



TIAN CHANG GROUP HOLDINGS LTD.
天 長 集 團 控 股 有 限 公 司

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

Stock Code 股份代號 : 2182

Interim Report
2019

中期報告



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Tsan Lam (*Chairman*)

Ms. Poon Po Han Lisa

Ms. Chan Yin Yan

Independent Non-Executive Directors

Mr. Ng Chi Wai

Mr. Hung Chun Leung

Mr. Chan Bing Kai

COMPANY SECRETARY

Ms. Poon Po Han Lisa

AUTHORISED REPRESENTATIVES

Mr. Chan Tsan Lam

Ms. Poon Po Han Lisa

AUDIT COMMITTEE

Mr. Ng Chi Wai (*Chairman*)

Mr. Hung Chun Leung

Mr. Chan Bing Kai

REMUNERATION COMMITTEE

Mr. Chan Bing Kai (*Chairman*)

Mr. Chan Tsan Lam

Mr. Ng Chi Wai

NOMINATION COMMITTEE

Mr. Chan Tsan Lam (*Chairman*)

Mr. Hung Chun Leung

Mr. Ng Chi Wai

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

WEBSITE OF THE COMPANY

www.hktcgroup.com

PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Ind. Park, Huicheng District

Shuikou Town, Huizhou

Guangdong Province, PRC

董事會

執行董事

陳燦林先生 (*主席*)

潘寶嫻女士

陳燕欣女士

獨立非執行董事

吳志偉先生

洪俊良先生

陳秉階先生

公司秘書

潘寶嫻女士

授權代表

陳燦林先生

潘寶嫻女士

審核委員會

吳志偉先生 (*主席*)

洪俊良先生

陳秉階先生

薪酬委員會

陳秉階先生 (*主席*)

陳燦林先生

吳志偉先生

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陳燦林先生 (*主席*)

洪俊良先生

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註冊辦事處

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

公司網站

www.hktcgroup.com

中國主要營業地點

中國

廣東省

惠州市

水口鎮

惠城區

東江高新科技產業園

CORPORATE INFORMATION

公司資料

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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COMPLIANCE ADVISER

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HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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183 Queen's Road East
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CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Cayman Islands

AUDITOR

Mazars CPA Limited
Certified Public Accountants
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18 Harbour Road
Wanchai
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAWS

Loeb & Loeb LLP
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Hong Kong

PRINCIPAL BANKERS

Bank of China
The Hongkong and Shanghai Banking Corporation

STOCK CODE

2182

香港總部及主要營業地點

香港
觀塘
開源道55號
開聯工業中心
B座13樓
6室

合規顧問

創陸融資有限公司
香港
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20樓2002室

香港股份過戶登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

開曼群島股份過戶登記總處

Conyers Trust Company (Cayman) Limited
Cricket Square
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P.O. Box 2681
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Cayman Islands

核數師

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

香港法律的法律顧問

樂博律師事務所有限法律責任合夥
香港
干諾道中3號
中國建設銀行大廈21樓

主要往來銀行

中國銀行
香港上海滙豐銀行有限公司

股份代號

2182

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

As a well-established provider of integrated plastic solutions in the People's Republic of China (the "PRC"), the Group operates business through two segments. The integrated plastic solutions segment is engaged in mould design and fabrication services as well as plastic component design and manufacturing services. The e-cigarettes products segment is engaged in the manufacturing and sales of e-cigarettes products under the brand names owned by a well known tobacco group. The Group distributes its products within the domestic market and to overseas markets, including Europe, Asia and the United States.

During the first half of 2019, the regional economy experienced risk of downturn as a result of the Sino-US trade war. The market demand of many consumer products was negatively impacted. Nonetheless, the Group still recorded remarkable growth in both revenue and profit after tax, which was mainly contributed by the increase in sales of e-cigarettes products. During the first half of 2019, the Group received orders for new e-cigarette products under the brand names owned by a well known tobacco group. It is expected that the sales of e-cigarettes products will have promising growth potential and the impact of new laws and regulations related to the consumption of e-cigarettes in various overseas countries will be limited.

The revenue for integrated plastic solutions segment also recorded a high single-digit growth as compared with the same period in 2018. The Group will seek continuous growth by matching our competitive strengths with products having good prospects. All of these require continuous development by further expanding our research and development team, upgrading the production lines by acquiring new high precision mould making machines and plastic injection machines and advancing to automated production process. The Group believes these are key components of the Group's future development.

業務回顧

作為中華人民共和國（「中國」）知名的一體化注塑解決方案供應商，本集團通過兩個分部經營業務。一體化注塑解決方案分部從事模具設計及製作服務以及注塑組件設計及製造服務。電子煙產品分部從事以一間知名煙草集團擁有的品牌製造及銷售電子煙產品。本集團將其產品分銷至國內市場及海外市場，包括歐洲、亞洲及美國。

於2019年上半年，地區經濟因中美貿易戰而面臨下行風險。市場對多個消費品的需求亦受到負面影響。然而，本集團的收益及除稅後溢利仍錄得顯著增長，主要是由於電子煙產品的銷售增長所致。於2019年上半年，本集團接獲一間知名煙草集團擁有的品牌的新電子煙產品訂單。預期電子煙產品的銷售將有可觀的增長潛力，而多個海外國家有關電子煙消費的新法例及法規的影響有限。

與2018年同期相比，一體化注塑解決方案的分部收益亦錄得高單位數增長。本集團將善用競爭優勢，配合具良好發展前景的產品，以尋求持續增長。上述方針均需要通過進一步擴充我們的研發團隊來持續發展、通過購買高精密的新型鑄模機及注塑機升級生產線以及推動自動化生產流程。本集團相信，這些措施均為本集團未來發展的關鍵要素。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW (CONTINUED)

During the six months ended 30 June 2019, the Group's total revenue amounted to approximately HK\$666.7 million, representing an increase of approximately 137.8% compared to the same period last year (30 June 2018: HK\$280.4 million). The Group recorded a gross profit of approximately HK\$162.3 million (30 June 2018: HK\$64.2 million) with a gross profit margin of approximately 24.3% (30 June 2018: 22.9%).

The Group recorded a profit for the six months ended 30 June 2019 attributable to equity holders of the Company of approximately HK\$65.9 million (30 June 2018: HK\$3.9 million). Basic earnings per share attributable to equity holders of the Company were approximately 10.63 HK cents (30 June 2018: 0.69 HK cents).

BUSINESS SEGMENT ANALYSIS

Integrated Plastic Solutions

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

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

業務回顧(續)

截至2019年6月30日止六個月，本集團的總收益約為666.7百萬港元，較去年同期增長約137.8%(2018年6月30日：280.4百萬港元)。本集團錄得毛利約162.3百萬港元(2018年6月30日：64.2百萬港元)，毛利率約24.3%(2018年6月30日：22.9%)。

本集團錄得本公司權益持有人應佔截至2019年6月30日止六個月溢利約65.9百萬港元(2018年6月30日：3.9百萬港元)。本公司權益持有人應佔每股基本溢利約為10.63港仙(2018年6月30日：0.69港仙)。

業務分部分析

一體化注塑解決方案

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS SEGMENT ANALYSIS (CONTINUED)

Manufacturing of e-cigarette products

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

FINANCIAL REVIEW

Revenue

Revenue for the six months ended 30 June 2019 was approximately HK\$666.7 million, representing an increase of approximately HK\$386.3 million, or approximately 137.8%, from approximately HK\$280.4 million for the same period in 2018.

The integrated plastic solutions segment revenue for the six months ended 30 June 2019 was approximately HK\$199.2 million, accounting for approximately 29.9% of our total revenue and representing an increase of approximately HK\$16.1 million, or approximately 8.8%, from segment revenue of approximately HK\$183.1 million for the same period in 2018. This increase was primarily due to an increase in sales to the Group’s major customers during the period.

The e-cigarettes products segment revenue for the six months ended 30 June 2019 was approximately HK\$467.5 million, accounting for approximately 70.1% of our total revenue and representing an increase of approximately HK\$370.2 million, or approximately 380.7%, from segment revenue of approximately HK\$97.2 million for the same period in 2018. This increase was primarily due to an increase in sales of new model e-cigarettes.

業務分部分析 (續)

電子煙產品的製造

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

財務回顧

收益

截至2019年6月30日止六個月的收益約為666.7百萬港元，較2018年同期的約280.4百萬港元增加約386.3百萬港元或約137.8%。

截至2019年6月30日止六個月，一體化注塑解決方案分部的收益約為199.2百萬港元，佔總收益約29.9%及較2018年同期的分部收益約183.1百萬港元增加約16.1百萬港元或約8.8%。有關增幅主要是由於期內向本集團主要客戶的銷售增加所致。

截至2019年6月30日止六個月，電子煙產品的分部收益約為467.5百萬港元，佔總收益約70.1%及較2018年同期的分部收益約97.2百萬港元增加約370.2百萬港元或約380.7%。有關增幅主要是由於新型電子煙銷售增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW (CONTINUED)

Gross Profit

Gross profit for the six months ended 30 June 2019 was approximately HK\$162.3 million (30 June 2018: HK\$64.2 million), representing a gross profit margin of 24.3% (30 June 2018: 22.9%).

Gross profit for integrated plastic solutions for the six months ended 30 June 2019 was approximately HK\$43.1 million (30 June 2018: HK\$35.2 million), representing a gross profit margin of 21.6% (30 June 2018: 19.2%). The increase in gross profit margin was primarily contributed by the orders for new products which improved the sales and the gross profit margin.

Gross profit for e-cigarettes products for the six months ended 30 June 2019 was approximately HK\$119.2 million (30 June 2018: 29.0 million), representing a gross profit margin of 25.5% (30 June 2018: 29.8%). This decrease was primarily due to the launch of new model e-cigarettes which had a lower gross profit margin.

Other Income

Other income for the six months ended 30 June 2019 was approximately HK\$3.8 million, representing an increase of approximately HK\$0.8 million, or approximately 27.1%, from approximately HK\$3.0 million for the same period in 2018. The increase was primarily due to, amongst others, an increase in bank interest income and exchange gain during the period.

Selling and Distribution Costs

Selling and distribution costs for the six months ended 30 June 2019 were approximately HK\$6.4 million, representing a decrease of approximately HK\$0.8 million or approximately 11.0% from that for the same period in 2018 of HK\$7.1 million. The decrease was primarily due to the saving of certain transportation expenses given the relocation of factories from Shenzhen to Huizhou has been completed in the last reporting period.

財務回顧 (續)

毛利

截至2019年6月30日止六個月的毛利約為162.3百萬港元(2018年6月30日：64.2百萬港元)，毛利率為24.3%(2018年6月30日：22.9%)。

截至2019年6月30日止六個月，一體化注塑解決方案的毛利約為43.1百萬港元(2018年6月30日：35.2百萬港元)，毛利率為21.6% (2018年6月30日：19.2%)。毛利率上升主要是由於新產品訂單令銷售及毛利率增加所致。

截至2019年6月30日止六個月，電子煙產品的毛利約為119.2百萬港元(2018年6月30日：29.0百萬港元)，毛利率為25.5%(2018年6月30日：29.8%)。減少主要是由於推出毛利率較低的新型電子煙所致。

其他收入

截至2019年6月30日止六個月，其他收入約為3.8百萬港元，較2018年同期的約3.0百萬港元增加約0.8百萬港元或約27.1%。有關增幅主要是由於(其中包括)期內銀行利息收入及匯兌收益增加所致。

銷售及分銷成本

截至2019年6月30日止六個月，銷售及分銷成本約為6.4百萬港元，較2018年同期的7.1百萬港元減少約0.8百萬港元或約11.0%。減少主要是由於在上個報告期間完成將廠房從深圳遷往惠州，從而節省若干運輸開支所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW (CONTINUED)

Administrative and Other Operating Expenses

Administrative and other operating expenses for the six months ended 30 June 2019 were approximately HK\$67.0 million, representing an increase of approximately HK\$26.7 million or approximately 66.1% from that for the same period in 2018 (30 June 2018: HK\$40.3 million). The increase was mainly due to an increase in headcount and pay raise for administrative staff.

