



INTERIM REPORT

中期報告

19/20

NHH

Ngai Hing Hong Company Limited
毅興行有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 1047)

CONTENTS

目錄

Condensed Consolidated Income Statement 簡明綜合收益表	2-3
Condensed Consolidated Statement of Comprehensive Income 簡明綜合合併收益表	4
Condensed Consolidated Balance Sheet 簡明綜合資產負債表	5-7
Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表	8-9
Condensed Consolidated Statement of Cash Flows 簡明綜合現金流量表	10-11
Notes to the Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註	12-46
Interim Dividend 中期股息	47
Management Discussion and Analysis 管理層討論及分析	47-50
Liquidity and Financial Resources 流動資金及財務資源	51
Foreign Exchange Risk 外匯風險	51
Employee Information 僱員資料	52
Purchase, Sale and Redemption of the Company's Listed Securities 購買、出售及贖回本公司之上市證券	52
Share Options 購股權	52
Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation 董事及最高行政人員於本公司或其任何相聯法團股份、 相關股份及債券之權益及淡倉	53-56
Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company 主要股東於本公司股份及相關股份之權益及淡倉	56
Compliance with the Model Code for Securities Transactions by Directors 遵守董事進行證券交易之標準守則	57
Corporate Governance Practice 企業管治常規	57-58
Nomination Committee 提名委員會	58
Audit Committee 審核委員會	59
Remuneration Committee 薪酬委員會	59
Corporate Governance Committee 企業管治委員會	60

Ngai Hing Hong Company Limited

毅興行有限公司

The Board of Directors (the "Board") of Ngai Hing Hong Company Limited (the "Company") presents the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (the "Group") for the six months ended 31st December 2019 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2019

毅興行有限公司(「本公司」)之董事會(「董事會」)宣佈，本公司及其附屬公司(「本集團」)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中期財務資料如下：

簡明綜合收益表

截至二零一九年十二月三十一日止六個月

			Unaudited 未經審核	
			Six months ended 31st December 截至十二月三十一日止六個月	
			2019	2018
			HK\$'000	HK\$'000
			千港元	千港元
		Note 附註		
Revenue from contracts with customers	客戶合約之收入	6	906,580	1,024,235
Cost of sales	銷售成本		(801,817)	(916,476)
Gross profit	毛利		104,763	107,759
Rental income	租金收入		3,986	3,701
Other gains, net	其他收益－淨額	7	568	3,185
Distribution costs	分銷成本		(37,864)	(39,859)
Administrative expenses	行政支出		(54,906)	(56,707)
Operating profit	經營溢利	8	16,547	18,079
Finance income	財務收益	9	469	111
Finance costs	財務費用	9	(9,659)	(10,762)
Finance costs, net	財務費用－淨額		(9,190)	(10,651)
Profit before income tax	除稅前溢利		7,357	7,428
Income tax expense	稅項支出	10	(4,478)	(4,088)
Profit for the period	本期溢利		2,879	3,340

CONDENSED CONSOLIDATED INCOME STATEMENT (Continued)

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2019

簡明綜合收益表(續)

截至二零一九年十二月三十一日止六個月

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
		Note	
		附註	
Attributable to:	以下人士應佔：		
Equity holders of the Company	公司股東		
		587	1,878
Non-controlling interests	非控制權益	2,292	1,462
		2,879	3,340
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in HK cent per share)	本期公司股東應佔 溢利之每股盈利 (以每股港仙計)		
– Basic	– 基本	12	0.51
– Diluted	– 攤薄	12	0.51

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

上述簡明綜合收益表應與隨附附註一併閱讀。

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2019

簡明綜合合併收益表

截至二零一九年十二月三十一日止六個月

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Profit for the period	本期溢利	2,879	3,340
Other comprehensive loss:	其他綜合虧損：		
Item that may be reclassified subsequently to income statement:	期後可被重新分類至 收益表之項目：		
Currency translation differences	匯兌差額	(7,873)	(21,403)
Other comprehensive loss for the period	本期其他綜合虧損	(7,873)	(21,403)
Total comprehensive loss for the period	本期綜合虧損	(4,994)	(18,063)
Total comprehensive loss attributable to:	綜合虧損總額歸屬於：		
Equity holders of the Company	公司股東	(7,174)	(19,218)
Non-controlling interests	非控制權益	2,180	1,155
		(4,994)	(18,063)

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

上述簡明綜合合併收益表應與隨附附註一併閱讀。

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 31ST DECEMBER 2019

簡明綜合資產負債表

於二零一九年十二月三十一日

			Unaudited 未經審核 31st December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2019 於二零一九年 六月三十日 HK\$'000 千港元
	Note 附註			
ASSETS		資產		
Non-current assets		非流動資產		
Property, plant and equipment	13	物業、廠房及設備	111,810	118,278
Right-of-use assets	13	使用權資產	20,869	—
Leasehold land and land use rights	13	租賃土地及土地使用權	—	16,000
Investment properties	13	投資物業	159,484	159,973
Financial assets at fair value through other comprehensive income		按公允價值計入其他全面收益 的財務資產	1,677	1,677
Deferred income tax assets		遞延稅項資產	9,726	10,018
Prepayments		預付款	3,135	1,503
			306,701	307,449
Current assets		流動資產		
Inventories		存貨	277,121	319,251
Trade and bills receivables	14	貿易應收款及應收票據	264,575	234,446
Other receivables, prepayments and deposits		其他應收款、預付款及按金	29,112	29,431
Income tax recoverable		可收回稅項	2,350	560
Restricted bank deposits		受限制的銀行存款	34,508	35,135
Cash and bank balances		現金及銀行結餘	139,617	93,601
			747,283	712,424
Total assets		資產總額	1,053,984	1,019,873

CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

AS AT 31ST DECEMBER 2019

簡明綜合資產負債表(續)

於二零一九年十二月三十一日

			Unaudited 未經審核 31st December 2019 於二零一九年 十二月三十一日	Audited 經審核 30th June 2019 於二零一九年 六月三十日
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
EQUITY	權益			
Capital and reserves attributable to the Company's equity holders	公司股東 應佔股本及儲備			
Share capital	股本	17	36,920	36,920
Share premium	股本溢價		62,466	62,466
Other reserves	其他儲備		29,541	37,302
Retained earnings	保留溢利		352,618	352,031
			481,545	488,719
Non-controlling interests	非控制權益		22,866	23,874
Total equity	權益總額		504,411	512,593

CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

AS AT 31ST DECEMBER 2019

簡明綜合資產負債表(續)

於二零一九年十二月三十一日

			Unaudited 未經審核 31st December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2019 於二零一九年 六月三十日 HK\$'000 千港元
		Note 附註		
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Deferred income tax liabilities	遞延稅項負債		6,846	6,723
Lease liabilities	租賃負債		3,654	—
			10,500	6,723
Current liabilities	流動負債			
Trade payables	貿易應付款	15	86,274	56,979
Other payables and accruals	其他應付款及預提費用		44,749	28,913
Lease liabilities	租賃負債		1,878	—
Borrowings	借貸	16	394,870	406,977
Derivative financial instruments	衍生金融工具		177	74
Income tax payable	應付稅項		11,125	7,614
			539,073	500,557
Total liabilities	負債總額		549,573	507,280
Total equity and liabilities	權益及負債總額		1,053,984	1,019,873
Net current assets	淨流動資產		208,210	211,867
Total assets less current liabilities	資產總額減流動負債		514,911	519,316

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

上述簡明綜合資產負債表應與隨附附註一併閱讀。

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2019

簡明綜合權益變動表

截至二零一九年十二月三十一日止六個月

		Unaudited 未經審核								
		Attributable to equity holders of the Company 公司股東應佔部分								
		Other reserves 其他儲備								
		Financial assets at fair value through other comprehensive income reserve 按公允價值 計入其他 全面收益的 財務資產儲備								
		Exchange fluctuation reserve 匯兌 波動儲備								
		Retained earnings 保留溢利								
		Non- controlling interests 非控制權益								
		Share capital 股本 HK\$'000 千港元	Share premium 股本溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Revaluation reserve 重估儲備 HK\$'000 千港元	計入其他 全面收益的 財務資產儲備 HK\$'000 千港元	匯兌 波動儲備 HK\$'000 千港元	Retained earnings 保留溢利 HK\$'000 千港元	Non- controlling interests 非控制權益 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st July 2019	於二零一九年七月一日	36,920	62,466	(3,119)	1,077	9,640	29,704	352,031	23,874	512,593
Comprehensive income	綜合收益									
Profit for the period	本期溢利	—	—	—	—	—	—	587	2,292	2,879
Other comprehensive income	其他綜合收益									
Currency translation differences	匯兌差額	—	—	—	—	—	(7,761)	—	(112)	(7,873)
Total comprehensive income	綜合收益總額	—	—	—	—	—	(7,761)	587	2,180	(4,994)
Transactions with owners	與所有者之交易									
Dividends paid to non-controlling interests	支付予非控制權益之股息	—	—	—	—	—	—	—	(3,188)	(3,188)
Total transactions with owners	與所有者之交易總額	—	—	—	—	—	—	—	(3,188)	(3,188)
At 31st December 2019	於二零一九年十二月三十一日	36,920	62,466	(3,119)	1,077	9,640	21,943	352,618	22,866	504,411

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

上述簡明綜合權益變動表應與隨附附註一併閱讀。

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY (Continued)

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2019

簡明綜合權益變動表(續)

截至二零一九年十二月三十一日止六個月

		Unaudited 未經審核								
		Attributable to equity holders of the Company 公司股東應佔部分								
		Other reserves 其他儲備								
		Financial assets at fair value through other comprehensive income reserve 按公允價值 計入其他 全面收益的 財務資產儲備								
		Exchange fluctuation reserve 匯兌 波動儲備								
		Retained earnings 保留溢利								
		Non- controlling interests 非控制 權益								
		Total 總額								
		Share capital 股本 HK\$'000 千港元	Share premium 股本溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Revaluation reserve 重估儲備 HK\$'000 千港元	計入其他 全面收益的 財務資產儲備 HK\$'000 千港元	匯兌 波動儲備 HK\$'000 千港元	保留溢利 HK\$'000 千港元	非控制 權益 HK\$'000 千港元	總額 HK\$'000 千港元
At 1st July 2018	於二零一八年七月一日	36,920	62,466	(2,025)	7,953	1,310	50,710	351,609	24,821	533,764
Comprehensive income	綜合收益									
Profit for the period	本期溢利	—	—	—	—	—	—	1,878	1,462	3,340
Other comprehensive income	其他綜合收益									
Currency translation differences	匯兌差額	—	—	—	—	—	(21,096)	—	(307)	(21,403)
Total comprehensive income	綜合收益總額	—	—	—	—	—	(21,096)	1,878	1,155	(18,063)
Transactions with owners	與所有者之交易									
Dividends paid to non-controlling interests	支付予非控制權益之股息	—	—	—	—	—	—	—	(5,093)	(5,093)
Dividends paid	支付股息	—	—	—	—	—	—	(7,384)	—	(7,384)
Total transactions with owners	與所有者之交易總額	—	—	—	—	—	—	(7,384)	(5,093)	(12,477)
At 31st December 2018	於二零一八年十二月三十一日	36,920	62,466	(2,025)	7,953	1,310	29,614	346,103	20,883	503,224

