

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



INTERIM REPORT
中 期 報 告

2021

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 2021, 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 2021 amounted to approximately HK\$32.6 million;
- loss after taxation for the six months ended 30 June 2021 amounted to approximately HK\$21.6 million; and
- basic and diluted loss per share of the Company for the six months ended 30 June 2021 was approximately HK6.55 cents.

截至二零二一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：

- 截至二零二一年六月三十日止六個月，錄得收益約32.6百萬港元；
- 截至二零二一年六月三十日止六個月的除稅後虧損約為21.6百萬港元；及
- 本公司截至二零二一年六月三十日止六個月的每股基本及攤薄虧損約為6.55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 2021, together with the comparative unaudited figures for the corresponding period in 2020, 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二零二一年六月三十日止六個月的未經審核簡明綜合業績，連同二零二零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 2021
截至二零二一年六月三十日止六個月

		Note 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	
			2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Revenue	收益	4	18,387	9,409	32,573	17,523
Cost of sales	銷售成本		(15,526)	(7,688)	(27,186)	(14,531)
Gross profit	毛利		2,861	1,721	5,387	2,992
Other income and gains	其他收入及增益	5	406	505	1,176	1,444
Selling and distribution expenses	銷售及分銷開支		(1,888)	(1,286)	(3,370)	(2,640)
Administrative expenses	行政開支		(6,438)	(3,217)	(11,535)	(6,490)
Other expenses	其他開支		(1,165)	(135)	(1,803)	(372)
Finance costs	融資成本	6	(185)	(47)	(329)	(250)
Impairment loss on goodwill	商譽減值虧損	7	–	–	(11,128)	–
LOSS BEFORE TAX	除稅前虧損	8	(6,409)	(2,459)	(21,602)	(5,316)
Income tax expense	所得稅開支	9	–	(1)	–	(1)
LOSS FOR THE PERIOD	期內虧損		(6,409)	(2,460)	(21,602)	(5,317)
LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔虧損		(6,409)	(2,460)	(21,602)	(5,317)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔每股虧損	11			(Restated) 經重列	(Restated) 經重列
Basic and diluted (expressed in HK cents per share)	基本及攤薄 (以每股港仙列示)		1.80	1.33	6.55	3.01

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 2021 截至二零二一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
		2021	2020	2021	2020
		二零二一年	二零二零年	二零二一年	二零二零年
		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	(6,409)	(2,460)	(21,602)	(5,317)
OTHER COMPREHENSIVE INCOME/(LOSS)	其他全面收入/(虧損)				
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	894	(102)	431	(1,263)
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)	894	(102)	431	(1,263)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	期內全面收入/(虧損)總額	(5,515)	(2,562)	(21,171)	(6,580)
ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔	(5,515)	(2,562)	(21,171)	(6,580)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 30 June 2021 於二零二一年六月三十日

			As at 30 June 2021 於二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 於二零二零年 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	12	11,545	4,090
Right-of-use assets	使用權資產		3,662	3,763
Financial assets at fair value through profit or loss	按公允值計入損益的 金融資產		5,144	5,144
Broodmares and Stallions	母馬及種馬	13	10,766	-
Goodwill	商譽		6,683	-
Total non-current assets	非流動資產總值		37,800	12,997
CURRENT ASSETS	流動資產			
Inventories	存貨	14	14,017	12,070
Trade receivables	應收交易款項	15	16,638	10,034
Prepayments, other receivables and other assets	預付款項、其他應收款項 及其他資產	16	18,857	14,121
Tax recoverable	可收回稅項		1,245	-
Cash and cash equivalents	現金及現金等價物		17,589	11,918
Total current assets	流動資產總值		68,346	48,143
CURRENT LIABILITIES	流動負債			
Trade payables	應付交易款項	17	18,923	5,510
Other payables and accruals	其他應付款項及應計費用	18	9,763	4,583
Interest-bearing bank borrowings	計息銀行借款	19	6,882	-
Lease liabilities	租賃負債		2,317	1,956
Tax payable	應付稅項		903	641
Total current liabilities	流動負債總額		38,788	12,690
NET CURRENT ASSETS	流動資產淨值		29,558	35,453
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		67,358	48,450

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

As at 30 June 2021 於二零二一年六月三十日

		Notes 附註	As at 30 June 2021 於二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 於二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
NON-CURRENT LIABILITIES	非流動負債			
Lease liabilities	租賃負債		2,217	2,842
Total non-current liabilities	非流動負債總額		2,217	2,842
Net assets	資產淨值		65,141	45,608
EQUITY	權益			
Share capital	股本	20	17,772	12,000
Reserves	儲備		47,369	33,608
Total equity	權益總額		65,141	45,608

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 2021 截至二零二一年六月三十日止六個月

		Share capital	Share premium	Merger reserve	Statutory surplus reserve	Share option reserve	Exchange fluctuation reserve	Accumulated losses	Total equity
		股本	股份溢價	合併儲備	法定盈餘儲備	購股權儲備	匯兌波動儲備	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 2020 (audited)	於二零二零年一月一日(經審核)	8,000	57,751	(1,000)	5,670	-	6,037	(33,986)	42,472
Loss for the period	期內虧損	-	-	-	-	-	-	(5,317)	(5,317)
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	-	-	-	-	-	(1,263)	-	(1,263)
Total comprehensive income/(loss) for the period	期內全面收入/(虧損)總額	-	-	-	-	-	(1,263)	(5,317)	(6,580)
Issue of rights shares	發行供股股份	4,000	11,243	-	-	-	-	-	15,243
As at 30 June 2020 (unaudited)	於二零二零年六月三十日 (未經審核)	12,000	68,994	(1,000)	5,670	-	4,774	(39,303)	51,135
As at 1 January 2021 (audited)	於二零二一年一月一日(經審核)	12,000	68,392	(1,000)	5,670	-	10,127	(49,581)	45,608
Loss for the period	期內虧損							(21,602)	(21,602)
Other comprehensive loss for the period:	期內其他全面虧損：								
Exchange difference on translation of foreign operation	換算海外業務的匯兌差額						431		431
Total comprehensive income/(loss) for the period	期內全面收入/(虧損)總額	-	-	-	-	-	431	(21,602)	(21,171)
Issue of consideration shares for acquisition	就收購事項發行代價股份	3,372	22,256	-	-	-	-	-	25,628
Issue of new shares under generate mandate	根據一般授權發行新股份	2,400	11,521	-	-	-	-	-	13,921
Recognition of equity-settled share option expenses	以權益支付購股權開支確認	-	-	-	-	1,155	-	-	1,155
As at 30 June 2021 (unaudited)	於二零二一年六月三十日 (未經審核)	17,772	102,169	(1,000)	5,670	1,155	10,558	(71,183)	65,141

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 2021 截至二零二一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	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
		Notes 附註	
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Loss before tax	除稅前虧損		(21,602)
Adjustments for:	調整：		(5,316)
Finance costs	融資成本	6	329
Fair value gain on financial assets at fair value through profit or loss	按公允值計入損益的金 融資產的公允值增益		250
Bank interest income	銀行利息收入	5	-
Impairment loss on goodwill	商譽減值虧損	7	(1)
Share option expenses	購股權開支	8	11,128
Depreciation of right-of-use assets	使用權資產折舊	8	1,155
Depreciation of fixed assets	固定資產折舊	8	885
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備 項目之虧損	8	841
			828
			(6,437)
Increase in inventories	存貨增加		(1,947)
(Increase)/decrease in trade receivables	應收交易款項(增加)/ 減少		(1,039)
Increase in prepayments, other receivables and other assets	預付款項、其他應收款 項及其他資產增加		(6,604)
Increase/(decrease) in trade payables	應付交易款項增加/(減 少)		1,400
Increase in other payables and accruals	其他應付款項及應計費 用增加		(4,738)
			(777)
			5,181
			314
Cash used in operations	經營所用現金		(12,601)
Interest received	已收利息		1
Interest paid	已付利息		(329)
PRC taxes paid	已付中國稅項		(279)
Net cash flows used in operating activities	經營活動所用現金流量 淨額		(13,208)
			(8,345)
			1
			(250)
			(566)
			(9,160)

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 2021 截至二零二一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	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
		Notes 附註	
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	(9,124)	(130)
Acquisition of subsidiaries	收購附屬公司	(17,811)	-
Repayment of lease liabilities	償還租賃負債	(1,048)	-
Net cash flows used in investing activities	投資活動所用現金流量淨額	(27,983)	(130)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
New bank loans	新增銀行貸款	6,881	11,622
Repayments of bank loans	償還銀行貸款	-	(31,589)
Issue of rights shares	發行供股股份	-	15,243
Issue of new shares for acquisition	就收購事項發行新股份	25,628	-
Issue of new shares under general mandate	根據一般授權發行新股份	13,921	-
Principal portion of lease payment	租賃付款本金部分	-	(1,188)
Net cash flows used in financing activities	融資活動所用現金流量淨額	46,430	(5,912)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/(減少)淨額	5,239	(15,202)
Cash and cash equivalents at beginning of period	期初現金及現金等價物	11,918	34,532
Effect of foreign exchange rate changes, net	匯率變動的影響，淨額	432	(1,046)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	17,589	18,284

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 2021 截至二零二一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	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
		Notes 附註	
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	17,589	18,284
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	17,589	18,284
Bank overdrafts	銀行透支	(5,308)	–
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	12,281	18,284

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一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 Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. During the period, the Company's subsidiaries were principally engaged in the manufacture and trading of sewing threads and broad categories of garment accessories, the provision of interior design, fitting out and decoration services, and equine services.

In the opinion of the Directors, 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.

As at the date of this report, the Company has direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name 名稱	Place of incorporation/ registration and operations 註冊成立/註冊 及經營地點	Nominal value of issued ordinary/ paid-up/registered share capital 已發行普通/ 繳足/註冊股本面值	Percentage of equity attributable to the Company			Principal activities 主要業務
			Direct 本公司應佔權益百分比 直接	Indirect 間接		
Strat Tech Holdings Limited	BVI 英屬處女群島	US\$1 1美元	100%	-	Investment holding 投資控股	
Shen You (China) Limited 申酉(中國)有限公司	Hong Kong 香港	HK\$10,000,000 10,000,000港元	100%	-	Investment holding 投資控股	
Tseyu International Trading Company Limited 至裕國際貿易有限公司	Hong Kong 香港	HK\$45,000,000 45,000,000港元	-	100%	Trading of sewing threads and broad categories of garment accessories 縫紉線和各類服裝輔料 貿易	

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Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands。

本公司為投資控股公司。本公司附屬公司期內主要從事縫紉線和各類服裝輔料生產及貿易，提供室內設計、裝修及裝飾服務，以及馬匹服務。

董事認為，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。

於本報告日期，本公司擁有其附屬公司的直接及間接權益，該等附屬公司均為私營有限公司(或倘於香港境外註冊成立，擁有於香港註冊成立私營公司之大致類似性質)，詳情載列如下：

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 2021 截至二零二一年六月三十日止六個月

1. CORPORATE AND GROUP INFORMATION (Continued)

1. 公司及集團資料(續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/註冊 及經營地點	Nominal value of issued ordinary/ paid-up/registered share capital 已發行普通/ 繳足/註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Newchamp Industries Limited 新中港實業有限公司	Hong Kong 香港	HK\$30,000,000 30,000,000港元	-	100%	Trading of sewing threads 縫紉線貿易
Clolab International Limited 研衣人國際有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	100%	Dormant 暫無業務
Cheerful Keen Limited 置富健有限公司	BVI 英屬處女群島	US\$1 1美元	-	100%	Trading of sewing threads and broad categories of garment accessories 縫紉線和各類服裝輔料 貿易
Guangzhou Xinhua Thread Company Limited*	People's Republic of China (the "PRC")/ Mainland China	HK\$56,250,000	-	100%	Manufacture and trading of sewing threads and broad categories of garment accessories 縫紉線和各類服裝輔料 生產及貿易
廣州新華線業有限公司*	中華人民共和國 (「中國」)/ 中國內地	56,250,000港元			
申酉辰鑫企業(上海)有限公司*	PRC/Mainland China 中國/中國內地	HK\$5,000,000 5,000,000港元	-	100%	Investment holding 投資控股
杭州新裕線業有限公司	PRC/Mainland China 中國/中國內地	RMB500,000 人民幣500,000元	-	100%	Trading of sewing threads and broad categories of garment accessories 縫紉線和各類服裝輔料 貿易
Diamond Motto Limited 鑽銘有限公司	Hong Kong 香港	US\$300 300美元	100%	-	Investment holding 投資控股

