

Interim Report

2020

中期報告



TIAN CHANG GROUP HOLDINGS LTD.
天長集團控股有限公司

(Incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2182

CONTENTS

目錄

Corporate Information 公司資料	2
Management Discussion and Analysis 管理層討論與分析	4
Other Information 其他資料	14
Condensed Consolidated Income Statement 簡明綜合收益表	21
Condensed Consolidated Statement of Comprehensive Income 簡明綜合全面收益表	22
Condensed Consolidated Statement of Financial Position 簡明綜合財務狀況表	23
Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表	25
Condensed Consolidated Statement of Cash Flows 簡明綜合現金流量表	27
Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註	29

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Tsan Lam (*Chairman*)
Ms. Poon Po Han Lisa
Ms. Chan Yin Yan

Independent Non-Executive Directors

Mr. Ng Chi Wai
Mr. Hung Chun Leung
Mr. Chan Bing Kai

COMPANY SECRETARY

Ms. Poon Po Han Lisa

AUTHORISED REPRESENTATIVES

Mr. Chan Tsan Lam
Ms. Poon Po Han Lisa

AUDIT COMMITTEE

Mr. Ng Chi Wai (*Chairman*)
Mr. Hung Chun Leung
Mr. Chan Bing Kai

REMUNERATION COMMITTEE

Mr. Chan Bing Kai (*Chairman*)
Mr. Chan Tsan Lam
Mr. Ng Chi Wai

NOMINATION COMMITTEE

Mr. Chan Tsan Lam (*Chairman*)
Mr. Hung Chun Leung
Mr. Ng Chi Wai

REGISTERED OFFICE

Cricket Square
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P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

WEBSITE OF THE COMPANY

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PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA ("PRC")

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董事會

執行董事

陳燦林先生 (*主席*)
潘寶嫻女士
陳燕欣女士

獨立非執行董事

吳志偉先生
洪俊良先生
陳秉階先生

公司秘書

潘寶嫻女士

授權代表

陳燦林先生
潘寶嫻女士

審核委員會

吳志偉先生 (*主席*)
洪俊良先生
陳秉階先生

薪酬委員會

陳秉階先生 (*主席*)
陳燦林先生
吳志偉先生

提名委員會

陳燦林先生 (*主席*)
洪俊良先生
吳志偉先生

註冊辦事處

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Cayman Islands

公司網站

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廣東省惠州市
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東江高新科技產業園
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CORPORATE INFORMATION

公司資料

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
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Loeb & Loeb LLP
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PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

STOCK CODE

2182

香港總部及主要營業地點

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香港股份過戶登記處

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核數師

中審眾環(香港)會計師事務所有限公司
執業會計師
香港
灣仔
港灣道18號
中環廣場42樓

香港法律的法律顧問

樂博律師事務所有限法律責任合夥
香港
干諾道中3號
中國建設銀行大廈21樓

主要往來銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司

股份代號

2182

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

In the first half of 2020, the Group has been inevitably impacted by the escalating Sino-US trade war and the global outbreak of novel coronavirus (“**COVID-19**”) pandemic. Pandemic prevention measures including but not limited to countries lockdown and suspension of businesses affected the global economy. Under this adverse business environment, the demand for our products has been decreased. In addition, the manufacturing and delivery of products for some of our confirmed orders has been delayed or suspended. On the other hand, expecting the demand for disposable face masks and other medical consumable products to maintain at a high level in the future, the Group started a new chapter in the establishment and development of the medical consumable products segment.

The Group operates its business through three segments, including integrated plastic solutions segment, electronic cigarette (the “**e-cigarettes**”) products segment and medical consumable products segment. The integrated plastic solutions segment engages in mould design and fabrication services as well as plastic component design and manufacturing services. The e-cigarettes products segment engages in the manufacturing and sales of e-cigarettes products under the brand names owned by a well-known tobacco group. During the first half of 2020, the Group also engaged in medical consumable products segment by manufacturing and sales of disposable face masks products under our own brand name of “**CAREWE**”. The Group distributes our products within the domestic market and to overseas markets, including Europe, Asia and the United States (the “**U.S.**”).

During the six months ended 30 June 2020, the Group’s total revenue amounted to approximately HK\$293.3 million, representing a decrease of approximately 56.0% compared to the same period last year (30 June 2019: HK\$666.7 million). The Group recorded a gross profit of approximately HK\$68.7 million (30 June 2019: HK\$162.3 million) with a gross profit margin of approximately 23.4% (30 June 2019: 24.3%).

業務回顧

於2020年上半年，本集團不可避免地受到中美貿易戰升級與新型冠狀病毒（「**新冠肺炎**」）疫情於全球爆發的影響。疫情防控措施（包括但不限於國家封鎖及停業）對全球經濟造成影響。於這種不利的業務環境下，我們的產品需求有所下降。此外，本集團已延遲或暫停部分已確認訂單產品的製造及交付。另一方面，預期市場對即棄口罩及其他醫療消耗品的需求在未來將維持高位，本集團已開啟新篇章，設立並發展醫療消耗品分部。

本集團通過三個分部經營業務，包括一體化注塑解決方案分部、電子煙（「**電子煙**」）產品分部及醫療消耗品分部。一體化注塑解決方案分部從事模具設計及製作服務以及注塑組件設計及製造服務。電子煙產品分部從事以一間知名煙草集團擁有的品牌製造及銷售電子煙產品。於2020年上半年，本集團亦通過以我們的自有品牌「**CAREWE**」製造及銷售即棄口罩產品從事醫療消耗品分部。本集團將我們的產品分銷至國內市場及海外市場，包括歐洲、亞洲及美國（「**美國**」）。

截至2020年6月30日止六個月，本集團的總收益約為293.3百萬港元，較去年同期減少約56.0%（2019年6月30日：666.7百萬港元）。本集團錄得毛利約68.7百萬港元（2019年6月30日：162.3百萬港元），毛利率約23.4%（2019年6月30日：24.3%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW (CONTINUED)

The Group recorded a profit for the six months ended 30 June 2020 attributable to equity holders of the Company of approximately HK\$5.6 million (30 June 2019: HK\$65.9 million). Basic earnings per share attributable to equity holders of the Company were approximately 0.90 HK cents (30 June 2019: 10.63 HK cents).

BUSINESS SEGMENT ANALYSIS

Integrated Plastic Solutions

Revenue from the integrated plastic solutions business division was mainly derived from (i) the design and fabrication of plastic injection moulds; and (ii) design and manufacturing of plastic components employing the plastic injection moulds fabricated internally or by our subcontractors.

The Group is able to specifically engineer and fabricate, with cavities plastic injection moulds, to shape the plastic components in accordance with the desired and customised design, features and specifications. The Group has the technical capabilities to fabricate moulds that meet the MT1 precision level as defined by the "National Standard of the People's Republic of China GB/T14486-2008-Dimensional Tolerances for Moulded Plastic Parts" (中華人民共和國國家標準GB/T14486-2008-塑料模塑件尺寸公差) which is the highest precision level in the national guidelines. By utilising the plastic injection process and applying the plastic injection moulds fabricated by the Group or, in limited cases, external subcontractors, the Group manufactures plastic components for office furniture, office electronic products, home appliances, communication products and automobiles.

業務回顧(續)

本集團錄得本公司權益持有人應佔截至2020年6月30日止六個月溢利約5.6百萬港元(2019年6月30日: 65.9百萬港元)。本公司權益持有人應佔每股基本盈利約為0.90港仙(2019年6月30日: 10.63港仙)。

業務分部分析

一體化注塑解決方案

一體化注塑解決方案業務分部的收益主要來自(i)注塑模具的設計及製作;及(ii)藉助內部或分包商製作的注塑模具進行注塑組件的設計及製造。

本集團能根據所需成型或定制注塑組件的設計、特點及規格特別設計及製作注塑模具及其型腔。本集團有相關技術能力,所製作的模具能達到《中華人民共和國國家標準GB/T14486-2008-塑料模塑件尺寸公差》所界定的國家指引最高級精密等級MT1精密等級。本集團藉助注塑工序及應用由本集團或(在少數情況下)外部分包商所製作的注塑模具製造辦公傢俱、辦公電子產品、家用電器、通訊產品及汽車所需的注塑組件。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS SEGMENT ANALYSIS (CONTINUED)

Manufacturing of e-cigarette products

The Group manufactures e-cigarettes products as an original equipment manufacturer (“OEM”). Such e-cigarette products include disposable e-cigarettes, refillable e-cigarettes, battery rods, clearomisers, liquidpods and heated tobacco device.

Manufacturing of medical consumable products

By utilising the cleanroom facilities in the Group’s production plant in Huizhou and acquiring disposable face mask production machines, the Group established a production line for masks during the six months ended 30 June 2020, as disclosed in the announcement of the Company dated 7 July 2020.

The cleanroom facility in Huizhou has been certified in compliance with the cleanroom standard of ISO14644-1:2015 Class 8, as recognized by the U.S. National Environmental Balancing Bureau. The manufacturing quality system has also fulfilled the standard of EN ISO13485:2016 Medical Devices-Quality Management Systems as certified by the Société Générale de Surveillance S.A. (“SGS”). The production line has been set up and tested during the second quarter of 2020. The face masks have been tested and proved to be meeting the standard of ASTM F2100 Level 2 in the U.S. and the standard of EN14683 Type II in Europe. The Group has completed the trial run for production and commenced mass production of the face masks in July 2020.

業務分部分析 (續)

電子煙產品的製造

本集團作為原始設備製造商(「OEM」)從事製造電子煙產品。有關電子煙產品包括一次性電子煙、可注油電子煙、電池桿、霧化器、蒸汽煙及加熱煙裝置。

醫療消耗品的製造

誠如本公司日期為2020年7月7日的公告所披露，截至2020年6月30日止六個月，透過使用本集團於惠州製造廠的潔淨廠房設施及購入即棄口罩生產機器，本集團已設立口罩生產線。

位於惠州的潔淨廠房設施已取得獲美國國家環境平衡局認可的潔淨廠房標準ISO14644-1:2015 Class 8認證。製造質量體系亦符合經Société Générale de Surveillance S.A.(「SGS」)認證的EN ISO13485:2016醫療器械－質量管理系統規範。該生產線已於2020年第二季度設立及測試。口罩已經過測試，結果符合美國的ASTM F2100 Level 2標準及歐洲的EN14683 Type II標準。本集團已完成生產試營運，並於2020年7月開始投入口罩的大規模生產。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW

Revenue

Revenue for the six months ended 30 June 2020 was approximately HK\$293.3 million, representing a decrease of approximately HK\$373.4 million, or approximately 56.0%, from approximately HK\$666.7 million for the same period in 2019.

The integrated plastic solutions segment revenue for the six months ended 30 June 2020 was approximately HK\$116.1 million, accounting for approximately 39.6% of our total revenue and representing a decrease of approximately HK\$83.1 million, or approximately 41.7%, from segment revenue of approximately HK\$199.2 million for the same period in 2019. This was primarily due to the decrease in sales order of certain products resulted from the uncertain situation of global economy under the Sino-US trade war and the threat of the outbreak of COVID-19 during the period.

The e-cigarettes products segment revenue for the six months ended 30 June 2020 was approximately HK\$172.4 million, accounting for approximately 58.8% of our total revenue and representing a decrease of approximately HK\$295.1 million, or approximately 63.1%, from segment revenue of approximately HK\$467.5 million for the same period in 2019. This decrease was primarily because new product was postponed and orders for e-cigarettes products were slow down during the period.

The medical consumable products segment revenue for the six months ended 30 June 2020 was approximately HK\$4.7 million, accounting for approximately 1.6% of our total revenue. This was a new segment established during the period.

財務回顧

收益

截至2020年6月30日止六個月，收益約為293.3百萬港元，較2019年同期的約666.7百萬港元減少約373.4百萬港元或約56.0%。

截至2020年6月30日止六個月，一體化注塑解決方案分部收益約為116.1百萬港元，佔總收益約39.6%及較2019年同期的分部收益約199.2百萬港元減少約83.1百萬港元或約41.7%。有關減少主要是由於期內中美貿易戰下全球經濟形勢充滿不確定性及新冠肺炎爆發的威脅導致若干產品的銷售訂單減少所致。

截至2020年6月30日止六個月，電子煙產品分部收益約為172.4百萬港元，佔總收益約58.8%及較2019年同期的分部收益約467.5百萬港元減少約295.1百萬港元或約63.1%。有關減少主要是由於期內新產品推遲及電子煙產品訂單放緩所致。

截至2020年6月30日止六個月，醫療消耗品分部收益約為4.7百萬港元，佔總收益約1.6%。此為期內新成立的分部。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW (CONTINUED)

Gross Profit

Gross profit for the six months ended 30 June 2020 was approximately HK\$68.7 million (30 June 2019: HK\$162.3 million), representing a gross profit margin of 23.4% (30 June 2019: 24.3%).

Gross profit for integrated plastic solutions for the six months ended 30 June 2020 was approximately HK\$26.3 million (30 June 2019: HK\$43.1 million), representing a gross profit margin of 22.7% (30 June 2019: 21.6%). The increase in gross profit margin was primarily contributed by the change of product mix of which the products are of higher profit margin which improved the overall gross profit margin.

Gross profit for e-cigarettes products for the six months ended 30 June 2020 was approximately HK\$40.4 million (30 June 2019: 119.2 million), representing a gross profit margin of 23.4% (30 June 2019: 25.5%). This decrease was primarily due to the decrease in sales volume. The production fixed overhead lowered the overall gross profit margin.

Gross profit for medical consumable products for the six months ended 30 June 2020 was approximately HK\$2.0 million (30 June 2019: nil), representing a gross profit margin of 42.6%.

Other Income

Other income for the six months ended 30 June 2020 was approximately HK\$2.4 million, representing a decrease of approximately HK\$1.4 million, or approximately 36.8%, from approximately HK\$3.8 million for the same period in 2019. The decrease was primarily due to the decrease of exchange gain and rental and utilities recharge income during the period.

