



華耐控股有限公司
SINOREF HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 1020



中期報告

2015

Interim Report



Contents

目錄

Corporate Information	2	公司資料	2
Chairman's Statement	4	主席報告	4
Management Discussion and Analysis	6	管理層討論與分析	6
– Market Review		– 市場回顧	
– Business Review		– 業務回顧	
– Financial Review		– 財務回顧	
– Future Prospect		– 未來展望	
Other Information	16	其他資料	16
Report on Review of Condensed Consolidated Financial Statements	21	簡明綜合財務報表審閱報告	21
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	22	簡明綜合損益及其他全面收益表	22
Condensed Consolidated Statement of Financial Position	23	簡明綜合財務狀況表	23
Condensed Consolidated Statement of Changes in Equity	24	簡明綜合權益變動表	24
Condensed Consolidated Statement of Cash Flows	26	簡明綜合現金流量表	26
Notes to the Condensed Consolidated Financial Statements	27	簡明綜合財務報表附註	27

Corporate Information

公司資料

EXECUTIVE DIRECTORS

Mr. Xu Yejun
Mr. Sin Kwok Wai Ronald

NON-EXECUTIVE DIRECTORS

Mr. Chow Chi Wa
Ms. Yip Sum Yu

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cao Ke
Mr. Tong Yiu On
Mr. Li Yik Sang

CHIEF EXECUTIVE OFFICER

Mr. Lu Yongchao

COMPANY SECRETARY

Mr. Sin Kwok Wai Ronald

AUTHORISED REPRESENTATIVES

Mr. Sin Kwok Wai Ronald
Ms. Yip Sum Yu

AUDIT COMMITTEE

Mr. Tong Yiu On (*Chairman*)
Mr. Cao Ke
Mr. Li Yik Sang

REMUNERATION COMMITTEE

Mr. Cao Ke (*Chairman*)
Mr. Xu Yejun
Mr. Tong Yiu On
Mr. Li Yik Sang

NOMINATION COMMITTEE

Mr. Xu Yejun (*Chairman*)
Mr. Cao Ke
Mr. Tong Yiu On
Mr. Li Yik Sang

REGISTERED OFFICE

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執行董事

徐葉君先生
冼國威先生

非執行董事

周志華先生
葉芯瑜女士

獨立非執行董事

曹克先生
唐耀安先生
李奕生先生

行政總裁

呂永超先生

公司秘書

冼國威先生

授權代表

冼國威先生
葉芯瑜女士

審核委員會

唐耀安先生 (*主席*)
曹克先生
李奕生先生

薪酬委員會

曹克先生 (*主席*)
徐葉君先生
唐耀安先生
李奕生先生

提名委員會

徐葉君先生 (*主席*)
曹克先生
唐耀安先生
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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
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AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISERS

Chiu & Partners
Tang Tso & Lau

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited
China Citic Bank International Limited

COMPANY WEBSITE

www.sinoref.com.hk

STOCK CODE

Stock Exchange of Hong Kong: 1020

總辦事處及中國主要營業地點

中國江蘇省
宜興經濟開發區
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郵編214200

香港主要營業地點

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港灣道18號
中環廣場35樓

開曼群島股份過戶登記總處

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核數師

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法律顧問

趙不渝 馬國強律師事務所
鄧曹劉律師行

主要往來銀行

香港上海滙豐銀行有限公司
中信銀行(國際)有限公司

公司網址

www.sinoref.com.hk

股份代號

香港聯交所：1020

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board (“Board”) of directors (“Directors”) of Sinoref Holdings Limited (“Sinoref” or the “Company”, together with its subsidiaries, the “Group”), I am pleased to present the interim results of the Group for the six months ended 30 June 2015.

In the first half of 2015, amid the continuous slowdown of domestic growth, there was still an aggravated mismatch between the supply and demand in the steel industry with significant decrease in the market price of steel products and the demand for steel products remained weak. The consolidated price index for domestic steel products as at the end of June was 66.69, down 28.28% when compared with same period of last year, according to China Iron and Steel Association (CISA). With the over-capacity problem and the domestic pressure on environmental protection, the steel enterprises were facing significant operating pressure. The Ministry of Industry and Information Technology (MIIT) had said that China's bloated steel industry would continue to experience tough times this year despite years of government efforts to address overcapacity in the sector. Besides, the protectionist trade policy of various countries also imposed great pressure to the steel companies on export business. The steel flow control products industry was likewise been dragged down and affected by the difficult business environment, and the continued weak market conditions.

During the period under review, the Group's turnover was approximately RMB137.9 million, revenue generated from overseas markets surged to approximately RMB17.4 million, and recorded a loss of approximately RMB114.8 million. The Group had made an investment of approximately RMB16.7 million in research and development and being an officially certified “High-tech Enterprise”, it can enjoy a preferential tax rate of 15%. Moreover, the Group will continue to strive, with the advanced technology of strong research and development capabilities to provide quality products for our domestic and overseas customers, in order to tide over the difficulties with the iron and steel industry and maintain its market position in China. In fact, our high-quality products have earned the appreciation of leading steel manufacturers in Europe, Russia and Korea. We are confident that the Group will further enhance its leading position in the domestic market, and raise the brand recognition in the international market as well.

各位股東：

本人謹代表華耐控股有限公司（「華耐」或「本公司」，連同其附屬公司合稱「本集團」）董事（「董事」）會（「董事會」），欣然提呈本集團截至二零一五年六月三十日止六個月的中期業績。

二零一五年上半年，在國內經濟增長持續放緩的情況下，鋼鐵行業的供應和需求仍存在嚴重不匹配，鋼材產品的市場價格顯著下跌，鋼材產品的需求依然疲軟。根據中國鋼鐵工業協會資料，國內鋼材產品截至六月底的綜合價格指數為66.69，與去年同期相比下降28.28%。伴隨著產能過剩問題及面臨國內環保方面的壓力，鋼鐵企業經營面臨極大壓力。中國工業和信息化部（「工信部」）曾表示儘管多年來政府已努力在解決該行業產能過剩的問題，但今年中國龐大的鋼鐵行業將繼續經受考驗。加上各國貿易保護主義政策亦對鋼鐵企業的出口業務造成巨大壓力。鋼水控流產品行業也同樣受到拖累並受到嚴峻經營環境的影響，市場狀況持續不振。

於回顧期內，本集團的營業額約為人民幣13,790萬元，海外市場產生的收入飆升至約人民幣1,740萬元及錄得虧損約人民幣11,480萬元。本集團已投資約人民幣1,670萬元用於研發，並受官方認可為「高新技術企業」，可享15%的優惠稅率繳稅。此外，本集團將憑藉先進技術研發實力繼續竭力為國內外客戶提供優良產品，以與鋼鐵行業共渡時艱，維持其在中國的市場地位。事實上，我們的優質產品已得到了歐洲、俄羅斯及韓國領先鋼廠的認同。我們深信本集團將能進一步鞏固其在國內市場的領先地位，同時提升在國際市場的品牌認可度。

From time to time we review any investments including the structured financial products and potential business opportunities in the market, so as to generate additional income source for the Group. In May 2015, the Group entered into an agreement to the possible acquisition of a target group, which principally engaged in the business of e-commerce and information technology. Its information technology segment provides e-commerce solutions, the related support services and sell information technology products. The target group operates its products buying office by making resell to the overseas wholesale and retail customers through an e-commerce platform, and its sales are mainly made to overseas countries, including but not limited to the United States, the United Kingdom, Canada and Australia.

According to the (Opinions on the implementation of division of work under the report on the work of the government) issued by the State Council of the PRC on 25 March 2015, the PRC government planned to, among others, (i) formulate the "Internet Plus" action plan; (ii) promote the integration of modern manufacturing industry and mobile internet, cloud computing, big data and internet of things; (iii) encourage the development of e-commerce business; and (iv) guide the expansion of internet enterprises into international market. Taking into consideration of the potential growth in the e-commerce business and the favourable support from the PRC government, the Board is optimistic about the future development of e-commerce business and the industry in which the target group operates. The acquisition provides a prime opportunity with benefits for the Group to enter into the e-commerce industry, diversify the revenue stream of the Group and will boost our overall performance in future.

Moving forward, we believe the economic conditions are expected to improve, and we will exercise due caution to face the challenges ahead. Keeping our competitive edge in the steel flow control industry and our strategy to diversify towards more profitable businesses, we believe our Group will regain its strength in the foreseeable future and reward shareholders with better results.

Lastly, on behalf of the Board, I would like to take this opportunity to express our sincere gratitude to our staff for their dedication in the adverse and challenging environment, as well as to our shareholders and business partners for their continuous support and trust over the years.

Xu Yejun
Chairman

我們不時審閱包括結構性金融產品及市場上潛在業務機會在內的任何投資，以便本集團產生額外收入來源。於二零一五年五月，本集團訂立一份可能收購一間目標集團的協議，目標集團主要從事電子商務及資訊科技業務。其資訊科技分部提供電子商務解決方案、相關支持服務及銷售資訊科技產品。目標集團透過電子商務平台轉售至海外批發及零售客戶經營其產品採購辦事處，其主要銷售至海外國家，包括但不限於美國、英國、加拿大及澳洲。

根據中國國務院於二零一五年三月二十五日頒佈的《關於落實《政府工作報告》重點工作部門分工的意見》，中國政府計劃（其中包括）(i)制定「互聯網+」行動計劃；(ii)促進現代製造業與移動互聯網、雲端運算、大數據及物聯網的融合；(iii)鼓勵電子商務業務的發展；及(iv)指導互聯網企業進軍國際市場。考慮到電子商務業務的潛在增長及中國政府的大力支持，董事會對電子商務業務及目標集團經營的行業的未來發展甚為樂觀。收購事項為本集團提供進入電子商務行業之良機及拓寬本集團之收益來源，並將提升我們未來整體的業務表現。

展望未來，我們相信經濟狀況有望得到改善，及我們將會以謹慎態度迎接日後挑戰。通過保持我們在鋼水控流行業的競爭優勢以及進軍其他更可獲利業務的戰略，我們相信本集團必將在可見的將來重展實力，以優異的業績回報股東。

最後，本人謹代表董事會，藉此機會對在充滿挑戰的不利環境下，仍忠誠投入、竭盡所能的員工表示衷心致謝，同時感激各股東及業務夥伴多年以來的不斷支持和信任。

徐葉君
主席

Management Discussion and Analysis

管理層討論與分析

MARKET REVIEW

While the global economy continued its mild recovery, the Chinese economy remained on the path of moderation in the first half of 2015, and the Gross Domestic Product (GDP) in China expanded 7 percent in the second quarter of 2015 over the same quarter of 2014 as reported by the National Bureau of Statistics of China.

According to World Steel Association, the world crude steel production for the first six months of the year was approximately 813 million tonnes (mt), down by 2.4 percent when compared with the same period last year. China Iron and Steel Association (CISA) said that China's crude steel production for June 2015 was approximately 69 mt, down by 0.8 percent when compared to that of June 2014. And the data from the National Bureau of Statistics of China, had showed that the total steel output in China declined 1.3 percent to approximately 410 mt for the first half of 2015 compared with the same period a year ago, and output fell about 1.8 percent from April 2015 on a daily basis.

In fact, the steel prices had been in an incessant decline. The slowdown in China's steel industry has coincided with a surge in supply of iron ore, pushing prices of the steelmaking raw material down as much as 34 per cent this year, as reviewed by CISA. During the period under review, the oversupply condition of the steel market remained unresolved. Total steel product inventory level in China remained high and many unfavourable factors including price slide and raw material costs of steel have put huge pressure on and posted harsh challenges to the production and operation of steel enterprises. The decline of cost of raw material, iron ore virtually had lent no support to the weakness of steel prices and therefore steel enterprises were not able to reap any benefits from the lower raw material prices. Since our steel flow control product business is a steel-related industry, so the business of the Company was then affected adversely.

BUSINESS REVIEW

The Group is principally engaged in the manufacture and sale of advanced steel flow control products including subentry nozzle, stopper, tundish nozzle and ladle shroud. In the period under review, the production and operation of steel manufacturers in China were all under tremendous pressure and faced stiff challenges amidst the deteriorating global market and fluctuating iron ore prices. Engaging in the steel flow control product business, we in turn have to lower the average selling price of the products and thus affecting the profitability of the Group.

市場回顧

二零一五年上半年，雖然全球經濟持續溫和復蘇增長，然而，中國經濟仍處於放緩之中，按中國國家統計局記錄，中國國內生產總值第二季度較二零一四年同比增長7%。

根據國際鋼鐵協會的數字，與去年同期比較，本年首六個月全球粗鋼產量為約8億1,300萬噸，下降2.4%。中國鋼鐵工業協會（中鋼協）表示，二零一五年六月全國粗鋼產量為約6,900萬噸，較二零一四年六月下降0.8%。同時，中國國家統計局的數字顯示中國鋼材總產量在二零一五年上半年為約4億1,000萬噸，較去年同期下降1.3%，而日均產量則自二零一五年四月下跌約1.8%。

事實上，鋼材價格一直持續下跌。當中國鋼鐵工業放緩之際，鐵礦石供應恰巧急升，導致製鋼的原材料本年跌幅達34%（中鋼協數據）。於回顧期內，鋼鐵市場的供應過剩情況仍未得到解決。全國鋼材庫存高企加上多項不利因素，包括價格下跌及鋼材原料成本亦對鋼鐵企業的生產和運營均造成壓力和嚴峻挑戰。原料鐵礦石的價格回落對鋼材價格跌勢無甚幫助，使鋼鐵企業未能享受到原料降價帶來的利益。我們的鋼水控流產品業務作為鋼鐵相關行業之一，因此本公司的該項業務亦受到負面影響。

業務回顧

本集團主要從事製造及銷售高端鋼水控流產品，如浸入式水口、塞棒、中間包水口及長水口。於回顧期內，全球市場環境持續惡化及鐵礦石價格波動對中國鋼廠的生產及經營帶來了極大壓力和挑戰。由於本集團從事鋼水控流產品業務，受此影響，被迫調低產品的平均售價，進而對本集團的毛利率造成影響。

Striving to maintain its leading positions in the market for the period under review, the Group has solidified the foothold of its existing steel flow control products business, and at the same time developing new businesses and adopted a diversification strategy to explore opportunities for new sources of income. In order to attain a higher sales volume of the steel flow control products, the Group incurred higher research and development costs and selling and distribution costs, making our business and financial performances of the Group for the six months ended 30 June 2015 were therefore negatively affected.

