

Deyun Holding Ltd. 德運控股有限公司*

(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: 1440

2021
Interim Report
中期報告

* for identification purpose only 僅供識別

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive directors

Mr. Lin Minqiang (*Chairman*)
Mr. Lin Chaowei
Mr. Lin Chaowen
Mr. Lin Bingzhong
Mr. Wei Cunzhuo
Ms. Lin Lili

Independent non-executive directors

Mr. Sheng Zijiu
Mr. Chow Kit Ting
Mr. Yip Koon Shing
Mr. Wong Chun Sek Edmund

AUDIT COMMITTEE

Mr. Chow Kit Ting (*Chairman*)
Mr. Sheng Zijiu
Mr. Yip Koon Shing
Mr. Wong Chun Sek Edmund

REMUNERATION COMMITTEE

Mr. Yip Koon Shing (*Chairman*)
Mr. Sheng Zijiu
Mr. Wong Chun Sek Edmund
Mr. Chow Kit Ting

NOMINATION COMMITTEE

Ms. Lin Lili (*Chairman*)
Mr. Sheng Zijiu
Mr. Yip Koon Shing
Mr. Wong Chun Sek Edmund

董事會

執行董事

林民強先生 (*主席*)
林朝偉先生
林朝文先生
林秉忠先生
魏存灼先生
林莉莉女士

獨立非執行董事

盛子九先生
周傑靈先生
葉冠成先生
黃俊碩先生

審核委員會

周傑靈先生 (*主席*)
盛子九先生
葉冠成先生
黃俊碩先生

薪酬委員會

葉冠成先生 (*主席*)
盛子九先生
黃俊碩先生
周傑靈先生

提名委員會

林莉莉女士 (*主席*)
盛子九先生
葉冠成先生
黃俊碩先生

Corporate Information

公司資料

COMPLIANCE ADVISER

Dakin Capital Limited
Suites 4505–06, 45/F
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89 Queensway
Hong Kong

合規顧問

德健融資有限公司
香港
金鐘道89號
力寶中心1座
45樓4505–06室

HONG KONG LEGAL ADVISOR

Seyfarth Shaw
Suites 3701 and 3708 to 3710, 37/F
Edinburgh Tower, The Landmark
15 Queen's Road Central, Central
Hong Kong

香港法律顧問

賽法思律師事務所
香港
中環皇后大道中15號
置地廣場公爵大廈
37樓3701及3708–3710室

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants &
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

獨立核數師

羅兵咸永道會計師事務所
執業會計師及
註冊公眾利益實體核數師
香港
中環
太子大廈22樓

REGISTERED OFFICE

71 Fort Street
P.O. Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

註冊辦事處

71 Fort Street
P.O. Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN CHINA

No. 97 Longjiangnan Road
Longxia Village, Songxia Town
Changle District, Fuzhou
Fujian, the PRC

主要營業地點及中國總部

中國福建省
福州長樂區
松下鎮壟下村
龍江南路97號

COMPANY SECRETARY

Ms. Xu Jing (CICPA, FCCA, FCPA)

公司秘書

徐靜女士(CICPA, FCCA, FCPA)

AUTHORISED REPRESENTATIVES

Mr. Lin Minqiang
Ms. Xu Jing

授權代表

林民強先生
徐靜女士

Corporate Information

公司資料

PRINCIPAL BANKERS

Bank of China Company Limited, Changle Sub-branch
Industrial Bank Company Limited, Changle Sub-branch
China Merchants Bank, Fuzhou Branch, Wusi Sub-branch

主要往來銀行

中國銀行股份有限公司長樂支行
興業銀行股份有限公司長樂支行
招商銀行福州分行五四支行

THE CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Services (Cayman) Limited
71 Fort Street
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Grand Cayman KY1-1106
Cayman Islands

開曼群島主要股份過戶登記處

Appleby Global Services (Cayman) Limited
71 Fort Street
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Grand Cayman KY1-1106
Cayman Islands

HONG KONG SHARE REGISTRAR

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Hong Kong

香港股份過戶登記處

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PLACE OF BUSINESS IN HONG KONG

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香港營業地點

香港
上環
文咸東街 50 號
寶恆商業中心
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COMPANY'S WEBSITE

www.ds-lace.com

公司網址

www.ds-lace.com

STOCK NAME

Deyun Holding

股份名稱

Deyun Holding

STOCK CODE

1440

股份代號

1440

Key Financial Highlights

主要財務摘要

The board (the “**Board**”) of directors (the “**Directors**”) of Deyun Holding Ltd. (the “**Company**”) announces the unaudited interim results of the Company and its subsidiaries (collectively the “**Group**”) (and each being “**we**”, “**us**” or “**our Group**” for the purposes of this interim report as appropriate) for the six months ended 30 June 2021 (the “**Interim Period**”), together with the comparative figures for the six months ended 30 June 2020.

Deyun Holding Ltd. (德運控股有限公司*) (「本公司」) 董事 (「董事」) 會 (「董事會」) 謹此宣佈本公司及其附屬公司 (統稱「本集團」) (就本中期報告而言，各自為「我們」或「集團」 (倘適用)) 截至2021年6月30日止六個月 (「中期期間」) 的未經審核中期業績，連同截至2020年6月30日止六個月的比較數字。

| | | Six months ended 30 June 截至6月30日止六個月 | |
|---|---------------------------|---|-------------------------------------|
| | | 2021 2021年 (Unaudited) (未經審核) | 2020 2020年 (Audited) (經審核) |
| Revenue (RMB'000) | 收益 (人民幣千元) | 83,059 | 95,087 |
| Gross profit (RMB'000) | 毛利 (人民幣千元) | 27,050 | 31,746 |
| Profit before income tax (RMB'000) | 除所得稅前溢利 (人民幣千元) | 22,945 | 25,451 |
| Profit for the period attributable to equity holders of the Company (RMB'000) | 本公司權益持有人應佔期內溢利 (人民幣千元) | 19,892 | 21,245 |
| Earnings per share – Basic and diluted (RMB cents) | 每股盈利 — 基本及攤薄 (人民幣分) | 1.61 | 2.25 |

Management Discussion And Analysis

管理層討論及分析

BUSINESS REVIEW

We are a long-established lace manufacturer and dyeing service provider based in Fuzhou City, Fujian, the People's Republic of China (the "PRC"). We are primarily engaged in manufacturing and sales of lace to our customers to produce branded lingerie products on order-by-order basis. For our dyeing services, our customers are mainly lace and swimwear manufacturers who would provide us with their own lace and swimwear fabrics to dye before further fabrication.

During the Interim Period, the global economy was gradually recovering from the outbreak of the novel coronavirus (the "COVID-19") and demand on lace products and dyeing services from the PRC market remained stable. Regional pandemic control measures taken by the government had sometimes caused certain interruption of business activities of different industries, such as the manufacturing industry. However, the interruptions usually only last for a few weeks and business would be resumed as soon as a regional outbreak was under control.

In February 2021, a fire incident broke out in a dyeing factory in Fujian and it raised the concerns of the relevant PRC government authorities on fire safety. The dyeing factories in Fujian were ordered to halt operations and enhance their fire protection measures. We halted operations for approximately three weeks, which caused interruptions to our production schedule and sales. The relevant PRC government authorities were satisfied with our enhanced fire protection measures. Further, an outbreak of COVID-19 in Guangdong Province in May 2021 caused interruptions to business activities of some of our Guangdong-based customers, which in turn negatively affected our sales performance. We recorded revenue of approximately RMB83.1 million for the Interim Period, representing a decrease of approximately 12.6% from approximately RMB95.1 million for the six months ended 30 June 2020. Our net profit for the Interim Period decreased by approximately 6.1% to approximately RMB19.9 million from approximately RMB21.2 million for the six months ended 30 June 2020.

業務回顧

我們為一家歷史悠久的花邊製造商及染整服務供應商，總部位於中華人民共和國（「中國」）福建省福州市。我們主要從事按訂單製造及向客戶銷售花邊以生產品牌內衣產品。就染整服務而言，我們的客戶主要為花邊及泳裝製造商，彼等向我們提供其本身的花邊及泳裝面料，在進一步製造前進行染色。

於中期期間，全球經濟正從新型冠狀病毒（「COVID-19」）疫情中逐步復甦，中國市場對花邊產品及染整服務的需求保持穩定。政府採取的區域性疫情防控措施對製造業等不同行業的經營活動有時會造成一定程度中斷。然而，中斷通常只會持續幾週，且一旦區域性疫情得到控制，業務便會恢復。

於2021年2月，福建一間染整廠發生火災事故，引起中國政府相關部門對消防安全的關注。位於福建的染整廠均被責令停業，以加強防火措施。我們停止運營大約三週，導致我們的生產計劃及銷售中斷。相關中國政府機關對我們的加強防火措施滿意。此外，於2021年5月在廣東省爆發的COVID-19導致某些廣東客戶的業務活動中斷，從而令我們的銷售業績受到負面影響。我們於中期期間錄得收益約人民幣83.1百萬元，較截至2020年6月30日止六個月約人民幣95.1百萬元減少約12.6%。我們於中期期間的淨利潤由截至2020年6月30日止六個月約人民幣21.2百萬元減少約6.1%至約人民幣19.9百萬元。

Management Discussion And Analysis

管理層討論及分析

OUTLOOK AND BUSINESS STRATEGY

Going forward, our business growth is expected to be driven by rising disposable income, growing retail value of women's outerwear and lingerie, wider application of lace fabric, further expansion of online retailing and improved trading efficiency brought by the development of e-commerce. The lace dyeing industry will also become more concentrated when the government authorities roll out more stringent environmental protection policies from time to time.

In order to capture the upcoming business opportunities and maximise the interests of the Company and its shareholders, we will continue to expand our production capacity and enhance efficiency; comply with environmental protection policies; and strengthen our research and development capability and quality control.

FINANCIAL REVIEW

Revenue

The Group provides dyeing services as well as manufacturing and sales of lace to its customers. The Group's customers are mainly lace and swim wear manufacturers. Substantial portion of the Group's revenue are domestic sales.

前景及業務策略

展望未來，我們的業務增長預期將歸因於可支配收入不斷提高、女裝內外衣零售值持續增長、花邊布料用途日趨廣泛、網上零售進一步擴張及電子商務發展帶動交易效率提升。當政府部門不時推出更嚴格的環保政策時，花邊染整行業亦將變得更加集中。

為把握即將來到的業務機遇，最大化本公司及其股東的利益，我們將繼續擴大產能及提高效率；遵守環保政策；並加強研發能力及質量控制。

財務回顧

收益

本集團向其客戶提供染整服務以及花邊製造及銷售。本集團的客戶主要為花邊及泳裝製造商。本集團收益的絕大部分為內銷。

Management Discussion And Analysis

管理層討論及分析

Revenue by product types

Breakdown of the Group's revenue by product types is as follows:

按產品類別劃分的收益

本集團按產品類別劃分的收益明細如下：

| | | Six months ended 30 June 截至6月30日止六個月 | | | |
|-------------------|--------|---|-------------------------|------------------|-------------------------|
| | | 2021 2021年 | | 2020 2020年 | |
| | | RMB'000 人民幣千元 | % of revenue 佔收益% | RMB'000 人民幣千元 | % of revenue 佔收益% |
| Dyeing | 染整 | 52,938 | 63.7 | 57,456 | 60.4 |
| Lace | 花邊 | | | | |
| – High density | – 高密度 | 24,338 | 29.3 | 24,675 | 25.9 |
| – Regular density | – 正常密度 | 5,783 | 7.0 | 12,956 | 13.7 |
| Sub-total | 小計 | 30,121 | 36.3 | 37,631 | 39.6 |
| Total | 總計 | 83,059 | 100.0 | 95,087 | 100.0 |

Revenue by geographical regions

Breakdown of the Group's revenue by geographical regions is as follows:

按地區劃分的收益

本集團按地區劃分的收益明細如下：

| | | Six months ended 30 June 截至6月30日止六個月 | | | |
|---------------------|----|---|-------------------------|------------------|-------------------------|
| | | 2021 2021年 | | 2020 2020年 | |
| | | RMB'000 人民幣千元 | % of revenue 佔收益% | RMB'000 人民幣千元 | % of revenue 佔收益% |
| Domestic sales | 內銷 | 82,096 | 98.8 | 94,236 | 99.2 |
| International sales | 外銷 | 963 | 1.2 | 761 | 0.8 |
| Total | 總計 | 83,059 | 100.0 | 95,087 | 100.0 |

Management Discussion And Analysis

管理層討論及分析

Dyeing

The dyeing revenue decreased by approximately 7.9% from approximately RMB57.5 million for the six months ended 30 June 2020 to approximately RMB52.9 million for the Interim Period, primarily attributable to a fire incident broke out in a dyeing factory in Fujian in February 2021. This fire incident raised the concerns of the relevant PRC government authorities on fire safety. The dyeing factories in Fujian were ordered to halt operations and enhance their fire protection measures. We halted operations for approximately three weeks, which caused interruptions to our production schedule and sales. The relevant PRC government authorities were satisfied with our enhanced fire protection measures. Further, an outbreak of COVID-19 in Guangdong Province in May 2021 caused interruptions to business activities as some of our Guangdong-based customers were ordered to suspend operation, which resulted in reduction of orders from these customers.

