



大同機械企業有限公司
COSMOS MACHINERY ENTERPRISES LIMITED

Stock Code 股份代號: 118

2017 中期報告
Interim Report

CONTENTS 目 錄

| | | |
|----|--|------------|
| 2 | Corporate Information | 公司資料 |
| 4 | Condensed Consolidated Income Statement | 簡明綜合收益表 |
| 5 | Condensed Consolidated Statement of Comprehensive Income | 簡明綜合全面收益表 |
| 6 | Condensed Consolidated Statement of Financial Position | 簡明綜合財務狀況表 |
| 8 | Condensed Consolidated Statement of Changes in Equity | 簡明綜合權益變動表 |
| 9 | Condensed Consolidated Statement of Cash Flows | 簡明綜合現金流量表 |
| 10 | Notes to the Condensed Consolidated Financial Statements | 簡明綜合財務報表附註 |
| 26 | Management Discussion and Analysis | 管理層討論及分析 |
| 33 | Supplementary Information | 補充資料 |

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Tang To (*Chairman*)
Wong Yiu Ming (*Executive Vice Chairman*)
Tang Yu, Freeman (*Chief Executive Officer*)

Non-Executive Directors

Kan Wai Wah
Qu Jinping

Independent Non-Executive Directors

Yeung Shuk Fan
Cheng Tak Yin
Ho Wei Sem
Huang Zhi Wei

Audit Committee

Yeung Shuk Fan
Cheng Tak Yin
Ho Wei Sem

Remuneration Committee

Yeung Shuk Fan
Cheng Tak Yin
Ho Wei Sem
Tang To

Committee of Executive Directors

Tang To
Wong Yiu Ming
Tang Yu, Freeman

Nomination Committee

Yeung Shuk Fan
Cheng Tak Yin
Ho Wei Sem
Tang To
Tang Yu, Freeman

董事會

執行董事

鄧 燾 (*主席*)
黃耀明 (*執行副主席*)
鄧 愚 (*行政總裁*)

非執行董事

簡衛華
瞿金平

獨立非執行董事

楊淑芬
鄭達賢
何偉森
黃志煒

審核委員會

楊淑芬
鄭達賢
何偉森

薪酬委員會

楊淑芬
鄭達賢
何偉森
鄧 燾

執行董事委員會

鄧 燾
黃耀明
鄧 愚

提名委員會

楊淑芬
鄭達賢
何偉森
鄧 燾
鄧 愚

JOINT COMPANY SECRETARIES

Mak Po Man
Yeung Yuk Lun

AUDITOR

Ting Ho Kwan & Chan

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
BNP Paribas Hong Kong Branch
Nanyang Commercial Bank, Limited
The Hongkong & Shanghai
Banking Corporation Limited

REGISTERED OFFICE

10/F, Billion Plaza 2
No. 10 Cheung Yue Street
Cheung Sha Wan
Kowloon, Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

CORPORATE WEBSITE

<http://www.cosmel.com>

INVESTORS RELATIONS CONTACT

E-mail: ir@cosmel.com

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited
Stock Code: 118

聯席公司秘書

麥寶文
楊毓麟

核數師

丁何關陳會計師行

主要往來銀行

中國銀行(香港)有限公司
法國巴黎銀行香港分行
南洋商業銀行有限公司
香港上海滙豐銀行有限公司

註冊辦事處

香港九龍
長沙灣長裕街10號
億京廣場2期10樓

股份登記及過戶處

卓佳秘書商務有限公司
香港灣仔皇后大道東183號
合和中心22樓

公司網址

<http://www.cosmel.com>

投資者關係聯絡

電郵: ir@cosmel.com

上市資料

香港聯合交易所有限公司
股份代號: 118

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|---------------------|---|---|
| | | 2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元 | 2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元 |
| | Notes 附註 | | |
| Revenue | 收入 | 3 | 1,151,834 |
| Cost of sales | 銷售成本 | | (953,743) |
| Gross profit | 毛利 | | 198,091 |
| Other income and gains | 其他收入及收益 | | 11,112 |
| Selling and distribution costs | 分銷費用 | | (66,692) |
| Administrative expenses | 行政費用 | | (123,403) |
| Operating profit/(loss) | 經營溢利／(虧損) | | 19,108 |
| Finance costs | 財務費用 | | (9,449) |
| Investment income | 投資收入 | | 1,593 |
| Gain on partial disposal of a subsidiary | 出售一間附屬公司部份權益 之盈利 | | - |
| Share of results of associates | 應佔聯營公司業績 | | 122 |
| Profit/(loss) before tax | 除稅前溢利／(虧損) | 4 | 12,984 |
| Taxation | 稅項 | 5 | (6,166) |
| Profit/(loss) for the Period | 本期溢利／(虧損) | | 6,818 |
| Profit/(loss) attributable to: | 應佔溢利／(虧損)： | | |
| – Equity shareholders of the Company | – 本公司股權持有人 | | 1,135 |
| – Non-controlling interests | – 非控股股東權益 | | 5,683 |
| | | | 6,818 |
| Earnings/(loss) per share | 每股盈利／(虧損) | 6 | |
| – Basic | – 基本 | | 0.16 HK cents 港仙 (6.33 HK cents 港仙) |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收益表

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|----------------------------|---|---|
| | | 2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元 | 2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元 |
| Profit/(loss) for the Period | 本期溢利／(虧損) | 6,818 | (40,872) |
| Other comprehensive income/(loss), net of tax: | 其他全面收益／(虧損) 扣除稅項： | | |
| Items that have been reclassified or may be reclassified subsequently to profit or loss: | 已重新分類或其後可重新 分類至損益表之項目： | | |
| – Change in fair value of available-for-sale financial assets | – 可供出售金融資產 公平價值之變動 | – | 152 |
| – Share of other comprehensive expense of associates | – 應佔聯營公司之其他 全面支出 | (719) | (129) |
| – Exchange differences arising from translation of financial statements of foreign operations | – 換算海外業務財務報表時產生 之匯兌差額 | 27,649 | (27,100) |
| – Release of translation reserve upon partial disposal of a subsidiary | – 出售一間附屬公司部份權益時 從匯兌儲備撥出 | – | (122) |
| – Release of other reserve upon disposal of available-for-sale financial asset | – 出售可供出售金融資產時從 其他儲備撥出 | (907) | – |
| | | 26,023 | (27,199) |
| Total comprehensive income/(loss) for the Period | 本期全面收益／(虧損)總額 | 32,841 | (68,071) |
| Profit/(loss) attributable to: | 應佔溢利／(虧損)： | | |
| – Equity shareholders of the Company | – 本公司股權持有人 | 24,973 | (69,027) |
| – Non-controlling interests | – 非控股股東權益 | 7,868 | 956 |
| Total comprehensive income/(loss) for the Period | 本期全面收益／(虧損)總額 | 32,841 | (68,071) |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

| | | | 30 June | 31 December | |
|--|-------|-----------------|--------------------|------------------|-----------|
| | | | 2017 | 2016 | |
| | | | 二零一七年 | 二零一六年 | |
| | | | 六月三十日 | 十二月三十一日 | |
| | | | (Unaudited) | (Audited) | |
| | | | (未經審核) | (經審核) | |
| | Notes | | HK\$'000 | HK\$'000 | |
| | 附註 | | 千港元 | 千港元 | |
| Non-current Assets | | 非流動資產 | | | |
| Property, plant and equipment | | 物業、廠房及設備 | 7 | 615,522 | 618,372 |
| Leasehold land and land use rights | | 租賃土地及土地使用權 | | 43,971 | 43,796 |
| Goodwill | | 商譽 | | 53,483 | 53,483 |
| Intangible assets | | 無形資產 | | 8,529 | 9,221 |
| Interests in associates | | 聯營公司權益 | | 29,582 | 29,179 |
| Available-for-sale financial assets | | 可供出售金融資產 | | - | 1,389 |
| Finance lease receivables | | 應收融資租賃款項 | 8 | 49,708 | 54,220 |
| Deferred tax assets | | 遞延稅項資產 | | 26,625 | 25,670 |
| | | | | 827,420 | 835,330 |
| Current Assets | | 流動資產 | | | |
| Inventories | | 存貨 | | 550,716 | 401,738 |
| Finance lease receivables | | 應收融資租賃款項 | 8 | 115,438 | 57,935 |
| Trade and other receivables | | 貿易及其他應收款項 | 9 | 863,208 | 788,101 |
| Other financial assets | | 其他金融資產 | | 54 | 2,875 |
| Current tax recoverable | | 本期可收回稅項 | | 989 | 1,101 |
| Cash and bank balances | | 現金及銀行結餘 | 10 | 330,859 | 332,723 |
| | | | | 1,861,264 | 1,584,473 |
| Current Liabilities | | 流動負債 | | | |
| Trade and other payables | | 貿易及其他應付款項 | 11 | 960,654 | 740,372 |
| Provision for restructuring | | 重組撥備 | 12 | 91,727 | 91,727 |
| Amount due to an associate | | 結欠一間聯營公司款項 | | 1,188 | 565 |
| Bank borrowings | | 銀行借款 | | 344,498 | 320,149 |
| Obligations under finance leases | | 融資租賃借款 | | 3,172 | 5,441 |
| Deferred consideration payable | | 遞延應付代價 | | 8,148 | 8,148 |
| Current tax payable | | 本期應付稅項 | | 13,621 | 15,255 |
| | | | | 1,423,008 | 1,181,657 |
| Net Current Assets | | 淨流動資產 | | 438,256 | 402,816 |
| Total Assets less Current Liabilities | | 總資產減流動負債 | | 1,265,676 | 1,238,146 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
 簡明綜合財務狀況表(續)

