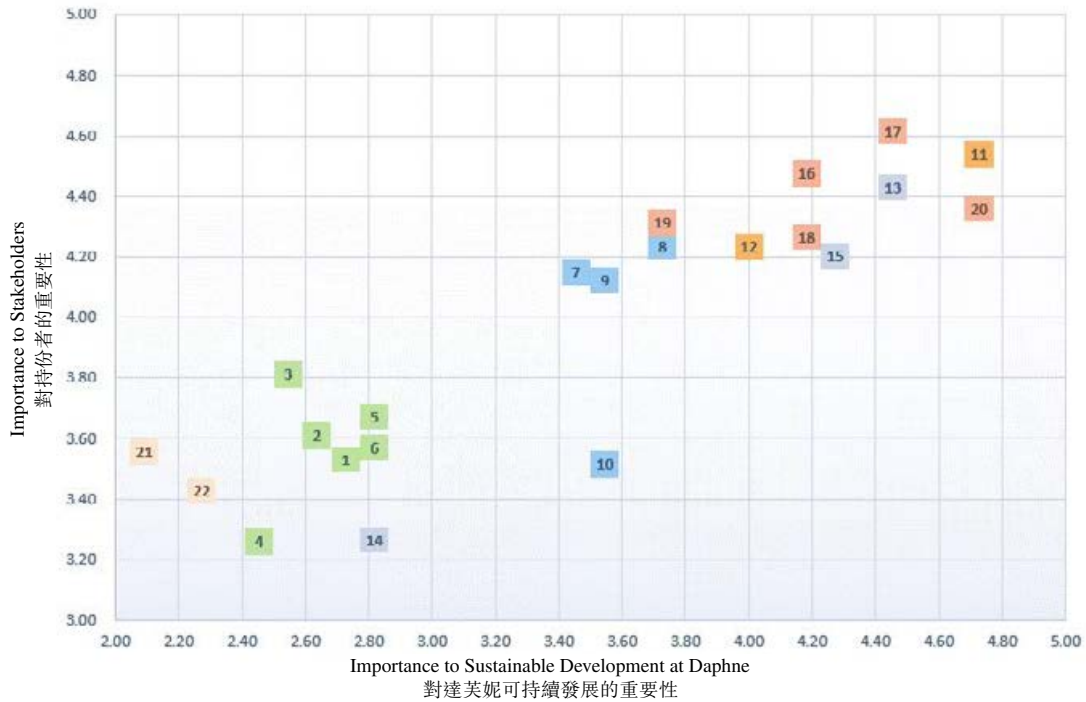


The materiality matrix and the table below reflect the relative importance of each issue towards the sustainable development of Daphne against different stakeholder views. It allows us to understand the intricate relationship between the two and helps structure this Report accordingly.

以下重要性矩陣及表格反映每個議題對於達芙妮可持續發展對比持份者觀點的相對重要性，此有助我們理解兩者之間複雜的關係，並因而有助編製本報告。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



Environment 環境	Employment 僱傭
<ul style="list-style-type: none"> 1. Energy Consumption and Relative Emissions 能源消耗及相關排放 2. Waste Generation, Handling and/or Recycling 廢物產生、處理及/或循環再用 3. Packaging Material Used for Products 產品使用的包裝材料 4. Water Consumption 用水 5. Use of Natural Resources 使用自然資源 6. Climate Change 氣候變化 	<ul style="list-style-type: none"> 7. Diversity and Equal Opportunities 多元化及平等機會 8. Employee Welfare and Benefits 僱員福利及待遇 9. Development and Training 發展及培訓 10. Occupational Health and Safety 職業健康與安全
Product Responsibility 產品責任	Supply Chain 供應鏈
<ul style="list-style-type: none"> 11. Quality Assurance 質量保證 12. Customer Service and Relationship 顧客服務及關係 	<ul style="list-style-type: none"> 13. Supplier Quality Management 供應商質量管理 14. Environmental and Social Practices of Suppliers 供應商環境和社會實踐 15. Communication and Relationship with Suppliers and Partners 與供應商及業務夥伴的溝通和關係
Business Conduct 商業操守	Community 社區
<ul style="list-style-type: none"> 16. Laws and Regulations Compliance 遵守法律及法規 17. Respect for Privacy and Use of Personal Data 尊重私隱及個人資料用途 18. Protection of Intellectual Property Rights 保護知識產權 19. Labour Standards 勞工準則 20. Anti-Corruption 反貪污 	<ul style="list-style-type: none"> 21. Community Contribution 社區貢獻 22. Employee Volunteering in the Community 僱員參與社區義工活動

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In the materiality assessment, an average score was used to assess the general importance of each aspect. Through the exercise, ESG issues are prioritised to finalise a report structure that balances stakeholder interests and expectations. The recommended report structure for the year is hence shown below.

重要性評估已使用平均分數評估每個範疇的整體重要性。ESG議題已通過有關做法排列優先次序，以確定平衡持份者利益與期望的報告架構。年內的建議報告架構列示如下。

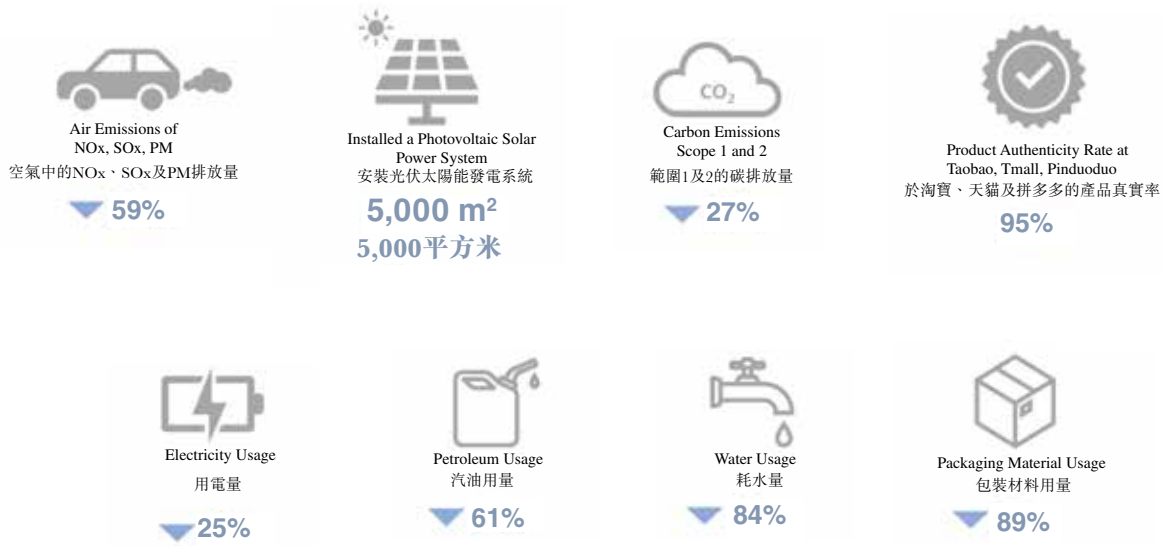


2020 ESG Highlight

Attributing to our dedicated efforts, the Group is pleased to present our sustainability accomplishments during the year.

二零二零年ESG摘要

憑藉我們的不懈努力，本集團欣然呈列我們於年內在可持續發展方面的成就。



Pandemic Risks and Opportunities

First identified in 2019, the COVID-19 pandemic has imposed imminent threats to public health. Nationwide shutdowns have put business and social activities to a halt and have dealt a heavy blow to the economy. The retail market in Mainland China has been adversely impacted by COVID-19.

疫情風險及機遇

於二零一九年首次發現的新冠病毒疫情的爆發對公共衛生造成迫切威脅。全國封城令商業和社會活動陷入停頓，並對經濟造成沉重打擊。中國大陸的零售市場亦受到新冠病毒疫情的不利影響。

At Daphne, we recorded a drop in customer traffic as offline sales activities decreased. Although it has been generally brought under control, uncertainties and emergence of new cases have necessitated the Group to adopt robust pandemic prevention and control measures. The Group foresees volatility in the short and medium term. Both effort and time are required for the consumer market to return to pre-COVID-19 level.

由於線下銷售活動減少，達芙妮錄得客流量下跌。儘管疫情已大致受控，但不確定性及新增確診個案的出現令本集團必須採取嚴格的疫情防控措施。本集團預期中短期內將會出現波動，而消費市場亦需要各方努力及時間方能回復至新冠病毒疫情前水平。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

I) Immediate Response I) 即時應對措施
<p>The Group has been granted rent concessions from certain landlords. To manoeuvre difficult times together, we also offered discounts to business partners and franchisees. As the nationwide campaign to prevent and control the spread of COVID-19 has been making headway, business and daily lives have gradually resumed in the second quarter of the year. Most of the Group's stores have gradually reopened since April. We nevertheless remained cautious in safeguarding the health and safety of our stakeholders, including but not limited to customers, employees and the community. For further information regarding health and safety, please refer to "Our People" and "Our Community".</p> <p>本集團已獲部分業主減免租金。為共度難關，我們亦為合夥人及加盟商提供折扣優惠。由於全國的新冠病毒防控工作取得進展，商業及日常生活已於年內第二季逐漸恢復正常。本集團大部分店舖已自四月起逐步重開。儘管如此，我們在保障持份者，包括但不限於顧客、僱員及社區的健康與安全時仍然保持審慎。有關健康與安全的進一步資料，請參閱「我們的員工」及「我們的社區」。</p>
II) Strategic Transformation of Business Model II) 業務模式的策略性轉型
<p>COVID-19 pandemic has certainly brought challenges to our businesses, it has nevertheless generated new opportunities, including the restructuring of our business model. During the year, we have switched over to an asset-light business model, and completely withdrawn from the retailing business at physical stores under the mid-range and high-end brands.</p> <p>新冠病毒疫情無疑對本集團業務帶來挑戰，但同時亦造就包括重組集團業務模式等新機會。於年內，我們已轉型至輕資產業務模式，並徹底退出中高檔品牌的實體零售業務。</p> <p>Despite being adversely impacted by COVID-19 pandemic, the Group believes a collaboration of offline and online channels could create synergy with a higher level of optima. We are confident about the market outlook and development potential of the offline sales channel mix with its main sales channel running under the "partnership system" and its new image stores as a supplementary one, as steady progress has been observed under the strategic business transformation. We foresee that the offline distribution channels will become a crucial component in brand communication within the retail industry.</p> <p>儘管受到新冠病毒疫情的不利影響，本集團相信線上線下渠道合作能釋放最大協同效應。由於策略性業務轉型取得穩定進展，我們對市場前景及其以「合夥人制度」為主、新形象店為輔的線下銷售渠道組合的發展潛力充滿信心。我們預期線下分銷渠道將成為零售業界傳播品牌形象的重要載體。</p>
III) Emergence of E-Commerce III) 電子商務興起
<p>As people are urged to undertake social distancing by staying home to minimise the risk of COVID-19 spreading, it has given rise to a "stay-at-home" economy. During the year, the increasing demand for online shopping has scaled and sped up the digitalisation of traditional retail and consumer service companies. The shift in consumption patterns towards online shopping presented a huge opportunity to the e-commerce market. The Group quickly adjusted and adapted to the preferences and consumption patterns of online shoppers. Ideas such as "quick responses for small orders", "live commerce" and "online-only items" were adopted.</p> <p>由於政府勸諭市民保持社交距離並留在家中以盡量減低新冠病毒擴散的風險，因而催生「宅經濟」的興起。於年內，日益增加的網購需求加快了傳統零售及消費服務企業電子化轉型的速度，規模亦更大。消費模式向網上購物轉型為電商市場帶來巨大機遇。本集團已迅速作出調整及配合網購消費者的喜好和消費模式，並起用「小單快返」、「直播帶貨」及「線上專款」等概念。</p> <p>As a new growth driver of the Group's business, we believe that e-commerce will ultimately help to increase the Group's overall profitability, which has been marked out for further development in the aftermath of the pandemic. For further information regarding our e-commerce business operations, please refer to "Our Business".</p> <p>作為本集團新的業務增長點，我們相信電子商務最終將有助提高本集團的整體盈利能力，亦將會於疫情結束後再進一步發展。有關本集團電商業務營運的進一步資料，請參閱「我們的業務」。</p>

Through implementing effective prevention and control measures, and persevering with its business transformation strategy, the Group has shown resilience. Looking ahead, we will continue to cautiously push forward with business transformation measures and explore ways to achieve sustainable development. We will strive to maintain intact relationships with our customers and business partners, step up brand building efforts, and enhance our operation and management standards.

通過實施有效的防控措施及堅持業務轉型策略，本集團展現了強大的韌性。展望未來，我們將繼續審慎推進各項業務轉型措施，探索實現可持續發展之路。我們將努力與顧客及業務夥伴保持良好關係、強化品牌建設以及提升營運管理水平。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

OUR BUSINESS

As a responsible corporation in the retail industry, product and service quality are important to the Group's business standing. It is our priority to deliver products and services professionally and responsibly. These are achieved through ensuring product quality, governing customer rights, and retaining customer loyalty through quality service, brand communication, as well as being adaptive to new trends and consumption patterns.

Quality Assurance

Quality Control

The Group enforces stringent quality control to ensure product health and safety. We uphold the principles of an ethical seller by ensuring truthfulness and accuracy of marketing information in compliance with relevant laws and regulations. From procurement to delivering processes, we strive to reassure customers on the product quality by ensuring all products contain certificates.



我們的業務

作為零售業中負責任的企業，產品及服務質素對本集團的商譽至關重要。我們的首要任務是以專業和負責任的方式提供產品和服務，而達成首要任務的方式為確保產品質量、管理顧客權益、通過優質服務和品牌形象溝通維持顧客忠誠度，並且適應新趨勢及消費模式。

質量保證

質量控制

本集團實行嚴格的質量控制，確保產品健康和 safety。我們堅持道德商家的原則，在遵守相關法律法規的前提下，確保營銷資料真實和準確。在採購至發貨的過程中，我們致力確保所有產品均取得證明，消除顧客對產品質量的疑慮。



Product Return and Recall

The Group believes that under no circumstances should customer health and safety nor their rights be compromised. We have established a holistic product return and recall system and formulated standards and procedures that require compliance by responsible employees. Following our return and recall procedures, product warranties and after-sales services are available for customers to return goods and replace defective goods.

When the report of a defective product has been filed by customers or business partners, the quality assurance team will dedicate personnel to conduct product inspections. Subject to inspection findings, as well as confirmation by management and the supplier, a formal recall notice will be issued to notify the supplier for a return of the product.

產品退貨及回收

本集團認為在任何情況下均不應損害顧客的健康、安全及權益。我們已建立完整的產品退貨和回收制度，並制定標準和程序，要求負責的員工遵守。根據我們的退貨和回收程序，我們為顧客提供產品保證和售後服務，接受退貨及更換有問題的產品。

當顧客或業務夥伴提出問題產品報告時，質量保證團隊將派人檢查產品。視乎檢查結果及經管理層和供應商確認後，便會發出正式回收通知，通知供應商退貨。



Product Return and Recall Procedures
產品退貨及回收程序

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

During the year, the Group was not aware of any material non-compliance with any laws and regulations relating to product and service responsibility. The Group also did not record any cases of product recall or complaints relating to issues of health and safety.

Retaining Customer Loyalty

As we strive to retain and expand our customer base, customer feedback is highly valuable for us to continuously enhance overall customer experience. The Group's customer traffic was adversely affected by COVID-19. During the year, the proportion of member sales decreased from 47% to 13%, and the repurchase rate decreased from 24% to 11%. Nevertheless, great emphasis was placed on recognising customer needs, communicating the brand identity and diversifying sales channels. We are hopeful that the consumer market will return to pre-COVID-19 level.

Customer Service

The Group follows a well-established customer feedback protocol that allows the customer service centre and sales operation team to respond and resolve product and service quality issues in an appropriate and timely manner. We have established multiple channels to anticipate customer needs and facilitate feedback provision.

於年內，本集團並不知悉任何嚴重違反產品及服務責任相關法律及法規的情況，亦無錄得任何與健康及安全問題有關的產品回收或投訴個案。

維持顧客忠誠度

由於我們致力維持及擴大顧客基礎，顧客反饋對我們持續提升整體顧客體驗極之寶貴。本集團的客流量因新冠病毒疫情而受到不利影響。於年內，會員銷售額佔比由47%下跌至13%，回購率亦由24%下跌至11%。儘管如此，我們仍十分重視了解顧客需要、傳達品牌形象及拓展多元化銷售渠道。我們希望消費市場將能回復至新冠病毒疫情前水平。

顧客服務

本集團遵循完善的顧客反饋處理流程，以便顧客服務中心及銷售營運團隊能及時對產品及服務質量問題作出恰當的回應及處理。我們已設立多個渠道了解顧客的需要，並方便顧客提供反饋。

Examples of Customer Feedback Channels

顧客反饋渠道的例子

- Social media platforms such as Weibo, WeChat, and live-streaming video online platforms
微博、微信及在線直播視頻平台等社交媒體平台
- Customer reviews on e-commerce platforms
顧客在電商平台上的評價
- Customer hotline
顧客意見熱線
- Big data analytics applied to VIP members
VIP會員大數據分析
- Regular debriefing sessions with frontline staff to collect customer feedback
前線員工定期匯報顧客意見
- Adoption of business intelligence to analyse customer preferences and trends
通過商業數據分析顧客的購物喜好及市場趨勢

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Brand Communication

The Group has actively carried out product upgrades to expand our product mix. Through increasing the proportion of athleisure products, we aspire to tap further into the market and attract more young and trendy customers. The Group launched its first original domestic brand “Ascent” in June during the year. The brand made its debut through an online live broadcast at the “Tmall National Style Awards” and has met with enthusiastic responses from young customers upon its launch.

In addition to the introduction of the promotional theme, we have continued our efforts in the advancement of the customer relationship management mechanism. During the year, the introduction of “live commerce” had drawn in many new and young customers. This has ultimately strengthened customer loyalty towards our brands.

E-Commerce

To capitalise on the “stay-at-home” trend due to COVID-19 pandemic, Daphne was highly adaptive to the gradual shift from offline to online consumption. The Group has stepped up its efforts in the online sales business and actively explored new approaches to sales and marketing during the year. We collaborated with social platforms such as “Tik Tok” and “Kuaishou” for the sharing of short videos to suit the preferences of adolescents in social network, as well as increase the Group’s exposure in social media. Through these online platforms that register high traffic volume, we were able to not only advertise our brands but also create more interactive shopping experience to our customers.

To take advantage of the online market sales trend, the Group has committed efforts to develop “online-only items”. We have launched the “Must-buy KOL Items” during the year, which were met with overwhelming positive customer responses. As a result of the successful launch, the Group has consolidated plans to enhance our business standing in the e-commerce business and the overall adaptability in the retail industry.

品牌傳播

本集團積極進行產品升級以豐富產品組合。透過增加運動休閒品類的佔比，我們期望能進一步開拓市場，並吸引更多年輕時尚的消費客群。本集團於年內六月推出國內首個原創品牌「芙搖直上」。該品牌通過線上直播的形式亮相「天貓國風大賞」，且甫推出便得到年輕顧客的熱烈反響。

除推出推廣主題外，我們亦努力改善顧客關係管理機制。於年內，引入「直播帶貨」吸引大量年輕新客群，並因而最終加強顧客對集團品牌的忠誠度。

電子商務

為把握新冠病毒疫情帶來的「宅經濟」趨勢，達芙妮積極配合由線下逐步轉移至線上的消費模式。於年內，本集團加大對線上銷售業務的投入，積極發掘新的營銷方式。我們與「抖音」和「快手」等社交平台合作分享短片，迎合時下年輕人的社交網絡趨勢，並提高本集團在社交媒體的曝光率。透過該等大流量線上平台，我們不但能夠宣傳本集團的品牌，更可為顧客帶來更具互動性的購物體驗。

為把握線上市場銷售趨勢，本集團致力開發「線上專款」產品。我們於年內推出「網紅爆款」，贏得顧客的熱烈反響。由於產品取得成功，本集團已制定整合計劃以提升我們在電商業務的商業地位及對零售業的整體適應能力。

Plans for e-Commerce**電商業務計劃**

- To meet the ever-changing online demand, the Group’s e-commerce team will collaborate with the product design team to develop more “online-only items”.
為應付不斷轉變的線上需求，本集團的電商團隊將與產品設計團隊合作開發更多「線上專款」。
- The Group will further consolidate its position in the women’s footwear market. Through a more targeted pricing strategy and more diverse athleisure products, the Group will be able to connect with the target customer groups thoroughly and eventually expand its share in the online market.
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及擴展運動休閒品類，全方位觸及本集團的目標顧客群，從而提升線上市場佔有率。
- The Group will implement the “omnichannel marketing” strategy by further expanding its online sales channels. This will gradually enhance our sales efficiency and competitive strength in the online market.
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，將逐步提高銷售效率及增強在線上市場的競爭力。
- The Group will seek to satisfy the market demand precisely with the help of big data analysis, which will allow the Group to constantly track the ever-changing consumer preferences.
本集團將藉助大數據分析，持續追蹤不斷變化的消費者喜好，更精準地滿足市場需求。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

OUR ETHICS

The Group upholds a transparent governance structure in the planning and implementation of policies and procedures. We operated under the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules. We have also adopted practices to ensure stringent control of business practices, including anti-corruption, labour standards, respect of intellectual property rights, as well as confidentiality.

Anti-Corruption

The Group operates under high standards of ethical conduct and adopts a zero-tolerance approach against any form of corruption or bribery. We strictly adhere to relevant laws and regulations and enforce anti-corruption policies as stipulated under the Group's Code of Conduct.

Prior to job commencement, all new recruits will be briefed by the Human Resources Department on the importance of maintaining a corruption-free workforce. They are required to abide by signing a statement to acknowledge the receipt and agree with the terms of references. During the year, the Group arranged anti-corruption specific training for all new employees. Such content and its importance have also been emphasised in our relevant meetings.

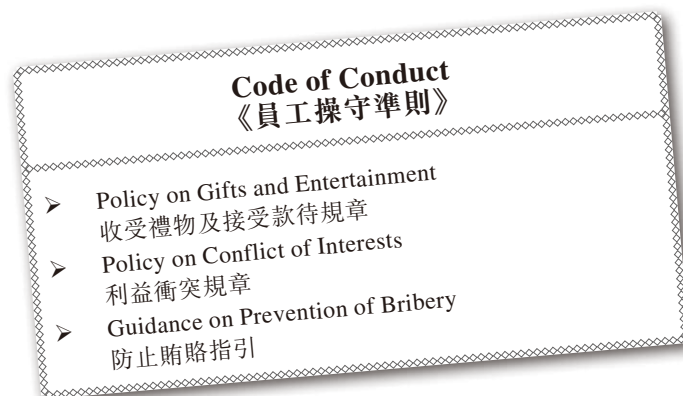
我們的道德操守

本集團在規劃和執行政策和程序時秉持透明的管治架構。我們根據上市規則附錄十四企業管治守則所載的守則條文運作，並採取措施確保業務慣例得到嚴格控制，包括反貪污、勞工準則、尊重知識產權以及保密。

反貪污

本集團根據高道德操守標準經營業務，對任何形式的貪污或賄賂採取零容忍態度。我們嚴格遵守相關法律及法規，並根據本集團的《員工操守準則》執行反貪污政策。

人力資源部會在新員工入職前向彼等說明保持廉潔職場的重要性。彼等須簽署一份聲明，確認收到職權範圍並同意遵守。於年內，本集團為所有新入職員工安排參與反貪污專項培訓。有關內容及其重要性亦會在相關會議上再作強調。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Whistleblowing

As we commit to transparency, integrity and accountability, we encourage employees to report on any alleged misconduct or delinquency. The Group has set up a whistle-blowing policy for our employees to lodge complaints, or report on any suspicious activities to the designated officer in verbal or written form. The policy advocates a mechanism of confidentiality to protect the whistle-blowers from retaliation. It reassures that a whistle-blower who lodges a complaint based on the policy will not be fired, mistreated, or suffer unnecessary disciplinary punishments. By adopting this policy, we aspire to stamp out any internal improprieties, unethical acts, malpractices, fraudulent acts, corruptions and/or criminal activities.

To safeguard the Group's interests, all information shall remain confidential when an investigation process involving bribery, extortion, fraud, or money laundering is initiated. The misconduct or delinquency shall also be investigated with discretion. Where criminality is suspected after investigation, disciplinary actions will be taken, including termination of employment and reporting wrongdoing to the relevant authorities.

During the year, the Group was not aware of any material complaints, cases, or non-compliance with any laws and regulations relating to corruption, bribery, extortion, fraud or money laundering.

Confidentiality

Daphne acknowledges the importance of confidentiality. We are committed to safeguarding company and personal privacy, including trade secrets and customer information. We strive to handle, store and file confidential information with due care in accordance to relevant laws and regulations. To protect customer rights, interests and privacy, information collected will only be used directly for the purposes of the conduct of the Group's business as stated at the time such data is collected.

The Group prohibits the transfer or disclosure of personal data to any third party without authorisation from the third-party owner. To prevent unauthorised use of personal data, a sound data security system is maintained to ensure all collected personal data is kept strictly confidential. During the year, the Group was not aware of any material non-compliance with any laws and regulations relating to infringement of personal privacy.

舉報

由於我們致力保持透明、廉潔及問責，我們鼓勵員工舉報任何涉嫌不當或違規行為。本集團已制定舉報政策，讓員工以口頭或書面形式向指定人員投訴或舉報任何可疑活動。該政策提倡執行保密機制以保護舉報人免遭報復，確保根據政策提出投訴的舉報人不會被解僱、遭受不公平對待或不必要的紀律處罰。通過採納此政策，我們希望能夠杜絕集團內部出現任何不當、不道德、舞弊和欺詐行為、貪污及／或犯罪活動。

為保障本集團的利益，當進行涉及賄賂、勒索、欺詐或洗黑錢的調查時，所有資料均應保密。對於不當或違規行為，本集團亦會審慎進行調查。如調查後發現有犯罪嫌疑，則會採取紀律處分，包括解僱及向有關當局舉報不法行為。

於年內，本集團並不知悉任何有關貪污、賄賂、勒索、欺詐或洗黑錢的重大投訴或個案或違反任何相關法律及法規的情況。

保密性

達芙妮認同保密的重要性，並致力保護公司及個人隱私，包括商業機密及顧客資料。我們致力按照相關法律及法規妥善處理、儲存及歸檔保存機密資料。為保障顧客權利、權益和私隱，所收集的資料僅會如收集有關資料時所列明直接用於本集團業務用途。

本集團禁止在未經第三方擁有人授權的情況下向任何第三方轉交或披露個人資料。為防止挪用個人資料，本公司設有完善的資料保安系統，確保所收集的所有個人資料均得到嚴格保密。於年內，本集團並不知悉任何嚴重違反與侵犯個人私隱相關的法律及法規的情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Intellectual Property Rights

The Group is committed to protecting and enforcing intellectual property rights in the retail industry, including but not limited to copyrights, patents, and trademarks. Subject to business need, necessary authorisation will be sought prior to using any third party's intellectual property. To safeguard our own intellectual property, the Group has undertaken internal control measures, including registration and renewal of the Group's trademarks, as well as filing oppositions to the registration of trademarks which are identical or similar to that of the Group. All our employees are bound by the Group's Code of Conduct to keep trade secrets confidential and to protect its other proprietary intellectual properties.

During the year, the Group was not aware of any material non-compliance with any laws and regulations relating to the violation of intellectual property rights. Through complaints to intellectual property protection platforms on Alibaba and Pinduoduo, the Group has removed a total of 3,061 (2019: 1,132) infringing product links on Alibaba's Taobao and Tmall, as well as 787 (2019: 1,732) infringing product links on Pinduoduo. We also proactively filed civil lawsuits against sellers who sold counterfeit products of our brands, where a total of 4 (2019: 22) cases were brought against infringement sellers on platforms at Alibaba and Pinduoduo.

With dedicated efforts in enforcing online anti-counterfeiting, the authenticity rate of Daphne remained at 95% (2019: 95%) on Taobao and Tmall, and the authenticity rate of top 100 sales products of Daphne on Pinduoduo reached to 95% (2019: 90%).

Labour Standards

At Daphne, we aspire to create decent jobs for all employees by supporting labour rights and eradicating child and forced labour. We comply with relevant laws and regulations and prohibit hiring of workers below 16 years old by performing identity and background verifications prior to hiring any personnel into the Group. During the recruitment process, the Human Resources Department will ensure applicants are lawfully employable by adopting a comprehensive screening and recruitment process. Applicants' identity documents will be examined, and their information will be verified through interviews and, if necessary, government information channels. The recruitment process will only begin after the applicant's identity has been verified.

The Group also ensures employees' working hours do not exceed those stated on the regulatory requirements. Subject to work need, if employees are required to work overtime, the amount of extra time shall not violate the period stated on the regulatory requirements. Any employees who have been subject to unfair treatment are encouraged to report to the Group through our whistle-blowing channel.

During the year, the Group was not aware of any material non-compliance with any laws and regulations relating to labour standards. The Group also did not receive any complaint or cases relating to child or forced labour.

