

# Yuk Wing Group Holdings Limited 煜榮集團控股有限公司

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

Stock Code 股份代號：1536



2018/19  
INTERIM REPORT 中期報告

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# CORPORATE INFORMATION

## 公司資料

### COMPANY DIRECTORS

#### Executive Directors

Mr. He Xiaoming (*Chairman and Chief Executive Officer*)  
(*appointed on 13 April 2018*)  
Mr. Chan Tat Choi (*resigned on 8 November 2018*)  
Mr. Chan Leung Choi (*resigned on 13 April 2018*)  
Mr. Chan Kin Choi (*resigned on 13 April 2018*)  
Ms. Liang Ning (*resigned on 13 April 2018*)

#### Independent Non-executive Directors

Mr. Liu Tin Lap (*appointed on 20 April 2018*)  
Mr. Lau Leong Yuen (*appointed on 20 April 2018*)  
Ms. Lam Hoi Yu Nicki (*appointed on 20 April 2018*)  
Mr. Chan Lewis (*resigned on 20 April 2018*)  
Mr. Lam Chun Fung (*resigned on 20 April 2018*)  
Mr. Sung Lok Man Richard (*resigned on 20 April 2018*)

### AUDIT AND COMPLIANCE COMMITTEE

Mr. Liu Tin Lap (*Chairman*) (*appointed on 20 April 2018*)  
  
Mr. Lau Leong Yuen (*appointed on 20 April 2018*)  
Ms. Lam Hoi Yu Nicki (*appointed on 20 April 2018*)  
Mr. Sung Lok Man Richard (*resigned on 20 April 2018*)  
Mr. Lam Chun Fung (*resigned on 20 April 2018*)  
Mr. Chan Lewis (*resigned on 20 April 2018*)

### REMUNERATION COMMITTEE

Ms. Lam Hoi Yu Nicki (*Chairman*) (*appointed on 20 April 2018*)  
  
Mr. He Xiaoming (*appointed on 13 April 2018*)  
Mr. Liu Tin Lap (*appointed on 20 April 2018*)  
Mr. Lau Leong Yuen (*appointed on 20 April 2018*)  
Mr. Chan Lewis (*resigned on 20 April 2018*)  
Mr. Chan Leung Choi (*resigned on 13 April 2018*)  
Mr. Sung Lok Man Richard (*resigned on 20 April 2018*)  
Mr. Lam Chun Fung (*appointed on 13 April 2018 and resigned on 20 April 2018*)

### NOMINATION COMMITTEE

Mr. Lau Leong Yuen (*Chairman*) (*appointed on 20 April 2018*)  
  
Mr. He Xiaoming (*appointed on 13 April 2018*)  
Mr. Liu Tin Lap (*appointed on 20 April 2018*)  
Ms. Lam Hoi Yu Nicki (*appointed on 20 April 2018*)  
Mr. Chan Leung Choi (*resigned on 13 April 2018*)  
Mr. Chan Lewis (*resigned on 20 April 2018*)  
Mr. Lam Chun Fung (*resigned on 20 April 2018*)  
Mr. Sung Lok Man Richard (*appointed on 13 April 2018 and resigned on 20 April 2018*)

### 公司董事

#### 執行董事

何笑明先生(*主席兼行政總裁*)  
(*於二零一八年四月十三日獲委任*)  
陳達材先生(*於二零一八年十一月八日辭任*)  
陳樑材先生(*於二零一八年四月十三日辭任*)  
陳健材先生(*於二零一八年四月十三日辭任*)  
梁寧女士(*於二零一八年四月十三日辭任*)

#### 獨立非執行董事

廖天立先生(*於二零一八年四月二十日獲委任*)  
劉量源先生(*於二零一八年四月二十日獲委任*)  
林凱如女士(*於二零一八年四月二十日獲委任*)  
陳令紘先生(*於二零一八年四月二十日辭任*)  
藍俊峰先生(*於二零一八年四月二十日辭任*)  
宋樂文先生(*於二零一八年四月二十日辭任*)

### 審核及合規委員會

廖天立先生(*主席*)  
(*於二零一八年四月二十日獲委任*)  
劉量源先生(*於二零一八年四月二十日獲委任*)  
林凱如女士(*於二零一八年四月二十日獲委任*)  
宋樂文先生(*於二零一八年四月二十日辭任*)  
藍俊峰先生(*於二零一八年四月二十日辭任*)  
陳令紘先生(*於二零一八年四月二十日辭任*)

### 薪酬委員會

林凱如女士(*主席*)  
(*於二零一八年四月二十日獲委任*)  
何笑明先生(*於二零一八年四月十三日獲委任*)  
廖天立先生(*於二零一八年四月二十日獲委任*)  
劉量源先生(*於二零一八年四月二十日獲委任*)  
陳令紘先生(*於二零一八年四月二十日辭任*)  
陳樑材先生(*於二零一八年四月十三日辭任*)  
宋樂文先生(*於二零一八年四月二十日辭任*)  
藍俊峰先生(*於二零一八年四月十三日獲委任及於二零一八年四月二十日辭任*)

### 提名委員會

劉量源先生(*主席*)  
(*於二零一八年四月二十日獲委任*)  
何笑明先生(*於二零一八年四月十三日獲委任*)  
廖天立先生(*於二零一八年四月二十日獲委任*)  
林凱如女士(*於二零一八年四月二十日獲委任*)  
陳樑材先生(*於二零一八年四月十三日辭任*)  
陳令紘先生(*於二零一八年四月二十日辭任*)  
藍俊峰先生(*於二零一八年四月二十日辭任*)  
宋樂文先生(*於二零一八年四月十三日獲委任及於二零一八年四月二十日辭任*)

# CORPORATE INFORMATION

## 公司資料

### COMPANY SECRETARY

Ms. Choi Yee Man (*appointed on 20 April 2018*)  
Mr. Chow Jonathan Edward Chun-chung  
(*resigned on 20 April 2018*)

### AUDITOR

Deloitte Touche Tohmatsu  
Certified Public Accountants  
35/F One Pacific Place  
88 Queensway  
Hong Kong

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
DBS Bank (Hong Kong) Limited

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 13/F.,  
Eton Building,  
288 Des Voeux Road Central,  
Hong Kong

### CAYMAN SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### HONG KONG SHARE REGISTRAR

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

### STOCK CODE

01536

### COMPANY WEBSITE

[www.yukwing.com](http://www.yukwing.com)

### 公司秘書

蔡綺雯女士(於二零一八年四月二十日獲委任)  
周鎮忠先生(於二零一八年四月二十日辭任)

### 核數師

德勤•關黃陳方會計師行  
執業會計師  
香港  
金鐘道88號  
太古廣場一期35樓

### 主要往來銀行

中國銀行(香港)有限公司  
星展銀行(香港)有限公司

### 註冊辦事處

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

### 香港主要營業地點

香港  
德輔道中288號  
易通商業大廈  
13樓B室

### 開曼群島股份過戶登記處

Codan Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### 香港證券登記處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓

### 股份代號

01536

### 公司網址

[www.yukwing.com](http://www.yukwing.com)

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表審閱報告

# Deloitte.

# 德勤

TO THE BOARD OF DIRECTORS OF YUK WING GROUP HOLDINGS LIMITED  
(Incorporated in the Cayman Islands with limited liability)

致煜榮集團控股有限公司董事會  
(於開曼群島註冊成立的有限公司)

### INTRODUCTION

We have reviewed the condensed consolidated financial statements of Yuk Wing Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on page 6 to 33, which comprise the condensed consolidated statement of financial position as of 30 September 2018 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 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 Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” 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.

### 緒言

本行已審閱第6至33頁所載煜榮集團控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)的簡明綜合財務報表，當中包括於二零一八年九月三十日的簡明綜合財務狀況表，以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證券上市規則規定，中期財務資料報告須按照其相關條文以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。貴公司董事須負責根據香港會計準則第34號編製及呈列該等簡明綜合財務報表。本行責任是根據協定的委聘條款按照本行的審閱就該等簡明綜合財務報表發表結論，並僅向閣下全體報告，除此之外本報告不作其他用途。本行不會就本報告的內容向任何其他人士負上或承擔任何責任。

### 審閱範圍

本行已根據香港會計師公會頒佈的香港審閱工作準則第2410號「實體的獨立核數師對中期財務資料的審閱」進行審閱。該等簡明綜合財務報表的審閱包括主要向負責財務及會計事宜的人員作出查詢，並應用分析及其他審閱程序。審閱的範圍遠較根據香港審計準則進行審核的範圍為小，故不能令本行保證本行知悉可能在審核中發現的所有重大事項。因此，本行不會發表審核意見。

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表審閱報告

### 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.

### 結論

按照本行的審閱，本行並無注意到任何事項可引致本行相信該等簡明綜合財務報表在各重大方面未有根據香港會計準則第34號編製。

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
28 November 2018

德勤•關黃陳方會計師行  
執業會計師  
香港  
二零一八年十一月二十八日

# 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 September 2018 截至二零一八年九月三十日止六個月

		<b>Six months ended 30 September</b> 截至九月三十日止六個月	
		<b>2018</b> 二零一八年 <b>HK\$'000</b> 千港元 <b>(unaudited)</b> <b>(未經審核)</b>	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
		NOTES 附註	
Revenue	收益	3	<b>79,685</b>
Cost of sales	銷售成本		<b>(49,068)</b>
Gross profit	毛利		<b>30,617</b>
Other income	其他收入		448
Other gains and losses	其他收益及虧損	4	<b>(233)</b>
Selling and distribution expenses	銷售及分銷開支		<b>(3,207)</b>
Administrative expenses	行政開支		<b>(12,282)</b>
Finance costs	融資成本	5	<b>(354)</b>
Profit before tax	除稅前溢利	6	<b>14,989</b>
Income tax expense	所得稅開支	7	<b>(3,250)</b>
Profit for the period	期內溢利		<b>11,739</b>
Profit for the period attributable to:	以下人士應佔期內溢利：		
Owners of the Company	本公司擁有人		<b>8,164</b>
Non-controlling interests	非控制權益		<b>3,575</b>
			<b>11,739</b>
Other comprehensive (expense) income for the period:	期內其他全面(開支)收益：		
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益的項目：</i>		
Exchange differences arising on translation of foreign operations	換算海外業務所產生的匯兌差額		<b>(3,350)</b>
Total comprehensive income for the period	期內全面總收益		<b>8,389</b>
Total comprehensive income for the period attributable to:	以下人士應佔期內全面總收益：		
Owners of the Company	本公司擁有人		<b>6,220</b>
Non-controlling interests	非控制權益		<b>2,169</b>
			<b>8,389</b>
Earnings per share, basic (HK cents)	每股基本盈利(港仙)	9	<b>2.15</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 簡明綜合財務狀況表

At 30 September 2018 於二零一八年九月三十日

		NOTES 附註	At 30 September 2018 於二零一八年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2018 於二零一八年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	8,483	10,905
Deposits placed at an insurance company	置於保險公司之存款		4,470	4,426
			12,953	15,331
Current assets	流動資產			
Inventories	存貨		44,751	39,483
Trade and other receivables	貿易及其他應收款項	11	58,960	49,592
Tax recoverable	可收回稅項		248	1,064
Bank balances and cash	銀行結餘及現金		88,886	71,975
			192,845	162,114
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	12	11,467	19,511
Contract liabilities	合約負債		573	—
Tax payable	應繳稅項		2,521	1,771
Bank and other borrowings	銀行及其他借貸	13	30,072	1,697
			44,633	22,979
Net current assets	流動資產淨值		148,212	139,135
Total assets less current liabilities	總資產減流動負債		161,165	154,466
Non-current liability	非流動負債			
Deferred tax liabilities	遞延稅項負債		100	68
			161,065	154,398
Capital and reserves	資本及儲備			
Share capital	股本	14	38,000	38,000
Reserves	儲備		94,019	89,521
Equity attributable to owners of the Company	本公司擁有人應佔權益		132,019	127,521
Non-controlling interests	非控制權益		29,046	26,877
			161,065	154,398



