



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



SPI INTERIM REPORT
中期報告 2020

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
- 36 Management Discussion and Analysis
管理層討論及分析
- 40 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. Lai Fulin
Mr. Chen Wei Wen

NOMINATION COMMITTEE

Mr. Lai Fulin (*Chairman*)
Mr. Chen Wei Wen
Mr. Guan Zhiqiang

COMPANY SECRETARY

Mr. Cheng Siu Kwan

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian 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*)
賴福麟先生
陳偉文先生

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
執業會計師
註冊公眾利益實體核數師
香港中環
太子大廈二十二樓

主要股份過戶登記處

Ocorian 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
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
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

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 2020
截至二零二零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	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue	收入	5	222,693	263,909
Cost of sales	銷售成本	7	(161,045)	(202,501)
Gross profit	毛利		61,648	61,408
Other gains, net	其他收益淨額	6	105	16
Selling and distribution costs	銷售及分銷成本	7	(8,212)	(9,964)
General and administrative expenses	一般及行政費用	7	(49,289)	(51,759)
(Provision for)/reversal of impairment of financial assets	金融資產的減值(撥備)/回撥	7	(144)	571
Provision for impairment of property, plant and equipment	物業、廠房及設備減值撥備	12	(9,525)	—
Operating (loss)/profit	經營(虧損)/溢利		(5,417)	272
Finance income	財務收入	8	5,125	5,070
Finance costs	財務費用	8	(3,667)	(4,307)
Finance income, net	財務收入淨額	8	1,458	763
(Loss)/profit before income tax	稅前(虧損)/溢利		(3,959)	1,035
Tax expense	稅項支出	9	(894)	(594)
(Loss)/profit for the period	期內(虧損)/溢利		(4,853)	441
(Loss)/profit attributable to: Equity holders of the Company	(虧損)/溢利歸屬於： 本公司權益持有人		(1,062)	1,537
Non-controlling interests	非控股權益		(3,791)	(1,096)
			(4,853)	441
(Loss)/earnings per share attributable to equity holders of the Company	每股(虧損)/盈利歸屬於本公司權益持有人		HK cent 港仙	HK cent 港仙
Basic and diluted	基本及攤薄	10	(0.08)	0.12
Dividend	股息	11	—	—

The notes on pages 12 to 35 are an integral part of this financial information.

第12至35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 2020
截至二零二零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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
(Loss)/profit for the period	期內(虧損)/溢利	(4,853)	441
Other comprehensive (loss)/income Item that may be subsequently reclassified to profit or loss:	其他全面(虧損)/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	(222)	(31)
Other comprehensive loss for the period, net of tax	本期間其他全面虧損， 扣除稅項後	(222)	(31)
Total comprehensive (loss)/income for the period	期內全面(虧損)/收益總額	(5,075)	410
Total comprehensive (loss)/income attributable to:	全面(虧損)/收益總額歸屬於：		
Equity holders of the Company	本公司權益持有人	(1,252)	1,492
Non-controlling interests	非控股權益	(3,823)	(1,082)
		(5,075)	410

There was no tax impact relating to the components of other comprehensive (loss)/income for the six months ended 30 June 2019 and 2020.

截至二零一九年及二零二零年六月三十日止六個月，其他全面(虧損)/收益之各組成部份概無稅務影響。

The notes on pages 12 to 35 are an integral part of this financial information.

第12至35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 2020
於二零二零年六月三十日

		Note 附註	Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 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	5,218	17,676
Right-of-use-assets	使用權資產		127,320	135,480
Intangible assets	無形資產	13	452	477
Loan to a related company	貸款予一間關連公司	14	77,814	78,229
Rental deposits and other assets	租賃按金及其他資產	14	7,264	6,957
			218,068	238,819
Current assets	流動資產			
Inventories	存貨		189,635	191,526
Trade receivables	貿易應收款項	14	114,426	121,007
Deposits, prepayments and other receivables	按金、預付款及 其他應收款項	14	34,982	34,156
Financial assets at fair value through profit or loss	按公允價值計入損益 之金融資產	19	1,663	2,722
Tax recoverable	可收回稅項		-	3,457
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	36,000
Cash and bank balances	現金及銀行結餘		178,295	157,683
			565,001	556,551
Total assets	總資產		783,069	795,370

The notes on pages 12 to 35 are an integral part of this financial information.

第12至35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 2020
於二零二零年六月三十日

		Note 附註	Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 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		515,904	517,156
			542,569	543,821
Non-controlling interests	非控股權益		(1,608)	2,215
Total equity	總權益		540,961	546,036
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債		109,484	117,340
Deferred tax liabilities	遞延稅項負債		1,502	1,816
Other non-current liabilities	其他非流動負債		1,861	1,865
			112,847	121,021
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	59,651	58,756
Taxation payable	應付稅項		1,334	818
Lease liabilities	租賃負債		22,347	21,355
Borrowings	借貸	16	45,929	47,384
			129,261	128,313
Total liabilities	總負債		242,108	249,334
Total equity and liabilities	總權益及負債		783,069	795,370
Net current assets	流動資產淨額		435,740	428,238
Total assets less current liabilities	總資產減流動負債		653,808	667,057

The notes on pages 12 to 35 are an integral part of this financial information.

