



稀鎂科技  
REMT

稀鎂科技集團控股有限公司

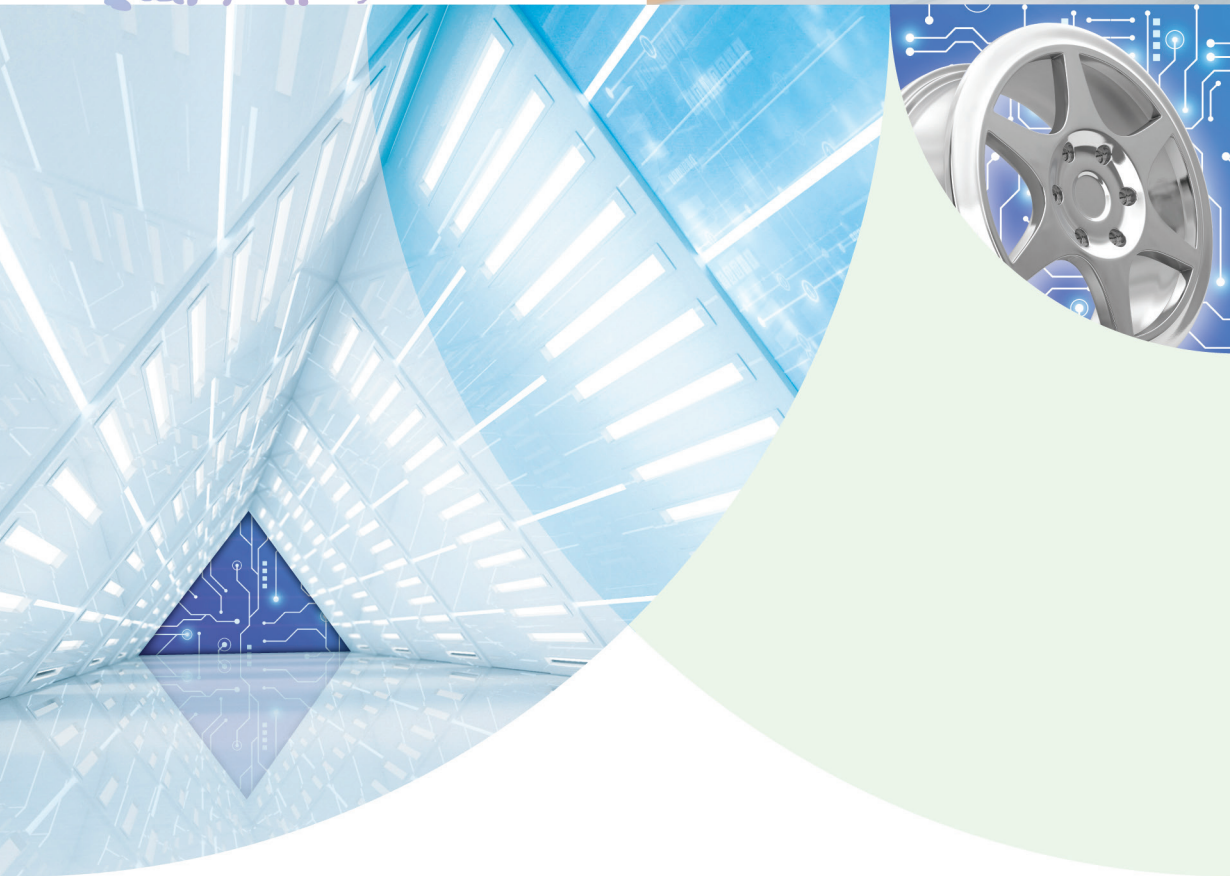
Rare Earth Magnesium Technology Group Holdings Limited

(於百慕達註冊成立之有限公司)

(Incorporated in Bermuda with limited liability)

(股票代號 Stock Code: 00601.HK)

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Making our **LIFE** better



2021

中期報告

INTERIM REPORT

## 董事

### 執行董事：

沈世捷(主席兼行政總裁)  
池斯樂

### 獨立非執行董事：

鄭炳文  
張省本  
關毅傑

## 審核委員會

鄭炳文(主席)  
張省本  
關毅傑

## 薪酬委員會

沈世捷(主席)  
鄭炳文  
張省本

## 提名委員會

沈世捷(主席)  
鄭炳文  
關毅傑

## 公司秘書

樊國民

## 核數師

國衛會計師事務所有限公司

## DIRECTORS

### Executive Directors:

Shum Sai Chit (*Chairman and Chief Executive Officer*)  
Chi Sile

### Independent Non-executive Directors:

Kwong Ping Man  
Cheung Sound Poon  
Kwan Ngai Kit

## AUDIT COMMITTEE

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

## REMUNERATION COMMITTEE

Shum Sai Chit (*Chairman*)  
Kwong Ping Man  
Cheung Sound Poon

## NOMINATION COMMITTEE

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

## COMPANY SECRETARY

Fan Kwok Man, Raymond

## AUDITORS

HLB Hodgson Impey Cheng Limited

## 主要往來銀行

星展銀行(香港)有限公司

## 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## 主要辦事處

香港  
九龍尖沙咀  
海港城  
港威大廈  
第5座16樓

## 百慕達主要股份過戶登記處及 轉讓登記處

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

## 香港股份過戶登記分處及 轉讓登記處

卓佳秘書商務有限公司  
香港  
皇后大道東183號  
合和中心54樓

## 網址

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

## 股票代號

00601

## PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## PRINCIPAL PLACE OF BUSINESS

16th Floor, Tower 5  
The Gateway  
Harbour City  
Tsim Sha Tsui, Kowloon  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

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

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

## WEBSITE

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

## STOCK CODE

00601

稀鎂科技集團控股有限公司(「本公司」或「稀鎂科技」)董事會(「董事會」)宣佈本公司及其附屬公司(統稱「本集團」)截至2021年6月30日止六個月(「回顧期內」)之未經審核簡明綜合中期業績連同2020年同期比較數字如下。

The board of directors (the "Board") of Rare Earth Magnesium Technology Group Holdings Limited (the "Company" or "REMT") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2021 ("Review Period"), together with the comparative figures for the corresponding period in 2020 as follows.

## 簡明綜合損益及其他全面收益表

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

截至2021年6月30日止六個月 For the six months ended 30 June 2021

		附註 Notes	截至2021年 6月30日 止六個月 Six months ended 30 June 2021 千港元 HK\$'000 (未經審核) (Unaudited)	截至2020年 6月30日 止六個月 Six months ended 30 June 2020 千港元 HK\$'000 (未經審核) (Unaudited)
收入	Revenue	3	182,632	368,178
銷售成本	Cost of sales		(161,700)	(292,713)
毛利	Gross profit		20,932	75,465
其他收入及收益淨額	Other income and gains, net		10,467	4,964
銷售及分銷費用	Selling and distribution costs		(1,982)	(4,860)
行政支出	Administrative expenses		(49,424)	(32,595)
財務費用	Finance costs	4	(25,632)	(45,769)
稅前虧損	Loss before tax	5	(45,639)	(2,795)
所得稅開支	Income tax expenses	6	(1,016)	(9,645)
期內及本公司擁有人 應佔虧損	Loss for the period and attributable to owners of the Company		(46,655)	(12,440)

## 簡明綜合損益及其他全面收益表(續)

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

截至2021年6月30日止六個月 For the six months ended 30 June 2021

	附註 Notes	截至2021年 6月30日 止六個月 Six months ended 30 June 2021 千港元 HK\$'000 (未經審核) (Unaudited)	截至2020年 6月30日 止六個月 Six months ended 30 June 2020 千港元 HK\$'000 (未經審核) (Unaudited)
其他全面收入／(虧損) 於往後期間重新分類至 損益之其他全面收入／ (虧損)： 折算海外業務之匯兌差額	Other comprehensive income/(loss) Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods: Exchange differences on translating foreign operations	22,923	(45,658)
期內及本公司擁有人 應佔全面虧損總額	Total comprehensive loss for the period and attributable to owners of the Company	(23,732)	(58,098)
每股虧損： — 基本及攤薄	Loss per share: — basic and diluted	8 (0.71仙 cents)	(0.19仙 cents)

有關股息之詳情於簡明財務報表附註  
7披露。

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

# 簡明綜合財務狀況表

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於2021年6月30日 At 30 June 2021

	附註 Notes	2021年 6月30日 30 June 2021 千港元 HK\$'000 (未經審核) (Unaudited)	2020年 12月31日 31 December 2020 千港元 HK\$'000 (經審核) (Audited)	
<b>非流動資產</b>	<b>NON-CURRENT ASSETS</b>			
物業、廠房及設備	Property, plant and equipment	9	1,699,468	1,650,042
使用權資產	Right-of-use assets		52,506	52,981
無形資產	Intangible assets		30,059	32,141
採礦權	Mining rights		49,073	48,760
非流動資產總額	Total non-current assets		1,831,106	1,783,924
<b>流動資產</b>	<b>CURRENT ASSETS</b>			
存貨	Inventories		274,602	287,135
應收貿易賬款及應收票據	Trade and bills receivables	10	156,777	172,292
預付款項、按金及 其他應收賬款	Prepayments, deposits and other receivables		241,919	256,753
應收稅款	Tax receivable		1,763	10,439
已抵押銀行存款	Pledged bank deposits		10,290	10,185
銀行及現金結餘	Bank and cash balances		7,086	36,104
流動資產總額	Total current assets		692,437	772,908
<b>流動負債</b>	<b>CURRENT LIABILITIES</b>			
應付貿易賬款	Trade payables	11	14,040	36,216
其他應付賬款及應計費用	Other payables and accruals		85,480	72,603
合約負債	Contract liabilities		9,902	13,993
借貸	Borrowings	12	873,316	796,938
應付一名股東款項	Amount due to a shareholder		34,559	33,959
應付稅款	Tax payable		415	—
流動負債總額	Total current liabilities		1,017,712	953,709
流動負債淨值	NET CURRENT LIABILITIES		(325,275)	(180,801)
總資產減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		1,505,831	1,603,123

簡明綜合財務狀況表(續)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

於2021年6月30日 At 30 June 2021

		附註 Notes	2021年 6月30日 30 June 2021 千港元 HK\$'000 (未經審核) (Unaudited)	2020年 12月31日 31 December 2020 千港元 HK\$'000 (經審核) (Audited)
<b>非流動負債</b>	<b>NON-CURRENT LIABILITIES</b>			
遞延收入	Deferred revenue		73,585	72,834
借貸	Borrowings	12	—	75,381
遞延稅項負債	Deferred tax liabilities		2,894	2,986
非流動負債總額	Total non-current liabilities		76,479	151,201
資產淨值	Net assets		1,429,352	1,451,922
<b>權益</b>	<b>EQUITY</b>			
本公司擁有人應佔 股本及儲備	Capital and reserves attributable to owners of the Company			
股本	Share capital		658,439	658,439
儲備	Reserves		770,913	793,483
權益總額	Total equity		1,429,352	1,451,922

# 簡明綜合權益變動表

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至2021年6月30日止六個月 For the six months ended 30 June 2021

