

DAPHNE

(STOCK CODE 股票代號: 210)

2023年報

ANNUAL REPORT



CONTENTS

目錄

2	Corporate Information 公司資料
4	Financial Highlights 財務摘要
5	Five-year Financial Summary 五年財務概要
6	Particulars of Major Investment Properties 主要投資物業詳情
8	Chairman's Statement 主席報告
11	Management Discussion and Analysis 管理層討論與分析
22	Biographies of Directors and Senior Management 董事及高級管理人員簡歷
25	Corporate Governance Report 企業管治報告
45	Report of the Directors 董事會報告
58	Independent Auditor's Report 獨立核數師報告
63	Consolidated Income Statement 綜合收益表
64	Consolidated Statement of Comprehensive Income 綜合全面收益表
65	Consolidated Balance Sheet 綜合資產負債表
67	Consolidated Statement of Changes in Equity 綜合權益變動表
68	Consolidated Cash Flow Statement 綜合現金流量表
69	Notes to the Consolidated Financial Statements 綜合財務報表附註

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive directors

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

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Bank of Wenzhou
China Construction Bank
MUFG Bank (Hong Kong Branch)
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

香港股份過戶登記處

卓佳秘書商務有限公司
香港
夏愨道16號
遠東金融中心17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

溫州銀行
中國建設銀行
三菱UFJ銀行(香港分行)
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 HIGHLIGHTS

財務摘要

		For the year ended 31 December 截至十二月三十一日止年度		
		2023 二零二三年	2022 二零二二年 (restated) (經重列)	Change 變化
Revenue (RMB' million)	收益(人民幣百萬元)	262.6	172.1	+53%
Other income (RMB' million)	其他收入(人民幣百萬元)	59.6	47.4	+26%
Operating profit (RMB' million)	經營盈利(人民幣百萬元)	67.6	42.4	+59%
Profit attributable to shareholders (RMB' million)	股東應佔盈利 (人民幣百萬元)	62.4	37.1	+68%
Operating margin (%)	經營盈利率(%)	25.8	24.6	+1.2ppt百分點
Net margin (%)	淨盈利率(%)	23.8	21.6	+2.2ppt百分點
Basic earnings per share (RMB)	每股基本盈利(人民幣元)	0.034	0.021	+62%

		As at 31 December 於十二月三十一日		
		2023 二零二三年	2022 二零二二年 (restated) (經重列)	Change 變化
Cash and cash equivalents (RMB' million)	現金及現金等價物 (人民幣百萬元)	366.3	279.6	+31%
Convertible notes (RMB' million)	可換股債券(人民幣百萬元)	–	28.3	–100%
Equity attributable to shareholders (RMB' million)	股東應佔權益 (人民幣百萬元)	668.1	530.0	+26%
Current ratio (times) (Note 1)	資產流動比率(倍) (附註一)	3.0	2.2	+36%
Net gearing ratio (%) (Note 2)	淨負債比率(%) (附註二)	Net cash 淨現金	Net cash 淨現金	N/A 不適用

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 convertible notes and lease liabilities less cash and cash equivalents) divided by equity attributable to shareholders as at year end.

附註：

- 資產流動比率(倍)乃根據於年度結束日之流動資產總額除以流動負債總額計算。
- 淨負債比率(%)乃根據於年度結束日之負債淨額(即可換股債券及租賃負債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				
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)	2021 二零二一年 RMB'000 人民幣千元 (restated) (經重列)	2020 二零二零年 RMB'000 人民幣千元 (restated) (經重列)	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重列)
Results	業績					
Revenue	收益	262,644	172,093	86,554	321,400	1,868,180
Gross profit	毛利	131,385	98,402	45,368	117,665	686,292
Operating profit/(loss)	經營盈利/(虧損)	67,637	42,422	69,257	(209,433)	(895,743)
Profit/(loss) attributable to shareholders	股東應佔盈利/(虧損)	62,435	37,136	43,166	(213,713)	(940,192)
Basic earnings/(loss) per share (RMB)	每股基本盈利/(虧損) (人民幣元)	0.034	0.021	0.024	(0.127)	(0.570)

		As at 31 December 截至十二月三十一日止年度				
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)	2021 二零二一年 RMB'000 人民幣千元 (restated) (經重列)	2020 二零二零年 RMB'000 人民幣千元 (restated) (經重列)	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重列)
Assets and liabilities	資產及負債					
Non-current assets	非流動資產	402,645	436,580	469,601	471,005	545,647
Current assets	流動資產	413,830	341,538	214,162	242,124	559,409
Total assets	總資產	816,475	778,118	683,763	713,129	1,105,056
Non-current liabilities	非流動負債	7,568	7,718	31,402	24,177	20,782
Current liabilities	流動負債	136,602	152,807	78,911	159,488	369,608
Total liabilities	總負債	144,170	160,525	110,313	183,665	390,390
Net assets	淨資產	672,305	617,593	573,450	529,464	714,666

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
1.	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%
2.	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%
3.	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%
4.	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%
5.	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%
6.	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%
7.	No. 105 Yulan 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玉蘭街105號	Office and warehouse 辦公室及倉庫	Medium 中期	100%
8.	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%
9.	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%
10.	No. 99 Lingxiao Road, Airport Industry Park, Jiangning, Nanjing, Jiangsu, China	中國江蘇省南京市江甯區空港工業園凌霄路99號	Office and warehouse 辦公室及倉庫	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
11.	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%
12.	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%
13.	No. 2916 Shiji Main Road, Zhangqiu, Jinan, Shandong, China	中國山東省濟南市章丘區世紀大道2916號	Office and warehouse 辦公室及倉庫	Medium 中期	100%
14.	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%
15.	22/F, Block B, Ludihui Centre, No. 258 Longqi Road, Xuhui, Shanghai, China	中國上海徐匯區龍啟路258號綠地匯中心B幢22樓	Office 辦公室	Medium 中期	100%
16.	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%
17.	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%
18.	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%
19.	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 2023.

In 2023, the world entered the post-pandemic era, marking a significant milestone in global recovery. However, global economic growth remained soft due to concerns about constant inflationary pressures and rising interest rate. Although epidemic prevention and control measures were gradually lifted in China, allowing society to return to normalcy and sparking a revival in consumer sentiment earlier in the year, macroeconomic uncertainty hindered strong and consistent momentum. In 2023, China experienced its slowest economic growth in three decades, excluding the three years affected by the epidemic. Due to the cloudy economic outlook, functionality, practicality, and affordability have become important factors influencing consumer purchasing decisions. Against the backdrop of a challenging operating environment, the Group continued to advance its strategic focus on strengthening the brand management of “DAPHNE”, optimising the brand licensing and distribution business, and refining the supply chain system. Through years of diligent efforts to strengthen its business foundation, despite a slower-than-expected market recovery, the Group achieved significant growth, outperforming the general market and demonstrating the efficacy of its strategic initiatives.

The momentum of the online shopping trend remained strong throughout the year, sparking a transformative shift in the e-commerce landscape. Innovative players, particularly interest-based e-commerce platforms, have taken the e-commerce world by storm. The Group recognises the importance of adapting to the increasingly fierce e-commerce competition. By effectively capitalising on its resource advantages as a leading brand, the Group continued its efforts in optimising its online licensing network, enhancing digital marketing, and actively pursuing collaborations with various platforms. These endeavours further strengthened the Group’s position on e-commerce platforms, with “DAPHNE” holding a leading position in the women’s shoe category on both “Tmall” and “Douyin” in 2023. Benefiting from its strong presence on various online platforms, the Group’s online licensing business sustained rapid growth, fuelling significant growth momentum for the Group and enabling the Group to outshine its peers.

In response to the ever-changing retail landscape, the Group carefully adjusted the pace of expansion plans for both online licensing network and physical store network operated by franchisees during the year. Despite a slowdown in offline network expansion due to subdued consumer sentiment, the Group remains committed to cautiously advancing its expansion plan as the retail market gradually picks up. Looking ahead, the Group will continue to fine-tune its online and offline strategies and strive to enhance the synergy between online and offline channels, thereby maintaining a competitive edge in the 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二零二三年十二月三十一日止年度之年報。

於二零二三年，全球進入後疫情時代，成為全球復甦的重要里程碑。然而，由於憂慮持續通脹壓力和利率上升，全球經濟增長依然疲弱。雖然中國疫情防控措施已逐步解除，社會日漸復常，消費者信心在年初有所回升，但宏觀經濟的不確定性阻礙了持續強勁的上升勢頭。剔除受疫情影響的三年，中國於二零二三年經歷了三十年來最緩慢的經濟增速。由於經濟前景不明朗，功能性、實用性、可負擔性成為影響消費者購買決定的重要因素。儘管經營環境充滿挑戰，本集團持續推動強化「達芙妮」品牌管理、優化品牌授權及分銷業務、完善供應鏈系統等營運策略重點。經過多年努力夯實業務基礎，即使市場復甦慢於預期，本集團業務仍取得顯著增長，表現優於整體市場，彰顯了本集團的有效策略。

全年線上購物趨勢依然強勁，引發了電商格局的改變。創新的業界參與者，特別是興趣類電商平台，已經席捲電商世界，因此本集團深明企業要適應日益激烈的電商競爭之重要性。憑藉有效發揮領先品牌的資源優勢，本集團持續優化線上授權網絡，加強數位行銷，並積極拓展與各電商平台的合作。於二零二三年，「達芙妮」品牌在「天貓」及「抖音」的女鞋品類排名均佔領先地位，成功進一步鞏固了本集團在電商平台的地位。受惠於本集團在多個線上平台的強大影響力，線上授權業務持續快速增長，為本集團注入強勁增長動力，並在同業中脫穎而出。

為應對零售格局持續變革，本集團於年內審慎調整線上授權網絡及由加盟商經營的實體店網絡的擴張步伐。儘管因消費者信心低迷令線下網絡擴張有所放緩，但隨著零售業市道逐漸回暖，本集團仍致力謹慎地推進線下網絡擴張計劃。展望未來，本集團將持續調整線上及線下策略，積極增強線上及線下渠道的協同效應，以維持市場競爭優勢。

CHAIRMAN'S STATEMENT

主席報告

As part of its ongoing efforts to consolidate its leading position in the industry, the Group has been devoting more resources in reinforcing its core brand, “DAPHNE” and optimising its supply chain system. Recognising the importance of customer satisfaction, the Group attaches great importance to maintaining high standards to ensure product quality and efficiency. Considering the growing demand for its products, the Group has taken proactive measures to optimise quality control throughout the entire supply chain, thereby establishing a mature supply chain system to safeguard its brand reputation. In the future, the Group will continue to refine the supply chain management, endeavouring to improve customer satisfaction and enhance its competitiveness.

As a brand operator, it is crucial to continuously refresh and strengthen its brand image in order to tap into young consumers. Building on the success of the originality-centric collections launched in recent years, the Group introduced a new pioneering design brand, “DAPHNE.LAB”, and more original collections to carry on with the journey of originality. With the brand slogan of “DARE TO BE 就敢”, “DAPHNE.LAB” empowers the new generation of female consumers to express themselves through uniquely designed products, which also strike a remarkable balance between quality and affordability. With a mix of contradictory elements in the design, “DAPHNE.LAB” encourages women to break free from conformity and be their true selves, embracing individuality and self-expressionism.

In view of the enthusiastic market response of the “Lollipop Collection” in collaboration with a renowned artist earlier in the year, the Group further explored collaboration opportunities and released the co-branded “Sugar Cube Over-the-Knee Boots” with a designer brand at London Fashion Week, strengthening brand equity and opening doors for future collaborations. Encouraged by the positive market reception of these launches, the Group bucked the sluggish retail trend and opened both offline and online directly-managed stores of “DAPHNE.LAB” in 2023. These achievements not only prove the effectiveness of the Group’s strategy but also serve as a motivation to create more daring, high-quality and value-for-money stylish products, inspiring more women to embrace their uniqueness and boldly express themselves.

Looking ahead to 2024, geopolitical and macroeconomic uncertainty will remain a significant challenge, casting a shadow over global economic growth. Lingering uncertainty may continue to pose obstacles to a robust recovery in China’s consumer market. The Group remains a cautious view on the domestic economic recovery in 2024. However, the Chinese government’s commitment to introduce a raft of measures aimed at boosting domestic demand is expected to provide support for the high-quality development of the Chinese consumer market. While a full market recovery is an arduous journey fraught with uncertainties, the Group will closely monitor policy dynamics, seize opportunities, and prudently adjust its strategies in a timely manner. Drawing on our proven business strategies from recent years, the Group will continue to solidify its business foundation by focusing on supply chain management, brand licensing and franchisee management, and branding, allowing the Group to capitalise on the recovering market and achieve sustainable returns for our shareholders.

為持續鞏固業界領先地位，本集團不斷投入更多資源強化核心品牌「達芙妮」，完善供應鏈系統。意識到客戶滿意度的重要性，本集團非常重視維持高水平，以確保產品質量和效率。本集團亦考慮到產品需求持續增加，因此採取積極措施，優化整個供應鏈的質量控制，建立一個成熟的供應鏈體系，以維護品牌聲譽。未來，本集團將繼續精簡供應鏈管理，致力提升客戶滿意度與增強其競爭力。

作為品牌營運商，持續推進品牌煥發及強化品牌形象以吸引年輕消費者尤為重要。建基近年成功推出以原創為中心的產品系列後，本集團推出全新先鋒設計品牌「達芙妮實驗室」及更多原創系列，繼續拓展原創之旅。「達芙妮實驗室」以「DARE TO BE 就敢」為品牌標語，讓新一代女性消費者透過獨特設計的產品表達自我，在質量與價格負擔力之間取得理想平衡。「達芙妮實驗室」在設計中融合了相互矛盾元素，鼓勵女生擺脫墨守成規，活出真實自己，擁抱個性和自我表現主義。

鑒於年初與知名藝術家合作的「棒棒糖系列」，市場反應熱烈，本集團進一步探討合作機會，更與設計師品牌攜手在倫敦時裝週發佈聯名款「方糖系列過膝靴」，加強品牌資產，並為未來更多合作打開大門。受惠新品推出的市場正面回響，本集團逆勢而上，於二零二三年開設了「達芙妮實驗室」線下及線上自營店。此等成果不僅足證本集團策略有效，也成為創造更多大膽、高質量、物有所值的時尚產品的原動力，激勵更多女生擁抱自己的獨特，大膽表達自我。

展望二零二四年，地緣政治和宏觀經濟的不確定性仍是重大挑戰，為全球經濟增長蒙上陰影。持續的不確定性將繼續對中國消費市場的強勁復甦造成阻礙。於二零二四年，本集團對國內經濟復甦維持謹慎態度。然而，中國政府承諾推出一系列擴大內需的措施，預期將為國內消費市場的高質量發展提供有力支持。儘管市場全面復甦之路艱辛及充滿不確定性，本集團將密切關注政策動態，緊握市場機遇，適時審慎地調整策略。憑藉近年行之有效的業務策略，本集團將繼續專注於供應鏈管理、品牌授權及加盟商管理和品牌推廣，以鞏固業務基礎，使本集團能夠把握市場的復甦，為股東帶來可持續回報。

CHAIRMAN'S STATEMENT

主席報告

Finally, I would like to express my heartfelt gratitude to all customers, business partners and shareholders who have trusted and supported the Group over the years. Also, I would like to take this opportunity to express my sincere appreciation to our management and all the employees for their hard work and valuable contributions during the year.

最後，衷心感謝所有顧客、業務合作夥伴及股東多年來對本集團的信任和支持。同時亦藉此機會真誠感謝管理層及所有員工這一年的辛勤工作及作出的寶貴貢獻。

Chang Chih-Kai
Chairman

Hong Kong, 26 March 2024

主席
張智凱

香港，二零二四年三月二十六日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

In 2023, the impact of the COVID-19 epidemic gradually subsided, but pressures on global inflation and interest rate hikes persisted, keeping global economic growth moderate. Although China's consumer market began to regain vigour in 2023, the uncertainty about inflation and income growth has undermined consumer confidence. The pace of recovery appeared slightly slower than market expectations, and the overall economic environment remained challenging. According to the National Bureau of Statistics of China, China's gross domestic product (GDP) rose 5.2% year-on-year in 2023, marking the slowest growth rate in 30 years, excluding the three years affected by the epidemic. The overall economic recovery fell short of expectations, directly impacting the retail market. In 2023, China's total retail sales of consumer goods grew 7.2% year-on-year mainly due to a low base for comparison with the previous year, while the retail sales of goods increased by only 5.8%, which was slower than anticipated. Amidst economic uncertainty, consumers have become more cautious and rational with their spending. Many consumers are now gravitating towards "value-for-money", functional and cost-effective goods and services.

The online shopping continuance after the COVID-19 epidemic has further fuelled the development of e-commerce platforms and injected growth momentum to China's economy. It was reported that China's online retail sales in 2023 recorded a year-on-year increase of 11% to RMB15.42 trillion, making China the world's largest online retail market for 11 consecutive years. While online retail remained steady growth in 2023, the influx of innovative forces in the e-commerce industry greatly intensified market competition. In the face of shrinking domestic consumption and diversifying e-commerce channels, the Group, as a leading brand, effectively utilised its resource advantages to persistently optimise its online and offline licensing business, supply chain system and brand building efforts, resulting in good overall sales growth that outperforms the general market.

The Group's Performance

In order to outshine in today's fiercely competitive consumer market, the Group has been devoting more resources in strengthening its core brand, "DAPHNE", to secure a leading position in the industry. In 2023, the Group continued its efforts in optimising the brand licensing business, streamlining the supply chain system, and enhancing franchisee management. Against the backdrop of a soft economic recovery, the Group kept abreast with changes in the economic situation and retail landscape and strategically adjusted its expansion plans for both online licensing network and physical store network operated by franchisees, with careful consideration. By undertaking these initiatives, the Group strives to maximise its competitive edge, improve operational efficiency, and deliver an exceptional brand experience to its customers.

業務回顧

於二零二三年，新冠疫情影响逐渐消退，但全球通胀和加息压力依然存在，全球经济保持温和增长。儘管二零二三年中國消費市場開始恢復活力，但通脹和收入增長的不確定性削弱了消費者信心。復甦速度略低於市場預期，整體經濟環境仍然充滿挑戰。中國國家統計局數據顯示，二零二三年中國國內生產總值(GDP)按年增長5.2%，如剔除受疫情影響的三年，這按年增長率是三十年來最慢增速。經濟整體復甦不及預期，直接影響零售市場。於二零二三年，中國社會消費品零售總額按年增長7.2%，主要是去年基數較低，而商品零售額僅增長5.8%，增長率亦低於預期。在經濟不確定性的情況下，消費者的消費變得更加謹慎和理性。許多消費者現在傾向於「物有所值」、功能齊全且具有成本效益的商品和服務。

新冠疫情後網上購物情況持續，進一步推動了電子商務平台的發展，為中國經濟注入成長動力。根據報導，二零二三年中國網上零售額按年增加11%至人民幣15.42萬億元，使中國連續十一年成為全球最大網上零售市場。於二零二三年網上零售維持穩定增長，但電商產業創新力量的湧入進一步加劇市場競爭。面對國內消費緊縮及電商渠道多元化，本集團作為領先品牌，有效發揮資源優勢，持續優化線上線下授權業務、供應鏈體系和品牌建设力度，整體銷售增長良好，表現優於市場的平均水平。

本集團表現

為了能在競爭激烈的消費市場中脫穎而出，本集團不斷投放更多資源強化「達芙妮」核心品牌，以保持在業界的領先地位。於二零二三年，本集團持續優化品牌授權業務、精簡供應鏈系統、加強加盟商管理。在經濟疲軟復甦的背景下，本集團緊貼經濟形勢和零售格局的變化，經審慎考慮，對線上授權網絡和加盟商經營的實體店網絡的擴張計劃進行戰略性調整。透過採取這些舉措，本集團致力於最大限度地提高競爭優勢，提高營運效率，並為客戶提供卓越的品牌體驗。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

As consumption is becoming more decentralised and personalised, vertical niche markets are emerging to meet the growing demand for specialised products and services that closely align with consumer preferences and interests, mounting pressure on traditional e-commerce platforms. In response of the heightened competition, the Group leveraged on its resource advantages to further optimise its online licensing network and strengthen digital marketing efforts on traditional and emerging platforms, thereby gaining a firmer foothold. As a result, the online licensing business continued to experience rapid growth. For the year under review, the Group's licensing fee income grew by 28% year-on-year to approximately RMB103.6 million (2022: RMB81.0 million).

Despite the slower-than-expected recovery, the Group still achieved considerable growth in both revenue and profit, demonstrating its ability to navigate the demanding market conditions. For the year ended 31 December 2023, the Group's total revenue climbed 53% year-on-year, reaching approximately RMB262.6 million (2022: RMB172.1 million), while the Group's operating profit surged 59% to approximately RMB67.6 million (2022: RMB42.4 million). The substantial growth in revenue and operating profit was attributed to a combination of factors. Firstly, the relatively lower performance of the previous year served as a favourable base for comparison. Secondly, the relentless efforts of the Group in business transformation over the past few years played a crucial role in driving this growth. In addition to fine-tuning its online licensing strategies, Daphne gave full play to its advantageous resources as a well-established leading brand, the wide array of well-priced products catering to various consumer groups, its matured supply chain system, the successful launch of the innovative brand, "DAPHNE.LAB" and original collections, along with the collective efforts of the Group, the Group bucked the sluggish retail trend and outperformed the general market, demonstrating the effectiveness of its strategies and its ability to sustain healthy growth in its operations.

For the year ended 31 December 2023, basic earnings per share was RMB0.034 (2022: RMB0.021) and the board of directors recommended the payment of a final dividend of HK\$0.01 per share (2022: Nil), totalling approximately RMB17,526,000 (2022: Nil).

Brand Licensing and Distribution Business

Considering the progressive and steady strides made in recent years, the Group maintains a steadfast commitment to advancing its strategic focus on brand management of "DAPHNE" and the licensing and distribution of footwear products, including women's dress shoes and casual shoes, covering both online and offline channels in Mainland China.

隨著消費變得分散和個性化，垂直細分市場不斷湧現，以滿足對與消費者偏好和興趣密切相關的專業產品和服務不斷增長的需求，傳統電子商務平台面對越來越大的壓力。面對激烈的競爭，本集團發揮資源優勢，進一步優化線上授權網絡，加強傳統及新興平台的數字行銷力度，站穩腳步。因此，線上授權業務持續快速成長。回顧年度，本集團的許可授權費收入按年增長28%至約人民幣103.6百萬元（二零二二年：人民幣81.0百萬元）。

儘管復甦較預期緩慢，本集團在收益和盈利仍取得了增長，展現了自身應對嚴峻市場環境的能力。截至二零二三年十二月三十一日止年度，本集團總收益按年增加53%，達約人民幣262.6百萬元（二零二二年：人民幣172.1百萬元），而本集團經營盈利增長59%至約人民幣67.6百萬元（二零二二年：人民幣42.4百萬元）。收益和經營盈利的增長主要由於多種因素。首先，去年的基數較低；其次，本集團過去幾年在業務轉型方面的不懈努力，對增長起到了至關重要的推動作用。除了優化線上授權策略外，達芙妮還充分發揮領先品牌的資源優勢、豐富的產品線滿足不同消費群體的需求、成熟的供應鏈體系、成功推出創新品牌「達芙妮.實驗室」及原創系列，在本集團的集體努力下，逆勢而上，表現優於整體市場，顯示本集團有效策略和營運方面的持續健康增長的能力。

截至二零二三年十二月三十一日止年度，每股基本盈利為人民幣0.034元（二零二二年：人民幣0.021元），董事會建議派發末期股息每股0.01港元（二零二二年：無），合計約人民幣17,526,000元（二零二二年：無）。

品牌授權及分銷業務

基於近年取得的穩定發展，本集團更堅定不移地致力於推進「達芙妮」於中國大陸之品牌管理以及鞋類產品（包括女性時裝鞋及休閒鞋）之線上線下渠道的授權及分銷業務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

In 2023, the Group maintained a strong development momentum overall. On one hand, the Group persistently strengthened its online presence to tap into a larger consumer base. As a result, the Group's online licensing business has once again demonstrated its pivotal role in contributing to the Group's sustainable development. In view of the rapid momentum gained by interest-based e-commerce platforms, e-commerce companies started to focus on competing through price advantage and service advantage to boost sales. Despite the increasingly fragmented e-commerce landscape, the Group, backed by its long-standing reputation and resource advantages, continued to pursue collaborations with various platforms, leading to notable success on platforms such as "Douyin" and "Tmall". "Daphne" ranked a leading position in the women's shoe category on the "Tmall" and "Douyin" platforms in 2023. Furthermore, the Group's consumer-friendly price points rev up its appeal to wider audience. Leveraging on the significant marketing efforts made in recent years, the Group has established a strong presence on various online platforms, driving the Group's overall online licensing business to far better than the industry average. On the other hand, the Group's offline network expansion experienced a slowdown due to weak consumer sentiment. In response to the dynamic retail landscape, the Group strategically rationalised its online licensing and offline distribution networks in 2023. As of 31 December 2023, there were approximately 87 (2022: 149) physical shops and 601 (2022: 585) online shops, all operated by our franchisees under the licensing arrangement of the Group.

Retail Business

Drawing on the favourable response received by the "Bubblegum Collection" and "Sugar Cube Collection" in recent years, the Group remained steadfast in its journey of originality with the launch of a new brand "DAPHNE.LAB" and its original collections this year to strengthen product diversification and gain more momentum from young consumers. As a new pioneering design brand of the Group with boldness as its core, "DAPHNE.LAB" offers high-quality and value-for-money stylish products for the new generation of female consumers to meet their daily needs as well as to satisfy their self-expression towards fashion attitude. The brand's slogan is "DARE TO BE 就敢", which encourages women to break the mould and refuse to be defined. They should be bold and express themselves colourfully; be nonconformist and eccentric enough to blend together contradictory elements and let their imagination fly; to preserve their personal identities, and yet be not afraid to admit to following the trend so as to "JUST BE YOURSELF". "DAPHNE.LAB" hopes to make great strides together with modern women in their efforts to live a colourful life and refuse to be defined. During the year under review, the Group opened 3 offline and 5 online directly-managed stores.

