



冠力國際

冠力國際有限公司
Softpower International Limited

(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with limited liability)
股份代號：00380 Stock code: 00380

INTERIM REPORT 中期報告 **2019**



Contents

目錄

- 2** Corporate Information
公司資料
- 5** Unaudited Condensed Consolidated Income Statement
未經審核簡明綜合收益表
- 6** Unaudited Condensed Consolidated Statement of Comprehensive Income
未經審核簡明綜合全面收益表
- 7** Unaudited Condensed Consolidated Statement of Financial Position
未經審核簡明綜合財務狀況表
- 9** Unaudited Condensed Consolidated Statement of Changes in Equity
未經審核簡明綜合權益變動表
- 11** Unaudited Condensed Consolidated Statement of Cash Flows
未經審核簡明綜合現金流量表
- 12** Notes to the Condensed Consolidated Interim Financial Information
簡明綜合中期財務資料附註
- 39** Management Discussion and Analysis
管理層討論及分析
- 43** Other Information
其他資料

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Lai Fulin (*Chairman*)

Mr. Yu Ben Ansheng (*Chief Executive Officer*)

Independent Non-executive Directors

Mr. Wong Yee Shuen, Wilson

Mr. Chen Wei Wen

Mr. Guan Zhiqiang

AUDIT COMMITTEE

Mr. Wong Yee Shuen, Wilson (*Chairman*)

Mr. Chen Wei Wen

Mr. Guan Zhiqiang

REMUNERATION COMMITTEE

Mr. Guan Zhiqiang (*Chairman*)

Mr. Chen Wei Wen

Mr. Lai Fulin

NOMINATION COMMITTEE

Mr. Lai Fulin (*Chairman*)

Mr. Chen Wei Wen

Mr. Guan Zhiqiang

COMPANY SECRETARY

Mr. Cheng Siu Kwan

INDEPENDENT AUDITOR

PricewaterhouseCoopers

22/F, Prince's Building

Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Management (Bermuda) Limited

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

董事會

執行董事

賴福麟先生 (*主席*)

俞安生先生 (*首席執行官*)

獨立非執行董事

黃以信先生

陳偉文先生

管志強先生

審核委員會

黃以信先生 (*主席*)

陳偉文先生

管志強先生

薪酬委員會

管志強先生 (*主席*)

陳偉文先生

賴福麟先生

提名委員會

賴福麟先生 (*主席*)

陳偉文先生

管志強先生

公司秘書

鄭少群先生

獨立核數師

羅兵咸永道會計師事務所

香港中環

太子大廈二十二樓

主要股份過戶登記處

Estera Management (Bermuda) Limited

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
Shanghai Commercial Bank Limited
DBS Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Bank SinoPac, Hong Kong Branch
East West Bank, Hong Kong Branch
The Bank of East Asia, Limited
Dah Sing Bank, Limited
Standard Chartered Bank (Hong Kong) Limited
Chong Hing Bank Limited
Chiyu Banking Corporation Limited
Hang Seng Bank Limited

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

12th Floor, Phase I, Austin Tower
22-26A Austin Avenue
Tsim Sha Tsui, Kowloon
Hong Kong
Tel: (852) 2728 7237
Fax: (852) 2387 2999

香港股份過戶登記分處

香港中央證券登記有限公司
香港灣仔
皇后大道東 183 號
合和中心 17 樓
1712-1716 號舖

主要往來銀行

中國銀行(香港)有限公司
中國工商銀行(亞洲)有限公司
上海商業銀行有限公司
星展銀行(香港)有限公司
香港上海滙豐銀行有限公司
永豐商業銀行股份有限公司(香港分行)
華美銀行(香港分行)
東亞銀行有限公司
大新銀行有限公司
渣打銀行(香港)有限公司
創興銀行有限公司
集友銀行有限公司
恆生銀行有限公司

註冊辦事處

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

總辦事處及主要營業地點

香港九龍
尖沙咀
柯士甸路 22-26 號 A
好兆年行第一期 12 樓
電話：(852) 2728 7237
傳真：(852) 2387 2999

Corporate Information

公司資料

OTHER PLACES OF BUSINESS

HONG KONG AND MACAU

Retail shops

G/F, 687 Shanghai Street
Mongkok, Kowloon
Hong Kong
Tel: (852) 2395 0181
Fax: (852) 2787 3421

G/F, Tak Fam Building
18 Tak Wah Street
Tsuen Wan, New Territories
Hong Kong
Tel: (852) 2473 3660
Fax: (852) 2442 2766

G/F, 102 Thomson Road
Wanchai,
Hong Kong
Tel: (852) 2866 6001
Fax: (852) 2866 6339

Rua Da Ribeira Do Patane No. 13,
Macau
Tel: (853) 2855 3693
Fax: (853) 2895 1020

Warehouse

Sections M and N of Lot 3719 in DD104
Yuen Long, New Territories
Hong Kong
Tel: (852) 2471 9048
Fax: (852) 2482 1298

WEBSITE

<http://www.softpower.hk>

其他營業地點

香港及澳門

門市

香港
九龍旺角
上海街687號地下
電話：(852) 2395 0181
傳真：(852) 2787 3421

香港
新界荃灣
德華街18號
德範大廈地下
電話：(852) 2473 3660
傳真：(852) 2442 2766

香港
灣仔
譚臣道102號地下
電話：(852) 2866 6001
傳真：(852) 2866 6339

澳門
沙梨頭海邊街13號泉寧樓地下
電話：(853) 2855 3693
傳真：(853) 2895 1020

貨倉

香港
新界元朗錦綉花園貨倉
泰園路地段104 Lot 3719 M及N段
電話：(852) 2471 9048
傳真：(852) 2482 1298

網址

<http://www.softpower.hk>

Unaudited Condensed Consolidated Income Statement

未經審核簡明綜合收益表

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

Unaudited
未經審核

For the six months ended 30 June

截至六月三十日止六個月

		Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收入	5	263,909	274,878
Cost of sales	銷售成本	7	(202,501)	(193,942)
Gross profit	毛利		61,408	80,936
Other gains, net	其他收益淨額	6	16	437
Selling and distribution costs	銷售及分銷成本	7	(9,964)	(10,141)
General and administrative expenses	一般及行政費用	7	(51,759)	(54,415)
Reversal of impairment of financial assets	金融資產的減值回撥	7	571	61
Operating profit	經營溢利		272	16,878
Finance income	財務收入	8	5,070	4,979
Finance costs	財務費用	8	(4,307)	(899)
Finance income, net	財務收入淨額	8	763	4,080
Profit before income tax	稅前溢利		1,035	20,958
Tax expense	稅項支出	9	(594)	(3,464)
Profit for the period	期內溢利		441	17,494
Profit attributable to:	溢利歸屬於:			
Equity holders of the Company	本公司權益持有人		1,537	17,494
Non-Controlling interests	非控股權益		(1,096)	-
			441	17,494
			HK cent 港仙	HK cents 港仙
Earnings per share attributable to equity holders of the Company	每股盈利歸屬於本公司權益持有人			
Basic and diluted	基本及攤薄	10	0.12	1.31
			HK\$'000 千港元	HK\$'000 千港元
Dividend	股息	11	-	-

The notes on pages 12 to 38 are an integral part of this financial information.

第12至38頁之附註為此等財務資料之整體部分。

Unaudited Condensed Consolidated Statement of Comprehensive Income

未經審核簡明綜合全面收益表

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

		Unaudited 未經審核	
		For the six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit for the period	期內溢利	441	17,494
Other comprehensive income Item that may be subsequently reclassified to profit or loss:	其他全面收益 其後可能重新歸類到溢利 或虧損之項目：		
Currency translation differences	貨幣換算差額	(31)	(280)
Other comprehensive income for the period, net of tax	本期間其他全面收益， 扣除稅項	(31)	(280)
Total comprehensive income for the period	期內全面收益總額	410	17,214
Total comprehensive income attributable to:	全面收益總額歸屬於：		
Equity holders of the Company	本公司權益持有人	1,492	17,214
Non-controlling interests	非控股權益	(1,082)	-
		410	17,214

There was no tax impact relating to the components of other comprehensive income for the six months ended 30 June 2018 and 2019.

截至二零一八年及二零一九年六月三十日止六個月，其他全面收益之各組成部份概無稅務影響。

The notes on pages 12 to 38 are an integral part of this financial information.

第12至38頁之附註為此等財務資料之整體部分。

Unaudited Condensed Consolidated Statement of Financial Position

未經審核簡明綜合財務狀況表

As at 30 June 2019
於二零一九年六月三十日

		Note	Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	19,629	21,377
Loan to a related company	貸款予一間關連公司	14	78,293	–
Rental deposits and other assets	租賃按金及其他資產	14	7,345	7,337
Intangible assets	無形資產	13	503	–
Right-of-use-assets	使用權資產		148,550	–
			254,320	28,714
Current assets	流動資產			
Inventories	存貨		210,064	235,309
Loan to a related company	貸款予一間關連公司	14	–	78,540
Trade receivables	貿易應收款項	14	118,399	114,747
Deposits, prepayments and other receivables	按金、預付款及其他應收款項	14	33,358	39,741
Financial assets at fair value through profit or loss	按公允價值計入損益之金融資產	19	2,718	2,601
Tax recoverable	可收回稅項		4,019	2,111
Pledged certificate of deposit	已抵押存款證		10,000	10,000
Pledged bank deposits	已抵押銀行存款		36,000	31,000
Cash and bank balances	現金及銀行結餘		149,537	130,117
			564,095	644,166
Total assets	總資產		818,415	672,880

The notes on pages 12 to 38 are an integral part of this financial information.

