

KaShui¹⁹⁸⁰

Ka Shui International Holdings Limited
嘉瑞國際控股有限公司

Incorporated in the Cayman Islands with Limited Liability
於開曼群島註冊成立的有限公司

Stock Code 股份代號：822

Technovation

Drives the Smart
Future 科技創新 智訊未來



企業責任
Corporate
Responsibilities



創新研發能力
Innovation, Research and
Development Capability



強大生產力
Powerful Manufacturing
Capacity



卓越管理模式
Excellent
Management Model



國際品管體系
International
Quality System

INTERIM REPORT
2018 中期
報告

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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr. Lee Yuen Fat (*Chairman and Chief Executive Officer*)
Mr. Wong Wing Chuen (*Vice Chairman*)
Dr. Wong Cheong Yiu

Independent Non-Executive Directors

Professor Sun Kai Lit, Cliff *BBS, JP*
Ir Dr. Lo Wai Kwok *SBS, MH, JP*
Mr. Andrew Look
Mr. Kong Kai Chuen, Frankie

AUTHORISED REPRESENTATIVES

Dr. Wong Cheong Yiu
Ms. Yam Suk Yee, Celia

COMPANY SECRETARY

Ms. Yam Suk Yee, Celia

AUDIT COMMITTEE

Mr. Kong Kai Chuen, Frankie (*Chairman*)
Professor Sun Kai Lit, Cliff *BBS, JP*
Ir Dr. Lo Wai Kwok *SBS, MH, JP*
Mr. Andrew Look

NOMINATION COMMITTEE

Professor Sun Kai Lit, Cliff *BBS, JP* (*Chairman*)
Ir Dr. Lo Wai Kwok *SBS, MH, JP*
Mr. Andrew Look
Mr. Kong Kai Chuen, Frankie
Dr. Wong Cheong Yiu

REMUNERATION COMMITTEE

Professor Sun Kai Lit, Cliff *BBS, JP* (*Chairman*)
Ir Dr. Lo Wai Kwok *SBS, MH, JP*
Mr. Andrew Look
Mr. Kong Kai Chuen, Frankie
Dr. Wong Cheong Yiu

董事

執行董事

李遠發先生 (*主席及行政總裁*)
黃永銓先生 (*副主席*)
黃昌耀博士

獨立非執行董事

孫啟烈教授 *BBS, JP*
盧偉國博士 *SBS, MH, JP*
陸東先生
江啟銓先生

授權代表

黃昌耀博士
任淑儀小姐

公司秘書

任淑儀小姐

審核委員會

江啟銓先生 (*主席*)
孫啟烈教授 *BBS, JP*
盧偉國博士 *SBS, MH, JP*
陸東先生

提名委員會

孫啟烈教授 *BBS, JP* (*主席*)
盧偉國博士 *SBS, MH, JP*
陸東先生
江啟銓先生
黃昌耀博士

薪酬委員會

孫啟烈教授 *BBS, JP* (*主席*)
盧偉國博士 *SBS, MH, JP*
陸東先生
江啟銓先生
黃昌耀博士

CORPORATE INFORMATION (CONTINUED) 公司資料(續)

REGISTERED OFFICE

Clifton House, 75 Fort Street
P.O. Box 1350 GT, George Town
Grand Cayman, Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room A, 29/F, Tower B, Billion Centre
1 Wang Kwong Road, Kowloon Bay
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited
Royal Bank House, 3rd Floor
24 Shedden Road, P.O. Box 1586
Grand Cayman, KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Hong Kong

AUDITOR

RSM Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited
Bank of China (Hong Kong) Limited
Chong Hing Bank Limited

WEBSITE

www.kashui.com

註冊辦事處

Clifton House, 75 Fort Street
P.O. Box 1350 GT, George Town
Grand Cayman, Cayman Islands

香港主要營業地點

香港九龍
九龍灣宏光道1號
億京中心B座29樓A室

主要股份過戶登記處

SMP Partners (Cayman) Limited
Royal Bank House, 3rd Floor
24 Shedden Road, P.O. Box 1586
Grand Cayman, KY1-1110
Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司
香港皇后大道東183號
合和中心17M樓

核數師

中瑞岳華(香港)會計師事務所

主要往來銀行

香港上海滙豐銀行有限公司
渣打銀行(香港)有限公司
中國銀行(香港)有限公司
創興銀行有限公司

網址

www.kashui.com

KEY INFORMATION FOR SHAREHOLDERS

股東主要資料

FINANCIAL CALENDAR

Announcement of 2018 Interim Results
28 August 2018

STOCK CODE

822

BOARD LOT

2,000 Shares

INVESTOR RELATIONS

Ms. Yam Suk Yee, Celia
Company Secretary
Ka Shui International Holdings Limited
Room A, 29/F, Tower B, Billion Centre
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財務日誌

二零一八年中中期業績公佈
二零一八年八月二十八日

股份代號

822

每手股數

2,000股

投資者關係

任淑儀小姐
公司秘書
嘉瑞國際控股有限公司
香港九龍
九龍灣宏光道1號
億京中心B座29樓A室
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

簡明綜合損益表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

The board (the “Board”) of directors (the “Directors”) of Ka Shui International Holdings Limited (the “Company”) is pleased to announce the unaudited interim financial results of the Company and its subsidiaries (together with the Company, collectively the “Group”) for the six months ended 30 June 2018, together with the comparative figures for the corresponding period in 2017.

嘉瑞國際控股有限公司(「本公司»)董事(「董事»)會(「董事會»)欣然宣佈本公司及其附屬公司(連同本公司,統稱為「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財務業績,連同二零一七年同期之比較數字。

		For the 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 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	
	<i>Note 附註</i>			
Revenue	收入	5	865,007	813,087
Cost of sales	銷售成本		(691,604)	(620,868)
Gross profit	毛利		173,403	192,219
Other income	其他收入	6	5,109	10,762
Selling and distribution expenses	銷售及分銷開支		(16,059)	(13,907)
General and administrative expenses	一般及行政開支		(126,040)	(142,328)
Other operating expenses and income	其他營運開支及收入		(1,631)	(522)
Profit from operations	經營溢利		34,782	46,224
Finance costs	融資成本	7	(5,758)	(9,144)
Share of loss of associates	攤分聯營公司損失		(481)	(587)
Profit before tax	除稅前溢利		28,543	36,493
Income tax expense	所得稅開支	8	(9,744)	(14,076)
Profit for the period	期內溢利	9	18,799	22,417
Attributable to:	以下人士應佔權益:			
Owners of the Company	本公司權益持有人		18,077	21,229
Non-controlling interests	非控股權益		722	1,188
			18,799	22,417
Earnings per share	每股盈利	11		
— Basic (HK cents)	— 基本(港仙)		2.02	2.38
— Diluted (HK cents)	— 攤薄(港仙)		2.02	2.38

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 簡明綜合損益表及其他全面收益表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

For the 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 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
Profit for the period	期內溢利	18,799	22,417
Other comprehensive income:	其他全面收益：		
<i>Item that will be reclassified to profit or loss:</i>	<i>將會重新分類至損益之項目：</i>		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	(3,255)	9,666
Other comprehensive income for the period, net of tax	期內除稅後其他全面收益	(3,255)	9,666
Total comprehensive income for the period	期內全面收益總額	15,544	32,083
Attributable to:	以下人士應佔權益：		
Owners of the Company	本公司權益持有人	14,942	31,620
Non-controlling interests	非控股權益	602	463
		15,544	32,083

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2018 於二零一八年六月三十日

			As at 30 June 2018 於二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
		Note 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	12	749,121	770,592
Club membership	會所會籍		718	718
Investments in associates	於聯營公司之投資		4,152	1,336
Available-for-sale financial assets	可供出售金融資產		—	—
Financial assets at fair value through other comprehensive income	按公平值透過其他全 面收益之金融資產		—	—
Deposits paid for acquisition of property, plant and equipment	預付購買物業、機器 及設備之按金		17,190	10,569
Deferred tax assets	遞延稅項資產		264	310
			771,445	783,525
Current assets	流動資產			
Inventories	存貨		240,480	252,406
Trade receivables	貿易應收款項	13	441,159	415,392
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項		64,724	69,545
Due from associates	應收聯營公司之款項		237	—
Current tax assets	即期稅項資產		1,119	—
Restricted bank balances	有限制銀行存款		—	3,234
Bank and cash balances	銀行及現金結餘		172,178	243,994
			919,897	984,571

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

簡明綜合財務狀況表(續)

As at 30 June 2018 於二零一八年六月三十日

		Note 附註	As at 30 June 2018 於二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Current liabilities	流動負債			
Trade payables	貿易應付款項	14	273,573	367,394
Deposits received	已收按金		13,769	12,615
Other payables and accruals	其他應付款項及 應計費用		64,742	83,069
Due to a related company	應付關聯公司款項	18(c)	—	4,465
Due to associates	應付聯營公司款項		617	617
Bank borrowings	銀行借款	15	317,767	326,611
Current tax liabilities	即期稅項負債		33,969	31,253
			704,437	826,024
Net current assets	流動資產淨值		215,460	158,547
Total assets less current liabilities	資產總值減流動負債		986,905	942,072
Non-current liabilities	非流動負債			
Bank borrowings	銀行借款	15	80,153	41,667
Deferred tax liabilities	遞延稅項負債		33,600	33,762
			113,753	75,429
NET ASSETS	資產淨值		873,152	866,643
Capital and reserves	資本及儲備			
Share capital	股本	16	89,376	89,376
Reserves	儲備		767,853	761,946
Equity attributable to owners of the Company	本公司權益持有人 應佔權益		857,229	851,322
Non-controlling interests	非控股權益		15,923	15,321
TOTAL EQUITY	權益總額		873,152	866,643

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		(Unaudited) (未經審核)												
		Attributable to owners of the Company											本公司權益持有人應佔權益	
		Share capital	Share premium	Retained earnings	Capital reserve	Merger reserve	Foreign	Share option reserve	Statutory reserve	Revaluation reserve	FVTOCI reserve	Non-controlling interest	Total	Total equity
							currency translation reserve							
		股本	股份溢價	保留盈利	資本儲備	合併儲備	匯兌儲備	認股權儲備	法定儲備	重估儲備	按公平值計入其他全面收益儲備	總額	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 31 December 2017	於二零一七年十二月三十一日	89,376	204,650	428,796	8,701	(9,931)	2,146	10	58	127,516	—	851,322	15,321	866,643
Adjustment on initial application of	初始應用調整													
— HKFRS 9 (note 3)	— 香港財務報告準則第9號(附註3)	—	—	(97)	—	—	—	—	—	—	—	(97)	—	(97)
— HKFRS 15 (note 3)	— 香港財務報告準則第15號(附註3)	—	—	8,303	—	—	—	—	—	—	(8,303)	—	—	—
Restated balance at 1 January 2018	於二零一八年一月一日 經重列	89,376	204,650	437,002	8,701	(9,931)	2,146	10	58	127,516	(8,303)	851,225	15,321	866,546
Total comprehensive income for the period	期內全面收益總額	—	—	18,077	—	—	(3,135)	—	—	—	—	14,942	602	15,544
Forfeiture of share options	沒收之購股權	—	—	10	—	—	—	(10)	—	—	—	—	—	—
Final dividends paid	已付末期股息	—	—	(8,938)	—	—	—	—	—	—	—	(8,938)	—	(8,938)
At 30 June 2018	於二零一八年六月三十日	89,376	204,650	446,151	8,701	(9,931)	(989)	—	58	127,516	(8,303)	857,229	15,923	873,152
At 1 January 2017	於二零一七年一月一日	89,376	204,650	311,511	8,701	(9,931)	(47,496)	10	25,152	181,206	—	763,179	8,328	771,507
Total comprehensive income for the period	期內全面收益總額	—	—	21,229	—	—	10,391	—	—	—	—	31,620	463	32,083
Capital contribution from non-controlling interest	來自非控股權益之資本投入	—	—	—	—	—	—	—	—	—	—	—	339	339
Final dividends paid	已付末期股息	—	—	(8,938)	—	—	—	—	—	—	—	(8,938)	—	(8,938)
At 30 June 2017	於二零一七年六月三十日	89,376	204,650	323,802	8,701	(9,931)	(37,105)	10	25,152	181,206	—	785,861	9,130	794,991

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

For the 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 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
Net cash (used in)/generated from operating activities	經營業務(所耗)/所得現金淨額	(60,761)	51,772
Purchase of property, plant and equipment and deposits paid for acquisition of property, plant and equipment	購買物業、機器及設備及預付購買物業、機器及設備之按金	(30,234)	(12,367)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備	5,158	233
Investment in an associate	於聯營公司之投資	(3,294)	—
Other investing activities	其他投資活動	(6,839)	184
Net cash used in investing activities	投資活動所耗現金淨額	(35,209)	(11,950)
Net bank loans raised/(repaid)	新增/(償還)銀行貸款淨額	28,725	(74,493)
Dividends paid	已付股息	(8,938)	(8,938)
Capital contribution from non-controlling interest	來自非控股權益之資本投入	—	339
Net cash generated from/(used in) financing activities	融資活動所得/(所耗)現金淨額	19,787	(83,092)
Net decrease in cash and cash equivalents	現金及等同現金項目減少淨額	(76,183)	(43,270)
Cash and cash equivalents at beginning of period	於期初的現金及等同現金項目	243,994	296,008
Effect of foreign exchange rate change	匯率變動影響	4,367	2,702
Cash and cash equivalents at end of period	於期末的現金及等同現金項目	172,178	255,440
Analysis of cash and cash equivalents	現金及等同現金項目分析		
Bank and cash balances	銀行及現金結餘	172,178	255,440

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

1. CORPORATE INFORMATION

The Group is principally engaged in the manufacture and sale of zinc, magnesium and aluminium alloy die casting and plastic injection products and components which are mainly sold to customers engaging in the household products, 3C (communication, computer and consumer electronics) products, automotive parts and precision components and trading of lighting products and housewares.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 7 January 2005.

