

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

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

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

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

香港聯合交易所有限公司(「聯交所」)GEM的特色

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

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

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本報告(申酉控股有限公司(「本公司」)董事(「董事」)共同及個別對此負全責)乃遵照《聯交所GEM證券上市規則》(「《GEM上市規則》」)的規定而提供有關本公司的資料。董事經作出一切合理查詢後確認，就彼等所深知及確信，本報告所載資料在各重大方面均屬準確及完整，且無誤導或欺詐成分，及並無遺漏任何事項致使本報告或其所載任何陳述產生誤導。

Financial Highlights

財務摘要

For the nine months ended 30 September 2018, the unaudited operating results of the Company and its subsidiaries (collectively, the “**Group**”) were as follows:

- revenue recorded for the nine months ended 30 September 2018 amounted to approximately HK\$46.1 million;
- loss after taxation for the nine months ended 30 September 2018 amounted to approximately HK\$7.3 million; and
- basic and diluted loss per share of the Company for the nine months ended 30 September 2018 was approximately HK0.92 cents.

截至二零一八年九月三十日止九個月，本公司及其附屬公司（統稱「**本集團**」）之未經審核經營業績如下：

- 截至二零一八年九月三十日止九個月錄得收益約46.1百萬港元；
- 截至二零一八年九月三十日止九個月的除稅後虧損約為7.3百萬港元；及
- 本公司截至二零一八年九月三十日止九個月的每股基本及攤薄虧損約為0.92港仙。

Financial Highlights

財務資料

FINANCIAL INFORMATION

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2018 together with the comparative unaudited figures for the corresponding period in 2017, which are presented in Hong Kong dollars (“**HK\$**”) as follows:

財務資料

董事會(「**董事會**」)欣然宣佈本集團於截至二零一八年九月三十日止三個月及九個月的未經審核簡明綜合業績，連同二零一七年同期的未經審核比較數字，均以港元(「**港元**」)列示如下：

Unaudited Condensed Consolidated Statement of Profit or Loss

未經審核簡明綜合損益表

For the three months and nine months ended 30 September 2018

截至二零一八年九月三十日止三個月及九個月

| | | Notes 附註 | For the three months ended 30 September 截至九月三十日止三個月 | | For the nine months ended 30 September 截至九月三十日止九個月 | |
|--|------------------|-------------|---|---|---|---|
| | | | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) | 2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核) | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) | 2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核) |
| Revenue | 收益 | 4 | 16,622 | 18,849 | 46,077 | 50,346 |
| Cost of sales | 銷售成本 | | (13,617) | (12,253) | (36,714) | (32,777) |
| Gross profit | 毛利 | | 3,005 | 6,596 | 9,363 | 17,569 |
| Other income and gains | 其他收入及增益 | 5 | 1,604 | 2 | 2,478 | 60 |
| Selling and distribution expenses | 銷售及分銷開支 | | (1,630) | (1,521) | (5,098) | (4,037) |
| Administrative expenses | 行政開支 | | (4,824) | (2,496) | (13,891) | (7,339) |
| Other expenses | 其他開支 | | (38) | (5,028) | (398) | (10,426) |
| Finance costs | 融資成本 | 6 | (232) | (462) | (636) | (1,713) |
| LOSS BEFORE TAX | 除稅前虧損 | 7 | (2,115) | (2,909) | (8,182) | (5,886) |
| Income tax (expense)/credit | 所得稅(開支)/抵免 | 8 | (17) | (475) | 840 | (722) |
| LOSS FOR THE PERIOD | 期內虧損 | | (2,132) | (3,384) | (7,342) | (6,608) |
| LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT | 母公司擁有人應佔虧損 | | (2,132) | (3,384) | (7,342) | (6,608) |
| LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT | 母公司擁有人應佔 每股虧損 | 10 | (0.27) | (0.56) | (0.92) | (1.10) |
| Basic and diluted (expressed in HK cents per share) | 基本及攤薄(以每股港仙列示) | | | | | |

Unaudited Condensed Consolidated Statement of Comprehensive Income

未經審核簡明綜合全面收入表

For the three months and nine months ended 30 September 2018 截至二零一八年九月三十日止三個月及九個月

| | | For the three months ended 30 September | | For the nine months ended 30 September | |
|---|---------------------------|---|-------------|--|-------------|
| | | 截至九月三十日止三個月 | 截至九月三十日止三個月 | 截至九月三十日止九個月 | 截至九月三十日止九個月 |
| | | 2018 | 2017 | 2018 | 2017 |
| | | 二零一八年 | 二零一七年 | 二零一八年 | 二零一七年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| | | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | | (未經審核) | (未經審核) | (未經審核) | (未經審核) |
| LOSS FOR THE PERIOD | 期內虧損 | (2,132) | (3,384) | (7,342) | (6,608) |
| OTHER COMPREHENSIVE (LOSS)/INCOME | 其他全面(虧損)/收入 | | | | |
| Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods: | 於其後期間重新分類至損益的其他全面收入/(虧損)： | | | | |
| Available-for-sale investment: | 可供出售投資： | | | | |
| Change in fair value | 公允價值變動 | - | - | - | 120 |
| Income tax effect | 所得稅影響 | - | - | - | (19) |
| | | - | - | - | 101 |
| Exchange differences on translation of foreign operations | 換算海外業務的匯兌差額 | (2,598) | 1,225 | (3,240) | 3,487 |
| OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX | 期內其他全面(虧損)/收入(已扣除稅項) | (2,598) | 1,225 | (3,240) | 3,588 |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | 期內全面虧損總額 | (4,730) | (2,159) | (10,582) | (3,020) |
| ATTRIBUTABLE TO OWNERS OF THE PARENT | 母公司擁有人應佔 | (4,730) | (2,159) | (10,582) | (3,020) |

