

XIN YUAN ENTERPRISES GROUP LIMITED 信源企業集團有限公司

(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 : 1748



2019
INTERIM REPORT
中期報告

Table of Contents 目錄

CORPORATE INFORMATION	公司資料	2
INDEPENDENT REVIEW REPORT	獨立審閱報告	5
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS	簡明綜合損益表	7
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	8
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	簡明綜合財務狀況表	9
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	簡明綜合權益變動表	11
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	簡明綜合現金流量表	12
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	簡明綜合財務報表附註	13
MANAGEMENT DISCUSSION AND ANALYSIS	管理層討論及分析	35
OTHER INFORMATION	其他資料	48

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Ding Xiaoli (*Chairman*)
(resigned on 30 August 2019)
Mr. Wang Faqing (*Chairman*)
(appointed on 30 August 2019)
Mr. Xu Wenjun (*Chief Executive Officer*)
Mr. Ding Yuzhao

Independent Non-executive Directors

Mr. Lai Guanrong
Mr. Suen Chi Wai
Mr. Xu Jie

AUDIT COMMITTEE

Mr. Suen Chi Wai (*Chairman*)
Mr. Lai Guanrong
Mr. Xu Jie

NOMINATION COMMITTEE

Mr. Ding Xiaoli (*Chairman*)
(resigned on 30 August 2019)
Mr. Wang Faqing (*Chairman*)
(appointed on 30 August 2019)
Mr. Suen Chi Wai
Mr. Xu Jie

REMUNERATION COMMITTEE

Mr. Xu Jie (*Chairman*)
Mr. Suen Chi Wai
Mr. Xu Wenjun

COMPANY SECRETARY

Mr. Yim Lok Kwan

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS

Room 4309-11A, 43rd Floor
Shenglong Financial Centre
No. 1 South Guangming Road
Taijiang, Fuzhou
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor
Sunlight Tower
No. 248 Queen's Road East
Wanchai
Hong Kong

董事會 執行董事

丁肖立先生 (*主席*)
(於2019年8月30日辭任)
王法清先生 (*主席*)
(於2019年8月30日獲委任)
徐文均先生 (*行政總裁*)
丁玉釗先生

獨立非執行董事

賴觀榮先生
孫志偉先生
徐捷先生

審核委員會

孫志偉先生 (*主席*)
賴觀榮先生
徐捷先生

提名委員會

丁肖立先生 (*主席*)
(於2019年8月30日辭任)
王法清先生 (*主席*)
(於2019年8月30日獲委任)
孫志偉先生
徐捷先生

薪酬委員會

徐捷先生 (*主席*)
孫志偉先生
徐文均先生

公司秘書

嚴洛鈞先生

總部及主要營業地點

中國
福州市台江區
光明南路1號
升龍滙金中心43層4309-11A

香港主要營業地點

香港
灣仔
皇后大道東248號
陽光中心
40樓

Corporate Information 公司資料

REGISTERED OFFICE IN THE CAYMAN ISLANDS

P.O. Box 31119
Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

開曼群島註冊辦事處

P.O. Box 31119
Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Estera Trust (Cayman) Limited
P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

開曼群島股份過戶登記總處及過戶代理

Estera Trust (Cayman) Limited
P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

AUTHORIZED REPRESENTATIVES

Mr. Ding Xiaoli (resigned on 30 August 2019)
Mr. Wang Faqing (appointed on 30 August 2019)
Mr. Yim Lok Kwan

授權代表

丁肖立先生(於2019年8月30日辭任)
王法清先生(於2019年8月30日獲委任)
嚴洛鈞先生

AUDITOR

RSM Hong Kong
29th Floor
Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

核數師

羅申美會計師事務所
香港
銅鑼灣
恩平道28號
利園二期29樓

COMPLIANCE ADVISER

China Industrial Securities International Capital Limited
7/F Three Exchange Square
8 Connaught Place
Central
Hong Kong

合規顧問

興證國際融資有限公司
香港
中環
康樂廣場8號
交易廣場第三座7樓

COMPANY'S WEBSITE

www.xysgroup.com

公司網站

www.xysgroup.com

STOCK CODE

1748

股份代號

1748

Corporate Information 公司資料

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKS

Bank of Communications Co., Ltd., Hong Kong Branch
Norddeutsche Landesbank Girozentrale, Singapore Branch

DBS Bank Ltd., Singapore Branch
Bank of China Limited, Fujian Pilot Free Trade Zone
Pingtan Branch

LEGAL ADVISER

Chungs Lawyers
28/F, Henley Building
5 Queen's Road Central
Central
Hong Kong

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東 183 號
合和中心 54 樓

主要往來銀行

交通銀行股份有限公司香港分行
Norddeutsche Landesbank Girozentrale
新加坡分行
星展銀行有限公司新加坡分行
中國銀行股份有限公司福建自貿試驗區平
潭片區分行

法律顧問

鍾氏律師事務所
香港
中環
皇后大道中 5 號
衡怡大廈 28 樓

Independent Review Report

獨立審閱報告



RSM

**TO THE BOARD OF DIRECTORS OF
XIN YUAN ENTERPRISES GROUP LIMITED**
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 7 to 34 which comprises the condensed consolidated statement of financial position of the Company as at 30 June 2019 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The 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 "HKICPA"). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information 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.

致信源企業集團有限公司董事會
(於開曼群島註冊成立的有限公司)

引言

我們已審閱載於第7至34頁的中期財務資料，當中包括 貴公司於2019年6月30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表、簡明綜合損益及其他全面收益表、簡明綜合權益變動表及簡明綜合現金流量表以及主要會計政策概要及其他解釋附註。香港聯合交易所有限公司證券上市規則要求編製中期財務資料報告時須遵循其有關條文及香港會計師公會（「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」）。董事須對根據香港會計準則第34號編製及呈列的本中期財務資料負責。我們的責任為根據我們已同意的委聘條款對本中期財務資料作出審閱並對其作出結論，並向閣下報告，且並無其他目的。我們概不就本報告內容向任何其他人士負責或承擔責任。

Independent Review Report

獨立審閱報告

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial information 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 interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

RSM Hong Kong

Certified Public Accountants
Hong Kong
27 August 2019

審閱範圍

我們根據香港會計師公會頒佈之香港審閱工作準則第2410號「由實體獨立核數師審閱中期財務資料」進行審閱。中期財務資料審閱工作包括主要向負責財務會計事項人員詢問，並實施分析和其他審閱程序。由於審閱的範圍遠較按照香港審計準則進行審核的範圍為小，我們無法保證將知悉可能在審核中發現的所有重大事項。因此我們不會發表審核意見。

結論

根據我們之審閱，我們並沒有注意到任何事項，令我們相信中期財務資料在所有重大方面沒有按照香港會計準則第34號編製。

羅申美會計師事務所

執業會計師
香港
2019年8月27日

Condensed Consolidated Statement of Profit or Loss

簡明綜合損益表

For the six months ended 30 June 2019 截至2019年6月30日止六個月

			Six months ended 30 June	
			截至6月30日止六個月	
			2019	2018
			2019年	2018年
			US\$'000	US\$'000
			千美元	千美元
			(unaudited)	(unaudited)
			(未經審核)	(未經審核)
		Notes 附註		
Revenue	收益	5	24,581	20,641
Cost of sales	銷售成本		(17,520)	(12,999)
Gross profit	毛利		7,061	7,642
Other income	其他收入		1,226	713
Administrative expenses	行政開支		(1,080)	(1,551)
Other operating expenses	其他營運開支		(612)	–
Exchange (losses)/gains, net	匯兌(虧損)/收益淨額		(124)	392
Profit from operations	經營所得溢利		6,471	7,196
Finance costs	財務成本		(3,218)	(2,391)
Profit before tax	除稅前溢利		3,253	4,805
Income tax expense	所得稅開支	6	–	–
Profit for the period	期內溢利	7	3,253	4,805
Earnings per share	每股盈利	9		
Basic (cents per share)	基本(每股仙)		0.81	1.60
Diluted (cents per share)	攤薄(每股仙)		N/A 不適用	N/A 不適用

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 2019 截至2019年6月30日止六個月

		Six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		US\$'000	US\$'000
		千美元	千美元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Profit for the period	期內溢利	3,253	4,805
Other comprehensive income:	其他全面收入：		
<i>Items that may be reclassified to profit or loss:</i>	<i>可能被重新分類進損益的項目：</i>		
Exchange differences on translating foreign operations	換算海外業務的匯兌差額	(15)	8
Other comprehensive income for the period, net of tax	除稅後的期內其他全面收入	(15)	8
Total comprehensive income for the period	期內全面收入總額	3,238	4,813

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2019 於 2019 年 6 月 30 日

			30 June 2019 2019 年 6 月 30 日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2018 2018 年 12 月 31 日 US\$'000 千美元 (audited) (經審核)
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	68,221	184,190
Right-of-use-assets	使用權資產	11	111,930	-
Total non-current assets	非流動資產總值		180,151	184,190
Current assets	流動資產			
Derivative financial instruments	衍生金融工具		-	119
Inventories	存貨		1,326	949
Contract assets	合約資產		18	-
Trade receivables	貿易應收款項	12	3,544	1,952
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項		2,314	4,199
Pledged bank deposits	已抵押銀行存款		1,362	1,345
Bank and cash balances	銀行及現金結餘		15,949	18,260
Total current assets	流動資產總值		24,513	26,824
TOTAL ASSETS	資產總值		204,664	211,014
EQUITY AND LIABILITIES	權益及負債			
Share capital	股本	13	4,000	4,000
Reserves	儲備		98,342	95,104
Total equity	權益總額		102,342	99,104

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2019 於 2019年6月30日

		30 June 2019 2019年 6月30日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2018 2018年 12月31日 US\$'000 千美元 (audited) (經審核)
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Bank loans	銀行貸款	28,542	32,101
Finance lease payables	融資租賃應付款項	–	56,760
Lease liabilities	租賃負債	51,086	–
Total non-current liabilities	非流動負債總額	79,628	88,861
Current liabilities	流動負債		
Derivative financial instruments	衍生金融工具	264	167
Contract liabilities	合約負債	441	869
Lease liabilities	租賃負債	11,627	–
Bank loans	銀行貸款	7,357	7,330
Finance lease payables	融資租賃應付款項	–	11,561
Trade payables	貿易應付款項	1,156	1,473
Other payables and accruals	其他應付款項及應計費用	1,849	1,649
Total current liabilities	流動負債總額	22,694	23,049
TOTAL EQUITY AND LIABILITIES	權益及負債總額	204,664	211,014

Approved by the Board of Directors on 27 August 2019

由董事會於2019年8月27日批准

Xu Wenjun
徐文均

Ding Yuzhao
丁玉釗

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2019 截至2019年6月30日止六個月

		Attributable to owners of the Company 本公司擁有人應佔						
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Merger reserve 合併儲備	Foreign currency translation reserve 外幣換算儲備	Retained profits 保留溢利	Total equity 權益總額
		US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
At 1 January 2018 (audited)	於2018年1月1日 (經審核)	530	55,073	9,310	833	–	8,689	74,435
Total comprehensive income and changes in equity for the period	期內全面收入總額及權益變動	–	–	–	–	8	4,805	4,813
At 30 June 2018 (unaudited)	於2018年6月30日 (未經審核)	530	55,073	9,310	833	8	13,494	79,248
At 1 January 2019 (audited)	於2019年1月1日 (經審核)	4,000	69,663	9,310	833	(4)	15,302	99,104
Total comprehensive income and changes in equity for the period	期內全面收入總額及權益變動	–	–	–	–	(15)	3,253	3,238
At 30 June 2019 (unaudited)	於2019年6月30日 (未經審核)	4,000	69,663	9,310	833	(19)	18,555	102,342

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2019 截至2019年6月30日止六個月

		Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 US\$'000 千美元 (unaudited) (未經審核)	2018 2018年 US\$'000 千美元 (unaudited) (未經審核)
NET CASH GENERATED FROM OPERATING ACTIVITIES	經營活動所得現金淨額	7,243	4,065
Purchases of property, plant and equipment	購買物業、廠房及設備	(239)	(3,711)
Increase in time deposit	定期存款增加	(3,000)	–
Other investing cash flows (net)	其他投資性現金流量(淨額)	(207)	(170)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(3,446)	(3,881)
Advance from related companies	關聯公司墊款	–	3,186
Drawdown from finance leases	提取融資租賃	–	6,434
Principal elements of lease payments	租賃付款的本金部分	(5,821)	–
Repayment of bank loans	償還銀行貸款	(3,671)	(6,140)
Repayment of finance lease payables	償還融資租賃應付款項	–	(1,696)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	融資活動(所用)/所得現金淨額	(9,492)	1,784
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)/增加淨額	(5,695)	1,968
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初的現金及現金等價物	10,421	863
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動的影響	(15)	8
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末的現金及現金等價物	4,711	2,839
REPRESENTED BY:	即:		
Bank and cash balances	銀行及現金結餘	15,949	4,684
Less: Restricted bank balances	減: 受限制銀行結餘	(2,238)	(1,845)
Less: Bank deposits with original maturity beyond three months	減: 原到期日超過三個月的銀行存款	(9,000)	–
		4,711	2,839

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

1. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

These condensed consolidated financial statements should be read in conjunction with the 2018 annual financial statements. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2018 except as stated below.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2019. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has initially adopted HKFRS 16 Leases from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group’s condensed consolidated financial statements.