第12至38頁之附註為此等財務資料之整體部分。

Unaudited Condensed Consolidated Statement of Financial Position

未經審核簡明綜合財務狀況表

As at 30 June 2019
於二零一九年六月三十日

		Note 附註	Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
EQUITY	權益			
Equity holders	權益持有人			
Share capital	股本	15	26,665	26,665
Reserves	儲備		511,647	510,150
			538,312	536,815
Non-controlling interests	非控股權益		3,536	4,618
Total equity	總權益		541,848	541,433
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債		127,344	–
Deferred tax liabilities	遞延稅項負債		1,496	1,352
Other non-current liabilities	其他非流動負債		2,912	2,862
			131,752	4,214
Current liabilities	流動負債			
Trade payables, other payables and contract liabilities	貿易應付款項、其他應付 款項及合同負債	17	61,359	69,227
Taxation payable	應付稅項		1,012	562
Lease liabilities	租賃負債		22,914	–
Borrowings	借貸	16	59,530	57,444
			144,815	127,233
Total liabilities	總負債		276,567	131,447
Total equity and liabilities	總權益及負債		818,415	672,880
Net current assets	流動資產淨額		419,280	516,933
Total assets less current liabilities	總資產減流動負債		673,600	545,647

The notes on pages 12 to 38 are an integral part of this financial information.

第12至38頁之附註為此等財務資料之整體部分。

Unaudited Condensed Consolidated Statement of Changes in Equity

未經審核簡明綜合權益變動表

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

		Unaudited 未經審核										
		Equity holders 權益持有人										
		Share capital	Share premium	Capital reserve	Merger reserve	Statutory reserve	Other reserve	Exchange reserve	Share-based payment reserve	Retained earnings	Non-controlling interests	Total
		股本	股份溢價	資本儲備	合併儲備	法定儲備	其他儲備	匯兌儲備	以股份為基礎的付款儲備	保留溢利	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日	26,665	126,618	34,115	3,700	24	1,205	1,103	5,252	313,360	-	512,042
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	17,494	-	17,494
Other comprehensive income:	其他全面收益:											
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	(280)	-	-	-	(280)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	(280)	-	17,494	-	17,214
Transactions with owners:	與擁有人之交易:											
Share-based payment	以股份為基礎的付款	-	-	-	-	-	-	-	17	-	-	17
Transfer upon lapse of share options	因購股權失效轉撥	-	-	-	-	-	-	-	(925)	925	-	-
At 30 June 2018	於二零一八年六月三十日	26,665	126,618	34,115	3,700	24	1,205	823	4,344	331,779	-	529,273

The notes on pages 12 to 38 are an integral part of this financial information.

第12至38頁之附註為此等財務資料之整體部分。

Unaudited Condensed Consolidated Statement of Changes in Equity

未經審核簡明綜合權益變動表

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

		Unaudited 未經審核										
		Equity holders 權益持有人										
		Share capital	Share premium	Capital reserve	Merger reserve	Statutory reserve	Other reserve	Exchange reserve	Share-based payment reserve	Retained earnings	Non-controlling interests	Total
		股本	股份溢價	資本儲備	合併儲備	法定儲備	其他儲備	匯兌儲備	以股份為基礎的付款儲備	保留溢利	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2019	於二零一九年一月一日	26,665	126,618	34,115	3,700	24	1,095	(58)	4,356	340,300	4,618	541,433
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	1,537	(1,096)	441
Other comprehensive income:	其他全面收益:											
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	(45)	-	-	14	(31)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	(45)	-	1,537	(1,082)	410
Transactions with owners:	與擁有人之交易:											
Share-based payment	以股份為基礎的付款	-	-	-	-	-	-	-	5	-	-	5
Transfer upon lapse of share options	因購股權失效轉撥	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2019	於二零一九年六月三十日	26,665	126,618	34,115	3,700	24	1,095	(103)	4,361	341,837	3,536	541,848

The notes on pages 12 to 38 are an integral part of this financial information.

第12至38頁之附註為此等財務資料之整體部分。

Unaudited Condensed Consolidated Statement of Cash Flows

未經審核簡明綜合現金流量表

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

Unaudited
未經審核

For the six months ended 30 June
截至六月三十日止六個月

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash flows from operating activities	經營活動之現金流量		
Cash generated from operations	經營所得現金	35,774	19,379
Income tax paid	已支付所得稅	(1,908)	(1,777)
		33,866	17,602
Net cash generated from operating activities	經營活動所得現金淨額		
Cash flows from investing activities	投資活動之現金流量		
Purchase of property, plant and equipment	購入物業、廠房及設備	(1,368)	(2,724)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	10	53
Payment for acquisition of intangible assets	購買無形資產	(341)	-
Dividend income on financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之股息收入	53	53
		(1,646)	(2,618)
Net cash used in investing activities	投資活動所用之現金淨額		
Cash flows from financing activities	融資活動之現金流量		
Drawdown of borrowings	提用借貸	154,904	188,021
Repayment of borrowings	償還借貸	(152,818)	(208,388)
Increase in pledged bank deposits	抵押銀行存款增加	(5,000)	-
Principal elements of lease payments	本金部份的租賃付款	(11,042)	-
Capital from non-controlling shareholder	非控股權益資金	1,250	-
		(12,706)	(20,367)
Net cash used in financing activities	融資活動所用之現金淨額		
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	19,514	(5,383)
Exchange differences	匯兌差額	(94)	(1,001)
Cash and cash equivalents at beginning of the period	期初之現金及現金等價物	130,117	146,571
Cash and cash equivalents at end of the period	期末之現金及現金等價物	149,537	140,187

The notes on pages 12 to 38 are an integral part of this financial information.

第12至38頁之附註為此等財務資料之整體部分。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

1. General information

Softpower International Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in trading of construction materials, mainly pipes and fittings.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”), unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 26 August 2019.

This condensed consolidated interim financial information has not been audited.

2. Basis of preparation and accounting policies

This condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and compliance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

This condensed consolidated interim financial information should be read in conjunction with the audited consolidated annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

Except for described below, the accounting policies adopted are consistent with those used in the audited consolidated annual financial statements for the year ended 31 December 2018.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

1. 一般資料

冠力國際有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事建築材料(主要是管道和管件)之貿易。

本公司為一間在百慕達註冊成立之有限公司，註冊辦事處位於Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda。本公司股份在香港聯合交易所有限公司(「聯交所」)主板上市。

除非另有所指，本簡明綜合中期財務資料以港元(「港元」)呈列。本簡明綜合中期財務資料於二零一九年八月二十六日獲批准發行。

本簡明綜合中期財務資料未經審核。

2. 編製基準及會計政策

本簡明綜合中期財務資料乃按照香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)的適用披露規定及符合香港會計師公會(「香港會計師公會」)頒布的香港會計準則(「香港會計準則」)第34號「中期財務報告」而編製。

本簡明綜合中期財務資料應連同截至二零一八年十二月三十一日止年度根據香港財務報告準則(「香港財務報告準則」)編製並經審核的綜合年度財務報表一併閱覽。

除下文所述外，所採納的會計政策與截至二零一八年十二月三十一日止年度的經審核綜合年度財務報表所採納者相符。

於本期間的所得稅乃按預期總年度收益適用的稅率應計。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

2. Basis of preparation and accounting policies (Continued)

Adoption of new standards, amendments to standards and interpretations

The Group has applied the following standards, amendments to standards and interpretation for the first time for the annual reporting period commencing 1 January 2019:

HKFRS 16	Leases
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendments, Curtailment or Settlement
Amendments to HKAS 28	Long term interests in associates and Joint ventures
HK (IFRIC) 23	Uncertainty over income tax Treatments
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

In the current interim period, the Group has applied for the first time the above new standards, amendments to standards and interpretations issued by the HKICPA that are mandatorily effective from 1 January 2019. Save as disclosed below, the adoption of other new standards, amendments to standards and interpretations do not have a material impact on the Group's results of operations or financial position.

(a) Adjustments recognised on adoption of HKFRS 16

This note discloses the new accounting policies of HKFRS 16 Leases that have been applied from 1 January 2019 and explains the impact of the adoption on the Group's interim financial statements.

2. 編製基準及會計政策 (續)

採納新訂準則、修訂的準則及詮釋

本集團已於二零一九年一月一日或之後開始的財政年度首次採納下列準則、修訂之準則及詮釋：

香港財務報告準則第16號	租賃
香港財務報告準則第9號(修訂本)	具不賠償條款的預付款
香港會計準則第19號(修訂本)	計劃修訂、縮減或清償
香港會計準則第28號(修訂本)	聯營企業及合資企業長期權益
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅不確定性之處理
香港財務報告準則(修訂本)	二零一五年至二零一七年週期香港財務報告準則年度改進的一部份

於本中期期間，本集團已首次採納以上由香港會計師公會頒布且已於二零一九年一月一日強制生效的新訂準則、修訂的準則及詮釋。除下面所披露者外，採納其他新訂準則、修訂之準則及詮釋對集團的經營業績或財務狀況並無重大影響。

(a) 採納香港財務報告準則第16號時確認的調整

本附註披露自二零一九年一月一日起採納新會計政策香港財務報告準則第16號租賃，並解釋採納對本集團中期財務報表的影響。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

2. Basis of preparation and accounting policies (Continued)

Adoption of new standards, amendments to standards and interpretations (Continued)

(a) Adjustments recognised on adoption of HKFRS 16 (Continued)

The Group has adopted HKFRS 16 from 1 January 2019 which resulted in changes in accounting policies. The Group has applied the simplified transition approach and has not restated comparative amounts for the 2018 reporting period. Right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019.

