

ANNUAL REPORT

2021年報



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

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive directors

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

Independent non-executive directors

Mr. Huang Shun-Tsai
Mr. Hon Ping Cho Terence
Mr. Tan Philip

AUDIT COMMITTEE

Mr. Hon Ping Cho Terence (*Chairman*)
Mr. Huang Shun-Tsai
Mr. Tan Philip

NOMINATION COMMITTEE

Mr. Huang Shun-Tsai (*Chairman*)
Mr. Hon Ping Cho Terence
Mr. Tan Philip
Mr. Chang Chih-Kai

REMUNERATION COMMITTEE

Mr. Tan Philip (*Chairman*)
Mr. Huang Shun-Tsai
Mr. Hon Ping Cho Terence
Mr. Chang Chih-Kai

COMPANY SECRETARY

Mr. Cheung Chun Hay

AUTHORISED REPRESENTATIVES

Mr. Chang Chih-Kai
Mr. Cheung Chun Hay

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO 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

獨立非執行董事

黃順財先生
韓炳祖先生
談大成先生

審核委員會

韓炳祖先生 (*主席*)
黃順財先生
談大成先生

提名委員會

黃順財先生 (*主席*)
韓炳祖先生
談大成先生
張智凱先生

薪酬委員會

談大成先生 (*主席*)
黃順財先生
韓炳祖先生
張智凱先生

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
PO 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
Bank of Wenzhou
China Construction Bank
MUFG Bank
Taipei Fubon Bank (Hong Kong Branch)

CORPORATE WEBSITE

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
溫州銀行
中國建設銀行
三菱UFJ銀行
台北富邦銀行(香港分行)

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

		For the year ended 31 December 截至十二月三十一日止年度		
		2021 二零二一年	2020 二零二零年	Change 變化
Revenue (HK\$' million)	收益 (百萬港元)	105.7	363.9	-71%
Gross profit (HK\$' million)	毛利 (百萬港元)	55.4	133.2	-58%
Operating profit/(loss) (HK\$' million)	經營盈利/(虧損) (百萬港元)	84.6	(237.1)	N/A
Profit/(Loss) attributable to shareholders (HK\$' million)	股東應佔盈利/(虧損) (百萬港元)	52.7	(242.0)	N/A
Gross margin (%)	毛利率 (%)	52.4	36.6	+15.8ppt百分點
Operating margin (%)	經營盈利率 (%)	80.0	-65.2	+145.2ppt百分點
Net margin (%)	淨盈利率 (%)	49.9	-66.5	+116.4ppt百分點
Basic earnings/(loss) per share (HK cents)	每股基本盈利/(虧損) (港仙)	2.9	(14.4)	N/A

		As at 31 December 於十二月三十一日		
		2021 二零二一年	2020 二零二零年	Change 變化
Cash and cash equivalents (HK\$' million)	現金及現金等價物 (百萬港元)	227.5	124.6	+83%
Convertible notes (HK\$' million)	可換股債券 (百萬港元)	29.4	24.6	+20%
Equity attributable to shareholders (HK\$' million)	股東應佔權益 (百萬港元)	590.1	528.2	+12%
Current ratio (times) (Note 1)	資產流動比率 (倍) (附註一)	2.7	1.5	+80%
Net gearing ratio (%) (Note 2)	淨負債比率 (%) (附註二)	Net cash 淨現金	Net cash 淨現金	-

Notes:

- The calculation of current ratio (times) is based on total current assets divided by total current liabilities as at year end.
- The calculation of net gearing ratio (%) is based on net debt (being total of lease liabilities and convertible notes less cash and cash equivalents) divided by equity attributable to shareholders as at year end.

附註：

- 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。
- 淨負債比率 (%) 乃根據於年末之負債淨額 (即租賃負債及可換股債券之合計減現金及現金等價物) 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				
		2021 二零二一年 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	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Results	業績					
Revenue	收益	105,717	363,921	2,126,362	4,127,087	5,210,995
Gross profit	毛利	55,412	133,232	781,138	2,061,029	2,753,036
Operating profit/(loss)	經營盈利/(虧損)	84,591	(237,141)	(1,019,535)	(786,577)	(688,823)
Profit/(Loss) attributable to shareholders	股東應佔 盈利/(虧損)	52,723	(241,987)	(1,070,127)	(994,397)	(734,204)
Basic earnings/(loss) per share (HK cents)	每股基本盈利/ (虧損) (港仙)	2.9	(14.4)	(64.9)	(60.3)	(44.5)
		As at 31 December 於十二月三十一日				
		2021 二零二一年 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	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Assets and liabilities	資產及負債					
Non-current assets	非流動資產	574,651	567,137	608,015	787,664	1,358,995
Current assets	流動資產	262,070	291,541	623,349	2,181,706	2,794,865
Total assets	總資產	836,721	858,678	1,231,364	2,969,370	4,153,860
Non-current liabilities	非流動負債	38,427	29,111	23,157	3,850	13,409
Current liabilities	流動負債	96,563	192,040	411,854	1,054,064	1,104,790
Total liabilities	總負債	134,990	221,151	435,011	1,057,914	1,118,199
Total equity	總權益	701,731	637,527	796,353	1,911,456	3,035,661
Attributable to:	以下各方應佔:					
Shareholders	股東	590,052	528,230	692,711	1,779,825	2,874,907
Non-controlling interests	非控制性權益	111,679	109,297	103,642	131,631	160,754

PARTICULARS OF MAJOR INVESTMENT PROPERTIES

主要投資物業詳情

Property address*	物業地點	Existing use 目前用途	Lease term 契約年期	The Group's interests 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 中期	100%
Linbing Community, Hanjiang, Putian, Fujian, China	中國福建省莆田市涵江區 林炳村	Factory 工廠	Medium 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 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號商鋪	Shop 店鋪	Medium 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號商鋪	Shop 店鋪	Medium 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 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號商鋪	Shop 店鋪	Medium 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 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 中期	100%
Shops 79-80, Block 1, Wanda Plaza, Jinfeng, Yinchuan, Ningxia Hui Autonomous Region, China	中國寧夏回族自治區銀川市 金鳳區萬達廣場1號 樓79-80號商鋪	Shop 店鋪	Medium 中期	100%

PARTICULARS OF MAJOR INVESTMENT PROPERTIES

主要投資物業詳情

Property address*	物業地點	Existing use 目前用途	Lease term 契約年期	The Group's interests 本集團 應佔權益
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 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 中期	100%
22/F, Block B, Ludihui Centre, No. 258 Longqi Road, 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 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 長期	100%
Unit 3703-3711, 37/F, Block 2-1, No. 68 Dongda Street, Zhiquan 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 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 中期	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 中期	100%

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

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 2021.

In 2021, despite mass vaccination efforts across the globe, sporadic coronavirus outbreaks continued to exert pressure on the global economy. Nonetheless, China's economy shown resilience and sustained a steady recovery. The market picked up rapidly in the first half and the total retail sales of consumer goods posted double-digit growth year on year. As the world begins to navigate the economic recovery, it is clear that the pandemic has had a profound impact on all walks of life. The pandemic has altered consumer behaviour and continued to fuel growth to the “stay-at-home” economy. During the year under review, the Group completed a major transformation and started afresh with a new asset-light business model. Following the transformation, the Group's operations successfully turned profitable in the second half of the year, laying a solid foundation for its long-term development.

With the new business model, the Group shifted its role from a retailer to an asset-light brand owner. Its retailing network has been transformed into the franchising and licensing network. The new business model allows authorised online and offline franchisees and licensees to operate with the “Daphne” brand and take the initiative in order placing, while the Group provides them with reliable supply chain resources. In addition, the disposal of inventories related to the directly-managed and partnership stores during the year immensely alleviated pressure from operating and administrative costs and inventory risk exposure, thus allowing the Group to enhance resource allocation and shift its focus on brand licensing management and supply chain management, and further strengthen its role as a brand owner.

In light of the fierce market competition, the Group is exploring cooperative opportunities with a domestic no-code or low-code corporate digital intelligence collaborative data platform to enhance the management of supply chain and franchising and licensing network, aiming to achieve quality refinement, cost reduction and efficiency enhancement in its operations and production. The Group believes that the new system, which is expected to be launched in early 2022, will help streamline workflow between authorised manufacturers and franchisees and licensees. In addition, the data collected by the platform will guide the Group to develop in-depth understanding of consumer preferences as well as identify market trends, thereby better catering the taste of the segmented market.

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（統稱「本集團」）董事會（「董事會」），向各位提呈本公司截至二零二一年十二月三十一日止年度之年報。

於二零二一年，儘管全球開展了大規模疫苗接種工作，但新冠病毒疫情的零星爆發繼續對全球經濟造成壓力。儘管如此，中國經濟仍表現出韌性，持續穩步復甦。上半年市場快速回暖，社會消費品零售總額與去年同比實現雙位數增長。隨著全球開始走向經濟復甦，很明顯疫情已經對各行各業產生了深遠的影響。疫情也改變了消費者的行為，並繼續推動「宅」經濟的增長。回顧年內，本集團完成重大轉型，以全新的輕資產業務模式重新起步。轉型後，本集團業務於下半年成功扭虧為盈，為本集團的長遠發展奠定了堅實的基礎。

憑藉新的商業模式，本集團將其角色從零售商轉型為輕資產品牌商。本集團的零售渠道亦轉型成為加盟商及授權商網絡。新的商業模式允許線上和線下的加盟商和授權商以「達芙妮」品牌經營並主動下單，同時本集團為他們提供可靠的供應鏈資源。此外，年內處置直營店及聯營店相關存貨，極大緩解了經營管理成本和存貨風險的壓力，使本集團加強資源配置，將重心轉移到品牌授權管理和供應鏈管理上，進一步強化品牌商的角色及作用。

面對激烈的市場競爭，本集團正與國內無代碼或低代碼企業數字智能協同數據平台探索深度合作機會，加強供應鏈及加盟商及授權商網絡的管理，以實現精細化質量、減低成本和提高其運營和生產的效率。本集團相信，預計將於二零二二年初推出的新系統將有助於簡化授權製造商、加盟商及授權商之間的工作流程。此外，平台收集的數據將引導本集團深入了解消費者的喜好以及把握市場趨勢，從而更好地迎合細分市場的口味。

CHAIRMAN'S STATEMENT

主席報告

To further consolidate its role as a brand owner of “Daphne”, the Group kept abreast of the latest trends and stepped up its efforts in product research and development. With the “leisurisation” of outfits trending globally, the Group designed and launched more stylish casual shoes and lower-heeled shoes to cater for the mass market. In an effort to meet the diversified preferences and demands of young consumers, the Group continued to infuse more youthful and trendy designs in its products to appeal to a younger demographic to maintain its brand vitality. During the year under review, the Group debuted the “Sugar Cube Collection” for fall and winter with the theme of “Removing Stereotype Impression” to highlight that women should not be restrained in the social stereotype. Featured with a mix of sweet and cool elements, the collection shows that women do not only have to dress in a certain way. Since its launch, the collection has received overwhelming positive response from young consumers. Aiming to tap into the potential of young consumers and create products that better represent its target consumers, the Group will launch more youthful collections with trendy designs and explore collaborative opportunities with other brands to broaden its customer base.

Capitalising on the accelerated digital transformation and the rising “stay-at-home” economy, the Group actively expanded its online licensing network and stepped up its efforts in social media marketing during the year. As the number of digitally connected consumers grows and social media usage expands, the opportunity of social media is greater than ever. During the year, the Group collaborated with various social platforms to establish a deeper engagement with its consumers, thereby stimulating online discussions of the brand and increasing brand awareness on social media platforms. Going forward, the Group will explore innovative marketing strategies on various social media platforms to build stronger customer relationships and further expand its market share. The Group will also prudently adjust its franchising and licensing network according to the market condition.

Looking forward to 2022, the macro environment remains uncertain due to sporadic outbreaks around the world, which may delay the full recovery of China's economy and hamper consumer sentiment. Despite the on-going pandemic and uncertain outlook, taking China's steady economic recovery in 2021 into consideration, the national economy is expected to fully recover gradually. Following the business transformation in 2021, the Group, which now operates with a new asset-light business model, made a solid turnaround in the second half of 2021. It proves that the Group is on the right track to achieve higher growth in the future. The Group will continue to optimise its business model and further strengthen its role as a brand owner. In view of the ever-changing consumer demand, the Group will leverage its competitive advantages, forge ahead with its customer-centric approach, and seize opportunities, thereby consolidating Daphne's leading position in the industry. Backed by the new business model and the joint effort of the entire staff, I believe that the efficacy of the transformation will continue to be manifested in the future to promote sustainable development of the Group.

為進一步鞏固「達芙妮」品牌商地位，本集團緊貼最新趨勢，並加大產品研發力度。隨著全球服裝的「休閒化」趨勢，設計並推出了更多時尚的休閒鞋和低跟鞋，以迎合大眾市場。為滿足年輕消費者多樣化的喜好和需求，本集團不斷在產品中融入更多年輕時尚的設計，保持品牌活力以吸引年輕消費群。回顧年內，本集團推出以「刪除刻板印象」為主題的秋冬「方糖系列」，強調女性不應該被社會刻板印象所束縛。該系列融合了甜美和酷帥元素，表明女性不止一面，不須以某種特定的方式穿著。自推出以來，該系列得到了年輕消費者的熱烈反應。為挖掘年輕消費者的潛力，創造更能代表其目標消費者的產品，本集團將推出更多設計時尚的年輕系列，並探索與其他品牌的合作機會，以擴大其客戶群。

年內，本集團利用數字化轉型加速和「宅」經濟興起，積極拓展線上授權網絡，加大社交媒體營銷力度。隨著數字營銷的增長和社交媒體使用的擴大，社交媒體的商機愈見龐大。年內，本集團與多個社交平台合作，與消費者建立更深層次的互動，從而激發品牌在線討論，提升品牌在社交媒體平台上的知名度。展望未來，本集團將在各種社交媒體平台探索創新營銷策略，以建立更牢固的客戶關係，並進一步擴大其市場份額。本集團亦會因應市況審慎調整其加盟商及授權商網絡。

展望二零二二年，疫情仍在世界各地蔓延，宏觀環境仍不明朗，或將延緩中國經濟全面復甦，打擊消費者信心。儘管疫情仍在持續，前景未明，但考慮到二零二一年中國經濟穩步復甦，預計國民經濟將逐步全面復甦。繼二零二一年業務轉型後，本集團以新的輕資產業務模式運營，在二零二一年下半年實現了轉虧為盈，證明本集團在未來實現增長的正確軌道上。本集團將繼續優化其業務模式，並進一步加強其作為品牌商的角色。針對不斷變化的消費者需求，本集團將發揮競爭優勢，以客戶為中心，銳意進取，抓住機遇，鞏固達芙妮在行業上的領導地位。以新的商業模式為後盾，在全體員工的共同努力下，相信轉型的成效將在未來不斷顯現，推動本集團的可持續發展。

CHAIRMAN'S STATEMENT

主席報告

Finally, I would like to express my gratitude to all customers, business partners and shareholders for their support to the Group during the challenging times. I would also like to thank management and all the employees for their valuable contributions during the Group's transformation to an asset-light business model.

最後，感謝所有顧客、業務合作夥伴及股東在困難時期對本集團的支持表示。同時亦感謝管理層及所有員工在本集團向輕資產業務模式轉型過程中作出的寶貴貢獻。

Chang Chih-Kai
Chairman

Hong Kong, 24 March 2022

主席
張智凱

香港，二零二二年三月二十四日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

In 2021, sporadic coronavirus outbreaks and the emergence of new variants continued to fuel the pandemic resurgence across the globe, which have brought immense challenges to China and the global economy. Despite the lingering pandemic, the coronavirus epidemic prevention and control in China have been consolidated thanks to the increase in vaccination rate in China, which led to a sustained steady recovery of the national economy. In 2021, China's economy saw significant improvements, with a year-on-year growth of 8.1%. The gross domestic product in the first and second quarters of 2021 has roughly recovered to pre-pandemic levels, recording year-on-year growth of 18.3% and 7.9%, respectively. Leveraged on the steady recovery of the national economy, China's retail sales of consumer goods saw a strong rebound with a 23.0% year-on-year jump in the first half of the year. In 2021, China's total sales of consumer goods rose 12.5% year-on-year with a 3.9% average annual growth for the past two years, reflecting China's resilient consumer sentiment in a year full of challenges.

The coronavirus pandemic has not only dealt a heavy blow to the retail sector, but also transformed consumer behaviour from in-store shopping to online consumption, bringing uncertainties to offline retail while bolstering the "stay-at-home" economy. During the year, China's online retail sales sustained a robust expansion with a year-on-year growth of 14.1%, while online retail sales of physical goods achieved a year-on-year growth of 12.0%, accounting for 24.5% of the total sales of consumer goods. It is evident that e-commerce will continue to gain momentum in the future.

The Group's Performance

The year of 2021 was a year of major transformation for the Group. After the large-scale business transformation, the Group's distribution channel has been transformed into its franchising and licensing network and the Group has started afresh with the implementation of new asset-light business model. The Group has shifted its focus on brand licensing management and supply chain management, and further strengthened its role as a brand owner.

Leveraging on its strong brand value as well as extensive experience in the women's footwear industry, the Group, as a bridge between franchisees and licensees and the supply chain, authorises online and offline franchisees and licensees to operate with the "Daphne" brand and provides them with reliable supply chain resources, while franchisees and licensees place orders directly in the supply chain system.