1. 編製基準

本簡明綜合財務報表乃按照香港會計師公會(「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」及香港聯合交易所有限公司證券上市規則(「上市規則」)的適用披露規定而編製。

本簡明綜合財務報表應與2018年度的財務報表一併閱讀。除下述者外，編製本簡明綜合財務報表所用的會計政策(包括管理層於應用本集團會計政策時所作出之重大判斷及估計不確定因素之主要來源)及計算方法與截至2018年12月31日止年度的年度財務報表中所用者貫徹一致。

2. 採納新訂及經修訂香港財務報告準則

於本期間，本集團採納香港會計師公會所頒佈並與其營運有關及於2019年1月1日開始之會計年度生效的所有新訂及經修訂香港財務報告準則(「香港財務報告準則」)。香港財務報告準則包括香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋。本集團並未提早採納任何已頒佈但尚未生效之其他準則、詮釋或修訂。

自2019年1月1日起，本集團已首次採納香港財務報告準則第16號租賃。若干其他新準則自2019年1月1日起生效，但對本集團的簡明綜合財務報表並無重大影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases — Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. HKFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

Lessor accounting under HKFRS 16 is substantially unchanged under HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact for leases where the Group is the lessor.

The Group has applied HKFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained profits at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated — i.e. it is presented, as previously reported, under HKAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

2. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃

香港財務報告準則第16號取代香港會計準則第17號租賃、國際財務報告詮釋委員會第4號釐定安排是否包括租賃、準則詮釋委員會第15號經營租賃 — 優惠及準則詮釋委員會第27號評估涉及租賃法律形式交易之內容。香港財務報告準則第16號引入了單一的資產負債表內租賃會計模型。因此，本集團作為承租人確認使用權資產(相當於其使用相關資產的權利)及租賃負債(相當於其作出租賃款項的責任)。

香港財務報告準則第16號大致沿用香港會計準則第17號項下出租人之會計處理。出租人將繼續採用與香港會計準則第17號類似之原則將租賃分類為經營租賃或融資租賃。因此，香港財務報告準則第16號對本集團作為出租人的租賃並未產生影響。

本集團以經修訂追溯法應用香港財務報告準則第16號，據此，首次應用之累計效應於2019年1月1日之保留溢利確認。因此，2018年呈列之比較資料尚未重列，即按香港會計準則第17號及相關詮釋呈列(如過往所呈報)。會計政策變動詳情於下文披露。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

HKFRS 16 Leases (Continued)

(a) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to HKFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied HKFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under HKAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

2. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

(a) 租賃定義

此前，本集團於合約開始時根據國際財務報告詮釋委員會第4號釐定安排是否包括租賃確定安排是否是或包括租賃。本集團現根據租賃新定義評估合約是否是或包括租賃。根據香港財務報告準則第16號，倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約是租賃或包含租賃。

於過渡至香港財務報告準則第16號時，本集團選擇應用實際權宜方法繼續沿用交易為租賃的評估。其僅將香港財務報告準則第16號應用於先前確認為租賃的合約。根據香港會計準則第17號及國際財務報告詮釋委員會第4號未確認為租賃的合約未經重新評估。因此，根據香港財務報告準則第16號的租賃定義僅適用於2019年1月1日或之後訂立或變更的合約。

於包含租賃部分的合約開始或獲重新評估時，本集團根據其相對獨立價格將合約中的代價分配予各個租賃及非租賃部分。然而，就其作為承租人的物業租賃而言，本集團已選擇不會區分非租賃部分而是將租賃及非租賃部分入賬列為單一租賃部分。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

HKFRS 16 Leases (Continued)

(b) As a lessee

The Group leases many assets, including vessels and office properties.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under HKFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The recognised right-of-use assets relate to the following asset:

2. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

(b) 作為承租人

本集團租賃多項資產，包括船舶及辦公室物業。

作為承租人，本集團先前根據租賃是否轉讓所有權的絕大部分風險及回報評估，將租賃分類為經營或融資租賃。根據香港財務報告準則第16號，本集團就大部分租賃確認使用權資產及租賃負債。

然而，本集團選擇不就若干低價值資產租賃確認使用權資產及租賃負債。本集團於租期內按直線基準將與該等租賃相關之租賃款項確認為開支。

已確認使用權資產與下列資產有關：

		Balance as at 於下列日期的結餘	
		30 June 2019 於2019年 6月30日 US\$'000 千美元 (unaudited) (未經審核)	1 January 2019 於2019年 1月1日 US\$'000 千美元 (unaudited) (未經審核)
Vessels	船舶	111,767	114,787
Office properties	辦公室物業	163	199
Total right-of-use assets	使用權資產總計	111,930	114,986

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

HKFRS 16 Leases (Continued)

(b) As a lessee (Continued)

Significant accounting policies

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

2. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

(b) 作為承租人(續)

主要會計政策

本集團於租賃開始日期確認使用權資產及租賃負債。使用權資產初步按成本及其後按成本減任何累計折舊及減值虧損計量，並就租賃負債若干重新計量作出調整。

租賃負債初步按並非於生效日期支付之租賃款項之現值計量，並使用隱含在租賃中之利率或(倘該利率不能即時釐定)本集團之增量借款利率貼現。一般而言，本集團以其增量借款利率作為貼現率。

租賃負債其後按租賃負債的利息成本增加及按已作出租賃款項減少。當由指數或利率變動引起的未來租賃款項變動、剩餘價值擔保項下預期應付金額估計變動、(如適用)對購買或延期權是否合理確定行使或終止權是否合理確定不予行使的評估變動，則重新計量租賃負債。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

HKFRS 16 Leases (Continued)

(b) As a lessee (Continued)

Transition

Previously, the Group classified office properties leases as operating leases under HKAS 17. The leases typically run for a period ranging from 1 year to 4 years.

At transition, for leases classified as operating leases under HKAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments (if any).

The Group used the following practical expedients when applying HKFRS 16 to leases previously classified as operating leases under HKAS 17.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Group leases a number of items of vessels. These leases were classified as finance leases under HKAS 17. For these finance leases, the carrying amount of the right-of-use assets and the lease liabilities at 1 January 2019 were determined at the carrying amount of the lease assets and lease liabilities under HKAS 17 immediately before that date.

2. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

(b) 作為承租人(續)

過渡

此前，本集團根據香港會計準則第17號將辦公室物業租賃分類為經營租賃。租賃通常為期1至4年。

於過渡時，就根據香港會計準則第17號分類為經營租賃的租賃而言，租賃負債按剩餘租賃款項現值計量，並按本集團於2019年1月1日的增量借款利率貼現。使用權資產按相等於租賃負債的金額計量，並根據任何預付或或應計租賃款項的金額(如有)進行調整。

本集團應用香港財務報告準則第16號於先前根據香港會計準則第17號分類為經營租賃的租賃時使用以下實際權宜方法。

- 對於租賃期少於12個月的租賃，採納豁免不確認使用權資產及負債。
- 在初始應用日期計量使用權資產時不包括初始直接成本。
- 倘合約包含延長或終止租賃的選擇權，則於事後釐定租賃期。

本集團租賃若干船舶。該等租賃根據香港會計準則第17號分類為融資租賃。就該等融資租賃而言，於2019年1月1日的使用權資產及租賃負債的賬面值乃根據香港會計準則第17號按於緊接該日前的租賃資產及租賃負債的賬面值釐定。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

HKFRS 16 Leases (Continued)

(c) As a lessor

The accounting policies applicable to the Group as a lessor are not different from those under HKAS 17. However, when the Group is an intermediate lessor, the sub-leases are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The Group is not required to make any adjustments on transition to HKFRS 16 for leases in which it acts as a lessor.

(d) Impacts of financial statements

Impact on transition

On transition to HKFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained profits. The change in accounting policy affected the following items on the condensed consolidated statement of financial position as at 1 January 2019 is summarised below.

2. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

(c) 作為出租人

適用於本集團作為出租人之會計政策與香港會計準則第17號項下的政策並無差異。然而，本集團為間接出租人時，分租將參考開頭租約產生的使用權資產而非參考相關資產作出分類。

本集團無須對其作為出租人的租約為向香港財務報告準則第16號過渡而作出任何調整。

(d) 對財務報表的影響

對過渡的影響

於過渡至香港財務報告準則第16號時，本集團已確認額外的使用權資產及額外的租賃負債，並確認保留溢利之差異。會計政策變動對2019年1月1日之簡明綜合財務狀況表以下項目之影響概述如下。

		Increase/ (Decrease) 增加/(減少) 1 January 2019 2019年 1月1日 US\$'000 千美元 (unaudited) (未經審核)
Assets	資產	
Right-of-use assets	使用權資產	114,986
Property, plant and equipment	物業、廠房及設備	(114,787)
Total assets	資產總值	199
Liabilities	負債	
Lease liabilities	租賃負債	68,520
Finance lease payables	融資租賃應付款項	(68,321)
Total liabilities	負債總額	199

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

HKFRS 16 Leases (Continued)

(d) Impacts of financial statements (Continued)

Impact on transition (Continued)

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 15%.

2. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

(d) 對財務報表的影響(續)

對過渡的影響(續)

計量分類為經營租賃的租賃之租賃負債時，本集團使用其於2019年1月1日之增量借款利率貼現租賃付款。所使用的加權平均利率為15%。

		1 January 2019 2019年 1月1日 US\$'000 千美元
Operating lease commitment at 31 December 2018 as disclosed in the Group's consolidated financial statements (audited)	於本集團綜合財務報表所披露於2018年12月31日之經營租賃承擔(經審核)	283
Discounted using the incremental borrowing rate at 1 January 2019	使用於2019年1月1日的增量借款利率貼現	238
Add: Finance lease liabilities recognised as at 31 December 2018	加：於2018年12月31日確認的融資租賃負債	68,321
Less: Recognition exemption for leases of low-value assets	減：就低價值資產租賃使用確認豁免	(7)
Less: Recognition exemption for leases with less than 12 months of leases term at transition	減：就過渡時租賃期少於12個月的租賃使用確認豁免	(32)
Lease liabilities recognised as at 1 January 2019 (unaudited)	於2019年1月1日確認的租賃負債(未經審核)	68,520
Of which are:	歸屬於：	
Current lease liabilities	即期租賃負債	11,619
Non-current lease liabilities	非即期租賃負債	56,901
		68,520

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

HKFRS 16 Leases (Continued)

(d) Impacts of financial statements (Continued)

Impact for the period

As a result of initially applying HKFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised US\$163,000 of right-of-use assets and US\$172,000 of lease liabilities as at 30 June 2019.

Also in relation to those leases under HKFRS 16, the Group has recognised depreciation and finance costs, instead of operating lease expense. During the six months ended 30 June 2019, the Group recognised US\$37,000 of depreciation charges and US\$13,000 of finance costs from these leases.

2. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

(d) 對財務報表的影響(續)

對本期間的影響

因首次應用香港財務報告準則第16號，就先前被分類為經營租賃的租賃而言，本集團於2019年6月30日確認使用權資產163,000美元及租賃負債172,000美元。

此外，就香港財務報告準則第16號所述的該等租賃而言，本集團已確認折舊及財務成本，而非經營租賃開支。於截至2019年6月30日止六個月內，本集團就該等租賃確認折舊費用37,000美元及財務成本13,000美元。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

3. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

3. 公平值計量

簡明綜合財務狀況表所反映本集團的金融資產及金融負債的賬面值與其各自的公平值相若。

公平值為市場參與者於計量日期在有序交易中銷售資產所收取或轉讓負債所支付之價格。下列公平值計量披露採用將公平值計量所使用之估值方法輸入數據分類為三個等級的公平值階級：

第一級輸入值：本集團可於計量日期取得之相同資產或負債於活躍市場之報價(未經調整)。

第二級輸入值：可直接或間接觀察之資產或負債輸入值(不包括第一層級內之報價)。

第三級輸入值：資產或負債之不可觀察輸入值。

本集團的政策為在導致轉撥的事宜或情況變動的日期確認三個等級各級的轉入及轉出。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

3. FAIR VALUE MEASUREMENTS (Continued)

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value of the carrying amount is a reasonable approximation of fair value. Further, for the current year the fair value disclosure of lease liabilities is also not required.

