



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

Stock Code 股份代號: 118

INTERIM REPORT
2018
中 期 報 告



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香港社會服務聯會頒發

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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*)
Mei Zheqi (*appointed on 28 August 2018*)

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 (*Chairman*)
Cheng Tak Yin
Ho Wei Sem

Remuneration Committee

Cheng Tak Yin (*Chairman*)
Ho Wei Sem
Tang To
Yeung Shuk Fan

Committee of Executive Directors

Tang To (*Chairman*)
Wong Yiu Ming
Tang Yu, Freeman
Mei Zheqi (*appointed on 28 August 2018*)

Nomination Committee

Tang To (*Chairman*)
Cheng Tak Yin
Ho Wei Sem
Tang Yu, Freeman
Yeung Shuk Fan

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*)
梅哲騏 (*於二零一八年八月二十八日獲委任*)

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 (*主席*)
鄭達賢
何偉森

薪酬委員會

鄭達賢 (*主席*)
何偉森
鄧 燾
楊淑芬

執行董事委員會

鄧 燾 (*主席*)
黃耀明
鄧 愚
梅哲騏 (*於二零一八年八月二十八日獲委任*)

提名委員會

鄧 燾 (*主席*)
鄭達賢
何偉森
鄧 愚
楊淑芬

COMPANY SECRETARY

Yeung Yuk Lun
Mak Po Man (*resigned on 21 March 2018*)

公司秘書

楊毓麟
麥寶文(於二零一八年三月二十一日辭任)

AUDITOR

Ting Ho Kwan & Chan

核數師

丁何關陳會計師行

PRINCIPAL BANKERS

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

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

REGISTERED OFFICE

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

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

SHARE REGISTRAR

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

股份過戶登記處

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

COMPANY'S WEBSITE

<http://www.cosmel.com>

公司網址

<http://www.cosmel.com>

INVESTOR RELATIONS CONTACT

E-mail: ir@cosmel.com
Telephone: (852) 2376 6188
Fax: (852) 2375 9626

投資者關係聯絡

電郵: ir@cosmel.com
電話: (852) 2376 6188
傳真: (852) 2375 9626

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

上市地點

香港聯合交易所有限公司

STOCK CODE

118

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 | |
|--------------------------------------|-------------|---|---|
| | | 2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元 | 2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元 |
| | Notes 附註 | | |
| Revenue | 4 | 1,332,327 | 1,151,834 |
| Cost of sales | | (1,107,201) | (953,743) |
| Gross profit | | 225,126 | 198,091 |
| Other income and gains | | 14,556 | 11,112 |
| Selling and distribution costs | | (75,264) | (66,692) |
| Administrative expenses | | (125,871) | (123,403) |
| Operating profit | | 38,547 | 19,108 |
| Finance costs | | (10,311) | (9,449) |
| Investment income | | 2,728 | 1,593 |
| Gain on disposal of a subsidiary | 16 | 44,588 | – |
| Share of results of associates | | 1,915 | 1,732 |
| Profit before tax | 5 | 77,467 | 12,984 |
| Taxation | 6 | (10,667) | (6,166) |
| Profit for the Period | | 66,800 | 6,818 |
| Profit attributable to: | | | |
| – Equity shareholders of the Company | | 61,682 | 1,135 |
| – Non-controlling interests | | 5,118 | 5,683 |
| | | 66,800 | 6,818 |
| Earnings per share | | | |
| – Basic | 7 | 8.57 HK cents 港仙 | 0.16 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 | |
|---|---------------------------|---|---|
| | | 2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元 | 2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元 |
| Profit for the Period | 本期間溢利 | 66,800 | 6,818 |
| 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： | | |
| – Share of other comprehensive income/(loss) of associates | – 應佔聯營公司之其他 全面收益／(虧損) | 208 | (719) |
| – 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 | (4,805) | 27,649 |
| – Release of translation reserve upon disposal of a subsidiary | – 出售一間附屬公司時 從匯兌儲備撥出 | (547) | – |
| – 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) |
| | | (5,144) | 26,023 |
| Total comprehensive income for the Period | 本期間全面收益總額 | 61,656 | 32,841 |
| Profit attributable to: | 應佔溢利： | | |
| – Equity shareholders of the Company | – 本公司股權持有人 | 55,665 | 24,973 |
| – Non-controlling interests | – 非控股權益 | 5,991 | 7,868 |
| Total comprehensive income for the Period | 本期間全面收益總額 | 61,656 | 32,841 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

| | | | 30 June 2018 | 31 December 2017 |
|--|-----------------------------|-------|-------------------------|---------------------|
| | | | 二零一八年 六月三十日 | 二零一七年 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 | 8 | 632,791 | 644,876 |
| Leasehold land and land use rights | 租賃土地及土地使用權 | | 42,321 | 43,320 |
| Goodwill | 商譽 | | 53,483 | 53,483 |
| Intangible assets | 無形資產 | | 7,146 | 7,838 |
| Interests in associates | 聯營公司權益 | | 31,994 | 32,369 |
| Finance lease receivables | 應收融資租賃款項 | 9 | 23,205 | 16,472 |
| Deferred tax assets | 遞延稅項資產 | | 29,231 | 29,518 |
| | | | 820,171 | 827,876 |
| Current Assets | 流動資產 | | | |
| Inventories | 存貨 | | 621,410 | 524,571 |
| Finance lease receivables | 應收融資租賃款項 | 9 | 89,804 | 100,965 |
| Trade and other receivables | 貿易及其他應收款項 | 10 | 994,018 | 923,611 |
| Other financial assets | 其他金融資產 | | 59,529 | 20,277 |
| Current tax recoverable | 本期可收回稅項 | | 1,988 | 1,473 |
| Cash and bank balances | 現金及銀行結餘 | 11 | 355,922 | 348,746 |
| | | | 2,122,671 | 1,919,643 |
| Assets of disposal group classified as held for sale | 分類為持作出售之 出售組別資產 | | - | 23,140 |
| | | | 2,122,671 | 1,942,783 |
| Current Liabilities | 流動負債 | | | |
| Trade and other payables | 貿易及其他應付款項 | 12 | 1,008,934 | 928,635 |
| Provision for restructuring | 重組撥備 | 13 | 52,956 | 52,956 |
| Amount due to an associate | 結欠一間聯營公司款項 | | 755 | 865 |
| Bank borrowings | 銀行借款 | | 346,727 | 380,598 |
| Obligations under finance leases | 融資租賃借款 | | 2,168 | 2,696 |
| Deferred consideration payable | 遞延應付代價 | | 8,148 | 8,148 |
| Current tax payable | 本期應付稅項 | | 5,832 | 7,622 |
| | | | 1,425,520 | 1,381,520 |
| Liabilities directly associated with assets classified as held for sale | 與分類為持作出售之出售組 別資產有直接相關之負債 | | - | 26,723 |
| | | | 1,425,520 | 1,408,243 |
| Net Current Assets | 淨流動資產 | | 697,151 | 534,540 |
| Total Assets less Current Liabilities | 總資產減流動負債 | | 1,517,322 | 1,362,416 |

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

| | | 30 June 2018 | 31 December 2017 |
|--|------------------|-------------------------|---------------------|
| | | 二零一八年 六月三十日 | 二零一七年 十二月三十一日 |
| | | (Unaudited) | (Audited) |
| | | (未經審核) | (經審核) |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| | | Notes | |
| | | 附註 | |
| Non-current Liabilities | 非流動負債 | | |
| Bank borrowings | 銀行借款 | 59,323 | 45,125 |
| Obligations under finance leases | 融資租賃借款 | 1,262 | - |
| Deferred tax liabilities | 遞延稅項負債 | 25,384 | 25,152 |
| | | 85,969 | 70,277 |
| Net Assets | 淨資產 | 1,431,353 | 1,292,139 |
| 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 | 14 | 532,903 |
| Reserves | 儲備 | 601,064 | 547,591 |
| | | 1,213,717 | 1,080,494 |
| Non-controlling Interests | 非控股權益 | 217,636 | 211,645 |
| Total Equity | 權益總值 | 1,431,353 | 1,292,139 |

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 | | | | | |
|---|----------------------|--|-------------------------------------|---|--------------------------------|---|---|
| | | 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 | Non-controlling interests 非控股權益 HK\$'000 千港元 | Total equity 權益總值 HK\$'000 千港元 |
| 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 | 本期間收益 | - | - | 1,135 | 1,135 | 5,683 | 6,818 |
| Other comprehensive income/(loss) for the Period: | 本期間其他全面收益/(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 loss of associates | 應佔聯營公司之其他全面虧損 | - | (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 income for the Period | 本期間其他全面收益總額 | - | 23,838 | - | 23,838 | 2,185 | 26,023 |
| Total comprehensive income for the Period | 本期間全面收益總額 | - | 23,838 | 1,135 | 24,973 | 7,868 | 32,841 |
| 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 |
| Balance at 1 January 2018, previously reported | 於二零一八年一月一日年初結餘，按先前報告 | 532,903 | 153,368 | 394,223 | 1,080,494 | 211,645 | 1,292,139 |
| Change in accounting policies (Note 3) | 會計政策變動(附註3) | - | - | (2,192) | (2,192) | - | (2,192) |
| Balance at 1 January 2018, restated | 於二零一八年一月一日，重列結餘 | 532,903 | 153,368 | 392,031 | 1,078,302 | 211,645 | 1,289,947 |
| Profit for the Period | 本期間收益 | - | - | 61,682 | 61,682 | 5,118 | 66,800 |
| Other comprehensive income/(loss) for the Period: | 本期間其他全面收益/(虧損): | | | | | | |
| Release of translation reserve upon disposal of a subsidiary | 出售一間附屬公司時從匯兌儲備撥出 | - | (547) | - | (547) | - | (547) |
| Share of other comprehensive income of associates | 應佔聯營公司之其他全面收入 | - | 208 | - | 208 | - | 208 |
| Exchange differences arising from translation of financial statements of foreign operation | 換算海外業務報表時產生之匯兌差額 | - | (5,678) | - | (5,678) | 873 | (4,805) |
| Total other comprehensive income for the Period | 本期間其他全面收益總額 | - | (6,017) | - | (6,017) | 873 | (5,144) |
| Total comprehensive income for the Period | 本期間全面收益總額 | - | (6,017) | 61,682 | 55,665 | 5,991 | 61,656 |
| Release of revaluation reserve upon disposal of a subsidiary | 出售一間附屬公司時從重估儲備撥出 | - | (5,659) | 5,659 | - | - | - |
| Transactions with owners: Issue of ordinary shares | 與擁有者之交易: 發行普通股 | 79,750 | - | - | 79,750 | - | 79,750 |
| Balance at 30 June 2018 | 於二零一八年六月三十日結餘 | 612,653 | 141,692 | 459,372 | 1,213,717 | 217,636 | 1,431,353 |

* Please refer to Note 15 for details of reserves.