財務回顧 (續)

毛利

截至2020年6月30日止六個月，毛利約為68.7百萬港元（2019年6月30日：162.3百萬港元），毛利率為23.4%（2019年6月30日：24.3%）。

截至2020年6月30日止六個月，一體化注塑解決方案的毛利約為26.3百萬港元（2019年6月30日：43.1百萬港元），毛利率為22.7%（2019年6月30日：21.6%）。毛利率上升主要是由於產品組合的變化，該組合中利潤率較高的產品提高了整體毛利率。

截至2020年6月30日止六個月，電子煙產品的毛利約為40.4百萬港元（2019年6月30日：119.2百萬港元），毛利率為23.4%（2019年6月30日：25.5%）。該減少主要是由於銷量減少。生產固定間接費用降低了整體毛利率。

截至2020年6月30日止六個月，醫療消耗品的毛利約為2.0百萬港元（2019年6月30日：零），毛利率為42.6%。

其他收入

截至2020年6月30日止六個月，其他收入約為2.4百萬港元，較2019年同期的約3.8百萬港元減少約1.4百萬港元或約36.8%。有關減少主要是由於期內匯兌收益及租金及水電費退費收入減少所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW (CONTINUED)

Selling and Distribution Costs

Selling and distribution costs for the six months ended 30 June 2020 were approximately HK\$5.2 million, representing a decrease of approximately HK\$1.2 million or approximately 18.8% from that for the same period in 2019 of HK\$6.4 million. The decrease was primarily due to the decrease in sales volume during the period.

Administrative and Other Operating Expenses

Administrative and other operating expenses for the six months ended 30 June 2020 were approximately HK\$56.3 million, representing a decrease of approximately HK\$10.7 million or approximately 16.0% from that for the same period in 2019 of HK\$67.0 million. The decrease was mainly due to a decrease in headcount and the performance bonus to the directors and senior management.

Finance Costs

Finance costs for the six months ended 30 June 2020 were approximately HK\$4.5 million, which was similar to that for the six months ended 30 June 2019 of HK\$4.9 million.

Income Tax Expense

Income tax expenses for the six months ended 30 June 2020 were approximately HK\$12,000, representing a decrease of approximately HK\$22.0 million or approximately 100% from that for the same period in 2019 of HK\$22.0 million. Such decrease was primarily due to a significant decrease in profit before tax.

Profit Attributable to Equity Holders of the Company

As a result of the foregoing, profit for the six months ended 30 June 2020 was approximately HK\$5.6 million, representing a decrease of approximately HK\$60.3 million, or approximately 91.5%, from approximately HK\$65.9 million for the same period in 2019.

財務回顧 (續)

銷售及分銷成本

截至2020年6月30日止六個月，銷售及分銷成本約為5.2百萬港元，較2019年同期的6.4百萬港元減少約1.2百萬港元或約18.8%。有關減少主要是由於期內銷量減少所致。

行政及其他經營開支

截至2020年6月30日止六個月，行政及其他經營開支約為56.3百萬港元，較2019年同期的67.0百萬港元減少約10.7百萬港元或約16.0%。有關減少主要是由於員工人數及向董事及高級管理層發放績效獎金減少所致。

財務成本

截至2020年6月30日止六個月，財務成本約為4.5百萬港元，與截至2019年6月30日止六個月的4.9百萬港元相若。

所得稅開支

截至2020年6月30日止六個月，所得稅開支約為12,000港元，較2019年同期的22.0百萬港元減少約22.0百萬港元或約100%。該減少主要是由於除稅前溢利大幅減少所致。

本公司權益持有人應佔溢利

因上述原因，截至2020年6月30日止六個月，溢利約為5.6百萬港元，較2019年同期的約65.9百萬港元減少約60.3百萬港元或約91.5%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FUTURE PLAN AND PROSPECTS

Since the outbreak of COVID-19 in January 2020, there has been a shortage of pandemic prevention supplies in the market. Amidst these situation, the Group established a production line for disposable face masks during the period. Although the market demand for disposable face masks has been relieved in Hong Kong, the Group intends to expand to the overseas market in the future. Meanwhile, in order to enrich the product mix, the Group has developed more disposable face masks products with higher level of protection, such as particulate face masks - KN95 and FFP2. The new product, particulate face masks - KN95, has passed the requirements of GB2626-2016 standard in the P.R.C. and NIOSH N95 - Pre-Certification Test issued by the ICS Laboratories in the U.S. In addition, the particulate face masks - FFP2, has also passed the requirements of EN 149:2001+A1:2009 standard, credited as FFP2 respirator device, and certified with CE Mark (through Notified Body #0598) granted by the SGS. The new products are ready for mass production in the second half of 2020. In addition, the Group has been officially granted the Medical Device Manufacturing Enterprise License (醫療器械生產許可證) on medical device production, from the National Medical Products Administration in China in August 2020.

In the second half of 2020, it is expected that the COVID-19 and the Sino-US trade war will continue to cast uncertainties over the business environment and the recovery of business will be highly challenging. The Group expects that the demand for its products may be affected due to uncertainty of market demand. The process of product development will be prolonged due to travel restriction between client and the Group's production plants. Currently, the Group has sufficient cash on hand, together with available banking facilities, to meet the current business needs.

Looking forward, the new factory premises under construction is expected to be completed in January 2021. As a continuous plan to upgrade the production capacity of the Group, the new factory premise will further facilitate research and development and provide room for the Group to locate more new product production lines equipped with highly automated machines which can reduce the reliance of manpower and increase the precision level and output for its products in the future.

未來計劃及前景

自2020年1月新冠肺炎爆發以來，市場上疫情防控用品供應出現短缺。在此情況下，本集團於期內設立了一條即棄口罩生產線。儘管香港市場對即棄口罩的需求已得到緩解，但本集團未來有意拓展海外市場。同時，為豐富產品組合，本集團亦開發了更多防護等級更高的即棄口罩產品，如防顆粒摺疊口罩－KN95和FFP2。新產品防顆粒摺疊口罩－KN95已通過中國GB2626-2016標準規定及美國ICS Laboratories頒發的NIOSH N95－認證前測試(NIOSH N95－Pre-Certification Test)。此外，防顆粒摺疊口罩－FFP2亦已通過EN 149:2001+A1:2009標準規定，獲認證為FFP2呼吸器設備，並獲得SGS授予的CE標誌(通過Notified Body #0598)。新產品將於2020年下半年實現量產。此外，本集團已於2020年8月獲中國國家藥品監督管理局正式授予有關醫療器械生產的醫療器械生產許可證。

2020年下半年，預期新冠肺炎及中美貿易戰將繼續為經營環境帶來不確定性，且業務復甦將面臨嚴峻挑戰。本集團預期，由於市場需求的不確定性，其產品需求可能會受到影響。由於客戶與本集團製造廠之間的出行限制，產品開發的進程將會延長。目前，本集團擁有充足的手頭現金，加之可動用的銀行融資，足以滿足當前的業務需求。

展望未來，正在建設中的新廠房預期將於2021年1月竣工。作為本集團持續提升產能的計劃，新廠房將進一步促進研發並為本集團提供空間，以安置更多配備高度自動化機器的新產品生產線，從而可減少對人力的依賴，並提高未來產品的精密度及產量。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers. As at 30 June 2020, the Group had cash and cash equivalents of approximately HK\$124.7 million (31 December 2019: HK\$85.6 million). The interest-bearing liabilities as at 30 June 2020 was HK\$172.7 million (31 December 2019: HK\$103.2 million) with weighted average effective interest rate of approximately 3.87% per annum (31 December 2019: 4.18% per annum). The Group's gearing ratio as at 30 June 2020, calculated based on the total borrowings to the equity attributable to owners of the Company, was 53.6% (31 December 2019: 39.8%). The Group recorded net current liabilities of approximately HK\$78.4 million as at 30 June 2020, which increased by approximately HK\$25.5 million as compared with that of approximately HK\$52.9 million as at 31 December 2019. Such increase was mainly due to the effect from acquisition of new machines and construction of new factory premises during the period which expended part of the cash flows generated from operations.

FOREIGN EXCHANGE RISK

The monetary assets and liabilities and business transaction of the Group are mainly carried out and conducted in Hong Kong dollars, U.S. dollars ("USD") and Renminbi ("RMB"). The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and to mitigate the impact on exchange rate fluctuations by entering into certain currency forward contracts. At 30 June 2020, the Group had outstanding foreign currency forward contracts for the exchange of USD with Euro and RMB of USD2,708,000 (equivalent to approximately HK\$21,041,000) (31 December 2019: nil). The Group will continue to evaluate the Group's foreign currency exposure and take actions as appropriate.

MATERIAL ACQUISITIONS AND DISPOSALS

For the six months ended 30 June 2020, the Group has made no material acquisitions or disposals of subsidiaries and associated companies.

流動資金及財務資源

本集團通常以內部產生的現金流量及主要往來銀行提供的銀行融資為業務營運提供資金。於2020年6月30日，本集團擁有現金及現金等價物約124.7百萬港元（2019年12月31日：85.6百萬港元）。於2020年6月30日，計息借款為172.7百萬港元（2019年12月31日：103.2百萬港元），加權平均實際年利率約3.87%（2019年12月31日：年利率為4.18%）。本集團於2020年6月30日的資產負債率按借款總額與本公司擁有人應佔權益之比率計算為53.6%（2019年12月31日：39.8%）。於2020年6月30日，本集團錄得流動負債淨額約78.4百萬港元，較2019年12月31日約52.9百萬港元增加約25.5百萬港元。有關增加乃主要由於期內購置新機器及興建新廠房而支銷部分經營所得現金流量所致。

外匯風險

本集團的貨幣資產及負債以及業務交易主要以港元、美元（「美元」）及人民幣（「人民幣」）計值。本集團通過定期審核其外匯風險淨額來管理外匯風險，並通過訂立若干貨幣遠期合約以降低匯率波動的影響。於2020年6月30日，本集團以歐元及人民幣兌換為美元的未結清外幣遠期合約為2,708,000美元（相當於約21,041,000港元）（2019年12月31日：零）。本集團將繼續評估本集團的外幣風險並適時採取措施。

重大收購及出售事項

截至2020年6月30日止六個月，本集團並無關於附屬公司及聯營公司的重大收購或出售事項。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

CONTINGENT LIABILITIES

As at 30 June 2020, the Group did not have any significant contingent liabilities.

USE OF PROCEEDS

The net proceeds of the Group raised from the initial public offering were approximately HK\$77.6 million, after deducting the underwriting fees, commissions and other listing expenses. As at 30 June 2020, approximately HK\$72.9 million of the net proceeds had been utilised. As at 30 June 2020, the unutilised net proceeds of approximately HK\$4.7 million were placed in licensed banks in Hong Kong, and are intended to settle the remaining amount of the placed order to purchase the automated polyester fiber (“PET”) manufacturing line in 2020 as planned as set out in the section of “Future Plans and Use of Proceeds” in the prospectus of the Company dated 14 February 2018. Set out below is the summary of the utilisation of net proceeds:

或然負債

於2020年6月30日，本集團並無任何重大或然負債。

所得款項用途

本集團產生自首次公開發售的所得款項淨額（經扣除包銷費用、佣金及其他上市開支）為約77.6百萬港元。於2020年6月30日，已動用所得款項淨額約72.9百萬港元。於2020年6月30日，尚未動用所得款項淨額約4.7百萬港元已存放於香港的持牌銀行，並擬於2020年結清按計劃發出訂單採購本公司日期為2018年2月14日的招股章程「未來計劃及所得款項用途」一節所載的自動化聚酯纖維（「PET」）生產線的剩餘款項。下表載列所得款項淨額用途概要：

Planned use proceeds	Actual amount as at 30 June 2020	Actual utilised amount during the six months ended 30 June 2020	Actual		
			utilised amount during the six months ended 30 June 2020	Unutilised amount as at 30 June 2020	
	於2020年6月30日實際動用的金額	於截至2020年6月30日止六個月實際動用的金額	於2020年6月30日尚未動用的金額		
HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
	百萬港元	百萬港元	百萬港元	百萬港元	
For the leasehold improvement in phase II of the Group's new site in Huizhou	用於本集團惠州新址二期的租賃物業裝修工程	3.0	3.0	-	-
For equipment upgrade and capacity expansion and related investments	用於設備升級及產能擴充以及相關投資	69.8	65.1	-	4.7
For working capital	用作營運資金	4.8	4.8	-	-
Total	總計	77.6	72.9	-	4.7

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

SUBSEQUENT EVENT

As at the date of this interim report, no subsequent events occurred after 30 June 2020 which may have a significant effect on the assets and liabilities or future operations of the Group.

EMPLOYEE AND REMUNERATION POLICY

The Group's remuneration policy is to compensate its employees based on their performance, qualifications and the Group's operational results. The total remuneration of employees includes basic salaries, performance bonus and share options. Directors and senior management of the Group receive compensation in the form of fees, salaries, allowances, discretionary bonus, share options, defined contribution plans and other benefits in kind with reference to those paid by comparable companies, time commitment and the performance of the Group. The Group also reimburses its Directors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The Group regularly reviews and determines the remuneration and compensation packages (including incentive plans) of its Directors and senior management, by reference to, among other things, market level of remuneration and compensation paid by comparable companies, the respective responsibilities of its Directors and senior management and the performance of the Group.

SIGNIFICANT INVESTMENTS HELD

During the six months ended 30 June 2020, the Group did not hold any significant investment in equity interest in any other company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report and the announcement of the Company dated 8 October 2019 regarding the construction of new factory premises in the remaining land area in Huizhou, the Group has no plan to make material investments or increase its capital assets.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company and any of its subsidiaries have not purchased, redeemed or sold any of its listed securities during the six months ended 30 June 2020.

期後事件

於本中期報告日期，於2020年6月30日之後並無發生可能對本集團的資產及負債或未來營運有重大影響的期後事件。

僱員及薪酬政策

本集團的薪酬政策是根據僱員的表現、資歷及本集團的經營業績向僱員發放薪酬。僱員薪酬總額包括基本薪資、績效獎金及購股權。本集團的董事及高級管理層以袍金、薪金、津貼、酌情花紅、購股權、定額供款計劃及其他實物利益（經參考可資比較公司所支付的情況、時間投入及本集團表現）收取報酬。本集團亦就董事及高級管理層為本集團提供服務或就本集團的營運履行彼等職能所產生的必要及合理開支作出償付。本集團參考（其中包括）可資比較公司所支付薪酬及報酬的市場水平、董事及高級管理層各自的職責以及本集團的表現，定期檢討及釐定董事及高級管理層的薪酬及報酬待遇（包括獎勵計劃）。

所持重大投資

截至2020年6月30日止六個月，本集團並無持有任何其他公司股權的任何重大投資。

有關重大投資及資本資產的未來計劃

除本報告及本公司日期為2019年10月8日有關在惠州其餘土地區域建設新廠房的公告所披露者外，本集團並無計劃進行重大投資或增加資本資產。

購買、贖回或出售本公司上市證券

截至2020年6月30日止六個月，本公司及其任何附屬公司並無購買、贖回或出售其任何上市證券。

OTHER INFORMATION

其他資料

CORPORATE GOVERNANCE MEASURES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) to ensure that the Company’s business activities and decision making processes are regulated in a proper and prudent manner.