3. 公平值計量(續)

下表列示金融資產及金融負債之賬面值及公平值，包括彼等所屬之公平值層級。倘為並非按公平值計量之金融資產及金融負債之賬面值與公平值合理相若，則不包括有關之公平值資料。此外，本年度亦毋須披露租賃負債之公平值。

(a) Disclosures of level in fair value hierarchy:

(a) 公平值層級披露：

Description 描述	Fair value measurements as at 30 June 2019 於2019年6月30日的公平值計量			
	Level 1 第一級 US\$'000 千美元 (unaudited) (未經審核)	Level 2 第二級 US\$'000 千美元 (unaudited) (未經審核)	Level 3 第三級 US\$'000 千美元 (unaudited) (未經審核)	Total 總計 US\$'000 千美元 (unaudited) (未經審核)
Recurring fair value measurements: Financial liabilities	經常性公平值計量： 金融負債			
Interest rate swap contracts	–	264	–	264

Description 描述	Fair value measurements as at 31 December 2018 於2018年12月31日的公平值計量			
	Level 1 第一級 US\$'000 千美元 (audited) (經審核)	Level 2 第二級 US\$'000 千美元 (audited) (經審核)	Level 3 第三級 US\$'000 千美元 (audited) (經審核)	Total 總計 US\$'000 千美元 (audited) (經審核)
Recurring fair value measurements: Financial assets	經常性公平值計量： 金融資產			
Foreign currency forward contract	–	37	–	37
Interest rate swap contracts	–	82	–	82
	–	119	–	119
Recurring fair value measurements: Financial liabilities	經常性公平值計量： 金融負債			
Interest rate swap contracts	–	167	–	167

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

3. FAIR VALUE MEASUREMENTS (Continued)

(b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Group's financial controller is responsible for the fair value measurements of financial assets and financial liabilities required for financial reporting purposes. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

3. 公平值計量(續)

(b) 本集團採用之估值程序及公平值計量採用之估值方法及輸入數據的披露：

本集團之財務總監負責就財務報告目的進行金融資產及金融負債公平值計量。財務總監直接向董事會匯報該等公平值計量。財務總監與董事會每年最少討論兩次估值過程及結果。

Level 2 fair value measurements

第二級公平值計量

Description	Valuation technique	Unobservable inputs	Fair value of financial liabilities as at 30 June 2019 2019年6月30日金融負債的公平值 US\$'000 千美元 (unaudited) (未經審核)
描述	估值方法	不可觀察輸入數據	
Interest rate swap contracts	Discount cash flow	Interest rate Discount rate	264
利率掉期合約	貼現現金流量	利率 貼現率	

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

3. FAIR VALUE MEASUREMENTS (Continued)

(b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements: (Continued)

Level 2 fair value measurements

3. 公平值計量(續)

(b) 本集團採用之估值程序及公平值計量採用之估值方法及輸入數據的披露：(續)

第二級公平值計量

Description	Valuation technique	Unobservable inputs	Fair value of financial assets/ (liabilities) as at 31 December 2018 2018年12月31日金融資產/ (負債)的公平值 US\$'000 (audited) (經審核)
描述	估值方法	不可觀察輸入數據	
Foreign currency forward contract	Discount cash flow	Comparable exchange rate	37
外幣遠期合約	貼現現金流量	相近匯率	
Interest rate swap contracts	Discount cash flow	Interest rate	82
利率掉期合約	貼現現金流量	Discount rate 利率 貼現率	
Interest rate swap contracts	Discount cash flow	Interest rate	(167)
利率掉期合約	貼現現金流量	Discount rate 利率 貼現率	

There were no changes in the valuation techniques used.

所用估值技術並無改變。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

4. SEGMENT INFORMATION

4. 分部資料

		Asphalt tanker chartering services 瀝青船 出租服務 US\$'000 千美元 (unaudited) (未經審核)	Asphalt trading 瀝青買賣 US\$'000 千美元 (unaudited) (未經審核)	Total 總計 US\$'000 千美元 (unaudited) (未經審核)
6 months ended 30 June 2019:	截至2019年6月30日止六個月：			
Revenue from external customers	來自外部客戶的收益	22,873	1,708	24,581
Segment profit	分部溢利	4,044	106	4,150
As at 30 June 2019:	於2019年6月30日：			
Segment assets	分部資產	202,464	1,708	204,172
Segment liabilities	分部負債	(101,562)	-	(101,562)
		Asphalt tanker chartering services 瀝青船 出租服務 US\$'000 千美元 (unaudited) (未經審核)	Asphalt trading 瀝青買賣 US\$'000 千美元 (unaudited) (未經審核)	Total 總計 US\$'000 千美元 (unaudited) (未經審核)
6 months ended 30 June 2018:	截至2018年6月30日止六個月：			
Revenue from external customers	來自外部客戶的收益	20,641	-	20,641
Segment profit	分部溢利	6,107	-	6,107
		(audited) (經審核)	(audited) (經審核)	(audited) (經審核)
As at 31 December 2018:	於2018年12月31日：			
Segment assets	分部資產	207,637	-	207,637
Segment liabilities	分部負債	(111,311)	-	(111,311)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

4. SEGMENT INFORMATION (Continued)

In 2018, the Group has one single reportable segment which was managed as a single strategic business unit that engaged in provision of asphalt tanker chartering services with similar marketing strategy. During the six months ended 30 June 2019, the Group commenced its asphalt trading business.

4. 分部資料(續)

於2018年，本集團設有一個單一可呈報分部，作為單一戰略業務單位管理，以類似營銷策略從事提供瀝青船租船服務。截至2019年6月30日止六個月，本集團開始進行瀝青貿易業務。

Reconciliations of segment profit or loss:

分部損益的對賬：

		Six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		US\$'000	US\$'000
		千美元	千美元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Total profit or loss of reportable segments	可呈報分部的損益總額	4,150	6,107
Interest expenses	利息開支	(13)	–
Unallocated corporate income	未分配之企業收入	–	81
Unallocated corporate expenses	未分配之企業開支	(884)	(1,383)
Consolidated profit for the period	期內合併溢利	3,253	4,805

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

5. REVENUE

The Group's main operations and revenue streams are those described in the last annual financial statements. During the six months ended 30 June 2019, the Group commenced its asphalt trading business. The Group's revenue is derived from contracts with customers and lease contracts.

In the following table, revenue is disaggregated by service category and timing of revenue recognition.

5. 收益

本集團的主要營運及收益來源已於上一年度財務報表說明。截至2019年6月30日止六個月，本集團開始進行瀝青貿易業務。本集團的收益來自與客戶的合約及租賃合約。

在下表中，收益按服務類別及確認收益的時間選擇而分拆。

		Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 US\$'000 千美元 (unaudited) (未經審核)	2018 2018年 US\$'000 千美元 (unaudited) (未經審核)
Provision of asphalt tanker chartering services	提供瀝青船租船服務		
Time charter	期租	11,706	12,020
Voyage charter and contract of affreightment ("CoA")	程租及包運合約(「包運合約」)	11,167	8,621
		22,873	20,641
Asphalt trading	瀝青買賣	1,708	–
		24,581	20,641

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

5. REVENUE (Continued)

5. 收益(續)

		Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 US\$'000 千美元 (unaudited) (未經審核)	2018 2018年 US\$'000 千美元 (unaudited) (未經審核)
Timing of revenue recognition	確認收益的時間		
Revenue from voyage charter and CoA — recognised over time	程租及包運合約收益 — 隨時間確認	11,167	8,621
Revenue from asphalt trading — recognised at a point in time	瀝青買賣的收益 — 於某個時間點確認	1,708	—
Revenue from other source — time charter	其他來源的收益 — 期租	11,706	12,020
		24,581	20,641

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

下表提供有關與客戶合約的應收款項、合約資產及合約負債的資料：

		30 June 2019 2019年 6月30日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2018 2018年 12月31日 US\$'000 千美元 (audited) (經審核)
Receivables, which included in "trade receivables"	應收款項，已計入「貿易應收款項」	2,581	1,952
Contract assets	合約資產	18	—
Contract liabilities	合約負債	(441)	(869)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

5. REVENUE (Continued)

Contract assets of the Group consist of unbilled amount resulting from voyage charter and CoA over time. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. Contract liabilities of the Group arise from the advance payments made by the customer or billings invoiced to the customer (whichever is earlier) while underlying services are yet to be provided.

The amount of US\$869,000 recognised in contract liabilities at the beginning of the period has been recognised as revenue for the six months ended 30 June 2019.

6. INCOME TAX EXPENSE

During the period, the Group mainly operated in Hong Kong, People's Republic of China ("PRC") and Singapore. However, no provision for Hong Kong Profits Tax, PRC Corporate Income Tax and Singapore Corporate Income Tax was made since the Group had no assessable profit for the period (six months ended 30 June 2018: Nil).

5. 收益(續)

本集團合約資產包括隨時間確認程租及包運合約的未開賬單款項。合約資產於有關權利成為無條件時轉至應收款項。此一般於本集團向客戶發出發票時發生。本集團合約負債產生自客戶就尚未提供的相關服務作出的墊款或向客戶開具的賬單(以較早者為準)。

期初於合約負債確認的869,000美元已確認為截至2019年6月30日止六個月的收益。

6. 所得稅開支

期內，本集團主要在香港、中華人民共和國(「中國」)及新加坡經營業務。然而，鑒於本集團期內並無應課稅溢利，故並無就香港利得稅、中國企業所得稅及新加坡企業所得稅作出撥備(截至2018年6月30日止六個月：無)。

		Six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		US\$'000	US\$'000
		千美元	千美元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Current tax	即期稅項	-	-

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

7. PROFIT FOR THE PERIOD

The Group's profit for the period is arrived at after charging/(crediting):

7. 期內溢利

本集團的期內溢利乃經扣減/(計入)以下各項後呈列如下：

		Six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		US\$'000	US\$'000
		千美元	千美元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Depreciation	折舊	4,478	3,446
Directors' emoluments	董事酬金	90	49
Exchange losses/(gains), net	匯兌虧損/(收益)淨額	124	(392)
Fair value losses/(gains) on derivate financial instruments	衍生金融工具公平值虧損/(收益)	179	(456)
Listing expense	上市開支	-	563
Operating lease charges – land and buildings	經營租賃費用 – 土地及樓宇	43	87
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)	628	511

8. DIVIDEND

The directors do not recommend the payment of an interim dividend (six months ended 30 June 2018: Nil).

8. 股息

董事不建議派付中期股息(截至2018年6月30日止六個月：無)。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following:

9. 每股盈利

每股基本盈利的計算基於以下各項：

		Six months ended 30 June 截至6月30日止六個月	
		2019 2019年 US\$'000 千美元 (unaudited) (未經審核)	2018 2018年 US\$'000 千美元 (unaudited) (未經審核)
Earnings	盈利		
Profit for the period attributable to owners of the Company	本公司擁有人應佔期內溢利	3,253	4,805
		'000 千股	'000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares (Note)	普通股加權平均數(附註)	400,000	300,000

Note: The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the six months ended 30 June 2018 has been adjusted for the effect of the capitalisation issue on 6 September 2018.

附註：截至2018年6月30日止六個月用於計算每股基本盈利的普通股加權平均數已就於2018年9月6日資本化發行的影響進行調整。

No diluted earnings per share was presented for the six months ended 30 June 2018 and 2019 as there was no potential ordinary share outstanding.

並無呈列截至2018年及2019年6月30日止六個月的每股攤薄盈利，乃由於並無潛在未發行普通股。

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, the Group acquired property, plant and equipment of approximately US\$239,000 (six months ended 30 June 2018: US\$22,777,000).

Property, plant and equipment decreased by US\$114,787,000 on 1 January 2019 following the adoption of HKFRS 16, see note 2 for details.