Lace

The Group's lace products are classified into (i) regular density lace, and (ii) high density lace. The lace revenue decreased by approximately 19.9% from approximately RMB37.6 million for the six months ended 30 June 2020 to approximately RMB30.1 million for the Interim Period, primarily attributable to the three week business suspension and the outbreak of the COVID-19 in Guangdong Province mentioned above.

Gross profit and gross profit margin

Gross profit decreased by approximately 14.5% from approximately RMB31.7 million for the six months ended 30 June 2020 to approximately RMB27.1 million for the Interim Period, primarily attributable to the decrease in dyeing revenue and sales of lace products.

Gross profit margin remained relatively stable at approximately 32.6% for the Interim Period as compared with approximately 33.4% for the six months ended 30 June 2020.

染整

染整收益由截至2020年6月30日止六個月約人民幣57.5百萬元減少約7.9%至中期期間約人民幣52.9百萬元，主要由於福建一間染整廠於2021年2月發生火災事故，引起中國政府相關部門對消防安全的關注。位於福建的染整廠均被責令停業，以加強防火措施。我們停止運營大約三週，導致我們的生產計劃及銷售中斷。中國政府相關部門對我們的加強防火措施感到滿意。此外，於2021年5月在廣東省爆發的COVID-19導致業務活動中斷，原因是我們的某些廣東客戶被責令暫停營運導致來自該等客戶的訂單減少。

花邊

本集團的花邊產品分為(i)正常密度花邊；及(ii)高密度花邊。花邊收益由截至2020年6月30日止六個月約人民幣37.6百萬元減少約19.9%至中期期間約人民幣30.1百萬元，主要歸因於上述業務中斷三週及於廣東省爆發COVID-19。

毛利及毛利率

毛利由截至2020年6月30日止六個月約人民幣31.7百萬元減少約14.5%至中期期間約人民幣27.1百萬元，主要由於染整收益及花邊產品銷量減少。

於中期期間，毛利率維持相對穩定約為32.6%，而截至2020年6月30日止六個月則約為33.4%。

Management Discussion And Analysis

管理層討論及分析

Other income

Other income decreased from approximately RMB3.6 million for the six months ended 30 June 2020 to approximately RMB1.1 million for the Interim Period, primarily attributable to the decrease in one-off government grants in relation to the listing of the shares of the Company.

Other gains, net

Other gains represented differences arising from exchange of the Group's sales, assets and liabilities denominated into foreign currencies. The Group recorded other gains of approximately RMB0.5 million for the Interim Period (six months ended 30 June 2020: approximately RMB0.6 million).

Selling and distribution expenses

Selling and distribution expenses primarily consist of packaging expenses and staff cost in relation to sales and marketing staff. Selling and distribution expenses increased by approximately 18.2% from approximately RMB1.1 million for the six months ended 30 June 2020 to approximately RMB1.3 million for the Interim Period, primarily attributable to the increase in the employee benefit expenses.

Administrative expenses

Administrative expenses decreased from approximately RMB8.9 million for the six months ended 30 June 2020 to approximately RMB4.4 million for the Interim Period as the Group recognised one-off listing expenses of approximately RMB5.7 million for the six months ended 30 June 2020.

Finance income/(costs), net

The Group recorded net finance income of approximately RMB0.3 million for the Interim Period and net finance costs of approximately RMB0.3 million for the six months ended 30 June 2020, primarily attributable to the increase in interest income on bank balances and decrease in interest expenses on bank borrowings during the Interim Period.

其他收入

其他收入由截至2020年6月30日止六個月約人民幣3.6百萬元減少至中期期間約人民幣1.1百萬元，主要由於有關本公司股份上市的一次性政府補助減少。

其他收益淨額

其他收益指以外幣計值的本集團銷售額、資產及負債換算產生的差額。於中期期間，本集團錄得其他收益約人民幣0.5百萬元(截至2020年6月30日止六個月：約人民幣0.6百萬元)。

銷售及分銷開支

銷售及分銷開支主要包括包裝開支及有關銷售及營銷人員的員工成本。銷售及分銷開支由截至2020年6月30日止六個月約人民幣1.1百萬元增加約18.2%至中期期間約人民幣1.3百萬元，主要由於僱員福利開支增加。

行政開支

行政開支由截至2020年6月30日止六個月約人民幣8.9百萬元減少至中期期間約人民幣4.4百萬元，因為本集團於截至2020年6月30日止六個月確認一次性上市開支約人民幣5.7百萬元。

融資收入／(成本)淨額

本集團於中期期間錄得融資收入淨額約人民幣0.3百萬元，而於截至2020年6月30日止六個月則錄得融資成本淨額約人民幣0.3百萬元，主要由於中期期間銀行結餘利息收入增加及銀行借款利息開支減少。

Management Discussion And Analysis

管理層討論及分析

Income tax expenses

Fujian Deyun Technology Co., Ltd.* (福建德運科技有限公司) (“**Deyun**”), principal operating subsidiary of the Company, is recognised as a High and New Technology Enterprise* (高新技術企業) and therefore entitled to a preferential tax rate of 15%. The income tax expenses decreased from approximately RMB4.2 million for the six months ended 30 June 2020 to approximately RMB3.1 million for the Interim Period, primarily attributable to the decrease in assessable profits.

Effective income tax rate decreased from approximately 16.5% for the six months ended 30 June 2020 to approximately 13.3% for the Interim Period, primarily attributable to the recognition of one-off listing expenses of approximately RMB5.7 million for the six months ended 30 June 2020, which were non-deductible for tax purpose.

Net profit and net profit margin

As a result of foregoing, the Group's net profit for the Interim Period decreased by approximately 6.1% to approximately RMB19.9 million from approximately RMB21.2 million for the six months ended 30 June 2020. Net profit margin increased from approximately 22.3% for the six months ended 30 June 2020 to approximately 23.9% for the Interim Period.

Dividend

The Board does not recommend the payment of dividend for the Interim Period (six months ended 30 June 2020: nil).

所得稅開支

本公司的主要營運附屬公司福建德運科技有限公司(「**德運**」)被認定為高新技術企業，因此有權享有15%的優惠稅率。所得稅開支由截至2020年6月30日止六個月約人民幣4.2百萬元減少至中期期間約人民幣3.1百萬元，主要由於應課稅溢利減少。

實際所得稅率由截至2020年6月30日止六個月約16.5%下降至中期期間約13.3%，主要由於截至2020年6月30日止六個月確認不可扣稅的一次性上市開支約人民幣5.7百萬元。

淨利潤及淨利潤率

由於上述各項，本集團於中期期間的淨利潤由截至2020年6月30日止六個月約人民幣21.2百萬元減少約6.1%至約人民幣19.9百萬元。淨利潤率由截至2020年6月30日止六個月約22.3%上升至中期期間約23.9%。

股息

董事會不建議就中期期間派付股息(截至2020年6月30日止六個月：無)。

Management Discussion And Analysis

管理層討論及分析

LIQUIDITY, CAPITAL RESOURCES AND GEARING

Net current assets

The Group had net current assets of approximately RMB177.8 million as at 30 June 2021 (31 December 2020: approximately RMB74.2 million). The current ratio of the Group increased from approximately 2.0 times as at 31 December 2020 to approximately 5.0 times as at 30 June 2021. The increase in net current assets and improvement of current ratio as at 30 June 2021 was primarily attributable to the increase in cash and cash equivalents after receiving the proceeds of listing and the repayment of bank borrowings.

Cash and cash equivalents, borrowings and pledge of assets

The Group funds its business and working capital requirements by using a balanced mix of internal resources, borrowings and funds from listing. The Group will adjust its mix of funding mix depending on the costs of funding and its actual needs.

As at 30 June 2021, the Group had cash and cash equivalents of approximately RMB186.5 million (31 December 2020: approximately RMB109.5 million) and they were denominated in RMB, United States dollar (“USD”) and Hong Kong dollar (“HKD”). The significant increase in cash and cash equivalents as at 30 June 2021 was primarily due to the successful listing of the shares of the Company.

As at 30 June 2021, the Group had repaid its bank borrowings and had no bank borrowings (31 December 2020: approximately RMB13.0 million).

As at 30 June 2021, the Group’s total undrawn banking facilities amounted to approximately RMB75.0 million (31 December 2020: approximately RMB62.0 million).

流動資金、資本資源及資產負債比率

流動資產淨值

於2021年6月30日，本集團的流動資產淨值約為人民幣177.8百萬元（2020年12月31日：約人民幣74.2百萬元）。本集團的流動比率由2020年12月31日的約2.0倍上升至2021年6月30日的約5.0倍。於2021年6月30日，流動資產淨值增加及流動比率改善主要由於收取上市所得款項後現金及現金等價物增加以及償還銀行借款。

現金及現金等價物、借款及資產抵押

本集團通過平衡使用內部資源、借款及上市資金滿足其業務及營運資金需求。本集團將視乎資金成本及實際需求調整其資金組合。

於2021年6月30日，本集團的現金及現金等價物約為人民幣186.5百萬元（2020年12月31日：約人民幣109.5百萬元），主要以人民幣、美元（「美元」）及港元（「港元」）計值。於2021年6月30日的現金及現金等價物大幅增加乃主要由於本公司股份成功上市所致。

於2021年6月30日，本集團已償還其銀行借款且並無銀行借款（2020年12月31日：約人民幣13.0百萬元）。

於2021年6月30日，本集團未提取銀行融資總額約為人民幣75.0百萬元（2020年12月31日：約人民幣62.0百萬元）。

Management Discussion And Analysis

管理層討論及分析

Gearing ratio

As at 30 June 2021, the Group had a gearing ratio of nil, calculated by dividing total debt by total equity (31 December 2020: approximately 5.8%). The decrease in the gearing ratio was primarily due to the repayment of bank borrowings during the Interim Period.

Capital structure

As at the date of this report, the Company's issued share capital was HKD12,600,000 and the number of issued shares of the Company was 1,260,000,000 ordinary shares of HKD0.01 each.

Capital expenditure

For the Interim Period, the Group incurred cash flows on capital expenditures for the purchase of properties, plant and equipment in the amount of approximately RMB17.8 million (six months ended 30 June 2020: approximately RMB3.4 million).

Foreign exchange risks and hedging

The majority of assets and liabilities of the Group are denominated in RMB, USD and HKD, and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in a currency other than RMB, which is the functional currency of the major operating companies within the Group. During the Interim Period, the Group did not hedge its foreign currency exposure. The Group regularly monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL COMMITMENTS

As at 30 June 2021, the Group had capital commitments of approximately RMB1.9 million in relation to the purchase of properties, plant and equipment (31 December 2020: approximately RMB2.8 million).

資產負債比率

於2021年6月30日，本集團的資產負債比率為零，乃按債務總額除以權益總額計算（2020年12月31日：約5.8%）。資產負債比率下降主要由於中期間償還銀行借款所致。

資本結構

於本報告日期，本公司的已發行股本為12,600,000港元，本公司的已發行股份數目為1,260,000,000股每股面值0.01港元的普通股。

資本開支

於中期間，本集團就購置物業、廠房及設備產生資本開支現金流量約人民幣17.8百萬元（截至2020年6月30日止六個月：約人民幣3.4百萬元）。

外匯風險及對沖

本集團的大部分資產及負債以人民幣、美元及港元計值，並無其他重大資產及負債以其他貨幣計值。本集團面臨因日後商業交易以及確認以人民幣（為本集團內主要營運公司的功能貨幣）以外的貨幣計值的資產及負債而產生的外匯風險。於中期間，本集團並無對沖其外幣風險。本集團定期監察外匯風險，並將於有需要時考慮對沖重大外匯風險。

資本承擔

於2021年6月30日，本集團就購置物業、廠房及設備的資本承擔約為人民幣1.9百萬元（2020年12月31日：約人民幣2.8百萬元）。

Management Discussion And Analysis

管理層討論及分析

CONTINGENT LIABILITIES

As at 30 June 2021, the Group did not have any material contingent liabilities (31 December 2020: nil).

EMPLOYEES AND REMUNERATION POLICY

The Group's employees are generally remunerated by way of fixed salary and they may also be entitled to a number of welfare benefits, including but not limited to job-nature based subsidy, performance-based bonus, paid leave and share options. The Group also make contributions to mandatory social security funds for its employees. The Group utilises an appraisal system for its employees and considers the appraisal results of individual employees when conducting their salary review and determining the amount of bonuses. To enhance the performance of the employees, the Group provides its employees with adequate and regular trainings.

As at 30 June 2021, the Group had 526 employees (31 December 2020: 469 employees) and the Group's total employee benefit expenses (including directors' emoluments) for the Interim Period amounted to approximately RMB18.4 million (six months ended 30 June 2020: approximately RMB18.9 million).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed herein, the Group did not have any significant investments, material acquisitions and disposals during the Interim Period.

FUTURE PLANS FOR MAJOR INVESTMENT

During the Interim Period, save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the prospectus of the Company dated 28 December 2020 (the "Prospectus"), the Group had no specific plan for major investment or acquisition for major capital assets or other businesses. However, the Group will continue to identify new opportunities for business development.

