

2017 Interim Report 中期報告



Hifood Group Holdings Co., Limited
海福德集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 442

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Nang Qi (*Chairman*)
Mr. Chen Peiliang (*Chief Executive Officer*)
Mr. Xue Qiang

Independent non-executive Directors

Mr. Ting Tit Cheung
Mr. Chan Chi Kuen
Mr. Lo Chun Pong

Company secretary

Mr. Chau Chi Lai (FCPA, CFA, CA, CPA Auditor
(Canada), CPA (US))

Audit committee

Mr. Chan Chi Kuen (*Chairman*)
Mr. Ting Tit Cheung
Mr. Lo Chun Pong

Remuneration committee

Mr. Ting Tit Cheung (*Chairman*)
Mr. Nang Qi
Mr. Chen Peiliang
Mr. Chan Chi Kuen
Mr. Lo Chun Pong

Nomination committee

Mr. Nang Qi (*Chairman*)
Mr. Chen Peiliang
Mr. Ting Tit Cheung
Mr. Chan Chi Kuen
Mr. Lo Chun Pong

Authorised representatives

Mr. Chen Peiliang
Mr. Chau Chi Lai

Auditors

PricewaterhouseCoopers

董事會

執行董事

曩麒先生 (主席)
陳佩良先生 (行政總裁)
薛強先生

獨立非執行董事

丁鐵翔先生
陳志權先生
盧振邦先生

公司秘書

周智禮先生 (FCPA, CFA, CA, CPA
Auditor (Canada) · CPA (US))

審核委員會

陳志權先生 (主席)
丁鐵翔先生
盧振邦先生

薪酬委員會

丁鐵翔先生 (主席)
曩麒先生
陳佩良先生
陳志權先生
盧振邦先生

提名委員會

曩麒先生 (主席)
陳佩良先生
丁鐵翔先生
陳志權先生
盧振邦先生

授權代表

陳佩良先生
周智禮先生

核數師

羅兵咸永道會計師事務所

Principal bankers

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited

Principal share registrar and transfer office

Estera Trust (Cayman) Ltd.
Clifton House, 75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

Hong Kong share registrar and transfer office

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Registered office

Clifton House, 75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

Place of business and headquarters in Hong Kong

Unit 1207
Fu Hang Industrial Building
1 Hok Yuen Street East
Hung Hom, Kowloon
Hong Kong

Place of Listing

The Stock Exchange of Hong Kong Limited

Stock code

442

Company's website

www.ktl.com.hk

主要往來銀行

香港上海滙豐銀行有限公司
恒生銀行有限公司

主要股份過戶登記處

Estera Trust (Cayman) Ltd.
Clifton House, 75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

香港股份過戶登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

註冊辦事處

Clifton House, 75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

香港營業地點及總部

香港
九龍紅磡
鶴園東街1號
富恒工業大廈
1207室

上市地點

香港聯合交易所有限公司

股份代號

442

公司網站

www.ktl.com.hk

FINANCIAL HIGHLIGHTS

財務摘要

Revenue was approximately HK\$307.4 million for the six months ended 30 September 2017 (the “Period”), representing an increase of approximately 25.0% as compared with the same for the six months ended 30 September 2016.

Gross profit was approximately HK\$51.9 million for the six months ended 30 September 2017, representing an increase of approximately 18.4% as compared with the same for the six months ended 30 September 2016.

Gross profit margin decreased to approximately 16.9% for the six months ended 30 September 2017, as compared with approximately 17.8% for the six months ended 30 September 2016.

For the six months ended 30 September 2017, Hifood Group Holdings Co., Limited (the “Company”) and its subsidiaries (collectively, the “Group”) recorded a consolidated loss attributable to the owners of the parent of approximately HK\$6.3 million, compared with consolidated losses of approximately HK\$6.4 million for the corresponding period of 2016.

Basic and diluted losses per share amounted to approximately HK\$0.04 for the six months ended 30 September 2017, compared with the basic and diluted losses per share of approximately HK\$0.04 for the six months ended 30 September 2016.

The board (the “Board”) of directors (the “Directors”) of the Company does not recommend the payment of an interim dividend for the six months ended 30 September 2017.

截至2017年9月30日止六個月（「本期間」），收益約為307.4百萬港元，較截至2016年9月30日止六個月增加約25.0%。

截至2017年9月30日止六個月，毛利約為51.9百萬港元，較截至2016年9月30日止六個月增加約18.4%。

截至2017年9月30日止六個月，毛利率下降至約16.9%，而截至2016年9月30日止六個月則約為17.8%。

截至2017年9月30日止六個月，海福德集團控股有限公司（「本公司」）及其附屬公司（統稱為「本集團」）錄得母公司擁有人應佔綜合虧損約為6.3百萬港元，而2016年同期綜合虧損約為6.4百萬港元。

截至2017年9月30日止六個月，每股基本及攤薄虧損約為0.04港元，而截至2016年9月30日止六個月每股基本及攤薄虧損約為0.04港元。

本公司董事（「董事」）會（「董事會」）不建議就截至2017年9月30日止六個月派付中期股息。

BUSINESS REVIEW

Being an integrated fine jewellery provider and an original design manufacturer with a well-established operating history in Hong Kong, the Group is primarily engaged in designing, manufacturing and exporting fine jewellery to jewellery wholesalers and retailers mainly in the Americas, Russia, other European countries and increasingly so in the People's Republic of China (the "PRC") and the Middle East in recent years. The Group has been offering a wide range of fine jewellery products in karat gold encompassing rings, earrings, pendants, necklaces, bracelets, bangles, cufflinks, brooches and anklets that are generally targeted at the mass to middle segment, the lowest among the three tiers of the fine jewellery market segments in terms of retail prices. The Group's customers are mainly wholesalers and retailers of jewellery products.

In 2017, global economic growth finally appears to be coming back on track. However, with the baseline outlook strengthening, growth has remained weak in many countries and recovery is still a work in process with inflation staying below target in most advanced economies. A mixed performance has been shown across the globe since the beginning of the year. Volatility brought about by the Brexit and the new Trump Administration in the U.S., escalating tensions in North Korea, ongoing fears of a Chinese hard landing as well as a weak global trade have all weighted on the risk sentiment. Against this backdrop, practitioners in the jewellery trade have continued to experience a challenging operating environment. Times have not been easy for consumers in general as well, as reflected in the depressing effect of eroding confidence and purchasing power on overall slow wage growth.

業務概覽

作為一家香港優質珠寶綜合供應商及原設計製造商，營運歷史悠久，本集團主要從事優質珠寶設計及製造，並主要出口予美洲、俄羅斯、其他歐洲國家，且近年來增加出口至中華人民共和國（「中國」）及中東的珠寶批發商及零售商。本集團供應多款K金優質珠寶產品，包括戒指、耳環、吊墜、項鍊、手鐲、臂鐲、袖扣、胸針及踝飾，有關產品一般鎖定優質珠寶市場分部按零售價劃分的三個級別中最低的大眾至中端分部。本集團客戶主要為珠寶產品批發商及零售商。

2017年，全球經濟增長終於看似返回正軌。然而，縱使基礎前景轉強，但不少國家增長依然乏力，全面復蘇仍未可期，且大多數發達經濟體的通脹率持續低於目標水平。年初以來，各國經濟表現不一，英國脫歐及美國特朗普新政府上場、北韓緊張局勢升級、市場對中國經濟硬著陸的持續憂慮，以至全球貿易疲弱等帶來的不穩定性，均使得風險氛圍加重。在此背景下，珠寶行業從業者繼續經受嚴峻經營環境的考驗；而對普遍消費者來說，整體工資增長緩慢，抑制消費信心，購買力遭受擠壓，優渥生活也不復前。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

For the six months ended 30 September 2017, revenue generated from sales to the Americas market, the largest market of the Group, registered a mild increase of 2.8% to HK\$138.4 million as compared with the corresponding period last year. In the U.S., the economy is back on track but the market has no slack amid hurricane-related disruptions in the country. Even though there is evidence that the U.S. labour market is improving, a lack of wage growth has dented consumer spending, which appears to have been largely supported by savings this year.

As the world's second largest economy and the Group's second largest market, the PRC has maintained a fairly steady economic growth as the Beijing government sought to rein in property and debt risks. Market talks of the possibility of a hard landing for the economy also prevailed. During the period under review, revenue generated from sales to the PRC market stood at HK\$69.4 million, up 38.0% from the same prior year period. However, the market is undergoing major changes in terms of consumer expectations. New, more modern Chinese consumers have exhibited strong aspiration for exclusivity and individuality, which would put traditional fine jewellery under increasing pressure.

In Russia, the jewellery industry is confronting the challenges of a declining economy, with overall retail sales figures continuing to decline further. Even though the Russian economy is seen growing slightly faster in 2017 than previously on the back of a rebound in oil and commodity prices, the present trend troubling the industry is not expected to get reversed unless the economic situation improves significantly as a whole and middle class incomes rise. Having said that, thanks to the efforts of our sales and marketing teams, revenue generated from sales to the Russian market recorded an increase of 245.7% to HK\$67.2 million from a year ago upon securing a number of one-off orders from customers.

截至2017年9月30日止六個月，來自本集團的最大市場，美洲市場的銷售收益較去年同期溫和增長2.8%至138.4百萬港元。在美國，經濟重上升軌，惟該國市場受風災影響未敢鬆懈。儘管有證據顯示美國勞動力市場正在改善，惟工資增長欠奉，削弱大眾消費，年內消費支出似乎在很大程度上仍由儲蓄支撐。

作為全球第二大經濟體及本集團的第二大市場，中國在北京政府嚴控房地產及債務風險的有力支持下，維持相對穩定的經濟增長。與此同時，市場對其經濟會否硬著陸的爭辯依然不絕。於回顧期間內，來自中國市場銷售所產生的收益錄得69.4百萬港元，較去年同期增加38.0%。然而，市場的消費預期正發生重大變化。時尚中國新生代呈現出更多個性化偏好，追求獨一無二的產品，為傳統優質珠寶銷售帶來與日俱增的壓力。

在俄羅斯，經濟低迷為珠寶行業帶來巨大挑戰，整體零售數據持續下滑。儘管2017年俄羅斯經濟在石油及商品價格回升的情況下增長較早前稍快，但現時行業困境重重的態勢料難以瞬間逆轉，除非整體經濟環境大幅改善及中產階級收入上升。即使如此，倚仗銷售及市務團隊齊心協力，繼若干客戶發出一一次性訂單後，本集團於俄羅斯市場銷售所產生的收益較去年同期增加245.7%至67.2百萬港元。

To better cater for the needs of different customers, the Group has had an ancillary business line engaging in the trading of watches, silver jewellery and non-precious metal jewellery. Sales generated from these non-fine gold jewellery products represented a mere 2.2% of the Group's total sales for the period under review.

In the face of the ever-changing market landscape, the Group has spared no effort to apply stringent controls over capital expenditures. For the first six months of the financial year of 2017, the Group's administrative expenses were up 13.0% year-on-year to HK\$38.3 million, while selling expenses increased by 7.7% year-on-year to HK\$19.3 million. However, excluding the one-off expenses associated with operations and resources optimisation, administrative and selling expenses were reduced by 16.0% and 5.5%, respectively.

EVENT AFTER THE REPORTING PERIOD

On 19 October 2017, a special resolution in relation to the Change of Company Name was proposed and duly passed at the extraordinary general meeting of the Company to approve the change of the English name of the Company from "KTL International Holdings Group Limited" to "Hifood Group Holdings Co., Limited" and the adoption of "海福德集團控股有限公司" as the dual foreign name in Chinese of the Company.

