

The logo features the company name 'Ka Shui' in a bold, red, italicized sans-serif font. The year '1980' is positioned to the right of 'Shui' in a smaller, red, italicized sans-serif font. The background consists of several concentric, overlapping circular bands in shades of orange, yellow, and green, with a pattern of small dots and lines, creating a dynamic, futuristic feel.

Ka Shui¹⁹⁸⁰

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

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

Stock Code 股份代號：822

Technovation Drives the Smart Future

科技創新 智訊未來

Interim Report 2021 中期報告

CONTENTS 目錄

Corporate Information 公司資料	2
Key Information for Shareholders 股東主要資料	4
Condensed Consolidated Financial Statements 簡明綜合財務報表	
Condensed Consolidated Statement of Profit or Loss 簡明綜合損益表	5
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income 簡明綜合損益表及其他全面收益表	6
Condensed Consolidated Statement of Financial Position 簡明綜合財務狀況表	7
Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表	9
Condensed Consolidated Statement of Cash Flows 簡明綜合現金流量表	10
Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註	11
Management Discussion and Analysis 管理層討論及分析	30
Other Information 其他資料	39

CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr. Lee Yuen Fat (*Chairman*)
(stepped down as Chief Executive Officer with effect from 1 February 2021)

Mr. Wong Wing Chuen (*Vice Chairman*)

Ms. Chan So Wah

Mr. Chu Weiman
(appointed with effect from 1 September 2021)

Independent Non-Executive Directors

Professor Sun Kai Lit, Cliff *BBS, JP*

Ir Dr. Lo Wai Kwok *SBS, MH, JP*

Mr. Andrew Look

Mr. Kong Kai Chuen, Frankie
(formerly known as Kong To Yeung, Frankie)

CHIEF EXECUTIVE OFFICER

Mr. Chu Weiman
(appointed with effect from 1 February 2021)

AUTHORISED REPRESENTATIVES

Mr. Chu Weiman
(appointed with effect from 1 September 2021)

Ms. Yam Suk Yee, Celia

COMPANY SECRETARY

Ms. Yam Suk Yee, Celia

AUDIT COMMITTEE

Mr. Kong Kai Chuen, Frankie (*Chairman*)
(formerly known as Kong To Yeung, Frankie)

Professor Sun Kai Lit, Cliff *BBS, JP*

Ir Dr. Lo Wai Kwok *SBS, MH, JP*

Mr. Andrew Look

NOMINATION COMMITTEE

Professor Sun Kai Lit, Cliff *BBS, JP* (*Chairman*)

Ir Dr. Lo Wai Kwok *SBS, MH, JP*

Mr. Andrew Look

Mr. Kong Kai Chuen, Frankie
(formerly known as Kong To Yeung, Frankie)

Mr. Chu Weiman
(appointed with effect from 1 September 2021)

REMUNERATION COMMITTEE

Professor Sun Kai Lit, Cliff *BBS, JP* (*Chairman*)

Ir Dr. Lo Wai Kwok *SBS, MH, JP*

Mr. Andrew Look

Mr. Kong Kai Chuen, Frankie
(formerly known as Kong To Yeung, Frankie)

Mr. Chu Weiman
(appointed with effect from 1 September 2021)

董事

執行董事

李遠發先生 (*主席*)
(退任行政總裁
於二零二一年二月一日起生效)

黃永銓先生 (*副主席*)

陳素華女士

初維民先生
(於二零二一年九月一日獲委任)

獨立非執行董事

孫啟烈教授 *BBS, JP*

盧偉國博士 *工程師, SBS, MH, JP*

陸東先生

江啟銓先生
(前稱江道揚)

行政總裁

初維民先生
(於二零二一年二月一日獲委任)

授權代表

初維民先生
(於二零二一年九月一日獲委任)

任淑儀小姐

公司秘書

任淑儀小姐

審核委員會

江啟銓先生 (*主席*)
(前稱江道揚)

孫啟烈教授 *BBS, JP*

盧偉國博士 *工程師, SBS, MH, JP*

陸東先生

提名委員會

孫啟烈教授 *BBS, JP* (*主席*)

盧偉國博士 *工程師, SBS, MH, JP*

陸東先生

江啟銓先生
(前稱江道揚)

初維民先生
(於二零二一年九月一日獲委任)

薪酬委員會

孫啟烈教授 *BBS, JP* (*主席*)

盧偉國博士 *工程師, SBS, MH, JP*

陸東先生

江啟銓先生
(前稱江道揚)

初維民先生
(於二零二一年九月一日獲委任)

REGISTERED OFFICE

PO Box 1350, Clifton House
75 Fort Street, Grand Cayman KY1-1108
Cayman Islands

**PRINCIPAL PLACE OF BUSINESS
IN HONG KONG**

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

**PRINCIPAL SHARE REGISTRAR AND
TRANSFER OFFICE (WITH EFFECT FROM
1 MARCH 2021)**

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D
P.O. Box 1586, Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

**HONG KONG BRANCH SHARE REGISTRAR
AND TRANSFER OFFICE**

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

AUDITOR

RSM Hong Kong
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

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

WEBSITE

www.kashui.com

註冊辦事處

PO Box 1350, Clifton House
75 Fort Street, Grand Cayman KY1-1108
Cayman Islands

香港主要營業地點

香港九龍
九龍灣宏光道一號
億京中心B座29樓A室

**主要股份過戶登記處(於二零二一年
三月一日生效)**

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D
P.O. Box 1586, Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司
香港皇后大道東183號
合和中心17M樓

核數師

羅申美會計師事務所
執業會計師
註冊公眾利益實體核數師

主要往來銀行

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

網址

www.kashui.com

KEY INFORMATION FOR SHAREHOLDERS

股東主要資料

FINANCIAL CALENDAR

Announcement of 2021 Interim Results
30 August 2021

Ex-dividend Date for 2021 Interim Dividend
9 September 2021

2021 Interim Dividend Payment Date
23 September 2021

STOCK CODE

822

BOARD LOT

2,000 Shares

INVESTOR RELATIONS

Ms. Yam Suk Yee, Celia
Company Secretary
Ka Shui International Holdings Limited
Room A, 29/F, Tower B, Billion Centre
1 Wang Kwong Road, Kowloon Bay
Kowloon, Hong Kong
Tel: (852) 3759 8900
Fax: (852) 2412 1743
Email: celia.yam@kashui.com

財務日誌

二零二一年中期業績公佈
二零二一年八月三十日

二零二一年中期股息除淨日期
二零二一年九月九日

二零二一年中期股息派發日期
二零二一年九月二十三日

股份編號

822

每手股數

2,000股

投資者關係

任淑儀小姐
公司秘書
嘉瑞國際控股有限公司
香港九龍
九龍灣宏光道一號
億京中心B座29樓A室
電話：(852) 3759 8900
傳真：(852) 2412 1743
電郵：celia.yam@kashui.com

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

簡明綜合損益表

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

The board (the “Board”) of directors (the “Directors”) of Ka Shui International Holdings Limited (the “Company”) is pleased to announce the unaudited interim financial results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2021, together with the comparative figures for the corresponding period in 2020.

嘉瑞國際控股有限公司(「本公司»)董事(「董事»)董事會(「董事會»)欣然宣佈本公司及其附屬公司(統稱為「本集團»)截至二零二一年六月三十日止六個月之未經審核中期財務業績，連同二零二零年同期之比較數字。

		For the six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
		<i>Note</i> <i>附註</i>	
Revenue	收入	<i>6</i>	720,389
Cost of sales	銷售成本		(514,464)
Gross profit	毛利		205,925
Other income	其他收入	<i>7</i>	16,649
Loss on deregistration of a subsidiary	註銷附屬公司虧損		(100)
Selling and distribution expenses	銷售及分銷開支		(15,999)
General and administrative expenses	一般及行政開支		(137,595)
Other operating expenses and income	其他營運開支及收入		(3,763)
Profit from operations	經營溢利		65,117
Finance costs	融資成本	<i>8</i>	(2,494)
Share of losses of associates	攤分聯營公司損失		(141)
Profit before tax	除稅前溢利		62,482
Income tax expense	所得稅開支	<i>9</i>	(12,072)
Profit for the period	期內溢利	<i>10</i>	50,410
Attributable to:	以下人士應佔權益:		
Owners of the Company	本公司權益持有人		51,527
Non-controlling interests	非控股權益		(1,117)
			50,410
Earnings per share	每股盈利		
— Basic (HK cents)	— 基本(港仙)	<i>12(a)</i>	5.77
— Diluted (HK cents)	— 攤薄(港仙)	<i>12(b)</i>	N/A 不適用

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益表及其他全面收益表

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

For the six months ended 30 June
截至六月三十日止六個月

		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Profit for the period	期內溢利	50,410	50,818
Other comprehensive income:	其他全面收益：		
<i>Items that will be reclassified to profit or loss:</i>	<i>將會重新分類至損益之項目：</i>		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	(1,028)	(14,114)
Release of translation reserve upon deregistration of a subsidiary	註銷附屬公司時從匯兌儲備撥出	(100)	—
Other comprehensive income for the period, net of tax	期內除稅後其他全面收益	(1,128)	(14,114)
Total comprehensive income for the period	期內全面收益總額	49,282	36,704
Attributable to:	以下人士應佔權益：		
Owners of the Company	本公司權益持有人	50,558	37,220
Non-controlling interests	非控股權益	(1,276)	(516)
		49,282	36,704

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2021 於二零二一年六月三十日

			As at 30 June 2021 於二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 於二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	13	514,671	519,816
Right-of-use assets	使用權資產	14	240,884	248,214
Club membership	會所會籍		718	718
Investment in an associate	於聯營公司之投資		8,551	8,691
Deposits paid for acquisition of property, plant and equipment	預付購買物業、機器及設備之按金		16,679	18,464
Deferred tax assets	遞延稅項資產		121	121
			781,624	796,024
Current assets	流動資產			
Inventories	存貨		220,763	180,666
Right of return assets	退回資產之權利		87	90
Trade and bills receivables	貿易及票據應收款項	15	373,367	394,276
Contract assets	合約資產		16,225	12,598
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		65,904	47,637
Due from an associate	應收聯營公司之款項		207	259
Current tax assets	即期稅項資產		2,080	6,834
Restricted bank balances	有限制銀行存款		1,978	1,975
Bank and cash balances	銀行及現金結餘		242,893	256,686
			923,504	901,021
Current liabilities	流動負債			
Trade payables	貿易應付款項	16	211,611	189,319
Contract liabilities	合約負債		17,680	14,031
Refund liabilities	退款負債		240	240
Lease liabilities	租賃負債		8,370	9,033
Other payables and accruals	其他應付款項及應計費用		92,783	99,093
Derivative financial liabilities	衍生金融負債		2,486	1,341
Bank borrowings	銀行借款	17	80,928	106,958
Current tax liabilities	即期稅項負債		23,012	13,374
			437,110	433,389
Net current assets	流動資產淨值		486,394	467,632
Total assets less current liabilities	資產總值減流動負債		1,268,018	1,263,656