2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

These condensed consolidated financial statements should be read in conjunction with the 2017 annual consolidated financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the Group’s annual consolidated financial statements for the year ended 31 December 2017.

1. 公司資料

本集團以生產及銷售鋅、鎂及鋁合金壓鑄、塑膠注塑產品及零部件，主要售予從事家居用品、3C（通訊、電腦及消費者電子）產品、汽車零部件及精密部件的客戶及照明產品及家居器皿貿易為主。

本公司根據開曼群島公司法於二零零五年一月七日在開曼群島註冊成立為受豁免有限公司。

2. 編制基準

此等簡明綜合財務報表乃按照香港會計師公會（「香港會計師公會」）頒佈的香港會計準則第34號「中期財務報告」及香港聯合交易所有限公司證券上市規則（「上市規則」）之適用披露規定編撰。

此等簡明綜合財務報表應與二零一七年綜合財務報表一併閱覽。編制此等簡明綜合財務報表所使用的會計政策及計算方法，與編制本集團截至二零一七年十二月三十一日止年度之全年綜合財務報表時相同。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2018. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations.

The Group has initially adopted HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers from 1 January 2018. A number of other new standards are effective from 1 January 2018 but they do not have a material effect on the Group’s consolidated financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 replaces the provisions of HKAS 39 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.

The adoption of HKFRS 9 from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. As permitted by the transitional provisions of HKFRS 9, the Group has elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings of the current period.

The adoption of HKFRS 9 resulted in the following changes to the Group’s accounting policies.

3. 採納新訂及經修訂香港財務報告準則

於本期間，本集團已採納適用於其營運、由香港會計師公會所頒佈並自二零一八年一月一日開始的會計年度生效的所有新訂及經修訂香港財務報告準則（「香港財務報告準則」）。香港財務報告準則包括香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋。

本集團已自二零一八年一月一日起初步採納香港財務報告準則第9號金融工具及香港財務報告準則第15號來自客戶合約的收入。多項其他新訂準則自二零一八年一月一日起生效，惟並無對本集團之綜合財務報表造成重大影響。

香港財務報告準則第9號金融工具

香港財務報告準則第9號取代香港會計準則第39號有關確認、分類及計量金融資產及金融負債、終止確認金融工具、金融資產減值及對沖會計處理之條文。

自二零一八年一月一日起採納香港財務報告準則第9號導致會計政策變動並對財務報表所確認之金額作出調整。誠如香港財務報告準則第9號之過渡性條文所允許，本集團已選擇不會重列比較數字。任何對過渡日期之金融資產及負債之賬面值作出之調整均於本期間之期初保留盈利中確認。

採納香港財務報告準則第9號導致下列本集團會計政策之變動。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 9 Financial Instruments (Continued)

(a) Classification

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

- those to be measured subsequently at FVTOCI or FVTPL; and
- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

(b) Measurement

At initial recognition, the Group measures financial assets at their fair value plus, in the case of financial assets not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

3. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

(a) 分類

自二零一八年一月一日起，本集團將其金融資產分類為下列計量類別：

- 該等其後按公平值計入其他全面收益或按公平值計入損益賬計量者；及
- 該等按攤銷成本計量者。

該分類取決於本集團管理金融資產之業務模式及現金流量之合約條款。

就按公平值計量之資產而言，收益及虧損將記入損益或其他全面收益內。就並非持作買賣之股本工具投資而言，此將取決於本集團是否已經於初始確認時作出不可撤回選擇將股權投資按公平值計入其他全面收益入賬。

(b) 計量

於初始確認時，本集團按其公平值另加(就並非按公平值計入損益賬之金融資產而言)收購金融資產直接應佔之交易成本計量金融資產。按公平值計入損益賬列賬之金融資產之交易成本於損益內支銷。

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

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued) HKFRS 9 Financial Instruments (Continued)

(b) Measurement (Continued)

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

3. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

(b) 計量(續)

債務工具之其後計量取決於本集團管理資產之業務模式及資產之現金流量特性。本集團按三個計量類別分類其債務工具：

- 攤銷成本：持作收取合約現金流量(當中該等現金流量僅代表支付本金且利息乃按攤銷成本計量)之資產。該等金融資產之利息收入乃使用實際利率法計入其他收入。終止確認所產生之任何收益或虧損乃連同外匯收益及虧損直接確認於損益，並呈列於其他收益／(虧損)。減值虧損呈列於損益表之獨立項目。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 9 Financial Instruments (Continued)

(b) Measurement (Continued)

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment losses are presented as separate line item in the statement of profit or loss.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

3. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

(b) 計量(續)

- 按公平值計入其他全面收益：持作收取現金流量及作出售金融資產(當中資產之現金流量僅代表支付本金及利息)之資產乃按公平值計入其他全面收益計量。賬面值之變動乃計至其他全面收益，惟減值收益或虧損、利息收入及外匯收益及虧損則於損益確認。當終止確認金融資產時，過往於其他全面收益內確認之累計收益或虧損乃自權益重新分類至損益，並確認於其他收益/(虧損)內。該等金融資產之利息收入乃使用實際利率法計入其他收入內。外匯收益及虧損於其他收益/(虧損)中呈列，而減值虧損則於損益表內呈列為獨立項目。
- 按公平值計入損益賬：不符合攤銷成本或按公平值計入其他全面收益準則之資產乃按公平值計入損益賬計量。其後按公平值計入損益賬計量之債務投資收益或虧損於其產生期間在損益中確認，並於其他收益/(虧損)內呈列。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 9 Financial Instruments (Continued)

(b) Measurement (Continued)

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

(c) Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Set out below is the impact of the adoption of HKFRS 9 on the Group.

3. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

(b) 計量(續)

本集團其後按公平值計量所有股權投資。倘本集團的管理層已選擇於其他全面收益呈列股權投資之公平值收益及虧損，則於終止確認投資後概無將公平值收益及虧損其後重新分類至損益。當已經確立本集團收取付款之權利時，來自該等投資之股息繼續在損益內確認為其他收入。

按公平值計入損益賬之金融資產之公平值變動於損益表內之其他收益／(虧損)中確認(按適用者)。按公平值計入其他全面收益計量之股權投資之減值虧損(及減值虧損撥回)不會自其他公平值變動分開呈報。

(c) 減值

自二零一八年一月一日起，本集團按前瞻性基準評估與其按攤銷成本及按公平值計入其他全面收益列賬之債務工具相關之預期信貸損失。所應用之減值方法取決於信貸風險有否出現大幅增加。

就貿易應收款項而言，本集團應用香港財務報告準則第9號允許之簡化方針，當中規定自初始確認應收款項起確認預期全期損失。

以下載列採納香港財務報告準則第9號對本集團之影響。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 9 Financial Instruments (Continued)

(c) Impairment (Continued)

The following table summaries the impact on the Group's opening retained earnings as at 1 January 2018 is as follows:

3. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

(c) 減值(續)

下表概述對本集團於二零一八年一月一日之期初保留盈利之影響如下：

		<i>Note</i> 附註	<i>HK\$'000</i> 千港元
Reclassify available-for-sale to FVTOCI	重新分類可供出售至按公平值計入其他全面收益		8,303
Increase in impairment losses for:	減值虧損增加：		
— Trade and other receivables	— 貿易及其他應收款項	(ii)	(97)
Related tax	相關稅項		—
Adjustment to retained earnings from adoption of HKFRS 9 on 1 January 2018	自二零一八年一月一日採納香港財務報告準則第9號對保留盈利之調整		8,206
Attributable to	以下人士應佔權益		
Owners of the Company	本公司權益持有人		8,206
Non-controlling interest	非控股權益		—
			8,206

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 9 Financial Instruments (Continued)

(c) Impairment (Continued)

The following table and the accompanying notes below explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 January 2018.

3. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

(c) 減值(續)

下表及以下隨附附註闡釋本集團於二零一八年一月一日之各類金融資產在香港會計準則第39號項下之原計量類別及香港財務報告準則第9號項下之新計量類別。

Financial assets	金融資產	Note 附註	Classification under HKAS 39 香港會計準則 第39號項下 之分類	Classification under HKFRS 9 香港財務報告 準則第9號 項下之分類	Carrying amount under HKAS 39 香港會計準則 第39號項下 之賬面值 HK\$'000 千港元	Carrying amount under HKFRS 9 香港財務報告 準則第9號項下 之賬面值 HK\$'000 千港元
Equity investments	股權投資	(i)	Available-for-sale 可供出售	FVTOCI 按公平值計入 其他全面收益	—	—
Trade and other receivables	貿易及其他 應收款項	(ii)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	415,392	415,295

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 9 Financial Instruments (Continued)

(c) Impairment (Continued)

The impact of these changes on the Group's equity is as follows:

3. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

(c) 減值(續)

該等變動對本集團權益之影響如下：

		Effect on FVTOCI reserve 對按公平值計入 其他全面收益 儲備之影響	Effect on retained earnings 對保留盈利 之影響
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Opening balance — HKAS 39	期初結餘—香港會計 準則第39號	—	428,796
Increase in impairment losses for trade and other receivables	貿易及其他應收款項 減值虧損增加 (ii)	—	(97)
Reclassify non-trading equity investments from available-for-sale to financial assets at FVTOCI	自可供出售重新分類 至按公平值計入 其他全面收益之 金融資產之非買賣 股權投資 (i)	(8,303)	8,303
Total impact	影響總計	(8,303)	8,206
Opening balance — HKFRS 9	期初結餘—香港財務 報告準則第9號	(8,303)	437,002

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 9 Financial Instruments (Continued)

(c) Impairment (Continued)

- (i) This equity investment represents investment in a company which has ceased business and the management has made full impairment loss for the investment. As permitted by HKFRS 9, the Group has designated the investment at the initial application as measured at FVTOCI. As a result, assets with a fair value of HK\$Nil were reclassified from available-for-sale financial assets to financial assets at FVTOCI and previous impairment losses of approximately HK\$8,303,000 were reclassified from retained earnings to the FVTOCI reserve on 1 January 2018.
- (ii) Trade and other receivables that were classified as loans and receivables under HKAS 39 are now classified at amortised cost. An increase of approximately HK\$97,000 in the allowance for impairment over these receivables was recognised in opening retained earnings at 1 January 2018 on transition to HKFRS 9.

3. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

(c) 減值(續)

- (i) 此項股權投資代表於已經終止業務經營之公司之投資，而管理層已就該項投資計提全數減值虧損。在香港財務報告準則第9號允許的情況下，本集團已指定初始應用投資按公平值計入其他全面收益計量。因此，公平值為零港元之資產自可供出售金融資產重新分類至按公平值計入其他全面收益之金融資產，而過往減值虧損約為8,303,000港元則於二零一八年一月一日自保留盈利重新分類至按公平值計入其他全面收益儲備內。
- (ii) 根據香港會計準則第39號分類為貸款及應收款項之貿易及其他應收款項現時按攤銷成本分類。減值撥備較該等應收款項增加約97,000港元已於過渡至應用香港財務報告準則第9號時確認於二零一八年一月一日之期初保留盈利內。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 9 Financial Instruments (Continued)

(c) Impairment (Continued)

For assets in scope of the HKFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of HKFRS 9 impairment model requirements at 1 January 2018 results in an additional impairment allowance as follows:

	Note 附註	HK\$'000 千港元
Impairment allowance at 31 December 2017 under HKAS 39	香港會計準則第39號項下之 二零一七年十二月三十一日 減值撥備	764
Additional impairment recognised at 1 January 2018 on:	於二零一八年一月一日確認之 額外減值：	
— Trade and other receivables as at 31 December 2017	— 於二零一七年 十二月三十一日之 貿易及其他應收款項 (ii)	97
Impairment allowance at 1 January 2018 under HKFRS 9	香港財務報告準則第9號項下之 二零一八年一月一日 減值撥備	861

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

The Group has adopted HKFRS 15 using the cumulative effect method with the effect of initially applying this standard recognised at the date of initial application. Accordingly, the information presented for 2017 has not been restated, i.e. it is presented, as previously reported, under HKAS 18, HKAS 11 and related interpretations.

3. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

(c) 減值(續)

就屬於香港財務報告準則第9號減值模式範疇內之資產而言，減值虧損一般預期將會增加，並變得更為波動。本集團已釐定於二零一八年一月一日應用香港財務報告準則第9號減值模式規定導致額外減值撥備如下：

香港財務報告準則第15號來自客戶合約的收入

香港財務報告準則第15號就釐定收入是否、多少及何時確認建立了綜合框架。其取代香港會計準則第18號收入、香港會計準則第11號建造合約及相關詮釋。

本集團已使用累計影響法採納香港財務報告準則第15號，而初始應用該準則之影響乃於初始應用當日確認。因此，就二零一七年呈列之資料未有重列，即其如過往呈報般根據香港會計準則第18號、香港會計準則第11號及相關詮釋呈列。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

The adoption of HKFRS 15 resulted in the following changes to the Group's accounting policies.

The Group manufactures and sells a range of zinc, magnesium and aluminium alloy die casting, plastic injection and lighting products and components as well as housewares. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell or use the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

No element of financing is deemed present as the sales are made with credit terms that range from 30 to 120 days. The Group's obligation to repair faulty products under the standard warranty terms is recognised as a provision.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

No material impact on the Group's opening retained earnings and financial position by the application of HKFRS 15 as compared to HKAS 18, HKAS 11 and related interpretation that was previously in effect before the adoption of HKFRS 15.

3. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第15號來自客戶合約的收入(續)

採納香港財務報告準則第15號導致本集團之會計政策出現下列變動。

本集團製造及出售一系列鋅、鎂及鋁合金壓鑄、塑膠注塑及照明產品及部件和家居器皿。銷售乃於產品之控制權轉移時(即當產品交付至客戶、客戶對出售或使用產品的渠道及價格擁有絕對酌情權，且概無未達成責任可能影響客戶接納產品時)確認。交付於產品已經送往指定地點、滯銷風險及損失已轉移至客戶，且客戶已根據銷售合約接納產品、接納條文已經失效或本集團有客觀證據已經達成所有接納準則時發生。

概無融資元素被視為存在，原因是銷售乃以介乎30至120日之信貸期進行。本集團根據標準保養條款就維修具缺陷產品之責任乃確認為撥備。

應收款項於交付貨品時確認，原因是此乃代價僅因到期付款前需要時間流逝方成為無條件之時點。

相較於採納香港財務報告準則第15號前過往生效之香港會計準則第18號、香港會計準則第11號及相關詮釋，應用香港財務報告準則第15號並無對本集團之期初保留盈利及財務狀況造成重大影響。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

4. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy at 30 June 2018:

At 30 June 2018, the Group's unlisted equity investment reclassified from available-for-sale financial assets to financial assets measured at FVTOCI is measured by level 3 inputs.

4. 公平值計量

本集團之金融資產及金融負債於簡明綜合財務狀況表反映之賬面值概若相等於各自之公平值。

公平值指市場參與者之間於計量日期在有序交易中出售資產將收取或轉讓負債將支付的價格。下文披露使用公平值等級計量的公平值，用作計量公平值的估值方法參數據此分為三個級別：

第1層：本集團可於計量日期獲得之相同資產或負債於活躍市場之報價(未經調整)。

第2層：第一層所包括於報價以外，資產或負債直接或間接觀察得出之參數。

第3層：資產或負債不可觀察之參數。

本集團的政策為確認截至事件或變化日期導致轉讓的任何三個級別轉入及轉出情況。

(a) 於二零一八年六月三十日之公平值等級級別披露：

於二零一八年六月三十日，本集團有關一項非上市股權投資由可供出售金融資產重新分類至按公平值計入其他全面收益計量之金融資產乃建基於第3層估值。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

4. FAIR VALUE MEASUREMENTS (Continued)

- (b) Reconciliation of financial assets measured at fair value based on level 3:

Available-for-sale financial assets were reclassified to financial assets measured at FVTOCI upon the adoption of HKFRS 9 at 1 January 2018 (note 3).

4. 公平值計量(續)

- (b) 基於第3層按公平值計量之金融資產對賬：

於二零一八年一月一日採納香港財務報告準則第9號後，可供出售金融資產重新分類至按公平值計入其他全面收益計量之金融資產(附註3)。

Financial assets at fair value through profit or loss 按公平值計入損益之金融資產

Equity securities	股權證券	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
As at 1 January	於一月一日	—	—
Reclassify on adoption of HKFRS 9	於採納香港財務報告準則第9號時重新分類	—	—
As at 30 June	於六月三十日	—	—

- (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2018:

The Group's financial controller is responsible for the fair value measurements of financial assets and financial liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

- (c) 於二零一八年六月三十日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：

本集團的財務總監負責就財務報告要求進行所需的財務資產及財務負債的公平值計量(包括第3層公平值計量)。財務總監就此等公平值計量直接向董事會匯報。財務總監與董事會每年至少兩次檢討討論估值程序及有關結果。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

4. FAIR VALUE MEASUREMENTS (Continued)

(c) (Continued)

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

The fair value of unlisted equity investment is determined with reference to the discounted cash flow of the investment. Key unobservable input used in the measurement is long-term pre-tax operating margin. The long-term pre-tax operating margin is HK\$Nil since the investee company has ceased business.

5. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold, net of returns and allowances to customers during the period.

For management purposes, the Group's operation is currently categorised into six (2017: five) operating divisions — zinc, magnesium, aluminium alloy die casting, plastic injection products and components, as well as trading of lighting products and housewares. These divisions are the basis of the Group's five reportable segments. The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and different cost measurement.

The Group's other operating segments include trading of lighting products and housewares. None of these segments meet any of the quantitative thresholds for determining reportable segments. The information of these other operating segments is included in the "Others" column.

4. 公平值計量(續)

(c) (續)

就第三層公平值計量而言，本集團一般委聘具備認可專業資格且有近期估值經驗的外聘估值專家進行估值。

非上市股本投資之公平值參考投資之貼現現金流而釐定。在計量中主要不可觀察的參數為長期稅前營業利潤。長期稅前營業利潤為零港元因被投資公司已終止業務。

5. 收入及分部資料

收入指於期內銷售貨品的已收及應收款項淨額(已扣除退貨及給予客戶的折扣)。

為方便管理，本集團現時業務分為六個(二零一七年：五個)營運部門 — 鋅、鎂、鋁合金壓鑄、塑膠注塑產品和零部件以及照明產品和家居器皿貿易。該等部門為本集團之呈報五個分部資料的基準。本集團之呈報分部為提供不同產品的策略業務單位。由於有關業務需要不同技術及有不同成本計量方式，故該等分部乃獨立管理。

本集團的其他經營分部包括照明產品和家具器皿的貿易。此等分部均未達到決定可呈報分部的任何量化門檻。其他經營分部的資料再於「其他」一欄。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment profits or losses do not include interest income, finance costs, income tax expense, share of loss of associates, corporate income and corporate expenses.

An analysis of the Group's revenue and results for the period by reportable segments is as follows:

5. 收入及分部資料(續)

分部溢利或虧損不包括利息收入、融資成本、所得稅開支、攤分聯營公司損失、企業收益及企業開支。

本集團在期內按呈報分部分類的收入及業績分析如下：

	Zinc alloy die casting 鋅合金壓鑄 HK\$'000 千港元 (unaudited) (未經審核)	Magnesium alloy die casting 鎂合金壓鑄 HK\$'000 千港元 (unaudited) (未經審核)	Aluminium alloy die casting 鋁合金壓鑄 HK\$'000 千港元 (unaudited) (未經審核)	Plastic injection 塑膠注塑 HK\$'000 千港元 (unaudited) (未經審核)	Others 其他 HK\$'000 千港元 (unaudited) (未經審核)	Consolidated 綜合總數 HK\$'000 千港元 (unaudited) (未經審核)
For the six months ended 截至二零一八年 30 June 2018 六月三十日止六個月						
Revenue from external customers 來自外來客戶的收入	93,375	295,591	86,085	365,740	24,216	865,007
Segment profit 分部溢利	2,341	14,081	3,981	23,902	3,386	47,691

	Zinc alloy die casting 鋅合金壓鑄 HK\$'000 千港元 (unaudited) (未經審核)	Magnesium alloy die casting 鎂合金壓鑄 HK\$'000 千港元 (unaudited) (未經審核)	Aluminium alloy die casting 鋁合金壓鑄 HK\$'000 千港元 (unaudited) (未經審核)	Plastic injection 塑膠注塑 HK\$'000 千港元 (unaudited) (未經審核)	Lighting products 照明產品 HK\$'000 千港元 (unaudited) (未經審核)	Consolidated 綜合總數 HK\$'000 千港元 (unaudited) (未經審核)
For the six months ended 截至二零一七年 30 June 2017 六月三十日止六個月						
Revenue from external customers 來自外來客戶的收入	95,212	296,730	91,223	317,889	12,033	813,087
Segment profit 分部溢利	4,055	25,650	5,446	29,341	824	65,316

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

5. REVENUE AND SEGMENT INFORMATION (Continued)

Reconciliation of reportable segment profit:

5. 收入及分部資料(續)

呈報分部溢利之對賬：

		For the 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 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
Total profit of reportable segments	呈報分部總溢利	47,691	65,316
Unallocated amounts:	不分類數目：		
Interest income	利息收入	74	184
Share of loss of associates	攤分聯營公司損失	(481)	(587)
Finance costs	融資成本	(5,758)	(9,144)
Corporate income	企業收益	292	80
Corporate expenses	企業開支	(13,275)	(19,356)
Income tax expense	所得稅開支	(9,744)	(14,076)
Consolidated profit for the period	期內綜合溢利	18,799	22,417

6. OTHER INCOME

6. 其他收入

		For the 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 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
Interest income	利息收入	74	184
Reimbursement from customers	客戶報銷收回	1,942	6,761
Others	其他	3,093	3,817
		5,109	10,762

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

7. FINANCE COSTS

7. 融資成本

For the 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 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
Interest expenses on bank borrowings 銀行借款利息開支	5,758	9,144

8. INCOME TAX EXPENSE

8. 所得稅開支

For the 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 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
Current tax — Hong Kong Profits Tax Provision for the period 即期稅項 — 香港利得稅 本期間撥備	6,142	5,324
Current tax — Income tax outside Hong Kong Provision for the period 即期稅項 — 香港以外 所得稅 本期間撥備	3,602	8,752
	9,744	14,076

Hong Kong Profits Tax has been provided at a rate of 16.5% for the six months ended 30 June 2018 (for the six months ended 30 June 2017: 16.5%) on the estimated assessable profits for the relevant period. Tax charge on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates based on existing legislation, interpretation and practices in respect thereof.

截至二零一八年六月三十日止六個月的香港利得稅根據有關期間的估計應課稅溢利以稅率16.5%(截至二零一七年六月三十日止六個月: 16.5%)作出撥備。其他地區的應課稅溢利稅項支出按本集團經營所在地的現行法例、詮釋及慣例以當地現行稅率計算。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

9. PROFIT FOR THE PERIOD

The Group's profit for the period is arrived at after charging/(crediting):

9. 期內溢利

本集團期內溢利已扣除/(計入)：

		For the 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 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
Depreciation of property, plant and equipment	物業、機器及設備折舊	42,069	44,411
Loss/(gain) on disposal of property, plant and equipment	出售物業、機器及設備虧損/(收益)	1,323	(135)
Property, plant and equipment written off	物業、機器及設備撇銷	186	824
Interest income	利息收入	(74)	(184)
Bad debt written off	壞賬撇銷	156	—
Reversal of allowance for inventories	撥回存貨撥備	—	(114)
Reversal of allowance for trade receivables	撥回貿易應收款項撥備	(33)	—

10. DIVIDENDS

10. 股息

		For the 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 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
Dividends paid during the period	於期間內已付股息		
Final dividend for the year ended 31 December 2017: HK1.0 cent per ordinary share (Final dividend for the year ended 31 December 2016: HK1.0 cent per ordinary share)	截至二零一七年十二月三十一日止年度末期股息：每股普通股1.0港仙(截至二零一六年十二月三十一日止年度末期股息：每股普通股1.0港仙)	8,938	8,938

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

10. DIVIDENDS (Continued)

The board of directors does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2018 and 2017.