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 簡明綜合權益變動表

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

Attributable to owners of the Company

本公司擁有人應佔

		Share capital	Share premium	Merger reserve	Statutory reserve	Exchange reserve	Other reserve	Retained profits	Sub-total	Non-controlling interests	Total
		股本	股份溢價	併購儲備	法定儲備	匯兌儲備	其他儲備	保留溢利	小計	非控制權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(note i) (附註i)	(note ii) (附註ii)						
At 1 April 2017 (audited)	於二零一七年四月一日 (經審核)	38,000	74,942	(17,485)	652	(706)	19	32,650	128,072	22,570	150,642
Profit for the period	期內溢利	-	-	-	-	-	-	2,157	2,157	2,259	4,416
Exchange differences arising on translation of foreign operations	換算海外業務所產生的 匯兌差額	-	-	-	-	649	-	-	649	576	1,225
Total comprehensive income for the period	期內全面總收益	-	-	-	-	649	-	2,157	2,806	2,835	5,641
Transfer	轉撥	-	-	-	151	-	-	(151)	-	-	-
At 30 September 2017 (unaudited)	於二零一七年九月三十日 (未經審核)	38,000	74,942	(17,485)	803	(57)	19	34,656	130,878	25,405	156,283
At 1 April 2018 (audited)	於二零一八年四月一日 (經審核)	38,000	74,942	(17,485)	712	1,067	19	30,266	127,521	26,877	154,398
Opening adjustments (see note 2)	期初調整(見附註2)	-	-	-	-	-	-	(1,722)	(1,722)	-	(1,722)
At 1 April 2018 (restated)	於二零一八年四月一日 (經重列)	38,000	74,942	(17,485)	712	1,067	19	28,544	125,799	26,877	152,676
Profit for the period	期內溢利	-	-	-	-	-	-	8,164	8,164	3,575	11,739
Exchange differences arising on translation of foreign operations	換算海外業務所產生的 匯兌差額	-	-	-	-	(1,944)	-	-	(1,944)	(1,406)	(3,350)
Total comprehensive (expense) income for the period	期內全面總(開支)收益	-	-	-	-	(1,944)	-	8,164	6,220	2,169	8,389
Transfer	轉撥	-	-	-	250	-	-	(250)	-	-	-
At 30 September 2018 (unaudited)	於二零一八年九月三十日 (未經審核)	38,000	74,942	(17,485)	962	(877)	19	36,458	132,019	29,046	161,065

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 簡明綜合權益變動表

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

Note i: Amount represents difference between the nominal value of the share capital issued by Hang Wing Holdings Limited for the acquisition of the entire equity interests and the amount of share capital in Top Mark Mechanical Equipment Limited, Tristate International Industrial Limited, Top Glory Construction Equipment Limited and Maxa RockDrills Limited.

附註i: 該款項指鏗榮控股有限公司為收購震東機械設備有限公司、聯亞國際實業有限公司、震東建築設備有限公司及Maxa RockDrills Limited全部股權而發行的股本面值與震東機械設備有限公司、聯亞國際實業有限公司、震東建築設備有限公司及Maxa RockDrills Limited的股本面值之差額。

Note ii: Amount represents statutory reserve of 佛山市順德區萊利達工程設備有限公司 (Norry Tech Engineering Equipment Limited) (“**Norry Tech**”), a subsidiary of the Company. According to the relevant laws in the People’s Republic of China (the “**PRC**”), Norry Tech is required to transfer at least 10% of their net profit after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before the distribution of a dividend to owners. Such reserve fund can be used to offset the previous years’ losses, if any, and is non-distributable other than upon liquidation.

附註ii: 該款項指本公司附屬公司佛山市順德區萊利達工程設備有限公司(「**萊利達**」)的法定儲備。根據中華人民共和國(「**中國**」)相關法律，萊利達須將根據中國會計法規計算的除稅後純利最少10%轉撥至不可分派儲備基金，直至該儲備結餘達致註冊資本的50%，且須在向擁有人分派股息前轉撥。有關儲備基金可用於抵銷過往年度虧損(如有)，除清盤外，不可分派。

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## 簡明綜合現金流量表

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

		<b>Six months ended 30 September</b> 截至九月三十日止六個月	
		<b>2018</b> 二零一八年 <b>HK\$'000</b> 千港元 <b>(unaudited)</b> (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
Net cash (used in) from operating activities	經營活動(所用)所得現金淨額	<b>(10,301)</b>	2,073
Investing activities	投資活動		
Interest received	已收利息	<b>20</b>	8
Purchase of property, plant and equipment	購買物業、廠房及設備	<b>(119)</b>	(68)
Net cash used in investing activities	投資活動所用現金淨額	<b>(99)</b>	(60)
Financing activities	融資活動		
Repayment of bank borrowings	償還銀行借貸	<b>(1,697)</b>	(13,162)
Interest paid	已付利息	<b>(354)</b>	(298)
New bank and other borrowings raised	新增銀行及其他借貸	<b>30,072</b>	245
Net cash from (used in) financing activities	融資活動所得(所用)現金淨額	<b>28,021</b>	(13,215)
Net increase (decrease) in cash and cash equivalents	現金及現金等價物增加(減少)淨額	<b>17,621</b>	(11,202)
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	<b>71,975</b>	100,856
Effect of foreign exchange rate changes	匯率變動的影響	<b>(710)</b>	149
Cash and cash equivalents at end of the period represented by bank balances and cash	期末現金及現金等價物，指銀行結餘及現金	<b>88,886</b>	89,803

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 1. GENERAL AND BASIS OF PREPARATION

Yuk Wing Group Holdings Limited (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 17 March 2016. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 11 January 2017.

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

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than changes in accounting policies resulting from application of new Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2018 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2018.

### 1. 一般資料及編製基準

煜榮集團控股有限公司(「**本公司**」)於二零一六年三月十七日根據開曼群島一九六一年第3號法例第22章公司法(以經綜合及修訂者為準)於開曼群島註冊成為獲豁免有限公司。本公司股份自二零一七年一月十一日起於香港聯合交易所有限公司(「**聯交所**」)上市。

簡明綜合財務報表乃按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」,以及聯交所證券上市規則附錄16之適用披露規定編製。

### 2. 主要會計政策

簡明綜合財務報表乃按歷史成本基準編製。

除應用新訂香港財務報告準則(「**香港財務報告準則**」)所產生的會計政策變動外,截至二零一八年九月三十日止六個月的簡明綜合財務報表所採納的會計政策及計算方法與編製本集團截至二零一八年三月三十一日止年度的年度財務報表所遵循者相同。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants which are mandatorily effective for the annual period beginning on or after 1 April 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 "Financial Instruments" with HKFRS 4 "Insurance Contracts"
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which result in changes in accounting policies, amounts reported and/or disclosures as described below.

### 2. 主要會計政策(續)

#### 應用新訂香港財務報告準則及修訂本

於本中期期間，本集團已首次應用下列由香港會計師公會頒佈，於二零一八年四月一日或之後開始的年度期間強制生效，與編製本集團簡明綜合財務報表相關的新訂香港財務報告準則及修訂本：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	源自客戶合約的收益及有關修訂
香港(國際財務報告詮釋委員會)－詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號(修訂本)	以股份為基礎的付款交易之分類及計量
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第4號「保險合約」時一併應用香港財務報告準則第9號「金融工具」
香港會計準則第28號(修訂本)	作為香港財務報告準則二零一四年至二零一六年週期之年度改進的一部分
香港會計準則第40號(修訂本)	投資物業轉讓

新訂香港財務報告準則及修訂本已按照相應準則及修訂本中的相關過渡條文應用，產生下文所述會計政策、呈報金額及／或披露資料變動。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### 2.1 Impacts and changes in accounting policies of application on HKFRS 15 “Revenue from Contracts with Customers”

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded Hong Kong Accounting Standards (“HKAS”) 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations.

The Group recognises revenue from (i) manufacture and trading of down-the-hole (“DTH”) rockdrilling tools, which include design, manufacturing and trading of DTH rockdrilling tools; (ii) trading of piling and drilling machineries and (iii) trading of rockdrilling equipment.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 “Revenue” and HKAS 11 “Construction Contracts” and the related interpretations.

#### 2.1.1 Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

### 2. 主要會計政策(續)

#### 2.1 應用香港財務報告準則第15號「源自客戶合約的收益」的影響及會計政策變動

本集團已於本中期期間首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則(「香港會計準則」)第18號「收益」、香港會計準則第11號「建築合約」及有關詮釋。

本集團確認從(i)製造及買賣潛孔(「潛孔」)鑿岩工具,包括設計、製造及買賣潛孔鑿岩工具;(ii)買賣打樁機及鑽機及(iii)買賣鑿岩設備所得收益。

本集團已追溯應用香港財務報告準則第15號,而首次應用該準則的累積影響已於二零一八年四月一日首次應用當日確認。於首次應用日期的任何差異乃於期初保留溢利確認,且並無重列比較資料。再者,根據香港財務報告準則第15號的過渡條文,本集團選擇僅就於二零一八年四月一日尚未完成的合約追溯應用該準則。因此,若干根據香港會計準則第18號「收益」及香港會計準則第11號「建築合約」以及相關詮釋編製的比較資料可能無法用作比較。

#### 2.1.1 應用香港財務報告準則第15號所產生的會計政策主要變動

香港財務報告準則第15號引入確認收益的五個步驟:

- 第一步:識別與客戶的合約
- 第二步:識別合約中的履約責任
- 第三步:釐定交易價
- 第四步:將交易價分配至合約中的履約責任
- 第五步:於本集團完成履約責任時(或就此)確認收益。

根據香港財務報告準則第15號,本集團於完成履約責任時(或就此)確認收益,即當與特定履約責任相關的商品或服務的「控制權」轉讓予客戶時。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### 2.1 Impacts and changes in accounting policies of application on HKFRS 15 “Revenue from Contracts with Customers” (continued)

##### 2.1.1 Key changes in accounting policies resulting from application of HKFRS 15 (continued)

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

##### 2.1.2 Summary of effects arising from initial application of HKFRS 15

There is no material impact of transactions to HKFRS 15 on retained profits at 1 April 2018.

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

### 2. 主要會計政策(續)

#### 2.1 應用香港財務報告準則第15號「源自客戶合約的收益」的影響及會計政策變動(續)

##### 2.1.1 應用香港財務報告準則第15號所產生的會計政策主要變動(續)

履約責任指特定的商品及服務(或一組特定的商品或服務)或一系列大致相同的特定的商品或服務。

倘符合以下其中一項標準，則控制權隨時間轉移，而收益則參照完全履行相關履約責任的進展情況而隨時間確認：

- 於本集團履約時，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約產生或提升一項資產，而該項資產於本集團履約時由客戶控制；或
- 本集團的履約並未產生讓本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

否則，收益於客戶獲得特定商品或服務控制權的時間點確認。

合約負債指本集團因已向客戶收取代價(或已到期的代價金額)，而須向客戶轉讓商品或服務的責任。

##### 2.1.2 首次應用香港財務報告準則第15號所產生的影響概要

於二零一八年四月一日，香港財務報告準則第15號並無對保留溢利造成重大交易影響。

於二零一八年四月一日之簡明綜合財務狀況表中已確認金額的調整如下。概無包括不受影響的細列項目。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### 2.1 Impacts and changes in accounting policies of application on HKFRS 15 “Revenue from Contracts with Customers” (continued)

##### 2.1.2 Summary of effects arising from initial application of HKFRS 15 (continued)

### 2. 主要會計政策 (續)

#### 2.1 應用香港財務報告準則第15號「源自客戶合約的收益」的影響及會計政策變動 (續)

##### 2.1.2 首次應用香港財務報告準則第15號所產生的影響概要 (續)

	Carrying amounts previously reported at 31 March 2018	Reclassification	Carrying amounts under HKFRS 15 at 1 April 2018
	先前於二零一八年三月三十一日呈報的賬面值 HK\$'000 千港元	重新分類 HK\$'000 千港元	於二零一八年四月一日香港財務報告準則第15號項下賬面值 HK\$'000 千港元
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	貿易及其他應付款項	19,511	16,798
Contract liabilities (note)	合約負債(附註)	(2,713)	2,713
		2,713	2,713

Note:

As at 1 April 2018, advances from customers of HK\$2,713,000 in respect of considerations received from sale contracts previously included in trade and other payables were classified to contract liabilities.