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

簡明綜合財務狀況表(續)

As at 30 June 2021 於二零二一年六月三十日

		Note	As at 30 June 2021 於二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 於二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Non-current liabilities	非流動負債			
Bank borrowings	銀行借款	17	31,500	46,500
Lease liabilities	租賃負債		5,938	9,045
Deferred tax liabilities	遞延稅項負債		28,803	28,803
			66,241	84,348
NET ASSETS	資產淨值		1,201,777	1,179,308
Capital and reserves	資本及儲備			
Share capital	股本	18	89,376	89,376
Reserves	儲備		1,098,359	1,074,614
Equity attributable to owners of the Company	本公司權益持有人應佔權益		1,187,735	1,163,990
Non-controlling interests	非控股權益		14,042	15,318
TOTAL EQUITY	權益總額		1,201,777	1,179,308

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

		(Unaudited) (未經審核)											
		Attributable to owners of the Company 本公司權益持有人應佔權益											
		Share capital	Share premium	Retained earnings	Capital reserve	Merger reserve	Foreign currency translation reserve	Statutory reserve	Land revaluation reserve	Financial assets at FVTOCI reserve	Total	Non-controlling interest	Total equity
		股本	股份溢價	保留盈利	資本儲備	合併儲備	匯兌儲備	法定儲備	土地重估儲備	按公平值計入其他全面收益儲備之財務資產	總額	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2020	於二零二零年一月一日	89,376	204,650	608,905	8,701	(9,931)	(50,157)	58	149,292	(8,303)	992,591	15,364	1,007,955
Total comprehensive income for the period	期內全面收益總額	—	—	51,026	—	—	(13,806)	—	—	—	37,220	(516)	36,704
Final dividends paid (Note 11)	已付末期股息(附註11)	—	—	(17,875)	—	—	—	—	—	—	(17,875)	—	(17,875)
At 30 June 2020	於二零二零年六月三十日	89,376	204,650	642,056	8,701	(9,931)	(63,963)	58	149,292	(8,303)	1,011,936	14,848	1,026,784
At 1 January 2021	於二零二一年一月一日	89,376	204,650	681,420	2,115	(9,931)	(2,507)	23,004	175,863	—	1,163,990	15,318	1,179,308
Total comprehensive income for the period	期內全面收益總額	—	—	51,527	—	—	(969)	—	—	—	50,558	(1,276)	49,282
Final dividends paid (Note 11)	已付末期股息(附註11)	—	—	(26,813)	—	—	—	—	—	—	(26,813)	—	(26,813)
At 30 June 2021	於二零二一年六月三十日	89,376	204,650	706,134	2,115	(9,931)	(3,476)	23,004	175,863	—	1,187,735	14,042	1,201,777

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

For the six months ended 30 June
截至六月三十日止六個月

		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Net cash generated from operating activities	經營業務所得現金淨額	93,251	119,264
Purchase of property, plant and equipment	購買物業、機器及設備	(35,448)	(28,913)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備	1,213	413
Net cash outflow from deregistration of a subsidiary	註銷附屬公司現金淨流出	(159)	—
Other investing activities	其他投資活動	354	210
Net cash used in investing activities	投資活動所耗現金淨額	(34,040)	(28,290)
Net bank loans repaid	償還銀行貸款淨額	(40,554)	(36,472)
Advance to/(Repayment of) amount due to an associate	墊付/(償還)應付聯營公司款項	52	(416)
Dividends paid	已付股息	(26,796)	(17,856)
Principal elements of lease payments	租賃款項之主要條款	(4,502)	(2,823)
Net cash used in financing activities	融資活動所耗現金淨額	(71,800)	(57,567)
Net (decrease)/increase in cash and cash equivalents	現金及等同現金項目(減少)/增加淨額	(12,589)	33,407
Cash and cash equivalents at beginning of period	於期初的現金及等同現金項目	256,686	262,252
Effect of foreign exchange rate change	匯率變動影響	(1,204)	(2,076)
Cash and cash equivalents at end of period	於期末的現金及等同現金項目	242,893	293,583
Analysis of cash and cash equivalents	現金及等同現金項目分析		
Bank and cash balances	銀行及現金結餘	242,893	293,583

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

1. CORPORATION INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 7 January 2005. The address of its registered office is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Room A, 29/F, Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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

In the opinion of the directors of the Company, as at 30 June 2021, Precisefull Limited, a company incorporated in the British Virgin Islands, is the ultimate parent and Mr. Lee Yuen Fat ("Mr. Lee") is the ultimate controlling party of the Company.

1. 公司資料

本公司根據開曼群島公司法在二零零五年一月七日於開曼群島註冊成立為受豁免有限公司。其註冊辦事處地點為PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands。其主要營業地點為香港九龍九龍灣宏光道一號億京中心B座29樓A室。本公司股份在香港聯合交易所有限公司(「聯交所」)主板上市。

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

本公司董事認為，於二零二一年六月三十日，Precisefull Limited(一間於英屬處女群島註冊成立之公司)為最終母公司，李遠發先生(「李先生」)為本公司之最終控股方。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

2. BASIS OF PREPARATION

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

These condensed consolidated financial statements should be read in conjunction with the 2020 annual consolidated financial statements. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the Group’s annual consolidated financial statements for the year ended 31 December 2020.

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

The accounting policies applied in these financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2020. In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2021 but they do not have a material effect on the Group’s financial statements.

2. 編製基準

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

此等簡明綜合財務報表應與二零二零年綜合財務報表一併閱覽。編製此等簡明綜合財務報表所使用的會計政策(包括管理層就應用本集團之會計政策及主要估計所作出之重大判斷)及計算方法，與編製本集團截至二零二零年十二月三十一日止年度之全年綜合財務報表時相同。

3. 採納新訂及經修訂香港財務報告準則

於此等財務報表中採用的會計政策與本集團於及截至二零二零年十二月三十一日止年度之本集團綜合財務報表中應用的會計政策相同。於本期間，本集團已採納適用於其營運、由香港會計師公會所頒佈並自二零二一年一月一日開始的會計年度生效的所有新訂及經修訂香港財務報告準則，惟對本集團的財務報表並無重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

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

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

4. FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

3. 採納新訂及經修訂香港財務報告準則(續)

若干新訂及經修訂準則自二零二一年一月一日起生效，並獲准提早應用。本集團於編製此等簡明綜合中期財務報表時尚未提早採納任何新訂或經修訂準則。

4. 公平值計量

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

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

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

第2層： 第一層所包括於報價以外，資產及負債直接或間接觀察得出之參數。

第3層： 資產或負債不可觀察之參數。

本集團的政策為確認截至事件或變化日期導致轉讓的任何三個級別轉入及轉出情況。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

4. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy at 30 June 2021:

Description	項目	Fair value measurements as at 30 June 2021 using: 公平值計量利用:			Total 總額
		Level 1 第一層 HK\$'000 千港元 (unaudited) (未經審核)	Level 2 第二層 HK\$'000 千港元 (unaudited) (未經審核)	Level 3 第三層 HK\$'000 千港元 (unaudited) (未經審核)	2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)
Recurring fair value measurements:	經常性公平值計量:				
Financial liabilities	金融負債				
Financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債				
Derivatives — Cross currency interest rate swap contracts	衍生工具 — 交叉貨幣利率掉期合約	—	2,486	—	2,486

Description	項目	Fair value measurements as at 31 December 2020 using: 公平值計量利用:			Total 總額
		Level 1 第一層 HK\$'000 千港元 (audited) (經審核)	Level 2 第二層 HK\$'000 千港元 (audited) (經審核)	Level 3 第三層 HK\$'000 千港元 (audited) (經審核)	2020 二零二零年 HK\$'000 千港元 (audited) (經審核)
Recurring fair value measurements:	經常性公平值計量:				
Financial liabilities	金融負債				
Financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債				
Derivatives — Cross currency interest rate swap contracts	衍生工具 — 交叉貨幣利率掉期合約	—	1,341	—	1,341

(b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2021:

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

4. 公平值計量(續)

(a) 公平值等級架構於二零二一年六月三十日之各層披露如下:

Description	項目	Fair value measurements as at 30 June 2021 using: 公平值計量利用:			Total 總額
		Level 1 第一層 HK\$'000 千港元 (unaudited) (未經審核)	Level 2 第二層 HK\$'000 千港元 (unaudited) (未經審核)	Level 3 第三層 HK\$'000 千港元 (unaudited) (未經審核)	2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)
Recurring fair value measurements:	經常性公平值計量:				
Financial liabilities	金融負債				
Financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債				
Derivatives — Cross currency interest rate swap contracts	衍生工具 — 交叉貨幣利率掉期合約	—	2,486	—	2,486

Description	項目	Fair value measurements as at 31 December 2020 using: 公平值計量利用:			Total 總額
		Level 1 第一層 HK\$'000 千港元 (audited) (經審核)	Level 2 第二層 HK\$'000 千港元 (audited) (經審核)	Level 3 第三層 HK\$'000 千港元 (audited) (經審核)	2020 二零二零年 HK\$'000 千港元 (audited) (經審核)
Recurring fair value measurements:	經常性公平值計量:				
Financial liabilities	金融負債				
Financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債				
Derivatives — Cross currency interest rate swap contracts	衍生工具 — 交叉貨幣利率掉期合約	—	1,341	—	1,341

(b) 於二零二一年六月三十日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露:

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

4. FAIR VALUE MEASUREMENTS (Continued)

(b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2021: (Continued)

Level 2 fair value measurements

4. 公平值計量(續)

(b) 於二零二一年六月三十日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露:(續)

第二層公平值計量

Description	概述	Valuation technique	估值技術	Inputs	參數	Fair value as at 30 June 2021 於二零二一年六月三十日的公平值 HK\$'000 千港元 (unaudited)
Financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債					
Derivatives — Cross currency interest rate swap contracts	衍生工具 — 交叉貨幣利率掉期合約	Discounted cash flows	折現現金流	Interest rate Discount rate	利率貼現率	2,486

Level 2 fair value measurements

第二層公平值計量

Description	概述	Valuation technique	估值技術	Inputs	參數	Fair value as at 31 December 2020 於二零二零年十二月三十一日的公平值 HK\$'000 千港元 (audited)
Financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債					
Derivatives — Cross currency interest rate swap contracts	衍生工具 — 交叉貨幣利率掉期合約	Discounted cash flows	折現現金流	Interest rate Discount rate	利率貼現率	1,341

There were no changes in the valuation techniques used.