10. 股息(續)

董事會不建議派付截止二零一八年六月三十日止及二零一七年六月三十日止六個月之中期股息。

11. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following:

11. 每股盈利

每股基本及攤薄盈利按下列計算：

		For the 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 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
Earnings	盈利		
Profits attributable to the owners of the Company, used in the basic and diluted earnings per share calculation	用於計算每股基本及攤薄盈利之本公司權益持有人應佔溢利	18,077	21,229
Number of shares	股份數目		
Weighted average number of ordinary shares used in basic earnings per share calculation	用於計算每股基本盈利之加權平均普通股股數	893,761,400	893,761,400
Effect of dilutive potential ordinary shares arising from share options	購股權導致潛在攤薄普通股之影響	—	28,122
Weighted average number of ordinary shares used in diluted earnings per share calculation	用於計算每股攤薄盈利之加權平均普通股股數	893,761,400	893,789,522

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group had disposed of certain property, plant and equipment with a carrying amount of approximately HK\$6,481,000 (unaudited) (for the year ended 31 December 2017: HK\$410,000 (audited)) for proceeds of approximately HK\$5,158,000 (unaudited) (for the year ended 31 December 2017: HK\$494,000 (audited)), resulting in a loss on disposal of approximately HK\$1,323,000 (unaudited) (for the year ended 31 December 2017 gain on disposal: HK\$84,000 (audited)).

The Group had impaired certain property, plant and equipment with a carrying amount of HK\$Nil (unaudited) (for the year ended 31 December 2017: HK\$8,752,000 (audited)).

The Group had written off certain property, plant and equipment with a carrying amount of approximately HK\$186,000 (unaudited) (for the year ended 31 December 2017: HK\$8,632,000 (audited)).

In addition, the Group acquired property, plant and equipment of approximately HK\$30,234,000 (unaudited) (for the year ended 31 December 2017: HK\$60,020,000 (audited)).

12. 物業、機器及設備

於截至二零一八年六月三十日止六個月期間，本集團出售賬面值約6,481,000港元(未經審核)(截至二零一七年十二月三十一日止年度：410,000港元(經審核))的若干物業、機器及設備，所得款項約5,158,000港元(未經審核)(截至二零一七年十二月三十一日止年度：494,000港元(經審核))，產生出售虧損約1,323,000港元(未經審核)(截至二零一七年十二月三十一日止年度出售收益：84,000港元(經審核))。

本集團就若干物業、機器及設備作出減值虧損零港元(未經審核)(截至二零一七年十二月三十一日止年度：8,752,000港元(經審核))。

本集團撇銷賬面值約186,000港元(未經審核)(截至二零一七年十二月三十一日止年度：8,632,000港元(經審核))的若干物業、機器及設備。

此外，本集團購入物業、機器及設備約30,234,000港元(未經審核)(截至二零一七年十二月三十一日止年度：60,020,000港元(經審核))。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

13. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 120 days (31 December 2017: 30 to 120 days) after the end of the month in which the invoices have been issued. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors. The ageing analysis of trade receivables as at 30 June 2018, based on the invoice date, and net of allowance, is stated as follows:

13. 貿易應收款項

本集團與客戶之交易主要以信貸形式進行。信貸期一般介乎開票當月結束後30至120天(二零一七年十二月三十一日: 30日至120日)。每名客戶有最高信貸限額。本集團致力嚴格控制其未償還應收款項, 由董事定期檢討過期未付結餘。於二零一八年六月三十日的貿易應收款項(按發票日期及扣除撥備計算)之賬齡分析如下:

		As at 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
0 to 30 days	零至30日	209,059	173,319
31 to 60 days	31日至60日	74,997	108,282
61 to 90 days	61日至90日	53,498	46,714
91 to 180 days	91日至180日	102,833	86,705
Over 180 days	180日以上	836	372
Less: allowance for bad and doubtful debts	減: 壞賬及呆賬撥備	(64)	—
		441,159	415,392

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

14. TRADE PAYABLES

The Group normally obtains credit terms ranging from 30 to 90 days (31 December 2017: 30 to 90 days) from its suppliers. The ageing analysis of trade payables as at 30 June 2018, based on the date of receipt of goods, is as follows:

14. 貿易應付款項

本集團一般從其供應商取得30日至90日(二零一七年十二月三十一日: 30日至90日)之信貸期。貿易應付款項於二零一八年六月三十日(按收貨日期計算)的賬齡分析如下:

		As at 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
0 to 30 days	零至30日	160,763	102,808
31 to 60 days	31日至60日	3,934	85,317
61 to 90 days	61日至90日	51,032	69,284
91 to 180 days	91日至180日	52,700	104,211
Over 180 days	180日以上	5,144	5,774
		273,573	367,394

15. BANK BORROWINGS

15. 銀行借款

		As at 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Repayable within one year	一年內到期償還貸款	317,767	326,611
Repayable after one year	一年後到期償還貸款	80,153	41,667
		397,920	368,278

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

15. BANK BORROWINGS (Continued)

There have been no breaches in the financial covenants of any interest-bearing borrowings for the period ended 30 June 2018 and year ended 31 December 2017.

15. 銀行借款(續)

截至二零一八年六月三十日止期間及截至二零一七年十二月三十一日止年度，概無違反任何計息借款之財務契諾。

16. SHARE CAPITAL

16. 股本

		As at 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Authorised:	法定：		
5,000,000,000 ordinary shares of HK\$0.1 each	5,000,000,000每股面值 0.1港元之普通股	500,000	500,000
Issued and fully paid:	已發行及繳足：		
893,761,400 (as at 31 December 2017: 893,761,400) ordinary shares of HK\$0.1 each	893,761,400 (於二零一七年 十二月三十一日： 893,761,400)每股面值 0.1港元之普通股	89,376	89,376

A summary of the movements in the issued share capital of the Company was as follows:

本公司已發行股本之變動概要如下：

	Number of shares 股份數目	Nominal value of shares issued 已發行股份 名義值 HK\$'000 千港元
At 1 January 2017, 31 December 2017, 1 January 2018 and 30 June 2018	於二零一七年一月一日、 二零一七年十二月三十一日、 二零一八年一月一日及 二零一八年六月三十日	893,761,400 89,376

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

17. CAPITAL COMMITMENTS

Details of capital commitments in respect of purchase and construction of property, plant and equipment were as follows:

17. 資本承擔

有關購買及建造物業、機器及設備的資本承擔詳情如下：

	As at 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Contracted but not provided for 已訂約但未撥備	40,031	23,914

18. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with its related party during the period:

18. 關聯人士交易

(a) 期內，本集團與其關聯人士有以下交易：

	For the 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 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
Purchase of machinery and machinery parts from and maintenance cost to a related company, Chit Shun Machinery Limited (note (i) and (ii)) 向關聯公司捷迅機械設備有限公司購買機器、機器零部件及維修成本(附註(i)和(ii))	6,413	1,344

Note:

- (i) Mr. Lee Yuen Fat, the ultimate controlling party of the Company, has joint control in the related company.
- (ii) On 29 March 2018, Mr. Lee Yuen Fat disposed the interest in Chit Shun Machinery Limited and the transactions with Chit Shun Machinery Limited since then were no longer classified as related party transactions.

附註：

- (i) 李遠發先生(本公司之最終控制方)於關聯公司擁有共同控制權。
- (ii) 於二零一八年三月二十九日，李遠發先生出售捷迅機械設備有限公司之權益及與捷迅機械設備有限公司之交易不再分類為關聯交易。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

18. RELATED PARTY TRANSACTIONS (Continued)

(b) Key management personnel compensation

		For the 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 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
Salaries, allowances and discretionary bonus	基本薪金、津貼及 酌情花紅	3,517	3,578
Retirement benefits scheme contributions	退休福利計劃供款	41	38
		3,558	3,616

(c) Due to a related company

		As at 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Due to a related company Chit Shun Machinery Limited (note (a)(i) and (ii))	應付關聯公司捷迅機械 設備有限公司款項 (附註(a)(i)和(ii))	—	4,465

18. 關聯人士交易(續)

(b) 主要管理人員酬金

(c) 應付關聯公司款項

19. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 June 2018 (31 December 2017: Nil).

19. 或然負債

於二零一八年六月三十日，本集團並無任何重大或然負債(二零一七年十二月三十一日：無)。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

20. NEW AND REVISED HKFRSs IN ISSUE BUT NOT YET EFFECTIVE

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted. The Group has not early adopted any new or amended standards that have been issued but are not yet effective. The Group will adopt the new standards and amendments to standards on the respective effect dates.

The Group has the following updates to the information provided in the last annual financial statements about the possible impacts of the below new standard issued but not yet effective which may have a significant impact on the Group's consolidated financial statements.

HKFRS 16 Leases

HKFRS 16, effective on or after 1 January 2019, replaces HKAS 17 Leases and related interpretations. For lessees the distinction between operating leases and finance leases is removed. Lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets).

The standard will affect primarily the accounting of the Group's office premises, factories, warehouses, staff quarters and office equipment leases, which is currently classified as operating lease. The Group will perform a more detailed assessment in order to determine the new assets and liabilities arising from its operating lease commitments after taking into account the transition reliefs available in HKFRS 16 and the effects of discounting.

21. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 28 August 2018.

20. 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

若干新訂及經修訂準則於二零一八年一月一日之後開始的年度才生效但獲准提前應用。本集團尚未提前採納任何已頒佈但尚未生效之新訂及經修訂準則。本集團將於各自的生效日期才採納應用該等新訂及經修訂準則。

本集團對上一年度財務報表中提供的有關可能對本集團綜合財務報表產生重大影響但尚未生效的以下新訂準則可能產生的影響的信息進行了以下更新。

香港財務報告準則第16號租賃

香港財務報告準則第16號將於二零一九年一月一日開始生效，取代香港會計準則第17號租賃和相關詮釋。承租人無需區分營運租賃和融資租賃。承租人就全部租賃確認使用權資產和租賃負債(短期租賃及低價值資產之租賃可獲選擇性豁免)。

此準則將主要影響本集團現時分類為營運租賃之辦公室、廠房、倉庫、員工宿舍及辦公室設備租賃的會計處理。本集團在考慮香港財務報告準則第16號適用之過渡安排及貼現影響之後將進行更詳細的評估，以確定其營運租賃承擔對資產和負債的影響。

21. 批准簡明綜合財務報表

本簡明綜合財務報表已於二零一八年八月二十八日獲董事會批准並授權刊發。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(A) OVERVIEW

The ongoing trade dispute between the United States and China may further escalate geopolitical tensions, potentially resulting in negative economic impact worldwide. Faced with complex and changing market situation, the Group will continue to (i) leverage on its research and development capability in both product and technology innovation; (ii) optimize and integrate internal resources aggressively to strengthen business foundation; (iii) invest further in automation to enhance our product quality, production capacity and efficiency; and (iv) continue to seek business opportunities in order to cope with the recent development trends in the industry.

In spite of the aforesaid challenging situation similarly faced by almost all export related companies in Hong Kong and Southern China, the Group's plastic injection and magnesium alloy die casting business continued to act as major revenue contributors to the Group and plastic injection business achieved a satisfactory increase in revenue. The Group's revenue for the 2018 first half was HK\$865,007,000, representing a year-on-year growth of approximately 6.4% (2017 first half: HK\$813,087,000). Nevertheless, due to increase in costs of sales, profit attributable to owners of the Company decreased by 14.8% to HK\$18,077,000 (2017 first half: HK\$21,229,000) when compared with the corresponding period of 2017.

In future, through enhancing production efficiency by further improving our leading technologies, production automation and innovation, the Group will lay a stronger foundation to adapt to the changing market dynamics and tackle new challenges in the future.

(A) 概覽

美國與中國之貿易糾紛持續，可能進一步加劇地緣政治緊張局勢，從而潛在對全球經濟帶來負面影響。面對複雜與多變的市場形勢，本集團將繼續(i)利用其研究及開發能力同時進行產品及技術創新；(ii)積極地優化及整合內部資源以強化業務基礎；(iii)進一步投資於自動化，以提高我們的產品質量、生產能力和效率；及(iv)繼續尋找商業機會，以應對行業近期的發展趨勢。

儘管上述幾乎所有香港及華南地區與出口相關的公司都面臨著類似具挑戰性的情況，本集團的塑膠注塑及鎂合金壓鑄業務繼續成為本集團的主要收入來源，而塑膠注塑業務的收入取得令人滿意之增長。本集團於二零一八年上半年的收入為865,007,000港元，與上年相比增長約6.4%（二零一七年上半年：813,087,000港元）。但是，由於銷售成本上升，本公司之權益持有人應佔溢利與二零一七年同期比較減少14.8%至18,077,000港元（二零一七年上半年：21,229,000港元）。

未來，本集團將透過進一步改善我們的領先技術、生產自動化和創新以提高生產效率，為適應不斷變化的市場動態奠定更強大的基礎，以應對未來的新挑戰。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

(B) FINANCIAL REVIEW

Benefitting from the flourishing demand for mobile device accessories and other plastic products, the Group's revenue for the six months ended 30 June 2018 recorded a 6.4% increase to HK\$865,007,000 (2017 first half: HK\$813,087,000), as compared with the corresponding period in 2017. Despite the increase in the Group's overall revenue, the gross profit for the first half of 2018 decreased by 9.8% to HK\$173,403,000 (2017 first half: HK\$192,219,000) due to rise in operating expenses and costs incurred to comply with more stringent safety and environmental protection measures in China. The overall gross profit margin also dropped from 23.6% in 2017 first half to 20.0% in 2018 first half. As a result, profit attributable to owners of the Company decreased by 14.8% to HK\$18,077,000 (2017 first half: HK\$21,229,000) and the Group's EBITDA, computed as profit before tax, depreciation, amortization of intangible assets and finance costs, amounted to HK\$76,370,000 (2017 first half: HK\$90,048,000).

