



IDT INTERNATIONAL LIMITED 萬威國際有限公司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)
(Stock code 股份代號: 167)

創新 點亮生活

Embracing innovations

that enhance the quality of life

2019 INTERIM REPORT 中期報告



Corporate Information

公司資料

BOARD OF DIRECTORS

Executive directors

Zhu Yongning (*Chief Executive Officer*)

Xu Chiming (Retired on June 26, 2019)

Non-executive director

Song Rongrong

Independent non-executive directors

Zhou Meilin

Xu Jinwen

Zhou Rui (Retired on June 26, 2019, appointed on August 30, 2019)

EXECUTIVE COMMITTEE

Zhu Yongning

Xu Chiming (Retired on June 26, 2019)

AUDIT COMMITTEE

Zhou Meilin (*Chairman*)

Xu Jinwen

Zhou Rui (Retired on June 26, 2019, appointed on August 30, 2019)

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Zhou Rui (Appointed as chairman on August 30, 2019)

Zhou Meilin

Xu Jinwen

Xu Chiming (Retired on June 26, 2019)

REMUNERATION COMMITTEE

Xu Jinwen (Appointed as chairman on August 30, 2019)

Song Rongrong

Zhou Rui (Retired on June 26, 2019)

Zhou Meilin (Appointed on August 30, 2019)

AUTHORISED REPRESENTATIVES

Zhou Chen

Xu Chiming (Retired on June 26, 2019)

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Hang Seng Bank Limited

董事會

執行董事

朱永寧 (*行政總裁*)

徐志明 (於二零一九年六月二十六日退任)

非執行董事

宋榮榮

獨立非執行董事

周美林

徐錦文

周銳 (於二零一九年六月二十六日退任，
於二零一九年八月三十日獲委任)

執行委員會

朱永寧

徐志明 (於二零一九年六月二十六日退任)

審核委員會

周美林 (*主席*)

徐錦文

周銳 (於二零一九年六月二十六日退任，
於二零一九年八月三十日獲委任)

提名及管治委員會

周銳 (於二零一九年八月三十日獲委任為主席)

周美林

徐錦文

徐志明 (於二零一九年六月二十六日退任)

薪酬委員會

徐錦文 (於二零一九年八月三十日

獲委任為主席)

宋榮榮

周銳 (於二零一九年六月二十六日退任)

周美林 (於二零一九年八月三十日獲委任)

授權代表

周晨

徐志明 (於二零一九年六月二十六日退任)

主要往來銀行

香港上海滙豐銀行有限公司

恒生銀行有限公司

Corporate Information

公司資料

LEGAL ADVISOR

Bermuda

Conyers Dill & Pearman

SHARE REGISTRARS

Bermuda

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Hong Kong

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

BERMUDA REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Block C, 9th Floor, Kaiser Estate
41 Man Yue Street
Hunghom
Kowloon
Hong Kong

STOCK CODE

167

WEBSITES

www.idthk.com

法律顧問

百慕大

Conyers Dill & Pearman

股份過戶登記處

百慕大

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

香港

聯合證券登記有限公司
香港
北角
英皇道338號
華懋交易廣場2期
33樓3301-04室

百慕大註冊辦事處

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

香港主要營業地點

香港
九龍
紅磡
民裕街41號
凱旋工商中心9樓C座

股份代號

167

網址

www.idthk.com

Financial Highlights

財務摘要

IDT INTERNATIONAL LIMITED is an investment holding company with subsidiaries engaged in investment holdings, as well as the design, development, manufacture, marketing and distribution of lifestyle electronic products.

FINANCIAL HIGHLIGHTS

- Turnover amounted to HK\$113.3 million (1H2018: HK\$224.9 million).
- Gross profit amounted to HK\$18.3 million (1H2018: HK\$45.1 million).
- Total operating expenses amounted to HK\$53.0 million (1H2018: HK\$114.4 million).
- Loss for the period amounted to HK\$30.4 million (1H2018: HK\$62.3 million).
- Cash balances of the Group amounted to HK\$20.4 million (December 31, 2018: HK\$22.3 million).

INTERIM RESULTS

The board of directors (the “**Board**”) of IDT International Limited (the “**Company**”) hereby announces the unaudited condensed results of the Company and its subsidiaries (the “**Group**”) for the six months ended June 30, 2019 together with the comparative figures for the corresponding period ended June 30, 2018 (“**1H2018**”).

萬威國際有限公司乃一間投資控股公司，連同其附屬公司主要從事投資控股、設計、開發、製造、市場推廣及分銷時尚生活電子產品。

財務摘要

- 營業額為港幣113.3百萬元（二零一八年上半年：港幣224.9百萬元）。
- 毛利為港幣18.3百萬元（二零一八年上半年：港幣45.1百萬元）。
- 總營運開支為港幣53.0百萬元（二零一八年上半年：港幣114.4百萬元）。
- 本期間虧損為港幣30.4百萬元（二零一八年上半年：港幣62.3百萬元）。
- 本集團現金結餘為港幣20.4百萬元（二零一八年十二月三十一日：港幣22.3百萬元）。

中期業績

萬威國際有限公司（「**本公司**」）的董事會（「**董事會**」）公佈本公司及其附屬公司（「**本集團**」）截至二零一九年六月三十日止六個月的未經審核簡明業績連同截至二零一八年六月三十日止相應期間（「**二零一八年上半年**」）的比較數據。

Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended June 30, 2019

截至二零一九年六月三十日止六個月

		Six months ended June 30, 截至六月三十日止六個月	
		2019 二零一九年 (Unaudited) (未經審核) HK\$'M 港幣百萬元	2018 二零一八年 (Unaudited) (未經審核) HK\$'M 港幣百萬元
	Notes 附註		
Turnover	營業額	3	113.3
Cost of goods sold	銷售成本		(95.0)
Gross profit	毛利		18.3
Other income	其他收入		4.3
Other gains and losses	其他收益及虧損		—
Research and development costs	研究及開發費用		(2.9)
Distribution and selling expenses	分銷及銷售開支		(18.2)
General administrative expenses	一般行政開支		(28.8)
Finance costs	融資成本		(3.1)
Loss before taxation	除稅前虧損	4	(30.4)
Taxation	稅項	5	—
Loss for the period	本期間虧損		(30.4)
Other comprehensive income/ (expenses): <i>Items that may be reclassified subsequently to profit or loss:</i> Exchange differences arising on translation of foreign operations	其他全面收入／(開支)： 其後可能會重新分類至 損益賬的項目： 換算海外業務產生的 匯兌差額		0.4
Loss and total comprehensive expenses for the period	期內虧損及 全面開支總額		(30.0)
Loss and total comprehensive expense for the period attributable to: Owners of the Company Non-controlling interests	以下人士應佔期內虧損及 全面開支總額： 本公司擁有人 非控股權益		(30.0)
			—
			(30.0)
Loss per share — Basic	每股虧損 — 基本	6	(1.17 HK cents) (1.17港仙)
			(2.40 HK cents) (2.40港仙)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況報表

