



華耐控股有限公司
SINOREF HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
Stock Code 股份代號: 1020



Interim Report

2016

中期報告



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Corporate Information 公司資料

EXECUTIVE DIRECTORS

Mr. Xu Yejun
Mr. Sin Kwok Wai Ronald

NON-EXECUTIVE DIRECTORS

Mr. Chow Chi Wa
Ms. Yip Sum Yu

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cao Ke
Mr. Tong Yiu On
Mr. Li Yik Sang

CHIEF EXECUTIVE OFFICER

Mr. Lu Yongchao

COMPANY SECRETARY

Mr. Sin Kwok Wai Ronald

AUTHORISED REPRESENTATIVES

Mr. Sin Kwok Wai Ronald
Ms. Yip Sum Yu

AUDIT COMMITTEE

Mr. Tong Yiu On (*Chairman*)
Mr. Cao Ke
Mr. Li Yik Sang

REMUNERATION COMMITTEE

Mr. Cao Ke (*Chairman*)
Mr. Xu Yejun
Mr. Tong Yiu On
Mr. Li Yik Sang

NOMINATION COMMITTEE

Mr. Xu Yejun (*Chairman*)
Mr. Cao Ke
Mr. Tong Yiu On
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冼國威先生

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周志華先生
葉芯瑜女士

獨立非執行董事

曹克先生
唐耀安先生
李奕生先生

行政總裁

呂永超先生

公司秘書

冼國威先生

授權代表

冼國威先生
葉芯瑜女士

審核委員會

唐耀安先生 (*主席*)
曹克先生
李奕生先生

薪酬委員會

曹克先生 (*主席*)
徐葉君先生
唐耀安先生
李奕生先生

提名委員會

徐葉君先生 (*主席*)
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LEGAL ADVISERS

Chiu & Partners
Tang Tso & Lau

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
China Citic Bank International Limited
Hang Seng Bank

COMPANY WEBSITE

www.sinoref.com.hk

STOCK CODE

Stock Exchange of Hong Kong: 1020

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核數師

開元信德會計師事務所有限公司

法律顧問

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鄧曹劉律師行

主要往來銀行

香港上海滙豐銀行有限公司
中信銀行(國際)有限公司
恒生銀行

公司網址

www.sinoref.com.hk

股份代號

香港聯交所：1020

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board (“Board”) of directors (“Directors”) of Sinoref Holdings Limited (“Sinoref” or the “Company”, together with its subsidiaries, the “Group”), I am pleased to present the interim results of the Group for the six months ended 30 June 2016.

During the period under review, the Group's total turnover was approximately RMB181.2 million, and the total revenue from the overseas markets surged to approximately RMB103 million with the main sources generated from the e-commerce subsidiary business. The Group recorded a loss of approximately RMB55.6 million and had made an investment of approximately RMB13.5 million in the product research and development; and the steel flow product manufacturing plant in PRC continued as an officially certified “High-tech Enterprise” under the Sinoref name and could enjoy a preferential tax rate of 15%.

China's steel industry has improved its profitability in the first seven months of 2016, due to the rising in steel prices. The Complex Steel Price Index released by the China Iron and Steel Association hit 67.83 at the end of June 2016, up 11.46 points on the beginning of the year 2016. In the first half year (H1) of 2016, China's major steel companies saw a profit turnaround, but the pressure of cutting overcapacity in the sector remains. The nation's top economic regulator said that China's efforts to curb industrial overcapacity would not be derailed by the recent surge in domestic steel prices. According to a statement released by the State Council of the China's Cabinet, the market mechanism should be used to advance capacity reduction, which is a major task in the country's supply-side structural reform drive. The State Council has urged to deepen and accelerate systematic reforms, so as to encourage social investment and strengthen the “weak links” of the national economy, such as health, education, water and public works etc.

China government plans to cut steel capacity by about 10 percent, at as much as 150 million tons (Mt) of steel in the next few years, with billions of dollar (yuan) set aside to help the displaced workers. And in the first seven months of 2016, China only achieved 47 percent of its annual reduction target for the steel sector. Meanwhile, our steel flow control product plant has strived better to increase its procurement and production efficiency to face the market situation and changes as that in the steel industry. We aim to optimize the revenue of the plant continuously with effectively controlled production and better client relationship.

各位股東：

本人謹代表華耐控股有限公司（「華耐」或「本公司」，連同其附屬公司合稱「本集團」）董事（「董事」）會（「董事會」），欣然提呈本集團截至二零一六年六月三十日止六個月的中期業績。

於回顧期內，本集團的總營業額約為人民幣18,120萬元，來自海外市場的總收入飆升至約人民幣10,300萬元，當中主要來源乃產生自電子商業附屬公司業務。本集團錄得虧損約人民幣5,560萬元，並已就產品研發投資約人民幣1,350萬元；而中國的鋼水控流產品製造廠繼續以華耐名義受官方認可為「高新技術企業」，可享15%的優惠稅率繳稅。

由於鋼材價格不斷上升，中國鋼材業的盈利能力於二零一六年首七個月有所改善。中國鋼鐵工業協會發佈的鋼材綜合價格指數於二零一六年六月底達到67.83，較二零一六年年初上升11.46點。於二零一六年上半年，中國的主要鋼材公司均扭虧為盈，惟業界仍然面臨削減過剩產能的壓力。國家最高經濟監管機構表示，中國致力遏止產業產能過剩將不會因近期國內鋼材價格飆升而偏離軌道。根據中國國務院發出的聲明，應使用市場機制推動削減產能，而這更為推動國家供應端結構性改革的主要任務。國務院已促請深化及加快系統性改革，從而鼓勵社會投資及加強國家經濟的「薄弱環節」，如保健、教育、水及公共工程等。

中國政府計劃於未來數年削減鋼材產能約10%，即高達15,000萬噸鋼材，並已預留人民幣數十億元協助遭取代的工人。此外，於二零一六年首七個月，中國僅就鋼鐵業達致其年度削減目標的47%。同時，我們的鋼水控流產品廠房已更為盡力提高採購及生產效率，以應對鋼材行業的市場環境及變動。我們希望藉有效控制生產及改善客戶關係持續優化廠房收入。

Under the provisions of the Hong Kong Money Lenders Ordinance, our money lending subsidiary provides mortgage loans and secured financing in the market. With the collaterals of the properties in Hong Kong provided by the customers and considering the relatively short term nature of the advances, the risks involved in the advances to the customers of the money lending business are relatively low, and the subsidiary company expects to develop more business on high net worth customers and expand customer portfolio through referrals. As in H1 you would notice from our announcement on 8 March 2016, that we had granted a secured first mortgage loan of HK\$110 million to an independent third party for a term of twelve months.

Our information technology (IT) and e-commerce subsidiary enterprise has steadily achieved a high growth in e-commerce sales through its own online sales platforms. As e-commerce purchases are swift and convenient, and transactions can be made anytime that they allow people to buy products at times of the day or week that suit them. During the period under review, our IT subsidiary enterprise has increased its IT-enhanced solution sales business and also provided management sales for clients with its Multi marketplace management and sales platforms. On 22 June 2016 we made an announcement of this subsidiary's profit guarantee for the financial year ended 31 March 2016, with reference to the circular dated 15 September 2015 about the acquisition of the entire e-commerce enterprise by our holding company.

Moving forward, our Group expects a steady and greater organic growth and we will exercise due caution to face the challenges ahead. With our strategy to diversify efforts towards the more profitable businesses, we believe our Group will make use our strength in the different industry markets in the foreseeable future and reward shareholders with better results. Besides, we will review from time to time on potential business opportunities and investment, so as to diversify business growths and revenue streams.

Lastly, on behalf of the Board, I would like to take this opportunity to express our sincere gratitude to our staff for their dedication in the adverse and challenging environment, as well as to our shareholders and business partners for their continuous support and trust over the years.

Xu Yejun
Chairman

根據香港放債人條例的條文，我們的放債附屬公司在市場上提供按揭貸款及已抵押融資。由於客戶提供的香港物業抵押品及經考慮到墊款屬相對上短期性質，向放債業務客戶墊款所涉及的風險相對偏低，而附屬公司預期將會發展更多有關高淨值客戶的業務及通過轉介擴大客戶組合。誠如自我們於上半年度二零一六年三月八日的公佈所示，我們已向一名獨立第三方授出一筆首次抵押按揭貸款達11,000萬港元，為期十二個月。

我們的資訊科技及電子商業附屬公司已透過自身的網上銷售平台達到銷售額穩定高速增長。由於電商購物方便快捷，且交易更可隨時進行，客戶可於其認為合適的時間購物。於回顧期內，我們的資訊科技附屬公司已增加其資訊科技增級解決方案銷售業務，亦以其多元市場管理及銷售平台為客戶提供管理銷售。於二零一六年六月二十二日，我們就該附屬公司於截至二零一六年三月三十一日止財政年度的溢利保證作出公佈，其乃參照日期為二零一五年九月十五日有關我們的控股公司收購整個電子商業企業的通函作出。

展望未來，本集團預期將出現穩定及較龐大的內部增長，並將會對迎面而來的挑戰採取審慎態度。憑藉分散至具有較高溢利業務的策略，我們相信，本集團將可於可見將來利用在不同行業市場的優勢，以較佳業績回報股東。另外，我們將不時審視潛在商機及投資，從而分散業務增長及收入流。

最後，本人謹代表董事會，藉此機會對在充滿挑戰的不利環境下，仍忠誠投入、竭盡所能的員工表示衷心致謝，同時感激各股東及業務夥伴多年以來的不斷支持和信任。

徐葉君
主席

Management Discussion and Analysis

管理層討論與分析

MARKET REVIEW

While the global economy continued its mild recovery, the Chinese economy remained on the path of moderation in the first half of 2016. It was slightly above market expectations and driven by a faster increase in industrial output and retail sales, the Gross Domestic Product (GDP) in China advanced an annual 6.7 percent in the second quarter of 2016 as reported by the National Bureau of Statistics of China.

According to World Steel Association, the world crude steel production for the first six months of the year was approximately 794.8 million tonnes (Mt), down by 1.9 percent when compared with the same period last year. China Iron and Steel Association (CISA) said that China's crude steel production for June 2016 was approximately 69.5 Mt, an increase of 1.7 percent when compared to that of June 2015. The increase fit with the splurge in state-backed infrastructure investment seen in recent months. CISA said that China reduced steel capacity by 13 Mt in the first half of 2016, about 30 percent of the planned cuts for the whole year, and capacity cuts would intensify in the second half of the year as the government aimed to reduce steel production by 45 Mt in 2016. The CISA experts had also expected steel prices likely to fall again as idle capacity comes online, soon after large and medium-sized iron and steel companies in China turned a profit in the first half of 2016.

Steel makers have faced difficulties over the past few years, due to shrinking demand and excessive capacity building up during decades of rapid expansion. The pressure of cutting overcapacity still remains for the steel sector, with the progress slow in some regions. However, steel price have risen in the past few months amid temporarily strained supply as some producers scaled back output to avoid losses.

During the period under review, the oversupply condition of the steel market remained unresolved. Total steel product inventory level in China remained high and many unfavourable factors including price slide and raw material costs of steel have put huge pressure on and posted harsh challenges to the production and operation of steel enterprises. Since our steel flow control product business is a steel-related industry, so the business of the Company was then affected adversely.

BUSINESS REVIEW

The Group comprises its main business source engaged in the manufacture and sale of advanced steel flow control products, and its other subsidiary businesses engaged in the manufacture of paper converting equipments, money lending business, electronic commerce (e-commerce) and information technology (IT) solution business.

