



大同機械企業有限公司
COSMOS MACHINERY ENTERPRISES LIMITED

Stock Code 股份代號: 118

2020

Interim Report

中期報告



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Tang To (*Chairman*)
Wong Yiu Ming (*Executive Vice Chairman*)
Tang Yu, Freeman (*Chief Executive Officer*)
Mei Zheqi

Non-executive Directors

Kan Wai Wah
Qu Jinping

Independent Non-executive Directors

Yeung Shuk Fan
Cheng Tak Yin
Ho Wei Sem
Huang Zhi Wei

Audit Committee

Yeung Shuk Fan (*Chairman*)
Cheng Tak Yin
Ho Wei Sem

Remuneration Committee

Cheng Tak Yin (*Chairman*)
Ho Wei Sem
Tang To
Yeung Shuk Fan

Nomination Committee

Tang To (*Chairman*)
Cheng Tak Yin
Ho Wei Sem
Tang Yu, Freeman
Yeung Shuk Fan

Committee of Executive Directors

Tang To (*Chairman*)
Wong Yiu Ming
Tang Yu, Freeman
Mei Zheqi

AUTHORISED REPRESENTATIVES

Tang To
Tang Yu, Freeman

董事會

執行董事

鄧 燾 (*主席*)
黃耀明 (*執行副主席*)
鄧 愚 (*行政總裁*)
梅哲騏

非執行董事

簡衛華
瞿金平

獨立非執行董事

楊淑芬
鄭達賢
何偉森
黃志煒

審核委員會

楊淑芬 (*主席*)
鄭達賢
何偉森

薪酬委員會

鄭達賢 (*主席*)
何偉森
鄧 燾
楊淑芬

提名委員會

鄧 燾 (*主席*)
鄭達賢
何偉森
鄧 愚
楊淑芬

執行董事委員會

鄧 燾 (*主席*)
黃耀明
鄧 愚
梅哲騏

授權代表

鄧 燾
鄧 愚

COMPANY SECRETARY

Man Wing Yan

AUDITOR

Ting Ho Kwan & Chan

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
BNP Paribas Hong Kong Branch
Nanyang Commercial Bank, Limited
The Hongkong & Shanghai
Banking Corporation Limited

REGISTERED OFFICE

10/F., Billion Plaza 2
No. 10 Cheung Yue Street
Cheung Sha Wan
Kowloon, Hong Kong

SHARE REGISTRAR

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

COMPANY'S WEBSITE

<http://www.cosmel.com>

INVESTORS RELATIONS CONTACT

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Telephone: (852) 2376 6188
Fax: (852) 2375 9626

STOCK CODE

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公司秘書

文穎茵

核數師

丁何關陳會計師行

主要往來銀行

中國銀行(香港)有限公司
法國巴黎銀行香港分行
南洋商業銀行有限公司
香港上海滙豐銀行有限公司

註冊辦事處

香港九龍
長沙灣長裕街10號
億京廣場2期10樓

股份過戶登記處

卓佳秘書商務有限公司
香港皇后大道東183號
合和中心54樓

公司網址

<http://www.cosmel.com>

投資者關係聯絡

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股份代號

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CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
	Notes 附註		
Revenue	4	1,015,273	1,147,312
Cost of sales		(853,483)	(971,023)
Gross profit		161,790	176,289
Other income and gains, net		9,250	36,287
Selling and distribution costs		(67,142)	(85,110)
Administrative expenses		(97,915)	(95,588)
Operating profit		5,983	31,878
Finance costs		(10,815)	(12,390)
Investment income		2,136	2,413
Gain on deregistration of a subsidiary		–	2,662
Share of results of associates		227	1,231
(Loss)/profit before tax	5	(2,469)	25,794
Taxation	6	(6,524)	(7,491)
(Loss)/profit for the period		(8,993)	18,303
(Loss)/profit attributable to:			
– Equity shareholders of the Company		(9,554)	19,800
– Non-controlling interests		561	(1,497)
		(8,993)	18,303
(Loss)/earnings per share			
– Basic	7	(1.11) HK cents 港仙	2.30 HK cents港仙

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收益表

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
(Loss)/profit for the period	本期間(虧損)/溢利	(8,993)	18,303
Other comprehensive (expense)/income, net of tax:	扣除稅項後之其他全面(支出)/收益:		
Items that have been reclassified or may be reclassified subsequently to profit or loss:	已重新分類或其後可重新分類至損益表之項目:		
– Share of other comprehensive expense of associates	– 應佔聯營公司之其他全面支出	(568)	(133)
– Exchange differences arising from translation of financial statements of foreign operations	– 換算海外業務財務報表時產生之滙兌差額	(21,833)	(4,795)
– Release of translation reserve upon disposal of an associate	– 出售一間聯營公司時從滙兌儲備撥出	49	–
– Release of translation reserve upon deregistration of a subsidiary	– 註銷一間附屬公司時從滙兌儲備撥出	–	(2,662)
		(22,352)	(7,590)
Total comprehensive (expense)/income for the period	本期間全面(支出)/收益總額	(31,345)	10,713
Total comprehensive (expense)/income attributable to:	應佔全面(支出)/收益總額:		
– Equity shareholders of the Company	– 本公司股權持有人	(29,539)	12,840
– Non-controlling interests	– 非控股權益	(1,806)	(2,127)
Total comprehensive (expense)/income for the period	本期間全面(支出)/收益總額	(31,345)	10,713

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

			30 June 2020 二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
	<i>Notes</i> 附註			
Non-current Assets		非流動資產		
Property, plant and equipment	8	物業、廠房及設備	565,121	597,417
Right-of-use assets		使用權資產	89,802	99,973
Goodwill		商譽	53,483	53,483
Intangible assets		無形資產	4,380	5,071
Interests in associates		聯營公司權益	31,703	32,809
Financial assets at fair value through other comprehensive income		公平價值計入其他全面 收益之金融資產	-	-
Finance lease receivables	9	應收融資租賃款項	8,670	40,175
Deferred tax assets		遞延稅項資產	29,030	29,577
			782,189	858,505
Current Assets		流動資產		
Inventories		存貨	457,231	434,640
Finance lease receivables	9	應收融資租賃款項	124,058	102,432
Trade and other receivables	10	貿易及其他應收款項	835,499	890,987
Other financial assets	11	其他金融資產	30,987	4,687
Current tax recoverable		本期可收回稅項	1,017	5
Cash and bank balances	12	現金及銀行結餘	345,876	312,633
			1,794,668	1,745,384

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
簡明綜合財務狀況表 (續)

		30 June 2020 二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
		Notes 附註	
Current Liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	13	699,646
Contract liabilities	合約負債		66,202
Amount due to an associate	結欠一間聯營公司款項		149
Bank borrowings	銀行借款		299,843
Lease liabilities	租賃負債		14,052
Current tax payable	本期應付稅項		5,297
			1,105,120
Net Current Assets	淨流動資產		660,195
Total Assets less Current Liabilities	總資產減流動負債		1,471,737
Non-current Liabilities	非流動負債		
Bank borrowings	銀行借款		53,376
Lease liabilities	租賃負債		49,250
Deferred tax liabilities	遞延稅項負債		29,633
			116,641
Net Assets	淨資產		1,355,096

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
 簡明綜合財務狀況表（續）

			30 June 2020 二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Equity	權益			
Capital and reserves attributable to equity shareholders of the Company:	本公司股權持有人應佔資本及儲備：			
Share capital	股本	14	609,027	609,027
Reserves	儲備		533,103	562,642
			1,142,130	1,171,669
Non-controlling Interests	非控股權益		212,966	214,772
Total Equity	權益總值		1,355,096	1,386,441

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

		Attributable to equity shareholders of the Company 本公司股權持有人應佔					Non- controlling interests	Total equity
		Share capital	Other reserves*	Proposed final dividend 建議 末期股息	Retained profits	Total		
		股本 HK\$'000 千港元	其他儲備* HK\$'000 千港元	末期股息 HK\$'000 千港元	保留溢利 HK\$'000 千港元	總額 HK\$'000 千港元	非控股權益 HK\$'000 千港元	權益總值 HK\$'000 千港元
Balance at 1 January 2019	於二零一九年一月一日結餘	609,027	103,188	17,239	454,115	1,183,569	216,716	1,400,285
Profit for the period	本期間溢利	-	-	-	19,800	19,800	(1,497)	18,303
Other comprehensive expense for the period:	本期間其他全面支出:							
Share of other comprehensive expense of associates	應佔聯營公司其他全面支出	-	(133)	-	-	(133)	-	(133)
Exchange differences arising from translation of financial statements of foreign operation	換算海外業務財務報表時產生之 滙兌差額	-	(4,165)	-	-	(4,165)	(630)	(4,795)
Release of translation reserve upon deregistration of a subsidiary	註銷一間附屬公司時 從滙兌儲備撥出	-	(2,662)	-	-	(2,662)	-	(2,662)
Total other comprehensive expense for the period	本期間其他全面支出總額	-	(6,960)	-	-	(6,960)	(630)	(7,590)
Total comprehensive income/(expense) for the period	本期間全面收益/(支出)總額	-	(6,960)	-	19,800	12,840	(2,127)	10,713
Transaction with owners:	與擁所有者之交易:							
Dividends approved in respect of the previous year	過往年度已批准股息	-	-	(17,239)	-	(17,239)	-	(17,239)
Dividends to the non-controlling shareholders	給非控股股東之股息	-	-	-	-	-	(849)	(849)
Balance at 30 June 2019	於二零一九年六月三十日結餘	609,027	96,228	-	473,915	1,179,170	213,740	1,392,910
Balance at 1 January 2020	於二零二零年一月一日結餘	609,027	92,772	-	469,870	1,171,669	214,772	1,386,441
Loss for the period	本期間虧損	-	-	-	(9,554)	(9,554)	561	(8,993)
Other comprehensive (expense)/income for the period:	本期間其他全面(支出)/收益:							
Share of other comprehensive expense of associates	應佔聯營公司其他全面支出	-	(568)	-	-	(568)	-	(568)
Exchange differences arising from translation of financial statements of foreign operation	換算海外業務財務報表時產生之 滙兌差額	-	(19,466)	-	-	(19,466)	(2,367)	(21,833)
Release of translation reserve upon disposal of an associate	出售一間聯營公司時 從滙兌儲備撥出	-	49	-	-	49	-	49
Total other comprehensive expense for the period	本期間其他全面支出總額	-	(19,985)	-	-	(19,985)	(2,367)	(22,352)
Total comprehensive expense for the period	本期間全面支出總額	-	(19,985)	-	(9,554)	(29,539)	(1,806)	(31,345)
Balance at 30 June 2020	於二零二零年六月三十日結餘	609,027	72,787	-	460,316	1,142,130	212,966	1,355,096

* Please refer to Note 15 for details of other reserves.

