



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

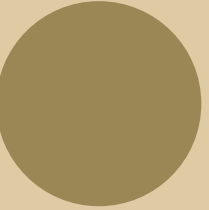
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XINYANG MAOJIAN GROUP LIMITED

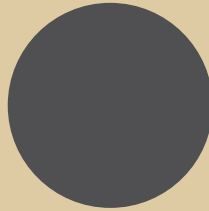
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(於開曼群島註冊成立並於百慕達存續之有限公司)

(Stock Code 股份代號: 362)



2020
Interim Report
中期報告



FINANCIAL HIGHLIGHTS

財務摘要

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	Change 變動
TURNOVER	營業額	223,050	149,647	49%
LOSS FOR THE PERIOD	期間虧損	(78,417)	(51,448)	52%
BASIC LOSS PER SHARE	每股基本虧損	HK(5.39) cents 港仙	HK(3.51) cents 港仙	54%
INTERIM DIVIDEND PER SHARE	每股中期股息	-	-	-

The board (the “**Board**”) of directors (“**Directors**”) of Xinyang Maojian Group Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim financial statements (the “**Interim Financial Statements**”) of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 31 December 2020 (the “**Period**”). The Interim Financial Statements have not been audited but have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

信陽毛尖集團有限公司(「**本公司**」)董事(「**董事**」)會(「**董事會**」)欣然公佈本公司及其附屬公司(統稱「**本集團**」)截至二零二零年十二月三十一日止六個月(「**期間**」)之未經審核簡明綜合中期財務報表(「**中期財務報表**」)。中期財務報表未經審核但已由本公司審核委員會(「**審核委員會**」)審閱。



CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

		(Unaudited) (未經審核)		
		Six months ended 31 December 截至十二月三十一日 止六個月		
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	
		Note 附註		
Revenue	收益	4	223,050	149,647
Cost of sales	銷售成本		(155,067)	(81,684)
Gross profit	毛利		67,983	67,963
Other income	其他收入	6	3,686	4,503
Gains/(losses) on fair value of financial assets at fair value through profit or loss, net	按公平值計入損益之金融資產公平值收益/(虧損)淨值		1,528	(125)
Selling and distribution costs	銷售及分銷成本		(18,088)	(10,932)
Administrative expenses	行政開支		(46,719)	(38,627)
Other operating expenses	其他經營開支		(27,041)	(23,795)
Loss from operations	經營虧損		(18,651)	(1,013)
Finance costs	財務成本		(61,004)	(48,086)
Share of results of joint ventures	應佔合營企業業績		1,238	(2,349)
Loss before tax	除稅前虧損		(78,417)	(51,448)
Income tax	所得稅	7	-	-
Loss for the period	期間虧損	8	(78,417)	(51,448)

CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)

簡明綜合收益表(續)

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

		(Unaudited) (未經審核)	
		Six months ended 31 December 截至十二月三十一日 止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
	Note 附註		
Attributable to:	應佔：		
Owners of the Company	本公司擁有人	(74,286)	(46,768)
Non-controlling interests	非控股權益	(4,131)	(4,680)
Loss for the period	期間虧損	(78,417)	(51,448)
Loss per share	每股虧損		
– Basic	– 基本	9	9
		HK(5.39) cents 港仙	HK(3.51) cents 港仙
– Diluted	– 攤薄	9	9
		HK(5.39) cents 港仙	HK(3.51) cents 港仙



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收入報表

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

		(Unaudited) (未經審核)	
		Six months ended 31 December 截至十二月三十一日 止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Loss for the period	期間虧損	(78,417)	(51,448)
Other comprehensive income after tax:	除稅後其他全面收入：		
Item that may be reclassified to profit or loss:	可能獲重新分類至損益之項目：		
Exchange differences on translating foreign operations	換算海外業務匯兌差額	80,722	(47,483)
Other comprehensive income for the period, net of tax	期間其他全面收入，扣除稅項	80,722	(47,483)
Total comprehensive income for the period	期間全面收入總額	2,305	(98,931)
Attributable to:	應佔：		
Owners of the Company	本公司擁有人	8,062	(89,418)
Non-controlling interests	非控股權益	(5,757)	(9,513)
		2,305	(98,931)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況報表

As at 31 December 2020 於二零二零年十二月三十一日

		(Unaudited) (未經審核)	(Audited) (經審核)
		31 December 2020 二零二零年 十二月三十一日	30 June 2020 二零二零年 六月三十日
		HK\$'000 千港元	HK\$'000 千港元
	Note 附註		
Non-current assets	非流動資產		
Fixed assets	固定資產	1,627,242	1,516,536
Right-of-use assets	使用權資產	308,891	297,376
Investment in a joint venture	於一間合營企業之投資	10,209	8,971
Goodwill	商譽	6,546	-
		1,952,888	1,822,883
Current assets	流動資產		
Inventories	存貨	24,987	7,538
Trade receivables	應收貿易賬項	88,321	27,300
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項	129,591	130,282
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	5,848	678
Bank and cash balances	銀行及現金結存	34,899	8,143
		283,646	173,941
TOTAL ASSETS	總資產	2,236,534	1,996,824
Capital and reserves	股本及儲備		
Share capital	股本	144,821	133,993
Reserves	儲備	328,857	241,480
Equity attributable to owners of the Company	本公司擁有人應佔權益	473,678	375,473
Non-controlling interests	非控股權益	48,055	53,812
Total equity	總權益	521,733	429,285

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

As at 31 December 2020 於二零二零年十二月三十一日

			(Unaudited) (未經審核) 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	14	17,451	18,777
Bonds payable	應付債券	13	968,181	975,627
Other payables	其他應付款項		189,402	175,204
Lease liabilities	租賃負債		2,661	3,758
Deferred tax liabilities	遞延稅項負債		102	102
Convertible bonds	可換股債券		50,234	–
			1,228,031	1,173,468
Current liabilities	流動負債			
Trade payables	應付貿易賬項	15	96,045	55,393
Other payables and accruals	其他應付款項及應計款項		217,428	209,819
Other loans	其他貸款		64,648	65,716
Bank loans	銀行貸款	14	42,273	48,527
Bonds payable	應付債券	13	64,256	12,641
Lease liabilities	租賃負債		2,120	1,975
			486,770	394,071
Total liabilities	總負債		1,714,801	1,567,539
TOTAL EQUITY AND LIABILITIES	總權益及負債		2,236,534	1,996,824
Net current liabilities	流動負債淨額		(203,124)	(220,130)
Total assets less current liabilities	總資產減流動負債		1,749,764	1,602,753
Net assets	資產淨值		521,733	429,285

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動報表

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

		(Unaudited) (未經審核)								
		For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月 Attributable to owners of the Company 本公司擁有人應佔								
		Share capital	Fixed asset revaluation reserve	Share option reserve	Convertible bonds reserve	Exchange reserve	Retained profits	Non-controlling interests	Total	
		股本	重估儲備	購股權儲備	可換股債券儲備	外匯儲備	保留溢利	非控股權益	總計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 July 2020	於二零二零年七月一日	133,993	13,943	11,752	-	51,760	164,025	375,473	53,812	429,285
Total comprehensive income for the Period	期間全面收入總額	-	-	-	-	82,348	(74,286)	8,062	(5,757)	2,305
Exercise of share options	行使購股權	5,828	-	(10,025)	-	-	23,180	18,983	-	18,983
Employee share options benefit	僱員購股權福利	-	-	19,555	-	-	-	19,555	-	19,555
Issue of convertible bonds	發行可換股債券	-	-	-	39,506	-	-	39,506	-	39,506
Conversion of convertible bonds	轉換可換股債券	5,000	-	-	(7,901)	-	15,000	12,099	-	12,099
Changes in equity for the Period	期間權益變動	10,828	-	9,530	31,605	82,348	(36,106)	98,205	(5,757)	92,448
At 31 December 2020	於二零二零年十二月三十一日	144,821	13,943	21,282	31,605	134,108	127,919	473,678	48,055	521,733

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) 簡明綜合權益變動報表(續)

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

(Unaudited)

(未經審核)

For the six months ended 31 December 2019

截至二零一九年十二月三十一日止六個月

Attributable to owners of the Company

本公司擁有人應佔

		Share capital	Fixed asset revaluation reserve	Share option reserve	Other reserve	Exchange reserve	Retained profits	Sub-total	Non-controlling interests	Total
		股本	重估儲備	購股權儲備	其他儲備	外匯儲備	保留溢利	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 July 2019	於二零一九年七月一日	133,243	10,562	11,988	87	110,056	535,186	801,122	63,787	864,909
Total comprehensive income for the Period	期間全面收入總額	-	-	-	-	(42,650)	(46,768)	(89,418)	(9,513)	(98,931)
Exercise of share options	行使購股權	300	-	(94)	-	-	769	975	-	975
Changes in equity for the Period	期間權益變動	300	-	(94)	-	(42,650)	(45,999)	(88,443)	(9,513)	(97,956)
At 31 December 2019	於二零一九年十二月三十一日	133,543	10,562	11,894	87	67,406	489,187	712,679	54,274	766,953

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量報表

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

		(Unaudited) (未經審核)	
		Six months ended 31 December 截至十二月三十一日 止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
NET CASH (USED IN)/ GENERATED FROM OPERATING ACTIVITIES	經營業務(所用)/ 所得之現金 淨額	(62,025)	28,563
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用之 現金淨額	(16,322)	(11,261)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	融資活動所得/ (所用)之現金 淨額	104,274	(17,553)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值 項目增加/ (減少)淨額	25,927	(251)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	829	705
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初現金及現金 等值項目	8,143	7,185
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期終現金及現金 等值項目	34,899	7,639
ANALYSIS OF CASH AND CASH EQUIVALENTS Bank and cash balances	現金及現金等值 項目分析 銀行及現金結存	34,899	7,639



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

These condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as appropriate.

As at 31 December 2020, the Group had net current liabilities of approximately HK\$203,124,000 and incurred a loss of HK\$78,417,000 for the Period. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

1. 編製基準及會計政策

此等未經審核簡明綜合財務報表已根據由香港會計師公會(「**香港會計師公會**」)頒佈之香港會計準則第34號「中期財務報告」(「**香港會計準則第34號**」)以及香港聯合交易所有限公司(「**聯交所**」)證券上市規則(「**上市規則**」)附錄十六之適用披露規定編製。

該等簡明綜合財務報表已按歷史成本基準編製，按重估金額或公平值(如適用)計量的若干物業及金融工具除外。

於二零二零年十二月三十一日，本集團的流動負債淨額約203,124,000港元，並於期間產生虧損78,417,000港元。該等狀況表明存在重大不確定性，或對本集團持續經營能力嚴重成疑。因此，本集團可能無法在正常業務過程中變現其資產及履行其負債。



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

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the current and anticipated future liquidity of the Group and the ability of the Group to achieve profitable and positive cash flows from operations in immediate and long terms. In order to strengthen the Group's capital base and maintain sufficient financing necessary for future business development, the directors have taken the following plans and measures:

- The Group had several idle right-of-use assets located in Mudanjiang City, Heilongjiang Province, the PRC with a total carrying amount of approximately HK\$106,478,000. These right-of-use assets are available to be disposed of, which have a total market value of approximately HK\$237,439,000 with reference to the estimated market approach analysis of the right-of-use assets carried out by an independent third-party valuer, in the event the Group requires further financing.
- The Group will apply cost cutting measures to reduce administrative expenses and cash outflows for the next twelve months.