知識產權

本集團致力保護及執行零售業知識產權的權利，包括但不限於版權、專利及商標。倘因業務需要而使用任何第三方知識產權，會於使用之前尋求取得必要授權。本集團已採取內部控制措施保護本身的知識產權，包括註冊及重續本集團的商標，以及對與本集團商標相同或相似的商標註冊提出反對。本集團所有僱員均受本集團的《員工操守準則》約束，必須嚴守商業秘密及保護本集團的其他專利知識產權。

於年內，本集團並不知悉任何嚴重違反與侵犯知識產權有關的法律及法規的情況。通過向阿里巴巴及拼多多知識產權保護平台投訴，本集團已在阿里巴巴的淘寶和天貓以及拼多多分別移除合共3,061條（二零一九年：1,132條）及787條（二零一九年：1,732條）侵權產品連結。我們亦主動對出售假冒本集團品牌的產品的賣家提出民事訴訟，其中合計4宗（二零一九年：22宗）乃對阿里巴巴及拼多多平台的侵權賣家提出。

由於致力執行網絡打假，達芙妮在淘寶和天貓的正牌率維持在95%（二零一九年：95%），在拼多多平台銷量前100名的達芙妮產品正牌率亦達到95%（二零一九年：90%）。

勞工準則

達芙妮支持勞工權益，並致力消除聘用童工和強制勞工的情況，希望為所有僱員創造體面的工作崗位。為遵守相關法律和法規及禁止聘用16歲以下的員工，本集團在聘請任何人員之前均會核實其身份和背景。在招聘的過程中，人力資源部門會進行全面的篩選及招聘程序，以確保應徵者可合法受僱。人力資源部門亦會檢查應徵者的身份證明文件，並透過面試及在有必要時於政府資訊渠道核實有關資料。我們於核實應徵者的身份後方會開始招聘程序。

本集團亦確保員工的工作時間不會超過監管規定。如因工作需要而要求員工加班，加班時間不得超過相關監管規定的時間。員工如受到不公平待遇，本集團亦鼓勵通過舉報渠道向本集團舉報。

於年內，本集團並不知悉任何嚴重違反勞工準則相關法律及法規的情況，亦無收到任何有關童工或強迫勞工的投訴或個案。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

OUR PARTNERS

The Group is committed to ensuring stable product supply for our customers by establishing high standards of quality control, maintaining close relationships with our business partners, as well as staying mindful of their environmental and social practices along the supply chain.

Supply Chain Management

The Group has adopted a stringent supplier management system and closely followed its procedures in the selection of suppliers. We commit to offering equal opportunity to all potential partners through a transparent screening process and a comprehensive KPI-based assessment. Supplier selections and procurement decisions were made based on the assessment over different KPIs, such as research and development capability, production flow and scheduling, product cost, reliability of delivery, quality of bulk production, reputation and image of the brands and design as well as suppliers' background and experience.

The Group will regularly review the KPI-based assessment system with the aim to enhance our supply chain management. We conduct factory inspections and credit checks against suppliers. To ensure consistency of product quality, we will also conduct product inspection upon delivery of procured products.

By the end of 2020, the Group worked with a total of 44 product suppliers, all of which are from Mainland China. All our suppliers have been engaged through our KPI-based assessment and have all passed our assessment criteria for continual appointment.

我們的業務夥伴

本集團通過建立高標準的質量控制、與業務夥伴維持緊密關係及留意彼等於供應鏈中的環境和社會實踐，致力確保為顧客提供穩定的產品供應。

供應鏈管理

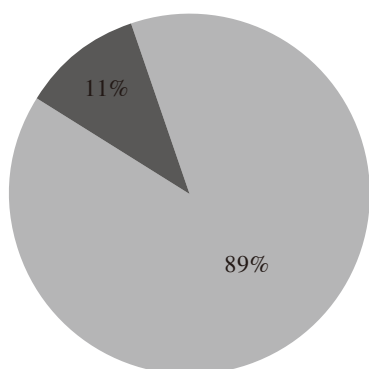
本集團已採納嚴格的供應商管理制度，並嚴格遵守其供應商甄選程序。我們承諾通過透明的篩選流程及全面的關鍵績效指標評核，為所有潛在合作夥伴提供平等機會。挑選供應商及採購決定乃基於對不同關鍵績效指標，例如研發能力、生產流程和進度安排、產品成本、交貨期的可靠度、批量生產品質、品牌聲譽和形象和設計，以及供應商背景和經驗作出評估。

本集團將定期檢討關鍵績效指標評核制度以改善供應鏈管理。本集團對供應商進行工廠審查及信貸審核。為確保產品質量保持一致，我們亦會在收到所採購產品時檢查產品。

於二零二零年年末，本集團與合共44家均來自中國大陸的產品供應商合作。我們的所有供應商均於通過我們的關鍵績效指標評核後方獲委聘，且全部已通過我們的評核準則獲得續聘。

SUPPLIERS BY PRODUCT TYPE

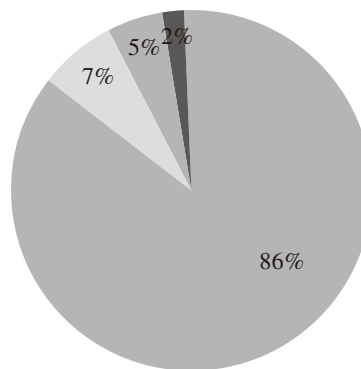
按產品類型劃分的供應商



- Footwear 鞋類
- Bags and Accessories 包類及配件

SUPPLIERS BY GEOGRAPHICAL REGION

按地區劃分的供應商



- Eastern China 華東
- Southern China 華南
- Northern China 華北
- Central China 華中

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Communication and Relationship with Partners

Throughout the years, Daphne has successfully established solid and stable relationships with our long-term suppliers by maintaining communication through regular meetings and engagement. Under COVID-19 pandemic where in-person meetings and factory inspections could not be facilitated, meetings were conducted virtually. To facilitate the audit trail, all procedures were followed through with proper filing and documented information.

Riding on the increasing popularity of e-commerce, the Group has implemented plans to enhance cooperation with our suppliers. This will ultimately help to secure quality supply of products and support our business growth.

與業務夥伴的溝通和關係

多年來，達芙妮通過定期會面和溝通，成功與長期供應商建立穩固的關係。在新冠病毒疫情期間無法進行面對面會議和視察工廠的情況下，我們通過虛擬方式進行會面。為方便進行審計追蹤，所有資料均已遵照程序妥善歸檔和記錄。

隨著電子商務日益普及，本集團已實施計劃加強與供應商的合作，而此舉最終將有助確保獲得優質產品供應，並支持本集團業務增長。

Plans to Enhance Cooperation with Business Partners

加強與業務夥伴合作的計劃

- 1 The Group will continue to cooperate with quality vendors, enhance the responsiveness of the supply chain, and strive to reach the optimum level of inventory turnover.
本集團將繼續與優質供應商合作，提高供應鏈反應速度，並努力達到理想的存貨週轉水平。
- 2 The Group will continue its cooperation with external designers, unceasingly enhance the trendiness, as well as attract more young customers with excellent product quality.
本集團將繼續與外部設計師合作，不斷提高產品時尚度，並以優質產品吸引更多年輕顧客。

Supplier Environmental and Social Practises

As part of our supplier's selection process, Daphne gives consideration to their environmental and social impacts. We expect them to acknowledge and share our environmental and social visions. Suppliers of the same product capability, but of higher level of environmentally friendliness will be preferred by the Group.

In addition, the Group requires suppliers to comply with relevant laws and regulations. They shall not commit any serious violations such as child or forced labour, illegal discharge of sewage and hazardous chemicals, as well as illicit and unauthorised reselling.

The Group aspires to ensure our practices align with the most updated requirements of a sustainable product supplier. Moving forward, the Group shall consider expanding our practices through conducting supplier environmental and social risk checks with reference to international and national standards.

供應商環境和社會實踐

作為供應商甄選程序的其中一環，達芙妮會考慮供應商對環境和社會的影響。我們期望供應商認同並一同實踐我們的環境和社會理念。倘產品質量相同，本集團將優先考慮較環保的供應商。

此外，本集團要求供應商遵守相關法律及法規，不得作出任何嚴重違規行為，例如僱用童工或強迫勞工、非法排放污水和有害化學品，以及違法和未經授權轉售等。

本集團致力確保我們的做法符合有關可持續產品供應商的最新要求。未來，本集團將考慮再進一步參照國際和國家標準對供應商進行環境和社會風險檢查。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

OUR PEOPLE

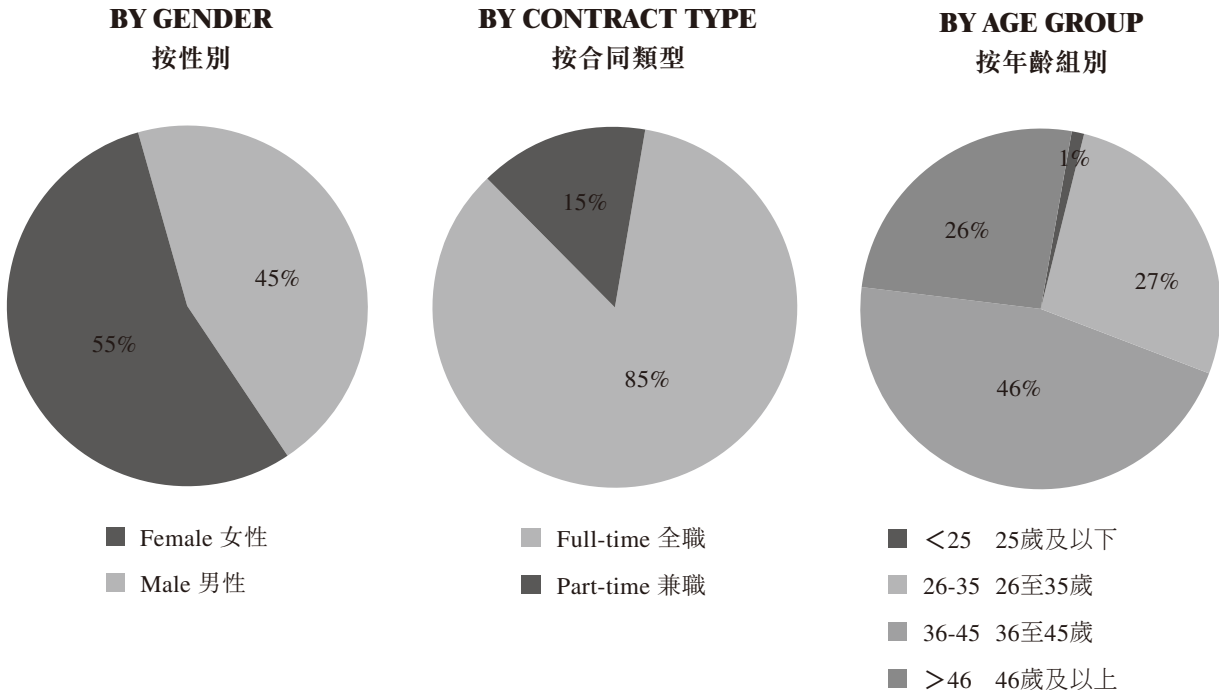
Daphne believes that human capital is the most important component that contributes to the Group's success. We aspire to construct a work environment that favours collaboration and cooperation in compliance with relevant laws and regulations. We place strong emphasis on training and development opportunities while maintaining a healthy and safe workplace that is free of discrimination and harassment, as well as providing attractive remunerable packages for our employees to thrive.

As of 31 December 2020, the Group employed about 148 (2019: 772) employees in Mainland China. The further decrease in number of employees was due to the large-scale restructuring and transformation of the business model. During the year, the Group is not aware of any material non-compliance with any laws and regulations relating to occupational health and safety and employment.

我們的人員

達芙妮相信人才資源是本集團取得成功的最重要因素。我們致力在遵守相關法律法規的前提下，建構一個有利通力合作的工作環境。在維持健康安全且不存在歧視和騷擾的工作環境的同時，我們亦重視培訓及發展機會，並提供具吸引力的薪酬待遇，讓員工能茁壯成長。

於二零二零年十二月三十一日，本集團在中國大陸僱用約148名(二零一九年：772名)員工。僱員數目進一步減少是由於業務模式進行大規模重組及轉型。於年內，本集團並不知悉任何嚴重違反職業健康與安全及僱傭相關法律及法規的情況。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Welfare and Benefits

Daphne values our human capital and recognises the importance of retaining high calibre employees. We endeavour to offer competitive remuneration packages and benefits that are in line with relevant laws and regulations. Such packages are generally structured based on market conditions as well as individual qualifications. Working hours, rest periods, overtime payments, holidays, statutory paid leaves, and related benefits are also offered in line with relevant laws and regulations, as well as respective employment contracts.

Various performance incentives, including sales commissions and bonuses, discretionary performance bonus, share options and other reward and retention schemes are offered to employees in recognition of their contribution and as motivation for better performance. During the year, the total employee benefits expense of the Group amounted to HK\$126.0 million (2019: HK\$582.9 million). In addition to remuneration packages and entitlement to leaves, we continued to provide various employee welfare and incentives so that they would enjoy working with us.

福利及待遇

達芙妮珍惜本集團的員工，並認同留住優秀員工的重要性。我們致力提供符合相關法律法規並具競爭力的薪酬待遇及福利。有關待遇一般根據市場水平及個人資歷而制定。工作時數、休息時間、加班報酬、假期、法定帶薪休假及相關福利亦按照相關法律法規及相關僱傭合同提供。

本集團向員工提供不同的表現獎勵，包括銷售佣金和獎金、酌情表現花紅、購股權，以及其他獎勵及挽留人才計劃，以表彰員工所作出的貢獻，並激勵其發揮更出色的表現。於年內，本集團僱員福利開支共計126.0百萬港元（二零一九年：582.9百萬港元）。除薪酬待遇及休假權利外，我們亦繼續提供多項僱員福利及獎勵，使員工樂於在本集團工作。

Other Employee Welfare and Incentives

其他員工福利及獎勵

- Free shuttle bus services
免費班車服務
- Subsidy to lunch at staff canteen
員工食堂午餐補貼
- Staff coupons for purchase of house brand products
員工購物券（自有品牌產品）

Training and Development

Daphne encourages employees to sharpen their skills and competencies by offering training opportunities. In order to equip our sales employees with adequate product knowledge and to provide customers with a satisfactory shopping experience, debriefing sessions were regularly conducted to discuss material issues, such as customer preferences and consumption patterns.

培訓及發展

達芙妮通過提供培訓機會，鼓勵員工精進其技巧和能力。為讓銷售員工具備充足的產品知識及為顧客提供令人滿意的購物體驗，我們會讓員工進行定期匯報以討論顧客喜好和消費模式等重要事宜。

Training Initiatives for Employees

僱員培訓活動

- 1 Quarterly training in seasonal product knowledge was carried out for each of the Group's brands
每季就本集團旗下各品牌進行季節性產品知識培訓
- 2 E-learning platform enabled by mobile application was adopted to provide staff with immediate access to training materials
採用移動應用程式電子學習平台，讓員工能隨時取得培訓材料

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

During the year, the Group's employees completed a total of approximately 390 hours (2019: 17,636 hours) of training; averaging 2.2 training hours per employee (2019: 2.0 hours).

於年內，本集團僱員合計完成約390小時（二零一九年：17,636小時）的培訓；每名員工的培訓時數平均為2.2小時（二零一九年：2.0小時）。

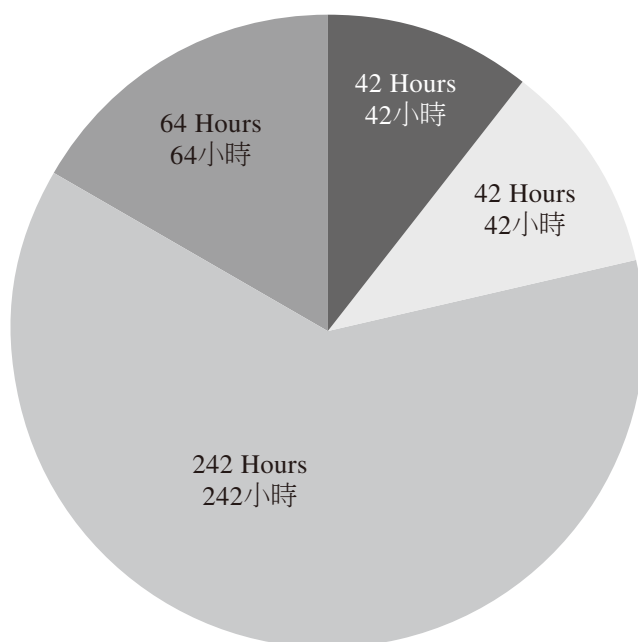
■ Training on Updated Human Resources Policy
最新人力資源政策培訓

Gender (No. of Participants) 性別 (參與人數)	
Male 男性	0
Female 女性	4
Employment Type (No. of Participants) 僱傭類別 (參與人數)	
Director or above 總監級或以上	0
Manager 經理級	1
Officer 主任級	2
General Staff 一般員工	1

■ Training on Fire Safety
消防安全培訓

Gender (No. of Participants) 性別 (參與人數)	
Male 男性	54
Female 女性	67
Employment Type (No. of Participants) 僱傭類別 (參與人數)	
Director or above 總監級或以上	18
Manager 經理級	39
Officer 主任級	22
General Staff 一般員工	42

TOTAL TRAINING HOURS AND DETAILED BREAKDOWN 培訓時數及詳盡明細



■ Training for the Board and Company Secretary
董事會及公司秘書培訓

Gender (No. of Participants) 性別 (參與人數)	
Male 男性	7
Female 女性	0
Employment Type (No. of Participants) 僱傭類別 (參與人數)	
Director or above 總監級或以上	7
Manager 經理級	0
Officer 主任級	0
General Staff 一般員工	0

■ Training for New Recruits
新入職員工培訓

Gender (No. of Participants) 性別 (參與人數)	
Male 男性	22
Female 女性	20
Employment Type (No. of Participants) 僱傭類別 (參與人數)	
Director or above 總監級或以上	3
Manager 經理級	4
Officer 主任級	1
General Staff 一般員工	34

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Occupational Health and Safety

Our concerns for occupational health and safety primarily stem from social security, public health, accidents or disasters, information security, as well as corporate reputation. The Group ensures compliance with all relevant laws and regulations, and places emphasis to safeguard employee health and safety. Through formulating the Emergency Response Mechanism, internal guidelines on handling health and safety emergency issues are outlined, where briefings and training are provided on a regular basis to ensure employee awareness in this regard.

To ensure good ventilation, the Group strictly prohibits indoor smoking. Regarding fire safety, our headquarter premises regularly assess and update fire-fighting equipment whenever necessary. On an annual basis, fire drills are conducted to ensure all employees are aware of the fire escaping routes as well as respective emergency responses. Non-smoking and fire hazards notices are also posted at warehouses and offices to enhance employee awareness.

Located at the headquarters, the Group's staff canteen is managed by a third-party contractor. On a regular basis, the Human Resources Department assesses and inspects various items to ensure food and safety hygiene are in accordance with the Canteen Sanitation Management Measures. The Group has also formulated the Food Safety Emergency Plan and outlined responsibilities of different personnel to ensure they are aware of and are able to fulfil roles and duties under emergency matters.

For our offline sales employees who work at shopping malls or department stores, we ensure good hygiene and safety standards are maintained. Where appropriate, warning signs or notices regarding occupational safety are posted to remind employees when they are performing their duties at warehouses or shops.

職業健康與安全

職業健康與安全問題主要來自社會安全、公共衛生、事故或災害、資訊安全及企業聲譽。本集團確保遵守相關法律及法規，且注重確保員工健康和 safety。通過制定《應急機制》，我們已制定處理健康安全突發事件的內部指引，並定期提供相關介紹及培訓，確保員工注意健康和 safety。

為確保通風良好，本集團嚴禁於室內吸煙。消防安全方面，本集團總部設施定期評估消防設備，並在必要時進行更新，另每年亦會進行消防演習，確保所有員工均知悉火警逃生路線和相關應變措施。本集團亦於倉庫及辦公室張貼禁煙及火警告示，以提高員工的禁煙及防火意識。

本集團的員工食堂位於總部，由第三方分包商管理。人力資源部門會定期對各項物品進行評估和檢查，以確保食品和安全衛生符合《食堂衛生管理辦法》的規定。本集團亦已制定《食品安全應急計劃》，訂定不同人員的責任，確保彼等了解並能夠就緊急事件履行其角色和職責。

對於我們駐於商場或百貨公司的線下銷售人員，我們確保彼等保持良好的衛生和 safety 標準。我們會在適當位置張貼有關職業 safety 的警告標誌或告示，以提醒員工在倉庫或商店工作時注意職業 safety。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

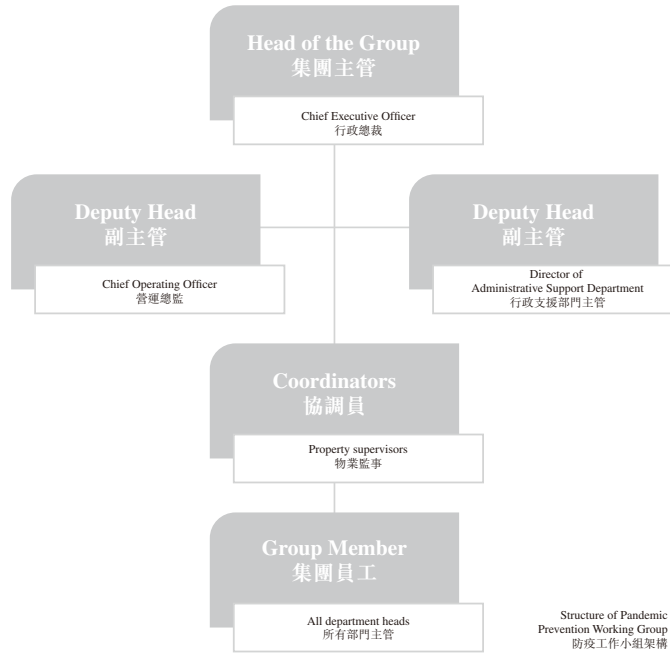
環境、社會及管治報告

COVID-19 Pandemic Arrangements

Sharing symptoms such as fever, cough and shortness of breath, COVID-19 primarily spreads through respiratory droplets from coughing or sneezing. The ongoing pandemic disease has clustered globally and caused surging death cases. Hence, it is highly essential to maintain high levels of emergency preparedness against public health and safety risks.

新冠病毒疫情下的安排

新冠病毒病的病徵同樣包括發燒、咳嗽及氣促，其主要通過咳嗽或打噴嚏時噴出的呼吸道飛沫傳播。持續的疫情席捲全球，導致死亡個案不斷上升，因此就公共衛生及安全風險保持高度應急準備極為重要。



Daphne stayed informed of the ongoing situation by stringently observing regional authority mandate updates and advice on a daily basis. As we gradually resumed business operations in the second quarter of the year, we have established the Pandemic Prevention Working Group.

達芙妮嚴格遵守地方當局每日的最新要求及建議，緊貼當前情況。由於我們於年內第二季逐步恢復業務運作，我們已成立防疫工作小組。

The Working Group coordinated with and supervised employees to ensure prevention and control measures are enforced effectively. In order to examine and monitor health and safety risks, including office hygiene and employee commuting, we have implemented the measures listed within our Pandemic Prevention and Control Work Manual.

該工作小組乃與僱員協調並進行監督，以確保防控措施得到有效執行。為檢視及監察健康及安全風險，包括辦公室衛生及僱員通勤情況，我們已實施《疫情防控工作手冊》內所載的措施。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Group's Key Prevention and Control Measures 本集團的主要防控措施

- Performing daily body temperature checks prior to entering the company area
每日於進入公司範圍前檢查體溫
- Setting up a designated point to collect disposed masks
設立指定地點收集廢棄口罩
- Monitoring employees travel and sick leave records and assessing the risks associated with contracting the virus. Employees are required to quarantine when the risk is high
監控僱員的外遊及病假記錄，評估其感染病毒的風險。倘屬高風險，僱員會被要求進行隔離
- Implementing flexi-working hours by allowing employees to work from home
實施彈性工作時間，允許僱員在家工作
- Cancelling in-person training, team building, large-scale activities and visits, which are replaced by telephone or web conferences whenever possible
在可行情況下取消面對面培訓、團隊建設、大型活動及巡視，改為以電話或視象會議代替

In addition, employees are reminded to always maintain social distancing with one another, disinfect their personal stationery and desks every day, as well as wash and disinfect hands whenever necessary. To promote employee awareness, important tips and messages regarding personal hygiene and safety were communicated through internal notices.

此外，我們亦提醒員工時刻保持社交距離、每日消毒個人文具和桌面，並於必要時洗手及消毒雙手。為提高員工的意識，我們通過內部告示傳達有關個人衛生和安全的重要提示和訊息。

Pandemic Control Notice Board 疫情防控告示板



COVID-19 symptoms
新冠病毒病症狀

How to wear a mask
如何佩戴口罩

How to hand wash
如何清潔雙手

Housekeeping tips
家居防疫貼士

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Equal Opportunity Employer

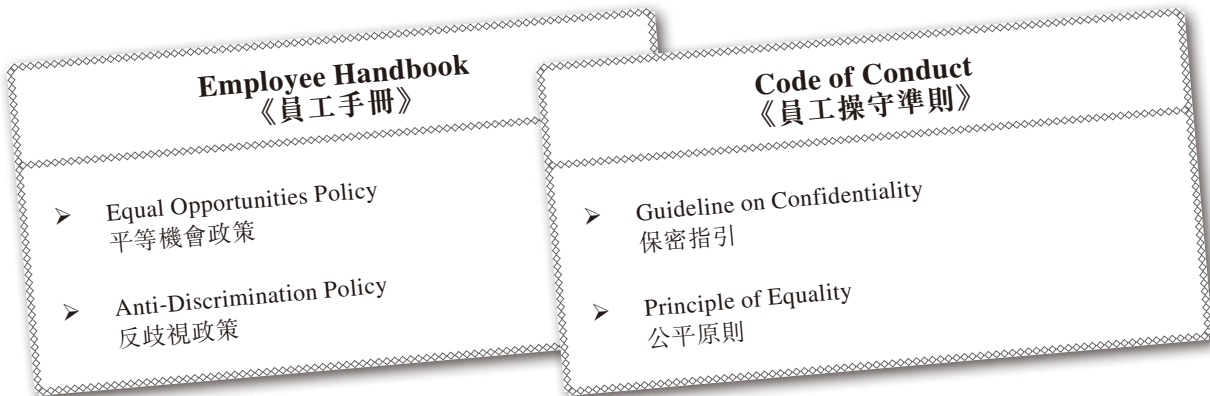
The Group commits to create a discrimination-free workplace by providing equal opportunities to all employees. We recruit and promote based on criteria such as business needs, personal qualifications, experience and performance. We also ensure that these decisions will under no circumstances be influenced by the applicant's or employee's age, gender, marital status, pregnancy, family status, disability, race, nationality, or religion, provided that these do not impede the abilities of the prospective appointees to carry out normal job duties or affect the health and safety of fellow employees.

Governed by the Human Resources Department, Internal Audit Department and Legal Department, the Group strictly complies with all relevant laws and regulations and adopts a zero-tolerance approach against any workplace discrimination, harassment, or vilification. Upon receipt of the Employee Handbook and signing of the Code of Conduct, we expect employees to acknowledge and be familiarised with the policies, guidelines and procedures outlined within.

平等機會僱主

本集團透過向所有僱員提供平等機會，致力打造無歧視職場。我們根據業務需要、個人資歷及表現等準則作出招聘及晉升決定，並確保在不妨礙擬任命者履行正常職責的能力或影響其他僱員健康與安全的情況下，有關決定在任何情況下均不受應徵者或僱員的年齡、性別、婚姻狀況、懷孕、家庭狀況、殘疾、種族、國籍或宗教所影響。

得力於人力資源、內審稽核及法務部門把關，本集團嚴格遵守所有相關法律及法規，並對任何職場上的歧視、騷擾或誹謗採取零容忍政策。我們期望員工在收到《員工手冊》及簽署《員工操守準則》後認同並熟記當中所載政策、指引及程序。



Through regularly reviewing and updating the policies, guidelines and procedures as necessary, we aspire to forge mutual respect and trust with our employees. We also hope to communicate our expectations about expected conduct to promote a harmonious working environment.

通過定期檢討及更新必要政策、指引及程序，我們期望能與僱員互相尊重及建立互信。我們亦希望能傳達我們對預期操守的期望，以建構和諧的工作環境。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

OUR ENVIRONMENT

The Group respects the environment and appreciates the natural resources that support our business operations. We recognise the importance of collaborating with different stakeholders to advocate an environmentally friendly culture in the corporate landscape. We strive for effective environmental management through mindful usage of resources, responsible emissions and discharges, as well as implementation of energy efficient initiatives. During the year, the Group is not aware of any material non-compliance with any laws and regulations relating to air pollution and greenhouse gas (“GHG”) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Resource Management

As the Group principally engages in the distribution, retailing and licensing of footwear and accessories, our environmental impacts are comparatively minimal to our product suppliers. Nevertheless, we seek to minimise our environmental footprints through the efficient use of resources, including paper and other packing materials, energy, as well as water. Further information on respective efficiency improvement initiatives, as well as consumption patterns during the year are listed in the sections below.

Paper and Packaging Materials

我們的環境

本集團愛護環境並珍惜支撐我們業務營運的天然資源。我們深明與不同持份者合力在企業層面提倡環保文化的重要性。我們透過妥善運用資源、對排放和棄置污染物負責及實施節能措施，致力實現有效的環境管理。於年內，本集團並不知悉任何嚴重違反與空氣污染及溫室氣體（「溫室氣體」）排放、向水源和土地的排污，以及產生有害和無害廢物相關的任何法律及法規的情況。

資源管理

由於本集團主要從事鞋類產品及配件的分銷、零售及授權許可業務，與產品供應商相比，我們對環境的影響較為輕微。儘管如此，我們仍致力透過有效運用資源，包括紙張及其他包裝材料、能源及水，以盡量減少我們對環境造成的影響。下文各節載列年內相關效益提升措施及消耗模式的進一步資料。

紙張及包裝材料

Efficiency Improvement Initiatives 效益提升措施	
Office Paper 辦公室用紙	<ul style="list-style-type: none"> To continue adopting an online office administration system “Office Automation” 繼續採用「辦公室自動化」在線行政系統 To implement paperless office initiatives by substituting papers with electronic systems as the major communication channel 通過以電子系統取代紙張作為主要通訊渠道，推行無紙化辦公環境措施 To assign a photocopy metering account to each employee to discourage photocopying 為每位員工設置記錄複印數量的賬戶，以鼓勵減少複印量 Default photocopies to duplex printing mode 複印機預設定為雙面打印模式 Recycle used A4 papers for internal use 內部循環使用A4紙
Packaging Materials 包裝材料	<ul style="list-style-type: none"> To directly print the warranty card, instructions and quality control certificate onto shoe boxes 將保修卡、說明及合格證直接印在鞋盒上 To provide customers with non-woven reusable shopping bags 向顧客提供可重用的無紡布購物袋

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Resource Type 資源類別	Unit 單位	2020 二零二零年	2019 二零一九年
Office Paper 辦公室紙張	Tonne 噸	3	4
Packaging Materials 包裝材料	Tonne 噸	159	1,389

Energy

Fossil fuels and electricity remained the two major energy types that supported the Group's operations. The Group consumed petroleum and electricity for transportation means and the powering of electronic appliances, respectively.