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 2021 截至二零二一年六月三十日止六個月

1. CORPORATE AND GROUP INFORMATION (Continued)

1. 公司及集團資料(續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/註冊 及經營地點	Nominal value of issued ordinary/ paid-up/registered share capital 已發行普通/ 繳足/註冊股本面值	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 本公司應佔權益百分比 直接	Indirect 間接	
LMP International Limited 沛銘國際有限公司	Hong Kong 香港	HK\$1 1港元	-	100%	Provision of interior design, fitting out and decoration services 提供室內設計、裝修及裝飾 服務
Better Dynasty Limited Better Dynasty Limited	Hong Kong 香港	HK\$10,000 10,000港元	100%	-	Investment holding 投資控股
Prime Dynasty Limited Prime Dynasty Limited	Hong Kong 香港	HK\$100 100港元	-	100%	Investment holding 投資控股
Thrill Rank Company Limited Thrill Rank Company Limited	BVI 英屬處女群島	US\$100 100美元	100%	-	Investment holding 投資控股
Hong Kong (8377) Pty Ltd Hong Kong (8377) Pty Ltd	Australia 澳洲	AUS\$100 100澳元	-	100%	Horse breeding 馬匹育種
Hong Kong (8377) Stallion Pty Ltd Hong Kong (8377) Stallion Pty Ltd	Australia 澳洲	AUS\$100 100澳元	-	100%	Horse breeding 馬匹育種

* Registered as wholly-foreign-owned enterprises under PRC law.

* 根據中國法律註冊為外商獨資企業。

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 2021 截至二零二一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 2021 (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 the Companies Ordinance (Cap. 622) and to the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

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 2020.

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 2020, except for the adoption of the standards amendments and interpretation issued by the HKICPA mandatory for the annual periods beginning on 1 January 2021. The effect of the adoption of these standards, amendments and interpretation is described in note 3 below.

In January 2020, the ICAC conducted a search of the registered office of the Company and the Company’s chairman and chief executive officer was under investigation (the “**Investigation**”) with no prosecution issued by the ICAC up to the date of approval of these consolidated financial statements.

In the opinion of the directors of the Company (the “**Director**”), the Investigation does not have material impact to these financial statements.

2. 編製基準

此等本集團截至二零二一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」和第622章公司條例及聯交所GEM證券上市規則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，故應與本集團截至二零二零年十二月三十一日止年度的綜合財務報表一併閱讀。

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二零二零年十二月三十一日止年度的綜合財務報表所採用者一致，惟採納由香港會計師公會頒佈於二零二一年一月一日開始之年度期間強制生效的準則、修訂及詮釋除外。採納該等準則、修訂及詮釋的影響於下文附註3描述。

於二零二零年一月，廉政公署對本公司註冊辦事處進行搜查，而本公司主席兼行政總裁正在接受調查(「**調查**」)，直至該等綜合財務報表獲批准日期，廉政公署未有提出起訴。

本公司董事(「**董事**」)認為，調查對該等財務報表並無重大影響。

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 2021 截至二零二一年六月三十日止六個月

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 six months ended 30 June 2021. 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.

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**」)截至二零二一年六月三十日止六個月之財務報表。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業務而承擔可變回報的風險或有權享有可變回報，且有能力透過對投資對象行使權力(即賦予本集團現有以主導投資對象的相關業務的既存權利)影響該等回報時，則屬擁有控制權。

如本公司直接或間接擁有投資對象投票權或類似權利不過半數，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) 其他合約安排所產生的權利；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。

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 2021 截至二零二一年六月三十日止六個月

2. BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

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.

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. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

2. 編製基準(續)

綜合基準(續)

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。

倘本集團失去對附屬公司的控制權，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)任何於損益產生的任何盈餘或虧絀。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. 採納新訂及經修訂香港財務報告準則

本集團並無應用已頒佈但尚未生效之新香港財務報告準則。本集團已開始評估該等新訂香港財務報告準則之影響，惟尚未能斷定該等新訂香港財務報告準則會否對其經營業績及財務狀況造成重大影響。

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 2021 截至二零二一年六月三十日止六個月

4. OPERATING SEGMENT INFORMATION

The Group identifies its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance.

The Group has three reportable segments as follows:

Manufacture and trading of threads	—	manufacture and trading of high performance sewing threads and broad categories of garment accessories
Interior design and decoration	—	trading of furnishing and the provision of interior design, fitting out and decoration services
Equine services	—	providing horse breeding services and horse related services

Information about reportable segment profit or loss:

4. 經營分部資料

本集團根據定期向本集團執行董事報告以供彼等就本集團業務組成部分的資源分配作出決定及檢討該等組成部分表現的內部財務資料，識別其經營分部及編製分部資料。

本集團有如下三個呈報分部：

縫紉線生產及貿易	—	優質縫紉線和各類服裝輔料生產及貿易
室內設計及裝修	—	傢俱貿易以及提供室內設計、裝修及裝飾服務
馬匹服務	—	提供馬匹育種服務及馬匹相關服務

有關呈報分部損益的資料：

		Three months ended 30 June 2021 截至二零二一年六月三十日止三個月			
		Manufacturing and trading of threads 縫紉線生產及貿易 HK\$'000 千港元 (unaudited) (未經審核)	Interior design and decoration 室內設計及裝修 HK\$'000 千港元 (audited) (經審核)	Equine services 馬匹服務 HK\$'000 千港元 (audited) (經審核)	Total 總計 HK\$'000 千港元 (unaudited) (未經審核)
Turnover	營業額				
Revenue from external customers	來自外部客戶的收益	13,617	4,770	—	18,387
Result	業績				
Segment loss	分部虧損	(2,239)	(808)	(111)	(3,158)
Unallocated corporate income	未分配企業收入				12
Unallocated corporate expenses	未分配企業開支				(3,263)
Loss before tax	除稅前虧損				(6,409)
Income tax expense	所得稅開支				—
Loss for the period	期內虧損				(6,409)

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 2021 截至二零二一年六月三十日止六個月

4. OPERATING SEGMENT INFORMATION (Continued)

4. 經營分部資料(續)

		Six months ended 30 June 2021 截至二零二一年六月三十日止六個月			
		Manufacturing and trading of threads 縫紉線生產及貿易 HK\$'000 千港元 (unaudited) (未經審核)	Interior design and decoration 室內設計及裝修 HK\$'000 千港元 (audited) (經審核)	Equine services 馬匹服務 HK\$'000 千港元 (audited) (經審核)	Total 總計 HK\$'000 千港元 (unaudited) (未經審核)
Turnover	營業額				
Revenue form external customers	來自外部客戶的收益	25,259	7,314	—	32,573
Result	業績				
Segment loss	分部虧損	(3,868)	(1,402)	(111)	(5,381)
Unallocated corporate income	未分配企業收入				12
Unallocated corporate expenses	未分配企業開支				(16,233)
Loss before tax	除稅前虧損				(21,602)
Income tax expense	所得稅開支				—
Loss for the period	期內虧損				(21,602)

		Six months ended 30 June 2020 截至二零二零年六月三十日止六個月			
		Manufacturing and trading of threads 縫紉線生產及貿易 HK\$'000 千港元 (unaudited) (未經審核)	Interior design and decoration 室內設計及裝修 HK\$'000 千港元 (audited) (經審核)	Equine services 馬匹育種 HK\$'000 千港元 (audited) (經審核)	Total 總計 HK\$'000 千港元 (unaudited) (未經審核)
Turnover	營業額				
Revenue form external customers	來自外部客戶的收益	17,523	—	—	17,523
Result	業績				
Segment loss	分部虧損	(3,476)	—	—	(3,476)
Unallocated corporate income	未分配企業收入				54
Unallocated corporate expenses	未分配企業開支				(1,894)
Loss before tax	除稅前虧損				(5,316)
Income tax expense	所得稅開支				(1)
Loss for the period	期內虧損				(5,317)

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 2021 截至二零二一年六月三十日止六個月

4. OPERATING SEGMENT INFORMATION (Continued)

An analysis of revenue by geographic location, based on the location of customer and service provided, is set out below:

4. 經營分部資料(續)

按地理位置(根據客戶及所提供服務的位置)劃分之收益分析載列如下:

		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	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Overseas	海外				
PRC	中國	8,468	6,694	14,619	11,060
Hong Kong	香港	4,547	600	9,024	1,400
Overseas	海外	5,372	2,115	8,930	5,063
		18,387	9,409	32,573	17,523

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 2021 截至二零二一年六月三十日止六個月

4. OPERATING SEGMENT INFORMATION (Continued)

4. 經營分部資料(續)

Information about reportable segment assets and liabilities:

有關呈報分部資產及負債資料：

	Manufacturing and trading of threads 縫紉線生產及貿易		Interior design and decoration 室內設計及裝修		Equine services 馬匹服務		Total 總計	
	30 June 2021 二零二一年六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2020 二零二零年十二月三十一日 HK\$'000 千港元 (audited) (經審核)	30 June 2021 二零二一年六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2020 二零二零年十二月三十一日 HK\$'000 千港元 (audited) (經審核)	30 June 2021 二零二一年六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2020 二零二零年十二月三十一日 HK\$'000 千港元 (audited) (經審核)	30 June 2021 二零二一年六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2020 二零二零年十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Assets	資產							
Segment assets	51,950	51,989	21,758	—	11,964	—	85,672	51,989
Unallocated corporate assets							20,474	9,692
Consolidated total assets							106,146	61,681
Liabilities	負債							
Segment liabilities	15,678	14,020	12,447	—	11,649	—	39,774	14,020
Unallocated corporate liabilities							1,231	1,512
Consolidated total liabilities							41,005	15,532

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 2021 截至二零二一年六月三十日止六個月

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

5. 其他收入及增益

其他收入及增益的分析如下：

		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	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Other income and gains	其他收入及增益				
Bank interest income	銀行利息收入	1	1	1	1
Exchange gains (loss), net	匯兌增益(虧損)淨值	(231)	(99)	(38)	509
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	-	73	-	73
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之增益	-	-	-	-
Gross rental income	租金收入總額	18	351	68	646
Other	其他	618	179	1,145	215
		406	505	1,176	1,444

6. FINANCE COSTS

An analysis of finance costs is as follows:

6. 融資成本

融資成本分析如下：

		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	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Interest on lease liabilities	租賃負債利息	89	45	151	132
Interest on bank loans and overdrafts	銀行貸款利息及透支	96	2	178	118
		185	47	329	250

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 2021 截至二零二一年六月三十日止六個月

7. IMPAIRMENT LOSS ON GOODWILL

For the six months ended 30 June 2021, the Group recognised an impairment loss of HK\$11,128,000 in relation to the goodwill arising on the acquisition of Diamond Motto Limited. Details of the acquisition are set out in the Company's circular dated 12 January 2021 and the announcement dated 9 February 2021.

In connection with the acquisition of Diamond Motto Limited, 67,441,860 consideration shares were transferred at the issue price of HK\$0.215 each. The difference between (i) the grant date fair value of the consideration shares for the Acquisition of Diamond Motto Limited as determined based on the closing price of HK\$0.38 per share of the Company on the completion date and (ii) the issue price of HK\$0.215 per consideration share pursuant to the sale and purchase agreement for the Acquisition of Diamond Motto Limited, has resulted in an increase in the goodwill and share premium by the same amount of approximately HK\$11,128,000.

