

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

2020

Interim Report 中期報告



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Faqing (*Chairman*)
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. Wang Faqing (*Chairman*)
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

AUTHORIZED REPRESENTATIVES

Mr. Wang Faqing
Mr. Yim Lok Kwan

AUDITOR

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

董事會

執行董事

王法清先生 (*主席*)
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

王法清先生 (*主席*)
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

授權代表

王法清先生
嚴洛鈞先生

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

Corporate Information

公司資料

COMPANY'S WEBSITE

www.xysgroup.com

STOCK CODE

1748

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

Room 08-11A, 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

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

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

公司網站

www.xysgroup.com

股份代號

1748

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08-11A

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

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

開曼群島股份過戶登記總處及過戶代理

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

Corporate Information 公司資料

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKS

Bank of China (Hong Kong) Limited
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 ADVISOR

Chungs Lawyers (in association with DeHeng Law Offices)
28/F, Henley Building
5 Queen's Road Central
Central
Hong Kong

香港股份過戶登記處

卓佳證券登記有限公司
香港
皇后大道東 183 號
合和中心 54 樓

主要往來銀行

中國銀行(香港)有限公司
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

鍾氏律師事務所與德恒律師事務所聯營
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

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 30 which comprises the condensed consolidated statement of financial position of the Company as at 30 June 2020 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30頁的中期財務資料，當中包括 貴公司於2020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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 1 in the condensed consolidated financial statements, which indicates the Group had net current liabilities of US\$15,497,000 as at 30 June 2020. As stated in Note 1, this condition indicates that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

RSM Hong Kong
Certified Public Accountants
Hong Kong
27 August 2020

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。

與持續經營有關的重大不明朗因素

謹請垂注簡明綜合財務報表附註1，該附註顯示 貴集團於2020年6月30日錄得流動負債淨額15,497,000美元。按附註1所述，該情況表明存在重大不明朗因素而可能對 貴集團的持續經營能構成重大疑問。我們的結論並無就該事項作出修訂。

羅申美會計師事務所
執業會計師
香港
2020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 2020 截至2020年6月30日止六個月

			Six months ended 30 June	
			截至6月30日止六個月	
			2020	2019
			2020年	2019年
			US\$'000	US\$'000
			千美元	千美元
			(unaudited)	(unaudited)
			(未經審核)	(未經審核)
		Note		
		附註		
Revenue	收益	5	29,607	24,581
Cost of sales	銷售成本		(20,663)	(17,520)
Gross profit	毛利		8,944	7,061
Other income	其他收入		365	1,226
Administrative expenses	行政開支		(1,428)	(1,080)
Other operating expenses	其他營運開支		(578)	(612)
Exchange gains/(losses), net	匯兌收益/(虧損)淨額		566	(124)
Profit from operations	經營所得溢利		7,869	6,471
Finance costs	財務成本		(2,855)	(3,218)
Profit before tax	除稅前溢利		5,014	3,253
Income tax expense	所得稅開支	6	–	–
Profit for the period	期內溢利	7	5,014	3,253
Earnings per share	每股盈利	9		
Basic (cents per share)	基本(每股仙)		1.23	0.81
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 2020 截至2020年6月30日止六個月

		Six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
		2020年	2019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	5,014	3,253
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	(25)	(15)
Other comprehensive income for the period, net of tax	除稅後的期內其他全面收入	(25)	(15)
Total comprehensive income for the period	期內全面收入總額	4,989	3,238

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2020 於 2020 年 6 月 30 日

			30 June 2020 2020年 6月30日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2019 2019年 12月31日 US\$'000 千美元 (audited) (經審核)
		Note 附註		
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	97,477	100,014
Right-of-use-assets	使用權資產	11	106,021	108,918
Total non-current assets	非流動資產總值		203,498	208,932
Current assets	流動資產			
Derivative financial instruments	衍生金融工具		103	-
Inventories	存貨		1,015	1,508
Contract assets	合約資產		181	373
Trade receivables	貿易應收款項	12	1,472	2,313
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項		1,145	1,643
Pledged bank deposits	已抵押銀行存款		1,392	1,379
Bank and cash balances	銀行及現金結餘		11,571	2,817
Total current assets	流動資產總值		16,879	10,033
TOTAL ASSETS	資產總值		220,377	218,965

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2020 於 2020年6月30日

		Note	30 June 2020 2020年 6月30日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2019 2019年 12月31日 US\$'000 千美元 (audited) (經審核)
		附註		
EQUITY AND LIABILITIES	權益及負債			
Share capital	股本	14	4,400	4,000
Reserves	儲備		111,308	101,090
Total equity	權益總額		115,708	105,090
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借款		36,538	24,938
Lease liabilities	租賃負債		35,755	45,265
Total non-current liabilities	非流動負債總額		72,293	70,203
Current liabilities	流動負債			
Derivative financial instruments	衍生金融工具		630	286
Contract liabilities	合約負債		538	187
Borrowings	借款		12,702	27,831
Lease liabilities	租賃負債		15,446	11,635
Trade payables	貿易應付款項	13	1,252	1,920
Other payables and accruals	其他應付款項及應計費用		1,808	1,813
Total current liabilities	流動負債總額		32,376	43,672
TOTAL EQUITY AND LIABILITIES	權益及負債總額		220,377	218,965

Approved by the Board of Directors on 27 August 2020

由董事會於2020年8月27日批准

Xu Wenjun
徐文均

Wang Faqing
王法清

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2020 截至2020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	Share premium	Capital reserve	Merger reserve	Foreign currency translation reserve	Retained profits	Total equity
		股本	股份溢價	資本儲備	合併儲備	換算儲備	保留溢利	權益總額
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元	千美元	千美元
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
At 1 January 2020 (audited)	於2020年1月1日 (經審核)	4,000	69,663	9,310	833	(22)	21,306	105,090
Issue of shares (Note 14)	發行股份(附註14)	400	5,229	-	-	-	-	5,629
Total comprehensive income	全面收入總額	-	-	-	-	(25)	5,014	4,989
Changes in equity for the period	期內權益變動	400	5,229	-	-	(25)	5,014	10,618
At 30 June 2020 (unaudited)	於2020年6月30日 (未經審核)	4,400	74,892	9,310	833	(47)	26,320	115,708

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2020 截至2020年6月30日止六個月

		Six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
		2020年	2019年
		US\$'000	US\$'000
		千美元	千美元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
NET CASH GENERATED FROM OPERATING ACTIVITIES	經營活動所得現金淨額	11,926	7,243
Purchases of property, plant and equipment	購買物業、廠房及設備	(2)	(239)
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)	(790)	(207)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(792)	(3,446)
Principal elements of lease payments	租賃付款的本金部分	(5,834)	(5,821)
Repayment of borrowings	償還借款	(20,946)	(3,671)
Borrowings raised	所籌集的借款	18,000	–
Proceeds from issue of shares	發行股份所得款項	5,629	–
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(3,151)	(9,492)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/(減少)淨額	7,983	(5,695)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初的現金及現金等價物	1,083	10,421
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動的影響	(25)	(15)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末的現金及現金等價物	9,041	4,711
REPRESENTED BY:	即：		
Bank and cash balances	銀行及現金結餘	11,571	15,949
Less: Restricted bank balances	減：受限制銀行結餘	(2,530)	(2,238)
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)
		9,041	4,711

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020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 2019 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 2019.

As at 30 June 2020, the Group had net current liabilities of approximately US\$15,497,000. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In preparing these condensed consolidated financial statements, the directors of the Company have given careful consideration to the current and anticipated future liquidity of the Group and the ability of the Group to continue to attain profitable and positive cash flows from operations in the immediate and longer terms. In order to strengthen the Group’s liquidity in the foreseeable future, the directors of the Company have taken the following measures:

- the Group’s continuous net cash inflows from operating activities.
- the successful negotiations with the lenders for refinancing of vessels as and when needed.

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2019年度的財務報表一併閱讀。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2019年12月31日止年度的年度財務報表中所用者貫徹一致。

於2020年6月30日，本集團有流動負債淨額約15,497,000美元。該狀況顯示存在可能令本集團持續經營能力嚴重存疑的重大不明朗因素，故於一般業務過程中可能無法變現其資產及清償負債。

於編製該等簡明綜合財務報表時，本公司董事已審慎考慮本集團之現有及預期未來流動資金，以及本集團即期及較長期業務持續達至盈利及正面現金流量之能力。為增強本集團於可預見未來流動資金狀況，本公司之董事已採取以下措施：

- 本集團來自經營活動的持續現金流入淨額。
- 於必要時就為船舶再融資成功與放款人進行磋商。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

1. BASIS OF PREPARATION (Continued)

The directors of the Company have taken into account the cash requirements of the Group for the next twelve months from the end of the reporting period and the above measures, the directors have concluded that the Group will have sufficient working capital to meet in full its financial obligations as they fall due and accordingly the condensed consolidated financial statements have been prepared on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets and to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

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 2020. 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 accounting policies applied in these financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2019. A number of new or amended standards are effective from 1 January 2020 but they do not have a material effect on the Group's financial statements.