為更好地滿足不同客戶的需求，本集團另有一條業務副線，從事手錶、白銀飾品及非貴金屬飾品貿易。於回顧期間，該等非優質黃金珠寶產品的銷售僅佔本集團總銷售的2.2%。

面對瞬息萬變的市場形勢，本集團不遺餘力嚴格控制資本開支。2017財政年度上半年，本集團的行政開支按年增加13.0%至38.3百萬港元，而銷售開支按年增加7.7%至19.3百萬港元。然而，扣除與業務營運及優化資源配置相關的一次性開支後，行政及銷售開支分別進一步減少16.0%及5.5%。

報告期後事項

2017年10月19日，有關變更公司名稱的特別決議案已於本公司股東特別大會上提呈及獲正式通過，以批准將本公司英文名稱由「KTL International Holdings Group Limited」更改為「Hifood Group Holdings Co., Limited」及採納「海福德集團控股有限公司」作為本公司中文雙重外文名稱。


MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Certificate of Incorporation on Change of Name of the Company was issued by the Registry of Companies in the Cayman Islands on 24 October 2017 and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 15 November 2017.

The stock short names of the Company for trading in the Shares on the Stock Exchange has been changed from “KTL INT’L” to “HIFOOD GROUP” in English and “海福德集團” in Chinese since 23 November 2017.

The new name will not only provide the Company with a fresh corporate identity, but will also better reflect the relationship between the Company and its controlling shareholder — HNA Aviation Investment Holding Company Ltd.. The Board of Directors considers it is in the best interests of the Company and its shareholders as a whole.


The Company ceased to use its logo  with effect from 20 November 2017.

Please refer to the announcements of the Company dated 20 November 2017, 25 September 2017 and the circular dated 27 September 2017 relating to the change of company names and stock short names for further details.

開曼群島公司註冊處於2017年10月24日發出本公司之更改名稱註冊證書，且香港公司註冊處處長於2017年11月15日發出註冊非香港公司變更名稱註冊證明書。

自2017年11月23日起，本公司於聯交所買賣股份之股份簡稱已由「KTL INT’L」更改為英文簡稱「HIFOOD GROUP」及中文簡稱「海福德集團」。

新名稱不僅將為本公司塑造全新企業形象，亦可更好地反映本公司與其控股股東HNA Aviation Investment Holding Company Ltd.的關係。董事會認為此符合本公司及股東的整體最佳利益。

本公司自2017年11月20日起不再使用其  標識。

有關變更公司名稱及股份簡稱的進一步詳情，請參閱本公司日期為2017年11月20日、2017年9月25日的公佈及日期為2017年9月27日的通函。

PROSPECTS

Looking ahead, the global economy is picking up its speed with upswing in economic activity strengthening. Nonetheless, continued political and economic uncertainties remain on a number of fronts. Trade tensions between the U.S. and the PRC, as well as the brewing crises in North Korea and the Middle East could derail the global economic recovery. The Group expects that the global economy will continue to make stages of adjustments and is cautiously prudent about the outlook in the remainder of the financial year.

In Russia, even though the country's economic prospects have improved, retail consumption is still adjusting to lower disposable real incomes. Russians are spending less. The Russian jewellery market can only revive slowly in 2017 only if the economic situation of the country as a whole normalises.

The U.S. economy has expanded at a modest to moderate pace amid uncertainty around President Trump's policies, while capital controls, rapid domestic credit growth and continuous anti-corruption drives might cast a shadow over the PRC's steady growth of its economy.

Additionally, shifts in the demographics and mindset of millennials' attitude and purchase motivations have also brought forth profound changes to the jewellery market. Their shifting preferences, loose brand loyalties and urge for self-expression have made the industry more competitive than ever before.

前景

展望未來，環球經濟提速轉好，經濟活動逐步擴張。然而，多個方面尚存政治及經濟不明朗因素，如中美兩國貿易拉鋸，北韓及中東危機日益加劇，全球經濟復蘇或會受阻。本集團預期全球經濟將持續進行階段性調整，並對本財政年度餘下時間的前景持審慎態度。

在俄羅斯，儘管其經濟前景有所改善，零售消費尚在調整中，以適應較低的實際可支配收入。俄羅斯市民正縮減開支。僅在該國經濟狀況整體正常化後，2017年俄羅斯珠寶市場方會緩慢復甦。

在特朗普總統政策不明朗的情況下，美國的經濟適度溫和增長。與此同時，中國的資本管控，信貸增長快速及反腐行動持續，令其經濟穩步增長蒙上陰影。

此外，人口結構、千禧新生代思維態度，以及消費行為的轉變，均令珠寶市場出現巨變。彼等快速變換的喜好、薄弱的品牌忠誠度，加上急於自我表現，令行業今非昔比，競爭愈加激烈。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

STRATEGIES AND OUTLOOK

With continued political, economic and market uncertainties, the existing business of the Group in manufacturing and sale of jewellery products has seen a decrease in both revenue and net profit. In the light of the operations and financial position of the Group, the Group intends to explore possible business opportunities in the food and beverage industry both locally and abroad while continuing its jewellery business.

The Group considers the food and beverage industry has proved more resistant to impacts of changes in the macroeconomic environment and offers an optimistic growth potential. Furthermore, the “One Belt, One Road” initiative as proposed by the Chinese government is expected to boost demand for an array of sectors in the region, which will also benefit the development of the food and beverage businesses at large. The Group therefore considers that possible business expansions to food and beverage industry can enable it to better utilise its resources, mitigate the risks involved in its existing business of manufacturing and sale of jewellery products, and maximise investment returns for its shareholders.

Moreover, the management team members of the Group have seasoned experience and involvement in the food and beverage industry with all of them holding senior positions in HNA Catering Holdings Co., Ltd. As such, the Group considers that it possesses essential know-how and expertise to enable its expansion into the food and beverage industry, which is expected to help driving revenue of the Group.

策略及展望

因著政治、經濟及市場持續不明朗，本集團現有的製造及銷售珠寶產品業務出現收益及純利下降。鑒於本集團的營運及財務狀況，本集團有意於繼續其珠寶業務的同時，探索開拓本地及海外餐飲行業的可能業務機會。

本集團認為餐飲業能夠更好地抵禦宏觀經濟環境變化的影響，並且發展前景樂觀。此外，中國政府提出的「一帶一路」倡議預期將刺激區內眾多行業的需求，同時將在很大程度上有利於餐飲業務的發展。因此本集團認為若把握潛在機會將業務擴展至餐飲業能令本集團更好地利用其資源、緩解其現有製造及銷售珠寶產品業務所涉及的風險，並為股東帶來最大回報。

此外，本集團的管理層團隊成員於餐飲行業擁有豐富經驗並投身其中，且全部於海航食品控股有限公司擔任高管職務。因此，本集團認為其擁有必要的專業知識及技能，能夠令本集團擴展至餐飲行業，從而有助於推動本集團的收益。

Concurrently, the Group remains committed to maintaining its status as a top fine jewellery manufacturer and exporter in Hong Kong by strengthening its sales and marketing force, solidifying its presence in existing markets and reinforcing market recognition of its brand name globally.

In the U.S., the Group plans to explore opportunities where the Group believes would benefit from the integrated services it offers, providing a wider range of styles and designed tailored for the market and adjusting its production resources and capacity to better cater for the product lead time, consumer preferences and festive shopping practices. In the PRC, the Group will draw strength on its established corporate brand name and proven design capabilities to increase resources in a bid to attract jewellery wholesalers or chain stores which focus on the said market. The Group will focus its sales and marketing resources on promoting its brand and products, participating in selected trade exhibitions in the PRC, and allocating sufficient design and product development resources to offer a wider range of designs that are favourable to the Chinese consumers.

The Group believes its abilities to create new product designs and develop innovative production techniques in response to market trends and customers' preferences contribute to the success of its products. The Group has been offering customers with a diverse range of products with appealing designs at affordable prices, made with assorted kinds of precious metals, diamonds and gem stones with various specifications to cater for a broad bandwidth of market demand. The Group is also positive with the food and beverage industry vibe. Backed by the "One Belt, One Road" initiative, the Group is devoted to expanding into the new market that will provide the Group with strong momentum for future growth.

與此同時，本集團將繼續透過加強銷售及市務推廣力度、鞏固現有珠寶市場的佔有率及強化旗下品牌在全球的知名度，務求保持其作為香港優質珠寶製造商及出口商翹楚的地位。

本集團計劃於美國挖掘其認為會受惠於其所提供的綜合服務的商機，通過提供各種專為該市場度身訂造的造型及設計，以及調整其生產資源及產能，從而更好地迎合產品交付期、消費者喜好及節日購物慣例。在中國，本集團將借助公司的企業品牌效應及卓越設計能力的優勢，投入更多資源，以吸引專注此市場的珠寶批發商或連鎖店。本集團將投入更多銷售及市場推廣資源以在中國推廣其品牌及產品，選擇性地參加貿易展覽，並投放充足設計及產品開發資源，以提供各種最符合中國消費者的設計。

本集團認為，其產品的成功歸因於本集團能夠應對市場趨勢及客戶喜好，提供新穎的產品設計及開發創新生產技術。本集團一直向客戶提供多款設計優美、價格實惠且由各種貴金屬及各種規格的鑽石及寶石製成的產品，以迎合更廣泛的市場需求。本集團亦對餐飲行業氛圍感到樂觀。依賴於「一帶一路」倡議，本集團致力於拓擴至可為我們提供未來強勁增長勢頭的新市場。

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財務回顧

Six months ended 30 September
截至9月30日止六個月

		2017 2017年 (unaudited) (未經審核)	2016 2016年 (unaudited) (未經審核)
Revenue (HK\$'000)	收益 (千港元)	307,402	245,965
Gross profit (HK\$'000)	毛利 (千港元)	51,852	43,798
Gross profit margin (%)	毛利率 (%)	16.9	17.8
Loss attributable to the owners of the parent (HK\$'000)	母公司擁有人應佔虧損 (千港元)	(6,281)	(6,373)

REVENUE

The Group's revenue for the Period was approximately HK\$307.4 million, representing an increase of approximately HK\$61.4 million or 25.0% over the corresponding period in 2016. The increase in the Group's revenue was primarily due to (i) an increase in sales in Russia of approximately HK\$47.8 million boosted by the efforts made by the sales and marketing team and several standalone orders; (ii) an increase in sales in the PRC of approximately HK\$19.1 million; and (iii) a slight increase in sales in the Americas of approximately HK\$3.8 million. However, increase in revenue was partially offset by a decrease in sales in Europe (other than Russia) of approximately HK\$9.9 million.

收益

本集團於本期間的收益約為307.4百萬港元，較2016年同期增加約61.4百萬港元或25.0%。本集團的收益增加主要由於：(i)受惠銷售及市務團隊的努力，及若干一次性訂單下，俄羅斯銷售額增加約47.8百萬港元；(ii)中國銷售額增加約19.1百萬港元；及(iii)美洲銷售額輕微增加約3.8百萬港元。然而，增加收益部分被歐洲(除俄羅斯外)銷售額減少約9.9百萬港元所抵銷。

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit for the Period was approximately HK\$51.9 million, representing an increase of approximately HK\$8.1 million or 18.4% over the corresponding period in 2016. Gross profit margin decreased to approximately 16.9% from approximately 17.8%, which was mainly due to a higher proportion of sales of simple design with lower pricing to the Russian market.

SELLING EXPENSES

The Group's selling expenses slightly increased by approximately HK\$1.4 million or 7.7%, to approximately HK\$19.3 million for the Period from approximately HK\$17.9 million for the six months ended 30 September 2016. The increase was primarily attributable to (i) the Group's implementation of stringent cost control measures to lower advertising and promotion costs by approximately HK\$0.8 million; which was partially offset by (ii) an increase in export credit insurance and freight charges of approximately HK\$0.3 million on the pack of an increase in sales for the Period; (iii) an increase in staff costs of approximately HK\$0.4 million due mainly to the result of recruiting designers for creating new product collections; and (iv) an increase in sales commission of approximately HK\$0.8 million as a reward for expanding new customer base and exploring new markets.