| | | Notes 附註 | 30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2016 二零一六年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|--|------------------|-------------|---|--|
| Non-current Liabilities | 非流動負債 | | | |
| Bank borrowings | 銀行借款 | | 30,150 | 35,175 |
| Obligations under finance leases | 融資租賃借款 | | 1,236 | 2,694 |
| Deferred tax liabilities | 遞延稅項負債 | | 44,537 | 43,365 |
| | | | 75,923 | 81,234 |
| Net Assets | 淨資產 | | 1,189,753 | 1,156,912 |
| Equity | 權益 | | | |
| Capital and reserves attributable to equity shareholders of the Company: | 本公司股權持有人應佔資本及儲備： | | | |
| Share capital | 股本 | 13 | 532,903 | 532,903 |
| Reserves | 儲備 | | 458,664 | 433,691 |
| | | | 991,567 | 966,594 |
| Non-controlling Interests | 非控股股東權益 | | 198,186 | 190,318 |
| Total Equity | 權益總值 | | 1,189,753 | 1,156,912 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

| | | Attributable to equity shareholders of the Company 本公司股權持有人應佔 | | | | Non-controlling interests | Total equity |
|---|-----------------------|--|-------------------------------------|---|--------------------------------|----------------------------|-------------------------|
| | | Share capital 股本 HK\$'000 千港元 | Reserves* 儲備* HK\$'000 千港元 | Retained profits 保留溢利 HK\$'000 千港元 | Total 總額 HK\$'000 千港元 | 非控股股東權益 HK\$'000 千港元 | 權益總值 HK\$'000 千港元 |
| Balance at 1 January 2016 | 於二零一六年一月一日結餘 | 532,903 | 132,311 | 670,098 | 1,335,312 | 232,508 | 1,567,820 |
| (Loss)/profit for the Period | 本期(虧損)/收益 | - | - | (45,376) | (45,376) | 4,504 | (40,872) |
| Other comprehensive income/(loss) for the Period: | 本期其他全面收益/(虧損): | | | | | | |
| Fair value gain: - Available-for-sale financial assets | 公平價值溢利: - 可供出售金融資產 | - | 152 | - | 152 | - | 152 |
| Share of other comprehensive expense of associates | 應佔聯營公司之其他全面支出 | - | (129) | - | (129) | - | (129) |
| Release of translation reserve upon partial disposal of a subsidiary | 出售一間附屬公司部份權益時從匯兌儲備撥出 | - | (55) | - | (55) | (67) | (122) |
| Exchange differences arising from translation of financial statements of foreign operations | 換算海外業務報表時產生之匯兌差額 | - | (23,619) | - | (23,619) | (3,481) | (27,100) |
| Total other comprehensive loss for the Period | 本期其他全面虧損總額 | - | (23,651) | - | (23,651) | (3,548) | (27,199) |
| Total comprehensive income/(loss) for the Period | 本期全面收益/(虧損)總額 | - | (23,651) | (45,376) | (69,027) | 956 | (68,071) |
| Transactions with owners | 與擁有人之交易: | | | | | | |
| Dividend paid to non-controlling shareholders | 支付給非控股股東之股息 | - | - | - | - | (3,360) | (3,360) |
| Balance at 30 June 2016 | 於二零一六年六月三十日結餘 | 532,903 | 108,660 | 624,722 | 1,266,285 | 230,104 | 1,496,389 |
| Balance at 1 January 2017 | 於二零一七年一月一日結餘 | 532,903 | 66,752 | 366,939 | 966,594 | 190,318 | 1,156,912 |
| Profit for the Period | 本期收益 | - | - | 1,135 | 1,135 | 5,683 | 6,818 |
| Other comprehensive income/(loss) for the Period: | 本期其他全面收益/(虧損): | | | | | | |
| Release of other reserve upon disposal of available-for-sale financial assets | 出售可供出售金融資產時從其他儲備撥出 | - | (907) | - | (907) | - | (907) |
| Share of other comprehensive expense of associates | 應佔聯營公司之其他全面支出 | - | (719) | - | (719) | - | (719) |
| Exchange differences arising from translation of financial statements of foreign operations | 換算海外業務報表時產生之匯兌差額 | - | 25,464 | - | 25,464 | 2,185 | 27,649 |
| Total other comprehensive profit for the Period | 本期其他全面收益總額 | - | 23,838 | - | 23,838 | 2,185 | 26,023 |
| Total comprehensive income for the Period | 本期全面收益總額 | - | 23,838 | 1,135 | 24,973 | 7,868 | 32,841 |
| Transactions with owners | 與擁有人之交易: | | | | | | |
| Dividend paid to non-controlling shareholders | 支付給非控股股東之股息 | - | - | - | - | - | - |
| Balance at 30 June 2017 | 於二零一七年六月三十日結餘 | 532,903 | 90,590 | 368,074 | 991,567 | 198,186 | 1,189,753 |

* Please refer to Note 14 for details of reserves.

* 儲備之詳細，請參考附註14。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|------------------|---|---|
| | | 2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元 | 2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元 |
| Net cash (outflow)/inflow from operating activities | 經營業務之現金(流出)／流入淨額 | (10,145) | 34,013 |
| Net cash (outflow)/inflow from investing activities | 投資活動之現金(流出)／流入淨額 | (2,505) | 132,053 |
| Net cash inflow/(outflow) from financing activities | 融資活動之現金流入／(流出)淨額 | 28,169 | (256,976) |
| Increase/(decrease) in cash and cash equivalents | 現金及現金等值增加／(減少) | 15,519 | (90,910) |
| Cash and cash equivalents at beginning of the Period | 期初之現金及現金等值 | 264,829 | 327,393 |
| Effect of foreign exchange rate changes | 外幣匯率變動之影響 | 3,544 | (2,441) |
| Cash and cash equivalents at end of the Period | 期末之現金及現金等值 | 283,892 | 234,042 |
| Analysis of the balances of cash and cash equivalents: | 現金及現金等值結餘分析： | | |
| Cash and bank balances | 現金及銀行結餘 | 300,998 | 256,533 |
| Bank overdrafts | 銀行透支 | (17,106) | (22,491) |
| | | 283,892 | 234,042 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

1. GENERAL INFORMATION

The principal activities of the Group are the manufacturing and trading of machineries, plastic processing products and printed circuit boards, trading of industrial consumables and leasing.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is 10/F, Billion Plaza 2, No. 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

This unaudited condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated. It was approved for issue by the Board of Directors on 10 August 2017.

The unaudited condensed consolidated interim financial information has been reviewed by Audit Committee of the Company.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("HKAS") 34, *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016, as described in the annual financial statements.

The information in this interim financial report is unaudited and does not constitute statutory financial statements. The financial information relating to the financial year ended 31 December 2016 that is included in the interim financial report as comparative information does not constitute the company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

1. 一般資料

本集團之主要業務為製造及貿易機械、注塑製品及加工及印刷線路板、工業消耗品貿易及租賃。

本公司為一間於香港註冊成立之有限公司，其註冊辦事處地址為香港九龍長沙灣長裕街10號億京廣場2期10樓。

本公司以香港交易所為主要上市地。

除另有指明外，本未經審核簡明綜合中期財務資料以港元呈列。本未經審核簡明綜合中期財務資料於二零一七年八月十日獲董事會批准刊發。

本未經審核簡明綜合中期財務資料已由審核委員會審閱。

2. 編製基準及會計政策

本中期財務報告乃按照香港聯合交易所有限公司證券上市規則之適用披露條文規定及香港會計師公會（「香港會計師公會」）所頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」之規定而編製。

本報告所應用之會計政策與截至二零一六年十二月三十一日止年度之年度財務報表所應用者一致，詳見該等年度財務報表。

本中期財務報告當中的資料乃未經審核及並不構成法定財務報表。本中期財務報告中載有有關截至二零一六年十二月三十一日止財政年度的財務資料（即比較資料）並不構成本公司於該財政年度的法定年度合併財務報表，惟乃摘錄自該等財務報表。有關此等法定財務報表之進一步資料須按照香港公司條例（第622章）第436條披露如下：

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

The company has delivered the financial statements for the year ended 31 December 2016 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The company's auditor has reported on those financial statements. The auditor's report was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Groups. Of these, the following developments are relevant to the Group's unaudited consolidated interim financial statements:

- Amendments to HKAS 7, Statement of cash flows: Disclosure initiative
- Amendments to HKAS 12, Income taxes: Recognition of deferred assets for unrealised losses

The adoption of these amendments to HKFRSs has no material impact on the Groups' results and financial positions for the current or prior periods. The Groups have not applied any new standard or amendment that is not effective for the current accounting period.

2. 編製基準及會計政策(續)

本公司已按公司條例第662(3)條及附表6第3部之規定，向香港公司註冊處遞交截至二零一六年十二月三十一日止年度之財務報表。

本公司之核數師已發表報告。該報告並無保留意見，並無載有核數師於出具無保留意見的情況下，提請注意任何引述之強調事項，亦不載有根據公司條例第406(2)或第407(2)或(3)條作出的陳述。

香港會計師公會已頒佈若干已修訂之香港財務報告準則，乃於本集團本會計期間首次生效。就以下已適用於本期未經審核綜合中期財務報表：

- 香港會計準則第7號修訂本 – 現金流量表：披露計劃
- 香港會計準則第12號修訂本 – 所得稅：就未實現虧損確認遞延稅項資產

採納已修訂之香港財務報告準則，不會對集團的財務報表有重大影響。在本會計期間，本集團並未採用任何未生效的新訂或經修訂的準則。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

The following new or amended standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:

- HKFRS 9 – Financial Instruments¹
- HKFRS 10 and HKAS 28 Amendments – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³
- HKFRS 15 – Revenue from Contracts with Customers¹
- HKFRS 16 – Leases²

¹ Changes effective for annual periods beginning on or after 1 January 2018

² Changes effective for annual periods beginning on or after 1 January 2019

³ Changes effective date to be determined

The Group has already commenced an assessment of the related impact of adopting the above new standards and amendments to standards to the Group. The Group is not yet in a position to state whether there would be substantial changes to the Group's accounting policies and presentation of the financial statements.

3. SEGMENT REPORTING

The Group manages its business by a mixture of both business nature and geographical location. In a manner consistent with the way in which information is reported internally to the Group's management for the purposes of assessing segment performance and allocating resources between segments, the Group has identified, on a product basis, the following four reportable segments:

- (1) trading of industrial consumables;
- (2) manufacturing of plastic processing products;
- (3) manufacturing of machinery; and
- (4) processing and trading of printed circuit boards.