As at June 30, 2019
於二零一九年六月三十日

			As at June 30, 2019 於二零一九年 六月三十日 (Unaudited) (未經審核) HK\$'M 港幣百萬元	As at December 31, 2018 於二零一八年 十二月三十一日 (Audited) (經審核) HK\$'M 港幣百萬元
		Notes 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備		38.6	27.6
Intangible assets	無形資產		2.6	2.6
Rental deposits	租金按金		6.4	6.5
Prepaid rental	預付租金		0.1	0.1
			47.7	36.8
Current assets	流動資產			
Inventories	存貨		67.9	74.8
Trade and other receivables	貿易及其他應收款項	7	72.0	81.3
Bank balances and cash	銀行結餘及現金		20.4	22.3
			160.3	178.4
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	8	110.0	117.8
Tax payable	應付稅款		0.4	12.3
Borrowing	借款		34.3	37.4
Lease liabilities	租賃負債		16.5	—
Contract liabilities	合同負債		58.2	58.2
			219.4	225.7
Net current liabilities	流動負債淨值		(59.1)	(47.3)
Non-current liability	非流動負債			
Loan from a shareholder	股東貸款		61.6	32.5
Net liabilities	負債淨值		(73.0)	(43.0)
Capital and reserves	股本及儲備			
Share capital	股本	9	260.0	260.0
Reserves	儲備		(333.1)	(303.1)
Equity attributable to owners of the Company	本公司擁有人應佔權益		(73.1)	(43.1)
Non-controlling interests	非控股權益		0.1	0.1
Net deficits	虧絀淨額		(73.0)	(43.0)

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

		Attributable to owners of the Company 本公司擁有人所佔						Non-	Total
		Share capital	Share premium	Other reserve	Translation reserve	Revenue reserve	Total	controlling interests	equity
		股本	股份溢價	其他儲備	貨幣換算儲備	利潤儲備	總額	非控股權益	權益總額
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
		HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
As at January 1, 2019	於二零一九年一月一日	260.0	165.0	32.5	(102.8)	(397.8)	(43.1)	0.1	(43.0)
Exchange differences arising from translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	0.4	—	0.4	—	0.4
Loss for the period	本期間虧損	—	—	—	—	(30.4)	(30.4)	—	(30.4)
Total comprehensive expenses for the period	期內全面開支總額	—	—	—	0.4	(30.4)	(30.0)	—	(30.0)
As at June 30, 2019	於二零一九年六月三十日	260.0	165.0	32.5	(102.4)	(428.2)	(73.1)	0.1	(73.0)
As at January 1, 2018	於二零一八年一月一日	260.0	165.0	32.5	(96.9)	(181.0)	179.6	0.1	179.7
Exchange differences arising from translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	(6.8)	—	(6.8)	—	(6.8)
Loss for the period	本期間虧損	—	—	—	—	(62.3)	(62.3)	—	(62.3)
Total comprehensive expenses for the period	期內全面開支總額	—	—	—	(6.8)	(62.3)	(69.1)	—	(69.1)
As at June 30, 2018	於二零一八年六月三十日	260.0	165.0	32.5	(103.7)	(243.3)	110.5	0.1	110.6

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

Six months ended June 30,
截至六月三十日止六個月

		2019 二零一九年 (Unaudited) (未經審核) HK\$'M 港幣百萬元	2018 二零一八年 (Unaudited) (未經審核) HK\$'M 港幣百萬元
Net cash used in operating activities	經營活動所用現金淨額	(10.2)	(3.2)
Net cash used in investing activities	投資活動所用現金淨額	(17.7)	(7.8)
Net cash generated from (used in) financing activities	融資活動所得(所用)現金淨額	26.0	(1.5)
Net decrease in cash and cash equivalents	現金及等同現金項目之減少淨額	(1.9)	(12.5)
Cash and cash equivalents at beginning of the period	期初之現金及等同現金項目	22.3	37.2
Cash and cash equivalents at end of the period	期末之現金及等同現金項目	20.4	24.7
Analysis of the cash and cash equivalents:	現金及等同現金項目分析：		
Cash and bank balances	現金及銀行結餘	20.4	24.7

Notes:

附註：

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information for the six months ended June 30, 2019 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountant ("HKICPA").

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amount or fair value, as appropriate. The accounting policies and method of computation used in the preparation of this condensed consolidated interim financial information are consistent with those used in the financial statements for the year ended December 31, 2018, except as mentioned below.

In the current period, the Group has applied, for the first time, the following amendments to standards and interpretations issued by the HKICPA, which are effective for the Group's financial year beginning January 1, 2019.

HKFRS 16	Leases
HKIFRIC 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current period has no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

1. 編製基準及會計政策

截至二零一九年六月三十日止六個月的未經審核簡明綜合中期財務資料乃根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十六之適用披露規定及香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34號「中期財務報告」編製。

簡明綜合中期財務報表乃按歷史成本基準編製，惟若干物業及財務工具按重估金額或公平價值（如適用）衡量。編製簡明綜合中期財務資料時採用的會計政策及計算方法與截至二零一八年十二月三十一日止年度的財務報表所採用者一致，惟以下所述者除外。

本集團於本期間首次應用香港會計師公會所頒佈，且於二零一九年一月一日開始之本集團財政年度生效之以下準則之修訂本及詮釋。

香港財務報告準則第16號	租賃
香港（國際財務報告詮釋委員會）—詮釋第23號	所得稅處理之不確定性
香港財務報告準則第9號之修訂	具有負補償之提前還款特點
香港會計準則第19號之修訂	計劃修訂、縮減或清償
香港會計準則第28號之修訂	於聯營公司及合營企業的長期權益
香港財務報告準則之修訂	香港財務報告準則2015年至2017年周期之年度改進

除以下描述者外，於本期間應用新訂之經修訂香港財務報告準則對本集團本期間及過往期間財務業績及狀況及／或該等簡明綜合財務報表所載披露亦無重大影響。

Notes:

附註：

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continue)

Leases

The Group as a lessee

Applicable from 1 January 2019

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration”. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct “how and for what purpose” the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

1. 編製基準及會計政策 (續)

租賃

本集團作為承租人

自2019年1月1日起適用

就任何於2019年1月1日或之後訂立的新合約而言，本集團認為不論合約為或包含租賃。租賃定義為「合約或合約一部分，轉移已識別資產（相關資產）於一段時間的使用權以換取代價」。為應用該定義，本集團評估合約是否符合三項主要評估：

- 合約是否包含已識別資產，其於合約中明確識別或透過於資產可供本集團使用時識別以暗示方式指定；
- 本集團是否有權於整個使用期取得使用已識別資產的絕大部分經濟利益，且計及其權利為合約界定的範圍內；及
- 本集團是否有權於整個使用期內主導使用已識別資產。本集團評估其是否有權於整個使用期主導資產的「使用方式及目的」。

就包括租賃組成部分或一項或以上額外租賃或非租賃組成部分的合約而言，本集團按照其相對的獨立價格將合約代價分配至各項租賃及非租賃組成部分。

Notes:

附註：

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continue)

Leases (Continue)

The Group as a lessee (Continue)

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the condensed consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

1. 編製基準及會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

作為承租人計量及確認租賃

於租賃開始日期，本集團於簡明綜合財務狀況報表確認使用權資產及租賃負債。使用權資產按成本計量，成本由租賃負債初始計量、本集團產生任何初始直接成本、任何於租賃屆滿時拆卸及移除相關資產的成本估計及任何於租賃開始日期作出的預付租賃款項（減任何已收取的租賃優惠）組成。

本集團將使用權資產由租賃開始日期至使用權資產使用年期完結前或租賃年期屆滿（除非本集團合理肯定於租賃年期屆滿時取得擁有權外）時按直線法折舊。本集團亦於該等指標出現時評估使用權資產減值。

於開始日期，本集團於使用租賃隱示的利率或（倘利率未能輕易釐定）以本集團增量借款利率貼現於有關日期未付的租賃款項現值計量租賃負債。

計入租賃負債計量的租賃付款由固定付款（包括實物固定付款）減任何應收租賃優惠、按指數或比率可變的付款及預期應根據剩餘價值擔保的應付款項所組成。租賃付款包括本集團合理確定行使的購買選擇權的行使價及（倘租期反映本集團行使終止租賃選擇權時）有關終止租賃的罰款。

Notes:

附註：

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continue)

Leases (Continue)

The Group as a lessee (Continue)

Measurement and recognition of leases as a lessee (Continue)

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in the profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 month or less.