毛利及毛利率

本集團於本期間的毛利約為51.9百萬港元，較2016年同期增加約8.1百萬港元或18.4%。毛利率則由約17.8%下降至約16.9%，主要由於設計簡單及定價較低的俄羅斯銷售比例上升。

銷售開支

本集團於本期間的銷售開支由截至2016年9月30日止六個月的約17.9百萬港元略增約1.4百萬港元或7.7%至約19.3百萬港元。銷售開支增加主要歸因於：(i) 本集團嚴格實行成本控制措施，令廣告及宣傳費用下降約0.8百萬港元；惟當中部分被(ii) 本期間銷售額上升，使出口信用保險及運費開支增加約0.3百萬港元；(iii) 主要因聘請設計師創作新產品系列，而令員工成本上升約0.4百萬港元；及(iv) 銷售佣金上升約0.8百萬港元，用以獎勵擴闊客戶基礎及發掘新市場所抵銷。

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ADMINISTRATIVE EXPENSES

The Group's administrative expenses increased by approximately HK\$4.4 million or 13.0%, to approximately HK\$38.3 million for the Period from approximately HK\$33.9 million for the six months ended 30 September 2016. The increase was primarily due to the combined effects of (i) a decline in office, utility and sundry expenses by approximately HK\$2.7 million as a result of the Group's continuous implementation of rigorous cost control by further streamlining operations and rationalising overheads; and (ii) an increase in staff costs and consulting expenditures of approximately HK\$7.1 million resulted from the one-off expenses incurred from the business operation and resources allocation process.

FINANCE COSTS

The Group's finance costs increased by approximately HK\$3.3 million or 119.3% from approximately HK\$2.7 million for the six months ended 30 September 2016 to approximately HK\$6.0 million for the Period. The increase was primarily a result of the increase in interest-bearing other borrowings at a higher borrowing rate during the Period.

行政開支

本集團的行政開支由截至2016年9月30日止六個月約33.9百萬港元增加約4.4百萬港元或13.0%，至本期間的約38.3百萬港元。行政開支增加主要由於以下各項之結合影響：(i) 因本集團進一步精簡經營及理順日常開支，以持續實施嚴格成本控制，辦公室、公用設施及雜項開支減少約2.7百萬港元；(ii) 然而，在業務運營及優化資源配置的過程中產生了一次性開支，導致員工成本及諮詢顧問費等增加約7.1百萬港元。

財務成本

本集團的財務成本由截至2016年9月30日止六個月約2.7百萬港元增加約3.3百萬港元或119.3%，至本期間的約6.0百萬港元。財務成本增加主要由於本期間以較高借貸利率取得的計息其他貸款增加。

LOSS ATTRIBUTABLE TO THE OWNERS OF THE PARENT

During the Period, the Group recorded a consolidated loss (the “Loss”) attributable to the owners of the parent of approximately HK\$6.3 million, compared with a consolidated loss of approximately HK\$6.4 million for the corresponding period of 2016. The reduction in Loss was mainly attributable to an increase in the Group’s revenue by approximately 25.0% and gross profit by approximately 18.4% for the Period as compared to the corresponding period in 2016. The increase in revenue was attributable to the rise of sales in Russian and the Chinese markets, the increase of which were approximately HK\$47.8 million and HK\$19.1 million, respectively, for the Period as compared to the corresponding period in 2016.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2017, the Group had current assets of approximately HK\$519.2 million (31 March 2017: approximately HK\$519.2 million) which comprised cash and bank balances of approximately HK\$210.7 million (31 March 2017: approximately HK\$152.1 million). As at 30 September 2017, the Group had non-current liabilities of approximately HK\$2.6 million (31 March 2017: approximately HK\$4.4 million), and its current liabilities amounted to approximately HK\$305.6 million (31 March 2017: approximately HK\$394.3 million), consisting mainly of payables arising in the normal course of operation and bank and other borrowings for trade financing. Accordingly, the current ratio, being the ratio of current assets to current liabilities, was approximately 1.7 at 30 September 2017 (31 March 2017: approximately 1.3).

母公司擁有人應佔虧損

於本期間，本集團錄得母公司擁有人應佔綜合虧損（「虧損」）約6.3百萬港元，而相對2016年同期錄得綜合虧損約6.4百萬港元。虧損收窄主要由於本期間本集團的收益及毛利較2016年同期分別上漲約25.0%及約18.4%。收益上漲乃由於俄羅斯及中國市場的銷售提升，於本期間，有關銷售較2016年同期分別增加約47.8百萬港元及約19.1百萬港元。

流動資金及財務資源

於2017年9月30日，本集團的流動資產約為519.2百萬港元（2017年3月31日：約519.2百萬港元），包括現金及銀行結餘約210.7百萬港元（2017年3月31日：約152.1百萬港元）。於2017年9月30日，本集團的非流動負債約為2.6百萬港元（2017年3月31日：約4.4百萬港元），及流動負債約為305.6百萬港元（2017年3月31日：約394.3百萬港元），主要包括日常營運過程中產生的應付款項以及貿易融資的銀行及其他貸款。因此，於2017年9月30日，流動比率（即流動資產與流動負債的比率）約為1.7（2017年3月31日：約1.3）。

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The Group monitors its liquidity requirements on a short to medium term basis and arranges refinancing of the Group's borrowings as appropriate. As at 30 September 2017, we had banking facilities in an aggregate amount of approximately HK\$163.9 million, of which approximately HK\$114.4 million was unutilised.

With cash on hand and available banking facilities, the Group's liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

GEARING RATIO

The gearing ratio of the Group as at 30 September 2017 was not applicable as cash and bank balances exceeded interest-bearing bank and other borrowings and obligations under finance lease.

The gearing ratio of the Group, calculated as net debt (being interest-bearing bank and other borrowings and obligations under finance lease less cash and bank balances) divided by the total equity plus net debt, was approximately 21.1% as at 31 March 2017.

本集團監控流動資金需求以中短期為基礎，並於適當時為本集團貸款安排再融資。於2017年9月30日，我們的銀行融資合共約為163.9百萬港元，其中約114.4百萬港元尚未動用。

本集團擁有現金及可用銀行融資，其資金流動性持續穩健，有足夠財務資源以應付承擔及營運資金需求。

資本負債比率

本集團於2017年9月30日的資本負債比率並不適用，原因是現金及銀行結餘超過計息銀行及其他貸款以及融資租賃承擔。

於2017年3月31日，本集團的資本負債比率按負債淨額（計息銀行及其他貸款及融資租賃承擔減現金及銀行結餘）除以權益總額加負債淨額計算，約為21.1%。

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and maintained a healthy liquidity position throughout the Period. The Group strives to reduce exposure to credit risk by buying credit insurance on certain customers' receivables, performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

FOREIGN EXCHANGE EXPOSURE

For the Period, the Group had monetary assets and monetary liabilities denominated in foreign currencies, i.e. currency other than the functional currency of the respective group entities, which are mainly trade receivables, other receivables, available-for-sale investment, cash and bank balance, pledged bank deposits, trade and other payables and interest-bearing bank borrowings. Consequently, the Group has foreign exchange risk exposure from translation of amount denominated in foreign currencies as at 30 September 2017. Since HK\$ is pegged to US\$, the Group does not expect any significant movements in HK\$/US\$ exchange rate. We are exposed to foreign exchange risk primarily with respect to Renminbi ("RMB"). If HK\$ as at 30 September 2017 had strengthened/weakened by 5% against RMB with all other variables held constant, the loss for the period attributable to the owners of the parent would have been increased/decreased by approximately HK\$1.3 million for the Period (30 September 2016: loss for the period attributable to the owners of the parent would have been increased/decreased by approximately HK\$2.0 million).

庫務政策

本集團在執行庫務政策上貫徹採取審慎的財務管理策略，於本期間整段時間內維持健全的流動資金狀況。本集團透過就若干客戶的應收款項購買信用保險，不斷評估其客戶的信貸狀況及財務狀況，務求降低信貸風險。為控制流動資金風險，董事會密切監察本集團的流動資金狀況，確保本集團資產、負債及其他承擔的流動資金架構可不時滿足其資金需要。

外匯風險

於本期間，我們有以外幣（即相關集團實體功能貨幣以外的貨幣）計值的貨幣資產及貨幣負債，主要為貿易應收款項、其他應收款項、可供出售投資、現金及銀行結餘、已抵押銀行存款、貿易及其他應付款項以及計息銀行貸款。因此，本集團於2017年9月30日面臨來自換算以外幣計值的款項的外匯風險。由於港元與美元掛鈎，本集團預期港元兌美元的匯率不會發生任何重大變動。我們承受的外匯風險主要與人民幣（「人民幣」）有關。倘港元於2017年9月30日兌人民幣升值／貶值5%，而其他所有變量保持不變，於本期間母公司擁有人應佔期內虧損將已增加／減少約1.3百萬港元（2016年9月30日：母公司擁有人應佔期內虧損已增加／減少約2.0百萬港元）。

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The Group does not engage in any derivatives activities and does not commit to any financial instruments to hedge its exposure to foreign currency risk.

CAPITAL COMMITMENTS

As at 30 September 2017, capital commitments of the Group was nil (31 March 2017: approximately HK\$2.6 million).

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period.

INFORMATION ON EMPLOYEES

As at 30 September 2017, the Group had 338 employees (31 March 2017: 534), including the executive Directors. Remuneration is determined with reference to market conditions and individual employees' performance, qualification and experience.

Apart from the provident fund scheme (operation in accordance with the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or social insurance fund (including retirement pension insurance, medical insurance, unemployment insurance, injury insurance and maternity insurance for the PRC employees), discretionary bonuses and employee share options are also awarded to employees according to the Group's performance as well as assessment of individual performance. Since the adoption of the share option scheme on 10 February 2015 and up to 30 September 2017, no options had been granted by the Company.

本集團並無從事任何衍生工具活動，亦無利用任何財務工具對沖其外幣風險。

資本承擔

於2017年9月30日，本集團資本承擔為零(2017年3月31日：約2.6百萬元)。

中期股息

董事會不建議就本期間派付中期股息。

僱員資料

於2017年9月30日，本集團有338名僱員(2017年3月31日：534名)，包括執行董事。薪酬乃參考市況及個別僱員之表現、資格及經驗而釐定。

除公積金計劃(根據強制性公積金計劃條例的條文為香港僱員設立)或社會保險基金(包括為中國僱員設立的退休養老保險、醫療保險、失業保險、工傷保險及生育保險)外，本公司會參考本集團表現及個別員工表現評估向僱員發放酌情花紅及僱員購股權。自2015年2月10日採納購股權計劃起至2017年9月30日，本公司概無授出購股權。

The Directors believe that the salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually.

CAPITAL STRUCTURE

On 5 May 2017, the Company entered into the placing agreement (the "Placing Agreement") with First Shanghai Securities Limited (the "Placing Agent"), pursuant to which (i) the Placing Agent agreed to procure (by itself or through its respective sub-placing agent(s)), on a best efforts basis, not less than six places (the "Places") to subscribe 12,600,000 new shares of the Company (the "Placing Shares") at the placing price of HK\$5.06 per share; and (ii) the Company agreed to issue, and the Placing Agent agreed to procure, on a best efforts basis, each Placee who subscribed for any Placing Shares to subscribe such number of warrants as equal to such number of Placing Shares.

On 16 May 2017, the Company completed placing of the Placing Shares. The Placing Shares were allotted and issued to not less than six placees at the price of HK\$5.06 per share, representing approximately 7.30% of the issued shares of the Company. Please refer to the announcements of the Company dated 7 May 2017, 16 May 2017 and 10 August 2017, and the circular of the Company dated 26 July 2017 relating to the placing for further details.

