



信阳毛尖集团有限公司
XINYANG MAOJIAN GROUP LIMITED

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(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(於開曼群島註冊成立並於百慕達存續之有限公司)

(Stock Code 股份代號: 362)

INTERIM REPORT 中期報告 2018



FINANCIAL HIGHLIGHTS

財務摘要

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	Change 變動
TURNOVER	營業額	205,162	167,150	22.7%
LOSS FOR THE PERIOD	期間虧損	(47,907)	(27,598)	73.6%
BASIC LOSS PER SHARE	每股基本虧損	HK(4.26) cents 港仙	HK(2.33) cents 港仙	82.8%
INTERIM DIVIDEND PER SHARE	每股中期股息	-	-	-

The Board of Directors (the “**Board**” or “**Directors**”) of Xinyang Maojian Group Limited (formerly known as China Zenith Chemical Group Limited) (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim financial statements (the “**Interim Financial Statements**”) of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 31 December 2018 (the “**Period**”). The Interim Financial Statements have not been audited but have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

信陽毛尖集團有限公司（前稱中國天化化工集團有限公司）（「**本公司**」）董事會（「**董事會**」或「**董事**」）欣然公佈本公司及其附屬公司（統稱「**本集團**」）截至二零一八年十二月三十一日止六個月（「**期間**」）之未經審核簡明綜合中期財務報表（「**中期財務報表**」）。此中期財務報表未經核數師審核但已由本公司審核委員會（「**審核委員會**」）審閱。



CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

		(Unaudited) (未經審核)	
		Six months ended 31 December	
		截至十二月三十一日 止六個月	
	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Continuing operations	持續經營業務		
Revenue	收益	205,162	167,150
Cost of sales	銷售成本	(144,273)	(100,694)
Gross profit	毛利	60,889	66,456
Other income	其他收入	14,775	23,401
Selling and distribution costs	銷售及分銷成本	(9,629)	(10,352)
Administrative expenses	行政開支	(48,775)	(45,155)
Other operating expenses	其他經營開支	(30,827)	(24,702)
Fair value change of contingent consideration payables	應付或然代價公平值變動	13,838	—
Profit from operations	經營溢利	271	9,648
Finance costs	財務成本	(47,755)	(37,246)
Share of results of a joint venture	應佔一間合營企業業績	(423)	—
Loss before tax	除稅前虧損	(47,907)	(27,598)
Income tax credit	所得稅抵免	—	—
Loss for the period	期間虧損	(47,907)	(27,598)

CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)

簡明綜合收益表(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



		(Unaudited) (未經審核)	
		Six months ended 31 December	
		截至十二月三十一日 止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Note 附註	
Attributable to:	應佔：		
Owners of the Company	本公司擁有人	(48,460)	(25,815)
Non-controlling interests	非控股權益	553	(1,783)
Loss for the period	期間虧損	(47,907)	(27,598)
Loss per share	每股虧損		
— Basic	— 基本	9 HK(4.26) cents 港仙	HK(2.33) cents 港仙
— Diluted	— 攤薄	9 HK(4.26) cents 港仙	HK(2.33) cents 港仙



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收入報表

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

		(Unaudited) (未經審核)	
		Six months ended 31 December 截至十二月三十一日 止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss for the period	期間虧損	(47,907)	(27,598)
Other comprehensive income after tax:	除稅後其他全面收入：		
Item that may be reclassified to profit or loss:	可能獲重新分類至損益之項目：		
Exchange differences on translating foreign operations	換算海外業務匯兌差額	(43,449)	18,519
Other comprehensive income for the period, net of tax	期間其他全面收入，扣除稅項	(43,449)	18,519
Total comprehensive income for the period	期間全面收入總額	(91,356)	(9,079)
Attributable to:	應佔：		
Owners of the Company	本公司擁有人	(88,269)	(10,723)
Non-controlling interests	非控股權益	(3,087)	1,644
		(91,356)	(9,079)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況報表

As at 31 December 2018 於二零一八年十二月三十一日



			(Unaudited) (未經審核) 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元
Non-current assets	非流動資產			
Fixed assets	固定資產		2,356,414	2,480,315
Prepaid land lease payments	預付土地租金		312,514	325,861
Investment in a joint venture	於一間合營企業的投資		4,992	3,614
Goodwill	商譽	16	36,547	—
Other intangible assets	其他無形資產		8,905	9,267
			2,719,372	2,819,057
Current assets	流動資產			
Inventories	存貨		30,365	28,231
Trade receivables	應收貿易賬項	11	30,065	6,748
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項		249,525	258,574
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產		1,300	1,939
Bank and cash balances	銀行及現金結存		71,212	62,240
			382,467	357,732
TOTAL ASSETS	總資產		3,101,839	3,176,789
Capital and reserves	股本及儲備			
Share capital	股本	12	133,043	111,043
Reserves	儲備		1,425,281	1,472,759
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,558,324	1,583,802
Non-controlling interests	非控股權益		90,026	93,113



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

簡明綜合財務狀況報表(續)

As at 31 December 2018 於二零一八年十二月三十一日

			(Unaudited) (未經審核) 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元
Total equity	總權益		1,648,350	1,676,915
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	14	23,009	24,259
Bonds payable	應付債券	13	850,469	820,458
Other payables	其他應付款項		218,147	251,313
Contingent consideration payables	應付或然代價		21,083	—
Deferred tax liabilities	遞延稅項負債		16,856	17,542
			1,129,564	1,113,572
Current liabilities	流動負債			
Trade payables	應付貿易賬項	15	78,157	100,171
Other payables and accruals	其他應付款項及應計款項		125,140	159,276
Other loans	其他貸款		45,558	53,339
Bonds payable	應付債券	13	11,250	—
Bank loans	銀行貸款	14	63,820	73,516
			323,925	386,302
Total liabilities	總負債		1,453,489	1,499,874
TOTAL EQUITY AND LIABILITIES	總權益及負債		3,101,839	3,176,789
Net current assets/ (liabilities)	流動資產/(負債)淨額		58,542	(28,570)
Total assets less current liabilities	總資產減流動負債		2,777,914	2,790,487

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動報表

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



		(Unaudited) (未經審核)							
		For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月 Attributable to owners of the Company 本公司擁有人應佔							
		Share capital	Fixed asset revaluation reserve	Share option reserve	Exchange reserve	Retained profits	Sub-total	Non-controlling interests	Total
		股本	固定資產重估儲備	購股權儲備	外匯儲備	保留溢利	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 July 2018	於二零一八年七月一日	111,043	58,804	8,811	240,868	1,164,276	1,583,802	93,113	1,676,915
Adoption of HKAS 39	採納香港會計準則第39號	-	-	-	-	(9,963)	(9,963)	-	(9,963)
At 1 July 2018 (restated)	於二零一八年七月一日(經重列)	111,043	58,804	8,811	240,868	1,154,313	1,573,839	93,113	1,666,952
Total comprehensive income for the Period	期間全面收入總額	-	-	-	(39,809)	(48,460)	(88,269)	(3,087)	(91,356)
Issue of share under share placement	根據股份配售發行股份	22,000	-	-	-	47,300	69,300	-	69,300
Issue of share options	發行購股權	-	-	3,454	-	-	3,454	-	3,454
Changes in equity for the Period	期間權益變動	22,000	-	3,454	(39,809)	(1,160)	(15,515)	(3,087)	(18,602)
At 31 December 2018	於二零一八年十二月三十一日	133,043	58,804	12,265	201,059	1,153,153	1,558,324	90,026	1,648,350



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

簡明綜合權益變動報表(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

		(Unaudited) (未經審核)							(For the six months ended 31 December 2017 截至二零一七年十二月三十一日止六個月 Attributable to owners of the Company 本公司擁有人應佔)	
		Share capital	Fixed asset revaluation reserve	Share option reserve	Exchange reserve	Retained profits	Sub-total	Non-controlling interests	Total	
		股本	固定資產重估儲備	購股權儲備	外匯儲備	保留溢利	小計	非控股權益	總計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 July 2017	於二零一七年七月一日	107,809	110,368	10,722	206,346	1,323,511	1,758,756	109,528	1,868,284	
Total comprehensive income for the Period	期間全面收入總額	—	—	—	15,092	(25,815)	(10,723)	1,644	(9,079)	
Share option benefit	購股權利益									
— Exercise of share options	— 行使購股權	3,234	—	—	—	6,791	10,025	—	10,025	
— Issue of share options	— 發行購股權	—	—	12,837	—	—	12,837	—	12,837	
— Cancellation of share options	— 註銷購股權	—	—	(10,722)	—	10,722	—	—	—	
— Transfer	— 轉讓	—	—	(4,026)	—	4,026	—	—	—	
Changes in equity for the period	期間權益變動	3,234	—	(1,911)	15,092	(4,276)	12,139	1,644	13,783	
At 31 December 2017	於二零一七年十二月三十一日	111,043	110,368	8,811	221,438	1,319,235	1,770,895	111,172	1,882,067	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量報表

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



		(Unaudited) (未經審核)	
		Six months ended 31 December 截至十二月三十一日 止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
NET CASH USED IN OPERATING ACTIVITIES	經營業務所用之現金淨額	(80,315)	(58,533)
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	投資活動(所用)/所得之現金淨額	(18,193)	10,597
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資活動產生之現金淨額	67,687	100,900
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目(減少)/增加淨額	(30,821)	52,964
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	39,793	(75,207)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初現金及現金等值項目	62,240	93,159
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期終現金及現金等值項目	71,212	70,916
ANALYSIS OF CASH AND CASH EQUIVALENTS	現金及現金等值項目分析		
Bank and cash balances	銀行及現金結存	71,212	70,916



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

These condensed consolidated financial statements should be read in conjunction with the 2018 annual financial statements.

The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the 2018 annual financial statements except as stated in note 2 below.

1. 編製基準及會計政策

此等未經審核簡明綜合財務報表（「**中期財務報表**」）乃根據香港會計師公會所頒佈之香港財務報告準則（「**香港財務報告準則**」）其中一項之香港會計準則（「**香港會計準則**」）第34號「中期財務呈報」及香港聯合交易所有限公司證券上市規則之適用披露規定編製。

此等簡明綜合財務報表應與二零一八年度財務報表一併閱讀。

除下文附註2所述者外，用於編製此等簡明綜合財務報表之會計政策及計算方法，與二零一八年度財務報表所採納者貫徹一致。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



2. ADOPTION OF NEW AND REVISED HKFRSs

In the Period, the Group has adopted all the new and revised HKFRSs that are relevant to its operations and effective for its accounting period beginning on 1 July 2018. HKFRSs comprise all HKFRS; HKAS; and Interpretations. Other than as further explained below, the adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the Period and prior years.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. Considering the nature of the Group's principal activities, the adoption of HKFRS 15 does not have material impact on the Group's revenue recognition and HKFRS 15 had no material impact on amounts and/or disclosures reported in the Interim Financial Statements.

