

2022

INTERIM REPORT

中期報告



**China Zenith Chemical Group Limited**  
**中國天化工集團有限公司**

(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)

## FINANCIAL HIGHLIGHTS

### 財務摘要

For the six months ended 31 December 2022 截至二零二二年十二月三十一日止六個月

|                                   |               | 2022<br>二零二二年<br>HK\$'000<br>千港元 | 2021<br>二零二一年<br>HK\$'000<br>千港元<br>(Re-presented)<br>(經重述) | Change<br>變動 |
|-----------------------------------|---------------|----------------------------------|---|--------------|
| <b>TURNOVER</b>                   | <b>營業額</b>    |                                  |   |              |
| – Continuing operation            | – 持續經營<br>業務  | 92,217                           | 145,971   | -37%         |
| – Discontinued operation          | – 已終止經營<br>業務 | 3,766                            | 153,264   | -98%         |
|                                   |               | <b>95,983</b>                    | 299,235   | -68%         |
| <b>PROFIT FOR THE PERIOD</b>      | <b>期間溢利</b>   | <b>275,558</b>                   | 7,733<br>(Restated)<br>(經重列)                                | 3,463%       |
| <b>BASIC EARNINGS PER SHARE</b>   | <b>每股基本盈利</b> | <b>HK182.45 cents</b><br>港仙      | HK7.36 cents<br>港仙  | 2,379%       |
| <b>INTERIM DIVIDEND PER SHARE</b> | <b>每股中期股息</b> | –                                | –   | –            |

The board (the “Board”) of directors (“Directors”) of China Zenith Chemical Group Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim financial statements (the “Interim Financial Statements”) of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 31 December 2022 (the “Period”). The Interim Financial Statements have not been audited but have been reviewed by the Company’s audit committee (the “Audit Committee”).

中國天化工集團有限公司(「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」)截至二零二二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 2022 截至二零二二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

|  |                           | Notes<br>附註 | 2022<br>二零二二年<br>HK\$'000<br>千港元 | 2021<br>二零二一年<br>HK\$'000<br>千港元<br>(Re-presented)<br>(經重述) |
|--|---------------------------|-------------|----------------------------------|---|
| <b>Continuing operation</b>  | <b>持續經營業務</b>             |             |                                  |   |
| Revenue  | 收益                        | 4           | 92,217                           | 145,971   |
| Cost of sales  | 銷售成本                      |             | (94,484)                         | (112,012)   |
| Gross (loss)/profit  | 毛(損)/利                    |             | (2,267)                          | 33,959  |
| Other income and other gains or losses                                     | 其他收入及其他收益或虧損              | 6           | 438                              | 34,291  |
| Provision of allowance for receivables and written off of prepayments, net | 就應收款項撥計提撥備及撇銷預付款項淨額       |             |                                  |   |
| – trade receivables  | – 應收貿易賬項                  |             | (86)                             | –   |
| – prepayments, deposits and other receivables                              | – 預付款項、訂金及其他應收款項          |             | (1,845)                          | –   |
| Selling and distribution costs   | 銷售及分銷成本                   |             | (6,230)                          | (5,743)   |
| Administrative expenses  | 行政開支                      |             | (52,036)                         | (19,038)  |
| Other operating expenses   | 其他經營開支                    |             | (7,156)                          | (9,425)   |
| Share of results of an associate   | 應佔一間聯營公司業績                |             | –                                | (133)   |
| Gain on deconsolidation of a subsidiary                                    | 終止綜合入賬附屬公司之收益             | 16          | 404,680                          | –   |
| <b>Profit from operation</b>   | <b>經營溢利</b>               |             | <b>335,498</b>                   | 33,911  |
| Finance costs  | 財務成本                      |             | (51,231)                         | (58,657)  |
| <b>Profit/(loss) before tax</b>  | <b>除稅前溢利/(虧損)</b>         |             | <b>284,267</b>                   | (24,746)  |
| Income tax   | 所得稅                       | 7           | –                                | –   |
| <b>Profit/(loss) for the period from continuing operation</b>              | <b>來自持續經營業務的期間溢利/(虧損)</b> |             | <b>284,267</b>                   | (24,746)  |

## CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)

### 簡明綜合收益表(續)

For the six months ended 31 December 2022 截至二零二二年十二月三十一日止六個月

|   |  | (Unaudited)<br>(未經審核)                                |   |                     |
|---|--|--|---|---------------------|
|   |  | Six months ended<br>31 December<br>截至十二月三十一日<br>止六個月 |   |                     |
|   | Notes<br>附註                            | 2022<br>二零二二年<br>HK\$'000<br>千港元                     | 2021<br>二零二一年<br>HK\$'000<br>千港元<br>(Re-presented)<br>(經重述) |                     |
| <b>Discontinued operation</b><br>(Loss)/profit for the period<br>from discontinued<br>operation | 已終止經營業務<br>來自已終止經營<br>業務的期間<br>(虧損)/溢利 | 16   | (8,709)   | 32,479              |
| <b>Profit for the period</b>  | 期間溢利                                   | 8  | 275,558   | 7,733               |
| <b>Attributable to:</b>   | 應佔：                                    |  |   |                     |
| Owners of the Company   | 本公司擁有人                                 |  |   |                     |
| Continuing operation  | 持續經營業務                                 |  | 283,177   | (26,173)            |
| Discontinued operation  | 已終止經營業務                                |  | (8,709)   | 32,479              |
|   |  |  | 274,468   | 6,306               |
| Non-controlling interests   | 非控股權益                                  |  |   |                     |
| Continuing operation  | 持續經營業務                                 |  | 1,090   | 1,427               |
|   |  |  | 275,558   | 7,733               |
|   |  |  |   | (Restated)<br>(經重列) |
| <b>Earnings/(loss) per share</b>  | 來自持續及已終止<br>經營業務的每股                    |  |   |                     |
| <b>From continuing and<br/>discontinued operation</b>   | 盈利/(虧損)                                | 9  |   |                     |
| – Basic (HK cents)  | – 基本(港仙)                               |  | 182.45  | 7.36                |
| – Diluted (HK cents)  | – 攤薄(港仙)                               |  | 182.45  | 7.36                |

## CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)

### 簡明綜合收益表(續)

For the six months ended 31 December 2022 截至二零二二年十二月三十一日止六個月

|                                    |                  | (Unaudited)<br>(未經審核)            |   |
|------------------------------------|------------------|----------------------------------|---|
|                                    |                  | Six months ended<br>31 December  |   |
|                                    |                  | 截至十二月三十一日<br>止六個月                |   |
|                                    | Notes<br>附註      | 2022<br>二零二二年<br>HK\$'000<br>千港元 | 2021<br>二零二一年<br>HK\$'000<br>千港元<br>(Re-presented)<br>(經重述) |
|                                    |                  |                                  | (Restated)<br>(經重列)   |
| <b>From continuing operation</b>   | <b>來自持續經營業務</b>  |                                  |   |
| – Basic (HK cents)                 | – 基本(港仙)         | <b>188.24</b>                    | (30.54)   |
| – Diluted (HK cents)               | – 攤薄(港仙)         | <b>188.24</b>                    | (30.54)   |
|                                    |                  |                                  | (Restated)<br>(經重列)   |
| <b>From discontinued operation</b> | <b>來自已終止經營業務</b> |                                  |   |
| – Basic (HK cents)                 | – 基本(港仙)         | <b>(5.79)</b>                    | 37.90   |
| – Diluted (HK cents)               | – 攤薄(港仙)         | <b>(5.79)</b>                    | 37.90   |

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 簡明綜合全面收入報表

For the six months ended 31 December 2022 截至二零二二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

|  |                                     | 2022<br>二零二二年<br>HK\$'000<br>千港元 | 2021<br>二零二一年<br>HK\$'000<br>千港元<br>(Re-presented)<br>(經重述) |
|--|-------------------------------------|----------------------------------|---|
| <b>Profit for the period</b>   | <b>期間溢利</b>                         | <b>275,558</b>                   | 7,733   |
| <b>Other comprehensive (expense)/<br/>income after tax:</b>                                  | <b>除稅後其他全面<br/>(開支)／收入：</b>         |                                  |   |
| <b>Item that may be reclassified to<br/>profit or loss:</b>                                  | <b>可能獲重新分類至<br/>損益之項目：</b>          |                                  |   |
| Exchange differences on<br>translating foreign operations                                    | 換算海外業務<br>匯兌差額                      | <b>(3,041)</b>                   | 1,795   |
| Exchange differences reclassified<br>to profit or loss on<br>deconsolidation of a subsidiary | 終止綜合入賬<br>附屬公司重新<br>分類至損益之<br>匯兌差額  | <b>(31,872)</b>                  | -   |
| <b>Other comprehensive (expense)/<br/>income for the period, net of tax</b>                  | <b>期間其他全面<br/>(開支)／收入，<br/>扣除稅項</b> | <b>(34,913)</b>                  | 1,795   |
| <b>Total comprehensive income<br/>for the period</b>   | <b>期間全面收入總額</b>                     |                                  |   |
| Continuing operation   | 持續經營業務                              | <b>281,226</b>                   | (22,951)  |
| Discontinued operation   | 已終止經營業務                             | <b>(40,581)</b>                  | 32,479  |
|  |                                     | <b>240,645</b>                   | 9,528   |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)  
 簡明綜合全面收入報表(續)

For the six months ended 31 December 2022 截至二零二二年十二月三十一日止六個月

|                           |             | (Unaudited)<br>(未經審核)                                |   |
|---------------------------|-------------|--|---|
|                           |             | Six months ended<br>31 December<br>截至十二月三十一日<br>止六個月 |   |
|                           |             | 2022<br>二零二二年<br>HK\$'000<br>千港元                     | 2021<br>二零二一年<br>HK\$'000<br>千港元<br>(Re-presented)<br>(經重述) |
| <b>Attributable to:</b>   | <b>應佔：</b>  |  |   |
| Owners of the Company     | 本公司擁有人      |  |   |
| Continuing operation      | 持續經營業務      | 282,428  | (25,632)  |
| Discontinued operation    | 已終止經營<br>業務 | (40,581)   | 32,479  |
|                           |             | 241,847  | 6,847   |
| Non-controlling interests | 非控股權益       |  |   |
| Continuing operation      | 持續經營業務      | (1,202)  | 2,681   |
|                           |             | 240,645  | 9,528   |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 簡明綜合財務狀況報表