On the condensed consolidated statement of financial position, right-of-use assets have been included in property, plant and equipment, the same line as it presents the underlying assets of the same nature that it owns.

1. 編製基準及會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

作為承租人計量及確認租賃 (續)

於初始計量後，負債將因已作出的租賃付款而減少，而因租賃負債利息成本而增加。其將重新計量以反映任何重新評估或租賃修改或實物固定付款是否出現變動。並非視乎指數或比率的可變動租賃付款將於事件或條件導致付款發生的期間確認為支出。

當租賃重新計量時，相關的調整將反映於使用權資產或（倘使用權資產已減至零）於損益中反映。

本集團選擇使用可行權宜處理短期租賃及低價值租賃入賬。除確認使用權資產及租賃負債，有關該等租賃的付款於租賃年內按直線法於損益中確認為支出。短期租賃為租賃年期為12個月或以下的租賃。

於簡明綜合財務狀況報表中，使用權資產已計入物業、廠房及設備，與其呈列其擁有相同性質的相關資產相同。

Notes:

附註：

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continue)

Leases (Continue)

The Group as a lessee (Continue)

Applicable before 1 January 2019

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

Operating lease charges as the lessee

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to the profit or loss on a straight-line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the profit or loss as an integral part of the aggregate net lease payments made. Contingent rental is charged to the profit or loss in the accounting period in which they are incurred.

1. 編製基準及會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

於2019年1月1日前適用

倘本集團決定於協議時間內將特定資產或資產使用權出讓以換取一筆或一連串款項的安排，則包括一項交易或一連串交易的安排屬於或包括一項租賃。該項決定乃基於安排內容的實質評估而作出，而不論該項安排是否採取租賃的法律形式。

租賃予本集團的資產分類

本集團根據絕大部分風險及回報擁有權轉移至本集團的租賃所持有的資產已分類為根據融資租賃持有。並無將絕大部分風險及回報擁有權轉移至本集團的租賃將分類為經營租賃。

作為承租人的經營租賃費用

倘本集團有權使用經營租賃項下的資產，則租賃項下所作出的付款將於租賃年期內按直線法於損益中扣除，倘有其他基準更能反映來自租賃資產之利益之時間模式則除外。所獲租賃優惠在損益中確認為淨租賃付款總額之一部分。或然租金在其產生之會計期間於損益中扣除。

Notes:

附註：

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continue)

Leases (Continue)

The Group as a lessee (Continue)

Operating lease charges as the lessee (Continue)

As at the date of authorisation of the condensed consolidated interim financial statements, HKICPA has issued a number of new and amended HKFRSs. For those which are effective for accounting period beginning on 1 January 2019, the impact of the adoption of HKFRS 16 is disclosed below. Other than HKFRS 16, the adoption of these new and amended HKFRSs had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

HKFRS 16 “Leases”

HKFRS 16 “Leases” replaces HKAS 17 “Leases” along with three Interpretations (HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease”, HK(SIC) Int-15 “Operating Leases-Incentives” and HK(SIC) Int-27 “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”). HKFRS 16 has been applied using the modified retrospective approach, with the cumulative effect of adopting HKFRS 16 being recognised in equity as an adjustment to the opening balance of “Retained profits” for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from HKAS 17 and HK(IFRIC)-Int 4 and has not applied HKFRS 16 to arrangements that were previously not identified as lease under HKAS 17 and HK(IFRIC)-Int 4.

1. 編製基準及會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

作為承租人的經營租賃費用 (續)

於簡明綜合中期財務報表獲授權發佈日期，香港會計師公會已頒布多項新訂及經修訂香港財務報告準則。就於2019年1月1日起開始的會計期間生效準則而言，採納香港財務報告準則第16號的影響於下文披露。除香港財務報告準則第16號外，採納該等新訂及經修訂香港財務報告準則對本集團於目前及過往期間的業績及財務狀況的編製及呈列並無重大影響。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號「租賃」取代香港會計準則第17號「租賃」以及香港（國際財務報告詮釋委員會）－詮釋第4號「釐定一項安排是否包含租賃」、香港（常務詮釋委員會）詮釋第15號「經營租賃－優惠」及香港（常務詮釋委員會）詮釋第27號「評估涉及以租賃為法定形式的實質交易」三項詮釋。香港財務報告準則第16號已透過使用經修改追溯方式應用，且採納香港財務報告準則第16號的累計影響將於權益中確認為對即期保留盈利的期初結餘的調整，並無於過往期間重列。

就於初始應用日期已生效的合約，本集團已選擇應用香港會計準則第17號及香港（國際財務報告詮釋委員會）－詮釋第4號中租賃的定義，且並未對先前尚未根據香港會計準則第17號及香港（國際財務報告詮釋委員會）－詮釋第4號確認為租賃的安排應用香港財務報告準則第16號。

Notes:

附註：

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continue)

Leases (Continue)

The Group as a lessee (Continue)

HKFRS 16 "Leases" (Continue)

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of HKFRS 16, being 1 January 2019. At this date, the Group has also elected to measure the right-of-use assets at its carrying amount as if HKFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of HKFRS 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

On transition to HKFRS 16, the weighted average incremental borrowing rate applied to lease liabilities recognised under HKFRS 16 was 8%.

1. 編製基準及會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

香港財務報告準則第16號「租賃」(續)

本集團已選擇不將初始直接成本納入計量於初始應用香港財務報告準則第16號日期(即2019年1月1日)已存在的經營租賃使用權資產。於該日期,本集團亦已選擇以於初始應用日期採用承租人增量借款利率貼現的賬面值計量使用權資產,猶如自開始日期已應用香港財務報告準則第16號。

本集團依賴其於緊接初始應用香港財務報告準則第16號日期前就租賃是否屬虧損性的過往評估,而非於初始應用日期就使用權資產進行減值審查。

於過渡時,就先前入賬為餘下租期少於12個月之經營租賃的租賃及低價值資產租賃而言,本集團已應用選擇性豁免不確認使用權資產,惟租賃開支按直線法以餘下租賃年期入賬。

於過渡至香港財務報告準則第16號時,應用於根據香港財務報告準則第16號確認租賃負債的加權平均增量借款利率為8%。

Notes:

附註：

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continue)

Leases (Continue)

The Group as a lessee (Continue)

HKFRS 16 "Leases" (Continue)

The following is a reconciliation of total operating lease commitments as at 31 December 2018 to the lease liabilities recognised as at 1 January 2019:

		<i>HK\$'M</i> 港幣百萬元
Total operating lease commitments disclosed as at 31 December 2018	於2018年12月31日披露的經營租賃承擔總額	28.9
Recognition exemptions:	確認豁免：	
• Leases with remaining lease term of less than 12 months	• 餘下租期少於12個月的租賃	0.2
Operating leases liabilities before discounting	於貼現前的經營租賃負債	28.7
Discounting using incremental borrowing rate as at 1 January 2019	於2019年1月1日使用增量借款利率貼現	(1.5)
Total lease liabilities recognised under HKFRS 16 as at 1 January 2019	於2019年1月1日根據香港財務準則第16號確認的租賃負債總額	27.2
Classified as:	分類為：	
Current lease liabilities	流動租賃負債	27.2

1. 編製基準及會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

香港財務報告準則第16號「租賃」(續)

以下為於2018年12月31日經營租賃承擔總額及於確認的租賃負債的對賬：

Notes:

附註：

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continue)

Leases (Continue)

The Group as a lessee (Continue)

HKFRS 16 "Leases" (Continue)

The following table summarises the impact of transition to HKFRS 16 on the Group's condensed consolidated statement of financial position as at 1 January 2019:

		HK\$'M 港幣百萬元
Increase in right-of-use assets presented in property plant and equipment	呈列於物業、廠房及設備的使用權資產增加	27.2
Increase in lease liabilities	租賃負債增加	27.2

The Group has not adopted early any new and amended HKFRSs that are relevant to the Group which have been issued but are not yet effective for the current accounting period.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing this condensed consolidated interim financial information are evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates are, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities include the useful lives of property, plant and equipment, recoverability of intangible assets, impairment of goodwill, allowances for trade receivables and inventories and the determination of income taxes.

