

Shen You Holdings Limited 申酉控股有限公司

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

Stock Code 股份代號 : 8377

2018 INTERIM REPORT 中期報告



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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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本報告乃遵照聯交所GEM證券上市規則(「**GEM上市規則**」)而刊載，旨在提供有關申酉控股有限公司(「**本公司**」)的資料；本公司的董事(「**董事**」)願就本報告的資料共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所深知及確信，本報告所載資料在各重大方面均屬準確完備，且無誤導或欺詐成分，及並無遺漏任何其他事項，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 six months ended 30 June 2018, the unaudited operating results of the Company and its subsidiaries (collectively, the “Group”) were as follows:

- revenue recorded for the six months ended 30 June 2018 amounted to approximately HK\$29.5 million;
- loss after taxation for the six months ended 30 June 2018 amounted to approximately HK\$5.2 million; and
- basic and diluted loss per share of the Company for the six months ended 30 June 2018 was approximately HK0.65 cents.

截至二零一八年六月三十日止六個月，本公司及其附屬公司(統稱「本集團」)的未經審核經營業績載列如下：

- 截至二零一八年六月三十日止六個月，錄得收益約29.5百萬港元；
- 截至二零一八年六月三十日止六個月的除稅後虧損約為5.2百萬港元；及
- 本公司截至二零一八年六月三十日止六個月的每股基本及攤薄虧損約為0.65港仙。

Financial Information

財務資料

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

董事會(「**董事會**」)欣然宣佈本集團截至二零一八年六月三十日止六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 Statements of Profit or Loss

未經審核簡明綜合損益表

For the six months ended 30 June 2018

截至二零一八年六月三十日止六個月

		Notes 附註	For the three months ended 30 June 截至六月三十日止三個月		For the six months ended 30 June 截至六月三十日止六個月	
			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, 5	17,234	19,582	29,455	31,497
Cost of sales	銷售成本		(13,564)	(12,259)	(23,097)	(20,524)
Gross profit	毛利		3,670	7,323	6,358	10,973
Other income and gains	其他收入及增益	5	1,422	58	874	58
Selling and distribution expenses	銷售及分銷開支		(1,911)	(1,421)	(3,468)	(2,516)
Administrative expenses	行政開支		(4,417)	(2,472)	(9,067)	(4,843)
Other expenses	其他開支		-	(3,454)	(360)	(5,398)
Finance costs	融資成本	7	(159)	(651)	(404)	(1,251)
LOSS BEFORE TAX	除稅前虧損	6	(1,395)	(617)	(6,067)	(2,977)
Income tax credit/(expense)	所得稅抵免/(開支)	8	-	(368)	857	(247)
LOSS FOR THE PERIOD	期內虧損		(1,395)	(985)	(5,210)	(3,224)
LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔虧損		(1,395)	(985)	(5,210)	(3,224)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔 每股虧損	10				
Basic and diluted (expressed in HK cents per share)	基本及攤薄(以每股港仙列示)		(0.17)	(0.16)	(0.65)	(0.54)

Unaudited Condensed Consolidated Statement of Comprehensive Income

未經審核簡明綜合全面收入表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		For the three months ended 30 June		For the six months ended 30 June	
		截至六月三十日止三個月	截至六月三十日止三個月	截至六月三十日止六個月	截至六月三十日止六個月
		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	(1,395)	(985)	(5,210)	(3,224)
OTHER COMPREHENSIVE INCOME/(LOSS)	其他全面收入/(虧損)				
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	(4,587)	2,614	(642)	2,262
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	期內其他全面收入/(虧損) (已扣除稅項)	(4,587)	2,614	(642)	2,363
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	期內全面收入/(虧損)總額	(5,982)	1,629	(5,852)	(861)
ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔	(5,982)	1,629	(5,852)	(861)

Consolidated Statement of Financial Position

綜合財務狀況表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

			As at 30 June 2018 於二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	11,419	6,902
Available-for-sale investment	可供出售投資		–	4,474
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產		4,531	–
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	14	1,139	2,165
Deferred tax assets	遞延稅項資產		2,161	1,338
Total non-current assets	非流動資產總值		19,250	14,879
CURRENT ASSETS	流動資產			
Inventories	存貨	12	13,998	9,995
Trade receivables	應收交易款項	13	19,403	24,900
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	14	15,516	12,665
Pledged deposits	抵押存款		–	9,000
Cash and cash equivalents	現金及現金等價物		37,517	57,920
Total current assets	流動資產總值		86,434	114,480
CURRENT LIABILITIES	流動負債			
Trade payables	應付交易款項	15	6,975	9,269
Other payables and accruals	其他應付款項及應計費用	16	7,437	15,709
Interest-bearing bank borrowings	計息銀行借款	17	16,753	22,627
Tax payable	應付稅項		573	1,943
Total current liabilities	流動負債總額		31,738	49,548
NET CURRENT ASSETS	流動資產淨值		54,696	64,932
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		73,946	79,811

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		Notes 附註	As at 30 June 2018 於二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債		215	215
Other payables and accruals	其他應付款項及應計費用	16	1,499	1,512
Total non-current liabilities	非流動負債總額		1,714	1,727
Net assets	資產淨值		72,232	78,084
EQUITY	權益			
Share capital	股本	18	8,000	8,000
Reserves	儲備		64,232	70,084
Total equity	權益總額		72,232	78,084

Unaudited Condensed Consolidated Statement of Changes in Equity

未經審核簡明綜合權益變動表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		Share capital	Share premium	Merger reserve	Statutory surplus reserve	Available-for-sale investment revaluation reserve	Exchange fluctuation reserve	Retained profits/ (Accumulated losses)	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	-	-	-	-	-	-	(3,224)	(3,224)
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	-	-	-	-	-	2,262	-	2,262
Total comprehensive income/(loss) for the period	期內全面收入/(虧損)總額	-	-	-	-	101	2,262	(3,224)	(861)
As at 30 June 2017 (unaudited)	於二零一七年六月三十日(未經審核)	-	-	40,000	5,670	(865)	8,555	7,164	60,524
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	-	-	-	-	-	-	(5,210)	(5,210)
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	-	-	-	-	-	(642)	-	(642)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	-	(642)	(5,210)	(5,852)
As at 30 June 2018 (unaudited)	於二零一八年六月三十日(未經審核)	8,000	57,751	(1,000)	5,670	-	10,648	(8,837)	72,232

Unaudited Condensed Consolidated Statement of Cash Flows

未經審核簡明綜合現金流量表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		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)
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Loss before tax	除稅前虧損	(6,067)	(2,977)
Adjustments for:	調整：		
Finance costs	融資成本	7	1,251
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	-
Bank interest income	銀行利息收入	(10)	(1)
Depreciation	折舊	6	191
Recognition of prepaid lease payments for buildings	確認樓宇預付租賃款項	6	139
(Gain)/loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之(增益)/虧損	6	(57)
		(4,956)	(1,454)
(Increase)/decrease in inventories	存貨(增加)/減少	(4,003)	736
(Increase)/decrease in trade receivables	應收交易款項(增加)/減少	5,497	(1,255)
(Increase)/decrease in prepayments, deposits, other receivables	預付款項、按金、其他應收款項(增加)/減少	(1,825)	1,680
Increase/(decrease) in trade payables	應付交易款項增加/(減少)	(2,294)	1,701
Increase/(decrease) in other payables and accruals	其他應付款項及應計費用增加/(減少)	(8,285)	396
Cash generated from/(used in) operations	經營所得/(所用)現金	(15,866)	1,804
Interest received	已收利息	10	1
PRC taxes paid	已付中國稅項	(1,363)	(72)
Net cash flows from/(used in) operating activities	經營活動所得/(所用)現金流量淨額	(17,219)	1,733