		本公司擁有人應佔										
		Attributable to owners of the Company										
		股本	股份溢價	資本贖回儲備	可換股債券權益儲備	購股權儲備	法定儲備	合併儲備	其他儲備	外幣換算儲備	保留盈利	總額
		Share capital	Share premium	Capital redemption reserve	Convertible bonds equity reserve	Share option reserve	Statutory reserve	Merger reserve	Other reserve	Translation reserve	Retained earnings	Total
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	千港元	千港元	千港元	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
於2021年1月1日(經審核)	At 1 January 2021 (Audited)	658,439	1,562,634	419	—	28,720	115,849	(1,500,592)	(22,233)	(87,602)	696,288	1,451,922
期內虧損	Loss for the period	—	—	—	—	—	—	—	—	—	(46,655)	(46,655)
其他全面收入	Other comprehensive income	—	—	—	—	—	—	—	—	22,923	—	22,923
期內全面虧損總額	Total comprehensive loss for the period	—	—	—	—	—	—	—	—	22,923	(46,655)	(23,732)
轉撥至儲備	Transfer to reserve	—	—	—	—	—	622	—	—	—	(622)	—
股權結算股份付款之交易	Equity settled share based transactions	—	—	—	—	1,162	—	—	—	—	—	1,162
於2021年6月30日(未經審核)	At 30 June 2021 (unaudited)	658,439	1,562,634	419	—	29,882	116,471	(1,500,592)	(22,233)	(64,679)	649,011	1,429,352
於2020年1月1日(經審核)	At 1 January 2020 (Audited)	657,439	1,560,077	419	86,548	27,779	113,435	(1,500,592)	(22,233)	(218,673)	683,688	1,387,887
期內虧損	Loss for the period	—	—	—	—	—	—	—	—	—	(12,440)	(12,440)
其他全面虧損	Other comprehensive loss	—	—	—	—	—	—	—	—	(45,658)	—	(45,658)
期內全面虧損總額	Total comprehensive loss for the period	—	—	—	—	—	—	—	—	(45,658)	(12,440)	(58,098)
轉撥至儲備	Transfer to reserve	—	—	—	—	—	763	—	—	—	(763)	—
股權結算股份付款之交易	Equity settled share based transactions	—	—	—	—	1,987	—	—	—	—	—	1,987
行使購股權後發行普通股	Issue of ordinary shares upon exercise of share options	1,000	2,000	—	—	—	—	—	—	—	—	3,000
於2020年6月30日(未經審核)	At 30 June 2020 (unaudited)	658,439	1,562,077	419	86,548	29,766	114,198	(1,500,592)	(22,233)	(264,331)	670,485	1,334,776



## 簡明綜合現金流量表

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

截至2021年6月30日止六個月 For the six months ended 30 June 2021

		截至2021年 6月30日 止六個月 Six months ended 30 June 2021 千港元 HK\$'000 (未經審核) (Unaudited)	截至2020年 6月30日 止六個月 Six months ended 30 June 2020 千港元 HK\$'000 (未經審核) (Unaudited)
<b>經營活動</b>	<b>Operating activities</b>		
除所得稅前虧損	Loss before income tax	(45,639)	(2,795)
就下列項目作出調整：	Adjustments for:		
財務費用	Finance cost	25,632	45,769
以權益結算之購股權開支	Equity-settled share option expenses	1,162	1,987
銀行利息收入	Bank interest income	(433)	(352)
出售物業、廠房及設備項目 之收益	Gain on disposal of items of property, plant and equipment	(5,029)	—
折舊	Depreciation	54,850	48,575
無形資產之攤銷	Amortisation of intangible assets	2,419	2,239
採礦權之攤銷	Amortisation of mining rights	190	175
使用權資產折舊	Depreciation of right-of-use assets	1,023	796
		<b>34,175</b>	<b>96,394</b>
存貨減少／(增加)	Decrease/(increase) in inventories	15,527	(101,546)
應收貿易賬款減少／(增加)	Decrease/(increase) in trade receivables	17,330	(44,985)
其他應收賬款減少	Decrease in other receivables	17,520	5,370
可收回稅項減少	Decrease in tax recoverable	8,804	—
應付貿易賬款減少	Decrease in trade payables	(22,602)	(325)
其他應付賬款(減少)／增加	(Decrease)/increase in other payables	(16,691)	2,535
經營產生／(所用)的現金	Cash generated from/(used in) operations	54,063	(42,557)
已付海外稅項	Overseas taxes paid	(678)	(23,492)
<b>經營活動產生／(所用)的 現金淨額</b>	<b>Net cash generated from/(used in) operating activities</b>	<b>53,385</b>	<b>(66,049)</b>

簡明綜合現金流量表(續)  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

截至2021年6月30日止六個月 For the six months ended 30 June 2021

		截至2021年 6月30日 止六個月 Six months ended 30 June 2021 千港元 HK\$'000 (未經審核) (Unaudited)	截至2020年 6月30日 止六個月 Six months ended 30 June 2020 千港元 HK\$'000 (未經審核) (Unaudited)
<b>投資活動</b>	<b>Investing activities</b>		
已收利息	Interest received	433	352
購買物業、廠房及設備	Purchases of property, plant and equipment	(89,225)	(6,977)
出售物業、廠房及設備的 所得款項	Proceeds from disposal of property, plant and equipment	6,899	—
已抵押銀行存款減少	Decrease in pledged bank deposits	—	7,286
<b>投資活動(所用)/產生的 現金淨額</b>	<b>Net cash (used in)/generated from investing activities</b>	<b>(81,893)</b>	<b>661</b>
<b>融資活動</b>	<b>Financing activities</b>		
發行股本	Issue of share capital	—	3,000
已付財務費用	Finance costs paid	(1,029)	(10,411)
償還借款	Repayment of borrowings	(419)	(43,888)
應付一名股東之賬款增加/ (減少)	Increase/(decrease) in amount due to a shareholder	600	(96,469)
<b>融資活動所用的現金淨額</b>	<b>Net cash used in financing activities</b>	<b>(848)</b>	<b>(147,768)</b>
<b>現金及等同現金項目減少淨額</b>	<b>Net decrease in cash and cash equivalents</b>	<b>(29,356)</b>	<b>(213,156)</b>
期初之現金及等同現金項目	Cash and cash equivalents at the beginning of the period	36,104	254,813
外幣匯率變動的影響，淨額	Effect of foreign exchange rate changes, net	338	(8,970)
<b>於簡明綜合財務狀況表 列賬之期末之現金及 等同現金項目</b>	<b>Cash and cash equivalents at the end of the period as stated in the condensed consolidated statement of financial position</b>	<b>7,086</b>	<b>32,687</b>

# 簡明綜合財務報表附註

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

截至2021年6月30日止六個月 For the six months ended 30 June 2021

### 1. 編製基準

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

於2020年7月3日，本公司公佈(i)本公司控股股東世紀陽光集團控股有限公司(「世紀陽光」)已違約贖回本金額為101,750,000新加坡元之後償票據(「世紀陽光付款違約」)；(ii)本公司於2020年6月30日接獲其中一名銀行債權人要求本公司或其附屬公司償還其約22,750,000港元借款另加應計利息，且認為其可能會收到債權人的進一步通知；(iii)世紀陽光支付違約構成本集團若干借款的違約事件，其須即時按要求償還；(iv)一份清盤呈請連同委任共同臨時清盤人(「共同臨時清盤人」)之申請已代表本公司於2020年7月3日向百慕達最高法院提交，以「非強制」原則行事，即本公司董事會(「董事會」)仍將管理本公司，而共同臨時清盤人會與本公司管理層一起致力於(其中包括)監督、督導和監察對整個集團進行全面及經協調的債務和負債重組(「建議重組計劃」)，包括維持本公司在香港聯合交易所有限公司的上市。

### 1. BASIS OF PREPARATION

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

On 3 July 2020, the Company announced (i) Century Sunshine Group Holding Limited (“CS”), the controlling shareholder of the Company, defaulted in the redemption of its SGD101.75 million in principal amount of subordinated notes (the “CS Payment Default”); (ii) the Company had received on 30 June 2020 a demand from one of the bank creditors for the repayment of borrowings of the Company or its subsidiaries of approximately HK\$22.75 million plus interest accrued and believed it was likely to receive further calls from its creditors; (iii) the CS Payment Default constituted an event of default in respect of certain borrowings of the Group, which became immediately payable on demand; (iv) a winding-up petition has been filed on 3 July 2020 to the Supreme Court of Bermuda on behalf of the Company together with an application for the appointment of joint provisional liquidators (“JPLs”) on a “light touch” basis that the board of directors of the Company (the “Board”) will retain management of the Company while the JPLs will work alongside the Company’s management to, amongst other things, monitor, supervise and oversee the implementation of a group-wide holistic and coordinated restructuring of its debts and liabilities (the “Proposed Restructuring Plan”) including to maintain the listing of the Company on the Stock Exchange of the Hong Kong Limited.

**1. 編製基準(續)**

於2020年7月16日，百慕達最高法院頒佈一項命令，委任安永企業財務服務有限公司之閻正為先生及蘇潔儀女士、安永有限公司之Roy Bailey先生以及EY Cayman Ltd之Tammy Karina Fu女士為本公司共同臨時清盤人，並授予其共同及個別之權力。於2020年8月7日，百慕達法院亦接受閻正為先生之辭任，而有關Roy Bailey先生、Tammy Karina Fu女士及蘇潔儀女士作為共同臨時清盤人的委任令則維持生效。

於2020年8月25日，香港特別行政區高等法院就有關在香港委任共同臨時清盤人的任命和權力授出認可令。

**持續經營**

截至2021年6月30日止期間，本集團錄得虧損約46,655,000港元，而截至該日，本集團之流動負債超過其流動資產約325,275,000港元。此外，於2021年6月30日，本集團之流動借款分別約為873,316,000港元，而其現金及現金等價物僅約為7,086,000港元。誠如綜合財務報表附註(1)所載，世紀陽光已拖欠償還本金額為101,750,000新加坡元的債券另加於2020年7月3日到期的應計利息，本公司已接獲其中一名銀行債權人要求償還約22,870,000港元之本集團借款。本集團未能於2021年6月30日達成有關若干金額約837,421,000港元的借款的若干契約，該等借款須按要求償還並於綜合財務狀況表中呈列為流動負債。貸款方已就計入本集團借款中約231,470,000港元借款對本集團發起訴訟，要求償還未償付結餘。

**1. BASIS OF PREPARATION (continued)**

On 16 July 2020, an order was granted by the Supreme Court of Bermuda for the appointment of Mr. Yen Ching Wai David and Ms. So Kit Yee Anita of Ernst & Young Transactions Limited, Mr. Roy Bailey of Ernst & Young, and Ms. Tammy Karina Fu of EY Cayman Ltd as JPLs of the Company with the power to act jointly and severally. On 7 August 2020, the Bermuda Court also accepted the resignation of Mr. Yen Ching Wai David. The JPLs appointment order remains in force in respect of Mr. Roy Bailey, Ms. Tammy Karina Fu and Ms. So Kit Yee Anita as JPLs.

