



HANG SANG (SIU PO) INTERNATIONAL HOLDING COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 3626



中期報告
Interim Report
2019-2020

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Corporate Information

公司資料

DIRECTORS

Executive Directors:

Mr Fung Man Wai Samson
(Chairman and Chief Executive Officer)
Mr Fung Man Kam
Mr Fung Kar Chue Alexander

Independent Non-executive Directors:

Dr Loke Yu
Ms Fung Po Yee
Ms Sung Ting Yee

BOARD COMMITTEES

Audit Committee

Dr Loke Yu (Chairman)
Ms Fung Po Yee
Ms Sung Ting Yee

Remuneration Committee

Ms Sung Ting Yee (Chairman)
Dr Loke Yu
Ms Fung Po Yee
Mr Fung Man Wai Samson
Mr Fung Kar Chue Alexander

Nomination Committee

Ms Fung Po Yee (Chairman)
Dr Loke Yu
Ms Sung Ting Yee
Mr Fung Man Wai Samson
Mr Fung Kar Chue Alexander

COMPLIANCE ADVISER

Gram Capital Limited

COMPANY SECRETARY

Mr Li Kit Chung (FCPA, ACIS, ACS)

AUDITOR

Grant Thornton Hong Kong Limited

PRINCIPAL BANKS

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

董事

執行董事：
馮文偉先生
(主席兼行政總裁)
馮文錦先生
馮家柱先生

獨立非執行董事：

陸海林博士
馮寶儀女士
宋婷兒女士

董事委員會

審核委員會
陸海林博士 (主席)
馮寶儀女士
宋婷兒女士

薪酬委員會

宋婷兒女士 (主席)
陸海林博士
馮寶儀女士
馮文偉先生
馮家柱先生

提名委員會

馮寶儀女士 (主席)
陸海林博士
宋婷兒女士
馮文偉先生
馮家柱先生

合規顧問

嘉林資本有限公司

公司秘書

李杰聰先生 (FCPA, ACIS, ACS)

核數師

致同(香港)會計師事務所有限公司

主要往來銀行

香港上海滙豐銀行有限公司
星展銀行(香港)有限公司
中國銀行(香港)有限公司

Corporate Information

公司資料

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Block C, 5/F., Gee Hing Chang Industrial Building
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Cheung Sha Wan
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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STOCK CODE

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總辦事處及香港主要營業地點

香港
九龍
長沙灣
長裕街16號
志興昌工業大廈5樓C室

主要股份登記處

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

香港股份登記及過戶分處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
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股份代號

3626

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Independent Review Report

獨立審閱報告



Grant Thornton

致同

To the board of directors of Hang Sang (Siu Po) International Holding Company Limited

(incorporated in the Cayman Islands with limited liability)

致 Hang Sang (Siu Po) International Holding Company Limited 董事會

(於開曼群島註冊成立的有限公司)

INTRODUCTION

We have reviewed the interim financial report set out on pages 6 to 32 which comprises the condensed consolidated statement of financial position of Hang Sang (Siu Po) International Holding Company Limited (the “Company”) as at 31 December 2019 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors of the Company are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34.

Our responsibility is to express a conclusion, based on our review, on the interim financial report, and to report our conclusion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

緒言

我們已審閱第6頁至第32頁所載的中期財務報告，該報告包括Hang Sang (Siu Po) International Holding Company Limited (「貴公司」)於二零一九年十二月三十一日的簡明綜合財務狀況表及截至該日止六個月期間的相關簡明綜合損益及其他全面收益表、簡明綜合權益變動表及簡明綜合現金流量表，以及其他附註解釋。香港聯合交易所有限公司證券上市規則規定，編製中期財務報告時須遵循當中有關條文以及香港會計師公會(「香港會計師公會」)頒佈的香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)。貴公司董事須負責根據香港會計準則第34號編製及呈列中期財務報告。

我們的責任是根據我們的審閱對本中期財務報告作出結論，並按照委聘的協定條款僅向整體董事會報告，且不作其他用途。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

Independent Review Report

獨立審閱報告

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 31 December 2019 is not prepared, in all material respects, in accordance with HKAS 34.

Grant Thornton Hong Kong Limited
Certified Public Accountants
Level 12
28 Hennessy Road
Wanchai
Hong Kong

21 February 2020

Han Pui Yu
Practising Certificate No.: P07101

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱工作準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。執行中期財務報告審閱工作包括主要向負責財務和會計事務的人員作出查詢，並應用分析性和其他審閱程序。由於審閱的範圍遠少於按照香港核數準則進行審核的範圍，故不能保證我們會注意到在審核中可能會被發現的所有重大事宜。因此，我們不會發表任何審核意見。

結論

根據我們的審閱，我們並無發現任何事項，令我們相信於二零一九年十二月三十一日中期財務報告在各重大方面未有根據香港會計準則第34號編製。

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12樓

二零二零年二月二十一日

韓佩瑜
執業證書編號：P07101

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 31 December 2019

截至二零一九年十二月三十一日止六個月

		Six months ended 31 December 截至十二月三十一日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
		Note 附註	(Note) (附註)
Revenue	收益	4	40,108
Cost of sales	銷售成本		42,436
			<u>(25,961)</u>
Gross profit	毛利		15,669
Other income	其他收入	5	16,475
Selling expenses	銷售開支		866
Administrative and other operating expenses	行政及其他經營開支		(3,271)
Finance costs	融資成本	6(a)	(3,578)
			<u>(10,854)</u>
			(10,285)
Profit before income tax	除所得稅前溢利	6	2,322
Income tax expense	所得稅開支	7	3,427
			<u>(543)</u>
			(408)
Profit and total comprehensive income for the period	本期間溢利及全面 收益總額		1,779
			<u>3,019</u>
Earnings per share attributable to equity owners of the Company	本公司權益擁有人應佔 每股盈利		
– basic and diluted	– 基本及攤薄	9	HK0.97 cents
			0.97 港仙
			HK1.64 cents
			1.64 港仙

Note: The Group has initially applied HKFRS 16 at 1 July 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註：本集團於二零一九年七月一日首次應用香港財務報告準則第16號的經修訂追溯法。在這種方法下，比較資料並無予以重列。請參閱附註3。

The notes on pages 11 to 32 are an integral part of this interim financial report.

載於第11至32頁之附註構成本中期財務報告之重要組成部分。

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 31 December 2019
於二零一九年十二月三十一日

			As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 30 June 2019 於二零一九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
	Note 附註			(Note) (附註)
ASSETS AND LIABILITIES		資產及負債		
Non-current assets		非流動資產		
Property, plant and equipment	10	物業、廠房及設備	17,845	17,062
Deposits paid for acquisition of property, plant and equipment	11	購置物業、廠房及設備已付之按金	2,770	2,680
			<u>20,615</u>	<u>19,742</u>
Current assets		流動資產		
Inventories		存貨	4,149	3,555
Trade and other receivables	11	貿易及其他應收款項	10,115	9,323
Current tax recoverable		可收回即期稅項	717	1,308
Cash and cash equivalents		現金及現金等價物	63,339	69,062
			<u>78,320</u>	<u>83,248</u>
Current liabilities		流動負債		
Trade and other payables	12	貿易及其他應付款項	8,723	8,021
Lease liabilities	13	租賃負債	578	–
			<u>9,301</u>	<u>8,021</u>
Net current assets		流動資產淨值	<u>69,019</u>	<u>75,227</u>
Total assets less current liabilities		總資產減流動負債	<u>89,634</u>	<u>94,969</u>
Non-current liabilities		非流動負債		
Deferred tax liabilities		遞延稅項負債	1,495	1,543
Lease liabilities	13	租賃負債	2,134	–
			<u>3,629</u>	<u>1,543</u>
Net assets		資產淨值	<u>86,005</u>	<u>93,426</u>

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 31 December 2019

於二零一九年十二月三十一日

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 30 June 2019 於二零一九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
	Note 附註		(Note) (附註)
EQUITY			
Share capital		1,840	1,840
Reserves		84,165	91,586
Total equity		86,005	93,426
	權益		
	股本		
	儲備		
	權益總額		

Note: The Group has initially applied HKFRS 16 at 1 July 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註：本集團於二零一九年七月一日首次應用香港財務報告準則第16號的經修訂追溯法。在這種方法下，比較資料並無予以重列。請參閱附註3。

The notes on pages 11 to 32 are an integral part of this interim financial report.

載於第11至32頁之附註構成本中期財務報告之重要組成部分。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 31 December 2019
截至二零一九年十二月三十一日止六個月

		Equity attributable to equity owners of the Company 本公司權益擁有人應佔權益				
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Retained earnings 保留盈利	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
		(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)
			(note (b)) (附註(b))	(note (c)) (附註(c))		
As at 1 July 2018	於二零一八年七月一日	1,840	77,105	(22,594)	44,610	100,961
Profit and total comprehensive income for the period	本期間溢利及全面收益總額	-	-	-	3,019	3,019
Transaction with owners: Final dividends declared and paid (note 8)	與擁有人之交易： 宣派及已付末期股息(附註8)	-	-	-	(9,200)	(9,200)
As at 31 December 2018 (note (a))	於二零一八年十二月三十一日 (附註(a))	1,840	77,105	(22,594)	38,429	94,780
As at 1 July 2019	於二零一九年七月一日	1,840	77,105	(22,594)	37,075	93,426
Profit and total comprehensive income for the period	本期間溢利及全面收益總額	-	-	-	1,779	1,779
Transaction with owners: Final dividends declared and paid (note 8)	與擁有人之交易： 宣派及已付末期股息 (附註8)	-	-	-	(9,200)	(9,200)
As at 31 December 2019	於二零一九年十二月三十一日	1,840	77,105	(22,594)	29,654	86,005

Note:

- (a) The Group has initially applied HKFRS 16 at 1 July 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.
- (b) The share premium represents the difference between the par value of the Company and proceeds received from the issuance of the shares of the Company, net of shares issuance costs and the difference between the nominal value of the share capital issued by the Company and the aggregate of the net assets value of Hang Sang (Siu Po) Press Company Limited and A W Printing & Packaging Limited acquired by the Company pursuant to the group reorganisation (the "Reorganisation") completed on 13 November 2015 in connection with the listing of the Company's shares on the Main Board of the Stock Exchange.
- (c) Capital reserve of the Group represents the share capital of entities comprising the Group prior to the Reorganisation and the reserve arising from the Reorganisation.