The following table summarises the impacts of applying HKFRS 15 on the Group's condensed consolidated statement of financial position as at 30 September 2018 for each of the line items affected. Line items that were not affected by the changes have not been included:

附註：

於二零一八年四月一日，先前計入貿易及其他應付款項之客戶墊款(涉及來自銷售合約之已收代價)2,713,000港元分類至合約負債。

下表概述應用香港財務報告準則第15號對本集團於二零一八年九月三十日的簡明綜合財務狀況表內各受影響分項的影響。概無包括不受影響的細列項目：

	As reported	Adjustments	Amounts without application of HKFRS 15
	所呈報金額 HK\$'000 千港元	調整 HK\$'000 千港元	並無應用香港財務報告準則第15號的金額 HK\$'000 千港元
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	貿易及其他應付款項	11,467	12,040
Contract liabilities	合約負債	(573)	—

The directors of the Company considered the application of HKFRS 15 has no material impact of the timing and amounts of revenue recognised in the respective reporting periods.

本公司董事認為應用香港財務報告準則第15號對相關報告期間所確認的收益時間及金額並無造成重大影響。



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### 2.2 Impacts and changes in accounting policies of application on HKFRS 9 “Financial Instruments”

In the current period, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

#### 2.2.1 Key changes in accounting policies resulting from application of HKFRS 9

##### *Classification and measurement of financial assets*

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39.

### 2. 主要會計政策(續)

#### 2.2 應用香港財務報告準則第9號「金融工具」的影響及會計政策變動

於本期間，本集團已應用香港財務報告準則第9號「金融工具」及對其他香港財務報告準則作出的有關相應修訂。香港財務報告準則第9號引進有關1) 金融資產及金融負債的分類及計量，2) 金融資產的預期信貸虧損(「預期信貸虧損」)及3) 一般對沖會計處理的新規定。

本集團已按香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即對並無於二零一八年四月一日(初次應用日期)已終止確認的工具追溯應用分類及計量規定(包括減值)，而未對已於二零一八年四月一日已終止確認的工具應用有關規定。二零一八年三月三十一日之賬面值與二零一八年四月一日之賬面值之間任何差額乃於期初保留溢利及其他權益項目確認，毋須重列比較資料。

由於比較資料乃按照香港會計準則第39號「金融工具：確認及計量」編製，因此，若干比較資料可能無法用作比較。

#### 2.2.1 應用香港財務報告準則第9號所產生的會計政策主要變動

##### *金融資產的分類及計量*

因客戶合約而產生的貿易應收款項初步按香港財務報告準則第15號計量。

所有符合香港財務報告準則第9號範圍的已確認金融資產其後按攤銷成本或公平值計量，包括根據香港會計準則第39號按成本扣除減值計量的非上市股本投資。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### 2.2 Impacts and changes in accounting policies of application on HKFRS 9 “Financial Instruments” (continued)

##### 2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (continued)

###### Classification and measurement of financial assets (continued)

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

The directors of the Company reviewed and assessed the Group’s financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement on the Group’s financial assets and the impacts thereof are detailed in Note 2.2.2.

### 2. 主要會計政策 (續)

#### 2.2 應用香港財務報告準則第9號「金融工具」的影響及會計政策變動 (續)

##### 2.2.1 應用香港財務報告準則第9號所產生的會計政策主要變動 (續) 金融資產的分類及計量 (續)

符合以下條件的債務工具其後按攤銷成本計量：

- 以持有金融資產並收取合約現金流量為目的之經營模式下持有的金融資產；及
- 金融資產的合約條款於指定日期產生的現金流量純粹為支付本金及未償還本金的利息。

符合以下條件的債務工具其後按公平值計入其他全面收益計量：

- 透過收取合約現金流量及出售金融資產為目的而持有金融資產的經營模式下持有的金融資產；及
- 金融資產的合約條款於指定日期產生的現金流量純粹為支付本金及未償還本金的利息。

所有其他金融資產隨後按公平值計入損益計量，惟倘非交易用途股本投資亦非於香港財務報告準則第3號「業務合併」適用的業務合併中收購方所確認的或然代價，於首次應用／金融資產首次確認日期，本集團可不可撤回地選擇在其他全面收益中呈列股本投資公平值的其後變動。

本公司董事已審閱及評估本集團於二零一八年四月一日之金融資產時，以該日存在的事實及情況為基準。本集團金融資產之分類及計量變動及其影響於附註2.2.2詳述。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued) 2.2 Impacts and changes in accounting policies of application on HKFRS 9 “Financial Instruments” (continued)

#### 2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (continued)

##### Classification and measurement of financial assets (continued)

##### Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

### 2. 主要會計政策(續) 2.2 應用香港財務報告準則第9號「金融工具」的影響及會計政策變動(續)

#### 2.2.1 應用香港財務報告準則第9號所產生的會計政策主要變動(續) 金融資產的分類及計量(續)

##### 預期信貸虧損模型下的減值

本集團就須根據香港財務報告準則第9號計提減值的金融資產(包括貿易應收款項)的預期信貸虧損確認虧損準備。預期信貸虧損金額於各報告日期更新,以反映自初始確認以來信貸風險的變動。

全期預期信貸虧損指於相關工具預期年期內發生的所有可能違約事件所導致的預期信貸虧損。相反,12個月預期信貸虧損(「**12個月預期信貸虧損**」)指預期於報告日期後12個月內可能發生的違約事件所導致的部分全期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗進行,並根據債務人的特定因素、整體經濟狀況以及於報告日期對當前狀況及未來狀況預測的評估而作出調整。

本集團通常就貿易應收款項確認全期預期信貸虧損。該等資產的預期信貸虧損乃對具有重大結餘的債務人進行個別評估及/或使用具有適當分組的撥備矩陣進行共同評估。

就所有其他工具而言,本集團計量的虧損準備等於12個月預期信貸虧損,除非自初始確認後信貸風險顯著增加,本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損的評估乃基於自初始確認以來發生違約之可能性或風險的顯著增加。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### 2.2 Impacts and changes in accounting policies of application on HKFRS 9 “Financial Instruments” (continued)

##### 2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (continued)

*Classification and measurement of financial assets (continued)*

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

### 2. 主要會計政策(續)

#### 2.2 應用香港財務報告準則第9號「金融工具」的影響及會計政策變動(續)

##### 2.2.1 應用香港財務報告準則第9號所產生的會計政策主要變動(續) 金融資產的分類及計量(續)

信貸風險顯著增加

於評估自初始確認後信貸風險是否顯著增加時，本集團將於報告日期金融工具出現違約的風險與初始確認日期金融工具出現違約的風險進行比較。在進行該評估時，本集團會考慮合理有據的定量及定性資料，包括過往經驗及毋須花費不必要的成本或努力即可獲得的前瞻性資料。

在評估信貸風險是否顯著增加時，會尤其考慮以下資料：

- 金融工具的外部(如有)或內部信貸評級的實際或預期顯著惡化；
- 外部市場信貸風險指標顯著惡化，如信貸利差大幅增加、債務人的信用違約掉期價格；
- 預計會導致債務人償還債務能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；
- 債務人經營業績的實際或預期顯著惡化；及
- 債務人監管、經濟或技術環境的實際或預期的重大不利變化，導致債務人償還債務能力大幅下降。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### 2.2 Impacts and changes in accounting policies of application on HKFRS 9 “Financial Instruments” (continued)

##### 2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (continued)

###### Classification and measurement of financial assets (continued)

Significant increase in credit risk (continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

As at 1 April 2018, the directors of the Company reviewed and assessed the Group’s existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The results of the assessment and the impact thereof are detailed in Note 2.2.2.

### 2. 主要會計政策(續)

#### 2.2 應用香港財務報告準則第9號「金融工具」的影響及會計政策變動(續)

##### 2.2.1 應用香港財務報告準則第9號所產生的會計政策主要變動(續)

###### 金融資產的分類及計量(續)

信貸風險顯著增加(續)

不論上述評估的結果如何，本集團假定，倘合約付款逾期超過30天，則信貸風險自初始確認以來已顯著增加，除非本集團有合理有據的資料證明情況並非如此。

本集團認為，倘工具逾期超過90天時則發生違約，除非本集團有合理有據的資料證明更滯後的違約標準屬更合適。

預期信貸虧損的計量及確認

預期信貸虧損的計量乃違約概率、違約虧損率(即違約時虧損的幅度)及違約風險的函數。違約概率及違約虧損率乃根據經前瞻性資料調整的歷史數據進行評估。

一般而言，預期信貸虧損乃按根據合約應付本集團的所有合約現金流與本集團預期將收取的所有現金流量之間的差額估計，並按初始確認時釐定的實際利率貼現。

利息收入乃根據金融資產的賬面總值計算，除非金融資產發生信貸減值，在此情況下，利息收入根據金融資產的攤銷成本計算。

本集團透過調整所有金融工具的賬面值，以於損益中確認其減值收益或虧損，惟貿易應收款項除外，其相應調整乃透過虧損準備賬確認。

於二零一八年四月一日，本公司董事按照香港財務報告準則第9號的規定使用毋須花費不必要的成本或努力獲取的合理有據資料審閱及評估本集團現有金融資產的減值。評估結果及相關影響於附註2.2.2詳述。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### 2.2 Impacts and changes in accounting policies of application on HKFRS 9 “Financial Instruments” (continued)

##### 2.2.2 Summary of effects arising from initial application of HKFRS 9

Except for financial instruments which are subject to ECL upon application of HKFRS 9, all other financial assets and financial liabilities will continue to be measured on the same bases as were previously measured under HKAS 39.

The table below illustrates the classification and measurement (including impairment) of financial assets subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

### 2. 主要會計政策(續)

#### 2.2 應用香港財務報告準則第9號「金融工具」的影響及會計政策變動(續)

##### 2.2.2 首次應用香港財務報告準則第9號所產生的影響概要

除於首次應用香港財務報告準則第9號時受預期信貸虧損模式規限的金融工具外，所有其他金融資產及金融負債將繼續按目前根據香港會計準則第39號計量的相同基準計量。

下表闡述根據香港財務報告準則第9號及香港會計準則第39號預期信貸虧損的金融資產於首次應用日期(二零一八年四月一日)的分類及計量(包括減值)。

	Note 附註	Trade receivables 貿易應收款項 HK\$'000 千港元
Opening balance at 31 March 2018 — HKAS 39	於二零一八年三月三十一日的 期初結餘—香港會計準則第 39號	41,802
Effect arising from initial application of HKFRS 9: Impairment under ECL model	首次應用香港財務報告準則第 9號所產生影響： 預期信貸虧損模型下的減值 (a)	(1,722)
Opening balance at 1 April 2018	於二零一八年四月一日的期初 結餘	40,080

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### 2.2 Impacts and changes in accounting policies of application on HKFRS 9 “Financial Instruments” (continued)

##### 2.2.2 Summary of effects arising from initial application of HKFRS 9 (continued)

###### (a) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and aging analysis of the trade receivables.

Loss allowances for other financial assets at amortised cost mainly comprise of other receivables, pledged bank deposits and bank balances and cash, are measured on 12m ECL basis and there had been no significant increase in credit risk since initial recognition.