Mr. Chan Tsan Lam (“Mr. Chan”) is the chairman of the Board and chief executive officer of the Company. Although this deviates from the practice under code provision A.2.1 of the CG Code, where it provides that the two positions should be held by two different individuals, as Mr. Chan has considerable experience in the enterprise operation and management of the Company, the Board believes that it is in the best interests of the Company and its shareholders as a whole to continue to have Mr. Chan as chairman of the Board and as chief executive officer so that it can benefit from his experience and capability in leading the Board in the long-term development of the Company. From a corporate governance point of view, the decisions of the Board are made collectively by way of voting and therefore the chairman should not be able to monopolize the decision-making of the Board. The Board considers that the balance of power between the Board and management can still be maintained under the current structure. The Board shall review its management structure from time to time to ensure appropriate action be taken should the need arise.

Save as disclosed above, during the six months ended 30 June 2020, the Company has complied with the CG Code.

企業管治措施

本公司承諾奉行高標準的企業管治，以保障股東利益並提升企業價值及問責制度。董事會已採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載企業管治守則（「企業管治守則」）的原則及守則條文，以確保以適當及審慎的方式管制本公司的業務活動及決策流程。

陳燦林先生（「陳先生」）為本公司董事會主席兼首席執行官。儘管此情況與企業管治守則守則條文第A.2.1條所規定的該兩項職務不應由同一人士兼任的慣例相違背，但是，由於陳先生於本公司的企業經營及管理方面擁有豐富的經驗，故董事會認為繼續由陳先生擔任董事會主席兼首席執行官符合本公司及其股東的整體最佳利益，而彼於領導董事會方面的經驗及能力將能夠令本公司在長期的發展中受益。從企業管治的角度看，董事會的決策是通過共同表決的方式作出，故主席無法控制董事會的決策。董事會認為，現行架構仍能保持董事會與管理層之間權力的平衡。董事會應不時檢討其管理結構，以確保可在有需要時採取恰當的措施。

除上文所披露者外，截至2020年6月30日止六個月，本公司已遵守企業管治守則。

OTHER INFORMATION

其他資料

AUDIT COMMITTEE

Our audit committee consists of three members, being Mr. Ng Chi Wai, Mr. Hung Chun Leung and Mr. Chan Bing Kai. Mr. Ng Chi Wai currently serves as the chairman of our audit committee.

The audit committee has reviewed with the management the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2020, the accounting principles and practices adopted.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its code of conduct regarding dealings in the securities of the Company by the Directors and the Company's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company's securities.

Upon specific enquiry, all Directors have confirmed that they have complied with the Model Code during the six months ended 30 June 2020. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Company during the six months ended 30 June 2020.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2020 (30 June 2019: HK1.5 cents).

審核委員會

我們的審核委員會由三名成員組成，即吳志偉先生、洪俊良先生及陳秉階先生。吳志偉先生現時擔任審核委員會主席。

審核委員會已與管理層審閱本集團截至2020年6月30日止六個月的未經審核簡明綜合財務報表及採用的會計原則及慣例。

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10所載上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事及本公司高級管理層買賣本公司證券的操守守則，原因是有關董事及高級管理層因其職位或僱傭關係而可能持有關於本公司證券的內幕消息。

在作出特定查詢後，全體董事均已確認彼等於截至2020年6月30日止六個月已遵守標準守則。此外，本公司並不知悉本公司高級管理層於截至2020年6月30日止六個月內存在任何違反標準守則的情況。

中期股息

董事會不建議派付截至2020年6月30日止六個月的中期股息（2019年6月30日：1.5港仙）。

OTHER INFORMATION

其他資料

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2020, the interests and short positions of the Directors and chief executive 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 (Chapter 571 of the laws of Hong Kong) (the "SFO")), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long position in issued ordinary shares of the Company

董事於股份、相關股份及債權證的權益

於2020年6月30日，本公司董事及主要行政人員於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）股份、相關股份及債權證中擁有記錄於根據證券及期貨條例第352條須存置的登記冊內，或根據標準守則須知會本公司及聯交所的權益及淡倉如下：

於本公司已發行普通股的好倉

Name of Director	Capacity	Number of shares of the Company	Number of underlying shares of the Company	Total interests	Approximate percentage of shareholding
董事姓名	身份	本公司股份數目	本公司相關股份數目 (Note 2) (附註2)	總權益	股權概約百分比
Mr. Chan Tsan Lam	Interest in controlled corporation (Note 1)	373,395,000	-	374,015,000	60.3%
陳燦林先生	受控制法團權益(附註1)				
	Beneficial interest	-	620,000		
	實益權益				
Chan Yin Yan	Beneficial interest	-	6,200,000	6,200,000	1%
陳燕欣	實益權益				
Poon Po Han Lisa	Beneficial interest	-	6,200,000	6,200,000	1%
潘寶嫻	實益權益				
Hung Chun Leung	Beneficial interest	-	500,000	500,000	0.8%
洪俊良	實益權益				
Chan Bing Kai	Beneficial interest	-	500,000	500,000	0.8%
陳秉階	實益權益				

Note 1: These shares are held by Oceanic Green Group Limited ("Oceanic Green"), New Strength Ventures Limited ("New Strength"), Gold Alliance Ventures Limited ("Gold Alliance") and Treasure Line Holdings Limited ("Treasure Line"), all of which are wholly owned by Mr. Chan Tsan Lam. By virtue of the SFO, Mr. Chan Tsan Lam is deemed to be interested in the shares held by Oceanic Green, New Strength, Gold Alliance and Treasure Line.

附註1: 該等股份乃由海翠集團有限公司（「海翠」）、新力創投有限公司（「新力」）、金協創投有限公司（「金協」）及Treasure Line Holdings Limited（「Treasure Line」）持有，該等公司均由陳燦林先生全資擁有。根據證券及期貨條例，陳燦林先生被視為於海翠、新力、金協及Treasure Line持有的股份中擁有權益。

Note 2: These represent the Shares to be issued and allotted by the Company upon exercise of the options granted under the Option Scheme (as defined herein below).

附註2: 該等股份乃指本公司於根據購股權計劃（定義見下文）授出之購股權獲行使時將予發行及配發之股份。

OTHER INFORMATION

其他資料

Save as disclosed above, as at 30 June 2020, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於2020年6月30日，概無本公司董事或主要行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有記錄於根據證券及期貨條例第352條須存置的登記冊內，或根據標準守則須知會本公司及聯交所的權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2020, the following persons (other than the Directors and chief executive of the Company) had interests 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:

主要股東於股份及相關股份的權益

於2020年6月30日，以下人士（本公司董事及主要行政人員除外）於本公司股份及相關股份中擁有記錄於本公司根據證券及期貨條例第336條須存置的登記冊內的權益：

Long position in issued ordinary shares of the Company

於本公司已發行普通股的好倉

Name of shareholder(s)	Capacity	Number of ordinary shares of the Company held 所持本公司普通股數目	Number of underlying shares of the Company held ⁽⁵⁾ 所持本公司相關股份數目 ⁽⁵⁾	Total 總計	Approximate percentage of shareholding 概約百分比
Oceanic Green ⁽¹⁾ 海翠 ⁽¹⁾	Beneficial Owner 實益擁有人	127,100,000 shares 127,100,000股股份	-	127,100,000 shares 127,100,000股股份	20.5%
New Strength ⁽¹⁾ 新力 ⁽¹⁾	Beneficial Owner 實益擁有人	127,100,000 shares 127,100,000股股份	-	127,100,000 shares 127,100,000股股份	20.5%
Gold Alliance ⁽¹⁾ 金協 ⁽¹⁾	Beneficial Owner 實益擁有人	94,395,000 shares 94,395,000股股份	-	94,395,000 shares 94,395,000股股份	15.2%
New Straits Ventures Limited ⁽³⁾ 新海峽創投有限公司 ⁽³⁾	Beneficial Owner 實益擁有人	79,205,000 shares 79,205,000股股份	-	79,205,000 shares 79,205,000股股份	12.8%
Treasure Line ⁽¹⁾ Treasure Line ⁽¹⁾	Beneficial Owner 實益擁有人	24,800,000 shares 24,800,000股股份	-	24,800,000 shares 24,800,000股股份	4.0%
Ms. Fung Suk Yee May ⁽²⁾ 馮淑儀女士 ⁽²⁾	Interest of Spouse 配偶權益	374,015,000 shares 374,015,000股股份	-	374,015,000 shares 374,015,000股股份	60.3%
Mr. Cheng Chak ⁽³⁾ 鄭澤先生 ⁽³⁾	Interest in controlled corporation 受控制法團權益	79,205,000 shares 79,205,000股股份	-	79,825,000 shares 79,825,000股股份	12.9%
	Beneficial Owner 實益擁有人	-	620,000 shares 620,000股股份		
Ms. Chong Po Lin Pauline ⁽⁴⁾ 莊寶蓮女士 ⁽⁴⁾	Interest of Spouse 配偶權益	79,825,000 shares 79,825,000股股份	-	79,825,000 shares 79,825,000股股份	12.9%

OTHER INFORMATION

其他資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

Note:

- (1) Each of Oceanic Green, New Strength, Gold Alliance and Treasure Line, is wholly-owned by Mr. Chan Tsan Lam, who is therefore deemed to be interested in all the shares of the Company held by each of Oceanic Green, New Strength, Gold Alliance and Treasure Line.
- (2) Ms. Fung Suk Yee May is the spouse of Mr. Chan Tsan Lam. Therefore, she is deemed to be interested in the shares of the Company in which Mr. Chan Tsan Lam is interested for the purpose of the SFO.
- (3) New Straits Ventures Limited is wholly owned by Mr. Cheng Chak. By virtue of the SFO, Mr. Cheng Chak is deemed to be interested in the shares of the Company held by New Straits Ventures Limited.
- (4) Ms. Chong Po Lin Pauline is the spouse of Mr. Cheng Chak. Therefore, she is deemed to be interested in the shares of the Company in which Mr. Cheng Chak is interested for the purpose of the SFO.
- (5) These represent the Shares to be issued and allotted by the Company upon exercise of the options granted under the Option Scheme (as defined herein below).

Save as disclosed above, as at 30 June 2020, the Directors were not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, 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 any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

On 28 May 2019, the Company adopted a share option scheme (the "Option Scheme") for the purpose of providing reward to selected participants for their contribution to the Group. Eligible participants of the Option Scheme include, without limitation, employees, executive directors, non-executive directors, shareholders, advisers and consultants.

主要股東於股份及相關股份的權益(續)

附註：

- (1) 海翠、新力、金協、及Treasure Line均由陳燦林先生全資擁有，因此陳先生被視為於海翠、新力、金協、及Treasure Line各自所持有的所有本公司股份中擁有權益。
- (2) 馮淑儀女士為陳燦林先生的配偶。因此，根據證券及期貨條例，其被視為於陳燦林先生擁有權益的本公司股份中擁有權益。
- (3) 新海峽創投有限公司由鄭澤先生全資擁有。根據證券及期貨條例，鄭澤先生被視為於新海峽創投有限公司持有的本公司股份中擁有權益。
- (4) 莊寶蓮女士為鄭澤先生的配偶。因此，根據證券及期貨條例，其被視為於鄭澤先生擁有權益的本公司股份中擁有權益。
- (5) 該等股份乃指本公司於根據購股權計劃(定義見下文)授出之購股權獲行使時將予發行及配發之股份。

除上文所披露者外，於2020年6月30日，董事並不知悉有任何其他人士(本公司董事及主要行政人員除外)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及3分部的條文須披露予本公司的權益或淡倉，或直接或間接在附有權利可在所有情況下在本集團任何其他成員公司的股東大會上進行投票的任何類別股本面值5%或以上擁有權益，或有任何其他主要股東擁有記錄於本公司根據證券及期貨條例第336條須存置的登記冊內的權益或淡倉。

購股權計劃

於2019年5月28日，本公司採納一項購股權計劃(「購股權計劃」)，旨在獎勵對本集團作出貢獻的經選定參與者。購股權計劃的合資格參與者包括(但不限於)僱員、執行董事、非執行董事、股東、顧問及諮詢者。

OTHER INFORMATION 其他資料

SHARE OPTION SCHEME (CONTINUED)

For the six months ended 30 June 2020, the Company has the following share options granted to the eligible participants under the Option Scheme:

購股權計劃 (續)

截至2020年6月30日止六個月，本公司已根據購股權計劃向合資格參與者授出以下購股權：

Grantees	Date of grant	Exercise price	Options outstanding at 1 January 2020 於2020年1月1日尚未行使的購股權	Options granted during the period 期內授出的購股權	Options exercised during the period 期內獲行使的購股權	Options cancelled/lapsed/forfeited during the period 期內註銷/失效/沒收的購股權	Options outstanding at 30 June 2020 於2020年6月30日尚未行使的購股權	Exercisable at 30 June 2020 於2020年6月30日可予行使
Directors, chief executives and substantial shareholders 董事、主要行政人員及主要股東								
Chan Tsan Lam 陳燦林	13 May 2020 2020年5月13日	0.355	-	620,000	-	-	620,000	310,000
Chan Yin Yan 陳燕欣	13 May 2020 2020年5月13日	0.355	-	6,200,000	-	-	6,200,000	3,100,000
Poon Po Han Lisa 潘寶嫻	13 May 2020 2020年5月13日	0.355	-	6,200,000	-	-	6,200,000	3,100,000
Hung Chun Leung 洪俊良	13 May 2020 2020年5月13日	0.355	-	500,000	-	-	500,000	250,000
Chan Bing Kai 陳秉階	13 May 2020 2020年5月13日	0.355	-	500,000	-	-	500,000	250,000
Cheng Chak 鄭澤	13 May 2020 2020年5月13日	0.355	-	620,000	-	-	620,000	310,000
Employees and senior management 僱員及高級管理層								
	13 May 2020 2020年5月13日	0.355	-	19,900,000	-	-	19,900,000	9,950,000
Others 其他								
	13 May 2020 2020年5月13日	0.355	-	3,300,000	-	-	3,300,000	1,650,000
			-	37,840,000	-	-	37,840,000	18,920,000

OTHER INFORMATION

其他資料

SHARE OPTION SCHEME (CONTINUED)

Note: On 13 May 2020, options to subscribe for 37,840,000 ordinary shares were granted to eligible participants under the Option Scheme. 50% of the share options were exercisable and vested on the date of grant and the remaining 50% of the share options shall be vested and exercisable from 13 May 2021 to 12 May 2030.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURE

Save as disclosed in the section headed "Share Option Scheme" in this interim report, at no time during the six months ended 30 June 2020 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares, or debt securities, including debentures, of the Company or any other body corporate.