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

上述簡明綜合權益變動表應與隨附附註一併閱讀。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2019

簡明綜合現金流量表

截至二零一九年十二月三十一日止六個月

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Cash flows from operating activities	經營業務之現金流		
Cash generated from operations	經營業務所產生之現金	80,137	3,968
Hong Kong profits tax paid	已繳香港利得稅	—	(1,095)
The People's Republic of China (the "PRC") income tax paid	已繳中華人民共和國 (「中國」)所得稅	(2,431)	(1,917)
Interest received	已收利息	469	111
Net cash generated from operating activities	經營業務所產生之淨現金	78,175	1,067
Cash flows from investing activities	投資業務之現金流		
Purchase of property, plant and equipment	購買物業、廠房及設備	(1,807)	(3,291)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款	122	36
Prepayments for property, plant and equipment and renovation costs	物業、廠房及設備 與裝修預付款	(3,135)	(3,575)
Net cash used in investing activities	投資業務所使用之淨現金	(4,820)	(6,830)
Cash flows from financing activities	融資業務之現金流		
Proceeds from bank loans	新增銀行貸款	60,146	205,192
Repayment of bank loans	償還銀行貸款	(112,821)	(181,335)
Increase in trust receipt loans	信託收據貸款增加	42,342	13,528
Repayment of lease liabilities	租賃負債之還款	(2,025)	—
Dividends paid to non-controlling interests	支付予非控制權益之股息	(3,188)	(5,093)
Dividends paid	支付股息	—	(7,384)
Interest paid on bank borrowings	已付銀行借貸利息	(9,664)	(8,169)
Net cash (used in)/generated from financing activities	融資業務所(使用)/產生之淨現金	(25,210)	16,739

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表(續)

(Continued)

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2019

截至二零一九年十二月三十一日止六個月

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Net increase in cash and cash equivalents	現金及現金等額之淨額增加	48,145	10,976
Cash and cash equivalents at 1st July	於七月一日之現金及現金等額	93,601	107,459
Effect of foreign exchange rate changes	外幣滙率變動影響	(2,129)	(4,686)
Cash and cash equivalents at 31st December	於十二月三十一日之現金及現金等額	139,617	113,749
Analysis of balances of cash and cash equivalents:	現金及現金等額結餘分析：		
Cash and bank balances	現金及銀行結餘	139,617	116,022
Bank overdrafts	銀行透支	—	(2,273)
		139,617	113,749

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

上述簡明綜合現金流量表應與隨附附註一併閱讀。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

I GENERAL INFORMATION

Ngai Hing Hong Company Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in the manufacturing and trading of plastic materials, pigments, colorants, compounded plastic resins and engineering plastic products.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated, and has been approved for issue by the Board of Directors on 27th February 2020.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 31st December 2019 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. This condensed consolidated interim financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30th June 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

簡明綜合中期財務資料附註

I 一般資料

毅興行有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事塑膠原料、色粉、着色劑、混料及工程塑料之製造及買賣。

本公司是於百慕達註冊之一間有限責任公司。公司註冊地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

本公司之股票於香港聯合交易所有限公司之主版上市。

除非已另外列明，本簡明綜合中期財務資料乃以港幣列示。本簡明綜合中期財務資料已於二零二零年二月二十七日被董事局批准。

2 編製基準

截至二零一九年十二月三十一日止六個月的簡明綜合中期財務資料已根據香港會計準則第34號「中期財務報告」編製。本簡明綜合中期財務資料並不包括所有一般需於年度財務報表包含之附註種類。因此，簡明綜合中期財務資料應與截至二零一九年六月三十日止年度的年度財務報表一併閱讀，該財務報表已根據香港財務報告準則編製。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 30th June 2019, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3.1 New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

HKFRS 16
香港財務報告準則第16號

Leases
租賃

Hong Kong International Financial Reporting Interpretations Committee ("HK(IFRIC)") – Interpretation 23
香港(國際財務報告詮釋委員會) – 詮釋第23號

Uncertainty over Income Tax Treatments
所得稅之不確定性之處理

Amendments to HKFRS 9
對香港財務報告準則第9號的修訂

Prepayment Features with Negative Compensation
具有負補償之預付款特性

Amendments to HKAS 28
對香港會計準則第28號的修訂

Long-term Interests in Associates and Joint Ventures
於聯營公司及合資公司之長期權益

Amendments to HKAS 19
對香港會計準則第19號的修訂

Plan Amendment, Curtailment or Settlement
計劃修訂、縮減或結算

Annual improvements to HKFRSs 2015-2017 cycle
香港財務報告準則二零一五年至二零一七年週期之年度改進

Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23
對香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號的修訂

The impact of adoption of HKFRS 16 "Leases" is disclosed in Note 3.3 below. The adoption of other new and amended HKFRSs does not have any material impact on the Group's condensed consolidated interim financial statements for the current reporting period.

3 會計政策

除下文所述者外，所採用之會計政策與截至二零一九年六月三十日止年度的年度財務報表所採用的會計政策(如該等年度財務報表所述)一致。

本中期期間的所得稅按照預期年度總盈利適用的稅率累計。

3.1 本集團所採納新訂及經修訂準則

若干新訂或經修訂準則適用於本報告期，本集團須就採納以下準則更改其會計政策及作出追溯調整：

採納香港財務報告準則第16號「租賃」之影響於下文附註3.3內披露。於本期間採納其他新訂及經修訂香港財務報告準則並不會對本集團於本報告期之簡明綜合中期財務報表造成任何重大影響。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

3 ACCOUNTING POLICIES (Continued)

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

The following new and amended HKFRSs have been issued, but are not effective for the Group's accounting period beginning on 1st July 2019 and have not been early adopted:

Amendments to HKAS 1 and HKAS 8
對香港會計準則第1號及香港會計準則第8號的修訂

Amendments to HKFRS 3
香港財務報告準則第3號的修訂

Amendments to HKFRSs
香港財務報告準則的修訂

HKFRS 17
香港財務報告準則第17號

Amendments to HKFRS 10 and HKAS 28
對香港財務報告準則第10號及
香港會計準則第28號的修訂

- (1) Effective for annual periods beginning on or after 1st January 2020
- (2) Effective for annual periods beginning on or after 1st January 2021
- (3) To be determined

Definition of Material¹
重大的定義¹

Definition of a Business¹
業務的定義¹

Amendments to References to Conceptual Framework in
HKFRS Standards¹
香港財務報告準則概念框架之提述的修訂¹

Insurance Contracts²
保險合同²

Sales or Contribution of Assets between an Investor and
its Associate or Joint Venture³
投資者與其聯營公司或合資公司之間的資產出售或注資³

3 會計政策(續)

3.2 已頒佈但本集團未採納的準則之影響

下列新訂及經修訂之香港財務報告準則已頒佈，惟尚未於本集團於二零一九年七月一日開始之會計期間生效及並無提早採納：

- (1) 自二零二零年一月一日起的年報期間生效
- (2) 自二零二一年一月一日起的年報期間生效
- (3) 仍未確定

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

3 ACCOUNTING POLICIES (Continued)

3.3 Impact of adoption of HKFRS 16 "Leases" ("HKFRS 16")

(i) Impact on financial statements

The change in accounting policy affected the following items in the balance sheet on 1st July 2019:

Right-of-use assets	使用權資產	23,366
Leasehold land and land use rights	租賃土地及土地使用權	(16,000)
Lease liabilities	租賃負債	(7,366)

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of HKAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1st July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1st July 2019 was 5%.

3 會計政策(續)

3.3 採納香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)之影響

(i) 對財務報表之影響

更改會計政策於二零一九年七月一日影響以下資產負債表項目：

Unaudited
未經審核
1st July 2019
於二零一九年
七月一日
HK\$'000
千港元

因採用香港財務報告準則第16號，本集團為之前根據香港會計準則第17號「租賃」的原則歸入「經營租賃」的租賃確認了租賃負債。該等租賃負債以剩餘租賃付款額按二零一九年七月一日的承租人增量借款利率折現的現值計量。二零一九年七月一日租賃負債適用的承租人加權平均增量借款利率為百分之五。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

3 ACCOUNTING POLICIES (Continued)

3.3 Impact of adoption of HKFRS 16 "Leases" ("HKFRS 16") (Continued)

(i) Impact on financial statements (Continued)

3 會計政策(續)

3.3 採納香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)之影響(續)

(i) 對財務報表之影響(續)

		Unaudited 未經審核 1st July 2019 於二零一九年 七月一日 HK\$'000 千港元
Operating lease commitments disclosed as at 30th June 2019	二零一九年六月三十日披露的 經營租賃承諾	9,156
Discounted using the lessee's annual incremental borrowing rate of at the date of initial application	首次執行日使用承租人的增量 借款利率進行折現	7,798
Less:	減：	
Short-term leases recognised on a straight-line basis as expenses	按直線法作為費用確認的短期租賃	(342)
Low-value leases recognised on a straight-line basis as expenses	按直線法作為費用確認的低價值租賃	(90)
Lease liabilities recognised as at 1st July 2019	二零一九年七月一日確認的租賃負債	7,366
Of which are:	其中包括：	
Lease liabilities – non-current	非流動租賃負債	3,654
Lease liabilities – current	流動租賃負債	3,712
		7,366

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

3 ACCOUNTING POLICIES (Continued)

3.3 Impact of adoption of HKFRS 16 "Leases" ("HKFRS 16") (Continued)

(i) Impact on financial statements (Continued)

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30th June 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

		Unaudited 未經審核 31st 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 1st July 2019 於二零一九年 七月一日 HK\$'000 千港元
Factory	廠房	76	164
Warehouse	倉庫	4,276	5,024
Office	辦公室	1,180	2,178

3 會計政策(續)

3.3 採納香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)之影響(續)

(i) 對財務報表之影響(續)

不動產租賃的相關使用權資產在追溯的基礎上進行計量，即視同該等資產始終適用新準則。其他使用權資產根據與租賃負債相等的金額計量，並按照二零一九年六月三十日資產負債表內確認的與該租賃相關的預付或計提的租賃付款額予以調整。本集團的租賃合同均為非虧損合同，不需要在首次執行日對使用權資產進行調整。

已確認使用權資產與以下各類資產有關：

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

3 ACCOUNTING POLICIES (Continued)

3.3 Impact of adoption of HKFRS 16 "Leases" ("HKFRS 16") (Continued)

(ii) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC) - Interpretation 4 "Determining Whether an Arrangement Contains a Lease".

