

N&Q

福建諾奇股份有限公司

Fujian Nuoqi Co., Ltd.

*(A Joint Stock Limited Liability Company Incorporated
In The People's Republic of China)*

Stock Code: 1353

(於中華人民共和國註冊成立之股份有限公司)

股份代號: 1353

2020

Interim Report

中期報告



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Xu Haiying (*Chairman*)
Mr. Sit Hon Wing

Non-executive Director

Mr. Han Huiyuan

Independent non-executive Directors

Mr. Chan Ming Sun Jonathan
Mr. Lee Chi Hwa Joshua
Mr. Mak Yiu Tong

AUDIT COMMITTEE

Mr. Chan Ming Sun Jonathan (*Chairman*)
Mr. Lee Chi Hwa Joshua
Mr. Mak Yiu Tong

REMUNERATION COMMITTEE

Mr. Mak Yiu Tong (*Chairman*)
Mr. Lee Chi Hwa Joshua
Mr. Xu Haiying

NOMINATION COMMITTEE

Mr. Mak Yiu Tong (*Chairman*)
Mr. Chan Ming Sun Jonathan
Mr. Xu Haiying

SUPERVISORY COMMITTEE

Ms. Wang Zhiyu (*Chairman*)
Mr. Cheung Wang Lok, Anthony
Mr. Gan Songyan (*Employee Representative*)
(Appointed on 12 June 2020)
Mr. Cai Han Zong (*Employee Representative*)
(Resigned on 12 June 2020)

董事會

執行董事

許海鷹先生 (*董事長*)
薛漢榮先生

非執行董事

韓惠源先生

獨立非執行董事

陳銘樂先生
李智華先生
麥耀棠先生

審核委員會

陳銘樂先生 (*主席*)
李智華先生
麥耀棠先生

薪酬委員會

麥耀棠先生 (*主席*)
李智華先生
許海鷹先生

提名委員會

麥耀棠先生 (*主席*)
陳銘樂先生
許海鷹先生

監事會

王智宇女士 (*主席*)
張宏樂先生
甘松炎先生 (*僱員代表*)
(於二零二零年六月十二日獲委任)
蔡漢忠先生 (*僱員代表*)
(於二零二零年六月十二日辭任)

CORPORATE INFORMATION

公司資料

COMPANY SECRETARY

Mr. Tsui Chun Kit (Appointed on 17 August 2020)
Mr. Leung Ka Kit, *HKICPA* (Resigned on 17 August 2020)

INTERNATIONAL AUDITORS

BDO Limited
Certified Public Accountants

LEGAL ADVISERS AS TO HONG KONG LAW

Chiu & Partners

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 2602, Block 5
Jialong Shangdu, Jitai Road
Economic and Technical Development Zone
Quanzhou

PLACE OF BUSINESS IN HONG KONG

Room 2501–2509, 25/F.
Shui On Centre
6–8 Harbour Road
Wanchai

H SHARE REGISTRAR

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

公司秘書

徐浚傑先生(於二零二零年八月十七日獲委任)
梁家傑先生, *HKICPA* (於二零二零年八月十七日辭任)

國際核數師

香港立信德豪會計師事務所有限公司
執業會計師

有關香港法例之法律顧問

趙不渝馬國強律師事務所

註冊辦事處及中國主要營業地點

泉州
經濟技術開發區
吉泰路嘉龍尚都
5號樓2602室

香港營業地點

灣仔
港灣道6至8號
瑞安中心
25樓2501–2509室

H股證券登記處

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

CORPORATE INFORMATION 公司資料

PRINCIPAL BANKS

China Minsheng Banking Corp., Ltd.
China Construction Bank

COMPANY WEBSITE

www.nuoqi.com.hk

STOCK CODE

1353

主要往來銀行

中國民生銀行股份有限公司
中國建設銀行

公司網站

www.nuoqi.com.hk

股份代號

1353

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Company is a fashion casual wear apparel company in the PRC offering a wide range of fashion casual wear products such as jackets, sweaters, shirts, T-shirts, trousers, shoes and accessories under its own brand, N&Q.

Due to intense market competition in the apparel industry and the fact that the Company has scaled down its operation since the first quarter of 2019, no revenue was generated for the six months ended 30 June 2020. Administrative and other expenses increased to approximately RMB7 million for the six months ended 30 June 2020 from approximately RMB6 million for the corresponding period in 2019, due to the fact that the Company has scaled down its operation since the first quarter of 2019, aiming at minimising the operating cost, and the professional fee of approximately RMB7 million in relation to the new listing application of the Company filed with the Stock Exchange on 9 June 2020. As a result, the Company recorded a loss attributable to the owners of the Company of approximately RMB7 million for the six months ended 30 June 2020 as compared to a loss attributable to the owners of the Company of approximately RMB6 million for the corresponding period in 2019.

VERY SUBSTANTIAL ACQUISITION/REVERSE TAKEOVER

As disclosed in the announcement of the Company dated 4 December 2017 (the “RTO Announcement”), the Company, Zhong Hong Holdings Group Limited (the “Vendor”) and the Vendor’s warrantor (Mr. Hu Yulin, who was interested in approximately 76% of the issued shares of the Vendor as at the date of the RTO Announcement) entered into a sale and purchase agreement on 6 November 2017 in relation to the Company’s acquisition of the entire issued share capital (the “Acquisition”) in Zhong Hong International Limited (the “Target Company”), which is a wholly-owned subsidiary of the Vendor. Pursuant to the sale and purchase agreement, the consideration shall be paid by the Company by allotting and issuing to the Vendor 1,541,878,659 new H Shares, credited as fully paid, at the issue price of HK\$0.6829 per share. Completion of the Acquisition is conditional upon the fulfillment or waiver of a number of conditions precedents, as disclosed in the RTO Announcement.

業務回顧

本公司為一間中國休閒時裝公司，以自建品牌「諾奇 (N&Q)」提供各式休閒時裝產品(如夾克、毛衣、襯衫、T恤、褲子、鞋及配飾等)。

由於服裝行業之市場競爭激烈及本公司自二零一九年第一季度起縮減其營運規模，故截至二零二零年六月三十日止六個月並無產生收入。由於本公司自二零一九年第一季度起縮減其營運規模，旨在減低營運成本，加上本公司於二零二零年六月九日向聯交所提交新上市申請之專業費用約人民幣7,000,000元，故行政及其他開支由截至二零一九年同期約人民幣6,000,000元增至截至二零二零年六月三十日止六個月約人民幣7,000,000元，因此，截至二零二零年六月三十日止六個月，本公司錄得本公司擁有人應佔虧損約為人民幣7,000,000元，截至二零一九年同期則錄得本公司擁有人應佔虧損約人民幣6,000,000元。

非常重大收購事項／反向收購

誠如本公司日期為二零一七年十二月四日之公告(「反向收購公告」)所披露，本公司、中宏控股集團有限公司(「賣方」)與賣方擔保人(胡玉林先生，彼於反向收購公告日期擁有賣方已發行股份約76%權益)於二零一七年十一月六日訂立買賣協議，內容有關本公司收購中宏國際有限公司(「目標公司」，其為賣方之全資附屬公司)之全部已發行股本(「收購事項」)。根據買賣協議，代價須由本公司透過按發行價(每股0.6829港元)向賣方配發及發行1,541,878,659股新H股(入賬列作繳足)之方式支付。誠如反向收購公告所披露，收購事項須待多項先決條件獲達成或豁免後，方告完成。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Target Company and its subsidiaries (the “Target Group”) are principally engaged in the provision of construction services, mainly as a general contractor for residential construction projects, commercial and public works construction projects, and industrial and other construction projects, in the PRC.