附註：

- (a) 本集團於二零一九年七月一日首次應用香港財務報告準則第16號的經修訂追溯法。在這種方法下，比較資料並無予以重列。請參閱附註3。
- (b) 股票溢價代表公司面值與公司股票發行所得收益之差(扣除股票發行成本)與公司發行股本名義價值之差以及恆生(兆保)印務有限公司及A W Printing & Packaging Limited根據集團重組(「重組」)於二零一五年十一月十三日完成上市而收購的淨資產總值公司在聯交所主板上市的股份。
- (c) 本集團的資本儲備指集團重組前組成本集團的實體之股本及集團重組產生的儲備。

The notes on pages 11 to 32 are an integral part of this interim financial report.

載於第11至32頁之附註構成本中期財務報告之重要組成部分。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 31 December 2019

截至二零一九年十二月三十一日止六個月

		Six months ended 31 December 截至十二月三十一日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
		Note 附註	(Note) (附註)
Cash flows from operating activities	經營活動的現金流量		
Cash generated from operations	經營所得現金	3,376	7,718
Hong Kong Profits Tax paid	已付香港利得稅	–	(657)
<i>Net cash from operating activities</i>	<i>經營活動所得現金淨額</i>	<u>3,376</u>	<u>7,061</u>
Cash flows from investing activities	投資活動的現金流量		
Purchase of property, plant and equipment	購買物業、廠房及設備	(93)	(748)
Proceeds from sales of property, plant and equipment	出售物業、廠房及設備所得款項	1	–
Interest received	已收利息	494	125
<i>Net cash from/(used in) investing activities</i>	<i>投資活動所得/(使用)的現金淨額</i>	<u>402</u>	<u>(623)</u>
Cash flows from financing activities	融資活動的現金流量		
Dividends paid	已付股息	8	(9,200)
Payment of lease liabilities	租賃負債的付款	(213)	–
Interest paid	已付利息	(88)	–
<i>Net cash used in financing activities</i>	<i>融資活動使用的現金淨額</i>	<u>(9,501)</u>	<u>(9,200)</u>
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	<u>(5,723)</u>	<u>(2,762)</u>
Cash and cash equivalents at the beginning of the period	期初現金及現金等價物	<u>69,062</u>	<u>68,576</u>
Cash and cash equivalents at the end of the period	期末現金及現金等價物	<u>63,339</u>	<u>65,814</u>

Note: The Group has initially applied HKFRS 16 at 1 July 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註：本集團於二零一九年七月一日首次應用香港財務報告準則第16號的經修訂追溯法。在這種方法下，比較資料並無予以重列。請參閱附註3。

The notes on pages 11 to 32 are an integral part of this interim financial report.

載於第11至32頁之附註構成本中期財務報告之重要組成部分。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

For the six months ended 31 December 2019
截至二零一九年十二月三十一日止六個月

1. GENERAL INFORMATION

Hang Sang (Siu Po) International Holding Company Limited (the “Company”) was incorporated in the Cayman Islands on 8 October 2015 as an exempted company with limited liability. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is Block C, 5/F, Gee Hing Chang Industrial Building, No. 16 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 18 May 2016.

The parent and ultimate holding company of the Company is HSSP Limited, a company incorporated in the British Virgin Islands (the “BVI”). The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in manufacturing and sale of apparel labels and packaging printing products.

2. BASIS OF PREPARATION

The unaudited interim financial report (the “Interim Financial Report”) has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The Interim Financial Report was authorised for issue on 21 February 2020, and has been reviewed by the Company’s Audit Committee.

The Interim Financial Report is presented in thousands of Hong Kong dollars (“HK\$’000”), unless otherwise stated.

The Interim Financial Report has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 30 June 2019, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 30 June 2020 and they should be read in conjunction with the Group’s consolidated financial statements for the year ended 30 June 2019. Details of any changes in accounting policies are set out in note 3 to this Interim Financial Report.

1. 一般資料

Hang Sang (Siu Po) International Holding Company Limited (「本公司」)於二零一五年十月八日在開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事處的地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本公司主要營業地點為香港九龍長沙灣長裕街16號志興昌工業大廈5樓C室。本公司股份於二零一六年五月十八日在香港聯合交易所有限公司(「聯交所」)上市。

本公司之母公司及最終控股公司為HSSP Limited，一家於英屬處女群島(「英屬處女群島」)註冊成立的公司。本公司乃投資控股公司。本公司及其附屬公司(統稱「本集團」)主要從事製造及銷售服裝標籤及包裝印刷產品。

2. 編製基準

未經審核中期財務報告(「中期財務報告」)已根據聯交所證券上市規則(「上市規則」)中適用的披露條文(包括遵守香港會計師公會(「香港會計師公會」)頒佈的香港會計準則第34號「中期財務報告」(「香港會計準則第34號」))而編製。本中期財務報告已於二零二零年二月二十一日獲授權發佈及已由本公司之審核委員會審閱。

除另有註明者外，中期財務報告以千港元(「千港元」)呈列。

除預期將於截至二零二零年六月三十日止年度之年度財務報表中反映的會計政策變動及其應與本集團截至二零一九年六月三十日止年度本集團的綜合財務報表一併閱讀外，中期財務報告已根據截至二零一九年六月三十日止年度之年度財務報表所採納的相同會計政策編製。有關任何會計政策變動之詳情載於本中期財務報告附註3。

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For the six months ended 31 December 2019

截至二零一九年十二月三十一日止六個月

2. BASIS OF PREPARATION (CONTINUED)

The preparation of the Interim Financial Report in conformity with HKAS 34 requires 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.

The Interim Financial Report contains condensed consolidated financial statements and selected explanatory notes. The notes 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 the annual financial statements for the year ended 30 June 2019. The Interim Financial Report and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The Interim Financial Report is unaudited, but has been reviewed by Grant Thornton Hong Kong Limited in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the HKICPA. Grant Thornton Hong Kong Limited’s independent review report to the board of directors (the “Board”) is included on pages 4 to 5.

3. ADOPTION OF NEW AND AMENDED HKFRSs AND CHANGES IN ACCOUNTING POLICIES

3.1 New and amended HKFRSs adopted as at 1 July 2019

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, HKFRS 16 “Leases” (“HKFRS 16”) is relevant to the Group’s financial statements.

2. 編製基準(續)

中期財務報告已符合香港會計準則第34號編製，要求管理層作出影響政策應用及所呈報截至結算日之資產與負債、收入與開支金額之判斷、估計及假設。實際結果可能有別於該等估計。

中期財務報告包括簡明綜合財務報表及經挑選的附註解釋。該等附註包括就理解本集團自截至二零一九年六月三十日止年度之年度財務報表以來之財務狀況及表現變動而言屬重大的事件及交易之解釋。中期財務報告及其附註並不包括就根據香港財務報告準則(「香港財務報告準則」)編製的整份財務報表所規定的全部資料。

中期財務報告為未經審核，但經致同(香港)會計師事務所有限公司根據香港會計師公會頒佈的香港審閱工作準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。致同(香港)會計師事務所有限公司所致董事會(「董事會」)之獨立審閱報告已載列於第4至5頁內。

3. 採納新訂及經修訂香港財務報告準則以及會計政策變動

3.1 於二零一九年七月一日採納的新訂及經修訂香港財務報告準則

香港會計師公會已頒佈若干於本集團本會計期間首次生效的新訂香港財務報告準則及香港財務報告準則之修訂。其中，香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)與本集團的財務報表相關。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

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3. ADOPTION OF NEW AND AMENDED HKFRSs AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3.1 New and amended HKFRSs adopted as at 1 July 2019 (Continued)

Except for HKFRS 16, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this Interim Financial Report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16

HKFRS 16 replaces HKAS 17 "Leases" ("HKAS 17") along with three interpretations (HK(IFRIC) – Int 4 "Determining whether an Arrangement contains a Lease" ("HK(IFRIC) – Int 4"), HK(SIC) Int – 15 "Operating Leases-Incentives" and HK(SIC) Int – 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease"). HKFRS 16 has been applied using the modified retrospective approach, with the cumulative effect of adopting HKFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes in accounting policies for HKFRS 16 are set out below:

The Group as a lessee

For any new contracts entered into on or after 1 July 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

3. 採納新訂及經修訂香港財務報告準則以及會計政策變動(續)

3.1 於二零一九年七月一日採納的新訂及經修訂香港財務報告準則(續)