On 25 August 2020, the High Court of The Hong Kong Special Administrative Region has granted the recognition order in respect of the appointment and powers of the JPLs in Hong Kong.

**Going Concern**

During the period ended 30 June 2021, the Group recorded loss of approximately HK\$46,655,000, and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$325,275,000. Further, as at 30 June 2021, the Group's current borrowings amounted to approximately HK\$873,316,000 while its cash and cash equivalents only amounted to approximately HK\$7,086,000. As stated in note (1) to the consolidated financial statements, CS had defaulted in repayment of its bonds of principal amount of SGD101.75 million plus interests accrued when they fell due on their maturity date on 3 July 2020 and the Company had received demand from one of its bank creditors for repayment of the borrowings of the Group of approximately HK\$22.87 million. The Group could not fulfill certain covenants relating to certain borrowings amounting to approximately HK\$837,421,000 as at 30 June 2021, which have become repayable on demand and are presented as current liabilities in the consolidated statement of financial position. Included in the borrowings of the Group were borrowings of approximately HK\$231,470,000 which the lender have commenced litigations against the Group to repay the outstanding balances.

## 1. 編製基準(續)

### 持續經營(續)

上述狀況表明存在對本集團之持續經營能力構成重大疑慮之重大不明朗因素。因此，本集團可能無法於正常業務過程中變現其資產及履行其責任。

本公司正積極探索本集團之債務重組方案，藉百慕達大法院監督臨時清盤制度(通常稱為「非強制」臨時清盤)下執行管理層領導之重組，從而取得法定延緩以禁止未經百慕達最高法院准許下對本公司展開或持續進行任何訴訟。本公司正在積極努力地考慮制定切實可行之建議重組計劃，包括但不限於以下部分或全部事項：

1. 進行股權重組以便本公司透過發行股權自第三方投資者籌集現金。
2. 進行可能涉及再融資及／或本集團負債及債務和解或安排之債務重組。

預計建議重組計劃將通過與包括本公司在內之臨時清盤中公司之債權人簽訂安排計劃(「計劃」)予以實施。計劃很可能須獲相關法院批准。

3. 可能由一個或以上之第三方投資者投資於本公司，借此為本公司籌集現金，以及可能出售本集團之非核心業務及非營運中之固定資產。
4. 此外，本公司計劃對資本投資、生產及行政運營採取進一步之成本控制措施，以降低本集團之整體運營成本。

## 1. BASIS OF PREPARATION (continued)

### Going Concern (continued)

The conditions described above indicate the existence of a material uncertainty that cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company is actively exploring options to restructure the debts of the Group and intends to implement a management led restructuring by taking advantage of the court-supervised provisional liquidation regime in Bermuda, commonly known as a "light touch" provisional liquidation, which gives the Company the benefit of a statutory moratorium prohibiting the commencement or continuance of any proceedings against the Company without the leave of the Supreme Court of Bermuda. The Company is actively considering to develop a viable Proposed Restructuring Plan, including but not limited to some or all of the followings:

1. equity restructuring to facilitate the raising of cash for the Company from third party investors through equity issue.
2. a debt restructuring that may involve refinancing and/or a compromise or arrangement of debts and liabilities of the Group.

It is expected that the Proposed Restructuring Plan will be implemented by way of Schemes of Arrangement (the "Schemes") with the creditors of the companies in provisional liquidation, including the Company. The Schemes are likely subject to the sanctions of the relevant courts.

3. potential investment in the Company from one or more third party investor(s) to facilitate raising of cash for the Company and potential disposal of non-core business and non-operating fixed assets of the Group.
4. In addition, the Company plans to implement further cost control measures on capital investments, production and administrative operations to reduce overall operating costs of the Group.

## 1. 編製基準(續)

### 持續經營(續)

於上述披露的所有可行方案中，本公司管理層正與共同臨時清盤人及債權人就以安排計劃的方式進行債務重組積極磋商，初步涉及股權轉債權及延長還款期限等。本公司將在重組有任何重大進展時以公告方式向股東通報最新情況。

本公司董事認為，按持續經營基準編製綜合財務報表乃合宜之舉。該等綜合財務報表乃按持續經營基準編製，其有效程度視乎本集團能否與債權人順利磋商，並同意重續或延長現有借款，或完成債務融資以為本集團提供資金以償付到期之債務。這進而取決於(i)在與本集團債權人協商後，共同臨時清盤人及本公司能夠落實建議重組計劃；及(ii)將成功地從相關法院取得對計劃之批准。

於批准刊發綜合財務報表之日，建議重組計劃尚未制訂且建議重組計劃之最終結果無法合理確定。因此，於批准刊發綜合財務報表之日，存在對本集團之持續經營能力構成重大疑慮之重大不明朗因素。倘本集團無法持續經營，則須於綜合財務報表作出調整以將本集團資產價值撇減至可收回金額，以為可能進一步產生之負債作出撥備，並將非流動資產及非流動負債分別重新分類至流動資產及流動負債。此等調整之影響尚未反映於綜合財務報表內。

## 1. BASIS OF PREPARATION (continued)

### Going Concern (continued)

Among all viable options as disclosed above, the management of the Company is actively negotiating with the JPLs and the creditors as debt restructuring by way of scheme of arrangement, tentatively involving, among others, equity-to-debt swap and extension of repayment period. The Company will update the shareholders by way of announcement(s) when there is any material development on the restructuring.

The directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on going concern basis. These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group being able to successfully negotiate and agree with the creditors to renew or extend the existing borrowings or complete debt financing to provide funds for the Group to meet its liabilities as they fall due. This in turn is dependent upon (i) the JPLs and the Company being able to finalise the Proposed Restructuring Plan after consultations with the creditors of the Group; and (ii) the sanctions of the Schemes will be successfully obtained from the relevant courts.

As at the date of approval for issuance of the consolidated financial statements, the Proposed Restructuring Plan has not been formulated yet and the eventual outcome of the Proposed Restructuring Plan cannot be determined with reasonable certainty. Accordingly, the material uncertainty that cast significant doubt on the Group's ability to continue as a going concern remains in existence as at the date of approval for issuance of the consolidated financial statements. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statement to write down the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

## 2. 主要會計政策

### 應用香港財務報告準則之修訂

於本中期期間，本集團已就編製本集團簡明綜合財務報表首次採用以下由香港會計師公會頒佈並於2021年1月1日或之後開始之年度期間強制生效之香港財務報告準則之修訂：

香港財務報告準則第16號的修訂	與新冠肺炎相關的租金寬免
香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號的修訂	利率基準改革—第2階段

於本中期期間應用香港財務報告準則的修訂並無對本集團於本期間及過往期間的財務狀況及表現及／或於該等簡明綜合財務報表所載的披露構成重大影響。

## 2. PRINCIPAL ACCOUNTING POLICIES

### Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to HKFRSs in the current interim 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.

### 3. 分部資料

向主要營運決策者內部呈報以作資源分配及分部表現的評估資料，乃集中於所交付或提供貨品或服務種類。本集團於截至2021年6月30日及2020年6月30日止期間主要從事單一分部業務，即製造及銷售金屬鎂相關產品。單一管理團隊向全面掌管有關整體業務分部的主要營運決策者匯報。因此，本集團並無獨立可報告分部。

### 3. SEGMENT INFORMATION

Information reported internally to the chief operating decision makers for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group is principally engaged in one single segment, which is manufacturing and selling magnesium related products during the period ended 30 June 2021 and 30 June 2020. A single management team reports to the chief operating decision makers who comprehensively manages such entire business segment. Accordingly, the Group does not have separately reportable segments.

### 4. 財務費用

### 4. FINANCE COSTS

		截至2021年 6月30日 止六個月 Six months ended 30 June 2021 千港元 HK\$'000 (未經審核) (Unaudited)	截至2020年 6月30日 止六個月 Six months ended 30 June 2020 千港元 HK\$'000 (未經審核) (Unaudited)
須於五年內全數償還之 銀行及其他借款利息	Interest on bank and other borrowings wholly repayable within five years	25,632	18,100
可換股債券利息	Interest on convertible bonds	—	27,669
		25,632	45,769



## 簡明綜合財務報表附註(續)

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

截至2021年6月30日止六個月 For the six months ended 30 June 2021

#### 5. 除所得稅前虧損

#### 5. LOSS BEFORE INCOME TAX

		截至2021年 6月30日 止六個月 Six months ended 30 June 2021 千港元 HK\$'000 (未經審核) (Unaudited)	截至2020年 6月30日 止六個月 Six months ended 30 June 2020 千港元 HK\$'000 (未經審核) (Unaudited)
本集團之除所得稅前 虧損經扣除／(計入) 以下各項後達致：	The Group's loss before income tax has been arrived at after charging/ (crediting):		
折舊	Depreciation	54,850	48,575
無形資產攤銷	Amortisation of intangible assets	2,419	2,239
採礦權攤銷	Amortisation of mining rights	190	175
使用權資產折舊	Depreciation of right-of-use assets	1,023	796
銀行利息收入	Bank interest income	(433)	(352)

#### 6. 所得稅開支

#### 6. INCOME TAX EXPENSES

		截至2021年 6月30日 止六個月 Six months ended 30 June 2021 千港元 HK\$'000 (未經審核) (Unaudited)	截至2020年 6月30日 止六個月 Six months ended 30 June 2020 千港元 HK\$'000 (未經審核) (Unaudited)
即期稅項：	Current tax:		
— 中國企業所得稅	— PRC Enterprise Income Tax	1,095	9,719
遞延稅項	Deferred taxation	(79)	(74)
		1,016	9,645

#### 7. 股息

#### 7. DIVIDEND

董事會不建議向股東派發截至2021年6月30日止六個月之中期股息(2020年6月30日：無)。

The Board does not recommend any payment of interim dividend to shareholders for the six months ended 30 June 2021 (30 June 2020: Nil).

## 8. 本公司擁有人應佔每股虧損

每股基本虧損根據本公司普通股權益持有人應佔期內虧損46,655,000港元(2020年:12,440,000港元)及期內普通股加權平均數6,584,390,000股(2020年:6,583,598,000股)計算。

由於未行使購股權對每股基本虧損具反攤薄影響，故截至2021年6月30日及2020年6月30日止六個月之每股攤薄虧損與每股基本虧損相同。

## 9. 物業、廠房及設備

於截至2021年6月30日止六個月，本集團已增加89,225,000港元(2020年6月30日:6,977,000港元)之物業、廠房及設備。

於截至2021年6月30日止六個月，本集團出售賬面值約1,870,000港元的物業、廠房及設備，所得款項淨額約6,899,000港元。於截至2020年6月30日止六個月並無出售任何物業、廠房及設備。

## 10. 應收貿易賬款及應收票據

## 8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the Company of HK\$46,655,000 (2020: HK\$12,440,000) and the weighted average number of ordinary shares of 6,584,390,000 (2020: 6,583,598,000) during the period.

Diluted loss per share for the six months ended 30 June 2021 and 30 June 2020 was the same as the basic loss per share as the share options outstanding had anti-dilutive effects on the basic loss per share.