The Group is dedicated to enhancing employee awareness in the responsible consumption of energy. We have implemented various initiatives with the aim to ultimately reduce energy usage and respective air and GHG Emissions.

能源

化石燃料及電力繼續為支撐本集團業務營運的兩大類能源。本集團分別就運輸及為電器供電耗用石油及電力。

本集團致力提高僱員以負責任方式使用能源的意識。我們已實施多項措施，冀最終能減少使用能源以及相關廢氣和溫室氣體排放。

Efficiency Improvement Initiatives 效益提升措施	
Offices and Warehouses 辦公室及倉庫	<ul style="list-style-type: none"> To provide shuttle bus service for employees 向僱員提供通勤班車 To regulate the use of air-conditioning under different weather conditions 因應不同天氣調節空調裝置 To maintain air-filters of air conditioning system regularly 定期清潔空調系統的過濾網 To reduce the number of operating lifts during off-peak hours 減少在非繁忙時段運作的電梯數目 To put up signs in offices to encourage employees to use staircase instead of taking lifts 在辦公室張貼告示，鼓勵員工使用樓梯，減少搭乘電梯 To adopt energy-saving LED illumination system at showrooms 展廳採用節能LED照明系統 To switch off non-essential lighting and electronic office equipment, such as personal computers when out of office or idle 關閉不必要的照明及電子辦公設備，例如於下班後或閒置時關閉個人電腦 To promote teleconferencing to reduce business travel 提倡電話會議，減少出差 To promote environmentally friendly practices by email periodically 定期發送電郵推廣環保措施
Stores 店舖	<ul style="list-style-type: none"> To adopt energy-saving LED lightings 採用LED節能照明 To adjust lighting and air-conditioning during off-peak hours 在非繁忙時段調節照明及空調設施

Energy Type 能源類別	Unit 單位	2020 二零二零年	2019 二零一九年
Petroleum 石油	Litre(L) 公升	3,707	9,396
Electricity 電力	Kilowatt hour (kWh) 千瓦時	1,936,823	2,588,341

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Water

The Group mainly consumed municipal water and did not encounter any issues in sourcing water during the year. Nevertheless, we emphasised water saving practices through different means.

用水

於年內，本集團以市政供水為主要水源，在取得水源方面並無遇到任何問題。然而，我們仍重視實施不同形式的節水措施。

Efficiency Improvement Initiatives 效益提升措施
<ul style="list-style-type: none"> To place reminder labels at the workplace to communicate water saving tips 在工作場所張貼提示標籤，提供節約用水貼士 To perform regular inspection and maintenance on water taps, containers and pipelines to prevent leakage, and to perform necessary repairs in a timely manner 定期檢查及保養水龍頭、容器及水管，提防滲漏，並及時進行必要的維修工程 To improve water efficiency by using the toilet flushing system 採用廁所沖水系統，以提高用水效率

Resource Type 資源類別	Unit 單位	2020 二零二零年	2019 二零一九年
Water 水	Cubic metre (m ³) 立方米	12,625	76,792

During the year, the Group spotted water leaking at one of our pipelines, whereby repair works were conducted and the issue has been rectified efficiently. In addition, the reduction in workforce size as well as the reduced number of employees working at office due to COVID-19 pandemic had all contributed to a significant decrease in water consumption by 84%.

於年內，本集團發現其中一條水管出現滲漏，並已進行維修以迅速解決問題。此外，由於受新冠病毒疫情影响，整體僱員人數減少加上於辦公室工作的僱員人數有所減少，令耗水量大幅減少84%。

Emissions

The Group is aware of our environmental footprint and is committed to continuously documenting and monitoring emission and waste patterns, minimising them where appropriate, and transparently disclosing these data every year.

排放

本集團關注我們對環境造成的影響，致力持續記錄及監察排放和廢棄物產生模式，在可行方面盡量減少排放和廢棄物，並每年公開披露有關數據。

The Group owns and operates vehicles to support daily business operations. During the year, the Group maintains a total fleet of 3 (2019: 7) vehicles. The total distance travelled of all vehicles is approximately 37,072 km (2019: 92,032 km). In addition to regularly assessing our carbon footprint, the Group has implemented various emission reduction initiatives.

本集團擁有並使用汽車以支持日常業務營運。於年內，本集團擁有合共3輛(二零一九年：7輛)汽車。所有車輛的總行駛距離約為37,072公里(二零一九年：92,032公里)。除定期評估我們的碳足跡外，本集團亦實施多項減排措施。

The quantification methodology referenced the Guidelines to Account and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong, published by the Electrical and Mechanical Services Department and Environmental Protection Department, as well as the latest emission factor of Eastern China, with reference from the 2019 Baseline Emission Factors for Regional Power Grids in China published by the Department of Climate Change of National Development and Reform Commission.

量化方法已參考機電工程署及環境保護署刊發的《香港建築物(商業、住宅或公共用途)的溫室氣體排放及減除的核算和報告指引》，以及參照國家發展和改革委員會應對氣候變化司公佈的《二零一九年中國區域電網基準線排放因子》所載的最新華東地區排放因子。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The following table presents relevant emission data of air pollutants, including nitrogen oxides (“NOx”), sulphur oxides (“SOx”) and particulate matter (“PM”), scope 1 direct GHG emissions generated using diesel and petroleum, as well as scope 2 indirect GHG emissions generated from electricity consumption.

下表載列空氣污染物(包括氮氧化物(「NOx」)、硫氧化物(「SOx」)及懸浮微粒(「PM」))、使用柴油和汽油所產生的範圍1直接溫室氣體排放，以及使用電力所產生的範圍2間接溫室氣體排放的相關排放數據。

Emission Reduction Initiatives 減排措施	
•	To further reduce emissions by consolidating and closing warehouses 透過整合並關閉倉庫進一步減低排放量
•	To enhance transportation efficiency and encourage carriers to practise environmentally friendly behaviours 提升運輸效率，並鼓勵運輸商實施環保措施
•	To encourage employees to opt for public transportation 鼓勵員工乘坐公共交通工具
•	To plant greenery in the open and indoor space 在露天及室內地方進行綠化

Emission Type 排放物類別	Unit 單位	2020 二零二零年	2019 二零一九年
NOx 氮氧化物	kg 千克	2.8	6.9
SOx 硫氧化物	kg 千克	0.1	0.1
PM 懸浮微粒	kg 千克	0.2	0.5
Scope 1 Direct Emission 範圍1直接氣體排放	tCO ₂ e- 噸二氧化碳當量	9.9	25.0
Scope 2 Indirect Emission 範圍2間接氣體排放	tCO ₂ e- 噸二氧化碳當量	1,534.2	2,050.2

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Waste

The Group generates non-hazardous waste, such as paper, cardboards, and used boxes from product packaging, as well as domestic waste generated by our employees. We are committed to reducing the amount of waste generated by diverting useful resources from landfills to recycling or repurposing, whenever applicable. We encourage recycling efforts in daily operations and have implemented proper waste handling measures.

The Group sorted and collected recyclable wastepaper products to third party recycling companies for further handling. During the previous year, the Group's logistics warehouses have been further outsourced to subcontracted service providers. As such, the processing of carton boxes had shifted to centralised processing by outsourced service providers. During the year, the number of wastepaper products directly recycled by Daphne amounted to approximately 3 tonnes (2019: 7 tonnes).

For other non-hazardous non-recyclable waste, including domestic household and office waste, a designated area for general waste is used for waste collection and disposal. During the year, the collection of non-hazardous non-recyclable waste was not measured due to its immaterial nature.

Climate Change¹

Daphne recognises that the increasing severity of global warming effects might pose significant risks and challenges to the Group's business in various aspects. Along with extreme weather as temperature rises, summer in Mainland China is marked by thunderstorms, gales, hailstorms, lightning, and typhoons, which has become a frequent pattern in the past few years.

廢棄物

本集團產生的無害廢物包括產品包裝所用的紙、紙箱和已使用的紙盒，以及僱員所產生的家居廢物。我們致力減少產生廢物量，並視乎情況將有用資源由運送至垃圾堆填區改為用於回收或再利用。我們在日常營運中鼓勵回收廢物，並已實施適當的廢物處理措施。

本集團將可回收廢紙產品分類收集後，轉交第三方回收公司作進一步處理。於上一年度，本集團的物流倉庫已進一步外判予分包服務商，因此紙箱處理工序已轉為由外包服務商集中處理。於年內，達芙妮直接回收的廢紙產品數量約為3噸（二零一九年：7噸）。

就其他不可回收的無害廢物（包括家居及辦公室廢物）而言，本集團劃出指定區域作一般廢物收集及處置區。於年內，由於不可回收的無害廢物重要性不高，因此並無計量其收集量。

氣候變化¹

達芙妮明白全球暖化影響日益加劇可對本集團業務帶來多方面的重大風險及挑戰。由於氣溫上升導致出現極端天氣，中國大陸於過去數年的夏季亦經常出現雷暴、大風、冰雹、閃電及颱風。

The modern society is a highly connected complex system. The impact of a local disaster can spread to the whole area and diverse industries through the industrial chains and social networks, causing cascading indirect losses. Moreover, the impacts of heat waves are not limited to economic loss, but also include damage to human health, causing more diseases and death of certain groups of people.

現代社會的連線性越來越強，是一個非常複雜的系統，所以一場局部災害的影響可以通過工業產業鏈和社會網路蔓延到整個區域和各行各業中去，造成許多級聯的間接損失。除了經濟損失，高溫也對人的身體健康造成影響，可能增加部分人群的患病和死亡風險。

(Zhao, 2020, p.939)

(趙，二零二零年，第939頁)

¹ Weijie Zhao, Extreme weather and climate events in China under changing climate, National Science Review, Volume 7, Issue 5, May 2020, Pages 938–943, <https://doi.org/10.1093/nsr/nwaa069>

¹ 趙偉傑，《台風北移、熱浪增加、西北暖濕化：全球變暖對中國的影響》，國家科學評論，二零二零年五月，第5期第7卷，第938-943頁，取自<https://doi.org/10.1093/nsr/nwaa069>

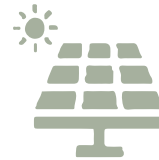
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

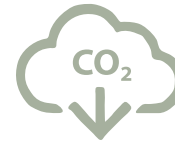
Mitigation

The Group’s most significant impact on the environment relates to carbon emissions that result from the consumption of electricity at headquarter offices, shops, and warehouses. In addition to the initiatives mentioned under “Resources Management” and “Emissions”, the Group has implemented measures to further minimise carbon footprints by looking for sustainable alternatives to fossil fuels.

During the year, Daphne installed a photovoltaic solar power (“PV”) system on the 5,000 m² rooftop at our headquarters, which was put into service in the fourth quarter of the year. As of 31 December 2020, the PV system has generated a total of 36,325 kWh, which helped offset GHG emission of 28.8 tCO₂e- (equivalent to 130,769 MJ).



36,325 kWh
36,325 千瓦時



28.8 tCO₂e-
28.8 噸二氧化碳當量

Looking ahead, the Group will continue to monitor the performance of the PV system. We will regularly inspect the functionality and conduct maintenance in a timely manner, whenever necessary. We will also collect feedback from management, employees, as well as relevant stakeholders and might consider expanding the scope of installation on the way forward.

Adaptation

Daphne has developed emergency plans for our employees to handle extreme weather situations to prevent disruption to the logistic chain and daily operations. Employees can reference the internal guidelines outlined in the Emergency Response Mechanism to better understand how the Group shall cope with accidents or disasters, such as fires, electric shock, power outages, traffic, pollution, building collapses, typhoons as well as earthquakes.

改善措施

本集團對環境造成的最重大影響為其總部辦公室、店舖及倉庫用電所產生的碳排放。除「資源管理」及「排放」章節所提述的措施外，本集團亦已採取多項措施，透過尋找可持續能源取代化石燃料，進一步減少碳足跡。

於年內，達芙妮在面積為5,000平方米的總部天台安裝光伏太陽能（「光伏」）系統，有關系統已於年內第四季開始投入使用。於二零二零年十二月三十一日，光伏系統發電量合共為36,325千瓦時，有助抵銷共28.8噸二氧化碳當量（相當於130,769兆焦耳）的溫室氣體排放量。

日後，本集團將繼續監察光伏系統的性能表現。我們將定期檢查系統功能，並及時進行必要保養。我們亦將收集管理層、員工及相關持份者的意見，並可能考慮於日後擴大系統裝置範圍。

應對措施

達芙妮已為僱員制訂應對極端天氣情況的應急方案，以防物流鏈及日常營運出現中斷。僱員可參照《應急機制》所載列的內部指引，更加了解本集團應如何應對火災、觸電、停電、交通、污染、建築物倒塌、颶風及地震等事故或災害。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

OUR COMMUNITY

Daphne is committed to operating as a responsible corporate citizen in China through complying with all applicable laws and regulations within our operations, as well as being mindful towards our suppliers' environmental and social practises. From time to time, we aspire to enhance community well-being through raising employees' social awareness. We fully support and encourage employees to participate in volunteering and charitable events whenever we could.

The Group highly appreciated the frontline healthcare workers for their selfless labour under the dangerous conditions amid the ongoing COVID-19 pandemic. In the 512 International Nurses Day, Daphne gifted shoes to more than a hundred frontline healthcare workers at local hospital. We hope that while they act against COVID-19 pandemic, they are supported by the highest levels of comfort.

我們的社區

達芙妮致力成為負責任的中國企業公民，在營運過程中遵守所有適用法律及法規，並關注供應商的環境及社會實踐。我們不時期望透過提高僱員的社會意識改善社區福祉。我們全力支持並鼓勵僱員在能力所及的情況下參與義工服務及慈善活動。

本集團十分感激前線醫護人員在新冠病毒疫情持續的高危環境下無私奉獻。於512國際護士節，達芙妮向本地醫院逾百名前線醫護人員送贈鞋履，希望在前線醫護人員對抗新冠病毒疫情之際，向彼等獻上最舒適的支持。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Laws and Regulations

Daphne recognises the importance of an effective governance system. We strive to ensure diligence and conduct business in accordance with internal control policies and procedures. We also use our best endeavours to ensure that our operations have strictly complied with regulatory requirements. The following table lists the relevant laws and regulations that we have rigorously adhered to during the year.

法律及法規

達芙妮深明有效管治體系的重要性。我們致力確保恪盡職守，按照內部控制政策及程序經營業務。我們更力盡所能確保業務營運嚴格遵守監管規定。下表載列本公司於年內嚴格遵守的相關法律及法規。

Our Ethics 我們的道德操守
<ul style="list-style-type: none"> • Criminal Law of the People's Republic of China 《中華人民共和國刑法》 • Laws of the People's Republic of China against Unfair Competition 《中華人民共和國反不正當競爭法》 • Interim Provisions on Banning Commercial Bribery 《關於禁止商業賄賂行為的暫行規定》 • Anti-Money Laundering Law of the People's Republic of China 《中華人民共和國反洗錢法》 • Patent Law of the People's Republic of China 《中華人民共和國專利法》 • Trademark Law of the People's Republic of China 《中華人民共和國商標法》 • Provisions on the Prohibition of Child Labour 《禁止使用童工規定》
Our Business 我們的業務
<ul style="list-style-type: none"> • Law on the Protection of Consumers' Rights and Interests of the People's Republic of China 《中華人民共和國消費者權益保護法》 • Product Quality Law of the People's Republic of China 《中華人民共和國產品質量法》 • Law on the Protection of Production Safety of the People's Republic of China 《中華人民共和國安全生產法》 • Advertising Law of the People's Republic of China 《中華人民共和國廣告法》

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Our People and Community

我們的員工及社區

- Labour Law of the People's Republic of China
《中華人民共和國勞動法》
- Labour Contract Law of the People's Republic of China
《中華人民共和國勞動合同法》
- Law of Protection of Minors of the People's Republic of China
《中華人民共和國未成年人保護法》
- Social Insurance Law of the People's Republic of China
《中華人民共和國社會保險法》
- Provisions of the State Council on Working Hours of Workers and Staff
《國務院關於職工工作時間的規定》
- Regulation on Paid Annual Leave for Employees
《職工帶薪年休假條例》
- Regulation on Public Holidays for National Annual Festivals and Memorial Days
《全國年節及紀念日放假辦法》
- Special Rules on the Labour Protection of Female Employees
《女職工勞動保護特別規定》
- Law on the Protection of Women's Rights and Interests
《婦女權益保障法》
- Law on the Prevention and Control of Occupational Diseases of the People's Republic of China
《中華人民共和國職業病防治法》
- Regulation on Work-Related Injury Insurance
《工傷保險條例》
- Provisions on the Supervision and Administration of Occupational Health at Work Sites
《工作場所職業衛生監督管理規定》
- Fire Protection Law of the People's Republic of China
《中華人民共和國消防法》

Our Environment

我們的環境

- Environmental Protection Law of the People's Republic of China
《中華人民共和國環境保護法》
- Energy Conservation Law of the People's Republic of China
《中華人民共和國節約能源法》
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes
《中華人民共和國固體廢物污染環境防治法》
- Integrated Emission Standards of Air Pollutants (DB 31/933-2015)
《大氣污染物綜合排放標準》(DB 31/933-2015)
- Integrated Wastewater Discharge Standards (DB 31/199-2009)
《污水綜合排放標準》(DB 31/199-2009)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Performance Data Summary

績效數據摘要

Key Performance Indicators 關鍵績效指標	Unit 單位	2020 二零二零年	2019 二零一九年
Environmental 環境			
NOx Emission 氮氧化物排放量	kg 千克	2.8	6.9
SOx Emission 硫氧化物排放量	kg 千克	0.1	0.1
PM Emissions 懸浮微粒排放量	kg 千克	0.2	0.5
GHG Emission – Scope 1 ² 溫室氣體排放量 – 範圍1 ²	tCO ₂ e- 噸二氧化碳當量	9.9	25.0
GHG Emission – Scope 2 ² 溫室氣體排放量 – 範圍2 ²	tCO ₂ e- 噸二氧化碳當量	1,534.2	2,050.2
GHG Emission (Scope 1 & 2) ³ 溫室氣體排放量 (範圍1及2) ³	tCO ₂ e- 噸二氧化碳當量	1,515.3	2,075.2
GHG Emission Intensity by Revenue 溫室氣體排放密度 (按收益計)	tCO ₂ e-/HK\$ million 噸二氧化碳當量/百萬港元	4.2	1.0
Petroleum Usage 汽油用量	Litre 公升	3,707	9,396
Electricity Usage 用電量	kWh 千瓦時	1,936,823	2,588,341
Electricity Generation 發電量	kWh 千瓦時	36,325	Nil 無
Energy Usage 能源消耗量	MJ 兆焦耳	7,097,051	9,633,527
Energy Usage Intensity by Revenue 能源消耗密度 (按收益計)	MJ/HK\$ million 兆焦耳/百萬港元	19,501.6	4,530.5
Water Usage 耗水量	m ³ 立方米	12,625	76,792
Water Usage Intensity by Revenue 耗水密度 (按收益計)	m ³ /HK\$ million 立方米/百萬港元	34.7	36.1
Paper Usage 用紙量	Tonne 噸	3	4
Packaging Material Usage 包裝材料用量	Tonne 噸	159	1,389
Packaging Material Usage by Revenue 包裝材料用量 (按收益計)	Tonne/HK\$ million 噸/百萬港元	0.4	0.7
Wastepaper Products Recycling 廢紙產品回收量	Tonne 噸	3	7

² The 2019 figure has been recalculated using the most updated emission factor.

³ The 2020 figure shows the result deducted from indirect Scope 2 GHG emission offset from the PV system.

² 二零一九年數字已採用最新排放因子重新計算。

³ 二零二零年數字顯示經扣除光伏太陽能系統所抵銷範圍2間接溫室氣體排放量後所得之數字。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Key Performance Indicators 關鍵績效指標	Unit 單位	2020 二零二零年	2019 二零一九年
Social 社會			
Total Workforce 員工總數	Person 人	148	772
<i>By Gender</i> 按性別劃分			
Male 男性	Person 人	67	254
Female 女性	Person 人	81	518
<i>By Contract Type</i> 按合同類別劃分			
Full-time 全職	Person 人	126	734
Part-time/Contract 兼職/合同制	Person 人	22	38
<i>By Age Group</i> 按年齡組別劃分			
<25 25歲及以下	Person 人	2	40
26-35 26至35歲	Person 人	40	319
36-45 36至45歲	Person 人	68	311
>46 46歲及以上	Person 人	38	102
<i>Training and Development</i> 培訓及發展			
Total Training Hours 總培訓時數	Hour 小時	390	17,636
<i>Average Training Hours by Gender</i> 平均培訓時數 (按性別劃分)			
Male 男性	Hour 小時	2.1	2.0
Female 女性	Hour 小時	2.4	2.0

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Key Performance Indicators 關鍵績效指標	Unit 單位	2020 二零二零年	2019 二零一九年
<i>Average Training Hours by Employment Type</i> 平均培訓時數 (按僱傭類別劃分)			
Director Grade or above 總監級或以上	Hour 小時	2.9	N/A 不適用
Manager Grade 經理級	Hour 小時	2.2	N/A 不適用
Officer Grade 主任級	Hour 小時	3.1	N/A 不適用
General Staff 一般員工	Hour 小時	1.7	N/A 不適用
<i>Occupational Health and Safety</i> 職業健康與安全			
Fatality 死亡個案	Case 宗	0	0
Work-Related Injury 工傷事故	Case 宗	0	7
Lost Day due to Work-Related Injury 工傷事故引致的病假天數	Day 天	0	853
<i>Suppliers by Product Type</i> 供應商 (按產品類別劃分)			
Footwear 鞋類	Quantity 數目	39	36
Bags and Accessories 包類及配件	Quantity 數目	5	9
<i>Suppliers by Geographical Location</i> 供應商 (按地理位置劃分)			
Eastern China 華東	Quantity 數目	38	33
Southern China 華南	Quantity 數目	3	9
Northern China 華北	Quantity 數目	2	2
Central China 華中	Quantity 數目	1	1

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ESG Guide Content Index

ESG指引內容索引

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 內容描述	Relevant Chapter or Explanation 相關章節或說明
A. Environmental A. 環境		
Aspect A1: Emissions 層面A1: 排放物		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Our Environment – Emissions; Laws and Regulations 我們的環境－排放；法律及法規
KPI A1.1 關鍵績效指標A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Our Environment – Emissions; Performance Data Summary 我們的環境－排放；績效數據摘要
KPI A1.2 關鍵績效指標A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 直接（範圍1）及能源間接（範圍2）溫室氣體總排放量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	Our Environment – Emissions; Performance Data Summary 我們的環境－排放；績效數據摘要
KPI A1.3 關鍵績效指標A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生有害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	The Group did not generate hazardous waste during the year. 本集團於年內並無產生有害廢棄物。
KPI A1.4 關鍵績效指標A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	Our Environment – Emissions; Performance Data Summary 我們的環境－排放；績效數據摘要

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 內容描述	Relevant Chapter or Explanation 相關章節或說明
KPI A1.5 關鍵績效指標A1.5	Description of emissions target(s) set and steps taken to achieve them. 描述所訂立的排放量目標及為達到這些目標所採取的步驟。	The Group has implemented various emission reduction initiatives, including the installation of a PV system to offset indirect GHG emissions during the year. Moving forward, the Group will analyse our emission patterns based on a 3-year timeline and consider implementing emission targets and relevant initiatives. 本集團已實施多項減排措施，包括於年內安裝光伏系統以抵銷間接溫室氣體排放。未來，本集團將根據三年內的排放數據分析排放模式，並考慮執行排放目標及相關措施。
KPI A1.6 關鍵績效指標A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. 描述處理有害及無害廢棄物的方法，及描述所訂立的減廢目標及為達到這些目標所採取的步驟。	The Group recycled wastepaper products during the year. An area is designated for general waste collection and disposal, but such figures were not documented due to immateriality. Moving forward, the Group will consider documenting waste records for monitoring purposes, and implementing reduction targets, where appropriate. 本集團於年內回收廢紙產品。本集團劃出指定區域作一般廢物收集及處置區，惟由於有關數字並不重要，故並無記錄有關數字。未來，本集團將考慮記錄廢棄物相關數據以作監察之用，並於適時執行減廢目標。
Aspect A2: Use of Resources 層面A2: 資源使用		
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	Our Environment – Resource Management 我們的環境－資源管理
KPI A2.1 關鍵績效指標A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	Our Environment – Resource Management; Performance Data Summary 我們的環境－資源管理；績效數據摘要
KPI A2.2 關鍵績效指標A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度(如以每產量單位、每項設施計算)。	Our Environment – Resource Management; Performance Data Summary 我們的環境－資源管理；績效數據摘要

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 內容描述	Relevant Chapter or Explanation 相關章節或說明
KPI A2.3 關鍵績效指標A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them. 描述所訂立的能源使用效益目標及為達到這些目標所採取的步驟。	The Group has implemented various energy efficiency initiatives, including the installation of a PV system to offset energy consumption during the year. Moving forward, the Group will analyse our energy use patterns based on a 3-year timeline and consider implementing energy use efficiency targets and relevant initiatives. 本集團已實施多項節能措施，包括於年內安裝光伏系統以抵銷能源耗量。未來，本集團將根據三年內的耗能數據分析能源消耗模式，並考慮執行能源使用效益目標及相關措施。
KPI A2.4 關鍵績效指標A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. 描述求取適用水源上可有任何問題，以及所訂立的用水效益目標及為達到這些目標所採取的步驟。	Our Environment – Resource Management. The Group has implemented various water efficiency targets during the year. Moving forward, the Group will analyse our water efficiency patterns based on a 3-year timeline and consider implementing water efficiency targets and relevant initiatives. 我們的環境－資源管理。本集團已於年內制訂多項用水效益目標。未來，本集團將根據三年內的用水數據分析用水效益模式，並考慮執行用水效益目標及相關措施。
KPI A2.5 關鍵績效指標A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位估量。	Our Environment – Resource Management; Performance Data Summary 我們的環境－資源管理；績效數據摘要
Aspect A3: The Environment and Natural Resources 層面A3: 環境及天然資源		
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	Our Environment – Resource Management; Emissions; Climate Change 我們的環境－資源管理；排放；氣候變化
KPI A3.1 關鍵績效指標A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Our Environment – Resource Management; Emissions; Climate Change 我們的環境－資源管理；排放；氣候變化

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 內容描述	Relevant Chapter or Explanation 相關章節或說明
Aspect A4: Climate Change 層面A4: 氣候變化		
General Disclosure 一般披露	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. 識別及應對已經及可能會對發行人產生影響的重大氣候相關事宜的政策。	Our Environment – Climate Change 我們的環境－氣候變化
KPI A4.1 關鍵績效指標A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. 描述已經及可能會對發行人產生影響的重大氣候相關事宜，及應對行動。	Our Environment – Climate Change 我們的環境－氣候變化
B. Social 社會		
Employment and Labour Practices 僱傭及勞工常規		
Aspect B1: Employment 層面B1: 僱傭		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Our People – Welfare and Benefits; Equal Opportunity Employer; Laws and Regulations 我們的員工－福利及待遇；平等機會僱主；法律及法規
KPI B1.1 關鍵績效指標B1.1	Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	Our People; Performance Data Summary 我們的員工；績效數據摘要
KPI B1.2 關鍵績效指標B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	The Group will gather relevant information for disclosure in the upcoming year. 本集團將於下一年度收集相關資料以作披露。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 內容描述	Relevant Chapter or Explanation 相關章節或說明
Aspect B2: Health and Safety 層面B2: 健康與安全		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Our People – Occupational Health and Safety; Laws and Regulations 我們的員工－職業健康與安全；法律及法規
KPI B2.1 關鍵績效指標B2.1	Number and rate of work-related fatalities. 因工亡故的人數及比率。	Performance Data Summary 績效數據摘要
KPI B2.2 關鍵績效指標B2.2	Lost days due to work injury. 因工傷損失工作日數。	Performance Data Summary 績效數據摘要
KPI B2.3 關鍵績效指標B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	Our People – Occupational Health and Safety 我們的員工－職業健康與安全
Aspect B3: Development and Training 層面B3: 發展及培訓		
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	Our People – Training and Development 我們的員工－培訓及發展
KPI B3.1 關鍵績效指標B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management). 按性別及僱員類別(如高級管理層、中級管理層)劃分的受訓僱員百分比。	Our People – Training and Development; Performance Data Summary 我們的員工－培訓及發展；績效數據摘要
KPI B3.2 關鍵績效指標B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	Our People – Training and Development; Performance Data Summary 我們的員工－培訓及發展；績效數據摘要

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 內容描述	Relevant Chapter or Explanation 相關章節或說明
Aspect B4: Labour Standards 層面B4: 勞工準則		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Our Ethics – Labour Standards; Laws and Regulations 我們的道德操守－勞工準則；法律及法規
KPI B4.1 關鍵績效指標B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	Our Ethics – Labour Standards 我們的道德操守－勞工準則
KPI B4.2 關鍵績效指標B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	The Group strives to eradicate child or forced labour through stringent employment practises. In the unlikely event when such practises were discovered, we will closely observe relevant laws and regulations and follow the required procedures for rectification. The issue will also be properly documented and reported to the Board and regulatory body if necessary. 本集團透過實施嚴格的僱傭常規，致力杜絕童工或強迫勞工。萬一發現此類情況，我們將嚴格遵守相關法律及法規，並按照規定程序進行糾正。如有需要，我們亦會妥善記錄並向董事會及監管機構報告。
Operating Practices 營運慣例		
Aspect B5: Supply Chain Management 層面B5: 供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	Our Partners – Supplier Environmental and Social Practises 我們的業務夥伴－供應商環境和社會實踐
KPI B5.1 關鍵績效指標B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	Our Partners – Supply Chain Manage; Performance Data Summary 我們的業務夥伴－供應鏈管理；績效數據摘要
KPI B5.2 關鍵績效指標B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目，以及相關執行及監察方法。	Our Partners – Supply Chain Management; Communication and Relationship with Partners 我們的業務夥伴－供應鏈管理；與業務夥伴的溝通和關係

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 內容描述	Relevant Chapter or Explanation 相關章節或說明
KPI B5.3 關鍵績效指標B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. 描述有關識別供應鏈每個環節的環境及社會風險的慣例，以及相關執行及監察方法。	Our Partners – Supplier Environmental and Social Practises 我們的業務夥伴－供應商環境和社會實踐
KPI B5.4 關鍵績效指標B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. 描述在揀選供應商時促使多用環保產品及服務的慣例，以及相關執行及監察方法。	Our Partners – Supplier Environmental and Social Practises 我們的業務夥伴－供應商環境和社會實踐
Aspect B6: Product Responsibility 層面B6: 產品責任		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Our Business – Quality Assurance; Our Ethics – Confidentiality; Laws and Regulations 我們的業務－質量保證；我們的道德操守－保密性；法律及法規
KPI B6.1 關鍵績效指標B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	Our Business – Quality Assurance 我們的業務－質量保證
KPI B6.2 關鍵績效指標B6.2	Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	Our Business – Retaining Customer Loyalty 我們的業務－維持顧客忠誠度
KPI B6.3 關鍵績效指標B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	Our Ethics – Intellectual Property Rights 我們的道德操守－知識產權

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 內容描述	Relevant Chapter or Explanation 相關章節或說明
KPI B6.4 關鍵績效指標B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	Our Business – Quality Assurance 我們的業務－質量保證
KPI B6.5 關鍵績效指標B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	Our Ethics – Confidentiality 我們的道德操守－保密性
Aspect B7: Anti-corruption 層面B7: 反貪污		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Our Ethics – Anti-Corruption; Laws and Regulations 我們的道德操守－反貪污；法律及法規
KPI B7.1 關鍵績效指標B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the year and the outcomes of the cases. 於年內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	Our Ethics – Anti-Corruption 我們的道德操守－反貪污
KPI B7.2 關鍵績效指標B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	Our Ethics – Anti-Corruption 我們的道德操守－反貪污
KPI B7.3 關鍵績效指標B7.3	Description of anti-corruption training provided to directors and staff. 描述向董事及員工提供的反貪污培訓。	Our Ethics – Anti-Corruption 我們的道德操守－反貪污
Community 社區		
Aspect B8: Community Investment 層面B8: 社區投資		
General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	Our Community 我們的社區
KPI B8.1 關鍵績效指標B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	Our Community 我們的社區
KPI B8.2 關鍵績效指標B8.2	Resources contributed (e.g. money or time) to the focus area. 在專注範疇所動用資源(如金錢或時間)。	Our Community 我們的社區

REPORT OF THE DIRECTORS

董事會報告

The directors submit their report together with the audited consolidated financial statements of the Company and its subsidiaries (together the “Group”) for the year ended 31 December 2020.