董事認為，本集團僱員之薪金及福利維持在具競爭力的水平，在本集團薪金及花紅制度（每年進行檢討）的總體框架下，僱員按表現獲得獎勵。

資本架構

於2017年5月5日，本公司與第一上海證券有限公司（「配售代理」）訂立配售協議（「配售協議」），據此，(i) 配售代理同意盡力促使（其本身或透過各分配售代理）不少於六名承配人（「承配人」）按配售價每股5.06港元認購本公司12,600,000股新股份（「配售股份」）；及(ii)本公司同意發行及配售代理同意盡力促使認購任何配售股份的各承配人認購等於配售股份數目的相關數目認股權證。

於2017年5月16日，本公司完成配售配售股份。配售股份已按每股5.06港元的價格配發及發行予不少於六名承配人，相當於本公司約7.30%的已發行股份。有關配售的進一步詳情，請參閱本公司日期為2017年5月7日、2017年5月16日及2017年8月10日的公佈以及本公司日期為2017年7月26日的通函。

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USE OF PROCEEDS FROM THE PLACING OF SHARES

The net proceeds from the placing, after deducting the placing fee, stamp duty and other related expenses payable by the Company, is approximately HK\$62,475,000, which is intended to be used by the Company as general working capital of the Group. As at 30 September 2017, no proceeds have been utilized and the net proceeds remain available for the intended use.

SHARE OPTION SCHEME

The Company has adopted the share option scheme on 10 February 2015 (the “Scheme”) under which certain selected classes of participants (including, among others, Directors and full-time employees) may be granted options to subscribe for the shares. Unless otherwise cancelled or amended, the scheme will remain in force for 10 years from that date. No share option had ever been granted under the Scheme since its adoption.

UNLISTED WARRANTS

Pursuant to the Placing Agreement, the Company agreed to issue 12,600,000 unlisted warrants (the “Warrants”) at an issue price of HK\$0.20 per Warrant. Each Warrant entitled the Placers to subscribe for one ordinary share of HK\$0.005 each at an initial subscription price of HK\$7.00 per share (the “Warrant Shares”) at any time within two years commencing from the date of issue of Warrants. For further information, please refer to the circular of the Company dated 26 July 2017.

配售股份的所得款項用途

配售所得款項淨額(扣除本公司應付的配售費用、印花稅及其他相關費用後)約62,475,000港元，將由本公司撥作本集團的一般營運資金。於2017年9月30日，並無任何所得款項已予動用，故所得款項淨額仍可用作擬定用途。

購股權計劃

本公司已於2015年2月10日採納購股權計劃(「計劃」)，據此，若干選定類別的參與者(包括(其中包括)董事及全職僱員)可獲授購股權以認購股份。除非以其他方式註銷或修訂，計劃於該日起計10年內仍有效。自其採納以來，並無根據計劃授出任何購股權。

非上市認股權證

根據配售協議，本公司同意按每份認股權證0.20港元的發行價發行12,600,000份非上市認股權證(「認股權證」)。各認股權證賦予承配人權利以於發行認股權證日期起兩年內隨時按每股7.00港元的初步認購價認購一股面值0.005港元的普通股(「認股權證股份」)。進一步資料，請參閱本公司日期為2017年7月26日的通函。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Following obtaining the Shareholders' approval of the issue of the Warrants and the Warrant Shares at the extraordinary general meeting held on 10 August 2017, completion of the issue of the Warrants took place on 15 August 2017. Warrants of an aggregate amount of approximately HK\$2.5 million have been issued to the Placees at the Issue Price of HK\$0.20 per Warrant. The Warrants entitle the Placee to subscribe for the Warrant Shares at the initial subscription price of HK\$7.00 each for a period of two years commencing from the date of issue of the Warrants.

Save as disclosed above, there was no change in the capital structure of the Group as at 30 September 2017 as compared with that as at 31 March 2017.

SIGNIFICANT INVESTMENT HELD

The Group did not hold any significant investments in equity interest in any other company during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

There was no definite future plan for material investments and acquisition of material capital assets as at 30 September 2017.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the Period, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

繼於2017年8月10日舉行之股東特別大會上獲得股東對發行認股權證及認股權證股份的批准後，認股權證發行已於2017年8月15日完成。總額約為2.5百萬港元的認購權證已按每份認股權證0.20港元的發行價發行予承配人。認股權證授予承配人權利於發行認股權證日期起兩年期間內按每股7.00港元的初步認購價認購認股權證股份。

除上文所披露者外，相比本集團於2017年3月31日的資本架構，本集團於2017年9月30日的資本架構並無變動。

持有之重大投資

本集團於本期間並無於任何其他公司持有任何重大股權投資。

重大投資及資本資產之未來計劃

於2017年9月30日，本集團並無任何有關重大投資及重大資本資產收購之具體未來計劃。

重大收購及出售附屬公司及聯屬公司

於本期間，本集團並無任何重大收購及出售附屬公司及聯屬公司事項。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CHARGE ON ASSETS

As at 30 September 2017, the Group's bank borrowings are secured by its assets as below:

- (i) mortgages over the Group's leasehold land, which had a net carrying amount of approximately HK\$9.7 million and approximately HK\$9.9 million, respectively, as at 30 September 2017 and 31 March 2017;
- (ii) mortgages over the Group's buildings, which had a net carrying amount of approximately HK\$2.3 million and approximately HK\$17.4 million, respectively, as at 30 September 2017 and 31 March 2017;
- (iii) mortgages over the Group's prepaid land lease payments, which had a net carrying amount of nil and of approximately HK\$2.8 million, respectively, as at 30 September 2017 and 31 March 2017;
- (iv) the pledge of the Group's bank deposits of approximately HK\$33.9 million and approximately HK\$55.5 million, respectively, as at 30 September 2017 and 31 March 2017;
- (v) the pledge of the Group's available-for-sale investment amounting to approximately HK\$15.4 million as at 30 September 2017 (31 March 2017: HK\$15.0 million);

資產抵押

於2017年9月30日，本集團銀行貸款由其資產作抵押，詳情如下：

- (i) 於2017年9月30日及2017年3月31日，本集團賬面淨值分別約為9.7百萬港元及約9.9百萬港元的租賃土地的按揭；
- (ii) 於2017年9月30日及2017年3月31日，本集團賬面淨值分別約為2.3百萬港元及約17.4百萬港元的樓宇的按揭；
- (iii) 於2017年9月30日及2017年3月31日，本集團賬面淨值分別為零及約2.8百萬港元的預付土地租賃款項的按揭；
- (iv) 於2017年9月30日及2017年3月31日，本集團金額分別約為33.9百萬港元及約55.5百萬港元的銀行存款的抵押；
- (v) 於2017年9月30日，本集團金額約為15.4百萬港元(2017年3月31日：15.0百萬港元)的可供出售投資抵押；

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

- (vi) the pledge of the Group's trade receivables of approximately HK\$67.5 million as at 30 September 2017 (31 March 2017: HK\$69.2 million); and
 - (vii) corporate guarantees provided by certain subsidiaries of the Company (31 March 2017: by the Company and certain subsidiaries of the Company).
- (vi) 於2017年9月30日，本集團金額約為67.5百萬港元(2017年3月31日：69.2百萬港元)的貿易應收款項抵押；及
 - (vii) 本公司若干附屬公司提供的公司擔保(2017年3月31日：本公司及本公司若干附屬公司提供的公司擔保)。

As at 30 September 2017, the Group's other borrowings are secured by the pledge of the Group's trade receivables of approximately HK\$128.5 million (31 March 2017: HK\$142.3 million).

本集團於2017年9月30日的其他貸款乃以本集團約128.5百萬港元之貿易應收款項作質押(2017年3月31日：142.3百萬港元)。

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2017 (31 March 2017: nil).

或然負債

於2017年9月30日，本集團並無任何重大或然負債(2017年3月31日：無)。

CORPORATE GOVERNANCE

企業管治

CORPORATE GOVERNANCE PRACTICES

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that lead to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

For the Period, the Company had complied with the code provisions (“Code Provisions”) set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transaction by Directors of the Company. Having made specific enquiries to all the Directors, the Directors confirmed that they had complied with the required standard as set out in the Model Code during the Period.

企業管治守則

配合及遵循企業管治原則及常規之公認標準一貫為本公司最優先原則之一。董事會認為良好的企業管治是帶領本公司邁向成功及平衡股東、客戶及僱員之間利益之因素之一，董事會致力於持續改善該等原則及常規之效率及有效性。

於本期間，本公司一直遵守上市規則附錄十四所載的企業管治守則及企業管治報告的守則條文（「守則條文」）。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」），作為本公司董事進行證券交易之行為守則。經向全體董事作出具體查詢後，董事確認於本期間已遵守標準守則所載規定標準。

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 September 2017

截至2017年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2017 2017年 HK\$'000 千港元 (unaudited) (未經審核)	2016 2016年 HK\$'000 千港元 (unaudited) (未經審核)
	Notes 附註		
Revenue	收益	4	
Cost of sales	銷售成本	307,402	245,965
		(255,550)	(202,167)
Gross profit	毛利	51,852	43,798
Other income	其他收入	1,890	1,392
Selling expenses	銷售開支	(19,281)	(17,898)
Administrative expenses	行政開支	(38,347)	(33,946)
Operating loss	營運虧損	(3,886)	(6,654)
Other gains, net	其他收益淨額	6,064	4,542
Finance costs	財務成本	(5,954)	(2,715)
Share of loss of a joint venture	應佔合營公司虧損	(136)	(32)
Loss before tax	除稅前虧損	6	
Income tax expense	所得稅開支	(3,912)	(4,859)
		(2,369)	(1,514)
Loss for the Period attributable to the owners of the parent	母公司擁有人應佔 本期間虧損	(6,281)	(6,373)

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 September 2017

截至2017年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2017 2017年 HK\$'000 千港元 (unaudited) (未經審核)	2016 2016年 HK\$'000 千港元 (unaudited) (未經審核)
		Notes 附註	
Other comprehensive income/ (loss) to be reclassified to profit or loss in subsequent periods, net of tax	日後期間將予重新分類至損益賬的其他全面收益／(虧損)，扣除稅項		
Change in fair value of an available-for-sale investment	可供出售投資公允值變動	278	309
Exchange differences on translation of foreign operations	換算國外業務產生的匯兌差額	10,527	(8,822)
Realisation of exchange fluctuation reserve upon disposal/ deregistration of subsidiaries	出售／註銷附屬公司時匯兌波動儲備之實現	1,020	(6,056)
Other comprehensive income/ (loss) for the period, net of tax	期內其他全面收益／(虧損)，扣除稅項	11,825	(14,569)
Total comprehensive income/ (loss) for the period attributable to the owners of the parent	母公司擁有人應佔期內全面收益／(虧損)總額	5,544	(20,942)
Losses per share attributable to ordinary equity holders of the parent:	母公司普通股權益持有人應佔每股虧損：		
Basic and diluted	基本及攤薄	9 HK\$(0.04) (0.04) 港元	HK\$(0.04) (0.04) 港元

**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**
簡明綜合財務狀況表

At 30 September 2017

於 2017 年 9 月 30 日

		Notes 附註	At 30 September 2017 於 2017 年 9 月 30 日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2017 於 2017 年 3 月 31 日 HK\$'000 千港元 (audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	28,760	171,871
Prepaid land lease payments	預付土地租賃款項		–	13,271
Prepayments for construction progress	在建工程預付款項		–	267
Investment in a joint venture	於合營公司之投資		599	367
Available-for-sale investment	可供出售投資	11	15,417	15,015
Total non-current assets	非流動資產總值		44,776	200,791
Current assets	流動資產			
Inventories	存貨	12	73,837	109,590
Trade receivables	貿易應收款項	13	174,736	176,125
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		24,724	23,561
Tax recoverable	應收稅項		1,295	1,901
Prepaid land lease payments	預付土地租賃款項		–	389
Pledged bank deposits	已質押銀行存款		33,887	55,495
Cash and bank balances	現金及銀行結餘		210,747	152,090
Total current assets	流動資產總值		519,226	519,151
Non-current assets classified as held for sale	劃分為持有待售的非流動資產	14	135,980	–
Total assets	資產總值		699,982	719,942