於二零二三年，本集團整體維持強韌發展動能。一方面，本集團持續加強線上業務，以拓闊更大的消費者基礎。由此，本集團的線上授權業務再次展現了其對本集團持續發展的關鍵作用。隨著興趣類電商平台的快速發展，電商企業開始專注於透過價格優勢和服務優勢來提升銷售量。儘管電商格局日趨分散，本集團憑藉長久以來的品牌美譽及資源優勢，持續尋求與各平台的合作，在「抖音」及「天貓」等平台取得了顯著成效。於二零二三年，「達芙妮」品牌在「天貓」及「抖音」的女鞋品類排名均佔領先地位。此外，本集團的產品具備消費者友善價格點的優勢，對廣泛消費群更具有吸引力。近年來加大了市場推廣的力度，本集團在多個網上平台上建立了強大的影響力，帶動本集團整體網上授權業務表現優於業界平均水平。另一方面，由於消費者信心疲弱，本集團的線下網絡拓展較為審慎。為應對不斷變化的零售格局，本集團於二零二三年策略性地調整線上授權及線下分銷網絡。於二零二三年十二月三十一日，本集團約有87間（二零二二年：149間）實體店及601間（二零二二年：585間）網上店鋪，均由加盟商根據本集團的授權安排經營。

零售業務

繼近年「泡泡糖系列」及「方糖系列」獲得良好的市場回饋後，本集團持續堅定原創之路，今年推出新品牌「達芙妮實驗室」及其原創系列，加強產品多元化，以吸引更多新生代消費者的青睞。作為本集團的全新先鋒設計品牌，「達芙妮實驗室」以「敢」為核心理念，為新一代女性消費者提供高質價比的先鋒設計單品，以滿足日常穿搭需求和自我表達的時尚態度。品牌口號為「DARE TO BE 就敢」，鼓勵女生打破定律，不被定義。敢張揚大膽，用豐富的色彩和方式去表達自我；敢叛逆鬼馬，把相互矛盾的元素搭配組合，放飛想像天馬行空；敢保持自我，也敢大膽承認隨波逐流，將「勇敢做自己」貫徹到底。「達芙妮實驗室」希望和當代新女性勇敢並行，活出色彩，不被定義。回顧年內，本集團分別開設了3間實體店及5間線上自營店。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Moreover, the daring and innovative “Sugar Free Collection” launched during the year under review, which seamlessly combines 3D printing technology and distinctive designs, has further affirmed the effectiveness of the Group’s development path. Following the successful launch of the “Lollipop Collection” in collaboration with renowned artist in the first half of the year under review, the Group continued its creative collaborations by partnering with a designer brand to launch co-branded “Sugar Cube Over-the-Knee Boots” and released them at the London Fashion Week. The collection, which features cut-out design on over-the-knee boots to exemplify its limitless creativity, has received enthusiastic response from the market, attesting to its artistic vision and appeal.

In addition, the Group carried on collaborations with influencers to create engaging social media content in various forms to promote “DAPHNE.LAB”, endeavoring to drive customer engagement and product sales. Despite being at an early stage of development, “DAPHNE.LAB” has garnered favorable market response, prompting the Group to extend its market reach by opening more “DAPHNE.LAB” online and offline directly-managed stores in the second half of the year under review. Going forward, “DAPHNE.LAB” will continue to develop stylish, cost-effective and uniquely designed footwear products, fully unleashing the brand’s potential to achieve long-term growth in its business.

In today’s rapidly evolving world, building a solid foundation is essential for effectively seizing emerging opportunities. In 2023, the Group remained committed to advancing product development, enhancing supply chain system, and building a strong brand, so as to secure a firm foothold in the industry. To enhance operational efficiency and agility, the Group has been consistently strengthening supply chain and efficiency management, resulting in a relatively mature and refined supply chain system. As the Group’s products gain increasing popularity, it is imperative to implement stringent quality control measures in the supply chain, from the production end to the retail end to ensure product quality, efficiency and customer satisfaction. Looking ahead, the Group will seek continuous improvement in its supply chain, endeavouring to maintain a competitive edge in the market.

此外，於回顧年內推出創新的「無糖系列」，將3D列印技術與獨特的設計無縫結合，進一步肯定了本集團發展道路的有效性。繼於回顧年內上半年與年輕藝術家合作推出「棒棒糖系列」後，本集團繼續創意合作，與設計師品牌合作推出聯名款「方糖過膝靴」，並在倫敦時裝周上發佈。系列以過膝靴的鏤空設計展現無限創意，受到市場熱烈回饋，足見其藝術視野與感染力。

此外，本集團持續與社交媒體知名人士合作，以多種形式打造引人入勝的社群媒體內容，推廣「達芙妮實驗室」，致力於提升顧客參與度及加快產品銷售。儘管仍處於發展初期，「達芙妮實驗室」已獲得良好的市場反饋，促使本集團於回顧年內下半年開設更多「達芙妮實驗室」線上及線下直營店鋪，以擴大市場覆蓋範圍。未來，「達芙妮實驗室」將持續開發時尚、高質價比、設計獨特的鞋類產品，充分釋放品牌潛力，並實現業務長期增長。

在快速發展的世界中，建立堅實的基礎將有效把握新的商機。於二零二三年，本集團持續致力於推動產品研發、完善供應鏈體系、打造強勢品牌，鞏固在業界的領先地位。為提高營運效率和敏捷性，本集團持續加強供應鏈和效率管理，形成了相對成熟、精細的供應鏈系統。隨著本集團產品越來越受歡迎，必須在供應鏈（從生產端到零售端）實施嚴格的品質控制措施，以確保產品品質、效率和客戶滿意度。展望未來，本集團將持續完善供應鏈，致力於維持市場競爭優勢。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW

Revenue and Gross Profit

The Group's revenue mainly comprises licensing fee income and sales of goods in Mainland China. For the year ended 31 December 2023, the Group's total revenue amounted to approximately RMB262.6 million (2022: RMB172.1 million), an increase of 53% compared to the year of 2022.

財務回顧

收益及毛利

本集團收益主要包括來自中國大陸的許可權費收入及貨品銷售。截至二零二三年十二月三十一日止年度，本集團收益總額為約人民幣262.6百萬元（二零二二年：人民幣172.1百萬元），較二零二二年增加53%。

		For the year ended 31 December 截至十二月三十一日止年度		Change 變化
		2023 二零二三年 RMB' million 人民幣百萬元	2022 二零二二年 RMB' million 人民幣百萬元 (restated) (經重列)	
Licensing fee income	許可權費收入	103.6	81.0	+28%
Sales of goods – wholesale	貨品銷售 – 批發	151.2	91.1	+66%
Sales of goods – retail	貨品銷售 – 零售	7.8	–	+100%
Total sales of goods	貨品銷售總額	159.0	91.1	+75%
Cost of sales	銷售成本	(131.2)	(73.7)	+78%
Gross profit from sales of goods	貨品銷售毛利	27.8	17.4	+60%
Gross margin from sales of goods	貨品銷售毛利率	17.5%	19.1%	-1.6ppt 百分點
Total revenue	收益總額	262.6	172.1	+53%
Total gross profit	毛利總額	131.4	98.4	+34%

Revenue from licensing fee income increased by 28%, from approximately RMB81.0 million to approximately RMB103.6 million during the year under review, mainly attributable to the increase in unit price and overall volume of footwear products licensed to the online franchisees.

On the other hand, the Group also focused on the distribution of footwear products for better quality control and supply chain management to both online and offline franchisees. As such, more franchisees placed purchase orders with the Group directly. The Group also tried to operate its online and offline retail business of the new brand “DAPHNE.LAB” since early 2023, although it accounted for only approximately 3% of the total revenue. As a result, revenue generated from sales of goods increased significantly by approximately RMB67.9 million or 75% to approximately RMB159.0 million compared to approximately RMB91.1 million in last year. Gross margin of sale of goods dropped by 1.6 percentage points, from 19.1% in last year to 17.5% during the year under review.

回顧年內，來自許可權費收入增加28%，由約人民幣81.0百萬元增加至約人民幣103.6百萬元，主要由於授權給線上加盟商的鞋類產品單價及整體數量增加所致。

另一方面，本集團亦專注於鞋類產品分銷，以更好地控制線上及線下加盟商的產品質量及供應鏈管理。因此，更多加盟商直接向本集團發出採購訂單。自二零二三年年初以來，本集團亦致力於經營新品牌「達芙妮.實驗室」的線上及線下零售業務，儘管其僅約佔總收益的3%。因此，貨品銷售收入較去年約人民幣91.1百萬元大幅增加約人民幣67.9百萬元或75%至約人民幣159.0百萬元。回顧年內，貨品銷售毛利率從去年19.1%下降1.6個百分點至17.5%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Other Income

For the year ended 31 December 2023, the Group's other income, comprising mainly gross rental income from investment properties and bank interest income, increased by approximately RMB12.2 million from approximately RMB47.4 million in 2022 to approximately RMB59.6 million. The increase was mainly due to the increase in rental income due to less rental concessions to tenants after the COVID-19 epidemic as well as increase in bank interest income due to increased bank balances and higher interest rates during the year under review.

Operating Expenses

The Group's operating expenses (including other losses – net, selling & distribution expenses, general & administrative expenses and impairment loss/reversal of impairment loss on financial assets) were approximately RMB123.4 million during the year under review, compared to approximately RMB103.4 million in 2022, representing an increase of approximately RMB20.0 million or 19%, which is mainly attributable to the increase in selling and distribution expenses.

Operating Profit

The Group recorded an operating profit of approximately RMB67.6 million for the year ended 31 December 2023, an increase of approximately RMB25.2 million or 59% compared with the operating profit of approximately RMB42.4 million in 2022.

Finance Costs

Finance costs represent interests on convertible notes and lease liabilities, amounting to approximately RMB3.8 million (2022: RMB4.3 million) and approximately RMB0.4 million (2022: RMB0.3 million) respectively during the year under review. The decrease in finance costs attributable to interest on convertible notes was due to the maturity and conversion of the convertible notes in October 2023.

Income Tax Expense

For the year ended 31 December 2023, the Group's income tax expense was approximately RMB0.6 million, compared to approximately RMB0.3 million last year. The effective tax rate of the Group was lower than the applicable tax rates from those jurisdictions in which the Group was subject to tax, due to the utilisation of previously unrecognised tax losses.

Profit Attributable to Shareholders

For the year ended 31 December 2023, the Group's profit attributable to shareholders was approximately RMB62.4 million (2022: RMB37.1 million), representing an increase of approximately RMB25.3 million or 68%. Basic earnings per share was RMB0.034 (2022: RMB0.021) for the year ended 31 December 2023.

其他收入

截至二零二三年十二月三十一日止年度，本集團的其他收入（主要包括投資物業的租金收入總額和銀行利息收入）由二零二二年約人民幣47.4百萬元，增加約人民幣12.2百萬元至約人民幣59.6百萬元。回顧年內，其增加主要由於新冠疫情後對租戶的租金減免減少導致租金收入增加，以及銀行結餘增加及利率上升導致銀行利息收入增加所致。

經營開支

回顧年內，本集團的經營開支（包括其他虧損－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／減值虧損撥回）為約人民幣123.4百萬元，對比二零二二年的約人民幣103.4百萬元，增加約人民幣20.0百萬元或19%，乃主要由於銷售及分銷開支增加所致。

經營盈利

截至二零二三年十二月三十一日止年度，本集團錄得經營盈利約人民幣67.6百萬元，對比二零二二年的經營盈利約人民幣42.4百萬元，增加約人民幣25.2百萬元或59%。

財務成本

回顧年內，財務成本指可換股債券利息和租賃負債利息，金額分別為約人民幣3.8百萬元（二零二二年：人民幣4.3百萬元）和約人民幣0.4百萬元（二零二二年：人民幣0.3百萬元）。可換股債券利息導致的財務成本減少乃由於可換股債券於二零二三年十月到期並予以轉換所致。

所得稅開支

截至二零二三年十二月三十一日止年度，本集團之所得稅開支為約人民幣0.6百萬元，對比去年為約人民幣0.3百萬元。由於使用了過往未確認之稅項虧損，本集團之實際稅率低於本集團須繳稅的司法權區的適用稅率。

股東應佔盈利

截至二零二三年十二月三十一日止年度，本集團股東應佔盈利為約人民幣62.4百萬元（二零二二年：人民幣37.1百萬元），增加約人民幣25.3百萬元或68%。截至二零二三年十二月三十一日止年度，每股基本盈利為人民幣0.034元（二零二二年：人民幣0.021元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Liquidity and Financial Resources and Capital Structure

As at 31 December 2023, the Group's cash and cash equivalents amounted to approximately RMB366.3 million (2022: RMB279.6 million), which were denominated mainly in Renminbi, United States Dollar and Hong Kong Dollar. During the year under review, the net increase in cash and cash equivalents is analysed as follows:

流動資金、財務資源及資本架構

於二零二三年十二月三十一日，本集團現金及現金等價物為約人民幣366.3百萬元（二零二二年：人民幣279.6百萬元），主要以人民幣、美元及港元為結算單位。回顧年內，現金及現金等價物增加淨額的分析如下：

		For the year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 RMB'million 人民幣百萬元	2022 二零二二年 RMB'million 人民幣百萬元 (restated) (經重列)
Net cash generated from operating activities	經營活動產生的現金淨額	115.9	120.3
Capital expenditure	資本開支	(2.5)	(1.0)
Payments for acquisition of financial investments	購置金融投資之 付出款項	(31.8)	(30.0)
Proceeds from redemption of financial investments	贖回金融投資之 所得款項	42.3	–
Proceeds from disposal of investment properties	出售投資物業之所得款項	1.8	–
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之 所得款項	0.2	0.1
Acquisition of non-controlling interests	收購非控制性權益	(42.5)	–
Bank interest received	已收銀行利息	7.8	4.6
Lease payments	租賃付款	(5.2)	(3.1)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	86.0	90.9

For the year ended 31 December 2023, the Group's interest income on bank balances and deposits was approximately RMB7.8 million (2022: RMB4.6 million).

截至二零二三年十二月三十一日止年度，本集團銀行結餘及存款之利息收入為約人民幣7.8百萬元（二零二二年：人民幣4.6百萬元）。

The Group also invests in financial investments, comprising wealth management products and certificates of deposit, which are classified as financial assets at fair value through profit or loss.

本集團亦投資金融投資，包括理財產品及大額存單。金融投資分類為按公平價值計入損益之金融資產。

The purchases of financial investments were carried out by the Group for treasury management purpose in order to maximise the utilisation of surplus cash. The Group considers that the purchases of the financial investments will provide the Group with better returns than the returns on deposits generally offered by commercial banks, and would not affect the working capital or the normal business operation of the Group. As such, the directors of the Company are of the view that the purchases of the financial investments are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

本集團乃就庫務管理目的而購買金融投資，以最大限度利用剩餘現金。本集團認為購買金融投資將為本集團提供較商業銀行一般存款回報更佳的回報，且並不會影響本集團的營運資金或日常業務營運。因此，本公司董事認為購買金融投資屬公平合理，並符合本集團及本公司股東的整體利益。

Upon the maturity and redemption of the wealth management product in April 2023, the gain of this wealth management product was approximately RMB0.6 million (2022: RMB0.7 million) for the year ended 31 December 2023.

當理財產品於二零二三年四月到期並贖回時，截至二零二三年十二月三十一日止年度，該理財產品的收益為約人民幣0.6百萬元（二零二二年：人民幣0.7百萬元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

During the year under review, the Group also purchased certain certificates of deposit from certain commercial banks in Mainland China amounting to approximately RMB31.8 million. These certificates of deposit have maturity of 6 to 36 months and bear fixed interest rates. As at 31 December 2023, the Group had certificates of deposit with an aggregate carrying amount of approximately RMB21.3 million.

As at 31 December 2023, the Group had equity attributable to shareholders totalling approximately RMB668.1 million (2022: RMB530.0 million) and total debts (being total of convertible notes and lease liabilities) of approximately RMB9.3 million (2022: RMB35.5 million). The Group's net gearing ratio remained in net cash (2022: net cash) position and the current ratio further improved to 3.0 times (2022: 2.2 times). Management will continuously monitor the Group's financial performance and liquidity position and believes that the Group has sufficient working capital and financial resources for its operation in the foreseeable future.

Foreign Exchange Risk Management

Foreign exchange risk arises from commercial transactions and recognised assets and liabilities denominated in currencies other than the functional currency of the Group's entities to which they operate. The Group is mainly exposed to foreign exchange risk from various currencies, primarily with respect to Hong Kong dollars.

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 2023, the Group did not enter into any foreign exchange forward contract to hedge the foreign exchange risk exposure. Any significant exchange rate fluctuations of foreign currencies against Renminbi may have had financial impact on the Group.

Material Acquisitions and Disposals of Subsidiaries

On 28 September 2023, the Company as purchaser, Great Pacific Investments Ltd. ("Great Pacific") as vendor and Yue Yuen Industrial Holdings Limited ("Yue Yuen"), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 551) and the sole beneficial owner of Great Pacific, as Great Pacific's guarantor entered into a sale and purchase agreement, pursuant to which (among other things) Great Pacific shall sell and the Company shall purchase approximately 40.04% of all issued shares in Full Pearl International Limited ("Full Pearl"), whose subsidiaries were engaged in the business of distribution and licensing of footwear products in Mainland China and trademarks holding, for a cash consideration of RMB42,500,000 (the "Full Pearl Transaction").

回顧年內，本集團亦從中國大陸若干商業銀行購入若干大額存單，金額為約人民幣31.8百萬元。該等大額存單的到期日為6至36個月並以固定利率計息。於二零二三年十二月三十一日，本集團大額存單總賬面值為約人民幣21.3百萬元。

於二零二三年十二月三十一日，本集團股東應佔權益合共約人民幣668.1百萬元（二零二二年：人民幣530.0百萬元）及總負債（即可換股債券及租賃負債之合計）約人民幣9.3百萬元（二零二二年：人民幣35.5百萬元）。本集團的淨負債比率維持淨現金（二零二二年：淨現金）狀況及資產流動比率進一步提升至3.0倍（二零二二年：2.2倍）。管理層將持續監察本集團的財務表現及流動資金狀況，並相信本集團持有足夠的營運資金及財務資源供其於可見未來營運。

外匯風險管理

外匯風險來自於商業交易和以本集團實體經營的功能貨幣以外的貨幣計值的已確認資產及負債。本集團主要面對不同貨幣的外匯風險，主要與港元有關。

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。截至二零二三年十二月三十一日止年度，本集團並未簽訂任何遠期外匯合約以對外匯風險進行對沖安排。外幣兌換人民幣之任何重大匯率波動可能會對本集團造成財務影響。

重大收購及出售附屬公司

於二零二三年九月二十八日，本公司（作為買方）、Great Pacific Investments Ltd.（「Great Pacific」）（作為賣方）及裕元工業（集團）有限公司（「裕元」）（一家於香港聯合交易所有限公司主板上市之公司（股份代號：551），為Great Pacific之唯一實益擁有人）（作為Great Pacific之擔保人）訂立買賣協議，據此（其中包括），Great Pacific應出售，而本公司應購買富珍國際有限公司（「富珍」），其附屬公司於中國大陸從事鞋類產品分銷及授權許可業務以及商標持有之全部已發行股份約40.04%，現金代價為人民幣42,500,000元（「富珍交易事項」）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Prior to the above transaction, Full Pearl was held as to approximately 40.04% by Great Pacific and approximately 59.96% by the Company. As Great Pacific, a wholly-owned subsidiary of Yue Yuen, was a substantial shareholder of Full Pearl which was in turn a non-wholly owned subsidiary of the Company, and both Great Pacific and Yue Yuen were therefore connected persons of the Company at the subsidiary level, the Full Pearl Transaction also constituted a connected transaction under Rule 14A.25 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited.

Completion of the Full Pearl Transaction took place on 30 October 2023, upon which Full Pearl became a wholly-owned subsidiary of the Company. Please refer to the announcements published by the Company on 28 September 2023, 4 October 2023 and 30 October 2023 for further details of the Full Pearl Transaction.

Save as to the Full Pearl Transaction, during the year ended 31 December 2023, there were no other material acquisitions or disposals of any subsidiaries, associates and joint ventures by the Group.

Significant Investments

As at 31 December 2023, the Group did not have any significant investments.

Future Plans for Material Investments and Capital Assets

As at 31 December 2023, the Group did not have any plans for material investments or capital assets.

Pledge of Assets

As at 31 December 2023, the Group had no pledged or charged assets (2022: Nil).

Capital Expenditure and Commitments

During the year under review, the Group incurred capital expenditure of approximately RMB2.5 million (2022: RMB1.0 million) primarily for leasehold improvements, motor vehicles and office equipment. As at 31 December 2023, the Group had no material capital commitments.

Contingent Liabilities

As at 31 December 2023 and 2022, the Group had no material contingent liabilities.

於上述交易事項前，富珍由Great Pacific及本公司分別持有約40.04%及59.96%的權益。由於Great Pacific (裕元之全資附屬公司) 為富珍之主要股東，而富珍為本公司之非全資附屬公司，因此Great Pacific及裕元均為本公司附屬公司層面之關連人士，所以，富珍交易事項亦構成香港聯合交易所有限公司證券上市規則(「上市規則」)第14A.25條項下之關連交易。

富珍交易事項已於二零二三年十月三十日完成，於完成後，富珍成為本公司之全資附屬公司。有關富珍交易事項之進一步詳情，請參閱本公司於二零二三年九月二十八日、二零二三年十月四日及二零二三年十月三十日刊發之公告。

除富珍交易事項外，截至二零二三年十二月三十一日止年度，本集團並無其他重大收購或出售任何附屬公司、聯營公司及合資企業。

重大投資

於二零二三年十二月三十一日，本集團並無任何重大投資。

重大投資及資本資產之未來計劃

於二零二三年十二月三十一日，本集團並無任何重大投資或資本資產的未來計劃。

資產抵押

於二零二三年十二月三十一日，本集團並無已抵押或已質押資產(二零二二年：無)。

資本開支及承擔

回顧年內，本集團的資本開支為約人民幣2.5百萬元(二零二二年：人民幣1.0百萬元)，主要用於租賃物業裝修、汽車及辦公室設備。於二零二三年十二月三十一日，本集團並無重大資本承擔。

或然負債

於二零二二年及二零二三年十二月三十一日，本集團並無任何重大或然負債。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Human Resources

As at 31 December 2023, the Group had a total of 99 (2022: 90) employees predominantly in Mainland China and Hong Kong. Employee benefits expense comprising directors' emoluments for the year ended 31 December 2023 was approximately RMB42.8 million (2022: RMB38.8 million), including share-based payment expense of approximately RMB1.5 million (2022: RMB3.7 million). The overall increase of 10% in employee benefits expense was mainly due to the increase in headcounts and discretionary performance bonus.

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 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 various retirement plans, medical insurance schemes, staff purchase discounts and training programmes to the employees in Mainland China and Hong Kong.

OUTLOOK

Looking ahead, the year of 2024 is expected to be another challenging year clouded by geopolitical and macroeconomic uncertainty. The growth momentum of major overseas economies is projected to further weaken, while deflation may persist but at a slower pace. Meanwhile, lingering uncertainty and instability may continue to weigh on the Chinese economy. Despite the Chinese government's commitment to spur domestic demand, the Chinese economy has not demonstrated substantial and consistent positive momentum. The Group maintains a conservative and cautious stance about the domestic economic recovery in 2024. It will closely monitor policy development, seize policy opportunities, and continue to prudently review and adjust its strategies in a timely manner, striving to deliver sustainable growth.

In spite of the challenging market conditions, the Group's efforts in strengthening its business have been effective and have enabled the Group to maintain a favourable position in the market. The Group will continue to make it a priority to reinforce its business foundation by enhancing product quality and competitiveness, supply chain management, licensing and franchising model, and brand image, so as to gain more flexibility and resilience to address customer demands, capitalise on emerging opportunities, and maintain a competitive edge in an ever-changing business landscape.

人力資源

於二零二三年十二月三十一日，本集團於中國大陸及香港之僱員人數合計99人(二零二二年：90人)。截至二零二三年十二月三十一日止年度，僱員福利開支(包括董事酬金)為約人民幣42.8百萬元(二零二二年：人民幣38.8百萬元)，包括以股份為基礎之付款開支約人民幣1.5百萬元(二零二二年：人民幣3.7百萬元)。整體僱員福利開支增加10%，乃主要由於人數及酌情表現花紅增加所致。

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提供購股權及酌情花紅。本集團亦為於中國大陸及香港之僱員提供不同的退休計劃、醫療保險計劃、員工購物折扣及培訓課程等。

展望

展望未來，二零二四年預計又是充滿挑戰的一年，將被地緣政治和宏觀經濟的不確定性籠罩著。海外主要經濟體成長動力預計進一步減弱，通縮可能持續，但速度有所放緩。同時，揮之不去的不確定性和不穩定性將繼續為中國經濟帶來壓力。儘管中國政府多項政策上均致力於刺激內需，但中國經濟並未展現實質、持續的正面動能。本集團對二零二四年國內經濟復甦維持保守謹慎態度，將密切關注政策動態，掌握政策機遇，持續審視及適時調整策略，努力實現可持續增長。

儘管市場環境充滿挑戰，但本集團強化業務的努力具有成效，令本集團在市場上保持有利地位。本集團將繼續優先加強業務基礎，提升產品品質及競爭力、供應鏈管理、授權及特許經營模式以及品牌形象，從而取得更大的靈活性和彈性來滿足客戶需求，把握新的市場機遇，並在不斷變化的商業環境中保持競爭優勢。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

With a customer-centric approach, the Group's new brand, "DAPHNE LAB", quickly gained steam leveraging on its originality, bold and innovative brand ethos and collaborative efforts with artists, designers and influencers. The newly-launched collections have continued to generate high online engagement and boost sales performance. Going forward, the Group will continue to explore collaboration opportunities to broaden its customer reach, particularly the younger generation with high-spending power.

Embracing the norm of e-commerce consumption, the Group strives to prudently expand its online licensing network on existing and new e-commerce platforms, effectively tapping into its target audience. As the offline retail sector gradually improves, the Group is determined to carefully propel its offline expansion to keep pace with changing market dynamics. In addition, the Group will take a step forward in enhancing the interaction between online and offline channels, increasing exposure on social media platforms, and introducing a membership programme. The integration between online and offline channels creates a seamless and holistic customer experience that meets customers' needs and preferences more effectively, fostering stronger customer relationships and increasing profitability.

While the road to a full economic recovery is expected to be long and bumpy, the Chinese government's continuous rollout of policies to stimulate domestic consumption will provide support for the high quality development and gradual recovery of the consumer market. The Group is optimistic about the long-term development of the Chinese consumer market. By staying attuned to market trends and consumer preferences, and strengthening the core of its business, the Group is poised to capitalise on the recovering market and achieve sustainable growth.

以客戶為中心的理念，本集團的新品牌「達芙妮實驗室」憑藉其原創性、大膽創新的品牌精神以及與藝術家、設計師和知名人士的合作，迅速得到了市場廣泛關注。新推出的系列繼續取得高度的線上參與度並提高了銷售業績。展望未來，本集團將繼續探索更多的合作機會，以擴大客戶範圍，尤其是具有高消費能力的新生代。

順應電商消費常態，本集團致力在現有及新電商平台審慎拓展網上授權網絡，有效開拓目標受眾。隨著線下零售環境的逐步改善，本集團將以謹慎態度推進線下零售網絡的擴張，以跟上不斷變化的市場動態。此外，本集團將進一步加強線上和線下渠道的互動，增加社交媒體平台的曝光度以及推出會員計劃。線上和線下渠道的整合創造了無縫、全面的客戶體驗，更有效地滿足客戶的需求和偏好，培養更牢固的客戶關係並提高盈利能力。

儘管經濟全面復甦的道路漫長而且困難重重，但中國政府不斷推出的刺激內需政策將為消費市場高品質發展和逐步復甦提供支持。本集團看好中國消費市場的長遠發展。本集團將緊貼市場趨勢與消費者喜好，強化核心業務，掌握市場復甦的契機，達至可持續的增長。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡歷

EXECUTIVE DIRECTORS

Mr. CHANG Chih-Kai, aged 43, has been an executive director of the Company since November 2004 and has been appointed as the chairman of the Board (the “Chairman”) 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 board of directors of the Company (the “Board”). 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 graduation from Pakuranga College in New Zealand. He is the brother of Mr. Chang Chih-Chiao, an executive director and the CEO, and holds directorships in certain subsidiaries of the Company.

