

Millennium Pacific

GROUP HOLDINGS LIMITED

匯思太平洋集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 8147

2019

第一季度業績報告
FIRST QUARTERLY REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This report, for which the directors (the “**Directors**”) of Millennium Pacific Group Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司(「聯交所」) GEM 的特色

GEM 的定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在聯交所上市的公司帶有較高投資風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於GEM上市公司普遍為中小型公司，在GEM買賣的證券可能會較於聯交所主板買賣之證券承受較大的市場波動風險，同時無法保證在GEM買賣的證券會有高流通量的市場。

本報告乃遵照聯交所GEM證券上市規則(「GEM上市規則」)的規定提供有關匯思太平洋集團控股有限公司(「本公司」)的資料。本公司各董事(「董事」)共同及個別對本報告承擔全部責任。董事於作出一切合理查詢後確認，就彼等所深知及確信，本報告所載資料在各重大方面均屬準確及完整，且並無誤導或欺詐成分，亦無遺漏任何其他事項，致使本報告內任何聲明或本報告有所誤導。

Corporate Information

公司資料

REGISTERED OFFICE

Clifton House
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P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

HEADQUARTERS IN PRC

4/F., Building C
101 Kongwei Guangchang
No. 52, Gongye Nang Road
Xinhe Community, Fuhai Street
Baoan District
Shenzhen
Guangdong Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 5, 4/F, Energy Plaza
No. 92 Granville Road
Tsim Sha Tsui East, Kowloon
Hong Kong

EXECUTIVE DIRECTORS

Mr. Liu Liang
Mr. Wang Li
Mr. Wu Yong Fu (appointed on 16 April 2019)

NON-EXECUTIVE DIRECTORS

Mr. Wu Jin Sheng (*Chairman*)
Mr. Chong Yu Keung

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Huang Jian
Mr. Zheng Wan Zhang
Mr. Wong Tik Tung

AUTHORISED REPRESENTATIVES

Ms. Ngan Wai Kam, Sharon
Mr. Liu Liang

COMPANY SECRETARY

Ms. Ngan Wai Kam, Sharon

COMPLIANCE OFFICER

Mr. Liu Liang

註冊辦事處

Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

中國總部

中國
廣東省
深圳市
寶安區
福海街道新和社區
工業南路52號
101康威廣場
C棟4樓

香港主要營業地點

香港
九龍尖沙咀東
加連威老道92號
幸福中心4樓5室

執行董事

劉亮先生
王歷先生
吳永富先生(於二零一九年四月十六日獲委任)

非執行董事

吳晉生先生(*主席*)
莊儒強先生

獨立非執行董事

黃健先生
鄭玩樟先生
汪滌東先生

授權代表

顏慧金女士
劉亮先生

公司秘書

顏慧金女士

合規主任

劉亮先生

Corporate Information

公司資料

AUDIT COMMITTEE

Mr. Huang Jian (*Committee Chairman*)
Mr. Zheng Wan Zhang
Mr. Wong Tik Tung

NOMINATION COMMITTEE

Mr. Wu Jin Sheng (*Committee Chairman*)
Mr. Huang Jian
Mr. Wong Tik Tung

REMUNERATION COMMITTEE

Mr. Wong Tik Tung (*Committee Chairman*)
Mr. Liu Liang
Mr. Zheng Wan Zhang

COMPLIANCE COMMITTEE

Mr. Wong Tik Tung (*Committee Chairman*)
Mr. Liu Liang
Mr. Huang Jian

LEGAL ADVISER

Louis K.Y. Pau & Company, Solicitors

AUDITOR

World Link CPA Limited
5/F., Fast East Consortium Building
121 Des Voeux Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Estera Trust (Cayman) Ltd.

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

CORPORATE WEBSITE

www.mpgroup.hk

STOCK CODE

8147

審核委員會

黃健先生(委員會主席)
鄭玩樟先生
汪滌東先生

提名委員會

吳晉生先生(委員會主席)
黃健先生
汪滌東先生

薪酬委員會

江滌東先生(委員會主席)
劉亮先生
鄭玩樟先生

合規委員會

江滌東先生(委員會主席)
劉亮先生
黃健先生

法律顧問

包建原律師事務所

核數師

華普天健(香港)會計師事務所有限公司
香港
中環德輔道中121號
遠東發展大廈5樓

開曼群島主要股份過戶登記處

Estera Trust (Cayman) Ltd.

香港股份過戶登記分處

卓佳證券登記有限公司

主要往來銀行

香港上海滙豐銀行有限公司

公司網站

www.mpgroup.hk

股份代號

8147

The board of Directors (the “**Board**”) of Millennium Pacific Group Holdings Limited (the “**Company**”) is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months ended 31 March 2019 (the “**Reporting Period**”), together with the comparative figures for the three months ended 31 March 2018 (the “**Corresponding Period**”), as follows:

匯思太平洋集團控股有限公司(「**本公司**」)董事會(「**董事會**」)欣然呈報本公司及其附屬公司(統稱「**本集團**」)截至二零一九年三月三十一日止三個月(「**報告期間**」)的未經審核簡明綜合業績，連同截至二零一八年三月三十一日止三個月(「**相應期間**」)的比較數字如下：

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

未經審核簡明綜合損益及其他全面收益表

For the three months ended 31 March 2019
截至二零一九年三月三十一日止三個月

| | | Three months ended 31 March 截至三月三十一日止三個月 | |
|--|-----------------------------|---|---|
| | | 2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核) | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) |
| | | Notes 附註 | |
| Revenue | 收益 | 3 | 21,513 |
| Cost of sales | 銷售成本 | | (17,826) |
| Gross profit | 毛利 | | 3,687 |
| Other income | 其他收入 | 4 | 640 |
| Selling and distribution costs | 銷售及分銷成本 | | (126) |
| Administrative expenses | 行政開支 | | (5,487) |
| Loss from operation | 營運虧損 | | (1,286) |
| Finance costs | 財務費用 | | (209) |
| Share of result of an associate | 分佔一間聯營公司業績 | | 195 |
| Loss before tax | 除稅前虧損 | | (1,300) |
| Income tax expense | 所得稅開支 | 5 | (44) |
| Loss for the period | 期內虧損 | 6 | (1,344) |
| Other comprehensive income/(loss) for the period, net of tax: | 期內其他全面收入/(虧損)，扣除稅項： | | |
| Item that may be reclassified to profit or loss: | 可能重新分類至損益的項目： | | |
| Exchange differences on translating foreign operations | 換算海外業務時的匯兌差額 | | 490 |
| | | | (450) |
| Total comprehensive loss for the period | 期內全面虧損總額 | | (854) |
| Profit/(loss) for the period attributable to: | 以下人士應佔期內溢利/(虧損)： | | |
| — Owners of the Company | — 本公司擁有人 | | (1,985) |
| — Non-controlling interests | — 非控股權益 | | 641 |
| | | | (1,344) |
| Total comprehensive income/(loss) for the period attributable to: | 以下人士應佔期內全面收入/(虧損)總額： | | |
| — Owners of the Company | — 本公司擁有人 | | (1,523) |
| — Non-controlling interests | — 非控股權益 | | 669 |
| | | | (854) |
| Loss per share (HK cents) | 每股虧損 (港仙) | | |
| — Basic | — 基本 | 8 | (0.04) |
| — Diluted | — 攤薄 | 8 | (0.04) |