As disclosed in the RTO Announcement, the Acquisition constitutes a reverse takeover for the Company under Rule 14.06(6)(a) of the Listing Rules. Accordingly, the Company will be treated as if it were a new listing applicant. The Acquisition is therefore also subject to the approval by the Listing Committee of the Stock Exchange for a new listing application to be made by the Company. The Company filed the new listing application with the Stock Exchange on 9 June 2020.

FINANCIAL REVIEW

Revenue

The Company did not generate any revenue for the six months ended 30 June 2020 as compared to the corresponding period in 2019 of approximately RMB8,000, mainly due to the fact that the Company has scaled down its operation since the first quarter of 2019.

Cost of sales and gross loss

No cost of sales for the six months ended 30 June 2020 was incurred as compared to the corresponding period in 2019 of approximately RMB43,000, as the Company did not generate any revenue for the six months ended 30 June 2020.

No gross loss for the six months ended 30 June 2020 was incurred as compared to the corresponding period in 2019 of approximately RMB35,000. The decrease in gross loss was mainly due to the fact that the Company has scaled down its operation since the first quarter of 2019.

目標公司及其附屬公司(「目標集團」)主要從事提供建築服務，主要於中國擔任住宅建築項目、商業及公共工程建築項目以及工業及其他建築項目之總承建商。

誠如反向收購公告所披露，根據上市規則第14.06(6)(a)條，收購事項構成本公司一項反向收購。因此，本公司將被視作新上市申請人，故收購事項亦須待聯交所上市委員會批准本公司將作出之新上市申請後方可作實。本公司於二零二零年六月九日向聯交所提交新上市申請。

財務回顧

收入

本公司於截至二零二零年六月三十日止六個月並無產生任何收入，而二零一九年同期則約為人民幣8,000元，主要由於本公司自二零一九年第一季度起縮減其營運規模。

銷售成本及毛損

截至二零二零年六月三十日止六個月並無產生銷售成本，而二零一九年同期則約為人民幣43,000元，乃由於本公司於截至二零二零年六月三十日止六個月並無產生任何收入。

截至二零二零年六月三十日止六個月並無產生毛損，而二零一九年同期則約為人民幣35,000元。毛損減少主要由於本公司自二零一九年第一季度起縮減其營運規模。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Administrative and other expenses

Administrative and other expenses for the six months ended 30 June 2020 were approximately RMB7 million, which represented an approximately 17% increase as compared to the corresponding period in 2019 of approximately RMB6 million. Such increase was mainly due to the professional fee of approximately RMB7 million in relation to the new listing application of the Company filed with the Stock Exchange on 9 June 2020 and the fact that the Company has scaled down its operation since the first quarter of 2019.

Loss attributable to owners of the Company

Based on the above, loss attributable to the owners of the Company was approximately RMB7 million for the six months ended 30 June 2020 as compared to loss attributable to the owners of the Company of approximately RMB6 million for the corresponding period in 2019.

Liquidity, financial resources and capital structure

As at 30 June 2020, bank and cash balances of the Company were approximately RMB17 million (as at 31 December 2019: approximately RMB23 million). As at 30 June 2020, the Company had no borrowings (as at 31 December 2019: Nil).

Foreign currency risks

Most of the Company's transactions, assets and liabilities are principally denominated in Renminbi, the functional currency of the Company. Therefore, the Company had minimal exposure to foreign currency risk and hence the Company currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure of the Company from time to time and will consider hedging significant foreign currency exposure should the need arises.

Contingent liabilities and capital commitments

As at 30 June 2020, the Company did not have any significant contingent liabilities and capital commitments (as at 31 December 2019: Nil).

行政及其他開支

截至二零二零年六月三十日止六個月，行政及其他開支約為人民幣7,000,000元，較二零一九年同期約人民幣6,000,000元增加約17%。有關增加主要由於本公司於二零二零年六月九日向聯交所提交新上市申請之專業費用約人民幣7,000,000元及本公司自二零一九年第一季度起縮減其營運規模所致。

本公司擁有人應佔虧損

基於上文所述，截至二零二零年六月三十日止六個月，本公司擁有人應佔虧損約為人民幣7,000,000元，而二零一九年同期則錄得本公司擁有人應佔虧損約人民幣6,000,000元。

流動資金、財務資源及資本結構

於二零二零年六月三十日，本公司之銀行及現金結餘約為人民幣17,000,000元（於二零一九年十二月三十一日：約人民幣23,000,000元）。於二零二零年六月三十日，本公司並無任何借款（於二零一九年十二月三十一日：無）。

外匯風險

本公司大部分交易、資產及負債主要以本公司之功能貨幣人民幣計值。因此，本公司之外匯風險甚微，故本公司目前並無外匯對沖政策。然而，管理層不時監察本公司之外匯風險及將於需要時考慮對沖重大外匯風險。

或然負債及資本承擔

於二零二零年六月三十日，本公司並無任何重大或然負債及資本承擔（於二零一九年十二月三十一日：無）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE PROSPECT

Since the suspension of the trading in shares of the Company (the “Shares”) on the Stock Exchange in July 2014, the Company has been striving to reactivate its business and to fulfill the resumption conditions imposed by the Stock Exchange. As disclosed in its 2017 annual report, the Company would seek to resume the trading of the Shares at the earliest possible time in order to re-establish a fund raising platform to be available for the future expansion of the Company. In light of the various challenges and uncertainties lying ahead in the apparel industry under the current PRC macroeconomic environment, the Board has been continuously exploring different investment opportunities to broaden the income stream of the Company with a view to promote growth in the revenue and profits of the Company, which will be beneficial to the shareholders of the Company. Through the Acquisition, the Company can acquire the well-established business of the Target Group, which is engaged in the construction industry in the PRC and it allows the scope of business of the Company to be expanded and its existing business portfolio to be diversified.

The construction industry in the PRC has experienced rapid growth in the recent years in accordance with the improvement of urbanisation as well as investment in infrastructure in the PRC. In order to accommodate the increasing urban population in cities, there are growing opportunities for building construction projects of both residential and commercial properties. Further, as public facilities and infrastructure are necessary to drive the urbanisation, the Company is optimistic towards the growth potential in the construction industry. The Board is of the view that the growth potential and prospect of the construction industry is expected to be more promising than that of the apparel industry.

The Target Group has an established business which is a valuable asset to be added into the Company’s business as diversification. After the completion of the Acquisition, subject to the condition precedents as disclosed in the RTO Announcement, the Target Group will become wholly-owned subsidiaries of the Company.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2020 (for the six months ended 30 June 2019: Nil).

未來前景

自二零一四年七月本公司股份(「股份」)於聯交所暫停買賣後，本公司一直致力重新開展業務，以符合聯交所施加之復牌條件。誠如二零一七年年報所披露，本公司將尋求股份盡早恢復買賣，以重建可供本公司未來擴展之集資平台。鑑於服裝行業在目前中國宏觀經濟環境下面臨各種挑戰及不確定性，董事會一直探索不同投資機遇以拓寬本公司之收入來源，以促進本公司收入及利潤增長，此將對本公司股東有利。透過收購事項，本公司能夠收購目標集團於中國從事建造業之成熟業務，並可擴大大公司之業務範圍，令其現有業務組合更多元化。

近年來，由於中國城市化進程及投資於基建設施有所增加，中國建造業經歷急速增長。為了適應城市日益增長之都市人口，住宅及商業物業之建築項目機會也越來越多。此外，由於公共設施及基建設施對推動城市化而言屬必要，本公司對建造業之增長潛力感到樂觀。董事會認為，預期建造業之增長潛力及前景優於服裝行業。

目標集團之業務已見規模，為本公司注入一項寶貴資產，從而多元化發展業務。收購事項須待反向收購公告所披露之先決條件獲達成後方告完成，目標集團屆時將成為本公司之全資附屬公司。

中期股息

董事會不建議就截至二零二零年六月三十日止六個月派發中期股息(截至二零一九年六月三十日止六個月：無)。

DISCLOSURE OF INTERESTS

權益披露

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2020, none of the Directors and the Company's chief executive, and their respective associates had any interests in the Shares in and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have been taken under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), or were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO.