除香港財務報告準則第16號外，概無變動對本中期財務報告所編製或呈列之本集團於本期間或過往期間之業績及財務狀況有重大影響。本集團並無應用任何於本會計期間尚未生效之新訂準則或詮釋。

香港財務報告準則第16號

香港財務報告準則第16號替代香港會計準則第17號「租賃」(「香港會計準則第17號」)以及三項詮釋(即香港(國際財務報告詮釋委員會) – 詮釋第4號「釐定安排是否包含租賃」(「香港(國際財務報告詮釋委員會)詮釋第4號」)、香港(準則詮釋委員會) – 詮釋第15號「經營租賃 – 優惠」及香港(準則詮釋委員會) – 詮釋第27號「評估涉及租賃法律形式交易之內容」)。應用香港財務報告準則第16號時已使用經修訂追溯法，採納香港財務報告準則第16號產生之累計影響於權益內確認作本期間累計溢利之期初結餘調整。比較資料並無予以重列及繼續根據香港會計準則第17號作出報告。

關於香港會計準則第16號會計政策變動的性質及影響，詳情如下：

本集團作為承租人

就於二零一九年七月一日或之後訂立之任何新合約，本集團考慮有關合約是否屬租賃或包含租賃。租賃被定義為「以代價獲得已識別資產(相關資產)於一段時間內使用權的一項合約或合約的一部分」。為應用該定義，本集團評估有關合約是否符合三個關鍵評估項，即：

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3. ADOPTION OF NEW AND AMENDED HKFRSs AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3.1 New and amended HKFRSs adopted as at 1 July 2019 (Continued)

HKFRS 16 (Continued)

The Group as a lessee (Continued)

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

Measurement and recognition of leases as a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability in the condensed consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

3. 採納新訂及經修訂香港財務報告準則以及會計政策變動(續)

3.1 於二零一九年七月一日採納的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號(續)

本集團作為承租人(續)

- 合約中明示或資產可供本集團使用時暗示合約是否包括一項已識別資產；
- 經考慮其於合約界定範圍內的權利後，本集團是否有權於整個使用期間因使用已識別資產而獲得絕大部分經濟利益；及
- 本集團於整個使用期間是否有權指示已識別資產的使用。本集團會評估其於整個使用期間是否有權指示資產的「使用方式及用途」。

就含有租賃部分以及一項或多項額外租賃或非租賃部分的合約而言，本集團將合約代價分配至各租賃部分及非租賃部分，以相對獨立價格為基準。

作為承租人之租賃的計量及確認

於租賃開始日期，本集團於簡明綜合財務狀況表中確認使用權資產及租賃負債。使用權資產按成本計量，包括租賃負債的初始計量金額；本集團產生之任何初始直接成本；於租賃結束時拆除及移除相關資產之任何估計成本；及於租賃開始日期前預付之任何租賃付款(扣除任何已收租賃優惠)。

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3. ADOPTION OF NEW AND AMENDED HKFRSs AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3.1 New and amended HKFRSs adopted as at 1 July 2019 (Continued)

HKFRS 16 (Continued)

Measurement and recognition of leases as a lessee (Continued)

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

3. 採納新訂及經修訂香港財務報告準則以及會計政策變動(續)

3.1 於二零一九年七月一日採納的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號(續)

作為承租人之租賃的計量及確認(續)

本集團於租賃開始日期起至使用權資產之可使用年期結束或租期結束(以較早者為準)止期間按直線法對使用權資產進行折舊,惟本集團合理確認可於租期結束時獲得擁有權則作別論。倘出現減值跡象,本集團亦會對使用權資產進行減值評估。

於租賃開始日期,本集團按當日未支付租賃付款之現值計量租賃負債,並採用租賃中所隱含之利率予以折現,或倘該利率不易確定,則採用本集團之遞增借款利率予以折現。

計量租賃負債時計入的租金包括固定付款(包括實物固定付款)減去任何應收租賃優惠;取決於指數或利率之可變租金;及預期在剩餘價值擔保下支付之金額。租賃付款亦包括本集團合理確定會行使之購買選擇權的行使價;及倘租賃條款反映本集團行使終止選擇權,則終止租賃而需支付之罰款。

於初步計量後,負債將因已付租賃付款而縮減,並因租賃負債之利息成本而增加。負債將予重新計量以反映任何重估或租賃修改,或於實物固定付款出現變動時予以重新計量。

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3. ADOPTION OF NEW AND AMENDED HKFRSs AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3.1 New and amended HKFRSs adopted as at 1 July 2019 (Continued)

HKFRS 16 (Continued)

Measurement and recognition of leases as a lessee (Continued)

The Group remeasures lease liabilities whenever:

- there are changes in lease term or in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments changes due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of twelve months or less.

On the condensed consolidated statement of financial position, right-of-use assets have been included in property, plant and equipment, the same line as it presents the underlying assets of the same nature that it owns.

3. 採納新訂及經修訂香港財務報告準則以及會計政策變動(續)

3.1 於二零一九年七月一日採納的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號(續)

作為承租人之租賃的計量及確認(續)

集團在以下情況對租賃負債進行重新評估：

- 租期有所變動或行使購買選擇權的評估發生變化，在這種情況下，通過在重新評估日使用經修訂貼現率對經修訂後的租賃付款進行貼現，重新計算相關的租賃負債。
- 租賃付款因進行市場租金審查後市場租金率的變化而發生變化，在這種情況下，使用初始貼現率對經修訂後的租賃付款進行貼現，重新計量相關的租賃負債。

對於未作為單獨租賃入賬的租賃變更，集團根據已修改租約的租賃期限，在修改生效日期使用經修訂的貼現率對經修訂後的租賃付款進行貼現，從而重新計量租賃負債。

倘租賃予以重新計量，則相應調整於使用權資產內反映，或倘使用權資產縮減為零，則計入損益內。

本集團選擇實際權宜方式，對短期租賃進行會計處理。與該等租賃相關之付款於租期內按直線法於損益表內確認為開支，而非確認為使用權資產及租賃負債。短期租賃為租期為十二個月或以下之租賃。

於簡明綜合財務狀況表內，使用權資產已計入物業、廠房及設備，與呈列與其擁有的相同性質的相關資產相同。

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未經審核中期財務報告附註

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3. ADOPTION OF NEW AND AMENDED HKFRSs AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3.1 New and amended HKFRSs adopted as at 1 July 2019 (Continued)

HKFRS 16 (Continued)

For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from HKAS 17 and HK(IFRIC) – Int 4 and has not applied HKFRS 16 to arrangements that were previously not identified as lease under HKAS 17 and HK(IFRIC) – Int 4.

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of HKFRS 16, being 1 July 2019. At this date, the Group has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of HKFRS 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than twelve months, the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

On transition to HKFRS 16, the weighted average of the incremental borrowing rate applied to lease liabilities recognised under HKFRS 16 was 7%.

3. 採納新訂及經修訂香港財務報告準則以及會計政策變動(續)

3.1 於二零一九年七月一日採納的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號(續)

就於首次應用日期已存續之合約，本集團選擇應用香港會計準則第17號及香港(國際財務報告詮釋委員會)–詮釋第4號項下之租賃定義，且對先前並未根據香港會計準則第17號及香港(國際財務報告詮釋委員會)–詮釋第4號定義為租賃的安排並無應用香港財務報告準則第16號。

就於香港財務報告準則第16號首次應用日期(即二零一九年七月一日)已存續之經營租賃，本集團選擇於計量使用權資產時不計初始直接成本。於當日，本集團亦選擇按相等於租賃負債的金額(就於過渡日期存在之任何預付或應計租金予以調整)計量使用權資產。

本集團根據其於緊接首次應用香港財務報告準則第16號日期前所作有關租賃是否繁重的過往評估，而非於首次應用日期對使用權資產進行減值審視。

於過渡期間，就先前按經營租賃入賬處理且剩餘租期低於十二個月之租賃，本集團採取選擇性豁免，不確認使用權資產，而是於剩餘租期內以直線法就租賃開支入賬處理。

於過渡至香港財務報告準則第16號時，根據香港財務報告準則第16號確認之租賃負債適用之加權平均遞增借款年利率為7%。

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3. ADOPTION OF NEW AND AMENDED HKFRSs AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3.1 New and amended HKFRSs adopted as at 1 July 2019 (Continued)

HKFRS 16 (Continued)

The following table reconciles the operating lease commitments as at 30 June 2019 to the opening balance for lease liabilities recognised as at 1 July 2019:

		HK\$'000 千港元
Operating lease commitments as at 30 June 2019 (note 14(b))	於二零一九年六月三十日之經營租賃承擔 (附註14(b))	8,841
Less: commitments relating to leases exempt from capitalisation:	減：與免於資本化的租賃有關的承擔：	
– short-term leases with remaining lease term ending on or before 30 June 2020	– 短期租賃，於剩餘租期在二零二零年六月三十日或之前結束	(6,264)
		2,577
Less: discounted using incremental borrowing rate as at 1 July 2019	減：按二零一九年七月一日的遞增借款利率折現	(210)
Total lease liabilities recognised under HKFRS 16 as at 1 July 2019	於二零一九年七月一日根據香港財務報告準則第16號確認之租賃負債總額	2,367
Classified as:	歸類為：	
Lease liabilities – current	租賃負債 – 流動負債	633
Lease liabilities – non-current	租賃負債 – 非流動負債	1,734
		2,367

3. 採納新訂及經修訂香港財務報告準則以及會計政策變動(續)

3.1 於二零一九年七月一日採納的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號(續)

下表載列於二零一九年六月三十日的經營租賃承擔與於二零一九年七月一日確認的租賃負債之期初結餘對賬：

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3. ADOPTION OF NEW AND AMENDED HKFRSs AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3.1 New and amended HKFRSs adopted as at 1 July 2019 (Continued)

HKFRS 16 (Continued)

The following table summarises the impact of transition to HKFRS 16 on the Group's condensed consolidated statement of financial position as at 1 July 2019:

		HK\$'000 千港元
Increase in right-of-use assets presented in property, plant and equipment	呈列於物業、廠房及設備的使用權資產增加	2,303
Decrease in accruals related to previous operating lease presented in trade and other payables	於貿易及其他應付款項中呈報的有關先前經營租賃的應計款項減少	64
Increase in lease liabilities	租賃負債增加	<u>(2,367)</u>

3.2 Issued but not yet effective HKFRSs

In the current period, the HKICPA has issued a number of new and amended HKFRSs but not yet effective and which have not been adopted in this Interim Financial Report. These developments include the following which may be relevant to the Group.