1. 編製基準(續)

本公司董事已考慮本集團於報告期末起未來十二個月之現金需求及上述措施，董事已得出結論，本集團將擁有充足營運資金以履行其到期之財務責任，因此，簡明綜合財務報表已按持續經營基準編製。倘本集團未能繼續按持續經營基準經營，將須對財務報表作出調整，以調整本集團之資產價值以及撥備任何可能進一步產生之負債及將非流動資產及負債分別重新分類為流動資產及負債。

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2020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。

該等財務報表所應用的會計政策與本集團於2019年12月31日及截至該日止年度的綜合財務報表所應用的會計政策相同。若干新訂或經修訂準則自2020年1月1日起生效，但對本集團的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 2020 截至2020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.

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

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。

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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

3. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy:

3. 公平值計量(續)

(a) 公平值層級披露：

Description 描述		Fair value measurements as at 30 June 2020 於2020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:		經常性公平值計量：			
Financial assets		金融資產			
Foreign currency forward contracts	外幣遠期合約	-	103	-	103
Recurring fair value measurements:		經常性公平值計量：			
Financial liabilities		金融負債			
Interest rate swap contracts	利率掉期合約	-	(630)	-	(630)

Description 描述		Fair value measurements as at 31 December 2019 於2019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:		經常性公平值計量：			
Financial liabilities		金融負債			
Interest rate swap contracts	利率掉期合約	-	(286)	-	(286)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020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.

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：

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。

第二級公平值計量

Description 描述	Valuation technique 估值方法	Unobservable inputs 不可觀察輸入數據	Fair value of financial assets/ (liabilities) as at 30 June 2020 2020年6月30日 金融資產/(負債) 的公平值 US\$'000 千美元 (unaudited) (未經審核)
Foreign currency forward contracts 外幣遠期合約	Discounted cash flow 貼現現金流量	Comparable exchange rate 相近匯率	103
Interest rate swap contracts 利率掉期合約	Discounted cash flow 貼現現金流量	Interest rate Discount rate 利率 貼現率	(630)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020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 描述	Valuation technique 估值方法	Unobservable inputs 不可觀察輸入數據	Fair value of financial asset as at 31 December 2019 2019年12月31日金融資產的公平值 US\$'000 千美元 (audited) (經審核)
Interest rate swap contracts 利率掉期合約	Discounted cash flow 貼現現金流量	Interest rate Discount rate 利率 貼現率	286

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 2020 截至2020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)	Bulk carrier chartering services 散貨船 租船服務 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 2020:	截至2020年6月30日止六個月：				
Revenue from external customers	來自外部客戶的收益	24,342	5,265	-	29,607
Segment profit/(loss)	分部溢利/(虧損)	4,953	1,081	(1)	6,033
As at 30 June 2020:	於2020年6月30日：				
Segment assets	分部資產	178,737	33,560	7	212,304
Segment liabilities	分部負債	(82,269)	(17,718)	-	(99,987)
		(audited) (經審核)	(audited) (經審核)	(audited) (經審核)	(audited) (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
		(audited) (經審核)	(audited) (經審核)	(audited) (經審核)	(audited) (經審核)
As at 31 December 2019:	於2019年12月31日：				
Segment assets	分部資產	185,200	33,277	7	218,484
Segment liabilities	分部負債	(92,224)	(248)	-	(92,472)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

4. SEGMENT INFORMATION (Continued)

Reconciliations of segment profit or loss:

4. 分部資料(續)

分部損益的對賬：

		Six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
		2020年	2019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	6,033	4,150
Interest expenses	利息開支	(13)	(13)
Unallocated corporate income	未分配之企業收入	50	–
Unallocated corporate expenses	未分配之企業開支	(1,056)	(884)
Consolidated profit for the period	期內合併溢利	5,014	3,253

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020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. 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。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	
		2020	2019
		2020年	2019年
		US\$'000	US\$'000
		千美元	千美元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Revenue from contracts with customers within the scope of HKFRS 15	香港財務報告準則第15號範圍內的客戶合約收入		
— Voyage charter and contract of affreightment ("CoA"), recognised over time	— 程租及包運合約 (「包運合約」)，隨時間確認	13,511	11,167
— Trading of asphalt, recognised at a point in time	— 瀝青貿易，於時間點確認	—	1,708
		13,511	12,875
Revenue from other sources	來自其他來源的收益		
— Time charter	— 期租	16,096	11,706
		29,607	24,581

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

5. REVENUE (Continued)

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

5. 收益(續)

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 2020 2020年 6月30日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2019 2019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」	1,472	2,313
Contract assets	合約資產	181	373
Contract liabilities	合約負債	(538)	(187)

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\$187,000 recognised in contract liabilities at the beginning of the period has been recognised as revenue for the six months ended 30 June 2020.

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187,000美元已確認為截至2020年6月30日止六個月的收益。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

6. INCOME TAX EXPENSE

6. 所得稅開支

		Six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
		2020年	2019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	-	-

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 2019: Nil).

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2019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 2020 截至2020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	
		2020	2019
		2020年	2019年
		US\$'000	US\$'000
		千美元	千美元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Depreciation on property, plant and equipment	物業、廠房及設備折舊	2,538	1,421
Depreciation on right-of-use assets	使用權資產折舊	3,033	3,057
Directors' emoluments	董事酬金	153	90
Exchange (gains)/losses, net	匯兌(收益)/虧損淨額	(566)	124
Fair value gains on foreign currency forward contracts	外幣遠期合約公平值收益	(103)	—
Fair value losses on interest rate swap contracts	利率掉期合約公平值虧損	344	179
Operating lease charges — office premises	經營租賃費用 — 辦公物業	71	43
Staff costs (including directors' emoluments)	員工成本(包括董事薪酬)	682	628

8. DIVIDEND

The directors do not recommend the payment of an interim dividend (six months ended 30 June 2019: Nil).

8. 股息

董事不建議派付中期股息(截至2019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 2020 截至2020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	
		2020	2019
		2020年	2019年
		US\$'000	US\$'000
		千美元	千美元
		(unaudited)	(unaudited)
		(未經審核)	(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	5,014	3,253
		'000	'000
		千股	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)	406,154	400,000

Note: The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the six months ended 30 June 2020 has been adjusted for the effect of the issuance of shares on 3 June 2020.

附註：截至2020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2020年6月3日發行股份的影響作出調整。

No diluted earnings per share was presented for the six months ended 30 June 2019 and 2020 as there was no potential ordinary share outstanding.

並無呈列截至2019年及2020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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired property, plant and equipment of approximately US\$2,000 (six months ended 30 June 2019: US\$239,000).

11. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2020, the Group entered into two new office rental agreements for approximately 2 years. On lease commencement, the Group recognised US\$139,000 of right-of-use asset and lease liability.

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 trading of asphalt, 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.

10. 物業、廠房及設備

截至2020年6月30日止六個月，本集團購入物業、廠房及設備約2,000美元(截至2019年6月30日止六個月：239,000美元)。

11. 使用權資產

於截至2020年6月30日止六個月，本集團訂立兩份新辦公室租賃協議，租期約為2年。於租賃開始時，本集團確認使用權資產及租賃負債139,000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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

12. TRADE RECEIVABLES (Continued)

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

		30 June 2020 2020年 6月30日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2019 2019年 12月31日 US\$'000 千美元 (audited) (經審核)
0 to 30 days	0至30天	1,424	2,167
Over 30 days	超過30天	48	146
		1,472	2,313

12. 貿易應收款項(續)

以發票日期為基準的貿易應收款項賬齡分析如下：

13. TRADE PAYABLES

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

		30 June 2020 2020年 6月30日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2019 2019年 12月31日 US\$'000 千美元 (audited) (經審核)
0 to 30 days	0至30天	1,154	1,480
31 to 60 days	31至60天	6	26
Over 60 days	超過60天	92	414
		1,252	1,920

13. 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：

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

14. SHARE CAPITAL

14. 股本

		30 June 2020 2020年 6月30日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2019 2019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：		
440,000,000 (At 31 December 2019: 400,000,000) ordinary shares of US\$0.01 each	440,000,000 股 (2019年 12月31日：400,000,000 股) 每股0.01美元之普通股	4,400	4,000

A summary of the movements in the issued share capital of the Company is as follows:

本公司已發行股本變動概述如下：

		Number of shares issued 已發行 股份數目 '000 千股	Nominal value of shares issued 已發行 股份面值 US\$'000 千美元
At 1 January 2019, 31 December 2019 and 1 January 2020	於2019年1月1日、2019年 12月31日及2020年1月1日	400,000	4,000
Shares issued (Note)	已發行股份(附註)	40,000	400
At 30 June 2020	於2020年6月30日	440,000	4,400

Note: On 19 May 2020, the Company entered into two Subscription Agreements with Forever Win Asia Trading Limited and Profit Source HK Trading Limited ("the Subscribers"), pursuant to the Subscription Agreements, the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, an aggregate of 40,000,000 Subscription Shares at the Subscription Price of HK\$1.092 per Subscription Share for an aggregate cash consideration of HK\$43,680,000 (equivalent to approximately US\$5,628,866). The subscription was completed on 3 June 2020.