2. 編製基準及會計政策 (續)

採納新訂準則、修訂的準則及詮釋 (續)

(a) 採納香港財務報告準則第16號時確 認的調整 (續)

本集團已自二零一九年一月一日起採納香港財務報告準則第16號，並導致會計政策的改變。本集團已應用簡化過渡方法且並未重列二零一八年報告期間的比較數字。使用權資產將於採納日期按租賃負債的金額（根據任何預付或應計租賃開支進行調整）計量。因此，因新租賃規則所產生之重新分類及調整於二零一九年一月一日的期初資產負債表中確認。

於採納香港財務報告準則第16號後，本集團確認與租賃（先按香港會計準則第17號租賃分類為「經營租賃」）有關的租賃負債。該等負債乃按餘下租賃付款的現值計量，並採用承租人截至二零一九年一月一日的新增借款利率貼現。

		HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承擔	188,607
Discounted using the lessee’s incremental borrowing rate of the date of initial application	採用承租人於首次應用日期的新增借款利率貼現	160,684
Less: short-term leases and low-value leases recognised on a straight-line basis as expense	減：按直線法確認為開支的短期租賃及低價值租賃	(2,374)
Lease liability recognised as at 1 January 2019	於二零一九年一月一日確認的租賃負債	158,310
Of which are:	其中包括：	
Non-current liabilities	非流動負債	136,575
Current liabilities	流動負債	21,735
		158,310

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

2. Basis of preparation and accounting policies (Continued)

Adoption of new standards, amendments to standards and interpretations (Continued)

(a) Adjustments recognised on adoption of HKFRS 16 (Continued)

Under the simplified transition approach, the associated right-of-use assets were measured at the amount equal to the lease liabilities on adoption, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right-of-use assets- increase by HK\$158,310,000
- Lease liabilities- increase by HK\$158,310,000

In applying HKFRS16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining term of less than 12 months as at 1 January 2019 as short-term leases; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

2. 編製基準及會計政策 (續)

採納新訂準則、修訂的準則及詮釋 (續)

(a) 採納香港財務報告準則第16號時確認的調整 (續)

根據簡化過渡方法，相關使用權資產按與採納租賃負債時的相等金額計量，並根據二零一八年十二月三十一日的資產負債表中確認的與該租賃相關的任何預付或應計租賃付款進行調整。於初始應用日期，概無虧損性租賃合約須對使用權資產進行調整。

會計政策的變動對二零一九年一月一日資產負債表中的以下項目產生影響：

- 使用權資產 — 增加 158,310,000 港元
- 租賃負債 — 增加 158,310,000 港元

於首次應用香港財務報告準則第16號時，本集團已採用下列該準則所允許的實際權宜方法：

- 就具有合理類似特徵的租賃組合採用單一貼現率；
- 依賴先前就租賃是否屬虧損性之評估；
- 將於二零一九年一月一日餘下租期少於12個月的經營租賃會計處理為短期租賃；及
- 倘合約包含延長或終止租賃的選擇權，則於事後釐定租期。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

2. Basis of preparation and accounting policies (Continued)

Adoption of new standards, amendments to standards and interpretations (Continued)

(a) Adjustments recognised on adoption of HKFRS 16 (Continued)

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS17 and HK(IFRIC) 4 Determining whether an Arrangement contains a Lease.

(b) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses, retail shops and staff quarters. Rental contracts are typically made for fixed periods of 1 to 10 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain various terms and conditions.

Until 2018 financial year, lease of properties were classified as operating leases. Payments made under operating lease (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

2. 編製基準及會計政策 (續)

採納新訂準則、修訂的準則及詮釋 (續)

(a) 採納香港財務報告準則第16號時確認的調整 (續)

本集團亦已選擇不重新評估合約在首次應用日期是否或包含租賃。相反，對於在過渡日期之前訂立的合約，本集團依據其應用香港會計準則第17號及香港（國際財務報告詮釋委員會）詮釋第4號釐定安排是否包括租賃作出的評估。

(b) 本集團的租賃活動及其入賬方式

本集團租賃多個辦公室、倉儲、零售店及員工宿舍。租約一般固定為期1至10年，惟可能根據下文所述擁有續租權。租賃條款按個別基準協商且包含多種不同條款及條件。

直至二零一八年財政年度止，物業租賃乃分類為經營租賃。根據經營租賃作出之付款（扣除自出租人收取的任何獎勵）以直線法於租期內自損益扣除。

自二零一九年一月一日起，租賃確認為使用權資產，並在租賃資產可供本集團使用之日確認相應負債。每筆租賃付款乃分配至負債及融資成本。融資成本於租期內自損益扣除，以計算出各期間負債餘下結餘的固定週期利率。使用權資產乃按資產可使用年期及租期（以較短者為準）以直線法折舊。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

2. Basis of preparation and accounting policies (Continued)

Adoption of new standards, amendments to standards and interpretations (Continued)

(b) The Group's leasing activities and how these are accounted for (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

2. 編製基準及會計政策 (續)

採納新訂準則、修訂的準則及詮釋 (續)

(b) 本集團的租賃活動及其入賬方式 (續)

租賃產生的資產及負債初步按現值基準計量。租賃負債包括以下租賃付款的淨現值：

- 固定付款(包括實質固定付款)減任何應收租賃獎勵；
- 基於指數或利率的可變租賃付款；
- 剩餘價值擔保下的承租人預期應付款項；
- 採購權的行使價格(倘承租人合理地確定行使該權利)；及
- 支付終止租賃的罰款(倘租賃條款反映承租人行使權利終止租約)。

租賃付款採用租賃所隱含的利率予以貼現。倘無法釐定該利率，則使用承租人的新增借款利率，即承租人在類似條款及條件的類似經濟環境中借入獲得類似價值資產所需資金所必須支付的利率。

使用權資產按成本計量，包括以下各項：

- 租賃負債的初始計量金額；
- 於開始日期或之前所作的任何租賃付款，減去所得的任何租賃獎勵；
- 任何初始直接成本；及
- 修復成本。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

2. Basis of preparation and accounting policies (Continued)

Adoption of new standards, amendments to standards and interpretations (Continued)

(b) The Group's leasing activities and how these are accounted for (Continued)

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(c) Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The Group has not early adopted any other new standards, amendments to standards that have been issued but are not yet effective. The Group is assessing the impact of these new standards and amendments to standards.

3. Financial risk management and financial assets

Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated annual financial statements for the year ended 31 December 2018.

2. 編製基準及會計政策 (續)

採納新訂準則、修訂的準則及詮釋 (續)

(b) 本集團的租賃活動及其入賬方式 (續)

與短期租賃相關的付款及低價值資產的租賃以直線法於損益中確認為開支。短期租賃指租期為12個月或少於12個月的租賃。

(c) 續租及終止選擇權

本集團的大量物業租賃包含續租選擇權和終止租賃選擇權。這些條款的使用目的在於將合同管理的操作靈活性達到最大化。大部分續租選擇權和終止租賃選擇權僅由本集團行使，而非由相應的出租人行使。

本集團並無提早採納任何已頒布但未生效的其他新訂準則及修訂之準則。本集團正在評估新訂準則及修訂之準則的全面影響。

3. 財務風險管理及金融資產

財務風險管理

本集團的財務風險管理目標及政策在所有方面與截至二零一八年十二月三十一日止年度經審核綜合年度財務報表所披露者一致。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

4. Critical accounting estimates and judgements

Estimates and judgements used are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal to the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group applied in the preparation of the condensed consolidated interim financial information are consistent with those disclosed in the audited consolidated annual financial statements for the year ended 31 December 2018.

5. Revenue and segment information

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker (“CODM”) that are used to make strategic decisions. The CODM has been identified as the executive directors of the Company. The CODM assesses the performance of the operating segments based on a measure of profit attributable to equity holders of the Company.

During the period, the Group has two reportable segments, which are trading of pipes and fittings (“Trading of pipes and fittings”) and manufacture and sale of biomass pellet fuel products (“Biomass pellet fuel products”). The following summary describes the operations in each of the Group’s reportable segments.

Trading of pipes and fittings includes wholesale, retail and logistics operations substantially in Hong Kong and Macau.

Biomass pellet fuel products are contributed by a subsidiary of the Group, 貴州中冠新能源有限公司 (Guizhou Zhongguan New Energy Limited*), which manufactures and sells biomass pellet fuel products in the PRC.

* For identification purpose only

4. 關鍵會計估計及判斷

本公司按過往經驗及其他因素(包括對日後事件作出合理預期之情況下)不時評估現正採納的估計及判斷。該等會計估計顧名思義，一般與相關的實際結果存在差異。

編製簡明綜合中期財務資料應用了有重大風險會導致本集團之資產與負債之賬面值需作出重大調整之估計及假設，此等估計及假設與截至二零一八年十二月三十一日止年度的經審核綜合年度財務報表所披露者一致。

5. 收入及分部資料

本集團按首席經營決策者(「首席經營決策者」)所審閱並賴以作出決策的報告釐定其營運分部。首席經營決策者被認定為本公司之執行董事。首席經營決策者根據本公司權益持有人應佔溢利以評核營運分部的表現。

於期內，本集團有兩項須予呈報的分部，其中包括從事管道及管件貿易(「管道及管件貿易」)及生產及銷售生物質顆粒燃料產品(「生物質顆粒燃料產品」)。以下摘要概述本集團各項須予呈報的分部的業務營運。

管道及管件貿易包括主要在香港及澳門之批發、零售及物流業務。

生物質顆粒燃料產品分類由本集團附屬公司—貴州中冠新能源有限公司於中國生產及銷售生物質顆粒燃料產品所貢獻。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

5. Revenue and segment information (Continued)

The segment information for the six months ended 30 June 2019 and 2018 are as follows:

5. 收入及分部資料(續)

截至二零一九年及二零一八年六月三十日止之分部資料如下：

		Unaudited 未經審核				
		For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月				
		Reportable segments 呈報的分部				
		Trading of pipes and fittings 管道及管件貿易 HK\$'000 千港元	Biomass pellet fuel products 生物質顆粒燃料產品 HK\$'000 千港元	Total reportable segments 呈報的分部總額 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Revenue	收入	262,489	1,420	263,909	–	263,909
Results of reportable segments	分部業績	13,517	(3,351)	10,166	–	10,166
Reconciliation of results of reportable segments to profit for the period	分部業績與期內溢利的對賬					
Results of reportable segments	分部業績					
Unallocated loss	未分配虧損					(214)
Unallocated expenses	未分配支出					(9,680)
Operating profit	經營溢利					272
Finance income	財務收入					5,070
Finance costs	財務費用					(4,307)
Profit before income tax	稅前溢利					1,035
Tax expense	稅項支出					(594)
Profit for the period	期內溢利					441
Other segment information:	其他分部資料：					
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	1,994	1,101	3,095	18	3,113
Amortisation of intangible assets	無形資產的攤銷	8	–	8	–	8
Provision for impairment of inventories	存貨減值撥備	3,808	–	3,808	–	3,808
Reversal of impairment of financial assets	金融資產的減值回撥	(571)	–	(571)	–	(571)