Principal activities

The Company is an investment holding company. The activities of its principal subsidiaries are set out in Note 38 to the consolidated financial statements. The Group is principally engaged in the distribution, retailing and licensing of footwear and accessories in Mainland China.

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

Business review

The business review of the Group for the year ended 31 December 2020 are provided in the Chairman’s Statement, Management Discussion and Analysis, Corporate Governance Report and Environmental, Social and Governance Report of this annual report.

Results and appropriation

The results of the Group for the year ended 31 December 2020 and the state of affairs of the Company and of the Group as at that date are set out in the consolidated financial statements on pages 97 to 168.

The board of directors does not recommend the payment of a dividend in respect of the year ended 31 December 2020.

Donations

There was no charitable and other donations made by the Group during the year (2019: HK\$Nil).

Property, plant and equipment and investment properties

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

Share capital

Details of the movements in the share capital of the Company during the year are set out in Note 26 to the consolidated financial statements.

Distributable reserves

As at 31 December 2020, the distributable reserves of the Company amounted to HK\$327,953,000 (2019: HK\$577,629,000). Movements in the reserves of the Group and of the Company during the year are set out in Notes 28 and 37 to the consolidated financial statements, respectively.

董事謹此提呈截至二零二零年十二月三十一日止年度之報告，連同本公司及其附屬公司（統稱「本集團」）之經審核綜合財務報表。

主要業務

本公司為一家投資控股公司，其主要附屬公司之業務載於綜合財務報表附註38。本集團主要於中國大陸從事鞋類產品及配件的分銷、零售及授權許可業務。

本集團按可申報分部之表現分析載於綜合財務報表附註5。

業務回顧

本集團截至二零二零年十二月三十一日止年度之業務回顧載列於本年報之主席報告、管理層討論與分析、企業管治報告及環境、社會及管治報告。

業績及分配

本集團截至二零二零年十二月三十一日止年度之業績，以及本公司及本集團於該日之業務狀況載於第97至168頁之綜合財務報表。

董事會不建議就截至二零二零年十二月三十一日止年度派發股息。

慈善捐款

本集團於年內沒有作慈善及其他用途之捐款（二零一九年：零港元）。

物業、廠房及設備以及投資物業

本集團之物業、廠房及設備以及投資物業之變動詳情分別載於綜合財務報表附註14及15。

股本

本公司股本於年內之變動詳情載於綜合財務報表附註26。

可供分派儲備

於二零二零年十二月三十一日，本公司可供分派之儲備為327,953,000港元（二零一九：577,629,000港元）。本集團及本公司於年內之儲備變動詳情分別載於綜合財務報表附註28及37。

REPORT OF THE DIRECTORS**董事會報告****Equity-linked agreements****(a) Convertible notes**

The Company issued 9.0% convertible notes denominated at RMB with the aggregate principle amount of RMB25,300,000 (equivalent to approximately HK\$28,633,000) on 14 October 2020. The convertible notes have a maturity of 3 years from the issue date and can be converted into shares at the noteholder's option at the conversion price of HK\$0.221 per share. The maximum number of ordinary shares to be issued upon the full conversion would be 164,541,807. Details of the movement of the convertible notes are set out in Note 29 to the consolidated financial statements.

(b) Share options

Details of the share options granted in prior years and current year is set out in Note 27 to the consolidated financial statements and "Share options scheme" section below.

Pre-emptive rights

There is no provision for pre-emptive rights under the Company's Articles of Association and there is no restriction against such rights under the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Five-year financial summary

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

Purchase, sale or redemption of shares

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

Directors

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

Executive directors

Mr. Chang Chih-Kai (*Chairman*)
 Mr. Chang Chih-Chiao (*Chief Executive Officer*)
 Mr. Chen Tommy Yi-Hsun (resigned on 17 January 2020)
 Mr. Wang Jungang (*Chief Operating Officer*) (appointed on 21 October 2020)

Independent non-executive directors

Mr. Hon Ping Cho Terence
 Mr. Huang Shun-Tsai
 Mr. Kuo Jung-Cheng

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

股份掛鈎協議**(a) 可換股債券**

本公司於二零二零年十月十四日發行以人民幣計值的9.0%可換股債券，本金總額為人民幣25,300,000元（相當於約28,633,000港元）。可換股債券自發行日起計三年到期，並可按債券持有人的選擇按每股0.221港元的換股價轉換為股份。於悉數轉換後發行的最高普通股股份數目為164,541,807股。可換股債券之變動詳情載於綜合財務報表附註29。

(b) 購股權

於過往年度及本年度授出之購股權詳情載於綜合財務報表附註27及下文「購股權計劃」一節。

優先購買權

本公司之組織章程細則並無有關優先購買權之條文及開曼群島法例亦無限制此優先購買權，而公司有義務按比例向現有股東發行新股。

五年財務概要

本集團於過去五個財政年度之各年業績、資產及負債概要載於本年報第6頁。

購買、出售或贖回股份

本公司或其任何附屬公司於年內並無購買、出售或贖回本公司任何股份。

董事

本公司於年內及截至本報告日期之董事如下：

執行董事

張智凱先生 (*主席*)
 張智喬先生 (*行政總裁*)
 陳怡勳先生 (於二零二零年一月十七日辭任)
 王俊剛先生 (*營運總監*) (於二零二零年十月二十一日獲委任)

獨立非執行董事

韓炳祖先生
 黃順財先生
 郭榮振先生

根據本公司之組織章程細則，張智凱先生及王俊剛先生將於應屆股東週年大會輪值退任，惟彼等符合資格並願意膺選連任。

REPORT OF THE DIRECTORS

董事會報告

Mr. Chen Tommy Yi-Hsun has confirmed that he has no disagreement with the board of directors and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.

All the independent non-executive directors have confirmed their independence pursuant to Rule 3.13 of the Listing Rules and based on such confirmations, the Company is of the opinion that the independence status of the independent non-executive directors remains intact as at 31 December 2020.

Biographies of directors and senior management

Brief biographies of directors and senior management are set out on pages 20 to 21 of this annual report.

Directors' service contracts

The term of directorship of each director is from one to three years and the term will continue for a successive period of one to three years unless terminated by either party giving not less than one month's notice to the other party.

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

Directors' material interests in transactions, arrangements and contracts

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

陳怡勳先生已確認其與董事會之間並無任何意見分歧，亦無任何需要促請本公司股東關注與本公司事務有關的事宜。

所有獨立非執行董事已根據上市規則第3.13條，就彼等之獨立性作出確認。基於該等確認，本公司認為，截至二零二零年十二月三十一日，所有獨立非執行董事均為獨立人士。

董事及高級管理人員之簡歷

董事及高級管理人員之簡歷載於本年報第20至21頁。

董事之服務合約

每名董事之董事任期為一年至三年，除非由任何一方向另外一方發出不少於一個月通知而終止，否則任期會繼續重續一年至三年。

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

董事於交易、安排及合約之重大權益

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

REPORT OF THE DIRECTORS

董事會報告

Interests of directors and chief executive

As at 31 December 2020, the interests and short positions of each director and chief executive in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), as recorded in the register required to be kept by the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code 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	權益總計	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	0.33
Mr. Chang Chih-Chiao 張智喬先生	Personal interest 個人權益	–	3,000,000 (Note) (附註)	3,000,000	0.17

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 31 December 2020, none of the directors or chief executive, 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 shares of the Company, its specified undertakings and its other associated corporations required to be disclosed pursuant to the SFO.

At no time during the year was the Company, any of its subsidiaries, 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.

Interests of substantial shareholders

The register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that as at 31 December 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.

董事及主要行政人員之權益

於二零二零年十二月三十一日，按本公司根據證券及期貨條例（「證券及期貨條例」）第XV部第2及第3分部條文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，或根據標準守則已知會本公司及聯交所之權益及淡倉如下：

於本公司股份及相關股份之好倉：

Name of directors	Capacity	Number of shares held	Number of underlying shares	Total interests	Approximate % of total issued shares
董事名稱	身份	持有股份數目	相關股份數目	權益總計	約佔已發行股份總額百分比
Mr. Chang Chih-Kai 張智凱先生	Personal interest 個人權益	–	6,000,000 (Note) (附註)	6,000,000	0.33
Mr. Chang Chih-Chiao 張智喬先生	Personal interest 個人權益	–	3,000,000 (Note) (附註)	3,000,000	0.17

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，於二零二零年十二月三十一日，各董事或主要行政人員或彼等之任何聯繫人士（包括彼等之配偶及18歲以下之子女）概無擁有或獲授或行使可認購本公司、其指明企業及其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。

於年內任何時間，本公司、其任何附屬公司、其從屬子公司、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。

主要股東之權益

按本公司根據證券及期貨條例第XV部第336條之規定而須存置之主要股東登記冊所示，於二零二零年十二月三十一日，本公司已獲知會下列主要股東權益及淡倉（即佔本公司已發行股本5%或以上）。此等權益並不包括以上所披露有關董事及主要行政人員之權益。

REPORT OF THE DIRECTORS**董事會報告**

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	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 Ltd.	Beneficial interests 實益權益	400,719,995 (Note 1) (附註一)	22.09
Warrior Limited	Beneficial interests 實益權益	329,456,045 (Note 2) (附註二)	18.16
Teresaeleven Inc.	Interests of controlled corporation 受控公司之權益	329,456,045 (Note 2) (附註二)	18.16
Ms Quan Qizi 權奇子女士	Interests of controlled corporation 受控公司之權益	329,456,045 (Note 2) (附註二)	18.16
Top Glory Assets Limited	Beneficial interests 實益權益	174,908,895 (Note 3) (附註三)	9.64
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 3) (附註三)	9.64
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 3) (附註三)	9.73
Pushkin Holding Ltd.	Beneficial interests 實益權益	147,740,920 (Note 4) (附註四)	8.14
Mr. Chen Ming-Yuan 陳明源先生	Interests of controlled corporation 受控公司之權益	147,740,920 (Note 4) (附註四)	8.14
Mr. Ma Liang Chun 馬良駿先生	Personal interests 個人權益	109,862,000	6.06

REPORT OF THE DIRECTORS

董事會報告

Notes:

1. Mr. Chang Chih-Kai, the Chairman of the board of directors and an executive director of the Company, and Mr. Chang Chih-Chiao, an executive director and Chief Executive Officer 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. Warrior Limited has beneficial interest in 164,914,238 shares of the Company and has subscribed for convertible notes of the Company. Upon full conversion of the convertible notes, an aggregate of 164,541,807 shares would be issued to Warrior Limited. Warrior Limited is wholly owned by Teresaeleven Inc., which in turn is wholly owned by Ms. Quan Qizi. By virtue of the SFO, Teresaeleven Inc. and Ms. Quan Qizi are deemed to be interested in 329,456,045 shares of the Company held by Warrior Limited.
3. 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.
4. Pushkin Holding Limited is solely owned by Mr. Chen Ming-Yuan. By virtue of the SFO, Mr. Chen is deemed to be interested in the 147,740,920 shares of the Company held by Pushkin Holding Limited.

Saved as disclosed above, as at 31 December 2020, the Company had not been notified by any person (other than directors and chief executive of the Company) of any interest or 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.

Share option scheme

The Company adopted a share option scheme (the "Scheme") on 27 August 2013 which 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, 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 7.86% of the issued share capital of the Company as at the date of this annual report.

附註：

- 一、本公司董事會主席兼執行董事張智凱先生及本公司執行董事兼行政總裁張智喬先生，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、Warrior Limited擁有本公司164,914,238股股份之實益權益，並已認購本公司之可換股債券。於可換股債券獲悉數轉換後，Warrior Limited將獲發行總計164,541,807股股份。Warrior Limited由Teresaeleven Inc.全資擁有，而後者則由權奇子女士全資擁有。根據證券及期貨條例，Teresaeleven Inc.及權奇子女士被視為在Warrior Limited所持有之329,456,045股本公司股份中擁有權益。
- 三、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。
- 四、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。

除上文所披露者外，於二零二零年十二月三十一日，本公司並不知悉有任何人士(本公司董事及主要行政人員除外)於本公司股份及相關股份中擁有任何權益或淡倉而須記錄於根據證券及期貨條例第336條存置之登記冊內。

購股權計劃

本公司於二零一三年八月二十七日採納購股權計劃(「計劃」)，計劃將自採納日期起維持十年內有效。

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、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%。於任何時間根據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已發行股份之30%。

計劃下可供發行之股份總數量為142,624,238股，佔本公司於本年報日期已發行股本約7.86%。

REPORT OF THE DIRECTORS

董事會報告

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 option in respect of all or some of the shares the subject of the option will vest.

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

- (a) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant;
- (b) the average closing price of the shares as stated in the Stock Exchange's daily quotation 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 shall 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.

根據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。於任何十二個月期間內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。

須根據購股權接受股份之期限須由董事會釐定並在給予承授人信件中指明，有關期間可由董事會根據計劃之條款而更改，惟在任何情況下不得超過授出日期起計十年。董事會可酌情決定就購股權所涉及之所有或部分股份行使購股權之權利之歸屬時間或期間。

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。

REPORT OF THE DIRECTORS

董事會報告

During the year, 12,200,000 (2019: 10,010,000) share options were lapsed but no (2019: Nil) share options were granted, cancelled or exercised. Details of movements of the share options granted under the share option scheme during the year were as follows:

年內，分別有12,200,000（二零一九年：10,010,000）份購股權失效，但並無（二零一九年：無）購股權獲授出、註銷或行使。年內，根據購股權計劃授出之購股權之變動詳情如下：

Grantees 承授人	Date of grant 授出日期 (yyyy/mm/dd) (年/月/日)	Exercise price per share 每股 行使價 HK\$ 港元	Outstanding at 1 January 2020 於二零二零年 一月一日 尚未行使	Lapsed during the year 年內 失效	Outstanding at 31 December 2020 於二零二零年 十二月三十一日 尚未行使	Exercisable period 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 (resigned on 17 January 2020) (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
<i>(ii) 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
<i>(iii) Employees 僱員</i>						
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
In aggregate 合計	2014/01/21	4.50	200,000	(100,000)	100,000	2016/01/21 – 2024/01/20 (Note 2) (附註二)
In aggregate 合計	2014/01/21	4.50	80,000	-	80,000	2017/01/21 – 2024/01/20 (Note 3) (附註三)
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	(12,200,000)	12,180,000	

Notes:

- The share options shall vest one-third each year from the date of grant.
- 100% of the share options shall vest after two years from the date of grant.
- 100% of the share options shall vest after three years from the date of grant.

附註：

- 購股權由授出日期起計每年歸屬三分之一。
- 購股權由授出日期起計兩年後歸屬100%。
- 購股權由授出日期起計三年後歸屬100%。

REPORT OF THE DIRECTORS

董事會報告

Share appreciation rights plan

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

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

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

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 quotation sheet on the date of grant;
- (b) the average closing price of the shares as stated in the Stock Exchange’s daily quotation 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 are valid for 10 years from the date of grant and upon the expiry of which all unexercised SARs shall automatically lapse.

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

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」），由董事會酌情決定激勵及獎勵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作出貢獻或潛在貢獻。

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

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

股份增值權計劃下，股份增值權之行使價由董事會釐定及不得低於下列最高者：

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

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

根據授出條款，尚未行使之股份增值權須符合自授出日期起之歸屬期，其行使價至少為每份4.50港元。

REPORT OF THE DIRECTORS**董事會報告**

During the year, 15,050,000 (2019: 1,560,000) SARs were lapsed and no SARs (2019: Nil) were granted, cancelled or exercised under the SAR Plan. Details of the movements in the SARs granted under the SAR Plan during the year were as follows:

年內，有15,050,000（二零一九年：1,560,000）份股份增值權失效，且並無（二零一九年：無）股份增值權根據股份增值權計劃獲授出、註銷或行使。年內，根據股份增值權計劃授出之股份增值權之變動詳情如下：

Grantees		Outstanding at 1 January 2020 於二零二零年 一月一日 尚未行使	Lapsed during the year 年內失效	Outstanding at 31 December 2020 於二零二零年 十二月三十一日 尚未行使
承授人				
(i) <i>Executive directors</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>	<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

Management contracts

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

管理合約

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

Major customers and suppliers

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

主要客戶及供應商

年內，本集團最大客戶及五大客戶之銷售總額佔本集團之總收益少於30%。

The aggregate purchases attributable to the Group's largest and five largest suppliers accounted for approximately 21% and 52%, respectively, of the Group's total purchases during the year.

年內，本集團向最大供應商及五大供應商作出之採購總額分別佔本集團之採購總額約21%及52%。

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

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

Notifiable transactions

On 16 December 2020, the Company disposed 100% equity interest of its indirectly held subsidiary at a consideration of RMB19.5 million (equivalent to approximately HK\$23.2 million). This constitutes a discloseable transaction of the Company under the Listing Rules. For more details, please refer to the Company's announcement dated 16 December 2020.

須予公佈的交易

於二零二零年十二月十六日，本公司按代價人民幣19.5百萬元（相當於約23.2百萬港元）出售其間接持有之附屬公司之100%股權。根據上市規則，此構成本公司的一項須予披露交易。有關更多詳情，請參閱本公司日期為二零二零年十二月十六日之公告。

REPORT OF THE DIRECTORS

董事會報告

Subsequent events

On 1 January 2021, a wholly-owned subsidiary of the Company in PRC entered into an agreement with Putian City Licheng District People's Government of Fujian Province in China in relation to the land resumption. The consideration of an aggregate compensation is approximately RMB110.2 million. This constitutes a major transaction for the Company under the Listing Rules. For more details, please refer to the Company's announcement dated 3 January 2021 and the Circular dated 21 January 2021.

Permitted Indemnity Provision

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

Sufficiency of public float

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company throughout the year ended 31 December 2020 and up to the date of this report, the Company has maintained a sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

Auditor

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the board of directors

Chang Chih-Kai
Chairman

Hong Kong, 25 March 2021

期後事件

於二零二一年一月一日，本公司一家中國全資附屬公司與中國福建省莆田市荔城區人民政府就土地徵收訂立協議。補償總額的代價約為人民幣110.2百萬元。根據上市規則，此構成本公司的一項主要交易。有關更多詳情，請參閱本公司日期為二零二一年一月三日之公告及日期為二零二一年一月二十一日之通函。

獲准許的彌償條文

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

足夠公眾持股量

根據本公司獲得之公開資料及據本公司董事所知，於截至二零二零年十二月三十一日止年度直至本報告日期，本公司已根據上市規則規定，維持公眾持股量佔本公司已發行股本25%以上。

核數師

綜合財務報表已由羅兵咸永道會計師事務所審核，其將退任，惟符合資格並願意應聘續任。

代表董事會

主席
張智凱

香港，二零二一年三月二十五日

INDEPENDENT AUDITOR'S REPORT**獨立核數師報告**

To the Shareholders of Daphne International Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION**What we have audited**

The consolidated financial statements of Daphne International Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 97 to 168, which comprise:

- the consolidated balance sheet as at 31 December 2020;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

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

Independence

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

致達芙妮國際控股有限公司股東
(於開曼群島註冊成立的有限公司)

意見**我們已審計的內容**

達芙妮國際控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第97至168頁的綜合財務報表,包括:

- 於二零二零年十二月三十一日的綜合資產負債表;
- 截至該日止年度的綜合收益表;
- 截至該日止年度的綜合全面收益表;
- 截至該日止年度的綜合權益變動表;
- 截至該日止年度的綜合現金流量表;及
- 綜合財務報表附註,包括主要會計政策概要。

我們的意見

我們認為,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零二零年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

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

我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

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

- (i) Assessment of going concern assumption in preparing the consolidation financial statements
- (ii) Provisions for impairment of inventories
- (iii) Impairment of an investment property
- (i) Assessment of going concern assumption in preparing the consolidated financial statements**

Nature of the Key Audit Matter

Refer to Note 2.1(i) to the consolidated financial statements

During the year ended 31 December 2020, the Group recorded a loss of HK\$241,725,000, a net cash used in operating activities of HK\$122,650,000 and a net decrease in cash and cash equivalents of HK\$64,148,000. During the year, the Group raised HK\$58,598,000 from the issuance of new shares and convertible notes. As at 31 December 2020, the Group had cash and cash equivalents of HK\$124,567,000.

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- (i) 擬備綜合財務報表中持續經營假設的評估
- (ii) 存貨減值撥備
- (iii) 一項投資物業的減值
- (i) 擬備綜合財務報表中持續經營假設的評估**

關鍵審計事項之性質

請參閱綜合財務報表附註2.1(i)

截至二零二零年十二月三十一日止年度，貴集團錄得虧損241,725,000港元、經營活動所用之現金淨額122,650,000港元，以及現金及現金等價物減少淨額64,148,000港元。年內，貴集團自發行新股及可換股債券籌得58,598,000港元。於二零二零年十二月三十一日，貴集團擁有現金及現金等價物124,567,000港元。

INDEPENDENT AUDITOR'S REPORT**獨立核數師報告****KEY AUDIT MATTERS (CONTINUED)****(i) Assessment of going concern assumption in preparing the consolidated financial statements (Continued)****Nature of the Key Audit Matter (Continued)**

The Group's retail operation was affected by the COVID-19 pandemic in 2020. During the year, the Group continued with the strategic business transformation by withdrawing from the business of retailing at physical stores and has started to adopt a strategy to mainly focus on the development of its licensing business in late 2020.

In view of such circumstances, in order to support the going concern basis in preparing the consolidated financial statements, management prepared a cash flow projection of the Group covering a period not less than twelve months from 31 December 2020. Based on the cash flow projection which has been prepared after taking into account various measures and plans undertaken by the Group, management concluded that there will be sufficient financial resources for the Group to finance its future operations and enable it to meet its financial obligations as and when they fall due in the next twelve months from 31 December 2020.

The directors of the Company considered the assumptions used in cash flow projection prepared by management and the basis of management's plans and measures. They also assessed the Group's ability to generate adequate cash flows from its operation, the reasonably possible changes in the operational performance, the estimated cash inflow generated from the disposal of a subsidiary and a property with aggregate consideration of HK\$156,230,000 to conclude whether it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis.

We focused on this area due to consideration of future events and significant management judgment and estimates involved.

關鍵審計事項(續)**(i) 擬備綜合財務報表中持續經營假設的評估(續)****關鍵審計事項之性質(續)**

貴集團的零售業務於二零二零年受到新冠病毒疫情所影響。年內，貴集團繼續通過撤出實體零售業務進行策略性業務轉型，並於二零二零年年末開始採納主力發展其授權許可業務之策略。

鑒於上述情況，為了支持擬備綜合財務報表中的持續經營基準，管理層編製了涵蓋從二零二零年十二月三十一日起計不少於十二個月期間的貴集團現金流量預測。根據已經考慮貴集團採取多項措施和計劃而編製的現金流量預測，管理層得出結論認為貴集團有充足的財政資源支持其未來的營運，並使其可以應付二零二零年十二月三十一日起未來十二個月內到期的財務責任。

貴公司董事考慮了管理層編製現金流量預測所採用的假設，以及管理層之計劃和措施之基礎。他們亦評估了貴集團營運產生足夠現金流量的能力、營運表現合理地可能出現的變化，以及以總代價156,230,000港元出售一家附屬公司及一項物業所產生之估計現金流入，從而推斷按持續經營基準編製貴集團的綜合財務報表是否適當。

我們關注此領域乃由於涉及對未來事件的考慮以及重大的管理層判斷及估計。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

(i) Assessment of going concern assumption in preparing the consolidated financial statements (Continued)

How our audit addressed the Key Audit Matter

Our procedures in relation to management's estimation and judgment applied in assessing the appropriateness of the going concern assumption and disclosure made by management included:

- Understanding management's controls and processes in relation to the preparation of cash flow projection and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in preparing the cash flow projection for the going concern assessment purpose;
- Obtaining the cash flow projection prepared by management and discussing with senior management to understand the current operation, the business transformation plan, the budget for the next twelve months, the planned capital expenditure, and the future source of financing of the Group during the forecast period;
- Assessing the basis of preparation of the cash flow projection and evaluating the key assumptions used, including estimated revenue generated from licensing and other businesses, operating expenses, comparing those key assumptions with the historical trend and data of the Group and assessing the reasonableness of the basis of key assumptions adopted by management for the forecast period. With respect to the cash flow generated from the disposal of a subsidiary and a property with aggregate consideration of HK\$156,230,000, performing procedures such as examining the sale and purchase agreements and reviewing settlement of the proceeds received after year end;
- Testing the mathematical accuracy of the cash flow projection and evaluating the sensitivity analysis prepared by management around the key assumptions of the cash flow projection to ascertain the extent and likelihood of such changes in assumptions have been appropriately considered; and
- Considering whether the disclosures prepared by management relating to going concern included in the consolidated financial statements are appropriate.

We found the basis and key assumptions used in the management's cash flow projection were supported by available evidence and the disclosures made in the consolidated financial statements based on procedures performed were consistent with the basis and key assumptions used.

關鍵審計事項 (續)

(i) 擬備綜合財務報表中持續經營假設的評估 (續)

我們的審計如何處理關鍵審計事項

對於管理層在評估持續經營假設及所作的披露是否適當地運用估計及判斷，我們的程序包括：

- 了解管理層對於編製現金流量預測的控制及流程，並通過考慮就持續經營評估目的編製現金流量預測所涉及估計不確定性及判斷的程度，評估重大錯誤陳述的固有風險；
- 取得管理層編製的現金流量預測，並與高級管理人員討論，以了解其當前的營運狀況、業務轉型計劃、未來十二個月的預算、計劃的資本性開支以及貴集團於預測期間的未來資金來源；
- 評估現金流量預測的編製基準、評估所用的重要假設（包括授權許可及其他業務所產生的估計收益及營運開支）、就重要假設與貴集團過往的趨勢和數據進行比較，以及評估管理層就預測期間採納的重要假設基準是否合理。就以總代價156,230,000港元出售一家附屬公司及一項物業所產生的現金流量而言，進行如檢視買賣協議及審閱於年結日後收款的結算情況等程序；
- 測試現金流量預測的計算是否準確，並評估管理層對於現金流量預測的重要假設所作的敏感度分析，以確定假設出現變化的程度和可能性已作適當考慮；及
- 考慮管理層在綜合財務報表中擬備的關於持續經營的披露是否適當。

根據所進行的程序，我們認為現有證據足以支持管理層現金流量預測中的基準和重要假設，而綜合財務報表中基於所進行程序作出的披露與所採用的基礎及重要假設一致。

INDEPENDENT AUDITOR'S REPORT**獨立核數師報告****KEY AUDIT MATTERS (CONTINUED)****(ii) Provisions for impairment of inventories****Nature of the Key Audit Matter**

Refer to Notes 4.1 and 19 to the consolidated financial statements

At 31 December 2020, the Group held inventories of HK\$41,569,000 (net of provisions of HK\$83,083,000), which were carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses. In the determination of these estimates, management applied judgment based upon a detailed analysis of aged inventories, historical experience of selling similar products, the future sales plans and possible changes in customer taste and competitor actions in response to changes in industry conditions.