Amendments to HKFRS 3	Definition of a business ³
Amendments to HKAS 1 and HKAS 8	Definition of material ¹
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ²

- ¹ Effective for annual periods beginning on or after 1 January 2020
- ² Effective date not yet determined
- ³ Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

3. 採納新訂及經修訂香港財務報告準則以及會計政策變動(續)

3.1 於二零一九年七月一日採納的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號(續)

下表概述過渡至香港財務報告準則第16號對本集團於二零一九年七月一日之簡明綜合財務狀況表的影響：

3.2 已發行但尚未生效的香港財務報告準則

於本期間，香港會計師公會已頒佈多項尚未生效之新訂及經修訂香港財務報告準則，並未於本中期財務報告中採納。該等修訂包括以下可能與本集團相關之準則。

香港財務報告準則第3號(修訂本)	業務的定義 ³
香港會計準則第1號及香港會計準則第8號(修訂本)	重大性的定義 ¹
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營公司之間出售或提供資產 ²

- ¹ 於二零二零年一月一日或以後開始之年度期間生效
- ² 尚未釐定生效日期
- ³ 對收購日期於二零二零年一月一日或之後的首個年度期間或之後的業務合併及資產收購生效

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3. ADOPTION OF NEW AND AMENDED HKFRSs AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3.2 Issued but not yet effective HKFRSs (Continued)

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

All of the Group's revenue and operating profit are generated from manufacturing and sale of apparel labels and packaging printing products, net of any trade discounts. Revenue are generally recognised at a point in time when the customers obtain control of the promised goods in the contract. The chief operating decision maker has been identified as the Board of the Company. The Board regards the Group's business of manufacturing and sales of apparel labels and packaging printing products as a whole to make decision about resources allocation and reviews the overall results of the Group. Accordingly, no business segment analysis information is presented.

The amount of revenue recognised is as follows:

	Six months ended 31 December 截至十二月三十一日止六個月	
	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
Sale of apparel labels and packaging printing products	40,108	42,436

3. 採納新訂及經修訂香港財務報告準則以及會計政策變動(續)

3.2 已發行但尚未生效的香港財務報告準則(續)

本集團正評估該等修訂於首次應用期間之預期影響。直到目前為止，採納該等修訂預期不會對本集團綜合財務報表產生重大影響。

4. 收益及分部資料

本集團所有收益及營運溢利來自製造及銷售服裝標籤及包裝印刷產品(扣除任何交易折扣)。收益一般於客戶取得合約承諾商品的控制權時確認。本公司董事會已確認為最高的營運決策者。董事會將本集團製造及銷售服裝標籤及包裝印刷產品業務視為整體經營分部，並審閱本集團整體之業績，以就資源分配作出決策。因此，並無呈報業務分部分析資料。

已確認收益款項如下：

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4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

The following table sets out information about the geographical location of the Group's revenue. The geographical location of revenue is based on the country in which the customer is located.

		Six months ended 31 December 截至十二月三十一日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
Hong Kong (place of domicile)	香港(所屬地)	9,614	10,804
South Korea	南韓	7,308	7,433
Vietnam	越南	5,391	5,467
Taiwan	台灣	4,617	4,667
United States	美國	3,388	3,962
China	中國	2,301	2,106
Macau	澳門	1,978	1,117
Indonesia	印尼	1,576	1,164
El Salvador	薩爾瓦多	1,116	1,035
Others	其他	2,819	4,681
		<u>40,108</u>	<u>42,436</u>

5. OTHER INCOME

		Six months ended 31 December 截至十二月三十一日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
Interest income	利息收入	471	125
Commission income	佣金收入	135	122
Net exchange gain	淨匯兌收益	245	528
Others	其他	15	40
		<u>866</u>	<u>815</u>

4. 收益及分部資料(續)

地區資料

下表列載有關本集團收益的地理位置的資料。收益之所在地區乃以客戶所在國家為基準。

5. 其他收入

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6. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging:

6. 除所得稅前溢利

本集團除所得稅前溢利乃扣除下列各項後達致：

		Six months ended 31 December 截至十二月三十一日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核) (Note) (附註)
(a) Finance costs	(a) 融資成本		
Interest on lease liabilities	租賃負債利息開支	88	–
(b) Other items	(b) 其他項目		
Depreciation:	折舊：		
– owned property, plant and equipment	– 自置物業、廠房及設備	1,750	1,774
– right-of-use assets	– 使用權資產	329	–
Marketing services fee	市場營銷服務費	2,663	2,981
Impairment loss on trade receivables	貿易應收款項的減值虧損	98	11
Impairment loss on other receivables	其他應收款項的減值虧損	450	–
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	1	–
Lease charges:	租賃費用：		
– plant and machinery held under operating leases	– 於經營租賃的廠房及機器	–	433
– premises held under operating leases	– 於經營租賃的物業	–	4,004
– short-term leases and leases with lease term shorter than twelve months as at initial application of HKFRS 16	– 短期租賃及於首次應用香港財務報告準則第16號時租期為十二個月或以下之租賃	4,127	–

Note:

The Group has initially applied HKFRS 16 at 1 July 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註：

本集團於二零一九年七月一日首次應用香港財務報告準則第16號的經修訂追溯法。在這種方法下，比較資料並無予以重列。請參閱附註3。

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7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No.7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

For the six months ended 31 December 2019 and 2018, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying corporation will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%.

Taxation in the condensed consolidated statement of profit or loss and other comprehensive income represents:

7. 所得稅開支

本集團須就本集團成員公司在所在及經營之司法權區產生之利潤按實體方式繳付所得稅。

根據開曼群島及英屬處女群島的規則及規例，本集團毋須於開曼群島及英屬處女群島繳納任何所得稅。

於二零一八年三月二十一日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「條例草案」)，該條例草案引入兩級利得稅率體制。該條例草案於二零一八年三月二十八日獲簽署成為法律，並於翌日於憲報上刊登。

截至二零一九年及二零一八年十二月三十一日止六個月，香港利得稅按兩級利得稅率體制計算。根據兩級利得稅率體制，合資格法團將就首2,000,000港元溢利按8.25%的稅率繳納稅項，並將按16.5%的稅率繳納2,000,000港元以上溢利之稅項。不符合兩級利得稅率體制的企業溢利將繼續按16.5%的稅率納稅。

簡明綜合損益及其他全面收益表之稅項指：

		Six months ended 31 December 截至十二月三十一日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
Current tax – Hong Kong Profits Tax	即期稅項 – 香港利得稅	591	710
Deferred taxation	遞延稅項	(48)	(302)
Total income tax expense	所得稅開支總額	543	408

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8. DIVIDENDS

During the current period, a final dividend of HK5.00 cents (six months ended 31 December 2018: HK5.00 cents) per ordinary share, amounting to HK\$9,200,000 (six months ended 31 December 2018: HK\$9,200,000) in respect of the year ended 30 June 2019 was declared and paid (six months ended 31 December 2018: HK\$9,200,000).

The Directors do not recommend the payment of an interim dividend for the six months ended 31 December 2019 (six months ended 31 December 2018: HK\$Nil).

9. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit attributable to equity owners of the Company of HK\$1,779,000 (six months ended 31 December 2018: HK\$3,019,000) and the weighted average of 184,000,000 (six months ended 31 December 2018: 184,000,000) ordinary shares.

Diluted earnings per share for the six months ended 31 December 2019 and 2018 equate the basic earnings per share as the Group had no potential dilutive ordinary shares in issue during the six months ended 31 December 2019 and 2018.

8. 股息

本年度末期股息為每股普通股5.00港仙(截至二零一八年十二月三十一日止六個月:5.00港仙),合共9,200,000港元(截至二零一八年十二月三十一日止六個月:9,200,000港元)已於本期間宣告並已支付截至二零一九年六月三十日止的款項(截至二零一八年十二月三十一日止六個月:9,200,000港元)。

董事並無建議派付截至二零一九年十二月三十一日止六個月的中期股息(截至二零一八年十二月三十一日止六個月:零港元)。

9. 每股盈利

每股基本及攤薄盈利乃根據本公司權益擁有人應佔之溢利1,779,000港元(截至二零一八年十二月三十一日止六個月:3,019,000港元)及普通股的加權平均數184,000,000股(截至二零一八年十二月三十一日止六個月:184,000,000股)計算。

截至二零一九年及二零一八年十二月三十一日止六個月之每股攤薄盈利等於每股基本盈利,乃由於本集團於截至二零一九年及二零一八年十二月三十一日止六個月內並無已發行具攤薄潛力之普通股。

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10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2019, additions of property, plant and equipment (excluding right-of-use assets) amounted to approximately HK\$3,000 (six months ended 31 December 2018: HK\$402,000). Property, plant and equipment with net book value of approximately HK\$2,000 (six months ended 31 December 2018: HK\$Nil) were disposal of during the six months ended 31 December 2019, resulting in a loss on disposal of approximately HK\$1,000 (six months ended 31 December 2018: HK\$Nil).