2. 採納新訂及經修訂香港財務報告準則

於本期間，本集團採納所有與其業務有關並於其二零一八年七月一日開始之會計期間生效之新訂及經修訂香港財務報告準則。香港財務報告準則包括全部香港財務報告準則、香港會計準則及詮釋。除下文所進一步闡釋者外，採納該等新訂及經修訂香港財務報告準則對本集團本期間及過往年度之會計政策、本集團財務報表之呈報方式及所呈報金額並無重大影響。

香港財務報告準則第15號客戶合約收入

香港財務報告準則第15號建立了一個新五步驟的模式，以將來自客戶合約產生的收入入賬。根據香港財務報告準則第15號，收入乃按能反映實體預期就向客戶轉讓貨品或服務而有權獲得的代價的金額確認。香港財務報告準則第15號的原則為計量及確認收入提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收入總額，關於履約責任、不同期間之合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。鑒於本集團主要業務之性質，採納香港財務報告準則第15號不會對本集團之收入確認產生重大影響，且香港財務報告準則第15號不會對該中期財務報表所呈報金額及／或披露產生重大影響。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting. The adoption of HKFRS 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

(a) Classification and measurement

On 1 July 2018 (the date of initial adoption of the new HKFRSs), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate categories of the New HKFRSs.

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

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9號 金融工具

香港財務報告準則第9號引入分類及計量、減值及對沖會計之新規定。自二零一八年七月一日起採納香港財務報告準則第9號導致會計政策變動，且對財務報表內所確認之金額作出調整。

(a) 分類及計量

於二零一八年七月一日(首次採納新訂香港財務報告準則日期)，本集團管理層已評估本集團所持金融資產適用之業務模式，並將其金融工具分類為新訂香港財務報告準則項下適當的類別。

香港財務報告準則第9號將金融資產分類為三個主要類別：以攤銷成本計量、按公平值計入其他全面收益(「按公平值計入其他全面收益」)及按公平值計入損益(「按公平值計入損益」)。這些取代了香港會計準則第39號的持有至到期投資、貸款及應收款項、可供出售金融資產及按公平值計入損益計量的金融資產類別。根據香港財務報告準則第9號，金融資產的分類按管理金融資產的業務模式及其合約現金流量的特性釐定。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



2. ADOPTION OF NEW AND REVISED HKFRSS (Continued)

HKFRS 9 Financial Instruments (Continued)

(a) Classification and measurement (Continued)

Upon the adoption of HKFRS 9, the classification and measurement of financial assets depends on two assessments: the financial asset's contractual cash flow characteristics and the entity's business model for managing the financial asset. The Group considered that its equity investments previously classified as available-for-sale financial assets were reclassified as financial assets at FVOCI as these investments are held as long-term strategic investments. Fair value is measured at the reclassification date. Dividends are recognised as income in profit or loss. Any difference between previous amortised cost and fair value on reclassification is recognised in other comprehensive income and never reclassified to profit or loss.

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9號 金融工具(續)

(a) 分類及計量(續)

採納香港財務報告準則第9號後，金融資產之分類及計量取決於兩種評估：金融資產之合約現金流量特點及實體管理金融資產之業務模式。本集團認為其先前分類為可供出售金融資產之股本投資重新分類為按公平值計入其他全面收益之金融資產，此乃由於該等投資持作長期策略投資。公平值於重新分類日期計量。股息於損益中確認為收入。重新分類時過往攤銷成本與公平值之任何差額於其他全面收益中確認且不得重新分類至損益。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 9 Financial Instruments (Continued)

(b) Impairment

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the expected credit loss (“ECL”) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the “incurred loss” accounting model in HKAS 39.

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, loans to customers, trade and other receivables that are not accounted for at fair value through profit or loss under HKFRS 9 are recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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9號 金融工具(續)

(b) 減值

香港財務報告準則第9號以預期信貸虧損(「**預期信貸虧損**」)模式取代香港會計準則第39號的「已產生虧損」模式。預期信貸虧損模式要求對金融資產的相關信貸風險持續計量，所以在此模式下預期信貸虧損的確認會較香港會計準則第39號的「已產生虧損」會計模式為早。

香港財務報告準則第9號規定，按攤銷成本或公平值計入其他全面收益債務工具、客戶貸款以及並非根據香港財務報告準則第9號按公平值計入損益之貿易及其他應收款項之減值，須基於12個月基準或年期基準之預期信貸虧損模式入賬。所應用之減值方法取決於信貸風險有否出現大幅增加。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 9 Financial Instruments (Continued)

(b) Impairment (Continued) **Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group considers reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or

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9號 金融工具(續)

(b) 減值(續) **計量預期信貸虧損**

預期信貸虧損是信貸虧損的概率加權估計。信貸虧損以所有預期現金不足額(即本集團根據合約應得的現金流量和本集團預期收到的現金流量之間的差額)的現值計量。

於估計預期信貸虧損時考慮的最長期間為本集團承受信貸風險的最長合約期間。

在計量預期信貸虧損時，本集團考慮合理及有理據而無需付出不必要的成本或努力獲得的資料。這包括過去事件、當前狀況和未來經濟狀況預測等資料。

預期信貸虧損基於下列其中一個基準計量：

- 12個月的預期信貸虧損：預計在報告日期後12個月內可能發生的違約事件而導致的虧損；或



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 9 Financial Instruments (Continued)

(b) Impairment (Continued) *Measurement of ECLs (Continued)*

- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

For trade receivable

Allowances of doubtful debts for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting 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9號 金融工具(續)

(b) 減值(續) *計量預期信貸虧損 (續)*

- 整個存續期的預期信貸虧損：預計該等採用預期信貸虧損模式的項目在預期存續期內所有可能發生的違約事件而導致的虧損。

對於貿易應收款項

貿易應收款項的呆賬撥備始終是以相等於整個存續期的預期信貸虧損的金額計量。該等金融資產的預期信貸虧損是利用基於本集團過往信貸虧損經驗的撥備矩陣進行估算，並按在報告日期債務人的個別因素及對當前和預測整體經濟狀況的評估進行調整。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 9 Financial Instruments (Continued)

(b) Impairment (Continued)
***Other financial assets subject to
impairment***

For all other financial assets, the Group recognises allowances of doubtful debts equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the allowances of doubtful debts are measured at an amount equal to lifetime ECLs.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

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9號 金融工具(續)

(b) 減值(續)
受減值影響的其他金融資產

至於所有其他金融資產，本集團會以相等於12個月的預期信貸虧損金額確認呆賬撥備，但若自初始確認後該金融工具的信貸風險顯著增加，則呆賬撥備會以整個存續期的預期信貸虧損金額計量。

預期信貸虧損於各報告日期進行重新計量，以反映自初始確認後金融工具信貸風險的變化。預期信貸虧損金額的任何變化於損益中確認。本集團確認所有金融工具的減值收益或虧損，並透過虧損撥備賬對其賬面值進行相應調整。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 9 Financial Instruments (Continued)

(b) Impairment (Continued)
**Other financial assets subject to
impairment (Continued)**

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

- The Group has taken an exemption not to restate comparative information for prior periods with respect to measurement (including impairment) requirements. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in retained earnings and reserves as at 1 July 2018. Accordingly, the information presented for 2018 annual financial statements continues to be reported under HKAS 39 and thus may not be comparable with the Period.

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9號 金融工具(續)

(b) 減值(續)
**受減值影響的其他金
融資產(續)**

除下文所述外，因採納香港財務報告準則第9號而引致的會計政策變動已追溯應用：

- 本集團已使用豁免，不重列有關計量(包括減值)規定之過往期間比較資料。於二零一八年七月一日，採納香港財務報告準則第9號所產生的金融資產賬面值差額於保留盈利及儲備內確認。因此，所呈列之二零一八年年度財務報表資料繼續根據香港會計準則第39號呈報，因此可能與期間的資料不可比較。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 9 Financial Instruments (Continued)

(b) Impairment (Continued) *Other financial assets subject to impairment (Continued)*

- The determination of the business model within which a financial asset is held has been made on the basis of the facts and circumstances that existed as of 1 July 2018 (the date of initial application of HKFRS 9 by the Group).
- If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

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9號 金融工具(續)

(b) 減值(續) *受減值影響的其他金 融資產(續)*

- 釐定持有金融資產的業務模式基於截至二零一八年七月一日(本集團初始應用香港財務報告準則第9號之日)存在之事實及情形作出。
- 在首次應用當日，倘評估自初始確認後信貸風險是否顯著增加會涉及不必要的成本或努力，則就該金融資產確認存續期預期信貸虧損。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

2. 採納新訂及經修訂香港財務報告準則(續)

HKFRS 9 Financial Instruments (Continued)

香港財務報告準則第9號金融工具(續)

(b) Impairment (Continued) *Other financial assets subject to impairment (Continued)*

The following table summarises the classification and measurement (including impairment) of financial assets under HKFRS 9 and HKAS 39 as at 1 July 2018:

(b) 減值(續) *受減值影響的其他金融資產(續)*

下表概述於二零一八年七月一日香港財務報告準則第9號及香港會計準則第39號項下之金融資產分類及計量(包括減值):

		Trade receivables 貿易應收款項 HK\$'000 千港元	Other receivables 其他應收款項 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元
Closing balance as at 30 June 2018 under HKAS 39	香港會計準則第39號項下於二零一八年六月三十日之期末結餘	6,748	77,440	1,164,276
Remeasurement	重新計量			
Recognition of ECLs on trade receivables	確認應收貿易賬項之預期信貸虧損	(12)	—	(12)
Recognition of ECLs on other receivables	確認其他應收賬項之預期信貸虧損	—	(9,951)	(9,951)
		(12)	(9,951)	(9,963)
Opening balance as at 1 July 2018 under HKFRS 9	香港財務報告準則第9號項下於二零一八年七月一日之期初結餘	6,736	67,489	1,154,313

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 9 Financial Instruments (Continued)

(b) Impairment (Continued) *Other financial assets subject to impairment (Continued)*

Loss allowances for other financial assets at amortised cost mainly comprising bank balances, amounts due from related parties and other receivables are measured on 12-month ECLs basis and there had been no significant increase in credit risk since initial recognition. No additional credit loss allowance has been recognised against retained earnings as at 1 July 2018.

The preparation of the Interim Financial Statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise their judgements in the process of applying the Group's accounting policies. Actual results may differ from these estimates. The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Group's annual financial statements for the year ended 30 June 2018.