市場回顧

二零一六年上半年，雖然全球經濟持續溫和復蘇，中國經濟仍處於放緩之中。受工業產出及零售銷售增加較快所推動，按中國國家統計局記錄，二零一六年第二季度中國國內生產總值錄得年增長6.7%，表現略為高於市場預期。

根據國際鋼鐵協會的數字，與去年同期比較，本年首六個月全球粗鋼產量為約7億9,480萬噸，下降1.9%。中國鋼鐵工業協會（中鋼協）表示，二零一六年六月全國粗鋼產量為約6,950萬噸，較二零一五年六月上升1.7%。該增加與近月所見資金投放於國家政策支持的基建投資相符。中鋼協表示，中國於二零一六年上半年減少鋼產能1,300萬噸，估計全年削減量的約30%，且由於政府的目標為於二零一六年減少鋼產量4,500萬噸，下半年將加大去產能的力度。中鋼協專家亦預期，在中國的中大型鋼鐵公司於二零一六年上半年轉虧為盈不久之後，隨著閒置產能上線，鋼價很可能再次下跌。

由於需求萎縮，加上數十年快速擴展時期累積的產能過多，鋼材製造商於過去數年面臨困境。鋼材業仍面對去產能的壓力，惟部份地區的進展緩慢。然而，於過去數月，由於部份生產商縮減規模以避免虧損，鋼價在供應暫時收緊下有所回升。

於回顧期內，鋼鐵市場的供應過剩情況仍未得到解決。全國鋼材庫存高企加上多項不利因素（包括價格下跌及鋼材原料成本），亦對鋼鐵企業的生產和運營造成沉重壓力和嚴峻挑戰。我們的鋼水控流產品業務為其中一項鋼鐵相關行業，因此本公司的該項業務亦受到負面影響。

業務回顧

本集團的主要業務來源為製造及銷售高端鋼水控流產品，而其其他附屬公司則從事製造紙張加工設備、放債業務、電子商務及資訊科技解決方案業務。

The Group's steel flow control product manufacturing plant is the Group's main business source, principally engaged in the manufacture and sale of advanced steel flow control products including subentry nozzle, stopper, tundish nozzle and ladle shroud. In the first half year of 2016, steel manufacturers in China were struggling hard to survive with low profitability in business and reduced outputs under the huge pressure and challenges amidst the deteriorating global market and the fluctuating iron ore prices. Likewise, our steel flow product manufacturing plant competing with others in the market with lower sales margin had further increased selling and distribution costs to maintain a steady sales volume. The business and financial performances of the subsidiary still strived hard to maintain its leading positions in the market for the period under review.

Time Credit Limited (TCL), the subsidiary of the Group engaged in money lending business in Hong Kong had developed sound and effective business growth. This subsidiary generated good revenues on first mortgage property loans to customers for their long and short term financial needs. The well-established brand name of "TCL" maintained the loan portfolio that contributed to a steady growth of our customer base and market share during the period under review.

The IT business subsidiary of the Group that we named as "Soaring or VTZero", which principally engages in the e-commerce industry specializing on B2C retailing through the eBay platform and internet wholesale businesses with a focus on overseas consumers, logistics management and sourcing. During the period under review, the enterprise had continued growing their business on existing platform with remarkable results in revenue.

CONSOLIDATION IN CUSTOMER BASE

Building on its strong reputation in the steel industry and leading technologies in the design and manufacturing of advanced steel flow control products, which as the major business of the Group has further consolidated its customer base in the PRC market. During the period under review, the manufacturing plant has wellsecured business with strategic customers. Meanwhile, the plant continued to be the key supplier of the top 10 steel manufacturers in the PRC, including Baosteel Group, Shougang Group, Hebei Group and Wuhan Steel. Going forward, the Group will continue to explore business opportunities with domestic steel manufacturers to drive further business growth.

本集團的鋼水控流產品製造廠為本集團的主要業務來源，主要從事製造及銷售高端鋼水控流產品，如浸入式水口、塞棒、中間包水口及長水口。於二零一六年上半年，中國的鋼鐵製造商在業務盈利能力下降、產量在巨大壓力下縮減及環球市場惡化及鐵礦價格波動帶來的挑戰下掙扎求存。同樣地，為與市場內銷售利潤率較低的其他同業競爭，我們的鋼水控流產品製造廠產生更高的銷售及分銷成本以維持穩定銷量。附屬公司的業務及財務表現均受到影響，惟我們在回顧期間仍然致力維持於市場內的領先地位。

本集團的附屬公司友邦信貸有限公司 (TCL) 於香港從事放債業務，並已取得理想及有效的業務增長。此附屬公司在向客戶提供首次物業按揭貸款以應付彼等的長期及短期財務需要方面產生理想收益。於回顧期內，「TCL」的良好品牌維持有助客戶基礎及市場佔有率穩定增長的貸款組合。

我們命名為「Soaring或VTZero」的本集團資訊科技附屬公司主要從事透過eBay平台進行集中於B2C零售的電子商務行業及集中於海外消費者、物流管理及採購的互聯網批發業務。於回顧期間，企業在現有平台上持續發展業務，並取得可觀收益。

鞏固客戶基礎

基於本集團在鋼鐵業界的良好聲譽及在設計和製造高端鋼水控流產品方面的領先技術，作為本集團的主要業務，其已進一步鞏固了中國市場的客戶基礎。於回顧期內，製造廠已獲得與戰略客戶的業務。同時，該廠仍是中國十大鋼廠的主要供應商，包括寶鋼集團、首鋼集團、河北集團及武漢鋼鐵。展望未來，本集團將繼續與國內鋼廠一併發掘商機，進一步推動業務增長。

EXPANDED GROWTH IN OVERSEAS MARKETS

During the period under review, the global economy has seen a moderate recovery. The management understands the importance of diversifying its customer base and has devoted its efforts to further expand the overseas market while consolidating Chinese market. The Group's steel flow control product manufacturing plant has built up the reputation of the brand "Sinoref" among the steel industry over the years and has successfully gained good reputation among many of the world's most renowned steel manufacturers, including the world's largest manufacturer, processor and distributor of special long steel products, Carboref GmbH. The Group continues to expand the overseas market and has devoted its efforts to expand the high-end market in mainland China, Asia and Europe. During the period under review, its overseas revenue was approximately RMB15.2 million. The management of the Group is committed to raise the Group's brand awareness overseas aiming at becoming an influential leader in the international market.

DEVELOPED DIVERSIFIED BUSINESS

The Company strategy is to review potential business opportunity and investments from time to time, with an aim to develop business growth and provide a sustainable stream of cash flow and profit in the long run, so as to enhance shareholders' value. The Directors will consider possible acquisition that will broaden the revenue base and provide an excellent opportunity for the Group business development in future.

ENHANCED RESEARCH AND DEVELOPMENT

As at 30 June 2016, the Group's steel flow control product manufacturing plant has a total of 33 registered patents. The strong research and development capability is a core competitive edge of the manufacturing plant that has helped the Group become China's second largest advanced steel flow control product manufacturer just a few years after its founding. Apart from further developing its steel flow control products business, the Group has also been seeking potential opportunities in steel-related as well as non-steel related businesses. For the six months ended 30 June 2016, the plant research and development team has 31 professionals, and the expenses on research and development amounted to approximately RMB13.5 million, representing approximately 7.4% of the Group's total revenue. As a result, the manufacturing plant has adopted a number of leading self-developed technologies which enable the business to enjoy a preferential tax rate as a Chinese High-tech Enterprise, supporting future earnings to record new heights.

在海外市場的擴展增長

於回顧期內，全球經濟維持溫和復甦，管理層清楚了解顧客群多元化的重要性，除了鞏固中國市場，亦致力進一步擴張海外市場。經過多年耕耘，本集團的鋼水控流產品製造廠已在鋼鐵行業打響「Sinoref」品牌並成功獲得多家全球知名鋼鐵生產企業的青睞，包括世界最大的超長鋼材產品製造商、加工商及分銷商Carboref GmbH。本集團繼續拓展海外市場，致力開拓內地、亞洲、歐洲的高端市場。於回顧期內，其海外市場收入約為人民幣1,520萬元。本集團管理層將致力增加本集團在海外的品牌知名度，矢志成為在國際市場上具有影響力的領導者。

開拓多元化業務

本公司之策略為不時檢視潛在業務機遇及投資，旨在發展業務並提供長期可持續現金流及利潤來源，以提升股東之價值。董事將考慮擴闊收入基礎並為本集團日後的業務發展提供良機的可能收購事項。

加強研究和開發

於二零一六年六月三十日，本集團的鋼水控流產品製造廠合共擁有33項註冊專利。強大的研發能力乃是製造廠的核心競爭優勢，協助本集團於創立短短數年內，成為中國第二大高端鋼水控流產品製造商。除了進一步發展其鋼水控流產品業務外，本集團也一直在鋼鐵相關及非鋼鐵相關業務中尋求潛在商機。截至二零一六年六月三十日止六個月，該廠房的研發團隊有31名專業人員，研發費用約為人民幣1,350萬元，約佔本集團總收入7.4%。因此，製造廠採用了多項領先的自主研發技術，業務從而得以享有中國高新技術企業優惠稅率，支持未來盈利以創新高。

FINANCIAL REVIEW

Revenue

Advanced Steel Flow Control Products

For the six months ended 30 June 2016, the Group's revenue from steel flow control products was approximately RMB77.8 million, representing an decrease of approximately 36.0% as compared with approximately RMB121.5 million for the same period in 2015. The revenue decrease was mainly due to the selective retention of more profitable customers. Total sale volume decreased by approximately 35.8% from 8,087 tonnes for the six months ended 30 June 2015 to 5,192 tonnes for the same period in 2016.

Paper Converting Equipment and Other Relating Equipment

The Group acquired paper converting equipment business in April 2014 through the acquisition of the Accura Group. The revenue contributed by its paper converting equipment business was approximately RMB18.5 million for the six months ended 30 June 2016.

Money Lending

The Group acquired the money lending business on 23 March 2015. The revenue contributed by this business was approximately RMB5.1 million for the six months ended 30 June 2016.

E-Commerce

The Group acquired e-commerce business on 9 November 2015 through the acquisition of the Soaring International Holdings Limited. The revenue contributed by this business was approximately RMB79.8 million for the six months ended 30 June 2016.

Cost of Sales

The Group's cost of sales mainly consists of costs of raw materials, labour, depreciation and other costs directly related to sales. During the six months ended 30 June 2016, the Group's cost of sales increased by approximately 11.3% from approximately RMB154.1 million for the six months ended 30 June 2015 to approximately RMB171.5 million. The significant increase was mainly attributable to the increase of sale revenue during the period under review.

Gross Profit

The Group engaged in the different industries had a gross profit of approximately RMB9.8 million for the six months ended 30 June 2016. For the six months ended 30 June 2015, the Group recorded a gross loss of approximately RMB16.2 million. The gross profit was mainly resulted from the optimization of more profitable customers in the industries competitive environment.

財務回顧

收入

高端鋼水控流產品

截至二零一六年六月三十日止六個月，本集團來自鋼水控流產品的收入約為人民幣7,780萬元，較二零一五年同期約人民幣12,150萬元減少約36.0%。收入減少的主要原因是選擇性地挽留更有利可圖的客戶。總銷量從截至二零一五年六月三十日止六個月的8,087噸減少約35.8%至二零一六年同期的5,192噸。

紙張加工設備及其他相關設備

本集團於二零一四年四月透過收購Accura集團收購紙張加工設備業務。截至二零一六年六月三十日止六個月，紙張加工設備業務貢獻的收入約為人民幣1,850萬元。

放債

本集團於二零一五年三月二十三日收購放債業務。截至二零一六年六月三十日止六個月，此業務貢獻的收入約為人民幣510萬元。

電子商務

本集團於二零一五年十一月九日透過收購Soaring International Holdings Limited收購電子商務業務。截至二零一六年六月三十日止六個月，此業務貢獻的收入約為人民幣7,980萬元。

銷售成本

本集團的銷售成本主要包括原材料成本、勞工成本、折舊及與銷售直接有關的其他銷售成本。截至二零一六年六月三十日止六個月，本集團之銷售成本由截至二零一五年六月三十日止六個月約人民幣15,410萬元增加約11.3%至約人民幣17,150萬元。銷售成本大幅增加，主要是由於回顧期內銷售收入增加所致。

毛利

本集團從事不同行業，於截至二零一六年六月三十日止六個月錄得毛利約人民幣980萬元。截至二零一五年六月三十日止六個月，本集團錄得毛損約人民幣1,620萬元。毛利主要由於我們在行業競爭激烈的環境下增加更有利可圖的客戶所致。

Impairment Loss Recognised in Respect of Property, Plant and Equipment

Taking into account of the business situation of the Group and the recoverability of the relevant carrying amounts of the Group's plant and equipment exceeded their recoverable amounts, there was no impairment loss recognised for the six months ended 30 June 2016 (for the six months ended 30 June 2015: RMB11.0 million).