In the determination on incremental borrowing rate, the Group applies judgement to determine the applicable rate to calculate the present value of lease payments. The incremental borrowing rate of the Group applied will significantly affects the amount of lease liabilities and right-of-use assets recognised.

1. 編製基準及會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

香港財務報告準則第16號「租賃」(續)

下表概述過渡至香港財務報告準則第16號對本集團於2019年1月1日的簡明綜合財務狀況報表的影響：

本集團於本會計期間並未提前採納任何與本集團有關的已頒佈但尚未生效的新訂及修訂香港務報告準則。

2. 主要會計估計及判斷

編製簡明綜合中期財務資料的估計及判斷會按過往經驗及其他因素(包括在現有情況下的未來事件的合理預期)。會計估計甚少等同有關實際結果。對資產及負債賬面值有重大影響之估計及假設，包括物業、廠房及設備之可用年期、收回無形資產之成數、商譽減值、貿易應收賬款及存貨撥備以及所得稅釐定。

於釐定增量借款利率時，本集團運用判斷以釐定計算租賃付款現值的適用利率。本集團使用的增量借款利率對所確認的租賃負債金額及使用權資產造成重大影響。

Notes:

附註：

3. SEGMENT INFORMATION

Turnover represents the amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes. Turnover represents mainly Oregon Scientific branded sales (“Branded Sales”) and Original Equipment Manufacturer and Original Design Manufacturer sales (“OEM/ODM Sales”).

The information reported to the Executive Directors of the Company, being the chief operating decision maker (the “CODM”) were reorganised based on district products to different customer groups. The reportable and operating segments were namely Connected home and communications (“CoH”), Health and wellness (“H&W”), Smart learning and immersive technology (“SLIT”), in addition, other electric products which are individually insignificant were aggregated and reported under others.

Connected home and communications 智能家居	—	design, development, manufacture, and sales and marketing of home connected and communication products 設計、開發、製造，以及銷售及推廣智能家居產品
Health and wellness 智能運動健康及保健	—	design, development, manufacture, and sales and marketing of health and wellness products 設計、開發、製造，以及銷售及推廣智能運動健康及保健產品
Smart learning and immersive Technology 智能教育與學習	—	design, development, manufacture and sales and marketing of electric learning and inner size products 設計、開發、製造，以及銷售及推廣智能教學及融入科技產品
Others 其他	—	design, development, manufacture, and sales and other electronic products 設計、開發、製造，以及銷售及其他電子產品

The Group disaggregated its turnover based on branded sales and OEM/ODM sales and reported to the CODM. No separate results of branded sales and OEM/ODM sales were reported to the CODM.

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes.

3. 分部資料

營業額代表本集團向外部客戶出售產品而已收及應收之款項，乃扣除折扣及相關銷售稅。營業額主要代表Oregon Scientific品牌銷售（「品牌銷售」）及原設備製造及原設計製造銷售（「原設備製造／原設計製造銷售」）。

呈報予本公司執行董事（即主要營運決策人（「主要營運決策人」）之資料乃基於將產品劃分至不同客戶群確認。可報告及營運分部分別為智能家居（「智能家居」）、智能運動健康及保健（「智能運動健康及保健」）、智能教育與學習（「智能教育與學習」）。此外，其他電子產品由於個別金額不大而歸納報告為其他分部。

本集團按品牌銷售及原設備製造／原設計製造銷售劃分其營業額並呈報予主要營運決策人。並無向主要營運決策人分別呈報品牌銷售及原設備製造／原設計製造銷售業績。

營業額代表本集團向外部客戶出售產品而已收及應收之款項淨額，乃扣除折扣及相關銷售稅。

Notes:

附註：

3. SEGMENT INFORMATION (Continue)

The following is an analysis of the Group's revenue and results by operating segments:

3. 分部資料(續)

本集團按營運分部之收入及業績分析如下：

		Smart Learning and Immersive Technology 智能教育 與學習 HK\$'M 港幣百萬元	Connected Home and Communications 智能家居 HK\$'M 港幣百萬元	Health and Wellness 智能運動 健康及保健 HK\$'M 港幣百萬元	Others 其他 HK\$'M 港幣百萬元	Total 總額 HK\$'M 港幣百萬元
Six months ended June 30, 2019	截至二零一九年 六月三十日止六個月					
Segment revenue	分部收入					
Branded sales	品牌銷售	16.5	13.3	1.2	0.4	31.4
OEM/ODM sales	原設備製造/ 原設計製造銷售	—	3.9	73.5	4.5	81.9
Total segment revenue	分部收入總額	16.5	17.2	74.7	4.9	113.3
Segment loss	分部虧損	(5.8)	(5.5)	(5.2)	(1.9)	(18.4)
Unallocated expenses	未經分配之開支					(12.0)
Loss before taxation	除稅前虧損					(30.4)
Six months ended June 30, 2018	截至二零一八年 六月三十日止六個月					
Segment revenue	分部收入					
Branded sales	品牌銷售	24.9	39.2	12.8	3.4	80.3
OEM/ODM sales	原設備製造/ 原設計製造銷售	—	32.4	82.2	30.0	144.6
Total segment revenue	分部收入總額	24.9	71.6	95.0	33.4	224.9
Segment loss	分部虧損	(2.0)	(25.7)	(19.1)	(11.3)	(58.1)
Unallocated expenses	未經分配之開支					(3.6)
Loss before taxation	除稅前虧損					(61.7)

Notes:

附註：

3. SEGMENT INFORMATION (Continue)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both periods.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit/(loss) earned by each segment without allocation of interest income and unallocated expenses such as central administrative cost and finance costs. This is the measure reported to the Group's chief operating decision maker, for the purposes of resource allocation and performance assessment.

4. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging/(crediting) the following:

Depreciation of property, plant and equipment	物業、廠房及設備之折舊
Amortisation of intangible assets	無形資產之攤銷
Amortisation of right-of-use assets	使用權資產攤銷
Net exchange losses/(gains)	淨匯兌虧損/(溢利)

5. TAXATION

The charge comprises:

Taxation of the Company and its subsidiaries:	本公司及其附屬公司稅項：
Hong Kong Profits Tax	香港利得稅
Taxation in other jurisdictions	其他司法權地區之稅項

3. 分部資料(續)

上文所報告之分部收入代表向外部客戶銷售的收入。兩個期間，皆沒有分部間之銷售。

經營分部之會計政策與本集團之會計政策相同。分部溢利/(虧損)即各分部所賺取之溢利/(虧損)，但並無就利息收入、未經分配之開支如總部行政成本及融資成本作出分配。此為向集團主要營運決策人就資源分配及表現評估作報告之計量方式。

4. 除稅前虧損

除稅前虧損已扣除/(計入)下列各項：

Six months ended June 30, 截至六月三十日止六個月

2019 二零一九年 HK\$'M 港幣百萬元	2018 二零一八年 HK\$'M 港幣百萬元
6.1	4.1
—	0.2
10.9	—
2.3	(0.3)