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

As at 30 June 2020, so far as the Directors are aware of, the interests or short positions of the persons and corporations in the Shares or underlying Shares which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO were as follow:

董事及主要行政人員於股份及相關股份的權益及淡倉

於二零二零年六月三十日，概無董事及本公司主要行政人員及彼等各自的聯繫人士於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份及相關股份中，擁有根據證券及期貨條例第XV部第7及8分部(包括根據證券及期貨條例之條文彼等被當作或視為擁有的權益及淡倉)或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所，或根據證券及期貨條例第352條須記錄於本公司所存置的登記冊的任何權益。

主要股東於本公司股份及相關股份的權益及淡倉

於二零二零年六月三十日，據董事所悉，有關人士及法團於股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露之權益或淡倉如下：

| Name of shareholder | Nature of interest | Number of Shares held (Note 1) | Type of shares | Approximate percentage of the respective type of shares | Approximate percentage of total issued shares |
|---|---|--------------------------------|--------------------------------------|---|---|
| 股東姓名/名稱 | 權益性質 | 持有股份數目 (附註1) | 股份類型 | 佔各類股份之概約百分比 | 佔已發行股份總數之概約百分比 |
| Hao Tian Investment (China) Company Limited 昊天投資(中國)有限公司 | Beneficial owner 實益擁有人 | 312,068,670 (L) | Domestic Shares (Note 2) 內資股(附註2) | 69.35 | 51.09 |
| Li Shao Yu 李少宇 | Interest in controlled corporation 受控制法團權益 | 312,068,670 (L) | Domestic Shares (Note 2) 內資股(附註2) | 69.35 | 51.09 |
| | Interest in controlled corporation 受控制法團權益 | 53,991,000 (L) | H Shares (Note 3) H股(附註3) | 33.58 | 8.84 |

DISCLOSURE OF INTERESTS

權益披露

| Name of shareholder | Nature of interest | Number of Shares held (Note 1) | Type of shares | Approximate percentage of the respective type of shares | Approximate percentage of total issued shares |
|---|---|--------------------------------|---------------------------------------|---|---|
| 股東姓名／名稱 | 權益性質 | 持有股份數目 (附註1) | 股份類型 | 佔各類股份之概約百分比 | 佔已發行股份總數之概約百分比 |
| Asia Link Capital Investment Holdings Limited 亞聯創富控股有限公司 | Interest in controlled corporation 受控制法團權益 | 312,068,670 (L) | Domestic Shares (Note 2) 內資股 (附註2) | 69.35 | 51.09 |
| | Interest in controlled corporation 受控制法團權益 | 53,991,000 (L) | H Shares (Note 3) H 股 (附註3) | 33.58 | 8.84 |
| Hao Tian Corporation Limited 昊天商貿有限公司 | Beneficial owner 實益擁有人 | 53,991,000 (L) | H Shares (Note 3) H 股 (附註3) | 33.58 | 8.84 |
| Hao Tian Development Group Limited 昊天發展集團有限公司 | Interest in controlled corporation 受控制法團權益 | 53,991,000 (L) | H Shares (Note 3) H 股 (附註3) | 33.58 | 8.84 |
| | Interest in controlled corporation 受控制法團權益 | 312,068,670 (L) | Domestic Shares (Note 2) 內資股 (附註2) | 69.35 | 51.09 |
| Chan Yuk Ming 陳育明 | Beneficial owner/interest in controlled corporation/ founder of a discretionary trust 實益擁有人／受控制法團 權益／全權信託創辦人 | 42,800,000 (L) | H Shares (Note 4) H 股 (附註4) | 26.62 | 7.01 |
| Theme Link Investments Ltd. | Beneficial owner 實益擁有人 | 12,700,000 (L) | H Shares (Note 4) H 股 (附註4) | 7.90 | 2.08 |
| Evisu (PTC) Limited | Trustee 受託人 | 29,400,000 (L) | H Shares (Note 5) H 股 (附註5) | 18.28 | 4.81 |
| Pacific Success Holdings Limited | Interest in controlled corporation 受控制法團權益 | 29,400,000 (L) | H Shares (Note 5) H 股 (附註5) | 18.28 | 4.81 |

DISCLOSURE OF INTERESTS

權益披露

| Name of shareholder | Nature of interest | Number of Shares held (Note 1) | Type of shares | Approximate percentage of the respective type of shares | Approximate percentage of total issued shares |
|--|---|--------------------------------|-------------------------------|---|---|
| 股東姓名／名稱 | 權益性質 | 持有股份數目 (附註1) | 股份類型 | 佔各類股份之概約百分比 | 佔已發行股份總數之概約百分比 |
| Evergreen International Holdings Limited | Interest in controlled corporation 受控制法團權益 | 29,400,000 (L) | H Shares (Note 5) H 股(附註5) | 18.28 | 4.81 |
| Sunsonic Holdings Limited | Interest in controlled corporation 受控制法團權益 | 29,400,000 (L) | H Shares (Note 5) H 股(附註5) | 18.28 | 4.81 |
| Joy Business Investments Limited | Beneficial owner 實益擁有人 | 29,400,000 (L) | H Shares (Note 5) H 股(附註5) | 18.28 | 4.81 |
| Hong Jinjing 洪金京 | Interest in controlled corporation 受控制法團權益 | 17,840,000 (L) | H Shares (Note 6) H 股(附註6) | 11.89 | 2.92 |
| Sky Success Venture Holdings Limited | Beneficial owner 實益擁有人 | 17,840,000 (L) | H Shares (Note 6) H 股(附註6) | 11.89 | 2.92 |

DISCLOSURE OF INTERESTS

權益披露

Notes:

1. The letter "L" denotes a person's or a corporation's long position in the Shares and "S" denotes a person's or a corporation's short position in the Shares.
2. Hao Tian Investment (China) Company Limited was wholly owned by Hao Tian Investment (Hong Kong) Limited, which was in turn wholly owned by Long Xin Holdings Limited, which was in turn wholly owned by Hao Tian Development Group Limited. Hao Tian Development Group Limited was owned by Asia Link Capital Investment Holdings Ltd as to approximately 50.26%. Asia Link Capital Investment Holdings Ltd was wholly owned by Ms. Li Shao Yu.
3. Hao Tian Corporation Limited was wholly owned by Yixin Investments Limited, which was in turn wholly owned by Hao Tian Development Group Limited. Hao Tian Development Group Limited was owned by Asia Link Capital Investment Holdings Ltd as to approximately 50.26%. Asia Link Capital Investment Holdings Ltd was wholly owned by Ms. Li Shao Yu.
4. Of the 42,800,000 H Shares in which Mr. Chan Yuk Ming ("Mr. Chan") was interested or deemed to be interested in, 700,000 H Shares were held by him personally, 12,700,000 H Shares are held by Theme Link Investments Ltd., a company wholly-owned by Mr. Chan, and 29,400,000 H Shares were held by Joy Business Investments Limited, a company wholly-owned by Sunsonic Holdings Limited which is a company indirectly owned by Evisu (PTC) Limited, the trustee of a discretionary trust of which Mr. Chan was a founder (please see Note 5 below).
5. The abovementioned 29,400,000 H Shares were held by Joy Business Investments Limited, a company wholly-owned by Sunsonic Holdings Limited which was in turn wholly-owned by Evergreen International Holdings Limited ("Evergreen"), a company the shares of which are listed on the Hong Kong Stock Exchange under stock code 238. Evergreen was owned as to 51% by Pacific Success Holdings Limited, a company wholly-owned by Evisu (PTC) Limited which was the trustee of a discretionary trust of which Mr. Chan was a founder.
6. Mr. Hong Jinjing holds 42.00% equity interest in registered capital of Sky Success Venture Holdings Limited. Accordingly, Mr. Hong Jinjing is deemed to be interested in the 17,840,000 Shares held by Sky Success Venture Holdings Limited by virtue of SFO.