第12至35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 2020
截至二零二零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 35 are an integral part of this financial information.

第12至35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 2020
截至二零二零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 2020	於二零二零年一月一日	26,665	126,618	34,115	3,700	24	1,731	(483)	349	351,102	2,215	546,036
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	(1,062)	(3,791)	(4,853)
Other comprehensive loss:	其他全面虧損：											
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	(190)	-	-	(32)	(222)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	-	-	(190)	-	(1,062)	(3,823)	(5,075)
Transactions with owners:	與擁有人之交易：											
Transfer upon lapse of share options	因購股權失效轉發	-	-	-	-	-	-	-	(349)	349	-	-
At 30 June 2020	於二零二零年六月三十日	26,665	126,618	34,115	3,700	24	1,731	(673)	-	350,389	(1,608)	540,961

The notes on pages 12 to 35 are an integral part of this financial information.

第12至35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 2020
截至二零二零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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 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	30,613	35,774
Income tax refund/(paid)	退回/(支付)之所得稅	2,770	(1,908)
		<u>33,383</u>	<u>33,866</u>
Net cash generated from operating activities	經營活動所得現金淨額	33,383	33,866
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	(280)	(1,368)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	57	10
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公允價值計入損益之金融資產之所得款項	1,004	-
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	38	53
		<u>819</u>	<u>(1,646)</u>
Net cash from/(used in) investing activities	投資活動所得/(所用)之現金淨額	819	(1,646)
Cash flows from financing activities	融資活動之現金流量		
Drawdown of borrowings	提用借貸	146,922	154,904
Repayment of borrowings	償還借貸	(148,377)	(152,818)
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	(11,841)	(11,042)
Decrease in amount due from a non-controlling shareholder	應收一位非控股股東款項的減少	-	1,250
		<u>(13,296)</u>	<u>(12,706)</u>
Net cash used in financing activities	融資活動所用之現金淨額	(13,296)	(12,706)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	20,906	19,514
Exchange differences	匯兌差額	(294)	(94)
Cash and cash equivalents at beginning of the period	期初之現金及現金等價物	157,683	130,117
		<u>178,295</u>	<u>149,537</u>
Cash and cash equivalents at end of the period	期末之現金及現金等價物	178,295	149,537

The notes on pages 12 to 35 are an integral part of this financial information.

第12至35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 27 August 2020.

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 2019, 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 2019.

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二零二零年八月二十七日獲批准發行。

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二零一九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二零一九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 and amendments to standards

The Group has applied the following standards and amendments to standards for the first time for the annual reporting period commencing 1 January 2020:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

In the current interim period, the Group has applied for the first time the above new standards and amendments to standards issued by the HKICPA that are mandatorily effective from 1 January 2020. The adoption of the above new standards and amendments to standards do not have a material impact on the Group's results of operations or financial position.

The Group has not early adopted any other new standards and 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

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 2019.

2. 編製基準及會計政策(續)

採納新訂準則及修訂的準則

本集團已於二零二零年一月一日開始的財政年度首次採納下列準則及修訂之準則：

香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義
香港財務報告準則第3號(修訂本)	業務的定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率基準改革
二零一八年財務報告的概念框架	財務報告的概念框架的修訂

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二零二零年一月一日強制生效的新訂準則及修訂的準則。採納以上新訂準則及修訂之準則對集團的經營業績或財務狀況並無重大影響。

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

3. 財務風險管理

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二零一九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 2019.

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 (loss)/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二零一九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(虧損)/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 2020 and 2019 are as follows:

5. 收入及分部資料(續)

截至二零二零年及二零一九年六月三十日止六個月之分部資料如下：

		Unaudited 未經審核				
		For the six months ended 30 June 2020 截至二零二零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	222,463	230	222,693	-	222,693
Results of reportable segments	分部業績	15,570	(11,708)	3,862	-	3,862
Reconciliation of results of reportable segments to loss for the period	分部業績與期內虧損的對賬					
Results of reportable segments	分部業績					
Unallocated loss	未分配虧損					(703)
Unallocated expenses	未分配支出					(8,576)
Operating loss	經營虧損					(5,417)
Finance income	財務收入					5,125
Finance costs	財務費用					(3,667)
Loss before income tax	稅前虧損					(3,959)
Tax expense	稅項支出					(894)
Loss for the period	期內虧損					(4,853)
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	1,919	1,064	2,983	17	3,000
Amortisation of intangible assets	無形資產的攤銷	25	-	25	-	25
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益淨額	-	15	15	-	15
Reversal of impairment of inventories	存貨減值回撥	(650)	-	(650)	-	(650)
Provision for impairment of financial assets	金融資產的減值撥備	144	-	144	-	144
Provision for impairment of property, plant and equipment	物業、廠房及設備減值撥備	-	9,525	9,525	-	9,525

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 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	<u>262,489</u>	<u>1,420</u>	<u>263,909</u>	<u>–</u>	<u>263,909</u>
Results of reportable segments	分部業績	<u>13,517</u>	<u>(3,351)</u>	<u>10,166</u>	<u>–</u>	<u>10,166</u>
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					<u>441</u>
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)