Mr. CHANG Chih-Chiao, aged 41, joined the Group in 2007 and has become an executive director of the Company since June 2009. He has been appointed as the CEO 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 of the Company, and also holds directorships in certain subsidiaries of the Company.

Mr. WANG Jungang, aged 41, has been appointed as an executive director of the Company and chief operating officer of the Company 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 aimed 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，43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（「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」）。張先生亦為本公司董事會（「董事會」）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，41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。張先生為本公司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，41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。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。良衣是一家線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 70, has been an independent non-executive director of the Company since 2001 and is also the chairman of the Nomination Committee, and a member of each of the Audit Committee and Remuneration Committee of the Board. 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 64, 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 three other 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 sector, 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，70歲，自二零零一年起擔任本公司之獨立非執行董事，彼亦擔任董事會提名委員會主席、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，64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其他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，韓先生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。於轉行至商業領域前，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 41, 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 Board.

Currently, Mr. Tan has also been an executive director of Pacific Millennium Packaging Group Corporation (Stock Code: 1820), a company listed on The Stock Exchange of Hong Kong Limited, with effect from 1 November 2022 after having served as a non-executive director between December 2019 and October 2022. Besides, he is also a director of (i) Chongqing Stone Tan Credit Guarantee Company Limited, (ii) Chongqing Stone Tan Financial Leasing Company Limited; (iii) Chongqing Stone Tan Small Business Loans Company Limited; (iv) Shanghai Asiacorp Communications Co., Ltd.; and (v) Shanghai Pacific Millennium Asiacorp 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 and general manager in the various group companies of Pacific Millennium Packaging Group Corporation in some period between 2008 and 2009.

Mr. Tan holds a master's degree 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，41歲，自二零二一年八月起獲委任為本公司獨立非執行董事。彼亦擔任董事會薪酬委員會主席、以及審核委員會及提名委員會成員之職務。

目前，談先生自二零二二年十一月一日起亦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）之執行董事。彼亦在二零一九年十二月至二零二二年十月期間曾擔任其非執行董事。此外，彼同時擔任(i)重慶談石信用擔保有限公司；(ii)重慶談石融資租賃有限公司；(iii)重慶兩江新區談石小額貸款有限公司；(iv)上海寰亞資訊技術有限公司；及(v)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、技術經理及總經理。

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 C1 to 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 2023, the Company has complied with all the applicable code provisions set out in the CG Code.

The board of directors of the Company (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 C3 to the Listing Rules for dealing in securities of the Company by its directors. Having made specific enquiry with all directors of the Company, all directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2023.

The Company also requires relevant officers and employees of the Group who, because of such office or employment, is likely to possess inside information in relation to the Company or its securities, be 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 for the year ended 31 December 2023.

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C1所載之《企業管治守則》（「企業管治守則」）之原則。截至二零二三年十二月三十一日止年度全年，本公司已遵守企業管治守則所載之全部適用守則條文。

本公司董事會（「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C3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」）。經向本公司全體董事作出具體查詢後，全體董事均已確認，彼等於截至二零二三年十二月三十一日止年度全年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，如因擔任此類職務或受僱而可能掌握與本公司或其證券有關的內幕信息，亦須受標準守則的約束，該守則禁止彼等在掌握與本公司證券有關的內幕信息的任何時候交易本公司證券。截至二零二三年十二月三十一日止年度，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. 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 (<i>CEO</i>) 張智喬先生 (行政總裁)	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 成員
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 to bring independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct, 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.

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 (<i>CEO</i>) 張智喬先生 (行政總裁)	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 成員
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，對戰略、政策、績效、問責制、資源、主要委任及行為標準等問題做出獨立判斷，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。

CORPORATE GOVERNANCE REPORT

企業管治報告

In order to ensure that independent views and input of the independent non-executive directors are made available to the Board, the Nomination Committee and the Board are committed to assess the directors' independence annually with regards to all relevant factors related to the independent non-executive directors including the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflicts of interest in their roles as independent non-executive directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the chairman meets with the independent non-executive directors regularly without the presence of the executive directors.

The Board has reviewed the above mechanism and considers the same has been effectively implemented during the year ended 31 December 2023.

For the year ended 31 December 2023, the Board was in compliance with the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors (representing at least one-third of the Board), with at least one independent non-executive director possessing appropriate professional qualifications and accounting and related financial management expertise.

Each independent non-executive director 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 22 to 24 of this annual report.

為確保獨立非執行董事可向董事會提供獨立觀點及意見，提名委員會及董事會每年評估獨立非執行董事的獨立性，所考慮的相關因素包括以下各項：

- 履行其職責所需的品格、誠信、專業知識、經驗及穩定性；
- 對本公司事務投入的時間及精力；
- 堅決履行其身為獨立董事的職責和投入董事會工作；
- 就擔任獨立非執行董事申報利益衝突事項；
- 不參與本公司日常管理，亦不存在任何關係或情況會影響其作出獨立判斷；及
- 主席定期在執行董事避席的情況下與獨立非執行董事會面。

截至二零二三年十二月三十一日止年度，董事會已檢討上述機制，並認為該機制一直行之有效。

截至二零二三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。

各獨立非執行董事已向本公司提供確認其獨立性的年度確認書，根據上市規則第3.13條，本公司認為該等董事為獨立董事。董事姓名、簡歷及彼等的關係，請參閱本年報第22至24頁的「董事及高級管理人員簡歷」。

CORPORATE GOVERNANCE REPORT

企業管治報告

3.2 Directors' Responsibilities

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

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

3.3 Delegation by the Board

The Board has delegated responsibilities to the executive directors and senior management of the Company, including implementing decisions of the Board and directing and conducting the day-to-day operation and 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 newly appointed director would receive a comprehensive, formal and tailored induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant legal and regulatory requirements and the Company's business and governance policies.

Each of the directors (including non-executive 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. Every director newly appointed by the Board is subject to re-election at the next following general meeting after his/her appointment.

3.2 董事責任

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

全體董事可隨時索取所有相關資訊以及得到公司秘書及高級管理人員之意見及服務。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。

每位新獲委任之董事均會收到一份全面、正式及量身定制的入職資料，範圍涵蓋本公司之業務營運、政策及程序以及作為董事之一般、法定及監管責任，以確保董事充分知悉其於上市規則及其他相關法律及監管規定以及本公司業務及管治政策下之責任。

每位董事（包括非執行董事）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最少每三年於股東週年大會上輪值退任一次，並符合資格膺選連任。每名獲董事會新委任之董事須於其上任後之下屆股東大會接受重選。

CORPORATE GOVERNANCE REPORT

企業管治報告

Notwithstanding the fact that Mr. Huang Shun-Tsai 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 judgement and advice to the Board to safeguard the interests of the Company and the shareholders as a whole. He has also actively participated in board meetings and board committee meetings of the Company. 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 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 have 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 required character, integrity and experience to continue to fulfill the roles of an independent non-executive director.

Pursuant to article 84(1) of the Company's articles of association, at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation provided that every director shall be subject to retirement at an annual general meeting at least once every three years.

Accordingly, each of Mr. Wang Jungang and Mr. Tan Philip will retire from office as directors at the forthcoming annual general meeting of the Company. Mr. Wang and Mr. Tan, being eligible, will offer themselves for re-election.

儘管黃順財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。彼亦有積極參與本公司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。

根據本公司組織章程細則第84(1)條，當時為數三分之一董事須在每屆股東週年大會上輪值退任，每位董事須至少每三年在股東週年大會上輪席退任一次。

因此，王俊剛先生及談大成先生各自將於本公司應屆股東週年大會上退任董事職位。王先生及談先生各自合資格並願意膺選連任。

CORPORATE GOVERNANCE REPORT

企業管治報告

3.5 Board Practices and Conduct of Meetings

The Board holds regular meetings no less than 4 times each 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.

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, environmental, 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 Company's 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 shall abstain from voting on the relevant resolution and such director shall not be counted for quorum determination purposes.

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

The Board annually reviews the implementation and effectiveness of the above mechanism to ensure availability of independent views and input to the Board.

3.5 董事會常規及會議進程

董事會每年定期舉行不少於四次會議，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，讓彼等有機會將任何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董事，使彼等獲悉本集團之最新發展及財務狀況，以便彼等作出知情之決定。董事會及每名董事於有需要時，亦有自行及獨立地接觸高級管理人員之途徑。

主席及其他相關之高級管理人員一般會出席常規董事會及委員會會議，並於有需要時出席其他董事會及委員會會議，就本集團之業務發展、財務及會計事宜、法定合規、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。除本公司組織章程細則允許之情況外，於任何合約、交易、安排或向董事會提呈以供考慮之任何其他類別之建議中擁有重大權益之董事，將須就相關決議案放棄投票，且有關董事不會被計入為決定法定人數之數目內。

除常規董事會會議外，主席亦於年內與獨立非執行董事舉行一次會議，當時無執行董事在場。

董事會每年檢討上述機制的實施及成效，以確保獨立意見及貢獻可提供予董事會。

CORPORATE GOVERNANCE REPORT

企業管治報告

3.6 Directors' and Officers' Liability Insurance

Liability insurance for directors and 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 as described in section "3.4 Appointment, Re-election and Removal of Directors" above for newly appointed directors; and (ii) on-going training and professional development programmes for directors.

During the year ended 31 December 2023, the directors of the Company participated in the continuous professional developments in relation to roles and responsibilities of directors, and regulatory updates of the Listing Rules, environmental, social & governance issues and corporate governance development in the following manner:

3.6 董事及高級職員之責任保險

本公司已為本集團之董事及高級職員購買責任保險，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作為董事的共同職責及操守以及本公司的業務活動。本公司負責為其董事安排適當的培訓及提供資助。因此，本公司為董事制定了培訓及發展計劃，包括：(i)為新任董事提供上文「3.4 委任、重選及撤換董事」一節所描述的入職培訓；及(ii)董事的持續培訓及專業發展課程。

於截至二零二三年十二月三十一日止年度，本公司董事通過以下方式參與了有關董事角色和責任，以及上市規則、環境、社會及管治議題以及企業管治發展的監管更新的持續專業發展：

Name of Director	董事名稱	Attended physical and online training sessions arranged by the Company	Briefings and updates on the roles and responsibilities of directors, regulatory updates of the Listing Rules, environmental, social and governance issues, corporate governance development
<i>Executive directors:</i>	<i>執行董事：</i>		
Mr. Chang Chih-Kai (<i>Chairman</i>)	張智凱先生 (主席)	✓	✓
Mr. Chang Chih-Chiao (<i>CEO</i>)	張智喬先生 (行政總裁)	✓	✓
Mr. Wang Jungang	王俊剛先生	✓	✓
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>		
Mr. Huang Shun-Tsai	黃順財先生	✓	✓
Mr. Hon Ping Cho Terence	韓炳祖先生	✓	✓
Mr. Tan Philip	談大成先生	✓	✓

CORPORATE GOVERNANCE REPORT

企業管治報告

3.8 Chairman and Chief Executive Officer

Code provision C.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 CEO. The relationship among them is set out in the “Biographies of Directors and Senior Management” on pages 22 to 24 of this annual report.

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 HKEXnews’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 Board as at the date of this report consists of the following directors:

Mr. Hon Ping Cho Terence (Chairman)	Independent non-executive director
Mr. Huang Shun-Tsai	Independent non-executive director
Mr. Tan Philip	Independent non-executive director

The primary role and functions of the Audit Committee are to assist the Board in reviewing the financial information (including annual and half-yearly results) 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, two Audit Committee meetings were held and the executive directors, management and the independent auditors also attended to provide necessary information. The Audit Committee considered the audit service plan, terms of engagement and fees of the independent auditors for the Board’s approval. It discussed the nature and scope of the audit and reporting obligations. 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C.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董事會主席，而執行董事張智喬先生擔任行政總裁。彼等的關係載於本年報第22頁至24頁的「董事及高級管理人員簡歷」。

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，並於本公司網站及香港交易所披露易網站刊載。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，董事會之審核委員會成員包括下列董事：

韓炳祖先生 (主席)	獨立非執行董事
黃順財先生	獨立非執行董事
談大成先生	獨立非執行董事

審核委員會之主要角色及職能為協助董事會審閱財務資料(包括年度及半年度業績)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，審核委員會曾舉行兩次會議。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。審核委員會考慮了獨立核數師之審核服務計劃、委聘條款及費用，以提呈董事會批准；其討論了審核的性質及範圍和匯報責任；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有關風險管理及內部監控系統事宜之報告。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Group's consolidated financial statements for the year ended 31 December 2023 have been reviewed by the Audit Committee. The Audit Committee was of the opinion that the consolidated financial statements of the Group for the year ended 31 December 2023 comply with applicable accounting standards and the Listing Rules and that adequate disclosures have been made.

Nomination Committee

The Nomination Committee of the Board as at 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.

During the financial year, one Nomination Committee meeting was held. The Nomination Committee reviewed the policy for nomination of directors, 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 of the Company at the annual general meeting.

Policy for Nomination of Directors

It is the policy of the Nomination Committee to adopt the following procedure, process and criteria for selecting and recommending candidates for directorships.

本集團截至二零二三年十二月三十一日止年度的綜合財務報表已由審核委員會審閱。審核委員會認為，本集團截至二零二三年十二月三十一日止年度的綜合財務報表符合適用會計準則及上市規則，並已作出充分披露。

提名委員會

於本報告日期，董事會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。

於本財政年度，提名委員會曾舉行一次會議。提名委員會審議董事提名政策、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（經本公司股東在股東週年大會上批准）。

董事提名政策

提名委員會的政策乃採取以下程序、過程及標準來選擇及推薦董事候選人。

CORPORATE GOVERNANCE REPORT

企業管治報告

Selection Criteria

The Nomination Committee will evaluate, select and recommend candidate(s) for directorships to the Board by giving due consideration to a wide range of criteria, having due regard to the benefits of diversity on the Board, including but not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how, sufficient time to effectively carry out their duties, their services on other listed and non-listed companies (if any, which should be limited to reasonable numbers), qualifications including accomplishment and experience in the relevant industries the Company's business is involved in, independence, reputation for integrity, potential contributions that the individual(s) can bring to the Board and commitment to enhance and maximise value for shareholders.

Nomination Procedure and Process

The Nomination Committee will recommend to the Board for the appointment of a director in accordance with the following procedure and process:

- (a) by giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;
- (b) consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing directors, advertising, recommendations from independent agency firms, and proposals from shareholders of the Company, with due consideration given to the criteria set out in the section titled "Selection Criteria" above;
- (c) adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third-party reference checks;
- (d) upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- (e) make the recommendation to the Board in relation to the proposed appointment and the proposed remuneration package; and
- (f) the Board will have the final authority on determining the selection of nominees.

甄選標準

提名委員會將適當考慮董事會多元化的利益，評估、甄選及推薦董事會董事職位候選人，當中考慮以下準則，包括但不限於性別、年齡、經驗、文化和教育背景、專業知識、技能和專長、有效履行職責的充足時間、在其他上市及非上市公司的服務應限於合理的數量、資格（包括在本公司業務涉及相關行業的成就和經驗）、獨立性、誠信聲譽、個人可以為董事會帶來的潛在貢獻及其致力於提升和最大化股東價值的承諾。

提名程序及過程

提名委員會將根據以下程序及過程向董事會建議委任董事：

- (a) 在適當考慮董事會的現有成員組成及規模後，制定一份合適技能、觀點及經驗的清單，以便集中精力物色人選；
- (b) 物色或甄選合適人選時，可向其認為合適的任何來源作出諮詢，例如現任董事推介、刊登廣告、獨立第三方代理人公司推薦及本公司股東的建議，並適當參照上文「甄選標準」一節所載的標準；
- (c) 評估合適人選時，可採納其認為適當的任何程序，例如面試、背景核查、簡介申述及第三方推薦核查；
- (d) 在考慮適合擔任董事職務人選時，提名委員會將舉行會議及／或以書面決議案方式（如認為合適）批准向董事會提交的委任建議；
- (e) 就建議委任及擬訂薪酬福利方案向董事會提呈作出建議；及
- (f) 董事會將擁有甄選被提名人的最終決定權。

CORPORATE GOVERNANCE REPORT

企業管治報告

Summary of Board Diversity Policy

The Company has adopted a board diversity policy (the “Board Diversity 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 Board Diversity Policy, the Company seeks to achieve board diversity through having due regard to a number of diversity factors, including but not limited to gender, age, cultural and education background, professional experience, skills, knowledge and length of service, in the selection criteria in considering the appointment of new directors. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

Measurable Objectives

As at the date of this report, the Board comprises six directors. Three of the directors are independent non-executive directors, thereby promoting critical review and control of the management process.

The Board currently has no female director. The Board would continue to take initiatives to identify suitable candidates so as to appoint at least one female director on the Board no later than 31 December 2024. The Board will continue to adjust the proportion of female members in the future if suitable candidates are available.

Monitoring and Reporting

The Board sets measurable objectives to implement the Board Diversity Policy and review such objectives from time to time and at least once per year to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness.

Gender Diversity of Workforce

Gender diversity at workforce levels is disclosed in the Company’s “Environmental, Social and Governance Report 2023”.

董事會成員多元化政策概要

本公司已採納董事會成員多元化政策（「董事會成員多元化政策」），當中載有達致及維持董事會成員多元化以提升董事會效率之方法。

根據董事會成員多元化政策，本公司在考慮委任新董事時，透過考慮甄選標準中的多項多元化因素，包括但不限於性別、年齡、文化及教育背景、專業經驗、技術、知識及服務年期，尋求達致董事會成員多元化。本公司亦將考慮有關自身商業模式及不時的特殊需求等因素。最終將根據獲選候選人的優勢及可為董事會帶來的貢獻而作決定。

可計量目標

於本報告日期，董事會由六名董事組成。三名董事為獨立非執行董事，從而促進了對管理流程的嚴格審查和控制。

董事會目前並無女性董事。董事會將繼續採取措施物色合適人選，以至不遲於二零二四年十二月三十一日委任至少一名女性董事加入董事會。倘有合適的候選人，董事會將於日後繼續調整女性成員的比例。

監控及匯報

董事會制定可衡量目標，以實施董事會多元化政策及不時審閱該等目標，並至少每年一次審閱以確保其適用性及確認達至該等目標而作出之進展。提名委員會將不時檢討董事會成員多元化政策以確保其持續有效。

勞動力的性別多樣性

本公司的「二零二三年環境、社會及管治報告」中披露勞動力的性別多樣性。

CORPORATE GOVERNANCE REPORT

企業管治報告

Remuneration Committee

The Remuneration Committee of the Board 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 and terms of service contracts of individual director (including executive director) and senior management. The Remuneration Committee is also responsible for making recommendations to the Board on the Company's policy and structure for remuneration of all directors of the Company and senior management of the Group and other matters relating to remuneration, as well as assessing the performance of the executive directors of the Company and reviewing and/or approving matters relating to share schemes described under Chapter 17 of the Listing Rules. The remuneration of all directors is subject to regular monitoring by the Remuneration Committee to ensure that their remuneration and compensation are reasonable.

During the financial year, two Remuneration Committee meetings were held, in which the policy for the remuneration of executive directors and management was reviewed, the performance of the executive directors and management were assessed, and the remuneration packages of individual directors and management were reviewed and considered. Details of the remuneration paid/payable to individual directors and senior management during the year under review are set out in Note 34 to the consolidated financial statements.

During the year under review, no share option was granted to any of the directors and senior management of the Company.

薪酬委員會

於本報告日期，董事會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

本公司已採納薪酬委員會向董事會建議個別董事(包括執行董事)及高級管理人員之薪酬待遇之模式及服務合同條款。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，評估本公司執行董事的表現，並審查及/或審批上市規則第17章所述股份計劃相關事宜。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，薪酬委員會舉行了兩次會議，檢討了執行董事及管理人員的薪酬政策，評估了執行董事及管理人員的績效，並檢討及考慮了個別董事和管理人員的薪酬方案。回顧年內已付/應付個別董事及高級管理人員的薪酬詳情，載於綜合財務報表附註34。

回顧年內，概無向本公司任何董事及高級管理人員授出購股權。

CORPORATE GOVERNANCE REPORT

企業管治報告

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 general meeting (AGM) of the Company held during the year ended 31 December 2023 are set out in the table below:

Name of directors	董事名稱	Number of meetings attended/Number of meetings held 會議出席次數/舉行會議次數				
		Board 董事會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	AGM 股東週年大會
<i>Executive directors:</i>		<i>執行董事：</i>				
Mr. Chang Chih-Kai (Chairman)	張智凱先生 (主席)	6/6	-	1/1	2/2	1/1
Mr. Chang Chih-Chiao (CEO)	張智喬先生 (行政總裁)	6/6	-	-	-	1/1
Mr. Wang Jungang	王俊剛先生	6/6	-	-	-	1/1
<i>Independent non-executive directors:</i>		<i>獨立非執行董事：</i>				
Mr. Huang Shun-Tsai	黃順財先生	5/6	2/2	1/1	2/2	1/1
Mr. Hon Ping Cho Terence	韓炳祖先生	6/6	2/2	1/1	2/2	1/1
Mr. Tan Philip	談大成先生	6/6	2/2	1/1	2/2	1/1

3.10 董事會及董事會轄下委員會成員之會議出席情況

於截至二零二三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（股東週年大會）之各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, to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements, to develop, review and monitor the code of conduct and compliance manual applicable to employees and directors, 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、審閱及監督本公司關於遵守法律及監管要求的政策及常規，制定、審閱及監督適用於員工及董事的行為準則和合規手冊；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 judgements 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 Auditor's Remuneration and Auditor Related Matters

The statement of the independent auditor of the Company, PricewaterhouseCoopers, regarding their reporting responsibilities on the consolidated financial statements of the Group is set out in the "Independent Auditor's Report" on pages 58 to 62 of this annual report.

For the year ended 31 December 2023, the remuneration paid/payable to PricewaterhouseCoopers for the provision of audit service was RMB1,707,000 (2022: RMB1,807,000), and no non-audit services were provided by PricewaterhouseCoopers (including any entity that is under the common control, ownership or management with the auditor or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the auditor nationally or internationally) during the year under review (2022: Same).

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. 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。

董事會旨於年報及中期報告中，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 核數師酬金及核數師相關事宜

本公司獨立核數師（羅兵咸永道會計師事務所）有關其對本集團之綜合財務報表之申報責任之聲明，載於本年報第58至62頁之「獨立核數師報告」。

截至二零二三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人民幣1,707,000元（二零二二年：人民幣1,807,000元），且回顧年內並無由羅兵咸永道會計師事務所（包括與該核數師處於同一控制權、所有權或管理權之下的任何機構，或合理及知悉所有有關資料的第三方，在合理情況下會斷定該機構屬該核數師的本土或國際業務一部分的任何機構）提供非審計服務（二零二二年：相同）。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

5.3 Risk Management and Internal Control

The Board is responsible for risk management (including ESG risk) 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.

Aimed at providing reasonable assurance against material errors, losses or fraud, the Company has established risk management procedures which comprise the following process:

- Risk identification: identify major and significant risks that could affect the achievement of goals of the Group;
- Risk evaluation and assessment: assess and evaluate the identified risk according to its likely impact and the likelihood of occurrence; and
- Risk management and mitigation: develop effective control activities to mitigate the risks.

In particular, 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.

Risk identification and assessment are performed or updated annually, and the results of risk assessment, evaluation and mitigation of each function or operation are recorded and communicated to the Board and management for reviews.

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 ended 31 December 2023, the Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group, including financial, operational and compliance controls and risk management functions.

The Company considers its risk management and internal control systems effective and adequate.

5.3 風險管理及內部監控

董事會負責本集團之風險管理(包括環境、社會及管治風險)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。

本公司著力提供合理保證，避免出現重大錯誤、損失或欺詐，為此已成立風險管理程序，包括以下流程：

- 風險識別：識別可能影響達成本集團目標之主要及重大風險；
- 風險評估及評核：根據已識別風險預料構成的影響及出現的可能性作出評估及評核；及
- 風險管理及緩解：建立有效的監管活動，務求緩解風險。

具體而言，已制定程序保障資產不會在未獲授權下使用或處置；確保適當會計記錄的存置，為內部使用或公開發佈提供可靠財務資料；及確保遵守適用法律、法規及規例。

風險辨別及評估會每年進行或更新，記錄各職能或營運之風險評核、評估及舒緩的結果，並供董事會及管理層審閱。

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。截至二零二三年十二月三十一日止年度，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，包括財務、營運及合規監控及風險管理職能。

本公司認為其風險管理及內部監控系統有效及恰當。

CORPORATE GOVERNANCE REPORT

企業管治報告

Whistleblowing Policy

The Board has adopted a whistleblowing policy (the “Whistleblowing Policy”). The purpose of the Whistleblowing Policy is to (i) foster a culture of compliance, ethical behaviour and good corporate governance across the Group; and (ii) promote the importance of ethical behaviour and encourage the reporting of misconduct, unlawful and unethical behavior.

The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the chairman of the Audit Committee or the human resource director of the Group. No incident of fraud or misconduct that has material effect on the Group’s financial statements or overall operations for the year ended 31 December 2023 has been discovered.

The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

Anti-corruption Policy

The Board has adopted an anti-corruption policy (the “Anti-corruption Policy”). The Group is committed to achieving the highest standards of integrity and ethical behaviour in conducting its business. The Anti-corruption Policy forms an integral part of the Group’s corporate governance framework. The Anti-corruption Policy sets out the specific behavioural guidelines that the Group’s personnel and business partners must follow to combat corruption. It demonstrates the Group’s commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. In line with this commitment and to ensure transparency in the Group’s practices, the Anti-corruption Policy has been prepared as a guide to all Group’s employees and third parties dealing with the Group.

The Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

舉報政策

董事會已採納舉報政策（「舉報政策」）。舉報政策旨在(i)於整個本集團培養合規、道德行為及良好企業管治的文化；及(ii)宣傳道德行為的重要性及鼓勵舉報不當、非法及不道德行為。

根據舉報政策所接獲投訴的性質、狀況及結果須向審核委員會主席或本集團人力資源總監匯報。截至二零二三年十二月三十一日止年度，概無發現對本集團的財務報表或整體營運產生重大影響的欺詐或不當行為事件。

審核委員會每年檢討舉報政策，以確保其成效。

反貪污政策

董事會已採納反貪污政策（「反貪污政策」）。本集團致力在經營其業務方面達致最高誠信及道德行為標準。反貪污政策構成本集團企業管治框架的重要部分。反貪污政策載列本集團員工及業務夥伴必須遵守以打擊貪污的具體行為指引。這表明本集團對踐行合乎道德的商業行為以及遵守適用於其本地及海外業務的反貪污法律及法規的承諾。為貫徹此承諾及確保本集團常規的透明度，本集團已制定反貪污政策，作為本集團所有僱員及與本集團有業務往來的第三方的指引。

反貪污政策會定期檢討及更新，以符合適用法律法規及行業最佳常規。

CORPORATE GOVERNANCE REPORT

企業管治報告

Disclosure of Inside Information

The Group has in place a policy on disclosure of inside information which sets out the procedures and internal controls for handling and dissemination of inside information.