Finance Costs

Finance costs for the six months ended 30 June 2019 were approximately HK\$4.9 million, which represents a decrease of approximately HK\$0.5 million or approximately 8.5% from that for the same period in 2018 (30 June 2018: HK\$5.3 million). The decrease was primarily due to a decrease of interest payment resulting from the repayment of interest-bearing borrowings during the period.

Income Tax Expense

Income tax expenses for the six months ended 30 June 2019 were approximately HK\$22.0 million, representing an increase of approximately HK\$18.2 million or approximately 468.6% from that for the same period in 2018 (30 June 2018: HK\$3.9 million). Such increase was primarily due to a significant increase in profit before tax.

Profit Attributable to Equity Holders of the Company

As a result of the foregoing, profit for the six months ended 30 June 2019 was approximately HK\$65.9 million, representing an increase of approximately HK\$62.1 million, or approximately 1,606.9%, from approximately HK\$3.9 million for the same period in 2018.

財務回顧 (續)

行政及其他經營開支

截至2019年6月30日止六個月，行政及其他經營開支約為67.0百萬港元（2018年6月30日：40.3百萬港元），較2018年同期增加約26.7百萬港元或約66.1%。有關增幅主要是由於行政員工人數增加及工資上調所致。

財務成本

截至2019年6月30日止六個月，財務成本約為4.9百萬港元（2018年6月30日：5.3百萬港元），較2018年同期減少約0.5百萬港元或約8.5%。有關跌幅主要是由於期內償還計息借款，導致利息付款減少所致。

所得稅開支

截至2019年6月30日止六個月，所得稅開支約為22.0百萬港元（2018年6月30日：3.9百萬港元），較2018年同期增加約18.2百萬港元或約468.6%。增加主要是由於除稅前溢利大幅增加所致。

本公司權益持有人應佔溢利

因上述原因，截至2019年6月30日止六個月，溢利約為65.9百萬港元，較2018年同期約3.9百萬港元增加約62.1百萬港元或約1,606.9%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FUTURE PLAN AND PROSPECTS

Recent development of the Sino-US trade war has adversely affected the economy and resulted in increased uncertainty of market demand. The Group will closely monitor the market demand of its products and the macroeconomic condition. The Group believes that impact of the trade war may become more severe in the second half of 2019 and the foreseeable future will be full of challenges. To mitigate such risks, the Group's business strategy is to maintain a balanced and diversified customer base by offering integrated plastic solutions to customers from different industries. Through maintaining and utilising long-established relationships with a diverse range of internationally recognised and industry-leading players, it is expected that the Group will be able to explore new products and potential new customers for future business development.

To prepare for the continuous growth from orders of new products from existing customers, the Group plans to further expand its production capacity by addition of highly automated machineries and construction of new factory premises in the remaining land area in Huizhou during the second half of 2019. Construction is expected to commence in the third quarter of 2019. The new factory premises will have a total floor area of approximately 78,000 sq. metre, which comprises staff quarters and workshops for the Group's new automated production line.

未來計劃及前景

中美貿易戰的近期發展已對經濟環境造成不利影響，並導致市場需求的不確定性增加。本集團將密切監察市場對其產品的需求及宏觀經濟狀況。本集團相信，貿易戰的影響於2019年下半年或會加劇，而可預見未來將會充滿挑戰。為減低有關風險，本集團的業務策略是透過向各行各業的客戶提供一體化注塑解決方案，以維持均衡及多元的客戶基礎。透過維持及利用與各類國際知名及行業領先企業所建立的長期關係，預期本集團將能夠為未來業務發展探索新產品及潛在新客戶。

為就現有客戶新產品訂單的持續增長做好準備，本集團計劃於2019年下半年通過在惠州其餘土地區域增設高度自動化機器及建設新廠房，進一步擴大產能，並預期將於2019年第三季度施工。新廠房總樓面面積將約為78,000平方米，當中包括員工宿舍及本集團新自動化生產線的工作坊。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers. As at 30 June 2019, the Group had cash and cash equivalents of approximately HK\$122.2 million (31 December 2018: HK\$61.4 million). The interest-bearing liabilities as at 30 June 2019 was HK\$175.4 million (31 December 2018: HK\$237.6 million) with interest rates ranging from approximately 2.53% to 4.95% per annum. The Group's gearing ratio as at 30 June 2019, calculated based on the total borrowings to the equity attributable to owners of the Company, was 35.1% (31 December 2018: 52.7%). The Group recorded net current liabilities of approximately HK\$36.4 million as at 30 June 2019, which increased by approximately HK\$22.5 million as compared with that of approximately HK\$13.9 million as at 31 December 2018. Such increase was mainly attributable to the final dividend payable for the year ended 31 December 2018 of HK\$18.6 million and the increase in payables for construction in progress.

FOREIGN EXCHANGE RISK

The monetary assets and liabilities and business transaction of the Group are mainly carried out and conducted in Hong Kong dollars, U.S. dollars and Renminbi. In view of the stability of the exchange rate between these currencies, the Directors do not consider that the Group was significantly exposed to foreign exchange risk for the six months ended 30 June 2019. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and to mitigate the impact on exchange rate fluctuations by entering into currency hedge arrangement, if necessary. During the six months ended 30 June 2019, no forward foreign exchange or hedging contracts had been entered into by the Group. The Group will continue to evaluate the Group's foreign currency exposure and take actions as appropriate.

MATERIAL ACQUISITIONS AND DISPOSALS

For the six months ended 30 June 2019, the Group has made no material acquisitions or disposals of subsidiaries and associated companies.

流動資金及財務資源

本集團通常以內部產生的現金流量及主要往來銀行提供的銀行融資為業務營運提供資金。於2019年6月30日，本集團擁有現金及現金等價物約122.2百萬港元（2018年12月31日：61.4百萬港元）。於2019年6月30日，計息負債為175.4百萬港元（2018年12月31日：237.6萬港元），年利率介乎約2.53%至4.95%之間。本集團於2019年6月30日的資產負債率按借款總額與本公司擁有人應佔權益之比率計算為35.1%（2018年12月31日：52.7%）。於2019年6月30日，本集團錄得流動負債淨額約36.4百萬港元，較2018年12月31日約13.9百萬港元增加約22.5百萬港元。增加乃主要由於截至2018年12月31日止年度的應付末期股息18.6百萬港元，以及應付在建工程款項增加所致。

外匯風險

本集團的貨幣資產及負債以及業務交易主要以港元、美元及人民幣計值。鑒於該等貨幣之間的匯率具有穩定性，董事認為，截至2019年6月30日止六個月，本集團並無面臨重大的外匯風險。本集團通過定期審核其外匯風險淨額來管理外匯風險，並於必要時通過訂立貨幣對沖安排以降低匯率波動的影響。截至2019年6月30日止六個月期間，本集團概無訂立任何遠期外匯或對沖合約。本集團將繼續評估本集團的外匯風險並適時採取措施。

重大收購及出售事項

截至2019年6月30日止六個月，本集團並無關於附屬公司及聯營公司的重大收購或出售事項。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

CONTINGENT LIABILITIES

As at 30 June 2019, the Group did not have any significant contingent liabilities.

USE OF PROCEEDS

The net proceeds of the Group raised from the initial public offering were approximately HK\$77.6 million, after deducting the underwriting fees, commissions and other listing expenses. As at 30 June 2019, approximately HK\$71.4 million of the net proceeds had been utilised. As at 30 June 2019, the unutilised net proceeds of approximately HK\$6.2 million were placed in licensed banks in Hong Kong and are intended to be used in the manner as set out in the section of "Future Plans and Use of Proceeds" in the prospectus of the Company dated 14 February 2018, i.e. to purchase advanced equipment from reputable manufacturers in the PRC for an automated PET manufacturing line, during the second half of 2019. Set out below is a summary of the utilisation of net proceeds:

或然負債

於2019年6月30日，本集團並無任何重大或然負債。

所得款項用途

本集團產生自首次公開發售的所得款項淨額（經扣除包銷費用、佣金及其他上市開支）為約77.6百萬港元。於2019年6月30日，已動用所得款項淨額約71.4百萬港元。於2019年6月30日，尚未動用所得款項淨額約6.2百萬港元已存放於香港的持牌銀行，並擬將按照本公司日期為2018年2月14日的招股章程「未來計劃及所得款項用途」一節所載的方式使用，即於2019年下半年從中國知名製造商購買用以裝備自動化PET生產線的先進設備。下表載列所得款項淨額用途概要：

		Planned use of proceeds	Actual utilised amount as at 30 June 2019	Unutilised amount as at 30 June 2019
			於2019年 6月30日 實際動用 的金額	於2019年 6月30日 尚未動用 的金額
		HK\$ million	HK\$ million	HK\$ million
		百萬港元	百萬港元	百萬港元
For the leasehold improvement in phase II of the Group's new site in Huizhou	用於本集團惠州新址二期的 租賃物業裝修工程	3.0	3.0	-
For equipment upgrade and capacity expansion and related investments	用於設備升級及產能擴充 以及相關投資	69.8	63.6	6.2
For working capital	用作營運資金	4.8	4.8	-
Total	總計	77.6	71.4	6.2

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

SUBSEQUENT EVENT

As at the date of this interim report, no subsequent events occurred after 30 June 2019 which may have a significant effect on the assets and liabilities or future operations of the Group.

EMPLOYEE AND REMUNERATION POLICY

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

SIGNIFICANT INVESTMENTS HELD

During the six months ended 30 June 2019, the Group did not hold any significant investment in equity interest in any other company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group has no plan to conduct material investments and capital assets other than the construction of new factory premises and addition of machineries as mentioned in the sections headed "Management Discussion and Analysis - Business Review" and "Future Plan and Prospects" in this interim report. The planned capital expenditure will primarily be funded by the Group's internal resources and bank borrowings.

期後事件

於本中期報告日期，於2019年6月30日之後並無發生可能對本集團的資產及負債或未來營運有重大影響的期後事件。

僱員及薪酬政策

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

所持重大投資

截至2019年6月30日止六個月，本集團並無持有任何其他公司股權的任何重大投資。

有關重大投資及資本資產的未來計劃

本集團並無計劃進行重大投資及資本資產，惟按本中期報告「管理層討論與分析－業務回顧」及「未來計劃及前景」各節所述興建新廠房及添置機器除外。計劃資本開支將主要由本集團的內部資源及銀行借款撥付。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company and any of its subsidiaries has not purchased, redeemed or sold any of its listed securities during the six months ended 30 June 2019.