* 其他儲備之詳情，請參考附註15。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
Net cash inflow from operating activities	經營業務之現金流入淨額	117,704	17,070
Net cash (outflow)/inflow from investing activities	投資活動之現金(流出)/流入淨額	(33,839)	38,795
Net cash outflow from financing activities	融資活動之現金流出淨額	(48,973)	(17,841)
Increase in cash and cash equivalents	現金及現金等值增加	34,892	38,024
Cash and cash equivalents at beginning of the period	本期間初之現金及現金等值	309,731	282,678
Effect of foreign exchange rate changes	外幣匯率變動之影響	(3,126)	(1,632)
Cash and cash equivalents at the end of the period	本期間末之現金及現金等值	341,497	319,070

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

1. GENERAL INFORMATION

The principal activities of the Group are (i) trading of industrial consumables; (ii) manufacturing of plastic processing products; (iii) manufacturing of machinery; and (iv) processing and trading of printed circuit boards.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is located at 10/F., Billion Plaza 2, No. 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong.

The Company has its primary listing on Stock Exchange.

This unaudited condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated. It was approved for issue by the Board on 27 August 2020.

The unaudited condensed consolidated interim financial information has been reviewed by audit committee of the Company.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim financial report has been prepared in accordance with the applicable disclosure provisions of Listing Rules and Hong Kong Accounting Standard (“HKAS”) 34, Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants.

The interim financial statements have been prepared in accordance with the accounting policies which are consistent with those adopted in the Group’s annual consolidated financial statements for the year ended 31 December 2019, except for amendments to HKFRS 16: COVID-19 Related Rent Concessions (as described in Note 3 below). Other amendments to standards and new interpretation that are effective for the first time for this interim period did not have any material impact to the results or financial position of the Group.

1. 一般資料

本集團之主要業務為(i)工業消耗品貿易；(ii)注塑製品及加工；(iii)機械製造；及(iv)印刷線路板加工及貿易。

本公司為一間於香港註冊成立之有限公司，其註冊辦事處地址為香港九龍長沙灣長裕街10號億京廣場2期10樓。

本公司以聯交所為主要上市地點。

除另有指明外，本未經審核簡明綜合中期財務資料以港元呈列，於二零二零年八月二十七日獲董事會批准刊發。

本未經審核簡明綜合中期財務資料已由本公司審核委員會審閱。

2. 編製基準及會計政策

本中期財務報告乃按照上市規則之適用披露條文及香港會計師公會所頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」之規定而編製。

本中期財務報表乃根據本集團截止二零一九年十二月三十一日止年度綜合財務報表採納一致的會計政策而編制。惟採納香港財務報告準則第16號的修訂—新型冠状病毒相關租金寬免除外（如下文附註3所述）。於本中期期間首次生效的其他準則修訂及新詮釋的會計政策對本集團的業績或財務狀況並無任何重大影響。

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

The information in this interim financial report is unaudited and does not constitute statutory financial statements. The financial information relating to the financial year ended 31 December 2019 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2019 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. 編製基準及會計政策(續)

本中期財務報告當中的資料乃未經審核及並不構成法定財務報表。本中期財務報告中載有有關截至二零一九年十二月三十一日止財政年度的財務資料(即比較資料)並不構成本公司於該財政年度的法定年度綜合財務報表,惟乃摘錄自該等財務報表。根據香港公司條例第436條的要求提供該等法定財務報表相關的額外資料如下:

本公司已按照香港公司條例第662(3)條及附表6第3部之規定,向香港公司註冊處長遞交截至二零一九年十二月三十一日止年度之綜合財務報表。

本公司之核數師已就該等綜合財務報表發表報告。該報告並無保留意見;並無提述任何核數師在無提出保留意見下強調須予注意的事項;亦無載有根據香港公司條例第406(2)或第407(2)或(3)條規定之聲明。

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

The following new standard or amendments have been issued but are not effective for the financial year beginning on 1 January 2020 and have not been early adopted by the Group:

HKFRS 17
 香港財務報告準則第17號
 Amendments to HKAS 1
 香港會計準則第1號之修訂
 Amendments to HKFRS 10 and HKAS 28
 香港財務報告準則第10號及
 香港會計準則第28號之修訂

2. 編製基準及會計政策 (續)

下列已頒佈的新準則或修訂，但於二零二零年一月一日開始的財政年度尚未生效，本集團並無提早採納：

	Effective for accounting periods beginning on or after
	於下列日期或 其後開始之 會計期間生效
Insurance Contracts 保險合約	1 January 2021 二零二一年一月一日
Classification of liabilities as current or non-current 負債分類為流動或非流動	1 January 2022 二零二二年一月一日
Sale or contribution of assets between an investor and its associate or joint venture 投資者與其聯營公司或 合營企業之間的資產銷售或注資	To be determined 將予釐定

The Group has already commenced an assessment of the related impact of adopting the above amendments to the Group. The Group is not yet in a position to state whether there would be substantial changes to the Group's accounting policies and presentation of the financial statements.

本集團已開始評估採納上述修訂對本集團之影響。本集團現時仍未能說明會否令本集團之會計政策及財務報表之呈列方式出現重大變動。

3. CHANGE IN ACCOUNTING POLICIES

The amendments to HKFRS16: COVID-19 Related Rent Concessions is issued in June 2020 and is effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including interim or annual financial statements not yet authorised for issue as at 4 June 2020, the date the amendment was issued.

The amendment introduces a new practical expedient for lessees to elect not to assess whether COVID-19 related rent concessions is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of COVID-19 that meets all of the following conditions:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes were not lease modifications. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

During the six months ended 30 June 2020, certain monthly lease payments for the leases of the Group's buildings have been waived by the lessors as a result of the COVID-19 pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the COVID-19 pandemic during the six months ended 30 June 2020. Accordingly, a reduction in the lease payments arising from the rent concessions of approximately HK\$407,000 has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss for the period ended 30 June 2020.

3. 會計政策變動

香港財務報告準則第16號的修訂—新型冠狀病毒病相關租金寬免於二零二零年六月頒佈，並於二零二零年六月一日或之後開始之年度報告期間生效。該修訂獲准提前應用，包括尚未授權於二零二零年六月四日（該修訂頒佈日期）發佈之中期或年度財務報表。

該修訂為承租人引入一項新的權宜方法，其可選擇不評估新型冠狀病毒病相關租金寬免是否為租賃修改。該權宜方法僅適用於直接因新型冠狀病毒而產生且符合以下所有條件的租金寬免：

- 租賃付款變動導致之該租賃之經修訂代價與其緊接變動前之代價大致相同或較少；
- 租賃付款之任何扣減僅影響原訂於二零二一年六月三十日或之前到期之付款；及
- 租賃之其他條款及條件概無實質變動。

倘變動並非租賃修改，應用權宜方法之承租人須按應用香港財務報告準則第16號就變動入賬之相同方式就租金寬免導致之租賃付款變動入賬。寬免或豁免租賃付款乃作為可變租賃付款入賬。相關租賃負債將作調整以反映寬免或豁免之金額，而相應調整乃在事件發生期間於損益確認。

於截至二零二零年六月三十日止期間內，由於COVID-19疫情，出租人免除了本集團樓宇租賃的若干月度租賃付款，且租賃條款並無其他變動。本集團已於二零二零一月一日提早採納該修訂，並選擇不就於截至二零二零年六月三十日止期間出租人因COVID-19疫情而授出的所有租金寬免應用租賃修訂會計處理。因此，由於租金寬免而導致的租賃付款減少約為407,000港元，已通過終止確認部分租賃負債將其作為可變租賃付款入賬並計入截至二零二零年六月三十日止期間的損益。

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

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

Revenue, which is also the Group's turnover, represents the amounts received and receivables for goods sold to customers, less returns and discounts and interest income from finance lease receivables during the period. An analysis of revenue is as follows:

4. 收入及分部報告

(a) 收入

收入，亦即本集團之銷售額，指期間內本集團向集團以外客戶銷售貨品減退貨及折扣後之已收及應收款項及應收融資租賃款項產生之利息收入。本集團之收入分析如下：

		Six months ended 30 June 截止六月三十日止六個月	
		2020 二零二零年 <i>HK\$'000</i> 千港元	2019 二零一九年 <i>HK\$'000</i> 千港元
Revenue	收入		
Sales of goods	產品銷售	1,005,773	1,129,394
Installation services for machinery	機械安裝服務	2,388	1,710
Revenue from contracts with customers	來自客戶合約之收入	1,008,161	1,131,104
Finance lease income	融資租賃收入	7,112	16,208
Total revenue	總收入	1,015,273	1,147,312

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

4. REVENUE AND SEGMENT REPORTING
 (Continued)

(a) Revenue (Continued)

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by significant category of revenue is as follows:

Trading of industrial consumables	工業消耗品貿易
Sales of plastic processing products	注塑製品及加工銷售
Sales of machinery	機械銷售
Sales of printed circuit boards	印刷線路板銷售
Installation services for machinery	機械安裝服務

The timing of revenue recognition of all revenue from contracts with customers is at a point in time when customers obtain control of the goods or services.

4. 收入及分部報告(續)

(a) 收入(續)

收入分類

按主要類別分類的客戶合約收入如下:

Six months ended 30 June
 截止六月三十日止六個月

2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
140,430	158,595
173,821	233,400
367,131	381,560
324,391	355,839
2,388	1,710
1,008,161	1,131,104

所有來自客戶合約收入均於客戶取得貨品或服務控制權的時間點確認。

4. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment Reporting

The Group manages its business by a mixture of both business lines and geographical location. In a manner consistent with the way in which information is reported internally to the Group's top management for the purposes of assessing segment performance and allocating resources between segments, the Group has identified, on a product basis, the following four reportable segments.

- (1) trading of industrial consumables;
- (2) manufacturing of plastic processing products;
- (3) manufacturing of machinery; and
- (4) processing and trading of printed circuit boards.

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's top executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Unallocated items mainly comprise financial and corporate assets and corporate expenses.

4. 收入及分部報告(續)

(b) 分部報告

本集團按其業務及地理位置來管理業務。為使分部資料之呈報方式與提供予集團高級管理層供其評估分部之表現及分配資源內部報告更一致，本集團根據產品基準，已識別以下四項呈報分類。

- (1) 工業消耗品貿易；
- (2) 注塑製品及加工；
- (3) 機械製造；及
- (4) 印刷線路板加工及貿易。

分部業績、資產及負債

在評估分部表現及分配部間資源時，集團的高級行政管理層根據以下基準監控可歸屬每一可滙報分部之業績、資產及負債：

分部收入、支出、業績、資產及負債包括一個分部直接應佔之項目，以及可按合理基準向有關分部分配之項目。例如，分部資產可包括存貨、貿易應收款項及物業、廠房及設備。分部收入、支出、資產及負債在集團內公司間結餘及集團內公司間交易互相對銷（此乃綜合賬目過程之一部份）前釐定，惟倘此等集團內公司間結餘及交易乃在本集團間某單一分部內產生者，則作別論。分部間之定價乃以類似其他外界人士提供之條款為基礎。

未分配項目主要包括金融及企業資產及企業費用。

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

4. REVENUE AND SEGMENT REPORTING
(Continued)

(b) Segment Reporting (Continued)

Segment results, assets and liabilities (Continued)

The segment results for the six months ended 30 June 2020 are as follows:

		Industrial consumables 工業 消耗品 HK\$'000 千港元	Plastic processing products 注塑製品 及加工 HK\$'000 千港元	Machinery 機械 HK\$'000 千港元	Printed circuit boards 印刷 線路板 HK\$'000 千港元	Other operations 其他營運 HK\$'000 千港元	Eliminations 撇銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收入							
External sales	對外銷售	140,430	173,821	369,519	324,391	7,112	-	1,015,273
Inter-segment sales (Note)	分部間銷售(附註)	12,585	129	38	-	30	(12,782)	-
Total revenue	總收入	153,015	173,950	369,557	324,391	7,142	(12,782)	1,015,273
Segment result	分部業績	6,921	9,376	126	3,494	762	-	20,679
Unallocated corporate expenses	未可分配之企業費用							(14,696)
Operating profit	經營溢利							5,983
Finance costs	財務費用							(10,815)
Investment income	投資收入							2,136
Share of results of associates	應佔聯營公司之業績							227
Loss before tax	除稅前虧損							(2,469)

Note:

Inter-segment sales are determined at prevailing market rates.