The segment assets and liabilities as at 30 June 2020 and 31 December 2019 are as follows:

5. 收入及分部資料(續)

於二零二零年六月三十日及二零一九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 2020	於二零二零年六月三十日				
Non-current assets	非流動資產	140,202	–	77,866	218,068
Current assets	流動資產	528,855	4,042	32,104	565,001
Total Assets	總資產	669,057	4,042	109,970	783,069
Non-current liabilities	非流動負債	(112,847)	–	–	(112,847)
Current liabilities	流動負債	(120,982)	(4,208)	(4,071)	(129,261)
Total Liabilities	總負債	(233,829)	(4,208)	(4,071)	(242,108)
		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 2019	於二零一九年十二月三十一日				
Non-current assets	非流動資產	149,961	10,559	78,299	238,819
Current assets	流動資產	519,463	5,188	31,900	556,551
Total Assets	總資產	669,424	15,747	110,199	795,370
Non-current liabilities	非流動負債	(120,716)	(305)	–	(121,021)
Current liabilities	流動負債	(122,647)	(4,039)	(1,627)	(128,313)
Total Liabilities	總負債	(243,363)	(4,344)	(1,627)	(249,334)

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 revenue 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	
2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
199,006	239,075
23,457	23,414
230	1,420
222,693	263,909

本集團按地區分部的非流動資產如下：

Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
216,851	227,039
1,217	11,780
218,068	238,819

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

		Unaudited 未經審核	
		For the six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Net exchange loss	匯兌虧損淨額	(446)	(157)
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備之 收益淨額	15	–
(Loss)/gain on financial assets at fair value through profit or loss	按公允價值計入損益之金融 資產(虧損)/收益	(71)	120
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	38	53
Sundry income	其他收入	569	–
		105	16

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

7. 開支性質

經營(虧損)/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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cost of inventories sold	已出售之存貨成本	156,590	191,527
Auditor's remuneration	核數師酬金	517	646
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,000	3,113
Depreciation of right-of-use assets	使用權資產折舊	13,137	12,750
Amortisation of intangible assets	無形資產的攤銷	25	8
Employee benefit expenses (including directors' emoluments)	員工福利開支(包括董事酬金)	30,110	32,459
Short-term and low-value lease expenses	短期及低價值租賃費用	655	1,442
Provision for/(reversal of) impairment of financial assets	金融資產的減值撥備/(回撥)	144	(571)
Provision for impairment of property, plant and equipment	物業、廠房及設備減值撥備	9,525	-
(Reversal of)/provision for impairment of inventories, net	存貨減值(回撥)/撥備淨額	(650)	3,808
Other expenses	其他開支	15,162	18,471
		228,215	263,653
Representing:	代表：		
Cost of sales	銷售成本	161,045	202,501
Selling and distribution costs	銷售及分銷成本	8,212	9,964
General and administrative expenses	一般及行政費用	49,289	51,759
Provision for/(reversal of) impairment of financial assets	金融資產的減值撥備/(回撥)	144	(571)
Provision for impairment of property, plant and equipment	物業、廠房及設備減值撥備	9,525	-
		228,215	263,653

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

8. Finance income, net

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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Bank interest income	銀行利息收入	(1,045)	(977)
Interest income on loan to a related company	貸款予一間關連公司的利息收入	(4,080)	(4,093)
Finance income	財務收入	(5,125)	(5,070)
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	895	1,138
Interest on lease liabilities	租賃負債的利息	2,772	3,169
Finance costs	財務費用	3,667	4,307
		(1,458)	(763)

9. Tax expense

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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current taxation:	即期稅項：		
Hong Kong profits tax	香港利得稅	1,187	278
Overseas tax	海外稅項	16	203
Over provision in prior years	以前年度多提	-	(31)
Deferred taxation	遞延稅項	(309)	144
Tax expense	稅項支出	894	594

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% (2019: 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. (Loss)/earnings per share

The calculation of the basic and diluted (loss)/earnings per share is based on the (loss)/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%(二零一九年: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(虧損)/盈利

下表列示計算每股基本及攤薄(虧損)/盈利乃根據本公司權益持有人應佔(虧損)/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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
(Loss)/profit attributable to equity holders of the Company for the purpose of basic (loss)/earnings per share	計算每股基本(虧損)/盈利之本公司權益持有人應佔(虧損)/溢利	(1,062)	1,537
Number of shares	股份數目	Thousands 千股	Thousands 千股
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	計算每股基本(虧損)/盈利之普通股之加權平均股數	1,333,270	1,333,270

Diluted (loss)/earnings per share for the six months ended 30 June 2020 and 2019 equal basic (loss)/earnings per share as the exercise of the outstanding share options would be anti-dilutive.

截至二零二零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(虧損)/盈利均等如每股基本(虧損)/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 2020 (six months ended 30 June 2019: Nil).