Impairment Loss Recognised in Respect of Trade Receivables

As the repayment ability of Chinese steel enterprises deteriorates, an impairment loss for trade receivables has been recognised. For the six months ended 30 June 2016, impairment loss for trade receivables amounted to approximately RMB3.8 million (for the six months ended 30 June 2015: RMB31.0 million).

Selling and Distribution Costs

The Group's selling and distribution costs comprised sales commission, sales staff costs and transportation costs. During the six months ended 30 June 2016, the Group's selling and distribution costs decreased by approximately RMB4.6 million to RMB11.4 million, representing an decrease of around 28.9% from approximately RMB16.0 million for the six months ended 30 June 2015. The decrease was mainly attributable to the decrease in sales volume of the advanced steel flow control products during the period under review.

Administrative Expenses

The Group's administrative expenses increased by around 43.0% from approximately RMB32.3 million for the six months ended 30 June 2015 to approximately RMB46.2 million for the same period ended 30 June 2016. The increase was mainly due to the cost from the money lending business and e-commerce business that were acquired on 23 March 2015 and 9 November 2015 respectively.

Finance Costs

The Group's finance costs were approximately RMB3.2 million for the six months ended 30 June 2016 (for the six months ended 30 June 2015: RMB0.8 million). The interest rate for bank loan was at a fixed interest rate of 4.92% per annum (2015: 6.38%).

就物業、廠房及設備確認的減值虧損

經計及本集團業務狀況及本集團廠房及設備之有關賬面值的可收回性超出其可收回金額，截至二零一六年六月三十日止六個月並無確認減值虧損（截至二零一五年六月三十日止六個月：人民幣1,100萬元）。

就貿易應收賬款確認的減值虧損

由於中國鋼鐵企業還款能力變差，引致貿易應收賬款出現減值虧損。截至二零一六年六月三十日止六個月，貿易應收賬款的減值虧損為約人民幣380萬元（截至二零一五年六月三十日止六個月：人民幣3,100萬元）。

銷售及分銷成本

本集團的銷售及分銷成本包括銷售佣金、銷售人員成本及運輸成本。截至二零一六年六月三十日止六個月，本集團的銷售及分銷成本由截至二零一五年六月三十日止六個月約人民幣1,600萬元減少約人民幣460萬元（即約28.9%）至人民幣1,140萬元。成本減少主要是由於回顧期內高端鋼水控流產品銷量減少所致。

行政開支

本集團的行政開支由截至二零一五年六月三十日止六個月約人民幣3,230萬元，增加約43.0%至截至二零一六年六月三十日止同期約人民幣4,620萬元。開支增加，主要由於分別於二零一五年三月二十三日及二零一五年十一月九日所收購放債業務及電子商務業務的成本所致。

財務成本

截至二零一六年六月三十日止六個月，本集團的財務成本約為人民幣320萬元（截至二零一五年六月三十日止六個月：人民幣80萬元）。銀行貸款利率為固定利率每年4.92%（二零一五年：6.38%）。

Taxation

One of the Group's PRC subsidiaries has successfully obtained the Chinese High-tech Enterprise Certification (中國高新技術企業認證). Consequently, this PRC subsidiary was entitled to the PRC Enterprise Income Tax ("EIT") rate of 15% until 2018. The EIT rate for another PRC subsidiary is 25%.

Loss and total Comprehensive Expense for the Period

The Group's loss and total comprehensive expense for the period was approximately RMB62.8 million while the loss and total comprehensive expense was approximately RMB114.8 million for the six months ended 30 June 2015. There was an increase of administrative expense as compared with the same period in 2015. However, the Group's loss situation was improved when compared with the same period in 2015. The Group's basic loss per share was approximately RMB2.36 cents for the six months ended 30 June 2016, compared to a basic loss per share of approximately RMB7.00 cents for the six months ended 30 June 2015.

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: nil).

Capital Structure, Liquidity and Financial Resources

During the period under review, the Group had completed one placing of new Shares of the Company ("Shares"). The placing and the completion of Shares were on 20 April 2016 and 16 May 2016 respectively and a total of 409,000,000 Shares were allotted and issued at HK\$0.166 per new Share. The net proceeds raised were approximately HK\$66.78 million. For the placing, the net proceeds were intended to be used as general working capital and/or funds to finance future investment of the Group as and when opportunities arise.

For the six months ended 30 June 2016, the Group's net cash used in operating activities was approximately RMB64.6 million (for the six months ended 30 June 2015: RMB93.6 million net cash from operating activities) and the Group's bank balances and cash as at 30 June 2016 was approximately RMB72.9 million.

稅項

本集團一家中國附屬公司成功取得中國高新技術企業認證。因此，該中國附屬公司有權按15%的稅率繳納中國企業所得稅（「企業所得稅」）至二零一八年止。另一家中國附屬公司的企業所得稅稅率為25%。

期內虧損及全面開支總額

本集團於本期間內之虧損及全面開支總額約為人民幣6,280萬元，而截至二零一五年六月三十日止六個月之虧損及全面開支總額約為人民幣11,480萬元。行政開支較二零一五年同期增加。然而，本集團的虧損狀況較二零一五年同期改善。本集團截至二零一六年六月三十日止六個月每股基本虧損約為人民幣2.36分，而截至二零一五年六月三十日止六個月每股基本虧損約為人民幣7.00分。

中期股息

董事會並不建議派付截至二零一六年六月三十日止六個月的中期股息（截至二零一五年六月三十日止六個月：零）。

資本架構、流動資金及財務資源

於回顧期內，本集團已完成一次本公司新股份（「股份」）配售。股份配售及完成分別於二零一六年四月二十日及二零一六年五月十六日發生，合共409,000,000股股份按每股新股份0.166港元配售及發行。募集的所得款項淨額約為6,678萬港元。就配售而言，所得款項淨額擬用作一般營運資金及／或於機會出現時為本集團日後的投資提供資金。

截至二零一六年六月三十日止六個月，本集團經營業務所用現金淨額約為人民幣6,460萬元（截至二零一五年六月三十日止六個月：從經營業務所得現金淨額為人民幣9,360萬元），而本集團於二零一六年六月三十日的銀行結餘及現金約為人民幣7,290萬元。

Total equity of the Group as at 30 June 2016 was approximately RMB561.3 million. The Group has an outstanding bank loan of approximately RMB20.0 million as at 30 June 2016. The loan carries a fixed interest at 4.92% per annum and is repayable within one year.

As at 30 June 2016, the Group's gearing ratio, which was calculated on the basis of total borrowings as a percentage of shareholder equity, was 25.7% (as at 31 December 2015: 26.0%).

Pledge of Assets

As at 30 June 2016, the Group pledged certain of its property, plant and equipment and land use rights with aggregate carrying value of approximately RMB0.86 million (as at 31 December 2015: 1.69 million) as collaterals for the bank borrowing granted to the Group.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

There was no material acquisition/disposal during the period under review.

During the period under review, except for investments in its subsidiaries, the Company did not hold any significant investment in equity interest in any other company.

The Group has always been investing significantly in research and development activities. Such expenditure amounted to about RMB13.5 million for the period ended 30 June 2016.

CONTINGENT LIABILITIES

As at 30 June 2016, the Group had not provided any form of guarantee to any company outside of the Group. The Group is not involved in any current material legal proceedings, nor is it aware of any pending or potential material legal proceedings involving the Group.

本集團於二零一六年六月三十日的權益總額約為人民幣56,130萬元。於二零一六年六月三十日，本集團尚未償還銀行貸款約為人民幣2,000萬元。該貸款以4.92%的固定年利率計息及須於一年內償還。

於二零一六年六月三十日，本集團的資產負債比率（按總借貸佔股東權益百分比計算）為25.7%（於二零一五年十二月三十一日：26.0%）。

資產抵押

於二零一六年六月三十日，本集團將若干總賬面值約為人民幣86萬元（於二零一五年十二月三十一日：人民幣169萬元）的物業、廠房及設備以及土地使用權抵押以作為本集團獲授的銀行借貸的抵押品。

重大收購及出售附屬公司及聯營公司

於回顧期內，並無重大收購／出售事項。

於回顧期內，除投資其附屬公司外，本公司概無於任何其他公司持有任何重大股權投資。

本集團一直大量投資於研發活動。於截至二零一六年六月三十日止期間，該等開支達約人民幣1,350萬元。

或然負債

於二零一六年六月三十日，本集團並無為本集團以外任何公司提供任何形式的擔保。本集團現時並無涉及任何重大法律程序，且並不知悉任何未解決或潛在的重大法律程序。

HUMAN RESOURCES AND STAFF REMUNERATION

As at 30 June 2016, the Group had 428 staff members employed in mainland China and Hong Kong (2015: 384). During the period under review, the Group had continued to devote significant resources to bolster its training programme, providing training and study opportunities for management staff and professional technicians. In addition, the Group has provided timely updates to all staff about the latest government policies related to the industry to continuously enhance the professional standard and quality of the staff. Meanwhile, the Group has provided competitive remuneration for its staff which encourages their commitment and enhances their professionalism.

EVENTS AFTER THE REPORTING PERIOD

There was no significant events occurring after the reporting period.

FUTURE PROSPECTS

Going forward while we expect market competition to remain stiff, though the steel industry had a better performance in the first half of 2016, our management is cautious of its outlook in the second half of the year, given that there are continuously call for all-out efforts to meet overcapacity reduction targets in the steel industries by the China government.

With recent improving economic conditions under the supportive economic policies of the government on existing infrastructure and construction, China's steelmakers have reduced output as the fluctuation and slide of steel prices have underscored the weakening domestic demand while the China economic climate seeks to shift away from investment-led growth to a consumption-driven economy.

Hong Kong's residential property market is more active in recent months. The government remains vigilant and takes measures to resist rising house prices and mortgage balances. The tightening measures in mortgage rates and a supervisory role in banks' credit assessments that the HKMA implemented have provided a significant part of growth for the non-bank moneylenders, whom are less regulated and can benefit from the flexible loan-to-value rates and interest rates. The seamless and efficient approval process of these non-bank moneylenders have attracted a growing number of homebuyers and individual loan borrowers. We notice the latest market trends and understand our competitive threats. We now plan cautiously and prudentially on our corporate strategy to engage our money lending business in a safe and profitable manner in Hong Kong.

人力資源及僱員薪酬

於二零一六年六月三十日，本集團於中國大陸及香港合共聘用428位員工（二零一五年：384位）。於回顧期內，本集團繼續投入大量資源加強培訓計劃，為管理人員及專業技術人員提供培訓及學習的機會。另外，本集團亦向全體員工及時傳達政府針對行業的最新政策，不斷提高員工的專業水準及素質。同時，本集團為員工提供具競爭力的薪資水平，讓員工投入工作，提升專業精神。

報告期後事項

於報告期後，並無發生重大事件。

未來展望

展望未來，儘管市場競爭依然激烈，惟鋼鐵行業於二零一六年上半年表現改善，但鑒於中國政府繼續呼籲全力達成鋼材業去產能目標，本公司管理層對下半年行業前景持謹慎態度。

在政府對現有基礎設施及建設的扶持經濟政策刺激下，近期經濟狀況得以改善，由於國內需求疲弱導致鋼材價格波動及下滑，而中國經濟氣候尋求從投資主導型增長轉向消費驅動型經濟，中國的鋼材製造商已經開始減產。

香港的住宅物業市場近月轉趨活躍。政府保持警惕，並採取措施以阻遏樓價升勢及保持按揭平衡。香港金融管理局所實施收緊按揭利率的措施及對銀行信貸評估的監管角色為非銀行放債人的增長帶來重要動力，其所受的監管較為寬鬆，並可受惠於靈活的貸款與估值比率及利率。此等非銀行放債人的審批程序連貫高效，吸引到愈來愈多的置業人士及個別借貸人。我們注意到最新的市場趨勢及明白到我們面對的競爭威脅。我們現時謹慎及審慎計劃我們的企業策略，以穩健及有利可圖的方式於香港經營我們的放債業務。

Today's fast-paced, technology-driven world has applied even more pressure on small and medium enterprises (SME) to grow their business. In order to remain relevant and stay ahead of the pack, SMEs must have a top notch process to bring successful products to market. In the hypercompetitive e-commerce industry in Asia Pacific, retailers are moving beyond competing on price to competing on logistics, getting packages to more people with greater speed and security. Retailers with a stake in the future of e-commerce cannot settle for low prices alone, but must continue advancing their own capabilities. Our e-commerce business has kept up with the market innovation and trends on our product sales in overseas markets, with our logistics in easy pick up locations and efficient delivery.

OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company had complied with all the code provisions (the "Code Provisions") as set out in the Corporate Governance Code and Corporate Governance Report, contained in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the six months ended 30 June 2016, except for Code Provision A.6.7 in respect of the attendance of non-executive directors and independent non-executive directors in the general meetings.

According to Code Provision A.6.7, non-executive Directors and independent non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to other business engagement, one non-executive Director and two independent non-executive Directors could not attend 2015 annual general meeting held on 10 June 2016. However, at the 2015 annual general meeting, there were executive and non-executive Directors present to enable the Board to develop a balanced understanding of the views of the shareholders of the Company.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted a code of conduct (the "Code of Conduct") regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they had complied with the required standard set out in the Code of Conduct during the six months ended 30 June 2016.

現今世界步伐急速及由科技主導，對中小型企業的業務增長構成更大壓力。為了緊貼潮流及領先同業，中小型企業必須具備將成功產品推出市場的高明手段。在競爭異常激烈的亞太區電子商業行業，零售商的競爭重點已不在價格，而是在物流方面及以更快和更穩妥的方式向客戶提供產品。著眼發展電子商業的零售商不能單單依靠低廉價格，更需要繼續加強本身能力。我們的電子商業緊貼海外市場就我們的產品銷售方面的市場革新及發展，而我們的物流亦具備取貨地點方便及付運高效的優勢。

其他資料

遵守企業管治守則

本公司截至二零一六年六月三十日止六個月一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治守則及企業管治報告之所有守則條文（「守則條文」），惟並無遵守守則條文第A.6.7條有關非執行董事及獨立非執行董事出席股東大會的規定。

根據守則條文第A.6.7條，非執行董事及獨立非執行董事應出席股東大會及對股東的意見有公正的瞭解。由於其他公務事宜，一名非執行董事及兩名獨立非執行董事未能出席於二零一六年六月十日舉行之二零一五年股東週年大會。然而，於二零一五年股東週年大會上，執行及非執行董事之出席足以使董事會對本公司股東的意見有公正的瞭解。

遵守上市發行人董事進行證券交易的標準守則

本公司已採納有關董事進行證券交易的操守守則（「操守守則」），其條款的嚴格程度不下於上市規則附錄十所載上市發行人董事進行證券交易的標準守則所載的規定標準。經向全體董事作出具體查詢後，全體董事已確認彼等於截至二零一六年六月三十日止六個月內一直遵守操守守則所載的規定標準。

Relevant employees who are likely to be in possession of unpublished price-sensitive information regarding the Group are subject to compliance with the Company's Code for Securities Transactions by Relevant Employees (the "RE Code") in respect of their dealings in the securities of the Company. The terms of the RE Code are likewise no less exacting than the required standards set out in the Model Code.

Review of Accounts

The audit committee of the Company has reviewed the condensed consolidated financial statements for the six months ended 30 June 2016, including the accounting principles and practices adopted by the Group, in conjunction with Elite Partners CPA Limited.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2016, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

可能擁有有關本集團未公佈價格敏感資料之有關僱員須遵守本公司有關僱員進行本公司證券交易的證券交易守則（「有關守則」）。有關守則條款的嚴格程度不下於標準守則所載的規定標準。

審閱賬目

本公司之審核委員會已聯同開元信德會計師事務所有限公司審閱截至二零一六年六月三十日止六個月之簡明綜合財務報表，包括本集團採納之會計原則及慣例。

購買、出售或贖回本公司上市證券

於截至二零一六年六月三十日止六個月，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

Other Information

其他資料

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company had complied with all the code provisions (the “Code Provisions”) as set out in the Corporate Governance Code and Corporate Governance Report, contained in Appendix 14 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the six months ended 30 June 2016, except for Code Provision A.6.7 in respect of the attendant of independent non-executive directors and other non-executive directors in the general meetings.

According to Code Provision A.6.7, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to other business engagement, our independent non-executive Directors and one of our non-executive Directors could not attend 2015 annual general meeting held on 10 June 2016. However, at the 2015 annual general meeting, there were executive Directors and some non-executive Directors present to enable the Board to develop a balanced understanding of the views of the shareholders of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a code of conduct (the “Code of Conduct”) regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they had complied with the required standard set out in the Code of Conduct during the six months ended 30 June 2016.

REVIEW OF ACCOUNTS

The audit committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2016, including the accounting principles and practices adopted by the Group, in conjunction with Elite Partners CPA Limited.

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

During the six months ended 30 June 2016, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company’s listed securities.

遵守企業管治守則

本公司截至二零一六年六月三十日止六個月一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治守則及企業管治報告之所有守則條文（「守則條文」），惟並無遵守守則條文第A.6.7條有關獨立非執行董事及其他非執行董事出席股東大會的規定。

根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會及對股東的意見有公正的瞭解。由於其他公務事宜，我們的獨立非執行董事及一名非執行董事未能出席於二零一六年六月十日舉行之二零一五年股東週年大會。然而，於二零一五年股東週年大會上，執行董事及若干非執行董事之出席足以使董事會對本公司股東的意見有公正的瞭解。

遵守上市發行人董事進行證券交易的標準守則

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審閱賬目

本公司之審核委員會已聯同開元信德會計師事務所有限公司審閱本集團截至二零一六年六月三十日止六個月之未經審核簡明綜合財務報表，包括本集團採納之會計原則及慣例。

購買、出售或贖回本公司上市證券

於截至二零一六年六月三十日止六個月，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

SHARE OPTION SCHEME

The Company operates a share option scheme ("Share Option Scheme"), which was adopted on 7 June 2010 for the purpose of providing incentives or rewards to selected eligible participants for their contribution to the Group. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for ten years from 7 June 2010.

Movement of the Share Options

Movements of the share options under the Share Option Scheme for the six months ended 30 June 2016 are as follows:

Grantee 承授人	Date of grant 授出日期	Exercise price (HK\$) 行使價 (港元)	Outstanding as at 1 January 2016	Number of share option 購股權數目				Outstanding as at 30 June 2016
			於二零一六年 一月一日 尚未行使	Granted 已授出	Exercised 已行使	Cancelled 已註銷	Lapsed 已失效	於二零一六年 六月三十日 尚未行使
Executive Director								
執行董事								
Mr. Sin Kwok Wai Ronald	16 March 2015	0.32	15,000,000	-	-	-	-	15,000,000
冼國威先生	二零一五年三月十六日							(Note 1) (附註1)
Non-Executive Director								
非執行董事								
Ms. Yip Sum Yu	16 March 2015	0.32	15,000,000	-	-	-	-	15,000,000
葉芯瑜女士	二零一五年三月十六日							(Note 1) (附註1)
Senior Management								
高級管理層								
Mr. Lu Yongchao	16 March 2015	0.32	15,000,000	-	-	-	-	15,000,000
呂永超先生	二零一五年三月十六日							(Note 1) (附註1)
Employees								
僱員								
Employees	16 March 2015	0.32	75,000,000	-	-	-	-	75,000,000
僱員	二零一五年三月十六日							(Note 1) (附註1)
	13 January 2016	0.315	-	80,000,000	-	-	-	80,000,000
	二零一六年一月十三日			(Note 2) (附註2)				(Note 2) (附註2)
Total			120,000,000	80,000,000	-	-	-	200,000,000
合計								

購股權計劃

本公司設有一項購股權計劃（「購股權計劃」），該計劃於二零一零年六月七日已獲採納，目的是向經甄選合資格參與者提供激勵或獎勵，以表彰彼等對本集團作出之貢獻。除非另行註銷或修訂，否則購股權計劃將由二零一零年六月七日起一直有效，為期十年。

購股權變動

截至二零一六年六月三十日止六個月，購股權計劃項下之購股權變動如下：

Notes:

1. These options should be valid for a term of three years commencing from 16 March 2015. The closing price of the Company's shares on 13 March 2015 (the trading day immediately before the date on which these options were granted) was HK\$0.25.
2. These options should be valid for a term of the three years commencing from 13 January 2016. The closing price of the Company's shares on 12 January 2016 (the trading day immediately before the date on which these options were granted) was HK\$0.30.

The fair value of equity-settled share options granted during the interim period ended 30 June 2016 was estimated as at the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	0.00
Expected volatility (%)	86
Risk-free interest rate (%)	1.134
Expected life of options (year)	1.50
Closing share price at grant date (HK\$)	0.3

The expected life of the options is based on management expectation and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The fair value of equity-settled share options granted during the interim period was approximately RMB11,020,000 of which the Group recognised a share option expense of approximately RMB11,020,000 during the interim period.

附註：

1. 該等購股權有效期為三年，自二零一五年三月十六日起生效。本公司股份於二零一五年三月十三日（緊接該等購股權授出日期前的交易日）的收市價為0.25港元。
2. 該等購股權有效期為三年，自二零一六年一月十三日起生效。本公司股份於二零一六年一月十二日（緊接該等購股權授出日期前的交易日）的收市價為0.30港元。

於截至二零一六年六月三十日止中期期間，授出之股本結算購股權之公平值乃於授出購股權日期以「柏力克－舒爾斯」期權定價模式作出估計，並經計及所授購股權之條款及條件。下表載列所採用模式之參數：

派息率(%)	0.00
預期波幅(%)	86
無風險利率(%)	1.134
購股權之估計年期(年)	1.50
於授出日期之收市價(港元)	0.3

購股權之估計年期乃根據管理層預期釐定，並不一定能標示可能出現之行使規律。預期波幅反映歷史波幅可標示未來趨勢之假設，但未必為實際結果。

於中期期間，授出股本結算購股權之公平值為約人民幣11,020,000元，其中本集團於中期期間確認一項購股權開支約人民幣11,020,000元。

INTERESTS AND SHORT POSITIONS OF OUR DIRECTORS AND CHIEF EXECUTIVE OFFICER IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF OUR COMPANY

As at 30 June 2016, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (“Model Code”) are as follows:

董事及行政總裁於本公司股份、相關股份或債券中的權益及淡倉

於二零一六年六月三十日，本公司董事或行政總裁於本公司或其任何相關聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中擁有須記錄於根據證券及期貨條例第352條須存置的本公司登記冊中的任何權益或淡倉，或根據證券及期貨條例第XV部或上市公司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的任何權益或淡倉的情況如下：

Name of Shareholder	Nature of interest	Number of securities held	Interest in underlying Shares of share option	Approximate percentage of shareholding
股東姓名	權益性質	所持證券數目 (Note 1) (附註1)	購股權之 相關股份權益 (Note 1) (附註1)	概約股權百分比
Mr. Lu Yongchao 呂永超先生	Interest in a controlled corporation 受控制法團權益	3,700,000 Shares (L) 3,700,000股股份 (L)	15,000,000	0.63%
Mr. Sin Kwok Wai Ronald 冼國威先生	Interest in a controlled corporation 受控制法團權益	2,452,000 Shares (L) 2,452,000股股份 (L)	15,000,000	0.59%
Ms. Yip Sum Yu 葉芯瑜女士	Interest in a controlled corporation 受控制法團權益	—	15,000,000	0.50%

Notes:

1. The letter “L” denotes the person’s long position in our Shares.

附註：

1. 「L」代表該人士於本公司股份之好倉。

INTEREST DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, as at 30 June 2016, other than a Director or chief executive of our Company whose interests are disclosed under the sub-paragraph headed “Interests and short positions of our Directors in the Shares, underlying Shares or debentures of our Company and our associated corporations” above, the following persons had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who are, directly or indirectly, interested in 5% or more of the shares:

Name of Shareholder 股東姓名	Capacity/Nature of interest 身份／權益性質	Number and class of securities held 所持證券數目及類別 (Note 1) (附註1)	Approximate percentage of shareholding 概約股權百分比
Mr. Jiang Qi Hang 江啟航先生	Interest in a controlled corporation 受控制法團權益	205,012,000 Shares (L) (Note 2) 205,012,000股股份(L) (附註2)	6.88%
Mr. Lee Yim 李儼先生	Beneficial Owner 實益擁有人	260,000,000 Shares (L) (Note 4) 260,000,000股股份(L) (附註4)	8.73%
Fully Wealthy Inc.	Beneficial owner 實益擁有人	205,012,000 Shares (L) (Note 2) 205,012,000股股份(L) (附註2)	6.88%
Wide Select Investments Limited	Beneficial owner 實益擁有人	260,000,000 Shares (L) (Note 3) 260,000,000股股份(L) (附註3)	8.73%

Notes:

- The letter “L” denotes the person’s long position in our Shares.
- Fully Wealthy Inc. is the legal and beneficial owner of approximately 6.88% of the entire issued share capital of the Company. Fully Wealthy Inc. is wholly owned by Mr. Jiang Qi Hang.
- Wide Select Investments Limited is the legal and beneficial owner of approximately 8.73% of the entire issued share capital of the Company. Wide Select Investments Limited is wholly owned by Mr. Lee Yim.
- The long position denotes the interest of the vendor (i.e. Mr. Lee Yim) pursuant to the Acquisition of Soaring International Holdings Limited on 9 November 2015.