CONSOLIDATED CUSTOMER BASE

The Group maintains good reputation in the industry as it applies advanced technology in the design and manufacture of advanced steel flow control products. Therefore, we enjoyed a concrete client base in the PRC market even under weak market conditions. The Group maintains good relations with its clients and works together with them to get through the hard times. Our leadership status remains intact and is recognised by our clients. We are still key suppliers of the top 10 steel manufacturers in the PRC, including Maanshan Steel, Baosteel Group, Shougang Group and Wuhan Steel.

EXPANDED GROWTH IN OVERSEAS MARKETS

During the period under review, the global economy has seen a moderate recovery. The management understands the importance of diversifying its customer base and has devoted its efforts to further expand the overseas market while consolidating Chinese market. The Group has built up the reputation of the brand “Sinoref” among the steel industry over the years and has successfully gained good reputation among many of the world’s most renowned steel manufacturers, including the world’s largest manufacturer, processor and distributor of special long steel products, Carboref GmbH. The Group continues to expand the overseas market and has devoted its efforts to expand the high-end market in mainland China, Asia and Europe. During the period under review, overseas revenue increased from approximately RMB16.9 million to approximately RMB17.4 million over the same period in 2014. The management of the Group is committed to raise the Group’s brand awareness overseas aiming at becoming an influential leader in the international market.

本集團於回顧期內努力維持市場領導地位，鞏固現有鋼水控流產品業務，並銳意開拓新業務，實行多元化業務策略，發展新收入來源之機會。為提高鋼水控流產品的銷量，本集團產生了更高的研究及開發成本、銷售及分銷成本，進而對本集團截至二零一五年六月三十日止六個月的業務經營及財務表現造成負面影響。

鞏固的客戶基礎

本集團在業界的聲譽良好，以領先技術設計和製造高端鋼水控流產品，即使在市場環境欠佳的情況下，本集團在中國市場仍擁有鞏固的客戶基礎。本集團與客戶擁有良好關係，並在行業經營困難時共渡時艱，獲得客戶一致肯定，維持領導地位。我們仍是中國十大鋼廠的主要供應商之一，包括馬鋼、寶鋼集團、首鋼集團及武漢鋼鐵。

在海外市場的擴展增長

於回顧期內，全球經濟維持溫和復甦，管理層清楚了解顧客群多元化的重要性，除了鞏固中國市場，亦致力進一步擴張海外市場。經過多年耕耘，本集團已在鋼鐵行業打響「Sinoref」品牌並成功獲得多家全球知名鋼鐵生產企業的青睞，包括世界最大的超長鋼材產品製造商、加工商及分銷商Carboref GmbH。本集團繼續拓展海外市場，致力開拓內地、亞洲、歐洲的高端市場。於回顧期內，海外市場收入由二零一四年同期的約人民幣1,690萬元增加至約人民幣1,740萬元。本集團管理層將致力增加本集團在海外的品牌知名度，矢志成為在國際市場上具有影響力的領導者。

DEVELOPED DIVERSIFIED BUSINESS

The Company strategy is to review potential business opportunity and investments from time to time, with an aim to develop business growth and provide a sustainable stream of cash flow and profit in the long run, so as to enhance shareholders' value. The Group made an announcement on 15 May 2015, in relation to the conditional offer for acquisition of the entire issued share capital of Soaring International Holdings Limited (Soaring) together with its subsidiaries, which is principally engaged in the business of e-commerce and information technology, at the consideration of HK\$380,000,000 which will be satisfied by the issue of a maximum of 520,000,000 new shares of the Company to be issued by the Company to the vendors (or their nominee(s)) pursuant to the acquisition agreement and the issue of the promissory note in the principal amount of HK\$213,600,000 at the interest rate of 2% per annum to be issued by the Company to the vendors (or their nominee(s)) pursuant to the acquisition agreement ("Soaring Acquisition Agreement"). The Directors consider that this acquisition will broaden the revenue base and provide an excellent opportunity for the Group business development in future; and the details of this conditional offer to acquire Soaring and its subsidiaries can be found in the announcement on 15 May 2015.

ENHANCED RESEARCH AND DEVELOPMENT

As at 30 June 2015, the Group has a total of 21 registered patents. The strong research and development capability is a core competitive edge of the Group that has helped the Group become China's second largest advanced steel flow control product manufacturer just a few years after its founding. Apart from further developing its steel flow control products business, the Group has also been seeking potential opportunities in steel-related as well as non-steel related businesses. During the period under review, the Group further boosted its investment in research and development to further diversify its business. For the six months ended 30 June 2015, the Group's research and development team has 31 professionals, and the expenses on research and development amounted to approximately RMB16.7 million, representing approximately 12% of the Group's total revenue. As a result, the Group has adopted a number of leading self-developed technologies which enable the Group to enjoy a preferential tax rate as a Chinese High-tech Enterprise, supporting future earnings to record new heights.

開拓多元化業務

本公司之策略乃為不時檢視潛在業務機遇及投資，旨在發展業務並提供長期可持續現金流及利潤來源，以提升股東之價值。本集團於二零一五年五月十五日作出公佈，內容有關收購 Soaring International Holdings Limited (Soaring) 連同其附屬公司（主要從事電子商務及資訊科技業務）全部已發行股本的有條件要約，代價為380,000,000港元，該代價將以發行本公司根據收購協議將向賣方（或其代名人）發行的最多520,000,000股本公司新股份及發行本公司根據收購協議（「Soaring收購協議」）將向賣方（或其代名人）發行的年利率2%的本金額為213,600,000港元的承兌票據的方式繳付。董事認為該項收購將擴闊收入基礎並為本集團日後的業務發展提供良機；收購Soaring及其附屬公司的有條件要約詳情請參閱日期為二零一五年五月十五日的公佈。

加強研究和開發

於二零一五年六月三十日，本集團合共擁有21項註冊專利。強大的研發能力乃是本集團的核心競爭優勢，協助本集團於創立短短數年內，成為中國第二大高端鋼水控流產品製造商。除了進一步發展其鋼水控流產品業務外，本集團也一直在鋼鐵相關及非鋼鐵相關業務中尋求潛在商機。於回顧期內，本集團進一步加大研發投資力度，以進一步增加業務種類。截至二零一五年六月三十日止六個月，本集團的研發團隊有31名專業人員，研發費用約為人民幣1,670萬元，約佔本集團總收入的12%。因此，本集團採用了多項領先的自主研發技術，從而得以享有中國高新技術企業優惠稅率，支持未來盈利以創新高。

FINANCIAL REVIEW

Revenue

Advanced Steel Flow Control Products

For the six months ended 30 June 2015, the Group's revenue from steel flow control products was approximately RMB121.5 million, representing an increase of approximately 18.2% as compared with approximately RMB102.8 million for the same period in 2014. The revenue increase was mainly due to (i) expand our overseas market from approximately RMB16.9 million for the six months ended 30 June 2014 to approximately RMB17.4 million for the same period in 2015; and (ii) the significant drop in our average selling price to boost our sales. Total sale volume increased by approximately 29.5% from 6,245 tonnes for the six months ended 30 June 2014 to 8,087 tonnes for the same period in 2015.

Paper Converting Equipment and Other Relating Equipment

The Group's had acquired paper converting equipment business in April 2014 through the acquisition of the Accura Group. The revenue contributed by its paper converting equipment business was approximately RMB13.6 million for the six months ended 30 June 2015.

Cost of Sales

The Group's cost of sales mainly consists of costs of raw materials, labour, depreciation and other costs directly related to sales. During the six months ended 30 June 2015, the Group's cost of sales increased by approximately 29.5% from approximately RMB119.0 million for the six months ended 30 June 2014 to approximately RMB154.1 million. The significant increase was mainly attributable to the increase in our sale volume during the period under review.

Gross Loss

Due to the sluggish market demand in the steel industry, the Group experienced a gross loss of approximately RMB16.2 million for the six months ended 30 June 2015. For the six months ended 30 June 2014, the Group recorded a gross loss of approximately RMB11.6 million. The gross loss was mainly resulted from our significant cut down on our average products price in order to capture the market in the current competitive environment.

財務回顧

收入

高端鋼水控流產品

截至二零一五年六月三十日止六個月，本集團來自鋼水控流產品的收入約為人民幣12,150萬元，較二零一四年同期約人民幣10,280萬元增加約18.2%。收入增加的主要原因是(i)我們的海外市場從截至二零一四年六月三十日止六個月的約人民幣1,690萬元擴展至二零一五年同期的約人民幣1,740萬元；及(ii)大幅降低我們的平均售價以增加我們的銷售。總銷量從截至二零一四年六月三十日止六個月的6,245噸增加約29.5%至二零一五年同期的8,087噸。

紙張加工設備及其他相關設備

本集團於二零一四年四月透過收購Accura集團收購紙張加工設備業務。截至二零一五年六月三十日止六個月，紙張加工設備業務貢獻的收入約為人民幣1,360萬元。

銷售成本

本集團的銷售成本主要包括原材料成本、勞工成本、折舊及與銷售直接有關的其他銷售成本。截至二零一五年六月三十日止六個月，本集團之銷售成本由截至二零一四年六月三十日止六個月約人民幣11,900萬元增加約29.5%至約人民幣15,410萬元。銷售成本大幅增加，主要是由於回顧期內銷售量增加所致。

毛損

由於鋼鐵行業市場需求萎靡，本集團於截至二零一五年六月三十日止六個月錄得毛損約人民幣1,620萬元。截至二零一四年六月三十日止六個月，本集團錄得毛損約人民幣1,160萬元。毛損主要由於我們大幅降低產品平均價格以在當前競爭激烈的環境下獲得市場份額所致。

Impairment Loss Recognised in Respect of Property, Plant and Equipment

Due to the weakening of steel market in China and the continuing decline in steel demand and price, the recoverability of the relevant carrying amounts of the Group's plant and equipment exceeded their recoverable amounts. An impairment loss of approximately RMB11.0 million has been recognised for the six months ended 30 June 2015 (for the six months ended 30 June 2014: RMB18.4 million).

Impairment Loss Recognised in Respect of Trade Receivables

As the repayment ability of Chinese steel enterprises deteriorates, an impairment loss for trade receivables has been recognised. For the six months ended 30 June 2015, impairment loss for trade receivables amounted to approximately RMB31.0 million (for the six months ended 30 June 2014: RMB25.9 million).

Selling and Distribution Costs

The Group's selling and distribution costs comprised sales commission, sales staff costs and transportation costs. During the six months ended 30 June 2015, the Group's selling and distribution costs increased by approximately RMB3.3 million to RMB16.0 million, representing an increase of around 26.0% from approximately RMB12.7 million for the six months ended 30 June 2014. The increase was mainly attributable to the increase in sales volume during the period under review.

Administrative Expenses

The Group's administrative expenses increased by around 15.8% from approximately RMB27.9 million for the six months ended 30 June 2014 to approximately RMB32.3 million for the same period ended 30 June 2015. The significant increase was mainly attributable to the increase in research and development expenses of approximately RMB16.7 million. The Group has devoted more resources to research and development for creating more new products to meet with our customers' needs.

Finance Costs

The Group's finance costs were approximately RMB0.8 million for the six months ended 30 June 2015 (for the six months ended 30 June 2014: RMB0.4 million). The interest rate for bank loan was at a fixed interest rate of 6.38% per annum (2014: 6.9%).

就物業、廠房及設備確認的減值虧損

由於中國鋼鐵市場下行，鋼鐵需求及價格持續走低，本集團廠房及設備之有關賬面值的可收回性超出其可收回金額。截至二零一五年六月三十日止六個月已確認減值虧損約人民幣1,100萬元（截至二零一四年六月三十日止六個月：人民幣1,840萬元）。

就貿易應收賬款確認的減值虧損

由於中國鋼鐵企業還款能力變差，引致貿易應收賬款出現減值虧損。截至二零一五年六月三十日止六個月，貿易應收賬款的減值虧損約人民幣3,100萬元（二零一四年六月三十日止六個月：人民幣2,590萬元）。

銷售及分銷成本

本集團的銷售及分銷成本包括銷售佣金、銷售人員成本及運輸成本。截至二零一五年六月三十日止六個月，本集團的銷售及分銷成本由截至二零一四年六月三十日止六個月約人民幣1,270萬元增加約人民幣330萬元（即約26.0%）至人民幣1,600萬元。成本增加主要是由於回顧期內銷量增加所致。

行政開支

本集團的行政開支由截至二零一四年六月三十日止六個月約人民幣2,790萬元，增加約15.8%至截至二零一五年六月三十日止同期約人民幣3,230萬元。開支大幅增加，主要歸因於研發開支增加約人民幣1,670萬元。本集團投放更多資源於研發活動，以創造更多新產品滿足客戶需要。

財務成本

截至二零一五年六月三十日止六個月，本集團的財務成本約為人民幣80萬元（截至二零一四年六月三十日止六個月：人民幣40萬元）。銀行貸款利率為固定利率每年6.38%（二零一四年：6.9%）。

Taxation

One of the Group's PRC subsidiaries has successfully obtained the Chinese High-tech Enterprise Certification (中國高新技術企業認證). Consequently, this PRC subsidiary was entitled to the PRC Enterprise Income Tax ("EIT") rate of 15% until 2015. The EIT rate for another PRC subsidiary is 25%.