購買、贖回或出售本公司上市證券

截至2019年6月30日止六個月，本公司及其任何附屬公司並無購買、贖回或出售其任何上市證券。

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CORPORATE GOVERNANCE MEASURES

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

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

Save as disclosed above, during the six months ended 30 June 2019, the Company has complied with the CG Code.

企業管治措施

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

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

除上文所披露者外，截至2019年6月30日止六個月，本公司已遵守企業管治守則。

AUDIT COMMITTEE

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

The audit committee has reviewed with the management the Group's unaudited consolidated financial statements for the six months ended 30 June 2019, the accounting principles and practices adopted and discussed auditing, internal control and financial reporting matters.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Upon specific enquiry, all Directors have confirmed that they have complied with the Model Code during the six months ended 30 June 2019. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Company during the six months ended 30 June 2019.

審核委員會

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

審核委員會已審閱本集團截至2019年6月30日止六個月的未經審核綜合財務報表及採用的會計準則及標準，並與管理層討論審核、內部控制及財務報告事宜。

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）作為本公司董事及高級管理層買賣本公司證券的守則，原因是有關董事及高級管理層因其職位或僱傭關係而可能持有關於本公司證券的內幕消息。

在作出特定查詢後，全體董事均已確認彼等於截至2019年6月30日止六個月已遵守標準守則。此外，本公司並不知悉本公司高級管理層於截至2019年6月30日止六個月內存在違反標準守則的情況。

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INTERIM DIVIDEND

Interim Dividend

The Board has resolved to declare an interim dividend of HK1.5 cents per ordinary share for the six months ended 30 June 2019 payable to the shareholders whose names appear on the register of members of the Company at the close of business on 16 September 2019 (30 June 2018: HK\$nil). The interim dividend is expected to be paid on 26 September 2019.

Closure of Register of Members

For determining the entitlement to the interim dividend, the register of members of the Company was closed from Thursday, 12 September 2019 to Monday, 16 September 2019, both days inclusive, during which period no transfer of shares could be registered. To qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must have been lodged for registration with the Company's share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Wednesday, 11 September 2019.

中期股息

中期股息

董事會已議決向於2019年9月16日營業時間結束時名列本公司股東名冊的股東宣派截至2019年6月30日止六個月的中期股息每股普通股1.5港仙(2018年6月30日：零港元)。中期股息預期將於2019年9月26日派付。

暫停辦理股份過戶手續

為釐定獲派中期股息的資格，本公司於2019年9月12日(星期四)至2019年9月16日(星期一)(包括首尾兩日)暫停辦理股份過戶手續，期間不會辦理任何股份過戶登記。為符合資格獲派中期股息，所有已正式填妥的過戶表格連同相關股票應已於2019年9月11日(星期三)下午四時三十分前，送達本公司之股份過戶登記處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓，以辦理登記手續。

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DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long position in issued ordinary shares of the Company

Name of Director	Capacity	Number of shares or underlying shares of the Company 本公司股份或相關股份數目	Approximate percentage of shareholding 概約股權百分比
董事姓名	身份		
Mr. Chan Tsan Lam	Interest in controlled corporation (Note)	373,395,000	60.2%
陳燦林先生	受控制法團權益(附註)		

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

Save as disclosed above, as at 30 June 2019, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事於股份、相關股份及債權證的權益

於2019年6月30日，本公司董事及主要行政人員於本公司及其相聯法團(定義見香港法例第571章《證券及期貨條例》(「證券及期貨條例」)第XV部)股份、相關股份及債權證中擁有以下根據證券及期貨條例第352條記錄於該條所指的登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益及淡倉：

於本公司已發行普通股的好倉

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

除上文所披露者外，於2019年6月30日，概無本公司董事或主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有根據證券及期貨條例第352條記錄於該條所指的登記冊內的權益或淡倉，或須根據標準守則須知會本公司及聯交所的權益或淡倉。

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SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2019, the following persons (other than the Directors and chief executive of the Company) had interests in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

主要股東於股份及相關股份的權益

於2019年6月30日，以下人士（本公司董事及主要行政人員除外）於本公司股份及相關股份中擁有須計入根據證券及期貨條例第336條記錄於該條所指的登記冊內的權益：

Long position in issued ordinary shares of the Company

於本公司已發行普通股的好倉

Name of shareholder(s)	Capacity	Number of ordinary shares of the Company held	Approximate percentage of shareholding
股東名稱/ 姓名	身份	所持本公司普通股數目	股權概約百分比
Oceanic Green ⁽¹⁾	Beneficial Owner	127,100,000 shares	20.5%
海翠 ⁽¹⁾	實益擁有人	127,100,000股股份	20.5%
New Strength ⁽¹⁾	Beneficial Owner	127,100,000 shares	20.5%
新力 ⁽¹⁾	實益擁有人	127,100,000股股份	20.5%
Gold Alliance ⁽¹⁾	Beneficial Owner	94,395,000 shares	15.2%
金協 ⁽¹⁾	實益擁有人	94,395,000股股份	15.2%
New Straits Ventures Limited ⁽³⁾	Beneficial Owner	79,205,000 shares	12.8%
新海峽創投有限公司 ⁽³⁾	實益擁有人	79,205,000股股份	12.8%
Treasure Line ⁽¹⁾	Beneficial Owner	24,800,000 shares	4.0%
Treasure Line ⁽¹⁾	實益擁有人	24,800,000股股份	4.0%
Ms. Fung Suk Yee May ⁽²⁾	Interest of Spouse	373,395,000 shares	60.2%
馮淑儀女士 ⁽²⁾	配偶權益	373,395,000股股份	60.2%
Mr. Cheng Chak ⁽³⁾	Interest in controlled corporation	79,205,000 shares	12.8%
鄭澤先生 ⁽³⁾	受控制法團權益	79,205,000股股份	12.8%
Ms. Chong Po Lin Pauline ⁽⁴⁾	Interest of Spouse	79,205,000 shares	12.8%
莊寶蓮女士 ⁽⁴⁾	配偶權益	79,205,000股股份	12.8%

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

Note:

- (1) Each of Oceanic Green, New Strength, Gold Alliance and Treasure Line, is wholly-owned by Mr. Chan Tsan Lam, who is therefore deemed to be interested in all the shares of the Company held by each of Oceanic Green, New Strength, Gold Alliance and Treasure Line.
- (2) Ms. Fung Suk Yee May is the spouse of Mr. Chan Tsan Lam. Therefore, she is deemed to be interested in the shares of the Company in which Mr. Chan Tsan Lam is interested for the purpose of the SFO.
- (3) New Straits Ventures Limited is wholly owned by Mr. Cheng Chak. By virtue of the SFO, Mr. Cheng Chak is deemed to be interested in the shares of the Company held by New Straits Ventures Limited.
- (4) Ms. Chong Po Lin Pauline is the spouse of Mr. Cheng Chak. Therefore, she is deemed to be interested in the shares of the Company in which Mr. Cheng Chak is interested for the purpose of the SFO.

Save as disclosed above, as at 30 June 2019, the Directors were not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

主要股東於股份及相關股份的權益(續)

附註：

- (1) 海翠、新力、金協、及Treasure Line均由陳燦林先生全資擁有，因此陳先生被視為於海翠、新力、金協、及Treasure Line各自所持有的所有本公司股份中擁有權益。
- (2) 馮淑儀女士為陳燦林先生的配偶。因此，根據證券及期貨條例，其被視為於陳燦林先生擁有權益的本公司股份中擁有權益。
- (3) 新海峽創投有限公司由鄭澤先生全資擁有。根據證券及期貨條例，鄭澤先生被視為於新海峽創投有限公司持有的本公司股份中擁有權益。
- (4) 莊寶蓮女士為鄭澤先生的配偶。因此，根據證券及期貨條例，其被視為於鄭澤先生擁有權益的本公司股份中擁有權益。

除上文所披露者外，於2019年6月30日，董事並不知悉有任何其他人士(本公司董事及主要行政人員除外)於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須披露予本公司的權益或淡倉，或直接或間接在附有權利可在所有情況下在本集團任何成員公司的股東大會上進行投票的任何類別股本面值5%或以上擁有權益，或有任何其他主要股東擁有根據證券及期貨條例第336條記錄於該條所指的登記冊內的權益或淡倉。

OTHER INFORMATION

其他資料

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 28 May 2019 which became effective on the same date.

The purpose of the Share Option Scheme is to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group. Our Directors consider the Share Option Scheme, with its broadened basis of participation, will enable our Group to reward the employees, our Directors and other selected participants for their contributions to our Group.

The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of our Group must not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme, being 62,000,000 Shares. As at the date of this interim report, no options have been granted under the Share Option Scheme.

With respect to the operation of the Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURE

Save as disclosed in the section headed “Share Option Scheme” in this interim report, at no time during the six months ended 30 June 2019 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares, or debt securities, including debentures, of the Company or any other body corporate.

購股權計劃

本公司於2019年5月28日採納一項購股權計劃（「購股權計劃」），並於同日生效。

購股權計劃的目的是使本集團可向經選定參與者授出購股權作為彼等對本集團貢獻的獎勵或獎賞。董事認為擴大參與基準後的購股權計劃使本集團可對僱員、董事及其他經選定參與者對本集團的貢獻作出獎賞。

根據購股權計劃及本集團任何其他購股權計劃將予授出的全部購股權經行使後可能配發及發行的股份總數，合共不得超過採納購股權計劃當日已發行股份的10%，即62,000,000股股份。於本中期報告日期，並無根據購股權計劃授出任何購股權。

本公司將於適用情況下遵守上市規則第17章項下與購股權計劃運作有關的規定。

董事收購股份或債券的權利

除於本中期報告「購股權計劃」一節所披露者外，截至2019年6月30日止六個月任何時間，本公司或任何其附屬公司概無訂立任何安排致令本公司董事可藉收購本公司或任何其他法人團體的股份或債務證券（包括債券）而獲益。

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

Six months ended 30 June 2019 截至2019年6月30日止六個月

		Six months ended 30 June 截至6月30日止六個月		
		2019 2019年 (unaudited) (未經審核) HK\$'000 千港元	2018 2018年 (unaudited) (未經審核) HK\$'000 千港元	
		Note 附註		
Revenue	收益	3	666,671	280,363
Cost of goods sold	商品銷售成本		(504,355)	(216,122)
Gross profit	毛利		162,316	64,241
Other income	其他收入	4	3,765	2,962
Fair value gain (loss) on financial assets at FVPL	按公允值計入損益的金融資產公允值收益(虧損)		123	(236)
Selling and distribution costs	銷售及分銷成本		(6,351)	(7,136)
Administrative and other operating expenses	行政及其他經營開支		(66,997)	(40,345)
Finance costs	財務成本	5	(4,893)	(5,345)
Listing expenses	上市開支		-	(6,402)
Profit before tax	除稅前溢利	5	87,963	7,739
Income tax expenses	所得稅開支	6	(22,044)	(3,877)
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		65,919	3,862
Earnings per share attributable to equity holders of the Company	本公司權益持有人應佔每股盈利		HK cents 港仙	HK cents 港仙
Basic	基本	8	10.63	0.69
Diluted	攤薄	8	10.63	0.69

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收益表

Six months ended 30 June 2019 截至2019年6月30日止六個月

		Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 (unaudited) (未經審核) HK\$'000 千港元	2018 2018年 (unaudited) (未經審核) HK\$'000 千港元
Profit for the period	期內溢利	65,919	3,862
Other comprehensive income (loss):	其他全面收益(虧損):		
<i>Item that may be reclassified</i>	<i>日後或會重列入損益之項目</i>		
<i>subsequently to profit or loss</i>			
Exchange difference on consolidation	合併匯兌差額	1,212	(3,361)
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	67,131	501