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

5. Revenue and segment information (Continued)

5. 收入及分部資料(續)

		Unaudited 未經審核 For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月				
		Reportable segments 呈報的分部				
		Trading of pipes and fittings 管道及 管件貿易 HK\$'000 千港元	Biomass pellet fuel products 生物質顆粒 燃料產品 HK\$'000 千港元	Total reportable segments 呈報的 分部總額 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Revenue	收入	274,878	–	274,878	–	274,878
Results of reportable segments	分部業績	27,327	–	27,327	–	27,327
Reconciliation of results of reportable segments to profit for the period	分部業績與期內溢利的對賬					
Results of reportable segments	分部業績					
Unallocated income	未分配收入					298
Unallocated expenses	未分配支出					(10,747)
Operating profit	經營溢利					16,878
Finance income	財務收入					4,979
Finance costs	財務費用					(899)
Profit before income tax	稅前溢利					20,958
Tax expense	稅項支出					(3,464)
Profit for the period	期內溢利					17,494
Other segment information:	其他分部資料：					
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	1,799	–	1,799	–	1,799
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益淨額	53	–	53	–	53
Provision for impairment of inventories	存貨減值撥備	3,248	–	3,248	–	3,248
Reversal of impairment of financial assets	金融資產的減值回撥	(61)	–	(61)	–	(61)

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

5. Revenue and segment information (Continued)

The segment assets and liabilities as at 30 June 2019 and 31 December 2018 are as follows:

5. 收入及分部資料(續)

於二零一九年六月三十日及二零一八年十二月三十一日之分部資產及負債如下：

		Reportable segments 須予呈報的分部			
		Trading of pipes and fittings 管道及 管件貿易 HK\$'000 千港元	Biomass pellet fuel products 生物質顆粒 燃料產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 30 June 2019	於二零一九年六月三十日				
Non-current assets	非流動資產	164,117	11,823	78,380	254,320
Total current assets	總流動資產	522,412	7,429	34,254	564,095
Total Assets	總資產	686,529	19,252	112,634	818,415
Non-current liabilities	非流動負債	(131,399)	(353)	–	(131,752)
Total current liabilities	總流動負債	(140,385)	(3,428)	(1,002)	(144,815)
Total Liabilities	總負債	(271,784)	(3,781)	(1,002)	(276,567)

		Reportable segments 須予呈報的分部			
		Trading of pipes and fittings 管道及 管件貿易 HK\$'000 千港元	Biomass pellet fuel products 生物質顆粒 燃料產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 31 December 2018	於二零一八年十二月三十一日				
Non-current assets	非流動資產	15,914	12,695	105	28,714
Total current assets	總流動資產	527,968	6,926	109,272	644,166
Total Assets	總資產	543,882	19,621	109,377	672,880
Non-current liabilities	非流動負債	(3,818)	(396)	–	(4,214)
Total current liabilities	總流動負債	(120,233)	(4,514)	(2,486)	(127,233)
Total Liabilities	總負債	(124,051)	(4,910)	(2,486)	(131,447)

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

5. Revenue and segment information (Continued)

Geographical information

The Group is domiciled in Hong Kong. The Group's revenues from external customers by geographical location is detailed below:

Hong Kong	香港
Macau	澳門
Mainland China	中國內地

The Group's non-current assets by geographical location are detailed below:

Hong Kong	香港
Mainland China	中國內地

5. 收入及分部資料(續)

地區分部資料

本集團設於香港。本集團按地區分部的來自外部客戶的收入如下：

Revenue 收入 Unaudited 未經審核	
For the six months ended 30 June 截至六月三十日止六個月	
2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
239,075	262,288
23,414	12,590
1,420	–
263,909	274,878

本集團按地區分部的非流動資產如下：

Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
241,272	14,790
13,048	13,924
254,320	28,714

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

6. Other gains, net

6. 其他收益淨額

		Revenue 收入 Unaudited 未經審核	
		For the six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元	
		2018 二零一八年 HK\$'000 千港元	
Net exchange (loss)/gain	匯兌(虧損)/收益淨額	(157)	128
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益淨額	-	53
Gain/(loss) on financial assets at fair value through profit or loss	按公允價值計入損益之金融資產收益/(虧損)	120	(80)
Dividend income from financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之股息收入	53	53
Sundry income	其他收入	-	283
		16	437

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

7. Expenses by nature

Operating profit is arrived at after charging/(crediting):

7. 開支性質

經營溢利乃扣除／(計入)下列項目後達至：

		Unaudited 未經審核	
		For the six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of inventories sold	已出售之存貨成本	191,527	186,894
Auditor's remuneration	核數師酬金	646	644
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,113	1,799
Depreciation of right-of-use assets	使用權資產折舊	12,750	–
Amortisation of intangible assets	無形資產的攤銷	8	–
Employee benefit expenses (including directors' emoluments)	員工福利開支 (包括董事酬金)	32,459	35,323
Operating lease payments	經營租賃費用	1,442	14,596
Reversal of impairment of financial assets	金融資產的減值回撥	(571)	(61)
Provision for impairment of inventories, net	存貨減值撥備淨額	3,808	3,248
Other expenses	其他開支	18,471	15,994
		263,653	258,437
Representing:	代表：		
Cost of sales	銷售成本	202,501	193,942
Selling and distribution costs	銷售及分銷成本	9,964	10,141
General and administrative expenses	一般及行政費用	51,759	54,415
Reversal of impairment of financial assets	金融資產的減值回撥	(571)	(61)
		263,653	258,437

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

8. Finance income, net

Bank interest income	銀行利息收入
Interest income on loan to a related company	貸款予一間關連公司的利息收入
Other interest income	其他利息收入
Finance income	財務收入
Interest expense on bank borrowings wholly repayable within one year	須於一年內悉數償還之銀行借貸之利息支出
Interest on lease liabilities	租賃負債的利息
Finance costs	財務費用

8. 財務收入淨額

Unaudited 未經審核	
For the six months ended 30 June 截至六月三十日止六個月	
2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(977)	(742)
(4,093)	(4,093)
–	(144)
(5,070)	(4,979)
1,138	899
3,169	–
4,307	899
(763)	(4,080)

9. Tax expense

Current taxation:	即期稅項:
Hong Kong profits tax	香港利得稅
Overseas tax	海外稅項
Over provision in prior years	以前年度多提
Deferred taxation	遞延稅項
Tax expense	稅項支出

9. 稅項支出

Unaudited 未經審核	
For the six months ended 30 June 截至六月三十日止六個月	
2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
278	3,300
203	37
(31)	–
144	127
594	3,464

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

9. Tax expense (Continued)

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

10. Earnings per share

The calculation of the basic and diluted earnings per share is based on the profit attributable to equity holders of the Company and weighted average number of ordinary shares with adjustments where applicable as follows:

9. 稅項支出(續)

香港利得稅以期內估計應課稅溢利按稅率16.5%(二零一八年:16.5%)計提。海外稅項乃根據期內之估計應課稅溢利按本集團經營業務國家之現行稅率計算。

10. 每股盈利

下表列示計算每股基本盈利及攤薄盈利乃根據本公司權益持有人應佔溢利及已發行普通股之加權平均股數(需要時予以調整):

		Unaudited 未經審核	
		For the six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit attributable to equity holders of the Company for the purpose of basic earnings per share	計算每股基本盈利之本公司權益持有人應佔溢利	1,537	17,494
Number of shares	股份數目	<i>Thousands</i> 千股	<i>Thousands</i> 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之普通股之加權平均股數	1,333,270	1,333,270

Diluted earnings per share for the six months ended 30 June 2018 and 2019 equal basic earnings per share as the exercise of the outstanding share options would be anti-dilutive.

截至二零一八年及二零一九年六月三十日止六個月，因行使未行使購股權具反攤薄影響，因此兩個期間之每股攤薄盈利均等如每股基本盈利。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

11. Dividend

The board of the directors of the Company ("Board") does not declare interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

12. Capital expenditure

11. 股息

本公司董事會(「董事會」)不宣派截至二零一九年六月三十日止六個月之中期股息(截至二零一八年六月三十日止六個月：無)。

12. 資本開支

		Unaudited 未經審核 Property, plant and equipment 物業、廠房及設備
		HK\$'000 千港元
Net book value at 1 January 2018	於二零一八年一月一日帳面淨值	5,317
Translation differences	匯兌差異	(1)
Additions	添置	2,724
Depreciation	折舊	(1,799)
		<hr/>
Net book value at 30 June 2018	於二零一八年六月三十日帳面淨值	<u>6,241</u>
		<hr/>
Net book value at 1 January 2019	於二零一九年一月一日帳面淨值	21,377
Translation differences	匯兌差異	7
Additions	添置	1,368
Disposals	出售	(10)
Depreciation	折舊	(3,113)
		<hr/>
Net book value at 30 June 2019	於二零一九年六月三十日帳面淨值	<u>19,629</u>

13. Intangible assets

The intangible assets included the trademarks acquired at the cost of HK\$511,000 during the period and the amortisation was HK\$8,000 during the period.