(C) BUSINESS REVIEW

Plastic injection moulding business

As a result of the strong demand for new mobile devices in the first half of 2018, the revenue of the plastic injection moulding business had recorded a 15.1% increase to HK\$365,740,000 (2017 first half: HK\$317,889,000) as compared with the previous corresponding period. The plastic injection business in automotive applications also attained satisfactory growth during the period under review. The contribution of this business segment to the Group's total revenue had grown from 39.1% in the first half of 2017 to 42.3% in the first half of 2018. As the shipment of mobile devices is expected to increase, the demand for mobile device accessories is expected to continue to grow in future. In order to capture a larger market share, the Group will strive to acquire more customers and orders by providing quality products and services.

(B) 財務回顧

受惠於對流動裝置配件及其他塑膠產品的旺盛需求，與二零一七年同期比較，本集團截至二零一八年六月三十日止六個月的收入錄得6.4%增長至865,007,000港元(二零一七年上半年：813,087,000港元)。儘管本集團的整體收入增加，由於經營支出及遵守中國更嚴格的安全與環境保護規格的成本上升，二零一八年上半年的毛利減少9.8%至173,403,000港元(二零一七年上半年：192,219,000港元)。整體毛利率亦由二零一七年上半年23.6%下降至二零一八年上半年20.0%。因此，本公司權益持有人應佔溢利減少14.8%至18,077,000港元(二零一七年上半年：21,229,000港元)及本集團之未計利息、稅項、折舊及攤銷前盈利(以稅項、折舊、無形資產攤銷和融資成本前盈利計算)為76,370,000港元(二零一七年上半年：90,048,000港元)。

(C) 業務回顧

塑膠注塑業務

由於二零一八年上半年對新移動裝置的強勁需求，塑膠注塑業務的收入與去年同期比較增長15.1%至365,740,000港元(二零一七年上半年：317,889,000港元)。汽車零部件的塑膠注塑業務於回顧期內也取得了令人滿意的增長。該業務分部對本集團總收入的貢獻從二零一七年上半年的39.1%增長至二零一八年上半年42.3%。隨著移動裝置的出貨量預計將會增加，預期未來對移動裝置配件的需求繼續增長。為獲取更大的市場份額，本集團將通過提供優質的產品和服務致力爭取更多的客戶和訂單。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

Magnesium alloy die casting business

The business in notebook computers has been basically maintained. The revenue derived from magnesium alloy die casting business slightly dropped by 0.4% to HK\$295,591,000 (2017 first half: HK\$296,730,000), accounting for 34.2% (2017 first half: 36.5%) of the Group's revenue. As one of the leading market player of notebook casings manufacturing industry, the Group will actively and continuously optimise and improve its production technology, enhance automation in production and increase production capacity in order to enhance the profitability of this segment.

Zinc alloy die casting business

During the period under review, the revenue of zinc alloy die casting business decreased by 1.9% to HK\$93,375,000 (2017 first half: HK\$95,212,000) as compared with the same period last year, accounting for 10.8% (2017 first half: 11.7%) of the Group's overall revenue.

Aluminium alloy die casting business

For the six months ended 30 June 2018, the revenue of aluminum alloy die casting business decreased by 5.6% to HK\$86,085,000 (2017 first half: HK\$91,223,000), which accounted for 9.9% of the Group's overall revenue (2017 first half: 11.2%).

Others

During the first half of 2018, the revenue of other businesses increased by 101.2% to HK\$24,216,000 (2017 first half: HK\$12,033,000). The increase in revenue was mainly derived from the sale of LED lighting products to commercial customers in the United States.

鎂合金壓鑄業務

筆記本電腦業務基本上維持不變。鎂合金壓鑄業務收入輕微下跌0.4%至295,591,000港元(二零一七年上半年: 296,730,000港元), 佔本集團收入的34.2%(二零一七年上半年: 36.5%)。作為筆記本電腦外殼製造業的主要市場參與者之一, 本集團將積極持續優化和改進其生產技術, 提高生產自動化水平及提高產能, 以提升此分部的盈利能力。

鋅合金壓鑄業務

於回顧期內, 鋅合金壓鑄業務之收入較去年同期減少1.9%至93,375,000港元(二零一七年上半年: 95,212,000港元), 佔集團整體收入10.8%(二零一七年上半年: 11.7%)。

鋁合金壓鑄業務

截至二零一八年六月三十日止六個月, 鋁合金壓鑄業務之收入減少5.6%至86,085,000港元(二零一七年上半年: 91,223,000港元), 佔集團整體收入9.9%(二零一七年上半年: 11.2%)。

其他

於二零一八年上半年, 其他業務之收入上升101.2%至24,216,000港元(二零一七年上半年: 12,033,000港元)。收入增加主要是由在美國對商業客戶之LED照明產品銷售所帶動。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

(D) PROSPECTS

Shrouded by the uncertainties arose from the changing global trade situation and volatile monetary policies, the Group expects the business environment will remain strained in the foreseeable future. The Group will continue its focus on material applications, technology innovations and diversification of product offerings, clientele and geographic areas to alleviate the adverse impacts brought by the upcoming challenges.

With over 35 years' of experience and technological knowhow, the Group possesses good development in material applications (magnesium, aluminum and zinc alloy as well as plastic) and production technologies. Leveraging on its capability of light weight solutions, the Group has been supplying magnesium alloy casings for notebooks and tablets to a number of the global top 3C brands, and plastic parts to the world's renowned automotive brands. The Group also provides protective cases for mobile devices and has been proactively exploring the potential applications of its germ repellent plastic material namely microbeFENCE™ in various industries including healthcare, housewares and medical devices. In the future, the Group will continue to accelerate the commercialization of our results in research and development with an aim to offer customers tailored solutions through the application of different materials and production technologies. In addition, the Group has entered into an agreement with an independent third party in July 2018 to establish a joint venture company in Shenzhen, the PRC. This joint venture company is expected to engage in development, manufacturing and sale of metal alloy products, which will mainly be sold to customers engaging in automotive parts and precision components. Looking forward, the Group will continue to search for new business opportunities in the market with a view to creating new income streams as well as growth drivers for all business segments.

(D) 展望

由不斷變化的全球貿易狀況及不穩定的貨幣政策所引發之不穩定氛圍，本集團預期在可預見的未來營商環境將持續緊張。本集團將繼續專注其於材料應用、技術創新及產品供應、客戶與地理區域多元化，以緩和即將到來的挑戰所帶來的不利影響。

憑藉超過三十五年的經驗和技術知識，本集團在材料應用(鎂、鋁及鋅合金以及塑膠)及生產技術方面擁有良好的發展。本集團藉著於輕量化解決方案的能力，一直為眾多全球頂級3C品牌提供鎂合金筆記本電腦和平板電腦外殼，並為全球知名汽車品牌提供塑膠零件。本集團亦為流動裝置提供保護套，並一直積極探索其斥菌塑膠物料「microbeFENCE™」於醫療保健、家居器皿及醫療設備等不同行業的潛在應用。未來，本集團將繼續加快我們研發成果之市場化，目的是透過不同的材料應用和生產技術為客戶提供度身定制的解決方案。此外，本集團於二零一八年七月與獨立第三方訂立協議，於中國深圳成立合資公司。預期此合資公司將從事開發、製造及銷售金屬合金產品，主要銷售予從事汽車零部件及精密零部件的客戶。展望未來，本集團將繼續在市場上尋找新的商業機會，以達致創造新的收入來源及為所有業務分部增長動力為目的。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

Considering the prevailing trend for light weight transportation, there will be a great demand for light weight materials such as alloy and plastics in the market. Under proper market conditions and strong product offerings catered for this growing trend, the Group will continue to strengthen its materials application in order to tap into the emerging market segments. The Intelligent Foundry Industry Light Alloy Innovation Center was established in January 2018 and will serve as an effective platform to enhance the development of light alloys, to promote light weight of larger and precise foundry products and to encourage the formation of a comprehensive supply chain. In addition to light weight solutions, precision components with strong benefits in applications will have good market potential in the next couple of years. With the proficiency, knowledge and experience accumulated from high precision manufacturing, the Group is confident that it can fully cater to the rigorous requirements from customers.

To capture the ample opportunities, the Group will carry on its research and development for innovations in material applications that best suit its customers in the key downstream industries, namely, electronics, personal care, household and appliances, automotive parts and precision components. The Group has been working on upgrading and transforming its businesses including further investment in automation and building smarter facilities towards "Industry 4.0" in order to further enhance its production efficiency and achieve cost advantage. The Group is optimistic that under such execution plan, we will be able to build greater presence in the market.

考慮到輕量化交通運輸系統的流行趨勢，市場對輕量化材料例如合金及塑膠將會存在巨大的需求。在此合適的市場情況及強大的產品供應迎合此增長趨勢，本集團將繼續強化材料應用，目標為進軍新興市場。智能鑄造產業輕合金創新中心於二零一八年一月成立，並將被用作一個有效的平台以推廣輕合金的發展及推動大型及精密鑄件之輕量化，並促進組成全面的供應鏈。除了輕量化的解決方案外，具強大應用優勢的精密零部件將於未來數年擁有相當大的市場潛力。憑藉於高精密製造所積累的熟練程度、知識和經驗，本集團有信心可以完全滿足來自客戶的嚴格要求。

為抓住大量的機遇，本集團將繼續其材料應用創新的研究及開發，以配合其於主要下游行業的客戶，即電子、個人護理、家居及器具、汽車零件及精密零部件。本集團致力進行業務升級轉型，包括進一步投資在自動化和建設智能設施向「工業4.0」邁進，以進一步提高其生產效率並實現成本優勢。本集團樂觀地認為，根據此等執行計劃，我們將有能力在市場上建立更大的市場地位。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

With its widely-recognized experiences within the industry, the Group has built and maintained strong relationships with its world-renowned clients over the past three decades. The recent trade dispute between the United States and China has casted a shadow over the global economy and caused an impact on the market as well as general consumers' confidence. Nevertheless, based on the information currently available, we believe that there is no major direct impact to the Group at this moment. We shall remain cautious and attentive to the updates of the trade dispute and will take immediate actions if required. On the other hand, the Group will endeavor to expand globally for enriching the diversity of its customer network as well as exploring opportunities to extend its product offerings. With the heavily-promoted "Belt and Road Scheme" by the PRC government, the Group will proactively seek new development opportunities along the countries involved with a view to solidifying our leading position in the market.

Looking forward, the Group remains confident of its future developments. The Group will continue to prioritize the innovation and technological advancement of its materials application and precision technology, in order to be well-prepared for any opportunities and challenges raised from the new markets and deliver sustainable returns to our shareholders.

(E) LIQUIDITY AND FINANCIAL RESOURCES

The principal sources of working capital of the Group during the period under review were from cash flows generated from operating activities and bank borrowings. As at 30 June 2018, the Group had restricted bank balances as well as bank and cash balances of approximately HK\$172,178,000 (31 December 2017: HK\$247,228,000), most of which were denominated in either US dollars, Renminbi or Hong Kong dollars.