* 儲備之詳情，請參考附註15。

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 | |
|--|------------------|--|--|
| | | 2018 二零一八年 (Unaudited) (未經審核) <i>HK\$'000</i> 千港元 | 2017 二零一七年 (Unaudited) (未經審核) <i>HK\$'000</i> 千港元 |
| Net cash outflow from operating activities | 經營業務之現金流出淨額 | (52,838) | (10,145) |
| Net cash inflow/(outflow) from investing activities | 投資活動之現金流入／(流出)淨額 | 11,313 | (2,505) |
| Net cash inflow from financing activities | 融資活動之現金流入淨額 | 43,687 | 28,169 |
| Increase in cash and cash equivalents | 現金及現金等值增加 | 2,162 | 15,519 |
| Cash and cash equivalents at beginning of the Period | 本期間初之現金及現金等值 | 315,922 | 264,829 |
| Effect of foreign exchange rate changes | 外幣匯率變動之影響 | (1,884) | 3,544 |
| Cash and cash equivalents at end of the Period | 本期間末之現金及現金等值 | 316,200 | 283,892 |
| 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 | 325,083 | 300,998 |
| Bank overdrafts | 銀行透支 | (8,883) | (17,106) |
| | | 316,200 | 283,892 |

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 (i) trading of industrial consumables; (ii) manufacturing of plastic processing products; (iii) manufacturing of machinery; and (iv) processing and trading of printed circuit boards.

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

The Company has its primary listing on Stock Exchange.

This unaudited condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated. It was approved for issue by the Board on 28 August 2018.

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 Listing Rules and Hong Kong Accounting Standard (“HKAS”) 34, *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim financial statements have been prepared in accordance with the accounting policies which are consistent with those adopted in the Group’s annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of HKFRS 9 Financial Instrument and HKFRS 15 Revenue from Contracts with Customers as described in Note 3 below. Other amendments to standards and new interpretation that are effective for the first time for this interim period did not have any material impact to the result or financial position of the Group.

1. 一般資料

本集團之主要業務為(i)工業消耗品貿易；(ii)注塑製品及加工；(iii)機械製造；及(iv)印刷線路板加工及貿易。

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。

本公司以聯交所為主要上市地點。

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，於二零一八年八月二十八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本公司審核委員會審閱。

2. 編製基準及會計政策

本中期財務報告乃按照上市規則及香港會計師公會（「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。

除採納香港財務報告準則第9號「金融工具」和香港財務報告準則第15號「來自客戶合約之收益」外（如下文附註3所述），本中期財務報表乃根據本集團截止二零一七年十二月三十一日止年度綜合財務報表採納一致的會計政策而編制。於本中期期間首次生效的其他標準修訂及新詮釋的會計政策對本集團並無任何重大影響。

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

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 2017 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 required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2017 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong 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 Hong Kong Companies Ordinance.

The following new standard, amendments and interpretation of HKFRSs have been issued but are not effective for the financial year beginning on 1 January 2018 and have not been early adopted by the Group:

(i) HKFRS 16 Leases

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

2. 編製基準及會計政策(續)

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二零一七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。根據香港公司條例(第622章)第436條的要求提供該等法定財務報表相關的額外資料如下:

本公司已按照香港公司條例第662(3)條及附表6第3部之規定,向香港公司註冊處長遞交截至二零一七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;並無提述任何核數師在無提出保留意見下強調須予注意的事項;亦無載有根據香港公司條例第406(2)或第407(2)或(3)條規定之聲明。

下列已頒佈新訂之經修訂及詮釋香港財務報告準則,但於二零一八年一月一日開始的財政年度尚未生效,本集團並無提早採納:

(i) 香港財務報告準則第16號「租賃」

香港財務報告準則第16號於二零一六年一月頒佈。將引致絕大部份租賃於資產負債表確認,此乃由於經營與融資租賃之間的區別被移除。根據新準則,須確認一項資產(使用租賃項目的權利)及一項支付租金的金融負債。唯一的例外情況為短期和低價值租賃。

對出租人的會計處理將不會有重大變化。

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

(i) HKFRS 16 Leases (Continued)

The standard will affect primarily the accounting for the Group's operating leases. As at 30 June 2018, the Group has non-cancellable operating lease commitments of HK\$88,740,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

However, the Group has not yet assessed what other adjustments. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flows going forward.

The above standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

- (ii) HK (IFRIC) 23 Uncertainty over Income Tax Treatments, effective for annual periods beginning on or after 1 January 2019.
- (iii) Amendments to HKAS 28 Investments in Associates and Joint Ventures, effective for annual periods beginning on or after 1 January 2019.
- (iv) Amendments to HKFRS 3 Business Combinations effective for annual periods beginning on or after 1 January 2019.
- (v) Amendments to HKAS 12 Income Taxes, effective for annual periods beginning on or after 1 January 2019.
- (vi) Amendments to HKAS 19 Employee Benefits, effective for annual periods beginning on or after 1 January 2019.

2. 編製基準及會計政策(續)

(i) 香港財務報告準則第16號「租賃」(續)

此準則將主要影響本集團經營租賃的會計處理。於二零一八年六月三十日，本集團的不可撤銷經營租賃承擔為88,740,000港元。然而，本集團尚未釐定該等承擔對確認未來付款的資產及負債影響程度，以及會如何影響本集團溢利及現金流量分類。

然而，本集團尚未評估其他調整。因此無法估計採用新準則時必須確認的資產使用權和租賃負債金額，以及會如何影響本集團的損益和現金流量表的分類。

以上準則於二零一九年一月一日或之後開始的第一個中期年度報告期間內強制生效。在此階段，本集團並無打算在生效日期之前採用該準則。

- (ii) 香港(國際財務報告詮釋委員會)詮釋第23號「所得稅處理之不確定性」於二零一九年一月一日或之後開始的年度期間生效。
- (iii) 香港會計準則第28號之修訂「聯營及合營公司的投資」，於二零一九年一月一日或之後開始的年度期間生效。
- (iv) 香港財務報告準則第3號之修訂「業務合併」於二零一九年一月一日或之後開始的年度期間生效。
- (v) 香港會計準則第12號之修訂「所得稅」於二零一九年一月一日或之後開始的年度期間生效。
- (vi) 香港會計準則第19號之修訂「僱員福利」於二零一九年一月一日或之後開始的年度期間生效。

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

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. CHANGE IN ACCOUNTING POLICIES

This note discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods, and also explains the impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers on the Group's interim financial statements.

(a) HKFRS 9 Financial Instruments

HKFRS 9 Financial Instruments replaces the provisions of HKAS 39 Financial Instruments: Recognition and Measurement, that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities which are subject to HKFRS 9.

The adoption of HKFRS 9 from 1 January 2018 resulted in changes in accounting policies as below. In accordance with the transitional provisions in HKFRS 9, comparative figures have not been restated as the Group does not have any hedge instrument.

2. 編製基準及會計政策(續)

本集團已開始評估採納上述新訂準則及經修訂之準則對本集團之影響。本集團現時仍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. 會計政策變動

此附註披露於二零一八年一月一日實施的新訂會計政策之應用，及與上財政年度不同，並解釋了通過香港財務報告準則第9號「金融工具」和香港財務報告準則第15號「來自客戶合約之收益」對集團的中期財務報表之影響。

(a) 香港財務準則第9號「金融工具」

香港財務報告準則第9號「金融工具」取代香港會計準則第39號「金融工具：確認及計量」的規定，涉及金融資產和金融負債之確認、分類和計量，以及終止確認金融工具、金融資產和對沖之減值會計處理。

準則對本集團金融負債沒有任何影響，因為新準則要求只影響按公允價值計入損益的金融負債之計量，本集團沒有任何此類債務受香港財務報告準則第9號的規限。

於二零一八年一月一日通過的香港財務報告準則第9號所導致的會計政策變化如下。根據香港財務報告準則第9號中的過渡條文：比較資料沒有被重列的需要，因為本集團沒有任何對沖工具。

3. CHANGE IN ACCOUNTING POLICIES (Continued)

(a) HKFRS 9 Financial Instruments (Continued)

Accounting policy

(i) Classification and measurement

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss; and
- those to be measured at amortised cost.

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

3. 會計政策變動(續)

(a) 香港財務準則第9號「金融工具」(續)

會計政策

(i) 分類及計量

從二零一八年一月一日起，本集團將其金融資產歸類為以下計量類別：

- 其後按公允價值計入其他全面收益或其後按公允價值計入損益；和
- 以攤銷成本計量的。

分類取決於營業模式，以及用於管理金融資產和現金流的合同條款。

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

3. CHANGE IN ACCOUNTING POLICIES

(Continued)

(a) HKFRS 9 Financial Instruments (Continued)

Accounting policy (Continued)

(i) Classification and measurement (Continued)

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories.

3. 會計政策變動(續)

(a) 香港財務準則第9號「金融工具」(續)

會計政策(續)

(i) 分類及計量(續)

於二零一八年一月一日(香港財務報告準則第9號之初始應用日期)，本集團管理層已評估本集團所持金融資產所應用之業務模式，並已將其金融工具分類為合適的香港財務報告準則第9號類別。

| | | Unaudited 未經審核 | |
|--|------------------------|--|----------------------------------|
| | | Reclassify from available-for-sale financial assets to financial assets at FVOCI (Note A) | 1 January 2018 as restated |
| 31 December 2017 as previously reported | | 從可供出售 金融資產 重新分類為 按公允價值計入 其他全面收益之 金融資產 (附註A) | 二零一八年 一月一日 重列 |
| 二零一七年 十二月三十一日 按先前報告 | | HK\$'000 千港元 | HK\$'000 千港元 |
| Available-for-sale financial assets | 可供出售金融資產 | | |
| - Unlisted equity investment* | - 未上市權益投資* | - | - |
| Financial assets at FVOCI | 按公允價值計入其他全面 收益之金融資產 | | |
| - Unlisted equity investment | - 未上市權益投資 | - | - |

* Fully impaired as at 31 December 2017

Note:

(A) Reclassification of available-for-sale financial assets to financial assets at fair value through other comprehensive income - unlisted equity investment.

The Group elected to present change in the fair value of its equity investment (previously classified as available-for-sale financial assets) in other comprehensive income as it is long-term and strategic investment that is not expected to be sold in the short to medium term.

* 於二零一七年十二月三十一日已全數減值

附註：

(A) 將可供出售金融資產重新分類至按公允價值計入其他全面收益之金融資產 — 未上市權益投資。

本集團選擇於其他全面收益呈列其權益投資(按公允價值之變動)(過往分類為可供出售金融資產)，因為此乃長期及策略性投資，預期於中短期內不會出售。

3. CHANGE IN ACCOUNTING POLICIES (Continued)

(a) HKFRS 9 Financial Instruments (Continued)

Accounting policy (Continued)

(ii) Impairment

From 1 January 2018, the Group assesses the expected credit losses associated with its financial assets on a forward looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has trade receivables for sales of products that are subject to the new expected credit loss model, and the Group was required to revise its impairment methodology under HKFRS 9 for these receivables.

The Group applies the simplified approach under HKFRS 9 to measure the expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the aging days.

Cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, no impairment loss was identified.