Unaudited Condensed Consolidated Statement of Changes in Equity

未經審核簡明綜合權益變動表

For the nine months ended 30 September 2018 截至二零一八年九月三十日止九個月

| | | Share capital | Share premium | Merger reserve | Statutory surplus reserve | Available-for-sale investment revaluation reserve | Exchange fluctuation reserve | Retained profits/ losses (Accumulated) | Total equity |
|--|---------------------|---------------|---------------|----------------|---------------------------|---|------------------------------|--|--------------|
| | | 股本 | 股份溢價 | 合併儲備 | 法定盈餘儲備 | 可供出售投資重估儲備 | 匯兌波動儲備 | 保留溢利/ (累計虧損) | 權益總額 |
| | | HK'000 | HK'000 | HK'000 | HK'000 | HK'000 | HK'000 | HK'000 | HK'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| As at 1 January 2017 (audited) | 於二零一七年一月一日 (經審核) | - | - | 40,000 | 5,670 | (966) | 6,293 | 10,388 | 61,385 |
| Loss for the period | 期內虧損 | - | - | - | - | - | - | (6,608) | (6,608) |
| Other comprehensive loss for the period: | 期內其他全面虧損： | | | | | | | | |
| Change in fair value of an available-for-sale investment, net of tax | 可供出售投資公允價值變動(已扣除稅項) | - | - | - | - | 101 | - | - | 101 |
| Exchange differences on translation of foreign operations | 換算海外業務的匯兌差額 | - | - | - | - | - | 3,487 | - | 3,487 |
| Total comprehensive income/(loss) for the period | 期內全面收入/(虧損)總額 | - | - | - | - | 101 | 3,487 | (6,608) | (3,020) |
| As at 30 September 2017 (unaudited) | 於二零一七年九月三十日(未經審核) | - | - | 40,000 | 5,670 | (865) | 9,780 | 3,780 | 58,365 |
| As at 1 January 2018 | 於二零一八年一月一日 | 8,000 | 57,751 | (1,000) | 5,670 | (825) | 11,290 | (2,802) | 78,084 |
| HKFRS 9 adjustment on retained earnings | 保留盈利的香港財務報告準則第9號調整 | - | - | - | - | 825 | - | (825) | - |
| As at 1 January 2018 (after adjustment) | 於二零一八年一月一日 (調整後) | 8,000 | 57,751 | (1,000) | 5,670 | - | 11,290 | (3,627) | 78,084 |
| Loss for the period | 期內虧損 | - | - | - | - | - | - | (7,342) | (7,342) |
| Other comprehensive loss for the period: | 期內其他全面虧損： | | | | | | | | |
| Exchange differences on translation of foreign operations | 換算海外業務的匯兌差額 | - | - | - | - | - | (3,240) | - | (3,240) |
| Total comprehensive loss for the period | 期內全面虧損總額 | - | - | - | - | - | (3,240) | (7,342) | (10,582) |
| As at 30 September 2018 (unaudited) | 於二零一八年九月三十日(未經審核) | 8,000 | 57,751 | (1,000) | 5,670 | - | 8,050 | (10,969) | 67,502 |

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the three months and nine months ended 30 September 2018 截至二零一八年九月三十日止三個月及九個月

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands on 18 August 2016. The registered office address of the Company is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 15 December 2017.

The Company is an investment holding company. During the period, the Company’s subsidiaries were principally engaged in the manufacture and trading of high performance sewing threads and broad categories of garment accessories.

The ultimate holding company of the Group is Three Gates Investment Limited, which was incorporated in the British Virgin Islands (“**BVI**”) with limited liability and is controlled by Mr. Wong Kwok Wai, Albert.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and available-for-sale investment which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2017 annual financial statements except for the adoption of the standards, amendments and interpretation issued by the HKICPA mandatory for the annual periods beginning on 1 January 2018. The effect of the adoption of these standards, amendments and interpretation is described in our 2017 annual financial statements.

1. 公司及集團資料

本公司於二零一六年八月十八日根據開曼群島公司法(經修訂)在開曼群島註冊成立為獲豁免有限公司，註冊辦事處位於 Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands。本公司股份於二零一七年十二月十五日在香港聯合交易所有限公司(「**聯交所**」)GEM上市。

本公司為投資控股公司。本公司附屬公司期內主要從事優質縫紉線和各類服裝輔料生產及貿易。

本集團最終控股公司為 Three Gates Investment Limited，乃於英屬處女群島(「**英屬處女群島**」)註冊成立的有限公司，由黃國偉先生控制。

2. 編製基準

該等財務報表乃根據香港會計師公會(「**香港會計師公會**」)頒佈的香港財務報告準則(包括所有香港財務報告準則、香港會計準則及詮釋)、香港公認會計準則以及香港公司條例披露規定編製。該等財務報表按歷史成本慣例編製，惟按公允值計入損益的金融資產及可供出售投資按公允值計量。除另有說明者外，該等財務報表以港元呈列，所有價值均已湊整至最接近千位。

未經審核簡明綜合財務報表乃按二零一七年年度的財務報表所採納之相同會計政策編製，惟採納香港會計師公會頒佈並強制於二零一八年一月一日開始之年度期間實施之準則、修訂及詮釋除外。採納該等準則、修訂及詮釋的影響載於我們二零一七年年度的財務報表。

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

未經審核簡明綜合財務報表附註(續)

For the three months and nine months ended 30 September 2018 截至二零一八年九月三十日止三個月及九個月

2. BASIS OF PREPARATION (Continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the nine months ended 30 September 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2. 編製基準(續)

綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「**本集團**」)截至二零一八年九月三十日止九個月之財務報表。附屬公司為本公司直接或間接控制的實體(包括結構實體)。本集團因參與投資對象而可以或有權獲得不定回報，且可透過對投資對象行使權力改變回報(即本集團運用既有權利現時可以左右投資對象有關業務)時，視為擁有控制權。

如本公司直接或間接擁有投資對象投票權或同樣權利不過半數，本集團衡量是否對投資對象有權力時，會考慮所有相關事實及情況，包括：

- (a) 投資對象其他投票權持有人的合約安排；
- (b) 其他合約安排的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司使用與本公司一致的會計政策編製同一報告期間的財務報表。附屬公司的業績自本集團取得控制權之日起綜合入賬，並持續綜合入賬至有關控制權終止當日為止。

損益及其他全面收入的各組成部分會歸屬於本集團母公司擁有人及非控股權益，儘管這會導致非控股權益結餘錄得虧絀。有關本集團成員公司間交易的所有集團內資產及負債、權益、收入、開支以及現金流量於綜合入賬時悉數對銷。

倘事實及情況顯示上述三項控制因素的一項或多項出現變化，本集團會重新評估本身是否控制投資對象。並無失去控制權的附屬公司擁有權益變動以權益交易入賬。

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

未經審核簡明綜合財務報表附註(續)

For the three months and nine months ended 30 September 2018 截至二零一八年九月三十日止三個月及九個月

2. BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA for the first time for these Financial Statements.

| | |
|-------------------------------------|---|
| Amendments to HKFRS 2 | Classification and Measurement of Share-based Payment Transactions |
| Amendments to HKFRS 4 | Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts |
| HKFRS 9 | Financial Instruments |
| HKFRS 15 | Revenue from Contracts with Customers |
| Amendments to HKFRS 15 | Clarifications to HKFRS 15 Revenue from Contracts with Customers |
| Amendment to HKAS 40 | Transfers of Investment Property |
| HK (IFRIC) — Int 22 | Foreign Currency Transactions and Advance Consideration |
| Annual Improvements 2014–2016 Cycle | Amendments to HKFRS 1 and HKAS 28 |

2. 編製基準(續)

綜合基準(續)