根據證券及期貨條例須予披露的權益及主要股東

據董事所知，於二零一六年六月三十日，除本公司董事或主要行政人員外（其權益於上文分段「董事於本公司及其相聯法團的股份、相關股份或債券中的權益及淡倉」披露），以下人士擁有須根據證券及期貨條例第XV部第2及3分部的規定向本公司披露的股份或相關股份權益或淡倉，或直接或間接於5%或以上股份擁有權益：

Name of Shareholder 股東姓名	Capacity/Nature of interest 身份／權益性質	Number and class of securities held 所持證券數目及類別 (Note 1) (附註1)	Approximate percentage of shareholding 概約股權百分比
Mr. Jiang Qi Hang 江啟航先生	Interest in a controlled corporation 受控制法團權益	205,012,000 Shares (L) (Note 2) 205,012,000股股份(L) (附註2)	6.88%
Mr. Lee Yim 李儼先生	Beneficial Owner 實益擁有人	260,000,000 Shares (L) (Note 4) 260,000,000股股份(L) (附註4)	8.73%
Fully Wealthy Inc.	Beneficial owner 實益擁有人	205,012,000 Shares (L) (Note 2) 205,012,000股股份(L) (附註2)	6.88%
Wide Select Investments Limited	Beneficial owner 實益擁有人	260,000,000 Shares (L) (Note 3) 260,000,000股股份(L) (附註3)	8.73%

附註：

- 「L」代表該人士於本公司股份之好倉。
- Fully Wealthy Inc.為本公司全部已發行股本約6.88%的合法及實益擁有人。Fully Wealthy Inc.乃由江啟航先生全資擁有。
- Wide Select Investments Limited為本公司全部已發行股本約8.73%之合法及實益擁有人。Wide Select Investments Limited由李儼先生全資擁有。
- 好倉指賣方（即李儼先生）根據於二零一五年十一月九日收購Soaring International Holdings Limited所擁有的權益。

Report on Review of Condensed Consolidated Financial Statements

簡明綜合財務報表審閱報告



開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

TO THE BOARD OF DIRECTORS OF SINOREF HOLDINGS LIMITED
(incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial statements of Sinoref Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 22 to 44, which comprise the condensed consolidated statement of financial position as of 30 June 2016 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Elite Partners CPA Limited
Certified Public Accountants

Yip Kai Yin
Practising Certificate Number: P05131
Hong Kong, 30 August 2016

致華耐控股有限公司董事會
(於開曼群島註冊成立之有限公司)

緒言

我們已審閱列載於第22至44頁的華耐控股有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）簡明綜合中期財務報表，該等簡明綜合中期財務報表包括於二零一六年六月三十日的簡明綜合財務狀況表，及截至該日止六個月期間的相關簡明綜合損益及其他全面收益表、權益變動表及現金流量表，以及若干解釋附註。香港聯合交易所有限公司主板證券上市規則要求應遵照相關條例及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）編製有關中期財務資料的報告。貴公司董事需要負責根據香港會計準則第34號編製及呈報該等簡明綜合財務報表。我們的責任是根據我們審閱工作的結果，對該等簡明綜合中期財務報表表達結論，並按照我們雙方所協議的委聘工作條款，僅向全體董事報告。除此之外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負上或承擔任何責任。

審閱範圍

我們的審閱依據香港會計師公會頒佈的香港審閱委聘準則第2410號「實體的獨立核數師進行中期財務資料的審閱」作出。審閱中期簡明綜合財務報表包括向負責財務和會計事宜之人員作出查詢，及進行分析和其他審閱程序。審閱範圍遠較根據香港核數準則所進行審核之範圍為小，故不能令我們確保我們將獲悉在審核中可能被發現之所有重大事項。因此，我們並不發表審核意見。

結論

按照我們的審閱結果，我們並無察覺任何事項，令我們相信簡明綜合中期財務報表在所有重大方面並無按照香港會計準則第34號編製。

開元信德會計師事務所有限公司
執業會計師

葉啟賢
執業證書號碼：P05131
香港，二零一六年八月三十日

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

	NOTES 附註	Six months ended 30 June 截至六月三十日止六個月		
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
Revenue	3	181,249	137,930	收入
Cost of sales		(171,479)	(154,139)	銷售成本
Gross profit/(loss)		9,770	(16,209)	毛利/(毛損)
Other income		789	41	其他收入
Impairment loss recognised in respect of trade receivables		(3,802)	(31,021)	就貿易應收賬款確認的減值虧損
Impairment loss recognised in respect of property, plant and equipment	9	–	(10,978)	就物業、廠房及設備確認的減值虧損
Selling and distribution costs		(11,395)	(16,032)	銷售及分銷成本
Administrative expenses		(46,186)	(32,303)	行政開支
Equity-settled share option expenses		(11,020)	(10,407)	股本結算購股權開支
Finance costs		(3,156)	(839)	財務成本
Loss before taxation	5	(65,000)	(117,748)	除稅前虧損
Taxation	6	2,234	2,974	稅項
Loss for the period		(62,766)	(114,774)	期內虧損
Loss for the period attributable to:				應佔期內虧損之各項如下：
Owners of the Company		(63,108)	(115,033)	本公司擁有人
Non-controlling interests		342	259	非控股權益
		(62,766)	(114,774)	
Loss per share	8	RMB(2.36) cents 人民幣(2.36)分	RMB(7.00) cents 人民幣(7.00)分	每股虧損
Basic and diluted				基本及攤薄
LOSS FOR THE PERIOD		(62,766)	(114,774)	期內虧損
OTHER COMPREHENSIVE INCOME				其他全面收益
Item that may be reclassified subsequently to profit or loss:				可能於其後重新分類至損益的項目：
Exchange differences arising on translation of foreign operations		7,188	–	換算海外業務時產生的匯兌差額
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		7,188	–	期內其他全面收益
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		(55,578)	(114,774)	期內全面開支總額
Total comprehensive expense for the period attributable to:				應佔期內全面開支總額之各項如下：
Owners of the Company		(55,931)	(114,774)	本公司擁有人
Non-controlling interests		353	–	非控股權益
		(55,578)	(114,774)	

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2016 於二零一六年六月三十日

		At 30 June 2016 於二零一六年 六月三十日	At 31 December 2015 於二零一五年 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)	
Non-current assets				非流動資產
Property, plant and equipment	9	12,494	12,155	物業、廠房及設備
Goodwill		312,725	305,823	商譽
Other intangible assets	10	77,141	92,623	其他無形資產
Prepaid lease payments		264	410	預付租賃款項
		402,624	411,011	
Current assets				流動資產
Inventories		56,731	59,185	存貨
Trade receivables	11	170,001	213,257	貿易應收賬款
Bills receivables	12	16,064	17,100	應收票據
Loan receivables	13	150,590	50,346	應收貸款
Other receivables, deposits and prepayments		41,193	39,455	其他應收款項、按金及預付款項
Prepaid lease payments		156	156	預付租賃款項
Restricted bank deposits		3,638	1,749	受限制銀行存款
Bank balances and cash		72,946	83,709	銀行結餘及現金
		511,319	464,957	
Current liabilities				流動負債
Trade and bills payables	14	46,967	40,369	貿易應付賬款及應付票據
Other payables and accruals	15	51,425	33,710	其他應付款項及應計費用
Tax liabilities		6,965	8,569	稅項負債
Bank borrowing	16	20,171	20,361	銀行借款
		125,528	103,009	
Net current assets		385,791	361,948	流動資產淨值
Total assets less current liabilities		788,415	772,959	資產總值減流動負債
Non-current liability				非流動負債
Deferred tax liabilities		12,467	15,675	遞延稅項負債
Promissory Notes	17	214,675	207,737	承兌票據
		227,142	223,412	
Net asset		561,273	549,547	資產淨值
Capital and reserves				資本及儲備
Share capital	18	248,105	213,708	股本
Reserves		311,859	334,883	儲備
		559,964	548,591	
Non-controlling interests		1,309	956	非控股權益
Total equity		561,273	549,547	權益總額

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

	Share capital	Share premium	Special reserve	Statutory reserves	Share options reserve	Exchange reserve	Retained profits/ (Accumulated losses)	Total	Non-controlling interests	Total equity	
	股本	股份溢價	特別儲備	法定儲備	購股權儲備	匯兌儲備	保留溢利/ (累計虧損)	合計	非控股權益	權益總計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
			(Note a) (附註a)	(Note b) (附註b)							
At 1 January 2015 (audited)	133,169	188,664	46,867	48,818	-	-	109,030	526,548	-	526,548	於二零一五年一月一日 (經審核)
Loss and total comprehensive expense for the period	-	-	-	-	-	-	(115,033)	(115,033)	259	(114,774)	期內虧損及全面開支 總額
Equity-settled share option arrangements	-	-	-	-	10,407	-	-	10,407	-	10,407	以權益結算的購股權 安排
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	786	786	收購一家附屬公司
Issue of shares upon placing	37,981	89,570	-	-	-	-	-	127,551	-	127,551	於配售時發行股份
At 30 June 2015 (unaudited)	171,150	278,234	46,867	48,818	10,407	-	(6,003)	549,473	1,045	550,518	於二零一五年六月三十日 (未經審核)
At 1 January 2016 (audited)	213,708	371,893	46,867	48,818	10,407	19,300	(162,402)	548,591	956	549,547	於二零一六年一月一日 (經審核)
Loss for the period	-	-	-	-	-	-	(63,108)	(63,108)	342	(62,766)	期內虧損
Other comprehensive income for the period	-	-	-	-	-	7,177	-	7,177	11	7,188	期內其他全面收益
Total comprehensive expense for the period	-	-	-	-	-	7,177	(63,108)	(55,931)	353	(55,578)	期內全面開支總額
Equity-settled share option arrangements	-	-	-	-	11,020	-	-	11,020	-	11,020	以權益結算的購股權 安排
Exercise of warrant	33	64	-	-	-	-	-	97	-	97	行使認股權證
Issue of shares upon placing	34,364	21,823	-	-	-	-	-	56,187	-	56,187	於配售時發行股份
At 30 June 2016 (unaudited)	248,105	393,780	46,867	48,818	21,427	26,477	(225,510)	559,964	1,309	561,273	於二零一六年六月三十日 (未經審核)

Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

Notes:

- (a) *Special reserve represents the difference between the nominal value of shares of the Company issued as consideration in exchange for the aggregate of the paid-up capital of the subsidiaries of the Company arising upon the corporate reorganisation to rationalise the Group's structure prior to listing of the Company's shares on The Stock Exchange of Hong Kong Limited.*
- (b) *In accordance with the relevant laws and regulations of the People's Republic of China ("PRC"), the PRC subsidiaries are required to provide for PRC statutory reserves, including enterprise expansion fund and general reserve fund, by way of appropriations from its statutory net profit (based on the PRC statutory financial statements of the PRC subsidiaries) but before dividend distributions.*

All appropriations to the funds are made at the discretion of the board of directors of PRC subsidiaries. The board of directors of the PRC subsidiaries shall decide on the amounts to be appropriated based on its profitability each year.