或然負債

於2021年6月30日，本集團並無任何重大或然負債（2020年12月31日：無）。

僱員及薪酬政策

本集團的僱員一般以收取固定薪金的方式獲得薪酬，彼等亦有權收取多項福利，包括但不限於按工作性質給予的補貼、績效花紅、有薪假期及購股權。本集團亦為僱員作出強制性社會保障基金供款。本集團為僱員採用一套評核系統，並於進行薪金檢討及釐定花紅金額時考慮個別僱員的評核結果。為提高僱員的績效，本集團為僱員提供足夠及定期的培訓。

於2021年6月30日，本集團共有526名僱員（2020年12月31日：469名僱員），本集團於中期期間的僱員福利開支總額（包括董事酬金）約為人民幣18.4百萬元（截至2020年6月30日止六個月：約人民幣18.9百萬元）。

重大投資、重大收購及出售

除本報告所披露者外，本集團於中期期間概無任何重大投資、重大收購及出售。

重大投資的未來計劃

於中期期間，除本公司日期為2020年12月28日的招股章程（「招股章程」）「業務」及「未來計劃及所得款項用途」章節所披露的擴張計劃外，本集團概無重大投資或收購重大資本資產或其他業務的具體計劃。然而，本集團將繼續物色新業務發展機會。

Management Discussion And Analysis

管理層討論及分析

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

Net proceeds from the initial public offering (the “IPO”), after deducting underwriting commissions and other relevant expenses, amounted to approximately HK\$85.6 million. As at 30 June 2021, the net proceeds from the IPO had been applied as follows:

首次公開發售所得款項用途

經扣除包銷佣金及其他相關開支後，首次公開發售（「首次公開發售」）所得款項淨額約為85.6百萬港元。於2021年6月30日，首次公開發售所得款項淨額已按下列方式動用：

| Planned use of net proceeds | 所得款項 淨額計劃用途 | 所得款項 淨額計劃用途 | Planned | Net proceeds | Unused | Timeframe |
|---|------------------------------|----------------|------------------------|--|---|------------------------------|
| | | | use of net proceeds | used as at 30 June 2021 於2021年 6月30日 | balance as at 30 June 2021 於2021年 6月30日 | for the unused balance |
| | | | HKD million 百萬港元 | HKD million 百萬港元 | HKD million 百萬港元 | |
| Expand dyeing service capacity and enhance efficiency by way of upgrading, replacing and acquiring machineries and facilities | 透過升級、更換及購置機器及設施擴充染整服務能力及提升效率 | | 49.9 | 17.2 | 32.7 | By end of 2022 2022年底前 |
| Strengthen research and development capability and quality control for dyeing services | 加強染整服務的研發能力及提升品質控制 | | 3.4 | 1.5 | 1.9 | By end of 2021 2021年底前 |
| Replace a coal-burning-boiler by a natural-gas-boiler | 以天然氣鍋爐更換燃煤鍋爐 | | 13.6 | 5.1 | 8.5 | By end of 2021 2021年底前 |
| Expand integrated enterprise planning resource system | 擴展綜合企業資源規劃系統 | | 0.9 | 0.9 | – | N/A 不適用 |
| Repayment of bank loan | 償還銀行貸款 | | 9.5 | 9.5 | – | N/A 不適用 |
| General working capital | 一般營運資金 | | 8.3 | 8.3 | – | N/A 不適用 |
| | | | 85.6 | 42.5 | 43.1 | |

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As of the date of this report, the Group has applied the net proceeds from the IPO in the manner and proportion set out in the Prospectus.

EVENT AFTER THE INTERIM PERIOD

Saved as disclosed herein, the Group does not have any important events after the Interim Period and up to the date of this report.

截至本報告日期，本集團已按招股章程所載方式及比例應用首次公開發售的所得款項淨額。

中期期後事項

除本報告所披露者外，本集團於中期期間後及直至本報告日期並無任何重大事項。

Corporate Governance and Other Information

企業管治及其他資料

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2021, interests and short positions of the Directors and chief executive of the Company in the shares and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO, which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction By Directors of Listed Issuers (the "Model Code") are as follows:

董事及最高行政人員於本公司或任何相聯法團的股份、相關股份及債權證的權益及淡倉

於2021年6月30日，本公司董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份及相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文被當作或視為擁有的權益及淡倉）或根據證券及期貨條例第352條須載入本公司存置的登記冊的權益及淡倉，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）已知會本公司及聯交所的權益及淡倉如下：

(i) Interest in the Company

(i) 於本公司的權益

| Name of Director | Capacity/nature of interest | Number of shares held (Note 1) | Percentage of shareholding in the Company (Approximate) |
|--|---|-----------------------------------|--|
| 董事姓名 | 身份／權益性質 | 持有的股份數目 (附註1) | 於本公司的持股比例 (概約) |
| Mr. Lin Minqiang (Note 2 and 3) 林民強先生(附註2及3) | Interest in a controlled corporation Interest held jointly with other persons 受控法團權益 與其他人士共同持有權益 | 850,500,000 (L) | 67.5% |
| Mr. Lin Bingzhong (Note 3) 林秉忠先生(附註3) | Interest held jointly with other persons 與其他人士共同持有權益 | 850,500,000 (L) | 67.5% |
| Mr. Lin Chaowei (Note 3) 林朝偉先生(附註3) | Interest held jointly with other persons 與其他人士共同持有權益 | 850,500,000 (L) | 67.5% |
| Mr. Lin Chaowen (Note 3) 林朝文先生(附註3) | Interest held jointly with other persons 與其他人士共同持有權益 | 850,500,000 (L) | 67.5% |

Corporate Governance and Other Information

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(ii) Interest in the ordinary shares of associated corporation

(ii) 於相聯法團普通股的權益

| Name of Director | Name of associated corporation | Capacity/nature of interest | Number of shares held (Note 1) | Percentage of shareholding in the associated corporation (Approximate) |
|----------------------------|--|-----------------------------|--------------------------------|--|
| 董事姓名 | 相聯法團名稱 | 身份／權益性質 | 持有的股份數目 (附註1) | 於相聯法團的持股百分比 (概約) |
| Mr. Lin Mingqiang 林民強先生 | Deyong Investment Deyong Investment | Beneficial owner 實益擁有人 | 6,000 (L) | 60% |
| Mr. Lin Bingzhong 林秉忠先生 | Deyong Investment Deyong Investment | Beneficial owner 實益擁有人 | 1,160 (L) | 11.6% |
| Mr. Lin Chaowei 林朝偉先生 | Deyong Investment Deyong Investment | Beneficial owner 實益擁有人 | 922 (L) | 9.22% |
| Mr. Lin Chaowen 林朝文先生 | Deyong Investment Deyong Investment | Beneficial owner 實益擁有人 | 864 (L) | 8.64% |

Notes:

附註：

1. The letter “L” denotes long position of the shares.
2. These shares are held by Deyong Investment Co., Ltd (“**Deyong Investment**”). Deyong Investment is an investment holding company incorporated in the BVI and is owned by Mr. Lin Mingqiang, Mr. Lin Bingzhong, Mr. Lin Chaoji, Mr. Lin Chaowei and Mr. Lin Chaowen as to 60%, 11.6%, 10.54%, 9.22% and 8.64%, respectively. Mr. Lin Mingqiang is a director of Deyong Investment. Therefore, Mr. Lin Mingqiang is deemed, or taken, to be interested in the shares of the Company held by Deyong Investment for the purposes of the SFO.

1. 「L」代表該名人士於股份的好倉。
2. 該等股份由Deyong Investment Co., Ltd (「**Deyong Investment**」) 持有。Deyong Investment 為於英屬處女群島註冊成立的投資控股公司，分別由林民強先生、林秉忠先生、林朝基先生、林朝偉先生及林朝文先生擁有60%、11.6%、10.54%、9.22%及8.64%。林民強先生為Deyong Investment之董事。因此，根據證券及期貨條例，林民強先生被視為或當作於Deyong Investment所持有的本公司股份中擁有權益。

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企業管治及其他資料

3. On 31 December 2019, Mr. Lin Minqiang, Mr. Lin Bingzhong, Mr. Lin Chaoji, Mr. Lin Chaowei and Mr. Lin Chaowen entered into an acting in concert agreement to acknowledge and confirm (among other things) that they are parties acting in concert during the three years ended 31 December 2019 and six months ended 30 June 2020 and that to continue to act in the same manner in the Group after the Company's listing. As such, by virtue of the SFO, Mr. Lin Minqiang, Mr. Lin Bingzhong, Mr. Lin Chaoji, Mr. Lin Chaowei and Mr. Lin Chaowen are deemed to be interested in all the shares of the Company held by Deyong Investment.
3. 於2019年12月31日，林民強先生、林秉忠先生、林朝基先生、林朝偉先生及林朝文先生訂立一致行動協議，以承認及確認（其中包括）彼等於截至2019年12月31日止三個月及截至2020年6月30日止六個月為一致行動人士，並將於本公司上市後繼續以同一方式於本集團行動。因此，根據證券及期貨條例，林民強先生、林秉忠先生、林朝基先生、林朝偉先生及林朝文先生被視為於Deyong Investment所持有的本公司所有股份中擁有權益。

Save as disclosed above, none of the Directors or chief executive of the Company had registered any interests or short positions in any shares and underlying shares in, and debentures of, the Company or any associated corporations as at 30 June 2021, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

除上文所披露者外，於2021年6月30日，概無本公司董事或最高行政人員於本公司或任何相聯法團的任何股份、相關股份及債券中，擁有記入本公司根據證券及期貨條例第352條須存置的登記冊或根據證券及期貨條例第XV部或標準守則須另行知會本公司及聯交所的任何權益或淡倉。

ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Saved as disclosed in this report, at no time during the six months ended 30 June 2021 and up to the date of this report were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

董事購買股份或債券的安排

除本報告所披露者外，於截至2021年6月30日止六個月及直至本報告日期的任何時間，概無向本公司任何董事或彼等各自的配偶或未成年子女授出任何可藉收購本公司股份或債券而獲得利益的權利，彼等亦無行使任何該等權利，且本公司、其控股公司或其任何附屬公司概無訂立任何安排，致使本公司董事可藉收購本公司或任何其他法團股份或債務證券（包括債券）而獲得利益。

Corporate Governance and Other Information

企業管治及其他資料

SUBSTANTIAL SHAREHOLDERS' AND OTHERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors, as at 30 June 2021, the following corporation/persons (other than the interests of the Directors or chief executives of the Company as disclosed above) had interests of 5% or more in the issued shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

主要股東及其他人士於本公司股份及相關股份中擁有的權益及淡倉

就董事所知，於2021年6月30日，下列法團／人士（上文所披露的本公司董事或最高行政人員權益除外）擁有本公司已發行股份中5%或以上的權益且根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露或須記入本公司根據證券及期貨條例第336條須存置的登記冊：

| Name | Capacity/nature of interest | Number of shares held (Note 1) | Percentage of shareholding in the Company (Approximate) |
|---|---|--------------------------------|---|
| 姓名／名稱 | 身份／權益性質 | 持有的股份數目（附註1） | 於本公司的持股比例（百分比）（概約） |
| Deyong Investment (Note 2) Deyong Investment (附註2) | Beneficial owner 實益擁有人 | 850,500,000 (L) | 67.5% |
| Mr. Lin Chaoji (Note 3) 林朝基先生(附註3) | Interest held jointly with other persons 與其他人士共同持有權益 | 850,500,000 (L) | 67.5% |
| Ms. Lin Yueyun (Note 4) 林月雲女士(附註4) | Interest of spouse 配偶權益 | 850,500,000 (L) | 67.5% |
| Ms. Jiang Yanyun (Note 5) 蔣艷雲女士(附註5) | Interest of spouse 配偶權益 | 850,500,000 (L) | 67.5% |
| Ms. Zheng Xiuqin (Note 6) 鄭秀欽女士(附註6) | Interest of spouse 配偶權益 | 850,500,000 (L) | 67.5% |
| Ms. Lin Yunzhen (Note 7) 林雲珍女士(附註7) | Interest of spouse 配偶權益 | 850,500,000 (L) | 67.5% |
| Ms. Lin Aimei (Note 8) 林愛美女士(附註8) | Interest of spouse 配偶權益 | 850,500,000 (L) | 67.5% |

Corporate Governance and Other Information

企業管治及其他資料

| Name | Capacity/nature of interest | Number of shares held (Note 1) | Percentage of shareholding in the Company (Approximate) |
|---|--|--------------------------------|---|
| 姓名／名稱 | 身份／權益性質 | 持有的股份數目 (附註1) | 於本公司的持股百分比 (概約) |
| Glorious Way Investments Limited ("Glorious Way") (Note 9) | Beneficial owner | 94,500,000 (L) | 7.5% |
| Glorious Way Investments Limited ("Glorious Way") (附註9) | 實益擁有人 | | |
| Mr. Tsoi Wing Sing (Note 10) 蔡榮星先生 (附註10) | Interest in a controlled corporation 受控法團權益 | 94,500,000 (L) | 7.5% |
| Ms. Wu Chou Har (Note 11) 胡秋霞女士 (附註11) | Interest of spouse 配偶權益 | 94,500,000 (L) | 7.5% |