The Group has obtained the right-of-use in relation to the machinery through the tenancy agreements. The leases typically run on an initial period of five years. The Group makes fixed payments during the contract period.

During the six months ended 31 December 2019, the Group entered into a modified contract with a lessor to extend the lease for two years and revised the monthly rental. As the modification does not add the right to use one or more underlying assets, it is not accounted for as a separate lease. Accordingly, the Group remeasures the existing lease liabilities including the lease payments for the extended period as well as the revised monthly rental using a revised discount rate. The difference between the carrying amount of the modified lease liability and the lease liability immediately before the modification of HK\$558,000 as an adjustment to the right-of-use assets.

As at 31 December 2019, the carrying amounts of the Group's right-of-use assets in relation to the machinery are HK\$2,532,000 (1 July 2019: HK\$2,303,000).

10. 物業、廠房及設備

截至二零一九年十二月三十一日止六個月，物業、廠房及設備的增加（不包括使用權資產）約為3,000港元（截至二零一八年十二月三十一日止六個月：402,000港元）。在截至二零一九年十二月三十一日的六個月內，物業、廠房及設備帳面總值約2,000港元（截至二零一八年十二月三十一日止六個月：零港元）被出售，導致出售虧損約1,000港元（截至二零一八年十二月三十一日止六個月：零港元）。

本集團已透過租賃協定取得有關機器的使用權。租約的初始期限為五年。集團在合同期內支付固定款項。

在截至二零一九年十二月三十一日的六個月內，集團與出租人簽訂了一份經修訂的合同，將租賃期延長兩年，並修訂了每月租金。由於變更的條款中沒有添加使用一個或多個資產的權利，因此不將其作為單獨的租賃入賬。從而，集團根據經修訂貼現率，重新計量了現有的租賃負債，包括延長期的租賃付款以及經修訂的每月租金。變更後的租賃負債與變更前的租賃負債的賬面值之差為558,000港元，作為對使用權資產的調整。

截至二零一九年十二月三十一日，集團與機器有關的使用權資產的賬面值為2,532,000港元（二零一九年七月一日：2,303,000港元）。

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11. TRADE AND OTHER RECEIVABLES

11. 貿易及其他應收款項

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 30 June 2019 於二零一九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
Trade receivables (note (a))	貿易應收款項 (附註(a))	6,614	5,739
Less: loss allowance	減：虧損撥備	<u>(1,177)</u>	<u>(1,079)</u>
		5,437	4,660
Deposits, prepayments and other receivables	按金、預付款及其他應收款項		
Deposits	按金	5,120	5,000
Prepayments	預付款	2,107	1,788
Other receivables, net of loss allowance	其他應收款項，扣除虧損撥備	<u>221</u>	<u>555</u>
		7,448	7,343
Less: non-current portion	減：非即期部分		
Deposits paid for acquisition of property, plant and equipment (note (b))	購置物業、廠房及設備已付之按金 (附註(b))	<u>(2,770)</u>	<u>(2,680)</u>
Current portion	即期部分	<u>10,115</u>	<u>9,323</u>

(a) Trade receivables

The Group's credit terms granted to customers generally ranged from 0 to 2 months. The Group usually reaches an agreement on the term of each payment with the customer by taking into account of factors such as, among other things, the credit history of the customer, its liquidity position and the Group's working capital needs, which varies on a case-by-case basis that requires the judgement and experience of the management.

(a) 貿易應收款項

本集團通常向客戶提供0至2個月信用期。本集團一般與客戶就各項付款期達成協議，方法包括客戶的信貸記錄、其流動資金狀況及本集團的營運資金需求等因素，其按個別情況而有所不同，並須依靠管理層的判斷及經驗。

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11. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (Continued)

The ageing analysis of trade receivables, based on the invoice date, net of loss allowance, is as follows:

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 30 June 2019 於二零一九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
Within 3 months	3個月內	5,259	4,020
Over 3 months but within 6 months	超過3個月至6個月內	156	556
Over 6 months but within 1 year	超過6個月至1年內	22	65
Over 1 year	超過1年	–	19
		<u>5,437</u>	<u>4,660</u>

(b) Deposits paid for acquisition of property, plant and equipment

As at 31 December 2019 and 30 June 2019, the amount represented deposits paid for acquisition of office equipment. The related capital commitments are set out in note 14(a) to the Interim Financial Report.

12. TRADE AND OTHER PAYABLES

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 30 June 2019 於二零一九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
Trade payables	貿易應付款項	3,462	2,858
Marketing services fee payables	應付市場營銷服務費	542	373
Receipts in advance	預收款項	606	634
Accruals and other payables	應計費用及其他應付款項	4,113	4,156
		<u>8,723</u>	<u>8,021</u>

Payment terms granted by suppliers ranged from 1 to 3 months from the invoice date of the relevant purchases.

11. 貿易及其他應收款項(續)

(a) 貿易應收款項(續)

按發票日期呈列(扣除虧損撥備後)的貿易應收款項的賬齡分析如下:

(b) 購置物業、廠房及設備已付之按金

於二零一九年十二月三十一日及二零一九年六月三十日,該金額為購置辦公室設備而支付的按金。相關資本承擔載於中期財務報告附註14(a)。

12. 貿易及其他應付款項

供應商授予的付款期限為自有關購買發票日期起1至3個月。

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12. TRADE AND OTHER PAYABLES (CONTINUED)

The ageing analysis of trade payables, based on the invoice date, is as follows:

	As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 30 June 2019 於二零一九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
Within 3 months 3個月內	3,462	2,788
Over 3 months but within 6 months 超過3個月至6個月內	–	70
	<u>3,462</u>	<u>2,858</u>

13. LEASE LIABILITIES

The remaining contractual maturities of the Group's lease liabilities at the end of the reporting period are as follows:

	As at 31 December 2019 於二零一九年十二月三十一日	
	Present value of the minimum lease payments 最低租賃 付款的現值 HK\$'000 千港元 (Unaudited) (未經審核)	Total minimum lease payments 最低租賃 付款總額 HK\$'000 千港元 (Unaudited) (未經審核)
Within 1 year 1年內	578	752
After 1 year but within 2 years 1年後及2年內	617	752
After 2 years but within 5 years 2年後及5年內	1,517	1,677
	<u>2,134</u>	<u>2,429</u>
	<u>2,712</u>	<u>3,181</u>
Less: total future interest expenses 減：未來利息支出總額		(469)
Present value of lease liabilities 租賃負債現值		<u>2,712</u>

During the six months ended 31 December 2019, the total cash outflows for the leases are HK\$4,428,000.

12. 貿易及其他應付款項(續)

貿易應付款項按發票日期呈列的賬齡分析如下：

13. 租賃負債

集團在報告期末的租賃負債的剩餘合同期限如下：

截至二零一九年十二月三十一日止六個月內，租賃的現金流出總額為4,428,000港元。

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14. COMMITMENTS

(a) Capital commitments

Capital commitments of the Group outstanding as at 31 December 2019 not provided for are as follows:

	As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 30 June 2019 於二零一九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
Contracted for office equipment	211	301

In November 2018, the Group signed a purchase agreement for an office equipment amounted to HK\$20,000. As at 31 December 2019, a deposit of HK\$250,000 was paid.

於二零一八年十一月，本集團簽訂購置320,000港元的辦公室設備的協議。於二零一九年十二月三十一日，已支付按金250,000港元。

In March 2017, the Group signed a purchase agreement for an office equipment amounted to HK\$1,500,000. As at 31 December 2019, a deposit of HK\$1,359,000 was paid.

於二零一七年三月，本集團簽訂購置1,500,000港元的辦公室設備的協議。於二零一九年十二月三十一日，已支付按金1,359,000港元。

14. 承擔

(a) 資本承擔

於二零一九年十二月三十一日，本集團未計提之資本承擔如下：

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14. COMMITMENTS (CONTINUED)

(b) Lease commitments

At the end of the reporting period, the lease commitments for short-term leases (30 June 2019: total future minimum lease payments payable by the Group under non-cancellable operating leases) are as follows:

	As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 30 June 2019 於二零一九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
Within 1 year 1年內	2,613	7,039
After 1 year but within 5 years 1年後及5年內	–	1,802
	2,613	8,841

As at 31 December 2019, the Group leases a number of properties which are qualified to be accounted for under short-term lease exemption under HKFRS 16.

As at 30 June 2019, the Group leases a number of properties, and items of plant and machinery under operating lease arrangements which run for an initial period of 1 to 5 years, with an option to renew the lease and renegotiate the terms at the expiry date or at dates as mutually agreed between the Group and respective lessors. None of the leases include contingent rentals.