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 September 2017

於 2017 年 9 月 30 日

			At 30 September 2017 於 2017 年 9 月 30 日 HK\$'000 (unaudited) (未經審核)	At 31 March 2017 於 2017 年 3 月 31 日 HK\$'000 (audited) (經審核)
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	15	166,243	160,304
Interest-bearing bank and other borrowings	計息銀行及其他貸款	16	138,461	232,438
Obligations under finance leases	融資租賃承擔		889	1,580
Total current liabilities	流動負債總額		305,593	394,322
Net current assets	流動資產淨值		213,633	124,829
Total assets less current liabilities	資產總值減流動負債		394,389	325,620
Non-current liabilities	非流動負債			
Obligations under finance leases	融資租賃承擔		2,054	4,120
Deferred tax liabilities	遞延稅項負債		581	236
Total non-current liabilities	非流動負債總額		2,635	4,356
Net assets	資產淨值		391,754	321,264
Equity	權益			
Equity attributable to owners of parent	母公司擁有人應佔權益			
Share capital	股本	17	863	800
Reserves	儲備		390,891	320,464
Total equity	權益總額		391,754	321,264

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 September 2017
截至2017年9月30日止六個月

Attributable to the owners of the parent (unaudited)
母公司擁有人應佔(未經審核)

		Share capital	Share premium	Statutory surplus reserve	Merger reserve	Capital surplus	Available-for-sale investment revaluation reserve	Exchange fluctuation reserve	Warrant reserve	Retained profits	Total equity
		股本	股份溢價	法定盈餘儲備	合併儲備	資本盈餘	投資重估儲備	外匯波動儲備	認股權證儲備	保留溢利	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2017	於2017年4月1日	800	60,374*	7,540*	1,940*	105,366*	(3,030)*	(18,610)*	-*	166,884*	321,264
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	(6,281)	(6,281)
Other Comprehensive income for the period:	期內其他全面收益：										
Change in fair value of an available-for-sale investment	可供出售投資公允價值變動	-	-	-	-	-	278	-	-	-	278
Exchange differences on translation of foreign operations	換算國外業務產生的匯兌差額	-	-	-	-	-	-	10,527	-	-	10,527
Realisation of exchange fluctuation reserve upon disposal of a subsidiary	出售一間附屬公司時匯兌波動儲備之實現	-	-	-	-	-	-	1,020	-	-	1,020
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	278	11,547	-	(6,281)	5,544
Placing of new shares, net of expenses	配售新股，扣除開支	63	62,413	-	-	-	-	-	-	-	62,476
Issue of unlisted warrants, net of expenses	發行未上市認股權證，扣除開支	-	-	-	-	-	-	-	2,470	-	2,470
Transfer from retained profits	轉撥自保留溢利	-	-	145	-	-	-	-	-	(145)	-
At 30 September 2017	於2017年9月30日	863	122,787*	7,685*	1,940*	105,366*	(2,752)*	(7,063)*	2,470*	160,458*	391,754

* These reserve accounts comprise the consolidated reserves of approximately HK\$390,891,000 (31 March 2017: approximately HK\$320,464,000) in the condensed consolidated statement of financial position.

* 該等儲備賬構成簡明綜合財務狀況表中的綜合儲備約390,891,000港元(2017年3月31日：約320,464,000港元)。

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

簡明綜合權益變動表(續)

For the six months ended 30 September 2017

截至2017年9月30日止六個月

		Attributable to the owners of the parent (unaudited) 母公司擁有人應佔(未經審核)								
		Share capital	Share premium	Statutory surplus reserve	Merger reserve	Capital surplus	Available-for-sale investment revaluation reserve	Exchange fluctuation reserve	Retained profits	Total equity
		股本	股份溢價	法定盈餘儲備	合併儲備	資本盈餘	投資重估儲備	外匯波動儲備	保留溢利	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2016	於2016年4月1日	800	60,374	6,953	1,940	105,366	(3,550)	4,105	176,625	352,613
Loss for the period	期內虧損	-	-	-	-	-	-	-	(6,373)	(6,373)
Other Comprehensive loss for the period:	期內其他全面虧損：									
Change in fair value of an available-for-sale investment	可供出售投資公允價值變動	-	-	-	-	-	309	-	-	309
Exchange differences on translation of foreign operations	換算國外業務產生的匯兌差額	-	-	-	-	-	-	(8,822)	-	(8,822)
Realisation of exchange fluctuation reserve upon deregistration of a subsidiary	註銷一間附屬公司時匯兌波動儲備之實現	-	-	-	-	-	-	(6,056)	-	(6,056)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	-	309	(14,878)	(6,373)	(20,942)
Transfer from retained profits	轉撥自保留溢利	-	-	4	-	-	-	-	(4)	-
At 30 September 2016	於2016年9月30日	800	60,374	6,957	1,940	105,366	(3,241)	(10,773)	170,248	331,671

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 September 2017

截至2017年9月30日止六個月

		Six months ended 30 September	
		截至9月30日止六個月	
		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
NET CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES	經營活動所得／(所用) 現金流量淨額	38,923	(21,298)
<hr/>			
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量		
Interest received	已收利息	789	868
Purchases of items of property, plant and equipment	購置物業、廠房及 設備項目	(6,971)	(3,453)
(Increase)/decrease in an amount due from a joint venture	(增加)／減少應收合營 公司賬款	(367)	31
Proceeds from disposal of subsidiaries	出售附屬公司所得款項	35,000	-
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及 設備項目所得款項	224	819
Decrease in pledged bank deposits	已抵押銀行存款減少	21,608	30,081
<hr/>			
Net cash flows from investing activities	投資活動所得 現金流量淨額	50,283	28,346

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

簡明綜合現金流量表 (續)

For the six months ended 30 September 2017

截至2017年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量		
Proceeds from bank and other borrowings	銀行及其他貸款所得款項	145,773	263,815
Repayment of bank and other borrowings	償還銀行及其他貸款	(239,751)	(306,005)
Capital element of finance lease rental payments	融資租賃租金付款的 資本部分	(2,799)	(562)
Proceeds from issue of shares	發行股份所得款項	64,946	-
Net cash flows used in financing activities	融資活動所用現金流量 淨額	(31,831)	(42,752)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物 增加/(減少)淨額	57,375	(35,704)
Cash and cash equivalents at beginning of period	期初現金及現金等價物	152,090	62,106
Effect of foreign exchange rate changes, net	外匯匯率變動的 影響淨額	1,282	(2,070)
Cash and cash equivalents at the end of period	期末現金及現金等價物	210,747	24,332
Analysis of balances of cash and cash equivalents	現金及現金等價物 結餘分析		
Cash and bank balances as stated in the condensed consolidated statement of financial position	簡明綜合財務狀況表 所列的現金及 銀行結餘	210,747	24,332

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 6 June 2014. The registered office of the Company is located at Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands.

During the Period, the Group was principally involved in the manufacture and sale of jewellery and related products.

In the opinion of the Directors, the holding company of the Company is HNA Aviation Investment Holding Company Ltd. (“HNA Aviation Investment”), which was incorporated in the Cayman Islands.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements for the Period have been prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

1. 公司資料

本公司於2014年6月6日在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處設於Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands。

本期間內，本集團主要從事珠寶及相關產品的製造及銷售。

董事認為，本公司的控股公司為於開曼群島註冊成立的HNA Aviation Investment Holding Company Ltd. (「HNA Aviation Investment」)。

2. 編製基準及重大會計政策

本期間的未經審核簡明綜合中期財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」及聯交所證券上市規則(「上市規則」)附錄十六的適用披露規定編製。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The condensed consolidated interim financial statements have not been audited by the Company's independent auditors but have been reviewed by the Company's audit committee.

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention except for available-for-sale investment, which has been measured at fair values.

The significant accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those used in the Group's audited consolidated financial statements for the year ended 31 March 2017.

In addition, the Group has adopted, for the first time, a number of revised Hong Kong Financial Reporting Standards ("HKFRSs", which also include HKASs and Interpretations) which are applicable to the unaudited condensed consolidated interim financial statements for the Period. The adoption of these revised HKFRSs has had no material effect on the unaudited condensed consolidated interim financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2. 編製基準及重大會計政策 (續)

簡明綜合中期財務報表未經本公司獨立核數師審核，惟已經本公司審核委員會審閱。

未經審核簡明綜合中期財務報表乃按歷史成本法編製，惟可供出售投資以公允值計量除外。

編製未經審核簡明綜合中期財務報表所採用之重大會計政策及編製基準與編製本集團截至2017年3月31日止年度之經審核綜合財務報表所用者一致。

此外，本集團已首次採納適用於本期間未經審核簡明綜合中期財務報表的若干經修訂香港財務報告準則（「香港財務報告準則」，亦包括香港會計準則及詮釋）。採納該等經修訂香港財務報告準則對未經審核簡明綜合中期財務報表並無重大影響。本集團並未提早採納任何已頒佈但未生效的其他準則、詮釋或修訂。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

3. OPERATING SEGMENT INFORMATION

The Group is primarily engaged in the manufacture and sale of jewellery products. Management has determined the operating segments based on the reports reviewed by the chief operating decision makers, who have been identified as the executive Directors of the Company. Information reported to the Group's chief operating decision makers, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated. Accordingly, the Group has identified one reportable operating segment, i.e. manufacture and sale of jewellery products, and no further analysis thereof is presented.

Geographical information

Information about the Group's revenue by geographical locations is presented based on the area or country in which external customers are operated.

3. 經營分部資料

本集團主要從事珠寶產品的製造及銷售業務。管理層已根據首席營運決策者（已獲確定為本公司的執行董事）審閱的報告釐定經營分部。就資源分配及業績評估向本集團首席營運決策者報告的資料著重本集團的整體經營業績，原因在於本集團的資源已整合。因此，本集團已確定一個可報告經營分部，即珠寶產品的製造及銷售，且並無呈列有關進一步分析。

地域資料

本集團地域性收益的資料乃根據外部客戶經營業務所在地區或國家呈列。

**NOTES TO CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**
簡明綜合財務報表附註

**3. OPERATING SEGMENT
INFORMATION (CONTINUED)**

Geographical information (Continued)

(a) Revenue from external customers

3. 經營分部資料 (續)

地域資料 (續)

(a) 外部客戶的收益

Six months ended 30 September
截至9月30日止六個月

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Russia	俄羅斯	67,200	19,437
Americas	美洲	138,419	134,619
Mainland China	中國內地	69,435	50,305
Europe (other than Russia)	歐洲 (俄羅斯除外)	17,610	27,502
Middle East	中東	-	1,983
Other countries	其他國家	14,738	12,119
		307,402	245,965

Information about the Group's non-current assets, excluding available-for-sale investment, is presented based on the locations of the assets.

本集團非流動資產 (不包括可供出售投資) 的資料乃根據資產所在地區呈列。

**NOTES TO CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**
簡明綜合財務報表附註

**3. OPERATING SEGMENT
INFORMATION (CONTINUED)**

Geographical information (Continued)

(b) Non-current assets

3. 經營分部資料 (續)

地域資料 (續)

(b) 非流動資產

		At 30 September 2017 於2017年 9月30日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2017 於2017年 3月31日 HK\$'000 千港元 (audited) (經審核)
Mainland China	中國內地	5,637	164,813
Hong Kong	香港	23,722	20,963
		29,359	185,776

The Company is domiciled in the Cayman Islands while the Group operates its business in Hong Kong and Mainland China. During the Period, no revenue was generated from any customer in the Cayman Islands and no assets were located in the Cayman Islands.

本公司的原駐地為開曼群島，而本集團於香港及中國內地經營其業務。於本期間，並無任何來自開曼群島客戶的收益，且並無任何資產位於開曼群島。

**NOTES TO CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**
簡明綜合財務報表附註

4. REVENUE

Revenue represents the net amounts received and receivable arising from sale of jewellery products during the Period.