附註：於2020年5月19日，本公司與Forever Win Asia Trading Limited及廣源香港貿易有限公司(「該等認購人」)訂立兩份認購協議。根據該等認購協議，本公司已有條件同意配發及發行，而該等認購人已有條件同意按認購價每股認購股份1.092港元認購合共40,000,000股認購股份，現金總代價為43,680,000港元(相當於約5,628,866美元)。認購事項於2020年6月3日完成。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

15. RELATED PARTY TRANSACTION

The Group had the following transaction with its related party during the period:

15. 關聯方交易

本集團於期內與其關聯方進行了以下交易：

		Six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
		2020年	2019年
		US\$'000	US\$'000
		千美元	千美元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Interest paid to a related company (Note)	向一間關聯公司支付的利息 (附註)	171	–

Note: Mr. Xu Wenjun, the director of the Company has beneficial interests in the related company.

附註：本公司董事徐文均先生於關聯公司擁有實益權益。

16. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 June 2020 (At 31 December 2019: Nil).

16. 或然負債

本集團於2020年6月30日並無任何重大或然負債(2019年12月31日：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 2020 截至2020年6月30日止六個月

17. EVENTS AFTER REPORTING PERIOD

- (a) On 12 August 2020, Fortune Harvest Materials Hongkong Limited (the "Fortune Harvest") entered into a sale and purchase agreement with Universal International Technology (Hong Kong) Limited (the "Universal International"), pursuant to which Fortune Harvest has agreed to sell, and Universal International has agreed to purchase, 116,000,000 shares of the Company, representing approximately 26.36% of the Company's total issued share capital at a consideration of HK\$162,400,000.
- (b) After the COVID-19 outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the globe. The Group is paying close attention to the development of, and the disruption to business and economic activities caused by, the COVID-19 outbreak and evaluate its impact on the financial position, cash flows and operating results of the Group. Given the dynamic nature of the COVID-19 outbreak, it is not practicable to provide a reasonable estimate of its impacts on the Group's financial position, cash flows and operating results at the date on which these condensed consolidated financial statements are authorised for issue.

18. APPROVAL OF FINANCIAL STATEMENTS

The interim financial statements were approved and authorised for issue by the Board of Directors on 27 August 2020.

17. 報告期後事項

- (a) 於2020年8月12日，香港瑞豐物產國際有限公司（「瑞豐」）與環宇國際科技（香港）有限公司（「環宇國際」）訂立一項買賣協議，據此，瑞豐已同意出售而環宇國際已同意購買116,000,000股本公司股份（相當於本公司已發行股本總額約26.36%），代價為162,400,000港元。
- (b) 於2020年初爆發COVID-19後，一系列防控及控制措施已於全球範圍內繼續實施。本集團一直密切關注COVID-19疫情的發展以及其對業務及經濟活動造成的影響，並評估其對本集團財務狀況、現金流量及經營業績產生的影響。鑒於COVID-19疫情的動態性質，於授權發佈該等簡明綜合財務報表之日，無法合理估計其對本集團財務狀況、現金流量及經營業績造成的影響。

18. 批准財務報表

本中期財務報表於2020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 2020 (the “**Periods Under Review**” or the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2019.

BUSINESS REVIEW AND OUTLOOK

For the six months ended 30 June 2020, the Group recorded revenue of approximately US\$29.6 million, representing an increase of 20.3% compared with the corresponding period last year, with three operating segments which included (i) asphalt tanker chartering services; (ii) bulk carrier chartering services; and (iii) asphalt trading. Our Group principally provides asphalt tanker chartering services under various types of charter agreements comprising: (i) time charters; and (ii) voyage charters and contracts of Affreightment (“**CoAs**”). In late 2019, we acquired two second-hand Capesize vessels, namely XYG Fortune and XYMG Noble, which have been providing bulk carrier time chartering services to our customers, and contributed new source of income to the Group.

Currently we operate a fleet of twelve vessels with total capacity of approximately 470,000 dwt, in which seven vessels are operated under asphalt tanker time charters, three vessels are operated under asphalt tanker voyage charters or CoAs and the remaining two second-hand Capesize vessels are operated under bulk carrier time charters. Most of our vessels fleet are operated under time charters and are chartered to customers with high performance capabilities on a long-term basis ranging from one to ten years, which generated steady income for our Group.

We endeavour to provide high quality asphalt tanker and bulk carrier 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, the shipyards, the international classification societies and banks or finance lease companies. 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 our business and services and gradually developed our own customers portfolio.

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2020年6月30日止六個月(「**回顧期間**」或「**報告期間**」)的未經審核簡明綜合中期業績，連同2019年同期比較數字。

業務回顧及展望

截至2020年6月30日止六個月，本集團錄得收入約29.6百萬美元，較去年同期增加20.3%，擁有三個經營分部，包括(i)瀝青船租船服務；(ii)散貨船租船服務；及(iii)瀝青貿易。本集團主要根據各類租船協議提供瀝青船租船服務，包括：(i)期租；及(ii)程租及包運合約(「**包運合約**」)。於2019年年底，我們收購兩艘二手海岬型船XYG Fortune及XYMG Noble，一直為客戶提供散貨船期租租船服務，為本集團帶來新的收入來源。

目前我們經營一支由十二艘船舶組成的船隊，總載重噸約為470,000載重噸，當中有七艘船舶根據瀝青船期租運營，三艘船舶根據瀝青船程租或包運合約運營，其餘兩艘二手海岬型船根據散貨船期租運營。我們大部分船隊均根據期租運營，並長期租賃予具有高業績能力的客戶，租賃期介乎一至十年，為本集團帶來穩定收入。

我們致力提供優質瀝青貨船及散貨船租船服務。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。我們的主要客戶包括全球運輸及物流集團、全球獨立能源貿易商及位於美國的公開上市能源公司。本集團已多元化業務及服務並逐步發展自己的客戶組合。

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 bulk carrier time chartering services. Hence, our Group maintains the variety of services types with a balanced approach to meet different demands in the market.

At the beginning of the year, the COVID-19 epidemic began to break out in China, which is an important market for asphalt. However, most of the asphalt trade contracts were signed before the Spring Festival Holiday and the Australian market entered the peak season, therefore the demand for the asphalt tanker chartering was still relatively stable in the first quarter. Subsequently, some adverse factors have a certain degree of negative impact to the demand for asphalt tanker chartering, including successive outbreaks of the COVID-19 pandemic which led to the slowdown of the economic development of the Southeast Asian countries and Australia, insufficient labour force owing to the domestic rainy season, and the drastic fluctuations of asphalt price being petroleum product was highly affected by the freefall of the crude oil market. Looking ahead, our Directors are cautiously optimistic on the asphalt tanker charter market in the second half of the year. It is predicted that many countries may increase the expenditure on construction and infrastructure sectors and implement intensive economic stimulus policies after COVID-19 pandemic, in order to accelerate the economic recovery. Besides, following a gradual recovery on Chinese activity since March 2020 and the refinery resume its production, the demand for various crude oil products rebound strongly. All of these factors may rise the demand of asphalt trade and benefit to the asphalt tanker charter market accordingly.