14. 承擔(續)

(b) 租賃承擔

於報告期末，短期租賃的租賃承擔(二零一九年六月三十日：本集團根據不可撤銷的經營租賃應付的未來最低租賃付款總額)如下：

於二零一九年十二月三十一日，集團租賃了若干物業，而這些物業符合香港財務報告準則第16號的短期租賃資格豁免入帳。

於二零一九年六月三十日，本集團根據經營租賃安排租賃若干物業、廠房及機器，租約的初始期限為1至5年，可選擇於到期日或本集團與有關出租方相互協定的日期重續租賃年期及重新談判條款。該等租約概無包括或然租金。

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15. MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related companies

Save as disclosed elsewhere in this Interim Financial Report, during the period, the Group entered into the following material related party transactions with related companies:

Name of company 公司名稱	Relationship 關係	Nature of transaction 交易性質	Six months ended 31 December 截至十二月三十一日止六個月	
			2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
Karwin Corporation Limited 嘉韻有限公司	Controlled by Mr Fung Man Wai Samson ("Mr Samson Fung"), a controlling shareholder who is also a director of the Group 由控股股東馮文偉先生(「馮文偉先生」)(亦為本集團董事)控制	Lease payment (2018: Rental expense) paid for director's quarter (Note) 支付董事宿舍的租賃付款(二零一八年: 租賃費用)(附註)	480	420
Super Champion Limited 偉冠有限公司	Controlled by Mr Fung Man Kam ("Mr David Fung"), a controlling shareholder who is also a director of the Group 由控股股東馮文錦先生(「馮文錦先生」)(亦為本集團董事)控制	Lease payment (2018: Rental expense) paid for director's quarter (Note) 支付董事宿舍的租賃付款(二零一八年: 租賃費用)(附註)	480	420

Note:

The lease payment (2018: rental expense) paid and/or payable for directors' quarters were made at the prices mutually agreed between the Group and the respective related companies.

For the six months ended 31 December 2019 and 2018, the related party transactions above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. However those transactions are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are below the de minimis threshold under Rule 14A.76(1).

15. 重大關聯方交易

(a) 與關聯公司之交易

除本中期財務報告其他地方所披露外，於期內，本集團與關聯公司訂立下列重大關聯方交易：

附註：

支付及／或應付董事宿舍的租賃付款(二零一八年: 租賃費用)均以本集團與各別關聯公司互相協定的價格支付。

截至二零一九年及二零一八年十二月三十一日止六個月，上述關聯方交易構成上市規則第14A章所界定的關連交易或持續關連交易。然而，該等交易獲豁免遵守上市規則第14A章之披露規定，乃由於其低於第14A.76(1)條項下之最低豁免水平。

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15. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management personnel remuneration

Key management personnel remuneration of the Group, including amounts paid to the directors and senior management, is as follows:

		Six months ended 31 December 截至十二月三十一日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
Salaries, allowances and other benefits	薪金、津貼及其他福利	4,260	4,090
Discretionary bonuses	酌情花紅	197	382
Retirement benefit costs – defined contribution plan	退休福利成本 – 界定供款計劃	89	89
		<u>4,546</u>	<u>4,561</u>

16. FAIR VALUES MEASUREMENT OF FINANCIAL INSTRUMENTS

All financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2019 and 30 June 2019 due to their short-term maturities.

17. COMPARATIVE FIGURES

The Group has initially applied HKFRS 16 at 1 July 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 3.

15. 重大關聯方交易(續)

(b) 主要管理人員酬金

本集團主要管理人員酬金，包括支付予董事及高級管理層之款項如下：

16. 金融工具之公平值計量

由於所有按成本或攤銷成本列賬的金融工具將於短期內到期，故於二零一九年十二月三十一日及二零一九年六月三十日的賬面值與其公平值均無重大差別。

17. 比較數字

本集團於二零一九年七月一日首次應用香港財務報告準則第16號的經修訂追溯法。在這種方法下，比較資料並無予以重列。有關會計政策變動的進一步詳情披露於附註3。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The principal business of the Group was mainly manufacturing and sale of apparel labels and packaging printing products to customers which mainly included garment manufacturers and garment related accessories trading. Most of the Group's products sales was ultimately used as labels on or packaging materials for finished garments of the garment brand companies.

Escalated US-Mainland trade tensions and synchronised global economic slowdown remained challenging for the six months ended 31 December 2019. It resulted in a decrease of the revenue of approximately 5.5% for the six months ended 31 December 2019 while comparing with corresponding six months period for 2018. Gross margin slightly increased by approximately 0.3 percentage point to approximately 39.1% for the six months ended 31 December 2019 (six months ended 31 December 2018: 38.8%).

OUTLOOK

The global economy has been in a synchronised slowdown due to the growth momentum of major economies has moderated further. Although US-Mainland trade tensions have eased somewhat of late, there may still be twists and turns in US-Mainland trade relations. Together with and the outbreak of the new coronavirus, it will certainly bring myriad challenges to the global economy in the coming year. With all the unfavourable factors and more prudent and conservative business strategies adopted by the clients, the Group will continue to enhance its sales effort, the quality of its production and its internal controls, and will strive to implement stringent cost controls to cope with the challenging global market conditions.

In order to diversify the Group's business foundation and maximise the interests of the Group and the shareholders, the Group will continue to explore for suitable and appropriate business opportunities.

業務回顧

本集團的主要業務為服裝標籤及包裝印刷產品的製造及銷售，客戶主要包括成衣製造商及服裝相關配件貿易公司。本集團多數銷售產品最終用作成衣品牌公司的服裝標籤或包裝材料。

受美國與內地貿易摩擦升溫和環球經濟同步放緩影響之下，截至二零一九年十二月三十一日止六個月的收益較截至二零一八年同期六個月下降約5.5%。截至二零一九年十二月三十一日止六個月，毛利率輕微上升約0.3個百分點至約39.1%（截至二零一八年十二月三十一日止六個月：38.8%）。

展望

環球經濟已呈現同步放緩的情況，主要經濟體的增長動力進一步減弱。儘管美國與內地貿易摩擦近來見到一些緩和跡象，但中美貿易關係仍可能會出現起伏。再加上新型冠狀病毒的爆發，令全球經濟在未來一年的發展肯定會有多種挑戰。在各種不利因素和客戶採取較審慎和保守的營商策略下，本集團仍將繼續致力加強營銷，提升生產質量，加強內部監控，並致力推行嚴謹的成本控制，以應對充滿挑戰的環球市場狀況。

為了使本集團的業務基礎更多元化，本集團會繼續尋找其他合適的商機，為集團及股東謀取最大利益。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

Our Group generated revenue mainly from the sale of apparel labels and packaging printing products. The Group's revenue decreased by approximately HK\$2.3 million or 5.5% from approximately HK\$42.4 million for the six months ended 31 December 2018 to approximately HK\$40.1 million for the six months 31 December 2019. Such decrease was primarily due to placing orders by customers cautiously in light of the uncertainties of the global economy.

Cost of sales and gross profit

Cost of sales over the total revenue of the Group for the six months ended 31 December 2019 was approximately 60.9%. While comparing with same period for 2018 of 61.2%, there was slight decrease in cost of materials of approximately 0.3 percentage points.

As a result, the gross profit margin for the six months ended 31 December 2019 increased by approximately 0.3 percentage point to approximately 39.1% (six months ended 31 December 2018: 38.8%). The gross profit for the six months ended 31 December 2019 decreased to approximately HK\$15.7 million (six months ended 31 December 2018: HK\$16.5 million).

Other income

Other income mainly comprises commission income, net exchange gain and interest income. Increase in other income for the six months ended 31 December 2019 as compared to corresponding period in 2018 was mainly caused by increase in interest income and commission income.

財務回顧

收益

本集團的收益主要產生自銷售服裝標籤以及包裝印刷產品。本集團的收益由截至二零一八年十二月三十一日止六個月的約42,400,000港元下降約2,300,000港元或5.5%至截至二零一九年十二月三十一日止六個月的約40,100,000港元。該下降主要由於全球經濟不明朗而客戶下單較審慎所致。

銷售成本及毛利

本集團截至二零一九年十二月三十一日止六個月的銷售成本佔總收益百分比約為60.9%。與二零一八年同期的61.2%相比，於物料成本輕微下降約0.3個百分點。

因此，截至二零一九年十二月三十一日止六個月的毛利率上升約0.3個百分點至約39.1%（截至二零一八年十二月三十一日止六個月：38.8%）。截至二零一九年十二月三十一日止六個月的毛利下降至約15,700,000港元（截至二零一八年十二月三十一日止六個月：16,500,000港元）。

其他收入

其他收入主要包括佣金收入、淨匯兌收益及利息收入。截至二零一九年十二月三十一日止六個月的其他收入較截至二零一八年同期增加主要由於來自利息收入及佣金收入增加所致。

Management Discussion and Analysis

管理層討論及分析

Selling expenses

Selling expenses primarily consist of freight charges, transportation and marketing service fee. Selling expenses decreased by approximately HK\$0.3 million to HK\$3.3 million for the six months ended 31 December 2019 as compared to the corresponding period in 2018. Such decrease was mainly caused by decrease of marketing expenses paid for sales and marketing purpose.

Administrative and other operating expenses

Administrative and other operating expenses primarily comprise salaries, office rental, utilities, professional fee, depreciation and other miscellaneous administrative expenses. Administrative and other operating expenses represent approximately 27.1% and 24.2% of the total revenue for the six months ended 31 December 2019 and 2018, respectively. The increase in administrative and other operating expenses was primarily due to more impairment loss on trade and other receivables incurred during the period in 2019.