採用的估值方法概無變動。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

5. SEGMENT INFORMATION

For management purposes, the Group's operation is currently categorised into seven (2020: seven) operating divisions — zinc, magnesium, aluminium alloy die casting, plastic injection products and components, trading of lighting products and home appliances, and provision of motor vehicle repairing services. These divisions are the basis of the Group's five reportable segments. The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and different cost measurement.

The Group's other operating segments include trading of lighting products and home appliances, and provision of motor vehicle repairing services. None of these segments meets any of the quantitative thresholds for determining reportable segments. The information of these other operating segments is included in the "Others" column.

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

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

	Zinc alloy die casting 鋅合金壓鑄 HK\$'000 千港元 (unaudited) (未經審核)	Magnesium alloy die casting 鎂合金壓鑄 HK\$'000 千港元 (unaudited) (未經審核)	Aluminium alloy die casting 鋁合金壓鑄 HK\$'000 千港元 (unaudited) (未經審核)	Plastic injection 塑膠注塑 HK\$'000 千港元 (unaudited) (未經審核)	Others 其他 HK\$'000 千港元 (unaudited) (未經審核)	Consolidated 綜合總數 HK\$'000 千港元 (unaudited) (未經審核)
For the six months ended 30 June 2021	截至二零二一年六月三十日止六個月					
Revenue from external customers	75,441	193,469	63,694	365,082	22,703	720,389
Segment profit/(loss)	2,444	25,088	3,732	38,522	(2,658)	67,128
	Zinc alloy die casting 鋅合金壓鑄 HK\$'000 千港元 (unaudited) (未經審核)	Magnesium alloy die casting 鎂合金壓鑄 HK\$'000 千港元 (unaudited) (未經審核)	Aluminium alloy die casting 鋁合金壓鑄 HK\$'000 千港元 (unaudited) (未經審核)	Plastic injection 塑膠注塑 HK\$'000 千港元 (unaudited) (未經審核)	Others 其他 HK\$'000 千港元 (unaudited) (未經審核)	Consolidated 綜合總數 HK\$'000 千港元 (unaudited) (未經審核)
For the six months ended 30 June 2020	截至二零二零年六月三十日止六個月					
Revenue from external customers	47,986	210,027	48,796	286,170	23,286	616,265
Segment profit	1,668	28,311	2,994	39,753	205	72,931

5. 分部資料

為方便管理，本集團現時業務分為七個(二零二零年：七個)營運部門 — 鋅、鎂、鋁合金壓鑄、塑膠注塑產品和零部件、照明產品和家居器具貿易及提供汽車維修服務為主。該等部門為本集團之呈報五個分部資料的基準。本集團之呈報分部為提供不同產品的策略業務單位。由於有關業務需要不同技術及有不同成本計量方式，故該等分部乃獨立管理。

本集團的其他經營分部包括照明產品和家居器具的貿易及提供汽車維修服務。此等分部均未達到決定可呈報分部的任何量化門檻。其他經營分部的資料載於「其他」一欄。

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

本集團在期內按呈報分部分類的收入及業績分析如下：

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

5. SEGMENT INFORMATION (Continued)

5. 分部資料(續)

		For the six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Reconciliation of reportable segment profit or loss: 呈報分部溢利或虧損之對賬：			
Total profit of reportable segments	呈報分部總溢利	67,128	72,931
Unallocated amounts:	不分類數目：		
Interest income	利息收入	684	447
Share of losses of associates	攤分聯營公司損失	(141)	(513)
Finance costs	融資成本	(2,494)	(4,371)
Corporate expenses	企業開支	(2,695)	(3,773)
Income tax expense	所得稅開支	(12,072)	(13,903)
Consolidated profit for the period	期內綜合溢利	50,410	50,818

6. REVENUE

The Group is principally engaged in the manufacture and sale of zinc, magnesium and aluminium alloy die casting and plastic injection products and components that are original equipment manufacturing products ("OEM Products") which have no alternative use to the Group. The Group also sells lighting products and home appliances which have alternative use to the Group. The Group's revenue is derived from contracts with customers.

6. 收入

本集團以生產及銷售鋅、鎂及鋁合金壓鑄、塑膠注塑產品及零部件為主，該等產品為原設備製造產品（「原設備製造產品」），對本集團並無替代用途。本集團亦銷售照明產品及家居器具，該等產品對本集團有替代用途。本集團的收入來源於與客戶之合約。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

6. REVENUE (Continued)

In the following table, revenue is disaggregated by major products and timing of revenue recognition.

6. 收入(續)

在下表中，收入按主要產品和收入確認時間分類。

		For the six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Timing of revenue recognition	收入確認時間		
Products transferred at a point in time	於某一時點轉移產品	613,756	543,274
Products transferred over time	於一段時間轉移產品	106,633	72,991
		720,389	616,265
Types of products	產品類型		
Die casting products	壓鑄產品	315,535	288,207
Plastic injection products	塑膠注塑產品	324,686	212,886
Moulds	模具	57,465	91,886
Others	其他	22,703	23,286
		720,389	616,265

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

6. REVENUE (Continued)

The following table provides information about trade and bills receivables, contract assets and contract liabilities from contracts with customers:

		As at 30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Trade and bills receivables	貿易及票據應收款項	373,367	394,276
Contract assets	合約資產	16,225	12,598
Contract liabilities	合約負債	17,680	14,031

The contract assets primarily relate to the Group's rights to consideration for (a) OEM products manufactured under contracts in which the Group has enforceable right to payment but not billed at the reporting date; and (b) moulds with control passed to the customers but are invoiced subsequently together with the related products when they are delivered to the customers after the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for sales contracts which exceeds the revenue recognised to date.

The amount of approximately HK\$14,031,000 recognised in contract liabilities at the beginning of the period has been recognised as revenue for the six months ended 30 June 2021.

6. 收入(續)

下表提供了與客戶簽訂的合約中的貿易及票據應收款項、合約資產和合約負債的訊息：

合約資產主要與本集團就以下各項收取代價的權利有關：(a)根據合約製造的原設備製造產品，而本集團有強制執行權利收取付款，但於報告日期尚未發出賬單；及(b)控制權轉移至客戶但其後於報告日期後交付予客戶時連同相關產品發出發票的模具。合約資產於有關權利成為無條件時轉撥至應收款項。此情況一般於本集團向客戶發出發票時發生。合約負債主要與就銷售合約向客戶收取的預付代價超出迄今確認的收入有關。

於期初在合約負債中確認約14,031,000港元已於截至二零二一年六月三十日止六個月確認為收入。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

7. OTHER INCOME

7. 其他收入

		For the six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Interest income	利息收入	684	447
Reimbursement from customers	客戶報銷收回	4,108	3,673
Sales of scrap materials	廢料銷售	5,611	1,246
Government grants	政府補助金	3,499	7,618
Others	其他	2,747	879
		16,649	13,863

8. FINANCE COSTS

8. 融資成本

		For the six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Interest expenses on bank borrowings	銀行借款利息 開支	2,136	4,189
Interest expenses on lease liabilities	租賃負債利息 開支	358	182
		2,494	4,371

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

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

9. INCOME TAX EXPENSE

9. 所得稅開支

		For the six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Current tax — Hong Kong Profits Tax Provision for the period	即期稅項 — 香港利得稅 本期間撥備	5,940	5,855
Current tax — Income tax outside Hong Kong Provision for the period	即期稅項 — 香港以外 所得稅 本期間撥備	6,132	(517)
Deferred tax	遞延稅項	—	8,565
		12,072	13,903

Under the two-tiered profits tax regime, the first HK\$2 million of assessable profits of qualifying corporations established in Hong Kong is lowered to 8.25%, and assessable profits above HK\$2 million will be subject to the tax rate of 16.5%. For the other Hong Kong established subsidiaries, Hong Kong Profits Tax has been provided at a rate of 16.5% (six months ended 30 June 2020: 16.5%) on the estimated assessable profits. Tax charge on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates based on existing legislation, interpretation and practices in respect thereof.

在兩級制利得稅制度下，在香港成立的合資格法團的首200萬港元應課稅溢利減至8.25%，而200萬港元以上的應課稅溢利之稅率為16.5%。對於其他在香港成立的附屬公司，已按估計應課稅溢利的16.5%（截至二零二零年六月三十日止六個月：16.5%）的稅率計算香港利得稅。其他地區的應課稅溢利稅項支出按本集團經營所在地的現行法例、詮釋及慣例以當地現行稅率計算。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

10. PROFIT FOR THE PERIOD

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

10. 期內溢利

本集團期內溢利已扣除 / (計入) :

		For the six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Depreciation of property, plant and equipment	物業、機器及設備折舊	37,408	36,556
Depreciation of right-of-use assets	使用權資產折舊	7,909	5,845
Loss on disposal of property, plant and equipment	出售物業、機器及設備虧損	1,088	510
Property, plant and equipment written off	物業、機器及設備撇銷	1,523	337
Interest income	利息收入	(684)	(447)
Bad debt written off	壞賬撇銷	—	63
Reversal of allowance for inventories	存貨撥備回撥	—	(4,415)
Research and development expenditure	研究及開發支出	19,781	16,928

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

11. DIVIDENDS

11. 股息

		For the six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Dividends paid during the period	於期間內已付股息		
Final dividend for the year ended 31 December 2020: HK3.0 cents per ordinary share (Final dividend for the year ended 31 December 2019: HK2.0 cents per ordinary share)	截至二零二零年十二月 三十一日止年度末期股 息：每股普通股3.0港仙 (截至二零一九年十二月 三十一日止年度末期股 息：每股普通股2.0港仙)	26,813	17,875

Subsequent to the reporting period, the Board declared the payment of an interim dividend in respect of the six months ended 30 June 2021 of HK1.0 cent (2020: HK1.0 cent) per ordinary share, totaling approximately HK\$8,938,000 (2020: HK\$8,938,000). The interim dividend for the six months ended 30 June 2021 has not been recognised as a liability at the end of the reporting period.