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

How our audit addressed the Key Audit Matter

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

- Understanding, evaluating and validating the key controls over management's estimation of provision for impairment of inventories and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in estimation of provisions for impairment of inventories;
- Testing, on a sample basis, the ageing of inventory items categorized in different seasons by checking to supporting documents such as goods receipt notes and recalculating the mathematical accuracy of the inventory provision calculation;
- Assessing the reasonableness of inventory provision and evaluating the key assumptions used, including budgeted sales quantities and selling prices in different sales channels, with reference to historical sales performance of similar products and discussions on the Group's future sales plans with the directors of the Company; and
- Comparing, on a sample basis, the carrying amount of inventory items against its selling price during the year and subsequent to the year end to identify inventories with net realisable value lower than their carrying amount.

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

關鍵審計事項(續)**(ii) 存貨減值撥備****關鍵審計事項之性質**

請參閱綜合財務報表附註4.1及19

於二零二零年十二月三十一日，貴集團持有存貨41,569,000港元(經扣除83,083,000港元撥備之淨額)，按成本值或可變現淨值兩者之較低者列賬。可變現淨值為按日常業務過程中之估計售價減估計銷售開支。於釐定該等估計時，管理層根據過季存貨之詳細分析、出售相似產品之過往經驗、未來銷售計劃以及顧客品味及競爭對手就行業情況轉變所作出行動之可能變化而作出判斷。

我們關注此領域乃由於其撥備金額重大以及涉及重大的管理層判斷及估計。

我們的審計如何處理關鍵審計事項

對於管理層在計算存貨撥備金額中所運用的估計及判斷，我們的程序包括：

- 了解、評估及核實有關管理層估計存貨減值撥備的關鍵控制措施，並通過考慮估計存貨減值撥備所涉及估計不確定性及判斷的程度，評估重大錯誤陳述的固有風險；
- 通過查核證明文件(如收貨單)抽樣測試按不同季節分類的存貨項目的賬齡及重新計算存貨減值計算的準確性；
- 通過參考相似產品的過往銷售業績及與貴公司董事討論貴集團的未來銷售計劃，評估存貨撥備的合理性，並評價所用的重要假設(包括不同銷售渠道的預算銷售數量及售價)；及
- 於年內及年結日後抽樣比較存貨項目的賬面值與售價，以識別可變現淨值低於賬面值的存貨。

基於以上所述，我們認為現有證據足以支持管理層就存貨撥備所運用的估計和判斷。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

(iii) Impairment of an investment property

Nature of the Key Audit Matter

Refer to Notes 2.7 and 15 to the consolidated financial statements

The Group's investment properties were initially measured at cost and subsequently stated at historical cost less accumulated depreciation and provision for impairment loss. During the year ended 31 December 2020, one of the Group's investment properties with a carrying amount of approximately HK\$42,951,000 (net of impairment) was made vacant for a substantial period of time. For the purpose of impairment assessment, management engaged an external valuer to perform a valuation for the vacant property. The valuation is dependent on certain key assumptions that require significant management judgement, including capitalisation rates and market rents. Based on the valuation result and after taking into consideration the market conditions, management recognised an impairment loss of HK\$16,376,000 in respect of the vacant property.

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

How our audit addressed the Key Audit Matter

Our procedures in relation to management's estimation and judgment applied in assessing the impairment of an investment property included:

- Understanding management's controls and processes for assessing impairment of investment properties and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in estimation of impairment of investment properties;
- Evaluating the valuer's competence, capabilities, independence and objectivity;
- Involving our internal valuation expert in assessing the valuations methodology and key assumptions used; and
- Comparing the capitalisation rates, market rents used by the valuer to an estimated range, determined by reference to publicly available information.

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

關鍵審計事項 (續)

(iii) 一項投資物業的減值

關鍵審計事項之性質

請參閱綜合財務報表附註2.7及15

貴集團之投資物業初步按成本計量，其後按歷史成本減累計折舊及減值虧損撥備列賬。截至二零二零年十二月三十一日止年度，貴集團其中一項賬面值約42,951,000港元（經扣除減值）之投資物業曾長時間空置。為進行減值評估，管理層已委聘外聘估值師為該空置物業進行估值。估值取決於需要管理層作出重大判斷的若干重要假設，包括資本化率及市場租金。基於估值結果及考慮市況後，管理層就該空置物業確認減值虧損16,376,000港元。

我們關注此領域乃由於其結餘金額重大以及涉及重大的管理層判斷及估計。

我們的審計如何處理關鍵審計事項

對於管理層在評估投資物業減值中所運用的估計及判斷，我們的程序包括：

- 了解管理層對於評估投資物業減值的控制及流程，並通過考慮估計投資物業減值所涉及估計不確定性及判斷的程度，評估重大錯誤陳述的固有風險；
- 評估估值師之勝任程度、能力、獨立性及客觀性；
- 內部估值專家參與評估所用估值方法及重要假設；及
- 將估值師所用的資本化率及市場租金與參考公開可行資料釐定的估計範圍進行比較。

基於以上所述，我們認為現有證據足以支持管理層就該投資物業減值所運用的估計和判斷。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

其他信息

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

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

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

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

董事及審核委員會就綜合財務報表須承擔的責任

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

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

審核委員會協助董事履行其監督貴集團財務報告過程的責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

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

核數師就審計綜合財務報表承擔的責任

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

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

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

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

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

核數師就審計綜合財務報表承擔的責任 (續)

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

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

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

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

出具本獨立核數師報告的審計項目合夥人是袁國健先生。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 March 2021

羅兵咸永道會計師事務所
執業會計師

香港，二零二一年三月二十五日

CONSOLIDATED INCOME STATEMENT**綜合收益表**

FOR THE YEAR ENDED 31 DECEMBER 2020 截至二零二零年十二月三十一日止年度

		Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue	收益	5	363,921	2,126,362
Cost of sales	銷售成本		(230,689)	(1,345,224)
Gross profit	毛利		133,232	781,138
Other income	其他收入	6	40,977	25,832
Other losses – net	其他虧損—淨額	7	(11,164)	(3,679)
Selling and distribution expenses	銷售及分銷開支		(195,839)	(1,506,643)
General and administrative expenses	一般及行政開支		(166,921)	(310,416)
Impairment loss on financial assets	金融資產減值虧損		(37,426)	(5,767)
Operating loss	經營虧損	8	(237,141)	(1,019,535)
Finance costs	財務成本	9	(2,324)	(21,346)
Share of losses of associates and joint ventures	應佔聯營公司及 合營企業之虧損	17, 18	(304)	(1,291)
Loss before income tax	除所得稅前虧損		(239,769)	(1,042,172)
Income tax expense	所得稅開支	10	(1,956)	(54,254)
Loss for the year	年內虧損		(241,725)	(1,096,426)
Attributable to:	以下各方應佔：			
Shareholders	股東		(241,987)	(1,070,127)
Non-controlling interests	非控制性權益		262	(26,299)
			(241,725)	(1,096,426)
Loss per share, basic and diluted (HK cents)	每股基本及攤薄虧損 (港仙)	11	(14.4)	(64.9)

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

以上綜合收益表應與相關附註一併閱讀。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**綜合全面收益表**

FOR THE YEAR ENDED 31 DECEMBER 2020 截至二零二零年十二月三十一日止年度

		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 year	年內虧損	(241,725)	(1,096,426)
Other comprehensive income/(loss)	其他全面收益／(虧損)		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>可於其後重新分類至損益的項目：</i>		
Currency translation differences	匯兌差額	-	(506)
<i>Items that will not be reclassified subsequently to profit or loss:</i>	<i>不可於其後重新分類至損益的項目：</i>		
Currency translation differences	匯兌差額	46,442	(18,236)
		46,442	(18,742)
Total comprehensive loss for the year	年內全面虧損總額	(195,283)	(1,115,168)
<i>Attributable to:</i>	<i>以下各方應佔：</i>		
Shareholders	股東	(200,938)	(1,087,179)
Non-controlling interests	非控制性權益	5,655	(27,989)
		(195,283)	(1,115,168)

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

以上綜合全面收益表應與相關附註一併閱讀。

CONSOLIDATED BALANCE SHEET**綜合資產負債表**

AS AT 31 DECEMBER 2020 於二零二零年十二月三十一日

		Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	19,976	167,265
Investment properties	投資物業	15	537,039	369,645
Right-of-use assets	使用權資產	16	9,086	68,622
Interests in associates	於聯營公司之權益	17	1,036	1,481
Interests in joint ventures	於合營企業之權益	18	–	1,002
			567,137	608,015
Current assets	流動資產			
Inventories	存貨	19	41,569	162,013
Trade receivables	貿易應收賬款	20	24,251	64,875
Other receivables, deposits and prepayments	其他應收賬款、 按金及預付款項	21	69,077	142,689
Cash and cash equivalents	現金及現金等價物	22	124,567	182,059
			259,464	551,636
Assets classified as held-for-sale	分類為持作出售之資產	23	32,077	71,713
			291,541	623,349
Current liabilities	流動負債			
Trade payables	貿易應付賬款	24	69,201	138,700
Other payables and accrued charges	其他應付賬款及應計費用	25	97,287	226,912
Lease liabilities	租賃負債	16	2,988	25,621
Contract liabilities	合約負債		16,786	7,407
Current income tax liabilities	即期所得稅負債		5,778	5,169
			192,040	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	23	–	8,045
			192,040	411,854
Net current assets	流動資產淨值		99,501	211,495
Total assets less current liabilities	總資產減流動負債		666,638	819,510

CONSOLIDATED BALANCE SHEET**綜合資產負債表**

AS AT 31 DECEMBER 2020 於二零二零年十二月三十一日

		Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Equity attributable to shareholders	股東應佔權益			
Share capital	股本	26	181,406	164,914
Reserves	儲備	28	346,824	527,797
			528,230	692,711
Non-controlling interests	非控制性權益		109,297	103,642
Total equity	總權益		637,527	796,353
Non-current liabilities	非流動負債			
Convertible notes	可換股債券	29	24,000	–
Interest payable	應付利息		571	–
Lease liabilities	租賃負債	16	–	20,469
Deferred income tax liabilities	遞延所得稅項負債	30	4,540	2,688
			29,111	23,157
Total equity and non-current liabilities	總權益及非流動負債		666,638	819,510

The consolidated financial statements on pages 97 to 168 were approved by the board of directors on 25 March 2021 and were signed on its behalf.

第97至168頁之綜合財務報表已獲董事會於二零二一年三月二十五日批准及代表董事會簽署。

CHANG CHIH-KAI

張智凱
Director
董事

CHANG CHIH-CHIAO

張智喬
Director
董事

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

以上綜合資產負債表應與相關附註一併閱讀。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2020 截至二零二零年十二月三十一日止年度

		Note 附註	Attributable to shareholders 股東應佔		Non- controlling interests 非控制性 權益 HK\$'000 千港元	總計 HK\$'000 千港元
			Share capital	Reserves		
			股本 HK\$'000 千港元	儲備 HK\$'000 千港元		
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 year	年內虧損		–	(1,070,127)	(26,299)	(1,096,426)
Currency translation differences	匯兌差額		–	(17,052)	(1,690)	(18,742)
Total comprehensive loss	全面虧損總額		–	(1,087,179)	(27,989)	(1,115,168)
<i>Share option scheme:</i>	<i>購股權計劃:</i>					
Value of grantee services	承授人服務價值	28	–	65	–	65
Total transactions with shareholders	與股東交易總額		–	65	–	65
At 31 December 2019	於二零一九年十二月三十一日		164,914	527,797	103,642	796,353
(Loss)/profit for the year	年內(虧損)/盈利		–	(241,987)	262	(241,725)
Currency translation differences	匯兌差額		–	41,049	5,393	46,442
Total comprehensive loss	全面虧損總額		–	(200,938)	5,655	(195,283)
Write-back of unclaimed dividends	撥回未領取股息			42	–	42
Issue of new shares	發行新股	26	16,492	13,473	–	29,965
Issue of convertible notes	發行可換股債券	29	–	6,450	–	6,450
Total transactions with shareholders	與股東交易總額		16,492	19,965	–	36,457
At 31 December 2020	於二零二零年十二月三十一日		181,406	346,824	109,297	637,527

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes. 以上綜合權益變動表應與相關附註一併閱讀。

CONSOLIDATED CASH FLOW STATEMENT**綜合現金流量表**

FOR THE YEAR ENDED 31 DECEMBER 2020 截至二零二零年十二月三十一日止年度

		Note 附註	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	31(i)(a)	(121,248)	226,291
Income tax paid	已付所得稅		(1,402)	(8,162)
Net cash (used in)/generated from operating activities	經營活動(所用)/產生之現金淨額		(122,650)	218,129
Investing activities	投資活動			
Interest received	已收利息		499	1,848
Acquisition of property, plant and equipment	購置物業、廠房及設備		(3,605)	(26,397)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備收款	31(i)(b)	16,685	70,805
Proceeds from disposal of subsidiaries	出售附屬公司收款		–	19,815
Proceeds from disposal of interest in a joint venture	出售合營企業權益收款		403	–
Decrease in pledged bank deposits	已抵押銀行存款減少		–	174,248
Net cash generated from investing activities	投資活動產生之現金淨額		13,982	240,319
Financing activities	融資活動			
Payment of interest on bank loans	已付銀行貸款利息		–	(3,416)
Proceeds from bank loans	銀行貸款之收款		–	27,964
Repayment of bank loans	償還銀行貸款		–	(219,155)
Proceeds from issue of convertible notes	發行可換股債券所得款項		28,633	–
Proceeds from issue of new shares	發行新股所得款項		29,965	–
Principal element of lease payments	租賃付款之本金部份		(12,666)	(253,061)
Interest element of lease payments	租賃付款之利息部份		(1,412)	(17,930)
Net cash generated from/(used in) financing activities	融資活動產生/(所用)之現金淨額		44,520	(465,598)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(64,148)	(7,150)
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	匯率變動影響		6,422	695
Cash and cash equivalents as at 31 December	於十二月三十一日之現金及現金等價物	22	124,567	182,293

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

以上綜合現金流量表應與相關附註一併閱讀。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 GENERAL INFORMATION

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and disclosure requirements of Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

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

1 一般資料

達芙妮國際控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）主要於中國大陸從事鞋類產品及配件的分銷、零售及授權許可業務。

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。

除另有註明外，此綜合財務報表以港元（「港元」）列值。

2 主要會計政策

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

2.1 編製基準

本集團綜合財務報表乃按照所有適用香港財務報告準則（「香港財務報告準則」）和香港公司條例第622章的披露要求而編製。綜合財務報表乃按歷史成本法編製。

編製符合香港財務報告準則之綜合財務報表需要運用若干關鍵會計估計。管理層亦須在應用本集團會計政策時作出判斷。涉及較高程度判斷或複雜性的領域，或假設及估計對綜合財務報表具有重大意義的領域於附註4披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(i) Going concern basis

During the year ended 31 December 2020, the Group recorded a loss of HK\$241,725,000, a net cash used in operating activities of HK\$122,650,000 and a net decrease in cash and cash equivalents of HK\$64,148,000. During the year, the Group raised HK\$58,598,000 from the issuance of new shares and convertible notes. As at 31 December 2020, the Group had cash and cash equivalents of HK\$124,567,000.

The Group's retail operation was affected by the COVID-19 pandemic in 2020. Although most of the Group's stores across the country gradually reopened since April 2020, the retail market remained gloomy amid weak consumer sentiments. In addition, the Group continued with the strategic transformation of its business by switching over to the asset-light business model. The Group is withdrawing from the business of retailing at physical stores and has started to adopt a strategy to mainly focus on the development of its licensing business in late 2020.

In view of the above 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.

2 主要會計政策(續)

2.1 編製基準(續)

(i) 持續經營的基準

於截至二零二零年十二月三十一日止年度，本集團錄得虧損241,725,000港元、經營活動所用之現金淨額122,650,000港元，以及現金及現金等價物減少淨額64,148,000港元。年內，本集團自發行新股及可換股債券籌得58,598,000港元。於二零二零年十二月三十一日，本集團擁有現金及現金等價物124,567,000港元。

本集團的零售業務於二零二零年受到新冠病毒疫情所影響。儘管本集團於全國各地的大部分店舖已自二零二零年四月起逐步重開，但零售市場在消費氣氛疲弱下仍然低迷。此外，本集團繼續進行策略性轉型，將業務轉型至輕資產業務模式。本集團撤出實體零售業務，並於二零二零年年末開始採納主力發展其授權許可業務之策略。

鑑於上述情況，本公司董事已仔細考慮本集團未來的流動資金要求及經營表現，以及其可用融資來源，以評估本集團是否具備足夠財務資源持續經營業務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(i) Going concern basis (Continued)

The management have, during the year and up to the date of the approval of these consolidated financial statements, taken the following measures and plans to ensure the Group will have sufficient working capital in the next twelve months:

- (a) In December 2020 and January 2021, the Group entered into agreements to dispose of a subsidiary and a property classified under assets held-for-sale, respectively, with carrying value of HK\$27,807,000 at an aggregate consideration of HK\$156,230,000, out of which HK\$72,246,000 has been collected subsequent to the year end date. The balance of the consideration of HK\$83,984,000 is scheduled under the sale and purchase agreements to be collected by the Group upon completion of administrative procedures with relevant authorities in the first half of 2021. The Group also intends to further dispose certain of its non-core properties with a carrying value of approximately HK\$29,115,000 in 2021 in an effort to enhance its liquidity position.
- (b) The Group continued its efforts to implement various measures to improve the operating results and cash flows. The Group will focus more on its licensing business to improve its operational leverage and continue to restructure its operation to reduce operating cost.
- (c) The Group continues to look for additional sources of financing to enhance its financial position.

The directors of the Company have reviewed the Group's cash flow projections which cover a period of not less than twelve months from 31 December 2020. The directors consider that the Group, after taking into account, the collection of the sales proceeds from the disposal of the subsidiary and the property in the expected timeframe, the possible improvement in its operating performance and the financial resources available to the Group, will have sufficient financial resources to meet its financial obligations as and when they fall due in the coming twelve months from 31 December 2020. Accordingly, the directors considered it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis.

2 主要會計政策 (續)

2.1 編製基準 (續)

(i) 持續經營的基準 (續)

於年內及直至批准此等綜合財務報表日期，管理層已採取以下措施及計劃，以確保本集團於未來十二個月擁有足夠營運資金：

- (a) 於二零二零年十二月及二零二一年一月，本集團訂立協議以出售賬面值為27,807,000港元的一家附屬公司及一項分類為持作出售之資產的物業，總代價為156,230,000港元，其中已於年結日後收取72,246,000港元。根據買賣協議，當完成有關當局的行政步驟，本集團訂於二零二一年上半年收取代價餘額83,984,000港元。本集團亦擬於二零二一年進一步出售賬面值約為29,115,000港元的若干非核心物業，以改善其流動資金狀況。
- (b) 本集團繼續致力實施不同措施以改善經營業績及現金流。本集團將更著重於經營其授權許可業務，以改善經營槓桿及繼續重整營運架構，降低經營成本。
- (c) 本集團繼續尋找額外融資來源以提升其財務狀況。

本公司董事已審閱本集團之現金流量預測，有關預測所涵蓋之期間不短於自二零二零年十二月三十一日起計十二個月。考慮到本集團於預期時間內收到出售附屬公司及物業之銷售所得款項、營運表現之可能改善以及可動用之財務資源，董事認為本集團將有足夠財務資源應付其自二零二零年十二月三十一日起計未來十二個月內到期的財務責任。因此，董事認為按持續經營基準編製本集團的綜合財務報表乃屬合適。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(ii) New and amended standards adopted by the Group

The Group has applied the following new and amended standards for the first time for their annual reporting period commencing 1 January 2020:

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
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

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

(iii) New and amended standards not yet adopted

Certain new and amended standards have been published that are not mandatory for the 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ¹
Amendments to HKFRS 16	Covid-19 Related Rent Concessions ¹
Amendments to Annual Improvement Project	Annual Improvements to HKFRSs 2018-2020 ²
Amendments to HKFRS 3, HKAS 16 and HKAS 37	Narrow-scope Amendments ²
Amendments to HKAS 1 and HKFRS 17	Classification of Liabilities as Current or Non-current ³ Insurance Contracts ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for the Group for annual periods beginning on or after 1 January 2021

² Effective for the Group for annual periods beginning on or after 1 January 2022

³ Effective for the Group for annual periods beginning on or after 1 January 2023

⁴ Effective date is to be determined

2 主要會計政策(續)

2.1 編製基準(續)

(ii) 本集團採納之新準則及準則之修訂

本集團已於二零二零年一月一日開始之年度報告期間首次應用下列新準則及準則之修訂：

香港會計準則第1號及第8號之修訂	重要的定義
香港財務報告準則第3號之修訂	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號之修訂	利率基準改革
二零一八年財務報告概念框架	經修訂財務報告概念框架

採納上述新準則及準則之修訂並無對本集團會計政策造成任何重大影響。

(iii) 尚未採納之新準則及準則之修訂

本集團並無提早採納已頒佈但於二零二零年十二月三十一日報告期間尚未強制生效之若干新準則及準則之修訂。該等準則預計不會在當期或未來報告期間對本集團以及對可預見的未來交易產生重大影響。

香港會計準則第39號、香港財務報告準則第4號、第7號、第9號及第16號之修訂	利率基準改革 – 第二階段 ¹
香港財務報告準則第16號之修訂	新冠病毒疫情相關租金減免 ¹
年度改進項目之修訂	二零一八年至二零二零年週期之香港財務報告準則年度改進 ²
香港財務報告準則第3號、香港會計準則第16號及第37號之修訂	小範圍修訂 ²
香港會計準則第1號之修訂	將負債分類為流動或非流動 ³
香港財務報告準則第17號	保險合同 ³
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合資企業之間的資產出售或注資 ⁴

¹ 於二零二一年一月一日或之後開始之年度期間對本集團生效

² 於二零二二年一月一日或之後開始之年度期間對本集團生效

³ 於二零二三年一月一日或之後開始之年度期間對本集團生效

⁴ 生效日期有待公佈

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation

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

(i) Subsidiaries

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

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

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

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

2 主要會計政策(續)

2.2 綜合賬目

綜合財務報表包括本公司及其所有附屬公司截至十二月三十一日止之財務報表。

(i) 附屬公司

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES
(CONTINUED)

2.2 Consolidation (Continued)

(i) Subsidiaries (Continued)

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

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

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

2 主要會計政策(續)

2.2 綜合賬目(續)

(i) 附屬公司(續)

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(ii) Associates and joint arrangements

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

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

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

The Group assesses at each balance sheet date whenever events or changes in circumstances indicate that the carrying amount may not be recoverable that the investments in the associates and joint arrangements are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint arrangement and its carrying value and recognises the amount adjacent to "share of losses of associates and joint ventures" in the consolidated income statement.

2 主要會計政策 (續)

2.2 綜合賬目 (續)

(ii) 聯營公司及合營安排

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

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

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

本集團會於各個結算日評估是否有事件或情況轉變顯示可能無法收回賬面值，致使於聯營公司及合營安排的投資出現減值。如存在該情況，本集團將減值金額計算為聯營公司或合營安排可收回金額與其賬面值的差額及在綜合收益表內「應佔聯營公司及合營企業虧損」確認相關金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(ii) Associates and joint arrangements (Continued)

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

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

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

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

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

2 主要會計政策(續)

2.2 綜合賬目(續)

(ii) 聯營公司及合營安排(續)

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

聯營公司股權攤薄的收益或虧損於綜合收益表內確認。

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.3 Separate financial statements

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

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

2.4 Segment reporting

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

2.5 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2 主要會計政策 (續)

2.3 獨立財務報表

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

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

2.4 分部報告

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

2.5 外幣換算

(i) 功能及呈報貨幣

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

(ii) 交易及結餘

外幣交易乃以交易或估值(如項目重新計量)日期之匯率換算為功能貨幣。結算該等交易及按年結日之匯率換算以外幣計值之貨幣資產及負債產生之匯兌收益及虧損一般於綜合收益表確認。

按公平價值計量並以外幣計值之非貨幣性項目乃使用釐定公平價值當日之匯率換算。按公平價值計量之資產及負債之匯兌差額作為公平價值收益或虧損的一部分列報,例如按公平價值計入損益的非貨幣性資產及負債(如所持權益)之匯兌差額會作為公平價值收益或虧損的一部分於損益確認,而分類為按公平價值計入其他全面收益之非貨幣性資產(如股票)之匯兌差額則於其他全面收益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.5 Foreign currency translation (Continued)

(iii) Group companies

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

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

Currency translation differences arising from foreign operations may be reclassified subsequently to profit or loss; while currency translation differences arising from non-foreign operations are not reclassified subsequently to profit or loss.

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

2 主要會計政策(續)

2.5 外幣換算(續)

(iii) 集團公司

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.5 Foreign currency translation (Continued)

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the group's ownership interest in associates or joint ventures that do not result in the group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2.6 Property, plant and equipment

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

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

2 主要會計政策 (續)

2.5 外幣換算 (續)

(iv) 出售海外業務及部分出售

於出售海外業務 (即出售集團於一項海外業務之全部權益, 或涉及失去包含海外業務之附屬公司控制權之出售, 或涉及失去包含海外業務之合營企業共同控制權之出售, 或涉及失去對包含海外業務之聯營公司重大影響力之出售) 時, 就公司擁有人應佔的該業務於權益累計之所有匯兌差額會重新分類至損益。

倘部分出售不會導致集團失去對包含海外業務之附屬公司之控制權, 則按比例分佔之累計匯兌差額會重新撥至非控制性權益及不會於損益確認。就所有其他部分出售 (即集團於聯營公司或合營企業之擁有權權益減少, 但並無導致集團失去重大影響力或共同控制權) 而言, 按比例分佔之累計匯兌差額會重新分類至損益。

2.6 物業、廠房及設備

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment (Continued)

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

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

2.7 Investment properties

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

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

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

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

2 主要會計政策(續)

2.6 物業、廠房及設備(續)

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

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

於各個結算日，本集團會檢討資產之剩餘價值及可使用年期，並作出適當調整。

倘資產之賬面值超過其估計可收回金額，則即時撇減其賬面值至其可收回金額(附註2.8)。

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

2.7 投資物業

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.7 Investment properties (Continued)

The residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying amounts of assets are reviewed regularly. An investment property's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

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

2.8 Impairment of non-financial assets

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

2.9 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

2 主要會計政策 (續)

2.7 投資物業 (續)

於各個結算日，本集團會檢討剩餘價值及可使用年期，並作出適當調整，並定期檢討資產之賬面值。倘一項投資物業之賬面值超過其估計可收回金額，則即時撇減其賬面值至其可收回金額(附註2.8)。

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

2.8 非金融資產減值

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

2.9 持作出售的非流動資產(或出售組別)

非流動資產(或出售組別)如果其賬面金額可被收回，主要通過銷售交易而非持續使用，以及視為極有可能出售，則歸類為持作出售。其按賬面值及公平價值減銷售成本的較低者計量，而遞延稅項資產、僱員福利產生的資產及金融資產等按公平價值列賬的資產及保險合約項下的合約權利指明豁免此要求者除外。

減值虧損乃按資產(或出售集團)初始或其後撇減至公平價值減出售成本確認。資產(或出售集團)之公平價值減出售成本其後如有增加，則確認為收益，但不會超出先前確認之任何累計減值虧損。先前未有按非流動資產(或出售集團)出售之日確認之收益或虧損於終止確認當日確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.9 Non-current assets (or disposal groups) held-for-sale (Continued)

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale continue to be recognised.

Non-current assets classified as held-for-sale and the assets of a disposal group classified as held-for-sale are presented separately from the other assets in the consolidated balance sheet. The liabilities of a disposal group classified as held-for-sale are presented separately from other liabilities in the consolidated balance sheet.

2.10 Investments and other financial assets

(i) Classification

The Group classifies its financial assets as 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 flow.

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

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 主要會計政策(續)

2.9 持作出售的非流動資產(或出售組別)(續)

非流動資產(包括屬於出售組別的資產)在分類為持作出售時不會折舊或攤銷。分類為持作出售的出售組別的負債所產生的利息及其他開支繼續確認。

分類為持作出售的非流動資產和分類為持作出售的出售組別的資產與綜合資產負債表中的其他資產分開列示。分類為持作出售的出售組別的負債與綜合資產負債表中的其他負債分開列示。

2.10 投資和其他金融資產

(i) 分類

本集團將其金融資產分類為按攤銷成本計量的金融資產。

分類取決於實體管理金融資產的業務模式和現金流的合同條款。

當且僅當其管理這些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。

(ii) 確認及終止確認

金融資產之常規買賣於買賣日期確認，買賣日期即本集團承諾買賣資產之日期。自投資收取現金流量之權利屆滿或轉讓，且本集團已轉讓所有權絕大部分風險及回報時，將會終止確認金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and other financial assets (Continued)

(iii) 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 “FVPL”, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. The Group classified its debt instruments as financial assets at amortised cost.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in “other losses – net” together with foreign exchange gains and losses.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

2 主要會計政策 (續)

2.10 投資和其他金融資產 (續)

(iii) 計量

於初步確認時，本集團按其公平價值計量金融資產，如果金融資產並非按公平價值計入損益（「按公平價值計入損益」），則加上直接歸屬於收購該金融資產的交易成本。按公平價值計入損益的金融資產的交易成本乃於損益支銷。

在確定其現金流量是否僅為本金和利息支付時，會考慮具有嵌入式衍生工具的金融資產。

債務工具的後續計量取決於本集團管理資產的業務模式及資產的現金流量特徵。本集團將其債務工具分類為按攤銷成本計量的金融資產。

為收取合同現金流而持有的資產，如果該等現金流僅代表本金和利息的支付，則按攤銷成本計量。這些金融資產的利息收入採用實際利率法計入其他收入。終止確認產生的任何收益或虧損直接計入損益，並以「其他虧損－淨額」連同匯兌收益及虧損列賬。

(iv) 減值

本集團以前瞻性基準評估與按攤銷成本列賬的債務工具相關的預期信貸虧損。所採用的減值方法取決於信貸風險是否顯著增加。

就貿易及其他應收賬款而言，本集團採用香港財務報告準則第9號所准許的簡化方法，該方法規定預期全期虧損將於初步確認應收賬款時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.11 Convertible notes

Convertible notes that can be converted into equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received do not vary, are accounted for as compound financial instruments, which contain both a liability component and an equity component.