2. 編製基準及會計政策(續)

下列新訂或經修訂的準則為已頒佈但於二零一七年一月一日開始之財政年度尚未生效，且並無提早採納：

- 香港財務報告準則第9號－金融工具¹
- 香港財務報告準則第10號及香港會計準則第28號修訂本－投資者與其聯營公司或合營企業之間出售或注入資產³
- 香港財務報告準則第15號－客戶合約收入¹
- 香港會計準則第16號－租賃²

¹ 修訂於二零一八年一月一日或之後開始之年度期間生效

² 修訂於二零一九年一月一日或之後開始之年度期間生效

³ 修訂生效日期待定

本集團已開始評估採納上述新訂準則及準則之修訂本對本集團之影響。本集團現時未能說明會否令本集團之會計政策及財務報表之呈列方式出現重大變動。

3. 分部報告

本集團按其業務性質及地理位置來管理業務。本集團為了符合其分部向集團高級管理層呈報資料的方式，以評估各分部表現及分配內部資源，已根據產品基準確定了以下四項呈報分部：

- (1) 工業消耗品貿易；
- (2) 注塑製品及加工；
- (3) 機械製造；及
- (4) 印刷線路板加工及貿易。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
簡明綜合財務報表附註(續)

3. SEGMENT REPORTING (Continued)

The segment results for the period ended 30 June 2017 are as follows:

3. 分部報告(續)

截至二零一七年六月三十日止六個月之分部業績如下：

| | | Industrial consumables 工業 消耗品 HK\$'000 千港元 | Plastic processing products 及加工 注塑製品 HK\$'000 千港元 | Machinery 機械 HK\$'000 千港元 | Printed circuit boards 印刷 線路板 HK\$'000 千港元 | Other operations 其他營運 HK\$'000 千港元 | Eliminations 撇銷 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|--------------------------------|-------------|---|---|------------------------------------|--|--|---------------------------------------|---------------------------------------|
| TURNOVER | 營業額 | | | | | | | |
| External sales | 對外銷售 | 167,508 | 193,718 | 392,383 | 386,525 | 11,700 | - | 1,151,834 |
| Inter-segment sales (Note) | 分部間銷售(附註) | 13,179 | - | 1,398 | - | - | (14,577) | - |
| Total revenue | 總收入 | 180,687 | 193,718 | 393,781 | 386,525 | 11,700 | (14,577) | 1,151,834 |
| Segment result | 分部業績 | 5,168 | 2,134 | 6,592 | 11,397 | 5,071 | - | 30,362 |
| Unallocated corporate expenses | 未可分配之企業費用 | | | | | | | (11,254) |
| Operating profit | 經營溢利 | | | | | | | 19,108 |
| Finance costs | 財務費用 | | | | | | | (9,449) |
| Investment income | 投資收入 | | | | | | | 1,593 |
| Share of results of associates | 應佔聯營公司之業績 | | | | | | | 1,732 |
| Profit before tax | 除稅前溢利 | | | | | | | 12,984 |

Note

Inter-segment sales are determined at prevailing market rates.

附註

分部間銷售按現行市場價格釐定。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 簡明綜合財務報表附註(續)

3. SEGMENT REPORTING (Continued)

3. 分部報告(續)

| | Industrial consumables 工業消耗品 HK\$'000 千港元 | Plastic processing products 注塑製品及加工 HK\$'000 千港元 | Machinery 機械 HK\$'000 千港元 | Printed circuit boards 印刷線路板 HK\$'000 千港元 | Other operations 其他營運 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|-------------------------------------|--|---|------------------------------------|--|---|---------------------------------------|
| ASSETS | 資產 | | | | | |
| At 30 June 2017 | 於二零一七年六月三十日 | | | | | |
| Segment assets | 262,954 | 342,365 | 1,002,611 | 579,715 | 375,988 | 2,563,633 |
| Interests in associates | | | | | | 29,582 |
| Available-for-sale financial assets | | | | | | - |
| Unallocated corporate assets | | | | | | 95,469 |
| Consolidated total assets | | | | | | <u>2,688,684</u> |
| LIABILITIES | 負債 | | | | | |
| Segment liabilities | 68,877 | 107,574 | 591,333 | 261,392 | 29,461 | 1,058,637 |
| Current tax payable | | | | | | 13,621 |
| Borrowings | | | | | | 379,056 |
| Unallocated corporate liabilities | | | | | | 47,617 |
| Consolidated total liabilities | | | | | | <u>1,498,931</u> |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
簡明綜合財務報表附註(續)

3. SEGMENT REPORTING (Continued)

The segment results for the period ended 30 June 2016 are as follows:

3. 分部報告(續)

截至二零一六年六月三十日止六個月之分部業績如下：

| | | Industrial consumables 工業消耗品 HK\$'000 千港元 | Plastic processing products 注塑製品及加工 HK\$'000 千港元 | Machinery 機械 HK\$'000 千港元 | Printed circuit boards 印刷線路板 HK\$'000 千港元 | Other operations 其他營運 HK\$'000 千港元 | Eliminations 撇銷 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|--|-----------------|--|---|------------------------------------|--|---|---------------------------------------|---------------------------------------|
| TURNOVER | 營業額 | | | | | | | |
| External sales | 對外銷售 | 168,759 | 190,385 | 343,624 | 368,482 | 11,621 | - | 1,082,871 |
| Inter-segment sales (Note) | 分部間銷售(附註) | 8,114 | 38 | 1,327 | - | - | (9,479) | - |
| Total revenue | 總收入 | 176,873 | 190,423 | 344,951 | 368,482 | 11,621 | (9,479) | 1,082,871 |
| Segment result | 分部業績 | 4,278 | (28,976) | (15,013) | 13,974 | 6,494 | 198 | (19,045) |
| Unallocated corporate expenses | 未可分配之企業費用 | | | | | | | (9,129) |
| Operating loss | 經營虧損 | | | | | | | (28,174) |
| Finance costs | 財務費用 | | | | | | | (9,608) |
| Investment income | 投資收入 | | | | | | | 2,868 |
| Gain on partial disposal of a subsidiary | 出售一間附屬公司部份權益之盈利 | | | | | | | 122 |
| Share of results of associates | 應佔聯營公司之業績 | | | | | | | 340 |
| Loss before tax | 除稅前虧損 | | | | | | | (34,452) |

Note

Inter-segment sales are determined at prevailing market rates.

附註

分部間銷售按現行市場價格釐定。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 簡明綜合財務報表附註(續)

3. SEGMENT REPORTING (Continued)

3. 分部報告(續)

| | Industrial consumables 工業消耗品 HK\$'000 千港元 | Plastic processing products 注塑製品及加工 HK\$'000 千港元 | Machinery 機械 HK\$'000 千港元 | Printed circuit boards 印刷線路板 HK\$'000 千港元 | Other operations 其他營運 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|-------------------------------------|--|---|------------------------------------|--|---|---------------------------------------|
| ASSETS | 資產 | | | | | |
| At 31 December 2016 | 於二零一六年十二月三十一日 | | | | | |
| Segment assets | 235,786 | 308,734 | 825,221 | 512,244 | 374,410 | 2,256,395 |
| Interests in associates | | | | | | 29,179 |
| Available-for-sale financial assets | | | | | | 1,389 |
| Unallocated corporate assets | | | | | | 132,840 |
| Consolidated total assets | | | | | | 2,419,803 |
| LIABILITIES | 負債 | | | | | |
| Segment liabilities | 51,364 | 81,130 | 481,266 | 198,173 | 23,057 | 834,990 |
| Current tax payable | | | | | | 15,255 |
| Borrowings | | | | | | 363,459 |
| Unallocated corporate liabilities | | | | | | 49,187 |
| Consolidated total liabilities | | | | | | 1,262,891 |

Sales revenue by geographical market
Six months ended 30 June
 按地區市場劃分之銷售收入
 截至六月三十日止六個月

| | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|------------------------------|----------------------------------|----------------------------------|
| Hong Kong | 341,545 | 362,363 |
| Mainland | 698,610 | 607,382 |
| Other Asia-Pacific countries | 68,113 | 80,637 |
| North America | 11,516 | 6,120 |
| Europe | 32,050 | 26,369 |
| | 1,151,834 | 1,082,871 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 簡明綜合財務報表附註(續)

4. PROFIT/(LOSS) BEFORE TAX

4. 除稅前溢利／(虧損)

| | | Six months ended | |
|--|-------------------------|-------------------------|----------|
| | | 30 June | |
| | | 截至六月三十日止六個月 | |
| | | 2017 | 2016 |
| | | 二零一七年 | 二零一六年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Profit/(loss) before tax is arrived at after charging/(crediting) the following: | 除稅前溢利／(虧損)已扣除及(計入)下列各項： | | |
| Depreciation and amortisation on: | 折舊及攤銷： | | |
| – Owned assets | – 自置資產 | 29,259 | 33,933 |
| – Assets held under finance leases | – 融資租賃資產 | 1,034 | 2,288 |
| – Leasehold land held for own use under finance leases | – 根據融資租賃持有之自用租賃土地 | 1,097 | 1,062 |
| – Leasehold land and land use rights | – 租賃土地及土地使用權 | 679 | 705 |
| – Intangible assets | – 無形資產 | 692 | 692 |
| Operating lease payments | 經營租賃租金 – 土地及樓宇 | | |
| – Land and buildings | | 9,597 | 10,163 |
| Compensation paid to employees of a subsidiary upon cessation of business | 支付一間已停業附屬公司僱員之補償 | – | 20,218 |
| Net gain on disposal of property, plant and equipment | 出售物業、廠房及設備的淨收益 | (173) | (1,156) |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 簡明綜合財務報表附註(續)

5. TAXATION

5. 稅項

| | | Six months ended | |
|-----------------------|-------|-------------------------|----------|
| | | 30 June | |
| | | 截至六月三十日止六個月 | |
| | | 2017 | 2016 |
| | | 二零一七年 | 二零一六年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Hong Kong profits tax | 香港利得稅 | 645 | – |
| Overseas taxation | 海外稅項 | 5,521 | 6,420 |
| | | 6,166 | 6,420 |

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

香港利得稅乃按估計應課稅溢利按稅率16.5% (二零一六年：16.5%) 撥備。其他地區應課稅溢利之稅項乃根據本集團經營所在司法權區之現行法例、詮釋及慣例計算稅率。

6. EARNINGS/(LOSS) PER SHARE

6. 每股盈利／(虧損)

The calculation of the basic earnings/(loss) per ordinary share is based on the Group's profit/(loss) attributable to equity shareholders of the Company and the weighted average number of ordinary shares in issue during the Period.