4. 收益

收益指本期間銷售珠寶產品所產生的已收及應收款項淨額。

		Six months ended 30 September	
		截至9月30日止六個月	
		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Sale of jewellery products	珠寶產品銷售	307,402	245,965

5. FINANCE COSTS

An analysis of finance cost is as follows:

5. 財務成本

財務成本分析如下：

		Six months ended 30 September	
		截至9月30日止六個月	
		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Interest on bank and other borrowings	銀行及其他貸款利息	4,979	1,934
Interest on factoring of trade receivables	貿易應收款項保理利息	831	711
Interest on finance leases	融資租賃利息	144	70
		5,954	2,715

**NOTES TO CONDENSED CONSOLIDATED
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簡明綜合財務報表附註

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

6. 除稅前虧損

本集團的除稅前虧損已扣除／(計入)下列各項：

		Six months ended 30 September	
		截至9月30日止六個月	
		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Cost of inventories sold*	已售存貨成本*	216,761	166,761
Depreciation	折舊	5,206	5,298
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	191	203
Foreign exchange differences, net [#]	外匯換算差額淨額 [#]	(894)	1,798
Realisation of exchange fluctuation reserve upon disposal/deregistration of subsidiaries	出售／註銷附屬公司時匯兌波動之儲備實現	1,020	(6,056)
Write-down/(Write-back) of inventories to net realisable value*	撇減／(撥回)存貨至可變現淨值*	1,040	(688)
Minimum lease payments under operating lease	經營租賃最低租賃款項	766	2,023
Net gains on disposal of subsidiary and items of property, plant and equipment [#]	出售附屬公司及物業、廠房及設備項目收益淨額 [#]	(7,677)	(284)

* These items are included in "Cost of sales" on the face of the condensed consolidated statement of profit or loss and other comprehensive income.

[#] These items are included in "Other gains, net" on the face of the condensed consolidated statement of profit or loss and other comprehensive income.

* 該等項目計入簡明綜合損益及其他全面收益表「銷售成本」內。

[#] 該等項目計入簡明綜合損益及其他全面收益表「其他收益淨額」內。

**NOTES TO CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**
簡明綜合財務報表附註

7. INCOME TAX EXPENSE

The statutory income tax rates for Hong Kong and Mainland China are 16.5% and 25.0%, respectively. A subsidiary of the Group enjoyed a lower profit tax rate during the Period as further explained below. The profit tax of the Group has been provided at the applicable tax rates on estimated assessable profits arising in Hong Kong and Mainland China during the Period.

7. 所得稅開支

香港與中國內地的法定所得稅率分別為16.5%及25.0%。誠如下文詳述，本集團一家附屬公司於本期間享有較低利得稅率。於本期間，本集團的利得稅乃就於香港和中國內地產生的估計應課稅溢利按適用稅率計提撥備。

Six months ended 30 September
截至9月30日止六個月

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Current — Hong Kong	即期 — 香港		
Charge for the period	期內支出	492	90
Current — Mainland China	即期 — 中國內地		
Charge for the period	期內支出	1,532	1,428
Deferred	遞延	345	(4)
Total tax charge for the period		2,369	1,514

**NOTES TO CONDENSED CONSOLIDATED
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簡明綜合財務報表附註

7. INCOME TAX EXPENSE (CONTINUED)

In relation to the Departmental Interpretation and Practice Notes No. 21 (Revised) (apportionment under a 50:50 basis) of the Inland Revenue Department Hong Kong, a portion of profits from KTL Jewellery Trading Limited (“KTL Trading”), a wholly-owned subsidiary of the Company, is considered neither arisen in, nor derived from Hong Kong. Accordingly, that portion of KTL Trading’s profit is not subject to Hong Kong Profits Tax. Further, in the opinion of the Directors that portion of KTL Trading’s profit is not subject to taxation in any other jurisdiction in which KTL Trading operates during the Period.

8. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (six months ended 30 September 2016: Nil).

7. 所得稅開支(續)

就香港稅務局《稅務條例釋義及執行指引第21號》(經修訂)(按50:50基準攤分)而言，本公司全資附屬公司三和珠寶貿易有限公司(「三和珠寶貿易」)的部分溢利被視為既不產生於亦非得自香港。因此，三和珠寶貿易的該部分溢利毋須繳納香港利得稅。此外，董事認為，本期間三和珠寶貿易的該部分溢利毋須就三和珠寶貿易經營所在的任何其他司法權區繳納稅項。

8. 中期股息

董事不建議於本期間派付中期股息(截至2016年9月30日止六個月：無)。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

9. LOSSES PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic losses per share amounts is based on the loss for the Period attributable to ordinary equity holders of the parent of approximately HK\$6,281,000 (2016: losses of approximately HK\$6,373,000), and the weighted average number of ordinary shares in issue of 164,750,820 (2016: 160,000,000) which has been adjusted for the Company's placing of the new shares on 16 May 2017. The Group has no potentially dilutive ordinary shares in issue during the periods ended 30 September 2017 and 2016.

9. 母公司普通股權益持有人應佔每股虧損

每股基本虧損金額乃根據母公司普通股權益持有人應佔本期間虧損約6,281,000港元(2016年：虧損約6,373,000港元)及已發行普通股的加權平均數164,750,820股(2016年：160,000,000股)計算，並就本公司於2017年5月16日進行的新股份配售作出調整。截至2017年及2016年9月30日止各期間，本集團並無具有潛在攤薄效應的已發行普通股。

Six months ended 30 September 截至9月30日止六個月

	2017 2017年 HK\$'000 千港元 (unaudited) (未經審核)	2016 2016年 HK\$'000 千港元 (unaudited) (未經審核)
Losses		
Losses attributable to ordinary equity holders of the parent used in the basic losses per share calculation	(6,281)	(6,373)

虧損
計算每股基本虧損時
使用的母公司普通股
權益持有人應佔虧損

**NOTES TO CONDENSED CONSOLIDATED
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簡明綜合財務報表附註

9. LOSSES PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

9. 母公司普通股權益持有人應佔每股虧損(續)

		Number of shares 股份數目	
		Six months ended 30 September 截至9月30日止六個月	
		2017 2017年 (unaudited) (未經審核)	2016 2016年 (unaudited) (未經審核)
Shares	股份		
Weighted average number of ordinary shares in issue during the period used in the basic losses per share calculation	計算每股基本虧損時使用的期內已發行普通股股份加權平均數	164,750,820	160,000,000

10. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired items of property, plant and equipment with an aggregate cost of approximately HK\$5,664,000 (six months ended 30 September 2016: approximately HK\$4,875,000). During the Period, items of property, plant and equipment with an aggregate carrying amount of approximately HK\$61,571,000 (six months ended 30 September 2016: approximately HK\$4,049,000) were disposed by the Group.

10. 物業、廠房及設備

於本期間，本集團收購物業、廠房及設備項目之成本合共約5,664,000港元(截至2016年9月30日止六個月：約4,875,000港元)。於本期間，本集團已出售賬面總值約61,571,000港元(截至2016年9月30日止六個月：約4,049,000港元)的物業、廠房及設備項目。

**NOTES TO CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**
簡明綜合財務報表附註

11. AVAILABLE-FOR-SALE INVESTMENT **11. 可供出售投資**

		At 30 September 2017 於2017年 9月30日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2017 於2017年 3月31日 HK\$'000 千港元 (audited) (經審核)
Life insurance policy, at fair value	人壽保險保單， 按公允值	15,417	15,015

During the Period, the gross gain in respect of the change in fair value of the Group's available-for-sale investment recognised in other comprehensive income amounted to approximately HK\$278,000 (30 September 2016: HK\$309,000). There was no reclassification from other comprehensive income to profit or loss during the Period.

於本期間，本集團可供出售投資的公允值變動而出現的總收益，已於其他全面收益中確認，金額為約278,000港元(2016年9月30日：309,000港元)。於本期間，其他全面收益內並無任何金額重新分類至損益表。

**NOTES TO CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**
簡明綜合財務報表附註

12. INVENTORIES

12. 存貨

		At 30 September 2017 於2017年 9月30日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2017 於2017年 3月31日 HK\$'000 千港元 (audited) (經審核)
Raw materials	原材料	36,147	36,692
Work in progress	在製品	16,541	39,893
Finished goods	製成品	21,149	33,005
		73,837	109,590

**NOTES TO CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**
簡明綜合財務報表附註

13. TRADE RECEIVABLES

13. 貿易應收款項

		At 30 September 2017 於2017年 9月30日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2017 於2017年 3月31日 HK\$'000 千港元 (audited) (經審核)
Trade receivables	貿易應收款項	190,060	191,324
Less: Allowance for doubtful debts	減：呆賬撥備	(15,324)	(15,199)
		174,736	176,125

The Group's trading terms with its customers are mainly on credit, except for new customers. Before accepting any new customer, the Group will apply an internal credit assessment policy to assess the potential customer's credit quality and define credit limits by customer. The credit period is generally for a period of 60 to 120 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a treasury department to minimise the credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

本集團與其客戶的貿易條款主要為信貸，惟新客户除外。於接納任何新客户之前，本集團將採用內部信貸評估政策以評估潛在客戶的信貸質素並確定客戶的信貸額度。主要客戶的信貸期一般為60至120天。每位客戶均設有最高信貸額度。本集團致力就未清償應收款項進行嚴格控制，並設立庫務部以降低信貸風險。逾期結餘由高級管理層定期審閱。貿易應收款項不計利息。

**NOTES TO CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**
簡明綜合財務報表附註

13. TRADE RECEIVABLES (CONTINUED)

An aged analysis of the trade receivables at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	At 30 September 2017 於2017年 9月30日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2017 於2017年 3月31日 HK\$'000 千港元 (audited) (經審核)
Within 1 month	一個月內 53,209	43,508
1 to 2 months	一至兩個月 33,347	32,742
2 to 3 months	兩至三個月 40,935	45,505
Over 3 months	超過三個月 47,245	54,370
	174,736	176,125

14. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On 12 July 2017, the Group entered into a sale and purchase agreement with an independent third party, the “Purchaser”, in relation to the disposal of property in the PRC. Pursuant to the terms of the sale and purchase agreement, the transfer of the legal title to the Purchaser was evidenced by the property rights certificate issued in the name of the Purchaser on 30 October 2017. In accordance with HKFRS 5, the disposal property was reclassified as non-current assets held for sale of HK\$135,980,000.

13. 貿易應收款項(續)

於報告期末按發票日期呈列及扣除撥備的貿易應收款項的賬齡分析如下：

14. 劃分為持有待售的非流動資產

於2017年7月12日，本集團與獨立第三方（「買方」）就出售於中國的物業訂立買賣協議。根據買賣協議的條款，法定業權轉讓予買方乃以於2017年10月30日以買方名義出具的不動產權證書為證。根據香港財務報告準則第5號，出售物業重新歸類為持作銷售的非流動資產135,980,000港元。

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15. TRADE AND OTHER PAYABLES

15. 貿易及其他應付款項

		At 30 September 2017 於2017年 9月30日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2017 於2017年 3月31日 HK\$'000 千港元 (audited) (經審核)
Trade payables	貿易應付款項	71,247	81,258
Other payables	其他應付款項	94,996	79,046
		166,243	160,304

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

於報告期末按發票日期呈列的貿易應付款項的賬齡分析如下：

		At 30 September 2017 於2017年 9月30日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2017 於2017年 3月31日 HK\$'000 千港元 (audited) (經審核)
Within 1 month	一個月內	14,453	31,853
1 to 2 months	一至兩個月	9,874	19,920
2 to 3 months	兩至三個月	7,772	8,496
Over 3 months	超過三個月	39,148	20,989
		71,247	81,258

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**15. TRADE AND OTHER PAYABLES
(CONTINUED)**

The trade payables are non-interest-bearing and the credit period of purchases ranges from 30 to 180 days. Other payables are non-interest-bearing and have an average term of one to three months. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

15. 貿易及其他應付款項(續)

貿易應付款項乃不計息且採購的信貸期介乎30至180天。其他應付款項乃不計息且平均期限為一至三個月。本集團已實施財務風險管理政策，以確保全部應付款項於信貸期間內償付。

**16. INTEREST-BEARING BANK AND
OTHER BORROWINGS**

16. 計息銀行及其他貸款

		At 30 September 2017 於2017年9月30日		At 31 March 2017 於2017年3月31日	
		Effective contractual interest rate (%) (unaudited) 實際 合約利率 (%) (未經審核)	Amount HK\$'000 (unaudited) 金額 千港元 (未經審核)	Effective contractual interest rate (%) (audited) 實際 合約利率 (%) (經審核)	Amount HK\$'000 (audited) 金額 千港元 (經審核)
Current:	即期：				
Bank loans — secured	銀行貸款 — 有抵押	0.94–4.65	38,461	1.56–3.28	132,438
Other borrowings	其他貸款	4.35–12.00	100,000	6.00	100,000
Maturity profile:	還款期限：				
On demand	於要求時償還		138,461		232,438

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16. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

HK Interpretation 5 “Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause” requires that a loan which includes a clause that gives the lender the unconditional right to call the loan at any time (“repayment on demand clause”) shall be classified in total by the borrower as current in the statement of financial position. As at 30 September 2017, approximately HK\$138,461,000 (at 31 March 2017: approximately HK\$232,480,000) included a repayment on demand clause under the relevant loan agreements, among which approximately HK\$Nil (at 31 March 2017: approximately HK\$7,658,000) that are repayable after one year from the end of the reporting period have been classified as current liabilities. For the purpose of the above analysis, such loans are included within current bank loans and analysed into bank loans repayable on demand.