簡明綜合中期財務資料附註(續)

3 會計政策(續)

3.3 採納香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)之影響(續)

(ii) 所採用的實務簡易處理方法

在首次執行香港財務報告準則第16號的過程中，本集團使用了該準則允許採用的下列實務簡易處理方法：

- 對具有合理相似特徵的租賃組合採用單一折現率
- 首次採用日計量使用權時扣除初始直接費用，以及
- 如果合同包含續租或終止租賃的選擇權，則可在確定租賃期時使用後見之明。

本集團已選擇不在首次採用日重新評估一項合同是否為租賃合同或是否包含租賃。對於在過渡日之前簽訂的合同，本集團根據香港會計準則第17號和香港(國際財務報告詮釋委員會)－詮釋第4號「確定一項安排是否包含租賃評估」。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

3 ACCOUNTING POLICIES (Continued)

3.3 Impact of adoption of HKFRS 16 "Leases" ("HKFRS 16") (Continued)

(iii) Changes in accounting policies

The Group leases various warehouses, factories and offices. Rental contracts are typically made for fixed periods of 1 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the year ended 30th June 2019, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1st July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

簡明綜合中期財務資料附註(續)

3 會計政策(續)

3.3 採納香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)之影響(續)

(iii) 會計政策變動

本集團租賃了多處倉庫，廠房及辦公室。租賃合同一般為一至五年的固定期限，其中某些合同包含續租的選擇權。每份合同的租賃條款均單獨商定，並且包括眾不同的條款及條件。租賃協議不包含財務契約條款，但租賃資產不得用作借款抵押。

在二零一九年六月三十日年度以前，不動產、廠房和設備租賃一直被歸入融資租賃或經營租賃。在經營租賃下支付的款項(扣除出租人提供的任何租賃獎勵)在租賃期內按照直線法計入損益。

自二零一九年七月一日起，在本集團預期可使用租賃資產之日，主體應確認一項使用權資產和相應負債。每筆租賃付款額均在相應負債與財務費用之間分攤。財務費用在租賃期限內計入損益，以使各期負債餘額產生的利息率保持一致。使用權資產按照直線法在資產使用壽命與租賃期兩者中較短的一個期間內計提折舊。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

3 ACCOUNTING POLICIES (Continued)

3.3 Impact of adoption of HKFRS 16 "Leases" ("HKFRS 16") (Continued)

(iii) Changes in accounting policies (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

簡明綜合中期財務資料附註(續)

3 會計政策(續)

3.3 採納香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)之影響(續)

(iii) 會計政策變動(續)

租賃產生的資產和負債在現值基礎上進行初始計量。租賃負債包括下列租賃付款額的淨現值：

- 固定付款額(包括實質固定付款額)，扣除應收的租賃獎勵
- 取決於指數或比率的可變租賃付款額
- 承租人根據餘值擔保預計應付的金額
- 購買選擇權的行權價，前提是承租人合理確定將行使該選擇權，以及
- 終止租賃的罰款金額，前提是租賃期反映出承租人將行使終止租賃選擇權。

租賃付款額按照租賃內含利率折現。如果無法確定該利率，則應採用承租人的增量借款利率，即承租人為在類似經濟環境下獲得價值相近的資產，以類似條款和條件借入資金而必須支付的利率。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

3 ACCOUNTING POLICIES (Continued)

3.3 Impact of adoption of HKFRS 16 "Leases" ("HKFRS 16") (Continued)

(iii) Changes in accounting policies (Continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

簡明綜合中期財務資料附註(續)

3 會計政策(續)

3.3 採納香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)之影響(續)

(iii) 會計政策變動(續)

使用權資產按照成本計量，其中成本包括以下項目：

- 租賃負債初始計量金額
- 在租賃期開始日或之前支付的租賃付款額，扣除收到的租賃獎勵
- 任何初始直接費用，以及
- 復原成本。

與短期租賃和低價值資產租賃相關的付款額按照直線法在損益中確認為費用。短期租賃是指租賃期限為十二個月或不足十二個月的租賃。低價值資產包括電腦設備和小型辦公室設備。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

3 ACCOUNTING POLICIES (Continued)

3.3 Impact of adoption of HKFRS 16 "Leases" ("HKFRS 16") (Continued)

(iii) Changes in accounting policies (Continued)

Some property leases contain variable payment terms. Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

簡明綜合中期財務資料附註(續)

3 會計政策(續)

3.3 採納香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)之影響(續)

(iii) 會計政策變動(續)

部分房地產租賃包含可變付款額條款。可變租賃付款額在觸發可變租賃付款額的條件發生當期在損益中確認。

本集團的大量房地產和設備租賃包含續租選擇權和終止租賃選擇權。這些條款的使用目的在於將合同管理的操作靈活性達到最大化。

在確定租賃期時，管理層應考慮產生承租人行使續租選擇權(或者不行使終止選擇權)的經濟獎勵的所有事實和情況。僅當承租人合理確定將續租(或不會終止租賃)時，續租選擇權(或終止選擇權之後的期間)方可計入租賃期。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

4 ESTIMATES AND JUDGEMENTS

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 30th June 2019.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30th June 2019.

There have been no changes in the risk management department since year end or in any risk management policies since the year end.

簡明綜合中期財務資料附註(續)

4 估計及判斷

編製中期財務資料要求管理層對影響會計政策的應用和所報告資產和負債以及收支的數額作出判斷、估計和假設。實際結果或會與此等估計不同。

在編製此等簡明綜合中期財務資料時，管理層應用本集團會計政策時作出的重大判斷和估計不確定性的關鍵來源，與截至二零一九年六月三十日止年度財務報表所應用的相同。

5 財務風險管理及金融工具

5.1 財務風險因素

本集團的活動承受著多種的財務風險：市場風險(包括匯率風險、現金流量及公允價值利率風險及價格風險)、信用風險及流動性風險。

簡明綜合中期財務資料並未包括年度財務報表規定的所有財務風險管理資訊和披露，此中期財務資料應與本集團截至二零一九年六月三十日止年度的年度財務報表一併閱讀。

自年底以來風險管理部或風險管理政策並無任何變動。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.2 Liquidity risk

Compared to year end, there have been no material changes to the policies and practices for the Group's liquidity and funding risk management as described in the annual financial statements for the year ended 30th June 2019.

5.3 Fair value estimation

According to HKFRS 7 "Financial Instruments: Disclosures", financial instruments measured in the condensed consolidated balance sheet at fair value are required to disclose the fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

There were no transfers of financial assets between categories during the period. There were no other charges in valuation technique during the period.

As at 31st December 2019, the Group's financial assets and liabilities that are measured at fair value are categorised as level 3 financial instruments. The following table presents the changes in level 3 instruments for the period ended 31st December 2019.

簡明綜合中期財務資料附註(續)

5 財務風險管理及金融工具(續)

5.2 流動性風險

本集團的流動性及資金風險管理與截至二零一九年六月三十日之年度財務報表所披露之政策及實施並無重大變動。

5.3 公允價值估計

根據香港財務報告準則第7號「金融工具：披露」，有關金融工具在簡明綜合資產負債表的公允價值計量需按下列公允價值計量架構披露：

- 相同資產或負債在活躍市場的報價(未經調整)(第1層)
- 除了第1層所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接(即例如價格)或間接(即源自價格)(第2層)
- 資產和負債並非依據可觀察市場數據的輸入(即非可觀察輸入)(第3層)

本期間內分類之間並無財務資產的重大轉撥。本期間內並無任何估值技術的變動。

於二零一九年十二月三十一日，本集團以公允價值計量的財務資產和負債已全部分類作第3層金融工具。以下為於截至二零一九年十二月三十一日止期間內第3層金融工具的變動表。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5 財務風險管理及金融工具(續)

5.3 Fair value estimation (Continued)

5.3 公允價值估計(續)

		Financial assets at fair value through other comprehensive income 按公允價值 計入其他全面 收益的財務資產 HK\$'000 千港元	Derivative financial instruments 衍生金融工具 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st July 2019	於二零一九年七月一日	1,677	(74)	1,603
Settlements	結算	—	(433)	(433)
Gain recognised in income statement	於收益表確認收益	—	330	330
At 31st December 2019	於二零一九年 十二月三十一日	1,677	(177)	1,500

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group performed the valuation of the financial assets at fair value through other comprehensive income by the use of discounted cash flow model based on the market conditions existed at balance sheet date and business forecast provided by management. Specific valuation technique used to value the derivative financial instruments includes using forward exchange rates at the balance sheet date to discount back to the present value. The key unobservable data includes the interbank forward exchange rate and the volatility of forward exchange rate. Changes in subjective input assumptions can materially affect the fair value estimate. There is no change in valuation technique during the period.

沒有在活躍市場買賣的金融工具的公允價值利用估值技術釐定。本集團主要根據每個報告期末當時的市場情況及管理層提供之業務預估作出假設，用貼現現金流量分析法計算按公允價值計入其他全面收益的財務資產之價值。用以估值衍生金融工具的特定估值技術包括利用資產負債表日期的遠期匯率釐定，而所得價值折算至現值。關鍵不可觀察假設包括銀行間遠期匯率及遠期匯率之波動性。此等主觀假設的變動將重大影響公允價值估算。本期間內並無任何估值技術的變動。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

6 REVENUE FROM CONTRACTS WITH CUSTOMERS AND
SEGMENT INFORMATION

6 客戶合約之收入及分部資料

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Revenue from contracts with customers	客戶合約之收入		
Sales of goods	銷售貨品	906,580	1,024,235

The Group is principally engaged in the manufacturing and trading of plastic materials, pigments, colorants, compounded plastic resins and engineering plastic products.

The Group derived revenue from the sales of goods at a point in time.

The chief operating decision-maker ("CODM") has been identified as the Executive Directors of the Company. Management has determined the operating segments based on the reports reviewed by the CODM that are used to assess performance and allocate resources. The CODM considers the business from the operations nature and the type of products perspective, including the trading of plastic materials ("Trading"), manufacturing and sale of colorants, pigments and compounded plastic resins ("Colorants"), manufacturing and sale of engineering plastic products ("Engineering plastic") and other corporate and business activities ("Others").

本集團之主要業務為塑膠原料、色粉、着色劑、混料和工程塑料之製造及買賣。

本集團於某一時間點錄得來自銷售貨品的收入。

首席經營決策者被認為為本公司之執行董事。首席經營決策者審視本集團的內部報告以評估表現和分配資源。管理層已決定根據此等報告釐定經營分部。首席經營決策者從經營性質及產品角度考慮業務，當中包括塑膠原料之買賣(「貿易」)；着色劑、色粉及混料之製造及買賣(「着色劑」)、工程塑料之製造及買賣(「工程塑料」)及其他企業及業務活動(「其他」)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

6 REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION (Continued)

Each of the Group's operating segments represents a strategic business unit that is managed by different business unit leaders. Inter-segment transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Information provided to the CODM is measured in a manner consistent with that in the condensed consolidated interim financial information.

The CODM assesses the performance of the operating segments based on a measure of revenue from contracts with customers and operating profit including corporate expenses, which is in a manner consistent with that of the condensed consolidated interim financial information.