Unaudited Condensed Consolidated Statement of Cash Flows (Continued)

未經審核簡明綜合現金流量表(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		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)
CASH FLOWS FROM INVESTING ACTIVITIES 投資活動所得現金流量			
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(6,962)	(151)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	2,461	113
Advance to a related company	墊款予關聯公司	-	(20,655)
Repayments from a related company	關聯公司還款	-	16,123
Decrease in pledged deposits	抵押存款減少	9,000	-
Net cash flows from/(used in) from investing activities 投資活動所得/(所用)現金流量淨額		4,499	(4,570)
CASH FLOWS FROM FINANCING ACTIVITIES 融資活動所得現金流量			
New bank loans	新增銀行貸款	14,300	18,381
Repayments of bank loans	償還銀行貸款	(21,556)	(17,240)
Interest paid	已付利息	(404)	(1,251)
Net cash flows used in financing activities 融資活動所用現金流量淨額		(7,660)	(110)
NET DECREASE IN CASH AND CASH EQUIVALENTS 現金及現金等價物減少淨額			
Cash and cash equivalents at beginning of period	期初現金及現金等價物	57,920	(4,217)
Effect of foreign exchange rate changes, net	匯率變動的影響，淨額	(775)	153
CASH AND CASH EQUIVALENTS AT END OF PERIOD 期末現金及現金等價物		36,765	(7,011)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS 現金及現金等價物結餘之分析			
Cash and bank balances	現金及銀行結餘	37,517	487
Cash and cash equivalents as stated in the consolidated statement of financial position	列入綜合財務狀況表之現金及現金等價物	37,517	487
Bank overdrafts	銀行透支	(752)	(7,498)
Cash and cash equivalents as stated in the consolidated statement of cash flows	列入綜合現金流量表之現金及現金等價物	36,765	(7,011)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

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.

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。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2018 (the “**period**”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and.

The unaudited interim condensed consolidated financial statements of the Group do not include all the information and disclosures required in annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2017.

The accounting policies and methods of computation used in the preparation of these Financial Statements are consistent with the consolidated financial statements of the Group for the year ended 31 December 2017, except for the adoption of new and revised standards with effect from 1 January 2018 as detailed in note 3 below.

2. 編製基準

此等本集團截至二零一八年六月三十日止六個月(「**期內**」)的未經審核中期簡明綜合財務報表乃按香港會計師公會(「**香港會計師公會**」)頒佈的香港會計準則第34號「中期財務報告」和聯交所證券上市規則(「**上市規則**」)附錄十六的適用披露規定而編製。

此等本集團未經審核中期簡明綜合財務報表並不包括年度綜合財務報表所規定的所有資料和披露，故應與本集團截至二零一七年十二月三十一日止年度的綜合財務報表一併閱讀。

除採納自二零一八年一月一日起生效的新訂和經修訂準則(詳情載於下文附註3)外，編製此等財務報表所採用的會計政策和計算方法與本集團截至二零一七年十二月三十一日止年度的綜合財務報表所採用者一致。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

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

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.

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) — 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

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。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

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

(a) Revenue from external customers

		Three months ended 30 June 截至六月三十日止三個月		Six months ended 30 June 截至六月三十日止六個月	
		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	10,473	10,819	17,589	16,524
Overseas	海外	5,767	5,948	10,042	11,505
Hong Kong	香港	994	2,815	1,824	3,468
		17,234	19,582	29,455	31,497

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

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

(a) 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 Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

4. OPERATING SEGMENT INFORMATION (Continued)

Geographical information (Continued)

(b) Non-current assets

		30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Mainland China	中國內地	12,165	8,671
Hong Kong	香港	393	396
		12,558	9,067

The non-current asset information is based on the locations of the assets and excludes deferred tax assets, an available-for-sale investment and financial assets at fair value through profit or loss.

上述非流動資產資料基於資產所在地劃分，不包括遞延稅項資產、可供出售投資及按公允價值計入損益的金融資產。

4. 經營分部資料(續)

地區資料(續)

(b) 非流動資產

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

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 June		For the six months ended 30 June	
		截至六月三十日止三個月	截至六月三十日止三個月	截至六月三十日止六個月	截至六月三十日止六個月
		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	17,234	19,582	29,455	31,497
Other income and gains	其他收入及增益				
Bank interest income	銀行利息收入	8	1	10	1
Exchange gains, net	匯兌增益淨值	877	-	207	-
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	-
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之增益	261	57	-	57
Gross rental income	租金收入總額	276	-	600	-
		1,422	58	874	58

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

6. LOSS BEFORE TAX

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

6. 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 June		For the six months ended 30 June		
	截至六月三十日止三個月	截至六月三十日止三個月	截至六月三十日止六個月	截至六月三十日止六個月	
	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)	
Cost of inventories sold	已售存貨成本	13,564	12,259	23,097	20,524
Depreciation	折舊	94	91	174	191
Recognition of prepaid lease payments for buildings	確認樓宇預付租賃款項	82	70	164	139
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	428	489	865	808
Auditor's remuneration	核數師酬金	490	293	790	593
Employees' benefit expenses (excluding directors' remuneration)	僱員福利開支(不包括董事薪酬)	4,662	3,349	10,142	6,957
Net exchange loss/(gain)	外匯虧損/(增益)淨額	(877)	448	(207)	791
(Gain)/Loss on disposal of fixed assets	出售固定資產之(增益)/虧損	(261)	(57)	322	(57)
Listing expenses	上市開支	-	2,668	-	4,267
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	1	-	(57)	-

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

7. FINANCE COSTS

An analysis of finance costs is as follows:

7. 融資成本

融資成本分析如下：

		For the three months ended 30 June		For the six months ended 30 June	
		截至六月三十日止三個月		截至六月三十日止六個月	
		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)
Interest on bank loans and overdrafts	銀行貸款利息及透支	159	651	404	1,251

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 six months ended 30 June 2017 and 2018.

