



PROSPER ONE INTERNATIONAL
HOLDINGS COMPANY LIMITED

富一國際控股有限公司

(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 : 1470



INTERIM REPORT
中期報告

2018

CONTENTS 目錄

- 2** Corporate Information
公司資料
- 5** Chairman's Statement
主席報告
- 8** Management Discussion and Analysis
管理層討論及分析
- 16** Other Information
其他資料
- 23** 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
- 24** Condensed Consolidated Statement of Financial Position
簡明綜合財務狀況表
- 25** Condensed Consolidated Statement of Changes in Equity
簡明綜合權益變動表
- 26** Condensed Consolidated Statement of Cash Flows
簡明綜合現金流量表
- 27** Notes to the Condensed Consolidated Interim Financial Statements
簡明綜合中期財務報表附註

CORPORATE INFORMATION

公司資料



DIRECTORS

Executive Directors

Mr. Meng Guangyin (*Chairman and Chief Executive Officer*)
 Mr. Liu Guoqing (*Chief Financial Officer*)
 Mr. Liu Jiaqiang

Independent non-executive Directors

Mr. Tian Zhiyuan
 Mr. Lee Chun Keung
 Mr. Wang Luping

BOARD COMMITTEES

Audit Committee

Mr. Tian Zhiyuan (*Chairman*)
 Mr. Lee Chun Keung
 Mr. Wang Luping

Remuneration Committee

Mr. Tian Zhiyuan (*Chairman*)
 Mr. Meng Guangyin
 Mr. Wang Luping

Nomination Committee

Mr. Meng Guangyin (*Chairman*)
 Mr. Tian Zhiyuan
 Mr. Lee Chun Keung

COMPANY SECRETARY

Mr. Kwok Siu Man

AUTHORISED REPRESENTATIVES

Mr. Liu Guoqing
 Mr. Kwok Siu Man

董事

執行董事

孟廣銀先生(*主席兼行政總裁*)
 劉國慶先生(*首席財務官*)
 劉加強先生

獨立非執行董事

田志遠先生
 李鎮強先生
 王魯平先生

董事會委員會

審核委員會

田志遠先生(*主席*)
 李鎮強先生
 王魯平先生

薪酬委員會

田志遠先生(*主席*)
 孟廣銀先生
 王魯平先生

提名委員會

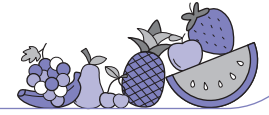
孟廣銀先生(*主席*)
 田志遠先生
 李鎮強先生

公司秘書

郭兆文先生

授權代表

劉國慶先生
 郭兆文先生



PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

INDEPENDENT AUDITORS

Fan, Chan & Co. Limited (appointed on 19 December 2018)
Deloitte Touche Tohmatsu (resigned on 14 December 2018)

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 4205, 42th Floor
Office Tower, Convention Plaza
No. 1 Harbour Road
Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

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
恒生銀行有限公司
香港上海滙豐銀行有限公司

獨立核數師

范陳會計師行有限公司(於二零一八年十二月十九日獲委任)
德勤•關黃陳方會計師行(於二零一八年十二月十四日辭任)

註冊辦事處

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

總部及香港主要營業地點

香港
灣仔
港灣道1號
會展廣場辦公大樓
42樓4205室

開曼群島主要股份過戶登記處

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



HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F
148 Electric Road
North Point
Hong Kong

香港股份過戶登記分處

寶德隆證券登記有限公司
香港
北角
電氣道148號
21樓2103B室

COMPANY'S WEBSITE

www.prosperoneintl.com

公司網站

www.prosperoneintl.com

LISTING INFORMATION

Place of Listing:

Main Board of The Stock Exchange of Hong Kong Limited

Stock Code

1470

Board Lot

4,000 Shares

上市資料

上市地：

香港聯合交易所有限公司之主板

股份代號

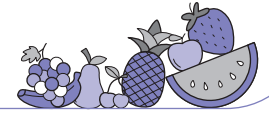
1470

每手買賣單位

4,000股

CHAIRMAN'S STATEMENT

主席報告



Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Director(s)**”) of Prosper One International Holdings Company Limited (the “**Company**”), I hereby present the unaudited interim report of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 31 October 2018 (the “**Review Period**”) together with the relevant comparative figures.

BUSINESS REVIEW

The first six months of our financial year 2018/2019 was challenging although it observed increasing signs of recovery and improvement of consumption sentiments as reflected in our retail shops. During the Review Period, local consumers and visitors from the Mainland China have been the major driving forces for the market upturn. Nevertheless, increased purchasing power did not at the same time make profit margin better off in the tough watches retail business under severe competition. Due to the expiry of the franchise licences of the Group’s two major watches brands, the Group’s performance in this segment was on its decline track.

In the first quarter of 2018, the Group has commenced its new businesses. The new businesses continued to record profits during the Review Period, which slightly offset the downtrend impact of watches retail business. As a result of the foregoing, the turnover for the Review Period decreased by approximately 10.9% to approximately HK\$124.4 million (six months ended 31 October 2017: approximately HK\$139.6 million). Gross profit for the Review Period was approximately HK\$51.9 million (six months ended 31 October 2017: approximately HK\$44.9 million). After eliminating the effect of the commencement of new businesses, the gross profit of watches business was approximately HK\$40.3 million (six months ended 31 October 2017: approximately HK\$44.9 million) and there was an increase of approximately 3.5% in gross profit margin compared with the corresponding period in 2017. The loss attributable to owners of the Company was approximately HK\$8.3 million for the Review Period, which remained almost unchanged compared with the six months ended 31 October 2017.

致列位股東：

本人謹代表富一國際控股有限公司(「本公司」)董事(「董事」)會(「董事會」)提呈本公司及其附屬公司(統稱「本集團」)截至二零一八年十月三十一日止六個月(「回顧期間」)之未經審核中期報告，連同相關比較數字。

業務回顧

儘管我們零售店顯示出不斷復蘇的跡象及消費氛圍日益改善，但二零一八／二零一九財政年度首六個月仍充滿挑戰。於回顧期間，當地消費者及中國內地之遊客一直為市場好轉之主要推動力。儘管如此，在競爭激烈且艱難的腕錶零售業務中，購買力增加並未使利潤率好轉。由於本集團兩個主要腕錶品牌之特許經營許可證到期，本集團於該分部的表現正處於下滑趨勢。

於二零一八年第一季度，本集團已開始其新業務。於回顧期間，新業務持續錄得溢利，其略微抵銷腕錶零售業務之下行影響。由於上文所述，回顧期間之營業額下降約10.9%至約124.4百萬港元(截至二零一七年十月三十一日止六個月：約139.6百萬港元)。回顧期間之毛利約為51.9百萬港元(截至二零一七年十月三十一日止六個月：約44.9百萬港元)。於撇除開始新業務之影響後，腕錶業務之毛利約為40.3百萬港元(截至二零一七年十月三十一日止六個月：約44.9百萬港元)及毛利率較二零一七年同期增加約3.5%。於回顧期間，本公司擁有人應佔虧損約為8.3百萬港元，其較截至二零一七年十月三十一日止六個月幾乎維持不變。



OUTLOOK AND FUTURE PROSPECTS

Due to the continuous integration of fertilizers industry and elimination of backward capacity, the fertilizer prices recovered during the Review Period. It is expected that more obsolete production capacity will be squeezed out of the market and the degree of concentration in the fertilizers industry will be further enhanced, which will result in maintaining a relatively stable growth in the fertilizer prices with the support of growing demand in agricultural and industrial usages. As the market outlook of fertilizers industry is on its improvement track, we shall strive to strengthen relationships with key customers and diversify our customer base, aiming to create new drivers for future development.

As regards the retail of watches, the expiry of the franchise licences of the Group's two major brands has led to a decrease in total turnover of the Group for the Review Period. A larger decline in sales in the second half of our financial year 2018/2019 is expected as all the above-mentioned single brand shops have either been closed or are being handed over to the brand owner in accordance to the terms of the franchise agreements.

Despite the above unfavorable factors, the Group will stay focus on opening single brand shops with other brands and have opened a brand-new concept shop by offering brands with unique design and market niche. The Group remained cautious in rationalizing our existing network of our retail outlets against the high costs of operations and we have been successful in negotiating better rental rates on our lease renewals. We have also been fine-tuning our retail outlets by closing down under-performing shops on the one hand and opening new shops at strategically prime locations on the other. With these moves, we expect to see better results in the forthcoming financial year.

The Group will continue to consolidate and develop its existing market and industry position and do its best to create better returns for the Shareholders. As usual, we shall grasp opportunities to proactively expand our businesses by seeking target-oriented acquisitions. It is believed that all of our management and staff continue to uphold the spirit of endless effort. Under the strong leadership of the Board, we can create a promising future.

展望及未來前景

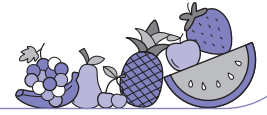
由於肥料行業持續整合及淘汰落後產能，於回顧期間，肥料價格有所回升。預計更多過時產能將被迫驅逐市場及肥料行業的集中度將進一步增強，其將導致在農業及工業用途需求不斷增長的支持下，肥料價格將維持穩定增長。由於肥料行業之市場前景正在改善，我們將尋求加強與主要客戶之關係並多樣化我們的客戶基礎，旨在為未來發展創造新動力。

就腕錶零售而言，本集團兩個主要品牌之特許經營許可證到期導致本集團於回顧期間之總營業額下降。由於所有上述單一品牌商店已根據特許經營協議的條款關閉或移交予品牌擁有人，預計二零一八/二零一九財政年度下半年的銷售額將出現較大幅度的下降。

儘管存在上述不利因素，本集團將繼續專注於開設其他品牌之單一品牌商店並已通過提供具有獨特設計及市場利基開設一間全新的概念店。本集團於對零售店的現有網絡與高營運成本之間作出合理取捨時維持審慎態度及我們已成功協商續新租約的更優惠租金。我們亦一方面通過關閉經營不良的商店及另一方面於戰略黃金地段開設新商店調整我們的零售商店。通過該等舉措，我們預計於下一個財政年度將取得更好成果。

本集團將繼續整合及發展其現有市場及行業地位，竭其所能為股東創造更優回報。我們將一如既往抓住機遇，通過尋求以目標為導向之收購積極擴展我們的業務。我們相信我們所有管理層及員工繼續秉承不懈努力的精神。於董事會有力的帶領下，我們能創造一個滿腹希望的未來。

CHAIRMAN'S STATEMENT (CONTINUED) 主席報告(續)



APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to our dedicated management team and employees for their contributions that enable the Group to face the challenges during the Review Period. At the same time, I wish to express my sincere thanks to our partners, customers and in particular, our Shareholders, for their continuous support and trust in the Group's strategic transformation.

Meng Guangyin

Chairman

Hong Kong, 28 December 2018

致謝

本人謹代表董事會藉此機會感謝鞠躬盡瘁的管理團隊及員工為使本集團能面對回顧期間的挑戰作出的無私奉獻。同時，本人謹此向合作夥伴、客戶、特別是股東表達衷心的謝意，感謝彼等一直以來對本集團戰略轉型的信任與支持。

主席

孟廣銀

香港，二零一八年十二月二十八日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



FINANCIAL REVIEW

Revenue

Our revenue decreased by approximately HK\$15.2 million or 10.9% from approximately HK\$139.6 million for the six months ended 31 October 2017 to approximately HK\$124.4 million for the Review Period. Revenue derived from watches business decreased by approximately HK\$26.7 million or 19.1% from approximately HK\$139.6 million for the six months ended 31 October 2017 to approximately HK\$112.9 million for the Review Period. The decrease in revenue derived from watches business was mainly due to the expiry of the franchise licences of the Group's two major watches brands and severe competition in the watches retail business throughout the Review Period. Due to the commencement of new businesses, revenue from our new businesses has slightly offset the decrease in revenue of watches retail business.

Cost of sales

Our cost of sales primarily consists of cost of inventories sold and reversal of provision or provision for slow-moving inventories. Our cost of sales decreased by approximately HK\$22.1 million or 23.3% from approximately HK\$94.7 million for the six months ended 31 October 2017 to approximately HK\$72.6 million for the Review Period. During the Review Period, the Group recorded a reversal of provision for slow-moving inventories of approximately HK\$2.2 million (six months ended 31 October 2017: provision of approximately HK\$1.6 million) to profit or loss. The provision for slow-moving inventories as at 31 October 2018 amounted to approximately HK\$21.6 million (As at 30 April 2018: approximately HK\$23.8 million).