At initial recognition the liability component of the convertible notes is determined using a market interest rate for an equivalent non-convertible instrument. The remainder of the proceeds is allocated to the conversion option as equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost, calculated using the effective interest method, until extinguished on conversion or maturity. The equity component is recognised in equity, net of any tax effects, until either the notes are converted or redeemed.

If the notes are converted, the relevant equity component and the carrying amount of the liability component at the time of conversion are transferred to share capital and share premium for the shares issued. If the notes are redeemed, the equity component is transferred to retained profits.

2.12 Offsetting financial instruments

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

2.13 Inventories

Finished goods are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2 主要會計政策(續)

2.11 可換股債券

可由持有人選擇轉換為權益股本而於轉換時發行之股份數目及所收到代價之價值並無變動之可換股債券，乃作為包含負債部分及權益部分之複合金融工具列賬。

於初始確認時，可換股債券之負債部分使用對等之非可換股工具之市場利率釐定。所得款項餘額乃作為權益部分分配至換股權。與發行複合金融工具相關之交易成本按所得款項之分配比例分配至負債及權益部分。

負債部分其後按攤銷成本列賬，並按實際利率法計算，直至轉換或到期為止。權益部分則於債券被轉換或贖回前並扣除任何稅務影響後，於權益確認。

倘債券獲轉換，相關權益部分及負債部分於轉換時之賬面值會就所發行股份轉撥至股本及股份溢價賬。倘債券獲贖回，則權益部分會轉撥至保留盈利。

2.12 抵銷金融工具

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

2.13 存貨

製成品按成本值或可變現淨值兩者之較低者入賬。成本值按加權平均法計算。可變現淨值按日常業務之估計售價減適用之不定額銷售開支釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.14 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 2.10 for further information about the Group's accounting for trade and other receivables for a description of the Group's impairment policies.

2.15 Cash and cash equivalents

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

2.16 Share capital

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

2.17 Trade and other payables

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

2.18 Current and deferred income taxes

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

(i) Current income tax

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

2 主要會計政策 (續)

2.14 貿易及其他應收賬款

貿易應收賬款是指客戶在正常業務過程中銷售貨品或提供服務的款項。

貿易及其他應收賬款初步按無條件代價金額確認，除非其包含重大融資成分，並按公平價值確認。本集團持有貿易及其他應收賬款，目的是收取合約現金流量，因此其後採用實際利率法按攤銷成本計量。有關本集團貿易及其他應收賬款會計處理的進一步資料，以及本集團減值政策的描述，請參閱附註2.10。

2.15 現金及現金等價物

現金及現金等價物包括手頭現金及原訂於三個月或以內到期之金融機構活期存款。

2.16 股本

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

2.17 貿易及其他應付賬款

貿易及其他應付賬款首先按公平價值確認，其後以實際利率法按攤銷成本計量。

2.18 即期及遞延所得稅項

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

(i) 即期所得稅

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES
(CONTINUED)

2.18 Current and deferred income taxes (Continued)

(ii) Deferred income tax

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

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(iii) Offsetting

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

2 主要會計政策(續)

2.18 即期及遞延所得稅項(續)

(ii) 遞延所得稅項

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

遞延所得稅項資產按可能出現可用作抵銷暫時差額之日後應課稅盈利之程度來確認。

倘本集團有能力控制暫時差額之撥回時間且有關差額在可見將來很可能不會撥回，則不會就海外業務投資之賬面值與稅基之間的暫時差額確認遞延稅項負債及資產。

(iii) 抵銷

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.19 Employee benefits

(i) Bonus plans

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

(ii) Pension obligations

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

(iii) Share-based compensation

Equity-settled share-based payment transactions

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

2 主要會計政策(續)

2.19 僱員福利

(i) 花紅計劃

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

(ii) 退休金責任

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

(iii) 以股份為基礎之補償

以權益結算以股份為基礎之付款交易

本集團推行一項以權益結算以股份為基礎之補償計劃，據此，僱員向本集團提供服務以作為獲授本集團股本工具（購股權）之代價。授出購股權而取得僱員服務之公平價值乃確認為開支。於歸屬期內列作開支之總金額乃參照已授出購股權之公平價值釐定，包括任何市場表現條件，但不包括任何非市場服務及表現歸屬條件（例如盈利能力、銷售增長目標及挽留本集團僱員留任超過一段特定期間）以及任何非歸屬條件（例如要求僱員保留購股權之規定）之影響。非市場歸屬條件包括在預期可予歸屬之購股權數目之假設。支銷總金額於歸屬期間內確認，即達成所有規定歸屬條件之期間。於各結算日，本集團會根據非市場歸屬條件修訂可予歸屬之購股權數目之估計，並於綜合收益表確認修訂原來估計數字（如有）之影響，以及對權益作相應調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES
(CONTINUED)

2.19 Employee benefits (Continued)

(iii) Share-based compensation (Continued)

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

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

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

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

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

Cash-settled share-based payment transactions

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

2 主要會計政策(續)

2.19 僱員福利(續)

(iii) 以股份為基礎之補償(續)

*以權益結算以股份為基礎之付款交易
(續)*

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

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

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

未行使購股權的攤薄影響(如有)反映為計算每股盈利的額外股份攤薄。

以現金結算以股份為基礎之付款交易

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.19 Employee benefits (Continued)

(iv) Termination benefits

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

(v) Employee leave entitlements

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

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

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of economic resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

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

2 主要會計政策 (續)

2.19 僱員福利 (續)

(iv) 辭退福利

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

(v) 僱員假期權利

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

直至放取假期時才確認僱員享有病假及產假的權利。

2.20 撥備

倘本集團因過往事件而須承擔現有法定或推定責任，而履行該責任時有可能涉及經濟資源流失，並能可靠地衡量涉及金額，則確認有關撥備。不會就未來經營虧損確認撥備。

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.21 Revenue recognition

(i) 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.

A contract liability for sale of goods to wholesaler is recognised if the measure of the remaining performance obligation exceeds the measure of the remaining rights to payments from customers.

(ii) 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.

(iii) Sale of goods – customer loyalty programme (deferred revenue)

The Group operates a loyalty programme where customers accumulate points for purchases made which entitle them to discounts on future purchases. A contract liability for the award points is recognised at the time of sale. Revenue is recognised when the points are redeemed or when they expire 12 months after the initial sale.

A contract liability is recognised until the points are redeemed or expired.

(iv) Licensing fee income

Licensing fee income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

2.22 Government subsidies

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

2 主要會計政策(續)

2.21 收益確認

(i) 銷售貨品－批發

銷售於貨品之控制權轉移時確認，即貨品送抵客戶，而客戶對產品銷售之渠道及價格有完全決定權，且不存在可能影響客戶對產品接收的未履行義務時予以確認。

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

向批發商銷售貨物而言，倘餘下履約責任之計量超出餘下向客戶收取付款權利之計量，則會確認合約負債。

(ii) 銷售貨品－零售

銷售貨品收益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。

(iii) 銷售貨品－顧客忠誠度計劃(遞延收益)

本集團設有顧客忠誠度計劃，顧客可根據計劃累積購物積分，以於日後購物時享有折扣。有關獎勵積分的合約負債於銷售之時確認。收益於積分獲兌換或當積分於首次銷售後十二個月到期時確認。

合約負債會予確認，直至積分獲兌換或到期為止。

(iv) 許可權費收入

許可權費收入根據有關協議規定按累算基準確認。

2.22 政府補貼

政府補助於有合理保證會收到補貼並且所有附加條件均獲遵守之情況下按其公平價值確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.23 Interest income

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

2.24 Leases

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

2 主要會計政策 (續)

2.23 利息收入

利息收入按實際利率法按時間比例確認。當一筆應收款項出現減值時，本集團將賬面金額減至其可收回金額，即按該金融工具原實際利率貼現的估計未來現金流量，並繼續將折現解除作為利息收入。減值貸款的利息收入按原實際利率確認。

2.24 租賃

租賃在租賃資產可供本集團使用當日確認為使用權資產和相應負債。

合同可能同時包含租賃和非租賃組成部分。本集團基於各租賃與非租賃組成部分的單獨價格相對比例分攤合同對價。不過，對於本集團作為承租人的房地產租賃，本集團已選擇不拆分租賃與非租賃組成部分，而是將其作為一項單一的租賃組成部分進行會計處理。

租賃產生的資產和負債按現值進行初始計量。租賃負債包括以下租賃付款額的淨現值：

- 固定付款額（包括實質固定付款額），扣除任何應收的租賃激勵；
- 基於指數或比率確定的可變租賃付款額，採用租賃期開始日的指數或比率進行初始計量；
- 本集團根據餘值擔保預計應付的金額；
- 本集團合理確定將行使的購買選擇權的行權價格；及
- 在租賃期反映出本集團將行使選擇權的情況下終止租賃的罰款金額。

當本集團合理確定將行使續租選擇權時，租賃付款額也納入負債的計量中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES
(CONTINUED)

2.24 Leases (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment.

Rental income from operating leases where the Group is a lessor is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as rental income.

2 主要會計政策(續)

2.24 租賃(續)

租賃付款額按租賃內含利率折現。本集團的租賃內含利率通常無法直接確定，在此情況下，應採用承租人的增量借款利率，即承租人在類似經濟環境下獲得與使用權資產價值接近的資產，在類似期間以類似抵押條件借入資金而必須支付的利率。

為確定增量借款利率，本集團以個別承租人最近收到的第三方融資為起點，並進行調整以反映融資條件自收到第三方融資後的變化。

租賃付款額在本金和融資費用之間進行分攤。融資費用在租賃期內計入損益，以按照固定的週期性利率對各期間負債餘額計算利息。

使用權資產按成本計量，包括：

- 租賃負債的初始計量金額；
- 在租賃期開始日或之前支付的租賃付款額扣除收到的租賃激勵；
- 初始直接費用；及
- 復原成本。

使用權資產一般在資產的使用壽命與租賃期兩者孰短的期間內按直線法計提折舊。如本集團合理確定會行使購買權，則在標的資產的使用壽命期間內對使用權資產計提折舊。

與低價值資產租賃相關的付款額按直線法確認為費用，計入損益。短期租賃是指租賃期為十二個月或者少於十二個月的租賃。低價值資產包括辦公設備。

本集團作為出租人收到經營租賃之租金收入在租賃期內按直線法確認。為獲取經營租賃所發生的初始直接費用計入標的資產的賬面金額，並在租賃期內按照與租金收入相同的基礎確認為費用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.25 Dividend distribution

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, cash flow and fair value interest rate risk, credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect on the Group's financial performance. The use of financial derivatives to manage certain risk exposures should be approved by the board of directors.

(i) Foreign exchange risk

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

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

As at 31 December 2020, if the RMB had strengthened/weakened by 5% against the HK\$ with all other variables held constant, the loss for the year would have increased/decreased by approximately HK\$2,688,000 (2019: HK\$646,000) as a result of the translation of HK\$ denominated cash and bank balances and payables.

(ii) Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk mainly arising from bank deposits bearing interest at floating rates and the interest income of which was not material during the year.

2 主要會計政策(續)

2.25 股息分派

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

3 財務風險管理

3.1 財務風險因素

本集團業務面對多項財務風險：外匯風險、現金流量及公平價值利率風險、信貸風險及流動資金風險。本集團之整體風險管理針對金融市場之難以預測性，並尋求減低對本集團財務表現構成之潛在不利影響。使用金融衍生工具管理若干風險需由董事會批准。

(i) 外匯風險

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

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

於二零二零年十二月三十一日，若人民幣兌港元升值／貶值5%，在所有其他可變動因素維持不變下，由於換算港元計值之現金及銀行結餘及應付賬款，年內虧損將增加／減少約2,688,000港元(二零一九年：646,000港元)。

(ii) 現金流量利率風險

本集團所承擔之現金流量利率風險主要來自按浮動利率計息之有息銀行存款及年內利息收入並不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT
(CONTINUED)

3.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

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

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

Rental deposits are mainly placed with various landlords in Mainland China and are due to refund upon the expiry of the tenancy agreements and handover of the leased premises. In accordance with expected credit loss, the Group has recognised a loss allowance.

As at 31 December 2020 and 2019, substantially all the Group's cash and cash equivalents are placed with registered financial institutions located in Mainland China, Taiwan and Hong Kong which are of acceptable credit quality based on management's assessment. The Group has a policy to limit the credit exposure to any financial institution and management does not expect any significant loss arising from non-performance of these counterparties.

Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Deposits and other receivables

3 財務風險管理(續)

3.1 財務風險因素(續)

(iii) 信貸風險(續)

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

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

租金按金主要給予中國大陸之多名業主，並於租賃協議屆滿及交還租賃物業時可予退還。本集團已根據預期信貸虧損確認虧損撥備。

於二零二零年及二零一九年十二月三十一日，本集團絕大部份現金及現金等價物乃存放於中國大陸、台灣及香港之註冊金融機構，而根據管理層之評估，該等機構之信貸質素屬可接納。本集團有政策限制其承受任何金融機構之信貸風險，管理層並不預期會承擔該等交易對手不履約所產生的任何損失。

金融資產減值

本集團以下類別之金融資產須受預期信貸虧損模型規限：

- 貿易應收賬款
- 按金及其他應收賬款

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

Impairment of financial assets (Continued)

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on the ageing and shared credit risk characteristics. The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the lifetime expected credit loss allowance as at 31 December 2020 and 31 December 2019 was determined as follows:

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(iii) 信貸風險 (續)

金融資產減值 (續)

本集團採用香港財務報告準則第9號簡化法計量預期信貸虧損，即對所有貿易應收賬款確認全期預期虧損撥備。

為計量預期信貸虧損，貿易應收賬款已根據賬齡和共同信貸風險特徵分組。預期信用損失率基於二零二零年十二月三十一日前24個月內銷售的支付情況以及期間發生的相應歷史信用損失確定。歷史信用損失率已作出調整，以反映影響客戶支付應收款能力的當前和前瞻性宏觀經濟因素資訊。

按此基準，於二零二零年十二月三十一日及二零一九年十二月三十一日之全期預期信貸虧損撥備釐定如下：

		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-180 days past due	Over 181 days past due	Total
		即期	逾期1至30日	逾期31至60日	逾期61至90日	逾期91至180日	逾期超過181日	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
As at 31 December 2020	於二零二零年十二月三十一日							
Gross carrying amount	總賬面值	8,991	3,151	5,449	3,551	792	27,501	49,435
Loss allowance	虧損撥備	(1)	(8)	(27)	(25)	(52)	(25,071)	(25,184)
Expected credit loss rate	預期信貸虧損率	0%*	0%*	0%*	1%	7%	91%	
As at 31 December 2019	於二零一九年十二月三十一日							
Gross carrying amount	總賬面值	24,334	10,972	9,762	12,324	8,868	13,716	79,976
Loss allowance	虧損撥備	-	(1)	(10)	(317)	(1,991)	(12,782)	(15,101)
Expected credit loss rate	預期信貸虧損率	0%	0%*	0%*	3%	22%	93%	

* Rounded to zero

* 約整至零

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT
(CONTINUED)

3.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

Impairment of financial assets (Continued)

The movements in loss allowance for trade receivables are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	15,101	9,661
Exchange adjustment	匯兌調整	1,154	(327)
Increase in loss allowance recognised in profit or loss during the year	年內在損益中確認的虧損撥備增加	8,929	5,767
At 31 December	於十二月三十一日	25,184	15,101

Other financial assets at amortised cost mainly include deposits and other receivables. Management applies the general approach and records either 12-month expected credit loss or lifetime expected loss, 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 expected credit loss. As at 31 December 2020, the loss allowance balance for expected credit loss assessed by management on the other receivables was HK\$28,497,000 (2019: Nil) and was recognised an impairment loss in profit or loss.

While cash and bank balances are also subject to the impairment requirements of HKFRS 9, the identified impairment loss by management was determined to be immaterial as at 31 December 2020 and 31 December 2019.

3 財務風險管理(續)

3.1 財務風險因素(續)

(iii) 信貸風險(續)

金融資產減值(續)

貿易應收賬款虧損撥備變動如下：

按攤銷成本計量的其他金融資產主要包括按金及其他應收賬款。管理層應用一般方法，並視乎信貸風險自初始確認以來有否顯著增加而按十二個月預期信貸虧損或全期預期虧損入賬。倘應收賬款之信貸風險自初始確認以來顯著增加，則減值按全期預期信貸虧損計量。於二零二零年十二月三十一日，管理層就其他應收賬款評估預期信貸虧損之虧損撥備結餘為28,497,000港元(二零一九年：無)，並於損益確認為減值虧損。

儘管現金及銀行結餘亦須符合香港財務報告準則第9號之減值規定，管理層應為於二零二零年十二月三十一日及二零一九年十二月三十一日之已識別減值虧損並不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(iv) Liquidity risk

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

Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

The Group recorded a loss of HK\$241,725,000 (2019: HK\$1,096,426,000) and a net cash used in operating activities of HK\$122,650,000 (2019: net cash generated from operating activities of HK\$218,129,000) for the year ended 31 December 2020. As at 31 December 2020, the Group had cash and cash equivalents of HK\$124,567,000 (2019: HK\$182,059,000).

In view of the above, 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 plans and measures undertaken to mitigate the liquidity pressure and to improve the financial position of the Group are summarised in Note 2.1(i).

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant as at 31 December 2020.

3 財務風險管理(續)

3.1 財務風險因素(續)

(iv) 流動資金風險

審慎的流動資金風險管理意味著維持足夠之現金及從充足的承諾信貸額度獲得資金。

管理層監控本集團流動資金需求的滾動預測，以確保其擁有足夠現金以應付業務需求。

截至二零二零年十二月三十一日止年度，本集團錄得虧損241,725,000港元(二零一九年：1,096,426,000港元)及經營活動所用的現金淨額122,650,000港元(二零一九年：經營活動產生的現金淨額218,129,000港元)。於二零二零年十二月三十一日，本集團的現金及現金等價物為124,567,000港元(二零一九年：182,059,000港元)。

鑑於上述情況，本公司董事已仔細考慮本集團未來的流動資金需求及經營表現，以及其可用融資來源，以評估本集團是否有足夠財務資源繼續作為持續經營。用以減輕流動資金壓力和改善本集團財務狀況的計劃及措施概要載於附註2.1(i)。

下表為基於結算日至合約到期日之剩餘期間撥至相關到期組別之本集團金融負債分析。該表披露之金額乃合約非貼現現金流量。於二零二零年十二月三十一日，由於貼現影響並不重大，於十二個月內到期之結餘與其賬面結餘相同。

		Within 1 year 一年內 HK\$'000 千港元	Between 1 and 5 years 一至五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2020	於二零二零年十二月三十一日			
Trade payables	貿易應付賬款	69,201	-	69,201
Other payables	其他應付賬款	55,108	-	55,108
Lease liabilities	租賃負債	2,988	-	2,988
Convertible notes	可換股債券	-	38,689	38,689
		127,297	38,689	165,986
At 31 December 2019	於二零一九年十二月三十一日			
Trade payables	貿易應付賬款	138,700	-	138,700
Other payables	其他應付賬款	118,751	-	118,751
Lease liabilities	租賃負債	27,138	21,687	48,825
		284,589	21,687	306,276

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Fair value estimation of financial instruments

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

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

Details of the fair value of the investment properties are disclosed in Note 15.

3.3 Capital risk management

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

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

As at 31 December 2020, the Group had a net cash (2019: net cash) position (the balance of cash and cash equivalents exceeded the aggregate balances of bank loans, lease liabilities and convertible notes by approximately HK\$97,579,000 (2019: HK\$136,203,000)).

3 財務風險管理(續)

3.2 金融工具之公平價值估計

按公平價值列賬之金融工具乃根據以下界定之公平價值層級計量：

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

投資物業之公平價值詳情於附註15披露。

3.3 資本風險管理

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

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

於二零二零年十二月三十一日，本集團擁有淨現金(二零一九年：淨現金)狀況(現金及現金等價物結餘超出銀行貸款、租賃負債及可換股債券總結餘約97,579,000港元(二零一九年：136,203,000港元))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

4.1 Net realisable value of inventories

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

4.2 Income tax

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

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

4 重要會計估計及判斷

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

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

4.1 存貨之可變現淨值

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

4.2 所得稅

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

4.3 Impairment of property, plant and equipment, investment properties and right-of-use assets

At each reporting date or whenever a change in circumstances occurs, both internal and external sources of information are considered to assess whether there is an indication that assets are impaired. If such an indication exists, the recoverable amount of the asset is estimated using fair value less costs of disposal and/or value in use calculations as appropriate. If the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised to reduce the asset to its recoverable amount.

5 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in distribution, retailing and licensing of footwear products and accessories in Mainland China.

CODM has been identified as the executive directors of the Company.

In previous years, the directors assessed the performance of the business from a business unit perspective and presented the segment information by three operating segments, i.e. Core Brands Business, Other Brands Business and Manufacturing Business.

During the year ended 31 December 2020, along with the business transformation, the Group has changed the structure of its internal organisation which caused the change of the recognition of its reportable segments from three operating segments to one operating segment. Information reported to the executive directors, for the purposes of resources allocation and assessment of performance, focused specifically on the revenue analysis by category and the profit or loss of the Group as a whole. Hence, the directors considered that the Group has only one reportable segment. Comparative financial information for the year ended 31 December 2019 has been restated following this change in presentation of segment information.

The Group's brands business and e-commerce business represent the distribution and retailing of footwear products through offline and online channels, respectively, in Mainland China.

Most of the Group's revenues are derived from external customers located in Mainland China and all of the non-current assets of the Group are located in Mainland China.

4 重要會計估計及判斷(續)

4.3 物業、廠房及設備、投資物業及使用權資產減值

於各報告日期或情況有變時，會考慮內部及外來資料以評估資產有否出現減值跡象。倘出現有關跡象，則透過計算公平價值減出售成本及／或使用價值(視乎適用情況而定)估計資產之可收回金額。倘資產之賬面值超出其可收回金額，則會確認減值虧損以將資產扣減至其可收回金額。

5 收益及分部資料

本集團主要於中國大陸從事鞋類產品及配件的分銷、零售及授權許可業務。

本公司執行董事已認定為主要經營決策者。

於過往年度，董事按業務分部評核業務表現，並按三個經營分部(即核心品牌業務、其他品牌業務及製造業務)呈列分部資料。

截至二零二零年十二月三十一日止年度，本集團為配合業務轉型，變更其內部組織架構，導致其可報告分部確認由三個經營分部變更為一個經營分部。就資源分配及表現評估向執行董事報告的資料特別集中於按類別劃分之收益分析及本集團整體損益。因此，董事認為本集團僅有一個可報告分部。截至二零一九年十二月三十一日止年度的比較財務資料已根據分部資料呈列方式的有關變動予以重列。

本集團的品牌業務及電商業務指於中國大陸通過線上及線下渠道分銷及零售鞋類產品。

本集團的大部分收益源自位於中國大陸的外部客戶，且本集團所有非流動資產均位於中國大陸。

		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	銷售貨品		
– brands business	– 品牌業務	210,437	1,911,031
– e-commerce	– 電商業務	148,326	215,331
Licensing fee income	許可權費收入	5,158	–
		363,921	2,126,362

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 OTHER INCOME

6 其他收入

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Gross rental income	租金收入總額	32,694	12,786
Government subsidies	政府補貼	2,903	3,036
Interest income	利息收入	499	1,848
Franchise and royalty income	特許權及專營權收入	-	3,641
Others	其他	4,881	4,521
		40,977	25,832

7 OTHER LOSSES – NET

7 其他虧損 – 淨額

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備之 收益／(虧損)	6,330	(11,594)
Impairment loss of an investment property (Note 15)	投資物業減值虧損 (附註15)	(16,376)	-
(Loss)/gain on disposal of a subsidiary (Note 38(b))	出售附屬公司之(虧損)／收益 (附註38(b))	(1,330)	4,400
Loss on disposal of a joint venture	出售合營企業之虧損	(336)	-
Net exchange gain	匯兌收益淨額	548	3,515
		(11,164)	(3,679)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 OPERATING LOSS

Operating loss is stated after charging/(crediting) the following:

8 經營虧損

經營虧損已扣除／(計入)下列各項：

		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	2,193	3,658
Concessionary fee	特許銷售費用	53,609	-
Cost of inventories sold, including reversal of provision for slow-moving inventories of HK\$98,131,000 (2019: HK\$23,024,000)	售出存貨成本(包括滯銷存貨撥備撥回98,131,000港元(二零一九年: 23,024,000港元))	228,099	1,299,376
Depreciation of investment properties	投資物業折舊	14,297	7,772
Depreciation of property, plant and equipment	物業、廠房及設備折舊	14,825	80,310
Depreciation of right-of-use assets	使用權資產折舊	18,777	251,564
Employee benefits expense	僱員福利開支	126,023	582,911
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	10,695	350,763
Impairment loss on financial assets	金融資產減值虧損	37,426	5,767
Impairment loss on value-added tax recoverable	可收回增值稅減值虧損	11,323	-
(Gain)/loss on termination of leases	終止租賃(收益)／虧損	(60)	80,173

9 FINANCE COSTS

9 財務成本

		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	-	3,416
Interest on convertible notes	可換股債券利息		
- amortisation interest	- 攤銷利息	375	-
- coupon interest	- 票面利息	537	-
Interest on lease liabilities	租賃負債利息	1,412	17,930
		2,324	21,346

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 INCOME TAX EXPENSE

10 所得稅開支

		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	1,604	5,743
Under provision in prior years	過往年度撥備不足	11	201
Deferred income tax (Note 30)	遞延所得稅項 (附註30)	341	48,310
		1,956	54,254

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

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(239,769)	(1,042,172)
Add: share of losses of associates and joint ventures	加：應佔聯營公司及合營企業虧損	304	1,291
		(239,465)	(1,040,881)
Income tax credit calculated at applicable domestic tax rates	以當地適用稅率計算之所得稅抵免	51,875	257,394
Income not subject to tax	毋須繳稅收入	7,543	8,809
Expenses not deductible for tax purposes	不可扣稅開支	(8,904)	(11,874)
Tax losses for which no deferred tax asset was recognised	未確認遞延稅項資產之稅項虧損	(72,369)	(264,928)
Derecognition of previously recognised deferred income tax assets	終止確認過往已確認之遞延所得稅項資產	-	(42,022)
Other temporary differences not recognised	未確認之其他暫時差異	-	2,311
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	20,864	562
Under provision in prior years	過往年度撥備不足	(11)	(201)
Withholding taxes on royalties and profits appropriated by subsidiaries in Mainland China	對中國大陸子公司的特許權使用費和分配利潤預扣稅	(1,212)	(4,305)
Other	其他	258	-
Income tax expense	所得稅開支	(1,956)	(54,254)

The weighted average domestic tax rate is 22% (2019: 25%).

加權平均地方稅率為22% (二零一九年：25%)。

The applicable rate of Hong Kong profits tax is 16.5% (2019: 16.5%). No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Group does not have any assessable profit arising in Hong Kong during the years ended 31 December 2020 and 2019.

香港利得稅適用稅率為16.5% (二零一九年：16.5%)。由於本集團於截至二零二零年及二零一九年十二月三十一日止年度內並無於香港產生任何應課稅盈利，故綜合財務報表內並無就香港利得稅作出撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**綜合財務報表附註****10 INCOME TAX EXPENSE (CONTINUED)**

Provision for China corporate income tax is calculated based on the statutory tax rate of 25% (2019: 25%) on the assessable income of each of the Group's entities. Income tax on overseas (other than Hong Kong and Mainland China) profits has been calculated on the estimated assessable profits for the year at the applicable rates of income tax prevailing in the places where the Group operates.

Pursuant to the China corporate income tax laws, 10% withholding tax is levied on all foreign investors, except that only 5% is levied for foreign investors which are incorporated in Hong Kong, in respect of dividend distributions arising from a foreign investment enterprise's profit earned after 31 December 2007. Withholding tax at a reduced rate of 7% (2019: 7%) by treaty is applied to the Group's entities incorporated in Hong Kong for royalties received or receivable, net with value-added tax.

11 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to shareholders of HK\$241,987,000 (2019: HK\$1,070,127,000) by the weighted average number of 1,684,738,627 (2019: 1,649,142,384) shares in issue during the year.

In calculating the diluted loss per share for the year ended 31 December 2020, the potential issue of shares arising from the conversion of the Company's convertible notes would decrease the loss per share and is not taken into account as it has an anti-dilutive effect. Share options of the Company are not dilutive as the exercise price of the options exceeds the average market price of the Company's ordinary shares during the year ended 31 December 2020 and 2019. Therefore, for each of the two years ended 31 December 2020 and 2019, basic and diluted loss per share are the same.

12 DIVIDENDS

The board of directors does not recommend the payment of a dividend in respect of the year ended 31 December 2020 (2019: Nil).