倘本集團失去附屬公司的控制權，則會終止確認：(i) 該附屬公司的資產(包括商譽)及負債；(ii) 任何非控股權益的賬面值；及(iii) 計入權益的累計匯兌差額；並確認(i) 已收取代價的公允值；(ii) 任何保留投資的公允值；及(iii) 所產生於損益確認的任何盈餘或虧絀。本集團應佔過往於其他全面收入確認的組成部分按與本集團直接出售相關資產或負債所需相同基準重新分類至損益或保留溢利(如適用)。

3. 會計政策和披露的變動

本集團已就此等財務報表首次採納下列由香港會計師公會頒佈的新訂和經修訂香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則和詮釋)。

| | |
|------------------------|-----------------------------------|
| 香港財務報告準則第2號修訂本 | 股份付款交易的分類及計量 |
| 香港財務報告準則第4號修訂本 | 應用香港財務報告準則第9號金融工具及香港財務報告準則第4號保險合約 |
| 香港財務報告準則第9號 | 金融工具 |
| 香港財務報告準則第15號 | 來自客戶合約的收益 |
| 香港財務報告準則第15號修訂本 | 香港財務報告準則第15號來自客戶合約的收益的澄清 |
| 香港會計準則第40號修訂本 | 轉讓投資物業 |
| 香港(國際財務報告詮釋委員會)一詮釋第22號 | 外幣交易及預付代價 |
| 二零一四年至二零一六年週期的年度改進 | 香港財務報告準則第1號及香港會計準則第28號的修訂 |

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

未經審核簡明綜合財務報表附註(續)

For the three months and nine months ended 30 September 2018 截至二零一八年九月三十日止三個月及九個月

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Other than the impact of HKFRS 9 and HKFRS 15 as disclosed in note 2.3 of the Group's financial statements in the Group's annual report for the year ended 31 December 2017, the Group expects that the adoption of the above new and revised standards will have no significant impact on these financial statements.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and trading of high performance sewing threads and broad categories of garment accessories. For management purposes, the Group operates in one business unit and has one reportable operating segment, which is the thread segment that manufactures and sells sewing threads and garment accessories. Accordingly, no further operating segment information is presented.

Geographical information

Revenue from external customers

| | | For the three months ended 30 September 截至九月三十日止三個月 | | For the nine months ended 30 September 截至九月三十日止九個月 | |
|----------------|------|---|---|---|---|
| | | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) | 2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核) | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) | 2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核) |
| Mainland China | 中國內地 | 10,222 | 8,456 | 27,811 | 24,980 |
| Hong Kong | 香港 | 549 | 3,520 | 2,373 | 6,988 |
| Overseas | 海外 | 5,851 | 6,873 | 15,893 | 18,378 |
| | | 16,622 | 18,849 | 46,077 | 50,346 |

The revenue information is based on the locations of the customers.

除本集團年報所載截至二零一七年十二月三十一日止年度的本集團財務報表附註2.3所披露的香港財務報告準則第9號及香港財務報告準則第15號的影響外，本集團預期採納上述新訂和經修訂準則將不會對此等財務報表產生重大影響。

3. 會計政策和披露的變動(續)

4. 經營分部資料

本集團主要從事生產及銷售優質縫紉線和各類服裝輔料。就管理目的而言，本集團經營一個業務單位並擁有一個呈報經營分部，即生產及銷售縫紉線及服裝輔料的線料分部。因此並無呈報經營分部的其他資料。

地區資料

來自外部客戶的收益

收益資料乃基於客戶所在地劃分。

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

未經審核簡明綜合財務報表附註(續)

For the three months and nine months ended 30 September 2018 截至二零一八年九月三十日止三個月及九個月

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after trade discounts and sales taxes.

An analysis of revenue, other income and gains is as follows:

5. 收益、其他收入及增益

收益指已售貨品的發票價值淨額(已扣除交易折扣及營業稅)。

收益、其他收入及增益的分析如下：

| | | For the three months ended 30 September | | For the nine months ended 30 September | |
|--|-----------------------|---|-------------|--|-------------|
| | | 截至九月三十日止三個月 | 截至九月三十日止三個月 | 截至九月三十日止九個月 | 截至九月三十日止九個月 |
| | | 2018 | 2017 | 2018 | 2017 |
| | | 二零一八年 | 二零一七年 | 二零一八年 | 二零一七年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| | | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | | (未經審核) | (未經審核) | (未經審核) | (未經審核) |
| Revenue | 收益 | | | | |
| Sales of goods | 銷售貨品 | 16,622 | 18,849 | 46,077 | 50,346 |
| Other income and gains | 其他收入及增益 | | | | |
| Bank interest income | 銀行利息收入 | 1 | - | 11 | 1 |
| Exchange gains, net | 匯兌增益淨值 | 1,028 | - | 1,235 | - |
| Fair value gain on financial assets at fair value through profit or loss | 按公允價值計入損益的金融資產的公允價值增益 | 57 | - | 114 | - |
| Gain on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目之增益 | - | 2 | - | 59 |
| Gross rental income | 租金收入總額 | 291 | - | 891 | - |
| Others | 其他 | 227 | - | 227 | - |
| | | 1,604 | 2 | 2,478 | 60 |

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

未經審核簡明綜合財務報表附註(續)

For the three months and nine months ended 30 September 2018 截至二零一八年九月三十日止三個月及九個月

6. FINANCE COSTS

An analysis of finance costs is as follows:

6. 融資成本

融資成本分析如下：

| | | For the three months ended 30 September 截至九月三十日止三個月 | | For the nine months ended 30 September 截至九月三十日止九個月 | |
|---------------------------------------|-----------|---|---|---|---|
| | | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) | 2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核) | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) | 2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核) |
| Interest on bank loans and overdrafts | 銀行貸款利息及透支 | 232 | 462 | 636 | 1,713 |

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

7. 除稅前虧損

本集團的除稅前虧損已扣除/(計入)下列各項：

| | | For the three months ended 30 September 截至九月三十日止三個月 | | For the nine months ended 30 September 截至九月三十日止九個月 | |
|--|-----------------------|---|---|---|---|
| | | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) | 2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核) | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) | 2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核) |
| Cost of inventories sold | 已售存貨成本 | 13,617 | 12,253 | 36,714 | 32,777 |
| Depreciation | 折舊 | 223 | 93 | 397 | 284 |
| Recognition of prepaid lease payments for buildings | 確認樓宇預付租賃款項 | 82 | 67 | 246 | 206 |
| Minimum lease payments under operating leases: | 經營租賃之最低租金： | | | | |
| Land and building and office equipment | 土地及樓宇及辦公設備 | 496 | 429 | 1,361 | 1,237 |
| Auditor's remuneration | 核數師酬金 | 310 | 311 | 1,100 | 904 |
| Employees' benefit expenses (excluding Directors' remuneration) | 僱員福利開支(不包括董事薪酬) | 4,935 | 4,572 | 15,077 | 11,529 |
| Net exchange loss/(gain) | 外匯虧損/(增益)淨額 | (1,028) | 216 | (1,235) | 1,007 |
| (Gain)/Loss on disposal of fixed assets | 出售固定資產之(增益)/虧損 | - | (2) | 322 | (59) |
| Listing expenses | 上市開支 | - | 5,151 | - | 9,418 |
| Fair value gain on financial assets at fair value through profit or loss | 按公允價值計入損益的金融資產的公允價值增益 | (57) | - | (114) | - |

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

未經審核簡明綜合財務報表附註(續)

For the three months and nine months ended 30 September 2018 截至二零一八年九月三十日止三個月及九個月

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which subsidiaries of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and BVI.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the nine months ended 30 September 2017 and 2018.