After eliminating the effect of reversal of provision or provision for slow-moving inventories, cost of sales decreased by approximately HK\$18.3 million or 19.7% from approximately HK\$93.1 million for the six months ended 31 October 2017 to approximately HK\$74.8 million for the Review Period. The decrease was mainly due to the decline in sales of watches and in line with the decrease in revenue of watches retail for the Review Period.

財務回顧

收益

我們的收益由截至二零一七年十月三十一日止六個月的約139.6百萬港元減少約15.2百萬港元或10.9%至回顧期間的約124.4百萬港元。來自腕錶業務之收益由截至二零一七年十月三十一日止六個月的約139.6百萬港元減少約26.7百萬港元或19.1%至回顧期間的約112.9百萬港元。來自腕錶業務之收益減少乃主要由於本集團兩個主要腕錶品牌之特許經營許可證到期及於整個回顧期間腕錶零售業務競爭激烈。由於開始新業務，來自新業務之收益略微抵銷腕錶零售業務之收益減少。

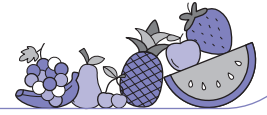
銷售成本

我們的銷售成本主要包括已售存貨成本及滯銷存貨撥備撥回或撥備。銷售成本由截至二零一七年十月三十一日止六個月的約94.7百萬港元下降約22.1百萬港元或23.3%至回顧期間的約72.6百萬港元。於回顧期間，本集團錄得計入損益之滯銷存貨撥備撥回約2.2百萬港元（截至二零一七年十月三十一日止六個月：撥備約1.6百萬港元）。於二零一八年十月三十一日，滯銷存貨撥備約為21.6百萬港元（於二零一八年四月三十日：約23.8百萬港元）。

於撇除滯銷存貨撥備撥回或撥備之影響後，銷售成本由截至二零一七年十月三十一日止六個月的約93.1百萬港元減少約18.3百萬港元或19.7%至回顧期間的約74.8百萬港元。該減少主要由於腕錶銷售下降且與回顧期間之腕錶零售之收益下降一致。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)



FINANCIAL REVIEW (continued)

Gross profit and gross profit margin

The overall gross profit increased by approximately HK\$7.0 million or 15.6% from approximately HK\$44.9 million for the six months ended 31 October 2017 to approximately HK\$51.9 million for the Review Period. Our gross profit of the watches business decreased by approximately HK\$4.6 million or 10.2% from approximately HK\$44.9 million for the six months ended 31 October 2017 to approximately HK\$40.3 million for the Review Period. Our gross profit margin of the watches business increased from approximately 32.2% for the six months ended 31 October 2017 to approximately 35.7% for the Review Period. The increase was mainly attributable to the reversal of provision for slow-moving inventories during the Review Period.

After eliminating the effect of reversal of provision or provision for slow-moving inventories, the gross profit margin of the watches business increased from approximately 33.4% for the six months ended 31 October 2017 to approximately 33.7% for the Review Period.

Selling and distribution expenses

Our selling and distribution expenses decreased by approximately HK\$2.8 million or 6.0% from approximately HK\$46.7 million for the six months ended 31 October 2017 to approximately HK\$43.9 million for the Review Period. The decrease was primarily attributable to the decreases of operating lease expenses of retail outlets and sales staff's salaries and allowances during the Review Period. This decrease was partially offset by the increase in depreciation, freight, repairs and maintenance and insurance expenses.

Administrative expenses

Our administrative expenses increased by approximately HK\$8.3 million or 143.1% from approximately HK\$5.8 million for the six months ended 31 October 2017 to approximately HK\$14.1 million for the Review Period. The increase was primarily attributable to the increases in the operating lease expenses of office premises, consulting fee, administrative staff's salaries and allowances and Directors' emoluments during the Review Period.

財務回顧(續)

毛利及毛利率

整體毛利由截至二零一七年十月三十一日止六個月的約44.9百萬港元增加約7.0百萬港元或15.6%至回顧期間的約51.9百萬港元。我們腕錶業務的毛利由截至二零一七年十月三十一日止六個月的約44.9百萬港元減少約4.6百萬港元或10.2%至回顧期間的約40.3百萬港元。我們腕錶業務的毛利率由截至二零一七年十月三十一日止六個月的約32.2%增加至回顧期間的約35.7%。該增加乃主要由於回顧期間滯銷存貨撥備撥回所致。

於撇除滯銷存貨撥備撥回或撥備之影響後，腕錶業務的毛利率由截至二零一七年十月三十一日止六個月的約33.4%增加至回顧期間的約33.7%。

銷售及分銷開支

我們的銷售及分銷開支由截至二零一七年十月三十一日止六個月的約46.7百萬港元減少約2.8百萬港元或6.0%至回顧期間的約43.9百萬港元。該減少乃主要由於回顧期間零售店之經營租賃開支及銷售人員之工資及津貼減少所致。該減少部分由折舊、運輸、維修及保養以及保險開支增加所抵銷。

行政開支

我們的行政開支由截至二零一七年十月三十一日止六個月的約5.8百萬港元增加約8.3百萬港元或143.1%至回顧期間的約14.1百萬港元。該增加乃主要由於回顧期間辦公室物業之經營租賃開支、諮詢費用、行政人員之工資及津貼以及董事薪酬增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)



FINANCIAL REVIEW (continued)

Other expense

Other expense was the break fee paid to Macquarie Bank Limited (the “Subscriber”), for early redemption of convertible notes issued on 31 July 2018.

Finance costs

Our finance costs decreased by approximately HK\$0.12 million or 48.0% from approximately HK\$0.25 million for the six months ended 31 October 2017 to approximately HK\$0.13 million for the Review Period. The decrease was primarily attributable to a decrease in the level of borrowings during the Review Period.

Loss before income tax and loss attributable to owners of the Company

As a result of the foregoing, our loss before income tax decreased by approximately HK\$0.5 million or 6.4% from the loss before income tax of approximately HK\$7.8 million for the six months ended 31 October 2017 to that of approximately HK\$7.3 million for the Review Period.

The loss attributable to owners of the Company remained almost unchanged compared with the six months ended 31 October 2017, which was approximately HK\$8.3 million for the Review Period.

FINANCIAL POSITION

The Group’s primary sources of funds were cash inflows from operating activities and bank borrowings.

As at 31 October 2018, the Group’s total cash and cash equivalents were approximately HK\$44.0 million (As at 30 April 2018: approximately HK\$54.6 million), most of which were denominated in Hong Kong dollars (“HK\$”). The current ratio (calculated by dividing current assets by current liabilities) of the Group maintained at approximately 1.9 times as at 31 October 2018 and 2.0 times as at 30 April 2018. The gearing ratio (calculated by dividing net debt by total equity) was not applicable as the Group maintained at a net cash position as at 31 October 2018 and 30 April 2018.

財務回顧(續)

其他開支

其他開支為向麥格理銀行有限公司(「認購人」)支付之違約金，以提早贖回於二零一八年七月三十一日發行之可換股票據。

融資成本

我們的融資成本由截至二零一七年十月三十一日止六個月的約0.25百萬港元減少約0.12百萬港元或48.0%至回顧期間的約0.13百萬港元。該減少乃主要由於回顧期間之借款水平降低。

除所得稅前虧損及本公司擁有人應佔虧損

由於上述原因，我們的除所得稅前虧損由截至二零一七年十月三十一日止六個月的除所得稅前虧損約7.8百萬港元減少約0.5百萬港元或6.4%至回顧期間的約7.3百萬港元。

本公司擁有人應佔虧損較截至二零一七年十月三十一日止六個月幾乎維持不變，其於回顧期間約為8.3百萬港元。

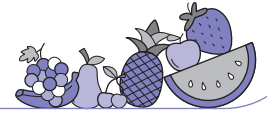
財務狀況

本集團之主要資金來源為來自經營業務及銀行借款之現金流入。

於二零一八年十月三十一日，本集團的現金及現金等價物總額約為44.0百萬港元(於二零一八年四月三十日：約54.6百萬港元)，其中大部分均以港元(「港元」)列值。本集團的流動比率(按流動資產除以流動負債計算)於二零一八年十月三十一日及二零一八年四月三十日維持於約1.9倍及2.0倍。於二零一八年十月三十一日及二零一八年四月三十日，資本負債比率(按負債淨額除以權益總額計算)並不適用，原因是本集團維持淨現金狀況。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)



USE OF NET PROCEEDS FROM INITIAL PUBLIC OFFERING (THE "IPO")

The net proceeds from the Company's IPO completed in mid-May 2015 (after deducting the underwriting fees and related expenses) amounted to approximately HK\$107.5 million, which are intended to be applied in the manner as disclosed in the prospectus of the Company dated 28 April 2015.

During the period from 12 May 2015, being the date of listing of the Company's issued shares, to 31 October 2018, the Group has applied the net proceeds from the IPO as follows:

首次公開發售(「首次公開發售」)所得款項淨額的用途

本公司於二零一五年五月中旬完成之首次公開發售所得款項淨額(於扣除包銷費用及相關開支後)約為107.5百萬港元，其擬按本公司日期為二零一五年四月二十八日之招股章程所披露之方式應用。

於二零一五年五月十二日(即本公司已發行股份之上市日期)至二零一八年十月三十一日止期間，本集團已將首次公開發售所得款項淨額用作以下用途：

		Amount utilised as at 31 October 2018 於二零一八年十月三十一日之已動用金額 HK\$'000 千港元	Amount unutilised as at 31 October 2018 於二零一八年十月三十一日之未動用金額 HK\$'000 千港元
Expand our retail and sales network	擴展我們的零售及銷售網絡	25,170	12,443
Improve our same-store sales growth and profit margin	改善我們的同店銷售增長及利潤率	12,896	—
Improve our supplier network and enhance the knowledge of our sales staff	改善我們的供應商網絡及提高銷售員工的知識	1,381	2,918
Increase our marketing effort	加強市場營銷力度	7,086	437
Repay a short-term bank loan with interest	償還短期銀行貸款連利息	37,613	—
Use for working capital and other general corporate purposes	營運資金用途及其他一般企業用途	6,843	680
Total	總計	90,989	16,478

The unutilised net proceeds from the IPO are placed as deposits with licensed banks in Hong Kong.

首次公開發售之未動用所得款項淨額作為存款存放於香港持牌銀行。



DEBTS AND CHARGE ON ASSETS

The Group had total borrowings of approximately HK\$0.08 million as at 31 October 2018 while that as at 30 April 2018 was approximately HK\$6.6 million. Borrowings of approximately HK\$0.08 million as at 31 October 2018 was fixed at an interest rate of 2.90% (As at 30 April 2018: approximately HK0.8 million were fixed at interest rates from 2.90% to 3.09%) per annum.

The carrying amounts of the Group's borrowings were denominated in HK\$ and unsecured and approximate to their fair values.

As at 31 October 2018, the Group did not have any foreign exchange contracts, interest or currency swaps or other financial derivatives.

As at 31 October 2018, the Group had aggregate banking facilities of approximately HK\$23.5 million (As at 30 April 2018: approximately HK\$23.5 million) for overdrafts and loans. Unused facilities as at the same date amounted to approximately HK\$23.5 million (As at 30 April 2018: HK\$17.7 million). The banking facilities were granted to the subsidiaries of the Company and were subject to an annual review and guaranteed by unlimited guarantees from certain of its subsidiaries.