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六月三十日止六個月於香港產生的估計應課稅溢利按稅率16.5%作出撥備。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

8. INCOME TAX (Continued)

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(續)

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 June		For the six months ended 30 June	
	截至六月三十日止三個月		截至六月三十日止六個月	
	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)
Current — Hong Kong and Mainland China	-	90	-	112
Deferred	-	278	(857)	135
Tax (credit)/expense	-	368	(857)	247

9. DIVIDENDS

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

9. 股息

董事會不建議就截至二零一八年六月三十日止六個月派發中期股息。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

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 June		For the six months ended 30 June	
	截至六月三十日止三個月		截至六月三十日止六個月	
	2018	2017	2018	2017
	二零一八年	二零一七年	二零一八年	二零一七年
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Loss attributable to owners of the parent (HK\$'000)	1,395	985	5,210	3,224
Number of shares	800,000,000	600,000,000	800,000,000	600,000,000
Basic and diluted loss per share (HK cents)	0.17	0.16	0.65	0.54

11. PROPERTY, PLANT AND EQUIPMENT

11. 物業、廠房及設備

	Production machinery	Office equipment	Leasehold improvements	Motor vehicles	Total
	生產機械	辦公設備	租賃改良	汽車	總計
	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
Net carrying amount at 1 January 2018 (audited)	5,563	222	144	973	6,902
Additions	6,340	89	10	523	6,962
Disposals	(2,000)	(71)	-	(77)	(2,148)
Depreciation charge for the period	(66)	(31)	(19)	(58)	(174)
Exchange adjustment	(101)	(5)	-	(17)	(123)
Net carrying amount at 30 June 2018 (unaudited)	9,736	204	135	1,344	11,419

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

12. INVENTORIES

12. 存貨

		As at 30 June 2018	As at 31 December 2017
		於二零一八年 六月三十日	於二零一七年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(audited)
		(未經審核)	(經審核)
Raw materials	原材料	5,909	4,586
Work in progress	在製品	3,346	1,563
Finished goods	製成品	4,743	3,846
		13,998	9,995

13. TRADE RECEIVABLES

13. 應收交易款項

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

於報告期末基於發票日期應收交易款項(已扣除撥備)的賬齡分析如下:

		As at 30 June 2018	As at 31 December 2017
		於二零一八年 六月三十日	於二零一七年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(audited)
		(未經審核)	(經審核)
Within 1 month	不足一個月	7,760	16,428
1 to 2 months	一至兩個月	3,757	4,113
2 to 3 months	兩至三個月	2,201	664
Over 3 months	超過三個月	5,685	3,695
		19,403	24,900

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

14. 預付款項、按金及其他應收款項

	As at 30 June 2018 於二零一八年六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2017 於二零一七年十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Prepaid lease payments for buildings ^(Note) 樓宇預付租賃款項 ^(附註)	1,318	1,890
Other prepayments 其他預付款項	5,420	2,302
Deposits and other receivables 按金及其他應收款項	9,917	10,638
	16,655	14,830
Portion classified as non-current assets 列為非流動資產的部分	(1,139)	(2,165)
Current portion included in prepayments, deposits and other receivables 計入預付款項、按金及其他應收款項的即期部分	15,516	12,665

Note: It represents prepaid lease payments for buildings held under operating leases for 15 to 20 years. It was recognised in profit or loss over the lease term and the portion to be recognised within 1 year is classified as a current asset.

附註：指就根據經營租賃持有15至20年的樓宇預付租賃款項，於租期內確認於損益，而一年內將確認的部分分類為流動資產。

15. TRADE PAYABLES

15. 應付交易款項

An ageing analysis of the trade payables as at the end of each reporting period, based on the transaction date, is as follows:

於各報告期末，應付交易款項基於交易日期的賬齡分析如下：

	As at 30 June 2018 於二零一八年六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2017 於二零一七年十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Within 1 month 不足一個月	1,988	2,620
1 to 2 months 一至兩個月	757	1,200
2 to 3 months 兩至三個月	529	1,045
Over 3 months 超過三個月	3,701	4,404
	6,975	9,269

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

16. OTHER PAYABLES AND ACCRUALS

16. 其他應付款項及應計費用

		As at 30 June 2018 於二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Other payables and accruals	其他應付款項及應計費用	8,793	17,182
Advance from customers	客戶墊款	-	39
Contract liabilities	合同性義務	143	-
		8,936	17,221
Portion classified as non-current liabilities 列為非流動負債的部分		(1,499)	(1,512)
Current portion included in prepayments, deposits and other receivables			
	計入預付款項、按金及其他 應收款項的即期部分	7,437	15,709

The current portion of other payables and accruals are unsecured, interest-free and repayable on an average term of three months.

The non-current portion of other payables and accruals represents the differences between contractual minimum lease payments and accrued minimum lease payments on a straight-line basis for the Group's leasehold land over the lease term. The non-current portion of other payables and accruals is unsecured and interest-free and would be subsequently settled upon the gradual maturity of the lease agreements.

其他應付款項及應計費用的即期部分為無抵押、不計息，平均還款期為三個月。

其他應付款項及應計費用的非即期部分，即本集團所租賃土地在租期的合約最低租金及以直線法計算的應計最低租金的差額。其他應付款項及應計費用的非即期部分為無抵押及不計息，將隨租賃協議到期逐步結清。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

17. INTEREST-BEARING BANK BORROWINGS

17. 計息銀行借款

		30 June 2018 二零一八年六月三十日		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期	HK\$'000 千港元
Current Bank loans — secured	即期 銀行貸款 — 有抵押	3.2 to 6.0 3.2至6.0	On demand 於要求時	16,753

		31 December 2017 二零一七年十二月三十一日		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期	HK\$'000 千港元
Current Bank loans — secured	即期 銀行貸款 — 有抵押	3.8 to 6.0 3.8至6.0	On demand 於要求時	22,627

All the interest-bearing bank borrowings are repayable on demand as at 30 June 2018 and 31 December 2017, respectively.

於二零一八年六月三十日及二零一七年十二月三十一日，所有計息銀行借款均為按要求償還。

Interest-bearing bank borrowings are denominated in:

計息銀行借款以下列貨幣計值：

		30 June 2018 二零一八年六月三十日 HK\$'000 千港元	31 December 2017 二零一七年十二月三十一日 HK\$'000 千港元
HK\$	港元	8,445	15,006
United States Dollar ("US\$")	美元(「美元」)	8,308	7,621
		16,753	22,627

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

17. INTEREST-BEARING BANK BORROWINGS (Continued)

Notes:

- (a) HK Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause issued by the HKICPA requires that a loan which includes a clause that gives the lender the unconditional right to call in the loan at any time (“**repayment on demand clause**”) shall be classified in total by the borrower as current in the statement of financial position. Interest-bearing bank loans and overdrafts of the Group in the amount of HK\$16,753,000 (2017: HK\$22,627,000) include a repayment on demand clause under the relevant loan agreements, among which balances amounting to HK\$885,590 (2017: HK\$2,753,000) that are repayable after one year from 30 June 2018 have been classified as current liabilities. For the purpose of the above analysis, such loans are included within current secured bank loans and analysed into bank loans repayable on demand.
- (b) The Group’s bank facilities (including overdraft facilities) amounted to HK\$21,202,000 (2017: HK\$29,637,000), of which HK\$16,753,000 (2017: HK\$22,627,000) had been utilised as at 30 June 2018.
- (c) The following assets were pledged as security for interest-bearing bank borrowings:

17. 計息銀行借款(續)