本期每股普通股基本盈利／(虧損)乃按本期本公司股權持有人應佔溢利／(虧損)及期內已發行普通股股份加權平均數計算。

| | | Six months ended | |
|--|--------------------|-------------------------|-------------------|
| | | 30 June | |
| | | 截至六月三十日止六個月 | |
| | | 2017 | 2016 |
| | | 二零一七年 | 二零一六年 |
| Weighted average number of shares in issue during the Period | 以加權平均數計算本期已發行股份 | 716,930,692 | 716,930,692 |
| Profit/(loss) attributable to the equity shareholders of the Company | 本公司股權持有人之應佔溢利／(虧損) | HK\$1,135,000 | (HK\$45,376,000) |
| Basic earnings/(loss) per share | 每股基本盈利／(虧損) | HK0.16 cents港仙 | (HK6.33 cents 港仙) |

No diluted earnings/(loss) per share is presented as the Company did not have any potential ordinary share outstanding.

由於本公司期內並無任何潛在已發行普通股，因此並無呈列每股攤薄後之盈利／(虧損)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 簡明綜合財務報表附註(續)

7. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group has acquired property, plant and equipment amounting to approximately HK\$18,769,000.

7. 物業、廠房及設備

於本期間，本集團添置之物業、廠房及設備約值18,769,000港元。

8. FINANCE LEASE RECEIVABLES

8. 應收融資租賃款項

| | | Minimum lease receipts 最低租賃收入 | | Present value of minimum lease receipts 最低租賃收入之現值 | |
|---|-----------------------|--|--|---|--|
| | | 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元 | 31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元 | 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元 | 31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元 |
| Amounts receivable under finance lease: | 融資租賃應收款項： | | | | |
| Not later than one year | 一年內 | 127,951 | 62,151 | 115,438 | 53,622 |
| Later than one year and not later than five years | 第二至五年 | 44,414 | 59,949 | 42,107 | 54,220 |
| Overdue finance lease receivables | 逾期應收融資租賃款項 | 172,365 15,091 | 122,100 11,803 | 157,545 15,091 | 107,842 11,803 |
| Less: Unearned finance income | 減：未實現財務收入 | (14,820) | (14,258) | N/A 不適用 | N/A 不適用 |
| Present value of minimum lease receipts | 最低租賃收入之現有價值 | 172,636 | 119,645 | 172,636 | 119,645 |
| Less: Allowance for impairment of doubtful debts | 減：呆壞賬減值撥備 | (7,490) | (7,490) | (7,490) | (7,490) |
| | | 165,146 | 112,155 | 165,146 | 112,155 |
| Less: Finance lease receivables classified under current assets | 減：列入流動資產之 應收融資租賃款項 | | | (115,438) | (57,935) |
| Non-current finance lease receivables | 非流動之應收融資租賃款項 | | | 49,708 | 54,220 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 簡明綜合財務報表附註(續)

9. TRADE AND OTHER RECEIVABLES

The Group grants an average credit period of 90 days to 120 days to its customers.

The ageing analysis of trade receivables, based on the invoice date and net of allowance for impairment of bad and doubtful debts, is as follows:

| | | 30 June 2017 二零一七年 六月 三十日 HK\$'000 千港元 | 31 December 2016 二零一六年 十二月 三十一日 HK\$'000 千港元 |
|----------------------------------|---------|---|--|
| 0 to 3 months | 零至三個月 | 557,275 | 525,350 |
| 4 to 6 months | 四至六個月 | 91,903 | 96,091 |
| 7 to 9 months | 七至九個月 | 40,354 | 24,266 |
| Over 9 months | 超過九個月 | 48,298 | 41,132 |
| Total trade receivables | | 737,830 | 686,839 |
| Other receivables | 其他應收款 | 84,347 | 70,407 |
| Prepayment | 預付款 | 41,006 | 30,818 |
| Amounts due from related parties | 應收關連方款項 | 25 | 37 |
| | | 863,208 | 788,101 |

10. CASH AND BANK BALANCES

9. 貿易及其他應收款項

本集團給予客戶之平均帳期為90天至120天。

按發票日期並已扣除呆壞賬減值撥備的貿易應收款項帳齡分析如下：

| | | 30 June 2017 二零一七年 六月 三十日 HK\$'000 千港元 | 31 December 2016 二零一六年 十二月 三十一日 HK\$'000 千港元 |
|---------------------------|----------|---|--|
| Pledged bank deposits | 已抵押之銀行存款 | 29,861 | 36,605 |
| Cash and cash equivalents | 現金及現金等值 | 300,998 | 296,118 |
| | | 330,859 | 332,723 |

10. 現金及銀行結餘

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 簡明綜合財務報表附註(續)

11. TRADE AND OTHER PAYABLES

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

| | | 30 June 2017 二零一七年 六月 三十日 HK\$'000 千港元 | 31 December 2016 二零一六年 十二月 三十一日 HK\$'000 千港元 |
|-------------------------------|---------------|---|--|
| 0 to 3 months | 零至三個月 | 535,969 | 365,339 |
| 4 to 6 months | 四至六個月 | 78,284 | 56,846 |
| 7 to 9 months | 七至九個月 | 25,204 | 26,607 |
| Over 9 months | 超過九個月 | 23,718 | 23,538 |
| Total trade payables | 應付賬款總額 | 663,175 | 472,330 |
| Accruals and other payables | 應付未付及其他應付款 | 291,249 | 263,242 |
| Amount due to related parties | 結欠關連方之款項 | 6,230 | 4,800 |
| | | 960,654 | 740,372 |

11. 貿易及其他應付款項

按發票日期的貿易應付款項帳齡分析如下：

12. PROVISION FOR RESTRUCTURING

Restructuring costs provision mainly comprises provision made in 2016 for employees compensation and relocation expenses, arising from a series of restructuring actions to reduce costs and enhance operational efficiency.

12. 重組撥備

重組費用撥備主要包括於二零一六年由一系列重組方案以降低成本及提高營運效率而產生的僱員補償及搬遷開支方面的撥備。

| | | HK\$'000 千港元 |
|------------------------------------|----------------------------|-----------------|
| At 1 January 2017 and 30 June 2017 | 於二零一七年一月一日及 於二零一七年六月三十日 | 91,727 |

The restructuring provision of the Group did not have any movement during the Period.

本集團之重組撥備於本期間內並沒有任何變動。

13. SHARE CAPITAL

13. 股本

| | | Number of ordinary shares 普通股股份數目 | Amount 金額 HK\$'000 千港元 |
|---|--|--|---|
| Issued and fully paid: At 1 January 2017 and 30 June 2017 | 已發行及已繳足股本： 於二零一七年一月一日及 於二零一七年六月三十日 | 716,930,692 | 532,903 |

All ordinary shares rank equally with regard to the Company's residual assets.

所有普通股享有同等關於本公司的剩餘資產。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 簡明綜合財務報表附註(續)

14. RESERVES

14. 儲備

| | | Property revaluation reserve 物業重估 儲備 HK\$'000 千港元 | Translation reserve 匯兌儲備 HK\$'000 千港元 | Others 其他 HK\$'000 千港元 | Total 總額 HK\$'000 千港元 |
|--|--------------------------|---|---|---------------------------------|--------------------------------|
| Balance at 1 January 2016 | 於二零一六年一月一日結餘 | 39,210 | 93,684 | (583) | 132,311 |
| Fair value gain: | 公平價值溢利: | | | | |
| – Available-for-sale financial assets | – 可供出售金融資產 | – | – | 152 | 152 |
| Share of other comprehensive expense of associates | 應佔聯營公司之 其他全面支出 | – | (129) | – | (129) |
| Release of translation reserve upon partial disposal of a subsidiary | 出售一間附屬公司部份權益時 從匯兌儲備撥出 | – | (55) | – | (55) |
| Exchange differences arising from translation of financial statements of foreign operations | 換算海外業務報表時 產生之匯兌差額 | – | (23,619) | – | (23,619) |
| Balance at 30 June 2016 | 於二零一六年六月三十日結餘 | 39,210 | 69,881 | (431) | 108,660 |
| Balance at 1 January 2017 | 於二零一七年一月一日結餘 | 42,283 | 22,731 | 1,738 | 66,752 |
| Release of other reserve upon disposal of available-for-sale financial assets | 出售可供出售金融資產時 從其他儲備撥出 | – | – | (907) | (907) |
| Share of other comprehensive expense of associates | 應佔聯營公司之 其他全面支出 | – | (719) | – | (719) |
| Exchange differences arising from translation of financial statements of foreign operations | 換算海外業務報表時 產生之匯兌差額 | – | 25,464 | – | 25,464 |
| Balance at 30 June 2017 | 於二零一七年六月三十日結餘 | 42,283 | 47,476 | 831 | 90,590 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 簡明綜合財務報表附註(續)

15. CAPITAL COMMITMENTS

| | | 30 June 2017 二零一七年 六月 三十日 HK\$'000 千港元 | 31 December 2016 二零一六年 十二月 三十一日 HK\$'000 千港元 |
|---------------------------------|-----------|---|--|
| Capital expenditure: | 資本支出： | | |
| Contracted but not provided for | 已簽約但未作出撥備 | 15,127 | 5,414 |

15. 資本承擔

16. PLEDGE OF ASSETS

At the balance sheet date, assets with the following carrying amounts were pledged by the Group to secure general banking facilities:

| | | 30 June 2017 二零一七年 六月 三十日 HK\$'000 千港元 | 31 December 2016 二零一六年 十二月 三十一日 HK\$'000 千港元 |
|---|----------------|---|--|
| Buildings | 樓宇 | 81,500 | 81,800 |
| Leasehold land held for own use under finance lease | 按融資租賃持有之自用租賃土地 | 66,903 | 68,000 |
| Leasehold land and land use rights | 租賃土地及土地使用權 | 3,986 | 3,983 |
| Plant and machinery | 廠房及機器 | 10,178 | 15,160 |
| Bank deposits | 銀行存款 | 29,861 | 36,605 |
| | | 192,428 | 205,548 |

