



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

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XINYANG MAOJIAN GROUP LIMITED

(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)



2019

INTERIM REPORT 中期報告

FINANCIAL HIGHLIGHTS

財務摘要

For the six months ended 31 December 2019 截至二零一九年十二月三十一日止六個月

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	Change 變動
TURNOVER	營業額	149,647	195,168	(23.3%)
LOSS FOR THE PERIOD	期間虧損	(51,448)	(56,841)	(9.5%)
BASIC LOSS PER SHARE	每股基本虧損	HK(3.51) cents 港仙	HK(5.05) cents 港仙	(30.5%)
INTERIM DIVIDEND PER SHARE	每股中期股息	-	-	-

The Board of Directors (the “**Board**” or “**Directors**”) of Xinyang Maojian 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 2019 (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(「**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**」)截至二零一九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**」)。中期財務報表未經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 2019 截至二零一九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	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	4	149,647	195,168
Cost of sales	銷售成本		(81,684)	(134,467)
Gross profit	毛利		67,963	60,701
Other income	其他收入	6	4,503	14,963
Gain on fair value of financial assets at fair value through profit or loss, net	按公平值計入損益之 金融資產公平價值 收益淨值		—	4,904
Selling and distribution costs	銷售及分銷成本		(10,932)	(9,629)
Administrative expenses	行政開支		(38,752)	(48,775)
Other operating expenses	其他經營開支		(23,795)	(30,827)
Loss from operations	經營虧損		(1,013)	(8,663)
Finance costs	財務成本		(48,086)	(47,755)
Share of results of joint ventures	應佔合營企業業績		(2,349)	(423)
Loss before tax	除稅前虧損		(51,448)	(56,841)
Income tax	所得稅	7	—	—
Loss for the period	期間虧損	8	(51,448)	(56,841)

CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)
 簡明綜合收益表(續)

For the six months ended 31 December 2019 截至二零一九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	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		Note 附註	
Attributable to:	應佔：		
Owners of the Company	本公司擁有人	(46,768)	(57,394)
Non-controlling interests	非控股權益	(4,680)	553
Loss for the period	期間虧損	(51,448)	(56,841)
Loss per share	每股虧損		
— Basic	— 基本	9 HK(3.51) cents 港仙	HK(5.05) cents 港仙
— Diluted	— 攤薄	9 HK(3.51) cents 港仙	HK(5.05) 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 2019 截至二零一九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	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss for the period	期間虧損	(51,448)	(56,841)
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	(47,483)	(43,449)
Other comprehensive income for the period, net of tax	期間其他全面收入，扣除稅項	(47,483)	(43,449)
Total comprehensive income for the period	期間全面收入總額	(98,931)	(100,290)
Attributable to:	應佔：		
Owners of the Company	本公司擁有人	(89,418)	(97,203)
Non-controlling interests	非控股權益	(9,513)	(3,087)
		(98,931)	(100,290)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況報表

As at 31 December 2019 於二零一九年十二月三十一日

		(Unaudited) (未經審核) 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元
Non-current assets	非流動資產		
Fixed assets	固定資產	1,618,648	1,699,586
Prepaid land lease payments	預付土地租金	301,449	308,288
Investment in joint ventures	於合營企業之投資	12,186	2,787
Other intangible assets	其他無形資產	3,810	3,868
		1,936,093	2,014,529
Current assets	流動資產		
Inventories	存貨	54,155	40,485
Trade receivables	應收貿易賬項	47,262	42,862
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項	166,067	161,038
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	618	743
Bank and cash balances	銀行及現金結存	7,639	7,185
		275,741	252,313
TOTAL ASSETS	總資產	2,211,834	2,266,842
Capital and reserves	股本及儲備		
Share capital	股本	133,543	133,243
Reserves	儲備	579,136	667,879
Equity attributable to owners of the Company	本公司擁有人應佔權益	712,679	801,122
Non-controlling interests	非控股權益	54,274	63,787
Total equity	總權益	766,953	864,909

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
簡明綜合財務狀況報表(續)

As at 31 December 2019 於二零一九年十二月三十一日

			(Unaudited) (未經審核) 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	14	20,001	21,403
Bonds payable	應付債券	13	937,460	895,111
Other payables	其他應付款項		236,185	208,799
Deferred tax liabilities	遞延稅項負債		102	102
			1,193,748	1,125,415
Current liabilities	流動負債			
Trade payables	應付貿易賬項	15	46,058	58,555
Other payables and accruals	其他應付款項及應計款項		125,589	126,010
Other loans	其他貸款		27,964	28,263
Bank loans	銀行貸款	14	49,522	52,440
Bonds payable	應付債券	13	2,000	11,250
			251,133	276,518
Total liabilities	總負債		1,444,881	1,401,933
TOTAL EQUITY AND LIABILITIES	總權益及負債		2,211,834	2,266,842
Net current assets/(liabilities)	流動資產/(負債)淨額		24,608	(24,205)
Total assets less current liabilities	總資產減流動負債		1,960,701	1,990,324

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動報表

For the six months ended 31 December 2019 截至二零一九年十二月三十一日止六個月

		(Unaudited) (未經審核)								
		For the six months ended 31 December 2019 截至二零一九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	Other 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	其他儲備	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	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 July 2019	於二零一九年七月一日	133,243	10,562	11,988	87	110,056	535,186	801,122	63,787	864,909
Total comprehensive income for the Period	期間全面收入總額	—	—	—	—	(42,650)	(46,768)	(89,418)	(9,513)	(98,931)
Exercise of share options	行使購股權	300	—	(94)	—	—	769	975	—	975
Changes in equity for the Period	期間權益變動	300	—	(94)	—	(42,650)	(45,999)	(88,443)	(9,513)	(97,956)
At 31 December 2019	於二零一九年十二月三十一日	133,543	10,562	11,894	87	67,406	489,187	712,679	54,274	766,953

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 2019 截至二零一九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 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 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 shares under share placement	根據股份配售發行 股份	22,000	-	-	-	47,300	69,300	-	69,300	
Employee share option benefits	僱員購股權利益	-	-	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 CASH FLOWS

簡明綜合現金流量報表

For the six months ended 31 December 2019 截至二零一九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	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	經營業務所得/(所用)之現金淨額	28,563	(80,315)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用之現金淨額	(11,261)	(18,193)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	融資活動(所用)/產生之現金淨額	(17,553)	67,687
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目減少淨額	(251)	(30,821)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	705	39,793
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初現金及現金等值項目	7,185	62,240
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期終現金及現金等值項目	7,639	71,212
ANALYSIS OF CASH AND CASH EQUIVALENTS Bank and cash balances	現金及現金等值項目分析 銀行及現金結存	7,639	71,212

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至二零一九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 2019 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 2019 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二零一九年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，與二零一九年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 2019 截至二零一九年十二月三十一日止六個月

2. ADOPTION OF NEW AND REVISED HKFRSs

The unaudited condensed consolidated interim financial information has been prepared in consistent with those principal accounting policies followed in the 2019 annual financial statements except the adoption of the following new/revised HKFRSs, HKAS and Interpretations (hereinafter collectively referred to as “**new HKFRSs**”) which are effective for accounting periods commencing on or after 1 July 2019.