(b) HKFRS 15 Revenue from Contracts with Customers

The Group has adopted HKFRS 15 from 1 January 2018, which resulted in changes in accounting policies. In accordance with the transitional provisions in HKFRS 15, the Group has adopted the modified retrospective approach for transition to the new standard. Under this approach, (i) comparative information for prior periods is not restated; (ii) the date of the initial application of HKFRS 15 is the first day of the annual reporting period in which the Group first applies the requirement of HKFRS 15, i.e. 1 January 2018; (iii) the Group recognizes the cumulative effect of initial application of HKFRS 15 as an adjustment to the opening balance of retained profits in the year of adoption, i.e. as at January 2018; and (iv) the Group elects to apply for the new standard only to sales contracts that are not completed as at 1 January 2018.

3. 會計政策變動(續)

(a) 香港財務準則第9號「金融工具」(續)

會計政策(續)

(ii) 減值

從二零一八年一月一日起，本集團根據前瞻性評估其金融資產相關之預期信貸虧損。採用的減值方法取決於信貸風險是否顯著增加。

本集團已採納香港財務報告準則第9號中，新的預期信貸虧損模式以計算產品銷售所產生的貿易應收款項，並修改本集團在新準則下對這些應收款項的減值方法。

本集團採用香港財務報告準則第9號的簡化辦法來量化預期的信貸虧損，當所有貿易應收款在初始確認後信用風險顯著增加，則需要針對應收款項的整體年期以確認預期信用虧損。此外，貿易應收款項按共同信貸風險特徵和帳齡計算其預期信用虧損。

現金和現金等值也受香港財務報告準則第9號規範，但沒有減值需要。

(b) 香港財務報告準則第15號「來自客戶合約之收益」

本集團於二零一八年一月一日採納香港財務報告準則第15號，導致會計政策有變動。根據香港財務報告準則第15號的過渡性規定，本集團採用了修改後的追溯方法，作為新準則的過渡。在這追溯方法下，(一)豁免重列比較資料；(二)首次申請香港財務報告準則第15號的日期是本集團首次適用香港財務報告準則第15號要求之年度報告期的第一天，即二零一八年一月一日；(三)本集團確認首次應用香港財務報告準則第15號作為調整在二零一八年一月一日之累計影響保留溢利之期初餘額；及(四)本集團選擇新準則只應用於二零一八年一月一日尚未完成之銷售合約。

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

3. CHANGE IN ACCOUNTING POLICIES
(Continued)

(b) HKFRS 15 Revenue from Contracts with Customers
(Continued)

Impact of adoption

The following table illustrates the impact to each line items affected in current period by the adoption of HKFRS 9 and HKFRS 15 as compared to HKAS 39, HKAS 18 and HKAS 11 (that were previously in effect before the adoption of HKFRS 15) as follows:

3. 會計政策變動(續)

(b) 香港財務報告準則第15號「來自客戶合約之收益」(續)

採納之影響

以下圖表說明每個財務報表項目的金額在目前期間受香港財務報告準則第15號及香港財務準則第9號，對比以前採用香港會計準則第39號、香港會計準則第18號和香港會計準則第11號(該等準則在香港財務報告準則第15號變動前被採用)之影響：

| | | 31 December 2017 as previously reported 二零一七年 十二月三十一日 按先前報告 HK\$'000 千港元 | Effect of adoption of HKFRS 9 採納香港財務 報告準則 第9號之影響 HK\$'000 千港元 | Effect of adoption of HKFRS 15 採納香港財務 報告準則 第15號之影響 HK\$'000 千港元 | 1 January 2018 as restated 二零一八年 一月一日 重列 HK\$'000 千港元 |
|--|---------------|--|--|--|--|
| Condensed consolidated statement of financial position (extract) | 簡明綜合財務狀況表(摘錄) | | | | |
| Trade and other receivables | 貿易及其他應收款項 | 923,611 | (2,073) | (808) | 920,730 |
| Retained profits | 保留溢利 | (394,223) | 2,073 | 119 | (392,031) |
| Trade and other payables | 貿易及其他應付款項 | (928,635) | - | 686 | (927,949) |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

4. SEGMENT REPORTING

The Group's operating segments based on information reported to the executive Directors, being the chief operating decision makers for the purpose of assessing performance and allocating resources are listed hereunder :

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

The segment results for the period ended 30 June 2018 are as follows:

| | | 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 |
|----------------------------------|-------------|--|---|------------------------------------|--|---|---------------------------------------|---------------------------------------|
| REVENUE | 收入 | | | | | | | |
| External sales | 對外銷售 | 197,201 | 234,380 | 462,209 | 425,214 | 13,323 | - | 1,332,327 |
| Inter-segment sales (Note) | 分部間銷售(附註) | 12,474 | 96 | 3,006 | - | - | (15,576) | - |
| Total revenue | 總收入 | 209,675 | 234,476 | 465,215 | 425,214 | 13,323 | (15,576) | 1,332,327 |
| Segment result | 分部業績 | 6,467 | 20,094 | 13,433 | 6,221 | 6,869 | - | 53,084 |
| Unallocated corporate expenses | 未可分配之企業費用 | | | | | | | (14,537) |
| Operating profit | 經營溢利 | | | | | | | 38,547 |
| Finance costs | 財務費用 | | | | | | | (10,311) |
| Investment income | 投資收入 | | | | | | | 2,728 |
| Gain on disposal of a subsidiary | 出售一間附屬公司之收益 | | | | | | | 44,588 |
| Share of results of associates | 應佔聯營公司之業績 | | | | | | | 1,915 |
| Profit before tax | 除稅前溢利 | | | | | | | 77,467 |

Note:

Inter-segment sales are determined at prevailing market rates.

4. 分部報告

本集團基於就資源分配及表現評估向執行董事(作為主要營運決策人)呈報資料的營運分部如下:

- (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。

截至二零一八年六月三十日止六個月之分部業績如下:

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)

4. SEGMENT REPORTING (Continued)

4. 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 |
|-----------------------------------|-------------|--|---|------------------------------------|--|---|---------------------------------------|
| At 30 June 2018 | 於二零一八年六月三十日 | | | | | | |
| ASSETS | 資產 | | | | | | |
| Segment assets | 分部資產 | 268,562 | 363,273 | 1,148,149 | 597,577 | 404,750 | 2,782,311 |
| Interests in associates | 聯營公司權益 | | | | | | 31,994 |
| Unallocated corporate assets | 未可分配之企業資產 | | | | | | 128,537 |
| Consolidated total assets | 綜合資產總值 | | | | | | 2,942,842 |
| LIABILITIES | 負債 | | | | | | |
| Segment liabilities | 分部負債 | 70,169 | 135,909 | 582,273 | 254,088 | 25,274 | 1,067,713 |
| Current tax payable | 本期應付稅項 | | | | | | 5,832 |
| Borrowings | 借款 | | | | | | 409,480 |
| Unallocated corporate liabilities | 未可分配之企業負債 | | | | | | 28,464 |
| Consolidated total liabilities | 綜合負債總額 | | | | | | 1,511,489 |

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

4. SEGMENT REPORTING (Continued)

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

| | | 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 |
|--------------------------------|-------------|--|---|------------------------------------|--|---|---------------------------------------|---------------------------------------|
| REVENUE | 收入 | | | | | | | |
| 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.

4. 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：

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)

4. SEGMENT REPORTING (Continued)

4. 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 |
|-----------------------------------|---------------|--|---|------------------------------------|--|---|---------------------------------------|
| At 31 December 2017 | 於二零一七年十二月三十一日 | | | | | | |
| ASSETS | 資產 | | | | | | |
| Segment assets | 分部資產 | 259,191 | 342,910 | 1,074,152 | 566,900 | 429,976 | 2,673,129 |
| Interests in associates | 聯營公司權益 | | | | | | 32,369 |
| Unallocated corporate assets | 未可分配之企業資產 | | | | | | 65,161 |
| Consolidated total assets | 綜合資產總值 | | | | | | 2,770,659 |
| LIABILITIES | 負債 | | | | | | |
| Segment liabilities | 分部負債 | 58,056 | 150,392 | 531,290 | 224,493 | 23,964 | 988,195 |
| Current tax payable | 本期應付稅項 | | | | | | 7,622 |
| Borrowings | 借款 | | | | | | 428,419 |
| Unallocated corporate liabilities | 未可分配之企業負債 | | | | | | 54,284 |
| Consolidated total liabilities | 綜合負債總額 | | | | | | 1,478,520 |

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

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|------------------------------|--------|---|----------------------------------|
| Hong Kong | 香港 | 307,502 | 341,545 |
| Mainland China | 中國內地 | 890,896 | 698,610 |
| Other Asia-Pacific countries | 其他亞太國家 | 92,886 | 68,113 |
| North America | 北美洲 | 6,689 | 11,516 |
| Europe | 歐洲 | 34,354 | 32,050 |
| | | 1,332,327 | 1,151,834 |

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

5. PROFIT BEFORE TAX

5. 除稅前溢利

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|------------------------|--|----------------------------------|
| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
| Profit before tax is arrived at after charging/ (crediting) the following: | 除稅前溢利已扣除/(計入) 下列各項： | | |
| Depreciation and amortisation on: | 折舊及攤銷： | | |
| – Owned assets | – 自置資產 | 32,210 | 29,259 |
| – Assets held under finance leases | – 融資租賃資產 | 195 | 1,034 |
| – Leasehold land held for own use under finance leases | – 根據融資租賃持有之 自用租賃土地 | 1,493 | 1,097 |
| – Leasehold land and land use rights | – 租賃土地及土地使用權 | 696 | 679 |
| – 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 | | 10,359 | 9,597 |

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

6. TAXATION

6. 稅項

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|-----------------------|-------|--|----------------------------------|
| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
| Hong Kong profits tax | 香港利得稅 | 1,183 | 645 |
| Overseas taxation | 海外稅項 | 9,484 | 5,521 |
| | | 10,667 | 6,166 |

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 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稅率16.5% (二零一七年: 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。

7. EARNINGS PER SHARE

7. 每股盈利

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

每股普通股基本盈利乃按本期間本公司股權持有人應佔本集團之溢利及已發行普通股加權平均數計算。

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|--------------------|--|-----------------|
| | | 2018 二零一八年 | 2017 二零一七年 |
| Weighted average number of ordinary shares in issue during the Period | 以加權平均數計算本期間已發行之普通股 | 719,334,006 | 716,930,692 |
| Profit attributable to the equity shareholders of the Company | 本公司股權持有人之應佔溢利 | HK\$61,682,000 | HK\$1,135,000 |
| Basic earnings per share | 每股基本盈利 | 8.57 HK cents港仙 | 0.16 HK cents港仙 |

No diluted earnings 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。

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

8. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group has acquired property, plant and equipment amounting to approximately HK\$21,893,000.

