



# 杭品生活

杭城人的品质生活圈

杭品生活科技股份有限公司  
HANG PIN LIVING TECHNOLOGY COMPANY LIMITED

(Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限公司)

股份代號 Stock Code : 1682



中期報告  
Interim Report **2019/20**



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## Corporate Information

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Zhi Hua (*Chairman*)  
Mr. Lam Kai Yeung (*Chief Executive Officer*)  
Mr. Ma Jun (*Chief Operation Officer*)

#### Independent Non-Executive Directors

Mr. Chau On Ta Yuen  
Dr. Lam Lee G.  
Mr. Chan Kin  
Mr. Li Hui (Resigned on 31 July 2019)

### AUDIT COMMITTEE

Dr. Lam Lee G. (*Chairman*)  
Mr. Chau On Ta Yuen  
Mr. Chan Kin  
Mr. Li Hui (Resigned on 31 July 2019)

### REMUNERATION COMMITTEE

Mr. Chau On Ta Yuen (*Chairman*)  
Mr. Zhi Hua  
Dr. Lam Lee G.  
Mr. Chan Kin

### NOMINATION COMMITTEE

Mr. Zhi Hua (*Chairman*)  
Mr. Chau On Ta Yuen  
Dr. Lam Lee G.  
Mr. Chan Kin

### COMPANY SECRETARY

Mr. Lam Kai Yeung

### AUTHORISED REPRESENTATIVES

Mr. Zhi Hua  
Mr. Lam Kai Yeung

### LEGAL ADVISERS AS TO HONG KONG LAW

Paul Hastings  
Chungs Lawyers in association with  
DeHeng Law Offices

### AUDITOR

Pan-China (H.K.) CPA Limited

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM 08  
Bermuda

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 303, 3/F., Hing Yip Commercial Centre,  
No. 272-284 Des Voeux Road Central,  
Hong Kong

### STOCK CODE

1682

### COMPANY WEBSITE

<http://www.1682hk.com>

## Management Discussion and Analysis

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 September 2019 (the “**Period**”).

### BUSINESS REVIEW

The Group is principally engaged in (i) the garment sourcing management business; and (ii) the provision of financial services which include, among others, asset management, finance lease, pawn and money lending business.

#### (I) Garment Sourcing Management Business

During the Period under review, the global economic growth has continued to slow down. Further, the unresolved trade tensions, high international policy uncertainty, increasing trade barriers which brought along financial stress, and faster-than-expected economic slowdown in several major economies reinforced the risks of economic downturn, weakening business confidence. Mainland China's economic growth has fallen to its lowest level in 26 years. The continued weakening of Renminbi and the devaluation of securities in the Mainland China's stock markets which further driven down the economic growth, dampened customers' spending ability and willingness to spend. In addition, attributed to the increasing popularity of online shopping, customers have significantly higher expectation on speediness, quality and pricing of products and services, which also posed challenges to our business.

In order to strengthen the Group's position in the garment industry, on 15 November 2019, the Company and Good Fellow Garment (Fujian) Co., Ltd (“**Good Fellow Garment (Fujian)**”) as landlord entered into a tenancy agreement (the “**Tenancy Agreement**”) for a leasing period of 10 years at an aggregate rent of HK\$14 million commencing from the date that all necessary resolution(s) has been passed by the independent shareholders of the Company at the SGM. The Company shall set up Putian Jinggaofeng Garment Co. Ltd. (莆田金高峰服飾有限公司) (“**Putian Jinggaofeng Garment**”), a wholly-owned subsidiary of the Company, and the subject premises of the Tenancy Agreement shall be used by Putian Jinggaofeng Garment for manufacturing and sales of garment products. At the same day, the Company and Good Fellow Garment (Fujian) as transferor entered into a transfer agreement (the “**Transfer Agreement**”), pursuant to which the Company has agreed to acquire and Good Fellow Garment (Fujian) has agreed to sell the garment manufacturing machineries and equipment and office equipment owned by Good Fellow Garment (Fujian) at a total consideration of HK\$11 million.

## Management Discussion and Analysis (Continued)

### (II) Provision of Financial Services

The Board from time to time, reviews its existing operations and explores other business opportunities with a view to diversify the Group's business. The Group has commenced a new business segment of financial services which includes asset management, finance lease, pawn and money lending business.

Against this backdrop, the Group has been focusing on accelerating its strategic layout in the mainland China market, further enriching its product offerings and enhancing its financial service system, with an aim to rapidly enhance its business scale and seize the domestic market. The Board considers that the demand for financial services is significant and the industry is vibrant in China and Hong Kong. The Board is of the view that the new business activities will provide a good opportunity for the Group to diversify its revenue stream, which is expected to benefit the Company and its shareholders as a whole.

During the Period under review, the Directors are committed to grasping market opportunities and managing the risks of the Company. The increasing credit risk of the P2P lending platform restrained the development of the online lending industry. After due consideration and assessment by the Board, on 22 May 2019, the Group entered into an assignment contract to dispose its VIE arrangement at a consideration of RMB6,540,000 (equivalent to approximately HK\$7,440,000), resulting in a loss of control over Hangzhou Huazhiying Investment Management Company Limited (杭州華之贏投資管理有限公司) and its subsidiaries. The disposal generated a gain of approximately HK\$492,000.