業務回顧

二零二一年，新冠病毒的持續爆發和新變種的出現，令全球疫情持續反覆，給中國和全球經濟帶來了巨大挑戰。儘管疫情揮之不去，但由於中國疫苗接種率的提高，中國的新冠病毒疫情防控工作得以鞏固，國民經濟持續穩定復甦。年內，中國經濟明顯改善，同比增長8.1%。二零二一年的首季及第二季度國內生產總值大致恢復至疫情前水平，同比分別增長18.3%及7.9%。受到國民經濟穩步回暖的影響，上半年中國社會消費品零售額同比增長23.0%，呈強勁反彈。二零二一年，中國社會消費品零售總額同比增長12.5%，近兩年年均增長3.9%，體現了中國在充滿挑戰的一年中消費信心的韌性。

新冠肺炎疫情不僅給零售業帶來沉重打擊，也讓消費者的行為從店內購物轉變為線上消費，給線下零售帶來不確定性，同時提振「宅」經濟。年內，中國線上零售額保持強勁增長，同比增長14.1%，實物商品網上零售額錄得同比增長12.0%，佔消費品零售總額的比重24.5%。由此可見，未來電子商務將繼續良好的發展勢頭。

本集團表現

二零二一年是本集團重點轉型之年。經過大規模的業務轉型，本集團的銷售渠道已轉型成為加盟商及授權商網絡，並實施輕資產業務模式重新開始。本集團將重心轉移到品牌授權管理和供應鏈管理上，進一步強化品牌商的角色。

憑藉強大的品牌價值以及在女鞋行業的豐富經驗，本集團作為加盟商和授權商與供應鏈系統之間的橋樑，授權線上和線下的加盟商和授權商以「達芙妮」品牌經營，並為他們提供擁有可靠的供應鏈資源，而加盟商和授權商直接在供應鏈系統下訂單。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

In an effort to further strengthen and enhance the management of the supply chain and franchising and licensing network, the Group is exploring in-depth cooperative opportunities with a domestic no-code or low-code corporate digital intelligence collaborative data platform to streamline the workflow system so as to realise quality refinement, cost reduction and efficiency enhancement in operations and production, and ultimately guiding the Group to achieve higher profits. The new system is expected to be launched in early 2022, mainly to improve the supply chain management with better communication with manufacturers and franchisees and licensees. On the one hand, the Group, authorised manufacturers and franchisees and licensees will be well-connected in a systematic way from placing orders to manufacturing to delivering orders to franchisees and licensees. On the other hand, the data generated from the new system will allow the Group to better understand consumer preferences and identify market trends, which will be conducive to the Group's product research and development to better meet the ever-changing consumer demand.

As the Group shifted to an asset-light business model, the completion of the disposal of inventories related to the directly-managed and partnership stores during the year has greatly eased the Group's pressure from operating and administrative costs and inventory risk exposure. In addition, the pandemic has expedited digital transformation and rapidly reshaped consumer behaviour, thereby transforming the industry's future. Online consumption has been normalised and it has continued to fuel e-commerce growth globally. In view of the changes in consumer behaviour, the Group has adjusted its operating model accordingly, resulting in a substantial increase in online licensing network during the year. In 2021, the Group's licensing fee income increased by 10 folds as compared to last year to HK\$58.2 million largely due to the initial success of the business transformation and the rapid expansion of its online licensing network.

Thanks to the new asset-light business model, refined human resources structure, well-adjusted operating costs, the Group's operations successfully turned profitable in the second half of the year. Taking the one-off gain on disposal of an investment property in relation to the land resumption by Putian City Licheng District People's Government in China into account, the Group's profit attributable to shareholders was HK\$52.7 million for the full year of 2021. Overall, the Group has made good progress as an asset-light brand owner and is well-prepared to devote more resources to further improve its brand licensing business, supply chain management, and franchisees and licensees management.

In 2021, basic earnings per share was 2.9 HK cents, compared with the basic loss of 14.4 HK cents per share in 2020. The board of directors does not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil).

為進一步加強和提升供應鏈及加盟商和授權商網絡的管理，本集團正與國內無代碼或低代碼企業數字智能協同數據平台探索深度合作機會，精簡工作流程系統，以實現經營和生產的質量精細化、降本增效，最終引導本集團實現更高的利潤。新系統預計將於二零二二年初推出，主要是為了改善供應鏈管理，加強與製造商、加盟商及授權商的溝通。一方面，本集團、授權製造商、加盟商及授權商將從中下訂單、製造、以及交付訂單，以系統的方式進行良好連接。另一方面，新系統所產生的數據將可讓本集團更好地了解消費者的喜好，把握市場趨勢，有利於本集團的產品研發，以更好地滿足不斷變化的消費者需求。

隨著本集團向輕資產業務模式轉型，年內完成直營店及聯營店相關存貨處置工作，極大程度上緩解了本集團經營管理成本及存貨風險的壓力。此外，疫情加快了數字化轉型並迅速重塑消費者行為，從而改變了行業的未來。線上零售消費已成常態，並繼續推動全球電子商務的增長。鑑於消費者行為的變化，本集團相應調整其經營模式，因此年內線上授權網絡大幅增加。二零二一年，本集團的許可權費收入較去年增長10倍至58.2百萬港元，主要是由於業務轉型取得初步成功以及線上授權網絡迅速擴張所致。

受惠於新的輕資產業務模式、精細化的人力資源結構、合理調整的經營成本，本集團的經營業務於下半年成功扭虧為盈。計及由於中國莆田市荔城區人民政府徵收土地相關出售投資物業之一次性收益，本集團於二零二一年全年的股東應佔溢利為52.7百萬港元。整體而言，作為輕資產品牌商，本集團取得良好的進展，並已做好充分準備投入更多資源，進一步改善其品牌授權業務、供應鏈管理以及加盟商和授權商管理。

二零二一年，每股基本盈利為2.9港仙，比對二零二零年每股基本虧損為14.4港仙。董事會不建議派發截至二零二一年十二月三十一日止年度的末期股息（二零二零年：無）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Brand Licensing Business

Since the business transformation, the Group has been focusing on brand management and the licensing business of footwear products, including women's dress shoes and casual shoes to franchisees and licensees in Mainland China.

In 2021, the Group has completed its transformation from a women footwear retailer into an asset-light brand owner with its retailing network transformed into the franchising and licensing network. During the year under review, the Group's online licensing network has grown a lot quicker than its offline network due to the on-going pandemic. As of 31 December 2021, there were approximately 190 physical shops and 250 online shops operated by our franchisees under the licensing arrangement of the Group. During the year, the Group's total revenue was approximately HK\$105.7 million (2020: HK\$363.9 million), comprising HK\$58.2 million (2020: HK\$5.2 million) from licensing fee income and HK\$47.5 million (2020: HK\$358.7 million) from sales of goods. In 2022, the Group will continue to take a prudent approach in opening physical shops by franchisees, especially in cities that the Group has not established its presence, tapping into new markets.

Aside from attaching high importance to product comfort, quality materials and consumer experience, the Group noticed that the "leisureisation" of outfits has been trending across the globe. In response to the growing demand for casual wear, the Group has stepped up its effort in developing stylish casual shoes and lower-heeled shoes to cater the demands of the mass market. Apart from targeting independent white-collar women as the main consumer group, the Group believes that with the increasing spending power of the younger generation, young consumers will play a huge role in contributing to the Group's future sustainable growth. Capitalising on the rising spending power of young consumers, the Group has continued to incorporate more youthful and trendy designs in its products to appeal to a younger demographic to maintain its brand vitality, as well as to meet the diversified and fast-changing preferences and demands of young consumers.

During the year, the Group debuted with the "Sugar Cube Collection" for fall and winter. Themed around "Removing Stereotype Impression", the Sugar Cube series emphasises that women should not be restrained in the social stereotype. Women do not only have to dress in a certain way, women can also dress sweet and cool at the same time. The Sugar Cube Collection integrated elements, such as baroque pearls, metal hearts, bay leaf design to add a sweet nuance and elements, such as functional metal buckles, square toe design, oversized sole, metal chains to exude a cooler vibe, thereby creating a more stylish and youthful look. Since its debut, the Sugar Cube Collection has become a hit on the market during the year and well received by young customers with positive feedbacks. Over 70% of the "Sugar Cube Collection" products were purchased by post-90s young customers. The Group will launch the "Bubblegum Collection" in spring 2022 to tap into the potential of young consumers so as to further strengthen its brand positioning. In the next season, the Group will organise a marketing event around the theme of "like a child again" to spread the positive message that women should keep their childhood innocence, follow their hearts and not be afraid to unleash their full potential. In addition to launching more youthful collections with trendy designs to expand its market share, the Group will explore collaborative opportunities with other brands and creative designers to cater for the taste of the segmented market as a means to broaden its customer base and build a stronger brand.

品牌授權業務

自業務轉型以來，本集團一直專注於品牌管理及鞋類產品之授權業務，包括對中國大陸的加盟商和授權商提供時尚女鞋及休閒鞋。

二零二一年，本集團完成了從女鞋零售商至輕資產品牌商的轉型，零售網絡亦轉變為加盟商和授權商網絡。於回顧年度內，由於疫情持續，本集團線上授權網絡的增長速度遠高於線下網絡。於二零二一年十二月三十一日，在本集團的授權安排下，我們的加盟商經營大約190家實體店和250家線上商店。年內，本集團總收益約為105.7百萬港元（二零二零年：363.9百萬港元），其中許可權費收入及貨品銷售收入分別佔當中的58.2百萬港元（二零二零年：5.2百萬港元）和47.5百萬港元（二零二零年：358.7百萬港元）。二零二二年，本集團將繼續以謹慎的態度審視加盟商開設實體店，特別在本集團尚未有店舖的城市，以開拓新市場。

除了高度重視產品舒適度、優質材料和消費者體驗外，本集團注意到服裝的“休閒化”趨勢已在全球範圍內流行。為應對日益增長的休閒裝需求，本集團將加大力度開發時尚休閒鞋及低跟鞋以迎合大眾市場的需求。除了以獨立白領女性為主要消費群體外，本集團相信隨著年輕一代的消費能力不斷增強，對本集團未來的可持續增長，年輕消費者將扮演很重要的位置。為了緊握年輕消費者日益增長的消費能力所帶來的機遇，本集團不斷在產品中融入更多年輕時尚的設計，以保持品牌活力，並滿足年輕消費群的多樣化和快速變化的喜好和需求。

年內，本集團推出秋冬季「方糖系列」。方糖系列以“刪除刻板印象”為主題，強調女性不應該被社會刻板印象所束縛。女性不止一面，穿著可以同時兼備甜美和酷帥。方糖系列融合了巴洛克珍珠、金屬心形、月桂葉設計等元素，增添了甜美的細微差別，而功能性金屬扣、方頭設計、超大鞋底、金屬鏈條等元素散發出更酷的氛圍，從而營造出一種更加年輕時尚的外觀。自推出以來，方糖系列已成為市場上的熱門產品，並獲得年輕消費者積極回饋。超過70%的方糖系列產品由九十後消費者購買。本集團將於二零二二年春季推出「泡泡糖系列」，以挖掘年輕消費者的潛力，進一步鞏固品牌定位。新一季，本集團將圍繞“足夠孩子氣”為主題的營銷活動，傳播女性應該保持童年的純真，跟隨自己的內心，不畏懼釋放潛能的積極信息。除了推出更多具有時尚設計的年輕系列以擴大市場份額外，本集團還將探索與其他品牌和創意設計師的合作機會，以迎合細分市場的口味，以此擴大其客戶群並建立更強大的品牌。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Amid the slowing economic activity, the coronavirus pandemic has been an unprecedented catalyst to digital transformation and the thriving “stay-at-home” economy. Benefitting from this opportunity, the Group has rapidly expanded its online licensing network during the year and will continue to carefully adjust its franchising and licensing network according to the pandemic situation and market condition in the future.

Moreover, the Group has invested more resources in its social media marketing and promotion. During the year, the Group collaborated with various social platforms to establish a deeper engagement with its consumers and boosting brand awareness on social media platforms that register the high volume of traffic, thereby stimulating online discussions of the brand and ultimately driving sales for the Group. In the future, the Group will actively yet selectively explore innovative sales and marketing approaches on various popular social media platforms to engage its customers and increase its market penetration.

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 licensing fee income in Mainland China. During the year ended 31 December 2021, the Group’s total revenue amounted to HK\$105.7 million (2020: HK\$363.9 million), a decrease of 71% compared to last year.

在經濟活動放緩的情況下，冠狀病毒大流行成為數字化轉型和蓬勃發展的「宅」經濟的前所未有的催化劑。受惠於這一機遇，本集團於年內迅速擴展其在線授權網絡，未來將繼續根據疫情形勢和市場情況謹慎調整其特許經營和授權網絡。

此外，本集團將投入更多資源於社交網絡上的營銷和推廣。年內，本集團分別與不同社交平台合作，與消費者建立更深層次的互動，並在大流量的社交媒體平台上提高品牌知名度，從而激發品牌的在線討論，以最終提高本集團的銷售。於未來，本集團將積極並選擇性在各種流行的社交媒體平台上探索創新的銷售和營銷方式，以緊密聯繫顧客並提高市場滲透率。

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／聯營店及加盟商之貨品銷售，以及許可權費收入。截至二零二一年十二月三十一日止年度，本集團收益總額為105.7百萬港元（二零二零年：363.9百萬港元），較去年減少71%。

		2021 二零二一年 HK\$ million 百萬港元	2020 二零二零年 HK\$ million 百萬港元	Change 變化
Licensing fee income	許可權費收入	58.2	5.2	+1,029%
Sales of goods	貨品銷售	47.5	358.7	-87%
Total revenue	收益總額	105.7	363.9	-71%
Cost of sales	銷售成本	(50.3)	(230.7)	-78%
Gross profit	毛利	55.4	133.2	-58%
Gross margin	毛利率	52.4%	36.6%	+15.8ppt百分點

Due to the continuing phasing out of the retail operation and clearance of all aged stocks, revenue from sales of goods decreased by 87% to HK\$47.5 million from HK\$358.7 million compared to last year. On the other hand, our licensing fee income increased by over 10 times, from HK\$5.2 million to HK\$58.2 million during the year. The Group’s overall gross margin also improved by 15.8 percentage points to 52.4% compared to that of last year.

由於持續淘汰零售業務及清理所有過季存貨，貨品銷售收益由去年的358.7百萬港元減少87%至47.5百萬港元。另一方面，年內，我們的許可權費收入增加逾十倍，由5.2百萬港元增至58.2百萬港元。本集團整體毛利率亦較去年提升15.8百分點至52.4%。

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Other Income

Other income mainly comprises rental income, government subsidies and interest income. The amount increased by HK\$10.0 million from HK\$41.0 million in last year to HK\$51.0 million for the year under review. The increase was mainly due to the increase in gross rental income from investment properties this year.

Operating Expenses

The Group's operating expenses (including other gains/(losses) - net, selling & distribution expenses, general & administrative expenses and impairment loss on financial assets but excluding the gain on disposal of an asset classified as held-for-sale of HK\$131.7 million and other related costs of HK\$27.6 million) was approximately HK\$125.9 million during the year, compared with the operating expenses of HK\$411.4 million in last year. The decrease in operating expenses was mainly attributable to the continuing scaling down of the operation.

Operating Profit/(Loss)

As a result of the above-mentioned reasons, the Group recorded an operating profit of HK\$84.6 million for the year, compared with the operating loss of HK\$237.1 million in 2020.

Finance Costs

Finance costs represent interests on convertible notes and lease liabilities, amounting to HK\$4.4 million (2020: HK\$0.9 million) and HK\$0.3 million (2020: HK\$1.4 million) respectively during the year.

Income Tax Expense

For the year under review, the Group's income tax expense was HK\$26.2 million (2020: HK\$2.0 million), which mainly arised from the taxable income on the disposal of an asset classified as held-for-sale.

Profit/(Loss) Attributable to Shareholders

For the year ended 31 December 2021, the Group's profit attributable to shareholders was HK\$52.7 million compared to a loss of HK\$242.0 million last year. Basic earnings per share was 2.9 HK cents (2020: Basic loss per share of 14.4 HK cents) for the year under review.

其他收入

其他收入主要包括租金收入、政府補貼和利息收入。回顧年內，其金額由去年的41.0百萬港元，增加10.0百萬港元至51.0百萬港元。其增加主要是由於年內自投資物業錄得的租金收入總額有所增加。

經營開支

年內，本集團的經營開支(包括其他收益/(虧損)一淨額、銷售及分銷開支、一般及行政開支及金融資產減值虧損，但不包括出售分類為持作出售之資產之收益131.7百萬港元及其他相關成本27.6百萬港元)約為125.9百萬港元，對比去年的經營開支411.4百萬港元。經營開支下跌主要是由於營運規模持續縮減所致。

經營盈利/(虧損)

基於上述原因，本集團於年內錄得經營盈利為84.6百萬港元，對比二零二零年的經營虧損為237.1百萬港元。

財務成本

年內，財務成本指可換股債券利息和租賃負債利息，金額分別為4.4百萬港元(二零二零年：0.9百萬港元)和0.3百萬港元(二零二零年：1.4百萬港元)。

所得稅開支

回顧年內，本集團之所得稅開支為26.2百萬港元(二零二零年：2.0百萬港元)，主要來自出售分類為持作出售之資產而產生的應課稅收入。

股東應佔盈利/(虧損)

截至二零二一年十二月三十一日止年度，本集團股東應佔盈利為52.7百萬港元，對比去年虧損為242.0百萬港元。回顧年內，每股基本盈利為2.9港仙(二零二零年：每股基本虧損為14.4港仙)。

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LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2021, the Group had equity attributable to shareholders totalling HK\$590.1 million (2020: HK\$528.2 million). Cash and cash equivalents amounted to HK\$227.5 million (2020: HK\$124.6 million), which were denominated mainly in Hong Kong Dollar and Renminbi. During the year, the change in balances of cash and cash equivalents is analysed as follows:

流動資金及財政資源

於二零二一年十二月三十一日，本集團股東應佔權益合共590.1百萬港元(二零二零年：528.2百萬港元)。現金及現金等價物金額為227.5百萬港元(二零二零年：124.6百萬港元)，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的分析如下：

		For the year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 HK\$'million 百萬港元	2020 二零二零年 HK\$'million 百萬港元
Net cash used in operating activities	經營活動所用的現金淨額	(28.8)	(122.6)
Capital expenditure	資本開支	(3.5)	(3.6)
Proceeds from disposal of property, plant and equipment and an asset classified as held-for-sale	出售物業、廠房及設備及分類為持作出售之資產所得款項	135.9	16.7
Proceeds from disposal of a joint venture	出售合資企業所得款項	-	0.4
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
Net bank interest received	已收之銀行淨利息	0.9	0.5
Lease payments	租賃付款	(3.6)	(14.1)
Effect of foreign exchange rate changes	外匯兌換率變動之影響	2.0	6.4
		102.9	(57.7)

As at 31 December 2021, the Group's net gearing ratio was in net cash (2020: net cash) position. Current ratio as at 31 December 2021 improved significantly to 2.7 times (2020: 1.5 times). Management will continuously monitor the Group's financial performance and liquidity position and it believes that the Group has sufficient working capital and financial resources for its operation in future.