16. 資產抵押

於結算日，本集團已將下列以帳面值計算的資產作抵押，以取得給予本集團之一般銀行信貸額：

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 簡明綜合財務報表附註(續)

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

During the Period, the Group had material transactions with the following related parties:

17. 與關連方進行之交易及結餘

本期內，本集團與下列關連方進行之重大交易如下：

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|------------------------|--|----------------------------------|
| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
| <i>Associates:</i> | <i>聯營公司：</i> | | |
| EDP charges paid (note i) | 電腦系統維護費用支出(附註i) | 2,796 | 3,145 |
| <i>Companies controlled by certain directors and its relatives:</i> | <i>由若干董事及其親屬控制之公司：</i> | | |
| Management fee paid (note i) | 管理費支出(附註i) | 498 | 498 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 簡明綜合財務報表附註(續)

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES *(Continued)*

At the balance sheet date, the Group has balances with the following related parties:

17. 與關連方進行之交易及結餘 (續)

本集團與下列關連方於結算日之結餘：

| | | 30 June 2017 二零一七年 六月 三十日 HK\$'000 千港元 | 31 December 2016 二零一六年 十二月 三十一日 HK\$'000 千港元 |
|---|------------------------|---|--|
| <i>Non-controlling shareholders:</i> | <i>非控股股東：</i> | | |
| Balances due from the Group <i>(note ii)</i> | 本集團結欠之結餘 <i>(附註ii)</i> | 6,230 | 4,800 |
| <i>Associates:</i> | <i>聯營公司：</i> | | |
| Balance due from the Group <i>(note ii)</i> | 本集團結欠之結餘 <i>(附註ii)</i> | 1,188 | 565 |
| Balances due to the Group <i>(note ii)</i> | 結欠本集團之結餘 <i>(附註ii)</i> | 2,555 | 3,166 |

Notes:

- (i) The prices of the transactions were determined by the directors with reference to market prices for similar transactions with unrelated third parties.
- (ii) The balances are unsecured, interest free and have no fixed terms of repayment.

附註：

- (i) 該等交易的價格經董事參考與非關連第三者進行類似交易之市場價格後釐定。
- (ii) 該等結餘為無抵押、免息及無固定還款期。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

RESULT SUMMARY

- Revenue increased by 6.4% to HK\$1,151,834,000 (2016: HK\$1,082,871,000)
- Gross profit margin improved to 17.2% (2016: 16.5%)
- Earnings before interest, taxes, depreciation and amortization ("EBITDA") increased to HK\$55,195,000, representing an EBITDA margin of 4.8% (2016: 1.3%)
- Profit for the Period was HK\$6,818,000, as compared to the loss of HK\$40,872,000 for the Corresponding Period
- Net debt to equity ratio was 4.4% (31 December 2016: 2.3%)
- Net assets per share increased to HK\$1.66, as compared to HK\$1.61 per share as at 31 December 2016

FINANCIAL RESULTS

The sales revenue of the Group increased to HK\$1,151,834,000 (2016: HK\$1,082,871,000), representing an increase of 6.4% as compared with that of last year. It was mainly attributable to the improved business performance of the machinery manufacturing and the plastic products and processing segments during the Period.

The gross profit increased to HK\$198,091,000, with gross profit margin of 17.2% which represented an increase of 0.7 percentage points as compared to that of 2016. The improvement in gross profit margin was resulted from the increasing utilization of production capacities in certain manufacturing plants and strengthening control over production costs during the Period. The Group continues the adjustment of sales strategy by focusing on higher-margin products and associated customers of various business segments.

業績摘要

- 銷售收入增長6.4%至1,151,834,000港元(二零一六年: 1,082,871,000港元)
- 毛利率改善至17.2%(二零一六年: 16.5%)
- 未計利息、稅項、折舊及攤銷前盈利(「EBITDA」)上升至55,195,000港元, EBITDA比率為4.8%(二零一六年: 1.3%)
- 本期間溢利為6,818,000港元, 而去年同期則為虧損40,872,000港元
- 借貸淨額對權益百分比為4.4%(二零一六年十二月三十一日: 2.3%)
- 每股資產淨值上升至1.66港元, 而二零一六年十二月三十一日則為1.61港元

財務業績

本集團之銷售收入上升至1,151,834,000港元(二零一六年: 1,082,871,000港元), 較去年增加6.4%。此乃主要由於機械製造業務以及注塑製品及加工業務於本期間之業務表現有所改善所致。

毛利增加至198,091,000港元, 毛利率為17.2%, 較二零一六年增加0.7個百分點。毛利率改善是由於本期間部份廠房之產能利用水平提升, 並加強對生產成本之控制所致。本集團持續調整銷售策略, 聚焦於不同業務之較高利潤產品及相關客戶。

As stated in the announcements of the Company in 2016, the Group planned to restructure its plastic products and processing segment and machinery manufacturing segment, including the cessation of operation of certain manufacturing businesses and optimization of the production capacities in its Dongguan and Wuxi machinery manufacturing plants. The restructuring projects including assets relocation and optimization, organizational restructuring and production efficiency enhancement are on track under the closely-monitoring of a designated task force. The Group will continue to update the progress of the restructuring in due course.

The Group reported a turnaround with profit of HK\$6,818,000 in 2017 (2016: Loss of HK\$40,872,000). This was mainly resulted from the increase in sales revenue, gross profits and also tight control over the operating expenses during the Period.

The net debt to equity ratio was 4.4% with overall cash flow position and debt maturity profile of the Group maintained at a healthy level.

The Board did not recommend the payment of an interim dividend for the Period (2016: nil).

BUSINESS REVIEW

The global economy showed mild growth during the Period, especially the various manufacturing sectors of different industries in the Mainland. The competitive advantages of our high-quality products and innovation technology enabled the Group to maintain its market share from the strategy of global supply chain diversification and product-quality focus of our major customers. The Group observed a recovery of the sales momentum in the manufacturing businesses during the Period. In addition to the continuing tight control over the production costs and operating overheads, the overall performance of the Group is expected to improve gradually.

誠如本公司於二零一六年之公告所述，本集團已計劃重組注塑製品及加工業務分部以及機械製造業務分部，包括終止若干製造業務以及優化東莞及無錫機械製造廠房之產能。在專責小組的密切監督下，包括資產重新配置及優化、架構重組及提升生產效率在內的重組項目正按計劃實行。本集團將於適當時候繼續提供重組之最新進展。

本集團於二零一七年扭虧為盈，錄得溢利6,818,000港元(二零一六年：虧損40,872,000港元)。此主要因為本期間內的銷售收入及毛利增加，以及嚴格控制經營開支所致。

借貸淨額對權益百分比為4.4%，本集團整體之現金流及債務到期狀況仍維持於較為健康之水平。

董事會不建議派付本期間之中期股息(二零一六年：無)。

業務回顧

全球經濟於本期間錄得溫和增長，特別是內地不同行業之製造界別。本集團憑藉旗下產品的優良品質及掌握創新技術所打造的競爭優勢，在主要客戶推行全球供應鏈多元化及重視產品質素的形勢中能夠維持其市場佔有率。本集團觀察到製造業務於本期間之銷售勢頭回升；加上持續嚴格控制生產成本及經營開支，本集團之整體表現可望逐漸改善。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Machinery Manufacturing Business

During the Period, the machinery manufacturing segment observed increasing sales momentum in the Mainland market, especially from the industries of automotive components, infrastructure construction and daily necessities. The responses from the optimization of industry tailor-made moulding machines associated with professional total solutions were crystallized in terms of sales orders received from this specialized niche market. The performance of this segment was successfully turned around in the first quarter of 2017.

The segment continued to streamline its organization structure, strengthen the cost control over the supply chain, improve the production efficiency and optimize the production capacities of its Dongguan and Wuxi manufacturing plants during the Period. Moreover, it will continue to enhance the R&D capabilities and invest additional resources in developing innovative value-added products with higher profit margin. The new solutions for 'Smart' Industry 4.0 were successfully incorporated into the newer moulding machines series. The strategy of developing digitalized solutions will be continued in the coming years.

In addition, as the Mainland government continues the initiative of "Substituting Coal with Electricity" in certain remote areas to reduce air pollution, the segment expects increasing demand for large-scale rubber injection moulding machines. As for the extrusion machines and the hydraulic press machines business, various automated production solutions had been developed in order to strengthen the functionality and capabilities of standard models with lower energy consumption and good stability. They will enhance the overall profitability of this business segment.

Plastic Processing Products Manufacturing Business

This manufacturing segment continues to take proactive actions to reduce production costs through consolidation of production processes, automation of manual works, streamlining of working positions, etc. For example, our Hefei production plant had implemented digitalized inventory management system in order to enhance the logistics efficiency of the supply chain with some major home appliance customers. The segment was able to keep the production costs at a competitive level and maintain its market share in different manufacturing sectors.

機械製造業務

於本期間，機械製造業務於內地市場之銷售勢頭有所增長，當中尤以汽車零件、基礎建設及日用品行業較為顯著。對配有專業完整方案之行業定製注塑機進行優化後，現已成功從這個專業利基市場獲得銷售訂單。此業務已於二零一七年第一季度成功扭虧為盈。

此業務於本期間繼續精簡企業架構、加強監控供應鏈之成本、提升生產效率以及優化東莞及無錫廠房之產能。此外，繼續提升研發能力，並在開發利潤率更高之創新增值產品方面投入額外資源。嶄新之工業4.0智能方案已成功地配置於新的注塑機系列，而未來數年將會繼續推行發展數碼化方案之策略。

此外，鑑於內地政府持續在廣大地區推行「以電代煤」以減少空氣污染，此業務預期大型橡膠機之需求將會繼續增長。擠出機和油壓機業務方面，現已開發多項的操作自動化方案，以增強其標準型號的性能耗能更低及更為穩定。此業務之整體盈利能力將得以提高。

注塑製品及加工業務

此製造業務繼續積極透過整合生產流程、將人手操作自動化、精簡工作崗位等方式降低生產成本。例如合肥生產基地已實施數碼庫存管理系統，以提高與部份主要生產家庭電器客戶之間的供應鏈物流效率。此業務能夠將生產成本保持於具競爭力之水平，並且維持其於不同製造界別之市場佔有率。

Besides, the performance of our Zhuhai production plant was satisfactory, especially the sales revenue generated from the in-mould labelling products for specialized food packaging and cutlery customers. In order to address the rising hygiene standard of food packaging industry, it had already installed some plasticizer testing equipment together with the newly-established micro-biology laboratory and clean room injection workshop, which aimed to meet the strict international hygienic standards. It also focused on the development of innovative products design such as folding cap seals for milk powder and aligned the total-solution initiative with major multi-national customers.