Given such unexpected increase in the total consideration transferred for Acquisition of Diamond Motto Limited, from HK\$14,500,000, being the consideration as stipulated in sale and purchase agreement for the acquisition of Diamond Motto Limited, to HK\$25,628,000, being the fair value of the consideration having been transferred, and the fact that there have been no other substantial changes in relation to the Acquisition of Diamond Motto Limited from the date of acquisition to the Completion Date, the Directors of the Company considered there is an indicator of which the goodwill may be impaired. According to the impairment assessment made on the Completion Date, the Directors of the Company concluded that the carrying amount of the Diamond Motto Limited exceeded its recoverable amount of HK\$14,500,000 and an impairment loss on goodwill of HK\$11,128,000 had been charged to profit or loss for the six months ended 30 June 2021.

7. 商譽減值虧損

於截至二零二一年六月三十日止六個月，本集團確認就收購Diamond Motto Limited產生的商譽減值虧損11,128,000港元。收購事項的詳情載於本公司日期為二零二一年一月十二日的通函及日期為二零二一年二月九日的公告。

就收購Diamond Motto Limited而言，67,441,860股代價股份已按發行價每股0.215港元轉讓。(i)於授出日期有關Diamond Motto Limited收購事項代價股份之公允值(根據於完成日期本公司每股股份收市價0.38港元而釐定)與(ii)根據Diamond Motto Limited收購事項項下買賣協議每股代價股份0.215港元的發行價之差額已導致商譽及股份溢價同時增加約11,128,000港元。

鑑於有關Diamond Motto Limited收購事項的已轉讓總代價突然增加，即由14,500,000港元(即就Diamond Motto Limited收購事項的買賣協議所規定之代價)增加至25,628,000港元(已轉讓代價之公允值)及自收購日期起至完成日期止並無有關Diamond Motto Limited收購事項之其他重大變動，故本公司董事認為此為商譽可能出現減值之跡象。根據於完成日期進行之減值評估，本公司董事最終認為，Diamond Motto Limited的賬面值超出其可收回金額14,500,000港元，而11,128,000港元之商譽減值虧損已計入截至二零二一年六月三十日止六個月之損益。

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 2021 截至二零二一年六月三十日止六個月

8. LOSS BEFORE TAX

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

8. 除稅前虧損

本集團的除稅前虧損已扣除/(計入)
下列各項:

	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	
	2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Cost of inventories sold	11,281	7,688	20,768	14,531
Depreciation of fixed assets	434	338	841	694
Depreciation of right-of-use assets	532	361	885	807
Lease payments not included in the measurement of lease liabilities	133	66	240	66
Auditor's remuneration	-	-	-	450
Employees' benefit expenses (excluding directors' remuneration)	4,925	3,230	9,987	6,875
Share options expenses	1,155	-	1,155	-
Net exchange loss/(gain)	231	99	38	(509)
(Gain)/loss on disposal of fixed assets	527	(1)	828	123
Fair value gain on financial assets at fair value through profit or loss	-	(73)	-	(73)

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 2021 截至二零二一年六月三十日止六個月

9. 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 the BVI, the Group is not subject to any income tax in the Cayman Islands and the 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 period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/2019. The first HK\$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

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.

9. 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。

香港利得稅乃就期內於香港產生的估計應課稅溢利按稅率16.5%作出撥備，惟本集團的一間附屬公司為自二零一八年／二零一九年課稅年度起生效的利得稅兩級制項下的合資格實體除外。該附屬公司首2,000,000港元的應課稅溢利按8.25%繳稅，而餘下應課稅溢利則按16.5%繳稅。

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。

		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	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 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	—	1	—	1
Deferred	遞延	—	—	—	—
Tax (credit)/expense	稅項(抵免)/支出	—	1	—	1

10. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021 (2020: Nil).

10. 股息

董事會不建議就截至二零二一年六月三十日止六個月派發中期股息。(二零二零年：無)

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 2021 截至二零二一年六月三十日止六個月

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

11. 母公司擁有人應佔每股虧損

		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	
		2021 二零二一年 (unaudited) (未經審核)	2020 二零二零年 (unaudited) (未經審核) (restated) (經重列)	2021 二零二一年 (unaudited) (未經審核)	2020 二零二零年 (unaudited) (未經審核) (restated) (經重列)
Loss attributable to owners of the parent (HK\$'000)	母公司擁有人應佔虧損(千港元)	(6,409)	(2,460)	(21,602)	(5,317)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	用以計算每股基本及攤薄虧損的普通股加權平均數	355,441,860	185,353,108	330,037,260	176,592,638
Basic and diluted loss per share (HK cents)	每股基本及攤薄虧損(港仙)	(1.80)	(1.33)	(6.55)	(3.01)

12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Total 總計 HK\$'000 千港元
Net carrying amount at 1 January 2021 (audited)	於二零二一年一月一日的賬面淨值(經審核)	4,090
Additions	添置	9,124
Disposals	出售	(828)
Charge for the period	本期開支	(841)
Exchange adjustment	匯兌調整	-
Net carrying amount at 30 June 2021 (unaudited)	於二零二一年六月三十日的賬面淨值(未經審核)	11,545

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 2021 截至二零二一年六月三十日止六個月

13. BROODMARES AND STALLIONS

Two subsidiaries of the Group has acquired Broodmares and share of quality Stallions to provide horse breeding services in Australia. The quantity and value of Broodmare and Stallion owned by the Group at the end of reporting period are shown below.

13. 母馬及種馬

本集團兩間附屬公司已收購母馬及部分優質種馬以於澳洲提供馬匹育種服務。於報告期末，本集團擁有的母馬及種馬數量及價值如下。

		As at 30 June 2021 於二零二一年 六月三十日		As at 31 December 2020 於二零二零年 十二月三十一日	
		No. of horse 馬匹數量	HK\$'000 千港元	No. of horse 馬匹數量	HK\$'000 千港元
Broodmares	母馬	9	4,460	—	—
Stallions	種馬	4	6,306	—	—
Total Broodmare and Stallions	母馬及種馬總數	13	10,766	—	—

- Broodmares represent female thoroughbred that is used for breeding purpose.
- Stallions represent adult mare horses that have not been castrated and are held for breeding purpose.

- 母馬指用於育種的純種傳種母馬。
- 種馬指尚未閹割且用於育種目的之成年牡馬。

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 2021 截至二零二一年六月三十日止六個月

14. INVENTORIES

		As at 30 June 2021 於二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 於二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Raw materials	原材料	3,540	4,212
Work in progress	在製品	3,706	2,055
Finished goods	製成品	6,771	5,803
		14,017	12,070

14. 存貨

15. TRADE RECEIVABLES

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:

		As at 30 June 2021 於二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 於二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Within 1 month	不足一個月	5,800	8,458
1 to 2 months	一至兩個月	4,459	1,576
2 to 3 months	兩至三個月	1,109	-
Over 3 months	超過三個月	5,270	-
		16,638	10,034

15. 應收交易款項

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:

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 2021 截至二零二一年六月三十日止六個月

16. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

16. 預付款項、其他應收款項及其他資產

		As at 30 June 2021 於二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 於二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Other prepayments	其他預付款項	2,101	2,181
Loans to a vendor	向供應商貸款	2,904	3,542
Deposits and other receivables	按金及其他應收款項	17,413	11,959
		22,418	17,682
Impairment allowance	減值撥備	(3,561)	(3,561)
		18,857	14,121
Portion classified as non-current assets	列為非流動資產的部分	-	-
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	18,857	14,121

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 2021 截至二零二一年六月三十日止六個月

17. TRADE PAYABLES

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

		As at 30 June 2021 於二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 於二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Within 1 month	不足一個月	1,836	1,714
1 to 2 months	一至兩個月	13,837	1,448
2 to 3 months	兩至三個月	1,378	878
Over 3 months	超過三個月	1,872	1,470
		18,923	5,510

17. 應付交易款項

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：

18. OTHER PAYABLES AND ACCRUALS

		As at 30 June 2021 於二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 於二零二零年 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	9,763	4,555
Contract liabilities	合同性義務	-	28
		9,763	4,583

18. 其他應付款項及應計費用

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 2021 截至二零二一年六月三十日止六個月

19. INTEREST-BEARING BANK BORROWINGS

19. 計息銀行借款

		30 June 2021 二零二一年六月三十日		
		Effective interest rate (%) 實際利率(%)	Maturity 到期	HK\$'000 千港元
Current Overdrafts	即期 透支	6.75	On demand 於要求時	5,308
Bank loans — secured	銀行貸款 — 有抵押	2.75 to 4.0 2.75至4.0	On demand 於要求時	1,574

		31 December 2020 二零二零年十二月三十一日		
		Effective interest rate (%) 實際利率(%)	Maturity 到期	HK\$'000 千港元
Current Overdrafts	即期 透支	5.0	On demand 於要求時	—
Bank loans — secured	銀行貸款 — 有抵押	3.9 to 4.5 3.9至4.5	On demand 於要求時	—

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 2021 截至二零二一年六月三十日止六個月

19. INTEREST-BEARING BANK BORROWINGS (Continued)

All the interest-bearing bank borrowings are repayable on demand as at 30 June 2021 and no interest-bearing bank borrowings as at 31 December 2020.

Interest-bearing bank borrowings are denominated in:

	30 June 2021 於二零二一年 六月三十日 HK\$'000 千港元	31 December 2020 於二零二零年 十二月三十一日 HK\$'000 千港元
HK\$ 港元	6,882	-

Notes:

- (a) The following assets were pledged as security for interest-bearing bank borrowings:

	30 June 2021 二零二一年 六月三十日 HK\$'000 千港元	31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元
Property, plant and equipment 物業、廠房及設備	7,972	-

- (b) The Group's bank facilities (including overdraft facilities) amount to approximately HK\$10,561,000 (2020: HK\$Nil), of which HK\$6,882,000 (2020: HK\$Nil) has been utilised as at 30 June 2021.

19. 計息銀行借款(續)

於二零二一年六月三十日，所有計息銀行借款均為按要求償還，且於二零二零年十二月三十一日，概無計息銀行借款。

計息銀行借款以下列貨幣計值：

	30 June 2021 於二零二一年 六月三十日 HK\$'000 千港元	31 December 2020 於二零二零年 十二月三十一日 HK\$'000 千港元
HK\$ 港元	6,882	-

附註：

- (a) 下列資產乃抵押為計息銀行借款之擔保品：

	30 June 2021 二零二一年 六月三十日 HK\$'000 千港元	31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元
Property, plant and equipment 物業、廠房及設備	7,972	-

- (b) 本集團銀行融資(包括透支)約為10,561,000港元(二零二零年：零港元)，於二零二一年六月三十日，其中已動用6,882,000港元(二零二零年：零港元)。

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 2021 截至二零二一年六月三十日止六個月

20. SHARE CAPITAL

20. 股本

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

本公司於報告期內的股本變動如下：

		30 June 2021 二零二一年 六月三十日 HK\$'000 千港元	31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元
Authorised:	法定：		
1,000,000,000 Ordinary shares at HK\$0.05 each	1,000,000,000股每股面值0.05港元的普通股	50,000	50,000
Issued and fully paid:	已發行並繳足：		
At the beginning of the reporting period	於報告期初	12,000	8,000
Issue of new shares by way of rights issue	透過供股發行新股份	—	4,000
Issue of new shares for acquisition (Note 1)	就收購事項發行新股份(附註1)	3,372	—
Issue of new shares under general mandate (Note 2)	根據一般授權發行新股份(附註2)	2,400	—
At the end of the reporting period	於報告期末	17,772	12,000

Note 1: On 9 February 2021, the Group has completed the acquisition of 100% equity interest in Diamond Motto Limited by the allotment and issuance of an aggregate of 67,441,860 consideration shares with par value HK\$0.05 and the closing price of the Company's share on the acquisition date was HK\$0.38. For the details of the aforesaid acquisition, please refer to the section "Financial Review — Capital structure and fund raising activities" in this report.

