



稀镁科技  
REMT

稀镁科技集團控股有限公司

Rare Earth Magnesium Technology Group Holdings Limited

(於百慕達註冊成立之有限公司)

(Incorporated in Bermuda with limited liability)

(股份代號 Stock Code: 00601)



2018 中期報告  
INTERIM REPORT

## 董事

### 執行董事：

沈世捷(主席)  
池碧芬(行政總裁)

### 非執行董事：

孟健教授  
譚偉豪 太平紳士

### 獨立非執行董事：

鄭炳文  
張省本  
關毅傑

## 審核委員會

鄭炳文(主席)  
張省本  
關毅傑

## 薪酬委員會

鄭炳文(主席)  
池碧芬  
張省本

## 提名委員會

沈世捷(主席)  
鄭炳文  
關毅傑

## 公司秘書

樊國民

## 核數師

國衛會計師事務所有限公司

## DIRECTORS

### Executive Directors:

Shum Sai Chit (*Chairman*)  
Chi Bi Fen (*Chief Executive Officer*)

### Non-executive Directors:

Professor Meng Jian  
Tam Wai Ho, Samson JP

### Independent Non-executive Directors:

Kwong Ping Man  
Cheung Sound Poon  
Kwan Ngai Kit

## AUDIT COMMITTEE

Kwong Ping Man (*Chairman*)  
Cheung Sound Poon  
Kwan Ngai Kit

## REMUNERATION COMMITTEE

Kwong Ping Man (*Chairman*)  
Chi Bi Fen  
Cheung Sound Poon

## NOMINATION COMMITTEE

Shum Sai Chit (*Chairman*)  
Kwong Ping Man  
Kwan Ngai Kit

## COMPANY SECRETARY

Fan Kwok Man, Raymond

## AUDITORS

HLB Hodgson Impey Cheng Limited

## 主要往來銀行

香港上海滙豐銀行有限公司  
星展銀行(香港)有限公司  
交通銀行股份有限公司

## 註冊辦事處

Clarendon House  
Church Street  
Hamilton HM11  
Bermuda

## 主要辦事處

香港  
九龍尖沙咀  
廣東道9號  
港威大廈第6座  
11樓1105室

## 百慕達主要股份過戶登記處及 轉讓登記處

Estera Management (Bermuda) Limited  
Canon's Court, 22 Victoria Street  
Hamilton HM 12  
Bermuda

## 香港股份過戶登記分處及 轉讓登記處

卓佳秘書商務有限公司  
香港  
皇后大道東183號  
合和中心22樓

## 網址

<http://www.remt.com.hk>

## 股份代號

00601

## PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited  
DBS Bank (Hong Kong) Limited  
Bank of Communication Co., Ltd

## REGISTERED OFFICE

Clarendon House  
Church Street  
Hamilton HM11  
Bermuda

## PRINCIPAL PLACE OF BUSINESS

Suite 1105, 11th Floor  
Tower 6, The Gateway  
9 Canton Road  
Tsim Sha Tsui, Kowloon  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

Estera Management (Bermuda) Limited  
Canon's Court, 22 Victoria Street  
Hamilton HM 12  
Bermuda

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

## WEBSITE

<http://www.remt.com.hk>

## STOCK CODE

00601

## 業績

稀鎂科技集團控股有限公司(「本公司」或「稀鎂科技」)董事會(「董事會」)宣佈本公司及其附屬公司(統稱「本集團」)截至二零一八年六月三十日止六個月(「回顧期內」)之未經審核簡明綜合中期業績連同二零一七年同期比較數字如下。

## 簡明綜合損益及其他全面收益表

截至二零一八年六月三十日止六個月

## RESULTS

The board of directors (the “Board”) of Rare Earth Magnesium Technology Group Holdings Limited (the “Company” or “REMT”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2018 (“Review Period”), together with the comparative figures for the corresponding period in 2017 as follows.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2018

			截至 二零一八年 六月三十日 六個月 Six months ended 30 June 2018 千港元 HK\$'000 (未經審核) (Unaudited)	截至 二零一七年 六月三十日 六個月 Six months ended 30 June 2017 千港元 HK\$'000 (經重列) (Restated) (未經審核) (Unaudited)
持續經營業務	Continuing operations			
收入	Revenue	3	795,638	503,303
銷售成本	Cost of sales		(592,973)	(365,673)
毛利	Gross profit		202,665	137,630
其他收入及收益淨額	Other income and gains, net		1,516	8,850
銷售及分銷費用	Selling and distribution costs		(6,924)	(7,377)
行政開支	Administrative expenses		(25,694)	(13,806)
財務費用	Finance costs	4	(35,933)	(4,357)
除所得稅前溢利	Profit before income tax	5	135,630	120,940
所得稅開支	Income tax expenses	6	(30,580)	(31,912)
持續經營業務之期內溢利	Profit for the period from continuing operations		105,050	89,028

簡明綜合損益及其他全面收益表(續)

CONDENSED CONSOLIDATED STATEMENT  
OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (continued)

截至二零一八年六月三十日止六個月

For the six months ended 30 June 2018

		附註 Notes	截至 二零一八年 六月三十日 六個月 Six months ended 30 June 2018 千港元 HK\$'000 (未經審核) (Unaudited)	截至 二零一七年 六月三十日 六個月 Six months ended 30 June 2017 千港元 HK\$'000 (經重列) (Restated) (未經審核) (Unaudited)
<b>已終止經營業務</b>	<b>Discontinued operations</b>			
已終止經營業務之期內 (虧損)/溢利	(Loss)/profit for the period from discontinued operations	17	(1,234)	194
期內溢利	Profit for the period		103,816	89,222
<b>其他全面(開支)/收入</b>	<b>Other comprehensive (expenses)/ income</b>			
於往後期間重新分類至損益 之其他全面(開支)/收入： 折算海外業務之匯兌差額	Other comprehensive (expenses)/ income to be reclassified to profit or loss in subsequent periods: Exchange differences on translating foreign operations		(34,013)	50,707
<b>期內全面收入總額</b>	<b>Total comprehensive income for the period</b>		69,803	139,929
下列人士應佔期內溢利/(虧損)：	Profit/(loss) for the period attributable to:			
本公司擁有人	Owners of the Company			
— 來自持續經營業務	— from continued operation		105,050	80,936
— 來自已終止經營業務	— from discontinued operation		(1,193)	(273)
			103,857	80,663
非控股權益	Non-controlling interests			
— 來自持續經營業務	— from continued operation		—	8,092
— 來自已終止經營業務	— from discontinued operation		(41)	467
			(41)	8,559
			103,816	89,222

## 簡明綜合損益及其他全面收益表(續)

截至二零一八年六月三十日止六個月

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

For the six months ended 30 June 2018

			截至 二零一八年 六月三十日止 六個月 <b>Six months ended 30 June 2018</b> 千港元 <b>HK\$'000</b>  (未經審核) <b>(Unaudited)</b>	截至 二零一七年 六月三十日止 六個月 Six months ended 30 June 2017 千港元 HK\$'000 (經重列) (Restated) (未經審核) (Unaudited)
下列人士應佔期內全面收入／ (開支)總額：	Total comprehensive income/(expenses) for the period attributable to:			
本公司擁有人	Owners of the Company			
— 來自持續經營業務	— from continued operation		<b>72,069</b>	125,919
— 來自已終止經營業務	— from discontinued operation		<b>(2,326)</b>	2,264
			<b>69,743</b>	128,183
非控股權益	Non-controlling interests			
— 來自持續經營業務	— from continued operation		<b>—</b>	11,493
— 來自已終止經營業務	— from discontinued operation		<b>60</b>	253
			<b>60</b>	11,746
			<b>69,803</b>	139,929
每股盈利：	Earnings per share:			
來自持續及已終止經營業務	From continuing and discontinued operation			
— 基本及攤薄	— basic and diluted	8	<b>1.58 仙 cents</b>	1.31 仙 cents
來自持續經營業務	From continuing operation			
— 基本及攤薄	— basic and diluted	8	<b>1.56 仙 cents</b>	1.32 仙 cents

有關股息之詳情於簡明財務報表附註7披露。

Details of the dividends are disclosed in note 7 to the condensed financial statements.

## 簡明綜合財務狀況表

於二零一八年六月三十日

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

			二零一八年 六月 三十日 <b>30 June 2018</b> 千港元 <b>HK\$'000</b> (未經審核) <b>(Unaudited)</b>	二零一七年 十二月 三十一日 31 December 2017 千港元 HK\$'000 (經審核) (Audited)
	附註 Notes			
<b>非流動資產</b>		<b>NON-CURRENT ASSETS</b>		
物業、廠房及設備	9	Property, plant and equipment	<b>1,558,808</b>	1,588,620
預付土地租賃款項		Prepaid land lease payments	<b>55,232</b>	70,565
無形資產		Intangible assets	<b>44,103</b>	50,463
採礦權		Mining rights	<b>49,449</b>	50,434
於合資公司之投資		Investments in joint ventures	—	6,490
於一間聯營公司之投資		Investment in an associate	—	18
可供出售投資		Available-for-sale investments	—	3,000
長期存款		Long term deposits	—	60
已抵押銀行存款		Pledged bank deposits	<b>10,159</b>	26,084
非流動資產總額		Total non-current assets	<b>1,717,751</b>	1,795,734
<b>流動資產</b>		<b>CURRENT ASSETS</b>		
存貨		Inventories	<b>115,724</b>	151,941
應收貿易賬款及應收票據	10	Trade and bills receivables	<b>293,825</b>	296,988
預付土地租賃款項		Prepaid land lease payments	<b>1,377</b>	1,876
預付款項、按金及 其他應收賬款		Prepayments, deposits and other receivables	<b>42,976</b>	128,832
應收一間合資公司賬款		Amount due from a joint venture	—	844
可退回稅款		Tax recoverable	—	1,835
已抵押銀行存款		Pledged bank deposits	<b>15,593</b>	7,897
銀行及現金結餘		Bank and cash balances	<b>160,677</b>	172,854
			<b>630,172</b>	763,067
分類為持作出售之出售 集團資產	17	Assets of a disposal group classified as held for sale	<b>249,507</b>	—
流動資產總額		Total current assets	<b>879,679</b>	763,067



簡明綜合財務狀況表(續)

於二零一八年六月三十日

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 30 June 2018

			二零一八年 六月 三十日 30 June 2018 千港元 HK\$'000 (未經審核) (Unaudited)	二零一七年 十二月 三十一日 31 December 2017 千港元 HK\$'000 (經審核) (Audited)
		附註 Notes		
<b>流動負債</b>	<b>CURRENT LIABILITIES</b>			
應付貿易賬款	Trade payables	11	71,485	113,516
其他應付賬款及應計費用	Other payables and accruals		58,540	95,349
合約負債	Contract liabilities		2,251	—
借貸	Borrowings	12	64,002	83,815
撥備	Provision		—	1,042
應付一附屬公司一 非控股股東賬款	Amount due to a non-controlling shareholder of a subsidiary		—	152
應付稅款	Tax payable		29,331	6,969
			<b>225,609</b>	<b>300,843</b>
分類為持作出售之出售 集團負債	Liabilities of a disposal group classified as held for sale	17	211,191	—
流動負債總額	Total current liabilities		<b>436,800</b>	<b>300,843</b>
<b>流動資產淨值</b>	<b>NET CURRENT ASSETS</b>		<b>442,879</b>	<b>462,224</b>
<b>總資產減流動負債</b>	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,160,630</b>	<b>2,257,958</b>
<b>非流動負債</b>	<b>NON-CURRENT LIABILITIES</b>			
遞延收入	Deferred revenue		72,650	73,585
可換股債券	Convertible bond	13	334,700	318,684
借貸	Borrowings	12	349,738	378,267
遞延稅項負債	Deferred tax liabilities		19,972	19,972
應付股東賬款	Amounts due to shareholders	14	188,314	344,206
非流動負債總額	Total non-current liabilities		<b>965,374</b>	<b>1,134,714</b>
資產淨值	Net assets		<b>1,195,256</b>	<b>1,123,244</b>
<b>權益</b>	<b>EQUITY</b>			
本公司擁有人 應佔股本及儲備	<b>Capital and reserves attributable to owners of the Company</b>			
股本	Share capital		657,439	657,439
儲備	Reserves		545,593	473,641
非控股權益	<b>Non-controlling interests</b>		<b>1,203,032 (7,776)</b>	<b>1,131,080 (7,836)</b>
權益總額	Total equity		<b>1,195,256</b>	<b>1,123,244</b>



## 簡明綜合權益變動表

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零一八年六月三十日止六個月

For the six months ended 30 June 2018

		本公司擁有人應佔 Attributable to owners of the Company													
		股本	股份溢價	資本贖回 儲備	特殊儲備	可換股債券 權益儲備	購股權儲備	法定儲備	合併儲備	其他儲備	外幣換算 儲備	保留盈利	總額	非控股權益	總額
		Share capital	Share premium	Capital redemption reserve	Special reserve	Convertible bonds equity reserve	Share option reserve	Statutory reserve	Merger reserve	Other reserve	Translation reserve	Retained earnings	Total	Non- controlling interests	Total
		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 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
於二零一八年一月一日 (經審核)	At 1 January 2018 (Audited)	657,439	1,560,077	419	(60,819)	86,548	—	89,427	(1,500,592)	(17,058)	10,963	304,676	1,131,080	(7,836)	1,123,244
期內溢利	Profit for the period	—	—	—	—	—	—	—	—	—	—	103,857	103,857	(41)	103,816
其他全面收入	Other comprehensive income	—	—	—	—	—	—	—	—	—	(34,114)	—	(34,114)	101	(34,013)
期內全面收入總額	Total comprehensive income for the period	—	—	—	—	—	—	—	—	—	(34,114)	103,857	69,743	60	69,803
轉撥至儲備 股權結算股份付款 之交易	Transfer to reserve Equity settled sharebased transactions	—	—	—	—	—	—	—	—	—	—	—	—	—	—
於二零一八年六月三十日 (未經審核)	At 30 June 2018 (unaudited)	657,439	1,560,077	419	(60,819)	86,548	2,209	89,427	(1,500,592)	(17,058)	(23,151)	408,533	1,203,032	(7,776)	1,195,256
於二零一七年一月一日 (按原先列賬)	At 1 January 2017, as previously report	287,439	601,060	419	(60,819)	—	—	—	—	5,176	16,573	(414,081)	435,767	(7,313)	428,454
合併受共同控制之實體 之影響	Effect of merger of entity under common control	—	—	—	—	—	—	71,892	80,557	(22,234)	(117,878)	567,972	580,309	150,172	730,481
於二零一七年一月一日 (經重列)	At 1 January 2017 (restated)	287,439	601,060	419	(60,819)	—	—	71,892	80,557	(17,058)	(101,305)	153,891	1,016,076	142,859	1,158,935
期內溢利	Profit for the period	—	—	—	—	—	—	—	—	—	—	80,663	80,663	8,559	89,222
其他全面溢利	Other comprehensive profit	—	—	—	—	—	—	—	—	—	47,520	—	47,520	3,187	50,707
期內全面溢利總額	Total comprehensive profit for the period	—	—	—	—	—	—	—	—	—	47,520	80,663	128,183	11,746	139,929
轉撥至儲備	Transfer to reserve	—	—	—	—	—	—	9,766	—	—	—	(9,766)	—	—	—
於二零一七年六月三十日 (未經審核)	At 30 June 2017 (unaudited)	287,439	601,060	419	(60,819)	—	—	81,658	80,557	(17,058)	(53,785)	224,788	1,144,259	154,605	1,298,864

特殊儲備指所收購之附屬公司之股份面值與本公司於本公司股份在一九九三年上市前集團重組時就收購事項發行之股份面值之差額。

The special reserve represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1993.