Notes:

附註：

- The letter "L" denotes long position of the shares.
- Deyong Investment is an investment holding company incorporated in the BVI and is owned by Mr. Lin Minqiang, Mr. Lin Bingzhong, Mr. Lin Chaoji, Mr. Lin Chaowei and Mr. Lin Chaowen as to 60%, 11.6%, 10.54%, 9.22% and 8.64%, respectively.
- On 31 December 2019, Mr. Lin Minqiang, Mr. Lin Bingzhong, Mr. Lin Chaoji, Mr. Lin Chaowei and Mr. Lin Chaowen entered into an acting in concert agreement to acknowledge and confirm (among other things) that they are parties acting in concert during the three years ended 31 December 2019 and six months ended 30 June 2020 and that to continue to act in the same manner in the Group after the Company's listing. As such, by virtue of the SFO, Mr. Lin Minqiang, Mr. Lin Bingzhong, Mr. Lin Chaoji, Mr. Lin Chaowei and Mr. Lin Chaowen are deemed to be interested in all the shares of the Company held by Deyong Investment.
- [L]代表該名人士於股份的好倉。
- Deyong Investment 為於英屬處女群島註冊成立的投資控股公司，分別由林民強先生、林秉忠先生、林朝基先生、林朝偉先生及林朝文先生擁有60%、11.6%、10.54%、9.22%及8.64%。
- 於2019年12月31日，林民強先生、林秉忠先生、林朝基先生、林朝偉先生及林朝文先生訂立一致行動協議，以承認及確認（其中包括）彼等於截至2019年12月31日止三個年度及截至2020年6月30日止六個月為一致行動人士，並將於本公司上市後繼續以同一方式於本集團行動。因此，根據證券及期貨條例，林民強先生、林秉忠先生、林朝基先生、林朝偉先生及林朝文先生被視為於Deyong Investment所持有的本公司所有股份中擁有權益。

Corporate Governance and Other Information

企業管治及其他資料

4. Ms. Lin Yueyun is the spouse of Mr. Lin Minqiang. Therefore, Ms. Lin Yueyun is deemed to be, or taken to be, interested in the shares of the Company which Mr. Lin Minqiang is interested in for the purposes of the SFO.
4. 林月雲女士為林民強先生的配偶。因此，根據證券及期貨條例，林月雲女士被視為或當作於林民強先生擁有權益的本公司股份中擁有權益。
5. Ms. Jiang Yanyun is the spouse of Mr. Lin Bingzhong. Therefore, Ms. Jiang Yanyun is deemed to be, or taken to be, interested in the shares of the Company which Mr. Lin Bingzhong is interested in for the purposes of the SFO.
5. 蔣艷雲女士為林秉忠先生的配偶。因此，根據證券及期貨條例，蔣艷雲女士被視為或當作於林秉忠先生擁有權益的本公司股份中擁有權益。
6. Ms. Zheng Xiuqin is the spouse of Mr. Lin Chaoji. Therefore, Ms. Zheng Xiuqin is deemed to be, or taken to be, interested in the shares of the Company which Mr. Lin Chaoji is interested in for the purposes of the SFO.
6. 鄭秀欽女士為林朝基先生的配偶。因此，根據證券及期貨條例，鄭秀欽女士被視為或當作於林朝基先生擁有權益的本公司股份中擁有權益。
7. Ms. Lin Yunzhen is the spouse of Mr. Lin Chaowei. Therefore, Ms. Lin Yunzhen is deemed to be, or taken to be, interested in the shares of the Company which Mr. Lin Chaowei is interested in for the purposes of the SFO.
7. 林雲珍女士為林朝偉先生的配偶。因此，根據證券及期貨條例，林雲珍女士被視為或當作於林朝偉先生擁有權益的本公司股份中擁有權益。
8. Ms. Lin Aimei is the spouse of Mr. Lin Chaowen. Therefore, Ms. Lin Aimei is deemed to be, or taken to be, interested in the shares of the Company which Mr. Lin Chaowen is interested in for the purposes of the SFO.
8. 林愛美女士為林朝文先生的配偶。因此，根據證券及期貨條例，林愛美女士被視為或當作於林朝文先生擁有權益的本公司股份中擁有權益。
9. Glorious Way is an investment holding company incorporated in the BVI and is wholly owned by Mr. Tsoi Wing Sing.
9. Glorious Way 為於英屬處女群島註冊成立的投資控股公司，由蔡榮星先生全資擁有。
10. Mr. Tsoi Wing Sing beneficially owns 100% of the issued shares of Glorious Way, which in turn holds 7.5% of the Shares. Therefore, Mr. Tsoi Wing Sing is deemed, or taken to be, interested in the shares of the Company held by Glorious Way for the purpose of the SFO.
10. 蔡榮星先生實益擁有 Glorious Way 已發行股份 100%，而 Glorious Way 持有該等股份的 7.5%。因此，根據證券及期貨條例，蔡榮星先生被視為或當作於 Glorious Way 所持有的本公司股份中擁有權益。
11. Ms. Wu Chou Har is the spouse of Mr. Tsoi Wing Sing. Therefore, Ms. Wu Chor Har is deemed to be, or taken to be, interested in the shares of the Company which Mr. Tsoi Wing Sing is interested in for the purposes of the SFO.
11. 胡秋霞女士為蔡榮星先生的配偶。因此，根據證券及期貨條例，胡秋霞女士被視為或當作於蔡榮星先生擁有權益的本公司股份中擁有權益。

Corporate Governance and Other Information

企業管治及其他資料

Save as disclosed above, as at 30 June 2021, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director or his/her connected entity has or had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries, fellow subsidiaries or its parent company was a party subsisting during or at the end of the Interim Period.

CONTROLLING SHAREHOLDERS' INTEREST

No contracts of significance were entered into between the Company or any of its subsidiaries and any controlling shareholders or any of its subsidiaries or any contracts of significance for the provision of services to the Company or any of its subsidiaries by any controlling shareholders or any of its subsidiaries.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

Apart from the Group's business, none of the Directors, the controlling shareholders or any of their respective close associates was engaged in or had any interest in any business that competes or may compete with the principal business of the Group, which would require disclosure under Rule 8.10 of The Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") or has any other conflict of interest with the Group during the Interim Period and up to the date of this report.

除上文所披露者外，於2021年6月30日，本公司概無獲悉本公司已發行股本中根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的任何相關權益或淡倉，或須記入本公司根據證券及期貨條例第336條須存置的登記冊的任何相關權益或淡倉。

董事於交易、安排或合約的權益

概無董事或其關連實體於中期期間內或期末時仍存續且由本公司或其任何附屬公司、同系附屬公司或其母公司所訂立並對本集團業務而言屬重要的任何交易、安排或合約中直接或間接擁有或曾擁有重大權益。

控股股東權益

本公司或其任何附屬公司並無與任何控股股東或其任何附屬公司訂立重大合約，亦無任何控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務而訂立的重大合約。

董事及控股股東於競爭業務的權益

於中期期間及直至本報告日期，除本集團業務外，董事、控股股東或任何彼等各自的緊密聯繫人概無從事任何根據聯交所證券上市規則（「**上市規則**」）第8.10條須予披露的與本集團主要業務競爭或可能競爭的業務或擁有該等業務的任何權益，亦無與本集團有任何其他利益衝突。

Corporate Governance and Other Information

企業管治及其他資料

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the “**Share Option Scheme**”) on 16 December 2020 (the “**Adoption Date**”), which become effective on the 13 January 2021. The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to eligible participants; and to promote the success of the business of the Group.

As of 30 June 2021 and the date of this report, no share options had been granted or agreed to be granted under the Share Option Scheme. As a result, the total number of shares available for issue under the Share Option Scheme as of the date of this report was 126,000,000, representing 10% of the issued shares of the Company as of the Adoption Date.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities for the six months ended 30 June 2021.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The unaudited interim results for the six months ended 30 June 2021 have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, by PricewaterhouseCoopers, the Company’s auditor, whose independent review report is included in this interim report. The Company’s interim results for the Interim Period have also been reviewed by the audit committee of the Company.

購股權計劃

本公司於2020年12月16日（「採納日期」）有條件採納一項購股權計劃（「購股權計劃」），其於2021年1月13日生效。購股權計劃旨在吸引及挽留最優秀的人員，向合資格參與者提供額外獎勵；以及推動本集團業務創出佳績。

截至2021年6月30日及本報告日期，概無根據購股權計劃授出或同意授出購股權。因此，截至本報告日期，根據購股權計劃可發行的股份總數為126,000,000股，佔本公司截至採納日期已發行股份的10%。

購買、出售或贖回本公司上市證券

截至2021年6月30日止六個月，本公司及其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

審閱中期財務報表

截至2021年6月30日止六個月的未經審核中期業績已由本公司核數師羅兵咸永道會計師事務所根據香港會計師公會頒佈的香港審閱委聘準則第2410號「由實體的獨立核數師執行中期財務資料審閱」審閱，其獨立審閱報告載於本中期報告。本公司於中期期間的中期業績亦已由本公司審核委員會審閱。

Corporate Governance and Other Information

企業管治及其他資料

CORPORATE GOVERNANCE

The Company has adopted a set of corporate governance practices which aligns with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Listing Rules. The Company has complied with the code provisions set out in the CG Code for the Interim Period.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as of the date of this report, the Company has maintained the public float as required under the Listing Rules.

CHANGE OF PARTICULARS OF THE DIRECTORS

As at the date of this report, none of the Director nor their respective biographical information had been changed since the date of the Company's 2020 annual report, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

企業管治

本公司已採納一套企業管治常規，符合上市規則附錄十四所載的企業管治守則（「企業管治守則」）的守則條文。本公司於中期期間已遵守企業管治守則所載的守則條文。

充足公眾持股量

根據本公司公開可獲得的資料及就董事會所知，截至本報告日期，本公司已維持上市規則規定的公眾持股量。

董事詳情變更

自本公司2020年年報日期起直至本報告日期，概無董事或彼等各自的履歷資料有所變更而須根據上市規則第13.51B(1)條披露。

Corporate Governance and Other Information

企業管治及其他資料

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions. All Directors have confirmed that, following specific enquiry by the Company, they have complied with the required standard set out in the Model Code during the Interim Period.

By order of the Board
Deyun Holding Ltd.
Mr. Lin Minqiang
Chairman

Hong Kong, 30 August 2021

董事進行證券交易的標準守則

本公司已採納上市規則附錄 10 所載的標準守則，作為其董事進行證券交易的行為守則。經本公司作出具體查詢後，全體董事確認彼等於中期期間一直遵守標準守則所載規定標準。

承董事會命
Deyun Holding Ltd. (德運控股有限公司*)
主席
林民強先生

香港，2021年8月30日

Report on Review of Interim Financial Information

中期財務資料審閱報告



羅兵咸永道

TO THE BOARD OF DIRECTORS OF DEYUN HOLDING LTD.

(incorporated in the Cayman Islands with limited liability)

致德運控股有限公司董事會

(於開曼群島註冊成立的有限公司)

INTRODUCTION

We have reviewed the interim financial information set out on pages 29 to 64, which comprises the condensed consolidated statement of financial position of Deyun Holding Ltd. (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2021 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

引言

本核數師(以下簡稱「我們」)已審閱列載於第29至64頁的中期財務資料，此中期財務資料包括德運控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)於2021年6月30日的簡明綜合財務狀況表與截至該日止六個月期間的簡明綜合收益表、簡明綜合全面收益表、簡明綜合權益變動表及簡明綜合現金流量表，以及主要會計政策概要及其他解釋性附註。香港聯合交易所有限公司證券上市規則規定，就中期財務資料擬備的報告必須符合以上規則的有關條文以及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」。貴公司董事須負責根據香港會計準則第34號「中期財務報告」擬備及列報該等中期財務資料。我們的責任是根據我們的審閱對該等中期財務資料作出結論，並僅按照我們協定的業務約定條款向閣下(作為整體)報告我們的結論，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

Report on Review of Interim Financial Information

中期財務資料審閱報告

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 30 August 2021

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱委聘準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。審閱中期財務資料包括主要向負責財務和會計事務的人員作出查詢，及應用分析性和其他審閱程序。審閱的範圍遠較根據香港審計準則進行審計的範圍為小，故不能令我們可保證我們將知悉在審計中可能被發現的所有重大事項。因此，我們不會發表審計意見。