附註1：於二零二一年二月九日，本集團透過配發及發行合共67,441,860股每股價值0.05港元的代價股份，完成收購於Diamond Motto Limited的100%股權，而本公司股份於收購日期的收市價為0.38港元。有關上述收購事項的詳情，請參閱本報告「財務回顧—資本架構及集資活動」一節。

Note 2: On 11 February 2011, the Group has completed a subscription of 24,000,000 new shares with par value HK\$0.05 each at HK\$0.30 per subscription share and a placing of 24,000,000 of new shares with par value HK\$0.05 each at HK\$0.30 per placing share. For the details of the aforesaid acquisition, please refer to the section "Financial Review — Capital structure and fund raising activities" in this report.

附註2：於二零一一年二月十一日，本集團完成以每股認購股份0.30港元認購每股面值0.05港元的24,000,000股新股份及以每股配售股份0.30港元配售每股面值0.05港元的24,000,000股新股份。有關上述收購事項的詳情，請參閱本報告「財務回顧—資本架構及集資活動」一節。

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 2021 截至二零二一年六月三十日止六個月

21. 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 payables and financial liabilities included in other payables.

Management has assessed that:

- (a) the fair values of the Group's financial assets at amortised cost 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 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 2021.

21. 金融工具的公允值及公允值層級

本集團的金融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) 本集團按攤銷成本列賬的金融資產及金融負債的公允值與賬面價值相若，很大程度上由於該等工具於短期內到期所致；及
- (b) 本集團按公允值計入損益的金融資產公允值屬於公允值層級第三級，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。

於截至二零二一年六月三十日止六個月，第一級與第二級公允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 trading of sewing threads and board categories of garment accessories, the provision of interior design, fitting out and decoration services and equine services business.

The Group 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 the United Arab Emirates ("UAE"), Mauritius and Switzerland. 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").

To diversify our business focus, the Group has completed an acquisition for the acquisition of 100% of equity interest of Diamond Motto Limited ("DML") and its subsidiary, LMP International Limited (collectively, the "DML Group") on 9 February 2021. DML Group is principally engaged in the provision of interior design, fitting out and decoration services. The Group consider that there is a growing popularity of interior design, fitting-out and decoration in commercial, residential and public sectors in Hong Kong and the Greater Bay Area to seek individuality and style. Hence, the Group expected the new line of business can diversify its existing business portfolio and to increase source of income.

業務回顧

本集團主要從事縫紉線和各類服裝輔料生產及貿易，提供室內設計、裝修及裝飾服務及馬匹服務。

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」）、毛里裘斯及瑞士。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該設施中進行。

為多元化發展業務重點，本集團已於二零二一年二月九日完成一項有關收購Diamond Motto Limited（「DML」）及其附屬公司沛銘國際有限公司（統稱「DML集團」）的100%股權的收購事項。DML集團主要從事提供室內設計、裝修及裝飾服務業務。本集團認為，香港及大灣區追求個性與品味室內設計、裝修及裝飾的商業、居民及公共部門日益增加。因此，本集團預期新業務線將促進當前業務組合多樣性，增加收入來源。

Management Discussion and Analysis

管理層討論及分析

Moreover, the Group has acquired quality broodmares and share of the stallions to enter into horse trading and breeding business in Australia. For the business network of the management in horse racing industry, the group also will provide other horse related services. The Group considered the equine services business will generate the revenue and profit in the first half of year 2022.

For the six months ended 30 June 2021, the Group's recorded an unaudited revenue of approximately HK\$32.6 million, representing an increase of approximately 85.9% as compared with approximately HK\$17.5 million for the six months ended 30 June 2020. The increase in revenue is mainly attributable to successful completion of the acquisition of DML Group and the recovery of the sewing threads business due to the tension of COVID-19 seemed to be abating. The gross profit margin slightly decreased to approximately 16.5% for the six months ended 30 June 2021 from approximately 17.1% for the same period in the preceding year.

此外，本集團已收購優質母馬及部分種馬以進軍澳洲馬匹交易及育種業務。鑑於管理層於賽馬業的業務網路，本集團亦將提供其他馬匹相關服務。本集團認為馬服務業務將於二零二二年上半年產生收入及溢利。

截至二零二一年六月三十日止六個月，本集團錄得未經審核收益約32,600,000港元，較截至二零二零年六月三十日止六個月的約17,500,000港元增加約85.9%。收益增加主要由於成功完成收購DML集團以及因新型冠狀病毒的緊張局勢似乎正在緩和而令縫紉線業務得以恢復所致。截至二零二一年六月三十日止六個月的毛利率由去年同期的約17.1%輕微下跌至約16.5%。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL REVIEW

Revenue

The revenue was generated from the segment of manufacturing and trading of threads product and interior design and decoration. The following table sets out a breakdown of the Group's revenue attributable to two segments of the Group of the six months ended 30 June 2021 and 2020:

		Six months ended 30 June 截至六月三十日止六個月				Rate of change 變動比率
		2021 二零二一年 % of total HK\$'000 千港元 佔總收益%		2020 二零二零年 % of total HK\$,000 千港元 佔總收益%		% %
Manufacturing and trading of threads	縫紉線生產及貿易	25,259	82.1	17,523	100.0	44.1
Interior design and decoration	室內設計及裝修	7,314	17.9	—	—	—
		32,573	100.0	17,523	100.0	85.9

Manufacturing and trading of threads

The revenue attributable to the manufacturing and trading of threads increased to approximately HK\$25.3 million for the six months ended 30 June 2021 from approximately HK\$17.5 million for the six months ended 30 June 2020, representing an increase of approximately 44.1%. The revenue increase was mainly attributable to the increase in sales in PRC market and the oversea market due to the tension of COVID-19 seemed to be abating.

Interior design and decoration

The Group completed the acquisition of Diamond Motto Limited on 9 February 2021. No revenue recorded for the segment of interior design and decoration was recorded for the six months ended 2020 and the revenue for the six months ended 2021 is covered the period from 9 February 2021 to 30 June 2021. The revenue attributable to the interior design decoration for the six months ended 30 June 2021 was HK\$7.3 million.

財務回顧

收益

該收益乃由縫紉線生產及貿易以及室內設計及裝修分部產生。下表載列本集團於截至二零二一年及二零二零年六月三十日止六個月本集團兩個分部應佔收益明細：

縫紉線生產及貿易

縫紉線生產及貿易應佔收益增加至截至二零二一年六月三十日止六個月的約25.3百萬港元，較截至二零二零年六月三十日止六個月的約17.5百萬港元增加約44.1%。收益增加乃主要由於新型冠狀病毒的緊張局勢似乎正在緩和而令中國市場及海外市場的銷售增加所致。

室內設計及裝修

本集團於二零二一年二月九日完成收購Diamond Motto Limited。截至二零二零年止六個月，室內設計及裝修分部概無錄得收益，截至二零二一年止六個月的收益涵蓋自二零二一年二月九日至二零二一年六月三十日期間。截至二零二一年六月三十日止六個月的室內設計及裝修應佔收益為7.3百萬港元。

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 director material costs, processing fees, direct labour costs and welfare and social insurance. The following table sets out a breakdown of the Group's cost of sales attributable to three segments of the Group of the six months ended 30 June 2021 and 2020:

銷售成本

本集團的銷售成本主要包括直接材料成本、加工費及直接勞工成本以及福利及社會保險。下表載列本集團於截至二零二一年及二零二零年六月三十日止六個月本集團三個分部應佔銷售成本明細：

		Six months ended 30 June 截至六月三十日止六個月		Rate of change 變動比率
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$,000 千港元	% %
Manufacturing and trading of threads	縫紉線生產及貿易	20,768	14,531	42.9
Interior design and decoration	室內設計及裝修	6,320	—	—
Equine services	馬匹服務	98	—	—
		27,186	14,531	87.1

Manufacturing and trading of threads

The cost of sales attributable to the manufacturing and trading of threads increase to approximately HK\$20.8 million for the six months ended 30 June 2021 from approximately HK\$14.5 million for the six months ended 30 June 2020, representing an increase of 42.9%. The cost of sales for the manufacturing and trading of threads increased is in line with the increase in sale for the period.

縫紉線生產及貿易

縫紉線生產及貿易應佔銷售成本增加至截至二零二一年六月三十日止六個月的約20.8百萬港元，較截至二零二零年六月三十日止六個月的約14.5百萬港元增加42.9%。縫紉線生產及貿易銷售成本增加乃符合期內銷售增加所致。

Interior design and decoration

The cost of sales attributable to the interior design decoration for the six months ended 30 June 2021 was HK\$6.3 million. No revenue recorded for the six months ended 2020 due to Group completed the acquisition of Diamond Motto Limited during this period.

室內設計及裝修

截至二零二一年六月三十日止六個月的室內設計及裝修應佔銷售成本為6.3百萬港元。截至二零二零年止六個月概無錄得收益，此乃由於本集團於此期間內完成收購Diamond Motto Limited。

Equine services

The cost of sales attributable to the equine services for the six months ended 30 June 2021 was HK\$0.1 million. No revenue recorded for the six months ended 2020 and the management expected the revenue will generate on the first half of year 2022.

馬匹服務

截至二零二一年六月三十日止六個月的馬匹服務應佔銷售成本為0.1百萬港元。截至二零二零年止六個月概無錄得收益，而管理層預期將於二零二二年上半年產生收益。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Gross profit and gross profit margin

The Group's gross profit increased to approximately HK\$5.4 million for the six months ended 30 June 2021 from approximately HK\$3.0 million for the six months ended 30 June 2020, representing an increase of approximately 80.0%. The increase in gross profit was mainly attributable to the significant increase in sales for the segment of manufacturing and trading of threads and the new segment of interior design and decoration segment acquired by the Group during the six months ended 30 June 2021. The gross profit margin decrease to approximately 16.5% for the six months ended 30 June 2021 from approximately 17.1% for the six months 30 June 2020 was mainly attributable to the slightly lower margin for the interior design and decoration for the six months ended 30 June 2021 which diluted the gross profit margin for the Group.

Other income and gains, net

The Group's other income and gains, net decreased to approximately HK\$1.2 million for the six months ended 30 June 2021 from approximately HK\$1.4 million for the six months ended 30 June 2020. The change was mainly attributable to the decrease in the exchange gains for the six months ended 30 June 2021.

Selling and distribution expenses

Selling and distribution expenses mainly consist of staff costs of the sales department and transportation expenses. Selling and distribution expenses increased to approximately HK\$3.4 million for the six months ended 30 June 2021 from approximately HK\$2.6 million for the six months ended 30 June 2020, representing an increase of approximately 27.7%. The increase in the Group's selling expenses was mainly attributable to the increase in the transportation costs and staff cost for the six months ended 30 June 2021.

毛利及毛利率

本集團的毛利由截至二零二零年六月三十日止六個月約5.4百萬港元，增加至截至二零二零年六月三十日止六個月約3.0百萬港元，增幅約80.0%。毛利率上升乃主要由於截至二零二一年六月三十日止六個月縫紉線生產及貿易部門銷售劇增，及本集團收購室內設計及裝修新部門所致。毛利率由截至二零二零年六月三十日止六個月的17.1%下跌至截至二零二一年六月三十日止六個月的16.5%，乃主要由於室內設計及裝修於截至二零二一年六月三十日止六個月毛利略為下跌，攤薄本集團毛利率。

其他收入及增益淨值

本集團於截至二零二一年六月三十日止六個月其他收入及增益淨值由截至二零二零年六月三十日止六個月約1.4百萬港元下跌至約1.2百萬港元。相關重大變動乃主要由於截至二零二一年六月三十日止六個月的匯兌收益減少所致。

銷售及分銷開支

銷售及分銷開支主要包括銷售部員工成本及運輸費。銷售及分銷開支由截至二零二零年六月三十日止六個月約2.6百萬港元，增加至截至二零二一年六月三十日止六個月約3.4百萬港元，增加約27.7%。本集團銷售開支增加乃主要由於截至二零二一年六月三十日止六個月的運輸成本及員工成本增加所致。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Administrative expenses

Administrative expenses primarily consist of staff costs, audit fee, Directors' remuneration and legal and professional fees. Administrative expenses increased to approximately HK\$11.5 million for the six months ended 30 June 2021 from approximately HK\$6.5 million for the six months ended 31 March 2020, representing an increase of approximately 77.7%. Such increase was mainly attributable to the increase in staff costs for the new business segment and increase in legal and professional fee of the acquisition of the new business segment during the period.