The segment information provided to the CODM for the reportable segments for the six months ended 31st December 2019 is as follows:

6 客戶合約之收入及分部資料(續)

本集團每一經營分部代表一策略性業務單位，並由不同之業務單位主管管理。分部間銷售按照公平交易原則的相對等條款進行。向首席經營決策者報告的計量方法與簡明綜合中期財務資料內方法一致。

首席經營決策者據對客戶合約之收入及經營溢利(包括企業支出)的計量評估營運分部的表現，方式與簡明綜合中期財務資料相符。

截至二零一九年十二月三十一日止六個月提供給首席經營決策者之可呈列報告分部資料如下：

		Unaudited 未經審核				
		Engineering				Group
		Trading	Colorants	plastic	Others	
		貿易	着色劑	工程塑料	其他	本集團
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue from contracts with customers	客戶合約之收入					
– Gross revenue	— 分部總銷售	646,971	187,627	101,029	—	935,627
– Inter-segment revenue	— 分部間銷售	(28,326)	(633)	(88)	—	(29,047)
Revenue from external customers	外部客戶收益	618,645	186,994	100,941	—	906,580
Operating (loss)/profit	經營(虧損)/溢利	(10,539)	16,057	12,241	(1,212)	16,547
Finance income	財務收益	25	420	24	—	469
Finance costs	財務費用	(8,363)	(776)	(520)	—	(9,659)
(Loss)/profit before income tax	除稅前(虧損)/溢利	(18,877)	15,701	11,745	(1,212)	7,357

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

6 REVENUE FROM CONTRACTS WITH CUSTOMERS AND
SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 31st December 2019 is as follows: (Continued)

6 客戶合約之收入及分部資料(續)

截至二零一九年十二月三十一日止六個月提供給首席經營決策者之可呈列報告分部資料如下：(續)

		Unaudited 未經審核				
		Engineering				
		Trading 貿易 HK\$'000 千港元	Colorants 着色劑 HK\$'000 千港元	plastic 工程塑料 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
Other information:	其他資料：					
Additions to non-current assets (other than financial instruments and deferred income tax assets)	非流動資產增加 (除金融工具及 遞延稅項資產外)	195	2,128	964	—	3,287
Depreciation of property, plant and equipment	物業、廠房及設備折舊	437	4,032	3,792	260	8,521
Amortisation of right-of-use assets	使用權資產之攤銷	161	1,973	105	39	2,278
Provision for impairment of inventories, net	存貨減值準備－淨額	2,784	501	—	—	3,285
Reversal of provision for loss allowance on trade receivables	貿易應收款虧損撥備 撥回	—	—	(140)	—	(140)
Fair value gains on derivative financial instruments	衍生金融工具公允價值 收益	(330)	—	—	—	(330)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

6 REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments as at 31st December 2019 is as follows:

6 客戶合約之收入及分部資料(續)

於二零一九年十二月三十一日提供給首席經營決策者之可呈列報告分部資料如下：

		Unaudited 未經審核				
		Engineering				Group 本集團
		Trading 貿易	Colorants 着色劑	plastic 工程塑料	Others 其他	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Segment assets	分部資產	450,453	326,893	133,682	142,956	1,053,984
Total assets	資產總額					1,053,984
Segment liabilities	分部負債	(98,378)	(37,931)	(15,509)	(2,885)	(154,703)
Borrowings	借貸	(350,916)	(22,612)	(21,342)	—	(394,870)
Total liabilities	負債總額	(449,294)	(60,543)	(36,851)	(2,885)	(549,573)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

6 REVENUE FROM CONTRACTS WITH CUSTOMERS AND
SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 31st December 2018 is as follows:

6 客戶合約之收入及分部資料(續)

截至二零一八年十二月三十一日止六個月提供給首席經營決策者之可呈列報告分部資料如下：

		Unaudited 未經審核				
		Trading	Colorants	Engineering	Others	Group
		貿易	着色劑	工程塑料	其他	本集團
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue from contracts with customers	客戶合約之收入					
– Gross revenue	– 分部總銷售	778,222	157,983	121,345	—	1,057,550
– Inter-segment revenue	– 分部間銷售	(31,924)	(1,310)	(81)	—	(33,315)
Revenue from external customers	外部客戶收益	746,298	156,673	121,264	—	1,024,235
Operating (loss)/profit	經營(虧損)/溢利	(2,309)	11,209	10,879	(1,700)	18,079
Finance income	財務收益	62	47	2	—	111
Finance costs	財務費用	(9,158)	(625)	(790)	(189)	(10,762)
(Loss)/profit before income tax	除稅前(虧損)/溢利	(11,405)	10,631	10,091	(1,889)	7,428

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

6 REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 31st December 2018 is as follows: (Continued)

6 客戶合約之收入及分部資料(續)

截至二零一八年十二月三十一日止六個月提供給首席經營決策者之可呈列報告分部資料如下：(續)

		Unaudited 未經審核				
		Engineering				
		Trading 貿易	Colorants 着色劑	plastic 工程塑料	Others 其他	Group 本集團
		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
Other information:	其他資料：					
Additions to non-current assets (other than financial instruments and deferred income tax assets)	非流動資產增加 (除金融工具及 遞延稅項資產外)	470	3,140	3,422	73	7,105
Depreciation of property, plant and equipment	物業、廠房及設備折舊	448	3,883	4,526	258	9,115
Amortisation of leasehold land and land use rights	租賃土地及土地 使用權之攤銷	179	93	16	39	327
Provision/(reversal) for impairment of inventories, net	存貨減值準備／ (撥回)－淨額	1,115	(68)	547	—	1,594
Provision for loss allowance on trade receivables	貿易應收款 虧損撥備	—	—	—	31	31
Fair value gains on derivative financial instruments	衍生金融工具公允價值 收益	(1,785)	—	—	—	(1,785)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

6 REVENUE FROM CONTRACTS WITH CUSTOMERS AND
SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments as at 30th June 2019 is as follows:

6 客戶合約之收入及分部資料(續)

於二零一九年六月三十日提供給首席經營決策者之可呈列報告分部資料如下：

		Audited 經審核				
		Engineering				Group 本集團 HK\$'000 千港元
		Trading 貿易 HK\$'000 千港元	Colorants 着色劑 HK\$'000 千港元	plastic 工程塑料 HK\$'000 千港元	Others 其他 HK\$'000 千港元	
Segment assets	分部資產	431,322	301,566	143,505	143,480	1,019,873
Total assets	資產總額					1,019,873
Segment liabilities	分部負債	(55,540)	(27,072)	(13,735)	(3,956)	(100,303)
Borrowings	借貸	(357,672)	(23,275)	(26,030)	—	(406,977)
Total liabilities	負債總額	(413,212)	(50,347)	(39,765)	(3,956)	(507,280)

The entity is domiciled in Hong Kong. The revenue from external customers from Hong Kong for the six months ended 31st December 2019 is approximately HK\$383,416,000 (2018: HK\$541,769,000) and the total of its revenue from external customers from other locations (mainly from Mainland China) is approximately HK\$523,164,000 (2018: HK\$482,466,000).

本實體以香港為基地。截至二零一九年十二月三十一日止六個月來自香港之外部客戶收益約為383,416,000港元(二零一八年：541,769,000港元)，而來自其他地區(主要為中國內地)之外部客戶收益約為523,164,000港元(二零一八年：482,466,000港元)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

6 REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION (Continued)

At 31st December 2019, the total of non-current assets other than financial instruments and deferred income tax assets located in Hong Kong is approximately HK\$176,711,000 (30th June 2019: HK\$179,050,000) and the total of these non-current assets located in other locations (mainly in Mainland China) is approximately HK\$118,587,000 (30th June 2019: HK\$116,704,000).

6 客戶合約之收入及分部資料(續)

於二零一九年十二月三十一日，除金融工具及遞延稅項資產外位於香港之非流動資產約為176,711,000港元(於二零一九年六月三十日：179,050,000港元)，而位於其他地區(主要為中國內地)之此等非流動資產約為118,587,000港元(於二零一九年六月三十日：116,704,000港元)。

7 OTHER GAINS, NET

7 其他收益－淨額

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Net exchange (loss)/gain	外匯(虧損)/收益淨額	(183)	639
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	114	36
Fair value gains from derivative financial instruments	衍生金融工具公允價值收益	330	1,785
Others	其他	307	725
		568	3,185

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

8 OPERATING PROFIT

Operating profit is stated after charging/(crediting) the following:

8 經營溢利

經營溢利乃經扣除／(計入)下列各項後
列賬：

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Cost of inventories recognised as expenses included in cost of sales	確認作開支並包括於銷售成本之 出售存貨成本	754,314	863,479
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	8,521	9,115
Amortisation of right-of-use assets	使用權資產之攤銷	2,278	—
Amortisation of leasehold land and land use rights	租賃土地及土地使用權之攤銷	—	327
Operating lease rentals in respect of land and buildings	土地及樓宇之經營租賃租金	3,516	4,986
Employee benefit expenses, including Directors' emoluments	僱員福利支出(包括董事酬金)	51,726	64,455
(Reversal of)/provision for loss allowance on trade receivables, net	貿易應收款虧損撥備(撥回)／ 準備－淨額	(140)	31
Provision for impairment of inventories, net	存貨減值準備－淨額	3,285	1,594
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	(114)	(36)
Fair value gains on derivative financial instruments	衍生金融工具公允價值收益	(330)	(1,785)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

9 FINANCE INCOME AND COSTS

9 財務收益及費用

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Finance income:	財務收益：		
– Interest income from bank deposits	– 銀行存款利息收入	469	111
Finance costs:	財務費用：		
– Interests on bank borrowings wholly repayable within five years	– 需於五年內全數償還之銀行借貸之利息	(8,764)	(8,169)
– Interests on lease liabilities	– 租賃負債之利息	(191)	—
– Net exchange losses on financing activities	– 融資業務之外匯虧損淨額	(704)	(2,593)
		(9,659)	(10,762)
Finance costs, net	財務費用－淨額	(9,190)	(10,651)

10 INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit for the period. Income tax on the Group's subsidiaries established and operate in Mainland China has been calculated on the estimated assessable profit for the period at the rates of taxation as applicable to the relevant subsidiaries.

10 稅項支出

香港利得稅乃根據本集團於本期間內之估計應課稅溢利按稅率百分之十六點五（二零一八年：百分之十六點五）計算。中國所得稅乃根據於中國內地經營之附屬公司於本期間內之估計應課稅溢利按該等附屬公司所在地之適用稅率計算撥備。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

10 INCOME TAX EXPENSE (Continued)

The amount of income tax charged to the interim condensed consolidated income statement represents:

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Current income tax	本期稅項		
– Hong Kong profits tax	– 香港利得稅	824	1,321
– PRC corporate income tax	– 中國企業所得稅	3,431	2,420
		4,255	3,741
Deferred income tax	遞延稅項	223	347
		4,478	4,088

Deferred income tax assets are recognised for tax losses carry forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. At 31st December 2019, the Group had unrecognised tax losses to be carried forward against future taxable income amounted to HK\$311,201,000 (30th June 2019: HK\$292,950,000). Aside from tax losses generated from certain subsidiaries incorporated in Mainland China amounted to HK\$12,804,000 (30th June 2019: HK\$10,104,000) with expiry dates from 2020 to 2024, the remaining tax losses have no expiry date. The potential deferred income tax assets in respect of these tax losses which have not been recognised amounted to approximately HK\$52,388,000 (30th June 2019: HK\$49,196,000).

簡明綜合中期財務資料附註(續)

10 稅項支出(續)

中期簡明綜合收益表之稅項支出為：

就結轉的稅務虧損而確認的遞延所得稅資產僅限於有關之稅務利益有可能透過未來應課稅盈利實現的部分。於二零一九年十二月三十一日，本集團並無就可結轉以抵銷未來應課稅收益的稅務虧損約311,201,000港元(於二零一九年六月三十日：292,950,000港元)確認遞延所得稅資產約52,388,000港元(於二零一九年六月三十日：49,196,000港元)。於中國內地成立的附屬公司所產生由二零二零年至二零二四年到期的稅務虧損約為12,804,000港元(於二零一九年六月三十日：10,104,000港元)，其餘稅務虧損並無到期日。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

II DIVIDENDS

On 27th September 2018, the Directors proposed a final dividend of HK2.0 cents per share, totaling HK\$7,384,000 for the year ended 30th June 2018, and had been reflected as an appropriation of retained earnings for the year ended 30th June 2019.

On 27th February 2019, the Directors resolved not to declare any interim dividend for the period ended 31st December 2018.

On 27th September 2019, the Directors resolved not to declare any final dividend for the year ended 30th June 2019.

On 27th February 2020, the Directors resolved not to declare any interim dividend for the period ended 31st December 2019.

12 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company for the period of HK\$587,000 (2018: HK\$1,878,000) and 369,200,000 (2018: 369,200,000) ordinary shares in issue during the period.

Dilutive earnings per share for the period ended 31st December 2019 and 2018 equal basic earnings per share as there was no dilutive potential ordinary share as at the period ended 31st December 2019 and 2018.