於報告期間後，董事會宣派截至二零二一年六月三十日止六個月的中期股息每股普通股1.0港仙(二零二零年：1.0港仙)，總額約為8,938,000港元(二零二零年：總額約為8,938,000港元)。於報告期間末，截至二零二一年六月三十日止六個月宣派的中期股息並未確認為負債。

12. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on profit attributable to owners of the Company for the six months ended 30 June 2021 of approximately HK\$51,527,000 (for the six months ended 30 June 2020: HK\$51,026,000) and the weighted average number of ordinary shares of 893,761,400 (30 June 2020: 893,761,400) in issue during six months ended 30 June 2021.

(b) Diluted earnings per share

No diluted earnings per share are presented as the Company did not have any dilutive ordinary shares during the six months ended 30 June 2021 and 2020.

12. 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據截至二零二一年六月三十日止六個月本公司權益持有人應佔溢利約51,527,000港元(截至二零二零年六月三十日止六個月：51,026,000港元)及截至二零二一年六月三十日的六個月期間已發行的加權平均普通股股數893,761,400港元計算(二零二零年六月三十日：893,761,400)。

(b) 每股攤薄盈利

由於本公司於截至二零二一年及二零二零年六月三十日止六個月沒有任何攤薄普通股股份，因此沒有呈列每股攤薄盈利。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group had disposed of certain property, plant and equipment with a carrying amount of approximately HK\$2,301,000 (unaudited) (for the year ended 31 December 2020: HK\$2,074,000 (audited)) for proceeds of approximately HK\$1,213,000 (unaudited) (for the year ended 31 December 2020: HK\$567,000 (audited)), resulting in a loss on disposal of approximately HK\$1,088,000 (unaudited) (for the year ended 31 December 2020: HK\$1,507,000 (audited)).

The Group had written off certain property, plant and equipment with a carrying amount of approximately HK\$1,523,000 (unaudited) (for the year ended 31 December 2020: HK\$3,309,000 (audited)).

In addition, the Group acquired property, plant and equipment of approximately HK\$37,487,000 (unaudited) (for the year ended 31 December 2020: HK\$61,610,000 (audited)).

14. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2021, the Group entered into a modified lease agreement for use of warehouse for additional 3 years. The Group makes fixed payments during the contract period. At the effective date of the modification, the Group remeasured right-of-use asset and lease liability to approximately HK\$947,000 and HK\$922,000 respectively.

15. TRADE AND BILLS RECEIVABLES

13. 物業、機器及設備

於截至二零二一年六月三十日止六個月期間，本集團出售賬面值約2,301,000港元(未經審核)(截至二零二零年十二月三十一日止年度：2,074,000港元(經審核))的若干物業、機器及設備，所得款項約1,213,000港元(未經審核)(截至二零二零年十二月三十一日止年度：567,000港元(經審核))，產生出售虧損約1,088,000港元(未經審核)(截至二零二零年十二月三十一日止年度：1,507,000港元(經審核))。

本集團撇銷賬面值約1,523,000港元(未經審核)(截至二零二零年十二月三十一日止年度：3,309,000港元(經審核))的若干物業、機器及設備。

此外，本集團購入物業、機器及設備約37,487,000港元(未經審核)(截至二零二零年十二月三十一日止年度：61,610,000港元(經審核))。

14. 使用權資產

於截至二零二一年六月三十日止六個月期間，本集團訂立經修訂的租賃協議，可使用倉庫額外3年。本集團在合同期內支付固定款項。於修訂生效日期，本集團將使用權資產及租賃負債分別重新估值，金額分別約為947,000港元及922,000港元。

15. 貿易及票據應收款項

		As at 30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Trade receivables	貿易應收款項	366,529	390,881
Bills receivables	票據應收款項	6,838	3,395
		373,367	394,276

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

15. TRADE AND BILLS RECEIVABLES (Continued)

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 120 days (31 December 2020: 30 to 120 days) after the end of the month in which the invoices have been issued. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors. The ageing analysis of trade receivables as at 30 June 2021, based on the invoice date, and net of allowance for bad and doubtful debt, is stated as follows:

15. 貿易及票據應收款項(續)

本集團與客戶之交易主要以信貸形式進行。信貸期一般介乎開票當月結束後30至120天(二零二零年十二月三十一日:30日至120日)。每名客戶有最高信貸限額。本集團致力嚴格控制其未償還應收款項,由董事定期檢討過期未付結餘。於二零二一年六月三十日的貿易應收款項(按發票日期及扣除壞賬及呆賬撥備計算)之賬齡分析載列如下:

		As at 30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
0 to 30 days	零至30日	200,103	173,159
31 to 60 days	31日至60日	75,860	108,461
61 to 90 days	61日至90日	71,566	87,624
91 to 180 days	91日至180日	19,224	21,460
Over 180 days	180日以上	366	767
Less: allowance for bad and doubtful debts	減: 壞賬及呆賬 撥備	(590)	(590)
		366,529	390,881

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

16. TRADE PAYABLES

The Group normally obtains credit terms ranging from 30 to 90 days (31 December 2020: 30 to 90 days) from its suppliers. The ageing analysis of trade payables as at 30 June 2021, based on the date of receipt of goods, is as follows:

		As at 30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
0 to 30 days	零至30日	81,029	80,976
31 to 60 days	31日至60日	56,175	53,568
61 to 90 days	61日至90日	38,757	31,903
91 to 180 days	91日至180日	28,122	14,456
Over 180 days	180日以上	7,528	8,416
		211,611	189,319

17. BANK BORROWINGS

Repayable within one year 一年內到期償還貸款
Repayable after one year 一年後到期償還貸款

There have been no breaches in the financial covenants of any interest-bearing borrowings for the six months period ended 30 June 2021 and year ended 31 December 2020.

16. 貿易應付款項

本集團一般從其供應商取得30日至90日(二零二零年十二月三十一日: 30日至90日)之信貸期。貿易應付款項於二零二一年六月三十日(按收貨日期計算)的賬齡分析如下:

17. 銀行借款

截至二零二一年六月三十日止六個月期間及截至二零二零年十二月三十一日止年度, 概無違反任何計息借款之財務契諾。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

18. SHARE CAPITAL

18. 股本

		As at 30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Authorised:	法定：		
5,000,000,000 ordinary shares of HK\$0.1 each	5,000,000,000每股 面值0.1港元之普通股	500,000	500,000
Issued and fully paid:	已發行及繳足：		
893,761,400 (as at 31 December 2020: 893,761,400) ordinary shares of HK\$0.1 each	893,761,400(於二零二零 年十二月三十一日： 893,761,400)每股面值 0.1港元之普通股	89,376	89,376

19. CAPITAL COMMITMENTS

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

19. 資本承擔

有關購買及建造物業、機器及設備的資本承擔詳情如下：

		As at 30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Contracted but not provided for	已訂約但未撥備	57,620	44,222

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

20. RELATED PARTY TRANSACTIONS

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

20. 關聯方交易

- (a) 期內，本集團與其關聯方有以下交易：

		For the six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Purchase from an associate	向聯營公司購買	—	348

(b) Directors compensation

(b) 董事酬金

		For the six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Salaries, allowances and discretionary bonus	薪金、津貼及酌情花紅	3,506	3,141
Retirement benefits scheme contributions	退休福利計劃供款	23	27
		3,529	3,168

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

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

21. EMOLUMENTS OF CHIEF EXECUTIVE OFFICER

Mr. Chu Weiman (“Mr. Chu”) was appointed as the chief executive officer of the Company on 1 February 2021. Mr. Lee has stepped down as the chief executive officer since that date. The remuneration of Mr. Chu for the six months ended 30 June 2021 is as follows:

21. 行政總裁酬金

初維民先生(「初先生」)於二零二一年二月一日獲委任為本公司行政總裁，李先生於當日退任行政總裁之職位。截至二零二一年六月三十日止六個月初先生之薪酬如下：

		For the six months ended 30 June 2021 截至二零二一年六月三十日 止六個月 HK\$'000 千港元 (unaudited) (未經審核)
Salaries, allowances and discretionary bonus	薪金、津貼及酌情花紅	600
Retirement benefits scheme contributions	退休福利計劃供款	8
		608

22. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2021 (at 31 December 2020: Nil).

22. 或然負債

於二零二一年六月三十日，本集團並無任何重大或然負債(二零二零年十二月三十一日：無)。

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of the Group.

23. 比較數字

若干比較數字已重新歸類以符合本期間的呈列方式。會計項目的新分類方式被認為較適合用作編列本集團之事務。

24. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the Board on 30 August 2021.

24. 批准簡明綜合財務報表

本簡明綜合財務報表已於二零二一年八月三十日獲董事會批准並授權刊發。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(A) FINANCIAL REVIEW

The persistent COVID-19 pandemic has catalysed the acceleration of digital transformations and the demand for mobile devices surged due to the need for work from home and remote learning. As a result, the Group's revenue for the six months ended 30 June 2021 (the "Period") recorded an increase of approximately 16.9% to HK\$720,389,000 (2020 first half: HK\$616,265,000) when compared with the same period last year. During the Period, the Group's gross profit also grew by approximately 12.1% to HK\$205,925,000 (2020 first half: HK\$183,728,000) and gross profit margin was 28.6% (2020 first half 29.8%).

The consolidated profit attributable to owners of the Company for the Period was HK\$51,527,000 (2020 first half: HK\$51,026,000). In the first half of 2020, the Group received one-off utility and government subsidies due to COVID-19 pandemic, leading to an increase in the consolidated profit attributable to owners of the Company for that period. However, the Group has not received the relevant subsidies during the Period. The Group's EBITDA, computed as profit before tax, depreciation, amortisation of intangible assets and finance costs, amounted to approximately HK\$110,294,000 (2020 first half: HK\$111,493,000).