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9號 金融工具(續)

(b) 減值(續) *受減值影響的其他金 融資產(續)*

按攤銷成本計量之其他金融資產(主要包括銀行結餘、應收關連方款項及其他應收款項)之虧損撥備,乃按12個月的預期信貸虧損的基準計量,且信貸風險自初始確認以來並無大幅增加。並無就於二零一八年七月一日之保留盈利確認額外信貸虧損撥備。

編製符合香港財務報告準則之中期財務報表時須採納若干重大會計估計,亦要求管理層於應用本集團會計政策時作出判斷。實際結果可能有別於該等估計。管理層於應用本集團之會計政策時已作出重大判斷,以及估計不確定性之主要來源與本集團截至二零一八年六月三十日止年度之年度財務報表所採納者一致。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 9 Financial Instruments (Continued)

(b) Impairment (Continued) *Other financial assets subject to impairment (Continued)*

Except as described above, the application of HKFRS 9 in the Period has had no material impact on the amounts and/or disclosures reported in these condensed consolidated financial statements.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position. The Group does not plan to adopt these standards prior to their mandatory effective 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9號 金融工具(續)

(b) 減值(續) *受減值影響的其他金 融資產(續)*

除上述者外，於本期間應用香港財務報告準則第9號對該等簡明綜合財務報表呈報之金額及／或披露並無重大影響。

本集團並未採納已頒佈但並未生效之新訂香港財務報告準則。本集團已經開始評估該等新訂香港財務報告準則之影響，惟現時無法說明該等新訂香港財務報告準則會否對其經營業績及財務狀況造成重大影響。本集團並無計劃於強制生效日期前採納該等準則。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



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 of inputs for 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 recurring fair value measurement of the financial assets at fair value through profit or loss was using Level 1 as at 30 June 2018 and 31 December 2018.

3. 公平值計量

簡明綜合財務狀況報表所列示本集團金融資產及金融負債之賬面值與其各自之公平值相若。

公平值是市場參與者在計量日進行之有秩序交易中出售一項資產所收取或轉讓一項負債所支付之價格。以下披露之公平值計量使用公平值等級機制，有關機制將用以計量公平值之估值技術之輸入數據分為三級，詳情如下：

第1級輸入數據：本集團可在計量日取得之相同資產或負債在活躍市場之報價(未經調整)。

第2級輸入數據：除第1級報價以外，基於可直接或間接觀察取得之資產或負債輸入數據。

第3級輸入數據：資產或負債之無法觀察輸入數據。

本集團之政策是於轉撥事件或導致轉撥之情況出現變動之日，確認轉入及轉出三個級別任何之一。

於二零一八年六月三十日及二零一八年十二月三十一日，按公平值計入損益之金融資產之經常性公平值計量均使用第1級。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

4. REVENUE

Revenue represents the net invoiced value of goods sold and services provided, after allowances for returns and trade discounts, and after eliminations of all significant intra-group transactions during the Period.

4. 收益

收益指於期間內經扣除退貨撥備及商業折扣，並對銷集團內公司間之所有重大交易後所得之銷售貨品及提供服務發票淨值。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Continuing operations:	持續經營業務：		
Heat supplying services	熱能供應服務	124,392	126,731
Electricity supplying services	電力供應服務	2,521	5,139
Sales of calcium carbide	銷售碳化鈣	66,594	35,280
Sales of beverage products	銷售飲料產品	9,994	—
Facilities of construction services	設施建設服務	1,661	—
		205,162	167,150

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5. SEGMENT INFORMATION

The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies. The Group has six reportable segments as follows:

Heat and power — generation and supply of heat and power;

Calcium carbide — manufacture and sale of calcium carbide;

Construction services — construction and monitor of public facilities construction;

Beverage business — sale of beverage products;

Polyvinyl-chloride — manufacture and sale of polyvinyl-chloride; and

Vinyl acetate — manufacture and sale of vinyl acetate.

5. 分部資料

本集團各可報告分部為提供不同產品之策略性業務單位，基於各項業務所需技術及市場推廣策略不同而獨立管理。本集團有以下六個可報告分部：

熱能及電力 — 生產及供應熱能及電力；

碳化鈣 — 製造及銷售碳化鈣；

建造服務 — 建設及監察公用設施建設；

飲料業務 — 銷售飲料產品；

聚氯乙烯 — 製造及銷售聚氯乙烯；及

醋酸乙烯 — 製造及銷售醋酸乙烯。



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5. SEGMENT INFORMATION (Continued)

The accounting policies of the operating segments are the same as those described in the Group's 2018 annual financial statements. Segment profits or losses do not include fair value gain on financial assets at fair value through profit or loss and corporate administrative expenses. Segment assets do not include bank and cash balances, financial assets at fair value through profit or loss and corporate assets. Segment liabilities do not include bank loans, bonds payable, bond interest payable, other loans and other payables and accruals for general administrative use.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

5. 分部資料(續)

各經營分部之會計政策與本集團二零一八年度財務報表所述者相同。分部溢利或虧損並無計入按公平值計入損益之金融資產公平值收益及公司行政開支。分部資產並無計入銀行及現金結存、按公平值計入損益之金融資產以及公司資產。分部負債並無計入銀行貸款、應付債券、應付債券利息、其他貸款以及其他應付款項及一般行政用途之應計款項。

本集團按向第三方作出之銷售或轉讓(即現行市價)計算分部間銷售及轉讓。

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5. SEGMENT INFORMATION (Continued)

5. 分部資料(續)

Information about reportable segment profit or loss, assets and liabilities:

有關可報告分部之溢利或虧損、資產及負債之資料：

		(Unaudited) (未經審核)						
		Heat and power 熱能及電力 HK\$'000 千港元	Calcium carbide 碳化鈣 HK\$'000 千港元	Construction services 建設服務 HK\$'000 千港元	Beverage business 飲料業務 HK\$'000 千港元	Polyvinyl-chloride 聚氯乙烯 HK\$'000 千港元	Vinyl acetate 醋酸乙烯 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Six months ended 31 December 2018	截至二零一八年 十二月三十一日 止六個月							
Revenue from external customers	外界客戶收益	126,913	66,594	1,661	9,994	—	—	205,162
Segment profit/(loss)	分部溢利/(虧損)	41,889	(12,590)	(1,550)	(1,671)	(8,685)	(10,126)	7,267
As at 31 December 2018	於二零一八年 十二月三十一日							
Segment assets	分部資產	791,979	1,702,935	158,345	3,072	178,846	92,247	2,927,424
Segment liabilities	分部負債	109,486	280,459	54,898	6,377	14,173	18,651	484,044
		(Unaudited) (未經審核)						
		Heat and power 熱能及電力 HK\$'000 千港元	Calcium carbide 碳化鈣 HK\$'000 千港元	Construction services 建設服務 HK\$'000 千港元	Beverage business 飲料業務 HK\$'000 千港元	Polyvinyl-chloride 聚氯乙烯 HK\$'000 千港元	Vinyl acetate 醋酸乙烯 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Six months ended 31 December 2017	截至二零一七年 十二月三十一日 止六個月							
Revenue from external customers	外界客戶收益	131,870	35,280	—	—	—	—	167,150
Segment profit/(loss)	分部溢利/(虧損)	57,924	(18,273)	—	—	(6,130)	(5,473)	28,048
As at 30 June 2018	於二零一八年 六月三十日							
Segment assets	分部資產	814,200	1,730,251	169,525	—	193,531	98,025	3,005,532
Segment liabilities	分部負債	145,540	275,619	59,449	—	14,751	30,030	525,389
		(Audited) (經審核)						



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

5. SEGMENT INFORMATION (Continued)

5. 分部資料(續)

Reconciliation of reportable segment profit or loss:

可報告分部溢利或虧損對賬如下：

		(Unaudited) (未經審核)	
		Six months ended 31 December	
		截至十二月三十一日 止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit or loss	溢利或虧損		
Total profit or loss of reportable segments	可報告分部溢利或虧損總額	7,267	28,048
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值虧損	(639)	(137)
Share of results of a joint venture	應佔一間合營企業業績	(423)	—
Corporate administrative expenses	公司行政開支	(54,112)	(55,509)
Consolidated loss for the period	期間綜合虧損	(47,907)	(27,598)

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For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



6. OTHER INCOME

6. 其他收入

		(Unaudited) (未經審核)	
		Six months ended 31 December	
		截至十二月三十一日 止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank interest income	銀行利息收入	84	17
Gain on settlement of other loan payables	償付其他應付貸款的 收益	13,748	—
Construction income of installation of pipe	安裝管道之建設收入	943	5,441
Reversal of allowance for trade and other receivables	應收貿易賬項及其他 應收款項撥備撥回	—	14,451
Write off of other payables due to deregistration	因撤銷登記而撤銷 其他應付款項	—	3,252
Sundry income	雜項收入	—	240
		14,775	23,401



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For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

7. INCOME TAX CREDIT

7. 所得稅抵免

(Unaudited)

(未經審核)

Six months ended

31 December

截至十二月三十一日

止六個月

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current tax 即期稅項	—	—

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the Period (2017: Nil).

由於本集團於期間並無在香港產生任何應課稅溢利，因此並無就香港利得稅計提撥備(二零一七年：無)。

Tax charge on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

其他地區應課稅溢利之稅項支出乃按照本集團經營業務所在國家當前稅率，根據該等國家現有法例、詮釋及慣例計算。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



8. LOSS FOR THE PERIOD

8. 期間虧損

The Group's loss for the Period is stated after charging the following:

本集團於期間之虧損已扣除下列各項列賬：

		(Unaudited) (未經審核)	
		Six months ended 31 December	
		截至十二月三十一日 止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Depreciation	折舊	53,014	52,088
Amortisation of other intangible assets	其他無形資產攤銷	—	86
Allowance for receivables	應收款項撥備		
— trade receivables	— 應收貿易賬項	5,131	—
— other receivables	— 其他應收款項	3,326	—
Factory overhead incurred during suspension of production (note)	停產期間產生之工廠日常開支(附註)	23,314	23,123
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值虧損	638	137
Operating lease rental expenses	經營租賃租金開支	1,448	1,422
Staff costs (excluding Directors' emoluments):	員工成本(不包括董事酬金):		
Wages, salaries and benefits in kind	工資、薪金及實物利益	17,083	12,233
Employee share option benefits	員工購股權福利	3,454	10,001
Retirement benefits scheme contributions	退休福利計劃供款	3,830	3,354
Directors' emoluments	董事酬金	684	3,434

Note: For the Period and the six months ended 31 December 2017, factory overhead was incurred during the temporary suspension of production line of polyvinyl-chloride segment, vinyl acetate segment and calcium carbide segment.

附註：本期間及截至二零一七年十二月三十一日止六個月期間，產生工廠日常開支，該等開支乃聚氯乙烯分部、醋酸乙烯分部及碳化鈣分部之生產線暫時停產期間產生。



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For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

9. EARNINGS/(LOSS) PER SHARE

(a) Basic loss per share

Calculation of basic loss per share attributable to the owners of the Company is based on the loss for the Period attributable to the owners of the Company of approximately HK\$48,460,000 (2017: HK\$25,815,000) and the weighted average number of ordinary shares of 1,136,731,667 (2017: 1,106,776,029) in issue during the Period.

(b) Diluted loss per share

For the Period and the six months ended 31 December 2017, the diluted loss per share was the same as the basic loss per share as the computation of the diluted loss does not assume the exercise of the Company's share options because assumption of exercise of the share options would result in a decrease in loss per share.