Profit and total comprehensive income

Profit and total comprehensive income decreased by approximately HK\$1.2 million to approximately HK\$1.8 million for the six months ended 31 December 2019 as compared with the same period in 2018. The decreases in net profit was primarily due to decrease of revenue and gross profit.

Liquidity and Financial Information

As at 31 December 2019, the total amount of cash and cash equivalents of the Group was decreased to approximately HK\$63.3 million, a decrease of approximately HK\$5.7 million compared with that as at 30 June 2019. There was no bank and other borrowings as at 30 June 2019 and 31 December 2019.

The financial resources remained under stringent control with prudently and precisely managed in order to ensure that it maintains sufficient reserves of cash.

銷售開支

銷售開支主要包括運費支出、運輸及市場營銷服務費。截至二零一九年十二月三十一日止六個月的銷售開支較二零一八年同期減少約300,000港元至3,300,000港元。該減少乃主要由於支付以銷售和市場營銷為目的之市場營銷開支減少。

行政及其他經營開支

行政及其他經營開支主要包括薪金、辦公室的租金、公用設施費用、專業費用、折舊及其他雜項行政開支。截至二零一九年及二零一八年十二月三十一日止六個月，行政及其他經營開支分別佔總收益約27.1%及24.2%。行政及其他經營開支增加主要由於二零一九年期間貿易及其他應收款項的減值虧損增加所致。

溢利及全面收益總額

截至二零一九年十二月三十一日止六個月，溢利及全面收益總額較二零一八年同期減少約1,200,000港元至約1,800,000港元。純利減少主要由於收益及毛利減少所致。

流動資金及財務資料

於二零一九年十二月三十一日，本集團現金及現金等價物總額減少至約為63,300,000港元，較二零一九年六月三十日減少約5,700,000港元。於二零一九年六月三十日及二零一九年十二月三十一日，並無銀行及其他借款。

本集團將繼續嚴格管理及審慎監察其財務狀況以確保其保持充裕的現金儲備。

Management Discussion and Analysis

管理層討論及分析

As at 31 December 2019, the current ratio (current assets/current liabilities) was 8.42 times (30 June 2019: 10.38 times) and the quick ratio ((current assets-inventories)/current liabilities) was 7.97 times (30 June 2019: 9.94 times).

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Capital Structure

The capital of the Company comprises ordinary shares and other reserves. The shares of the Company were listed on the Stock Exchange on 18 May 2016. There has been no change in the capital structure of the Company since that date.

Share option

A share option scheme was adopted on 26 April 2016, there was no share options granted during the six months ended 31 December 2019. And there was no outstanding share options granted as at 31 December 2019.

Commitments

The contractual commitments of the Group were primarily related to the leases of its office, factory premises and warehouses and purchase of office equipment. The relevant commitments was shown under note 14 of this report.

Pledge of assets

As at 31 December 2019, the Group had not pledged any assets (30 June 2019: HK\$Nil).

於二零一九年十二月三十一日，流動比率(流動資產／流動負債)為8.42倍(二零一九年六月三十日：10.38倍)及速動比率((流動資產－存貨)／流動負債)為7.97倍(二零一九年六月三十日：9.94倍)。

庫務政策

本集團已對其庫務政策採取審慎的財務管理方針，故在整個期間維持穩健的流動資金狀況。董事會緊密監察本集團的流動資金狀況以確保本集團的資產、負債及其他承擔的流動資金結構以應付其不時的資金需求。

資本架構

本公司資本包括普通股及其他儲備。本公司股份於二零一六年五月十八日在聯交所上市。本公司資本架構自該日起並無變動。

購股權

購股權計劃已於二零一六年四月二十六日獲採納，截至二零一九年十二月三十一日止六個月概無授出購股權，且於二零一九年十二月三十一日概無尚未行使的購股權。

承擔

本集團之合約承擔主要與其辦公室、工廠物業及倉庫租賃以及購買辦公室設備有關。相關承擔載於本報告附註14。

抵押資產

於二零一九年十二月三十一日，本集團並無抵押任何資產(二零一九年六月三十日：零港元)。

Management Discussion and Analysis

管理層討論及分析

Exposure to foreign exchange risk

The Group mainly carries out of its transactions in United States dollars (“USD”) and Hong Kong dollars (“HK\$”) and mainly of its bank balances, trade and other receivables and trade and other payables are denominated in USD and HK\$. As HK\$ is pegged to USD, the management does not expect any significant movements in the USD/HK\$ exchange rate and considers that the Group does not expose to significant currency risk.

The Group does not hedge its foreign currency risks with USD as the rate of exchange between HK\$ and USD is controlled within a tight range. Permanent changes in foreign exchange rates would have an impact on condensed consolidated financial statements. The Management will closely monitor the changes of the rate of exchange and government policies from time to time.

Material contingent liabilities

The Group is not aware of any material contingent liabilities as at 31 December 2019.

USE OF PROCEEDS

The Company’s shares have been listed on the Main Board of the Stock Exchange since 18 May 2016. The receipts of proceeds, net of listing expenses (including underwriting fee), including both recognised in the condensed consolidated statement of profit or loss and other comprehensive income and deducted from the share premium from the Company’s listing were approximately HK\$36,100,000 (the “Net Proceeds”) and as at 31 December 2019, the unutilised balance of net proceeds of HK\$13,900,000.

The Net Proceeds from the Company’s listing have been and will be utilised in accordance with the intended uses as disclosed in the prospectus dated 30 April 2016 (the “Prospectus”) of the Company and subsequent change in use of proceeds announcement issued by the Company dated 20 September 2019 (the “Announcement”). The table below sets out the intended uses and actual application of the net proceeds as at 31 December 2019:

外匯風險

本集團主要以美元(「美元」)及港元(「港元」)進行其交易，其銀行結餘、貿易及其他應收款項及貿易及其他應付款項亦主要以美元及港元計值。由於港元與美元掛鈎，管理層預期美元／港元匯率不會有任何重大變動，故認為本集團並無重大外匯風險。

由於港元兌美元之匯率受控制並維持於窄幅波動，本集團並無就美元對沖其外匯風險。外匯匯率之恆常變動可能對本集團之簡明綜合財務報表構成影響。管理層將不時密切監督外匯匯率及政府政策之變動。

重大或然負債

於二零一九年十二月三十一日，本集團並無知悉任何重大或然負債。

所得款項用途

本公司股份自二零一六年五月十八日起在聯交所主板上市。經扣除已於簡明綜合損益及其他全面收益表內確認及自股份溢價中扣除的上市開支(包括包銷費用)後，自本公司上市所收取之所得款項約為36,100,000港元(「所得款項淨額」)，而於二零一九年十二月三十一日未動用所得款項淨額結餘約為13,900,000港元。

所得款項淨額經已及將會根據本公司日期為二零一六年四月三十日的招股章程(「招股章程」)及本公司於二零一九年九月二十日刊發的隨後更改所得款項用途公告(「公告」)所披露的計劃用途運用。下表載列所得款項淨額的計劃使用及截至二零一九年十二月三十一日止的實際使用情況：

Management Discussion and Analysis

管理層討論及分析

Use of Net Proceeds 所得款項淨額用途		Change of use of proceeds 更改 所得款項 HK\$ million 百萬港元	Actual use of proceeds up to 31 December 2019 於二零一九年 十二月三十一日 已動用所得 款項淨額 HK\$ million 百萬港元	Unused Amount 未動用 所得款項 HK\$ million 百萬港元	Expected time for utilisation 預期動用 時間
Continuous upgrading of our ERP system	持續升級ERP系統	0.1	0.1	-	N/A 不適用
Working capital and general corporate purpose	為營運資金及一般公司用途	5.3	5.3	-	N/A 不適用
Development of potential projects through acquisition or cooperation	透過收購或合作發展潛在項目	13.9	-	13.9	Under evaluation 評估中
Total	總計	19.3	5.4	13.9	

The business objectives, future plans and planned use of proceeds as stated in the Prospectus, the announcement of offer price and allotment results dated 17 May 2016 (the "Allotment Results") and the Announcement were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus, the Allotment Results and the Announcement while the proceeds were applied based on the actual development of the Group's business, the actual situation and the industry. The Directors will constantly evaluate the Group's business objective and may change or modify plans against the changing market condition and technology development to ascertain the business growth of the Group. The Directors will also take a cautious approach continually when considering using the proceeds and closely monitor the changes of the market conditions and technology development from time to time.

The unused Net Proceeds have been placed as bank deposits with a licensed bank in Hong Kong as at the date of this report.

招股章程、根據日期為二零一六年五月十七日的發售價及配發結果公告(「配發結果」)及公告時所述業務目標、未來計劃及所得款項計劃用途乃根據本集團於編製招股章程、配發結果及公告時就未來市況的最佳估計及假設作出，而所得款項乃根據本集團業務、實際狀況及行業的實際發展應用。董事將不斷評估本集團的業務目標並可能針對不斷變化的市場狀況及技術發展更改或修改計劃以確保本集團的業務增長。董事於考慮所得款項用途時將繼續採取審慎策略，並將不時密切監測市況及技術發展的變動。

於本報告日期，未動用所得款項淨額已作為銀行存款存入香港持牌銀行。

Management Discussion and Analysis

管理層討論及分析

EMPLOYEES AND EMOLUMENT POLICIES

As at 31 December 2019, the Group had 84 (30 June 2019: 85) full time management, administrative and operation staff in Hong Kong.