As at 31 December 2022 於二零二二年十二月三十一日

|   |                   | (Unaudited)<br>(未經審核)<br>31 December<br>2022<br>二零二二年<br>十二月三十一日<br>HK\$'000<br>千港元 | (Audited)<br>(經審核)<br>30 June<br>2022<br>二零二二年<br>六月三十日<br>HK\$'000<br>千港元 |
|---|-------------------|---|--|
|   |                   | Notes<br>附註   |  |
| <b>Non-current assets</b>                             | <b>非流動資產</b>      |   |  |
| Property, plant and equipment                         | 物業、廠房及設備          | 773,785   | 840,473  |
| Right-of-use assets                                   | 使用權資產             | 234,990   | 247,791  |
|   |                   | <b>1,008,775</b>  | 1,088,264  |
| <b>Current assets</b>                                 | <b>流動資產</b>       |   |  |
| Inventories   | 存貨                | 5,409   | 22,197   |
| Trade receivables                                     | 應收貿易賬項            | 5,407   | 29,759   |
| Prepayments, deposits and other receivables           | 預付款項、訂金及其他應收款項    | 39,263  | 73,803   |
| Financial assets at fair value through profit or loss | 按公平值計入損益之金融資產     | 127   | 1,971  |
| Bank and cash balances                                | 銀行及現金結存           | 2,654   | 12,874   |
|   |                   | <b>52,860</b>   | 140,604  |
| Assets classified as held for sale                    | 分類為持作出售的資產        | 8,927   | 9,379  |
|   |                   | <b>61,787</b>   | 149,983  |
| <b>TOTAL ASSETS</b>                                   | <b>總資產</b>        | <b>1,070,562</b>  | 1,238,247  |
| <b>Capital and reserves</b>                           | <b>股本及儲備</b>      |   |  |
| Share capital   | 股本                | 15,073  | 266,056  |
| Reserves  | 儲備                | (616,596)   | (1,139,224)  |
| <b>Equity attributable to owners of the Company</b>   | <b>本公司擁有人應佔權益</b> | <b>(601,523)</b>  | (873,168)  |
| <b>Non-controlling interests</b>                      | <b>非控股權益</b>      | <b>47,116</b>   | 48,318   |
| <b>Total deficit</b>                                  | <b>虧絀總額</b>       | <b>(554,407)</b>  | (824,850)  |



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

As at 31 December 2022 於二零二二年十二月三十一日

|  |                 |    | (Unaudited)<br>(未經審核)<br>31 December<br>2022<br>二零二二年<br>十二月三十一日<br>HK\$'000<br>千港元 | (Audited)<br>(經審核)<br>30 June<br>2022<br>二零二二年<br>六月三十日<br>HK\$'000<br>千港元 |
|--|-----------------|----|---|--|
|  | Notes<br>附註     |    |   |  |
| <b>Non-current liabilities</b>               | <b>非流動負債</b>    |    |   |  |
| Bank loans                                   | 銀行貸款            | 14 | 12,290  | 13,267   |
| Bonds payable                                | 應付債券            | 13 | 892,933   | 916,770  |
| Convertible bonds                            | 可換股債券           |    | 17,737  | 16,538   |
|  |                 |    | <b>922,960</b>  | <b>946,575</b>   |
| <b>Current liabilities</b>                   | <b>流動負債</b>     |    |   |  |
| Trade payables                               | 應付貿易賬項          | 15 | 38,733  | 57,638   |
| Tax payable                                  | 應付稅項            |    | -   | 815  |
| Other payables and accruals                  | 其他應付款項及應計款項     |    | 395,270   | 747,748  |
| Other loans                                  | 其他貸款            |    | 48,308  | 120,400  |
| Bank loans                                   | 銀行貸款            | 14 | 8,812   | 9,115  |
| Bonds payable                                | 應付債券            | 13 | 210,667   | 149,384  |
| Lease liabilities                            | 租賃負債            |    | 219   | 1,483  |
| Convertible bonds                            | 可換股債券           |    | -   | 29,939   |
|  |                 |    | <b>702,009</b>  | <b>1,116,522</b>   |
| <b>Total liabilities</b>                     | <b>總負債</b>      |    | <b>1,624,969</b>  | <b>2,063,097</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>          | <b>總權益及負債</b>   |    | <b>1,070,562</b>  | <b>1,238,247</b>   |
| <b>Net current liabilities</b>               | <b>流動負債淨額</b>   |    | <b>(640,222)</b>  | <b>(966,539)</b>   |
| <b>Total assets less current liabilities</b> | <b>總資產減流動負債</b> |    | <b>368,553</b>  | <b>121,725</b>   |
| <b>Net assets liabilities</b>                | <b>資產負債淨值</b>   |    | <b>(554,407)</b>  | <b>(824,850)</b>   |

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 簡明綜合權益變動報表

For the six months ended 31 December 2022 截至二零二二年十二月三十一日止六個月

|   |                   | (Unaudited)<br>(未經審核)  |                  |   |  |                             |                               |                 |   |                |
|---|-------------------|--|------------------|---|--|-----------------------------|-------------------------------|-----------------|---|----------------|
|   |                   | For the six months ended 31 December 2022<br>截至二零二二年十二月三十一日止六個月<br>Attributable to owners of the Company<br>本公司擁有人應佔 |                  |   |  |                             |                               |                 |   |                |
|   |                   | Issued<br>share<br>capital   | Share<br>premium | Share<br>option<br>reserve<br>購股權<br>儲備 | Convertible<br>bonds<br>reserve<br>可換股債券<br>儲備 | Exchange<br>reserve<br>外匯儲備 | Accumulated<br>losses<br>累計虧損 | Sub-total<br>小計 | Non-<br>controlling<br>interests<br>非控股<br>權益 | Total<br>總計    |
|   |                   | HKS'000<br>千港元   | HKS'000<br>千港元   | HKS'000<br>千港元                          | HKS'000<br>千港元                                 | HKS'000<br>千港元              | HKS'000<br>千港元                | HKS'000<br>千港元  | HKS'000<br>千港元                                | HKS'000<br>千港元 |
| At 1 July 2022  | 於二零二二年<br>七月一日    | 266,056  | 172,006          | 15,588                                  | 12,415   | 122,660                     | (1,461,893)                   | (873,168)       | 48,318  | (824,850)      |
| Total comprehensive<br>(expense)/income<br>for the Period | 期間全面(開支)/<br>收入總額 | -  | -                | -                                       | -  | (32,621)                    | 274,468                       | 241,847         | (1,202)                                       | 240,645        |
| Issue of shares on<br>conversion of<br>convertible bonds  | 轉換可換股債券時<br>發行股份  | 35,400   | -                | -                                       | (5,602)  | -                           | -                             | 29,798          | -   | 29,798         |
| Capital reorganisation                                    | 股本重組              | (286,383)  | 286,383          | -                                       | -  | -                           | -                             | -               | -   | -              |
| Changes in equity<br>for the Period                       | 期間權益變動            | (250,983)  | 286,383          | -                                       | (5,602)  | (32,621)                    | 274,468                       | 271,645         | (1,202)                                       | 270,443        |
| At 31 December 2022                                       | 於二零二二年<br>十二月三十一日 | 15,073   | 458,389          | 15,588                                  | 6,813  | 90,039                      | (1,187,425)                   | (601,523)       | 47,116  | (554,407)      |

## 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 2022 截至二零二二年十二月三十一日止六個月

(Unaudited)

(未經審核)

For the six months ended 31 December 2021

截至二零二一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 | Share premium | Share option reserve | Convertible bonds reserve | Exchange reserve | Accumulated losses | Sub-total | Non-controlling interests | Total    |
|---|---------------|---------------|---------------|----------------------|---------------------------|------------------|--------------------|-----------|---------------------------|----------|
|   |               | 股本            | 股份溢價          | 購股權儲備                | 可換股債券儲備                   | 外匯儲備             | 累計虧損               | 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 2021                            | 於二零二一年七月一日    | 160,371       | 130,318       | 19,385               | 21,461                    | 114,161          | (416,132)          | 29,564    | 59,145                    | 88,709   |
| Total comprehensive income for the Period | 期間全面收入總額      | -             | -             | -                    | -                         | 541              | 6,306              | 6,847     | 2,681                     | 9,528    |
| Repayment of convertible bonds            | 償還可換股債券       | -             | -             | -                    | (14,648)                  | -                | 14,648             | -         | -                         | -        |
| Share placing upon completion of placing  | 配售完成時<br>配售股份 | 17,000        | 23,951        | -                    | -                         | -                | -                  | 40,951    | -                         | 40,951   |
| Lapse of share option                     | 購股權失效         | -             | -             | (3,797)              | -                         | -                | 3,797              | -         | -                         | -        |
| Changes in equity for the Period          | 期間權益變動        | 17,000        | 23,951        | (3,797)              | (14,648)                  | 541              | 24,751             | 47,798    | 2,681                     | 50,479   |
| At 31 December 2021                       | 於二零二一年十二月三十一日 | 177,371       | 154,269       | 15,588               | 6,813                     | 114,702          | (391,381)          | 77,362    | 61,826                    | 139,188  |

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## 簡明綜合現金流量報表

For the six months ended 31 December 2022 截至二零二二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

|   |                          | 2022<br>二零二二年<br>HK\$'000<br>千港元 | 2021<br>二零二一年<br>HK\$'000<br>千港元 |
|---|--------------------------|----------------------------------|----------------------------------|
| NET CASH GENERATED FROM/<br>(USED IN) OPERATING<br>ACTIVITIES | 經營業務所得/<br>(所用)之<br>現金淨額 | 7,532                            | (20,540)                         |
| NET CASH USED IN INVESTING<br>ACTIVITIES                      | 投資活動所用之<br>現金淨額          | (3,272)                          | (1,925)                          |
| NET CASH USED IN FINANCING<br>ACTIVITIES                      | 融資活動所用之<br>現金淨額          | (13,864)                         | (16,976)                         |
| NET DECREASE IN CASH AND<br>CASH EQUIVALENTS                  | 現金及現金等值<br>項目減少淨額        | (9,604)                          | (39,441)                         |
| EFFECT OF FOREIGN<br>EXCHANGE RATE CHANGES                    | 匯率變動之影響                  | (616)                            | 2,432                            |
| CASH AND CASH EQUIVALENTS<br>AT BEGINNING OF PERIOD           | 期初現金及現金<br>等值項目          | 12,874                           | 46,775                           |
| CASH AND CASH EQUIVALENTS<br>AT END OF PERIOD                 | 期終現金及現金<br>等值項目          | 2,654                            | 9,766                            |
| ANALYSIS OF CASH AND<br>CASH EQUIVALENTS                      | 現金及現金等值<br>項目分析          |                                  |                                  |
| Bank and cash balances  | 銀行及現金結存                  | 2,654                            | 9,766                            |

# NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 31 December 2022 截至二零二二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 2022, the Group had net current liabilities of approximately HK\$640,222,000. 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。

於二零二二年十二月三十一日，本集團的流動負債淨額約640,222,000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 2022 截至二零二二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 Company is in the process of negotiating for a settlement of a bond payable to several bondholders in the amount of HK\$211 million. In the event that a settlement is reached between the Company and bondholders, the Company expects the relevant bond payable in the amount of HK\$211 million to be deferred or discounted;
- The Group had several idle right-of-use assets and buildings located in Mudanjiang City, Heilongjiang Province, the People's Republic of China ("PRC") and Hong Kong with a total carrying amount of approximately HK\$103 million and approximately HK\$63 million respectively. These right-of-use assets and buildings are available to be disposed of, which have a total market value of approximately HK\$193 million, in the event the Group requires further financing;

### 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：

- 本公司正就應付若干名債券持有人的211百萬港元債券進行磋商。倘本公司與債券持有人達成和解，本公司預期金額為211百萬港元的相關應付債券將予遞延或貼現；
- 本集團在中華人民共和國（「中國」）黑龍江省牡丹江市及香港擁有數項閒置使用權資產及樓宇，賬面總值分別約為103百萬港元及約63百萬港元。該等使用權資產及樓宇可供出售，總市值約193百萬港元，以備本集團需要進一步融資；

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

For the six months ended 31 December 2022 截至二零二二年十二月三十一日止六個月

### 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

- On 28 December 2020, a subsidiary of the Group, Heihe Longjiang Chemical Limited (“**HLCL**”) entered into an agreement with Heihe Longhe Investment Management Limited (“**HLIML**”), an independent third party, pursuant to which HLCL had agreed to transfer the land use rights of certain lands located in the PRC at an aggregate consideration of approximately RMB156,440,000, comprising approximately RMB139,440,000 with land compensation of RMB17,000,000.

Although the Land Disposal was suspended due to the resumption of operation of the HLCL, the management is of the view that the other payables of approximately RMB139,440,000 due to HLIML will not be recalled in case HLCL is under normal operation; and

- the Group will apply cost cutting measures to reduce administrative expenses and cash outflows for the next twelve months for the reporting period.

### 1. 編製基準及會計政策 (續)

- 於二零二零年十二月二十八日，本集團之附屬公司黑河龍江化工有限公司(「**黑河龍江化工**」)與獨立第三方黑河龍合投資管理有限公司(「**黑河龍合投資管理**」)達成協議，據此，黑河龍江化工同意轉讓位於中國的若干土地的土地使用權，總代價約人民幣156,440,000元，包括約人民幣139,440,000元及土地補償金人民幣17,000,000元。

雖然因黑河龍江化工恢復營運而暫停土地出售事項，但管理層認為，倘黑河龍江化工正常營運，應付黑河龍合投資管理有限責任公司的其他應付款項約人民幣139,440,000元將不會被收回；及

- 本集團將於報告期間採用成本削減措施以減少未來十二個月的行政開支及現金流出。

## 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 2022 截至二零二二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 2022 are the same as those presented in the Group's annual financial statements for the year ended 30 June 2022.

### 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，截至二零二二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二零二二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 2022 截至二零二二年十二月三十一日止六個月

### 2. APPLICATION OF AMENDMENTS TO HKFRSs

The Group has adopted and applied the new standards, amendments to standards and interpretations that has been issued and effective for the accounting periods beginning on 1 July 2022. The adoption of these new standards and amendments to standards has no material impact on the Group's results and financial position. The Group has not early adopted these new standards amendments to standards and interpretations which have been issued by HKICPA but are not yet effective.

### 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.

### 2. 應用香港財務報告準則之修訂本

本集團已採納並應用已發佈並於二零二二年七月一日開始的會計期間生效的新訂準則、準則修訂本及詮釋。採用該等新訂準則及準則修訂本對本集團的業績及財務狀況並無重大影響。本集團並無提前採用香港會計師公會已經發佈但尚未生效的該等新訂準則、準則修訂本及詮釋。

### 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)。



## 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 2022 截至二零二二年十二月三十一日止六個月

### 3. FAIR VALUE MEASUREMENTS (Continued)

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 2022 and 31 December 2022.

### 3. 公平值計量(續)

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。

於二零二二年六月三十日及二零二二年十二月三十一日，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 2022 截至二零二二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。

|                                |          | (Unaudited)<br>(未經審核)                                |   |
|--------------------------------|----------|--|---|
|                                |          | Six months ended<br>31 December<br>截至十二月三十一日<br>止六個月 |   |
|                                |          | 2022<br>二零二二年<br>HK\$'000<br>千港元                     | 2021<br>二零二一年<br>HK\$'000<br>千港元<br>(Re-presented)<br>(經重述) |
| Continuing operation:          | 持續經營業務：  |  |   |
| Sales of calcium carbide       | 銷售碳化鈣    | 83,898   | 145,971   |
| Sales of lime powder           | 銷售石灰粉    | 8,319  | -   |
|                                |          | <b>92,217</b>  | 145,971   |
| Discontinued operation:        | 已終止經營業務： |  |   |
| Heat supplying services        | 熱能供應服務   | 3,766  | 142,014   |
| Electricity supplying services | 電力供應服務   | -  | 11,250  |
|                                |          | <b>3,766</b>   | 153,264   |

## 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 2022 截至二零二二年十二月三十一日止六個月

### 5. SEGMENT INFORMATION 5. 分部資料

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 three 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.

The Group's reporting segment of heat and power and construction services have been presented as discontinued operation following the takeover of Mudanjiang Better Day Power Limited by Mudanjiang Authority of Housing and Urban-Rural Development, a wholly-owned subsidiary of the Group, engaging in the heat and power segment on 26 August 2022 and the disposal of Mudanjiang Jinyang Municipal Engineering Company Limited, a wholly-owned subsidiary of the Group engaging in the construction services segment on 16 June 2022.

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。本集團有以下三個可報告分部：

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。

於二零二二年八月二十六日，從事熱能及電力分部的牡丹江佳日熱電有限公司(本集團全資附屬公司)已由牡丹江市住房和城鄉建設局接管，及於二零二二年六月十六日，已出售從事建築服務分部的牡丹江金陽市政工程有限(本集團全資附屬公司)，緊隨其後，本集團的熱能及電力及建造服務報告分部已列為已終止經營業務。

## 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 2022 截至二零二二年十二月三十一日止六個月

### 5. SEGMENT INFORMATION (Continued)

The accounting policies of the operating segments are the same as those described in the Group's 2022 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 an associate, gain on deconsolidation of a subsidiary and corporate administrative expenses. Segment assets do not include bank and cash balances, financial assets at fair value through profit or loss, investment in an associate, assets classified as held for sale 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(續)

各經營分部之會計政策與本集團二零二二年年報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)、應佔一間聯營公司業績、終止綜合入賬附屬公司之收益及公司行政開支。分部資產並無計入銀行及現金結存、按公平值計入損益之金融資產、於一間聯營公司之投資、分類為持作待售之資產以及公司資產。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 2022 截至二零二二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)<br>(未經審核) |             |                           |           |
|---------------------------------|----------------|-----------------------|-------------|---------------------------|-----------|
|                                 |                | Continuing operation  |             | Discontinued operation    |           |
|                                 |                | Calcium carbide       | Unallocated | 已終止經營業務<br>Heat and power | Total     |
|                                 |                | 碳化鈣                   | 未分配         | 熱能及電力                     | 總計        |
|                                 |                | HK\$'000              | HK\$'000    | HK\$'000                  | HK\$'000  |
|                                 |                | 千港元                   | 千港元         | 千港元                       | 千港元       |
| <b>Six months ended</b>         | <b>截至二零二二年</b> |                       |             |                           |           |
| <b>31 December 2022</b>         | <b>十二月三十一日</b> |                       |             |                           |           |
|                                 | <b>止六個月</b>    |                       |             |                           |           |
| Revenue from external customers | 外界客戶收益         | 92,217                | -           | 3,766                     | 95,983    |
| Segment (loss)/profit           | 分部(虧損)/溢利      | (54,166)              | 338,433     | (8,709)                   | 275,558   |
| <b>As at 31 December 2022</b>   | <b>於二零二二年</b>  |                       |             |                           |           |
|                                 | <b>十二月三十一日</b> |                       |             |                           |           |
| Segment assets                  | 分部資產           | 785,575               | 284,987     | -                         | 1,070,562 |
| Segment liabilities             | 分部負債           | 292,288               | 1,332,681   | -                         | 1,624,969 |

## 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 2022 截至二零二二年十二月三十一日止六個月

### 5. SEGMENT INFORMATION 5. 分部資料(續) (Continued)

|  |                                     | (Unaudited)<br>(未經審核)                        |                                       |   |   | Total<br>總計 |
|--|-------------------------------------|--|---------------------------------------|---|---|-------------|
|  |                                     | Continuing operation<br>持續經營業務               |                                       | Discontinued operations<br>已終止經營業務            |   |             |
|  |                                     | Calcium<br>carbide<br>碳化鈣<br>HK\$'000<br>千港元 | Unallocated<br>未分配<br>HK\$'000<br>千港元 | Heat and<br>power<br>熱能及電力<br>HK\$'000<br>千港元 | Construction<br>services<br>建設服務<br>HK\$'000<br>千港元 |             |
| <b>Six months ended<br/>31 December 2021</b> | <b>截至二零二一年<br/>十二月三十一日<br/>止六個月</b> |  |                                       |   |   |             |
| Revenue from external<br>customers           | 外界客戶收益                              | 145,971                                      | -                                     | 153,264                                       | -   | 299,235     |
| Segment profit/(loss)                        | 分部溢利/(虧損)                           | 16,192                                       | (40,928)                              | 32,479  | (10)  | 7,733       |
| <b>As at 31 December 2021</b>                | <b>於二零二一年<br/>十二月三十一日</b>           |  |                                       |   |   |             |
| Segment assets                               | 分部資產                                | 955,525                                      | 346,813                               | 789,878                                       | 1   | 2,092,217   |
| Segment liabilities                          | 分部負債                                | 305,573                                      | 1,285,532                             | 321,225                                       | 40,699  | 1,953,029   |