## 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group had an addition to property, plant and equipment amounted to HK\$89,225,000 (30 June 2020: HK\$6,977,000).

During the six months ended 30 June 2021, the Group disposed of property, plant and equipment with a carrying amount of approximately HK\$1,870,000 for the net proceeds of approximately HK\$6,899,000. No disposal of property, plant and equipment was incurred during the six months ended 30 June 2020.

## 10. TRADE AND BILLS RECEIVABLES

		2021年 6月30日 30 June 2021 千港元 HK\$'000 (未經審核) (Unaudited)	2020年 12月31日 31 December 2020 千港元 HK\$'000 (經審核) (Audited)
應收貿易賬款	Trade receivables	161,430	168,676
預期信貸虧損撥備	Allowance for expected credit loss	(5,730)	(3,490)
		155,700	165,186
應收票據	Bill receivables	1,077	7,106
		156,777	172,292

## 簡明綜合財務報表附註(續)

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

截至2021年6月30日止六個月 For the six months ended 30 June 2021

#### 10. 應收貿易賬款及應收票據

(續)

本集團給予其貿易客戶之信貸期不超過180天。

以下乃應收貿易賬款根據發票日期之賬齡分析：

#### 10. TRADE AND BILLS RECEIVABLES *(continued)*

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

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

		2021年 6月30日 30 June 2021 千港元 HK\$'000 (未經審核) (Unaudited)	2020年 12月31日 31 December 2020 千港元 HK\$'000 (經審核) (Audited)
0 - 60天	0 - 60 days	26,927	87,468
61 - 90天	61 - 90 days	17,065	49,275
91 - 180天	91 - 180 days	42,716	28,443
181天 - 少過一年	181 days - less than 1 year	68,992	—
		155,700	165,186

#### 11. 應付貿易賬款

以下乃應付貿易賬款根據發票日期之賬齡分析：

#### 11. TRADE PAYABLES

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

		2021年 6月30日 30 June 2021 千港元 HK\$'000 (未經審核) (Unaudited)	2020年 12月31日 31 December 2020 千港元 HK\$'000 (經審核) (Audited)
0 - 60天	0 - 60 days	3,107	18,777
61 - 90天	61 - 90 days	979	3,257
超過90天	Over 90 days	9,954	14,182
		14,040	36,216

## 12. 借款

## 12. BORROWINGS

		2021年 6月30日 30 June 2021	2020年 12月31日 31 December 2020
		千港元 HK\$'000 (未經審核) (Unaudited)	千港元 HK\$'000 (經審核) (Audited)
銀行借款	Bank borrowings	135,256	134,524
其他借款(附註(ii)及(iii))	Other borrowings (note (ii) and (iii))	738,060	737,795
		<b>873,316</b>	872,319
借款：	Borrowings:		
一年內或按要求到期	Due within one year or on demand	<b>873,316</b>	796,938
一年以上但不超過 兩年期間內到期	Due within a period of more than one year but not exceeding two years	—	75,381
		<b>873,316</b>	872,319
減：列作非流動負債金額	Less: Amounts shown under non- current liabilities	—	(75,381)
列作流動負債金額	Amounts shown under current liabilities	<b>873,316</b>	796,938
減：由於違反貸款契諾按要 求應付銀行及其他貸款 賬面值(流動負債下列示) (附註(vi))	Less: The carrying amount of bank and other borrowings that are repayable on demand due to breach of loan covenants (shown under current liabilities) (note (vi))	<b>(837,421)</b>	(760,580)
就於一年內應付或按要求 應付之銀行及其他貸款 列作流動負債之金額 (附註(v))	Amounts shown under current liabilities for the bank and other borrowings that are repayable within one year or on demand (note (v))	<b>35,895</b>	36,358
借款：	Borrowings:		
有抵押(附註(i)及(iii))	Secured (note (i) and (iii))	<b>254,637</b>	253,848
無抵押	Unsecured	<b>618,679</b>	618,471
		<b>873,316</b>	872,319

## 簡明綜合財務報表附註(續)

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

截至2021年6月30日止六個月 For the six months ended 30 June 2021

## 12. 借款(續)

附註：

- (i) 抵押借款約212,471,000港元(2020年12月31日：211,739,000港元)由一家同系附屬公司的公司擔保以及抵押的物業、廠房及設備約346,607,000港元及使用權資產約52,506,000港元(2020年12月31日：物業、廠房及設備約371,440,000港元以及使用權資產約52,981,000港元)作擔保。
- (ii) 其他借款包括(a)國際金融公司(「國際金融公司」)的貸款約42,166,000港元(2020年12月31日：42,109,000港元)；(b)債券約275,894,000港元(2020年12月31日：275,686,000港元)及(c)直接股東Ming Xing Developments Limited債券420,000,000港元。
- (iii) 國際金融公司的貸款約為42,166,000港元(2020年12月31日：42,109,000港元)，由(i)世紀陽光集團控股有限公司提供的公司擔保；及(ii)主要股東Alpha Sino International Limited (「Alpha Sino」)擁有之世紀陽光集團控股有限公司股份質押；(iii)銀行存款約10,290,000港元(2020年12月31日：10,185,000港元)作抵押。
- (iv) 於2021年6月30日，銀行借款及其他借款的加權實際利率約為8.12%(2020年12月31日：8.02%)。
- (v) 到期金額按貸款協議所載的計劃還款日期計算。
- (vi) 本集團若干信貸融資須受借貸安排中常見之契諾達成所規限。於2020年7月3日，本公司公佈本公司控股股東控股公司世紀陽光已違約贖回本金額為101,750,000新加坡元之後償票據。因此，本集團不能達成總金額為837,421,000港元之若干借款契諾。在該金額中，總金額837,421,000港元之借款在截至2021年6月30日之綜合財務狀況表中分類為流動負債。本集團正在與借款人磋商在報告期末再融資借款。於綜合財務報表批准日期，上述借款尚未續期亦尚未償付。

## 12. BORROWINGS (continued)

Note:

- (i) Secured borrowing of approximately HK\$212,471,000 (31 December 2020: HK\$211,739,000) were guaranteed by the corporate guarantee of a fellow subsidiary and pledged property, plant and equipment of approximately HK\$346,607,000 and right-of-use assets of approximately HK\$52,506,000 (31 December 2020: property, plant and equipment of approximately HK\$371,440,000 and right-of-use assets of approximately HK\$52,981,000).
- (ii) Included in other borrowings was (a) International Finance Corporation ("IFC") loan of approximately HK\$42,166,000 (31 December 2020: HK\$42,109,000); (b) bond of approximately HK\$275,894,000 (31 December 2020: HK\$275,686,000) and (c) bond from the immediate shareholder, Ming Xing Developments Limited of HK\$420,000,000.
- (iii) The loan from IFC of approximately HK\$42,166,000 (31 December 2020: HK\$42,109,000) was secured by (i) corporate guarantee given by Century Sunshine Group Holdings Limited; and (ii) pledged of shares in Century Sunshine Group Holdings Limited as owned by Alpha Sino International Limited ("Alpha Sino"), the substantial shareholder; (iii) deposit with banks of approximately HK\$10,290,000 (31 December 2020: HK\$10,185,000).
- (iv) The weighted effective interest rate of bank borrowing and other borrowing as at 30 June 2021 is approximately 8.12% (31 December 2020: 8.02%).
- (v) The amounts due are based on scheduled repayment dates set out in the loan agreements.
- (vi) Certain of the Group's facilities were subject to the fulfillment of covenants as are commonly found in lending arrangements. On 3 July 2020, the Company announced CS, the controlling shareholder of the Company, defaulted in the redemption of its subordinated notes of SGD101.75 million in principal amount. As a result, the Group could not fulfill covenants on certain borrowings with an aggregate amount of HK\$837,421,000. Included in this amount, borrowings of an aggregate amount of HK\$837,421,000 were classified as current liabilities in the consolidated statement of financial position as at 30 June 2021. The Group is negotiating with the borrowers to refinancing the borrowings at the end of reporting period. As at the date of approval of the consolidated financial statements, the aforesaid borrowings were not yet renewed nor repaid.

### 13. 應付一名股東之賬款

應付一名股東之賬款為無抵押、不計息及無固定還款期。

### 13. AMOUNT DUE TO A SHAREHOLDER

The amount due to a shareholder is unsecured, non-interest-bearing and has no fixed terms of repayment.

### 14. 承擔

### 14. COMMITMENTS

	2021年 6月30日 30 June 2021 千港元 HK\$'000 (未經審核) (Unaudited)	2020年 12月31日 31 December 2020 千港元 HK\$'000 (經審核) (Audited)
已訂約但未作撥備： 物業、廠房及設備	26,823	13,266
Contracted, but not provided for: Property, plant and equipment		

### 15. 重大關連人士交易

(a) 除在此等財務報表其他章節詳述的交易外，於期內，本集團有下列重大關連人士交易：

### 15. MATERIAL RELATED PARTY TRANSACTION

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period:

	截至2021年 6月30日 止年度 Year ended 30 June 2021 千港元 HK\$'000	截至2020年 6月30日 止年度 Year ended 30 June 2020 千港元 HK\$'000
向居間控股公司支付 之管理費	600	600
Management fee paid to an intermediate holding company		
附註 Notes	(i)	

附註：

(i) 向居間控股公司支付之管理費按每月100,000港元(2020年：100,000港元)收取。

Notes:

(i) The management fee paid to an intermediate holding company was charged at a monthly rate of HK\$100,000 (2020: HK\$100,000).

董事確認，「向居間控股公司支付之管理費」項下的交易獲完全豁免遵守上市規則第14A.73條及第14A.76條之申報、公告、通函及股東批准規定。

The Directors confirm that the transactions under “management fee paid to an intermediate holding company” set forth are fully exempt from the reporting, announcement, circular and shareholders’ approval requirements under Rule 14A.73 and Rule 14A.76 of the Listing Rules.

## 15. 重大關連人士交易(續)

- (b) 於2021年6月30日，應付一名股東之賬款約為34,559,000港元(2020年12月31日：33,959,000港元)。該款項為無抵押、免息及無固定還款期(附註13)。

董事確認，「應付一名股東之賬款」項下的交易乃按一般或更好的商業條款進行，且並非以本集團資產作抵押，因此獲完全豁免遵守上市規則第14A.73條及第14A.90條之申報、公告、通函及股東批准規定。

- (c) 於截至2021年6月30日止六個月，主要管理層薪酬為95,000港元(2020年6月30日：95,000港元)，其為董事酬金。

- (d) 於2021年6月30日，白山市天安金屬鎂礦業有限公司及新疆騰翔鎂製品有限公司(本公司的間接全資附屬公司)與銀行訂立擔保協議，以擔保貸款協議項下山東紅日化工股份有限公司(「山東紅日」，世紀陽光集團控股有限公司(本公司的控股股東)的間接全資附屬公司)就該銀行所提供金額為人民幣124,960,000元的貸款的付款責任。因此，山東紅日是本公司於上市規則第14A章項下之關連人士，及擔保事項構成本公司於上市規則項下之關連交易，並須遵守上市規則第14A章項下之申報、公告規定及獨立股東批准規定。

## 15. MATERIAL RELATED PARTY TRANSACTION (continued)

- (b) As at 30 June 2021, the amount due to a shareholder is approximately HK\$34,559,000 (31 December 2020: HK\$33,959,000). The amount is unsecured, non-interest bearing and have no fixed terms of repayment (note 13).