4. 收入及分部報告(續)

(b) 分部報告(續)

分部業績、資產及負債(續)

截至二零二零年六月三十日止六個月之分部業績如下：

附註：

分部間銷售按現行市場價格釐定。

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

4. REVENUE AND SEGMENT REPORTING
(Continued)

(b) Segment Reporting (Continued)

Segment results, assets and liabilities (Continued)

		Industrial consumables 工業 消耗品 HK\$'000 千港元	Plastic processing products 注塑製品 及加工 HK\$'000 千港元	Machinery 機械 HK\$'000 千港元	Printed circuit boards 印刷 線路板 HK\$'000 千港元	Other operations 其他營運 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
At 30 June 2020	於二零二零年 六月三十日						
ASSETS	資產						
Segment assets	分部資產	231,602	302,633	986,091	525,660	436,069	2,482,055
Interests in associates	聯營公司權益						31,703
Unallocated corporate assets	未可分配之 企業資產						63,099
Consolidated total assets	綜合資產總值						2,576,857
LIABILITIES	負債						
Segment liabilities	分部負債	55,503	88,309	511,817	197,516	927	854,072
Current tax payable	本期應付稅項						6,457
Borrowings	借款						325,424
Unallocated corporate liabilities	未可分配之 企業負債						35,808
Consolidated total liabilities	綜合負債總額						1,221,761

4. 收入及分部報告(續)

(b) 分部報告(續)

分部業績、資產及負債(續)

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

4. REVENUE AND SEGMENT REPORTING
 (Continued)

(b) Segment Reporting (Continued)

Segment results, assets and liabilities (Continued)

The segment results for the six months ended 30 June 2019 are as follows:

		Industrial consumables 工業消耗品 HK\$'000 千港元	Plastic processing products 及加工 HK\$'000 千港元	Machinery 機械 HK\$'000 千港元	Printed circuit boards 印刷線路板 HK\$'000 千港元	Other operations 其他營運 HK\$'000 千港元	Eliminations 撇銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收入							
External sales	對外銷售	158,595	233,400	383,270	355,839	16,208	-	1,147,312
Inter-segment sales (Note)	分部間銷售(附註)	7,120	-	1,089	-	69	(8,278)	-
Total revenue	總收入	165,715	233,400	384,359	355,839	16,277	(8,278)	1,147,312
Segment result	分部業績	1,086	40,626	(9,050)	1,691	11,014	-	45,367
Unallocated corporate expenses	未可分配之企業費用							(13,489)
Operating profit	經營溢利							31,878
Finance costs	財務費用							(12,390)
Investment income	投資收入							2,413
Gain on deregistration of a subsidiary	註銷一間附屬公司之盈利							2,662
Share of results of associates	應佔聯營公司之業績							1,231
Profit before tax	除稅前溢利							25,794

Note:

Inter-segment sales are determined at prevailing market rates.

4. 收入及分部報告(續)

(b) 分部報告(續)

分部業績、資產及負債(續)

截至二零一九年六月三十日止六個月之分部業績如下:

附註:

分部間銷售按現行市場價格釐定。

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

4. REVENUE AND SEGMENT REPORTING
(Continued)

(b) Segment Reporting (Continued)

Segment results, assets and liabilities (Continued)

		Industrial consumables 工業消耗品 HK\$'000 千港元	Plastic processing products 注塑製品及加工 HK\$'000 千港元	Machinery 機械 HK\$'000 千港元	Printed circuit boards 印刷線路板 HK\$'000 千港元	Other operations 其他營運 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
At 31 December 2019	於二零一九年十二月三十一日						
ASSETS	資產						
Segment assets	分部資產	235,248	326,493	931,957	580,582	438,770	2,513,050
Interests in associates	聯營公司權益						32,809
Unallocated corporate assets	未可分配之企業資產						58,030
Consolidated total assets	綜合資產總值						2,603,889
LIABILITIES	負債						
Segment liabilities	分部負債	56,183	107,271	418,077	236,420	7,194	825,145
Current tax payable	本期應付稅項						5,297
Borrowings	借款						353,219
Unallocated corporate liabilities	未可分配之企業負債						33,787
Consolidated total liabilities	綜合負債總額						1,217,448

4. 收入及分部報告 (續)

(b) 分部報告 (續)

分部業績、資產及負債 (續)

Revenue by geographical market
Six months ended 30 June
按地區市場劃分之收入
截至六月三十日止六個月

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Hong Kong	香港	172,703	203,800
Mainland China	中國內地	727,341	764,443
Other Asia-Pacific countries	其他亞太國家	81,732	140,961
North America	北美洲	5,481	4,684
Europe	歐洲	28,016	33,424
		1,015,273	1,147,312

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

5. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived
 at after charging the following:

Depreciation and amortisation on:

- Property, plant and equipment
- Ownership interest in leasehold
 land and buildings held
 for own use
- Other owned assets
- Intangible assets
- Right-of-use assets

Short-term leases payment

除稅前(虧損)/溢利已扣除
 下列各項:

折舊及攤銷:

- 物業、廠房及設備
- 自用租賃土地及樓宇的
 所有權權益
- 其他自置資產
- 無形資產
- 使用權資產

短期租賃租金

5. 除稅前(虧損)/溢利

**Six months ended
 30 June**
 截至六月三十日止六個月

2020	2019
二零二零年	二零一九年
HK\$'000	HK\$'000
千港元	千港元

1,721	1,587
28,775	34,074
691	692
8,375	7,487
589	2,173

6. TAXATION

Hong Kong profits tax
 Overseas taxation

香港利得稅
 海外稅項

6. 稅項

**Six months ended
 30 June**
 截至六月三十日止六個月

2020	2019
二零二零年	二零一九年
HK\$'000	HK\$'000
千港元	千港元

159	101
6,365	7,390
6,524	7,491

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

香港利得稅乃按估計應課稅溢利稅率16.5%(二零一九年:16.5%)撥備。其他地區應課稅溢利之稅項乃根據本集團經營所在司法權區之現行法例、詮釋及慣例計算稅率。

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

7. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per ordinary share is based on the Group's (loss)/profit attributable to equity shareholders of the Company and the weighted average number of ordinary shares in issue during the period.

7. 每股(虧損)/盈利

每股普通股基本(虧損)/盈利乃按本期間本公司股權持有人應佔本集團之(虧損)/溢利及已發行普通股加權平均數計算。

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
Weighted average number of ordinary shares in issue during the period	以加權平均數計算本期間已發行之普通股	861,930,692	861,930,692
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
(Loss)/profit attributable to the equity shareholders of the Company	本公司股權持有人之應佔(虧損)/溢利	(9,554)	19,800
		<i>HK cents</i> 港仙	<i>HK cents</i> 港仙
Basic (loss)/earnings per share	每股基本(虧損)/盈利	(1.11)	2.30

No diluted (loss)/earnings per share is presented as the Company did not have any potential ordinary share outstanding.

由於本公司期內並無任何潛在已發行普通股，因此並無呈列每股攤薄後之(虧損)/盈利。

8. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group has acquired property, plant and equipment amounting to approximately HK\$10,303,000.

8. 物業、廠房及設備

於本期間，本集團添置之物業、廠房及設備約值10,303,000港元。

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

9. FINANCE LEASE RECEIVABLES

9. 應收融資租賃款項

		Minimum lease receipts 最低租賃收入		Present value of minimum lease receipts 最低租賃收入之現值	
		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
Amounts receivable under finance leases:	應收融資租賃款項 金額:				
Not later than one year	一年內	56,183	35,699	45,414	31,428
Later than one year and not later than five years	第二至五年	12,410	44,109	9,997	41,530
		68,593	79,808	55,411	72,958
Less: Unearned finance income	減: 未實現財務收入	(13,182)	(6,850)	N/A 不適用	N/A 不適用
		55,411	72,958	55,411	72,958
Overdue finance lease receivables	逾期應收融資租賃款項	92,036	84,657	92,036	84,657
Present value of minimum lease receipts	最低租賃收入之現有價值	147,447	157,615	147,447	157,615
Less: Allowance for impairment of bad and doubtful debts	減: 呆壞賬減值撥備	(14,719)	(15,008)	(14,719)	(15,008)
		132,728	142,607	132,728	142,607
Less: Current finance lease receivables under current assets	減: 列入流動資產之 應收融資租賃款項			(124,058)	(102,432)
Non-current finance lease receivables	非流動應收融資租賃款項			8,670	40,175

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

10. TRADE AND OTHER RECEIVABLES

The Group grants an average credit period of 90 days to 120 days to its customers.

The aging analysis of trade receivables, based on the invoice date and net of allowance for impairment of bad and doubtful debts, is as follows:

10. 貿易及其他應收款項

本集團給予客戶之平均賬期為90天至120天。

按發票日期並已扣除呆壞賬減值撥備的貿易應收款項賬齡分析如下：

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
0 to 3 months	零至三個月	479,169	534,352
4 to 6 months	四至六個月	78,668	115,156
7 to 9 months	七至九個月	63,257	50,413
Over 9 months	超過九個月	78,318	64,502
Total trade receivables	貿易應收款項總額	699,412	764,423
Other receivables	其他應收款項	97,682	98,567
Prepayments	預付款	38,377	27,646
Amounts due from related parties	應收關連方之款項	28	351
		835,499	890,987

11. OTHER FINANCIAL ASSETS

Other financial assets mainly represent unlisted investments placed with reputable banks in the Mainland China, mainly invested in unlisted treasury bonds, bank debentures, central bank bills and asset-based stocks. There are no fixed or determinable returns of these bank wealth management products and the returns of principals are not guaranteed.