於二零二一年十二月三十一日，本集團之淨負債比率為淨現金(二零二零年：淨現金)。於二零二一年十二月三十一日之資產流動比率顯著改善至2.7倍(二零二零年：1.5倍)。管理層將持續監察本集團之財務表現及流動資金情況，並相信本集團持有足夠營運資金和財務資源以應付未來之營運。

Use of Net Proceeds

In 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.

所得款項淨額用途

於二零二零年十月，本公司完成按每股股份0.1817港元的價格配發本公司164,914,238股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。

In December 2020, the Company disposed 100% equity interest of its indirectly held subsidiary at a consideration of approximately HK\$23.2 million which was received in April 2021.

於二零二零年十二月，本公司以約23.2百萬港元的代價出售其間接持有的附屬公司的100%股權，該所得款項已於二零二一年四月收到。

In 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 land resumption by the Government. The proceeds of approximately HK\$134.6 million were fully settled by the Government. The net proceeds (after deducting compensation to existing tenants and other related expenses and taxes) were approximately HK\$80.8 million.

於二零二一年一月，本公司在中國大陸的一家全資附屬公司與莆田市荔城區人民政府(「政府」)就政府徵收土地訂立協議。款項約134.6百萬港元已由政府悉數清償。所得款項淨額(經扣除對現有租戶補償及其他相關開支及稅項後)約為80.8百萬港元。

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The total net proceeds from the above-mentioned transactions amounted to approximately HK\$161.3 million. As at 31 December 2021, the use of net proceeds was as follows:

上述交易所得款項淨額合計約為161.3百萬港元。於二零二一年十二月三十一日，所得款項淨額用途如下：

(in HK\$' million)		Planned amount to be utilised	Accumulated net proceeds utilised as at 1 January 2021	Actual amount utilised during the year	Accumulated net proceeds utilised as at 31 December 2021	Unutilised amount as at 31 December 2021
(百萬港元)		計劃動用金額	於二零二一年一月一日 累計已動用 所得款項淨額	年內實際 動用金額	於二零二一年 十二月 三十一日 累計已動用 所得款項淨額	於二零二一年 十二月 三十一日 尚未動用金額
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	94.7	26.9	67.8	94.7	-
Improvement of existing e-commerce business platform	完善現有的電商平台	11.5	9.7	1.8	11.5	-
Brand advertising and promotion expenses	品牌廣告和促銷開支	8.0	-	8.0	8.0	-
Enhance liquidity position and for other general corporate purposes	加強流動資金狀況及作其他一般企業用途	47.1	11.2	35.9	47.1	-
Total	總計	161.3	47.8	113.5	161.3	-

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 2021, the Group did not enter into any foreign exchange forward contract to hedge the foreign exchange risk exposure. As at 31 December 2021, 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。截至二零二一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。於二零二一年十二月三十一日，本集團並無面臨重大外匯風險。

Pledge of Assets

As at 31 December 2021, the Group had no pledged assets (2020: Nil).

資產抵押

於二零二一年十二月三十一日，本集團並無已抵押資產（二零二零年：無）。

Capital Expenditure and Commitments

During the year, the Group incurred capital expenditure of HK\$3.5 million (2020: HK\$3.6 million) mainly for office renovation. As at 31 December 2021, the Group had no material capital commitments.

資本開支及承諾

年內，本集團的資本開支為3.5百萬港元（二零二零年：3.6百萬港元），主要用於辦公室裝修。於二零二一年十二月三十一日，本集團並無重大資本承擔。

Contingent Liabilities

As at 31 December 2021 and 2020, the Group had no significant contingent liabilities.

或然負債

於二零二一年及二零二零年十二月三十一日，本集團並無任何重大或然負債。

Human Resources

As at 31 December 2021, the Group had a total of 75 (2020: 150) employees predominantly in Mainland China and Hong Kong. Employee benefits expense for the year ended 31 December 2021 was HK\$38.5 million (2020: HK\$126.0 million). The overall decrease of 69% in employee benefits expense was mainly due to the reduction in headcounts and cost control measures as a result of business transformation.

人力資源

於二零二一年十二月三十一日，本集團於中國大陸及香港之僱員人數合計75人（二零二零年：150人）。截至二零二一年十二月三十一日止年度，僱員福利開支為38.5百萬港元（二零二零年：126.0百萬港元）。僱員福利開支整體減少69%，乃主要由於業務轉型令人數減少及成本控制措施所至。

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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 may be 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.

OUTLOOK

As sporadic coronavirus outbreaks are still scattering all over the world, unpredictable disruptions may rattle consumer sentiment and hammer the retail sector. Even though China sustained the continuous and steady recovery of the national economy in 2021, the complicated and uncertain external environment and global sporadic flare-ups may pose some obstacles in the road to a full recovery of consumption and the overall economy. Looking ahead to 2022, the Group is cautiously optimistic about the overall market sentiment and will continue to prudently operate as an asset-light brand owner.

In view of the ever-changing consumer behaviour and preference, the Group will uphold its consumer centric strategy and embrace changes by developing more distinctive women's dress shoes and casual shoes with trendy designs that better represent its target consumers in order to keep up with the market trends and better satisfy the segmented market demands and consolidate its role as a brand owner.

Capitalising on the fast-growing e-commerce market, the Group will selectively expand its online licensing network. Although the Group's online licensing network has been growing much quicker than the offline licensing network in the past year, the Group believes that brick-and-mortar presence will still play a significant role in promoting the "Daphne" brand. Therefore, the Group aims to expand its offline franchising and licensing network in order to strike a better balance between its online and offline network. However, the Group will take the actual pandemic situation and operating environment into consideration and prudently adjust the scale of the network accordingly and strictly select reputable franchisees and licensees.

Thanks to the asset-light business model, the Group has made a solid turnaround during the year and will continue to push forward strategic planning in strengthening and enhancing the management of the supply chain and the franchising and licensing network to further improve efficiency, product quality and the Group's profitability, thereby securing a more favourable market position. Despite the on-going pandemic, the Group believes that the national economy will gradually progress towards a full recovery and the efficacy of its business transformation will continue to be manifested in 2022. The Group will continue to make adjustments to the model to enhance operations and drive the sustainable development of the Group, endeavouring to create greater value for its shareholders.

本集團重視其人力資源並深明留聘優質人才的重要性，所提供之薪酬待遇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，向合資格員工授予購股權、股份增值權及酌情花紅。此外，本集團亦為僱員提供強積金計劃、醫療保險計劃、員工購物折扣及培訓課程等。

展望

由於冠狀病毒疫情仍在世界各地蔓延，不可預測的隔離措施擾亂了消費者的情緒並重創了零售業。儘管二零二一年中國國民經濟持續平穩復甦，但外部環境複雜多變、全球疫情的反覆，可能對消費和整體經濟全面復甦的道路構成一定障礙。展望二零二二年，本集團對整體市場氣氛持審慎樂觀態度，將繼續作為輕資產品牌商審慎經營。

鑑於消費者行為及喜好日新月異，本集團將秉持以消費者為中心的策略，擁抱變化，開發更具特色、設計時尚、更能代表目標消費群的時尚女鞋及休閒鞋，以緊貼市場潮流及滿足細分市場需求，鞏固作為品牌商之角色。

抓緊快速增長的電商市場，本集團將選擇性擴展其線上授權網絡。儘管本集團的線上授權網絡在過去一年的增長速度遠快於線下授權網絡，但本集團相信實體店在推廣「達芙妮」品牌方面仍將發揮重要作用。因此，本集團旨在擴大其線下加盟商及授權商網絡，以更好地平衡線上與線下網絡。本集團將結合實際疫情情況及經營環境，審慎調整網絡規模，嚴選信譽良好的加盟商及授權商。

受惠於輕資產業務模式，本集團在年內實現了穩健的扭虧為盈，並將繼續推進戰略規劃，加強和提升供應鏈和加盟商和授權商網絡的管理，以進一步提高效率 and 產品質量及本集團的盈利能力，從而獲得更有利的市場地位。儘管疫情仍在持續，本集團相信國民經濟將逐步走向全面復甦，業務轉型的成效將在二零二二年繼續顯現。本集團將繼續調整模式，以提升經營和推動本集團可持續發展，努力為股東創造更大價值。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡歷

EXECUTIVE DIRECTORS

Mr. CHANG Chih-Kai, aged 41, 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 Company from April 2016 to October 2020. Mr. Chang is also a member of each of the Nomination Committee and Remuneration Committee of the Company. He is mainly responsible for the 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 39, joined the Group in 2007 and has become an executive director of the Company since June 2009. He has been appointed as the CEO of the Company since 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 39, has been appointed as an executive director of the Company and Chief Operating Officer (“COO”) since October 2020. He is responsible for the overall sales operation and the development of brand 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，41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，彼亦為本公司行政總裁（「行政總裁」）。張先生亦為本公司的提名委員會及薪酬委員會成員之一。張先生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，39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。彼自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，39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品牌授權業務發展。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. HUANG Shun-Tsai, aged 68, has been an independent non-executive director of the Company since 2001 and is also acting as the Chairman of the Nomination Committee, and a member of each of the Audit Committee and Remuneration Committee of the Company. Mr. Huang is also a director of two health technology companies in Taiwan and has been active in the health technology field for over 30 years.

Mr. Hon Ping Cho Terence, aged 62, has been an independent non-executive director of the Company since September 2019. He is also the Chairman of the Audit Committee, and a member of each of the Nomination Committee and Remuneration Committee of the Company.

Currently, Mr. Hon is also an independent non-executive director of the three companies listed on The Stock Exchange of Hong Kong Limited, namely Xiabuxiabu Catering Management (China) Holdings Co., Ltd. (Stock Code: 520), 361 Degrees International Limited (Stock Code: 1361) and SinoMab BioScience Limited (Stock Code: 3681). Between December 2017 to May 2021, Mr. Hon was the independent non-executive director of Jimu Group Limited (Stock Code: 8187). 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.

獨立非執行董事

黃順財先生，68歲，自二零零一年起擔任本公司之獨立非執行董事，彼亦擔任為本公司的提名委員會主席、以及審核委員會及薪酬委員會成員之一。黃先生亦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。

韓炳祖先生，62歲，於二零一九年九月起擔任本公司之獨立非執行董事。彼亦擔任本公司的審核委員會主席、以及提名委員會及薪酬委員會成員之一。

韓先生現時亦為三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)、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)。於二零一七年十二月至二零二一年五月期間，彼亦為積木集團有限公司(股票代號：8187)之獨立非執行董事。直至二零一八年九月，彼過去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首席財務官，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。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡歷

Mr. Tan Philip, aged 39, has been appointed as an independent non-executive director of the Company since August 2021. He is also the Chairman of the Remuneration Committee, and a member of each of the Audit Committee and Nomination Committee of the Company.

Currently, Mr. Tan has also been a non-executive director of Pacific Millennium Packaging Group Corporation (Stock Code: 1820), a company listed on The Stock Exchange of Hong Kong Limited, since December 2019. Besides, he is also a director of (i) Pacific Millennium Paper Group Limited; (ii) Chongqing Stone Tan Credit Guarantee Company Limited, (iii) Chongqing Stone Tan Financial Leasing Company Limited; (iv) Chongqing Stone Tan Small Business Loans Company Limited; (v) Shanghai Asiatic Communications Company Limited; and (vi) Shanghai Pacific Millennium Asiatic Communications Company Limited.

Mr. Tan has been working as the finance service product and project director of Stone Tan China Finance and Investment (Hong Kong) Company Limited since January 2010. Mr. Tan worked for Nestle Group in the United States of America, France and Shanghai, respectively, during the period from 2004 to 2008 and held various positions including global sales development project manager and regional sales manager. He also served various positions including operational manager, project manager, technical manager, general manager and regional operational manager in the various group companies of Pacific Millennium Packaging Group Corporation in some period between 2008 and 2009.

Mr. Tan holds a master of business administration from University of Nebraska, USA and the degree of bachelor of science from School of Business, Babson College, USA.

談大成先生，39歲，自二零二一年八月起獲委任為本公司獨立非執行董事，彼也擔任本公司薪酬委員會主席、以及審核委員會及提名委員會成員之職務。

談先生自二零一九年十二月起也擔任國際濟豐包裝集團(股份代號：1820)(一間於香港聯合交易所有限公司上市之公司)之非執行董事。此外，彼同時擔任(i)國際濟豐紙業集團有限公司；(ii)重慶談石信用擔保有限公司；(iii)重慶談石融資租賃有限公司；(iv)重慶兩江新區談石小額貸款有限公司；(v)上海寰亞資訊技術有限公司；及(vi)上海濟豐寰亞資訊技術有限公司之董事。

談先生自二零一零年一月起亦任職於香港談石金融投資有限公司的金融服務產品及項目總監。談先生於二零零四年至二零零八年期間分別在美國、法國及上海的雀巢集團工作，擔任多個職務，包括全球銷售開發項目經理及地區銷售經理。彼亦於二零零八年至二零零九年期間在國際濟豐包裝集團有限公司旗下若干附屬公司擔任多個職務，包括營運經理、項目經理、技術經理、總經理及區域營運經理。

談先生持有美國內布拉斯加大學的工商管理碩士學位，以及美國巴布森學院商學院頒發的理學士學位。

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 2021, the Company has complied all the applicable code provisions set out in the CG Code except during the period from 7 July 2021 (date of passing away of Mr. Kuo Jung-Cheng, an independent non-executive director) to 2 August 2021 (date of appointment of Mr. Tan Philip, an independent non-executive director), the Company had only two independent non-executive directors and did not meet the requirements under Rule 3.10(1) having at least three independent non-executive directors and Rule 3.21 comprising a minimum of three members of the Audit Committee.

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 2021.

The Company also requires relevant officers and employees of the Group are also 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 and employees was noted by the Company during the year.

本公司確知良好企業管治對於本集團業務成功及持續發展甚為重要。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。

截至二零二一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守則條文，除了由二零二一年七月七日（即獨立非執行董事郭榮振先生逝世之日期）至二零二一年八月二日（即獨立非執行董事談大成先生獲委任之日期）期間，本公司只有兩名獨立非執行董事而未能符合上市規則第3.10(1)條規定的最少有三名獨立非執行董事的要求及上市規則第3.21條規定審核委員會最少要由三名成員組成的要求。

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，彼等於截至二零二一年十二月三十一日止年度內一直遵守標準守則所載規定。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

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</i> 執行董事				
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</i> 獨立非執行董事				
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 主席
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. Tan Philip 談大成先生	2 August 2021 二零二一年八月二日	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 through both online and offline channels as well as brand management while the independent non-executive directors possess appropriate professional qualifications and management expertise in various industries. 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.

For the year ended 31 December 2021, 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 except that during the period from 7 July 2021 (date of passing away of Mr. Kuo Jung-Cheng, an independent non-executive director) to 2 August 2021 (date of appointment of Mr. Tan Philip as an independent non-executive director), the Company had only two independent non-executive directors and did not meet the requirements under Rule 3.10(1) having at least three independent non-executive directors and Rule 3.21 comprising a minimum of three members of the Audit Committee.

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：

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</i> 執行董事				
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</i> 獨立非執行董事				
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 主席
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. Tan Philip 談大成先生	2 August 2021 二零二一年八月二日	Member 成員	Member 成員	Chairman 主席

執行董事擁有豐富及廣泛通過線上及線下渠道的鞋類分銷及零售業務，以及品牌管理經驗。而獨立非執行董事則於不同行業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。

於截至二零二一年十二月三十一日止年度，董事會一直符合上市規則有關委任至少三名獨立非執行董事（佔董事會成員人數至少三分之一），其中最少一名獨立非執行董事須具備合適專業資格及會計及相關財務管理專業知識的規定，除了於二零二一年七月七日（獨立非執行董事郭榮振先生逝世之日期）至二零二一年八月二日（談大成先生獲委任為獨立非執行董事之日期）期間，本公司只有兩名獨立非執行董事而未能符合上市規則第3.10(1)條規定的最少有三名獨立非執行董事的要求及上市規則第3.21條規定審核委員會最少要由三名成員組成的要求。

CORPORATE GOVERNANCE REPORT

企業管治報告

Each independent non-executive director has provided 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 19 to 21 of this annual report.

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 the 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.

Each of the directors has letter of appointment with the Company and is appointed for an initial term of 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 next following general meeting after his/her appointment.

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19至21頁之「董事及高級管理人員簡歷」。

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。

每位董事與本公司已簽訂委任協議，初始任期為三年。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」）最少須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下屆股東大會接受重選。

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Notwithstanding the fact that Mr. Huang has served as an independent non-executive director for more than 9 years, the Board is satisfied that Mr. Huang has been providing independent and objective judgment and advice to the Board to safeguard the interests of the Company and the shareholders as a whole. He has also participated in all of the board meetings and committees meetings of the Company over the last two years. Mr. Huang has been able to fulfill the independence requirements as an independent non-executive director over the years, and to the best knowledge of the directors, he is independent from other directors and the management of the Company, and is free from any business or other relationships or circumstances which could interfere with the exercise of his independent and professional judgement.