New and amended standards adopted by the Group

The following new and revised standards and a new interpretation were required to be adopted by the Group effective from 1 July 2019:

HKFRSs (Amendment)
香港財務報告準則(修訂本)

HKFRS 16
香港財務報告準則第16號

HK(IFRIC)-Int 23
香港(國際財務報告詮釋委員會)–
詮釋第23號

Amendments to HKFRS 9
香港財務報告準則第9號修訂本

Amendments to HKAS 19
香港會計準則第19號修訂本

Amendments to HKAS 28
香港會計準則第28號修訂本

The application of the new and amended standards did not have any material impact on the Group’s accounting policies and did not require retrospective adjustments.

2. 採納新訂及經修訂香港財務報告準則

除採納以下於二零一九年七月一日或之後開始之會計期間生效之新訂/經修訂香港財務報告準則、香港會計準則及詮釋(以下統稱「**新訂香港財務報告準則**」)外，未經審核簡明綜合中期財務資料已根據二零一九年年度財務報表遵循之該等主要會計政策編製。

本集團採納之新訂及經修訂準則

本集團須由二零一九年七月一日起採納以下新訂及經修訂準則以及一項新訂詮釋：

Annual Improvements to HKFRSs
2015–2017 Cycle
香港財務報告準則二零一五年至
二零一七年周期之年度改進

Leases
租賃

Uncertainty over Income Tax Treatments
所得稅處理之不確定性

Prepayment Features with Negative
Compensation
具有負補償之預付款項特性

Plan Amendment, Curtailment or Settlement
計劃修改、削減或結算

Long-term interests in Associates and
Joint Ventures
於聯營公司及合資企業之長期權益

採納新訂及經修訂準則對本集團會計政策並無任何重大影響及毋須作出追溯調整。

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 2019 截至二零一九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 2019 and 31 December 2019.

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。

於二零一九年六月三十日及二零一九年十二月三十一日，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 2019 截至二零一九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。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Continuing operations:	持續經營業務：		
Heat supplying services	熱能供應服務	135,843	124,392
Electricity supplying services	電力供應服務	4,809	2,521
Sales of calcium carbide	銷售碳化鈣	—	66,594
Sales of lime powder	銷售石灰粉	8,471	—
Facilities of construction services	設施建設服務	524	1,661
		149,647	195,168

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 2019 截至二零一九年十二月三十一日止六個月

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 five reportable segments as follows:

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

Calcium carbide — manufacture and sale of calcium carbide and lime powder;

Construction services — construction and monitor of public facilities construction;

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

Vinyl acetate — manufacture and sale of vinyl acetate.

The accounting policies of the operating segments are the same as those described in the Group's 2019 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

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。本集團有以下五個可報告分部：

熱能及電力 — 生產及供應熱能及電力；

碳化鈣 — 製造及銷售碳化鈣及石灰粉；

建造服務 — 建設及監察公用設施建設；

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。

各經營分部之會計政策與本集團二零一九年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。

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 2019 截至二零一九年十二月三十一日止六個月

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：

		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	(Unaudited) (未經審核) Polyvinyl- chloride 聚氯乙烯 HK\$'000 千港元	Vinyl acetate 醋酸乙烯 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Six months ended 31 December 2019	截至二零一九年 十二月三十一日 止六個月							
Revenue from external customers	外界客戶收益	140,652	8,471	524	—	—	—	149,647
Segment profit/(loss)	分部溢利/(虧損)	51,839	(24,678)	(687)	(6,237)	(5,996)	(65,689)	(51,448)
As at 31 December 2019	於二零一九年 十二月三十一日							
Segment assets	分部資產	704,691	1,124,185	120,281	50,405	38,414	173,858	2,211,834
Segment liabilities	分部負債	145,092	202,484	4,260	12,386	25,547	1,055,112	1,444,881
					(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	Polyvinyl- chloride 聚氯乙烯 HK\$'000 千港元	Vinyl acetate 醋酸乙烯 HK\$'000 千港元	Unallocated 未分配 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	—	—	—	195,168
Segment profit/(loss)	分部溢利/(虧損)	41,889	(12,590)	(1,550)	(8,685)	(10,126)	(65,779)	(56,841)
As at 30 June 2019	於二零一九年 六月三十日				(Audited) (經審核)			
Segment assets	分部資產	662,121	1,171,049	121,606	57,685	40,889	213,492	2,266,842
Segment liabilities	分部負債	142,951	208,206	2,589	12,707	21,691	1,013,789	1,401,933

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 2019 截至二零一九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	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank interest income	銀行利息收入	92	84
Other interest income	其他利息收入	1,168	—
Gain on settlement of other loan payables	償付其他應付貸款之 收益	—	13,748
Construction income of installation of pipe	安裝管道之建設收入	1,017	943
Property management service income	物業管理服務收入	1,814	—
Sundry income	雜項收入	412	188
		4,503	14,963

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 2019 截至二零一九年十二月三十一日止六個月

7. INCOME TAX

7. 所得稅

(Unaudited)

(未經審核)

Six months ended

31 December

截至十二月三十一日

止六個月

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 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 (2018: 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(二零一八年：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 2019 截至二零一九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	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Depreciation	折舊	44,891	53,014
Allowance for receivables	應收款項撥備		
— trade receivables	— 應收貿易賬項	4,289	5,131
— other receivables	— 其他應收款項	3,036	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)	20,642	23,314
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	125	638
Operating lease rental expenses	經營租賃租金開支	1,448	1,448
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	17,177	17,083
Employee share option benefits	員工購股權福利	—	3,454
Retirement benefits scheme contributions	退休福利計劃供款	3,951	3,830
Directors' emoluments	董事酬金	671	684

Note: For the Period and the six months ended 31 December 2018, factory overhead was incurred during the temporary suspension of production line of polyvinyl-chloride segment, vinyl acetate segment and calcium carbide segment.

附註：於期間及截至二零一八年十二月三十一日止六個月，工廠日常開支於聚氯乙烯分部、醋酸乙烯分部及碳化鈣分部之生產線暫時停產期間產生。

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 2019 截至二零一九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\$46,768,000 (2018: HK\$57,394,000) and the weighted average number of ordinary shares of 1,332,968,303 (2018: 1,136,731,667) in issue during the Period.

(b) Diluted loss per share

For the Period and the six months ended 31 December 2018, 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.

10. CAPITAL EXPENDITURE

During the Period, the additions to fixed assets including the construction in progress in the PRC were approximately HK\$3,849,000 (2018: HK\$16,390,000).

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46,768,000港元(二零一八年: 57,394,000港元)及期間已發行普通股加權平均數1,332,968,303股(二零一八年: 1,136,731,667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),故期間及截至二零一八年十二月三十一日止六個月每股攤薄虧損與每股基本虧損相同。

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3,849,000港元(二零一八年: 16,390,000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 2019 截至二零一九年十二月三十一日止六個月

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 2019: 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(二零一九年六月三十日: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 2019 二零一九年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元
Within 30 days	30日內	9,092	17,239
31 to 60 days	31至60日	1,166	393
61 to 90 days	61至90日	7	1,630
91 to 120 days	91至120日	6,480	1,006
121 to 150 days	121至150日	16,601	934
151 to 180 days	151至180日	10,907	21,359
181 to 365 days	181至365日	3,009	301
		47,262	42,862

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 2019 截至二零一九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 2019 二零一九年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2019 二零一九年 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		
1,335,427,319 (30 June 2019: 1,332,427,319) ordinary shares of HK\$0.10 each	1,335,427,319股 (二零一九年六月三十日: 1,332,427,319股)每股面值0.10港元之普通股	133,543	133,243

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 2019 截至二零一九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 2018	於二零一八年 七月一日	1,110,427	111,043
Issue of shares under share placement (note a)	根據股份配售發行 股份(附註a)	220,000	22,000
Issue of shares on exercise of share options (note b)	就行使購股權發行 股份(附註b)	2,000	200
At 30 June 2019 and 1 July 2019	於二零一九年 六月三十日及 二零一九年 七月一日	1,332,427	133,243
Issue of shares under a subscription agreement (note c)	根據認購協議發行 股份(附註c)	3,000	300
At 31 December 2019	於二零一九年 十二月三十一日	1,335,427	133,543

Note (a) 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.