The Directors confirm that the transaction under “amount due to a shareholder” set forth was conducted on normal commercial terms or better, and not secured by the assets of the Group, and thus are fully exempt from the reporting, announcement, circular and shareholders’ approval requirements under Rule 14A.73 and Rule 14A.90 of the Listing Rules.

- (c) During the six months ended 30 June 2021, the compensation to key management amounts to HK\$95,000 (30 June 2020: HK\$95,000) representing director’s remuneration.

- (d) As at 30 June 2021, 白山市天安金屬鎂礦業有限公司 (Baishan City Tianan Magnesium Resources Co., Ltd.\*) and 新疆騰翔鎂製品有限公司 (Xinjiang Tengxiang Magnesium Products Company Limited\*), the indirect wholly-owned subsidiaries of the Company, entered into guarantee agreements with a bank to guarantee the payment obligations of 山東紅日化工股份有限公司 (Shandong Hongri Chemical Joint Stock Company Limited\*) (“Shandong Hongri”), an indirect non-wholly owned subsidiary of Century Sunshine Group Holdings Limited (the controlling shareholder of the Company), in respect of the loans amounting to RMB124.96 million advanced by that bank under the loan agreements. Shandong Hongri is accordingly a connected person of the Company under Chapter 14A of the Listing Rules, and the guarantees constituted connected transactions of the Company under the Listing Rules and were subject to the reporting, announcement requirements and independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

**15. 重大關連人士交易(續)**

(d) (續)

誠如本公司於2021年8月1日刊發的公告所闡述，於有關時間內涉及擔保之本公司管理層未察覺提供擔保屬於上市規則第14章及第14A章的規定範疇內，因此，本公司於有關時間內未遵守有關擔保之申報、公告規定及獨立股東批准規定。本公司現正採取各種補救措施解決該等問題。

除第(a)、(b)及(d)項所披露外，董事認為，附註15及財務報表的其他部分所披露之其他關連人士交易並不符合上市規則第14A章中「關連交易」的定義。

**16. 或然負債**

茲提述本公司日期為2021年8月1日之公告，本公司收到臨沂市中級人民法院(「臨沂法院」)有關一間中國銀行申請強制執行該銀行向山東紅日授出的金額為人民幣124,960,000元的貸款擔保的書面裁定(「裁定」)，有關擔保乃由本集團若干附屬公司及池碧芬女士(彼為山東紅日的前任法定代表人)提供。

**15. MATERIAL RELATED PARTY TRANSACTION (continued)**

(d) (continued)

As explained in the announcements of the Company published on 1 August 2021, the management of the Company involved in the guarantee at the relevant time failed to realize that the provision of the guarantee had fallen within the ambit of Chapter 14 and Chapter 14A of the Listing Rules and therefore, the Company had not complied with the reporting, announcement requirements and independent shareholders' approval requirement in respect of the Guarantees at the relevant time. The Company is taking various remedial measures to resolve such matters.

Save as disclosed in the item (a), (b) and (d), the Directors consider that the other related party transactions disclosed in the Note 15 and elsewhere in these financial statements do not fall under the definition of "connected transaction" in Chapter 14A of the Listing Rules.

**16. CONTINGENT LIABILITIES**

Reference was made to the announcement of the Company dated 1 August 2021, the Company received a written ruling (the "Ruling") from Linyi Intermediate People's Court ("Linyi Court") regarding a PRC bank's application to enforce guarantees of loans amounting to RMB124.96 million granted to Shandong Hongri by the bank that have been provided by certain subsidiaries of the Group and Ms. Chi Bi Fen, the former legal representative of Shandong Hongri.



**16. 或然負債(續)**

裁定表明本集團若干附屬公司及池碧芬女士總金額約人民幣125,000,000元的銀行存款或等值資產可能被凍結最多一年(如為現金)、兩年(如為動產)及三年(如為不動產或其他類型資產)的期限。根據裁定,銀行申請凍結山東紅日擁有的13幅土地。於2021年7月26日,山東紅日收到臨沂法院向臨沂市不動產登記中心(「登記處」)發出的日期為2021年7月21日的協助執行通知書,要求協助登記處強制執行裁定,於2021年7月21日至2024年7月20日期間「凍結」山東紅日擁有的三幅土地(「凍結資產」)。

誠如本公司中國法律顧問所告知,於決定是否下達任何有關命令及有關命令的範圍時,臨沂法院須考慮以下要求:(i)就裁定所涉及的付款義務而言,將予「凍結」的相關資產的價值不得過高,除非資產不可分割且無足夠價值的替代資產履行該付款義務;及(ii)倘有多項資產可供「凍結」,則命令應適用於在被凍結後對當事人生產活動影響最小的資產。經考慮(i)就本公司所深知,凍結資產的總價值(經計及土地於變更改用途後的價值及凍結資產擔保的其他負債)不低於人民幣125,000,000元;及(ii)臨沂法院已下令凍結3幅土地,而非凍結銀行申請的13幅土地,本公司認為現階段被下達進一步凍結令的風險較低。鑒於上述及由山東紅日擁有的凍結資產並無經營業務,且在並無發生不可預見之情況下,本公司預計裁定將不會因其須受裁定所規限而對本集團的業務營運產生重大不利影響。

**16. CONTINGENT LIABILITIES (continued)**

The Ruling stated that bank deposits of the certain subsidiaries of the Group and Ms. Chi Bi Fen in total sum of approximately RMB125 million or assets of equivalent value may be frozen for periods of up to one year (if cash), two years (if moveable assets) and three years (if immovable property or other types of assets). The Bank applied for 13 plots of land owned by Shandong Hongri to be frozen pursuant to the Ruling. On 26 July 2021, Shandong Hongri received a copy of a notice for assistance for enforcement (協助執行通知書) dated 21 July 2021 from Linyi Court to Linyi Immovable Assets Registration Centre (the "Registry") requiring the assistance of the Registry in order to enforce the ruling by "freezing" three plots of land owned by Shandong Hongri (the "Frozen Assets") for the period between 21 July 2021 and 20 July 2024.

As advised by PRC counsels of the Company that, in deciding whether or not to grant any such order and the scope of such order, the Linyi Court is required to have regard to the following requirements: (i) the value of the relevant asset that is to be "frozen" must not be excessive in the context of the payment obligations to which the ruling relates, unless the asset is indivisible and there are no alternative assets of sufficient value to satisfy such payment obligations; and (ii) if multiple assets are available for "freezing", the order should apply to those assets which if frozen would least impact the production activities of the party concerned. Having considered, (i) to the best knowledge of the Company, the aggregate value of the Frozen Assets (after taking account the value of the Land after its change of use and other liabilities that were secured by the Frozen Assets) is not less than RMB125 million; and (ii) the Linyi Court has ordered the freezing of 3 plots of land, instead of 13 plots of land that were the subject of the bank's application, the Company believes that there is low risk of further freezing orders at this stage. In view of the foregoing and the fact that the Frozen Assets belong to Shandong Hongri which has no operations and absent unforeseen circumstances, the Company did not expect the ruling to have a material adverse impact on the business operations of the Group that are subject to the Ruling.

## 17. 訴訟

- (a) 茲提述該等財務報表附註1所披露者，鑒於世紀陽光支付違約及交叉違約，構成本集團若干借款的違約事件，若干債務根據其條款須即時按要求償還，本公司預計不太可能為未來數個月到期的離岸借款再融資。本公司將另行刊發公告以向本公司股東及投資者提供有關財務重組及相關重大法律訴訟的任何進展。
- (b) 於2021年2月25日，本公司收到由AI Global Investment SPC代表AI Investment Fund S.P. (「呈請人」) 行事及為其利益於2021年2月22日向高等法院針對本公司提交之呈請 (「呈請」)，要求高等法院頒令本公司清盤。針對本公司提交之呈請乃由於本公司未能償付呈請人票據，未償付本金連同未支付利息及拖欠利息總額20,707,777.78美元，有關金額乃根據呈請人(作為認購人)與本公司(作為發行人)於2017年8月7日訂立之於2020年到期本金20,000,000美元之7%非後償及無抵押票據認購協議作出。於2021年6月2日，高等法院進一步命令，呈請之聆訊已押後至2021年9月15日在公司法官前進行。

## 17. LITIGATIONS

- (a) Reference is made to the disclosure in Note 1 of these financial statements, in terms of the CS's payment default and the cross defaults constitute an event of default in respect of certain borrowings of the Group and certain debts are immediately payable on demand in accordance with their terms, the Company anticipate that it is unlikely to be able to refinance its offshore borrowings that will fall due in the next couple of months. Further announcement(s) will be made by the Company to update the shareholders and investors of the Company in relation to any developments on the financial reorganization and related material legal proceedings.
- (b) On 25 February 2021, the Company received a petition (the "Petition") filed by AI Global Investment SPC acting on behalf of and for the account of AI Investment Fund S.P. (the "Petitioner") on 22 February 2021 against the Company in the High Court for an order that the Company be wound up by the High Court. The Petition was filed against the Company for its failure to repay the Petitioner an outstanding principal of the notes together with the unpaid interest and default interest in an aggregate amount of US\$20,707,777.78, which was pursuant to a subscription agreement of 7% unsubordinated and unsecured notes due 2020 in a principal amount of US\$20,000,000 entered into between the Petitioner as the subscriber and the Company as the issuer dated 7 August 2017. On 2 June 2021, the High Court has further ordered that the hearing of the Petition has been adjourned to 15 September 2021 before the Companies Judge.

## 17. 訴訟(續)

- (c) 於2021年6月2日，一間於中國之附屬公司接獲一間於中國之銀行針對該中國附屬公司違反所授出貸款之條款及條件的法院傳訊令狀(「傳訊令狀」)。根據申索陳述書，銀行向該中國附屬公司提呈申索，要求立即償還所有未償還本金及利息，總計約人民幣64,266,667元，連同拖欠利息及額外款項，或其他減免及相關費用。誠如中國法律顧問所告知，本公司認為已對該中國銀行的行動作出有力抗辯。

## 18. 報告期後事項

誠如附註17(a)所披露，世紀陽光集團控股有限公司收到臨沂法院於2021年7月12日作出的裁定，該裁定有關一間中國銀行申請強制執行該銀行向山東紅日授出的金額為人民幣124,960,000元的貸款擔保，有關擔保乃由若干附屬公司(包括本公司的附屬公司)及池碧芬女士(彼為山東紅日的前任法定代表人)提供。

詳情請參閱2021年8月1日刊發之公告。

## 17. LITIGATIONS *(continued)*

- (c) On 2 June 2021, a PRC subsidiary were served by a writ of summons (the "Writ") in a court in PRC by a PRC bank against the PRC subsidiary for its non-compliance to the terms and conditions of a loan granted. According to the Statement of Claim, the bank is pursuing claims against the PRC subsidiary for an immediate repayment of all outstanding principal and interest, in the sum of approximately RMB64,266,667, as well as the default interest thereon, further or other relief and related costs. As advised by the PRC counsels, the Company believes that there to be meritorious defences against the action of the PRC bank.