Loss and total Comprehensive Expense for the Period

As a result of the abovementioned challenges, the Group's loss and total comprehensive expense for the period was RMB114.8 million while the loss and total comprehensive expense was approximately RMB92.3 million for the six months ended 30 June 2014. The loss was mainly due to a combination of factors, which include (i) the significant drop of our average products price; (ii) impairment loss in respect of property, plant and equipment and (iii) impairment loss in respect of trade receivables. The Group's basic loss per share was approximately RMB7.00 cents for the six months ended 30 June 2015, compared to a basic loss per share of approximately RMB6.50 cents for the six months ended 30 June 2014.

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: nil).

Capital Structure, Liquidity and Financial Resources

During the period under review, the Group had completed two placing of existing Shares and subscription of new Shares of the Company ("Shares"). The first placing and the subscription were completed on 16 April 2015 and 8 May 2015 respectively and a total of 170,000,000 Shares were allotted and issued at HK\$0.31 per new Share. The net proceeds raised were approximately HK\$52 million. For the first placing, approximately HK\$30 million was used for debt repayment, approximately HK\$0.9 million was used for general administration expenses, and the balance as deposit in bank. The second placing and the subscription ("Second Top-up Placing") were completed on 2 June 2015 and 17 June 2015 respectively and a total of 313,000,000 Shares were allotted and issued at HK\$0.35 per new Share. The net proceeds raised were approximately HK\$109 million. For second placing, the net proceeds were intended to be used as general working capital and/or funds finance potential investment projects.

稅項

本集團一家中國附屬公司成功取得中國高新技術企業認證。因此，該中國附屬公司有權按15%的稅率繳納中華人民共和國企業所得稅（「企業所得稅」）至二零一五年止。另一家中國附屬公司的企業所得稅稅率為25%。

期內虧損及全面開支總額

基於上述挑戰，本集團於本期間內之虧損及全面開支總額為人民幣11,480萬元，而截至二零一四年六月三十日止六個月之虧損及全面開支總額約為人民幣9,230萬元。虧損主要是由於多個因素的共同影響，其中包括(i)我們的產品平均價格大幅下跌；(ii)物業、廠房及設備減值虧損及(iii)貿易應收賬款減值虧損。本集團截至二零一五年六月三十日止六個月每股基本虧損約為人民幣7.00分，而截至二零一四年六月三十日止六個月每股基本虧損約為人民幣6.50分。

中期股息

董事會並不建議派付截至二零一五年六月三十日止六個月的中期股息（截至二零一四年六月三十日止六個月：零）。

資本架構、流動資金及財務資源

於回顧期內，本集團已完成兩次現有股份配售及本公司新股份（「股份」）認購。首次配售及認購分別於二零一五年四月十六日及二零一五年五月八日完成，合共170,000,000股股份按每股新股份0.31港元配售及發行。募集的所得款項淨額約為5,200萬港元。就首次配售而言，約3,000萬港元乃用於償還債務、約90萬港元乃用於一般行政開支及結餘乃用作銀行存款。第二次配售及認購（「第二次先舊後新配售」）分別於二零一五年六月二日及二零一五年六月十七日完成，合共313,000,000股股份按每股新股份0.35港元配售及發行。募集的所得款項淨額約為10,900萬港元。就第二次配售而言，所得款項淨額擬用作一般營運資金及／或為潛在投資項目提供資金。

For the six months ended 30 June 2015, the Group's net cash used in operating activities was approximately RMB93.6 million (for the six months ended 30 June 2014: RMB107.9 million net cash from operating activities) and the Group's bank balances and cash as at 30 June 2015 was approximately RMB101.9 million (31 December 2014: RMB102.7 million).

Total equity of the Group as at 30 June 2015 was approximately RMB550.5 million (31 December 2014: RMB526.5 million). The Group has an outstanding bank loan of approximately RMB20.0 million as at 30 June 2015 (31 December 2014: RMB20.0 million). The loan carries a fixed interest at 6.38% (31 December 2014: 6.9%) per annum and is repayable within one year.

As at 30 June 2015, the Group's gearing ratio, which was calculated on the basis of total borrowings as a percentage of shareholder equity, was 8.4% (as at 31 December 2014: 3.8%).

Pledge of Assets

As at 30 June 2015, the Group pledged certain of its property, plant and equipment and land use rights with aggregate carrying value of approximately RMB31.5 million (as at 31 December 2014: 32.3 million) as collaterals for the bank borrowing granted to the Group.

EXPOSURE TO FOREIGN EXCHANGE RISK AND CURRENCY POLICY

Certain transactions of the Group are denominated in Hong Kong dollars ("HKD"), Euro dollars ("EUR") and US dollars ("USD") which are other than the functional currency of the relevant group entities (i.e. RMB), which expose the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

During the Period, the Group did not experience any material difficulty or negative effect on its operations or liquidity as a result of fluctuations on currency exchange rates.

截至二零一五年六月三十日止六個月，本集團經營業務所用現金淨額約為人民幣9,360萬元（截至二零一四年六月三十日止六個月：從經營業務所得現金淨額為人民幣10,790萬元），而本集團於二零一五年六月三十日的銀行結餘及現金約為人民幣10,190萬元（二零一四年十二月三十一日：人民幣10,270萬元）。

本集團於二零一五年六月三十日的權益總額約為人民幣55,050萬元（二零一四年十二月三十一日：人民幣52,650萬元）。於二零一五年六月三十日，本集團尚未償還銀行貸款約為人民幣2,000萬元（二零一四年十二月三十一日：人民幣2,000萬元）。該貸款以6.38%（二零一四年十二月三十一日：6.9%）的固定年利率計息及須於一年內償還。

於二零一五年六月三十日，本集團的資產負債比率（按總借貸佔股東權益百分比計算）為8.4%（於二零一四年十二月三十一日：3.8%）。

資產抵押

於二零一五年六月三十日，本集團將若干總賬面值約為人民幣3,150萬元（於二零一四年十二月三十一日：人民幣3,230萬元）的物業、廠房及設備以及土地使用權抵押以作為本集團獲授的銀行借貸的抵押品。

外匯風險及貨幣政策

本集團若干交易以港元、歐元及美元計值，而港元、歐元及美元為有關集團實體的功能貨幣（即人民幣）以外的貨幣，令本集團面對外幣風險。本集團並無外幣對沖政策。然而，管理層監控外匯風險，並於有需要時考慮對沖重大外幣風險。

期內，本集團並無因貨幣匯率的波動而令營運或流動資金出現任何重大困難或負面影響。

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

Except for the acquisition of Time Credit Limited by the Company as details in note 22 to the condensed consolidated financial statements, there was no material acquisition/disposal during the period under review.

During the period under review, except for investments in its subsidiaries, the Company did not hold any significant investment in equity interest in any other company.

The Group has always been investing significantly in research and development activities. Such expenditure amounted to about RMB16.7 million for the period ended 30 June 2015.

Capital Commitments and Future Plans for Material Investments or Capital Assets

As of 30 June 2015, the total capital commitments by the Group amounted to approximately RMB7.4 million which were mainly made up of contracted/authorised commitments in respect of the acquisition of property, plant and equipment.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group had not provided any form of guarantee to any company outside of the Group. The Group is not involved in any current material legal proceedings, nor is it aware of any pending or potential material legal proceedings involving the Group.

HUMAN RESOURCES AND STAFF REMUNERATION

As at 30 June 2015, the Group had 384 staff members employed in mainland China and Hong Kong (2014: 382). During the period under review, the Group had continued to devote significant resources to bolster its training programme, providing training and study opportunities for management staff and professional technicians. In addition, the Group has provided timely updates to all staff about the latest government policies related to the industry to continuously enhance the professional standard and quality of the staff. Meanwhile, the Group has provided competitive remuneration for its staff which encourages their commitment and enhances their professionalism.

重大收購及出售附屬公司及聯營公司

除本公司收購友邦信貸有限公司（詳情載於簡明綜合財務報表附註22）外，回顧期內並無重大收購／出售事項。

於回顧期內，除投資其附屬公司外，本公司概無於任何其他公司持有任何重大股權投資。

本集團一直大量投資於研發活動。於截至二零一五年六月三十日止期間，該等開支達約人民幣1,670萬元。

資本承擔及重大投資或資本資產的未來計劃

於二零一五年六月三十日，本集團總資本承擔達約人民幣740萬元，主要由與收購物業、廠房及設備有關的合約／法定承擔組成。

或然負債

於二零一五年六月三十日，本集團並無為本集團以外任何公司提供任何形式的擔保。本集團現時並無涉及任何重大法律程序，且並不知悉任何未解決或潛在的重大法律程序。

人力資源及僱員薪酬

於二零一五年六月三十日，本集團於中國大陸及香港合共聘用384位員工（二零一四年：382位）。於回顧期內，本集團繼續投入大量資源加強培訓計劃，為管理人員及專業技術人員提供培訓及學習的機會。另外，本集團亦向全體員工及時傳達政府針對行業的最新政策，不斷提高員工的專業水準及素質。同時，本集團為員工提供具競爭力的薪資，激勵員工投入工作，提升專業精神。

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 23 to the condensed consolidated financial statements.

FUTURE PROSPECTS

Going forward while we expect market competition to remain stiff, the steel industry has had weak performances in the first half of 2015, our management is then cautious of its outlook in the second half of the year, given that there are continuously improving economic conditions under the supportive economic policies of the government on existing infrastructure and construction.

The recent economic transition to a new normal economy in China is affecting the early-cycle commodities such as steel. China's steelmakers has reduced output as the slide of steel prices has underscored the weakening domestic demand while the China economic climate seeks to shift away from investment-led growth to a consumption-driven economy, which in turn has been deepening a slowdown in construction.

The Chinese government would ever follow-through on a plan to shrink the steel industry. In fact, steel mills in China face "massive losses" as prices decline while demand reaches its seasonal low during the summer months. The second quarter business is even tougher than the first half of 2015 for the mills. It is recently announced by the Ministry of Environmental Protection that the government intends on playing a more active role in making the steel industry more environmentally sustainable. Thus, the Chinese government will soon offer legal and financial incentives to steel mills that use scrap metal as a raw material, in the hopes of weaning the industry off far more polluting and energy-intensive iron ore production.

Above all, the PRC government has continuously dedicated significant efforts to eliminate obsolete and excess capacity in steel industry and it is believed that this will create a healthier and balanced supply-demand condition. With the new financial incentives to steel mills and related government policies, we expect the oversupply situation of steel in China can be eased, and we believe that it will gradually boost the demand for our advanced steel flow control products.

報告期後事項

報告期後發生的重大事件詳情載於簡明綜合財務報表附註23。

未來展望

展望未來，儘管市場競爭依然激烈，鋼鐵行業於二零一五年上半年表現依然疲弱，但鑒於在政府對現有基礎設施及建設的扶持政策刺激下，經濟狀況持續改善，本公司管理層對下半年行業前景持謹慎態度。

中國向經濟新常態的過渡正在影響鋼材等早週期商品。由於國內需求疲弱導致鋼材價格下滑，中國的鋼材製造商已經開始減產，而中國經濟氣候尋求從投資主導型增長轉向消費驅動型經濟，進一步加快了建築行業的衰退。

中國政府將堅持其一貫的鋼鐵行業瘦身計劃。實際上，由於價格下跌而夏季的鋼材需求已下滑至該季節之低谷，中國的鋼廠正面臨「重大虧損」。對鋼廠而言，第二季度行情較之二零一五年上半年更為嚴峻。環境保護部最近宣佈，政府有意發揮更積極的作用，以促進鋼鐵行業綠色可持續性發展。因此，中國政府將儘快向使用廢料作為原料的鋼廠提供法律及財務激勵，以使該行業擺脫污染嚴重及大量消耗能源的鐵礦石生產。

最重要的是，中國政府一直繼續致力於淘汰鋼鐵行業的落後和過剩產能，而此舉必將會創造一個更為健康且供需平衡的環境。針對鋼廠新的財務激勵以及政府的相關政策預期將能夠緩減中國鋼材供過於求之局面，我們相信這將會逐漸增加市場對高端鋼水控流產品的需求。

To enhance shareholders' value, the Group will follow its strategy to review potential business opportunities and investments from time to time. In addition to the business of manufacturing steel flow control products, the Group is also identifying proper investments with growth potential and capable of providing steady cash flows and profits in the long term. On 13 July 2015, the Company entered into a memorandum of understanding (MOU) with the Investor in relation to the proposed investments by the Investor in the Company. The Investor is an asset management company established in the PRC and approved by the China Securities Regulatory Commission. More details about the MOU can be found in the announcement on 13 July 2015. This can be a good opportunity for the Group to develop a new business platform through the network of the Investor to establish revenue stream in our future business choices.