簡明綜合中期財務資料附註(續)

II 股息

於二零一八年九月二十七日，董事建議就截至二零一八年六月三十日止年度派發末期股息每股2.0港仙，共7,384,000港元。此項股息已於截至二零一九年六月三十日止年度之保留溢利中分配。

於二零一九年二月二十七日，董事議決不就截至二零一八年十二月三十一日止期間宣派任何中期股息。

於二零一九年九月二十七日，董事議決不就截至二零一九年六月三十日止年度宣派任何末期股息。

於二零二零年二月二十七日，董事議決不就截至二零一九年十二月三十一日止期間宣派任何中期股息。

12 每股盈利

每股基本盈利乃根據本期公司股東應佔溢利587,000港元(二零一八年：1,878,000港元)及期內已發行普通股369,200,000股(二零一八年：369,200,000股)計算。

於二零一九年十二月三十一日及二零一八年十二月三十一日，本公司並無具攤薄潛力之普通股，因此，於截至二零一九年十二月三十一日及二零一八年十二月三十一日止兩個期間，每股攤薄盈利相等於每股基本盈利。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

13 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE
ASSETS AND INVESTMENT PROPERTIES

13 物業、廠房及設備、使用權資產和
投資物業

		Unaudited 未經審核			
		Property, plant and equipment 物業、廠房及 設備 HK\$'000 千港元	Right-of-use assets 使用權資產 HK\$'000 千港元	Leasehold land use rights 租賃土地及 土地使用權 HK\$'000 千港元	Investment properties 投資物業 HK\$'000 千港元
Net book value as at 30th June 2019	於二零一九年六月三十日之 賬面淨額	118,278	—	16,000	159,973
Effect of new standard (Note 3.3)	新準則之影響(附註3.3)	—	23,366	(16,000)	—
Net book value as at 1st July 2019	於二零一九年七月一日 之賬面淨額	118,278	23,366	—	159,973
Currency translation differences	匯兌差額	(1,226)	(219)	—	(489)
Additions	增加	3,287	—	—	—
Disposal	出售	(8)	—	—	—
Depreciation/amortisation (Note 8)	折舊／攤銷(附註8)	(8,521)	(2,278)	—	—
Net book value as at 31st December 2019	於二零一九年十二月三十一日 之賬面淨額	111,810	20,869	—	159,484
Net book value as at 1st July 2018	於二零一八年七月一日之 賬面淨額	129,143	—	18,399	141,380
Currency translation differences	匯兌差額	(3,635)	—	(694)	(1,166)
Additions	增加	6,926	—	—	—
Depreciation/amortisation (Note 8)	折舊／攤銷(附註8)	(9,115)	—	(327)	—
Net book value as at 31st December 2018	於二零一八年十二月三十一日 之賬面淨額	123,319	—	17,378	140,214

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

14 TRADE AND BILLS RECEIVABLES

14 貿易應收款及應收票據

		Unaudited 未經審核 31st December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2019 於二零一九年 六月三十日 HK\$'000 千港元
Trade receivables	貿易應收款	243,427	217,103
Less: loss allowance	減：虧損撥備	(2,723)	(4,760)
		240,704	212,343
Bills receivables	應收票據	23,871	22,103
		264,575	234,446

At 31st December 2019, the aging analysis of trade receivables, based on invoice date, is as follows:

於二零一九年十二月三十一日貿易應收款根據發票日期之賬齡分析如下：

		Unaudited 未經審核 31st December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2019 於二零一九年 六月三十日 HK\$'000 千港元
Below 90 days	90日內	231,848	197,326
91–180 days	91–180日	8,742	15,017
Over 180 days	超過180日	2,837	4,760
		243,427	217,103

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

14 TRADE AND BILLS RECEIVABLES (Continued)

The majority of the Group's sales are with credit terms of 30 to 90 days. The remaining amounts are on letter of credit or documents against payment.

Bill receivables are mainly with maturity period of within 180 days.

At 31st December 2019, there are bills of exchange of HK\$11,511,000 (30th June 2019: HK\$10,660,000) transferred to banks with recourse in exchange for cash. The transactions had been accounted for as collateralised bank advances.

15 TRADE PAYABLES

At 31st December 2019, the aging analysis of trade payables, based on invoice date, is as follows:

		Unaudited 未經審核 31st December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2019 於二零一九年 六月三十日 HK\$'000 千港元
Below 90 days	90日內	85,237	55,454
91-180 days	91-180日	61	13
Over 180 days	超過180日	976	1,512
		86,274	56,979

簡明綜合中期財務資料附註(續)

14 貿易應收款及應收票據(續)

本集團大部份銷售的信貸期為三十至九十日，其餘以信用狀或付款交單方式進行。

應收票據之到期日主要為一百八十日內。

於二零一九年十二月三十一日，並無任何附追索權之貼現票據轉讓予若干銀行以換取現金11,511,000港元(於二零一九年六月三十日：10,660,000港元)。有關交易已列為抵押化的銀行墊款。

15 貿易應付款

於二零一九年十二月三十一日貿易應付款根據發票日期之賬齡分析如下：

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

16 BORROWINGS

16 借貸

		Unaudited 未經審核 31st December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2019 於二零一九年 六月三十日 HK\$'000 千港元
Bank loans due for repayment within one year – secured	需於一年內償還之銀行貸款 — 有抵押	70,982	126,094
Trust receipt loans due for repayment within one year – secured	需於一年內償還之信託收據貸款 — 有抵押	312,377	270,223
Bank advances for discounted bills (Note 14)	銀行貼現票據墊款(附註 14)	11,511	10,660
Total borrowings	總借貸	394,870	406,977

Movements in borrowings are analysed as follows:

借貸變動分析如下：

		Unaudited 未經審核 Six months ended 31st December 截至十二月三十一日止六個月 2019 HK\$'000 千港元	2018 HK\$'000 千港元
Opening amount as at 1st July	於七月一日之期初金額	406,977	375,529
Currency translation differences	匯兌差額	(1,774)	(3,235)
Repayments of borrowings	償還借貸	(112,821)	(189,211)
Drawdown of new borrowings	新借貸款	60,146	205,192
Increase in trust receipt loans	信託收據貸款增加	42,342	13,528
Closing amount as at 31st December	於十二月三十一日之期末金額	394,870	401,803

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION** (Continued)

16 BORROWINGS (Continued)

The Group has the following undrawn borrowing facilities:

		Unaudited 未經審核 31st December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2019 於二零一九年 六月三十日 HK\$'000 千港元
Floating rate – expiring beyond one year	浮動利率 – 一年以上到期	262,645	162,656

Note:

Bank borrowings of the Group are secured by certain property, plant and equipment, right-of-use assets, investment properties and restricted cash with carrying amounts of HK\$39,284,000 (30th June 2019: HK\$38,616,000), HK\$2,858,000 (30th June 2019: HK\$2,948,000), HK\$39,885,000 (30th June 2019: HK\$39,885,000) and HK\$34,508,000 (30th June 2019: HK\$35,135,000) respectively.

簡明綜合中期財務資料附註(續)

16 借貸(續)

本集團有以下未使用之借貸額度：

	Unaudited 未經審核 31st December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2019 於二零一九年 六月三十日 HK\$'000 千港元
Floating rate – expiring beyond one year	262,645	162,656

附註：

本集團之銀行貸款以部分物業、廠房及設備、使用權資產、投資物業及受限制的銀行存款為抵押，其賬面值分別為39,284,000港元(於二零一九年六月三十日：38,616,000港元)、2,858,000港元(於二零一九年六月三十日：2,948,000港元)、39,885,000港元(於二零一九年六月三十日：39,885,000港元)及34,508,000港元(於二零一九年六月三十日：35,135,000港元)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

17 SHARE CAPITAL

17 股本

		Unaudited 未經審核 31st December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2019 於二零一九年 六月三十日 HK\$'000 千港元
Authorised:	法定股本：		
800,000,000 (30th June 2019: 800,000,000) ordinary shares of HK\$0.10 each	800,000,000 (於二零一九年 六月三十日：800,000,000) 每股面值0.10港元之普通股	80,000	80,000
Issued and fully paid:	已發行及繳足股本：		
369,200,000 (30th June 2019: 369,200,000) ordinary shares of HK\$0.10 each	369,200,000 (於二零一九年 六月三十日：369,200,000) 每股面值0.10港元之普通股	36,920	36,920

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

18 COMMITMENTS

(a) Capital commitments

		Unaudited 未經審核 31st December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2019 於二零一九年 六月三十日 HK\$'000 千港元
Property, plant and equipment and right-of-use assets: Contracted but not provided for	物業、廠房及設備 與使用權資產： 已授權但未簽約	3,328	1,221

(b) Commitments under operating leases

		Unaudited 未經審核 31st December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2019 於二零一九年 六月三十日 HK\$'000 千港元
Minimum lease receivables	最低應收租賃款項		
Investment properties:	投資物業：		
Not later than one year	一年內	5,373	5,983
Later than one year and not later than five years	一年後但不遲於五年	7,411	10,044
		12,784	16,027

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

19 RELATED PARTY TRANSACTIONS

The Group is controlled by Good Benefit Limited, a company incorporated in the British Virgin Islands, which owns 53.3% of the Company's shares. The remaining 46.7% of the shares were widely held. Substantially all of the shares of Good Benefit Limited are beneficially owned by certain Directors of the Company.

Details of compensation paid to key management of the Group (all being Directors of the Company) are as follows:

19 關連人士交易

本集團由 Good Benefit Limited (在英屬處女群島註冊成立之公司) 控制，其擁有本公司百分之五十三點三股權，其餘之百分之四十六點七股權為廣泛持有。Good Benefit Limited 實質上大部分股權由本公司之部分董事實益持有。

支付予本集團主要管理人員(均為本公司之執行董事)之酬金詳情如下：

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Basic salaries, allowances and other benefits in kind	基本薪酬、津貼及其他實物利益	6,248	8,067
Pensions – defined contribution plans	退休金－界定供款計劃	54	72
		6,302	8,139

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

19 RELATED PARTY TRANSACTIONS (Continued)

In addition to key management compensation disclosed above, the following transactions were carried out with related parties:

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Lease payment/operating lease expense to related parties:	交付予有關連人士之應付租賃款項／經營租賃支出：		
– Build Fair Limited (Note(i))	– 景聰有限公司(附註(i))	540	472
– Shine Systems Plastic Materials Company Limited (Note (ii))	– 百亮塑膠原料有限公司(附註(ii))	508	540
		1,048	1,012

Notes:

- (i) Build Fair Limited is a company wholly owned by Mr. HUI Sai Chung, a Director of the Company.
- (ii) Shine Systems Plastic Materials Company Limited is a company wholly owned by Mr. HUI Kwok Kwong, a Director of the Company.

Lease payments made to related parties are on mutually agreed basis.

附註：

- (i) 景聰有限公司由本公司董事許世聰先生全資擁有。
- (ii) 百亮塑膠原料有限公司由本公司董事許國光先生全資擁有。

支付予有關連人士的應付租賃款項根據一般商業條款及條件訂立。

20 EVENT AFTER REPORTING PERIOD

After the outbreak of Coronavirus Disease 2019 (“COVID-19 Outbreak”) in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country/region. As required by the local government offices in which the Group’s factories are located, factories located in the area have extended holidays and resumed operation up to the date of this report. The Group will pay close attention to the development of the COVID-19 Outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date of this report, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 Outbreak.