附註：

1. 字母「L」指有關人士或法團於股份之好倉，而字母「S」指有關人士或法團於股份之淡倉。
2. 昊天投資(中國)有限公司由昊天投資(香港)有限公司全資擁有，而昊天投資(香港)有限公司由龍鑫控股有限公司全資擁有，而龍鑫控股有限公司由昊天發展集團有限公司全資擁有。昊天發展集團有限公司由亞聯創富控股有限公司擁有約50.26%股權。亞聯創富控股有限公司由李少宇女士全資擁有。
3. 昊天商貿有限公司由意新投資有限公司全資擁有，而意新投資有限公司由昊天發展集團有限公司全資擁有。昊天發展集團有限公司由亞聯創富控股有限公司擁有約50.26%權益。亞聯創富控股有限公司由李少宇女士全資擁有。
4. 在陳育明先生(「陳先生」)擁有或被視為擁有權益的42,800,000股H股中，700,000股H股由其個人持有，12,700,000股H股由陳先生全資擁有的公司Theme Link Investments Ltd.持有，29,400,000股H股由Sunsonic Holdings Limited全資擁有的公司Joy Business Investments Limited持有。Sunsonic Holdings Limited由Evisu (PTC) Limited間接擁有，而Evisu (PTC) Limited為陳先生創辦的酌情信託的受託人(請見下文附註5)。
5. 上述29,400,000股H股由Sunsonic Holdings Limited全資擁有的公司Joy Business Investments Limited持有，而Sunsonic Holdings Limited由Evergreen International Holdings Limited(「Evergreen」)全資擁有，Evergreen的股份於香港聯交所上市(股份代號：238)。Evergreen由Pacific Success Holdings Limited擁有51%權益。Pacific Success Holdings Limited由Evisu (PTC) Limited全資擁有，Evisu (PTC) Limited為陳先生創辦的全權信託的受託人。
6. 洪金京先生持有Sky Success Venture Holdings Limited註冊資本中42.00%股權。因此，根據證券及期貨條例，洪金京先生被視為於Sky Success Venture Holdings Limited所持17,840,000股股份中擁有權益。

CORPORATE GOVERNANCE REPORT

企業管治報告

CODE OF CORPORATE GOVERNANCE PRACTICE

The Company has adopted the Corporate Governance Code (the "Code") contained in Appendix 14 to the Listing Rules as its own code of corporate governance. During the six months ended 30 June 2020, the Company has complied with the code provisions under the Code, except for the deviation from the code provision A.2.1.

The position of chief executive officer has been vacant since 21 April 2017

Pursuant to the code provision A.2.1 of the Code, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, the Company does not have a separate chairman and chief executive officer and these two roles were taken up by Mr. Ding Hui. Pursuant to a resolution passed at an extraordinary general meeting convened on 21 April 2017, Mr. Ding Hui was removed as a Director. Since then, Mr. Zhang Aiping, a then executive Director, has been elected as the chairman of the Board. On 27 June 2017, the Board has resolved to appoint Mr. Xu Haiying, an executive Director, as the chairman of the Board. On the other hand, the Board has yet to appoint the chief executive officer of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct for Directors in their dealings in the securities of the Company. Having made specific enquiry by the Company to all Directors, they confirmed that they have complied with the required standard of dealings as set out in the Model Code during the six months ended 30 June 2020.

企業管治常規守則

本公司已採納上市規則附錄14所載的企業管治守則(「守則」)，作為其自身的企業管治守則。於截至二零二零年六月三十日止六個月，本公司已遵從守則項下的守則條文，惟守則條文第A.2.1條的偏離情況除外。

行政總裁一職自二零一七年四月二十一日起一直出缺

根據守則的守則條文第A.2.1條，董事長及行政總裁的職責須予劃分，不應由同一人士擔任。然而，本公司未有區分董事長及行政總裁的職務，此兩項職務曾由丁輝先生擔任。根據於二零一七年四月二十一日召開之股東特別大會上通過的決議案，丁輝先生被罷免董事職務。自此，時任執行董事張愛平先生被選舉為董事長。於二零一七年六月二十七日，董事會已議決委任執行董事許海鷹先生為董事長。此外，董事會尚未委任本公司之行政總裁。

進行證券交易的標準守則

本公司已採納上市規則附錄10所載的上市發行人董事進行證券交易的標準守則(「標準守則」)，作為董事買賣本公司證券時的操守守則。經本公司向全體董事作出具體查詢後，彼等確認，於截至二零二零年六月三十日止六個月，彼等已遵從標準守則所載的買賣規定標準。

CORPORATE GOVERNANCE REPORT

企業管治報告

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company did not purchase, redeem or sell any of the Company's listed securities during the six months ended 30 June 2020.

AUDIT COMMITTEE OF THE COMPANY

The Audit Committee was established with written terms of reference in compliance with the Code. As at the date of this interim report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan (as the chairman of the Audit Committee), Mr. Lee Chi Hwa Joshua and Mr. Mak Yiu Tong. The principal duties of the Audit Committee include the review and supervision of the Company's financial reporting process, risk management and internal control systems, and review of the Company's financial information.

The Audit Committee has reviewed the unaudited interim results and the interim report of the Company for the six months ended 30 June 2020 and agreed to the accounting principles and practices adopted by the Company.

SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 11:25 a.m. on 23 July 2014, and will remain suspended pending the release of further information by the Company.