本集團將貫徹策略，不時檢討有潛力之商機及投資，以增加股東價值。除鋼水控流產品業務外，本集團亦物色具發展機會且長遠可提供穩定現金流量及溢利之合適投資。於二零一五年七月十三日，本公司與投資者訂立諒解備忘錄（「諒解備忘錄」），內容有關本公司投資者建議的投資。投資者為於中國成立的資產管理公司並由中國證券監督管理委員會審批。有關諒解備忘錄的其他詳情請參閱日期為二零一五年七月十三日的公告。此舉為本集團透過投資者網絡發展新業務平台的良機，在日後的商業選擇中可帶來收入來源。

Other Information

其他資料

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company had complied with all the code provisions (the “Code Provisions”) as set out in the Corporate Governance Code and Corporate Governance Report, contained in Appendix 14 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the six months ended 30 June 2015, except for Code Provision A.6.7 in respect of the attendant of independent non-executive directors and other non-executive directors in the general meetings.

According to Code Provision A.6.7, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to other business engagement, our independent non-executive Directors and one of our non-executive Directors could not attend 2014 annual general meeting held on 28 April 2015. However, at the 2014 annual general meeting, there were executive Directors and some non-executive Directors present to enable the Board to develop a balanced understanding of the views of the shareholders of the Company.

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

The Company has adopted a code of conduct (the “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 to the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they had complied with the required standard set out in the Code of Conduct during the six months ended 30 June 2015.

REVIEW OF ACCOUNTS

The audit committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2015, including the accounting principles and practices adopted by the Group, in conjunction with Elite Partners CPA Limited.

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

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company’s listed securities.

遵守企業管治守則

本公司截至二零一五年六月三十日止六個月一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治常規守則及企業管治報告之所有守則條文（「守則條文」），惟並無遵守守則條文第A.6.7條有關獨立非執行董事及其他非執行董事出席股東大會的規定。

根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會及對股東的意見有公正的瞭解。由於其他公務事宜，我們的獨立非執行董事及一名非執行董事未能出席於二零一五年四月二十八日舉行之二零一四年股東週年大會。然而，於二零一四年股東週年大會上，執行董事及若干非執行董事之出席足以使董事會對本公司股東的意見有公正的瞭解。

遵守上市發行人董事進行證券交易的標準守則

本公司已採納有關董事進行證券交易的操守守則（「操守守則」），其條款的嚴格程度不下於上市規則附錄十所載上市發行人董事進行證券交易的標準守則所載的規定標準。經向全體董事作出具體查詢後，全體董事已確認彼等於截至二零一五年六月三十日止六個月內一直遵守操守守則所載的規定標準。

審閱賬目

本公司之審核委員會已聯同開元信德會計師事務所有限公司審閱本集團截至二零一五年六月三十日止六個月之未經審核簡明綜合財務報表，包括本集團採納之會計原則及慣例。

購買、出售或贖回本公司上市證券

於截至二零一五年六月三十日止六個月，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

SHARE OPTION SCHEME

The Company operates a share option scheme ("Share Option Scheme"), which was adopted on 7 June 2010 for the purpose of providing incentives or rewards to selected eligible participants for their contribution to the Group. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for ten years from 7 June 2010.

Movement of the Share Options

Movements of the share options under the Share Option Scheme for the six months ended 30 June 2015 are as follows:

Grantee 承授人	Date of grant 授出日期	Exercise price (HK\$) 行使價 (港元)	Outstanding as at 1 January 2015	Number of share option 購股權數目			Outstanding as at 30 June 2015	
			於二零一五年 一月一日 尚未行使	Granted 已授出	Exercised 已行使	Cancelled 已註銷	Lapsed 已失效	於二零一五年 六月三十日 尚未行使
Executive Director 執行董事								
Mr. Sin Kwok Wai Ronald	3 February 2015	0.241	–	15,000,000 (Note 1)	–	15,000,000	–	
冼國威先生	二零一五年二月三日							
	16 March 2015	0.32	–	15,000,000 (Note 2)	–	–	–	
	二零一五年三月十六日							
							15,000,000 (Note 2)	
Non-Executive Director 非執行董事								
Ms. Yip Sum Yu	3 February 2015	0.241	–	15,000,000 (Note 1)	–	15,000,000	–	
葉芯瑜女士	二零一五年二月三日							
	16 March 2015	0.32	–	15,000,000 (Note 2)	–	–	–	
	二零一五年三月十六日							
							15,000,000 (Note 2)	
Senior Management 高級管理層								
Mr. Lu Yongchao	3 February 2015	0.241	–	15,000,000 (Note 1)	–	15,000,000	–	
呂永超先生	二零一五年二月三日							
	16 March 2015	0.32	–	15,000,000 (Note 2)	–	–	–	
	二零一五年三月十六日							
							15,000,000 (Note 2)	
Employees 僱員								
Employees	3 February 2015	0.241	–	75,000,000 (Note 1)	–	75,000,000	–	
僱員	二零一五年二月三日							
	16 March 2015	0.32	–	75,000,000 (Note 2)	–	–	–	
	二零一五年三月十六日							
							75,000,000 (Note 2)	
Total 合計			–	120,000,000	–	–	–	120,000,000

購股權計劃

本公司設有一項購股權計劃（「購股權計劃」），該計劃於二零一零年六月七日已獲採納，目的是向經甄選合資格參與者提供激勵或獎勵，以表彰彼等對本集團作出之貢獻。除非另行註銷或修訂，否則購股權計劃將由二零一零年六月七日起一直有效，為期十年。

購股權變動

截至二零一五年六月三十日止六個月，購股權計劃項下之購股權變動如下：

Notes:

1. These options should be valid for a term of three years commencing from 3 February 2015. The closing price of the Company's shares on 2 February 2015 (the trading day immediately before the date on which these options were granted) was HK\$0.236. As disclosed in the announcement of the Company dated 4 February 2015, these options were cancelled with effect from 4 February 2015 with the approval from the board of Directors.
2. These options should be valid for a term of three years commencing from 16 March 2015. The closing price of the Company's shares on 13 March 2015 (the trading day immediately before the date on which these options were granted) was HK\$0.25.

The fair value of equity-settled share options granted during the interim period ended 30 June 2015 was estimated as at the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	0.00
Expected volatility (%)	72
Risk-free interest rate (%)	0.335
Expected life of options (year)	1.50
Closing share price at grant date (HK\$)	0.32

The expected life of the options is based on management expectation and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The fair value of equity-settled share options granted during the interim period was approximately RMB10,407,000 of which the Group recognised a share option expense of approximately RMB10,407,000 during the interim period.

INTERESTS AND SHORT POSITIONS OF OUR DIRECTORS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF OUR COMPANY AND OUR ASSOCIATED CORPORATIONS

As at 30 June 2015, none of the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code").

附註：

1. 該等購股權有效期為三年，自二零一五年二月三日起生效。本公司股份於二零一五年二月二日（緊接該等購股權授出日期前的交易日）的收市價為0.236港元。誠如本公司日期為二零一五年二月四日之公佈所披露，經董事會批准，該等購股權被註銷，自二零一五年二月四日起生效。
2. 該等購股權有效期為三年，自二零一五年三月十六日起生效。本公司股份於二零一五年三月十三日（緊接該等購股權授出日期前的交易日）的收市價為0.25港元。

於截至二零一五年六月三十日止中期期間，授出之股本結算購股權之公平值乃於授出購股權日期以「柏力克－舒爾斯」期權定價模式作出估計，並經計及所授購股權之條款及條件。下表載列所採用模式之參數：

派息率(%)	0.00
預期波幅(%)	72
無風險利率(%)	0.335
購股權之估計年期(年)	1.50
於授出日期之收市價(港元)	0.32

購股權之估計年期乃根據管理層預期釐定，並不能標示可能出現之行使規律。預期波幅反映歷史波幅可標示未來趨勢之假設，但未必為實際結果。

於中期期間，授出股本結算購股權之公平值為約人民幣10,407,000元，其中本集團於中期期間確認一項購股權開支約人民幣10,407,000元。

董事於本公司及其相聯法團的股份、相關股份或債券中的權益及淡倉

於二零一五年六月三十日，本公司董事或行政總裁概無於本公司或其任何相關聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中擁有須記錄於根據證券及期貨條例第352條須存置的本公司登記冊中的任何權益或淡倉，或根據證券及期貨條例第XV部或上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的任何權益及淡倉。

As at 30 June 2015, none of the Directors or chief executive of the Company had any interest or short positions of the in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code.

Interest Discloseable under the SFO and Substantial Shareholders

So far as our Directors are aware, as at 30 June 2015, other than a Director or chief executive of our Company whose interests are disclosed under the sub-paragraph headed “Interests and short positions of our Directors in the Shares, underlying Shares or debentures of our Company and our associated corporations” above, the following persons had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who are, directly or indirectly, interested in 5% or more of the shares:

於二零一五年六月三十日，概無本公司董事或行政總裁於本公司或其任何相關聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中擁有須記錄於根據證券及期貨條例第352條須存置的本公司登記冊中的任何權益或淡倉，或根據證券及期貨條例第XV部或標準守則須知會本公司及聯交所的任何權益或淡倉。

根據證券及期貨條例須予披露的權益及主要股東

據董事所知，於二零一五年六月三十日，除本公司董事或主要行政人員外（其權益於上文分段「董事於本公司及其相聯法團的股份、相關股份或債券中的權益及淡倉」披露），以下人士擁有須根據證券及期貨條例第XV部第2及3分部的規定向本公司披露的股份或相關股份權益或淡倉，或直接或間接於5%或以上股份擁有權益：

Name of Shareholder 股東姓名	Capacity/Nature of interest 身份／權益性質	Number and class of securities held 所持證券數目及類別 (Note 1) (附註1)	Approximate percentage of shareholding 概約股權百分比
Mr. Jiang Qi Hang 江啟航先生	Interest in a controlled corporation 受控制法團權益	205,012,000 Shares (L) (Note 2) 205,012,000股股份(L) (附註2)	10%
Mr. Ng Hang Fai Calvin 吳恒輝先生	Interest in a controlled corporation 受控制法團權益	130,000,000 Shares (L) (Note 3) 130,000,000股股份(L) (附註3)	6.34%
	Beneficial Owner 實益擁有人	260,000,000 Shares (L) (Note 4) 260,000,000股股份(L) (附註4)	12.7%
Mr. Lee Yim 李儼先生	Beneficial Owner 實益擁有人	260,000,000 Shares (L) (Note 4) 260,000,000股股份(L) (附註4)	12.7%
Fully Wealth Inc.	Beneficial owner 實益擁有人	205,012,000 Shares (L) (Note 2) 205,012,000股股份(L) (附註2)	10%
Win All Management Limited	Beneficial owner 實益擁有人	130,000,000 Shares (L) (Note 3) 130,000,000股股份(L) (附註3)	6.34%

Notes:

1. The letter “L” denotes the person’s long position in our Shares.
2. Fully Wealthy Inc. is the legal and beneficial owner of approximately 10% of the entire issued share capital of the Company. Fully Wealthy Inc. is wholly owned by Mr. Jiang Qi Hang.
3. Win All Management Limited is the legal and beneficial owner of approximately 6.34% of the entire issued share capital of the Company. Win All Management Limited is wholly owned by Mr. Ng Hang Fai Calvin.
4. The long position denotes the interests of the vendors (i.e. Mr. Ng Hang Fai Calvin and Mr. Lee Yim) pursuant to the Soaring Acquisition Agreement, details of which were set out in the paragraph headed “Developed Diversified Business” above.