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 2022 截至二零二二年十二月三十一日止六個月

**6. OTHER INCOME AND OTHER GAINS OR LOSSES**      **6. 其他收入及其他收益或虧損**

|  |                      | (Unaudited)<br>(未經審核)                                |   |
|--|----------------------|--|---|
|  |                      | Six months ended<br>31 December<br>截至十二月三十一日<br>止六個月 |   |
|  |                      | 2022<br>二零二二年<br>HK\$'000<br>千港元                     | 2021<br>二零二一年<br>HK\$'000<br>千港元<br>(Re-presented)<br>(經重述) |
| Continuing operation:  | 持續經營業務：              |  |   |
| Bank interest income   | 銀行利息收入               | 3  | 8   |
| Other interest income  | 其他利息收入               | -  | 1   |
| Loss 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虧損淨額 | (36)   | -   |
| Gain on conversion of convertible bonds  | 轉換可換股債券之收益           | 198  | -   |
| Property management service income   | 物業管理服務收入             | -  | 149   |
| Government grant   | 政府補助金                | 64   | -   |
| Forfeited of deposit of disposal on subsidiary                                   | 放棄出售一間附屬公司的訂金        | -  | 30,263  |
| Consideration received of disposal on Deconsolidated Subsidiary                  | 出售終止綜合入賬附屬公司所收取的代價   | -  | 3,800   |
| Sundry income  | 雜項收入                 | 209  | 70  |
|  |                      | <b>438</b>   | <b>34,291</b>   |
| Discontinued operation:  | 已終止經營業務：             |  |   |
| Government grant   | 政府補助金                | -  | 5,532   |
| Sundry income  | 雜項收入                 | 20   | 584   |
|  |                      | <b>20</b>  | <b>6,116</b>  |



## 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 2022 截至二零二二年十二月三十一日止六個月

### 7. INCOME TAX EXPENSE

### 7. 所得稅

|             |      | (Unaudited)<br>(未經審核)                                |                                  |
|-------------|------|--|----------------------------------|
|             |      | Six months ended<br>31 December<br>截至十二月三十一日<br>止六個月 |                                  |
|             |      | 2022<br>二零二二年<br>HK\$'000<br>千港元                     | 2021<br>二零二一年<br>HK\$'000<br>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 (2021: 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 (2021: 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(二零二一年：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(二零二一年：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 2022 截至二零二二年十二月三十一日止六個月

## 8. PROFIT FOR THE PERIOD 8. 期間溢利

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

本集團於期間之溢利已扣除下列各項列賬：

|  |                | (Unaudited)<br>(未經審核)                                |                                  |
|--|----------------|--|----------------------------------|
|  |                | Six months ended<br>31 December<br>截至十二月三十一日<br>止六個月 |                                  |
|  |                | 2022<br>二零二二年<br>HK\$'000<br>千港元                     | 2021<br>二零二一年<br>HK\$'000<br>千港元 |
| Depreciation of fixed assets                   | 固定資產折舊         | 27,955   | 16,702                           |
| Depreciation of right-of-use assets            | 使用權資產折舊        | 3,911  | 4,228                            |
| 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     | 7,715  | 17,800                           |
| Retirement benefits scheme contributions       | 退休福利計劃供款       | 1,500  | 3,900                            |
| Directors' emoluments                          | 董事酬金           | 480  | 800                              |

## 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 2022 截至二零二二年十二月三十一日止六個月

### 9. EARNINGS/(LOSS) PER SHARE

#### (a) Basic earnings/(loss) per share

##### From continuing and discontinued operation

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately HK\$274,468,000 (2021: HK\$6,306,000) and on the weighted average number of approximately 150,437,885 ordinary shares in issue during the year (2021 (restated): 85,712,688 ordinary shares adjusted by share consolidation).

##### From continuing operations

The calculation of basic earnings/(loss) per share is based on the profit attributable to owners of the Company of approximately HK\$283,177,000 (2021: loss attributable to owners of the Company of approximately HK\$26,173,000) and on the weighted average number of approximately 150,437,885 ordinary shares in issue during the year (2021 (restated): 85,712,688 ordinary shares adjusted by share consolidation).

### 9. 每股盈利／(虧損)

#### (a) 每股基本盈利／(虧損)

##### 來自持續經營及已終止業務

每股基本盈利乃根據本公司擁有人應佔溢利約274,468,000港元(二零二一年: 6,306,000港元)及年內已發行普通股之加權平均數約為150,437,885股(二零二一年(經重列): 85,712,688股通過股份合併調整的普通股)計算。

##### 來自持續經營業務

每股基本盈利／(虧損)乃根據本公司擁有人應佔溢利約283,177,000港元(二零二一年: 本公司擁有人應佔虧損約26,173,000港元)及年內已發行普通股之加權平均數約為150,437,885股(二零二一年(經重列): 85,712,688股通過股份合併調整的普通股)計算。

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

For the six months ended 31 December 2022 截至二零二二年十二月三十一日止六個月

### 9. EARNINGS/(LOSS) PER SHARE (Continued)

#### (a) Basic earnings/(loss) per share (Continued)

##### From discontinued operation

The calculation of basic earnings/(loss) per share is based on the loss attributable to owners of the Company of approximately HK\$8,709,000 (2021: profit attributable to owners of the Company of approximately HK\$32,479,000) and on the weighted average number of approximately 150,437,885 ordinary shares in issue during the year (2021 (restated): 85,712,688 ordinary shares adjusted by share consolidation).

#### (b) Diluted loss per share

The computation of diluted earnings/(loss) per share for the periods did not assume the exercise of outstanding share options and convertible bonds of the Company since these options have no dilutive effect and convertible bonds were anti-dilutive during the periods ended 31 December 2022 and 2021.

### 10. CAPITAL EXPENDITURE

During the Period, the additions to property, plant and equipment in the PRC were approximately HK\$1,498,000 (2021: HK\$1,925,000).

### 9. 每股盈利／(虧損)(續)

#### (a) 每股基本盈利／(虧損)(續)

##### 來自已終止業務

每股基本盈利／(虧損)乃根據本公司擁有人應佔虧損約8,709,000港元(二零二一年：本公司擁有人應佔溢利約32,479,000港元)及年內已發行普通股之加權平均數約為150,437,885股(二零二一年(經重列)：85,712,688股通過股份合併調整的普通股)計算。

#### (b) 每股攤薄虧損

由於截至二零二二年及二零二一年十二月三十一日止期間，該等購股權不具攤薄作用，且可轉換債券具反攤薄作用，因此計算期間每股攤薄盈利／(虧損)並未假設行使本公司尚未行使的購股權和可換股債券。

### 10. 資本開支

於期間內，在中國添置物業、廠房及設備之金額約為1,498,000港元(二零二一年：1,925,000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 2022 截至二零二二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 15 to 30 days (30 June 2022: 15 to 30 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15至30日(二零二二年六月三十日: 15至30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)<br>(未經審核)<br>31 December<br>2022<br>二零二二年<br>十二月三十一日<br>HK\$'000<br>千港元 | (Audited)<br>(經審核)<br>30 June<br>2022<br>二零二二年<br>六月三十日<br>HK\$'000<br>千港元 |
|-----------------|----------|---|--|
| Within 30 days  | 30日內     | 1,428   | 6,447  |
| 31 to 60 days   | 31至60日   | 253   | 314  |
| 61 to 90 days   | 61至90日   | 3,455   | 1,679  |
| 91 to 120 days  | 91至120日  | -   | 3,990  |
| 121 to 150 days | 121至150日 | -   | 3,456  |
| 151 to 180 days | 151至180日 | 271   | 3,463  |
| 181 to 365 days | 181至365日 | -   | 10,410   |
|                 |          | <b>5,407</b>  | <b>29,759</b>  |

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 2022 截至二零二二年十二月三十一日止六個月

## 12. SHARE CAPITAL

## 12. 股本

|  |  | (Unaudited)<br>(未經審核)<br>31 December<br>2022<br>二零二二年<br>十二月三十一日<br>HK\$'000<br>千港元 | (Audited)<br>(經審核)<br>30 June<br>2022<br>二零二二年<br>六月三十日<br>HK\$'000<br>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                           | <b>500,000</b>  | 500,000  |
| Issued and fully paid  | 已發行及繳足   |   |  |
| 150,728,048 (30 June 2022: 2,660,560,978) ordinary shares of HK\$0.10 each | 150,728,048股(二零二二年六月三十日: 2,660,560,978股)每股面值0.10港元之普通股 | <b>15,073</b>   | 266,056  |

## 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 2022 截至二零二二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<br>ordinary shares<br>issued<br>已發行<br>普通股數目<br>'000<br>千股 | Par value<br>面值<br>HK\$'000<br>千港元 |
|--|-----------------------------------|--|------------------------------------|
| At 1 July 2021   | 於二零二一年<br>七月一日                    | 1,603,707  | 160,371                            |
| Placing of shares (note a)                                       | 配售股份(附註a)                         | 170,000  | 17,000                             |
| Rights issue (note b)  | 供股(附註b)                           | 886,854  | 88,685                             |
| At 30 June 2022 and<br>1 July 2022                               | 於二零二二年<br>六月三十日及<br>二零二二年<br>七月一日 | 2,660,561  | 266,056                            |
| Issue of share on conversion<br>of convertible bonds<br>(note c) | 轉換可換股債券時<br>發行股份(附註c)             | 354,000  | 35,400                             |
| Capital reorganisation<br>(note d)                               | 股本重組(附註d)                         | (2,863,833)  | (286,383)                          |
| At 31 December 2022  | 於二零二二年<br>十二月三十一日                 | 150,728  | 15,073                             |

## 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 2022 截至二零二二年十二月三十一日止六個月

### 12. SHARE CAPITAL (Continued) 12. 股本(續)

Notes:

- (a) On 3 September 2021, a total of 170,000,000 shares with subscription price of HK\$0.25 per share were issued under general mandate pursuant to the subscription agreement dated 24 August 2021. The net proceeds of approximately HK\$40,951,000 was used for repayment of debts and general working capital of the Group.
- (b) On 7 January 2022, a total of 886,853,659 rights shares with subscription price of HK\$0.12 per rights share were allotted and issued pursuant to the underwriting agreement entered on 23 November 2021. The net proceeds of approximately HK\$106,422,000 was used for repayment of the Group's indebtedness and general working capital.
- (c) On 21 June 2022, the Company issued convertible bonds in an aggregate principal amount of HK\$35,400,000 with the rights to converted into 354,000,000 ordinary shares of the Company at conversion price of HK\$0.1 per share. The convertible bonds with carrying amount of approximately HK\$29,939,000 were converted into 354,000,000 ordinary shares on 4 July 2022.
- (d) On 14 December 2022, the Company implemented a share consolidation of every twenty (20) issued existing shares of par value of HK\$0.1 each in the issued share capital of the Company into one (1) issued consolidated share of par value of HK\$2.00 each with effect from 16 December 2022. Immediately following the share consolidation, issued share capital of the Company will be reduced by (a) rounding down the total number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by cancelling any fraction of a Consolidated Share in the issued share capital of the Company; and (b) cancelling the paid up capital of the Company to the extent of HK\$1.9 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$2.0 to HK\$0.1. Details of which are set out in the Company's circular dated 21 November 2022.