附註：

- (a) 香港會計師公會頒佈的香港詮釋第5號財務報表之呈報 — 借款方對載有須按要求償還條款之定期貸款之分類規定，借款方須於財務狀況表內將包含授予貸款方無條件可隨時要求償還貸款的權利的條款(「**按要求償還條款**」)之貸款總體分類為即期。根據有關貸款協議，包含按要求償還條款的本集團計息銀行貸款及透支為16,753,000港元(二零一七年：22,627,000港元)，其中自二零一八年六月三十日起計一年後須償還之結餘885,590港元(二零一七年：2,753,000港元)已分類為流動負債。就上述分析而言，該等貸款計入即期有抵押銀行貸款，分類為須按要求償還的銀行貸款。
- (b) 於二零一八年六月三十日，本集團銀行融資(包括透支融資)為21,202,000港元(二零一七年：29,637,000港元)，其中已動用16,753,000港元(二零一七年：22,627,000港元)。
- (c) 下列資產乃抵押為計息銀行借款之擔保品：

	30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
Financial assets at fair value through profit or loss 按公允價值計入損益的金融資產	4,531	-
Available-for-sale investment 可供出售投資	-	4,474
Trade receivables 應收交易款項	6,569	12,593
Pledged deposits 抵押存款	-	9,000
	11,100	26,067

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

18. SHARE CAPITAL

Movements of the share capital of the Company during the reporting period are as follows:

18. 股本

本公司於報告期內的股本變動如下：

		30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
Authorised:	法定：		
5,000,000 Ordinary shares at HK\$0.01 each	5,000,000 股每股面值0.01 港元 的普通股	50,000	50,000
Issued and fully paid:	已發行並繳足：		
800,000,000 Ordinary shares at HK\$0.01 each	800,000,000 股每股面值0.01 港元 的普通股	8,000	8,000

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group's financial assets include cash and cash equivalents, pledged deposits, trade receivables, financial assets included in prepayments, deposits and other receivables, available-for-sale investments and financial assets at fair value through profit or loss. The Group's financial liabilities include trade payable, interest-bearing bank borrowings and financial liabilities included in other payables.

Management has assessed that:

- (a) the fair values of the Group's financial assets classified as loans and receivables and financial liabilities were approximate to their carrying amounts largely due to the short term maturities of these instruments; and
- (b) the fair value of the Group's financial assets at fair value through profit or loss (2017: available-for-sale investment) was categorised within Level 3 of the fair value hierarchy which is measured based on significant unobservable inputs and has been estimated based on the surrender value of the insurance policy.

There were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 during the six months ended 30 June 2018.

19. 金融工具的公允價值及公允價值層級

本集團的財務資產包括現金及現金等價物、抵押存款、應收交易款項、計入預付款項、按金及其他應收款項的金融資產、可供出售投資以及按公允價值計入損益的金融資產。本集團的金融負債包括應付交易款項、計息銀行借款及計入其他應付款項的金融負債。

根據管理層的評估：

- (a) 本集團分類為貸款及應收款項的財務資產及財務負債的公允價值與賬面價值相若，很大程度上由於該等工具於短期內到期所致；及
- (b) 本集團按公允價值計入損益的金融資產公允價值(二零一七年：可供出售投資)屬於公允價值層級第三級，乃基於重大不可觀察輸入數據計量，並基於保單退保金額估計。

於截至二零一八年六月三十日止六個月，第一級與第二級公允價值計量之間並無轉移，亦無轉入或轉出自第三級。

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, Australia, Germany and the United Kingdom. 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 six months ended 30 June 2018, the Group's revenue decreased slightly by approximately 6.5% as compared with that for the six months ended 30 June 2017. The gross profit margin decreased to approximately 21.6% for the six months ended 30 June 2018 from 34.8% for the corresponding period in the preceding year. The decrease in gross profit margin was mainly attributable to the appreciation of the Renminbi against the Hong Kong dollars, the significant increase in direct material costs, processing fees and staff costs. On 15 December 2017, the shares of the Company (the "Share(s)") were successfully listed on GEM of the Stock Exchange (the "Listing") by way of share offer (the "Share Offer"). After deducting all the relevant commission and expenses in relation to the Listing, approximately HK\$40.7 million net proceeds have been raised from the Listing. The Group will utilise such net proceeds by implementing the corporate plans in accordance with the business strategies as set out under the section headed "Future Plans and Use of Proceeds" of the Company's prospectus dated 30 November 2017 (the "Prospectus"). Further details are set out in the section headed "Use of proceeds" in this report.

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、德國及英國。本集團位於中國及香港的客戶主要為服裝製造商，而海外客戶則主要為批發商。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。

截至二零一八年六月三十日止六個月，本集團的收益較截至二零一七年六月三十日止六個月輕微下跌約6.5%。截至二零一八年六月三十日止六個月的毛利率由去年同期的34.8%下跌至約21.6%。毛利率下跌乃主要由於人民幣兌港元升值、直接材料成本、加工費用及員工成本的大幅增加所致。本公司股份（「股份」）於二零一七年十二月十五日成功以股份發售（「股份發售」）方式於聯交所GEM上市（「上市」）。於扣除所有上市相關的佣金及開支後，自上市籌得所得款項淨額約40.7百萬港元。本集團將根據本公司日期為二零一七年十一月三十日的招股章程（「招股章程」）「未來計劃及所得款項用途」一節所載的業務策略動用有關所得款項淨額實行公司的計劃。其他詳情載於本報告「所得款項用途」一節。

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 six months ended 30 June 2017 and 2018:

財務回顧

收益

本集團的產品於中國、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六月三十日止六個月各期間本集團縫紉線國內外銷售額應佔收益明細：

		Six months ended 30 June 截至六月三十日止六個月				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	17,589	59.7	16,524	52.5	6.4
Hong Kong	香港	1,824	6.2	3,468	11.0	(47.4)
Overseas (Note)	海外(附註)	10,042	34.1	11,505	36.5	(12.7)
		29,455	100.0	31,497	100.0	(6.5)

Note: For the six months ended 30 June 2017 and 2018, the Group exported its products to countries including but not limited to UAE, Mauritius, Australia, Germany and the United Kingdom.

附註：截至二零一七年及二零一八年六月三十日止六個月，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、澳洲、德國及英國。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

The Group's revenue decreased to approximately HK\$29.5 million for the six months ended 30 June 2018 from approximately HK\$31.5 million for the six months ended 30 June 2017, representing a decrease of approximately 6.5%. Such decrease in the Group's revenue was mainly attributable to the decrease in sales in the Hong Kong and overseas market.

Cost of sales

The Group's cost of sales primarily consists of direct material costs, processing fees and staff costs. The cost of sales increased to approximately HK\$23.1 million for the six months ended 30 June 2018 from approximately HK\$20.5 million for the six months ended 30 June 2017, representing an increase of approximately 12.5%. The Group's cost of sales increased as a result of the significant increase in direct material costs, processing fees and staff costs for the six months ended 30 June 2018.