## 簡明綜合現金流量表

截至二零一八年六月三十日止六個月

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

		截至 二零一八年 六月三十日止 六個月 <b>Six months ended 30 June 2018</b> 千港元 <b>HK\$'000</b>  (未經審核) <b>(Unaudited)</b>	截至 二零一七年 六月三十日止 六個月 Six months ended 30 June 2017 千港元 HK\$'000 (經重列) (Restated) (未經審核) (Unaudited)
<b>經營活動</b>	<b>Operating activities</b>		
除所得稅前溢利 (包括已終止經營業務)	Profit before income tax including discontinued operations	<b>134,396</b>	121,134
就下列項目作出調整：	Adjustments for:		
財務費用	Finance cost	<b>36,272</b>	4,763
以權益結算之購股權開支	Equity-settled share option expenses	<b>2,209</b>	—
應佔合資公司溢利及虧損	Share of profits and loss of joint ventures	<b>(310)</b>	30
銀行利息收入	Bank interest income	<b>(674)</b>	(734)
出售物業、廠房及設備項目 之收益	Gain on disposal of items of property, plant and equipment	<b>—</b>	(2,330)
折舊	Depreciation	<b>37,919</b>	20,298
無形資產之攤銷	Amortisation of intangible assets	<b>5,960</b>	—
採礦權之攤銷	Amortisation of mining rights	<b>352</b>	918
確認預付土地租賃款項	Recognition of prepaid land lease payments	<b>767</b>	741
撇減存貨至可變現淨值	Write-down of inventories to net realisable value	<b>5,740</b>	1,460
撥回其他應收賬款減值	Reversal of impairment of other receivables	<b>(30)</b>	—
		<b>222,601</b>	146,280
存貨增加	Increase in inventories	<b>(18,877)</b>	(4,909)
應收貿易賬款增加	Increase in trade receivables	<b>(48,547)</b>	(119,156)
其他應收賬款減少	Decrease in other receivables	<b>81,114</b>	27,636
長期存款減少	Decrease in long-term deposits	<b>39</b>	356
應收合資公司賬款減少	Decrease in amounts due from joint ventures	<b>436</b>	5
應付貿易賬款(減少)/增加	(Decrease)/increase in trade payables	<b>(13)</b>	98,184
其他應付賬款增加	Increase in other payables	<b>188</b>	10,966
產品保證撥備增加	Increase in provision for product warranty	<b>78</b>	53
經營活動所產生的現金	Cash generated from operations	<b>237,019</b>	159,415
已付海外稅項	Overseas taxes paid	<b>(5,223)</b>	(18,335)
<b>經營活動所產生的現金淨額</b>	<b>Net cash generated from operating activities</b>	<b>231,796</b>	141,080

## 簡明綜合現金流量表(續)

截至二零一八年六月三十日止六個月

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2018

		截至 二零一八年 六月三十日 六個月 <b>Six months ended 30 June 2018</b> 千港元 <b>HK\$'000</b>  (未經審核) <b>(Unaudited)</b>	截至 二零一七年 六月三十日 六個月 Six months ended 30 June 2017 千港元 HK\$'000 (經重列) (Restated) (未經審核) (Unaudited)
<b>投資活動</b>	<b>Investing activities</b>		
已收利息	Interest received	674	426
購買物業、廠房及設備	Purchases of property, plant and equipment	(134,097)	(85,124)
出售物業、廠房及設備的 所得款項	Proceeds from disposals of property, plant and equipment	—	4,592
銀行存款減少	Decrease in deposit with banks	—	14,775
可出售投資減少	Decrease in available-for-sale investments	—	22,245
已抵押銀行存款減少	Decrease in pledged bank deposits	8,125	7,463
<b>投資活動所用的現金淨額</b>	<b>Net cash used in investing activities</b>	<b>(125,298)</b>	<b>(35,623)</b>
<b>融資活動</b>	<b>Financing activities</b>		
已付財務費用	Finance costs paid	(13,233)	(4,932)
新造借款的所得款項	Proceeds from new borrowings	15,000	16,364
應付一名附屬公司非控股 股東之款項增加	Increase in amount due to a non-controlling shareholder of a subsidiary	448	—
償還借貸	Repayment of borrowings	(50,900)	(52,917)
應付股東賬款減少	Decrease in amounts due to shareholders	(42,861)	(101,101)
<b>融資活動所用的現金淨額</b>	<b>Net cash used in financing activities</b>	<b>(91,546)</b>	<b>(142,586)</b>
<b>現金及等同現金項目增加/ (減少)淨額</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>14,952</b>	<b>(37,129)</b>
期初之現金及等同現金項目	<b>Cash and cash equivalents at the beginning of the period</b>	<b>172,854</b>	182,574
外幣匯率變動的影響，淨額	<b>Effect of foreign exchange rate changes, net</b>	<b>(4,450)</b>	(2,896)
期末之現金及等同現金項目	<b>Cash and cash equivalents at the end of the period</b>	<b>183,356</b>	142,549

## 簡明綜合現金流量表(續)

截至二零一八年六月三十日止六個月

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2018

		截至 二零一八年 六月三十日止 六個月 <b>Six months ended 30 June 2018</b> 千港元 <b>HK\$'000</b>  (未經審核) <b>(Unaudited)</b>	截至 二零一七年 六月三十日止 六個月 Six months ended 30 June 2017 千港元 HK\$'000 (經重列) (Restated) (未經審核) (Unaudited)
<b>現金及等同現金項目分析</b>	<b>Analysis of balances of cash and cash equivalents</b>		
於簡明綜合財務狀況表列賬之現金及等同現金項目	Cash and cash equivalents as stated in the condensed consolidated statement of financial position	<b>160,677</b>	142,549
包括在分類為持作出售之出售集團資產列賬之現金及等同現金項目	Cash and cash equivalents included in as assets of a disposal group classified as held for sale	<b>22,679</b>	—
		<b>183,356</b>	142,549

## 簡明綜合財務報表附註

截至二零一八年六月三十日止六個月

### 1. 編製基準

本簡明綜合財務報表乃未經審核及已根據香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」及香港聯合交易所有限公司主板證券上市規則(「上市規則」)附錄16之適用披露規定而編製。

### 2. 主要會計政策

本集團已就本期之未經審核中期簡明綜合財務報表首次採納下列經修訂之香港財務報告準則。

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約之收入及有關修訂本
香港(國際財務報告詮釋委員會)–詮釋第22號	外匯交易及預付代價
香港財務報告準則第2號(修訂本)	以股份付款交易之分類及計量
香港財務報告準則第4號(修訂本)	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具
香港會計準則第28號(修訂本)	香港財務報告準則2014年至2016年週期之年度改進一部分
香港會計準則第40號(修訂本)	轉讓投資物業

新訂及經修訂香港財務報告準則已根據各自準則及修訂本的相關過渡條文應用，導致如下文所述的會計政策、已呈報金額及／或披露的變動。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

### 1. BASIS OF PREPARATION

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

### 2. PRINCIPAL ACCOUNTING POLICIES

The Group has adopted the following revised HKFRSs for the first time for the current period’s unaudited interim condensed consolidated financial statements.

HKFRS 9	<i>Financial Instruments</i>
HKFRS 15	<i>Revenue from Contracts with Customers and the related Amendments</i>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>
Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i>
Amendments to HKAS 28	<i>As part of the Annual Improvements to HKFRSs 2014-2016 Cycle</i>
Amendments to HKAS 40	<i>Transfers of Investment Property</i>

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 2. 主要會計政策(續)

#### 2.1 應用香港財務報告準則第15號來自客戶合約收入的影響及會計政策變動

本集團於本中期期間首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號收入、香港會計準則第11號建築合約及相關詮釋。

本集團確認來自以下主要來源的收益：

- 銷售商品的收入
- 利息收入
- 股息收入
- 租金收入
- 服務費收入

本集團已追溯應用香港財務報告準則第15號，連同於2018年1月1日初始應用本準則的已確認累積影響。此外，根據香港財務報告準則第15號的過渡條文，本集團已選擇僅就於2018年1月1日尚未完成的合約追溯採納本準則，並已就初始應用日期前出現的所有合約修訂運用可行權宜方法，於初始應用日期反映所有修訂的總體影響。因此，倘根據香港會計準則第18號收入及香港會計準則第11號建築合約及相關詮釋編製比較資料，若干比較資料可能無法比較。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### 2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Group recognises revenue from the following major sources:

- Revenue from sale of goods
- Interest income
- Dividend income
- Rental income
- Service fee income

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018 and has used the practical expedient for all contract modifications that occurred before the date of initial application, the aggregate effect of all of the modifications was reflected as the date of initial application. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue and HKAS 11 Construction Contracts and the related interpretations.

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 2. 主要會計政策(續)

#### 2.1 應用香港財務報告準則第15號來自客戶合約收入的影響及會計政策變動(續)

##### 應用香港財務報告準則第15號產生的會計政策主要變動

香港財務報告準則第15號引入一項確認收益之五步驟方法：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中之履約責任
- 第五步：於(或隨著)實體完成履約責任時確認收益

根據香港財務報告準則第15號，於本集團完成履約責任，即某項履約責任下之相關貨品或服務之「控制權」轉移予客戶時確認收益。

履約責任指一項明確貨品及服務(或一批貨品或服務)或一系列大致相同的明確貨品或服務。

倘符合以下條件之一，控制權按時間轉移，而收益經參考完全達成相關履約責任的進度按時間確認：

- 客戶於本集團履約時同時收取及消耗本集團履約所提供的利益；
- 本集團的履約創建及增強客戶於本集團履約時控制的資產；或
- 本集團的履約未創建對本集團具有替代用途的資產，而本集團有強制執行權收取至今已履約部分的款項。

否則，於客戶獲得明確貨品或服務控制權時確認收益。

合約資產指本集團有權收取代價交換本集團已轉讓予尚未成為無條件的客戶的貨品或服務，乃根據香港財務報告準則第9號評估減值。相反，應收款項指本集團的無條件收取代價的權力，即僅在支付該代價到期前需要的時間。

合約負債指本集團有責任將貨品或服務轉移至本集團已收取代價(或應付代價金額已到期)的客戶。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### 2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers (continued)

##### Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.



## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 2. 主要會計政策(續)

#### 2.1 應用香港財務報告準則第15號來自客戶合約收入的影響及會計政策變動(續)

##### 應用香港財務報告準則第15號的影響

本集團業務模式簡單直接，銷售金屬鎂產品及電子產品(於截至2018年6月30日止期間呈列為已終止經營業務)的客戶合約僅包括單一履約義務。本集團的結論為銷售收益應在客戶取得控制權的時間點確認。本集團結論為，首次應用香港財務報告準則第15號不會對本集團確認收益產生重大影響。

本集團就合約負債之呈列受到香港財務報告準則第15號所影響。首次應用國際財務報告準則第15號確認期初合約負債10,745,000港元，有關款額與預收款項有關，先前乃計入應計費用及其他應付款項。比較資料並無重列。

#### 2.2 應用香港財務報告準則第9號金融工具的影響及會計政策變動

於本期間，本集團已應用香港財務報告準則第9號金融工具及其他香港財務報告準則的相應修訂。香港財務報告準則第9號就1)金融資產及金融負債的分類及計量、2)金融資產的預期信貸虧損(「ECL」)及3)一般對沖會計法引入新要求。

本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即對於2018年1月1日(初始應用日期)尚未終止確認的工具追溯應用分類及計量規定(包括減值)，初始應用的累積影響於初始應用日期確認，且並無對於2018年1月1日已終止確認的工具應用該等規定。

因此，倘根據香港會計準則第39號金融工具：確認及計量編製比較資料，若干比較資料可能無法比較。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### 2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers (continued)

##### Impacts of application on HKFRS 15

The Group's business model is straight forward and its contracts with customers for the sale of magnesium products and electronic products (presented as discontinued operation during the period ended 30 June 2018) include only single performance obligation. The Group has concluded that revenue from sale should be recognised at the point in time when a customer obtains control. The Group has concluded that the initial application of HKFRS 15 does not have a significant impact on the Group's revenue recognition.

The Group has been impacted by HKFRS 15 in relation to the presentation of contract liabilities. The initial application of HKFRS 15 recognised the opening balance of contract liabilities of HK\$10,745,000 which is related to receipts in advance and previously include in accrual and other payables. The comparative information is not restated.