Unaudited Condensed Consolidated Statement of Changes in Equity

未經審核簡明綜合權益變動表

For the three months ended 31 March 2019
截至二零一九年三月三十一日止三個月

| | | Attributable to the owners of the Company 本公司擁有人應佔 | | | | | | | | | | | |
|--|-------------------------------|---|---------------|-------------------|----------------|----------------|--------------------------------------|------------------------------------|---------------------------------------|--------------------|---------------|---------------------------|--------------|
| | | Share capital | Share premium | Statutory reserve | Merger reserve | Option reserve | Foreign currency translation reserve | Financial assets at FVTOCI reserve | Equity component of convertible bonds | Accumulated losses | Total reserve | Non-controlling interests | Total equity |
| | | 股本 | 股份溢價 | 法定儲備 | 合併儲備 | 購股權儲備 | 外幣換算儲備 | 按公平值計入其他全面收益之金融資產儲備 | 可換股債券權益組成部分 | 累計虧損 | 總儲備 | 非控股權益 | 總權益 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Balance at 1 January 2018 (audited) | 於二零一八年一月一日的結餘(經審核) | 1,100 | 62,627 | 766 | 12,400 | 15,665 | 785 | - | - | (83,479) | 8,664 | 37 | 9,801 |
| Recognition of share-based payments (unaudited) | 確認以股份為基礎的付款(未經審核) | - | - | - | - | 5,254 | - | - | - | - | 5,254 | - | 5,254 |
| Total comprehensive income/(loss) for the period (unaudited) | 期內全面收入/(虧損)總額(未經審核) | - | - | - | - | - | (455) | - | - | (8,615) | (9,070) | 169 | (8,901) |
| Balance at 31 March 2018 (unaudited) | 於二零一八年三月三十一日的結餘(未經審核) | 1,100 | 62,627 | 766 | 12,400 | 20,819 | 330 | - | - | (92,094) | 4,848 | 206 | 6,154 |
| Balance at 1 January 2019 (audited) | 於二零一九年一月一日的結餘(經審核) | 1,111 | 71,644 | 766 | 12,400 | 36,581 | 1,672 | 125 | - | (119,772) | 3,416 | 1,151 | 5,678 |
| Impact of adoption of HKFRS 16 (net of tax) (unaudited) | 採納香港財務報告準則第16號的影響(扣除稅項)(未經審核) | - | - | - | - | - | - | - | - | (39) | (39) | - | (39) |
| Balance at 1 January 2019, as restated (unaudited) | 於二零一九年一月一日的結餘·經重列(未經審核) | 1,111 | 71,644 | 766 | 12,400 | 36,581 | 1,672 | 125 | - | (119,811) | 3,377 | 1,151 | 5,639 |
| Recognition of share-based payments (unaudited) | 確認以股份為基礎的付款(未經審核) | - | - | - | - | 1,800 | - | - | - | - | 1,800 | - | 1,800 |
| Issue of convertible bonds (unaudited) | 發行可換股債券(未經審核) | - | - | - | - | - | - | - | 2,650 | - | 2,650 | - | 2,650 |
| Total comprehensive income/(loss) for the period (unaudited) | 期內全面收入/(虧損)總額(未經審核) | - | - | - | - | - | 462 | - | - | (1,985) | (1,523) | 669 | (854) |
| Balance at 31 March 2019 (unaudited) | 於二零一九年三月三十一日的結餘(未經審核) | 1,111 | 71,644 | 766 | 12,400 | 38,381 | 2,134 | 125 | 2,650 | (121,796) | 6,304 | 1,820 | 9,235 |

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempt company with limited liability under the Company Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 10 September 2013. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The headquarters is located at 4/F., Building C, 101 Kongwei Guangchang, No. 52, Gongye Nang Road, Xinhai Community, Fuhai Street, Baoan District, Shenzhen, the People's Republic of China (the "PRC"). The principal place of business in Hong Kong is located at Unit 5, 4/F, Energy Plaza, No. 92 Granville Road, Tsim Sha Tsui East, Kowloon, Hong Kong. The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 18 July 2014.

The Company is an investment holding company. The principal activities of its subsidiaries are research and development, manufacture, sale of electronic devices and provision of application software development services.

2. BASIS OF PRESENTATION AND PREPARATION OF FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2019 have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

These unaudited condensed consolidated results are presented in Hong Kong dollars ("HK\$"), which is the functional currency of the Company.

These condensed consolidated results have not been audited but have been reviewed by the audit committee of the Company.

The unaudited condensed consolidated results of the Group for the three months ended 31 March 2019 do not include all the information and disclosures required in the annual financial statements of the Group and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2018 (the "2018 Consolidated Financial Statements"). Except as described in paragraph headed "Change in accounting policies and disclosures" below, the accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated results are consistent with those used in the 2018 Consolidated Financial Statements.

Changes in accounting policies and disclosures

The following new and amended standards and interpretations are mandatory for the first time for financial year beginning 1 January 2019:

| | |
|--|--|
| Amendments to HKFRS 9 HKFRS 16 | Prepayment Features with Negative Compensation Leases |
| Amendments to HKAS 19 | Plan Amendment, Curtailment or Settlement |
| Amendments to HKAS 28 | Long-term Interests in Associates and Joint Ventures |
| HK(IFRIC)-Int 23 | Uncertainty over Income Tax Treatments |
| Annual Improvements 2015–2017 Cycle | Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 |

Except as described below for HKFRS 16, the adoption of above new and revised standards had no significant financial effect on the unaudited condensed consolidated first quarterly financial information.