As at 1 April 2018, the additional credit loss allowance of HK\$1,722,000 has been recognised against retained profits. The additional loss allowance is charged against the respective assets. No additional credit loss allowance has been made for other financial assets at amortised cost.

### 2. 主要會計政策 (續)

#### 2.2 應用香港財務報告準則第9號「金融工具」的影響及會計政策變動 (續)

##### 2.2.2 首次應用香港財務報告準則第9號所產生的影響概要 (續)

###### (a) 預期信貸虧損模型下的減值

本集團已應用香港財務報告準則第9號的簡化方法計量預期信貸虧損，使用全期預期信貸虧損計量貿易應收款項。貿易應收款項已根據共同信貸風險的特質及貿易應收款項的賬齡分析分類，以計量預期信貸虧損。

其他按攤銷成本計量金融資產的虧損準備主要包括其他應收款項、已抵押銀行存款以及銀行結餘及現金，按12個月預期信貸虧損基準計量，且信貸風險自初始確認起並無大幅增加。

於二零一八年四月一日，就保留溢利已確認額外信貸虧損準備1,722,000港元。額外虧損準備自相應資產扣除。並無為其他按攤銷成本計量金融資產作出額外虧損準備。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 3. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in (i) manufacturing and trading of DTH rockdrilling tools; (ii) trading of piling and drilling machineries; and (iii) trading of rockdrilling equipment. All of the Group's revenue is recognised when the control of goods is transferred, being when the goods are delivered to the customer's specific location. A receivable is recognised by the Group when the goods are delivered to the customer's premises as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The customers have neither rights of return nor rights to defer or avoid payment for the goods once they are accepted by the customers upon receipt of goods. The contracts signed with the customers are short-term and fixed price contracts.

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on the types of products sold. The Group's operating segments are classified as (i) manufacturing and trading of DTH rockdrilling tools; (ii) trading of piling and drilling machineries; and (iii) trading of rockdrilling equipment.

#### Disaggregation of revenue

Sales of DTH rockdrilling tools	銷售潛孔鑿岩工具
Sales of piling and drilling machineries	銷售打樁機及鑽機
Sales of rockdrilling equipment	銷售鑿岩設備
Geographical markets:	地區市場：
Hong Kong	香港
Macau	澳門
Peru	秘魯
Others	其他

### 3. 收益及分部資料

本集團主要從事(i)製造及買賣潛孔鑿岩工具；(ii)買賣打樁機及鑽機；及(iii)買賣鑿岩設備。本集團所有收益均於貨品的控制權已轉移(即當貨品交付至客戶指定地點)時確認。當貨品交付至客戶處所時即確認應收款項，原因是此代表收取代價權利成為無條件的一個時間點，於款項到期前只須待時間過去。當客戶收到貨品並接受後，客戶並無權利退回貨品，或延遲或避免支付貨品款項。與客戶簽署的合約為短期及固定價格合約。

就資源分配及分部表現評估而向本公司執行董事(即主要經營決策者(「主要經營決策者」))提交的報告資料側重出售產品類型。本集團的經營分部分類為：(i)製造及買賣潛孔鑿岩工具；(ii)買賣打樁機及鑽機；及(iii)買賣鑿岩設備。

#### 收益明細

#### Six months ended 30 September 截至九月三十日止六個月

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Sales of DTH rockdrilling tools	49,472	29,158
Sales of piling and drilling machineries	19,376	3,728
Sales of rockdrilling equipment	10,837	6,736
	79,685	39,622
Geographical markets:		
Hong Kong	60,185	33,536
Macau	12,619	2,826
Peru	5,305	62
Others	1,576	3,198
	79,685	39,622



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 3. REVENUE AND SEGMENT INFORMATION (continued) Disaggregation of revenue (continued)

These operating segments also represent the Group's reportable segments. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

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

For the six months ended 30 September 2018

### 3. 收益及分部資料(續) 收益明細(續)

該等經營分部亦即本集團的可呈報分部。主要經營決策者在設定本集團的可呈報分部時並無彙合所識別的經營分部。

以下載列本集團按經營及可呈報分部劃分的收益及業績分析：

截至二零一八年九月三十日止六個月

		Manufacturing and trading of DTH rockdrilling tools 製造及買賣潛孔鑿岩工具 HK\$'000 千港元	Trading of piling and drilling machineries 買賣打樁機及鑽機 HK\$'000 千港元	Trading of rockdrilling equipment 買賣鑿岩設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment and external sales	分部及外界銷售	49,472	19,376	10,837	79,685
RESULTS	業績				
Segment result	分部業績	25,593	1,914	3,110	30,617
Unallocated expenses	未分配開支				(15,489)
Other income	其他收入				448
Other gains and losses	其他收益及虧損				(233)
Finance costs	融資成本				(354)
Profit before tax	除稅前溢利				14,989

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 3. REVENUE AND SEGMENT INFORMATION (continued) Disaggregation of revenue (continued)

For the six months ended 30 September 2017

### 3. 收益及分部資料(續) 收益明細(續)

截至二零一七年九月三十日止六個月

		Manufacturing and trading of DTH rockdrilling tools 製造及買賣 潛孔鑿岩工具 HK\$'000 千港元	Trading of piling and drilling machineries 買賣打樁機 及鑽機 HK\$'000 千港元	Trading of rockdrilling equipment 買賣鑿岩 設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment and external sales	分部及外界銷售	29,158	3,728	6,736	39,622
<b>RESULTS</b>					
Segment result	業績 分部業績	15,514	612	1,306	17,432
Unallocated expenses	未分配開支				(13,787)
Other income	其他收入				2,627
Other gains and losses	其他收益及虧損				(98)
Finance costs	融資成本				(298)
Profit before tax	除稅前溢利				5,876

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned by each segment without allocation of unallocated expenses (mainly including general office expenses, selling and distribution expenses and unallocated depreciation), other income, other gains and losses and finance costs. This is the measure reported to the CODM of the Company for the purposes of resource allocation and performance assessment.

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM of the Group.

經營分部的會計政策與本集團的會計政策相同。分部業績指分配未分配開支(主要包括一般辦公室開支、銷售及分銷開支及未分配折舊)、其他收入、其他收益及虧損,以及融資成本前各分部所賺取溢利。該計量方式會呈報本公司主要經營決策者以作資源分配及表現評估。

由於並無定期向本集團主要經營決策者提供分部資產及分部負債,因此並無對分部資產或分部負債的分析。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 4. OTHER GAINS AND LOSSES

### 4. 其他收益及虧損

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net foreign exchange gain (loss)	外匯收益(虧損)淨額	477	(98)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(406)	—
Allowance for doubtful debts	呆賬撥備	(304)	—
		<b>(233)</b>	(98)

### 5. FINANCE COSTS

### 5. 融資成本

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest on bank and other borrowings	銀行及其他借貸利息	354	298

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 6. PROFIT BEFORE TAX

### 6. 除稅前溢利

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit before tax has been arrived at after charging:	除稅前溢利已扣除以下項目：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	237	367
Depreciation of property, plant and equipment capitalised in inventories	已資本化為存貨之物業、廠房及設備折舊	1,071	935
Cost of inventories recognised as expense	確認為開支之存貨成本	49,068	22,190
Operating lease rental in respect of minimum lease payments of rental premises	以下項目的經營租賃租金： 租賃物業的最低租金付款	1,995	1,758

### 7. INCOME TAX EXPENSE

### 7. 所得稅開支

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
The charge comprises:	支出包括：		
Current tax	即期稅項		
Hong Kong	香港	2,405	947
PRC Enterprise Income Tax	中國企業所得稅	813	503
		3,218	1,450
Deferred tax charge	遞延稅項支出	32	10
		3,250	1,460

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

香港利得稅按於兩個期間的估計應課稅溢利的16.5%計算。

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the PRC Enterprise Income Tax is calculated at 25% of the assessable profits for the subsidiary established in the PRC for both periods.

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，於中國成立的附屬公司於兩個期間須按應課稅溢利的25%計算中國企業所得稅。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 8. DIVIDENDS

The board of directors of the Company does not recommend the payment of an interim dividend for the six months ended 30 September 2018 (six months ended 30 September 2017: nil).

### 8. 股息

本公司董事會不建議就截至二零一八年九月三十日止六個月派發中期股息(截至二零一七年九月三十日止六個月：零)。

### 9. EARNINGS PER SHARE

### 9. 每股盈利

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Earnings:	盈利：		
Earnings for the purpose of calculating basic earnings per share:	用以計算每股基本盈利的盈利：		
profit for the period attributable to the owners of the Company	本公司擁有人應佔期內溢利	8,164	2,157
		'000 千股	'000 千股
Number of shares:	股份數目：		
Number of ordinary shares for the purpose of calculating basic earnings per share	用以計算每股基本盈利的普通股數目	380,000	380,000

No diluted earnings per share was presented since there is no potential ordinary shares outstanding for both periods.

由於在兩個期間均無發行在外潛在普通股，故並無呈列每股攤薄盈利。

### 10. PROPERTY, PLANT AND EQUIPMENT

During the current period, the Group acquired certain property, plant and equipment amounting to HK\$119,000 (six months ended 30 September 2017: HK\$68,000).

### 10. 物業、廠房及設備

於本期間，本集團已收購達119,000港元(截至二零一七年九月三十日止六個月：68,000港元)的若干物業、廠房及設備。

During the current period, the Group disposed of property, plant and equipment with aggregate carrying amount of HK\$406,000 (six months ended 30 September 2017: fully depreciated).

於本期間，本集團已出售總賬面值為406,000港元(截至二零一七年九月三十日止六個月：已全數折舊)的物業、廠房及設備。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 11. TRADE AND OTHER RECEIVABLES

### 11. 貿易及其他應收款項

		At 30 September 2018 於二零一八年 九月三十日 HK\$'000 千港元	At 31 March 2018 於二零一八年 三月三十一日 HK\$'000 千港元
Trade receivables	貿易應收款項	49,719	41,802
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	9,241	7,790
		<b>58,960</b>	49,592

The Group grants an average credit period ranged from 30 days to 90 days upon delivery of goods to its customers. The following is an aged analysis of trade receivables based on delivery dates, net of allowance for doubtful debts at the end of the reporting period:

本集團給予客戶的平均信貸期介乎交付貨物後30至90日。以下為於報告期末基於交付日期的貿易應收款項(已扣除呆賬撥備)賬齡分析：

		At 30 September 2018 於二零一八年 九月三十日 HK\$'000 千港元	At 31 March 2018 於二零一八年 三月三十一日 HK\$'000 千港元
0 to 30 days	0至30日	10,150	14,545
31 to 60 days	31至60日	8,589	5,450
61 to 90 days	61至90日	4,050	4,916
91 to 180 days	91至180日	11,135	8,748
181 days to 1 year	181日至1年	14,646	6,010
Over 1 year	1年以上	1,149	2,133
		<b>49,719</b>	41,802

The Group rebutted the presumption of default under ECL model for trade receivables over 90 days past due based on the good repayment records for those customers and continuous business with the Group.

由於該等客戶的還款紀錄良好，並與本集團繼續有業務往來，因此本集團已推翻於預期信貸虧損模型下逾期超過90日的貿易應收款項屬違約的假設。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 12. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables based on the invoice dates.

		At 30 September 2018 於二零一八年 九月三十日 HK\$'000 千港元	At 31 March 2018 於二零一八年 三月三十一日 HK\$'000 千港元
0 to 30 days	0至30日	3,582	4,543
31 to 60 days	31至60日	2,440	1,322
61 to 90 days	61至90日	678	2,227
		6,700	8,092

### 13. BANK AND OTHER BORROWINGS

During the current period, the Group raised bank and other borrowings of HK\$30,072,000 (six months ended 30 September 2017: HK\$245,000), and repaid bank borrowings of HK\$1,697,000 (six months ended 30 September 2017: HK\$13,162,000) respectively.