結論

按照我們的審閱，我們並無發現任何事項，令我們相信貴集團的中期財務資料未有在各重大方面根據香港會計準則第34號「中期財務報告」擬備。

羅兵咸永道會計師事務所

執業會計師

香港，2021年8月30日

Condensed Consolidated Income Statement

簡明綜合收益表

For the six months ended 30 June 2021 截至2021年6月30日止六個月

| | | Six months ended 30 June 截至6月30日止六個月 | |
|--|-----------------------|--|---|
| | | 2021 2021年 Unaudited 未經審核 RMB'000 人民幣千元 | 2020 2020年 Audited 經審核 RMB'000 人民幣千元 |
| | Notes 附註 | | |
| Revenue | 收益 | 6 | 83,059 |
| Cost of sales | 銷售成本 | 7 | (56,009) |
| Gross profit | 毛利 | | 27,050 |
| Other income | 其他收入 | 8 | 1,069 |
| Other gains, net | 其他收益淨額 | 9 | 468 |
| Selling and distribution expenses | 銷售及分銷開支 | 7 | (1,299) |
| Administrative expenses | 行政開支 | 7 | (4,387) |
| Net impairment losses on financial assets and contract assets | 金融資產及合約資產減值虧損淨額 | | (243) |
| Operating profit | 經營溢利 | | 22,658 |
| Finance income/(costs), net | 融資收入／(成本)淨額 | 10 | 287 |
| Profit before income tax | 除所得稅前溢利 | | 22,945 |
| Income tax expense | 所得稅開支 | 12 | (3,053) |
| Profit for the period attributable to equity holders of the Company | 本公司權益持有人應佔期內溢利 | | 19,892 |
| Earnings per share attributable to equity holders of the Company | 本公司權益持有人應佔每股盈利 | | |
| Basic and diluted (RMB cents) | 基本及攤薄(人民幣分) | 13 | 1.61 |
| | | | 2.25 |

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

上述簡明綜合收益表應與隨附的附註一併閱讀。

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June 2021 截至2021年6月30日止六個月

| | | Six months ended 30 June 截至6月30日止六個月 | |
|--|------------------------------|--|---|
| | | 2021 2021年 Unaudited 未經審核 RMB'000 人民幣千元 | 2020 2020年 Audited 經審核 RMB'000 人民幣千元 |
| Profit for the period | 期內溢利 | 19,892 | 21,245 |
| Other comprehensive income: <i>Item that will not be reclassified to profit or loss</i> | 其他全面收益： 將不會重新分類至損益的 項目 | | |
| Currency translation differences | 貨幣換算差額 | — | (1) |
| Total comprehensive income for the period attributable to equity holders of the Company | 本公司權益持有人應佔期內 全面收益總額 | 19,892 | 21,244 |

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述簡明綜合全面收益表應與隨附的附註一併閱讀。

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2021 於2021年6月30日

| | | | 30 June 2021 2021年 6月30日 Unaudited 未經審核 RMB'000 人民幣千元 | 31 December 2020 2020年 12月31日 Audited 經審核 RMB'000 人民幣千元 |
|---|---------------------|-------------|--|--|
| | | Notes 附註 | | |
| ASSETS | 資產 | | | |
| Non-current assets | 非流動資產 | | | |
| Properties, plant and equipment | 物業、廠房及設備 | 14 | 153,511 | 146,651 |
| Right-of-use asset | 使用權資產 | 14 | 2,681 | 2,722 |
| Investment property | 投資物業 | | 322 | 341 |
| Intangible assets | 無形資產 | 15 | 781 | 645 |
| Prepayments | 預付款項 | 16 | 232 | 277 |
| | | | 157,527 | 150,636 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 17 | 8,831 | 9,272 |
| Contract assets | 合約資產 | 18 | 11,303 | 7,556 |
| Trade and bills receivables | 貿易應收款項及應收票據 | 18 | 13,723 | 13,060 |
| Prepayments and other receivables | 預付款項及其他應收款項 | 16 | 1,879 | 10,013 |
| Cash and cash equivalents | 現金及現金等價物 | | 186,464 | 109,483 |
| | | | 222,200 | 149,384 |
| Total assets | 資產總值 | | 379,727 | 300,020 |
| EQUITY | 權益 | | | |
| Equity attributable to equity holders of the Company | 本公司權益持有人應佔權益 | | | |
| Share capital | 股本 | 19 | 10,511 | —* |
| Reserves | 儲備 | | 322,924 | 222,951 |
| Total equity | 權益總額 | | 333,435 | 222,951 |

* The balance was rounded to the nearest thousand

* 結餘約整至最接近千位

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2021 於 2021 年 6 月 30 日

| | | | 30 June 2021 2021年 6月30日 Unaudited 未經審核 RMB'000 人民幣千元 | 31 December 2020 2020年 12月31日 Audited 經審核 RMB'000 人民幣千元 |
|-------------------------------------|----------------|-------------|--|--|
| | | Notes 附註 | | |
| LIABILITIES | 負債 | | | |
| Non-current liabilities | 非流動負債 | | | |
| Other payables | 其他應付款項 | 20 | 1,507 | 1,533 |
| Deferred tax liabilities | 遞延稅項負債 | | 426 | 346 |
| | | | 1,933 | 1,879 |
| Current liabilities | 流動負債 | | | |
| Trade payables | 貿易應付款項 | 21 | 13,902 | 10,706 |
| Other payables and accruals | 其他應付款項及應計款項 | 20 | 21,702 | 37,859 |
| Contract liabilities | 合約負債 | 20 | 3,379 | 3,440 |
| Current income tax liabilities | 即期所得稅負債 | | 5,376 | 10,185 |
| Bank borrowings | 銀行借款 | | - | 13,000 |
| | | | 44,359 | 75,190 |
| Total liabilities | 負債總額 | | 46,292 | 77,069 |
| Total equity and liabilities | 權益及負債總額 | | 379,727 | 300,020 |

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

上述簡明綜合財務狀況表應與隨附的附註一併閱讀。

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2021年6月30日止六個月

| | | Attributable to owners of the Company 本公司權益持有人應佔 | | | | | | |
|--|----------------------|---|-----------------------|------------------------|---------------------------|--------------------------|---------------------------|----------------------|
| | | Share capital 股本 | Share premium 股份溢價 | Other reserves 其他儲備 | Statutory reserve 法定儲備 | Exchange reserve 匯兌儲備 | Retained earnings 保留盈利 | Total equity 權益總額 |
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| | | (Note a) (附註a) | | | | | | |
| Balance at 1 January 2021 (Audited) | 於2021年1月1日的結餘(經審核) | -* | - | 104,466 | 16,620 | 2 | 101,863 | 222,951 |
| Profit for the period | 期內溢利 | - | - | - | - | - | 19,892 | 19,892 |
| Total comprehensive income | 全面收益總額 | - | - | - | - | - | 19,892 | 19,892 |
| Transactions with equity holders | 與權益持有人的交易 | | | | | | | |
| Capitalisation issue (Note 19) | 資本化發行(附註19) | 7,883 | (7,883) | - | - | - | - | - |
| Issuance of ordinary shares of the Company (Note 19) | 本公司發行普通股(附註19) | 2,628 | 102,486 | - | - | - | - | 105,114 |
| Share issuance costs | 股份發行成本 | - | (14,522) | - | - | - | - | (14,522) |
| Appropriation (Note b) | 撥款(附註b) | - | - | - | 2,178 | - | (2,178) | - |
| Total transactions with equity holders | 與權益持有人的交易總額 | 10,511 | 80,081 | - | 2,178 | - | (2,178) | 90,592 |
| Balance at 30 June 2021 (Unaudited) | 於2021年6月30日的結餘(未經審核) | 10,511 | 80,081 | 104,466 | 18,798 | 2 | 119,577 | 333,435 |

* The amount was rounded to the nearest thousand

* 結餘約整至最接近千位

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2021年6月30日止六個月

| | | Attributable to owners of the Company 本公司權益持有人應佔 | | | | | | Total equity 權益總額 |
|--|---------------------|---|-----------------------|------------------------|---------------------------|--------------------------|---------------------------|----------------------|
| | | Share capital 股本 | Share premium 股份溢價 | Other reserves 其他儲備 | Statutory reserve 法定儲備 | Exchange reserve 匯兌儲備 | Retained earnings 保留盈利 | Total equity 權益總額 |
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| | | (Note a) (附註a) | | | | | | |
| Balance at 1 January 2020 (Audited) | 於2020年1月1日的結餘(經審核) | 138 | - | 104,466 | 10,720 | 2 | 63,942 | 179,268 |
| Profit for the period | 期內溢利 | - | - | - | - | - | 21,245 | 21,245 |
| Other comprehensive income | 其他全面收益 | - | - | - | - | (1) | - | (1) |
| Total comprehensive income | 全面收益總額 | - | - | - | - | (1) | 21,245 | 21,244 |
| Transactions with equity holders | 與權益持有人的交易 | | | | | | | |
| Cancellation of ordinary shares of the Company (Note 19) | 本公司註銷普通股(附註19) | (138) | - | - | - | - | - | (138) |
| Issuance of ordinary shares of the Company (Note 19) | 本公司發行普通股(附註19) | -* | - | - | - | - | - | -* |
| Appropriation (Note b) | 撥款(附註b) | - | - | - | 2,124 | - | (2,124) | - |
| Total transactions with equity holders | 與權益持有人的交易總額 | (138) | - | - | 2,124 | - | (2,124) | (138) |
| Balance at 30 June 2020 (Audited) | 於2020年6月30日的結餘(經審核) | - | - | 104,466 | 12,844 | 1 | 83,063 | 200,374 |

* The balance was rounded to the nearest thousand

* 結餘約整至最接近千位

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2021年6月30日止六個月

Notes:

- (a) Other reserves represent the combined share capital and capital reserve of the companies comprising the Group, after elimination of inter-company transactions and balances in relation to the reorganisation.
- (b) The PRC laws and regulations require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the profit after income tax (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holders. All statutory reserves are created for specific purposes. A PRC company is required to appropriate an amount of 10% of statutory profits after income tax to statutory surplus reserves, prior to distribution of its post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory surplus reserve is more than 50% of its registered capital. The statutory surplus reserves shall only be used to make up losses of the company, to expand the company's operations, or to increase the capital of the company. In addition, a company may make further contribution to the discretionary surplus reserve using its post-tax profits in accordance with resolutions of shareholders.

附註：

- (a) 其他儲備指本集團旗下各公司經對銷集團內公司間交易及結餘後的有關重組的合併股本及資本儲備。
- (b) 中國法律及法規規定，中國註冊公司於向權益持有人作出溢利分派前，須就其各自法定財務報表所呈報的所得稅後溢利（抵銷過往年度的累計虧損後）轉撥的若干法定儲備計提撥備。所有法定儲備均就特定目的而設立。中國公司於分派其當前年度的稅後溢利前，須轉撥所得稅後法定溢利10%的金額至法定盈餘儲備。當法定盈餘儲備的總額超出註冊資本的50%時，公司可停止轉撥。法定盈餘儲備將僅用於彌補公司虧損、擴充公司營運或增加公司資本。此外，公司可根據股東決議案，進一步轉撥其稅後溢利至酌情盈餘儲備。

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述簡明綜合權益變動表應與隨附的附註一併閱讀。

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2021年6月30日止六個月

| | | Six months ended 30 June 截至6月30日止六個月 | |
|--|-----------------|--|---|
| | | 2021 2021年 Unaudited 未經審核 RMB'000 人民幣千元 | 2020 2020年 Audited 經審核 RMB'000 人民幣千元 |
| Cash flows from operating activities | 經營活動現金流量 | | |
| Cash generated from operations | 經營所得現金 | 18,899 | 24,665 |
| Income tax paid | 已付所得稅 | (7,782) | (5,448) |
| Interest received | 已收利息 | 405 | 30 |
| Net cash generated from operating activities | 經營活動所得現金淨額 | 11,522 | 19,247 |
| Cash flows from investing activities | 投資活動現金流量 | | |
| Purchase of properties, plant and equipment | 購買物業、廠房及設備 | (17,762) | (3,380) |
| Purchase of intangible assets | 購買無形資產 | (229) | (70) |
| Net cash used in investing activities | 投資活動所用現金淨額 | (17,991) | (3,450) |

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2021年6月30日止六個月

| | | Six months ended 30 June 截至6月30日止六個月 | |
|---|---------------------|--|---|
| | | 2021 2021年 Unaudited 未經審核 RMB'000 人民幣千元 | 2020 2020年 Audited 經審核 RMB'000 人民幣千元 |
| Cash flows from financing activities | 融資活動現金流量 | | |
| Repayments of bank borrowings | 償還銀行借款 | (13,000) | – |
| Gross proceeds from issuance of ordinary shares upon listing | 上市時發行普通股所得款項總額 | 105,114 | – |
| Interest paid | 已付利息 | (123) | (333) |
| Consideration paid for the acquisition of a subsidiary in respect to reorganisation | 就有關重組收購一家附屬公司的已付代價 | – | (5,000) |
| Payment of IPO listing expenses | 首次公開發售上市開支付款 | (8,193) | (1,696) |
| Net cash generated from/(used in) financing activities | 融資活動所得/(所用)現金淨額 | 83,798 | (7,029) |
| Net increase in cash and cash equivalents | 現金及現金等價物增加淨額 | 77,329 | 8,768 |
| Cash and cash equivalents at beginning of the period | 期初現金及現金等價物 | 109,483 | 38,480 |
| Currency translation differences | 貨幣換算差額 | (348) | 39 |
| Cash and cash equivalents at end of the period | 期末現金及現金等價物 | 186,464 | 47,287 |

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

上述簡明綜合現金流量表應與隨附的附註一併閱讀。

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2021年6月30日止六個月

1. General information

Deyun Holding Ltd. (the “Company”) was incorporated in the Cayman Islands on 4 January 2019 as an exempted company with limited liability under the Companies Law Cap. 22, Law 3 of 1961 as consolidated and revised of the Cayman Islands. The address of the Company’s registered office is 71 Fort Street, P.O. Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) is principally engaged in manufacturing of lace and provision of dyeing services. The ultimate holding company of the Company is Deyong Investment Co., Limited, a company incorporated in the British Virgin Islands. The ultimate controlling shareholders are Mr. Lin Minqiang, Mr. Lin Bingzhong, Mr. Lin Chaoji, Mr. Lin Chaowei and Mr. Lin Chaowen acting in concert.