1. 一般資料

本公司於二零一三年九月十日根據開曼群島公司法第22章(一九六一年第三號法律,經綜合及修訂)在開曼群島註冊成立為一家獲豁免有限公司,註冊辦事處地址為Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands,總部的地址為中華人民共和國(「中國」)深圳市寶安區福海街道新和社區工業南路52號101康威廣場C棟4樓。香港主要營業地點位於香港九龍尖沙咀東加連威老道92號幸福中心4樓5室。本公司之股份自二零一四年七月十八日起於香港聯合交易所有限公司(「聯交所」)GEM上市。

本公司為投資控股公司。其附屬公司的主要業務為電子設備的研發、製造及銷售以及提供應用軟件開發服務。

2. 財務報表的呈列及編製基準

本集團截至二零一九年三月三十一日止三個月的未經審核簡明綜合財務報表已按照香港公認會計原則編製,並遵守香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)及聯交所GEM證券上市規則的適用披露條文。

此等未經審核簡明綜合業績乃以本公司功能貨幣港元(「港元」)呈列。

此等簡明綜合業績未經審核,惟已經本公司審核委員會審閱。

本集團截至二零一九年三月三十一日止三個月的未經審核簡明綜合業績並未包括本集團年度財務報表所需的所有資料及披露,並應與本集團截至二零一八年十二月三十一日止年度的綜合財務報表(「二零一八年綜合財務報表」)一併閱讀。除下文「會計政策及披露變動」一段所述者外,編製未經審核簡明綜合業績所用會計政策及計算方法與二零一八年綜合財務報表所用者貫徹一致。

會計政策及披露變動

下列新訂及經修訂的準則及詮釋於二零一九年一月一日開始的財政年度首次強制採用:

| | |
|-------------------------|--|
| 香港財務報告準則第9號修訂 | 具有負補償之提前還款特點 |
| 香港財務報告準則第16號 | 租賃 |
| 香港會計準則第19號修訂 | 計劃修訂、縮減或結清 |
| 香港會計準則第28號修訂 | 聯營公司及合營企業之長期權益 |
| 香港(國際財務報告詮釋委員會)一 詮釋第23號 | 所得稅處理之不確定性 |
| 二零一五年至二零一七年週期的年度改進 | 香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號修訂 |

除下文所述香港財務報告準則第16號以外,採用上述新訂及經修訂準則對未經審核簡明綜合第一季度財務資料並無重大財務影響。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

2. BASIS OF PRESENTATION AND PREPARATION OF FINANCIAL STATEMENTS (Continued)

Changes in accounting policies and disclosures (Continued)

HKFRS 16 "Leases" replaced HKAS 17 and three related Interpretations.

Upon the adoption of HKFRS 16, at the commencement date of the lease, the lessee recognises a "lease liability" and a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee recognises interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses continue to be recognised on a systematic basis over the lease term.

HKFRS 16 primarily affect the Group's accounting as a lessee of premises which are classified as operating leases in previous year. The application of the new accounting model leads to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the consolidated statement of profit or loss over the period of the lease.

HKFRS 16 has been applied modified retrospective approach, with the cumulative effect of initial application recognised as an adjustment to the opening balances of accumulated losses as at 1 January 2019. Comparative information has not been restated. In addition, the Group elected the practical expedient for not applying the new accounting model to short-term leases and leases of low-value assets and not to perform a full review of existing leases and apply HKFRS 16 only to new contracts. Furthermore, the Group has used the practical expedient to account for leases for which the lease term ends within 12 months from the date of initial application as short-term lease.

Upon the initial application of HKFRS 16, the Group measured the right-of-use assets as if HKFRS 16 had always been applied by using the incremental borrowing rate at initial application date and the opening balances of lease liabilities and the corresponding right-of-use assets has been adjusted as at 1 January 2019.

The following table summarises the impact, net of tax, of transition to HKFRS 16 on the opening balances of accumulated losses:

Recognition of interest of lease liabilities and depreciation of right-of-use assets

租賃負債之利息及使用權資產之折舊的確認

HK\$'000
千港元

Accumulated losses

Impact at 1 January 2019

累計虧損

於二零一九年一月一日的影響

39

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's financial statements from 2019 onwards.

2. 財務報表的呈列及編製基準(續)

會計政策及披露變動(續)

香港財務報告準則第16號「租賃」已取代香港會計準則第17號及三項相關詮釋。

採納香港財務報告準則第16號後，於租賃開始日期，承租人確認「租賃負債」及相應的「使用權」資產。於初步確認該資產及負債後，承租人確認租賃負債未償還結餘所產生的利息開支及使用權資產折舊，而非按現有政策於租期內按系統基準確認根據經營租賃所產生的租賃開支。作為實際的權宜方法，承租人可選擇不將此會計模式應用於短期租賃(即租期為12個月或以下)及低價值資產的租賃，於該等情況下，租金開支繼續於租期內按系統基準確認。

香港財務報告準則第16號主要影響本集團作為物業承租人(於往年分類為經營租賃)的會計處理方法。應用新會計模式會導致資產及負債均有所增加，及影響租賃期間於綜合損益表確認開支的時間。

香港財務報告準則第16號已應用經修訂追溯法，首次應用的累計影響確認為於二零一九年一月一日累計虧損的期初結餘的調整。比較資料不作重列。再者，本集團選取可行之權宜之計不應用新會計模式至短期租賃及低價值資產之租賃，並不對現存租賃進行全面審核及僅應用香港財務報告準則第16號至新合約。此外，本集團已使用可行之權宜之計以就租賃期由首次應用日期起計12個月內的租賃列賬為短期租賃。

自首次應用香港財務報告準則第16號，本集團已按猶如香港財務報告準則第16號已作經常應用而使用首次應用日期增量借款利率計量使用權資產，以及租賃負債的期初結餘及相應使用權資產已於二零一九年一月一日經調整。

下表概括過渡至香港財務報告準則第16號對累計虧損之期初結餘的影響(扣除稅項)：

Impact of adopting HKFRS 16 on opening balances 採納香港財務報告準則第16號對期初結餘的影響

除租賃負債及使用權資產的確認外，本集團預期將就首次採納香港財務報告準則第16號所作出的過渡調整不重大。然而，上述之會計政策的預期變動可對本集團於二零一九年起之後的財務報表造成重大影響。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

3. REVENUE

The Group derives revenue from the transfer of goods and services at a point in time and over time respectively in the following major product line:

3. 收益

本集團分別於以下主要產品線的某個時間點及隨時間自轉移貨品及服務中產生收益：

| | | Three months ended 31 March 截至三月三十一日止三個月 | |
|--|-----------------|---|---|
| | | 2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核) | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) |
| <i>Products transferred at a point in time:</i> | | | |
| | 於某個時間點轉移產品： | | |
| Sales of manufactured products | 製成產品銷售 | 5,386 | 2,954 |
| Sales on trading of electronic products, accessories and raw materials | 電子產品、配件及原材料貿易銷售 | 12,626 | 3,253 |
| | | 18,012 | 6,207 |
| <i>Services transferred over time:</i> | | | |
| | 隨時間轉移服務： | | |
| Provision of application software development services | 提供應用軟件開發服務 | 3,501 | 1,004 |
| | | 21,513 | 7,211 |

4. OTHER INCOME

4. 其他收入

| | | Three months ended 31 March 截至三月三十一日止三個月 | |
|---------------------------------------|--------|---|---|
| | | 2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核) | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) |
| Interest income | 利息收入 | 1 | 1 |
| Reversal of impairment of inventories | 存貨減值撥回 | 639 | - |
| Others | 其他 | - | 115 |
| | | 640 | 116 |

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

5. INCOME TAX EXPENSE

5. 所得稅開支

| | | Three months ended 31 March 截至三月三十一日止三個月 | |
|--|------------------------------|---|---|
| | | 2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核) | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) |
| Current tax — PRC Enterprise Income Tax (“EIT”) Provision for the period | 即期稅項 — 中國企業所得稅(「企業所得稅」) 期內撥備 | 44 | — |

No provision for Hong Kong Profits Tax has been made for the three months ended 31 March 2019 and 2018 as the Group's Hong Kong subsidiaries did not generate any assessable profit for the three months ended 31 March 2019 and 2018.

PRC EIT is provided at 25% based on assessable profits of the Group's entity operate in PRC. No provision for PRC EIT is required for the three months ended 31 March 2018 as the Group's PRC subsidiaries did not generate any assessable profit for the three months ended 31 March 2018.

截至二零一九年及二零一八年三月三十一日止三個月，概無就香港利得稅計提撥備，原因是本集團的香港附屬公司於截至二零一九年及二零一八年三月三十一日止三個月概無產生任何應課稅溢利。

中國企業所得稅基於本集團在中國經營的實體的應課稅溢利按25%計提撥備。截至二零一八年三月三十一日止三個月，概無就中國企業所得稅計提撥備，原因是本集團的中國附屬公司於截至二零一八年三月三十一日止三個月概無產生任何應課稅溢利。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

6. LOSS FOR THE PERIOD

6. 期內虧損

| | | Three months ended 31 March 截至三月三十一日止三個月 | |
|---|--------------|---|---|
| | | 2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核) | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) |
| | | Notes 附註 | |
| Depreciation | 折舊 | | |
| — Owned assets | — 所擁有的資產 | (a) | 344 |
| — Right-of-use assets | — 使用權資產 | | 695 |
| | | | 148 |
| | | | - |
| Staff costs (including Directors' emoluments) | 員工成本(包括董事酬金) | (b) | |
| — Salaries, bonus and allowances | — 薪金、花紅及津貼 | | 1,364 |
| — Share-based payments | — 以股份為基礎的付款 | | 1,800 |
| — Retirement benefits scheme contributions | — 退休福利計劃供款 | | 36 |
| | | | 6,356 |
| | | | 1,076 |
| | | | 5,254 |
| | | | 26 |
| Cost of inventories sold | 已售存貨成本 | | 3,200 |
| Foreign exchange differences, net | 外匯差額淨額 | | 17,073 |
| Operating lease charges on premises | 物業經營租賃費用 | (c) | 3 |
| Auditor's remuneration | 核數師酬金 | | 71 |
| Allowance for other receivables | 其他應收款項撥備 | | 16 |
| Reversal of allowance for inventories | 存貨撥備撥回 | | - |
| | | | 551 |
| | | | (638) |
| | | | (2,140) |

Notes:

- (a) Depreciation of property, plant and equipment of approximately HK\$341,000 (2018: HK\$29,000) for the three months ended 31 March 2019 is included in cost of sales.
- (b) Staff costs of approximately HK\$304,000 (2018: HK\$53,000) for the three months ended 31 March 2019 is included in cost of sales.
- (c) Operating lease charges on premises of approximately HK\$26,000 (2018: HK\$17,000) for the three months ended 31 March 2019 is included in cost of sales.

附註:

- (a) 截至二零一九年三月三十一日止三個月，物業、廠房及設備折舊約為341,000港元(二零一八年：29,000港元)，計入銷售成本。
- (b) 截至二零一九年三月三十一日止三個月，員工成本約為304,000港元(二零一八年：53,000港元)，計入銷售成本。
- (c) 截至二零一九年三月三十一日止三個月，物業經營租賃費用約為26,000港元(二零一八年：17,000港元)，計入銷售成本。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

7. DIVIDENDS
No dividends was declared or paid during the three months ended 31 March 2019 (2018: Nil).

8. LOSS PER SHARE
The calculation of the basic and diluted loss per share is based on the following:

7. 股息
概無就截至二零一九年三月三十一日止三個月期間宣派或派付任何股息(二零一八年：無)。

8. 每股虧損
每股基本及攤薄虧損的計算依據如下：

| | | Three months ended 31 March 截至三月三十一日止三個月 | |
|--|-----------------|---|---|
| | | 2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核) | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) |
| Loss | 虧損 | | |
| Loss for the purpose of calculating basic and diluted loss per share | 就計算每股基本及攤薄虧損的虧損 | (1,985) | (8,615) |

| | | Three months ended 31 March 截至三月三十一日止三個月 | |
|--|--------------------|---|--|
| | | 2019 二零一九年 (unaudited) (未經審核) | 2018 二零一八年 (unaudited) (未經審核) |
| Number of shares | 股份數目 | | |
| Weighted average number of ordinary shares for the purpose of calculating basic loss per share | 就計算每股基本虧損之普通股加權平均數 | 5,554,584,906 | 5,497,800,000 |

Diluted loss per share
No adjustment has been made to the basic loss per share amount presented for the period ended 31 March 2019 in respect of dilution as the outstanding share options and convertible bonds had no dilutive effect on the basic loss per share amount presented.

每股攤薄虧損
概無就攤薄調整就截至二零一九年三月三十一日止期間呈列的每股基本虧損金額，乃由於未獲行使購股權及可換股債券對所呈列的每股基本虧損金額並無攤薄影響。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in research and development, manufacture and sales of consumer electronic devices, such as fitness bracelets, GPS personal navigation devices, mobile internet devices, TV set-top boxes, and provision of application software development services. The Group provides one-stop services to the customers by offering design, prototyping/sampling, manufacturing, assembling and packaging of their products.