8. 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21,893,000港元。

9. FINANCE LEASE RECEIVABLES

9. 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 2018 二零一八年 六月三十日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 | 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Amounts receivable under finance leases: | 融資租賃之應收款項： | | | | |
| Not later than one year | 一年內 | 106,942 | 109,224 | 89,353 | 99,012 |
| Later than one year and not later than five years | 第二至五年 | 30,338 | 17,309 | 23,205 | 16,472 |
| Overdue finance lease receivables | 逾期應收融資租賃款項 | 137,280 15,955 | 126,533 16,770 | 112,558 15,955 | 115,484 16,770 |
| Less: Unearned finance income | 減：未實現財務收入 | (24,722) | (11,049) | N/A | N/A |
| Present value of minimum lease receipts | 最低租賃收入之現有價值 | 128,513 | 132,254 | 128,513 | 132,254 |
| Less: Allowance for impairment of doubtful debts | 減：呆壞賬減值撥備 | (15,504) | (14,817) | (15,504) | (14,817) |
| | | 113,009 | 117,437 | 113,009 | 117,437 |
| Less: Current finance lease receivables under current assets | 減：列入流動資產之 應收融資租賃款項 | | | (89,804) | (100,965) |
| Non-current finance lease receivables | 非流動之應收融資租賃款項 | | | 23,205 | 16,472 |

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

10. TRADE AND OTHER RECEIVABLES

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

The aging 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 2018 二零一八年 六月三十日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
|----------------------------------|-----------------|--|--|
| 0 to 3 months | 零至三個月 | 606,961 | 559,202 |
| 4 to 6 months | 四至六個月 | 105,626 | 155,047 |
| 7 to 9 months | 七至九個月 | 55,938 | 51,402 |
| Over 9 months | 超過九個月 | 61,324 | 47,020 |
| Total trade receivables | 貿易應收款項總額 | 829,849 | 812,671 |
| Other receivables | 其他應收款項 | 122,395 | 82,076 |
| Prepayment | 預付款 | 41,752 | 28,814 |
| Amounts due from related parties | 應收關連方之款項 | 22 | 50 |
| | | 994,018 | 923,611 |

11. CASH AND BANK BALANCES

Pledged bank deposits
Cash and cash equivalents

| | | 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
|---------------------------|----------|--|--|
| Pledged bank deposits | 已抵押之銀行存款 | 30,839 | 31,104 |
| Cash and cash equivalents | 現金及現金等值 | 325,083 | 317,642 |
| | | 355,922 | 348,746 |

10. 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：

11. 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)

12. TRADE AND OTHER PAYABLES

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

| | | 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
|-------------------------------|-------------|--|--|
| 0 to 3 months | 零至三個月 | 589,032 | 437,757 |
| 4 to 6 months | 四至六個月 | 97,527 | 108,352 |
| 7 to 9 months | 七至九個月 | 18,536 | 25,920 |
| Over 9 months | 超過九個月 | 17,122 | 18,229 |
| Total trade payables | 貿易應付賬款總額 | 722,217 | 590,258 |
| Accruals and other payables | 應付未付及其他應付款項 | 276,408 | 328,032 |
| Amount due to related parties | 結欠關連方之款項 | 10,309 | 10,345 |
| | | 1,008,934 | 928,635 |

13. 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.

| | | <i>HK\$'000</i> 千港元 |
|------------------------------------|----------------------------|------------------------|
| At 1 January 2018 and 30 June 2018 | 於二零一八年一月一日及 於二零一八年六月三十日 | 52,956 |

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

12. 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：

| | | 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
|-------------------------------|-------------|--|--|
| 0 to 3 months | 零至三個月 | 589,032 | 437,757 |
| 4 to 6 months | 四至六個月 | 97,527 | 108,352 |
| 7 to 9 months | 七至九個月 | 18,536 | 25,920 |
| Over 9 months | 超過九個月 | 17,122 | 18,229 |
| Total trade payables | 貿易應付賬款總額 | 722,217 | 590,258 |
| Accruals and other payables | 應付未付及其他應付款項 | 276,408 | 328,032 |
| Amount due to related parties | 結欠關連方之款項 | 10,309 | 10,345 |
| | | 1,008,934 | 928,635 |

13. 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。

| | | <i>HK\$'000</i> 千港元 |
|------------------------------------|----------------------------|------------------------|
| At 1 January 2018 and 30 June 2018 | 於二零一八年一月一日及 於二零一八年六月三十日 | 52,956 |

本集團之重組撥備於本期間內並沒有任何變動。

14. SHARE CAPITAL

14. 股本

| | | 2018 二零一八年 | |
|--|----------|---------------------------------------|---------------------------------|
| | | Number of ordinary shares 普通股股數 | Amount 總額 HK\$'000 千港元 |
| Ordinary shares, issued and fully paid: 已發行及繳足普通股： | | | |
| At 1 January | 於一月一日 | 716,930,692 | 532,903 |
| Shares issued upon subscription | 認購而發行之股份 | 145,000,000 | 79,750 |
| At 30 June | 於六月三十日 | 861,930,692 | 612,653 |

During the Period, new Shares were subscribed by the Cosmos Holdings and Saniwell at the subscription price of HK\$0.55 per share, resulting in the issue of 145,000,000 additional shares and an increase in share capital of HK\$79,750,000.

於本期間，大同控股及Saniwell按每股0.55港元認購價認購新股份，致使新增發行股份145,000,000股及增加股本79,750,000港元。

All new Shares issued during the Period rank pari passu in all respects with the existing Shares.

於本期間內發行的所有新股份與本公司現有股份於各方面享有同等地位。

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

15. RESERVES

15. 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 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 | 出售可供出售之金融資產時從其他 儲備撥出 | - | - | (907) | (907) |
| Share of other comprehensive loss of associates | 應佔聯營公司之 其他全面虧損 | - | (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 |
| Balance at 1 January 2018 | 於二零一八年一月一日結餘 | 61,608 | 91,081 | 679 | 153,368 |
| Release of revaluation reserve upon disposal of a subsidiary | 出售一間附屬公司時從重估 儲備撥出 | (5,659) | - | - | (5,659) |
| Share of other comprehensive income of associates | 應佔聯營公司之其他全面收益 | - | 208 | - | 208 |
| Release of translation reserve upon disposal of a subsidiary | 出售一間附屬公司時從 匯兌儲備撥出 | - | (547) | - | (547) |
| 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 | - | (5,678) | - | (5,678) |
| Balance at 30 June 2018 | 於二零一八年六月三十日結餘 | 55,949 | 85,064 | 679 | 141,692 |

16. DISPOSAL OF INTERESTS IN A SUBSIDIARY

On 20 March 2018, the Group completed the disposal of 100% equity interest in MS Plasticorp (incorporated in Cook Island with limited liability) and since then MS Plasticorp is no longer a subsidiary of the Company.

Net assets of MS Plasticorp at the date of disposal were as follows:

16. 出售一間附屬公司權益

於二零一八年三月二十日，本集團完成出售群力實業有限公司(於科克群島註冊成立之有限公司)的100%股權權益。出售後，群力實業有限公司不再是本公司之附屬公司。

於出售群力實業有限公司權益之日期，其資產淨值如下：

| | | HK\$'000 千港元 |
|---|--------------|------------------------|
| Property, plant and equipment | 物業、廠房及設備 | 20,218 |
| Leasehold land and land use right | 租賃土地及土地使用權 | 1,474 |
| Cash and bank balances | 現金及銀行結餘 | 12,794 |
| Other payables | 其他應付款項 | (1,110) |
| Deferred tax liabilities | 遞延稅項負債 | (18,273) |
| Tax payables | 應付稅項 | (7,790) |
| | | 7,313 |
| Gain on disposal of the subsidiary | 出售附屬公司之收益 | 44,588 |
| Release of translation reserve upon disposal | 出售時從匯兌儲備撥出 | 547 |
| Other costs directly attributable to the disposal | 出售時直接產生之費用 | 20,472 |
| Provision for indemnity pursuant to Sales and Purchases Agreement | 按買賣合約條款之賠償撥備 | 25,780 |
| Total consideration | 總代價 | 98,700 |
| Satisfied by: | 實現方式: | |
| Cash | 現金代價 | 98,700 |
| Net cash inflow arising on disposal: | 有關出售之現金流入淨額： | |
| Cash consideration received | 現金代價 | 98,700 |
| Cash and bank balances disposed of | 出售之現金及銀行結餘 | (12,794) |
| | | 85,906 |
| Other costs directly attributable to the disposal | 出售時直接產生之費用 | (20,472) |
| | | 65,434 |

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

17. CAPITAL COMMITMENTS

| | |
|---------------------------------|-----------|
| Capital expenditure: | 資本支出： |
| Contracted but not provided for | 已簽約但未作出撥備 |

17. 資本承擔

| 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 19,061 | 4,167 |

18. PLEDGE OF ASSETS

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

18. 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：

| | | 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
|--|----------------|--|--|
| Buildings | 樓宇 | 69,073 | 70,638 |
| Leasehold land held for own use under finance leases | 按融資租賃持有之自用租賃土地 | 81,714 | 83,100 |
| Leasehold land and land use rights | 租賃土地及土地使用權 | 3,897 | 4,041 |
| Plant and machinery | 廠房及機器 | 3,330 | 1,449 |
| Bank deposits | 銀行存款 | 30,839 | 31,104 |
| | | 188,853 | 190,332 |

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|------------------------|--|---|
| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 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) | 2,620 | 2,796 |
| <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 |

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

| | | 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月 三十一日 HK\$'000 千港元 |
|---------------------------------------|-----------------|---|---|
| <i>Non-controlling interests:</i> | <i>非控股權益：</i> | | |
| Balances due from the Group (Note ii) | 本集團結欠之結餘 (附註ii) | 10,309 | 10,345 |
| <i>Associates:</i> | <i>聯營公司：</i> | | |
| Balances due from the Group (Note ii) | 本集團結欠之結餘 (附註ii) | 755 | 865 |
| Balances due to the Group (Note ii) | 結欠本集團之結餘 (附註ii) | 1,983 | 2,543 |

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。

本期間內，本集團與下列關連方進行之重大交易如下：

本集團與下列關連方於結算日之結餘：

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

RESULT SUMMARY

- Revenue increased by 15.7% to HK\$1,332,327,000 (2017: HK\$1,151,834,000)
- Gross profit margin was 16.9%, as compared to 17.2% for the corresponding period
- Earnings before interest, taxes, depreciation and amortization ("EBITDA") increased to HK\$123,063,000, representing an EBITDA margin of 9.2% (2017: 4.8%)
- Profit for the Period increased to HK\$66,800,000 (2017: HK\$6,818,000)
- Net debt to equity ratio improved to 4.1% (31 December 2017: 7.1%)

FINANCIAL RESULTS

Sales revenue of the Group increased by 15.7% to HK\$1,332,327,000 (2017: HK\$1,151,834,000). It was mainly attributable to the improvement of performance in the machinery manufacturing segment, plastic products and processing segment and the trading segments during the Period.

Gross profit for the Period amounted to HK\$225,126,000, with gross profit margin of 16.9% which compared to 17.2% for the corresponding period. The slight drop in gross profit margin was resulted from increasing raw materials costs, additional costs incurred for the development of new products, and heightened pricing pressure in various business sectors in the first half of 2018. Nevertheless, the Group continues to strengthen the control over production costs and operating overheads.