13. 無形資產

無形資產包括期內收購的商標成本為511,000港元及期內攤銷為8,000港元。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

14. Trade and other receivables

14. 貿易及其他應收款項

		Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
Trade receivables	貿易應收款項	118,482	115,401
Less: loss allowance	減：虧損撥備	(83)	(654)
Trade receivables – net	貿易應收款項－淨額	118,399	114,747
Prepayments	預付款	25,566	30,817
Amount due from a non-controlling shareholder	應收一位非控股股東款項	3,443	4,697
Other receivables, deposits and other assets	其他應收款項、按金及其他資產	5,190	5,098
Rental deposits	租賃按金	6,504	6,466
Loan to a related company	貸款予一間關連公司	78,293	78,540
		118,996	125,618
Less non-current portion:	減非流動部份：		
Rental deposits and other assets	租賃按金及其他資產	(7,345)	(7,337)
Loan to a related company	貸款予一間關連公司	(78,293)	–
		151,757	233,028

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

14. Trade and other receivables (Continued)

The Group generally grants credit period of 60 to 120 days to its customers for its trading of pipes and fittings operation. The ageing analysis of the trade receivables based on the due date is as follows:

Within credit period	信貸期內
1 to 30 days	1天至30天
31 to 60 days	31天至60天
61 to 90 days	61天至90天
91 to 120 days	91天至120天
Over 120 days	超過120天

14. 貿易及其他應收款項(續)

本集團一般給予管道及管件貿易業務客戶之信貸期為60至120天。貿易應收款項按到期日之賬齡分析如下：

Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
78,961	68,882
22,379	23,710
6,354	12,245
3,407	6,281
2,022	1,365
5,359	2,918
118,482	115,401

The closing loss allowance for all trade receivables reconcile to the opening loss allowance are as follows:

貿易應收款項的期末虧損撥備與期初虧損撥備的對帳如下：

Loss allowance as at 1 January 2019 under HKFRS 9	於二零一九年一月一日根據香港 財務報告準則第9號的虧損撥備	654
Unused amount reversed	未動用款項回撥	(571)
Loss allowance as at 30 June 2019 under HKFRS 9	於二零一九年六月三十日根據香港 財務報告準則第9號的虧損撥備	83

The loss allowance was decreased to HK\$83,000 for trade receivables during the period ended 30 June 2019.

截至二零一九年六月三十日止期末，貿易應收款項的虧損撥備減少至83,000港元。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

15. Share capital

15. 股本

		Number of shares issued 已發行股份數目 Thousands 千股	HK\$'000 千港元
At 1 January and 30 June 2018	於二零一八年一月一日及 六月三十日	1,333,270	26,665
At 1 January and 30 June 2019	於二零一九年一月一日及 六月三十日	1,333,270	26,665

As at 30 June 2019, the authorised share capital of the Company was HK\$500,000,000, comprising 25,000 million shares with a par value of HK\$0.02 per share. All issued shares are fully paid.

於二零一九年六月三十日，本公司法定股本為500,000,000港元，由每股面值0.02港元共25,000,000,000股組成。所有已發行股份皆已繳足。

16. Borrowings

16. 借貸

		Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
Current	流動		
Trust receipt loans	信託收據貸款		
– secured	– 有抵押	41,640	31,694
– unsecured	– 無抵押	17,890	25,750
		59,530	57,444

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

16. Borrowings (Continued)

Movements in borrowings is analysed as follows:

At 1 January	於一月一日
Drawdown of borrowings	提用借貸
Repayment of borrowings	償還借貸
At 30 June	於六月三十日

16. 借貸(續)

借貸變動分析如下：

Unaudited 未經審核	
For the six months ended 30 June 截至六月三十日止六個月	
2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
57,444	70,477
154,904	188,021
(152,818)	(208,388)
59,530	50,110

17. Trade payables, other payables and contract liabilities

Trade payables	貿易應付款項
Contract liabilities	合同負債
Accrued expenses and other payables	預提費用及其他應付款項

17. 貿易應付款項、其他應付款項及合同負債

Unaudited 未經審核	Audited 經審核
30 June 2019 二零一九年 六月三十日 HK\$'000 千港元	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
34,616	33,904
17,180	16,384
9,563	18,939
61,359	69,227

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

17. Trade payables, other payables and contract liabilities (Continued)

The ageing analysis of the Group's trade payables, based on the invoice date, is as follows:

Within 30 days	30天內
31 to 60 days	31天至60天
61 to 90 days	61天至90天
Over 90 days	超過90天

17. 貿易應付款項、其他應付款項及合同負債(續)

本集團貿易應付款項的賬齡按發票日期分析如下：

Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
29,786	26,878
2,367	3,518
1,894	2,350
569	1,158
34,616	33,904

18. Capital Commitments

Capital expenditure contracted for at the end of the period but not yet incurred is as follows:

Capital expenditure in respect of the acquisition of motor vehicles contracted for but not provided in the consolidated financial statements	就購置汽車訂約但於綜合財務報表未撥備的資本開支
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18. 資本承擔

於期末已簽訂合同但仍未產生的資本開支如下：

Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
1,179	-

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

19. Financial assets at fair value through profit or loss

The table below analyses the Group's financial instruments carried at fair value as at 30 June 2019 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (level 3)

Financial assets	金融資產
- Investment funds	- 投資基金

There were no transfers between levels 1 and 2 during the period.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. It includes quoted market price or dealer quotes for similar instruments. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

19. 按公允價值計入損益之金融資產

下表根據在評估公允價值的估值技術中所運用到的輸入的層級，分析本集團於二零一九年六月三十日按公允價值入賬的金融工具。這些輸入按照公允價值層級歸類為如下三層：

- 相同資產或負債在活躍市場之報價（未經調整）（第一層）
- 除了第一層所包括之報價外，該資產或負債之可觀察之其他輸入，可為直接（即價格）或間接（即源自價格）（第二層）
- 資產及負債並非依據可觀察市場數據之輸入（即非可觀察輸入）（第三層）

Fair value Hierarchy 公允價值層階	Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
Level 2 第二層	2,718	2,601

期內第1與第2層之間並無轉撥。

並無於活躍市場買賣之金融工具（如場外衍生工具），其公允值乃使用估值方法釐定。該等估值方法儘量利用於可觀測市場取得之數據，並儘量減少依賴實體獨有估計，包括類似金融工具的市場報價或經銷商報價。倘一金融工具的公允值所需之所有重大輸入數據均可觀測，則該金融工具歸入第二層。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

20. Related party transactions

Transaction for the period

(a) Key management compensation

Salaries and other short term employee benefits	薪金及其他短期僱員福利
Pension costs – defined contribution plans	退休金成本 – 定額供款計劃
Share-based payment	以股份為基礎之付款

(b) Rental payment to a related party

Rental paid to a related company (note)	支付租金予一間 關連公司(附註)
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Note:

The Group paid rental of a motor vehicle and licence to a company controlled by Mr. Lai Guanglin (“Mr. Lai”), former executive Director and the Chairman of the Company who resigned on 30 March 2018, for a fixed sum of RMB12,000 (approximately HK\$14,200) per month as agreed by both parties. This is also a connected transaction which is exempted under Rule 14A.76 of the Listing Rules.

20. 關連人士交易

期內交易

(a) 主要管理人員報酬

Unaudited
未經審核
For the six months ended 30 June
截至六月三十日止六個月

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
8,217	12,627
63	63
5	17
8,285	12,707

(b) 向關連人士支付的租金

Unaudited
未經審核
For the six months ended 30 June
截至六月三十日止六個月

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
85	89

附註：

本集團就車輛及車牌租賃費向一間由本公司之前任執行董事兼主席Lai Guanglin先生(「Lai先生」)(彼於二零一八年三月三十日辭任)控制的公司支付由雙方協定的每月固定費用12,000人民幣(約14,200港元)。此交易亦為根據上市規則14A.76條而獲得豁免的關連交易。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

20. Related party transactions (Continued)

Transaction for the period (Continued)

(c) Consultancy fees to related parties

Consultancy fee paid to Mr. Lai Guanglin (note 1)	支付顧問費予Lai Guanglin先生(附註1)
Consultancy fee paid to a related company (note 2)	支付顧問費予一間關連公司(附註2)

Notes :

- From 1 January 2019 to 31 March 2019, the Group paid consultancy fee to Mr. Lai for a fixed sum of HK\$248,000 per month as agreed by both parties. This is a connected transaction which is exempted under Rule 14A.76 of the Listing Rules.
- From 1 April 2019 to 30 June 2019, the Group paid consultancy fee to a company owned by Mr. Lai for a fixed sum of HK\$248,000 per month as agreed by both parties. This is a connected transaction which is exempted under Rule 14A.76 of the Listing Rules.

Reporting period end balances

(d) Amount due from a non-controlling shareholder	(d) 應收一位非控股股東款項
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The amount is unsecured, interest free and is expected to be repaid before 31 December 2019.

20. 關連人士交易(續)

期內交易(續)

(c) 向關連人士支付的顧問費

Unaudited 未經審核 For the six months ended 30 June 截至六月三十日止六個月

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
744	744
744	—
1,488	744

附註 :

- 由二零一九年一月一日至二零一九年三月三十一日，本集團向Lai先生支付由雙方協定的每月固定248,000港元顧問費。此交易為根據上市規則14A.76條而獲得豁免的關連交易。
- 由二零一九年四月一日至二零一九年六月三十日，本集團向一間由Lai先生擁有之公司支付由雙方協定的每月固定248,000港元顧問費。此交易為根據上市規則14A.76條而獲得豁免的關連交易。

報告期末餘額

Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
3,443	4,697

該金額為無抵押、免息及預計將於二零一九年十二月三十一日前償還。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

20. Related party transactions (Continued)

Reporting period end balances (Continued)

(e) Loan to a related company

On 1 August 2016, the Group advanced a loan of US\$10,000,000 (equivalent to HK\$77,746,000) to China Victory International Holdings Limited (“CVIL”), a wholly-owned subsidiary of Agria Corporation, for a term of 3 years.

The loan carried interest at 10.5% per annum and is repayable by 31 July 2019. The loan is secured by the entire issued shares of CVIL executed by Agria Group Limited (“AGL”), the immediate holding company of CVIL, and also guaranteed by a deed of corporate guarantee executed by Agria Corporation in favour of the Group. Mr. Lai Guanglin, a director and ultimate controlling party of the Company, is also a controlling shareholder of Agria Corporation.

Pursuant to a resolution passed in a special general meeting on 23 February 2018, the Group agreed to novate and AGL, a wholly owned subsidiary of Agria Corporation and the immediate holding company of CVIL, agreed to assume the Group’s loan to CVIL of US\$10,000,000 (equivalent to HK\$78,357,000) with all other terms and conditions remained unchanged.

On 9 May 2019, the Group entered into a loan agreement (“2019 Loan Agreement”) with AGL to renew the loan and the proposed annual caps from 1 August 2019 to 31 July 2022.

The annual caps of the maximum principal loan outstanding for the financial years ending 31 December 2019, 31 December 2020, 31 December 2021 and period ending 31 July 2022 were US\$10,000,000 (equivalent to HK\$78,500,000) for each year/period.