附註(a) 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之認購協議，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。

Note (b) On 1 April 2019, the subscription rights attaching to 2,000,000 share options issued pursuant to the share option scheme of the Company were exercised at the subscription price of HK\$0.345 per share, resulting in the issuance of 2,000,000 shares of HK\$0.1 each for a total cash consideration of approximately HK\$0.9 million which was used for general working capital.

附註(b) 於二零一九年四月一日，根據本公司購股權計劃發行之2,000,000份購股權附帶之認購權按每股股份0.345港元之認購價獲行使，導致發行2,000,000股每股0.1港元之股份，總現金代價約0.9百萬港元已用作一般營運資金。

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 2019 截至二零一九年十二月三十一日止六個月

12. SHARE CAPITAL (Continued)

Note (c) On 28 November 2019, the subscription rights attaching to 3,000,000 share options issued pursuant to the share option scheme of the Company were exercised at the subscription price of HK\$0.325 per share, resulting in the issuance of 3,000,000 shares of HK\$0.1 each for a total cash consideration of approximately HK\$1.0 million which was used for general working capital.

12. 股本(續)

附註(c) 於二零一九年十一月二十八日，根據本公司購股權計劃發行之3,000,000份購股權附帶之認購權按每股股份0.325港元之認購價獲行使，導致發行3,000,000股每股0.1港元之股份，總現金代價約1.0百萬港元已用作一般營運資金。

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 2019 二零一九年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2019 二零一九年 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	906,361	820,458
Issuance of bonds	發行債券	—	22,380
Repayment of bonds	償還債券	(11,250)	—
Interest charge for the period/year	期內/年內利息開支	44,349	71,910
Interest paid for the period/year	期內/年內之已付利息	—	(8,387)
Carrying amount at the end of period/year	於期終/年終之賬面值	939,460	906,361

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 2019 截至二零一九年十二月三十一日止六個月

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 2019 二零一九年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元
Within one year	一年內	2,000	11,250
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	972,078	722,878
After five years	五年後	474,590	725,790
		1,448,668	1,459,918

The bonds payable are unsecured and interest bearing at coupon rates of 3% to 12% (30 June 2019: 3% to 12%).

應付債券為無抵押及按票息率3厘至12厘計息(二零一九年六月三十日：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 2019: 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(二零一九年六月三十日：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 2019 截至二零一九年十二月三十一日止六個月

14. BANK LOANS

14. 銀行貸款

The Group's bank loans are repayable as follows:

本集團之銀行貸款須於下列期間償還：

		(Unaudited) (未經審核) 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2019 二零一九年 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	16,171	18,670
Within one year	一年內	33,351	33,770
In the second year	第二年	2,663	2,663
In the third to fifth years inclusive	第三至第五年 (包括首尾兩年)	8,330	8,330
After five years	五年後	9,008	10,410
		69,523	73,843
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)	(49,522)	(52,440)
		20,001	21,403

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 2019 截至二零一九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 2019 二零一九年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元
Hong Kong dollars	港元	22,608	24,009
Renminbi	人民幣	46,915	49,834
		69,523	73,843

As of 31 December 2019, bank loans were arranged at floating rates ranging from 2.10% to 8.50% (30 June 2019: 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.

於二零一九年十二月三十一日，銀行貸款按浮動年利率介乎2.10厘至8.50厘(二零一九年六月三十日：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 2019 截至二零一九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 2019: 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(二零一九年六月三十日: 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 2019 二零一九年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元
Within 30 days	30日內	18,462	8,437
31 to 60 days	31至60日	8,785	7,178
61 to 90 days	61至90日	3,363	2,486
91 to 120 days	91至120日	4,318	5,910
121 to 365 days	121至365日	7,850	26,091
Over 365 days	超過365日	3,280	8,453
		46,058	58,555

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 2019 截至二零一九年十二月三十一日止六個月

16. CONTINGENT LIABILITIES

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 People’s Republic of China (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.

16. 或然負債

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」)向中華人民共和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 2019 截至二零一九年十二月三十一日止六個月

16. CONTINGENT LIABILITIES
(Continued)

On 25 October 2018, the Heilongjiang High Court had adjudged that Mudanjiang BD Power was liable to compensate the Plaintiff for approximately RMB36,700,000 with interest. 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.

16. 或然負債(續)

於二零一八年十月二十五日，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元連同利息。於期末後，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。合同一經牡丹江佳日熱電與原告雙方同意下重新執行，部分經批准賠償可隨即吸納於建築成本中。

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。

17. CAPITAL COMMITMENTS

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

17. 資本承擔

於期間結算日，本集團之資本承擔如下：

	(Unaudited) (未經審核) 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元
Contracted, but not provided for:		
Buildings and construction in progress	38,040	38,379
Capital investment in joint ventures	—	2,214
	38,040	40,593

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 2019 截至二零一九年十二月三十一日止六個月

18. LEASE COMMITMENTS

At 31 December 2019, the total future minimum lease payments under non-cancellable operating leases are repayable as follows:

	(Unaudited) (未經審核) 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2019 二零一九年 六月三十日 HK\$'000 千港元
Within one year 一年內	2,634	2,164
In the second to fifth years inclusive 第二年至第五年(包括首尾兩年)	5,268	—
	7,902	2,164

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 2019: 3 years) and rentals are fixed over the lease terms and do not include contingent rentals.

18. 租賃承擔

於二零一九年十二月三十一日，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(二零一九年六月三十日：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 2019 截至二零一九年十二月三十一日止六個月

19. EVENTS AFTER THE REPORTING PERIOD

Memorandum of understanding in relation to possible acquisition in January 2020

On 23 January 2020, the Company entered into the MOU with two vendors (the “**MOU Vendors**”), pursuant to which the Company would acquire, and the MOU Vendors would sell, the entire equity interest (the “**January Possible Acquisition**”) of My Cloud Technology (Shenzhen) Co. Ltd (the “**MOU Target Company**”). The MOU Target Company is principally engaged in the development of mobile internet integrated platform and it offers concessionary prices and quality services to attract users to use the platform for consumption on the one hand, and allows the merchants to make better offers with higher users’ access on the other hand, thereby enhancing the platform value with the match of supply and demand. The management considered that the January Possible Acquisition, if materialised, would enable the Group to leverage on the MOU Target Company’s background and expertise to further explore favourable businesses and new development opportunities in the area of software and information technology and would enable the Group to benefit from the competitive advantages of the MOU Target Company.

Details of the January Possible Acquisition were disclosed in the announcements of the Company dated 23 January 2020 and 24 January 2020, respectively.