業績摘要

- 銷售收入增長15.7%至1,332,327,000港元(二零一七年: 1,151,834,000港元)
- 毛利率為16.9%，而去年同期則為17.2%
- 未計利息、稅項、折舊及攤銷前盈利(「EBITDA」)上升至123,063,000港元，EBITDA比率為9.2% (二零一七年: 4.8%)
- 本期間溢利上升至66,800,000港元(二零一七年: 6,818,000港元)
- 借貸淨額對權益百分比改善至4.1% (二零一七年十二月三十一日: 7.1%)

財務業績

本集團之銷售收入上升15.7%至1,332,327,000港元(二零一七年: 1,151,834,000港元)。此乃主要由於本期間機械製造業務、注塑製品及加工業務和貿易業務表現有所改善所致。

本期間毛利為225,126,000港元，毛利率為16.9%，而去年同期為17.2%。毛利率輕微下降是由於二零一八年上半年原材料成本上漲、為開發新產品而產生額外成本，以及不同行業面對的定價壓力加大。然而，本集團繼續加強監控對生產成本及經營開支。

During the Period, the Group recorded a non-recurring gain on disposal of entire issued share capital of and indirect wholly-owned subsidiary, MS Plasticorp, of approximately HK\$44,500,000, after deducting related statutory cost and expenses. For more details of the disposal, please refer to the section “Material Acquisition and Disposal” below.

As stated in the announcement of the Company dated 23 December 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 machinery manufacturing plants located at Dongguan and Wuxi. The restructuring projects including assets relocation and optimization, organizational restructuring and production efficiency enhancement are on-going, under the closely-monitoring of a designated task force during the Period, and adjusting its actions as it sees fit. The Group will update the progress of the respective restructuring in due course.

The profits of the Group increased to HK\$66,800,000 in the first half of the 2018 (2017: HK\$6,818,000), including a non-recurring gain with amount HK\$44,500,000 from the disposal of subsidiary mentioned above. In addition, the improvement in operating profits was mainly resulted from the increase in sales revenue and tight control over the operating expenses during the Period.

The net debt to equity ratio improved to 4.1% as at 30 June 2018. The overall cash flow position and debt maturity profile of the Group maintained at a healthy level.

於本期間，本集團就出售間接全資附屬公司群力實業有限公司之全部已發行股本而錄得非經常性收益約44,500,000港元(已扣除相關法定成本及開支)。有關出售的更多詳情，請參閱下文「重大收購及出售」一節。

誠如本公司於二零一六年十二月二十三日之公告所述，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，以及優化設立於東莞及無錫廠房之機械製造之產能。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於本期間正按計劃進行，並在專責小組認為適當的情況下調整有關行動。本集團將適時提供重組之最新進展。

本集團於二零一八年上半年之溢利增加至66,800,000港元(二零一七年：6,818,000港元)，包括上文所述出售附屬公司之非經常性收益44,500,000港元。此外，經營溢利改善乃主要由於本期間的銷售收入增加，以及嚴格控制經營開支所致。

於二零一八年六月三十日，借貸淨額對權益百分比改善至4.1%。本集團整體之現金流及債務到期狀況仍維持於健康水平。

BUSINESS REVIEW

Machinery Manufacturing Business

During the Period, the machinery manufacturing segment recorded sales growth in the Mainland China market, especially in the industries of automotive components, daily necessities and infrastructure construction. The segment has improved its operating results compared with that of same period, mainly arised from delivery of sales orders received in second half of 2017. The Group continues to put efforts in the optimization of industry tailor-made moulding machines associated with professional total solutions in specialized niche markets. The segment observed a slight slowdown of sales orders intake from customers of injection moulding machines starting from mid of second quarter in 2018, as business and investment sentiment outlook in Mainland China showed signs of deteriorating. The Group is prudently cautious to the operating results of this segment in the second half of this year. In response, the business segment deploys strict costs controls and measures to reduce overall financial risks by inventory management and cashflow management.

Moreover, this key business segment continues the execution of the restructuring plan started in end of 2016 including the streamline of its organization structure, strength the cost control over the supply chain and realignment of its export sales team. On the other hand, it continues to enhance the research & design capabilities and invest additional resources in developing innovative value-added products with higher profit margin in the second half of 2018. The successful implementation of the "Smart Industry 4.0 Solution" also provides a platform for the development of smart products. In the near future, the segment commits to further enhance research & design in new products towards the direction of professional and smart total solution.

業務回顧

機械製造業務

於本期間，機械製造業務於中國內地市場的銷售錄得增長，尤其是汽車零部件、日用品及基建等行業。與去年同期相比，該業務的經營業績有所改善，主要得力於交付於二零一七年下半年所收到的銷售訂單。本集團繼續優化為不同行業度身訂製的注塑機以及為專門化利基市場所提供的相關專業全面解決方案。由於中國內地的商業和投資氣氛前景出現惡化跡象，留意到該業務自二零一八年第二季度中期開始注塑機客戶發出的訂單略為回落。本集團對該業務於本年度下半年的經營業績持審慎態度。為應對市況，該業務繼續實施嚴格的成本控制和措施，通過庫存管理和現金流管理以降低整體財務風險。

此外，此關鍵業務分部繼續執行自二零一六年底開展的重組計劃，包括精簡其組織結構、加強對供應鏈的成本控制，以及重新調整其出口銷售團隊。另一方面，於二零一八年下半年，其繼續提升研發能力，並投入額外資源開發利潤率較高的創新增值產品。「工業4.0智能方案」的成功推行，也為產品向智能化發展提供平台。在不久的將來，該業務致力進一步加強新產品的研發，朝著專業和全面智能解決方案的方向發展。

Regarding the extrusion machines and rubber plastic machinery business, positive feedback from customers in niche markets were received after development and installation of various automated production solutions in order to strengthen the functionality and capabilities of standard models with lower energy consumption and better product stability. It continues to focus on the development of multi-layer extrusion machines particularly made for the manufacturing of fuel coolant liquid pipes in auto industry.

Plastic Products and Processing Business

During the Period under review, the Zhuhai food packaging production plant of the plastic products and processing segment recovered satisfactorily from the serious damage caused by the typhoon in the second half of last year and quickly resumed its production after few months with upgraded manufacturing workshops, further improvement in the hygiene condition of the production environment and various upgrades in factory infrastructures. The overall production efficiency and output are enhanced after additional investment in new machines and equipment with new specifications. Moreover, it continues to develop the high-margin customer portfolio, in particular for the folding cap seals with scoop for dairy products, increase the applications of new and advanced digitized factory management technology, and also enhance the production process automation. This aims to build a better and more efficient operation team and keep the direct labour costs at comparatively reasonable level.

關於擠出機和橡塑機械業務方面，在開發和安裝各種自動化生產解決方案下，從而增強標準型號的功能和性能，降低能源消耗及提高產品穩定性後，亦收到利基市場客戶的正面反饋意見，其繼續專注於開發針對為汽車工業生產所用燃油及冷卻液管件的多層管擠出機組。

注塑製品及加工業務

回顧本期間內，塑料制品及加工業務位於珠海之食品包裝生產基地，從去年下半年遭受颱風嚴重破壞後恢復過來，情況令人滿意。其生產在數月後迅速恢復，並藉此契機將生產車間升級及進一步改善生產的衛生環境，亦同時對廠房的基礎設施進行多項提升。對具備新規格的新機械及設備作出額外投資後，整體生產的效率及產出都得到提升。此外，其繼續開拓高利潤客戶群，特別是用於奶類產品之折疊式密封蓋與勺，增加先進數碼工廠管理技術的應用，以及提高生產流程自動化，務求建立更佳、更高效的營運團隊，並將直接勞工成本保持在相對合理水平。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

On the other hand, the improvement in operation efficiency of our Hefei plastic processing plant including mainly in areas of automation of production processes, application of new raw materials and centralization of material-supply system with additional investment in the new efficiency-oriented warehousing facilities, was offset by the margin squeezed by major customers during the Period. Moreover, the increasing cost of manufacturing overheads and installation of environmental machines and equipment for complying with the stringent environmental regulations in the Mainland China has posed additional high pressure in the operating profit margin in the coming quarters. The production plant continues to diversify the customer mix and optimize its production capacities to maintain its competitiveness in the market.

The Group also observed certain progress in its investment in the production of plastic products with advanced technology during the Period, in particular the environmental-friendly plastic mannequins and multi-color injection moulding businesses. The overall performance of this manufacturing segment is expected to improve gradually through crystallization of these pioneering investments, continuous measures to uplift the profit level of existing productions and execution of critical business restructuring of non-profit-making operations in the near future.

另一方面，位於合肥之塑料加工基地，其營運效率有所提高，主要體現在生產流程自動化、新原材料之應用和物料供應系統的集中處理，以及對以效率為主導的新型倉儲設施作出額外投資，但此得益因本期間應對來自主要客戶的利潤下調壓力而抵銷。此外，製造費用以及為遵守中國非常嚴苛的環保法規而安裝環保的機械及設備費用之成本相應增加，對未來數個季度的經營利潤率構成額外壓力。該生產繼續推動客戶組合多元化和優化其產能，以保持市場競爭力。

本集團亦留意到，於本期間投入先進技術生產注塑製品的投資，取得若干進展，特別是環保塑料人體模特兒及多色注塑業務。此製造業務的整體表現將透過實現該等開創投資的成果、持續措施去提升現有產品之利潤水平，以及在不久將來對無利可圖之業務進行重組，而逐步改善。

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

The sales revenue of PCB processing business increased in the first half of 2018 compared with that of last year, as a result of additional sales orders received from various major customers. However, the overall profitability dropped markedly due to the fluctuation in the price of raw materials, additional investment in new products and intense competition within the industry. The segment expects such challenges continue in the coming quarters with pressure on the overall profit margin. In order to maintain its market competitiveness, the processing business is gradually shifting its product mix to higher-margin multi-layers and high density interconnect (“HDI”) product series. Moreover, it continues to strengthen automated production and optimize production capacities, so as to enhance its production efficiency and uplift the product quality with lower scrap rate arising from the development of new products.

Regarding the PCB trading business, the team continues to strive for maintaining its healthy level of profitability through entering into new markets, expanding existing customer base, leverage on its professional quality assurance knowhow, and tight control over the operating overheads during the Period. In addition to training up professional sales and services teams, it also invested in circuit board quality inspection equipment and facilities to enhance its sales revenue base by providing a wide range professional testing and value-added services to associated customers. Accordingly, the segment expects to observe synergic effect from the collaboration between processing and trading businesses in the coming years.