The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 13 January 2021.

This condensed consolidated interim financial information (“Interim Financial Information”) is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (“RMB’000”), unless otherwise stated.

This Interim Financial Information has not been audited.

1. 一般資料

德運控股有限公司(「本公司」)於2019年1月4日根據開曼群島公司法(1961年第三號法例，經綜合及修訂)於開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事處地址為71 Fort Street, P.O. Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands。

本公司為一家投資控股公司。本公司及其附屬公司(統稱「本集團」)主要從事製造花邊及提供染整服務。本公司的最終控股公司為於英屬處女群島註冊成立的公司Deyong Investment Co., Limited。最終控股股東為行動一致的林民強先生、林秉忠先生、林朝基先生、林朝偉先生及林朝文先生。

本公司股份於2021年1月13日在香港聯合交易所有限公司主板上市。

本簡明綜合中期財務資料(「中期財務資料」)以人民幣(「人民幣」)呈列，除非另有指明，否則所有數值均約整至最接近千位(「人民幣千元」)。

本中期財務資料尚未審核。

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2021年6月30日止六個月

2. Basis of presentation

This Interim Financial Information for the six months ended 30 June 2021 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 ‘Interim financial reporting’ issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This Interim Financial Information does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, this Interim Financial Information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

3. Summary of significant accounting policies

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2020, as described in those annual consolidated financial statements, except for the estimation of income tax and the adoption of new and amended standards. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

2. 編製基準

截至2021年6月30日止六個月的本中期財務資料已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（「香港會計準則」）第34號「中期財務報告」編製。本中期財務資料不包含通常載於全年綜合財務報表內的全部類別附註。因此，本中期財務資料應與截至2020年12月31日止年度的全年綜合財務報表一併閱讀，有關全年綜合財務報表乃根據香港財務報告準則（「香港財務報告準則」）編製。

3. 主要會計政策概要

除所得稅估計及採納新訂及經修訂準則外，所應用的會計政策與截至2020年12月31日止年度的全年綜合財務報表內所述該等全年綜合財務報表所應用的會計政策貫徹一致。中期所得稅乃按照預期年度總盈利所適用的稅率予以預提。

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2021年6月30日止六個月

3. Summary of significant accounting policies

(Continued)

3.1 New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

3.2 Impact of standards issued but not yet applied by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4. Estimates

The preparation of this Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements in the annual report for the year ended 31 December 2020.

3. 主要會計政策概要(續)

3.1 本集團採納的新訂及經修訂準則

多項新訂或經修訂準則已適用於本報告期間。本集團並無因採納該等準則而更改其會計政策或作出追溯調整。

3.2 已發佈但本集團尚未採納的準則的影響

若干新訂會計準則及詮釋已頒佈，惟於本報告期間尚未強制生效，亦未獲本集團提早採納。預期該等準則於當前或未來報告期間不會對本集團及可預見未來交易產生重大影響。

4. 估計

編製本中期財務資料要求管理層作出判斷、估計及假設，而有關判斷、估計及假設會對會計政策的應用以及資產及負債、收入及開支呈報金額造成影響。實際結果可能有別於該等估計。

於編製本中期財務資料時，管理層在應用本集團會計政策時作出的重大判斷及估計不確定性的主要來源，與截至2020年12月31日止年度的年報內的綜合財務報表所應用者一致。

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2021年6月30日止六個月

5. Financial risk management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

This Interim Financial Information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the annual report for the year ended 31 December 2020. There have been no significant changes in the risk management policies since the year end.

(b) Fair value estimation

The Group did not have any financial assets or financial liabilities at the condensed consolidated statement of financial position which is measured at fair value. The carrying amounts of the Group's financial assets, including trade and bills receivables, other receivables and cash and cash equivalents; and the Group's financial liabilities including trade payables, other payables and accruals and bank borrowings, approximate their fair values as at 30 June 2021 and 31 December 2020.

5. 財務風險管理

(a) 財務風險因素

本集團業務承受多種財務風險：市場風險（包括外匯風險及利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃重點關注金融市場的不可預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。

本中期財務資料不包括年度綜合財務報表規定的所有財務風險管理資料及披露，應與截至2020年12月31日止年度的年報一併閱讀。自年末以來，風險管理政策並無發生重大變化。

(b) 公平值估計

本集團於簡明綜合財務狀況表內並無按公平值計算的任何金融資產或金融負債。於2021年6月30日及2020年12月31日，本集團金融資產包括貿易應收款項及應收票據、其他應收款項以及現金及現金等價物；而本集團金融負債包括貿易應付款項、其他應付款項及應計款項以及銀行借款，其賬面值與其公平值相若。

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2021年6月30日止六個月

6. Revenue and segment information

The Company is an investment holding company and the Group is principally engaged in manufacturing of lace and provision of dyeing services.

The chief operating decision-maker has been identified as the directors of the Company. The directors review the Group's internal reporting in order to assess performance and allocate resources. The directors have determined the operating segment based on these reports.

The directors consider the Group's operation from a business perspective and determine that the Group has two reportable operating segments being manufacturing of lace and provision of dyeing services:

Manufacturing of lace – principally engaged in manufacturing of lace based on customers' orders for lingerie and other products;

Provision of dyeing services – principally engaged in provision of dyeing services of lace and swim wear fabrics based on customers' orders.

The directors assess the performance of the operating segments based on a measure of revenue and gross profit.

During the six months ended 30 June 2021 and 2020, all of the Group's revenues are from contracts with customers and are recognised over time.

6 收益及分部資料

本公司為一家投資控股公司，及本集團主要從事製造花邊及提供染整服務。

主要營運決策者已確定為本公司董事。董事審閱本集團的內部報告以評估表現及分配資源。董事已根據該等報告決定經營分部。

董事從商業角度考慮本集團的營運，並決定本集團擁有兩個可呈報經營分部（即製造花邊及提供染整服務）：

製造花邊—主要從事根據客戶的女性內衣及其他產品訂單製造花邊；

提供染整服務—主要從事根據客戶訂單提供花邊及泳裝染整服務。

董事按照收益及毛利的計量評估經營分部的表現。

截至2021年及2020年6月30日止六個月，本集團的所有收益來自與客戶訂立的合約，並隨時間予以確認。

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2021年6月30日止六個月

6. Revenue and segment information

(Continued)

(a) Segment revenue by operating segments

The segment information provided to the directors for the reportable segments for the six months ended 30 June 2021 and 2020 is as follows:

6 收益及分部資料(續)

(a) 按經營分部劃分的分部收益

向董事所提供的截至2021年及2020年6月30日止六個月的可呈報分部的分部資料如下：

| | Manufacturing of lace 製造花邊 | | Provision of dyeing services 提供染整服務 | | Total 總計 | |
|--|--|---------|--|---------|--|---------|
| | Six months ended 30 June 截至6月30日止 六個月 | | Six months ended 30 June 截至6月30日止 六個月 | | Six months ended 30 June 截至6月30日止 六個月 | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | Unaudited | Audited | Unaudited | Audited | Unaudited | Audited |
| | 未經審核 | 經審核 | 未經審核 | 經審核 | 未經審核 | 經審核 |
| Segment revenue 分部收益 | 30,121 | 37,631 | 52,938 | 57,456 | 83,059 | 95,087 |
| Segment results (gross profit) 分部業績(毛利) | 11,088 | 14,174 | 15,962 | 17,572 | 27,050 | 31,746 |
| Other segmental information: 其他分部資料： | | | | | | |
| Depreciation of properties, plant and equipment 物業、廠房及設備折舊 | 3,723 | 3,813 | 3,824 | 3,636 | 7,547 | 7,449 |
| Additions to non-current segment assets 添置非流動分部資產 | 1,900 | - | 13,018 | 2,926 | 14,918 | 2,926 |

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2021年6月30日止六個月

6. Revenue and segment information

(Continued)

(b) Segment revenue by customers' geographical location

The Group is domiciled in the People's Republic of China (the "PRC"). The Group's revenue by geographical location, which is determined by the location of customers, is as follows:

| | | Six months ended 30 June | |
|-----------|----|--------------------------|---------|
| | | 截至6月30日止六個月 | |
| | | 2021 | 2020 |
| | | 2021年 | 2020年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | Unaudited | Audited |
| | | 未經審核 | 經審核 |
| The PRC | 中國 | 82,096 | 94,326 |
| Hong Kong | 香港 | 484 | 342 |
| Others | 其他 | 479 | 419 |
| | | 83,059 | 95,087 |

(c) Non-current assets by geographical location

All of the Group's non-current assets were located in the PRC.

6 收益及分部資料(續)

(b) 按客戶地理位置劃分的分部收益

本集團在中華人民共和國(「中國」)註冊成立。本集團按地理位置(基於客戶位置釐定)劃分的收益如下：

(c) 按地理位置劃分的非流動資產

本集團的所有非流動資產均位於中國。

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2021年6月30日止六個月

7. Expenses by nature

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

7. 按性質劃分的開支

計入銷售成本、銷售及分銷開支以及行政開支的開支分析如下：

| | | Six months ended 30 June 截至6月30日止六個月 | |
|--|------------------------|--|---|
| | | 2021 2021年 RMB'000 人民幣千元 Unaudited 未經審核 | 2020 2020年 RMB'000 人民幣千元 Audited 經審核 |
| Raw materials and consumables used (Note 17) | 使用原材料及消耗品成本 (附註17) | 22,532 | 29,213 |
| Employee benefit expenses, including directors' emoluments | 僱員福利開支 (包括董事酬金) | 18,370 | 18,908 |
| Manpower service expenses | 人力資源服務開支 | 952 | 877 |
| Amortisation of intangible assets (Note 15) | 無形資產攤銷(附註15) | 243 | 124 |
| Utilities | 水電費 | 4,909 | 4,089 |
| Depreciation of properties, plant and equipment and right-of-use asset (Note 14) | 物業、廠房及設備及使用權資產折舊(附註14) | 7,869 | 7,765 |
| Depreciation of investment property | 投資物業折舊 | 19 | 20 |
| Auditor's remuneration | 核數師薪酬 | 1,081 | - |
| Listing expenses | 上市開支 | - | 5,686 |
| Professional fees | 專業費用 | 1,277 | 869 |
| Other tax and surcharges | 其他稅項及附加費 | 681 | 812 |
| Packaging expenses | 包裝開支 | 558 | 683 |
| Waste handling charges | 廢物處理費 | 1,775 | 1,902 |
| Others | 其他 | 1,429 | 2,344 |
| Total cost of sales, selling and distribution expenses and administrative expenses | 銷售成本、銷售及分銷開支以及行政開支總額 | 61,695 | 73,292 |

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2021年6月30日止六個月

8. Other income

8. 其他收入

| | | Six months ended 30 June 截至6月30日止六個月 | |
|--------------------------|----------|--|---|
| | | 2021 2021年 RMB'000 人民幣千元 Unaudited 未經審核 | 2020 2020年 RMB'000 人民幣千元 Audited 經審核 |
| Government grants (Note) | 政府補助(附註) | 943 | 3,383 |
| Rental income | 租金收入 | 17 | 17 |
| Others | 其他 | 109 | 170 |
| | | 1,069 | 3,570 |

Note: Government grants are all income related and there exists no unfulfilled conditions or other contingencies attaching to these government grants.

附註：政府補助全部與收入相關，目前並無附帶該等政府補助的未達成條件或其他或然事項。

9. Other gains, net

9. 其他收益淨額

| | | Six months ended 30 June 截至6月30日止六個月 | |
|----------------------|------|--|---|
| | | 2021 2021年 RMB'000 人民幣千元 Unaudited 未經審核 | 2020 2020年 RMB'000 人民幣千元 Audited 經審核 |
| Exchange differences | 匯兌差額 | 468 | 558 |

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2021年6月30日止六個月

10. Finance income/(costs), net

10. 融資收入／(成本)淨額

| | | Six months ended 30 June | |
|---|--------------------|--------------------------|--------------|
| | | 截至6月30日止六個月 | |
| | | 2021 | 2020 |
| | | 2021年 | 2020年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | Unaudited | Audited |
| | | 未經審核 | 經審核 |
| Finance income | 融資收入 | | |
| Interest income | 利息收入 | 405 | 30 |
| Finance costs | 融資成本 | | |
| Unwinding of discount on other payables | 其他應付款項的折現回撥 | (4) | (4) |
| Interest expenses on bank borrowings | 銀行借款利息開支 | (119) | (329) |
| Less: capitalised on qualifying assets | 減：合資格資產資本化 | 5 | 31 |
| | | (118) | (302) |
| Finance income/(costs), net | 融資收入／(成本)淨額 | 287 | (272) |

Borrowing costs have been capitalised at rates of 4.35% and 5.00% per annum on qualifying assets for the six months ended 30 June 2021 and 2020 respectively.