19. 報告期後事項

有關於二零二零年一月可能進行收購之諒解備忘錄

於二零二零年一月二十三日，本公司與兩名賣方（「**諒解備忘錄賣方**」）訂立一份諒解備忘錄，據此，本公司將收購，而諒解備忘錄賣方將出售我的云科技(深圳)有限公司(My Cloud Technology (Shenzhen) Co. Ltd)（「**諒解備忘錄目標公司**」）全部股權（「**一月可能收購事項**」）。諒解備忘錄目標公司主要從事開發移動互聯網綜合平台，一方面以優惠價格及優質服務吸引用戶使用平台購物消費，另一方面以較高用戶流量使商戶提供更多優惠，從而通過供應和需求之匹配提高平台價值。管理層認為，一月可能收購事項（倘作實）將令本集團能夠利用諒解備忘錄目標公司背景及專業知識進一步探索軟件及信息技術領域良好商機及新發展機會，且本集團能夠得益於諒解備忘錄目標公司之競爭優勢。

有關一月可能收購事項之詳情已分別於本公司日期為二零二零年一月二十三日及二零二零年一月二十四日之公告內披露。

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 2019 截至二零一九年十二月三十一日止六個月

19. EVENTS AFTER THE REPORTING PERIOD (Continued)

Connected transaction in relation to the exercise of the put option and termination of the share transfer agreement and the supplemental agreement

On 5 January 2018, Prosper Path Limited (a wholly-owned subsidiary of the Company) (the “**Purchaser**”) entered into a share transfer agreement (the “**Share Agreement**”) with Dragon Wise Group Limited (an indirect non wholly-owned company of Mr. Sha Tao (“**Mr. Sha**”)) (the “**Vendor**”) to acquire 100% of the entire issued share capital (the “**Sale Shares**”) of Xinyang Maojian International Holding Limited (the “**Target Company**”, and together with its subsidiaries, the “**Target Group**”) at a total consideration (the “**Consideration**”) of HK\$85,800,000 (the “**Acquisition**”). On 11 June 2018, the Purchaser and the Vendor entered into a supplemental agreement (the “**Supplemental Agreement**”, together with the Share Agreement, the “**Existing Agreements**”), pursuant to which the Purchaser and the Vendor agreed to amend certain terms of the Share Agreement. The Consideration will be satisfied by way of allotment and issue of 220,000,000 new shares of the Company (the “**Consideration Shares**” and each a “**Consideration Share**”) to the Vendor or its nominee(s) at an issue price of HK\$0.39 per

19. 報告期後事項(續)

有關行使認沽期權及終止股份轉讓協議及補充協議之關連交易

於二零一八年一月五日，本公司全資附屬公司 Prosper Path Limited (「**買方**」) 與沙濤先生 (「**沙先生**」) 之間接非全資公司 Dragon Wise Group Limited (「**賣方**」) 訂立股份轉讓協議 (「**股份協議**」)，以收購信陽毛尖國際控股有限公司 (「**目標公司**」)，連同其附屬公司，統稱「**目標集團**」之全部已發行股本 (「**待售股份**」)，總代價 (「**代價**」) 為 85,800,000 港元 (「**收購事項**」)。於二零一八年六月十一日，買方與賣方訂立補充協議 (「**補充協議**」)，連同股份協議，統稱「**現有協議**」，據此，買方與賣方同意修訂股份協議之若干條款。代價將透過按每股代價股份 0.39 港元之發行價向賣方或其代名人配發及發行 220,000,000 股本公司新股份 (「**代價股份**」) 償付。根據現有協議，代價股份將不會獲配發及發行予賣方，惟且直至目標集團達成保證財務表現 (「**保證**」)

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 2019 截至二零一九年十二月三十一日止六個月

19. EVENTS AFTER THE
REPORTING PERIOD (Continued)

Connected transaction in relation to the exercise of the put option and termination of the share transfer agreement and the supplemental agreement (Continued)

Consideration Share. Pursuant to the Existing Agreements, the Consideration Shares will not be allotted and issued to the Vendor unless and until the guaranteed financial performance (the “**Guaranteed Financial Performance**”) is met by the Target Group and the Purchaser shall in accordance with the Existing Agreements, procure the Company to allot and issue the Consideration Shares to the Vendor. The Acquisition was completed on 4 October 2018. Pursuant to the Existing Agreements, in the event that any of the Guaranteed Financial Performance is not met after completion of the Acquisition, the Purchaser shall exercise an irrevocable and unconditional put option (the “**Put Option**”) in relation to the Sale Shares within seven Business Days after the provision of the Target Company’s audited accounts to the Vendor at an exercise price of HK\$1.

As the accumulated audited loss after tax of the Target Group for the year ended 30 June 2019 (the “**Relevant Period**”) was approximately RMB4,165,000, the Guaranteed Financial Performance for the Relevant Period (i.e. not less than profit of RMB8,500,000) could not be met.

19. 報告期後事項(續)

有關行使認沽期權及終止股份轉讓協議及補充協議之關連交易(續)

財務表現」，買方須根據現有協議促使本公司配發及發行代價股份予賣方。收購事項已於二零一八年十月四日完成。根據現有協議，倘於完成收購事項後並未達成任何保證財務表現，買方將於目標公司按行使用價1港元向賣方提供經審核賬項後七個營業日內行使有關待售股份之不可撤銷及無條件認沽期權(「認沽期權」)。

由於目標集團於截至二零一九年六月三十日止年度(「有關期間」)之除稅後累計經審核虧損約為人民幣4,165,000元，於有關期間之保證財務表現(即溢利不低於人民幣8,500,000元)無法達成。

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 2019 截至二零一九年十二月三十一日止六個月

19. EVENTS AFTER THE REPORTING PERIOD (Continued)

Connected transaction in relation to the exercise of the put option and termination of the share transfer agreement and the supplemental agreement (Continued)

On 12 February 2020, the Purchaser and the Vendor entered into a termination agreement (the “**Termination Agreement**”), pursuant to which the parties had agreed, among others, (i) to terminate the Existing Agreements and the transactions contemplated thereunder; (ii) to waive the term which required the Put Option be exercised by the Purchaser within seven Business Days after the provision of the relevant audited accounts to the Vendor (the “**Waiver**”); and (iii) that the Purchaser shall exercise the Put Option to dispose of the Target Company to the Vendor.

Details of the Acquisition (including the Termination Agreement and the Waiver) were disclosed in the circular of the Company dated 23 July 2018 and the announcements of the Company dated 5 January 2018, 11 June 2018, 15 August 2018 and 12 February 2020, respectively.

19. 報告期後事項(續)

有關行使認沽期權及終止股份轉讓協議及補充協議之關連交易(續)

於二零二零年二月十二日，買方與賣方訂立終止協議(「**終止協議**」)，據此，訂約方已同意(其中包括)(i)終止現有協議及其項下擬進行之交易；(ii)豁免買方需於向賣方提供相關經審核賬項後七個營業日內行使認沽期權之期限(「**豁免**」)；及(iii)買方須行使認沽期權，以出售目標公司予賣方。

收購事項之詳情(包括終止協議及豁免)分別披露於本公司日期為二零一八年七月二十三日之通函及本公司日期為二零一八年一月五日、二零一八年六月十一日、二零一八年八月十五日及二零二零年二月十二日之公告內。

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 2019 截至二零一九年十二月三十一日止六個月

19. EVENTS AFTER THE REPORTING PERIOD (Continued)

Connected transaction in relation to the exercise of the put option and termination of the share transfer agreement and the supplemental agreement (Continued)

As of the date of this report, the management has decided to cease the tea division business.

Disposal of shares by the single largest shareholder and the subsequent lapse of sale and purchase agreement

The Company was informed by Mr. Chan Yuen Tung (“**Mr. Chan**”), the then single largest shareholder of the Company and Mr. Sha, the then second single largest shareholder of the Company, that on 16 April 2019, Mr. Chan and Mr. Sha entered into a conditional sale and purchase agreement (the “**SPA**”) pursuant to which Mr. Chan agreed to sell and Mr. Sha agreed to purchase 146,000,000 shares of the Company, representing approximately 10.97% of the total issued shares of the Company as at the date of the announcement of the Company dated 16 April 2019 (the “**Disposal Announcement**”), at a price of HK\$0.915 per Share (the “**Disposal**”).