## 18. EVENTS AFTER THE REPORTING PERIOD

As disclosed in note 17(a), Century Sunshine Group Holding Limited received the Ruling dated 12 July 2021 from Linyi Court regarding a PRC bank's application to enforce guarantees of loans amounting to RMB124.96 million granted to Shandong Hongri by the bank that have been provided by certain subsidiaries (including the subsidiaries of the Company) and Ms. Chi Bi Fen, the former legal representative of Shandong Hongri.

Please refer to the announcements published on 1 August 2021 for details.

## 業務回顧

截至2021年6月30日止六個月(「期內」)，本集團整體收入為182,632,000港元，較去年同期的368,178,000港元減少約50.4%。鎂產品業務之整體毛利率為11.5%，較去年同期的20.5%減少約9個百分點。總銷量由2020年同期的18,674噸下降至期內的9,353噸。期內稅後虧損為46,655,000港元(2020年同期稅後虧損：12,440,000港元)。誠如2020年報所述，主要受到本集團境外債務重組以及海外疫情反覆的影響。鎂產業鏈整體受到負面傳導作用，使得鎂產品的市場需求尚未全面復甦。

自2020年7月本公司向百慕達最高法院申請以債務重組為目的的臨時清盤以來，由於境外債務重組的影響以及原料成本上升，供應商和客戶對待訂單更加謹慎。導致應付賬款週期縮短(由2020年上半年的29天下降為2021年同期的16天)以及應收賬款回收週期延長(由2020年上半年的95天上升為2021年同期的156天)。

## 展望

「中國力爭2030年前實現『碳达峰』，2060年前實現『碳中和』」，因此，堅持節能減排、發展綠色低碳經濟，事關人類可持續發展的重大戰略決策。金屬鎂是公認的環保新材料，是替代鋁合金的理想輕質金屬材料，是汽車輕量化最重要的新材料之一。

## BUSINESS REVIEW

For the six months ended 30 June 2021 (the "Period"), the Group's overall revenue amounted to HK\$182,632,000, representing a decrease of approximately 50.4% compared with HK\$368,178,000 for the same period last year. The overall gross profit margin of the magnesium products business was 11.5%, representing a decrease of approximately 9 percentage points compared with 20.5% for the same period last year. Total sales volume decreased from 18,674 tons in the corresponding period in 2020 to 9,353 tons in the Period. The loss after tax for the Period was HK\$46,655,000 (the loss after tax for the same period in 2020: HK\$12,440,000). As disclosed in the 2020 Annual Report, it was mainly attributable to the influence of the Group's offshore debt restructuring and the overseas pandemic resurgence. It negatively affected the magnesium industry chain as a whole. Thus the market demand for magnesium products has not yet fully recovered.

Since the Company applied to the Supreme Court of Bermuda for provisional liquidation for debt restructuring purpose in July 2020, suppliers and customers have been more cautious about orders due to the impact of the offshore debt restructuring and the increased costs of raw materials. The turnover days of payables decreased from 29 days in the first half of 2020 to 16 days in the same period in 2021, and the receivable collection cycle extended from 95 days in the first half of 2020 to 156 days in the same period in 2021.

## PROSPECT

"China strives to peak carbon dioxide emissions before 2030, and achieve carbon neutrality before 2060". Therefore, the persistence in energy conservation and emission reduction, and development of a green and low-carbon economy is a major strategic decision for human sustainable development. The magnesium is recognised as an environmentally friendly new material, an ideal lightweight metal material to replace the aluminum alloy, and one of the most essential new materials for automotive lightweighting.

北美汽車研究聯盟發佈的《2020年北美汽車用鎂合金及輕量化戰略展望》肯定了鎂合金在汽車輕量化中承擔的重要使命，提出了發展鎂合金和碳纖維複合材料技術的總體思路，為輕量化材料的發展提供了重要的指導思想。根據中國汽車工程師學會編製的《節能與新能源汽車技術路線圖2.0》預測，2025年新能源汽車滲透率可達15-25%。市場預計2025年世界新能源汽車銷量可超過1,100萬輛。而作為新能源汽車增加續航時長的重要輕量化新材料，鎂需求量也將會隨之大幅增長。由此可見，長遠看來，鎂合金新材料具有巨大的發展潛能。

管理層相信，在新冠疫苗逐漸推廣接種的全球大環境下，以及本集團的境外債務重組能夠順利推進，我們將充分獲益於行業與政策紅利，迎接後疫情時代對於輕質新材料的市場需求，努力踐行我們作為「鎂」從業者的使命：為創造「鎂」好生活而不懈努力！

The 2020 North American Automotive Magnesium Alloys and Lightweight Strategic Outlook (《2020年北美汽車用鎂合金及輕量化戰略展望》) issued by the North American Automotive Research Alliance, affirmed the critical mission of magnesium alloys in automotive lightweighting. It proposed the general idea of developing magnesium alloys and carbon fiber reinforced polymer technology, and provided the important guiding ideology for the development of lightweight materials. According to the Energy-saving and New Energy Vehicle Technology Roadmap 2.0 (《節能與新能源汽車技術路線圖 2.0》) compiled by China Society of Automotive Engineers, the penetration rate of new energy vehicles will reach 15-25% in 2025. It is estimated that the world's new energy vehicle sales will reach over 11 million in 2025. As an important new lightweight material to increase the battery life of new energy vehicles, the demand for magnesium will accelerate accordingly. Thus, magnesium alloy new materials will have a massive development potential in the long run.

The management believes that in the global environment where the coronavirus vaccine is gradually promoted and with the Group's offshore debt restructuring being able to progress smoothly, we will fully benefit from the industry and policy dividends, and meet the market demand for the new lightweight materials in the post-epidemic era. We will work hard to fulfill our mission as a magnesium product enterprise: devote our tireless efforts to build a better future for all!

## 財務回顧

## FINANCIAL REVIEW

		2021年 2021 千港元 HK\$'000 (未經審核) (Unaudited)	2020年 2020 千港元 HK\$'000 (未經審核) (Unaudited)	2019年 2019 千港元 HK\$'000 (未經審核) (Unaudited)
<b>損益表 Statement of profit or loss</b>				
收入	Revenue	182,632	368,178	726,229
毛利	Gross profit	20,932	75,465	206,318
毛利率	Gross profit margin	11.5%	20.5%	28.4%
息稅攤銷折舊前利潤 (經常性)	EBITDA (recurring)	38,475	94,759	227,126
息稅攤銷折舊前利潤率	EBITDA margin	21.1%	25.7%	31.3%
本公司擁有人應佔 (虧損)/溢利	(Loss)/profit attributable to owners of the Company	(46,655)	(12,440)	116,295
純利率	Net profit margin	不適用 N/A	不適用 N/A	16.0%

## 其他營運費用分析

## OTHER OPERATING EXPENSES ANALYSIS

### 銷售及分銷支出

### Selling and distribution expenses

銷售及分銷支出約為1,982,000港元(2020年: 4,860,000港元), 主要包括營銷費用及銷售人員工資, 銷售及分銷支出和收入比率約1.1%(2020年: 1.3%)。

Selling and distribution expenses were approximately HK\$1,982,000 (2020: HK\$4,860,000), which mainly comprised of marketing expenses and sales staff wages. Selling and distribution expenses to income ratio was approximately 1.1% (2020: 1.3%).

### 行政支出

### Administrative expenses

行政支出主要包括員工薪酬、折舊及攤銷、審計及專業費用、研究及開發等費用。期內之行政支出約為49,424,000港元(2020年: 32,595,000港元), 同比增加約16,829,000港元, 主要由於: (i) 重組費用增加約4,813,000港元; (ii) 期內產量減少, 其中部分生產成本(主要包括非現金性質的折舊費用)須由銷售成本重新分類至行政支出。確認為行政支出的折舊及攤銷為16,544,000港元(2020年: 3,525,000港元), 抵銷(iii)由於員工減少, 薪金及工資以及研發費用減少約9,978,000港元。

Administrative expenses mainly comprised of expenses such as staff remuneration, depreciation and amortisation, audit and professional fees, and research and development. The administrative expenses for the period was approximately HK\$49,424,000 (2020: HK\$32,595,000), representing a year-on-year increase of approximately HK\$16,829,000. The increase was mainly attributable to: (i) an increase of restructuring fees of approximately HK\$4,813,000; (ii) a decrease in production volumes in which part of the production costs (mainly comprised of depreciation expenses which are non-cash in nature) during the Period had to be reclassified from the cost of sales to administrative expenses. The depreciation and amortisation recognised as administrative expenses were amounted to HK\$16,544,000 (2020: HK\$3,525,000), netting-off (iii) the decrease in salaries and wages and R&D expenses by approximately HK\$9,978,000 due to the reduction in staff.

## 財務費用

財務費用約為25,632,000港元(2020年:45,769,000港元)，同比減少約20,137,000港元。減少的主要原因為向本集團控股股東Ming Xin Developments Limited發行的債券已於2020年11月30日屆滿。

## 流動性及財務資源

我們的現金主要用於滿足我們的營運資金需要及資本開支需要。我們的營運資金需要及資本開支需求主要透過股東權益、經營所得現金及借款獲得資金支持。本集團採取審慎的現金及財務管理政策。為更好地控制成本及盡可能降低資金成本，本集團財資活動和現金及現金等價物一般存放於銀行等若干金融機構，且大部分以人民幣及港元計值。

鑒於本公司的財務狀況，本公司將考慮可能的股權集資機會，以提升其資本基礎及紓緩短期財務壓力以及改善本集團的流動資金狀況。

## 可能的債務重組及就重組用途委任共同臨時清盤人

誠如本簡明綜合財務報表附註1所披露，百慕達法院頒佈命令，就重組用途委任共同臨時清盤人。於期內，共同臨時清盤人多次舉行債權人委員會會議，討論臨時清盤與重組計劃的進展。任何該等計劃的制定以及實施須受債權人會議上大多數債權人協定以及百慕達法院及高等法院授出的命令限制。本公司將繼續與債權人保持積極溝通，採取可行措施，凝聚債權人共識，致力推動重組方案落實。

## Finance costs

Finance cost was approximately HK\$25,632,000 (2020: HK\$45,769,000), representing a year-on-year decrease of approximately HK\$20,137,000. The decrease was mainly due to the expiry of the bond on 30 November 2020 issued to Ming Xin Developments Limited, the controlling shareholder of the Group.

## Liquidity and Financial Resources

Our cash is mainly used to satisfy our needs of working capital and our capital expenditure. Our working capital needs and capital expenditure requirements have been principally financed through a combination of shareholders' equity, cash generated from operations, and borrowings. The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimize the cost of funds, the Group's treasury activities and cash and cash equivalents are generally deposited with certain financial institutions such as banks and denominated mostly in Renminbi and Hong Kong dollars.