截至2021年及2020年6月30日止六個月，借款成本分別按合資格資產4.35%及5.00%的年利率資本化。

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2021年6月30日止六個月

11. Dividend

No dividend has been paid or declared by the Company during the six months ended 30 June 2021 and 2020.

12. Income tax expense

During the six months ended 30 June 2021 and 2020, Fujian Deyun Technology Co., Ltd.* (福建德運科技有限公司) (“Deyun Technology”), the Group’s subsidiary in the PRC, has qualified for high and new technology enterprises status and is therefore subject to a preferential income tax rate of 15%.

During the six months ended 30 June 2021 and 2020, no provision for Hong Kong profits tax has been made in the Interim Financial Information as the Group had no assessable profit in Hong Kong.

11. 股息

本公司於截至2021年及2020年6月30日止六個月並無派付或宣派股息。

12. 所得稅開支

截至2021年及2020年6月30日止六個月，本集團在中國的附屬公司福建德運科技有限公司（「德運科技」）合資格獲頒高新技術企業地位，因此享有優惠所得稅率15%。

截至2021年及2020年6月30日止六個月，由於本集團並無香港應課稅溢利，故並無於中期財務資料作出香港利得稅計提撥備。

| | | Six months ended 30 June 截至6月30日止六個月 | |
|---------------------|-------|--|---|
| | | 2021 2021年 RMB'000 人民幣千元 Unaudited 未經審核 | 2020 2020年 RMB'000 人民幣千元 Audited 經審核 |
| Current income tax | 即期所得稅 | 2,973 | 4,518 |
| Deferred income tax | 遞延所得稅 | 80 | (312) |
| Income tax expense | 所得稅開支 | 3,053 | 4,206 |

* For identification purpose only

* 僅供識別

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2021年6月30日止六個月

13. Earnings per share

The basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective periods.

In determining the weighted average number of ordinary shares deemed to be in issue during the six months ended 30 June 2021 and 2020, 944,980,000 ordinary shares, after taking into account the capitalisation issue that took place on 13 January 2021 were deemed to have been issued since 1 January 2020. Details of these events were stated in the annual consolidated financial statements for the year ended 31 December 2020.

13. 每股盈利

每股基本盈利按本公司權益持有人應佔溢利除以各自期間的已發行普通股加權平均數計算。

於釐定截至2021年及2020年6月30日止六個月被視為已發行的普通股加權平均數時，944,980,000股普通股（經計及於2021年1月13日進行的資本化發行）被視為自2020年1月1日起已發行。該等事項的詳情載於截至2020年12月31日止年度的年度綜合財務報表。

| | | Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月 | |
|---|---------------------|--|---------------|
| | | 2021 2021年 | 2020 2020年 |
| Profit attributable to equity holders of the Company (RMB'000) | 本公司權益持有人應佔溢利(人民幣千元) | 19,892 | 21,245 |
| Weighted average number of ordinary shares in issue (thousands of shares) | 已發行普通股的加權平均數(千股) | 1,239,116 | 945,000 |
| Basic and diluted earnings per share (RMB cents) | 每股基本及攤薄盈利(人民幣分) | 1.61 | 2.25 |

There were no differences between the basic and diluted earnings per share as there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2021 and 2020.

由於截至2021年及2020年6月30日止六個月並無發行在外的潛在攤薄普通股，故每股基本及攤薄盈利並無差異。

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2021年6月30日止六個月

14. Properties, plant and equipment and right-of-use asset

14. 物業、廠房及設備及使用權資產

| | | Buildings 樓宇 RMB'000 人民幣千元 | Plant and machinery 廠房及機器 RMB'000 人民幣千元 | Office equipment 辦公設備 RMB'000 人民幣千元 | Motor vehicles 汽車 RMB'000 人民幣千元 | Construction in progress 在進工程 RMB'000 人民幣千元 | Sub-total 小計 RMB'000 人民幣千元 | Right-of-use asset 使用權資產 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|----------------------------|-------------------------------------|--|--|--|--|-------------------------------------|---|---------------------------------|
| As at 1 January 2021 (Audited) | 於2021年1月1日 (經審核) | | | | | | | | |
| Cost | 成本 | 41,093 | 264,444 | 4,251 | 1,090 | 8,271 | 319,149 | 4,121 | 323,270 |
| Accumulated depreciation | 累計折舊 | (12,341) | (156,401) | (2,952) | (804) | - | (172,498) | (1,399) | (173,897) |
| Net book amount | 賬面淨值 | 28,752 | 108,043 | 1,299 | 286 | 8,271 | 146,651 | 2,722 | 149,373 |
| Six months ended 30 June 2021 (Unaudited) | 截至2021年6月30日止 六個月(未經審核) | | | | | | | | |
| Opening net book amount | 期初賬面淨值 | 28,752 | 108,043 | 1,299 | 286 | 8,271 | 146,651 | 2,722 | 149,373 |
| Additions | 添置 | - | 11,180 | 36 | - | 3,472 | 14,688 | - | 14,688 |
| Transfers | 轉讓 | - | 11,743 | - | - | (11,743) | - | - | - |
| Depreciation (Note 7) | 折舊(附註7) | (1,048) | (6,559) | (189) | (32) | - | (7,828) | (41) | (7,869) |
| Closing net book amount | 期末賬面淨值 | 27,704 | 124,407 | 1,146 | 254 | - | 153,511 | 2,681 | 156,192 |
| As at 30 June 2021 (Unaudited) | 於2021年6月30日 (未經審核) | | | | | | | | |
| Cost | 成本 | 41,093 | 287,367 | 4,287 | 1,090 | - | 333,837 | 4,121 | 337,958 |
| Accumulated depreciation | 累計折舊 | (13,389) | (162,960) | (3,141) | (836) | - | (180,326) | (1,440) | (181,766) |
| Net book amount | 賬面淨值 | 27,704 | 124,407 | 1,146 | 254 | - | 153,511 | 2,681 | 156,192 |

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2021年6月30日止六個月

14. Properties, plant and equipment and right-of-use asset (Continued)

14. 物業、廠房及設備及使用權資產 (續)

| | | Buildings 樓宇 RMB'000 人民幣千元 | Plant and machinery 廠房及機器 RMB'000 人民幣千元 | Office equipment 辦公設備 RMB'000 人民幣千元 | Motor vehicles 汽車 RMB'000 人民幣千元 | Construction in progress 在建工程 RMB'000 人民幣千元 | Sub-total 小計 RMB'000 人民幣千元 | Right-of-use asset 使用權資產 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|-------------------------------|-------------------------------------|--|--|--|--|-------------------------------------|---|---------------------------------|
| As at 1 January 2020 (Audited) | 於2020年1月1日 (經審核) | | | | | | | | |
| Cost | 成本 | 40,997 | 258,809 | 3,808 | 1,090 | 1,513 | 306,217 | 4,121 | 310,338 |
| Accumulated depreciation | 累計折舊 | (10,262) | (145,831) | (2,591) | (700) | - | (159,384) | (1,317) | (160,701) |
| Net book amount | 賬面淨值 | 30,735 | 112,978 | 1,217 | 390 | 1,513 | 146,833 | 2,804 | 149,637 |
| Six months ended 30 June 2020 (Audited) | 截至2020年6月30日止六個月 (經審核) | | | | | | | | |
| Opening net book amount | 期初賬面淨值 | 30,735 | 112,978 | 1,217 | 390 | 1,513 | 146,833 | 2,804 | 149,637 |
| Additions | 添置 | 96 | 67 | 443 | 73 | 31 | 710 | - | 710 |
| Depreciation (Note 7) | 折舊 (附註7) | (1,036) | (6,464) | (171) | (53) | - | (7,724) | (41) | (7,765) |
| Closing net book amount | 期末賬面淨值 | 29,795 | 106,581 | 1,489 | 410 | 1,544 | 139,819 | 2,763 | 142,582 |
| As at 30 June 2020 (Audited) | 於2020年6月30日 (經審核) | | | | | | | | |
| Cost | 成本 | 41,093 | 258,876 | 4,251 | 1,163 | 1,544 | 306,927 | 4,121 | 311,048 |
| Accumulated depreciation | 累計折舊 | (11,298) | (152,295) | (2,762) | (753) | - | (167,108) | (1,358) | (168,466) |
| Net book amount | 賬面淨值 | 29,795 | 106,581 | 1,489 | 410 | 1,544 | 139,819 | 2,763 | 142,582 |

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2021年6月30日止六個月

14. Properties, plant and equipment and right-of-use asset (Continued)

During the six months ended 30 June 2021 and 2020, depreciation expenses have been charged in cost of sales, selling and distribution expenses and administrative expenses as below:

14. 物業、廠房及設備及使用權資產(續)

截至2021年及2020年6月30日止六個月，折舊開支已自銷售成本、銷售及分銷開支及行政開支扣除如下：

| | | Six months ended 30 June 截至6月30日止六個月 | |
|-----------------------------------|---------|--|---|
| | | 2021 2021年 RMB'000 人民幣千元 Unaudited 未經審核 | 2020 2020年 RMB'000 人民幣千元 Audited 經審核 |
| Cost of sales | 銷售成本 | 7,547 | 7,449 |
| Selling and distribution expenses | 銷售及分銷開支 | 3 | 3 |
| Administrative expenses | 行政開支 | 319 | 313 |
| | | 7,869 | 7,765 |

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2021年6月30日止六個月

15. Intangible assets

15. 無形資產

| | | Software 軟件 RMB'000 人民幣千元 |
|--|----------------------------------|------------------------------------|
| At 1 January 2021 (Audited) | 於 2021 年 1 月 1 日 (經審核) | |
| Cost | 成本 | 1,472 |
| Accumulated amortisation | 累計攤銷 | (827) |
| Net book amount | 賬面淨值 | 645 |
| Six months ended 30 June 2021 (Unaudited) | 截至 2021 年 6 月 30 日止六個月 (未經審核) | |
| Opening net book amount | 期初賬面淨值 | 645 |
| Additions | 添置 | 379 |
| Amortisation (Note 7) | 攤銷 (附註 7) | (243) |
| Closing net book amount | 期末賬面淨值 | 781 |
| At 30 June 2021 (Unaudited) | 於 2021 年 6 月 30 日 (未經審核) | |
| Cost | 成本 | 1,851 |
| Accumulated amortisation | 累計攤銷 | (1,070) |
| Net book amount | 賬面淨值 | 781 |
| At 1 January 2020 (Audited) | 於 2020 年 1 月 1 日 (經審核) | |
| Cost | 成本 | 1,402 |
| Accumulated amortisation | 累計攤銷 | (569) |
| Net book amount | 賬面淨值 | 833 |
| Six months ended 30 June 2020 (Audited) | 截至 2020 年 6 月 30 日止六個月 (經審核) | |
| Opening net book amount | 期初賬面淨值 | 833 |
| Additions | 添置 | 70 |
| Amortisation (Note 7) | 攤銷 (附註 7) | (124) |
| Closing net book amount | 期末賬面淨值 | 779 |
| At 30 June 2020 (Audited) | 於 2020 年 6 月 30 日 (經審核) | |
| Cost | 成本 | 1,472 |
| Accumulated amortisation | 累計攤銷 | (693) |
| Net book amount | 賬面淨值 | 779 |

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2021年6月30日止六個月

16. Prepayments and other receivables

16. 預付款項及其他應收款項

| | | 30 June 2021 2021年 6月30日 RMB'000 人民幣千元 Unaudited 未經審核 | 31 December 2020 2020年 12月31日 RMB'000 人民幣千元 Audited 經審核 |
|---|---------------------|--|--|
| Current portion | 即期部分 | | |
| Prepayments to suppliers | 預付供應商款項 | 646 | 613 |
| Other prepayments | 其他預付款項 | 212 | 9 |
| Other tax receivables | 其他應收稅項 | – | 895 |
| Other receivables (Note a) | 其他應收款項(附註a) | 1,021 | 2,167 |
| Prepaid listing expenses (Note b) | 預付上市開支(附註b) | – | 6,329 |
| | | 1,879 | 10,013 |
| Non-current portion | 非即期部分 | | |
| Prepayments of acquisition of properties, plant and equipment | 收購物業、廠房及設備的 預付款項 | 232 | 277 |

Notes:

- (a) As at 30 June 2021 and 31 December 2020, the carrying amounts of other receivables approximated their fair values.
- (b) The prepaid listing expenses as at 31 December 2020 were incurred in connection with the listing of the Group and have been deducted from equity upon listing.