19. 報告期後事項(續)

有關行使認沽期權及終止股份轉讓協議及補充協議之關連交易(續)

截至本報告日期，管理層已決定終止茶葉分部業務。

單一最大股東出售股份及買賣協議其後失效

本公司獲本公司當時單一最大股東陳遠東先生(「**陳先生**」)及本公司單一第二大股東沙先生知會，陳先生與沙先生於二零一九年四月十六日訂立有條件買賣協議(「**買賣協議**」)，據此，陳先生同意出售及沙先生同意按每股股份0.915港元之價格購買146,000,000股本公司股份，相當於本公司於本公司日期為二零一九年四月十六日之公告(「**出售公告**」)日期已發行股份總數約10.97%(「**出售事項**」)。

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 2019 截至二零一九年十二月三十一日止六個月

19. EVENTS AFTER THE REPORTING PERIOD (Continued)

Disposal of shares by the single largest shareholder and the subsequent lapse of sale and purchase agreement (Continued)

The Company was further informed that the closing of the SPA would be conditional upon the fulfillment of certain conditions precedent on or before 15 December 2019 (or such other date agreed by the parties to the SPA), including in particular, the entering into of a placing agreement by Mr. Chan to appoint a securities broker licensed to carry out Type 1 (dealing in securities) activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as placing agent, to place on a fully underwritten basis to placees independent of and not parties acting in concert with Mr. Sha, the remaining 200,479,861 shares of the Company held by Mr. Chan (the “**Placing**”) other than the shares of the Company to be disposed of under the SPA. Pursuant to the SPA, completion of the Disposal and the Placing shall take place simultaneously.

On or around 12 February 2020, the Company was informed by Mr. Chan that as the conditions precedent of the SPA have not been satisfied, pursuant to the terms of the SPA, the SPA has lapsed and is of no further effect and neither party to the SPA shall have any claim against each other save for any rights or obligations which may accrue prior to the lapse of the SPA.

19. 報告期後事項(續)

單一最大股東出售股份及買賣協議其後失效(續)

本公司獲進一步知會，買賣協議之完成須待若干先決條件於二零一九年十二月十五日或之前(或買賣協議訂約方協定之有關其他日期)獲達成後方可作實，包括尤其是由陳先生訂立配售協議委任根據香港法例第571章證券及期貨條例可進行第1類(證券交易)活動之證券經紀(作為配售代理)按全面包銷基準向獨立於沙先生及並非其一致行動人士之承配人配售由陳先生持有之剩餘200,479,861股本公司股份(根據買賣協議將予出售之本公司股份除外)(「**配售事項**」)。根據買賣協議，出售事項及配售事項將同時完成。

於二零二零年二月十二日後，本公司獲陳先生告知，由於買賣協議之先決條件尚未達成，根據買賣協議之條款，買賣協議已失效並再無效力，且買賣協議之訂約方概不得向另一方提出任何申索，惟於買賣協議失效前已產生之任何權利或責任則除外。

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 2019 截至二零一九年十二月三十一日止六個月

19. EVENTS AFTER THE REPORTING PERIOD (Continued)

Disposal of shares by the single largest shareholder and the subsequent lapse of sale and purchase agreement (Continued)

Details of the Disposal (including the subsequent lapse of the SPA) were disclosed in the Disposal Announcement and the announcement of the Company dated 12 February 2020.

Strategic investment framework agreement

On 13 February 2020, the Company entered into a strategic investment framework agreement (the “**Framework Agreement**”) with SB Green Investment Fund Limited (an indirect non wholly-owned company of Mr. Sha (“**SB Green**”).

Pursuant to the Framework Agreement, SB Green agreed to cooperate with the Company and commit to make strategic investments in the Company to support the Company’s development of new economic businesses that meet the requirements of green sustainable development, subject to compliance with the Hong Kong capital market regulations and certain conditions. Based on the different stages of cooperation, it is expected that SB Green will make strategic investment of not less than US\$50,000,000 to the Company based on the market situation and use of capital at the relevant time, including but not limited to debt and equity investments, such as subscription and issuance of notes, bonds, convertible bonds, and/or share placements.

19. 報告期後事項(續)

單一最大股東出售股份及買賣協議其後失效(續)

出售事項詳情(包括買賣協議其後失效)已於出售公告及本公司日期為二零二零年二月十二日之公告中予以披露。

策略投資框架協議

於二零二零年二月十三日，本公司與沙先生之間接非全資公司軟銀綠色投資基金有限公司(「軟銀綠色」)訂立策略投資框架協議(「框架協議」)。

根據框架協議，軟銀綠色同意與本公司合作並承諾於本公司作出策略投資，以支持本公司按照香港資本市場規例及若干條件發展符合綠色可持續發展要求之新經濟業務。根據不同合作階段，預期軟銀綠色將按照當時市況及資金使用情況，對本公司作出不少於50,000,000美元之策略投資，包括但不限於認購及發行票據、債券、可轉換債券及／或股份配售等債務及股權投資。

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 2019 截至二零一九年十二月三十一日止六個月

19. EVENTS AFTER THE REPORTING PERIOD (Continued)

Strategic investment framework agreement (Continued)

The management was of the view that both parties would leverage on their respective advantages, resources and expertise to build a stable and mutually-beneficial strategic cooperation relationship. The entering into of the Framework Agreement is in line with the development strategies of the Company as a whole, which will enable the Company to seize any potential business and investment opportunities, and is in the interests of the Company and its Shareholders.

Details of the Framework Agreement were set out in the announcement of the Company dated 13 February 2020.

19. 報告期後事項(續)

策略投資框架協議(續)

管理層認為，雙方可利用其各自優勢、資源及專業知識以建立穩定及互惠互利之策略合作關係。訂立框架協議與本公司整體發展策略相符，可讓本公司把握任何潛在業務及投資機遇，並符合本公司及其股東之利益。

框架協議詳情載於本公司日期為二零二零年二月十三日之公告。

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 (2018: Nil).

中期股息

董事已議決不會就期間宣派任何中期股息(二零一八年：無)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Business Review

The local management of each business segment of the Group had closely monitored the business operations to reduce coal or energy consumption and avoid wastage so as to enhance the profit from the heat and power division. Although the turnover was downscaled due to the suspension of the calcium carbide production line, the heat and power generating division had an organic growth. Thus, the Group recorded an improvement in the profit margin.

業務回顧

本集團各業務分部之當地管理層已就業務營運進行嚴密監控，以減少煤炭或能源消耗及避免浪費，從而提升熱能及電力部溢利。儘管碳化鈣生產線停產導致營業額下滑，惟熱能及電力生產部仍錄得自然增長。因此，本集團之利潤率有所上升。

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

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。

For the Period, revenue of the Group amounted to approximately HK\$150 million, representing a decrease of 23% when compared with that of the last corresponding period.

於期間內，本集團收益約為150百萬港元，較去年同期減少23%。

Loss attributable to the owners of the Company for the Period amounted to approximately HK\$47 million, representing a decrease of 19% when compared with that of the last corresponding period.

於期間內，本公司擁有人應佔虧損約為47百萬港元，較去年同期減少19%。

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

於期間內，本集團營業額下跌乃歸因於碳化鈣銷量下跌。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

The Group's selling and distribution costs for the Period was approximately HK\$11 million, representing an increase of approximately 14% when compared with that of the last corresponding period. The increase in selling and distribution costs resulted from the expansion of heat supplying area during the Period.