In addition, Mr. Huang is familiar with the Group's business and culture. He is also an entrepreneur on health and technology industry for over 30 years who has been and can continue to provide various advice to the Board from different perspectives, and has contributed to the effectiveness of the Board for the interest of the shareholders. Besides, Mr. Huang, currently the chairman of the Nomination Committee and a member of each of the Audit Committee and Remuneration Committee of the Company, has also been continuously providing valuable guidance to the Board.

The Board is therefore of the view that the long service of Mr. Huang would not affect his exercise of independent judgement and was satisfied that he has the required character, integrity and experience to continue to fulfill the roles of an independent non-executive director.

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 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.

儘管黃先生已擔任獨立非執行董事超過九年，但董事會信納黃先生一直為董事會提供獨立及客觀的判斷及意見，以維護本公司及股東整體的利益。彼於過去兩年亦有參與本公司所有董事會會議及委員會會議。黃先生多年來能夠滿足作為獨立非執行董事的獨立性要求，且據董事會所深知，彼獨立於其他董事及本公司管理層，並且沒有任何業務或其他關係或情況可能影響彼執行獨立及專業判斷。

此外，黃先生熟悉本集團的業務及文化。彼亦作為健康及科技行業企業家逾三十年，一直並能夠持續從不同角度向董事會提供各種建議，並為董事會的有效性作出貢獻，以維護股東利益。除此之外，黃先生目前為本公司提名委員會主席及審核委員會及薪酬委員會成員，彼亦一直為董事會提供寶貴的指導。

因此，董事會認為黃先生的長期服務不會影響彼作出獨立判斷，並信納彼具備繼續履行獨立非執行董事職責所需之品格、誠信及經驗。

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。

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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, environment, social and governance issues 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.

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 2021, all directors of the Company have attended the online 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, environment, social & governance issues and corporate governance development were also provided by the Company to the directors from time to time.

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、環境、社會及管治議題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。

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。

於截至二零二一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網上培訓課程，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、環境、社會及管治議題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。

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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. During the year, Mr. Chang Chih-Kai, an executive director, has been the Chairman of the Board and Mr. Chang Chih-Chiao, an executive director, has been the Chief Executive Officer of the Company.

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 (Chairman)	
Mr. Huang Shun-Tsai	Independent non-executive director
Mr. Tan Philip	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 also 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, as well as reviewed and approved the non-audit services provided by the Group's auditors. It also 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.

3.8 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。年內執行董事張智凱先生為本董事會主席，而執行董事張智喬先生擔任本公司行政總裁。

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
談大成先生	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。

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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. Tan Philip	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 independent non-executive director 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
談大成先生	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一位獨立非執行董事向董事會提出了建議。

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Remuneration Committee

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

Mr. Tan Philip (Chairman)	Independent non-executive director
Mr. Huang Shun-Tsai	Independent non-executive director
Mr. Hon Ping Cho Terence	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 director and senior management. The Remuneration Committee is also responsible for making recommendations to the Board on the Company's policy and structure for remuneration of all directors of the Company and senior management of the Group and other matters relating to remuneration. The remuneration of all directors is subject to regular monitoring by the Remuneration Committee to ensure that their remuneration and compensation are reasonable.

During the financial year, three Remuneration Committee meetings were held and the remuneration packages of individual directors and senior management were reviewed and considered. They also reviewed the remuneration of the newly-appointed independent non-executive director and the grant of share options to executive directors and their associates. Details of the remuneration paid/payable to individual directors 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：

談大成先生 (主席)	獨立非執行董事
黃順財先生	獨立非執行董事
韓炳祖先生	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董事及高級管理人員之薪酬待遇之模式。薪酬委員會亦負責就本公司全體董事及本集團高級管理人員之薪酬政策及架構及其他有關薪酬事宜，向董事會提供建議。全體董事之薪酬受到薪酬委員會之定期監察，以確保其薪酬及補償為合理。

於本財政年度，薪酬委員會曾舉行三次會議，審議及考慮個別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獨立非執行董事的薪酬及向執行董事及彼等聯繫人士授出購股權事宜。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。

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3.10 Meeting Attendance of Board and Board Committee Members

The attendance records of each of the directors at the board meetings, board committee meetings, annual and extraordinary general meeting (AGM/EGM) of the Company held during the year ended 31 December 2021 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	Audit Committee	Nomination Committee	Remuneration Committee	AGM/EGM 股東週年大會/股東特別大會
<i>Executive directors</i> 執行董事						
Mr. Chang Chih-Kai (Chairman)	張智凱先生 (主席)	5/5	–	2/2	3/3	2/2
Mr. Chang Chih-Chiao	張智喬先生	5/5	–	–	–	2/2
Mr. Wang Jungang	王俊剛先生	5/5	–	–	–	2/2
<i>Independent non-executive directors</i> 獨立非執行董事						
Mr. Huang Shun Tsai	黃順財先生	5/5	3/3	2/2	3/3	2/2
Mr. Hon Ping Cho Terence	韓炳祖先生	5/5	3/3	2/2	3/3	2/2
The late Mr. Kuo Jung-Cheng (passed away on 7 July 2021)	已故郭榮振先生 (於二零二一年七月七日逝世)	2/2	1/1	1/1	1/1	2/2
Mr. Tan Philip (appointed on 2 August 2021)	談大成先生 (於二零二一年八月二日獲委任)	2/2	2/2	0/0	1/1	0/0

3.10 董事會及董事會轄下委員會成員之會議出席情況

於截至二零二一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、股東週年大會及股東特別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 and the Listing Rules 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 45 to 49 of this annual report.

The remuneration paid/payable to PricewaterhouseCoopers for the provision of audit service for the year ended 31 December 2021 was HK\$2,000,000 (2020: HK\$2,000,000) and non-audit services related to tax advisory and the discloseable major transaction amounted to HK\$1,118,000 (2020: HK\$391,000) 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》和上市規則的披露規定，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45至49頁之「獨立核數師報告」。

截至二零二一年十二月三十一日止年度，已付／應付羅兵咸永道會計師事務所之審計服務酬金為2,000,000港元（二零二零年：2,000,000港元）及關於稅務諮詢與須予披露主要交易之非審計服務酬金為1,118,000港元（二零二零年：391,000港元）。

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 information and updates on the Group's business, 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.

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、財務資料、企業管治常規及其他資料之資料及最新動態，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。

本公司持續加強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。

CORPORATE GOVERNANCE REPORT

企業管治報告

7.2 Constitutional Documents

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

For good corporate governance and with an effort to modernise and update the Company's constitutional documents, the Board has proposed to the amendments of the Memorandum and Articles of Association of the Company in accordance with the requirement of the Listing Rules. The proposed amendments are subject to the approval by the shareholders of the Company at the forthcoming annual general meeting to be held in May 2022. Once approved, the Company will published the updated Memorandum and Articles of Association on the websites of the Stock Exchange and the Company.

7.3 Dividend Policy

The Company has adopted a dividend policy (the "Dividend Policy") since 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.

7.2 憲章文件

年內，本公司的組織章程大綱及細則並無變動。

為實現良好的企業管治，並努力現代化和更新本公司章程文件，董事會已根據上市規則的要求對本公司組織章程大綱及細則提出修訂。擬議修訂須經本公司股東於二零二二年五月召開的應屆股東周年大會上批准。獲批准後，本公司將在聯交所網站及本公司網站刊登更新後的公司組織章程大綱及細則。

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於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 Act 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, 24 March 2022

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，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，二零二二年三月二十四日

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 2021.

Principal activities

The Company is an investment holding company. The activities of its principal subsidiaries are set out in Note 37 to the consolidated financial statements. The Group is principally engaged in the distribution 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 2021 are provided in the Chairman’s Statement, Management Discussion and Analysis, Corporate Governance Report of this annual report.

Environmental, Social and Governance Report

A separate “Environmental, Social and Governance Report 2021” will be published on the websites of the HKEXnews (www.hkexnews.hk) and the Company (www.daphneholdings.com) in due course in compliance with the “Environmental, Social and Governance Reporting Guide” as set out in Appendix 27 to the Listing Rules.

Results and appropriation

The results of the Group for the year ended 31 December 2021 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 50 to 116.

The board of directors does not recommend the payment of a dividend in respect of the year ended 31 December 2021.

Donations

There was no charitable and other donations made by the Group during the year (2020: 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 share capital of the Company for the year ended 31 December 2021 are set out in Note 26 to the consolidated financial statements.

Distributable reserves

As at 31 December 2021, the distributable reserves of the Company amounted to HK\$297,963,000 (2020: HK\$327,953,000). Movements in the reserves of the Group and of the Company during the year are set out in Notes 28 and 36 to the consolidated financial statements, respectively.

董事謹此提呈截至二零二一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37。本集團主要於中國大陸從事鞋類產品及配件的分銷及授權許可業務。

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

本集團截至二零二一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、管理層討論與分析及企業管治報告。

環境、社會及管治報告

本公司遵守上市規則附錄二十七所載《環境、社會及管治報告指引》，將於適當時候於香港交易所披露易網站(www.hkexnews.hk)及本公司網站(www.daphneholdings.com)刊登一份獨立的《二零二一年環境、社會及管治報告》。

業績及分配

本集團截至二零二一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50至116頁之綜合財務報表。

董事會不建議就截至二零二一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（二零二零年：無）。

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

本公司截至二零二一年十二月三十一日止年度之股本詳情載於綜合財務報表附註26。

可供分派儲備

於二零二一年十二月三十一日，本公司可供分派之儲備為297,963,000港元（二零二零：327,953,000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36。

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 are 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 5 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. Wang Jungang

Independent non-executive directors

Mr. Huang Shun-Tsai
Mr. Hon Ping Cho Terence
The late Mr. Kuo Jung-Cheng (passed away on 7 July 2021)
Mr. Tan Philip (appointed on 2 August 2021)

In accordance with the Company's Articles of Association, Mr. Chang Chih-Chiao, Mr. Huang Shun-Tsai and Mr. Tan Philip shall retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

All the independent non-executive directors have confirmed their independence pursuant to Rule 3.13 of the Listing Rules and based on such confirmations, the Company is of the opinion that the independence status of the independent non-executive directors remained intact as at 31 December 2021.

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5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*)
王俊剛先生

獨立非執行董事

黃順財先生
韓炳祖先生
已故郭榮振先生 (於二零二一年七月七日逝世)
談大成先生 (於二零二一年八月二日獲委任)

根據本公司之組織章程細則，張智喬先生、黃順財先生及談大成先生將於應屆股東週年大會退任，惟彼等符合資格並願意膺選連任。

所有獨立非執行董事已根據上市規則第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，截至二零二一年十二月三十一日，所有獨立非執行董事均為獨立人士。

REPORT OF THE DIRECTORS

董事會報告

Biographies of directors and senior management

Brief biographies of directors and senior management are set out on pages 19 to 21 of this annual report.

Directors' service contracts

The term of the directorship of each director is generally for a period of three years unless either party gives one month written notice to the other to terminate the letter of appointment before the expiry of the existing term.

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.

Interests of directors and chief executive

As at 31 December 2021, 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 the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 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 interests 個人權益	–	23,200,000 (Note 1) (附註一)	23,200,000	1.28
Mr. Chang Chih-Chiao 張智喬先生	Personal interests 個人權益	–	20,200,000 (Note 1) (附註一)	20,200,000	1.11
Mr. Wang Jungang 王俊剛先生	Personal interests 個人權益	–	51,800,000 (Note 2) (附註二)	51,800,000	2.86

Notes:

- These interests represented the interests in underlying shares of the Company in respect of share options granted to the directors.
- The interests represented the underlying shares of the Company in respect of share options granted to Mr. Wang on 14 December 2021, which is subject to the approval of the independent shareholders of the Company at the forthcoming annual general meeting.

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19至21頁。

董事之服務合約

每名董事之董事任期一般為三年，除非由任何一方另外一方發出不少於一個月的書面通知，方可於現有條款到期前終止委任協議。

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。

董事及主要行政人員之權益

於二零二一年十二月三十一日，按本公司根據證券及期貨條例(「證券及期貨條例」)第352條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)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：

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。
- 該等權益指於二零二一年十二月十四日授予王先生之購股權(須待獨立股東於應屆股東週年大會上批准後方可作實)所涉及之本公司相關股份之權益。

REPORT OF THE DIRECTORS

董事會報告

Save as disclosed above, as at 31 December 2021, so far as is known to any directors or chief executive of the Company, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO, or (c) as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Save for the share option scheme of the Company, 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 interests or short positions in shares or underlying shares in, or debentures of, the Company or its specified undertakings or other associated corporations.

Interests of substantial shareholders

The register of substantial shareholders required to be kept under Section 336 of the SFO shows that as at 31 December 2021, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executive.

Long positions in shares and underlying shares of the Company:

除上文所披露者外，於二零二一年十二月三十一日，據本公司任何董事或主要行政人員所知，概無董事或本公司主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有須(a)根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的權益或淡倉(包括彼等根據證券及期貨條例有關條文被認為或視為擁有的權益及淡倉)，或(b)根據證券及期貨條例第352條須記錄在本公司存置的登記冊的權益或淡倉，或(c)根據標準守則知會本公司及聯交所的權益或淡倉。

除本公司的購股權計劃外，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336條之規定而須存置之主要股東登記冊所示，於二零二一年十二月三十一日，本公司已獲知會下列主要股東權益及淡倉(即佔本公司已發行股本5%或以上)。此等權益並不包括以上所披露有關董事及主要行政人員之權益。

於本公司股份及相關股份之好倉：

Name of shareholders	Capacity	Total interests	Approximate % of total issued shares
股東名稱	身份	權益總計	約佔已發行股份總額百分比
Lucky Earn International Ltd.	Beneficial interests 實益權益	400,719,995 (Note 1)	22.09
Warrior Limited	Beneficial interests 實益權益	329,456,045 (Note 2)	18.16
Teresaeleven Inc.	Interests of controlled corporation 受控公司之權益	329,456,045 (Note 2)	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)	18.16
Top Glory Assets Limited	Beneficial interests 實益權益	174,908,895 (Note 3)	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)	9.64
Mr. Chen Tommy Yi-Hsun 陳怡勳先生	Interests of controlled corporation and personal interests 受控公司之權益及個人權益	176,508,895 (Note 3)	9.73
Pushkin Holding Ltd.	Beneficial interests 實益權益	147,740,920 (Note 4)	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)	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 Ltd., a company incorporated in the British Virgin Islands.
2. Warrior Limited has beneficial interests 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. Ms. Chen Jennifer Yi-Chen and Mr. Chen Tommy Yi-Hsun 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 Ltd. is solely owned by Mr. Chen Ming-Yuan.

Saved as disclosed above, as at 31 December 2021, the Company had not been notified by any person of any interests or short positions in the shares and underlying shares of the Company which as recorded in the register to be 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 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 141,794,238 which is approximately 7.82% 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 Ltd. 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、陳怡臻女士及陳怡勳先生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 Ltd.由陳明源先生全資擁有。

除上文所披露者外，於二零二一年十二月三十一日，本公司並不知悉有任何人士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141,794,238股，佔本公司於本年報日期已發行股本約7.82%。

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 and 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%及總價值超過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, 830,000 (2020: 12,200,000) share options lapsed and 121,300,000 (2020: Nil) share options were granted. There were no share options 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830,000（二零二零年：12,200,000）份購股權失效及121,300,000（二零二零年：無）份購股權獲授出，並無購股權註銷或行使。年內，根據購股權計劃授出之購股權之變動詳情如下：

Grantees	Date of grant	Exercise price per share	Outstanding at 1 January 2021	Granted during the year	Lapsed during the year	Outstanding at 31 December 2021	Exercisable period
承授人	授出日期 (yyyy/mm/dd) (年/月/日)	每股 行使價 HK\$ 港元	於二零二一年 一月一日 尚未行使	年內授出	年內失效	於二零二一年 十二月三十一日 尚未行使	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)
	2021/12/14	0.20	-	17,200,000	-	17,200,000	2022/12/31 – 2031/12/13 (Note 2) (附註二)
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)
	2021/12/14	0.20	-	17,200,000	-	17,200,000	2022/12/31 – 2031/12/13 (Note 2) (附註二)
Mr. Wang Jungang 王俊剛先生	2021/12/14	0.20	-	51,800,000	-	51,800,000	2022/12/31 – 2031/12/13 (Note 3) (附註三)
<i>(ii) Employees 僱員</i>							
In aggregate 合計	2014/01/21	4.50	100,000	-	-	100,000	2016/01/21 – 2024/01/20 (Note 4) (附註四)
In aggregate 合計	2014/01/21	4.50	80,000	-	(80,000)	-	
In aggregate 合計	2017/01/25	0.70	3,000,000	-	(750,000)	2,250,000	2017/01/25 – 2027/01/24 (Note 1) (附註一)
In aggregate 合計	2021/12/14	0.20	-	35,100,000	-	35,100,000	2022/12/31 – 2031/12/13 (Note 2) (附註二)
			12,180,000	121,300,000	(830,000)	132,650,000	

Notes:

- The share options shall vest one-third each year from the date of grant.
- First 40% of the share options shall vest on 31 December 2022. The remaining 30% and 30% shall vest on 31 December 2023 and 2024 respectively, subject to fulfillment and satisfaction of the Group's targets for the years ending 31 December 2022, 2023 and 2024 respectively as determined by the Board.
- The grant to Mr. Wang is subject to the approval of independent shareholders of the Company at the forthcoming annual general meeting. First 40% of the share options shall vest on 31 December 2022. The remaining 30% and 30% shall vest on 31 December 2023 and 2024 respectively, subject to fulfillment and satisfaction of the Group's targets for the years ending 31 December 2022, 2023 and 2024 respectively as determined by the Board.
- 100% of the share options shall vest after two 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。
- 首40%購股權應於二零二二年十二月三十一日歸屬。餘下30%及30%將分別於二零二三年及二零二四年十二月三十一日歸屬，惟須實現和滿足董事會釐定之二零二二年、二零二三年及二零二四年十二月三十一日止各年度的目標。
- 向王先生之授出須待獨立股東於應屆股東週年大會上批准後方可作實。首40%購股權應於二零二二年十二月三十一日歸屬。餘下30%及30%將分別於二零二三年及二零二四年十二月三十一日歸屬，惟須實現和滿足董事會釐定之二零二二年、二零二三年及二零二四年十二月三十一日止各年度的目標。
- 購股權由授出日期起計兩年後歸屬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.