Gross profit and gross profit margin

The Group's gross profit decreased to approximately HK\$6.4 million for the six months ended 30 June 2018 from approximately HK\$11.0 million for the six months ended 30 June 2017, representing a decrease of approximately 42.1%. The decrease was mainly attributable to the appreciation of Renminbi against the Hong Kong dollar as well as the significant increase in the direct material costs, processing fees and staff costs. The Group's gross profit margin significantly decreased to approximately 21.6% for the six months ended 30 June 2018 from approximately 34.8% for the six months ended 30 June 2017, which was as a result of the aforementioned reasons.

Other gains/(losses), net

The Group recognised other gains of approximately HK\$0.5 million for the six months ended 30 June 2018 as opposed to other losses of approximately HK\$5.3 million, which was recognised for the six months ended 30 June 2017. The significant change was mainly attributable to the fact that no listing expenses had been recognised for the six months ended 30 June 2018.

本集團的收益由截至二零一七年六月三十日止六個月約31.5百萬港元，下跌至截至二零一八年六月三十日止六個月約29.5百萬港元，下跌約6.5%。本集團收益下跌乃主要由於香港及海外市場銷售下跌。

銷售成本

本集團的銷售成本主要包括直接材料成本、加工費及員工成本。銷售成本由截至二零一七年六月三十日止六個月約20.5百萬港元，上升至截至二零一八年六月三十日止六個月約23.1百萬港元，上升約12.5%。本集團的銷售成本上升是由於截至二零一八年六月三十日止六個月直接材料成本、加工費及員工成本的大幅上升。

毛利及毛利率

本集團的毛利由截至二零一七年六月三十日止六個月約11.0百萬港元，下跌至截至二零一八年六月三十日止六個月約6.4百萬港元，下跌約42.1%。有關下跌乃主要由於人民幣兌港元升值以及直接材料成本、加工費用及員工成本的大幅增加所致。本集團的毛利率由截至二零一七年六月三十日止六個月約34.8%，大幅下跌至截至二零一八年六月三十日止六個月約21.6%，此乃由於上述原因。

其他增益／(虧損)淨值

本集團於截至二零一八年六月三十日止六個月確認其他增益約0.5百萬港元，而於截至二零一七年六月三十日止六個月則確認其他虧損約5.3百萬港元。相關重大變動乃主要由於截至二零一八年六月三十日止六個月並無確認上市開支所致。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Selling expenses

Selling expenses mainly consist of staff costs, transportation expenses, office expenses and depreciation. Selling expenses increased to approximately HK\$3.5 million for the six months ended 30 June 2018 from approximately HK\$2.5 million for the six months ended 30 June 2017, representing an increase of approximately 37.8%. The increase in the Group's selling expenses was mainly attributable to an increase in staff costs and travelling expenses.

Administrative expenses

Administrative expenses primarily consist of staff costs, management fee, rental expenses, directors' remuneration, depreciation and office expenses. Administrative expenses significantly increased to approximately HK\$9.1 million for the six months ended 30 June 2018 from approximately HK\$4.8 million for the six months ended 30 June 2017, representing an increase of approximately 87.2%. Such increase was mainly attributable to the significant increase in the remuneration of Directors, senior management fees as well as legal and professional fees.

Listing expenses

For the six months ended 30 June 2018, the Group did not recognise any listing expenses. In contrast, listing expenses of approximately HK\$4.6 million were recorded for the six months ended 30 June 2017.

Loss before income tax

As a result of the foregoing, the Group's loss before income tax significantly increased by approximately 103.8%, or approximately HK\$3.1 million, from approximately HK\$3.0 million for the six months ended 30 June 2017 to approximately HK\$6.1 million for the six months ended 30 June 2018.

銷售開支

銷售開支主要包括員工成本、運輸費、辦公室開支及折舊。銷售開支由截至二零一七年六月三十日止六個月約2.5百萬港元，上升至截至二零一八年六月三十日止六個月約3.5百萬港元，上升約37.8%。本集團銷售開支上升乃主要由於員工成本及差旅開支增加所致。

行政開支

行政開支主要包括員工成本、管理費、租金開支、董事酬金、折舊及辦公室開支。行政開支由截至二零一七年六月三十日止六個月約4.8百萬港元，大幅上升至截至二零一八年六月三十日止六個月約9.1百萬港元，上升約87.2%。有關上升乃主要由於董事及高級管理層酬金以及法律及專業費用大幅上升所致。

上市開支

於截至二零一八年六月三十日止六個月，本集團並無確認任何上市開支。而於截至二零一七年六月三十日止六個月則錄得上市開支約4.6百萬港元。

除所得稅前虧損

由於前述各項，本集團除所得稅前虧損由截至二零一七年六月三十日止六個月約3.0百萬港元大幅上升約103.8%或約3.1百萬港元至截至二零一八年六月三十日止六個月約6.1百萬港元。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Total comprehensive loss attributable to owners of the parent

The total comprehensive loss attributable to owners of the Company increased to approximately HK\$5.9 million for the six months ended 30 June 2018 from approximately HK\$0.9 million for the six months ended 30 June 2017, representing an increase of approximately 579.7%.

Basic and diluted loss per Share

The Company's basic loss per Share for the six months ended 30 June 2018 was approximately HK 0.65 cents (2017: HK 0.54 cents), representing an increase of approximately HK 0.11 cents, or approximately 20.4%, which is in line with the loss for the period attributable to the owners of the parent, when compared to the six months ended 30 June 2017.

INTERIM DIVIDEND

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2018 (2017: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

For the six months ended 30 June 2018, the Group's operations were primarily financed through its financing activities. The Directors believe that in the long term, the Group's operations will continue to be funded by a combination of cash generated from the Group's operating activities and financing activities.

The Group's cash and bank balances amounted to approximately HK\$37.5 million and approximately HK\$57.9 million as at 30 June 2018 and 31 December 2017, respectively. The functional currency of the Group is Hong Kong dollars. As at 30 June 2018, 94.7% of the Group's cash and bank balances were denominated in the functional currency (31 December 2017: 96.4%) and the remaining 5.3% (31 December 2017: 3.6%) in other currencies, mainly Renminbi.

母公司擁有人應佔全面虧損總額

本公司擁有人應佔全面虧損總額由截至二零一七年六月三十日止六個月約0.9百萬港元，上升至截至二零一八年六月三十日止六個月約5.9百萬港元，上升約579.7%。

每股基本及攤薄虧損

截至二零一八年六月三十日止六個月，本公司每股基本虧損約為0.65港仙(二零一七年：0.54港仙)，較截至二零一七年六月三十日止六個月上升約0.11港仙(或約20.4%)，與母公司擁有人應佔期內虧損一致。

中期股息

董事會不建議就截至二零一八年六月三十日止六個月派付中期股息(二零一七年：無)。

流動資金及財務資源

截至二零一八年六月三十日止六個月，本集團主要透過其融資活動為其營運提供資金。董事相信，長遠而言，本集團將繼續以本集團經營活動及融資活動所產生的現金的組合為營運提供資金。

本集團於二零一八年六月三十日及二零一七年十二月三十一日的現金及銀行結餘分別約37.5百萬港元及約57.9百萬港元。本集團的功能貨幣為港元。於二零一八年六月三十日，本集團94.7%(二零一七年十二月三十一日：96.4%)的現金及銀行結餘以功能貨幣計值，而餘下5.3%(二零一七年十二月三十一日：3.6%)則以其他貨幣計值，主要為人民幣。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

As at 30 June 2018 and 31 December 2017, the Group had net current assets of approximately HK\$54.7 million and approximately HK\$64.9 million, respectively, which included trade receivables, prepayments, deposits and other receivables, inventories, cash and cash equivalents and pledged deposits. The Group's current ratio increased to approximately 2.7 as at 30 June 2018 from approximately 2.3 as at 31 December 2017 due to the decrease in bank loans and trade payables during the six months ended 30 June 2018. The Group's bank borrowings decreased from approximately HK\$22.6 million as at 31 December 2017 to approximately HK\$16.8 million as at 30 June 2018. Such decrease was mainly due to the sufficient cash flows for the six months ended 30 June 2018.