11. 其他金融資產

其他金融資產乃存於中國內地銀行之非上市的投資，主要投資於國債、金融債券、央行票據及以資產支持之證券。該等銀行理財產品並無固定或可釐定之回報及本金回報不受保障。

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

12. CASH AND BANK BALANCES

		30 June 2020	31 December 2019
		二零二零年 六月三十日	二零一九年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Pledged bank deposits	已抵押之銀行存款	4,379	2,902
Cash and cash equivalents	現金及現金等值	341,497	309,731
		345,876	312,633

12. 現金及銀行結餘

13. TRADE AND OTHER PAYABLES

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

		30 June 2020	31 December 2019
		二零二零年 六月三十日	二零一九年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
0 to 3 months	零至三個月	416,444	376,909
4 to 6 months	四至六個月	90,228	108,968
7 to 9 months	七至九個月	31,248	34,792
Over 9 months	超過九個月	27,527	32,372
Total trade payables	貿易應付款項總額	565,447	553,041
Accruals and other payables	應付未付及其他應付款項	132,225	137,005
Amounts due to non-controlling interests	結欠非控股權益之款項	4,800	9,600
Amounts due to related parties	應付關連方之款項	1,135	-
		703,607	699,646

13. 貿易及其他應付款項

按發票日期的貿易應付款項賬齡分析如下：

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

14. SHARE CAPITAL

14. 股本

		Number of ordinary shares 普通股股數	Amount 總額 HK\$'000 千港元
At 1 January 2020 and 30 June 2020	於二零二零年一月一日及 二零二零年六月三十日	861,930,692	609,027

All ordinary shares rank equally with regard to the Company's residual assets.

所有普通股享有同等關於本公司的剩餘資產。

15. OTHER RESERVES

15. 其他儲備

		Property revaluation reserve 物業重估 儲備 HK\$'000 千港元	Translation reserve 匯兌儲備 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Balance at 1 January 2019	於二零一九年一月一日結餘	63,130	39,379	679	103,188
Share of other comprehensive expense of associates	應佔聯營公司其他全面支出	-	(133)	-	(133)
Exchange differences arising from translation of financial statements of foreign operations	換算海外業務財務報表時產生之匯兌差額	-	(4,165)	-	(4,165)
Release of translation reserve upon deregistration of a subsidiary	註銷一間附屬公司時從匯兌儲備撥出	-	(2,662)	-	(2,662)
Balance at 30 June 2019	於二零一九年六月三十日結餘	63,130	32,419	679	96,228
Balance at 1 January 2020	於二零二零年一月一日結餘	77,830	14,263	679	92,772
Share of other comprehensive expense of associates	應佔聯營公司其他全面支出	-	(568)	-	(568)
Exchange differences arising from translation of financial statements of foreign operations	換算海外業務財務報表時產生之匯兌差額	-	(19,466)	-	(19,466)
Release of translation reserve upon disposal of an associate	出售一間聯營公司時從匯兌儲備撥出	-	49	-	49
Balance at 30 June 2020	於二零二零年六月三十日結餘	77,830	(5,722)	679	72,787

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

16. CAPITAL COMMITMENTS

Capital expenditure:
 Contracted but not provided for

資本支出：
 已簽約但未作出撥備

16. 資本承擔

30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
10,408	4,755

17. PLEDGE OF ASSETS

At the end of the reporting period, assets with the following carrying amounts were pledged by the Group to secure general banking facilities:

Ownership interest in leasehold land and buildings held for own use

自用租賃土地及樓宇的所有權權益

Land use rights

土地使用權

Plant and machinery

廠房及機器

Motor vehicles

汽車

Bank deposits

銀行存款

17. 資產抵押

於報告結算日，本集團已將下列以賬面值計算的資產作抵押，以取得給予本集團之一般銀行信貸額：

30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
153,336	156,873
3,183	3,349
5,971	6,460
516	547
4,379	2,902
167,385	170,131

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

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

During the period, the Group had material transactions with the following related parties:

18. 與關連方進行之交易及結餘

本期間內，本集團與下列關連方進行之重大交易如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Associates:	聯營公司：		
EDP charges paid (Note i)	電腦系統維護費用支出 (附註i)	204	2,424
Companies controlled by certain directors and its relatives:	由若干董事及其親屬控制之公司：		
Management fee paid (Note i)	管理費支出(附註i)	498	498

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

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

At the end of the reporting period, the Group has balances with the following related parties:

Non-controlling interests:	非控股權益：
Balances due from the Group (note ii)	本集團結欠之結餘 (附註ii)
Associates:	聯營公司：
Balance due from the Group (note ii)	本集團結欠之結餘 (附註ii)
Balances due to the Group (note ii)	結欠本集團之結餘 (附註ii)

Notes:

- (i) The prices of the transactions were determined by the Directors with reference to market prices for similar transactions with unrelated third parties.
- (ii) The balances are unsecured, interest free and have no fixed terms of repayment.

18. 與關連方進行之交易及結餘 (續)

本集團與下列關連方於報告結算日之結餘：

30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
4,800	9,600
-	149
1,978	2,232

附註：

- (i) 該等交易的價格經董事參考與非關連第三者進行類似交易之市場價格後釐定。
- (ii) 該等結餘為無抵押、免息及無固定還款期。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

RESULTS HIGHLIGHTS

業績摘要

		Six months ended 30 June 截止六月三十日止六個月		
		2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元	Change 變動
Revenue	收入	1,015,273	1,147,312	-11.5%
Gross profit	毛利	161,790	176,289	-8.2%
Operating profit	經營溢利	5,983	31,878	-81.2%
(Loss)/profit for the period	本期間(虧損)/溢利	(8,993)	18,303	-149.1%

		30 June 2020 二零二零年 六月三十日 (Unaudited) (未經審核)	31 December 2019 二零一九年 十月三十一日 (Audited) (經審核)	Change 變動
Net debt to equity ratio	借貸淨額對權益比率	3.0%	8.9%	-5.9 pp 百分點

FINANCIAL RESULTS

Revenue of the Group decreased by 11.5% to approximately HK\$1,015,273,000 (30 June 2019: approximately HK\$1,147,312,000). It was mainly attributable to drop of revenue in several business segments caused by the novel coronavirus (COVID-19) outbreak (the "Pandemic") across the world and the trade frictions between the United States and the PRC during the period.

Gross profit for the period amounted to approximately HK\$161,790,000, with gross profit margin increased from 15.4% for the corresponding period of 2019 to 15.9% for the period. The slightly rise in gross profit margin was resulted from a decrease of labour and production costs in the first half of 2020.

財務業績

本集團之收入下跌11.5%至約為1,015,273,000港元(二零一九年六月三十日:約為1,147,312,000港元)。此乃主要由於本期間新型冠狀病毒(COVID-19)疫情(「疫情」)在全球肆虐,以及受中美貿易摩擦影響,導致本集團部分業務板塊收入下跌。

本期間毛利約為161,790,000港元,毛利率由二零一九年同期的15.4%增加至本期間的15.9%。勞工和生產成本下降導致毛利率於二零二零年上半年輕微上升。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層論述及分析 (續)

The Group recorded a loss of approximately HK\$8,993,000 in the first half of the 2020 (30 June 2019: profit of approximately HK\$18,303,000). Details of each business segment during the period are set out in the Business Review section.

BUSINESS REVIEW

Crucial impact of Coronavirus (COVID-19) Pandemic against the Group

Similar to most companies in the PRC and around the globe, all of our business segments were massively challenged by the Pandemic and its implications. At the early stage of the Pandemic, essentially all of our manufacturing businesses confronted with unprecedented social lockdown measures in the Mainland China. It affected most people movements, heavily disrupted supply chains, caused factory shutdowns, delayed sales and marketing activities, and diverted attention to employee health and safety to protect our staff to ensure a fast and smooth factory reopening.

Our trading businesses although spared from the challenges of managing the reopening of manufacturing operation, they had to promptly adapt to home office arrangements, online communications with customers and suppliers, trying to solve complex logistics issues, and navigate a heavily disrupted supply chain.

All in all, we are proud of all our teams for our achievements of total staff safety, relatively smooth manufacturing plants reopening, quickly adapt to new methods of marketing activities and capturing new opportunities arising from the Pandemic.

Unfortunately, in a global perspective, the Pandemic and economic uncertainties remain unresolved and will continue for some time. Nevertheless, the Group will continue to closely monitor the Pandemic evolution and react proactively to the market situation.

本集團於二零二零年上半年錄得虧損約為8,993,000港元(二零一九年六月三十日:溢利約為18,303,000港元)。有關每個業務板塊在本期間的詳情見本公告「業務回顧」一節。

業務回顧

新型冠狀病毒(COVID-19)疫情肆虐給本集團帶來嚴重衝擊

跟中國和環球企業相若，本集團的業務板塊均受到了疫情帶來巨大的挑戰。在疫情初期，本集團幾乎所有的製造業，均面對著中國內地實施前所未有的社區封鎖措施，該等措施限制了大部份人員的流動，癱瘓了全球的供應鏈，致令工廠停工停產，推延了行銷活動，注意力亦被轉移到保護好員工的健康和安全以利迅速及有序地復工復產。

儘管我們的貿易業務倖免於製造業的復工復產的挑戰，然而他們卻需要及時適應在家辦公的彈性工作安排、與客戶和供應商在線溝通、尋求解決複雜的物流難題以及駕馭已被嚴重破壞的供應鏈。

總而言之，我們對所有管理團隊在確保全體員工的安全、有序地全面復工復產、較快地適應到新模式的行銷活動以及抓住疫情帶來的新機遇等方面的良好表現，感到驕傲和自豪。

但不幸地，在全球的角度，這次疫情還沒有得到全面有效遏制以及經濟環境仍充斥著不確定性，且會持續一段較長時間。儘管如此，本集團將繼續密切關注疫情的發展並積極應對市場狀況。

Machinery Manufacturing Business

The Group's injection molding machine ("IMM") manufacturing business, similar to most machinery manufacturers, experienced traumatic impact from the Pandemic in the PRC. Nevertheless, our teams performed well in managing factory reopening after the Chinese New Year holidays. The automotive and household appliance sectors have yet to stage a recovery during the first half, sales of our large size two-platen machine series were depressed. Conversely, with strong demands from customers in the food and beverage packaging and infrastructure sectors, boosted our sales of smaller sized machines. While overall sales turnover increased slightly compared to same period last year, profit margins were under high pressure as competing manufacturers pushed selling prices low, and supply chain disruptions caused fluctuating prices of various materials and components. Our manufacturing facilities required internal adjustments to adapt to high production volume for small sized machines, which temporarily impacted our production efficiencies and profit margins. The second half of this year remains challenging as the pace of economic rebound is forecasted to be uneven in the Mainland China across different industry sectors, while our export business remains subdued due to overall global economic weakness caused by the Pandemic.

Presently, our orders on hand are relatively healthy. The automotive and household appliance sectors displayed early signs of rebound, which we hope to capture more opportunities for large sized machines. The IMM business continues to improve its cash flow by increasing cooperation with leasing companies and tight control of account receivables. Moreover, our self-developed "iSee" smart industry 4.0 platform continues to attract new customers' adoption and acceptance. We continue to channel resources into this key digitalization platform and research and development to provide exceptional value to our customers.

For the extrusion and rubber injection molding machines manufacturing business, market disruptions caused by the Pandemic were severe. As this business segment positioned to grow export business in recent years, majority of our export orders placed during the period were either delayed or deliveries postponed for various reasons. For the PRC market, supply chains were disrupted in the first quarter, causing delay of machine deliveries. The automotive industry remained weak, which impacted our growth in this key sector. Fortunately, major customers in the electric vehicle sector satisfactorily took delivery of our rubber injection machines.