The Group's administrative expenses for the Period was approximately HK\$39 million, representing a decrease of approximately 21% when compared with that of the last corresponding period. The decrease in administrative expenses was due to the suspension of the calcium carbide production line in Heihe.

The Group's other operating expenses for the Period was approximately HK\$24 million, representing a decrease of approximately 23% when compared with that of the last corresponding period. The decrease in other operating expenses mainly represented (i) lower factory overhead incurred due to lower depreciation cost as a result of the suspension of the Mudanjiang factories; and (ii) general maintenance costs of the Mudanjiang factories had been expensed during the last corresponding period.

The Group's finance costs for the Period was approximately HK\$48 million, representing an increase of approximately 1% when compared with that of the last corresponding period. There were no material changes in the Group's finance costs during the Period.

本集團於期間之銷售及分銷成本約為11百萬港元，較去年同期增加約14%。銷售及分銷成本增加乃由於期間之熱能供應區域擴大所致。

本集團於期間之行政開支約為39百萬港元，較去年同期減少約21%。行政開支減少乃由於黑河之碳化鈣生產線停產所致。

本集團於期間之其他營運開支約為24百萬港元，較去年同期減少約23%。其他營運開支減少主要為(i)因牡丹江工廠停產而導致折舊成本減少，從而降低工廠日常開支；及(ii)牡丹江工廠之一般維修費用已於去年同期支銷。

於期間內，本集團之財務成本約為48百萬港元，較去年同期增加約1%。於期間內，本集團財務成本並無重大變動。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

Heat and power division

During the Period, the heat and power division recorded a revenue of approximately HK\$141 million from external customers (2018: HK\$127 million). Income from supplying heat to residential users for the Period was approximately HK\$131 million, representing an increase of approximately 14% compared with that of the last corresponding period. The increase was due to the increase in heat supplying area for the Group during the Period. Segment profit of approximately HK\$52 million was achieved, representing an increase of approximately 24% compared with that of the last corresponding period.

Chemical production division

Calcium carbide

During the Period, the calcium carbide segment of the chemical production division recorded a revenue of approximately HK\$8 million from external customers (2018: HK\$67 million). Segment loss of approximately HK\$25 million was recorded, representing an increase of approximately 96% compared with that of the last corresponding period. During the Period, despite the suspension of the production line for the production of calcium carbide, revenue was generated as the production line for the production of lime powder, a semi-final production of calcium carbide, remained in operation.

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, respectively (2018: Nil and nil, respectively), due to the suspension of the Mudanjiang factories.

熱能及電力部

於期間內，熱能及電力部錄得外界客戶收益約141百萬港元(二零一八年：127百萬港元)。期間內向住宅用戶供應熱能之收入約為131百萬港元，較去年同期增加約14%。該增加乃由於本集團於期間之熱能供應區域擴大所致。分部溢利約為52百萬港元，較去年同期增加約24%。

化工產品部

碳化鈣

於期間內，化工產品部之碳化鈣分部錄得來自外界客戶之收益約8百萬港元(二零一八年：67百萬港元)。分部虧損錄得約25百萬港元，較去年同期增加約96%。期間內，儘管碳化鈣生產線暫停生產，但由於生產石灰粉(碳化鈣半成品)之生產線仍在營運，因此產生收益。

聚氯乙烯及醋酸乙烯

於期間內，化工產品部聚氯乙烯分部及醋酸乙烯分部各自分別並無錄得來自外界客戶之收益(二零一八年：分別為無及無)，此乃由於牡丹江工廠停產所致。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

Construction services division

During the Period, the construction services division recorded a revenue and a segment loss of approximately HK\$1 million (2018: HK\$2 million) and HK\$1 million (2018: HK\$2 million), respectively. Due to the seasonal suspension of construction activities during winter in the North East of the People's Republic of China (the "PRC"), minimal revenue was recognised during the Period.

Capital Structure, Liquidity and Financial Resources

Capital structure

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

Liquidity and financial ratio

As at 31 December 2019, the Group had total assets of approximately HK\$2,212 million (30 June 2019: HK\$2,267 million), which were financed by current liabilities of approximately HK\$251 million (30 June 2019: HK\$277 million), non-current liabilities of approximately HK\$1,194 million (30 June 2019: HK\$1,125 million), non-controlling interests of approximately HK\$54 million (30 June 2019: HK\$64 million) and owners' equity of approximately HK\$713 million (30 June 2019: HK\$801 million).

建造服務部

於期間內，建造服務部分別錄得收益及分部虧損分別為約1百萬港元(二零一八年：2百萬港元)及1百萬港元(二零一八年：2百萬港元)。由於中華人民共和國(「中國」)東北地區建設活動於冬季季節性暫停，因此該期間確認少量收入。

資本結構、流動資金及財務資源

資本結構

於期間內，本集團分別透過內部產生資源以及股本集資及非股本集資之所得款項撥付營運所需資金。

流動資金及財務比率

於二零一九年十二月三十一日，本集團之總資產約為2,212百萬港元(二零一九年六月三十日：2,267百萬港元)，由流動負債約251百萬港元(二零一九年六月三十日：277百萬港元)、非流動負債約1,194百萬港元(二零一九年六月三十日：1,125百萬港元)、非控股權益約54百萬港元(二零一九年六月三十日：64百萬港元)及擁有人權益約713百萬港元(二零一九年六月三十日：801百萬港元)撥付。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

As at 31 December 2019, the current assets of the Group amounted to approximately HK\$276 million (30 June 2019: HK\$252 million), mainly comprising inventories of approximately HK\$54 million (30 June 2019: HK\$40 million), trade receivables of approximately HK\$47 million (30 June 2019: HK\$43 million), prepayments, deposits and other receivables of approximately HK\$166 million (30 June 2019: HK\$161 million), financial assets at fair value through profit or loss of approximately HK\$1 million (30 June 2019: HK\$1 million) and cash and cash equivalents of approximately HK\$8 million (30 June 2019: HK\$7 million).

As at 31 December 2019, 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 1.1 (30 June 2019: 0.9), 0.9 (30 June 2019: 0.8), 65.3% (30 June 2019: 61.8%) and 202.7% (30 June 2019: 175.0%), respectively. The higher gearing ratio was mainly attributable to the one-off written-off on the idle production lines in Mudanjiang in the year 2019, whilst the total debts of the Group remained stable.

The Group maintained a 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.

於二零一九年十二月三十一日，本集團之流動資產約為276百萬港元（二零一九年六月三十日：252百萬港元），主要包括存貨約54百萬港元（二零一九年六月三十日：40百萬港元）、應收貿易賬項約47百萬港元（二零一九年六月三十日：43百萬港元）、預付款項、訂金及其他應收款項約166百萬港元（二零一九年六月三十日：161百萬港元）、按公平值計入損益之金融資產約1百萬港元（二零一九年六月三十日：1百萬港元）以及現金及現金等值項目約8百萬港元（二零一九年六月三十日：7百萬港元）。

於二零一九年十二月三十一日，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）、資產負債比率（總債務／總資產）及本集團債務與權益比率（總債務／擁有人權益）分別約為1.1（二零一九年六月三十日：0.9）、0.9（二零一九年六月三十日：0.8）、65.3%（二零一九年六月三十日：61.8%）及202.7%（二零一九年六月三十日：175.0%）。資產負債比率較高乃主要歸因於二零一九年牡丹江閒置生產線之一次性撇銷，而本集團之總債務維持穩定。

本集團於整個期間內一直維持相對穩定之財務狀況。管理層已密切監察本集團之流動資金狀況，並採取合適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)

Non-equity funding

Bank loans

As at 31 December 2019, the bank loans of the Group amounted to approximately HK\$70 million (30 June 2019: HK\$74 million), of which approximately HK\$23 million was denominated in Hong Kong dollars and approximately HK\$47 million was denominated in Renminbi (30 June 2019: HK\$24 million was denominated in Hong Kong dollars and HK\$50 million was denominated in Renminbi). Based on agreed scheduled repayments set out in the loan agreements, bank loans of approximately HK\$50 million (30 June 2019: HK\$52 million) were repayable within 12 months.