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。

REPORT OF THE DIRECTORS

董事會報告

During the year, 1,450,000 (2020: 15,050,000) SARs lapsed and no SARs (2020: 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1,450,000（二零二零年：15,050,000）份股份增值權失效，且並無（二零二零年：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	承授人	Outstanding at 1 January 2021 於二零二一年 一月一日 尚未行使	Lapsed during the year 年內失效	Outstanding at 31 December 2021 於二零二一年 十二月三十一日 尚未行使
(i) Executive directors	(i) 執行董事			
Mr. Chang Chih-Kai	張智凱先生	600,000	(600,000)	—
Mr. Chang Chih-Chiao	張智喬先生	600,000	(600,000)	—
(ii) Employees	(ii) 僱員			
In aggregate	合計	250,000	(250,000)	—
		1,450,000	(1,450,000)	—

There were no SARs outstanding as at 31 December 2021 and will be no further grant of SARs under the SAR Plan. The Board has approved the termination of the SAR Plan with effect from 24 March 2022.

截至二零二一年十二月三十一日，沒有未行使的股份增值權，並且根據股份增值權計劃將不再授予股份增值權。董事會已批准終止股份增值權計劃，自二零二二年三月二十四日起生效。

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 attributable to the Group's largest and five largest customers accounted for approximately 33% and 67%, respectively, of the Group's total revenue during the year.

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分別佔本集團之總收益約33%及67%。

The aggregate purchases attributable to the Group's largest and five largest suppliers accounted for approximately 43% and 93%, 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43%及93%。

None of the directors, their associates or any shareholders of the Company, which to the knowledge of the directors owns 5% or more 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%或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。

Major transactions

In January 2021, a wholly-owned subsidiary of the Company entered into an agreement with Putian City Licheng District People's Government 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.

主要交易

於二零二一年一月，本公司的全資附屬公司與中國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。

REPORT OF THE DIRECTORS

董事會報告

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 2021 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, 24 March 2022

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，於截至二零二一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，二零二二年三月二十四日

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"), which are set out on pages 50 to 116, comprise:

- the consolidated balance sheet as at 31 December 2021;
- 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 significant accounting policies and other explanatory information.

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 2021, 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 ("HKSA") 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50至116頁的綜合財務報表,包括:

- 於二零二一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及其他說明資料。

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二零二一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) Impairment of certain investment properties

Refer to Notes 2.7 and 15 to the consolidated financial statements

The Group's investment properties were measured at cost and subsequently stated at cost less accumulated depreciation and impairment. During the year ended 31 December 2021, the Group recognised impairment losses of HK\$12,214,000 for certain investment properties. Management engaged an external valuer to determine the recoverable amount of those investment properties based on market comparable method and income method. The valuations are dependent on certain key assumptions that require significant management judgement, including expected unit market price and market rents, growth rates and discount rates.

We focused on this area due to the significance of the balance and significant management judgement and estimates involved in determination of recoverable amounts of those investment properties.

How our audit addressed the Key Audit Matter

Our procedures in relation to management's judgment and estimates applied in assessing the impairment of certain investment properties 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 those investment properties;
- Evaluating the valuer's competence, capabilities, independence and objectivity;
- Comparing certain key inputs made by the valuer to estimated range, determined by publicly available information; and
- Involving our internal valuation expert to assess the valuation methodology, certain key assumptions used and the determination of recoverable amounts of the investment properties with impairment.

Based upon the above, we found that the key assumptions used by management in the impairment assessment of certain investment properties to be supportable by available evidence.

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

(i) 若干投資物業的減值

請參閱綜合財務報表附註2.7及15

貴集團的投資物業以成本計量，其後按成本減累計折舊及減值列賬。截至二零二一年十二月三十一日止年度，貴集團就若干投資物業確認減值虧損12,214,000港元。管理層委聘外部估值師根據市場可比法及收益法釐定投資物業的可收回金額。估值取決於若干需要管理層作出重大判斷的關鍵假設，包括預期單位價格和市場租金、增長率及貼現率。

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以確定這些投資物業的可收回金額。

我們的審計如何處理關鍵審計事項

我們在評估若干投資物業減值時應用的有關管理層判斷和估計的程序包括：

- 和評估考慮到重大錯報的內在風險估計不確定性的程度和所涉及的判斷估計該等投資物業的減值；
- 評估估值師的資格、能力、獨立性和客觀性；
- 將估值師作出的若干關鍵輸入值與以現有的公開信息判斷的估計範圍進行比較；和
- 讓我們的內部估值專家參與評估估值方法、使用的某些關鍵假設和確定減值的投資物業的可收回金額。

基於以上所述，我們認為現有證據足以支持管理層就若干投資物業作減值評估的重要假設。

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 HKSAs 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 HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

核數師就審計綜合財務報表承擔的責任

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

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 March 2022

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徐一菁女士。

羅兵咸永道會計師事務所
執業會計師

香港，二零二二年三月二十四日

CONSOLIDATED INCOME STATEMENT

綜合收益表

FOR THE YEAR ENDED 31 DECEMBER 2021 截至二零二一年十二月三十一日止年度

		Note 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Revenue	收益	5	105,717	363,921
Cost of sales	銷售成本		(50,305)	(230,689)
Gross profit	毛利		55,412	133,232
Other income	其他收入	6	51,020	40,977
Other gains/(losses) – net	其他收益／(虧損) — 淨額	7	117,105	(11,164)
Selling and distribution expenses	銷售及分銷開支		(22,862)	(195,839)
General and administrative expenses	一般及行政開支		(115,259)	(166,921)
Impairment loss on financial assets	金融資產減值虧損		(825)	(37,426)
Operating profit/(loss)	經營盈利／(虧損)	8	84,591	(237,141)
Finance costs	財務成本	9	(4,740)	(2,324)
Share of losses of associates and a joint venture	應佔聯營公司及合資企業之虧損	17, 18	(26)	(304)
Profit/(loss) before income tax	除所得稅前盈利／(虧損)		79,825	(239,769)
Income tax expense	所得稅開支	10	(26,249)	(1,956)
Profit/(loss) for the year	年內盈利／(虧損)		53,576	(241,725)
Attributable to:	以下各方應佔：			
Shareholders	股東		52,723	(241,987)
Non-controlling interests	非控制性權益		853	262
			53,576	(241,725)
Earnings/(loss) per share, basic and diluted (HK cents)	每股基本及攤薄盈利／(虧損) (港仙)	11	2.9	(14.4)

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 2021 截至二零二一年十二月三十一日止年度

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Profit/(loss) for the year	年內盈利／(虧損)	53,576	(241,725)
Other comprehensive income	其他全面收益		
<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	10,418	46,442
Total comprehensive income/(loss) for the year	年內全面收益／(虧損) 總額	63,994	(195,283)
Attributable to:	以下各方應佔：		
Shareholders	股東	61,612	(200,938)
Non-controlling interests	非控制性權益	2,382	5,655
		63,994	(195,283)

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附註一併閱讀。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

AS AT 31 DECEMBER 2021 於二零二一年十二月三十一日

		Note 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 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	18,740	19,976
Investment properties	投資物業	15	541,188	537,039
Right-of-use assets	使用權資產	16	13,523	9,086
Interests in associates	於聯營公司之權益	17	1,200	1,036
Interest in a joint venture	於合資企業之權益	18	-	-
			574,651	567,137
Current assets	流動資產			
Inventories	存貨	19	-	41,569
Trade receivables	貿易應收賬款	20	7,653	24,251
Other receivables, deposits and prepayments	其他應收賬款、 按金及預付款項	21	26,928	69,077
Cash and cash equivalents	現金及現金等價物	22	227,489	124,567
			262,070	259,464
Assets classified as held-for-sale	分類為持作出售之資產	23	-	32,077
			262,070	291,541
Current liabilities	流動負債			
Trade payables	貿易應付賬款	24	4,107	69,201
Other payables and accrued charges	其他應付賬款及應計費用	25	46,917	97,287
Lease liabilities	租賃負債	16	3,107	2,988
Contract liabilities	合約負債		12,739	16,786
Current income tax liabilities	即期所得稅負債		29,693	5,778
			96,563	192,040
Net current assets	流動資產淨值		165,507	99,501
Total assets less current liabilities	總資產減流動負債		740,158	666,638

CONSOLIDATED BALANCE SHEET

綜合資產負債表

AS AT 31 DECEMBER 2021 於二零二一年十二月三十一日

		Note 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Equity attributable to shareholders	股東應佔權益			
Share capital	股本	26	181,406	181,406
Reserves	儲備	28	408,646	346,824
			590,052	528,230
Non-controlling interests	非控制性權益		111,679	109,297
Total equity	總權益		701,731	637,527
Non-current liabilities	非流動負債			
Convertible notes	可換股債券	29	29,377	24,571
Lease liabilities	租賃負債	16	4,301	-
Deferred income tax liabilities	遞延所得稅項負債	30	4,749	4,540
			38,427	29,111
Total equity and non-current liabilities	總權益及非流動負債		740,158	666,638

The consolidated financial statements on pages 50 to 116 were approved by the board of directors on 24 March 2022 and were signed on its behalf.

第50至116頁之綜合財務報表已獲董事會於二零二二年三月二十四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 2021 截至二零二一年十二月三十一日止年度

		Attributable to shareholders			Non-controlling interests	Total
		股東應佔				
		Share capital	Reserves			
Note	股本	儲備	非控制性權益	總計		
	附註	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	
At 1 January 2020	於二零二零年一月一日	164,914	527,797	103,642	796,353	
(Loss)/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)/income	全面(虧損)/收入總額	-	(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	16,492	13,473	-	29,965	
Issue of convertible notes	發行可換股債券	-	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 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	181,406	346,824	109,297	637,527	
Profit for the year	年內盈利	-	52,723	853	53,576	
Currency translation differences	匯兌差額	-	8,889	1,529	10,418	
Total comprehensive income	全面收入總額	-	61,612	2,382	63,994	
Share option scheme:	購股權計劃:					
Value of grantee services	承授人服務價值	28	210	-	210	
Total transactions with shareholders	與股東交易總額	-	210	-	210	
At 31 December 2021	於二零二一年十二月三十一日	181,406	408,646	111,679	701,731	

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 2021 截至二零二一年十二月三十一日止年度

		Note 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Operating activities	經營活動			
Cash used in operations	營運所用之現金	31(i)(a)	(26,439)	(121,248)
Income tax paid	已付所得稅		(2,343)	(1,402)
Net cash used in operating activities	經營活動所用之現金淨額		(28,782)	(122,650)
Investing activities	投資活動			
Interest received	已收利息		921	499
Acquisition of property, plant and equipment	購置物業、廠房及設備		(3,546)	(3,605)
Proceeds from disposal of property, plant and equipment and an asset classified as held-for-sale	出售物業、廠房及設備及分類為持作出售之資產收款	31(i)(b)	135,869	16,685
Proceeds from disposal of interest in a joint venture	出售合資企業權益收款		-	403
Net cash generated from investing activities	投資活動產生之現金淨額		133,244	13,982
Financing activities	融資活動			
Principal element of lease payments	租賃付款之本金部份		(3,218)	(12,666)
Interest element of lease payments	租賃付款之利息部份		(342)	(1,412)
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
Net cash (used in)/generated from financing activities	融資活動(所用)/產生之現金淨額		(3,560)	44,520
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額		100,902	(64,148)
Cash and cash equivalents as at 1 January	於一月一日之現金及現金等價物		124,567	182,293
Effect of foreign exchange rate changes	匯率變動影響		2,020	6,422
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	227,489	124,567

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 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, PO 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.

(i) 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 2021:

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
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Amendments to HKFRS 16	Covid-19 Related Rent Concessions
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The adoption of the above new and amended standards did not have any material impact on the Group’s accounting policies.

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, PO 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。

(i) 本集團採納之新準則及準則之修訂

本集團已於二零二一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
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

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。

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 not yet adopted

Certain new and amended standards have been published that are not mandatory for the 31 December 2021 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations 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 Annual Improvements Project	Annual Improvements to HKFRSs 2018 – 2020 ¹
Amendments to HKFRS 3, HKAS 16 and HKAS 37	Narrow-scope Amendments ¹
Revised Accounting Guideline 5	Merger Accounting for Common Control Combinations ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities Arising from a Single Transaction ²
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
HKFRS 17	Insurance Contracts and the related Amendments ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2022

² Effective for annual periods beginning on or after 1 January 2023

³ Effective date is to be determined

2 主要會計政策 (續)

2.1 編製基準 (續)

(ii) 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二零二一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、準則之修訂及詮釋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。

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 ¹
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 ¹
會計指引第5號 (經修正)	共同控制合併之合併會計法 ¹
香港會計準則第1號之修訂	將負債分類為流動或非流動 ²
香港會計準則第12號之修訂	單一交易產生的資產及負債相關遞延稅項 ²
香港詮釋第5號 (二零二零年)	財務報表的呈列 – 借款人對載有按要求還款條款的定期貸款之分類 ²
香港會計準則第1號及香港財務報告準則實務公告第2號之修訂	會計政策之披露 ²
香港會計準則第8號之修訂	會計估計的定義 ²
香港財務報告準則第17號	保險合同及相關之修訂 ²
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 ³

¹ 於二零二二年一月一日或之後開始之年度期間生效

² 於二零二三年一月一日或之後開始之年度期間生效

³ 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.

(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.

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、合資企業或金融資產之其後入賬，以該公平價值作初始賬面值。此外，先前於其他全面收益內確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。這可能意味著先前在其他全面收益內確認之金額重新分類至損益。

(ii) 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)。

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)

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.

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.

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)

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「應佔聯營公司及合資企業虧損」確認相關金額。

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

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資企業。本集團已評估合營安排的性質及將合營安排釐定為合資企業。合資企業使用權益法入賬。

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)

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.

2.3 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. The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions.

2 主要會計政策 (續)

2.2 綜合賬目 (續)

(ii) 聯營公司及合營安排 (續)

根據會計權益法，於合資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。當本集團應佔合資企業虧損等於或超過其於合資企業之權益（包括實質上構成本集團於合資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資企業作出付款。

本集團與合資企業之間交易的未變現收益予以撇除，以本集團於合資企業權益為限。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。合資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。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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.

(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

2 主要會計政策(續)

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。

(iii) 集團公司

功能貨幣有別於呈報貨幣之所有本集團實體(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

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 (Continued)

- 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.

(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 主要會計政策 (續)

2.5 外幣換算 (續)

(iii) 集團公司 (續)

- 所有由此產生之匯兌差額於其他全面收益內確認。

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

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

(iv) 出售海外業務及部分出售

於出售海外業務（即出售本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資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本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（即本集團於聯營公司或合資企業之擁有權權益減少，但並無導致本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。

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

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.

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	3 to 5 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.

2 主要會計政策(續)

2.6 物業、廠房及設備

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

本集團僅於資產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。

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	3至5年
廠房及機器、傢俱、 固定裝置及設備、以及汽車	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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.7 Investment properties (Continued)

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.

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 主要會計政策 (續)

2.7 投資物業 (續)

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。

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。

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

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.

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.

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.

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)

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。

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。

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。

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)

(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.

(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 payment 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 gains/(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, see Note 3.1(iii) for further details.

2 主要會計政策(續)

2.10 投資和其他金融資產(續)

(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。

(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。

債務工具的后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「其他收益／（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，詳情請看附註3.1(iii)。

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 3.1(iii) 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3.1(iii)。

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.

2.19 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.

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。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.19 Employee benefits (Continued)

(ii) Pension obligations

The Group participates in various defined contribution retirement schemes which are established by governments or separately administered funds. A defined contribution plan is a pension plan under which the Group pays fixed contributions to separately administered funds on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group's contributions are recognised as employee 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 plan 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.

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

2 主要會計政策(續)

2.19 僱員福利(續)

(ii) 退休金責任

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

(iii) 以股份為基礎之補償

以權益結算以股份為基礎之付款交易

本集團推行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。

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

NOTES TO THE 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)

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.

(iv) Termination benefits

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

2 主要會計政策 (續)

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)

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。

(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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.19 Employee benefits (Continued)

(v) Employee leave entitlements

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

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

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.

2.21 Revenue recognition

(i) Licensing fee income

Licensing fee income represents revenues from franchisees and licensees. Revenue is recognised when control of the Group's authenticated products is transferred from licensees to franchisees, being when the products are delivered to the franchisees. Revenue is presented net of credits granted to franchisees. No element of financing is deemed present.

Credits are awarded to franchisees based on volume of products purchased. It is recognised as a deduction of revenue and the receipts in respect of which are deferred and recognised as contract liabilities on the consolidated balance sheet.

2 主要會計政策 (續)

2.19 僱員福利 (續)

(v) 僱員假期權利

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

直至放取假期時才確認僱員享有病假及產假的權利。

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。

2.21 收益確認

(i) 許可權費收入

許可權費收入代表來自加盟商和授權商的收益。當本集團特許產品的控制權從授權商轉移到加盟商，而產品交付給加盟商後，收益將被確定。收益是扣除貸項後的淨額授予加盟商，並排除融資成份的存在。

授予加盟商的回扣乃根據其購買產品數量。它被認為是從收益中扣減的遞延收入，有關的收款在綜合資產負債表中確認為合約負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.21 Revenue recognition (Continued)

(ii) 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.