附註：

1. 「L」代表該人士於本公司股份之好倉。
2. Fully Wealthy Inc.為本公司全部已發行股本約10%的合法及實益擁有人。Fully Wealthy Inc. 乃由江啟航先生全資擁有。
3. Win All Management Limited 為本公司全部已發行股本約6.34%的合法及實益擁有人。Win All Management Limited乃由吳恒輝先生全資擁有。
4. 好倉指賣方（即吳恒輝先生及李儼先生）根據Soaring收購協議所擁有之權益，詳情載於上文「開拓多元化業務」一段。

Report on Review of Condensed Consolidated Financial Statements

簡明綜合財務報表審閱報告



開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

TO THE BOARD OF DIRECTORS OF SINOREF HOLDINGS LIMITED
(incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Sinoref Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 22 to 52, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with the Hong Kong Standard on Review Engagements 2400 (Revised) “Engagements to Review Historical Financial Statements” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Elite Partners CPA Limited
Certified Public Accountants

Yip Kai Yin
Practising Certificate Number P05131
Hong Kong, 28 August 2015

致華耐控股有限公司董事會
(於開曼群島註冊成立之有限公司)

緒言

我們已審閱列載於第22至52頁的華耐控股有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）簡明綜合財務報表，該等簡明綜合財務報表包括於二零一五年六月三十日的簡明綜合財務狀況表，及截至該日止六個月期間的相關簡明綜合損益及其他全面收益表、權益變動表及現金流量表，以及若干解釋附註。香港聯合交易所有限公司主板證券上市規則要求應遵照相關條例及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」（「香港會計準則第34號」）編製有關中期財務資料的報告。貴公司董事需要負責根據香港會計準則第34號編製及呈報該等簡明綜合財務報表。我們的責任是根據我們審閱工作的結果，對該等簡明綜合財務報表表達結論，並按照我們雙方所協議的委聘工作條款，僅向全體董事報告。除此之外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負上或承擔任何責任。

審閱範圍

我們的審閱依據香港會計師公會頒佈的香港審閱委聘準則第2400號（修訂本）「審閱過往財務報表之委聘」作出。審閱該等簡明綜合財務報表包括向負責財務和會計事宜之人員作出查詢，及進行分析和其他審閱程序。審閱範圍遠較根據香港核數準則所進行審核之範圍為小，故不能令我們確保我們將獲悉在審核中可能被發現之所有重大事項。因此，我們並不發表審核意見。

結論

按照我們的審閱結果，我們並無察覺任何事項，令我們相信簡明綜合財務報表在所有重大方面並無按照香港會計準則第34號編製。

開元信德會計師事務所有限公司
執業會計師

葉啟賢
執業證書號碼P05131
香港，二零一五年八月二十八日

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

	NOTES 附註	Six months ended 30 June 截至六月三十日止六個月		
		2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
Revenue	3	137,930	107,389	收入
Cost of sales		(154,139)	(119,005)	銷售成本
Gross loss		(16,209)	(11,616)	毛損
Other income		41	533	其他收入
Impairment loss recognised in respect of trade receivables		(31,021)	(25,865)	就貿易應收賬款確認的減值虧損
Impairment loss recognised in respect of property, plant and equipment	9	(10,978)	(18,381)	就物業、廠房及設備確認的減值虧損
Selling and distribution costs		(16,032)	(12,712)	銷售及分銷成本
Administrative expenses		(32,303)	(27,878)	行政開支
Equity-settled share option expenses		(10,407)	–	股本結算購股權開支
Finance costs		(839)	(360)	財務成本
Loss before taxation	5	(117,748)	(96,279)	除稅前虧損
Taxation	6	2,974	3,980	稅項
Loss and total comprehensive expense for the period		(114,774)	(92,299)	期內虧損及期內全面開支總額
Loss and total comprehensive expense for the period attributable to:				應佔期內虧損及期內全面開支總額之各項如下：
Owners of the Company		(115,033)	(92,299)	本公司擁有人
Non-controlling interests		259	–	非控股權益
		(114,774)	(92,299)	
Loss per share	8	RMB(7.00) cents	RMB(6.50) cents	每股虧損
Basic and diluted		人民幣(7.00)分	人民幣(6.50)分	基本及攤薄

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2015 於二零一五年六月三十日

		At 30 June 2015 於二零一五年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2014 於二零一四年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)	
	NOTES 附註			
Non-current assets				非流動資產
Property, plant and equipment	9	56,726	75,136	物業、廠房及設備
Goodwill		109,799	6,542	商譽
Other intangible assets	10	11,402	12,050	其他無形資產
Deposits for property, plant and equipment		1,439	–	物業、廠房及設備按金
Deposit paid for acquisition of a subsidiary		–	55,125	收購附屬公司之已付按金
Prepaid lease payments		15,364	15,560	預付租賃款項
		194,730	164,413	
Current assets				流動資產
Inventories		61,933	39,900	存貨
Trade receivables	12	211,718	257,465	貿易應收賬款
Bills receivables	13	22,278	42,708	應收票據
Loan receivables	14	23,490	–	應收貸款
Other receivables, deposits and prepayments		13,068	19,098	其他應收款項、按金及預付款項
Prepaid lease payments		391	391	預付租賃款項
Tax recoverable		21,615	2,963	可收回稅項
Restricted bank deposits		6,602	1,869	受限制銀行存款
Bank balances and cash		101,929	102,678	銀行結餘及現金
		463,024	467,072	
Current liabilities				流動負債
Trade and bills payables	15	25,927	46,342	貿易應付賬款及應付票據
Other payables and accruals	16	22,340	22,854	其他應付款項及應計費用
Tax liabilities		5,528	5,528	稅項負債
Bank borrowing	17	20,000	20,000	銀行借款
		73,795	94,724	
Net current assets		389,229	372,348	流動資產淨值
Total assets less current liabilities		583,959	536,761	資產總值減流動負債
Non-current liability				非流動負債
Deferred tax liabilities		7,239	10,213	遞延稅項負債
Promissory Notes	18	26,202	–	承兌票據
		33,441	10,213	
Net asset		550,518	526,548	資產淨值
Capital and reserves				資本及儲備
Share capital	19	171,150	133,169	股本
Reserves		378,323	393,379	儲備
		549,473	526,548	
Non-controlling interests		1,045	–	非控股權益
Total equity		550,518	526,548	權益總額

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

	Share capital	Share premium	Special reserve	Statutory reserves	Share options reserve	Retained profits/ Accumulated losses	Total	Non-controlling interests	Total equity	
	股本	股份溢價	特別儲備	法定儲備	購股權儲備	保留溢利/ 累計虧損	合計	非控股權益	權益總計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
			(Note a) (附註a)	(Note b) (附註b)						
At 1 January 2014 (audited)	104,201	80,442	46,867	48,818	2,530	280,479	563,337	-	563,337	於二零一四年一月一日 (經審核)
Loss and total comprehensive expense for the period	-	-	-	-	-	(92,299)	(92,299)	-	(92,299)	期內虧損及 全面開支總額
Issue of shares upon placing	15,792	43,553	-	-	-	-	59,345	-	59,345	於配售時發行股份
Exercise of share options	189	990	-	-	(277)	-	902	-	902	行使購股權
Lapse of share options	-	-	-	-	(2,253)	2,253	-	-	-	購股權失效
Issue of shares upon acquisition of subsidiaries	7,312	35,827	-	-	-	-	43,139	-	43,139	於收購附屬公司時發行 股份
At 30 June 2014 (unaudited)	127,494	160,812	46,867	48,818	-	190,433	574,424	-	574,424	於二零一四年六月三十日 (未經審核)
At 1 January 2015 (audited)	133,169	188,664	46,867	48,818	-	109,030	526,548	-	526,548	於二零一五年一月一日 (經審核)
Loss and total comprehensive expense for the period	-	-	-	-	-	(115,033)	(115,033)	259	(114,774)	期內虧損及全面開支 總額
Equity-settled share option arrangements	-	-	-	-	10,407	-	10,407	-	10,407	以權益結算的購股權 安排
Acquisition of a subsidiary	-	-	-	-	-	-	-	786	786	收購一家附屬公司
Issue of shares upon placing	37,981	89,570	-	-	-	-	127,551	-	127,551	於配售時發行股份
At 30 June 2015 (unaudited)	171,150	278,234	46,867	48,818	10,407	(6,003)	549,473	1,045	550,518	於二零一五年六月三十日 (未經審核)

Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

Notes:

- (a) Special reserve represents the difference between the nominal value of shares of the Company issued as consideration in exchange for the aggregate of the paid-up capital of the subsidiaries of the Company arising upon the corporate reorganisation to rationalise the Group's structure prior to listing of the Company's shares on The Stock Exchange of Hong Kong Limited.
- (b) In accordance with the relevant laws and regulations of the People's Republic of China ("PRC"), the PRC subsidiaries are required to provide for PRC statutory reserves, including enterprise expansion fund and general reserve fund, by way of appropriations from its statutory net profit (based on the PRC statutory financial statements of the PRC subsidiaries) but before dividend distributions.

All appropriations to the funds are made at the discretion of the board of directors of PRC subsidiaries. The board of directors of the PRC subsidiaries shall decide on the amounts to be appropriated based on its profitability each year.

The enterprise expansion fund may be used to increase registered capital subject to approval from the relevant PRC authorities. The general reserves fund may be used to offset accumulated losses or increase the registered capital subject to approval from the relevant PRC authorities.

附註：

- (a) 特別儲備指於本公司股份在香港聯合交易所有限公司上市前為了整頓本集團架構而進行公司重組之時，作為交換附屬公司股份的代價而發行之本公司股份的面值，與本公司附屬公司繳入資本的總額之間的差額。
- (b) 根據中華人民共和國（「中國」）有關法例及法規，一家中國附屬公司須從其法定溢利淨額（根據該中國附屬公司之中國法定財務報表）於分派股息前按比例提撥資金至中國法定儲備，包括企業擴展基金及一般儲備基金。

基金之所有分配乃由該中國附屬公司之董事會酌情決定。中國附屬公司之董事會將根據其每年盈利能力而決定將予分配之款項。

企業擴展基金可用於增加註冊資本，惟須取得相關中國部門之批准後方可作實。一般儲備基金可用於抵銷累計虧損或增加註冊股本，惟須取得相關中國部門之批准後方可作實。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

	Six months ended 30 June		
	截至六月三十日止六個月		
	2015	2014	
	二零一五年	二零一四年	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	
	(Unaudited)	(Unaudited)	
	(未經審核)	(未經審核)	
Net cash used in operating activities	(93,608)	(107,868)	經營活動所用現金淨額
Net cash used in investing activities	(36,145)	(5,685)	投資活動所用現金淨額
Net cash generated from financing activities	127,135	59,887	融資活動所得現金淨額
Net decrease in cash and cash equivalents	(2,618)	(53,666)	現金及現金等值物 減少淨額
Cash and cash equivalents at beginning of the period	104,547	312,322	期初現金及現金 等值物
Cash and cash equivalents at end of the period, represented by bank balances and cash	101,929	258,656	期末現金及現金等值物， 以銀行結餘及現金列示

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

1. 編製基準

簡明綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34號，以及香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十六之適用披露規定而編製。

2. 主要會計政策

除若干金融工具按公平值計量外，簡明綜合財務報表乃根據歷史成本基準編製。

除下文所述者外，截至二零一五年六月三十日止六個月之簡明綜合財務報表所使用之會計政策及計算方法，與編製本集團截至二零一四年十二月三十一日止年度之年度財務報表所採用者一致。

業務合併

收購業務時採用購買會計處理法入賬。於業務合併中轉讓之代價以公平值計量，包括在收購日，本集團為換取被收購者的控制權而轉讓的資產、欠被收購者前擁有人的負債，以及發行的股本權益的公平值之和。與收購相關之成本一般於發生時於損益中確認。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 “Income Taxes” and HKAS 19 “Employee Benefits” respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 “Share-based Payment” at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any), over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2. 主要會計政策 (續)

業務合併 (續)

於收購日期，所收購之可識別資產及所承擔之負債按其公平值確認，惟以下情況除外：

- 遞延稅項資產或負債及與僱員福利安排相關之資產或負債乃分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 於收購日，被收購者以股份為基礎的付款安排或本集團以股份為基礎的付款安排替代被收購者以股份為基礎的付款安排之負債或權益工具，應按香港財務報告準則第2號「以股份為基礎的付款」計量（見下文之會計政策）；及
- 按照香港財務報告準則第5號「持有待售之非流動資產及已終止業務」分類為持有待售資產（或出售組別）應按該準則予以計量。

商譽是以所轉撥之代價、任何非控股權益於被收購方中所佔金額、及收購方以往持有被收購方權益之公平值（如有）之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨值後，所超出之差額計值。倘經過重估後，所收購之可識別資產與所承擔負債於收購日期之淨額高於轉撥之代價、非控股權益於被收購方中所佔金額及收購方以往持有被收購方權益之公平值（如有）之總和，則差額即時於損益內確認為廉價購入收益。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Contingent consideration that will be settled by the delivery of a variable number of the Company own equity instruments is accounted for as a financial liability.

2. 主要會計政策（續）

業務合併（續）

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，則或然代價按其於收購日期之公平值計量，並計入於業務合併轉讓之代價之一部份。符合資格為計量期間調整之或然代價公平值變動將予追溯調整，相應調整就商譽作出。計量期間調整為於「計量期間」（不可超過自收購日期起計一年）取得有關於收購日期已存在之事實及情況之額外資料產生之調整。

不合資格為計量期間調整之或然代價公平值變動後續會計處理取決於如何將或然代價分類。分類為權益之或然代價不會於後續報告日期重新計量，其後續結算亦於權益內入賬。分類為資產或負債之或然代價將根據香港會計準則第39號或香港會計準則第37號「撥備、或然負債及或然資產」（如適用）於後續報告日期重新計量，相應之盈虧於損益內確認。

將通過交付可變數量之本公司自有權益工具結算之或然代價按金融負債列賬。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2. 主要會計政策（續）

商譽

收購一項業務產生之商譽乃按於業務收購日期（見上文會計政策）所確立之成本減累計減值虧損（如有）列賬。

就減值測試而言，商譽乃分配至預期從合併之協同效應中獲利之本集團各現金產生單位（或現金產生單位組別）。

已獲分配商譽之現金產生單位每年或當有跡象顯示單位可能出現減值時更頻繁測試減值。對於某個報告期之收購所產生之商譽，已獲分配商譽之現金產生單位於該報告期末前測試減值。如現金產生單位之可收回金額少於其賬面值時，減值虧損首先減少該單位獲分配之任何商譽之賬面值，其後以單位各資產之賬面值為基準按比例分配至該單位之其他資產。任何商譽之減值虧損直接於損益內確認。確認為商譽之減值虧損於隨後年度不予撥回。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Intangible assets acquired in a business combination

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses on the same basis as intangible assets that are acquired separately. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2. 主要會計政策 (續)

業務合併中收購的無形資產

若出售有關現金產生單位，商譽之應佔金額乃計入釐定出售損益金額內。

業務合併中收購的無形資產與商譽分開確認，及初步按其於收購日期的公平值確認(被視作其成本)。

初步確認後，業務合併中收購的具有特定使用年期的無形資產根據另外已收購無形資產的相同基準，按成本減累計攤銷及任何累計減值虧損申報。具有特定可使用年期之無形資產攤銷於其估計使用年期內按直線法確認。

無形資產於出售時或預期使用或出售不會帶來未來經濟利益時取消確認。取消確認無形資產產生的收益及虧損以出售所得款項淨額與資產的賬面值之間的差額計量，於資產取消確認時於損益確認。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

New and Revised HKFRSs Applied

In the current interim period, the Group has applied, for the first time, the following new interpretation and amendments Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendment to HKAS 19	Defined Benefit Plans: Employee Contributions
Annual improvements 2012, affecting the following 4 standards:	
HKFRS 8	Operating Segments
HKAS 16	Property, Plant and Equipment
HKAS 24	Related Party Disclosures
HKAS 38	Intangible Assets
Annual improvements 2013, affecting the following 3 standards:	
HKFRS 3	Business Combinations
HKFRS 13	Fair Value Measurement
HKAS 40	Investment Property

The application of the above new interpretation and amendments to HKFRSs in the current interim period has had no material impact on the amounts reported in these condensed consolidated financial statements and/or on the disclosures set out in these condensed consolidated financial statements.