The Group recorded total revenue of approximately HK\$21.5 million for the Reporting Period, representing an increase of approximately HK\$14.3 million or approximately 198% as compared to the revenue for the Corresponding Period of approximately HK\$7.2 million. The significant increase in revenue was mainly attributable to (i) more sale orders for the Group's sales on trading of electronic products, accessories and raw materials; and (ii) the increase in provision of application software development service.

FINANCIAL REVIEW

Cost of Sales and Gross Profit

The cost of sales was mainly generated by merchandises and raw materials. The Group's cost of sales increased by approximately 170% from approximately HK\$6.6 million for the Corresponding Period to approximately HK\$17.8 million for the Reporting Period. The gross profit for the Reporting Period increased by approximately 510% to approximately HK\$3.7 million whilst the gross profit margin increased from approximately 8.4% in the Corresponding Period to approximately 17.1% in the Reporting Period, which was mainly benefited from the higher gross profit margin generated by application software development business.

Expenses

Staff costs of the Group for the Reporting Period was approximately HK\$3.2 million, representing a decrease of approximately HK\$3.2 million as compared with staff costs for the Corresponding Period of approximately HK\$6.4 million. Such significant decrease in staff costs was attributed to the decrease of share-based payment expenses of approximately HK\$3.5 million during the Reporting Period.

The administrative expenses of the Group for the Reporting Period amounted to approximately HK\$5.5 million, representing a decrease of approximately HK\$3.4 million from approximately HK\$8.9 million in the Corresponding Period. The decrease in administrative expenses was mainly attributable to the decrease in share-based payment expenses of approximately HK\$3.5 million during the Reporting Period.

業務回顧

本集團主要從事研發、製造及銷售消費電子設備，例如健身手環、GPS個人導航設備、行動連網裝置、電視機頂盒以及提供應用軟件開發服務。本集團通過提供設計、原型機製造/樣機製造、製造、裝配及包裝產品而向客戶提供一站式服務。

本集團於報告期間錄得總收益約21.5百萬港元，較相應期間之收益約7.2百萬港元增加約14.3百萬港元或約198%。收益大幅增加乃主要由於(i)本集團電子產品、配件及原材料貿易銷售的銷售訂單增加；及(ii)提供應用軟件開發服務增加。

財務回顧

銷售成本及毛利

銷售成本主要由商品及原材料產生。本集團的銷售成本由相應期間之約6.6百萬港元增加約170%至報告期間之約17.8百萬港元。於報告期間之毛利增加約510%至約3.7百萬港元，而毛利率由相應期間之約8.4%升至報告期間之約17.1%，此乃主要得益於應用軟件開發業務產生之毛利率上升。

開支

本集團於報告期間之員工成本約為3.2百萬港元，較相應期間之員工成本約6.4百萬港元減少約3.2百萬港元。員工成本大幅減少乃由於報告期間以股份為基礎的付款開支減少約3.5百萬港元所致。

本集團於報告期間之行政開支約為5.5百萬港元，較相應期間之約8.9百萬港元減少約3.4百萬港元。行政開支減少乃主要由於報告期間以股份為基礎的付款開支減少約3.5百萬港元所致。

Management Discussion and Analysis

管理層討論及分析

Loss for the Period

The net loss of the Group was approximately HK\$1.3 million during the Reporting Period as compared to a net loss of approximately HK\$8.5 million for the Corresponding Period. The decrease in loss was due to the increase in revenue and gross profit of the Group coupled with the decrease in administrative expense mainly led by the drop in share based payment expense.

The Board does not recommend the payment of dividends for the three months ended 31 March 2019 (31 March 2018: nil).

Outlook

The management carefully considered the market factors such as market trends, capital expenditures and development cycles when selecting the appropriate product mix to which the Group should focus and devote its resources. To diversify its income streams and counter balance the market trends, the Group will continue to further develop and expand its manufacturing business and the business of application software development.

It is the Group's corporate mission to continue to explore ways to improve its financial performance and to broaden the sources of revenue within acceptable risk level. Hence, the Company does not rule out the possibility of investing in or changing to other business as long as it is in the interest of the Company and the shareholders as a whole. Also, as part of its routine exercise, the Company reviews the performance of its existing business portfolio and evaluates possible investment opportunities available to the Company from time to time. Subject to the result of such review and the then market and economy situation, the Company may make suitable investment decisions which may involve the disposal of the whole or part of its existing business portfolio and/or change of the asset allocation of its business and investment portfolio and/or expanding its business portfolio with a view of realizing and/or optimizing the expected return and minimizing the risks. Meanwhile, the Company does not preclude the possibility that the Company may implement debt and/or equity fund raising plan(s) to satisfy the financing needs arising out of any business development of the Group as well as to improve its financial position in the event that suitable fund raising opportunities arise, as the Company has from time to time been approached by investors for potential investment projects. In these regards, the Company will publish announcement as and when appropriate according to applicable rules and regulations.

期內虧損

本集團於報告期間錄得淨虧損約1.3百萬港元，而於相應期間則錄得淨虧損約8.5百萬港元。虧損減少乃由於本集團收益及毛利增加連同主要以股份為基礎的付款開支減少致使行政開支減少。

董事會不建議派付截至二零一九年三月三十一日止三個月的股息(二零一八年三月三十一日：無)。

展望

管理層在選擇本集團適宜專注及投放資源的產品組合時，已審慎考慮市場趨勢、資本開支及發展周期等市場因素。為實現其收入來源多元化及平衡市場趨勢，本集團將繼續進一步發展並擴大其製造業務及應用軟件開發業務。

本集團之企業使命為繼續尋求方法提升財務表現，並在可承受風險水平下擴闊收益來源。因此，在符合本公司及股東整體利益之情況下，本公司不排除投資於或改為從事其他業務之可能性。此外，作為日常運作一部分，本公司不時檢討其現有業務組合表現及評估本公司可獲得之潛在投資機會。視乎有關檢討結果及當時市況及經濟情況，本公司可能作出合適投資決定，當中可能涉及出售全部或部分現有業務組合及／或更改業務及投資組合之資產分配及／或擴闊業務組合，從而實現及／或改善預期回報及將風險減至最低。同時，由於投資者不時就潛在投資項目與本公司接洽，本公司不排除於合適集資機會出現時實行債務及／或股本集資計劃之可能性，以應付本集團任何業務發展所產生融資需要及改善財務狀況。鑑此，本公司將根據適用規則及法規適時刊發公告。

Management Discussion and Analysis

管理層討論及分析

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at 31 March 2019, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 of the GEM Listing Rules were as follows:

Long positions

Ordinary shares of the Company

董事及主要行政人員於本公司或本公司指明的企業或任何其他相聯法團的股份、相關股份及債券中的權益及／或淡倉

於二零一九年三月三十一日，本公司董事及主要行政人員於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有須記入根據證券及期貨條例第352條存置的本公司登記冊，或根據GEM上市規則第5.46條所述上市發行人董事進行交易的規定標準須知會本公司及聯交所的權益及淡倉如下：

好倉

本公司普通股

| Name | Capacity and nature of interest | Class of Shares | Number of shares (note 1) 股份數目 (附註1) | Percentage of the Company's issued share capital 佔本公司已發行股本之百分比 |
|-----------------------|---------------------------------|-----------------------------------|---|---|
| 名稱 | 身份及權益性質 | 股份類別 | | |
| Liu Liang 劉亮 | Beneficial owner 實益擁有人 | share option (note 2) 購股權(附註2) | 54,000,000 (L) | 0.98% |
| Wu Jin Sheng 吳晉生 | Beneficial owner 實益擁有人 | share option (note 2) 購股權(附註2) | 54,000,000 (L) | 0.98% |
| Chong Yu Keung 莊儒強 | Beneficial owner 實益擁有人 | share option (note 2) 購股權(附註2) | 54,000,000 (L) | 0.98% |

Notes:

- The letter "L" denotes a long position in the shareholder's interest in the share capital of the Company.
- These represented the interests in underlying shares in respect of share options granted by the Company, details of which are disclosed in section headed "Share Option Scheme" below.

附註：

- 「L」指股東於本公司股本權益的好倉。
- 該項目指本公司所授出購股權涉及的相關股份權益，詳情披露於下文「購股權計劃」一節。

Save as disclosed above, as at 31 March 2019, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) 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 the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

除上文所披露者外，於二零一九年三月三十一日，概無董事及本公司主要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)的任何股份、相關股份或債券中擁有須記入本公司根據證券及期貨條例第352條存置的登記冊，或根據GEM上市規則第5.46條所述上市發行人董事進行交易的規定標準須另行知會本公司及聯交所的任何權益或淡倉。

Management Discussion and Analysis

管理層討論及分析

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

As at 31 March 2019, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under 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的權益及淡倉

於二零一九年三月三十一日，根據證券及期貨條例第336條須存置的登記冊所記錄，下列人士（董事或本公司主要行政人員除外）於本公司股份及相關股份中擁有權益或淡倉：

Long positions

Ordinary shares of the Company

好倉

本公司普通股

| Name | Capacity and nature of interest | Class of Shares | Number of shares (note 1) 股份數目 (附註1) | Percentage of the Company's issued share capital 佔本公司已發行股本之百分比 |
|---|------------------------------------|-----------------|---|---|
| 名稱 | 身份及權益性質 | 股份類別 | | |
| Martford Limited (note 2) | Beneficial owner | Ordinary shares | 3,073,750,000 (L) | 55.34% |
| Martford Limited (附註2) | 實益擁有人 | 普通股 | 3,073,750,000 (L) | 55.34% |
| CITIC Group Corporation (note 3) | Interest of controlled corporation | Ordinary Shares | 444,444,444 | 8.00% |
| 中國中信集團有限公司(附註3) | 受控制法團權益 | 普通股 | 444,444,444 | 8.00% |
| CITIC Polaris Limited (note 3) | Interest of controlled corporation | Ordinary Shares | 444,444,444 | 8.00% |
| 中信盛星有限公司(附註3) | 受控制法團權益 | 普通股 | 444,444,444 | 8.00% |
| CITIC Glory Limited (note 3) | Interest of controlled corporation | Ordinary Shares | 444,444,444 | 8.00% |
| 中信盛榮有限公司(附註3) | 受控制法團權益 | 普通股 | 444,444,444 | 8.00% |
| CITIC Limited (note 3) | Interest of controlled corporation | Ordinary Shares | 444,444,444 | 8.00% |
| 中國中信股份有限公司(附註3) | 受控制法團權益 | 普通股 | 444,444,444 | 8.00% |
| CITIC Corporation Limited (note 3) | Interest of controlled corporation | Ordinary Shares | 444,444,444 | 8.00% |
| CITIC Corporation Limited (附註3) | 受控制法團權益 | 普通股 | 444,444,444 | 8.00% |
| China CITIC Bank Corporation Limited (note 3) | Interest of controlled corporation | Ordinary Shares | 444,444,444 | 8.00% |
| 中信銀行股份有限公司(附註3) | 受控制法團權益 | 普通股 | 444,444,444 | 8.00% |
| CITIC New Horizon Limited (note 3) | Interest of controlled corporation | Ordinary Shares | 444,444,444 | 8.00% |
| CITIC New Horizon Limited (附註3) | 受控制法團權益 | 普通股 | 444,444,444 | 8.00% |
| Extra Yield International Limited (note 3) | Interest of controlled corporation | Ordinary Shares | 444,444,444 | 8.00% |
| Extra Yield International Limited (附註3) | 受控制法團 權益 | 普通股 | 444,444,444 | 8.00% |
| Metal Link Limited (note 3) | Interest of controlled corporation | Ordinary Shares | 444,444,444 | 8.00% |
| Metal Link Limited (附註3) | 受控制法團權益 | 普通股 | 444,444,444 | 8.00% |
| CITIC International Financial Holdings Limited (note 3) | Interest of controlled corporation | Ordinary Shares | 444,444,444 | 8.00% |
| 中信國際金融控股有限公司(附註3) | 受控制法團權益 | 普通股 | 444,444,444 | 8.00% |

Management Discussion and Analysis

管理層討論及分析

| Name | Capacity and nature of interest | Class of Shares | Number of shares (note 1) 股份數目 (附註1) | Percentage of the Company's issued share capital 佔本公司已發行股本之百分比 |
|--|------------------------------------|-----------------|---|---|
| 名稱 | 身份及權益性質 | 股份類別 | | |
| CITIC International Assets Management Limited (note 3) | Interest of controlled corporation | Ordinary Shares | 444,444,444 | 8.00% |
| 中信國際資產管理有限公司(附註3) | 受控制法團權益 | 普通股 | 444,444,444 | 8.00% |
| CITIC Merchant Co., Limited (note 3) | Interest of controlled corporation | Ordinary Shares | 444,444,444 | 8.00% |
| 中信通商投資管理有限公司(附註3) | 受控制法團權益 | 普通股 | 444,444,444 | 8.00% |
| Radiant Assets Management Limited (note 3) | Beneficial owner | Ordinary Shares | 444,444,444 | 8.00% |
| Radiant Assets Management Limited (附註3) | 實益擁有人 | 普通股 | 444,444,444 | 8.00% |