1. 編製基準及會計政策 (續)

編製簡明綜合財務報表時，本公司董事已審慎考慮本集團目前及預測日後流動資金，以及本集團從即時及長期業務達致盈利及正面現金流量的能力。為加強本集團的資本基礎及維持未來業務發展所需的充足資金，董事已採取以下計劃及措施：

- 本集團擁有數項位於中國黑龍江省牡丹江市的閒置使用權資產，總賬面值約為106,478,000港元。如本集團需再度融資，該等使用權資產可予出售，在參考由獨立第三方的估值師對使用權資產進行估計市場法分析後，其總市值約為237,439,000港元。
- 本集團將在未來十二個月內採取削減成本措施，減少行政費用和現金流出。



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

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Based on the above plans and measures, the directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis. Should the Group fail to achieve the abovementioned plans and measures, it might not be able to continue as a going concern, and adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2020 are the same as those presented in the Group's annual financial statements for the year ended 30 June 2020.

1. 編製基準及會計政策 (續)

基於上述計劃及措施，董事因此認為，按持續經營基準編製財務報表實屬恰當。如本集團未能達致上述計劃和措施，則可能無法繼續作為持續經營企業，而須對綜合財務報表作出調整，以調整本集團的資產價值至其可收回金額、為可能產生的任何其他負債計提撥備，並將非流動資產及負債分別重新分類為流動資產及負債。該等調整的影響並未在綜合財務報表內反映。

除應用經修訂香港財務報告準則（「香港財務報告準則」）導致之其他額外會計政策外，截至二零二零年十二月三十一日止六個月之簡明綜合財務報表所用會計政策及計算方法與本集團截至二零二零年六月三十日止年度之年度財務報表內所呈列者相同。



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

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

2. APPLICATION OF AMENDMENTS TO HKFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRSs and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 July 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8
香港會計準則第1號及香港會計準則
第8號(修訂本)

Amendments to HKFRS 3
香港財務報告準則第3號(修訂本)

Amendments to HKFRS 9,
HKAS 39 and HKFRS 7
香港財務報告準則第9號、
香港會計準則第39號及香港財務
報告準則第7號(修訂本)

Amendments to 16
香港財務報告準則第16號(修訂本)

The application of the Amendments to References to the Conceptual Framework in HKFRSs and the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2. 應用香港財務報告準則之修訂本

於本中期期間，本集團已首次應用香港會計師公會頒佈的香港財務報告準則概念框架引述之修訂本及下列香港財務報告準則之修訂本，該等準則就編製本集團之簡明綜合財務報表於二零二零年七月一日或之後開始之年度期間強制生效：

Definition of Material
重要性之定義

Definition of a Business
業務之定義

Interest Rate Benchmark Reform

利率基準改革

COVID-19-Related Rent Concessions
COVID-19相關租金寬減

除下文所述者外，於期間內應用香港財務報告準則概念框架引述之修訂本及香港財務報告準則之修訂本概無對本集團當前及過往期間之財務狀況及表現及／或該等簡明綜合財務報表所載之披露事項造成重大影響。



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

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

3. FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

The recurring fair value measurement of the financial assets at fair value through profit or loss was using Level 1 as at 30 June 2020 and 31 December 2020.

3. 公平值計量

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

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

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

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

第3級輸入數據：資產或負債之無法觀察輸入數據。

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

於二零二零年六月三十日及二零二零年十二月三十一日，按公平值計入損益之金融資產之經常性公平值計量均使用第1級。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

4. REVENUE

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

4. 收益

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Continuing operations:	持續經營業務：		
Heat supplying services	熱能供應服務	132,723	135,843
Electricity supplying services	電力供應服務	7,167	4,809
Sales of calcium carbide	銷售碳化鈣	-	-
Sales of lime powder	銷售石灰粉	14,189	8,471
Facilities of construction services	設施建設服務	-	524
Sales of wine	銷售酒類	68,971	-
		223,050	149,647

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

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

5. SEGMENT INFORMATION

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

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

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

Construction services – construction and monitor of public facilities construction;

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

Vinyl acetate – manufacture and sale of vinyl acetate; and

Beverage – sales of wine.

The accounting policies of the operating segments are the same as those described in the Group's 2020 annual financial statements. Segment profits or losses do not include fair value gains/(losses) on financial assets at fair value through profit or loss, share of results of a joint venture and corporate administrative expenses. Segment assets do not include bank and cash balances, financial assets at fair value through profit or loss, investment in a joint venture and corporate assets. Segment liabilities do not include bank loans, bonds payable, convertible bonds, bond interest payable, other loans and other payables and accruals for general administrative use.

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

5. 分部資料

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

熱能及電力－生產及供應熱能及電力；

碳化鈣－製造及銷售碳化鈣及石灰粉；

建造服務－建設及監察公用設施建設；

聚氯乙烯－製造及銷售聚氯乙烯；

醋酸乙烯－製造及銷售醋酸乙烯；及

飲料－銷售酒類。

各經營分部之會計政策與本集團二零二零年年度財務報表所述者相同。分部溢利或虧損並無計入按公平值計入損益之金融資產公平值收益／(虧損)、應佔一間合營企業之業績及公司行政開支。分部資產、於一間合營企業之投資並無計入銀行及現金結存、按公平值計入損益之金融資產以及公司資產。分部負債並無計入銀行貸款、應付債券、可換股債券、應付債券利息、其他貸款以及其他應付款項及一般行政用途之應計款項。

本集團按向第三方作出之銷售或轉讓(即現行市價)計算分部間銷售及轉讓。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

5. SEGMENT INFORMATION 5. 分部資料(續)

(Continued)

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

有關可報告分部之溢利或虧損、資產及負債之資料：

		(Unaudited) (未經審核)							Total
		Heat and power 熱能及 電力 HK\$'000 千港元	Calcium carbide 碳化鈣 HK\$'000 千港元	Construction services 建設服務 HK\$'000 千港元	Polyvinyl-chloride 聚氯乙烯 HK\$'000 千港元	Vinyl acetate 醋酸乙烯 HK\$'000 千港元	Beverage 飲料 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Six months ended 31 December 2020	截至二零二零年 十二月三十一日 止六個月								
Revenue from external customers	外界客戶收益	139,890	14,189	-	-	-	68,971	-	223,050
Segment profit/(loss)	分部溢利/(虧損)	43,242	(41,093)	(72)	(1,490)	(321)	4,286	(82,969)	(78,417)
As at 31 December 2020	於二零二零年 十二月三十一日								
Segment assets	分部資產	821,427	1,130,825	85,423	57,825	40,439	43,685	56,910	2,236,534
Segment liabilities	分部負債	237,682	238,000	34,893	16,751	22,719	32,770	1,131,986	1,714,801

		(Unaudited) (未經審核)							Total
		Heat and power 熱能及 電力 HK\$'000 千港元	Calcium carbide 碳化鈣 HK\$'000 千港元	Construction services 建設服務 HK\$'000 千港元	Polyvinyl-chloride 聚氯乙烯 HK\$'000 千港元	Vinyl acetate 醋酸乙烯 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元	
Six months ended 31 December 2019	截至二零一九年 十二月三十一日 止六個月								
Revenue from external customers	外界客戶收益	140,652	8,471	524	-	-	-	149,647	
Segment profit/(loss)	分部溢利/(虧損)	51,839	(24,678)	(687)	(6,237)	(5,996)	(65,689)	(51,448)	
As at 30 June 2020	於二零二零年 六月三十日								
Segment assets	分部資產	632,528	1,094,580	78,967	53,699	37,382	99,668	1,996,824	
Segment liabilities	分部負債	186,658	210,235	2,122	14,343	20,967	1,133,214	1,567,539	

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

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

6. OTHER INCOME

6. 其他收入

		(Unaudited) (未經審核)	
		Six months ended 31 December 截至十二月三十一日 止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Bank interest income	銀行利息收入	1	92
Other interest income	其他利息收入	71	1,168
Construction income of installation of pipe	安裝管道之建設 收入	2,397	1,017
Property management service income	物業管理服務收入	144	1,814
Sundry income	雜項收入	1,073	412
		3,686	4,503

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

7. INCOME TAX

7. 所得稅

		(Unaudited) (未經審核)	
		Six months ended 31 December 截至十二月三十一日 止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current tax	即期稅項	—	—

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the Period (2019: Nil).

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

No provision for PRC enterprise income tax has been made as the Group has sufficient tax loss brought forward to offset the profit generated during the Period (2019: Nil).

由於本集團於期間並無在香港產生任何應課稅溢利，因此並無就香港利得稅計提撥備(二零一九年：無)。

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

由於本集團於期間內已結轉充足稅務虧損以抵銷所產生的溢利，故並無就中國企業所得稅計提撥備(二零一九年：無)。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

8. LOSS FOR THE PERIOD

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

8. 期間虧損

本集團於期間之虧損已扣除下列各項列賬：

		(Unaudited) (未經審核)	
		Six months ended 31 December 截至十二月三十一日 止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Depreciation of fixed assets	固定資產折舊	39,961	44,891
Depreciation of right-of-use assets	使用權資產折舊	4,203	-
Allowance for receivables	應收款項撥備		
– trade receivables	– 應收貿易賬項	-	4,289
– other receivables	– 其他應收款項	-	3,036
Factory overhead incurred during suspension of production	停產期間產生之工廠日常開支	27,041	23,795
Staff costs (excluding Directors' emoluments):	員工成本(不包括董事酬金):		
Wages, salaries and benefits in kind	工資、薪金及實物利益	16,702	17,177
Employee share option benefits	員工購股權福利	19,555	-
Retirement benefits scheme contributions	退休福利計劃供款	3,821	3,951
Directors' emoluments	董事酬金	800	671

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

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

9. LOSS PER SHARE

(a) Basic loss per share

Calculation of basic loss per share attributable to the owners of the Company is based on the loss for the Period attributable to the owners of the Company of approximately HK\$74,286,000 (2019: HK\$46,768,000) and the weighted average number of ordinary shares of 1,377,576,936 (2019: 1,332,968,303) in issue during the Period.

(b) Diluted loss per share

For the Period and the six months ended 31 December 2019, the diluted loss per share was the same as the basic loss per share as the computation of the diluted loss does not assume the exercise of the Company's share options because assumption of exercise of the share options would result in a decrease in loss per share.

10. CAPITAL EXPENDITURE

During the Period, the additions to fixed assets including the construction in progress in the PRC were approximately HK\$2,322,000 (2019: HK\$3,849,000).

9. 每股虧損

(a) 每股基本虧損

本公司擁有人應佔每股基本虧損乃根據本公司擁有人應佔期間虧損約74,286,000港元(二零一九年: 46,768,000港元)及期間已發行普通股加權平均數1,377,576,936股(二零一九年: 1,332,968,303股)計算。

(b) 每股攤薄虧損

由於計算攤薄虧損時並無假設行使本公司之購股權(原因是假設行使購股權會導致每股虧損減少),故期間及截至二零一九年十二月三十一日止六個月每股攤薄虧損與每股基本虧損相同。

10. 資本開支

於期間內,添置固定資產(包括中國在建工程)之金額約為2,322,000港元(二零一九年: 3,849,000港元)。



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

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

11. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 60 to 180 days (30 June 2020: 60 to 180 days). The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management.