購買、贖回或出售本公司上市證券

於截至二零二零年六月三十日止六個月內，本公司概無購買、贖回或出售本公司任何上市證券。

本公司審核委員會

本公司已設立其書面職權範圍符合守則之審核委員會。截至本中期報告日期，審核委員會由三名獨立非執行董事組成，分別為陳銘樂先生（審核委員會主席）、李智華先生及麥耀棠先生。審核委員會之主要職責包括審閱及監督本公司之財務申報程序、風險管理及內部監控制度，以及審閱本公司之財務資料。

審核委員會已審閱本公司截至二零二零年六月三十日止六個月之未經審核中期業績及中期報告，並同意本公司採納之會計原則及常規。

暫停買賣

應本公司要求，股份自二零一四年七月二十三日上午十一時二十五分起暫停於聯交所買賣，並將維持暫停買賣以待本公司進一步發放消息。

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明損益及其他全面收益表

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

| | | | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|-------------------------|-------------|----------------|--|--|
| | | | | 2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核) |
| | | Notes 附註 | | | |
| Revenue | 收入 | 4 | – | 8 | |
| Cost of sales | 銷售成本 | | – | (43) | |
| Gross loss | 毛損 | | – | (35) | |
| Other gains | 其他收益 | 5 | 7 | 183 | |
| Selling and distribution expenses | 銷售及分銷開支 | | – | (223) | |
| Administrative and other expenses | 行政及其他開支 | | (7,295) | (5,948) | |
| Loss before tax | 除稅前虧損 | | (7,288) | (6,023) | |
| Income tax | 所得稅 | 6 | – | – | |
| Loss and total comprehensive loss for the period attributable to the owners of the Company | 本公司擁有人應佔期內 虧損及全面虧損總額 | 7 | (7,288) | (6,023) | |
| Loss per share | 每股虧損 | 9 | | | |
| Basic and diluted (RMB per share) | 基本及攤薄(每股人民幣) | | (0.01) | (0.01) | |

CONDENSED STATEMENT OF FINANCIAL POSITION

簡明財務狀況表

At 30 June 2020 於二零二零年六月三十日

| | | | 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 |
|-----------------------------------|---------------|-------------|---|---|
| | | Notes 附註 | RMB'000 人民幣千元 (Unaudited) (未經審核) | RMB'000 人民幣千元 (Audited) (經審核) |
| Current assets | 流動資產 | | | |
| Other receivables and prepayments | 其他應收款項及預付款項 | | 47 | 2,069 |
| Bank and cash balances | 銀行及現金結餘 | | 17,116 | 23,034 |
| | | | 17,163 | 25,103 |
| Current liabilities | 流動負債 | | | |
| Trade payables | 應付貿易款項 | 10 | 632 | 641 |
| Other payables and accruals | 其他應付款項及應計費用 | | 10,575 | 11,126 |
| Amount due to a fellow subsidiary | 應付一間同系附屬公司款項 | | 1,692 | 1,784 |
| | | | 12,899 | 13,551 |
| Net current assets | 流動資產淨額 | | 4,264 | 11,552 |
| NET ASSETS | 資產淨值 | | 4,264 | 11,552 |

CONDENSED STATEMENT OF FINANCIAL POSITION

簡明財務狀況表

At 30 June 2020 於二零二零年六月三十日

| | | 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 |
|-----------------------------|--------------|---|---|
| | | RMB'000 人民幣千元 (Unaudited) (未經審核) | RMB'000 人民幣千元 (Audited) (經審核) |
| Capital and reserves | 資本及儲備 | | |
| Share capital | 股本 | 122,159 | 122,159 |
| Reserves | 儲備 | (117,895) | (110,607) |
| TOTAL EQUITY | 總權益 | 4,264 | 11,552 |

The condensed financial statements on pages 15 to 28 were approved and authorised for issue by the board of directors on 28 August 2020 and are signed on its behalf by:

第15至28頁之簡明財務報表已於二零二零年八月二十八日獲董事會批准及授權刊發，並由以下人士代表董事會簽署：

Xu Haiying
許海鷹
Director
董事

Sit Hon Wing
薛漢榮
Director
董事

CONDENSED STATEMENT OF CHANGES IN EQUITY

簡明權益變動表

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

| | | Share capital 股本 RMB'000 人民幣千元 | Share premium 股份溢價 RMB'000 人民幣千元 | Statutory surplus reserve 法定盈餘儲備 RMB'000 人民幣千元 | Accumulated losses 累計虧損 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|-----------------------|--|--|---|---|---------------------------------|
| At 1 January 2019 (audited) | 於二零一九年一月一日 (經審核) | 122,159 | 320,811 | 22,940 | (424,353) | 41,557 |
| Total comprehensive loss for the period (unaudited) | 期內全面虧損總額 (未經審核) | - | - | - | (6,023) | (6,023) |
| At 30 June 2019 (unaudited) | 於二零一九年六月三十日 (未經審核) | 122,159 | 320,811 | 22,940 | (430,376) | 35,534 |
| At 1 January 2020 (audited) | 於二零二零年一月一日 (經審核) | 122,159 | 320,811 | 22,940 | (454,358) | 11,552 |
| Total comprehensive loss for the period (unaudited) | 期內全面虧損總額 (未經審核) | - | - | - | (7,288) | (7,288) |
| At 30 June 2020 (unaudited) | 於二零二零年六月三十日 (未經審核) | 122,159 | 320,811 | 22,940 | (461,646) | 4,264 |

CONDENSED STATEMENT OF CASH FLOWS

簡明現金流量表

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

| | | Six months ended 30 June | |
|---|------------------|--------------------------|-------------|
| | | 截至六月三十日止六個月 | |
| | | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Net cash used in operating activities | 經營活動所用現金淨額 | (5,826) | (2,825) |
| Net cash generated from investing activities | 投資活動所產生現金淨額 | – | 181 |
| Cash flows from financing activities | 融資活動之現金流量 | | |
| Repayment to a fellow subsidiary | 向一間同系附屬公司還款 | (92) | – |
| Loan from a shareholder | 股東貸款 | – | 1,825 |
| Repayment of borrowings | 償還借款 | – | – |
| Other financing cash flows | 其他融資現金流量 | – | 675 |
| Net cash (used in)/generated from financing activities | 融資活動(所用)/所產生現金淨額 | (92) | 2,500 |
| Net decrease in cash and cash equivalents | 現金及現金等價物淨減少 | (5,918) | (144) |
| Cash and cash equivalents at beginning of the period | 期初之現金及現金等價物 | 23,034 | 488 |
| Cash and cash equivalents at end of the period | 期末之現金及現金等價物 | 17,116 | 344 |
| Analysis of cash and cash equivalents | 現金及現金等價物分析 | | |
| Bank and cash balances | 銀行及現金結餘 | 17,116 | 344 |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

1. GENERAL INFORMATION

The Company was incorporated in the People's Republic of China (the "PRC") on 14 October 2004 as a domestic company with limited liability under the name of Quanzhou City Nuoqi Fashion Chain Sales Co., Ltd. (泉州市諾奇時裝連鎖銷售有限公司). On 22 January 2008, the Company was renamed Fujian Nuoqi Co., Ltd. (福建諾奇股份有限公司) and transformed into a joint stock company with limited liability. The Company's registered office is located at No. 55 Chongwen Road, Economic and Technical Development Zone, Quanzhou, Fujian Province, the PRC.

The principal activities of the Company are investment holding and retailing casual apparels. There were no significant changes in the nature of the Company's principal activities during the period.

The Company's ordinary shares (the "H Shares") that are approved for listing and trading on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") were listed on the Stock Exchange on 9 January 2014 and have been suspended for trading since 23 July 2014. Since 5 September 2016, the Company has become a subsidiary of Hao Tian Development Group Limited, whose shares are listed on the Stock Exchange (stock code: 474).

Suspension of trading in shares of the Company

The trading of the shares of the Company on the Stock Exchange has been suspended due to the unauthorised acts discovered of Mr. Ding Hui, the former Chairman, the former chief executive officer and executive Director. Reference is made to the Company's announcement dated 23 July 2014.