9. 每股盈利／(虧損)

(a) 每股基本虧損

本公司擁有人應佔每股基本虧損乃根據本公司擁有人應佔期間虧損約48,460,000港元(二零一七年: 25,815,000港元)及期間已發行普通股加權平均數1,136,731,667股(二零一七年: 1,106,776,029股)計算。

(b) 每股攤薄虧損

由於計算攤薄虧損時並無假設行使本公司之購股權(原因是假設行使購股權會導致每股虧損減少),故本期間及截至二零一七年十二月三十一日止六個月期間每股攤薄虧損與每股基本虧損相同。

10. CAPITAL EXPENDITURE

During the Period, the additions to fixed assets including the construction in progress in the PRC were approximately HK\$16.39 million (2017: HK\$10.11 million).

10. 資本開支

於期間內,添置固定資產(包括中國在建工程)之金額約為16,390,000港元(二零一七年: 10,110,000港元)。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

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11. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 60 to 180 days (30 June 2018: 60 to 180 days). The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management.

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

11. 應收貿易賬項

本集團主要按信貸期與客戶進行交易。信貸期一般介乎60至180日(二零一八年六月三十日: 60至180日)。本集團致力維持嚴格控制其未償還應收賬項。逾期賬項由管理層定期檢討。

以下為應收貿易賬項(經扣除撥備)按發票日期之賬齡分析:

		(Unaudited) (未經審核) 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元
Within 30 days	30日內	11,361	77
31 to 60 days	31至60日	880	6,660
61 to 90 days	61至90日	13,662	11
91 to 180 days	91至180日	129	—
181 to 270 days	181至270日	3,431	—
271 to 365 days	271至365日	602	—
		30,065	6,748



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For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

12. SHARE CAPITAL

12. 股本

		(Unaudited) (未經審核) 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元
Authorised	法定		
5,000,000,000 ordinary shares of HK\$0.10 each	5,000,000,000股每股面值0.10港元之普通股	500,000	500,000
Issued and fully paid	已發行及繳足		
1,330,427,319 (30 June 2018: 1,110,427,319) ordinary shares of HK\$0.10 each	1,330,427,319股 (二零一八年 六月三十日: 1,110,427,319 股)每股面值 0.10港元之 普通股	133,043	111,043

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



12. SHARE CAPITAL (Continued)

12. 股本(續)

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

本公司之已發行股本於期間之變動情況概述如下：

		Number of ordinary shares issued 已發行 普通股數目 '000 千股	Par value 面值 HK\$'000 千港元
At 1 July 2017	於二零一七年 七月一日	1,078,087	107,809
Issue of shares on exercise of share options (note a)	就行使購股權發行 股份(附註a)	32,340	3,234
At 30 June 2018 and 1 July 2018	於二零一八年 六月三十日及 二零一八年 七月一日	1,110,427	111,043
Issue of shares under a subscription agreement (note b)	根據認購協議發行 股份(附註b)	220,000	22,000
At 31 December 2018	於二零一八年 十二月三十一日	1,330,427	133,043

Notes:

附註：

(a) During the period ended 31 December 2017, the subscription rights attaching to 32,340,000 shares options issued pursuant to share option scheme of the Company were exercised at the subscription price of HK\$0.31 per share, resulting in the issue of 32,340,000 shares of HK\$0.1 each for the total cash consideration of approximately HK\$10,025,000.

(a) 於截至二零一七年十二月三十一日止期間，根據本公司購股權計劃發行的32,340,000份購股權所附的認購權按每股股份0.31港元之認購價獲行使，導致本公司發行32,340,000股每股面值0.1港元的股份，收到總現金代價約為10,025,000港元。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

12. SHARE CAPITAL (Continued)

Notes: (Continued)

- (b) On 10 December 2018, pursuant to a subscription agreement dated 5 October 2018, 220,000,000 ordinary shares of HK\$0.1 each were allotted and issued at the price of HK\$0.315 per share.

12. 股本(續)

附註：(續)

- (b) 於二零一八年十二月十日，根據日期為二零一八年十月五日的認購協議，每股面值0.1港元之220,000,000股普通股獲配發及發行，每股價格為0.315港元。

13. BONDS PAYABLE

The movement of the bonds payable is as follows:

13. 應付債券

應付債券之變動如下：

		(Unaudited) (未經審核) 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元
Carrying amount at the beginning of period/year	於期初／年初之賬面值	820,458	633,475
Issuance of bonds	發行債券	11,500	126,548
Interest charge for the period/year	期內／年內利息 開支	35,748	69,722
Interest paid for the period/year	期內／年內之 已付利息	(5,987)	(9,287)
Carrying amount at the end of period/year	於期終／年終之 賬面值	861,719	820,458

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

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13. BONDS PAYABLE (Continued)

13. 應付債券(續)

The bonds were repayable as follows:

債券以下列方式償還：

	(Unaudited) (未經審核) 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元
Within one year 一年內	11,250	—
In the second to fifth years inclusive 第二年至第五年(包括首尾兩年)	576,690	549,311
After five years 五年後	906,079	887,607
	1,494,019	1,436,918

The bonds payables are unsecured and interest bearing at coupon rates of 3% to 12% (30 June 2018: 3% to 12%).

應付債券為無抵押及按票息率3厘至12厘計息(二零一八年六月三十日：3厘至12厘)。

The bonds payable are measured at amortised cost, using the effective interest method, and the effective rates are ranging from 3.0% to 18.92% per annum (30 June 2018: 3.0% to 18.92% per annum) after taking into account the transaction costs directly attributable to the issuance of the bonds.

應付債券以實際利率法按攤銷成本計量，經計及發行債券直接應佔之交易費用後，實際年利率介乎3.0厘至18.92厘(二零一八年六月三十日：年利率介乎3.0厘至18.92厘)。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

14. BANK LOANS

The Group's bank loans are repayable as follows:

14. 銀行貸款

本集團之銀行貸款須於下列期間償還：

		(Unaudited) (未經審核) 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元
Term loans subject to a repayment on demand clause	須遵守催繳條款之定期貸款	34,169	35,559
Within one year	一年內	29,651	37,957
In the second year	第二年	2,606	2,606
In the third to fifth years inclusive	第三至第五年 (包括首尾兩年)	8,158	8,158
After five years	五年後	12,245	13,495
		86,829	97,775
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：十二個月內到期償還之款項(列作流動負債)	(63,820)	(73,516)
		23,009	24,259

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



14. BANK LOANS (Continued)

The carrying amounts of the Group's bank loans are denominated in the following currencies:

14. 銀行貸款(續)

本集團銀行貸款之賬面值乃以下列貨幣計值：

		(Unaudited) (未經審核) 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元
Hong Kong dollars	港元	25,562	26,812
Renminbi	人民幣	61,267	70,963
		86,829	97,775

As of 31 December 2018, bank loans were arranged at floating rates ranging from 2.10% to 8.50% (30 June 2018: 2.10% to 8.50%) per annum, thus exposing the Group to cash flow interest rate risk. Bank loans are secured by the pledge of the Group's fixed assets, land held under finance leases and prepaid land lease payments.

於二零一八年十二月三十一日，銀行貸款按浮動年利率介乎2.10厘至8.50厘(二零一八年六月三十日：2.10厘至8.50厘)計息，故本集團須承受現金流量利率風險。銀行貸款以本集團固定資產、根據融資租賃持有之土地及預付土地租金之質押作為抵押。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

15. TRADE PAYABLES

The Group normally obtains credit terms ranging from 30 to 120 days (30 June 2018: 30 to 120 days) from its suppliers.

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

15. 應付貿易賬項

本集團一般獲其供應商給予30至120日(二零一八年六月三十日: 30至120日)之信貸期。

以下為應付貿易賬項按接收貨品日期呈列之賬齡分析:

		(Unaudited) (未經審核) 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元
Within 30 days	30日內	12,690	3,499
31 to 60 days	31至60日	7,985	15
61 to 90 days	61至90日	3,098	8,328
91 to 120 days	91至120日	—	10,348
121 to 365 days	121至365日	19,189	36,118
Over 365 days	超過365日	35,195	41,863
		78,157	100,171

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



16. BUSINESS COMBINATION

16. 業務合併

The acquisition has been treated as a business combination.

收購事項已按業務合併處理。

Details of assets and liabilities of the acquiree recognised at the date of acquisition

於收購日期確認的被收購方的資產及負債詳情

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	4
Tax recoverable	可收回稅項	6
Accounts receivable	應收款項	5
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項	475
Bank and cash balances	銀行及現金結存	849
Accounts payable	應付款項	(530)
Other payables and accruals	其他應付款項及應計款項	(2,435)
Net liabilities acquired	已收購負債淨額	(1,626)
Goodwill arising on acquisition	收購產生之商譽	36,547
Total consideration satisfied by fair value of contingent consideration payable	由應付或然代價公平值結付之總代價	34,921



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

16. BUSINESS COMBINATION

(Continued)

Net cash flow effect arising from
the acquisition

16. 業務合併(續)

收購產生之淨現金流量
影響

HK\$'000
千港元

Cash and cash equivalents acquired	購入之現金及現金 等值項目	849
Net cash inflow	淨現金流入	849

On 5 January 2018, the Company entered into a sale and purchase agreement with an independent third party vendor (the “Vendor”) to acquire the entire equity interest of Xinyang Maojian Holding Co., Ltd. (“Xinyang Maojian Holding”), a company incorporated in the BVI, for a total consideration of HK\$85,800,000, which will be satisfied by way of allotment and issue of 220,000,000 new shares of the Company to the Vendor (the “Consideration Shares”). On 11 June 2018, the Company entered into a supplemental agreement (the “Supplemental Agreement”) with the Vendor pursuant to which the Consideration Shares will not be allotted and issued to the Vendor unless and until the guaranteed financial performance set out in the Supplemental Agreement is met by Xinyang Maojian Holding for the two years ending 30 June 2020. The acquisition was completed on 4 October 2018.

於二零一八年一月五日，本公司與一名獨立第三方賣方(「賣方」)訂立買賣協議，以收購信陽毛尖控股有限公司(「信陽毛尖控股」)(一間於英屬處女群島註冊成立的公司)的全部股本權益，總代價為85,800,000港元，將透過向賣方配發及發行本公司220,000,000股新股(「代價股份」)支付。於二零一八年六月十一日，本公司與賣方訂立補充協議(「補充協議」)，據此，截至二零二零年六月三十日止兩個年度，除非且直至信陽毛尖控股達成載列於補充協議中的保證財務表現，本公司才會向賣方配發及發行代價股份。收購事項已於二零一八年十月四日完成。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



17. CONTINGENT LIABILITIES

17. 或然負債

- (a) On 19 November 2012, China Electricity Construction Consultant Group Dongbei Electricity Design College (translated from the Chinese name of 中國電力工程顧問集團東北電力設計院) (the “**Plaintiff**”) filed a writ (the “**Writ**”) with the high court of Heilongjiang Province in the PRC (the “**Heilongjiang High Court**”) against Mudanjiang Better Day Power Limited (“**Mudanjiang BD Power**”), an indirect wholly-owned subsidiary of the Company.