#### 2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments

In the current period, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) with the cumulative effect of initial application recognised at the date of initial application and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 2. 主要會計政策(續)

#### 2.2 應用香港財務報告準則第9號金融工具的影響及會計政策變動(續)

##### 2.2.1 應用香港財務報告準則第9號引起會計政策的主要變動

###### 金融資產的分類及計量

客戶合約產生的貿易應收款項根據香港財務報告準則第15號作初始計量。

於香港財務報告準則第9號範圍內的所有已確認金融資產，包括根據香港會計準則第39號按成本減減值計量的未報價股權投資，其後按攤銷成本或公平值計量。

符合下列條件的債務工具隨後按攤銷成本計量：

- 金融資產由一個旨在通過持有金融資產收取合約現金流量的業務模式所持有；及
- 金融資產的合約條款於特定日期可提高現金流量至未償還本金金額的獨立支付本金及利息。

###### 指定為FVTOCI的權益工具

於初始應用／初始確認日期，本集團可作出不可撤回的選擇(按個別工具基準)以指定股權工具投資為透過其他全面收入按公允值列賬([FVTOCI])。

FVTOCI的股權工具投資初始按公允值另加交易成本計量。其後，按公允值計量，其公允值變動所產生的收益及虧損確認於其他全面收入；且不受減值評估所限。出售股權投資時，累計收益或虧損透過其他全面收入儲備按公允值累計，且不會重新分類至損益，而將轉至保留溢利。

當本集團根據香港財務報告準則第9號確立收取股息的權利時，該等股權工具投資的股息於損益中確認，惟股息明確指收回部分投資成本則除外。股息包括在損益中的「其他收入」項目中。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### 2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments (continued)

##### 2.2.1 Key changes in accounting policies resulting from application of HKFRS 9

###### Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### Equity instruments designated as at FVTOCI

At the date of initial application/initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at fair value through other comprehensive income ("FVTOCI").

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income; and are not subject to impairment assessment. The cumulative gain or loss accumulated in fair value through other comprehensive income reserve will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with HKFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 2. 主要會計政策(續)

#### 2.2 應用香港財務報告準則第9號金融工具的影響及會計政策變動(續)

##### 2.2.1 應用香港財務報告準則第9號引起會計政策的主要變動(續)

###### ECL 模式項下的減值

本集團就根據香港財務報告準則第9號面臨減值的金融資產(包括貿易應收款項及應收票據以及其他應收款項)的ECL確認虧損撥備。ECL金額於各報告日期更新,以反映自初始確認起的信貸風險變動。

全期ECL指於相關工具預期壽命內發生所有可能的違約事件而導致的ECL。相反,12個月ECL(「12個月ECL」)則指預期於報告日期後12個月內可能發生的違約事件而導致的部分全期ECL。ECL根據本集團過往信貸虧損經驗進行評估,並根據應收賬款特定因素、一般經濟狀況及於報告日期對當前狀況及未來狀況預測的評估而作出調整。

本集團就貿易應收款項確認全期ECL。該等資產的ECL將予使用適宜組別的撥備矩陣進行集體評估。

就所有其他工具而言,本集團計量與12個月ECL等額的虧損撥備,除非信貸風險自初始確認以來已大幅增加,則本集團確認全期ECL。評估是否應確認全期ECL,乃基於自初始確認起出現違約的可能性或風險是否大幅增加。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### 2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments (continued)

##### 2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (continued)

###### Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and bills receivables, other receivables). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 2. 主要會計政策(續)

#### 2.2 應用香港財務報告準則第9號金融工具的影響及會計政策變動(續)

##### 2.2.1 應用香港財務報告準則第9號引起會計政策的主要變動(續)

###### 信貸風險大幅增加

於評估信貸風險是否自初始確認以來已大幅增加時，本集團比較金融工具於報告日期出現違約的風險與該金融工具於初始確認日期出現違約的風險。作此評估時，本集團均會考慮合理及有理據的定量及定性資料，包括歷史經驗及毋須花費不必要成本或精力即可獲得的前瞻性資料。

尤其是，評估信貸風險是否大幅增加時會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期重大惡化；
- 信貸風險的外界市場指標的重大惡化，例如信貸息差大幅增加、債務人的信貸違約掉期價；
- 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人經營業績的實際或預期重大惡化；
- 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變動。

不論上述評估結果，本集團假設自合約付款初始確認到期超過30天，信貸風險已大幅增加，惟本集團有合理且可支持的資料證明其他情況則除外。

本集團認為，倘工具逾期超過90天便出現違約，惟本集團有合理且可支持的資料證明更為滯後的違約標準更為合適則除外。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### 2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments (continued)

##### 2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (continued)

###### Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debt or that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 2. 主要會計政策(續)

#### 2.2 應用香港財務報告準則第9號金融工具的影響及會計政策變動(續)

##### 2.2.1 應用香港財務報告準則第9號引起會計政策的主要變動(續)

###### 計量及確認 ECL

計量ECL乃違約概率、違約損失率程度(即倘發生違約的損失程度)及違約風險的函數。違約概率及違約損失率程度的評估根據經前瞻性資料調整的歷史數據作出。

一般而言，ECL估計為根據合約應付本集團的所有合約現金流與本集團預期將收取的所有現金流量間的差額，並按初始確認時釐定的實際利率貼現。

利息收入按金融資產的賬面總額計算，惟該金融資產屬於信貸減值除外，在此情況下，利息收入則按金融資產的攤銷成本計算。

本集團透過調整賬面金額確認所有金融工具的減值收益或損益，但貿易應收款項及應收票據以及其他應收款項則通過虧損撥備確認相應的調整。

於2018年1月1日，董事根據香港財務報告準則第9號的規定，使用可以合理成本或致力獲取的合理及具支持性的資料審閱及評估本集團的現有金融資產作減值，並沒有發現對本集團之財務報表之重大影響。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### 2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments (continued)

##### 2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (continued)

###### Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bills receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account.

As at 1 January 2018, the Directors reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9 and no material impact to the Group's financial statements is identified.

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 2. 主要會計政策(續)

#### 2.2 應用香港財務報告準則第9號金融工具的影響及會計政策變動(續)

##### 2.2.2 初始應用香港財務報告準則第9號所產生的影響摘要

下表載列於初始應用日期(2018年1月1日)·根據香港財務報告準則第9號及香港會計準則第39號進行符合ECL的金融資產及金融負債及其他項目的分類及計量(包括減值)。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### 2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments (continued)

##### 2.2.2 Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets and financial liabilities and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

	附註 Notes	可供出售 Available- for-sale 千港元 HK\$'000	FVTOCI 之股權工具 Equity instruments at FVTOCI 千港元 HK\$'000
於2017年12月31日期末結餘 — 香港會計準則第39號	Closing balance at 31 December 2017 — HKAS 39	3,000	—
初始應用香港財務報告準則 第9號所產生的影響： 自可供出售投資重新分類	Effect arising from initial application of HKFRS 9: Reclassification from available-for-sale investments	(a) (3,000)	3,000
於2018年1月1日期初結餘	Opening balance at 1 January 2018	—	3,000



## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 2. 主要會計政策(續)

#### 2.2 應用香港財務報告準則第9號金融工具的影響及會計政策變動(續)

##### 2.2.2 初始應用香港財務報告準則第9號所產生的影響摘要(續)

###### (a) 自可供出售股權投資至FVTOCI

本集團選擇於OCI中呈列過往分類為可供出售的所有股權投資的公允值變動，其中與過往按成本減去減值計量的沒有報價股本投資相關的3,000,000港元。該等投資並不持作買賣，預期不會於可預見的將來出售。於初始應用香港財務報告準則第9號當日，3,000,000港元已自可供出售投資重新分類至FVTOCI的股權工具。

除上文所述者外，於本中期期間應用香港財務報告準則的修訂對載列於簡明綜合財務報表所呈報的金額及／或披露資料並無重大影響。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### 2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments (continued)

##### 2.2.2 Summary of effects arising from initial application of HKFRS 9 (continued)

###### (a) From AFS equity investments to FVTOCI

The Group elected to present in OCI for the fair value changes of all its equity investments previously classified as available-for-sale, of which HK\$3,000,000 related to unquoted equity investments previously measured at cost less impairment. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, HK\$3,000,000 were reclassified from available-for-sale investments to equity instruments at FVTOCI.

Except as described above, the application of amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.



## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 2. 主要會計政策(續)

#### 2.3 應用所有新訂準則對期初簡明綜合財務狀況表的影響

由於上述實體的會計政策有所變動，期初簡明綜合財務狀況表必須重列。下表顯示各個別項目確認的調整事項。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### 2.3 Impacts on opening condensed consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the entity's accounting policies above, the opening condensed consolidated statement of financial position had to be restated. The following table shows the adjustments recognised for each individual line item.

		二零一七年 十二月 三十一日 31 December 2017 千港元 HK\$'000 (經審核) (Audited)	香港財務報告 準則第15號 HKFRS 15 千港元 HK\$'000	香港財務報告 準則第9號 HKFRS 9 千港元 HK\$'000	二零一八年 一月一日 1 January 2018 千港元 HK\$'000 (經重列) (Restated)
<b>非流動資產</b>	<b>NON-CURRENT ASSETS</b>				
物業、廠房及設備	Property, plant and equipment	1,588,620	—	—	<b>1,588,620</b>
預付土地租賃款項	Prepaid land lease payments	70,565	—	—	<b>70,565</b>
無形資產	Intangible assets	50,463	—	—	<b>50,463</b>
採礦權	Mining rights	50,434	—	—	<b>50,434</b>
於合資公司之投資	Investments in joint ventures	6,490	—	—	<b>6,490</b>
於一間聯營公司之投資	Investment in an associate	18	—	—	<b>18</b>
可供出售投資	Available-for-sale investments	3,000	—	(3,000)	<b>—</b>
長期存款	Long term deposits	60	—	—	<b>60</b>
透過其他全面收入按公允值計量 之股權工具	Equity instruments at fair value through other comprehensive Income	—	—	3,000	<b>3,000</b>
已抵押銀行存款	Pledged bank deposits	26,084	—	—	<b>26,084</b>
非流動資產總額	Total non-current assets	1,795,734	—	—	<b>1,795,734</b>
<b>流動資產</b>	<b>CURRENT ASSETS</b>				
存貨	Inventories	151,941	—	—	<b>151,941</b>
應收貿易賬款及應收票據	Trade and bills receivables	296,988	—	—	<b>296,988</b>
預付土地租賃款項	Prepaid land lease payments	1,876	—	—	<b>1,876</b>
預付款項、按金及 其他應收賬款	Prepayments, deposits and other receivables	128,832	—	—	<b>128,832</b>
應收一間合資公司賬款	Amount due from a joint venture	844	—	—	<b>844</b>
可退回稅款	Tax recoverable	1,835	—	—	<b>1,835</b>
已抵押銀行存款	Pledged bank deposits	7,897	—	—	<b>7,897</b>
銀行及現金結餘	Bank and Cash balances	172,854	—	—	<b>172,854</b>
流動資產總額	Total current assets	763,067	—	—	<b>763,067</b>

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 2. 主要會計政策(續)

#### 2.3 應用所有新訂準則對期初簡明綜合財務狀況表的影響(續)

### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

#### 2.3 Impacts on opening condensed consolidated statement of financial position arising from the application of all new standards (continued)

		二零一七年 十二月 三十一日 31 December 千港元 HK\$'000 (經審核) (Audited)	香港財務報告 準則第15號 HKFRS 15 千港元 HK\$'000	香港財務報告 準則第9號 HKFRS 9 千港元 HK\$'000	二零一八年 一月一日 1 January 2018 千港元 HK\$'000 (經重列) (Restated)
<b>流動負債</b>	<b>CURRENT LIABILITIES</b>				
應付貿易賬款	Trade payables	113,516	—	—	113,516
其他應付賬款及應計費用	Other payables and accruals	95,349	(10,745)	—	84,604
合約負債	Contract liabilities	—	10,745	—	10,745
借貸	Borrowings	83,815	—	—	83,815
撥備	Provision	1,042	—	—	1,042
應付一附屬公司 — 非控股股東賬款	Amount due to a non-controlling shareholder of a subsidiary	152	—	—	152
應付稅款	Tax payable	6,969	—	—	6,969
流動負債總額	Total current liabilities	300,843	—	—	300,843
<b>流動資產淨值</b>	<b>NET CURRENT ASSETS</b>	462,224	—	—	462,224
<b>總資產減流動負債</b>	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	2,257,958	—	—	2,257,958
<b>非流動負債</b>	<b>NON-CURRENT LIABILITIES</b>				
遞延收入	Deferred revenue	73,585	—	—	73,585
可換股債券	Convertible bond	318,684	—	—	318,684
借貸	Borrowings	378,267	—	—	378,267
遞延稅項負債	Deferred tax liabilities	19,972	—	—	19,972
應付股東款項	Amounts due to shareholders	344,206	—	—	344,206
非流動負債總額	Total non-current liabilities	1,134,714	—	—	1,134,714
資產淨值	Net assets	1,123,244	—	—	1,123,244
<b>權益</b>	<b>EQUITY</b>				
本公司擁有人 應佔股本及儲備	<b>Capital and reserves attributable to owners of the Company</b>				
股本	Share capital	657,439	—	—	657,439
儲備	Reserves	473,641	—	—	473,641
非控股權益	<b>Non-controlling interests</b>	1,131,080 (7,836)	—	—	1,131,080 (7,836)
權益總額	Total equity	1,123,244	—	—	1,123,244

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 3. 分部資料

本集團報告分部資料之主要形式為業務分部。

截至二零一八年六月三十日止六個月(未經審核)

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 3. SEGMENT INFORMATION

The Group's primary format for reporting segment information is business segment.