附註：

- (a) 於二零二一年九月三日，合共170,000,000股股份，行使價為每股0.25港元已根據日期為二零二一年八月二十四日的認購協議，以一般授權發行。所得款項淨額約40,951,000港元將用於償還本集團債務及一般營運資金。
- (b) 於二零二二年一月七日，已根據於二零二一年十一月二十三日訂立的包銷協議配發及發行合共886,853,659股供股股份，認購價為每股供股股份0.12港元。所得款項淨額約106,422,000港元將用於償還本集團債務及一般營運資金。
- (c) 於二零二二年六月二十一日，本公司發行本金總額為35,400,000港元之可換股債券，並有權按每股0.1港元的換股價轉換為354,000,000股本公司普通股。賬面值約為29,939,000港元的可換股債券已於二零二二年七月四日轉換為354,000,000股普通股。
- (d) 於二零二二年十二月十四日，自二零二二年十二月十六日起，本公司對每二十(20)股每股面值0.1港元的已發行現有股份合併為一(1)股每股面值2.00港元的已發行合併股份。緊隨股份合併後，本公司將透過以下方式削減(a)註銷本公司已發行股本中合併股份的任何零碎股份，從而將本公司已發行股本中合併股份總數向下湊整至最接近整數；及(b)在當時已發行合併股份中每股註銷1.9港元以將每股已發行合併股份之面值由2.0港元削減至0.1港元，藉此註銷本公司之繳足股本。詳情載於本公司日期為二零二二年十一月二十一日之通函。



## 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 2022 截至二零二二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)<br>(未經審核)<br>31 December<br>2022<br>二零二二年<br>十二月三十一日<br>HK\$'000<br>千港元 | (Audited)<br>(經審核)<br>30 June<br>2022<br>二零二二年<br>六月三十日<br>HK\$'000<br>千港元 |
|--|-------------------------|---|--|
| Carrying amount at the beginning of period/year                                  | 於期初／年初之賬面值              | 1,066,154   | 1,085,784  |
| Interest charge for the period/year  | 期內／年內利息開支               | 47,759  | 155,489  |
| Interest paid for the period/year  | 期內／年內之已付利息              | -   | (147,719)  |
| Redemption of bonds  | 償還債券                    | (10,313)  | (8,800)  |
| Settlement of bonds by issuing convertible bonds                                 | 透過發行可換股債券結算債券           | -   | (18,600)   |
| Carrying amount at the end of period/year  | 於期終／年終之賬面值              | 1,103,600   | 1,066,154  |
| Less: Amount due for settlement within 12 months shown under current liabilities | 減：流動負債項下所示於12個月內到期結算的金額 | (210,667)   | (149,384)  |
| Amount due for settlement after 12 months shown under non-current liabilities    | 非流動負債項下所示於12個月後到期結算的金額  | 892,933   | 916,770  |

## 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 2022 截至二零二二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)<br>(未經審核)<br>31 December<br>2022<br>二零二二年<br>十二月三十一日<br>HK\$'000<br>千港元 | (Audited)<br>(經審核)<br>30 June<br>2022<br>二零二二年<br>六月三十日<br>HK\$'000<br>千港元 |
|---|---------------------|---|--|
| Within one year                           | 一年內                 | 214,820   | 157,733  |
| In the second to fifth years<br>inclusive | 第二年至第五年<br>(包括首尾兩年) | 1,033,190   | 1,100,590  |
|   |                     | <b>1,248,010</b>  | 1,258,323  |

The bonds payable are unsecured and interest bearing at coupon rates of 0% to 12% (30 June 2022: 0% to 12%).

應付債券為無抵押及按票息率0厘至12厘計息(二零二二年六月三十日：0厘至12厘)。

The bonds payable are measured at amortised cost, using the effective interest method, and the effective rates are ranging from 0% to 18.92% per annum (30 June 2022: 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0厘至18.92厘(二零二二年六月三十日：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 2022 截至二零二二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)<br>(未經審核)<br><b>31 December<br/>2022</b><br>二零二二年<br>十二月三十一日<br>HK\$'000<br>千港元 | (Audited)<br>(經審核)<br>30 June<br>2022<br>二零二二年<br>六月三十日<br>HK\$'000<br>千港元 |
|---|------------------------------------|---|--|
| Within one year   | 一年內                                | <b>8,812</b>  | 9,115  |
| In the second year  | 第二年                                | <b>2,855</b>  | 2,842  |
| In the third to fifth years<br>inclusive  | 第三至第五年<br>(包括首尾兩年)                 | <b>9,002</b>  | 8,893  |
| After five years  | 五年後                                | <b>433</b>  | 1,532  |
|   |                                    | <b>21,102</b>   | 22,382   |
| Less: Amount due for<br>settlement within<br>12 months (shown<br>under current liabilities) | 減：十二個月內<br>到期償還之<br>款項(列作<br>流動負債) | <b>(8,812)</b>  | (9,115)  |
|   |                                    | <b>12,290</b>   | 13,267   |

## 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 2022 截至二零二二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)<br>(未經審核)<br>31 December<br>2022<br>二零二二年<br>十二月三十一日<br>HK\$'000<br>千港元 | (Audited)<br>(經審核)<br>30 June<br>2022<br>二零二二年<br>六月三十日<br>HK\$'000<br>千港元 |
|-------------------|-----|---|--|
| Hong Kong dollars | 港元  | 15,076  | 16,051   |
| Renminbi          | 人民幣 | 6,026   | 6,331  |
|                   |     | <b>21,102</b>   | 22,382   |

### 15. TRADE PAYABLES

The Group normally obtains credit terms ranging from 30 to 120 days (30 June 2022: 30 to 120 days) from its suppliers.

### 15. 應付貿易賬項

本集團一般獲其供應商給予30至120日(二零二二年六月三十日：30至120日)之信貸期。

## 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 2022 截至二零二二年十二月三十一日止六個月

### 15. TRADE PAYABLES (Continued) 15. 應付貿易賬項(續)

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

以下為應付貿易賬項按接收貨品日期呈列之賬齡分析：

|                 |          | (Unaudited)<br>(未經審核)<br>31 December<br>2022<br>二零二二年<br>十二月三十一日<br>HK\$'000<br>千港元 | (Audited)<br>(經審核)<br>30 June<br>2022<br>二零二二年<br>六月三十日<br>HK\$'000<br>千港元 |
|-----------------|----------|---|--|
| Within 30 days  | 30日內     | 323   | 9,745  |
| 31 to 60 days   | 31至60日   | 3,034   | 3,023  |
| 61 to 90 days   | 61至90日   | 476   | 1,780  |
| 91 to 120 days  | 91至120日  | 115   | 3,170  |
| 121 to 365 days | 121至365日 | 17,756  | 8,515  |
| Over 365 days   | 超過365日   | 17,029  | 31,405   |
|                 |          | <b>38,733</b>   | <b>57,638</b>  |

### 16. DECONSOLIDATION OF A SUBSIDIARY

On 24 August 2022, the Company has received a notice issued by Mudanjiang Authority of Housing and Urban-Rural Development (the "Authority") stating that in order to ensure the stability of the heat supply to the residents of Mudanjiang in the coming winter, the Authority has temporarily taken over the operations of Mudanjiang Better Day Power Limited ("Mudanjiang BD Power") on 26 August 2022. The Company ceased to have control over Mudanjiang BD Power as from the date of taking over of Mudanjiang BD Power by the Authority. Mudanjiang BD Power shall be deemed as deconsolidated from the financial statement of the Group and be classified as a discontinued operation as from 26 August 2022.

### 16. 終止綜合入賬附屬公司

二零二二年八月二十四日，本公司收到牡丹江市住房和城鄉建設局(「當局」)發出的通知，為確保即將到來的冬季牡丹江居民供熱穩定，當局已於二零二二年八月二十六日暫時接管牡丹江佳日熱電有限公司(「牡丹江佳日熱電」)的運營。自當局接管牡丹江佳日熱電之日起，本公司就不再對其進行控制。自二零二二年八月二十六日起，牡丹江佳日熱電將被視為從本集團財務報表中分拆並分類為終止經營。

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 2022 截至二零二二年十二月三十一日止六個月

**16. DECONSOLIDATION OF A  
SUBSIDIARY (Continued)**

The following is the unaudited financial information of Mudanjiang BD Power as at 26 August 2022:

**16. 終止綜合入賬附屬公  
司(續)**

以下為牡丹江佳日熱電於二零二二年八月二十六日之未經審核財務資料：

|   |                | (Unaudited)<br>(未經審核)<br>HK\$'000<br>千港元 |
|---|----------------|--|
| Inventories                                     | 存貨             | 3,599                                    |
| Trade receivables                               | 應收貿易賬項         | 22,012                                   |
| Prepayment, deposits and other receivables      | 預付款項、訂金及其他應收款項 | 12,526                                   |
| Bank and cash balances                          | 銀行及現金結存        | 1,774                                    |
| Trade payables                                  | 應付貿易賬項         | (9,177)                                  |
| Other payables and accruals                     | 其他應付款項及應計費用    | (336,334)                                |
| Other loan                                      | 其他貸款           | (67,208)                                 |
| Net liabilities of Mudanjiang BD Power          | 牡丹江佳日熱電之負債淨額   | (372,808)                                |
| Release of foreign currency translation reserve | 解除外幣匯兌儲備       | (31,872)                                 |
| Gain on deconsolidation of a subsidiary         | 終止綜合入賬附屬公司之收益  | (404,680)                                |