Mudanjiang BD Power had contracted the Plaintiff to construct certain coal-powered electricity generating facilities at the business address of Mudanjiang BD Power (the “**Contract**”). Owing to the alleged delay in the progress of construction, the Plaintiff claimed (i) the payment of the contract sum in the amount of approximately RMB42,700,000 and the interest thereon; (ii) the grant of the first priority right to receive payment from Mudanjiang BD Power in respect of the subject construction project under the Contract; (iii) damages in the sum of approximately RMB13,300,000 for alleged termination of the Contract; and (iv) the legal fees arising from the action. The Company has been seeking legal advice in respect of the Writ on the dispute in the payment for the Contract since December 2012. According to the management of Mudanjiang BD Power, the construction work had been slowed down because the financial resources available for the project development were tied up by unfavourable business operations since 2009.

- (a) 於二零一二年十一月十九日，中國電力工程顧問集團東北電力設計院（「原告」）向中國黑龍江省高等法院（「黑龍江高等法院」）提出針對本公司間接全資附屬公司牡丹江佳日熱電有限公司（「牡丹江佳日熱電」）之令狀（「令狀」）。

牡丹江佳日熱電將位於牡丹江佳日熱電營業地點之若干煤炭發電設施建設工程外判予原告（「合同」）。由於指稱建設工程進度拖延，原告申索(i)支付合同金額為數約人民幣42,700,000元及其利息；(ii)授出就合同項下主體建設項目自牡丹江佳日熱電收取款項之首先優先權；(iii)因聲稱終止合同賠償為數約人民幣13,300,000元；及(iv)訴訟產生之法律費用。本公司自二零一二年十二月起一直就有關合同付款爭議之令狀尋求法律意見。根據牡丹江佳日熱電管理層告知，建設工程進度緩慢乃由於可供項目發展動用之財務資源自二零零九年起因不利營商環境而縮減。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

17. CONTINGENT LIABILITIES

(Continued)

(a) (Continued)

During the Period, the Heilongjiang High Court had adjudged that Mudanjiang BD Power was liable to compensate the Plaintiff for approximately RMB36,700,000. Upon the end of the Period, Mudanjiang BD Power was negotiating with the Plaintiff to continue the construction of the coal-powered electricity generating facilities. Once the performance of the Contract is resumed under the mutual agreement between Mudanjiang BD Power and the Plaintiff, part of the damages granted may be absorbed in the cost of construction.

The management has made sufficient provision for the legal action and believes that a favorable settlement could be reached with the Plaintiff.

(b) On 16 April 2017, Baosteel Engineering & Technology Group Limited (“**Baosteel**”) obtained an arbitral award in the PRC (the “**Award**”) against the Company’s 90% owned subsidiary Heihe Longjiang Chemical Company Limited (“**Heihe Longjiang Chemical**”) in the sum of RMB19,440,000 in respect of the construction of plant and machinery for the Heihe Longjiang Chemical factory, to which the Company is jointly and severally liable.

17. 或然負債(續)

(a) (續)

於期間內，黑龍江高等法院已判令牡丹江佳日熱電須向原告賠償約人民幣36,700,000元。於期間末後，牡丹江佳日熱電與原告進行磋商，以繼續建設煤炭發電設施。一經牡丹江佳日熱電與原告雙方同意重新執行合同，部分已支付賠償可隨即計入建築成本中。

管理層已就法律訴訟計提充足撥備，並相信可與原告達成有利結付條款。

(b) 於二零一七年四月十六日，寶鋼工程技術集團有限公司(「**寶鋼**」)於中國就本公司擁有90%權益的附屬公司黑河龍江化工有限公司(「**黑河龍江化工**」)的廠房與機器建設取得針對黑龍江化工工廠的數額為人民幣19,440,000元的仲裁裁決(「**裁決**」)，而本公司就此共同及個別承擔責任。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



17. CONTINGENT LIABILITIES (Continued)

(b) (Continued)

On 19 March 2018, Heihe Longjiang Chemical commenced a civil action against Baosteel by writ in the PRC with the Heihe Intermediate Court (case number (2018) 黑11民初13號) (the **"PRC Proceedings"**). Heihe Longjiang Chemical's claim was for the sum of RMB32,972,092, which has subsequently been increased to RMB52,329,832.98, being compensation for loss and damage resulting from Baosteel's breach of an agreement in provision of labour and technology with respect to the Heihe Longjiang Chemical factory. The PRC Proceedings ended on 13 November 2018 and the Heihe Intermediate Court is expected to hand down judgment in the near future. Heihe Longjiang Chemical expects to be successful in its claim and the judgment sum is expected to partially or fully extinguish Baosteel's claim under the Award.

In the meantime, Baosteel obtained an order for enforcement of the Award against the Company in Hong Kong on 7 February 2018 (the **"Enforcement Order"**). On 11 July 2018, the Company obtained a stay of execution of the Enforcement Order for 6 months on the condition that the Company paid security into court in the sum of RMB19,818,046 or its equivalent in Hong Kong dollars (the **"Security Sum"**), which the Company duly paid on 24 July 2018.

17. 或然負債(續)

(b) (續)

於二零一八年三月十九日，黑河龍江化工透過發出令狀於中國黑河中級法院提起針對寶鋼的民事訴訟(案件編號：(2018)黑11民初13號)(「**中國訴訟**」)。黑河龍江化工指稱寶鋼在黑河龍江化工工廠建成過程中提供勞工及技術方面違反合約，並就因此導致的損失及損害申索人民幣32,972,092元的賠償，該賠償隨後增加至人民幣52,329,832.98元。中國訴訟於二零一八年十一月十三日結束，並預計黑河中級法院將在近期作出判決。黑河龍江化工預計將成功得到索賠，且判決金額預計將部分或完全抵銷寶鋼在該裁決項下之索賠。

同時，寶鋼於二零一八年二月七日接獲針對香港公司的執行裁定書(「**執行裁定書**」)。於二零一八年七月十一日，本公司在向法院繳納數額為人民幣19,818,046元或等值港元之保證金(「**保證金**」)，且本公司於二零一八年七月二十四日按時繳付的條件下，獲准暫緩6個月執行執行裁定書。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

17. CONTINGENT LIABILITIES (Continued)

(b) (Continued)

The Company applied for an extension of the stay of execution on 7 January 2019, but the application was unsuccessful. On 14 January 2019, the Company issued an application to the Court of Appeal for leave to appeal the order refusing the extension of stay. However, in the meantime, Baosteel obtained an order for payment out of the Security Sum on 17 January 2019, before the application for leave could be heard. The Company, with the cooperation of Heihe Longjiang Chemical, will seek to recover the Security Sum once judgment has been handed down in the PRC Proceedings.

17. 或然負債(續)

(b) (續)

本公司於二零一九年一月七日申請延遲暫緩執行，但申請未獲批准。於二零一九年一月十四日，本公司向上訴法院發出申請，就拒絕延遲暫緩的命令提出上訴。然而，與此同時，寶鋼在上訴申請聆訊前於二零一九年一月十七日獲得一份以保證金付款的命令。在與黑河龍江化工合作的情況下，本公司將於就中國訴訟作出判決時力求追回保證金。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



18. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting Period are as follows:

18. 資本承擔

於報告期結算日，本集團之資本承擔如下：

	(Unaudited) (未經審核) 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元
Contracted, but not provided for:		
Buildings and construction in progress	565,773	593,461
Capital investment in joint venture	—	2,313
	565,773	595,774



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月

19. LEASE COMMITMENTS

At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases are repayable as follows:

	(Unaudited) (未經審核) 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元
Within one year 一年內	2,424	2,424
In the second to fifth years inclusive 第二年至第五年(包括首尾兩年)	1,335	1,414
	3,759	3,838

Operating lease payments represent rentals payable by the Group for certain of its offices. Leases are negotiated for a lease term of 3 years (30 June 2018: 3 years) and rentals are fixed over the lease terms and do not include contingent rentals.

19. 租賃承擔

於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃須償付之未來最低租金總額如下：

經營租金指本集團就其若干辦公室應付之租金。租賃議定期為3年(二零一八年六月三十日：3年)，租金乃按租期釐定及並不包括或然租金。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 簡明綜合財務報表附註(續)

For the six months ended 31 December 2018 截至二零一八年十二月三十一日止六個月



20. EVENTS AFTER THE REPORTING PERIOD

On 20 January 2019, the Company entered into a cooperation framework agreement (the “**Framework Agreement**”) with Xinyang Maojian Investment Development Company Limited (信陽毛尖投資發展有限公司) (“**Xinyang Investment**”). Pursuant to the Framework Agreement, from 20 January 2019 to 17 January 2022, the Company and Xinyang Investment intend to cooperate as follows: (1) Xinyang Investment will enter the capital market in Hong Kong, and intends to become a strategic shareholder of the Company by way of holding shares of the Company through various channels; (2) both parties will coordinate and negotiate with the Xinyang local government (the “**Local Government**”) concerning the procedures of the land, planning and construction of Xinyang International Tea City (信陽國際茶城), so as to ultimately legally merge and acquire Xinyang International Tea City into the Company; and (3) Xinyang Investment and the Local Government will promote relevant tea-trading and well-known tea companies, which have become mature, to actively cooperate with the Company.

As at the date of this report, the Company and Xinyang Investment have not entered into any legally binding agreement in relation to any specific cooperation projects.

20. 報告期後事項

於二零一九年一月二十日，本公司與信陽毛尖投資發展有限公司(「**信陽投資**」)訂立合作框架協議(「**框架協議**」)。根據框架協議，從二零一九年一月二十日至二零二二年一月十七日止，本公司及信陽投資擬就下列各項進行合作：(1)信陽投資將進入香港資本市場並擬通過多種方式入股本公司，成為本公司的策略性股東；(2)雙方與信陽地方政府(「**地方政府**」)將協調及磋商信陽國際茶城的土地、規劃、建設等手續，從而最終將信陽國際茶城合規併購入本公司；及(3)信陽投資與地方政府將推動條件成熟的相關茶葉貿易及知名茶葉企業積極與本公司合作。

於本報告日期，本公司及信陽投資尚未就任何特定合作項目訂立任何具法律約束力之協議。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

INTERIM DIVIDEND

The Directors have resolved that no interim dividend will be declared in respect of the Period (2017: Nil).

中期股息

董事已議決不會就期間宣派任何中期股息(二零一七年：無)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Business Review

During the Period, loss attributable to owners mainly came from the idle operating costs incurred which mainly comprised depreciation and amortisation during the suspension of the coal-related operation.

For the Period, revenue of the Group amounted to approximately HK\$205 million, representing an increase of 23% when compared with that of the last corresponding period.

Loss attributable to the owners of the Company for the Period amounted to approximately HK\$48 million, representing an increase of 74% when compared with that of the last corresponding period.