During the Period under review, the revenue was approximately HK\$59,725,000 (2018: approximately HK\$110,944,000). The revenue from the garment sourcing management business was approximately HK\$56,963,000, representing a decrease of approximately 48.19% (2018: approximately HK\$109,951,000). The gross profit margin was approximately 2.52%, representing a decrease of approximately 3.00% (2018: approximately 5.52%). The revenue from the provision of the financial services was approximately HK\$2,762,000, representing an increase of approximately 178.15% (2018: approximately HK\$993,000). The other income was approximately HK\$576,000, representing a decrease of approximately 88.81% (2018: approximately HK\$5,147,000), which was mainly attributable to the gain on disposal of subsidiaries. The foreign exchange (loss)/gain was approximately HK\$(1,519,000) (2018: approximately HK\$42,000), mainly due to the devaluation of the Renminbi during the Period. The selling and distribution costs were approximately HK\$1,002,000, representing an increase of approximately 9.87% (2018: approximately HK\$912,000). The increase in selling and distribution costs was mainly attributable to the increase in advertising and promotion costs. Administrative and operating expenses were approximately HK\$7,202,000, representing a decrease of approximately 0.72% (2018: approximately HK\$7,254,000). For the above reasons, total comprehensive (expense)/income for the Period attributable to owners of the Company was approximately HK\$(5,742,000) (2018: approximately HK\$4,429,000).



## Management Discussion and Analysis (Continued)

### PROSPECTS

Looking forward, the Group will endeavor to enhance the level of operations for its two principal businesses.

As to the garment sourcing management business, the global economy experienced a broad-based growth slowdown amid unresolved trade tensions, high international policy uncertainty, and weakened business confidence. The growth prospects of all major developed economies and most developing regions have weakened owing to a confluence of both the domestic and external factors.

It is expected that the global business environment of the garment sourcing management business will remain full of difficulties and challenges. The Group continues to prudently implement business initiatives, closely monitor the garment sourcing management business, capture other development opportunities, reduce procurement costs, enhance competitiveness and bring better returns to shareholders.

As to the provision of financial services business, the Group will continue to deepen the business segment of financial services and look for new development opportunities.

### FINANCIAL REVIEW

#### Liquidity and Financial Resources

As at 30 September 2019, the Group had total assets of approximately HK\$130,100,000 (at 31 March 2019: approximately HK\$136,145,000) (including bank balances and cash of approximately HK\$24,365,000 (at 31 March 2019: approximately HK\$3,705,000)) which were financed by current liabilities of approximately HK\$18,301,000 (at 31 March 2019: approximately HK\$19,347,000), long-term liability of approximately HK\$584,000 (at 31 March 2019: approximately HK\$253,000) and shareholders' equity of approximately HK\$111,215,000 (at 31 March 2019: approximately HK\$116,545,000).

The Group generally settles its debts through cash generated from its operations. As at 30 September 2019, the liquidity ratio, represented by a ratio between current assets over current liabilities, was 7.03:1 (at 31 March 2019: 6.59:1); the gearing ratio of the Group, defined as the ratio between total debts over total assets, was 1:6.89 (at 31 March 2019: 1:6.95). Therefore, the Directors believe that the Group has sufficient fund for developing its existing business.

#### Foreign Exchange and Risk Management

The Group's working capital is mainly financed through internally generated cash flows. The management of the Group regularly monitors the funding requirements of the Group to support its operations and its development plans. Most of the Group's cash balances were deposits in US\$, HK\$ and RMB in major global financial institutions and most of the Group's monetary assets, revenues, monetary liabilities and payments were held in US\$, HK\$ and RMB.

## Management Discussion and Analysis (Continued)

Foreign exchange risks arising from trading in different currencies can be managed by the Group through the use of foreign exchange hedge contracts. Pursuant to the Group's current policy, foreign exchange hedge contracts or any other financial derivatives contracts can be entered into by the Group for hedging purpose. The Group had not entered into any financial derivative contract during the Period under review and there was no outstanding financial derivative contract as at 30 September 2019.

### Capital Expenditure and Commitments

During the Period, the Group did not have any material investment in property, plant and equipment.

As at 30 September 2019, the Group had no commitment (as at 31 March 2019: Nil) in respect of acquisition of new machineries and no significant capital commitments.

As at the date of this report, the Group had no plan for any material investment or capital assets.

### Charges on Assets

As at 30 September 2019, the Group had no pledged assets (at 31 March 2019: Nil).

### Contingent Liabilities

The Group did not have any contingent liabilities as at 30 September 2019 (at 31 March 2019: Nil).