11. 股息

本公司董事會（「董事會」）不宣派截至二零二零年六月三十日止六個月之中期股息（截至二零一九年六月三十日止六個月：無）。

12. Capital expenditure

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 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>
Net book value at 1 January 2020	於二零二零年一月一日帳面淨值	17,676
Translation differences	匯兌差異	(171)
Additions	添置	280
Disposals	出售	(42)
Depreciation	折舊	(3,000)
Impairment loss	減值虧損	(9,525)
		<hr/>
Net book value at 30 June 2020	於二零二零年六月三十日帳面淨值	<u>5,218</u>

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

12. Capital expenditure (Continued)

The Group considered the property, plant and equipment relating to the mainland China biomass pellet fuel products operation as a separate cash generating unit (“CGU”). When indicators of impairment are identified, property, plant and equipment are reviewed for impairment based on CGU.

For the six months ended 30 June 2020, property, plant and equipment of the biomass pellet fuel products operation was considered impaired due to the continuous losses suffered and the suspension of the operation. The Group’s management estimated the recoverable amount based on the value-in-use of such property, plant and equipment, which is calculated by discounting future cash flow projections. Accordingly, an impairment of HK\$9,525,000 (six months ended 30 June 2019: Nil) was recognised in the interim condensed consolidated income statement for the period.

13. Intangible assets

Net book value at 1 January 2019
Additions
Amortisation

Net book value at 30 June 2019

Net book value at 1 January 2020
Additions
Amortisation

Net book value at 30 June 2020

於二零一九年一月一日帳面淨值	–
添置	511
攤銷	(8)
	<hr/>
於二零一九年六月三十日帳面淨值	503
	<hr/>
於二零二零年一月一日帳面淨值	477
添置	–
攤銷	(25)
	<hr/>
於二零二零年六月三十日帳面淨值	452
	<hr/>

For the period ended 30 June 2020, amortisation expense of HK\$25,000 (2019: HK\$8,000) is included in “cost of sales”.

12. 資本開支(續)

本集團視中國內地生物質顆粒燃料產品有關的物業、廠房及設備為獨立的現金生產單位(「現金生產單位」)。當減值跡象被識別，將根據現金生產單位對物業、廠房及設備進行減值審查。

截至二零二零年六月三十日止六個月，由於受到了持續的虧損及營運的暫停，生物質顆粒燃料產品的物業、廠房及設備被視為減值。本集團管理層根據該等物業、廠房及設備的使用價值估計可收回金額，該使用價值是通過折現未來現金流量預測而得出。因此，本期間的中期簡明綜合收益表中確認減值9,525,000港元(二零一九年六月三十日止六個月：無)。

13. 無形資產

Unaudited
未經審核
Trademark
商標
HK\$'000
千港元

截至二零二零年六月三十日止期間，攤銷開支25,000港元(2019年：8,000港元)已計入「銷售成本」。

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 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
Trade receivables	貿易應收款項	114,426	121,007
Less: loss allowance	減：虧損撥備	—	—
Trade receivables – net	貿易應收款項–淨額	<u>114,426</u>	<u>121,007</u>
Prepayments	預付款	28,140	26,920
Amount due from a non-controlling shareholder	應收一位非控股股東款項	3,050	3,106
Other receivables, deposits and other assets	其他應收款項、按金及其他資產	4,885	4,611
Rental deposits	租賃按金	6,171	6,476
Loan to a related company	貸款予一間關連公司	77,814	78,229
		<u>120,060</u>	<u>119,342</u>
		234,486	240,349
Less non-current portion:	減非流動部份：		
Rental deposits and other assets	租賃按金及其他資產	(7,264)	(6,957)
Loan to a related company	貸款予一間關連公司	(77,814)	(78,229)
		<u>149,408</u>	<u>155,163</u>

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

There was no loss allowance for trade receivables during the period ended 30 June 2020 (31 December 2019: Nil).

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 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
66,785	69,260
23,555	24,463
10,301	13,094
4,721	7,667
2,347	3,704
6,717	2,819
114,426	121,007

截至二零二零年六月三十日止期末，沒有貿易應收款項的虧損撥備(二零一九年十二月三十一日：無)。

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 issued shares 已發行股份數目	
		<i>thousands</i> 千股	<i>HK\$'000</i> 千港元
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
At 1 January and 30 June 2020	於二零二零年一月一日及 六月三十日	1,333,270	26,665

As at 30 June 2020, 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.

於二零二零年六月三十日，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 2020 二零二零年 六月三十日 <i>HK\$'000</i> 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 <i>HK\$'000</i> 千港元
Current	流動		
Trust receipt loans	信託收據貸款		
– secured	– 有抵押	29,981	35,724
– unsecured	– 無抵押	15,948	11,660
		45,929	47,384

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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		47,384	57,444
		146,922	154,904
		(148,377)	(152,818)
		45,929	59,530

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 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
		29,126	30,537
		16,486	14,393
		14,039	13,826
		59,651	58,756

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	Audited 經審核
30 June 2020 二零二零年 六月三十日	31 December 2019 二零一九年 十二月三十一日
HK\$'000 千港元	HK\$'000 千港元
24,214	25,515
2,550	3,190
1,759	1,178
603	654
29,126	30,537

18. Capital Commitment

As at 30 June 2020, the Group had no significant capital commitment (31 December 2019: Nil).