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

11. 應收貿易賬項

本集團主要按信貸期與客戶進行交易。信貸期一般介乎60至180日(二零二零年六月三十日: 60至180日)。本集團致力維持嚴格控制其未償還應收賬項。逾期賬項由管理層定期檢討。

以下為應收貿易賬項(經扣除撥備)按發票日期之賬齡分析:

		(Unaudited) (未經審核) 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元
Within 30 days	30日內	35,953	396
31 to 60 days	31至60日	30,913	194
61 to 90 days	61至90日	11,022	556
91 to 120 days	91至120日	150	793
121 to 150 days	121至150日	2	619
151 to 180 days	151至180日	9	553
181 to 365 days	181至365日	2,349	17,834
366 to 720 days	366至720日	7,923	6,355
		88,321	27,300

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

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

12. SHARE CAPITAL

12. 股本

		(Unaudited) (未經審核) 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元
Authorised	法定		
5,000,000,000 ordinary shares of HK\$0.10 each	5,000,000,000股每股面值0.10港元之普通股	500,000	500,000
Issued and fully paid	已發行及繳足		
1,448,207,319 (30 June 2020: 1,339,927,319) ordinary shares of HK\$0.10 each	1,448,207,319股(二零二零年六月三十日: 1,339,927,319股)每股面值0.10港元之普通股	144,821	133,993

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

12. SHARE CAPITAL (Continued)

12. 股本(續)

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

本公司之已發行股本於期間之變動情況概述如下：

		Number of ordinary shares issued 已發行 普通股數目 '000 千股	Par value 面值 HK\$'000 千港元
At 1 July 2019	於二零一九年 七月一日	1,332,427	133,243
Issue of shares on exercise of share options (note a)	因行使購股權而 發行股份(附註a)	7,500	750
At 30 June 2020 and 1 July 2020	於二零二零年 六月三十日及 二零二零年 七月一日	1,339,927	133,993
Issue of shares on exercise of share options (note b)	因行使購股權而 發行股份(附註b)	10,780	1,078
Issue of shares on exercise of share options (note c)	因行使購股權而 發行股份(附註c)	47,500	4,750
Issue of shares on conversion of convertible bonds (note d)	因轉換可換股債券 而發行股份 (附註d)	50,000	5,000
At 31 December 2020	於二零二零年 十二月三十一日	1,448,207	144,821

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

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

12. SHARE CAPITAL (Continued)

12. 股本(續)

Note (a): On 28 November 2019, 10 March 2020 and 24 April 2020, the subscription rights attaching to 7,500,000 share options issued pursuant to the share option scheme of the Company were exercised at the subscription price of HK\$0.325 per share, resulting in the issuance of 7,500,000 shares of HK\$0.1 each for a total cash consideration of approximately HK\$2.4 million which was used for general working capital.

Note (b): On 13 July 2020, the subscription rights attaching to 10,780,000 share options issued pursuant to the share option scheme of the Company were exercised at the subscription price of HK\$0.345 per share, resulting in the issuance of 10,780,000 shares of HK\$0.1 each for a total cash consideration of approximately HK\$3.7 million which was used for general working capital.

Note (c): On 4 August 2020, 25 August 2020, 4 September 2020, 15 October 2020 and 9 November 2020, the subscription rights attaching to 47,500,000 share options issued pursuant to the share option scheme of the Company were exercised at the subscription price of HK\$0.325 per share, resulting in the issuance of 47,500,000 shares of HK\$0.1 each for a total cash consideration of approximately HK\$15.4 million which was used for general working capital.

Note (d): On 23 December 2020, 50,000,000 shares were issued upon conversion of convertible bonds.

附註(a)：於二零一九年十一月二十八日、二零二零年三月十日及二零二零年四月二十四日，根據本公司購股權計劃發行之7,500,000份購股權附帶之認購權按每股股份0.325港元之認購價獲行使，以致發行7,500,000股每股0.1港元之股份，總現金代價約2.4百萬港元已用作一般營運資金。

附註(b)：於二零二零年七月十三日，根據本公司購股權計劃發行之10,780,000份購股權附帶之認購權按每股股份0.345港元之認購價獲行使，以致發行10,780,000股每股0.1港元之股份，總現金代價約3.7百萬港元已用作一般營運資金。

附註(c)：於二零二零年八月四日、二零二零年八月二十五日、二零二零年九月四日、二零二零年十月十五日及二零二零年十一月九日，根據本公司購股權計劃發行之47,500,000份購股權附帶之認購權按每股股份0.325港元之認購價獲行使，以致發行47,500,000股每股0.1港元之股份，總現金代價約15.4百萬港元已用作一般營運資金。

附註(d)：於二零二零年十二月二十三日，50,000,000股股份經轉換可換股債券後發行。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

13. BONDS PAYABLE

The movement of the bonds payable is as follows:

13. 應付債券

應付債券之變動如下：

		(Unaudited) (未經審核) 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元
Carrying amount at the beginning of period/year	於期初／年初之賬面值	988,268	906,361
Repayment of bonds	償還債券	(2,000)	(11,250)
Interest charge for the period/year	期內／年內利息開支	48,469	98,606
Interest paid for the period/year	期內／年內之已付利息	(2,300)	(5,449)
Carrying amount at the end of period/year	於期終／年終之賬面值	1,032,437	988,268

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

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

13. BONDS PAYABLE (Continued) 13. 應付債券(續)

The bonds were repayable as follows:

債券以下列方式償還：

		(Unaudited) (未經審核) 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元
Within one year	一年內	68,841	12,641
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	1,280,127	1,192,277
After five years	五年後	99,700	245,550
		1,448,668	1,450,468

The bonds payable are unsecured and interest bearing at coupon rates of 3% to 12% (30 June 2020: 3% to 12%).

應付債券為無抵押及按票息率3厘至12厘計息(二零二零年六月三十日：3厘至12厘)。

The bonds payable are measured at amortised cost, using the effective interest method, and the effective rates are ranging from 2.2% to 18.92% per annum (30 June 2020: 2.2% to 18.92% per annum) after taking into account the transaction costs directly attributable to the issuance of the bonds.

應付債券以實際利率法按攤銷成本計量，經計及發行債券直接應佔之交易費用後，實際年利率介乎2.2厘至18.92厘(二零二零年六月三十日：年利率介乎2.2厘至18.92厘)。



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

14. BANK LOANS

The Group's bank loans are repayable as follows:

14. 銀行貸款

本集團之銀行貸款須於下列期間償還：

		(Unaudited) (未經審核) 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元
Term loans subject to a repayment on demand clause	須遵守催繳條款之定期貸款	7,115	15,805
Within one year	一年內	35,158	32,722
In the second year	第二年	2,725	2,725
In the third to fifth years inclusive	第三至第五年 (包括首尾兩年)	8,526	8,526
After five years	五年後	6,200	7,526
		59,724	67,304
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：十二個月內到期償還之款項(列作流動負債)	(42,273)	(48,527)
		17,451	18,777

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

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

14. BANK LOANS (Continued)

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

14. 銀行貸款(續)

本集團銀行貸款之賬面值乃以下列貨幣計值：

		(Unaudited) (未經審核) 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元
Hong Kong dollars	港元	20,120	21,446
Renminbi	人民幣	39,604	45,858
		59,724	67,304

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務報表附註(續)

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

15. TRADE PAYABLES

The Group normally obtains credit terms ranging from 30 to 120 days (30 June 2020: 30 to 120 days) from its suppliers.

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

15. 應付貿易賬項

本集團一般獲其供應商給予30至120日(二零二零年六月三十日: 30至120日)之信貸期。

以下為應付貿易賬項按接收貨品日期呈列之賬齡分析:

		(Unaudited) (未經審核) 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元
Within 30 days	30日內	44,111	7,317
31 to 60 days	31至60日	10,090	5,640
61 to 90 days	61至90日	9,227	1,395
91 to 120 days	91至120日	3,331	304
121 to 365 days	121至365日	7,118	17,165
Over 365 days	超過365日	22,168	23,572
		96,045	55,393

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

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

16. CONTINGENT LIABILITIES 16. 或然負債

On 19 November 2012, China Electricity Construction Consultant Group Dongbei Electricity Design College* (the “**Plaintiff**”) filed a writ (the “**Writ**”) with the high court of Heilongjiang Province in the PRC (the “**Heilongjiang High Court**”) against Mudanjiang Better-Day Power Limited (“**Mudanjiang BD Power**”), an indirect wholly-owned subsidiary of the Company.

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

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

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

* For identification purposes only

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

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

16. CONTINGENT LIABILITIES

(Continued)

On 25 October 2018, the Heilongjiang High Court had adjudged that Mudanjiang BD Power was liable to compensate the Plaintiff for approximately RMB36,700,000 with interest. Upon the end of the Period, Mudanjiang BD Power was negotiating with the Plaintiff to continue the construction of the coal-powered electricity generating facilities. Once the performance of the Contract is resumed under the mutual agreement between Mudanjiang BD Power and the Plaintiff, part of the damages granted may be absorbed in the cost of construction.

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

16. 或然負債(續)

於二零一八年十月二十五日，黑龍江高等法院已判令牡丹江佳日熱電須向原告賠償約人民幣36,700,000元連同利息。於期末後，牡丹江佳日熱電與原告進行磋商，以繼續建設煤炭發電設施。合同一經牡丹江佳日熱電與原告雙方同意下重新執行，部分經批准賠償可隨即吸納於建築成本中。

管理層已就法律訴訟計提充足撥備，並相信可與原告達成有利結付條款。

17. CAPITAL COMMITMENTS

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

17. 資本承擔

於期間結算日，本集團之資本承擔如下：

	(Unaudited) (未經審核) 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元	(Audited) (經審核) 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元
Contracted, but not provided for: Buildings and construction in progress	38,433	35,553



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

For the six months ended 31 December 2020 截至二零二零年十二月三十一日止六個月

18. EVENTS AFTER THE REPORTING PERIOD

On 2 February 2021, Mudanjiang Longjin Wine Co., Ltd.*, being an indirect wholly-owned subsidiary of the Company, and the vendors entered into a sales and purchase agreement for the acquisition of the entire equity interest in Beijing Yaolai Longwei Wine Co., Ltd* for a consideration of HK\$80 million, which shall be satisfied by HK\$5 million payable in cash and the issue of a promissory note in an aggregate principal amount of HK\$75 million.

18. 報告期後事項

於二零二一年二月二日，牡丹江龍晉酒業有限公司(本公司間接全資附屬公司)與賣方就收購北京耀萊龍微酒業有限公司之全部股權訂立買賣協議，代價為80百萬港元，將以5百萬港元現金及發行本金總額75百萬港元的承兌票據支付。

* For identification purposes only



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

INTERIM DIVIDEND

The Directors have resolved that no interim dividend will be declared in respect of the Period (2019: Nil).

中期股息

董事已議決不會就期間宣派任何中期股息(二零一九年：無)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Business Review

Following the outbreak of COVID-19 since January 2020, the economy of the People's Republic of China (the "PRC") had been negatively impacted. Despite improvements in the economy during the Period, the Group suffered from this and as a result, recorded a loss of approximately HK\$76 million. The production capacity of the coal-related chemical production division during the Period had still not yet been fully utilised, which incurred idle operating costs.

業務回顧

自COVID-19於二零二零年一月起爆發後，中華人民共和國(「中國」)經濟受到不利影響。儘管經濟於期間內改善，惟本集團仍受到影響及因此錄得虧損約76百萬港元。煤相關化工產品部的產能於期間內仍未獲全數動用，並招致閒置營運成本。

For the Period, revenue of the Group amounted to approximately HK\$223 million, representing an increase of 49% when compared with that of the last corresponding period.

於期間內，本集團收益約為223百萬港元，較去年同期增加49%。

Loss attributable to the owners of the Company for the Period amounted to approximately HK\$74 million, representing an increase of 59% when compared with that of the last corresponding period.

於期間內，本公司擁有人應佔虧損約為74百萬港元，較去年同期增加59%。

During the Period, the increase in the Group's revenue was mainly attributable to the new source of revenue from the beverage business.

於期間內，本集團收益增加乃主要歸因於飲料業務的新收益來源。

The Group's selling and distribution costs for the Period was approximately HK\$18 million, representing an increase of approximately 65% when compared with that of the last corresponding period. The increase in selling and distribution costs resulted from the expansion of heat supplying area during the Period.

本集團於期間之銷售及分銷成本約為18百萬港元，較去年同期增加約65%。銷售及分銷成本增加乃由於期間之熱能供應區域擴大所致。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

The Group's administrative expenses for the Period was approximately HK\$47 million, representing an increase of approximately 21% when compared with that of the last corresponding period. The increase in administrative expenses was mainly due to share option expenses.