Bonds and other non-equity financing

As at 31 December 2019, the aggregate bonds payable were approximately HK\$939 million (30 June 2019: HK\$906 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 2019, 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 (30 June 2019: HK\$0.1 million).

Charges on the Group's assets

As at 31 December 2019, bank loans and other loans of approximately HK\$70 million (30 June 2019: HK\$73.8 million) and HK\$28 million (30 June 2019: HK\$23.8 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

於二零一九年十二月三十一日，本集團之銀行貸款約為70百萬港元(二零一九年六月三十日：74百萬港元)，當中約23百萬港元以港元計值及約47百萬港元以人民幣計值(二零一九年六月三十日：24百萬港元以港元計值及50百萬港元以人民幣計值)。按照載於貸款協議之協定預定還款，須於12個月內償還之銀行貸款約為50百萬港元(二零一九年六月三十日：52百萬港元)。

債券及其他非股本集資

於二零一九年十二月三十一日，應付債券合共金額約為939百萬港元(二零一九年六月三十日：906百萬港元)，乃為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

於二零一九年十二月三十一日，除按公平值計入損益之金融資產約1百萬港元(二零一九年六月三十日：0.1百萬港元)外，本公司並無任何重大投資。

本集團資產之抵押

於二零一九年十二月三十一日，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70百萬港元(二零一九年六月三十日：73.8百萬港元)及28百萬港元(二零一九年六月三十日：23.8百萬港元)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 16 to the Interim Financial Statements.

Contingent liabilities

As at 31 December 2019, except for as disclosed in note 16 to the Interim Financial Statements, 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 2019.

In face of currency market instability, the Group will make use of hedging instruments to mitigate the exchange rate risk, as and when appropriate.

Number and remuneration of employees

As at 31 December 2019, the Group had 682 full time employees in the PRC and Hong Kong (30 June 2019: 678). 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.

或然事項

董事會已審閱並考慮本公司之或然負債以及於中期財務報表附註16披露有關或然負債之資料。

或然負債

於二零一九年十二月三十一日，除中期財務報表附註16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，而本集團於二零一九年十二月三十一日亦無任何未平倉之對沖工具。

由於貨幣市場不穩定，本集團將適時利用對沖工具以盡量減低匯率變動風險。

僱員數目及薪酬

於二零一九年十二月三十一日，本集團於中國及香港之全職僱員人數為682人(二零一九年六月三十日：678人)。本集團認為人力資源為其成功之關鍵。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。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

Details of the movement in the share options (the “Options”) granted under the share option scheme of the Company during the Period are set out below:

本公司於期間內根據購股權計劃授出之購股權(「購股權」)之變動詳情載列如下：

Number of category of participants	Options held at 30 June 2019 於二零一九年六月三十日 持有之購股權	Options granted during the Period 期間內授出之購股權	Options exercised during the Period 期間內行使之購股權	Options cancelled during the Period 期間內註銷之購股權	Options lapsed during the Period 期間內失效之購股權	Options held at 31 December 2019 於二零一九年十二月三十一日 持有之購股權
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	151,120,000	—	(3,000,000)	—	148,120,000
Total	總計	172,680,000	—	(3,000,000)	—	169,680,000

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

附註：所有購股權均已於授出當日即時歸屬，且並無歸屬期。

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.

The Group is actively exploring business opportunities and is keen on exploring businesses in the **new and emerging industrial sector**. The Group will not rule out the possibility of further acquisition and disposal of non-core assets so as to create value to the shareholders of the Company.

展望

除改善本集團現有業務外，管理層繼續探索多項潛在項目，以改善本集團之收入來源及盈利能力。

本集團積極開拓商機並有意探索**新興產業分部**之業務。本集團不排除將可能進一步進行收購及出售非核心資產，務求為本公司股東締造價值。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

Heat and power division

During the Period, turnover of the heat and power division increased by approximately 10.8% (six months ended 31 December 2018: decreased by 3.8%) and the gross profit increased by approximately 25.0% (six months ended 31 December 2018: decreased by 4.6%). This was because of the increase in the residential heat supplying areas for the Group during the Period (2019: 4.8 million square meters; and 2018: 4.1 million square meters).

Further, during the Period, there was a slight decrease in the market price of raw coal of about 5–7%, and therefore, there was a remarkable improvement in the profit margin from the heat and power division.

Given the combination of (i) the increase in the residential heat supplying areas for the Group; and (ii) the slight decrease in the market price of raw coal, the management foresees that this business segment will begin to trend upwards.

Chemical production division

Heihe

During the Period, turnover of the calcium carbide segment of the chemical production division significantly decreased by approximately 87.3% (2018: increase by 88.8%) and recorded a gross loss of approximately HK\$1.9 million (2018: gross profit of HK\$5 million). During the Period, the market selling price of calcium carbide remained low which led to a gross loss for the production of calcium carbide.

熱能及電力部

於期間內，熱能及電力部之營業額增加約10.8% (截至二零一八年十二月三十一日止六個月：下降3.8%) 及毛利增加約25.0% (截至二零一八年十二月三十一日止六個月：下降4.6%)，此乃由於本集團於期間內住宅熱能供應區域擴大 (二零一九年：4.8百萬平方米；及二零一八年：4.1百萬平方米)。

此外，於期間內，原煤市價略降約5至7%，故熱能及電力部之利潤率大幅改善。

鑒於以下兩方面：(i)本集團住宅熱能供應區域擴大；及(ii)原煤市價微幅下跌，管理層預期該業務分部將開始上升。

化工產品部

黑河

於期間內，化工產品部碳化鈣分部之營業額顯著減少約87.3% (二零一八年：增加88.8%)，並錄得毛損約1.9百萬港元 (二零一八年：毛利5百萬港元)。於期間內，碳化鈣市價維持低水平，導致碳化鈣生產錄得毛損。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

The Group had suspended the production line for the production of calcium carbide, but the production line for the production of lime powder remained in operations. The management believes that the production of lime powder will still provide an optimistic return to the Group in the foreseeable future, and the management therefore intends to concentrate on the expansion of the Group's production capacity of lime powder, while continuing to seek for opportunities to transform the production in Heihe factory in order to maximise the return to the Company.

Mudanjiang

Due to the current market environment, the management is not optimistic in resuming the operations of the plant and equipment in Mudanjiang for the foreseeable future. Nevertheless, the Group will explore various opportunities and measures to reactivate the production plants.

Construction service division

As influenced by the Coronavirus disease (COVID-19), it is expected construction contracts in the year 2020 would be decreased significantly as most of the construction projects have been suspended. Despite this, Mudanjiang Jinyang Municipal Engineering Company Limited, an indirect wholly-owned subsidiary of the Company, will continue providing support to the Group to help expand its heat supply network, including the construction of heat exchange stations and facilities and pipeline networks.