購股權計劃 (續)

附註: 於2020年5月13日，本公司根據購股權計劃向合資格參與者授出可認購37,840,000股普通股的購股權。購股權的50%於授出日期可予行使及歸屬，而購股權的餘下50%將於2021年5月13日至2030年5月12日歸屬及可予行使。

董事收購股份或債權證的權利

除於本中期報告「購股權計劃」一節所披露者外，截至2020年6月30日止六個月任何時間，本公司或其任何附屬公司概無訂立任何安排致令本公司董事可藉收購本公司或任何其他法人團體的股份或債務證券（包括債權證）而獲益。

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

Six months ended 30 June 2020 截至2020年6月30日止六個月

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
		Note 附註	
Revenue	收益	3	293,306 666,671
Cost of goods sold	商品銷售成本		(224,591) (504,355)
Gross profit	毛利		68,715 162,316
Other income	其他收入	4	2,385 3,765
Fair value gain on financial assets at fair value through profit or loss	按公允值計入損益的 金融資產公允值收益	10	421 123
Selling and distribution costs	銷售及分銷成本		(5,162) (6,351)
Administrative and other operating expenses	行政及其他經營開支		(56,336) (66,997)
Finance costs	財務成本	5	(4,455) (4,893)
Profit before tax	除稅前溢利	5	5,568 87,963
Income tax expenses	所得稅開支	6	(12) (22,044)
Profit for the period, attributable to equity holders of the Company	本公司權益持有人應佔 期內溢利		5,556 65,919
Earnings per share attributable to equity holders of the Company	本公司權益持有人應佔 每股盈利		HK cents HK cents 港仙 港仙
Basic	基本	8	0.90 10.63
Diluted	攤薄	8	0.90 10.63

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收益表

Six months ended 30 June 2020 截至2020年6月30日止六個月

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
Profit for the period	期內溢利	5,556	65,919
Other comprehensive (loss) income: <i>Item that may be reclassified subsequently to profit or loss</i>	其他全面(虧損)收益： 日後或會重列入損益之項目		
Exchange difference on consolidation	合併匯兌差額	(11,496)	1,212
Total comprehensive (loss) income for the period, attributable to equity holders of the Company	本公司權益持有人應佔期內全面(虧損)收益總額	(5,940)	67,131

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 June 2020 於2020年6月30日

		Note	At 30 June 2020 於2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於2019年 12月31日 (audited) (經審核) HK\$'000 千港元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	634,895	621,025
Financial assets at fair value through profit or loss	按公允值計入損益的 金融資產	10	29,262	28,419
Deferred tax assets	遞延稅項資產	16	1,454	1,238
			665,611	650,682
Current assets	流動資產			
Financial assets at fair value through profit or loss	按公允值計入損益的 金融資產	10	123	-
Inventories	存貨		77,857	83,882
Trade and other receivables	貿易及其他應收款項	11	141,216	153,365
Income tax recoverable	可退回所得稅		32	33
Bank balances and cash	銀行結餘及現金		124,716	85,567
			343,944	322,847
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	12	194,670	211,596
Income tax payables	應付所得稅		4,762	2,603
Payables for construction in progress	應付在建工程款項	13	19,566	35,642
Interest-bearing borrowings	計息借款	14	172,723	103,177
Lease liabilities	租賃負債	15	30,648	22,737
			422,369	375,755

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 June 2020 於2020年6月30日

			At 30 June 2020 於2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於2019年 12月31日 (audited) (經審核) HK\$'000 千港元
		Note 附註		
Net current liabilities	流動負債淨額		(78,425)	(52,908)
Total assets less current liabilities	總資產減流動負債		587,186	597,774
Non-current liabilities	非流動負債			
Payables for construction in progress	應付在建工程款項	13	8,027	12,280
Lease liabilities	租賃負債	15	49,720	39,754
Deferred tax liabilities	遞延稅項負債	16	6,077	8,515
			63,824	60,549
NET ASSETS	資產淨值		523,362	537,225
Capital and reserves	資本及儲備			
Share capital	股本	17	62,000	62,000
Reserves	儲備	18	461,362	475,225
TOTAL EQUITY	權益總額		523,362	537,225

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

Six months ended 30 June 2020 截至2020年6月30日止六個月

Attributable to equity holders of the Company
本公司權益持有人應佔

		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Statutory reserve 法定儲備	Translation reserve 換算儲備	Accumulated profits 累計溢利	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		(Note 17) (附註17)	(Note 18(a)) (附註18(a))	(Note 18(b)) (附註18(b))	(Note 18(c)) (附註18(c))	(Note 18(d)) (附註18(d))		
At 1 January 2019 (audited)	於2019年1月1日(經審核)	62,000	34,203	77,810	12,335	(2,971)	267,864	451,241
Profit for the period	期內溢利	-	-	-	-	-	65,919	65,919
Other comprehensive income:	其他全面收益:							
<i>Item that may be reclassified subsequently to profit or loss</i>	<i>日後或會重列入損益之項目</i>							
Exchange difference on consolidation	合併匯兌差額	-	-	-	-	1,212	-	1,212
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	1,212	65,919	67,131
Transactions with equity holders:	與權益持有人的交易:							
Appropriation of statutory reserve	提取法定儲備	-	-	-	8,543	-	(8,543)	-
Dividends (Note 7)	股息(附註7)	-	-	-	-	-	(18,600)	(18,600)
Total transactions with equity holders for the period	期內與權益持有人的交易總額	-	-	-	8,543	-	(27,143)	(18,600)
At 30 June 2019 (unaudited)	於2019年6月30日(未經審核)	62,000	34,203	77,810	20,878	(1,759)	306,640	499,772

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

Six months ended 30 June 2020 截至2020年6月30日止六個月

		Attributable to equity holders of the Company 本公司權益持有人應佔							
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Statutory reserve 法定儲備	Translation reserve 換算儲備	Share option reserve 購股權儲備	Accumulated profits 累計溢利	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		(Note 17) (附註17)	(Note 18(a)) (附註18(a))	(Note 18(b)) (附註18(b))	(Note 18(c)) (附註18(c))	(Note 18(d)) (附註18(d))	(Note 18(e)) (附註18(e))		
At 1 January 2020 (audited)	於2020年1月1日(經審核)	62,000	34,203	77,810	23,994	(16,283)	-	355,501	537,225
Profit for the period	期內溢利	-	-	-	-	-	-	5,556	5,556
Other comprehensive (loss)/income:	其他全面(虧損)/收益:								
<i>Item that may be reclassified subsequently to profit or loss</i>	日後或會重列入損益之項目								
Exchange difference on consolidation	合併匯兌差額	-	-	-	-	(11,496)	-	-	(11,496)
Total comprehensive (loss)/income for the period	期內全面(虧損)/收益總額	-	-	-	-	(11,496)	-	5,556	(5,940)
Transactions with equity holders:	與權益持有人的交易:								
Recognition of equity-settled share-based payment expenses (Note 19)	確認以權益結算的股份酬金成本(附註19)	-	-	-	-	-	1,377	-	1,377
Dividends (Note 7)	股息(附註7)	-	-	-	-	-	-	(9,300)	(9,300)
Total transactions with equity holders for the period	期內與權益持有人的交易總額	-	-	-	-	-	1,377	(9,300)	(7,923)
At 30 June 2020 (unaudited)	於2020年6月30日(未經審核)	62,000	34,203	77,810	23,994	(27,779)	1,377	351,757	523,362

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

Six months ended 30 June 2020 截至2020年6月30日止六個月

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
		Note 附註	
OPERATING ACTIVITIES			
Cash generated from operations	經營活動所得現金	20	203,779
Income tax paid	已付所得稅		(28,595)
Net cash from operating activities	經營活動所得現金淨額		175,184
INVESTING ACTIVITIES			
Interest received	已收利息		348
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		246
Purchase of property, plant and equipment	購買物業、廠房及設備		(34,002)
Purchase of financial assets at fair value through profit or loss	購買按公允值計入損益的金融資產		(731)
Net cash used in investing activities	投資活動所用現金淨額		(34,139)
FINANCING ACTIVITIES			
Inception of interest-bearing borrowings	引入計息借款		111,771
Repayment of interest-bearing borrowings	償還計息借款		(168,804)
Repayment of payables for construction in progress	償還應付在建工程款項		(6,371)
Repayment of lease liabilities	償還租賃負債		(13,328)
Interest paid	已付利息		(3,358)
Net cash from (used in) financing activities	融資活動所得(所用)現金淨額		(80,090)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

Six months ended 30 June 2020 截至2020年6月30日止六個月

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	39,811	60,955
Cash and cash equivalents at the beginning of the period	期初現金及現金等價物	85,567	61,414
Effect on exchange rate changes	匯率變動的影響	(662)	(197)
Cash and cash equivalents at the end of the period, represented by bank balances and cash	期末現金及現金等價物， 即銀行結餘及現金	124,716	122,172
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘分析		
Bank balances and cash	銀行結餘及現金	124,716	122,191
Bank overdrafts	銀行透支	-	(19)
		124,716	122,172

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

Tian Chang Group Holdings Ltd. (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 26 April 2017 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 March 2018. The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s principal place of business is situated at Unit 6, 13/F, Block B, Hoi Luen Industrial Centre, 55 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The Company together with its subsidiaries (hereinafter collectively referred to as the “Group”) is principally engaged in manufacturing and sales of electronic cigarettes products (“e-cigarettes products”) and medical consumable products, and providing integrated plastic solutions in Hong Kong and the People’s Republic of China (the “PRC”).

The unaudited condensed consolidated financial statements for the six months ended 30 June 2020 (the “Interim Financial Statements”) have been prepared in accordance with the Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The preparation of the Interim Financial Statements in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

1. 一般資料及呈列基準

天長集團控股有限公司(「本公司」)於2017年4月26日在開曼群島註冊成立為獲豁免有限責任公司，其股份於2018年3月8日在香港聯合交易所有限公司(「聯交所」)主板上市。本公司的註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司的主要營業地點位於香港九龍觀塘開源道55號開聯工業中心B座13樓6室。

本公司的主營業務為投資控股。本公司及其附屬公司(以下統稱為「本集團」)主要於香港及中華人民共和國(「中國」)從事電子煙產品(「電子煙產品」)及醫療消耗品的製造及銷售以及提供一體化注塑解決方案。

截至2020年6月30日止六個月的未經審核簡明綜合財務報表(「中期財務報表」)乃根據香港會計師公會(「香港會計師公會」)所頒佈的香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)及聯交所證券上市規則的適用披露條文而編製。

編製符合香港會計準則第34號的中期財務報表要求管理層按年初至今基準作出可影響政策應用以及資產及負債、收入及開支呈報金額的判斷、估計及假設。實際結果或會有別於該等估計。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

1. GENERAL INFORMATION AND BASIS OF PRESENTATION (CONTINUED)

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2019, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standard (“HKASs”) and Interpretations issued by the HKICPA. They shall be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2019 (the “2019 Financial Statements”).

The Interim Financial Statements have been prepared on the historical costs basis except for financial assets at fair value through profit or loss (“FVPL”) which are measured at fair value, and presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company, and rounded to the nearest thousands unless otherwise indicated.

At 30 June 2020, the current liabilities of the Group exceeded its current assets by approximately HK\$78,425,000 (31 December 2019: HK\$52,908,000).

At 30 June 2020, the Group had unutilised banking facilities of approximately HK\$204,121,000 (31 December 2019: HK\$237,517,000).

1. 一般資料及呈列基準 (續)

中期財務報表包括對了解本集團自2019年12月31日以來的財務狀況及表現變動而言屬重大的事項及交易的闡釋，因此並不包括根據香港財務報告準則（「香港財務報告準則」，包括香港會計師公會頒佈的所有適用的個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋的統稱）編製全套財務報表要求的所有資料。該等資料應與本集團截至2019年12月31日止年度的經審核財務報表（「2019年財務報表」）一併閱讀。

中期財務報表已按歷史成本法編製（惟按公允值計入損益（「按公允值計入損益」）的金融資產按公允值計量除外），並以港元（「港元」）呈列。除另有指明者外，港元乃本公司的功能貨幣，並調整至最接近的千位數。

於2020年6月30日，本集團流動負債超過其流動資產約78,425,000港元（2019年12月31日：52,908,000港元）。

於2020年6月30日，本集團有未動用的銀行融資約204,121,000港元（2019年12月31日：237,517,000港元）。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

1. GENERAL INFORMATION AND BASIS OF PRESENTATION (CONTINUED)

The management of the Company is of the opinion that, taking into account the confirmed credit commitments from financial institutions and internal financial resources of the Group, the Group has sufficient working capital for its present requirements. Hence, the Interim Financial Statements have been prepared on a going concern basis. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in the Interim Financial Statements.

The Group applied the following accounting policies which became relevant to the Group in the current interim period.

Share-based payment transactions

Equity-settled share-based transactions

The Group's employees, including directors, received remuneration in the form of share-based payment transactions, whereby the employees rendered services in exchange for shares or rights over shares.

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period or is recognised as an expense in full at the grant date when share options granted vest immediately, with a corresponding increase in equity.