(iii) 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.

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.

2.23 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.

2 主要會計政策 (續)

2.21 收益確認 (續)

(ii) 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。

(iii) 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。

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。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.24 Leases (Continued)

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.

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.

2 主要會計政策 (續)

2.24 租賃 (續)

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。

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。

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2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.24 Leases (Continued)

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.

2.25 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.

2.26 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

2 主要會計政策 (續)

2.24 租賃 (續)

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更短的租賃。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。

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。

2.26 每股盈利

(i) 基本每股盈利

每股基本盈利計算乃按本公司股東應佔盈利，除以本財政年度已發行普通股的加權平均數。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.26 Earnings per share (Continued)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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 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 2021, if the RMB had strengthened/weakened by 5% against the HK\$ with all other variables held constant, the profit/(loss) for the year would have decreased/increased by approximately HK\$1,184,000 (2020: HK\$2,688,000) as a result of the translation of HK\$ denominated cash and cash equivalents, receivables and payables.

2 主要會計政策 (續)

2.26 每股盈利 (續)

(ii) 攤薄每股盈利

攤薄每股盈利已考慮調整用於確定基本每股盈利的數據，包括：

- 與攤薄潛在普通股相關的利息和其他融資成本的稅後收入影響，及
- 假設所有具有攤薄性的潛在普通股均已轉換，尚未發行的額外普通股的加權平均數。

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。

於二零二一年十二月三十一日，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現金等價物、應收賬款及應付賬款，年內盈利／(虧損)將減少／增加約1,184,000港元（二零二零年：2,688,000港元）。

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)

(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. The interest rate of convertible notes was fixed and the Group do not have interest rate risk associated with the convertible notes.

(iii) 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. Licensing fee income received from franchisees are collected in advance of transfer of the goods.

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 Hong Kong 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 provided a loss allowance.

As at 31 December 2021 and 2020, substantially all the Group's cash and cash equivalents are placed with registered financial institutions located in Mainland China and Hong Kong which are of acceptable credit quality based on management's assessment. The Group has a policy to limit the credit exposure to any financial institution and management does not expect any significant loss arising from non-performance of these counterparties.

3 財務風險管理(續)

3.1 財務風險因素(續)

(ii) 現金流量利率風險

本集團所承擔之現金流量利率風險主要來自按浮動利率計息之有息銀行存款及年內利息收入並不重大。可換股債券的利率為固定利率，本集團不存在與可換股債券相關的利率風險。

(iii) 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。從加盟商收取的許可權費收入在貨品轉移前已提前收取。

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及香港之多名業主，並於租賃協議屆滿及交還租賃物業時可予退還。本集團已根據預期信貸虧損確認虧損撥備。

於二零二一年及二零二零年十二月三十一日，本集團絕大部份現金及現金等價物乃存放於中國大陸及香港之註冊金融機構，而根據管理層之評估，該等機構之信貸質素屬可接納。本集團有政策限制其承受任何金融機構之信貸風險，管理層並不預期會承擔該等交易對手不履約所產生的任何損失。

NOTES TO THE 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

The Group has the following types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Deposits and other receivables

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 2021 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 2021 and 2020 was determined as follows:

		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
At 31 December 2021	於二零二一年十二月三十一日							
Gross carrying amount	總賬面值	7,143	272	238	-	1,558	17,259	26,470
Loss allowance	虧損撥備	-	(10)	(15)	-	(1,533)	(17,259)	(18,817)
Expected credit loss rate	預期信貸虧損率	0%	4%	6%	0%	98%	100%	
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%	

* Rounded to zero

* 約整至零

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

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

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二零二一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，於二零二零年及二零二一年十二月三十一日之全期預期信貸虧損撥備釐定如下：

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:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	於一月一日	25,184	15,101
Exchange adjustment	匯兌調整	397	1,154
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	4,152	8,929
Written off during the year	年內報損	(10,916)	-
At 31 December	於十二月三十一日	18,817	25,184

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 2021, the loss allowance balance for expected credit loss assessed by management on other receivables was HK\$6,427,000 (2020: HK\$30,304,000) and a credit of HK\$3,327,000 (2020: charge of HK\$28,497,000) was recognised in profit or loss during the year.

While cash and cash equivalents 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 2021 and 2020.

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：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	25,184	15,101
Exchange adjustment	397	1,154
Increase in loss allowance recognised in profit or loss during the year	4,152	8,929
Written off during the year	(10,916)	-
At 31 December	18,817	25,184

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。於二零二一年十二月三十一日，管理層就其他應收款評估的預期信貸虧損之虧損撥備結餘為6,427,000港元（二零二零年：30,304,000港元），年內在損益中確認扣除3,327,000港元（二零二零年：計入28,497,000港元）。

儘管現金及現金等價物亦須符合香港財務報告準則第9號之減值規定，管理層應為於二零二一及二零二零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.

During the year ended 31 December 2021, the Group recorded a loss before tax of approximately HK\$24,197,000 if excluding the one-off gain on disposal of an asset classified as held-for-sale and the cost associated with the disposal. The Group also recorded net cash used in operating activities of HK\$28,782,000. As at 31 December 2021, the Group had cash and cash equivalents of HK\$227,489,000.

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.

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 2021. The directors consider that 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 2021.

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 2021.

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。

截至二零二一年十二月三十一日止年度，如不包括出售分類為持作出售之資產之一次性收益及其相關的成本，本集團錄得稅前虧損約24,197,000港元。本集團亦錄得經營活動所用的現金淨額28,782,000港元。於二零二一年十二月三十一日，本集團的現金及現金等價物為227,489,000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。

本公司董事已審閱涵蓋自二零二一年十二月三十一日起不少於十二個月的集團現金流量。董事認為，本集團將擁有足夠的財務資源來滿足其自二零二一年十二月三十一日起計的本集團財務即將到期的義務自二零二一年十二月三十一日起十二個月。

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。於二零二一年十二月三十一日，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。

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綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(iv) Liquidity risk (Continued)

		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 2021	於二零二一年十二月三十一日			
Trade payables	貿易應付賬款	4,107	–	4,107
Other payables	其他應付賬款	45,262	–	45,262
Lease liabilities	租賃負債	3,396	4,457	7,853
Convertible notes	可換股債券	–	39,319	39,319
		52,765	43,776	96,541
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

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 財務風險管理 (續)

3.1 財務風險因素 (續)

(iv) 流動資金風險 (續)

		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 2021	於二零二一年十二月三十一日			
Trade payables	貿易應付賬款	4,107	–	4,107
Other payables	其他應付賬款	45,262	–	45,262
Lease liabilities	租賃負債	3,396	4,457	7,853
Convertible notes	可換股債券	–	39,319	39,319
		52,765	43,776	96,541
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

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

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 2021, the Group had a net cash (2020: net cash) position (the balances of cash and cash equivalents exceeded the aggregate balances of lease liabilities and convertible notes) by approximately HK\$190,704,000 (2020: HK\$97,008,000).

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 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.

3 財務風險管理 (續)

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。

於二零二一年十二月三十一日，本集團擁有淨現金(二零二零年：淨現金)狀況(現金及現金等價物結餘超出租賃負債及可換股債券總結餘，約190,704,000港元(二零二零年：97,008,000港元))。

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 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。

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

4.1 Income tax (Continued)

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.

4.2 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 is the higher of an asset's fair value less costs of disposal and value in use. 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 and licensing of footwear products and accessories in Mainland China.

Chief operating decision-maker has been identified as the executive directors of the Company. 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.

The Group's revenue is derived from external customers located in Mainland China and most of the non-current assets of the Group are located in Mainland China.

4 重要會計估計及判斷(續)

4.1 所得稅(續)

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。

4.2 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，可收回金額為資產的公允價值減去處置成本和使用價值兩者中的較高者。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及授權許可業務。

本公司執行董事已獲辨識為主要經營決策者。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。

本集團的收益源自位於中國大陸的外部客戶，且本集團大部份非流動資產均位於中國大陸。

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Licensing fee income	許可權費收入	58,217	5,158
Sales of goods	貨品銷售	47,500	358,763
		105,717	363,921

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5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

The five largest customers accounted for approximately 67% of the revenue of the Group for the year ended 31 December 2021. Revenue individually generated from the following customers contributed more than 10% of the total revenue of the Group:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Customer A	客戶A	34,699	N/A不適用
Customer B	客戶B	17,573	N/A不適用

5 收益及分部資料(續)

截至二零二一年十二月三十一日止年度，五大客戶佔本集團的收益約67%。來自以下客戶的個別產生的收益超過本集團的收益的10%:

6 OTHER INCOME

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Gross rental income	租金收入總額	44,281	32,694
Government subsidies (Note)	政府補貼(附註)	1,358	2,903
Interest income	利息收入	921	499
Others	其他	4,460	4,881
		51,020	40,977

6 其他收入

Note: For the year ended 31 December 2021, government subsidies mainly represented financial aids received by the subsidiaries from the domestic government authorities in Mainland China.

附註：截至二零二一年十二月三十一日止年度，政府補貼主要指附屬公司從中國大陸地方政府機關收取的財政資助。

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7 OTHER GAINS/(LOSSES) – NET

7 其他收益／(虧損) – 淨額

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Gain on disposal of an asset classified as held-for-sale (Note)	出售分類為持作出售之資產之收益 (附註)	131,657	–
Impairment loss of certain investment properties (Note 15)	若干投資物業之減值虧損 (附註15)	(12,214)	(16,376)
(Loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備之(虧損)／收益	(1,505)	6,330
Loss on disposal of a subsidiary	出售附屬公司之虧損	–	(1,330)
Loss on disposal of a joint venture	出售合資企業之虧損	–	(336)
Net exchange (loss)/gain	匯兌(虧損)／收益淨額	(833)	548
		117,105	(11,164)

Note: During the year, a wholly-owned subsidiary of the Company entered into a land resumption agreement with Putian City Licheng District People's Government, pursuant to which the Group disposed of an investment property which was an asset classified as held-for-sale with a carrying value of HK\$2,965,000 at a consideration of HK\$134,622,000. Accordingly, the Group recognised a gain on disposal amounting to HK\$131,657,000 in "other gains/(losses) – net". The related compensation to existing tenants and other transaction costs amounting to HK\$26,871,000 and HK\$764,000, respectively, were recognised in "general and administrative expenses".

附註：年內，本公司的全資附屬公司與莆田市荔城區人民政府訂立了土地徵收協議。據此，本集團以134,622,000港元的代價出售其賬面淨值為2,965,000港元的投資物業(分類為持作出售之資產)。因此，本集團於「其他收益／(虧損) – 淨額」中確認出售收益金額為131,657,000港元。對現有租客相關的賠償及其他交易成本金額分別為26,871,000港元及764,000港元，於「一般及行政開支」確認。

8 OPERATING PROFIT/(LOSS)

8 經營盈利／(虧損)

Operating profit/(loss) is stated after charging/(crediting) the following:

經營盈利／(虧損)已計入／(扣除)下列各項：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Auditors' remuneration	核數師酬金		
– Audit services	– 核數服務	2,127	2,193
– Non-audit services	– 非核數服務	1,118	391
Compensation to existing tenants in relation to disposal of an asset classified as held-for-sale (Note 7)	出售分類為持作出售之資產相關的現有租客賠償 (附註7)	26,871	–
Concessionary fee	特許銷售費用	697	53,609
Cost of inventories sold, net of provision	售出存貨成本(扣除撥備)	49,723	228,099
Depreciation of investment properties	投資物業折舊	21,136	14,297
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,052	14,825
Depreciation of right-of-use assets	使用權資產折舊	2,815	18,777
Employee benefits expense (Note 13)	僱員福利開支(附註13)	38,541	126,023
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	1,916	10,695
Impairment loss on financial assets	金融資產減值虧損	825	37,426
Loss/(gain) on termination of leases	終止租賃虧損／(收益)	591	(60)
Written off/impairment loss on value-added tax recoverable	可收回增值稅報損／減值虧損	6,041	11,323

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9 FINANCE COSTS

9 財務成本

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest on convertible notes	可換股票據利息	4,398	912
Interest on lease liabilities	租賃負債利息	342	1,412
		4,740	2,324

10 INCOME TAX EXPENSE

10 所得稅開支

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current income tax	即期所得稅稅項	26,272	1,604
(Over)/under provision in prior years	過往年度 (超額撥備)/撥備不足	(158)	11
Deferred income tax (Note 30)	遞延所得稅稅項 (附註30)	135	341
		26,249	1,956

The income tax on the Group's profit/(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盈利/(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：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Profit/(loss) before income tax	除所得稅前盈利/(虧損)	79,825	(239,769)
Add: share of losses of associates and a joint venture	加：應佔聯營公司及 合資企業虧損	26	304
		79,851	(239,465)
Income tax (expense)/credit calculated at applicable domestic tax rates	以當地適用稅率計算之 所得稅(支出)/抵免	(20,110)	51,875
Income not subject to tax	毋須繳稅收入	745	7,543
Expenses not deductible for tax purposes	不可扣稅開支	(4,828)	(8,904)
Tax losses for which no deferred tax asset was recognised	未確認遞延稅項資產之 稅項虧損	(7,320)	(72,369)
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	4,692	20,864
Over/(under) provision in prior years	過往年度撥備過量/(不足)	158	(11)
Withholding taxes on royalties in Mainland China	於中國大陸的特許權使用費 預扣稅	(399)	(1,212)
Other	其他	813	258
Income tax expense	所得稅開支	(26,249)	(1,956)

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10 INCOME TAX EXPENSE (CONTINUED)

The weighted average domestic tax rate is 25% (2020: 22%).

The applicable rate of Hong Kong profits tax is 16.5% (2020: 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 2021 and 2020.

Provision for China corporate income tax is calculated based on the statutory tax rate of 25% (2020: 25%) on the assessable income of each of the Group's entities incorporated in China.

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 tax residents 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% (2020: 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 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share is calculated by dividing the profit attributable to shareholders of HK\$52,723,000 (2020: loss of HK\$241,987,000) by the weighted average number of 1,814,056,622 (2020: 1,684,738,627) shares in issue during the year.

The computation of diluted earnings/(loss) per share for the year ended 31 December 2021 and 2020 does not assume the conversion of convertible notes since it would have an anti-dilutive impact. In addition, share options of the Company were not dilutive as the exercise price of the options exceeded the average market price of the Company's ordinary shares during the year ended 31 December 2021 and 2020 and were excluded in the calculation of diluted earnings per share.

12 DIVIDENDS

The board of directors does not recommend the payment of a dividend in respect of the year ended 31 December 2021 (2020: Nil).

10 所得稅開支(續)

加權平均地方稅率為25% (二零二零年: 22%)。

香港利得稅適用稅率為16.5% (二零二零年: 16.5%)。由於本集團於截至二零二一年及二零二零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。

中國企業所得稅乃就本集團於中國註冊成立之各實體的應課稅收入按法定稅率25% (二零二零年: 25%) 計算撥備。

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,惟於香港註冊成立的稅務居民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條約寬減之7% (二零二零年: 7%) 稅率繳納預扣稅。

11 每股盈利/(虧損)

每股基本盈利/(虧損)乃根據股東應佔盈利52,723,000港元 (二零二零年: 虧損241,987,000港元) 除以年內已發行股份之加權平均數1,814,056,622 (二零二零年: 1,649,142,384) 股計算。

計算截至二零二一年及二零二零年十二月三十一日止年度本公司每股攤薄盈利/(虧損)時,由於可換股債券具有反攤薄影響,故沒有考慮可換股債券之兌換。另外,因為購股權之行使價高於年內本公司普通股的平均市價,本公司之購股權並無攤薄,及在計算截至二零二一年及二零二零年十二月三十一日止年度每股攤薄盈利/(虧損)時被排除。

12 股息

董事會不建議就截至二零二一年十二月三十一日止年度派發股息 (二零二零年: 無)。

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13 EMPLOYEE BENEFITS EXPENSE

Employee benefits expense, including directors' emoluments, represents:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Salaries, allowances and bonuses	薪金、津貼及花紅	36,599	63,038
(Reversal)/charge of redundancy costs (Note (i))	遣散員工成本(撥回)/計入 (附註(i))	(244)	59,278
Defined contribution pension costs (Note (ii))	定額供款退休金成本(附註(ii))	2,129	4,376
Charge/(reversal) of share-based payment expense	以股份為基礎之付款開支 計入/(撥回)	57	(669)
		38,541	126,023

(i) Redundancy costs

For the year ended 31 December 2021, the Group recognised reversal of redundancy costs of approximately HK\$244,000 (2020: charge of HK\$59,278,000) arising from restructuring of the business in prior years. As at 31 December 2021, there was no outstanding balance of the redundancy costs provision (2020: HK\$16,624,000) included in "other payables and accrued charges".

Movements in redundancy provision are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	於一月一日	16,624	58,139
Exchange adjustment (Credited)/charged to consolidated income statement	匯兌調整 (扣除)/計入自 綜合收益表	271	1,930
Payment made during the year	年內已付款項	(16,651)	(102,723)
At 31 December	於十二月三十一日	-	16,624

(ii) Defined contribution pension costs

During the year, no (2020: HK\$10,000) unvested benefits were utilised by the Group to reduce the level of contributions. As at 31 December 2021 and 2020, there was no unvested benefits available to be utilised in future years.