The policy provides guidelines to the directors, officers and all relevant employees of the Group to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information.

Key procedures in place include:

- defining the requirements of periodic financial and operational reporting to the Board and company secretary to enable them to assess inside information and make timely disclosures, if necessary;
- controlling the access to inside information by employees on a need-to-know basis, and safeguarding the confidentiality of the inside information before it is properly disclosed to public; and
- procedures of communicating with the Group's stakeholders, including shareholders, investors, analysts, etc. in ways which are in compliance with the Listing Rules.

The Group has also established and implemented procedures to handle enquiries from external parties related to the market rumours and other affairs of the Group.

To avoid uneven dissemination of inside information, the dissemination of inside information of the Company shall be conducted by publishing the relevant information on the respective websites of the Company and the HKEXnews.

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 year ended 31 December 2023, Mr. Cheung has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

披露內幕消息

本集團備有內幕消息披露政策，載列處理及發放內幕消息的程序及內部監控措施。

政策為向董事、高級職員及本集團所有有關僱員提供指引，確保有恰當的保護措施，以免本公司違反法定披露要求。政策亦包括適當的內部監控及申報系統，以辨別及評估潛在的內幕消息。

已設有的主要步驟包括：

- 向董事會及公司秘書界定定期財務及經營申報的規定，致使彼等可評估內幕消息及作適時披露（如有需要）；
- 按須知基準控制僱員獲悉內幕消息的途徑，及向公眾恰當披露前確保內幕消息絕對保密；及
- 與本集團持份者（包括股東、投資者、分析師等）溝通步驟，方式均遵從上市規則。

本集團亦已設立及實行步驟，處理外部人士有關市場傳言及其他涉及本集團事務的查詢。

為避免出現不公平發放內幕消息，本公司發放內幕消息時，會於本公司及香港交易所披露易各自的網站刊載有關資料。

6. 公司秘書

張晉熙先生自二零零七年加入本集團，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。於截至二零二三年十二月三十一日止年度，張先生已遵守上市規則第3.29條的相關專業培訓規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

7. INVESTOR RELATIONS AND SHAREHOLDERS ENGAGEMENT

7.1 Communications with Shareholders and Investors

The Board recognises the importance of good communication with its shareholders and investors. To ensure that shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, the Company has established several channels to communicate with the shareholders as follows:

- (a) 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;
- (b) other corporate communication such as annual reports, interim reports and circulars are issued in printed form and are available on the HKEXnews website (www.hkexnews.hk) and the Company’s website;
- (c) periodic announcements are made through the Stock Exchange and published on the respective websites of the HKEXnews and the Company;
- (d) annual and extraordinary general meetings provide a forum for the shareholders to make comments and exchange views with the directors and senior management; and
- (e) the Hong Kong branch share registrar of the Company serves the shareholders in respect of share registration, dividend payment and related matters.

Shareholders and investors may also address enquires to the Company’s investor relations personnel by letter or email. Contact information is 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 development.

7. 投資者關係及股東參與

7.1 與股東及投資者溝通

董事會瞭解到與股東及投資者保持良好溝通的重要性。為確保股東及潛在投資者能夠隨時隨地、平等地及及時地獲取有關本公司的不偏不倚且易於理解的資訊，本公司建立了以下數項與股東溝通的渠道：

- (a) 本公司設有網站「www.daphneholdings.com」，向公眾提供關於本集團業務、財務資料、企業管治常規及其他資訊的資料及更新；
- (b) 其他企業通訊如年報、中期報告及通函均以印刷形式刊發，同時於香港交易所披露易網站(www.hkexnews.hk)及本公司網站可供瀏覽；
- (c) 定期透過聯交所作出公佈，並將公佈分別刊載於香港交易所披露易及本公司的網站；
- (d) 股東週年大會及股東特別大會為股東提供平台，向董事及高級管理層反映意見及交流觀點；及
- (e) 本公司的香港股份過戶登記處可為股東提供股份過戶登記、股息派付及相關事宜的服務。

股東及投資者亦可通過信函或電郵向本公司投資者關係人員提出查詢。聯絡資料載列於本年報第3頁。

本公司繼續促進與股東及投資者的關係，並加強與彼等的溝通。董事會指定人員在有需要時通過一對一會議、非交易路演及投資者簡報會與機構投資者及分析師保持定期對話，使彼等瞭解本集團的發展情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

Directors (including non-executive directors) and the external auditors also meet and communicate with shareholders at the annual general meetings of the Company. The Chairman proposes separate resolutions for each issue to be considered and put each proposed resolution to the vote by way of a poll. Voting results are posted on the websites of the HKEXnews and the Company on the day of the annual general meeting.

The Company considers its shareholders communication policy implemented effectively.

7.2 Constitutional Documents

There was no change in the memorandum and articles of association of the Company during the year. These constitutional documents are available on the websites of the Company and the HKEXnews.

7.3 Dividend Policy

The Company has adopted a dividend policy (the “Dividend Policy”). 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.

董事(包括非執行董事)及外部核數師亦會在本公司的股東週年大會上與股東會面及交流。主席就每項審議事項分別提出決議案，並以投票方式對每項提出決議案進行表決。投票結果會在股東週年大會當天在香港交易所披露易及本公司網站上公佈。

本公司認為其股東通訊政策得到有效實施。

7.2 憲章文件

年內，本公司之組織章程大綱及細則並無變化。該等憲章文件可於本公司網站及香港交易所披露易網站查閱。

7.3 股息政策

本公司已採納股息政策(「股息政策」)。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他因素。

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。董事會將持續檢討股息政策並保留其唯一及絕對酌情權隨時更新、修訂、修改及／或取消股息政策。股息政策概不會以任何方式構成本公司有關其未來股息的具法律約束力承諾及／或不會以任何方式令本公司有責任於任何時間或不時宣派股息。

CORPORATE GOVERNANCE REPORT

企業管治報告

8. SHAREHOLDERS' RIGHTS

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

Pursuant to article 58 of the articles of association of the Company, the Board may whenever it thinks fit convene an extraordinary general meeting. Any one or more shareholders (the "requisitionist(s)") holding at the date of deposit of the requisition one-tenth or more of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition deposited at the Company's principal place of business in Hong Kong to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition and to add resolutions to a meeting agenda; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) themselves may convene a physical meeting at only one location, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

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, 26 March 2024

8. 股東權利

8.1 召開股東特別大會及於股東大會上提呈議案

根據本公司之組織章程細則第58條，董事會可於其認為適當的任何時間召開股東特別大會。任何一位或以上於遞呈要求當日持有本公司繳足股本（具本公司股東大會之投票權）十分之一或以上的股東（「遞呈要求人」）於任何時候有權透過向本公司董事會或公司秘書發出書面要求，存放於本公司於香港之主要營業地點，要求董事會召開股東特別大會，以處理該要求中指明的任何事務並於會議議程添加決議案；且該大會應於遞呈該要求後兩個月內舉行。若於遞呈當日起二十一日期內，董事會沒有開展召開有關大會之程序，則遞呈要求人士可自發僅在一個地點舉行實體會議，而遞呈要求人士因董事會之缺失而產生的所有合理開支應由本公司向遞呈要求人償付。

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，遵從上述程序召開股東特別大會。

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，二零二四年三月二十六日

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 2023.

Principal activities

The Company is an investment holding company. The activities of its principal subsidiaries are set out in Note 36 to the consolidated financial statements. The Group is principally engaged in licensing, distribution and sale of footwear products 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 2023 is provided in the Chairman’s Statement, Management Discussion and Analysis, Corporate Governance Report of this annual report, and the Company’s “Environmental, Social and Governance Report 2023”.

Compliance with relevant laws and regulations

As far as the board of directors is aware, the Group has complied with the relevant laws and regulations that may cause a significant impact on the business and operation of the Group in the event of a material breach or non-compliance. During the year ended 31 December 2023, there was no material breach nor non-compliance with the applicable laws and regulations by the Group.

Environmental, Social and Governance Report

A separate “Environmental, Social and Governance Report 2023” has also been published on the websites of the HKEXnews (www.hkexnews.hk) and the Company (www.daphneholdings.com) in compliance with the “Environmental, Social and Governance Reporting Guide” as set out in Appendix C2 to the Listing Rules.

Dividend policy

The dividend policy of the Company is set out on page 43 of this annual report.

Results and appropriation

The results of the Group for the year ended 31 December 2023 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 63 to 136.

The board of directors recommended the payment of a final dividend of HK\$0.01 per share (2022: Nil), totalling approximately RMB17,526,000 (2022: Nil) in respect of the year ended 31 December 2023.

There were no arrangements under which any dividends are waived or agreed to be waived by the shareholders of the Company.

Donations

There was no charitable and other donations made by the Group during the year (2022: Nil).

董事謹此提呈截至二零二三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36。本集團主要於中國大陸從事鞋類產品及配件的授權許可、分銷及銷售業務。

本集團按可呈報分部之表現分析載於綜合財務報表附註5。

業務回顧

本集團截至二零二三年十二月三十一日止年度之業務回顧載列於本年報之主席報告、管理層討論與分析、企業管治報告及本公司之《二零二三年環境、社會及管治報告》。

遵守相關法律法規

就董事會所知，本集團已遵守倘嚴重違反或不合規而可能對本集團業務及營運造成重大影響的相關法律及法規。截至二零二三年十二月三十一日止年度，本集團並無重大違反或未遵守適用法律及法規。

環境、社會及管治報告

本公司遵守上市規則附錄C2所載《環境、社會及管治報告指引》，已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《二零二三年環境、社會及管治報告》。

股息政策

本公司的股息政策載於本年報第43頁。

業績及分配

本集團截至二零二三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63至136頁之綜合財務報表。

董事會建議就截至二零二三年十二月三十一日止年度派付每股0.01港元之末期股息（二零二二年：無），合共為約人民幣17,526,000元（二零二二年：無）。

概無安排本公司股東放棄或同意被放棄任何股息。

慈善捐款

本集團於年內並無作出慈善及其他用途之捐款（二零二二年：無）。

REPORT OF THE DIRECTORS

董事會報告

Investment properties and property, plant and equipment

Movements in investment properties and property, plant and equipment of the Group are set out in Notes 14 and 15 to the consolidated financial statements, respectively. The “Particulars of Major Investment Properties” are set out on pages 6 to 7 of this annual report.

Share capital

Movements of the share capital of the Company during the year ended 31 December 2023 are set out in Note 28 to the consolidated financial statements.

Distributable reserves

As at 31 December 2023, the distributable reserves of the Company amounted to RMB329,230,000 (2022: RMB276,052,000). Movements in the reserves of the Group and of the Company during the year under review are set out in Notes 29 and 35 to the consolidated financial statements, respectively.

Connected transactions

On 28 September 2023, the Company as purchaser, Great Pacific Investments Ltd. (“Great Pacific”) as vendor and Yue Yuen Industrial Holdings Limited (“Yue Yuen”), a company listed on the Main Board of the Stock Exchange (stock code: 551) and the sole beneficial owner of Great Pacific, as Great Pacific’s guarantor entered into a sale and purchase agreement, pursuant to which (among other thing) Great Pacific shall sell and the Company shall purchase approximately 40.04% of all issued shares in Full Pearl International Limited (“Full Pearl”), whose subsidiaries were engaged in the business of distribution and licensing of footwear products in Mainland China and trademarks holding, for a cash consideration of RMB42,500,000 (the “Full Pearl Transaction”).

Prior to the above transaction, Full Pearl was held as to approximately 40.04% by Great Pacific and approximately 59.96% by the Company. As Great Pacific, a wholly-owned subsidiary of Yue Yuen, was a substantial shareholder of Full Pearl which was in turn a non-wholly owned subsidiary of the Company, both Great Pacific and Yue Yuen were connected persons of the Company at the subsidiary level, the Full Pearl Transaction constituted a connected transaction under Rule 14A.25 of the Listing Rules.

Completion of the Full Pearl Transaction took place on 30 October 2023, upon which Full Pearl became a wholly-owned subsidiary of the Company. Please refer to the announcements published by the Company on 28 September 2023, 4 October 2023 and 30 October 2023 for further details of the Full Pearl Transaction.

Save as to the Full Pearl Transaction, during the year ended 31 December 2023, there were no other connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders’ approval requirements.

Save as disclosed above, the related party transactions shown in Note 33 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions under the Listing Rules.

投資物業以及物業、廠房及設備

本集團之投資物業以及物業、廠房及設備之變動詳情分別載於綜合財務報表附註14及15。本集團之「主要投資物業詳情」載於本年報第6至7頁。

股本

本公司截至二零二三年十二月三十一日止年度之股本變動詳情載於綜合財務報表附註28。

可供分派儲備

於二零二三年十二月三十一日，本公司之可供分派儲備為人民幣329,230,000元（二零二二年：人民幣276,052,000元）。本集團及本公司於回顧年內之儲備變動詳情分別載於綜合財務報表附註29及35。

關連交易

於二零二三年九月二十八日，本公司（作為買方）、Great Pacific Investments Ltd.（「Great Pacific」）（作為賣方）及裕元工業（集團）有限公司（「裕元」）（一家於聯交所主板上市之公司（股份代號：551），為Great Pacific之唯一實益擁有人）（作為Great Pacific之擔保人）訂立買賣協議，據此（其中包括），Great Pacific應出售，而本公司應購買富珍國際有限公司（「富珍」），（其附屬公司於中國大陸從事鞋類產品分銷及授權許可業務以及商標持有）之全部已發行股份約40.04%，現金代價為人民幣42,500,000元（「富珍交易事項」）。

於上述交易事項前，富珍由Great Pacific及本公司分別持有約40.04%及約59.96%的權益。由於Great Pacific（裕元之全資附屬公司）為富珍之主要股東，而富珍為本公司之非全資附屬公司，故Great Pacific及裕元均為本公司附屬公司層面之關連人士，富珍交易事項構成上市規則第14A.25條項下之關連交易。

富珍交易已於二零二三年十月三十日完成，於完成後，富珍成為本公司全資附屬公司。有關富珍交易事項之進一步詳情，請參閱本公司於二零二三年九月二十八日、二零二三年十月四日及二零二三年十月三十日刊發之公告。

除富珍交易事項外，截至二零二三年十二月三十一日止年度，本公司概無其他進行上市規則第14A章項下須遵守任何申報、公告或獨立股東批准規定的關連交易或持續關連交易。

除上文所披露者外，綜合財務報表附註33所示的關聯方交易不構成上市規則下之關連交易或持續關連交易。

REPORT OF THE DIRECTORS

董事會報告

Equity-linked agreements

(a) Convertible notes

The Company issued 9.0% convertible notes denominated in RMB with the aggregate principal amount of RMB25,300,000 on 14 October 2020 and a maturity of 3 years from the issue date and can be converted into new ordinary shares in the Company at the noteholder's option at the conversion price of HK\$0.221 per share (the net conversion price was approximately HK\$0.217 per share). On 16 October 2023, the convertible notes matured and were fully converted into 164,541,807 new ordinary shares issued by the Company to Warrior Limited (the "CB Subscriber"), the then sole holder of the convertible notes. For further details of the above convertible notes, please refer to the announcements of the Company dated 15 September 2020, 22 September 2020, 14 October 2020 and 16 October 2023. Details of the movement of the convertible notes are set out in Note 26 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 30 to the consolidated financial statements and "Share options scheme" section below.

Shares or debentures issued during the year

On 16 October 2023, the Company allotted and issued 164,541,807 new ordinary shares of the Company to the CB Subscriber upon full conversion of the convertible notes.

Save as disclosed above, the Company has not issued any share or debenture during the year ended 31 December 2023.

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 the Company's shares

Save that the Company allotted and issued 164,541,807 new shares of the Company to Warrior Limited on 16 October 2023 upon full conversion of the matured convertible notes issued by the Company in October 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares for the year ended 31 December 2023.

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，以及自發行日期起計三年到期，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本公司之新普通股（換股價淨額約每股0.217港元）。於二零二三年十月十六日，可換股債券到期並悉數轉換為164,541,807股新普通股份，由本公司發行予Warrior Limited（可換股債券的當時唯一持有人）（「可換股債券認購人」）。有關上述可換股債券的進一步詳情，請參閱本公司日期為二零二零年九月十五日、二零二零年九月二十二日、二零二零年十月十四日及二零二三年十月十六日之公告。可換股債券變動詳情載於綜合財務報表附註26。

(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30及下文「購股權計劃」一節。

年內發行的股份或債券

於二零二三年十月十六日，本公司於可換股債券獲悉數轉換後向可換股債券認購人配發及發行本公司的164,541,807股本公司之新普通股股份。

除上文所披露者外，截至二零二三年十二月三十一日止年度，本公司並無發行任何新股份或債券。

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，而開曼群島法例亦無有關權利之限制，致使本公司有義務按比例向現有股東發行新股份。

五年財務概要

本集團於過往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、出售或贖回本公司股份

除本公司於二零二零年十月發行的可換股債券到期悉數轉換後，於二零二三年十月十六日本公司向Warrior Limited配發及發行本公司新股份164,541,807股外，截至二零二三年十二月三十一日止年度，本公司或其任何附屬公司並無購買、出售或贖回本公司任何股份。

REPORT OF THE DIRECTORS

董事會報告

Directors

The directors of the Company during the year under review 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
Mr. Tan Philip

According to article 84(1) of the Company's articles of association, at each annual general meeting one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every director shall be subject to retirement at an annual general meeting at least once every three years.

Pursuant to article 84(1) of the Company's articles of association, each of Mr. Wang Jungang and Mr. Tan Philip will retire from office as directors at the forthcoming annual general meeting of the Company. Mr. Wang and Mr. Tan, being eligible, will offer themselves for re-election.

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 for the year ended 31 December 2023.

Biographies of directors and senior management

Brief biographies of directors and senior management are set out on pages 22 to 24 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.

董事

本公司於回顧年內及直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
談大成先生

根據本公司之組織章程細則第84(1)條，於每屆股東週年大會上，當時為數三分之一的董事須輪席退任（或倘其人數並非三之倍數，則為最接近但不少於三分之一之人數），每位董事須至少每三年在股東週年大會上輪席退任一次。

根據本公司組織章程細則第84(1)條，王俊剛先生及談大成先生各自將於本公司應屆股東週年大會退任董事職位。王先生及談先生各自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，截至二零二三年十二月三十一日止年度，所有獨立非執行董事均為獨立人士。

董事及高級管理人員履歷

董事及高級管理人員之簡歷載於本年報第22至24頁。

董事之服務合約

每名董事之董事任期通常為三年，除非由任何一方另外一方發出不少於一個月的書面通知，方可於現有任期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。

REPORT OF THE DIRECTORS

董事會報告

Remunerations of directors and senior management

Details of the five highest paid individuals and the emoluments of the directors and senior management of the Group are set out in Notes 13 and 34 to the consolidated financial statements of this annual report.

No director has agreed to waive any of his emoluments for the year ended 31 December 2023.

Remuneration policy

The Company's remuneration policy comprises primarily a fixed component (in the form of a base salary) and a variable component (which includes discretionary bonus and other merit payments), considering other factors such as their experience, level of responsibility, individual performance, the performance of the Group and general market conditions.

The Remuneration Committee will meet at least once for each year to discuss remuneration related matters (including the remuneration of the directors and senior management) and review the remunerations policy of the Group. The Remuneration Committee will then make recommendations to the Board on the remuneration packages of each individual director and senior management.

Retirement benefit plans

The Group operates a defined contribution scheme in Hong Kong which comply with the requirements under the Mandatory Provident Fund ("MPF") Schemes Ordinance. All assets under the schemes are held separately from the Group under independently administrated funds. Contributions to the MPF scheme follow the MPF Schemes Ordinance. In Mainland China, the Group's employees are members of a state-managed retirement benefit plans operated by the Chinese government. The Group's subsidiaries in Mainland China are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plans is to make the specified contributions. As at 31 December 2023 and 2022, except for voluntary contribution, no forfeited contribution under the above-mentioned schemes is available to reduce the contribution payable in future years.

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 under review.

董事及高級管理人員之薪酬

本集團五名最高薪酬人士及董事以及高級管理人員的酬金詳情載於本年報綜合財務報表附註13及34。

截至二零二三年十二月三十一日止年度，概無董事同意放棄其任何酬金。

薪酬政策

本公司的薪酬政策主要包括固定部分（以基本工資的形式）及可變部分（包括酌情花紅及其他獎勵），並考慮其他因素，如彼等的經驗、責職等級、個人表現、本集團的業績及總體市場狀況。

薪酬委員會將每年至少召開一次會議，討論與薪酬有關的事項（包括董事及高級管理人員的薪酬），並檢討本集團的薪酬政策。隨後，薪酬委員會將就每位董事及高級管理人員的薪酬方案向董事會提出建議。

退休福利計劃

本集團在香港運作符合強制性公積金（「強積金」）計劃條例規定的界定供款計劃。所有計劃資產均獨立於本集團之外而由獨立管理的基金持有。按強積金計劃條例向強積金計劃供款。在中國大陸，本集團的僱員是由中國政府管理的國家退休福利計劃的成員。本集團於中國大陸的附屬公司須按工資成本的特定百分比向退休福利計劃供款，為福利提供資金。本集團就退休福利計劃的唯一責任是作出指定供款。於二零二二年及二零二三年十二月三十一日，除自願供款外，並無上述之計劃項下的經沒收供款可用於扣減未來年度須繳付的供款。

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回顧年內任何時間訂立與本集團業務有關，且本公司董事及其關連人士於其中直接或間接擁有重大權益之重大交易、安排及合約。

REPORT OF THE DIRECTORS

董事會報告

Contracts of significance with controlling shareholders

During the year ended 31 December 2023, there were no (i) contract of significance between the Company or any of its subsidiaries; and a controlling shareholder of the Company or any of its subsidiaries nor (ii) any contracts of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries.

Interests of directors and chief executive

As at 31 December 2023, the interests and short positions of each director and chief executive in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), as recorded in the register required to be kept by the Company under 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	權益總額	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	23,200,000	1.17
Mr. Chang Chih-Chiao 張智喬先生	Personal interests 個人權益	–	20,200,000	20,200,000	1.02
Mr. Wang Jungang 王俊剛先生	Personal interests 個人權益	–	51,800,000	51,800,000	2.62

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

Save as disclosed above, as at 31 December 2023, so far as is known to any director 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 (i) 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 (ii) to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code.

與控股股東的重大合約

截至二零二三年十二月三十一日止年度，概無(i)本公司或其任何附屬公司與本公司控股股東或其任何附屬公司訂立重大合約；(ii)控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務的任何重大合約。

董事及主要行政人員之權益

於二零二三年十二月三十一日，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「證券及期貨條例」第XV部）之股份及相關股份中之權益及淡倉，或根據標準守則已知會本公司及聯交所之權益及淡倉如下：

於本公司股份及相關股份之好倉：

附註：該等權益指授予董事之購股權所涉及之本公司相關股份之權益。

除上文所披露者外，於二零二三年十二月三十一日，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(i)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(ii)根據證券及期貨條例第352條須記錄在本公司存置之登記冊的權益或淡倉，或(iii)根據標準守則知會本公司及聯交所的權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

Interests of substantial shareholders

The register of substantial shareholders required to be kept under Section 336 of the SFO shows that as at 31 December 2023, 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:

Name of shareholders	Capacity	Total interests	Approximate % of total issued shares
股東名稱	身份	權益總額	約佔已發行股份總額百分比
Lucky Earn International Ltd.	Beneficial interests 實益權益	527,442,915 (Note 1)	26.66
Warrior Limited	Beneficial interests 實益權益	329,456,045 (Note 2)	16.65
Teresaeleven Inc.	Interests of controlled corporation 受控公司之權益	329,456,045 (Note 2)	16.65
Ms. Quan Qizi 權奇子女士	Interests of controlled corporation 受控公司之權益	329,456,045 (Note 2)	16.65

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 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 the shares of the Company held by Warrior Limited.

Saved as disclosed above, as at 31 December 2023, 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.

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，於二零二三年十二月三十一日，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）。該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：

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於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所持有之本公司股份中擁有權益。

除上文所披露者外，於二零二三年十二月三十一日，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。

REPORT OF THE DIRECTORS

董事會報告

Share option scheme

On 25 May 2022, the Company terminated the share option scheme which was adopted in 2013 (the “2013 Scheme”). Upon termination of the 2013 Scheme, no further share options could be granted under the 2013 Scheme but, in all other respects, the provisions of the 2013 Scheme shall remain in force to the extent necessary to give effect to the exercise of any share options granted prior to the expiry of the 2013 Scheme.

As at the date of this report and 31 December 2023, the total number of shares available for issue (based on options granted and not exercised) pursuant to the 2013 Scheme is 129,450,000 shares, representing approximately 6.54% of the issued share capital of the Company, and 131,050,000 shares, representing approximately 7.22% of the issued share capital of the Company as at 1 January 2023.

On 25 May 2022, a new share option scheme (the “2022 Scheme”) was approved by the shareholders of the Company and adopted by the Company. Unless otherwise cancelled or amended, the 2022 Scheme will remain in force for 10 years from the date of adoption (i.e. until 24 May 2032).

The purpose of the 2022 Scheme is to enable the Company to grant options to eligible participants, including any full-time or part-time employees, officers or directors (including any executive directors, non-executive directors and independent non-executive directors) of the Group (subject to approval by the Remuneration Committee) 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 2022 Scheme and any other share option schemes of the Company must not exceed 10% of the shares of the Company in issue on 25 May 2022, being the date of approval and adoption of the 2022 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 2022 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.

購股權計劃

本公司已於二零二二年五月二十五日終止於二零一三年採納的購股權計劃（「二零一三年計劃」）。於二零一三年計劃終止後，不得再根據二零一三年計劃授出購股權，但於所有其他方面，二零一三年計劃的條文仍將有效，以使於二零一三年計劃屆滿前授出的任何購股權得到行使。

於本報告日期及二零二三年十二月三十一日，二零一三年計劃可供發行之股份總數（基於已授出但未獲行使的購股權）為129,450,000股，約佔本公司已發行股本的6.54%；及二零一三年計劃可供發行之股份總數（基於已授出但未獲行使的購股權）為131,050,000股，約佔本公司於二零二三年一月一日已發行股本的7.22%。

本公司股東已於二零二二年五月二十五日批准一份新的購股權計劃（「二零二二年計劃」），並已獲本公司採納。除非另行註銷或修訂，二零二二年計劃將自採納日期起十年內（即直至二零三二年五月二十四日）維持有效。

二零二二年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、高級職員、董事（包括任何執行董事、非執行董事以及獨立非執行董事）授出購股權（取決於薪酬委員會的批准），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，根據二零二二年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二零二二年計劃日期即二零二二年五月二十五日本公司已發行股份之10%。於任何時間根據二零二二年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%。

REPORT OF THE DIRECTORS

董事會報告

The total number of options available for grant, hence shares available for issue, under the 2022 Scheme is 181,405,662 which is approximately 10%, 9.17% and 9.17% of the issued share capital of the Company as at 1 January 2023, 31 December 2023 and the date of this report, respectively.