印刷線路板加工及貿易業務

二零一八年上半年印刷線路板加工業務的銷售收入較去年增加，乃得力於收到不同主要客戶之額外銷售訂單。然而，由於原材料價格波動、為新產品作出額外投資以及業內競爭激烈，使這業務的整體盈利顯著下跌。該業務預計上述挑戰在未來數個季度持續，致使整體利潤率受壓。為了保持市場競爭力，此加工業務正在逐步將產品組合朝向利潤率更高的多層板和高密度互連線路板產品系列發展。此外，其繼續加強自動化生產和優化產能，從而提高生產效率及提升產品質素，同時降低開發新產品之報廢率。

關於印刷線路板貿易業務方面，其團隊於本期間繼續致力通過進軍新市場、拓展目前客戶群、發揮其專業的質量保證知識，以及嚴格控制經營開支去保持其盈利之健康水平。除加強培訓專業的銷售和服務團隊外，其亦投資於線路板品質檢測設備和設施，通過為相關客戶提供多元化專業檢測及增值服務，以增強其銷售收入基礎。因此，該業務預計將在未來年度內，看到加工和貿易業務之間合作所產生的協同效益。

Industrial Consumables Trading Business

The domestic and global business environment of this business segment remains challenging during the Period. Nevertheless, overall performance in terms of sales and profitability improved slightly compared to the same period last year. It was attributed mainly by favourable currency movements and improved performance in its target markets. The sales performance of new products such as the cables for elevators and the high-quality domestic-manufactured stainless steel wire was improving. Meanwhile, product sales to industries such as automotive, household appliances, smartphones and machineries saw improvements. In the second half of 2018, the segment continues to optimize its inventory management and improve the supply-chain monitoring mechanism.

This trading segment realigns its strategy to focus on the development of system-integration business and aims to capture potential business opportunities of factory automation and production process enhancement. It also continues to develop high-margin fast-growing industrial customers such as auto parts and robotic arms.

This segment sees increasingly stringent challenges in coming quarters due to shift in business and investment sentiments in Mainland China. Customers in various industries turn cautious regarding launch of new products. The trading segment strives to maintain adequate profitability and management of financial risks amid economic uncertainties.

工業消耗品貿易業務

於本期間，該業務面對國內和全球之商業環境仍然充滿挑戰。儘管如此，其銷售和盈利能力方面的整體表現與去年同期相比略有改善，主要由於有利的貨幣走勢和其於目標市場的表現改善所致。電梯電纜和優質國產不銹鋼絲等新產品之銷情不斷改善。同時，於汽車、家電、智能手機和機械等行業的產品銷售亦有所改善。於二零一八年下半年，該業務繼續其優化庫存管理及改善供應鏈監察機制。

此貿易分部重整其策略，專注於系統集成業務的開發，並致力捕捉工廠自動化和生產流程提升的潛在商機。其亦繼續發展高利潤、快速增長的工業客戶群，如汽車零部件和機械臂。

由於中國內地的商業和投資氣氛轉向，該業務預計在未來數個季度將要面對更為嚴峻的挑戰。不同行業的客戶對推出新產品變得較為審慎。面對經濟不確定因素，貿易業務致力維持足夠的盈利能力及管理財務風險。

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2018, the Group's total outstanding bank borrowings amounted to HK\$406,050,000 (31 December 2017: HK\$425,723,000) 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\$346,727,000 and HK\$59,323,000 respectively (31 December 2017: HK\$380,598,000 and HK\$45,125,000 respectively).

After deducting cash and bank balances of HK\$355,922,000 (31 December 2017: HK\$348,746,000), the Group's net borrowings amounted to HK\$50,128,000 (31 December 2017: HK\$76,977,000). Shareholders' equity as at 30 June 2018 was HK\$1,213,717,000 (31 December 2017: HK\$1,080,494,000). Accordingly, the Group's net gearing ratio was 4.1%. During the Period, the Group's net cash outflow from operating activities amounted to approximately HK\$52,838,000. Net cash inflow from investing activities amounted to approximately HK\$11,313,000.

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 continues 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.

流動資金及財務資源

於二零一八年六月三十日，本集團之未償還銀行借貸總額為406,050,000港元(二零一七年十二月三十一日：425,723,000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346,727,000港元及59,323,000港元(二零一七年十二月三十一日：分別為380,598,000港元及45,125,000港元)。

扣除現金及銀行結餘355,922,000港元(二零一七年十二月三十一日：348,746,000港元)後，本集團之借貸淨額為50,128,000港元(二零一七年十二月三十一日：76,977,000港元)。於二零一八年六月三十日之股東權益為1,213,717,000港元(二零一七年十二月三十一日：1,080,494,000港元)。故此，本集團之淨借貸比率為4.1%。於本期間，本集團之經營業務現金流出淨額約為52,838,000港元。本集團之投資活動現金流入淨額約為11,313,000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、美元及日元進行業務交易。由於港元與美元掛鈎，故此方面並無重大外匯風險。本集團繼續監察來自日元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。

CAPITAL STRUCTURE

Subscription of New Shares

On 30 April 2018, the Company entered into the Subscription Agreement with Cosmos Holdings and Saniwell, pursuant to which the Company has allotted and issued and Cosmos Holdings and Saniwell subscribed for 108,750,000 Shares and 36,250,000 Shares respectively at a subscription price of HK\$0.55 per subscription share. All conditions precedent in respect of the Subscription Agreement have been fulfilled and the Subscription took place on 27 June 2018. Upon completion, an aggregate of 145,000,000 new Shares have been duly allotted and issued to Cosmos Holdings and Saniwell. Accordingly, immediately after completion, the Company had 861,930,692 Shares in issue.

Use of Net Proceeds from Subscription New Shares

The gross proceeds from the subscription amounted to HK\$79,750,000. Pursuant to Company's announcement dated 30 April 2018 and Company's circular dated 19 May 2018, the net proceeds raised from the subscription was approximately HK\$76,800,000 after deducting related professional fees and related expenses and the net subscription price was appropriately HK\$0.53 per subscription share. However, the amount of related professional fees and related expenses increased by approximately HK\$800,000, the actual net proceeds raised from the subscription was approximately HK\$76,000,000 and the net subscription price was appropriately HK\$0.52 per subscription share.

The Company proposed to use the net proceeds from subscription shares as set out in the section "Reasons for the Subscription and Use of Proceeds" of the Company's circular dated 19 May 2018. There is no any actual use of proceeds up to 30 June 2018 as the completion of subscription took place on 27 June 2018.

資本結構

認購新股份

於二零一八年四月三十日，本公司與大同控股及Saniwell訂立認購協議，據此，本公司配發及發行，而大同控股及Saniwell按每股認購股份0.55港元之認購價分別認購108,750,000股份及36,250,000股份。認購協議所載的全部先決條件已獲達成，而認購事項已於二零一八年六月二十七日完成。於完成後，合共145,000,000新股份已妥為配發及發行予大同控股及Saniwell。因此，緊接完成後本公司已發行股份總數目為861,930,692股。

新股份認購所得款項淨額用途

認購事項之所得款項為79,750,000港元。根據本公司日期為二零一八年四月三十日之公告及本公司日期為二零一八年五月十九日之通函，扣除相關專業費用及相關開支後，認購事項之所得款項淨額約為76,800,000港元及每股認購股份之淨認購額約為0.53港元。但相關專業費用及相關開支增加約800,000港元，因此實際認購事項之所得款項淨額約為76,000,000港元及每股認購股份之淨認購額約為0.52港元。

本公司擬仍按本公司日期為二零一八年五月十九日之通函內「進行認購事項之理由及所得款項用途」一節所述使用認購事項之所得款項淨額。由於二零一八年六月二十七日剛完成認購股份，截止二零一八年六月三十日，並無實際使用所得款項。

MATERIAL ACQUISITION AND DISPOSAL

Disposal of Entire Issued Share Capital of a Subsidiary

On 1 September 2017, Sunford Enterprises Limited, an indirect wholly-owned subsidiary of the Company, as vendor entered into a sale and purchase agreement with Giant Express Investment Limited, as purchaser, to sell entire issued share capital of MS Plasticorp, a company incorporated in Cook Islands and an indirect wholly-owned subsidiary of the Company prior to the completion of disposal, at an aggregate consideration of RMB82,000,000. The disposal was completed on 20 March 2018. Following the completion of the disposal, MS Plasticorp ceased to be a subsidiary of the Company.

For details, please refer to the Company's announcements dated 1 September 2017, 11 October 2017, 22 December 2017 and 20 March 2018, and the Company's circular dated 20 September 2017.

There was no material acquisition by the Group during the Period.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2018, the Group had approximately 3,620 employees (31 December 2017: approximately 3,460), located in Hong Kong and Mainland China. The remuneration policy regarding the employees of the Group is based on qualifications, competence and the performance of the employees as well as market trends. Employees' benefits include retirement benefits and medical insurance coverage.

重大收購及出售

出售一間附屬公司之全部已發行股本

於二零一七年九月一日，Sunford Enterprises Limited (為本公司間接全資附屬公司) 作為賣方，與鉅遠投資有限公司作為買方，訂立買賣協議，以總代價金額為人民幣82,000,000元出售群力實業有限公司(於完成出售前為本公司間接全資附屬公司及於克群島註冊成立的有限公司)之全部已發行股本。出售事項已於二零一八年三月二十日完成。完成出售後，群力實業有限公司不再是本公司之附屬公司。

有關詳情，請參閱本公司日期為二零一七年九月一日、二零一七年十月十一日、二零一七年十二月二十二日及二零一八年三月二十日之公告，以及本公司日期為二零一七年九月二十日之通函。

於本期間，本集團並無任何重大收購。

僱員及薪酬政策

截至二零一八年六月三十日，本集團於香港及中國內地約共3,620名僱員(二零一七年十二月三十一日：約共3,460名)。本集團僱員的薪酬政策乃按僱員的資格、能力及表現，亦以市場趨勢而釐定。僱員福利包括退休福利及醫療保險。

OUTLOOK AND PROSPECTS

The global economy is expected to become increasingly challenging in the coming quarters, especially in the manufacturing sectors. The economic and trading relationship amongst the United States, China and the European Union is getting more dynamic with high uncertainty. The recent China-US trade dispute and conflict poses increasing instability to the global trade system and hence the volatility of capital market and fluctuation of currencies. The Group keeps closely monitoring several key challenges ahead including the continuous increases of manufacturing costs and raw material costs, uneven demands, and abrupt shifts of government policies. The visibility of sales orders is low in the coming quarters, which motivates our management team to react to such unstable market demand with implementation of contingent measures, including costs controls, closer cooperation with customers, stricter inventory management, and prudent financial risk management. The Group's operating performance had recently recovered from the critical restructuring exercise of the machinery manufacturing segment and the plastic product and processing segment executed across 2016 and 2017. Those measures serve as a good platform for the Group to capture future growth opportunities. However, the pace of recovering is expected to be uneven in view of the arguably grim outlook of the manufacturing sector in Mainland China at the moment.

Amid uncertainties and poor market sentiment in the overall macro-economic environment, The Group continues to align its strategic direction of providing innovative, high-technology and best quality products to our customers. Our bolstering research and development capabilities and the collaboration across different business segments enable the Group to penetrate extensively into specific targeted industrial sectors in the near future. The Group's long-term goal is to enhance the overall profitability by leveraging the existing well-organized business platform and capital employed.