The enterprise expansion fund may be used to increase registered capital subject to approval from the relevant PRC authorities. The general reserves fund may be used to offset accumulated losses or increase the registered capital subject to approval from the relevant PRC authorities.

附註：

- (a) 特別儲備指於本公司股份在香港聯合交易所有限公司上市前為了整頓本集團架構而進行公司重組之時，作為交換附屬公司股份的代價而發行之本公司股份的面值，與本公司附屬公司繳入資本的總額之間的差額。
- (b) 根據中華人民共和國（「中國」）有關法例及法規，一家中國附屬公司須從其法定溢利淨額（根據該中國附屬公司之中國法定財務報表）於分派股息前按比例提撥資金至中國法定儲備，包括企業擴展基金及一般儲備基金。

基金之所有分配乃由該中國附屬公司之董事會酌情決定。中國附屬公司之董事會將根據其每年盈利能力而決定將予分配之款項。

企業擴展基金可用於增加註冊資本，惟須取得相關中國部門之批准後方可作實。一般儲備基金可用於抵銷累計虧損或增加註冊股本，惟須取得相關中國部門之批准後方可作實。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2016 截至二零一六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		
	2016	2015	
	二零一六年	二零一五年	
	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	(64,574)	(93,608)	經營活動所用現金淨額
Net cash used in investing activities	(3,178)	(36,145)	投資活動所用現金淨額
Net cash generated from financing activities	56,094	127,135	融資活動所得現金淨額
Net decrease in cash and cash equivalents	(11,658)	(2,618)	現金及現金等值物 減少淨額
Cash and cash equivalents at beginning of the period	83,709	104,547	期初現金及現金 等值物
Effect of exchange rate changes	895	–	匯率變動的影響
Cash and cash equivalents at end of the period, represented by bank balances and cash	72,946	101,929	期末現金及現金等值物， 以銀行結餘及現金列示

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2015.

New and Revised HKFRSs Applied

In the current interim period, the Group has applied, for the first time, amendments Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are mandatorily effective for the current interim period.

The application of the amendments to HKFRSs in the current interim period has had no material impact on the amounts reported and/or on the disclosures set out in these condensed consolidated financial statements.

1. 編製基準

簡明綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34號，以及香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十六之適用披露規定而編製。

2. 主要會計政策

除若干金融工具按公平值計量外，簡明綜合財務報表乃根據歷史成本基準編製。

截至二零一六年六月三十日止六個月之簡明綜合財務報表所使用之會計政策及計算方法，與編製本集團截至二零一五年十二月三十一日止年度之年度財務報表所採用者一致。

應用新訂及經修訂香港財務報告準則

於本中期期間，本集團首次採納由香港會計師公會頒佈且已於本中期期間強制生效之香港財務報告準則（「香港財務報告準則」）之修訂。

於本中期期間應用香港財務報告準則之修訂對該等簡明綜合財務報表所呈報的金額及／或所載列的披露並無重大影響。

3. REVENUE

Revenue represents the net amounts received and receivable for goods sold less returns and discounts in the normal course of business and interest income from loan financing during the period.

An analysis of revenue is as follows:

	For the six months ended		
	截至六月三十日止六個月		
	2016	2015	
	二零一六年	二零一五年	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	
Revenue from trading of advanced steel flow control products	77,808	121,514	來自買賣高端鋼水控流產品之收入
Revenue from trading of paper converting equipment and other relating equipment	18,531	13,639	來自買賣紙張加工設備及其他相關設備之收入
Revenue from E-Commerce business	79,796	–	來自電子商務業務之收入
Revenue from money lending business	5,114	2,777	來自放債業務之收入
	181,249	137,930	

4. OPERATING SEGMENTS

HKFRS 8 “Operating segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the executive Directors) (“CODM”) in order to allocate resources to segments and to assess their performance.

The Group’s operating activities are attributable to four operating segments focusing on i) the manufacture and sale of advanced steel flow control products; ii) the manufacture and sale of paper converting equipment and other relating equipment, iii) money lending business, and iv) E-Commerce. These operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs, that are regularly reviewed by the CODM.

3. 收入

收入指就一般日常業務中之銷售貨品已收及應收的淨額，再減去退貨及折扣以及期內來自貸款融資之利息收入。

收入分析如下：

4. 經營分部

香港財務報告準則第8號「經營分部」要求，確認經營分部必須依從本集團之內部呈報分類作為基準；該等內部呈報分類乃定期由主要營運決策者（即執行董事）（「主要營運決策者」）審視，並對各分部進行資源分配及業績評估。

本集團之經營活動屬於四個經營分部，專注 i) 製造及銷售高端鋼水控流產品；ii) 製造及銷售紙張加工設備及其他相關設備；iii) 放債業務，及iv) 電子商務。該等經營分部乃基於符合香港財務報告準則之會計政策所編製之內部管理報告而識別，並由主要營運決策者定期檢討。

4. OPERATING SEGMENTS (Continued)

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

For the six months ended 30 June 2016
(Unaudited)

	Money lending business	Manufacture and sale of advanced steel flow control products	Manufacture and sale of paper converting equipment and other relating equipment	E-Commerce	Consolidated	
	放債業務 RMB'000	製造及銷售 高端鋼水 控流產品 RMB'000	製造及銷售 紙張加工設備 及其他 相關設備 RMB'000	電子商務 RMB'000	綜合 RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Revenue	5,114	77,808	18,531	79,796	181,249	收入
Segment profit/(loss)	4,097	(39,169)	(1,512)	(12,354)	(48,938)	分部溢利/(虧損)
Staff costs (including retirement benefit scheme contributions)					(925)	員工成本 (包括退休福利計劃供款)
Operating lease rentals					(342)	經營租賃租金
Unallocated corporate expenses					(14,795)	未分配公司開支
Loss before taxation					(65,000)	除稅前虧損

4. 經營分部 (續)

按可呈報及經營分部劃分的本集團收入及業績分析如下：

截至二零一六年六月三十日止
六個月 (未經審核)

For the six months ended 30 June 2015
(Unaudited)

	Money lending business	Manufacture and sale of advanced steel flow control products	Manufacture and sale of paper converting equipment and other relating equipment	Consolidated	
	放債業務 RMB'000	製造及銷售 高端鋼水 控流產品 RMB'000	製造及銷售 紙張加工設備 及其他 相關設備 RMB'000	綜合 RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Revenue	2,777	121,514	13,639	137,930	收入
Segment profit/(loss)	2,594	(101,719)	(3,422)	(102,547)	分部溢利/(虧損)
Staff costs (including retirement benefit scheme contributions)				(935)	員工成本 (包括退休福利計劃供款)
Operating lease rentals				(70)	經營租賃租金
Unallocated corporate expenses				(14,196)	未分配公司開支
Loss before taxation				(117,748)	除稅前虧損

截至二零一五年六月三十日止
六個月 (未經審核)

Segment (loss) profit represents the loss incurred/profit earned by each segment without allocation of certain administration costs and other income. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

分部(虧損)溢利指各分部產生的虧損/獲得的溢利而並無分配若干行政費用及其他收入。此乃就資源分配及表現評估而向主要營運決策者報告的方法。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

5. LOSS BEFORE TAXATION

5. 除稅前虧損

	Six months ended 30 June 截至六月三十日止六個月		
	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
Loss before taxation has been arrived at after charging (crediting):			除稅前虧損經扣除(計入)下列項目後達致:
Cost of inventories recognised as an expense	152,225	154,013	確認為開支之存貨成本
Depreciation of property, plant and equipment	1,195	7,853	物業、廠房及設備折舊
Amortisation of prepaid lease payments	146	196	預付租賃款項攤銷
Amortisation of other intangible assets	17,269	648	其他無形資產攤銷
Net exchange (gain)/loss	(8)	965	匯兌(收益)/虧損淨額
Research and development costs (included in administrative expenses)	13,468	16,738	研發成本 (列入行政開支)
Interest income	(49)	(3)	利息收入
Gain on disposal of property, plant and equipment	(28)	-	出售物業、廠房及設備收益
Equity-settled share option expenses	11,020	10,407	股本結算購股權開支

6. TAXATION

6. 稅項

	Six months ended 30 June 截至六月三十日止六個月		
	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
Hong Kong Profits Tax:			香港利得稅:
- Current period	1,263	-	- 本期間
PRC Enterprise Income Tax:			中國企業所得稅:
- Current period	-	-	- 本期間
Deferred Tax:			遞延稅項:
- Current period	(3,497)	(2,974)	- 本期間
	(2,234)	(2,974)	

6. TAXATION (Continued)

Provision for the PRC Enterprise Income Tax was made based on the estimated taxable profits calculated in accordance with the relevant income tax laws and regulations applicable to the Company's PRC subsidiaries.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

On 24 August 2015, one of the PRC subsidiaries obtained a Hi-tech certificate which is valid for three years. According to GuoShuiHan [2009] No.203, entities qualifying for the Hi-tech status could enjoy a PRC Enterprise Income Tax preferential treatment starting from the year of obtaining the Hi-tech certificate. As a result, this PRC subsidiary was subject to a PRC Enterprise Income Tax of 15% for three years commencing from 2015.

According to a joint circular of the Ministry of Finance and State Administration of Taxation – Cai Shui 2008 No. 1, dividend distributed out of the profits of PRC entities generated after 1 January 2008 are subject to PRC Enterprise Income Tax which is withheld by the PRC entity at 5% of the dividend distributed. During the six months ended 30 June 2016, deferred tax income of RMB3,497,000 (six months ended 30 June 2015: RMB2,974,000) in respect of the undistributed earnings of the Company's PRC subsidiaries has been reversed in the condensed consolidated statement of profit or loss and other comprehensive income.

7. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the current period (six months ended 30 June 2015: nil).

6. 稅項 (續)

中國企業所得稅撥備乃根據估計應課稅溢利(按適用於本公司中國附屬公司之有關所得稅法及法規計算)作出。

根據《中國企業所得稅法》(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司的稅率由二零零八年一月一日起為25%。

於二零一五年八月二十四日，一家中國附屬公司已獲得高新技術企業證書，有效期三年。根據國稅函[2009]第203號，符合高新技術企業資格的實體自獲得高新技術企業證書當年起可享受中國企業所得稅優惠待遇。因此，該中國附屬公司自二零一五年起計三年享受15%中國企業所得稅的待遇。

根據由財政部及國家稅務總局聯合發出的通知(財稅2008第1號文件)，於二零零八年一月一日之後從中國實體的溢利中分派之股息須繳納中國企業所得稅，並由該中國實體按分派股息之5%預扣。截至二零一六年六月三十日止六個月，有關本公司中國附屬公司之未分派盈利之遞延稅項收入為人民幣3,497,000元(截至二零一五年六月三十日止六個月：人民幣2,974,000元)，已在簡明綜合損益及其他全面收益表中撥回。

7. 股息

董事不建議派付本期間之中期股息(截至二零一五年六月三十日止六個月：無)。

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

		Six months ended 30 June 截至六月三十日止六個月			
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)		
Loss				虧損	
Loss for the period attributable to the owners of the Company for the purpose of calculation of basic and diluted loss per share	(63,108)	(115,033)		就計算每股基本及攤薄虧損而言本公司擁有人應佔之期間虧損	
		Six months ended 30 June 截至六月三十日止六個月			
		2016 二零一六年 '000 千股 (Unaudited) (未經審核)	2015 二零一五年 '000 千股 (Unaudited) (未經審核)		
Number of shares				股份數目	
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	2,669,972	1,629,243		就計算每股基本及攤薄虧損所使用之普通股加權平均數	

The calculation of diluted loss per share had not taken into consideration the assumed exercise of the Company's outstanding share options during the six months ended 30 June 2016 and 2015 as it had an anti-dilutive effect on the basic loss per share.