As at 30 September 2018, bank borrowings amounting to HK\$10,072,000 are guaranteed by the Company (31 March 2018: HK\$1,697,000) and deposits placed at an insurance company amounting to HK\$4,470,000 (31 March 2018: HK\$4,426,000) held by Top Mark Mechanical Equipment Limited, a wholly-owned subsidiary of the Company, are pledged to secure general banking facilities granted to the Group.

The bank borrowings as at 30 September 2018 carry interest at prime rate in Hong Kong (31 March 2018: prime rate in Hong Kong) and the other borrowings as at 30 September 2018 carry interest at 5% per annum.

### 12. 貿易及其他應付款項

以下為貿易應付款項基於發票日期的賬齡分析。

### 13. 銀行及其他借貸

於本期間，本集團分別籌集銀行及其他借貸30,072,000港元（截至二零一七年九月三十日止六個月：245,000港元）及償還銀行借貸1,697,000港元（截至二零一七年九月三十日止六個月：13,162,000港元）。

於二零一八年九月三十日，銀行借貸10,072,000港元由本公司擔保（二零一八年三月三十一日：1,697,000港元），及置於保險公司並由本公司全資附屬公司震東機械設備有限公司持有之存款4,470,000港元（二零一八年三月三十一日：4,426,000港元）已作抵押，以擔保本集團獲授的一般銀行融資。

於二零一八年九月三十日的銀行借貸以香港優惠利率計息（二零一八年三月三十一日：以香港優惠利率計息），而於二零一八年九月三十日的其他借貸則以年利率5%計息。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 14. SHARE CAPITAL

Details of movements of authorised and issued capital of the Company are as follows:

### 14. 股本

本公司法定及已發行股本之變動詳情如下：

		Number of shares 股份數目	Share capital 股本 HK\$ 港元
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股		
<b>Authorised:</b>	<b>法定：</b>		
At 1 April 2017 (audited),	於二零一七年四月一日		
31 March 2018 (audited) and	(經審核)、二零一八年		
30 September 2018 (unaudited)	三月三十一日(經審核)及		
	二零一八年九月三十日		
	(未經審核)	500,000,000	50,000,000
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>		
At 1 April 2017 (audited),	於二零一七年四月一日		
31 March 2018 (audited) and	(經審核)、二零一八年		
30 September 2018 (unaudited)	三月三十一日(經審核)及		
	二零一八年九月三十日		
	(未經審核)	380,000,000	38,000,000

All issued shares rank pari passu in all respects with the existing issued shares.

所有已發行股份與現有已發行股份在各方面享有同等權利。

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed shares during the period ended 30 September 2018.

於截至二零一八年九月三十日止期間，本公司的附屬公司概無購買、出售或贖回本公司任何上市股份。

### 15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The directors of the Company consider that the carrying amounts of financial assets and the financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values at the end of the reporting period.

### 15. 金融工具公平值計量

本公司董事認為，按攤銷成本記錄於簡明綜合財務報表的金融資產及金融負債賬面值，與其於報告期末的公平值相若。



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 16. OPERATING LEASES

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		At 30 September 2018 於二零一八年 九月三十日 HK\$'000 千港元	At 31 March 2018 於二零一八年 三月三十一日 HK\$'000 千港元
Within one year	一年內	2,724	3,012
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	9,297	10,202
Over five years	超過五年	10,421	12,757
		<b>22,442</b>	25,971

Operating lease payments represent rentals payable by the Group for factory premises and staff quarters. These leases are negotiated for terms ranging from one to twelve years. None of the leases include any contingent rentals.

Included above are the commitments for future minimum lease payments to Top Champion Industrial Limited ("Top Champion"), of which Mr. Chan Leung Choi, the former chairman, chief executive officer and executive director, has control. Mr. Chan Leung Choi has resigned his position as chairman, chief executive officer and executive director of the Company on 13 April 2018. Mr. Chan Leung Choi is also the brother of Mr. Chan Tat Choi, the former executive director. The commitments for future minimum lease payments to Top Champion are as follows:

		At 30 September 2018 於二零一八年 九月三十日 HK\$'000 千港元	At 31 March 2018 於二零一八年 三月三十一日 HK\$'000 千港元
Within one year	一年內	263	263
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	44	175
		<b>307</b>	438

### 16. 經營租賃

於各報告期末，本集團根據不可撤銷經營租賃須承擔之未來最低租金於下列期間到期：

經營租金指本集團就廠房及員工宿舍應付的租金。該等租約經磋商租期介乎一至十二年。租約概無包括任何或然租金。

上文載列對由前任主席、行政總裁及執行董事陳樑材先生所控制泰昌實業有限公司(「泰昌」)之未來最低租金承擔。陳樑材先生已於二零一八年四月十三日辭任本公司主席、行政總裁及執行董事職務。陳樑材先生亦為前執行董事陳達材先生的胞弟。對泰昌之未來最低租金承擔如下：

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

### 17. RELATED PARTY DISCLOSURES

#### (i) Related party transactions

During the period, the Group entered into the following transactions with its related parties:

Name of related company 關聯公司名稱	Relationship 關係	Nature of transaction 交易性質	Six months ended 30 September 截至九月三十日止六個月	
			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Top Champion	Entity over which Mr. Chan Leung Choi, the former chairman, chief executive officer and executive director, and also the brother of Mr. Chan Tat Choi, former executive director, has control	Rental expense of rented premises	131	136
泰昌	陳樑材先生(前任主席、行政總裁及執行董事,亦為前執行董事陳達材先生的胞弟)擁有控制權之實體	租賃物業租金開支		

### 17. 關聯方披露

#### (i) 關聯方交易

期內,本集團與其關聯方訂立下列交易:

Six months ended 30 September  
截至九月三十日止六個月

#### (ii) Compensation of key management personnel

The remuneration of directors and other members of key management during the period is as follows:

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	3,141	4,144
Post-employment benefits	離職後福利	75	74
		<b>3,216</b>	4,218

#### (ii) 主要管理人員報酬

董事及其他主要管理人員於期內之薪酬如下:

Six months ended  
30 September  
截至九月三十日止六個月

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS REVIEW

The Group is principally engaged in the manufacturing and trading of DTH rockdrilling tools, trading of piling and drilling machineries and rockdrilling equipment.

Hong Kong and Macau remain to be the Group's major markets, where the revenue generated from Hong Kong contributed to approximately HK\$60.2 million for the Reporting Period (six months ended 30 September 2017: approximately HK\$33.5 million), or 75.5% of the total revenue during the Reporting Period (six months ended 30 September 2017: 84.6%). The business in Macau has been steadily progressing during the Reporting Period, where the revenue generated from Macau contributed to approximately HK\$12.6 million for the Reporting Period (six months ended 30 September 2017: approximately HK\$2.8 million), or 15.8% of the total revenue during the Reporting Period (six months ended 30 September 2017: 7.1%). Revenue from Peru has shown significant increase for the Reporting Period, which contributed to approximately HK\$5.3 million for the Reporting Period (six months ended 30 September 2017: approximately HK\$0.1 million).

### Manufacturing and Trading of DTH Rockdrilling Tools

The Group is principally engaged in the manufacturing and trading of DTH rockdrilling tools. Our self-designed and manufactured DTH rockdrilling tools can be categorised into the following main categories, namely DTH hammers, casing systems (comprising driver bits and casing bits), and other miscellaneous products including button bits and bit openers, as well as our newly developed products, drill pipes, cluster drills and casing tubes. Revenue from the manufacturing and trading of DTH rockdrilling tools contributed to approximately 62.1% of the total revenue during the Reporting Period (six months ended 30 September 2017: approximately 73.6%). Our newly developed self-designed drill pipes has seen improvement in sales during the Reporting Period, where the revenue generated from our self-designed drill pipes increased by approximately HK\$4.9 million, or 114.0%, to approximately HK\$9.2 million for the Reporting Period, from approximately HK\$4.3 million for the six months ended 30 September 2017.

### Trading of Piling and Drilling Machineries and Rockdrilling Equipment

The Group is also engaged in the trading of piling and drilling machineries and rockdrilling equipment to our customers as part of our technical rockdrilling solutions. Revenue from the trading of piling and drilling machineries, and rockdrilling equipment, contributed to approximately 24.3% of total revenue during the Reporting Period (six months ended 30 September 2017: approximately 9.4%) and approximately 13.6% of the total revenue during the Reporting Period (six months ended 30 September 2017: approximately 17.0%), respectively.

### 業務回顧

本集團主要從事製造及買賣潛孔鑿岩工具、買賣打樁機及鑽機和鑿岩設備。

香港及澳門依然為本集團的主要市場，於報告期間在香港產生的收益約為60.2百萬港元（截至二零一七年九月三十日止六個月：約33.5百萬港元），或佔報告期間總收益的75.5%（截至二零一七年九月三十日止六個月：84.6%）。澳門業務於報告期間穩步發展，於報告期間在澳門產生的收益約為12.6百萬港元（截至二零一七年九月三十日止六個月：約2.8百萬港元），或佔報告期間總收益的15.8%（截至二零一七年九月三十日止六個月：7.1%）。報告期間秘魯的收益顯著增加，於報告期間作出的貢獻約為5.3百萬港元（截至二零一七年九月三十日止六個月：約0.1百萬港元）。

### 製造及買賣潛孔鑿岩工具

本集團主要從事製造及買賣潛孔鑿岩工具。我們自主設計及製造的潛孔鑿岩工具主要分為以下類別：潛孔錘、套管系統（包括驅導鑽頭及套管鑽頭）及其他雜項產品（包括球齒鑽頭及擴孔器）以及新開發產品、鑽桿、叢式鑽具及套管。製造及買賣潛孔鑿岩工具的收益佔報告期間總收益約62.1%（截至二零一七年九月三十日止六個月：約73.6%）。我們最新自主開發的鑽桿，其銷售於報告期間錄得改善，由我們自主設計的鑽桿所產生的收益由截至二零一七年九月三十日止六個月的約4.3百萬港元，增加約4.9百萬港元或114.0%，至報告期間的約9.2百萬港元。

### 買賣打樁機及鑽機和鑿岩設備

本集團亦從事根據鑿岩技術解決方案向客戶買賣打樁機及鑽機和鑿岩設備。買賣打樁機及鑽機和鑿岩設備的收益分別佔報告期間總收益約24.3%（截至二零一七年九月三十日止六個月：約9.4%）及約13.6%（截至二零一七年九月三十日止六個月：約17.0%）。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

#### Revenue

The Group's revenue increased by approximately HK\$40.1 million, or 101.1%, to approximately HK\$79.7 million for the Reporting Period, from approximately HK\$39.6 million for the six months ended 30 September 2017, primarily due to the improvement of the business environment in Hong Kong during the Reporting Period, leading to a relatively higher level of construction activities and available projects when compared with the six months ended 30 September 2017, resulting in a higher than expected demand for our products.

#### Gross Profit and Gross Profit Margin

The Group's gross profit increased by approximately HK\$13.2 million, or 75.6%, to approximately HK\$30.6 million for the Reporting Period, from approximately HK\$17.4 million for the six months ended 30 September 2017, primarily due to the increase in revenue as mentioned above. Gross profit margin decreased to approximately 38.4% for the Reporting Period, from approximately 44.0% for the six months ended 30 September 2017, mainly attributable to the lower gross profit margin from the trading of piling and drilling machineries segment, as the gross profit margin of machineries sold during the Reporting Period is lower than those machineries sold during the six months ended 30 September 2017.

#### Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately HK\$1.0 million, or 46.2%, to approximately HK\$3.2 million for the Reporting Period, from approximately HK\$2.2 million for the six months ended 30 September 2017, mainly due to the increase in advertising and business promotion expenses, declaration charges, commission, and freight, transportation and storage costs as a result of the increase in revenue during the Reporting Period.