5. 稅項

稅項費用包括：

Six months ended June 30, 截至六月三十日止六個月

	2019 二零一九年 HK\$'M 港幣百萬元	2018 二零一八年 HK\$'M 港幣百萬元
Taxation of the Company and its subsidiaries:		
Hong Kong Profits Tax	—	—
Taxation in other jurisdictions	—	(0.6)
	—	(0.6)

Notes:

附註：

5. TAXATION (Continued)

Hong Kong profits tax has been provided at the statutory tax rate of the estimated assessable profits for the period less available tax losses. Under the two-tier profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

6. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company for the period is based on the following data:

5. 稅項(續)

香港利得稅已根據估計期內應課稅溢利減可用稅務虧損按法定稅率作出撥備。根據利得稅兩級制，合資格法團首港幣二百萬元溢利的利得稅率將為8.25%，其後港幣二百萬元以上的溢利則按16.5%徵稅。其他司法權地區之稅項乃按照有關地區現行之稅率計算。

6. 每股虧損

本期間本公司擁有人所佔每股基本虧損乃按下列數據計算：

		Six months ended June 30, 截至六月三十日止六個月	
		2019 二零一九年 HK\$'M 港幣百萬元	2018 二零一八年 HK\$'M 港幣百萬元
Loss for the period attributable to owners of the Company for the purposes of calculating basic loss per share	用以計算每股基本虧損之本公司擁有人本期間所佔之虧損	(30.4)	(62.3)
		Six months ended June 30, 截至六月三十日止六個月	
		2019 二零一九年	2018 二零一八年
Number of ordinary shares for the purposes of calculating basic loss per share	用以計算每股基本虧損之普通股股數	2,599,993,088	2,599,993,088

No diluted loss per share are presented as there were no potential dilutive ordinary shares in issue during both periods.

由於兩個期間內並無任何已發行潛在攤薄普通股，故並無呈列每股攤薄虧損。

Notes:

附註：

7. TRADE AND OTHER RECEIVABLES

The following is an ageing analysis of trade receivables (net of provision for doubtful debts) presented based on the invoice date at the reporting date:

		As at June 30, 2019 於二零一九年 六月三十日 HK\$'M 港幣百萬元	As at December 31, 2018 於二零一八年 十二月三十一日 HK\$'M 港幣百萬元
0 to 30 days	0至30日	14.7	22.9
31 to 90 days	31日至90日	1.2	12.5
Over 90 days	90日以上	4.5	1.2
Trade receivables	貿易應收賬款	20.4	36.6
Other receivables	其他應收款項	51.6	44.7
Total trade and other receivables	貿易及其他應收款項總額	72.0	81.3

The Group normally allows credit period of 30 to 60 days to its trade customers. Customers with a long business relationship and strong financial position are allowed to settle their balances beyond the normal credit terms up to 90 days.

8. TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

		As at June 30, 2019 於二零一九年 六月三十日 HK\$'M 港幣百萬元	As at December 31, 2018 於二零一八年 十二月三十一日 HK\$'M 港幣百萬元
0 to 30 days	0至30日	31.2	35.1
31 to 90 days	31日至90日	6.6	17.7
Over 90 days	90日以上	43.2	45.7
Trade payables	貿易應付賬款	81.0	98.5
Other payables	其他應付款項	29.0	19.3
Total trade and other payables	貿易、其他應付款項總額	110.0	117.8

7. 貿易及其他應收款項

於報告結算日扣除呆賬撥備之貿易應收賬款按發票日期呈列之賬齡分析如下：

8. 貿易及其他應付款項

於報告期間結算日之貿易應付賬款按發票日期呈列之賬齡分析如下：

Notes:

附註：

9. SHARE CAPITAL

9. 股本

		Number of shares 股份數目	Amount 金額 HK\$M 港幣百萬元
Authorised:	法定股本：		
At December 31, 2018 and June 30, 2019	於二零一八年十二月三十一日 及二零一九年六月三十日		
— ordinary shares of HK\$0.10 each	— 每股面值港幣0.10元之 普通股	20,000,000,000	2,000.0
At December 31, 2018 and June 30, 2019	於二零一八年十二月三十一日 及二零一九年六月三十日		
— ordinary shares of US\$0.10 each	— 每股面值0.10美元之 普通股	10,000	—
Issued and fully paid:	已發行及繳足股本：		
At December 31, 2018 and June 30, 2019	於二零一八年十二月三十一日 及二零一九年六月三十日		
— ordinary shares of HK\$0.10 each	— 每股面值港幣0.10元之 普通股	2,599,993,088	260.0

Financial Review

業務回顧

FINANCIAL RESULTS

The Group's total revenue for the six months ended June 30 2019 was amounted to HK\$113.3 million (1H2018: HK\$224.9 million), representing a decrease of approximately 49.6% as compared with same period last year.

Gross profit totaled HK\$18.3 million (1H2018: HK\$45.1 million), representing a decrease of approximately 59.4% as compared with the same period last year. Gross profit margin decreased to 16.2% in first half of 2019, mainly due to the fact that unit production costs increased. The Group allocated the production resources to those customers' orders with high profit margins, However, those sales order were relatively less in term of quantity and the fixed production overhead remained stable..

Total operating expenses of the Group, including research and development costs, distribution and selling expenses, general administrative expenses and finance cost, amounted to HK\$53.0 million (1H2018: HK\$114.4 million). As the revenue decreased during the six months ended June 30, 2019 and the management implemented various measures to control the operating expenses, the operating expenses decreased accordingly.

Other income and other gains and losses during first half of 2019 were recorded as net gains of HK\$4.3 million (1H2018: gains of HK\$7.6 million).

Losses for the six months ended June 30, 2019 was HK\$30.4 million (1H2018: loss of HK\$62.3 million).

BUSINESS REVIEW

In the first half of 2019, the sales revenue was HK\$113.3 million, which was lower than that of the corresponding period of 2018 (HK\$224.9 million). The decrease in revenue was because the orders of some customers were scheduled to be delivered in the second half of 2019.

Through various measures implemented by the management, the expenses were reduced from HK\$114.4 million to HK\$53.0 million. The loss of the Group was HK\$30.4 million which decreased by 51.2% from HK\$62.3 million for 1H 2018.

財務業績

截至二零一九年六月三十日止六個月，本集團錄得總收入為港幣113.3百萬元（二零一八年上半年：港幣224.9百萬元），較去年同期下降49.6%。

毛利總額為港幣18.3百萬元（二零一八年上半年：港幣45.1百萬元），較去年同期下降約59.4%。二零一九年上半年毛利率下降至16.2%，乃主要由於單位生產成本增加所致。本集團將生產資源分配予具有高利潤率的客戶訂單。然而該等銷售訂單數量相對較少，但其固定生產費用保持穩定。

本集團的總營運開支為港幣53.0百萬元（二零一八年上半年：港幣114.4百萬元），該等開支包括研究及開發費用、分銷及銷售開支、一般行政開支及融資成本。由於截至二零一九年六月三十日止六個月收入減少，管理層採取多項措施控制營運開支，因此導致營運開支相應減少。

於二零一九年上半年，其他收入以及其他收益及虧損錄得淨收益港幣4.3百萬元（二零一八年上半年：收益港幣7.6百萬元）。

截至二零一九年六月三十日止六個月之虧損為港幣30.4百萬元（二零一八年上半年：虧損港幣62.3百萬元）。

業務回顧

於二零一九年上半年，本集團之銷售收入為港幣113.3百萬元，較二零一八年同期（港幣224.9百萬元）有所減少。收入減少乃由於若干客戶的訂單已推遲至二零一九年下半年交付所致。

透過管理層所實施的多項措施，開支從港幣114.4百萬元減少至港幣53百萬元。本集團的虧損為在港幣30.4百萬元，較二零一八年上半年的港幣62.3百萬元減少51.2%。

Financial Review

業務回顧

The Company will continue to explore business opportunities and implement cost control measures to enhance efficiency.