18. 資本承擔

於二零二零年六月三十日，本集團並沒有重大的資本承擔(二零一九年十二月三十一日：無)。

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 2020 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)

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，分析本集團於二零二零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)

Financial assets
– Investment funds

金融資產
– 投資基金

Level 2
第二層

Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
---	--

1,663

2,722

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.

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

Transactions 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

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	
2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
6,173	8,217
63	63
-	5
6,236	8,285

(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)
---	------------------

Note:

The Group paid rental of a motor vehicle and licence to a company controlled by Mr. Lai Guanglin ("Mr. Lai"), the controlling shareholder of the Company, for a fixed sum of RMB12,000 (approximately HK\$13,500) per month as agreed by both parties. This is also a connected transaction which is exempted under Rule 14A.76 of the Listing Rules.

(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	
2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
81	85

附註：

本集團就車輛及車牌租賃費向一間由本公司之控股股東Lai Guanglin先生(「Lai先生」)所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13,500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)

Transactions 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, the controlling shareholder of the Company, 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 31 March 2020, the Group paid consultancy fee to a company directly wholly-owned by Mr. Lai, the controlling shareholder of the Company, 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.

On 1 April 2020, the Group entered into a consultancy agreement with a company directly wholly-owned by Mr. Lai, the controlling shareholder of the Company, for a fixed sum of HK\$373,000 per month for one year from 1 April 2020 to 31 March 2021. It constitutes continuing connected transaction under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and annual review requirements but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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	
2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
–	744
1,863	744
1,863	1,488

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(本公司之控股股東)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二零二零年三月三十一日，本集團向一間由Lai先生(本公司之控股股東)直接全資擁有之一間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。

於二零二零年四月一日，本集團與Lai先生(本公司之控股股東)直接全資擁有之一間公司訂立由二零二零年四月一日至二零二一年三月三十一日為期一年，每月固定373,000港元顧問費的顧問協議。根據上市規則第14A章之規定，該協議構成本公司之持續關連交易，須遵守上市規則第14A章下之申報、公告及年度審閱規定，惟獲豁免遵守獨立股東批准之規定。

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

(d) Amount due from a non-controlling shareholder

(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 was repayable by 31 July 2019. The loan was 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. As at the date of the loan agreement, Mr. Lai Guanglin, a director and ultimate controlling party of the Company, was also a controlling shareholder of Agria Corporation.

20. 關連人士交易(續)

報告期末餘額

Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
3,050	3,106

(d) 應收一位非控股股東款項

該金額為無抵押、免息及按要求償還。

(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。於該貸款協議日期，本公司之董事兼最終控制人Lai Guanglin先生，亦為Agria Corporation控股股東。

20. Related party transactions (Continued)

Reporting period end balances (Continued)

(e) Loan to a related company (Continued)

Pursuant to a resolution passed in a special general meeting on 23 February 2018, the Group and CVIL 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 annual caps from 1 August 2019 to 31 July 2022.

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

The annual caps of the interest amounts for the financial years ended/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.

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)

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，本集團及CVIL同意更替及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年度上限均為10,000,000美元。

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。

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)

For six months ended 30 June 2020, the interest income from AGL amounted to approximately US\$524,000 (equivalent to HK\$4,074,000) (2019: US\$521,000 (equivalent to HK\$4,093,000)).

As at 30 June 2020, the loan to AGL amounted to US\$10,000,000 (equivalent to HK\$77,814,000) (31 December 2019: US\$10,000,000 (equivalent to HK\$78,229,000)).

21. Subsequent event

- (i) On 21 July 2020, the Group and Agria Group Limited ("AGL") agreed to enter into a supplemental loan agreement ("2020 Supplemental Loan Agreement") to adjust downward the interest rate for each of the interest period from ten point five per cent (10.5%) of the Loan per annum to five point five per cent (5.5%) of the Loan per annum.

Save and except for the revision on the original interest rate and the share charge by AGL, all other terms as set out in the 2019 Loan Agreement remain unchanged.

Pursuant to a resolution passed in a special general meeting on 12 August 2020, 2020 Supplemental Loan Agreement was approved.

- (ii) On 23 and 24 July 2020, the Company repurchased totalling 1,004,000 shares of its own ordinary shares through the Stock Exchange at a total consideration of approximately HK\$86,444.

22. Approval of interim financial information

The interim financial information was approved by the board of directors of the Company on 27 August 2020.