債項及資產押記

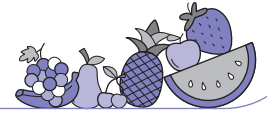
於二零一八年十月三十一日，本集團擁有借款總額約0.08百萬港元，而於二零一八年四月三十日則約為6.6百萬港元。於二零一八年十月三十一日，約0.08百萬港元之借款按固定年利率2.90%計息（於二零一八年四月三十日：約0.8百萬港元按固定年利息介乎2.90%至3.09%計息）。

本集團借款之賬面值以港元列值及無抵押，並與其公平值相若。

於二零一八年十月三十一日，本集團並無任何外匯合約、利率或貨幣掉期或其他金融衍生工具。

於二零一八年十月三十一日，本集團就透支及貸款擁有銀行融資合共約23.5百萬港元（於二零一八年四月三十日：約23.5百萬港元）。於同日之未動用融資約為23.5百萬港元（於二零一八年四月三十日：17.7百萬港元）。銀行融資已授予本公司的附屬公司，並須進行年度審閱及由本公司若干附屬公司提供的無限擔保所擔保。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)



EARLY REDEMPTION OF CONVERTIBLE NOTES

On 31 May 2018, the Company and the Subscriber entered into a conditional subscription agreement (as supplemented by an amendment agreement dated 20 June 2018 and the second amendment agreement dated 4 July 2018) (collectively, the “**Subscription Agreements**”), pursuant to which the Company had conditionally agreed to issue, and the Subscriber had conditionally agreed to subscribe for, the 0.8% convertible notes in a principal amount of up to HK\$80,000,000 due 2019 (the “**Notes**”) under a specific mandate granted by the shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting held on 26 July 2018. The Notes comprise two tranches. Each tranche will be in an aggregate principal amount of HK\$40,000,000. Based on the Floor Price of HK\$0.80 (as defined in the Subscription Agreements), the maximum total number of ordinary shares of the Company to be issued pursuant to the exercise of conversion rights attached to the Notes (the “**New Shares**”) shall be 100,000,000. The Floor Price is subject to adjustment.

Each Note entitles the holder of the Note to convert the Note into New Shares at any time during the Conversion Period (as defined in the Subscription Agreements) at the Conversion Price (as defined in the Subscription Agreements), provided that no Conversion Right (as defined in the Subscription Agreements) may be exercised at a Conversion Price lower than the Floor Price.

All the conditions precedent set out in the Subscription Agreements have been fulfilled and completion of issue of the first tranche of the Notes to the Subscriber in the principal amount of HK\$40,000,000 took place on 31 July 2018 in accordance with the terms of the Subscription Agreements. On 19 October 2018, the Company early redeemed the first tranche of the Notes in the principal amount of HK\$40,000,000, and the Notes have been fully redeemed. As at the date of redemption, the net proceeds from the issue of the first tranche of the Notes have not been utilized.

For further details, please refer to the announcements of the Company dated 31 May, 20 June, 29 June, 4 July, 26 July, 31 July and 19 October 2018 and its circular dated 11 July 2018.

提早贖回可換股票據

於二零一八年五月三十一日，本公司與認購人訂立一份有條件認購協議(經日期為二零一八年六月二十日之修訂協議及日期為二零一八年七月四日之第二份修訂協議補充)(統稱「**認購協議**」)，據此，根據本公司股東(「**股東**」)於二零一八年七月二十六日舉行之股東特別大會上授出之特定授權，本公司有條件同意發行及認購人有條件同意認購本金額不超過80,000,000港元之於二零一九年到期之0.8%可換股票據(「**票據**」)。票據包括兩批。各批之本金總額將為40,000,000港元。根據0.80港元之底價(定義見認購協議)，行使票據附帶之換股權將予發行之本公司普通股(「**新股份**」)最高總數將為100,000,000股。底價可予調整。

各票據賦予票據持有人權利，可於換股期內(定義見認購協議)隨時按換股價(定義見認購協議)將票據轉換為新股份，惟不可按低於底價之換股價行使換股權(定義見認購協議)。

認購協議所載之先決條件已獲達成，而根據認購協議之條款向認購人發行第一批票據已於二零一八年七月三十一日落實，其本金額為40,000,000港元。於二零一八年十月十九日，本公司已提早贖回本金額為40,000,000港元之第一批票據及票據已獲悉數贖回。於贖回日期，發行第一批票據所得款項淨額尚未動用。

有關進一步詳情，請參閱本公司日期為二零一八年五月三十一日、六月二十日、六月二十九日、七月四日、七月二十六日、七月三十一日及十月十九日之公告及其日期為二零一八年七月十一日之通函。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)



MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Review Period, there was no acquisition or disposal of subsidiaries, associated companies or joint ventures by the Company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

On 13 June 2018, the Company entered into a non-legally binding memorandum of understanding (the "MOU") with Lithium Chile Inc. in relation to the Equity Investment (as defined in the MOU) and the Norte Program (as defined in the MOU). Due to the less than satisfactory progress in the negotiations between the parties, the Company expects that the Equity Investment and the Norte Program may be terminated and hence the investments will not materialize.

The Group did not have any plans for material investments and capital assets.

SIGNIFICANT INVESTMENT HELD

Except for investments in subsidiaries, the Group did not hold any significant investment in equity interest in any other company as at 31 October 2018.

FOREIGN EXCHANGE EXPOSURES

The Group does not have a significant foreign exchange exposure and has currently not implemented any foreign currency hedging policy. The management will consider hedging against significant foreign exchange exposure should the need arise.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 October 2018 (As at 30 April 2018: Nil).

重大收購及出售附屬公司及聯營公司

於回顧期間，本公司並無任何收購或出售附屬公司、聯營公司或合營企業。

重大投資及資本資產之未來計劃

於二零一八年六月十三日，本公司與Lithium Chile Inc.訂立無法律約束力的諒解備忘錄（「諒解備忘錄」），內容有關股權投資（定義見諒解備忘錄）及Norte計劃（定義見諒解備忘錄）。由於訂約雙方之磋商進展不盡如人意，本公司預計股權投資及Norte計劃或會終止及因此投資將不會落實。

本集團並無任何重大投資及資本資產之計劃。

所持有之重大投資

除投資於附屬公司外，本集團於二零一八年十月三十一日概無持有任何其他公司的任何重大股權投資。

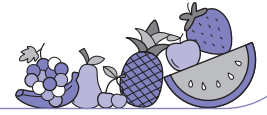
外匯風險

本集團並無重大外匯風險，現時並無執行任何外幣對沖政策。如有需要，管理層將考慮對沖重大外匯風險。

或然負債

本集團於二零一八年十月三十一日概無任何重大或然負債（於二零一八年四月三十日：無）。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)



CAPITAL COMMITMENTS

The Group had no capital commitments as at 31 October 2018 (As at 30 April 2018: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 October 2018, the Group had a total of 112 (2017: 99) employees. The total remuneration costs incurred by the Group for the six months ended 31 October 2018 were approximately HK\$17.0 million (2017: approximately HK\$14.6 million). We review the performance of our employees annually and use the results of such review in our annual salary review and promotion appraisal, in order to attract and retain valuable employees. Remuneration packages are generally structured by reference to market norms, individual qualifications, relevant experience and performance. The Group arranges training sessions to develop and refresh staff's skills and knowledge relating to its businesses.

The Company has adopted a share option scheme (the "Share Option Scheme") to enable the Board to grant share options to eligible participants with an opportunity to have a personnel stake in the Company. As at the date of this report, there was no outstanding share option granted under the Share Option Scheme.

INTERIM DIVIDEND

The Board does not declare the payment of any interim dividend for the six months ended 31 October 2018 (2017: Nil).

資本承擔

本集團於二零一八年十月三十一日概無資本承擔(於二零一八年四月三十日:無)。

僱員及薪酬政策

於二零一八年十月三十一日,本集團聘有合共112名(二零一七年:99名)僱員。於截至二零一八年十月三十一日止六個月,本集團產生的薪酬成本總額約為17.0百萬港元(二零一七年:約14.6百萬港元)。我們每年審查僱員的表現,並根據有關審查結果進行年度薪金檢討及晉升評核,以吸引及留住寶貴的僱員。薪酬待遇通常參考市場規範、個人資歷、相關經驗及表現而安排。本集團安排培訓課程,以發展及更新員工與其業務有關的技能及知識。

本公司已採納購股權計劃(「購股權計劃」),以使董事會向合資格參與者授出購股權,令彼等有機會於本公司擁有個人股權。於本報告日期,概無根據購股權計劃授出的未行使購股權。

中期股息

董事會就截至二零一八年十月三十一日止六個月不宣派任何中期股息(二零一七年:無)。

OTHER INFORMATION 其他資料



CORPORATE GOVERNANCE CODE

During the Review Period, the Company has complied with all the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange” and the “Listing Rules”, respectively), except for code provisions A.2.1 and E.1.2 disclosed below:

CODE PROVISION A.2.1

Code provision A.2.1 of the CG Code provides that the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. During the Review Period and up to the date of this report, Mr. Meng Guangyin acts as the chairman of the Board (the “Chairman”) and the chief executive officer of the Company. The Board is of the opinion that it is appropriate and in the best interests of the Group to have Mr. Meng Guangyin taking up both roles for effective management and business development. Therefore, the Board considers that the deviation from code provision A.2.1 of the CG Code is appropriate in such circumstances. Nevertheless, the Company will look for a suitable candidate and make necessary arrangement pursuant to the requirement under A.2.1 of the CG Code as and when necessary.

CODE PROVISION E.1.2

Code provision E.1.2 of the CG Code provides that, among others, the chairman of the board should attend the annual general meetings (the “AGMs”). Mr. Meng Guangyin, the Chairman, did not attend the Company’s AGM held on 25 October 2018 (the “2018 AGM”) due to other essential business engagements. In order to ensure an effective communication with the Shareholders, the Chairman authorized and the Directors attending the 2018 AGM elected Mr. Liu Guoqing, an executive Director, to chair the meeting on behalf of the Chairman. The respective chairmen and/or members of the Board’s audit committee (the “Audit Committee”), remuneration committee and nomination committee and a representative of the independent auditor of the Company were present at the 2018 AGM to answer relevant questions of the Shareholders. To mitigate the above, future AGMs will be scheduled earlier to avoid the timetable clashes.

企業管治守則

於回顧期間，本公司已遵守《香港聯合交易所有限公司證券上市規則》(分別為「聯交所」及「上市規則」)附錄十四所載企業管治守則(「企業管治守則」)之所有守則條文，惟以下披露之守則條文第A.2.1及E.1.2條除外：

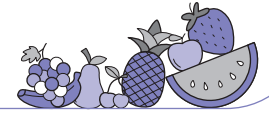
守則條文第A.2.1條

企業管治守則守則條文第A.2.1條規定，主席及行政總裁之角色應有區分，且不應由一人同時兼任。於回顧期間及直至本報告日期，孟廣銀先生同時兼任本公司董事會主席(「主席」)及行政總裁。董事會認為，由孟廣銀先生擔任兩個角色對管理效率及業務發展有利，屬合宜之舉且符合本集團之最佳利益。因此，在此情況下，董事會認為偏離企業管治守則守則條文第A.2.1條乃為恰當。然而，本公司將物色合適人選，並在有需要時根據企業管治守則第A.2.1條之規定作出所需安排。

守則條文第E.1.2條

企業管治守則守則條文第E.1.2條訂明(其中包括)董事會主席應出席股東週年大會(「股東週年大會」)。主席孟廣銀先生因需要處理其他重要公務而未能出席本公司於二零一八年十月二十五日舉行之股東週年大會(「二零一八年股東週年大會」)。為確保與股東的有效溝通，受主席委託並經出席二零一八年股東週年大會的董事推舉，執行董事劉國慶先生代表主席主持該會議。各董事會的審核委員會(「審核委員會」)、薪酬委員會及提名委員會主席/或成員及一名本公司獨立核數師之代表均有出席二零一八年股東週年大會以回答股東相關提問。以延緩上述情況，未來股東週年大會將提前安排，以避免時間衝突。

OTHER INFORMATION (CONTINUED) 其他資料(續)



AUDIT COMMITTEE

The Company established an Audit Committee in accordance with Rule 3.21 of the Listing Rules.