Oregon Scientific (“OS”)

Due to the financial constraints and priority given to the VMS customers, the delivery of the customers’ purchase orders under OS brand were postponed to the third and fourth quarters of 2019. The sales revenue was HK\$31.4 million (1H2018: HK\$80.3 million), accounting for 27.7% of the Group’s total revenue. CoH (Connected Home) and SLP (Smart Learning) were still the main product categories, accounting for 90% of OS sales.

In general, the Group will aim at re-activating the brand business in the 2nd half of 2019 to retain the brand awareness and sales channels in the overseas markets, while developing those for China. In CoH category, we will attempt to cooperate with our partners to bring a series of the upgraded version on the existing products at more affordable prices, while streamlining the number of stockkeeping units for a more effective inventory management.

In SLP, the technology enablement of AR functions in this category continued to be welcomed by the customers and we maintain a strong growth in certain overseas countries such as Japan, Spain and Russia. China is our next main focus and the Group is preparing the new product, the same of which will be launched in the fourth quarter of 2019 in China. The adjustment of the business model in Italy and Germany through establishing partnership with reputable distributors did enhance the access to the market at lower cost with quicker cash inflow.

Value Manufacturing Services (“VMS”)

In the 1st half of 2019, despite the order delivery challenges, the Group successfully retained most of the VMS customers. Several existing key customers increased the number of orders significantly which will be delivered in the 2nd half of the 2019. However, due to the weak performance trend of the global consumer electronics industry as a result of the US-China trade war, it is expected to have adverse impacts on the purchase from certain customers particularly from the United States.

本公司將繼續發掘業務機會及控制成本，以提升效率。

Oregon Scientific (「OS」)

鑑於財務限制及VMS客戶的先後緩急順序，交付OS品牌下的客戶採購訂單推遲至二零一九年第三季度及第四季度。銷售收入為港幣31.4百萬元(二零一八年上半年：港幣80.3百萬元)，佔本集團總銷售收入的27.7%。智能家居及智能教育仍是主要產品類別，佔OS銷售額的90%。

整體而言，本集團將找準目標，在二零一九年第四季度再度盤活品牌業務，以保持品牌在海外市場的銷售範圍及銷售渠道，同時為中國開發該等海外市場。智能家居方面，我們將嘗試與我們的合伙人合作，攜手帶來一系列價格更加實惠的現有產品升級版，同時精簡貨存單位數量，以提高存貨管理的效率。

智能教育方面，對AR功能的技術支持繼續受到客戶青睞，而我們在日本、西班牙及俄羅斯等若干國家依然取得強勁增長。中國是我們今後重點關注的市場，本集團正在籌備將於二零一九年第四季度在中國推出的新產品。透過與知名分銷商合作建立關係，我們對在意大利及德國的業務模式作出調整，的確讓我們以較低的成本及更快的現金流入加快進入市場的步伐。

價值製造服務(「VMS」)

於二零一九年上半年，儘管交付訂單方面面臨重重挑戰，本集團依然成功挽留了大多數VMS客戶。若干現有主要客戶增加了將於二零一九年下半年交付的訂單數量。然而，由於貿易戰導致全球消費電子大勢疲弱，確實影響若干客戶(尤其是美國)的訂單。

Financial Review

業務回顧

The sales revenue of VMS business was HK\$81.9 million (1H 2018: HK\$144.6 million) which accounted for 72.3% of the Group's total revenue. In terms of product categories, Sports, Health & Fitness are still the key products, and followed by the Connected Home.

The Group has received the continuous and loyal support from the long-term major customers, and continued to new purchase orders. To maintain our competitiveness, the VMS research & development team continuously establishes strategic partnership with global innovative technology partners such as E-ink watch, PWTT Smart blood pressure monitor, heart rate variability measurement, sleeping aid solution and is ready for the new projects.

OUTLOOK

The unstable global economy and the US-China trade war will continue to affect the Group's business. Nonetheless, there are still opportunities and the Group remains confident in its business direction and strategy in 2019.

The Group continues to develop China market and maximize customer coverage through offline and online channels, with customized product development focusing on Sports Fitness Health and Smart Learning products. Strategic partnerships will be formed with the leading institutes in the areas of children learning and healthcare in China to develop the customized products and promotion through the joint effort.

Oregon Scientific ("OS")

The main objective under OS in the 2nd half of the 2019 is to reactivate the brand business and recover the orders of OS brand partners in the overseas markets. The Group has scheduled to hold several sales campaigns in overseas markets.

Several new Smart Learning products will be launched and this category will continue to be the main product category of the OS business. The upcoming new products not only will come with the immersive AR technology, but also equipped with the voice recognition function to enhance the children's learning experience. Strategic partnership will be formed with Intellectual Property Publishing House, which is under the National Intellectual Property Administration of the PRC with a focus on promoting this product category into the targeted channels include school with joint promotion effort.

VMS業務的銷售收入為港幣81.9百萬元(二零一八年度上半年:港幣144.6百萬元),佔本集團收益總額的72.3%。產品類別方面,運動、健康及體體依然是主要類別,緊隨其後的是智能家居。

本集團已獲得長期合作的所有重要客戶的大力支持,同時繼續取得新訂單。為保有競爭力,VMS研發團隊堅持不懈與全球創新技術合伙人進行戰略合作(如E-ink墨水屏手表、PWTT智能血壓測量、心率動態測量解決方案及改善睡眠解決方案),並時刻準備承接新項目。

前景

雖然全球經濟不穩定及中美貿易戰將繼續對本集團業務產生影響,但機會仍然存在,本集團於二零一九年仍對自身業務方針及策略充滿信心。

本集團繼續大力開拓中國市場,最大限度地從線下以及在線渠道提升客戶覆蓋範圍,定製產品開發重點為運動、體體及健康以及智能教學產品。本集團將與中國領先的兒童教育及保健領域的機構建立戰略夥伴關係,共同努力開發定製產品並進行聯合推廣。

Oregon Scientific ("OS")

於二零一九年下半年,OS項下的主要目標為重新盤活品牌業務並恢復海外市場OS品牌合伙人的訂單。本集團計劃在海外開展若干銷售活動。

本公司將推出若干智能教育產品,並將繼續為OS業務的主要產品類別。即將推出的新產品不僅配備有互動AR技術,更具有語音識別功能,可提升兒童的學習體驗。本公司將與中國國家知識產權局下屬的知識產權出版社建立戰略夥伴關係,重點以聯合推廣的方式在目標渠道推廣該產品類別。

Financial Review

業務回顧

The Group will also continue to work on controlling the selling expenses, reducing the inventory level and enhancing the cash collection turnover through the on-going adjustment in business model to enhance business efficiency.

Value Manufacturing Services (“VMS”)

The Group continues to focus on those customers who contribute good scale and profit margin and technology know-how sharing and improve our service. Sports, Fitness, Health and Connected Home would continue to be the main category of the VMS business.

Sleep aid and health monitoring system would be the areas that the Group will put emphasis. All these new products are related to the big data concept. As such, our customer and strategic partners will work with us to analyze and utilize these data to develop products which could suit better the consumers' needs.

Besides retaining the existing customers and developing new ones, our focus includes continuously improving the efficiency of product developments and manufacturing operation. We will continue to innovate our products with our VMS customers at the lowest cost with best endeavours. As such, our VMS customers would be able to retain more resources to be invested into new products and make us more competitive and grow together.

WORKING CAPITAL

Inventory amount as at June 30, 2019 was HK\$67.9 million, representing a decrease of approximately 9.2% as compared to HK\$74.8 million as at December 31, 2018. The inventory turnover days increased to 137 days (December 31, 2018: 91 days).