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)

截至二零二零年六月三十日止六個月，從AGL所得的利息收入約為524,000美元(相等於4,074,000港元)(二零一九年：521,000美元(相等於4,093,000港元))。

於二零二零年六月三十日，貸款予AGL的金額為10,000,000美元(相等於77,814,000港元)(二零一九年十二月三十一日：10,000,000美元(相等於78,229,000港元))。

21. 期後事項

- (i) 於二零二零年七月二十一日，本集團與Agria Group Limited(「AGL」)同意訂立一份補充貸款協議(「2020補充貸款協議」)將各利息期的利率由貸款之每年利率十點五厘(10.5%)下調至貸款之每年利率五點五厘(5.5%)。

除修訂原利率及由AGL作出之股份押記外，2019貸款協議所載所有其他條款保持不變。

根據於二零二零年八月十二日的股東特別大會通過的決議案，2020補充貸款協議已獲批准。

- (ii) 於二零二零年七月二十三日及二十四日，本公司透過聯交所回購合共1,004,000股自有普通股股份，總代價約為86,444港元。

22. 審批中期財務資料

本公司董事會於二零二零年八月二十七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 2020, the Group recorded revenue of approximately HK\$222.7 million (2019: HK\$263.9 million), a decrease of 15.6% as compared to the same period in 2019. The loss attributable to equity holders of the Company for the six months ended 30 June 2020 was approximately HK\$1.1 million, as compared to a net profit attributable to equity holders of the Company of approximately HK\$1.5 million for the same period in 2019. The loss during the period under review was mainly due to the one-off item, a provision for impairment of property, plant and equipment for the biomass pellet fuel products segment. The trading of pipes and fittings business segment continued to record an encouraging performance. Our financial position and cash position remain strong, with ample cash flows.

The basic loss per share for the six months ended 30 June 2020 was approximately HK0.08 cent as compared to basic earnings per share of approximately HK0.12 cent for the six months ended 30 June 2019.

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 2020, we encountered the challenges posed by the COVID-19 epidemic. In the first half of the year, as the COVID-19 pandemic spread to Hong Kong as well as worldwide, many business activities came to a halt, negatively impacting our revenue. Some delays in business activities and construction works in Hong Kong will continue in the second half of the year.

Despite operating in a competitive environment, our pipe and fitting business segment continued to improve its gross margin. The challenges from COVID-19 interrupted the normal economic activities. We remain committed to providing a stable supply of pipes and fittings to our customers. We continue to work closely with our suppliers and customers and listen to their concerns and to support them where possible.

The Group has a track record in supplying pipes and fittings to numerous notable projects including Tai Po Water Treatment Works, Hong Kong-Zhuhai-Macao Bridge and Lisboa Palace in Macau. Our past efforts earned us a recognition as the first company when customers think of pipes and fittings. During the period under review, we secured some orders to supply pipes to the third runway of Hong Kong International Airport.

財務回顧

截至二零二零年六月三十日止六個月，本集團錄得收入約為222,700,000港元(二零一九年：263,900,000港元)，較二零一九年同期下跌15.6%。截至二零二零年六月三十日止六個月，本公司權益持有人應佔虧損約為1,100,000港元，而二零一九年同期本公司權益持有人應佔溢利約為1,500,000港元。回顧期內的虧損主要是由於一次性項目，即為生物質顆粒燃料產品分部的物業、廠房及設備減值撥備。管道及管件的貿易業務繼續錄得令人鼓舞的表現。我們的財務狀況和現金狀況仍保持強勁，現金流量充裕。

截至二零二零年六月三十日止六個月，每股基本虧損約為0.08港仙，而截至二零一九年六月三十日止六個月每股基本盈利約為0.12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。

截至二零二零年六月三十日止六個月，我們遇到了2019冠狀病毒疫情帶來的挑戰。於上半年，隨著2019冠狀病毒大流行在香港以及全球蔓延，很多業務活動暫時停頓，對我們的收入產生了負面影響。今年下半年在香港的業務活動和建築工程將繼續會出現一些延誤。

儘管在競爭激烈的環境中經營，我們的管道和管件業務分部的毛利率仍持續改善。2019冠狀病毒的挑戰中斷了正常的經濟活動。我們仍繼續致力為客戶提供穩定的管道和管件供應。我們將繼續與供應商和客戶緊密合作，並聆聽他們的擔憂，在可能的情况下提供支持予他們。

本集團在大埔濾水處理廠、港珠澳大橋和澳門上葡京等眾多著名項目供應管道和管件方面擁有良好的往績。我們過去的努力使我們獲得了認可，客戶一想到管道和管件，第一間公司就會想起我們。於回顧期內，我們取得了香港國際機場第三跑道供應管道的訂單。

Management Discussion and Analysis 管理層討論及分析

It is expected that there will be promising sales of pipes and fittings in the second half of the year but the sudden third wave outbreak of COVID-19 has impacted our business in varying degrees. Our focus is on running the company well through the current unprecedented situation. The health and well-being of our staff are of paramount importance. We have taken steps to protect our staff as much as possible to reduce the possibility of infection.

For the biomass pellet fuel products segment, the negative impact brought by COVID-19 affected its normal operation in the first half of the year. Despite the efforts spent by the Group on developing this business segment, it has failed to meet the production forecast in the first half of the year. For the six months ended 30 June 2020, property, plant and equipment of the biomass pellet fuel products operation was considered impaired due to the continuous losses suffered and the suspension of the operation. The Group's management estimated the recoverable amount based on the value-in-use of such property, plant and equipment, which is calculated by discounting future cash flow projections. Accordingly, an impairment of HK\$9.5 million was recognised in the interim condensed consolidated income statement for the period.