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租船服務市場及散貨船期租租船服務的據點。因此，本集團以均衡方式維持多種服務類型，以滿足市場的不同需求。

年初，作為瀝青重要市場的中國開始爆發 COVID-19 疫情。然而，大部分瀝青貿易合約於春節假期前簽署及澳洲市場進入旺季，因此第一季度對瀝青船租船租賃的需求仍相對穩定。其後，若干不利因素對瀝青船租船租賃需求造成一定程度的負面影響，包括連續爆發 COVID-19 疫情導致東南亞國家及澳洲經濟發展放緩、國內雨季造成勞動力不足以及石油產品的瀝青價格急劇波動受到原油市場自由落體式下跌的高度影響。展望未來，董事對下半年瀝青船租船市場持審慎樂觀態度。預計眾多國家可能會增加建築及基礎設施行業的開支，並於爆發 COVID-19 疫情後實施密集的經濟刺激政策，以加速經濟復甦。此外，隨著自 2020 年 3 月起中國業務逐步復甦及煉油廠恢復生產，各種原油產品的需求大幅回升。所有該等因素均可能增加瀝青貿易的需求，並因此惠及瀝青船租船租賃市場。

Management Discussion and Analysis

管理層討論及分析

In the first half of the year, the dry bulk carrier marked a downturn in the Capesize markets, the Baltic Exchange Capesize Index (“BCI”) the first time ever in negative territory for almost two months. The BCI continued to operate at a low level, it is apparent that a number of factors have all converged simultaneously, including seasonality, higher fuel prices owing to implementation of the new IMO 2020 regulations, flooding in Brazil and the COVID-19 pandemic. With the resumption of the work and production in the global economy, the supply of global mainstream minerals has been steadily rising and the increasing demand for iron ore from Mainland, it may benefit to the long-distance Capesize vessels of dry bulk carrier market in the second half of 2020.

It is our management’s view that for the remaining months of this financial year, our business may be challenged by certain risk factors and uncertainties. During the period, the government of the United States has ramped up the sanctions against Iran and Venezuela, it even imposed new sanctions on certain shipping companies and captains who involved shipments with Iran and Venezuela. In addition, the continuous adverse Sino-US relationship will impact on geopolitics, which may continue to impede economic recovering. The COVID-19 pandemic may have a second wave or even a third wave, but the containment timeline is unclear. Therefore, there is a greater than usual uncertainty around global economy and shipping industry.

今年上半年，乾散貨航運市場低迷，波羅的海交易所海岬型船運價指數(「BCI」)歷史性首次出現負值將近兩個月。BCI繼續以低水平運行，顯然多項因素(包括季節性、實施2020年國際海事組織條例新規導致燃料價格上漲、巴西的洪水及COVID-19疫情)均同時彙集。隨著全球經濟恢復工作及生產，全球主流礦物供應穩步上升及內地對鐵礦石的需求不斷增加，其可能惠及2020年下半年乾散貨船市場的遠距離海岬型船。

管理層認為，於本財政年度的餘下月份，我們的業務可能受到若干風險因素及不確定性的挑戰。於期內，美國政府已加大對伊朗及委內瑞拉的制裁力度，甚至亦對涉及伊朗及委內瑞拉貨運的若干船運公司及船長實施新的制裁。此外，持續不利的中美關係將影響地緣政治，這或會繼續阻礙經濟復甦。COVID-19疫情可能有第二波甚至第三波，但遏制時間表尚不清楚。因此，全球經濟及航運業的不確定性較以往更大。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2020, our revenue increased to approximately US\$29.6 million by approximately US\$5.0 million or 20.3% from approximately US\$24.6 million for the six months ended 30 June 2019. For the Periods Under Review, the increase was mainly due to the increase in the number of our vessels from ten vessels for the six months ended 30 June 2019 to twelve vessels for the six months ended 30 June 2020, by the purchase of two second-hand Capesize vessels for providing new bulk carrier time chartering services in late 2019.

Revenue generated from asphalt tanker time charter services decreased by approximately US\$0.9 million or 7.7% from approximately US\$11.7 million for the six months ended 30 June 2019 to approximately US\$10.8 million for the six months ended 30 June 2020. Such decrease in revenue was mainly attributable to the combined effect of (i) lower contracted hire rate was concluded when the time charters renewal for two vessels by reference to the then market spot rate in the second half of 2019, so that their revenue dropped as compared to the same period last year, though we maintained the similar level of time charter services for the Periods Under Review; and (ii) the decline in revenue from San Du Ao by approximately US\$0.4 million as it has been changed from time charter to voyage charter since January 2020, but (iii) on the other hand, the revenue from Rostella increased by approximately US\$1.1 million for the Periods Under Review, when it has been changed from voyage charter to time charter since May 2019.

Since two second-hand Capesize vessels, namely XYG Fortune and XYMG Noble, were delivered in late 2019, which contributed revenue from bulk carrier time chartering services, amounting to approximately US\$5.3 million, as new source of income to our Group for the six months ended 30 June 2020.

財務回顧 收益

截至2020年6月30日止六個月，我們的收益增至約29.6百萬美元，較截至2019年6月30日止六個月的約24.6百萬美元增加約5.0百萬美元或20.3%。於回顧期間，該增加主要是由於我們於2019年年底為提供新的散貨船期租租船服務而購置兩艘二手海岬型船，船舶數量由截至2019年6月30日止六個月的十艘增加至截至2020年6月30日止六個月的十二艘。

瀝青船期租服務產生的收益由截至2019年6月30日止六個月的約11.7百萬美元下降約0.9百萬美元或7.7%至截至2020年6月30日止六個月的約10.8百萬美元。該收益減少主要是由於以下各項的綜合影響：(i) 儘管我們於回顧期間保持類似水平的期租服務，但2019年下半年參照當時現貨市場租金就兩艘船舶的期租合約續約時訂定的訂約租金費率較低，以致其收益較去年同期下降；及(ii) 三都澳自2020年1月起從期租變成程租導致其收益下降約0.4百萬美元；但(iii) 另一方面，在玫瑰星自2019年5月起從程租變成期租後，來自玫瑰星的收益於回顧期間增加約1.1百萬美元。

自兩艘二手海岬型船XYG Fortune及XYMG Noble於2019年年底交付以來，作為截至2020年6月30日止六個月本集團的新收入來源，其為本集團散貨船期租租船服務貢獻約5.3百萬美元的收益。

Management Discussion and Analysis

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The increase of approximately US\$2.3 million or 20.5% of revenue generated from asphalt tanker voyage charter, and CoAs from approximately US\$11.2 million for the six months ended 30 June 2019 to approximately US\$13.5 million for the six months ended 30 June 2020, was mainly due to (i) San Du Ao contributed approximately US\$2.9 million of revenue from voyage charter, and CoAs for the six months ended 30 June 2020 when it has been changed from time charter to voyage charter since January 2020 (San Du Ao was operated under time charter for the six months ended 30 June 2019), and (ii) the increasing average daily hire rate for the voyage charter, and CoAs market in the first half of 2020 because of the decline in charter supply, as a result of peak season in Australian asphalt trade market and increase in the import demand of asphalt from PRC traders that contracted before the outbreak of COVID-19; but such increase was partially offset by (iii) the operation of our vessel Rostella has been changed from voyage charter to time charter since May 2019 which contributed revenue of approximately US\$1.9 million for the six months ended 30 June 2019.

During the six months ended 30 June 2020, no revenue was generated from trading of asphalt.

Cost of sales

Our cost of sales increased by approximately US\$3.2 million or 18.3% for the six months ended 30 June 2020 as compared to the same period of 2019. Such increase was in line with the increase in revenue, mainly resulting from the increase in two second-hand Capesize vessels operated under bulk carrier time charter, namely XYG Fortune and XYMG Noble, which were delivered in late 2019, and were in full operation for the six months ended 30 June 2020.

瀝青船程租及包運合約產生的收益由截至2019年6月30日止六個月約11.2百萬美元增加約2.3百萬美元或20.5%至截至2020年6月30日止六個月約13.5百萬美元，主要是由於(i)三都澳自2020年1月起從期租變成程租(三都澳於截至2019年6月30日止六個月按期租進行營運)，三都澳於截至2020年6月30日止六個月貢獻程租及包運合約收益約2.9百萬美元；及(ii)2020年上半年程租及包運合約市場的平均日租金率增加，乃由於澳洲瀝青交易市場處於旺季及於爆發COVID-19前已訂約的自中國交易商進口瀝青的需求增加，導致租船供應減少；惟該增加部分被以下各項抵銷：(iii)我們的船舶玫瑰星的運營自2019年5月起從程租變成期租，而其於截至2019年6月30日止六個月貢獻收益約1.9百萬美元。

截至2020年6月30日止六個月，瀝青貿易並無產生任何收益。

銷售成本

截至2020年6月30日止六個月，我們的銷售成本較2019年同期增加約3.2百萬美元或18.3%。有關增加與主要產自兩艘根據散貨船期租運營的二手海岬型船XYG Fortune及XYMG Noble於2019年年底交付並於截至2020年6月30日止六個月完全投入運營的收益增加一致。

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

- (i) our crew expenses recorded an increase of approximately US\$1.0 million or 18.5%, which was mainly due to the fact that our two new Capesize vessels, XYG Fortune and XYMG Noble, were delivered in late 2019 and put into full operation for the six months ended 30 June 2020, but no operation for the six months ended 30 June 2019;
- (ii) our depreciation recorded an increase of approximately US\$1.1 million or 25.0%, which was mainly due to the fact that our two new Capesize vessels, XYG Fortune and XYMG Noble, were delivered in late 2019, were depreciated in full for the six months ended 30 June 2020, but no depreciation for the six months ended 30 June 2019; and
- (iii) our bunker fees recorded an increase of approximately US\$0.7 million or 24.1%, which was mainly due to the change of use in low Sulphur fuel oil when the new regulation of IMO2020 was implemented in January 2020, which the cost of this new fuel is higher than the previous one.