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 June 2019 於2019年6月30日

		Note 附註	At 30 June 2019 於2019年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2018 於2018年 12月31日 (audited) (經審核) HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	559,473	484,833
Prepaid land lease payments	預付土地租賃款項 按公允值計入損益的		-	43,911
Financial assets at FVPL	金融資產	10	27,695	26,841
Deferred tax assets	遞延稅項資產	17	3,238	2,818
			590,406	558,403
Current assets	流動資產			
Prepaid land lease payments	預付土地租賃款項		-	1,085
Inventories	存貨		81,193	85,928
Trade and other receivables	貿易及其他應收款項	11	111,002	261,561
Income tax recoverable	可退回所得稅		34	3,358
Bank balances and cash	銀行結餘及現金		122,191	61,414
			314,420	413,346
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	12	190,171	252,854
Bank overdrafts	銀行透支	13	19	-
Dividend payable	應付股息		18,600	-
Income tax payables	應付所得稅		16,251	14,443
Payables for construction in progress	應付在建工程款項	14	13,698	11,927
Interest-bearing borrowings	計息借款	15	91,403	125,627
Obligations under finance leases	融資租賃承擔	16	-	22,415
Lease liabilities	租賃負債	16	20,689	-
			350,831	427,266

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 June 2019 於2019年6月30日

		Note 附註	At 30 June 2019 於2019年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2018 於2018年 12月31日 (audited) (經審核) HK\$'000 千港元
Net current liabilities	流動負債淨額		(36,411)	(13,920)
Total assets less current liabilities	總資產減流動負債		553,995	544,483
Non-current liabilities	非流動負債			
Payables for construction in progress	應付在建工程款項	14	13,224	11,827
Interest-bearing borrowings	計息借款	15	-	22,969
Obligations under finance leases	融資租賃承擔	16	-	42,879
Lease liabilities	租賃負債	16	36,366	-
Deferred tax liabilities	遞延稅項負債	17	4,633	15,567
			54,223	93,242
NET ASSETS	資產淨值		499,772	451,241
Capital and reserves	資本及儲備			
Share capital	股本	18	62,000	62,000
Reserves	儲備	19	437,772	389,241
TOTAL EQUITY	權益總額		499,772	451,241

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

Six months ended 30 June 2019 截至2019年6月30日止六個月

		Attributable to equity holders of the Company 本公司權益持有人應佔							
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Statutory reserve 法定儲備	Translation reserve 換算儲備	Revaluation reserve 重估儲備	Accumulated profits 累計盈利	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		(Note 18) (附註18)	(Note 19(a)) (附註19(a))	(Note 19(b)) (附註19(b))	(Note 19(c)) (附註19(c))	(Note 19(d)) (附註19(d))	(Note 19(e)) (附註19(e))		
At 1 January 2018 (audited)	於2018年1月1日(經審核)	-*	-	77,810	4,837	1,860	801	198,806	284,114
Adjustment on adoption of HKFRS 9	採納香港財務報告準則第9號的調整	-	-	-	-	-	(801)	801	-
As at 1 January 2018 (after adjustment)	於2018年1月1日(經調整)	-*	-	77,810	4,837	1,860	-	199,607	284,114
Profit for the period	期內溢利	-	-	-	-	-	-	3,862	3,862
Other comprehensive loss:	其他全面虧損:								
<i>Item that may be reclassified subsequently to profit or loss</i>	<i>日後或會重列入損益之項目</i>								
Exchange difference on consolidation	合併匯兌差額	-	-	-	-	(3,361)	-	-	(3,361)
Total comprehensive (loss) income for the period	期內全面(虧損)收益總額	-	-	-	-	(3,361)	-	3,862	501
Transactions with owners:	與擁有人的交易:								
Issue of shares pursuant to the Capitalisation Issue (Note 18(b))	根據資本化發行發行股份(附註18(b))	46,500	(46,500)	-	-	-	-	-	-
Issue of shares pursuant to the Global Offering (Note 18(c))	根據全球發售發行股份(附註18(c))	15,500	94,550	-	-	-	-	-	110,050
Transaction costs attributable to issue of shares (Note 18(c))	發行股份應佔的交易成本(附註18(c))	-	(13,847)	-	-	-	-	-	(13,847)
Total transactions with owners for the period	期內與擁有人的交易總額	62,000	34,203	-	-	-	-	-	96,203
At 30 June 2018 (unaudited)	於2018年6月30日(未經審核)	62,000	34,203	77,810	4,837	(1,501)	-	203,469	380,818

* less than HK\$1,000

* 少於1,000港元

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

Six months ended 30 June 2019 截至2019年6月30日止六個月

		Attributable to equity holders of the Company 本公司權益持有人應佔							
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Statutory reserve 法定儲備	Translation reserve 換算儲備	Revaluation reserve 重估儲備	Accumulated profits 累計盈利	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		(Note 18) (附註18)	(Note 19(a)) (附註19(a))	(Note 19(b)) (附註19(b))	(Note 19(c)) (附註19(c))	(Note 19(d)) (附註19(d))	(Note 19(e)) (附註19(e))		
At 1 January 2019 (audited)	於2019年1月1日(經審核)	62,000	34,203	77,810	12,335	(2,971)	-	267,864	451,241
Profit for the period	期內溢利	-	-	-	-	-	-	65,919	65,919
Other comprehensive income:	其他全面收益:								
<i>Item that may be reclassified subsequently to profit or loss</i>	<i>日後或會重列入損益之項目</i>								
Exchange difference on consolidation	合併匯兌差額	-	-	-	-	1,212	-	-	1,212
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	1,212	-	65,919	67,131
Transactions with owners:	與擁有人的交易:								
Appropriation of statutory reserve	提取法定儲備	-	-	-	8,543	-	-	(8,543)	-
Dividends	股息	-	-	-	-	-	-	(18,600)	(18,600)
Total transactions with owners for the period	期內與擁有人的交易總額	-	-	-	8,543	-	-	(27,143)	(18,600)
At 30 June 2019 (unaudited)	於2019年6月30日(未經審核)	62,000	34,203	77,810	20,878	(1,759)	-	306,640	499,772

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

Six months ended 30 June 2019 截至2019年6月30日止六個月

		Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 (unaudited) (未經審核) HK\$'000 千港元	2018 2018年 (unaudited) (未經審核) HK\$'000 千港元
		Note 附註	
OPERATING ACTIVITIES 經營活動			
Cash generated from (used in) operations	經營所得(所用)現金	20	(15,741)
Income tax paid	已付所得稅		(3,568)
Net cash from (used in) operating activities	經營活動所得(所用)現金淨額		175,184 (19,309)
INVESTING ACTIVITIES 投資活動			
Interest received	已收利息		35
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		-
Purchase of property, plant and equipment	購買物業、廠房及設備		(5,713)
Purchase of financial assets at FVPL	購買按公允值計入損益的金融資產		(16,607)
Net cash used in investing activities	投資活動所用現金淨額		(34,139) (22,285)
FINANCING ACTIVITIES 融資活動			
Inception of interest-bearing borrowings	引入計息借款		225,914
Repayment of interest-bearing borrowings	償還計息借款		(196,685)
Repayment of payables for construction in progress	償還應付在建工程款項		(10,873)
Repayment of lease liabilities/ obligations under finance leases	償還租賃負債/融資租賃承擔		(5,657)
Proceeds from the Global Offering	全球發售所得款項	18(c)	110,050
Payment for transaction costs attributed to issue of shares	支付發行股份的交易成本	18(c)	(13,847)
Interest paid	已付利息		(5,310)
Net cash (used in) from financing activities	融資活動(所用)所得現金淨額		(80,090) 103,592

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

Six months ended 30 June 2019 截至2019年6月30日止六個月

		Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 (unaudited) (未經審核) HK\$'000 千港元	2018 2018年 (unaudited) (未經審核) HK\$'000 千港元
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	60,955	61,998
Cash and cash equivalents at the beginning of the period	期初現金及現金等價物	61,414	18,567
Effect on exchange rate changes	匯率變動的影響	(197)	121
Cash and cash equivalents at the end of the period, represented by bank balances and cash	期末現金及現金等價物， 即銀行結餘及現金	122,172	80,686
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘分析		
Bank balances and cash	銀行結餘及現金	122,191	81,398
Bank overdrafts	銀行透支	(19)	(712)
		122,172	80,686

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2019 截至2019年6月30日止六個月

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

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

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

The unaudited condensed consolidated financial statements for the six months ended 30 June 2019 (the “Interim Financial Statements”) have been prepared in accordance with the Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

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

1. 一般資料及呈列基準

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

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

截至2019年6月30日止六個月的未經審核簡明綜合財務報表(「中期財務報表」)乃根據香港會計師公會(「香港會計師公會」)所頒佈的香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)及聯交所證券上市規則的適用披露條文而編製。

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

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簡明綜合財務報表附註

Six months ended 30 June 2019 截至2019年6月30日止六個月

1. GENERAL INFORMATION AND BASIS OF PRESENTATION (CONTINUED)

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2018, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standard (“HKAS”) and Interpretations issued by the HKICPA. They shall be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2018 (the “2018 Financial Statements”).

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

The accounting policies and methods of computation applied in the preparation of the Interim Financial Statements are consistent with those applied in preparing the 2018 Financial Statements, except for the adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current period as set out below:

Annual Improvements to HKFRSs
香港財務報告準則之年度改進
HKFRS 16
香港財務報告準則第16號
HK(IFRIC)-Int 23
香港(國際財務報告詮釋委員會)－詮釋第23號
Amendments to HKAS 19
香港會計準則第19號之修訂
Amendments to HKAS 28
香港會計準則第28號之修訂
Amendments to HKFRS 9
香港財務報告準則第9號之修訂

2015-2017 Cycle
2015年至2017年週期
Leases
租賃
Uncertainty over Income Tax Treatments
所得稅待遇的不確定性
Employee benefits
僱員福利
Investments in Associates and Joint Ventures
對聯營公司及合營企業之投資
Prepayment Features with Negative Compensation
提早還款特性及負補償

1. 一般資料及呈列基準(續)

中期財務報表包括對了解本集團自2018年12月31日以來的財務狀況及表現變動而言屬重大的事項及交易的闡釋，因此並不包括根據香港財務報告準則(「香港財務報告準則」，包括香港會計師公會頒佈的所有適用的個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋的統稱)編製全套財務報表要求的所有資料。該等資料應與本集團截至2018年12月31日止年度的經審核財務報表(「2018年財務報表」)一併閱讀。

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

編製中期財務報表所應用的會計政策及計算方法與編製2018年財務報表所用者一致，惟採納與本集團相關並自本期間起生效的下列新訂／經修訂香港財務報告準則除外：

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簡明綜合財務報表附註

Six months ended 30 June 2019 截至2019年6月30日止六個月

1. GENERAL INFORMATION AND BASIS OF PRESENTATION (CONTINUED)

HKFRS 16: Leases

The Group has adopted HKFRS 16, which replaced HKAS 17, and the related consequential amendments to other HKFRSs for the six months ended 30 June 2019 which resulted in changes in accounting policies. In accordance with the transitional provisions in HKFRS 16, the Group has elected to apply the new standard retrospectively with the cumulative effect of initial application recognised at 1 January 2019.