1. 一般資料

本公司於二零零四年十月十四日以泉州市諾奇時裝連鎖銷售有限公司的名義在中華人民共和國(「中國」)註冊成立為本地有限公司。於二零零八年一月二十二日，本公司更名為福建諾奇股份有限公司，並轉型為股份有限公司。本公司的註冊辦事處位於中國福建省泉州經濟技術開發區崇文路55號。

本公司的主營業務為投資控股及休閒服飾零售業務。本公司的主營業務性質於期內概無重大變動。

本公司獲香港聯合交易所有限公司(「聯交所」)批准上市及買賣的普通股(「H股」)於二零一四年一月九日於聯交所上市及自二零一四年七月二十三日起暫停買賣。自二零一六年九月五日起，本公司已成為昊天發展集團有限公司(其股份於聯交所上市，股份代號：474)之附屬公司。

本公司股份暫停買賣

由於發現前董事長、前行政總裁兼執行董事丁輝先生多項未經授權行為，故本公司股份已於聯交所暫停買賣。茲提述本公司日期為二零一四年七月二十三日之公告。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

1. GENERAL INFORMATION (Continued)

Suspension of trading in shares of the Company (Continued)

Reference to the Company's announcement date 4 December 2017, the Company and Zhong Hong Holdings Group Limited (the "Vendor") entered into the sale and purchase agreement in relation to the acquisition of the entire issued share capital in Zhong Hong International Limited, with consideration of HK\$1,053,024,128 on 6 November 2017. The consideration shall be paid by the Company by allotting and issuing to Vendor 1,541,878,659 new H shares (the "Acquisition").

Reference to the Company's announcement dated 31 March 2020, the Company and RaffAello Capital Limited, the replacement sponsor, have entered into a sponsor mandate on 23 March 2020 in relation to the Acquisition.

The Acquisition constitutes a reverse takeover for the Company under Rule 14.06(6)(a) of the Listing Rules. Accordingly, the Company will be treated as if it were a new listing applicant. The Acquisition is therefore also subject to the approval by the Listing Committee of the Stock Exchange of a new listing application to be made by the Company. The Company filed the new listing application with the Stock Exchange on 9 June 2020.

2. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

These condensed financial statements should be read in conjunction with the 2019 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2019.

1. 一般資料(續)

本公司股份暫停買賣(續)

茲提述本公司日期為二零一七年十二月四日之公告。本公司與中宏控股集團有限公司(「賣方」)於二零一七年十一月六日訂立買賣協議，內容有關本公司收購中宏國際有限公司之全部已發行股本，代價為1,053,024,128港元，須由本公司透過向賣方配發及發行1,541,878,659股新H股之方式支付(「收購事項」)。

茲提述本公司日期為二零二零年三月三十一日之公告，本公司與替任保薦人RaffAello Capital Limited已於二零二零年三月二十三日就收購事項訂立保薦人授權。

根據上市規則第14.06(6)(a)條，收購事項構成本公司一項反向收購。因此，本公司將被視作新上市申請人，故收購事項亦須待聯交所上市委員會批准本公司將作出之新上市申請方可作實。本公司於二零二零年六月九日向聯交所提交新上市申請。

2. 編製基準

簡明財務報表乃根據國際會計準則理事會頒佈之國際會計準則第34號「中期財務報告」及聯交所證券上市規則(「上市規則」)之適用披露規定編製。

簡明財務報表應與二零一九年全年財務報表一併閱讀。編製簡明財務報表所用會計政策及計算方法與截至二零一九年十二月三十一日止年度之全年財務報表所用者一致。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Company has adopted all the new and revised International Financial Reporting Standards (the “IFRSs”) issued by the International Accounting Standards Board that are relevant to its operations and effective for its accounting year beginning on 1 January 2020. IFRSs comprise International Financial Reporting Standards; International Accounting Standards (the “IAS”); and Interpretations, except for the changes in accounting policies due to the revised IFRSs and IASs as described below. The adoption of these new and revised IFRSs did not result in significant changes to the Company’s accounting policies, presentation of the Company’s financial statements and amounts reported for the current period and prior years.

The Company has adopted the following revised IFRSs and IASs for the first time for the current period’s financial information:

| | | Effective for annual periods beginning on or after |
|--|-----------------------------------|--|
| Amendments to IFRS 3 | Definition of a Business | 1 January 2020 |
| Amendments to IFRS 7, IFRS 9 and IAS 39 | Interest Rate Benchmark Reform | 1 January 2020 |
| Amendments to IAS 1 and IAS 8 | Definition of Material | 1 January 2020 |
| Conceptual Framework for Financial Reporting (Revised) | | 1 January 2020 |
| Amendments to IFRS 16 | Covid-19-Related Rent Concessions | 1 June 2020 |

3. 應用新訂及經修訂國際財務報告準則

本公司於本期間已採納國際會計準則理事會頒佈的與其經營業務有關並於二零二零年一月一日開始之會計年度生效之所有新訂及經修訂國際財務報告準則(「國際財務報告準則」)。國際財務報告準則包括國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋，惟下文所述因經修訂國際財務報告準則及國際會計準則而引致之會計政策變動除外。採納此等新訂及經修訂國際財務報告準則並無令本公司之會計政策、本公司財務報表之呈列方式及本期間與過往年度呈報之金額出現重大變動。

本公司已就本期間之財務資料首次採納下列經修訂國際財務報告準則及國際會計準則：

| | | 於以下日期 或之後開始之 年度期間生效 |
|---------------------------------------|-----------------|---------------------------|
| 國際財務報告準則第3號之修訂 | 業務之定義 | 二零二零年一月一日 |
| 國際財務報告準則第7號、國際財務報告準則第9號及國際會計準則第39號之修訂 | 利率基準改革 | 二零二零年一月一日 |
| 國際會計準則第1號及國際會計準則第8號之修訂 | 重大之定義 | 二零二零年一月一日 |
| 財務報告概念框架(經修訂) | | 二零二零年一月一日 |
| 國際財務報告準則第16號之修訂 | Covid-19 相關租金優惠 | 二零二零年六月一日 |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IFRS 3: Definition of a Business

The amendments clarify that a business must include, as a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs, together with providing extensive guidance on what is meant by a “substantive process”.

Additionally, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs, whilst narrowing the definition of “outputs” and a “business” to focus on returns from selling goods and services to customers, rather than on cost reductions.

An optional concentration test has also been added that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments clarify the definition and explanation of “material”, aligning the definition across all IFRSs and the Conceptual Framework, and incorporating supporting requirements in IAS 1 into the definition.

3. 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第3號之修訂：業務之定義

有關修訂澄清一項業務必須包括至少一項投入及一個實質過程，有關過程對創造產出之能力有重大貢獻，並就「實質過程」之解釋提供廣泛指引。

此外，有關修訂刪除市場參與者是否有能力取代任何缺失之投入或過程及持續產出之評估，同時收窄「產出」及「業務」之定義，將重點放在向客戶提供之商品及服務，而非成本縮減。

有關修訂加入選擇性集中測試，允許簡化評估所收購一組活動及資產是否並非一項業務。

國際財務報告準則第7號、國際財務報告準則第9號及國際會計準則第39號之修訂：利率基準改革

有關修訂修改若干特定對沖會計規定，以減輕利率基準改革所帶來不確定因素之潛在影響。此外，有關修訂要求公司向投資者提供有關直接受該等不確定因素影響之對沖關係之額外資料。

國際會計準則第1號及國際會計準則第8號之修訂：重大之定義

有關修訂澄清「重大」之定義及解釋，統一所有國際財務報告準則及概念框架之定義，並將國際會計準則第1號之承載規定納入定義。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Conceptual Framework for Financial Reporting (Revised)

The revised Framework is not a Standard nor an Accounting Guideline. It does not override any Standard, any requirement in a Standard or Accounting Guideline. The revised Framework includes: new chapters on measurement and reporting financial performance; new guidance on derecognition of assets and liabilities; updated definitions of asset and liability; and clarifications in the roles of stewardship, prudence and measurement uncertainty in financial reporting.