20. 關連人士交易(續)

報告期末餘額(續)

(e) 貸款予一間關連公司

於二零一六年八月一日，本集團向中滙國際集團有限公司(「CVIL」)(Agria Corporation的一間全資附屬公司)墊付期限3年的貸款10,000,000美元(相等於77,746,000港元)。

該貸款以年息10.5%計息，並將於二零一九年七月三十一日之前償還。該貸款由CVIL的直接控股公司Agria Group Limited(「AGL」)行使CVIL的全部已發行股份作擔保及Agria Corporation執行對本集團作公司擔保契約。本公司之董事兼最終控制人Lai Guanglin先生，亦為Agria Corporation控股股東。

根據於二零一八年二月二十三日舉行的股東特別大會上通過的決議案，本集團同意AGL(Agria Corporation的全資附屬公司及CVIL的直接控股公司)承擔本集團向CVIL的貸款10,000,000美元(相等於78,357,000港元)，其他條款和條件保持不變。

於二零一九年五月九日，本集團與AGL訂立貸款協議(「2019貸款協議」)，以更新貸款及建議年度上限，由二零一九年八月一日至二零二二年七月三十一日止。

截至二零一九年十二月三十一日、二零二零年十二月三十一日、二零二一年十二月三十一日止財政年度及截至二零二二年七月三十一日止期間，每個年度/期間之最高未償還貸款本金額年度上限均為10,000,000美元(相等於78,500,000港元)。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

20. Related party transactions (Continued)

Reporting period end balances (Continued)

(e) Loan to a related company (Continued)

The annual caps of the interest amounts for the financial years ending 31 December 2019, 31 December 2020, 31 December 2021 and period ending 31 July 2022 were US\$441,000, US\$1,053,000, US\$1,050,000 and US\$610,000 respectively ("Annual Caps"). The 2019 Loan Agreement, Annual Caps of the principal loan outstanding and interest amounts were approved by the shareholders of the Company at the Company's special general meeting on 24 June 2019.

Under the 2019 Loan Agreement, the clause of the share mortgage executed by AGL, being the sole shareholder of CVIL, over the entire issued shares of CVIL in favour of the Group has been removed. Save as the above amendments, all other terms of the 2019 Loan Agreement remain unchanged and continue in full force and effect.

For six months ended 30 June 2019, the interest income from AGL amounted to approximately US\$521,000 (equivalent to HK\$4,093,000) (2018: US\$521,000 (equivalent to HK\$4,093,000)).

As at 30 June 2019, the loan to AGL amounted to US\$10,000,000 (equivalent to HK\$78,293,000) (31 December 2018: US\$10,000,000 (equivalent to HK\$78,540,000)).

21. Approval of interim financial information

The interim financial information was approved by the board of directors of the Company on 26 August 2019.

20. 關連人士交易(續)

報告期末餘額(續)

(e) 貸款予一間關連公司(續)

截至二零一九年十二月三十一日、二零二零年十二月三十一日、二零二一年十二月三十一日止財政年度及截至二零二二年七月三十一日止期間，利息金額年度上限分別為441,000美元、1,053,000美元、1,050,000美元及610,000美元(「年度上限」)。本公司股東已於二零一九年六月二十四日舉行的股東特別大會上批准2019貸款協議、貸款本金額及利息金額之年度上限。

根據2019貸款協議，以本集團為受益人，由AGL(為CVIL的唯一股東)就CVIL的全部已發行股份設立的股份抵押為擔保的條款已刪除。除上述修訂外，2019貸款協議之所有其他條款維持不變及繼續具十足效力及作用。

截至二零一九年六月三十日止六個月，從AGL所得的利息收入約為521,000美元(相等於4,093,000港元)(二零一八年：521,000美元(相等於4,093,000港元))。

於二零一九年六月三十日，貸款予AGL的金額為10,000,000美元(相等於78,293,000港元)(二零一八年十二月三十一日：10,000,000美元(相等於78,540,000港元))。

21. 審批中期財務資料

本公司董事會於二零一九年八月二十六日審批中期財務資料。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

For the six months ended 30 June 2019, the Group recorded revenue of approximately HK\$ 263.9 million (2018: HK\$274.9 million), a decrease of 4.0% as compared to the same period in 2018. The profit attributable to equity holders of the Company for the six months ended 30 June 2019 was approximately HK\$1.5 million (2018: HK\$17.5 million), representing a decrease of 91.4% over the same period in 2018 as the overall revenue and gross margin decrease. The basic earnings per share was approximately HK0.12 cent (2018: HK1.31 cents).

BUSINESS REVIEW

The Group is a leading provider to the construction sector offering a wide range of pipe (including copper tube, ductile iron and steel pipes) related products, fittings, comprehensive services and solutions to the contractors, designers, consultants and government agencies in Hong Kong and Macau.

For the six months ended 30 June 2019, we went through a challenging operating environment. Our performance was buffeted by a number of factors. During the period under review, there was a lack of large infrastructure projects in Hong Kong. As a result, our sales did not gain growth momentum and returned to a normal level. Due to the environmental protection policies in China, the production restriction on China's factories led to the supply shortage in the fourth quarter of last year. Furthermore, it also increased the costs to our Group and muted our gross profit margin. The unfavourable construction market in Hong Kong has slowed down the construction progress and the demand for our products.

Against these backdrops, the Group's revenue recorded a slight decrease of 4% to HK\$263.9 million. In light of the rising cost of sales, our gross profit margin was suppressed. In order to alleviate the impact of the unfavourable situation, the Group proactively controlled its overhead expenses. Warehousing overhead was the largest component cost that we had to manage and the Group will continue to explore way to balance this and meeting our customers' needs on time.

財務回顧

截至二零一九年六月三十日止六個月，本集團錄得收入約為263,900,000港元(二零一八年：274,900,000港元)，較二零一八年同期下跌4.0%。截至二零一九年六月三十日止六個月，由於整體的收入和毛利率有所減少，本公司權益持有人應佔溢利約為1,500,000港元(二零一八年：17,500,000港元)，較二零一八年同期下跌91.4%。每股基本盈利約為0.12港仙(二零一八年：1.31港仙)。

業務回顧

本集團主要為香港及澳門之承建商、設計師、顧問及政府機構提供各類型管道(包括銅管、球墨鑄鐵管和鋼管)相關產品、配件，全面的服務和解決方案，於建築行業處於領導地位。

截至二零一九年六月三十日止六個月，我們正經歷一個充滿挑戰的經營環境。我們的表現受到許多因素的影響。於回顧期內，香港缺少了大型基建項目。因此，我們的銷售沒有取得增長的動力，並回到以往正常的水平。由於中國的環保政策，中國工廠受到生產限制導致了去年第四季度的供應短缺。此外，這也增加了本集團的成本，並降低了我們的毛利率。不利的香港建築市場因素，令到建築的進度及對我們產品的需求有所放緩。

在此情況下，本集團的收入錄得輕微下跌4%至263,900,000港元。由於銷售成本上升，我們的毛利率受到抑制。為減輕不利情況的影響，本集團積極控制其開支。倉儲費用是我們需要管理的最大成本部份，本集團已努力去探討方法，以減低倉儲費用並同時滿足客戶即時的需求以取得平衡。

Management Discussion and Analysis

管理層討論及分析

Although the sales in Hong Kong decreased, it was encouraging to see that sales in Macau recorded growth. We expected that the sales growth trend in Macau will continue in the second half of 2019.

On biomass pellet fuel products business front, the Group started this new business development last year. The Group continued to take a prudent approach to develop this new business. As it was still in the early stage of development, the sales contribution was insignificant during the period under review.

The Group's selling and distribution costs decreased by 2.0% to HK\$9.9 million for the six months ended 30 June 2019 (corresponding period of 2018: HK\$10.1 million), mainly due to the decrease in sales commission and transportation costs of about HK\$1.0 million in tandem with the decrease in sales. The decrease in expenses was partially offset by the increase in direct logistic staff costs, consultancy fees, overseas travelling and goods handling charges of approximately HK\$0.8 million.

The Group's general and administrative expenses decreased by 4.8% to HK\$ 51.8 million for six months ended 30 June 2019 (corresponding period of 2018: HK\$54.4 million). Such decrease was mainly due to the decrease in staff costs and testing fees of approximately HK\$3.4 million for the period under review. The decrease in expenses was partially offset by the increase in depreciation of about HK\$0.8 million (excluding the depreciation on right-of-use assets).

For the six months ended 30 June 2019, finance income was fairly stable compared to the corresponding period of last year. It was mainly derived from a loan to a related party. Finance costs increased as a result of the increase in finance costs from lease liabilities under the new HKFRS 16 adopted and the increase in the effective interest rate for the period under review. As finance income outpaced costs during the period, we recorded net finance income of HK\$0.8 million (corresponding period of 2018: HK\$4.1 million). Excluding the additional finance costs from lease liabilities, the net finance income was HK\$3.9 million which was 4.9% or HK\$0.2 million lower.

儘管在香港的銷售有所下跌，但澳門的銷售錄得增長令人鼓舞。我們預計澳門的銷售增長趨勢將在二零一九年下半年將會繼續。

在生物質顆粒燃料產品業務方面，本集團去年開展了這項新業務。本集團會繼續採取審慎方針去發展這項新業務。由於此業務仍處於發展的早期階段，因此在本報告所述期間銷售貢獻仍微不足道。

截至二零一九年六月三十日止六個月，本集團的銷售及分銷成本減少2.0%至9,900,000港元(二零一八年同期：10,100,000港元)，主要是由於銷售人員佣金及運輸費的減少約1,000,000港元，與銷售的減少一致。此等減少的費用部份被增加的直接物流人員成本、顧問費、出差費用及貨物處理費約800,000港元所抵銷。

截至二零一九年六月三十日止六個月，本集團的一般及行政費用減少了4.8%至51,800,000港元(二零一八年同期：54,400,000港元)。此減少乃由於回顧期內減少的員工成本及檢測費用約3,400,000港元所致。此等減少的費用部份被增加的折舊費用約800,000港元所抵銷(不包括使用權資產的折舊)。

截至二零一九年六月三十日止六個月，財務收入與去年同期相若穩定。這主要來自貸款予一間關聯方的財務收入。於回顧期間，由於採納新的香港財務報告準則第16號所產生的租賃負債的融資成本增加及實際利率上升，以致財務成本增加。由於期內財務收入高於費用，我們錄得淨財務收入800,000港元(二零一八年同期：4,100,000港元)。撇除額外的租賃負債融資成本，財務淨收入為3,900,000港元，減少4.9%或200,000港元。

PROSPECTS

In the first half of 2019, there were clear signs that Hong Kong's economy and business environment faced a turning point. Despite this, we will continue to focus on our core business of pipes and fittings. We have strong roots in Hong Kong and we have experienced ups and downs over seven decades. Over the years, our financial position remains healthy and we believe that we are in good shape to ride out the present situation. We expect that the Hong Kong Government will continue to maintain the housing supply steady and the renovation of public hospitals. In view of this, the Group remains confident of construction market outlook and we will benefit from these business opportunities.