10 所得稅開支(續)

中國企業所得稅乃就本集團旗下各實體的應課稅收入按法定稅率25% (二零一九年：25%) 計算撥備。海外(香港及中國大陸以外地區) 盈利之所得稅乃就本年度之估計應課稅盈利按本集團經營所在地之現行適用所得稅稅率計算。

根據中國企業所得稅法，所有海外投資者須就外資企業於二零零七年十二月三十一日後所賺取盈利之股息分派，繳納10%之預扣稅，惟於香港註冊成立之海外投資者則僅須繳納5%之預扣稅。本集團於香港註冊成立之實體，須就已扣除增值稅之已收或應收專營權費按經條約寬減之7% (二零一九年：7%) 稅率繳納預扣稅。

11 每股虧損

每股基本虧損乃根據股東應佔虧損241,987,000港元 (二零一九年：1,070,127,000港元) 除以年內已發行股份之加權平均數1,684,738,627股 (二零一九年：1,649,142,384股) 計算。

計算截至二零二零年十二月三十一日止年度每股攤薄虧損時，因兌換本公司可換股債券而可能發行股份將導致每股虧損減少，而由於該等股份具有反攤薄作用，故此並無計算在內。本公司之購股權並無攤薄，原因是購股權之行使價高於截至二零二零年及二零一九年十二月三十一日止年度本公司普通股之平均市價。因此，截至二零二零年及二零一九年十二月三十一日止兩個年度，每股基本及攤薄虧損相同。

12 股息

董事會不建議就截至二零二零年十二月三十一日止年度派發股息 (二零一九年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 EMPLOYEE BENEFITS EXPENSE

Employee benefits expense, including directors' emoluments, represents:

		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	63,038	403,844
Redundancy costs (Note (i))	遣散員工成本 (附註(i))	59,278	139,325
Defined contribution pension costs (Note (ii))	定額供款退休金成本 (附註(ii))	4,376	39,677
(Reversal)/charge of share-based payment expense	以股份為基礎之付款開支 (撥回)/計入	(669)	65
		126,023	582,911

13 僱員福利開支

僱員福利開支 (包括董事酬金) 指：

(i) Redundancy costs

For the year ended 31 December 2020, the Group recognised redundancy costs of approximately HK\$59,278,000 (2019: HK\$139,325,000) arising from restructuring of the business. As at 31 December 2020, the outstanding balance of the redundancy costs provision amounting to HK\$16,624,000 (2019: HK\$65,285,000) was included in 'other payables and accrued charges'.

Movements in redundancy provision are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	58,139	-
Exchange adjustment	匯兌調整	1,930	(1,247)
Charged to consolidated income statement	扣除自綜合收益表	59,278	139,325
Payment made during the year	年內已付款項	(102,723)	(79,939)
At 31 December	於十二月三十一日	16,624	58,139

(i) 遣散員工成本

截至二零二零年十二月三十一日止年度，本集團確認就業務重組產生的遣散員工成本約59,278,000港元 (二零一九年：139,325,000港元)。於二零二零年十二月三十一日，尚未動用之遣散員工成本撥備餘額16,624,000港元 (二零一九年：65,285,000港元) 已計入「其他應付賬款及應計費用」內。

遣散撥備變動如下：

(ii) Defined contribution pension costs

During the year, the Group's recognised a waiver of defined contribution pension costs amounting to approximately HK\$3,365,000 as a result of COVID-19 related concessions.

During the year, unvested benefits were utilised by the Group to reduce the level of contributions amounting to HK\$10,000 (2019: HK\$6,000). As at 31 December 2020, there is no (2019: Nil) unvested benefits available to be utilised in future years.

(ii) 定額供款退休金成本

年內，本集團因新冠病毒疫情相關減免而確認定額供款退休金成本豁免約3,365,000港元。

年內，本集團利用未歸屬的利益10,000港元 (二零一九年：6,000港元) 減少供款。於二零二零年十二月三十一日，並無未來年度可利用的未歸屬利益 (二零一九年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 EMPLOYEE BENEFITS EXPENSE
(CONTINUED)

(iii) Five highest paid individuals

The five highest paid individuals for the year include two (2019: one) director(s) whose emoluments are reflected in the analysis shown in Note 35. The emoluments of the remaining three (2019: four) individuals are as follows:

		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	1,897	14,686
Redundancy costs	遣散員工成本	9,044	13,862
Retirement benefits cost	退休福利成本	48	333
Share-based payment expense	以股份為基礎之付款開支	-	7
		10,989	28,888

13 僱員福利開支(續)

(iii) 五名最高薪人士

年內，五名最高薪人士包括兩名(二零一九年：一名)董事，其酬金分析載於附註35。其餘三名(二零一九年：四名)人士之酬金如下：

		Number of individuals 人數	
Emolument bands	酬金幅度	2020 二零二零年	2019 二零一九年
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	-
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	1	1
HK\$4,500,001 to HK\$5,000,000	4,500,001港元至5,000,000港元	1	1
HK\$8,000,001 to HK\$8,500,000	8,000,001港元至8,500,000港元	-	1
HK\$11,500,001 to HK\$12,000,000	11,500,001港元至12,000,000港元	-	1
		3	4

No emoluments have been paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group. No directors or the five highest paid individuals waived or has agreed to waive any emolument during the year.

本集團並無向董事或五名最高薪人士支付任何酬金，作為吸引彼等加入本集團，或作為加入本集團時獎勵。年內，各董事或五名最高薪人士均無放棄或同意放棄任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 PROPERTY, PLANT AND EQUIPMENT

14 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
Cost	成本值						
At 1 January 2019	於二零一九年一月一日	421,961	446,529	26,636	301,477	18,381	1,214,984
Exchange adjustment	匯兌調整	(7,638)	(1,098)	(684)	(4,746)	(224)	(14,390)
Additions	添置	-	8,917	71	1,420	305	10,713
Transfer to investment properties	轉撥至投資物業	(201,049)	-	-	-	-	(201,049)
Transfer to assets classified as held-for-sale	轉撥至分類為持作出售之資產	(16,964)	-	-	(9,383)	(430)	(26,777)
Disposals	出售	(118)	(392,426)	(459)	(65,596)	(9,047)	(467,646)
At 31 December 2019	於二零一九年十二月三十一日	196,192	61,922	25,564	223,172	8,985	515,835
Exchange adjustment	匯兌調整	15,534	2,021	623	15,082	321	33,581
Additions	添置	-	90	-	6	-	96
Transfer to investment properties	轉撥至投資物業	(207,351)	-	-	-	-	(207,351)
Transfer from assets classified as held-for-sale	轉撥自分類為持作出售之資產	19,496	-	-	31	423	19,950
Disposals	出售	(4,375)	(49,352)	(24,815)	(46,624)	(7,287)	(132,453)
At 31 December 2020	於二零二零年十二月三十一日	19,496	14,681	1,372	191,667	2,442	229,658
Accumulated depreciation and impairment	累計折舊及減值						
At 1 January 2019	於二零一九年一月一日	93,571	366,606	21,467	252,483	17,207	751,334
Exchange adjustment	匯兌調整	(1,398)	(1,032)	(652)	(4,346)	(204)	(7,632)
Depreciation	折舊	13,383	44,532	3,610	18,559	226	80,310
Transfer to investment properties	轉撥至投資物業	(48,427)	-	-	-	-	(48,427)
Transfer to assets classified as held-for-sale	轉撥至分類為持作出售之資產	(3,865)	-	-	(3,176)	(387)	(7,428)
Disposals	出售	(7)	(350,364)	(273)	(60,476)	(8,467)	(419,587)
At 31 December 2019	於二零一九年十二月三十一日	53,257	59,742	24,152	203,044	8,375	348,570
Exchange adjustment	匯兌調整	3,397	1,955	593	14,450	291	20,686
Depreciation	折舊	1,736	1,313	620	10,924	232	14,825
Transfer to investment properties	轉撥至投資物業	(53,001)	-	-	-	-	(53,001)
Transfer from assets classified as held-for-sale	轉撥自分類為持作出售之資產	4,191	-	-	28	381	4,600
Disposals	出售	(4,375)	(48,658)	(24,112)	(41,798)	(7,055)	(125,998)
At 31 December 2020	於二零二零年十二月三十一日	5,205	14,352	1,253	186,648	2,224	209,682
Net book value	賬面淨值						
At 31 December 2020	於二零二零年十二月三十一日	14,291	329	119	5,019	218	19,976
At 31 December 2019	於二零一九年十二月三十一日	142,935	2,180	1,412	20,128	610	167,265

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 INVESTMENT PROPERTIES

15 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
Cost	成本值		
At 1 January	於一月一日	515,611	238,303
Exchange adjustment	匯兌調整	41,552	(5,358)
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	207,351	201,049
Transfer from right-of-use assets	轉撥自使用權資產	23,451	29,101
Transfer (to)/from assets classified as held-for-sale	轉撥(至)/自分類為持作出售之資產	(16,886)	54,127
Disposal	出售	-	(1,611)
At 31 December	於十二月三十一日	771,079	515,611
Accumulated depreciation and impairment	累計折舊及減值		
At 1 January	於一月一日	145,966	65,211
Exchange adjustment	匯兌調整	13,708	(1,616)
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	53,001	48,427
Transfer from right-of-use assets	轉撥自使用權資產	4,616	14,310
Transfer (to)/from assets classified as held-for-sale	轉撥(至)/自分類為持作出售之資產	(13,924)	13,473
Depreciation	折舊	14,297	7,772
Disposal	出售	-	(1,611)
Impairment	減值	16,376	-
At 31 December	於十二月三十一日	234,040	145,966
Net book value	賬面淨值		
At 31 December	於十二月三十一日	537,039	369,645
At 1 January	於一月一日	369,645	173,092

Investment properties are situated in Mainland China and rented out under operating leases. Rental income arising from the investment properties amounting to HK\$32,694,000 (2019: HK\$12,786,000) is included in the "other income" in the consolidated income statement. The operating expenses relating to the investment properties (including depreciation) amounted to HK\$24,730,000 (2019: HK\$11,093,000).

During the year, one of the Group's investment properties was made vacant for a substantial period of time. The investment property was valued using income approach by Shanghai Zhengda Assets Appraisal Company Limited, an independent valuer who holds recognised relevant professional qualifications and have relevant experience in respect of the investment property valued. The fair value of the investment property is a level 3 fair value measurement. Management considered the valuation result and the market conditions and recognised an impairment loss of HK\$16,376,000 (2019: Nil) in "other losses – net".

投資物業位於中國大陸，並以經營租賃租出。投資物業產生的租金收入為32,694,000港元(二零一九年：12,786,000港元)，並計入綜合收益表「其他收入」中。與投資物業相關之經營費用(包括折舊)為24,730,000港元(二零一九年：11,093,000港元)。

年內，本集團其中一項投資物業長時間空置。該投資物業已由上海正大資產評估有限公司(持有相關認可專業資格並具有相關投資物業估值經驗的獨立估值師)採用收入法進行估值。投資物業的公平價值屬第三級公平價值計量。管理層已考慮估值結果及市況，並於「其他虧損－淨額」中確認減值虧損16,376,000港元(二零一九年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 INVESTMENT PROPERTIES
(CONTINUED)

As at 31 December 2020, the fair values of the investment properties are approximately HK\$750,291,000 (2019: HK\$538,383,000). As at 31 December 2020, the fair values of the investment properties were estimated by management mainly using income approach (2019: market approach). The fair value of investment properties is a level 3 fair value measurement (2019: level 2 fair value measurement).

16 LEASES

This note provides information for leases where the Group is a lessee.

(i) Amount recognised in the consolidated balance sheet

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<i>Right-of-use assets:</i>	<i>使用權資產：</i>		
Land use rights	土地使用權	6,744	17,843
Buildings	房屋	2,342	50,779
		9,086	68,622

During the year, there was no addition to the right-of-use assets (2019: HK\$78,740,000).

15 投資物業(續)

於二零二零年十二月三十一日，投資物業的公平價值約為750,291,000港元(二零一九年：538,383,000港元)。於二零二零年十二月三十一日，投資物業的公平價值由管理層主要採用收入法(二零一九年：市場法)估計。投資物業的公平價值屬第三級公平價值計量(二零一九年：第二級公平價值計量)。

16 租賃

本附註提供關於本集團作為承租人的租賃資訊。

(i) 於綜合資產負債表確認的金額

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<i>Right-of-use assets:</i>	<i>使用權資產：</i>		
Land use rights	土地使用權	6,744	17,843
Buildings	房屋	2,342	50,779
		9,086	68,622

年內，使用權資產並無增加(二零一九年：78,740,000港元)。

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<i>Lease liabilities:</i>	<i>租賃負債：</i>		
Current	流動	2,988	25,621
Non-current	非流動	-	20,469
		2,988	46,090

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 LEASES (CONTINUED)

(ii) Amount recognised in the consolidated income statement

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Depreciation of right-of-use assets	使用權資產折舊	18,777	251,564
Interest on lease liabilities	租賃負債利息	1,412	17,930
Expense relating to short-term leases and variable lease payments	有關短期租賃和可變租賃付款開支	10,695	350,763
(Gain)/loss on termination of leases	終止租賃(收益)/虧損	(60)	80,173

During the year, the Group exercised its termination options on certain leases, resulting in a gain of HK\$60,000 (2019: a loss of HK\$80,173,000).

(iii) The total cash outflow for leases during the year was HK\$14,078,000 (2019: HK\$270,991,000).

(iv) The Group's leasing activities and how these are accounted for the Group leases various offices, warehouses and retail stores. Rental contracts are typically made for fixed periods of 2 years to 6 years, but may have termination options as described in (vi) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

(v) Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, lease payments are on the basis of variable payment terms with a wide range of sales percentages. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occur.

(vi) Termination options

Termination options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of termination options held is exercisable only by the Group.

16 租賃(續)

(ii) 於綜合收益表確認的金額

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Depreciation of right-of-use assets	使用權資產折舊	18,777	251,564
Interest on lease liabilities	租賃負債利息	1,412	17,930
Expense relating to short-term leases and variable lease payments	有關短期租賃和可變租賃付款開支	10,695	350,763
(Gain)/loss on termination of leases	終止租賃(收益)/虧損	(60)	80,173

年內，本集團行使若干租賃的終止選擇權，產生收益60,000港元(二零一九年：虧損80,173,000港元)。

(iii) 年內，因租賃發生的現金流出合計為14,078,000港元(二零一九年：270,991,000港元)。

(iv) 本集團的租賃活動及其會計處理本集團出租多處辦公室、倉庫和零售店舖。租賃合同通常是固定期，由兩年至六年不等，還可能包含下文(vi)所述的終止租賃選擇權。

租賃期限應在每項租賃的基礎上進行商談，並包含不同的條款和條件。

(v) 可變租賃付款額

部分房地產租賃包含與店舖銷售額掛鈎的可變付款額條款。對於各店舖，租賃付款額是基於可變租賃付款條款確定及不同的銷售額百分比計算。使用可變付款額條款的原因有多種，包括使新設店舖的固定成本基數最小化。根據銷售額確定的可變租賃付款額在觸發該等付款額的條件發生的期間計入損益。

(vi) 終止租賃選擇權

本集團有大量房地產和設備租賃包含終止租賃選擇權，以在本集團經營所用的資產管理方面最大程度地提高運營的靈活性。本集團持有的大部分終止租賃選擇權僅可由本集團行使。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 INTERESTS IN ASSOCIATES

17 於聯營公司之權益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	1,481	1,868
Exchange adjustment	匯兌調整	(405)	(301)
Share of losses	應佔虧損	(40)	(86)
At 31 December	於十二月三十一日	1,036	1,481

Details of the associates as at 31 December 2020 are as follows:

於二零二零年十二月三十一日，聯營公司之詳情如下：

Name 名稱	Place of incorporation and operation 註冊成立及營運地點	Particulars of paid-up capital 已繳足股本詳情	Interest held indirectly 所持間接權益	Principal activities 主要業務
Hanjiang Dayong Shoe Material Co., Ltd., Putian City 莆田市涵江大永鞋業有限公司	China 中國	RMB5,457,000 5,457,000元人民幣	30%	Manufacture of shoe materials 製造鞋類物料
Hanjiang Jinxing Shoe Industrial Co., Ltd., Putian City 莆田涵江金星鞋業有限公司	China 中國	US\$4,900,000 4,900,000美元	30%	Manufacture of footwear products 製造鞋類產品

18 INTERESTS IN JOINT VENTURES

18 於合營企業之權益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	1,002	1,949
Exchange adjustment	匯兌調整	(98)	258
Share of losses	應佔虧損	(264)	(1,205)
Disposal	出售	(640)	-
At 31 December	於十二月三十一日	-	1,002

Details of the joint venture as at 31 December 2020 are as follows:

於二零二零年十二月三十一日，合營企業之詳情如下：

Name 名稱	Place of incorporation/ operation 註冊成立/營運地點	Particulars of paid-up capital 已繳足股本詳情	Interest held indirectly 所持間接權益	Principal activities 主要業務
Marlow House Asia Limited	British Virgin Islands/ Malaysia 英屬處女群島/ 馬來西亞	2 shares of US\$1 each 2股每股面值 1美元之股份	50%	Investment holding 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19 INVENTORIES

19 存貨

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Finished goods	製成品	41,569	162,013

Inventories as at 31 December 2020 are stated net of provisions of HK\$83,083,000 (2019: HK\$170,240,000).

於二零二零年十二月三十一日，存貨乃按扣除撥備83,083,000港元（二零一九年：170,240,000港元）後列賬。

20 TRADE RECEIVABLES

20 貿易應收賬款

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trade receivables	貿易應收賬款	49,435	79,976
Loss allowance	虧損撥備	(25,184)	(15,101)
Trade receivables – net	貿易應收賬款 – 淨額	24,251	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：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
0 – 30 days	0至30日	12,124	22,058
31 – 60 days	31至60日	5,368	16,777
61 – 90 days	61至90日	3,551	12,328
91 – 180 days	91至180日	814	10,302
181 – 360 days	181至360日	1,372	10,034
Over 360 days	360日以上	26,206	8,477
		49,435	79,976

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 TRADE RECEIVABLES (CONTINUED)

The carrying amounts of trade receivables are denominated in the following currencies:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
RMB	人民幣	21,612	55,930
US\$	美元	2,639	5,096
New Taiwan dollar ("NTD")	新台幣 (「新台幣」)	-	3,849
		24,251	64,875

The carrying values of trade receivables approximate their fair values. For the year ended 31 December 2020, the Group generally allows an average credit period of 30 to 90 days to its trade customers other than major and long standing customers with whom specific extended terms have been agreed between the Group and the relevant counter parties.

20 貿易應收賬款 (續)

貿易應收賬款之賬面值以下列貨幣計值：

貿易應收賬款之賬面值與其公平價值相若。截至二零二零年十二月三十一日止年度，本集團一般給予貿易客戶平均30至90日信貸期，惟主要及長期客戶之特別延長信貸期則由本集團與有關客戶雙方協定。

21 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Other receivables, deposits and prepayments mainly comprise value-added tax recoverable, net of impairment, of HK\$36,186,000 (2019: HK\$53,763,000) and consideration receivable from the disposal of a subsidiary of HK\$23,515,000 (2019: Nil) (Note 38 (b)).

21 其他應收賬款、按金及預付款項

其他應收賬款、按金及預付款項主要包括可收回增值稅金(扣除減值)36,186,000港元(二零一九年:53,763,000港元)以及出售附屬公司之應收代價23,515,000港元(二零一九:無)(附註38(b))。

22 CASH AND CASH EQUIVALENTS

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cash at banks and in hand	銀行存款及手頭現金	124,567	170,348
Deposits with banks within three months of maturity	存款期為三個月以內之 銀行存款	-	11,945
		124,567	182,293
Less: Disposal group classified as held-for-sale	減：分類為持作出售之 出售組別	-	(234)
		124,567	182,059

22 現金及現金等價物

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 CASH AND CASH EQUIVALENTS
(CONTINUED)

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
HK\$	港元	58,827	2,969
RMB	人民幣	54,591	134,514
US\$	美元	6,168	18,425
NTD	新台幣	4,981	26,385
		124,567	182,293

RMB is not a freely convertible currency in the international market. The conversion of RMB into foreign currencies and remittance of RMB out of Mainland China is subject to the rules and regulations of exchange control promulgated by the government of Mainland China.

22 現金及現金等價物(續)

現金及現金等價物之賬面值以下列貨幣計值：

人民幣不可於國際市場自由兌換。將人民幣兌換為外幣及匯出中國大陸須受中國政府頒佈之外匯管制規則及法規限制。

23 ASSETS CLASSIFIED AS HELD-FOR-SALE

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 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>		
Right-of-use assets	使用權資產	3,128	2,901
Property, plant and equipment	物業、廠房及設備	25,987	27,983
Investment properties	投資物業	2,962	-
		32,077	30,884

23 分類為持作出售之資產

- (i) 以下非流動資產分類為持作出售：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

23 分類為持作出售之資產(續)

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

(ii) 以下出售組別之資產及負債分類為持作出售：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 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	-	30,641
Right-of-use assets	使用權資產	-	9,906
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	-	48
Cash and cash equivalents	現金及現金等價物	-	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	-	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之負債：</i>		
Other payables and accrued charges	其他應付賬款及應計費用	-	6,408
Deferred income tax liabilities	遞延所得稅項負債	-	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	-	8,045

Cumulative 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收益如下：

		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	-	19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 TRADE PAYABLES

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
0 – 30 days	0至30日	4,730	19,579
31 – 60 days	31至60日	6,233	32,133
61 – 90 days	61至90日	11,388	24,294
91 – 180 days	91至180日	16,875	19,324
181 – 360 days	181至360日	23,080	37,597
Over 360 days	360日以上	6,895	5,773
		69,201	138,700

24 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：

25 OTHER PAYABLES AND ACCRUED CHARGES

Other payables and accrued charges mainly comprise redundancy provision of HK\$16,624,000 (2019: HK\$58,139,000), deposits received mainly from franchisees and tenants of HK\$32,754,000 (2019: HK\$33,205,000), accrued employee benefits expense of HK\$9,120,000 (2019: HK\$45,592,000), other payables to a former subsidiary of HK\$8,990,000 (2019: Nil) and receipt-in-advance in relation to rental income of HK\$8,745,000 (2019: HK\$21,307,000).

25 其他應付賬款及應計費用

其他應付賬款及應計費用主要包括遣散撥備16,624,000港元(二零一九年：58,139,000港元)、主要從加盟商及承租方收取的按金32,754,000港元(二零一九年：33,205,000港元)、應計僱員福利開支9,120,000港元(二零一九年：45,592,000港元)、其他應付前附屬公司款項8,990,000港元(二零一九年：無)及預收租金收入款項8,745,000港元(二零一九年：21,307,000港元)。

26 SHARE CAPITAL

		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 31 December	於一月一日及 十二月三十一日	10,000,000,000	1,000,000	10,000,000,000	1,000,000
<i>Issued and fully paid:</i>	<i>已發行及繳足：</i>				
At 1 January and 31 December	於一月一日及 十二月三十一日	1,649,142,384	164,914	1,649,142,384	164,914
Issue of ordinary shares	發行普通股	164,914,238	16,492	–	–
		1,814,056,622	181,406	1,649,142,384	164,914

26 股本

On 14 October 2020, the Company issued 164,914,238 new shares at a price of HK\$0.1817 per share, totalling HK\$29,965,000.

於二零二零年十月十四日，本公司按每股0.1817港元之價格發行164,914,238股新股份，總額為29,965,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27 SHARE-BASED PAYMENT TRANSACTIONS

(i) Equity-settled share-based payment transactions

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 share options are generally valid for a period of ten years and will lapse if the grantees leave the Group before the share options are exercisable. The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

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

27 以股份為基礎之付款交易

(i) 以權益結算以股份為基礎之付款交易

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

購股權有效期一般為十年，而倘承授人於購股權可行使前不再任職於本集團，購股權即告失效。本集團並無法定或推定責任以現金購回或結清購股權。

尚未行使之購股權數目及其加權平均行使價之變動如下：

		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	4.82	(12,200,000)	2.98	(10,010,000)
At 31 December	於十二月三十一日	0.76	12,180,000	2.79	24,380,000
Exercisable at 31 December	於十二月三十一日可行使	0.76	12,180,000	2.79	24,380,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27 SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

27 以股份為基礎之付款交易(續)

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

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date 授出日	Expiry date 到期日	Exercise Price 行使價 HK\$ 港元	Number of share options 購股權數目	
			2020 二零二零年	2019 二零一九年
27 January 2010 二零一零年一月二十七日	26 January 2020 二零二零年一月二十六日	6.19	-	8,700,000
22 July 2010 二零一零年七月二十二日	21 July 2020 二零二零年七月二十一日	7.61	-	300,000
21 January 2014 二零一四年一月二十一日	20 January 2024 二零二四年一月二十日	4.50	180,000	280,000
25 January 2017 二零一七年一月二十五日	24 January 2027 二零二七年一月二十四日	0.70	12,000,000	15,100,000
			12,180,000	24,380,000

(i) 以權益結算以股份為基礎之付款交易(續)

在年末尚未行使之購股權的到期日及行使價如下：

(ii) Cash-settled share-based payment transactions

The Company has granted share appreciation rights (“SARs”) to certain directors of the Company and certain employees of the Group. SARs are granted in units with each unit representing one ordinary share of the Company. Under the terms of grant, the outstanding SARs are subject to a vesting period of one to three years from the date of grant. The exercise price is from HK\$4.50 to HK\$6.19 per unit.

As at 31 December 2020, all (2019: all) of the outstanding SARs were exercisable. Movements in the number of SARs outstanding during the year ended 31 December 2020 are as follows:

(ii) 以現金結算以股份為基礎之付款交易

本公司向本公司若干董事及本集團若干僱員授出股份增值權(「股份增值權」)。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。根據授出條款，尚未行使之股份增值權須符合由授出日期起計一至三年之歸屬期，其行使價為每份4.50港元至6.19港元。

於二零二零年十二月三十一日，全部(二零一九年：全部)尚未行使的股份增值權可被行使。截至二零二零年十二月三十一日止年度，尚未行使股份增值權之數目變動如下：

		Number of SARs 股份增值權數目	
		2020 二零二零年	2019 二零一九年
At 1 January Lapsed	於一月一日 已失效	16,500,000 (15,050,000)	18,060,000 (1,560,000)
At 31 December	於十二月三十一日	1,450,000	16,500,000

During the year, the credit (2019: expense) recognised in relation to the SARs was HK\$669,000 (2019: HK\$65,000).

年內已就股份增值權確認抵免(二零一九年：開支)669,000港元(二零一九年：65,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 RESERVES

28 儲備

		Share premium	Capital reserve	Merger reserve	Convertible notes capital reserve	Share-based payment reserve	Currency translation reserve	Statutory reserves	Retained profits/ (accumulated losses)	Total
		股份溢價	股本儲備	合併儲備	可換股債券資本儲備	以股份為基礎之付款儲備	匯兌儲備	法定儲備	保留盈利/ (累計虧損)	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(Note (a)) (附註(a))	(Note (b)) (附註(b))				(Note (c)) (附註(c))		
At 1 January 2019	於二零一九年一月一日	120,281	2,685	322	-	34,273	86,163	173,007	1,198,180	1,614,911
<i>Currency translation differences:</i>	<i>匯兌差額:</i>									
Group	本集團	-	-	-	-	-	(17,009)	-	-	(17,009)
Associates and joint ventures	聯營公司及合營企業	-	-	-	-	-	(43)	-	-	(43)
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	204	-	(204)	-
Loss for the year	年內虧損	-	-	-	-	-	-	-	(1,070,127)	(1,070,127)
<i>Share option scheme:</i>	<i>購股權計劃:</i>									
Value of grantee services	承授人服務價值	-	-	-	-	65	-	-	-	65
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	-	(10,911)	-	-	10,911	-
At 31 December 2019	於二零一九年十二月三十一日	120,281	2,685	322	-	23,427	69,315	173,007	138,760	527,797
<i>Currency translation differences:</i>	<i>匯兌差額:</i>									
Group	本集團	-	-	-	-	-	41,552	-	-	41,552
Associates and a joint venture	聯營公司及合營企業	-	-	-	-	-	(503)	-	-	(503)
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	(3,452)	-	3,452	-
Loss for the year	年內虧損	-	-	-	-	-	-	-	(241,987)	(241,987)
Write back of unclaimed dividends	撥回未領取股息	-	-	-	-	-	-	-	42	42
Issue of new shares	發行新股	13,473	-	-	-	-	-	-	-	13,473
Issue of convertible notes	發行可換股債券	-	-	-	6,450	-	-	-	-	6,450
<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	-	-	-	-	(21,134)	-	-	21,134	-
At 31 December 2020	於二零二零年十二月三十一日	133,754	2,685	322	6,450	2,293	106,912	173,007	(78,599)	346,824

Notes:

- (a) The capital reserve mainly represents the nominal amount of shares repurchased by the Company in 1999.
- (b) The merger reserve represents the difference between the aggregate nominal amount of the share capital of the subsidiaries at the date on which they were acquired by the Company and the nominal amount of the share capital issued by the Company as consideration for the acquisition pursuant to the corporate reorganisation in 1995.
- (c) As stipulated by regulations in Mainland China, the Company's subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior year losses) to the statutory reserves and enterprise expansion fund, at rates determined by their respective boards of directors. The statutory reserves can be utilised to offset prior year losses or be utilised for the issuance of bonus shares, whilst the enterprise expansion fund can be utilised for the development of business operations. When the statutory reserves reach an amount equal to 50% of the registered capital of the Company's subsidiaries, further appropriation is optional.

附註:

- (a) 股本儲備主要指本公司於一九九九年購回股份之面值。
- (b) 合併儲備指附屬公司於被本公司收購當日之股本面值總額與本公司根據一九九五年公司重組作為收購代價所發行股本面值兩者之差額。
- (c) 根據中國大陸法規，本公司於中國大陸成立及經營之附屬公司須將其稅後盈利(經抵銷上一年度虧損後)之一部份撥入法定儲備及企業發展基金，撥款比例由附屬公司各自之董事會釐定。法定儲備可用作抵銷上一年度虧損或用作發行紅股，而企業發展基金可用作發展業務營運。法定儲備達到本公司附屬公司註冊資本50%後，可選擇不再撥款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 CONVERTIBLE NOTES

On 14 October 2020, pursuant to a subscription agreement dated 14 September 2020 (the “Subscription Agreement”), the Company issued unlisted and unsecured RMB denominated HK\$ settled convertible notes due in 2023 (the “Notes”) in an aggregate principal amount of RMB25,300,000, equivalent to HK\$28,633,000.