Loss before income tax

As a result of the aforesaid, the Group recorded a loss before income tax of approximately HK\$21.6 million for the six months ended 30 June 2021, representing an increase of approximately 306.3% from approximately HK\$5.3 million for the corresponding period in the preceding year.

Total comprehensive loss attributable to owners of the parent

The total comprehensive loss attributable to owners of the parent was approximately HK\$21.2 million for the six months ended 30 June 2021. In comparison, for the corresponding period in 2020, a total comprehensive loss of approximately HK\$6.6 million was recorded. Such change was mainly due to the impairment loss of goodwill during the acquisition and the combined effect of increase in the Group's loss for the six months ended 30 June 2021 mentioned above.

Basic and diluted loss per Share

The Company's basic and diluted loss per share for the six months ended 30 June 2021 was approximately HK6.55 cents (2020: HK3.01 cents (restated)), representing an increase of approximately HK3.54 cents, or approximately 117.6%, which was primarily due to the increase in loss for the six months ended 30 June 2021.

Interim dividend

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2021 (2020: Nil).

行政開支

行政開支主要包括員工成本、核數師費用、董事酬金以及法律及專業費用。行政開支由截至二零二零年三月三十一日止六個月約6.5百萬港元，增加至截至二零二一年六月三十日止六個月約11.5百萬港元，升幅約77.7%。有關增加乃主要由於新業務部門員工成本增加及於期內就收購新業務部門的法律及專業費用增加所致。

除所得稅前虧損

由於上述各項，本集團於截至二零二一年六月三十日止六個月錄得除所得稅前虧損約21.6百萬港元，較去年同期約5.3百萬港元增加約306.3%。

母公司擁有人應佔全面虧損總額

截至二零二一年六月三十一日止六個月，母公司擁有人應佔全面虧損總額約為21.2百萬港元。相較於二零二零年同期，錄得全面虧損約6.6百萬港元。相關重大變動乃主要由於收購期間商譽減值虧損及截至二零二一年六月三十日止六個月本集團上述虧損增加之合併影響所致。

每股基本及攤薄虧損

截至二零二一年六月三十日止六個月，本公司每股基本及攤薄虧損約為6.55港仙(二零二零年：3.01港仙(經重列))，增加約3.54港仙或約117.6%，乃主要由於截至二零二一年六月三十日止六個月的虧損增加所致。

中期股息

董事會不建議就截至二零二一年六月三十日止六個月派付中期股息(二零二零年：無)。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Liquidity and financial resources

For the six months ended 30 June 2021, the Group's operations were primarily financed through its operating and 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 and financing activities.

The Group's cash and bank balances amounted to approximately HK\$17.6 million and approximately HK\$11.9 million as at 30 June 2021 and 31 December 2020, respectively. The functional currency of the Group is Hong Kong dollars. As at 30 June 2021, 98.0% of the Group's cash and bank balances were denominated in the functional currency (31 December 2020: 96.9%) and the remaining 2.0% (31 December 2020: 3.1%) in other currencies, mainly Renminbi.

As at 30 June 2021 and 31 December 2020, the Group had net current assets of approximately HK\$29.6 million and approximately HK\$35.5 million, respectively, which included trade receivables, prepayments, other receivables other assets, inventories, and cash and cash equivalents. The Group's current ratio increased to approximately 1.76 as at 30 June 2021 from approximately 3.79 as at 31 December 2020 due to increase of the trade payable and the bank borrowing.

Gearing ratio

The Group's gearing ratio is calculated based on net debt (including interest-bearing bank borrowings, trade payables, other payables and accruals and lease liabilities, less cash and cash equivalents) divided by the total equity plus net debt at the respective reporting date. The gearing ratio as at 30 June 2021 and 31 December 2020 was approximately 25.7% and 6.1%, respectively. The Group believes that the cash at banks provide adequate liquidity to satisfy the Group's funding requirements.

Commitments

As at 30 June 2021, the Group did not have any capital commitments (as at 31 December 2020: Nil).

流動資金及財務資源

截至二零二一年六月三十日止六個月，本集團主要透過其經營及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及融資活動所產生現金的組合為營運提供資金。

本集團於二零二一年六月三十日及二零二零年十二月三十一日的現金及銀行結餘分別約17.6百萬港元及約11.9百萬港元。本集團的功能貨幣為港元。於二零二一年六月三十日，本集團98.0%（二零二零年十二月三十一日：96.9%）的現金及銀行結餘以功能貨幣計值，而餘下2.0%（二零二零年十二月三十一日：3.1%）則以其他貨幣計值，主要為人民幣。

於二零二一年六月三十日及二零二零年十二月三十一日，本集團流動資產淨值分別約為29.6百萬港元及約35.5百萬港元，包括應收交易款項、預付款項、其他應收款項、其他資產、存貨以及現金及現金等價物。本集團的流動比率由二零二零年十二月三十一日約3.79上升至二零二一年六月三十日約1.76，乃由於應付交易款項及銀行借款上升所致。

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、其他應付款項及應計費用以及租賃負債，減現金及現金等價物）除以權益總額加淨債務之和計算。於二零二一年六月三十日及二零二零年十二月三十一日，資產負債比率分別約為25.7%及6.1%。本集團認為銀行現金提供足夠流動資金應付本集團的資金需要。

承擔

於二零二一年六月三十日，本集團並無任何資本承擔（於二零二零年十二月三十一日：無）。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

CAPITAL STRUCTURE

On 9 February 2021, the Group has completed the acquisition of 100% equity interest in Diamond Motto Limited by the allotment and issuance of an aggregate of 67,441,860 consideration shares and the closing price of the Company's share on the acquisition date was HK\$0.38. Details of the acquisition are set out in the Company's circular dated 12 January 2021 and the announcement dated 9 February 2021.

On 19 January 2021, the Company entered into the subscription agreement with the subscriber, pursuant to which the subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 24,000,000 new Shares at the subscription price of HK\$0.30 per subscription share. Also, the placing agent and the Company entered into the placing agreement, pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 24,000,000 placing shares at the placing price of HK\$0.30 per placing share to not less than six placees who and whose beneficial owners shall be Independent Third Parties. The subscription and placing of the new shares has been completed on 11 February 2021. Details of the subscription and placing of the new shares are set out in the announcements of the Company dated 19 January 2021, 2 February 2021 and 11 February 2021.

As at 30 June 2021, the Company's issued share capital amounted to approximately HK\$17.8 million, divided by 355,441,860 Shares of HK\$0.05 each.

Details of changes in the Company's share capital for the six months ended 30 June 2021 are set out in note 20 to the condensed financial statements of this report.

資本架構

於二零二一年二月九日，本集團透過配發及發行合共67,441,860股代價股份完成收購於Diamond Motto Limited的100%股權，而本公司股份於收購日期的收市價為0.38港元。收購事項的詳情載於本公司日期為二零二一年一月十二日的通函及日期為二零二一年二月九日的公告。

於二零二一年一月十九日，本公司與認購人訂立認購協議，據此，認購人有條件同意認購而本公司有條件同意配發及發行24,000,000股新股份，認購價為每股認購股份0.30港元。此外，配售代理與本公司訂立配售協議，據此，本公司已有條件同意透過配售代理按盡力基準配售最多24,000,000股配售股份予不少於六名承配人(彼等及彼等之實益擁有人須為獨立第三方)，配售價為每股配售股份0.30港元。認購及配售新股份已於二零二一年二月十一日完成。認購及配售新股份的詳情載於本公司日期為二零二一年一月十九日、二零二一年二月二日及二零二一年二月十一日的公告。

於二零二一年六月三十日，本公司的已發行股本為17.8百萬港元，分為355,441,860股每股面值0.05港元的股份。

本公司截至二零二一年六月三十日止六個月股本變動詳情載於本報告簡明財務報表附註20。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

As at 30 June 2021, the net proceeds of the above subscription and placing of the new shares had been utilized as follows :

於二零二一年六月三十日，上述認購及配售新股所得款項淨額已作如下用途：

	Actual net proceeds allocated	Amount utilized up to 30 June 2021	Balance as at 30 June 2021	Expected timeline for utilising the unutilised amount
	所得款項淨額之實際用途 HK\$ Million 百萬港元	截至二零二一年六月三十日已動用款項 HK\$ Million 百萬港元	於二零二一年六月三十日結餘 HK\$ Million 百萬港元	未動用款項預期動用時間線 HK\$ Million 百萬港元
General working capital of the Group	2.8	2.8	—	—
Possible investment	11.2	3.5	7.7	on or before 31 December 2021 於二零二一年十二月三十日或之前
	14.0	6.3	7.7	

On 29 June 2021, the Company entered into the subscription agreements with the subscribers, pursuant to which the subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 6,700,000 new shares at the subscription Price of HK\$0.60 per subscription share. Also, the placing agent and the Company entered into the placing agreement, pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 47,000,000 placing shares at the placing price of HK\$0.60 per placing share to not less than six placees who and whose beneficial owners shall be Independent Third Parties. The subscriptions and placing of the new shares have been completed on 22 July 2021. Details of the subscriptions and placing of the new shares are set out in the announcements of the Company dated 29 June 2021, 8 July 2021 and 22 July 2021.

於二零二一年六月二十九日，本公司與認購人訂立認購協議，據此，認購人有條件同意認購而本公司有條件同意配發及發行6,700,000股新股份，認購價為每股認購股份0.60港元。此外，配售代理與本公司訂立配售協議，據此，本公司已有條件同意透過配售代理按盡力基準配售最多47,000,000股配售股份予不少於六名承配人(彼等及彼等之實益擁有人須為獨立第三方)，配售價為每股配售股份0.60港元。認購及配售新股份已於二零二一年七月二十二日完成。認購及配售新股份的詳情載於本公司日期為二零二一年六月二十九日、二零二一年七月八日及二零二一年七月二十二日的公告。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Significant investments

As disclosed in the announcements of the Company dated 31 May 2021 and 11 June 2021, the Group won several bids to acquire of horses at the 2021 Gold Coast National Broodmare Sale for the horse breeding business.

Save as these disclosed above, as at 30 June 2021 the Group didn't not hold any significant investments (as at 31 December 2020).

Material acquisitions or disposals of subsidiaries and affiliated companies

As disclosed in the announcements of the Company dated 18 August 2020, 7 September 2020, 28 September 2020, 20 October 2020, 17 November 2020, 17 December 2020, 12 January 2021, 2 February 2021 and the circular of the Company dated 12 January 2021, the Company entered into a sale and purchase agreement in relation to the acquisition of the entire issued share capital of Diamond Motto Limited. The Company has completed the acquisition on 9 February 2021 and disclosed in the announcement of the Company dated 9 February 2021.

Contingent liabilities

As at 30 June 2021, the Group did not have material contingent liabilities (as at 31 December 2020: Nil).