The Group's selling and distribution costs decreased 17.2% to HK\$8.2 million for the six months ended 30 June 2020 (corresponding period of 2019: HK\$9.9 million), mainly due to the decrease in direct logistic staff costs, promotion expenses and overseas travelling about HK\$2.3 million in tandem with the decrease in sales and the normal business activities. The decrease in expenses was partially offset by the increase in consultancy fee and transportation costs of approximately HK\$0.6 million.

The Group's general and administrative expenses decreased by 4.8% to HK\$ 49.3 million for six months ended 30 June 2020 (corresponding period of 2019: HK\$51.8 million). Such decrease was mainly due to the decrease in staff costs, insurance and various expenses as a result of the Group's continuous cost control improvement.

For the six months ended 30 June 2020, finance income was fairly stable compared to the corresponding period of last year. It was mainly derived from a loan to a related party. During the period under review, finance costs decreased as a result of the decrease in finance costs from lease liabilities under the HKFRS 16 as compared to last year and the decrease 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\$1.5 million (corresponding period of 2019: HK\$0.8 million).

今年下半年預計會有令人鼓舞的管道及管件銷售，但是突然又爆發了2019冠狀病毒的第三波，已在不同程度上影響了我們的業務。我們現專注是在當前前所未有的形勢下經營好公司。我們員工的健康和福祉至為重要。我們已採取措施盡可能保護員工，以減少感染的可能性。

在生物質顆粒燃料產品分部，2019冠狀病毒帶來的負面打擊影響了其上半年的正常運營。儘管本集團為發展該業務分部作出了努力，但上半年的產量未能達到預期。截至二零二零年六月三十日止六個月，由於受到了持續的虧損及營運的暫停，生物質顆粒燃料產品的物業、廠房及設備被視為減值。本集團管理層根據該等物業、廠房及設備的使用價值估計可收回金額，該使用價值是通過折現未來現金流量預測而得出。因此，本期間的中期簡明綜合收益表中確認減值9,500,000港元。

截至二零二零年六月三十日止六個月，本集團的銷售及分銷成本減少17.2%至8,200,000港元（二零一九年同期：9,900,000港元），主要是由於直接物流人員成本、推廣費及出差費用減少約2,300,000港元，與銷售及正常業務活動的減少一致。此等減少的費用部份被增加顧問費及運輸費用約600,000港元所抵銷。

截至二零二零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49,300,000港元（二零一九年同期：51,800,000港元）。此減少的主要原因是由於本集團持續改善成本控制以致員工成本、保險和多項費用的減少。

截至二零二零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連公司的財務收入。於回顧期間，由於採納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較去年減少及實際利率下跌，以致財務成本減少。由於期內財務收入高於費用，我們錄得淨財務收入1,500,000港元（二零一九年同期：800,000港元）。

Management Discussion and Analysis

管理層討論及分析

PROSPECTS

COVID-19 has spread worldwide and continues to linger. It also had a profound impact on the global economy. Amidst the headwinds of economic slowdown, the Group will continue to strengthen the existing core operations on the basis of sound financial position. The Group will continue to undertake a prudent business strategy. We expect that the Hong Kong Government will continue to maintain a steady housing supply in the coming years in order to address strong housing demand and to roll out some local economic stimulus measures. We remain cautiously optimistic about the construction market outlook in Hong Kong.

APPRECIATION

We would like to convey our gratitude to the management and staff of the Group for their dedication and commitment. With concern growing over a new wave of infection, we thank our staff who continue to hold fast to their posts under such challenging situation. 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 2020, the cash and bank balances of the Group were approximately HK\$214.3 million (31 December 2019: HK\$193.7 million) including pledged bank deposits amounting to approximately HK\$36.0 million (31 December 2019: HK\$36.0 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 2020, the Group had aggregate banking facilities of trade finance of approximately HK\$290.7 million (31 December 2019: HK\$290.7 million), of which approximately HK\$48.6 million (31 December 2019: HK\$51.7 million) was utilised. The Group's total borrowings stood at approximately HK\$45.9 million (31 December 2019: HK\$47.4 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 2020 was HK\$45.9 million (31 December 2019: HK\$47.4 million). 20% (31 December 2019: 35%) and 80% (31 December 2019: 65%) of the borrowings were subject to floating and fixed rates respectively.

前景

2019冠狀病毒蔓延全球，仍持續多時，這對全球經濟產生了深遠的影響。處於經濟放緩的不利環境當中，本集團將在穩健的財務狀況的基礎上繼續加強現有的核心業務。本集團將繼續採取審慎的業務策略。我們預期香港政府在未來數年將繼續保持穩定的房屋供應，以應付殷切的房屋需求，並推出一些刺激本地經濟的措施。我們對香港的建築市場前景仍然持謹慎樂觀的態度。

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。由於對新一波感染的憂慮日益增加，我們感謝我們的員工在此嚴峻的情況下仍能堅守崗位。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，感謝他們的持續信任和支持。

流動資金及財務資源分析

於二零二零年六月三十日，本集團之現金及銀行結餘約為214,300,000港元(二零一九年十二月三十一日：193,700,000港元)包括已抵押銀行存款約為36,000,000港元(二零一九年十二月三十一日：36,000,000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。