The total number of shares issuable under the 2022 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 (excluding any independent non-executive director who is the grantee of the share options). 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 vesting period of an option and 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 2022 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 options in respect of all or some of the options to be vested.

二零二二年計劃項下可供授出而可供發行之股份總數為181,405,662股，分別約佔本公司於二零二三年一月一日、二零二三年十二月三十一日及本報告日期已發行股本的10%、9.17%及9.17%。

根據二零二二年計劃及本公司任何其他購股權計劃於任何十二個月期間內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（不包括擔任購股權承授人的任何獨立非執行董事）。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。

購股權之歸屬期及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函件中指明，有關期間可由董事會根據二零二二年計劃之條款而更改，惟在任何情況下不得超過相關購股權授出日期起計十年。董事會可酌情決定就購股權所涉及之所有或部分行使購股權之權利之歸屬時間或期間。

REPORT OF THE DIRECTORS

董事會報告

The offer of a grant of share options shall be accepted no later than 28 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee.

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 sheets on the date of grant;
- (b) the average of the 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.

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

As at the date of this report, the remaining life of the 2022 Scheme is approximately 8.2 years.

During the year ended 31 December 2023, no share option was granted, exercised, cancelled or lapsed and there were no outstanding share options under the 2022 Scheme as at 31 December 2023.

As at 31 December 2023, the total number of shares in respect of which options had been granted and remained outstanding under the 2013 Scheme was 129,450,000.

授出購股權之要約可由承授人於要約日期起計二十八日內經支付合共1港元之象徵性代價後接納。

購股權之行使價由董事會釐定且不得低於以下最高者：

- (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。

購股權並不賦予其持有人收取股息或於股東大會上投票之權利。

於本報告日期，二零二二年計劃剩餘期限約為8.2年。

截至二零二三年十二月三十一日止年度，並無購股權授出、行使、註銷或失效；於二零二三年十二月三十一日，二零二二年計劃項下並無尚未行使的購股權。

於二零二三年十二月三十一日，根據二零一三年計劃授出且尚未行使的購股權有關之股份總數為129,450,000股。

REPORT OF THE DIRECTORS

董事會報告

Movements of the outstanding share options granted under the 2013 Scheme for the year ended 31 December 2023 are as follows:

截至二零二三年十二月三十一日止年度，根據二零一三年計劃下已授出但尚未行使的購股權變動詳情如下：

Grantees	Date of grant	Exercise price per share	Outstanding at 1 January 2023	Granted during the year	Cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 December 2023	Exercisable period
承授人	授出日期	每股行使價	於二零二三年一月一日尚未行使	年內授出	年內註銷	年內失效	年內行使	於二零二三年十二月三十一日尚未行使	行使期間
	(yyyy/mm/dd)	HKS							(yyyy/mm/dd)
	(年/月/日)	港元							(年/月/日)
<i>(i) Executive directors 執行董事</i>									
Mr. Chang Chih-Kai	2017/01/25	0.70	6,000,000	-	-	-	-	6,000,000	2017/01/25 – 2027/01/24
張智凱先生									(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	2017/01/25	0.70	3,000,000	-	-	-	-	3,000,000	2017/01/25 – 2027/01/24
張智喬先生									(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	2021/12/14	0.20	51,800,000	-	-	-	-	51,800,000	2022/12/31 – 2031/12/13
王俊剛先生									(Note 2) (附註二)
<i>(ii) Employees 僱員</i>									
In aggregate	2014/01/21	4.50	100,000	-	-	-	-	100,000	2016/01/21 – 2024/01/20
合計									(Note 3) (附註三)
In aggregate	2017/01/25	0.70	2,250,000	-	-	-	-	2,250,000	2017/01/25 – 2027/01/24
合計									(Note 1) (附註一)
In aggregate	2021/12/14	0.20	33,500,000	-	-	(1,600,000)	-	31,900,000	2022/12/31 – 2031/12/13
合計									(Note 2) (附註二)
			131,050,000	-	-	(1,600,000)	-	129,450,000	

Notes:

附註：

- 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.
- 100% of the share options shall vest after two years from the date of grant.
- The closing price per share immediately before the date of grant on 21 January 2014 was HK\$4.43.
- The closing price per share immediately before the date of grant on 25 January 2017 was HK\$0.69.
- The closing price per share immediately before the date of grant on 14 December 2021 was HK\$0.154.

- 購股權自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，惟須實現及滿足董事會所釐定截至二零二二年、二零二三年及二零二四年十二月三十一日止各年度的本集團目標。
- 購股權自授出日期起計兩年後歸屬100%。
- 緊接於二零一四年一月二十一日授出日期前的每股收市價為4.43港元。
- 緊接於二零一七年一月二十五日授出日期前的每股收市價為0.69港元。
- 緊接於二零二一年十二月十四日授出日期前的每股收市價為0.154港元。

REPORT OF THE DIRECTORS

董事會報告

Arrangement to purchase shares or debentures

Save as disclosed above, at no time during the year under review was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

Apart from the share option schemes of the Company as disclosed above, at no time during the year under review was the Company, its subsidiaries or its fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Material acquisitions and disposals of subsidiaries, associates or joint ventures

Save as to the Full Pearl Transaction, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures for the year ended 31 December 2023.

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.

Major customers and suppliers

The aggregate sales attributable to the Group's largest and five largest customers accounted for approximately 35% and 84%, respectively, of the Group's total revenue during the year.

The aggregate purchases attributable to the Group's largest and five largest suppliers accounted for approximately 12% and 35%, respectively, of the Group's total purchases during the year.

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 customers and five largest suppliers.

Relationship with customers, suppliers, subcontractors and employees

The Group maintains good relationships with its employees and certain policies have been implemented to ensure that its employees are provided with competitive remuneration, good welfare benefits and continuous professional training. The Group also maintains good relationships with its customers, suppliers and subcontractors, without whom the success in the Group's operation would be at risk.

During the year ended 31 December 2023, save as disclosed in this report, there were no material disputes between the Group and its customers, suppliers, subcontractors and employees.

購買股份或債券的安排

除上文所披露者外，本公司或其任何附屬公司於回顧年內任何時間均並無參與任何安排，以使本公司董事通過購買本公司或任何其他法人團體的股份或債券而獲得利益，且本公司任何董事或其配偶或未滿十八歲的子女未有任何認購本公司證券之權利或於年內已行使任何該等權利。

除上文所披露之本公司購股權計劃外，本公司及附屬公司或其同系附屬公司均未於回顧年內任何時間參與任何安排，以使本公司董事通過收購本公司或任何其他法人團體的股份或債券而獲得利益。

附屬公司、聯營公司或合資企業的重大收購及出售

除富珍交易事項外，截至二零二三年十二月三十一日止年度，本集團並無任何重大收購及出售附屬公司、聯營公司或合資企業。

管理合約

於年內，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。

主要客戶及供應商

於年內，本集團最大客戶及五大客戶之銷售總額分別約佔本集團總收益之35%及84%。

於年內，本集團向最大供應商及五大供應商作出之採購總額分別約佔本集團採購總額之12%及35%。

各董事、彼等的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，概無於本集團五大客戶及五大供應商擁有實益權益。

與客戶、供應商、分包商及僱員的關係

本集團與其僱員保持良好的關係，並已實施若干政策，以確保其僱員享有具有競爭力的薪酬、良好的福利待遇及持續的專業培訓。本集團亦與其客戶、供應商及分包商保持良好的關係，離開彼等的支持，本集團的成功運營將會面臨風險。

截至二零二三年十二月三十一日止年度，除本報告所披露者外，本集團與其客戶、供應商、分包商及僱員並無重大爭議。

REPORT OF THE DIRECTORS

董事會報告

Competing business

None of the directors of the Company had any interest in any competing business with the Company or any of its subsidiaries during the year.

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 publicly available to the Company and to the knowledge of the directors of the Company throughout the year ended 31 December 2023 and up to the date of this report, the Company has maintained sufficient public float of more than 25% of the Company's total issued share capital as required by the Listing Rules.

Relief of taxation

The Company is not aware of any relief from taxation available to the shareholders by reason of their holding of the Company's securities.

Auditor

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

Events after the reporting period

Saved as disclosed in this report, there is no other important event affecting the Group since 31 December 2023 and up to the date of this report.

On behalf of the board of directors

Chang Chih-Kai
Chairman

Hong Kong, 26 March 2024

競爭性業務

於年內，本公司董事均未於本公司或任何子公司的任何競爭性業務中擁有任何權益。

獲准許的彌償條文

根據組織章程細則，並受適用法律及法規所規限，本集團董事及高級職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、成本、費用、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職員購買合適的董事及高級職員責任保險。

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，截至二零二三年十二月三十一日止年度全年及直至本報告日期，本公司已根據上市規則規定，維持足夠公眾持股量，即佔本公司已發行股本總數25%以上。

稅項減免

本公司並不知悉股東因持有本公司證券而可享有任何稅項減免。

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。

報告期後事項

除本報告所披露者外，自二零二三年十二月三十一日起及直至本報告日期，並無影響本集團的其他重大事項。

代表董事會

主席
張智凱

香港，二零二四年三月二十六日

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 63 to 136, comprise:

- the consolidated balance sheet as at 31 December 2023;
- 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, comprising material accounting policy information 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 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

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

Independence

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

致達芙妮國際控股有限公司股東
(於開曼群島註冊成立的有限公司)

意見

我們已審計的內容

達芙妮國際控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第63至136頁的綜合財務報表,包括:

- 於二零二三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,包括重大會計政策信息及其他解釋信息。

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二零二三年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

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

我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

The key audit matter identified in our audit is related to impairment of certain investment properties.

Impairment of certain investment properties

Refer to Notes 2.3.6, 2.3.7, 4.2 and 14 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 2023, the Group recognised impairment losses of RMB6,065,000 (2022: RMB16,000,000) for certain investment properties. An external valuer was engaged and involved in the impairment assessments to determine the recoverable amounts of those investment properties using market approach. The valuations are dependent on certain assumptions that require significant management judgement, including expected unit market price. We focused on this area due to the significance of the balance and significant management judgement and estimates involved in determining recoverable amounts of those investment properties.

Our procedures in relation to management's judgement and estimates applied in assessing the impairment of certain investment properties included:

- Understanding and evaluating relevant management's controls and processes relating to 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;
- Reviewing the valuation report to assess the appropriateness of methodology used;
- Comparing the assumptions disclosed in the valuation report to an estimated range with reference to publicly available information;
- Involving our internal valuation expert to assess the valuation methodology and the key assumptions used in the determination of recoverable amounts of the investment properties with impairments.

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是關於若干投資物業的減值有關。

若干投資物業的減值

請參閱綜合財務報表附註2.3.6、2.3.7、4.2及14

貴集團的投資物業按成本計量，其後按成本減累計折舊及減值列賬。截至二零二三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人民幣6,065,000元（二零二二年：人民幣16,000,000元）。外聘估值師參與了減值評估，採用市場方法釐定該等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假設，包括預期單位市場價格。我們關注此領域乃由於其結餘金額重大，以及於確定該等投資物業的可收回金額時涉及重大的管理層判斷及估計。

我們於評估若干投資物業減值時應用的有關管理層判斷及估計的程序包括：

- 了解及評估管理層就投資物業減值相關的管理控制及程序，考慮估計不確定因素的程度及該等投資物業減值估計所涉及的判斷來評估重大錯報的固有風險；
- 評估估值師的資格、能力、獨立性及客觀性；
- 審核估值報告，以評估所使用方法是否適當；
- 將估值報告中披露的假設條件與經參考現有公開資料得出的估計範圍進行比較；
- 讓我們的內部估值專家參與評估估值方法及釐定減值投資物業的可收回金額所使用的關鍵假設。

基於上文所述，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所用的重要假設。

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

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

審計委員會須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

As part of an audit in accordance with HKSA's, we exercise professional judgement 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。
- 瞭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, 26 March 2024

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，我們與審計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。

我們還向審計委員會提交聲明，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為徐一菁女士。

羅兵咸永道會計師事務所
執業會計師

香港，二零二四年三月二十六日

CONSOLIDATED INCOME STATEMENT

綜合收益表

FOR THE YEAR ENDED 31 DECEMBER 2023 截至二零二三年十二月三十一日止年度

		Note 附註	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Revenue	收益	5	262,644	172,093
Cost of sales	銷售成本		(131,259)	(73,691)
Gross profit	毛利		131,385	98,402
Other income	其他收入	6	59,631	47,413
Other losses – net	其他虧損－淨額	7	(12,430)	(13,903)
Selling and distribution expenses	銷售及分銷開支		(46,704)	(26,627)
General and administrative expenses	一般及行政開支		(62,254)	(63,594)
(Impairment loss)/reversal of impairment loss on financial assets	金融資產(減值虧損)/減值虧損撥回		(1,991)	731
Operating profit	經營盈利	8	67,637	42,422
Finance costs	財務成本	9	(4,255)	(4,577)
Share of profit of associates and a joint venture	應佔聯營公司及合資企業之盈利	17, 18	58	60
Profit before income tax	除所得稅前盈利		63,440	37,905
Income tax expense	所得稅開支	10	(568)	(330)
Profit for the year	年內盈利		62,872	37,575
Attributable to:	以下各方應佔：			
Shareholders of the Company	本公司股東		62,435	37,136
Non-controlling interests	非控制性權益		437	439
			62,872	37,575
Earnings per share, basic and diluted (RMB)	每股基本及攤薄盈利(人民幣元)	11	0.034	0.021

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 2023 截至二零二三年十二月三十一日止年度

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Profit for the year	年內盈利	62,872	37,575
Other comprehensive income	其他全面收益		
<i>Items that may be reclassified to profit or loss:</i>	<i>可重新分類至損益的項目：</i>		
Exchange differences on translation of foreign operations	因換算海外業務而產生的匯兌差額	682	2,884
Total comprehensive income for the year	年內全面收益總額	63,554	40,459
<i>Attributable to:</i>	<i>以下各方應佔：</i>		
Shareholders of the Company	本公司股東	62,210	37,590
Non-controlling interests	非控制性權益	1,344	2,869
		63,554	40,459

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

以上綜合全面收益表應與相關附註一併閱讀。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

AS AT 31 DECEMBER 2023 於二零二三年十二月三十一日

		Note 附註	At 31 December 2023 於二零二三年 十二月 三十一日 RMB'000 人民幣千元	At 31 December 2022 於二零二二年 十二月 三十一日 RMB'000 人民幣千元 (restated) (經重列)	At 1 January 2022 於二零二二年 一月 一日 RMB'000 人民幣千元 (restated) (經重列)
Non-current assets	非流動資產				
Investment properties	投資物業	14	394,464	426,629	442,255
Property, plant and equipment	物業、廠房及設備	15	2,734	2,018	15,314
Right-of-use assets	使用權資產	16	4,348	6,892	11,051
Interests in associates	於聯營公司之權益	17	1,099	1,041	981
Interest in a joint venture	於合資企業之權益	18	-	-	-
			402,645	436,580	469,601
Current assets	流動資產				
Inventories	存貨	19	5,058	-	-
Trade receivables	貿易應收賬款	20	3,271	11,387	6,254
Deposits, prepayments and other receivables	按金、預付款項及其他應收賬款	21	17,916	19,825	22,005
Financial assets at fair value through profit or loss	按公平價值計入損益之金融資產	22	21,312	30,687	-
Cash and cash equivalents	現金及現金等價物	23	366,273	279,639	185,903
			413,830	341,538	214,162
Current liabilities	流動負債				
Trade payables	貿易應付賬款	24	37,153	31,329	3,357
Accrued charges and other payables	應計費用及其他應付賬款	25	35,809	32,988	38,340
Contract liabilities	合約負債		34,201	33,175	10,410
Convertible notes	可換股債券	26	-	28,307	-
Lease liabilities	租賃負債	16	5,834	3,403	2,539
Current income tax liabilities	即期所得稅負債		23,605	23,605	24,265
			136,602	152,807	78,911
Non-current liabilities	非流動負債				
Convertible notes	可換股債券	26	-	-	24,007
Lease liabilities	租賃負債	16	3,451	3,837	3,514
Deferred income tax liabilities	遞延所得稅項負債	27	4,117	3,881	3,881
			7,568	7,718	31,402
Net current assets	流動資產淨值		277,228	188,731	135,251
Net assets	淨資產		672,305	617,593	573,450

CONSOLIDATED BALANCE SHEET

綜合資產負債表

AS AT 31 DECEMBER 2023 於二零二三年十二月三十一日

		Note 附註	At 31 December 2023 於二零二三年 十二月 三十一日 RMB'000 人民幣千元	At 31 December 2022 於二零二二年 十二月 三十一日 RMB'000 人民幣千元 (restated) (經重列)	At 1 January 2022 於二零二二年 一月 一日 RMB'000 人民幣千元 (restated) (經重列)
Equity attributable to shareholders	股東應佔權益				
Share capital	股本	28	175,202	160,663	160,663
Reserves	儲備	29	492,882	369,297	328,023
			668,084	529,960	488,686
Non-controlling interests	非控制性權益		4,221	87,633	84,764
Total equity	總權益		672,305	617,593	573,450

The consolidated financial statements on pages 63 to 136 were approved by the board of directors on 26 March 2024 and were signed on its behalf.

第63至136頁之綜合財務報表已獲董事會於二零二四年三月二十六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 2023 截至二零二三年十二月三十一日止年度

		Attributable to shareholders 股東應佔			Non-controlling interests 非控制性權益	Total 總計
		Share capital 股本	Reserves 儲備			
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
At 1 January 2022 (restated)	於二零二二年一月一日 (經重列)	160,663	328,023	84,764	573,450	
Profit for the year	年內盈利	–	37,136	439	37,575	
Currency translation differences	匯兌差額	–	454	2,430	2,884	
Total comprehensive income	全面收益總額	–	37,590	2,869	40,459	
Share option scheme: – Value of grantee services	購股權計劃： – 承授人服務價值	29	3,684	–	3,684	
Total transactions with shareholders	與股東交易總額	–	3,684	–	3,684	
At 31 December 2022 and 1 January 2023 (restated)	於二零二二年十二月三十一日及二零二三年一月一日 (經重列)	160,663	369,297	87,633	617,593	
Profit for the year	年內盈利	–	62,435	437	62,872	
Currency translation differences	匯兌差額	–	(225)	907	682	
Total comprehensive income	全面收益總額	–	62,210	1,344	63,554	
Conversion of convertible notes	轉換可換股債券		14,539	17,592	32,131	
Changes in ownership interest in a subsidiary without change of control	於附屬公司的所有權權益變動而未發生控制權變動	36(iii)	–	42,256	(84,756)	
Share option scheme: – Value of grantee services	購股權計劃： – 承授人服務價值	29	–	1,527	–	
Total transactions with shareholders	與股東交易總額		14,539	61,375	(84,756)	
At 31 December 2023	於二零二三年十二月三十一日	175,202	492,882	4,221	672,305	

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 2023 截至二零二三年十二月三十一日止年度

		Note 附註	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Operating activities	經營活動			
Cash generated from operations	營運產生之現金	31(i)	116,224	121,297
Income tax paid	已付所得稅		(332)	(990)
Net cash generated from operating activities	經營活動產生之現金淨額		115,892	120,307
Investing activities	投資活動			
Investment in financial assets at fair value through profit or loss	按公平價值計入損益之金融資產之投資		(31,804)	(30,000)
Proceeds from redemption of financial assets at fair value through profit or loss	贖回按公平價值計入損益之金融資產之收款		42,319	–
Acquisition of property, plant and equipment	購置物業、廠房及設備		(2,475)	(974)
Proceeds from disposal of investment properties	出售投資物業之收款	31(ii)	1,780	–
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之收款	31(ii)	158	52
Bank interest received	已收銀行利息		7,840	4,571
Net cash generated from/(used in) investing activities	投資活動產生/(所用)之現金淨額		17,818	(26,351)
Financing activities	融資活動			
Principal element of lease payments	租賃付款之本金部分		(4,814)	(2,828)
Interest element of lease payments	租賃付款之利息部分		(431)	(277)
Acquisition of non-controlling interests	收購非控制性權益		(42,500)	–
Net cash used in financing activities	融資活動所用之現金淨額		(47,745)	(3,105)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額		85,965	90,851
Cash and cash equivalents as at 1 January	於一月一日之現金及現金等價物		279,639	185,903
Effect of foreign exchange rate changes	匯率變動影響		669	2,885
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	23	366,273	279,639

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 licensing, distribution and sale of footwear products 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 Renminbi (“RMB”), unless otherwise stated.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION

This note provides a list of the accounting policies adopted in the preparation of these consolidated financial statements.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collectively includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which is measured at fair value.

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 judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

1 一般資料

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

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，此綜合財務報表以人民幣（「人民幣」）列值。

2 會計政策資料概要

本附註表列了編製這些合併財務報表時所採用的會計政策。

2.1 編製基準

本集團綜合財務報表乃按照所有適用的香港財務報告準則（「香港財務報告準則」）、香港公認會計原則及香港公司條例之規定而編製。香港財務報告準則包括香港會計師公會（「香港會計師公會」）頒佈之所有適用個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋。除按公平價值計入損益的金融資產按公平價值計量外，綜合財務報表乃按歷史成本法編製。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

(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 2023:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
Amendments to HKAS 12 and HKFRS 17	International Tax Reform - Pillar Two Model Rules Insurance Contracts
Amendments to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information

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

2 會計政策資料概要(續)

2.1 編製基準(續)

(i) 本集團採納之新準則及準則之修訂

本集團已於二零二三年一月一日開始之年度報告期間首次應用以下新準則及準則之修訂：

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
香港會計準則第8號之修訂	會計估計的定義
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
香港會計準則第12號之修訂	國際稅務變革 – 支柱二示範規則
香港財務報告準則第17號	保險合同
香港財務報告準則第17號之修訂	香港財務報告準則第17號及香港財務報告準則第9號之初步應用 – 比較資料

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 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

(ii) Amended standards and interpretations not yet adopted

Certain amended standards and interpretations have been published that are not yet effective for annual period ended on 31 December 2023 and have not been early adopted by the Group. These amended standards and 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 HKAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Revised Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ¹
Amendments to HKAS 21	Lack of Exchangeability 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 reporting period beginning on 1 January 2024

² Effective for reporting period beginning on 1 January 2025

³ Effective for reporting period beginning on or after a date to be determined

2 會計政策資料概要(續)

2.1 編製基準(續)

(ii) 尚未採納之準則之修訂及詮釋

本集團並無提早採納已頒佈但於截至二零二三年十二月三十一日止年度期間尚未強制生效之若干準則之修訂及詮釋。該等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。

香港會計準則第1號之修訂	將負債分類為流動或非流動及附帶契約的非流動負債 ¹
香港財務報告準則第16號之修訂	售後租回的租賃負債 ¹
香港會計準則第7號及香港財務報告準則第7號之修訂	供應商融資安排 ¹
香港詮釋第5號(經修正)	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 ¹
香港會計準則第21號之修訂	缺乏可兌換性 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 於二零二四年一月一日開始之報告期間生效

² 於二零二五年一月一日開始之報告期間生效

³ 開始生效之報告期間尚待確定

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Change in presentation currency

During the year, the Group has changed its presentation currency from Hong Kong dollars (“HK\$”) to RMB for the preparation of its consolidated financial statements.

As the principal activities of the Group are mainly conducted in Mainland China where the functional currencies of those subsidiaries are RMB, the directors of the Company consider that the change would result in a more relevant presentation of the Group’s transactions in the consolidated financial statements.

Following the change in presentation currency, the financial information as previously reported has been retranslated in accordance with the provisions in HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKAS 21 “The Effects of Changes in Foreign Exchange Rates” as if RMB had always been the Group’s presentation currency unless it is impracticable to do so.

Hence, the Group’s financial information as previously reported has been re-translated using the procedures outlined below:

- Assets and liabilities of foreign operations where the functional currency is not RMB have been translated into RMB at the relevant closing rates of exchange;
- Share capital, share premium and other reserves denominated in HK\$ have been translated at historical rates prevailing at the dates of transactions;
- As for retained profits and currency translation reserve, since it is impracticable to reproduce the financial records before 1 January 1999, the directors of the Company apply the change in presentation currency prospectively from 1 January 1999. The retained profits arising from the Group’s entities whose functional currency was not RMB on 1 January 1999 were translated into RMB at the closing rate of exchange on 31 December 1998. Profit and loss items since 1 January 1999 have been translated into RMB at the relevant average rates of exchange. Differences arising from the retranslation of the net assets are recognised in the currency translation reserve.

In addition to the comparative information in respect of the previous period provided in the consolidated financial statements, the Group presents an additional consolidated balance sheet as at 1 January 2022 due to the change of presentation currency in accordance with HKAS 1 “Presentation of Financial Statements”.

2 會計政策資料概要(續)

2.2 更改呈列貨幣

於年內，本集團就編製其綜合財務報表已將其呈列貨幣由港元(「港元」)更改為人民幣。

由於本集團的主要業務活動主要於中國大陸進行，而該等附屬公司的功能貨幣以人民幣計值，故本公司董事認為，有關更改將促使本集團的交易於綜合財務報表內得到更好的呈列。

於更改呈列貨幣後，過往報告的財務資料已根據香港會計準則第8號的條文「會計政策、會計估計變動及錯誤」及香港會計準則第21號的條文「外匯匯率變動的影響」重新換算，猶如人民幣一直為本集團的呈列貨幣，除非無法如此換算。

因此，本集團過往報告的財務資料已使用下列程序重新換算：

- 功能貨幣並非為人民幣之海外經營資產及負債已按有關期末匯率換算為人民幣；
- 按港元計值之股本、股份溢價及其他儲備已按交易日期之歷史匯率進行換算；
- 關於保留盈利及匯兌儲備，由於無法重新編製一九九九年一月一日前之財務記錄，故本公司董事只能自一九九九年一月一日起應用更改呈列貨幣。於一九九九年一月一日功能貨幣並非人民幣之本集團實體產生之保留盈利按於一九九八年十二月三十一日之期末匯率換算為人民幣。自一九九九年一月一日起之損益項目已按有關平均匯率換算為人民幣。重新換算資產淨值所產生的差額於滙兌儲備中確認。

除涉及過往期間於綜合財務報表提供之比較資料外，根據香港會計準則第1號「財務報表之呈列」，本集團因更改呈列貨幣而呈列於二零二二年一月一日之額外綜合資產負債表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies

2.3.1 Consolidation

The consolidated financial statements including the financial statements of the Company and all of its subsidiaries are 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 fair values at acquisition date, unless another measurement basis is required by HKFRSs. Acquisition-related costs are expensed as incurred.

2 會計政策資料概要(續)

2.3 重大會計政策概要

2.3.1 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 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.1 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.