In view of the financial position of the Company, the Company will consider possible equity fundraising opportunities in order to strengthen its capital base and ease the short-term financial stress and to enhance the liquidity position of the Group.

## POSSIBLE DEBT RESTRUCTURING AND THE APPOINTMENT OF JOINT PROVISIONAL LIQUIDATORS FOR RESTRUCTURING PURPOSES

As disclosed in note 1 to this condensed consolidated financial statements, orders were granted by the Bermuda Court for the appointment of the JPLs for restructuring purposes. During the Period, the JPLs have held several creditors' committee's meeting to discuss the development of the provisional liquidation and restructuring plan. Any determination and implementation of such plan shall be subject to the agreement of the majority of creditors at the meeting and the orders granted by the Bermuda Court and the High Court. The Company will continue to maintain active communication with creditors and adopt practicable measures to unite the consensus of creditors in order to promote the implementation of the restructuring plan.

## 對持續經營不發表意見

於本公司及其附屬公司(統稱為「本集團」)截至2020年12月31日止年度的綜合財務報表(「2020年年報」)中，本公司核數師就與持續經營基準相關的重大不明朗因素表示不發表意見(「不發表意見」)，即彼等無法獲得充分、適當的審核憑據，以就管理層於編製綜合財務報表時使用持續經營會計基準的適當性得出結論，因為管理層對其持續經營評估的未來行動計劃(「行動計劃」)尚未最終確定，因此對本集團綜合財務報表的結果表示不發表意見。

本集團管理層(「管理層」)正盡最大努力於2021年協定並執行行動計劃。考慮到建議重組的成功及持續實施，管理層信納本集團於可預見的未來將擁有充足營運資金以履行其到期的財務責任，因此以持續經營基準編製本集團綜合財務報表屬適當。管理層評估本集團財務狀況不會因不發表意見而受到重大影響，因為持續經營問題可以通過制定的行動計劃得到解決。

考慮到綜合財務報表乃由管理層以持續經營基準編製，而其有效性取決於管理層假設(受多項不明朗因素規限)下措施的結果，因此董事會與核數師對不發表意見並無異議。在所有其他方面，核數師認為綜合財務報表已按照香港公司條例的披露規定妥為編製。

基於上述原因，審核委員會與董事會持相同看法，並同意管理層對持續經營問題及不發表意見的立場。

## DISCLAIMER OPINION RELATING TO GOING CONCERN

In the consolidated financial statements of the Company and its subsidiaries (together as the “Group”) for the year ended 31 December 2020 (the “2020 AR”), the Company’s auditors issued disclaimer of opinion on the material uncertainties relating to the going concern basis (“Disclaimer of Opinion”), in which they were unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of management to use the going concern basis of accounting in the preparation of the consolidated financial statements because management’s plans for future actions (the “Action Plan”) in relation to its going concern assessment could not be finalised yet and therefore issued a disclaimer of opinion on the results of the Group’s consolidated financial statements.

The management of the Group (the “Management”) is taking the best efforts to agree on and execute the Action Plan in 2021. Taking into account the successful and continued implementation of the proposed restructuring, the Management is satisfied that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the foreseeable future, and hence it is appropriate to prepare the Group’s consolidated financial statements on a going concern basis. The Management assessed that there is no material impact on the Group’s financial position in light of the Disclaimer of Opinion, as the going concern Issue could be resolved by the Action Plan devised.

There was no disagreement between the Board and the Auditors regarding the Disclaimer of Opinion, considering that the consolidated financial statements have been prepared by the Management on a going concern basis, the validity of which depends on the outcome of the measures under management’s assumptions, which are subject to multiple uncertainties. In all other respects, in the opinion of the Auditors, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

The Audit Committee takes the same view as the Board and agreed with the Management’s position concerning the going concern issue and Disclaimer of Opinion based on the reasons above.



## 管理層關於持續經營假設的立場及基準

誠如本簡明綜合財務報表附註1所詳述，於2021年6月30日存在的情況表明存在可能對本集團持續經營能力產生重大疑慮之重大不明朗因素。於所披露的所有可行方案中，本公司管理層正與共同臨時清盤人及債權人就以安排計劃的方式進行債務重組積極磋商，初步涉及股權轉債權及延長還款期限等。

本公司將在有任何重大進展時以公告方式向股東通報最新情況。

截至批准刊發綜合財務報表之日，建議重組計劃尚未制訂且建議重組計劃之最終結果無法合理確定。假設成功實施建議重組計劃，董事會認為，本集團於可預見的未來將擁有充足營運資金以履行其到期的財務責任。因此，簡明綜合財務報表已按持續經營基準編製。

## 或然負債

於2021年6月30日及2020年12月31日，除於財務報表附註16所披露者外，本集團概無其他重大或然負債。

## MANAGEMENT'S POSITION AND BASIS ON THE GOING CONCERN ASSUMPTION

As detailed in Note 1 to this condensed consolidated financial statement, conditions existed as at 30 June 2021 indicating the existence of material uncertainties which may cast significant doubt regarding the Group's ability to continue as a going concern. Among all viable options as disclosed, the management of the Company is actively negotiating with the JPLs and the creditors on debt restructuring by way of scheme of arrangement, tentatively involving, among others, equity-to-debt swap and extension of repayment period.

The Company will update the shareholders by way of announcement(s) when there is any material development.

As at the date of approval for issuance of the consolidated financial statements, the Proposed Restructuring Plan has not been formulated yet and the eventual outcome of the Proposed Restructuring Plan cannot be determined with reasonable certainty. Assuming the successful implementation of the proposed restructuring plan, the Board is of the opinion that the Group will have sufficient working capital to meet its financial obligation as and when they fall due in the foreseeable future. Accordingly, the condensed consolidation financial statements have been prepared on a going concern basis.

## CONTINGENT LIABILITIES

As at 30 June 2021 and 31 December 2020, other than those disclosed in Note 16 to the financial statements, the Group has no other significant contingent liabilities.

## 項目概覽

### 白雲石礦

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

本集團之白雲石礦乃按中國資源／儲量分類。截至2021年6月30日的估計資源量和儲量，按已開採量逐年核減，得出剩餘資源量及儲量。本集團與以往披露估算假設相比無重大變更。該資源量及儲量由本集團之內部地質專家審核。截至2021年6月30日止六個月，概無任何白雲石礦產出量。與2020年12月31日相比，白雲石礦的資源量及礦石儲量並無重大變動。

截至2021年6月30日止六個月概無支出用於開採活動。

## 外匯及財務政策

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

## 員工關係

於2021年6月30日，本集團聘有365名僱員(2020年6月30日：636名)。除薪酬外，本集團亦為員工提供有薪年假、醫療保險及公積金等其他員工福利。

## PROJECT OVERVIEW

### Dolomite mine

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

The dolomite mine of the Group was classified by the PRC resource/reserve volumes. As at 30 June 2021, the estimated resource and reserve volumes were determined based on the yearly reduction of mined quantity to calculate the remaining resource and reserve volumes. There is no material change in the assumptions of estimation by the Group as compared with those previously disclosed. The resource and reserve volumes were reviewed by the Group's internal geological experts. For the six months ended 30 June 2021, there has no dolomite output. As compared with 31 December 2020, there is no material change in the resource and ore reserve volumes of the dolomite mine.

For the six months ended 30 June 2021, there were no expenditure incurred for mining activities.

## FOREIGN CURRENCIES AND TREASURY POLICY

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

## EMPLOYEES RELATIONS

As at 30 June 2021, the Group has 365 employees (30 June 2020: 636). In addition to salary remuneration, the Group also provides other fringe benefits such as annual leave, medical insurance and provident fund, etc. to its staff.

## 其他資料 OTHER INFORMATION

### 購股權計劃

為吸引及挽留最優秀僱員以支持本集團之業務發展，並向獲選之合資格參與者提供額外激勵或獎勵，本公司於2017年12月4日採納購股權計劃（「該計劃」）。合資格參與者主要包括為本集團作出貢獻之本集團及任何主要股東之僱員或董事及本集團顧問或諮詢人士、分銷商、承包商、供應商、服務供應商、代理、客戶及業務夥伴。除非另行註銷或修訂，該計劃之有效期為自其成立日期起計10年。該計劃之剩餘年期約為6.5年（於2027年12月4日屆滿）。

於2021年6月30日，該計劃項下可認購總數351,400,000股股份之購股權（「購股權」）尚未行使。

### SHARE OPTION SCHEME

In order to attract and retain the best quality employees for the development of the Group's businesses and to provide additional incentives or rewards to selected qualifying participants, the Company adopted a share option scheme on 4 December 2017 (the "Scheme"). The qualifying participants mainly include employees and directors of the Group and any substantial shareholders, and the consultants or advisers, distributors, contractors, suppliers, service providers, agents, customers and business partner of the Group who have made contribution to the Group. The Scheme, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The remaining life of the Scheme is approximately 6.5 years (expiry on 4 December 2027).

As at 30 June 2021, options to subscribe for a total of 351,400,000 Shares were outstanding under the Scheme (the "Options").

	於2021年 1月1日持有 Held at 1 January 2021	期內授出 之購股權 Options granted during the period	期內行使 之購股權 Options exercised during the period	期內失效 之購股權 Options lapsed during the period	於2021年 6月30日持有 Held at 30 June 2021	行使價 Exercise price 港元 HK\$
(A) 僱員 Employees	163,400,000	—	—	—	163,400,000	0.4
	140,000,000	—	—	—	140,000,000	0.3
(B) 董事 Directors						
沈世捷 Shum Sai Chit	30,000,000	—	—	—	30,000,000	0.4
池靜超# Chi Jing Chao#	3,000,000	—	—	—	3,000,000	0.4
孟健* Meng Jian*	5,000,000	—	—	(5,000,000)	—	0.4
鄭炳文 Kwong Ping Man	5,000,000	—	—	—	5,000,000	0.4
張省本 Cheung Sound Poon	5,000,000	—	—	—	5,000,000	0.4
關毅傑 Kwan Ngai Kit	5,000,000	—	—	—	5,000,000	0.4
小計 Sub-total	216,400,000	—	—	(5,000,000)	211,400,000	0.4
小計 Sub-total	140,000,000	—	—	—	140,000,000	0.3
合計 Total	356,400,000	—	—	(5,000,000)	351,400,000	

# 池靜超先生已於2021年7月30日辭任本公司董事。

# Mr. Chi Jing Chao was resigned as a director of the Company on 30 July 2021.

\* 孟健教授已於2021年6月30日退任本公司董事。

\* Professor Meng Jian, was retired as a director of the Company on 30 June 2021.