Gross profit and gross profit margin

Our gross profit increased by approximately US\$1.8 million or 25.4%, from approximately US\$7.1 million for the six months ended 30 June 2019 to approximately US\$8.9 million for the six months ended 30 June 2020. Such increase was mainly due to the gross profit of approximately US\$1.8 million generated from two second-hand Capesize vessels operated under bulk carrier time charter for the six months ended 30 June 2020.

Besides, our overall gross profit margin increased from approximately 28.7% for the six months ended 30 June 2019 to approximately 30.2% for the six months ended 30 June 2020, which was mainly attributable to the new bulk carrier time chartering services having a relatively higher profit margin of approximately 35.8% for the six months ended 30 June 2020.

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1.0百萬美元或18.5%，這主要是由於我們的兩艘新海岬型船XYG Fortune及XYMG Noble於2019年年底交付並於截至2020年6月30日止六個月完全投入運營，而截至2019年6月30日止六個月並無有關運營；
- (ii) 我們的折舊錄得增加約1.1百萬美元或25.0%，主要是由於我們的兩艘新海岬型船XYG Fortune及XYMG Noble於2019年年底交付，並於截至2020年6月30日止六個月悉數折舊，而於截至2019年6月30日止六個月並無有關折舊；及
- (iii) 我們的燃料費增加約0.7百萬美元或24.1%，主要是由於2020年1月實施2020年國際海事組織條例新規時改變為使用低硫燃料油，這一新燃料的成本高於前一種燃料。

毛利及毛利率

我們的毛利由截至2019年6月30日止六個月的約7.1百萬美元增加約1.8百萬美元或25.4%至截至2020年6月30日止六個月約8.9百萬美元。有關增加主要是由於截至2020年6月30日止六個月兩艘根據散貨船期租運營的二手海岬型船產生的毛利約1.8百萬美元所致。

此外，我們的整體毛利率由截至2019年6月30日止六個月的約28.7%增加至截至2020年6月30日止六個月約30.2%，主要由於新的散貨船期租租船服務於截至2020年6月30日止六個月產生約35.8%的較高利潤率所致。

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Our gross profit generated from asphalt tanker time charters services decreased by approximately US\$0.9 million or 21.9% for the six months ended 30 June 2020, and its gross profit margin dropped by approximately 6.0%. Such decrease was in line with the decline in revenue from asphalt tanker time chartering by approximately 7.7%, and lower contracted hire rate when the time charter renewal for two vessels in the second half of 2019.

Our gross profit from asphalt tanker voyage charters and CoAs increased by approximately US\$1.1 million or 39.3% for the six months ended 30 June 2020, which was in line with the rise of revenue generated from asphalt tanker voyage charters and CoAs of approximately 20.5% and the higher gross profit margin from asphalt tanker voyage charters and CoAs by approximately 3.4% for the six months ended 30 June 2020.

Other income

Our other income decreased by approximately US\$0.8 million or 66.7% from approximately US\$1.2 million for the six months ended 30 June 2019 to approximately US\$0.4 million for the six months ended 30 June 2020. The decrease was mainly due to the decrease in non-recurring insurance compensation income of approximately US\$0.8 million in relation to the repair costs of vessels for the Periods Under Review.

Administrative expenses

Our Group's administrative expenses increased by approximately US\$0.3 million or 27.3% from approximately US\$1.1 million for the six months ended 30 June 2019 to approximately US\$1.4 million for the six months ended 30 June 2020, mainly due to the fact that the loan handling charges of approximately US\$0.1 million in non-recurring nature were incurred for loan arrangement for two Capesize vessels in the first quarter of 2020.

Other operating expenses

Our Group recorded other operating expenses of approximately US\$0.6 million for each of the six months ended 30 June 2019 and 2020, mainly included the fair value losses on interest rate swap contracts and vessels repair costs.

截至2020年6月30日止六個月瀝青船期租服務產生的毛利減少約0.9百萬美元或21.9%，及毛利率下降約6.0%，該下降與瀝青船期租收益減少約7.7%及於2019年下半年兩艘船舶期租合約續約時的訂約租金費率下降一致。

於截至2020年6月30日止六個月，我們的瀝青船程租及包運合約毛利增加約1.1百萬美元或39.3%，與截至2020年6月30日止六個月瀝青船程租及包運合約產生的收益增加約20.5%及瀝青船程租及包運合約的毛利率增加約3.4%一致。

其他收入

我們的其他收入由截至2019年6月30日止六個月的約1.2百萬美元減少約0.8百萬美元或66.7%至截至2020年6月30日止六個月的約0.4百萬美元。該減少主要是由於回顧期間與船舶維修費用有關的非經常性保險賠償收入減少約0.8百萬美元。

行政開支

本集團的行政開支由截至2019年6月30日止六個月的約1.1百萬美元增加約0.3百萬美元或27.3%至截至2020年6月30日止六個月約1.4百萬美元，主要由於2020年第一季度就兩艘海岬型船的貸款安排產生的非經常性貸款手續費約0.1百萬美元。

其他營運開支

截至2019年及2020年6月30日止六個月各期間，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及船舶維修費用。

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Exchange gains/losses, net

Our Group recorded net exchange gains of approximately US\$0.6 million for the six months ended 30 June 2020 as compared to net exchange losses of approximately US\$0.1 million for the six months ended 30 June 2019, which was principally attributable to the exchange fluctuation of our Group's borrowings denominated in Singapore Dollars ("SGD"). Our Group maintained the borrowings denominated in SGD during the Periods Under Review, amounting to approximately US\$14.3 million as at 30 June 2020 (31 December 2019: approximately US\$16.7 million). United States dollars ("USD") appreciated against SGD by approximately 3.3% for the six months ended 30 June 2020, resulting in exchange gains when conversion of the borrowings denominated in SGD, while USD depreciated against SGD by approximately 0.7% for the six months ended 30 June 2019, resulting in exchange losses when translation of the borrowings denominated in SGD.

Finance costs

Our finance costs declined by approximately US\$0.3 million, or 9.4% for the six months ended 30 June 2020 as compared to the same period of 2019. The decrease was mainly due to repayment of borrowings during the six months ended 30 June 2020.

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 Periods Under Review.

Profit for the period

Our profit for the Periods Under Review increased by approximately US\$1.7 million, or 51.5% to approximately US\$5.0 million for the six months ended 30 June 2020 as compared to approximately US\$3.3 million for the six months ended 30 June 2019, while our net profit margin also increased to approximately 16.9% from approximately 13.4% for the respective periods. Such increase in our profit for the Periods Under Review was primarily due to the increase in gross profits of approximately US\$1.8 million, mainly attributable to the contribution from the two new Capesize vessels operated under bulk carrier time charter.