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact for leases where the Group is the lessor.

1. 一般資料及呈列基準 (續)

香港財務報告準則第16號：租賃

截至2019年6月30日止六個月，本集團採納香港財務報告準則第16號以取代香港會計準則第17號及其他香港財務報告準則的相關後續修訂，導致會計政策出現變動。根據香港財務報告準則第16號的過渡條文，本集團選擇追溯應用新準則，並於2019年1月1日確認首次應用的累計影響。

香港財務報告準則第16號項下的出租人會計處理方法與香港會計準則第17號大致相同。出租人將繼續採用與香港會計準則第17號類似的原則將租賃分類為經營或融資租賃。因此，香港財務報告準則第16號並無對本集團作為出租人的租賃造成任何影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2019 截至2019年6月30日止六個月

1. GENERAL INFORMATION AND BASIS OF PRESENTATION (CONTINUED)

HKFRS 16: Leases (Continued)

Before the adoption of HKFRS 16, commitments under operating leases for future periods were not recognised by the Group as liabilities. Operating lease rental expenses were recognised in profit or loss over the lease period on a straight-line basis.

On adoption of HKFRS 16, the Group recognised long-term lease liabilities which had previously been classified as operating leases if appropriate. The Group did not reassess if a contract was or contained a lease at adoption. These liabilities were subsequently measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate of respective entities. The difference between the present value and the total remaining lease payments represents the cost of financing. Such finance cost will be charged to profit or loss in the period in which it is incurred on the basis that produces a constant periodic rate of interest on the remaining lease liability balance.

At the inception of a contract that contains a lease component, as a lessee, the Group allocated the consideration in the contract to each lease component on the basis of their relative stand-alone-price. The Group, as a lessee assessed its leases for non-lease components and separated non-lease components from lease components for certain classes of assets if the non-lease components were material.

1. 一般資料及呈列基準 (續)

香港財務報告準則第16號：租賃 (續)

於採納香港財務報告準則第16號前，本集團並無確認未來期間的經營租賃承擔為負債。經營租賃的租金開支於租賃期內按直線法在損益內確認。

於採納香港財務報告準則第16號時，本集團就先前分類為經營租賃的租賃確認長期租賃負債（如適用）。本集團於採納時並無重新評估合約是否為租賃或是否包含租賃。該等負債其後使用按相關實體的遞增借貸利率貼現的剩餘租賃付款現值計量。現值與剩餘租賃付款總額之間的差額代表財務成本。該等財務成本將於產生期間在損益中扣除，以計算出剩餘租賃負債結餘的固定周期利率。

在包含租賃部分的合約開始生效時，本集團作為承租人已根據租賃部分各自的相對獨立價格，將合約代價分配至各租賃部分。本集團作為承租人，在非租賃成分屬於重大的情況下，評估其非租賃部分的租賃，並將若干類別資產的非租賃部分與租賃部分分開。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2019 截至2019年6月30日止六個月

1. GENERAL INFORMATION AND BASIS OF PRESENTATION (CONTINUED)

HKFRS 16: Leases (Continued)

The associated right-of-use assets if appropriate, were measured at the amount equal to the initial measurement of lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the unaudited condensed consolidated statements of financial position immediately before the date of initial application. The right-of-use assets were recognised in the unaudited condensed consolidated statements of financial position.

Depreciation was charged to profit or loss on a straight-line basis over the shorter of the assets useful lives or over the unexpired term of lease.

Payments associated with short-term leases or leases of low-value assets are recognised on a straight-line basis over the lease term as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

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

1. 一般資料及呈列基準 (續)

香港財務報告準則第16號： 租賃 (續)

相關使用權資產 (如適用) 乃按相等於初步計量租賃負債的金額計量，並按緊接首次應用日期前於未經審核簡明綜合財務狀況表確認的與租賃相關的任何預付或累計租賃付款金額進行調整。使用權資產於未經審核簡明綜合財務狀況表內確認。

折舊按資產的可使用期限或未屆滿租期之間的較短者以直線法於損益扣除。

與短期租賃或低價值資產租賃相關的款項於租賃期內按直線法於損益表中確認為開支。短期租賃指租賃期為12個月或以下的租賃。

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2019 截至2019年6月30日止六個月

1. GENERAL INFORMATION AND BASIS OF PRESENTATION (CONTINUED) 1. 一般資料及呈列基準 (續)

HKFRS 16: Leases (Continued)

香港財務報告準則第16號： 租賃 (續)

		Classification and carrying amount under HKAS 17 香港會計準則 第17號下的 分類及賬面值 HK\$'000 千港元	Reclassification on adoption of HKFRS 16 採納香港財務 報告準則 第16號時的 重新分類 HK\$'000 千港元	Classification and carrying amount under HKFRS 16 香港財務 報告準則 第16號下的 分類及賬面值 HK\$'000 千港元
Non-current assets	非流動資產			
Prepaid land lease payments	預付土地租賃款項	44,996	(44,996)	-
Property, plant and equipment (machinery and equipment under finance leases)	物業、廠房及設備(根據融資 租賃出租的機械及設備)	95,011	(95,011)	-
Right-of-use assets, presented in property, plant and equipment	於物業、廠房及設備內呈列的 使用權資產	-	140,007	140,007
		140,007	-	140,007
Current liabilities	流動負債			
Obligation under finance leases	融資租賃承擔	22,415	(22,415)	-
Lease liabilities	租賃負債	-	22,415	22,415
		22,415	-	22,415
Non-current liabilities	非流動負債			
Obligation under finance leases	融資租賃承擔	42,879	(42,879)	-
Lease liabilities	租賃負債	-	42,879	42,879
		42,879	-	42,879

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2019 截至2019年6月30日止六個月

1. GENERAL INFORMATION AND BASIS OF PRESENTATION (CONTINUED)

HKFRS 16: Leases (Continued)

Based on the foregoing, as at 1 January 2019:

- Prepaid lease payments in respect of the land use rights in the PRC was reclassified as property, plant and equipment – right-of-use assets.
- There was no adjustment to the opening balance of components of equity as the cumulative effect of initial adoption was insignificant.
- Obligations under finance leases was reclassified as lease liabilities.
- Property, plant and equipment in respect of the certain machinery and equipment held under finance lease was reclassified as property, plant and equipment – right-of-use assets.

The Group has not early adopted any new/revised HKFRSs that have been issued but are not yet effective for the financial period beginning on 1 January 2020. The management does not anticipate that the adoption of these new/revised HKFRSs in future periods will have any material impact on the financial position, financial performance and cash flows of the Group.

1. 一般資料及呈列基準 (續)

香港財務報告準則第16號： 租賃 (續)

根據上文所述，於2019年1月1日：

- 有關中國土地使用權的預付租賃款項已重新分類為物業、廠房及設備－使用權資產。
- 由於首次採納的累計影響甚微，因此並無對權益組成部分的期初餘額進行調整。
- 融資租賃承擔已重新分類為租賃負債。
- 與根據融資租賃持有的若干機械及設備有關的物業、廠房及設備已重新分類為物業、廠房及設備－使用權資產。

本集團於2020年1月1日開始的財政期間並無提早採納任何已頒佈但未生效的新訂／經修訂香港財務報告準則。管理層預期於未來期間採納該等新訂／經修訂香港財務報告準則不會對本集團之財務狀況、財務表現及現金流量造成任何重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2019 截至2019年6月30日止六個月

2. SEGMENT INFORMATION

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

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

- 1) E-cigarettes products segment: manufacture and sales of e-cigarettes products.
- 2) Integrated plastic solutions segment: manufacture and sales of moulds and plastic products.

Segment revenue and results

Segment revenue represents revenue derived from manufacturing and sales of e-cigarettes products and manufacture and sale of moulds and plastic products.

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

2. 分部資料

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

具體而言，本集團的可報告及經營分部如下：

- 1) 電子煙產品分部：製造及銷售電子煙產品。
- 2) 一體化注塑解決方案分部：生產及銷售模具及塑膠製品。

分部收益及業績

分部收益指製造及銷售電子煙產品以及生產及銷售模具及塑膠製品所得收益。

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2019 截至2019年6月30日止六個月

2. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

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

2. 分部資料(續)

分部收益及業績(續)

以下為本集團可報告及經營分部的收益及業績分析：

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2019 截至2019年6月30日止六個月

2. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

2. 分部資料(續)

分部收益及業績(續)

		E-cigarettes products 電子煙產品 (unaudited) (未經審核) HK\$'000 千港元	Integrated plastic solutions 一體化注塑 解決方案 (unaudited) (未經審核) HK\$'000 千港元	Total 總計 (unaudited) (未經審核) HK\$'000 千港元
Six months ended 30 June 2018 (unaudited)	截至2018年6月30日止六個月 (未經審核)			
Segment revenue	分部收益	97,235	183,128	280,363
Gross profit	毛利	29,017	35,224	64,241
Selling and distribution costs	銷售及分銷成本	-	(7,136)	(7,136)
Segment results	分部業績	29,017	28,088	57,105
<i>Unallocated income and expenses</i>	<i>未分配收入及開支</i>			
Other income	其他收入			2,962
Fair value loss on financial assets at FVPL	按公允值計入損益的金融資產 公允值虧損			(236)
Administrative and other operating expenses	行政及其他經營開支			(40,345)
Finance costs	財務成本			(5,345)
Listing expenses	上市開支			(6,402)
Profit before tax	除稅前溢利			7,739
Income tax expenses	所得稅開支			(3,877)
Profit for the period	期內溢利			3,862

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

Six months ended 30 June 2019 截至2019年6月30日止六個月

2. SEGMENT INFORMATION (CONTINUED)

2. 分部資料(續)

Segment assets and liabilities

分部資產及負債

		E-cigarettes products 電子煙產品 HK\$'000 千港元	Integrated plastic solutions 一體化注塑 解決方案 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 30 June 2019 (unaudited)	於2019年6月30日(未經審核)				
Assets	資產				
Reportable segment assets	可報告分部資產	88,814	362,455	453,557	904,826
Liabilities	負債				
Reportable segment liabilities	可報告分部負債	72,973	41,474	290,607	405,054
Other information	其他資料				
Capital expenditure	資本開支	1,526	15,517	25,791	42,834
Depreciation	折舊	1,888	14,526	1,694	18,108
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	280	-	280
At 31 December 2018 (audited)	於2018年12月31日(經審核)				
Assets	資產				
Reportable segment assets	可報告分部資產	149,368	446,836	375,545	971,749
Liabilities	負債				
Reportable segment liabilities	可報告分部負債	82,515	94,754	343,239	520,508
Other information	其他資料				
Capital expenditure	資本開支	1,537	131,042	5,653	138,232
Depreciation	折舊	3,434	21,873	3,224	28,531
Amortisation	攤銷	-	-	1,154	1,154
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	3	3,595	557	4,155
Loss allowance of trade receivables	貿易應收款項虧損撥備	-	4,662	-	4,662

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簡明綜合財務報表附註

Six months ended 30 June 2019 截至2019年6月30日止六個月

2. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (CONTINUED)

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

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

Geographical information

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

Specified non-current assets

		At 30 June 2019 於2019年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2018 於2018年 12月31日 (audited) (經審核) HK\$'000 千港元
Hong Kong	香港	3,834	3,085
The PRC	中國	555,639	526,744
		559,473	529,829