APPRECIATION

We would like to convey our gratitude to the management and staff of the Group for their dedication and commitment. We would also like to take this opportunity to thank our valued shareholders, banks and business partners for their continued trust and support.

LIQUIDITY AND CAPITAL RESOURCES ANALYSIS

As at 30 June 2019, the cash and bank balances of the Group were approximately HK\$185.5 million (31 December 2018: HK\$161.1 million) including pledged bank deposits amounting to approximately HK\$36.0 million (31 December 2018: HK\$31.0 million). Basically the Group's working capital requirement is financed by its internal resources and banking facilities. The Group believes that funds generated from operations and the available banking facilities will enable the Group to meet its future working capital requirements.

As at 30 June 2019, the Group had aggregate banking facilities of trade finance of approximately HK\$303.7 million (31 December 2018: HK\$265.7 million), of which approximately HK\$61.8 million (31 December 2018: HK\$62.8 million) was utilised. The Group's total borrowings stood at approximately HK\$59.5 million (31 December 2018: HK\$57.4 million), and the entire amount of borrowings for both periods will mature within one year. The entire amount of borrowings outstanding as at 30 June 2019 was HK\$59.5 million (31 December 2018: HK\$57.4 million). 26% (31 December 2018: 20%) and 74% (31 December 2018: 80%) of the borrowings were subject to floating and fixed rates respectively.

前景

在二零一九年上半年，有明顯跡象顯示香港的經濟及營商環境正處於轉捩點。儘管如此，我們將繼續專注於管道和管件的核心業務。我們紮根於香港七十年，我們亦經歷過起起落落。多年來，我們的財務狀況依然穩健，我們相信我們能夠駕馭當前的形勢。我們預計香港政府會繼續維持穩定的房屋供應和公立醫院的翻新。有鑑於此，本集團對建築市場前景仍然充滿信心，我們將受益這些商機。

致謝

我們謹向集團管理層和員工表示感謝，感謝他們的貢獻和投入。我們亦藉此機會感謝我們尊貴的股東、銀行和業務合作夥伴，感謝他們持續的信任和支支持。

流動資金及財務資源分析

於二零一九年六月三十日，本集團之現金及銀行結餘約為185,500,000港元(二零一八年十二月三十一日：161,100,000港元)包括已抵押銀行存款約為36,000,000港元(二零一八年十二月三十一日：31,000,000港元)。基本上，本集團所需之營運資金來自內部資源及銀行融資額度。本集團相信由營運產生之資金及可用之銀行融資額度，足以應付本集團日後之流動資金需求。

於二零一九年六月三十日，本集團貿易融資的銀行額度合共約303,700,000港元(二零一八年十二月三十一日：265,700,000港元)，其中已動用之銀行融資額度約61,800,000港元(二零一八年十二月三十一日：62,800,000港元)。本集團的借貸總額約59,500,000港元(二零一八年十二月三十一日：57,400,000港元)，兩個期末之借貸全數將於一年內到期。於二零一九年六月三十日之未償還借貸全數約59,500,000港元(二零一八年十二月三十一日：57,400,000港元)。26%(二零一八年十二月三十一日：20%)及74%(二零一八年十二月三十一日：80%)的借貸分別以浮動及固定利率計息。

Management Discussion and Analysis

管理層討論及分析

The gearing ratio as measured by total bank borrowings to total equity was approximately 11.0% as at 30 June 2019 (31 December 2018: 10.6%). As at 31 December 2018 and 30 June 2019, the entire amount of the Group's borrowings was denominated in Hong Kong dollars.

The Group conducts its business transactions mainly in Hong Kong dollar, Macau Pataca, Renminbi and United States dollar. In order to manage foreign exchange risk, the Group has been closely monitoring its foreign currency exposure and will arrange for any hedging facilities if necessary.

CHARGE ON ASSETS

As at 30 June 2019, certain bank deposits and certificate of deposit held by subsidiaries of the Group with an aggregate carrying amounts of approximately HK\$36.0 million (31 December 2018: HK\$31.0 million) and HK\$10.0 million (31 December 2018: HK\$10.0 million) respectively were pledged to banks for banking facilities.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2019 (31 December 2018: Nil).

STAFF AND REMUNERATION POLICY

As at 30 June 2019, the Group employed a total of 180 employees (31 December 2018: 186). Total employee benefit expenses for the period ended 30 June 2019 was approximately HK\$32.5 million (2018: HK\$35.3 million).

Remuneration policy is reviewed annually and certain staff are entitled to sales commission. In addition to the basic salaries and contributions to the mandatory provident fund, the Group also pays discretionary bonus and provides staff with other benefits including medical scheme for Hong Kong employees. The Group contributes to an employee pension scheme established by the PRC Government which undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group in Mainland China. The Group adopted a share option scheme for the purpose of providing incentives and rewards to eligible directors and employees of the Group to recognise their contribution to the result of the Group.

於二零一九年六月三十日，按借貸總額相對於總權益計算的資產負債比率約為11.0%（二零一八年十二月三十一日：10.6%）。於二零一八年十二月三十一日及二零一九年六月三十日，本集團借貸全數以港元結算。

本集團之業務交易主要以港元、澳門幣、人民幣及美元結算。為管理外匯風險，本集團一直密切監控外幣風險，並將於必要時作出對沖安排。

資產押記

於二零一九年六月三十日，由本集團之附屬公司持有之若干銀行存款及存款證賬面總值分別約36,000,000港元（二零一八年十二月三十一日：31,000,000港元）及約10,000,000港元（二零一八年十二月三十一日：10,000,000港元）已抵押予銀行以取得銀行融資額度。

或然負債

於二零一九年六月三十日，本集團並無任何重大或然負債（於二零一八年十二月三十一日：無）。

員工及薪酬政策

於二零一九年六月三十日，本集團共僱用180名員工（二零一八年十二月三十一日：186名）。截至二零一九年六月三十日止期間，員工福利開支共約32,500,000港元（二零一八年：35,300,000港元）。

薪酬政策每年檢討一次，部份員工享有銷售佣金收入。香港員工除了享有基本薪金及強積金供款外，本集團亦發放酌情花紅並提供醫療計劃等其他福利。本集團向一項由中國政府所設立的僱員退休金計劃供款，該退休金計劃承諾承擔為本集團現時及未來在中國內地的退休員工提供退休福利的責任。本集團設有一項購股權計劃，以向本集團合資格董事及僱員提供獎勵及報酬，以表揚其對本集團業績作出之貢獻。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

The interests of the directors in the share options of the Company are separately disclosed in the section headed "SHARE OPTION SCHEME" below.

As at 30 June 2019, the interests and short positions of the Directors and chief executive of the Company 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 (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were set out below:

Long positions in the shares and underlying shares of the Company

Name of Director	Capacity	Personal Interests	Corporate Interests	Total	Approximate percentage of shares in issue 佔已發行股份 概約百分比
董事姓名	身份	個人權益	法團權益	總計	
Yu Ben Ansheng 俞安生	Beneficial owner/Interest of controlled corporation 實益擁有人／受控制法團權益	3,000,000	146,000,000 <small>(Note 附註)</small>	149,000,000	11.18%

Note:

These shares are held by King Jade Holdings Limited, which is wholly and beneficially owned by Mr. Yu Ben Ansheng, an executive Director and the Chief Executive Officer of the Company. Accordingly, Mr. Yu is deemed to be interested in such shares under the SFO.

Save as disclosed above and in the section headed "SHARE OPTION SCHEME" below, as at 30 June 2019, none of the Directors or chief executive or their respective associates had any interests and short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事於股份、相關股份或債權證之權益及淡倉

董事所持有本公司購股權的權益於下文「購股權計劃」一節中另行披露。

於二零一九年六月三十日，本公司董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中，擁有須登記於本公司根據證券及期貨條例第352條存置之登記冊之權益及淡倉，或須根據上市發行人董事進行證券交易的標準守則(「標準守則」)知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉如下：

於本公司股份及相關股份之好倉

附註：

該等股份由King Jade Holdings Limited持有，該公司由俞安生先生(本公司之執行董事兼首席執行官)全資實益擁有。因此，根據證券及期貨條例，俞先生被視為於該等股份中擁有權益。

除上文及下一節的「購股權計劃」所披露者外，於二零一九年六月三十日，概無董事或最高行政人員或彼等各自之聯繫人士於本公司或其他任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中，擁有須登記於本公司根據證券及期貨條例第352條存置之登記冊之權益及淡倉，或須根據標準守則知會本公司及聯交所之權益及淡倉。

Other Information

其他資料

SHARE OPTION SCHEME

The share option scheme approved by the shareholders of the Company on 24 June 2004 (the "2004 Scheme") which expired on 23 June 2014. Thereafter, no further options will be granted under the 2004 Scheme but the subsisting options granted thereunder prior to the expiry date will continue to be valid and exercisable in accordance with the terms of the 2004 Scheme. Details of the share options granted, exercised, lapsed and cancelled under the Scheme during the period and outstanding as at 30 June 2019 were as follows:

購股權計劃

本公司股東於二零零四年六月二十四日批准之購股權計劃(「二零零四年計劃」)已於二零一四年六月二十三日屆滿。此後，概無根據二零零四年計劃再授出購股權，但於屆滿日期前根據二零零四年計劃條款授出之購股權將繼續有效並可予以行使。於期內，根據計劃授予、行使、失效及註銷及於二零一九年六月三十日尚未行使的購股權之詳情如下：