The Audit Committee comprises three members as at the date of this report, namely:

Mr. Tian Zhiyuan (*Chairman*)
Mr. Lee Chun Keung
Mr. Wang Luping

All the members are independent non-executive Directors (including a member who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 October 2018, the interests or short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO, were as follows:

Interest in the Shares

Name of Director	Capacity/Nature of Interest	Number of Shares interested	Percentage of shareholding interest in the Company 佔本公司股權百分比
董事姓名	身份/權益性質	權益股份數目	
Meng Guangyin ("Mr. Meng") 孟廣銀(「孟先生」)	Interest in a controlled corporation (Note 1) 於受控法團的權益(附註1)	600,000,000	75%

審核委員會

本公司已遵照上市規則第3.21條成立審核委員會。

於本報告日期，審核委員會包括三名成員，即：

田志遠先生(主席)
李鎮強先生
王魯平先生

所有成員均為獨立非執行董事(包括具備適當專業資格或會計或相關財務管理專業知識的成員)。概無審核委員會成員為本公司現任外聘核數師之前合夥人。

董事及主要行政人員於本公司股份、相關股份及債權證之權益及淡倉

於二零一八年十月三十一日，董事及主要行政人員於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中擁有記入本公司根據證券及期貨條例第352條須存置之登記冊的權益或淡倉如下：

於股份中的權益

OTHER INFORMATION (CONTINUED)

其他資料(續)



Note 1: The 600,000,000 Shares were held under certain trust units under the Changjiang Absolute Return China Fund (the “Changjiang Fund”), in which Mr. Meng, the Chairman, the CEO and an Executive Director, was beneficially interested via his wholly-owned company Prosper One Enterprise Limited (“Prosper One”), and managed by Changjiang Asset Management (HK) Ltd (the “Changjiang Asset”), Mr. Meng’s asset and fund manager. Mr. Meng is the sole shareholder and sole director of Prosper One and is deemed to be interested in the 600,000,000 Shares in which Prosper One is interested under the SFO.

Note 2: The percentage of shareholding interest in the Company shown in the table above is calculated on the basis of 800,000,000 Shares in issue as at 31 October 2018.

Note 3: All interests stated above represent long positions.

附註1：600,000,000股股份由Changjiang Absolute Return China Fund（「Changjiang Fund」）項下若干信託單位持有，孟先生（主席、行政總裁及執行董事）通過彼之全資擁有公司Prosper One Enterprise Limited（「Prosper One」）於該等股份中擁有實益權益，及該等股份由孟先生的資產及基金經理長江證券資產管理（香港）有限公司（「長江資產」）進行管理。孟先生為Prosper One的唯一股東及唯一董事，並被視為根據證券及期貨條例於Prosper One擁有權益的600,000,000股股份中擁有權益。

附註2：上表所示佔本公司股權百分比乃根據於二零一八年十月三十一日已發行之800,000,000股股份計算。

附註3：上述所有權益均為好倉。

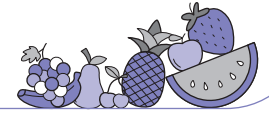
Interest in the Shares of Associated Corporations

於相關法團股份的權益

Name of Director 股東名稱	Name of associated corporation 相聯法團之名稱	Capacity/Nature of interest 身份／權益性質	Interests in ordinary Shares 普通股的權益	Percentage of shareholding 持股百分比
Mr. Meng 孟先生	Prosper One	Beneficial owner 實益擁有人	1	100%

Save as disclosed above, as at 31 October 2018, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO), (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the “Model Code”) to be notified to the Company and the Stock Exchange.

除上文所披露者外，於二零一八年十月三十一日，本公司董事或行政總裁概無於本公司或其任何相聯法團之股份、相關股份或債權證中擁有任何權益或淡倉（定義見證券及期貨條例第XV部），而須：(a)根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所（包括其根據證券及期貨條例有關條文被當作或視為擁有之權益及淡倉），(b)根據證券及期貨條例第352條記入該條文所述之登記冊，或(c)根據上市發行人董事進行證券交易之標準守則（「標準守則」）知會本公司及聯交所。

OTHER INFORMATION (CONTINUED)
其他資料(續)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

To the best of the Directors' knowledge, as at 31 October 2018, the following entity (other than a Director or the chief executive of the Company) had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in the Shares

Name of Shareholder	Capacity/Nature of interest	Number of Shares interested	Percentage of shareholding interested in the Company 佔本公司股權百分比
股東姓名	身份/權益性質	權益股份數目	
Prosper One	Beneficial owner (Note 1) 實益擁有人(附註1)	600,000,000	75%

Note 1: The 600,000,000 Shares were held under certain trust units under the Changjiang Fund, in which Mr. Meng, the Chairman, the CEO and an Executive Director, was beneficially interested via his wholly-owned company Prosper One, and managed by Changjiang Asset, Mr. Meng's asset and fund manager. Mr. Meng is the sole shareholder and sole director of Prosper One and is deemed to be interested in the 600,000,000 Shares in which Prosper One is interested under the SFO.

Note 2: The percentage of shareholding interest in the Company shown in the table above is calculated on the basis of 800,000,000 Shares in issue as at 31 October 2018.

Note 3: All interests stated above represent long positions.

Save as disclosed above, as at 31 October 2018, so far as the Directors or chief executive of the Company are aware, no other persons (other than a Director or the chief executive of the Company) or entities had any interests or short positions in the Shares or underlying Shares, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

主要股東及其他人士於本公司股份及相關股份之權益及淡倉

就董事所盡知，於二零一八年十月三十一日，以下實體(本公司董事或主要行政人員除外)於股份及相關股份中擁有記錄於根據證券及期貨條例第336條須存置之登記冊內之權益或淡倉：

於股份中的好倉

Name of Shareholder	Capacity/Nature of interest	Number of Shares interested	Percentage of shareholding interested in the Company 佔本公司股權百分比
股東姓名	身份/權益性質	權益股份數目	
Prosper One	Beneficial owner (Note 1) 實益擁有人(附註1)	600,000,000	75%

附註1：600,000,000股股份由Changjiang Fund項下若干信託單位持有，孟先生(主席、行政總裁及執行董事)通過彼之全資公司Prosper One於該等股份中擁有實益權益，及該等股份由孟先生的資產及基金經理長江資產進行管理。孟先生為Prosper One的唯一股東及唯一董事，並被視為根據證券及期貨條例於Prosper One擁有權益的600,000,000股股份中擁有權益。

附註2：上表所示佔本公司股權百分比乃根據於二零一八年十月三十一日已發行800,000,000股股份計算。

附註3：上述所有權益均屬好倉。

除上文所披露者外，於二零一八年十月三十一日，就本公司董事或行政總裁所知，概無其他人士(本公司董事或行政總裁除外)或實體於股份或相關股份中擁有任何須根據證券及期貨條例第XV部第2及3分部之規定予以披露，或須根據證券及期貨條例第336條記入該條文所述之登記冊內之權益或淡倉。

OTHER INFORMATION (CONTINUED)

其他資料(續)



SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct governing the directors' transactions of the listed securities of the Company. Following a specific enquiry made by the Company with each of the Directors, all Directors confirmed that they had complied with the standards as set out in the Model Code during the Review Period.

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

During Review Period, the Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell such securities.

SHARE OPTION SCHEME

The Company has adopted a Share Option Scheme pursuant to a resolution passed by the Shareholders on 21 April 2015 (the "Adoption Date") for the primary purpose of providing eligible participants with an opportunity to have a personal stake in the Company and to motivate, attract and retain the eligible participants whose contributions are important to the long-term growth and profitability of the Group. Eligible participants of the Share Option Scheme include any employees, executive Directors, non-executive Directors (including independent non-executive Directors), advisors and consultants of the Company or any of its subsidiaries.

The maximum number of Shares which may be issued under the Share Option Scheme and any other schemes of the Company (excluding options lapsed pursuant to the Share Option Scheme and any other schemes of the Company) must not exceed 80,000,000, representing approximately 10% of the issued Shares of the Company as at the Adoption Date. On 4 January 2018, the Company granted to certain eligible participants options, which were subject to, among others, a refreshment of the scheme mandate limit for the Share Option Scheme (the "Refreshment"). The resolution concerning the Refreshment was duly passed by the Shareholders at an extraordinary general meeting held on 25 January 2018.

董事進行證券交易

本公司已採納上市規則附錄十所載標準守則，作為其本身規管董事買賣本公司上市證券之行為守則。經向本公司每名董事作出特定查詢後，全體董事確認彼等於回顧期間一直遵守標準守則之標準。

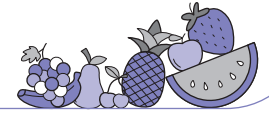
購買、出售或贖回本公司上市證券

於回顧期間，本公司並無購回其任何上市證券，本公司或其任何附屬公司亦無購買或出售該等證券。

購股權計劃

本公司已採納一項根據股東於二零一五年四月二十一日(「採納日期」)通過之決議案而採納之購股權計劃，主要旨在向合資格參與者提供機會可於本公司中擁有個人股權，以及激勵、吸引及挽留其貢獻對本集團長期發展及盈利能力尤為重要之合資格參與者。購股權計劃之合資格參與者包括本公司或其任何附屬公司之任何僱員、執行董事及非執行董事(包括獨立非執行董事)、顧問及諮詢人。

根據本公司購股權計劃及任何其他計劃，可發行之最大股份數目(惟根據本公司購股權計劃或任何其他計劃而失效之購股權除外)不得超過80,000,000股股份，其相當於本公司於採納日期已發行股份的約10%。於二零一八年一月四日，本公司向若干合資格參與者授出購股權，該等股份受限於(其中包括)更新購股權計劃之計劃授權限額(「更新」)。有關更新之決議案於二零一八年一月二十五日舉行之股東特別大會經股東正式通過。

OTHER INFORMATION (CONTINUED)
其他資料(續)

As the offers of the grant of the share options had not been accepted by the selected eligible participants in accordance with the terms and conditions of the Share Option Scheme, no share options were granted and outstanding as at 31 October 2018.

No share options were exercised or cancelled or lapsed during the Review Period.

由於選定合資格參與者並未根據購股權計劃之條款及條件接納授出購股權之邀約，故於二零一八年十月三十一日，概無已授出及未行使之購股權。

於回顧期間，概無任何購股權獲行使或註銷或失效。

REVIEW OF INTERIM REPORT

The condensed consolidated interim financial statements of the Group for the six months ended 31 October 2018 (the “Interim Financial Statements”) as set out in this interim report have not been reviewed nor audited by the Company’s independent auditor, Fan, Chan & Co. Limited, but this report has been reviewed by the Audit Committee of the Company, which comprises the three independent non-executive Directors as named in the section headed “Corporate Information” of this report.

審閱中期報告

本中期報告所載之本集團截至二零一八年十月三十一日止六個月之簡明綜合中期財務報表(「中期財務報表」)並未經本公司獨立核數師范陳會計師行有限公司審閱或審核，惟本報告已由本公司審核委員會(由名列本報告「公司資料」一節的三名獨立非執行董事組成)審閱。

CHANGE OF DIRECTORS AND POSITIONS HELD WITH BOARD COMMITTEES OF THE COMPANY

Changes in the Directors’ information since the date of the Company’s 2018 annual report and up to the date of this report, which is required to be disclosed pursuant to Rule 13.51(2) and Rule 13.51B(1) of the Listing Rules, are as followings:

董事及於本公司董事委員會所擔任職位之變動

於本公司於二零一八年年報日期及直至本報告日期，須根據上市規則第13.51(2)及13.51B(1)條予披露之董事變動如下：

Name/Positions	姓名/職位	Appointment Date 委任日期	Cessation Date 終止日期
Mr. Hu Jinrui	胡金銳先生		
— Independent non-executive Director	— 獨立非執行董事	—	1 August 2018 二零一八年八月一日
— Member of Audit Committee	— 審核委員會成員	—	1 August 2018 二零一八年八月一日
— Member of Nomination Committee	— 提名委員會成員	—	1 August 2018 二零一八年八月一日
Mr. Gao Jizhong	高吉忠先生		
— Independent non-executive Director	— 獨立非執行董事	22 August 2018 二零一八年八月二十二日	25 October 2018 二零一八年十月二十五日
— Member of Audit Committee	— 審核委員會成員	22 August 2018 二零一八年八月二十二日	25 October 2018 二零一八年十月二十五日
— Member of Nomination Committee	— 提名委員會成員	22 August 2018 二零一八年八月二十二日	25 October 2018 二零一八年十月二十五日

OTHER INFORMATION (CONTINUED)

其他資料(續)



Name/Positions	姓名/職位	Appointment Date 委任日期	Cessation Date 終止日期
Mr. Liao Pin Tsung	廖品綜先生		
— Executive Director	— 執行董事	—	18 October 2018 二零一八年十月十八日
— Vice-Chairman of the Board	— 董事會副主席	—	18 October 2018 二零一八年十月十八日
— Chief Operating Officer	— 首席營運官	—	18 October 2018 二零一八年十月十八日
Mr. Meng Bo	孟波先生		
— Executive Director	— 執行董事	—	28 November 2018 二零一八年十一月二十八日
Mr. Lee Chun Keung	李鎮強先生		
— Independent non-executive Director	— 獨立非執行董事	14 December 2018 二零一八年十二月十四日	—
— Member of Audit Committee	— 審核委員會成員	14 December 2018 二零一八年十二月十四日	—
— Member of Nomination Committee	— 提名委員會成員	14 December 2018 二零一八年十二月十四日	—
Mr. Wang Luping	王魯平先生		
— Independent non-executive Director	— 獨立非執行董事	27 December 2018 二零一八年十二月二十七日	—
— Member of Audit Committee	— 審核委員會成員	27 December 2018 二零一八年十二月二十七日	—
— Member of Remuneration Committee	— 薪酬委員會成員	27 December 2018 二零一八年十二月二十七日	—
Mr. Chan, Yee Ping Michael	陳貽平先生		
— Independent non-executive Director	— 獨立非執行董事	—	27 December 2018 二零一八年十二月二十七日
— Chairman of Audit Committee	— 審核委員會主席	—	27 December 2018 二零一八年十二月二十七日
— Member of Remuneration Committee	— 薪酬委員會成員	—	27 December 2018 二零一八年十二月二十七日
Mr. Tian Zhiyuan	田志遠先生		
— Chairman of Audit Committee	— 審核委員會主席	Re-designated as chairman of Audit Committee on 27 December 2018 於二零一八年十二月二十七日 調任為審核委員會主席	—

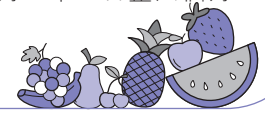
Further details are set out in the Company's announcements dated 31 July, 22 August, 18 October, 31 October, 30 November, 14 December and 27 December 2018.