2. 主要會計政策 (續)

應用新訂及經修訂香港財務報告準則

於本中期期間，本集團首次採納以下由香港會計師公會頒佈之香港財務報告準則（「香港財務報告準則」）之新詮釋及修訂，該等香港財務報告準則之新詮釋及修訂與編製本集團之簡明綜合財務報表有關：

香港會計準則第19號之 修訂	界定福利計劃： 僱員供款
二零一二年年度改進， 影響下列4項準則：	
香港財務報告準則 第8號	經營分部
香港會計準則第16號	物業、廠房及設備
香港會計準則第24號	關連方披露
香港會計準則第38號	無形資產
二零一三年年度改進， 影響下列3項準則：	
香港財務報告準則 第3號	業務合併
香港財務報告準則 第13號	公平值計量
香港會計準則第40號	投資物業

於本中期期間應用上述香港財務報告準則之新詮釋及修訂對該等簡明綜合財務報表所呈報的金額及／或該等簡明綜合財務報表所載列的披露並無重大影響。

3. REVENUE

Revenue represents the net amounts received and receivable for goods sold less returns and discounts in the normal course of business and interest income from loan financing during the period.

4. OPERATING SEGMENTS

HKFRS 8 “Operating segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the executive Directors) (“CODM”) in order to allocate resources to segments and to assess their performance.

The Group’s operating activities are attributable to three operating segments focusing on i) the manufacture and sale of advanced steel flow control products; ii) the manufacture and sale of paper converting equipment and other relating equipment, and (iii) money lending business. These operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs, that are regularly reviewed by the CODM.

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

For the six months ended 30 June 2015 (Unaudited)

	Money lending business	Manufacture and sale of advanced steel flow control products	Manufacture and sale of paper converting equipment and other relating equipment	Consolidated	
	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Revenue	2,777	121,514	13,639	137,930	收入
Segment profit/(loss)	2,594	(101,719)	(3,422)	(102,547)	分部溢利/(虧損)
Staff costs (including retirement benefit scheme contributions)				(935)	員工成本 (包括退休福利計劃供款)
Operating lease rentals				(70)	經營租賃租金
Unallocated corporate expenses				(14,196)	未分配公司開支
Loss before taxation				(117,748)	除稅前虧損

3. 收入

收入指就一般日常業務中之銷售貨品已收及應收的淨額，再減去退貨及折扣以及期內來自貸款融資之利息收入。

4. 經營分部

香港財務報告準則第8號「經營分部」要求，確認經營分部必須依從本集團之內部呈報分類作為基準；該等內部呈報分類乃定期由主要營運決策者（即執行董事）（「主要營運決策者」）審視，並對各分部進行資源分配及業績評估。

本集團之經營活動屬於三個經營分部，專注 i) 製造及銷售高端鋼水控流產品；ii) 製造及銷售紙張加工設備及其他相關設備；及iii) 放債業務。該等經營分部乃基於符合香港財務報告準則之會計政策所編製之內部管理報告而識別，並由主要營運決策者定期檢討。

按可呈報及經營分部劃分的本集團收入及業績分析如下：

截至二零一五年六月三十日止 六個月（未經審核）

4. OPERATING SEGMENTS (Continued)

For the six months ended 30 June 2014
(Unaudited)

	Manufacture and sale of advanced steel flow control products 製造及銷售 高端鋼水 控流產品 RMB'000 人民幣千元	Manufacture and sale of paper converting equipment and other relating equipment 製造及銷售 紙張加工設備 及其他相關設備 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元	
Revenue	102,758	4,631	107,389	收入
Segment loss	(88,182)	(1,859)	(90,041)	分部虧損
Unallocated corporate income			65	未分配公司收入
Staff costs (including retirement benefit scheme contributions)			(1,001)	員工成本(包括退休福利 計劃供款)
Operating lease rentals			(425)	經營租賃租金
Provisional fair value change on contingent consideration shares			(1,589)	或然代價股份之臨時 公平值變動
Unallocated corporate expenses			(3,288)	未分配公司開支
Loss before taxation			(96,279)	除稅前虧損

Segment (loss) profit represents the loss incurred/profit earned by each segment without allocation of certain administration costs and other income. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

4. 經營分部 (續)

截至二零一四年六月三十日止
六個月 (未經審核)

分部(虧損)溢利指各分部產生的虧損/獲得的溢利而並無分配若干行政費用及其他收入。此乃就資源分配及表現評估而向主要營運決策者報告的方法。

5. LOSS BEFORE TAXATION

5. 除稅前虧損

		Six months ended 30 June 截至六月三十日止六個月		
		2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
Loss before taxation has been arrived at after charging (crediting):				除稅前虧損經扣除(計入)下列項目後達致:
Cost of inventories recognised as an expense	154,013	117,623		確認為開支之存貨成本
Depreciation of property, plant and equipment	7,853	5,563		物業、廠房及設備折舊
Allowance for slow moving inventories (included in cost of sales)	–	295		滯銷存貨撥備(列入銷售成本)
Amortisation of prepaid lease payments	196	167		預付租賃款項攤銷
Amortisation of other intangible assets	648	271		其他無形資產攤銷
Net exchange loss	965	945		匯兌虧損淨額
Research and development costs (included in administrative expenses)	16,738	14,803		研發成本(列入行政開支)
Interest income	(3)	(525)		利息收入
Gain on disposal of property, plant and equipment	–	(8)		出售物業、廠房及設備收益
Equity-settled share option expenses	10,407	–		股本結算購股權開支

6. TAXATION

6. 稅項

		Six months ended 30 June 截至六月三十日止六個月		
		2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
Current tax:				即期稅項:
PRC Enterprise Income Tax	–	–		中國企業所得稅
Deferred tax:				遞延稅項:
Current period	(2,974)	(3,980)		本期間
	(2,974)	(3,980)		

6. TAXATION (Continued)

Provision for the PRC Enterprise Income Tax was made based on the estimated taxable profits calculated in accordance with the relevant income tax laws and regulations applicable to the Company's PRC subsidiaries.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

On 6 August 2012, one of the PRC subsidiaries obtained a Hi-tech certificate which is valid for three years. According to GuoShuiHan [2009] No.203, entities qualifying for the Hi-tech status could enjoy a PRC Enterprise Income Tax preferential treatment starting from the year of obtaining the Hi-tech certificate. As a result, this PRC subsidiary was subject to a PRC Enterprise Income Tax of 15% for three years commencing from 2012.

According to a joint circular of the Ministry of Finance and State Administration of Taxation – Cai Shui 2008 No. 1, dividend distributed out of the profits of PRC entities generated after 1 January 2008 are subject to PRC Enterprise Income Tax which is withheld by the PRC entity at 5% of the dividend distributed. During the six months ended 30 June 2015, deferred tax income of RMB2,974,000 (six months ended 30 June 2014: RMB3,980,000) in respect of the undistributed earnings of the Company's PRC subsidiaries has been reversed in the condensed consolidated statement of profit or loss and other comprehensive income.

7. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the current period (six months ended 30 June 2014: nil).

6. 稅項 (續)

中國企業所得稅撥備乃根據估計應課稅溢利(按適用於本公司中國附屬公司之有關所得稅法及法規計算)作出。

根據《中國企業所得稅法》(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司的稅率由二零零八年一月一日起為25%。

於二零一二年八月六日，一家中國附屬公司已獲得高新技術企業證書，有效期三年。根據國稅函[2009]第203號，符合高新技術企業資格的實體自獲得高新技術企業證書當年起可享受中國企業所得稅優惠待遇。因此，該中國附屬公司自二零一二年起計三年享受15%中國企業所得稅的待遇。

根據由財政部及國家稅務總局聯合發出的通知(財稅2008第1號文件)，於二零零八年一月一日之後從中國實體的溢利中分派之股息須繳納中國企業所得稅，並由該中國實體按分派股息之5%預扣。截至二零一五年六月三十日止六個月，有關本公司中國附屬公司之未分派盈利之遞延稅項收入為人民幣2,974,000元(截至二零一四年六月三十日止六個月：3,980,000元)，已在簡明綜合損益表及其他全面收益表中撥回。

7. 股息

董事不建議派付本期間之中期股息(截至二零一四年六月三十日止六個月：無)。

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June 截至六月三十日止六個月		虧損 就計算每股基本及攤薄虧損而言本公司擁有人應佔之期間虧損
	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
Loss Loss for the period attributable to the owners of the Company for the purpose of calculation of basic and diluted loss per share	(115,033)	(92,299)	

	Six months ended 30 June 截至六月三十日止六個月		股份數目 就計算每股基本及攤薄虧損所使用之普通股加權平均數
	2015 二零一五年 '000 千股 (Unaudited) (未經審核)	2014 二零一四年 '000 千股 (Unaudited) (未經審核)	
Number of shares Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	1,629,243	1,419,792	

During the six months ended 30 June 2014, the computation of diluted loss per share did not assume the issue of contingent consideration shares because its effect is antidilutive.

The calculation of diluted loss per share had not taken into consideration the assumed exercise of the Company's outstanding share options during the six months ended 30 June 2015 and 2014 as it had an anti-dilutive effect on the basic loss per share.

8. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

Six months ended 30 June 截至六月三十日止六個月		虧損 就計算每股基本及攤薄虧損而言本公司擁有人應佔之期間虧損
2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
Loss Loss for the period attributable to the owners of the Company for the purpose of calculation of basic and diluted loss per share	(115,033)	(92,299)

Six months ended 30 June 截至六月三十日止六個月		股份數目 就計算每股基本及攤薄虧損所使用之普通股加權平均數
2015 二零一五年 '000 千股 (Unaudited) (未經審核)	2014 二零一四年 '000 千股 (Unaudited) (未經審核)	
Number of shares Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	1,629,243	1,419,792

於截至二零一四年六月三十日止六個月，計算每股攤薄虧損未假設發行或然代價股份，因其對每股基本虧損具反攤薄效果。

計算每股攤薄虧損並無計及假設於截至二零一五年及二零一四年六月三十日止六個月行使本公司尚未行使之購股權，因其對每股虧損具反攤薄效果。

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group acquired plant, machinery and equipment at a cost of RMB348,000 and furniture and fixtures and office equipment at a cost of RMB6,000 (2014: plant, machinery and equipment at a cost of RMB89,000 and furniture and fixtures and office equipment at a cost of RMB14,000). The Group also acquired furniture and fixtures and office equipment at RMB67,000, which resulted from acquisition of Time Credit Limited as set out in note 22 (2014: building at a cost of RMB27,060,000, plant, machinery and equipment at RMB968,000, furniture and fixtures and office equipment at RMB452,000 and motor vehicle at RMB229,000, which resulted from acquisition of the Accura Group). The total additions of property, plant and equipment during the six month ended 30 June 2015 were RMB421,000 (2014: RMB28,812,000).

An impairment loss of RMB10,978,000 was recognised during the current interim period (2014: RMB18,381,000) in respect of the plant, machinery and equipment from the individual cash-generating unit of manufacture and sale of advanced steel flow control products segment. The recoverable amounts of the relevant assets have been determined on the basis of their value in use. The discount rate in measuring the amount of value in use were 16.50%.

10. OTHER INTANGIBLE ASSETS

Other intangible assets included technology know-how and customer relationship of carrying value of approximately RMB1,966,000 and RMB9,436,000, respectively. The intangible assets are amortised over their estimated useful life of 10 years using the straight line method. Amortisation of RMB648,000 had been made during the six months ended 30 June 2015 (2014: RMB271,000).