機械製造業務

本集團注塑機(「注塑機」)製造業務與大部分國內機械製造企業同樣因疫情造成創傷性的衝擊。雖然如此，我團隊春節後復工復產表現理想。於上半年，汽車和家電行業尚未復甦，導致我們大型兩板機系列銷售受到巨大壓力。相反，食品和飲料包裝以及基建行業客戶有強烈的需求，增加了我們小型機系列的銷售。雖然整體銷售額與去年同期相比略有上升，但由於競爭者割價促銷和因供應鏈受創而導致材料和零部件的價格有所波動，最終令利潤率受到較大的壓力。期間，為提高小型機種的產量，生產車間進行了相應的內部調整，過程中曾令生產效率和利潤率受到短暫的影響。預計下半年中國內地經濟復甦步伐仍不會暢順且充滿挑戰，同時由於環球經濟受疫情拖累，估計本集團注塑機出口業務仍不樂觀。

目前，機械業務的在手訂單仍相對健康，汽車和家電行業亦呈反彈的勢頭，相信能為我們的大型機種抓住更多的商機。注塑機業務會繼續加強與租賃公司合作，向客戶提供融資服務，以改善其現金流及嚴格監控應收賬款。同時，我們自行研發之「iSee」數碼智慧工業4.0平台，由於不斷得到新客戶的青睞及認同，我們將繼續投入資源以強化這數碼平台，加強開發旨為客戶帶來更大價值。

至於擠出機及橡膠注射機製造業務，疫情對該等市場造成的打擊非常嚴重。此業務板塊近年立足發展之出口業務，由於不同的原因，在這半年間，大部分出口訂單都出現滯後或貨物的付運被推延。中國經濟今年第一季度供應鏈的斷裂，導致機器推遲交付。汽車行業目前仍然疲弱，影響了我們在這重點行業的業務增長。幸運的是，電動汽車行業的主要客戶對我們交付的橡膠注射機仍屬滿意。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層論述及分析 (續)

As a proactive response to market sentiments during the spread of the Pandemic, this business segment rushed in to capture opportunities in the melt-blown fabric manufacturing solutions for medical grade surgical face mask applications. Demands were unprecedented as market players scrambled to secure supplies for high quality melt-blown fabric for mask production. Furthermore, we refined our designs of extrusion equipment, innovated on automation and auxiliary processes, and marketed our solutions in an agile manner. New orders from melt-blown fabric production lines have helped sustain financial results during this period.

Management teams have responded proactively to confront various challenges. In addition of new product innovations such as the above mentioned melt-blown fabric production lines, the teams implemented quality control measures, refine product designs, fine tune marketing strategies, and improve internal processes. This business continues to focus on innovative high end total solutions for niche market applications for the automotive, telecommunications, and infrastructure industries. Together with management team's fast responding measures, we are hopeful to capture more opportunities as our key customers' activities rebound in coming months.

Plastic Products Processing and Manufacturing Businesses

For our plastic food packaging production plant in Zhuhai, it was relatively moderately impacted by the Pandemic. The factory was one of the earliest to reopen in the region after the Chinese New Year holidays. Sales orders were robust despite severe impact during the worst stages of the Pandemic in the Mainland China. Our team performed admirably when responding to challenges posed by disrupted supplies, logistics, and production bottlenecks, in order to ensure smooth deliveries to our customers. Although key customer orders in the dairy and health supplement sectors displayed uneven growth patterns, some caused by market demand fluctuations while others caused by product re-designs, a relatively stable revenue and profit contribution is likely to continue for this year. The management team continues to devote efforts on new product designs, automation solutions for efficient production, quality control excellence, and novel marketing strategies.

這擠出機製造業務，作為外科口罩主要原材料—熔噴布製造方案的提供者，抓著機遇，在疫情席捲全國，口罩廠商爭相搶購熔噴布以生產口罩，令熔噴布需求量前所未有飆升的情況，為客戶適時提供不同的熔噴布生產方案。此外，我們亦對擠出機設備的設計進行了調整，並在自動化和輔助工藝方面進行改進，在行銷方面亦採用了較靈活和彈性的模式。在這半年間，熔噴布生產線的新訂單有助改善業績。

管理團隊積極應對各種挑戰，除述及的熔噴布生產線外，還實施了質量控制措施、改善產品設計、調整了行銷策略及內部流程。該業務繼續專注於汽車、電信和基建行業的細分市場之應用創新解決方案。結合管理團隊迅速應變的能力，我們希望在未來幾個月內隨著主要客戶業務復甦而取得更多機遇。

注塑製品之加工及製造業務

於珠海之食品塑膠包裝的生產廠房受疫情影響相對不大，為該市內年後較早時間復工復產的企業。儘管在中國內地疫情極其嚴峻期間，訂單仍然強勁。我們團隊在應對因材料供應延期、物流和生產瓶頸時表現出色，確保了順利交貨予客戶。雖然奶製品和保健品行業主要客戶訂單增長幅度不一，部分是由於市場需求波動，而另一部分是由於產品更新所致，但相對穩定的收入和利潤貢獻，相信今年仍能持續。管理團隊將繼續致力於新產品的設計、實現高效生產的自動化解決方案、優質的質量控制以及新穎的行銷策略。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層論述及分析 (續)

The plastic components processing plant for household appliances situated in Hefei faced a number of challenges caused by the Pandemic. The household appliances market, which our plant is focused on serving, saw large drop in sales in the Mainland China amid the Pandemic, and marked drop and delays of sales in the export markets. Profit margins were under pressure from our key customer. The management team responded well on health and safety measures for our workers and factory reopening efforts amidst facing logistical challenges. After factory successfully reopened, our team focused on manufacturing process efficiency improvements and unit cost reduction efforts. The landscape for household appliances in the Mainland China remains challenging with uneven growth and limited growth for profit margins. We will strive on to improve overall liquidity and cash positions to safeguard against worsening market conditions.

The blow molded mannequin production plant in Dongguan was critically impacted by the effects of the Pandemic during the first half year. Prior to the global outbreak, this business obtained a healthy amount of order on hand from reputable global fashion and sporting goods brands, as a result of business development efforts the past couple of years. However, as vast majority of customers are based in Europe, the Pandemic wrecked havoc to our customers' retail businesses in Europe and globally. Deliveries were postponed, our production scaled down to a minimum, and our operation costs were trimmed down significantly reacting to this challenging business environment. While we see early signs from selected customers order deliveries will partially resume in coming months, we believe it will take time for retail businesses to resume in full force, while some customers will inevitably shift their retail store expansion strategies. Cash positions of this company is still manageable considering the adverse effect on large drop in sales turnover. At this time, the Group is still cautiously optimistic on long term outlook of blow molded mannequin display items, as the trend to shift away from glass fibre mannequins will persist, while a number of competitors in blow molded mannequins are experiencing business continuity issues, we stand to capture more market share once the market rebounds from the current depressed levels.

Our investment in multi-colour injection molded gift and premium items business experienced a near total evaporation in sales once the Pandemic hit hard in Europe. Our existing end customers are solely based in Europe. The Pandemic and the ensuing lockdowns in Europe shifted our customers' marketing strategies and consumers' behaviour, which deemed gift and premiums as non-essential consumption, at least in the short term. As a result, the Group decided against further investment of resources into this business, and divestment arrangements are ongoing. Financial impact of divestment to the Group is deemed minimal.

位於合肥主力為家電行業生產塑膠配套件的企業受疫情影響面臨一些挑戰。在疫情肆虐期間，中國內地家電市場的銷量大幅下降，出口銷量明顯下跌又或推遲訂單，因而令來自這些主要客戶的利潤有所減少。儘管在工作安排上遇到一些挑戰，管理團隊都能較好地在應對員工健康和安全的工廠復產，作出恰當的安排。復產後，團隊專注於提高生產效率以及降低單位元成本的製造工藝改造。由於中國內地家電行業仍面臨不少挑戰，導致業務增長不平衡且利潤增長有限。我們會持續改善流動資金以及現金流狀況，以抵禦可能惡化的市場環境。

在上半年，位於東莞之生產和銷售吹塑人體模型展示品的企業，因疫情受到嚴重影響。疫情在全球未爆發時，業務經過多年努力發展，從全球知名時尚服裝和體育用品品牌取得可觀的訂單，遺憾地由於該業務大部分客戶都來自歐洲，而疫情在全球蔓延重創歐洲零售業務，導致訂單要推遲交付。為應對目前困境，我們只能把產能降至最低，降低營運成本。儘管有跡象顯示，個別客戶部分訂單很可能在未來幾個月恢復，但我們認為零售市場需要較長時間才能復甦，部分客戶難免要調整其零售店的擴張策略，影響吹塑人體模型展示品的銷售。銷量大幅減少料將帶來不利影響，儘量如此，目前業務現金流情況來看，流動資金尚算充裕，本集團相信以吹塑取代玻璃纖維人體模型的趨勢仍在，而許多競爭對手因疫情而考慮是否經營時，目前我們對吹塑人體模型展示品的前景仍抱謹慎樂觀態度，並繼續捕捉潛在的機遇，有望獲得更大的市場佔有率。

我們多色注塑禮品贈品業務受疫情在歐洲肆虐的影響下，幾近停頓。皆因這業務現有客戶都在歐洲。歐洲疫情蔓延和隨之而實施的封城與人流管制改變了客戶的行銷策略和消費行為，至少在短期內，禮品都被視為非必需消費品。因此，本集團決定不再進一步在該業務投入資源，且正作撤資的安排，這減損撤資的決定對集團的財政影響極微。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層論述及分析 (續)

Printed Circuit Board (“PCB”) Processing and Trading Businesses

Revenue for the PCB processing business suffered significantly during this period as a result our factory’s shutdown and phased-in reopening at the early stage of the Pandemic control measures. Massive efforts to coordinate staff health and safety were successful albeit it inevitably impacted the operation’s normally high production efficiencies. Customers from European and Japanese automotive sectors and electronic gaming sectors displayed weaker than expected volumes as a result of the Pandemic. Order forecast visibility was unusually low from our European automotive customers as a prolonged slowdown in sales is expected. Important marketing events such as exhibitions were cancelled and had to migrate to online platforms and other means. Overall weak demands caused lower than usual production capacity utilization, which significantly reduced our profit margins.

At the moment, we forecast stable incoming of orders from electronic gaming customers as well as PRC automotive manufacturers. However, a significant turnaround to reach projected growth in a short term is unlikely given the weakness of order volume from European automotive customers. The management teams will focus on market development, production process streamlining, and stringent costs control.

The PCB trading business faced similar impact from the global economic weakness and uncertainties, as well economic activities restrictions and challenges brought by the Pandemic. Since the business serves mainly Japanese reputable manufacturers, our key customers are concentrated in the electronics and automotive sectors. While sales volume decreased slightly in the first half, it is forecast to rebound conservatively in the second half. Cost control measures that took place the last fiscal year produced cost benefits for this year.

After relevant laboratory testing certifications were successfully obtained last year, the company scaled up its PCB testing and quality control services and solutions to serve customers while producing a new revenue stream. The management team will focus its efforts to further broaden our product and services portfolio, refine our sales and marketing processes to target longer term success.