Pursuant to the PRC Income Tax Law and the respective regulations, the subsidiaries which operate in Mainland China are subject to corporate income tax at a rate of 25% on the taxable income.

8. 所得稅

本集團須按實體基準就產生或源於本集團附屬公司註冊及經營所在司法管轄區的溢利繳納所得稅。根據開曼群島及英屬處女群島的規則及法規，本集團毋須繳納開曼群島及英屬處女群島的任何所得稅。

香港利得稅乃按照截至二零一七年及二零一八年九月三十日止九個月於香港產生的估計應課稅溢利按稅率 16.5% 作出撥備。

根據中國所得稅法及相關規定，於中國內地經營之附屬公司須按應課稅收入的 25% 繳納企業所得稅。

| | For the three months ended 30 September 截至九月三十日止三個月 | | For the nine months ended 30 September 截至九月三十日止九個月 | |
|---|---|---|---|---|
| | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) | 2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核) | 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核) | 2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核) |
| Current — Hong Kong and Mainland China 即期 — 香港及中國內地 | - | 421 | - | 533 |
| Deferred 遞延 | 17 | 54 | (840) | 189 |
| Tax expense/(credit) 稅項支出/(抵免) | 17 | 475 | (840) | 722 |

9. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2018.

9. 股息

董事會不建議就截至二零一八年九月三十日止九個月派發中期股息。

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

未經審核簡明綜合財務報表附註(續)

For the three months and nine months ended 30 September 2018 截至二零一八年九月三十日止三個月及九個月

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

10. 母公司擁有人應佔每股虧損

| | | For the three months ended 30 September 截至九月三十日止三個月 | | For the nine months ended 30 September 截至九月三十日止九個月 | |
|--|-----------------|--|--|---|--|
| | | 2018 二零一八年 (unaudited) (未經審核) | 2017 二零一七年 (unaudited) (未經審核) | 2018 二零一八年 (unaudited) (未經審核) | 2017 二零一七年 (unaudited) (未經審核) |
| Loss attributable to owners of the parent (HK\$'000) | 母公司擁有人應佔虧損(千港元) | 2,132 | 3,384 | 7,342 | 6,608 |
| Number of shares | 股份數目 | 800,000,000 | 600,000,000 | 800,000,000 | 600,000,000 |
| Basic and diluted loss per share (HK cents) | 每股基本及攤薄虧損(港仙) | 0.27 | 0.56 | 0.92 | 1.10 |

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in the manufacturing and selling of sewing threads. It currently manufactures polyester sewing threads, which are mainly used for garments. The major product of the Group is 100% spun polyester sewing threads. Other types of sewing threads are also offered, including textured polyester series, elastic filament sewing threads and weft yarn. The Group's customers are located in the People's Republic of China (the "PRC"), Hong Kong as well as overseas countries, including United Arab Emirates ("UAE"), Mauritius and Australia. While the Group's customers in the PRC and Hong Kong are mainly garment manufacturers, its overseas customers are mainly wholesalers. The production facilities of the Group, where the sewing threads manufacturing process is conducted, are located in Liwan, Guangzhou (the "**Guangzhou Production Facilities**").

For the nine months ended 30 September 2018, the Group's revenue decreased by approximately 8.5% as compared with that for the nine months ended 30 September 2017. The gross profit margin decreased to approximately 20.3% for the nine months ended 30 September 2018 from approximately 34.9% for the same period in the preceding year. The decrease in gross profit margin was mainly attributable to the significant increase in direct material costs, processing fees and staff costs incurred by the Group for the nine months ended 30 September 2018.

Non-recurring listing expenses were not recognised in the Group's unaudited condensed consolidated statements of profit or loss for the nine months ended 30 September 2018. In comparison, non-recurring listing expenses of approximately HK\$9.4 million were recognised for the same period in 2017.

The loss attributable to the owners of the parent increased to approximately HK\$7.3 million for the nine months ended 30 September 2018 from approximately HK\$6.6 million for the same period in 2017, representing an increase of approximately 11.1%. Such increase was primarily due to the increase in staff costs for the sales department and administrative department, which in turn increased the Group's selling expenses and administrative expenses for the nine months ended 30 September 2018.

業務回顧

本集團主營業務為生產及銷售縫紉線。本集團現時生產主要用於服裝的滌綸線。本集團的重點產品為100%滌綸線。本集團亦提供其他類型的縫紉線，包括滌綸長絲系列、高彈絲縫紉線及低彈絲。本集團的客戶位於中華人民共和國（「中國」）、香港及世界各地，包括阿拉伯聯合酋長國（「阿聯酋」）、毛里裘斯、澳洲及英國。本集團位於中國及香港的客戶主要為服裝製造商，而海外客戶則立要為批發商。本集團的生產設施位於廣州荔灣區（「廣州生產基地」），縫紉線的製造流程均於基地中進行。

截至二零一八年九月三十日止九個月，本集團的收益較截至二零一七年九月三十日止九個月下跌約8.5%。截至二零一八年九月三十日止九個月的毛利率由去年同期的約34.9%下跌至約20.3%。毛利率下跌乃主要由於截至二零一八年九月三十日止九個月本集團產生的直接材料成本、加工費用及員工成本的大幅增加所致。

於截至二零一八年九月三十日止九個月並無於本集團未經審核簡明綜合損益表內確認非經常性上市開支。而相比之下，二零一七年同期則確認非經常性上市開支約9.4百萬港元。

截至二零一八年九月三十日止九個月的母公司擁有人應佔虧損上升至約7.3百萬港元，而二零一七年同期則為約6.6百萬港元，上升約11.1%。增加乃主要由於銷售部門及行政部門的員工成本增加，因而令本集團截至二零一八年九月三十日止九個月的銷售開支及行政開支增加所致。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL REVIEW

Revenue

The Group's products are sold in the PRC, Hong Kong as well as overseas. The following table sets out a breakdown of the Group's revenue attributable to domestic and overseas sales of the Group's sewing threads for each of the nine months ended 30 September 2017 and 2018:

| | | Nine months ended 30 September 截至九月三十日止九個月 | | | | Rate of change 變動比率 |
|-----------------|--------|---|---------------------------------|-----------------|---------------------------------|---------------------------|
| | | 2018 二零一八年 | | 2017 二零一七年 | | |
| | | HK\$'000 千港元 | % of total revenue 佔總收益 % | HK\$'000 千港元 | % of total revenue 佔總收益 % | % |
| PRC | 中國 | 27,811 | 60.4 | 24,980 | 49.6 | 11.3 |
| Hong Kong | 香港 | 2,373 | 5.1 | 6,988 | 13.9 | (66.0) |
| Overseas (Note) | 海外(附註) | 15,893 | 34.5 | 18,378 | 36.5 | (13.5) |
| | | 46,077 | 100 | 50,346 | 100 | (8.5) |

Note: For each of the nine months ended 30 September 2017 and 2018, the Group exported its products to countries including but not limited to UAE, Mauritius and Australia.