2. 分部資料(續)

分部資產及負債(續)

就監控分部表現及分配分部間資源而言：

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

地區資料

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

指定非流動資產

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2. SEGMENT INFORMATION (CONTINUED)

Geographical information (Continued)

Specified non-current assets (Continued)

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

2. 分部資料(續)

地區資料(續)

指定非流動資產(續)

有關本集團外部客戶收益的資料乃按客戶的位置呈列。

		Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 (unaudited) (未經審核) HK\$'000 千港元	2018 2018年 (unaudited) (未經審核) HK\$'000 千港元
Revenue from external customers	來自外部客戶的收益		
The United States of America	美利堅合眾國	68,996	91,000
The PRC	中國	138,143	99,723
The United Kingdom	英國	435,769	46,315
Hong Kong	香港	16,828	39,641
Others	其他	6,935	3,684
		666,671	280,363

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2. SEGMENT INFORMATION (CONTINUED)

Information about major customers

Details of the entities individually accounting for 10% or more of aggregate revenue of the Group during the six months ended 30 June 2019 and 2018 are as follows:

2. 分部資料(續)

有關主要客戶的資料

截至2019年及2018年6月30日止六個月個別佔本集團總收益10%或以上的實體的詳情如下：

		E-cigarettes products	Integrated plastic solutions	Total
		電子煙產品	一體化注塑 解決方案	總計
		(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Six months ended 30 June 2019	截至2019年6月30日止六個月			
Customer A and its affiliated companies	客戶A及其聯屬公司	467,044	3,180	470,224
Customer D and its affiliated companies	客戶D及其聯屬公司	-	84,099	84,099
		467,044	87,279	554,323
Six months ended 30 June 2018	截至2018年6月30日止六個月			
Customer A and its affiliated companies	客戶A及其聯屬公司	97,145	461	97,606
Customer B and its affiliated companies	客戶B及其聯屬公司	-	39,809	39,809
Customer C and its affiliated companies	客戶C及其聯屬公司	-	53,750	53,750
		97,145	94,020	191,165

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Six months ended 30 June 2019 截至2019年6月30日止六個月

3. REVENUE

3. 收益

		Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 (unaudited) (未經審核) HK\$'000 千港元	2018 2018年 (unaudited) (未經審核) HK\$'000 千港元
Revenue from contracts with customers within HKFRS 15	香港財務報告準則第15號 來自客戶合約的收益		
Sale of e-cigarettes products	銷售電子煙產品	467,453	97,235
Sale of moulds and plastic products	銷售模具及塑膠製品	199,218	183,128
		666,671	280,363

4. OTHER INCOME

4. 其他收入

		Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 (unaudited) (未經審核) HK\$'000 千港元	2018 2018年 (unaudited) (未經審核) HK\$'000 千港元
Bank interest income	銀行利息收入	348	35
Exchange gain, net	匯兌收益淨額	1,121	807
Management service income	管理服務收入	-	90
Rental and utilities recharge income	租金及水電費退費收入	879	916
Sales of scrap materials	廢料銷售額	610	485
Sundry income	雜項收入	807	629
		3,765	2,962

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Six months ended 30 June 2019 截至2019年6月30日止六個月

5. PROFIT BEFORE TAX

This is stated after charging (crediting):

5. 除稅前溢利

此已扣除(計入)下列各項列賬：

		Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 (unaudited) (未經審核) HK\$'000 千港元	2018 2018年 (unaudited) (未經審核) HK\$'000 千港元
Finance costs	財務成本		
Interest on interest-bearing borrowings	計息借款利息	3,358	4,983
Interest on bank overdrafts	銀行透支利息	-	20
Interest on payables for construction in progress	應付在建工程款項的利息	446	35
Finance charges on obligations under finance leases	融資租賃承擔的財務支出	-	307
Interest on lease liabilities	租賃負債利息	1,089	-
		4,893	5,345

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Six months ended 30 June 2019 截至2019年6月30日止六個月

5. PROFIT BEFORE TAX (CONTINUED)

This is stated after charging (crediting):

5. 除稅前溢利(續)

此已扣除(計入)下列各項列賬：

		Six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Staff costs, including directors' emoluments 員工成本(包括董事酬金)			
Employee benefits expenses	僱員福利開支	91,258	60,237
Discretionary bonus	酌情花紅	9,456	-
Contributions to defined contribution retirement schemes	向定額供款退休計劃供款	10,033	5,174
		110,747	65,411
Other items 其他項目			
Cost of inventories	存貨成本	504,355	216,122
Amortisation of prepaid land lease payments (charged to "administrative and other operating expenses")	預付土地租賃款項攤銷(計入「行政及其他經營開支」)	-	562
Depreciation (charged to "cost of goods sold" and "administrative and other operating expenses", as appropriate)	折舊(計入「商品銷售成本」及「行政及其他經營開支」(倘適用))	18,108	15,938
Exchange gain, net	匯兌收益淨額	(1,121)	(807)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	280	-
Operating lease payments (charged to "cost of goods sold" and "administrative and other operating expenses", as appropriate)	經營租賃付款(計入「商品銷售成本」及「行政及其他經營開支」(倘適用))	288	1,194
Research and development expenses	研發開支	3,348	1,003

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Six months ended 30 June 2019 截至2019年6月30日止六個月

6. TAXATION

6. 稅項

		Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 (unaudited) (未經審核) HK\$'000 千港元	2018 2018年 (unaudited) (未經審核) HK\$'000 千港元
		Note 附註	
Current tax	即期稅項		
Hong Kong Profits Tax	香港利得稅	5,099	243
PRC Enterprise Income Tax	中國企業所得稅	28,485	6,576
		33,584	6,819
Deferred tax	遞延稅項		
Changes in temporary differences	暫時性差異變動	(11,326)	(234)
Benefit of tax losses recognised	已確認稅項虧損之免除	(214)	(2,708)
		17	(11,540)
			(2,942)
Total income tax expenses	所得稅開支總額	22,044	3,877

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6. TAXATION (CONTINUED)

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

For the six months ended 30 June 2019 and 2018, the assessable profits of a Hong Kong incorporated subsidiary of the Group (as elected by the management of the Group) are subject to the two-tiered profits tax rates regime that the first HK\$2 million of assessable profits will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The Hong Kong Profits Tax of other Hong Kong incorporated subsidiaries of the Group is calculated at 16.5% of their respective estimated assessable profits for the six months ended 30 June 2019 and 2018.

The Group's entities established in the PRC are subject to Enterprise Income Tax of the PRC at a statutory rate of 25% for the six months ended 30 June 2019 and 2018.

6. 稅項 (續)

於開曼群島及英屬處女群島成立的本集團實體分別獲豁免支付所得稅。

截至2019年及2018年6月30日止六個月，本集團於香港註冊成立的附屬公司(由本集團管理層選出)的應課稅溢利須按利得稅兩級制納稅，即首2百萬港元應課稅溢利將按8.25%繳稅，而2百萬港元以上的應課稅溢利將按16.5%繳稅。本集團其他於香港註冊成立的附屬公司的香港利得稅乃按截至2019年及2018年6月30日止六個月其各自估計應課稅溢利的16.5%計算。

截至2019年及2018年6月30日止六個月，本集團於中國成立的實體須按25%的法定稅率繳納中國企業所得稅。

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7. DIVIDENDS

At a meeting held on 29 August 2019, the directors of the Company resolved to declare an interim dividend of HK1.5 cents (30 June 2018: HK\$nil) per ordinary share totally approximately HK\$9,300,000 (30 June 2018: HK\$nil). The proposed interim dividend has not been recognised as dividend payables in the Interim Financial Statements. The proposed dividend will be accounted for as an appropriation of reserves in the year ending 31 December 2019.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

7. 股息

在2019年8月29日舉行的會議上，本公司董事議決宣派中期股息每股普通股1.5港仙(2018年6月30日：零港元)，總計約9,300,000港元(2018年6月30日：零港元)。建議中期股息並未於中期財務報表確認為應付股息。建議股息將於截至2019年12月31日止年度以分配儲備的方式列賬。

8. 每股盈利

每股基本盈利乃按以下數據計算：

		Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 (unaudited) (未經審核) HK\$'000 千港元	2018 2018年 (unaudited) (未經審核) HK\$'000 千港元
<i>Profit:</i> Profit for the purpose of calculating basic earnings per share	<i>溢利：</i> 就計算每股基本盈利的溢利	65,919	3,862
		'000 千股	'000 千股
<i>Number of shares:</i> Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<i>股份數目：</i> 就計算每股基本盈利的普通 股加權平均數	620,000	563,000

Diluted earnings per share is the same as basic earnings per share as there were no potential ordinary shares outstanding during six months ended 30 June 2019 and 2018.

由於截至2019年及2018年6月30日止六個月並無發行在外的潛在普通股，故每股攤薄盈利與每股基本盈利相同。

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9. PROPERTY, PLANT AND EQUIPMENT

9. 物業、廠房及設備

		Right-of-use assets	Buildings	Leasehold improvements	Furniture and fixtures	Machinery and equipment	Motor vehicles	Computer	Construction in progress	Total
		使用權資產	樓宇	租賃物業裝修	傢俬及固定裝置	機械及設備	汽車	電腦	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Unaudited	未經審核									
Reconciliation of carrying amount - six months ended 30 June 2019	賬面值之對賬 - 截至2019年6月30日止六個月									
At 1 January 2019	於2019年1月1日	-	235,899	87,594	19,413	133,393	3,054	5,480	-	484,833
Adjustment on transition to HKFRS 16 (Note 1)	過渡至香港財務報告準則第16號的調整(附註1)	140,007	-	-	-	(95,011)	-	-	-	44,996
Additions	添置	-	-	-	335	17,314	2,101	493	22,591	42,834
Transfers	轉讓	(2,665)	-	-	-	2,665	-	-	-	-
Disposal	出售	-	-	-	(1)	(525)	-	-	-	(526)
Depreciation	折舊	(5,951)	(2,561)	(2,541)	(556)	(5,523)	(700)	(276)	-	(18,108)
Exchange realignments	匯兌調整	1,405	2,372	880	243	480	2	54	8	5,444
At 30 June 2019	於2019年6月30日	132,796	235,710	85,933	19,434	52,793	4,457	5,751	22,599	559,473
Audited	經審核									
At 1 January 2019	於2019年1月1日									
Cost	成本	158,156	250,918	101,556	25,641	179,260	10,338	9,614	-	735,483
Accumulated depreciation	累計折舊	(18,149)	(15,019)	(13,962)	(6,228)	(140,878)	(7,284)	(4,134)	-	(205,654)
		140,007	235,899	87,594	19,413	38,382	3,054	5,480	-	529,829
Unaudited	未經審核									
At 30 June 2019	於2019年6月30日									
Cost	成本	154,345	253,441	102,576	26,267	201,960	12,003	10,185	22,599	783,376
Accumulated depreciation	累計折舊	(21,549)	(17,731)	(16,643)	(6,833)	(149,167)	(7,546)	(4,434)	-	(223,903)
		132,796	235,710	85,933	19,434	52,793	4,457	5,751	22,599	559,473

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10. FINANCIAL ASSETS AT FVPL

10. 按公允值計入損益的金融資產

		At 30 June 2019 於2019年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2018 於2018年 12月31日 (audited) (經審核) HK\$'000 千港元
At fair value	按公允值		
Unlisted investments - key management insurance contracts	非上市投資－主要管理層 保險合約	27,695	26,841

The fair value of the key management insurance contracts is determined by reference to the respective surrender cash value of each insurance contract at the end of the reporting period, which is primarily based on the performance of the underlying investment portfolio together with the guaranteed minimum returns, ranging from 2% to 4.8% per annum (31 December 2018: ranging from 2% to 4.8% per annum).