印刷線路板 (「印刷線路板」) 之加工及貿易業務

在這半年間印刷線路板的收入明顯下降，其原因是工廠年後停工停產及因早期受疫情的影響，復工祇能分階段進行，令生產和銷售嚴重受創。疫情肆虐，雖然投入龐大的力量以成功地確保了員工的安全和健康，但卻免不了降低了工廠一貫高效的生產率。來自歐洲和日本汽車，以及電子遊戲行業的客戶亦因疫情而出現比預期更疲軟的跡象。預測銷售長期放緩，對來自歐洲汽車客戶的訂單難以作出較長遠的預測。由於重要的行銷活動，例如展覽會相繼的取消，我們將轉移至網上平台及用其他方式作推廣。由於印刷線路板整體需求疲軟導致產能利用率低於正常水準，增加生產成本的同時，大幅度減低我們的利潤。

目前，我們預測電子遊戲客戶以及中國內地汽車製造商的訂單將會仍然穩定。但是，鑑於歐洲汽車客戶的訂單量仍處於疲軟狀態，短期內業務不大可能顯著地重拾升軌。管理團隊將聚焦於市場開發、優化生產流程和嚴格的成本控制。

印刷線路板貿易業務亦同樣受到因疲弱及不明朗的環球經濟和由疫情帶來對經濟活動的衝擊。業務主要為日本知名製造商提供服務，重點客戶集中於電子和汽車行業。儘管銷售在上半年略有下跌，但預計下半年將會小幅度回升。上一個財政年度採取成本控制措施為本年度帶來了有效的成本收益。

隨著去年成功獲得相關實驗室測試認證後，我們擴大了印刷線路板測試和質量控制服務及解決方案，進一步給客戶提供更多服務，同時增闢了收入來源。管理團隊將集中精力進一步擴大產品和服務組合、優化銷售和行銷流程，期以取得長期成功。

Industrial Consumables Trading Business

The industrial consumables trading business suffered similar market and supply chain disruptions caused by the Pandemic. Travel restrictions and factory shutdowns impacted our sales and distribution at the height of the Pandemic control measures in the PRC. Key customer segments suffered such as elevator manufacturers, automotive, electric vehicle related components, robotics, and export oriented electronics customers.

Meanwhile, medical device and components customer segments saw robust growth as demands grow amid the Pandemic and a result of our long term customer development. Moreover, supply chains were disrupted locally in the Mainland China as suppliers' factory shutdown and logistics issues challenged normal delivery. Import of automation components from a key supplier experienced prolonged delay as their factory in Philippines exercised lockdown, which impacted our growth in the 5G communications customer group. However, customer orders rebounded towards the second quarter as customers increase inventory levels to minimize supply chain issues, and restocking took place as previously delayed projects resume. Looking forward, key customer segments such as automotive, electric vehicles, laser cutting machineries, consumer electronics, are expected to rebound from the weak state in the first half.

As this business implemented restructuring and cost optimization measures near the end of last fiscal year, financial results have improved as expected given the challenging market conditions. The management teams will focus on liquidity and cash flow improvements, as well as investing resources to develop innovative solutions to our customers.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2020, the Group's total outstanding bank borrowings amounted to approximately HK\$325,424,000 (31 December 2019: approximately HK\$353,219,000) which comprised mainly bank loans and trade finance facilities. The bank borrowings repayable within one year and in the second to the fifth year amounted to approximately HK\$280,236,000 and HK\$45,188,000 respectively (31 December 2019: approximately HK\$299,843,000 and HK\$53,376,000 respectively).

工業消耗品之貿易業務

工業消耗品貿易業務亦受疫情衝擊相關產業和供應鏈而受到影響。中國在疫情蔓延的高峰期間實施諸如人群流動限制和停產等疫情防控措施，影響了產品銷售和派送，重點客戶行業例如：生產電梯、汽車、與電動車的有關零件、機器人和依賴電子產品出口的客戶因此而遭受到打擊。

其間，隨著新冠肺炎疫情在全球持續蔓延，令醫療器材和零組件需求急劇上升，加上數年前發展和累積了一些醫療行業的客戶，業務錄得強勁增長。再者，內地工廠延長停工期和物流問題打亂中國內地供應鏈，供應商難以按時供貨，海外的供應商亦因疫情需要停工，故此影響了我們在5G通信客戶群的增長。然而，在第二季度，隨著客戶增加庫存，應對縮短供應鏈周轉時間，而年內暫停的項目也出現訂單復現。展望未來，汽車、電動車、鐳射切割機械、消費電子產品等主要客戶群訂單有望出現反彈。

由於該業務在上一財政年度實施了重組和成本優化措施，儘管大環境仍充斥著很多不明朗因素和挑戰，業績亦按預期有所改善。管理團隊專注於有效地改善流動資金以及現金流，以及投入資源為客戶提供創新的解決方案。

流動資金及財務資源

於二零二零年六月三十日，本集團之未償還銀行借貸總額約為325,424,000港元（二零一九年十二月三十一日：約為353,219,000港元），主要包括銀行貸款及貿易融資信貸。將於一年內到期以及於第二至第五年到期償還之銀行借款金額分別約為280,236,000港元及45,188,000港元（二零一九年十二月三十一日：分別約為299,843,000港元及53,376,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層論述及分析 (續)

After including lease liabilities of approximately HK\$54,776,000 (31 December 2019: approximately HK\$63,302,000) and deducting cash and bank balances of approximately HK\$345,876,000 (31 December 2019: approximately HK\$312,633,000), the Group's net borrowings amounted to approximately HK\$34,324,000 (31 December 2019: approximately HK\$103,888,000). Shareholders' equity as at 30 June 2020 was approximately HK\$1,142,130,000 (31 December 2019: approximately HK\$1,171,669,000).

The net debt to equity ratio (calculated as net borrowings divided by shareholders' equity) decreased to 3.0% as at 30 June 2020 (31 December 2019: 8.9%), attributed to a decrease of bank borrowings and lease liabilities. The overall cash flow position and debt maturity profile of the Group maintained at a healthy level.

The Group's financial statements are presented in Hong Kong dollars. The Group carried out its business transactions mainly in Hong Kong dollars, Renminbi and United States dollars. As the Hong Kong dollar remained pegged to the United States dollar, there was no material exchange risk in this respect. The Group continues to monitor its foreign exchange exposure in Renminbi and enter into forward contracts when necessary. The Group's long-term bank loans were denominated mainly in Hong Kong dollars and carried interest at floating rates. Credit risk was hedged mainly through credit insurance.

CONTINGENT LIABILITIES

As at 30 June 2020, the Group had no material contingent liabilities (31 December 2019: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS

There were no material acquisitions and disposals by the Group during the period.

CAPITAL STRUCTURE

There was no change in the total number of issued shares of the Company during the period. The total number of issued shares of the Company remained at 861,930,692 Shares at 30 June 2020.

連同租賃負債約為54,776,000港元(二零一九年十二月三十一日:約為63,302,000港元)並扣除現金及銀行結餘約為345,876,000港元(二零一九年十二月三十一日:約為312,633,000港元)後,本集團之淨借貸金額約為34,324,000港元(二零一九年十二月三十一日:約為103,888,000港元)。於二零二零年六月三十日之股東權益約為1,142,130,000港元(二零一九年十二月三十一日:約為1,171,669,000港元)。

於二零二零年六月三十日,借貸淨額對權益比率(以淨借貸除以股東權益計算)下降至3.0%(二零一九年十二月三十一日:8.9%),歸因銀行借貸及租賃負債減少。本集團整體之現金流及債務到期狀況仍維持於健康水平。

本集團之財務報表以港元呈列。本集團主要以港元、人民幣及美元進行業務交易。由於港元與美元掛鈎,故此方面並無重大外匯風險。本集團繼續監察來自人民幣之外匯風險,並於需要時透過訂立遠期合約加以調控。本集團之長期銀行貸款均主要以港元計值及以浮動利率計息。信貸風險主要透過信用保險對沖。

或然負債

於二零二零年六月三十日,本集團並無任何重大或然負債(二零一九年十二月三十一日:無)。

重大收購及出售

在本期間,本集團沒有任何重大收購及出售。

資本結構

於本期間,本公司之已發行股份總數目沒有變動,於二零二零年六月三十日已發行股份總數目仍為861,930,692股股份。

EMPLOYEES, REMUNERATION POLICY AND TRAINING SCHEME

As at 30 June 2020, the Group had a total of 2,856 employees located in Hong Kong and Mainland China. The remuneration policy regarding the employees of the Group is based on qualifications, competence and the performance of the employees as well as market trends. Employees' benefits include retirement benefits and medical insurance coverage.

The emoluments of the Directors are decided by the remuneration committee of the Company, having regard to individual performance, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

The Group had also provided training programmes or courses for the mainland staff at all levels from different departments, and also for Directors and employees of the Company so as to further enhance their technical skills in production operation and management, professional skills and knowledge, respectively.

OUTLOOK AND FORECAST

As previously stated, all companies within the Group faced varying challenges as a result of the economic turmoil and social lockdown measures caused by the Pandemic. Like most companies, the challenges we faced were unprecedented. Fortunately, all of our companies responded superbly in efforts to protect all of our staff, and our operations reopening were smooth in general thanks to our total team effort.

As most of our businesses are anchored in the Mainland China and it continues to be our main market, it was encouraging to see the Chinese government implemented effective and coordinated efforts to combat the Pandemic to ensure health and safety of the population, thus allowing the economy to function in a relative healthy manner once the virus was under control.

While a number of key manufacturing sectors displayed visible weakness in the first half, namely the automotive, electrical appliances, consumer electronics, toys, and machineries, we were fortunate to capture opportunities in the food and beverage packaging, medical devices, surgical face masks, and infrastructure sectors. However, our export businesses and customers positioned in export sales, suffered as economies around the world are still experiencing varying degrees of economic weakness and disruptions, and we are not optimistic for a swift turnaround of export related sales.

僱員、薪酬政策及培訓計劃

於二零二零年六月三十日，本集團於香港及中國內地合共有2,856名僱員。本集團僱員的薪酬政策乃按僱員的資格、能力及表現，亦以市場趨勢而釐定。僱員福利包括退休福利及醫療保險。

本公司董事之酬金由本公司薪酬委員會按照個人表現、本集團之業績及盈利狀況，亦以業界指標及當時市場環境而釐訂。

本集團亦分別向國內各部門各級員工及亦向董事及本公司僱員提供培訓計劃或課程，用以提升他們在生產營運上的技術和管理、專業技巧和知識。

展望及前景

上文所述，為了阻止病毒擴散而採取的社會封鎖措施，從而引發經濟動盪，集團都面臨著種種挑戰。像大多數公司一樣，我們面臨的挑戰是前所未有的。欣慰的是，集團的成員公司在確保全體員工健康與安全方面均表現理想，團隊共同努力做到有序地全面復工復產。

我們大部分業務紮根於中國內地，繼續關注和開拓中國內地市場一直是我們發展的方向，令人鼓舞的是，中國政府為遏制疫情採取了有效及高度協調的措施來確保民眾的健康和安全，令本地疫情受控，經濟會能有條件地逐步平穩有序增長。

雖然上半年有許多主要製造業行業，如汽車、電器、消費電子產品、玩具和機械明顯疲軟，但我們有幸地捕捉了食品和飲料包裝、醫療器材、外科手術口罩和基建行業的機遇。然而，由於世界各地的經濟增長都有不同程度的放緩，我們出口業務以及依賴出口銷售的客戶因此而遭受到損失，我們對出口銷售迅速回升並不樂觀。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層論述及分析 (續)

Going forward, the PRC manufacturing sectors should stage a resumption of rebounds and growth as long as the Pandemic remains under control, and Chinese government stimulus and policies should steer growth in consumption, infrastructure projects, 5G telecommunications, and technology advancement. Though the scale and effectiveness of such policies remains uncertain. Our businesses will position ourselves to capture opportunities in automotive, electric vehicles, food and beverage packaging, medical applications, telecommunications, and electronics sectors.