10. 物業、廠房及設備

截至2019年6月30日止六個月，本集團購入物業、廠房及設備約239,000美元(截至2018年6月30日止六個月：22,777,000美元)。

物業、廠房及設備於採納香港財務報告準則第16號後於2019年1月1日減少114,787,000美元，詳情參閱附註2。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

11. RIGHT-OF-USE ASSETS

At 1 January 2019, the Group recognised US\$199,000 of right-of-use assets and lease liabilities in relation to the leases that were previously classified as operating leases.

12. TRADE RECEIVABLES

For time charter, the Group generally receives monthly prepayment from customers. For voyage charter, the Group generally receives full payment within five business days after completion of cargo loading. For CoA, the Group generally receives full payment within three business days after completion of cargo discharging. For demurrage claims, the balance is normally paid within 30 days after the finalisation. For asphalt trading, the balance is normally paid within 30 days after the invoice date. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The ageing analysis of trade receivables, based on the date of invoice, is as follows:

11. 使用權資產

於2019年1月1日，本集團就先前分類為經營租賃的租賃確認使用權資產及租賃負債199,000美元。

12. 貿易應收款項

就期租而言，本集團一般按月向客戶收取預付款。就程租而言，本集團一般會在裝貨完成後五個營業日內收到全部款項。就包運合同而言，本集團一般於完成卸貨後三個營業日內收取全部款項。對於滯期費索賠而言，餘額一般於落實後30天內支付。對於瀝青買賣，餘額一般於發票日期後30天內支付。每名客戶均有最高信貸限額。本集團尋求嚴格控制其未償還應收款項。董事定期檢討逾期結餘。

以發票日期為基準的貿易應收款項賬齡分析如下：

		30 June 2019 2019年 6月30日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2018 2018年 12月31日 US\$'000 千美元 (audited) (經審核)
0 to 30 days	0至30天	2,280	1,504
31 to 60 days	31至60天	529	-
Over 60 days	超過60天	735	448
		3,544	1,952

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止六個月

13. SHARE CAPITAL

13. 股本

		30 June 2019 2019年 6月30日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2018 2018年 12月31日 US\$'000 千美元 (audited) (經審核)
Authorised:	法定：		
10,000,000,000 ordinary shares of US\$0.01 each	10,000,000,000 股 每股0.01美元之普通股	100,000	100,000
Issued and fully paid:	已發行及繳足：		
400,000,000 (At 31 December 2018: 400,000,000) ordinary shares of US\$0.01 each	400,000,000 股 (2018年 12月31日：400,000,000 股) 每股0.01美元之普通股	4,000	4,000

14. TRADE PAYABLES

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

14. 貿易應付款項

貿易應付款項根據發票日期的賬齡分析如下：

		30 June 2019 2019年 6月30日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2018 2018年 12月31日 US\$'000 千美元 (audited) (經審核)
0 to 30 days	0至30天	968	1,473
31 to 60 days	31至60天	173	-
Over 60 days	超過60天	15	-
		1,156	1,473

15. CONTINGENT LIABILITIES

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

15. 或然負債

本集團於2019年6月30日並無任何重大或然負債(2018年12月31日：無)。

16. APPROVAL OF FINANCIAL STATEMENTS

The interim financial statements were approved and authorised for issue by the Board of Directors on 27 August 2019.

16. 批准財務報表

本中期財務報表於2019年8月27日獲董事會批准並授權刊發。

Management Discussion and Analysis

管理層討論及分析

The board (the “**Board**”) of Directors (the “**Director**”) of Xin Yuan Enterprises Group Limited (the “**Company**”) is pleased to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively as the “**Group**”) for the six months ended 30 June 2019 (the “**Period Under Review**”), together with the comparative figures for the corresponding period in 2018.

BUSINESS REVIEW AND OUTLOOK

Our Group principally provides asphalt tanker chartering services under various types of charter agreement comprising: (i) time charters; and (ii) voyage charters and contracts of Affreightment (“**CoAs**”). Currently we operate a fleet of ten vessels with total capacity of 92,000 dwt, in which five vessels are operated under time charters, and the remaining five vessels are operated under voyage charters or CoAs. Furthermore, our Group has been developing new asphalt trading business since the first half of 2019.

We endeavour to provide high quality asphalt tanker chartering services. We have our own team of engineers and we are actively involved in the design of our vessels. Our team works closely with ship design experts, our customers, shipyards, an international classification society and banks or finance lease companies. We formulate customised shipbuilding plan to build new vessel that suits our customers’ requirements such as fuel consumption efficiency and carrying capacity. Our Directors believe that by implementing the customisation, we could raise our service standards and competitiveness.

Our major customers include global shipping and logistics groups, global independent energy traders and publicly traded energy companies based in the United States. Our Group has diversified its customer segment and gradually engaged new customers to reduce our reliance over our largest customer. As a result of our Group’s efforts to engage new customers, the number of customers increased to fourteen customers for the six months ended 30 June 2019.

信源企業集團有限公司(「**本公司**」)董事(「**董事**」)會(「**董事會**」)欣然提呈本公司及其附屬公司(統稱「**本集團**」)截至2019年6月30日止六個月(「**回顧期間**」)的未經審核簡明綜合中期業績，連同2018年同期比較數字。

業務回顧及展望

本集團主要根據各類租船協議提供瀝青船出租服務，包括：(i) 期租；及(ii) 程租及包運合約(「**包運合約**」)。目前我們營運由十艘船舶組成的船隊，總運力達92,000載重噸，五艘根據期租出租，及餘下五艘根據程租或包運合約出租。此外，本集團已自2019年上半年起發展新瀝青貿易業務。

我們致力提供優質瀝青貨船出租服務。我們有自己的工程師團隊且我們積極參與我們的船舶設計。我們的團隊與船舶設計專家、我們的客戶、船廠、國際船級社及銀行或融資租賃公司緊密合作。我們定製造船計劃以建造滿足我們客戶要求(如燃料消耗效率及承載能力)的新船。董事相信，通過實行定制化，我們可提升我們的服務水平及競爭力。

我們的主要客戶包括全球運輸及物流集團、全球獨立能源交易商及總部位於美國的上市能源公司。本集團已多元化其客戶群及逐步開發新客戶，以降低我們對最大客戶的依賴。由於本集團努力結交新客戶，客戶數目增加至截至2019年6月30日止六個月的十四名。

Management Discussion and Analysis

管理層討論及分析

With our Group's experienced management team and competitive strengths, our Directors believe that our Group is well-positioned to further develop our presence in the asphalt tanker chartering services market and capture new business opportunities. Our competitive strengths include (i) the fact that our fleet of vessels is relatively new and fit for purpose to meet customers' needs; (ii) stable cash inflow from long-term contract with customers; (iii) establishing stable relationships with our customers and shipyards; and (iv) our focus on high standard of maintenance of our fleet to offer quality and safe asphalt tanker chartering services.

After the last new vessel, Lotstella, was delivered in November 2018, we have not engaged any new shipbuilding plan. Our Group originally planned to use 90.2% of the net proceeds from the Global Offering equivalent to approximately US\$14.2 million to purchase two new vessels in 2019 and 2020, but considering that the current market condition has created uncertainties in the global asphalt tanker chartering business, in particular the Sino-U.S. trade war and the sanctions against Iran and Venezuela, we changed in use of proceeds to apply such net proceeds as part of the purchase price of approximately US\$16.5 million of a secondhand Capesize vessel instead. We intend to purchase the secondhand Capesize vessel with gross tonnage of 89,726 for providing iron ore and coal charters services from an independent third party. Purchasing secondhand Capesize vessel, we could enter into chartering agreement with customers lock up in profits. Hence, our Group maintains the variety of services types with a balance approach to meet different demands in the market. Other than chartering services, asphalt trading business is also our Group's focus in business development in the foreseeable future. Asphalt is a necessity for infrastructure construction, especially for road construction and maintenance. With the "One Belt One Road" project and the expansion of the global road network, the demand for asphalt has steadily increased. Based on our strong industry network over the years, we have established good cooperative relations with the upstream and downstream of the asphalt industry chain. In the future, we will closely cooperate with major refineries, energy trading companies and end users around the world to explore the international and domestic asphalt markets.

憑藉本集團經驗豐富的管理團隊及競爭優勢，董事相信本集團有能力進一步發展我們在瀝青船出租服務市場的據點並抓住新商機。我們的競爭優勢包括(i)我們的船隊相對較新，能滿足客戶需要；(ii)來自長期客戶合約的穩定現金流入；(iii)與客戶及船廠建立穩定關係；及(iv)注重就維修船隊擁有高標準，以提供優質安全的瀝青船租船服務。

在最近一艘新船荷花星於2018年11月交付後，我們尚未參與任何新的造船計劃。本集團原計劃將全球發售所得款項淨額約90.2%相等於約14.2百萬美元用於2019年及2020年購買兩艘新船舶，但考慮到目前市況(特別是中美貿易戰及對伊朗與委內瑞拉的制裁)對全球瀝青船出租業務造成的不確定性，我們改變所得款項用途，將該等所得款項淨額用於支付一艘二手海岬型船購買價約16.5百萬美元的一部分。我們打算向獨立第三方購買總噸位為89,726的二手海岬型船，以提供鐵礦石及煤炭租船服務。購買二手海岬型船，我們可與客戶訂立租船協議以鎖定利潤。因此，我們以均衡的方式維持本集團的多種服務類型，以滿足市場的不同需求。除租船服務外，瀝青貿易業務亦為本集團在可預見未來的重點業務發展。瀝青乃基礎設施建設的必需品，特別是道路建設與維護。隨著「一帶一路」項目及全球道路網絡擴大，對瀝青的需求亦穩步增加。基於多年來我們強大的行業網絡，我們與瀝青行業鏈的上下游建立良好合作關係。未來，我們將與世界各地主要煉油廠、能源貿易公司及終端用戶合作探索國際及國內瀝青市場。

Management Discussion and Analysis

管理層討論及分析

About 90% of all goods in international trade are transported by sea. According to "Review of Maritime Transport 2018" issued by Union Nations Conference on Trade and Development in 2018, total global seaborne volume in 2017 was 10.7 billion tons, representing an increase of over 400 million tons, from that of 10.3 billion tons in 2016. Nearly half of total global seaborne volume was contributed by dry bulk shipments. Since the 2008 economic crisis, the shipping industry has been at a low ebb. According to Reuters, there will be a growth in demand for high-quality iron ore for the Chinese market of an average of 4% to 5% for next three years, coupled with increased supply from Brazil, so that many bulk carrier owners are optimistic about the market. In addition, with the development of ASEAN and India's economy, infrastructure investment has expanded further, and the demand for raw materials such as ore will also increase, which will also give rise to the capacity of dry bulk carriers.

The trade protectionism initiated by the U.S. government has created uncertainties to the global and regional trade. In addition, the U.S. intends to strengthen sanctions against oil export countries such as Iran and Venezuela, which will have an adverse impact on the asphalt industry which is petroleum-based. Although our Directors have faith in the long-term outlook of asphalt tanker chartering industry, our Group remains mindful of the uncertainties ahead brought by the possible outbreak of conflict between the U.S. and Iran or Venezuela.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2019, our revenue increased to approximately US\$24.6 million by approximately US\$4.0 million or 19.4% from approximately US\$20.6 million for the six months ended 30 June 2018. For the Period Under Review, the increase was mainly due to the number of our vessels increased from nine vessels to ten vessels, and the commencement of new business segment of asphalt trading.

國際貿易中約90%的貨物通過海上運輸。根據聯合國貿易和發展會議於2018年發佈的《2018年海運述評》(Review of Maritime Transport 2018)，2017年全球海運總量為107億噸，較2016年103億噸增加4億多噸。全球海運總量的近一半來自乾散貨運輸。自2008年經濟危機以來，航運業一直處於低潮。據路透社報導，未來三年中國市場對優質鐵礦石的需求將增長，平均為4%至5%，加上巴西的供應量增加，故此眾多散貨船主對市場持樂觀態度。此外，隨著東盟及印度經濟的發展，基礎設施投資進一步擴大，以及對礦石等原材料的需求也將擴大，亦將提高乾散貨船的運力。

美國政府發起的貿易保護主義給全球及區域貿易帶來不確定性。此外，美國打算加強對伊朗及委內瑞拉等石油出口國的制裁，此舉將對以石油為基礎的瀝青工業產生不利影響。儘管我們的董事對瀝青船出租行業的長遠前景充滿信心，惟本集團仍然留意美國與伊朗或委內瑞拉可能爆發衝突所帶來的不確定性。

財務回顧

收益

截至2019年6月30日止六個月，我們的收益增至約24.6百萬美元，較截至2018年6月30日止六個月的約20.6百萬美元增加約4.0百萬美元或19.4%。於回顧期間，該增加主要是由於我們的船舶數量由九艘增加至十艘及開始瀝青貿易新業務分部。

Management Discussion and Analysis

管理層討論及分析

Revenue generated from time charter services slightly decreased by approximately 2.5% from approximately US\$12.0 million for the six months ended 30 June 2018 to approximately US\$11.7 million for the six months ended 30 June 2019. It was mainly attributable to the daily hire rate dropped by around 7.6% to 13.9% for certain vessels during the six months ended 30 June 2019, though we maintained the similar level of time charter services for the Period Under Review. In addition, a vessel under time charters was off-hired for 20 days for dry docking during the six months ended 30 June 2019.