主要管理層保險合約的公允值乃參考報告期末各保險合約的相關退保現金值釐定，乃主要基於相關投資組合的表現以及保證最低退款額，每年介乎2%至4.8%之間（2018年12月31日：每年介乎2%至4.8%之間）。

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10. FINANCIAL ASSETS AT FVPL (CONTINUED)

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

10. 按公允值計入損益的金融資產(續)

主要管理層保險合約的變動分析如下：

	At 30 June 2019 於2019年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2018 於2018年 12月31日 (audited) (經審核) HK\$'000 千港元
At the beginning of the reporting period 於報告期初	26,841	10,506
Additions 添加	731	16,607
Fair value changes recognised in profit or loss 於損益確認的公允值變動	123	(272)
At the end of the reporting period 於報告期末	27,695	26,841

The key management insurance contracts are pledged as collateral for the Group's bank overdraft and interest-bearing borrowings amounting to approximately, in aggregate, HK\$19,303,000 (31 December 2018: HK\$24,396,000).

主要管理層保險合約已用作質押作為本集團合共約19,303,000港元(2018年12月31日: 24,396,000港元)的銀行透支及計息借款的抵押品。

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11. TRADE AND OTHER RECEIVABLES

11. 貿易及其他應收款項

		Note 附註	At 30 June 2019 於2019年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2018 於2018年 12月31日 (audited) (經審核) HK\$'000 千港元
Trade receivables	貿易應收款項			
From third parties	應收第三方		80,946	230,007
Loss allowance	虧損撥備		(4,662)	(4,662)
		11(a)	76,284	225,345
Bills receivables	應收票據	11(b)	15,062	9,023
Other receivables	其他應收款項			
Deposits	按金		239	156
Prepayment for suppliers	預付供應商款項		-	2,248
Prepayment for insurance	保險預付款項		3,197	3,197
Prepayment for utilities	水電費預付款項		6,182	5,831
Prepaid expenses, other deposits and other debtors	預付開支、其他按金及其他應收賬款		10,038	15,761
			19,656	27,193
			111,002	261,561

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11. TRADE AND OTHER RECEIVABLES (CONTINUED)

11(a) Trade receivables from third parties

The loss allowance of approximately HK\$4,662,000 as at 30 June 2019 and 31 December 2018 was mainly and specifically resulted from a customer against whom the Group was in a legal action to recover the trade debt due to the Group.

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

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

		At 30 June 2019 於2019年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2018 於2018年 12月31日 (audited) (經審核) HK\$'000 千港元
Within 30 days	30日內	39,659	175,600
31 to 60 days	31至60日	23,025	40,657
61 to 90 days	61至90日	8,096	6,586
91 to 180 days	91至180日	4,555	1,419
Over 180 days	180日以上	949	1,083
		76,284	225,345

At 30 June 2019, amount of approximately HK\$3,588,000 (31 December 2018: HK\$83,000) included in the trade receivables were in connection with factoring arrangements.

11. 貿易及其他應收款項 (續)

11(a) 來自第三方的貿易應收款項

於2019年6月30日及2018年12月31日，虧損撥備約4,662,000港元主要及具體是由於本集團為收回應付本集團貿易債務而對其採取法律行動的客戶所致。

本集團於出具發票後向其客戶授出最高90日的信貸期。

按發票日期劃分的貿易應收款項（扣除虧損撥備）的賬齡如下：

於2019年6月30日，約3,588,000港元（2018年12月31日：83,000港元）的貿易應收款項金額與保理安排有關。

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11. TRADE AND OTHER RECEIVABLES (CONTINUED)

11(b) Bills receivables

The bills receivables are interest-free, guaranteed by banks in the PRC and have maturities of less than six months.

11. 貿易及其他應收款項 (續)

11(b) 應收票據

應收票據免息、由中國的銀行擔保且於六個月內到期。

12. TRADE AND OTHER PAYABLES

12. 貿易及其他應付款項

			At 30 June 2019 於2019年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2018 於2018年 12月31日 (audited) (經審核) HK\$'000 千港元
	Note 附註			
Trade payables		貿易應付款項		
To third parties	12(a)	應付第三方	114,447	177,268
Other payables		其他應付款項		
Contract liabilities (Note)		合約負債(附註)	15,247	7,203
Salaries payable		應付薪金	32,039	43,016
Other accruals and other creditors		其他應計費用及其他 應付賬款	28,438	25,367
			75,724	75,586
			190,171	252,854

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12. TRADE AND OTHER PAYABLES (CONTINUED)

Note: The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities with customers within HKFRS 15 during the year are as follows:

		HK\$'000 千港元
At 1 January 2019	於2019年1月1日	7,203
Recognised as revenue	確認為收益	(7,203)
Receipt in advance	預收款項	15,247
At 30 June 2019	於2019年6月30日	15,247

12(a) Trade payables

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

		At 30 June 2019 於2019年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2018 於2018年 12月31日 (audited) (經審核) HK\$'000 千港元
Within 30 days	30日內	29,167	69,902
31 to 60 days	31至60日	58,667	87,333
61 to 90 days	61至90日	15,319	10,706
Over 90 days	90日以上	11,294	9,327
		114,447	177,268

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

12. 貿易及其他應付款項 (續)

附註：年內符合香港財務報告準則第15號的客戶合約負債變動(不包括同年內增加及減少所產生的變動)如下：

12(a) 貿易應付款項

於報告期末，基於發票日期劃分的貿易應付款項賬齡分析如下：

貿易應付款項的信貸期不超過90日。

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13. BANK OVERDRAFTS

The secured bank overdrafts are interest-bearing at prime rate or 1% per annum over the prime rate (31 December 2018: at prime rate or 1% per annum over the prime rate).

At 30 June 2019, the bank overdrafts are secured by the key management insurance contracts with fair value of approximately HK\$27,695,000 (31 December 2018: HK\$26,841,000), as set out in Note 10 to the Interim Financial Statements.

14. PAYABLES FOR CONSTRUCTION IN PROGRESS

Payables for construction in progress represent the amounts payable to the constructors in respect of the construction of the production plants located in the PRC which the payment terms are unsecured, interest-free and repayable from one to four years since its inception. The amounts represent the present value of the invoiced amounts at effective interest rate of 4.75% at the end of the reporting period (31 December 2018: 4.75% - 6.15%).

15. INTEREST-BEARING BORROWINGS

The secured bank borrowings are wholly repayable within five years since its inception. At 30 June 2019, the secured bank borrowings carried weighted average effective interest rate of approximately 3.85% (31 December 2018: 4.40%) per annum.

13. 銀行透支

有抵押銀行透支按最優惠利率或最優惠利率加1%的年利率計息(2018年12月31日：按最優惠利率或最優惠利率加1%的年利率)。

於2019年6月30日，銀行透支乃由公允值約27,695,000港元(2018年12月31日：26,841,000港元)的主要管理層保險合約(載於中期財務報表附註10)抵押。

14. 應付在建工程款項

應付在建工程款項指就於中國建設製造廠應付施工人員的款項，支付條款乃無抵押、免息且須自開建後於一至四年內償還。該等款項指於報告期末以實際利率4.75%(2018年12月31日：4.75%至6.15%)計值的發票額現值。

15. 計息借款

有抵押銀行借款須自開始起計五年內全部償還。於2019年6月30日，有抵押銀行借款按加權平均實際年利率約3.85%(2018年12月31日：4.40%)計息。

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15. INTEREST-BEARING BORROWINGS (CONTINUED)

At 30 June 2019, the bank borrowings are secured by:

- (i) buildings and the right-of-use assets in respect of the prepaid land lease payments with aggregate net carrying amount of approximately HK\$280,497,000 (31 December 2018: HK\$280,895,000);
- (ii) key management insurance contracts with fair value of approximately HK\$27,695,000 (31 December 2018: HK\$26,841,000), as set out in Note 10 to the Interim Financial Statements;
- (iii) trade receivables in connection with factoring arrangement of approximately HK\$3,588,000 (31 December 2018: HK\$83,000), as set out in Note 11(a) to the Interim Financial Statements; and/or
- (iv) certain machinery and equipment with aggregate net carrying amount of approximately HK\$5,381,000 (31 December 2018: HK\$1,749,000).

15. 計息借款(續)

於2019年6月30日，銀行借款乃由以下各項抵押：

- (i) 賬面值淨額合共約280,497,000港元(2018年12月31日：280,895,000港元)的樓宇及有關預付土地租賃款的使用權資產；
- (ii) 公允值約27,695,000港元(2018年12月31日：26,841,000港元)的主要管理層保險合約(載於中期財務報表附註10)；
- (iii) 約3,588,000港元(2018年12月31日：83,000港元)與保理安排有關的貿易應收款項(載於中期財務報表附註11(a))；及／或
- (iv) 賬面淨值合共約5,381,000港元(2018年12月31日：1,749,000港元)的若干機械及設備。

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16. LEASE LIABILITIES/OBLIGATIONS UNDER FINANCE LEASES

At the end of the reporting period, the Group leased certain machinery and equipment under finance leases. The lease term is ranging from 36 to 60 months (31 December 2018: ranging from 36 to 48 months). At 30 June 2019, the weighted average discount rate of the Group was 3.49% (31 December 2018: 3.39%).

16. 租賃負債／融資租賃承擔

於報告期末，本集團以融資租賃承租若干機械及設備。租期介乎36至60個月之間(2018年12月31日：介乎36至48個月之間)。於2019年6月30日，本集團的加權平均貼現率為3.49%(2018年12月31日：3.39%)。

		Minimum lease payments		Present value of minimum lease payments	
		最低租賃付款		最低租賃付款的現值	
		At	At	At	At
		30 June	31 December	30 June	31 December
		2019	2018	2019	2018
		於2019年	於2018年	於2019年	於2018年
		6月30日	12月31日	6月30日	12月31日
		(unaudited)	(audited)	(unaudited)	(audited)
		(未經審核)	(經審核)	(未經審核)	(經審核)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Amounts payable:	應付款項：				
Within one year	一年以內	22,364	24,472	20,689	22,415
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	37,898	45,133	36,366	42,879
		60,262	69,605	57,055	65,294
Future finance charges	未來融資開支	(3,207)	(4,311)		
Total lease liabilities/present value of lease obligations	總租賃負債／租賃承擔的現值	57,055	65,294		
Less: Amounts due for settlement within 12 months	減：應於十二個月內清償的款項			(20,689)	(22,415)
Amounts due for settlement after 12 months	應於十二個月後清償的款項			36,366	42,879

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17. DEFERRED TAXATION

17. 遞延稅項

		At 30 June 2019 於2019年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2018 於2018年 12月31日 (audited) (經審核) HK\$'000 千港元
Deferred tax assets	遞延稅項資產	3,238	2,818
Deferred tax liabilities	遞延稅項負債	(4,633)	(15,567)
Net deferred tax position	遞延稅項淨額狀況	(1,395)	(12,749)