(A) 財務回顧

持續的新型冠狀病毒(「COVID-19」)疫情加速了數碼化轉型，由於需要在家工作和遠程學習，移動設備的需求激增。因此，本集團截至二零二一年六月三十日止六個月(「本期間」)的收入較去年同期增加約16.9%至720,389,000港元(二零二零年上半年：616,265,000港元)。於本期間內，本集團毛利亦增長約12.1%至205,925,000港元(二零二零年上半年：183,728,000港元)，毛利率為28.6%(二零二零年上半年29.8%)。

本期間本公司權益持有人應佔綜合溢利為51,527,000港元(二零二零年上半年：51,026,000港元)。於二零二零年上半年，本集團由於COVID-19疫情獲得一次性公用事業和政府補貼，導致該期間本公司權益持有人應佔綜合溢利增加，而本期間本集團並沒有獲得相關補貼。本集團的未計利息、稅項、折舊及攤銷前盈利(按稅前利潤、折舊、無形資產攤銷和融資成本計算)約為110,294,000港元(二零二零年上半年：111,493,000港元)。

(B) BUSINESS REVIEW

Plastic injection moulding business

Driven by the booming mobile device market in the first half of 2021, the revenue of plastic injection moulding business had recorded an increase by approximately 27.6% to HK\$365,082,000 (2020 first half: HK\$286,170,000) as compared with the previous corresponding period. The contribution of this business segment to the Group's total revenue had also grown from 46.4% in the first half of 2020 to approximately 50.7% in the first half of 2021. As the shipment of mobile devices is expected to increase, the demand for mobile device accessories will continue to grow in future. The Group will strive to acquire more customers by providing quality products and services in order to secure more new project orders for plastic injection and precision products.

Magnesium alloy die casting business

Affected by the unstable global transportation and logistics and shortage of critical components of notebook computers, the revenue of magnesium alloy die casting business for the six months ended 30 June 2021 decreased by approximately 7.9% to HK\$193,469,000 (2020 first half: HK\$210,027,000), accounting for approximately 26.9% of the Group's overall revenue (2020 first half: 34.1%). Apart from notebook computer casings, the Group will continue to explore different applications of magnesium alloy in precision component, automotive and construction industry through magnesium alloy material modification with an aim to enlarge its market share and expand its customer base.

Zinc alloy die casting business

As a result of gradual economic recovery, the revenue of zinc alloy die casting business has achieved a significant growth by approximately 57.2% to HK\$75,441,000 (2020 first half: HK\$47,986,000) as compared with the same period last year, accounting for approximately 10.5% (2020 first half: 7.8%) of the Group's overall revenue. The Group will actively optimise and improve its production technology and promote automation in production to enhance the profitability of this business segment.

(B) 業務回顧

塑膠注塑業務

在二零二一年上半年移動設備市場蓬勃發展的推動下，塑膠注塑業務的收入較去年同期增長約27.6%至365,082,000港元(二零二零年上半年：286,170,000港元)。此業務分部對本集團總收入的貢獻也由二零二零年上半年的46.4%增長至二零二一年上半年約50.7%。由於移動設備的出貨量預期會上升，未來移動設備配件的需求將會繼續增長。本集團將通過提供優質的產品和服務以爭取更多客戶，從而獲得更多塑膠注塑及精密產品新項目的訂單。

鎂合金壓鑄業務

受到全球運輸及物流不穩定及筆記本電腦關鍵零部件短缺所影響，截至二零二一年六月三十日止六個月鎂合金壓鑄業務收入減少約7.9%至193,469,000港元(2020年上半年：210,027,000港元)，約佔本集團總收入約26.9%(二零二零年上半年：34.1%)。除筆記本電腦外殼外，本集團將繼續通過鎂合金材料改性探索鎂合金在精密零部件、汽車及建築行業不同方面的應用，目的是擴大市場份額及擴展客戶基礎。

鋅合金壓鑄業務

由於經濟逐步復甦，鋅合金壓鑄業務收入較去年同期大幅增長約57.2%至75,441,000港元(二零二零年上半年：47,986,000港元)，約佔本集團整體收入約10.5%(二零二零年上半年：7.8%)。本集團將積極優化和改善生產技術，並推動生產自動化以提升此業務分部的盈利能力。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Aluminium alloy die casting business

During the Period, the revenue of aluminum alloy die casting business increased by approximately 30.5% to HK\$63,694,000 (2020 first half: HK\$48,796,000) due to an increase in market demand for consumer products. This segment accounted for approximately 8.8% of the Group's overall revenue (2020 first half: 7.9%). The Group will continue to focus on the research and development of different applications of aluminium alloy to increase the revenue derived from this business segment.

Others

The revenue during the Period of other businesses (including trading of lighting products and home appliances as well as provision of motor vehicle repairing services) decreased by approximately 2.5% to HK\$22,703,000 (2020 first half: HK\$23,286,000).

(C) PROSPECTS

Heading into the second half of 2021, business operations in major economies have adapted to the new norms with large-scale vaccination of the wider population ongoing. However, the spread of different variants of the COVID-19 virus, together with the continuing geopolitical tensions and uncertainties to international trade and transportation and logistics, may hinder the full recovery of the major economies. Under such circumstances, the Group remains cautiously optimistic in its business prospects and continue to maintain financially healthy to persist in the prolonged recovery, while taking new opportunities to reinforce its advantages in innovations in new materials and technologies to create values for its customers.

鋁合金壓鑄業務

於本期間內，由於市場對消費產品的需求上升，鋁合金壓鑄業務的收入增加約30.5%至63,694,000港元(二零二零年上半年：48,796,000港元)。此分部約佔本集團整體收入約8.8%(二零二零年上半年：7.9%)。本集團將繼續專注於鋁合金不同應用的研發，以增加來自此業務分部的收入。

其他

其他業務於本期間的收入(包括照明產品和家居產品貿易及提供汽車維修服務)減少約2.5%至22,703,000港元(二零二零年上半年：23,286,000港元)。

(C) 展望

進入二零二一年下半年，主要經濟體系的業務運營已適應新規範，並正在進行大規模疫苗接種。然而，不同COVID-19變種病毒的傳播，加上持續的地緣政治緊張局勢、國際貿易及運輸物流的不確定性，有可能會阻礙主要經濟體系的全面復蘇。在此等情況下，本集團對業務前景保持審慎樂觀，並繼續保持財務穩健以維持長期復蘇，同時把握新機遇鞏固其在新材料及技術創新方面的優勢，為客戶創造價值。

Carbon neutrality has become a central topic in China since the Chinese government's announcement last year of targeting to reach carbon neutrality by 2060. This has provided new impetus to speed up the development of China's new energy vehicles industry. Sales of new energy vehicles are forecasted to rise to 20% of overall new car sales by 2025 from merely 5% in 2020, according to the Chinese's 14th five-year plan through to 2025. Since last year, the growth rate of new energy vehicles sales has been better than that of the overall automobile market. In addition, coupled with the emphasis on the development of lightweight, electrified, intelligent and connected vehicles of the automobile industry, the Group's revenue from auto parts has continued to increase year-on-year. The application of the Group's magnesium alloy materials to new energy vehicles will help the vehicles achieve lighter weights and longer travel distances, and the high thermal conductivity magnesium alloy developed by the Group through modification of the current material is also more suitable for auto parts that require higher heat dissipation due to smart vehicles and electrification. In this regard, the Group will continue to develop a wider range of modified magnesium alloy material solutions, including high-strength, high-toughness and high-flow magnesium alloy in order to match the wide range of applications in automotive electrical instrument parts, body structural parts, chassis parts and three electrical system – battery, electric machine and electrically control components. The Group will carry out in-depth development jointly with automobile brands for large scale magnesium alloy components while adopting large scale die casting technology at the same time. The Group is equipped with large scale die casting machines with different tonnage levels and will continue to focus on the integrated moulding solutions for auto parts with a view to simplifying the production process, thus resulting in reduction in cost and shortening of production lead time. Moreover, the Group's patented Micro Arc Oxidation ("MAO") technology has been applied on its pilot production of magnesium alloy products. This proves that the eco-friendly surface treatment technology with exceptional corrosion resistance has gained wide recognition from the market. The Group will continue to devote resources to innovations in material modification and product development to strengthen its industry leadership.

自去年中國政府宣佈在二零六零年前實現碳中和目標以來，碳中和已成為中國的一個核心話題。此為加快中國新能源汽車產業發展提供了新動力。根據中國直到二零二五年的「十四五規劃」，新能源汽車佔整體新車的銷量預期將從二零二零年只有5%上升到二零二五年的20%。從去年起，新能源汽車的銷量增長率已優於汽車整體市場，再加上汽車產業發展強調的輕量化、電動化、智能化及網聯化，帶動了本集團在汽車零部件方面的收入按年持續上升。本集團的鎂合金材料應用到新能源汽車上，有利於汽車實現輕量化及提升續航力，而且本集團透過現有材料改性研發出的高導熱鎂合金更加適用於因應汽車智能化及電動化對散熱有更高要求的汽車零部件上。因此，本集團將繼續廣泛研發鎂合金材料改性方案，包括高強、高韌及高流動鎂合金，以配合廣泛應用於汽車電器儀表配件、車身結構件、底盤配件及三電系統 – 電池、電機及電控配件。本集團將與汽車品牌商共同深度開發大型鎂合金零部件，同時採用大型壓鑄技術。本集團配備不同噸位的大型壓鑄機，並將繼續專注於汽車零部件的一體成型解決方案，以簡化生產流程，從而降低成本並縮短交貨時間。此外，本集團專利的微弧氧化（「MAO」）技術已應用於其鎂合金產品的試產。此證明了具有優異抗腐蝕性能的環保表面處理技術獲得了市場的廣泛認可。本集團將持續投入資源於材料改性和產品開發的創新，以加強其行業領先地位。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Benefiting from the vaccination distribution efforts from various governments, companies have started to bring employees back to their offices or chosen to adopt a mixed mode of work. The market demand for personal notebook computers and other mobile devices have been increasing due to the corporate's initiative to improve staff mobility. Meanwhile, in order to grasp the trend of economic recovery in major economies, personal electronics brands have resumed their new product launch plans. As lightweight and multi-functionality devices continue to be the main focuses of personal electronics manufacturers, the Group will continue to closely cooperate with internationally renowned computer brands and mobile accessories brands to launch new products that fit consumers' desires. It is noteworthy that the Group's magnesium alloy product technology not only shows high thermal conductivity for heat dissipation in notebook computer casing, but its application has also been extended to 5G base stations to reduce energy consumption and extend the durability. With increasing adoption and coverage of 5G networks, the demand for the Group's magnesium parts for the higher transmission power base stations are on the rise and the Group's large scale die casting machine can also be used to produce large scale components for 5G base stations. The Group will persist in its efforts in product application extensions to different industries to expand its business scale and seize a larger market share.