附註：

- (a) 於2021年6月30日及2020年12月31日，其他應收款項的賬面值與其公平值相若。
- (b) 於2020年12月31日的預付上市開支與本集團上市有關，並已於上市後從權益中扣除。

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2021年6月30日止六個月

17. Inventories

17. 存貨

| | | 30 June 2021 2021年 6月30日 RMB'000 人民幣千元 Unaudited 未經審核 | 31 December 2020 2020年 12月31日 RMB'000 人民幣千元 Audited 經審核 |
|---------------|-----|--|--|
| Raw materials | 原材料 | 8,831 | 9,272 |

The cost of inventories recognised as expense and included in cost of sales during the six months ended 30 June 2021 and 2020 amounted to approximately RMB22,532,000 and RMB29,213,000 respectively (Note 7).

截至2021年及2020年6月30日止六個月，金額分別約為人民幣22,532,000元及人民幣29,213,000元的存貨成本確認為開支並計入銷售成本(附註7)。

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2021年6月30日止六個月

18. Contract assets, trade and bills receivables

18. 合約資產、貿易應收款項及應收票據

| | | 30 June 2021 2021年 6月30日 RMB'000 人民幣千元 Unaudited 未經審核 | 31 December 2020 2020年 12月31日 RMB'000 人民幣千元 Audited 經審核 |
|--|-------------------|--|--|
| Contract assets | 合約資產 | 11,315 | 7,564 |
| Less: Provision for impairment of contract assets | 減：合約資產減值撥備 | (12) | (8) |
| Contract assets, net | 合約資產淨額 | 11,303 | 7,556 |
| Trade receivables | 貿易應收款項 | 14,533 | 10,461 |
| Bills receivables | 應收票據 | 90 | 3,260 |
| Less: Provision for impairment of trade receivables | 減：貿易應收款項減值 撥備 | (900) | (661) |
| Trade and bills receivables, net | 貿易應收款項及應收 票據淨額 | 13,723 | 13,060 |
| | | 25,026 | 20,616 |

Contract assets represent the Group's rights to consideration for work completed but unbilled for its business. The contract assets are transferred to trade receivables when the rights become unconditional which generally take one to three months.

合約資產指本集團就其業務已完成但未開票貨物 and 服務收取代價的權利。當權利成為無條件時（一般需時一至三個月），合約資產轉撥至貿易應收款項。

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2021年6月30日止六個月

18. Contract assets, trade and bills receivables

(Continued)

As at 30 June 2021 and 31 December 2020, the carrying amounts of contract assets, trade and bills receivables approximated their fair values.

The Group's sales were generally on credit terms primarily from 30 to 60 days.

As at 30 June 2021 and 31 December 2020, the aging analysis of trade and bills receivables, based on invoice date, is as follows:

| | | 30 June 2021 2021年 6月30日 RMB'000 人民幣千元 Unaudited 未經審核 | 31 December 2020 2020年 12月31日 RMB'000 人民幣千元 Audited 經審核 |
|--|------------------|--|--|
| 1 to 3 months | 1至3個月 | 10,562 | 10,768 |
| Over 3 months | 3個月以上 | 4,061 | 2,953 |
| | | 14,623 | 13,721 |
| Less: Provision for impairment of trade receivables | 減：貿易應收款項減值 撥備 | (900) | (661) |
| | | 13,723 | 13,060 |

The maximum exposure to credit risk as at 30 June 2021 and 31 December 2020 was the carrying value of the receivables and contract assets mentioned above. The Group did not hold any collateral as security.

18. 合約資產、貿易應收款項及應收票據(續)

於2021年6月30日及2020年12月31日，合約資產、貿易應收款項及應收票據的賬面值與其公平值相若。

本集團銷售的信貸期一般主要介乎30至60日。

於2021年6月30日及2020年12月31日，貿易應收款項及應收票據按發票日期的賬齡分析如下：

於2021年6月30日及2020年12月31日的最高信貸風險為上文所述應收款項及合約資產的賬面值。本集團並無持有任何抵押品作為抵押。

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2021年6月30日止六個月

19. Share capital

19. 股本

| | | Number of shares 股份數目 | Nominal value 面值 HKD'000 千港元 | Nominal value 面值 RMB'000 人民幣千元 |
|--|---|-----------------------------|--|--|
| Authorised share capital At 4 January 2019 (Date of incorporation) | 法定股本 於2019年1月4日 (註冊成立日期) | 50,000 | 390 | 345 |
| As at 31 December 2019 and 1 January 2020 | 於2019年12月31日及 2020年1月1日 | 50,000 | 390 | 345 |
| Decrease in authorised ordinary shares of United States dollar ("USD") 1.00 each on 16 January 2020 | 於2020年1月16日 每股1.00美元(「美元」) 的法定普通股減少 | (50,000) | (390) | (345) |
| Increase in authorised ordinary share of Hong Kong dollars ("HKD") 0.01 each on 16 January 2020 | 於2020年1月16日 每股0.01港元(「港元」) 的法定普通股增加 | 38,000,000 | 380 | 337 |
| As at 31 December 2020 (Audited) | 於2020年12月31日 (經審核) | 38,000,000 | 380 | 337 |
| Increase in authorised ordinary share (Note a) | 法定普通股增加(附註a) | 9,962,000,000 | 99,620 | 83,840 |
| As at 30 June 2021 (Unaudited) | 於2021年6月30日 (未經審核) | 10,000,000,000 | 100,000 | 84,177 |

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2021年6月30日止六個月

19. Share capital (Continued)

19. 股本 (續)

| | | Number of shares 股份數目 | Nominal value 面值 HKD'000 千港元 | Nominal value 面值 RMB'000 人民幣千元 |
|--|--|-----------------------------|--|--|
| Issued and fully paid: | 已發行及繳足： | | | |
| At 4 January 2019 (Date of incorporation) | 於2019年1月4日 (註冊成立日期) | 10,000 | 78 | 69 |
| Issuance of ordinary shares of USD1.00 each | 發行每股1.00美元的普通股 | 10,000 | 78 | 69 |
| As at 31 December 2019 and 1 January 2020 (Audited) | 於2019年12月31日及 2020年1月1日 (經審核) | 20,000 | 156 | 138 |
| Cancellation of ordinary shares of USD1.00 each on 16 January 2020 | 於2020年1月16日註銷每股1.00美元的普通股 | (20,000) | (156) | (138) |
| Issuance of ordinary shares of HKD0.01 each on 16 January 2020 | 於2020年1月16日發行每股0.01港元的普通股 | 20,000 | —* | —* |
| As at 31 December 2020 (Audited) | 於2020年12月31日 (經審核) | 20,000 | —* | —* |
| Capitalisation issue (Note b) | 資本化發行(附註b) | 944,980,000 | 9,450 | 7,883 |
| Issuance of shares upon listing (Note c) | 於上市時發行股份(附註c) | 315,000,000 | 3,150 | 2,628 |
| As at 30 June 2021 (Unaudited) | 於2021年6月30日 (未經審核) | 1,260,000,000 | 12,600 | 10,511 |

* The amount was rounded to the nearest thousand

* 金額約整至最接近千位

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2021年6月30日止六個月

19. Share capital (Continued)

Notes:

- (a) On 13 January 2021, the authorised share capital of the Company was increased to HK\$100,000,000 comprising 10,000,000,000 shares of HK\$0.01 each.
- (b) Pursuant to the written resolution passed by the shareholders on 16 December 2020, a total of 944,980,000 shares of HK\$0.01 each were allotted and issued to the shareholders of the Company whose names appear on the register of members of the Company as at 31 December 2020 on a pro rata basis by way of capitalisation of HK\$9,449,800 (approximately RMB7,953,000) from the Company's share premium account on the Listing Date. The capitalisation issue was completed on 13 January 2021.
- (c) On 13 January 2021, pursuant to the listing on the Main Board of The Stock Exchange of Hong Kong Limited, the Company issued a total of 315,000,000 ordinary shares at a price of HK\$0.4 per share for a total gross proceed (before related share issuance costs) of HK\$126,000,000.

19. 股本(續)

附註：

- (a) 於2021年1月13日，本公司法定股本增至100,000,000港元，包括10,000,000,000股每股面值0.01港元的股份。
- (b) 根據股東於2020年12月16日通過的書面決議案，透過將本公司股份溢價賬中的9,449,800港元(約人民幣7,953,000元)撥充資本，已於上市日期向於2020年12月31日名列本公司股東名冊的本公司股東，按比例配發及發行合共944,980,000股每股面值0.01港元的股份。資本化發行已於2021年1月13日完成。
- (c) 於2021年1月13日，根據於香港聯合交易所有限公司主板上市，本公司以每股0.4港元的價格發行合共315,000,000股普通股，募集資金總額(於扣除相關股份發行成本前)為126,000,000港元。

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2021年6月30日止六個月

20. Contract liabilities, other payables and accruals

20. 合約負債、其他應付款項及應計款項

| | | 30 June 2021 2021年 6月30日 RMB'000 人民幣千元 Unaudited 未經審核 | 31 December 2020 2020年 12月31日 RMB'000 人民幣千元 Audited 經審核 |
|---|-----------------|--|--|
| Current portion | 即期部分 | | |
| Payables for acquisition of properties, plant and equipment | 購買物業、廠房及設備的應付款項 | 13,576 | 16,550 |
| Value-added tax and other tax payables | 增值稅及其他應付稅項 | 2,064 | - |
| Other payables | 其他應付款項 | 615 | 369 |
| Accruals for employee benefit expenses | 應計僱員福利開支 | 2,862 | 2,744 |
| Accruals for professional fees | 應計專業費用 | 1,193 | 3,277 |
| Other accruals | 其他應計款項 | 162 | 173 |
| Accrued listing expenses | 應計上市開支 | - | 10,747 |
| Deposits from customers | 客戶預收款項 | 1,230 | 3,999 |
| Contract liabilities | 合約負債 | 3,379 | 3,440 |
| | | 25,081 | 41,299 |
| Non-current portion | 非即期部分 | | |
| Other payables | 其他應付款項 | 1,507 | 1,533 |

As at 30 June 2021 and 31 December 2020, the carrying amounts of the Group's other payables and accruals approximated their fair values.

於2021年6月30日及2020年12月31日，本集團其他應付款項及應計款項的賬面值與其公平值相若。

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2021年6月30日止六個月

21. Trade payables

21. 貿易應付款項

| | | 30 June 2021 2021年 6月30日 RMB'000 人民幣千元 Unaudited 未經審核 | 31 December 2020 2020年 12月31日 RMB'000 人民幣千元 Audited 經審核 |
|----------------|--------|--|--|
| Trade payables | 貿易應付款項 | 13,902 | 10,706 |

As at 30 June 2021 and 31 December 2020, the aging analysis of trade payables, based on invoice date, is as follows:

於2021年6月30日及2020年12月31日，貿易應付款項按發票日期的賬齡分析如下：

| | | 30 June 2021 2021年 6月30日 RMB'000 人民幣千元 Unaudited 未經審核 | 31 December 2020 2020年 12月31日 RMB'000 人民幣千元 Audited 經審核 |
|---------------|-------|--|--|
| 1 to 3 months | 1至3個月 | 11,914 | 9,631 |
| Over 3 months | 3個月以上 | 1,988 | 1,075 |
| | | 13,902 | 10,706 |

As at 30 June 2021 and 31 December 2020, the carrying amounts of the Group's trade payables approximated their fair values.

於2021年6月30日及2020年12月31日，本集團貿易應付款項的賬面值與其公平值相若。

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2021年6月30日止六個月

22. Capital commitments

Capital expenditure contracted for at the end of the period/year but not yet incurred is as follows:

| | 30 June 2021 2021年 6月30日 RMB'000 人民幣千元 Unaudited 未經審核 | 31 December 2020 2020年 12月31日 RMB'000 人民幣千元 Audited 經審核 |
|---------------------------------|--|--|
| Contracted but not provided for | 已訂約但尚未撥備 | |
| | 1,919 | 2,781 |

23. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Parties are also considered to be related if they are subject to common control or joint control.

Members of key management and their close family members are also considered as related parties.

Parent entity

The ultimate holding company and controlling shareholders are disclosed in Note 1.

22. 資本承擔

於期／年末已訂約但未產生的資本開支如下：

23. 關聯方交易

倘一方有能力直接或間接控制另一方或可於另一方作出財務及營運決策時施加重大影響，雙方被視為有關聯。

倘雙方受共同控制或聯合控制時亦被認為有關聯。

主要管理層成員及其近親成員亦被視為關聯方。

母實體

最終控股公司及控股股東於附註1披露。

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2021年6月30日止六個月

23. Related party transactions (Continued)

Key management compensation

Key management includes directors and a senior management who have the responsibility for the planning, directing, controlling and the execution of the activities of the Group. The compensation paid or payable to key management is shown below:

23. 關聯方交易(續)

主要管理層薪酬

主要管理層包括負責計劃、指示、控制及執行本集團業務的董事及高級管理層。已付或應付主要管理層的薪酬列示如下：

| | | 30 June 2021 2021年 6月30日 RMB'000 人民幣千元 Unaudited 未經審核 | 30 June 2020 2020年 6月30日 RMB'000 人民幣千元 Audited 經審核 |
|--|------------------|--|---|
| Wages and salaries | 工資及薪金 | 262 | 568 |
| Pension costs – defined contribution plan | 退休金成本— 界定供款計劃 | 43 | 12 |
| | | 305 | 580 |

Deyun Holding Ltd.
德運控股有限公司 *