於二零二零年六月三十日，本集團貿易融資的銀行額度合共約290,700,000港元(二零一九年十二月三十一日：290,700,000港元)，其中已動用之銀行融資額度約48,600,000港元(二零一九年十二月三十一日：51,700,000港元)。本集團的借貸總額約45,900,000港元(二零一九年十二月三十一日：47,400,000港元)，兩個期末之借貸全數將於一年內到期。於二零二零年六月三十日之未償還借貸全數約45,900,000港元(二零一九年十二月三十一日：47,400,000港元)。20%(二零一九年十二月三十一日：35%)及80%(二零一九年十二月三十一日：65%)的借貸分別以浮動及固定利率計息。

The gearing ratio as measured by total bank borrowings to total equity was approximately 8.5% as at 30 June 2020 (31 December 2019: 8.7%). As at 31 December 2019 and 30 June 2020, 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 2020, 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 2019: HK\$36.0 million) and HK\$10.0 million (31 December 2019: 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 2020 (31 December 2019: Nil).

STAFF AND REMUNERATION POLICY

As at 30 June 2020, the Group employed a total of 171 employees (31 December 2019: 169). Total employee benefit expenses for the period ended 30 June 2020 was approximately HK\$30.1 million (2019: HK\$32.5 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.

於二零二零年六月三十日，按借貸總額相對於總權益計算的資產負債比率約為8.5%（二零一九年十二月三十一日：8.7%）。於二零一九年十二月三十一日及二零二零年六月三十日，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，並在需要時作出對沖安排。

資產押記

於二零二零年六月三十日，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（二零一九年十二月三十一日：36,000,000港元）及約10,000,000港元（二零一九年十二月三十一日：10,000,000港元）已抵押予銀行以取得銀行融資額度。

或然負債

於二零二零年六月三十日，本集團並無任何重大或然負債（於二零一九年十二月三十一日：無）。

員工及薪酬政策

於二零二零年六月三十日，本集團共僱用171名員工（二零一九年十二月三十一日：169名）。截至二零二零年六月三十日止期間，員工福利開支共約30,100,000港元（二零一九年：32,500,000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。

Other Information 其他資料

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 2020, 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

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。

於二零二零年六月三十日，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

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	Beneficial owner/Interest of controlled corporation	3,000,000	146,000,000 (Note附註)	149,000,000	11.18%
俞安生	實益擁有人／受控制法團權益				

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.

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。

Save as disclosed above and in the section headed "SHARE OPTION SCHEME" below, as at 30 June 2020, 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.

除上文及下一節的「購股權計劃」所披露者外，於二零二零年六月三十日，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。

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 2020 were as follows:

Name of Director 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 2020 於二零二零年 六月三十日 持有
			Held as at 1 January 2020 於二零二零年 一月一日 持有	Granted and accepted 已授出並 接納	Exercised 已行使	Lapsed 已失效	
Chen Wei Wen ^(Note) 陳偉文 ^(附註)	5/5/2010	0.83	1,000,000	-	-	(1,000,000)	-
			<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>

Note:

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	Period for exercise of the relevant percentage of the options 行使相關購股權百分比之期限
20%	5/11/2010 – 4/5/2020
20%	5/11/2011 – 4/5/2020
20%	5/11/2012 – 4/5/2020
20%	5/11/2013 – 4/5/2020
20%	5/11/2014 – 4/5/2020

All share options granted under the 2004 scheme were lapsed in May 2020. As at 30 June 2020, there was no share available for issue upon exercise of all options which were granted under the 2004 Scheme in aggregate (31 December 2019: 1,000,000 shares), representing 0% of the total number of shares of the Company in issue as at 30 June 2020 (31 December 2019: 0.075%).

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、失效及註銷及於二零二零年六月三十日尚未行使的購股權之詳情如下：

附註：

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：

所有根據二零零四年計劃授出之購股權於二零二零年五月已告失效。於二零二零年六月三十日，根據二零零四年計劃授出之購股權獲悉數行使時並沒有可供發行股份(二零一九年十二月三十一日：1,000,000股)，佔本公司於二零二零年六月三十日之已發行股本0%(二零一九年十二月三十一日：0.075%)。

Other Information 其他資料

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 2020, 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).

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2020, 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 <i>(Note 1附註1)</i>	Beneficial owner 實益擁有人	437,234,620	32.79%
Li Juan <i>(Note 2)</i> 李娟 <i>(附註2)</i>	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 <i>(Note 3附註3)</i>	Beneficial owner 實益擁有人	146,000,000	10.95%

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」）。截至二零二零年六月三十日，本公司並未有根據二零一五年計劃授出購股權。

董事收購股份或債權證的權利

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）的股份或債權證獲益。

主要股東

於二零二零年六月三十日，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

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.

Save as disclosed above, as at 30 June 2020, 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 2020 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.

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。

除上文披露者外，於二零二零年六月三十日，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

截至二零二零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。

Other Information 其他資料

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 2020.

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, 27 August 2020

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二零二零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。

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，二零二零年八月二十七日



冠力國際有限公司
Softpower International Limited