2 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.1 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) 聯營公司及合資安排

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.1 Consolidation (Continued)

(ii) Associates and joint arrangements (Continued)

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

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of loss in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further loss, 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 profit of associates and a joint venture" in the consolidated income statement.

Profit or loss 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.

2 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.1 綜合賬目(續)

(ii) 聯營公司及合資安排(續)

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

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

本集團會於各個結算日評估是否有事件或情況轉變顯示可能無法收回賬面值，致使於聯營公司及合資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資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之盈利」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盈利或虧損在本集團綜合財務報表內確認，僅以非相關投資者於聯營公司的權益為限。未變現虧損予以撇除，除非該交易提供所轉讓資產減值的證據。聯營公司的會計政策在需要時已予變動，以確保與本集團採納的政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.1 Consolidation (Continued)

(ii) Associates and joint arrangements (Continued)

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

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

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

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 losses are 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 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.1 綜合賬目(續)

(ii) 聯營公司及合資安排(續)

聯營公司股權攤薄的收益或虧損於綜合收益表內確認。

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

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investments. 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.

2.3.3 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.

2.3.4 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 RMB, which is the Company's functional currency.

2 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.2 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。

2.3.3 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。

2.3.4 外幣換算

(i) 功能及呈列貨幣

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。綜合財務報表以本公司之功能貨幣人民幣列值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.4 Foreign currency translation (Continued)

(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
- all resulting exchange differences are recognised in other comprehensive income.

2 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.4 外幣換算(續)

(ii) 交易及結餘

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

功能貨幣有別於呈列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列貨幣：

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.4 Foreign currency translation (Continued)

(iii) Group companies (Continued)

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 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.4 外幣換算(續)

(iii) 集團公司(續)

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

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

(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 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.5 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:

Leasehold improvements	Over the lease terms or 2 to 5 years, whichever is shorter
Furniture, fixtures and equipment	5 years
Motor vehicles	5 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 2.3.7).

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 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.5 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攤至其剩餘價值(如適用)計算如下:

租賃物業裝修	按租期或2至5年(以較短者為準)
傢俱、固定裝置及設備	5年
汽車	5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2.3.7)。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.6 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 accumulated impairment, if any.

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

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

The residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying amounts of investment properties 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 2.3.7).

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

2 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.6 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(如有)列賬。

歷史成本值包括收購該等資產直接應佔開支。僅於與有關物業有關連的未來經濟利益將可能流入本集團以及能可靠地計量有關物業成本時,其後成本才會包括入資產賬面值。所有其他維修及保養費用於其產生的財政期間,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,並定期檢討投資物業之賬面值。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2.3.7)。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.7 Impairment of non-financial assets

Non-financial 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 level 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.

2.3.8 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.

2.3.9 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 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.7 非金融資產減值

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

2.3.8 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。

2.3.9 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)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.10 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.

2.3.11 Current and deferred income taxes

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

(i) Current income tax

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

(ii) Deferred income tax

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 at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

2 會計政策資料概要 (續)

2.3 重大會計政策概要 (續)

2.3.10 現金及現金等價物

現金及現金等價物包括手頭現金及原訂於三個月或以內到期之銀行活期存款。

2.3.11 即期及遞延所得稅項

本年度所得稅項包括即期及遞延稅項。所得稅項於綜合收益表確認，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，所得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。

(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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.11 Current and deferred income taxes (Continued)

(ii) *Deferred income tax (Continued)*

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax base 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 be reversed 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.

2.3.12 Employee benefits

(i) *Bonus plans*

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

(ii) *Pension obligations*

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

2 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.11 即期及遞延所得稅項(續)

(ii) *遞延所得稅項(續)*

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。

2.3.12 僱員福利

(i) *花紅計劃*

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

(ii) *退休金責任*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.12 Employee benefits (Continued)

(iii) Share-based compensation

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 employees 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 (at nominal value) and share premium when the options are exercised.

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

2 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.12 僱員福利(續)

(iii) 以股份為基礎之補償

本集團推行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。開支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(按面值)及股份溢價中。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.12 Employee benefits (Continued)

(iii) Share-based compensation (Continued)

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.

(iv) Termination benefits

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

(v) Employee leave entitlements

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

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

2 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.12 僱員福利(續)

(iii) 以股份為基礎之補償(續)

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。

(iv) 辭退福利

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

(v) 僱員假期權利

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

直至放取假期時才確認僱員享有病假及產假的權利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.13 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will be recorded in profit or loss. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

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

(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.

2 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.13 投資和其他金融資產

(i) 分類

本集團將其金融資產劃分為以下計量類別：

- 後續以公平價值計入損益計量；以及
- 按攤銷成本計量。

分類取決於本集團管理金融資產的業務模式和現金流的合同條款。

對於以公平價值計量的資產，收益和虧損將計入損益中。當且僅當其管理這些資產的業務模式發生變化時，本集團才會對債務投資進行重新分類。

(ii) 確認及終止確認

金融資產之常規買賣於交易日期確認，交易日期即本集團承諾買賣資產之日期。自金融資產收取現金流量之權利已屆滿或已轉讓，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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.13 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Subsequent measurement depends on the Group's business model for managing the asset and the cash flow characteristics of the assets. There are two categories which the Group classifies its financial assets:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in "other income" using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other losses – net", together with foreign exchange gains or losses.
- **FVPL:** Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss that is subsequently measured at FVPL is recognised in profit or loss and presented net within "other losses – net" in the period in which it arises.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVPL. 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 lifetime expected credit loss to be recognised from initial recognition of the receivables, see Note 3.1(iii) for further details.

2.3.14 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 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.13 投資和其他金融資產(續)

(iii) 計量(續)

後續計量取決於本集團管理資產的業務模式及資產的現金流量特徵。本集團將其金融資產分為兩大類：

- **攤銷成本：**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，並連同匯兌收益或虧損一併於「其他虧損－淨額」列賬。
- **按公平價值計入損益：**不符合攤銷成本條件的資產以按公平價值計入損益計量。後續以按公平價值計入損益計量的收益或虧損計入損益，並在其產生期間以「其他虧損－淨額」列賬。

(iv) 減值

本集團以前瞻性基準評估與按攤銷成本和按公平價值計入損益列賬的金融資產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，該方法規定全期預期信貸虧損於初步確認應收賬款時確認，詳情請參閱附註3.1(iii)。

2.3.14 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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.15 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.

2.3.16 Leases

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from leases are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

2 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.15 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。

2.3.16 租賃

租賃在租賃資產可供本集團使用當日確認為使用權資產和相應負債。

合同可能同時包含租賃和非租賃組成部分。本集團基於各租賃與非租賃組成部分的單獨價格相對比例分攤合同對價。不過，對於本集團作為承租人的房地產租賃，本集團已選擇不拆分租賃與非租賃組成部分，而是將其作為一項單一的租賃組成部分進行會計處理。

租賃產生的資產和負債按現值進行初始計量。租賃負債包括以下租賃付款額的淨現值：

- 固定付款額(包括實質固定付款額)，扣除任何應收的租賃激勵；
- 基於指數或比率確定的可變租賃付款額，採用租賃期開始日的指數或比率進行初始計量；
- 本集團根據餘值擔保預計應付的金額；
- 本集團合理確定將行使的購買選擇權的行使價；及
- 在租賃期反映出本集團將行使選擇權的情況下終止租賃的罰款金額。

當本集團合理確定將行使續租選擇權時，租賃付款額也納入負債的計量中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.16 Leases (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment.

2 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.16 租賃(續)

租賃付款額按租賃內含利率折現。本集團的租賃內含利率通常無法直接確定，在此情況下，應採用承租人的增量借款利率，即承租人在類似經濟環境下獲得與使用權資產價值接近的資產，在類似期間以類似抵押條件借入資金而必須支付的利率。

為確定增量借款利率，本集團以個別承租人最近收到的第三方融資為起點，並進行調整以反映融資條件自收到第三方融資後的變化。

租賃付款額在本金和融資費用之間進行分攤。融資費用在租賃期內計入損益，以按照固定的週期性利率對各期間負債餘額計算利息。

使用權資產按成本計量，包括：

- 租賃負債的初始計量金額；
- 在租賃期開始日或之前支付的租賃付款額扣除收到的租賃激勵；
- 初始直接費用；及
- 復原成本。

使用權資產一般在資產的使用壽命與租賃期兩者孰短的期間內按直線法計提折舊。如本集團合理確定會行使購買權，則在標的資產的使用壽命期間內對使用權資產計提折舊。

與低價值資產租賃相關的付款額按直線法確認為費用，計入損益。短期租賃是指租賃期為十二個月或者更短的租賃。低價值資產包括辦公設備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.16 Leases (Continued)

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.

2.3.17 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 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 the 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 convertible notes are converted or redeemed.

If the convertible 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 convertible notes are redeemed, the equity component is transferred to retained profits.

2.3.18 Dividend distribution

Dividend distribution to 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 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.16 租賃(續)

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。

2.3.17 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。權益部分則於可換股債券被轉換或贖回前並扣除任何稅務影響後，於權益確認。

倘可換股債券獲轉換，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。倘可換股債券獲贖回，則權益部分會轉撥至保留盈利。

2.3.18 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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policies (Continued)

2.3.19 Revenue recognition

(i) Licensing fee income

Licensing fee income represents revenues from franchisees. Revenue is recognised when control of the Group's authenticated products is transferred 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.

Rebates 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.

(ii) Sale of goods

Sales are recognised when control of the products has transferred, being when the products are delivered to customers, and there is no unfulfilled obligation that could affect the customer 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 discounts. No element of financing is deemed present.

(iii) Contract liability

A contract liability is recognised if the measure of the remaining performance obligation exceeds the measure of the remaining rights to payments from customers.

2.3.20 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 會計政策資料概要(續)

2.3 重大會計政策概要(續)

2.3.19 收益確認

(i) 許可權費收入

許可權費收入代表來自加盟商的收益。當本集團特許產品的控制權轉移到加盟商，而產品交付給加盟商後，收益將被確認。收益是扣除授予加盟商的回扣之淨額列賬，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。

(ii) 銷售貨品

銷售於貨品之控制權轉移時確認，即貨品送抵客戶，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折扣後確認，並排除融資成份的存在。

(iii) 合約負債

若剩餘的履約義務超過剩餘的客戶付款權，則確認合約負債。

2.3.20 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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Summary of other accounting policies

2.4.1 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 amount 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.

2.4.2 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.

2.4.3 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.

2.4.4 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 會計政策資料概要(續)

2.4 其他會計政策概要

2.4.1 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。

2.4.2 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。

2.4.3 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。

2.4.4 每股盈利

(i) 每股基本盈利

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 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Summary of other accounting policies (Continued)

2.4.4 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 business 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

Foreign exchange risk arises from commercial transactions and recognised assets and liabilities denominated in currencies other than the functional currency of the Group's entities to which they operate. 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 significant fluctuation in the relevant foreign currency is anticipated.

As at 31 December 2023, if the HK\$ had strengthened/weakened by 5% against the RMB with all other variables held constant, the profit before income tax for the year would have increased/decreased by approximately RMB339,000 (2022: RMB646,000) as a result of the translation of HK\$ denominated cash and cash equivalents, receivables and payables.

2 會計政策資料概要(續)

2.4 其他會計政策概要(續)

2.4.4 每股盈利(續)

(ii) 每股攤薄盈利

每股攤薄盈利已考慮調整用於確定每股基本盈利的數據，包括：

- 與攤薄性的潛在普通股相關除所得稅影響後的利息和其他融資成本；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

本集團業務活動面臨多項財務風險：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

外匯風險來自商業交易及以本集團實體營運之功能貨幣以外之貨幣計值之已確認資產及負債。本集團面臨來自多種貨幣(主要涉及港元)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。

於二零二三年十二月三十一日，若港元兌人民幣升值/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，年內除所得稅前盈利將增加/減少約人民幣339,000元(二零二二年：人民幣646,000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's exposure to cash flow interest rate risk is mainly arising from its cash at bank which bears interest at floating rates. As at 31 December 2023, if interest rates on cash at bank had been 50 basis points higher/lower with all other variables held constant, profit before income tax for the year would have increased/decreased RMB1,831,000 (2022: RMB1,398,000), mainly as a result of higher/lower bank interest income.

(iii) Credit risk

The carrying amounts of trade receivables, deposits and other receivables 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 transfers of goods.

The majority of the Group's trade and other receivables arises 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. The Group considered that the expected credit loss was minimal.

As at 31 December 2023 and 2022, 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

本集團所面臨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。於二零二三年十二月三十一日，若銀行存款利率上調/下調50個基點，而所有其他變量不變，則年內除所得稅前盈利將增加/減少人民幣1,831,000元（二零二二年：人民幣1,398,000元），主要是由於銀行利息收入上升/下降所致。

(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、按金及其他應收賬款及銀行存款之賬面值。自加盟商收取的許可權費收入於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。本集團認為預期信貸虧損很少。

於二零二二年及二零二三年十二月三十一日，本集團絕大部分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。本集團訂有政策限制其承受任何金融機構之信貸風險，管理層預期不會承擔該等交易對手不履約所產生的任何重大損失。

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 simplified approach prescribed in HKFRS 9 to measure expected credit losses which uses a lifetime expected credit loss allowance for 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 2023 and the corresponding historical credit losses experienced within the 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 allowances as at 31 December 2023 were determined as follows:

		Current 即期 RMB'000 人民幣千元	1-30 days past due 逾期1至30日 RMB'000 人民幣千元	31-60 days past due 逾期31至60日 RMB'000 人民幣千元	Over 60 days past due 逾期超過60日 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2023	於二零二三年十二月三十一日					
Gross carrying amount	總賬面值	3,080	-	-	11,441	14,521
Loss allowance	虧損撥備	-	-	-	(11,250)	(11,250)
Expected credit loss rate	預期信貸虧損率	0%	0%	0%	98%	
At 31 December 2022 (restated)	於二零二二年十二月三十一日 (經重列)					
Gross carrying amount	總賬面值	11,387	-	-	11,439	22,826
Loss allowance	虧損撥備	-	-	-	(11,439)	(11,439)
Expected credit loss rate	預期信貸虧損率	0%	0%	0%	100%	

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信貸虧損撥備。

為計量預期信貸虧損，貿易應收賬款已根據賬齡及共同信貸風險特徵分組。預期信貸虧損率基於二零二三年十二月三十一日前二十四個月內銷售的支付情況以及期間發生的相應歷史信貸虧損釐定。歷史信貸虧損率已作出調整，以反映影響客戶結算應收賬款能力的當前及前瞻性宏觀經濟因素資料。按此基準，於二零二三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:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
At 1 January	於一月一日	11,439	15,378
Increase/(decrease) in loss allowance recognised in profit or loss during the year	年內於損益中確認的虧損撥備增加/(減少)	2,114	(568)
Written off during the year	年內報損	(2,303)	(3,371)
At 31 December	於十二月三十一日	11,250	11,439

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 credit 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 at its lifetime expected credit loss.

As at 31 December 2023, the loss allowance balance for expected credit loss assessed by management on other receivables was RMB10,551,000 (2022: RMB14,443,000), written off as uncollectable was RMB3,769,000 (2022: RMB398,000) and a credit of RMB123,000 (2022: RMB163,000) 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 was determined to be immaterial as at 31 December 2023 and 2022.

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：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
At 1 January	於一月一日	11,439	15,378
Increase/(decrease) in loss allowance recognised in profit or loss during the year	年內於損益中確認的虧損撥備增加/(減少)	2,114	(568)
Written off during the year	年內報損	(2,303)	(3,371)
At 31 December	於十二月三十一日	11,250	11,439

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信貸虧損入賬。倘應收賬款之信貸風險自初始確認以來顯著增加，則減值按其全期預期信貸虧損計量。

於二零二三年十二月三十一日，管理層就其他應收賬款評估的預期信貸虧損之虧損撥備結餘為人民幣10,551,000元（二零二二年：人民幣14,443,000元），作為無法收回之報損為人民幣3,769,000元（二零二二年：人民幣398,000元），及年內於損益中確認扣除人民幣123,000元（二零二二年：人民幣163,000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，於二零二二年及二零二三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 2023, the Group recorded a profit before income tax of approximately RMB63,440,000. The Group also recorded net cash generated from operating activities of RMB115,892,000. As at 31 December 2023, the Group had cash and cash equivalents of RMB366,273,000 that are expected to readily generate cash inflows for managing liquidity risk.

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. The undiscounted amounts of trade and other payables disclosed are equal to their carrying amounts, as the impact of discounting was not significant as at 31 December 2023.

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滿足營運需求。

截至二零二三年十二月三十一日止年度，本集團錄得除所得稅前盈利約人民幣63,440,000元。本集團亦錄得經營活動產生之現金淨額人民幣115,892,000元。於二零二三年十二月三十一日，本集團錄得現金及現金等價物人民幣366,273,000元，預期該等現金及現金等價物將隨時產生現金流入以管理流動資金風險。

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。於二零二三年十二月三十一日，由於貼現影響並不重大，披露的貿易及其他應付賬款的未貼現金額與其賬面值相同。

		Within 1 year 一年內 RMB'000 人民幣千元	Between 1 and 5 years 一至五年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2023	於二零二三年十二月三十一日			
Trade payables	貿易應付賬款	37,153	-	37,153
Accrued charges and other payables	應計費用及其他應付賬款	18,577	-	18,577
Lease liabilities	租賃負債	6,116	3,539	9,655
		61,846	3,539	65,385
At 31 December 2022 (restated)	於二零二二年十二月三十一日 (經重列)			
Trade payables	貿易應付賬款	31,329	-	31,329
Accrued charges and other payables	應計費用及其他應付賬款	16,237	-	16,237
Lease liabilities	租賃負債	3,696	3,944	7,640
Convertible notes	可換股債券	32,131	-	32,131
		83,393	3,944	87,337

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Fair value estimation of financial instruments

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Financial assets	金融資產	Level 1 第一層 RMB'000 人民幣千元	Level 2 第二層 RMB'000 人民幣千元	Level 3 第三層 RMB'000 人民幣千元
At 31 December 2023 FVPL – Unlisted financial investments in certificates of deposit (Note 22)	於二零二三年十二月三十一日 按公平價值計入損益 – 於大額存單之 非上市金融投資 (附註22)	–	21,312	–
At 31 December 2022 (restated) FVPL – Unlisted financial investment in wealth management product (Note 22)	於二零二二年十二月三十一日 (經重列) 按公平價值計入損益 – 於理財產品之 非上市金融 投資 (附註22)	–	–	30,687

There were no transfers between level 1, 2 and 3 during the year.

Level 1: The fair value of financial instruments traded in active markets (e.g. publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for the financial assets is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value of the instruments are observable, the instruments are included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instruments are included in level 3.

年內並無在第一層、第二層和第三層之間發生轉移。

第一層：在活躍市場交易的金融工具（如公開交易的衍生品和股權證券）的公平價值是基於報告期末的市場報價。金融資產的市場報價為當時買盤價。這些工具包括在第一層。

第二層：不在活躍市場上交易的金融工具（如場外衍生品）的公平價值使用估值技術釐定，該技術最大限度地利用可觀察的市場數據，並盡可能少地依賴針對實體的特定估計。如果該工具的公平價值所需的所有重要資料都是可觀察的，那麼該工具被列入第二層。

第三層：如果一項或多項重要資料並非基於可觀察的市場資料，則該工具被列入第三層。

3 財務風險管理 (續)

3.2 金融工具之公平價值估計

(i) 公平價值層級

本節闡釋了在確定綜合財務報表中以公平價值確認和計量的金融工具的公平價值時所採用的判斷和估計。為顯示用於確定公平價值之資料的可靠性，本集團將金融工具分為會計準則規定的三個級別。對每個級別的闡釋參見下表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Fair value estimation of financial instruments (Continued)

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; or
- Other techniques, such as discounted cash flow analysis, are used to determine fair value.

As at 31 December 2023, the fair value of the certificates of deposit classified as level 2 financial assets as their fair values are determined based on the use of observable market data. As at 31 December 2022, the fair value of the wealth management product was based on the quote provided by a financial institute with reference to the net asset values of the underlying investments. The fair value was within level 3 of the fair value hierarchy.

Details of the fair value of the investment properties are disclosed in Note 14.

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 2023, the Group had a net cash (2022: net cash) position, being the balances of cash and cash equivalents which exceeded the aggregate carrying amounts of convertible notes and lease liabilities of approximately RMB356,988,000 (2022: RMB244,092,000).

3 財務風險管理(續)

3.2 金融工具之公平價值估計(續)

(ii) 釐定公平價值的估值技術

用來評估金融工具價值的具體估值技術包括：

- 類似金融工具的市場報價或交易商報價；或
- 現金流折現分析等其他技術用來釐定公平價值。

於二零二三年十二月三十一日，大額存單的公平價值按利用可觀察的市場數據而釐定，因此分類為第二層金融資產。於二零二二年十二月三十一日，理財產品的公平價值基於金融機構參考相關投資的淨資產價值提供的報價釐定。該公平價值列入公平價值層級中的第三層。

投資物業的公平價值詳情披露於附註14。

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。

於二零二三年十二月三十一日，本集團擁有淨現金(二零二二年：淨現金)狀況(即現金及現金等價物結餘超出可換股債券及租賃負債合計之賬面總值，約人民幣356,988,000元(二零二二年：人民幣244,092,000元))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

4.2 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.

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。

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未來將保留部分盈利，而不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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.3 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1(iii).

4.4 Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on current market conditions and the historical experience of selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to industry cycles. Management reassesses the estimation at each reporting period.

5 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in licensing, distribution and sale 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 of the Company, for the purposes of resources allocation and assessment of performance, focused specifically on the revenue and the profit or loss of the Group as a whole. Hence, the directors of the Company 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. Accordingly, no geographical information is presented.

4 重要會計估計及判斷(續)

4.3 金融資產的減值

金融資產的虧損撥備基於對違約風險和預期信貸虧損率的假設。本集團在做出這些假設和選擇減值計算的資料時，會根據本集團過去的歷史、市場現狀條件，以及各個報告期間期末時的前瞻性估計進行判斷。所使用的關鍵假設和資料的詳情披露於附註3.1(iii)。

4.4 存貨的可變現淨值

存貨的可變現淨值為日常業務活動的估計售價扣減估計完成成本及銷售開支。該等估計基於當前市況及銷售類似性質產品的過往經驗，可能因客戶偏好變化及競爭對手為應對行業週期所採取的行動而顯著變化。管理層於各報告期間重新評估有關估計。

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授權許可、分銷及銷售業務。

本公司執行董事已認定為主要經營決策者。就資源分配及表現評估向本公司執行董事報告的資料特別集中於本集團整體收益及損益。因此，本公司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，因此未呈列地區資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION 5 收益及分部資料(續) (CONTINUED)

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Licensing fee income	許可權費收入	103,623	81,032
Sales of goods	貨品銷售	159,021	91,061
		262,644	172,093

The five largest customers accounted for approximately 84% (2022: 70%) of the revenue of the Group for the year ended 31 December 2023. Revenue individually generated from the following customers contributed more than 10% of the total revenue of the Group:

截至二零二三年十二月三十一日止年度，五大客戶佔本集團的收益約84%（二零二二年：70%）。來自以下客戶產生的個別收益超過本集團收益總額之10%：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Customer A	客戶A	91,863	24,215
Customer B	客戶B	48,932	47,626
Customer C	客戶C	33,847	N/A*不適用*
Customer D	客戶D	N/A*不適用*	23,900

* The revenue from the respective customers was less than 10% of the total revenue of the Group.

* 來自各客戶的收益佔本集團總收益不足10%。

Contract liabilities pertain to the non-refundable advance payment made by customers and rebates yet to be claimed by franchisees which will be settled by goods only. There were no significant changes in contract liabilities during the year ended 31 December 2023. The Group recognised the following liabilities related to contracts with customers as at 31 December 2023:

合約負債與客戶支付的不可退還預付款和加盟商尚未動用之僅以貨品結算的回扣有關。截至二零二三年十二月三十一日止年度，合約負債概無重大變動。於二零二三年十二月三十一日，本集團已確認以下與客戶合約相關的負債：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Contract liabilities	合約負債	34,201	33,175

For the year ended 31 December 2023, the revenue recognised that was included in the contract liabilities balance at the beginning of the year was RMB31,151,000 (2022: RMB 8,063,000).

截至二零二三年十二月三十一日止年度，計入年初合約負債餘額的已確認收益為人民幣31,151,000元（二零二二年：人民幣8,063,000元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 OTHER INCOME

6 其他收入

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Government subsidies (Note)	政府補貼 (附註)	326	306
Gross rental income (Note 14)	租金收入總額 (附註14)	46,025	37,938
Interest income	利息收入	7,840	4,571
Others	其他	5,440	4,598
		59,631	47,413

Note: For the year ended 31 December 2023, government subsidies mainly represented financial aids provided to the subsidiaries of the Company by the local government in Mainland China. There were no unfulfilled conditions or other contingencies attaching to these subsidies.

附註：截至二零二三年十二月三十一日止年度，政府補貼主要指中國大陸地方政府向本公司之附屬公司提供的財政補貼。該等補貼概無附帶未達成之條件或其他或然事項。

7 OTHER LOSSES – NET

7 其他虧損－淨額

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Fair value gain on financial assets at FVPL (Note 22)	按公平價值計入損益之金融資產的公平價值收益 (附註22)	1,140	687
Gain/(Loss) on disposal of property, plant and equipment	出售物業、廠房及設備之收益/(虧損)	157	(9)
Impairment loss of certain investment properties (Note 14)	若干投資物業之減值虧損 (附註14)	(6,065)	(16,000)
Loss on disposal of investment properties	出售投資物業之虧損	(7,192)	–
Net exchange (loss)/gain	匯兌 (虧損)/收益淨額	(470)	1,419
		(12,430)	(13,903)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 OPERATING PROFIT

Operating profit is stated after charging the following:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Auditors' remuneration	核數師酬金	1,957	1,806
Cost of inventories sold, net of provision	已售存貨成本(扣除撥備)	131,259	73,691
Depreciation of investment properties	投資物業折舊	17,128	16,670
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,083	2,719
Depreciation of right-of-use assets	使用權資產折舊	4,625	2,619
Employee benefits expense (Note 13)	僱員福利開支(附註13)	42,815	38,791
Impairment loss of property, plant and equipment (Note 15)	物業、廠房及設備減值虧損(附註15)	675	-
Impairment loss of right-of-use assets (Note 16)	使用權資產減值虧損(附註16)	4,779	-
Marketing and promotion expenses	市場及推廣開支	14,766	8,077

8 經營盈利

經營盈利已扣除下列各項：

9 FINANCE COSTS

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Interest on convertible notes	可換股債券利息	3,824	4,300
Interest on lease liabilities	租賃負債利息	431	277
		4,255	4,577

9 財務成本

10 INCOME TAX EXPENSE

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Current income tax	即期所得稅項	332	330
Deferred income tax (Note 27)	遞延所得稅項(附註27)	236	-
		568	330

10 所得稅開支

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 INCOME TAX EXPENSE (CONTINUED)

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of 25% as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Profit before income tax	除所得稅前盈利	63,440	37,905
Income tax expense calculated at tax rate of 25%	以25%稅率計算的所得稅開支	(15,860)	(9,476)
Effects of different overseas tax rates	不同海外稅率的影響	(1,445)	(1,682)
Income not subject to tax	毋須繳稅收入	385	389
Expenses not deductible for tax purposes	不可扣稅開支	(4,306)	(3,250)
Tax losses for which no deferred tax asset was recognised	未確認遞延稅項資產之稅項虧損	(3,022)	(3,046)
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	24,010	17,800
Withholding taxes on royalties in Mainland China	於中國大陸的專營權費預扣稅	(330)	(330)
Others	其他	-	(735)
Income tax expense	所得稅開支	(568)	(330)

Hong Kong Profits Tax is calculated at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong, except for the first HK\$2,000,000 of qualified entity's assessable profit is calculated at 8.25%, which is in accordance with the two-tiered profits tax rates regime. No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Group did not have any assessable profit arising in Hong Kong during the two years ended 31 December 2023 and 2022.