受惠於各國政府的疫苗接種分配工作，員工陸續回到辦公室工作或選擇採用混合工作模式。由於企業主張提高員工的流動性，市場對個人筆記本電腦和其他移動設備的需求不斷增加，同時，為把握主要經濟體系經濟復蘇，個人電子品牌紛紛恢復新品上市計劃。隨著輕量化和多樣功能性設備繼續成為個人電子產品生產商的主要關注點，本集團將繼續與國際知名電腦品牌和手機配件品牌密切合作，推出符合消費者需求的新產品。值得一提的是，本集團的鎂合金產品技術不僅在筆記本電腦外殼中展現出高導熱性的散熱效果，其應用還擴展到5G基站，以降低能源損耗並延長耐用性。隨著5G網絡的日益普及和覆蓋範圍增加，高傳輸功率基站對本集團鎂合金部件的需求不斷增加，而本集團配置的大型壓鑄機亦可配合5G基站大型配件生產。本集團將繼續努力將產品應用延伸至不同行業，以擴大業務規模及爭取更大市場份額。

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

Innovation, especially in material and technology solutions, is one of the core competencies of the Group to embrace the ever-changing market. The Group has applied 3D printing technology in its new product development process for its customers, and this technology greatly reduces the time and cost of product development. The Group will continue to explore new elements to enrich its product offerings. Internally, the Group has implemented “Industrial 4.0” standard to achieve a higher level of data analysis in its manufacturing system in the past years and the implementation of end-to-end real time production data management in the Group’s production line and supply chain has also achieved significant progress in the improvement of internal production efficiency and cost structure. The Group will make further investments to enhance and optimise the data management and intelligent manufacturing setup in the long run. With its long-term commitment to innovations and the support of national policies, the Group will make good use of its advantage in innovations in new materials and technologies and industry expertise to further enhance its competitiveness and forge ahead this year.

(D) LIQUIDITY AND FINANCIAL RESOURCES

The Group has adopted a prudent policy in financial resources management, maintaining an appropriate level of cash and cash equivalents as well as adequate facilities to meet the requirements of day-to-day operations and business development, at the same time controlling borrowings at a healthy level.

The principal sources of working capital of the Group during the period under review was from cash flows generated from operating activities and bank borrowings. As at 30 June 2021, the Group had restricted bank balances as well as bank and cash balances of approximately HK\$244,871,000 (31 December 2020: HK\$258,661,000), most of which were denominated in either US dollars, Renminbi or Hong Kong dollars.

創新(尤其是在材料及技術解決方案方面)是本集團面對瞬息萬變市場的核心競爭力之一。本集團將3D打印技術應用於客戶新產品開發過程上，此技術令產品前期開發的時間及成本大為縮減。本集團將繼續探索新元素以豐富其產品種類。內部方面，本集團過去幾年在製造系統實施「工業4.0」標準以達致更高水平的數據分析，而端對端實時生產數據管理於本集團生產線及供應鏈實施，在改善內部生產效率和成本結構方面也取得明顯進展。長遠而言，本集團將進一步投資以加強和優化數據管理和智能製造設置。本集團長期致力創新，在國家政策的支持下，本年度將善用自身在新材料及技術創新方面的優勢和行業專長，進一步提升競爭力，穩步向前。

(D) 流動資金及財務資源

本集團在財務資源管理方面採取了審慎的政策，維持適當水平的現金和現金等價物以及足夠的信貸額度以滿足日常運營和業務發展的需求，同時將借款控制在健康水平。

本集團於回顧期內主要營運資金來源為經營業務所得現金流及銀行借款。於二零二一年六月三十日，本集團擁有有限制銀行存款和銀行及現金結餘約244,871,000港元(二零二零年十二月三十一日：258,661,000港元)，當中大多數以美元、人民幣或港元計值。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

The interest-bearing borrowings of the Group as at 30 June 2021 were all bank loans with an aggregate amount of approximately HK\$112,428,000 (31 December 2020: HK\$153,458,000). All of these borrowings were denominated in Hong Kong dollars or Euros (31 December 2020: Hong Kong dollars or Euros) and which were primarily subject to floating interest rates. The bank borrowings with maturities falling due within one year, in the second to fifth year with repayment on demand clause and in the second to the fifth year without repayment on demand clause amounted to approximately HK\$34,500,000, HK\$46,428,000 and HK\$31,500,000 respectively (31 December 2020: HK\$40,997,000, HK\$65,961,000 and HK\$46,500,000 respectively).

As at 30 June 2021, the net gearing ratio (a ratio of the sum of the total bank borrowings less the pledged bank deposits, restricted bank balances (if any) and bank and cash balances divided by the total equity) of the Group was not applicable since the Group had net cash (pledged bank deposits, restricted bank balances (if any) and bank and cash balances less total bank borrowings) of approximately HK\$132,443,000 (31 December 2020: net cash of HK\$105,203,000).

As at 30 June 2021, the net current assets of the Group was approximately HK\$486,394,000 (31 December 2020: HK\$467,632,000), which consisted of current assets of approximately HK\$923,504,000 (31 December 2020: HK\$901,021,000) and current liabilities of approximately HK\$437,110,000 (31 December 2020: HK\$433,389,000), representing a current ratio of approximately 2.1 (31 December 2020: 2.1).

本集團於二零二一年六月三十日的計息借款全為銀行貸款，總額約為112,428,000港元(二零二零年十二月三十一日：153,458,000港元)。該等借款全部以港元或歐元(二零二零年十二月三十一日：港元或歐元)計值，所採用的利率主要為浮動利率。將於一年內到期以及於第二至第五年到期(包括按要求償還條款)及於第二至第五年到期(不含按要求償還條款)之銀行貸款金額分別約為34,500,000港元、46,428,000港元及31,500,000港元(二零二零年十二月三十一日：分別為40,997,000港元、65,961,000港元及46,500,000港元)。

於二零二一年六月三十日，由於本集團之現金淨額(已抵押銀行存款、有限制銀行存款(如有)以及銀行及現金結餘減去銀行總借貸)約為132,443,000港元(二零二零年十二月三十一日：現金淨額105,203,000港元)，因此，淨借貸比率(以銀行借款總和減已抵押銀行存款、有限制銀行存款(如有)和銀行及現金結餘除以權益總額之比率)不適用於本集團。

於二零二一年六月三十日，本集團流動資產淨值約為486,394,000港元(二零二零年十二月三十一日：467,632,000港元)，包括流動資產約923,504,000港元(二零二零年十二月三十一日：901,021,000港元)及流動負債約437,110,000港元(二零二零年十二月三十一日：433,389,000港元)，流動比率約為2.1(二零二零年十二月三十一日：2.1)。

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

(E) EXPOSURE TO FOREIGN EXCHANGE RISK

Most of the Group's transactions were conducted in US dollars, Hong Kong dollars or Renminbi. As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between the US dollars, the Renminbi and the Hong Kong dollars. Currently, the Group has not entered into any financial instrument for hedging purposes. However, the Group will closely monitor its overall foreign exchange exposure and take appropriate measures to mitigate the risks that the Group faces from exchange rate fluctuations.

(F) CONTINGENT LIABILITIES

As at 30 June 2021, the Group had no material contingent liabilities.

(G) CHARGE ON ASSETS

As at 30 June 2021, the Group's banking facilities were secured by the following assets: (a) all monies assignment of rental over the property situated in Hong Kong owned by the Group; and (b) corporate guarantees provided by the Company and certain subsidiaries of the Group.

(H) MATERIAL ACQUISITIONS AND DISPOSAL

For the six months ended 30 June 2021, the Group has not acquired or disposed any of its subsidiaries, associates or joint ventures.

(E) 外匯風險承擔

本集團的大部分交易均以美元、港元或人民幣進行。因此，本集團已注意到美元、人民幣及港元匯率的波動可能引起的潛在外匯風險承擔。目前，本集團尚未訂立任何金融工具作對沖用途。但是，本集團將密切監察其整體外匯風險承擔及採取合適措施以減低本集團面對匯率波動所帶來之風險。

(F) 或然負債

於二零二一年六月三十日，本集團並無任何重大或然負債。

(G) 資產抵押

於二零二一年六月三十日，本集團的銀行借貸以下列資產作為抵押：(a)本集團擁有的香港物業之一切租金轉讓；及(b)本公司及本集團若干附屬公司提供之企業擔保。

(H) 重大收購和出售

截至二零二一年六月三十日止六個月，本集團並無收購或出售其任何附屬公司、聯營公司或合資企業。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

(I) HUMAN RESOURCES

As at 30 June 2021, the Group had approximately 4,600 full-time employees (31 December 2020: 4,600). The Group attributes its success to the hard work and dedication of all staff, therefore, they are deemed to be the most valuable assets of the Group. In order to attract and retain high caliber staff, the Group provides a competitive salary package, including retirement schemes, medical benefits and bonuses. The Group's remuneration policy and structure are determined based on market trends, the performance of individual staff as well as the financial performance of the Group. The Group has also adopted a share option scheme and a share award scheme providing incentives and rewards for those qualifying staff who have made contributions to the Group.