Notes:

附註：

- The letter "L" denotes a long position in the shareholder's interest in the share capital of the Company.
 - The 3,073,750,000 shares were held by Martford Limited which is wholly and beneficially owned by Mr. Wang Lianghai.
 - The entire issued share capital of Radiant Assets Management Limited is owned by CITIC Merchant Co., Limited, which is in turn owned as to 51% by CITIC International Assets Management Limited ("**CITIC Asset Management**"). CITIC Asset Management is owned as to 46% by CITIC International Financial Holdings Limited ("**CITIC Financial Holdings**"), which is in turn wholly owned by China CITIC Bank Corporation ("**China CITIC Bank**"). China CITIC Bank is owned as to 65.37%, 0.02% and 0.58% by CITIC Corporation Limited, Extra Yield International Limited ("**Extra Yield**") and Metal Link Limited respectively. Extra Yield is owned as to 100% by CITIC New Horizon Limited, which is wholly owned by CITIC Corporation Limited ("**CITIC Corporation**"). CITIC Corporation is wholly owned by CITIC Limited which owns 100% of CITIC Corporation and 100% of Metal Link Limited. CITIC Limited is owned as to 25.60% and 32.53% by CITIC Glory Limited and CITIC Polaris Limited respectively. CITIC Glory Limited and CITIC Polaris Limited are wholly owned by CITIC Group Corporation.
1. 「L」指股東於本公司股本權益的好倉。
2. 該3,073,750,000股股份由Martford Limited持有，而Martford Limited由王良海先生全資實益擁有。
3. Radiant Assets Management Limited的全部已發行股本由中信通商投資管理有限公司擁有，而中信通商投資管理有限公司由中信國際資產管理有限公司(「**中信資產管理**」)擁有51%。中信資產管理由中信國際金融控股有限公司(「**中信金融控股**」)擁有46%，而中信金融控股由中信銀行股份有限公司(「**中信銀行**」)全資擁有。中信銀行由CITIC Corporation Limited、Extra Yield International Limited(「**Extra Yield**」)及Metal Link Limited分別擁有65.37%、0.02%及0.58%。Extra Yield由CITIC New Horizon Limited擁有100%，而CITIC New Horizon Limited由CITIC Corporation Limited(「**CITIC Corporation**」)全資擁有。CITIC Corporation由中國中信股份有限公司全資擁有，其擁有CITIC Corporation的100%及Metal Link Limited的100%。中國中信股份有限公司由中信盛榮有限公司及中信盛星有限公司分別擁有25.60%及32.53%。中信盛榮有限公司及中信盛星有限公司由中國中信集團有限公司全資擁有。

Save as disclosed above, as at 31 March 2019, no other interests or short positions in the shares or underlying shares of the Company were recorded in the register required to be kept by the Company under section 336 of the SFO.

除上文所披露者外，於二零一九年三月三十一日，概無於本公司股份或相關股份的其他權益或淡倉記錄在本公司根據證券及期貨條例第336條須存置的登記冊內。

Management Discussion and Analysis

管理層討論及分析

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

Events after the Reporting Date

Proposed Share Consolidation and Change in Board Lot Size

In April 2019, the Board proposed to implement the share consolidation whereby every eight (8) issued and unissued shares of the Company (the "Shares") will be consolidated into one (1) consolidated share (the "Consolidated Shares") (the "Share Consolidation").

The Shares are currently traded in board lots of 4,000 existing Shares. The Company proposed to change the board lot size for trading on the Stock Exchange from 4,000 existing Shares to 8,000 Consolidated Shares after and conditional upon the Share Consolidation becoming effective.

An extraordinary general meeting will be convened and held for the shareholders of the Company to consider and, if thought fit, approve the Share Consolidation on 28 May 2019. Details are set out in the circular of the Company dated 25 April 2019.

Termination of Strategic Cooperation

On 10 April 2019, the Company sent notices of termination to each of Suzhou Hua Su Ya Wharton Medical Technology Company Limited ("Hua Su Ya Wharton") and Ms. Li Dongying ("Ms. Li"), notifying each of Hua Su Ya Wharton and Ms. Li the termination of the first letter of intent for strategic cooperation in relation to the acquisition of shares and other cooperations of Hua Su Ya Wharton and the second letter of intent for strategic cooperation in relation to the acquisition of shares of Hong Kong Waldorf International Limited, respectively, due to the failure by the parties to reach any agreement in relation to the strategic cooperation. Upon termination of the letters of intent, neither party has any obligations nor liabilities towards the other party under the letters of intent. Details are set out in the announcements of the Company dated 15 January 2019, 16 January 2019 and 10 April 2019.

Save as disclosed herein, up to the date of this report, the Group had no significant subsequent events after the Reporting Period which needs to be disclosed.

Competing Interests

The Directors confirm that none of the controlling shareholders or Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the business of the Group during the Reporting Period.

購買、出售或贖回本公司上市證券

於報告期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

報告期後事項

建議股份合併及更改每手買賣單位

於二零一九年四月，董事會建議實行股份合併，據此本公司每八(8)股已發行及未發行股份(「股份」)將合併為一(1)股合併股份(「合併股份」)(「股份合併」)。

股份現時以每手4,000股現有股份的買賣單位進行買賣。本公司建議待股份合併生效後並以此為條件，將於聯交所進行買賣的每手買賣單位由4,000股現有股份更改為8,000股合併股份。

本公司謹訂於二零一九年五月二十八日召開及舉行股東特別大會，供本公司股東考慮並酌情批准股份合併。詳情載於本公司日期為二零一九年四月二十五日的通函。

終止戰略合作

於二零一九年四月十日，本公司向蘇州華蘇亞沃頓醫療科技股份有限公司(「華蘇亞沃頓」)及鄺冬英女士(「鄺女士」)各自發出終止通知書，分別通知華蘇亞沃頓及鄺女士各方終止有關收購華蘇亞沃頓股份及其他合作的首份戰略合作意向書及有關收購香港華沃國際有限公司股份的第二份戰略合作意向書，原因是訂約方無法就戰略合作達成共識。終止該等意向書後，訂約方概毋須對另一方承擔該等意向書項下的任何義務及責任。詳情載於本公司日期為二零一九年一月十五日、二零一九年一月十六日及二零一九年四月十日的公告。

除本報告所披露者外，直至本報告日期，本集團在報告期間後並無須予披露的重大期後事項。

競爭權益

董事確認，於報告期間，概無控股股東或董事及彼等各自的緊密聯繫人士(定義見GEM上市規則)於與本集團業務直接或間接構成競爭或可能構成競爭的任何業務(本集團所營運業務除外)中擁有權益。

Management Discussion and Analysis

管理層討論及分析

Compliance with the Required Standard of Dealings in Securities Transactions by Directors

The Group has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' transactions in securities of the Company with effect from 18 July 2014 upon listing on GEM of the Stock Exchange. Having made specific enquiry with the Directors of the Company, each Director confirmed that he/she had complied with the required standard of dealings and there was no event of non-compliance during the Reporting Period.