進一步詳情載於本公司日期為二零一八年七月三十一日、八月二十二日、十月十八日、十月三十一日、十一月三十日、十二月十四日及十二月二十七日之公告。

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 31 October 2018 截至二零一八年十月三十一日止六個月



		Six months ended 31 October 截至十月三十一日 止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
		Notes 附註	
Revenue	收益	3	124,430
Cost of sales	銷售成本		(72,566)
Gross profit	毛利		51,864
Selling and distribution costs	銷售及分銷成本		(43,946)
Administrative expenses	行政開支		(14,055)
Other expense	其他開支		(1,000)
Finance costs	融資成本		(127)
Loss before tax	除稅前虧損	4	(7,264)
Income tax expense	所得稅開支	6	(1,030)
Loss for the period attributable to owners of the Company	本公司擁有人應佔 期間虧損		(8,294)
Other comprehensive expense	其他全面開支		(8,278)
Item that maybe reclassified subsequently to profit or loss	其後可能重新分類至損益的項目		
— Exchange differences arising from translation of foreign operations	— 換算海外業務產生之匯兌差額		(460)
Total comprehensive expense for the period attributable to the owners of the Company	本公司擁有人應佔期間全面開支總額		(8,754)
Loss per share — basic and diluted (HK cents per share)	每股虧損—基本及攤薄 (每股港仙)	8	(1.04)
Dividend	股息	7	—

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 31 October 2018 於二零一八年十月三十一日



			31 October 2018 二零一八年 十月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 April 2018 二零一八年 四月三十日 HK\$'000 千港元 (Audited) (經審核)
		Notes 附註		
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	12,532	6,197
Rental deposits	租賃按金	10	6,795	1,381
Deferred tax assets	遞延稅項資產		2,512	1,924
			21,839	9,502
Current assets	流動資產			
Inventories	存貨	11	34,210	51,958
Trade receivables, other receivables and prepayments	應收貿易款項、其他應收款項及預付款項	10	95,661	99,620
Tax recoverable	可收回稅項		597	1,896
Cash and cash equivalents	現金及現金等價物		44,022	54,603
			174,490	208,077
Total assets	總資產		196,329	217,579
EQUITY	權益			
Equity attributable to the owners of the Company	本公司擁有人應佔權益			
Share capital	股本	12	8,000	8,000
Reserves	儲備		93,893	102,647
Total equity	權益總額		101,893	110,647
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Provision for other liabilities and charges	其他負債及費用撥備	13	1,040	793
Obligations under finance leases	融資租賃責任		—	342
			1,040	1,135
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	13	90,736	99,093
Bank loans	銀行貸款	14	—	5,806
Obligations under finance leases	融資租賃責任		80	485
Amount due to ultimate holding company	應付最終控股公司款項	15	1,850	—
Tax liabilities	稅項負債		730	413
			93,396	105,797
Total liabilities	負債總額		94,436	106,932
Total equity and liabilities	總權益及負債		196,329	217,579

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the period ended 31 October 2018 截至二零一八年十月三十一日止期間



		Attributable to owners of the Company					Total equity
		本公司擁有人應佔					
		Share capital	Share premium	Capital reserve	Translation reserve	Retained earnings	
		股本	股份溢價	資本儲備	匯兌儲備	保留盈利	權益總額
		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
Balance at 1 May 2017 (Audited)	於二零一七年五月一日的結餘(經審核)	8,000	118,368	24,094	—	(19,550)	130,912
Total comprehensive expense	全面開支總額						
Loss for the period	期間虧損	—	—	—	—	(8,278)	(8,278)
Balance at 31 October 2017 (Unaudited)	於二零一七年十月三十一日的結餘(未經審核)	8,000	118,368	24,094	—	(27,828)	122,634
Balance at 1 May 2018 (Audited)	於二零一八年五月一日的結餘(經審核)	8,000	118,368	24,094	(17)	(39,798)	110,647
Total comprehensive expense	全面開支總額						
Loss for the period	期間虧損	—	—	—	—	(8,294)	(8,294)
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	(460)	—	(460)
Balance at 31 October 2018 (Unaudited)	於二零一八年十月三十一日的結餘(未經審核)	8,000	118,368	24,094	(477)	(48,092)	101,893

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the period ended 31 October 2018 截至二零一八年十月三十一日止期間

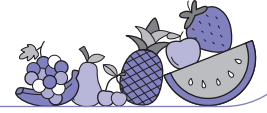


		Six months ended 31 October 截至十月三十一日 止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Cash flows from operating activities	經營活動所得的現金流量		
Net cash generated from operations	經營所得現金淨額	3,111	24,247
Income tax paid	已付所得稅	(1,290)	—
Income tax refunded	所得稅退款	1,299	—
Net cash generated from operating activities	經營活動所得的現金淨額	3,120	24,247
Cash flows from investing activities	投資活動所得的現金流量		
Purchases of property, plant and equipment	購置物業、廠房及設備	(9,238)	(1,027)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	720	—
Net cash used in investing activities	投資活動所用的現金淨額	(8,518)	(1,027)
Cash flows from financing activities	融資活動所得的現金流量		
Proceeds from new bank loans	新銀行貸款所得款項	—	28,753
Repayment of bank loans	償還銀行貸款	(5,806)	(29,750)
Advances from ultimate holding company	來自最終控股公司之墊款	1,850	—
(Repayment of principal elements)/proceeds from inception of finance leases	(償還本金)/融資租賃所得款項	(747)	646
Interest paid	已付利息	(127)	(254)
Net cash used in financing activities	融資活動所用的現金淨額	(4,830)	(605)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物的(減少)/增加淨額	(10,228)	22,615
Effect of foreign exchange rates changes	外匯匯率變動之影響	(353)	—
Cash and cash equivalents at beginning of the period	期初的現金及現金等價物	54,603	37,071
Cash and cash equivalents at end of the period	期末的現金及現金等價物	44,022	59,686

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 23 June 2014 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the retail and wholesale of watches in Hong Kong, and sales and trading of fertilizers raw materials, fertilizers products and public consumption products.

The issued shares of the Company have been listed on the Main Board of the Stock Exchange since 12 May 2015.

In the opinion of the Directors, the ultimate holding company of the Company is Prosper One Enterprises Limited which was incorporated in British Virgin Islands and the ultimate controlling shareholder of the Company is Mr. Meng Guangyin.

These condensed consolidated interim financial statements for the Review Period (the "Interim Financial Statements") are presented in Hong Kong dollars ("HK\$") unless otherwise stated.

The Interim Financial Statements were approved by the Board for issue on 28 December 2018.

The Interim Financial Statements have not been audited.

1. 一般資料

本公司於二零一四年六月二十三日根據開曼群島公司法第22章(一九六一年法例三, 經綜合及修訂)於開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司為一間投資控股公司及其附屬公司主要於香港從事腕錶零售及批發及肥料原料、肥料產品及大眾消費性產品之銷售及貿易。

本公司之已發行股份自二零一五年五月十二日起在聯交所主板上市。

董事認為, 本公司之最終控股公司為於英屬處女群島註冊成立之Prosper One Enterprises Limited及本公司之最終控股股東為孟廣銀先生。

除另有所指外, 該等於回顧期間的簡明綜合中期財務報表(「中期財務報表」)以港元(「港元」)呈列。

中期財務報表已於二零一八年十二月二十八日獲董事會批准刊發。

中期財務報表並未經審核。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED) 簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



2. BASIS OF PREPARATION

The principal accounting policies applied in the preparation of the Interim Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Interim Financial Statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirement of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The Interim Financial Statements have been prepared on the historical cost basis and should be read in conjunction with the annual financial statements. The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those used in the annual financial statements for the year ended 30 April 2018, except as described below.

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs, that are relevant for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 9	Financial instruments
HKFRS 15	Revenue from contracts with customers
HK(IFRIC) 22	Foreign currency transactions and advance consideration

The impact of the adoption of HKFRS 9 and HKFRS 15 are discussed in notes 2(a) and 2(b) respectively. The application of the amendments to the other standard listed above in the current period has had no material effect on the Group’s financial performance and positions for the current period and prior year and on the disclosures set out in the Group’s financial statements.

2. 編製基準

編製中期財務報表時所用的主要會計政策載列如下。除另有所指外，該等政策於所有呈列年度已經貫徹應用。

該等中期財務報表乃遵照香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)及香港會計準則(「香港會計準則」)第34號「中期財務報告」及聯交所證券上市規則(「上市規則」)附錄十六的適用披露規定而編製。

該等中期財務報表已按歷史成本基準編製，並應與年度財務報表一併閱讀。編製該等中期財務報表所採用之會計政策及計算方法與編製截至二零一八年四月三十日止年度之年度財務報表所使用者一致，惟下述者除外。

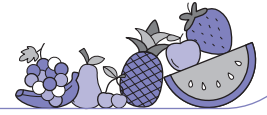
本集團於本中期間首次應用下列與編製本集團之簡明綜合財務報表相關之新訂香港財務報告準則及修訂本：

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	來自客戶合約 的收益
香港(國際財務報告註 釋委員會)第22號	外幣交易及預 付代價

採納香港財務報告準則第9號及香港財務報告準則第15號之影響已分別於附註2(a)及2(b)討論。於本期間，應用上述其他標準之修訂本對本集團本期間及上一年度之財務表現及狀況以及本集團財務報表所載之披露並無重大影響。

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



2. BASIS OF PREPARATION (Continued)

The Company has not applied the new, revised and amendments to HKFRSs that have been issued but are not yet effective for the current accounting period.

(a) Impacts of application on HKFRS 9 Financial Instruments

HKFRS 9, Financial Instruments replaces HKAS 39, Financial instruments: recognition and measurement and introduces changes to the classification and measurement of financial instruments as well as a new impairment loss model.

Change to classification of financial instruments

HKFRS 9 categories financial assets into three new classification categories: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), superseding HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The measurement categories for all financial liabilities remain the same.

The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

Rental deposits, trade receivables, other receivables, bills receivables and cash and cash equivalents are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of HKFRS 9.