The increase of approximately US\$2.6 million or 30.2% of revenue generated from voyage charter, and CoAs was mainly due to (i) our vessel, Lotstella, was delivered and put into operation for voyage charter and CoAs and commenced to generate revenue in November 2018; and (ii) our vessel, Jastella, was delivered in April 2018 and not in full operation for the six months ended 30 June 2018 but was in full operation for the six months ended 30 June 2019.

During the six months ended 30 June 2019, our Group commenced new asphalt trading business, which contributed revenue of approximately US\$1.7 million to our Group.

Cost of sales

Our cost of sales increased by approximately US\$4.5 million or 34.6% for the six months ended 30 June 2019 as compared to the six months ended 30 June 2018. Such increase was in line with the increase in revenue generated, resulting from the increase in the number of vessels operated, namely Baustella, Jastella and Lotstella which, were delivered in February, April and November 2018, respectively and in full operation for the six months ended 30 June 2019, and the commencement of new asphalt trading business.

期租服務產生的收益由截至2018年6月30日止六個月的約12.0百萬美元略降約2.5%至截至2019年6月30日止六個月的約11.7百萬美元，主要是由於儘管我們於回顧期間的期租服務保持於類似水平，但截至2019年6月30日止六個月若干船舶日租金費率下跌約7.6%至13.9%。此外，截至2019年6月30日止六個月一艘期租船舶因進乾船塢停租20天。

程租及包運合約產生的收益增加約2.6百萬美元或30.2%，主要是由於(i)我們的船舶荷花星於2018年11月交付及投入程租及包運合約運營並開始產生收益；及(ii)我們的船舶茉莉星於2018年4月交付及於截至2018年6月30日止六個月並未全期投入運營，但於截至2019年6月30日止六個月已完全投入運營。

截至2019年6月30日止六個月，本集團開始新瀝青貿易業務，向本集團貢獻約1.7百萬美元收益。

銷售成本

截至2019年6月30日止六個月，我們的銷售成本較截至2018年6月30日止六個月增加約4.5百萬美元或34.6%。有關增加與運營船舶數目增加(紫荊星、茉莉星及荷花星分別於2018年2月、4月及11月交付並於截至2019年6月30日止六個月完全投入運營)令產生的收益增加及開始新瀝青貿易業務一致。

Management Discussion and Analysis

管理層討論及分析

The increase of cost of sales was mainly due to the following factors:

- (i) our crew expense recorded an increase of approximately US\$0.9 million or 20.0%, which was mainly due to the fact that our vessels, Baustella, Jastella and Lotstella, were delivered in February, April and November 2018, respectively and put into full operation for the six months ended 30 June 2019, but not in full operation for the same period last year;
- (ii) our depreciation recorded an increase of approximately US\$1.0 million or 29.4%, which was mainly due to the fact that our new vessels in 2018, namely Baustella, Jastella and Lotstella, were depreciated for full six-month period for the six months ended 30 June 2019;
- (iii) our bunker fees recorded an increase of approximately US\$0.9 million or 45.0%, which was mainly due to (a) the full operation for voyage charters and CoAs for the six months ended 30 June 2019 by our vessels, Jastella and Lotstella, which were delivered in April and November 2018, respectively, but which did not operate for the full six-month period for the six months ended 30 June 2018; and (b) the fact that the bunker price for the six months ended 2019 was approximately 8.5% higher as compared to the same period of 2018; and
- (iv) the cost for the new asphalt trading business amounted to approximately US\$1.6 million.

銷售成本增加主要是由於以下因素所致：

- (i) 我們的船員開支錄得增加約0.9百萬美元或20.0%，這主要是由於我們的船舶紫荊星、茉莉星及荷花星分別於2018年2月、4月及11月交付並於截至2019年6月30日止六個月完全投入運營，而去年同期並未完全投入運營；
- (ii) 我們的折舊錄得增加約1.0百萬美元或29.4%，主要是由於我們2018年的新船舶紫荊星、茉莉星及荷花星於截至2019年6月30日止六個月為全期折舊；
- (iii) 我們的燃料費增加約0.9百萬美元或45.0%，主要是由於(a)我們分別於2018年4月及11月交付的船舶茉莉星及荷花星於截至2019年6月30日止六個月完全投入程租及包運合約運營，而於截至2018年6月30日止六個月並未全期投入運營；及(b)截至2019年6月30日止六個月燃料價格較2018年同期高約8.5%；及
- (iv) 新瀝青貿易業務成本約1.6百萬美元。

Management Discussion and Analysis

管理層討論及分析

Gross profit and gross profit margin

Our gross profit decreased from approximately US\$7.6 million for the six months ended 30 June 2018 to US\$7.0 million for the six months ended 30 June 2019, by approximately US\$0.6 million or 7.9%. Such decrease was mainly due to (i) the decline in the gross profit of approximately US\$1.3 million from time charters services; but partial offset by (ii) the increase in the gross profit of approximately US\$0.6 million or 26.1% generated from voyage charter, and CoAs in line with the revenue grew by 30.2% resulting from our vessels, Jastella and Lotstella, were delivered in April and November 2018, respectively and put into full operation for the six months ended 30 June 2019; and (iii) gross profit of approximately US\$0.1 million contributed from new asphalt trading business.

However, our gross profit margin dropped from approximately 37.0% for the six months ended 30 June 2018 to approximately 28.7% for six months ended 30 June 2019, was mainly attributable to (i) the drop of profit margin of time charters, and (ii) relatively low profit margin of approximately 6.3% for the revenue from the new asphalt trading business.

Our gross profit generated from time charters services dropped by approximately US\$1.3 million or 24.1% for the six months ended 30 June 2019, and its gross profit margin decreased by 9.6% resulting from the drop of daily hire rate by around 7.6% to 13.9% for certain vessels, and the fixed costs such as depreciation were still charged for the 20 days off-hire period.

Our gross profit margin from voyage charters and CoAs slightly dropped by 0.7%, mainly due to the higher bunker price for the six months ended 30 June 2019 than the same period of 2018.

Other income

Our other income increased by approximately US\$0.5 million or 71.4% from approximately US\$0.7 million for the six months ended 30 June 2018 to approximately US\$1.2 million for the six months ended 30 June 2019. Such increase was mainly due to more insurance compensation income of approximately US\$0.9 million were received or receivable. However, the fair value gains on derivative financial instruments of approximately US\$0.5 million mainly in relation to the interest rate swap contracts was recognised for the six months ended 30 June 2018, but the fair value losses on interest rate swap contracts were recorded in other operating expenses for the six months ended 30 June 2019.

毛利及毛利率

我們的毛利由截至2018年6月30日止六個月的約7.6百萬美元減少約0.6百萬美元或7.9%至截至2019年6月30日止六個月7.0百萬美元。有關減少主要是由於(i)期租服務毛利下降約1.3百萬美元，但部分被以下各項抵銷：(ii)程租及包運合約產生毛利增加約0.6百萬美元或26.1%，與我們分別於2018年4月及11月交付並於截至2019年6月30日止六個月完全投入運營的船舶茉莉星及荷花星產生的收益增加30.2%一致；及(iii)新瀝青貿易業務貢獻毛利約0.1百萬美元。

然而，我們的毛利率由截至2018年6月30日止六個月的約37.0%下降至截至2019年6月30日止六個月約28.7%，主要由於(i)期租利潤率下降，及(ii)新瀝青貿易業務產生的收益約6.3%的較低利潤率。

截至2019年6月30日止六個月期租服務產生的毛利減少約1.3百萬美元或24.1%，及因若干船舶日租金費率下跌約7.6%至13.9%及20天停租期間仍需計算折舊等固定成本，使其毛利率下降9.6%。

我們的程租及包運合約毛利率略降0.7%，主要由於截至2019年6月30日止六個月的燃料價格高於2018年同期的燃料價格。

其他收入

我們的其他收入由截至2018年6月30日止六個月的約0.7百萬美元增加約0.5百萬美元或71.4%至截至2019年6月30日止六個月的約1.2百萬美元。有關增加主要是由於已收或應收保險賠償收入增加約0.9百萬美元。然而，主要有關利率掉期合約的約0.5百萬美元衍生金融工具的公平值收益於截至2018年6月30日止六個月確認，利率掉期合約的公平值虧損則於截至2019年6月30日止六個月的其他營運開支入賬。

Management Discussion and Analysis

管理層討論及分析

Administrative expenses

Our Group's administrative expenses decreased by approximately US\$0.5 million or 31.3% from approximately US\$1.6 million for the six months ended 30 June 2018 to approximately US\$1.1 million for the six months ended 30 June 2019, mainly due to the non-recurring listing expenses of approximately US\$0.6 million was recognised for the six months ended 30 June 2018 but nil for the six months ended 30 June 2019.

Other operating expense

Our Group recorded other operating expenses of approximately US\$0.6 million for six months ended 30 June 2019 mainly included the fair value losses on interest rate swap contracts of approximately US\$0.2 million and accident related costs of approximately US\$0.4 million, and nil for the six months ended 30 June 2018.

Exchange losses/gains, net

Our Group recorded net exchange losses of approximately US\$0.1 million for the six months ended 30 June 2019 as compared to net exchange gains of approximately US\$0.4 million for the six months ended 30 June 2018, which was principally attributable to the exchange fluctuation of our Group's bank loans denominated in Singapore Dollars ("SGD"). Our Group maintained the bank loans denominated in SGD during the Period Under Review, amounting to approximately US\$18.5 million as at 30 June 2019 (31 December 2018: US\$20.2 million). United States dollars ("USD") depreciated against SGD by approximately 0.7% for the six months ended 30 June 2019, resulting exchange losses when conversion of the bank loans denominated in SGD, while USD appreciated against SGD by approximately 1.9% for the six months ended 30 June 2018, resulting exchange gains when conversion of the bank loans denominated in SGD.

Finance costs

Our finance costs increased by approximately US\$0.8 million, or 33.3% for the six months ended 30 June 2019 as compared to the six months ended 30 June 2018. The increase was mainly due to rise of interest on lease liabilities by approximately US\$1.5 million resulting from the addition of our new vessels, namely Baustella, Jastella and Lotstella, under the finance lease arrangement in 2018.

行政開支

本集團的行政開支由截至2018年6月30日止六個月的約1.6百萬美元減少約0.5百萬美元或31.3%至截至2019年6月30日止六個月約1.1百萬美元，主要由於截至2018年6月30日止六個月確認非經常性上市開支約0.6百萬美元，但截至2019年6月30日止六個月為零。

其他營運開支

截至2019年6月30日止六個月，本集團錄得其他營運開支約0.6百萬美元，主要包括利率掉期合約的公平值虧損約0.2百萬美元及事故相關費用約0.4百萬美元，而截至2018年6月30日止六個月為零。

匯兌虧損／收益淨額

本集團截至2019年6月30日止六個月錄得匯兌虧損淨額約0.1百萬美元，而截至2018年6月30日止六個月則錄得匯兌收益淨額約0.4百萬美元，主要歸因於本集團以新加坡元（「新加坡元」）計值的銀行貸款的匯率波動。於回顧期間，本集團維持以新加坡元計值的銀行貸款，於2019年6月30日達約18.5百萬美元（2018年12月31日：20.2百萬美元）。截至2019年6月30日止六個月，美元（「美元」）兌新加坡元貶值約0.7%，導致以新加坡元計值的銀行貸款兌換時匯兌虧損，而截至2018年6月30日止六個月美元兌新加坡元升值約1.9%，導致以新加坡元計值的銀行貸款換算時匯兌收益。

融資成本

截至2019年6月30日止六個月，我們的融資成本較截至2018年6月30日止六個月增加約0.8百萬美元或33.3%。該增加主要是由於2018年根據融資租賃安排添置新船舶紫荊星、茉莉星及荷花星使租賃負債利息增加約1.5百萬美元。

Management Discussion and Analysis

管理層討論及分析

Income tax expense

No provision for Hong Kong Profits Tax, PRC Corporate Income Tax and Singapore Corporate Income Tax was made since our Group has no assessable profit for the six months ended 30 June 2018 and 2019. It was because no tax position for Hong Kong profits tax, PRC corporate income tax and Singapore corporate income tax of our Group is required.