Corporate Governance Practices

The Company endeavours to maintain high standards of corporate governance for enhancement of shareholders' value and to provide transparency, accountability and independence. The Company's corporate governance practices are based on the principles and the code provisions (the "Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules. The Company adopted the Code Provisions as set out in the CG Code since the listing of the Company on 18 July 2014. During the three months ended 31 March 2019, the Company had complied with the applicable Code Provisions and mandatory disclosure requirement as set out in the CG Code.

Audit Committee

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group. The audit committee comprises three independent non-executive Directors, namely Mr. Huang Jian (committee chairman), Mr. Zheng Wan Zhang and Mr. Wong Tik Tung.

The unaudited condensed consolidated financial statements of the Company for the three months ended 31 March 2019 has been reviewed by the audit committee. The audit committee is of the opinion that such financial information complies with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosure have been made.

遵守董事進行證券交易的規定準則

於聯交所GEM上市後，本集團已採納GEM上市規則第5.48至5.67條所載交易規定準則，作為規管董事進行本公司證券交易的操守守則，自二零一四年七月十八日起生效。經向本公司董事作出具體查詢後，各董事已確認，於報告期間，彼等已遵守交易規定準則，且並無任何不合規事件。

企業管治常規

本公司致力維持高水準企業管治以提高股東價值，並提供透明度、問責性及獨立性。本公司的企業管治常規乃以GEM上市規則附錄十五的企業管治守則（「企業管治守則」）所載的原則及守則條文（「守則條文」）為基礎。本公司於二零一四年七月十八日上市以來一直採用企業管治守則所載的守則條文。於截至二零一九年三月三十一日止三個月，本公司已遵守企業管治守則所載的適用守則條文及強制披露規定。

審核委員會

本公司已遵循GEM上市規則成立審核委員會，並以書面列明其職權範疇。審核委員會的主要職責為檢討及監察本集團的財務申報程序及內部監控系統。審核委員會由三名獨立非執行董事組成，即黃健先生（委員會主席）、鄭玩樺先生及汪滌東先生。

審核委員會已審閱本公司截至二零一九年三月三十一日止三個月的未經審核簡明綜合財務報表。審核委員會認為，有關財務資料符合適用會計準則、GEM上市規則及法定要求，並已作出足夠披露。

Management Discussion and Analysis

管理層討論及分析

Share Option Scheme

The share option scheme (the “Scheme”) adopted by the Company on 20 June 2014 is a share incentive scheme and is established to recognise and acknowledge the contributions that eligible participants (as defined therein) have made or may make to the Group.

Subject to the terms of the Scheme, the Scheme shall be valid and effective for a period of 10 years commencing from the adoption date (i.e. 20 June 2014).

Movements of the share options, which were granted under the Scheme, during the Reporting Period are set out below:

購股權計劃

本公司於二零一四年六月二十日採納購股權計劃(「計劃」)為股份獎勵計劃，旨在認可及獎勵對本集團曾經或可能作出貢獻的合資格參與者(定義見計劃)。

在計劃條款規限下，計劃自採納日期(即二零一四年六月二十日)起計10年內有效及生效。

於報告期間根據計劃授出之購股權之變動如下：

| Category of participant | Number of Share Options 購股權數目 | | | Outstanding at 31 March 2019 於二零一九年三月三十一日 尚未行使 | Date of grant 授出日期 | Share option duration 購股權期限 | Exercise Price 行使價 |
|---|---|--|--|--|---------------------------------|---|-------------------------|
| | Outstanding at 1 January 2019 於二零一九年一月一日 尚未行使 | Granted during the Reporting Period 於報告期間授出 | Exercised during the Reporting Period 於報告期間行使 | | | | |
| Directors 董事 | 162,000,000 | Nil 無 | Nil 無 | 162,000,000 | 19 December 2017 二零一七年十二月十九日 | 19 December 2017 to 18 December 2027 二零一七年十二月十九日至二零二七年十二月十八日 | HK\$0.1632 0.1632 港元 |
| Other eligible participants 其他合資格參與者 | 338,000,000 | Nil 無 | Nil 無 | 338,000,000 | 19 December 2017 二零一七年十二月十九日 | 19 December 2017 to 18 December 2027 二零一七年十二月十九日至二零二七年十二月十八日 | HK\$0.1632 0.1632 港元 |
| Total 總計 | 500,000,000 | Nil 無 | Nil 無 | 500,000,000 | | | |

Management Discussion and Analysis

管理層討論及分析

Each of Mr. Liu Liang, Mr. Wu Jin Sheng and Mr. Chong Yu Keung, being Directors of the Company, was granted 54,000,000 share options by the Company on 19 December 2017. Further details of the grant of share options are set out in the Company's announcement dated 19 December 2017.

The Company operates the Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The grant or cancellation of the share option (if any) under the Scheme shall be disclosed as and when appropriate according to the GEM Listing Rules.

By order of the Board
Millennium Pacific Group Holdings Limited
Wu Jin Sheng
Chairman

承董事會命
匯思太平洋集團控股有限公司
主席
吳晉生

Hong Kong, 14 May 2019

香港，二零一九年五月十四日

As at the date of this report, the executive directors of the Company are Mr. Liu Liang, Mr. Wang Li and Mr. Wu Yong Fu; the non-executive directors of the Company are Mr. Wu Jin Sheng and Mr. Chong Yu Keung; and the independent non-executive directors of the Company are Mr. Huang Jian, Mr. Zheng Wan Zhang and Mr. Wong Tik Tung.

於本報告日期，本公司執行董事為劉亮先生、王歷先生及吳永富先生；本公司非執行董事為吳晉生先生及莊儒強先生；及本公司獨立非執行董事為黃健先生、鄭玩樟先生及汪滌東先生。

This report will appear on the GEM website (www.hkgem.com) for at least seven days after the date of publication and on the website of the Company (www.mpgroup.hk).

本報告將由刊登當日起計最少七日刊登於GEM網站(www.hkgem.com)及本公司網站(www.mpgroup.hk)。

Millennium Pacific

GROUP HOLDINGS LIMITED

匯思太平洋集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 8147