The Group’s bank borrowings as at the end of the reporting period are secured by:

- (i) mortgages over the Group’s leasehold land, which had a net carrying amount at the end of the reporting period of approximately HK\$9,722,000 (at 31 March 2017: approximately HK\$9,886,000);
- (ii) mortgages over the Group’s buildings, which had a net carrying amount at the end of the reporting period of approximately HK\$2,293,000 (at 31 March 2017: approximately HK\$17,350,000);

16. 計息銀行及其他貸款(續)

香港詮釋第5號「財務報表之呈列 — 借款人對包含於要求時償還條款之定期貸款之分類」規定，借款人應將賦予貸款人無條件權利隨時催繳貸款之條款（「於要求時償還條款」）所涉貸款於財務狀況表內全數分類為流動部分。於2017年9月30日，約138,461,000港元（於2017年3月31日：約232,480,000港元）根據有關貸款協議包含於要求時償還條款，其中約零港元（於2017年3月31日：約7,658,000港元）須自報告期末起一年後償還，已列為流動負債。就上文分析而言，有關貸款計入流動銀行貸款內，並列為須於要求時償還的銀行貸款。

於報告期末，本集團銀行貸款乃由下列各項作抵押：

- (i) 於報告期末，賬面淨值約為9,722,000港元（於2017年3月31日：約9,886,000港元）的本集團租賃土地的按揭；
- (ii) 於報告期末，賬面淨值約為2,293,000港元（於2017年3月31日：約17,350,000港元）的本集團樓宇的按揭；

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**16. INTEREST-BEARING BANK AND
OTHER BORROWINGS
(CONTINUED)**

- (iii) the Group did not have any mortgages over prepaid land lease payments at the end of the reporting period (at 31 March 2017: approximately HK\$2,806,000);
- (iv) the pledge of the Group's bank deposits at the end of the reporting period amounting to approximately HK\$33,887,000 (at 31 March 2017: approximately HK\$55,495,000);
- (v) the pledge of the Group's available-for-sale investment at the end of the reporting period amounting to approximately HK\$15,417,000 (at 31 March 2017: approximately HK\$15,015,000);
- (vi) the pledge of the Group's trade receivables at the end of the reporting period amounting to approximately HK\$67,511,000 (at 31 March 2017: approximately HK\$69,162,000); and
- (vii) corporate guarantees provided by certain subsidiaries of the Company (31 March 2017: by the company and certain subsidiaries at the Company).

The Group's other borrowings as at the end of the reporting period are secured by the pledge of the Group's trade receivables at the end of the reporting period amounting to approximately HK\$128,504,000 (at 31 March 2017: HK\$142,311,000).

16. 計息銀行及其他貸款(續)

- (iii) 於報告期末，本集團並無預付土地租賃款項的按揭（於2017年3月31日：約2,806,000港元）；
- (iv) 於報告期末，金額約為33,887,000港元（於2017年3月31日：約55,495,000港元）的本集團銀行存款的抵押；
- (v) 於報告期末，金額約為15,417,000港元（於2017年3月31日：約15,015,000港元）的本集團可供出售投資的抵押；
- (vi) 於報告期末，金額約為67,511,000港元（於2017年3月31日：約69,162,000港元）的本集團貿易應收款項的抵押；及
- (vii) 本公司若干附屬公司提供的公司擔保（2017年3月31日：本公司及本公司若干附屬公司提供的公司擔保）。

本集團於報告期末的其他貸款乃以本集團於報告期末金額約128,504,000港元（2017年3月31日：142,311,000港元）的貿易應收款項作質押。

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17. SHARE CAPITAL

17. 股本

	At 30 September 2017 於2017年 9月30日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2017 於2017年 3月31日 HK\$'000 千港元 (audited) (經審核)
Authorised:		
2,000,000,000		
(31 March 2017: 2,000,000,000)		
ordinary shares of HK\$0.005 each		
(31 March 2017: HK\$0.005 each)		
法定：		
2,000,000,000 股		
(2017年3月31日：		
2,000,000,000 股)		
每股面值0.005 港元		
(2017年3月31日：		
每股面值0.005 港元)		
的普通股	10,000	10,000
Issued and fully paid:		
172,600,000		
(31 March 2017: 160,000,000)		
ordinary shares of HK\$0.005 each		
(31 March 2017: HK\$0.005 each)		
已發行及繳足：		
172,600,000 股		
(2017年3月31日：		
160,000,000 股)		
每股面值0.005 港元		
(2017年3月31日：		
每股面值0.005 港元)		
的普通股	863	800

On 16 May 2017, 12,600,000 ordinary shares of HK\$0.005 each were allotted and issued at a price of HK\$5.06 per share under the placing agreement for the net proceeds, after deducting the placing fee, stamp duty and other related expenses payable by the Company, of approximately HK\$62,475,000.

於2017年5月16日，12,600,000股每股面值0.005港元之普通股已根據配售協議按每股5.06港元之價格配發及發行，以取得所得款項淨額（扣除本公司應付的配售費用、印花稅及其他相關費用後）約62,475,000港元。

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18. OPERATING LEASE ARRANGEMENTS

As Lessee

The Group leases certain of its premises and office equipment under operating lease arrangements. The leases are negotiated for terms ranging from one to five years with fixed monthly rentals.

At 30 September 2017, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		At 30 September 2017 於2017年 9月30日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2017 於2017年 3月31日 HK\$'000 千港元 (audited) (經審核)
Within one year	一年內	803	4,004
In the second to fifth years, inclusive	第二年至第五年(包括 首尾兩年)	1,148	1,856
		1,951	5,860

18. 經營租賃安排

作為承租人

本集團根據經營租賃安排租賃其若干物業及辦公設備。有關租賃乃按固定月租及租期介乎一至五年議定。

於2017年9月30日，本集團根據不可撤銷經營租賃而須於未來支付之最低租金款項總額如下：

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19. COMMITMENTS

At 30 September 2017, save as the operating lease commitments detailed in Note 18, the Group had nil commitment as at the end of the reporting period:

19. 承擔

於2017年9月30日，除附註18詳述的經營租賃承擔外，本集團於報告期末概無其他承擔：

	At 30 September 2017 於2017年 9月30日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 March 2017 於2017年 3月31日 HK\$'000 千港元 (audited) (經審核)
Contracted, but not provided for: 已訂約但尚未撥備：		
— Construction in progress — 在建工程	—	2,587
	—	2,587

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20. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the unaudited condensed consolidated interim financial statements, the Group had the following material related parties transactions during the six months ended 30 September 2017:

- (i) During the six months ended 30 September 2017, total service fees of approximately HK\$122,000 were paid to Guarantee Travel Limited, an entity controlled by a close family member of a director of subsidiary of the Company, for provision of reservation services for tickets and hotel accommodation etc. to a subsidiary of the Group. The service charges were based on the terms and conditions mutually agreed between both parties.
- (ii) During the Period, the Group's sales to Dynamic Tactics (Hong Kong) Limited, a joint venture of the Group, amounted to approximately HK\$366,000 (2016: HK\$592,000). The sales were based on the terms and conditions mutually agreed between both parties.

20. 關聯方交易

(a) 除該未經審核簡明綜合中期財務報表詳述的交易外，於截至2017年9月30日止六個月，本集團有以下主要關聯方交易：

- (i) 於截至2017年9月30日止六個月，服務費用總額約122,000港元已支付予保誠旅遊有限公司，一家由本公司的附屬公司董事的近親控制的實體，目的為向本集團一家附屬公司提供機票及酒店預訂服務。服務乃根據雙方共同協定的條款及條件釐定。
- (ii) 於本期間，本集團向本集團的合營公司Dynamic Tactics (Hong Kong) Limited作出的銷售額約為366,000港元(2016年：592,000港元)。有關銷售乃根據雙方相互同意的條款及條件進行。

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**20. RELATED PARTY TRANSACTIONS
(CONTINUED)**

(b) Compensation of key management personnel of the Group:

Short-term employee benefits 短期僱員福利
Pension scheme contributions 退休金計劃供款

Total compensation paid to key management personnel 支付予主要管理人員的薪酬總額

20. 關聯方交易 (續)

(b) 本集團主要管理人員的薪酬：

Six months ended 30 September
截至9月30日止六個月

2017	2016
2017年	2016年
HK\$'000	HK\$'000
千港元	千港元
(unaudited)	(unaudited)
(未經審核)	(未經審核)

1,665	6,565
18	45

1,683	6,610
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**21. FAIR VALUE AND FAIR VALUE
HIERARCHY OF FINANCIAL
INSTRUMENTS**

The carrying amount and fair value of the Group's financial instrument, other than those with carrying amounts that reasonably approximate to fair value, are as follows:

21. 金融工具公允值及公允值層級

本集團金融工具的賬面值及公允值(賬面值與公允值合理相若者除外)載列如下：

Carrying amount		Fair value	
賬面值		公允值	
At	At	At	At
30 September	31 March	30 September	31 March
2017	2017	2017	2017
於2017年	於2017年	於2017年	於2017年
9月30日	3月31日	9月30日	3月31日
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元
(unaudited)	(audited)	(unaudited)	(audited)
(未經審核)	(經審核)	(未經審核)	(經審核)

Financial asset 金融資產
Available-for-sale investment 可供出售投資

15,417	15,015	15,417	15,015
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**21. FAIR VALUE AND FAIR VALUE
HIERARCHY OF FINANCIAL
INSTRUMENTS (CONTINUED)**

The fair value of available-for-sale investment has been estimated at the surrender value of the Policy as disclosed in Note 11 as at the end of reporting period. As there is no active market to demonstrate the fair value of the available-for-sale investment, and the potential exit price in a hypothetical transfer of the available-for-sale investment to another market participant cannot be reliably estimated, the directors believe that the estimated fair value resulting from the surrender value, which is recorded in the consolidated statement of financial position, and the related changes in fair value, which are recorded in other comprehensive loss, are reasonable, and that it was the most appropriate value at the end of the reporting period.

Management has assessed that the fair values of cash and bank balances, pledged bank deposits, trade receivables, financial assets included in prepayment, deposits and other receivables, trade payables, interest-bearing bank borrowings and financial liabilities included in other payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the non-current portion of obligations under finance leases has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair value of the non-current portion of obligations under finance leases at the end of the reporting period approximates to its corresponding carrying amount.