Profit for the period

Our profit for the period decreased by approximately US\$1.5 million, or 31.3% to approximately US\$3.3 million for the six months ended 30 June 2019 as compared to approximately US\$4.8 million for the six months ended 30 June 2018, while our net profit margin slightly decreased to approximately 13.4% from 23.3% for the respective periods.

Such decrease in our profit for the period was primarily due to the combined effect of (i) the decrease in profits from time charter services by declining the daily hire rate, (ii) fair value losses on interest rate swap contracts and net exchange losses of approximately US\$0.2 million and US\$0.1 million, respectively, for the six months ended 30 June 2019, (iii) fair value gains on interest rate swap contracts and net exchange gains of approximately US\$0.5 million and US\$0.4 million, respectively, for the six months ended 30 June 2018, but partially offset (iv) non-recurring listing expenses of approximately US\$0.6 million was recognised for the six months ended 30 June 2018 but nil for the six months ended 30 June 2019.

FINANCIAL POSITION

As at 30 June 2019, our Group's total assets amounted to approximately US\$204.7 million (31 December 2018: US\$211.0 million) with net assets amounting to approximately US\$102.3 million (31 December 2018: US\$99.1 million). As at 30 June 2019, gearing ratio (total debts divided by the total equity attributable to owners of our Company) of our Group was 0.96, a decrease of 11.9 percentage points as compared to that of 1.09 as at the end of 2018. Net debt to equity ratio (net debt, being our total debts net of bank and cash balances and pledged bank deposits, divided by total equity attributable to owners of our Company) of our Group was 0.79, a decrease of 11.2 percentage points as compared to that of 0.89 as at the end of 2018. Current ratio of our Group was 1.08, a decrease of 6.9 percentage points as compared to that of 1.16 as at the end of 2018.

所得稅開支

鑑於本集團於截至2018年及2019年6月30日止六個月並無應課稅溢利，故並無就香港利得稅、中國企業所得稅及新加坡企業所得稅作出撥備。此乃由於本集團無須繳納香港利得稅、中國企業所得稅及新加坡企業所得稅。

期內溢利

期內溢利較截至2018年6月30日止六個月約4.8百萬美元減少約1.5百萬美元或31.3%至截至2019年6月30日止六個月的約3.3百萬美元，而我們的純利潤率則由23.3%輕微下降至約13.4%。

期內溢利減少主要歸因於以下各項合併影響：(i) 日租金費率下降使得期租服務溢利減少；(ii) 截至2019年6月30日止六個月利率掉期合約公平值虧損及匯兌虧損淨額分別約0.2百萬美元及0.1百萬美元，(iii) 截至2018年6月30日止六個月利率掉期合約公平值收益及匯兌收益淨額分別約0.5百萬美元及0.4百萬美元，但部分抵銷(iv) 截至2018年6月30日止六個月非經常性上市開支約0.6百萬美元而截至2019年6月30日止六個月為零。

財務狀況

於2019年6月30日，本集團總資產約204.7百萬美元(2018年12月31日：211.0百萬美元)，資產淨值約102.3百萬美元(2018年12月31日：99.1百萬美元)。於2019年6月30日，本集團資產負債率(總債務除以本公司擁有人應佔總權益)為0.96，較2018年末的1.09下降11.9個百分點。本集團淨債務與權益比率(淨債務(即我們的總債務扣除銀行及現金結餘以及已抵押銀行存款)除以本公司擁有人應佔總權益)為0.79，較2018年末的0.89減少11.2個百分點。本集團流動比率為1.08，較2018年末的1.16減少6.9個百分點。

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY AND FINANCIAL RESOURCES

At 30 June 2019, the liquidity position remained at similar level as compared to the end of 2018. Our Group adopts a balanced approach to cash and financial management to ensure proper risk control and lower the costs of funds, and seek to maintain optimal level of liquidity that can meet our working capital needs while supporting a healthy level of business and our various growth strategies. As at 30 June 2019, the Group's bank loans and lease liabilities (2018: finance lease payables) of approximately US\$98.6 million in aggregate decreased by US\$9.2 million as compared to 31 December 2018, which was primarily due to repayment of liabilities. Our Group finances our operations and growth primarily through cash generated from operations, bank loans and lease arrangement, as well as the net proceeds from the Global Offering in September 2018.

As at 30 June 2019, our Group had pledged bank deposits and bank and cash balances of approximately US\$17.3 million, a decrease of approximately US\$2.3 million as compared to approximately US\$19.6 million as at 31 December 2018. Such decrease was mainly due to repayment of bank loans and lease liabilities. Our pledged bank deposits are denominated in USD and most of our bank and cash balances are denominated in USD.

Treasury Policies

The primary objective of our Group's capital management is to maintain its ability to continue as a going concern so that our Group can constantly provide returns for shareholders of our Company (the "**Shareholders**") and benefits for other stakeholders by securing access to financing at reasonable costs. Our Group actively and regularly reviews and manages its capital structure and makes adjustment by taking into consideration the changes in economic conditions, its future capital requirements, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities.

流動資金及財務資源

於2019年6月30日，流動資金狀況仍保持與2018年底類似水平。本集團採用均衡的現金及財務管理方法，以確保適當的風險控制及降低資金成本，並尋求維持最佳流動資金水平，以滿足營運資金需求，同時支持健康的業務水平及各項增長策略。於2019年6月30日，本集團的銀行貸款及租賃負債(2018年：融資租賃應付款項)合共約98.6百萬美元，較2018年12月31日減少9.2百萬美元，乃主要由於償還負債。本集團主要透過營運產生的現金、銀行貸款及租賃安排以及2018年9月全球發售所得款項淨額為我們的營運及增長提供資金。

於2019年6月30日，本集團的已抵押銀行存款以及銀行及現金結餘約為17.3百萬美元，較2018年12月31日約19.6百萬美元減少約2.3百萬美元。有關減少乃主要由於償還銀行貸款及租賃負債。我們的已抵押銀行存款以美元計值，而我們大部分銀行及現金結餘以美元計值。

庫務政策

本集團資本管理的主要目標是維持持續經營能力，有助本集團以合理成本取得融資，繼續為本公司股東(「股東」)提供回報及為其他利益相關者提供福利。本集團積極定期檢討及管理資本結構，並經考慮經濟狀況變動、日後資金需求、當前及預期的盈利能力及營運現金流量、預期資本開支及預期策略投資機會而作出調整。

Management Discussion and Analysis

管理層討論及分析

INDEBTEDNESS

As at 30 June 2019, the Group's indebtedness mainly comprised bank loans and lease liabilities (2018: finance lease payables) of approximately US\$35.9 million and US\$62.7 million, respectively. Our bank loans are denominated in USD and SGD, while our lease liabilities are denominated in USD and Renminbi. All bank loans and most of leases are arranged at floating rates, thus exposing our Group to cash flow interest rate risk. During the six months ended 30 June 2019, our Group used interest rate swaps in order to mitigate its exposure associated with fluctuations relating to interest cash flows.

The maturity of bank loans and lease liabilities (2018: finance lease payables) as at 30 June 2019 is as follows:

債項

於2019年6月30日，本集團的債項主要包括銀行貸款及租賃負債(2018年：融資租賃應付款項)分別約35.9百萬美元及62.7百萬美元。我們的銀行貸款以美元及新加坡元計值，而我們租賃負債以美元及人民幣計值。所有銀行貸款及大部分租賃乃按浮動利率安排，因此使本集團面臨現金流量利率風險。截至2019年6月30日止六個月，本集團使用利率掉期以減少其面臨的與利息現金流量相關的波動風險。

截至2019年6月30日，銀行貸款及租賃負債(2018年：融資租賃應付款項)的到期日如下：

		Bank loans 銀行貸款 US\$'000 千美元	Lease liabilities 租賃負債 US\$'000 千美元
Within one year	一年以內	7,357	11,627
More than one year, but not exceeding two years	一年以上但不超過兩年	7,357	11,644
More than two years, but not more than five years	兩年以上但不超過五年	21,113	39,442
More than five years	五年以上	72	-
		35,899	62,713

Management Discussion and Analysis

管理層討論及分析

Our bank loans were obtained for the sole purpose of construction of our vessels, as at 30 June 2019, such bank loans were secured by:

- (i) mortgage over our Group's vessels;
- (ii) corporate guarantees provided by our Company and subsidiaries;
- (iii) pledged bank deposits and restricted bank balances; and
- (iv) charge over shares of our subsidiaries.

As at 30 June 2019, our lease liabilities of approximately US\$62.5 million were secured by:

- (i) charges over our Group's vessels;
- (ii) corporate guarantees provided by our Company and/or subsidiaries;
- (iii) restricted bank balances; and
- (iv) charge over shares of our subsidiaries.

The remaining lease liabilities of approximately US\$0.2 million was in relation to the office properties leases and no collateral was secured.

FOREIGN CURRENCY RISKS

Our Group has a certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than the functional currency of respective Group entities such as SGD and Renminbi. Our Group also has adopted a foreign exchange rate and interest rate risk control policy to manage the foreign exchange risk and interest rate risk. Our Group monitors the foreign currency exposure closely and will consider hedging transactions to mitigate significant foreign currency exposure should the need arise. Our Group has foreign currency forward contracts to hedge the foreign currency risk in respect of bank loans denominated in SGD, but which were fully matured during the six months ended 30 June 2019.

我們的銀行貸款僅用於建造我們的船舶，截至2019年6月30日，此類銀行貸款通過以下列各項抵押：

- (i) 於本集團船舶之抵押；
- (ii) 本公司及附屬公司提供的公司擔保；
- (iii) 已抵押銀行存款以及受限制銀行結餘；及
- (iv) 本公司附屬公司的股份押記。

於2019年6月30日，我們的租賃負債約62.5百萬美元以下列方式作抵押：

- (i) 於本集團船舶之抵押；
- (ii) 本公司及／或附屬公司提供的公司擔保；
- (iii) 受限制銀行結餘；及
- (iv) 本公司附屬公司的股份押記。

約0.2百萬美元的剩餘租賃負債與辦公物業租賃有關，且並無抵押品。

外匯風險

由於部分業務交易、資產及負債以新加坡元及人民幣等各集團實體的功能貨幣以外的貨幣計值，故本集團面臨一定的外幣風險。本集團亦採用外匯匯率及利率風險控制政策來管理外匯風險和利率風險。本集團密切監察外匯風險，並會考慮對沖交易，以在有需要時減低重大外匯風險。本集團已訂立外幣遠期合約以對沖以新加坡元計值的銀行貸款的外幣風險，但截至2019年6月30日止六個月已全部到期。

Management Discussion and Analysis

管理層討論及分析

PLEDGE OF ASSETS

At 30 June 2019, the carrying amounts of bank deposits, bank balances restricted from being used and vessels pledged as securities for our Group's bank loans amounted to approximately US\$1.4 million, US\$1.0 million and US\$68.0 million respectively. At 30 June 2019, the carryings amount of vessels as right-of-use assets held by our Group and bank balances restricted from being used under leases arrangement amounted to approximately US\$112.0 million and US\$1.2 million, respectively.

CAPITAL COMMITMENT

As at 30 June 2019, our Group did not have any material capital commitment.

CONTINGENT LIABILITIES

As at 30 June 2019, our Group did not have any significant contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

We value our employees and recognise the importance of a good relationship with our employees. We recruit our employees based on their work experience, education background and qualifications. To maintain and ensure the quality of our employees, we provide our personnel formal and on-the-job training to enhance their technical skills as well as knowledge of industry quality standards and work place safety standards. As at 30 June 2019, our Group had a total of 35 employees of which 29 were in the PRC, 3 were in Hong Kong, and 3 were in Singapore. The remuneration to our employees includes salaries and allowances. Employees are remunerated according to their qualifications, experiences, job nature, performance and with reference to market conditions.

SIGNIFICANT INVESTMENT HELD

Our Group had not held any significant investments during the six months ended 30 June 2019.