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

		Six months ended 30 June 截至六月三十日止六個月			
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)		
Loss				虧損	
Loss for the period attributable to the owners of the Company for the purpose of calculation of basic and diluted loss per share	(63,108)	(115,033)		就計算每股基本及攤薄虧損而言本公司擁有人應佔之期間虧損	
		Six months ended 30 June 截至六月三十日止六個月			
		2016 二零一六年 '000 千股 (Unaudited) (未經審核)	2015 二零一五年 '000 千股 (Unaudited) (未經審核)		
Number of shares				股份數目	
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	2,669,972	1,629,243		就計算每股基本及攤薄虧損所使用之普通股加權平均數	

計算每股攤薄虧損並無計及假設於截至二零一六年及二零一五年六月三十日止六個月行使本公司尚未行使之購股權，因其對每股基本虧損具反攤薄效果。

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group acquired plant, machinery and equipment at a cost of RMB60,000, furniture and fixtures and office equipment at a cost of RMB36,000 and motor vehicles at a cost of RMB1,242,000 (2015: plant, machinery and equipment at a cost of RMB348,000 and furniture and fixtures and office equipment at a cost of RMB6,000). The Group also acquired furniture and fixtures and office equipment at RMB67,000, which resulted from acquisition of Time Credit Limited during the six months ended 30 June 2015. The total additions of property, plant and equipment during the six month ended 30 June 2016 were RMB1,338,000 (2015: RMB421,000).

An impairment loss of RMB nil was recognised during the current interim period (2015: RMB10,978,000) in respect of the plant, machinery and equipment from the individual cash-generating unit of manufacture and sale of advanced steel flow control products segment. The recoverable amounts of the relevant assets have been determined on the basis of their value in use. The discount rate in measuring the amount of value in use were 16.50%.

10. OTHER INTANGIBLE ASSETS

Other intangible assets included technology know-how of carrying value of approximately RMB77,141,000. The intangible assets are amortised over their estimated useful life of 3 years using the straight line method.

9. 物業、廠房及設備變動

於截至二零一六年六月三十日止六個月，本集團按成本購入人民幣60,000元之廠房、機器及設備及按成本購入人民幣36,000元之傢俱及裝置及辦公室設備及按成本購入人民幣1,242,000元之汽車（二零一五年：按成本購入人民幣348,000元之廠房、機器及設備及人民幣6,000元之傢俱及裝置及辦公室設備）。本集團亦購入人民幣67,000元之傢俱及裝置及辦公室設備（因於截至二零一五年六月三十日止六個月收購友邦信貸有限公司而產生）。於截至二零一六年六月三十日止六個月期間，添置物業、廠房及設備之總額為人民幣1,338,000元（二零一五年：人民幣421,000元）。

於本中期期間，已就製造及銷售高端鋼水控流產品分部之個別現金產生單位之廠房、機器及設備確認減值虧損人民幣零元（二零一五年：人民幣10,978,000元）。有關資產之可收回金額已根據其使用價值釐定。計量使用價值金額的折現率為16.50%。

10. 其他無形資產

其他無形資產包括專有技術，賬面值為約人民幣77,141,000元。無形資產乃採用直線法於其估計可使用年期3年內攤銷。

11. TRADE RECEIVABLES

The credit period granted by the Group to certain customers is within 180 days (2015: 180 days), while payment from other customers are due immediately when goods are delivered. The following is an aged analysis of trade receivables presented based on the goods delivery date at the end of the reporting period, which approximated the respective revenue recognition dates:

	At 30 June 2016 於 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2015 於 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)	
0 – 30 days	24,653	21,808	0至30日
31 – 60 days	14,835	22,753	31至60日
61 – 90 days	16,396	20,576	61至90日
91 – 120 days	13,434	38,956	91至120日
121 – 180 days	17,083	17,872	121至180日
181 days to within 1 year	83,600	91,292	181日至1年以內
	170,001	213,257	

The Group has not provided for certain trade receivables which are past due but not impaired because the directors of the Company consider that those receivables are recoverable based on the good payment record of the customers and long established trading history with these customers. The Group does not hold any collateral over these balances.

Allowance on doubtful debts of RMB3,802,000 (2015: RMB31,021,000) recognised during the six months ended 30 June 2016 is based on estimated irrecoverable amounts by reference to the creditability of individual customers, past default experience, subsequent settlement and payment history of the customers. Full provision has been made for individual trade receivables aged over one year with no subsequent settlement as historical evidence shows that such receivables are generally not recoverable, or individual trade receivables which has either been placed under liquidation or in severe financial difficulties.

11. 貿易應收賬款

本集團向若干客戶授出之信貸期為180日(二零一五年: 180日)以內, 而其他客戶須於收到貨品時即時付款。以下為於報告期末根據貨品交付日期(與收入各自確認日期相近)呈列之貿易應收款項賬齡分析:

本集團並無就若干已過期但並未減值之貿易應收賬款作出撥備, 因為本公司董事認為, 基於客戶的良好支付記錄及與該等客戶建立已久的交易歷史, 該等應收賬款為可收回。本集團並無持有任何該等結餘的抵押品。

於截至二零一六年六月三十日止六個月確認的呆賬撥備人民幣3,802,000元(二零一五年: 人民幣31,021,000元)乃基於經參考個別客戶的信用、客戶的過往違約記錄、其後結算及支付歷史的估計不可收回金額。已就並無其後結算及賬齡超過一年的個別貿易應收賬款(因為歷史證據表明該等應收賬款一般不可收回)或已置於清盤或處於嚴重財政困難的個別貿易應收賬款作出全面撥備。

12. BILLS RECEIVABLES

The aged analysis of bills receivables presented based on the goods delivery date at the end of the reporting period are analysed as follows:

	At 30 June 2016 於 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2015 於 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)	
0 – 90 days	1,835	1,390	0至90日
91 – 120 days	360	4,117	91至120日
121 – 180 days	1,460	2,723	121至180日
Over 180 days	12,409	8,870	180日以上
	16,064	17,100	

At 30 June 2016, the carrying value of bills receivables included bills endorsed to suppliers on a full recourse basis that are not yet due amounting to RMB2,245,000 (31 December 2015: RMB2,583,000). As the Group has not transferred the significant risks and rewards relating to these bills receivables, it continues to recognise the full carrying amount of the bills receivables as assets in the condensed consolidated financial statements. The associated trade payables secured over the bills endorsed to the suppliers which were not yet due at the end of reporting period are recognised as current liabilities in the condensed consolidated statement of financial position.

All the bills receivables are denominated in RMB.

The maturity dates of endorsed bills were less than six months from the end of the reporting period.

12. 應收票據

於報告期末，根據貨品交付日期呈列之應收票據賬齡分析如下：

於二零一六年六月三十日，應收票據的賬面值包括按全面追索基準向供應商背書票據而尚未到還款日的款項人民幣2,245,000元（二零一五年十二月三十一日：人民幣2,583,000元）。由於本集團尚未轉讓有關該等應收票據的重大風險及回報，故本集團繼續於簡明綜合財務報表中確認應收票據的全數賬面值為資產。向供應商背書的票據（於報告期末尚未到期）的已保證相關貿易應付款項於簡明綜合財務狀況表中被確認為流動負債。

所有應收票據均以人民幣計值。

背書票據自報告期末起計之到期日均少於六個月。

13. LOAN RECEIVABLES

The Group's loan receivables arose from the money lending business during the period.

Loan receivables bear interest at rates, and with credit periods, mutually agreed between the contracting parties. Loan receivables are secured by personal guarantees by the debtors/certain individuals. Overdue balances are reviewed regularly and handled closely by senior management.

The loan receivables at the end of the reporting period are analysed by the remaining period to contractual maturity date as follows:

	At 30 June 2016 於 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2015 於 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)	
Within 3 months	1,091	1,034	3個月內
3 months to 1 year	129,323	14,909	3個月至1年
Over 1 year	20,176	34,403	1年以上
	150,590	50,346	

Loan receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no history of default.

13. 應收貸款

期內，本集團的應收貸款來自放債業務。

應收貸款之利率及信貸期由訂約雙方共同協定。應收貸款乃以債務人／若干個別人士之個人擔保作抵押。逾期結餘乃由高級管理層定期審核及審慎處理。

於報告期末的應收貸款按直至合約到期日的剩餘期間分析如下：

並無過期亦未減值之應收貸款與眾多無過往違約歷史的客戶相關。

14. TRADE AND BILLS PAYABLES

The following is an aged analysis of trade and bills payables, presented based on the goods receipt date at the end of the reporting period.

	At 30 June 2016 於 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2015 於 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)	
0 – 30 days	18,964	18,613	0至30日
31 – 60 days	10,011	8,074	31至60日
61 – 90 days	4,642	1,227	61至90日
Over 90 days	13,350	12,455	90日以上
	46,967	40,369	

The credit period granted by the suppliers to the Group is within 30 days.

At 30 June 2016, included in the trade payables was RMB2,245,000 (31 December 2015: RMB2,583,000) secured over bills receivables endorsed to suppliers that were not yet due for payment.

以下為貿易應付款項及應付票據於報告期末根據收取貨品日期呈列之賬齡分析。

供應商向本集團授出之信貸期為30日內。

於二零一六年六月三十日，計入貿易應付款項的金額中包括向供應商背書的應收票據（尚未到還款日）的已保證款項人民幣2,245,000元（二零一五年十二月三十一日：人民幣2,583,000元）。

15. OTHER PAYABLES AND ACCRUALS

	At 30 June 2016 於 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2015 於 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)	
Other payables	36,498	11,436	其他應付款項
Receipt in advance	4,336	1,417	預收款項
Accrued sales commission	5,235	14,167	應計銷售佣金
Accrued transportation fee	649	-	應計運輸費
Accrued professional fees	214	553	應計專業費用
Accrued staff costs	4,340	4,045	應計員工成本
Other tax payables	153	2,092	其他應付稅項
	51,425	33,710	

15. 其他應付款項及應計費用

16. BANK BORROWING

The bank borrowing is secured by the Group's leasehold land and building with a net carrying value of RMB420,000 (2015: RMB566,000) and RMB444,000 (2015: RMB1,121,000) respectively, at the end of the reporting period and repayable within one year.

16. 銀行借貸

於報告期末，須於一年內償還的銀行借貸以本集團賬面淨值分別為人民幣420,000元（二零一五年：人民幣566,000元）及人民幣444,000元（二零一五年：人民幣1,121,000元）的租賃土地及樓宇作抵押。

17. PROMISSORY NOTES

17. 承兌票據

	At 30 June 2016 於 二零一六年 六月三十日 RMB'000 人民幣千元	At 31 December 2015 於 二零一五年 十二月三十一日 RMB'000 人民幣千元	
At 1 January	207,737	–	於一月一日
Issuance upon acquisition of Time Credit Limited (note i)	–	26,023	收購友邦信貸有限公司後發行(附註i)
Issuance upon acquisition of Soaring International Group (note ii)	–	174,996	收購Soaring International集團後發行(附註ii)
Accrued interest charged	2,211	1,165	應計已收取利息
Exchange realignment	4,727	5,553	匯兌調整
At 30 June/31 December	214,675	207,737	於六月三十日／十二月三十一日

Notes:

- (i) On 23 March 2015, the Company issued promissory notes for an aggregate principal amount of HK\$33,000,000 at 3% interest per annum (the "PN 1") upon completion of the acquisition of Time Credit Limited to Ms. Lam Wai Ha, an independent third party not connected to the Group. The PN 1 is due on the second anniversary of the date of issue. The fair value of PN 1 was approximately to their principal amount calculated at the effective interest rate of 2.994% per annum. The PN 1 is classified as non-current liabilities and are carried at amortised cost until settlement on due date.
- (ii) On 9 November 2015, the Company issued promissory notes for an aggregate principal amount of HK\$213,600,000 at 2% interest per annum (the "PN 2") upon completion of the acquisition of Soaring International Holdings Limited to Mr. Lee Yim and Mr. Ng Hang Fai Calvin, independent third parties not connected to the Group. The PN 2 are due on the third anniversary of the date of issue. The fair value of PN 2 was approximately to their principal amount calculated at the effective interest rate of 2% per annum. The PN 2 is classified as non-current liabilities and are carried at amortised cost until settlement on due date.