#### Administrative Expenses

The Group's administrative expenses increased by approximately HK\$0.7 million, or 5.9%, to approximately HK\$12.3 million for the Reporting Period, from approximately HK\$11.6 million for the six months ended 30 September 2017, primarily due to the increase in rental expenses, bank charges and auditor's remuneration, partially offset by the decrease in staff costs and directors' remunerations during the Reporting Period.

#### Net Profit

The Group reported a net profit of approximately HK\$11.7 million (for the six months ended 30 September 2017: approximately HK\$4.4 million). The increase in net profit was mainly attributable to the increase in revenue during the Reporting Period as explained above.

#### 財務回顧 收益

本集團的收益由截至二零一七年九月三十日止六個月約39.6百萬港元增加約40.1百萬港元或約101.1%至報告期間約79.7百萬港元，主要是由於報告期間香港的業務環境改善，與截至二零一七年九月三十日止六個月相比，建築活動及可施工項目數量處於相對較高水平，導致對我們產品的需求高於預期。

#### 毛利及毛利率

本集團的毛利由截至二零一七年九月三十日止六個月約17.4百萬港元增加約13.2百萬港元或75.6%至報告期間約30.6百萬港元，主要是由於收益如上文所述增加所致。毛利率由截至二零一七年九月三十日止六個月約44.0%下跌至報告期間的約38.4%，主要是由於買賣打樁機及鑽機分部的毛利率較低所致，原因為於報告期間出售器械的毛利率較截至二零一七年九月三十日止六個月所出售的器械為低。

#### 銷售及分銷開支

本集團的銷售及分銷開支由截至二零一七年九月三十日止六個月約2.2百萬港元增加約1.0百萬港元或46.2%至報告期間約3.2百萬港元，主要是由於收益於報告期間增加，令廣告及業務宣傳開支、報關費用、佣金以及運費、交通及儲存成本增加所致。

#### 行政開支

本集團的行政開支由截至二零一七年九月三十日止六個月約11.6百萬港元增加約0.7百萬港元或5.9%至報告期間約12.3百萬港元，主要是由於租金開支、銀行費用及核數師酬金增加所致，惟部分由報告期間的員工成本及董事薪酬減少所抵銷。

#### 純利

本集團已呈報純利為約11.7百萬港元（截至二零一七年九月三十日止六個月：約4.4百萬港元）。純利增加主要是由於如上文所述於報告期間收益增加所致。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### PROSPECTS

During the Reporting Period, the Group continued to develop its various business and geographical segments. The market environment in the Group's major market, Hong Kong, has improved during the Reporting Period. As more construction projects were available in the market, our customers have increased their purchases of our products, which in turn had a positive contribution to the Group's revenue and profit during the Reporting Period. As motions have passed at the Finance Committee of the Legislative Council in March 2018 to streamline the procedures on the deliberation of agenda items and committee members speaking on proposals, this has a positive impact as to the timeliness of the approval process, and it is anticipated that more construction projects will commence in the coming years.

The Macau market continued to progress steadily during the Reporting Period. The Group will continue to capture the business opportunities as and when they arise.

The Group has been continuing its efforts to extend its presence in several key international markets, including Scandinavia, Peru, Germany, Brazil, Japan and India. Progress has been made in the exploring the South America region, where the Group has commenced businesses with customers in Peru and Brazil for construction projects during the Reporting Period.

Overall, the Group remains positive towards the future of the construction market and the business of the Group in Hong Kong and Macau, and will continue its efforts to strengthen and extend its presence in the overseas markets through participation in overseas exhibition and promotions.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2018, the Group had total cash and cash equivalents of approximately HK\$88.9 million (as at 31 March 2018: approximately HK\$72.0 million). The increase was mainly resulted from the increase in revenue during the Reporting Period.

The gearing ratio of the Group as at 30 September 2018 (defined as the Group's total interest bearing liabilities divided by the Group's total equity) was approximately 18.7% (as at 31 March 2018: approximately 1.1%). The increase in gearing ratio of the Group as at 30 September 2018 is mainly due to the increase in borrowings.

### 前景

本集團於報告期間繼續發展其多個業務及區域分部。香港是本集團的主要市場，其市場環境於報告期間已有所改善。由於市場上有更多可供施工的建築項目，我們的客戶已增加採購我們的產品，因而為本集團於報告期間的收益及利潤帶來正面貢獻。由於立法會財務委員會已於二零一八年三月通過議案，以簡化審議議程項目及委員會成員就議案發言的程序，這對批准過程的及時性產生正面影響，並且預期來年將展開更多建築項目。

澳門市場於報告期間繼續穩步發展。本集團將於商機來臨時繼續加以把握。

本集團繼續致力拓展在斯堪的納維亞、秘魯、德國、巴西、日本及印度等若干主要國際市場的份額。於報告期間，本集團已在開拓南美地區市場取得進展，並開始與秘魯及巴西的客戶就建築項目進行業務。

總括而言，本集團對建築市場以及本集團的香港及澳門業務之前景維持樂觀，並將透過參加海外展會及推廣活動，繼續致力鞏固及拓展在海外市場的份額。

### 流動資金及財務資源

於二零一八年九月三十日，本集團的現金及現金等價物總額約為88.9百萬港元（於二零一八年三月三十一日：約72.0百萬港元）。現金及現金等價物增加主要是由於在報告期間收益增加所致。

於二零一八年九月三十日，本集團的資產與負債比率（定義為本集團的總計息負債除以本集團的總權益）約為18.7%（於二零一八年三月三十一日：約1.1%）。本集團於二零一八年九月三十日的資產與負債比率增加主要是由於借貸增加所致。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### CAPITAL STRUCTURE

As at 30 September 2018 and the date of this report, the Company's issued share capital was HK\$38,000,000 and the number of its issued ordinary shares was 380,000,000 of HK\$0.1 each.

There has been no change in the capital structure of the Group during the Reporting Period, the six months ended 30 September 2017, and up to the date of this report.

### CHARGE ON GROUP ASSETS

As at 30 September 2018, bank borrowings amounting to approximately HK\$10.1 million are guaranteed by the Company. As at 30 September 2018, deposits placed at an insurance company amounting to approximately HK\$4.5 million were pledged to secure general banking facilities granted to the Group.

### CONTINGENT LIABILITIES

The Group did not have any material contingent liability as at 30 September 2018.

### CAPITAL COMMITMENTS

As at 30 September 2018 and 2017, the Group had no capital commitments.

### SEGMENT INFORMATION

Details of segment information of the Group for the six months ended 30 September 2018 are set out in note 3 to the condensed consolidated financial statements.

### SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this report, there has been no significant investment, material acquisition or disposal of subsidiaries and associated companies by the Company during the Reporting Period.

### CHANGE IN CONTROL AND MANDATORY CASH OFFER

The deed of sale and purchase was entered into between Colour Shine Investments Limited ("Colour Shine") and Hang Yip Company Limited ("Hang Yip"), a former Controlling Shareholder who was interested in 195,000,000 shares of the Company, representing 51.32% of the issued share capital of the Company (the "Sale Share(s)"), on 2 February 2018, pursuant to which, among others, Colour Shine agreed to purchase and Hang Yip agreed to sell the Sale Shares for a total cash consideration of HK\$349.05 million (equivalent to HK\$1.79 per Sale Share). The completion of the sale and purchase of the Sale Shares took place on 5 February 2018.

### 資本架構

於二零一八年九月三十日及於本報告日期，本公司已發行股本為38,000,000港元，而已發行普通股數目為380,000,000股，每股面值0.1港元。

於報告期間、自截至二零一七年九月三十日止六個月起及至本報告日期，本集團資本架構概無任何變動。

### 集團資產押記

於二零一八年九月三十日，銀行借貸約10.1百萬港元由本公司擔保。於二零一八年九月三十日，存放於保險公司之存款約4.5百萬港元已作抵押，以擔保本集團獲授的一般銀行融資。

### 或然負債

本集團於二零一八年九月三十日並無任何重大或然負債。

### 資本承擔

於二零一八年及二零一七年九月三十日，本集團並無任何資本承擔。

### 分部資料

本集團於截至二零一八年九月三十日止六個月的分部資料詳情，載於簡明綜合財務報表附註3。

### 重大投資、重大收購及出售

除本報告已披露者外，於報告期間，本公司概無任何重大投資、重大收購或出售附屬公司及聯營公司的事項。

### 控制權變動和強制性現金要約

彩輝投資有限公司(「彩輝」)與於本公司195,000,000股股份中擁有權益(佔本公司已發行股本51.32%)(「待售股份」)的前控股股東鏗業有限公司(「鏗業」)已於二零一八年二月二日訂立買賣契據，據此(其中包括)，彩輝已同意購買而鏗業已同意出售待售股份，總現金代價為349.05百萬港元(相等於每股待售股份1.79港元)。出售及購買待售股份事宜已於二零一八年二月五日完成。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### CHANGE IN CONTROL AND MANDATORY CASH OFFER (continued)

Upon the completion of the sale and purchase of the Sale Shares, Colour Shine and parties acting in concert with it were interested in 195,000,000 shares of the Company, representing 51.32% of the issued share capital of the Company on 5 February 2018, Colour Shine therefore was required to make a mandatory unconditional cash offer for all the issued shares of the Company not already owned or agreed to be acquired by it and parties acting in concert with it under Rule 26.1 of the Hong Kong Code on Takeovers and Mergers (the “Offer”). The Offer was closed on 13 April 2018.

Details of the Offer have been disclosed in the Company's announcements dated 7 February 2018, 13 February 2018, 28 February 2018, 23 March 2018, 29 March 2018 and 13 April 2018 respectively and the Company's circular dated 23 March 2018.

### FOREIGN EXCHANGE RISK

Our Group's operations are mainly in Hong Kong and the People's Republic of China (the “PRC”), and most of the operating transactions, revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars and Renminbi. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that the Group should have sufficient resources to meet foreign exchange requirements as and if it arises. The Group has not engaged in any derivative to hedge its exposure to foreign exchange risk.

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2018, the Group had 109 employees (as at 30 September 2017: 113 employees) in Hong Kong and the PRC. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance. Other staff benefits include bonuses awarded on discretionary basis, mandatory provident fund scheme for Hong Kong employees, state-sponsored retirement plans for PRC employees.

### 控制權變動和強制性現金要約(續)

於完成出售及購買待售股份後，彩輝及其一致行動人士於195,000,000股本公司股份中擁有權益，佔二零一八年二月五日本公司已發行股本的51.32%。因此，彩輝須根據香港收購及合併守則第26.1條，就彩輝及其一致行動人士當時尚未擁有，或已同意收購之本公司全部已發行股份作出強制性無條件現金要約（「要約」）。要約已於二零一八年四月十三日完結。

要約之詳情已分別於本公司日期為二零一八年二月七日、二零一八年二月十三日、二零一八年二月二十八日、二零一八年三月二十三日、二零一八年三月二十九日及二零一八年四月十三日之公告，以及本公司日期為二零一八年三月二十三日之通函中披露。

### 外匯風險

本集團主要於香港及中華人民共和國（「中國」）營運，而大部分營運交易、收益、開支、貨幣資產及負債均以港元及人民幣計值。因此，董事認為，本集團的外匯風險並不重大，且本集團應具有足夠資源即時應付外匯需要。本集團並無使用任何衍生工具對沖其外匯風險。

### 僱員及薪酬政策

於二零一八年九月三十日，本集團於香港及中國擁有109名僱員（於二零一七年九月三十日：113名僱員）。本集團定期檢討並參考市場條款、公司表現及個人資歷及表現釐定薪酬政策。其他員工福利包括按酌情基準發放的花紅、為香港僱員而設的強制性公積金計劃及為中國僱員而設的國家資助退休計劃。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### USE OF PROCEEDS FROM THE PUBLIC OFFER

The net proceeds from the public offer received by the Company, after deduction of the underwriting commissions and other related listing expenses payable by the Company in the public offer, were approximately HK\$88.3 million. In accordance with the proposed applications set out in the section headed “Future Plans and Use of Proceeds” of the prospectus of the Company dated 30 December 2016 (the “Prospectus”), the net proceeds received were applied by the Group up to 30 September 2018 as follows:

### 公開發售所得款項用途

經扣除本公司於公開發售中應付的包銷佣金及其他相關上市開支後，本公司從公開發售收到的所得款項淨額約為88.3百萬港元。根據本公司日期為二零一六年十二月三十日的招股章程（「招股章程」）「未來計劃及所得款項用途」一節所載的建議用途，本集團至二零一八年九月三十日將已收到的所得款項淨額用作下列用途：

Use of net proceeds	Estimated Net Proceeds as per the Prospectus 根據招股章程的估計所得款項淨額 HK\$' million 百萬港元	Actual Net Proceeds 實際所得款項淨額 HK\$' million 百萬港元	Used amounts as at 30 September 2018 於二零一八年九月三十日的已動用金額 HK\$' million 百萬港元	Unused amounts as at 30 September 2018 於二零一八年九月三十日的未動用金額 HK\$' million 百萬港元
Investing in new manufacturing facility	投資新生產設施	48.0	50.4	45.4
Research and development	研發	3.9	4.4	3.6
Participation in overseas exhibition and promotions	參加海外展會及推廣活動	9.6	9.7	8.8
Purchase of brand new drilling machineries	購買全新鑽孔器械	8.2	8.8	—
Increasing manpower in Hong Kong	增加位於香港的人手	3.8	4.4	4.0
Renting of new office for Hong Kong headquarters	租賃香港總部新辦公室	3.2	3.5	3.0
Working capital and other general corporate purposes	營運資金及其他一般企業用途	6.9	7.1	1.3
<b>Total</b>	<b>總計</b>	<b>83.6</b>	<b>88.3</b>	<b>66.1</b>

The unutilised amounts of the net proceeds will be applied in the manner consistent with that mentioned in the Prospectus.

未動用的所得款項淨額將根據招股章程所述方式應用。

As at the date of this report, the Directors do not anticipate any change to the plan of the use of proceeds as disclosed above. The unused net proceeds have been deposited with banks in Hong Kong.

於本報告日期，董事預計上文所披露的所得款項用途計劃將不會出現任何變動。未動用所得款項淨額已存放於香港的銀行。

For further information regarding the use of the Company's proceeds from the public offer, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

有關本公司公開發售所得款項用途的進一步資料，請參閱招股章程「未來計劃及所得款項用途」一節。



# CORPORATE GOVERNANCE AND OTHER INFORMATION

## 企業管治及其他資料

### CORPORATE GOVERNANCE

#### Compliance of the Code

The Company focuses on maintaining a good standard of corporate governance for purposes of enhancing the value for shareholders and protecting their interests. The Company has adopted and complied with such provisions of the Code (the “**Code Provision(s)**”) as stated in the Corporate Governance Code (the “**Code**”) provided in Appendix 14 to the Listing Rules during the Year except for the Code Provision A.2.1.

In accordance with Code Provision A.2.1, the roles of the chairman and chief executive officer should be separated and should not be held by the same person. On 13 April 2018, Mr. Chan Leung Choi resigned and Mr. He Xiaoming was appointed to act as the chairman and the chief executive officer of the Company. However, given the development of the Group and the rich and extensive experience that Mr. Chan Leung Choi has in the industry and the Group with a long history, the Board believes that both Mr. Chan Leung Choi and Mr. He Xiaoming concurrently acting as the chairman and chief executive officer helped implement the Group’s business strategies and enhanced the operating efficiency. In addition, the Board comprises three Independent Non-executive Directors, enabling the Company’s shareholders to be represented sufficiently and fairly under the monitoring of the Board.

The Board will examine and review, from time to time, the Company’s corporate governance practices and operations in order to meet the relevant provisions under the Listing Rules and to protect the shareholders’ interests.

#### Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as provided in Appendix 10 of the Listing Rules (the “**Model Code**”) as the Company’s code of conduct governing Directors’ securities transactions. Upon specific enquiry conducted by the Company, each of the existing Directors have confirmed that they have complied with the Model Code throughout the Reporting Period.

### 企業管治

#### 遵守守則

本公司專注於維持高水平的企業管治，旨在為股東提升價值及保障彼等的權益。於本年度，除守則條文第A.2.1條外，本公司已採納及遵守載於上市規則附錄十四企業管治守則（「守則」）的守則條文（「守則條文」）。

根據守則條文第A.2.1條，主席及行政總裁的職務應分開，且不應由同一個人擔任。陳樑材先生已於二零一八年四月十三日辭任，而何笑明先生於同日獲委任為本公司主席及行政總裁。然而，鑑於本集團的發展情況以及陳樑材先生於行內屬資深且豐富經驗，且彼與本集團淵源甚深，董事會相信，陳樑材先生及何笑明先生同時擔任主席及行政總裁，將有助於本集團落實業務策略及提升營運效率。此外，董事會成員包括三位獨立非執行董事，於董事會監察下讓本公司股東利益能獲得充分維護並得到公平對待。

董事會將不時研究及檢討本公司的企業管治常規與運作模式，以符合上市規則的有關條文及保障股東權益。

#### 遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」），作為本公司規管董事進行證券交易的標準守則。經本公司作出特定查詢後，各現任董事已確認，彼等於報告期間一直遵守標準守則。

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## 企業管治及其他資料

### Audit and Compliance Committee

The Audit and Compliance Committee has reviewed the unaudited condensed consolidated interim financial statements for the Reporting Period and considered that the Company has adopted applicable accounting policies and made adequate disclosures in relation to preparation of relevant results.

The Audit and Compliance Committee consists of three members, namely Mr. Liu Tin Lap, Mr. Lau Leong Yuen and Ms. Lam Hoi Yu Nicki. All members of the Audit and Compliance Committee are independent non-executive Directors. Mr. Liu Tin Lap is the chairman of the Audit and Compliance Committee.

### OTHER INFORMATION

#### Purchase, Sale and Redemption of the Listed Securities of the Company

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

#### Interim Dividend

The Board does not recommend the distribution of an interim dividend for the Reporting Period.

### 審核及合規委員會

審核及合規委員會已審閱報告期間的未經審核簡明綜合中期財務報表，並認為本公司已採納適用會計政策及已就編製相關業績作出充分披露。

審核及合規委員會由三名成員組成，即廖天立先生、劉量源先生及林凱如女士。審核及合規委員會的所有成員皆為獨立非執行董事。廖天立先生為審核及合規委員會主席。

### 其他資料

#### 購買、出售及贖回本公司已上市證券

於報告期間，本公司或其任何附屬公司概無購買、出售或贖回任何本公司已上市證券。

#### 中期股息

董事會不建議就報告期間派發中期股息。

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## 企業管治及其他資料

### Directors and Chief Executive's Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation

As at 30 September 2018, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV the Securities and Futures Ordinance (the "SFO")), which are required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

董事及主要行政人員於本公司或任何相聯法團的股份、相關股份及債券的權益及/或淡倉

於二零一八年九月三十日，本公司各董事及主要行政人員於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有(i)須根據證券及期貨條例第XV部第7及8分部條文知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例有關條文被當作或視作擁有的權益及淡倉)；(ii)根據證券及期貨條例第XV部第352條須記入該條所指的登記冊的權益及淡倉；或(iii)根據標準守則須知會本公司及聯交所的權益及淡倉如下：

Name of Director	Name of associated corporation	Capacity/Nature of Interest	Number of Shares (share) <sup>(1)</sup>	Approximate percentage of the total issued share capital of the Company (%) 佔本公司已發行股本總額的概約百分比(%)
董事姓名	相聯法團名稱	身份/權益性質	股份數目(股) <sup>(1)</sup>	
Mr. He Xiaoming <sup>(2)</sup>	Colour Shine	Interest in a controlled corporation	188,192,000 (L)	49.52%
何笑明先生 <sup>(2)</sup>	彩輝	受控法團權益	188,192,000 (S) <sup>(3)</sup>	49.52%

Table Notes:

- (1) The Letter "L" denotes a person's long position (as defined under part XV of the SFO) in such Shares. The Letter "S" denotes a person's short position (as defined under part XV of the SFO) in such Shares.
- (2) 188,192,000 Shares are held by Colour Shine whose entire issued share capital is held by Mr. He Xiaoming. Mr. He Xiaoming is also the sole director of Colour Shine as at 30 September 2018.
- (3) Colour Shine has charged 188,192,000 Shares to Kingston Securities Limited as security as at 30 September 2018 pursuant to the share charge entered into between Kingston Securities Limited as chargee and Colour Shine as charger dated 1 February 2018.

表格附註：

- (1) 「L」表示該人士在有關股份中所持的好倉(定義見證券及期貨條例第XV部)。「S」表示該人士在有關股份中所持的淡倉(定義見證券及期貨條例第XV部)。
- (2) 188,192,000股股份由彩輝持有，而彩輝之全部已發行股本由何笑明先生持有。於二零一八年九月三十日，何笑明先生亦為彩輝的唯一董事。
- (3) 於二零一八年九月三十日，根據日期為二零一八年二月一日，由金利豐證券有限公司(作為承押人)及彩輝(作為抵押人)訂立的股份押記，彩輝已將188,192,000股股份抵押予金利豐證券有限公司。

Save as disclosed above, as at 30 September 2018, none of the Directors, the chief executive of the Company nor their associates had any other interests or short positions in the shares of the Company, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or the chief executive of the Company is taken or deemed to have under such provisions of the SFO); or (ii) to be entered into the register maintained by the Company pursuant to Section 352 of the SFO; or (iii) to be notified to the Company or the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一八年九月三十日，概無本公司董事、主要行政人員，或其聯繫人士於本公司或任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中(i)須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的任何其他權益或淡倉(包括根據證券及期貨條例有關條文，任何該等本公司董事或主要行政人員被當作或視作擁有的權益或淡倉)；或(ii)根據證券及期貨條例第352條須記入該條所指的登記冊的任何其他權益或淡倉；或(iii)根據標準守則須知會本公司或聯交所的任何其他權益或淡倉。

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## 企業管治及其他資料

### Substantial Shareholders' Interests and/or Short Positions in the Shares, Underlying Shares of the Company

As at 30 September 2018 and as far as the Directors knew, the following persons have or be deemed or taken to have an interest in the Shares or underlying Shares of our Company which are required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Division 2 and 3 of Part XV of the SFO, or to be recorded in the register placed in the Company pursuant to Section 336 of the SFO, or are, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any of our subsidiaries:

#### (a) Substantial Shareholders of the Company

Name of Shareholder	Nature of interest	Number of Shares (share) <sup>(1)</sup>	Approximate percentage of the total issued share capital of the Company (%) 佔本公司已發行股本總額的概約百分比(%)
股東姓名／名稱	權益性質	股份數目(股) <sup>(1)</sup>	概約百分比(%)
Colour Shine	Beneficial owner	188,192,000 (L)	49.52%
彩輝	實益擁有人	188,192,000 (S) <sup>(3)</sup>	49.52%
Mr. He Xiaoming <sup>(2)</sup>	Interest of a controlled corporation	188,192,000 (L)	49.52%
何笑明先生 <sup>(2)</sup>	受控法團權益	188,192,000 (S) <sup>(3)</sup>	49.52%

Table Notes:

- (1) The Letter "L" denotes a person's long position (as defined under part XV of the SFO) in such Shares. The Letter "S" denotes a person's short position (as defined under part XV of the SFO) in such Shares.
- (2) 188,192,000 Shares are held by Colour Shine whose entire issued share capital is held by Mr. He Xiaoming. Mr. He Xiaoming is also the sole director of Colour Shine as at 30 September 2018.
- (3) Colour Shine has charged 188,192,000 Shares to Kingston Securities Limited as security as at 30 September 2018 pursuant to the share charge entered into between Kingston Securities Limited as chargee and Colour Shine as charger dated 1 February 2018.