The overall performance of this segment improved significantly during the Period after execution of the critical business restructuring in the second half of 2016. It will continue to set itself the target of enhancing the profitability in the coming years.

Printed Circuit Board (“PCB”) Processing and Trading Business

The PCB processing business recorded a slight drop in sales revenue and profit as a result of the challenging manufacturing environment and intense competition within the industry. The fluctuation in the price of raw materials during the Period also posed additional difficulties in sales order fulfillment and the related production costs. However, the segment has successfully shifted the product mix to higher-margin multi-layers and HDI product series and has maintained its market competitiveness. Moreover, the segment will continue to automate and optimize production capacities in order to enhance its production efficiency and uplift the product quality.

Regarding the PCB trading business, its performance was benefited from the adjustment of sales strategy to high-end products and sales orders optimization during the Period. It will continue to strengthen the professional technical support and after-sales customer services through the collaborations between sales teams across different geographical locations.

此外，珠海生產基地之表現令人滿意，特別是為專業食品包裝及餐具客戶供應模內貼產品所貢獻之銷售收入。為了符合食品包裝行業不斷提高之衛生標準，其已添置一些增塑劑檢測設備，加上新擴建之微生物實驗室及潔淨室注塑車間，務求符合嚴格之國際衛生標準。其亦聚焦於創新產品設計之開發，例如用於奶粉產品之折疊式密封蓋以及與主要跨國客戶對接提供完整解決方案。

於二零一六年下半年執行關鍵業務重組後，此業務於本期間之整體表現顯著改善。其於未來數年將繼續以提升盈利能力為其目標。

印刷線路板加工及貿易業務

面對充滿挑戰的製造業環境及業內競爭加劇，印刷線路板加工業務之銷售收入及盈利均略為下跌。於本期間原材料價格的波動，亦為實現銷售訂單及生產成本方面的工作帶來額外困難。然而，此業務已成功將產品組合轉以更高利潤的多層及高密度互連產品系列為重點，並保持其市場競爭力。此外，此業務將繼續進行產能自動化及優化，以提高其生產效率及提升產品質素。

印刷線路板貿易業務方面，其表現受惠於本期間調整銷售策略，聚焦於高端產品的銷售，訂單得以優化。其業務將透過不同地域之銷售團隊的協作而繼續加強技術支援及客戶售後服務。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Industrial Consumables Trading Business

The domestic and global business environment of this business segment remained challenging, in particular, the market demand for certain industry sectors such as elevators manufacturers, robotic arms, medical equipment and telecommunication facilities providers was still in a stage of recovery during the Period. Meanwhile, order placing of some factory-automation businesses as one of the segment's key market development initiatives was delayed to the second half of 2017, which in turn affected the results of the segment for the Period.

Looking forward, the newly-developed system-integration business will be a key driver to the profitability of the segment in the coming years by capturing the opportunities arising from the Mainland government's "Made in China 2025" strategic plan. Moreover, it will continue to optimize its inventory management system, enhance the product portfolio diversification and develop high-margin industrial customers engaging in fast-growing industries such as auto-parts and robotic arms.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2017, the Group's total outstanding bank borrowings amounted to HK\$374,648,000 (31 December 2016: HK\$355,324,000) which comprised mainly bank loans and trade finance facilities. The bank borrowings repayable within one year and in the second to the fifth year amounted to HK\$344,498,000 and HK\$30,150,000 respectively (31 December 2016: HK\$320,149,000 and HK\$35,175,000 respectively).

After deducting cash and bank balances of HK\$330,859,000 (31 December 2016: HK\$332,723,000), the Group's net borrowings amounted to HK\$43,789,000 (31 December 2016: HK\$22,601,000). Shareholders' equity as at 30 June 2017 was HK\$991,567,000 (31 December 2016: HK\$966,594,000). Accordingly, the Group's net gearing ratio was 4.4%.

工業消耗品貿易業務

此業務面對之本地及環球營商環境仍然極具挑戰，特別是部份行業界別的市場需求，如升降機廠商、機械臂、醫療儀器及電訊設施供應商於本期間仍處於復甦階段。與此同時，此業務之其中一項主要市場發展策略—工廠自動化業務的部份客戶將訂單押後至二零一七年下半年，令到此業務於本期間之業績受到影響。

展望未來，透過把握內地政府實施「中國製造二零二五」戰略規劃所衍生之機遇，新發展之系統整合業務將成為此分部於未來數年之主要盈利動力來源。此外，其將繼續優化庫存管理系統，提升產品組合多元化，並且吸納如汽車零件及機械臂等高速增長行業之高利潤工業客戶。

流動資金及財務資源

於二零一七年六月三十日，本集團之未償還銀行借貸總額為374,648,000港元(二零一六年十二月三十一日：355,324,000港元)，主要包括銀行借款及貿易融資信貸。將於一年內到期以及於第二至第五年到期償還之銀行借款金額分別為344,498,000港元及30,150,000港元(二零一六年十二月三十一日：分別為320,149,000港元及35,175,000港元)。

扣除現金及銀行結餘330,859,000港元(二零一六年十二月三十一日：332,723,000港元)後，本集團之借貸淨額為43,789,000港元(二零一六年十二月三十一日：淨借貸22,601,000港元)。於二零一七年六月三十日之股東權益為991,567,000港元(二零一六年十二月三十一日：966,594,000港元)。故此，本集團之淨借貸比率為4.4%。

During the Period, the Group's net cash outflow from operating activities amounted to HK\$10,145,000. This represented profit before tax of HK\$12,984,000 after adjustments for non-cash items, including adding back depreciation and amortisation of HK\$32,761,000, deducting the share of results of associates of HK\$1,732,000, deducting the net changes in working capital of HK\$50,192,000 and deducting other adjustments of HK\$3,966,000. The Group's net cash outflow from investing activities for the Period amounted to HK\$2,505,000, which included purchases for property, plant and equipment of HK\$18,769,000, disposal of other financial assets of HK\$4,326,000, decrease in pledged bank deposits of HK\$7,740,000 and other cash inflow of HK\$4,198,000.

The Group's financial statements are presented in Hong Kong dollars. The Group carried out its business transactions mainly in Hong Kong dollars, Renminbi, United States dollars and Japanese Yen. As the Hong Kong dollar remained pegged to the United States dollar, there was no material exchange risk in this respect. The Group will continue to monitor its foreign exchange exposure in Japanese Yen and Renminbi and enter into forward contracts when necessary. The Group's long-term bank loan facilities were denominated mainly in Hong Kong dollars and carried interest at floating rates. Credit risk was hedged mainly through credit insurance.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2017, the Group has approximately 3,500 employees (31 December 2016: approximately 3,460), inclusive of all its staff in Hong Kong, Mainland and overseas offices. The remuneration policy of the Group is formulated in accordance with the market trends and the performance of the employees. Employees' benefits include insurance and retirement benefit.

於本期間，本集團之經營業務現金流出淨額為10,145,000港元。此數字代表除稅前溢利12,984,000港元，已就非現金項目作出調整，包括加回折舊及攤銷32,761,000港元，扣除應佔聯營公司之業績1,732,000港元，減回營運資金變動淨額50,192,000港元及減回其他調整3,966,000港元。本集團於本期間之投資活動現金流出淨額為2,505,000港元，包括購買物業、廠房及設備18,769,000港元、出售其他金融資產4,326,000港元、減少已抵押之銀行存款7,740,000港元及其他現金流入4,198,000港元。

本集團之財務報表以港元呈列。本集團主要以港元、人民幣、美元及日圓進行業務交易。由於港元與美元掛鈎，故此方面並無重大外匯風險。本集團將繼續監察來自日圓及人民幣之外匯風險，並於需要時透過訂立遠期合約加以調控。本集團之長期銀行貸款融資均主要以港元計值及以浮動利率計息。信貸風險主要透過信用保險對沖。

僱員及薪酬政策

截至二零一七年六月三十日，本集團於香港、內地及海外各辦事處的僱員人數約共3,500名(二零一六年十二月三十一日：約共3,460名)。本集團的薪酬政策乃按市場趨勢及僱員表現而釐定，福利包括保險及退休福利。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

The remunerations of the Directors are determined by the Remuneration Committee, with reference to the Company's operating results and comparable market information. The remuneration policy of the Company for the non-executive directors is to ensure that they are sufficiently compensated for their efforts and time dedicated to the Company. For the employees (including the executive directors and senior management), it ensures that the remuneration packages offered are optimal with respect to their duties assigned and in line with the market practice. The remuneration policy is set out to ensure that the salary levels are competitive and effective in attracting, retaining and motivating employees. Directors, or any associates of the directors as well as any executives, do not involve in determining their respective remuneration.

OUTLOOK AND PROSPECTS

The global economy is still challenging in the coming years. The Group expects several key challenges ahead including the continuous increasing of manufacturing costs and raw material costs, volatile capital market and the currency fluctuations. The Group is well-positioned to boost the sales momentum in different business segments after the restructuring exercise of the machinery manufacturing segment and the plastic product and processing segment executed across 2016 and 2017. Moreover, the Group will continue to streamline the organization structure, optimize the operating cost structure, improve the production efficiency and utilization of various manufacturing plants in Mainland.