重大投資

誠如本公司日期為二零二一年五月三十一日及二零二一年六月十一日之公告，本集團就馬匹育種業務於二零二一年黃金海岸國家母馬拍賣會上贏得多個馬匹購買競拍。

除上文所披露者外，於二零二一年六月三十日，本集團並無擁有任何重大投資(於二零二零年十二月三十一日)。

重大收購或出售附屬公司及聯屬公司

誠如本公司日期為二零二零年八月十八日、二零二零年九月七日、二零二零年九月二十八日、二零二零年十月二十日、二零二零年十一月十七日、二零二零年十二月十七日、二零二一年一月十二日、二零二一年一月十二日的公告及本公司日期為二零二一年一月十二日的通函所披露，本公司就收購Diamond Motto Limited全部已發行股本訂立買賣協議。本公司已於二零二一年二月九日完成收購並於本公司日期為二零二一年二月九日之公告內披露。

或然負債

於二零二一年六月三十日，本集團並無重大或然負債(於二零二零年十二月三十一日：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 and the acquisition of broodmares and stallions and the equine services income in the Australia. The Group currently does not have a foreign currency hedging policy. Nevertheless, the Group's management will continue to closely the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Pledge of assets

As at 30 June 2021 and 31 December 2020, the following assets were pledged to banks to secure certain banking borrowings granted to the Group:

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以及於澳洲的母馬及種馬收購及馬匹服務收益有關。本集團目前並無外幣對沖政策。然而，本集團管理層將繼續密切監察外匯風險，並於有需要時將考慮對沖重大外匯風險。

資產抵押

於二零二一年六月三十日及二零二零年十二月三十一日，以下資產已質押予銀行，以擔保本集團獲授的若干銀行融資：

	As at 30 June 2021 於二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2020 於二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Property, plant and equipment 物業、廠房及設備	7,972	—

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Employees and remuneration policies

As at 30 June 2021, the Group employed a total of 161 employees (2020: 159), of whom 140 were located in the PRC and 21 were located in Hong Kong. The Group's staff costs mainly comprised wages and salaries, social insurance, housing provident fund and severance payments. For the six months ended 30 June 2021 and 2020, the Group's total staff costs (excluding Directors' emoluments) amounted to approximately HK\$10.0 million and HK\$6.9 million, respectively. The Group offers remuneration packages comprising basic salaries, discretionary bonuses and allowances to its management and office staffs. For the workers at the Guangzhou Production Facilities, the Group offers them with salaries above the minimum wage, promotion opportunities and budgets for social events.

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, employment conditions elsewhere in the Group and the 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.

USE OF PROCEEDS OF THE COMPANY'S INITIAL PUBLIC OFFERING

The Shares were successfully listed on GEM of the Stock Exchange (the "Listing") on 15 December 2017 (the "Listing Date") by way of share offer (the "Share Offer"). 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 2021, the unutilised Net Proceeds amounted to approximately HK\$8.7 million.

僱員及薪酬政策

於二零二一年六月三十日，本集團共僱用161名僱員(二零二零年：159名)，當中140人位於中國，21人位於香港。本集團的員工成本主要包括工資及薪金、社會保險、住房公積金及遣散費。於截至二零二一年及二零二零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10.0百萬港元及6.9百萬港元。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。

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、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。

本公司首次公開發售的所得款項用途

股份於二零一七年十二月十五日(「上市日期」)成功以股份發售(「股份發售」)方式於聯交所GEM上市(「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。於二零二一年六月三十日，未動用的所得款項淨額約為8.7百萬港元。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

As at 30 June 2021, the Net Proceeds had been applied and utilised as follows:

於二零二一年六月三十日，所得款項淨額已應用及動用，如下：

	Net proceeds available 可動用的 所得款項淨額 HK\$ million 百萬港元	Utilised 已動用 HK\$ million 百萬港元	Unutilised 未動用 HK\$ million 百萬港元	Expected timeline for unutilised amount 未動用金額 預期時間線 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	on or before 31 December 2021 於二零二一年 十二月三十一日 及之前
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	on or before 31 December 2021 於二零二一年 十二月三十一日 及之前
Acquiring new cone winding machines 購買新筒子絡紗機	4.1	0.5	3.6	on or before 31 December 2021 於二零二一年 十二月三十一日 及之前
Acquiring new machinery for the production of nylon threads 購買新尼龍線生產機器	3.7	1.3	2.4	on or before 31 December 2021 於二零二一年 十二月三十一日 及之前
Setting up a sales office in Zhejiang province 在浙江省設立銷售辦事處	1.2	1.2	—	
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	11.6	28.7	
Repayment of banking facilities ^(Note) 償還銀行融資 ^(附註)	—	20.0	—	
	40.7	31.6	8.7	

Note: The Group made use of approximately HK\$20 million out of the unutilised Net Proceeds for the repayment of the banking facilities. Details of the aforesaid repayment are set out in the Company's announcement dated 31 March 2020.

附註：在未動用所得款項淨額中，本集團動用約20百萬港元以償還銀行融資。上述還款詳情載於本公司日期為二零二零年三月三十一日的公告。

All the banking facilities have been cancelled by the bank with effect from 29 April 2020. The Group is making its best efforts to obtain new banking facilities for its operation and to continue with the implementation of the planned use of the Net Proceeds.

銀行已自二零二零年四月二十九日起取消所有銀行融資。本集團正盡力取得新的銀行融資以供營運，並繼續執行所得款項淨額的擬定用途。

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 eight waxing and winding machines for the production of 100% spun polyester sewing threads for industrial use — 採購八台上蠟和絡紗機，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 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 premises in Zhejiang Province for its sales office and the renovation has been completed. 本集團已於浙江省租賃物業作為其銷售辦事處，而該銷售辦事處已經完成裝修。
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 purchased and is operating one cone winding machine. 本集團已採購並正使用一台筒子絡紗機。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

USE OF NET PROCEEDS OF THE RIGHTS ISSUE

On 12 June 2020, the Company completed a rights issue and issued 400,000,000 new shares with par value HK\$0.01 each at a subscription price of HK\$0.043 per rights share on the basis of one rights share for every two existing shares held (the “**Rights Issue**”), and the net proceeds of the Rights Issue, after deducting the related expenses, were approximately HK\$14.6 million, which were mainly used for the partial payments of the Group’s general and administrative expenses, professional fees and acquisition of raw materials. Detailed terms of the Rights Issue and its results were set out in the Company’s prospectus dated 20 May 2020 (the “**Rights Issue Prospectus**”) and the announcement dated 11 June 2020, respectively.

In the extraordinary general meeting of the Company on 21 August 2020, it was approved that a share consolidation on the basis that every five (5) issued and unissued Shares of HK\$0.01 each were consolidated into one (1) Share of HK\$0.05 each on 25 August 2020 (“**Share Consolidation**”). Details of the Share Consolidation are set out in the Company’s circular dated 5 August 2020 and the announcement dated 21 August 2020.

As at 30 June 2021, the net proceeds of the Rights Issue had been utilised as follows:

供股所得款項淨額用途

於二零二零年六月十二日，本公司完成供股，發行400,000,000股每股面值0.01港元的新股份，認購價為每股供股股份0.043港元，基準為每持有兩股現有股份獲發一股供股股份(「供股」)，供股扣除相關費用後的所得款項淨額約為14.6百萬港元，主要用於支付本集團的一般及行政開支、專業費用及購買原材料的部分款項。有關供股的詳細條款及其結果分別載於本公司日期為二零二零年五月二十日的供股章程(「供股章程」)及日期為二零二零年六月十一日之公告。

於二零二零年八月二十一日舉行的本公司股東特別大會上，批准於二零二零年八月二十五日本公司按每五(5)股每股面值0.01港元的已發行及未發行股份合併為一(1)股每股面值0.05港元(「股份合併」)。有關股份合併詳情載於本公司日期為二零二零年八月五日的通函及日期為二零二一年八月二十一日的公告。

於二零二一年六月三十日，供股所得款項淨額已作如下用途：

		Actual net proceeds allocated	Amount utilized up to 30 June 2021 截至二零二一年六月三十日 已動用款項	Balance as at 30 June 2021 於二零二一年六月三十日 結餘
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
General and administrative expenses	一般及行政開支	7.4	7.4	—
Professional fees	專業費用	3.0	3.0	—
Acquisition of raw materials	採購原材料	4.2	4.2	—
		14.6	14.6	—

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FUTURE PROSPECTS

For the existing principal business of manufacturing and selling of sewing threads, the Group has experienced some difficulties owing to the outbreak of the coronavirus (“COVID-19”) pandemic and uncertainties due to the ongoing trade conflict between the People’s Republic of China (the “PRC”) and the United States of America (“U.S.”) as well as the gradual slowdown of the PRC economy. In coming year, although the tension of COVID-19 seemed to be abating, we expect that the trade conflict between the PRC and the US and the COVID-19 will still continue impacting our business. The Group will continue to pay close attention to the trade conflict and COVID-19 and to evaluate its impact on the financial position, cashflows and operating result of this business line.

On the other hand, the Group has completed the acquisition for the DML Group which engaged in the provision of interior design, fitting out and decoration services on February 2021. The Group consider that there is a growing popularity of interior design, fitting-out and decoration in commercial, residential and public sectors in Hong Kong and the Greater Bay Area to seek individuality and style. Hence, the Group expected the new line of business can diversify its existing business portfolio and to increase source of income.

In additions, the Group has been acquired of horses for horse breeding operations at the 2021 Gold Coast National Broodmare Sale. The Group will continue to seek for business opportunity in the horse breeding operation and equine services.

The Group would continue to review the existing businesses of the Group from time to time with a view to improving the business operation and financial position of the Group. The Board considers that it is beneficial for the Group to seek suitable investment opportunities with a view to increasing the value of the Group and maximising returns to the Shareholders.

未來展望

就現有以縫紉線製造及銷售主要業務而言，由於新型冠狀病毒疫情(「**新型冠狀病毒**」)爆發、中華人民共和國(「**中國**」)與美利堅合眾國(「**美國**」)之間持續的貿易衝突及中國經濟逐漸放緩導致出現不確定因素，本集團的業務因而遇上一些困難。來年，儘管新型冠狀病毒的緊張局勢似乎正在緩和，我們預期中美貿易衝突及新型冠狀病毒將繼續影響我們的業務。本集團將持續密切關注貿易衝突及新型冠狀病毒形勢，並評估該等事件對該業務線的財務狀況、現金流及營運業績之影響。

另一方面，本集團已於二零二一年二月完成DML集團收購事項，DML集團從事提供室內設計、裝修及裝飾服務業務。本集團認為，香港及大灣區追求個性與品味室內設計、裝修及裝飾的商業、居民及公共部門日益增加。因此，本集團預期新業務線將促進當前業務組合多樣性，增加收入來源。

此外，本集團已就馬匹育種業務於二零二一年黃金海岸國家母馬拍賣會上購買馬匹。本集團繼續物色馬匹育種營運及馬匹服務的商機。

本集團將持續不時檢討本集團現有業務，以改進本集團業務營運及財務狀況。董事會認為這有利於本集團尋覓合適的投資機會，以提升本集團價值及為股東帶來最大回報。

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 2021, 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); (b) recorded in the register required to be kept under section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in the Shares and Underlying Shares

(a) Ordinary shares of the Company

Name of Director	Nature of interest/ Holding capacity	Number of ordinary shares held	Percentage of issued share capital of the Company (Note 1) 佔本公司已發行股本的百分比 (附註1)
董事姓名	權益性質／持股身份	所持普通股數目	
Mr. Wong Kwok Wai, Albert 黃國偉先生	Interest of a controlled corporation 受控制法團權益	120,000,000 (L) (Note 2) 120,000,000 (L) (附註2)	33.76%
Mr. Leung King Yue, Alex 梁景裕先生	Beneficial interest 實益權益	10,000,000 (L) 10,000,000 (L)	2.81%

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

於二零二一年六月三十日，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）；(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：

於股份及相關股份之好倉

(a) 本公司普通股

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)

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)

Long position in the Share and Underlying Shares (Continued)

於股份及相關股份之好倉(續)

(b) Share options of the Company

(b) 本公司購股權

Name of director	Number of share options				Outstanding at 30 June 2021	Approximate % of total issued ordinary shares	Date of grant	Exercisable period	Exercise price
	Outstanding at 1 January 2020	Granted during the year	Exercised during the year	Lapsed during the year					
董事姓名	於二零二零年一月一日尚未行使	年內獲授出	年內獲行使	年內逾期	於二零二一年六月三十日尚未行使	佔已發行普通股總額的百分比	授出日期	可行使期	行使價 HK\$ 港元
Mr. Ma Pok Man, Josiah 馬博文先生	—	3,500,000	—	—	3,500,000	0.98%	13 May 2021 二零二一年五月十三日	13 May 2021- 12 May 2024 二零二一年五月十三日 至二零二四年五月十二日	0.57

Notes:

- As at the date of this report, the Company's issued ordinary share capital was HK\$17,772,093 divided into 355,441,860 Shares of HK\$0.05 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 120,000,000 Shares held by Three Gates Investment by virtue of the SFO.
- During the period, no share options mentioned above were cancelled.
- Details of the Share Option Scheme are set out under the section of "SHARE OPTION SCHEME" in this report.