20 報告期後事項

新型冠狀病毒肺炎疫情(「此疫情」)於2020年年初爆發，相關防控工作在全國／地區範圍內持續進行。本集團旗下工廠按集團工廠所在地政府辦公廳的要求延長假期，並已於本報告日期陸續復工。本集團將密切關注此疫情發展情況，評估其對本集團財務狀況、經營成果等方面的影響，截至本報告日期，本集團尚未發現此疫情對財務報表造成重大不利影響。

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 31st December 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Reviewing the second half of 2019, though the oil price has stabilised, it had nonetheless declined when compared with the high price level over the last year, leading to declining prices of plastic materials. As for the macroeconomic environment, the impact of the China-US trade negotiation on the businesses remained uncertain. The drop in Renminbi exchange rate and rising production costs in Mainland China also added to the pressure on businesses, resulting in a difficult operating environment. As customers placed orders prudently and maintained a low inventory, the order quantity secured by the Group was directly affected. Adjustments were also made to the price due to intense competition. For the six months ended 31st December 2019, the Group's total turnover amounted to HK\$906,580,000 (2018: HK\$1,024,235,000), 11.5% lower than last year.

To respond to the tough operating environment, the Group was prudent in taking orders and strictly implemented cost control measures. However, affected by the factors such as declining prices and quantity, rising costs and price adjustments, its overall gross profit decreased by 2.8% to HK\$104,763,000 (2018: HK\$107,759,000). During the period under review, the Group actively optimised product portfolio by lowering the proportion of the trading business segment and, at the same time, strengthening production of high margin products and effectively reducing administrative costs. Consequently, its gross profit margin increased by one percentage point to 11.6% when compared with the same period last year. Profit attributable to equity holders of the Company amounted to HK\$587,000 (2018: HK\$1,878,000). Basic earnings per share were HK0.16 cents (2018: HK0.51 cents).

To reserve sufficient capital for business development, the Board did not recommend the payment of an interim dividend.

中期股息

董事會議決不就截至二零一九年十二月三十一日止六個月宣派任何中期股息。

管理層討論及分析

業務回顧

回顧二零一九年下半年，油價雖趨平穩但仍較去年高位回落，導致塑膠原料價格持續低走。宏觀經濟方面，中美貿易談判對企業前景依舊不明朗，加上人民幣匯價下跌及國內生產成本上升，為企業增添壓力，經營環境困難。客戶下單審慎並採取低存貨策略直接影響本集團接單數量，價格亦因競爭激烈而有所調整，截至二零一九年十二月三十一日止六個月，本集團之總營業額為906,580,000港元(二零一八年：1,024,235,000港元)，較去年下跌百分之十一點五。

為應對嚴峻經營環境，本集團採取審慎接單策略及嚴格執行成本控制措施，然而受價量下跌、成本增加及價格調整等因素影響，整體毛利下降百分之二點八至104,763,000港元(二零一八年：107,759,000港元)。本集團積極優化回顧期內產品組合，減少貿易業務佔比，同時加強生產高毛利的產品及有效節流降低行政開支，毛利率較去年同期增加一個百分點至百分之十一點六。公司股東應佔溢利為587,000港元(二零一八年：1,878,000港元)。每股基本盈利為0.16港仙(二零一八年：每股盈利0.51港仙)。

為保留充裕資金以發展業務，董事會建議不派發中期股息。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS REVIEW (Continued)

In the second half of 2019, as the Chinese economy faced the challenge presented by external risks, national policy focuses on driving domestic demand in the market and stimulating the consumption power of the people. This direction benefits the Group's colorants, pigments and compounded plastic resins segment products which are mainly sold to the domestic market. The segment also stood out in the performance among its three major businesses during the interim period. With the market competition intensifying, the daily necessities-related market has undergone consolidation and only the strong enterprises survived while the weak ones were phased out. The small enterprises with relatively lower ability to control costs and maintain technical standards as low-end manufacturing businesses have been acquired and phased out. In this aspect, the Group, which is known for high quality products, strategically increased the production of high-end sanitary products and continuously enlarged its market share in the food-packaging related product market in Mainland China. In order to secure more new orders, the Group expanded its capacity of Xiamen and Qingdao plants. Thanks to the Group's appropriate strategy, the turnover jumped substantially by 19.4% to HK\$186,994,000 when compared with the same period last year. Gross profit margin slightly rose by 0.3 percentage points. Profit before taxation recorded a growth of 47.7%. Moreover, attentive to the upcoming introduction of 5G projects and strong demand in the Internet-of-Things smart home market in Mainland China, it has actively developed that market in order to explore future income sources.

During the period under review, prices of plastic material have continued to fall since the slide of the prices in the same period last year. The low oil price, among other factors, has affected the profit of the engineering plastic business. The Group's automobile manufacturer customers in Mainland China have received reduced orders due to the China-US trade negotiation and weak demand in the domestic market. As a result, the business segment was inevitably affected and recorded a turnover of HK\$100,941,000. The Group has strategically developed other export markets in response to shifting global trade conditions in the past. Towards this end, it has successfully secured orders with internationally-renowned brands and ventured into the European market. The Group has continued to reinforce its overall competitiveness, enhancing product quality while effectively controlling costs. Hence, its gross profit margin increased by 5 percentage points. Profit before taxation surged by 16.4% to HK\$11,745,000 when compared with the same period last year. Apart from continuously enriching its product portfolio, leveraging its business advantages and focusing on promoting higher margin products to maintain growth momentum, the Group will also actively approach and engage in discussions with end customers in order to open up new income streams and expand its client base.

管理層討論及分析(續)

業務回顧(續)

二零一九下半年，中國經濟在外部風險的衝擊下，國家集中推動內需市場，刺激國民消費力，利好本集團以內銷市場為主的着色劑、色粉及混料業務，此業務亦在三大業務中期內表現最佳。隨著市場競爭加劇，日用品等相關市場出現汰弱留強的整合現象，成本控制能力和技術水準相對較低，以及從事低端製造的小型企業紛紛被合併淘汰。有見及此，以高質量見稱的本集團戰略地增加生產高端衛浴產品，並持續擴大食品包裝市場相關產品的內銷市場份額。為了承接更多新訂單，本集團分別提升廈門及青島廠房產能。憑藉本集團得宜策略，讓業務營業較去年同期大幅上升百分之十九點四至186,994,000港元，毛利率輕微增加零點三個百分點，除稅前盈利則錄得百分之四十七點七之增長。此外，本集團關注到5G項目陸續上馬及國內物聯網智能家居市場需求強勁，已積極發展相關市場業務，期望開拓未來收入來源。

回顧期內，塑膠原料價格由去年同期下滑後便持續低走，加上油價低迷等不利因素影響對工程塑料業務之利潤，此外國內汽車生產商客戶受中美貿易談判及國內市場需求疲弱影響而減少訂單，該業務無可避免地受影響，營業額錄得100,941,000港元。本集團過去就環球貿易情況策略地發展其他出口市場，成功爭取國際知名品牌訂單，拓展歐洲市場。本集團繼續鞏固整體競爭力，致力提升產品質素，同時有效控制成本，毛利率錄得五個百分點之增幅，除稅前盈利較去年同期大幅增長百分之十六點四至11,745,000港元。本集團將繼續豐富產品組合，善用企業優勢，以較高毛利率的產品為推廣重點，保持增長動力外，亦積極與終端客戶接洽，開闢新收入渠道及客戶群。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS REVIEW (Continued)

The plastics trading business has been the segment most adversely affected by the China-US trade negotiation and domestic economic slowdown. The trade conflict has not only affected China's automobile exports to the US, but the revenue of automobile parts manufacturers focusing on domestic market has also dropped due to shrinking market scale. This trend has hit export-oriented customers in Southern China hard, leading them to be more cautious in placing orders. The fall in raw material prices and the RMB exchange rate has also had a negative impact on the plastics trading business. As a result, turnover of the business segment amounted to HK\$618,645,000. Despite these challenges, the Group has implemented set strategies to reduce and control inventory, resulting in substantial improvement in inventory turnover during the period. Gross profit margin markedly narrowed when compared with the corresponding period last year, recording a slight decrease of only 0.1 percentage points. Apart from continuing to implement stringent cost control measures, the Group will continue to maintain close ties with existing customers in order to secure higher margin orders and maintain stable business.

PROSPECTS

After experiencing escalating global tensions since more than two years ago, the Group is delighted to see the signing of the first phase of the trade agreement between China and the US in early 2020. While uncertainties remain regarding the second-phase negotiations, the improving relations between the two countries has given positive signals for the global economy. That plus the stability of the price of oil and the RMB exchange rate as well as retreat of interest rate hikes, the management is cautiously optimistic about the Group's long-term development in the future.

The Group's factories have been extended their holidays due to the new coronavirus outbreak, but they have resumed work already. As for business development, the Group expects customers to start replenishing inventory, which is believed would spur the placing of more orders. The Group will also cooperate with new technology providers in the second half of the year to jointly invest in the research and development of innovative environmental protection technologies to develop more high quality and value-added products, thereby consolidating its industry-leading position. In addition, the Group will continue to expand its customer base, open up new income sources, explore markets and regions rich with potential, actively extend its reach to international brands while it develops high value-added and high margin 5G and smart home products.

管理層討論及分析(續)

業務回顧(續)

塑膠原料貿易業務受中美貿易談判及國內經濟放緩影響最大。中美貿易戰打擊中國汽車出口到美國的市場份額，以內銷市場為主的汽車零組件廠亦因市場規模縮減而營收下滑，嚴重打擊對出口為主的華南地區客戶，導致相關客戶下單保守。另外原料價格及人民幣匯價下跌對塑膠原料貿易業務帶來負面影響，該業務之營業額錄得618,645,000港元。雖然面對不少挑戰，本集團堅定實施既定策略，致力減少及控制庫存量，期內存貨週轉情況有效改善，毛利率僅輕微下跌零點一個百分點，跌幅較去年同期明顯收窄。除了持續執行嚴格的控制成本措施，本集團將繼續與現有客戶保持緊密聯繫，以爭取更多高毛利率的訂單，保持業務穩定。

展望

經過兩年多不斷升級的環球緊張局勢，我們樂見中美兩國於二零二零年年初簽署第一階段協議。儘管於第二階段磋商仍存有不明朗因素，但兩國氣氛緩和為環球經濟局勢帶來曙光，加上油價及人民幣匯價回穩及利息掉頭向下，管理層對未來長遠發展持審慎樂觀態度。

本集團旗下工廠雖受新型冠狀病毒爆發延長假期，但已陸續復工，業務發展方面，預計客戶開始補充庫存，相信有助推動下單情況。本集團下半年將與新技術方合作，共同投入研發新環保技術，發展高質量、高增值的產品，繼續鞏固本集團於行業之領先地位。與此同時，本集團將持續擴大客戶基礎、開闢新收入渠道、發掘更多具潛力的市場及地區，主動接觸國際品牌，包括5G及智能家居等較高增值、高毛利產品。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

PROSPECTS (Continued)

On top of producing conventional home appliances and maintaining stable relations with large toy companies, the Group has stepped up direct liaison with end-customers and put more resources into prospecting for end-customers of sanitary products, matching the country's policy to promote the domestic consumption market. The Group has also strengthened the development of food contact products, including setting up dedicated production and packaging workshops and investing in a specialised water cooling system to gain the confidence of customers with a high sanitary requirement on colour masterbatches. Through these measures, the Group aims to promote sales to the food, drugs and cosmetics industries.

As for cost controls, the Group will continue to implement strict cost control measures, including cutting administrative, distribution and production costs. It will also strive to raise overall administrative efficiency through sharing of internal resources so as to realise greater synergies in its operations. Furthermore, the Group will pay close attention to the development of the pandemic and make corresponding preparations and measures to ensure the safety of employees.