Amendments to IFRS 16: Covid-19-Related Rent Concessions

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) The reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) There is no substantive change to other terms and conditions of the lease.

3. 應用新訂及經修訂國際財務報告準則 (續)

財務報告概念框架(經修訂)

經修訂框架並非準則，亦非會計指引。其並無凌駕任何準則、準則之任何規定或會計指引。經修訂框架包括：計量及呈報財務表現之新章節；終止確認資產及負債之新指引；資產及負債之定義更新；及釐清財務報告過程中財產管理、審慎及不確定性計量功能。

國際財務報告準則第16號之修訂： Covid-19相關租金優惠

自二零二零年六月一日起，國際財務報告準則第16號已獲修訂，以就因COVID-19疫情直接引致並符合以下條件之租金優惠之承租人會計處理提供可行權宜方法：

- (a) 租賃付款之變動使租賃代價有所修訂，而經修訂之代價與緊接變動前之租賃代價大致相同，或少於緊接變動前之租賃代價；
- (b) 租賃付款之任何減幅僅影響原到期日為二零二一年六月三十日或之前之付款；及
- (c) 租賃之其他條款及條件並無實質變動。

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簡明財務報表附註

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IFRS 16: Covid-19-Related Rent Concessions (Continued)

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

The Company has elected to utilise the practical expedient for all rent concessions that meet the criteria. The practical expedient has been applied retrospectively, meaning it has been applied to all rent concessions that satisfy the criteria, which in the case of the Company, occurred from January 2020 to February 2020.

Accounting for the rent concessions as lease modifications would have resulted in the Company remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Company is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

3. 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第16號之修訂： Covid-19相關租金優惠 (續)

符合此等條件之租金優惠可根據可行權宜方法入賬，即承租人無需評估租金優惠是否符合租賃修改之定義。承租人應用國際財務報告準則第16號之其他規定將優惠入賬。

本公司選擇對所有符合條件之租金優惠使用可行權宜方法。可行權宜方法已追溯應用，就本公司而言，即意味著已應用於二零二零年一月至二零二零年二月期間符合條件之所有租金優惠。

將租金優惠作為租賃修訂進行會計處理，將導致本公司使用經修訂折現率對租賃負債重新計量，以反映經修訂代價，並將租賃負債之變動影響入賬為使用權資產。透過應用可行權宜方法，本公司毋需釐定經修訂折現率，而租賃負債變動之影響於發生觸發租金優惠之事件或條件之期間反映於損益中。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

The Company has not applied the new and revised IFRSs that have been issued but are not yet effective.

The Company has already commenced an assessment of the impact of these new and revised IFRSs but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

4. REVENUE

The Company's primary operating segment was the retailing of men's and women's casual apparels.

5. OTHER GAINS

3. 應用新訂及經修訂國際財務報告準則 (續)

本公司並未採用已頒佈但尚未生效之新訂及經修訂國際財務報告準則。

本公司已開始評估該等新訂及經修訂國際財務報告準則之影響，惟暫未能說明該等新訂及經修訂國際財務報告準則會否對其經營業績及財務狀況構成重大影響。

4. 收入

本公司的主要經營分部是男女裝休閒服飾零售業務。

5. 其他收益

Six months ended 30 June

截至六月三十日止六個月

| 2020 | 2019 |
|-------------|-------------|
| 二零二零年 | 二零一九年 |
| RMB'000 | RMB'000 |
| 人民幣千元 | 人民幣千元 |
| (Unaudited) | (Unaudited) |
| (未經審核) | (未經審核) |

| | | | |
|--|---------------|---|-----|
| Government grant | 政府補貼 | 2 | - |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備之收益 | - | 77 |
| Reversal of impairment losses on trade receivables | 應收貿易款項減值虧損撥回 | - | 106 |
| Others | 其他 | 5 | - |
| | | 7 | 183 |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

6. INCOME TAX

No provision for PRC enterprise income tax has been made for the six months ended 30 June 2020 as the Company did not generate any assessable profits arising from the PRC during the period.

6. 所得稅

由於本公司於截至二零二零年六月三十日止六個月並無自中國產生任何應課稅溢利，故並無就該期間之中國企業所得稅計提撥備。

7. LOSS FOR THE PERIOD

The Company's loss for the period is stated after charging/ (crediting) the following:

7. 期內虧損

本公司之期內虧損乃經扣除/(計入)下列各項後達致：

| | | Six months ended 30 June | |
|--|---------------|--------------------------|-------------|
| | | 截至六月三十日止六個月 | |
| | | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Cost of inventories sold | 已售存貨成本 | - | 43 |
| Depreciation | 折舊 | - | 1,827 |
| Amortisation of prepaid land lease payments | 預付土地租賃款項攤銷 | - | 78 |
| Staff costs (including directors' remuneration): | 員工成本(包括董事酬金)： | | |
| Salaries, bonus and allowances | 薪金、花紅及津貼 | 432 | 1,280 |
| Retirement benefits scheme contributions | 退休福利計劃供款 | 31 | 70 |
| | | 463 | 1,350 |
| Professional fee | 專業費用 | 6,623 | 354 |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備之收益 | - | (77) |
| Reversal of impairment losses on trade receivables | 應收貿易款項減值虧損撥回 | - | (106) |

8. DIVIDENDS

The Directors do not recommend or declare the payment of an interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

8. 股息

董事不建議就截至二零二零年六月三十日止六個月派發或宣派任何中期股息(截至二零一九年六月三十日止六個月：無)。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

9. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the six months ended 30 June 2020 of approximately RMB7,288,000 (2019: loss for the period of approximately RMB6,023,000) and the weighted average number of ordinary shares of 610,794,000 (2019: 610,794,000) in issue during the six months ended 30 June 2020.

Diluted loss per share

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary shares for the six months ended 30 June 2020 and 2019.

10. TRADE PAYABLES

| | 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核) |
|----------------|--|---|
| Trade payables | 632 | 641 |

The trade payables are non-interest-bearing and are normally settled on one month's term. The ageing of the trade payable based on the invoice date as at 30 June 2020 was over 1 year (31 December 2019: over 1 year).

11. APPROVAL OF THE CONDENSED FINANCIAL STATEMENTS

The condensed financial statements were approved and authorised for issue by the Board on 28 August 2020.

9. 每股虧損

每股基本虧損

本公司擁有人應佔每股基本虧損乃根據截至二零二零年六月三十日止六個月之虧損約人民幣7,288,000元(二零一九年：期內虧損約人民幣6,023,000元)及截至二零二零年六月三十日止六個月之已發行普通股之加權平均數610,794,000股(二零一九年：610,794,000股)計算。

每股攤薄虧損

由於截至二零二零年及二零一九年六月三十日止六個月本公司並無任何攤薄潛在普通股，故並無呈列每股攤薄虧損。

10. 應付貿易款項

應付貿易款項為不計息，一般於一個月的期限內結算。應付貿易款項之賬齡根據於二零二零年六月三十日之發票日期呈列為超過1年(二零一九年十二月三十一日：超過1年)。

11. 批准簡明財務報表

簡明財務報表已於二零二零年八月二十八日經董事會批准並授權刊發。

APPENDIX I



Room 1606, 16th Floor
Tower 2, Admiralty Centre
18 Harcourt Road
Admiralty
Hong Kong

24 September 2020

The Board of Directors
Fujian Nuoqi Co., Ltd.