資產質押

於2019年6月30日，就本集團銀行貸款作質押的銀行存款、限制使用的銀行結餘及船舶賬面值分別約為1.4百萬美元、1.0百萬美元及68.0百萬美元。於2019年6月30日，本集團根據租賃安排持有的作為使用權資產船舶賬面值及限制使用的銀行結餘分別約為112.0百萬美元及1.2百萬美元。

資本承擔

於2019年6月30日，本集團並無任何重大資本承擔。

或然負債

於2019年6月30日，本集團並無任何重大或然負債。

僱員及薪酬政策

我們重視僱員，並認同與僱員保持良好關係的重要性。我們根據工作經驗、教育背景及資質招聘僱員。為保持及確保我們員工的質素，我們為人員提供正規和在職培訓，以提高彼等的技術技能、以及對於行業質量標準和工作場所安全標準方面的知識。於2019年6月30日，本集團共有35名僱員，其中29名在中國、3名在香港及3名在新加坡。我們的僱員薪酬包括薪金及津貼。僱員根據其資歷、經驗、工作性質、表現及參考市況獲取薪酬。

持有的重大投資

截至2019年6月30日止六個月，本集團並無持有任何重大投資。

Management Discussion and Analysis

管理層討論及分析

MATERIAL ACQUISITIONS OR DISPOSALS

During the six months ended 30 June 2019, there was no material acquisition or disposal by our Group.

EVENTS AFTER THE REPORTING PERIOD

Disposal of Shares by Controlling Shareholder

On 23 July 2019, Centennial Best Limited (“**Centennial**”), being the controlling shareholder of the Company, entered into a share sale and purchase agreement (the “**Agreement**”) with Fortune Harvest Materials Hongkong Limited (“**Fortune Harvest**”), being a third party independent of the Group, pursuant to which Centennial agreed to sell 116,000,000 ordinary shares of the Company in aggregate to Fortune Harvest (the “**Disposal**”), representing approximately 29% of the issued share capital of the Company as at 23 July 2019 at a price of HK\$1.52 per ordinary share. For details of the Disposal, please refer to the announcement of the Company dated 23 July 2019.

The Disposal was completed on 30 July 2019. Upon completion of the Disposal, the shareholding held by Centennial in the Company decreased from 66.03% to 37.03% of the issued share capital of the Company, and Centennial remained as the controlling shareholder of the Company.

Change in Use of Proceeds

As further disclosed in the section headed “USE OF PROCEEDS FROM THE GLOBAL OFFERING” below, the Company has decided to adjust the intended use of proceeds from the public offering and listing of its shares (the “**Global Offering**”). For details, please refer to the Company’s announcement dated 17 July 2019.

重大收購或出售

截至2019年6月30日止六個月，本集團並無重大收購或出售。

報告期後事項

控股股東出售股份

於2019年7月23日，本公司控股股東 Centennial Best Limited (「**Centennial**」) 與獨立於本集團的第三方香港瑞豐物產國際有限公司 (「**瑞豐物產**」) 訂立股份買賣協議 (「**協議**」)，據此，Centennial 同意按每股普通股 1.52 港元的價格向瑞豐物產出售本公司合共 116,000,000 股普通股 (「**出售事項**」)，相當於本公司於 2019 年 7 月 23 日已發行股本約 29%。有關出售事項的詳情，請參閱本公司日期為 2019 年 7 月 23 日的公告。

出售事項於 2019 年 7 月 30 日完成。於出售事項完成後，Centennial 所持本公司股權將由佔本公司已發行股本的 66.03% 降至 37.03%，Centennial 仍為本公司控股股東。

更改所得款項用途

如下文「全球發售所得款項用途」一節所進一步披露，本公司決定調整股份公開發售及上市 (「**全球發售**」) 所得款項的擬定用途。詳情請參閱本公司日期為 2019 年 7 月 17 日的公告。

Other Information 其他資料

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

As at 30 June 2019, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”) which will be required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or (b) to be entered into the register required to be kept by the Company pursuant to section 352 of the SFO, or (c) as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules, are set out as follows:

董事及最高行政人員於本公司及其相聯法團的股份、相關股份或債權證中的權益及淡倉

於2019年6月30日，董事或本公司最高行政人員於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例第XV部（「證券及期貨條例」））的股份、相關股份或債權證中擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的該等條文，彼等被當作或視為擁有的權益或淡倉），或(b)須登記於根據證券及期貨條例第352條本公司須存置的登記冊的權益或淡倉，或(c)根據上市規則附錄十上市發行人董事進行證券交易的標準守則（「標準守則」），而須知會本公司及聯交所的權益或淡倉如下：

Other Information 其他資料

(a) Our Company

(a) 本公司

Name of Director 董事姓名	Nature of interest 權益性質	Number of Shares held ⁽¹⁾ 所持股份數目 ⁽¹⁾	Approximate percentage of shareholding in our Company 於本公司的概約股權比例
Mr. Ding Xiaoli ⁽²⁾ 丁肖立先生 ⁽²⁾	Interest in controlled corporation 於受控法團的權益	264,685,985 Shares (L) ⁽³⁾ 264,685,985 股股份 (L) ⁽³⁾	66.17% ⁽³⁾
Mr. Xu Wenjun ⁽²⁾ 徐文均先生 ⁽²⁾	Interest in controlled corporation 於受控法團的權益	264,131,725 Shares (L) ⁽⁴⁾ 264,131,725 股股份 (L) ⁽⁴⁾	66.03% ⁽⁴⁾
Mr. Ding Yuzhao ⁽²⁾ 丁玉釗先生 ⁽²⁾	Interest in controlled corporation 於受控法團的權益	272,445,740 Shares (L) ⁽⁵⁾ 272,445,740 股股份 (L) ⁽⁵⁾	68.11% ⁽⁵⁾

Notes:

附註：

- The letter "L" denotes our Directors' long position in the Shares.
- Our Company is held as to approximately 66.03% by Centennial Best Limited ("Centennial Best"), approximately 0.14% by Golden Boomer Limited ("Golden Boomer") and approximately 2.08% by Gigantic Path Limited ("Gigantic Path"). Centennial Best is held as to approximately 43%, 42% and 15% by Golden Boomer, Perfect Bliss Limited ("Perfect Bliss") and Gigantic Path, which are in turn wholly owned by Mr. Ding Xiaoli, Mr. Xu Wenjun and Mr. Ding Yuzhao, respectively.
- Centennial Best sold 116,000,000 ordinary shares of the Company pursuant to an agreement dated 23 July 2019, accordingly, as at the date of this report, Mr. Ding Xiaoli is deemed to be interested in the 148,685,985 shares in the Company, which is approximately 37.17% of the Company's issued share capital.
- Centennial Best sold 116,000,000 ordinary shares of the Company pursuant to an agreement dated 23 July 2019, accordingly, as at the date of this report, Mr. Xu Wenjun is deemed to be interested in the 148,131,725 shares in the Company, which is approximately 37.03% of the Company's issued share capital.
- Centennial Best sold 116,000,000 ordinary shares of the Company pursuant to an agreement dated 23 July 2019, accordingly, as at the date of this report, Mr. Ding Yuzhao is deemed to be interested in the 156,445,740 shares in the Company, which is approximately 39.11% of the Company's issued share capital.

Other Information 其他資料

(b) Associated corporations

(b) 相聯法團

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Nature of interest 權益性質	Number of shares held ⁽¹⁾ 所持股份數目 ⁽¹⁾	Approximate percentage of shareholding 概約股權比例
Mr. Ding Xiaoli	Centennial Best	Interest in controlled corporation	4,300 shares (L)	43%
丁肖立先生	Centennial Best	於受控法團的權益	4,300股股份(L)	43%
Mr. Xu Wenjun	Centennial Best	Interest in controlled corporation	4,200 shares (L)	42%
徐文均先生	Centennial Best	於受控法團的權益	4,200股股份(L)	42%
Mr. Ding Yuzhao	Centennial Best	Interest in controlled corporation	1,500 shares (L)	15%
丁玉釗先生	Centennial Best	於受控法團的權益	1,500股股份(L)	15%

Note:

(1) The letter "L" denotes a person's long position in the shares.

附註：

(1) 字母「L」代表於股份中持有的好倉。

Save as disclosed above, as at 30 June 2019, none of the Directors or chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be maintained pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於2019年6月30日，概無董事或本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中，擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關條文彼被當作或視為擁有的權益及淡倉）或記錄於根據證券及期貨條例第352條須存置的登記冊內的權益或淡倉或根據標準守則須知會本公司及聯交所的權益或淡倉。

Other Information 其他資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2019, so far as our Directors are aware, the persons (other than the Directors and chief executive of the Company) who will have or be deemed or taken to have interests and/or short positions in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or who were recorded in the register of the Company required to be kept pursuant to Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the Company's issued share capital will be as follows:

Our Company

主要股東於股份及相關股份中的權益及淡倉

於2019年6月30日，據董事所知，以下人士（董事及本公司最高行政人員除外）將於或被視為或被當作於股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部的條文須予披露的權益及／或淡倉，或記入本公司根據證券及期貨條例第336條須存置之登記冊，或直接或間接於本公司已發行股本5%或以上擁有權益：

本公司

Shareholders 股東	Capacity/ Nature of interest 身份／權益性質	Number of Shares held ⁽¹⁾ 所持有的股份數目 ⁽¹⁾	Percentage of shareholding in our Company 於本公司 持股百分比
Centennial Best	Beneficial owner 實益擁有人	264,131,725 Shares (L) ⁽⁹⁾ 264,131,725 股股份 (L) ⁽⁹⁾	66.03% ⁽⁹⁾ 66.03% ⁽⁹⁾
Golden Boomer ⁽²⁾	Beneficial owner 實益擁有人	554,260 Shares (L) 554,260 股股份 (L)	0.14% 0.14%
Golden Boomer ⁽²⁾	Interest of controlled corporation 受控法團權益	264,131,725 Shares (L) 264,131,725 股股份 (L)	66.03% 66.03%
Ms. Chen Qinhui (陳欽惠女士) ⁽³⁾ 陳欽惠女士 ⁽³⁾	Interest of spouse 配偶權益	264,685,985 Shares (L) 264,685,985 股股份 (L)	66.17% 66.17%
Perfect Bliss ⁽⁴⁾	Interest of controlled corporation 受控法團權益	264,131,725 Shares (L) 264,131,725 股股份 (L)	66.03% 66.03%
Perfect Bliss ⁽⁴⁾	Interest of spouse 配偶權益	264,131,725 Shares (L) 264,131,725 股股份 (L)	66.03% 66.03%
Ms. Zhu Zhen (朱珍女士) ⁽⁵⁾ 朱珍女士 ⁽⁵⁾	Interest of spouse 配偶權益	264,131,725 Shares (L) 264,131,725 股股份 (L)	66.03% 66.03%
Gigantic Path ⁽⁶⁾	Beneficial owner 實益擁有人	8,314,015 Shares (L) 8,314,015 股股份 (L)	2.08% 2.08%
Gigantic Path ⁽⁶⁾	Interest of controlled corporation 受控法團權益	264,131,725 Shares (L) 264,131,725 股股份 (L)	66.03% 66.03%

Other Information 其他資料

Shareholders 股東	Capacity/ Nature of interest 身份／權益性質	Number of Shares held ⁽¹⁾ 所持有的股份數目 ⁽¹⁾	Percentage of shareholding in our Company 於本公司 持股百分比
Ms. Huang Cui (黃萃女士) ⁽⁷⁾ 黃萃女士 ⁽⁷⁾	Interest of spouse 配偶權益	272,445,740 Shares (L) 272,445,740 股股份 (L)	68.11%
Bilsea International Pte. Ltd. ("Bilsea International") ⁽⁸⁾	Beneficial owner 實益擁有人	27,000,000 Shares (L) 27,000,000 股股份 (L)	6.75%
Bilsea International Pte. Ltd. ("Bilsea International") ⁽⁸⁾	Beneficial owner 實益擁有人	27,000,000 Shares (L) 27,000,000 股股份 (L)	6.75%
Ms. Liu Weipeng ⁽⁸⁾	Interest of controlled corporation and interest of spouse 受控法團權益及配偶權益	27,000,000 Shares (L) 27,000,000 股股份 (L)	6.75%
Liu Weipeng 女士 ⁽⁸⁾	Interest of controlled corporation and interest of spouse 受控法團權益及配偶權益	27,000,000 Shares (L) 27,000,000 股股份 (L)	6.75%
Mr. Yan Xiankai ⁽⁸⁾	Interest of controlled corporation and interest of spouse 受控法團權益及配偶權益	27,000,000 Shares (L) 27,000,000 股股份 (L)	6.75%
Yan Xiankai 先生 ⁽⁸⁾	Interest of controlled corporation and interest of spouse 受控法團權益及配偶權益	27,000,000 Shares (L) 27,000,000 股股份 (L)	6.75%