附註：

- (i) 於二零一五年三月二十三日，本集團於完成收購友邦信貸有限公司後向與本集團並無關連的獨立第三方林惠霞女士發行總本金額33,000,000港元年利率為3%的承兌票據（「承兌票據1」）。承兌票據1於發行日期起計第二年到期。承兌票據1的公平值與其本金額相若，乃按2.994%的實際年利率計算。承兌票據1乃分類為非流動負債及直至於到期日清償前按攤銷成本列賬。
- (ii) 於二零一五年十一月九日，本公司於完成收購Soaring International Holdings Limited後向與本集團並無關連的獨立第三方李儼先生及吳恒輝先生發行總本金額213,600,000港元年利率為2%的承兌票據（「承兌票據2」）。承兌票據2於發行日期起計第三年到期。承兌票據2於發行日期的公平值與其本金額相若，乃按2%的實際年利率計算。承兌票據2乃分類為非流動負債及直至於到期日清償前按攤銷成本列賬。

18. SHARE CAPITAL

18. 股本

	Number of shares at HK\$0.10 per share 每股面值 0.10港元之 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	
Authorised:			法定：
At 1 January 2015, 30 June 2015	3,000,000	300,000	於二零一五年一月一日、 二零一五年六月三十日
Increase in authorised share capital (note c)	17,000,000	1,700,000	增加法定股本 (附註c)
At 31 December 2015, 1 January 2016 and 30 June 2016	20,000,000	2,000,000	於二零一五年十二月三十一日、 二零一六年一月一日及 二零一六年六月三十日
Issued and fully paid:			已發行及繳足：
At 1 January 2015	1,566,228	156,623	於二零一五年一月一日
Issue of shares on 8 May 2015 (note a)	170,000	17,000	於二零一五年五月八日發行股份 (附註a)
Issue of shares on 17 June 2015 (note b)	313,000	31,300	於二零一五年六月十七日 發行股份 (附註b)
Issue of shares on 9 November 2015 (note d)	520,000	52,000	於二零一五年十一月九日發行 股份 (附註d)
At 31 December 2015	2,569,228	256,923	於二零一五年十二月三十一日
Issue of shares upon exercising of warrants (note e)	384	38	於行使認股權證時發行股份 (附註e)
Issue of share on 16 May 2016 (note f)	409,000	40,900	於二零一六年五月十六日發行 股份 (附註f)
At 30 June 2016	2,978,612	297,861	於二零一六年六月三十日
Shown in the condensed consolidated financial statements			簡明綜合財務報表所示
At 31 December 2015 (Audited)	RMB'000 equivalent 人民幣千元等值	213,708	於二零一五年十二月三十一日 (經審核)
At 30 June 2016 (Unaudited)	RMB'000 equivalent 人民幣千元等值	248,105	於二零一六年六月三十日 (未經審核)

18. SHARE CAPITAL (Continued)

Notes:

- (a) On 8 May 2015, pursuant to the placing and subscription agreement dated 16 April 2015, 170,000,000 ordinary shares of HK\$0.10 each were allotted and issued at the price of HK\$0.31 per share.
- (b) On 17 June 2015, pursuant to the placing and subscription agreement dated 2 June 2015, 313,000,000 ordinary shares of HK\$0.10 each were allotted and issued at the price of HK\$0.35 per share.
- (c) On 15 September 2015, the Company proposed to increase its authorised share capital, which became effective on 7 October 2015. The authorised share capital of the Company increased from HK\$300,000,000 divided into 3,000,000,000 shares to HK\$2,000,000,000 divided into 20,000,000,000 shares.
- (d) On 9 November 2015, 520,000,000 ordinary shares of HK\$0.10 each were allotted and issued at HK\$0.32 per share upon acquisition of Soaring International Group.
- (e) During the interim period ended 30 June 2016, 80,000, 12,000, 800 and 291,200 shares were issued upon exercising of warrants on 19 January 2016, 22 March 2016, 23 March 2016 and 1 April 2016 respectively.
- (f) On 16 May 2016, pursuant to the placing and subscription agreement dated 20 April 2016, 409,000,000 ordinary shares of HK\$0.10 each were allotted and issued at HK\$0.166 per share.

18. 股本 (續)

附註：

- (a) 於二零一五年五月八日，根據日期為二零一五年四月十六日之配售及認購協議，按每股0.31港元之價格配發及發行170,000,000股每股面值0.10港元之普通股。
- (b) 於二零一五年六月十七日，根據日期為二零一五年六月二日之配售及認購協議，按每股0.35港元之價格配發及發行313,000,000股每股面值0.10港元之普通股。
- (c) 於二零一五年九月十五日，本公司建議增加其法定股本，已於二零一五年十月七日生效。本公司之法定股本由300,000,000港元（分為3,000,000,000股股份）增加至2,000,000,000港元（分為20,000,000,000股股份）。
- (d) 於二零一五年十一月九日，於收購Soaring International集團後，按每股0.32港元配發及發行520,000,000股每股面值0.10港元之普通股。
- (e) 於截至二零一六年六月三十日止中期期間，於行使認股權證時分別於二零一六年一月十九日、二零一六年三月二十二日、二零一六年三月二十三日及二零一六年四月一日發行80,000股、12,000股、800股及291,200股股份。
- (f) 於二零一六年五月十六日，根據日期為二零一六年四月二十日之配售及認購協議，按每股0.166港元配發及發行409,000,000股每股面值0.10港元之普通股。

19. RELATED PARTY TRANSACTIONS**Compensation of key management personnel**

The remuneration of the Directors and other members of key management for both periods was as follows:

	Six months ended 30 June	
	截至六月三十日止六個月	
	2016	2015
	二零一六年	二零一五年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)
Short-term benefits	815	907
Retirement benefit scheme contributions	13	-
	828	907

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

Save as disclosed in elsewhere to the consolidated financial statements, the Group have the following related party transactions.

19. 關連方交易**主要管理人員薪酬**

董事及其他主要管理層成員於兩個期間之薪酬如下：

董事及主要行政人員之酬金乃由薪酬委員會參考個人表現及市場趨勢而釐定。

除綜合財務報表其他部份所披露者外，本集團擁有以下關連方交易。

			Six months ended 30 June	
			截至六月三十日止六個月	
			2016	2015
			二零一六年	二零一五年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
			(Unaudited)	(Unaudited)
			(未經審核)	(未經審核)
Lu Yongchao 呂永超	chief executive officer 行政總裁	Loan interest received	59	-
		Loan interest receivable	7	-
		Loan receivable	2,526	-
Yip Sum Yu 葉芯瑜	Non-executive Director 非執行董事	Loan interest received	25	-

20. ACQUISITION OF SUBSIDIARIES

(i) Time Credit Limited

On 3 November 2014, the Company entered into a sale and purchase agreement with an independent third party, for the acquisition of 90% equity interest in Time Credit Limited, a company engaged in money lending business, at an aggregate consideration of approximately HK\$140,000,000. The acquisition was completed on 23 March 2015.

Acquisition-related costs amounting to RMB265,000 have been excluded from the cost of the acquisition and have been recognised directly as an expense in the year ended 31 December 2015 and included in the “administrative expenses” line item in the consolidated statement of profit or loss and other comprehensive income.

The fair value of the identifiable assets and liabilities of Time Credit Limited at the date of acquisition was as follows:

	Fair Value	
	公平值	
	RMB'000	
	人民幣千元	
Property, plant and equipment	17	物業、廠房及設備
Loan receivable	42,094	應收貸款
Other receivable	126	其他應收款項
Cash and cash equivalents	71	現金及現金等值物
Other payables	(34,448)	其他應付款項
	7,860	
Non-controlling interest	(785)	非控股權益
Goodwill on acquisition	103,318	收購時產生的商譽
	110,393	
Consideration satisfied by:		代價以下列各項清償：
Cash	84,370	現金
Promissory note	26,023	承兌票據
	110,393	
Net cash outflow arising on acquisition:		收購時產生的現金流出淨額：
Deposit paid during the year ended		於截至二零一四年十二月三十一日
31 December 2014	55,125	止年度支付的按金
Cash consideration paid during the year ended		於截至二零一五年十二月三十一日
31 December 2015	(29,245)	止年度支付的現金代價
Cash and bank balances acquired	71	已收購的現金及銀行結餘
	(29,174)	

20. 收購附屬公司

(i) 友邦信貸有限公司

於二零一四年十一月三日，本公司與獨立第三方就收購友邦信貸有限公司（一間從事放債業務的公司）之90%股權訂立買賣協議，總代價為約140,000,000港元。收購已於二零一五年三月二十三日完成。

收購相關成本人民幣265,000元已自收購成本中剔除，並於截至二零一五年十二月三十一日止年度直接確認為開支及計入綜合損益及其他全面收益表之「行政開支」項下。

友邦信貸有限公司於收購日期之可辨識資產及負債之公平值如下：

20. ACQUISITION OF SUBSIDIARIES (Continued)

(ii) Soaring International Holdings Limited and its subsidiaries (“Soaring International Group”)

On 15 May 2015, the Company entered into a sale and purchase agreement with independent third parties, for the acquisition of 100% equity interest in Soaring International Holdings Limited, an investment holding company whose subsidiaries are principally engaged in E-Commerce, at an aggregate consideration of approximately HK\$367,680,000. The acquisition was completed on 9 November 2015.

Pursuant to the sales and purchase agreement, the earnings before interest, taxes, depreciation and amortisation guarantee for Soaring International Group’s shall not be less than HK\$10,000,000 for the year ending 31 March 2016 (the “EBITDA Guarantee”). In the event of EBITDA Guarantee cannot be met, the vendors shall pay a compensation amount of actual shortfall multiple of 38 times, to the Company. The fair value of the EBITDA guarantee of Soaring International Group was insignificant at the date of acquisition based on valuation performed by an independent valuer, by using a probabilistic model.

20. 收購附屬公司 (續)

(ii) Soaring International Holdings Limited及其附屬公司 (“Soaring International集團”)

於二零一五年五月十五日，本公司與獨立第三方就收購Soaring International Holdings Limited（一間投資控股公司，其附屬公司主要從事電子商務）之100%股權訂立買賣協議，總代價為約367,680,000港元。收購已於二零一五年十一月九日完成。

根據買賣協議，Soaring International集團保證截至二零一六年三月三十一日止年度之息稅折舊及攤銷前利潤將不少於10,000,000港元（「EBITDA保證」）。倘未能達到EBITDA保證，賣方須向本公司支付實際差額的38倍金額作為補償。於收購日期，Soaring International集團的EBITDA保證的公平值（根據獨立估值師作出的估值並按概率論模型計算）並不重大。

20. ACQUISITION OF SUBSIDIARIES (Continued)

(ii) Soaring International Holdings Limited and its subsidiaries (“Soaring International Group”) (Continued)

Acquisition-related costs amounting to RMB1,363,000 have been excluded from the cost of the acquisition and have been recognised directly as an expense in the year ended 31 December 2015 and included in the “administrative expenses” line item in the consolidated statement of profit or loss and other comprehensive income.

The fair value of the identifiable assets and liabilities of Soaring International Group at the date of acquisition was as follows:

	Fair Value	
	公平值	
	RMB'000	
	人民幣千元	
Property, plant and equipment	169	物業、廠房及設備
Intangible assets	94,970	無形資產
Trade receivables	2,251	貿易應收款項
Prepayment, deposits and other receivables	2,034	預付款、按金其他應收款項
Inventory	6,572	存貨
Cash and bank balances	6,724	現金及銀行結餘
Trade and bills payables	(5,956)	貿易應付款項及應付票據
Other payables	(757)	其他應付款項
Tax payables	(147)	應付稅項
Bank loan	(415)	銀行貸款
Amount due to directors	(8,541)	應付董事款項
Deferred tax liabilities	(15,334)	遞延稅項負債
	81,570	
Goodwill on acquisition	229,740	收購時產生的商譽
	311,310	
Considerations satisfied by:		代價以下列各項清償：
Considerations shares	136,314	代價股份
Promissory note	174,996	承兌票據
	311,310	
Net cash inflow arising on acquisition:		收購時產生的現金流入淨額：
Cash and bank balances acquired	6,724	已收購的現金及銀行結餘

20. 收購附屬公司 (續)

(ii) Soaring International Holdings Limited 及其附屬公司 (「Soaring International 集團」) (續)

收購相關成本人民幣1,363,000元已自收購成本中剔除，並於截至二零一五年十二月三十一日止年度直接確認為開支及計入綜合損益及其他全面收益表之「行政開支」項下。

Soaring International 集團於收購日期之可辨識資產及負債之公平值如下：



SINOREF

華耐控股有限公司
SINOREF HOLDINGS LIMITED