GEARING RATIO

The Group's gearing ratio is calculated based on net debt (including interest-bearing bank borrowings, trade payables and other payables and accruals, less cash and cash equivalents) divided by the total equity plus net debt at the respective reporting date. The gearing ratio was not applicable to the Group as at 30 June 2018 and 31 December 2017 as its cash and bank balances were more than its bank borrowings. The Group believes that the cash at banks and the bank borrowings provide adequate liquidity to satisfy the Group's funding requirements.

於二零一八年六月三十日及二零一七年十二月三十一日，本集團流動資產淨值分別約為54.7百萬港元及約64.9百萬港元，包括應收交易款項、預付款項、按金及其他應收款項、存貨、現金及現金等價物以及抵押存款。本集團的流動比率由二零一七年十二月三十一日約2.3上升至二零一八年六月三十日約2.7，乃由於截至二零一八年六月三十日止六個月的銀行貸款及應付交易款項減少所致。本集團的銀行借款由二零一七年十二月三十一日約22.6百萬港元下跌至二零一八年六月三十日約16.8百萬港元。有關下跌乃主要由於截至二零一八年六月三十日止六個月現金流量充足所致。

資產負債比率

本集團的資產負債比率乃以各報告日期的淨債務(包括計息銀行借款、應付交易款項及其他應付款項及應計費用，減現金及現金等價物)除以權益總額加淨債務之和計算。於二零一八年六月三十日及二零一七年十二月三十一日，資產負債比率不適用於本集團，原因在於其現金及銀行結餘超過其銀行借款。本集團認為銀行現金及銀行借款提供足夠流動資金應付本集團的資金需要。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

COMMITMENTS

The Group's operating lease commitments were primarily related to leases of land and buildings, production machinery and office equipment. As at 30 June 2018 and 31 December 2017, the Group had commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

		As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)	As at 30 June 2018 於二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)
Within one year	不足一年	1,930	1,845
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	6,485	6,233
After five years	五年後	884	438
		9,299	8,516

As at 30 June 2018, other than the abovementioned operating lease commitments, the Group did not have any significant capital commitments (as at 31 December 2017: HK\$6.6 million).

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group since the Listing. The share capital of the Group only comprises ordinary Shares.

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

Details of changes in the Company's share capital for the six months ended 30 June 2018 are set out in note 18 to the condensed consolidated financial statements of this report.

承擔

本集團的經營租賃承擔主要與土地及樓宇、生產機器及辦公室設備有關。於二零一八年六月三十日及二零一七年十二月三十一日，本集團根據不可撤銷經營租賃支付的未來最低租金款項承擔的到期日如下：

	As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)	As at 30 June 2018 於二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)
Within one year	1,930	1,845
In the second to fifth years, inclusive	6,485	6,233
After five years	884	438
	9,299	8,516

於二零一八年六月三十日，除上述經營租賃承擔外，本集團並無任何重大資本承擔(於二零一七年十二月三十一日：6.6百萬港元)。

資本架構

本集團的資本架構自上市起並無變動。本集團的股本僅包括普通股。

於二零一八年六月三十日，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。

本公司截至二零一八年六月三十日止六個月的股本變動詳情載列於本報告簡明綜合財務報表附註18。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

SIGNIFICANT INVESTMENTS

As at 30 June 2018, the Group did not hold any significant investments (as at 31 December 2017: Nil).

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 22 June 2017, the Group completed a group reorganisation (the “**Reorganisation**”), details of which are set out in the section headed “History, Reorganisation and Corporate Structure” of the Prospectus. Subsequent to the completion of the Reorganisation and up to 30 June 2018, the Group did not have any acquisitions or disposals of subsidiaries and affiliated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as those disclosed in the Prospectus, the Group currently has no other plans for material investments and capital assets.

CONTINGENT LIABILITIES

As at 30 June 2018, the Group did not have material contingent liabilities (as at 31 December 2017: Nil).

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. The Group currently does 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.

重大投資

於二零一八年六月三十日，本集團並無持有任何重大投資(於二零一七年十二月三十一日：無)。

重大收購或出售附屬公司及聯屬公司

於二零一七年六月二十二日，本集團完成集團重組(「**重組**」)，詳情載於招股章程「歷史、重組及公司架構」一節。於完成重組後及直至二零一八年六月三十日，本集團並無收購或出售任何附屬公司及聯屬公司。

重大投資及資本資產的未來計劃

除招股章程所披露者外，本集團現時並無其他重大投資及資本資產的計劃。

或然負債

於二零一八年六月三十日，本集團並無重大或然負債(於二零一七年十二月三十一日：無)。

外匯風險

本集團於訂立並非以本集團功能貨幣計值的交易時承受外匯風險。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。本集團目前並無外幣對沖政策。然而，本集團管理層會密切監察外匯風險，並於有需要時將考慮對沖重大外匯風險。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

PLEDGE OF ASSETS

As at 30 June 2018 and 31 December 2017, the following assets were pledged to banks to secure certain banking borrowings granted to the Group:

資產抵押

於二零一八年六月三十日及二零一七年十二月三十一日，以下資產已質押予銀行，以擔保本集團獲授的若干銀行借款：

		As at 30 June 2018 於二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Financial asset at fair value through profit or loss	按公允價值計入損益的金融資產	4,531	–
Available-for-sale investment	可供出售投資	–	4,474
Trade receivables	應收交易款項	6,569	12,593
Pledged deposits	抵押存款	–	9,000
		11,100	26,067

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2018, the Group employed a total of 178 employees (2017: 206), of whom 173 were located in the PRC and 5 were located in Hong Kong. The Group's staff costs mainly comprised salary, social insurance and housing provident fund. For the six months ended 30 June 2018 and 2017, the Group's total staff costs (excluding Directors' emoluments) amounted to approximately HK\$10.1 million and HK\$7.0 million, respectively. The Group offers remuneration packages comprising basic salaries, discretionary bonuses and allowances to its management and office staff. For the workers at the Guangzhou Production Facilities, the Group offers them with salaries above the minimum wage, provides them with promotion opportunities and allows them budgets for social events such as birthday celebrations.