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

本集團遞延稅項淨額狀況的變動如下：

		Tax losses 稅項虧損 HK\$'000 千港元	Timing differences on income and expenses (including depreciation) recognised 已確認收入 與開支的 時間差額 (包括折舊) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於2018年1月1日	2,242	(10,566)	(8,324)
Income tax credit (expenses)	所得稅抵免(開支)	5,924	(10,932)	(5,008)
Exchange difference	匯兌差額	(233)	816	583
Deferred tax assets (liabilities)	遞延稅項資產(負債)	7,933	(20,682)	(12,749)
Offsetting	抵銷	(5,115)	5,115	-
At 31 December 2018 (audited)	於2018年12月31日(經審核)	2,818	(15,567)	(12,749)
At 1 January 2019	於2019年1月1日	7,933	(20,682)	(12,749)
Income tax credit	所得稅抵免	214	11,326	11,540
Exchange realignments	匯兌調整	71	(257)	(186)
Deferred tax assets (liabilities)	遞延稅項資產(負債)	8,218	(9,613)	(1,395)
Offsetting	抵銷	(4,980)	4,980	-
At 30 June 2019 (unaudited)	於2019年6月30日(未經審核)	3,238	(4,633)	(1,395)

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

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

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18. SHARE CAPITAL

18. 股本

	Note 附註	At 30 June 2019 (unaudited) 於2019年6月30日 (未經審核)		At 31 December 2018 (audited) 於2018年12月31日 (經審核)	
		No. of shares 股份數目 '000 千股	HK\$'000 千港元	No. of shares 股份數目 '000 千股	HK\$'000 千港元
Authorised:					
<i>Ordinary shares of HK\$0.1 each</i>					
At the beginning of the reporting period		2,000,000	200,000	3,900	390
Increase on 8 February 2018	18(a)	-	-	1,996,100	199,610
At the end of the reporting period		2,000,000	200,000	2,000,000	200,000
Issued and fully paid:					
<i>Ordinary shares of HK\$0.1 each</i>					
At the beginning of the reporting period		620,000	62,000	3	-*
Issue of shares pursuant to the Capitalisation Issue	18(b)	-	-	464,997	46,500
Issue of shares pursuant to Global Offering	18(c)	-	-	155,000	15,500
At the end of the reporting period		620,000	62,000	620,000	62,000

• less than HK\$1,000

• 少於1,000港元

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18. SHARE CAPITAL (CONTINUED)

- (a) Pursuant to the resolution of the Company's shareholders passed on 8 February 2018, inter-alia, the authorised share capital of the Company was increased from HK\$390,000 to HK\$200,000,000 by the creation of an additional 1,996,100,000 shares of HK\$0.1 each and the Capitalisation Issue (as defined below) was conditionally approved.
- (b) On 8 March 2018, the Company issued a total of 464,997,000 shares of HK\$0.1 each to the shareholders appeared on the shareholders' register on 13 February 2018, credited as fully paid at par by way of capitalisation of the sum of HK\$46,499,700 standing to be credit of the share premium account of the Company (the "Capitalisation Issue") and the shares issued carry the same rights as all shares in issue.
- (c) On 8 March 2018, the Company issued a total of 155,000,000 new ordinary shares of HK\$0.1 each at HK\$0.71 per share by way of global offering (the "Global Offering") and the shares issued carry the same rights as all shares in issue. The expenses attributable to issue of shares pursuant to the Global Offering of approximately HK\$13,847,000 were recognised in the share premium account of the Company. On the same date, the Company's shares were listed on the Main Board of the Stock Exchange.

18. 股本 (續)

- (a) 根據本公司股東於2018年2月8日通過的決議案(其中包括), 透過創設額外1,996,100,000股每股0.1港元的股份將本公司的法定股本由390,000港元增至200,000,000港元, 且資本化發行(定義見下文)獲有條件通過。
- (b) 於2018年3月8日, 本公司向於2018年2月13日名列股東名冊的股東發行合共464,997,000股每股0.1港元的股份, 按面值入賬列為繳足股款, 方法為將本公司的股份溢價賬中46,499,700港元之進賬額進行資本化(「資本化發行」), 所發行的股份與所有已發行股份擁有同等權利。
- (c) 於2018年3月8日, 本公司透過全球發售(「全球發售」)以每股0.71港元發行合共155,000,000股每股0.1港元的新普通股, 所發行的股份與所有已發行股份擁有同等權利。根據全球發售發行股份的開支約13,847,000港元乃於本公司股份溢價賬確認。同日, 本公司股份於聯交所主板上市。

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19. RESERVES

19(a) Share premium

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

19(b) Capital reserve

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

19(c) Statutory reserve

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

19(d) Translation reserve

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

19(e) Revaluation reserve

The revaluation reserve represents the cumulative net changes in the fair value of the unlisted investments in key management insurance contracts classified as available-for-sale financial assets held in the period prior to 1 January 2018.

Upon the initial application of HKFRS 9 on 1 January 2018, the accumulated revaluation reserves of approximately HK\$801,000 were reclassified to accumulated profits.

19. 儲備

19(a) 股份溢價

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

19(b) 資本儲備

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

19(c) 法定儲備

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

19(d) 換算儲備

換算儲備包括合併時換算境外經營所產生的所有外匯差額。

19(e) 重估儲備

重估儲備指於2018年1月1日之前期間所持被分類為可供出售金融資產的主要管理層保險合約之非上市投資公允值的累計變動淨額。

於2018年1月1日首次應用香港財務報告準則第9號後，累計重估儲備約801,000港元重新分類至累計溢利。

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20. CASH GENERATED FROM (USED IN) OPERATIONS 20. 經營所得(所用)現金

		Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 (unaudited) (未經審核) HK\$'000 千港元	2018 2018年 (unaudited) (未經審核) HK\$'000 千港元
Profit before tax	除稅前溢利	87,963	7,739
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	-	562
Depreciation	折舊	18,108	15,938
Interest income	利息收入	(348)	(35)
Fair value (gain) loss on financial assets at fair value through profit or loss	按公允值計入損益的金融資產公允值(收益)虧損	(123)	236
Finance costs	財務成本	4,893	5,345
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	280	-
Exchange differences	匯兌差額	(4,253)	703
Changes in working capital:	營運資金變動：		
Inventories	存貨	5,578	(14,269)
Trade and other receivables	貿易及其他應收款項	153,045	(18,266)
Trade and other payables	貿易及其他應付款項	(61,364)	(13,694)
Cash generated from (used in) operations	經營所得(所用)現金	203,779	(15,741)

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21. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the Interim Financial Statements, during the six months ended 30 June 2019 and 2018, further information of the related party transactions is set out below.

- (a) Transactions between the group entities have been eliminated on consolidation and are not disclosed. During the six months ended 30 June 2019 and 2018, the Group had the following significant transactions with related parties.

21. 關聯方交易

除中期財務報表其他地方所披露的交易／資料外，截至2019年及2018年6月30日止六個月，有關關聯方交易的進一步資料載列如下。

- (a) 集團實體間的交易已於合併時對銷且並未披露。截至2019年及2018年6月30日止六個月，本集團與關聯方有以下重大交易。

Related party relationship 關聯方關係	Nature of transaction 交易性質	Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 (unaudited) (未經審核) HK\$'000 千港元	2018 2018年 (unaudited) (未經審核) HK\$'000 千港元
Company controlled by the Ultimate Controlling Party 由最終控股方控制的公司	Rental expenses (Note) 租金開支(附註)	288	270

Note: During the six months ended 30 June 2019 and 2018, rental expenses represented operating lease payments on premises charged by CDN Holdings Limited to the Group.

附註：截至2019年及2018年6月30日止六個月，租金開支指扒令控股質押予本集團的物業經營租賃付款。

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21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

		Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 (unaudited) (未經審核) HK\$'000 千港元	2018 2018年 (unaudited) (未經審核) HK\$'000 千港元
Salaries and allowances	薪金及補貼	6,962	3,882
Discretionary bonus	酌情花紅	9,456	-
Contributions to defined contribution retirement schemes	定額供款退休計劃供款	53	45
		16,471	3,927

21. 關聯方交易 (續)

(b) 本集團主要管理人員(包括董事)的薪酬:

22. MAJOR NON-CASH TRANSACTIONS

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

During the six months ended 30 June 2019, the Group incurred additional payables of approximately HK\$8,832,000 (six months ended 30 June 2018: HK\$37,392,000) to constructors for the addition of property, plant and equipment.

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

22. 主要非現金交易

下文載列期內的主要非現金交易:

截至2019年6月30日止六個月,本集團就添置物業、廠房及設備產生額外應付施工人員款項約8,832,000港元(截至2018年6月30日止六個月:37,392,000港元)。

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

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22. MAJOR NON-CASH TRANSACTIONS (CONTINUED)

During the six months ended 30 June 2019, the Group incurred imputed interest expenses in respect of the payables for construction in progress of approximately HK\$446,000 (six months ended 30 June 2018: HK\$35,000), which were not settled and were credited to the payables for construction in progress.

23. FAIR VALUE MEASUREMENTS

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

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

22. 主要非現金交易 (續)

截至2019年6月30日止六個月，本集團就應付在建工程款項產生的應計利息開支約446,000港元(截至2018年6月30日止六個月：35,000港元)，該等利息並無結清，並已計入應付在建工程款項。

23. 公允值計量

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

- 第一層級(最高級別)：本集團在計量日可獲得的相同資產或負債在活躍市場之報價(未經調整)；
- 第二層級：除第一級別所包括之報價以外，資產或負債的直接或間接可觀察之輸入數據；
- 第三層級(最低級別)：資產或負債之無法觀察輸入數據。

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Six months ended 30 June 2019 截至2019年6月30日止六個月

23. FAIR VALUE MEASUREMENTS (CONTINUED)

23. 公允值計量 (續)

a) Assets and liabilities measured at fair value

a) 以公允值計量的資產及負債

	At 30 June 2019 於2019年 6月30日 (unaudited) (未經審核) Level 3 第三層級 HK\$'000 千港元	At 31 December 2018 於2018年 12月31日 (audited) (經審核) Level 3 第三層級 HK\$'000 千港元
Assets measured at fair value		
Financial assets at FVPL		
- Unlisted investments		
- key management insurance contracts (Note 10)		
以公允值計量的資產 按公允值計入損益的金融資產 — 非上市投資 — 主要管理人員保險合約 (附註10)	27,695	26,841

During the six months ended 30 June 2019 and year ended 31 December 2018, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

截至2019年6月30日止六個月及截至2018年12月31日止年度，第一層級、第二層級與第三層級公允值計量之間並無轉撥。

	Six months ended 30 June 截至6月30日止六個月 2019 2019年 (unaudited) (未經審核) HK\$'000 千港元	2018 2018年 (unaudited) (未經審核) HK\$'000 千港元
Total unrealised gain (loss) included in profit or loss	123	(236)
計入損益的未變現收益 (虧損)總額		

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

主要管理層保險合約的公允值乃參考退保現金值釐定，該現金值乃主要基於銀行定期報告的相關投資組合表現以及保證最低退款額。

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23. FAIR VALUE MEASUREMENTS (CONTINUED)

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

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

24. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved by the board of directors on 29 August 2019.

23. 公允值計量 (續)

b) 披露公允值但不以公允值計量的資產及負債

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

24. 批准中期財務報表

中期財務報表於2019年8月29日獲董事會批准。



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