具備其行業內廣泛認可的經驗，本集團於過去三十年與其世界知名客戶建立並維持穩固的關係。最近美國與中國之間的貿易糾紛已經給全球經濟帶來了陰影，並對市場和一般消費者的信心產生影響。儘管如此，根據現時所獲得的資料，我們相信目前此對本集團並無重大直接影響。我們將保持謹慎和關注貿易糾紛的最新情況，並在必要時候將立即採取行動。此外，本集團仍將致力拓展全球業務，以豐富其客戶網絡的多元化，並探索擴展其產品供應的機會。憑藉中國政府大力推廣的「一帶一路」計劃，本集團將積極於有關國家尋找新的發展機會，目的為穩固我們於市場上的領導地位。

展望將來，本集團對其未來發展抱有信心。本集團將繼續優先考慮其材料應用及精密技術的創新及技術發展，以便為新市場帶來的任何機遇及挑戰作好充分準備，並為我們的股東帶來持續回報。

(E) 流動資金及財務資源

本集團於回顧期內主要營運資金來源為經營業務所得現金流及銀行借款。於二零一八年六月三十日，本集團擁有有限制銀行存款和銀行及現金結餘約172,178,000港元(二零一七年十二月三十一日：247,228,000港元)，當中大多數以美元、人民幣或港元計值。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

As at 30 June 2018, the Group had interest-bearing borrowings of approximately HK\$397,920,000 (31 December 2017: HK\$368,278,000) in which HK\$274,279,000 (31 December 2017: HK\$245,364,000) was repayable within one year and HK\$123,641,000 (31 December 2017: HK\$122,914,000) was repayable more than one year. Most of the borrowings were denominated in Hong Kong dollars or US dollars (2017: Hong Kong dollars or US dollars) to which the interest rates applied were primarily subject to floating interest rate.

As at 30 June 2018, the net gearing ratio (a ratio of the sum of total interest-bearing borrowings less restricted bank balances and bank and cash balances then divided by total equity) of the Group was approximately 25.9% (31 December 2017: 14.0%).

As at 30 June 2018, the net current assets of the Group were approximately HK\$215,460,000 (31 December 2017: HK\$158,547,000), which consisted of current assets of approximately HK\$919,897,000 (31 December 2017: HK\$984,571,000) and current liabilities of approximately HK\$704,437,000 (31 December 2017: HK\$826,024,000), representing a current ratio of approximately 1.3 (31 December 2017: 1.2).

(F) EXPOSURE TO FOREIGN EXCHANGE RISK

Most of the Group's transactions were conducted in US dollars, Hong Kong dollars or Renminbi. As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between US dollars, Renminbi and Hong Kong dollars. The Group will closely monitor its overall foreign exchange exposure with a view to safeguarding the Group from exchange rate risks.

於二零一八年六月三十日，本集團之計息借款約為397,920,000港元(二零一七年十二月三十一日：368,278,000港元)，其中274,279,000港元(二零一七年十二月三十一日：245,364,000港元)須於一年內償還，而123,641,000港元(二零一七年十二月三十一日：122,914,000港元)須於一年後償還。該等借款大部份以港元或美元計值(二零一七年：港元或美元)，所採用的利率主要為浮動利率。

於二零一八年六月三十日，本集團的淨借貸比率(以計息借款總和減有限制銀行存款和銀行及現金結餘除以權益總額)約為25.9%(二零一七年十二月三十一日：14.0%)。

於二零一八年六月三十日，本集團流動資產淨值約為215,460,000港元(二零一七年十二月三十一日：158,547,000港元)，包括流動資產約919,897,000港元(二零一七年十二月三十一日：984,571,000港元)及流動負債約704,437,000港元(二零一七年十二月三十一日：826,024,000港元)，流動比率約為1.3(二零一七年十二月三十一日：1.2)。

(F) 外匯風險承擔

本集團的大部分交易均以美元、港元或人民幣進行。因此，本集團已注意到美元、人民幣及港元匯率的波動可能引起的潛在外匯風險承擔。本集團將密切監察其整體外匯風險承擔以避免本集團遭受匯率風險所帶來之影響。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

(G) CONTINGENT LIABILITIES

As at 30 June 2018, the Group had no material contingent liabilities.

(H) CHARGE ON ASSETS

As at 30 June 2018, the Group's banking facilities were secured by guarantees given by the following assets: (a) all monies assignment of rental over the property situated in Hong Kong owned by the Group; (b) a property situated in Hong Kong owned by the Group; and (c) corporate guarantees provided by the Company and certain subsidiaries of the Group.

(I) HUMAN RESOURCES

As at 30 June 2018, the Group had approximately 4,500 full-time employees (31 December 2017: 4,600). The Group attributes its success to the hard work and dedication of its staff as a whole, therefore, they are deemed to be the most valuable assets of the Group. In order to attract and retain high caliber staff, the Group provides a competitive salary package, including a retirement scheme, medical benefits and bonuses. The Group's remuneration policy and structure are determined based on market trends, the performance of individual staff as well as the financial performance of the Group. The Group has also adopted a share option scheme and a share award scheme as incentives and rewards for those qualifying staff who have made contributions to the Group.

The Group provides regular training courses for different levels of staff and holds various training programs together with PRC institutes and external training bodies. Apart from academic and technical training, the Group also organises different kinds of recreational activities, including New Year gathering, various sports competitions and interest groups. The aim is to promote interaction among staff, establish harmonious team spirit and promote a healthy lifestyle.

(G) 或然負債

於二零一八年六月三十日，本集團並無任何重大或然負債。

(H) 資產抵押

於二零一八年六月三十日，本集團抵押下列資產作為銀行借貸的擔保：(a)本集團擁有的香港物業之一切租金轉讓；(b)本集團擁有的香港物業；及(c)本公司及本集團某些附屬公司提供之企業擔保。

(I) 人力資源

於二零一八年六月三十日，本集團約有4,500名全職僱員(二零一七年十二月三十一日：4,600名)。本集團之成功有賴全體僱員的表現和責任承擔，故此本集團把僱員視作為我們的核心資產。為了吸引及保留優秀員工，本集團提供具競爭力的薪酬待遇，包括退休金計劃、醫療福利和花紅獎賞。本集團之薪酬政策及結構乃根據市場趨勢、個人工作表現以及本集團的財務表現而釐定。本集團亦已採納認購股權計劃及股份獎勵計劃，旨在向合資格僱員提供作為彼等對本集團所作出貢獻之鼓勵及獎賞。

本集團定期舉辦多項針對不同階層員工的培訓課程，並與多間國內專上學院及外間培訓機構合辦各種培訓計劃。除學術和技術培訓外，本集團亦舉辦了不同種類的文娛康樂活動，其中包括新春聯誼活動、各種體育比賽和興趣班等，目的為促進各部門員工之間的關係、建立和諧團隊精神及提倡健康生活。

OTHER INFORMATION 其他資料

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2018, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 to 9 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long Positions in the Shares

董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債券的權益及短倉

於二零一八年六月三十日，本公司董事及主要行政人員，於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7至9分部須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及短倉（包括根據證券及期貨條例該等條文被當作或被視為擁有之任何權益及短倉）；或根據證券及期貨條例第352條須記錄在該條所述登記冊之權益及短倉；或根據聯交所證券上市規則（「上市規則」）上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益及短倉如下：

股份之長倉

Name of Directors 董事姓名	Capacity 身份	Number of Shares 股份數目	Approximate percentage of interest in the Company 佔本公司權益概約百分比
Executive Directors 執行董事			
Mr. Lee Yuen Fat ("Mr. Lee") 李遠發先生（「李先生」）	Interest in controlled company ⁽¹⁾ 受控制公司權益 ⁽¹⁾	480,000,000	53.71%
	Founder of a discretionary trust ⁽²⁾ 全權信託之創立人 ⁽²⁾	127,980,000	14.32%
Mr. Wong Wing Chuen 黃永銓先生	Beneficial owner 實益擁有人	11,050,000	1.24%
Independent Non-Executive Directors 獨立非執行董事			
Mr. Andrew Look 陸東先生	Beneficial owner 實益擁有人	8,800,000	0.98%
Ir Dr. Lo Wai Kwok <i>SBS, MH, JP</i> 盧偉國博士 <i>SBS, MH, JP</i>	Beneficial owner 實益擁有人	1,000,000	0.11%

Note:

1. Mr. Lee holds the entire issued share capital of Precisefull Limited ("Precisefull"). As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.
2. The 127,980,000 shares, of which 77,980,000 shares and 50,000,000 shares are held by Beautiful Crystal Development Limited ("Beautiful Crystal") and Beautiful Colour Assets Limited ("Beautiful Colour") respectively (both companies are wholly-owned by YF Lee Family Trust). YF Lee Family Trust is a discretionary trust set up by Mr. Lee as settlor and UBS TC (Jersey) Limited ("UBS TC") as trustee on 20 February 2014. The discretionary objects are family members of Mr. Lee. Mr. Lee is the settlor of YF Lee Family Trust and is deemed to be interested in the 127,980,000 shares held by Beautiful Crystal and Beautiful Colour under the SFO.

Save as disclosed above, as at 30 June 2018, none of the directors or chief executives of the Company had any interests or short positions in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 to 9 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code. In addition, save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

附註：

1. 李先生持有Precisefull Limited (「Precisefull」) 全部已發行股本。因此，李先生被視為擁有Precisefull的控制性權益，並因此被視為擁有Precisefull於本公司所持有之權益。
2. 該127,980,000股股份分別由Beautiful Crystal Development Limited (「Beautiful Crystal」) 及Beautiful Colour Assets Limited (「Beautiful Colour」) 持有77,980,000及50,000,000股股份，此等公司由YF Lee Family Trust全資擁有。YF Lee Family Trust乃由李先生作為信託委託人及UBS TC (Jersey) Limited (「UBS TC」) 作為受託人於二零一四年二月二十日成立之全權信託，其受益對象為李先生之家族成員。李先生作為YF Lee Family Trust之信託人，根據證券及期貨條例，彼被視為於Beautiful Crystal及Beautiful Colour總共所持有之127,980,000股股份中擁有權益。

除上文所披露者外，於二零一八年六月三十日，概無本公司董事或主要行政人員於本公司及其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有任何根據證券及期貨條例第XV部第7至9分部須知會本公司及聯交所之權益或短倉(包括彼等根據證券及期貨條例該等條文被當作或視為擁有之權益及短倉)；或根據證券及期貨條例第352條須記錄於該條所述之登記冊之權益及短倉；或根據標準守則須知會本公司及聯交所之權益及短倉。此外，除上述披露外，本公司或其任何附屬公司於期內概無訂立任何安排，令本公司董事或彼等之配偶或未滿十八歲之子女可藉購入本公司或其他法團之股份或債權證而獲益。

OTHER INFORMATION (CONTINUED) 其他資料(續)

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2018, the following persons, other than the directors or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 to 5 of Part XV of the SFO or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Long Positions in the Shares

Name	Capacity	Number of Shares	Approximate percentage of interest in the Company
名稱	身份	股份數目	佔本公司權益概約百分比
Precisefull	Beneficial owner ⁽¹⁾ 實益擁有人 ⁽¹⁾	480,000,000	53.71%
Beautiful Crystal	Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾	77,980,000	8.73%
Beautiful Colour	Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾	50,000,000	5.59%
UBS TC	Trustee ⁽²⁾ 受託人 ⁽²⁾	127,980,000	14.32%

Note:

1. Mr. Lee holds the entire issued share capital of Precisefull. As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.
2. 77,980,000 shares and 50,000,000 shares are held by Beautiful Crystal and Beautiful Colour respectively (both companies are wholly owned by YF Lee Family Trust). The YF Lee Family Trust is a discretionary trust set up by Mr. Lee as settlor and UBS TC as trustee on 20 February 2014.

主要股東於本公司及其相聯法團之股份、相關股份及債券的權益及短倉

於二零一八年六月三十日，下列人士（本公司董事或主要行政人員除外）於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2至5分部須向本公司披露之權益或短倉，或直接或間接擁有可於任何情況下在本公司股東大會投票之任何類別股本面值5%或以上之權益或短倉，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或短倉：

股份之長倉

附註：

1. 李先生持有Precisefull全部已發行股本。因此，李先生被視為擁有Precisefull的控制性權益，並因此視為擁有Precisefull所持有的本公司權益。
2. Beautiful Crystal及Beautiful Colour分別持有77,980,000及50,000,000股股份，此等公司由YF Lee Family Trust全資擁有。YF Lee Family Trust乃由李先生作為信託委託人及UBS TC作為受託人於二零一四年二月二十日成立之全權信託。

Save as disclosed above, at no time during the period, the directors and the chief executives of the Company were aware of any other persons (other than the directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 to 5 of Part XV of the SFO, or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

A share option scheme (the “2007 Share Option Scheme”) was adopted pursuant to the written resolutions passed by the shareholders of the Company on 2 June 2007. The 2007 Share Option Scheme has been terminated upon adoption of a new share option scheme (“New Share Option Scheme”) by ordinary resolution of shareholders of the Company at the annual general meeting of the Company held on 19 May 2017. Upon termination of the 2007 Share Option Scheme, no further options of the 2007 Share Option Scheme can be offered thereunder but the provisions of the scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior to its termination and options granted prior to such termination shall continue to be valid and exercisable.