### Important events affecting the Group after the reporting period

On 15 November 2019, the Company and Good Fellow Garment (Fujian) as landlord entered into the Tenancy Agreement for a leasing period of 10 years at an aggregate rent of HK\$14 million commencing from the date that all necessary resolution(s) has been passed by the independent shareholders of the Company at the SGM. The Company shall set up Putian Jingaofeng Garment, a wholly-owned subsidiary of the Company, and the subject premises of the Tenancy Agreement shall be used by Putian Jingaofeng Garment for manufacturing and sales of garment products.

On 15 November 2019, the Company and Good Fellow Garment (Fujian) as transferor entered into the Transfer Agreement. Pursuant to which the Company has agreed to acquire and Good Fellow Garment (Fujian) has agreed to sell, including but not limited to various specialised purpose-built machineries for the manufacturing of garment products and office equipment owned by Good Fellow Garment (Fujian), at a total consideration of HK\$11 million.

## Management Discussion and Analysis (Continued)

The transactions contemplated under the Tenancy Agreement and the Transfer Agreement constitute connected transactions of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). For the details, please refer to the announcement of the Company dated 15 November 2019.

Save as disclosed above, there were no other important events affecting the Group since 30 September 2019 and up to the date of this report.

### Significant investments, material acquisitions and disposals

For the six months ended 30 September 2019, save as disclosed in this report, there were no material investments, material acquisition and disposal of subsidiaries, associates and joint ventures by the Group.

### Employee Information

As at 30 September 2019, the Group employed approximately 18 employees (excluding the Directors). The Group offers its employees competitive remuneration schemes which are generally structured with reference to market terms and individual qualifications. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors. In addition, bonuses are normally paid to those eligible based on the Group's and the individual's performance. The Group incurred staff costs (excluding Directors' remuneration) of approximately HK\$2,583,000 for the six months ended 30 September 2019. The Group encourages its staff to attend training courses which can achieve self-improvement and enhance their skill and knowledge.

The Company maintains the Share Option Scheme, pursuant to which share options may be granted to selected eligible participants including employees of the Group, with a view to providing those eligible participants with appropriate incentive to contribute to the success of the Group.

As at 30 September 2019, there were a total of 21,768,000 outstanding share options under the Company's share option scheme. During the period, save as 300,000 share options lapsed, no other share options were granted, exercised, cancelled or lapsed under the share option scheme.



## Other Disclosures

### INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2019 (for the six months ended 30 September 2018: Nil).

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2019, the interests and short positions of the Directors or 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 SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (iii) which were required to be notified to the Group and the Stock Exchange pursuant to the Model Code were as follows:

Name of director	Capacity in which interests are held	Number of shares held and class of securities (Note 1)	Number of shares held under equity derivatives	Approximate percentage of shareholding
Mr. Zhi Hua	Interest of controlled corporation	322,409,404 (L) (note 2)		49.15%*
Mr. Lam Kai Yeung	Beneficial owner		5,192,000 (L) (note 3)	0.79%*
Mr. Ma Jun	Beneficial owner		1,000,000 (L) (note 4)	0.15%*

\* The percentage has been calculated based on 655,927,000 issued Shares as at 30 September 2019.

notes:

- The letter "L" denotes the Directors' long position in the Shares.
- These 322,409,404 shares are owned by Rosy Lane International Limited, a company incorporated in the British Virgin Islands and the entire issued share capital of which is beneficially owned by Mr. Zhi Hua. Mr. Zhi Hua is deemed to be interested in such Shares held by Rosy Lane International Limited under the SFO.

## Other Disclosures (Continued)

3. *It represents 5,192,000 share options granted on 16 January 2018 pursuant to the Share Option Scheme on 2 June 2010 and are exercisable at the price of HK\$0.854 per share, and a ten years validity period from 16 January 2018.*
4. *It represents 1,000,000 share options granted on 16 January 2018 pursuant to the Share Option Scheme on 2 June 2010 and are exercisable at the price of HK\$0.854 per share, and a ten years validity period from 16 January 2018.*

Save as disclosed above in this report, as at 30 September 2019, none of the Directors nor the chief executive of the Group had any interests or short positions in the Shares and underlying shares of the Group or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Group and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, pursuant to the Model Code, to be notified to the Group and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2019, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons (other than Directors and chief executive of the Company) had interests or short positions in the Shares and/or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Capacity	Number of shares held and class of securities <i>(Note 1)</i>	Approximate percentage of shareholding
Rosy Lane International Limited	Beneficial owner	322,409,404 (L) <i>(note 2)</i>	49.15%*
Mr. Ng Leung Ho	Beneficial owner	103,950,000 Shares (L) <i>(note 3)</i>	15.85%*
Mr. Ng Tsze Lun	Beneficial owner	50,173,000 Shares (L)	7.65%*
Ms. Yau Yuk Chun Carole	Interest of spouse	50,173,000 Shares (L) <i>(note 4)</i>	7.65%*

\* *The percentage has been calculated based on 655,927,000 issued Shares as at 30 September 2019.*

## Other Disclosures (Continued)

notes:

1. *The letter "L" denotes the individual's or the corporation's long position in the Shares.*
2. *Rosy Lane International Limited is a company incorporated in the British Virgin Islands and the entire issued share capital of which is beneficially owned by Mr. Zhi Hua.*
3. *Apart from 103,950,000 Shares of the Company, there are also 322,326,500 Shares of the Company charged to Mr. Ng Leung Ho under a share charge as security for a loan from Bloom Dragon Finance Limited. Bloom Dragon Finance Limited is owned as to 50% by Mr. Ng Chi Lung and 50% by Good Fellow Group Limited. Good Fellow Group Limited is owned as to 99.99% by Hillbrow Securities Limited.*
4. *Ms. Yau Yuk Chun Carole is the wife of Mr. Ng Tsze Lun. Under the SFO, Ms. Yau Yuk Chun Carole is deemed to be interested in the same number of shares in which Mr. Ng Tsze Lun is interested.*

Save as disclosed above, as at 30 September 2019, there was no other person who was recorded in the register of the Group as having interests or short positions in the Shares or underlying shares of the Group which would fall to be disclosed to the Group under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all the circumstances at general meetings of members of the Group other than the Group, or which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

## SHARE OPTION SCHEME

The Company conditionally adopted the Share Option Scheme on 2 June 2010. The annual general meeting held on 28 September 2018 approved the refreshment of the scheme limit under the Share Option Scheme of the Company. The purpose of the Share Option Scheme is to provide incentives and rewards to eligible participants, including eligible Directors, eligible employees and any other eligible persons, for their contributions to the Group. The Share Option Scheme will remain in force for a period of ten years from the date of its adoption.

## Other Disclosures (Continued)

Details of the share options of the Company granted, exercised, lapsed and cancelled during the Period were as follows:

Name of Grantee	Date of grant	Exercise price (HK\$/per share)	Exercise period	Vesting period	Number of options			
					Outstanding at 31 March 2019	Exercised during the period	Lapsed/cancelled during the period	Outstanding at 30 September 2019
<b>Directors</b>								
Mr. Lam Kai Yeung	16/01/2018	0.854	16/01/2018-15/01/2028	16/01/2018-15/01/2028	5,192,000	-	-	5,192,000
Mr. Ma Jun	16/01/2018	0.854	16/01/2018-15/01/2028	16/01/2018-15/01/2028	1,000,000	-	-	1,000,000
<b>Others</b>								
Other participants in aggregate	16/01/2018	0.854	16/01/2018-15/01/2028	16/01/2018-15/01/2028	15,876,000	-	300,000	15,576,000

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

## CORPORATE GOVERNANCE CODE

The Company had complied with all the code provisions (the "Code Provisions") under the Corporate Governance Code contained in Appendix 14 of the Listing Rules throughout the Period.

## AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

The Audit Committee currently comprises three independent non-executive Directors, namely Dr. Lam Lee G. (chairman), Mr. Chau On Ta Yuen and Mr. Chan Kin. The Audit Committee's duties are clearly defined in its written terms of reference which have been prepared and adopted according to the Code Provisions. The Audit Committee has reviewed the unaudited interim financial statements of the Group for the six months ended 30 September 2019 including the accounting principles and practices adopted by the Group and this report.

## Other Disclosures (Continued)

### NOMINATION COMMITTEE

The Nomination Committee currently comprises one executive Director, namely Mr. Zhi Hua (chairman) and three independent non-executive Directors, namely Mr. Chau On Ta Yuen, Dr. Lam Lee G. and Mr. Chan Kin. It was established on 19 March 2012 and its duties are clearly defined in its written terms of reference which have been prepared and adopted according to the Code Provisions. The terms of reference of Nomination Committee can be found in the websites of the Stock Exchange and the Company.

### REMUNERATION COMMITTEE

The Remuneration Committee currently comprises three independent non-executive Directors, namely Mr. Chau On Ta Yuen (chairman), Dr. Lam Lee G. and Mr. Chan Kin and one executive Director, namely Mr. Zhi Hua. It was established by the Board on 8 September 2010 and its duties are clearly defined in its written terms of reference which have been prepared and adopted according to the Code Provisions. The terms of reference of Remuneration Committee can be found in the websites of the Stock Exchange and the Company.

### COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has established a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules. Having made specific enquiries with the Directors, all Directors confirmed that they had complied with the required standard set out in such code during the Period.

### COMPLIANCE WITH LAWS AND REGULATIONS

The Group's business is mainly conducted by subsidiaries of the Company in Hong Kong, the United States and the PRC, and the Company itself is listed on the Stock Exchange. To the best of our knowledge and save as disclosed below, during the Period, there was no material breach of or non-compliance by the Group with the applicable laws and regulations that have a significant impact on the business and operation of the Group.

## Other Disclosures (Continued)

### CHANGE IN INFORMATION OF DIRECTORS

Upon specific enquiry by the Company and following confirmations from the Directors, save as set out below, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

#### **Dr. Lam Lee G. (“Dr. Lam”)**

Save as disclosed in the 2019 annual report of the Company, Dr. Lam resigned as a non-executive director of Green Leader Holdings Group Limited (Stock Code: 61) on 22 July 2019; resigned as an independent non-executive director of Glorious Sun Enterprises Limited (Stock Code: 393) on 31 August 2019; and resigned as an independent non-executive director of Hsin Chong Group Holdings Limited (Stock Code: 404) on 27 September 2019. The shares of which are listed on the Main Board of the Stock Exchange.