附註:

- 於本報告日期，本公司的已發行普通股股本為17,772,093港元，分為355,441,860股每股面值0.05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，黃先生被視為根據證券及期貨條例擁有Three Gates Investment所持120,000,000股股份的權益。
- 期內，概無上述購股權獲註銷。
- 購股權計劃詳情載於本報告「購股權計劃」一節。

Except as disclosed above, as at 30 June 2021, 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.

除上文披露者外，於二零二一年六月三十日，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。

Other Information (Continued) 其他資料(續)

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 2021, 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:

Long position in the Shares and Underlying Shares

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，於二零二一年六月三十日，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：

於股份及相關股份之好倉

Name of Substantial Shareholder	Nature of interest/ Holding capacity	Number of ordinary shares held	Percentage of issued share capital of the Company (Note 1) 佔本公司已發行 股本的百分比 (附註1)
主要股東名稱	權益性質／持股身份	所持普通股數目	
Three Gates Investment	Beneficial owner 實益擁有人	120,000,000 (Notes 2, 3) 120,000,000股股份 (附註2、3)	33.76%
Gold-Face Finance Limited 均來財務有限公司	Person having a security interest in Shares 於股份中擁有證券權益的人士	80,000,000 (Notes 3, 4) 80,000,000股股份 (附註3、4)	22.51%
Upbest Credit and Mortgage Limited 美建信貸及按揭有限公司	Person having a security interest in Shares 於股份中擁有證券權益的人士	80,000,000 (Notes 3, 4) 80,000,000股股份 (附註3、4)	22.51%
Good Foundation Company Limited 開盛有限公司	Person having a security interest in Shares 於股份中擁有證券權益的人士	80,000,000 (Notes 3, 4) 80,000,000股股份 (附註3、4)	22.51%

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)

主要股東於本公司股份及相關股份中的權益及淡倉(續)

Long position in the Shares and Underlying Shares (Continued)

於股份及相關股份之好倉(續)

Name of Substantial Shareholder	Nature of interest/ Holding capacity	Number of ordinary shares held	Percentage of issued share capital of the Company (Note 1) 佔本公司已發行 股本的百分比 (附註1)
主要股東名稱	權益性質／持股身份	所持普通股數目	
Upbest Strategic Company Limited 美建策略有限公司	Person having a security interest in Shares 於股份中擁有證券權益的人士	80,000,000 (Notes 3, 4) 80,000,000股股份 (附註3、4)	22.51%
Upbest Financial Holdings Limited	Person having a security interest in Shares 於股份中擁有證券權益的人士	80,000,000 (Notes 3, 4) 80,000,000股股份 (附註3、4)	22.51%
Upbest Group Limited 美建集團有限公司	Person having a security interest in Shares 於股份中擁有證券權益的人士	80,000,000 (Notes 3, 4) 80,000,000股股份 (附註3、4)	22.51%
Mr. Leong Chi Wai 梁治維先生	Interest of controlled corporation 受控制法團權益	17,875,972 (Note 5) 17,875,972股股份 (附註5)	5.03%
Glory Radiance International Limited	Beneficial owner 實益擁有人	17,875,972 (Note 5) 17,875,972股股份 (附註5)	5.03%
Fung Wing Cheung, Tony 馮永祥	Beneficial owner 實益擁有人	24,000,000 24,000,000股股份	6.75%

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)

Long position in the Shares and Underlying Shares (Continued)

Notes:

1. As at the date of this report, the Company's issued ordinary share capital was HK\$17,772,093 divided into 355,441,860 Shares of HK\$0.05 each.
2. Three Gates Investment 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 120,000,000 Shares held by Three Gates Investment by virtue of his 100% shareholding interest in Three Gates Investment.
3. 80,000,000 Shares held by Three Gates Investment have been charged in favour of Gold-Face Finance Limited ("**Gold-Face**") as security for a loan granted in favour of Mr. Wong Kwok Wai, Albert, the chairman, chief executive officer, executive director and controlling shareholder of the Company.
4. As Gold-Face is wholly-owned by Upbest Credit and Mortgage Limited, which in turn is wholly-owned by Upbest Strategic Company Limited and Good Foundation Company Limited in equal parts, which in turn are both wholly-owned by Upbest Financial Holdings Limited, which in turn is wholly-owned by Upbest Group Limited, Upbest Credit and Mortgage Limited, Upbest Strategic Company Limited, Good Foundation Company Limited, Upbest Financial Holdings Limited and Upbest Group Limited are all deemed to be interested in the security interest in the 80,000,000 Shares charged in favour of Gold-Face by virtue of the SFO.
5. Glory Radiance International Limited ("**Glory Radiance**") is wholly and beneficially owned by Mr. Leong Chi Wai. Mr. Leong Chi Wai is deemed to be interested in the 17,875,972 Shares held by Glory Radiance by virtue of the SFO.

Except as disclosed above, as at 30 June 2021, 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.

主要股東於本公司股份及相關股份中的權益及淡倉(續)

於股份及相關股份之好倉(續)

附註:

1. 於本報告日期，本公司的已發行普通股股本為17,772,093港元，分為355,441,860股每股面值0.05港元的股份。
2. Three Gates Investment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120,000,000股股份的權益。
3. Three Gates Investment 所持80,000,000股股份已獲質押予均來財務有限公司(「均來」)，以作為本公司主席、行政總裁、執行董事兼控股股東黃國偉先生獲授貸款的抵押。
4. 由於均來由美建信貸及按揭有限公司全資擁有，而美建信貸及按揭有限公司由美建策略有限公司及開盛有限公司全資同等擁有，而兩者由Upbest Financial Holdings Limited全資擁有，而Upbest Financial Holdings Limited則由美建集團有限公司全資擁有，故根據證券及期貨條例，美建信貸及按揭有限公司、美建策略有限公司、開盛有限公司、Upbest Financial Holdings Limited 及美建集團有限公司均被視為於質押予均來的80,000,000股股份中擁有證券權益。
5. Glory Radiance International Limited (「**Glory Radiance**」)由梁治維先生全資實益擁有。根據證券及期貨條例，梁治維先生被視為於Glory Radiance所持17,875,972股股份中擁有權益。

除上文披露者外，於二零二一年六月三十日，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。

Other Information (Continued)

其他資料(續)

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESSES

For the six months ended 30 June 2021 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.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to rule 17.50A(1) of the GEM Listing Rules, the changes in the information of Directors subsequent to the date of the Company's 2020 annual report are as follows:

Directors 董事

Mr. Ma Pok Man, Josiah
馬博文先生

Changes in position held with the Company 於本公司擔任職任的變動

Mr. Leung was appointed as an executive Director with effect from 13 May 2021.
梁先生獲委任為執行董事，自二零二一年五月十三日起生效。

Save as disclosed above, there are no other matters required to be disclosed pursuant to rule 17.50A(1) of the GEM Listing Rules.

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.

董事及控股股東於競爭業務的權益

於截至二零二一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。

董事資料之變更

根據GEM上市規則第17.50A(1)條，本公司二零二零年年報日期後董事資料的變更如下：

除上述披露者外，概無其他事宜須根據GEM上市規則第17.50A(1)條予以披露。

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。

Other Information (Continued)

其他資料(續)

CORPORATE GOVERNANCE PRACTICES (Continued)

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.

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.

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.

企業管治常規(續)

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。

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。

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。

Other Information (Continued)

其他資料(續)

SHARE OPTION SCHEME

Eligible participants may be granted share options in line with the Share Option Scheme. The following is a summary of the major terms of the Share Option Scheme:

(a) Purpose

The purpose of the Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive for employees working full-time and part-time as well as other eligible personnel under the Share Option Scheme and to promote the success of the business of the Group.

(b) Eligible participants

Eligible participants under the Share Option Scheme include (i) any full-time and part-time employee of any member of the Group; (ii) any consultant or adviser of any member of the Group; (iii) any director (including executive, non-executive or independent non-executive directors) of any member of the Group; (iv) any substantial shareholder of any member of the Group; and (v) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group.

(c) Subscription price

The subscription price shall be determined solely by the Board and notified to a participant of the Share Option Scheme and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option, provided that in the event of fractional prices, the subscription price per Share shall be rounded upwards to the nearest whole cent.

購股權計劃

合資格參與者可根據購股權計劃獲授購股權。以下為購股權計劃之主要條款概要：

(a) 目的

購股權計劃旨在吸引及挽留本集團的最傑出人才，向全職與兼職僱員及購股權計劃規定的其他合資格人士提供額外獎勵並促成本集團的業務成功。

(b) 合資格參與者

購股權計劃規定的合資格參與者包括(i)本集團任何成員公司的任何全職及兼職僱員；(ii)本集團任何成員公司的任何顧問或諮詢人；(iii)本集團任何成員公司的任何董事(包括執行、非執行或獨立非執行董事)；(iv)本集團任何成員公司的任何主要股東；及(v)本集團任何成員公司的任何分銷商、承包商、供應商、代理、客戶、業務夥伴或服務供應商。

(c) 認購價

認購價須由董事會全權釐定並知會購股權計劃參與者，惟不得低於下列最高者：(i)股份於授出購股權日期(須為營業日)在聯交所每日報價表所報之收市價；(ii)股份於緊接授出購股權日期前五個營業日在聯交所每日報價表所報之平均收市價；及(iii)股份於授出購股權日期之面值，惟倘出現零碎價格，則每股股份認購價須上調至最接近而完整的一仙。

Other Information (Continued)

其他資料(續)

SHARE OPTION SCHEME (Continued)

(d) Time of exercise of options

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof.

(e) Grant of options

An offer for the grant of options shall remain open for acceptance for a period of seven days, including the day in which the offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of the option is HK\$1.0.

(f) Maximum number of shares available for subscription

- (i) The aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time. No options may be granted under the share option schemes of the Company if this will result in the limit being exceeded.
- (ii) Subject to sub-paragraphs (iii) and (iv) below, the maximum number of Shares issuable upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from the date of adoption of the Share Option Scheme (excluding, for this purpose, Shares insurable upon the exercise of options which have been granted but have lapsed in accordance with the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all the Shares in issue upon the Listing Date.