13 僱員福利開支

僱員福利開支(包括董事酬金)指:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Salaries, allowances and bonuses	薪金、津貼及花紅	36,599	63,038
(Reversal)/charge of redundancy costs (Note (i))	遣散員工成本(撥回)/計入 (附註(i))	(244)	59,278
Defined contribution pension costs (Note (ii))	定額供款退休金成本(附註(ii))	2,129	4,376
Charge/(reversal) of share-based payment expense	以股份為基礎之付款開支 計入/(撥回)	57	(669)
		38,541	126,023

(i) 遣散員工成本

截至二零二一年十二月三十一日止年度，本集團確認於過往年度就業務重組產生的遣散員工成本撥回約244,000港元(二零二零年：計入59,278,000港元)。於二零二一年十二月三十一日，沒有尚未動用之遣散員工成本撥備(二零二零年：16,624,000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：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	於一月一日	16,624	58,139
Exchange adjustment (Credited)/charged to consolidated income statement	匯兌調整 (扣除)/計入自 綜合收益表	271	1,930
Payment made during the year	年內已付款項	(16,651)	(102,723)
At 31 December	於十二月三十一日	-	16,624

(ii) 定額供款退休金成本

年內，本集團並無利用未歸屬的利益以減少供款(二零二零年：10,000港元)。於二零二一年及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。

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 (2020: two) directors whose emoluments are reflected in the analysis shown in Note 35. The emoluments of the remaining three (2020: three) individuals are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Salaries, allowances and bonuses	薪金、津貼及花紅	6,404	1,897
Retirement benefits cost	退休福利成本	244	48
Share-based payment expense	以股份為基礎之付款開支	34	-
Redundancy costs	遣散員工成本	-	9,044
		6,682	10,989

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(二零二零年：兩名)董事，其酬金分析載於附註35。其餘三名(二零二零年：三名)人士之酬金如下：

		Number of individuals 人數	
Emolument bands	酬金幅度	2021 二零二一年	2020 二零二零年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	-
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	-	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	2	-
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	-	1
HK\$4,500,001 to HK\$5,000,000	4,500,001港元至5,000,000港元	-	1
		3	3

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 2020	於二零二零年一月一日	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 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	19,496	14,681	1,372	191,667	2,442	229,658
Exchange adjustment	匯兌調整	317	215	24	2,779	39	3,374
Additions	添置	-	1,678	-	1,868	-	3,546
Transfers	轉撥	-	-	(1,396)	1,396	-	-
Disposals	出售	-	(14,389)	-	(182,132)	(154)	(196,675)
At 31 December 2021	於二零二一年十二月三十一日	19,813	2,185	-	15,578	2,327	39,903
Accumulated depreciation and impairment	累計折舊及減值						
At 1 January 2020	於二零二零年一月一日	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 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	5,205	14,352	1,253	186,648	2,224	209,682
Exchange adjustment	匯兌調整	86	208	23	1,999	36	2,352
Depreciation	折舊	461	515	-	1,957	119	3,052
Transfers	轉撥	-	-	(1,276)	1,276	-	-
Disposals	出售	-	(14,333)	-	(179,452)	(138)	(193,923)
At 31 December 2021	於二零二一年十二月三十一日	5,752	742	-	12,428	2,241	21,163
Net book value	賬面淨值						
At 31 December 2021	於二零二一年十二月三十一日	14,061	1,443	-	3,150	86	18,740
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

Depreciation expenses of approximately HK\$168,000 (2020: HK\$1,949,000) and HK\$2,884,000 (2020: HK\$12,876,000) were charged to selling and distribution expenses and general and administrative expenses, respectively.

折舊開支約168,000港元(二零二零年: 1,949,000港元)及2,884,000港元(二零二零年: 12,876,000港元)已分別計入銷售及分銷開支及一般及行政開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 INVESTMENT PROPERTIES

15 投資物業

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Cost	成本值		
At 1 January	於一月一日	771,079	515,611
Exchange adjustment	匯兌調整	12,551	41,552
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	-	207,351
Transfer from right-of-use assets	轉撥自使用權資產	-	23,451
Transfer from/(to) assets classified as held-for-sale	轉撥自/(至)分類為持作出售之資產	39,013	(16,886)
At 31 December	於十二月三十一日	822,643	771,079
Accumulated depreciation and impairment	累計折舊及減值		
At 1 January	於一月一日	234,040	145,966
Exchange adjustment	匯兌調整	4,640	13,708
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	-	53,001
Transfer from right-of-use assets	轉撥自使用權資產	-	4,616
Transfer from/(to) assets classified as held-for-sale	轉撥自/(至)分類為持作出售之資產	9,425	(13,924)
Depreciation	折舊	21,136	14,297
Impairment	減值	12,214	16,376
At 31 December	於十二月三十一日	281,455	234,040
Net book value	賬面淨值		
At 31 December	於十二月三十一日	541,188	537,039
At 1 January	於一月一日	537,039	369,645

Investment properties are situated in Mainland China and rented out under operating leases. Rental income arising from the investment properties amounting to HK\$44,281,000 (2020: HK\$32,694,000) is included in "other income" in the consolidated income statement. The operating expenses relating to the investment properties (including depreciation) amounted to HK\$27,209,000 (2020: HK\$24,730,000). Depreciation expenses of approximately HK\$21,136,000 (2020: HK\$14,297,000) were charged to general and administrative expenses.

As at 31 December 2021, the fair values of the investment properties were approximately HK\$862,037,000 (2020: HK\$750,291,000). The fair values of investment properties are of a level 3 fair value measurement and were measured using income method and market comparable method.

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44,281,000港元（二零二零年：32,694,000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27,209,000港元（二零二零年：24,730,000港元）。折舊開支約21,136,000港元（二零二零年：14,297,000港元）計入一般及行政開支。

於二零二一年十二月三十一日，投資物業的公平價值約為862,037,000港元（二零二零年：750,291,000港元）。投資物業的公平價值為第三級公平價值計量，使用收入計量法和市場可比法來計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 INVESTMENT PROPERTIES (CONTINUED)

The Group observed that the returns from the lease of certain investment properties were low and one of the investment properties was vacant for a substantial period, impairment assessment was performed for these investment properties. The recoverable amounts were determined based on fair value less cost of disposal with reference to the valuations performed by Shanghai Zhengda Assets Appraisal Company Limited (“Shanghai Zhengda”), an independent professionally qualified valuer who holds recognised relevant professional qualifications and has relevant experience in respect of the investment properties valued. Accordingly, the Group determined and recognised an impairment loss of HK\$12,214,000 (2020:HK\$16,376,000) in “other gains/(losses) – net” for the current year.

Below is a summary of the valuation techniques and the key inputs used in the valuation of the investment properties with impairments in Mainland China:

Class of properties	Valuation techniques	Significant unobservable inputs	Range of unobservable inputs
物業種類	估值技術	重大而不可觀察的輸入	不可觀察輸入的範圍
Industrial properties 工業物業	Income method 收入法	Growth rate	2%
		Discount rate	5.5%
		Expected market monthly rent (RMB/square meter/month)	7.2
		預期市場每月租金 (人民幣/平方米/月)	
Commercial properties 商業物業	Market comparable method 市場比較法	Expected unit market price (RMB/square meter) 預期市場單位價格 (人民幣/平方米)	15,000-43,486

Relationship of unobservable inputs to fair value:

- The higher the growth rate, the higher the fair value;
- The higher the discount rate, the lower the fair value;
- The higher the expected market rent, the higher the fair value; and
- The higher the expected unit market price, the higher the fair value.

15 投資物業(續)

本集團觀察到某些租賃的投資物業回報較低，及其中一個投資物業長期空置，因此對這些投資物業進行了減值評估。可收回金額以公平價值減去可出售成本，並參考由上海正大資產評估有限公司(「上海正大」)(一家獨立的專業資格評估師，持有認可的相關專業資格，並擁有評估投資物業的相關經驗)作出的評估價值。據此，本集團確定於本年度「其他收益/(虧損)－淨額」中確認了減值虧損12,214,000港元(二零二零年：16,376,000港元)。

以下是於中國大陸有減值的投資物業估值時所用的估值技術及主要輸入值的摘要：

不可觀察的輸入與公平價值的關係：

- 增長率越高，公平價值越高；
- 貼現率越高，公平價值越低；
- 預期市場租金越高，公平價值越高；及
- 預期市場單位價格越高，公平價值越高。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 LEASES

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the consolidated balance sheet

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Right-of-use assets:	使用權資產：		
Land use rights	土地使用權	6,797	6,744
Buildings	房屋	6,726	2,342
		13,523	9,086

During the year, additions to the right-of-use assets were HK\$8,977,000 (2020: Nil).

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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Lease liabilities:	租賃負債：		
Current	流動	3,107	2,988
Non-current	非流動	4,301	-
		7,408	2,988

年內，使用權資產增加為8,977,000港元（二零二零年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 LEASES (CONTINUED)

(ii) Amounts recognised in the consolidated income statement

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Depreciation of right-of-use assets	使用權資產折舊	2,815	18,777
Interest on lease liabilities	租賃負債利息	342	1,412
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	1,916	10,695
Loss/(gain) on termination of leases	終止租賃虧損/(收益)	591	(60)

During the year, the Group exercised its termination options on certain leases, resulting in a loss of HK\$591,000 (2020: gain of HK\$60,000).

(iii) The total cash outflow for leases during the year was HK\$5,476,000 (2020: HK\$24,773,000).

(iv) The Group's leasing activities and how these are accounted for the Group leases various offices and warehouses. Rental contracts are typically made for fixed periods of approximately 2 to 3 years (2020: 2 to 6 years).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

16 租賃(續)

(ii) 於綜合資產負債表確認的金額

年內，本集團行使若干租賃的終止選擇權，產生虧損591,000港元(二零二零年：收益60,000港元)。

(iii) 年內，因租賃發生的現金流出合計為5,476,000港元(二零二零年：24,773,000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和倉庫。租賃合同通常是固定期，由兩至三年不等(二零二零年：兩至六年)。

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。

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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	於一月一日	1,036	1,481
Exchange adjustment	匯兌調整	190	(405)
Share of losses	應佔虧損	(26)	(40)
At 31 December	於十二月三十一日	1,200	1,036

Details of the associates as at 31 December 2021 are as follows:

於二零二一年十二月三十一日，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	Interests 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 INTEREST IN A JOINT VENTURE

18 於合資企業之權益

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	於一月一日	-	1,002
Exchange adjustment	匯兌調整	-	(98)
Share of loss	應佔虧損	-	(264)
Disposal	出售	-	(640)
At 31 December	於十二月三十一日	-	-

Details of the joint venture as at 31 December 2021 are as follows:

於二零二一年十二月三十一日，合資企業之詳情如下：

Name 名稱	Place of incorporation and 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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Finished goods	製成品	-	41,569

Inventories as at 31 December 2020 were stated net of provisions of HK\$83,083,000.

Inventories recognised as an expense during the year ended 31 December 2021 amounted to HK\$49,723,000 (2020: HK\$228,099,000). These were included in cost of sales.

The Group wrote off HK\$84,435,000 of a previous inventory write-down, as the Group sold the relevant goods that had been written down to independent retailers in Mainland China.

19 存貨

於二零二零年十二月三十一日，存貨乃按扣除撥備83,083,000港元後列賬。

截至二零二一年十二月三十一日止年度，確認為開支的存貨為49,723,000港元（二零二零年：228,099,000港元），皆包含在銷售成本中。

由於本集團將已把相關減值後商品出售給中國大陸的獨立零售商，本集團核銷了之前的存貨減值84,435,000港元。

20 TRADE RECEIVABLES

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Trade receivables	貿易應收賬款	26,470	49,435
Loss allowance (Note 3.1(iii))	虧損撥備（附註3.1(iii)）	(18,817)	(25,184)
Trade receivables – net	貿易應收賬款－淨額	7,653	24,251

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：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
0 – 30 days	0 至30日	7,415	12,124
31 – 60 days	31 至60日	238	5,368
61 – 90 days	61 至90日	-	3,551
91 – 180 days	91 至180日	1,558	814
181 – 360 days	181 至360日	1,711	1,372
Over 360 days	360日以上	15,548	26,206
		26,470	49,435

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綜合財務報表附註

20 TRADE RECEIVABLES (CONTINUED)

The carrying amounts of trade receivables, net of loss allowance, are denominated in the following currencies:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
RMB	人民幣	7,653	21,612
US\$	美元	-	2,639
		7,653	24,251

The carrying value of trade receivables approximates its fair values. For the year ended 31 December 2021, the Group generally allowed a credit period of 0 to 30 days to its trade customers.

21 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Other receivables, deposits and prepayments mainly comprise value-added tax recoverable, net of impairment, of HK\$23,761,000 (2020: HK\$36,186,000). The carrying value of other receivables, deposits and prepayments approximates its fair value.

22 CASH AND CASH EQUIVALENTS

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
HK\$	港元	49,656	58,827
RMB	人民幣	167,245	54,591
US\$	美元	10,588	6,168
NTD	新台幣	-	4,981
		227,489	124,567

20 貿易應收賬款(續)

貿易應收款項的賬面值(扣除虧損撥備)以下列貨幣計值:

應收賬款的賬面價值與其公平價值相若。截至二零二一年十二月三十一日止年度,本集團一般給予貿易客戶0至30天的信貸期。

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)23,761,000港元(二零二零年:36,186,000港元)。其他應收賬款、按金及預付款項之賬面值與其公平價值相若。

22 現金及現金等價物

現金及現金等價物之賬面值以下列貨幣計值:

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22 CASH AND CASH EQUIVALENTS (CONTINUED)

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.

23 ASSETS CLASSIFIED AS HELD-FOR-SALE

The following non-current assets were classified as held-for-sale:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 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
Property, plant and equipment	物業、廠房及設備	—	25,987
Investment properties	投資物業	—	2,962
		—	32,077

During the year ended 31 December 2021, the Group disposed an asset held-for-sale with carrying values of HK\$2,965,000 (Note 7). The Group also reclassified remaining assets held-for-sale with carrying values of HK\$29,588,000 to investment properties as the negotiations or proposed transactions were terminated and the Group had not located any appropriate potential buyer. Accordingly, the Group did not foresee the assets would be disposed in the next twelve months and reclassified to investment properties.

24 TRADE PAYABLES

The carrying amount of trade payables is considered to be the same as its fair value, due to its short term in nature. The ageing analysis of trade payables based on invoice date is as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
0 – 30 days	0至30日	1,087	4,730
31 – 60 days	31至60日	368	6,233
61 – 90 days	61至90日	—	11,388
91 – 180 days	91至180日	12	16,875
181 – 360 days	181至360日	—	23,080
Over 360 days	360日以上	2,640	6,895
		4,107	69,201

22 現金及現金等價物(續)

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 分類為持作出售之資產

以下非流動資產分類為持作出售：

截至二零二一年十二月三十一日止年度，本集團處置了持有待售資產，賬面值為2,965,000港元(附註7)。本集團亦重新分類持有待售的剩餘資產投資物業，賬面價值為29,588,000港元，乃由於談判或擬議交易終止而本集團並無物色合適的潛在買家。因此，本集團並未預見該資產將在未來十二個月內出售，並重新分類為投資物業。

24 貿易應付款項

由於其短期性質，貿易應付款項的賬面值被視為跟公平價值相同。基於發票日期的應收賬款賬齡分析如下如下：

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25 OTHER PAYABLES AND ACCRUED CHARGES

Other payables and accrued charges mainly comprise deposits received from franchisees and tenants of HK\$19,185,000 (2020: HK\$32,754,000), accrued employee benefits expense of HK\$7,236,000 (2020: HK\$9,120,000), receipt-in-advance in relation to rental income of HK\$5,146,000 (2020: HK\$8,745,000) and compensation payable to tenants in relation to land resumption of HK\$3,289,000 (2020: Nil). The carrying amount of other payables and accrued charges is considered to be the same as its fair value, due to its short term in nature.

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從加盟商及承租方收取的按金\$19,185,000港元(二零二零年: 32,754,000港元)、應計僱員福利開支7,236,000港元(二零二零年: 9,120,000港元)、預收租金收入款項5,146,000港元(二零二零年: 8,745,000港元)及有關徵收土地而應付租戶的賠償金3,289,000港元(二零二零年: 無)。由於只是短期性質,其他應付賬款及應計費用之賬面值與其公平價值相若。

26 SHARE CAPITAL

26 股本

		2021 二零二一年		2020 二零二零年	
		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	於一月一日	1,814,056,622	181,406	1,649,142,384	164,914
Issue of new shares	發行新股	-	-	164,914,238	16,492
At 31 December	於十二月三十一日	1,814,056,622	181,406	1,814,056,622	181,406

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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:

		2021 二零二一年		2020 二零二零年	
		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	0.76	12,180,000	2.79	24,380,000
Granted (Note)	已授出 (附註)	0.20	121,300,000	-	-
Lapsed	已失效	1.07	(830,000)	4.82	(12,200,000)
At 31 December	於十二月三十一日	0.25	132,650,000	0.76	12,180,000
Exercisable at 31 December	於十二月三十一日可行使	0.73	11,350,000	0.76	12,180,000

Note:

Out of the total number of options granted during the year, 51,800,000 share options were granted to Mr. Wang Jungang, an executive director of the Company, which is subject to the approval of independent shareholders of the Company at the forthcoming annual general meeting.

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。

未行使之購股權數目及其加權平均行使價之變動如下：

附註：

年內授出的購股權總數中，51,800,000份購股權獲授予本公司執行董事王俊剛先生，惟須待獨立股東於應屆股東週年大會上批准後方可作實。

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綜合財務報表附註

27 SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

(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	
			2021 二零二一年	2020 二零二零年
21 January 2014 二零一四年一月二十一日	20 January 2024 二零二四年一月二十一日	4.50	100,000	180,000
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	11,250,000	12,000,000
14 December 2021 二零二一年十二月十四日	13 December 2031 二零三一年十二月十三日	0.20	121,300,000	–
			132,650,000	12,180,000
Weighted average remaining contractual life of options outstanding at year end (years) 年末未行使購股權的加權平均剩餘合同期限(年)			9.54	6.02

(a) Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 31 December 2021 was HK\$0.06 per option. The fair value at grant date is independently determined using Binomial Option Pricing Model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the same term of the option.