匯兌收益／虧損淨額

本集團截至2020年6月30日止六個月錄得匯兌收益淨額約0.6百萬美元，而截至2019年6月30日止六個月則錄得匯兌虧損淨額約0.1百萬美元，主要歸因於本集團以新加坡元（「新加坡元」）計值的借款的匯率波動。於回顧期間，本集團維持以新加坡元計值的借款，於2020年6月30日達約14.3百萬美元（2019年12月31日：約16.7百萬美元）。截至2020年6月30日止六個月，美元（「美元」）兌新加坡元升值約3.3%，導致以新加坡元計值的借款兌換時產生匯兌收益，而截至2019年6月30日止六個月美元兌新加坡元貶值約0.7%，導致以新加坡元計值的借款換算時產生匯兌虧損。

融資成本

截至2020年6月30日止六個月，我們的融資成本較2019年同期減少約0.3百萬美元或9.4%。該減少主要是由於截至2020年6月30日止六個月償還借款所致。

所得稅開支

鑒於本集團於回顧期間並無應課稅溢利，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。

期內溢利

回顧期間溢利較截至2019年6月30日止六個月約3.3百萬美元增加約1.7百萬美元或51.5%至截至2020年6月30日止六個月的約5.0百萬美元，而我們的純利潤率亦由相關期間約13.4%增加至約16.9%。回顧期間溢利增加主要歸因於兩艘根據散貨船期租營運的新海岬型船所貢獻毛利導致毛利增加約1.8百萬美元。

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FINANCIAL POSITION

As at 30 June 2020, our Group's total assets amounted to approximately US\$220.4 million (31 December 2019: approximately US\$219.0 million) with net assets amounting to approximately US\$115.7 million (31 December 2019: approximately US\$105.1 million). As at 30 June 2020, gearing ratio (total debts divided by the total equity attributable to owners of our Company) of our Group was 0.87, representing a decrease of 16.3 percentage points as compared to that of 1.04 as at the end of 2019. Net debt to equity ratio (net debt, being our total debts net of bank and cash balances and pledged bank deposits, by total equity attributable to owners of our Company) of our Group was 0.76 as at 30 June 2020, representing a decrease of 24.0 percentage points as compared to that of 1.0 as at the end of 2019. Current ratio of our Group was 0.52, representing an increase of 126.1 percentage points as compared to that of 0.23 as at the end of 2019, as a result of the net operating inflows and net proceeds from new shares issued during the six months ended 30 June 2020.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2020, the liquidity position had a mere improvement as compared to the end of 2019. 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. Our Group finances our operations and growth primarily through cash generated from operations, borrowings and finance lease arrangement, as well as the net proceeds from the new shares issued.

As at 30 June 2020, the Group had net current liabilities of approximately US\$15.5 million. Our Directors are confident that our Group's continuous net cash inflows from operating activities and the successful negotiations with the lenders for refinancing of vessels as and when needed, will strengthen our liquidity in the foreseeable future. Considering the current and anticipated future liquidity of our Group and the above measures, our Directors have concluded that our Group will have sufficient working capital to meet its financial obligation in full as they fall due and the condensed consolidated financial statements have been prepared on a going concern basis.

財務狀況

於2020年6月30日，本集團總資產約220.4百萬美元(2019年12月31日：約219.0百萬美元)，資產淨值約115.7百萬美元(2019年12月31日：約105.1百萬美元)。於2020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0.87，較2019年年末的1.04下降16.3個百分點。於2020年6月30日，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0.76，較2019年年末的1.0減少24.0個百分點。本集團流動比率為0.52，較2019年年末的0.23增加126.1個百分點，原因是截至2020年6月30日止六個月經營流入淨額及發行新股所得款項淨額。

流動資金及財務資源

於2020年6月30日，流動資金狀況較2019年年底略微有所改善。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。本集團主要透過營運產生的現金、借款及融資租賃安排以及發行新股份所得款項淨額為我們的營運及增長提供資金。

於2020年6月30日，本集團有流動負債淨額約15.5百萬美元。我們的董事相信本集團來自經營活動的持續現金流入淨額及於必要時就為船舶再融資成功與放款人進行磋商，將增強本集團於可預見未來流動資金狀況。經考慮本集團現有及預期未來流動資金及上述措施，董事已得出結論，本集團將擁有充足營運資金以悉數履行其到期之財務責任及簡明綜合財務報表已按持續經營基準編製。

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As at 30 June 2020, the Group's borrowings and lease liabilities of approximately US\$100.4 million in aggregate decreased by approximately US\$9.2 million as compared to 31 December 2019, which was primarily due to repayment of debts financing by profits generated from operations as well as the proceeds from issuance of new shares during the six months ended 30 June 2020. During the six months ended 30 June 2020, the Group obtained two borrowings with the total amount of US\$18.0 million, on the other hand, the Group repaid the carrying amounts of borrowings of approximately US\$17.3 million in aggregate.

As at 30 June 2020, our Group had pledged bank deposits and bank and cash balances of approximately US\$13.0 million in aggregate, representing an increase of approximately US\$8.8 million as compared to approximately US\$4.2 million as at 31 December 2019. Such increase was mainly due to profits generated from operations as well as the proceeds from issuance of new shares. 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.

於2020年6月30日，本集團的借款及租賃負債合共約100.4百萬美元，較2019年12月31日減少約9.2百萬美元，乃主要由於截至2020年6月30日止六個月，通過經營所得溢利以及發行新股份所得款項償還債務融資。於截至2020年6月30日止六個月，本集團獲得兩項借款，總額為18.0百萬美元，另一方面，本集團償還借款共計賬面值約17.3百萬美元。

於2020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合共約為13.0百萬美元，較2019年12月31日約4.2百萬美元增加約8.8百萬美元。有關增加乃主要由於經營所得溢利以及發行新股份所得款項。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。

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INDEBTEDNESS

As at 30 June 2020, the Group's indebtedness mainly comprised borrowings and lease liabilities of approximately US\$49.2 million and US\$51.2 million respectively. Our borrowings are denominated in USD and SGD, while lease liabilities are denominated in USD. All borrowings and lease liabilities are arranged at floating rates, thus exposing our Group to cash flow interest rate risk. During the six months ended 30 June 2020, our Group used interest rate swaps in order to mitigate its exposure associated with fluctuations relating to interest cash flows.

The maturity of borrowings and lease liabilities as at 30 June 2020 is as follows:

		Borrowings 借款 US\$'000 千美元	Lease liabilities 租賃負債 US\$'000 千美元
Within one year	一年以內	12,702	15,446
More than one year, but not exceeding two years	一年以上但不超過兩年	17,922	9,130
More than two years, but not more than five years	兩年以上但不超過五年	18,616	26,625
		49,240	51,201

Our borrowings of approximately of US\$45.4 million were obtained for the purposes of construction and financing of our vessels. As at 30 June 2020, such borrowings were secured by:

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

債項

於2020年6月30日，本集團的債項主要包括借款及租賃負債分別約49.2百萬美元及51.2百萬美元。我們的借款以美元及新加坡元計值，而租賃負債以美元計值。所有借款及租賃負債乃按浮動利率安排，因此使本集團面臨現金流量利率風險。截至2020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。

於2020年6月30日，借款及租賃負債的到期日如下：

我們的借款約45.4百萬美元用於我們船舶的建造及融資。於2020年6月30日，此類借款以下列方式作抵押：

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

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As at 30 June 2020, our lease liabilities of approximately US\$51.0 million were secured by:

- (i) charges over the Group's certain right-of-use assets;
- (ii) corporate guarantee provided by our Company and/or subsidiaries;
- (iii) restricted bank balances; and
- (iv) shares of certain 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 borrowings denominated in SGD.

PLEDGE OF ASSETS

As at 30 June 2020, the carrying amounts of pledged bank deposits, bank balances restricted from being used and vessels pledged as securities for our Group's borrowings amounted to approximately US\$1.4 million, US\$2.1 million and US\$97.0 million respectively. As at 30 June 2020, the carrying amounts of vessels as right-of-use assets held by our Group and bank balances restricted from being used under finance leases arrangement amounted to approximately US\$105.5 million and US\$0.5 million, respectively.

於2020年6月30日，我們的租賃負債約51.0百萬美元以下列方式作抵押：

- (i) 本集團若干使用權資產之抵押；
- (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) 若干附屬公司股份。

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借款的外幣風險。

資產質押

於2020年6月30日，作為本集團借款抵押的已抵押銀行存款、受限制使用的銀行結餘及已抵押船舶的賬面值分別約為1.4百萬美元、2.1百萬美元及97.0百萬美元。於2020年6月30日，本集團根據融資租賃安排持有的作為使用權資產的船舶及受限制使用的銀行結餘賬面值分別約為105.5百萬美元及0.5百萬美元。

Management Discussion and Analysis

管理層討論及分析

CAPITAL COMMITMENT

As at 30 June 2020, our Group did not have any material capital commitment.

CONTINGENT LIABILITIES

As at 30 June 2020, 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 2020, our Group had a total of 37 employees of which 32 were in the PRC, 2 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.

Our Group's total employee benefit expenses (including Directors' emoluments) for the six months ended 30 June 2020 and 2019 were approximately US\$0.7 million and US\$0.6 million, respectively.

SIGNIFICANT INVESTMENT HELD

Our Group had not held any significant investments during the six months ended 30 June 2020.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the six months ended 30 June 2020, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by our Group.

資本承擔

於2020年6月30日，本集團並無任何重大資本承擔。

或然負債

於2020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，我們為我們的職員提供正規的和在職的培訓，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2020年6月30日，本集團共有37名僱員，其中32名在中國、2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。

本集團截至2020年及2019年6月30日止六個月的僱員福利開支總額(包括董事酬金)分別為約0.7百萬美元及0.6百萬美元。

持有的重大投資

截至2020年6月30日止六個月，本集團並無持有任何重大投資。

重大收購或出售附屬公司、聯營公司及合資企業事項

截至2020年6月30日止六個月，本集團並無重大收購或出售附屬公司、聯營公司及合資企業事項。

Management Discussion and Analysis

管理層討論及分析

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no definite future plan for material investments or acquisition of material capital assets as at 30 June 2020.