### APPRECIATION

In closing, on behalf of the Board, I would like to take this opportunity to express my sincere thanks and gratitude to our management team and employees for their commitments, hard work and loyalty to the Group during the Period.

I would also like to extend my deepest thanks to our customers, bankers, business partners and shareholders for their continual support.

On behalf of the Board

**Hang Pin Living Technology Company Limited**

**Zhi Hua**

*Chairman*

Hong Kong, 29 November 2019



## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2019

	NOTES	For the six months ended 30 September	
		2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
<b>Revenue</b>	3	<b>59,725</b>	110,944
Cost of sales		<b>(56,295)</b>	(103,879)
<b>Gross profit</b>		<b>3,430</b>	7,065
Other income	4	<b>576</b>	5,147
Net foreign exchange (loss)/gain		<b>(1,519)</b>	42
Selling and distribution costs		<b>(1,002)</b>	(912)
Administrative and operating expenses		<b>(7,202)</b>	(7,254)
Finance costs		<b>(25)</b>	(12)
(Loss)/Profit before tax		<b>(5,742)</b>	4,076
Income tax expense	5	<b>–</b>	–
(Loss)/Profit for the period attributable to owners of the Company	6	<b>(5,742)</b>	4,076
<b>Other comprehensive income, net of income</b>			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of overseas operations		<b>–</b>	350
Release of translation reserve upon disposal of subsidiaries		<b>–</b>	3
Other comprehensive income for the period		<b>–</b>	353
<b>Total comprehensive (expense)/income for the period attributable to owners of the Company</b>		<b>(5,742)</b>	4,429
<b>(Loss)/Earnings per share</b>	8		
Basic ( <i>HK cents</i> )		<b>(0.88)</b>	0.62
Diluted ( <i>HK cents</i> )		<b>(0.88)</b>	0.62

## Condensed Consolidated Statement of Financial Position

As at 30 September 2019

	NOTES	30 September 2019 HK\$'000 (unaudited)	31 March 2019 HK\$'000 (audited)
<b>Non-current assets</b>			
Plant and equipment	9	519	7,042
Right-of-use assets		877	-
Goodwill		-	1,606
		<b>1,396</b>	8,648
<b>Current assets</b>			
Inventories		511	524
Trade receivables	10	28,107	4,648
Short-term loan and loan interest receivables	11	25,138	65,024
Deposits, prepayments and other receivables		38,633	45,224
Amount due from former subsidiaries		9,695	8,372
Tax recoverable		2,255	-
Bank balances and cash		24,365	3,705
		<b>128,704</b>	127,497
<b>Current liabilities</b>			
Trade payables	12	5,613	5,210
Other payables, accruals and contract liabilities		10,818	12,722
Tax payable		1,246	1,303
Lease liabilities		624	112
		<b>18,301</b>	19,347
<b>Net current assets</b>		<b>110,403</b>	108,150
<b>Total assets less current liabilities</b>		<b>111,799</b>	116,798
<b>Non-current liabilities</b>			
Lease liabilities		584	253
<b>Net assets</b>		<b>111,215</b>	116,545
<b>Capital and reserves</b>			
Share capital	13	6,559	6,559
Reserves		104,656	109,986
<b>Total equity</b>		<b>111,215</b>	116,545

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2019

	Attributable to owners of the Company						
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (note i)	Share option reserve HK\$'000	Foreign currency translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2018 (audited)	6,559	101,350	18,787	185	1,026	(10,107)	117,800
Impact on initial application of HKFRS 9	-	-	-	-	-	(185)	(185)
Restated balance at 1 April 2018	6,559	101,350	18,787	185	1,026	(10,292)	117,615
Recognition of equity-settled share-based payments	-	-	-	437	-	-	437
Profit for the period	-	-	-	-	-	4,076	4,076
Other comprehensive income							
- Exchange differences arising on translation of overseas operations	-	-	-	-	350	-	350
- Release of translation reserve upon disposal of subsidiaries	-	-	-	-	3	-	3
At 30 September 2018 (unaudited)	6,559	101,350	18,787	622	1,379	(6,216)	122,481
At 1 April 2019 (audited)	6,559	101,350	18,787	1,058	(1,393)	(9,816)	116,545
Recognition of equity-settled share-based payments	-	-	-	412	-	-	412
Loss and total comprehensive expense for the period	-	-	-	-	-	(5,742)	(5,742)
As 30 September 2019 (unaudited)	6,559	101,350	18,787	1,470	(1,393)	(15,558)	111,215

note (i): The special reserve represents (a) the reserve arising from a previous group reorganisation; and (b) cancellation of share premium, less special dividend of HK\$374,239,000, in prior years.