However, in addition to challenges posed the Pandemic, we see increasingly worrying signs of geopolitical hostilities mainly between the Western countries and the PRC. Enterprises not only have to manage implications from trade tariffs, but having to face implications of sanctions and trade restrictions on a country level, which impacts inter-connected global demands and supply chains. The fierce geopolitical and economic posturing and actual sanctions will continue, and it is worrying to witness the adverse impact on capital equipment investments going forward. The Group will strive to position ourselves as well as possible to focus on industrial segments that has long term potential growth within the Mainland China.

Meanwhile, the Group's companies enjoyed a number of government subsidies and savings as given to companies affected by the Pandemic. These subsidies and savings helped cushion the blow to our financial results. Given the previously stated adverse economic backdrop, a sizable positive turnaround of financial results is deemed challenging. In the midst of these challenging times, we shall continue to focus on financial health of our operations to ensure adequate cash flow and necessary costs control measures in order to sustain our businesses and contributions to the bottom line. Meanwhile, selective and necessary investment into research and development, talent recruitment and management will continue.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2020 (30 June 2019: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

展望將來，只要疫情持續受控，中國製造業就可逐步恢復增長，中國政府推出各項刺激消費政策落實到位，將有助基建項目、5G電信和科技行業的發展潛力。儘管該等政策成效仍屬未知之數，但我們準備就緒抓住汽車、電動汽車、食品和飲料包裝、醫療器械、電信和電子產品行業市場上出現的機遇。

但是，除疫情帶來的挑戰外，我們還留意到西方國家與中國之間地緣政治摩擦，情況令人憂慮。企業受貿易關稅帶來的價格衝擊的同時，還要面對制裁和貿易限制對全球相互關聯依靠的供應鏈的衝擊。更令人擔憂的是，這些矛盾料將持續並對企業未來的資本開支帶來負面的影響。本集團將竭力立足及聚焦於中國內地具有長期增長潛力的行業。

其間，集團的各成員公司受惠於由政府對受疫情影響的企業所給予的補貼和政策，這些補貼和政策舒緩了企業業績所遭受的打擊。誠如以上所述，負面的經濟情況，財務業績難以在短期內出現大幅度的好轉。儘管如此，在當前經濟環境極具挑戰的期間，我們將繼續聚焦於各業務的營運的財務狀況，維持充足的現金流和採取必要的控制成本措施，旨在為業績作出貢獻，同時亦將繼續在技術研發，以及人才招聘和管理等方面，投入必要的資源。

中期股息

董事會議決不宣派截至二零二零年六月三十日止六個月之中期股息（二零一九年六月三十日：無）。

購買、出售或贖回上市證券

於本期間，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

SUPPLEMENTARY INFORMATION

補充資料

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, DEBENTURES OR UNDERLYING SHARES UNDER THE SFO

As at 30 June 2020, save for the interests of the Directors in the Shares set out as below, none of the Directors had any interests and short positions in the Shares, debentures or underlying Shares or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was 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 therein or which were required to be disclosed herein pursuant to the Model Code.

Long position in Shares or underlying Shares:

於股份或相關股份之權益好倉：

根據《證券及期貨條例》董事於股份、債權證或相關股份之權益及淡倉

於二零二零年六月三十日，除董事所持有之股份之權益（有關詳情載於下文）外，各董事於本公司或其任何相聯法團（按《證券及期貨條例》第XV部之涵義）之股份、債權證或相關股份中，概無擁有須根據《證券及期貨條例》第XV部第7及8分部知會本公司及聯交所之任何權益及淡倉（包括根據《證券及期貨條例》規定被視作或當作擁有之權益及淡倉），亦無擁有須根據《證券及期貨條例》第352條登記於根據該條例存置或根據標準守則須於本文披露之任何權益及淡倉。

Name of Director	Number of Shares Held				Total number of Shares held	Approximate % of the total number of issued Shares
	Personal Interests	Family Interests	Corporate Interests	Other Interests		
董事姓名	個人權益	家族權益	企業權益	其他權益	持有股份總數目	約佔已發行股份總數目之概約百分比
Tang To 鄧熾	4,970,005	226,000 ⁽¹⁾	445,617,458 ⁽²⁾	-	450,813,463	52.30
Wong Yiu Ming 黃耀明	9,468,000	-	-	-	9,468,000	1.10
Tang Yu, Freeman 鄧愚	-	-	442,157,052 ⁽³⁾	-	442,157,052	51.30
Kan Wai Wah 簡衛華	136,400	-	-	-	136,400	0.02
Cheng Tak Yin 鄭達賢	1,406,000	-	-	-	1,406,000	0.16

SUPPLEMENTARY INFORMATION (CONTINUED)
補充資料 (續)

Notes:

- (1) The 2,000 Shares held by the spouse of Mr. Tang To and 224,000 Shares held by Mr. Tang To and his spouse jointly.
- (2) The 445,617,458 Shares in which Mr. Tang To was deemed to hold interests under the SFO, comprised (i) 3,460,406 Shares held by Ginta Company Limited (incorporated in Hong Kong) which is wholly-owned by Fullwin Limited (incorporated in Republic of Liberia), which in turn is owned as to 50% by Mr. Tang To and 50% by his spouse respectively; (ii) 405,907,052 Shares held by Codo through its wholly-owned subsidiaries, Tai Shing, Hung Cheong and Cosmos Holdings; and (iii) 36,250,000 Shares held by Saniwell (as the trustee of The Saniwell Trust, the beneficiaries of which include Mr. Tang To and certain of his family members) which in turn is owned as to 57.14% by Mr. Tang To.
- (3) The 442,157,052 Shares in which Mr. Tang Yu, Freeman was deemed to hold interests under the SFO, comprised (i) 405,907,052 Shares held by Codo through its wholly-owned subsidiaries, Tai Shing, Hung Cheong and Cosmos Holdings; and (ii) 36,250,000 Shares held by Saniwell which in turn is owned as to 42.86% by Mr. Tang Yu, Freeman.

Other than the holdings disclosed above, none of the Directors and their associates had any interests or short positions in any Shares, debentures or underlying Shares or any of the Company's associated corporations at 30 June 2020.

附註:

- (1) 該2,000股股份由鄧熹先生之配偶持有，而該224,000股股份由鄧熹先生及其配偶共同持有。
- (2) 根據《證券及期貨條例》，鄧熹先生被視為擁有445,617,458股股份之權益，包括：
(i) 3,460,406股股份由堅達有限公司（於香港註冊成立）持有，其為由Fullwin Limited（於利比里亞共和國註冊成立）全資持有，而Fullwin Limited由鄧熹先生及其配偶各擁有50%權益；
(ii) 405,907,052股股份由高度透過其全資附屬公司Tai Shing、Hung Cheong及大同控股持有；及
(iii) 36,250,000股股份由Saniwell（其為The Saniwell Trust之受託人，而其受益人包括鄧熹先生及其若干家屬成員）持有，而其為由鄧熹先生擁有57.14%權益。
- (3) 根據《證券及期貨條例》，鄧愚先生被視為擁有442,157,052股股份之權益，包括：
(i) 405,907,052股股份由高度透過其全資附屬公司Tai Shing、Hung Cheong及大同控股持有；及
(ii) 36,250,000股股份由Saniwell持有，而其為由鄧愚先生擁有42.86%權益。

除以上披露之股權外，於二零二零年六月三十日並無董事及其聯繫人擁有本公司或其任何相聯法團之任何股份、債權證或相關股份之權益或淡倉。

SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES UNDER THE SFO

根據《證券及期貨條例》股東於股份或相關股份之權益及淡倉

As at 30 June 2020, so far was known to the Directors, the following parties had an interest or long position or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required pursuant to section 336 of the SFO, to be entered in the register referred therein:

於二零二零年六月三十日，就董事所知，下列人士於本公司股份及相關股份中須擁有根據《證券及期貨條例》第XV部第2及3分部規定予以披露之權益或淡倉，或擁有須根據《證券及期貨條例》第336條登記於根據該條例存置之權益好倉或淡倉：

Long position in shares or underlying shares:

於股份或相關股份之權益好倉：

Name of Shareholder 股東姓名	Capacity in which interests are held 持有權益之身份	Number of Shares Held 持有股份數目			Approximate % of the total number of issued Shares 約佔已發行股份總數目之概約百分比
		Direct Interests 直接權益	Deemed Interests 被當作持有之權益	Total number of shares held 持有股份總數目	
Tai Shing	Beneficial owner 實益擁有人	170,104,452	-	170,104,452	19.74
Cosmos Holdings 大同控股	Beneficial owner and interest of controlled corporations 實益擁有人及受控法團之權益	235,802,600	170,104,452 ⁽¹⁾	405,907,052	47.09
Codo 高度	Interest of controlled corporations 受控法團之權益	-	405,907,052 ⁽²⁾	405,907,052	47.09
Law Kit Fong 羅潔芳	Interest of controlled corporations 受控制法團之權益	-	405,907,052 ⁽³⁾	405,907,052	47.09
Saniwell	Beneficial owner and interest of controlled corporations 實益擁有人及受控法團之權益	36,250,000	405,907,052 ⁽⁴⁾	442,157,052	51.30
China Resources (Holdings) Company Limited 華潤(集團)有限公司	Beneficial owner 實益擁有人	169,649,046	-	169,649,046	19.68
CRC Bluesky Limited	Interest of controlled corporations 受控法團之權益	-	169,649,046 ⁽⁵⁾	169,649,046	19.68
China Resources Co., Limited 華潤股份有限公司	Interest of controlled corporations 受控法團之權益	-	169,649,046 ⁽⁶⁾	169,649,046	19.68

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料 (續)

Notes:

1. Tai Shing is wholly-owned by Hung Cheong, which is a wholly-owned subsidiary of Cosmos Holdings. By virtue of the SFO, Cosmos Holdings is deemed to be interested in the 170,104,452 Shares held by Tai Shing.
2. Cosmos Holdings is a wholly-owned subsidiary of Codo. By virtue of the SFO, Codo is deemed to be interested in the 405,907,052 Shares held by Cosmos Holdings.
3. Codo is held as to (i) 8.37% by Elegant Power Enterprises Limited (incorporated in Hong Kong) ("Elegant Power"); and (ii) 30.25% by Friendchain Investments Limited (incorporated in Hong Kong) ("Friendchain"), which is in turn held as to 40% by Elegant Power. Elegant Power is wholly-owned by Ms. Law Kit Fong. By virtue of the SFO, Ms. Law Kit Fong is deemed to be interested in the 405,907,052 Shares held by Codo.
4. Codo is held as to (i) 25.06% by Keepsound Investments Limited (incorporated in Hong Kong), which is in turn held as to 94% by Saniwell; and (ii) 30.25% by Friendchain, which is in turn held as to 57.42% by Saniwell. By virtue of the SFO, Saniwell is deemed to be interested in the 405,907,052 Shares held by Codo.
5. By virtue of the SFO, CRC Bluesky Limited (incorporated in British Virgin Islands) is deemed to be interested in the 169,649,046 Shares held by China Resources (Holdings) Company Limited (incorporated in Hong Kong), which is a wholly-owned subsidiary of CRC Bluesky Limited.
6. By virtue of the SFO, China Resources Co., Limited (incorporated in the PRC) is deemed to be interested in the 169,649,046 Shares held by CRC Bluesky Limited, which is a wholly-owned subsidiary of China Resources Co., Limited.