During the Period, the increase in the Group's turnover was attributable to the increase in sales volume of calcium carbide.

The Group's selling and distribution costs for the Period was approximately HK\$10 million, representing a decrease of approximately 7% when compared with that of the last corresponding period. The decrease in selling and distribution costs resulted from the improvement in cost control during the Period.

業務回顧

於期間內，擁有人應佔虧損主要來自煤相關營運暫停而產生之閒置營運成本，主要包括折舊及攤銷。

於期間內，本集團收益達到約205,000,000港元，較去年同期增加23%。

於期間內，本公司擁有人應佔虧損達約48,000,000港元，較去年同期增加74%。

於期間內，本集團營業額增加乃歸因於碳化鈣銷售額增加。

本集團於期間之銷售及分銷成本約為10,000,000港元，較去年同期減少約7%。銷售及分銷成本減少乃由於期間之成本控制提高所致。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)



The Group's administrative expenses for the Period was approximately HK\$49 million, representing an increase of approximately 8% when compared with that of the last corresponding period. The increase in administrative expenses was due to the acquisition of the construction service division and the beverage division in January 2018 and October 2018, respectively.

The Group's other operating expenses for the Period was approximately HK\$31 million, representing an increase of approximately 25% when compared with that of the last corresponding period. The other operating expenses mainly represented the factory overhead incurred during the suspension of the coal-related operation in the chemical production division. The increase in other operating expenses represented the general maintenance costs in the Mudanjiang factories.

The Group's finance costs for the Period was approximately HK\$48 million, representing an increase of approximately 28% when compared with that of the last corresponding period. The increase in finance costs was resulted from the increase in bonds payable charged at the effective interest rate during the Period.

Heat and power division

During the Period, the heat and power division recorded a revenue of HK\$127 million from external customers. Income from supplying heat to residential users for the Period was approximately HK\$115 million, representing a decrease of approximately 1% compared with that of the last corresponding period. The decrease was arisen from the drop of the exchange rate in RMB to HKD. Segment profit of approximately HK\$42 million was achieved representing a decrease of approximately 28% compared with that of the last corresponding period.

本集團於期間之行政開支約為49,000,000港元，較去年同期增加約8%。行政開支增加乃由於二零一八年一月及二零一八年十月分別收購建設服務部及飲料部所致。

本集團於期間的其他營運開支約為31,000,000港元，較去年同期增加約25%。其他營運開支主要為於化工產品部的煤炭經營停產期間產生之工廠日常開支。其他營運開支的增加指牡丹江工廠的一般維護成本。

於期間內，本集團之財務成本約為48,000,000港元，較去年同期增加約28%。財務成本之增加乃由於期間內按實際利率計算的應付債券之增加。

熱能及電力部

於期間內，熱能及電力部錄得外界客戶收益127,000,000港元。期間內向住宅用戶供應熱能之收入約為115,000,000港元，較去年同期下降約1%。該下降乃由於人民幣兌港元匯率下跌所致。分部溢利約為42,000,000港元，較去年同期下降約28%。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Chemical production division

Calcium carbide

During the Period, the calcium carbide segment of the chemical production division recorded a revenue of HK\$67 million from external customers. Segment loss of approximately HK\$13 million was recorded, representing a decrease of approximately 31% compared with that of the last corresponding period. The segment loss was mainly derived from the unavoidable non-cash expenditure such as depreciation and amortisation in the Mudanjiang factories.

Polyvinyl-chloride and vinyl acetate

During the Period, each of the polyvinyl-chloride segment and the vinyl acetate segment of the chemical production division recorded no revenue from external customers, due to the temporary suspension of the Mudanjiang factories.

Construction services division

Jinyang Engineering Co. Ltd. was acquired by the Group in January 2018. During the Period, the construction services division recorded a revenue and a segment loss of HK\$2 million and HK\$2 million, respectively.

Beverage division

Xinyang Maojian Holding Co. Ltd. was acquired by the Group in October 2018. During the Period, the beverage division recorded a revenue and a segment loss of HK\$10 million and HK\$2 million, respectively.

化工產品部

碳化鈣

於期間內，化工產品部的碳化鈣分部錄得來自外界客戶之收益67,000,000港元。分部虧損錄得約13,000,000港元，較去年同期減少約31%。分部虧損主要源自無可避免的非現金支出(如牡丹江工廠之折舊及攤銷)。

聚氯乙烯及醋酸乙烯

於期間內，化工產品部的各個聚氯乙烯分部及醋酸乙烯分部並無錄得來自外界客戶之收益，此乃由於牡丹江工廠暫時停產所致。

建造服務部

本集團於二零一八年一月收購金陽工程有限公司。於期間內，建造服務部分別錄得收益及分部虧損分別為2,000,000港元及2,000,000港元。

飲料部

本集團於二零一八年十月收購信陽毛尖控股有限公司。於期間內，飲料部分別錄得收益及分部虧損分別為10,000,000港元及2,000,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)



The local management had closely monitored the operation to reduce coal or energy consumption and avoid wastage so as to enhance the profit from both operation of the heat and power division and the calcium carbide segment of the chemical production division. The heat and power generating facilities were in normal operation throughout the Period and the last corresponding period. The calcium carbide facilities were in a set-up period and is expected to run smoothly in the foreseeable future.

Capital Structure, Liquidity and Financial Resources

Capital structure

During the Period, the Group financed its operations with internally generated resources, equity funding and non-equity funding.

Liquidity and financial ratio

As at 31 December 2018, the Group had total assets of approximately HK\$3,102 million (30 June 2018: HK\$3,177 million), which were financed by current liabilities of approximately HK\$324 million (30 June 2018: HK\$386 million), non-current liabilities of approximately HK\$1,130 million (30 June 2018: HK\$1,114 million), non-controlling interests of approximately HK\$90 million (30 June 2018: HK\$93 million) and owners' equity of approximately HK\$1,558 million (30 June 2018: HK\$1,584 million).

當地管理層已密切監察業務，以減少煤炭或能源消耗及避免浪費資源，從而提高熱能及電力部以及化工產品部的碳化鈣分部之經營溢利。熱能及電力生產設施於整個期間內及去年同期一直正常營運。碳化鈣設施乃於建設階段，並預期將於可見未來順利運行。

資本結構、流動資金及財務資源

資本結構

於期間內，本集團營運所需資金透過內部產生之資源、股本集資及非股本集資撥付。

流動資金及財務比率

於二零一八年十二月三十一日，本集團之總資產約為3,102,000,000港元(二零一八年六月三十日：3,177,000,000港元)，資金來源包括流動負債約324,000,000港元(二零一八年六月三十日：386,000,000港元)、非流動負債約1,130,000,000港元(二零一八年六月三十日：1,114,000,000港元)、非控股權益約90,000,000港元(二零一八年六月三十日：93,000,000港元)及擁有人權益約1,558,000,000港元(二零一八年六月三十日：1,584,000,000港元)。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

As at 31 December 2018, the current assets of the Group amounted to approximately HK\$382 million (30 June 2018: HK\$358 million), mainly comprising inventories of approximately HK\$30 million (30 June 2018: HK\$28 million), trade receivables of approximately HK\$30 million (30 June 2018: HK\$7 million), prepayments, deposits and other receivables of approximately HK\$250 million (30 June 2018: HK\$259 million), financial assets at fair value through profit or loss of approximately HK\$1 million (30 June 2018: HK\$2 million) and cash and cash equivalents of approximately HK\$71 million (30 June 2018: HK\$62 million).

As at 31 December 2018, the Group's current ratio (current assets/current liabilities), quick ratio ((current assets – inventories)/(current liabilities)), gearing ratio (total debts/total assets) and debts to equity ratio (total debts/owners' equity) of the Group were approximately 1.2 (30 June 2018: 0.9), 1.1 (30 June 2018: 0.9), 46.9% (30 June 2018: 47.2%) and 93.3% (30 June 2018: 94.7%), respectively.

The Group maintained a fairly stable financial position throughout the Period. The management has closely monitored the Group's liquidity and has taken appropriate measures to ensure it has sufficient financial resources to meet its financial obligations.

於二零一八年十二月三十一日，本集團之流動資產約達382,000,000港元(二零一八年六月三十日：358,000,000港元)，主要包括存貨約30,000,000港元(二零一八年六月三十日：28,000,000港元)、應收貿易賬項約30,000,000港元(二零一八年六月三十日：7,000,000港元)、預付款項、訂金及其他應收款項約250,000,000港元(二零一八年六月三十日：259,000,000港元)、按公平值計入損益之金融資產約1,000,000港元(二零一八年六月三十日：2,000,000港元)以及現金及現金等項目約71,000,000港元(二零一八年六月三十日：62,000,000港元)。

於二零一八年十二月三十一日，本集團之流動比率(流動資產/流動負債)、速動比率((流動資產-存貨)/(流動負債))、負債比率(總債務/總資產)及本集團債務與股本比率(總債務/擁有人權益)分別約為1.2(二零一八年六月三十日：0.9)、1.1(二零一八年六月三十日：0.9)、46.9%(二零一八年六月三十日：47.2%)及93.3%(二零一八年六月三十日：94.7%)。

本集團於整個期間內一直維持相對穩定之財務狀況。管理層已嚴密監管本集團之流動資金狀況及採取適當措施以確保本集團擁有足夠財務資源履行其財務責任。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)



Equity funding

On 5 October 2018, the Company and Mr. Sha Tao (“**Mr. Sha**”) entered into a subscription agreement, pursuant to which the Company had conditionally agreed to allot and issue, and Mr. Sha had conditionally agreed to subscribe for, 220,000,000 new shares of HK\$0.1 each of the Company at the subscription price of HK\$0.315 per share (the “**Subscription**”). The Subscription was completed on 10 December 2018. The gross proceeds and net proceeds were approximately HK\$69.3 million and HK\$68.8 million, respectively.

The intended and actual use of proceeds from the Subscription up to 31 December 2018 is set out as follows:

股本集資

於二零一八年十月五日，本公司及沙濤先生(「**沙先生**」)訂立認購協議，據此，本公司已有條件同意配發及發行，且沙先生已有條件同意按認購價每股0.315港元認購本公司每股0.1港元之220,000,000股新股份(「**認購**」)。認購已於二零一八年十二月十日完成。所得款項總額及所得款項淨額分別約69,300,000港元及68,800,000港元。

自認購直至二零一八年十二月三十一日之所得款項之擬定及實際用途載列如下：

Fund raising activity	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds as at 31 December 2018 於截至二零一八年十二月三十一日所得款項之實際用途	Unutilised proceeds	Expected timeline for unutilised proceeds
集資活動	集資之所得款項淨額	所得款項建議用途	二零一八年十二月三十一日所得款項之實際用途	未動用所得款項	未動用所得款項之預期時間表
The Subscription	Approximately HK\$68.8 million	For repayment of bank loans and bonds payable	Approximately HK\$38.2 million have been used for repayment of bank loans	Approximately HK\$30.6 million will be used towards further repayment of bank loan and bonds payable	By mid 2019
認購	約68,800,000港元	償還銀行貸款及應付債券	約38,200,000港元已用於償還銀行貸款	約30,600,000港元將用於進一步償還銀行貸款及應付債券	於二零一九年中之前



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Non-equity funding

Bank loans

As at 31 December 2018, the bank loans of the Group amounted to approximately HK\$87 million (30 June 2018: HK\$98 million), of which HK\$26 million was denominated in Hong Kong dollars and HK\$61 million was denominated in Renminbi (30 June 2018: HK\$27 million was denominated in Hong Kong dollars and HK\$71 million was denominated in Renminbi). Based on agreed scheduled repayments set out in the loan agreements, bank loans of approximately HK\$64 million (30 June 2018: HK\$74 million) were repayable within 12 months.