1. 一般資料及呈列基準 (續)

本公司管理層認為，考慮到本集團之已確認的金融機構信貸承擔及內部財務資源，本集團有充足的營運資金，以滿足當前需求。因此，中期財務報表乃按持續經營基準編製。倘本集團無法持續經營，則須作出調整，以將資產價值減記至其可收回金額，並就可能產生的任何進一步負債作出撥備。相關調整的影響並無反映在中期財務報表中。

本集團在本中中期期間應用以下與本集團有關的會計政策。

股份付款交易

以權益結算的股份交易

本集團的僱員（包括董事）以股份付款交易的形式收取薪酬，而僱員則以提供服務交換股份或股份權利。

參照於授出日期授出購股權的公允值而釐定已獲服務的公允值，乃以直線法於歸屬期內支銷或於授出日期所授出購股權即時歸屬時全數確認為開支，並相應增加權益。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

1. GENERAL INFORMATION AND BASIS OF PRESENTATION (CONTINUED)

Share-based payment transactions (Continued)

Equity-settled share-based transactions (Continued)

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits/accumulated losses, where appropriate.

Equity-settled share-based payment transactions with parties other than employees are measured at fair value of the goods or services received, except where the fair value cannot be reliably estimated, in which case they are measured at fair value of the equity instruments granted.

The accounting policies and methods of computation applied in the preparation of these Interim Financial Statements are consistent with those applied in preparing the 2019 Financial Statements, except for the adoption of the new/revised HKFRSs that are effective from the current period as set out below:

Revised Conceptual Framework

經修訂概念框架

Amendments to HKASs 1 and 8

香港會計準則第1號及第8號之修訂

Amendments to HKFRS 3

香港財務報告準則第3號之修訂

Amendments to HKAS 39, HKFRSs 7 and 9

香港會計準則第39號、香港財務報告準則
第7號及第9號之修訂

The Group has not early adopted any new/revised HKFRSs that have been issued but are not yet effective. The management does not anticipate that the adoption of these new/revised HKFRSs in future periods will result in substantive changes to the Group's accounting policies and material impact on the financial position, financial performance and cash flow of the Group.

1. 一般資料及呈列基準 (續)

股份付款交易 (續)

以權益結算的股份交易 (續)

於購股權獲行使時，先前在購股權儲備確認的金額將撥入股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日期仍未行使，則先前在購股權儲備確認的金額將撥入保留溢利／累計虧損（倘適當）。

與僱員以外的人士進行的以權益結算的股份付款交易按所收到商品或服務的公允值計量，除非公允值無法可靠估計，在此情況下，則按已授出權益工具的公允值計量。

編製該等中期財務報表所應用的會計政策及計算方法與編製2019年財務報表所用者一致，惟採納自本期間起生效的下列新訂／經修訂香港財務報告準則除外：

Revised Conceptual Framework for Financial Reporting

經修訂財務報告概念框架

Definition of Material

重大之定義

Definition of a Business

業務之定義

Interest Rate Benchmark Reform

利率基準改革

本集團並無提早採納任何已頒佈但未生效的新訂／經修訂香港財務報告準則。管理層預期於未來期間採納該等新訂／經修訂香港財務報告準則不會導致本集團會計政策發生重大變更並對本集團之財務狀況、財務表現及現金流量造成重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

2. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments are as follows:

- 1) E-cigarettes products segment: manufacture and sales of e-cigarettes products;
- 2) Integrated plastic solutions segment: manufacture and sales of moulds and plastic products; and
- 3) Medical consumable products segment: a new business segment set up and engaged by the Group during six months ended 30 June 2020 for the manufacture and sales of medical consumable products.

Segment revenue and results

Segment revenue represents revenue derived from manufacturing and sales of e-cigarettes products, moulds and plastic products and medical consumable products.

Segment results represent the gross profit less selling and distribution costs incurred by each segment without allocation of other income, fair value gain on financial assets at FVPL, administrative and other operating expenses, finance costs and income tax expenses. This is the information reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

2. 分部資料

就資源分配及分部表現評估而向本公司執行董事（被認定為主要營運決策者（「主要營運決策者」））報告之資料，主要集中於所交付商品的類別。在設定本集團的可報告分部時，主要營運決策者並無將所識別之經營分部彙合。

具體而言，本集團的可報告及經營分部如下：

- 1) 電子煙產品分部：製造及銷售電子煙產品；
- 2) 一體化注塑解決方案分部：生產及銷售模具及塑膠製品；及
- 3) 醫療消耗品分部：本集團於截至2020年6月30日止六個月為製造及銷售醫療消耗品而設立及從事的新業務分部。

分部收益及業績

分部收益指製造及銷售電子煙產品、模具及塑膠製品以及醫療消耗品所得收益。

分部業績指各分部所賺取的毛利減銷售及分銷成本，而並無分配其他收入、按公允值計入損益的金融資產公允值收益、行政及其他經營開支、財務成本及所得稅開支。此乃就資源分配及表現評估向本集團主要營運決策者報告的資料。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

2. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

The followings are analysis of the Group's revenue and results by reportable and operating segments:

2. 分部資料 (續)

分部收益及業績 (續)

以下為本集團可報告及經營分部的收益及業績分析：

		E-cigarettes products	Integrated plastic solutions	Medical consumable products	Total
		電子煙產品	一體化注塑 解決方案	醫療消耗品	總計
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Six months ended 30 June 2020	截至2020年6月30日止六個月				
(unaudited)	(未經審核)				
Segment revenue	分部收益	172,422	116,147	4,737	293,306
Gross profit	毛利	40,366	26,330	2,019	68,715
Selling and distribution costs	銷售及分銷成本	-	(3,648)	(1,514)	(5,162)
Segment results	分部業績	40,366	22,682	505	63,553
<i>Unallocated income and expenses</i>	<i>未分配收入及開支</i>				
Other income	其他收入				2,385
Fair value gain on financial assets at FVPL	按公允值計入損益的金融資產 公允值收益				421
Administrative and other operating expenses	行政及其他經營開支				(56,336)
Finance costs	財務成本				(4,455)
Profit before tax	除稅前溢利				5,568
Income tax expenses	所得稅開支				(12)
Profit for the period	期內溢利				5,556

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

2. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

2. 分部資料 (續)

分部收益及業績 (續)

		E-cigarettes products 電子煙產品 (unaudited) (未經審核) HK\$'000 千港元	Integrated plastic solutions 一體化注塑 解決方案 (unaudited) (未經審核) HK\$'000 千港元	Medical consumable products 醫療消耗品 (unaudited) (未經審核) HK\$'000 千港元	Total 總計 (unaudited) (未經審核) HK\$'000 千港元
Six months ended 30 June 2019 (unaudited)	截至2019年6月30日止六個月 (未經審核)				
Segment revenue	分部收益	467,453	199,218	-	666,671
Gross profit	毛利	119,190	43,126	-	162,316
Selling and distribution costs	銷售及分銷成本	-	(6,351)	-	(6,351)
Segment results	分部業績	119,190	36,775	-	155,965
<i>Unallocated income and expenses</i>	<i>未分配收入及開支</i>				
Other income	其他收入				3,765
Fair value gain on financial assets at FVPL	按公允值計入損益的金融資產 公允值收益				123
Administrative and other operating expenses	行政及其他經營開支				(66,997)
Finance costs	財務成本				(4,893)
Profit before tax	除稅前溢利				87,963
Income tax expenses	所得稅開支				(22,044)
Profit for the period	期內溢利				65,919

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

2. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

2. 分部資料 (續)

分部資產及負債

		E-cigarettes products 電子煙產品 HK\$'000 千港元	Integrated plastic solutions 一體化注塑 解決方案 HK\$'000 千港元	Medical consumable products 醫療消耗品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 30 June 2020 (unaudited)	於2020年6月30日 (未經審核)					
Assets	資產					
Reportable segment assets	可報告分部資產	82,310	396,827	26,881	503,537	1,009,555
Liabilities	負債					
Reportable segment liabilities	可報告分部負債	69,017	54,688	2,127	360,361	486,193
Other information	其他資料					
Capital expenditure	資本開支	164	14,035	15,339	20,001	49,539
Depreciation	折舊	1,604	18,015	194	2,488	22,301
Research and development expenses	研發開支	3,211	4,743	1,213	-	9,167
At 31 December 2019 (audited)	於2019年12月31日 (經審核)					
Assets	資產					
Reportable segment assets	可報告分部資產	110,933	427,708	-	434,888	973,529
Liabilities	負債					
Reportable segment liabilities	可報告分部負債	60,339	57,984	-	317,981	436,304
Other information	其他資料					
Capital expenditure	資本開支	2,922	89,338	-	56,714	148,974
Depreciation	折舊	3,769	29,530	-	5,261	38,560
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	1	150	-	-	151
Inventories written-off	存貨撇銷	-	1,525	-	-	1,525
Research and development expenses	研發開支	2,460	4,821	-	-	7,281

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

2. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- segment assets include certain property, plant and equipment, inventories and trade and bills receivables. Other assets are not allocated to operating segments as these assets are managed on a group basis; and
- segment liabilities include trade payables and contract liabilities. Other liabilities are not allocated to operating segments as these liabilities are managed on a group basis.

Geographical information

The following table sets out information about the geographical location of the Group's property, plant and equipment ("specified non-current assets"). The geographical location of the specified non-current assets is based on the physical location of the assets.

Specified non-current assets

		At 30 June 2020 於2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於2019年 12月31日 (audited) (經審核) HK\$'000 千港元
Hong Kong	香港	4,865	5,151
The PRC	中國	630,030	615,874
		634,895	621,025

2. 分部資料 (續)

分部資產及負債 (續)

就監控分部表現及分配分部間資源而言：

- 分部資產包括若干物業、廠房及設備、存貨及貿易應收款項及應收票據。其他資產均未分配至經營分部，因該等資產按集團基準管理；及
- 分部負債包括貿易應付款項及合約負債。其他負債均未分配至經營分部，因該等負債按集團基準管理。

地區資料

下表載列有關本集團物業、廠房及設備（「指定非流動資產」）地理位置的資料。指定非流動資產的地理位置乃以資產的實際位置為依據。

指定非流動資產

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

2. SEGMENT INFORMATION (CONTINUED)

Geographical information (Continued)

Information about the Group's revenue from external customers is presented based on the location of customers.

2. 分部資料(續)

地區資料(續)

有關本集團外部客戶收益的資料乃按客戶的位置呈列。

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
Revenue from external customers	來自外部客戶的收益		
The United States of America	美利堅合眾國	68,070	68,996
The PRC	中國	70,271	138,143
The United Kingdom	英國	17,164	435,769
Hong Kong	香港	10,688	16,828
Netherlands	荷蘭	123,674	3,803
Others	其他	3,439	3,132
		293,306	666,671

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

2. SEGMENT INFORMATION (CONTINUED)

Information about major customers

Details of the entities individually accounting for 10% or more of aggregate revenue of the Group during the six months ended 30 June 2020 and 2019 are as follows:

2. 分部資料(續)

有關主要客戶的資料

截至2020年及2019年6月30日止六個月個別佔本集團總收益10%或以上的實體的詳情如下：

		E-cigarettes products	Integrated plastic solutions	Medical consumable products	Total
		電子煙產品	一體化注塑 解決方案	醫療消耗品	總計
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Six months ended 30 June 2020	截至2020年6月30日止 六個月				
Customer A and its affiliated companies	客戶A及其聯屬公司	172,422	3,499	-	175,921
Customer B and its affiliated companies	客戶B及其聯屬公司	-	39,650	-	39,650
		172,422	43,149	-	215,571
Six months ended 30 June 2019	截至2019年6月30日止 六個月				
Customer A and its affiliated companies	客戶A及其聯屬公司	467,044	3,180	-	470,224
Customer C and its affiliated companies	客戶C及其聯屬公司	-	84,099	-	84,099
		467,044	87,279	-	554,323

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

3. REVENUE

3. 收益

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
Revenue from contracts with customers within HKFRS 15	香港財務報告準則第15號 來自客戶合約的收益		
Sale of e-cigarettes products	銷售電子煙產品	172,422	467,453
Sale of moulds and plastic products	銷售模具及塑膠製品	116,147	199,218
Sale of medical consumable products	銷售醫療消耗品	4,737	-
		293,306	666,671

The revenue from contracts with customers within HKFRS 15 is based on fixed price and recognised at a point in time.

香港財務報告準則第15號來自客戶合約的收益是按固定價格計算並於某一時點確認。

4. OTHER INCOME

4. 其他收入

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
Bank interest income	銀行利息收入	185	348
Exchange gain, net	匯兌收益淨額	-	1,121
Government grant	政府補貼	179	-
Rental and utilities recharge income	租金及水電費退費收入	405	879
Sales of scrap materials	廢料銷售	689	610
Sundry income	雜項收入	927	807
		2,385	3,765

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

5. PROFIT BEFORE TAX

This is stated after charging (crediting):

5. 除稅前溢利

此已扣除(計入)下列各項列賬：

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
Finance costs	財務成本		
Interest on interest-bearing borrowings	計息借款利息	2,727	3,358
Interest on payables for construction in progress	應付在建工程款項的利息	389	446
Interest on lease liabilities	租賃負債利息	1,339	1,089
		4,455	4,893

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

5. PROFIT BEFORE TAX (CONTINUED)

5. 除稅前溢利(續)

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
Staff costs, including directors' emoluments	員工成本(包括董事酬金)		
Employee benefits expenses	僱員福利開支	48,085	91,258
Discretionary bonus	酌情花紅	-	9,456
Contributions to defined contribution retirement schemes	向定額供款退休計劃供款	2,354	10,033
Share-based payment expenses	股份酬金成本	1,179	-
		51,618	110,747
Other items	其他項目		
Cost of inventories	存貨成本	224,591	504,355
Depreciation (charged to "cost of goods sold" and "administrative and other operating expenses", as appropriate)	折舊(計入「商品銷售成本」及「行政及其他經營開支」(倘適用))	22,301	18,108
Exchange loss (gain), net	匯兌虧損(收益)淨額	1,470	(1,121)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	280
Share-based payment expenses to eligible participants other than employees	除僱員外的合資格參與者之股份酬金成本	198	-
Research and development expenses	研發開支	9,167	3,348

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

6. TAXATION

6. 稅項

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
		Note 附註	
Current tax	即期稅項		
Hong Kong Profits Tax	香港利得稅		2,362
PRC Enterprise Income Tax	中國企業所得稅		-
			2,362
Deferred tax	遞延稅項		
Changes in temporary differences	暫時性差異變動		(988)
Benefit of tax losses recognised	已確認稅項虧損之免除		(1,362)
		16	(2,350)
Total income tax expenses	所得稅開支總額		12

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

6. TAXATION (CONTINUED)

The Group's entities established in the Cayman Islands and the British Virgin Islands are exempted from income tax, respectively.