The Group's revenue decreased to approximately HK\$46.1 million for the nine months ended 30 September 2018 from approximately HK\$50.3 million for the nine months ended 30 September 2017, representing a decrease of approximately 8.5%. Such decrease was mainly attributable to the decrease in sales to the Hong Kong and overseas markets.

財務回顧

收益

本集團的產品會於中國、香港及海外銷售。下表載列本集團於截至二零一七年及二零一八年九月三十日止各九個月來自於本地及海外銷售本集團的縫紉線的收益的分析：

附註：截至二零一七年及二零一八年九月三十日止各九個月，本集團將產品出口至多個國家，包括(但不限於)阿聯酋、毛里裘斯及澳洲。

本集團的收益由截至二零一七年九月三十日止九個月約50.3百萬港元，下跌至截至二零一八年九月三十日止九個月約46.1百萬港元，下跌約8.5%。下跌乃主要由於向香港及海外市場的銷售減少所致。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Cost of sales

The Group's cost of sales primarily consists of direct material costs, processing fees, direct labour costs and welfare and social insurance. The cost of sales increased to approximately HK\$36.7 million for the nine months ended 30 September 2018 from approximately HK\$32.8 million for the nine months ended 30 September 2017, representing an increase of approximately 12.0%. The Group's cost of sales increased due to the significant increase in direct material costs, processing fees, and staff costs.

Gross profit and gross profit margin

The Group's gross profit decreased to approximately HK\$9.3 million for the nine months ended 30 September 2018 from approximately HK\$17.6 million for the nine months ended 30 September 2017, representing a decrease of approximately 46.7%. The decrease in gross profit was mainly attributable to the significant increase in direct material costs, processing fees and staff costs. The Group's gross profit margin decreased to approximately 20.3% for the nine months ended 30 September 2018 from approximately 34.9% for the nine months ended 30 September 2017, which was also a result of the aforementioned reasons.

Other gains/(losses), net

The Group recorded other gains, net of approximately HK\$2.1 million for the nine months ended 30 September 2018 as compared with other losses, net of approximately HK\$10.4 million for the nine months ended 30 September 2017. Such change was mainly attributable to (i) no listing expenses being recognised for the nine months ended 30 September 2018; and (2) the recognition of exchange gain and gross rental income during the nine months ended 30 September 2018.

銷售成本

本集團的銷售成本主要包括直接材料成本、加工費用及直接勞工成本以及福利及社會保險。銷售成本由截至二零一七年九月三十日止九個月約32.8百萬港元，上升至截至二零一八年九月三十日止九個月約36.7百萬港元，相當於增加約12.0%。本集團的銷售成本增加乃由於直接材料成本、加工費用及員工成本大幅增加所致。

毛利及毛利率

本集團的毛利由截至二零一七年九月三十日止九個月約17.6百萬港元，下跌至截至二零一八年九月三十日止九個月約9.3百萬港元，下跌約46.7%。毛利下跌乃主要由於直接材料成本、加工費用及員工成本大幅增加所致。本集團的毛利率由截至二零一七年九月三十日止九個月約34.9%，下跌至截至二零一八年九月三十日止九個月約20.3%，此亦由於前述原因造成。

其他增益／(虧損)淨額

本集團錄得其他增益淨額約2.1百萬港元，而截至二零一七年九月三十日止九個月則錄得其他虧損淨額約10.4百萬港元。有關變動乃主要由於(1)截至二零一八年九月三十日止九個月並無確認上市開支；及(2)截至二零一八年九月三十日止九個月確認匯兌增益及租金收入總額所致。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Selling expenses

Selling expenses mainly consist of staff costs of the sales department and transportation expenses. Selling expenses increased to approximately HK\$5.1 million for the nine months ended 30 September 2018 from approximately HK\$4.0 million for the nine months ended 30 September 2017, representing an increase of approximately 26.3%. The increase in the Group's selling expenses was mainly attributable to the increase in staff costs of the sales department.

Administrative expenses

Administrative expenses primarily consist of staff costs of the administration department, Directors' remuneration and legal and professional fees. Administrative expenses increased to approximately HK\$13.9 million for the nine months ended 30 September 2018 from approximately HK\$7.3 million for the nine months ended 30 September 2017, representing an increase of approximately 89.3%. Such increase was mainly attributable to the increase in staff costs of the administration department, Directors' remuneration, audit fee and legal and professional fees.

Listing expenses

For the nine months ended 30 September 2018, the Group did not recognise any non-recurring listing expenses in the unaudited condensed consolidated statement of profit or loss. Alternatively, listing expenses of approximately HK\$9.4 million were recorded in the Group's unaudited condensed consolidated statement of profit or loss for the nine months ended 30 September 2017.

Loss before income tax

As a result of the aforesaid, the Group recorded a loss before income tax of approximately HK\$8.2 million for the nine months ended 30 September 2018, representing an increase of approximately 39.0% from approximately HK\$5.9 million for the same period of the preceding year.

銷售開支

銷售開支主要包括銷售部門的員工成本以及運輸費。銷售開支由截至二零一八年九月三十日止九個月約4.0百萬港元，增加至截至二零一八年九月三十日止九個月約5.1百萬港元，增加約26.3%。本集團銷售開支增加乃主要由於銷售部門的員工成本增加所致。

行政開支

行政開支主要包括行政部門的員工成本、董事酬金以及法律及專業費用。行政開支由截至二零一七年九月三十日止九個月約7.3百萬港元，上升至截至二零一八年九月三十日止九個月約13.9百萬港元，上升約89.3%。有關上升乃主要由於行政部門的員工成本、董事酬金、審核費用及法律及專業費用增加所致。

上市開支

於截至二零一八年九月三十日止九個月，本集團並無於未經審核簡明綜合損益表內確認任何非經常性上市開支。而於截至二零一七年九月三十日止九個月本集團未經審核簡明綜合損益表內則錄得上市開支約9.4百萬港元。

除所得稅前虧損

由於前述各項，本集團於截至二零一八年九月三十日止九個月錄得除所得稅前虧損約8.2百萬港元，較去年同期約5.9百萬港元增加約39.0%。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Total comprehensive loss attributable to the owners of the parent

The total comprehensive loss attributable to the owners of the parent increased to approximately HK\$10.6 million for the nine months ended 30 September 2018 from approximately HK\$3.0 million for the nine months ended 30 September 2017, representing an increase of approximately 250.4%. Such increase was mainly attributable to the appreciation of the Renminbi against the Hong Kong dollar and increase in loss for the nine months ended 30 September 2018.