Bonds and other non-equity financing

As at 31 December 2018, the aggregate bonds payable were approximately HK\$862 million which were issued for improving the working capital of the Group during the Period.

Significant investments held by the Company

As at 31 December 2018, the Company did not have any significant investments except for the financial assets at fair value through profit or loss of approximately HK\$1 million.

Charges on the Group's assets

As at 31 December 2018, bank loans and other loans of approximately HK\$87 million and HK\$28 million, respectively, were secured by charges over the Group's certain fixed assets and prepaid land lease payments.

非股本集資

銀行貸款

於二零一八年十二月三十一日，本集團之銀行貸款約為87,000,000港元(二零一八年六月三十日：98,000,000港元)，當中26,000,000港元以港元計值及61,000,000港元以人民幣計值(二零一八年六月三十日：27,000,000港元以港元計值及71,000,000港元以人民幣計值)。根據貸款協議所載之協定預定償還款項，須於12個月內償還之銀行貸款約為64,000,000港元(二零一八年六月三十日：74,000,000港元)。

債券及其他非股本集資

於二零一八年十二月三十一日，應付債券合共金額約為862,000,000港元，按改善本集團於期間內之營運資金發行。

本公司持有之重大投資

於二零一八年十二月三十一日，除按公平值計入損益之金融資產約1,000,000港元外，本公司並無任何重大投資。

本集團資產之抵押

於二零一八年十二月三十一日，本集團已抵押其若干固定資產及預付土地租金，以獲得分別約87,000,000港元及28,000,000港元之銀行貸款及其他貸款。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)



Contingencies

The Board has reviewed and considered the contingent liabilities of the Company and disclosed information concerning such contingent liabilities in note 13 to the condensed consolidated financial statements.

Contingent liabilities

As at 31 December 2018, except for disclosed in note 13, the Group did not have any significant contingent liabilities.

Foreign exchange exposure

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi, which are the functional currencies of the principal operating entities of the Group. The Directors also consider that there will be sufficient cash resources denominated in Hong Kong dollars for the repayment of borrowings. During the Period, the Group did not use any financial instrument for hedging purposes and the Group did not have any hedging instrument outstanding as at 31 December 2018.

或然事項

董事會已審閱並考慮本公司之或然負債以及於簡明綜合財務報表附註13披露有關或然負債之資料。

或然負債

於二零一八年十二月三十一日，除附註13披露者外，本集團並無任何重大或然負債。

外匯風險

由於本集團大部分業務交易、資產及負債主要以本集團主要業務實體之功能貨幣港元及人民幣列值，故承擔之外匯風險甚微。董事亦認為本集團具備充足港元現金資源以償還借款。於期間內，本集團並無動用任何金融工具作對沖用途，而本集團於二零一八年十二月三十一日亦無任何未平倉對沖工具。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Number and remuneration of employees

As at 31 December 2018, the Group had 734 full time employees in the PRC and Hong Kong. The Group recognises the importance of human resources to its success. Remuneration is maintained at competitive levels with discretionary bonuses payable on a merit basis and in line with industry practice. Other staff benefits provided by the Group include mandatory provident fund, insurance schemes and performance-related commissions.

僱員數目及薪酬

於二零一八年十二月三十一日，本集團於中國及香港之全職僱員人數為734人。本集團認為人力資源為其營商成功之關鍵。薪酬維持在具競爭力水平，酌情花紅按功績基準支付，與行內慣例一致。本集團亦提供其他員工福利，包括強制性公積金、保險計劃及與表現掛鈎佣金。

Details of the movement in the share options granted under the share option scheme of the Company during the Period are set out below:

本公司於期內根據購股權計劃授出的購股權之變動詳情載列如下：

Number of category of participants	Options held at 30 June 2018	Options granted during the	Options exercised during the	Options cancelled during the	Options lapsed during the	Options held at 31 December 2018
		Period	Period	Period	Period	
	於二零一八年六月三十日持有的購股權	期內授出的購股權	期內行使的購股權	期內註銷的購股權	期內失效的購股權	於二零一八年十二月三十一日持有的購股權
Directors	董事					
Chan Yuk Foebe	陳昱	10,780,000	—	—	—	10,780,000
Law Tze Ping Eric	羅子平	10,780,000	—	—	—	10,780,000
Other Employees	其他員工	43,120,000	110,000,000	—	—	153,120,000
Total	總計	64,680,000	110,000,000	—	—	174,680,000

Note: All the share options vested immediately on the date of grant and there is no vesting period.

附註：所有購股權均於授出當日即時歸屬，且並無歸屬期。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)



PROSPECT

Apart from improving the existing business of the Group, the management continues to explore various potential projects to improve the income source and profitability of the Group.

Heat and power division

During the Period, turnover of the heat and power division decreased by 3.8% (2017: increased by 24.9%) and the gross profit decreased by 4.6% (2017: increased by 4%). This is because the residential heat supplying areas were stabilized during the Period (2018 and 2017: 4.1 million square meters).

During the Period, the market price of raw coal stayed at its peak and the profit margin from the heat and power division was therefore kept at an unfavourable level. However, since early 2019, the market price of raw coal has been trending downwards. The management foresees that the profit margin will benefit from the lower coal cost and the heat and power division will begin to trend upwards.

Chemical production division

Heihe

Turnover of the calcium carbide segment of the chemical production division increased by 89% (2017: decreased by 10%) and recorded a gross profit of HK\$5 million for the first time (2017: gross loss of HK\$6 million). During the Period, a part of the production plant was still under installation, but the remaining part of the production plant was running at a normal level. Under the existing production capacity and market situation, the Heihe factory was running at an equilibrium stage. Although the management expects that the calcium carbide segment may face challenges in 2019 due to the uncertainty of the global market, it is believed that the Heihe factory would increase its contribution to the Group through the expansion of production capacity and the reduction of the material cost and wastage.

展望

除改善本集團現有業務外，管理層繼續探索各項潛在項目，以改善本集團的收入來源及盈利能力。

熱能及電力部

於期間內，熱能及電力部之營業額下降3.8%（二零一七年：增加24.9%）及毛利下降4.6%（二零一七年：增加4%），此乃由於於期間內住宅熱能供應之面積穩定（二零一八年及二零一七年：4.1百萬平方米）。

於期間內，原煤市價格處於峰值，故熱能及電力部的利潤率處於欠佳水平。然而，自二零一九年年初以來，原煤市價格呈下降趨勢。管理層預計，煤炭成本下降將對毛利有利，且熱能及電力部將呈上升趨勢。

化工產品部

黑河

化工產品部的碳化鈣分部之營業額增加89%（二零一七年：下降10%）及毛利首次錄得5,000,000港元（二零一七年：毛損6,000,000港元）。於期間內，部分生產線仍在安裝，但餘下部分生產線處於正常運行狀態。按照現有產能及市場形勢，黑河工廠正處於收支均衡階段。儘管管理層預計，碳化鈣分部會由於全球市場的不確定性而可能於二零一九年面臨挑戰，但管理層相信，黑河工廠將通過提升產能及降低材料成本以及損耗的方式增加其對本集團的貢獻。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Mudanjiang

The management will closely monitor the market situation and consider the effectiveness in resuming the chemical production division. However, the management does not rule out the possibility in the disposal of the idle production plant in Mudanjiang if the resalable price is reasonable.

Construction service division

Since the heat and power division is investigating the possibility and effectiveness in construction of Phase II Power Plant, the construction of residential heat supplying areas was temporary suspended. It is expected that the resumption in construction of Phase II Power Plant and the expansion of residential heat supplying areas will contribute a remarkable profit to the division.

Tea division

E-commerce sales

Although the division was acquired by the Group in October 2018, it contributed a remarkable turnover of HK\$10 million to the Group. With the injection of promotion and advertisement, the management believes the e-commerce business will contribute a remarkable profit in 2019.

Cooperation framework agreement with Xinyang Maojian Investment Development Company Limited

On 20 January 2019, the Company entered into a cooperation framework agreement with Xinyang Maojian Investment Development Company Limited (信陽毛尖投資發展有限公司) (“XY Investment”).

牡丹江

管理層將密切監察市況，並考慮恢復化工產品部的有效性。然而，倘轉售價格合適，管理層並不排除出售牡丹江閒置生產廠房的可能性。

建設服務部

由於熱能及電力部正在調查建設二期電廠的可行性及有效性，住宅熱能供應區的建設暫時中斷。預計恢復建設二期電廠及擴建住宅熱能供應區域將為該部門貢獻可觀的利潤。

茶葉分部

電商銷售

儘管本集團於二零一八年十月收購該部門，但其已向本集團貢獻10,000,000港元之可觀的營業額。隨著推廣及宣傳的注入，管理層相信，電商業務將在二零一九年貢獻可觀的利潤。

與信陽毛尖投資發展有限公司訂立的合作框架協議

於二零一九年一月二十日，本公司與信陽毛尖投資發展有限公司(「信陽投資」)訂立合作框架協議。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)



XY Investment was a company incorporated in Xinyang City, the PRC, with limited liability and a registered capital of RMB2,000,000,000, which is wholly-owned by the Xinyang City Finance Bureau.

信陽投資為一間於中國信陽市註冊之有限公司，屬信陽市財政局全資擁有，註冊資本為人民幣2,000,000,000元。

It was agreed that a corporative partnership would be established, collaborating in areas such as the economic development of Xinyang via the capital market.

雙方同意結成合作夥伴關係，就資本市場對接信陽經濟發展等領域開展合作。

Appointment as window company of Mudanjiang City Government

獲牡丹江市政府委任為窗口公司

On 25 August 2015, the Mudanjiang City Government appointed the Company as its Hong Kong-based agent and foreign window company, pursuant to a framework agreement, representing it in the negotiation of matters concerning the city government's listing of domestic enterprises and projects, fund raising exercise and transfer of equity interest.

於二零一五年八月二十五日，牡丹江市政府委任本公司作為其在香港代理兼對外窗口公司，根據框架協議，以代表其就涉及市政府國內企業及項目上市、集資活動及轉讓股本權益之事宜進行磋商。

Save as disclosed above, there were no other significant changes in the Group's financial position or from the information disclosed under the Management Discussion and Analysis section in the annual report for the year ended 30 June 2018.