### 購股權計劃(續)

於報告期末，上述尚未行使購股權有以下屆滿日期、行使期及行使價。

### SHARE OPTION SCHEME (continued)

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

頒授日期 Grant date	屆滿日期 Expiry date	行使期 Exercise period	每股行使價 Exercise prices per Share 港元 HK\$	購股權數目 Number of Share options
2018年4月25日 25 April 2018	2023年12月29日 29 December 2023	自2018年11月1日起至 2023年12月29日 From 1 November 2018 to 29 December 2023	0.4	211,400,000
2019年7月25日 25 July 2019	2022年8月31日 31 August 2022	自2019年9月1日起至 2022年8月31日 From 1 September 2019 to 31 August 2022	0.3	140,000,000
				351,400,000

於2021中期報告日期，該計劃項下可供發行之本公司股份總數(包括上述尚未行使購股權)為805,839,005股，相當於本公司當日已發行股本約12.2%。該計劃之餘下年期約為6.5年，並將於2027年12月4日屆滿。

As at the date of the 2021 Interim Report, the total number of Shares of the Company available for issue under the Scheme (including the above share options outstanding not yet exercised) was 805,839,005, representing approximately 12.2% of the issued share capital of the Company as of the date thereof. The remaining life of the Scheme is approximately 6.5 years and to be expired on 4 December 2027.

## 董事之證券權益

於2021年6月30日，根據本公司按證券及期貨條例(「證券及期貨條例」)第352條存置之登記冊所記錄，或根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄10所載之上市發行人董事進行證券交易的標準守則(「標準守則」)本公司及香港聯合交易所有限公司所接獲之通知，本公司各董事(「董事」)及彼等之聯繫人士於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份及相關股份之權益如下：

## 於本公司股份、相關股份及債券之權益

## DIRECTORS' INTERESTS IN SECURITIES

At 30 June 2021, the interests of the directors of the Company (the "Directors") and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), were as follows:

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

董事	擁有權益或視為擁有權益之普通股數目 Number of ordinary shares interested or deemed to be interested				持有購股權數目	佔本公司 已發行股本 之權益 概約百分比 Approximate percentage of interests in the issued share capital of the Company
	個人權益 Personal interests	家族權益 Family interests	公司權益 Corporate interests	總額 Total		
<b>好倉</b>						
<b>Long position</b>						
沈世捷 Shum Sai Chit	—	—	—	—	30,000,000	0.46%
池靜超 Chi Jing Chao	—	—	—	—	3,000,000	0.05%
鄺炳文 Kwong Ping Man	—	—	—	—	5,000,000	0.08%
張省本 Cheung Sound Poon	—	—	—	—	5,000,000	0.08%
關毅傑 Kwan Ngai Kit	—	—	—	—	5,000,000	0.08%
<b>淡倉</b>						
<b>Short position</b>						
無 Nil						

董事之證券權益(續)  
於相聯法團股份之權益

DIRECTORS' INTERESTS IN SECURITIES (continued)  
Interests in the shares of associated corporations

董事姓名	相聯法團名稱	擁有權益或視為擁有權益之普通股數目(好倉)			佔相聯法團 已發行股本 之百分比 % of issued share capital of associated corporation
		個人權益	所持 購股權 數目	總額	
Names of Directors	Name of associated corporation	Personal interests	Number of options held	Total	
沈世捷 Shum Sai Chit	世紀陽光集團控股有限公司 (「世紀陽光」) Century Sunshine Group Holdings Limited ("Century Sunshine")	14,666,305	20,000,000	34,666,305	0.76%
池靜超 Chi Jing Chao	世紀陽光 Century Sunshine	1,633,988	8,000,000	9,633,988	0.21%
張省本 Cheung Sound Poon	世紀陽光 Century Sunshine	—	5,000,000	5,000,000	0.11%
關毅傑 Kwan Ngai Kit	世紀陽光 Century Sunshine	—	4,000,000	4,000,000	0.09%

附註：

- (1) 4,000,000股世紀陽光股份乃根據所持購股權可向關毅傑先生之配偶呂文清女士發行之相關股份數目。

Notes:

- (1) 4,000,000 shares in Century Sunshine are the number of underlying shares which may be issued to Ms. Lee Man Ching, the spouse of Mr. Kwan Ngai Kit, under the options held.

除上文所披露者外，於2021年6月30日，各董事或彼等之聯繫人士概無於本公司或其任何相聯法團(定義見證券及期貨條例)之股份及相關股份中擁有任何權益或淡倉。

Save as disclosed above, at 30 June 2021, none of the Directors or their associates had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations as defined in the SFO.

## 主要股東

除上文所披露有關若干董事之權益外，於2021年6月30日，根據本公司按證券及期貨條例第336條存置之主要股東名冊所記載，下列股東曾知會本公司其擁有本公司已發行股本中之相關權益及淡倉：

## SUBSTANTIAL SHAREHOLDERS

At 30 June 2021, the register of substantial shareholders kept by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors, the following shareholder had notified the Company of relevant interest and short position in the issued capital of the Company:

股東名稱／姓名 Name of Shareholder	所持普通股 股份數目 Number of ordinary shares held	佔已發行 股本之百分比 % of issued share capital
Ming Xin Developments Limited (附註1及5) (note 1 and 5)	4,761,117,434(L) 200,000,000(S)	72.31 3.04
New Bright Group Limited (附註2及5) (note 2 and 5)	4,761,117,434(L) 200,000,000(S)	72.31 3.04
世紀陽光集團控股有限公司(附註3及5) Century Sunshine Group Holdings Limited (note 3 and 5)	4,761,117,434(L) 200,000,000(S)	72.31 3.04
池文富(附註4及5) Chi Wen Fu (note 4 and 5)	4,761,117,434(L) 200,000,000(S)	72.31 3.04

附註：

- (1) 4,761,117,434股股份由Ming Xin Developments Limited實益擁有。
- (2) Ming Xin Developments Limited為New Bright Group Limited之全資附屬公司。故此，就證券及期貨條例而言，New Bright Group Limited被視為擁有Ming Xin Developments擁有權益之全部股份之權益。
- (3) New Bright Group Limited為世紀陽光之全資附屬公司。故此，就證券及期貨條例而言，世紀陽光被視為擁有Ming Xin Developments擁有權益之全部股份之權益。
- (4) 池文富先生在世紀陽光(Ming Xin Developments Limited之最終控股公司)股東大會上控制三分之一或以上表決權。故此，就證券及期貨條例而言，池文富先生被視為擁有Ming Xin Developments Limited擁有權益之全部股份之權益。
- (5) 於2019年12月13日，世紀陽光集團控股有限公司及Ming Xin Developments Limited (作為授予人)及Mega Prime Development Limited (作為期權承授人)訂立認購期權協議，據此，該等授予人同意向該期權承授人授出收購200,000,000股股份之權利及期權。

Note:

- (1) 4,761,117,434 shares are beneficially owned by Ming Xin Developments Limited.
- (2) Ming Xin Developments Limited is a wholly-owned subsidiary of New Bright Group Limited. As such, New Bright Group Limited is deemed to be interested in all the shares in which Ming Xin Developments is interested by virtue of the SFO.
- (3) New Bright Group Limited is a wholly-owned subsidiary of Century Sunshine. As such, Century Sunshine is deemed to be interested in all the shares in which Ming Xin Developments is interested by virtue of the SFO.
- (4) Mr. Chi Wen Fu controls more than one-third or more of the voting power at general meetings of Century Sunshine (the ultimate holding company of Ming Xin Developments Limited). As such, Mr. Chi Wen Fu is deemed to be interested in all the shares in which Ming Xin Developments Limited is interested by virtue of the SFO.
- (5) On 13 December 2019, Century Sunshine Group Holdings Limited and Ming Xin Developments Limited as grantors and Mega Prime Development Limited as optionee entered into the Call Option Agreement, pursuant to which the said grantors agreed to grant to the said optionee the right and option to acquire 200,000,000 Shares.

除上文所披露者外，於2021年6月30日，本公司概無接獲任何人士知會其於本公司股份或相關股份中擁有根據證券及期貨條例須向本公司披露之權益或淡倉。

Save as disclosed above, at 30 June 2021, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the SFO.

## 購買、出售或贖回本公司之上市證券

本公司及其任何附屬公司於期內概無購買、出售或贖回本公司任何上市證券。

## 審核委員會

審核委員會成員包括三名獨立非執行董事，即鄭炳文先生(審核委員會主席)、張省本先生及關毅傑先生。於回顧期內，審核委員會已舉行兩次會議，以檢討本集團所採納之會計準則及政策，並討論內部監控及財務匯報事宜。審核委員會已審閱本集團截至2021年6月30日止六個月之未經審核綜合中期業績。

## 企業管治常規

截至2021年6月30日止六個月內，本公司一直遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載之企業管治常規守則(「守則」)，惟以下偏離情況除外：

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

- 非執行董事孟健教授因有其他事項處理而無法出席於2021年6月30日舉行的股東週年大會。

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

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

## AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors, namely Mr. Kwong Ping Man (Chairman of the Audit Committee), Mr. Cheung Sound Poon and Mr. Kwan Ngai Kit. During the period under review, the Audit Committee has held two meetings to review the accounting principles and practices adopted by the Group and discuss internal control and financial reporting matters. The Audit Committee has reviewed the unaudited consolidated interim results of the Group for the six months ended 30 June 2021.

## CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2021, the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), save for the deviations as follows:

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

- Professor Meng Jian (being a non-executive Director) were unable to attend the annual general meeting held on 30 June 2021 as he was obliged to be away for other matters.



## 企業管治常規(續)

根據守則條文第A.2.1條，主席與行政總裁(「行政總裁」)之角色須分開，不應由同一人擔任。然而，在本公司現時之公司架構下，主席及行政總裁之角色並無分開，現時沈世捷先生同時擔任此兩項職務。沈先生自2015年起一直負責本公司的整體管理工作，故本公司認為現時之安排可以提高本公司的企業決策及執行效率，有助本集團於現階段更高效地發展。董事會將不時審閱現有架構，並於董事會認為適當時作出必要安排。

## 董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載有關董事進行證券交易之標準守則(「標準守則」)，以不遜於標準守則之必守標準之條款，作為其有關董事進行證券交易之行為守則。經向所有董事作出特定查詢後，於截至2021年6月30日止六個月內，所有董事確認彼等均已遵守標準守則之必守標準。

## 鳴謝

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

承董事會命  
稀鎂科技集團控股  
有限公司  
(臨時清盤中)  
(僅作重組用途)  
主席  
沈世捷

香港，2021年8月31日

## CORPORATE GOVERNANCE PRACTICES (continued)

Under code provision A.2.1, the roles of chairman and chief executive officer (the “CEO”) should be separated and should not be performed by the same individual. However, there is no separation between the roles of chairman and CEO under the current corporate structure of the Company. Mr. Shum Sai Chit currently holds a dual role as the Chairman and the CEO. Mr. Shum had been in charge of the overall management of the Company since 2015 and the Company considered that such arrangement would promote the efficient formulation and implementation of the Company’s strategies which would enable the Group to further develop its businesses effectively at this stage. The Board will review the current structure from time to time and shall make necessary arrangements when the Board considers appropriate.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the “Model Code”) set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors on terms no less exactly than the required standard set out in the Model Code. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2021.

## APPRECIATION

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

By order of the Board  
Rare Earth Magnesium Technology  
Group Holdings Limited  
(in provisional liquidation)  
(for restructuring purposes only)  
Shum Sai Chit  
Chairman

Hong Kong, 31 August 2021



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