2. 編製基準(續)

於本會計期間，本集團並未應用已頒佈但尚未生效之新訂、經修訂香港財務報告準則及其修訂本。

(a) 應用香港財務報告準則第9號金融工具之影響

香港財務報告準則第9號金融工具取代香港會計準則第39號金融工具：確認及計量並引入金融工具之分類及計量之變動及新減值虧損模式。

金融工具分類之變動

香港財務報告準則第9號將金融資產分為三大新類別：按攤銷成本計量、以按公平值計入其他全面收益(按公平值計入其他全面收益)計量及以按公平值計入損益(按公平值計入損益)計量，該等分類取代香港會計準則第39號中持至到期投資、貸款及應收款項、可供出售金融資產及以按公平值計入損益計量之金融資產之類別。所有金融負債之該等計量類別維持不變。

香港財務報告準則第9號項下之金融資產之分類乃基於管理金融資產之業務模型及其合約現金流量特徵。

租金按金、應收貿易款項、其他應收款項、應收票據及現金及現金等值物乃以目的為收取純粹作本金及尚未償還本金利息付款的合約現金流量的業務模式下持有。因此，該等金融資產將繼續隨後於採納香港財務報告準則第9號後按攤銷成本計量。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED) 簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



2. BASIS OF PREPARATION (Continued)

(a) Impacts of application on HKFRS 9 Financial Instruments (Continued)

Changes to impairment loss model

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the “expected credit loss” (ECL) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the “incurred loss” accounting model in HKAS 39.

The Group applies the new ECL model to financial assets measured at amortised cost.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Where the effect of discounting is material, the expected cash shortfalls are discounted using the effective interest rate determined at initial recognition or an approximation thereof.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

2. 編製基準(續)

(a) 應用香港財務報告準則 第9號金融工具之影響 (續)

減值虧損模式之變動

香港財務報告準則第9號以「預期信貸虧損」(預期信貸虧損模式)模式取代香港會計準則第39號之「已產生虧損」模式。預期信貸虧損模式須持續計量與金融資產相關的信貸風險，因此，確認預期信貸虧損之時間早於根據香港會計準則第39號之「已產生虧損」會計模式確認之時間。

本集團對按攤銷成本計量之金融資產應用新預期信貸虧損模式。

預期信貸虧損之計量

預期信貸虧損為信貸虧損的概率加權估計。信貸虧損乃按所有預期現金差額(即根據合約應付本集團的現金流量與本集團預期將收到的現金流量之間的差額)的現值計量。

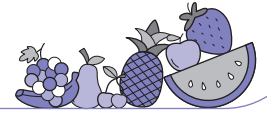
倘貼現的影響重大，則會使用於初步確認時確定的實際利率或應收貿易及其近似值貼現預期現金差額。

估計預期信貸虧損時所考慮的最長期間為本集團承受信貸風險的最長合約期間。

於計量預期信貸虧損時，本集團會考慮在無需付出過多成本及努力下即可獲得的合理可靠資料。此項包括有關過往事件、現時狀況及未來經濟狀況預測的資料。

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



2. BASIS OF PREPARATION (Continued)

(a) Impacts of application on HKFRS 9 Financial Instruments (Continued)

Measurement of ECLs

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowance for trade receivables is always measured at an amount equal to lifetime ECL. ECLs are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

The Group concluded that the adoption of the ECL model under HKFRS 9 has no material impact on the Group.

2. 編製基準(續)

(a) 應用香港財務報告準則 第9號金融工具之影響 (續)

預期信貸虧損之計量

預期信貸虧損將採用以下基準計量：

- 12個月預期信貸虧損：指報告日期後12個月內可能發生的違約事件而導致的預期虧損；及
- 全期預期信貸虧損：指預期信貸虧損模式適用項目之預期年期內所有可能違約事件而導致的預期虧損。

應收貿易款項的虧損撥備總是按等同於全期預期信貸虧損的金額計量。於報告日期，預期信貸虧損乃根據本集團的歷史信貸虧損經驗使用撥備矩陣進行評估，並根據債務人的特定因素及對當前及預計一般經濟狀況的評估進行調整。

本集團認為根據香港財務報告準則第9號採納預期信貸虧損模式並無對本集團產生任何重大影響。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED) 簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



2. BASIS OF PREPARATION (Continued)

(b) Impacts of application on HKFRS 15 Revenue from contracts with customers

HKFRS 15 replaces HKAS 18, Revenue, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, Construction contracts, which specified the accounting for construction contracts.

The initial application of HKFRS 15 has changed the recognition and measurement of revenue, the presentation of the statement of financial position and the information required to be disclosed in the notes to the financial statements, to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Previously, revenue arising from construction contracts and provision of services was recognised over time, whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers. HKFRS 15 introduces a five step approach under which all revenue is recognised when the customer obtains control of the promised good or service in the contract, either at a single point in time or over time.

2. 編製基準(續)

(b) 應用香港財務報告準則 第15號來自客戶合約的 收益之影響

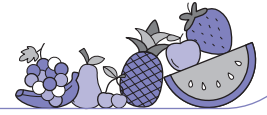
香港財務報告準則第15號代替香港會計準則第18號收入(其涵蓋銷售貨物及提供服務所產生的收益)及香港會計準則第11號建造合約(其訂明建造合約的會計處理方法)。

初步應用香港財務報告準則第15號已改變收益之確認及計量、財務狀況表之呈列方式及須於財務報表附註中披露之資料，以使財務報告之使用者瞭解與客戶所訂合約產生之收益及現金流量之性質、金額、時間及不確定性。

此前，建造合約及提供服務所產生之收益隨時間確認，而銷售貨品所得收益通常於貨品所有權風險及回報轉移予客戶時確認。香港財務報告準則第15號引入五個步驟，據此，所有收益於客戶獲得合約之承諾貨品或服務之控制權時(可為單個時間點或一段時間)確認。

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



2. BASIS OF PREPARATION (Continued)

(b) Impacts of application on HKFRS 15 Revenue from contracts with customers (Continued)

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before receiving the consideration or being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

As a result of the adoption of HKFRS 15, "Advance receipt" will continue to be separately disclosed in Note 13.

(c) HK(IFRIC) 22, Foreign currency transactions and advance consideration

This interpretation provides guidance on determining "the date of the transaction" for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The Interpretation clarifies that "the date of the transaction" is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The adoption of HK(IFRIC) 22 does not have any material impact on the financial position and the financial result of the Group.

2. 編製基準(續)

(b) 應用香港財務報告準則 第15號來自客戶合約的 收益之影響(續)

根據香港財務報告準則第15號，僅在本集團擁有無條件權利收取代價時，方會確認應收款項。倘本集團於收取代價或可無條件收取合約承諾貨品及服務的代價前確認有關收益，則該代價分類為合約資產。同樣，在本集團確認相關收益前，當客戶支付代價或按合約規定支付代價且款項已到期時，則確認為合約負債而非應付款項。就與客戶訂立的單一合約而言，僅呈列淨合約資產或淨合約負債。就多份合約而言，無關合約的合約資產及合約負債不會以淨額為基礎呈列。

由於採納香港財務報告準則第15號，「預收款項」將繼續於附註13單獨披露。

(c) 香港(國際財務報告詮釋 委員會)第22號外幣交易 及預付代價

該詮釋就釐定「交易日期」提供指引，旨在釐定實體於交易收取或支付外幣預付代價時，初步確認有關資產、開支或收入(或其中部分)所使用之匯率。

該詮釋澄清「交易日期」為初步確認因支付或收取預付代價而產生的非貨幣性資產或負債之日。倘確認有關項目前存在多筆預付或預收款，實體應按該方式釐定每筆付款或收款的交易日期。採納香港(國際財務報告詮釋委員會)詮釋第22號對本集團財務狀況及財務業績並無任何重大影響。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED) 簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



3. SEGMENT INFORMATION

The Group is principally engaged in the retail and wholesale of watches in Hong Kong. The Group also engaged in sales and trading of high-end biological fertilizers, fertilizers raw materials and public consumption products (collectively referred to as “Trading of fertilizers and other products”) since last year.

Information reported to the Company’s executive Directors, who are the chief operating decision makers (“**CODM**”) of the Group for the purposes of resource allocation and assessment of performance, is focused on three main operations of the Group identified in accordance with the business nature and the size of the operations.

Specifically, the reportable segments of the Group under HKFRS 8 are as follows:

- Retail business of watches (“**Retail**”) — retail of multi brands of watches in Hong Kong
- Wholesalers business of watches (“**Wholesale**”) — wholesale of multi brands of watches in Hong Kong
- Trading of fertilizers and other products (“**Trading**”) — trading of fertilizers, fertilizers raw materials and public consumption products

There are no significant sales or other transactions among the segments.

The executive Directors assess the performance of the operating segments based on a measure of operating profit excluding finance cost and group expenses.

3. 分部資料

本集團主要於香港從事腕錶零售及批發。本集團亦自去年從事高端生物肥料、肥料原料及大眾消費性產品銷售及貿易(統稱為「肥料及其他產品之貿易」)。

本公司執行董事為本集團的主要經營決策者(「**主要經營決策者**」)，向其報告用作資源分配及表現評估之資料集中於本集團三項根據業務性質及經營規模而確認之主要業務。

具體而言，根據香港財務報告準則第8號，本集團之可呈報分部如下：

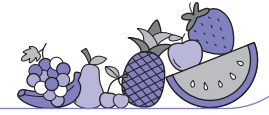
- 腕錶零售業務(「**零售**」) — 於香港零售多個品牌之腕錶
- 腕錶批發業務(「**批發**」) — 於香港批發多個品牌之腕錶
- 肥料及其他產品之貿易(「**貿易**」) — 肥料、肥料原料及大眾消費性產品之貿易

分部之間並無重大銷售或其他交易。

執行董事按經營利潤(不包括融資成本及集團開支)的計量方法評估經營分部的表現。

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



3. SEGMENT INFORMATION (Continued)

For the six months ended 31 October 2018

3. 分部資料(續)

截至二零一八年十月三十一日止六個月

		Retail 零售 HK\$'000 千港元 (Unaudited) (未經審核)	Wholesale 批發 HK\$'000 千港元 (Unaudited) (未經審核)	Trading 貿易 HK\$'000 千港元 (Unaudited) (未經審核)	Elimination 對銷 HK\$'000 千港元 (Unaudited) (未經審核)	Total 總計 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收益					
External sales	外部銷售	110,612	1,500	—	—	112,112
External service income	外部服務收入	771	—	—	—	771
External commission income	外部佣金收入	—	—	11,547	—	11,547
Inter-segment sales	分部間銷售	—	688	—	(688)	—
		111,383	2,188	11,547	(688)	124,430
Segment (loss)/profit	分部(虧損)/利潤	(4,138)	(172)	6,929	—	2,619
Finance costs	融資成本					(127)
Unallocated Group expenses	未分配集團開支					(9,756)
Loss before income tax	除所得稅前虧損					(7,264)

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



3. SEGMENT INFORMATION (Continued)

For the six months ended 31 October 2017

		Retail 零售 HK\$'000 千港元 (Unaudited) (未經審核)	Wholesale 批發 HK\$'000 千港元 (Unaudited) (未經審核)	Trading 貿易 HK\$'000 千港元 (Unaudited) (未經審核)	Elimination 對銷 HK\$'000 千港元 (Unaudited) (未經審核)	Total 總計 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收益					
External sales	外部銷售	136,512	1,251	—	—	137,763
External service income	外部服務收入	1,861	—	—	—	1,861
Inter-segment sales	分部間銷售	—	1,286	—	(1,286)	—
		138,373	2,537	—	(1,286)	139,624
Segment (loss)/profit	分部(虧損)/利潤	(6,307)	375	—	—	(5,932)
Finance costs	融資成本					(254)
Unallocated Group expenses	未分配集團開支					(1,634)
Loss before income tax	除所得稅前虧損					(7,820)

Sales between segments are carried out at terms mutually-agreed between the parties involved in the transactions. The revenue from external parties reported to the executive Directors is measured in a manner consistent with that in the condensed consolidated statement of profit or loss and other comprehensive income.

No segment assets and liabilities information is provided as no such information is regularly provided to the CODM of the Group on making decision for resources allocation and performance assessment.

3. 分部資料(續)

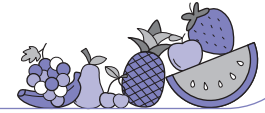
截至二零一七年十月三十一日止六個月

分部間銷售乃按涉及交易的各方共同協定的條款進行。向執行董事匯報的外部訂約方收益乃按與簡明綜合損益及其他全面收益表一致的方式計量。

由於並無定期向本集團主要經營決策者提供分部資產及負債資料，以便作出資源分配及表現評估，故不提供有關資料。

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



3. SEGMENT INFORMATION (Continued)

During the Review Period, the Group's operation is mainly located in the People's Republic of China ("PRC") and Hong Kong. The Group's revenue by geographical location of customers are detailed below:

		Six months ended 31 October 截至十月三十一日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
PRC	中國	11,547	—
Hong Kong	香港	112,883	139,624
		124,430	139,624

The Group's revenue is mainly derived from customers in PRC and Hong Kong. The non-current assets of the Group are located in PRC and Hong Kong. For the six months ended 31 October 2018 and 2017, there were no single external customers who contributed more than 10% revenue of the Group.