Basic and diluted loss per Share

The Company's basic and diluted loss per Share for the nine months ended 30 September 2018 was approximately HK0.92 cents (2017: HK1.10 cents), representing a decrease of approximately HK0.18 cents, or approximately 16.4%, which was primarily due to the issue of additional shares of the Company upon the listing of its shares on the Stock Exchange on 15 December 2017.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2018.

CAPITAL STRUCTURE

The shares of the Company (the "Shares") were listed on 15 December 2017 (the "Listing Date"). There has been no change in the capital structure of the Group since the Listing Date and the share capital of the Group only comprises ordinary Shares.

As at 30 September 2018, the Company's issued share capital amounted to HK\$8.0 million, divided by 800,000,000 Shares of HK\$0.01 each.

SIGNIFICANT INVESTMENTS

As at 30 September 2018, the Group did not hold any significant investments (as at 30 September 2017: Nil).

母公司擁有人應佔全面虧損總額

母公司擁有人應佔全面虧損總額由截至二零一七年九月三十日止九個月約3.0百萬港元增加至截至二零一八年九月三十日止九個月約10.6百萬港元，增加約250.4%。有關增加乃主要由於人民幣兌港元升值及截至二零一八年九月三十日止九個月虧損增加所致。

每股基本及攤薄虧損

截至二零一八年九月三十日止九個月，本公司每股基本及攤薄虧損約為0.92港仙(二零一七年：1.10港仙)，下跌約0.18港仙(或約16.4%)，主要由於在二零一七年十二月十五日本公司股份於聯交所上市後發行額外股份所致。

中期股息

董事會不建議就截至二零一八年九月三十日止九個月派發中期股息。

資本架構

本公司股份(「股份」)於二零一七年十二月十五日(「上市日期」)上市。本集團的資本架構自上市日期起並無變動。本集團的股本僅包括普通股股份。

於二零一八年九月三十日，本公司的已發行股本為8.0百萬港元，分為800,000,000股每股面值0.01港元的股份。

重大投資

於二零一八年九月三十日，本集團並無持有任何重大投資(於二零一七年九月三十日：無)。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to foreign currency risk when it enters into transactions which are not denominated in the Group's functional currency. Such exposure mainly relates to the distribution and sale of the Group's products and purchases of raw materials in the PRC. As at 30 September 2018, the Group did not have a foreign currency hedging policy. Yet, the Group's management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

CONTINGENT LIABILITIES

As at 30 September 2018, the Group did not have material contingent liabilities (as at 30 September 2017: Nil).

FUTURE PROSPECTS

The shares of the Company were successfully listed on GEM of the Stock Exchange on 15 December 2017 (the "Listing"), signifying a remarkable accomplishment for the Group. Besides bringing more business opportunities to the Company, the Listing also enables the Company to enhance its internal corporate governance functions and image. Further, the Listing provided an opportunity for the Company to strengthen its internal control procedures and raise the efficiency of the Group's daily operations.

The Directors envisage that there are considerable business opportunities in the sewing threads industry. With the financial position strengthened and credibility enhanced from the Listing, the Group has confidence in capturing more business opportunities in the sewing threads industry and implementing its expansion plan set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 30 November 2017. The Group places much emphasis on satisfying customers' needs with high quality and differentiated products and thus maintaining long-term business relationships with its customers. Apart from the machinery upgrade and acquisition, the Company is in the process of setting up a sales office in Zhejiang province with a view to expanding its sales network and exploring new business opportunities to further promote growth of the Group.

外匯風險

本集團於訂立未以其功能貨幣計值的交易時承受外幣風險。有關風險主要與於中國分銷及銷售本集團的產品及購買原材料有關。於二零一八年九月三十日，本集團並無外幣對沖政策。然而，本集團管理層會密切監察外匯風險，並將於有需要時對沖重大外幣風險。

或然負債

於二零一八年九月三十日，本集團並無重大或然負債(於二零一七年九月三十日：無)。

未來展望

本公司股份於二零一七年十二月十五日成功於聯交所GEM上市(「上市」)，標誌著本集團的重大成就。上市不僅為本公司帶來更多商機，亦提升其內部企業管治職能及形象。此外，上市為本公司提供加強內部控制程序的及提升本集團日常營運效率的機遇。

董事預期縫紉線行業內有大量商機。由於上市使財務狀況更加穩健及信譽上升，本集團有信心可於縫紉線行業內把握更多商機，並可落實本公司日期為二零一七年十一月三十日的招股章程中「未來計劃及所得款項用途」一節所載的擴展計劃。本集團會更專重於滿足客戶對優質及特色產品的需求，從而與客戶保持長遠的業務關係。除升級及購置機器外，本公司正於浙江省設立銷售辦事處，以期擴展其銷售網絡及開拓新商機，務求進一步推進本集團的增長。

Other Information

其他資料

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

As at 30 September 2018, the interests or short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”), which were (a) required 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 they were taken or deemed to have taken under such provisions of the SFO); or (b) required to be recorded in the register required to be kept under section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

董事及主要行政人員於本公司及任何相聯法團的股份、相關股份及債權證中的權益及淡倉

於二零一八年九月三十日，本公司各董事及主要行政人員於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視作擁有的權益及淡倉）；或(b)須記入證券及期貨條例第352條規定的登記冊的權益或淡倉；或(c)根據GEM上市規則第5.46至5.67條規定須知會本公司及聯交所的權益或淡倉如下：

| Name of Director | Nature of interest/holding capacity | Number of ordinary Shares held | Percentage of issued share capital of the Company (Note 1) |
|---------------------------|--------------------------------------|----------------------------------|--|
| 董事姓名 | 權益性質／持股身份 | 所持普通股數目 | 佔本公司已發行股本的百分比(附註1) |
| Mr. Wong Kwok Wai, Albert | Interest of a controlled corporation | 600,000,000 (L) (Notes 2, 3) | 75% |
| 黃國偉先生 | 受控制法團權益 | 600,000,000股 股份(L) (附註2、3) | 75% |

Notes:

- As at the date of this report, the Company's issued ordinary share capital was HK\$8,000,000 divided into 800,000,000 Shares of HK\$0.01 each.
- Three Gates Investment Limited (“**Three Gates Investment**”), a company incorporated in the British Virgin Islands on 15 August 2016, is wholly and beneficially owned by Mr. Wong Kwok Wai, Albert (“**Mr. Wong**”), who is the chairman and an executive Director of the Company. Therefore, Mr. Wong is deemed to be interested in 600,000,000 Shares held by Three Gates Investment by virtue of the SFO.
- The letter “L” denotes the person's long position in the Shares.