This year marks Ngai Hing Hong's 50th anniversary. The Group has been able to sustainably grow thanks to the dedication of the professional management team, leading the Group to overcome a variety of challenges over the years. As always, the Group will apply its business strategy with the objective of achieving strong and stable growth while engaging in prudent financial management with the ultimate end of delivering stable business growth and returns to shareholders in the long run.

管理層討論及分析(續)

展望(續)

本集團除了加強與生產傳統家電產品及與大型玩具商等客戶的關係外，亦增加直接與終端客戶接洽的機會，投放資源發掘更多衛浴產品終端客戶，以配合國家推動內銷市場的政策。同時，本集團亦加強開發食品接觸產品，包括分間專用車間生產及包裝，投資專用水冷卻系統，讓對色母衛生要求高之客戶建立信心，從而提高本集團在食品、藥品、化妝品行業之銷售推廣。

成本控制方面，本集團繼續嚴格執行成本控制措施，包括降低行政、分銷費用以及生產成本，並通過內部資源互享提升整體行政效率以發揮更大的協同效益。另外，本集團將密切關注疫情的發展，作出相應的準備及措施確保員工安全。

今年為本集團成立五十週年，業務得以持續發展全賴本集團專業管理團隊多年的努力，帶領本集團走過種種困境。本集團會誠如以往採取穩健的業務策略和審慎的理財方針，竭盡所能實現長期穩定增長，為股東帶來長遠回報。

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cashflow and banking facilities provided by its principal bankers. As at 31st December 2019, the Group has available aggregate bank loan facilities of approximately HK\$657,515,000 of which HK\$394,870,000 have been utilised and were secured by corporate guarantee issued by the Group and legal charges on certain leasehold land and buildings, investment properties and machinery and equipment in Mainland China and Hong Kong owned by the Group. The Group's cash and bank balances as at 31st December 2019 amounted to approximately HK\$139,617,000. The Group's gearing ratio as at 31st December 2019 was approximately 82%, based on the total bank borrowings of approximately HK\$394,870,000 and the shareholders' funds of approximately HK\$481,545,000.

Details of the Group's capital commitments are disclosed in Note 18(a) to the condensed consolidated interim financial information.

FOREIGN EXCHANGE RISK

The Group's bank borrowings and cash and cash equivalents are primarily denominated in Hong Kong dollars, Renminbi and US dollars. The Group's purchases were principally denominated in US dollars. The Group closely monitors currency fluctuations and manages its exchange risk by entering into forward exchange contracts from time to time.

As at 31st December 2019, the Group had outstanding forward foreign exchange contracts mainly to purchase US dollars. The maximum notional principal amounts of these outstanding forward foreign exchange contracts at 31st December 2019 were as follows:

		2019 HK\$'000 千港元
Sell HK dollars for US dollars	沽港元以買入美元	229,320

流動資金及財務資源

本集團一般以內部流動現金及主要銀行提供銀行貸款作為營運資金。於二零一九年十二月三十一日，本集團可動用銀行貸款約657,515,000港元，經已動用合共約394,870,000港元，該等貸款乃由本集團發出的擔保及本集團擁有之若干中國內地及香港租賃土地及樓宇、投資物業及機器及設備之法定抵押作擔保。本集團於二零一九年十二月三十一日之現金及銀行結餘約為139,617,000港元。根據銀行貸款總額約394,870,000港元及股東資金約481,545,000港元計算，本集團於二零一九年十二月三十一日之資產負債比率約為百分之八十二。

有關本集團之資本承擔已刊載於簡明綜合中期財務資料附註18(a)。

外匯風險

本集團之銀行借貸及現金及現金等額主要為港元、人民幣及美元。本集團的採購主要以美元計算。本集團不時密切監察匯率波動情況及透過對沖遠期外匯合約管理匯率波動風險。

於二零一九年十二月三十一日，本集團有未交收外匯遠期合約主要以買美元。於二零一九年十二月三十一日此等未交收外匯遠期合約之最高設定本金額如下：

EMPLOYEE INFORMATION

As at 31st December 2019, the Group employed a total of approximately 647 full-time employees. The Group's emolument policies are formulated on the performance of individual employees and are reviewed annually. The Group has an incentive scheme which is geared to the profit of the Group and the performance of its employees, as an incentive to motivate its employees to increase their contribution to the Group. The Group also provides social and medical insurance coverage, and provident fund scheme (as the case may be) to its employees depending on the location of such employees.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the period.

SHARE OPTIONS

On 22nd November 2012, the Company has adopted a share option scheme (the "Scheme") and terminated the share option scheme adopted by the Company on 5th December 2002. Under the terms of the Scheme, the Directors may, at their discretion, invite eligible participants to take up Share Options to subscribe for the shares of the Company subject to the terms and conditions stipulated therein.

No Share Options under the Scheme were granted, exercised or cancelled during the period.

僱員資料

於二零一九年十二月三十一日，本集團有合共約647名全職僱員。本集團之酬金政策乃按個別僱員之表現而制訂，並每年定期檢討。本集團亦為其僱員提供一個獎勵計劃，以鼓勵員工增加對公司之貢獻，惟須視本集團之溢利及僱員之表現而定。本集團不同地區之僱員亦獲提供社會及醫療保險保障以及公積金計劃。

購買、出售及贖回本公司之上市證券

本公司於期內並無贖回其股票。本公司或其任何附屬公司於期內亦無購買或出售本公司之上市證券。

購股權

本公司之股東於二零一二年十一月二十二日採納了購股權計劃（「購股權計劃」），並同日取消了本公司之股東於二零零二年十二月五日接納之購股權計劃。根據購股權計劃之條款及條件，董事會可酌情邀請合資格參與者接納可認購本公司股份之購股權。

於期內概無根據購股權計劃授出、行使或取消任何購股權。

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

At 31st December 2019, the interests and short positions of each Director and chief executive 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 otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

董事及最高行政人員於本公司或其任何相聯法團股份、相關股份及債券之權益及淡倉

於二零一九年十二月三十一日，本公司各董事及最高行政人員於本公司或其任何相關法團（定義見證券及期貨條例（「證券期貨條例」）第XV部）須向本公司申報之權益或已登記於根據證券期貨條例第352條存置之名冊之股份，相關股份及債券之權益及淡倉，或根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）之上市公司董事進行證券交易的標準守則（「標準守則」）已向本公司及聯交所申報者如下：

Ordinary shares of HK\$0.10 each in the Company

本公司每股面值0.10港元之普通股

			Number of shares of the Company beneficially held 實益持有之本公司股份數目			
Name of Directors	董事姓名		Personal interests 個人權益	Corporate interests 法團權益	Family interests 家屬權益	Other interests 其他權益
Mr. HUI Sai Chung	許世聰先生	Long Positions 好倉	16,703,600	202,721,500(a)	—	—
Mr. HUI Kwok Kwong	許國光先生	Long Positions 好倉	19,850,400	198,803,500(b)	—	—
Mr. HUI Yan Kuen	許人權先生	Long Positions 好倉	—	—	—	(c)
Mr. HUI Yan Lung Geoffrey	許人龍先生	Long Positions 好倉	—	—	—	(d)
Mr. HUI Man Wai	許文偉先生	Long Positions 好倉	250,000	—	—	(e)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Continued)

Notes:

- (a) 196,721,500 of these shares are held by Good Benefit Limited ("Good Benefit"), a company in which Ever Win Limited ("Ever Win") holds a 45.1% interest (note (e)). In addition, 6,000,000 shares are held by Ever Win directly.

50,001 ordinary shares of one Canadian dollar each in Ever Win are held by Mr. HUI Sai Chung. Mr. HUI Sai Chung and his spouse further own 33,957 and 5 class A non-convertible redeemable preferred shares of no par value in Ever Win respectively.

- (b) 196,721,500 of these shares are held by Good Benefit, a company in which Evergrow Company Limited ("Evergrow") holds a 45.1% interest (note (e)). In addition, 2,082,000 shares are held by Evergrow directly.

50,000 ordinary shares of one Canadian dollar each in Evergrow are held by Mr. HUI Kwok Kwong. Mr. HUI Kwok Kwong further owns 30,823 class A non-convertible redeemable preferred shares of no par value in Evergrow.

- (c) 196,721,500 of these shares are held by Good Benefit, a company in which Ever Win holds a 45.1% interest (note (e)). In addition, 6,000,000 shares are held by Ever Win directly. 333 ordinary shares of one Canadian dollar each in Ever Win are held by Mr. HUI Yan Kuen.

- (d) 196,721,500 of these shares are held by Good Benefit, a company in which Ever Win holds a 45.1% interest (note (e)). In addition, 6,000,000 shares are held by Ever Win directly. 333 ordinary shares of one Canadian dollar each in Ever Win are held by Mr. HUI Yan Lung Geoffrey.

董事及最高行政人員於本公司或其任何相聯法團股份、相關股份及債券之權益及淡倉(續)

附註：

- (a) 該等股份中之196,721,500股乃由Good Benefit Limited(「Good Benefit」)持有。Ever Win Limited(「Ever Win」)持有Good Benefit百分之四十五點一權益(附註(e))。此外，6,000,000股股份由Ever Win直接持有。

Ever Win每股面值1加元之普通股份50,001股由許世聰先生持有。許世聰先生及其配偶另分別擁有Ever Win A級無面值不可兌換可贖回優先股份33,957股及5股。

- (b) 該等股份中之196,721,500股乃由Good Benefit持有。Evergrow Company Limited(「Evergrow」)持有Good Benefit百分之四十五點一權益(附註(e))。此外，2,082,000股股份由Evergrow直接持有。

Evergrow每股面值1加元之普通股份50,000股由許國光先生持有。許國光先生另擁有Evergrow A級無面值不可兌換可贖回優先股份30,823股。

- (c) 該等股份中之196,721,500股乃由Good Benefit持有。Ever Win持有Good Benefit百分之四十五點一權益(附註(e))。此外，6,000,000股股份由Ever Win直接持有。Ever Win每股面值1加元之普通股份333股由許人權先生持有。

- (d) 該等股份中之196,721,500股乃由Good Benefit持有。Ever Win持有Good Benefit百分之四十五點一權益(附註(e))。此外，6,000,000股股份由Ever Win直接持有。Ever Win每股面值1加元之普通股份333股由許人龍先生持有。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Continued)

Notes: (Continued)

- (e) The beneficial interests of the Directors in the share capital of Good Benefit, which held 196,721,500 shares of the Company as at 31st December 2019 are as follows:

Name of Directors	董事姓名	Number of shares 股份數目	Percentage of holding 持股百分比
Mr. HUI Sai Chung	許世聰先生	4,510	45.1%
Mr. HUI Kwok Kwong	許國光先生	4,510	45.1%
Mr. HUI Man Wai	許文偉先生	360	3.6%
Others	其他	620	6.2%
		10,000	100.0%

At 31st December 2019, the following Directors owned interests in non-voting deferred shares in Ngai Hing Hong Plastic Materials Limited, which are subject to an option granted to Ngai Hing (International) Company Limited to acquire the said non-voting deferred shares.

Name of Directors	董事姓名	Number of non-voting deferred shares held 持有無投票權遞延股份數目	
		Personal interests 個人權益	Other interests 其他權益
Mr. HUI Sai Chung	許世聰先生	200,000	50,000 (i)
Mr. HUI Kwok Kwong	許國光先生	200,000	50,000 (i)

Notes:

- (i) These shares are held by Ever Win.
(ii) These shares are held by Evergrow.