本集團於期間之行政開支約為47百萬港元，較去年同期增加約21%。行政開支增加乃主要由於購股權開支所致。

The Group's other operating expenses for the Period was approximately HK\$27 million, representing an increase of approximately 14% when compared with that of the last corresponding period. The increase in other operating expenses was mainly due to the suspension of plant and equipment of Heihe Longjiang Chemical Limited ("HLCCL") during the Period.

本集團於期間之其他營運開支約為27百萬港元，較去年同期增加約14%。其他營運開支增加主要由於期間內黑河龍江化工有限公司(「黑河龍江化工」)的廠房及設備停工所致。

Heat and power division

During the Period, the heat and power division recorded a revenue of approximately HK\$140 million from external customers (2019: HK\$141 million), in which income from supplying heat for the Period was approximately HK\$133 million, representing a decrease of approximately 2% compared with that of the last corresponding period. The decrease was due to the devaluation of RMB. Segment profit of approximately HK\$43 million was achieved, representing a decrease of approximately 17% compared with that of the last corresponding period. The decrease in segment profit was mainly due to the increase in maintenance cost.

熱能及電力部

於期間內，熱能及電力部錄得外界客戶收益約140百萬港元(二零一九年：141百萬港元)，當中期間內供應熱能之收入約為133百萬港元，較去年同期減少約2%。該減少乃由於人民幣貶值所致。分部溢利約為43百萬港元，較去年同期減少約17%。分部溢利減少乃主要由於保養成本增加所致。

Apart from the expansion of the residential heat supplying area, the management of the Group had also closely monitored the operation to reduce coal and energy consumption and avoid wastage so as to increase the profit from our heat and power generating facilities.

除擴大住宅熱能供應區域外，本集團管理層亦已密切監察業務，以降低煤炭及能源消耗及避免浪費資源，從而增加來自熱能及電力生產設施之溢利。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

Coal-related chemical production division

The coal-related chemical production division included the calcium carbide segment (the “**CC segment**”), the polyvinyl-chloride segment (the “**PVC segment**”) and the vinyl acetate segment (the “**VA segment**”).

During the Period, the CC segment recorded a revenue of approximately HK\$14 million (2019: approximately HK\$8 million) from external customers, representing an increase of approximately 68% compared with that of the last corresponding period. Despite the suspension of the production line for the production of calcium carbide, revenue was generated as the production line for the production of line provider, a semi-final product of calcium carbide, remained in operation during the Period. Further, no revenue was recorded for the PVC segment and the VA segment during the Period, respectively (2019: Nil and nil, respectively). The above financial performances of this business division were a result of the outbreak of COVID-19, as explained in the section headed “Coal-related chemical production division” under “Prospect” of this report.

Construction services division

During the Period, the construction services division recorded no revenue (2019: HK\$1 million) and a segment loss of HK\$0.1 million (2019: HK\$1 million), respectively. This was due to (i) the seasonal suspension of construction activities during winter in the North East of the PRC; and (ii) as a result of the outbreak of COVID-19, travelling restrictions were imposed in Mudanjiang City and the Group’s construction services had been suspended.

煤相關化工產品部

煤相關化工產品部包括碳化鈣分部(「**碳化鈣分部**」)、聚氯乙烯分部(「**聚氯乙烯分部**」)及醋酸乙烯分部(「**醋酸乙烯分部**」)。

於期間內，碳化鈣分部錄得來自外界客戶收益約14百萬港元(二零一九年：約8百萬港元)，較去年同期增加約68%。於本年度，儘管生產碳化鈣的生產線暫停，惟仍錄得收益，因生產石灰粉(碳化鈣的半成品)的生產線維持運作。此外，聚氯乙烯分部及醋酸乙烯分部於期間內分別並無錄得收益(二零一九年：分別為無及無)。上述此業務分部的財務表現乃歸因於COVID-19的爆發，詳情載於本報告「展望－煤相關化工產品部」一節。

建造服務部

於期間內，建造服務部並無錄得收益(二零一九年：1百萬港元)而錄得分部虧損0.1百萬港元(二零一九年：1百萬港元)。此乃由於(i)中國東北地區建設活動於冬季季節性暫停；及(ii) COVID-19爆發導致牡丹江市出台旅行限制及本集團的建造服務已被暫停所致。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

Beverage division

Since 2018, the Group had been actively exploring business opportunities. The wine market in the PRC has had a rapid growth of 5% to 7.1% for the last five years since 2015. During the year ended 31 December 2019, the PRC's wine market recorded annual revenue of RMB562 billion. As such, it is foreseeable that the wine market will have a stable expansion upon the continuous development of the PRC economy.

Taking advantage of this huge market opportunity, the Group commenced the beverage division in late 2020 through the sales of wine. During the Period, this segment recorded a revenue of approximately HK\$69 million (2019: Nil) from external customers, while the segment profit for the Period was HK\$4 million (2019: Nil), which was mainly due to sufficient market demand despite the short operation period of this business segment.

Capital Structure, Liquidity and Financial Resources

Capital structure

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

Liquidity and financial ratio

As at 31 December 2020, the Group had total assets of approximately HK\$2,237 million (30 June 2020: HK\$1,997 million), which were financed by current liabilities of approximately HK\$487 million (30 June 2020: HK\$394 million), non-current liabilities of approximately HK\$1,228 million (30 June 2020: HK\$1,173 million), non-controlling interests of approximately HK\$48 million (30 June 2020: HK\$54 million) and owners' equity of approximately HK\$474 million (30 June 2020: HK\$375 million).

飲料部

自二零一八年以來，本集團一直積極探索商機。自二零一五年以來過去五年中，中國酒類市場一直保持5%至7.1%的快速增長。截至二零一九年十二月三十一日止年度，中國酒類市場年度收益為人民幣5,620億元。因此，隨著中國經濟的持續發展，預計酒類市場將穩定增長。

本集團把握此巨大市場機遇，於二零二零年末透過銷售酒類開展飲料部。於期間內，該分部錄得來自外界客戶收益約69百萬港元(二零一九年：無)，而期間內的分部溢利為4百萬港元(二零一九年：無)，主要由於儘管該業務分部的經營期短，但市場需求充足。

資本結構、流動資金及財務資源

資本結構

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

流動資金及財務比率

於二零二零年十二月三十一日，本集團之總資產約為2,237百萬港元(二零二零年六月三十日：1,997百萬港元)，由流動負債約487百萬港元(二零二零年六月三十日：394百萬港元)、非流動負債約1,228百萬港元(二零二零年六月三十日：1,173百萬港元)、非控股權益約48百萬港元(二零二零年六月三十日：54百萬港元)及擁有人權益約474百萬港元(二零二零年六月三十日：375百萬港元)撥付。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

As at 31 December 2020, the current assets of the Group amounted to approximately HK\$284 million (30 June 2020: HK\$174 million), mainly comprising inventories of approximately HK\$25 million (30 June 2020: HK\$8 million), trade receivables of approximately HK\$88 million (30 June 2020: HK\$27 million), prepayments, deposits and other receivables of approximately HK\$130 million (30 June 2020: HK\$130 million), financial assets at fair value through profit or loss of approximately HK\$6 million (30 June 2020: HK\$1 million) and cash and cash equivalents of approximately HK\$35 million (30 June 2020: HK\$8 million).

As at 31 December 2020, the Group's current ratio (current assets/current liabilities), quick ratio ((current assets – inventories)/current liabilities), gearing ratio (total debts/total assets) and debts to equity ratio (total debts/owners' equity) were approximately 0.6 (30 June 2020: 0.4), 0.5 (30 June 2020: 0.4), 76.7% (30 June 2020: 78.5%) and 362.0% (30 June 2020: 417.5%), respectively. The lower gearing ratio was mainly attributable to the increase in trade receivables, whilst the total debts of the Group remained stable.

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

於二零二零年十二月三十一日，本集團之流動資產約為284百萬港元(二零二零年六月三十日：174百萬港元)，主要包括存貨約25百萬港元(二零二零年六月三十日：8百萬港元)、應收貿易賬項約88百萬港元(二零二零年六月三十日：27百萬港元)、預付款項、訂金及其他應收款項約130百萬港元(二零二零年六月三十日：130百萬港元)、按公平值計入損益之金融資產約6百萬港元(二零二零年六月三十日：1百萬港元)以及現金及現金等值項目約35百萬港元(二零二零年六月三十日：8百萬港元)。

於二零二零年十二月三十一日，本集團之流動比率(流動資產/流動負債)、速動比率((流動資產－存貨)/流動負債)、資產負債比率(總債務/總資產)及本集團債務與權益比率(總債務/擁有人權益)分別約為0.6(二零二零年六月三十日：0.4)、0.5(二零二零年六月三十日：0.4)、76.7%(二零二零年六月三十日：78.5%)及362.0%(二零二零年六月三十日：417.5%)。資產負債比率下降乃主要由於應收貿易賬項增加所致，而本集團的債務總額仍然穩定。

本集團於整個期間內一直維持相對穩定之財務狀況。管理層已密切監察本集團之流動資金狀況，並採取合適措施以確保本集團擁有足夠財務資源履行其財務責任。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Non-equity funding

Bank loans

As at 31 December 2020, the bank loans of the Group amounted to approximately HK\$60 million (30 June 2020: HK\$67 million), of which approximately HK\$20 million was denominated in Hong Kong dollars and approximately HK\$40 million was denominated in Renminbi (30 June 2020: HK\$21 million was denominated in Hong Kong dollars and HK\$46 million was denominated in Renminbi). Based on agreed scheduled repayments set out in the loan agreements, bank loans of approximately HK\$42 million (30 June 2020: HK\$49 million) were repayable within 12 months.

The effective interest rates on the Group's bank loans during the Period ranged from 2.1% to 8.0% (2019: 2.1% to 8.0%).

Bonds and other non-equity financing

As at 31 December 2020, the aggregate bonds payable were approximately HK\$1,032 million (30 June 2020: HK\$988 million) which were issued for improving the working capital of the Group during the Period.

非股本集資

銀行貸款

於二零二零年十二月三十一日，本集團之銀行貸款約為60百萬港元(二零二零年六月三十日：67百萬港元)，當中約20百萬港元以港元計值及約40百萬港元以人民幣計值(二零二零年六月三十日：21百萬港元以港元計值及46百萬港元以人民幣計值)。按照載於貸款協議之協定預定還款，須於12個月內償還之銀行貸款約為42百萬港元(二零二零年六月三十日：49百萬港元)。

於期間內，本集團銀行貸款的實際利率介乎2.1%至8.0%(二零一九年：2.1%至8.0%)。

債券及其他非股本集資

於二零二零年十二月三十一日，應付債券合共金額約為1,032百萬港元(二零二零年六月三十日：988百萬港元)，乃為改善本集團於期間內之營運資金發行。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Issue of convertible bonds under general mandate

On 28 October 2020, the Company entered into conditional subscription agreements (the “**Subscription Agreements**”) with six individual and corporate subscribers (the “**Subscribers**”) on principally the same terms (the “**Subscription**”). Save for one individual Subscriber, who was interested in 22,000,000 issued shares of the Company (the “**Shares**”) at the time of the Company’s announcement dated 28 October 2020 (the “**CB Announcement**”), each of them was a third party independent of, and not connected with or acting in concert with the Directors, chief executives or substantial shareholders of the Company, any of its subsidiaries or their respective associates, and was independent of each other.

Pursuant to the Subscription Agreements, the Subscribers shall subscribe for the zero-coupon convertible bond in the principal amount of HK\$100,000,000 at the initial conversion price of HK\$0.40, due on the third anniversary of the date of issue (the “**Convertible Bonds**”). Assuming all the conversion rights attaching to the Convertible Bonds were exercised by the Subscribers in full, a maximum of 250,000,000 conversion shares (the “**Conversion Shares**”) would be allotted and issued, representing approximately 18.02% of the issued Shares as at the date of the CB Announcement and approximately 15.27% of the issued Shares as enlarged by the allotment and issue of the Conversion Shares upon full exercise of the conversion rights under the Convertible Bonds pursuant to the Subscription Agreements. The aggregate nominal value of the Conversion Shares was HK\$25,000,000 and a market price of the Shares on the date when the issuance terms were determined was HK\$0.355. The Conversion Shares would be issued under the general mandate granted to the Directors pursuant to ordinary resolutions passed by the shareholders of the Company on 18 December 2019. The Convertible Bonds do not bear any interest.