9. 物業、廠房及設備變動

於截至二零一五年六月三十日止六個月，本集團按成本購入人民幣348,000元之廠房、機器及設備及人民幣6,000元之傢俱及裝置及辦公室設備（二零一四年：按成本購入人民幣89,000元之廠房、機器及設備及人民幣14,000元之傢俱及裝置及辦公室設備）。本集團亦購入人民幣67,000元之傢俱及裝置及辦公室設備（因附註22所載收購友邦信貸有限公司而產生）（二零一四年：按成本購入人民幣27,060,000元之樓宇、人民幣968,000元之廠房、機器及設備、人民幣452,000元之傢俱及裝置及辦公室設備以及人民幣229,000元之汽車（因收購Accura集團而產生））。於截至二零一五年六月三十日止六個月期間，添置物業、廠房及設備之總額為人民幣421,000元（二零一四年：人民幣28,812,000元）。

於本中期期間，已就製造及銷售高端鋼水控流產品分部之個別現金產生單位之廠房、機器及設備確認減值虧損人民幣10,978,000元（二零一四年：人民幣18,381,000元）。有關資產之可收回金額已根據其使用價值釐定。計量使用價值金額的折現率為16.50%。

10. 其他無形資產

其他無形資產包括專有技術及客戶關係，賬面值分別為約人民幣1,966,000元及人民幣9,436,000元。無形資產乃採用直線法於其估計可使用年期10年內攤銷。於截至二零一五年六月三十日止六個月已作出人民幣648,000元之攤銷（二零一四年：人民幣271,000元）。

11. IMPAIRMENT TESTING OF PROVISIONAL GOODWILL

For the purposes of impairment testing, provisional goodwill arising from acquisition of the Accura Group has been allocated to the cash generating unit (“CGU”) operating under the segment “Manufacture and sale of paper converting equipment and other relating equipment”. Provisional goodwill arising from acquisition of Time Credit Limited has been allocated to the CGU operating under the segment “Money lending business”. During the six months ended 30 June 2015, management of the Group determines that there are no impairment of the CGU containing provisional goodwill.

The basis of the recoverable amount of the CGU and its major underlying assumptions are summarised below:

Manufacture and sale of paper converting equipment and other relating equipment

The recoverable amount of the CGU has been determined based on a value in use calculation. That calculation uses cash flow projections covering a 5-year period, based on financial budgets approved by the management and a discount rate of 16.11% per annum. Cash flows beyond the 5-year period are extrapolated with 3% growth rate. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin. Such estimation is based on the unit’s past performance and management’s expectations of the market development.

Money lending business

The recoverable amount of the CGU has been determined based on a value in use calculation. That calculation uses cash flow projections covering a 2-year period, based on financial budgets approved by the management and a discount rate of 12.97% per annum. Cash flows beyond the 2-year period are extrapolated with 2% growth rate. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin. Such estimation is based on the unit’s past performance and management’s expectations of the market development.

11. 臨時商譽之減值測試

就減值測試而言，收購Accura集團產生之臨時商譽已分配至「製造及銷售紙張加工設備及其他相關設備」分部下的現金產生單位（「現金產生單位」）。收購友邦信貸有限公司產生之臨時商譽已分配至「放債業務」分部下的現金產生單位。於截至二零一五年六月三十日止六個月期間，本集團管理層確定包含臨時商譽的現金產生單位並無減值。

現金產生單位之可收回金額之基準及其主要相關假設概要如下：

生產及銷售紙張加工設備及其他相關設備

現金產生單位之可收回金額已根據使用價值計算釐定。該計算乃採用基於管理層批准的財政預算及折現率每年16.11%的五年期間內現金流量預測。五年後之現金流量乃根據3%的增長率推算。使用價值計算的其他重要假設與包括預期銷售及毛利率的現金流入／流出之估計有關。該等估計乃基於單位的過往表現及管理層對市場發展的預期而作出。

放債業務

現金產生單位之可收回金額已根據使用價值計算釐定。該計算乃採用基於管理層批准的財政預算及折現率每年12.97%的二年期間內現金流量預測。二年後之現金流量乃根據2%的增長率推算。使用價值計算的其他重要假設與包括預期銷售及毛利率的現金流入／流出之估計有關。該等估計乃基於單位的過往表現及管理層對市場發展的預期而作出。

12. TRADE RECEIVABLES

The credit period granted by the Group to certain customers is within 180 days (2014: 180 days), while payment from other customers are due immediately when goods are delivered. The following is an aged analysis of trade receivables presented based on the goods delivery date at the end of the reporting period, which approximated the respective revenue recognition dates:

	At 30 June 2015 二零一五年 六月三十日 RMB'000 千港元 (Unaudited) (未經審核)	At 31 December 2014 二零一四年 十二月三十一日 RMB'000 千港元 (Audited) (經審核)
0 – 30 days	26,494	23,189 0至30日
31 – 60 days	23,080	22,561 31至60日
61 – 90 days	22,458	25,486 61至90日
91 – 120 days	19,492	26,417 91至120日
121 – 180 days	53,955	36,587 121至180日
Over 180 days	66,239	123,225 180日以上
	211,718	257,465

The Group has not provided for certain trade receivables which are past due but not impaired because the directors of the Company consider that those receivables are recoverable based on the good payment record of the customers and long established trading history with these customers. The Group does not hold any collateral over these balances.

Allowance on doubtful debts of RMB31,021,000 (2014: RMB25,865,000) recognised during the six months ended 30 June 2015 is based on estimated irrecoverable amounts by reference to the creditability of individual customers, past default experience, subsequent settlement and payment history of the customers. Full provision has been made for individual trade receivables aged over one year with no subsequent settlement as historical evidence shows that such receivables are generally not recoverable, or individual trade receivables which has either been placed under liquidation or in severe financial difficulties.

12. 貿易應收賬款

本集團向若干客戶授出之信貸期為180日(二零一四年: 180日)以內, 而其他客戶須於收到貨品時即時付款。以下為於申報期末根據貨品交付日期(與收入各自確認日期相近)呈列之貿易應收款項賬齡分析:

本集團並無就若干已過期但並未減值之貿易應收賬款作出撥備, 因為本公司董事認為, 基於客戶的良好支付記錄及與該等客戶建立已久的交易歷史, 該等應收賬款為可收回。本集團並無持有任何該等結餘的抵押品。

於截至二零一五年六月三十日止六個月確認的呆賬撥備人民幣31,021,000元(二零一四年: 人民幣25,865,000元)乃基於經參考個別客戶的信用、客戶的過往違約記錄、其後結算及支付歷史的估計不可收回金額。已就並無其後結算及賬齡超過一年的個別貿易應收賬款(因為歷史證據表明該等應收賬款一般不可收回)或已置於清盤或處於嚴重財政困難的個別貿易應收賬款作出全面撥備。

13. BILLS RECEIVABLES

The aged analysis of bills receivables presented based on the goods delivery date at the end of the reporting period are analysed as follows:

	At 30 June 2015 二零一五年 六月三十日 RMB'000 千港元 (Unaudited) (未經審核)	At 31 December 2014 二零一四年 十二月三十一日 RMB'000 千港元 (Audited) (經審核)	
0 – 90 days	3,424	2,513	0至90日
91 – 120 days	4,006	–	91至120日
121 – 180 days	14,848	1,204	121至180日
Over 180 days	–	38,991	180日以上
	22,278	42,708	

At 30 June 2015, the carrying value of bills receivables included bills endorsed to suppliers on a full recourse basis that are not yet due amounting to RMB2,698,000 (31 December 2014: RMB23,814,000). As the Group has not transferred the significant risks and rewards relating to these bills receivables, it continues to recognise the full carrying amount of the bills receivables as assets in the condensed consolidated financial statements. The associated trade payables secured over the bills endorsed to the suppliers which were not yet due at the end of reporting period are recognised as current liabilities in the condensed consolidated statement of financial position.

All the bills receivables are denominated in RMB.

The maturity dates of endorsed bills were less than six months from the end of the reporting period.

13. 應收票據

於報告期末，根據貨品交付日期呈列之應收票據賬齡分析如下：

於二零一五年六月三十日，應收票據的賬面值包括按全面追索基準向供應商背書票據而尚未到還款日的款項人民幣2,698,000元（二零一四年十二月三十一日：人民幣23,814,000元）。由於本集團尚未轉讓有關該等應收票據的重大風險及回報，故本集團繼續於簡明綜合財務報表中確認應收票據的全數賬面值為資產。向供應商背書的票據（於報告期末尚未到期）的已保證相關貿易應付款項於簡明綜合財務狀況表中被確認為流動負債。

所有應收票據均以人民幣計值。

背書票據自報告期末起計之到期日均少於六個月。

14. LOAN RECEIVABLES

The Group's loan receivables arose from the money lending business during the period.

Loan receivables bear interest at rates, and with credit periods, mutually agreed between the contracting parties. Loan receivables are secured by personal guarantees by the debtors/certain individuals. Overdue balances are reviewed regularly and handled closely by senior management.

The loan receivables at the end of the reporting period are analysed by the remaining period to contractual maturity date as follows:

	At 30 June 2015 截至 二零一五年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2014 截至 二零一四年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 3 months	8,261	– 三個月內
3 months to 1 year	5,539	– 三個月至一年
Over 1 year	9,690	– 一年以上
	23,490	–

Loan receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no history of default.

14. 應收貸款

期內，本集團的應收貸款來自放債業務。

應收貸款之利率及信貸期由訂約雙方共同協定。應收貸款乃以債務人／若干個別人士之個人擔保作抵押。逾期結餘乃由高級管理層定期審核及審慎處理。

於報告期末的應收貸款按直至合約到期日的剩餘期間分析如下：

並無過期亦未減值之應收貸款與眾多無過往違約歷史的客戶相關。

15. TRADE AND BILLS PAYABLES

The following is an aged analysis of trade and bills payables, presented based on the goods receipt date at the end of the reporting period.

	At 30 June 2015 二零一五年 六月三十日 RMB'000 千港元 (Unaudited) (未經審核)	At 31 December 2014 二零一四年 十二月三十一日 RMB'000 千港元 (Audited) (經審核)	
0 – 30 days	15,289	19,117	0至30日
31 – 60 days	3,826	7,166	31至60日
61 – 90 days	2,030	6,636	61至90日
Over 90 days	4,782	13,423	90日以上
	25,927	46,342	

The credit period granted by the suppliers to the Group is within 30 days.

At 30 June 2015, included in the trade payables was RMB2,698,000 (31 December 2014: RMB23,814,000) secured over bills receivables endorsed to suppliers that were not yet due for payment.

15. 貿易應付款項及應付票據

以下為貿易應付款項及應付票據於申報期末根據收取貨品日期呈列之賬齡分析。

供應商向本集團授出之信貸期為30日內。

於二零一五年六月三十日，計入貿易應付款項的金額中包括向供應商背書的應收票據（尚未到還款日）的已保證款項人民幣2,698,000元（二零一四年十二月三十一日：人民幣23,814,000元）。

16. OTHER PAYABLES AND ACCRUALS

16. 其他應付款項及應計費用

	At 30 June 2015 截至 二零一五年 六月三十日 RMB'000 千港元 (Unaudited) (未經審核)	At 31 December 2014 截至 二零一四年 十二月三十一日 RMB'000 千港元 (Audited) (經審核)	
Other payables	6,785	1,028	其他應付款項
Receipt in advance	3,367	1,685	預收款項
Payables for acquisition of property, plant and equipment	–	1,337	收購物業、廠房及設備之應付款項
Accrued sales commission	8,590	13,547	應計銷售佣金
Accrued transportation fees	751	–	應計運輸費用
Accrued professional fees	–	614	應計專業費用
Accrued staff costs	2,693	2,627	應計員工成本
Other tax payables	154	2,016	其他應付稅項
	22,340	22,854	

17. BANK BORROWING

As at the date of the current interim period, the Group has bank loan amounting to RMB20,000,000 (2014: RMB20,000,000). The loan carries a fixed interest at 6.38% (2014: 6.9%) per annum and is repayable within one year.

17. 銀行借貸

於本中期期間，本集團有銀行貸款人民幣20,000,000元（二零一四年：人民幣20,000,000元）。該貸款按固定年利率6.38%（二零一四年：6.9%）計息，須於一年內償還。

18. PROMISSORY NOTES

On 23 March 2015, the Company issued promissory notes for an aggregate principal amounts of HK\$33,000,000 at 3% interest per annum upon the completion of the acquisition of Time Credit Limited to Ms. Lam Wai Ha, an independent third party not connected to the Group. The promissory notes are due on the second anniversary of the date of issue.

The fair value of promissory notes is approximately HK\$32,976,000 (approximately to RMB25,992,000) as at the issue date, calculated at the effective interest rate of 2.994% per annum. The promissory notes are classified as non-current liabilities and are carried at amortised cost until settlement on due date.