**21. 金融工具公允值及公允值層
級 (續)**

附註 11 所披露截至報告期末可供出售投資的公允價值估計為政策的退保價值。由於沒有活躍市場表現出可供出售投資的公允價值以及假設轉讓可供出售投資到其他市場參與者的潛在出售價格不能可靠估計，董事認為從退保價值（這是記錄在財務狀況的合併報表產生的估計公允價值）及公允價值相關的改變（這是計入其他綜合虧損）而得出的公允價值估計是合理的，而且這是披露於報告期末中最適當之價值。

管理層已評估釐定現金及銀行結餘，已質押銀行存款，貿易應收款項，計入預付款項按金及其他應收款項的金融資產，貿易應付款項，計息銀行貸款及計入其他應付款項的金融負債公允價值與其賬面值相若，主要由於該等工具於短期內到期。

融資租賃承擔非流動部分之公允價值按適用於具有類似條款，信貸風險及剩餘年期的工具的現行利率折現預期未來現金流量計算。融資租賃承擔非流動部分於報告期末之公允價值與其相應賬面值相若。

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21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The Group followed HKFRS 13, Fair Value Measurement, which introduces a three-level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements.

The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (the “Unobservable Inputs”).

As at 30 September 2017, the available-for-sale investment was measured subsequent to initial recognition at fair value, categorised in Level 3 based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data.

There was no transfer of fair value measurement between levels for the Group’s financial instrument during the Period.

21. 金融工具公允值及公允值層級 (續)

本集團遵循香港財務報告準則第13號——公允值計量，其引入公允值計量披露的三個層級架構以及有關公允值計量相對可靠的額外披露。

該架構根據計量該等金融資產及負債的公允值時所用重大輸入數據的相對可靠性，將金融資產及負債分為三個層級。公允值架構有以下三個層級：

第一級：相同資產或負債於活躍市場的報價（未經調整）；

第二級：於第一級計入的報價以外可直接（即透過價格）或間接（即透過價格產生者）觀察資產或負債所得輸入數據；及

第三級：並非按可觀察市場數據（「非觀察輸入數據」）的資產或負債輸入數據。

於2017年9月30日，可供出售投資於初始確認後按公允值計量，按並非根據可觀察的市場數據而對已列賬公允值有重要影響之輸入數據的估值方法而歸類為第三級。

於本期間，本集團金融工具各級之間公允值計量並無轉移。

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22. APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial report was approved and authorised for issue by the Board on 30 November 2017.

22. 批准中期財務報告

董事會已於2017年11月30日批准及授權刊發本中期財務報告。

23. EVENT AFTER THE REPORTING PERIOD

Please refer to change of company names and stock short names under paragraph named “Event after the reporting period” on page 7 of this report.

23. 報告期後事項

變更公司名稱及股份簡稱的詳情，請參閱本報告第7頁「報告期後事項」一段。

OTHER INFORMATION

其他資料

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

As at 30 September 2017, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

主要股東及其他人士於本公司股份及相關股份中之權益及／或淡倉

於2017年9月30日，就董事所知，以下人士／實體（董事或本公司主要行政人員除外）於本公司股份或相關股份中，擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露的權益或淡倉，或已錄入根據證券及期貨條例第336條本公司須存置的股東名冊內的權益或淡倉如下：

Name of Shareholder 股東姓名／名稱	Capacity/ nature of interest 身份／權益性質	Number of shares 股份數目	Approximately percentage of shareholding in our Company 佔本公司股權的 概約百分比
HNA Aviation Investment Holding Company Ltd. (Note 1) (附註1)	Beneficial owner 實益擁有人	129,372,494 (long position) 129,372,494股 (好倉)	74.96%
HNA Aviation (Hong Kong) Holdings Co., Limited 海航航空(香港)控股有限公司	Interest of a controlled corporation 受控制法團權益	129,372,494 (long position) 129,372,494股 (好倉)	74.96%
HNA Aviation Group Co., Ltd. 海航航空集團有限公司	Interest of a controlled corporation 受控制法團權益	129,372,494 (long position) 129,372,494股 (好倉)	74.96%
HNA Group Co., Ltd. 海航集團有限公司	Interest of a controlled corporation 受控制法團權益	129,372,494 (long position) 129,372,494股 (好倉)	74.96%

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Name of Shareholder 股東姓名／名稱	Capacity/ nature of interest 身份／權益性質	Number of shares 股份數目	Approximately percentage of shareholding in our Company 佔本公司股權的 概約百分比
Hainan Traffic Administration Holding Co. Ltd. 海南交管控股有限公司	Interest of a controlled corporation 受控制法團權益	129,372,494 (long position) 129,372,494 股 (好倉)	74.96%
Tang Dynasty Development (Yangpu) Company Limited 盛唐發展(洋浦)有限公司	Interest of a controlled corporation 受控制法團權益	129,372,494 (long position) 129,372,494 股 (好倉)	74.96%
Hainan Province Cihang Foundation 海南省慈航公益基金會	Interest of a controlled corporation 受控制法團權益	129,372,494 (long position) 129,372,494 股 (好倉)	74.96%
China Huarong Asset Management Co., Ltd. (Note 2) 中國華融資產管理股份 有限公司(附註2)	Security interest 抵押權益	129,372,494 (long position) 129,372,494 股 (好倉)	74.96%

Note:

1. HNA Aviation Investment Holding Company Ltd. is a wholly owned subsidiary of HNA Aviation (Hong Kong) Holdings Co., Limited which is a wholly owned subsidiary of HNA Aviation Group Co., Ltd.. HNA Group Co., Ltd. owns 74.08% of HNA Aviation Group Co., Ltd.. HNA Group Co., Ltd. is owned as to 70% by Hainan Traffic Administration Holding Co. Ltd.. Hainan Traffic Administration Holding Co. Ltd. is owned as to 50% by Tang Dynasty Development (Yangpu) Company Limited. Tang Dynasty Development (Yangpu) Company Limited is owned as to 65% by Hainan Province Cihang Foundation.

附註：

1. HNA Aviation Investment Holding Company Ltd. 為海航航空(香港)控股有限公司一家全資附屬公司，後者為海航航空集團有限公司的全資附屬公司。海航集團有限公司持有海航航空集團有限公司74.08%權益。海航集團有限公司由海南交管控股有限公司持有70%權益，後者由盛唐發展(洋浦)有限公司持有50%權益，而盛唐發展(洋浦)有限公司由海南省慈航公益基金會持有65%權益。

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To the best of the Directors' knowledge, information and belief, (a) Hainan Cihang Charity Foundation Inc. after 30 September 2017 indirectly held 100% shareholdings of Yangpu Hengsheng Chuangye Company Limited* (洋浦恒升創業有限公司) which in turn directly held 25% shareholdings of Hainan Traffic Administration Holding Co. Ltd.* (海南交警控股有限公司); and (b) Hainan Cihang Charity Foundation Inc. after 30 September 2017 directly held 100% shareholdings of Pan-American Aviation Holding Company which in turn directly held 98% shareholdings of Tang Dynasty Development Company Limited which in turn directly held 35% shareholdings of Tang Dynasty Development (Yangpu) Company Limited* (盛唐發展(洋浦)有限公司). The remaining 2% shareholdings in Tang Dynasty Development Company Limited is indirectly held by Hainan Airlines Holding Co., Limited.

2. According to the disclosure of interest notice filed by China Huarong Asset Management Co., Ltd. on 12 September 2017 ("CHAM Notice"), Option Best Holdings Limited ("Option Best") held direct interest in 129,372,494 underlying Shares and is a wholly-owned subsidiary of Linewear Assets Limited ("Linewear Assets"). Linewear Assets Limited is a wholly-owned subsidiary of Huarong International Financial Holdings Limited ("HIFH"). HIFH is owned as to 51% by Camellia Pacific Investment Holding Limited ("CPIH"). CPIH is a wholly-owned subsidiary of China Huarong International Holdings Limited ("CHIH"). CHIH is held as to 11.90% by Huarong Zhiyuan Investment & Management Co., Ltd. ("HZIM") and as to 88.10% by Huarong Real Estate Co., Ltd. ("HRE"). Each of HZIM and HRE is a wholly-owned subsidiary of China Huarong Asset Management Co., Ltd.. Accordingly, Linewear Assets, HIFH, CPIH, CHIH, HZIM, HRE and China Huarong Asset Management Co., Ltd. are deemed to be interested in the underlying Shares held by Option Best by virtue of the provisions of the SFO.

就董事所知、所悉及所信，(a) Hainan Cihang Charity Foundation Inc. 於2017年9月30日後間接持有洋浦恒升創業有限公司之100%股權，而洋浦恒升創業有限公司則直接持有海南交警控股有限公司之25%股權；及(b) Hainan Cihang Charity Foundation Inc. 於2017年9月30日後直接持有Pan-American Aviation Holding Company之100%股權，而Pan-American Aviation Holding Company直接持有盛唐發展有限公司之98%股權，而盛唐發展有限公司則直接持有盛唐發展(洋浦)有限公司之35%股權。盛唐發展有限公司餘下之2%股權則由Hainan Airlines Holding Co., Limited間接持有。

2. 根據中國華融資產管理股份有限公司於2017年9月12日存檔之權益披露通知(「中國華融通知」)，Option Best Holdings Limited(「Option Best」)持有129,372,494股相關股份之直接權益，並為Linewear Assets Limited(「Linewear Assets」)之全資附屬公司。Linewear Assets為Huarong International Financial Holdings Limited(「HIFH」)之全資附屬公司，而HIFH由Camellia Pacific Investment Holding Limited(「CPIH」)擁有51%權益。CPIH為China Huarong International Holdings Limited(「CHIH」)之全資附屬公司。CHIH由Huarong Zhiyuan Investment & Management Co., Ltd.(「HZIM」)及華融置業有限責任公司(「華融置業」)分別持有11.90%及88.10%權益。HZIM及華融置業各自為中國華融資產管理股份有限公司之全資附屬公司。因此，根據證券及期貨條例之條文，Linewear Assets、HIFH、CPIH、CHIH、HZIM、華融置業及中國華融資產管理股份有限公司被視為於Option Best持有之相關股份中擁有權益。

Save as disclosed above, as at 30 September 2017, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests and short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

除上文所披露者外，於2017年9月30日，董事並不知悉有任何其他人士／實體（本公司董事及主要行政人員除外）於本公司股份或相關股份擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露之權益及淡倉，或根據證券及期貨條例第336條記入本公司規定存置之股東名冊之權益及淡倉。

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

Save as disclosed in this report, during the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

購買、出售或贖回本公司的上市證券

除本報告所披露者外，於本期間，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

BOARD OF DIRECTORS

As at the date of this report, the Board comprises three executive Directors, namely Mr. Nang Qi (Chairman), Mr. Chen Peiliang and Mr. Xue Qiang and three independent non-executive Directors, namely Mr. Ting Tit Cheung, Mr. Chan Chi Kuen and Mr. Lo Chun Pong. During the Period, there was no change in the composition of the Board.

董事會

於本報告日期，董事會由三名執行董事，即曩麒先生（主席）、陳佩良先生及薛強先生，以及三名獨立非執行董事，即丁鐵翔先生、陳志權先生及盧振邦先生組成。於本期間，董事會成員並無變動。

AUDIT COMMITTEE

The audit committee of the Company consists of three independent non-executive Directors of the Company, namely Mr. Chan Chi Kuen (Chairman of the Audit Committee), Mr. Ting Tit Cheung and Mr. Lo Chun Pong.

審核委員會

本公司的審核委員會由本公司的三名獨立非執行董事組成，即陳志權先生（審核委員會主席）、丁鐵翔先生及盧振邦先生。

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The audit committee of the Company has reviewed the Company's unaudited interim report (containing the unaudited condensed consolidated interim financial statements) for the Period, including the accounting principles and practices adopted by the Group, and discussed with management regarding internal control and financial reporting matters.

By order of the Board

Nang Qi

Chairman

Hong Kong, 30 November 2017

本公司審核委員會已審閱本公司於本期間的未經審核中期報告(載有未經審核簡明綜合中期財務報表)，包括本集團採納的會計原則及準則，並與管理層討論有關內部監控及財務報告事宜。

承董事會命

龔麒

主席

香港，2017年11月30日

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