For the six months ended 30 June 2018 (unaudited)

		持續經營業務 Continuing operations			已終止經營業務 Discontinued operation
		金屬鎂產品 Magnesium products 千港元 HK\$'000	企業及其他 Corporate and others 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000	千港元 HK\$'000
分部收入： 來自外部客戶的收入	<b>Segment revenue:</b> Revenue from external customers	795,638	—	795,638	158,723
分部業績	<b>Segment results</b>	174,854	(3,900)	170,954	(1,270)
<u>對賬：</u>	<u>Reconciliation:</u>				
利息收入	Interest income			609	65
財務費用	Finance costs			(35,933)	(339)
應佔合資公司溢利	Share of profit of joint ventures			—	310
除所得稅前溢利/(虧損)	Profit/(loss) before income tax			135,630	(1,234)
所得稅開支	Income tax expenses			(30,580)	—
期內溢利/(虧損)	Profit/(loss) for the period			105,050	(1,234)
於二零一八年六月三十日(未經審核)	<b>At 30 June 2018 (unaudited)</b>				
分部資產	<b>Segment assets</b>	2,161,494	—	2,161,494	223,828
<u>對賬：</u>	<u>Reconciliation:</u>				
未分配資產	Unallocated assets			186,429	25,679
總資產	Total assets			2,347,923	249,507
分部負債	<b>Segment liabilities</b>	507,663	—	507,663	76,069
<u>對賬：</u>	<u>Reconciliation:</u>				
未分配負債	Unallocated liabilities			683,320	135,122
總負債	Total liabilities			1,190,983	211,191

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 3. 分部資料(續)

截至二零一七年六月三十日止六個月(未經審核)

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 3. SEGMENT INFORMATION (continued)

For the six months ended 30 June 2017 (unaudited)

		持續經營業務 Continuing operations			已終止經營業務 Discontinued operation
		金屬鎂產品 Magnesium products 千港元 HK\$'000	企業及其他 Corporate and others 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000	千港元 HK\$'000
分部收入：	<b>Segment revenue:</b>				
來自外部客戶的收入	Revenue from external customers	503,303	—	503,303	142,793
分部業績	<b>Segment results</b>	126,147	(1,534)	124,613	580
<u>對賬：</u>	<u>Reconciliation:</u>				
利息收入	Interest income			684	50
財務費用	Finance costs			(4,357)	(406)
應佔合資公司溢利	Share of profit of joint ventures			—	(30)
除所得稅前溢利	Profit before income tax			120,940	194
所得稅開支	Income tax expenses			(31,912)	—
期內溢利	Profit for the period			89,028	194
於二零一七年十二月三十一日(經審核)		<b>At 31 December 2017 (audited)</b>			
分部資產	<b>Segment assets</b>	2,112,592	—	2,112,592	236,374
<u>對賬：</u>	<u>Reconciliation:</u>				
未分配資產	Unallocated assets			182,255	27,580
總資產	Total assets			2,294,847	263,954
分部負債	<b>Segment liabilities</b>	507,678	6,426	514,104	103,249
<u>對賬：</u>	<u>Reconciliation:</u>				
未分配負債	Unallocated liabilities			698,081	120,123
總負債	Total liabilities			1,212,185	223,372

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 4. 財務費用

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 4. FINANCE COSTS

		截至 二零一八年 六月三十日 止六個月 <b>Six months ended 30 June 2018</b> 千港元 <b>HK\$'000</b> (未經審核) <b>(Unaudited)</b>	截至 二零一七年 六月三十日 止六個月 Six months ended 30 June 2017 千港元 HK\$'000 (經重列) (Restated) (未經審核) (Unaudited)
須於五年內全數償還之 銀行及其他借款利息	Interest on bank and other borrowings wholly repayable within five years	<b>12,948</b>	4,357
須於五年後全數償還之銀行及 其他借款利息	Interest on bank and other borrowings wholly repayable after five years	—	3,912
可換股債券利息	Interest on convertible bonds	<b>22,985</b>	—
		<b>35,933</b>	8,269
減：計入合資格資產成本的 資本化金額	Less: Amount capitalised in the cost of qualifying asset	—	(3,912)
		<b>35,933</b>	4,357

### 5. 除所得稅前溢利

### 5. PROFIT BEFORE INCOME TAX

		截至 二零一八年 六月三十日 止六個月 <b>Six months ended 30 June 2018</b> 千港元 <b>HK\$'000</b> (未經審核) <b>(Unaudited)</b>	截至 二零一七年 六月三十日 止六個月 Six months ended 30 June 2017 千港元 HK\$'000 (經重列) (Restated) (未經審核) (Unaudited)
本集團之除所得稅前溢利 已扣除／(抵免)：	The Group's profit before income tax has been arrived at after charging/(crediting):		
折舊	Depreciation	<b>34,947</b>	16,652
無形資產攤銷	Amortisation of intangible assets	<b>5,960</b>	—
採礦權攤銷	Amortisation of mining rights	<b>352</b>	918
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	<b>525</b>	504
銀行利息收入	Bank interest income	<b>609</b>	376

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 6. 所得稅開支

本集團：  
中國企業所得稅

The Group:  
PRC Enterprise Income Tax

30,580

31,912

### 7. 股息

董事會不建議向股東派發截至二零一八年六月三十日止六個月之中期股息(二零一七年六月三十日：無)。

### 8. 本公司普通股權益持有人應佔每股盈利

每股基本盈利根據本公司普通股權益持有人應佔持續經營業務之期內溢利105,050,000港元(二零一七年(經重列)：80,936,000港元)、期內已終止經營業務之虧損1,193,000港元(二零一七年：273,000港元)及期內普通股加權平均數6,574,390,058股(二零一七年(經重列)：6,144,310,038股)計算。截至二零一七年六月三十日止六個月之普通股加權平均數已作調整，猶如收購共同控制之永洋集團而發行之3,269,919,980股股份於整個報告期間已經發行。

由於未償付可換股債券及購股權對每股基本盈利具反攤薄影響，故截至二零一八年六月三十日止六個月之每股攤薄盈利與每股基本盈利相同。於截至二零一七年六月三十日止六個月，本集團並無已發行潛在攤薄普通股。

### 9. 物業、廠房及設備

於截至二零一八年六月三十日止六個月，本集團購置了134,097,000港元(二零一七年六月三十日(經重列)：85,124,000港元)之物業、廠房及設備。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 6. INCOME TAX EXPENSES

截至 二零一八年 六月三十日 止六個月 Six months ended 30 June 2018 千港元 HK\$'000 (未經審核) (Unaudited)	截至 二零一七年 六月三十日 止六個月 Six months ended 30 June 2017 千港元 HK\$'000 (經重列) (Restated) (未經審核) (Unaudited)
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### 7. DIVIDEND

The Board does not recommend any payment of interim dividend to shareholders for the six months ended 30 June 2018 (30 June 2017: Nil).

### 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the period from continuing operations attributable to ordinary equity holders of the Company of HK\$105,050,000 (2017 (restated): HK\$80,936,000), the loss for the period from discontinued operations of HK\$1,193,000 (2017: HK\$273,000) and the weighted average number of ordinary shares of 6,574,390,058 (2017 (restated): 6,144,310,038) during the period. The weighted average number of ordinary shares for the six months ended 30 June 2017 is adjusted as if the 3,269,919,980 shares issued for the acquisition of Fullocean Group under common control had been outstanding throughout the entire reporting period.

Diluted earnings per share for the six months ended 30 June 2018 was the same as the basic earnings per share as the convertible bonds and share options outstanding had anti-dilutive effects on the basic earnings per share. The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2017.

### 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group had acquired property, plant and equipment amounted to HK\$134,097,000 (30 June 2017 (restated): HK\$85,124,000).

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 10. 應收貿易賬款及應收票據

應收貿易賬款  
減值撥備

Trade receivables  
Provision for impairment

二零一八年  
六月三十日  
**30 June**  
**2018**  
千港元  
**HK\$'000**  
(未經審核)  
**(Unaudited)**

二零一七年  
十二月三十一日  
31 December  
2017  
千港元  
HK\$'000  
(經審核)  
(Audited)

**269,477**

306,334

—

(17,483)

**269,477**

288,851

**24,348**

8,137

**293,825**

296,988

本集團給予其貿易客戶之信貸期不超過180天。

The Group allows an credit period of not more than 180 days to its trade customers.

以下乃應收貿易賬款根據發票日期之賬齡分析：

The following is an aged analysis of trade receivables, based on invoice date:

0 – 60天  
61 – 90天  
超過90天

0 – 60 days  
61 – 90 days  
Over 90 days

二零一八年  
六月三十日  
**30 June**  
**2018**  
千港元  
**HK\$'000**  
(未經審核)  
**(Unaudited)**

二零一七年  
十二月三十一日  
31 December  
2017  
千港元  
HK\$'000  
(經審核)  
(Audited)

**247,567**

188,588

**20,597**

46,416

**1,313**

53,847

**269,477**

288,851

### 11. 應付貿易賬款

以下乃應付貿易賬款根據發票日期之賬齡分析：

### 11. TRADE PAYABLES

The following is an aged analysis of trade payables, based on invoice date:

0 – 60天  
61 – 90天  
超過90天

0 – 60 days  
61 – 90 days  
Over 90 days

二零一八年  
六月三十日  
**30 June**  
**2018**  
千港元  
**HK\$'000**  
(未經審核)  
**(Unaudited)**

二零一七年  
十二月三十一日  
31 December  
2017  
千港元  
HK\$'000  
(經審核)  
(Audited)

**64,192**

50,881

**3,421**

7,818

**3,872**

54,817

**71,485**

113,516



## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 12. 借貸

### 12. BORROWINGS

			二零一八年 六月三十日 <b>30 June</b> 2018 千港元 <b>HK\$'000</b> (未經審核) <b>(Unaudited)</b>	二零一七年 十二月三十一日 31 December 2017 千港元 HK\$'000 (經審核) (Audited)
		附註 Note		
銀行借貸	Bank borrowings	(i)	<b>124,863</b>	157,788
其他借貸	Other borrowings	(ii)	<b>288,877</b>	304,294
			<b>413,740</b>	462,082
借貸：	Borrowings:			
一年內或按要求償還	Within one year or on demand		<b>64,002</b>	83,815
一年以上但不超過五年	More than one year but not exceeding five years		<b>349,738</b>	371,387
超過五年	More than five years		—	6,880
減：列作流動負債之款項	Less: Amounts shown under current liabilities		<b>413,740</b> <b>(64,002)</b>	460,082 (83,815)
列作非流動負債之款項	Amounts shown under non-current liabilities		<b>349,738</b>	378,267
借貸：	Borrowings:			
有抵押	Secured		<b>253,434</b>	306,768
無抵押	Unsecured		<b>160,306</b>	155,314
			<b>413,740</b>	462,082

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 12. 借貸(續)

附註：

(a) 於二零一八年六月三十日，本集團之銀行貸款以下列各項作抵押：

(i) 抵押借款約124,863,000港元(二零一七年十二月三十一日：136,401,000港元)由一家同系附屬公司的公司擔保以及抵押的樓宇及物業、廠房及設備及預付土地租賃款項約152,959,000港元(二零一七年十二月三十一日：161,732,000港元)作擔保。

(ii) 根據本公司一家全資附屬公司與國際金融公司(「國際金融公司」)於二零一四年五月三十日訂立的貸款協議，國際金融公司已向該附屬公司授出25,000,000美元貸款。該協議於二零一五年十二月七日經修訂及重列，所授出貸款由25,000,000美元增加至27,000,000美元。

該貸款每年按倫敦銀行同業拆息加3.5%計息，到期金額按貸款協議所載的計劃還款日期計算。

國際金融公司授出的貸款約為128,571,000港元(二零一七年十二月三十一日：148,980,000港元)，由(i)世紀陽光集團控股有限公司提供的公司擔保；及(ii)主要股東Alpha Sino International Limited(「Alpha Sino」)擁有之世紀陽光集團控股有限公司股份質押；(iii)銀行存款約25,752,000港元(二零一七年十二月三十一日：33,981,000港元)作抵押。

於二零一八年六月三十日，本公司發行未償還金額20,472,000美元(相當於160,306,000港元)的債券以取得現金。該債券按年利率7%計息，每半年付息一次。除獲提早贖回外，該債券的到期日為二零二零年八月十一日。債券實際利率為每年7.05%。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 12. BORROWINGS (continued)

Notes:

(a) As at 30 June 2018, the Group's bank loans are secured by:

(i) Secured borrowing of approximately HK\$124,863,000 (31 December 2017: HK\$136,401,000) were guaranteed by the corporate guarantee of a fellow subsidiary and pledged building and property, plant and equipment and prepaid land lease payments of approximately HK\$152,959,000 (31 December 2017: HK\$161,732,000).

(ii) Pursuant to a loan agreement entered into by a wholly-owned subsidiary of the Company and International Finance Corporation ("IFC") on 30 May 2014, IFC had granted a loan of US\$25,000,000 to the subsidiary. The agreement was amended and restated on 7 December 2015 with increase in the loan granted from US\$25,000,000 to US\$27,000,000.

The loan bears interest at LIBOR plus 3.5% per annum and the amounts due are based on the scheduled repayment dates set out in the loan agreement.

The loan granted by IFC of approximately HK\$128,571,000 (31 December 2017: HK\$148,980,000) was secured by (i) corporate guarantee given by Century Sunshine Group Holdings Limited; and (ii) pledged of shares in Century Sunshine Group Holdings Limited as owned by Alpha Sino International Limited ("Alpha Sino"), the substantial shareholder; (iii) deposit with banks of approximately HK\$25,752,000 (31 December 2017: HK\$33,981,000)

As at 30 June 2018, the Company has issued bond with the outstanding amount of US\$20,472,000 (equivalent to HK\$160,306,000 for cash). The bond bear an interest of 7% per annum payable in arrear semi-annually. The maturity date of the bond is 11 August 2020 unless early redeemed. The effective interest rate of the bond is 7.05% per annum.

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 13. 可換股債券

於二零一七年十一月三十日，作為收購永洋集團代價的一部份，本公司根據首智投資有限公司(「首智投資」)、Sure Sino Global Limited(「Sure Sino」)、世紀陽光集團控股有限公司及本公司訂立之買賣協議，發行按每年4%計息，須每半年期末時支付，本金總額為420,000,000港元之可換股債券。

根據本集團之會計政策，可換股債券根據合約安排內容，以及金融負債及權益工具之定義獲個別分類為金融負債及權益。倘換股權將透過以固定金額現金或另一項財務資產換取固定數目之本公司本身權益工具結算，則為權益工具。負債部分之公平值採用類似不可兌換工具之現行市場利率進行估計。可換股債券之公平值評估由獨立專業估值師進行。權益部份於「可換股債券權益儲備」一節列值為權益。負債部份於初始確認時的實際利率為每年14%。

可換股債券賦予債券持有人權利，以換股價0.40港元轉換為股份。由發行日起計，可換股債券有效期為三年。轉換可於可換股債券到期日之前隨時進行。本公司將於到期日贖回尚未獲轉換之可換股債券。

可換股債券條款的詳細資料可參閱二零一七年十月二十六日之通函。

於綜合財務狀況表確認的可換股債券負債部分計算如下：

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 13. Convertible Bond

On 30 November 2017, as part of consideration for the acquisition of the Fullocean Group, the Company has issued convertible bonds which bear an interest of 4% per annum payable in arrear semi-annually with aggregate principal amount of HK\$420,000,000 pursuant to the sale and purchase agreement entered into by Capital Idea Investments Limited ("CIIL"), Sure Sino Global Limited ("Sure Sino"), Century Sunshine Group Holdings Limited and the Company.