附註：

- 於本報告日期，本公司的已發行普通股股本為8,000,000港元，分為800,000,000股每股0.01港元的股份。
- Three Gates Investment Limited（「**Three Gates Investment**」）為一間於二零一六年八月十五日在英屬處女群島註冊成立的公司，由本公司主席兼執行董事黃國偉先生（「**黃先生**」）全資實益擁有。因此，根據證券及期貨條例，黃先生被視為擁有Three Gates Investment所持600,000,000股股份的權益。
- 字母「L」指於股份中的好倉。

Other Information (Continued)

其他資料(續)

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

Save as disclosed above, as at 30 September 2018, none of the Directors or the chief executive of the Company had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Exchange according to rules 5.46 to 5.67 of the GEM Listing Rules.

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

To the best knowledge of the Directors, as at 30 September 2018, the following persons or corporations (other than the Directors and the chief executive of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

董事及主要行政人員於本公司及任何相聯法團的股份、相關股份及債權證中的權益及淡倉(續)

除上文披露者外，於二零一八年九月三十日，本公司董事或主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中概無須記入證券及期貨條例第352條規定本公司存置的登記冊或根據GEM上市規則第5.46至5.67條規定須知會本公司及聯交所的任何其他權益或淡倉。

主要股東於本公司股份及相關股份中的權益及淡倉

據董事所知，於二零一八年九月三十日，於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須披露予本公司或須記入證券及期貨條例第336條規定的登記冊的權益及／或淡倉的人士或法團(本公司董事及主要行政人員除外)如下：

| Name of Substantial Shareholder | Nature of interest/holding capacity | Number of ordinary Shares held | Percentage of issued share capital of the Company |
|---------------------------------|-------------------------------------|--------------------------------|---|
| | | | (Note 1) |
| 主要股東名稱 | 權益性質／持股身份 | 所持普通股數目 | 佔本公司已發行股本的百分比(附註1) |
| Three Gates Investment | Beneficial owner | 600,000,000(L) (Notes 2, 3) | 75% |
| Three Gates Investment | 實益擁有人 | 600,000,000(L) (附註2、3) | 75% |

Other Information (Continued)

其他資料(續)

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Notes:

1. As at the date of this report, the Company's issued ordinary share capital was HK\$8,000,000 divided into 800,000,000 Shares of HK\$0.01 each.
2. Three Gates Investment, a company incorporated in the British Virgin Islands on 15 August 2016, is wholly and beneficially owned by Mr. Wong, who is the chairman and an executive Director of the Company. Therefore, Mr. Wong is deemed to be interested in 600,000,000 Shares held by Three Gates Investment by virtue of the SFO.
3. The letter "L" denotes the person's long position in the Shares.

Save as disclosed above, as at 30 September 2018, the Directors are not aware of any interests and short positions owned by other parties, other than a Director or the chief executive of the Company who held interests or short positions in the shares and the underlying shares of the Company which were required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESSES

The Directors and the controlling shareholders of the Company have confirmed that for the nine months ended 30 September 2018 and up to the date of this report, none of the Directors, controlling shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules), engaged in any business that competes or may compete with the business of the Group, or had any other conflict of interest with the Group.

主要股東於本公司股份及相關股份中的權益及淡倉(續)

附註：

1. 於本報告日期，本公司的已發行普通股股本為8,000,000港元，分為800,000,000股每股0.01港元的股份。
2. Three Gates Investment為一間於二零一六年八月十五日在英屬處女群島註冊成立的公司，由本公司主席兼執行董事黃先生全資實益擁有。因此，根據證券及期貨條例，黃先生被視為擁有Three Gates Investment所持600,000,000股股份的權益。
3. 字母「L」指於股份中的好倉。

除上文披露者外，於二零一八年九月三十日，就董事所知，除在本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部的規定須予披露的權益或淡倉的本公司董事或主要行政人員，或須記入證券及期貨條例第336條規定的登記冊的權益或淡倉的本公司董事或主要行政人員外，概無任何其他方擁有任何權益及淡倉。

董事及控股股東於競爭業務之權益

董事及本公司控股股東已確認，於截至二零一八年九月三十日止九個月及直至本報告日期，董事、本公司控股股東或彼等各自之任何緊密聯繫人(定義見GEM上市規則)概無參與任何與本集團業務競爭或可能競爭，或與本集團有任何其他利益衝突的業務。

Other Information (Continued)

其他資料(續)

CORPORATE GOVERNANCE PRACTICES

The Board believes that cultivating and maintaining a culture focused on good corporate governance is essential to effect strong business growth and continue the efficient management of the Company. The Directors are of the view that strong corporate governance practices can safeguard the interests of and ensure accountability to the shareholders of the Company (the “Shareholders”) as a whole.

The corporate governance code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules has been adopted by the Board. Nevertheless, the Directors are committed to regularly reviewing its corporate governance practices to ensure conformity with the standard set out in the CG Code, as well as meeting the rising expectation of the Shareholders and other stakeholders of the Company.

Except for the deviation from code provision A.2.1 of the CG Code, the Board is of the view that the Company has complied with the code provisions of the CG code for the nine months ended 30 September 2018.

Mr. Wong Kwok Wai, Albert is the chairman of the Board and the chief executive officer of the Company and has been involved in the daily operations management of the Group since 2008. The Directors believe that vesting the roles of the chairman of the Board and the chief executive officer of the Company in Mr. Wong will ensure strong and consistent leadership, facilitate the Group’s business strategies and boost the effectiveness of its operation. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company when such role splitting is beneficial to the Group as a whole.