Trade debtor amount as at June 30, 2019 was HK\$20.4 million, representing a decrease of approximately 44.3% as compared to HK\$36.6 million as at December 31, 2018. Trade debtor's turnover days decreased to 46 days (December 31, 2018: 64 days).

本集團亦將持續作出業務模式變動，繼續致力於控制銷售開支、壓縮存貨水平及提升現金流週轉率，以提升經營效率。

價值製造服務（「VMS」）

本集團將繼續關注能夠帶來豐厚利潤及分享技術知識的客戶，並提升我們的服務水平。運動、健體、健康及智能家居依然是VMS業務的主要類別。

本集團將着重改善睡眠及健康監測系統領域。所有這些新產品均涉及大數據概念。因此，我們的客戶及戰略合伙人將與我們一道分析並利用這些數據，以開發更切合客戶需求的產品。

除了維持現有客戶及吸納新客戶，我們的工作重點包括持續不斷努力提高產品開發及製造業務效能。本集團將繼續以最低的成本及最大的努力為VMS客戶提供創新產品，從而使客戶有更多的資源進行新產品投資，增強我們的競爭力，共同成長。

營運資金

存貨金額於二零一九年六月三十日為港幣67.9百萬元，較二零一八年十二月三十一日之港幣74.8百萬元減少9.2%。存貨週轉天數延長至137天（二零一八年十二月三十一日：91天）。

貿易應收賬款金額於二零一九年六月三十日為港幣20.4百萬元，較二零一八年十二月三十一日之港幣36.6百萬元減少44.3%。貿易應收賬款週轉天數減少至46天（二零一八年十二月三十一日：64天）。

Financial Review

業務回顧

LIQUIDITY AND TREASURY MANAGEMENT

As at June 30, 2019, the cash and bank balances of the Group were HK\$20.4 million (December 31, 2018: HK\$22.3 million).

During the six months ended June 30, 2019, the Group generated its funds mainly from operating activities. The Group is using its best endeavour to optimize its financial resources and may consider raising fund through financing activities to meet its working capital requirements if necessary.

CHARGES ON GROUP ASSETS

As at June 30, 2019, there were no financial charges on the Group's assets.

CAPITAL EXPENDITURE

Capital expenditure on property, plant and equipment for the six months ended June 30, 2019 amounted to HK\$1.4 million (1H2018: HK\$7.8 million) which was primarily used for the business operation and development.

There were no material acquisitions or disposals of associated companies in the course of the six months ended June 30, 2019.

DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended June 30, 2019 (1H2018: Nil).

流動資金及財務管理

於二零一九年六月三十日，本集團之現金及銀行結餘為港幣20.4百萬元（二零一八年十二月三十一日：港幣22.3百萬元）。

截至二零一九年六月三十日止六個月，本集團所產生的資金主要來自營運活動。本集團正竭力優化財務資源，或會考慮通過融資活動募集資金，以滿足營運資金所需（倘必要）。

本集團資產抵押

於二零一九年六月三十日，本集團概無任何用作抵押之資產。

資本開支

截至二零一九年六月三十日止六個月，物業、廠房及設備之資本開支為港幣1.4百萬元（二零一八年上半年：港幣7.8百萬元），主要用於業務運作及發展。

截至二零一九年六月三十日止六個月，本集團並沒有進行有關聯營公司之重大收購或出售。

股息

董事會不建議派發截至二零一九年六月三十日止六個月之股息（二零一八年上半年：無）。

Financial Review

業務回顧

CONTINGENT LIABILITIES

As disclosed in the annual report 2018 of the Company, an indirect wholly-owned subsidiary of the Company, Oregon Scientific Brasil Ltda., was involved in a tax dispute with the State of Sao Paulo, the Federative Republic of Brazil, which may cause a maximum tax payment including penalty and interest of approximately BRL 3.6 million (equivalent to approximately HK\$7.3 million).

Currently, there is no update or progress after we filed the appeal at the Tax Court of Sao Paulo in early 2019. We will keep monitoring the same closely.

HUMAN RESOURCES AND REMUNERATION POLICY

As at June 30, 2019, the Group had approximately 525 employees (June 30, 2018: approximately 882 employees). The Group fully recognises the importance of its employees who contribute significantly to its success and continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular professional training.

The Group's remuneration policy is to provide compensation packages at market rates which reward individual performance and attract, retain and motivate high quality employees. The compensation packages offered by the Group are comparable with other entities of similar size and business nature and are reviewed annually. The components of the employee remuneration package comprise basic salary, double pay, fringe benefits including pension scheme, medical insurance, life and personal accident insurance, employee compensation and business travel insurance as well as incentives like discretionary cash bonus.

或然負債

正如本公司二零一八年年報所披露，本公司的間接全資附屬公司Oregon Scientific Brasil Ltda 與巴西聯邦共和國聖保羅州發生稅務糾紛，可能導致繳納最高稅款（包括罰金及利息約為3.6百萬巴西雷亞爾（相當於約港幣7.3百萬元））。

目前，繼我們於二零一九年初向聖保羅稅務法院申請上訴後，並無任何更新或進展，我們將繼續密切監察相關情況。

人力資源及薪酬政策

於二零一九年六月三十日，本集團約共聘有525名僱員（二零一八年六月三十日：約882名僱員）。本集團深明僱員對本集團取得今日成就實在功不可沒，並為員工提供充足及定期專業培訓，藉以不斷保持及提升員工之工作表現。

本集團之薪酬政策旨在提供符合市場水平的薪津組合，以回報僱員之個人表現，並且吸引、挽留並激勵能幹員工。本集團之薪津組合可與其他規模和業務性質相若之實際提供薪津組合媲美，而本集團亦會每年對此進行檢討。僱員之薪津組合包括以下各項：基本薪金、雙糧及額外福利（包括退休保障計劃、醫療保險、人壽及個人意外保險、僱員補償及公幹保險）。此外集團亦提供酌情現金花紅等獎勵。

DIRECTORS' INTERESTS IN SECURITIES

None of the directors or chief executives of the Company or any of their associates had, as at June 30, 2019, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under the provisions of the SFO) or which were recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

SUBSTANTIAL SHAREHOLDERS

As at June 30, 2019, the following persons (other than the directors or the chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO or as otherwise notified to the Company as follows:

Name 名稱	No. of shares held 所持 股份數目	% of the issued shared capital 佔已發行 股本百分比
China Huaneng Foundation Construction Investment Ltd 中國華能基礎建設投資有限公司	753,997,995 (L)	29%
Zhu Yongning (note 1) 朱永寧 (附註1)	753,997,995 (L)	29%
Jiangsu Hongtu High Technology Co., Ltd (note 2) 江蘇宏圖高科技股份有限公司 (附註2)	556,898,770 (L)	21.42%
Jiangsu Hongtu High Technology (Hong Kong) Co. Limited (note 3) 江蘇宏圖高科技(香港)股份有限公司 (附註3)	556,898,770 (L)	21.42%
Hongtu High Technology Int' l Inc.	556,898,770 (L)	21.42%
Chan Pau Shiu Yeng Shirley (note 4) 陳鮑雪瑩 (附註4)	130,412,067 (L)	5.02%
Raymond Chan (note 4) 陳焯文 (附註4)	130,412,067 (L)	5.02%

董事之證券權益

於二零一九年六月三十日，本公司董事或最高行政人員或彼等任何聯繫人士，概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）（包括根據該等證券及期貨條例條文被當作或視作擁有之權益或淡倉）或本公司根據證券及期貨條例第352條須予備存之登記冊所記錄或根據上市發行人董事進行證券交易的標準守則須知會本公司及聯交所之權益或淡倉。