除上文所披露者外，於期內，本公司董事及主要行政人員並不知悉任何其他人士(本公司董事或主要行政人員除外)於本公司之股份及相關股份中擁有須根據證券及期貨條例第XV部第2至5分部披露之權益或短倉，或直接及間接擁有可於任何情況下在本公司股東大會投票之任何類別股本面值5%或以上權益或短倉，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或短倉。

購股權計劃

一項購股權計劃(「二零零七年購股權計劃」)於二零零七年六月二日根據本公司股東通過之書面決議案獲採納。於二零一七年五月十九日舉行的本公司股東週年大會上本公司股東以普通決議案方式批准採納新購股權計劃(「新購股權計劃」)後，二零零七年購股權計劃已予終止。二零零七年購股權計劃終止後，不得根據二零零七年購股權計劃再授出購股權，但該計劃的條文將繼續有效，以落實於計劃終止前所授出任何購股權的行使，而於該計劃終止前授出的購股權將繼續有效及可予行使。

OTHER INFORMATION (CONTINUED) 其他資料(續)

The purpose of the New Share Option Scheme is to provide incentives and rewards to selected eligible persons for their contributions to the Group. The New Share Option Scheme will remain valid until 18 May 2027 and each grantee of options shall pay to the Company a non-refundable payment of HK\$10 as consideration for the grant.

The participants of the New Share Option Scheme may include directors, employees, consultants, professionals, customers, suppliers, agents, partners, advisors and contractors of the Group or a company in which the Group holds an interest or a subsidiary of such company.

The maximum number of shares which may be issued upon the exercise of all options to be granted under the New Share Option Scheme and under any other share option scheme(s) adopted by the Company must not in aggregate exceed 10% of the shares in issue as at the date of approval of the New Share Option Scheme. In addition, the maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other schemes involving the issue or grant of share options by the Company must not, in aggregate, exceed 30% of the shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of the options already granted or to be granted to each participant under the New Share Option Scheme and any other share option scheme(s) of the Company (including exercised and outstanding share options) in any 12-month period up to and including the date of such grant should not exceed 1% aggregate of the shares in issue as at the date of such grant. Any grant of further options above this 1% limit shall be subject to approval of the shareholders of the Company at general meetings, with such participant and his associates abstaining from voting.

新購股權計劃旨在向選定合資格人士提供作為彼等對本集團所作出貢獻之獎勵或獎賞。新購股權計劃將一直有效至二零二七年五月十八日，而每名購股權承授人需向本公司支付10港元作為本公司授出購股權之代價，該款項將不可退回。

新購股權計劃之參與者包括本集團或本集團持有權益公司或該公司的附屬公司之董事、僱員、顧問、專業人士、客戶、供應商、代理商、合作伙伴、諮詢人及承辦商。

根據新購股權計劃及本公司所採納之其他購股權計劃將予授出之購股權獲悉數行使時可能發行之股份數目，最高不得超過批准新購股權計劃當日已發行股份之10%。此外，根據新購股權計劃及任何涉及發行或授出本公司購股權的購股權計劃已授出但尚未行使或將予行使之購股權獲行使時可能發行之股份數目，合共不得超過本公司不時已發行股本之30%。

根據新購股權計劃及本公司所採納之其他購股權計劃向各參與者已授出或將予授出之購股權(包括已行使及尚未行使之購股權)獲行使而於任何12個月期間(包括授予當日)已發行及將予發行之股份總數，不得超過授出日期已發行股份總數之1%。任何進一步授予超過1%上限之購股權必須於股東大會上獲股東批准，而有關參與者及其聯繫人士須放棄投票。

OTHER INFORMATION (CONTINUED) 其他資料(續)

The total number of shares in respect of which options may be granted under the New Share Option Scheme shall be 89,376,140 shares, representing approximately 10.0% of the issued share capital of the Company as at the date of this interim report.

The period within which the options must be exercised will be specified by the Board at the time of the offer of grant, and must expire no later than 10 years from the date of grant. There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the New Share Option Scheme.

The subscription price for any share under the New Share Option Scheme will be a price determined by the Board and will be not less than the highest of:

- (i) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day;
- (ii) an amount equivalent to the average closing price of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the relevant option; and
- (iii) the nominal value of a share on the date of the grant.

根據新購股權計劃可能授出的購股權所涉及的股份總數為89,376,140股，相當於本中期報告日期本公司已發行股本約10.0%。

董事會將於授出購股權要約時指明購股權須予行使的期限，必須不遲於購股權授出起計十年。新購股權計劃之條款下並無有關必須持有購股權之最短期限或可行使購股權而必須達到之表現目標之一般規定。

新購股權計劃項下股份的認購價將由董事會決定，惟該價格不得低於以下最高者：

- (i) 授出有關購股權日期(須為營業日)聯交所每日報價表所列股份收市價；
- (ii) 緊接授出有關購股權日期前五個營業日聯交所每日報價表所列股份平均收市價；及
- (iii) 授出日期股份之面值。

OTHER INFORMATION (CONTINUED) 其他資料(續)

On 13 March 2008, the Company granted 20,102,000 share options to the Group's employees under the 2007 Share Option Scheme at an exercise price of HK\$0.415 per share. A summary of movements of share options of the Company during the six months ended 30 June 2018 is set out as below:

於二零零八年三月十三日，本公司根據二零零七年購股權計劃向本集團僱員授出20,102,000份購股權，行使價為每股0.415港元。截至二零一八年六月三十日止六個月，本公司購股權之變動概述如下：

Category of Grantee/Name	Date of grant	Exercise Price	Exercise Period	Number of share options 購股權數目				
				As at 01/01/2018	Granted during the period	Exercised during the period	Lapsed/ Cancelled during the period	Outstanding as at 30/06/2018
承授人 類別/姓名	授出日期	行使價 (HK\$) (港元)	行使期	於二零一八年 一月一日	於期內授出	於期內行使	於期內 失效/註銷	於二零一八年 六月三十日 尚未行使
Employees 僱員	13/03/2008	0.415	13/03/2009– 12/03/2018	40,800	–	–	40,800	–
Employees 僱員	13/03/2008	0.415	13/03/2010– 12/03/2018	20,600	–	–	20,600	–
Employees 僱員	13/03/2008	0.415	13/03/2011– 12/03/2018	40,600	–	–	40,600	–
Total 總數				102,000	–	–	102,000	–

Note:

- The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- The closing price of the share immediately before the date of grant was HK\$0.415.

附註：

- 購股權歸屬期間為自授出日期至行使期開始日期止。
- 在緊接購股權授出日期之前的收市價為0.415港元。

There were no options granted under the New Share Option Scheme since its adoption on 19 May 2017.

自新購股權計劃於二零一七年五月十九日獲採納以來，並無授出購股權。

SHARE AWARD SCHEME

On 10 January 2013 (the “Adoption Date”), the Board of the Company adopted a share award scheme (the “Share Award Scheme”) under which the shares of the Company (the “Awarded Shares”) may be awarded to selected persons to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Share Award Scheme will be valid and effective for a term of ten years commencing on the Adoption Date until 9 January 2023.

Based on the 890,435,400 shares in issue as at the Adoption Date, the maximum number of Awarded Shares under the Share Award Scheme would be 44,521,770 Shares and the maximum number of Shares which may be awarded to an awarded person under the Share Award Scheme would be 8,904,354 Shares.

For the six months ended 30 June 2018, no Awarded Shares was granted pursuant to the Share Award Scheme.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2018.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the six months ended 30 June 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules throughout the six months ended 30 June 2018.

股份獎勵計劃

於二零一三年一月十日(「採納日期」)，本公司董事會採納股份獎勵計劃(「股份獎勵計劃」)。據此，本公司股份(「獎勵股份」)可授予經甄選人士以表彰本集團若干僱員及人士之貢獻，並給予獎勵以挽留該等僱員及人士為本集團之持續經營和發展而努力，亦為本集團進一步發展吸引合適之人才。股份獎勵計劃將由採納日期起生效，有效期為十年至二零二三年一月九日。

根據於採納日期已發行890,435,400股股份計算，股份獎勵計劃可授出之獎勵股份數目上限為44,521,770股股份及股份獎勵計劃可獎勵予每名獲獎勵人士之股份數目上限為8,904,354股股份。

截至二零一八年六月三十日止六個月，概無獎勵股份按股份獎勵計劃授出。

中期股息

董事會不建議派付截至二零一八年六月三十日止六個月之中期股息。

購買、出售或贖回本公司上市證券

截至二零一八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、出售或贖回本公司任何上市證券。

充足公眾持股量

就本公司所悉及董事所知，本公司於截至二零一八年六月三十日止六個月一直維持上市規則規定的公眾持股量。

OTHER INFORMATION (CONTINUED) 其他資料(續)

CORPORATE GOVERNANCE

During the period under review, the Company has complied with all the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Listing Rules, except the deviation from provision A.2.1 of the CG Code as mentioned below.

Pursuant to Code Provision A.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Lee, the Chairman and an executive director of the Company, has temporarily taken up the duties of Chief Executive Officer after Dr. Wong Cheong Yiu (“Dr. Wong”) stepped down from his position as the Chief Executive Officer of the Company with effect from 1 June 2018 until a suitable candidate is appointed. The Board believes that as Mr. Lee is the founder of the Group and has extensive experience and knowledge, Mr. Lee, together with the support of the management, shall strengthen the solid and consistent leadership of the Group, and Mr. Lee by assuming the roles of both Chairman and Chief Executive Officer would allow efficient business planning and decision, which the Board believes is in the best interest of the business development of the Group during the transitional period. The Company will, however, seek to re-comply with Code Provision A.2.1 by identifying and appointing a suitable and qualified candidate to fill the casual vacancy as soon as practicable.

企業管治

於回顧期內，本公司一直遵守上市規則附錄十四「企業管治守則」(「企業管治守則」)內所有守則條文，惟企業管治守則之守則條文第A.2.1條除外，詳情於下文闡述。

根據企業管治守則之守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。李先生為本公司之主席及執行董事，自黃昌耀博士(「黃博士」)於二零一八年六月一日退任本公司行政總裁之職位後，暫時擔任行政總裁之職務，直至能夠委任適合人選為止。董事會相信，由於李先生為本集團的創始人及富有豐富經驗及知識，李先生在管理層的支持下將加強本集團堅實及一致的領導能力，而李先生同時擔任主席及行政總裁的角色可讓業務規劃及決策得以有效進行，董事會相信此乃符合本集團在過渡期間業務發展的最佳利益。然而，本公司將透過物色及委任合適及合資格的候選人以盡快填補臨時空缺，務求重新遵守守則條文A.2.1。

AUDIT COMMITTEE

The Company established the Audit Committee in June 2007. The primary duties of the Audit Committee are to review the Company's financial reports, make recommendations on the appointment, removal and remuneration of independent auditor, approve audit and audit-related services, supervise the Company's internal financial reporting procedures and management policies, and review the Company's risk management and internal control systems as well as the internal audit function. The Audit Committee comprises four independent non-executive directors, namely Mr. Kong Kai Chuen, Frankie, Professor Sun Kai Lit, Cliff *BBS, JP*, Ir Dr. Lo Wai Kwok *SBS, MH, JP* and Mr. Andrew Look and is chaired by Mr. Kong Kai Chuen, Frankie, a qualified accountant with extensive experience in financial reporting and controls.

NOMINATION COMMITTEE

The Nomination Committee was set up in June 2007 and is mainly responsible for reviewing the structure, size and the composition of the Board and making recommendations on any proposed change to the Board to complement the Company's corporate strategy; assessing the independence of independent non-executive directors; making recommendations to the Board on the appointment of directors and succession planning for directors. The members of the Nomination Committee are Professor Sun Kai Lit, Cliff *BBS, JP*, Ir Dr. Lo Wai Kwok *SBS, MH, JP*, Mr. Andrew Look, Mr. Kong Kai Chuen, Frankie and Dr. Wong Cheong Yiu. Professor Sun Kai Lit, Cliff *BBS, JP* is the Chairman of the Nomination Committee.