According to the Group's accounting policy, the convertible bonds are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. The fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. The fair value assessment of the convertible bonds was performed by an independent professional valuer. The equity element is presented in equity under the heading of "convertible bond equity reserve". The effective interest rate of the liability element on initial recognition is 14% per annum.

The convertible bonds entitle the bondholder to convert to shares at a conversion price of HK\$0.40. The maturity date of the Convertible Bonds is the 3 year from the date of issue. Conversion may occur at any time before maturity date of the Convertible Bonds. The Company will redeem the convertible bonds if the bonds have not been converted on maturity date.

For more details of the terms of convertible bonds, please refer to the circular dated on 26 October 2017.

The liability component of convertible bond recognised in the statement of consolidated financial position was calculated as follow:

		千港元 HK\$'000
於二零一七年十一月三十日發行的 可換股債券公平值	Fair value of the convertible bond issued on 30 November 2017	420,000
權益部份	Equity component	(103,650)
於二零一七年十一月三十日初始確認的 負債部份及攤銷成本	Liability component on initial recognition and amortised cost as 30 November 2017	316,350
於二零一八年一月一日的攤銷成本	Amortised cost as at 1 January 2018	318,684
已扣除實際利息開支	Effective interest expenses charged	22,984
應付利息開支	Interest expenses payable	(6,968)
於二零一八年六月三十日	<b>As at 30 June 2018</b>	<b>334,700</b>

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 14. 應付股東賬款

應付股東賬款為無抵押、不計息及無固定還款期。

### 15. 承擔

已訂約但未作撥備：  
物業、廠房及設備

Contracted, but not provided for:  
Property, plant and equipment

27,279

11,533

### 16. 關連人士交易

於截至二零一八年六月三十日止六個月期間，向一合資公司銷售貨品(來自已終止經營業務)之收入為479,000港元(二零一七年六月三十日：929,000港元)。

於截至二零一八年六月三十日止六個月期間，本集團給予主要管理層95,000港元(二零一七年六月三十日：95,000港元)作為董事酬金。

### 17. 已終止經營業務

於二零一八年六月底，本公司董事會決定出售電子產品業務，乃由於其盈利能力疲弱所致。該出售已於二零一八年七月底完成交割。

已終止經營業務年度(虧損)/溢利載列如下。綜合損益表之比較數字經已重列，將電子產品業務作為已終止經營業務呈列。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 14. AMOUNTS DUE TO SHAREHOLDERS

The amounts due to shareholders are unsecured, non-interest-bearing and have no fixed terms of repayment.

### 15. COMMITMENTS

二零一八年 六月三十日 30 June 2018 千港元 HK\$'000 (未經審核) (Unaudited)	二零一七年 十二月三十一日 31 December 2017 千港元 HK\$'000 (經審核) (Audited)
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### 16. RELATED PARTY TRANSACTION

During the six months ended 30 June 2018, the sales of products to a joint venture (from discontinued operations) amounts to HK\$479,000 (30 June 2017: HK\$929,000).

During the six months ended 30 June 2018, the compensation to key management amounts to HK\$95,000 (30 June 2017: HK\$95,000) representing director's remuneration.

### 17. DISCONTINUED OPERATION

At the end of June 2018, the board of the Company decided to disposal the electronic product business due to its weak profitability. The disposal was completed at the end of July 2018.

The (loss)/profit for the year from discontinued operations is set out below. The comparative figures in the consolidated statement of profit or loss have been restated to represent the electronic product business as a discontinued operation.

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 17. 已終止經營業務(續)

已終止經營業務業績的分析載列如下：

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 17. DISCONTINUED OPERATION (continued)

Analysis of the results of the discontinued operations are set out below:

		截至 二零一八年 六月三十日 止六個月 <b>Six months ended 30 June 2018</b> 千港元 <b>HK\$'000</b> (未經審核) <b>(Unaudited)</b>	截至 二零一七年 六月三十日 止六個月 <b>Six months ended 30 June 2017</b> 千港元 <b>HK\$'000</b> (未經審核) <b>(Unaudited)</b>
收入	Revenue	<b>158,723</b>	142,793
銷售成本	Cost of sales	<b>(131,892)</b>	(114,088)
毛利	Gross profit	<b>26,831</b>	28,705
其他收益或虧損淨額	Other gains or losses, net	<b>7,927</b>	7,409
銷售及分銷費用	Selling and distribution costs	<b>(10,028)</b>	(9,296)
行政開支	Administrative expenses	<b>(17,848)</b>	(17,321)
研究及開發開支	Research and development expenses	<b>(8,087)</b>	(8,867)
應佔合資公司溢利及虧損	Share of profits and losses of joint ventures	<b>310</b>	(30)
財務費用	Finance costs	<b>(339)</b>	(406)
除所得稅前(虧損)/溢利	(Loss)/profit before income tax	<b>(1,234)</b>	194
所得稅開支	Income tax expenses	<b>—</b>	—
期內(虧損)/溢利	(Loss)/profit for the period	<b>(1,234)</b>	194
其他全面(開支)/收入	<b>Other comprehensive (expenses)/income</b>		
於往後期間重新分類至損益之 其他全面(開支)/收入：	Other comprehensive (expenses)/income to be reclassified to profit or loss in subsequent periods:		
折算海外業務之匯兌差額	Exchange differences on transaction of foreign operations	<b>(1,032)</b>	2,323
期內全面(開支)/ 收入總額	<b>Total comprehensive (expenses)/income for the period</b>	<b>(2,266)</b>	2,517
下列人士應佔期內(虧損)/溢利：	(Loss)/profit for the period attributable to:		
本公司擁有人	Owners of the Company	<b>(1,193)</b>	(273)
非控股權益	Non-controlling interest	<b>(41)</b>	467
		<b>(1,234)</b>	194
下列人士應佔期內全面(開支)/ 收入總額：	<b>Total comprehensive (expenses)/income for the period attributable to :</b>		
本公司擁有人	Owners of the Company	<b>(2,326)</b>	2,264
非控股權益	Non-controlling interest	<b>60</b>	253
		<b>(2,266)</b>	2,517
每股虧損：	<b>Loss per share:</b>		
來自已終止經營業務	<b>From discontinued operation</b>		
基本及攤薄(港仙)	Basic and diluted (HK cents)	<b>(0.018)</b>	(0.004)

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 17. 已終止經營業務(續)

於二零一八年六月三十日分類為持作出售之已終止經營業務資產及負債之主要分類如下：

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 17. DISCONTINUED OPERATION (continued)

The major classes of assets and liabilities of the discontinued operations classified as held for sale as at 30 June 2018 are as follow:

		二零一八年 六月三十日 30 June 2018 千港元 HK\$'000 (未經審核) (Unaudited)
<b>資產</b>	<b>Assets</b>	
土地使用權	Land use right	13,928
物業、廠房及設備	Property, plant and equipment	102,001
長期存款	Long term deposits	21
於合資公司之投資	Investments in joint ventures	6,793
於一間聯營公司之投資	Investment in an associate	18
透過其他全面收入按公允價值計量之股權工具	Equity instruments at fair value through other comprehensive income	3,000
存貨	Inventories	47,359
應收貿易賬款及應收票據	Trade and bills receivables	46,469
預付款項、按金及其他應收賬款	Prepayments, deposits and other receivables	6,841
應收一間合資公司賬款	Amount due from a joint venture	398
銀行及現金結餘	Bank and cash balances	22,679
分類為持作出售之資產	Assets classified as held for sale	249,507
<b>負債</b>	<b>Liabilities</b>	
貿易應付賬款	Trade payables	40,764
應計費用及其他應付賬款	Accruals and other payables	35,304
應付所得稅	Income tax payable	123
借貸	Borrowings	15,000
應付一名股東之賬款	Amount due to a shareholder	120,000
分類為持作出售之負債	Liabilities classified as held for sale	211,191
與出售集團直接相關之資產淨值	Net assets directly associated with the disposal group	38,316

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 17. 已終止經營業務(續)

已終止經營業務除稅前(虧損)/溢利乃經扣除以下各項後達致：

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 17. DISCONTINUED OPERATION (continued)

(Loss)/profit before taxation from discontinued operations is arrived at after charging the following:

		截至 二零一八年 六月三十日 止六個月 Six months ended 30 June 2018 千港元 HK\$'000 (未經審核) (Unaudited)	截至 二零一七年 六月三十日 止六個月 Six months ended 30 June 2017 千港元 HK\$'000 (未經審核) (Unaudited)
工資及薪金	Wages and salaries	41,514	37,671
支付定額供款退休計劃款項	Payment to defined contribution retirement plans	2,704	2,319
總員工成本	Total staff costs	44,218	39,990
折舊及攤銷	Depreciation and amortisation	3,214	3,883
確認為開支之存貨成本	Cost of inventories recognized as an expense	151,206	114,088
存貨撥備	Provision for inventories	5,740	1,460
產品保證撥備	Product warranty provision	185	149
研究及開發開支：	Research and development expenses:		
本期支出	Current period expenditure	8,087	8,867

已終止經營業務的現金流量分析如下：

Analysis of the cash flow of discontinued operations is as follows:

		截至 二零一八年 六月三十日 止六個月 Six months ended 30 June 2018 千港元 HK\$'000 (未經審核) (Unaudited)	截至 二零一七年 六月三十日 止六個月 Six months ended 30 June 2017 千港元 HK\$'000 (未經審核) (Unaudited)
經營活動所產生的現金淨額	Net cash generated from operating activities	5,658	5,126
投資活動(所用)/所產生的現金淨額	Net cash (used in)/generated from investing activities	(984)	3,928
融資活動所用的現金淨額	Net cash used in financing activities	(6,278)	(5,327)
現金(流出)/流入淨額	Net cash (outflow)/inflow	(1,604)	3,727



## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 17. 已終止經營業務(續)

計算已終止經營業務之每股基本及攤薄盈利基於：

	截至 二零一八年 六月三十日 止六個月 <b>Six months ended 30 June 2018</b> 千港元 <b>HK\$'000</b> (未經審核) <b>(Unaudited)</b>	截至 二零一七年 六月三十日 止六個月 Six months ended 30 June 2017 千港元 HK\$'000 (未經審核) (Unaudited)
已終止經營業務之普通權益持有人應佔虧損	(1,193)	(273)
計算每股基本盈利期內已發行普通股加權平均數(附註8)	6,574,390,058	6,144,310,038
用於計算每股攤薄盈利普通股加權平均數(附註8)	6,574,390,058	6,144,310,038

### 18. 採用合併會計法

截至二零一七年十二月三十一日止年度，本公司及其全資附屬公司Sure Sino Global Limited與首智投資有限公司及Ming Xin Developments Limited(均為世紀陽光集團控股有限公司之全資附屬公司)就於永洋集團有限公司之99.5%實際權益訂立買賣協議，並與一名獨立第三方聯勝有限公司就於永洋集團有限公司之餘下0.5%實際權益訂立另一份買賣協議。協議完成後，本集團將收購永洋集團之100%權益。收購事項之代價將由本公司發行普通股及可換股債券償付。收購事項已於二零一七年十一月三十日完成。本集團已根據香港會計師公會頒佈之會計指引第5號「就共同控制下的合併使用合併會計法」採用合併會計法編製財務報表。比較金額已予相應重列，猶如本公司業務一直由本集團經營。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 17. DISCONTINUED OPERATION (continued)

The calculations of basic and diluted earnings per share from the discontinued operation are based on:

	截至 二零一八年 六月三十日 止六個月 <b>Six months ended 30 June 2018</b> 千港元 <b>HK\$'000</b> (未經審核) <b>(Unaudited)</b>	截至 二零一七年 六月三十日 止六個月 Six months ended 30 June 2017 千港元 HK\$'000 (未經審核) (Unaudited)
Loss attributable to ordinary equity holders of the parent from the discontinued operation	(1,193)	(273)
Weighted average number of ordinary shares in issue during the period in the basic earnings per share calculation (Note 8)	6,574,390,058	6,144,310,038
Weighted average number of ordinary shares used in the diluted earnings per share calculation (Note 8)	6,574,390,058	6,144,310,038

### 18. APPLICATION OF MERGER ACCOUNTING

During the year ended 31 December 2017, the Company and its wholly-owned subsidiary Sure Sino Global Limited entered into the sale and purchase agreement with Capital Idea Investments Limited and Ming Xin Developments Limited which are both the wholly-owned subsidiaries of Century Sunshine Group Holdings Limited for the 99.5% effective interest in Fullocean Limited and entered another sale and purchase agreement with an independent third party, Win Union Limited for the remaining 0.5% effective interest in Fullocean Limited. Upon the completion, the Group have acquired 100% interest in the Fullocean Group. The consideration for the acquisition is to be satisfied by the issue of the Company's ordinary shares and convertible bond by the Company. The acquisition was completed on 30 November 2017. The Group has applied the merger accounting method in accordance with the Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA in the preparation of financial statements. The comparative amounts have been restated accordingly as if the business of the Company had always been carried out by the Group.