### 主要股東於本公司股份、相關股份的權益及／或淡倉

於二零一八年九月三十日及據董事所知，以下人士於本公司股份或相關股份中擁有或視為或當作擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露的權益，或記入本公司根據證券及期貨條例第336條存置的登記冊的權益，或直接或間接擁有附帶權利可在任何情況下於本公司或本公司任何附屬公司股東大會上表決之任何類別股本面值5%或以上權益：

#### (a) 主要股東所持股份好倉

表格附註：

- (1) 「L」表示該人士在有關股份中所持的好倉(定義見證券及期貨條例第XV部)。「S」表示該人士在有關股份中所持的淡倉(定義見證券及期貨條例第XV部)。
- (2) 188,192,000股股份由彩輝持有，而彩輝之全部已發行股本由何笑明先生持有。於二零一八年九月三十日，何笑明先生亦為彩輝的唯一董事。
- (3) 於二零一八年九月三十日，根據日期為二零一八年二月一日，由金利豐證券有限公司(作為承押人)及彩輝(作為抵押人)訂立的股份押記，彩輝已將188,192,000股股份抵押予金利豐證券有限公司。

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## 企業管治及其他資料

### (b) Substantial Shareholders of Other Members of the Group (b) 本集團其他成員公司的主要股東

Name of subsidiary of the Company	Name of Shareholder	Approximate percentage of the total issued share capital in our subsidiary (%) 佔附屬公司已發行股本總額的概約百分比(%)
本公司附屬公司名稱	股東姓名	
Tristate International 聯亞國際	Mr. Chan Lap Wai Gary <sup>(Note)</sup> 陳立緯先生 <sup>(附註)</sup>	49% 49%
Norry Tech 萊利達	Mr. Chan Lap Wai Gary 陳立緯先生	49% 49%

Note: Dawn Success Ltd, a company wholly owned by Ms. Vane Siu Ling Linda, holds the 49% holdings in Tristate International on trust for Mr. Chan Lap Wai Gary.

附註：Dawn Success Ltd，一間由范小玲女士全資擁有的公司，以信託方式代表陳立緯先生持有聯亞國際49%股權。

Save as disclosed above, our Directors are not aware of any person who has an interest or a short position in the Shares or underlying Shares which is required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or to be recorded in the register placed in the Company pursuant to Section 336 of the SFO, or is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any of our subsidiaries.

除上文所披露者外，據我們的董事所知，概無任何人士於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露的權益或淡倉，或記入本公司根據證券及期貨條例第336條存置的登記冊的權益或淡倉，或直接或間接擁有可在任何情況下於本公司或本公司任何附屬公司股東大會上表決之任何類別股本面值5%或以上權益。

By order of the Board

**YUK WING GROUP HOLDINGS LIMITED**

**He Xiaoming**

Chief Executive Officer, Chairman and Executive Director

Hong Kong, 28 November 2018

承董事會命

**煜榮集團控股有限公司**

行政總裁、主席兼執行董事

**何笑明**

香港，二零一八年十一月二十八日

In the event of any inconsistency, the English text of this report shall prevail over the Chinese text.

本報告中英文版本如有歧義，概以英文版本為準。

## DEFINITIONS

### 釋義

“Board” or “Board of Directors” 「董事會」	our board of Directors 指我們的董事會
“BVI” 「英屬處女群島」	the British Virgin Islands 指英屬處女群島
“China” or “PRC” 「中國」	the People’s Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context requires, references in this interim report to “China” and the “PRC” do not include Hong Kong, Macau and Taiwan 指中華人民共和國，就本中期報告而言僅作地區參考用途，除文義另有所指外，本中期報告對「中國」的提述並不包括香港、澳門及台灣
“Colour Shine” 「彩輝」	Colour Shine Investment Limited 彩輝投資有限公司, a company incorporated in the BVI with limited liabilities, which is wholly-owned by the Executive Director, Mr. He Xiaoming, and become the Controlling Shareholders on 5 February 2018 指彩輝投資有限公司，在英屬處女群島註冊成立的有限公司，由執行董事何笑明先生全資擁有，並於二零一八年二月五日成為控股股東
“Companies Ordinance” 「公司條例」	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented from time to time 指香港法例第622章公司條例，經不時修訂或補充
“Company”, “our Company”, “the Company”, “we” or “us” 「本公司」或「我們」	Yuk Wing Group Holdings Limited 煜榮集團控股有限公司, a company incorporated in the Cayman Islands with limited liability on 17 March 2016 指煜榮集團控股有限公司，於二零一六年三月十七日在開曼群島註冊成立的有限公司
“connected person” 「關連人士」	has the meaning ascribed thereto in the Listing Rules 指具有上市規則所賦予的涵義
“Controlling Shareholder(s)” 「控股股東」	has the meaning ascribed thereto in the Listing Rules and, unless the context otherwise requires, means each of Mr. Chan Leung Choi, Mr. Chan Kin Choi and Hang Yip up to 5 February 2018, and from 5 February 2018, Mr. He Xiaoming and Colour Shine 指具有上市規則所賦予的涵義，除文義另有所指外，截至二零一八年二月五日為陳樑材先生、陳健材先生及鏗業，而自二零一八年二月五日起，為何笑明先生及彩輝
“Director(s)” 「董事」	the director(s) of our Company 指本公司董事
“Executive Director(s)” 「執行董事」	executive Director(s) 指執行董事

## DEFINITIONS

### 釋義

“Group”, “our Group”, “the Group”, “we” or “us”	our Company and its subsidiaries or, where the context otherwise requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, the present subsidiaries of our Company, some or any of them and the businesses carried on by such subsidiaries or (as the case may be) their predecessors
「本集團」或「我們」	指本公司及其附屬公司，倘文義另有所指，則對於本公司成為現有附屬公司之控股公司前之期間而言，指本公司現有附屬公司、若干或任何該等附屬公司及該等附屬公司或(視情況而定)其前身公司經營的業務
“Hang Wing”	Hang Wing Holdings Limited 鐳榮控股有限公司, a BVI business company incorporated in the BVI with limited liability on 16 March 2016 and a wholly owned subsidiary of the Company
「鐳榮」	指鐳榮控股有限公司，於二零一六年三月十六日在英屬處女群島註冊成立的英屬處女群島商業有限公司，為本公司的全資附屬公司
“Hang Yip”	Hang Yip Company Limited 鐳業有限公司, a BVI business company incorporated in the BVI with limited liability on 16 March 2016, owned as to 80% by Mr. Chan Leung Choi and 20% by Mr. Chan Kin Choi and is one of our Controlling Shareholders up to 5 February 2018
「鐳業」	指鐳業有限公司，於二零一六年三月十六日在英屬處女群島註冊成立的英屬處女群島商業有限公司，由陳樑材先生及陳健材先生分別擁有80%及20%權益，直至二零一八年二月五日為我們的控股股東之一
“HK\$” or “Hong Kong dollars” or “HK dollars” or “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
「港元」或「港仙」	指香港法定貨幣港元及港仙
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
「香港」	指中國香港特別行政區
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
「香港聯交所」或「聯交所」	指香港聯合交易所有限公司
“Independent Non-executive Director(s)”	independent non-executive Director(s)
「獨立非執行董事」	指獨立非執行董事
“independent third party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not connected with our Company or our connected persons as defined under the Listing Rules
「獨立第三方」	指據我們的董事於作出一切合理查詢後所知、所悉及所信，根據上市規則定義與本公司或我們關連人士並無關連的人士或公司及彼等各自最終實益擁有人

## DEFINITIONS

### 釋義

“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time) 指香港聯合交易所有限公司證券上市規則，經不時修訂、補充或以其他方式修改
“Macau” 「澳門」	the Macau Special Administrative Region of the PRC 指中國澳門特別行政區
“Maxa RockDrills” 「Maxa RockDrills」	MAXA RockDrills Limited, a company incorporated in Hong Kong with limited liability on 15 September 2000 and is an indirect wholly-owned subsidiary of our Company 指MAXA RockDrills Limited，於二零零零年九月十五日在香港註冊成立的有限公司，為本公司間接全資附屬公司
“Norry Tech” 「萊利達」	佛山市順德區萊利達工程設備有限公司 (Norry Tech Engineering Equipment Limited), a company established in the PRC with limited liability on 16 October 2007, owned as to 51% by Tristate Hong Kong and 49% by Mr. Chan Lap Wai Gary, an independent third party (other than being a shareholder of Norry Tech and Tristate International), and is an indirect non wholly-owned subsidiary of our Company 指佛山市順德區萊利達工程設備有限公司，於二零零七年十月十六日在中國成立的有限公司，由Tristate Hong Kong及獨立第三方陳立緯先生（惟屬於萊利達及聯亞國際的股東）分別擁有51%及49%權益，為本公司間接非全資附屬公司
“Prospectus” 「招股章程」	the prospectus of the Company dated 30 December 2016 in relation to the initial public offering and the listing of our shares on the Stock Exchange 指日期為二零一六年十二月三十日有關首次公開發售及我們的股份於聯交所上市的本公司招股章程
“Reporting Period” 「報告期」	six months ended 30 September 2018 指截至二零一八年九月三十日止六個月
“RMB” or “Renminbi” 「人民幣」	the lawful currency of the PRC 指中國法定貨幣
“SFO” or “Securities and Futures Ordinance” 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time 指香港法例第571章證券及期貨條例，經不時修訂或補充
“subsidiary” or “subsidiaries” 「附屬公司」	has the meaning ascribed thereto under the Companies Ordinance 指具有公司條例所賦予的涵義
“substantial shareholder” 「主要股東」	has the meaning ascribed thereto in the Listing Rules 指具有上市規則所賦予的涵義



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### 釋義

“Top Glory”	Top Glory Construction Equipment Limited 震東建築設備有限公司, formerly known as Top Mark Construction Equipment Limited 震東建築設備有限公司, a company incorporated in Hong Kong with limited liability on 20 March 2015 and an indirect wholly-owned subsidiary of the Company
「震東建築」	指震東建築設備有限公司, 於二零一五年三月二十日在香港註冊成立的有限公司, 為本公司間接全資附屬公司
“Top Mark”	Top Mark Mechanical Equipment Limited 震東機械設備有限公司, a company incorporated in Hong Kong with limited liability on 28 July 1997 and an indirect wholly-owned subsidiary of the Company
「震東機械」	指震東機械設備有限公司, 於一九九七年七月二十八日在香港註冊成立的有限公司, 為本公司間接全資附屬公司
“Tristate Hong Kong”	Tristate (HK) Holding Company Limited, a company incorporated in Hong Kong with limited liability on 13 April 2016, and an indirect wholly-owned subsidiary of our Company
「Tristate Hong Kong」	指Tristate (HK) Holding Company Limited, 於二零一六年四月十三日在香港註冊成立的有限公司, 為本公司間接全資附屬公司
“Tristate International”	Tristate International Industrial Limited 聯亞國際實業有限公司, a company incorporated in Hong Kong with limited liability on 28 July 2008, and held as to 51% by Hang Wing and 49% by Dawn Success Ltd, a company wholly owned by Ms. Vane Siu Ling Linda, wife of Mr. Chan Lap Wai Gary, and an indirect non-wholly owned subsidiary of our Company
「聯亞國際」	指聯亞國際實業有限公司, 於二零零八年七月二十八日在香港註冊成立的有限公司, 由鏗榮及Dawn Success Ltd, 一間由范小玲女士全資擁有的公司(范小玲女士為陳立緯先生之妻子)分別持有51%及49%權益, 為本公司間接非全資附屬公司
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
「美國」	指美利堅合眾國, 其領土、屬地及所有受其司法管轄的地區
“US\$”, “USD” or “U.S. dollars”	United States dollars, the lawful currency for the time being of the United States
「美元」	指美國現時法定貨幣美元
“%”	per cent
「%」	指百分比

**Yuk Wing Group Holdings Limited**  
**煜榮集團控股有限公司**