Dear Sirs,

We refer to the announcement of Fujian Nuoqi Co., Ltd. (the “**Company**”) dated 29 June 2020 (the “**Announcement**”) in relation to, among others, the reverse takeover involving a new listing application of the Company. Set out in the section headed “**New Listing Application**” of the Announcement were (i) the unaudited profit before taxation of Zhong Hong International Limited (the “**Target Company**”) and its subsidiaries (collectively referred to as the “**Target Group**”) for the years ended 31 December 2017, 2018 and 2019; (ii) the unaudited total comprehensive income and profit for the year attributable to owners of the Target Group for the years ended 31 December 2017, 2018 and 2019; and (iii) the unaudited net asset value of the Target Group as at 31 December 2019 (collectively the “**Unaudited Financial Information**”).

Under Rule 10 of the Codes on Takeovers and Mergers and Share Buy-backs (the “**Takeovers Code**”), the Unaudited Financial Information constitutes a profit forecast and should be reported on by the relevant financial adviser and auditors or reporting accountants in accordance with Note 1(c) to Rules 10.1 and 10.2 of the Takeovers Code. Under Practice Note 2 of the Takeovers Code and in accordance with Rule 10.4 of the Takeovers Code, this letter is required to be included in the Company’s next document to be sent to the shareholders of the Company.

The Unaudited Financial Information has been compiled by the directors of the Company based on the unaudited consolidated management accounts of the Target Group for the years ended 31 December 2017, 2018 and 2019 (the “**Unaudited Management Accounts**”), which were prepared by the director of the Target Company and form the key bases upon which the Unaudited Financial information have been compiled. The Unaudited Financial Information was prepared on a basis consistent with the accounting policies adopted by the Company as set out in the audited financial statements of the Company for the year ended 31 December 2019.

We have reviewed the Unaudited Financial Information and the Unaudited Management Accounts and discussed with the directors of the Company and the Target Company the bases and the adopted accounting policies upon which the Unaudited Financial Information was prepared. We have also considered the letter dated 24 September 2020 addressed to you from BDO Limited (the “**BDO Letter**”), the text of which is included in Appendix II. As stated in the BDO Letter, BDO Limited expresses the view that, so far as the accounting policies and calculations are concerned, the Unaudited Financial Information has been properly compiled in accordance with the bases adopted by the directors of the Company as set out under the paragraph headed “Directors’ responsibilities for the Unaudited Financial Information” of the BDO Letter, and has also been prepared on a basis

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consistent, in all material respects, with the accounting policies adopted by the Company as set out in the audited financial statements of the Company for the year ended 31 December 2019. Based on the work performed, we are not aware of any of the bases of the Unaudited Financial Information which appear to be unrealistic or omitted which appear to be important.

Based on the above, we are satisfied that the Unaudited Financial Information, for which the directors of the Company are solely responsible, have been compiled by the directors of the Company (based on the Unaudited Management Accounts prepared by the director of the Target Company) with due care and consideration.

This letter is provided to the Company solely for the purpose of complying with Note 1(c) to Rules 10.1 and 10.2 and Rule 10.4 of the Takeovers Code and for no other purpose. We have given and not withdrawn our consent to the publication of this letter and references to our name and logo in the form and context in which they appear. We do not accept any responsibility to any person(s), other than the Company, in respect of, arising out of, or in connection with this letter. Save for its inclusion in Appendix I, this letter is not to be quoted or referred to, in whole or in part, nor shall it be used for any other purposes, without our prior written consent.

Yours faithfully,
For and on behalf of
Messis Capital Limited

Thomas Lai **Wallace Cheung**
Chief Executive Director *Director*

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INDEPENDENT ASSURANCE REPORT ON THE UNAUDITED FINANCIAL INFORMATION

To the Board of Directors of Fujian Nuoqi Co., Ltd.

We have performed our work on the principal accounting policies adopted and the calculations used in the preparation of the unaudited net assets of Zhong Hong International Limited (the “**Target Company**”) and its subsidiaries (collectively referred to as the “**Target Group**”) as at 31 December 2019, the unaudited profit before taxation and unaudited total comprehensive income and profit attributable to owners of the Target Group for the years ended 31 December 2017, 31 December 2018 and 31 December 2019 as set out under section headed “New Listing Application” (the “**Unaudited Financial Information**”), in the announcement in connection with an update of the affairs of the Company dated 29 June 2020 (the “**Announcement**”) of Fujian Nuoqi Co., Ltd. (the “**Company**”), for which the directors of the Company (the “**Directors**”) are solely responsible. We understand the Unaudited Financial Information is required to be reported on under Rule 10 of the Code on Takeovers and Mergers. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcement.

Directors’ Responsibilities for the Unaudited Financial Information

The Unaudited Financial Information has been compiled by the Directors based on the unaudited consolidated management accounts of the Target Group prepared by the directors of the Target Company. The Unaudited Financial Information was prepared on a basis consistent with the accounting policies adopted by the Company as set out in the audited financial statements of the Company for the year ended 31 December 2019. The Directors’ responsibilities include designing, implementing and maintaining internal controls relevant to the selection and application of appropriate accounting policies and the accurate calculations in the preparation of the Unaudited Financial Information that is free from material misstatement; applying appropriate accounting policies adopted by the Company as set out in the audited financial statements of the Company for the year ended 31 December 2019; and making estimates that are reasonable in the circumstances.

The Directors are solely responsible for the compilation of the Unaudited Financial Information.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Our Responsibilities

It is our responsibility to report, as required by Rule 10 of the Code on Takeovers and Mergers, on whether, so far as the accounting policies and calculations are concerned, the Unaudited Financial Information has been properly compiled in accordance with the bases adopted by the Directors as set out under the paragraph headed "Directors' responsibilities for the Unaudited Financial Information" of this report above and has also been properly compiled on a basis consistent, in all material respects, with the accounting policies adopted by the Company, as set out in the audited financial statements of the Company for the year ended 31 December 2019.

We conducted our work in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" ("**HKSAE 3000 (Revised)**") issued by the HKICPA.

Our work consisted primarily of procedures such as (a) obtaining an understanding of the basis of preparation and the principal accounting policies adopted for compiling the Unaudited Financial Information through inquires primarily of persons responsible for financial and accounting matters, (b) obtaining an understanding of the internal controls relevant to the selection and application of appropriate accounting policies and the accurate calculations in the preparation of the Unaudited Financial Information, (c) comparing the principal accounting policies adopted in the preparation of the Unaudited Financial Information with those adopted by the Company as set out in the audited financial statements of the Company for the year ended 31 December 2019, (d) checking solely the arithmetical calculations and the compilation of the Unaudited Financial Information, and such other procedures that we considered necessary in the circumstances in accordance with HKSAE 3000 (Revised).

Our work would not enable us to, and we do not, provide any assurance on the design or operational effectiveness of internal control relating to preparation of the Unaudited Financial Information.

Our reasonable assurance engagement does not constitute an audit or review conducted in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA. Accordingly, we do not express an audit or review opinion on the Unaudited Financial Information.

Conclusion

In our opinion, based on the foregoing, so far as the accounting policies and calculations are concerned, the Unaudited Financial Information has been properly compiled in accordance with the bases adopted by the Directors as set out under the paragraph headed "Directors' responsibilities for the Unaudited Financial Information" of this report above and has also been prepared on a basis consistent, in all material respects, with the accounting policies adopted by the Company as set out in the audited financial statements of the Company for the year ended 31 December 2019.

BDO Limited

Certified Public Accountants

Hong Kong

24 September 2020



N&Q

福建諾奇股份有限公司

Fujian Nuoqi Co., Ltd.