EVENTS AFTER THE REPORTING PERIOD

- (a) On 12 August 2020, Fortune Harvest Materials Hongkong Limited (the “**Fortune Harvest**”) entered into a sale and purchase agreement with Universal International Technology (Hong Kong) Limited (the “**Universal International**”), pursuant to which Fortune Harvest has agreed to sell, and Universal International has agreed to purchase, 116,000,000 shares of the Company, representing approximately 26.36% of the Company’s total issued share capital at a consideration of HK\$162,400,000. The aforesaid transfer resulted in the change of substantial shareholders (as defined under the Listing Rules) of the Company. For further details, please refer to the announcement of the Company dated 12 August 2020.
- (b) After the COVID-19 outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the globe. The Group is paying close attention to the development of, and the disruption to business and economic activities caused by, the COVID-19 outbreak and has been evaluating its impact on the financial position, cash flows and operating results of the Group. Given the dynamic nature of the COVID-19 outbreak, it is not practicable to provide a reasonable estimate of its impacts on the Group’s financial position, cash flows and operating results at the date on which these condensed consolidated financial statements are authorised for issue.

重大投資及資本資產的未來計劃

於2020年6月30日，並無任何有關重大投資及重大資本資產收購的具體未來計劃。

報告期後事項

- (a) 於2020年8月12日，香港瑞豐物產國際有限公司（「**瑞豐**」）與環宇國際科技（香港）有限公司（「**環宇國際**」）訂立一項買賣協議，據此，瑞豐已同意出售而環宇國際已同意購買116,000,000股本公司股份（相當於本公司已發行股本總額約26.36%），代價為162,400,000港元。上述轉讓導致本公司主要股東（定義見上市規則）發生變更。有關進一步詳情，請參閱本公司日期為2020年8月12日的公告。
- (b) 於2020年年初爆發COVID-19後，一系列預防及控制措施已於全球範圍內繼續實施。本集團一直密切關注COVID-19疫情的發展以及其對業務及經濟活動造成的破壞，並一直評估其對本集團財務狀況、現金流量及經營業績產生的影響。鑒於COVID-19疫情的動態性質，於授權刊發該等簡明綜合財務報表之日，無法合理估計其對本集團財務狀況、現金流量及經營業績造成的影響。

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 2020, the interests and short positions of the Directors or the chief executive of the Company in the shares (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:

Our Company

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. Xu Wenjun ⁽²⁾ 徐文均先生 ⁽²⁾	Interest of controlled corporation 於受控法團的權益	34,079,000 Shares (L) 34,079,000 股股份(L)	7.75%
Mr. Ding Yuzhao ⁽³⁾ 丁玉釗先生 ⁽³⁾	Interest of controlled corporation 於受控法團的權益	14,898,000 Shares (L) 14,898,000 股股份(L)	3.39%

Notes:

- (1) The letter “L” denotes our Directors’ long position in the Shares.
- (2) Perfect Bliss Limited is owned as to 100% by Mr. Xu Wenjun, an executive Director. By virtue of the SFO, Mr. Xu Wenjun is deemed to be interested in the 34,079,000 Shares held by Perfect Bliss Limited.

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2020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（「證券及期貨條例」）第XV部）的股份（「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及淡倉（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及淡倉，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及淡倉如下：

本公司

附註：

- (1) 字母「L」代表董事於股份中持有的好倉。
- (2) Perfect Bliss Limited由執行董事徐文均先生擁有全部權益。根據證券及期貨條例，徐文均先生被視為於Perfect Bliss Limited持有的34,079,000股股份中擁有權益。

Other Information 其他資料

(3) Gigantic Path Limited is owned as to 100% by Mr. Ding Yuzhao, an executive Director. By virtue of the SFO, Mr. Ding Yuzhao is deemed to be interested in the 14,898,000 Shares held by Gigantic Path Limited.

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

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

As at 30 June 2020, 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:

(3) Gigantic Path Limited由執行董事丁玉釗先生擁有全部權益。根據證券及期貨條例，丁玉釗先生被視為於Gigantic Path Limited持有的14,898,000股股份中擁有權益。

除上文所披露者外，於2020年6月30日，概無董事或本公司最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第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等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。

主要股東於股份及相關股份中的權益及淡倉

於2020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：

Shareholders 股東	Capacity/ Nature of interest 身份／權益性質	Number of Shares held ⁽¹⁾ 所持股份數目 ⁽¹⁾	Approximate percentage of shareholding in our Company 於本公司持股 的概約百分比
Golden Boomer Limited ⁽²⁾	Beneficial owner 實益擁有人	30,000,000 Shares (L) 30,000,000 股股份 (L)	6.82%
Ms. Lan Shaoyun ⁽²⁾ 蘭紹贊女士 ⁽²⁾	Interest of controlled corporation 受控法團權益	30,000,000 Shares (L) 30,000,000 股股份 (L)	6.82%

Other Information 其他資料

Shareholders 股東	Capacity/ Nature of interest 身份／權益性質	Number of Shares held ⁽¹⁾ 所持股份數目 ⁽¹⁾	Approximate percentage of shareholding in our Company 於本公司持股 的概約百分比
Mr. Hong Jianbin ⁽²⁾ 洪堅斌先生 ⁽²⁾	Interest of spouse 配偶權益	30,000,000 Shares (L) 30,000,000 股股份 (L)	6.82%
Perfect Bliss Limited ⁽³⁾ Perfect Bliss Limited ⁽³⁾	Beneficial owner 實益擁有人	34,079,000 Shares (L) 34,079,000 股股份 (L)	7.75%
Ms. Zhu Zhen ⁽³⁾ 朱珍女士 ⁽³⁾	Interest of spouse 配偶權益	34,079,000 Shares (L) 34,079,000 股股份 (L)	7.75%
HJ Technology Co., Limited ⁽⁴⁾ HJ Technology Co., Limited ⁽⁴⁾	Beneficial owner 實益擁有人	36,000,000 Shares (L) 36,000,000 股股份 (L)	8.18%
Mr. Wu Kai ⁽⁴⁾ 吳凱先生 ⁽⁴⁾	Interest of controlled corporation 受控法團權益	36,000,000 Shares (L) 36,000,000 股股份 (L)	8.18%
Ms. Pang Min ⁽⁴⁾ 龐敏女士 ⁽⁴⁾	Interest of spouse 配偶權益	36,000,000 Shares (L) 36,000,000 股股份 (L)	8.18%
Well Grace Trading Co., Limited ⁽⁵⁾ Well Grace Trading Co., Limited ⁽⁵⁾	Beneficial owner 實益擁有人	49,000,000 Shares (L) 49,000,000 股股份 (L)	11.14%
Mr. Lin Kaiquan ⁽⁵⁾ 林開泉先生 ⁽⁵⁾	Interest of controlled corporation 受控法團權益	49,000,000 Shares (L) 49,000,000 股股份 (L)	11.14%
Ms. Yang Lihua ⁽⁵⁾ 楊麗華女士 ⁽⁵⁾	Interest of spouse 配偶權益	49,000,000 Shares (L) 49,000,000 股股份 (L)	11.14%
Fortune Harvest Materials Hongkong Limited ⁽⁶⁾ 香港瑞豐物產國際有限公司 ⁽⁶⁾	Beneficial owner 實益擁有人	116,000,000 Shares (L) 116,000,000 股股份 (L)	26.36%
Mr. Chen Ming Hua ⁽⁶⁾ 陳明華先生 ⁽⁶⁾	Interest of controlled corporation 受控法團權益	116,000,000 Shares (L) 116,000,000 股股份 (L)	26.36%
Ms. Huang Hanyu ⁽⁶⁾ 黃韓羽女士 ⁽⁶⁾	Interest of spouse 配偶權益	116,000,000 Shares (L) 116,000,000 股股份 (L)	26.36%
Forever Win Asia Trading Limited ⁽⁷⁾ Forever Win Asia Trading Limited ⁽⁷⁾	Beneficial owner 實益擁有人	24,000,000 Shares (L) 24,000,000 股股份 (L)	5.45%
Mr. Chen Chengmei ⁽⁷⁾ 陳成梅先生 ⁽⁷⁾	Interest of controlled corporation 受控法團權益	24,000,000 Shares (L) 24,000,000 股股份 (L)	5.45%

Notes:

(1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in our Shares.