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 18. 採用合併會計法(續)

應用合併會計法及已終止經營業務之重列(請見附註17)對截至二零一七年六月三十日止六個月之綜合損益及其他全面收入表之影響如下:

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 18. APPLICATION OF MERGER ACCOUNTING (continued)

The effects of the application of merger accounting and restatement arising from discontinued operations (see note 17) on the consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2017 are as follows:

		於截至 二零一七年 六月三十日 止六個月 (按原先列賬) For the six months ended 30 June 2017 as previously reported	使用合併 會計法合併 列賬之調整 Adjustment for the combination using merger accounting	已終止 經營業務 之調整 Adjustment for the discontinued operations (附註17) (Note 17)	於截至 二零一七年 六月三十日 止六個月 (經重列) For the six months ended 30 June 2017 as restated
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
<b>持續經營業務</b>	<b>Continued operations</b>				
收入	Revenue	253,950	392,146	(142,793)	503,303
銷售成本	Cost of sales	(220,473)	(259,288)	114,088	(365,673)
毛利	Gross profit	33,477	132,858	(28,705)	137,630
其他收入及收益淨額	Other income and gains, net	12,678	3,581	(7,409)	8,850
銷售及分銷費用	Selling and distribution expenses	(13,298)	(3,375)	9,296	(7,377)
行政開支	Administrative expenses	(23,693)	(7,434)	17,321	(13,806)
研究及開發開支	Research and development expenses	(8,867)	—	8,867	—
財務費用	Finance costs	(406)	(4,357)	406	(4,357)
應佔合資公司溢利及虧損	Share of profits and losses of Joint ventures	(30)	—	30	—
除所得稅前(虧損)/溢利	<b>(Loss)/profit before income tax</b>	(139)	121,273	(194)	120,940
所得稅開支	Income tax expense	—	(31,912)	—	(31,912)
期內(虧損)/溢利 (持續經營業務)	<b>(Loss)/profit for the period for continuing operations</b>	(139)	89,361	(194)	89,028
<b>已終止經營業務</b>	<b>Discontinued operation</b>				
期內溢利(附註16)	Profit for the period (note 16)	—	—	194	194
期內(虧損)/溢利	(Loss)/profit for the period	(139)	89,361	—	89,222
<b>其他全面收入</b>	<b>Other comprehensive income</b>				
於往後期間重新分類至 損益之其他全面 收入:	Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
折算海外業務之 匯兌差額	Exchange differences on translation of foreign operations	13,144	37,563	—	50,707
期內全面收入總額	<b>Total comprehensive income for the period</b>	13,005	126,924	—	139,929

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 18. 採用合併會計法(續)

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 18. APPLICATION OF MERGER ACCOUNTING (continued)

	於截至 二零一七年 六月三十日 止六個月 (按原先列賬)	使用合併 會計法合併 列賬之調整	已終止 經營業務 之調整	於截至 二零一七年 六月三十日 止六個月 (經重列)
	For the six months ended 30 June 2017 as previously reported	Adjustment for the combination using merger accounting	Adjustment for the discontinued operations (附註 17) (Note 17)	For the six months ended 30 June 2017 as restated
	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
<b>下列人士應佔期內(虧損)/溢利：</b>	<b>(Loss)/profit for the period attributable to:</b>			
本公司擁有人	Owners of the Company			
— 來自持續經營業務				
— 來自已終止經營業務				
非控股權益	Non-controlling interests			
— 來自持續經營業務				
— 來自已終止經營業務				
	(606)	81,269	273	80,936
	—	—	(273)	(273)
	467	8,092	(467)	8,092
	—	—	467	467
	(139)	89,361	—	89,222
<b>下列人士應佔期內全面收入/(開支)總額：</b>	<b>Total comprehensive income/(expenses) for the period attributable to:</b>			
本公司擁有人	Owners of the Company			
— 來自持續經營業務				
— 來自已終止經營業務				
非控股權益	Non-controlling interests			
— 來自持續經營業務				
— 來自已終止經營業務				
	12,752	115,431	(2,264)	125,919
	—	—	2,264	2,264
	253	11,493	(253)	11,493
	—	—	253	253
	13,005	126,924	—	139,929
<b>本公司普通股權益持有人應佔每股(虧損)/盈利</b>	<b>(Loss)/earnings per share attributable to ordinary equity holders of the Company</b>			
基本及攤薄(港仙)	Basic and diluted (HK cents)			
— 來自持續經營業務				
— 來自已終止經營業務				
	(0.021 cents 仙)	(1.330 cents 仙)	0.004 cents 仙	1.313 cents 仙
	—	—	(0.004 cents 仙)	(0.004 cents 仙)

## 簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

### 18. 採用合併會計法(續)

應用合併會計法對截至二零一七年六月三十日止六個月之綜合現金流量表之影響如下：

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

### 18. APPLICATION OF MERGER ACCOUNTING (continued)

The effects of the application of merger accounting on the consolidated statement of cash flows for the six months ended 30 June 2017 are summarised below:

	於截至 二零一七年 六月三十日 止六個月 (按原先列賬)	使用合併 會計法合併 列賬之調整	於截至 二零一七年 六月三十日 止六個月 (經重列)	
	For the six months ended 30 June 2017 as previously reported 千港元 HK\$'000	Adjustment for the combination using merger accounting 千港元 HK\$'000	For the six months ended 30 June 2017 as restated 千港元 HK\$'000	
經營業務(所用)/ 所得之現金淨額	Net cash (used in)/generated from operating activities	(11,484)	152,564	141,080
投資業務所得之現金 淨額	Net cash generated from investing activities	(52,327)	16,704	(35,623)
融資業務所用之現金 淨額	Net cash used in financing activities	(5,327)	(137,259)	(142,586)
現金及等同現金項目 增加淨額	Net increase in cash and cash equivalents	(69,138)	32,009	(37,129)
期初之現金及等同現金 項目	Cash and cash equivalent at the beginning of the period	137,757	44,817	182,574
外幣匯率變動的影響， 淨額	Effect of foreign exchange rate changes, net	1,482	(4,378)	(2,896)
期末之現金及等同現金 項目	Cash and cash equivalent at the end of the period	70,101	72,448	142,549

## 管理層討論及分析

### 業務回顧

於回顧期內，本集團金屬鎂生產貢獻業務收入達795,638,000港元，同比增長58%，帶動利潤上升16.4%至103,816,000港元。於二零一八年七月，本集團正式改名為稀鎂科技集團控股有限公司，標誌著本集團進入里程碑式發展階段，專注發展鎂產品業務，矢志構建全球領先的鎂科技產業平台。

### 生產技術優化

自二零一七年收購母公司世紀陽光集團控股有限公司(「世紀陽光」)的金屬鎂業務後，本集團繼續加大生產線的技術改造升級投資，同時提升金屬鎂產品質量及產量。回顧期內，新疆生產基地新建的豎罐還原工藝技術的生產線正式投運。豎罐還原煉鎂工藝是目前煉鎂工業領先一代的創新技術，其工藝技術特點是把還原罐垂直豎立於爐膛內，依靠重力，上部加料下部出渣，配置適當機械設備，引入自動化控制技術實現爐料機械化加料和渣料自動化排放；同時，對渣料的餘熱進行利用，對物料進行預熱，採用適用於豎罐的節能環保型蓄熱式還原爐，有效提升節能環保和生產效率，降低勞動強度，實現煉鎂工藝的自動化、機械化和人性化生產。該技術為鎂生產工藝之高新技術，為企業注入了高品質發展新動能。本集團未來將繼續致力於鎂產業技術升級，引領鎂工業高新技術發展新時代。

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

During the Review Period, the magnesium production of the Group contributed HK\$795,638,000 to the revenue of the Group, representing a year-on-year growth of 58%, which drove an increase of 16.4% in profit to HK\$103,816,000. In July 2018, the Group has also officially changed its name to Rare Earth Magnesium Technology Group Holdings Limited, indicating the commencement of the milestone with its focus on magnesium products business and commitment to becoming the world-leading magnesium technology platform in the industry.

### Enhancement of production technology

The Group continued to increase its investment in technological transformation and upgrade of its production lines since its acquisition of the magnesium business of its parent Century Sunshine Group Holdings Limited ("Century Sunshine") in 2017, while enhancing both product quality and output. During the Review Period, the newly built production lines equipped with vertical retorts and advanced technology in Xinjiang production base have officially commenced operation. The advanced technology using vertical retorts for magnesium smelting is the leading innovative technology for the current magnesium smelting industry. It features with the vertical installation of retorts inside the furnace, where material is inserted from the top and slag is produced at the bottom by gravity, and the installation of appropriate mechanical equipment to facilitate automatization control, realizing material inserts by machines and automatic slag discharge. In parallel with these, the residual heat contained in the slag is utilized to preheat material, and energy-saving and environmentally friendly regenerative reduction furnace suitable for vertical retorts is adopted. Within the context of the technology in use, various benefits are delivered, including more efficient energy saving, better environmental protection and production efficiency, less labor and the automotive production of magnesium smelting. The technology, being the cutting-edge technology for magnesium production process, provides a new driver for the Group's high-quality products development. The Group will continue to use its best endeavors to upgrade its technology for the magnesium industry in the future, leading the industry to enter a new era of development.

## 管理層討論及分析(續)

### 產能擴張及科研

產能建設方面，本集團兩個生產基地總產能約10.8萬噸／年。該兩個生產基地所在地都擁有品位優良及儲量豐富的白雲石礦產資源，而新疆更擁有豐富優質的煤炭資源，為集團鎂合金產業持續發展提供了資源保障，本集團現已建成了設備先進的原鎂及鎂合金生產線，形成了上游原料資源穩定供應與下游生產能力相互鏈結配套的產業鏈，並將繼續加大擴充產能建設，致力成為中國金屬鎂行業規模最大的企業。

本集團與中國科學院長春應用化學研究所等專家建立了長期戰略合作關係，研發高端稀土鎂合金產品。目前擁有12項高性能鎂合金生產工藝和製備方法技術專利。集團優質金屬鎂及高性能鎂合金產品銷售予分銷商及下游用戶，主要銷售地區包括遼寧省、四川省、山東省、江蘇省、河南省及河北省等。

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Expansion of Production Capacity and Scientific Research and Development

In respect of production capacity, the current capacity of the Group's two production bases in aggregate reaches approximately 108,000 tonnes/year. The substantial good-grade reserves of dolomite mineral resources within the regions where our two production bases located, and the abundant and quality coal reserves in Xinjiang, ensure sustainable development of the Group's magnesium alloy business. The Group has established an advanced technological production chain from supply of raw materials to manufacture of end products. The Group will continue to expand its production capacity and facility, paving its way to become the giant magnesium enterprise in the PRC.

The Group works with various experts, including the Chang Chun Institute of Applied Chemistry, Chinese Academy of Sciences to develop high quality rare earth magnesium alloy products. The Group currently possesses 12 patents in high performance magnesium alloy manufacturing process and technologies. The Group's quality magnesium and high performance magnesium alloy products are mainly sold to distributors and downstream users, and the major sales network includes Liaoning Province, Sichuan Province, Shandong Province, Jiangsu Province, Henan Province and Hebei Province, etc.



## 管理層討論及分析(續)

### 出售電子業務

根據於二零一八年七月簽訂之買賣協議，本集團全數出售原電子業務，現金作價7,000萬港元(「出售事項」)。本集團計劃將銷售所得款項作為日常運營資金以發展具有廣闊市場前景之鎂產品業務。本集團完成出售事項後擁有更多的資源，將更好、更快地拓展鎂產品業務，為市場提供優質金屬鎂及鎂合金產品。

### 展望

鎂合金作為最有前途最實用的金屬輕質工程材料，並以其優良的物理性能和獨特的力學特點，是繼鋼鐵、鋁合金之後的第三大金屬結構材料，廣泛應用於航空航天、汽車交通、3C電子產品、煉鋼脫硫以及軍工民用等領域，已成為全球性的應用研究熱點和開發重點。隨著節能減排，減少污染和改善人類賴以生存的環境將成為全人類面臨的共同主題，節能和環保已經成為社會經濟發展主題和現代產業的突出特點，伴隨著鎂合金生產技術的進一步發展和產品性能不斷提高，鎂合金新材料的應用範圍將進一步擴大，必將長期拉動市場需求的快速增長，在「綠色經濟」不斷深化的時代，鎂產業具有廣闊的市場前景和巨大的發展潛力。

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Disposal of electronic business

Pursuant to the sale and purchase agreement entered in July 2018, the Group disposed of its entire electronic business at a cash consideration of HK\$70 million (the "Disposal"). The Group intends to use the proceeds for general working capital to develop the magnesium business with which is of good market potentials. After the Disposal, the Group has more resources to expand its magnesium business, and to provide the market with the highest quality metal magnesium and magnesium alloy products.

### Outlook

Magnesium alloy is a highly promising light metal construction material with wide applications. With its outstanding physical performance and unique mechanical properties, magnesium alloy is the third major metal structural material following steel and aluminum alloy, and widely used in aviation and aerospace, vehicles and transportation, 3C electronic products, steelmaking, desulfurization, military and civil aspects, which allows it to become the global spotlight and focus of applied research and development. As energy conservation, emission reduction, pollution control and environmental improvement have become the shared concerns of the humankind, energy conservation and environmental protection are the main focuses of social and economic development, as well as modern industries. In light of the advancing production technology of magnesium alloy and improving performances of the end-products, magnesium alloy's application will be further extended, which will definitely drive the rapid growth of market demand in the long run. In the era of rising "green economy", magnesium industry has promising market prospect and enormous development potentials.



## 管理層討論及分析(續)

### 展望(續)

根據中國工業和信息化部發出之有色金屬工業發展規劃(二零一六年至二零二零年)(「該計劃」)，有色金屬行業是製造業中一個重要基礎行業，根據該計劃，於「十三五規劃」期間，鎂是十個常見有色金屬中將繼續保持較高比率增長之有色金屬，受惠於新興行業蓬勃發展，包括新材料、節能及環境保護、高端設備製造及新能源汽車等，預測鎂的需求量於二零二零年將達至75萬噸，與二零一五年相比年複合年增長率約達7.1%。鎂產量預期於二零二零年達130萬噸。該計劃促進鎂行業發展，顯示中國新型鎂合金材料之未來發展具有龐大空間，為鎂工業在未來快速發展奠定基礎。

展望未來，本集團將持續擴充鎂業務產能，以迎合市場對鎂合金新材料日益增加的需求。同時，將繼續加強稀土鎂合金的研發，使產品多樣化，並發揮集團技術優勢，提高產品差異化競爭力，務求降低整體生產成本、增加高端產品比重、提高規模經濟效益及拓展市場銷售網絡。此外，本集團將繼續密切注視市場併購機遇，尋找具高端鎂相關技術，有助優化產業佈局或擴大業務覆蓋的併購標的。

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Outlook (continued)

According to the “Non-ferrous Metal Industry Development Plan (2016-2020) (有色金屬工業發展規劃(2016-2020年))”, the “Plan”) published by the Ministry of Industry and Information Technology of the PRC, the non-ferrous metal industry is one of the important fundamental industries in the manufacturing sector. Under the Plan, magnesium is regarded as the non-ferrous metal among ten common non-ferrous metals which will continue to grow at a high rate during the Thirteenth Five Year Plan due to the robust development in the emerging industries including application of new materials, energy saving and environmental protection, high-end equipment manufacturing and new energy vehicles. The demand for magnesium is estimated to reach 750,000 tonnes by 2020, representing a compound annual growth rate of approximately 7.1% as compared to 2015. The magnesium output is expected to reach 1,300,000 tonnes by 2020. The Plan promotes the development of magnesium industry, reveals the ample opportunities of magnesium industry in the PRC.