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 2022 截至二零二二年十二月三十一日止六個月

16. DECONSOLIDATION OF A  
SUBSIDIARY (Continued)

Mudanjiang BD Power was engaged in heat and power division, being a separate major line of the Group's businesses, accordingly, the comparative figures for the period ended 31 December 2022 under the reportable segment of heat and power presented in the consolidated statement of profit or loss and other comprehensive income had been re-presented as a discontinued operation. Set out below the financial performance of Mudanjiang BD Power for the period ended 31 December 2022 and 2021 re-presented under discontinued operation:

16. 終止綜合入賬附屬公  
司(續)

牡丹江佳日熱電從事熱能及電力業務，為本集團的獨立主營業務。因此，綜合損益及其他全面收入表中呈列的截至二零二二年十二月三十一日止期間熱能及電力可呈報分部的比較數字已重新呈列為已終止業務。截至二零二二年及二零二一年十二月三十一日止期間，牡丹江佳日熱電已終止業務重新呈列的財務業績載列如下：

|  |                     | (Unaudited)<br>(未經審核)                                |                                  |
|--|---------------------|--|----------------------------------|
|  |                     | Six months ended<br>31 December<br>截至十二月三十一日<br>止六個月 |                                  |
|  |                     | 2022<br>二零二二年<br>HK\$'000<br>千港元                     | 2021<br>二零二一年<br>HK\$'000<br>千港元 |
| Revenue  | 收益                  | 3,766  | 153,264                          |
| Cost of sales  | 銷售成本                | (5,614)  | (103,226)                        |
| Other income and other gains or losses                   | 其他收入及其他收益或虧損        | 20   | 6,116                            |
| Reversal/(provision) of allowance for receivables        | 就應收款項計提撥回/(撥備)      |  |                                  |
| – Trade receivables                                      | – 應收貿易賬項            | 655  | –                                |
| – Prepayments, deposits and other receivables            | – 預付款項、訂金及其他應收款項    | (3,542)  | –                                |
| Selling and distribution expenses                        | 銷售及分銷開支             | (593)  | (10,446)                         |
| Administrative expenses                                  | 行政開支                | (1,098)  | (10,165)                         |
| Other operating expenses                                 | 其他經營開支              | (794)  | –                                |
| Finance costs  | 財務成本                | (1,509)  | (3,064)                          |
| (Loss)/profit for the period from discontinued operation | 來自已終止經營業務的期間(虧損)/溢利 | (8,709)  | 32,479                           |

## 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 2022 截至二零二二年十二月三十一日止六個月

### 17. EVENTS AFTER THE REPORTING PERIOD

On 26 January 2023, the Company completed to allot and issue 376,820,120 new ordinary shares at a subscription price of HK\$0.2 per rights share by way of rights issue to the qualifying shareholders of the Company on the basis of two rights share for every five shares held on the record date. The unaudited net proceeds from the rights issue of approximately HK\$73 million will be used for the repayment of the Group's indebtedness and interest expenses and general working capital of the Group.

### 17. 報告期後事項

於二零二三年一月二十六日，本公司完成按於記錄日期每持有五股股份獲發兩股供股股份之基準，以供股方式向本公司合資格股東配發及發行376,820,120股新普通股，認購價為每股供股股份0.2港元。供股的未經審核所得款項淨額約73百萬港元，將用於償還本集團債務及利息開支，以及作為本集團的一般營運資金。



# 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 (2021: Nil).

### 中期股息

董事已議決不會就期間宣派任何中期股息(二零二一年：無)。

### BUSINESS REVIEW

During the Period, revenue of the Group amounted to approximately HK\$92 million (2021 (restated): approximately HK\$146 million), representing a decrease of approximately 37% compared with that of the last corresponding period. The decrease in the Group's revenue because the production line of coal-related chemical in Heihe City had been suspended for three months since October 2022 due to the outbreak of COVID-19. Profit attributable to the owners of the Company amounted to approximately HK\$274 million (2021: approximately HK\$6 million), representing an increase of 4,252% compared with that of the last corresponding period. The increase in the Group's profit was mainly derived from the deconsolidation of Mudanjiang Better Day Power Limited (the "Deconsolidation"). Details of the Deconsolidation was disclosed in the Note 16 of the Interim Report.

### 業務回顧

於本期間，本集團的收益約為92百萬港元(二零二一年(經重列)：約146百萬港元)，較去年同期減少約37%。由於COVID-19的爆發，自二零二二年十月以來，黑河市的煤相關化工生產線已停產三個月，導致本集團收益減少。本公司擁有人應佔溢利約為274百萬港元(二零二一年：約6百萬港元)，較去年同期增加4,252%。本集團利潤增加乃主要由於牡丹江佳日熱電有限公司終止綜合入賬(「終止綜合入賬」)的所致。終止綜合入賬詳情於中期報告附註16披露。

The Group's selling and distribution costs for the Period was approximately HK\$6 million (2021 (restated): approximately HK\$6 million). There is no significant change in selling and distribution costs.

本集團於本期間之銷售及分銷成本約為6百萬港元(二零二一年(經重列)：約6百萬港元)，銷售及分銷成本並無重大變動。

The Group's administrative expenses for the Period was approximately HK\$52 million (2021 (restated): approximately HK\$19 million), representing an increase of approximately 173% compared with that of the last corresponding period. The increase in administrative expenses was mainly due to provision of depreciation on reclassified from non-current assets held for sale to property, plant and equipment and right-of-use assets; and the suspension of operation of HLCL during the Period.

本集團於本期間之行政開支約為52百萬港元(二零二一年(經重列)：約19百萬港元)，較去年同期增加約173%。行政開支增加乃主要由於從持作待售的非流動資產重分類為不動產、廠房及設備以及使用權資產計提折舊；以及本期間黑河龍江化工暫停營運所致。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析(續)

The Group's other operating expenses for the Period was approximately HK\$7 million (2021 (restated): approximately HK\$9 million), representing a decrease of approximately 24% compared with that of the last corresponding period. The decrease in other operating expenses was due to the result of cost cutting.

本集團於本期間之其他經營開支約為7百萬港元(二零二一年(經重列):約9百萬港元),較去年同期減少約24%。其他經營開支減少乃由於成本消減所致。

### Coal-related chemical production division

### 煤相關化工產品部

The coal-related chemical production division includes the manufacturing and sale of calcium carbide and lime powder (the "CC segment").

煤相關化工產品部包括製造及銷售碳化鈣和石灰粉(「**碳化鈣分部**」)。

During the Period, the CC segment recorded a revenue of approximately HK\$92 million (2021: approximately HK\$146 million) from external customers, representing a decrease of approximately 37% compared with that of the last financial year. The CC segment recorded a gross loss of approximately HK\$2 million (2021: gross profit of approximately HK\$34 million), representing a decrease of approximately 107% compared with that of the last financial year. This is because during the Period, the production line in Heihe City had been suspended for three months since October 2022 due to the outbreak of COVID-19 and the utilisation of production not smoothly by the impact of COVID-19.

於本期間,碳化鈣分部錄得來自外界客戶收益約92百萬港元(二零二一年:約146百萬港元),較上一財政年度減少約37%,碳化鈣分部錄得毛損約2百萬港元(二零二一年:毛利約34百萬港元),較上一財政年度減少約107%。此乃因為於本期間,黑河市的生產線因COVID-19爆發而自二零二二年十月起停工三個月及COVID-19影響導致生產利用不順。

### Heat and power division

### 熱能及電力部

During the Period, the heat and power segment recorded a revenue from discontinued operation of approximately HK\$4 million (2021: approximately HK\$153 million) from external customers, representing a decrease of approximately 98% compared with that of the last corresponding period. The decrease in revenue was due to the Deconsolidation as stated in Note 16 to the Interim Report.

於本期間內,熱能及電力分部錄得來自外部客戶的已終止經營業務收益約4百萬港元(二零二一年:約153百萬港元),較去年同期減少約98%。收益減少乃由於中期報告附註16所述的終止綜合入賬所致。

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

### 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 2022, the Group had total assets of approximately HK\$1,071 million (30 June 2022: HK\$1,238 million), which were financed by current liabilities of approximately HK\$702 million (30 June 2022: HK\$1,117 million), non-current liabilities of approximately HK\$923 million (30 June 2022: HK\$947 million), non-controlling interests of approximately HK\$47 million (30 June 2022: HK\$48 million) and shareholders' equity of deficit by approximately HK\$602 million (30 June 2022: HK\$873 million).

As at 31 December 2022, the current assets of the Group amounted to approximately HK\$62 million (30 June 2022: HK\$150 million), mainly comprising inventories of approximately HK\$5 million (30 June 2022: HK\$22 million), trade receivables of approximately HK\$5 million (30 June 2022: HK\$30 million), prepayments, deposits and other receivables of approximately HK\$39 million (30 June 2022: HK\$74 million), financial assets at fair value through profit or loss of approximately HK\$0.1 million (30 June 2022: HK\$2 million), cash and cash equivalents of approximately HK\$3 million (30 June 2022: HK\$13 million) and assets held for sale of approximately HK\$9 million (30 June 2022: HK\$9 million).

### 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

於二零二二年十二月三十一日，本集團之總資產約為1,071百萬港元(二零二二年六月三十日：1,238百萬港元)，由流動負債約702百萬港元(二零二二年六月三十日：1,117百萬港元)、非流動負債約923百萬港元(二零二二年六月三十日：947百萬港元)、非控股權益約47百萬港元(二零二二年六月三十日：48百萬港元)及擁有人權益約602百萬港元(二零二二年六月三十日：873百萬港元)撥付。

於二零二二年十二月三十一日，本集團之流動資產約為62百萬港元(二零二二年六月三十日：150百萬港元)，主要包括存貨約5百萬港元(二零二二年六月三十日：22百萬港元)、應收貿易賬項約5百萬港元(二零二二年六月三十日：30百萬港元)、預付款項、訂金及其他應收款項約39百萬港元(二零二二年六月三十日：74百萬港元)、按公平值計入損益之金融資產約0.1百萬港元(二零二二年六月三十日：2百萬港元)、現金及現金等值項目約3百萬港元(二零二二年六月三十日：13百萬港元)以及持作待售之資產約9百萬港元(二零二二年六月三十日：9百萬港元)。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析 (續)

As at 31 December 2022, 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 0.1 (30 June 2022: 0.1), 0.1 (30 June 2022: 0.1), 152% (30 June 2022: 167%) and deficit by approximately 293% (30 June 2022: 250%), respectively. 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.