Notes:

附註：

- The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in our Shares.
 - Centennial Best is owned as to 43% by Golden Boomer, which is in turn wholly owned by Mr. Ding Xiaoli. As such, each of Golden Boomer and Mr. Ding Xiaoli is deemed to be interested in the 264,131,725 Shares held by Centennial Best as at 30 June 2019 (148,131,725 shares at the date of this report), and Mr. Ding Xiaoli is deemed to be interested in the 554,260 Shares held by Golden Boomer pursuant to the SFO.
 - Ms. Chen Qinhui is the spouse of Mr. Ding Xiaoli. By virtue of the SFO, Ms. Chen is deemed to be interested in the Shares held by Mr. Ding Xiaoli.
 - Centennial Best is owned as to 42% by Perfect Bliss, which is in turn wholly owned by Mr. Xu Wenjun. As such, each of Perfect Bliss and Mr. Xu Wenjun is deemed to be interested in the 264,131,725 Shares as at 30 June 2019 (148,131,725 shares at the date of this report) held by Centennial Best pursuant to the SFO.
 - Ms. Zhu Zhen is the spouse of Mr. Xu Wenjun. By virtue of the SFO, Ms. Zhu is deemed to be interested in the Shares held by Mr. Xu Wenjun.
- 字母「L」指於本公司股份所持的「好倉」(定義見證券及期貨條例第 XV 部)。
 - Centennial Best 由 Golden Boomer 擁有 43%，而 Golden Boomer 則由丁肖立先生全資擁有。因此，根據證券及期貨條例，於 2019 年 6 月 30 日 Golden Boomer 及丁肖立先生各自被視為於 Centennial Best 持有的 264,131,725 股股份中(於此報告日期 148,131,725 股股份)擁有權益，而丁肖立先生亦被視為於 Golden Boomer 持有的 554,260 股股份中擁有權益。
 - 陳欽惠女士為丁肖立先生的配偶。根據證券及期貨條例，陳女士被視為於丁肖立先生持有的股份中擁有權益。
 - Centennial Best 由 Perfect Bliss 擁有 42%，而 Perfect Bliss 則由徐文均先生全資擁有。因此，根據證券及期貨條例，於 2019 年 6 月 30 日 Perfect Bliss 及徐文均先生各自被視為於 Centennial Best 持有的 264,131,725 股股份中(於此報告日期 148,131,725 股股份)擁有權益。
 - 朱珍女士為徐文均先生的配偶。根據證券及期貨條例，朱女士被視為於徐文均先生持有的股份中擁有權益。

Other Information 其他資料

- Centennial Best is owned by Golden Boomer, Perfect Bliss and Gigantic Path as to 43%, 42% and 15%, which are in turn wholly owned by Mr. Ding Xiaoli, Mr. Xu Wenjun and Mr. Ding Yuzhao, respectively. As the Concerted Group, Mr. Ding Xiaoli, Mr. Xu Wenjun and Mr. Ding Yuzhao restrict their ability to exercise direct control over our Company by holding their interests through Centennial Best, a common investment holding company, and as a result Mr. Ding Xiaoli, Mr. Xu Wenjun and Mr. Ding Yuzhao are presumed to be a group of controlling shareholders. As such, each of Gigantic Path and Mr. Ding Yuzhao is deemed to be interested in the 264,131,725 Shares held by Centennial Best as at 30 June 2019 (148,131,725 shares as at the date of this report), and Mr. Ding Yuzhao is deemed to be interested in the 8,314,015 Shares held by Gigantic Path pursuant to the SFO.
- Ms. Huang Cui is the spouse of Mr. Ding Yuzhao. By virtue of the SFO, Ms. Huang is deemed to be interested in the Shares held by Mr. Ding Yuzhao.
- Bilsea International is owned as to 65% and 35% by Ms. Liu Weipeng and Mr. Yan Xiankai, respectively. By virtue of the SFO, each of Ms. Liu and Mr. Yan is deemed to be interested in the Shares held by Bilsea International. Ms. Liu Weipeng is the spouse of Mr. Yan Xiankai.
- Centennial Best sold 116,000,000 ordinary shares of the Company pursuant to an agreement dated 23 July 2019, and as at the date of this report, it holds 148,131,725 shares in the Company, which is approximately 37.03% of the Company's issued share capital.
- Centennial Best由Golden Boomer、Perfect Bliss及Gigantic Path擁有43%、42%及15%，而彼等則分別由丁肖立先生、徐文均先生及丁玉釗先生全資擁有。作為一致行動集團，丁肖立先生、徐文均先生及丁玉釗先生通過共同的投資控股公司Centennial Best持有彼等權益，以限制彼等對本公司行使直接控制的能力，因此，丁肖立先生、徐文均先生及丁玉釗先生被假定為一群控股股東。因此，根據證券及期貨條例，於2019年6月30日Gigantic Path及丁玉釗先生各自被視為於Centennial Best持有的264,131,725股股份中（於此報告日期148,131,725股股份）擁有權益，而丁玉釗先生亦被視為於Gigantic Path持有的8,314,015股股份中擁有權益。
- 黃萃女士為丁玉釗先生的配偶。根據證券及期貨條例，黃女士被視為於丁玉釗先生持有的股份中擁有權益。
- Bilsea International由Liu Weipeng女士及Yan Xiankai先生分別擁有65%及35%的股權。根據證券及期貨條例，Liu女士及Yan先生各自被視為於Bilsea International持有的股份中擁有權益。Liu Weipeng女士為Yan Xiankai先生的配偶。
- Centennial Best根據一份日期為2019年7月23日的協議出售本公司116,000,000股普通股，並於此報告日期持有本公司148,131,725股股份，等於本公司的已發行股本約37.03%。

Save as disclosed herein, the Directors are not aware of any person who has, as at 30 June 2019 (without taking into account any options which may be granted under the share option scheme), an interest and/or short position in the Shares or underlying Shares, which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 5% of the issued voting shares of any other member of the Group.

除於本文披露者外，就董事所知，於2019年6月30日（未計及根據購股權計劃可能授出的任何購股權），概無任何人士於本公司股份或相關股份中擁有權益及／或淡倉，而須根據證券及期貨條例第XV部第2及第3分部的條文向本公司及聯交所披露，或直接或間接擁有本集團任何其他成員公司附帶投票權的已發行股份5%的權益。

Other Information 其他資料

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme on 6 September 2018 (the “**Scheme**”). The terms of the Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules and other rules and regulations.

Further details of the Scheme are set forth in the section headed “Statutory and General Information — Other Information — 13. Share Option Scheme” in Appendix IV to the Prospectus.

During the six months ended 30 June 2019, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2019.

INTERIM DIVIDEND

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2019.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. The Board is of the view that the Company has complied with the CG Code during the six months ended 30 June 2019.

購股權計劃

本公司已於2018年9月6日有條件採納購股權計劃(「**計劃**」)。計劃的條款乃根據上市規則第十七章的條文及其他規則及法規制定。

有關計劃的進一步詳情載於招股章程附錄四「法定及一般資料 — 其他資料 — 13. 購股權計劃」一節。

截至2019年6月30日止六個月，計劃項下概無購股權獲授出、行使、屆滿或失效且概無尚未行使的購股權。

購買、出售或贖回上市證券

截至2019年6月30日止六個月，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。

中期股息

董事會並不建議派付截至2019年6月30日止六個月的中期股息。

遵守企業管治守則

本公司致力於保持高水平的企業管治，以保障股東權益、提升企業價值、制定其業務策略及政策以及提升其透明度及問責度。

本公司已經採納上市規則附錄十四所載的企業管治守則(「**企業管治守則**」)作為其自身的企業管治守則。董事會認為，截至2019年6月30日止六個月，本公司已遵守企業管治守則。

Other Information 其他資料

COMPLIANCE WITH THE 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**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code during the six months ended 30 June 2019.

REVIEW OF THE INTERIM RESULTS

The Company established the Audit Committee with written terms of reference in compliance with the Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee comprises three independent non-executive Directors, Mr. Suen Chi Wai, Mr. Lai Guanrong and Mr. Xu Jie. Mr. Suen Chi Wai is the chairman of the Audit Committee.

The Audit Committee has reviewed the Company’s unaudited condensed consolidated interim results for the six months ended 30 June 2019, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The interim results for the six months ended 30 June 2019 is unaudited, but has been reviewed by the auditor of the Company, RSM Hong Kong, in accordance with 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.

CHANGE IN DIRECTORS’ BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

Changes in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules subsequent to the publication of the 2018 annual report of the Company are set out below:

- (1) Mr. Ding Xiaoli has resigned as the chairman of the Board, an executive Director, the chairman of the nomination committee and the Authorized Representative of the Company on 30 August 2019.

遵守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的上市發行人的董事進行證券交易的標準守則（「**標準守則**」），作為董事進行證券交易的操守準則。經本公司作出特定查詢後，所有董事確認彼等於截至2019年6月30日止六個月已遵守標準守則。

審閱中期業績

本公司成立審核委員會，並根據上市規則第3.21條及企業管治守則制定其書面職權範圍。審核委員會由三名獨立非執行董事（孫志偉先生、賴觀榮先生及徐捷先生）組成。孫志偉先生為審核委員會主席。

審核委員會已審閱本公司於截至2019年6月30日止六個月的未經審核簡明綜合中期業績，並確認已遵從適用的會計原則、準則及規定及已作出足夠披露。截至2019年6月30日止六個月的中期業績未經審核，但已由本公司核數師羅申美會計師事務所根據香港會計師公會頒佈的香港審閱委聘準則第2410號「由實體獨立核數師審閱中期財務資料」進行審閱。

根據上市規則第13.51B(1)條的董事履歷詳情變動

自本公司2018年年報刊發後，根據上市規則第13.51B(1)條須予披露之董事資料變動載列如下：

- (1) 丁肖立先生已於2019年8月30日辭任本公司董事會主席、執行董事、提名委員會主席以及授權代表。

Other Information 其他資料

(2) Mr. Wang Faqing has been appointed as the chairman of the Board, an executive Director, the chairman of the nomination committee and the Authorized Representative of the Company on 30 August 2019.

Save as disclosed above, there is no other information in respect of the above directors and any other directors of the Company required to be disclosed pursuant to Rules 13.51B(1) of the Listing Rules.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds from the Global Offering, after deducting the listing expenses, were approximately HK\$123.2 million and were intended to be utilised for the following purposes:

- approximately 90.2% of the Net Proceeds, or approximately HK\$111.1 million (equivalent to approximately US\$14.2 million), would be used for expanding the Group's fleet by purchasing two new vessels in the next two years in order to cope with its business development, strengthen its brand name and increase its competitiveness in the industry as well as its ability to cater for different needs and requirements of different customers; and
- approximately 9.8% of the Net Proceeds, or approximately HK\$12.1 million (equivalent to approximately US\$1.5 million), would be used as the Group's working capital.

As at 30 June 2019, the Company has utilised approximately US\$1.5 million of the Net Proceeds.

On 17 July 2019, the Company has decided to adjust the intended use of proceeds from the Global Offering. For further details, please refer to the Company's announcement "Change in Use of Proceeds" dated 17 July 2019.

(2) 王法清先生已於2019年8月30日獲委任為本公司董事會主席、執行董事、提名委員會主席以及授權代表。

除以上披露者外，概無根據上市規則第13.51B(1)條有關以上董事及公司的其他董事的資料須予披露。

全球發售所得款項用途

全球發售的所得款項淨額(經扣除上市開支後)為約123.2百萬港元並擬用作以下用途：

- 所得款項淨額約90.2%或約111.1百萬港元(相等於約14.2百萬美元)將用於在未來兩年購置兩艘新船而擴大本集團的船隊，以應對其業務發展，鞏固品牌形象及提高其在行業內的競爭力以及其滿足不同客戶不同需要及要求的能力；及
- 所得款項淨額約9.8%或約12.1百萬港元(相等於約1.5百萬美元)將用作本集團的營運資金。

於2019年6月30日，本公司已動用約1.5百萬美元的所得款項淨額。

於2019年7月17日，本公司決定調整全球發售的所得款項擬定用途。有關進一步詳情，請參閱本公司日期為2019年7月17日的「更改所得款項用途」公告。

XIN YUAN ENTERPRISES GROUP LIMITED
信源企業集團有限公司