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

(I) 人力資源

於二零二一年六月三十日，本集團約有4,600名全職僱員(二零二零年十二月三十一日：4,600名)。本集團之成功有賴全體僱員的表現和責任承擔，故此本集團把僱員視作為我們的核心資產。為了吸引及保留優秀員工，本集團提供具競爭力的薪酬待遇，包括退休金計劃、醫療福利和花紅獎賞。本集團之薪酬政策及結構乃根據市場趨勢、個人工作表現以及本集團的財務表現而釐定。本集團亦已採納認購股權計劃及股份獎勵計劃，旨在向合資格僱員提供作為彼等對本集團所作出貢獻之鼓勵及獎賞。

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

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

As at 30 June 2021, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 to 9 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債券的權益及短倉

於二零二一年六月三十日，本公司董事及主要行政人員，於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7至9分部須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及短倉（包括根據證券及期貨條例該等條文被當作或被視為擁有之任何權益及短倉）；或根據證券及期貨條例第352條須記錄在該條所述登記冊之權益及短倉；或根據聯交所證券上市規則（「上市規則」）上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益及短倉如下：

OTHER INFORMATION (CONTINUED) 其他資料(續)

Long Positions in the Shares

股份之長倉

Name of Directors 董事姓名	Capacity 身份	Number of Shares 股份數目	Approximate percentage of interest in the Company 佔本公司權益概約百分比
Executive Directors 執行董事			
Mr. Lee Yuen Fat ("Mr. Lee") 李遠發先生(「李先生」)	Interest in controlled company ⁽¹⁾ 受控制公司權益 ⁽¹⁾	440,000,000	49.23%
	Founder of a discretionary trust ⁽²⁾ 全權信託之創立人 ⁽²⁾	127,980,000	14.32%
Mr. Wong Wing Chuen 黃永銓先生	Beneficial owner 實益擁有人	11,050,000	1.24%
Independent Non-Executive Directors 獨立非執行董事			
Mr. Andrew Look 陸東先生	Beneficial owner 實益擁有人	8,800,000	0.98%
Ir Dr. Lo Wai Kwok <i>SBS, MH, JP</i> 盧偉國博士 <i>工程師, SBS, MH, JP</i>	Beneficial owner 實益擁有人	1,000,000	0.11%

Note:

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

附註:

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

Save as disclosed above, as at 30 June 2021, none of the directors or chief executives of the Company had any interests or short positions in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 to 9 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code. In addition, save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

除上文所披露者外，於二零二一年六月三十日，概無本公司董事或主要行政人員於本公司及其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有任何根據證券及期貨條例第XV部第7至9分部須知會本公司及聯交所之權益或短倉(包括彼等根據證券及期貨條例該等條文被當作或視為擁有之權益及短倉)；或根據證券及期貨條例第352條須記錄於該條所述之登記冊之權益及短倉；或根據標準守則須知會本公司及聯交所之權益及短倉。此外，除上述披露外，本公司或其任何附屬公司於期內概無訂立任何安排，令本公司董事或彼等之配偶或未滿十八歲之子女可藉購入本公司或其他法團之股份或債權證而獲益。

OTHER INFORMATION (CONTINUED) 其他資料(續)

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

As at 30 June 2021, the following persons, other than the directors or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 to 5 of Part XV of the SFO or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Long Positions in the Shares

Name	Capacity	Number of Shares	Approximate percentage of interest in the Company
名稱	身份	股份數目	佔本公司權益概約百分比
Precisefull	Beneficial owner ⁽¹⁾ 實益擁有人 ⁽¹⁾	440,000,000	49.23%
Beautiful Crystal	Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾	77,980,000	8.73%
Beautiful Colour	Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾	50,000,000	5.59%
UBS TC	Trustee ⁽²⁾ 受託人 ⁽²⁾	127,980,000	14.32%

Note:

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

主要股東於本公司及其相聯法團之股份、相關股份及債券的權益及短倉

於二零二一年六月三十日，下列人士(本公司董事或主要行政人員除外)於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2至5分部須向本公司披露之權益或短倉，或直接或間接擁有可於任何情況下在本公司股東大會投票之任何類別股本面值5%或以上之權益或短倉，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或短倉：

股份之長倉

附註：

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

Save as disclosed above, as at 30 June 2021, the directors and the chief executives of the Company were aware of any other persons (other than the directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 to 5 of Part XV of the SFO, or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was adopted by ordinary resolution of shareholders of the Company at the annual general meeting of the Company held on 19 May 2017.

The purpose of the Share Option Scheme is to provide incentives and rewards to selected eligible persons for their contributions to the Group. The Share Option Scheme will remain valid until 18 May 2027 and each option will be granted at a consideration for HK\$10.

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

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

除上文所披露者外，於二零二一年六月三十日，本公司董事及主要行政人員並不知悉任何其他人士(本公司董事或主要行政人員除外)於本公司之股份及相關股份中擁有須根據證券及期貨條例第XV部第2至5分部披露之權益或短倉，或直接及間接擁有可於任何情況下在本公司股東大會投票之任何類別股本面值5%或以上權益或短倉，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或短倉。

購股權計劃

於二零一七年五月十九日舉行的本公司股東週年大會上，本公司股東以普通決議案方式採納購股權計劃(「購股權計劃」)。

購股權計劃旨在向選定人士提供作為彼等對本集團所作出貢獻之獎勵或獎賞。購股權計劃將一直有效至二零二七年五月十八日及每一購股權將以代價10港元授出。

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

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

OTHER INFORMATION (CONTINUED) 其他資料(續)

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

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

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

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

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

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

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

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

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

購股權計劃項下股份的認購價將由董事會決定,惟該價格不得低於以下最高者:

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

自購股權計劃於二零一七年五月十九日獲採納以來,並無授出購股權。

SHARE AWARD SCHEME

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

The participants of the Share Award Scheme may include executives, officers, employees, directors of the Company or any of its subsidiary, any business or joint venture partner, investor, consultant, adviser or agent of any member of the Group.

The Share Award Scheme shall be subject to the administration of the Administration Committee in accordance with the rules of the Share Award Scheme and the terms of the Trust Deed.

Pursuant to the Share Award Scheme, the Board shall select the eligible persons for participation in the Share Award Scheme and determine the number of shares to be awarded. Shares will be acquired by an independent trustee at the cost of the Company or shares will be allotted to the independent trustee under the general mandate granted or to be granted by the shareholders of the Company at general meetings from time to time and be held in trust for the awarded persons until the end of each vesting period. Vested shares will be transferred at no cost to the awarded persons.

Where any Awarded Shares are proposed to be offered to a connected person of the Company (as defined under Chapter 14A of the Listing Rules), such offer of Awarded Shares has to be first approved by the independent non-executive directors of the Company and the Company will comply with the applicable requirements of Chapter 14A of the Listing Rules in respect of such offer (including but not limited to the obtaining of independent Shareholders’ approval if necessary).

股份獎勵計劃

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

股份獎勵計劃之參與者包括本公司或其任何附屬公司之行政人員、高級職員、僱員、董事、本集團之任何業務或合營夥伴、投資者、顧問、諮詢人或代理。

股份獎勵計劃會依據股份獎勵計劃之規則及信託契據之條款，由行政管理委員會管理。

根據股份獎勵計劃，董事會將甄選合資格人士參與股份獎勵計劃，並釐定予以獎勵股份之數目。股份將由獨立受託人購入，成本由本公司支付，或股份將根據於股東大會上不時由本公司股東授予或將授予的一般授權分配予獨立受託人，並以信託方式為獲獎勵人士持有，直至各歸屬期完結止。歸屬股份將無償轉讓予獲獎勵人士。

倘擬向本公司之關連人士(定義見上市規則第14A章)授予任何獎勵股份，該授予獎勵股份之建議須事先經本公司獨立非執行董事批准，且本公司將就有關建議遵守上市規則第14A章之適用規定(包括但不限於在需要時取得獨立股東批准)。

OTHER INFORMATION (CONTINUED) 其他資料(續)

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

For the six months ended 30 June 2021, no Awarded Shares was granted, vested or cancelled pursuant to the Share Award Scheme.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK1.0 cent per share for six months ended 30 June 2021 payable on or about Thursday, 23 September 2021, to the shareholders whose names appear on the register of members of the Company on Wednesday, 15 September 2021.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 13 September 2021 to Wednesday, 15 September 2021, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the interim dividend, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 10 September 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the six months ended 30 June 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the directors, the Company has maintained the prescribed public float under the Listing Rules as at the date of this interim report.

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

於截至二零二一年六月三十日止六個月，既無獎勵股份按股份獎勵計劃授出，亦無獎勵股份歸屬或取消。

中期股息

董事會議決宣派截至二零二一年六月三十日止六個月之中期股息每股1.0港仙，將於二零二一年九月二十三日(星期四)或前後派付予於二零二一年九月十五日(星期三)名列本公司股東名冊之股東。

暫停辦理股份過戶登記手續

本公司將於二零二一年九月十三日(星期一)至二零二一年九月十五日(星期三)(包括首尾兩日)暫停辦理股份過戶登記手續，於此期間將不會辦理股份過戶登記。為符合資格獲派中期股息，所有股份過戶文件連同有關股票及過戶表格須於二零二一年九月十日(星期二)下午四時三十分前送交本公司之香港股份過戶登記分處香港中央證券登記有限公司辦理登記手續，地址為香港皇后大道東183號合和中心17M樓。

購買、出售或贖回本公司上市證券

截至二零二一年六月三十日止六個月內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

充足公眾持股量

於本中期報告刊發日期，就本公司所悉及董事所知，本公司已按上市規則規定的要求，維持足夠公眾持股量。

CORPORATE GOVERNANCE

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

Pursuant to Code Provision A.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer (“CEO”) should be separate and should not be performed by the same individual. Mr. Lee Yuen Fat (“Mr. Lee”), the Chairman and an executive director of the Company, has temporarily taken up the duties of CEO after Mr. Leung King Kwok, Godfrey *SBS* has resigned from his position as CEO of the Company with effect from 31 December 2020 until a suitable candidate is appointed. After the appointment of Mr. Chu Weiman (“Mr. Chu”) as the CEO of the Company with effect from 1 February 2021, Mr. Lee stepped down from his role as the CEO of the Company on the same date but he remains as an executive director and the Chairman of the Board. Through Mr. Chu’s appointment, the Company has recomplied with Code Provision A.2.1 of the CG Code. Mr. Lee, the chairman of the Company, is responsible for the leadership and effective running of the Board while Mr. Chu, the CEO of the Company, is responsible for the overall management and supervision of the execution of the overall business strategies of the Group.