For the six months ended 30 June 2020 and 2019, the assessable profits of a Hong Kong incorporated subsidiary of the Group (as elected by the management of the Group) are subject to the two-tiered profits tax rates regime that the first HK\$2 million of assessable profits will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The Hong Kong Profits Tax of other Hong Kong incorporated subsidiaries of the Group is calculated at 16.5% of their respective estimated assessable profits for the six months ended 30 June 2020 and 2019.

The Group's entities established in the PRC are subject to Enterprise Income Tax of the PRC at a statutory rate of 25% for the six months ended 30 June 2020 and 2019.

7. DIVIDENDS

As approved by the shareholders' meeting held on 28 May 2020, the Company determined to pay a cash dividend for the year ended 31 December 2019 of HK1.5 cents for every ordinary share amounting to approximately HK\$9,300,000 (31 December 2018: HK\$18,600,000) out of retained earnings of the Company. The 2019 dividend had been distributed to the Company's shareholders on 10 July 2020.

The Board of the Company has resolved not to declare an interim dividend for the six months ended 30 June 2020 (30 June 2019: interim dividend of HK1.5 cents per ordinary share totalling approximately HK\$9,300,000).

6. 稅項 (續)

於開曼群島及英屬處女群島成立的本集團實體分別獲豁免支付所得稅。

截至2020年及2019年6月30日止六個月，本集團於香港註冊成立的附屬公司（由本集團管理層選出）的應課稅溢利須按利得稅兩級制納稅，即首2百萬港元應課稅溢利將按8.25%繳稅，而2百萬港元以上的應課稅溢利將按16.5%繳稅。本集團其他於香港註冊成立的附屬公司的香港利得稅乃按截至2020年及2019年6月30日止六個月其各自估計應課稅溢利的16.5%計算。

截至2020年及2019年6月30日止六個月，本集團於中國成立的實體須按25%的法定稅率繳納中國企業所得稅。

7. 股息

經於2020年5月28日舉行的股東大會批准，本公司決定自本公司的保留盈利中派付截至2019年12月31日止年度的現金股息每股普通股1.5港仙，合共約9,300,000港元（2018年12月31日：18,600,000港元）。2019年股息已於2020年7月10日派發予本公司股東。

本公司董事會已決議不宣派截至2020年6月30日止六個月的中期股息（2019年6月30日：中期股息為每股普通股1.5港仙，合共約9,300,000港元）。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

8. EARNINGS PER SHARE

Basic

The calculation of the basic earnings per share is based on profit attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the period:

8. 每股盈利

基本

每股基本盈利乃基於本公司權益持有人應佔溢利及期內已發行普通股加權平均數計算：

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
Profit for the period attributable to equity holders of the Company	本公司權益持有人應佔期內溢利	5,556	65,919
		'000 千股	'000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利的普通股加權平均數	620,000	620,000
Basic earnings per share (HK cents)	每股基本盈利(港仙)	0.90	10.63

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

8. EARNINGS PER SHARE (CONTINUED)

Diluted

The calculation of the diluted earnings per share is based on profit attributable to the equity holders of the Company and the adjusted weighted average number of ordinary shares assuming conversion of all potential dilutive ordinary shares.

As detailed in Note 19 to the Interim Financial Statements, on 13 May 2020, the Company granted 37,840,000 share options to eligible participants resulting in potential dilutive ordinary shares.

8. 每股盈利(續)

攤薄

每股攤薄盈利乃基於本公司權益持有人應佔溢利及經調整普通股加權平均數計算(假設所有潛在攤薄普通股已轉換)。

誠如中期財務報表附註19所詳述，於2020年5月13日，本公司向合資格參與者授出37,840,000份購股權而產生潛在攤薄普通股。

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
Profit for the period attributable to equity holders of the Company	本公司權益持有人應佔期內溢利	5,556	65,919
		'000 千股	'000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利的普通股加權平均數	620,000	620,000
Effect of deemed issue of shares under the Company's share option scheme (Note)	被視為根據本公司購股權計劃發行股份的影響(附註)	110	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就計算每股攤薄盈利的普通股加權平均數	620,110	620,000
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	0.90	10.63

Note: For the six months ended 30 June 2020, the computation of diluted earnings per share does not assume the exercise of the second tranche of share options granted by the Company because the exercise price of those share options was higher than the average market price of the Company's shares.

附註：截至2020年6月30日止六個月，計算每股攤薄盈利時並未假設已行使本公司授出的第二期購股權，原因是該等購股權的行使價高於本公司股份的平均市價。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

9. PROPERTY, PLANT AND EQUIPMENT

9. 物業、廠房及設備

		Right-of-use assets	Buildings	Leasehold improvements	Furniture and fixtures	Machinery and equipment	Motor vehicles	Computer	Construction in progress	Total
		使用權資產	樓宇	租賃物業 裝修	傢俬及 固定裝置	機械及設備	汽車	電腦	在建工程	總計
		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
Unaudited	未經審核									
Reconciliation of carrying amount - six months ended 30 June 2020	賬面值之對賬－ 截至2020年 6月30日止六個月									
At 1 January 2020	於2020年1月1日	135,687	225,014	80,480	19,880	101,402	4,684	5,667	48,211	621,025
Additions	添置	4,519	-	4,104	72	24,567	-	-	16,277	49,539
Transfers	轉讓	15,837	-	5,587	-	(14,329)	-	-	(7,095)	-
Depreciation	折舊	(7,344)	(2,434)	(2,498)	(1,923)	(6,632)	(1,045)	(425)	-	(22,301)
Exchange realignments	匯兌調整	(2,914)	(4,685)	(1,720)	(503)	(2,350)	(24)	(114)	(1,058)	(13,368)
At 30 June 2020	於2020年6月30日	145,785	217,895	85,953	17,526	102,658	3,615	5,128	56,335	634,895
Audited	經審核									
At 1 January 2020	於2020年1月1日									
Cost	成本	159,393	244,599	99,004	29,052	269,036	13,219	10,553	48,211	873,067
Accumulated depreciation	累計折舊	(23,706)	(19,585)	(18,524)	(9,172)	(167,634)	(8,535)	(4,886)	-	(252,042)
		135,687	225,014	80,480	19,880	101,402	4,684	5,667	48,211	621,025
Unaudited	未經審核									
At 30 June 2020	於2020年6月30日									
Cost	成本	172,661	239,492	106,578	28,444	271,851	12,283	10,374	56,335	898,018
Accumulated depreciation	累計折舊	(26,876)	(21,597)	(20,625)	(10,918)	(169,193)	(8,668)	(5,246)	-	(263,123)
		145,785	217,895	85,953	17,526	102,658	3,615	5,128	56,335	634,895

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

10. FINANCIAL ASSETS AT FVPL

10. 按公允值計入損益的金融資產

	Note	At 30 June 2020 於2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於2019年 12月31日 (audited) (經審核) HK\$'000 千港元
At fair value			
Non-current:			
Unlisted investments - key management insurance contracts	10(a)	29,262	28,419
Current:			
Derivatives not designated as hedging instruments - Cross Currency Swap ("CCS")	10(b)	123	-
		29,385	28,419

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

10. FINANCIAL ASSETS AT FVPL (CONTINUED)

10. 按公允值計入損益的金融資產 (續)

10(a) Unlisted investments - key management insurance contracts

The fair value of the key management insurance contracts is determined by reference to the respective surrender cash value of each insurance contract at the end of the reporting period, which is primarily based on the performance of the underlying investment portfolio together with the guaranteed minimum returns, ranging from 2% to 3.9% per annum (31 December 2019: ranging from 2% to 3.9% per annum).

The movement of the key management insurance contracts is analysed as follows:

10(a) 非上市投資－主要管理層保險合約

主要管理層保險合約的公允值乃參考報告期末各保險合約的相關退保現金值釐定，乃主要基於相關投資組合的表現以及保證最低退款額，每年介乎2%至3.9%之間(2019年12月31日：每年介乎2%至3.9%之間)。

主要管理層保險合約的變動分析如下：

		At 30 June 2020 於2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於2019年 12月31日 (audited) (經審核) HK\$'000 千港元
At the beginning of the reporting period	於報告期初	28,419	26,841
Additions	添置	732	731
Fair value changes recognised in profit or loss	於損益確認的公允值變動	298	847
Exchange differences	匯兌差額	(187)	-
At the end of the reporting period	於報告期末	29,262	28,419

The key management insurance contracts are pledged as collateral for the Group's interest-bearing borrowings amounting to approximately HK\$23,549,000 (31 December 2019: HK\$31,070,000).

主要管理層保險合約已質押作為本集團約23,549,000港元(2019年12月31日：31,070,000港元)的計息借款的抵押品。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

10. FINANCIAL ASSETS AT FVPL (CONTINUED)

10(b) Derivatives not designated as hedging instruments - CCS

The derivatives represent an United States Dollars ("USD")/Euro forward contract and an USD/Renminbi ("RMB") forward contract entered with a bank for the exchange of USD with Euro and RMB in an aggregate amount of USD 2,708,000 (equivalent to approximately HK\$21,041,000), which are expiring on 31 August 2020 and 4 December 2020 respectively. The objective of these derivatives entered into by the Group is to mitigate the currency exposures arising from the future capital expenditure and operation funding. The derivatives are not qualified for hedge accounting and the corresponding changes in fair values have been recognised in profit or loss. During the six months ended 30 June 2020, gain on change in fair value of the CCS in an aggregate amount of approximately HK\$123,000 was credited to profit or loss (*six months ended 30 June 2019: Nil*).

Details of the fair value measurement are included in Note 23 to the Interim Financial Statements.

10. 按公允值計入損益的金融資產(續)

10(b) 並非指定為對沖工具的衍生工具－交叉貨幣掉期

該等衍生工具指與銀行訂立的以歐元及人民幣兌換為美元的美元(「美元」)／歐元遠期合約及美元／人民幣(「人民幣」)遠期合約，總金額為2,708,000美元(相當於約21,041,000港元)，該等合約將分別於2020年8月31日及2020年12月4日到期。本集團訂立該等衍生工具的目的在於降低未來資本開支及經營融資所產生的貨幣風險。該等衍生工具不合資格進行對沖會計處理，且相應的公允值變動已於損益確認。截至2020年6月30日止六個月，交叉貨幣掉期公允值變動的收益合共約123,000港元已計入損益(截至2019年6月30日止六個月：零)。

公允值計量的詳情載於中期財務報表附註23。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

11. TRADE AND OTHER RECEIVABLES

11. 貿易及其他應收款項

		Note	At 30 June 2020 於2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於2019年 12月31日 (audited) (經審核) HK\$'000 千港元
Trade receivables	貿易應收款項			
From third parties	應收第三方		92,154	125,345
Loss allowance	虧損撥備		(4,507)	(4,568)
		11(a)	87,647	120,777
Bills receivables	應收票據	11(b)	7,638	2,655
Other receivables	其他應收款項			
Deposits	按金		350	391
Prepayment for insurance	保險預付款項		3,093	3,150
Prepayment for utilities	水電費預付款項		7,770	5,354
Prepaid expenses, other deposits and other debtors	預付開支、其他按金 及其他應收賬款		34,718	21,038
			45,931	29,933
			141,216	153,365

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

11(a) Trade receivables from third parties

The Group applies the simplified approach to provide the expected credit loss prescribed by HKFRS 9, which permits the use of life time expected loss provision for trade receivables. The loss allowance of approximately HK\$4,507,000 at 30 June 2020 (31 December 2019: HK\$4,568,000) was mainly and specifically resulted from a customer against whom the Group was in a legal action to recover the trade debt due to the Group.

The Group grants credit period up to 90 days to its customers upon the issuance of invoices.

The ageing of trade receivables, net of loss allowance, by invoice date is as follows:

		At 30 June 2020 於2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於2019年 12月31日 (audited) (經審核) HK\$'000 千港元
Within 30 days	30日內	58,346	64,603
31 to 60 days	31至60日	17,874	47,555
61 to 90 days	61至90日	4,373	4,578
91 to 180 days	91至180日	2,933	2,600
Over 180 days	180日以上	4,121	1,441
		87,647	120,777

The Group does not hold any collateral over its trade receivables. The trade receivables are non-interest bearing.

At 30 June 2020, amount of approximately HK\$3,786,000 (31 December 2019: HK\$4,234,000) included in the trade receivables were in connection with factoring arrangements.

11. 貿易及其他應收款項 (續)

11(a) 來自第三方的貿易應收款項

本集團應用香港財務報告準則第9號所規定的簡化方法就預期信貸虧損作出撥備，該規定允許對貿易應收款項使用整個存續期的預期虧損撥備。於2020年6月30日，虧損撥備約4,507,000港元(2019年12月31日：4,568,000港元)主要及具體是由於本集團為收回應付本集團貿易債務而對其採取法律行動的客戶所致。

本集團於出具發票後向其客戶授出最高90日的信貸期。

按發票日期劃分的貿易應收款項(扣除虧損撥備)的賬齡如下：

	At 30 June 2020 於2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於2019年 12月31日 (audited) (經審核) HK\$'000 千港元
Within 30 days	58,346	64,603
31 to 60 days	17,874	47,555
61 to 90 days	4,373	4,578
91 to 180 days	2,933	2,600
Over 180 days	4,121	1,441
	87,647	120,777

本集團並未就其貿易應收款項持有任何抵押品。貿易應收款項為不計息。

於2020年6月30日，貿易應收款項中約3,786,000港元(2019年12月31日：4,234,000港元)之款項與保理安排有關。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

11(b) Bills receivables

The bills receivables are denominated in RMB, interest-free, guaranteed by banks in the PRC and have maturities of less than six months from the end of each reporting period.

11. 貿易及其他應收款項 (續)

11(b) 應收票據

應收票據以人民幣計值、免息、由中國的銀行擔保且於各報告期末起計六個月內到期。

12. TRADE AND OTHER PAYABLES

12. 貿易及其他應付款項

			At 30 June 2020 於2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於2019年 12月31日 (audited) (經審核) HK\$'000 千港元
Trade payables	貿易應付款項			
To third parties	應付第三方	12(a)	94,068	118,323
Other payables	其他應付款項			
Contract liabilities	合約負債		31,764	10,767
Deferred government grant	遞延政府補貼		2,679	565
Dividend payable	應付股息		9,300	-
Salaries payable	應付薪金		29,382	54,279
Other accruals and other creditors	其他應計費用及其他 應付賬款		27,477	27,662
			100,602	93,273
			194,670	211,596

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

12. TRADE AND OTHER PAYABLES (CONTINUED)

12(a) Trade payables

At the end of the reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

		At 30 June 2020 於2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於2019年 12月31日 (audited) (經審核) HK\$'000 千港元
Within 30 days	30日內	63,424	37,761
31 to 60 days	31至60日	12,191	47,219
61 to 90 days	61至90日	8,240	24,924
Over 90 days	90日以上	10,213	8,419
		94,068	118,323

The credit period on trade payables is up to 90 days.