The model inputs for options granted during the year ended 31 December 2021 included:

Exercise price:	HK\$0.20
Grant date:	14 December 2021
Expiry date:	13 December 2031
Share price at grant date:	HK\$0.154
Expected price volatility:	56.39%
Expected dividend yield:	0.94%
Risk-free interest rate:	1.48%

The expected prices volatility is based on the historic volatility based on the share price of the Company.

27 以股份為基礎之付款交易(續)

(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：

(a) 授予購股權的公平價值

截至二零二一年十二月三十一日止年度授出的購股權於授出日期的評估公平價值為每份購股權0.06港元。授予日的公平價值採用二項式購股權定價模型獨立確定，該模型考慮了行使價、期權期限、授予日的股價和標的股票的預期價格波動、預期股息收益率、與購股權期限相同的無風險利率。

截至二零二一年十二月三十一日止年度授予的期權的模型輸入包括：

行使價：	0.20港元
授出日：	二零二一年十二月十四日
到期日：	二零三一年十二月十三日
授予日股價：	0.154港元
預期價格波動：	56.39%
預期股息收益率：	0.94%
無風險利率：	1.48%

預期價格波動是基於本公司股份價格之歷史波幅而定。

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27 SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

(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.

Movements in the number of SARs outstanding during the years ended 31 December 2021 and 2020 are as follows:

		Number of SARs 股份增值權數目	
		2021 二零二一年	2020 二零二零年
At 1 January	於一月一日	1,450,000	16,500,000
Lapsed	已失效	(1,450,000)	(15,050,000)
At 31 December	於十二月三十一日	–	1,450,000

During the year, the credit recognised in relation to the SARs was HK\$153,000 (2020: HK\$669,000).

27 以股份為基礎之付款交易 (續)

(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。

截至二零二一年及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：

年內已就股份增值權確認扣除153,000港元(二零二零年：669,000港元)。

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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 2020	於二零二零年一月一日	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	聯營公司及合資企業	-	-	-	-	-	(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 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	133,754	2,685	322	6,450	2,293	106,912	173,007	(78,599)	346,824
<i>Currency translation differences:</i>	<i>匯兌差額:</i>									
Group	本集團	-	-	-	-	-	8,699	-	-	8,699
Associates and a joint venture	聯營公司及合資企業	-	-	-	-	-	190	-	-	190
Dissolution of subsidiaries	解散附屬公司	-	197	-	-	-	1,170	(1,534)	167	-
Profit for the year	年內盈利	-	-	-	-	-	-	-	52,723	52,723
<i>Share option scheme:</i>	<i>購股權計劃:</i>									
Value of grantee services	承授人服務價值	-	-	-	-	210	-	-	-	210
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	-	(367)	-	-	367	-
At 31 December 2021	於二零二一年十二月三十一日	133,754	2,882	322	6,450	2,136	116,971	171,473	(25,342)	408,646

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 minimum 10% of their after-tax profit 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 years' 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之至少10%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。

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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 in an aggregate principal amount of RMB25,300,000, equivalent to HK\$28,633,000.

The terms of the convertible notes are summarised below:

- (a) the convertible 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 convertible notes;
- (b) the convertible notes are convertible at the option of the holder into fully paid ordinary shares on or after the issue date of the convertible 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 convertible 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 convertible 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.

As at 31 December 2021, the carrying value of the liability component of the convertible notes approximated its fair value. Movements of the liability component of the convertible notes during the years ended 31 December 2021 and 2020 are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	於一月一日	24,571	–
Principal amount issued	已發行本金額	–	22,183
Exchange adjustment	匯兌調整	408	1,476
Accretion of interest	利息增值	4,398	912
At 31 December	於十二月三十一日	29,377	24,571

During the years ended 31 December 2021 and 2020, none of the convertible notes was redeemed or converted.

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，本金總額為人民幣25,300,000元，相當於28,633,000港元。

可換股債券條款概述如下：

- (a) 可換股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，或可於轉換可換股債券時轉換為股份；
- (b) 於或自可換股債券發行日期起至二零二三年十月十四日止，可換股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) 可換股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。

發行可換股債券時，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。

於二零二一年十二月三十一日，可換股債券負債部分之賬面值與其公平價值相若。可換股債券之負債部分於截至二零二一年及二零二零年十二月三十一日止年度之變動如下：

截至二零二一年及二零二零年十二月三十一日止年度，概無可換股債券被贖回或兌換。

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30 DEFERRED INCOME TAX

Deferred income tax is calculated on temporary differences under the liability method using the applicable tax rates.

During the years ended 31 December 2021 and 2020, deferred income tax liabilities represent solely accelerated tax depreciation. Movements in deferred income tax liabilities (prior to offsetting of balances within the same taxation jurisdiction) are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	於一月一日	4,540	2,688
Exchange adjustment	匯兌調整	74	333
Charged to consolidated income statement	計入綜合收益表	135	341
Transfer from disposal group classified as held-for-sale	轉撥自分類為持作出售之出售組別	-	1,178
At 31 December	於十二月三十一日	4,749	4,540

The expiry of unrecognised tax losses as at 31 December 2021 are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Tax losses expiring in 5 years	五年內屆滿之稅項虧損	2,137,394	3,375,936
Tax losses without expiry date	無屆滿日期之稅項虧損	70,989	69,040
		2,208,383	3,444,976

As at 31 December 2021, the potential deferred income tax assets in respect of the above unrecognised tax losses amounted to HK\$546,062,000 (2020: HK\$855,376,000).

Deferred income tax liabilities of HK\$1,057,000 (2020: HK\$1,336,000), in respect of unremitted earnings of approximately HK\$13,073,000 as at 31 December 2021 (2020: HK\$18,308,000), 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.

30 遞延所得稅項

遞延所得稅項採用負債法就暫時差額按適用稅率計算。

截至二零二一年及二零二零年十二月三十一日止年度，遞延所得稅項負債僅代表加速稅項折舊。遞延稅項負債（在同一徵稅司法權區之結餘抵銷前）之變動如下：

於二零二一年十二月三十一日，未確認稅項虧損之屆滿情況如下：

於二零二一年十二月三十一日，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546,062,000港元（二零二零年：855,376,000港元）。

本集團並未就若干附屬公司未匯出盈利之應付預扣稅1,057,000港元（二零二零年：1,336,000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。於二零二一年十二月三十一日，未匯出盈利約為13,073,000港元（二零二零年：18,308,000港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 CASH FLOW INFORMATION

(i) Cash used in operations

(a) Reconciliation of operating profit/(loss) to cash used in operations is as follows:

31 現金流量資料

(i) 營運所用之現金

(a) 經營盈利/(虧損)與營運所用之現金之對賬如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Profit/(loss) before income tax	除所得稅前收益/(虧損)	79,825	(239,769)
Adjustments for:	作出調整：		
Depreciation of investment properties	投資物業折舊	21,136	14,297
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,052	14,825
Depreciation of right-of-use assets	使用權資產折舊	2,815	18,777
Loss on disposal of a subsidiary	出售附屬公司虧損	-	1,330
Loss on disposal of joint venture	出售合資企業虧損	-	336
Impairment loss of certain investment properties	若干投資物業減值虧損	12,214	16,376
Impairment loss on financial assets	金融資產減值虧損	825	37,426
Written off/impairment loss on value-added tax recoverable	可收回增值稅報損/減值虧損	6,041	11,323
Gain on disposal of an asset classified as held-for-sale	出售分類為持作出售之資產之收益	(131,657)	-
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備虧損/(收益)	1,505	(6,330)
Loss/(gain) on termination of leases	終止租賃虧損/(收益)	591	(60)
Share of losses of associates and a joint venture	應佔聯營公司及合資公司之盈利	26	304
Finance costs	財務成本	4,740	2,324
Interest income	利息收入	(921)	(499)
Share-based payment expense/(credit)	以股份為基礎之付款開支/(抵免)	210	(669)
Operating cash flows before working capital changes	營運資金變動前之經營現金流量	402	(130,009)
Decrease in inventories	存貨減少	42,246	123,794
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	53,401	96,514
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	(122,488)	(211,547)
Cash used in operations	營運所用之現金	(26,439)	(121,248)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 CASH FLOW INFORMATION (CONTINUED)

(i) Cash used in operations (Continued)

(b) In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment and an asset classified as held-for-sale can be reconciled as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Proceeds from disposals of property, plant and equipment and an asset classified as held-for-sale	出售物業、廠房及設備及分類為持作出售之資產收款	135,869	16,685
Net book amount	賬面淨值		
– Property, plant and equipment (Note 14)	– 物業、廠房及設備 (附註14)	(2,752)	(6,455)
– Assets classified as held-for-sale	– 分類為持作出售之資產	(2,965)	(3,900)
Gain on disposal of an asset classified as held-for-sale and property, plant and equipment (Note 7)	出售自分類為持作出售之資產及物業、廠房及設備收益 (附註7)	130,152	6,330

31 現金流量資料 (續)

(i) 營運所用之現金 (續)

(b) 於綜合現金流量表內，出售物業、廠房及設備及分類為持作出售之資產收款可對賬如下：

(ii) Net debt reconciliation

This section sets out an analysis and the movements 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。

		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
At 1 January 2020	於二零二零年一月一日	(46,090)	–	182,293	136,203
Cash flows	現金流量	14,078	(28,633)	(64,148)	(78,703)
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	–	6,450	–	6,450
– Interest of lease liabilities	– 租賃負債利息	(1,412)	–	–	(1,412)
– Imputed interest of convertible notes	– 可換股債券估算利息	–	(912)	–	(912)
Effect of foreign exchange rate changes	匯率變動影響	(894)	(1,476)	6,422	4,052
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	(2,988)	(24,571)	124,567	97,008
Cash flows	現金流量	3,560	–	100,902	104,462
Non-cash movement	非現金變動				
– Additions	– 增加	(8,977)	–	–	(8,977)
– Early termination of leases	– 提早終止租賃	1,392	–	–	1,392
– Interest of lease liabilities	– 租賃負債利息	(342)	–	–	(342)
– Imputed interest of convertible notes	– 可換股債券估算利息	–	(4,398)	–	(4,398)
Effect of foreign exchange rate changes	匯率變動影響	(53)	(408)	2,020	1,559
At 31 December 2021	於二零二一年十二月三十一日	(7,408)	(29,377)	227,489	190,704

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:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within 1 year	一年內	40,410	29,327
Between 1 and 2 years	一至二年	43,673	34,273
Between 2 and 3 years	二至三年	39,118	32,912
Between 3 and 4 years	三至四年	36,976	29,213
Between 4 and 5 years	四至五年	15,941	27,460
Later than 5 years	五年後	16,903	7,369
		193,021	160,554

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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 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	7,653	24,251
Other receivables and deposits excluding non-financial assets	其他應收賬款 (不包括非金融資產)	2,106	31,528
Cash and cash equivalents	現金及現金等價物	227,489	124,567
Total	合計	237,248	180,346
<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	4,107	69,201
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)	45,262	55,108
Lease liabilities	租賃負債	7,408	2,988
Convertible notes	可換股債券	29,377	24,571
Total	合計	86,154	151,868

33 金融工具分類

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 RELATED PARTY TRANSACTIONS AND BALANCES

(i) Transaction with a related company

The Group did not have any related party transactions during the year (2020: Nil).

(ii) Year-end balance with a related company

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Trade receivable from a joint venture	合資企業貿易應收款項	-	2,639

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

(iii) Key management personnel compensation

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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Salaries, allowances and bonuses	薪金、津貼及花紅	8,627	6,187
Retirement benefits cost	退休福利成本	27	-
Share-based payment expense	以股份為基礎之付款開支	68	-
		8,722	6,187

34 關聯方交易及結餘

(i) 與關聯公司之交易

本集團於年內不曾進行關聯方交易(二零二零年：無)。

(ii) 與關聯公司之年末結餘

合資企業貿易應收款項主要由貨品銷售產生。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	Retirement benefits cost	Share-based payment expense	Total
		袍金	薪金及津貼	退休福利成本	以股份為基礎之付款開支	總計
		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
		(Note (a))	(Note (b))			
		(附註(a))	(附註(b))			
For the year ended	截至二零二一年十二月					
31 December 2021	三十一日止年度					
Mr. Chang Chih-Kai (Chairman)	張智凱先生(主席)	-	4,305	-	34	4,339
Mr. Chang Chih-Chiao (CEO)	張智喬先生(行政總裁)	-	3,516	-	34	3,550
Mr. Wang Jungang	王俊剛先生	-	85	27	-	112
Mr. Huang Shun-Tsai	黃順財先生	150	-	-	-	150
The late Mr. Kuo Jung-Cheng (Note (c))	已故郭榮振先生(附註(c))	75	-	-	-	75
Mr. Hon Ping Cho Terence	韓炳祖先生	396	-	-	-	396
Mr. Tan Philip (Note (d))	談大成先生(附註(d))	100	-	-	-	100
		721	7,906	27	68	8,722
For the year ended	截至二零二零年十二月					
31 December 2020	三十一日止年度					
Mr. Chang Chih-Kai (Chairman)	張智凱先生(主席)	-	3,190	-	-	3,190
Mr. Chang Chih-Chiao (CEO)	張智喬先生(行政總裁)	-	2,274	-	-	2,274
Mr. Wang Jungang	王俊剛先生	-	-	-	-	-
Mr. Chen Tommy Yi-Hsun	陳怡勳先生	-	27	-	-	27
Mr. Huang Shun-Tsai	黃順財先生	150	-	-	-	150
The late Mr. Kuo Jung-Cheng	已故郭榮振先生	150	-	-	-	150
Mr. Hon Ping Cho Terence	韓炳祖先生	396	-	-	-	396
		696	5,491	-	-	6,187

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. Kuo Jung-Cheng passed away on 7 July 2021.
- (d) Mr. Tan Philip has been appointed as an independent non-executive director of the Company on 2 August 2021.

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) 郭榮振先生已於二零二一年七月七日逝世。
- (d) 談大成先生於二零二一年八月二日獲委任為獨立非執行董事。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(ii) Termination benefits of directors, and consideration provided to third parties for making available directors' services

For each of the years ended 31 December 2021 and 2020, 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.

(iii) 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 2021 and 2020, 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.

(iv) 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.

35 董事利益及權益(續)

(ii) 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

截至二零二一及二零二零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。

(iii) 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

於二零二一及二零二零年十二月三十一日，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。

(iv) 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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 BALANCE SHEET AND MOVEMENT OF RESERVES OF THE COMPANY

(i) Balance sheet of the Company

		As at 31 December 於十二月三十一日	
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 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	109,137	106,690
		477,959	475,512
Current assets	流動資產		
Prepayments	預付款項	99	99
Cash and cash equivalents	現金及現金等價物	27,412	54,181
		27,511	54,280
Current liabilities	流動負債		
Other payables and accrued charges	其他應付賬款及應計費用	824	2,092
Net current assets	流動資產	26,687	52,188
Total assets less current liabilities	總資產減流動負債	504,646	527,700
Equity	權益		
Share capital	股本	181,406	181,406
Reserves	儲備	293,863	321,723
Total equity	總權益	475,269	503,129
Non-current liabilities	非流動負債		
Convertible notes	可換股債券	29,377	24,571
Total equity and non-current liabilities	總權益及非流動負債	504,646	527,700

Approved by the board of directors on 24 March 2022.

已獲董事會於二零二二年三月二十四日批准。

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

36 BALANCE SHEET AND MOVEMENT OF RESERVES OF THE COMPANY (CONTINUED)

36 本公司資產負債表及儲備變動(續)

(ii) Movement of reserves of the Company

(ii) 本公司儲備變動

		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)) (附註28(a))	(Note (a)) (附註(a))					
At 1 January 2020	於二零二零年一月一日	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 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	133,754	2,882	152,891	6,450	2,293	(15,562)	39,015	321,723
Currency translation differences	匯兌差額	-	-	-	-	-	2,130	-	2,130
Loss for the year	年內虧損	-	-	-	-	-	-	(30,200)	(30,200)
Share option scheme:	購股權計劃:								
Value of grantee services	承授人服務價值	-	-	-	-	210	-	-	210
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	-	(367)	-	367	-
At 31 December 2021	於二零二一年十二月三十一日	133,754	2,882	152,891	6,450	2,136	(13,432)	9,182	293,863

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 Act 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，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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 SUBSIDIARIES

The following is a list of the principal subsidiaries as at 31 December 2021:

37 附屬公司

下表載列於二零二一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	Interests held ^(b) 所持權益 ^(b)	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 and licensing of footwear and accessories and investment holding 分銷鞋類產品及配件、 授權許可業務以及投資控股
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
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 and licensing of footwear and accessories 分銷鞋類產品及配件及授權許可業務
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

37 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) 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.

(i) Non-controlling interests

Set out below is summarised financial information, before inter-company eliminations, for subsidiaries that have non-controlling interests that are material to the Group:

37 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PrimeSuccess (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PrimeSuccess (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) 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。

(i) 非控制性權益

下文載列擁有非控制性權益及對本集團而言，於公司間抵銷前，屬重大之附屬公司之財務資料概要：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current assets	流動資產	414,350	285,555
Current liabilities	流動負債	(189,421)	(40,998)
Net assets	淨資產	224,929	244,557
Revenue	收益	22,138	1,777
Profit for the year	年內盈利	5,498	235
Total comprehensive income	全面收益總額	4,674	12,234
Net cash generated from/(used in) operating activities	經營活動產生/(所用)之現金淨額	19,510	(2,801)
Net cash generated from investing activities	投資活動產生的現金淨額	1,009	57
Net cash used in financing activities	金融活動所用的現金淨額	(64)	-
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物淨增長/(減少)	20,455	(2,744)



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)

www.daphneholdings.com