企業管治常規

董事會相信，為本公司使業務穩健增長及延續管理效益，有必要培養及維持專注良好企業管治的文化。董事認為穩健的企業管治常規可保障本公司股東（「股東」）整體的利益，並確保對整體股東的問責性。

董事會已採納GEM上市規則附錄十五所載的企業管治守則（「企管守則」）。儘管如此，董事承諾會定期檢討企業管治常規，確保遵循企管守則所載的標準，以及符合股東及本公司其他持份者不斷上升的期望。

除偏離企管守則的守則條文A.2.1條外，董事會認為本公司於截至二零一八年九月三十日止九個月內一直遵守企管守則的守則條文。

黃國偉先生為本公司董事會主席兼行政總裁，並自二零零八年起參與本集團的日常營運管理。董事認為由黃先生兼任本公司董事會主席及行政總裁將可確保強大及一致的領導，有助推動本集團的業務戰略，以及可提升營運效益。董事會將繼續就拆分本公司董事會主席及行政總裁之職務進行檢討，並將於拆分有關職務對本集團整體有利時拆分有關職務。

Other Information (Continued)

其他資料(續)

INTERESTS OF THE COMPLIANCE ADVISER

Pursuant to rule 6A.19 of the GEM Listing Rules, the Company has appointed Huabang Corporate Finance Limited (“**Huabang**”) to be the compliance adviser. The Company has been informed by Huabang that neither Huabang nor its directors or employees or close associates have, or may have, any interest in the share capital of the Company or an member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to rule 6A.32 of the GEM Listing Rules, except for the compliance adviser agreement entered into between the Company and Huabang dated 29 November 2017.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the standard of dealings regarding securities transactions by the Directors equivalent to the required standard of dealings as set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Directors have all confirmed, having been made specific enquiry by the Company, that they have complied with the required standard of dealings and the required standard concerning securities transactions by the Directors for the nine months ended 30 September 2018.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the nine months ended 30 September 2018.

合規顧問之權益

根據GEM上市規則第6A.19條，本公司已委任華邦融資有限公司(「**華邦**」)為合規顧問。華邦已告知本公司，除本公司與華邦於二零一七年十一月二十九日訂立的合規顧問協議外，華邦或其董事或僱員或緊密聯繫人概無於本公司或本集團任何成員公司股本中擁有或可能擁有根據GEM上市規則第6A.32條須知會本公司的任何權益(包括可認購該等證券之購股權或權利)。

董事進行證券交易的標準守則

本公司已採納董事進行證券交易的標準，有關標準相當於GEM上市規則第5.48條至5.67條載的交易標準規定。在本公司作出特定查詢後，全體董事均已確認彼等於截至二零一八年九月三十日止九個月內已遵守所規定的交易標準及董事進行證券交易所規定的標準。

購買、出售或贖回本公司上市證券

截至二零一八年九月三十日止九個月，本公司或其附屬公司概無購買、出售或贖回本公司任何上市證券。

Other Information (Continued)

其他資料(續)

EVENTS AFTER REPORTING DATE

There are no material subsequent events undertaken by the Group after the reporting period.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established pursuant to rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee is mainly responsible for reviewing financial information, monitoring the Company’s financial reporting system and internal control procedures and maintaining the relationship with the Company’s auditors.

The Audit Committee consists of three independent non-executive Directors, namely, Mr. Sung Alfred Lee Ming (the chairman), Dr. Yeung Ngai Man, John and Mr. Zhang Guofu. No member of the current Audit Committee is a member of the previous independent auditor of the Company. The Audit Committee has reviewed this report as well as the unaudited third quarterly results of the Group for the nine months ended 30 September 2018.

Hong Kong, 9 November 2018

報告期後事項

本集團於報告期後概無進行任何重大期後事項。

審核委員會

本公司已根據GEM上市規則第5.28至5.33條及企管守則守則條文C.3.3條成立審核委員會(「**審核委員會**」)。審核委員會主要負責審閱財務資料、監察本公司的財務報告系統及內部監控程序，以及維持與本公司核數師的關係。

審核委員會包括三名獨立非執行董事，即宋理明先生(主席)、楊毅敏醫生及章國富先生。現任審核委員會成員中概無人士為本公司過往獨立核數師的成員。審核委員會已審閱本報告及本集團截至二零一八年九月三十日止九個月的未經審核第三季度業績。

By order of the Board

承董事會命

Shen You Holdings Limited

申酉控股有限公司

Mr. Wong Kwok Wai, Albert

主席兼執行董事

Chairman and executive Director

黃國偉先生

香港，二零一八年十一月九日

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Kwok Wai, Albert (*Chairman*)
Mr. Yu Miaogen

Non-executive Director

Mr. Gao Biao
Mr. Shi Guixiang

Independent non-executive Director

Dr. Yeung Ngai Man, John
Mr. Sung Alfred Lee Ming
Mr. Zhang Guofu

COMPLIANCE OFFICER

Mr. Chan Yiu Tung, Enoch

AUTHORISED REPRESENTATIVES

Mr. Wong Kwok Wai, Albert
Mr. Chan Yiu Tung, Enoch

COMPANY SECRETARY

Mr. Chan Yiu Tung, Enoch

AUDIT COMMITTEE

Mr. Sung Alfred Lee Ming (*Chairman*)
Dr. Yeung Ngai Man, John
Mr. Zhang Guofu

REMUNERATION COMMITTEE

Dr. Yeung Ngai Man, John (*Chairman*)
Mr. Sung Alfred Lee Ming
Mr. Zhang Guofu

董事會

執行董事

黃國偉先生(主席)
俞妙根先生

非執行董事

高彪先生
石桂祥先生

獨立非執行董事

楊毅敏醫生
宋理明先生
章國富先生

合規主任

陳耀東先生

授權代表

黃國偉先生
陳耀東先生

公司秘書

陳耀東先生

審核委員會

宋理明先生(主席)
楊毅敏醫生
章國富先生

薪酬委員會

楊毅敏醫生(主席)
宋理明先生
章國富先生

Corporate Information (Continued)

公司資料(續)

NOMINATION COMMITTEE

Mr. Wong Kwok Wai, Albert (*Chairman*)
Mr. Sung Alfred Lee Ming
Mr. Zhang Guofu

AUDITOR

Ernst & Young
Certified Public Accountants

PRINCIPAL BANK

The Hong Kong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Clifton House
75 Fort Street, PO Box 1350
Grand Cayman, KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 386 Zeng Nan Road
Zeng Jiao Cun
Fang Cun
Liwan District
Guangzhou
China

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 2005-06, 20/F
Enterprise Square Two
No. 3 Sheung Yuet Road
Kowloon Bay
Kowloon, Hong Kong

提名委員會

黃國偉先生(主席)
宋理明先生
章國富先生

核數師

安永
執業會計師

主要往來銀行

香港上海滙豐銀行有限公司

註冊辦事處

Clifton House
75 Fort Street, PO Box 1350
Grand Cayman, KY1-1108
Cayman Islands

中國主要營業地點

中國
廣州市
荔灣區
芳村
增滘村
增南路386號

總部及香港主要營業地點

香港九龍
九龍灣
常悅道3號
企業廣場二期
20樓2005-06室

Corporate Information (Continued)

公司資料(續)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street, PO Box 1350
Grand Cayman, KY1-1108
Cayman Islands

COMPANY'S WEBSITE

www.shenyouholdings.com

STOCK CODE

8377

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心
22樓

主要股份過戶登記處

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street, PO Box 1350
Grand Cayman, KY1-1108
Cayman Islands

公司網址

www.shenyouholdings.com

股份代號

8377