附註：

(1) 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）。

Other Information 其他資料

- (2) Golden Boomer Limited is owned as to 100% by Ms. Lan Shaoyun. By virtue of the SFO, Ms. Lan Shaoyun is deemed to be interested in the 30,000,000 Shares held by Golden Boomer Limited. Mr. Hong Jianbin is the spouse of Ms. Lan Shaoyun.
- (2) Golden Boomer Limited由蘭紹贊女士擁有全部權益。根據證券及期貨條例，蘭紹贊女士被視為於Golden Boomer Limited持有的30,000,000股股份中擁有權益。洪堅斌先生為蘭紹贊女士的配偶。
- (3) Perfect Bliss Limited is owned as to 100% by Mr. Xu Wenjun. By virtue of the SFO, Mr. Xu Wenjun is deemed to be interested in the 34,079,000 Shares held by Perfect Bliss Limited. Ms. Zhu Zhen is the spouse of Mr. Xu Wenjun.
- (3) Perfect Bliss Limited由徐文均先生擁有全部權益。根據證券及期貨條例，徐文均先生被視為於Perfect Bliss Limited持有的34,079,000股股份中擁有權益。朱珍女士為徐文均先生的配偶。
- (4) HJ Technology Co., Limited is owned as to 100% by Mr. Wu Kai. By virtue of the SFO, Mr. Wu Kai is deemed to be interested in the 36,000,000 Shares held by HJ Technology Co., Limited. Ms. Pang Min is the spouse of Mr. Wu Kai.
- (4) HJ Technology Co., Limited由吳凱先生擁有全部權益。根據證券及期貨條例，吳凱先生被視為於HJ Technology Co., Limited持有的36,000,000股股份中擁有權益。龐敏女士為吳凱先生的配偶。
- (5) Well Grace Trading Co., Limited is owned as to 100% by Mr. Lin Kaiquan. By virtue of the SFO, Mr. Lin Kaiquan is deemed to be interested in the 49,000,000 Shares held by Well Grace Trading Co., Limited. Ms. Yang Lihua is the spouse of Mr. Lin Kaiquan.
- (5) Well Grace Trading Co., Limited由林開泉先生擁有全部權益。根據證券及期貨條例，林開泉先生被視為於Well Grace Trading Co., Limited持有的49,000,000股股份中擁有權益。楊麗華女士為林開泉先生的配偶。
- (6) Fortune Harvest Materials Hongkong Limited is owned as to 100% by Mr. Chen Ming Hua. By virtue of the SFO, Mr. Chen Ming Hua is deemed to be interested in the 116,000,000 Shares held by Fortune Harvest Materials Hongkong Limited. Ms. Huang Hanyu is the spouse of Mr. Chen Ming Hua.
- (6) 香港瑞豐物產國際有限公司由陳明華先生擁有全部權益。根據證券及期貨條例，陳明華先生被視為於香港瑞豐物產國際有限公司持有的116,000,000股股份中擁有權益。黃韓羽女士為陳明華先生的配偶。
- (7) Forever Win Asia Trading Limited is owned as to 100% by Mr. Chen Chengmei. By virtue of the SFO, Mr. Chen Chengmei is deemed to be interested in the 24,000,000 Shares held by Forever Win Asia Trading Limited.
- (7) Forever Win Asia Trading Limited由陳成梅先生擁有全部權益。根據證券及期貨條例，陳成梅先生被視為於Forever Win Asia Trading Limited持有的24,000,000股股份中擁有權益。

Save as disclosed herein, the Directors are not aware of any person who has, as at 30 June 2020 (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2020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

Our Company has conditionally adopted a share option scheme (the “**Share Option Scheme**”) on 6 September 2018 which became effective on 26 September 2018 (the “**Listing Date**”). Under the Share Option Scheme, the eligible participants of the scheme, including Directors, full-time employees of and advisers and consultants to our Company or our subsidiaries may be granted options which entitle them to subscribe for Shares, when aggregated with options granted under any other scheme, representing initially not more than 10% of the Shares in issue on the Listing Date.

During the six months ended 30 June 2020 and to the date of this report, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

Save for the issuance of 40,000,000 Shares on 3 June 2020 pursuant to the subscription agreements as disclosed in the announcement of the Company dated 19 May 2020, 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 2020.

INTERIM DIVIDEND

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

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(「**購股權計劃**」)，並於2018年9月26日生效(「**上市日期**」)。根據購股權計劃，計劃的合資格參與者(包括本公司或其附屬公司董事、全職僱員、顧問及諮詢人)可獲授可認購股份的購股權，與根據任何其他計劃授出的購股權合計，可認購的股份初步不超過於上市日期已發行股份10%。

截至2020年6月30日止六個月及截至本報告日期，概無購股權根據購股權計劃獲授出、行使、屆滿或失效，且概無尚未行使的購股權。

購買、出售及贖回上市證券

除根據本公司日期為2020年5月19日的公告所披露的認購協議下於2020年6月3日發行40,000,000股股份外，截至2020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2020年6月30日止六個月的中期股息(截至2019年6月30日止六個月：無)。

Other Information 其他資料

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 all the code provisions set out in the CG Code during the six months ended 30 June 2020.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted 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 2020.

REVIEW OF THE INTERIM RESULTS

The Company established the audit committee of the Company (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.

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2020年6月30日止六個月，本公司已遵守企業管治守則的全部守則條文。

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標準守則，作為其自身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2020年6月30日止六個月已遵守標準守則。

審閱中期業績

本公司成立本公司的審核委員會(「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。

Other Information

其他資料

The Audit Committee has reviewed the Company's unaudited condensed consolidated interim results for the six months ended 30 June 2020, 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 2020 is unaudited, but has been reviewed by the Auditor, 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

There has been no change in the Directors' biographical details which are required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules.

USE OF PROCEEDS

Global Offering

The Shares of the Company were successfully listed on the Main Board of the Stock Exchange on 26 September 2018. The net proceeds from the global offering, after deducting the listing expenses, were approximately HK\$123.2 million and had been fully utilised during the year ended 31 December 2019, according to the adjusted intended use of proceeds as disclosed in the Company's announcement dated 17 July 2019.

審核委員會已審閱本公司於截至2020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2020年6月30日止六個月的中期業績未經審核，但已由核數師根據香港會計師公會頒佈的香港審閱委聘準則第2410號「實體的獨立核數師對中期財務資料進行審閱」進行審閱。

根據上市規則第13.51B(1)條的董事履歷詳情變動

根據上市規則第13.51B(1)條須予披露之董事履歷詳情並無任何變動。

所得款項用途

全球發售

本公司股份於2018年9月26日成功於聯交所主板上市。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，並已根據本公司日期為2019年7月17日的公告所披露的經修訂所得款項擬定用途，於截至2019年12月31日止年度已悉數動用。

Other Information 其他資料

Allotment and issuance of 40,000,000 Shares under general mandate

Pursuant to the subscription agreements dated 19 May 2020, the Company allotted and issued, and the subscribers subscribed for, an aggregate of 40,000,000 Shares at HK\$1.092 per Share for an aggregate cash consideration of HK\$43,680,000 (equivalent to approximately US\$5,628,866) on 3 June 2020 (the "Subscriptions").

The aggregate gross proceeds of the Subscriptions amounted to HK\$43,680,000 (equivalent to approximately US\$5,628,866) and the aggregate net proceeds, after the deduction of the related expenses, was approximately HK\$43,280,000 (equivalent to approximately US\$5,577,320). As at 30 June 2020, the net proceeds from the Subscriptions remained un-utilised and it is intended that they will be applied for general working capital of the Group in the next three years as follows:

根據一般授權配發及發行 40,000,000 股股份

根據日期為2020年5月19日的認購協議，本公司於2020年6月3日按每股股份1.092港元配發及發行合共40,000,000股股份，而認購人以總現金代價43,680,000港元(相當於約5,628,866美元)認購該等股份(「認購事項」)。

認購事項之所得款項總額合共為43,680,000港元(相等於約5,628,866美元)，扣除相關開支後之所得款項淨額總額約為43,280,000港元(相等於約5,577,320美元)。於2020年6月30日，認購事項之所得款項淨額仍未動用，而本公司擬於未來三年將其用作本集團之一般營運資金如下：

	Proposed use of proceeds as disclosed in the announcement of the Company dated 19 May 2020 本公司日期為2020年5月19日的公告所披露所得款項的擬定用途 HK\$ 港元	Utilised up to 30 June 2020	Un-utilised up to 30 June 2020
		截至2020年6月30日已動用 HK\$ 港元	截至2020年6月30日未動用 HK\$ 港元
General working capital 一般營運資金	43,280,000	–	43,280,000
	43,280,000	–	43,280,000

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