董事及最高行政人員於本公司或其任何相聯法團股份、相關股份及債券之權益及淡倉(續)

附註：(續)

- (e) 董事在Good Benefit(於二零一九年十二月三十一日持有本公司196,721,500股股份)股本之實益權益如下：

於二零一九年十二月三十一日，下列董事擁有毅興塑膠原料有限公司無投票權遞延股份權益，而該公司並已授予Ngai Hing (International) Company Limited可購買上述無投票權遞延股份之購股權。

附註：

- (i) 該等股份由Ever Win持有。
(ii) 該等股份由Evergrow持有。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Continued)

Save as disclosed above and other than certain nominee shares in the subsidiaries of the Company held by certain Directors of the Company in trust for the Group as at 31st December 2019, none of the Directors and chief executives have any beneficial or non-beneficial interests in the share capital of the Company and associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed under the section headed by "Share Options" above,

- (a) at no time during the period was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors or chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate; and
- (b) none of the Directors, chief executives, their spouses or children under the age of 18 had been granted any right to subscribe for shares in or debentures of the Company, or exercised any such right.

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

As at 31st December 2019, the register of substantial shareholders maintained under Section 336 of the SFO shows that the Company had not been notified of any substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital, other than those of the Directors and chief executives as disclosed above.

董事及最高行政人員於本公司或其任何相聯法團股份、相關股份及債券之權益及淡倉(續)

除上文所披露及本公司若干董事以信託方式代本集團持有本公司若干附屬公司代理人股份外，於二零一九年十二月三十一日，根據證券期貨條例第352條規定存置之名冊所記錄或根據標準守則而向本公司及聯交所作出的知會，各董事及最高行政人員於本公司及相關法團（具有證券期貨條例第XV部的涵義）之股本中概無擁有任何根據證券期貨條例須予披露之實益或非實益權益。

除上述「購股權」一段所列外：

- (a) 於本期間任何時間內，本公司、其控股公司或其任何附屬公司並無參與訂立任何安排，致使本公司董事或最高行政人員可藉購買本公司或任何其他法人團體之股份或債券而獲益；及
- (b) 各董事、最高行政人員、其配偶或十八歲以下之子女概無獲授予可認購本公司股份或債券之權利，或已行使此等權利。

主要股東於本公司股份及相關股份之權益及淡倉

除上文所披露有關董事之權益外，根據本公司按證券期貨條例第336條而存置之主要股東名冊所顯示，本公司概無接獲任何人士於二零一九年十二月三十一日擁有本公司已發行股本百分之五或以上權益及淡倉之通知。

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transaction. The Company has made specific enquiry to all Directors and all Directors confirmed that they had complied with the required standard of dealings set out therein during the period.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to the establishment of good corporate governance practices and procedures which serve as an important element of risk management throughout the growth and expansion of the Company. The Company emphasises on maintaining and carrying out sound, solid and effective corporate governance principles and structures.

The Company has complied with all the applicable code provisions as set out in Corporate Governance Code and Corporate Governance Report to the Appendix 14 of the Listing Rules (the "CG Code") throughout the six months ended 31st December 2019, except for the deviation as mentioned below.

According to the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Up to the date of this interim report, the Board has not appointed any individual to be the chief executive. The roles of the chief executive have been performed collectively by all the executive directors, including the chairman, of the Company. The Board considers that this arrangement allows contributions from all executive directors with different expertise and is beneficial to the continuity of the Company's policies and strategies. Going forward, the Board will periodically review the effectiveness of this arrangement and considers appointing an individual to chief executive when it thinks appropriate.

For the purpose of enhancing the risk management and internal control systems, the Company has engaged an external consultant to assist the Board and the audit committee of the Company (the "Audit Committee") in ongoing monitoring and in performing the internal audit functions for the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

遵守董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載之標準守則作為董事進行證券交易之標準守則。本公司已向所有董事作出特定查詢，而全體董事已確認彼等於期內均有遵守當中所要求之買賣標準。

企業管治常規

本公司致力建立良好企業管治常規及程序，在擴大本公司的業務中，該常規及程序為風險管理之重要元素。本公司著重維持及執行優良、穩健及有效的良好企業管治常規及架構。

除下文所述的偏離外，截至二零一九年十二月三十一日止六個月，本公司一直遵守上市規則附錄14《企業管治守則》及《企業管治報告》（「守則」）所載列之所有適用守則條文。

根據守則條文第A.2.1條，主席及行政總裁之職能應分開，不應由一人同時兼任。直至本中期報告日期，董事會尚未委任任何人士擔任行政總裁。行政總裁之職責乃由本公司所有執行董事（包括主席）共同擔任。董事會認為，該安排讓各位擁有不同專業的執行董事共同決策，亦可貫徹執行本公司之政策及策略，故符合本集團利益。展望未來，董事會將定期檢討該安排之成效，及考慮於適當時候委任行政總裁。

就加強風險管理及內部監控系統，本公司已委聘外界顧問負責協助董事會及本公司的審核委員會（「審核委員會」）以持續監控及執行本集團之內部審核功能，並將發現內部監控設計及執行之缺失及提供改善建議。重大內部監控缺失將適時向董事會及審核委員匯報以確保儘快執行整改行動。

CORPORATE GOVERNANCE PRACTICE (Continued)

The Board has reviewed and considered the Group's risk management and internal control systems were effective and adequate during the period. The risk management and internal control systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

NOMINATION COMMITTEE

The Company has formulated written terms of reference for the nomination committee of the Company (the "Nomination Committee") in accordance with the requirements of the Stock Exchange. The Nomination Committee consists of all independent non-executive Directors, namely Mr. HO Wai Chi Paul, Mr. CHAN Dit Lung and Mr. CHING Yu Lung and an executive Director, Mr. HUI Sai Chung.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board (including the skills, knowledge and experience) on a regular basis and make recommendations to the Board regarding any proposed changes; identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships; assessing the independence of independent non-executive Directors; and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors. The Nomination Committee would review the Board's composition from time to time where Board diversity would be considered from a number of aspects, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of services. The Nomination Committee meets at least once a year to assess the structure, size and composition of the Board.

企業管治常規(續)

本期間內董事會已檢討本集團的風險管理及內部監控系統的有效性，並認為已足夠。設立本集團的風險管理及內部監控系統旨在管理而非消除未能達成業務目標之風險，並只合理而非絕對保證可防範重大失實陳述或損失。

提名委員會

本公司根據聯交所之規定擬定本公司的提名委員會(「提名委員會」)的職權範圍。提名委員會由全體獨立非執行董事(何偉志先生、陳秩龍先生及程如龍先生)及一名執行董事(許世聰先生)組成。

提名委員會負責定期檢討董事會的架構、規模及組合(包括技術、知識及經驗)，並就任何建議變更向董事會提出意見；識別具合適資格成為董事會成員的個人及就獲提名成為董事的個人作出篩選或向董事會作出選擇建議；評定獨立非執行董事的獨立性；及就有關董事的委任或再委任及董事的接任計劃之相關事項向董事會提供建議。提名委員會不時檢討董事會之組成，從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識以及服務年期。提名委員會每年最少就董事會的架構、規模及組合舉行一次會議。

AUDIT COMMITTEE

The Company has formulated written terms of reference for the Audit Committee in accordance with the requirements of the Stock Exchange. The Audit Committee consists of all independent non-executive Directors, namely Mr. HO Wai Chi Paul, Mr. CHAN Dit Lung and Mr. CHING Yu Lung.

The principal duties of the Audit Committee are to ensure the objectivity and credibility of financial reporting and internal control procedures as well as to maintain an appropriate relationship with the external auditor of the Company. The terms of reference of the Audit Committee are aligned with the recommendations set out in "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants and Listing Rules.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed consolidated interim financial information for the six months ended 31st December 2019 with the Directors.

REMUNERATION COMMITTEE

The Company has formulated written terms of reference for the remuneration committee of the Company (the "Remuneration Committee") in accordance with the requirements of the Stock Exchange. The Remuneration Committee consists of three independent non-executive Directors, namely Mr. HO Wai Chi Paul, Mr. CHAN Dit Lung and Mr. CHING Yu Lung and an executive Director, Mr. HUI Sai Chung.

The Remuneration Committee is responsible for ensuring formal and transparent procedures for developing remuneration policies and making recommendations to the Board on the remuneration packages of the individual executive Director and senior management. This includes benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. It takes into consideration on factors such as salaries paid by comparable companies, time commitment and responsibilities of Directors and senior management. The Remuneration Committee meets at least once a year to assess the performance and review the annual salaries and bonus of the senior executives.

審核委員會

本公司根據聯交所之規定擬定審核委員會之職權範圍。審核委員會由全體獨立非執行董事(何偉志先生、陳秩龍先生及程如龍先生)組成。

審核委員會主要職責為確保財務報告及內部監控程序之客觀性及可信度，以及與本公司外聘的核數師保持良好關係。審核委員會的職權範圍與香港會計師公會頒布的《審核委員會有效運作指引》及上市規則內載的建議相符。

審核委員會已經與管理層審閱本集團所採納之會計原則及方法，並與董事討論有關內部監控及財務匯報事宜，包括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中期財務資料。

薪酬委員會

本公司根據聯交所之規定擬定本公司的薪酬委員會(「薪酬委員會」)之職權範圍。薪酬委員會由三位獨立非執行董事(何偉志先生、陳秩龍先生及程如龍先生)及一位執行董事(許世聰先生)組成。

薪酬委員會負責確保正式及具透明度之薪酬政策制訂程序，及向董事會就個別執行董事及高級管理層之薪酬組合提出建議，這包括實物利益、退休金權利及補償(當中包括因失去或中止其職務或委任引致之任何應付補償)。薪酬委員會考慮之因素包括可比較公司之薪金水平、各董事及高級管理人員所投入之時間及職責等。薪酬委員會每年最少舉行一次會議以評估表現及審閱高級管理人員每年之薪酬及獎金。

CORPORATE GOVERNANCE COMMITTEE

The Company has formulated written terms of reference for the corporate governance committee of the Company (the "Corporate Governance Committee") in accordance with the CG Code. The Corporate Governance Committee consists of all independent non-executive Directors, namely Mr. HO Wai Chi Paul, Mr. CHAN Dit Lung and Mr. CHING Yu Lung.

The Corporate Governance Committee is responsible for developing and reviewing the policies and practices on corporate governance of the Group and making recommendations to the Board; reviewing and monitoring the training and continuous professional development of Directors and senior management; reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and reviewing the Group's compliance with the CG Code and disclosure in the Corporate Governance Report of the Company. The Corporate Governance Committee meets at least once a year to review the corporate governance functions.

On behalf of the Board

HUI Sai Chung

Chairman

Hong Kong,

27th February 2020

企業管治委員會

本公司根據守則之規定擬定本公司的企業管治委員會(「企業管治委員會」)的職權範圍。企業管治委員會由全體獨立非執行董事(何偉志先生、陳秩龍先生及程如龍先生)組成。

企業管治委員會負責發展及檢討本集團企業管治的政策及實施並向董事會提出意見；檢討及監察董事及高級管理人員的培訓及持續專業進修；檢討及監察本集團就法律及規則的合規性要求的政策及實施；發展、檢討及監察適用於員工及董事的行為準則及合規手冊(如有)；及檢討本集團就守則的合規性及本公司於企業管治報告的披露。企業管治委員會每年最少就企業管治功能舉行一次會議。

代表董事會

主席

許世聰

香港，

二零二零年二月二十七日



Ngai Hing Hong Company Limited
毅興行有限公司