Looking forward, the Group will continue the expansion of its capacity to meet the increasing market demand of new magnesium material. Leveraging on the research and development of rare earth magnesium alloy and diversified product provision, the Group will continue to maintain its technological advantages and differentiate its products, aiming to reduce the overall production cost, increase the portion of high-end products, enhance economy of scale and expand market sales network. In addition, the Group will pay close attention on the potential merger and acquisition opportunities in the market to further boost our technology standard, and to optimise coverage.

## 財務回顧

### 收益

於本期間，本集團來自持續經營業務之收益為約795,638,000港元(二零一七年：503,303,000港元)，按期增加58%，乃主要受期內鎂合金銷量增加約50.1%至31,933噸(二零一七年：21,270噸)所帶動。該大幅增加主要歸功於本集團管理團隊努力不懈，致力於改善生產效率及增加鎂生產基地之銷售所致。

### 毛利

本期間來自持續經營業務之毛利為約202,665,000港元(二零一七年：137,630,000港元)，按期增加47%。本期間鎂合金產品之毛利率約25.4%(二零一七年：25.6%)。鎂合金產品之平均售價由二零一七年之每噸22,785港元增加至本期間之每噸24,862港元。

### 行政開支

本期間之行政開支約為25,694,000港元，同比增加約11,888,000港元。行政開支主要包括員工薪酬、折舊及攤銷、審核及專業費用和租賃等費用。行政開支的增加主要來自於因二零一七年十一月完成業務重組所增之總部費用及期內頒授購股權之以權益結算之購股權開支。

### 財務費用

財務費用為約35,933,000港元，按期增長約31,576,000港元(二零一七年：約4,357,000港元)。該增加主要由於二零一七年十一月向世紀陽光集團控股有限公司(本公司之直接控股公司)發行可換股債券作為收購永洋集團之代價一部分而產生之實際利息22,985,000港元。

## FINANCIAL REVIEW

### Revenue

Revenue of the Group for the current period from continuing operations was approximately HK\$795,638,000 (2017: HK\$503,303,000), representing a period-on-period increase of 58%, which is mainly driven by the increase in sale volumes of the magnesium alloy by approximately 50.1% to a level of 31,933 tonnes (2017: 21,270 tonnes) during the period. Such significant increases is mainly attributed by the unremitting efforts of the Group's management team in improving production efficiency and increasing sales arising from the magnesium production bases.

### Gross profit

Gross profit for the current period from continuing operations was approximately HK\$202,665,000 (2017: HK\$137,630,000), representing a period-on-period increase of 47%. The gross profit margin of magnesium alloy products was approximately 25.4% for the current period (2017: 25.6%). The average selling price of magnesium alloy products increased from HK\$22,785 per ton in 2017 to HK\$24,862 per ton in the current period.

### Administrative expenses

The administrative expense for the period was approximately HK\$25,694,000, representing a period-on-period growth of approximately HK\$11,888,000. Administrative expenses were mainly comprised of remuneration of employees, depreciation and amortization, audit and professional fees and leases payment. The increment of administrative expense was mainly due to the increase in headquarter expenses upon the completion of re-organisation in November 2017 and the equity-based options expenses for the share options granted during the period.

### Finance cost

Finance cost was approximately HK\$35,933,000, representing a period-on-period growth of approximately HK\$31,576,000 (2017: approximately HK\$4,357,000). The increase is mainly contributed by the effective interests of HK\$22,985,000 deriving from the convertible bonds issued to Century Sunshine Group Holdings Limited, the intermediate holding company of the Company in November 2017 as part of the consideration to acquire the Fullocean Group.

## 財務回顧(續)

### 純利及未計利息、稅項、折舊及攤銷前溢利

截至二零一八年六月三十日止六個月，本集團來自持續經營業務之除稅後溢利為約105,050,000港元(二零一七年：89,028,000港元)，按期增長約16,022,000港元或18.0%。該增加主要由於鎂合金業務產生之營業溢利增加，抵銷本期間財務費用之增幅31,576,000港元所致。來自持續經營業務之本公司股權擁有人應佔溢利增加24,114,000港元或29.8%至截至二零一八年六月三十日止六個月之105,050,000港元(二零一七年：80,936,000港元)。

本集團來自持續經營業務之未計利息、稅項、折舊及攤銷前溢利為約213,347,000港元(二零一七年：143,371,000港元)，按期增加48.8%，此乃由於本集團發揮鎂合金生產之技術及產能優勢，提高經濟規模效益及拓展市場銷售網絡所致。

### 已終止經營業務

於截至二零一八年六月三十日止六個月，本集團按計劃全數出售電子業務，現金作價7,000萬港元。電子業務之業績於財務報表呈列為已終止經營業務，且有關比較數字已據此重列。已終止經營業務於本期間錄得除稅後虧損約1,234,000港元(二零一七年：溢利約194,000港元)。

## FINANCIAL REVIEW (continued)

### Net profit and EBITDA

For the six months ended 30 June 2018, the profit after tax of the Group from continuing operation was approximately HK\$105,050,000 (2017: HK\$89,028,000), representing a period-on-period growth of approximately HK\$16,022,000 or 18.0%. The increase is mainly contributed by the increase in operation profits deriving from magnesium alloy business, net-off the increase in finance cost by HK\$31,576,000 in the current period. The profit attributable to the equity holders of the Company from continuing operations has increased by HK\$24,114,000 or 29.8% to HK\$105,050,000 for the six months ended 30 June 2018 (2017: HK\$80,936,000).

The EBITDA of the Group from continuing operations was approximately HK\$213,347,000 (2017: HK\$143,371,000), representing a period-on-period increase of 48.8%, resulting from the Group's efforts to exercise our technological and capacity advantages in magnesium alloy production, enhancing our economic of scales and expanding our market sales network.

### Discontinued operations

During the six months ended 30 June 2018, the Group has committed the plan to dispose of its entire electronic business at a cash consideration of HK\$70 million. The results deriving from the electronic business was presented as discontinuing operations in the financial statements and the comparative figures have been restated accordingly. The discontinued operations has recorded a loss after tax of approximately \$1,234,000 for the current period (2017: profit of approximately HK\$194,000).

## 流動性及財務資源

於二零一八年六月三十日，本集團之現金及等同現金項目及已抵押銀行存款為約186,429,000港元(二零一七年十二月三十一日：206,835,000港元)。於二零一八年六月三十日，本集團之借貸及可換股債券為413,740,000港元(二零一七年十二月三十一日：462,082,000港元)及334,700,000港元(二零一七年十二月三十一日：318,464,000港元)。本集團借款以港元、美元及人民幣為單位，附有浮動息率，至於可換股債券則以港元為單位且附有固定息率。

於二零一八年六月三十日，本集團之資本負債率(定義為借款除以資產總額)為18%。回顧期間利息支出為約35,933,000港元。

## 或然負債

於二零一八年六月三十日及二零一七年十二月三十一日，本集團概無或然負債。

## LIQUIDITY AND FINANCIAL RESOURCES

On 30 June 2018, the cash and cash equivalent and pledged bank deposits of the Group were HK\$186,429,000 (31 December 2017: HK\$206,835,000). The Group's borrowings and convertible bonds as at 30 June 2018 was HK\$413,740,000 (31 December 2017: 462,082,000) and HK\$334,700,000 (31 December 2017: HK\$318,464,000), respectively. The Group's borrowings were denominated in Hong Kong dollars, United States dollars and Renminbi with floating interest rates while the convertible bonds were denominated in Hong Kong dollars with fixed interest rate.

As at 30 June 2018, the gearing ratio of the Group, defined as borrowings divided by total assets, was 18%. The interest expenses was approximately HK\$35,933,000 during the Review Period.

## CONTINGENT LIABILITIES

As at 30 June 2018 and 31 December 2017, the Group has no contingent liabilities.

## 項目概覽

### 白雲石礦

本集團之白雲石礦，位於中國吉林省白山市。該礦場以露天開採方式操作，不涉及也不需要額外勘探工程，開發活動僅涉及露天開採時的簡易基建工程，並沒有涉及任何地下鑽挖以及結構工程。已開採之白雲石為本集團生產金屬鎂產品之原材料。礦場的位置鄰近本集團生產基地，原料的運輸成本亦相對很低。

本集團之白雲石礦乃按中國資源／儲量分類。截至二零一八年六月三十日的估計資源量和儲量，按已開採量逐年核減，得出剩餘資源量及儲量。本集團與以往披露估算假設相比無重大變更。該資源量及儲量由本集團之內部地質專家審核。截至二零一八年六月三十日止六個月，白雲石礦產出量為88,950噸\*。與二零一七年十二月三十一日相比，白雲石礦的資源量及礦石儲量並無重大變動。

截至二零一八年六月三十日止六個月之開採活動開支主要用於直接工資、材料、能源、運輸及折舊攤銷費用等，並已計入銷售成本及於未經審核簡明綜合損益及其他全面收益表內扣除。

截至二零一八年六月三十日止六個月，白雲石礦因開採活動產生之支出約為6,318,000港元，而勘探及開發活動之支出則皆為零港元。

\* 礦產出量為白雲石之入庫量，包括採礦石量

## PROJECT OVERVIEW

### Dolomite Mine

The Group's dolomite mine is situated in Baishan City, Jilin Province, the PRC. The mine is operated by open-pit method, and therefore no additional exploration works are involved or required. Only simple infrastructure works for open-pit mining are involved in the development activities, and no underground drilling or structural works are involved. The dolomite mined is the raw material for producing magnesium products of the Group. The transportation cost for the raw material is relatively low due to the close proximity of the mine to the production base of the Group.

The dolomite mine of the Group was reported under the Chinese resource/reserve categories. As at 30 June 2018, the anticipated resource and reserve volumes were determined based on the yearly reduction of quantity mined to calculate the remaining resource and reserve volumes. There is no material change in the assumptions of estimation by the Group as compared with those previously disclosed. The resource and reserve volumes was reviewed by the Group's internal geological experts. For the six months ended 30 June 2018, the Group completed a dolomite output of 88,950 tonnes\*. As compared with the status as at 31 December 2017, there was no material change in the resource estimate and ore reserve of the dolomite mine.

For the six months ended 30 June 2018, the expenditures incurred in mining activities were mainly for direct wages, materials, energy, transportation, depreciation and amortisation, etc. Such expenditures have been included in cost of sales and charged to the unaudited condensed consolidated statement of profit or loss and other comprehensive income.

The expenditure incurred in mining activities of the dolomite mine for the six months ended 30 June 2018 were approximately HK\$6,318,000 while the expenditure incurred in exploration and development was HK\$Nil.

\* Mining output represented the quantity of dolomite stock-in at warehouse, including the quantity mined

## 外匯及財務政策

本集團大部份商業交易、資產及負債均以港元、日圓、美元或人民幣計值。本集團一貫之財務政策為小心控制重大外匯風險，並在其可能對本集團造成重大風險時盡量減低外匯風險。於過去六個月內，本集團並無進行任何利率或外匯之投機活動。

## 員工關係

於二零一八年六月三十日，本集團於香港聘有82名僱員(二零一七年十二月三十一日：63名)，於中國聘有1,385名僱員(二零一七年十二月三十一日：1,541名)及於日本聘有5名僱員(二零一七年十二月三十一日：5名)。除薪酬外，本集團亦為員工提供有薪年假、醫療保險及公積金等其他員工福利。

## 鳴謝

本人謹代表董事會向全體股東、客戶、供應商及銀行致謝，多謝他們多年來對本集團之支持，亦感謝全體員工於回顧期內辛勤工作及為本集團所作之貢獻。

## FOREIGN CURRENCIES AND TREASURY POLICY

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong dollars, Japanese Yen, United States dollars or Renminbi. The usual treasury policy of the Group is to manage significant currency exposure and minimize currency risk whenever it may have material impact to the Group. During the last six months, the Group did not engage in any interest rate or currencies speculations.

## EMPLOYEES RELATIONS

As at 30 June 2018, the Group has on its payroll 82 employees (31 December 2017: 63) in Hong Kong, 1,385 employees (31 December 2017: 1,541) in China and 5 employees (31 December 2017: 5) in Japan. In addition to salary remuneration, the Group also provides other fringe benefits such as annual leave, medical insurance and provident fund, etc. to its staff.

## APPRECIATION

On behalf of the Board, I wish to thank all our shareholders, customers, suppliers and bankers for their continual support. I would also like to extend my appreciation to all the staff for their dedicated work and their contribution throughout the Review Period.



## 其他資料

### 購股權計劃

為吸引及挽留最優秀僱員以支持本集團之業務發展，並向獲選之合資格參與者提供額外激勵或獎勵，本公司於二零一七年十二月四日採納購股權計劃（「該計劃」）。合資格參與者主要包括為本集團作出貢獻之本集團及任何主要股東之僱員或董事及本集團顧問或諮詢人士、分銷商、承包商、供應商、服務供應商、代理、客戶及業務夥伴。除非另行註銷或修訂，該計劃之有效期為自其成立日期起計10年。該計劃之剩餘年期約為9.5年（於二零二七年十二月四日屆滿）。

於二零一八年六月三十日，該計劃項下可認購總數261,400,000股股份之購股權（「購股權」）尚未行使。

## OTHER INFORMATION

### Share Option Scheme

In order to attract and retain the best quality employees for the development of the Group's businesses and to provide additional incentives or rewards to selected qualifying participants, the Company adopted a share option scheme on 4 December 2017 (the "Scheme"). The qualifying participants mainly include employees and directors of the Group and any substantial shareholders, and the consultants or adviser, distributors, contractors, suppliers, service providers, agent, customer and business partner of the Group who have contribution to the Group. The Scheme, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The remaining life of the Scheme is approximately 9.5 years (expiry on 4 December 2027).

As at 30 June 2018, options to subscribe for a total of 261,400,000 Shares were outstanding under the Scheme (the "Options").