展望及前景

未來數個季度全球經濟將面對更大挑戰，當中尤其以製造業為然。美國、中國和歐盟之間的經濟和貿易關係更形波動及充斥更多不明確變數。近期中美貿易爭端和衝突令全球貿易體系的不穩定性日益加劇，導致資本市場和匯率走勢的波動。本集團繼續密切監視數項重要挑戰，包括不斷上漲的製造成本和原材料成本、不均衡的需求以及突然變動的政府政策。未來數個季度銷售訂單之能見度低，促使我們的管理團隊通過採取應變措施以應對不穩定的市場需求，包括成本控制、與客戶更緊密的合作、更嚴謹的庫存管理以及審慎的財務風險管理。本集團於二零一六年及二零一七年間對機械製造業務以及注塑製品及加工業務進行關鍵重組計劃後，其經營表現最近亦已從中恢復過來。該等措施為本集團捕捉未來增長機遇打造良好平台。然而，鑑於目前中國內地製造業的前景黯淡，預計復甦步伐未必可以貫徹一致。

縱使要面對整體宏觀經濟環境的不確定性及市場氣氛欠佳，本集團繼續調整其策略方向，致力向客戶提供創新、高科技及最優質產品。我們亦會加強研發能力以及與不同業務相互合作，致使本集團在不久將來能夠廣泛滲透特定的目標工業領域。本集團的長遠目標是利用現有完善的商業平台和運用資金去提升整體盈利能力。

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 China government to develop new energy, energy saving, environmental protection and new materials industries, the Group continues to align its strategic direction of providing innovative, high-technology and good quality products to our customers. Our bolstering research and development capabilities and the collaboration across different business segments enable the Group to penetrate extensively into specific focusing industrial sectors in the near future.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

在整體宏觀經濟環境不明朗下，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。隨著中國內地政府繼續發展新能源、節能、環保及新材料產業，本集團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。本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。

中期股息

董事會議決不宣派截至二零一八年六月三十日止六個月之中期股息(二零一七年六月三十日止六個月：無)。

SUPPLEMENTARY INFORMATION

補充資料

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Issued New Shares

On 30 April 2018, the Company entered into the Subscription Agreement with Cosmos Holdings and Saniwell, pursuant to which the Company allotted and issued, and Cosmos Holdings and Saniwell subscribed for 108,750,000 Shares and 36,250,000 Shares respectively at the subscription price of HK\$0.55 per subscription share. Cosmos Holdings is a controlling Shareholder of the Company. Saniwell is the trustee of The Saniwell Trust, the beneficiaries of which include Mr. Tang To, an executive Director, and certain of his family members.

The details of use of net proceeds from subscription new shares are set out in the heading "Use of Net Proceeds from Subscription New Shares" of the section of the "Management Discussion and Analysis" of this interim report.

The Subscription was completed on 27 June 2018 and an aggregate of 145,000,000 new Shares were allotted and issued on 27 June 2018.

For details, please refer to the Company's announcements dated 30 April 2018, 19 May 2018, 1 June 2018, 7 June 2018, 20 June 2018 and 27 June 2018, the Company's circular dated 19 May 2018 and the Company's supplemental circular dated 2 June 2018.

Save as disclosed above, there was no purchase, sale or redemption of listed securities by the Company nor any of its subsidiaries during the Period.

購買、出售或贖回上市證券

已發行新股份

於二零一八年四月三十日，本公司與大同控股及Saniwell訂立認購協議，據此，本公司配發及發行，而大同控股及Saniwell按每股認購股份0.55港元之認購價分別認購108,750,000股份及36,250,000股份。大同控股為本公司之控股股東，而Saniwell為The Saniwell Trust（其受益人包括執行董事鄧燾先生及其若干家族成員）之受託人。

新股份認購所得款項淨額用途詳情，請參閱本中期報告「管理層論述及分析」一節中「新股份認購所得款項淨額用途」標題中描述。

認購事項已於二零一八年六月二十七日完成及合共145,000,000股新股份已於二零一八年六月二十七日配發及發行。

有關詳情可參閱本公司日期為二零一八年四月三十日、二零一八年五月十九日、二零一八年六月一日、二零一八年六月七日、二零一八年六月二十日及二零一八年六月二十七日之公告、日期為二零一八年五月十九日之通函及日期為二零一八年六月二日之補充通函。

除上述披露外，於本期間本公司或其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, DEBENTURES OR UNDERLYING SHARES UNDER THE SFO

As at 30 June 2018, save for the interests of the Directors in the Shares of the Company set out as below, none of the Directors and chief executives of the Company had any interests and short positions in the Shares, debentures or underlying Shares or any of its associated corporations (within the meaning of Part XV of the SFO) which had 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 he/she was taken or deemed to have under such provisions of the SFO) or which were required pursuant to section 352 of the SFO, to be entered in the register referred therein or which were required to be disclosed herein pursuant to the Model Code.

根據《證券及期貨條例》董事及主要行政人員於股份、債權證或相關股份之權益及淡倉

於二零一八年六月三十日，除董事所持有之股份之權益(有關詳情載於下文)外，各董事及本公司主要行政人員於本公司或其任何相聯法團(按《證券及期貨條例》第XV部之涵義)之股份、債權證或相關股份中，概無擁有須《證券及期貨條例》第XV部第7及8分部知會本公司及聯交所之任何權益及淡倉(包括根據《證券及期貨條例》規定被視作或當作擁有之權益及淡倉)，亦無擁有須根據《證券及期貨條例》第352條登記於根據該條例存置或根據標準守則須於本文披露之任何權益及淡倉。

Long position in Shares or underlying Shares:

於股份或相關股份之好倉：

| Name of Director | Number of Shares held | | | | Total number of Shares held | Approximate percentage of total number of issued Shares 約佔本公司已發行股份總數目之概約百分比 |
|------------------------|-----------------------|----------------------|----------------------------|------------------------|-----------------------------|--|
| | Personal Interests | Family Interests | Corporate Interests | Other Interests | | |
| 董事姓名 | 持有股份數目 | | | | 持有股份總數目 | 百分比 |
| | 個人權益 | 家族權益 | 企業權益 | 其他權益 | 總數目 | |
| Tang To 鄧燾 | 4,970,000 | 2,000 ⁽¹⁾ | 445,617,458 ⁽²⁾ | 224,000 ⁽³⁾ | 450,813,458 | 52.30 |
| Tang Yu, Freeman 鄧愚 | – | – | 442,157,052 ⁽⁴⁾ | – | 442,157,052 | 51.30 |
| Wong Yiu Ming 黃耀明 | 9,468,000 | – | – | – | 9,468,000 | 1.10 |
| Kan Wai Wah 簡衛華 | 136,400 | – | – | – | 136,400 | 0.02 |
| Cheng Tak Yin 鄭達賢 | 1,406,000 | – | – | – | 1,406,000 | 0.16 |

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

Notes:

- (1) These 2,000 Shares were held by the spouse of Mr. Tang To.
- (2) 3,460,406 Shares of those 445,617,458 Shares were held by Ginta Company Limited which is wholly-owned by a company which in turn is owned as to 50% by Mr. Tang To and 50% by his spouse. Mr. Tang To was deemed to be interested in the 405,907,052 Shares of those 445,617,458 Shares under the SFO through his deemed interests in Codo Development Limited ("Codo").

Codo through its wholly-owned subsidiaries, Cosmos Holdings and Tai Shing Agencies Limited ("Tai Shing"), was also deemed to be interested in 405,907,052 Shares. Codo is incorporated in Hong Kong and is owned as to (i) 25.06% by Keepsound Investments Limited ("Keepsound"), a limited company incorporated in Hong Kong controlled by Saniwell, 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 limited company incorporated in Hong Kong, controlled as to 40% by Elegant Power, as to 57.42% by Saniwell and as to 2.58% by Fullwin Limited ("Fullwin"); (iv) 16.09% by Yik Wan Company Limited ("Yik Wan"); and (v) 20.23% by five individuals and two limited companies.

Moreover, 108,750,000 Shares and 36,250,000 Shares of these 445,617,458 Shares were allotted and issued to Cosmos Holdings and Saniwell on 27 June 2018 respectively. Mr. Tang To was deemed to be interested in the 108,750,000 Shares held by Cosmos Holdings and the 36,250,000 Shares held by Saniwell under the SFO.

- (3) These 224,000 Shares were jointly held by Mr. Tang To and his spouse.
- (4) Mr. Tang Yu, Freeman was deemed to be interested in the 442,157,052 Shares held by Saniwell under the SFO. 108,750,000 Shares and 36,250,000 Shares of these 442,157,052 Shares were allotted and issued to Cosmos Holdings and Saniwell on 27 June 2018 respectively. Accordingly, Mr. Tang Yu, Freeman is deemed to be interested in the 108,750,000 Shares held by Cosmos Holdings and the 36,250,000 Shares held by the Saniwell under the SFO.

Other than the holdings disclosed above, none of the Directors, chief executives of the Company and their associates had any interests or short positions in any Shares, debentures or underlying Shares or any of the Company's associated corporations at 30 June 2018.

附註:

- (1) 該2,000股股份由鄧熹先生之配偶持有。
- (2) 在該445,617,458股股份中，3,460,406股乃由堅達有限公司持有，而其為一間由鄧熹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》，鄧熹先生（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445,617,458股股份中的405,907,052股之權益。

高度透過其全資附屬公司大同控股及Tai Shing Agencies Limited（「Tai Shing」）被視為擁有合共405,907,052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Saniwell（為The Saniwell Trust之受託人）控制之於香港註冊成立之有限公司）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」）（為一間於香港註冊成立之有限公司，並由豪力擁有40%、Saniwell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擁有20.23%權益。

再者，該445,617,458股股份中的108,750,000股股份及36,250,000股股份分別於二零一八年六月二十七日配發及發行予大同控股及Saniwell。根據《證券及期貨條例》，鄧熹先生被視為擁有由大同控股持有之108,750,000股股份及由Saniwell持有之36,250,000股股份之權益。

- (3) 該224,000股股份由鄧熹先生及其配偶持有。
- (4) 根據《證券及期貨條例》，鄧熹先生被視為擁有由Saniwell持有之442,157,052股股份之權益。該442,157,052股股份中的108,750,000股股份及36,250,000股股份分別於二零一八年六月二十七日配發及發行予大同控股及Saniwell。因此，根據《證券及期貨條例》，鄧熹先生被視為擁有由大同控股持有之108,750,000股股份及由Saniwell持有之36,250,000股股份之權益。

除了以上披露之股權外，於二零一八年六月三十日並無董事、本公司主要行政人員及其聯繫人擁有本公司或其任何相聯法團之任何股份、債權證或相關股份之權益或淡倉。

SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES UNDER THE SFO

As at 30 June 2018, so far was known to the Directors, the following parties had an interest or long position or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required pursuant to section 336 of the SFO, to be entered in the register referred therein:

根據《證券及期貨條例》股東於股份或相關股份之權益及淡倉

於二零一八年六月三十日，據董事所知，下列人士於本公司的股份及相關股份中，擁有根據《證券及期貨條例》第XV部第2及3分部規定予以披露之權益或淡倉，或擁有須根據《證券及期貨條例》第336條登記於根據該條例存置之權益好倉或淡倉：