根據一般授權發行可換股債券

於二零二零年十月二十八日，本公司與六名個人及公司認購方(「**認購方**」)按大致相同條款訂立有條件認購協議(「**認購協議**」)(「**認購事項**」)。除一名個人認購方於刊發本公司日期為二零二零年十月二十八日的公告(「**可換股債券公告**」)時擁有22,000,000股本公司已發行股份(「**股份**」)的權益外，彼等各自均為獨立於本公司或其任何附屬公司之董事、主要行政人員或主要股東或彼等各自之聯繫人士及與彼等概無關連或一致行動且互相獨立之第三方。

根據認購協議，認購方將按初始換股價0.40港元，認購本金額為100,000,000港元並於發行日期第三週年當日到期的零票息可換股債券(「**可換股債券**」)。假如可換股債券附帶之所有換股權由認購方悉數行使，則最多會配發及發行250,000,000股換股股份(「**換股股份**」)，佔於可換股債券公告日期的已發行股份約18.02%，以及根據認購協議於悉數行使可換股債券附帶之換股權後配發及發行換股股份而經擴大之已發行股份約15.27%。換股股份的總面值為25,000,000港元，而股份於釐定發行條款當日的市價為0.355港元。換股股份將根據本公司股東於二零一九年十二月十八日通過的普通決議案授予董事的一般授權獲發行。換股股份不計任何利息。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

The Subscription was completed on 13 November 2020. The aggregate issuance amount of the Convertible Bonds was HK\$100,000,000, and the net proceeds from the Subscription were approximately HK\$97,360,000. As a result, the net price was approximately HK\$0.39 for each Conversion Share. The Directors considered that the issue of the Convertible Bonds provided an opportunity for the Company to enhance its working capital and financial position, and was an appropriate means of raising additional capital for the Company since it would not have an immediate dilution effect on the shareholding of the existing shareholders.

On 23 December 2020, an aggregate principal amount of HK\$20 million of the Convertible Bonds had been converted into 50,000,000 new Conversion Shares at a conversion price of HK\$0.40 per Conversion Share, and as at 31 December 2020, the total outstanding principal amount of the Convertible Bonds was HK\$80 million.

For further details of the Convertible Bonds, please refer to the CB Announcement and the Company's announcements dated 4 November 2020 and 13 November 2020, respectively.

認購事項於二零二零年十一月十三日完成。可換股債券的發行總額為100,000,000港元，及認購事項所得款項淨額約為97,360,000港元。因此，每股換股股份的淨價約為0.39港元。董事認為，發行可換股債券為本公司帶來增加營運資金及提升財務狀況之良機，亦為本公司籌集額外資金之合適方法，因為此舉不會對現有股東之股權構成即時攤薄影響。

於二零二零年十二月二十三日，本金總額20百萬港元的可換股債券已按換股價每股換股股份0.40港元轉換為50,000,000股新換股股份，而於二零二零年十二月三十一日，可換股債券的餘下本金總額為80百萬港元。

有關可換股債券的更多詳情，請參閱可換股債券公告及本公司日期分別為二零二零年十一月四日及二零二零年十一月十三日的公告。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

The proceeds were intended to be used in accordance with the intended purposes as disclosed in the CB Announcement and the actual use of proceeds from the Subscription up to 31 December 2020 is set out as follows:

所得款項原擬定按照可換股債券公告所披露的擬定用途使用及截至二零二零年十二月三十一日的認購事項所得款項實際用途列載如下：

Net proceeds raised	Proposed use of proceeds	Actual use of proceeds up to 31 December 2020 截至二零二零年十二月三十一日的所得款項實際用途	Unutilised proceeds	Expected timeline for use of unutilised proceeds
所籌集所得款項淨額	所得款項擬定用途	所得款項實際用途	未動用所得款項	使用未動用所得款項的預期時間表
Approximately HK\$97,360,000	(i) Settlement of debts	Approximately HK\$37 million had been applied towards the settlement of debts	N/A	N/A
約97,360,000港元	(i) 結付負債	約37百萬港元已用於結付負債	不適用	不適用
	(ii) Financing future investment or new business development as and when opportunities arise	Approximately HK\$34 million had been applied towards financing the new beverage business	Approximately HK\$11 million will be applied as intended	By 2021
	(ii) 於機會出現時為未來投資或新業務發展提供資金	約34百萬港元已用於為新飲料業務提供資金	約11百萬港元將按擬定用途使用	二零二一年底前
	(iii) General working capital	Approximately HK\$13 million had been applied towards settlement of expenses	Approximately HK\$3 million will be applied as intended	By 2021
	(iii) 一般營運資金	約13百萬港元已用於結付開支	約3百萬港元將按擬定用途使用	二零二一年底前

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Significant acquisitions and disposals of subsidiaries and future plans for significant investments on capital asset acquisitions

During the Period, save as disclosed in the section headed “Disposal of 40% equity interests in a subsidiary” in this report, the Group had no significant acquisitions or disposals of subsidiaries. In early 2021, the Group intends to dispose of (i) several idle right-of-use assets located in the PRC with a total market value of approximately HK\$188 million; and (ii) a building located in Hong Kong with a market value of approximately HK\$93 million.

As at 31 December 2020, the Company did not have any significant investments except for the financial assets at fair value through profit or loss of approximately HK\$6 million (30 June 2020: HK\$0.1 million).

Charges on the Group’s assets

As at 31 December 2020, bank loans and other loans of approximately HK\$60 million (30 June 2020: HK\$67 million) and HK\$65 million (30 June 2020: HK\$66 million), respectively, were secured by charges over the Group’s certain fixed assets and prepaid land lease payments.

Contingencies

The Board has reviewed and considered the contingent liabilities of the Company and disclosed information concerning such contingent liabilities in note 16 to the Interim Financial Statements.

Contingent liabilities

As at 31 December 2020, save for as disclosed in note 16 to the Interim Financial Statements, the Group did not have any significant contingent liabilities.

重大附屬公司收購及出售及重大資本資產收購投資的未來計劃

於期間內，除本報告「出售一間附屬公司40%股權」一節披露者外，本集團並無重大附屬公司收購或出售。本集團擬於二零二一年初出售(i)於中國之數項閒置使用權資產，總市值約188百萬港元；及(ii)於香港的一座樓宇，市值為約93百萬港元。

於二零二零年十二月三十一日，除按公平值計入損益之金融資產約6百萬港元(二零二零年六月三十日：0.1百萬港元)外，本公司並無任何重大投資。

本集團資產之抵押

於二零二零年十二月三十一日，本集團已抵押其若干固定資產及預付土地租金，以獲得分別約60百萬港元(二零二零年六月三十日：67百萬港元)及65百萬港元(二零二零年六月三十日：66百萬港元)之銀行貸款及其他貸款。

或然事項

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

或然負債

於二零二零年十二月三十一日，除中期財務報表附註16披露者外，本集團並無任何重大或然負債。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Foreign exchange exposure

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi, which are the functional currencies of the principal operating entities of the Group. The Directors also consider that there will be sufficient cash resources denominated in Hong Kong dollars for the repayment of borrowings. During the Period, the Group did not use any financial instrument for hedging purposes and the Group did not have any hedging instrument outstanding as at 31 December 2020.

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

Treasury policy

The Group adopts a treasury policy that aims to better control its treasury operations and lower its borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short-term funding needs. The Board also considers various funding sources depending on the Group's needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations.

Number and remuneration of employees

As at 31 December 2020, the Group had 593 full time employees in the PRC and Hong Kong (30 June 2020: 596). The Group recognises the importance of human resources to its success. Remuneration is maintained at competitive levels with discretionary bonuses payable on a merit basis and in line with industry practice. Other staff benefits provided by the Group include mandatory provident fund, insurance schemes and performance-related commissions.

外匯風險

由於本集團大部分業務交易、資產及負債主要以本集團主要業務實體之功能貨幣港元及人民幣列值，故承擔之外匯風險甚微。董事亦認為本集團具備充足港元現金資源以償還借款。於期間內，本集團並無動用任何金融工具作對沖用途，而本集團於二零二零年十二月三十一日亦無任何未平倉之對沖工具。

由於貨幣市場不穩定，本集團將適時利用對沖工具以盡量減低匯率變動風險。

庫務政策

本集團所採納的庫務政策旨在加強管理庫務運作並降低借貸成本。因此，本集團致力維持充足現金及現金等價物水平，以應付短期資金需要。董事會亦會視乎本集團之需要考慮各種資金來源，確保以最具成本效益及效率的方式運用財政資源，以應付本集團的財務責任。

僱員數目及薪酬

於二零二零年十二月三十一日，本集團於中國及香港之全職僱員人數為593人（二零二零年六月三十日：596人）。本集團認為人力資源為其成功之關鍵。薪酬維持在具競爭力水平，酌情花紅按功績基準支付，與行內慣例一致。本集團亦提供其他員工福利，包括強制性公積金、保險計劃及與表現掛鉤佣金。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

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

本公司於期間內根據購股權計劃授出之購股權(「購股權」)之變動詳情載列如下：

Number of category of participants	Options held at 30 June 2020	Options granted during the Period	Options exercised during the Period	Options cancelled during the Period	Options lapsed during the Period	Options held at 31 December 2020	Date of grant of Options	Date of expiry of Options	Exercise price of Options	
		(Note (ii))	(Note (iii))	the Period	the Period	the Period	(Note (i))	(Note (i))	per Share	
參與者類別數目	於二零二零年六月三十日持有之購股權	期間內授出之購股權(附註(ii))	期間內行使之購股權(附註(iii))	期間內註銷之購股權	期間內失效之購股權	於二零二零年十二月三十一日持有之購股權	購股權授出日期(附註(i))	購股權到期日期(附註(i))	每股股份購股權行使價	
Directors	董事									
Chan Yuk Foebe	陳昱	10,780,000	-	-	(10,780,000)	-	26/07/2017	25/07/2020	HK\$0.345港元	
		-	13,000,000	-	-	13,000,000	03/11/2020	02/11/2023	HK\$0.38港元	
		10,780,000	13,000,000	-	-	13,000,000				
Law Tze Ping Eric	羅子平	10,780,000	-	-	(10,780,000)	-	26/07/2017	25/07/2020	HK\$0.345港元	
		-	13,000,000	-	-	13,000,000	03/11/2020	02/11/2023	HK\$0.38港元	
		10,780,000	13,000,000	-	-	13,000,000				
Yu Defa	于德發	-	13,000,000	-	-	13,000,000	03/11/2020	02/11/2023	HK\$0.38港元	
		-	13,000,000	-	-	13,000,000				
Ma Wing Yun Bryan	馬榮欣	-	8,500,000	-	-	8,500,000	03/11/2020	02/11/2023	HK\$0.38港元	
		-	8,500,000	-	-	8,500,000				
Tam Ching Ho	譚政豪	-	8,500,000	-	-	8,500,000	03/11/2020	02/11/2023	HK\$0.38港元	
		-	8,500,000	-	-	8,500,000				
Hau Chi Kit	侯志傑	-	8,500,000	-	-	8,500,000	03/11/2020	02/11/2023	HK\$0.38港元	
		-	8,500,000	-	-	8,500,000				
Other Employees	其他僱員									
		41,120,000	-	10,780,000	-	(30,340,000)	-	26/07/2017	25/07/2020	HK\$0.345港元
		102,500,000	-	47,500,000	-	-	55,000,000	24/12/2018	23/12/2021	HK\$0.325港元
		-	65,000,000	-	-	-	65,000,000	03/11/2020	02/11/2023	HK\$0.38港元
		143,620,000	65,000,000	(58,280,000)	-	(30,340,000)	120,000,000			
Total	總計	165,180,000	129,500,000	(58,280,000)	-	(51,900,000)	184,500,000			

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Notes:

- (i) The vesting period and exercise period of the Options are both the period between the date of grant of Options and date of expiry of Options.
- (ii) The closing price immediately before the date on which the Options were granted was HK\$0.38.
- (iii) The weighted average closing price of the Shares immediately before the dates on which the Options were exercised was approximately HK\$0.38.
- (iv) The value of Options granted on 3 November 2020 is not disclosed for the six months ended 31 December 2020, since the valuation of such Options would merely be based on management's judgement and would be subjective. The value of such Options will be disclosed in the forthcoming annual report instead, which will be evaluated by an independent third party.