於二零二二年十二月三十一日，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)及債務與權益比率(總債務/擁有人權益)分別約為0.1(二零二二年六月三十日:0.1)、0.1(二零二二年六月三十日:0.1)、152%(二零二二年六月三十日:167%)及赤字月約293%(二零二二年六月三十日:250%)。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。

### Non-equity funding

#### Bank loans

As at 31 December 2022, the bank loans of the Group amounted to approximately HK\$21 million (30 June 2022: HK\$22 million), of which approximately HK\$15 million was denominated in Hong Kong dollars and approximately HK\$6 million was denominated in Renminbi (30 June 2022: HK\$16 million was denominated in Hong Kong dollars and HK\$6 million was denominated in Renminbi). Based on the agreed scheduled repayments set out in the loan agreements, bank loans of approximately HK\$9 million (30 June 2022: HK\$9 million) were repayable within 12 months.

### 非股本集資

#### 銀行貸款

於二零二二年十二月三十一日，本集團之銀行貸款約為21百萬港元(二零二二年六月三十日:22百萬港元)，當中約15百萬港元以港元計值及約6百萬港元以人民幣計值(二零二二年六月三十日:16百萬港元以港元計值及6百萬港元以人民幣計值)。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9百萬港元(二零二二年六月三十日:9百萬港元)。

#### Bonds and other non-equity financing

As at 31 December 2022, the aggregate bonds payable were approximately HK\$1,104 million (30 June 2022: HK\$1,066 million) which were issued for improving the working capital of the Group during the Period.

#### 債券及其他非股本集資

於二零二二年十二月三十一日，應付債券共金額約為1,104百萬港元(二零二二年六月三十日:1,066百萬港元)，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)

#### Equity fund-raising activities

##### Right issue

On 26 January 2023, the Company completed a rights issue. The net proceeds raised from the rights issue by issuing 376,820,120 shares at HK\$0.2 on the basis of five right shares for every two existing shares held were approximately HK\$73 million. As at the date of this report, the proceeds have been utilised as intended.

Details of the Right Issue were disclosed in the announcements of the Company dated 18 October 2022, 10 November 2022 and 26 January 2023.

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

On 24 August 2022, the Company has received a notice issued by Mudanjiang Authority of Housing and Urban-Rural Development (the “**Authority**”) stating that in order to ensure the stability of the heat supply to the residents of Mudanjiang in the coming winter, the Authority has temporarily taken over the operations of Mudanjiang BD Power on 26 August 2022. The Company ceased to have control over Mudanjiang BD Power as from the date of taking over of Mudanjiang BD Power by the Authority. Mudanjiang BD Power shall be deemed as deconsolidated from the financial statement of the Group and be classified as a discontinued operation as from 26 August 2022.

Mudanjiang BD Power is applying for the voluntary winding-up. Upon the completion of the winding-up procedure of Mudanjiang BD Power, there may be a recoverable amount from Mudanjiang BD Power of which would be recorded as a revenue of the Company.

#### 股本籌資活動

##### 供股

二零二三年一月二十六日，本公司完成供股。按每持有兩股現有股份可獲五股供股的基準，以0.2港元的價格發行376,820,120股供股所得款項淨額約為73百萬港元。於本報告日期，所得款項已按擬定用途動用。

供股之詳情於本公司日期為二零二二年十月十八日、二零二二年十一月十日及二零二三年一月二十六日之公告中披露。

#### 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

二零二二年八月二十四日，本集團收到牡丹江市住房和城鄉建設局(「當局」)發出的通知，為確保即將到來的冬季牡丹江居民供熱穩定，當局已於二零二二年八月二十六日暫時接管牡丹江佳日熱電的運營。自有關當局接管牡丹江佳日熱電當日起，本公司已不再對牡丹江佳日熱電擁有任何控制權。自二零二二年八月二十六日起，牡丹江佳日熱電將被視為從本集團財務報表中分拆並分類為終止經營。

牡丹江佳日熱電正在申請自動清盤。於牡丹江佳日熱電清盤程序完成後，牡丹江佳日熱電可能有可收回金額將入賬為本公司的收益。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析(續)

As at 31 December 2022, the Company did not have any significant investments except for the financial assets at fair value through profit or loss of approximately HK\$0.1 million (30 June 2022: HK\$2 million).

#### Charges on the Group's assets

As at 31 December 2022, bank loans and other loans of approximately HK\$21 million (30 June 2022: HK\$22 million) and HK\$48 million (30 June 2022: HK\$120 million), respectively, were secured by charges over the Group's certain property, plant and equipment and right-of-use assets (30 June 2022: property, plant and equipment and right-of-use assets and 51% of equity shares of a PRC wholly owned subsidiary).

#### Contingent liabilities

As at 31 December 2022, the Group did not have any significant contingent liabilities.

## FOREIGN EXCHANGE EXPOSURE

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi, which are the functional currencies of the principal operating entities of the Group. The Directors also consider that there will be sufficient cash resources denominated in Hong Kong dollars for the repayment of borrowings. During the Period, the Group did not use any financial instrument for hedging purposes and the Group did not have any hedging instrument outstanding as at 31 December 2022.

於二零二二年十二月三十一日，除按公平價值計入損益之金融資產約0.1百萬港元(二零二二年六月三十日：2百萬港元)外，本公司並無任何重大投資。

#### 本集團資產之抵押

於二零二二年十二月三十一日，本集團已抵押其若干物業、廠房及設備以及使用權資產(二零二二年六月三十日：物業、廠房及設備以及使用權資產和一家中國全資附屬公司的51%股權)，以獲得分別約21百萬港元(二零二二年六月三十日：22百萬港元)及48百萬港元(二零二二年六月三十日：120百萬港元)之銀行貸款及其他貸款。

#### 或然負債

於二零二二年十二月三十一日，本集團並無任何重大或然負債。

#### 外匯風險

由於本集團大部分業務交易、資產及負債主要以本集團主要業務實體之功能貨幣港元及人民幣列值，故承擔之外匯風險甚微。董事亦認為本集團具備充足港元現金資源以償還借款。於期間內，本集團並無動用任何金融工具作對沖用途，而本集團於二零二二年十二月三十一日亦無任何未平倉之對沖工具。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析(續)

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

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。

### 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.

### 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。

### NUMBER AND REMUNERATION OF EMPLOYEES

As at 31 December 2022, the Group had 77 full time employees in the PRC and Hong Kong (30 June 2022: 496). The Group recognises the importance of human resources to its success. Remuneration is maintained at competitive levels with discretionary bonuses payable on a merit basis and in line with industry practice. Other staff benefits provided by the Group include mandatory provident fund, insurance schemes and performance-related commissions.

### 僱員數目及薪酬

於二零二二年十二月三十一日，本集團於中國及香港之全職僱員人數為77人（二零二二年六月三十日：496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 2022 | Options granted during the Period | Options exercised during the Period | Options cancelled during the Period | Adjustment upon the completion of share consolidation | Options held at 31 December 2022 | Date of grant of Options | Date of expiry of Options | Exercise price of Options per Share |
|------------------------------------|------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|---|----------------------------------|--------------------------|---------------------------|-------------------------------------|
|                                    |                              |                                   |                                     |                                     |   |                                  |                          |                           |                                     |
| <b>Directors</b>                   | <b>董事</b>                    |                                   |                                     |                                     |   |                                  |                          |                           |                                     |
| Chan Yuk Foebe                     | 陳昱                           | 12,451,807                        | -                                   | -                                   | - (11,829,217)  | 622,590                          | 03/11/2020               | 02/11/2023                | HK\$7.94港元                          |
|                                    |                              | <b>12,451,807</b>                 | -                                   | -                                   | - (11,829,217)  | <b>622,590</b>                   |                          |                           |                                     |
| Law Tze Ping Eric                  | 羅子平                          | 12,451,807                        | -                                   | -                                   | - (11,829,217)  | 622,590                          | 03/11/2020               | 02/11/2023                | HK\$7.94港元                          |
|                                    |                              | <b>12,451,807</b>                 | -                                   | -                                   | - (11,829,217)  | <b>622,590</b>                   |                          |                           |                                     |
| Ma Wing Yun Bryan                  | 馬榮欣                          | 8,141,566                         | -                                   | -                                   | - (7,734,488)   | 407,078                          | 03/11/2020               | 02/11/2023                | HK\$7.94港元                          |
|                                    |                              | <b>8,141,566</b>                  | -                                   | -                                   | - (7,734,488)   | <b>407,078</b>                   |                          |                           |                                     |
| Tam Ching Ho                       | 譚政豪                          | 8,141,566                         | -                                   | -                                   | - (7,734,488)   | 407,078                          | 03/11/2020               | 02/11/2023                | HK\$7.94港元                          |
|                                    |                              | <b>8,141,566</b>                  | -                                   | -                                   | - (7,734,488)   | <b>407,078</b>                   |                          |                           |                                     |
| Hau Chi Kit                        | 侯志傑                          | 8,141,566                         | -                                   | -                                   | - (7,734,488)   | 407,078                          | 03/11/2020               | 02/11/2023                | HK\$7.94港元                          |
|                                    |                              | <b>8,141,566</b>                  | -                                   | -                                   | - (7,734,488)   | <b>407,078</b>                   |                          |                           |                                     |
| <b>Other Employees</b>             | <b>其他僱員</b>                  | 49,807,230                        | -                                   | -                                   | - (47,316,867)  | 2,490,363                        | 03/11/2020               | 02/11/2023                | HK\$7.94港元                          |
|                                    |                              | <b>49,807,230</b>                 | -                                   | -                                   | - (47,316,867)  | <b>2,490,363</b>                 |                          |                           |                                     |
| <b>Total</b>                       | <b>總計</b>                    | <b>99,135,542</b>                 | -                                   | -                                   | - (94,178,765)  | <b>4,956,777</b>                 |                          |                           |                                     |



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析(續)

## PROSPECT

Although the COVID-19 pandemic (the “**Pandemic**”) still has an impact on the PRC economies and market price of coal is at its peak, the Board overcome several barriers to resume the production of calcium carbide in Heihe Longjiang Chemical Co., Ltd. (“**Longjiang Chemical**”), a subsidiary of the Company. The Board believes that Longjiang Chemical would be the growth driver of the Group in the forthcoming years.