Save as disclosed above, as at 30 June 2020, the Directors are not aware of any other persons who have interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would be required to be disclosed to the Company and the Stock Exchange pursuant to Part XV of the SFO.

附註:

- (1) Tai Shing由Hung Cheong全資持有，而Hung Cheong為大同控股的全資附屬公司。根據《證券及期貨條例》，大同控股被視為於Tai Shing所持有之170,104,452股股份中擁有權益。
- (2) 大同控股為高度的全資附屬公司。根據《證券及期貨條例》，高度被視為於大同控股所持有之405,907,052股股份中擁有權益。
- (3) 高度由(i)豪力企業有限公司(於香港註冊成立)(「豪力」)持有8.37%權益；及(ii)友昌投資有限公司(於香港註冊成立)(「友昌」)持有30.25%權益，而其為由豪力持有40%權益，豪力由羅潔芳女士全資擁有。根據《證券及期貨條例》，羅潔芳女士被視為於高度所持有之405,907,052股股份中擁有權益。
- (4) 高度由(i)協生投資有限公司(於香港註冊成立)持有25.06%權益，而其為由Saniwell持有94%權益；及(ii)友昌持有30.25%權益，而其為由Saniwell持有57.42%權益。根據《證券及期貨條例》，Saniwell被視為於高度所持有之405,907,052股股份中擁有權益。
- (5) 由於華潤(集團)有限公司(於香港註冊成立)為CRC Bluesky Limited(於英屬處女群島註冊成立)之全資附屬公司，故根據《證券及期貨條例》，CRC Bluesky Limited被視為於華潤(集團)有限公司所持有之169,649,046股股份中擁有權益。
- (6) 由於CRC Bluesky Limited為華潤股份有限公司(於中國註冊成立)之全資附屬公司，故根據《證券及期貨條例》，華潤股份有限公司被視為於CRC Bluesky Limited所持有之169,649,046股股份中擁有權益。

除上述披露外，於二零二零年六月三十日，就各董事知悉，概無任何其他人士於本公司或其相聯法團(定義見《證券及期貨條例》第XV部)之股份、相關股份或債權證中擁有根據《證券及期貨條例》第XV部須向本公司及聯交所披露之權益或淡倉。

DISCLOSURE OF INFORMATION ON DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information on Director is as follows:

Mr. Wong Yiu Ming ceased to be a director of Suzhou Sanguang Science and Technology Co., Ltd., a company listed on the National Equities Exchange and Quotations with effect from 6 July 2020.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the CMEL Code on terms no less exacting than Model Code. The Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code and CMEL Code during the period under review.

CORPORATE GOVERNANCE CODE

The Board is committed to practicing and maintaining a high standard of corporate governance for the enhancement of Shareholders' value and safeguarding interests of Shareholders and other stakeholders.

In the opinion of the Board, the Company has complied with the code provisions of the Corporate Governance Code throughout the six months ended 30 June 2020, except for the following deviation:

Deviation from code provision A.6.7 of the Corporate Governance Code

The code provision A.6.7 of the Corporate Governance Code stipulates that independent non-executive directors and non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Qu Jinping, non-executive Director, and Mr. Ho Wei Sem and Mr. Huang Zhi Wei, both independent non-executive Directors, had other business engagements; while Mr. Kan Wai Wah, non-executive Director, stayed in overseas due to the implementation of the travel restriction and quarantine requirements among overseas and Hong Kong resulted from the outbreak of COVID-19. They were unable to attend the annual general meeting of the Company held on 12 June 2020. However, the Company considered that the presence of the chairman of each of nomination committee, remuneration committee and audit committee, and other executive directors at the said meeting was sufficient for addressing the queries from shareholders.

董事資料披露

根據上市規則第13.51B(1)條，董事資料變動如下：

黃耀明先生自二零二零年七月六日起不再擔任蘇州三光科技股份有限公司之董事，一間於全國中小企業股份轉讓系統上市之公司。

遵守標準守則

本公司已採納大同企業守則，而大同企業守則不比標準守則所訂明的要求寬鬆。經本公司特定查詢後，董事已確認彼等於本期間回顧內一直遵守標準守則及大同企業守則所定的標準。

企業管治守則

董事會致力實行及維持高水準之企業管治以提升股東價值及維護股東及其他持份者的權益。

董事會認為，截至二零二零年六月三十日止六個月內，本公司一直遵守《企業管治守則》的守則條文，惟有以下偏離：

偏離《企業管治守則》之守則條文A.6.7條

按照《企業管治守則》之守則條文A.6.7條規定，獨立非執行董事及非執行董事應出席股東大會，以對公司股東的意見有全面、公正的了解。非執行董事瞿金平先生，以及兩位獨立非執行董事何偉森先生和黃志煒先生因有其他公務；而非執行董事簡衛華先生身處海外，但受新冠肺炎疫情爆發影響，海外及香港均實施旅行限制及隔離措施，彼等均未能出席本公司於二零二零年六月十二日舉行之股東周年大會。然而，本公司認為提名委員會、薪酬委員會和審核委員會主席，以及其他執行董事已出席了該會議，足以回答股東的提問。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料 (續)

AUDIT COMMITTEE

The Company's audit committee comprises of three independent non-executive Directors, namely Ms. Yeung Shuk Fan, Mr. Cheng Tak Yin and Mr. Ho Wei Sum. Ms. Yeung acts as the chairman of the audit committee. The audit committee was established with specific written terms of reference.

During the meetings of the audit committee for the period under review, the audit committee members, amongst other things, had reviewed the accounting principles and practices adopted by the Group, and discussed the financial information matters related to the preparation of the unaudited condensed consolidated financial information for the six months ended 30 June 2020. In summary, the audit committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2020.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The Company's interim results announcement and interim report were published on the Company's website at www.cosmel.com and the website of Stock Exchange at www.hkexnews.hk.

By order of the Board
TANG To
Chairman

Hong Kong, 27 August 2020

審核委員會

本公司審核委員會包括三名獨立非執行董事，成員為楊淑芬女士、鄭達賢先生和何偉森先生。楊女士為審核委員會之主席。審核委員會之成立設有職權範圍。

於本回顧期間，審核委員會成員已於審核委員會會議上（其中包括）檢討本集團採取之會計原則和慣例，以及討論有關編制截至二零二零年六月三十日止六個月之未經審核簡明綜合財務資料事項。總括，審核委員會已審閱本集團截至二零二零年六月三十日止六個月之未經審核中期業績。

中期業績公告及中期報告的公佈

本公司的中期業績公告及中期報告登載於本公司網站www.cosmel.com及聯交所網站www.hkexnews.hk。

承董事會命
主席
鄧燾

香港，二零二零年八月二十七日

GLOSSARY

詞彙

In this report, unless the context otherwise specifies, the following expressions have the following meanings:
於本報告內，除文義另有所指外，下列詞彙具有以下涵義：

“Board” 「董事會」	the board of Directors of the Company 本公司董事會
“CMEL Code” 「大同企業守則」	Model Code for Securities Transactions by Directors and Relevant Employees of Cosmos Machinery Enterprises Limited, revised from time to time thereafter 大同機械企業有限公司董事及相關僱員進行證券交易的標準守則（隨後不時修訂）
“Codo” 「高度」	Codo Development Limited, a company incorporated in Hong Kong with limited liability, a substantial Shareholder (as defined under the SFO) 高度發展有限公司，一間於香港註冊成立之有限公司，一名主要股東（根據《證券及期貨條例》定義）
“Company” 「本公司」	Cosmos Machinery Enterprises Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 118) 大同機械企業有限公司，於香港註冊成立之有限公司及其股份在聯交所主板上市（股份代號：118）
“Corporate Governance Code” 「《企業管治守則》」	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules 上市規則附錄十四所載之《企業管治守則》
“Cosmos Holdings” 「大同控股」	Cosmos Machinery (Holdings) Limited, a company incorporated in Hong Kong with limited liability, a controlling Shareholder (as defined under the Listing Rules) 大同機械（控股）有限公司，於香港註冊成立之有限公司，一名控股股東（根據上市規則定義）
“Director(s)” 「董事」	the director(s) of the Company 本公司董事
“Group” 「本集團」	the Company and its subsidiaries 本公司及其附屬公司
“HK\$” or “HKD” 「港元」	Hong Kong dollars, the lawful currency of Hong Kong 港元，香港法定貨幣
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“Hung Cheong” 「Hung Cheong」	Hung Cheong Realty Limited, a company incorporated in British Virgin Islands with limited liability, a wholly-owned subsidiary of Cosmos Holdings Hung Cheong Realty Limited，一間於英屬處女群島註冊成立之有限公司，大同控股之全資附屬公司

GLOSSARY (CONTINUED)
詞彙 (續)

“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
“Mainland China” or “PRC” 「中國內地」或「中國」	The People’s Republic of China, which for the purpose of this report shall exclude Hong Kong, Macau and Taiwan 中華人民共和國·就本報告而言·不包括香港、澳門及台灣
“Model Code” 「標準守則」	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules 上市規則附錄十所載之《上市公司董事進行證券交易的標準守則》
“Saniwell” 「Saniwell」	Saniwell Holding Inc., a company incorporated in Cook Islands with limited liability Saniwell Holding Inc.·於庫克群島註冊成立之有限公司
“SFO” 「《證券及期貨條例》」	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 香港法例第571章證券及期貨條例
“Share(s)” 「股份」	ordinary share(s) of the Company 本公司之普通股
“Shareholder(s)” 「股東」	the holder(s) of the Share(s) of the Company 本公司股份持有人
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Tai Shing” 「Tai Shing」	Tai Shing Agencies Limited, a company incorporated in British Virgin Islands with limited liability, a substantial Shareholder (as defined under the SFO) Tai Shing Agencies Limited·一間於英屬處女群島註冊成立之有限公司·一名主要股東(根據《證券及期貨條例》定義)
“%” 「%」	per cent 百分比