除上文披露者外，本集團的財務狀況或自截至二零一八年六月三十日止年度的年報中管理層討論及分析章節所披露之資料並無其他顯著變動。

GROUP STRATEGY

集團策略

The Group will actively restructure the assets so as to create value to the shareholders of the Company. It will not rule out the possibility of further acquisition and disposal of non-core assets.

本集團將積極進行資產重組，以為本公司股東創造價值。其不會排除可能進一步進行收購及出售非核心資產。



DISCLOSURE OF ADDITIONAL INFORMATION

其他資料披露

DIRECTORS' INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (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 required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were as otherwise required 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") under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), were as follows:

董事於股份及相關股份之權益或淡倉

於二零一八年十二月三十一日，董事及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）之股份、相關股份及債券中，擁有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之權益（包括根據證券及期貨條例該等條文彼等被當作或視作擁有之權益及淡倉）；或根據證券及期貨條例第352條須記錄在該條例所述登記冊之權益；或另行根據香港聯合交易所有限公司證券上市規則（「上市規則」）上市發行人董事進行證券交易之標準守則（「標準守則」）須知會本公司及聯交所之權益如下：

Name of Director	Nature of Interest	Number of Shares held	Approximate percentage of interest in the Company
董事姓名	權益性質	所持股份數目	佔本公司權益概約百分比
Ms. Chan Yuk Foebe 陳昱女士	Beneficial owner (Note 1) 實益擁有人(附註1)	17,950,000	1.35%
Mr. Law Tze Ping Eric 羅子平先生	Beneficial owner (Note 2) 實益擁有人(附註2)	10,780,000	0.81%

DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED)

其他資料披露(續)



Notes:

- (1) Ms. Chan Yuk Foebe was granted 10,780,000 share options under the share options scheme on 26 July 2017, of which all the share options were immediately vested on the date of grant.
- (2) Mr. Law Tze Ping Eric was granted 10,780,000 share options under the share options scheme on 17 July 2017, of which all the share options were immediately vested on the date of grant.

附註:

- (1) 陳昱女士於二零一七年七月二十六日根據購股權計劃獲授10,780,000股股份，其中，所有股份於授出日期即時歸屬。
- (2) 羅子平先生於二零一七年七月十七日根據購股權計劃獲授10,780,000股股份，其中，所有股份於授出日期即時歸屬。

INTERESTS IN THE SHARES AND UNDERLYING SHARES

Save as disclosed above, so far as the Directors are aware, as at 31 December 2018, none of the Directors and chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which was 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 was required to be recorded in the register maintained by the Company pursuant to section 352 of the SFO or which was otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

於股份及相關股份之權益

除上文披露者外，就董事所知悉，於二零一八年十二月三十一日，董事及本公司最高行政人員概無於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中，擁有或被視作擁有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之任何權益或淡倉(包括根據證券及期貨條例該等條文彼等被當作或視作擁有之權益及淡倉)；或已記入本公司須根據證券及期貨條例第352條存置之登記冊之任何權益或淡倉；或另行須根據標準守則知會本公司及聯交所之任何權益或淡倉。



DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED)

其他資料披露(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE COMPANY

主要股東於本公司之權益及淡倉

As far as the Directors of the Company are aware, as at 31 December 2018, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares in the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO:

據本公司董事所知悉，於二零一八年十二月三十一日，除董事或本公司最高行政人員外，以下人士於本公司股份及相關股份中擁有已記入根據證券及期貨條例第336條所規定存置之登記冊且須根據證券及期貨條例第XV部第2及3分部條文向本公司披露之權益或淡倉：

Name of shareholders	Nature of Interests	Number of shares held	Approximate percentage of interest in the Company 佔本公司權益概約百分比
股東姓名	權益性質	所持股份數目	
Mr. Chan Yuen Tung 陳遠東先生	Beneficial owner 實益擁有人	304,231,111 (L)	22.87%
Mr. Sha Tao 沙濤先生	Beneficial owner 實益擁有人	220,000,000 (L)	16.54%

(L) long position

(L) 好倉

Save as disclosed above, as far as the Directors are aware, as at 31 December 2018, no other persons (other than a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

除上文披露者外，就董事所知悉，除董事及本公司之最高行政人員外，於二零一八年十二月三十一日，概無其他人士於本公司股份及相關股份中擁有根據證券及期貨條例第336條須予存置之登記冊之權益或淡倉。

DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED)

其他資料披露(續)



SUFFICIENCY OF PUBLIC FLOAT 足夠公眾持股量

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, there is sufficient public float of more than 25% of the Company's shares in the market as required under the Listing Rules.

按本公司取得之公開資料及據董事所知，於本報告日期，本公司股份在市場上具有超過上市規則所規定25%之足夠公眾持股量。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

購買、出售或贖回本集團上市證券

本公司或其任何附屬公司於期間內概無購買、出售或贖回本公司任何上市證券。

CORPORATE GOVERNANCE

Corporate Governance Code

The Directors are of the view that the Company has complied with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules during the Period, except for a certain deviation which is summarised below:

Code Provision A.2.1

The roles of Chairman and Chief Executive Officer are performed by the same individual, Ms. Chan Yuk Foebe, and are not separated. The Board meets regularly to consider issues related to corporate matters affecting operations of the Group. The Board considers the structure will not impair the balance of power and authority of the Board and the Company's management and thus, the Board believes this structure will enable effective planning and implementation of corporate strategies and decisions.

企業管治

企業管治守則

董事認為，本公司於期間內一直遵守上市規則附錄14所載之企業管治守則及企業管治報告，惟若干偏離情況概括如下：

守則條文A.2.1條

主席及行政總裁角色由同一人陳昱女士擔任，並無分由二人出任。董事會定期開會以審議有關影響本集團營運之公司事務議題。董事會認為該架構無損董事會及本公司管理層權力及授權之平衡，因此董事會相信該架構將可令公司之策略及決定得以有效規劃及執行。



DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED)

其他資料披露(續)

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiries to all the Directors, all the Directors confirmed that they have complied with the code provisions in the Model Code during the Period.

進行證券交易之標準守則

本公司已採納上市規則附錄10所載的標準守則作為董事進行證券交易之內部操守準則。經向全體董事作出具體查詢後，全體董事確認彼等於本期間一直遵守標準守則之守則條文。

AUDIT COMMITTEE

The Company set up the Audit Committee on 8 April 2001, with written terms of reference, for the purposes of reviewing and providing supervision on the Group's financial reporting process and internal control systems. The Audit Committee comprises three independent non-executive Directors of the Company, namely, Mr. Ma Wing Yun Bryan, Mr. Tam Ching Ho and Mr. Hau Chi Kit. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and the auditing, internal control and financial reporting aspects of the Company including the review of the unaudited interim results of the Company for the Period and there was no disagreement by the Audit Committee with the accounting treatment adopted by the Company.

審核委員會

本公司於二零零一年四月八日成立審核委員會，並制定書面職權範圍，旨在審閱及監管本集團之財務申報程序及內部監控制度。審核委員會由本公司三名獨立非執行董事馬榮欣先生、譚政豪先生及侯志傑先生組成。審核委員會已與管理層檢討本集團採納之會計原則及慣例，以及本公司之審核、內部監控及財務申報事宜，包括審閱本公司於期間之未經審核中期業績，而審核委員會對本公司所採用會計處理方法並無異議。

DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED)

其他資料披露(續)



REMUNERATION COMMITTEE

薪酬委員會

A remuneration committee was established by the Company on 1 July 2005 with specific written terms of reference which set out clearly its authority and duties. The Remuneration Committee currently comprises Mr. Ma Wing Yun Bryan, Mr. Tam Ching Ho and Mr. Hau Chi Kit (all being independent non-executive Directors), who are responsible for advising the Board on the remuneration policy and framework for all the remuneration of the Directors and senior management of the Company, as well as reviewing and determining the remuneration packages of Directors and senior management with reference to the Company's objectives from time to time.

本公司於二零零五年七月一日成立薪酬委員會，並制定特定書面職權範圍，清晰劃分其職權及職責。薪酬委員會現時由全體獨立非執行董事馬榮欣先生、譚政豪先生及侯志傑先生組成，負責就董事與本公司高級管理人員所有薪酬之薪酬政策及架構向董事會提供意見，並參考本公司不時之目標檢討及釐定董事與高級管理人員之薪酬待遇。

NOMINATION COMMITTEE

提名委員會

The Nomination Committee was established on 2 November 2007 with specific written terms of reference. The Nomination Committee currently comprises one executive Director, namely Ms. Chan Yuk Foebe, and three independent non-executive Directors, namely Mr. Ma Wing Yun Bryan, Mr. Tam Ching Ho and Mr. Hau Chi Kit. The Board as a whole, with the Nomination Committee, is responsible for reviewing the Board composition according to the Company's Board diversity policy, developing and formulating the relevant procedures for nomination and appointment of Directors pursuant to the Company's nomination policy, monitoring the appointment and succession plan of Directors and assessing the independence of independent non-executive Directors.

本公司於二零零七年十一月二日成立提名委員會，並制訂特定書面職權範圍。提名委員會現時由一名執行董事陳昱女士及三名獨立非執行董事馬榮欣先生、譚政豪先生及侯志傑先生組成。董事會整體連同提名委員會負責根據本公司之董事會多元化政策檢討董事會之組成及根據本公司之提名政策發展及制定提名及委任董事之有關程序、監察委任董事及董事繼任之計劃以及評估獨立非執行董事之獨立身份。



DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED)

其他資料披露(續)

CORPORATE GOVERNANCE FUNCTIONS

企業管治功能

The Board determines the policy for the corporate governance of the Company and is responsible for performing, inter alia, the following corporate governance duties:

董事會釐定本公司企業管治之政策並負責履行(其中包括)以下企業管治職務:

- | | | | |
|-----|---|-----|------------------------------|
| (a) | to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; | (a) | 制定及檢討本公司企業管治政策及常規，並向董事會提出建議； |
| (b) | to review and monitor the training and continuous professional development of directors and senior management; | (b) | 檢討及監察董事及高級管理層之培訓及持續專業發展； |
| (c) | to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; | (c) | 檢討及監察本公司在遵守法律及監管規定方面之政策及常規； |
| (d) | to develop, review and monitor the code of conduct applicable to employees and directors; and | (d) | 制定、檢討及監察適用於僱員及董事之操守準則；及 |
| (e) | to review the Company's compliance with the code and disclosure in the Corporate Governance Report. | (e) | 檢討本公司遵守守則之情況及在企業管治報告內之披露。 |

By order of the Board
Chan Yuk Foebe
Chairman and Chief Executive Officer

承董事會命
陳昱
主席兼行政總裁

Hong Kong, 28 February 2019

香港，二零一九年二月二十八日



信阳毛尖集团有限公司
XINYANG MAOJIAN GROUP LIMITED