僱員及薪酬政策

於二零一八年六月三十日，本集團共僱用178名僱員(二零一七年：206名)，當中173人位於中國，5人位於香港。本集團的員工成本主要包括薪金、社會保險及住房公積金。於截至二零一八年及二零一七年六月三十日止六個月，本集團的總員工成本(不包括董事酬金)分別約為10.1百萬港元及7.0百萬港元。本集團向其管理層及辦公室僱員所提供的薪酬組合包括基本薪金、酌情花紅及津貼。至於廣州生產基地的工人，本集團給予彼等高於最低工資的薪金及晉升機會，亦會向彼等提供津貼舉辦社交活動(如生日慶祝)。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

The remuneration committee of the Company is responsible for reviewing and determining the remuneration packages of the Directors and senior management members with reference to the salaries paid by comparable companies, time commitment and responsibilities of Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration. Any discretionary bonus and other merit payments are linked to the profit performance of the Group and the individual performance of the Directors and senior management members. The Company adopted a share option scheme (the “**Share Option Scheme**”) on 24 November 2017, under which the Company may grant options to, among others, any employee (full-time or part-time) or Directors with a view to rewarding them for their contributions to the Group, giving incentives to them for optimising their performance and efficiency and attracting as well as retaining those whose future contributions are important to the long-term growth and profitability of the Group. Since the adoption of the Share Option Scheme and up to the date of this report, no share options have been granted pursuant to the Share Option Scheme.

USE OF PROCEEDS

The Shares were successfully listed on GEM of the Stock Exchange on 15 December 2017 (the “**Listing Date**”). The Group raised net proceeds of approximately HK\$40.7 million from the Share Offer after deducting commission and expenses borne by the Company in connection with the Share Offer (the “**Net Proceeds**”). The Net Proceeds are intended to be used in accordance with the proposed implementation plans as disclosed under the section headed “Future Plans and Use of Proceeds” in the Prospectus. As at 30 June 2018, the unutilised Net Proceeds amounted to approximately HK\$30.4 million.

本公司薪酬委員會負責審閱及釐定董事及高級管理層的薪酬組合，當中會參考可資比較公司所支付的薪金、董事所投放的時間及責任、本集團內其他職位的僱用條件，以及職效掛鈎酬金是否合適。任何酌情花紅及其他獎勵報酬乃與本集團的溢利表現及董事和高級管理層成員的個人表現掛鈎。本公司於二零一七年十一月二十四日採納一項購股權計劃(「**購股權計劃**」)，據此，本公司可向(其中包括)任何僱員(全職或兼職)或董事授出購股權，以就彼等對本集團所作出的貢獻給予獎勵、激勵彼等提升表現及效率，以及吸引及挽留日後可對本集團的長遠增長及盈利能力作出重大貢獻的僱員及董事。自採納購股權計劃起及直至本報告日期，概無根據購股權計劃授出購股權。

所得款項用途

股份於二零一七年十二月十五日(「**上市日期**」)成功於聯交所GEM上市。於扣除本公司就股份發售所承擔的佣金及開支後，本集團自股份發售籌得所得款項淨額約40.7百萬港元(「**所得款項淨額**」)。本集團擬根據招股章程「未來計劃及所得款項用途」一節所披露的建議動用計劃使用所得款項淨額。於二零一八年六月三十日，未動用的所得款項淨額約為30.4百萬港元。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

The following table sets forth a breakdown of the use of the Net Proceeds during the period from the Listing Date up to 30 June 2018:

下表載列自上市日期起至二零一八年六月三十日止期間所得款項淨額用途明細：

		Proceeds utilised for the six months ended 30 June 2018	Proceeds utilised for the year ended 31 December 2017	Proceeds utilised for the six months ended 30 June 2018	Unutilised proceeds as at 30 June 2018
	Net proceeds available immediately after Listing	Proceeds utilised for the year ended 31 December 2017	Proceeds utilised for the six months ended 30 June 2018	Proceeds utilised for the six months ended 30 June 2018	Unutilised proceeds as at 30 June 2018
	緊隨上市後 可動用的 所得款項淨額	截至 二零一七年 十二月三十一日 止年度 已動用所得款項	截至 二零一八年 六月三十日 止六個月 已動用所得款項	截至 二零一八年 六月三十日 已動用所得款項	於 二零一八年 六月三十日 未動用所得款項
	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元
Upgrading the Group's machinery for the production of 100% spun polyester sewing threads for industrial use	升級本集團工業用100%滌綸線生產機器	20.3	-	3.1	17.2
Upgrading the Group's machinery for the production of 100% spun polyester sewing threads for domestic use	升級本集團家用100%滌綸線生產機器	7.7	-	2.2	5.5
Acquiring new cone winding machines	購買新筒子絡紗機	4.1	-	-	4.1
Acquiring new machinery for the production of nylon threads	購買新尼龍線生產機器	3.7	-	1.1	2.6
Setting up a sales office in Zhejiang province	在浙江省設立銷售辦事處	1.2	-	0.2	1.0
Working capital and other general corporate purposes of the Group	本集團的營運資金及其他一般企業用途	3.7	-	3.7	-
		40.7	-	10.3	30.4

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

An analysis comparing the future plans and use of proceeds contained in the Prospectus with the Group's actual business progress for the period from the Listing Date up to the date of this report:

招股章程所載未來計劃及所得款項用途與本集團自上市日期起直至本報告日期期間之實際業務進度比較分析如下：

Business strategy 業務策略	Implementation plan 實施計劃	Actual progress 實際進度
Upgrade the Group's machinery for the production of 100% spun polyester sewing threads for industrial use 升級本集團的工業用100%滌綸線生產機器	— Purchase six waxing and winding machines for the production of 100% spun polyester sewing threads for industrial use — 採購六台上蠟和絡紗機，用於生產工業用100%滌綸線	The Group has purchased and is operating two waxing and winding machines for the production of 100% spun polyester sewing threads for industrial use. 本集團已採購並正使用兩台上蠟和絡紗機，用於生產工業用100%滌綸線。
Upgrade the Group's machinery for the production of 100% spun polyester sewing threads for domestic use 升級本集團的家用100%滌綸線生產機器	— Purchase two machines for the production of 100% spun polyester sewing threads for domestic use — 採購兩台機器，用於生產家用100%滌綸線	The Group has purchased and is operating one machine for the production of 100% spun polyester sewing threads for domestic use. 本集團已採購並正使用一台機器，用於生產家用100%滌綸線。
Acquire new cone winding machines 購買新筒子絡紗機	— Order two cone winding machines to facilitate the Group's production lines for 100% spun polyester sewing threads and paying the deposit — 訂購兩台筒子絡紗機以促進本集團的100%滌綸線生產線運行及支付訂金	The Group has ordered one cone winding machine. 本集團已訂購一台筒子絡紗機。
Acquire new machinery for the production of nylon threads 購買新尼龍線生產機器	— Purchase five machines for the production of nylon threads — 採購五台機器，用於生產尼龍線	The Group has purchased and is operating three machines for the production of nylon threads. 本集團已採購並正使用三台機器，用於生產尼龍線。
Set up a sales office in Zhejiang province 在浙江省設立銷售辦事處	— Lease suitable premises for the Group's sales office — Renovate the sales office — Purchase office equipment — 租用合適場所，用作本集團銷售辦事處 — 裝修銷售辦事處 — 採購辦公設備	The Group has leased a premises in Zhejiang Province for its sales office. The sales office is undergoing renovation. 本集團已於浙江省租賃物業作為其銷售辦事處。 銷售辦事處正進行裝修。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FUTURE PROSPECTS

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.