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2019

	For the six months ended 30 September	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Net cash generated from/(used in) operating activities	12,631	(57,852)
Net cash generated from/(used in) investing activities:		
Interest income	84	32
Purchase of plant and equipment	–	(125)
Cash flow from disposal of subsidiaries	7,004	–
	7,088	(93)
Net cash used in financing activities:		
Payment of lease liabilities	(174)	(69)
Net increase/(decrease) in cash and cash equivalents	19,545	(58,014)
Exchange alignment	1,115	168
Cash and cash equivalents at beginning of the period	3,705	76,146
Cash and cash equivalents at end of the period, represented by bank balances and cash	24,365	18,300

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2019

### 1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange goods.

Except described below, the accounting policies and methods of computation used in these condensed consolidated financial statements for the six months ended 30 September 2019 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2019.

#### Application of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current interim period, the Group has applied the following new and revised HKFRSs issued by the HKICPA for the first time in current period:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

The application of the above amendments to HKFRSs, except for HKFRS 16, has no material effect on the amounts reported in the condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2019

### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current period. HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees which superseded HKAS 17 "Leases" and the related interpretations.

Under HKFRS 16, distinctions of operating leases and finance leases are removed for lessee accounting and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modification, amongst others.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17 and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as lease applying HKAS 17 and HK(IFRIC) – Int 4 "Determining whether an Arrangement contains a Lease" and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) – Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application, i.e. 1 April 2019. Furthermore, the Group has opted the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening accumulated losses without restating comparative information.

Based on the allowed practical expedients under HKFRS 16, the Group has elected not to apply the requirements of HKFRS 16 in respect of recognition of lease liability and right-of-use assets to leases for which the lease term ends within twelve months of the date of initial application. Therefore, no transitional adjustment is necessary upon application of HKFRS 16.

The Group has not applied the new or revised HKFRSs that have been issued but are not yet effective for the accounting period of these financial statements. The Group has already commenced an assessment of the impact of these new or revised HKFRSs but is not yet in a position to state whether these new or revised HKFRSs would have a significant impact on its results of operation and financial position.



## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2019

### 3. SEGMENT INFORMATION

Information reported internally to the directors of the Group (chief operating decision maker) for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

- garment sourcing
- provision of finance

Segment revenues reported below represents revenue generated from external customers. There were no intersegment sales for both periods.

Segment result represents the profit/(loss) generated by each segment without allocation of corporate income and central administration costs including directors' emoluments, share based payment, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

#### Segment revenues and results

The following is an analysis of the Group's turnover and results by reportable and operating segments:

#### For the six months ended 30 September 2019

	Garment sourcing HK\$'000	Provision of finance HK\$'000	Total HK\$'000
<b>Revenue</b>	<b>56,963</b>	<b>2,762</b>	<b>59,725</b>
<b>Segment results</b>	<b>385</b>	<b>(161)</b>	<b>224</b>
Unallocated other revenue and gains			574
Unallocated administrative and other expenses			(6,515)
Loss from operations			(5,717)
Finance costs			(25)
Loss before tax			(5,742)

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2019

### 3. SEGMENT INFORMATION (CONTINUED)

#### Segment revenues and results (continued)

For the six months ended 30 September 2018

	Garment sourcing HK\$'000	Provision of finance HK\$'000	Total HK\$'000
<b>Revenue</b>	109,951	993	110,944
<b>Segment results</b>	3,865	554	4,419
Unallocated other revenue and gains			4,885
Unallocated administrative and other expenses			(5,216)
Profit from operations			4,088
Finance costs			(12)
Profit before tax			4,076

### 4. OTHER INCOME

	NOTES	For the six months ended 30 September	
		2019 HK\$'000	2018 HK\$'000
Interest income		84	32
Gain on disposal of subsidiaries	14	492	4,885
Sundry income		–	230
		<b>576</b>	<b>5,147</b>

### 5. INCOME TAX EXPENSE

No provision for income tax expense is made for both periods since there was no assessable profits for both periods.

There is no significant unprovided deferred taxation for the reporting periods or at the end of the reporting periods.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2019

### 6. (LOSS)/PROFIT FOR THE PERIOD

	For the six months ended 30 September	
	2019 HK\$'000	2018 HK\$'000
(Loss)/Profit for the period has been arrived at after charging/(crediting):		
Directors' remuneration	1,245	1,151
Other staff costs	2,583	1,941
Total staff costs	3,828	3,092
Cost of inventories sold	55,528	103,879
Depreciation of right-of-use assets	137	–
Depreciation of plant and equipment	289	243
Allowance for ECLs, net	216	–
Interest income (included in other income)	(84)	(32)

### 7. DIVIDENDS

No dividends were paid, declared or proposed during the current interim period (six months ended 30 September 2018: Nil). The directors of the Company have determined that no dividend will be paid in respect of the current interim period.