3. 分部資料(續)

於回顧期間，本集團之業務主要位於中華人民共和國(「中國」)及香港。本集團按客戶地理位置劃分之收益詳情如下：

本集團的收益主要源自中國及香港的客戶。本集團的非流動資產位於中國及香港。截至二零一八年及二零一七年十月三十一日止六個月，概無單一外部客戶為本集團貢獻超過10%之收益。

Other profit and loss disclosures

其他利潤及虧損披露

		Six months ended 31 October 截至十月三十一日止六個月				Six months ended 31 October 截至十月三十一日止六個月			
		2018 二零一八年				2017 二零一七年			
		Retail 零售 HK\$'000 千港元 (Unaudited) (未經審核)	Wholesale 批發 HK\$'000 千港元 (Unaudited) (未經審核)	Trading 貿易 HK\$'000 千港元 (Unaudited) (未經審核)	Total 總計 HK\$'000 千港元 (Unaudited) (未經審核)	Retail 零售 HK\$'000 千港元 (Unaudited) (未經審核)	Wholesale 批發 HK\$'000 千港元 (Unaudited) (未經審核)	Trading 貿易 HK\$'000 千港元 (Unaudited) (未經審核)	Total 總計 HK\$'000 千港元 (Unaudited) (未經審核)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,129	—	9	2,138	1,277	—	—	1,277
(Reversal)/allowance for write-down of inventories recognised	已確認撇減存貨之(撥回)/撥備	(2,202)	(6)	—	(2,208)	1,841	(211)	—	1,630
Impairment of property, plant and equipment	物業、廠房及設備減值	—	—	—	—	67	—	—	67
Write-back for onerous operating leases	繁重經營租賃撥回	—	—	—	—	(547)	—	—	(547)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	27	—	—	27	—	—	—	—

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



4. LOSS BEFORE TAX

Loss before tax has been arrived at after charging (crediting):

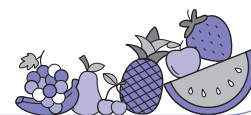
4. 除稅前虧損

除稅前虧損經扣除(計入)以下項目後
得出：

		Six months ended 31 October 截至十月三十一日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Cost of inventories sold	已售存貨成本	74,774	93,057
(Reversal of allowance)/allowance for slow-moving inventories	滯銷存貨(撥備撥回)/ 撥備	(2,208)	1,630
		72,566	94,687
Employee benefit expense	僱員福利開支	16,972	14,590
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,138	1,277
Impairment of property, plant and equipment	物業、廠房及設備減值	—	67
Operating lease expenses	經營租賃開支		
— Office premises	— 辦公室物業	1,101	29
— Repair centres	— 維修中心	33	33
— Retail outlets	— 零售店	21,295	27,781
Write-back for onerous operating leases	繁重經營租賃撥回	—	(547)
Advertising and promotion expenses	廣告及推廣開支	837	920
Auditor's remuneration	核數師薪酬	500	300
Bank and credit card charges	銀行及信用卡開支	1,532	1,827
Other expenses	其他開支	13,593	6,226
		130,567	147,190
Total cost of sales, selling and distribution costs and administrative expenses	銷售成本、銷售及分銷成本及 行政開支總額	130,567	147,190

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



5. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

5. 僱員福利開支(包括董事 酬金)

		Six months ended 31 October 截至十月三十一日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Salaries and allowances	薪金及津貼	16,490	14,043
Directors' quarters rental	董事宿舍租金	—	—
Retirement benefit costs	退休福利成本		
— Mandatory Provident Fund Scheme	— 強制性公積金計劃	482	547
		16,972	14,590

6. INCOME TAX EXPENSE

6. 所得稅開支

The amount of income tax charged to the condensed consolidated statement of profit or loss and other comprehensive income represents:

自簡明綜合損益及其他全面收益表扣除的所得稅金額指：

		Six months ended 31 October 截至十月三十一日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Current taxation	即期稅項		
Hong Kong profits tax	香港利得稅	10	180
PRC enterprise income tax	中國企業所得稅	1,607	—
		1,617	180
Deferred taxation	遞延稅項	(587)	278
		1,030	458

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



6. INCOME TAX EXPENSE (Continued)

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the six months ended 31 October 2018.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% in the current period.

7. DIVIDEND

The Board does not declare the payment of an interim dividend for the six months ended 31 October 2018 (2017: Nil).

8. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Review Period.

6. 所得稅開支(續)

截至二零一八年十月三十一日止六個月，已就估計應課稅利潤按16.5%(二零一七年：16.5%)的稅率計提香港利得稅撥備。

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，本期間之中國附屬公司之稅率為25%。

7. 股息

董事會不宣派截至二零一八年十月三十一日止六個月的中期股息(二零一七年：無)。

8. 每股虧損

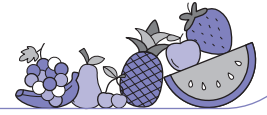
(a) 基本

每股基本虧損乃按本公司擁有人應佔虧損除以回顧期間已發行普通股的加權平均數計算。

		Six months ended 31 October 截至十月三十一日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(8,294)	(8,278)
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(千股)	800,000	800,000
Basic loss per share (HK cents per share)	每股基本虧損(每股港仙)	(1.04)	(1.03)

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



8. LOSS PER SHARE (Continued)

(b) Diluted

For the six months ended 31 October 2018 and 2017, diluted loss per share equals basic loss per share as there was no dilutive potential share.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 October 2018, the Group acquired property, plant and equipment of approximately HK\$9,238,000 (six months ended 31 October 2017 (unaudited): approximately HK\$1,027,000).

During the six months ended 31 October 2018, the Group wrote off assets of carrying amount of HK\$6,000 (six months ended 31 October 2017 (unaudited): Nil). Upon the write-off, there is a reversal on the accumulated impairment of HK\$820,000 (six months ended 31 October 2017 (unaudited): Nil).

During the six months ended 31 October 2018, the Group disposed of assets with a carrying amount of HK\$741,000 (six months ended 31 October 2017 (unaudited): Nil). Upon the disposal, there is a proceed of HK\$720,000 (six months ended 31 October 2017 (unaudited): Nil).

Depreciation of approximately HK\$1,988,000 (six months ended 31 October 2017 (unaudited): approximately HK\$1,138,000) have been charged to "selling and distribution costs" and approximately HK\$150,000 (six months ended 31 October 2017 (unaudited): approximately HK\$139,000) have been charged to "administrative expenses" for the six months ended 31 October 2018.

No impairment loss (six months ended 31 October 2017 (unaudited): approximately HK\$67,000) on property, plant and equipment has been recognised during the period.

8. 每股虧損(續)

(b) 攤薄

截至二零一八年及二零一七年十月三十一日止六個月，由於概無潛在攤薄股份，故每股攤薄虧損相等於每股基本虧損。

9. 物業、廠房及設備

截至二零一八年十月三十一日止六個月，本集團購置約9,238,000港元的物業、廠房及設備(截至二零一七年十月三十一日止六個月(未經審核): 約1,027,000港元)。

截至二零一八年十月三十一日止六個月，本集團撇銷賬面值為6,000港元(截至二零一七年十月三十一日止六個月(未經審核): 無)的資產。撇銷完成後，累計減值撥回為820,000港元(截至二零一七年十月三十一日止六個月(未經審核): 無)。

截至二零一八年十月三十一日止六個月，本集團出售賬面值為741,000港元(截至二零一七年十月三十一日止六個月(未經審核): 無)的資產。出售完成後，所得款項為720,000港元(截至二零一七年十月三十一日止六個月(未經審核): 無)。

截至二零一八年十月三十一日止六個月，折舊約1,988,000港元(截至二零一七年十月三十一日止六個月(未經審核): 約1,138,000港元)已自「銷售及分銷成本」扣除，而約150,000港元(截至二零一七年十月三十一日止六個月(未經審核): 約139,000港元)已自「行政開支」扣除。

並無物業、廠房及設備之減值虧損(截至二零一七年十月三十一日止六個月(未經審核): 約67,000港元)已於期內獲確認。

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



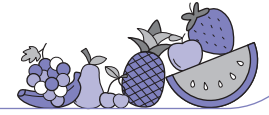
10. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

10. 應收貿易款項、其他應收款項及預付款項

		31 October 2018 二零一八年 十月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 April 2018 二零一八年 四月三十日 HK\$'000 千港元 (Audited) (經審核)
Trade receivables (Note a)	應收貿易款項(附註a)		
— third parties	— 第三方	641	4,420
— a related company	— 一間關聯公司	24	6
		665	4,426
Rental and utilities deposits	租金及公用事業按金	14,767	18,355
Prepayments	預付款項	49,302	38,090
Bills receivables	應收票據	37,722	39,980
Other receivables	其他應收款項	—	150
		102,456	101,001
Less: non-current portion	減：非即期部分		
— rental deposits	— 租賃按金	(6,795)	(1,381)
		(6,795)	(1,381)
Current portion	即期部分	95,661	99,620

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



10. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (Continued)

Note:

(a) Trade receivables and amount due from a related company

Trade receivables and amount due from a related company mainly comprise receivables from credit card companies for retail sales and wholesale customers. There was no specific credit terms granted to those credit card companies. The receivables due from credit card companies were usually settled within 7 days. The Group's credit terms granted to wholesale customers, including a related party customer, generally ranged from 30 to 90 days from the invoice date. As at 31 October 2018 and 30 April 2018, the ageing analysis of the trade receivables based on the invoice date is as follows:

		31 October 2018 二零一八年 十月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 April 2018 二零一八年 四月三十日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days	30日內	395	4,240
31 to 60 days	31至60日	151	141
Over 61 days	超過61日	119	45
		665	4,426

As at 31 October 2018, none of the trade receivables was past due but not impaired (30 April 2018: Nil).

10. 應收貿易款項、其他應收款項及預付款項(續)

附註：

(a) 應收貿易款項及應收一間關聯公司的款項

應收貿易款項及應收一間關聯公司的款項主要包括來自信用卡公司的零售應收款項及來自批發客戶的應收款項。概無向該等信用卡公司授出任何特定信貸期。應收信用卡公司的款項一般於7日內結清。本集團授予批發客戶(包括一名關聯方客戶)之信貸期一般介乎由發票日期起計30至90日。於二零一八年十月三十一日及二零一八年四月三十日，按發票日期作出之應收貿易款項之賬齡分析如下：

於二零一八年十月三十一日，概無應收貿易款項已逾期但未減值(二零一八年四月三十日：無)。

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



11. INVENTORIES

11. 存貨

		31 October 2018 二零一八年 十月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 April 2018 二零一八年 四月三十日 HK\$'000 千港元 (Audited) (經審核)
Finished goods	製成品	55,838	75,794
Less: allowance for slow-moving inventories	減：滯銷存貨撥備	(21,628)	(23,836)
		34,210	51,958

Movements in allowance for slow-moving inventories are as follows:

滯銷存貨撥備之變動如下：

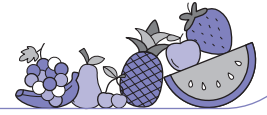
		31 October 2018 二零一八年 十月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 April 2018 二零一八年 四月三十日 HK\$'000 千港元 (Audited) (經審核)
At the beginning of the period/year	於期／年初	(23,836)	(22,716)
Credited/(charged) to profit or loss	計入損益／自損益(扣除)	2,208	(1,120)
		(21,628)	(23,836)

The cost of inventories recognized as expenses and included in cost of sales amounted to approximately HK\$72,566,000 (six months ended 31 October 2017 (unaudited): approximately HK\$94,687,000), which included reversal on allowance for slow-moving inventories of approximately HK\$2,208,000 (six months ended 31 October 2017 (unaudited): allowance for slow-moving inventories of approximately HK\$1,630,000) for the six months ended 31 October 2018.