18. 承兌票據

於二零一五年三月二十三日，本集團於完成收購友邦信貸有限公司時向林惠霞女士（與本集團概無關連的獨立第三方）發出合計金額33,000,000港元年息3%之承兌票據。承兌票據於發出日期第二周年之日到期。

於發出日期，承兌票據之公平值為約32,976,000港元（約人民幣25,992,000元），按實際利率每年2.994%計算。承兌票據乃分類為非流動負債，並按攤銷成本列賬直至到期日。

19. SHARE CAPITAL

19. 股本

	Number of shares at HK\$0.10 per share 每股面值 0.10港元之 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	
Authorised:			法定：
At 1 January 2014, 30 June 2014, 31 December 2014, 1 January 2015 and 30 June 2015	3,000,000	300,000	於二零一四年一月一日、 二零一四年六月三十日、 二零一四年十二月三十一日、 二零一五年一月一日及 二零一五年六月三十日
Issued and fully paid:			已發行及繳足：
At 1 January 2014	1,200,000	120,000	於二零一四年一月一日
Issue of shares on 20 January 2014 (note a)	200,000	20,000	於二零一四年一月二十日 發行股份 (附註a)
Exercise of share options (note b)	2,400	240	行使購股權 (附註b)
Issue of shares on 16 April 2014 (note c)	92,052	9,205	於二零一四年四月十六日 發行股份 (附註c)
Issue of shares on 7 July 2014 (note d)	110,000	11,000	於二零一四年七月七日 發行股份 (附註d)
Repurchase of ordinary shares (note e)	(38,224)	(3,822)	購回普通股份 (附註e)
At 31 December 2014 and 1 January 2015	1,566,228	156,623	二零一四年十二月三十一日及 二零一五年一月一日
Issue of shares on 8 May 2015 (note f)	170,000	17,000	於二零一五年五月八日發行股份 (附註f)
Issue of shares on 17 June 2015 (note g)	313,000	31,300	於二零一五年六月十七日 發行股份 (附註g)
At 30 June 2015	2,049,228	204,923	於二零一五年六月三十日
Shown in the condensed consolidated financial statements			簡明綜合財務報表所示
At 31 December 2014 (Audited)	RMB'000 equivalent 人民幣千元等值	133,169	於二零一四年十二月三十一日 (經審核)
At 30 June 2015 (Unaudited)	RMB'000 equivalent 人民幣千元等值	171,150	於二零一五年六月三十日 (未經審核)

19. SHARE CAPITAL (Continued)

Notes:

- (a) On 20 January 2014, pursuant to the placing and subscription agreement dated 10 January 2014, 200,000,000 ordinary shares of HK\$0.10 each were allotted and issued at the price of HK\$0.38 per share.
- (b) On 21 January 2014, 2,400,000 shares of HK\$0.10 each were issued at HK\$0.476 per share upon exercise of share options under the share option scheme.
- (c) On 16 April 2014, 92,052,000 ordinary shares of HK\$0.10 each were allotted and issued at HK\$0.59 per share upon the acquisition of Accura Group.
- (d) On 7 July 2014, pursuant to the placing and subscription agreement dated 25 June 2014, 110,000,000 ordinary shares of HK\$0.10 each were allotted and issued at the price of HK\$0.57 per share.
- (e) On 23 October 2014, 38,224,000 ordinary shares of HK\$0.10 each were repurchased and cancelled at the average price of HK\$0.50 per share.
- (f) On 8 May 2015, pursuant to the placing and subscription agreement dated 16 April 2015, 170,000,000 ordinary shares of HK\$0.10 each were allotted and issued at the price of HK\$0.31 per share.
- (g) On 17 June 2015, pursuant to the placing and subscription agreement dated 2 June 2015, 313,000,000 ordinary shares of HK\$0.10 each were allotted and issued at the price of HK\$0.35 per share.

19. 股本 (續)

附註：

- (a) 於二零一四年一月二十日，根據日期為二零一四年一月十日之配售及認購協議，按每股0.38港元之價格配發及發行200,000,000股每股面值0.10港元之普通股。
- (b) 於二零一四年一月二十一日，根據購股權計劃行使購股權後，按每股0.476港元發行2,400,000股每股面值0.10港元之股份。
- (c) 於二零一四年四月十六日，收購Accura集團後，按每股0.59港元配發及發行92,052,000股每股面值0.10港元之普通股。
- (d) 於二零一四年七月七日，根據日期為二零一四年六月二十五日之配售及認購協議，按每股0.57港元之價格配發及發行110,000,000股每股面值0.10港元之普通股。
- (e) 於二零一四年十月二十三日，按每股0.50港元之平均價格購回及註銷38,224,000股每股面值0.10港元之普通股。
- (f) 於二零一五年五月八日，根據日期為二零一五年四月十六日之配售及認購協議，按每股0.31港元之價格配發及發行170,000,000股每股面值0.10港元之普通股。
- (g) 於二零一五年六月十七日，根據日期為二零一五年六月二日之配售及認購協議，按每股0.35港元之價格配發及發行313,000,000股每股面值0.10港元之普通股。

20. CAPITAL COMMITMENTS

20. 資本承擔

	At 30 June 2015 二零一五年 六月三十日 RMB'000 千港元 (Unaudited) (未經審核)	At 31 December 2014 二零一四年 十二月三十一日 RMB'000 千港元 (Audited) (經審核)	
Capital expenditure in respect of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	7,400	–	就已訂約但未於簡明綜合財務報表中撥備的物業、廠房及設備而言的資本開支
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of a subsidiary	–	55,125	就已訂約但未於簡明綜合財務報表中撥備的收購附屬公司而言的資本開支

21. RELATED PARTY TRANSACTIONS

21. 關連方交易

Compensation of key management personnel

主要管理人員薪酬

The remuneration of the Directors and other members of key management for both periods was as follows:

董事及其他主要管理層成員於兩個期間之薪酬如下：

	Six months ended 30 June 截至六月三十日止六個月		
	2015 二零一五年 RMB'000 千港元 (Unaudited) (未經審核)	2014 二零一四年 RMB'000 千港元 (Unaudited) (未經審核)	
Short-term benefits	907	1,296	短期福利
Retirement benefit scheme contributions	–	2	退休福利計劃供款
	907	1,298	

The remuneration of the Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

董事及主要行政人員之酬金乃由薪酬委員會參考個人表現及市場趨勢而釐定。

22. ACQUISITION OF SUBSIDIARIES

On 3 November 2014, the Company entered into a sale and purchase agreement with an independent third party, Ms. Lam Wai Ha, to acquire 90% equity interest in Time Credit Limited, a company engaged in money lending business, at an aggregate consideration of approximately HK\$140,000,000 (valued using a cash deposit of HK\$70,000,000 upon signing of the sale and purchase agreement; HK\$37,000,000 in cash upon completion of acquisition; and issue of the Promissory Notes with a principal sum of HK\$33,000,000 by the Company in favour of the vendor (or her nominee) upon completion of acquisition), subject to net assets guarantee and adjustments on consideration as stated below. The acquisition has been completed on 23 March 2015. The purpose of the acquisition is to broaden revenue base and it is the Group's strategy to review from time to time potential business opportunity and investment to enhance the shareholders' value.

Consideration transferred

	RMB'000 人民幣千元 (Unaudited) (未經審核)	
Cash consideration (note a)	84,337	現金代價 (附註a)
Promissory Notes (note b)	25,992	承兌票據 (附註b)
	110,329	

Note: Based on the sale and purchase agreement dated 3 November 2014, the purchase consideration will be satisfied in the following manner:

- (a) a cash deposit of HK\$70,000,000 upon signing of the sale and purchase agreement and HK\$37,000,000 in cash upon completion of acquisition.
- (b) issue of the Promissory Notes with a principal sum of HK\$33,000,000 by the Company in favour of the vendor (or her nominee) upon completion of acquisition. The fair value of the Promissory Notes is HK\$32,976,000 on the date of completion of acquisition according to the valuation report from Steinberg Appraisal and Consulting (Hong Kong) Limited.

22. 收購附屬公司

於二零一四年十一月三日，本公司與獨立第三方林惠霞女士訂立買賣協議，以按總代價約人民幣140,000,000元（使用簽訂買賣協議後之現金按金70,000,000港元；收購事項完成後之現金37,000,000港元；及於收購事項完成後本公司發行以賣方（或其代名人）為受益人之本金額為33,000,000港元之承兌票據進行估值）收購友邦信貸有限公司90%股權，惟受資產淨值保證所規限並可就下文所述代價進行調整。該收購已於二零一五年三月二十三日完成。收購旨在拓寬收入來源，且本集團的策略為不時檢討潛在商機及投資，以提升股東價值。

轉讓之代價

附註：根據日期為二零一四年十一月三日之買賣協議，購買代價將按以下方式繳付：

- (a) 簽訂買賣協議後之現金按金70,000,000港元，及收購事項完成後之現金37,000,000港元。
- (b) 於收購事項完成後本公司發行以賣方（或其代名人）為受益人之本金額為33,000,000港元之承兌票據。於收購事項完成之日，根據史登堡估值顧問（香港）有限公司出具之估值報告，承兌票據之公平值為32,976,000港元。

22. ACQUISITION OF SUBSIDIARIES (Continued)

Consideration transferred (Continued)

The consideration assumes that Time Credit Limited has net assets of at least HK\$4,000,000 upon completion of acquisition and the consideration shall be adjusted to reflect any shortfall.

The value of the net assets will be established by an auditor nominated by the Company at the cost of the Company, who will undertake a post completion audit on Time Credit Limited in accordance with the Hong Kong Financial Reporting Standards ("Completion Statement") within three (3) months from completion of acquisition.

In the event that the value of net assets of Time Credit Limited on the Completion Statement is less than HK\$4,000,000, the vendor shall pay to the Company ninety cents for every dollar of the shortfall.

22. 收購附屬公司 (續)

轉讓之代價 (續)

該代價乃假設友邦信貸有限公司於收購事項完成後至少擁有4,000,000港元之資產淨值，且代價將予以調整以反映任何不足。

資產淨值之價值將由本公司提名之核數師擬定，而有關費用將由本公司承擔，且本公司將根據香港財務報告準則自收購事項完成之日起計三(3)個月內對友邦信貸有限公司進行完成後審核（「完成報表」）。

倘友邦信貸有限公司之完成報表所示資產淨值之價值低於4,000,000港元，則賣方將就每一港元之不足向本公司支付90港仙。

22. ACQUISITION OF SUBSIDIARIES (Continued)

Consideration transferred (Continued)

The net assets of Time Credit Limited at the date of acquisition are as follows:

	Provisional fair value	
	臨時公平值	
	RMB'000	
	人民幣千元	
	(Unaudited)	
	(未經審該)	
Property, plant and equipment	17	物業、廠房及設備
Loan and other receivables	43,717	貸款及其他應收款項
Bank balances and cash	71	銀行結餘及現金
Trade and other payables	(35,947)	貿易及其他應付款項
	7,858	
	RMB'000	
	人民幣千元	
	(Unaudited)	
	(未經審該)	
Provisional goodwill arising on acquisition		收購產生之臨時商譽
Cash consideration paid	84,337	已付現金代價
Promissory Notes	25,992	承兌票據
Non-controlling interests	786	非控股權益
Less: provisional fair value of identifiable net assets acquired	(7,858)	減：已獲得可識別資產淨值之 臨時公平值
Provisional goodwill arising on acquisition	103,257	收購產生之臨時商譽

22. 收購附屬公司 (續)

轉讓之代價 (續)

友邦信貸有限公司於收購日期之資產淨值如下：

22. ACQUISITION OF SUBSIDIARIES (Continued)

Consideration transferred (Continued)

Provisional goodwill arose on the acquisition of the Time Credit Limited because the acquisition included the assembled workforce and foreseeable revenue growth and further market development. These assets could not be separately recognised from provisional goodwill because they do not meet the recognition criteria for identifiable intangible assets.

22. 收購附屬公司 (續)

轉讓之代價 (續)

由於收購事項計及配套員工以及可預見收入增長及進一步市場發展，因此收購友邦信貸有限公司產生臨時商譽。該等資產並不符合可識別無形資產之確認標準，故不能與商譽分開確認。

	RMB'000 人民幣千元	
Analysis of cash and cash equivalents in respect of the acquisition:		有關收購事項之現金及現金等值物分析：
Cash consideration	84,337	現金代價
Deposit paid in cash during the year ended 31 December 2014	(55,125)	於截至二零一四年十二月三十一日止年度已付現金按金
Cash consideration paid during the six months ended 30 June 2015	(29,212)	於截至二零一五年六月三十日止六個月已付現金代價
Bank balances and cash acquired	71	所收購之銀行結餘及現金
	(29,141)	

Impact of acquisition on the results of the Group

During the period ended 30 June 2015, Time Credit Limited contributed approximately RMB2,777,000 to the Group's revenue and profit of approximately RMB2,594,000 to the Group's results in aggregate for the period from the date of acquisition to 30 June 2015.

收購對本集團業績之影響

於截至二零一五年六月三十日止期間，由收購日期起至二零一五年六月三十日止期間，友邦信貸有限公司為本集團收入貢獻約人民幣2,777,000元，為本集團業績帶來溢利約人民幣2,594,000元。

23. EVENTS AFTER THE REPORTING PERIOD

On 13 July 2015 after trading hours, the Company entered into a memorandum of understanding with Tianhong Chuangxin Asset Management Co. Ltd., an investor in relation to the proposed investments in the Company.

The investor is an asset management company established in the PRC approved by the China Securities Regulatory Commission, and is wholly owned by Tianhong Asset Management Co. Ltd., which is 51% owned by Zhejiang Ant Small and Micro Financial Services Group Ltd.

To the best of the Directors' information and belief having made all reasonable enquiries, the investor is a third party independent of the Company and its connected persons.

The memorandum of understanding does not create legally binding obligations on the parties in relation to the proposed investments. The proposed investments are subject to further negotiations and execution of formal agreements between the parties.

23. 報告期後事項

於二零一五年七月十三日（交易時段後），本公司與天弘創新資產管理有限公司（計劃投資本公司之投資者）訂立諒解備忘錄。

投資者乃於中國成立的獲中國證券監督管理委員會批准的資產管理公司，及由天弘基金管理有限公司（由浙江螞蟻小微金融服務集團有限公司擁有51%權益）全資擁有。

據董事作出一切合理查詢後所知及所信，投資者乃獨立於本公司及其關連人士之第三方。

諒解備忘錄並未就計劃投資對訂約雙方設定具法律約束力的責任。計劃投資有待訂約雙方進一步磋商並簽立正式協議。



華耐控股有限公司
SINOREF HOLDINGS LIMITED