12. 貿易及其他應付款項 (續)

12(a) 貿易應付款項

於報告期末，基於發票日期劃分的貿易應付款項賬齡分析如下：

貿易應付款項的信貸期不超過90日。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

13. PAYABLES FOR CONSTRUCTION IN PROGRESS

Payables for construction in progress represent the amounts payable to the constructors in respect of the construction of the production plants located in the PRC which the payment terms are unsecured, interest-free and repayable from one to four years since its inception. The amounts represent the present value of the invoiced amounts at effective interest rate of 4.75% at the end of the reporting period (31 December 2019: 4.75%).

14. INTEREST-BEARING BORROWINGS

The secured bank borrowings are wholly repayable within seven years since its inception. At 30 June 2020, the secured bank borrowings carried weighted average effective interest rate of approximately 3.87% (31 December 2019: 4.18%) per annum.

At 30 June 2020, the bank borrowings are secured by:

- (i) buildings and right-of-use assets in respect of the prepaid land lease payments with aggregate net carrying amount of approximately HK\$259,341,000 (31 December 2019: HK\$196,310,000);
- (ii) key management insurance contracts with fair value of approximately HK\$29,262,000 (31 December 2019: HK\$28,419,000), as set out in Note 10(a) to the Interim Financial Statements;
- (iii) trade receivables in connection with factoring arrangement of approximately HK\$3,786,000 (31 December 2019: HK\$4,234,000), as set out in Note 11(a) to the Interim Financial Statements; and/or
- (iv) certain machinery and equipment with aggregate net carrying amount of approximately HK\$8,273,000 (31 December 2019: HK\$4,915,000).

13. 應付在建工程款項

應付在建工程款項指就中國建設製造廠應付施工人員的款項，支付條款乃無抵押、免息且須自開建後於一至四年內償還。該等款項指於報告期末以實際利率4.75% (2019年12月31日：4.75%)計值的發票額現值。

14. 計息借款

有抵押銀行借款須自開始起計七年內全部償還。於2020年6月30日，有抵押銀行借款按加權平均實際年利率約3.87% (2019年12月31日：4.18%)計息。

於2020年6月30日，銀行借款乃由以下各項抵押：

- (i) 賬面值淨額合共約259,341,000港元 (2019年12月31日：196,310,000港元)的樓宇及有關預付土地租賃款的使用權資產；
- (ii) 公允價值約29,262,000港元 (2019年12月31日：28,419,000港元)的主要管理層保險合約 (載於中期財務報表附註10(a))；
- (iii) 約3,786,000港元 (2019年12月31日：4,234,000港元)與保理安排有關的貿易應收款項 (載於中期財務報表附註11(a))；及／或
- (iv) 賬面淨值合共約8,273,000港元 (2019年12月31日：4,915,000港元)的若干機械及設備。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

15. LEASE LIABILITIES

The Group leased various lands, machinery and equipment and properties for its daily operations with initial lease terms range from 2 to 50 years (31 December 2019: ranging from 2 to 50 years). At 30 June 2020, the weighted average discount rate of the Group was 3.32% (31 December 2019: 3.73%).

15. 租賃負債

本集團就其日常營運租入若干地塊、機械及設備以及物業，初始租期介乎2至50年之間(2019年12月31日：介乎2至50年之間)。於2020年6月30日，本集團的加權平均貼現率為3.32%(2019年12月31日：3.73%)。

		Lease payments 租賃付款		Present value of lease payments 租賃付款的現值	
		At 30 June 2020 於2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於2019年 12月31日 (audited) (經審核) HK\$'000 千港元	At 30 June 2020 於2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於2019年 12月31日 (audited) (經審核) HK\$'000 千港元
Amounts payable:	應付款項：				
Within one year	一年以內	32,568	24,863	30,648	22,737
In the second to fifth years inclusive	第二至第五年 (包括首尾兩年)	51,585	41,519	49,720	39,754
		84,153	66,382	80,368	62,491
Future finance charges	未來融資開支	(3,785)	(3,891)	-	-
Total lease liabilities	總租賃負債	80,368	62,491	80,368	62,491

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

16. DEFERRED TAXATION

16. 遞延稅項

		At 30 June 2020 於2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於2019年 12月31日 (audited) (經審核) HK\$'000 千港元
Deferred tax assets	遞延稅項資產	1,454	1,238
Deferred tax liabilities	遞延稅項負債	(6,077)	(8,515)
Net deferred tax position	遞延稅項淨額狀況	(4,623)	(7,277)

The movements in the Group's net position of deferred tax are as follows:

本集團遞延稅項淨額狀況的變動如下：

		Tax losses 稅項虧損 HK\$'000 千港元	Timing differences on income and expenses (including depreciation) recognised 已確認 收入與開支 (包括折舊)的 時間差額 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於2019年1月1日	2,818	(15,567)	(12,749)
Income tax (expenses) credit	所得稅(開支)抵免	(1,615)	6,662	5,047
Exchange difference	匯兌差額	(161)	586	425
Deferred tax assets (liabilities)	遞延稅項資產(負債)	1,042	(8,319)	(7,277)
Offsetting	抵銷	196	(196)	-

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

16. DEFERRED TAXATION (CONTINUED)

16. 遞延稅項 (續)

		Tax losses	Timing differences on income and expenses (including depreciation) recognised	Total
		稅項虧損	已確認收入與開支(包括折舊)的時間差額	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 31 December 2019 (audited)	於2019年12月31日(經審核)	1,238	(8,515)	(7,277)
At 1 January 2020	於2020年1月1日	1,238	(8,515)	(7,277)
Income tax credit	所得稅抵免	1,362	988	2,350
Exchange difference	匯兌差額	(133)	437	304
Deferred tax assets (liabilities)	遞延稅項資產(負債)	2,467	(7,090)	(4,623)
Offsetting	抵銷	(1,013)	1,013	-
At 30 June 2020 (unaudited)	於2020年6月30日(未經審核)	1,454	(6,077)	(4,623)

The tax losses included in deferred tax assets arising at the end of each reporting period can be offset against future taxable profits of respective subsidiaries.

計入遞延稅項資產的於各報告期末產生的稅項虧損，均可被相關附屬公司的未來應課稅溢利抵銷。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

17. SHARE CAPITAL

17. 股本

		At 30 June 2020 (unaudited) 於2020年6月30日 (未經審核)		At 31 December 2019 (audited) 於2019年12月31日 (經審核)	
		No. of shares 股份數目		No. of shares 股份數目	
		'000 千股	HK\$'000 千港元	'000 千股	HK\$'000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股	2,000,000	200,000	2,000,000	200,000
Issued and fully paid:	已發行及繳足：				
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股	620,000	62,000	620,000	62,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

18. RESERVES

18(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the laws of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

18(b) Capital reserve

The capital reserve represents the waiver of the amount due from the Group granted by the controlling shareholder in prior years and the aggregate amount of the nominal value of the issued/registered capital of the entities now comprising the Group less consideration paid to acquire the relevant interests (if any).

18(c) Statutory reserve

As stipulated by the relevant laws and regulations for enterprises incorporated/established in the PRC, the Group's subsidiaries in the PRC are required to maintain certain statutory reserves. The statutory reserve can be used to make up for losses, expand the existing operation and convert to additional capital.

18(d) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of foreign operations for consolidation.

18(e) Share option reserve

Share option reserve represents the fair value of share options granted to employees and non-employees and is dealt with the accounting policy as set out in Note 1 to the Interim Financial Statements.

18. 儲備

18(a) 股份溢價

股份溢價指發行本公司股份籌集之所得款項淨額超逾其面值之差額。根據開曼群島法例及本公司組織章程細則，該等金額可分派予本公司股東，前提為本公司須有能力支付日常業務過程中到期應付之債務。

18(b) 資本儲備

資本儲備指於過往年度由控股股東授出的應收本集團款項豁免，及現時組成本集團之實體的已發行／註冊股本的賬面總值減收購相關權益的已付代價(如有)。

18(c) 法定儲備

根據相關法律法規對於中國註冊成立／成立之企業的規定，本集團於中國的附屬公司須保持若干法定儲備。法定儲備可用於彌補虧損、擴大現有經營及轉化為額外股本。

18(d) 換算儲備

換算儲備包括合併時換算境外經營所產生的所有外匯差額。

18(e) 購股權儲備

購股權儲備指授予僱員及非僱員之購股權之公允值，並根據中期財務報表附註1所載之會計政策處理。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

19. SHARE OPTION SCHEMES

The Company has adopted a share option scheme (the “Option Scheme”) pursuant to a resolution passed on 28 May 2019. The major terms of the Option Scheme are summarised as follows:

- (a) The purpose of the Option Scheme is to provide an incentive for eligible participants to work with commitment towards enhancing the value of the Company and the shares for the benefit of the shareholders of the Company and to retain and attract persons whose contribution are or may be beneficial to the growth and development of the Group.
- (b) The eligible participants of the Option Scheme include:
 - (a) any executive director, or employee (whether full time or part time) of the Group or any entity in which the Group holding any equity interest (“Invested Entity”);
 - (b) any non-executive director (including independent non-executive directors) of the Group or any Invested Entity;
 - and (c) any non-employees (including but not limited to supplier, customer, consultant, adviser, contractor, business partner or service provider of the Group or any Invested Entity) in the absolute discretion of the board of directors in the determination of who has contributed or will contribute to the Group.
- (c) The maximum number of shares which may be allotted and issued upon exercise of all outstanding share options granted and yet to be exercised under the Option Scheme and any other share option scheme of the Group shall not exceed 30% of the issued share capital of the Company from time to time.

19. 購股權計劃

本公司已根據於2019年5月28日通過的決議案採納了一項購股權計劃（「購股權計劃」）。購股權計劃的主要條款概述如下：

- (a) 購股權計劃的目的是激勵合資格參與者致力於為了本公司股東利益而提升本公司及其股份的價值，以及挽留及吸引其貢獻對本集團增長及發展有利或可能有利的人士。
- (b) 購股權計劃的合資格參與者包括：(a)本集團或本集團持有其任何股本權益的任何實體（「投資實體」）的任何執行董事或僱員（不論全職或兼職）；(b)本集團或任何投資實體的任何非執行董事（包括獨立非執行董事）；及(c)董事會在作決定時，按其絕對酌情權認為已經或將會對本集團作出貢獻的任何非僱員（包括但不限於本集團或任何投資實體的供應商、客戶、諮詢者、顧問、承包商、業務夥伴或服務供應商）。
- (c) 根據購股權計劃及本集團任何其他購股權計劃授出而尚未行使及待行使的全部購股權經行使後可獲配發及發行的最高股份數目，不得超過本公司不時已發行股本的30%。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

19. SHARE OPTION SCHEMES (CONTINUED)

- (d) The total number of shares which may be allotted and issued upon exercise of all share options to be granted under the Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the total number of shares in issue as at the date of adoption of the Option Scheme.
- (e) The total number of shares issued and which may fall to be issued upon exercise of the share options granted under the Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any twelve-month period shall not exceed 1% of the issued share capital of the Company for the time being.
- (f) There is no minimum period required for the holding of a share option before it can be exercised.
- (g) A share option may be exercised at any time during a period to be determined by the directors, the period may commence on a day after the date upon which the offer for the grant of share options is made but shall not be later than ten years from the date of grant of the share option subject to any provisions for early termination thereof.
- (h) Upon acceptance, the eligible participant shall remit HK\$1.00 to the Company as consideration for the grant. The acceptance of a share option, if accepted, must be made within 21 days from the date of the offer of grant of the share option.

19. 購股權計劃 (續)

- (d) 根據購股權計劃及本集團任何其他購股權計劃將予授出的全部購股權經行使後可能配發及發行的股份總數，合共不得超過採納購股權計劃當日已發行股份總數的10%。
- (e) 當行使根據購股權計劃及本集團任何其他購股權計劃而於任何12個月期間向每位參與者授出的購股權(包括已行使或尚未行使的購股權)而發行及將予發行的股份總數，不得超逾本公司當時已發行股本的1%。
- (f) 並無規定在行使購股權前須持有購股權的最短期限。
- (g) 購股權可於董事釐定的期限內隨時行使，該期間乃由授出購股權要約日期翌日起計，惟須受有關購股權提前終止的任何條文所規限，至不得超過自購股權授出當日起計10年。
- (h) 於接納後，合資格參與者須向本公司匯入1.00港元的授出代價。接納購股權(倘接納)須於授出購股權要約當日起計21日內作出。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

19. SHARE OPTION SCHEMES (CONTINUED)

- (i) The exercise price of a share option shall not be less than the highest of:
- (i) the closing price of the share of the Company as stated in the Stock Exchange's daily quotations on the date of the offer of the grant;
 - (ii) the average closing price of the share of the Company as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of the grant; and
 - (iii) the nominal value of the share of the Company.
- (j) The Option Scheme will expire on 27 May 2029.

During the year ended 31 December 2019, no share options were granted, exercised, cancelled, lapsed or forfeited. As at 31 December 2019, there was no outstanding share option.

On 13 May 2020, options to subscribe 37,840,000 ordinary shares were granted to several eligible participants including employees and non-employees under the Option Scheme at an exercise price HK\$0.355 per share. The validity period of the share options is ten years from the date of grant (i.e. from 13 May 2020 to 12 May 2030), of which 50% of the share option was exercisable and vested on the date of grant and the remaining 50% of the share options shall be vested and exercisable from 13 May 2021 to 12 May 2030. Eligible participants are not required to complete a specified period of service before becoming unconditionally entitled to those equity instruments.