購股權計劃(續)

(d) 行使購股權的時限

購股權可於董事會可能釐定而不得超過授出日期起計十年內，隨時根據購股權計劃之條款行使，除非提早終止條文另有規定。

(e) 授出購股權

授出購股權之要約須於七天(包括提呈要約之日)期間內始終可供接納。購股權承授人於接納授出購股權之要約時應付本公司的金額為1.0港元。

(f) 可認購股份的最高數目

- (i) 因行使根據購股權計劃及本公司任何其他購股權計劃所授出但尚未行使之購股權而可能發行之股份總數，不得超過不時已發行股份之30%。倘會導致股份總數超逾該限額，則不得根據本公司購股權計劃授出購股權。
- (ii) 除下文第(iii)及(iv)分段另有規定外，自採納購股權計劃日期起因行使根據購股權計劃及本公司任何其他購股權計劃所授出之全部購股權而可予發行之股份最高數目(就此而言，不包括因行使根據購股權計劃或本公司任何其他購股權計劃已授出但已失效之購股權而可予發行之股份)，合共不得超過於上市日期所有已發行股份之10%。

Other Information (Continued)

其他資料(續)

SHARE OPTION SCHEME (Continued)

(f) Maximum number of shares available for subscription (Continued)

- (iii) The 10% limit as mentioned in sub-paragraph (ii) above may be refreshed at any time by approval of the Shareholders in a general meeting, provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme and other share option schemes of the Company) will not be counted for the purpose of calculating the limit as “refreshed”. A circular must be sent to the Shareholders containing the information as required pursuant to the relevant GEM Listing Rules.
- (iv) Subject to sub-paragraph (i) above, the Company may seek separate approval from the Shareholders in general meeting for granting any option under the Share Option Scheme beyond the 10% limit under sub-paragraph (ii) and (iii) above, provided that the options under the Share Option Scheme in excess of the limit are granted only to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a generic description of the specified persons who may be granted and the purpose of granting such options to the specified persons with an explanation of how the terms of the options will serve the purpose and all other information required under the GEM Listing Rules.

(g) Maximum entitlement of each participant

The total number of shares issued and to be issued upon the exercise of the options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme or any other option schemes of the Company in any 12-month period must not exceed 1% of the total number of shares of the Company in issue, unless approved by the Shareholders in the manner stipulated in the Share Option Scheme.

購股權計劃(續)

(f) 可認購股份的最高數目(續)

- (iii) 上文第(ii)分段所述10%限額可隨時由股東於股東大會上批准而更新，惟計算「更新」限額時，因行使根據購股權計劃及本公司任何其他購股權計劃所授出之全部購股權而可能發行之股份總數(包括根據購股權計劃及本公司其他購股權計劃之條款尚未行使、已註銷或已失效之購股權)將不會計算在內。我們必須向股東寄發一份通函，當中載列相關GEM上市規則規定之資料。
- (iv) 除上文第(ii)分段另有規定外，本公司可於股東大會上另行徵求股東批准授出超逾上文第(ii)及(iii)分段10%限額之購股權計劃規定的任何購股權，惟僅可向本公司於徵求有關批准前特別指明之參與者授出超逾限額之購股權計劃規定的購股權。在此情況下，本公司必須向股東寄發一份通函，當中載列可獲授之指定人士的一般簡介及向指定人士授出該等購股權之目的、說明購股權條款將如何達致上述目的及GEM上市規則規定之所有其他資料。

(g) 每名參與者之最高配額

除非股東以購股權計劃規定的方式批准，否則在任何十二個月期間內，因行使根據購股權計劃或本公司任何其他購股權計劃授予每位參與者之購股權(包括已行使及尚未行使之購股權)而已發行及將予發行之股份總數，不得超過本公司已發行股份總數之1%。

Other Information (Continued)

其他資料(續)

SHARE OPTION SCHEME (Continued)

(h) Duration of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten years commencing from the date on which the scheme is adopted and will expire on 24 November 2027.

(i) Termination of the Share Option Scheme

The Company, by resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further options of the Share Option Scheme will be offered. However, those options granted prior to such termination shall continue to be valid and exercisable in accordance with the previous provisions of the Share Option Scheme.

No share option has been granted for the year ended 31 December 2020 and details of share option granted for the six month ended 30 June 2021 as follow:

Name of director	董事姓名	Number of share options 購股權數量				Outstanding at 30 June 2021 於二零二一年 六月三十日 尚未行使	Approximate % of total issued ordinary shares 佔已發行 普通股總額的 百分比	Date of grant 授出日期	Exercisable period 可行使期	Exercise price 行使價 HK\$ 港元
		Outstanding at 1 January 2020 於二零二零年 一月一日 尚未行使	Granted during the year 年內獲授出	Exercised during the year 年內獲行使	Lapsed during the year 年內逾期					
Mr. Ma Pok Man, Josiah	馬博文先生	—	3,500,000	—	—	3,500,000	0.98%	13 May 2021 二零二一年 五月十三日	13 May 2021-12 May 2024 二零二一年 五月十三日至 二零二四年 五月十二日	0.57

購股權計劃(續)

(h) 購股權計劃之期限

購股權計劃將自計劃被採納之日起計十年期間內有效，並將於二零二七年十一月二十四日屆滿。

(i) 終止購股權計劃

本公司在股東大會上通過決議案或董事會可隨時終止運作購股權計劃，而在此情況下將不得再授出購股權計劃的任何購股權。然而，於有關終止前授出之該等購股權根據購股權計劃之先前條文繼續有效及可予行使。

截至二零二零年十二月三十一日止年度概無授出購股權，截至二零二一年六月三十日止六個月授出購股權詳情如下：

Other Information (Continued)

其他資料(續)

CONNECTED TRANSACTIONS

Shareholder's loan agreement between Mr. Wong and Tseyu International

On 31 March 2020, Mr. Wong Kwok Wai, Albert, a controlling shareholder of the Company and an executive Director (“**Mr. Wong**”), and Tseyu International Trading Company Limited (“**Tseyu International**”), a wholly-owned subsidiary of the Company, entered into a shareholder's loan agreement in respect of the shareholder's loans provided by Mr. Wong to Tseyu International. The shareholder's loans, amounting to HK\$19,171,000, are interest-free, unsecured and repayable in cash on demand. As the shareholder's loans were provided on normal commercial terms or better and were not secured by the assets of the Group, the shareholder's loans are fully exempt under Chapter 20 of the GEM Listing Rules. Details of the shareholder's loan agreement are set out in the circular dated 16 February 2021.

Loan agreement between Mr. Wong and Guangzhou Xinhua

On 31 March 2020, Mr. Wong and Guangzhou Xinhua Thread Company (廣州新華線業有限公司) (“**Guangzhou Xinhua**”), a wholly-owned subsidiary of the Company, entered into a loan agreement in relation to the intra-group current accounts balance in a sum of RMB16,760,277 (equivalent to HK\$18,603,907) due from Mr. Wong to Guangzhou Xinhua. It was agreed that, among other things, interest shall be payable by Mr. Wong to Guangzhou Xinhua to be accrued at a rate of 2% per annum on the outstanding current accounts balance from the date of the loan agreement and the current accounts balance shall be repaid by Mr. Wong within three years from the date of the loan agreement. Such loan agreement has been approved by the independent shareholders based on Chapter 20 of the GEM Listing Rules. Details of the loan agreement are set out in the circular dated 16 February 2021 and announcements of the Company dated 8 March 2021.

Save as disclosed above, there are no other transactions for the six months ended 30 June 2021 under the definition of connected transactions or continuing connected transactions pursuant to Chapter 20 of the GEM Listing Rules. The Company confirms that it has complied with the applicable disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

關連交易

黃先生與至裕國際的股東貸款協議

於二零二零年三月三十一日，本公司控股股東兼執行董事黃國偉先生(「**黃先生**」)與本公司全資附屬公司至裕國際貿易有限公司(「**至裕國際**」)就黃先生向至裕國際提供的股東貸款訂立股東貸款協議。19,171,000港元的股東貸款為免息、無抵押及須按要求以現金償還。由於股東貸款乃按正常商業條款或更優惠條款提供，且並無以本集團的資產作抵押，故股東貸款根據GEM上市規則第20章獲完全豁免。股東貸款協議的詳情載於日期為二零二一年二月十六日的通函內。

黃先生與廣州新華的貸款協議

於二零二零年三月三十一日，黃先生與本公司全資附屬公司廣州新華線業有限公司(「**廣州新華**」)就黃先生結欠廣州新華的集團內公司間往來賬戶結餘人民幣16,760,277元(相當於18,603,907港元)訂立貸款協議。雙方同意，除其他事項外，黃先生應向廣州新華支付利息，自貸款協議日期起就未償還往來賬戶結餘按年利率2%計息，且黃先生應於貸款協議日期起三年內償還往來賬戶結餘。有關貸款協議已根據GEM上市規則第20章獲獨立股東批准。貸款協議的詳情載於日期為二零二一年二月十六日的通函及本公司日期為二零二一年三月八日的公告內。

除上述披露者外，根據GEM上市規則第20章的關連交易或持續關連交易的定義，截至二零二一年六月三十日止六個月概無其他交易。本公司確認其已遵守GEM上市規則第20章的適用披露規定。

Other Information (Continued)

其他資料(續)

EVENTS AFTER THE REPORTING PERIOD

Except for the subscriptions and placing completed on 22 July 2021 which disclosed on the section of “Capital structure and fund raising activities” on this report, 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 of the Audit Committee), Mr. Chan Tsun Choi, Arnold and Mr. Chow Chin Hang, Joel. 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 2021.

By order of the Board
Shen You Holdings Limited
Wong Kwok Wai, Albert
Chairman, chief executive officer and executive Director

Hong Kong, 12 August 2021

報告期後事項

除本報告「資本架構及集資活動」一節所披露之於二零二一年七月二十二日完成的認購及配售事項，本集團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條及企管守則的守則條文第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(審核委員會主席)、陳進財先生及周展恒先生。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二零二一年六月三十日止六個月的綜合業績。

承董事會命
申酉控股有限公司
主席、行政總裁兼執行董事
黃國偉

香港，二零二一年八月十二日

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Kwok Wai, Albert (*Chairman*)
Mr. Chan Yiu Tung, Enoch
Mr. Leung King Yue, Alex
Mr. Ma Pok Man, Josiah (Appointed on 13 May 2021)

Independent non-executive Directors

Mr. Sung Alfred Lee Ming
Mr. Chan Tsun Choi, Arnold
Mr. Chow Chin Hang, Joel

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. Chan Tsun Choi, Arnold
Mr. Chow Chin Hang, Joel

REMUNERATION COMMITTEE

Mr. Chow Chin Hang, Joel (*Chairman*)
Mr. Sung Alfred Lee Ming
Mr. Chan Tsun Choi, Arnold

董事會

執行董事

黃國偉先生(*主席*)
陳耀東先生
梁景裕先生
馬博文先生(於二零二一年五月十三日
獲委任)

獨立非執行董事

宋理明先生
陳進財先生
周展恒先生

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*)
陳進財先生
周展恒先生

薪酬委員會

周展恒先生(*主席*)
宋理明先生
陳進財先生

Corporate Information (Continued)

公司資料(續)

NOMINATION COMMITTEE

Mr. Wong Kwok Wai, Albert (*Chairman*)
Mr. Sung Alfred Lee Ming
Mr. Chan Tsun Choi, Arnold
Mr. Chow Chin Hang, Joel

AUDITOR

Asian Alliance (HK) CPA Limited

PRINCIPAL BANK

The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Windward 3, Regatta Office Park
P.O. 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

Unit 1302, 13/F.,
New East Ocean Centre,
9 Science Museum Road,
Tsim Sha Tsui East
Kowloon, Hong Kong

提名委員會

黃國偉先生(主席)
宋理明先生
陳進財先生
周展恒先生

核數師

華融(香港)會計師事務所有限公司

主要往來銀行

香港上海滙豐銀行有限公司

註冊辦事處

Windward 3, Regatta Office Park
P.O. 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
尖沙咀東
科學館道9號
新東海商業中心
13樓1302室

Corporate Information (Continued)

公司資料(續)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54 Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park,
P.O. 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54樓

主要股份過戶登記處

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park,
P.O. Box 1350
Grand Cayman, KY1-1108
Cayman Islands

公司網址

www.shenyouholdings.com

股份代號

8377

The background features a light beige color with a pattern of thin, wavy lines. Overlaid on this are several large, overlapping circles. Some circles are filled with a dense, textured pattern of small, repeating characters, while others are empty or have a lighter texture. The overall aesthetic is clean and modern.

Shen You Holdings Limited
申酉控股有限公司