The Group provides competitive remuneration packages with attractive discretionary bonus to employees. The Group regularly reviews its remuneration packages in light of the overall development of the Group as well as the market conditions. In addition, the Group has adopted a share option scheme for eligible employees (including directors) to provide incentives to those with outstanding performance and contribution to the Group.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2019.

僱員及薪酬政策

於二零一九年十二月三十一日，本集團於香港聘用84名(二零一九年六月三十日：85名)全職管理、行政及營運員工。

本集團向僱員提供具競爭力之薪酬組合及具吸引力之酌情花紅，並根據本集團之整體發展及市況定期檢討薪酬組合。此外，本集團已採納購股權計劃，以獎勵表現出色及對本集團作出貢獻之合資格僱員(包括董事)。

中期股息

董事會不建議派付截至二零一九年十二月三十一日止六個月的中期股息。

Additional Information

其他資料

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 31 December 2019, apart from the details as follows, none of the Directors and chief executive has any other interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), as recorded in the register maintained by the Company under Section 352 of the SFO or as notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules.

DIRECTORS’ INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, the interests or short positions of the Directors in the shares, underlying shares and debentures of the Company, its holding company, any of its subsidiaries and other associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, are set out below:

董事及最高行政人員的權益

於二零一九年十二月三十一日，除下文所詳述外，概無董事及最高行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中擁有根據證券及期貨條例第352條須記入本公司存置之登記冊或根據上市規則附錄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」）須知會本公司及香港聯交所之任何其他權益及淡倉。

董事於股份、相關股份及債權證的權益

於二零一九年十二月三十一日，董事於本公司、其控股公司、其任何附屬公司及其他相聯法團（定義見香港法例第571章證券及期貨條例第XV部）的股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部須向本公司及聯交所披露的權益或淡倉（包括根據證券及期貨條例的該等條文被當作或視為擁有的權益或淡倉），或根據證券及期貨條例第352部須存置於當中所述的登記冊的權益或淡倉，或根據標準守則規定的權益或淡倉載於下文：

Additional Information

其他資料

(i) The Company

(i) 本公司

Name of director 董事姓名	Nature of interest 權益性質	Long position/ short position 好倉/淡倉	Number of ordinary shares/underlying shares held 所持普通股/相關 股份的數目	Approximate percentage of shareholding in the Company 佔本公司股權的 概約百分比
Mr Samson Fung 馮文偉先生	Interest of controlled corporation (Note 1) 於受控制公司的權益(附註1)	Long position 好倉	138,000,000	75%
Mr David Fung 馮文錦先生	Interest of controlled corporation (Note 1) 於受控制公司的權益(附註1)	Long position 好倉	138,000,000	75%

Note 1: Mr Samson Fung and Mr David Fung are the beneficial owners of 62% and 38%, respectively, of the issued share capital of HSSP Limited ("HSSP") and are deemed to be interested in the shares in the Company held by HSSP by virtue of Mr Samson Fung and Mr David Fung being entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of HSSP.

附註1：馮文偉先生及馮文錦先生分別為HSSP Limited(「HSSP」)已發行股本62%及38%的實益擁有人及彼等有權行使或控制行使HSSP股東大會表決權三分之一或以上，其被視為擁有HSSP持有的本公司股份權益。

(ii) Associated corporation

(ii) 相聯法團

Name of director 董事姓名	Nature of associated corporation 相聯法團性質	Capacity/nature 身份/性質	Number of shares held/ interested 所持/擁有權益的 股份數目	Percentage of shareholding in 所佔股權百分比
Mr Samson Fung (Note 1) 馮文偉先生(附註1)	HSSP HSSP	Beneficial interest 實益權益	62	62%
Mr David Fung (Note 1) 馮文錦先生(附註1)	HSSP HSSP	Beneficial interest 實益權益	38	38%

Note 1: Mr Samson Fung and Mr David Fung are the beneficial owners of 62% and 38%, respectively, of the issued share capital of HSSP and are deemed to be interested in the shares in the Company held by HSSP by virtue of Mr Samson Fung and Mr David Fung being entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of HSSP.

附註1：馮文偉先生及馮文錦先生分別為HSSP已發行股本62%及38%的實益擁有人及彼等有權行使或控制行使HSSP股東大會表決權三分之一或以上，其被視為擁有HSSP持有的本公司股份權益。

Save as disclosed above, none of the Directors of the Company and/or any of their spouses or children under eighteen years of age had any interests or short positions in any shares, underlying shares and debentures of the Company, or its holding company, any of its subsidiaries and other associated corporations as at 31 December 2019 as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露外，於二零一九年十二月三十一日，本公司董事及/或他們的配偶或18歲以下子女於本公司、其控股公司或其任何附屬公司及其他相聯法團的任何股份、相關股份及債權證中概無擁有根據證券及期貨條例第352條須存置的登記冊所記錄或根據標準守則另行知會本公司及聯交所的任何權益或淡倉。

Additional Information

其他資料

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, all the Directors have confirmed that they have complied with the required standards as set out in the Model Code for the six months ended 31 December 2019.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report ("CG Code") as set out in Appendix 14 to the Listing Rules.

To the knowledge of the Board, the Company had fully complied with the relevant code provisions in the CG Code for the six months ended 31 December 2019 save for the deviation as explained below.

Code provision A.2.1 of the CG Code provides that the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. The Company does not at present separate the roles of the chairman and chief executive officer. Mr Fung Man Wai Samson is the chairman and chief executive officer of the Company. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board further believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high caliber individuals with sufficient number thereof being non-executive Directors and independent non-executive Directors.

董事進行證券交易的標準守則

本公司已採納標準守則，作為董事證券交易有關的行為守則。在向全體董事作出特定查詢後，全體董事確認，截至二零一九年十二月三十一日止六個月，彼等已遵守標準守則所列載的標準規定。

企業管治常規守則

本公司已採納上市規則附錄十四列載的企業管治守則及企業管治報告（「企業管治守則」）所列載的守則條文。

據董事會所知，截至二零一九年十二月三十一日止六個月，本公司已完全遵從企業管治守則的相關守則條文，惟下文所述偏離者則除外。

企業管治守則守則條文第A.2.1條規定，主席和行政總裁角色須分開，不得由同一人擔任。本公司現未將主席與行政總裁角色分開。馮文偉先生為本公司主席及行政總裁。董事會相信將主席與行政總裁角色集於同一人，有確保本集團內一致領導的好處，並可讓本集團實踐更具效率和效益的整體策略規劃。董事會更相信，目前安排的權力及職權平衡不會受到損害，而目前由擁有經驗豐富和能幹成員（其中有足夠數目的非執行董事及獨立非執行董事）組成的董事會亦能確保有足夠的權力制衡。

Additional Information

其他資料

CHANGES SINCE 31 DECEMBER 2019

There was no important event affecting the Group which have occurred since 31 December 2019.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference, which was adopted on 26 April 2016 and amended with effect from 1 January 2019 in compliance with the Code, and currently comprises three independent non-executive directors, namely Dr. LOKE Yu, Ms. FUNG Po Yee and Ms. SUNG Ting Yee. It is principally responsible for reviewing the accounting principles and practices adopted by the Group, as well as discussing and reviewing with management the internal control, systems of risk management, auditing and financial reporting matters of the Group. The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the six months ended 31 December 2019.

The Audit Committee meets regularly with the Company's senior management and the Company's auditor to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management. The Audit Committee has reviewed the Group's financial statements for the six months ended 31 December 2019 and discussed the financial related matters with management and external auditor.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the six months ended 31 December 2019, neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any listed securities of the Company.

二零一九年十二月三十一日後的變動

自二零一九年十二月三十一日後並無對本集團產生影響的重大事件發生。

審核委員會審閱中期業績

本公司成立審核委員會(「審核委員會」)，其書面職權範圍(於二零一六年四月二十六日通過及修定於二零一九年一月一日生效)符合守則之規定，現由三名獨立非執行董事(即陸海林博士、馮寶儀女士及宋婷兒女士)組成。其主要負責審閱本集團採納之會計準則及常規，並與管理層討論及審閱本集團內部監控、風險管理系統、審計及財務申報事宜。審核委員會已審閱截至二零一九年十二月三十一日止六個月之未經審核簡明綜合財務報表。

審核委員會定期與本公司高級管理層及本公司核數師會見，以考慮本公司的財務申報程序、內部監控的有效性、審核程序及風險管理。審核委員會已審閱本集團截至二零一九年十二月三十一日止六個月的財務報表及與管理層及外聘核數師商討財務相關事宜。

購買、出售或贖回本公司之上市證券

於截至二零一九年十二月三十一日止六個月，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

Additional Information

其他資料

PUBLICATION OF INTERIM REPORT

This report will be published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at www.hangsangpress.com. This Interim Report will be despatched to the shareholders and published on the aforesaid websites in due course.

By order of the Board
Hang Sang (Siu Po) International Holding Company Limited

Fung Man Wai Samson
Chairman, Chief Executive Officer and Executive Director
Hong Kong, 21 February 2020

刊發中期報告

本報告將刊登於聯交所網站www.hkex.com.hk及本公司網站www.hangsangpress.com上。本中期報告將寄發予股東並適時於上述網站刊登。

承董事會命
Hang Sang (Siu Po) International Holding Company Limited

主席、行政總裁及執行董事
馮文偉
香港，二零二零年二月二十一日



HANG SANG (SIU PO) INTERNATIONAL HOLDING COMPANY LIMITED