附註：

- (i) 購股權的歸屬期及行使期均為購股權授出日期及購股權屆滿日期之間的期間。
- (ii) 緊接於授出購股權當日前的收市價為0.38港元。
- (iii) 緊接購股權獲行使日期前的股份加權平均收市價約為0.38港元。
- (iv) 截至二零二零年十二月三十一日止六個月，尚未披露二零二零年十一月三日授出的購股權價值，因為有關購股權的估值僅基於管理層的判斷，而具有主觀性。有關購股權價值將在來年的年度報告中披露，並將由獨立第三方進行估值。

PROSPECT

The global economy has faced an unprecedented situation due to the outbreak of COVID-19 since early January 2020, and despite gradual improvements in the economy during the Period, the pandemic has continued to adversely impact various industries and reduced economic activities globally.

展望

自COVID-19於二零二零年一月初爆發後，全球經濟面臨前所未有的困境，儘管經濟於期間內逐漸改善，惟疫情持續對各行各業造成不利影響及削減了全球經濟活動。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Heat and power division

During the Period, although the Group's residential heat supplying area did not increase by 500,000 square meters as expected, this business division was not severely impacted by COVID-19 and the residential heat supplying area was maintained at 4,000,000 square meters. The management will aim to continue expanding its residential heat supplying area in the future, and believes that the heat and power division will continue to be the growth driver of the Group.

Coal-related chemical production division

During the Period, the management had planned to transform the plant and equipment of HLCCL in Heihe, Heilongjiang Province, from calcium carbide into another product – high carbon ferromanganese. However, as the Heilongjiang Province had continued to be seriously affected by COVID-19 in the past few months, most of the construction work in the area had remained suspended, leading to the schedule of the transformation being postponed. Subject to the status of COVID-19, the management believes that the transformation of the plant and equipment of HLCCL will resume in 2021, and will benefit the Group and its shareholders as a whole.

熱能及電力部

於期間，儘管本集團的住宅熱能供應區域並未按預期增加500,000平方米，該業務分部未受COVID-19嚴重影響，且住宅熱能供應區域維持於4,000,000平方米。管理層將於未來繼續擴大住宅熱能供應區域，並且相信熱能及電力部將繼續為本集團的增長動力。

煤相關化工產品部

於期間，管理層計劃將黑龍江省黑河的黑河龍江化工的廠房及設備由碳化鈣改造為另一種產品—高碳錳鐵。然而，由於黑龍江省於過去數月持續受到COVID-19疫情的嚴重影響，該區的大部分建造工程繼續暫停，導致改造計劃延遲。視乎COVID-19的情況，管理層相信，對黑河龍江化工廠房及設備進行改造將於二零二一年恢復，並將令本集團及其股東整體受益。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

Construction service division

Due to the impact of the outbreak of COVID-19, Mudanjiang Jinyang Municipal Engineering Company Limited (“**Jinyang Engineering**”) had continued to suspend all its construction services during the first half of 2021. As agreed between Jinyang Engineering and its subcontractors, the construction period for the heat exchange stations and facilities and pipelines networks will continue to be extended, and without additional costs incurred by the Group. The management will closely monitor the situation and minimize the impact by the outbreak of COVID-19 as much as possible.

Beverage division

Since 2018, the Group had been actively exploring business opportunities. Given the potential of the wine market in the PRC, our management believes that this new business will create value to the shareholders of the Company. To accelerate the Group’s development in this industry, after the end of the Period, the Group entered into an agreement in February 2021 to acquire Beijing Yaolai Longwei Wine Co., Ltd.* (“**Beijing Wine**”), a company established in the PRC which is principally engaged in the business of provision, sourcing, marketing and design of wine products and is the registered owner of multiple trademarks under the China Trademark Office. Details of the acquisition are disclosed in the section headed “Discloseable transaction in relation to the acquisition of a target company” in this report.

Looking forward, the Group will continue to enhance the Group’s customer base and capability to expand in the wine market in the PRC through Beijing Wine.

建造服務部

受COVID-19疫情影響，牡丹江金陽市政工程有限公司(「**金陽市政**」)已於二零二一年上半年繼續暫停其全部建造服務。根據金陽市政及其分包商所協定，熱交換站及設施以及管道網絡的建造期限將繼續延長，而本集團不會產生額外成本。管理層將密切監察局勢並盡量減少COVID-19疫情所造成之衝擊。

飲料部

自二零一八年以來，本集團一直積極探索商機。鑑於中國酒類市場的潛力，管理層認為，這項新業務將為本公司股東創造價值。為加速本集團在該行業的發展，期間末後，本集團於二零二一年二月簽訂協議，收購北京耀萊龍徽酒業有限公司(「**北京酒業**」)，該公司為一間於中國成立的公司，主要從事酒類產品的供應、採購、營銷及設計業務，並且是中國商標局項下多個商標的註冊所有人。有關收購事項的詳情，載於本報告「有關收購目標公司的須予披露交易」一節內披露。

展望未來，本集團將繼續通過北京酒業擴大本集團的客戶群及將加強擴展中國酒類市場的能力。

* For identification purposes only



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Memorandum of understanding in relation to possible issue of convertible bonds

On 3 August 2020, the Company and a strategic partner (the “**Strategic Partner**”) entered into a memorandum of understanding (the “**Convertible Bonds MOU**”), pursuant to which the Strategic Partner had expressed its intention to subscribe for convertible bonds to be issued by the Company at an initial conversion price of HK\$0.52 per conversion share and the number of conversion shares shall not exceed 260,000,000 (the “**Convertible Bonds MOU Subscription**”). The parties to the Convertible Bonds MOU shall endeavour to negotiate, finalise and enter into a formal subscription agreement in relation to the Convertible Bonds MOU Subscription within sixty (60) days from the date of the Convertible Bonds MOU. As at the date of this report, no formal subscription agreement has been entered into yet.

Details of the Convertible Bonds MOU were disclosed in the announcement of the Company dated 3 August 2020.

有關可能發行可換股債券的諒解備忘錄

於二零二零年八月三日，本公司與戰略夥伴(「**戰略夥伴**」)訂立諒解備忘錄(「**可換股債券諒解備忘錄**」)，據此戰略夥伴已表示有意認購本公司將予發行的可換股債券，初步換股價為每股換股股份0.52港元，而換股股份的數目不得超過260,000,000股(「**可換股債券諒解備忘錄認購事項**」)。可換股債券諒解備忘錄的訂約方將致力於可換股債券諒解備忘錄日期起計六十(60)日內，就可換股債券諒解備忘錄認購事項磋商、敲定及訂立正式認購協議。於本報告日期，尚未訂立正式認購協議。

有關可換股債券諒解備忘錄的詳情於本公司日期為二零二零年八月三日的公告內披露。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

Disposal of Shares by the Single Largest Shareholder in August 2020

The Company was informed by Mr. Chan Yuen Tung (“**Mr. Chan**”), the single largest shareholder of the Company, and Mr. Shie, Thomas (“**Mr. Shie**”), that on 19 August 2020, Mr. Chan and Mr. Shie entered into an unconditional sale and purchase agreement (the “**August 2020 SPA**”), pursuant to which Mr. Chan agreed to sell and Mr. Shie agreed to purchase 382,000,000 Shares, representing approximately 28.28% of the total issued Shares as at the date of the announcement of the Company dated 19 August 2020 (the “**2020 Shareholder Disposal Announcement**”), at a price of HK\$0.72 per Share (the “**2020 Shareholder Disposal**”). Pursuant to the August 2020 SPA, completion of the 2020 Shareholder Disposal would take place within 90 days of the date of the August 2020 SPA.

On 15 December 2020, the Company was further informed that due to the sudden deterioration and severity of COVID-19, Mr. Shie was not able to perform the due diligence exercise as scheduled. Hence, Mr. Chan and Mr. Shie had agreed to extend the completion date to a later time. After arm’s length negotiations, Mr. Shie and Mr. Chan entered into a supplemental agreement to the SPA (the “**2020 Shareholder Disposal Supplemental Agreement**”) to change the completion date to a date on or before 30 June 2021. As at the date of this report, the 2020 Shareholder Disposal had not been completed yet.

Details of the 2020 Shareholder Disposal and the 2020 Shareholder Disposal Supplemental Agreement were disclosed in the 2020 Shareholder Disposal Announcement and the announcement of the Company dated 15 December 2020.

於二零二零年八月單一最大股東出售股份

本公司獲本公司單一最大股東陳遠東先生(「**陳先生**」)及余啟光先生(「**余先生**」)知會，陳先生與余先生於二零二零年八月十九日訂立無條件買賣協議(「**二零二零年八月買賣協議**」)，據此陳先生同意出售及余先生同意按每股股份0.72港元的價格購買382,000,000股股份(相當於本公司日期為二零二零年八月十九日之公告(「**二零二零年股東出售公告**」)當日全部已發行股份的約28.28%)(「**二零二零年股東出售事項**」)。根據二零二零年八月買賣協議，二零二零年股東出售事項將於二零二零年八月買賣協議日期起計90日內完成。

於二零二零年十二月十五日，本公司進一步獲悉，由於COVID-19突然惡化並且非常嚴峻，余先生表示未能如期完成盡職調查，因此陳先生與余先生同意延遲完成交易時間。經公平磋商後，余先生與陳先生已訂立買賣協議之補充協議(「**二零二零年股東出售事項補充協議**」)，以將完成交易日期改為二零二一年六月三十日或之前的日子。於本報告日期，二零二零年股東出售事項尚未完成。

有關二零二零年股東出售事項及二零二零年股東出售事項補充協議的詳情於二零二零年股東出售事項公告及本公司日期為二零二零年十二月十五日的公告內披露。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Disposal of 40% equity interests in a subsidiary 出售一間附屬公司40%股權

On 4 September 2020, Mudanjiang Longtuo New Energy Co., Ltd. (“**Mudanjiang New Energy**”, an indirect wholly-owned subsidiary of the Company) entered into an equity transfer agreement (the “**Equity Transfer Agreement**”) with Mr. Lv, an independent third party, to dispose of 40% of the equity interest (the “**Disposal**”) in Mudanjiang Better-Day Power Limited (“**Mudanjiang BD Power**”). Subject to the terms and conditions of the Equity Transfer Agreement, the consideration of the Disposal was RMB70 million, which shall be settled as follows: (i) RMB7 million shall be paid on the date of signing of the Equity Transfer Agreement (the “**First Payment**”); (ii) RMB18 million shall be paid on or prior to 14 September 2020; (iii) RMB20 million shall be paid on or prior to 31 December 2020; and (iv) the remaining RMB25 million shall be paid on or prior to 4 March 2022 (being eighteen months after the date of signing of the Equity Transfer Agreement) (the “**Final Payment**”).