Provision for China corporate income tax is calculated based on the statutory tax rate of 25% (2022: 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. Withholding tax on royalties at a reduced rate of 7% (2022: 7%) by treaty is applied to the Group's entities incorporated in Hong Kong for royalties received or receivable, net with value-added tax.

10 所得稅開支(續)

本集團除所得稅前盈利之所得稅不同於使用25%的稅率計算得出的理論金額如下：

按照利得稅兩級制的機制，除合資格實體的首2,000,000港元應課稅盈利將按8.25%徵稅外，香港利得稅是按估計應課稅盈利按稅率16.5%（二零二二年：16.5%）計算。由於本集團於截至二零二二年及二零二三年十二月三十一日止兩個年度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%（二零二二年：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之股息分派須繳納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%（二零二二年：7%）稅率繳納專營權費預扣稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to shareholders of RMB62,435,000 (2022: RMB37,136,000) by the weighted average number of 1,849,669,780 (2022: 1,814,056,622) shares in issue for the year ended 31 December 2023.

Share options of the Company were not dilutive as the exercise price of the share options exceeded the average market price of the Company's shares during the two years ended 31 December 2023 and 2022 and were excluded in the calculation of diluted earnings per share. In addition, the computation of diluted earnings per share for the year ended 31 December 2022 did not assume the conversion of convertible notes since it would have an anti-dilutive impact. Therefore, for each of the two years ended 31 December 2023 and 2022, basic and diluted earnings per share were the same.

12 DIVIDENDS

The board of directors of the Company recommended the payment of a final dividend of HK\$0.01 per share in respect of the year ended 31 December 2023 (2022: Nil), totalling approximately RMB17,526,000 (2022: Nil). The proposed final dividend is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting. These consolidated financial statements do not reflect the financial impact of this proposed final dividend for the year ended 31 December 2023.

13 EMPLOYEE BENEFITS EXPENSE

Employee benefits expense, including directors' emoluments, represents:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Salaries and allowances	薪金及津貼	34,081	29,960
Discretionary bonus	酌情花紅	4,324	2,987
Defined contribution pension costs (Note (i))	定額供款退休金成本 (附註(i))	2,883	2,160
Share-based payment expense	以股份為基礎之付款開支	1,527	3,684
		42,815	38,791

(i) Defined contribution pension costs

During the years ended 31 December 2023 and 2022, no unvested benefit was utilised by the Group to reduce the level of contributions. As at 31 December 2023 and 2022, there was no unvested benefit available to be utilised in future years.

11 每股盈利

每股基本盈利乃根據截至二零二三年十二月三十一日止年度股東應佔盈利人民幣62,435,000元(二零二二年：人民幣37,136,000元)除以已發行股份之加權平均數1,849,669,780股(二零二二年：1,814,056,622股)計算。

截至二零二二年及二零二三年十二月三十一日止兩個年度，因為購股權之行使價高於本公司股份的平均市價，本公司之購股權並無攤薄，及在計算每股攤薄盈利時被排除。此外，計算截至二零二二年十二月三十一日止年度每股攤薄盈利時，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。因此，截至二零二二年及二零二三年十二月三十一日止兩個年度各年的每股基本及攤薄盈利相同。

12 股息

本公司董事會建議就截至二零二三年十二月三十一日止年度派發末期股息每股0.01港元(二零二二年：無)，合計約人民幣17,526,000元(二零二二年：無)。建議末期股息須經本公司股東於應屆股東週年大會上批准。此建議末期股息相關之財務影響未在截至二零二三年十二月三十一日止年度的綜合財務報表反映。

13 僱員福利開支

僱員福利開支(包括董事酬金)指：

(i) 定額供款退休金成本

截至二零二二年及二零二三年十二月三十一日止年度，本集團並無利用未歸屬的利益以減少供款。於二零二二年及二零二三年十二月三十一日，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)

(ii) Five highest paid individuals

The five highest paid individuals for the year include three (2022: three) directors whose emoluments are reflected in the analysis shown in Note 34. The emoluments of the remaining two (2022: two) individuals are as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Salaries and allowances	薪金及津貼	3,156	3,132
Discretionary bonus	酌情花紅	613	346
Defined contribution pension costs	定額供款退休金成本	159	149
Share-based payment expense	以股份為基礎之付款開支	246	592
		4,174	4,219

		Number of individuals 人數	
Emolument bands	酬金幅度	2023 二零二三年	2022 二零二二年
RMB1,000,001 to RMB1,500,000	人民幣1,000,001元至人民幣1,500,000元	1	1
RMB2,500,001 to RMB3,000,000	人民幣2,500,001元至人民幣3,000,000元	1	1
		2	2

No emoluments have been paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. No directors or the five highest paid individuals waived or have agreed to waive any emolument during the year ended 31 December 2023.

13 僱員福利開支(續)

(ii) 五名最高薪酬人士

年內，五名最高薪酬人士包括三名(二零二二年：三名)董事，其酬金分析載於附註34。其餘兩名(二零二二年：兩名)人士之酬金如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Salaries and allowances	薪金及津貼	3,156	3,132
Discretionary bonus	酌情花紅	613	346
Defined contribution pension costs	定額供款退休金成本	159	149
Share-based payment expense	以股份為基礎之付款開支	246	592
		4,174	4,219

		Number of individuals 人數	
Emolument bands	酬金幅度	2023 二零二三年	2022 二零二二年
RMB1,000,001 to RMB1,500,000	人民幣1,000,001元至人民幣1,500,000元	1	1
RMB2,500,001 to RMB3,000,000	人民幣2,500,001元至人民幣3,000,000元	1	1
		2	2

本集團並無向董事或五名最高薪酬人士支付任何酬金，作為吸引彼等加入本集團，或作為加入本集團時獎勵，或作為離職補償。截至二零二三年十二月三十一日止年度，各董事或五名最高薪酬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 INVESTMENT PROPERTIES

14 投資物業

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Cost	成本值		
At 1 January	於一月一日	695,701	672,260
Disposal	出售	(21,296)	-
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	-	16,192
Transfer from right-of-use assets	轉撥自使用權資產	-	7,249
At 31 December	於十二月三十一日	674,405	695,701
Accumulated depreciation and impairment	累計折舊及減值		
At 1 January	於一月一日	269,072	230,005
Impairment	減值	6,065	16,000
Disposal	出售	(12,324)	-
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	-	4,702
Transfer from right-of-use assets	轉撥自使用權資產	-	1,695
Depreciation	折舊	17,128	16,670
At 31 December	於十二月三十一日	279,941	269,072
Net book value	賬面淨值		
At 31 December	於十二月三十一日	394,464	426,629
At 1 January	於一月一日	426,629	442,255

(i) Presenting cash flows

The Group classifies cash outflows to acquire or construct investment properties as investing cash flows and rental inflows as operating cash flows.

(i) 呈列現金流量

本集團將收購或構建投資物業所用現金流出分類為投資現金流量，將租金流入分類為經營現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 INVESTMENT PROPERTIES (CONTINUED)

(ii) Leasing arrangements

The investment properties are leased to tenants under operating leases with rental payments every 1-12 months. Minimum lease payments receivable on non-cancellable operating leases of investment properties are as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Within 1 year	一年內	39,962	41,004
Between 1 and 2 years	一至兩年	37,583	36,342
Between 2 and 3 years	兩至三年	19,956	34,701
Between 3 and 4 years	三至四年	9,237	17,502
Between 4 and 5 years	四至五年	8,130	7,982
Later than 5 years	五年以上	16,773	21,917
		131,641	159,448

The Group's investment properties are located in Mainland China. During the year ended 31 December 2023, certain investment properties were leased to third parties and generated rental income amounting to RMB46,025,000 (2022: RMB37,938,000). The rental income is included in "other income" in the consolidated income statement. The operating expenses relating to the investment properties amounted to RMB27,074,000 (2022: RMB23,224,000), which included depreciation expenses of approximately RMB17,128,000 (2022: RMB16,670,000), were charged to general and administrative expenses in the consolidated income statement.

As at 31 December 2023, the aggregated fair values of the Group's investment properties were approximately RMB713,377,000 (2022: RMB735,645,000). The investment properties' fair values were valued by Shanghai Zhengda Assets Appraisal Company Limited ("Shanghai Zhengda"), an independent professionally qualified valuer who holds relevant professional qualifications registered in Mainland China, and has relevant experience in respect of the investment properties valued.

14 投資物業(續)

(ii) 租賃安排

投資物業根據經營租賃租予租戶，租金付款以每一至十二個月的方式支付。出租不可撤銷經營租賃投資物業之最低可收租賃付款如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Within 1 year	一年內	39,962	41,004
Between 1 and 2 years	一至兩年	37,583	36,342
Between 2 and 3 years	兩至三年	19,956	34,701
Between 3 and 4 years	三至四年	9,237	17,502
Between 4 and 5 years	四至五年	8,130	7,982
Later than 5 years	五年以上	16,773	21,917
		131,641	159,448

本集團的投資物業位於中國大陸。截至二零二三年十二月三十一日止年度，本集團將若干投資物業出租給第三方，已產生人民幣46,025,000元(二零二二年：人民幣37,938,000元)的租金收入。租金收入計入綜合收益表「其他收入」中。與投資物業相關之經營開支為人民幣27,074,000元(二零二二年：人民幣23,224,000元)，其中包括約人民幣17,128,000元(二零二二年：人民幣16,670,000元)的折舊開支，並計入綜合收益表的一般及行政開支中。

於二零二三年十二月三十一日，本集團投資物業的累計公平價值為約人民幣713,377,000元(二零二二年：人民幣735,645,000元)。投資物業公平價值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，在中國大陸註冊登記，並擁有評估投資物業的相關經驗)作出評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 INVESTMENT PROPERTIES (CONTINUED)

(ii) Leasing arrangements (Continued)

The valuations of the investment properties are derived using (i) income approach by making references to the rental income derived from existing tenancies; (ii) market approach by referencing to the recent comparable sales transactions available in the relevant property market; and (iii) replacement cost approach by making references to the cost of redeveloping and constructing the relevant property. The fair values of the investment properties are categorised within the fair value hierarchy as a level 3 fair value measurement and are sensitive to changes in both observable and unobservable inputs.

As at 31 December 2023, the Group observed that there were indicators that certain investment properties might be subject to risk of decline in value after performing preliminary market price research of the investment properties. Detailed impairment assessments were performed for investment properties with impairment indicators with the assistance from Shanghai Zhengda to determine the recoverable amounts. The recoverable amounts were determined based on fair value less costs of disposal. The valuation result indicated that the recoverable amounts of certain investment properties were lower than the carrying amounts. As a result, the Group recognised an impairment loss of RMB6,065,000 (2022: RMB16,000,000) in “other losses – net” for the year ended 31 December 2023.

Below is a summary of the valuation techniques and the most sensitive inputs used in the valuations of those investment properties with impairments:

Valuation techniques 估值技術	Significant unobservable inputs 重大而不可觀察的資料	Range of unobservable inputs 不可觀察資料的範圍
Market approach 市場法	Expected unit market price (RMB/square meter) 預期單位市場價格 (人民幣元/平方米)	32,900-36,890
Relationship of unobservable inputs to fair value – the higher the expected unit market price, the higher the fair value.		不可觀察的資料與公平價值的關係 – 預期單位市場價格越高，則公平價值越高。

14 投資物業 (續)

(ii) 租賃安排 (續)

投資物業的估值採用(i)收入法，參考現有租約的租金收入；(ii)市場法，參考相關物業市場近期的可比銷售交易；以及(iii)重置成本法，參考重新開發和建造相關物業的成本而得出。投資物業的公平價值在公平價值層級中被歸類為第三層公平價值計量，對可觀察和不可觀察資料的變化都很敏感。

於二零二三年十二月三十一日，本集團在對投資物業進行初步市場價格調查後，發現有跡象表明若干投資物業可能存在價值下降的風險。在上海正大的協助下，對發現有減值跡象的投資物業進行了詳細的減值評估，以確定可收回金額。可收回金額以公平價值減去出售成本而得出，評估結果表明若干投資物業的可收回金額低於帳面金額。據此，本集團截至二零二三年十二月三十一日止年度在「其他虧損－淨額」中已確認減值虧損人民幣6,065,000元（二零二二年：人民幣16,000,000元）。

以下是所使用的估值技術以及在有減值的投資物業估值中使用的最為敏感的資料之概要：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

		Buildings	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	傢俱、固定裝置及設備	汽車	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	成本值					
At 1 January 2022 (restated)	於二零二二年一月一日 (經重列)	16,192	1,787	12,761	1,899	32,639
Exchange adjustment	匯兌調整	-	-	6	-	6
Additions	添置	-	533	441	-	974
Transfer to investment properties	轉撥至投資物業	(16,192)	-	-	-	(16,192)
Disposals	出售	-	-	(1,630)	(611)	(2,241)
At 31 December 2022 and 1 January 2023 (restated)	於二零二二年十二月三十一日及二零二三年一月一日 (經重列)	-	2,320	11,578	1,288	15,186
Exchange adjustment	匯兌調整	-	-	(1)	-	(1)
Additions	添置	-	1,446	221	808	2,475
Disposal	出售	-	-	(431)	(757)	(1,188)
At 31 December 2023	於二零二三年十二月三十一日	-	3,766	11,367	1,339	16,472
Accumulated depreciation and impairment	累計折舊及減值					
At 1 January 2022 (restated)	於二零二二年一月一日 (經重列)	4,702	606	10,188	1,829	17,325
Exchange adjustment	匯兌調整	-	-	6	-	6
Depreciation	折舊	-	555	2,155	9	2,719
Transfer to investment properties	轉撥至投資物業	(4,702)	-	-	-	(4,702)
Disposals	出售	-	-	(1,630)	(550)	(2,180)
At 31 December 2022 and 1 January 2023 (restated)	於二零二二年十二月三十一日及二零二三年一月一日 (經重列)	-	1,161	10,719	1,288	13,168
Exchange adjustment	匯兌調整	-	-	(1)	-	(1)
Depreciation	折舊	-	864	141	78	1,083
Impairment	減值	-	675	-	-	675
Disposals	出售	-	-	(431)	(756)	(1,187)
At 31 December 2023	於二零二三年十二月三十一日	-	2,700	10,428	610	13,738
Net book value	賬面淨值					
At 31 December 2023	於二零二三年十二月三十一日	-	1,066	939	729	2,734
At 31 December 2022 (restated)	於二零二二年十二月三十一日 (經重列)	-	1,159	859	-	2,018

Depreciation expenses of approximately RMB197,000 (2022: RMB4,000) and RMB886,000 (2022: RMB2,715,000) were charged to selling and distribution expenses and general and administrative expenses, respectively.

折舊開支約人民幣197,000元 (二零二二年：人民幣4,000元) 及人民幣886,000元 (二零二二年：人民幣2,715,000元) 已分別計入銷售及分銷開支以及一般及行政開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The operation of certain directly-managed stores were loss making during the year ended 31 December 2023. Management regards each individual directly-managed store as a separate group of cash generating units and carried out impairment assessment by determining the recoverable amounts of the directly-managed store assets which have impairment indicators. The recoverable amount is the higher of an asset's fair value less cost of disposal and its value-in-use. Management considers that the recoverable amount of the assets of the relevant directly-managed stores is determined by value-in-use calculations using discounted cash flow projections based on sales forecast prepared by management with major assumptions including budgeted sales and gross profit, revenue growth rates and discount rates.

Management estimated a recoverable amount of the directly-managed store assets using a pre-tax discount rate of 17% which reflects current market assessment of time value and the specific risks relating to the directly-managed stores.

Based on the results of the assessment, impairment provisions of RMB675,000 and RMB4,779,000 for property, plant and equipment and right-of-use assets were recognised in selling and distribution expenses during the year ended 31 December 2023.

16 LEASES

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

(i) Amounts recognised in the consolidated balance sheet

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
<i>Right-of-use assets:</i>	<i>使用權資產：</i>		
Buildings	樓宇	4,348	6,892

During the year, addition and modification to the right-of-use assets were RMB5,812,000 (2022: RMB2,787,000) and RMB1,059,000 (2022: RMB1,191,000), respectively.

15 物業、廠房及設備(續)

於截至二零二三年十二月三十一日止年度，若干直營店的經營出現虧損。管理層將每家直營店視為獨立組別的現金產生單位，並通過釐定有減值迹象的直營店資產的可收回金額進行減值評估。可收回金額是指資產的公平值減去處置成本與其使用價值兩者中的較高者。管理層認為，相關直營店資產的可收回金額是通過使用價值計算確定的，使用價值計算是基於管理層編製的銷售預測的貼現現金流預測值，主要假設包括預算銷售額和毛利額、收益增長率和貼現率。

管理層使用稅前貼現率17%估算直營店資產的可收回金額，該貼現率反映了當前市場對時間價值的評估以及與直營店有關的特定風險。

根據評估結果，截至二零二三年十二月三十一日止年度，在銷售和分銷費用中確認了物業、廠房及設備以及使用權資產的減值準備金分別為人民幣675,000元和人民幣4,779,000元。

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

年內，使用權資產增加及修訂分別為人民幣5,812,000元（二零二二年：人民幣2,787,000元）及人民幣1,059,000元（二零二二年：人民幣1,191,000元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 LEASES (CONTINUED)

(i) Amounts recognised in the consolidated balance sheet (Continued)

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
<i>Lease liabilities:</i>	<i>租賃負債：</i>		
Current	流動	5,834	3,403
Non-current	非流動	3,451	3,837
		9,285	7,240

(ii) Amounts recognised in the consolidated income statement

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Depreciation of right-of-use assets	使用權資產折舊	4,625	2,619
Expense relating to short-term leases	有關短期租賃開支	-	724
Impairment loss of right-of-use assets	使用權資產減值虧損	4,779	-
Interest on lease liabilities	租賃負債利息	431	277

(iii) The total cash outflow for leases during the year ended 31 December 2023 was RMB5,245,000 (2022: RMB3,105,000).

(iii) 截至二零二三年十二月三十一日止年度，因租賃發生的現金流出合計為人民幣5,245,000元（二零二二年：人民幣3,105,000元）。

(iv) The Group leases various offices, warehouses and stores. Rental contracts are typically made for fixed periods of approximately 1 to 4 years (2022: 2 to 4 years).

(iv) 本集團租賃多處辦公室、倉庫及店舖。租賃合同通常是固定期，由約一至四年（二零二二年：兩至四年）不等。

(v) Variable lease payments

(v) 可變租賃付款額

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, lease payments are on the basis of variable payment terms with percentages ranging from 14% to 18% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occur.

部分房地產租賃包含與店舖銷售額掛鈎的可變付款額條款。對於各店舖，租賃付款額是基於可變租賃付款條款確定及由14%至18%的銷售額計算。使用可變付款額條款的原因有多種，包括使新設店舖的固定成本基數最小化。根據銷售額確定的可變租賃付款額在觸發該等付款額的條件發生的期間計入損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 LEASES (CONTINUED)

(vi) Termination options

Termination options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of termination options held are exercisable only by the Group.

(vii) As at 31 December 2023, management carried out a review of the recoverable amounts of its property, plant and equipment and right-of-use assets. Details of the impairment assessment on the Group's property, plant and equipment and right-of-use assets are disclosed in Note 15.

16 租賃(續)

(vi) 終止租賃選擇權

本集團有大量房地產租賃包含終止租賃選擇權，以在本集團經營所用的資產管理方面最大程度地提高運營的靈活性。本集團持有的大部分終止租賃選擇權僅可由本集團行使。

(vii) 截至二零二三年十二月三十一日，管理層對其物業、廠房及設備以及使用權資產的可收回金額進行了審查。本集團物業、廠房及設備以及使用權資產的減值評估詳情於附註15中披露。

17 INTERESTS IN ASSOCIATES

17 於聯營公司之權益

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
At 1 January	於一月一日	1,041	981
Share of profit	應佔盈利	58	60
At 31 December	於十二月三十一日	1,099	1,041

Details of the associates as at 31 December 2023 are as follows:

於二零二三年十二月三十一日，聯營公司之詳情如下：

Name 名稱	Place of incorporation and operation 註冊成立及營運地點	Particulars of paid-up capital 已繳足股本詳情	Interest held indirectly 所持間接權益	Principal activities 主要業務
Hanjiang Dayong Shoe Material Co., Ltd., Putian City 莆田市涵江大永鞋業有限公司	China 中國	RMB5,457,000 人民幣5,457,000元	30%	Manufacture of shoe materials 製造鞋類物料
Hanjiang Jinxing Shoe Industrial Co., Ltd., Putian City 莆田市涵江金星鞋業有限公司	China 中國	US\$4,900,000 4,900,000美元	30%	Manufacture of footwear products 製造鞋類產品

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 INTEREST IN A JOINT VENTURE

18 於合資企業之權益

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
At 1 January and 31 December	於一月一日及十二月三十一日	-	-

Details of the joint venture as at 31 December 2023 are as follows:

於二零二三年十二月三十一日，合資企業之詳情如下：

Name 名稱	Place of incorporation and operation 註冊成立及營運地點	Particulars of paid-up capital 已繳足股本詳情	Interest held indirectly 所持間接權益	Principal activities 主要業務
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

19 INVENTORIES

19 存貨

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Finished goods	製成品	5,058	-

The cost of inventories expensed and included in cost of sales amounted to RMB131,259,000 (2022: RMB73,691,000) after net of provision for inventories of RMB840,000 (2022: Nil). As at 31 December 2023, inventories are stated net of provisions of RMB840,000 (2022: Nil).

扣除撥備人民幣840,000 (二零二二年：無) 後，列作開支並計入銷售成本的存貨成本為人民幣131,259,000元 (二零二二年：人民幣73,691,000元)。於二零二三年十二月三十一日，扣除撥備列賬的存貨人民幣840,000元 (二零二二年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 TRADE RECEIVABLES

20 貿易應收賬款

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Trade receivables	貿易應收賬款	14,521	22,826
Less: loss allowance (Note 3.1(iii))	減：虧損撥備 (附註3.1(iii))	(11,250)	(11,439)
Trade receivables – net	貿易應收賬款 – 淨額	3,271	11,387

The ageing analysis of trade receivables, net of loss allowance, based on invoice date is as follows:

按發票日期計算之貿易應收賬款 (扣除虧損撥備) 賬齡分析如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
0 – 30 days	0至30日	2,187	9,966
31 – 60 days	31至60日	803	73
Over 60 days	60日以上	281	1,348
		3,271	11,387

The carrying amounts of trade receivables, net of loss allowance, are denominated in RMB and approximate their fair value. The Group generally allows a credit period of 30 to 60 days to its trade customers.

貿易應收賬款的賬面值 (扣除虧損撥備) 以人民幣計值及與其公平值相若。本集團一般給予其貿易客戶30至60天的信貸期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

21 按金、預付款項及其他應收賬款

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Value-added tax recoverable, net of impairment loss	可收回增值稅項 (扣除減值虧損)	10,976	14,754
Deposits	按金	3,025	2,082
Rental receivables	租金應收款	1,429	756
Prepayments	預付款項	1,425	1,270
Others	其他	1,061	963
		17,916	19,825

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

22 按公平價值計入損益的金融資產

Movements of the financial assets at FVPL are analysed as follows:

按公平價值計入損益的金融資產之變動分析如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
At 1 January	於一月一日	30,687	-
Purchase	購入	31,804	30,000
Fair value gain	公平價值收益	1,140	687
Redemption	贖回	(42,319)	-
At 31 December	於十二月三十一日	21,312	30,687

During the year ended 31 December 2023, the Group purchased certain certificates of deposit from certain commercial banks in Mainland China. The certificates of deposit are denominated in RMB carrying fixed interest rate of 3.3%, 3.8% and 3.0% per annum and their maturity dates are 26 November 2023, 8 January 2024 and 2 June 2026, respectively. One of the certificates of deposit was redeemed upon its maturity on 26 November 2023. Since the certificates of deposit can be traded any time before maturity, thus, they are classified as current assets.

截至二零二三年十二月三十一日止年度，本集團從中國大陸若干商業銀行購入若干大額存單。該等大額存單以人民幣計價，附帶固定年利率分別為3.3%、3.8%及3.0%，而其到期日分別為二零二三年十一月二十六日、二零二四年一月八日及二零二六年六月二日。其中一張存單已於二零二三年十一月二十六日到期贖回。由於大額存單可在到期前任何時間交易，因此，大額存單分類為流動資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The Group purchased the wealth management product offered and managed by Hua Xia Wealth Management Co., Ltd. in Mainland China in March 2022. The principal amount is RMB30 million and non-principal guaranteed with variable return. The unlisted investment was redeemed upon its maturity on 11 April 2023.

22 按公平價值計入損益的金融資產 (續)

本集團於二零二二年三月購買由中國大陸的華夏理財有限責任公司提供和管理的理財產品，本金總額為人民幣30百萬元，該理財產品為非保本浮動回報。該非上市投資已於二零二三年四月十一日到期日贖回。

23 CASH AND CASH EQUIVALENTS

23 現金及現金等價物

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Cash at banks and in hand	銀行存款及手頭現金	366,273	279,639

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

現金及現金等價物之賬面值以下列貨幣計值：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
RMB	人民幣	331,284	235,022
HK\$	港元	25,566	35,540
US\$	美元	9,423	9,077
		366,273	279,639

RMB is not a freely convertible currency in the international market. The remittance of RMB out of Mainland China is subject to the rules and regulations of exchange control promulgated by the Chinese government.

人民幣不可於國際市場自由兌換。將人民幣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。

As at 31 December 2023, the Group's cash and cash equivalents of RMB306,194,000 (2022: RMB215,724,000) were in the Mainland China.

於二零二三年十二月三十一日，本集團現金及現金等價物人民幣306,194,000元（二零二二年：人民幣215,724,000元）存置於中國大陸。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 TRADE PAYABLES

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

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
0 – 30 days	0至30日	34,788	29,115
31 – 60 days	31至60日	209	–
Over 60 days	60日以上	2,156	2,214
		37,153	31,329

24 貿易應付賬款

由於其短期性質，貿易應付賬款的賬面值被視為與公平價值相同。按發票日期的貿易應付賬款賬齡分析如下：

25 ACCRUED CHARGES AND OTHER PAYABLES

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Deposits received	已收取按金	9,174	11,243
Accrued charges	應計費用	9,050	4,515
Accrued employee benefits expense	應計僱員福利開支	8,076	6,644
Receipt in advance	預收款項	7,016	7,453
Other tax payables	其他應繳稅項	1,585	1,892
Others	其他	908	1,241
		35,809	32,988

25 應計費用及其他應付賬款

The carrying amounts of accrued charges and other payables are considered to be the same as their fair value due to their short-term in nature.