Amid uncertainties in the overall macro-economic environment, the Group observes great business opportunities arising from the fast-growing industries, mainly automotive including new-energy vehicles, innovative consumer electronics, communications, food and medical packaging, medical equipment, new industrial materials and components. With the consistent commitment of the Mainland government to develop new energy, energy saving, environmental protection and new materials industries, the Group will continue to align its strategic direction of providing innovative, high-technology and good quality products to our customers. Our bolstering R&D capabilities and the collaboration across different business segments enable the Group to penetrate extensively into specific focusing industrial sectors in the near future.

董事之酬金乃由薪酬委員會經考慮本公司之經營業績及比較市場統計資料後釐定。本公司有關非執行董事的酬金政策為確保彼等為本公司付出的精神及時間可獲得充分補償，而僱員（包括執行董事及高級管理人員）之薪酬政策則旨在確保所提供薪酬與職責相符並符合市場慣例。訂立薪酬政策旨在確保薪金水平具競爭力並能有效地吸引、留聘及激勵僱員。董事或其任何聯繫人士以及行政人員均不得參與釐定本身的薪酬。

展望及前景

全球經濟於未來數年仍然充滿挑戰。本集團預期需面對多項主要挑戰：包括生產成本及原材料成本不斷上漲、資本市場動盪及匯價波動。本集團於二零一六年及二零一七年對機械製造業務以及注塑製品及加工業務進行重組後，有利於提升不同業務之銷售動力。此外，本集團仍將繼續簡化企業架構、優化營運成本結構、改善生產效率，以及善用各地之生產設施。

在整體宏觀經濟環境不明確下，本集團特別關注汽車（包括新能源汽車）、創新消費型電子產品、通訊、食品及醫療藥物包裝、醫療設備、工業新材料及元件等高速增長行業所帶來的龐大業務機遇。隨著內地政府繼續發展新能源、節能、環保及新材料產業，本集團將繼續順應政府的方針調節策略發展之方向，為客戶提供創新、先進技術及優質產品與服務。集團通過加強研發能力及各業務間的協作後，當可在不久將來把業務廣泛拓展至各具獨特焦點之多個行業界別。

SUPPLEMENTARY INFORMATION

補充資料

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

董事及主要行政人員之證券權益

During the Period, the interests and short positions of the Directors and the chief executives of the Company (the "Chief Executive") in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance, Chapter 571 under the Laws of Hong Kong (the "SFO")) as recorded in the register of directors' and chief executives' interests and short positions required to be maintained under section 352 of the SFO or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), to be notified to the Company and the Stock Exchange are as follows:

於此期間，根據證券及期貨條例第352條規定須設置之董事及本公司主要行政人員（「主要行政人員」）權益及淡倉登記冊所載記錄顯示，各董事及主要行政人員在本公司及其相聯法團（定義見香港法例第571章證券及期貨條例第XV部（「證券及期貨條例」）之股份、相關股份及債權證或根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十所載上市發行人董事進行證券交易之標準守則須通知本公司及聯交所之權益及淡倉如下：

Interests in the Shares

股份權益

| Name of Directors | Number of shares held | | | | | Total | Approximate % of total issued shares of the Company 佔本公司 已發行股份 總數之 概約百分比 |
|----------------------|-----------------------|----------------------------|----------------------------------|------------------------------|-------------|--------|--|
| | Personal interests | Family interests | Corporate interests | Other interests | | | |
| 董事姓名 | 個人權益 | 家族權益 | 企業權益 | 其他權益 | 總數 | 持有股份數目 | |
| Tang To 鄧燾 | 4,970,000 | 2,000 (Note 2) (附註2) | 300,617,458 (Note 1) (附註1) | 224,000 (Note 3) (附註3) | 305,813,458 | | 42.66 |
| Wong Yiu Ming 黃耀明 | 9,468,000 | – | – | – | 9,468,000 | | 1.32 |
| Kan Wai Wah 簡衛華 | 136,400 | – | – | – | 136,400 | | 0.02 |
| Cheng Tak Yin 鄭達賢 | 1,406,000 | – | – | – | 1,406,000 | | 0.20 |

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

Notes:

1. As at 30 June 2017, 3,460,406 Shares of those 300,617,458 Shares were held by Ginta Company Limited (“Ginta”) which is wholly owned by a company which in turn is owned as to 50% by Mr. Tang and 50% by his spouse. Mr. Tang was deemed to be interested in the remaining 297,157,052 Shares of those 300,617,458 Shares under the SFO through his deemed interests in Codo Development Limited (“Codo”).

As at 30 June 2017, Codo through its wholly owned subsidiaries, Cosmos Machinery (Holdings) Limited (“Cosmos Holdings”) and Tai Shing Agencies Limited (“Tai Shing”), was deemed to be interested in 297,157,052 Shares. Codo is incorporated in Hong Kong and is owned as to (i) 25.06% by Keepsound Investments Limited (“Keepsound”), a Hong Kong company controlled by Saniwell Holding Inc., a trustee of The Saniwell Trust, (ii) 8.37% by Elegant Power Enterprises Limited (“Elegant Power”); (iii) 30.25% by Friendchain Investments Limited (“Friendchain”), a Hong Kong company controlled as to 40% by Elegant Power, as to 57.42% by Saniwell Holding Inc. and as to 2.58% by Fullwin Limited (“Fullwin”); (iv) 16.09% by Yik Wan Company Limited (“Yik Wan”); and (v) 20.23% collectively held by five individuals and two limited companies.

2. As at 30 June 2017, 2,000 Shares were held by the spouse of Mr. Tang.
3. As at 30 June 2017, 224,000 Shares were jointly held by Mr. Tang and his spouse.

The percentage shown was calculated based on the number of issued shares of the Company as at 30 June 2017.

附註：

1. 於二零一七年六月三十日，在該300,617,458股股份中，3,460,406股乃由堅達有限公司（「堅達」）持有，而堅達則由一間鄧先生及其配偶各擁有50%權益之公司全資擁有。根據證券及期貨條例，鄧先生（基於其在高度發展有限公司（「高度」）被視作持有之權益）亦被視為擁有該300,617,458股股份中其餘的297,157,052股之權益。

於二零一七年六月三十日，高度透過其全資附屬公司大同機械（控股）有限公司（「大同控股」）及Tai Shing Agencies Limited（「Tai Shing」）被視為擁有合共297,157,052股股份之權益。高度乃在香港註冊成立，由(i)協生投資有限公司（「協生」）（一間由The Saniwell Trust之受托人Saniwell Holding Inc.控制之香港公司）擁有25.06%權益；(ii)豪力企業有限公司（「豪力」）擁有8.37%權益；(iii)友昌投資有限公司（「友昌」）（為一間香港公司，並由豪力擁有40%、Saniwell Holding Inc.擁有57.42%及Fullwin Limited（「Fullwin」）擁有2.58%之股權）擁有30.25%權益；(iv)翼雲有限公司（「翼雲」）擁有16.09%權益；及(v)五名個別人士及兩間有限公司合共擁有20.23%權益。

2. 於二零一七年六月三十日，該2,000股股份由鄧先生之配偶擁有。
3. 於二零一七年六月三十日，該224,000股股份由鄧先生及其配偶共同擁有。

上表所顯示之百分比以本公司於二零一七年六月三十日已發行股份數目計算。

As at 30 June 2017, other than as disclosed above and certain nominee shares held in trust for the Group, none of the Directors or Chief Executives or their associates had any interests and short positions in the shares, underlying shares of the Company and its associated corporations (within the meaning of the SFO) to be notified to the Company and the Stock Exchange pursuant to Section 352 of the SFO, to be entered in the register referred to therein.

Save as disclosed herein, none of the Directors is materially interested in any contract or arrangement subsisting as at 30 June 2017 which is significant in relation to the business of the Company and its subsidiaries.

As at 30 June 2017, none of the Directors had any direct interests or indirect interests in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group.

截至二零一七年六月三十日止，除上文披露者及為本集團信託而持有之若干代理人股份外，各董事、主要行政人員或彼等之聯繫人士概無擁有根據證券及期貨條例第352條規定須通知本公司及聯交所及須記入該條所述登記冊之本公司或其相聯法團（定義見證券及期貨條例）股份、相關股份權益及淡倉。

除本文所披露者外，截至二零一七年六月三十日止，各董事於本公司及其附屬公司業務有顯著關連之合約或安排中，概無擁有任何重大權益。

截至二零一七年六月三十日止，各董事於本集團任何成員公司所買賣或租用或擬買賣或租用之任何資產中，概無擁有任何直接或間接之權益。

SUPPLEMENTARY INFORMATION (CONTINUED)
 補充資料(續)

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2017, the following interests in 5% or more in the shares and underlying shares of the Company have been notified to the Company and recorded in the register of substantial shareholders' interests and short positions required to be kept under Section 336 of Part XV of the SFO:

Interests in the Shares

主要股東

於二零一七年六月三十日，根據本公司按證券及期貨條例第XV部第336條規定而設置之主要股東權益及淡倉登記冊所載記錄顯示，以下人士持有本公司已發行股本及相關股份5%或以上之權益：

股份權益

| Name of Substantial Shareholders | Number of shares held | | | Approximate % of total issued shares of the Company 佔本公司已發行股份總數之概約百分比 |
|--|----------------------------------|----------------------------------|-------------|--|
| | Direct interests | Deemed interests | Total | |
| | 直接權益 | 被當作持有之權益 | 總數 | |
| Law Kit Fong 羅潔芳 | – | 297,157,052 (Note 1) (附註1) | 297,157,052 | 41.45 |
| Codo 高度 | – | 297,157,052 (Note 2) (附註2) | 297,157,052 | 41.45 |
| Cosmos Holdings 大同控股 | 127,052,600 | 170,104,452 (Note 3) (附註3) | 297,157,052 | 41.45 |
| Tai Shing | 170,104,452 | – | 170,104,452 | 23.73 |
| Saniwell Holding Inc. | – | 297,157,052 (Note 4) (附註4) | 297,157,052 | 41.45 |
| China Resources (Holdings) Company Limited 華潤(集團)有限公司 | 169,649,046 (Note 5) (附註5) | – | 169,649,046 | 23.66 |

Notes:

1. Ms. Law Kit Fong is deemed to be interested in the block of 297,157,052 Shares through her direct and indirect interests in Elegant Power and Codo. As at 30 June 2017, Codo through its wholly owned subsidiaries, Cosmos Holdings and Tai Shing, was deemed to be interested in 297,157,052 Shares. As at 30 June 2017, Codo is owned as to 30.25% by Friendchain (which is owned as to 40% by Elegant Power) and 8.37% by Elegant Power (which is wholly owned by Ms. Law Kit Fong).
2. As at 30 June 2017, Codo is interested in 297,157,052 Shares through its wholly owned subsidiaries, Cosmos Holdings and Tai Shing. As at 30 June 2017, Codo is owned as to (i) 25.06% by Keepsound, a Hong Kong company controlled by Saniwell Holding Inc., a trustee of The Saniwell Trust; (ii) 8.37% by Elegant Power, which is wholly-owned by Ms. Law Kit Fong; (iii) 30.25% by Friendchain, which is owned as to 40% by Elegant Power, as to 57.42% by Saniwell Holding Inc. and as to 2.58% by Fullwin; (iv) 16.09% by Yik Wan; and (v) 20.23% collectively held by five individuals and two limited companies.
3. Cosmos Holdings was deemed to be interested in 170,104,452 Shares through its subsidiary, Tai Shing.
4. As at 30 June 2017, Saniwell Holding Inc. was deemed to be interested in the block of 297,157,052 Shares under the SFO through its deemed interests in Codo. Codo is owned as to (i) 25.06% by Keepsound, a Hong Kong company controlled by Saniwell Holding Inc., a trustee of The Saniwell Trust; (ii) 8.37% by Elegant Power; (iii) 30.25% by Friendchain which is owned as to 40% by Elegant Power, as to 57.42% by Saniwell Holding Inc. and as to 2.58% by Fullwin; (iv) 16.09% by Yik Wan; and (v) 20.23% collectively held by five individuals and two limited companies.
5. As shown by the latest interest disclosure information maintained pursuant to Part XV of the SFO provided to the Company by China Resources National Corporation, China Resources Co., Limited and CRC Bluesky Limited, the above three companies were deemed to be interested in shares owned by China Resources (Holdings) Company Limited.

附註：

1. 羅潔芳女士因分別持有豪力及高度之直接及間接權益而被當作擁有該批297,157,052股股份之權益。於二零一七年六月三十日，高度透過其全資附屬公司大同控股及Tai Shing被當作擁有合共297,157,052股股份之權益。於二零一七年六月三十日，高度之股權分別由友昌（其40%權益由豪力控制）擁有30.25%權益及由豪力（由羅潔芳女士全資擁有）擁有8.37%權益。
2. 於二零一七年六月三十日，高度透過其全資附屬公司大同控股及Tai Shing被當作擁有合共297,157,052股股份之權益。於二零一七年六月三十日，高度之股權分別由(i)協生（一間由The Saniwell Trust之受托人Saniwell Holding Inc.控制之香港公司）擁有25.06%權益；(ii)豪力（由羅潔芳女士全資擁有）擁有8.37%權益；(iii)友昌（分別由豪力擁有40%、Saniwell Holding Inc.擁有57.42%及Fullwin擁有2.58%之股權）擁有30.25%權益；(iv)翼雲擁有16.09%權益；及(v)五名個別人士及兩間有限公司合共擁有20.23%權益。
3. 大同控股透過其附屬公司Tai Shing被當作擁有170,104,452股股份之權益。
4. 於二零一七年六月三十日，根據證券及期貨條例，Saniwell Holding Inc.因擁有高度之權益而被當作擁有該批297,157,052股股份之權益。高度分別由(i)協生（一間由The Saniwell Trust之受托人Saniwell Holding Inc.控制之香港公司）擁有25.06%權益；(ii)豪力擁有8.37%權益；(iii)友昌（分別由豪力擁有40%、Saniwell Holding Inc.擁有57.42%及Fullwin擁有2.58%之股權）擁有30.25%權益；(iv)翼雲擁有16.09%權益；及(v)五名個別人士及兩間有限公司合共擁有20.23%權益。
5. 按照本公司接獲中國華潤總公司、華潤股份有限公司及CRC Bluesky Limited根據證券及期貨條例第XV部存案之最新權益披露表格顯示，該三間公司各被當作於華潤(集團)有限公司所擁有之股份中佔有權益。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

The percentage shown was calculated based on the number of issued shares of the Company as at 30 June 2017.

Save as disclosed above, as at 30 June 2017, the Directors are not aware of any other persons who have interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would be required to be disclosed to the Company and the Stock Exchange pursuant to Part XV of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Directors' and Chief Executive's Interests in Securities" above, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

AUDIT COMMITTEE

The audit committee of the Company comprises three Independent Non-Executive Directors. The unaudited financial statements of the Company for the six months ended 30 June 2017 have been reviewed by the audit committee who is of the opinion that such statements comply with the applicable accounting standards, legal requirements and the Rules Governing the Listing of Securities on the Stock Exchange ("the Listing Rules"), and that adequate disclosures have been made.

REMUNERATION COMMITTEE

The remuneration committee of the Company comprises three Independent Non-Executive Directors and the Chairman of the Board of the Company. The duties of the remuneration committee include reviewing and evaluating the remuneration packages of Executive Directors and senior management and making recommendations to the Board in respect of the remuneration packages from time to time.

上表所顯示之百分比以本公司於二零一七年六月三十日已發行股份數目計算。

除上述披露者外，截至二零一七年六月三十日止，就各董事知悉，概無任何其他人士於本公司或其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證中擁有根據證券及期貨條例第XV部，須向本公司及聯交所披露之權益或淡倉。

董事購買股份或債券之權利

除上文「董事及主要行政人員之證券權益」所披露者外，於本期間內任何時間，概無任何董事或彼等各自之配偶或未成年子女獲授可藉購入本公司股份或債券而獲益之權利；彼等亦無行使該等權利；本公司或其任何附屬公司概無參與任何安排，致使董事可獲得任何其他法人團體之有關權利。

審核委員會

本公司之審核委員會由三名獨立非執行董事組成。審核委員會已審閱本公司截至二零一七年六月三十日止六個月之未經審核財務報表，並認為該等報表符合適用會計準則、法例規定及聯交所證券上市規則(「上市規則」)，且已作出充分披露。

薪酬委員會

本公司之薪酬委員會由三名獨立非執行董事及本公司董事會主席組成。薪酬委員會之職責包括檢討及評估執行董事與高級管理人員之薪酬方案，並不時就薪酬方案向董事會作出建議。

NOMINATION COMMITTEE

The nomination committee of the Company comprises three Independent Non-Executive Directors, the Chairman and the Chief Executive Officer of the Board. The main functions of the nomination committee are to make recommendations to the Board on the appointment or re-appointment of directors based on their skill, knowledge and experiences. Furthermore, the nomination committee will review the structure, size and diversity (including but not limited to gender, age, cultural and educational background) of the Board at least annually to complement the Company's corporate strategy.

COMMITTEE OF EXECUTIVE DIRECTORS

The Committee of Executive Directors is responsible for the management and day-to-day operations of the Group. The Committee meets frequently as when necessary. Currently, the Committee comprises three Executive Directors.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2017 (30 June 2016: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2017, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

提名委員會

本公司之提名委員會由三名獨立非執行董事、本公司董事會主席及行政總裁組成。提名委員會的主要職能是根據技能、知識及經驗向董事會提出董事之委任、或重新委任的建議，並且就本公司的發展策略，至少每年檢討董事會的結構、規模及多元化（當中包括但不限於性別、年齡、文化及教育背景）。

執行董事委員會

執行董事委員會負責本集團管理及日常運作，於有需要時經常會面。本委員會現在由三名執行董事組成。

中期股息

董事會議決不派發截至二零一七年六月三十日止六個月的中期股息（二零一六年六月三十日：無）。

購買、出售或贖回本公司上市證券

截至二零一七年六月三十日止六個月，本公司或其任何附屬公司概無購買、出售或贖回本公司上市股份。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board considers that the Company has applied the principles of and complied with most of the code provisions of the Corporate Governance Code (the “Code”) during the six months ended 30 June 2017 as set out in Appendix 14 of the Listing Rules, with the exception of code provision A.6.7 of the code which is explained below.

Code provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend the issuer’s general meetings and develop a balanced understanding of the views of shareholders. Some independent non-executive directors and non-executive directors were unable to attend the annual general meeting of the Company held on 18 May 2017 due to their other business engagements. However, the Board believes that the presence of the independent non-executive director at the said general meeting allowed the Board to develop a balanced understanding of the views of shareholders.

COMPLIANCE WITH THE MODEL CODE

The Group has adopted the Model Code to govern securities transactions by the Directors. After having made specific enquiry by the Company, all Directors have confirmed that they have fully complied with the Model Code throughout the Period.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement and this interim report are published on the Company’s website at www.cosmel.com and the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk.

On behalf of the Board

TANG To
Chairman

Hong Kong, 10 August 2017

遵守企業管治常規

董事會認為，截至二零一七年六月三十日止六個月，本公司已應用上市規則附錄十四所載之企業管治守則(「守則」)之原則，並加以遵守其中大部分守則條文，惟下文闡述之守則條文第A.6.7條除外。

守則條文第A.6.7條規定獨立非執行董事及其他非執行董事均須出席發行人的股東大會，以對股東之意見有公正之了解。部份獨立非執行董事及非執行董事因其他公務未能出席本公司二零一七年五月十八日的股東週年大會。然而，董事會認為，有獨立非執行董事出席了上述股東會，已能讓董事會公正地了解股東之意見。

遵守標準守則

本集團已採納標準守則，以規管董事所進行之證券交易。經本公司作出特定查詢後，全體董事均確認彼等於本期間一直全面遵守標準守則。

刊發中期業績公告及中期報告

中期業績公告及本中期報告登載於本公司網站(www.cosmel.com)及香港聯合交易所有限公司網站(www.hkexnews.hk)。

代表董事會

主席
鄧燾

香港，二零一七年八月十日

大同機械企業有限公司
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