於二零二零年九月四日，牡丹江龍拓新能源有限公司(「**牡丹江新能源**」，本公司間接全資附屬公司)與獨立第三方呂先生訂立股權轉讓協議(「**股權轉讓協議**」)，以出售牡丹江佳日熱電有限公司(「**牡丹江佳日熱電**」)40%股權(「**出售事項**」)。根據股權轉讓協議的條款及條件，出售事項的代價為人民幣70百萬元，按以下方式結付：(i)人民幣7百萬元將於簽訂股權轉讓協議日期支付(「**首筆付款**」)；(ii)人民幣18百萬元將於二零二零年九月十四日或之前支付；(iii)人民幣20百萬元將於二零二零年十二月三十一日或之前支付；及(iv)餘下人民幣25百萬元將於二零二二年三月四日(即簽訂股權轉讓協議日期後十八個月)或之前支付(「**最終付款**」)。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

The Board had considered, among others, the following factors in relation to the consideration of the Disposal: (1) the profitability of Mudanjiang New Energy was on a downward trend, given the continuous high market prices of the raw coal during the past few years; (2) the Disposal would allow the Group to generate additional cash inflow and improve its liquidity, which will enhance the Group's ability to invest in other future potential investment opportunities; (3) given that the P/E ratio of the Disposal (calculated by dividing the consideration of the Disposal by the average profit after tax of Mudanjiang New Energy for the three years ended 30 June 2020) was approximately 9.25, which was relatively high when compared to other listed companies in similar industries, the Disposal was made at a premium already; and (4) given that for the year ended 30 June 2020 ("FY2020"), Mudanjiang New Energy had purchased approximately 100,000 tonnes of raw coal, the total cost savings made as a result of the Change in Business Strategy (as defined below) are estimated to be approximately RMB6,600,000 per year going forward.

Despite that the estimated total cost savings based on figures from FY2020 would not outweigh the net loss on the Disposal (being approximately HK\$38,000,000), in view of the fact that, (i) the total cost savings would increase the profitability of the heat and electricity supply business in the long run; (ii) Mr. Lv would contribute to the operations of Mudanjiang New Energy; and (iii) it had been very difficult raising additional funds under the current economic situation, the Directors therefore considered the basis of consideration and the consideration of RMB70 million in relation to the Disposal to be fair and reasonable.

董事會已就出售事項的代價考慮(其中包括)以下因素:(1)鑑於過去數年原煤市場價格持續高企,牡丹江新能源的盈利能力呈下降趨勢;(2)出售事項可讓本集團獲得額外現金流入及改善流動資金,從而提升本集團投資於其他未來潛在投資機會的能力;(3)鑑於出售事項的市盈率(以出售事項的代價除以牡丹江新能源截至二零二零年六月三十日止三個年度的平均除稅後溢利計算)約為9.25,與其他同類行業的上市公司相比相對較高,出售事項已屬溢價;及(4)鑑於截至二零二零年六月三十日止年度(「二零二零財政年度」),牡丹江新能源已購買約100,000噸原煤,日後因業務策略變更(定義見下文)而節省的總成本估計為每年約人民幣6,600,000元。

儘管按二零二零財政年度的數字計算,估計可節省的總成本不會超過出售事項的淨虧損(約38,000,000港元),但鑑於(i)長遠而言,可節省的總成本將增加供熱及供電業務的盈利能力;(ii)呂先生將為牡丹江新能源的營運作出貢獻;及(iii)在目前的經濟環境下,籌集額外資金非常困難,因此,董事認為有關出售事項的代價基準及人民幣70百萬元代價屬公平合理。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Pursuant to the Equity Transfer Agreement, the parties had agreed that during the period between the First Payment and the Final Payment, Mr. Lv may divide the transfer of the 40% of the equity interest in Mudanjiang Power into a maximum of three transactions (each a “**Transaction**”, and collectively, the “**Transactions**”), with the percentage of equity interest to be transferred for each Transaction to be further agreed between the parties. The completion date of each Transaction shall take place on which the relevant business registration filing requirements are completed, and the Disposal shall take place when the Transactions have been completed. Upon completion of the Disposal, the Group would hold, indirectly through Mudanjiang New Energy, 60% of the equity interest in Mudanjiang BD Power and Mudanjiang BD Power would remain as a subsidiary of the Company. As at the date of this report, the Disposal had not been completed yet and the Group had received RMB25 million from the Purchaser.

The heat and power business, in which Mudanjiang BD Power is the operating subsidiary, is one of the core businesses of the Group. As at the date of this report, it was the Board’s intention that the heat and power business would continue to remain as one of the core businesses of the Group and the Board had no intention to further dispose of the Group’s remaining interest in Mudanjiang BD Power.

根據股權轉讓協議，訂約方已同意，於首筆付款至最終付款期間，呂先生可將轉讓牡丹江熱電40%股權分為最多三項交易(各為一項「**交易**」，統稱「**該等交易**」)，各項交易將予轉讓的股權百分比有待訂約方進一步協定。各項交易將於相關商業登記要求達成當日完成，而出售事項則於該等交易完成時發生。出售事項完成後，本集團將透過牡丹江新能源間接持有牡丹江佳日熱電60%股權及牡丹江佳日熱電將繼續為本公司之附屬公司。於本報告日期，出售事項尚未完成，而本集團已從買方收到人民幣25百萬元。

熱能及電力業務(其營運附屬公司為牡丹江佳日熱電)為本集團的核心業務之一。截至本報告日期，董事會擬繼續將熱能及電力業務維持為本集團的核心業務之一，且董事會無意進一步出售本集團於牡丹江佳日熱電的餘下權益。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

The Group plans to increase the profitability of the heat and power business by purchasing raw coal during the summer season, which would be at a lower cost, instead of during the peak season of the heat supplying period (i.e. from October to February), which had been the Group's usual practice (the "Change in Business Strategy"). Nonetheless, in order to do so, the Group had to increase its current general working capital, which would be provided through the Disposal. In light of this, the Disposal would allow the Group to realise part of its investment in Mudanjiang BD Power and the increase in profitability of Mudanjiang BD Power as a result of the decrease in coal costs and the increase in the Group's general working capital would thereby enhance the Group's ability to invest in other future potential investment opportunities.

The Company was of the view that the arrangement pursuant to the Equity Transfer Agreement was fair and reasonable and in the interests of the Company and its shareholders as a whole because, among others, (i) the injection of liquidity into the general working capital of Mudanjiang BD Power indirectly allowed the Group to purchase raw coal during the low season instead of the peak season; (ii) the injection of liquidity into Mudanjiang BD Power through equity transfer via a shareholder's loan extended to Mudanjiang BD Power, to which Mudanjiang BD Power is obligated to repay the loan (being the amount of general working capital extended to Mudanjiang BD Power) to the Group irrespective of the future profitability of Mudanjiang BD Power, as opposed to the subscription for new equity by Mr. Lv, to which the subscription proceeds would remain with Mudanjiang BD Power, protects the interests of the Company and its shareholders; and (iii) the appointment of Mr. Lv as a director of Mudanjiang BD Power is beneficial to the operations of Mudanjiang BD Power because Mr. Lv is well-connected in Mudanjiang and would therefore assist in the expansion and profitability of the operations of Mudanjiang BD Power in Mudanjiang.

Details of the Disposal were disclosed in the announcements of the Company dated 4 September 2020 and 19 October 2020, respectively.

本集團計劃在夏季以較低的成本採購原煤，而非在供熱旺季（即十月至二月）採購原煤，從而提高熱能及電力業務的盈利能力，此乃本集團的慣常做法（「業務策略變更」）。然而，本集團須為此增加其現有一般營運資金，該等資金將透過出售事項提供。有見及此，出售事項將令本集團能變現對牡丹江佳日熱電的部分投資，及由於煤炭成本下降及本集團的一般營運資金增加，牡丹江佳日熱電的盈利能力將因此提高，從而加強本集團投資於其他未來潛在投資機會的能力。

本公司認為，根據股權轉讓協議作出的安排屬公平合理，符合本公司及其股東的整體利益，因為（其中包括）(i)向牡丹江佳日熱電的一般營運資金注入流動資金，間接使本集團可於淡季而非旺季採購原煤；(ii)透過向牡丹江佳日熱電提供股東貸款進行股權轉讓向牡丹江佳日熱電注入流動資金，可保障本公司及其股東的利益，因為不論牡丹江佳日熱電未來的盈利能力如何，牡丹江佳日熱電均有責任向本集團償還貸款（即向牡丹江佳日熱電提供的一般營運資金金額），相反，倘由呂先生認購新股本，認購所得款項將仍屬牡丹江佳日熱電；及(iii)委任呂先生為牡丹江佳日熱電董事對牡丹江佳日熱電的營運有利，因為呂先生在牡丹江擁有良好的人脈，故將為牡丹江佳日熱電在牡丹江的業務擴展及盈利能力提供助力。

有關出售事項的詳情於本公司日期為二零二零年九月四日及二零二零年十月十九日的公告內披露。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Major transaction in relation to disposal of lands 有關出售地塊之主要交易

On 28 December 2020, HLCCL entered into an agreement (the “**Disposal Agreement**”) with Heihe Longhe Investment Management Limited*, an independent third party, pursuant to which HLCCL had agreed to transfer the land use rights of certain lands (the “**Lands**”) located in the PRC at an aggregate consideration of RMB156,440,000 (equivalent to approximately HK\$185,500,000), comprising RMB139,440,000 with land compensation of RMB17,000,000 (the “**Land Disposal**”).

As the Lands had been left idle by the Group for a long time and in view of the consideration to be received from the Land Disposal by the Group, the Directors considered that the Land Disposal was a good opportunity for the Group to generate cash inflow, improve its liquidity and reduce the carrying cost of the idle lands.

The gross proceeds generated from the Land Disposal would be RMB156,440,000 (equivalent to approximately HK\$185,500,000) and the Company intended to use the proceeds for, among others, (i) repayment of debts; (ii) tax payment in relation to the Land Disposal; and (iii) general working capital of the Group.

As at the date of this report, as additional time is required for the Company to prepare and finalise certain information to be included in the circular as required under Chapter 14 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the expected despatch date of the circular was delayed and the Land Disposal had not been completed yet.

於二零二零年十二月二十八日，黑河龍江化工與獨立第三方黑河龍合投資管理有限責任公司訂立協議(「**出售協議**」)，據此，黑河龍江化工同意轉讓位於中國的若干地塊(「**該等地塊**」)的土地使用權，總代價為人民幣156,440,000元(相當於約185,500,000港元)，包括人民幣139,440,000元以及人民幣17,000,000元的土地賠償(「**土地出售事項**」)。

由於該等地塊已被本集團閒置頗長一段時間，且鑑於本集團將從土地出售事項收取的代價，董事認為土地出售事項實屬良機，可讓本集團產生現金流、改善流動資金並降低閒置地塊的賬面成本。

土地出售事項產生的所得款項總額將為人民幣156,440,000元(相當於約185,500,000港元)，而本公司擬將所得款項用於(其中包括)(i)償還債務；(ii)支付土地出售事項相關稅款；及(iii)本集團一般營運資金。

於本報告日期，由於本公司需要更多時間編製及落實根據香港聯合交易所有限公司(「**聯交所**」)證券上市規則(「**上市規則**」)第14章須載入通函的若干資料，故通函的預期寄發日期已延遲，而土地出售事項尚未完成。

* For identification purposes only



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

Details of the Land Disposal were disclosed in the announcements of the Company dated 28 December 2020 and 19 January 2021, respectively.

有關土地出售事項的詳情於本公司日期分別為二零二零年十二月二十八日及二零二一年一月十九日之公告內披露。

EVENT AFTER THE REPORTING PERIOD

報告期後事項

Discloseable transaction in relation to the acquisition of a target company

有關收購目標公司之須予披露交易

On 2 February 2021, Mudanjiang Longjin Wine Co., Ltd. (an indirect wholly-owned subsidiary of the Company) (“**Mudanjiang Wine**”) and three individuals who are independent third parties (the “**Vendors**”) entered into an agreement (the “**Acquisition Agreement**”), pursuant to which Mudanjiang Wine agreed to purchase the entire equity interest in Beijing Wine for a consideration of HK\$80,000,000. Upon completion, the consideration shall be settled as to (i) HK\$5,000,000 payable in cash; and (ii) the remaining balance of HK\$75,000,000 by the issue of a promissory note in the principal amount of HK\$75,000,000 by the Company to the Vendors.