由於其短期性質，應計費用及其他應付賬款的賬面值被視為與公平價值相同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 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 October 2023 in an aggregate principal amount of RMB25,300,000.

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 maturity date 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 maturity date 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 HK\$ 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% per annum straight debt and an equity component representing the convertible option of HK\$0.221 per share were recognised at fair value.

On 16 October 2023, the convertible notes were matured and fully converted into 164,541,807 ordinary shares of the Company.

Movements of the liability component of the convertible notes during the year are as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
At 1 January	於一月一日	28,307	24,007
Accretion of interest	利息增值	3,824	4,300
Conversion	轉換	(32,131)	–
At 31 December	於十二月三十一日	–	28,307

26 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十月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。

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，利息將於到期日贖回時支付，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到期日止，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（即按年利率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。

於二零二三年十月十六日，可換股債券到期並全數轉換為本公司164,541,807股普通股。

可換股債券之負債部分年內之變動如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27 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 2023, 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:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
At 1 January	於一月一日	3,881	3,881
Charged to consolidated income statement	計入綜合收益表	236	-
At 31 December	於十二月三十一日	4,117	3,881

The expiry of unrecognised tax losses as at 31 December 2023 is as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Tax losses expiring in 5 years	五年內屆滿之稅項虧損	744,802	1,514,014
Tax losses without expiry date	無屆滿日期之稅項虧損	117,195	108,085
		861,997	1,622,099

As at 31 December 2023, the potential deferred income tax assets in respect of the above unrecognised tax losses amounted to RMB205,538,000 (2022: RMB396,338,000).

Deferred income tax liabilities of RMB3,732,000 (2022: RMB715,000), in respect of unremitted earnings of approximately RMB37,318,000 as at 31 December 2023 (2022: RMB10,348,000), 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.

27 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。

截至二零二三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。遞延所得稅項負債（在同一徵稅司法權區之結餘抵銷前）之變動如下：

於二零二三年十二月三十一日，未確認稅項虧損之屆滿情況如下：

於二零二三年十二月三十一日，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人民幣205,538,000元（二零二二年：人民幣396,338,000元）。

本集團並未就若干附屬公司未匯出盈利之應付預扣稅人民幣3,732,000元（二零二二年：人民幣715,000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，且於可見未來無計劃匯出股息。於二零二三年十二月三十一日，未匯出盈利為約人民幣37,318,000元（二零二二年：人民幣10,348,000元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 SHARE CAPITAL

28 股本

		2023 二零二三年		2022 二零二二年	
		Number of ordinary shares 普通股數目 Thousand 千股	Share capital 股本 HK\$'000 千港元	Number of ordinary shares 普通股數目 Thousand 千股	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.10 each Authorised: At 1 January and 31 December	普通股每股0.10港元 法定： 於一月一日及 十二月三十一日	10,000,000	1,000,000	10,000,000	1,000,000
		2023 二零二三年		2022 二零二二年	
		Number of ordinary shares 普通股數目 Thousand 千股	Share capital 股本 RMB'000 人民幣千元	Number of ordinary shares 普通股數目 Thousand 千股	Share capital 股本 RMB'000 人民幣千元 (restated) (經重列)
Ordinary shares of HK\$0.10 each Issued and fully paid: At 1 January Conversion of convertible notes	普通股每股0.10港元 已發行及繳足： 於一月一日 可換股債券 轉換	1,814,057 164,542	160,663 14,539	1,814,057 -	160,663 -
At 31 December	於十二月三十一日	1,978,599	175,202	1,814,057	160,663

On 16 October 2023, 164,541,807 shares in aggregate were issued, at the conversion price of HK\$0.221 per share, to convertible notes holder upon the full conversion of convertible notes. As a result, there was an increase in share capital and share premium of approximately RMB14,539,000 and RMB17,592,000, respectively.

於二零二三年十月十六日，可換股債券悉數轉換後，以轉換價每股0.221港元向可換股債券持有人發行合共164,541,807股股份。因此，股本及股份溢價分別增加人民幣14,539,000元及人民幣17,592,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 RESERVES

29 儲備

		Share premium	Capital reserve	Merger reserve	Convertible notes capital reserve	Share-based payment reserve	Currency translation reserve	Statutory reserves	Retained profits	Total
		股份溢價 RMB'000 人民幣千元	股本儲備 RMB'000 人民幣千元 (Note (a)) (附註(a))	合併儲備 RMB'000 人民幣千元 (Note (b)) (附註(b))	可換股債券 資本儲備 RMB'000 人民幣千元	以股份為基礎 之付款儲備 RMB'000 人民幣千元	匯兌儲備 RMB'000 人民幣千元	法定儲備 RMB'000 人民幣千元 (Note (c)) (附註(c))	保留盈利 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2022 (restated)	於二零二二年一月一日 (經重列)	111,351	2,554	347	5,700	2,912	(40,631)	150,778	95,012	328,023
Profit for the year	年內盈利	-	-	-	-	-	-	-	37,136	37,136
Currency translation differences	匯兌差額	-	-	-	-	-	454	-	-	454
Total comprehensive income	全面收益總額	-	-	-	-	-	454	-	37,136	37,590
Share option scheme:	購股權計劃:									
- Value of grantee services	- 承授人服務價值	-	-	-	-	3,684	-	-	-	3,684
- Transfer upon lapse of share options	- 於購股權失效時轉撥	-	-	-	-	(35)	-	-	35	-
Total transactions with shareholders	與股東交易總額	-	-	-	-	3,649	-	-	35	3,684
At 31 December 2022 and 1 January 2023 (restated)	於二零二二年十二月三十一日及 二零二三年一月一日 (經重列)	111,351	2,554	347	5,700	6,561	(40,177)	150,778	132,183	369,297
Profit for the year	年內盈利	-	-	-	-	-	-	-	62,435	62,435
Currency translation differences	匯兌差額	-	-	-	-	-	(225)	-	-	(225)
Total comprehensive income	全面收益總額	-	-	-	-	-	(225)	-	62,435	62,210
Conversion of convertible notes	可換股債券轉換	17,592	-	-	(5,700)	-	-	-	5,700	17,592
Changes in ownership interest in a subsidiary without change of control (Note 36 (iii))	於附屬公司的所有權權益變動而未發生控制權變動 (附註36(iii))	-	-	-	-	-	-	-	42,256	42,256
Dissolution of a subsidiary	解散附屬公司	-	-	-	-	-	(131)	(166)	297	-
Share option scheme:	購股權計劃:									
- Value of grantee services	- 承授人服務價值	-	-	-	-	1,527	-	-	-	1,527
- Transfer upon lapse of share options	- 於購股權失效時轉撥	-	-	-	-	(70)	-	-	70	-
Total transactions with shareholders	與股東交易總額	17,592	-	-	(5,700)	1,457	(131)	(166)	48,323	61,375
At 31 December 2023	於二零二三年十二月三十一日	128,943	2,554	347	-	8,018	(40,533)	150,612	242,941	492,882

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 SHARE-BASED PAYMENT TRANSACTIONS

The Company has adopted a new share option scheme on 25 May 2022 (the “2022 Scheme”) and will remain in force for 10 years from the date of adoption. There were no options granted and no outstanding share options under the 2022 Scheme.

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.

The share option scheme adopted in 2013 (the “2013 Scheme”) was terminated on 25 May 2022 and no further option may be granted. Any outstanding options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the terms of the 2013 Scheme. Movements in the number of share options outstanding and their weighted average exercise prices under the 2013 Scheme are as follows:

		2023 二零二三年		2022 二零二二年	
		Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權數目 Thousand 千股	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權數目 Thousand 千股
At 1 January	於一月一日	0.25	131,050	0.25	132,650
Granted during the year	年內授出	-	-	0.20	2,000
Lapsed during the year	年內失效	0.20	(1,600)	0.20	(3,600)
At 31 December	於十二月三十一日	0.25	129,450	0.25	131,050
Exercisable at 31 December	於十二月三十一日可行使	0.26	94,020	0.30	59,230

30 以股份為基礎之付款交易

本公司於二零二二年五月二十五日採納了一項新的購股權計劃（「二零二二年計劃」），自採納之日起維持有效期十年。二零二二年計劃下並無授出及尚未行使的購股權。

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。

二零一三年採納的購股權計劃（「二零一三年計劃」）已於二零二二年五月二十五日終止，並不再授予購股權。根據二零一三年計劃的條款，該計劃終止之前授予但於終止時尚未行使的任何購股權將繼續有效且可以行使。根據二零一三年計劃，尚未行使的購股權數目及其加權平均行使價的變動情況如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 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	
			2023 二零二三年 Thousand 千股	2022 二零二二年 Thousand 千股
21 January 2014 二零一四年一月二十一日	20 January 2024 二零二四年一月二十日	4.50	100	100
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	11,250
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	118,100	119,700
			129,450	131,050
Weighted average remaining contractual life of options outstanding at year end (years) 於年末尚未行使購股權的加權平均剩餘合約期限(年)			7.53	8.53

The share-based payment expense incurred for the year ended 31 December 2023 was approximately RMB1,527,000 (2022: RMB3,684,000) in relation to share options.

30 以股份為基礎之付款交易(續)

於年末尚未行使之購股權的到期日及行使價如下：

截至二零二三年十二月三十一日止年度與購股權有關的以股份為基礎之付款開支為約人民幣1,527,000元(二零二二年：人民幣3,684,000元)。

No share option granted during the year ended 31 December 2023.

截至二零二三年十二月三十一日止年度概無授出購股權。

The model inputs for the share options granted are as follows:

授予購股權的模型資料如下：

Grant date	授出日	14 December 2021 二零二一年 十二月十四日	25 January 2017 二零一七年 一月二十五日	21 January 2014 二零一四年 一月二十一日
Exercise price	行使價	HK\$0.20 0.20港元	HK\$0.70 0.70港元	HK\$4.50 4.50港元
Expiry date	到期日	13 December 2031 二零三一年 十二月十三日	24 January 2027 二零二七年 一月二十四日	20 January 2024 二零二四年 一月二十日
Weighted average share price	加權平均股價	HK\$0.16 0.16港元	HK\$0.69 0.69港元	HK\$4.49 4.49港元
Expected price volatility	預期價格波動	56.39%	45.75%	44.22%
Expected dividend yield	預期股息收益率	0.94%	2.31%	2.05%
Risk-free interest rate	無風險利率	1.48%	0.96%	1.46%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 CASH FLOW INFORMATION

(i) Reconciliation of profit before income tax to cash generated from operations is as follows:

31 現金流量資料

(i) 除所得稅前盈利與營運產生之現金之對賬如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Profit before income tax	除所得稅前盈利	63,440	37,905
Adjustments for:	作出調整：		
Depreciation of investment properties	投資物業折舊	17,128	16,670
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,083	2,719
Depreciation of right-of-use assets	使用權資產折舊	4,625	2,619
Impairment loss of certain investment properties	若干投資物業減值虧損	6,065	16,000
Impairment loss of property, plant and equipment	物業、廠房及設備減值虧損	675	-
Impairment loss of right-of-use assets	使用權資產減值虧損	4,779	-
Impairment loss/(reversal of impairment loss) on financial assets	金融資產減值虧損／ (減值虧損撥回)	1,991	(731)
Provision for inventories	存貨撥備	840	-
Fair value gain of financial assets at FVPL	按公平價值計入損益的金融資產之公平價值收益	(1,140)	(687)
Loss on disposal of investment properties	出售投資物業虧損	7,192	-
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備 (收益)／虧損	(157)	9
Share of profit of associates and a joint venture	應佔聯營公司及合資企業之盈利	(58)	(60)
Finance costs	財務成本	4,255	4,577
Interest income	利息收入	(7,840)	(4,571)
Share-based payment expense	以股份為基礎之付款開支	1,527	3,684
Operating cash flows before working capital changes	營運資金變動前之經營現金流量	104,405	78,134
Increase in inventories	存貨增加	(5,898)	-
Decrease/(increase) in trade receivables, deposits, prepayments and other receivables	貿易應收賬款、按金、預付款項及其他應收賬款 減少／(增加)	8,032	(2,222)
Increase in trade payables, accrued charges, other payables and contract liabilities	貿易應付賬款、應計費用、 其他應付賬款及合約負債 增加	9,685	45,385
Cash generated from operations	營運產生之現金	116,224	121,297

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 CASH FLOW INFORMATION (CONTINUED)

(ii) In the consolidated statement of cash flow statement, proceeds from disposal of investment properties and property, plant and equipment can be reconciled as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Proceeds from disposals	出售之收款		
– Investment properties	– 投資物業	1,780	–
– Property, plant and equipment	– 物業、廠房及設備	158	52
Net book amount	賬面淨值		
– Investment properties (Note 14)	– 投資物業 (附註14)	(8,972)	–
– Property, plant and equipment (Note 15)	– 物業、廠房及設備 (附註15)	(1)	(61)
Loss on disposal of investment properties and property, plant and equipment – net (Note 7)	出售投資物業及物業、廠房及設備之虧損淨額 (附註7)	(7,035)	(9)

31 現金流量資料 (續)

(ii) 於綜合現金流量表內，出售投資物業及物業、廠房及設備收款可對賬如下：

(iii) Net cash reconciliation

This section sets out an analysis and the movements of net cash.

(iii) 淨現金對賬

本節載列淨現金分析及變動。

		Lease liabilities 租賃負債 RMB'000 人民幣千元	Convertible notes 可換股債券 RMB'000 人民幣千元	Cash and cash equivalents 現金及現金等價物 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2022 (restated)	於二零二二年一月一日 (經重列)	(6,053)	(24,007)	185,903	155,843
Cash flows	現金流量	3,105	–	90,851	93,956
Non-cash movement	非現金變動				
– Additions	– 增加	(2,787)	–	–	(2,787)
– Lease modification	– 租賃修訂	(1,191)	–	–	(1,191)
– Interest of lease liabilities	– 租賃負債利息	(277)	–	–	(277)
– Imputed interest of convertible notes	– 可換股債券估算利息	–	(4,300)	–	(4,300)
Effect of foreign exchange rate changes	匯率變動影響	(37)	–	2,885	2,848
At 31 December 2022 and 1 January 2023 (restated)	於二零二二年十二月三十一日及二零二三年一月一日 (經重列)	(7,240)	(28,307)	279,639	244,092
Cash flows	現金流量	5,245	–	85,965	91,210
Non-cash movement	非現金變動				
– Additions	– 增加	(5,812)	–	–	(5,812)
– Lease modification	– 租賃修訂	(1,059)	–	–	(1,059)
– Interest of lease liabilities	– 租賃負債利息	(431)	–	–	(431)
– Imputed interest of convertible notes	– 可換股債券估算利息	–	(3,824)	–	(3,824)
– Conversion of convertible notes	– 可換股債券之轉換	–	32,131	–	32,131
Effect of foreign exchange rate changes	匯率變動影響	12	–	669	681
At 31 December 2023	於二零二三年十二月三十一日	(9,285)	–	366,273	356,988

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS BY CATEGORY

32 金融工具分類

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
<i>Financial assets at amortised cost:</i>			
Trade receivables	以攤銷成本計量的金融資產： 貿易應收賬款	3,271	11,387
Deposits and other receivables excluding non-financial assets	按金及其他應收賬款 (不包括非金融資產)	5,515	3,787
Cash and cash equivalents	現金及現金等價物	366,273	279,639
Total	總計	375,059	294,813
<i>Financial liabilities at amortised cost:</i>			
Trade payables	以攤銷成本計量的金融負債： 貿易應付賬款	37,153	31,329
Accrued charges and other payables excluding non-financial liabilities	應計費用及其他應付賬款 (不包括非金融負債)	18,577	16,237
Lease liabilities	租賃負債	9,285	7,240
Convertible notes	可換股債券	-	28,307
Total	總計	65,015	83,113

33 RELATED PARTY TRANSACTIONS AND BALANCES

33 關聯方交易及結餘

(i) Transaction with related companies

The Group did not have any related party transactions during the year ended 31 December 2023 (2022: Nil).

(ii) 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:

(i) 與關聯公司之交易

截至二零二三年十二月三十一日止年度，本集團並無進行其他關聯方交易（二零二二年：無）。

(ii) 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：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
Salaries and allowances	薪金及津貼	7,861	6,856
Discretionary bonus	酌情花紅	1,098	1,150
Retirement benefits cost	退休福利成本	60	56
Share-based payment expense	以股份為基礎之付款開支	1,085	2,603
		10,104	10,665

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 BENEFITS AND INTERESTS OF DIRECTORS

34 董事利益及權益

(i) Emoluments of the directors and chief executive officer (“CEO”)

(i) 董事及行政總裁（「行政總裁」）之酬金

	Fees	Salaries and allowances	Discretionary bonus	Retirement benefits cost	Share-based payment expense	Total
	袍金	薪金及津貼	酌情花紅	退休福利成本	以股份為基礎之付款開支	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	(Note (a))	(Note (b))				
	(附註(a))	(附註(b))				
For the year ended 31 December 2023	截至二零二三年十二月三十一日止年度					
Mr. Chang Chih-Kai (Chairman)	-	3,843	504	16	217	4,580
Mr. Chang Chih-Chiao (CEO)	-	2,751	594	16	217	3,578
Mr. Wang Jungang	-	561	-	28	651	1,240
Mr. Huang Shun-Tsai	135	-	-	-	-	135
Mr. Hon Ping Cho Terence	356	-	-	-	-	356
Mr. Tan Philip	215	-	-	-	-	215
	706	7,155	1,098	60	1,085	10,104
For the year ended 31 December 2022	截至二零二二年十二月三十一日止年度(經重列)					
Mr. Chang Chih-Kai (Chairman)	-	3,378	670	16	519	4,583
Mr. Chang Chih-Chiao (CEO)	-	2,734	473	16	519	3,742
Mr. Wang Jungang	-	66	7	25	1,565	1,663
Mr. Huang Shun-Tsai	129	-	-	-	-	129
Mr. Hon Ping Cho Terence	341	-	-	-	-	341
Mr. Tan Philip	207	-	-	-	-	207
	677	6,178	1,150	57	2,603	10,665

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.

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公司事務而提供的其他服務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 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 two years ended 31 December 2023 and 2022, 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 2023 and 2022, 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.

34 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

截至二零二二及二零二三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

於二零二二及二零二三年十二月三十一日，本公司及其任何附屬公司概無訂立貸款、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

35 BALANCE SHEET AND MOVEMENTS OF RESERVES OF THE COMPANY

35 本公司資產負債表及儲備變動

(i) Balance sheet of the Company

(i) 本公司資產負債表

		At 31 December 2023 於二零二三年 十二月三十一日 RMB'000 人民幣千元	At 31 December 2022 於二零二二年 十二月三十一日 RMB'000 人民幣千元 (restated) (經重列)	At 1 January 2022 於二零二二年 一月一日 RMB'000 人民幣千元 (restated) (經重列)
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資	351,066	271,566	323,566
Amount due from a subsidiary	應收附屬公司賬款	121,658	186,181	89,186
		472,724	457,747	412,752
Current assets	流動資產			
Prepayments	預付款項	94	376	81
Cash and cash equivalents	現金及現金等價物	32,995	13,628	22,401
		33,089	14,004	22,482
Current liabilities	流動負債			
Accrued charges and other payables	應計費用及其他應付賬款	2,275	1,923	673
Convertible notes	可換股債券	-	28,307	-
		2,275	30,230	673
Non-current liabilities	非流動負債			
Convertible notes	可換股債券	-	-	24,007
Net current assets/(liabilities)	流動資產/(負債)淨值	30,814	(16,226)	21,809
Net assets	淨資產	503,538	441,521	410,554
Equity	權益			
Share capital	股本	175,202	160,663	160,663
Reserves	儲備	328,336	280,858	249,891
Total equity	總權益	503,538	441,521	410,554

The financial statements of the Company were approved by the board of directors on 26 March 2024 and were signed on its behalf.

本公司財務報表已於二零二四年三月二十六日獲董事會審批並由下列人士代表簽署。

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

35 BALANCE SHEET AND MOVEMENTS OF RESERVES OF THE COMPANY (CONTINUED)

35 本公司資產負債表及儲備變動(續)

(ii) Movements 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/ (accumulated losses)	Total
		股份溢價 RMB'000 人民幣千元	股本儲備 RMB'000 人民幣千元 (Note 29a) (附註29(a))	繳入盈餘 RMB'000 人民幣千元 (Note a) (附註(a))	可換股債券 資本儲備 RMB'000 人民幣千元	以股份為基礎 之付款儲備 RMB'000 人民幣千元	匯兌儲備 RMB'000 人民幣千元	保留盈利/ (累計虧損) RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2022 (restated)	於二零二二年一月一日 (經重列)	111,351	2,554	135,518	5,700	2,912	(3,448)	(4,696)	249,891
Profit for the year	年內盈利	-	-	-	-	-	-	27,283	27,283
Total comprehensive income	全面收益總額	-	-	-	-	-	-	27,283	27,283
Share option scheme:	購股權計劃:								
- Value of grantee services	- 承授人服務價值	-	-	-	-	3,684	-	-	3,684
- Transfer upon lapse of share options	- 於購股權失效時轉撥	-	-	-	-	(35)	-	35	-
Total transactions with shareholders	與股東交易總額	-	-	-	-	3,649	-	35	3,684
At 31 December 2022 and 1 January 2023 (restated)	於二零二二年十二月三十一日 及二零二三年一月一日 (經重列)	111,351	2,554	135,518	5,700	6,561	(3,448)	22,622	280,858
Profit for the year	年內盈利	-	-	-	-	-	-	28,359	28,359
Total comprehensive income	全面收益總額	-	-	-	-	-	-	28,359	28,359
Conversion of convertible notes	可換股債券轉換	17,592	-	-	(5,700)	-	-	5,700	17,592
Share option scheme:	購股權計劃:								
- Value of grantee services	- 承授人服務價值	-	-	-	-	1,527	-	-	1,527
- Transfer upon lapse of share options	- 於購股權失效時轉撥	-	-	-	-	(70)	-	70	-
Total transactions with shareholders	與股東交易總額	17,592	-	-	(5,700)	1,457	-	5,770	19,119
At 31 December 2023	於二零二三年十二月三十一日	128,943	2,554	135,518	-	8,018	(3,448)	56,751	328,336

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

36 SUBSIDIARIES

(i) The following is a list of the principal subsidiaries as at 31 December 2023:

36 附屬公司

(i) 下表載列於二零二三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 人民幣87,300,000元	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%	Licensing, distribution and sale of footwear products and accessories and investment holding 鞋類產品及配件授權許可、分 銷及銷售業務以及投資控股
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	100%	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 trademarks holding 投資控股及持有商標
Hanjiang Footwear Co., Ltd., Putian City ^(a) 莆田市涵江鞋業有限公司 ^(a)	China 中國	USD6,000,000 6,000,000美元	85%	Property holding 持有物業
Prime Success (BVI) Limited	British Virgin Islands 英屬處女群島	5,000,000 shares of US\$0.01 each 5,000,000股每股面值 0.01美元之股份	100%	Investment holding 投資控股
Shanghai Aixie Information Technology Co., Ltd. ^(a) 上海愛攜資訊科技有限公司 ^(a)	China 中國	RMB1,000,000 人民幣1,000,000元	100%	Distribution of footwear products and accessories 鞋類產品及配件分銷業務
Shoebox Commerce Co., Ltd. ^(a) 鞋櫃商貿有限公司 ^(a)	China 中國	RMB460,000,000 人民幣460,000,000元	96.46%	Licensing of footwear products and accessories 鞋類產品及配件授權許可業務
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 人民幣17,500,000元	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 人民幣21,000,000元	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

36 SUBSIDIARIES (CONTINUED)

- (i) The following is a list of the principal subsidiaries as at 31 December 2023: (Continued)

Notes:

- (a) These companies were established in Mainland China in the form of foreign-owned enterprises and are limited liability companies.
- (b) Except Full Pearl International Limited and Prime Success (BVI) Limited which are held directly by the Company, all other subsidiaries 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.

(ii) **Non-controlling interests**

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

36 附屬公司 (續)

- (i) 下表載列於二零二三年十二月三十一日之主要附屬公司：(續)

附註：

- (a) 該等公司為於中國大陸成立之外資企業，以及為有限公司。
- (b) 除富珍國際有限公司及Prime Success (BVI) Limited由本公司直接持有外，所有其他附屬公司均由本公司間接持有。
- (c) 除富珍國際有限公司及Prime Success (BVI) Limited於香港營運外，以上列示的所有附屬公司分別於其註冊成立地點營運。
- (d) 無投票權遞延股份實際上無權收取該公司之股息或接收任何股東大會通告或出席股東大會並於會上投票。於清盤時亦無權參與任何分派。
- (e) 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。

(ii) **非控制性權益**

下文載列對本集團擁有非控制性權益的附屬公司之財務資料 (於集團內公司之間的交易抵銷前) 概要：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (restated) (經重列)
At 31 December	於十二月三十一日		
Non-current assets	非流動資產	23,643	27,467
Current assets	流動資產	193,538	454,161
Current liabilities	流動負債	(158,766)	(186,945)
Net assets	淨資產	58,415	294,683
For the year ended 31 December	截至十二月三十一日止年度		
Revenue	收益	513	285
Profit for the year	年內盈利	3,759	11,945
Total comprehensive income	全面收益總額	3,759	12,133
For the year ended 31 December	截至十二月三十一日止年度		
Net cash generated from operating activities	經營活動產生之現金淨額	784	3,935
Net cash generated from investing activities	投資活動產生之現金淨額	10	229
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	794	4,164

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 SUBSIDIARIES (CONTINUED)

(iii) Acquisition of remaining 40.04% equity interests in Full Pearl International Limited

On 30 October 2023, the Company acquired the remaining approximately 40.04% of the issued shares in Full Pearl International Limited, a subsidiary with non-controlling interest, from Great Pacific Investments Ltd. at a total consideration of RMB42,500,000.

The effect on the equity attributable to the shareholders of the Company during the year ended 31 December 2023 is summarised as follows:

36 附屬公司(續)

(iii) 收購富珍國際有限公司餘下之40.04%股權

於二零二三年十月三十日，本公司自Great Pacific Investments Ltd.收購擁有非控制性權益之附屬公司富珍國際有限公司餘下約40.04%的已發行股份，總代價為人民幣42,500,000元。

截至二零二三年十二月三十一日止年度對本公司股東應佔股權之影響概述如下：

		RMB'000 人民幣千元
Carrying amount of non-controlling interest acquired	所購非控制性權益之賬面值	84,756
Consideration paid to non-controlling interests	向非控制性權益已付代價	(42,500)
Excess of consideration paid recognised in equity	於權益確認之已付代價超出部分	42,256

DAPHNE

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)