### 8. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	For the six months ended 30 September	
	2019 HK\$'000	2018 HK\$'000
<b>(Loss)/Earnings</b>		
(Loss)/Profit for the period attributable to owners of the Company for the purpose of basic (loss)/earnings per share	(5,742)	4,076

	For the six months ended 30 September	
	2019	2018
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	655,927,000	655,927,000

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2019

### 8. (LOSS)/EARNINGS PER SHARE (CONTINUED)

Diluted (loss)/earnings per share for the six months ended 30 September 2019 and 2018 were equal to the basic (loss)/earnings per share because the exercise prices of the Company's share options were higher than the average market price for the period and was therefore considered as anti-dilutive.

### 9. PLANT AND EQUIPMENT

During the six months ended 30 September 2019, the Group disposed of plant and equipment of approximately HK\$446,000 (six months ended 30 September 2018: Nil).

As at 30 September 2019, the Group had plant and equipment of approximately HK\$415,000 (at 31 March 2019: HK\$461,000) which was held under a finance lease.

### 10. TRADE RECEIVABLES

The Group allows its trade customers a credit period of 30 to 150 days.

The following is an aged analysis of trade receivables presented based on the invoice dates at the end of each reporting period:

	<b>30 September 2019 HK\$'000</b>	31 March 2019 HK\$'000
Trade receivables	<b>28,655</b>	4,776
Less: Allowance for ECLs	<b>(548)</b>	(128)
	<b>28,107</b>	4,648
	<b>30 September 2019 HK\$'000</b>	31 March 2019 HK\$'000
0 – 30 days	<b>3,479</b>	3,307
31 – 60 days	<b>11,137</b>	–
61 – 90 days	<b>9,266</b>	–
91 – 120 days	<b>–</b>	–
Over 120 days	<b>4,773</b>	1,469
	<b>28,655</b>	4,776

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2019

### 11. SHORT-TERM LOAN AND LOAN INTEREST RECEIVABLES

	30 September 2019 HK\$'000	31 March 2019 HK\$'000
Short-term loan and loan interest receivables (current not past due)		
– Principal	24,843	64,260
– Interest	499	1,173
Less: Loss allowance for ECLs	(204)	(409)
	<b>25,138</b>	<b>65,024</b>

The short-term loan receivables as at 30 September 2019 were interest-bearing at 5% to 18% per annum (at 31 March 2019: 5% to 18% per annum), repayable within next twelve months and secured by the borrowers' assets or guaranteed by independent third parties.

### 12. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice dates at the end of each reporting period:

	30 September 2019 HK\$'000	31 March 2019 HK\$'000
0 – 60 days	13	2,529
61 – 90 days	–	–
Over 90 days	5,600	2,681
	<b>5,613</b>	<b>5,210</b>

### 13. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each Authorised:		
At 1 April 2018, 31 March 2019 and 30 September 2019	10,000,000,000	100,000
Issued and fully paid:		
At 1 April 2018, 31 March 2019 and 30 September 2019	655,927,000	6,559

All shares rank pari passu in all respects.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2019

### 14. DISPOSAL OF SUBSIDIARIES

During the six months ended 30 September 2019, the Group disposed of 杭州華之贏投資管理有限公司 and its subsidiaries (the "Disposal Group") which carried out P2P financing business.

Analysis of assets and liabilities over which the Group lost control:

#### Disposal Group

	HK\$'000
<b>Non-current assets</b>	
Goodwill	1,606
Plant and equipment	5,853
	7,459
<b>Current assets</b>	
Prepayments and other receivables	835
Tax recoverable	9
Bank balances and cash	436
	1,280
<b>Current liabilities</b>	
Other payables	(390)
Amount due to former subsidiaries	(1,193)
	(1,583)
<b>Net assets disposed of</b>	7,156
<b>Exchange difference</b>	(208)
<b>Consideration received</b>	7,440
<b>Gain on disposal</b>	492



## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2019

### 15. EVENTS AFTER THE END OF THE REPORTING PERIOD

The significant events took place subsequent to the end of the reporting period are as below:

On 15 November 2019, the Company and Good Fellow Garment (Fujian) as landlord entered into a Tenancy Agreement for a leasing period of 10 years at an aggregate rent of HK\$14 million commencing from the date that all necessary resolution(s) has been passed by the Independent Shareholders of the Company at the SGM. The Company shall set up Putian Jinggaofeng Garment, a wholly-owned subsidiary of the Company, and the subject premises of the Tenancy Agreement shall be used by Putian Jinggaofeng Garment for manufacturing and sales of garment products.