The terms of the Notes are summarised below:

- (a) the Notes bear interest of 9.0% per annum on the outstanding principal amount and the interest will be payable upon redemption on 14 October 2023 or convertible into shares upon conversion of the Notes;
- (b) the Notes are convertible at the option of the holders into fully paid ordinary shares on or after the issue date of the Notes up to 14 October 2023 at a conversion price of HK\$0.221 per share, with fixed exchange rate at HK\$1 = RMB0.8836 and subject to certain adjustments pursuant to the terms of the Subscription Agreement;
- (c) the Notes will be redeemed on maturity at a value equal to the HKD equivalent of the aggregate of 100% of the outstanding RMB principal amount and all amounts accrued thereon.

At the issuance of the Notes, a liability component representing the 3-year 9.0% straight debt and an equity component representing the convertible option of HK\$0.221 per share were recognised at fair value.

The fair value of the Notes is determined based on the valuations performed by BMI Appraisals Limited, an independent professional valuer.

The fair value of the liability component of the Notes is estimated using cash flows discounted at an effective interest rate of 17.9%, while the fair value of the equity component is the residual amount of the proceeds attributable to the Notes and is recognised in the convertible notes capital reserve. As at 31 December 2020, the carrying value of the liability component of the Notes approximated its fair value.

29 可換股債券

於二零二零年十月十四日，根據日期為二零二零年九月十四日之認購協議（「認購協議」），本公司發行以人民幣計值並以港元結算之二零二三年到期非上市無抵押可換股債券（「債券」），本金總額為人民幣25,300,000元，相當於28,633,000港元。

債券條款概述如下：

- (a) 債券按未贖回本金額按年利率9.0厘計息，利息將於二零二三年十月十四日贖回時支付，或可於轉換債券時轉換為股份；
- (b) 於或自債券發行日期起至二零二三年十月十四日止，債券可由持有人選擇按換股價每股0.221港元轉換為繳足股款普通股，固定匯率為1港元兌人民幣0.8836元，惟須根據認購協議條款進行若干調整；
- (c) 債券將於到期時按相等於100%未贖回人民幣本金額加全部應計款項總和之港元等值金額贖回。

發行債券時，負債部分（即按9.0厘計息之三年期債項）及權益部分（即每股0.221港元之換股權）乃按公平價值確認。

債券之公平價值乃按獨立專業估值師中和邦盟評估有限公司進行之估值釐定。

債券負債部分之公平價值以按實際利率17.9%貼現之現金流量估計，而權益部分之公平價值則為債券應佔所得款項餘額，並於可換股債券資本儲備內確認。於二零二零年十二月三十一日，債券負債部分之賬面值與其公平價值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 CONVERTIBLE NOTES (CONTINUED)

Movements of the liability component and the equity component of the Notes during the year ended 31 December 2020 are as follows:

		Liability component of convertible notes 可換股債券 負債部分 HK\$'000 千港元	Equity component of convertible notes 可換股債券 權益部分 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Principal amount issued	已發行本金額	22,183	6,450	28,633
Exchange adjustment	匯兌調整	1,442	–	1,442
Interest expense	利息開支	375	–	375
At 31 December 2020	於二零二零年十二月三十一日	24,000	6,450	30,450

During the year ended 31 December 2020, none of the Notes was redeemed or converted.

29 可換股債券(續)

債券之負債部分和權益部分於截至二零二零年十二月三十一日止年度之變動如下：

截至二零二零年十二月三十一日止年度，概無債券被贖回或兌換。

30 DEFERRED INCOME TAX

The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Deferred income tax liabilities	遞延所得稅項負債	(4,540)	(4,325)
Less: Disposal group classified as held-for-sale	減：分類為持作出售之出售組別	–	1,637
		(4,540)	(2,688)

Deferred income tax is calculated on temporary differences under the liability method using the applicable tax rates.

30 遞延所得稅項

經適當抵銷後釐定並列入綜合資產負債表之金額如下：

遞延所得稅項採用負債法就暫時差額按適用稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 DEFERRED INCOME TAX (CONTINUED) 30 遞延所得稅項(續)

Deferred income tax liabilities 遞延所得稅項負債		Accelerated tax depreciation 加速稅項折舊		Others 其他		Total 總計	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	2,688	4,070	-	17,791	2,688	21,861
Exchange adjustment	匯兌調整	333	(140)	-	(5)	333	(145)
Charged/(credited) to consolidated income statement	扣除自/(計入)綜合收益表	341	395	-	(17,786)	341	(17,391)
Transfer from/(to) disposal group classified as held-for-sale	轉撥自/(至)分類為持作出售 之出售組別	1,178	(1,637)	-	-	1,178	(1,637)
At 31 December	於十二月三十一日	4,540	2,688	-	-	4,540	2,688

The expiry of unrecognised tax losses are as follows:

未確認稅項虧損之屆滿情況如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Tax losses expiring in 5 years	五年內屆滿之稅項虧損	3,375,936	3,233,413
Tax losses expiring after 5 years	五年後屆滿之稅項虧損	-	50,609
Tax losses without expiry date	無屆滿日期之稅項虧損	69,040	75,279
At 31 December	於十二月三十一日	3,444,976	3,359,301

As at 31 December 2020, the potential deferred income tax assets in respect of the above unrecognised tax losses amounted to HK\$855,376,000 (2019: HK\$828,513,000).

於二零二零年十二月三十一日，與上述未確認稅項虧損相關之潛在遞延所得稅項資產金額為855,376,000港元(二零一九年：828,513,000港元)。

Deferred income tax liabilities of HK\$1,336,000 (2019: HK\$4,062,000), in respect of unremitted earnings of approximately HK\$18,308,000 as at 31 December 2020 (2019: HK\$73,367,000), have not been recognised for the withholding tax as the Group controls the dividend policy of these subsidiaries and has no plan for dividend remittance in foreseeable future.

本集團並未就若干附屬公司未匯出盈利之應付預扣稅1,336,000港元(二零一九年：4,062,000港元)確認遞延所得稅項負債，因為本集團控制該等附屬公司之股息政策，且無計劃於可預見將來匯出股息。於二零二零年十二月三十一日，未匯出盈利約為18,308,000港元(二零一九年：73,367,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 CASH FLOW INFORMATION

31 現金流量資料

(i) Cash (used in)/generated from operations

(a) Reconciliation of operating loss to cash (used in)/generated from operations is as follows:

(i) 營運(所用)/產生之現金

(a) 經營虧損與營運(所用)/產生之現金之對賬如下:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Operating loss	經營虧損	(237,141)	(1,019,535)
Depreciation of investment properties	投資物業折舊	14,297	7,772
Depreciation of property, plant and equipment	物業、廠房及設備折舊	14,825	80,310
Depreciation of right-of-use assets	使用權資產折舊	18,777	251,564
Loss/(gain) on disposal of a subsidiary	出售附屬公司虧損/(收益)	1,330	(4,400)
Loss on disposal of joint venture	出售合營企業虧損	336	-
Impairment loss of an investment property	投資物業減值虧損	16,376	-
Impairment loss on financial assets	金融資產減值虧損	37,426	5,767
Impairment loss on value-added tax recoverable	可收回增值稅減值虧損	11,323	-
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)/虧損	(6,330)	11,594
(Gain)/loss on termination of leases	終止租賃(收益)/虧損	(60)	80,173
Interest income	利息收入	(499)	(1,848)
Share-based payment (credit)/expense	以股份為基礎之付款(抵免)/開支	(669)	65
Operating cash flows before working capital changes	營運資金變動前之經營現金流量	(130,009)	(588,538)
Decrease in inventories	存貨減少	123,794	809,208
Decrease in trade receivables, other receivables, deposits and prepayments	貿易應收賬款、其他應收賬款、按金及預付款項減少	96,514	445,990
Decrease in trade payables, other payables, accrued charges and contract liabilities	貿易應付賬款、其他應付賬款、應計費用及合約負債減少	(211,547)	(440,369)
Cash (used in)/generated from operations	營運(所用)/產生之現金	(121,248)	226,291

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 CASH FLOW INFORMATION
(CONTINUED)(i) Cash (used in)/generated from operations
(continued)

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment can be reconciled as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備收款	16,685	70,805
Net book amount	賬面淨值		
– Property, plant and equipment (Note 14)	– 物業、廠房及設備 (附註14)	(6,455)	(48,059)
– Assets classified as held-for-sale	– 分類為持作出售之資產	(3,900)	(34,340)
Gain/(loss) on disposal of property, plant and equipment (Note 7)	出售物業、廠房及設備收益/(虧損) (附註7)	6,330	(11,594)

31 現金流量資料 (續)

(i) 營運(所用)/產生之現金(續)

(b) 於綜合現金流量表內，出售物業、廠房及設備收款可對賬如下：

(ii) Net debt reconciliation

This section sets out an analysis and the movement of net debt.

(ii) 債務淨額之對賬

本節載列債務淨額之分析及變動。

		Bank loans 銀行貸款 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Convertible notes 可換股債券 HK\$'000 千港元	Cash and cash equivalents 現金及現金等價物 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Net debt as at 1 January 2019	於二零一九年一月一日之債務淨額	(192,309)	(457,269)	–	188,748	(460,830)
Cash flows	現金流量	191,191	253,061	–	(7,150)	437,102
Non-cash movement	非現金變動					
– Early termination of leases	– 提早終止租賃	–	156,741	–	–	156,741
Effect of foreign exchange rate changes	匯率變動影響	1,118	1,377	–	695	3,190
Net debt as at 31 December 2019	於二零一九年十二月三十一日之債務淨額	–	(46,090)	–	182,293	136,203
Cash flows	現金流量	–	12,666	(28,633)	(64,148)	(80,115)
Non-cash movement	非現金變動					
– Early termination of leases	– 提早終止租賃	–	31,330	–	–	31,330
– Equity component of convertible notes	– 可換股債券之權益部分	–	–	6,075	–	6,075
Effect of foreign exchange rate changes	匯率變動影響	–	(894)	(1,442)	6,422	4,086
Net debt as at 31 December 2020	於二零二零年十二月三十一日之債務淨額	–	(2,988)	(24,000)	124,567	97,579

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 COMMITMENTS

Non-cancellable operating leases

The investment properties are leased to tenants under operating leases with rental payments every 3-12 months.

Minimum lease payments receivable on leases of investment properties are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within 1 year	一年內	29,327	12,308
Between 1 and 2 years	一年至二年	34,273	11,127
Between 2 and 3 years	二年至三年	32,912	10,337
Between 3 and 4 years	三年至四年	29,213	9,048
Between 4 and 5 years	四年至五年	27,460	5,700
Later than 5 years	五年後	7,369	9,851
		160,554	58,371

32 承擔

不可撤銷經營租賃

投資物業按經營租賃出租予租客，租金付款以每三個月至十二個月的方式支付。

出租投資物業之最低可收租金付款如下：

33 FINANCIAL INSTRUMENTS BY CATEGORY

33 金融工具分類

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<i>Financial assets at amortised cost:</i>	<i>以攤銷成本計量的金融資產：</i>		
Trade receivables	貿易應收賬款	24,251	64,875
Other receivables excluding non-financial assets	其他應收賬款(扣除非金融資產)	31,528	83,244
Cash and cash equivalents	現金及現金等價物	124,567	182,293
Total	合計	180,346	330,412
<i>Financial liabilities at amortised cost:</i>	<i>以攤銷成本計量的金融負債：</i>		
Trade payables	貿易應付賬款	69,201	138,700
Other payables and accrued charges excluding non-financial liabilities	其他應付賬款及應計費用(扣除非金融負債)	55,108	118,751
Lease liabilities	租賃負債	2,988	46,090
Convertible notes	可換股債券	24,000	-
Interest payable	應付利息	571	-
Total	合計	151,868	303,541

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 RELATED PARTY TRANSACTIONS AND BALANCES

The Group entered into the following related party transactions during the year:

(i) Transaction with a related company

		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	-	2,873

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) Year-end balance with a related company

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trade receivable from a joint venture	應收合營企業款項	2,639	5,096

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

(iii) Key management personnel compensation

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

		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	6,187	12,458
Share-based payment expense	以股份為基礎之付款開支	-	36
		6,187	12,494

34 關聯方交易及結餘

本集團於年內曾進行下列關聯方交易：

(i) 與關聯公司之交易

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
向合營企業銷售貨品	-	2,873

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) 與關聯公司之年末結餘

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
應收合營企業款項	2,639	5,096

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。

(iii) 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：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 BENEFITS AND INTERESTS OF DIRECTORS

(i) Emoluments of the directors and chief executive officer (“CEO”)

		Fees	Salaries and allowance	Share-based payment expense	Total
		袍金	薪金及津貼	以股份為基礎之付款開支	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(Note (a))	(Note (b))		
		(附註(a))	(附註(b))		
2020	二零二零年				
Mr. Chang Chih-Kai (Chairman) (Note (c))	張智凱先生 (主席) (附註(c))	-	3,190	-	3,190
Mr. Chang Chih-Chiao (CEO) (Note (c))	張智喬先生 (行政總裁) (附註(c))	-	2,274	-	2,274
Mr. Wang Jungang (Note (d))	王俊剛先生 (附註(d))	-	-	-	-
Mr. Chen Tommy Yi-Hsun (Note (d))	陳怡勳先生 (附註(d))	-	27	-	27
Mr. Hon Ping Cho Terence	韓炳祖先生	396	-	-	396
Mr. Huang Shun-Tsai	黃順財先生	150	-	-	150
Mr. Kuo Jung-Cheng	郭榮振先生	150	-	-	150
		696	5,491	-	6,187
2019	二零一九年				
Mr. Chang Chih-Kai (Chairman & CEO)	張智凱先生 (主席兼行政總裁)	-	4,020	14	4,034
Mr. Chang Chih-Chiao	張智喬先生	-	2,401	7	2,408
Mr. Chen Tommy Yi-Hsun	陳怡勳先生	-	600	7	607
Mr. Hon Ping Cho Terence	韓炳祖先生	106	-	-	106
Mr. Huang Shun-Tsai	黃順財先生	150	-	-	150
Mr. Kuo Jung-Cheng	郭榮振先生	150	-	-	150
Mr. Lee Ted Tak Tai	李德泰先生	225	-	-	225
		631	7,021	28	7,680

Notes:

- (a) The emoluments paid or payable to the directors of the Company were in respect of their respective services as a director of the Company or its subsidiaries.
- (b) The emoluments paid or payable to the directors of the Company were in respect of directors' other services in connection with the management of the affairs of the Company or its subsidiary undertakings.
- (c) Mr. Chang Chih-Kai resigned as the CEO of the Company on 21 October 2020. Mr. Chang Chih-Chiao was appointed as the CEO on the same day.
- (d) Mr. Chen Tommy Yi-Hsun resigned as executive director of the Company on 17 January 2020. Mr. Wang Jungang was appointed as executive director and chief operating officer on 21 October 2020, with nominal remuneration of HK\$1 per annum without discretionary bonus.

附註：

- (a) 已付或應付本公司董事之酬金乃根據彼等向本公司或其附屬公司提供之相關董事服務。
- (b) 已付或應付本公司董事之酬金乃根據彼等就管理本公司或其附屬企業事務而提供的其他服務。
- (c) 張智凱先生於二零二零年十月二十一日辭任本公司行政總裁職位。張智喬先生於同日獲委任為行政總裁。
- (d) 陳怡勳先生於二零二零年一月十七日辭任本公司執行董事職位。王俊剛先生於二零二零年十月二十一日獲委任為執行董事兼營運總監，其名義酬金為每年1港元（而並無酌情花紅）。

35 董事利益及權益

(i) 董事及行政總裁（「行政總裁」）之酬金

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

- (ii) **Retirement benefits of directors**
For each of the two years ended 31 December 2020 and 2019, no retirement benefits were paid or payable to the directors.
- (iii) **Termination benefits of directors, and consideration provided to third parties for making available directors' services**
For each of the two years ended 31 December 2020 and 2019, no termination benefit was paid or payable to any director of the Company. No consideration was paid or payable to any third party for making available any director's services.
- (iv) **Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors**
As at 31 December 2020 and 2019, no loan, quasi-loan or other dealing was entered into by the Company or any of its subsidiary undertakings in favour of any director of the Company, any controlled body corporate by or connected entity with any director of the Company.
- (v) **Directors' material interests in transactions, arrangements or contracts**
No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

36 EVENT OCCURRING AFTER THE REPORTING PERIOD

On 1 January 2021, a wholly-owned subsidiary of the Company in Mainland China entered into an agreement with Putian City Licheng District People's Government (the "Government") in relation to the resumption of certain land and properties situated in Mainland China. The land and properties held by the wholly-owned subsidiary of the Company were surrendered for a compensation of approximately RMB110.2 million (equivalent to approximately HK\$132.7 million). The net proceeds (after deducting compensation payable to existing tenants in the amount of approximately RMB22.0 million (equivalent to approximately HK\$26.5 million) and other related expenses) was approximately RMB66.2 million (equivalent to approximately HK\$79.7 million). Up to the date of the approval of these consolidated financial statements, a sum of RMB60.0 million (equivalent to approximately HK\$72.2 million) has been collected from the Government.

35 董事利益及權益 (續)

- (ii) **董事退休福利**
截至二零二零及二零一九年十二月三十一日止兩個年度，概無已付或應付董事退休福利。
- (iii) **董事終止僱傭福利，及就提供董事服務向第三方提供的代價**
截至二零二零及二零一九年十二月三十一日止兩個年度，概無向本公司任何董事已付或應付終止僱傭福利，亦無就提供董事服務向任何第三方已付或應付代價。
- (iv) **有關以董事、該等董事的受控制法人團體及關聯實體為受益人的貸款、準貸款及其他交易的資料**
於二零二零及二零一九年十二月三十一日，本公司及其任何附屬企業概無訂立貸款、準貸款及其他交易以本公司任何董事、任何受控制法人團體或本公司任何董事之關聯實體為受益人。
- (v) **董事於交易、安排或合約之重大權益**

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

36 報告期間後發生事項

於二零二一年一月一日，本公司位於中國大陸的一家全資附屬公司與莆田市荔城區人民政府（「該政府」）就徵收位於中國大陸的若干土地及物業訂立協議。本公司之該全資附屬公司交出所持土地及物業的補償總額約為人民幣110.2百萬元（相當於約132.7百萬港元）。所得款項淨額（經扣除應付現有租客補償約人民幣22.0百萬元（相當於約26.5百萬港元）及其他相關開支後）約為人民幣66.2百萬元（相當於約79.7百萬港元）。截至此等綜合財務報表獲批准之日，已向該政府收取款項人民幣60.0百萬元（相當於約72.2百萬港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

37 本公司資產負債表及儲備變動

(i) Balance sheet of the Company

(i) 本公司資產負債表

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	368,822	368,822
Amount due from a subsidiary	應收附屬公司賬款	106,690	335,858
		475,512	704,680
Current assets	流動資產		
Prepayments	預付款項	99	331
Cash and cash equivalents	現金及現金等價物	54,181	1,488
		54,280	1,819
Current liabilities	流動負債		
Other payables and accrued charges	其他應付賬款及應計費用	2,092	3,772
Net current assets/(liabilities)	流動資產/(負債)淨值	52,188	(1,953)
Total assets less current liabilities	總資產減流動負債	527,700	702,727
Equity	權益		
Share capital	股本	181,406	164,914
Reserves	儲備	321,723	537,813
Total equity	總權益	503,129	702,727
Non-current liabilities	非流動負債		
Convertible notes	可換股債券	24,000	–
Interest payable	應付利息	571	–
		24,571	–
Total equity and non-current liabilities	總權益及非流動負債	527,700	702,727

Approved by the board of directors on 25 March 2021.

已獲董事會於二零二一年三月二十五日批准。

CHANG CHIH-KAI

張智凱
Director
董事

CHANG CHIH-CHIAO

張智喬
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(ii) Reserve movement of the Company

		Share premium	Capital reserve	Contributed surplus	Convertible notes capital reserve	Share-based payment reserve	Currency translation reserve	Retained profits	Total
		股份溢價	股本儲備	繳入盈餘	可換股債券資本儲備	以股份為基礎之付款儲備	匯兌儲備	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(Note 28(a))	(Note (a))					
			(附註28(a))	(附註(a))					
At 1 January 2019	於二零一九年一月一日	120,281	2,882	152,891	-	34,273	(31,953)	428,408	706,782
Currency translation differences	匯兌差額	-	-	-	-	-	(10,745)	-	(10,745)
Loss for the year	年內虧損	-	-	-	-	-	-	(158,289)	(158,289)
Share option scheme:	購股權計劃:								
Value of grantee services	承授人服務價值	-	-	-	-	65	-	-	65
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	-	(10,911)	-	10,911	-
At 31 December 2019	於二零一九年十二月三十一日	120,281	2,882	152,891	-	23,427	(42,698)	281,030	537,813
Currency translation differences	匯兌差額	-	-	-	-	-	27,136	-	27,136
Loss for the year	年內虧損	-	-	-	-	-	-	(263,191)	(263,191)
Write back of unclaimed dividends	撥回未領取股息	-	-	-	-	-	-	42	42
Issue of new shares	發行新股	13,473	-	-	-	-	-	-	13,473
Issue of convertible notes	發行可換股債券	-	-	-	6,450	-	-	-	6,450
Share option scheme:	購股權計劃:								
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	-	(21,134)	-	21,134	-
At 31 December 2020	於二零二零年十二月三十一日	133,754	2,882	152,891	6,450	2,293	(15,562)	39,015	321,723

Notes:

- (a) The contributed surplus of the Company represents the difference between the aggregate net assets of the subsidiaries acquired by the Company under the corporate reorganisation in 1995 and the nominal amount of the Company's shares issued for the acquisition.
- (b) The Company's reserves available for distribution to its shareholders of the Company comprise share premium, contributed surplus, share-based payment reserve and retained profits. Under the Companies Law (Revised) of the Cayman Islands, the Company's reserve is available for paying distributions or dividends to shareholders subject to the provisions of its Articles of Association and provided that immediately following the distribution or the payment of dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares. In accordance with the Company's Articles of Association, dividends shall be payable out of the profits or other reserves, including the share premium, of the Company.

附註:

- (a) 本公司之繳入盈餘指本公司根據一九九五年公司重組收購附屬公司之資產淨值總額與本公司因收購而發行之股份面值兩者之差額。
- (b) 本公司可供分派予本公司股東之儲備包括股份溢價、繳入盈餘、以股份為基礎之付款儲備及保留盈利。根據開曼群島公司法(經修訂)，本公司之儲備可用作向股東分派或支付股息，惟須受組織章程細則之條文所規限，而緊隨作出分派或派付股息後，本公司必須能於日常業務過程中償還到期債項。股份溢價亦可以繳足紅股形式分派。根據本公司之組織章程細則，股息須以本公司之盈利或其他儲備(包括股份溢價)支付。

37 本公司資產負債表及儲備變動(續)

(ii) 本公司儲備變動

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 SUBSIDIARIES

The following is a list of the principal subsidiaries as at 31 December 2020:

38 附屬公司

下表載列於二零二零年十二月三十一日之主要附屬公司：

Name 名稱	Place of incorporation ^(c) 註冊成立地點 ^(c)	Particulars of issued/paid-up capital 已發行/繳足股本詳情	Interest held 所持權益	Principal activities 主要業務
Daphne Footwear (Sichuan) Co., Ltd. ^(a) 達芙妮(四川)鞋業有限公司 ^(a)	China 中國	RMB87,300,000 87,300,000元人民幣	100%	Property holding 持有物業
Daphne Investment (Group) Co., Ltd. ^(a) 達芙妮投資(集團)有限公司 ^(a)	China 中國	US\$30,000,000 30,000,000美元	100%	Distribution of footwear and accessories and investment holding 分銷鞋類產品及配件以及投資控股
Full Pearl International Limited 富珍國際有限公司	British Virgin Islands 英屬處女群島	3,294 shares of US\$1 each 3,294股每股面值 1美元之股份	59.96%	Investment holding 投資控股
Gentlefit Trading Limited 祥田貿易有限公司	Hong Kong 香港	100 ordinary shares of HK\$100; 13,055,667 non-voting deferred shares of HK\$13,055,667 ^(d) 100港元分為100股 普通股; 13,055,667 港元分為13,055,667股 無投票權遞延股份 ^(d)	100%	Investment and trademark holding 投資控股及持有商標
Hanjiang Footwear Co., Ltd., Putian City ^(a) 莆田市涵江鞋業有限公司 ^(a)	China 中國	USD6,000,000 6,000,000美元	85%	Property holding 持有物業
Prime Success (BVI) Limited	British Virgin Islands 英屬處女群島	5,000,000 shares of US\$0.01 each 5,000,000股每股面值 0.01美元之股份	100%	Investment holding 投資控股
Shanghai Aixie Information Technology Co., Ltd. ^(a) 上海愛攜信息科技有限公司 ^(a)	China 中國	RMB1,000,000 1,000,000元人民幣	100%	Operation of e-commerce business 經營電子商務業務
Shoebox Commerce Co., Ltd. ^(a) 鞋櫃商貿有限公司 ^(a)	China 中國	RMB460,000,000 460,000,000元人民幣	96.46%	Distribution of footwear and accessories 分銷鞋類產品及配件
Shoebox Holdings Limited 鞋櫃控股有限公司	Hong Kong 香港	14,111 ordinary shares of HK\$381,470,740 381,470,740港元分 為14,111股普通股	96.46%	Investment and trademark holding 投資控股及持有商標
Victoria Success (Shanghai) Limited ^(a) 永恩實業(上海)有限公司 ^(a)	China 中國	US\$23,000,000 23,000,000美元	100%	Property holding 持有物業
Xieyong (Jinan) Footwear Co., Ltd. ^(a) 濟南協勇鞋帽有限公司 ^(a)	China 中國	RMB17,500,000 17,500,000元人民幣	100%	Property holding 持有物業
Xieyong (Nanjing) Warehouse Co., Ltd. ^(a) 南京協勇倉儲有限公司 ^(a)	China 中國	RMB21,000,000 21,000,000元人民幣	100%	Property holding 持有物業
Xieyong (Shenyang) Warehouse Co., Ltd. ^(a) 瀋陽協勇倉儲有限公司 ^(a)	China 中國	USD3,000,000 3,000,000美元	100%	Property holding 持有物業

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 SUBSIDIARIES (CONTINUED)

Notes:

- (a) These companies were established in Mainland China in the form of foreign-owned enterprises.
- (b) Other than investments in Full Pearl International Limited and Prime Success (BVI) Limited which are held directly by the Company, all subsidiaries shown above are held indirectly by the Company.
- (c) Other than Full Pearl International Limited and Prime Success (BVI) Limited which operate in Hong Kong, all subsidiaries shown above operate in the same place in which they were incorporated, respectively.
- (d) The non-voting deferred shares practically carry no rights to dividends, nor rights to receive notice, nor rights to attend and vote at any general meeting of the company, nor rights to participate in any distribution on winding up.
- (e) None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.
- (f) The English names of the subsidiaries established in Mainland China represent the best effort by the directors in translating their Chinese names as they do not have official English names.

(a) Non-controlling interests

Set out below is summarised financial information for subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations. The summarised financial information for Full Pearl International Limited is set out below:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current assets	流動資產	285,555	277,236
Current liabilities	流動負債	(40,998)	(44,913)
Net assets	淨資產	244,557	232,323
Revenue	收益	1,777	39,445
Profit/(loss) for the year	年內盈利/(虧損)	235	(6,087)
Total comprehensive income/(loss)	全面收益/(虧損)總額	12,234	(9,903)

38 附屬公司(續)

附註：

- (a) 該等公司為於中國大陸成立之外資企業。
- (b) 除於富珍國際有限公司及Prime Success (BVI) Limited之投資由本公司直接持有外，上列所有附屬公司均由本公司間接持有。
- (c) 除富珍國際有限公司及Prime Success (BVI) Limited於香港營運外，以上列示的所有附屬公司分別於其註冊成立地點營運。
- (d) 無投票權遞延股份實際上無權收取該公司之股息或接收任何股東大會通告或出席股東大會並於會上投票。於清盤時亦無權參與任何分派。
- (e) 各附屬公司於年末或年內任何時間概無任何未償還債務證券。
- (f) 於中國大陸成立之附屬公司的英文名稱為董事盡力翻譯其中文名稱所得，因為該等附屬公司並沒有正式的英文名稱。

(a) 非控制性權益

下文載列擁有非控制性權益及對集團而言屬重大之附屬公司之財務資料概要。就各附屬公司披露之金額乃進行集團內公司間對銷前之金額。富珍國際有限公司之財務資料概要載列如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 SUBSIDIARIES (CONTINUED)

(b) Disposal of a subsidiary

During the year, the Group disposed of a subsidiary, the effect on the balance sheet, the total consideration receivable and loss on such disposal are set out below:

		HK\$'000 千港元
Cash consideration receivable	應收現金代價	23,515
Less: net assets disposed of	減：所出售淨資產	
Plant, property and equipment	廠房、物業及設備	(16,314)
Right-of-use asset	使用權資產	(3,600)
Other receivables from group companies	其他應收集團公司款項	(8,990)
Other receivables	其他應收賬款	(72)
Cash and cash equivalents	現金及現金等價物	(5)
Other payables	其他應付賬款	3,641
Deferred tax liabilities	遞延稅項負債	495
		(24,845)
Loss on disposal (Note 7)	出售虧損(附註7)	(1,330)

As at 31 December 2020, according to the sales and purchase agreement, a deposit of HK\$12,041,000 was placed in a custodian bank account jointly held by the buyer and an individual nominated by the Group under an entrustment agreement as security. The deposit will be released upon the remittance of the cash consideration by the buyer to the Group.

38 附屬公司(續)

(b) 出售附屬公司

年內，本集團出售一家附屬公司，相關影響載於資產負債表，有關出售之應收總代價及虧損載列如下：

於二零二零年十二月三十一日，根據買賣協議，一筆為數12,041,000港元之按金已存入買方與一名由本集團提名之人士根據委託協議共同持有之託管銀行戶口以作為抵押。有關按金將於買方向本集團存入現金代價後解除。



DAPHNE INTERNATIONAL HOLDINGS LIMITED
達芙妮國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

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