	於2018年 1月1日持有 Held at 1 January 2018	期內授出 之購股權 Options granted during the period	期內行使 之購股權 Options exercised during the period	期內失效 之購股權 Options lapsed during the period	於2018年 6月30日持有 Held at 30 June 2018	行使價 Exercise price 港元 HK\$
(A) 僱員 Employees	—	146,400,000	—	—	146,400,000	0.4
	—	40,000,000	—	—	40,000,000	0.5
(B) 董事 Directors						
沈世捷 Shum Sai Chit	—	30,000,000	—	—	30,000,000	0.4
池碧芬 Chi Bi Fen	—	20,000,000	—	—	20,000,000	0.4
孟健 Meng Jian	—	5,000,000	—	—	5,000,000	0.4
譚偉豪 Tam Wai Ho	—	5,000,000	—	—	5,000,000	0.4
鄭炳文 Kwong Ping Man	—	5,000,000	—	—	5,000,000	0.4
張省本 Cheung Sound Poon	—	5,000,000	—	—	5,000,000	0.4
關毅傑 Kwan Ngai Kit	—	5,000,000	—	—	5,000,000	0.4
小計 Sub-total	—	221,400,000	—	—	221,400,000	0.4
小計 Sub-total	—	40,000,000	—	—	40,000,000	0.5
合計 Total	—	261,400,000	—	—	261,400,000	



## 其他資料(續)

### 購股權計劃(續)

於報告期末，上述尚未行使購股權有以下屆滿日期、行使期及行使價。

頒授日期	屆滿日期	行使期	每股行使價	購股權數目
Grant date	Expiry date	Exercise period	Exercise prices per Share 港元 HK\$	Number of Share options
二零一八年四月二十五日	二零二三年十二月二十九日	自二零一八年十一月一日起至二零二三年十二月二十九日	0.4	221,400,000
25 April 2018	29 December 2023	From 1 November 2018 to 29 December 2023		
二零一八年四月二十五日	二零二零年十二月三十一日	自二零一九年一月一日起至二零二零年十二月三十一日	0.5	40,000,000
25 April 2018	31 December 2020	From 1 January 2019 to 31 December 2020		
				261,400,000

於二零一八中期報告日期，該計劃項下可供發行之本公司股份總數(包括上述尚未行使購股權)為657,439,005股，相當於本公司當日已發行股本約10%。該計劃之餘下年期約為9.5年，並將於二零二七年十二月四日屆滿。

## OTHER INFORMATION (continued)

### Share Option Scheme (continued)

The above share options outstanding at the end of the reporting period have the following expiry date, exercise period and exercise prices.

As at the date of the 2018 Interim Report, the total number of Shares of the Company available for issue under the Scheme (including the above share options outstanding not yet exercised) was 657,439,005, representing approximately 10% of the issued share capital of the Company as of the date thereof. The remaining life of the Scheme is approximately 9.5 years and to be expired on 4 December 2027.

## 其他資料(續)

### 董事之證券權益

於二零一八年六月三十日，根據本公司按證券及期貨條例(「證券及期貨條例」)第352條存置之登記冊所記錄，或根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄10所載之上市發行人董事進行證券交易的標準守則(「標準守則」)本公司及香港聯合交易所有限公司所接獲之通知，本公司各董事(「董事」)及彼等之聯繫人士於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份及相關股份之權益如下：

### 於本公司股份、相關股份及債券之權益

## OTHER INFORMATION (continued)

### Directors' Interests in Securities

At 30 June 2018, the interests of the directors of the Company (the "Directors") and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), were as follows:

### Interests in the Shares, underlying shares and debenture of the Company

董事	擁有權益或視為擁有權益之普通股數目 Number of ordinary shares interested or deemed to be interested					持有購股權數目	佔本公司 已發行股本 之權益 概約百分比 Approximate percentage of interests in the issued share capital of the Company
	個人權益 Personal interests	家族權益 Family interests	公司權益 Corporate interests	總額 Total			
<b>好倉</b> <b>Long position</b>							
沈世捷 Shum Sai Chit	—	—	—	—	30,000,000	0.46%	
池碧芬 Chi Bi Fen	—	—	—	—	20,000,000	0.30%	
孟健 Meng Jian	—	—	—	—	5,000,000	0.08%	
譚偉豪太平紳士(「譚博士」) Tam Wai Ho, Samson JP (「Dr. Tam」)	63,464,000 (附註1)(Note 1)	4,600,000 (附註2)(Note 2)	75,754,236 (附註3)(Note 3)	143,818,236	5,000,000	2.26%	
鄭炳文 Kwong Ping Man					5,000,000	0.08%	
張省本 Cheung Sound Poon					5,000,000	0.08%	
關毅傑 Kwan Ngai Kit					5,000,000	0.08%	
<b>淡倉</b> <b>Short position</b>							
無 Nil							

## 其他資料(續)

### 董事之證券權益(續)

附註：

- (1) 該等股份包括由譚博士及譚偉棠先生(「譚先生」)共同擁有之51,464,000股股份。譚博士直接擁有12,000,000股股份。
- (2) 譚梅嘉慧女士為譚博士之配偶，故根據證券及期貨條例第XV部，譚博士被視為於譚太所擁有之股份中擁有權益。
- (3) 該等股份中，75,754,236股由Earnmill Holdings Limited(「Earnmill Holdings」)(一間由譚博士及譚先生按相同比例最終全資擁有之公司)實益擁有。

### 於相聯法團股份之權益

## OTHER INFORMATION (continued)

### Directors' Interests in Securities (continued)

Notes:

- (1) Such Shares include the 51,464,000 Shares which are jointly owned by Dr. Tam and Mr. Tam Wai Tong, Thomas ("Mr. Tam"). Dr. Tam directly owns 12,000,000 Shares.
- (2) Mrs. Tam Mui Ka Wai is the spouse of Dr. Tam and therefore Dr. Tam is deemed to be interested in the Shares owned by Mrs. Tam pursuant to Part XV of the SFO.
- (3) Of these shares, 75,754,236 Shares are beneficially owned by Earnmill Holdings Limited ("Earnmill Holdings"), a company which is ultimately wholly owned by Dr. Tam and Mr. Tam, in equal shares.

### Interests in the shares of associated corporations

董事	相聯法團名稱	擁有權益或視為擁有權益之普通股數目(好倉)				總額	佔相聯法團已發行股本之權益 概約百分比
		個人權益	家族權益	公司權益	總額		
Director	Name of associated corporation	Personal interests	Family interests	Corporate interests	Total	Approximate percentage of interests in the issued share capital of the associated corporation	
沈世捷先生	世紀陽光集團控股有限公司(「世紀陽光」)						
Mr. Shum Sai Chit	Century Sunshine Group Holdings Limited ("Century Sunshine")	14,666,305 (附註1) (Note 1)	—	—	14,666,305	0.32%	
池碧芬女士	世紀陽光						
Ms. Chi Bi Fen	Century Sunshine	12,352,499 (附註2) (Note 2)	—	—	12,352,499	0.27%	
張省本先生	世紀陽光						
Mr. Cheung Sound Poon	Century Sunshine	300,000 (附註3) (Note 3)			300,000	0.007%	
關毅傑先生	世紀陽光						
Mr. Kwan Ngai Kit	Century Sunshine	—	2,560,010 (附註4) (Note 4)	—	2,560,010	0.04%	

## 其他資料(續)

### 董事之證券權益(續)

#### 於相聯法團股份之權益(續)

附註：

- (1) 14,666,305股世紀陽光股份由沈世捷先生直接擁有。
- (2) 12,352,499股世紀陽光股份由池碧芬女士直接擁有。
- (3) 該等股份包括300,000股世紀陽光股份由張先生及其配偶共同擁有。
- (4) 該等份包括2,560,010股世紀陽光股份由關先生之配偶持有。

除上文所披露者外，於二零一八年六月三十日，各董事或彼等之聯繫人士概無於本公司或其任何相聯法團(定義見證券及期貨條例)之股份及相關股份中擁有任何權益或淡倉。

## OTHER INFORMATION (continued)

### Directors' Interests in Securities (continued)

#### Interests in the shares of associated corporations (continued)

Notes:

- (1) 14,666,305 shares in Century Sunshine are directly owned by Mr. Shum Sai Chit.
- (2) 12,352,499 shares in Century Sunshine are directly owned by Ms. Chi Bi Fen.
- (3) Such shares include the 300,000 shares in Century Sunshine which are jointly owned by Mr. Cheung and his spouse.
- (4) Such shares include the 2,560,010 shares in Century Sunshine owned by Mr. Kwan's spouse.

Save as disclosed above, at 30 June 2018, none of the Directors or their associates had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations as defined in the SFO.

## 其他資料(續)

### 主要股東

除上文所披露有關若干董事之權益外，於二零一八年六月三十日，根據本公司按證券及期貨條例第336條存置之主要股東名冊所記載，下列股東曾知會本公司其擁有本公司已發行股本中之相關權益及淡倉：

股東名稱	所持普通股 股份數目(好倉) Number of ordinary shares held (long position)	佔已發行 股本之百分比 % of issued share capital
Ming Xin Developments Limited (附註1) (note 1)	4,761,117,434	72.42
New Bright Group Limited (附註2) (note 2)	4,761,117,434	72.42
世紀陽光(附註3) Century Sunshine (note 3)	4,761,117,434	72.42
池文富(附註4) Chi Wen Fu (note 4)	4,761,117,434	72.42

附註：

- (1) 4,761,117,434股由Ming Xin Developments Limited實益擁有。
- (2) Ming Xin Developments Limited為New Bright Group Limited之全資附屬公司。故此，就證券及期貨條例而言，New Bright Group Limited被視為擁有Ming Xin Developments Limited擁有權益之全部股份之權益。
- (3) New Bright Group Limited為世紀陽光之全資附屬公司。故此，就證券及期貨條例而言，世紀陽光被視為擁有Ming Xin Developments Limited擁有權益之全部股份之權益。
- (4) 池文富先生在世紀陽光(Ming Xin Developments Limited之最終控股公司)股東大會上控制三分之一或以上表決權。故此，就證券及期貨條例而言，池文富先生被視為擁有Ming Xin Developments Limited擁有權益之全部股份之權益。

除上文所披露者外，於二零一八年六月三十日，本公司概無接獲任何人士知會其於本公司股份或相關股份中擁有根據證券及期貨條例須向本公司披露之權益或淡倉。

## OTHER INFORMATION (continued)

### Substantial Shareholders

At 30 June 2018, the register of substantial shareholders kept by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors, the following shareholder had notified the Company of relevant interest and short position in the issued capital of the Company:

所持有 股份數目(好倉) Number of ordinary shares held (long position)	佔已發行 股本之百分比 % of issued share capital
4,761,117,434	72.42
4,761,117,434	72.42
4,761,117,434	72.42
4,761,117,434	72.42

Note:

- (1) 4,761,117,434 shares are beneficially owned by Ming Xin Developments Limited;
- (2) Ming Xin Developments Limited is a wholly-owned subsidiary of New Bright Group Limited. As such, New Bright Group Limited is deemed to be interested in all the shares in which Ming Xin Developments Limited is interested by virtue of the SFO.
- (3) New Bright Group Limited is a wholly-owned subsidiary of Century Sunshine. As such, Century Sunshine is deemed to be interested in all the shares in which Ming Xin Developments Limited is interested by virtue of the SFO.
- (4) Mr. Chi Wen Fu controls more than one-third or more of the voting power at general meetings of Century Sunshine (the ultimate holding company of Ming Xin Developments Limited). As such, Mr. Chi Wen Fu is deemed to be interested in all the shares in which Ming Xin Developments Limited is interested by virtue of the SFO.

Save as disclosed above, at 30 June 2018, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the SFO.

## 購買、出售或贖回本公司之上市證券

本公司及其任何附屬公司於期內概無購買、出售或贖回本公司任何上市證券。

## 審核委員會

審核委員會成員包括三名獨立非執行董事，即鄭炳文先生(審核委員會主席)、張省本先生及關毅傑先生。於回顧期內，審核委員會已舉行兩次會議，以檢討本集團所採納之會計原則及政策，並討論內部監控及財務匯報事宜。審核委員會已審閱本集團截至二零一八年六月三十日止六個月之未經審核綜合中期業績。

審核委員會對提升本公司企業管治作出正面貢獻。

## 企業管治常規

截至二零一八年六月三十日止六個月內，本公司一直遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載之企業管治守則(「守則」)，惟以下偏離情況除外：

根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事須出席股東大會，並對股東之意見有公正的瞭解。

— 非執行董事孟健教授及非執行董事譚偉豪博士太平紳士因有其他事項處理而無法出席於二零一八年六月十三日舉行的股東週年大會。

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the period.

## AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors, namely Mr. Kwong Ping Man (Chairman of the Audit Committee), Mr. Cheung Sound Poon and Mr. Kwan Ngai Kit. During the period under review, the Audit Committee has held two meetings to review the accounting principles and practices adopted by the Group and discuss internal control and financial reporting matters. The Audit Committee has reviewed the unaudited consolidated interim results of the Group for the six months ended 30 June 2018.

The Audit Committee has made positive contribution to enhancing the Company's corporate governance.

## CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2018, the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), save for the deviations as follows:

Under code provision A.6.7, independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders.

— Professor Meng Jian (being a non-executive Director) and Dr. Tam Wai Ho JP (being a non-executive Director) were unable to attend the annual general meeting held on 13 June 2018 as they were obliged to be away for other matters.

## 董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載有關董事進行證券交易之標準守則(「標準守則」)，以不遜於標準守則之條款，作為其有關董事進行證券交易之行為守則。經向所有董事作出特定查詢後，於截至二零一八年六月三十日止六個月內，所有董事確認彼等均已遵守標準守則之必守標準。

承董事會命  
稀鎂科技集團控股  
有限公司  
主席  
沈世捷

香港，二零一八年八月二十日

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the “Model Code”) set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors on terms no less exact than the required standard set out in the Model Code. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2018.

By order of the Board  
**Rare Earth Magnesium Technology  
Group Holdings Limited**  
**Shum Sai Chit**  
*Chairman*

Hong Kong, 20 August 2018





稀镁科技  
REMT

稀镁科技集團控股有限公司  
Rare Earth Magnesium Technology Group Holdings Limited