本集團已暫停生產碳化鈣之生產線，惟仍保留生產石灰粉之生產線運作。管理層因此相信石灰粉之生產在可預見之將來仍將為本集團帶來樂觀之回報，及管理層擬集中精力擴大本集團石灰粉之產能，同時繼續尋求機會改造黑河工廠之生產線，務求盡力擴大大公司回報。

牡丹江

由於當前市場環境，管理層對於可預見未來保留牡丹江廠房及設備運作之態度並不樂觀。然而，本集團將探索不同機會及措施重啟生產廠房。

建造服務部

受冠狀病毒疾病(COVID-19)影響，大部分建造項目已暫停，因此預期二零二零年之建造合約將大幅下降。儘管如此，本公司間接全資附屬公司牡丹江金陽市政工程有限公司將繼續為本集團提供支援，以幫助本集團擴大熱供應網絡，包括建造熱交換站及設施以及管道網絡。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

Agreement in relation to possible acquisition in November 2019

On 18 November 2019, the Company entered into an agreement (the “**Xinyang Maojian Agreement**”) with Xinyang Maojian Holdings Co. Ltd.* (信陽毛尖控股有限公司) (the “**Xinyang Maojian Vendor**”) pursuant to which the parties agreed to enter into a further agreement (the “**Definitive Agreement**”) under which the Company would acquire, and the Xinyang Maojian Vendor would sell, some or all of its assets as set out in the Xinyang Maojian Agreement (the “**November Possible Acquisition**”). The parties agreed that the consideration will be paid by way of a combination of cash consideration, bills payable, convertible bonds and/or consideration shares. The amount and method of payment of the consideration shall be determined after arm’s length negotiation between the Company and the Xinyang Maojian Vendor, subject to the terms and conditions to be set out in the Definitive Agreement.

Details of the November Possible Acquisition was disclosed in the announcement of the Company dated 18 November 2019.

GROUP STRATEGY

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.

有關於二零一九年十一月可能進行收購之協議

於二零一九年十一月十八日，本公司與信陽毛尖控股有限公司（「**信陽毛尖賣方**」）訂立一份協議（「**信陽毛尖協議**」），據此，訂約方同意訂立進一步協議（「**正式協議**」），內容有關本公司將收購，而信陽毛尖賣方將出售信陽毛尖協議所載部分或全部資產（「**十一月可能收購事項**」）。訂約方同意以現金代價、應付票據、可轉換債券及／或代價股份之組合支付代價。代價金額及支付方式將由本公司與信陽毛尖賣方按公平原則釐定，以正式協議之條款及條件為準。

有關十一月可能收購事項之詳情已於本公司日期為二零一九年十一月十八日之公告內披露。

集團策略

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 (CONTINUED)
其他資料披露(續)

**DIRECTORS' INTERESTS OR
SHORT POSITIONS IN SHARES
AND UNDERLYING SHARES**

**董事於股份及相關股份
之權益或淡倉**

As at 31 December 2019, 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:

於二零一九年十二月三十一日，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	Type of interest	Number of Shares held (long position)	% of issued capital of the Company	Options held	% of issued capital of the Company
董事姓名	權益類別	所持股份數目 (好倉)	佔本公司已發行股本百分比	所持購股權	佔本公司已發行股本百分比
Ms. Chan Yuk Foebe 陳昱女士	Beneficial Interest 實益權益	7,170,000	0.54%	10,780,000	0.81%
Mr. Law Tze Ping Eric 羅子平先生	Beneficial Interest 實益權益	0	0%	10,780,000	0.81%

DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED)

其他資料披露 (續)

INTERESTS IN THE SHARES AND UNDERLYING SHARES

於股份及相關股份之權益

Save as disclosed above, so far as the Directors are aware, as at 31 December 2019, 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.

除上文披露者外，就董事所知悉，於二零一九年十二月三十一日，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）；或本公司須記入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 are aware, as at 31 December 2019, 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:

據董事所知悉，於二零一九年十二月三十一日，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
股東姓名	權益性質	所持股份數目	佔本公司權益概約百分比
Mr. Chan Yuen Tung 陳遠東先生	Beneficial owner 實益擁有人	200,479,861 (L)	15.01%
Mr. Sha Tao 沙濤先生	Beneficial owner 實益擁有人	220,000,000 (L)	16.47%

(L) long position

(L) 好倉

Save as disclosed above, as far as the Directors are aware, as at 31 December 2019, 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，於二零一九年十二月三十一日，概無其他人士於本公司股份及相關股份中擁有已記入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

The Directors are of the view that the Company has complied with the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Listing Rules during the Period, except for the following deviation as summarised below:

Code Provision A.2.1 of the Code

The roles of Chairman and Chief Executive Officer of the Company 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

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(「守則」)，除以下偏離情況外，概括如下：

守則之守則條文A.2.1條

本公司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 to 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. No incident of non-compliance was noted by the Company 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。於期間，本公司概不知悉任何違規事件。

CHANGES OF INFORMATION OF DIRECTORS UNDER RULE 13.51B(1) OF LISTING RULES

No information was required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Period.

根據上市規則第 13.51B(1)條之董事資料 變動

於期間內，概無根據上市規則第13.51B(1)條須予披露之資料。

AUDIT COMMITTEE

The Company set up the Audit Committee on 8 April 2001 pursuant to Rules 3.21 and 3.22 of the Listing Rules, 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, namely, Mr. Ma Wing Yun Bryan (Chairman), 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 Interim Financial Statements and there was no disagreement from the Audit Committee with the accounting treatment adopted by the Company.

審核委員會

根據上市規則第3.21及3.22條，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。審核委員會由三名獨立非執行董事馬榮欣先生(主席)、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，包括審閱中期財務報表，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 (the “**Remuneration Committee**”) on 1 July 2005, with specific written terms of reference which set out clearly its authority and duties pursuant to Rules 3.25 and 3.26 of the Listing Rules. The Remuneration Committee currently comprises three independent non-executive Directors, namely, Mr. Ma Wing Yun Bryan (Chairman), Mr. Tam Ching Ho and Mr. Hau Chi Kit, 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(「**薪酬委員會**」)，並根據上市規則第3.25及3.26條制定特定書面職權範圍，清晰劃分其職權及職責。薪酬委員會現時由三名獨立非執行董事馬榮欣先生(主席)、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 by the Company (the “**Nomination Committee**”) on 2 November 2007, with specific written terms of reference pursuant to provisions A.5.1 and A.5.2 of the Code. The Nomination Committee currently comprises one executive Director, namely Ms. Chan Yuk Foebe (Chairman), 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, developing and formulating the relevant procedures for nomination and appointment of Directors, 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(「**提名委員會**」)，並根據守則第A.5.1及A.5.2條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(主席)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檢討董事會之組成、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)

INTERIM REPORT

The 2019/20 interim report containing all the financial and other related information of the Company required by the Listing Rules will be available on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.xinyangmaojian.com.hk, and dispatched to the shareholders of the Company before the end of March 2020.

By order of the Board

Chan Yuk Foebe

Chairman and Chief Executive Officer

Hong Kong, 28 February 2020

中期報告

載有本公司根據上市規則所規定須詳列之所有財務及其他有關資料之二零一九/二零年中期報告，將於二零二零年三月底前刊登於香港交易及結算所有限公司網站(www.hkexnews.hk)及本公司網站(www.xinyangmaojian.com.hk)，並寄發予本公司股東。

承董事會命

陳昱

主席兼行政總裁

香港，二零二零年二月二十八日



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

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

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