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.

Given the recent economic challenges and uncertainties resulting from the newly implemented trade protectionist measures by the United States government against countries such as the PRC, the Directors are of the view that the focus on expanding the Group’s sales in the PRC through the sales office located at Zhejiang province is appropriate to address any potential risks brought by such challenges and uncertainties.

未來展望

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，並可落實招股章程內「未來計劃及所得款項用途」一節所載的擴展計劃。

本集團著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。

鑑於近期因美國政府針對中國等國剛實行的貿易保護主義措施而帶來的經濟挑戰及不確定因素，董事認為，透過位於浙江省的銷售辦事處，專注於擴大本集團在中國的銷售，可有效應對相關挑戰及不確定因素所帶來的任何潛在風險。

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 June 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 required (a) 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 under such provisions of the SFO); or (b) 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

於二零一八年六月三十日，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)須記入根據證券及期貨條例第352條須存置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, 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 his 100% shareholding interest in Three Gates Investment.
- 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股每股面值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全資實益擁有。因此，黃先生被視為透過所持Three Gates Investment 100%股權擁有Three Gates Investment所持600,000,000股股份的權益。
- 字母「L」指該人士於股份中的好倉。

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)

Except as disclosed above, as at 30 June 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 Stock 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 June 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，於二零一八年六月三十日，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、相關股份或債券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

據董事所深知，於二零一八年六月三十日，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根據證券及期貨條例第336條須存置的登記冊的權益及／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股股份(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 his 100% shareholding interest in Three Gates Investment.
3. The letter "L" denotes the person's long position in the Shares.

Except as disclosed above, as at 30 June 2018, the Directors are not aware of any interests and short positions owned by any 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 recorded under the provision of Divisions 2 and 3 of Part XV of the SFO, or, who was interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESSES

For the six months ended 30 June 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 businesses 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股每股面值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，黃先生被視為透過所持Three Gates Investment 100%股權擁有Three Gates Investment所持600,000,000股股份的權益。
3. 字母「L」指該人士於股份中的好倉。

除上文披露者外，於二零一八年六月三十日，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分部的規定須予記錄的權益或淡倉的本公司董事或主要行政人員，或直接或間接擁有附帶權利可於任何情況下在本公司股東大會上投票的任何類別股本面值10%或以上權益的本公司董事或主要行政人員外，概無任何其他人士擁有任何權益及淡倉。

董事及控股股東於競爭業務的權益

於截至二零一八年六月三十日止六個月及直至本報告日期，概無董事、本公司控股股東或彼等各自的任何緊密聯繫人(定義見GEM上市規則)進行任何與本集團業務構成或可能構成競爭的業務，或與本集團有任何其他利益衝突。

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 of the Company 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 as set out in Appendix 15 to the GEM Listing Rules, the Board is of the view that the Company has complied with the code provisions of the CG code for the period from the Listing Date up to the date of this report (the “Relevant Period”).

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，本公司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GEM上市規則附錄十五所載企管守則的守則條文A.2.1條外，董事會認為本公司自上市日期起直至本報告日期止期間(「有關期間」)內已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考慮拆分有關職務。

Other Information (Continued)

其他資料(續)

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 during the Relevant Period.

INTERESTS OF THE COMPLIANCE ADVISER

In compliance with 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 has, or may have, any interest in the share capital of the Company or any 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.

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 since the Listing Date and up to the date of this report.

EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Company or the Group after 30 June 2018 and up to the date of this report.

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條所載的交易標準規定。在本公司作出特定查詢後，全體董事均已確認彼等於有關期間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。

合規顧問的權益

按照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。本公司已獲華邦知會，華邦及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的股本中擁有或可能擁有任何須根據GEM上市規則第6A.32條知會本公司的權益(包括購股權或認購有關證券的權利)，惟本公司與華邦所訂立日期為二零一七年十一月二十九日的合規顧問協議除外。

購買、出售或贖回本公司上市證券

自上市日期起及直至本報告日期，本公司及其附屬公司均並無購買、出售或贖回本公司任何上市證券。

報告期後事項

本公司或本集團於二零一八年六月三十日後及直至本報告日期概無進行任何重大期後事項。

Other Information (Continued)

其他資料(續)

AUDIT COMMITTEE

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 of the Audit Committee), Dr. Yeung Ngai Man, John and Mr. To King Yan, Adam. 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 consolidated results of the Group for the six months ended 30 June 2018.

Hong Kong, 7 August 2018

審核委員會

本公司已根據GEM上市規則第5.28至5.33條及企管守則的守則條文第C.3.3條成立審核委員會。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(審核委員會主席)、楊毅敏醫生及杜景仁先生。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六月三十日止六個月的綜合業績。

By order of the Board
承董事會命

Shen You Holdings Limited
申酉控股有限公司

Wong Kwok Wai, Albert
主席兼執行董事
Chairman and executive Director
黃國偉

香港，二零一八年八月七日

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Director

Mr. Ng Chan Lam
Mr. Gao Biao

Independent non-executive Directors

Mr. To King Yan, Adam
Dr. Yeung Ngai Man, John
Mr. Sung Alfred Lee Ming

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*)
Mr. To King Yan, Adam
Dr. Yeung Ngai Man, John

REMUNERATION COMMITTEE

Dr. Yeung Ngai Man, John (*Chairman*)
Mr. Sung Alfred Lee Ming
Mr. To King Yan, Adam

董事會

執行董事

黃國偉先生(主席)
李永康先生
俞妙根先生

非執行董事

伍燦林先生
高彪先生

獨立非執行董事

杜景仁先生
楊毅敏醫生
宋理明先生

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)
杜景仁先生
楊毅敏醫生

薪酬委員會

楊毅敏醫生(主席)
宋理明先生
杜景仁先生

Corporate Information (Continued)

公司資料(續)

NOMINATION COMMITTEE

Mr. Wong Kwok Wai, Albert (*Chairman*)
Mr. To King Yan, Adam
Mr. Sung Alfred Lee Ming

AUDITORS

Ernst & Young
Certified Public Accountants

COMPLIANCE ADVISER

Huabang Corporate Finance Limited

HONG KONG LEGAL ADVISERS

Wan Yeung Hau & Co.

PRINCIPAL BANK

The Hongkong 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
Liwang District
Guangzhou
China

提名委員會

黃國偉先生(主席)
杜景仁先生
宋理明先生

核數師

安永
執業會計師

合規顧問

華邦融資有限公司

香港法律顧問

溫楊侯律師事務所

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

Corporate Information (Continued)

公司資料(續)

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

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

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

COMPANY'S WEBSITE

www.shenyouholdings.com

公司網址

www.shenyouholdings.com

STOCK CODE

8377

股份代號

8377

Shen You Holdings Limited
申酉控股有限公司