Name of Directors 董事姓名	Date of grant 授出日期	Exercise Price 行使價 HK\$ 港元	Movement during the period 期內變動					Held as at 30 June 2019 於二零一九年 六月三十日 持有
			Held as at 1 January 2019 於二零一九年 一月一日 持有	Granted and accepted 已授出並 接納	Exercised 已行使	Lapsed 已失效	Cancelled 已註銷	
Lai Fulin ^(Note 1) 賴福麟 ^(附註 1)	3/12/2009	0.71	5,000,000	-	-	-	-	5,000,000
Wong Yee Shuen, Wilson ^(Note 1) 黃以信 ^(附註 1)	3/12/2009	0.71	1,000,000	-	-	-	-	1,000,000
Chen Wei Wen ^(Note 2) 陳偉文 ^(附註 2)	5/5/2010	0.83	1,000,000	-	-	-	-	1,000,000
			7,000,000	-	-	-	-	7,000,000
Employees ^(Notes 1 & 3) 僱員 ^(附註 1 及 3)	3/12/2009	0.71	9,000,000	-	-	-	-	9,000,000
			16,000,000	-	-	-	-	16,000,000

Notes:

1. The options granted to these grantees are vested in stages and be exercised in the following manner:

Maximum percentage of options exercisable
可行使之購股權最高百分比

20%
20%
20%
20%
20%

2. The options granted to these grantees are vested in stages and be exercised in the following manner:

Maximum percentage of options exercisable
可行使之購股權最高百分比

20%
20%
20%
20%
20%

3. Vesting of options granted to certain employees is subject to achievement of profit target.
4. As at 30 June 2019, the total number of shares available for issue upon exercise of all options which were granted under the 2004 Scheme in aggregate was 16,000,000 shares (31 December 2018: 16,000,000 shares), representing approximately 1.20% of the total number of shares of the Company in issue as at 30 June 2019 (31 December 2018: 1.20%).

At the Annual General Meeting of the Company held on 21 May 2015, the shareholders of the Company approved the adoption of a new share option scheme (the "2015 Scheme"). As at 30 June 2019, no share option was granted by the Company under the 2015 Scheme.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Apart from the share option scheme of the Company, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares or debentures of the Company or any of its associated corporations (within the meaning of SFO).

附註：

1. 授予該等承授人的購股權將分階段歸屬，並按下列方式行使：

Period for exercise of the relevant percentage
of the options
行使相關購股權百分比之期限

3/6/2010 – 2/12/2019
3/6/2011 – 2/12/2019
3/6/2012 – 2/12/2019
3/6/2013 – 2/12/2019
3/6/2014 – 2/12/2019

2. 授予該等承授人的購股權將分階段歸屬，並按下列方式行使：

Period for exercise of the relevant percentage
of the options
行使相關購股權百分比之期限

5/11/2010 – 4/5/2020
5/11/2011 – 4/5/2020
5/11/2012 – 4/5/2020
5/11/2013 – 4/5/2020
5/11/2014 – 4/5/2020

3. 授予若干僱員之購股權須達到溢利目標方可歸屬予有關僱員。
4. 於二零一九年六月三十日，根據二零零四年計劃授出之購股權獲悉數行使時可供發行股份數目共16,000,000股（二零一八年十二月三十一日：16,000,000股），約佔本公司於二零一九年六月三十日之已發行股本約1.20%（二零一八年十二月三十一日：1.20%）。

於二零一五年五月二十一日舉行之本公司股東週年大會上，本公司股東批准採納新購股權計劃（「二零一五年計劃」）。截至二零一九年六月三十日，本公司並未有根據二零一五年計劃授出購股權。

董事收購股份或債券的權利

除本公司之購股權計劃外，於期間內任何時間，本公司或其任何附屬公司概無參與訂立任何安排，致使本公司董事或其配偶或十八歲以下子女，可藉收購本公司或其他任何相聯法團（定義見證券及期貨條例）的股份或債券獲益。

Other Information

其他資料

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2019, the interests and short positions of the following persons or corporations, other than the Directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long position in share and underlying share of the Company

Name of shareholders 股東名稱	Capacity 身份	Number of shares/underlying shares held 所持股份／ 相關股份數目	Approximate percentage of shares in issue 佔已發行股份 概約百分比
Singapore Zhongxin Investment Company Limited ^(Note 1 附註 1)	Beneficial owner 實益擁有人	437,234,620	32.79%
Li Juan ^(Note 2) 李娟 ^(附註 2)	Interest of spouse 配偶權益	437,234,620	32.79%
Qu Zhi 曲直	Beneficial owner 實益擁有人	333,317,500	25%
King Jade Holdings Limited ^(Note 3 附註 3)	Beneficial owner 實益擁有人	146,000,000	10.95%

Notes:

1. Singapore Zhongxin Investment Company Limited is wholly and beneficially owned by Mr. Lai Guanglin, the former executive Director and the Chairman of the Company. Accordingly, Mr. Lai Guanglin is deemed to be interested in such shares under the SFO.
2. Ms. Li Juan, the spouse of Mr. Lai Guanglin who is the former executive Director and the Chairman of the Company, is also deemed to be interested in Mr. Lai's interest in the Company under the SFO.
3. King Jade Holdings Limited is wholly and beneficially owned by Mr. Yu Ben Ansheng, an executive Director and the Chief Executive Officer of the Company. Accordingly, Mr. Yu is deemed to be interested in such shares under the SFO.

主要股東

於二零一九年六月三十日，以下人士或法團（本公司董事或最高行政人員除外）於本公司股份及相關股份擁有須登記於本公司根據證券及期貨條例第336條存置之登記冊之權益及淡倉如下：

於本公司股份及相關股份之好倉

Number of shares/underlying shares held 所持股份／ 相關股份數目	Approximate percentage of shares in issue 佔已發行股份 概約百分比
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附註：

1. Singapore Zhongxin Investment Company Limited乃由Lai Guanglin先生（本公司之前任執行董事兼主席）全資實益擁有。因此，根據證券及期貨條例，Lai Guanglin先生被視為於該等股份中擁有權益。
2. 根據證券及期貨條例，李娟女士（本公司之前任執行董事兼主席Lai Guanglin先生之配偶）亦被視為擁有Lai先生於本公司之權益。
3. King Jade Holdings Limited乃由俞安生先生（本公司之執行董事兼首席執行官）全資實益擁有。因此，根據證券及期貨條例，俞先生被視為於該等股份中擁有權益。

Save as disclosed above, as at 30 June 2019, the Company had not been notified by any persons or corporations, other than the Directors or chief executive of the Company, who had interests and short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Corporate Governance Code as stated in Appendix 14 of the Rules Governing the Listing of Securities on Stock Exchange (the “Listing Rules”) throughout the period.

REVIEW BY AUDIT COMMITTEE

The condensed consolidated interim financial information for the six months ended 30 June 2019 has not been audited nor reviewed by the Company’s auditor, PricewaterhouseCoopers, but this report has been reviewed by the audit committee of the Company.

The audit committee has reviewed with management the accounting policies and practices adopted by the Group and financial reporting matters including the review of the unaudited condensed consolidated financial information for the period. The audit committee of the Company currently consists of Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Mr. Guan Zhiqiang as independent non-executive Directors.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s shares during the period.

COMPLIANCE WITH MODEL CODE OF LISTING RULES

The Company has adopted the Model Code contained in Appendix 10 of the Listing Rules. Having made specific enquiry with the Directors, all Directors confirmed that they have fully complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2019.

除上文披露者外，於二零一九年六月三十日，本公司並無獲通知有任何其他人士或法團（本公司董事或主要行政人員除外）於本公司股份或相關股份擁有須登記於本公司根據證券及期貨條例第336條存置之登記冊之權益及淡倉。

企業管治

本公司於期內已遵守聯交所證券上市規則（「上市規則」）附錄十四《企業管治守則》所載之守則條文規定。

審核委員會之審閱

截至二零一九年六月三十日止六個月之簡明綜合中期財務資料並未經本公司核數師「羅兵咸永道會計師事務所」審核或審閱，但本報告已經由本公司審核委員會審閱。

審核委員會與管理層檢討本集團所採納之會計政策及實務準則及財務匯報等事宜，包括審閱本期間之未經審核簡明綜合財務資料。本公司審核委員會目前由獨立非執行董事黃以信先生、陳偉文先生及管志強先生所組成。

購買、出售或贖回股份

本公司及其任何附屬公司於期內概無買賣任何本公司股份。

遵守上市規則之標準守則

本公司已採納上市規則附錄十所載的標準守則。經向董事作出特定查詢後，所有董事已確認彼等截至二零一九年六月三十日止六個月期間均全面遵守標準守則所載列之所規定的標準。

Other Information

其他資料

DISCLOSURE OF THE CHANGE IN THE INFORMATION OF THE DIRECTOR PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, change in the information of the director of the Company required to be disclosed in this report. With effect from 1 April 2019, the director's salary of Mr. Yu Ben Ansheng, the executive Director of the Company, has been increased to HK\$2,640,000 per annum.

BOARD OF DIRECTORS

As at the date of this report, the Board of the Company consists of Mr. Lai Fulin and Mr. Yu Ben Ansheng as executive Directors; and Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Mr. Guan Zhiqiang as independent non-executive Directors.

By Order of the Board

Lai Fulin
Chairman

Hong Kong, 26 August 2019

根據上市規則第 13.51B(1) 條須予披露之董事資料變更

根據上市規則第 13.51B(1) 條本報告須予披露之本公司董事資料變更。自二零一九年四月一日起，本公司執行董事俞安生先生之董事薪金增加至每年 2,640,000 港元。

董事會

於本報告日期，董事會成員包括執行董事賴福麟先生及俞安生先生；及獨立非執行董事黃以信先生、陳偉文先生及管志強先生。

承董事會命

主席
賴福麟

香港，二零一九年八月二十六日



冠力國際有限公司
Softpower International Limited