19. 購股權計劃 (續)

- (i) 購股權的行使價不得低於以下最高者：
- (i) 授出要約當日聯交所每日報價表中所列的本公司股份收市價；
 - (ii) 緊接授出要約日期前五個交易日聯交所每日報價表中所列的本公司股份平均收市價；及
 - (iii) 本公司股份面值。
- (j) 購股權計劃將於2029年5月27日屆滿。

截至2019年12月31日止年度，概無購股權已獲授出、行使、註銷、失效或沒收。於2019年12月31日，概無尚未行使的購股權。

於2020年5月13日，根據購股權計劃向若干合資格參與者（包括僱員及非僱員）授出可認購37,840,000股普通股的購股權，行使價為每股股份0.355港元。購股權之有效期為自授出日期起計十年（即2020年5月13日至2030年5月12日），其中50%的購股權於授出日期可予行使及歸屬，而餘下50%的購股權將於2021年5月13日至2030年5月12日歸屬及可予行使。合資格參與者無須在無條件享有該等股本工具之前完成特定的服務期。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

19. SHARE OPTION SCHEMES (CONTINUED)

Details of the movements of share options during the period are as follows:

For the six months ended 30 June 2020

19. 購股權計劃 (續)

期內購股權之變動詳情如下：

截至2020年6月30日止六個月

	Date of grant of share options	Exercise price of share options	Exercise period (both dates inclusive)	Number of share options 購股權數目					
				Outstanding at 1 January 2020 於2020年1月1日 尚未行使	Granted during the period 期內授出	Exercised during the period 期內行使	Cancelled/ lapsed/ forfeited during the period 期內註銷/ 失效/沒收	Outstanding at 30 June 2020 於2020年6月30日 尚未行使	Exercisable at 30 June 2020 於2020年6月30日 可予行使
Directors 董事	13 May 2020 2020年5月13日	0.355	Exercisable in two tranches from 13 May 2020 to 12 May 2030 自2020年5月13日至2030年5月12日分兩期行使	-	14,020,000	-	-	14,020,000	7,010,000
Employees 僱員	13 May 2020 2020年5月13日	0.355	Exercisable in two tranches from 13 May 2020 to 12 May 2030 自2020年5月13日至2030年5月12日分兩期行使	-	19,900,000	-	-	19,900,000	9,950,000
Non-employees 非僱員	13 May 2020 2020年5月13日	0.355	Exercisable in two tranches from 13 May 2020 to 12 May 2030 自2020年5月13日至2030年5月12日分兩期行使	-	3,920,000	-	-	3,920,000	1,960,000
			Total 總計	-	37,840,000	-	-	37,840,000	18,920,000
Weighted average exercise price (HK\$) 加權平均行使價(港元)					0.355			0.355	0.355

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

19. SHARE OPTION SCHEMES (CONTINUED)

The fair value of the share options on the date of grant is approximately HK\$2,550,000. During the six months ended 30 June 2020, the Group recognised approximately HK\$1,377,000 (*six months ended 30 June 2019: Nil*) as the equity-settled share-based payment expenses.

The fair value of share options on the date of the grant is estimated by using the Binomial Model with the following parameters:

Grant date	授出日期	13 May 2020 2020年5月13日
Exercise price	行使價	HK\$0.355 0.355港元
Risk-free rate	無風險利率	1.02%
Expected volatility*	預期波幅*	36.206%
Expected dividend yield*	預期股息收益率*	5.607%

* The expected volatility is with reference to historical price volatilities of the share price of the Company and companies of the similar business nature, adjusted for any expected changes to future volatility due to publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions would materially affect the fair value estimate.

19. 購股權計劃 (續)

購股權於授出日期的公允值約為2,550,000港元。截至2020年6月30日止六個月，本集團已確認約1,377,000港元(截至2019年6月30日止六個月：零)為以權益結算的股份酬金成本。

購股權於授出日期的公允值乃通過使用以下參數的二項式模型估算得出：

* 預期波幅乃經參考本公司及業務性質相似的公司股價的歷史價格波幅，並根據公開可得資料對未來波幅的任何預期變動進行調整。預期股息以歷史股息為基準。主觀輸入數據假設之變動將對公允值估計造成重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

20. CASH GENERATED FROM OPERATIONS

20. 經營所得現金

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
Profit before tax	除稅前溢利	5,568	87,963
Depreciation	折舊	22,301	18,108
Interest income	利息收入	(185)	(348)
Fair value gain on financial assets at FVPL	按公允值計入損益的 金融資產公允值收益	(421)	(123)
Finance costs	財務成本	4,455	4,893
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損	-	280
Exchange differences	匯兌差額	2,975	(4,253)
Share-based payment expenses	股份酬金成本	1,377	-
Changes in working capital:	營運資金變動：		
Inventories	存貨	4,154	5,578
Trade and other receivables	貿易及其他應收款項	9,657	153,045
Trade and other payables	貿易及其他應付款項	(22,879)	(61,364)
Cash generated from operations	經營所得現金	27,002	203,779

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

21. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the Interim Financial Statements, during the six months ended 30 June 2020 and 2019, further information of the related party transactions is set out below.

- (a) Transactions between the group entities have been eliminated on consolidation and are not disclosed. During the six months ended 30 June 2020 and 2019, the Group had the following significant transactions with related parties.

21. 關聯方交易

除中期財務報表其他地方所披露的交易／資料外，截至2020年及2019年6月30日止六個月，有關關聯方交易的進一步資料載列如下。

- (a) 集團實體間的交易已於合併時對銷且並未披露。截至2020年及2019年6月30日止六個月，本集團與關聯方有以下重大交易。

Related party relationship 關聯方關係	Nature of transaction 交易性質	Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
Company controlled by the controlling shareholder 由控股股東控制的公司	Rental payments (Note) 租金付款(附註)	297	288

Note: During the six months ended 30 June 2020 and 2019, rental payments were charged by CDN Holdings Limited to the Group on premises rented.

附註：截至2020年及2019年6月30日止六個月，租金付款乃由扒令控股有限公司就租出的物業向本集團收取。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

21. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Remuneration for key management personnel (including directors) of the Group:

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
Salaries and allowances	薪金及補貼	5,084	6,962
Discretionary bonus	酌情花紅	-	9,456
Share-based payment expenses	股份酬金成本	837	-
Contributions to defined contribution retirement schemes	向定額供款退休計劃供款	47	53
		5,968	16,471

22. MAJOR NON-CASH TRANSACTIONS

The followings set out the major non-cash transactions during the period:

During the six months ended 30 June 2020, the Group incurred additional payables of approximately HK\$3,074,000 (*six months ended 30 June 2019: HK\$8,832,000*) to constructors and suppliers for the addition of property, plant and equipment.

During the six months ended 30 June 2020, the Group entered into lease arrangements in respect of certain machinery and equipment with a total capital value at the inception of the leases of approximately HK\$17,857,000 (*six months ended 30 June 2019: Nil*).

21. 關聯方交易 (續)

(b) 本集團主要管理人員(包括董事)的薪酬:

22. 主要非現金交易

下文載列期內的主要非現金交易:

截至2020年6月30日止六個月,本集團就添置物業、廠房及設備產生額外應付施工人員及供應商款項約3,074,000港元(截至2019年6月30日止六個月:8,832,000港元)。

截至2020年6月30日止六個月,本集團就若干機械及設備訂立租賃安排,租賃期初總資本價值約17,857,000港元(截至2019年6月30日止六個月:零)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

22. MAJOR NON-CASH TRANSACTIONS (CONTINUED)

During the year ended 31 December 2019, the Group accrued payables for construction in progress of approximately HK\$12,920,000 for purchase of certain machinery and equipment. Such payables for construction in progress were replaced by inception of lease during the six months ended 30 June 2020.

During the six months ended 30 June 2020, the Group incurred imputed interest expenses in respect of the payables for construction in progress of approximately HK\$389,000 (*six months ended 30 June 2019: HK\$446,000*), which were not settled and were credited to the payables for construction in progress.

During the six months ended 30 June 2020, the Group entered into lease arrangement in respect of a leased property with a total capital value at the inception of leases of approximately HK\$1,105,000 (*six months ended 30 June 2019: Nil*).

During the six months ended 30 June 2020, the Group incurred imputed interest expenses in respect of the leased assets of approximately HK\$1,339,000 (*six months ended 30 June 2019: HK\$1,089,000*).

During the year ended 31 December 2018, the Group accrued other liabilities of approximately HK\$4,000,000 for purchase of certain machinery and equipment. Such other liabilities were replaced by inception of finance leases during the six months ended 30 June 2019.

22. 主要非現金交易 (續)

截至2019年12月31日止年度，本集團因購買若干機械及設備而產生應付在建工程款項約12,920,000港元。截至2020年6月30日止六個月，該等應付在建工程款項已於租賃開始前被取代。

截至2020年6月30日止六個月，本集團就應付在建工程款項產生的應計利息開支約389,000港元（截至2019年6月30日止六個月：446,000港元），該等利息並無結清，並已計入應付在建工程款項。

截至2020年6月30日止六個月，本集團就租賃物業訂立租賃安排，租賃期初總資本價值約1,105,000港元（截至2019年6月30日止六個月：零）。

截至2020年6月30日止六個月，本集團就租賃資產產生的應計利息開支約1,339,000港元（截至2019年6月30日止六個月：1,089,000港元）。

截至2018年12月31日止年度，本集團因購買若干機械及設備而產生其他負債約4,000,000港元。截至2019年6月30日止六個月，該等其他負債已於融資租賃開始前被取代。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

23. FAIR VALUE MEASUREMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in the Interim Financial Statements on a recurring basis across the three levels of the fair value hierarchy defined in HKFRS 13 "Fair Value Measurement" with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the asset or liability.

a) Assets and liabilities measured at fair value

23. 公允值計量

以下乃按香港財務報告準則第13號「公允值計量」所界定之公允值三個層級呈列以公允值計量或須按重複基準於中期財務報表披露公允值之資產及負債，而公允值計量乃基於對整體計量有重大影響之最低級別輸入數據作整體分類。輸入數據層級界定如下：

- 第一層級（最高級別）：本集團在計量日可獲得的相同資產或負債在活躍市場之報價（未經調整）；
- 第二層級：除第一層級所包括之報價以外，資產或負債的直接或間接可觀察之輸入數據；
- 第三層級（最低級別）：資產或負債之無法觀察輸入數據。

a) 以公允值計量的資產及負債

		At 30 June 2020 於2020年 6月30日 (unaudited) (未經審核)	At 31 December 2019 於2019年 12月31日 (audited) (經審核)
		Level 2 第二層級 HK\$'000 千港元	Level 3 第三層級 HK\$'000 千港元
Assets measured at fair value	以公允值計量的資產		Level 3 第三層級 HK\$'000 千港元
Financial assets at FVPL	按公允值計入損益的 金融資產		
- Unlisted investments	- 非上市投資		
- key management insurance contracts (Note 10)	- 主要管理人員 保險合約 (附註10)	-	28,419
- CCS (Note 10)	- 交叉貨幣掉期 (附註10)	123	-

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

23. FAIR VALUE MEASUREMENTS (CONTINUED)

23. 公允值計量 (續)

a) Assets and liabilities measured at fair value

(Continued)

During the six months ended 30 June 2020 and year ended 31 December 2019, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

a) 以公允值計量的資產及負債 (續)

截至2020年6月30日止六個月及截至2019年12月31日止年度，第一層級、第二層級與第三層級公允值計量之間並無轉撥。

Six months ended 30 June 截至6月30日止六個月

		2020 2020年 (unaudited) (未經審核) HK\$'000 千港元	2019 2019年 (unaudited) (未經審核) HK\$'000 千港元
Total unrealised gain recognised in profit or loss	於損益確認的未變現收益總額	421	123

Note:

- (i) The fair value of the key management insurance contracts is determined by reference to the surrender cash value, which is primarily based on the performance of the underlying investment portfolio together with the guaranteed minimum returns, reported by the bank on a regular basis.
- (ii) The fair value of the CCS is determined by reference to the quoted prices reported by the bank on a regular basis.

附註：

- (i) 主要管理人員保險合約的公允值乃參考退保現金值釐定，該現金值乃主要基於銀行定期報告的相關投資組合表現以及保證最低退款額。
- (ii) 交叉貨幣掉期的公允值乃參考銀行定期報告的報價釐定。

b) Assets and liabilities with fair value disclosure, but not measured at fair value

All other financial assets and liabilities including trade and other receivables, trade and other payables, bank balances, interest-bearing borrowings, payables for construction in progress and lease liabilities are carried at amounts not materially different from their fair values at the end of the reporting period.

b) 披露公允值但不以公允值計量的資產及負債

所有其他金融資產及負債(包括貿易及其他應收款項、貿易及其他應付款項、銀行結餘、計息借款、應付在建工程款項及租賃負債)均以與報告期末公允值並無重大差異的金額計值。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2020 截至2020年6月30日止六個月

24. COMMITMENTS

Capital expenditure commitments

	At 30 June 2020 於2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於2019年 12月31日 (audited) (經審核) HK\$'000 千港元
Contracted but not provided net of deposits paid for construction in progress	118,504	141,328

就在建工程支付的已訂約
但未撥備金額(扣除按金)

24. 承擔

資本開支承擔

25. THE IMPACT OF THE COVID-19

After the outbreak of Coronavirus Disease 2019 ("COVID-19") in early 2020, a series of precautionary and control measure were and continue to be implemented across Hong Kong and the PRC. The Group's factories located in Huizhou, the PRC experienced certain weeks of production halt which resulted in temporary suspension of production and late delivery of certain products. Nevertheless, the Group did not experience significant delay on the collection of trade receivables. Given the uncertainty in the changing market and economic condition related to COVID-19 pandemic, the Group will continue to monitor the development of COVID-19 and evaluate the nature and extent of the impact to the financial performance and financial position.

26. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved by the board of directors on 28 August 2020.

25. 新冠肺炎的影響

新型冠狀病毒肺炎(「新冠肺炎」)於2020年初爆發後，香港及中國已經並將繼續實施一系列防控措施。本集團位於中國惠州市的工廠停產數週，導致暫停生產及延遲交付若干產品。儘管如此，本集團於收回貿易應收款項方面並無出現重大延誤。鑒於與新冠肺炎疫情有關的市場及經濟狀況變化的不確定性，本集團將持續監測新冠肺炎的發展，並評估財務表現及財務狀況所受到影響的性質及程度。

26. 批准中期財務報表

中期財務報表於2020年8月28日獲董事會批准。



TIAN CHANG GROUP HOLDINGS LTD.
天長集團控股有限公司