Long position in Shares or underlying Shares:

於股份或相關股份之權益好倉：

| Name of Substantial Shareholder 主要股東名稱 | Number of Shares held | | | Approximate percentage of total number of issued Shares 約佔本公司已發行股份總數目 直接權益之概約百分比 |
|--|----------------------------|------------------------------|--|--|
| | Direct interests 直接權益 | Deemed interests 被當作持有之權益 | Total number of Shares held 持有股份總數目 | |
| Law Kit Fong 羅潔芳 | - | 405,907,052 ⁽¹⁾ | 405,907,052 | 47.09 |
| Codo 高度 | - | 405,907,052 ⁽²⁾ | 405,907,052 | 47.09 |
| Cosmos Holdings 大同控股 | 235,802,600 ⁽³⁾ | 170,104,452 ⁽⁴⁾ | 405,907,052 | 47.09 |
| Tai Shing | 170,104,452 | - | 170,104,452 | 19.73 |
| Saniwell | 36,250,000 ⁽⁵⁾ | 405,907,052 ⁽⁶⁾ | 442,157,052 | 51.30 |
| China Resources (Holdings) Company Limited 華潤(集團)有限公司 | 169,649,046 ⁽⁷⁾ | - | 169,649,046 | 19.68 |

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

Notes:

- (1) Ms. Law Kit Fong is deemed to be interested in the block of 405,907,052 Shares through her direct and indirect interests in Elegant Power and Codo. Codo through its wholly-owned subsidiaries, Cosmos Holdings and Tai Shing, was deemed to be interested in 405,907,052 Shares. 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) Codo is interested in 405,907,052 Shares through its wholly-owned subsidiaries, Cosmos Holdings and Tai Shing. Codo is owned as to (i) 25.06% by Keepsound, a limited company incorporated in Hong Kong controlled by Saniwell, 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 and as to 2.58% by Fullwin; (iv) 16.09% by Yik Wan; and (v) 20.23% by five individuals and two limited companies.
- (3) These 235,802,600 Shares represent the 127,052,600 Shares beneficially owned by Cosmos Holdings and 108,750,000 Shares were allotted and issued to Cosmos Holdings on 27 June 2018.
- (4) Cosmos Holdings was deemed to be interested in 170,104,452 Shares through its subsidiary, Tai Shing.
- (5) These 36,250,000 Shares were allotted and issued to Saniwell on 27 June 2018.
- (6) Saniwell was deemed to be interested in the block of 405,907,052 Shares under the SFO through its deemed interests in Codo. Codo is owned as to (i) 25.06% by Keepsound, a limited company incorporated in Hong Kong, controlled by Saniwell, 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 and as to 2.58% by Fullwin; (iv) 16.09% by Yik Wan; and (v) 20.23% by five individuals and two limited companies.
- (7) 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 three companies were deemed to be interested in the 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405,907,052股股份之權益。高度透過大同控股及Tai Shing (均為其全資附屬公司) 被當作擁有合共405,907,052股股份之權益。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) 高度透過大同控股及Tai Shing (均為其全資附屬公司) 被當作擁有合共405,907,052股股份之權益。高度之股權分別由(i)協生(一間由Saniwell(為The Saniwell Trust之受託人) 控制並於香港註冊成立之有限公司) 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擁有20.23%權益。
- (3) 該235,802,600股股份代表大同控股實益擁有之127,052,600股股份，以及於二零一八年六月二十七日配發及發行予大同控股之108,750,000股股份。
- (4) 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。
- (5) 於二零一八年六月二十七日配發及發行予Saniwell之36,250,000股股份。
- (6) 根據《證券及期貨條例》，Saniwell因擁有高度之權益而被當作擁有其405,907,052股股份之權益。高度分別由(i)協生(一間由Saniwell(為The Saniwell Trust之受託人) 控制並於香港註冊成立之有限公司) 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擁有20.23%權益。
- (7) 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。

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to maintaining a high standard of corporate governance for the enhancement of shareholders' value and safeguarding interests of Shareholders and other stakeholders.

In the opinion of the Board, the Company has complied with the code provisions of the Code throughout the six months ended 30 June 2018, except for the following deviation:

Deviation from code provision A.6.7 of the Code

Code provision A.6.7 of the Code stipulates that independent non-executive Directors and non-executive Directors should attend the issuer's general meetings and develop a balanced understanding of the views of Shareholders. Mr. Qu Jinping, non-executive Director and Mr. Ho Wei Sem and Mr. Huang Zhi Wei, both independent non-executive Directors were unable to attend the annual general meeting and extraordinary general meeting of the Company held on 7 June 2018 and adjourned extraordinary general meeting of the Company held on 20 June 2018 due to other business engagements. However, the Board believes that the presence of other non-executive Director and independent non-executive Directors at the such general meetings have allowed the Board to develop a balanced understanding of the views of Shareholders.

遵守企業管治守則

董事會致力實行及維持高水準之企業管治以提升股東價值及維護股東及其他持份者的權益。

董事會認為，於截至二零一八年六月三十日止六個月內，本公司一直遵守守則的守則條文，惟有以下偏離：

偏離守則之守則條文A.6.7條

守則之守則條文第A.6.7條規定獨立非執行董事及非執行董事應出席發行人的股東大會，以對股東之意見有公正之了解。非執行董事瞿金平先生及兩位獨立非執行董事何偉森先生和黃志煒先生，因其他公務未能出席本公司於二零一八年六月七日舉行之股東周年大會和股東特別大會及於二零一八年六月二十日舉行之股東特別大會續會。然而，董事會認為，有其他非執行董事及獨立非執行董事出席了該等股東大會，已能讓董事會公正地了解股東之意見。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the CMEL Code on terms no less exacting than Model Code.

The Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code and CMEL Code during the Period under review.

AUDIT COMMITTEE

The Company's audit committee comprises of three independent non-executive Directors, namely Ms. Yeung Shuk Fan, Mr. Cheng Tak Yin and Mr. Ho Wei Sem. Ms. Yeung Shuk Fan acts as the chairman of the committee. The audit committee was established with specific written terms of reference.

During the Period, the audit committee of the Company, amongst other things, had reviewed the unaudited interim results for the six months ended 30 June 2018.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The Company's interim results announcement and interim report were published on the Company's website at www.cosmel.com and the website of Stock Exchange at www.hkexnews.hk.

By order of the Board

TANG To
Chairman

Hong Kong, 28 August 2018

遵守標準守則

本公司已採納大同企業守則，而大同企業守則不比標準守則所訂明的要求寬鬆。

經本公司特定查詢後，董事已確認彼等於本期間回顧內一直遵守標準守則及大同企業守則所定的標準。

審核委員會

本公司審核委員會由三名獨立非執行董事組成，成員包括楊淑芬女士、鄭達賢先生及何偉森先生。楊淑芬女士為審核委員會之主席。審核委員會之成立設有職權範圍。

於本期間，本公司審核委員會已(其中包括)審閱本集團截至二零一八年六月三十日止六個月之未經審核中期業績。

中期業績公告及中期報告的公佈

本公司的中期業績公告及中期報告登載於本公司網站www.cosmel.com及聯交所網站www.hkexnews.hk。

承董事會命
主席
鄧燾

香港，二零一八年八月二十八日

DEFINITIONS

釋義

In this Interim Report, unless the context otherwise specifies, the following expressions have the following meanings:

於本中期報告內，除文義另有所指外，下列詞彙具有以下涵義：

| | |
|-----------------------------|--|
| “Board” 「董事會」 | the board of Directors of the Company 本公司董事會 |
| “CMEI Code” 「大同企業守則」 | Model Code for Securities Transactions by Directors and Relevant Employees of Cosmos Machinery Enterprises Limited, revised from time to time thereafter 大同機械企業有限公司董事及相關僱員進行證券交易的標準守則(隨後不時修訂) |
| “Code” 「守則」 | the Corporate Governance Code as set out in Appendix 14 to the Listing Rules 上市規則附錄十四所載之《企業管治守則》 |
| “Company” 「本公司」 | Cosmos Machinery Enterprises Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 118) 大同機械企業有限公司，於香港註冊成立之有限公司及其股份在聯交所主板上市(股份代號：118) |
| “Cosmos Holdings” 「大同控股」 | Cosmos Machinery (Holdings) Limited, a company incorporated in Hong Kong, a controlling Shareholder of the Company 大同機械(控股)有限公司，於香港註冊成立之有限公司，本公司控股股東 |
| “Director(s)” 「董事」 | the director(s) of the Company 本公司董事 |
| “Group” 「本集團」 | the Company and its subsidiaries 本公司及其附屬公司 |
| “HK\$” or “HKD” 「港元」 | Hong Kong dollars, the lawful currency of Hong Kong 港元，香港法定貨幣 |
| “Hong Kong” 「香港」 | the Hong Kong Special Administrative Region of the People’s Republic of China 中華人民共和國香港特別行政區 |
| “Listing Rules” 「上市規則」 | the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則 |

DEFINITIONS (CONTINUED)

釋義 (續)

| | |
|--|---|
| “Mainland China” or “China” 「中國內地」或「中國」 | The People’s Republic of China, excluding Hong Kong, Macau and Taiwan 中華人民共和國 (不包括香港、澳門及台灣) |
| “Model Code” 「標準守則」 | Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules 上市規則附錄十所載之《上市公司董事進行證券交易的標準守則》 |
| “Period” 「本期間」 | six month ended 30 June 2018 截至二零一八年六月三十日止六個月 |
| “Saniwell” 「Saniwell」 | Saniwell Holdings Inc., a company incorporated in Cook Islands Saniwell Holding Inc. · 於科克群島註冊成立之公司 |
| “SFO” 「《證券及期貨條例》」 | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 香港法例第571章證券及期貨條例 |
| “Share(s)” 「股份」 | ordinary share(s) of the Company 本公司之普通股 |
| “Shareholder(s)” 「股東」 | the holder(s) of the Share(s) 本公司股份持有人 |
| “Stock Exchange” 「聯交所」 | The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司 |
| “Subscription(s)” 「認購事項」 | the conditional Subscription of the subscription share by Cosmos Holdings and Saniwell pursuant to the terms of the Subscription Agreement dated 30 April 2018 大同控股及Saniwell根據日期為二零一八年四月三十日之認購協議之條款有條件認購認購股份 |
| “Subscription Agreement” 「認購協議」 | a subscription agreement dated 30 April 2018 entered into between the Company and Cosmos Holdings and Saniwell in relation to the Subscription 本公司與大同控股及Saniwell就認購事項所訂立日期為二零一八年四月三十日之認購協議 |
| “%” 「%」 | per cent 百分比 |

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

REGISTERED OFFICE

10/F, Billion Plaza 2
No. 10 Cheung Yue Street
Cheung Sha Wan
Kowloon, Hong Kong
Tel : 2376-6188
Fax : 2375-9626
Website : www.cosmel.com
E-mail : ir@cosmel.com

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
電話：2376-6188
傳真：2375-9626
網址：www.cosmel.com
電郵：ir@cosmel.com