主要股東

於二零一九年六月三十日，除本公司董事或最高行政人員外，下列人士於本公司之股份及相關股份中，擁有本公司根據證券及期貨條例第336條須予備存之登記冊所記錄或須知會本公司之權益或淡倉如下：

SUBSTANTIAL SHAREHOLDERS (Continue)

Notes:

- (1) Zhu Yongning holds 100% of the equity interests of China Huaneng Foundation Construction Investment Ltd ("Huaneng"). Therefore, it is deemed to be interested in the interest in the shares of the Company held by Huaneng through its subsidiary.
- (2) Jiangsu Hongtu High Technology Co., Ltd. holds 100% of the equity interests of Jiangsu Hongtu High Technology (Hong Kong) Co. Limited ("Hongtu (HK)"). Therefore, it is deemed to be interested in the interest in the shares of the Company held by Hongtu (HK) through its subsidiary (see note 3 below).
- (3) Hongtu (HK) holds 100% of the issued share of Hongtu High Technology Int'l Inc. ("Hongtu (Seychelles)"). Therefore, Hongtu (HK) is deemed to be interested in the 556,898,770 shares of the Company beneficially owned by Hongtu (Seychelles) by virtue of its shareholding of Hongtu (Seychelles).
- (4) Mrs. Chan Pau Shiu Yeng, Shirley ("Mrs. Chan") is the wife of Dr. Raymond Chan ("Dr. Chan"). She is therefore deemed to be interested in the 130,412,067 shares of the Company held by Dr. Chan. The letter "L" denotes the shareholder's long position in the shares

The letter "L" denotes the shareholder's long position in the shares.

Save as disclosed above, the Company had not been notified by any person (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 as at June 30, 2019 which were required to be disclosed to the Company under Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors of the Group (the "Code") on terms no less exacting than the required standard set out in the Model Code contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Having made specific enquiry of all directors, they have confirmed that they complied with the required standards set out in both the Model Code and the Code throughout the six months ended June 30, 2019.

主要股東 (續)

附註：

- (1) 朱永寧持有中國華能基礎建設投資有限公司(「華能」)100%股本權益，因而被視為通過其全資控股公司擁有華能所持有本公司股份的權益。
- (2) 江蘇宏圖高科技股份有限公司持有江蘇宏圖高科技(香港)股份有限公司(「江蘇宏圖香港」)100%股本權益，因而被視為通過其附屬公司(見下文附註3)擁有江蘇宏圖香港所持本公司股份的權益。
- (3) 江蘇宏圖香港持有Hongtu High Technology Int'l Inc. (「Hongtu (Seychelles)」)之已發行股份100%。因此，江蘇宏圖香港因持有Hongtu (Seychelles)之股權而被視為擁有Hongtu (Seychelles)實益擁有的本公司556,898,770股股份之權益。
- (4) 陳鮑雪瑩女士(「陳女士」)為陳煒文博士(「陳博士」)之妻子。因此其被視為擁有陳博士持有的本公司130,412,067股股份的權益。

[「L」代表股東在此等股份中所持之好倉。

除上文所披露者外，於二零一九年六月三十日，本公司並無獲任何人士(本公司董事或最高行政人員除外)知會，彼於本公司之股份及相關股份中，擁有根據證券及期貨條例第XV部須向本公司披露或本公司根據證券及期貨條例第336條須予備存之登記冊所記錄之權益或淡倉。

證券交易標準守則

本公司已就本集團董事進行證券交易採納一套行為守則(「守則」)，該守則之條款不寬鬆於香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十所載所需之標準守則。

經向全體董事作出具體查詢後，全體董事均確認，彼等於截至二零一九年六月三十日止六個月內均已遵守標準守則及守則內所載之所需標準。

SHARE OPTION SCHEME

The subsisting share option scheme (the “2012 Share Option Scheme”) was adopted by the Company on August 29, 2012.

During the period under review, no share option was granted, exercised, lapsed or cancelled under the 2012 Share Option Scheme. As at June 30, 2019, there was no outstanding share option of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the review period.

NON-COMPLIANCE WITH RULES 3.10, 3.21 AND 3.25 OF THE LISTING RULES

Following the retirement of Mr. Zhou Rui, the Company only had two independent non-executive Directors, which fell below the minimum number requirement of independent non-executive Directors and that at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise as required under Rules 3.10 and 3.21 of the Listing Rules respectively. The Company also only had two audit committee members which fell below the minimum number of committee members requirement under Rule 3.21 of the Listing Rules. The remuneration committee of the Company did not have a chairman who is an independent non-executive Director as required under Rule 3.25 of the Listing Rules.

On 30 August 2019 the Group already appointed (i) Mr Zhou Rui as independent non-executive director and a member of the audit committee and (ii) Mr. Xu Jinwen as the chairman of the remuneration committee in order to comply with the relevant rules and regulations.

購股權計劃

本公司現時有效的購股權計劃（「二零一二年購股權計劃」）於二零一二年八月二十九日採納。

於回顧期內，根據二零一二年購股權計劃，概無任何購股權被授予、獲行使、失效或被取消。於二零一九年六月三十日，本公司並無已經授出但尚未行使的購股權。

購買、出售或贖回本公司之上市證券

於回顧期內，本公司及其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

不符合上市規則第3.10條、第3.21條及第3.25條

於周銳先生退任後，本公司僅有兩名獨立非執行董事，根據上市規則第3.10及3.21條分別低於獨立非執行董事的最低人數要求及不符合至少一名獨立非執行董事須具備適當專業資格或會計或相關財務管理專長之規定。本公司亦僅有兩名審核委員會成員，其低於上市規則第3.21條委員會成員最低人數規定。根據上市規則第3.25條的規定，本公司薪酬委員會並無獨立非執行董事擔任主席。

於二零一九年八月三十日，本集團已委任(i)周銳先生為獨立非執行董事及審核委員會成員；及(ii)徐錦文先生為薪酬委員會主席，以遵守相關的規則及規例。

CORPORATE GOVERNANCE

For the six months ended June 30, 2019, save as disclosed in this report, the Company has applied the principles and complied with all Code Provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

AUDIT COMMITTEE

The Company established an audit committee (the “Audit Committee”) with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Group. As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Zhou Meilin, Mr. Xu Jinwen and Mr. Zhou Rui. Mr. Zhou Meilin is the chairman of the Audit Committee.

The unaudited financial results of the Group for the six months ended June 30, 2019 have been reviewed by the Audit Committee.

APPRECIATION

On behalf of the Board, I wish to express gratitude to the management team and staff members for their hard work, dedication and support to the Group throughout the review period.

On behalf of the Board
IDT International Limited
Zhu Yongning
Executive Director and Chief Executive Officer

Hong Kong, August 30, 2019

企業管治

於截至二零一九年六月三十日止六個月，除本報告所披露者外，本公司已應用並遵守香港聯合交易所有限公司證券上市規則附錄十四所載之企業管治守則的所有原則及守則條文。

審核委員會

本公司根據上市規則成立審核委員會（「審核委員會」），其具有書面職權範圍。審核委員會的主要職責為審閱及監督本集團財務報告流程及風險管理及內部控制系統。於本公告日期，審核委員會包括三名獨立非執行董事，即周美林先生、徐錦文先生和周銳先生。周美林先生為審核委員會主席。

本集團於截至二零一九年六月三十日止六個月之未經審核財務業績已經審核委員會審閱。

致謝

本人謹代表董事會感謝全體管理層及員工於回顧期內努力不懈、對本集團盡心效力及支持。

代表董事會
萬威國際有限公司
執行董事兼行政總裁
朱永寧

香港，二零一九年八月三十日



IDT INTERNATIONAL LIMITED 萬威國際有限公司