於二零二一年二月二日，牡丹江龍晉酒業有限公司(本公司間接全資附屬公司)(「**牡丹江酒業**」)與三名屬獨立第三方的個人(「**賣方**」)訂立協議(「**收購協議**」)，據此，牡丹江酒業同意收購北京酒業之全部股權，代價為80,000,000港元。於完成後，代價的(i) 5,000,000港元將以現金支付；及(ii)餘額75,000,000港元將由本公司向賣方以發行本金額為75,000,000港元的承兌票據支付。

Given the commencement of the Group's new beverage division, the Directors considered that the acquisition of Beijing Wine was in line with the overall business direction of the Group and is a good investment opportunity to enhance the Group's customer base and capability to expand in the wine market in the PRC.

鑑於本集團開設新飲料部，董事認為收購北京酒業符合本集團的整體業務方向，並且是擴大本集團客戶群及加強拓展中國酒類市場能力的良好投資機會。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Upon completion, Beijing Wine will become an indirect wholly-owned subsidiary of the Company and financial results of Beijing Wine will be consolidated into the accounts of the Group. As at the date of this report, the acquisition of Beijing Wine had not been completed yet.

Details of the acquisition of Beijing Wine were disclosed in the announcement of the Company dated 2 February 2021.

GROUP STRATEGY

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

DIRECTORS' INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2020, the interests of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO)

於完成後，北京酒業將成為本公司之間接全資附屬公司，而北京酒業的財務業績將併入本集團之賬目。於本報告日期，對北京酒業的收購尚未完成。

有關對北京酒業的收購詳情於本公司日期為二零二一年二月二日之公告內披露。

集團策略

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

董事於股份及相關股份之權益或淡倉

於二零二零年十二月三十一日，董事及本公司最高行政人員於本公司及其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益(包括根據證券及期貨條例該等條文彼等被當作或視作



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) under the Listing Rules were as follows:

擁有之權益及淡倉)；或根據證券及期貨條例第352條須記錄在該條例所述登記冊之權益；或另行根據上市規則上市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益如下：

Name of Director	Type of interest	Number of Shares held (long position)	% of issued capital of the Company	Options held	% of issued capital of the Company
董事姓名	權益類別	所持股份數目 (好倉)	佔本公司已發行股本百分比	所持購股權	佔本公司已發行股本百分比
Ms. Chan Yuk Foebe 陳昱女士	Beneficial Interest 實益權益	2,860,000	0.20%	13,000,000	0.90%
Mr. Law Tze Ping Eric 羅子平先生	Beneficial Interest 實益權益	1,400,000	0.10%	13,000,000	0.90%
Mr. Yu Defa 于德發先生	Beneficial Interest 實益權益	–	–	13,000,000	0.90%
Mr. Ma Wing Yun Bryan 馬榮欣先生	Beneficial Interest 實益權益	–	–	8,500,000	0.59%
Mr. Tam Ching Ho 譚政豪先生	Beneficial Interest 實益權益	–	–	8,500,000	0.59%
Mr. Hau Chi Kit 侯志傑先生	Beneficial Interest 實益權益	–	–	8,500,000	0.59%

DISCLOSURE OF ADDITIONAL INFORMATION 其他資料披露

INTERESTS IN THE SHARES AND 於股份及相關股份之權益 UNDERLYING SHARES

Save as disclosed above, so far as the Directors are aware, as at 31 December 2020, none of the Directors and chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or which was required to be recorded in the register maintained by the Company pursuant to section 352 of the SFO or which was otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露者外，就董事所知悉，於二零二零年十二月三十一日，董事及本公司最高行政人員概無於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中，擁有或被視作擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之任何權益或淡倉(包括根據證券及期貨條例該等條文彼等被當作或視作擁有之權益及淡倉)；或本公司須記入根據證券及期貨條例第352條存置之登記冊之任何權益或淡倉；或另行根據標準守則須知會本公司及聯交所之任何權益或淡倉。



DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED) 其他資料披露(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE COMPANY

主要股東於本公司之權益及淡倉

As far as the Directors are aware, as at 31 December 2020, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares and underlying shares in the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO:

據董事所知悉，於二零二零年十二月三十一日，除董事或本公司最高行政人員外，以下人士於本公司股份及相關股份中擁有已記入根據證券及期貨條例第336條所規定存置之登記冊且須根據證券及期貨條例第XV部第2及3分部條文向本公司披露之權益或淡倉：

Name of shareholders	Nature of Interests	Number of Shares held (long position) (所持股份數目 (好倉))	Approximate percentage of interest in the Company (佔本公司權益概約百分比)
股東姓名	權益性質		
Mr. Chan Yuen Tung 陳遠東先生	Beneficial owner 實益擁有人	382,000,000	26.38%
Mr. Sze Ching Lau 施清流先生	Beneficial owner 實益擁有人	89,000,000	6.15%
Mr. Cha Jung Hoon Cha Jung Hoon先生	Beneficial owner 實益擁有人	74,760,000	5.16%

Save as disclosed above, as far as the Directors are aware, as at 31 December 2020, no other persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

除上文披露者外，就董事所知悉，除董事及本公司最高行政人員外，於二零二零年十二月三十一日，概無其他人士於本公司股份及相關股份中擁有已記入根據證券及期貨條例第336條所規定存置之登記冊之權益或淡倉。



DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED) 其他資料披露(續)

SUFFICIENCY OF PUBLIC FLOAT 足夠公眾持股量

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

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

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

購買、出售或贖回本集團上市證券

本公司或其任何附屬公司於期間內概無購買、出售或贖回本公司任何上市證券。

CORPORATE GOVERNANCE

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

企業管治

董事認為，本公司於期間內一直遵守上市規則附錄14所載之企業管治守則(「守則」)，除以下偏離情況外，概括如下：

Code Provision A.2.1 of the Code

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

守則之守則條文A.2.1條

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



DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED) 其他資料披露(續)

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiries to all the Directors, all the Directors confirmed that they have complied with the code provisions in the Model Code during the Period. No incident of non-compliance was noted by the Company during the Period.

進行證券交易之標準守則

本公司已採納上市規則附錄10所載標準守則作為董事進行證券交易之內部操守準則。經向全體董事作出具體查詢後，全體董事確認彼等於期間內一直遵守標準守則之守則條文。於期間內，本公司概不知悉任何違規事件。

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

Below is the information relating to the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2020 annual report:

根據上市規則第13.51B(1) 條之董事資料變動

自二零二零年年報日期起，根據上市規則第13.51B(1)條須予披露之董事資料如下：

- Mr. Gao Ran, an executive Director, (i) was appointed as an executive director of Cornerstone Financial Holdings Limited (Stock Code: 8112), a company listed on GEM of the Stock Exchange, on 4 December 2020; and (ii) had resigned as a non-executive director of Lapco Holdings Limited (Stock Code: 8472), a company listed on GEM of the Stock Exchange, on 20 November 2020.

- 執行董事高冉先生(i)於二零二零年十二月四日獲委任為基石金融控股有限公司(於聯交所GEM上市之公司，股份代號：8112)執行董事；及(ii)於二零二零年十一月二十日辭任立高控股有限公司(於聯交所GEM上市之公司，股份代號：8472)非執行董事。

Save as disclosed above, no information was required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Period.

除上文披露者外，於期間內，概無根據上市規則第13.51B(1)條須予披露之資料。



DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED)

其他資料披露(續)

AUDIT COMMITTEE

The Company set up the Audit Committee on 8 April 2001 pursuant to Rules 3.21 and 3.22 of the Listing Rules, with written terms of reference, for the purposes of reviewing and providing supervision on the Group's financial reporting process and internal control systems. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Ma Wing Yun Bryan (Chairman), Mr. Tam Ching Ho and Mr. Hau Chi Kit. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and the auditing, internal control and financial reporting aspects of the Company including the review of the Interim Financial Statements and there was no disagreement from the Audit Committee with the accounting treatment adopted by the Company.

REMUNERATION COMMITTEE

A remuneration committee was established by the Company (the “**Remuneration Committee**”) on 1 July 2005, with specific written terms of reference which set out clearly its authority and duties pursuant to Rules 3.25 and 3.26 of the Listing Rules. The Remuneration Committee currently comprises three independent non-executive Directors, namely, Mr. Ma Wing Yun Bryan (Chairman), Mr. Tam Ching Ho and Mr. Hau Chi Kit, who are responsible for advising the Board on the remuneration policy and framework for all the remuneration of the Directors and senior management of the Company, as well as reviewing and determining the remuneration packages of Directors and senior management with reference to the Company's objectives from time to time.

審核委員會

根據上市規則第3.21及3.22條，本公司於二零零一年四月八日成立審核委員會，並制定書面職權範圍，旨在審閱及監管本集團之財務申報程序及內部監控制度。審核委員會由三名獨立非執行董事馬榮欣先生(主席)、譚政豪先生及侯志傑先生組成。審核委員會已與管理層檢討本集團採納之會計原則及慣例，以及本公司之審核、內部監控及財務申報事宜，包括審閱中期財務報表，而審核委員會對本公司所採用會計處理方法並無異議。

薪酬委員會

本公司於二零零五年七月一日成立薪酬委員會(「**薪酬委員會**」)，並根據上市規則第3.25及3.26條制定特定書面職權範圍，清晰劃分其職權及職責。薪酬委員會現時由三名獨立非執行董事馬榮欣先生(主席)、譚政豪先生及侯志傑先生組成，負責就董事與本公司高級管理人員所有薪酬之薪酬政策及架構向董事會提供意見，並參考本公司不時之目標檢討及釐定董事與高級管理人員之薪酬待遇。



DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED) 其他資料披露(續)

NOMINATION COMMITTEE

The nomination committee was established by the Company (the “**Nomination Committee**”) on 2 November 2007, with specific written terms of reference pursuant to provisions A.5.1 and A.5.2 of the Code. The Nomination Committee currently comprises one executive Director, namely Ms. Chan Yuk Foebe (Chairman), and three independent non-executive Directors, namely Mr. Ma Wing Yun Bryan, Mr. Tam Ching Ho and Mr. Hau Chi Kit. The Board as a whole, with the Nomination Committee, is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment and succession plan of Directors and assessing the independence of independent non-executive Directors.

INTERIM REPORT

The 2020 interim report containing all the financial and other related information of the Company required by the Listing Rules will be available on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.xinyangmaojian.com.hk, and dispatched to the shareholders of the Company before the end of March 2021.

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

Hong Kong, 5 February 2021

提名委員會

本公司於二零零七年十一月二日成立提名委員會(「**提名委員會**」)，並根據守則第A.5.1及A.5.2條制訂特定書面職權範圍。提名委員會現時由一名執行董事陳昱女士(主席)及三名獨立非執行董事馬榮欣先生、譚政豪先生及侯志傑先生組成。董事會整體連同提名委員會負責檢討董事會之組成、發展及制定提名及委任董事之有關程序、監察委任董事及董事繼任之計劃以及評估獨立非執行董事之獨立身份。

中期報告

載有本公司根據上市規則所規定須詳列之所有財務及其他有關資料之二零二零年中期報告，將於二零二一年三月底前刊登於香港交易及結算有限公司網站(www.hkexnews.hk)及本公司網站(www.xinyangmaojian.com.hk)，並寄發予本公司股東。

承董事會命
陳昱
主席兼行政總裁

香港，二零二一年二月五日





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