審核委員會

本公司於二零零七年六月成立審核委員會。審核委員會之主要職責為審閱本公司之財務報告、就委任及罷免獨立核數師以及其薪酬提供推薦建議、批准審計及審計相關服務、監管本公司之內部財務匯報程序及管理政策，和檢討本公司之風險管理及內部監控系統，以及內部審核職能。審核委員會由四名獨立非執行董事組成，分別為江啟銓先生、孫啟烈教授*BBS, JP*、盧偉國博士*SBS, MH, JP*及陸東先生，而江啟銓先生為審核委員會之主席，彼為合資格會計師，於財務報告及控制擁有豐富經驗。

提名委員會

提名委員會於二零零七年六月成立，主要負責檢討董事會的架構、人數及組成與就任何為配合本公司企業策略而擬對董事會作出的變動提供推薦建議、評核獨立非執行董事的獨立性、就委任董事及董事繼任計劃向董事會提供意見。提名委員會之成員包括孫啟烈教授*BBS, JP*、盧偉國博士*SBS, MH, JP*、陸東先生、江啟銓先生及黃昌耀博士，而孫啟烈教授*BBS, JP*為提名委員會之主席。

OTHER INFORMATION (CONTINUED) 其他資料(續)

REMUNERATION COMMITTEE

The Company established the Remuneration Committee in June 2007. The major duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management. It also reviews and determines the terms of remuneration packages, the award of bonuses and other compensation payable to individual directors and senior management with reference to the Board's corporate goals and objectives. The Remuneration Committee consists of Professor Sun Kai Lit, Cliff *BBS, JP*, Ir Dr. Lo Wai Kwok *SBS, MH, JP*, Mr. Andrew Look, Mr. Kong Kai Chuen, Frankie and Dr. Wong Cheong Yiu. The Chairman of the Remuneration Committee is Professor Sun Kai Lit, Cliff *BBS, JP*, an independent non-executive director.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, all directors have confirmed that they have fully complied with the required standard set out in the Model Code during the period under review.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2018.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

In accordance with the requirements under Rule 13.21 of the Listing Rules, the Board reported the following details of loan facilities which exist at any time for the six months ended 30 June 2018 and up to the date of this report and include covenants requiring specific performance obligations of the controlling shareholder of the Company.

- (i) On 22 September 2017, Ka Shui Manufactory Co., Limited (the "Borrower"), the indirect wholly owned subsidiary of the Company, entered into the facility agreement with a bank comprising the following facilities up to an overall limit of HK\$160 million to the Borrower:

薪酬委員會

本公司於二零零七年六月成立薪酬委員會。薪酬委員會之主要職責為就本公司董事及高級管理人員之薪酬政策及架構向董事會推薦意見，並因應董事會之企業方針及目標而檢討及釐定個別董事及高級管理人員之薪酬待遇、花紅獎賞及其他報酬。薪酬委員會由孫啟烈教授*BBS, JP*、盧偉國博士*SBS, MH, JP*、陸東先生、江啟銓先生及黃昌耀博士組成。薪酬委員會之主席為獨立非執行董事孫啟烈教授*BBS, JP*。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十標準守則所載之標準守則。經向全體董事作出具體查詢後確認，彼等於回顧期內一直全面遵守標準守則所載之規定準則。

審閱財務資料

審核委員會已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簡明綜合財務報表。

根據上市規則第13.21條之披露

根據上市規則第13.21條之規定，董事會匯報下列於截至二零一八年六月三十日止六個月及截至本報告日期止任何時間存在並附帶對本公司控股股東施加須履行之特定責任之貸款融資詳情。

- (i) 於二零一七年九月二十二日，本公司之間接全資附屬公司嘉瑞製品有限公司(「借方」)與一間銀行訂立融資協議，當中包括下列向借方提供整體限額為160,000,000港元之融資：

OTHER INFORMATION (CONTINUED) 其他資料(續)

- (a) Trade related facility and revolving loan facility up to an aggregate maximum amount of HK\$80 million, with a sub-limit of (i) HK\$20 million for the revolving loan facility; and (ii) HK\$40 million for the aggregate outstanding amount for the utilisation of import invoice financing by the PRC value added tax invoices. The life of these facilities are not specified, but is subject to the bank's overriding right of repayment on demand;
- (b) Term loan facility of HK\$40 million (the "1st TL Facility"). The Borrower had drawn down HK\$40 million since 7 May 2015 under the 1st TL Facility and the life of the 1st TL Facility is not specified, but is subject to the bank's overriding right of repayment on demand. The 1st TL Facility was fully settled on 7 May 2018; and
- (c) Term loan facility of HK\$40 million (the "2nd TL Facility"). The purpose of the 2nd TL Facility is to finance the Group's working capital expenditures with a loan period of 36 months from the date of the 2nd TL Facility being made available.
- (a) 貿易相關融資及循環貸款融資總額最高為80,000,000港元，另有下列次限額：(i)20,000,000港元為循環貸款融資；及(ii)使用以中國增值稅發票作為進口發票融資之未償還總額40,000,000港元。該等融資並無特定期限，惟銀行有權要求隨時償還；
- (b) 定期貸款融資40,000,000港元（「第一項定期貸款融資」）。借方自二零一五年五月七日起根據第一項定期貸款融資已提取40,000,000港元，第一項定期貸款融資並無特定期限，惟銀行有權要求隨時償還。第一項定期貸款融資已於二零一八年五月七日全部償還；及
- (c) 定期貸款融資40,000,000港元（「第二項定期貸款融資」）。第二項定期貸款融資之目的是為本集團營運資本支出提供資金，貸款期限由取得第二項定期貸款融資日期起計為期36個月。

The facility agreement contains a specific performance obligation that Mr. Lee, a controlling shareholder (as defined in the Listing Rules) and an executive director of the Company, shall remain as the single largest shareholder of the Company. A breach of the aforesaid specific performance obligation will constitute an event of default under the facility agreement. If an event of default under the facility agreement occurs, the bank may terminate the facility agreement and liabilities payable under the facility agreement and the relevant security documents shall become immediately due and payable.

融資協議載有須履行之特定責任，規定本公司控股股東（定義見上市規則）及執行董事李先生須繼續為本公司之單一最大股東。違反上述特定責任將構成融資協議項下之違約事件。如融資協議違約事件出現，銀行可終止融資協議，而融資協議及相關擔保文件項下之應付貸款隨即到期支付。

OTHER INFORMATION (CONTINUED) 其他資料(續)

- (ii) On 2 January 2015, the Borrower entered into the facility agreement with a bank to finance the Group's capital expenditures for a term loan facility up to HK\$150 million consisting of two tranches, both repayable by sixteen equal quarterly instalments commencing the 15th month after the first utilisation date. The facility agreement contains a specific performance obligation that Mr. Lee must at all times maintain substantial shareholdings (directly or indirectly) interest in the Borrower. A breach of the aforesaid specific performance obligation will constitute an event of default under the facility agreement. If an event of default under the facility agreement occurs, the bank may terminate the facility agreement and liabilities payable under the facility agreement and the relevant security documents shall become immediately due and payable.
- (ii) 於二零一五年一月二日，借方與一間銀行訂立融資協議，取得定期貸款融資達至150,000,000港元，就本集團之資本支出提供資金。有關融資包括兩期，均由首次提取日期起計第15個月開始分十六期按季等額償還。融資協議載有須履行之特定責任，規定李先生須於任何時候維持於借方之主要控股權益(直接或間接)。違反上述特定責任將構成融資協議項下之違約事件。如融資協議違約事件出現，銀行可終止融資協議，而融資協議及相關擔保文件項下之應付貸款隨即到期支付。
- (iii) On 9 November 2015, the Borrower entered into the facility agreement with a bank to refinance its existing facilities for a term loan facility up to HK\$50 million repayable by eleven equal quarterly instalments commencing the 6th month after the first utilisation date. The facility agreement contains a specific performance obligation that Mr. Lee must at all times maintain substantial shareholdings (directly or indirectly) interest in the Borrower. A breach of the aforesaid specific performance obligation will constitute an event of default under the facility agreement. If an event of default under the facility agreement occurs, the bank may terminate the facility agreement and liabilities payable under the facility agreement and the relevant security documents shall become immediately due and payable.
- (iii) 於二零一五年十一月九日，借方與一間銀行訂立融資協議，就其由首次提取日期起計第6個月開始分十一期按季等額償還之定期貸款融資達至50,000,000港元，為現有貸款進行再融資。融資協議載有須履行之特定責任，規定李先生須於任何時候維持於借方之主要控股權益(直接或間接)。違反上述特定責任將構成融資協議項下之違約事件。如融資協議違約事件出現，銀行可終止融資協議，而融資協議及相關擔保文件項下之應付貸款隨即到期支付。

(iv) On 20 June 2017, the Borrower entered into the facility agreement with a bank to finance its working capital for a term loan facility up to HK\$130 million repayable by 36 months after the first utilisation date. The facility agreement contains a specific performance obligation that Mr. Lee (including shares under his family trust) must maintain as the major shareholder (with at least 50% shareholding) of the Company. A breach of the aforesaid specific performance obligation will constitute an event of default under the facility agreement. If an event of default under the facility agreement occurs, the bank may terminate the facility agreement and liabilities payable under the facility agreement and the relevant security documents shall become immediately due and payable.

Save as disclosed above, the directors are not aware of any circumstances which would give rise to a disclosure obligation pursuant to the requirements under Rule 13.18 of the Listing Rules as at 30 June 2018 and as at the date of this report.

UPDATES ON DIRECTORS' INFORMATION UNDER RULE 13.51B OF THE LISTING RULES

(1) Dr. Wong had stepped down from his position as the Chief Executive Officer of the Company with effect from 1 June 2018. The reason for Dr. Wong ceasing to act as the Chief Executive Officer was because he intended to devote more of his time and attention to the Group's operations in the North America region, in particular overseeing the overall operations and development of the Company's subsidiaries in the United States of America, enhancing the Group's business development efforts and building up the Group's sales within the region. Dr. Wong will remain as an executive director, an authorized representative, a member of Remuneration Committee and Nomination Committee of the Company and a director of a subsidiary of the Company; and

(iv) 於二零一七年六月二十日，借方與一間銀行訂立融資協議，取得定期貸款融資金額達至130,000,000港元，就其營運資金提供資金。有關融資須於首次提取日期起計36個月內償還。融資協議載有須履行之特定責任，規定李先生(包括其家族信託下之股份)須維持成為本公司之主要股東(即持股量為50%或以上)。違反上述特定責任將構成融資協議項下之違約事件。如融資協議違約事件出現，銀行可終止融資協議，而融資協議及相關擔保文件項下之應付貸款隨即到期支付。

除上文披露者外，於二零一八年六月三十日及於本報告日期，董事並不知悉有任何其他事項須根據上市規則第13.18條之規定作出披露。

根據上市規則第13.51B條提供之董事最新資料

(1) 黃博士由二零一八年六月一日起退任本公司行政總裁職位。黃博士退任行政總裁的原因是由於黃博士擬投入更多時間及專注力於本集團在北美地區之運作，特別是監督本公司於美國之附屬公司之整體運作及發展，以加強本集團在北美地區的業務發展工作及提昇本集團之銷售。黃博士仍然留任本公司執行董事、授權代表及薪酬委員會和提名委員會成員，以及本公司一間附屬公司的董事職務；及

OTHER INFORMATION (CONTINUED) 其他資料(續)

- (2) Mr. Kong Kai Chuen Frankie, an independent non-executive director of the Company, resigned as Company Secretary and Chief Financial Officer of Futong Technology Development Holdings Limited (Stock code: 465), a company listed on the Hong Kong Stock Exchange on 27 June 2018 and 1 July 2018 respectively.

EVENTS AFTER THE REPORTING PERIOD

Ka Shui Metal Manufacturing (Shenzhen) Company Limited* ("Ka Shui Metal"), an indirect wholly-owned subsidiary of the Company, has entered into an agreement with an independent third party on 10 July 2018 to establish a joint venture company (the "JV Company") in Shenzhen, the PRC. The JV Company shall be held as to 70% by Ka Shui Metal and 30% by the independent third party. The JV Company is expected to engage in development, manufacturing and sale of metal alloy products, which will mainly be sold to customers engaging in automotive parts and precision components. Upon the establishment of the JV Company, the JV Company will become a subsidiary of the Company and its results will be consolidated into the financial statements of the Group.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend our sincere appreciation to our customers, suppliers and shareholders for their continuing support, and our management and staff for their contribution and dedication to the Group throughout the period.

By order of the Board
Lee Yuen Fat
Chairman

Hong Kong, 28 August 2018

* English translation of the name is for identification purposes only

- (2) 本公司之獨立非執行董事江啟銓先生分別於二零一八年六月二十七日及二零一八年七月一日辭任香港聯交所上市公司富通科技發展控股有限公司(股份代號：465)之公司秘書及首席財務總監。

報告期間完結後事項

本公司的間接全資附屬公司嘉瑞金屬製品(深圳)有限公司(「嘉瑞金屬」)於二零一八年七月十日與獨立第三方訂立協議在中國深圳成立一間合資公司(「合資公司」)。合資公司將由嘉瑞金屬擁有70%權益及獨立第三方擁有30%權益。預期合資公司將從事開發、製造及銷售金屬合金產品，主要銷售予從事汽車零部件及精密部件的客戶。合資公司成立後，合資公司將成為本公司之附屬公司，其業績將綜合計入本集團之財務報表。

鳴謝

本人謹此代表董事會，對客戶、供應商及股東一直以來鼎力支持致以衷心謝意。本人另對期內管理層所付出之寶貴貢獻及本集團員工之盡職服務表示感謝。

承董事會命
李遠發
主席

香港，二零一八年八月二十八日

* 名稱之英文翻譯只供識別之用



KaShui¹⁹⁸⁰

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