AUDIT COMMITTEE

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

企業管治

於回顧期內，本公司一直遵守上市規則附錄十四「企業管治守則」(「企業管治守則」)內所有守則條文，除下文闡述外。

根據企業管治守則之守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。李遠發先生(「李先生」)為本公司之主席及執行董事，自梁敬國先生*SBS*於二零二零年十二月三十一日辭任本公司行政總裁之職位後，暫時擔任行政總裁之職務，直至能夠委任合適人選為止。於二零二一年二月一日，初維民先生(「初先生」)獲委任為本公司行政總裁後，李先生於當日退任彼於本公司所擔任之行政總裁職位，惟李先生將繼續擔任執行董事和董事會主席。透過初先生的委任，本公司已重新遵守企業管治守則之守則條文第A.2.1條。李先生為本公司之主席，負責領導及有效地管理董事會；而初先生為本公司之行政總裁，負責本集團的整體管理及監督整體業務策略的執行。

審核委員會

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

OTHER INFORMATION (CONTINUED) 其他資料(續)

NOMINATION COMMITTEE

The Nomination Committee was set up in June 2007 and is mainly responsible for reviewing the structure, size and the composition of the Board and making recommendations on any proposed change to the Board to complement the Company's corporate strategy; assessing the independence of independent non-executive directors; making recommendations to the Board on the appointment of directors and succession planning for directors. The members of the Nomination Committee are Professor Sun Kai Lit, Cliff *BBS, JP*, Ir Dr. Lo Wai Kwok *SBS, MH, JP*, Mr. Andrew Look, Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie) and Mr. Chu Weiman (appointed with effect from 1 September 2021). Professor Sun Kai Lit, Cliff *BBS, JP* is the chairman of the Nomination Committee.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee in June 2007. The major duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management. It also reviews and determines the terms of remuneration packages, the award of bonuses and other compensation payable to individual directors and senior management with reference to the Board's corporate goals and objectives. The Remuneration Committee consists of Professor Sun Kai Lit, Cliff *BBS, JP*, Ir Dr. Lo Wai Kwok *SBS, MH, JP*, Mr. Andrew Look, Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie) and Mr. Chu Weiman (appointed with effect from 1 September 2021). The chairman of the Remuneration Committee is Professor Sun Kai Lit, Cliff *BBS, JP*, an independent non-executive director.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

提名委員會

提名委員會於二零零七年六月成立，主要負責檢討董事會的架構、規模及組成與就任何為配合本公司企業策略而擬對董事會作出的變動提供推薦建議、評核獨立非執行董事的獨立性、就委任董事及董事繼任計劃向董事會提供意見。提名委員會之成員包括孫啟烈教授*BBS, JP*、盧偉國博士*工程師, SBS, MH, JP*、陸東先生、江啟銓先生(前稱江道揚)和初維民先生(於二零二一年九月一日獲委任)，而孫啟烈教授*BBS, JP*為提名委員會之主席。

薪酬委員會

本公司於二零零七年六月成立薪酬委員會。薪酬委員會之主要職責為就本公司董事及高級管理人員之薪酬政策及架構向董事會推薦意見，並因應董事會之企業方針及目標而檢討及釐定個別董事及高級管理人員之薪酬待遇、花紅獎賞及其他報酬。薪酬委員會由孫啟烈教授*BBS, JP*、盧偉國博士*工程師, SBS, MH, JP*、陸東先生、江啟銓先生(前稱江道揚)和初維民先生(於二零二一年九月一日獲委任)組成。薪酬委員會之主席為獨立非執行董事孫啟烈教授*BBS, JP*。

董事進行證券交易的標準守則

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

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2021.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

In accordance with the requirements under Rule 13.21 of the Listing Rules, the Board reported the following details of loan facilities which exist at any time for the six months ended 30 June 2021 and up to the date of this report and include covenants requiring specific performance obligations of the controlling shareholder of the Company.

- (i) On 21 December 2018, Ka Shui Manufactory Co., Limited (the “Borrower”), the indirect wholly owned subsidiary of the Company, entered into a facility agreement with a bank, under which a term loan facility for an aggregate amount of up to HK\$100 million was extended to the Borrower (the “2018 Facility Agreement”). Any draw-down of the loan under the said facility would be repayable by eight quarterly instalments commencing the 15th month after its own draw-down date. The Borrower may drawdown the 2018 Facility Agreement for a period of 18 months from the date of the Facility Agreement. The 2018 Facility Agreement contains a specific performance obligation that Mr. Lee, a controlling shareholder (as defined in the Listing Rules) and an executive director of the Company, shall at all times beneficially own (whether directly or indirectly) not less than 50% of the shareholding and equity interest in the Borrower and the Company and maintain management control over both the Borrower and the Company. A breach of the aforesaid specific performance obligation will constitute an event of default under the 2018 Facility Agreement. If an event of default under the 2018 Facility Agreement occurs and is not remedied in accordance with the terms of the Facility Agreement, the bank may (among other things) cancel its further commitments under Facility Agreement, and/or declare that all or part of the loans together with accrued interests under the 2018 Facility Agreement would become immediately due and payable.

審閱財務資料

審核委員會已審閱本集團截至二零二一年六月三十日止六個月之未經審核簡明綜合財務報表。

根據上市規則第13.21條之披露

根據上市規則第13.21條之規定，董事會匯報下列於截至二零二一年六月三十日止六個月及截至本報告日期止任何時間存在並附帶對本公司控股股東施加須履行之特定責任之貸款融資詳情。

- (i) 於二零一八年十二月二十一日，本公司之間接全資附屬公司嘉瑞製品有限公司（「借方」）與一間銀行訂立一份融資協議（「2018 融資協議」）。根據此融資協議，借方取得定期貸款融資金額達100,000,000港元。按此融資之任何提取貸款將由各自提取日期起計第15個月開始分八期按季償還。借方可以訂立2018融資協議的18個月期限內提取貸款。2018融資協議載有對本公司控股股東（定義見上市規則）及執行董事李先生須履行之特定責任，李先生須於任何時候於借方及本公司實益擁有（無論直接或間接）不低於50%之股權和權益及維持於借方和本公司之管理控制權。違反上述須履行之特定責任將構成2018融資協議項下之違約事件。若2018融資協議項下之違約事件出現及未有根據2018融資協議的條款予以補救，銀行可根據2018融資協議（其中包括）取消其作出的進一步承諾，及／或宣布全部或部分貸款連同2018融資協議項下的應計利息將隨即到期支付。

OTHER INFORMATION (CONTINUED) 其他資料(續)

(ii) On 30 November 2018, the Borrower entered into a facility agreement with a bank. Under the facility agreement:

(a) Trade related facility and revolving loan facility up to an aggregate maximum amount of HK\$80 million, with a sub-limit of (i) HK\$20 million for the revolving loan facility; (ii) HK\$40 million for the aggregate outstanding amount for the utilisation of import invoice financing by PRC value added tax invoices; and (iii) a treasury credit limit up to HK\$5 million for the purpose of hedging the Borrower's foreign exchange rate, shall be made available. The life of these facilities are not specified, but is subject to the bank's overriding right of repayment on demand;

(b) Term loan facility of HK\$40 million. The purpose of the loan facility is to finance the Group's working capital expenditures with a loan period of 36 months from the date of the term facility being made available.

The facility agreement contains a specific performance obligation that Mr. Lee, a controlling shareholder (as defined in the Listing Rules) and an executive director of the Company, shall remain as the single largest shareholder of the Company. A breach of the aforesaid specific performance obligation will constitute an event of default under the facility agreement. If an event of default under the facility agreement occurs, liabilities payable under the facility agreement and the relevant security documents shall become immediately due and payable. This term loan facility had been repaid by the Borrower in full in February 2021.

(ii) 於二零一八年十一月三十日，借方與一間銀行訂立一份融資協議。根據融資協議：

(a) 貿易相關融資及循環貸款融資總額最高為80,000,000港元，另有下列次限額：(i)20,000,000港元為循環貸款融資；(ii)使用以中國增值稅發票作為進口發票融資之未償還總額40,000,000港元；及(iii)為對沖借方的外匯匯率而提供的最高達5,000,000港元的資金交易信貸限額。該等融資並無特定期限，惟銀行有權要求隨時償還；

(b) 定期貸款融資為40,000,000港元。定期貸款融資之目的是為本集團營運資本支出提供資金，貸款期限由取得定期貸款融資日期起計為期36個月。

融資協議載有須履行之特定責任，規定本公司控股股東(定義見上市規則)及執行董事李先生須繼續為本公司之單一最大股東。違反上述特定責任將構成融資協議項下之違約事件。如融資協議違約事件出現，融資協議及相關擔保文件項下之應付貸款隨即到期支付。借方已於二零二一年二月全數償還此定期貸款融資。

(iii) On 20 June 2017, the Borrower entered into the facility agreement with a bank to finance its working capital for a term loan facility up to HK\$130 million repayable by 36 months after the first utilisation date. The facility agreement contains a specific performance obligation that Mr. Lee (including shares under his family trust) must maintain as the major shareholder (with at least 50% shareholding) of the Company. A breach of the aforesaid specific performance obligation will constitute an event of default under the facility agreement. If an event of default under the facility agreement occurs, the bank may terminate the facility agreement and liabilities payable under the facility agreement and the relevant security documents shall become immediately due and payable. This term loan facility had been repaid by the Borrower in full in January 2021.

Save as disclosed above, the directors are not aware of any circumstances which would give rise to a disclosure obligation pursuant to the requirements under Rule 13.18 of the Listing Rules as at 30 June 2021 and as at the date of this report.

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

Updates on directors' information for the six month ended 30 June 2021 are set out below:

1. Mr. Andrew Look, an independent non-executive director of the Company, is currently an independent non-executive director of EC Healthcare (formerly known as Union Medical Healthcare Limited and its change of company name took effect from 26 March 2021).

Save as the information disclosed above, there is no change in directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

(iii) 於二零一七年六月二十日，借方與一間銀行訂立融資協議，取得定期貸款融資金額達至130,000,000港元，就其營運資金提供資金。有關融資須於首次提取日期起計36個月內償還。融資協議載有須履行之特定責任，規定李先生(包括其家族信託下之股份)須維持成為本公司之主要股東(即持股量為50%或以上)。違反上述特定責任將構成融資協議項下之違約事件。如融資協議違約事件出現，銀行可終止融資協議，而融資協議及相關擔保文件項下之應付貸款隨即到期支付。借方已於二零二一年一月全數償還此定期貸款融資。

除上文披露者外，於二零二一年六月三十日及於本報告日期，董事並不知悉有任何其他事項須根據上市規則第13.18條之規定作出披露。

根據上市規則第13.5(B)條提供之董事最新資料

截至二零二一年六月三十日止期間的董事資料更新載列如下：

1. 本公司之獨立非執行董事陸東先生現任醫思健康(前稱香港醫思醫療集團有限公司，該公司名稱變更自二零二一年三月二十六日起生效)的獨立非執行董事。

除上文披露者外，概無任何董事變更資料須根據上市規則第13.51B(1)條之規定予披露。

OTHER INFORMATION (CONTINUED) 其他資料(續)

ACKNOWLEDGEMENT

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

By order of the Board

Lee Yuen Fat

Chairman

Hong Kong, 30 August 2021

鳴謝

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

承董事會命

李遠發

主席

香港，二零二一年八月三十日



KaShui¹⁹⁸⁰

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

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

香港九龍九龍灣宏光道一號億京中心B座29樓A室

Tel 電話 : (852) 3759 8900

Fax 傳真 : (852) 2412 1743

Website 網址 : www.kashui.com