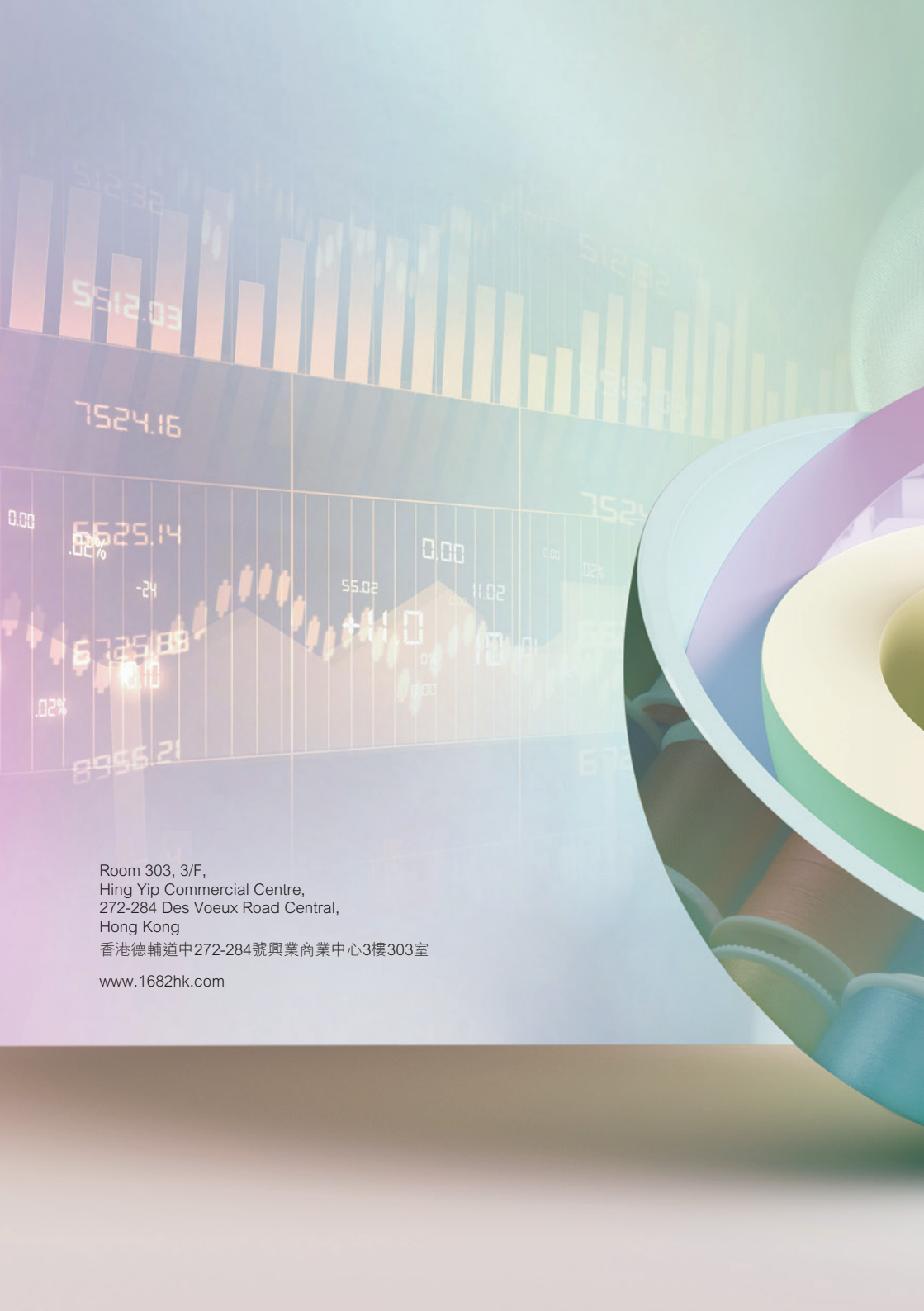
On 15 November 2019, the Company and Good Fellow Garment (Fujian) as transferor entered into a Transfer Agreement. Pursuant to which the Company has agreed to acquire and Good Fellow Garment (Fujian) has agreed to sell the Target Assets including but not limited to various specialised purpose-built machineries for the manufacturing of garment products and office equipment, at a total consideration of HK\$11 million.

## Glossary

<b>Abbreviation</b>	<b>Definition</b>
Audit Committee	audit committee of the Group established by the Board on 8 September 2010 with written terms of reference, as amended from time to time
Board	the board of Directors
Bye-Law(s)	the bye-laws of the Group, as amended from time to time
Company	Hang Pin Living Technology Company Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
Corporate Governance Code	Corporate Governance Code as set out in Appendix 14 to the Listing Rules
Director(s)	the director(s) of the Group
Group	the Group and its subsidiaries from time to time
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
Nomination Committee	nomination committee of the Group established by the Board on 19 March 2012 with written terms of reference, as amended from time to time

## Glossary (Continued)

<b>Abbreviation</b>	<b>Definition</b>
Remuneration Committee	remuneration committee of the Group established by the Board on 8 September 2010 with written terms of reference, as amended from time to time
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
Share(s)	ordinary share(s) of HK\$0.01 each in the share capital of the Company
Share Option Scheme	share option scheme conditionally adopted by the Company on 2 June 2010 which became effective upon the Shares were listed on the Stock Exchange on 5 October 2010
Shareholder(s)	holder(s) of the Share(s) in issue
Stock Exchange	The Stock Exchange of Hong Kong Limited
US\$	United States dollars, the lawful currency of the United States of America
%	per cent



Room 303, 3/F,  
Hing Yip Commercial Centre,  
272-284 Des Voeux Road Central,  
Hong Kong  
香港德輔道中272-284號興業商業中心3樓303室  
[www.1682hk.com](http://www.1682hk.com)