截至二零一八年十月三十一日止六個月，確認為開支並計入銷售成本之存貨成本約為72,566,000港元(截至二零一七年十月三十一日止六個月(未經審核)：約94,687,000港元)，當中包括滯銷存貨撥備撥回約2,208,000港元(截至二零一七年十月三十一日止六個月(未經審核)：滯銷存貨撥備約1,630,000港元)。

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



12. SHARE CAPITAL

12. 股本

		Number of shares 股份數目	Nominal value 面值 HK\$'000 千港元
Authorized — ordinary shares of HK\$0.01 each	法定—每股面值0.01港元之 普通股		
At 30 April 2018 (Audited) and at 31 October 2018 (Unaudited)	於二零一八年四月三十日 (經審核)及於二零一八年 十月三十一日(未經審核)	10,000,000,000	100,000
Issued and fully paid — ordinary shares of HK\$0.01 each	已發行及繳足—每股面值0.01 港元之普通股		
At 30 April 2018 (Audited) and at 31 October 2018 (Unaudited)	於二零一八年四月三十日 (經審核)及於二零一八年 十月三十一日(未經審核)	800,000,000	8,000

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



13. PROVISION FOR OTHER LIABILITIES AND CHARGES, TRADE AND OTHER PAYABLES

13. 其他負債及支出、貿易及其他應付款項撥備

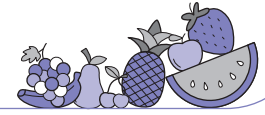
		31 October 2018 二零一八年 十月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 April 2018 二零一八年 四月三十日 HK\$'000 千港元 (Audited) (經審核)
Trade payables (Note a)	應付貿易款項(附註a)		
— third parties	— 第三方	9,594	18,858
— related parties	— 關聯方	3	3
		9,597	18,861
Rent payable	應付租金	773	1,269
Accrued employee benefit expense	應計僱員福利開支	1,772	3,574
Provision for reinstatement costs (Note b)	修復成本撥備(附註b)	1,480	1,796
Provision for onerous operating leases (Note c)	繁重經營租賃撥備(附註c)	2,115	2,115
Other accruals and payables	其他應計費用及應付款項	3,713	4,474
Advance receipt	預收款項	72,326	67,797
		91,776	99,886
Less: non-current portion	減：非即期部分	(1,040)	(793)
Current portion	即期部分	90,736	99,093

As at 31 October 2018 and 30 April 2018, the carrying amounts of trade and other payables approximated to their fair values and were mainly denominated in HK\$.

於二零一八年十月三十一日及二零一八年四月三十日，貿易及其他應付款項之賬面值與其公平值相若，並主要以港元列值。

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



13. PROVISION FOR OTHER LIABILITIES AND CHARGES, TRADE AND OTHER PAYABLES (Continued)

Notes:

(a) Trade payables and amount due to related companies

As at 31 October 2018 and 30 April 2018, the aging analysis of the trade payables based on due date is as follows:

Within 30 days	30日內
31 to 60 days	31至60日
Over 61 days	超過61日

(b) Provision for reinstatements costs

Movements in the Group's provision for reinstatement costs are as follows:

At beginning of the period/year	於期/年初
Additional provision during the period/year	期/年內額外撥備
Settlements	償付

At end of the period/year

於期/年末

13. 其他負債及支出、貿易及其他應付款項撥備(續)

附註：

(a) 應付貿易款項及應付關聯公司的款項

於二零一八年十月三十一日及二零一八年四月三十日，應付貿易款項按到期日劃分的賬齡分析如下：

31 October 2018 二零一八年 十月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 April 2018 二零一八年 四月三十日 HK\$'000 千港元 (Audited) (經審核)
2,982	18,720
235	—
6,380	141
9,597	18,861

(b) 修復成本撥備

本集團之修復成本撥備變動如下：

31 October 2018 二零一八年 十月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 April 2018 二零一八年 四月三十日 HK\$'000 千港元 (Audited) (經審核)
1,796	1,776
297	399
(613)	(379)
1,480	1,796

At end of the period/year

於期/年末

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



13. PROVISION FOR OTHER LIABILITIES AND CHARGES, TRADE AND OTHER PAYABLES (Continued)

Notes: (Continued)

(c) Provision for onerous operating leases

Movements in the Group's provision for onerous operating leases are as follows:

		31 October 2018 二零一八年 十月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 April 2018 二零一八年 四月三十日 HK\$'000 千港元 (Audited) (經審核)
At beginning of the period/year	於期/年初	2,115	8,598
Provision during the period/year	期/年內撥備	—	321
Release of provision upon payment of rental charges	支付租金費用後解除撥備	—	(6,804)
At end of the period/year	於期/年末	2,115	2,115

The provision for onerous operating leases represented the anticipated unavoidable costs for fulfilling the onerous non-cancellable lease agreements. All the lease agreements will expire by the end of the year ending 30 April 2022. The provision amount would be reduced upon the payment of the remaining rental charges.

繁重經營租賃撥備指預期就履行繁重不可註銷租賃協議產生的不可避免成本。所有租賃協議將於截至二零二二年四月三十日止年度結束前屆滿。撥備金額將於支付剩餘租金費用後減少。

14. BANK LOANS

The Group fully repaid the bank loans in the current period.

As at 31 October 2018, the Group had aggregate banking facilities of HK\$23.5 million (30 April 2018: HK\$23.5 million), for overdrafts and loans. Unused facilities as at the same date were HK\$23.5 million (30 April 2018: HK\$17.7 million). The banking facilities were granted to the subsidiaries of the Company and were subject to an annual review and guaranteed by unlimited guarantees from certain of its subsidiaries.

13. 其他負債及支出、貿易及其他應付款項撥備(續)

附註：(續)

(c) 繁重經營租賃撥備

本集團的繁重經營租賃撥備變動如下：

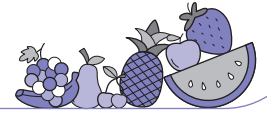
14. 銀行貸款

本集團於本期間全數償還銀行貸款。

於二零一八年十月三十一日，本集團有關透支及貸款的銀行融資總額為23.5百萬港元(二零一八年四月三十日：23.5百萬港元)。同日之未動用融資為23.5百萬港元(二零一八年四月三十日：17.7百萬港元)。銀行融資乃授予本公司附屬公司，並須進行年度審閱及由本公司若干附屬公司提供的無限擔保所擔保。

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



15. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

Amount due to ultimate holding company is unsecured, non-interest bearing and repayable on demand.

16. COMMITMENTS

(a) Capital commitments

As at 31 October 2018 (Unaudited) and 30 April 2018 (Audited), the Group did not have any material capital commitments.

(b) Operating commitments

The Group leases various retail outlets, offices and warehouses. The majority of lease agreements are non-cancellable with lease terms between 1 and 3 years. Some lease agreements are cancellable with a notice period of 3 to 6 months.

The future aggregate minimum lease rental expenses in respect of the retail outlets, office and repair centres under non-cancellable operating leases are as follows:

15. 應付最終控股公司款項

應付最終控股公司款項屬無擔保、不計息及按要求償還。

16. 承擔

(a) 資本承擔

於二零一八年十月三十一日(未經審核)及二零一八年四月三十日(經審核)，本集團並無任何重大資本承擔。

(b) 經營承擔

本集團租賃多間零售店、辦公室及倉庫。大部分租賃協議均屬不可撤銷，租期介乎1至3年不等。部分租賃協議可予撤銷，通知期介乎3至6個月。

根據不可撤銷經營租賃就租用零售店、辦公室及維修中心的未來最低租金開支總額如下：

	31 October 2018 二零一八年 十月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 April 2018 二零一八年 四月三十日 HK\$'000 千港元 (Audited) (經審核)
No later than 1 year 不遲於1年	21,187	22,324
Later than 1 year and no later than 5 years 遲於1年但不遲於5年	23,378	7,756
	44,565	30,080

The above lease commitments do not include commitments for additional rentals payable, if any, when turnover of individual retail outlet exceeds a pre-determined level as it is not possible to determine in advance the amount of such additional rentals.

上述租賃承擔並不包括有關因個別零售店的營業額超出預定水平時產生的額外應付租金(如有)的承擔，原因是無法預先確定有關額外租金金額。

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



17. RELATED PARTY TRANSACTIONS

The directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group during periods/year presented:

Name of the related party 關聯方姓名/名稱	Relationship with the Group 與本集團的關係
Company A 公司A	Significantly influenced by a related party of the Company (note (a)) 受本公司一名關聯方重大影響(附註(a))
Company B 公司B	Significantly influenced by a related party of the Company (note (a)) 受本公司一名關聯方重大影響(附註(a))
Company C 公司C	Under common control of the controlling shareholders (note (b)) 受控股股東共同控制(附註(b))

Notes:

- (a): the related parties represents the entities which are controlled by directors of the Company. The abovementioned entities do not constitute related parties of the Company following the resignation of certain directors after 28 September 2017.
- (b): the entity constitute related party of the Company upon Mr. Meng Guangyin being appointed as an Executive Director on 7 September 2017, as the Chairman on 28 September 2017 and as the Chief Executive Officer on 1 April 2018.

- (a) During the period, the Group entered into the following transactions with related parties:

17. 關聯方交易

本公司董事認為，下列人士/公司為曾於呈列期間/年度內與本集團進行交易或彼此間有結餘的關聯方：

附註：

- (a)：關聯方指受本公司董事控制之實體。上述實體在二零一七年九月二十八日後於若干董事辭任後並不構成本公司之關聯方。
- (b)：於孟廣銀先生於二零一七年九月七日獲委任為執行董事、於二零一七年九月二十八日獲委任為主席及於二零一八年四月一日獲委任為行政總裁後，構成本公司關聯方之實體。

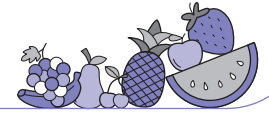
- (a) 期內，本集團與關聯方進行以下交易：

Six months ended 31 October
截至十月三十一日止六個月

	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Purchase from Company B 向公司B進行採購	5	37
Sales to Company A 向公司A進行銷售	67	83
Commission income from Company C 自公司C收取佣金收入	5,300	—

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



17. RELATED PARTY TRANSACTIONS (Continued) 17. 關聯方交易 (續)

(a) (Continued)

The following balances were outstanding at the end of the reporting period:

Amount due from/(to) related parties

Amount due from Company A	應收公司A的款項
Amount due to Company B	應付公司B的款項
Prepayments to Company C	向公司C支付的預付款項

Receivables and payables from/(to) the above related parties were unsecured, interest-free and repayable on demand. The amount due from Company A was neither past due nor impaired. The carrying amounts of the amounts due from/(to) related parties approximated to their fair values and are denominated in HK\$.

(a) (續)

下列結餘於報告期末尚未償還：

應收／(應付)關聯方款項

31 October 2018 二零一八年 十月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 April 2018 二零一八年 四月三十日 HK\$'000 千港元 (Audited) (經審核)
24	6
—	(3)
2,750	9,971

應收／(應付)上述關聯方的應收款項及應付款項均為無抵押、免息及須按要求償還。應收公司A的款項尚未逾期亦未減值。應收／(應付)關聯方款項的賬面值與其公平值相若及以港元計值。

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)
簡明綜合中期財務報表附註(續)

For the six months ended 31 October 2018 截至二零一八年十月三十一日止六個月



17. RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel

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

		Six months ended 31 October 截至十月三十一日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Salaries, bonus, other allowances and benefits in kind	薪金、花紅、其他津貼及實物利益	3,540	4,440
Retirement benefit costs	退休福利成本		
— Mandatory Provident Fund Scheme	— 強制性公積金計劃	30	62
		3,570	4,502

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

17. 關聯方交易 (續)

(b) 主要管理人員薪酬

董事及其他主要管理人員期內的薪酬如下：

		Six months ended 31 October 截至十月三十一日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Salaries, bonus, other allowances and benefits in kind	薪金、花紅、其他津貼及實物利益	3,540	4,440
Retirement benefit costs	退休福利成本		
— Mandatory Provident Fund Scheme	— 強制性公積金計劃	30	62
		3,570	4,502

董事及主要行政人員的薪酬乃由薪酬委員會根據其個人表現及市場趨勢釐定。



PROSPER ONE INTERNATIONAL
HOLDINGS COMPANY LIMITED
富一國際控股有限公司