### Coal-related Chemical Production Division

During the Period, Longjiang Chemical has officially commenced the production of calcium carbide in late June 2021. Longjiang Chemical has two calcium carbide production line with a designed annual production capacity of 100,000 tonnes and could achieve 130,000 tonnes under smooth operation. Research, development, renovation and investment in Longjiang Chemical over the past few years have made its current production more efficient with lower energy consumption, which together with the relatively cheap, yet stable and environmentally-friendly hydropower imported from Russia that accords with the carbon neutrality related policies the state vigorously promotes, will give the Company a competitive advantage. Despite the increase in market selling price of raw coal and other material cost, the increase in market selling price of calcium carbide has been outweighed by the increase in its production cost. Thus, the management expects the profit margin will reach a record high figure. The management will closely monitor the situation and will consider to resume the lower stream operation as well as the polyvinyl-chloride and vinyl acetate production lines.

## 前景

儘管COVID-19疫情(「**疫情**」)對中國經濟仍有所影響，煤炭市價亦處於峰值，但董事會克服重重障礙，恢復了本公司附屬公司黑河龍江化工有限公司(「**龍江化工**」)的碳化鈣生產。董事會相信，龍江化工將成為本集團未來幾年的增長動力。

### 煤相關化工產品部

於本期間，龍江化工已於二零二一年六月底正式投產碳化鈣。龍江化工擁有兩條碳化鈣生產線，設計年產能為100,000噸，在平穩運行的情況下可達到130,000噸。龍江化工在過去幾年的研發、改造及投資使其目前的生產效率更高，能耗更低，再加上從俄羅斯進口相對便宜、穩定及環保的水電，完全符合國家大力推行的碳中和相關政策，將使本公司更具競爭優勢。儘管原煤市場售價及其他材料成本有所上升，碳化鈣的市場售價的增長超過了生產成本的增長。因此，管理層預計利潤率將創歷史新高。管理層將密切關注這一情況，並將考慮恢復下游業務以及聚氯乙烯及醋酸乙烯的生產線。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析(續)

#### Heat and Power Division

The Group had deconsolidated the heat and power division during the period due to the Authority has temporarily taken over the operations.

#### Construction Services Division

The Group had disposed the construction services division during the year ended 30 June 2022 to reduce the burden of the Group.

#### Disposal of Shares by the Single Largest Shareholder in August 2021

The Company was informed by Mr. Chan, the single largest shareholder of the Company, and Beijing Gaoya Investment Management Limited\* (北京高雅投資管理有限公司) (“**Gaoya Investment**”) that on 31 August 2021, Mr. Chan as the vendor and Gaoya Investment as the purchaser entered into a memorandum of understanding (the “**MOU**”), pursuant to which Mr. Chan intended to sell and Gaoya Investment intended to purchase 382,000,000 Shares, representing approximately 23.82% and 21.54% of the total issued share capital of the Company as at the date of the MOU and this report, respectively, at a preliminary selling price of HK\$0.81 per share (the “**Disposal**”). Both parties agreed to sign a definitive subscription agreement within 60 days of the execution of the MOU and the terms and conditions of the subscription Shares shall be subject to the terms of the definitive subscription agreement.

#### 熱能及電力部

由於當局已暫時接管業務，熱能及電力分部於期內已終止綜合入賬本集團業務。

#### 建造服務分部

本集團已於截至二零二二年六月三十日止年度出售建築服務分部，以減輕本集團的負擔。

#### 於二零二一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先生及北京高雅投資管理有限公司(「**高雅投資**」)告知，於二零二一年八月三十一日，陳先生(作為賣方)與高雅投資(作為買方)訂立諒解備忘錄(「**諒解備忘錄**」)，據此，陳先生擬出售而高雅投資擬購入382,000,000股股份，分別相當於本公司於諒解備忘錄及本報告日期已發行股本總額約23.82%及21.54%，初步售價為每股0.81港元(「**出售事項**」)。雙方同意在簽立諒解備忘錄後60日內簽署最終認購協議，而認購股份的條款和條件應以最終認購協議的條款為準。

\* For identification purposes only

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析 (續)

Details of the Disposal were disclosed in the announcements of the Company dated 31 August 2021.

有關出售事項的詳情於本公司日期為二零二一年八月三十一日之公告披露。

#### Proposed Change of Company Name

On 5 July 2021, the Board proposed to change the English name of the Company to “China Zenith Chemical Group Limited” from “Xinyang Maojian Group Limited” and the Chinese secondary name of the Company to “中國天化工集團有限公司” from “信陽毛尖集團有限公司” (the “**Proposed Name Change**”). Details of the Proposed Name Change were disclosed in the announcement of the Company dated 5 July 2021.

#### 建議更改公司名稱

於二零二一年七月五日，董事會建議本公司的英文名稱由「Xinyang Maojian Group Limited」更改為「China Zenith Chemical Group Limited」，本公司的中文第二名稱由「信陽毛尖集團有限公司」更改為「中國天化工集團有限公司」(「**建議名稱更改**」)。有關建議名稱更改的詳情於本公司日期為二零二一年七月五日的公告披露。

#### Termination of disclosable transaction in relation to the disposal of 40% Equity Interests in a Subsidiary

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 Wangsheng (“**Mr. Lv**”), an independent third party, to dispose of 40% of the equity interest (the “**Disposal**”) in Mudanjiang BD Power. As at 28 December 2021, the Disposal has not been completed and Mudanjiang New Energy had only received an aggregate of RMB25 million from Mr. Lv. Given that Mr. Lv has failed to commit further payment in settling the whole consideration of RMB70 million in accordance with the manner stipulated in the Equity Transfer Agreement, the Board announces that the Vendor has exercised its right to terminate the Equity Transfer Agreement on 20 December 2021. Mudanjiang New Energy did not proceed to completion of the Disposal nor execute any Transactions. Mudanjiang New Energy had forfeited the aggregate of RMB25 million received from Mr. Lv upon termination.

#### 終止出售一間附屬公司40%股權之須予披露交易

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)與獨立第三方呂旺盛先生(「**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40%股權(「**出售事項**」)。於二零二一年十二月二十八日，出售事項尚未完成及牡丹江新能源僅從呂先生處收到合共人民幣25百萬元。鑒於呂先生未能按照股權轉讓協議規定的方式承諾進一步支付全額代價人民幣70百萬元，董事會宣佈，賣方已行使權利於二零二一年十二月二十日終止股權轉讓協議。牡丹江新能源並未繼續完成出售事項，亦未執行任何該等交易。牡丹江新能源將於終止後沒收獲取自呂先生的合共人民幣25百萬元。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析 (續)

Details of the Disposal and its termination were disclosed in the announcements of the Company dated 4 September 2020, 19 October 2020 and 28 December 2021, respectively.

#### Disclosable and connected transaction in relation to the disposal of 100% equity interests in a deconsolidated subsidiary

On 7 October 2021, Prosper Path and Mr. Sze entered into the Share Transfer Agreement in respect of the disposal of the 70% of the entire issued shares of the Deconsolidated Subsidiary by Prosper Path to Mr. Sze at cash consideration of HK\$3,800,000.

Mr. Sze held 30% of the entire issued shares of the Deconsolidated Subsidiary and was a director of the Deconsolidated Subsidiary. Accordingly, Mr. Sze was a connected person and the Disposal constituted a connected transaction under Chapter 14A of the Listing Rules. As (i) Mr. Sze was a connected person of the Company at the subsidiary level; (ii) the Board had approved the Disposal; and (iii) the independent non-executive Directors had confirmed that the Disposal is on normal commercial terms and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

有關出售事項及終止出售事項的詳情於本公司日期為二零二零年九月四日、二零二零年十月十九日及二零二一年十二月二十八日的公告內披露。

#### 有關出售終止綜合入賬附屬公司100%股權的須予披露及關連交易

於二零二一年十月七日，Prosper Path與施先生訂立股份轉讓協議，內容有關Prosper Path向施先生出售終止綜合入賬附屬公司全部已發行股份的70%，現金代價為3,800,000港元。

施先生持有終止綜合入賬附屬公司全部已發行股份的30%，且為終止綜合入賬附屬公司的董事。因此，根據上市規則第14A章，施先生是關連人士，而出售事項構成一項關連交易。由於(i)施先生是本公司在附屬公司層面的關連人士；(ii)董事會已批准出售事項；及(iii)獨立非執行董事已確認，出售事項乃按一般商業條款進行，其條款屬公平合理，並符合本公司及股東的整體利益。

## 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, HLCL entered into an agreement (the “**Disposal Agreement**”) with Heihe Longhe Investment Management Limited\*, an independent third party, pursuant to which HLCL had agreed to transfer the land use rights of certain lands (the “**Lands**”) located in the PRC at an aggregate consideration of RMB156.44 million (equivalent to approximately HK\$185.5 million), comprising RMB139.44 million with land compensation of RMB17 million (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 RMB156.44 million (equivalent to approximately HK\$185.5 million) 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.

During the year ended 30 June 2022, the management of the Group resolved to suspend the Land Disposal following the businesses of manufacture and sale of calcium carbide became reactive under which unanimous consent of the Suspension had been reached between Heihe Longjiang Chemical and HLIML.

Details of the Land Disposal were disclosed in the announcements of the Company dated 28 December 2020, 19 January 2021 and 22 March 2021 and the circular of the Company dated 25 February 2021.

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156.44百萬元(相當於約185.5百萬港元)，包括人民幣139.44百萬元以及人民幣17百萬元的土地賠償(「**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156.44百萬元(相當於約185.5百萬港元)，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。

於截至二零二二年六月三十日止年度，由於製造及銷售碳化鈣的業務再次活躍，本集團管理層決議暫停土地出售，黑河龍江化工及黑河龍合投資管理已就暫停出售事項達成一致意見。

有關土地出售事項的詳情於本公司日期為二零二零年十二月二十八日、二零二一年一月十九日及二零二一年三月二十二日之公告及本公司日期為二零二一年二月二十五日之通函內披露。

\* For identification purposes only

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析 (續)

#### Discloseable Transaction in relation to the Acquisition of a Target Company

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 the Acquisition Agreement, Mudanjiang Wine agreed to purchase 100% interests in Beijing Wine for a consideration of HK\$80 million. Upon completion, the consideration shall be settled as to (i) HK\$5 million payable in cash; and (ii) the remaining balance of HK\$75 million by the issue of a promissory note in the principal amount of HK\$75 million by the Company to the Vendors.

On 18 May 2021, as a result of the anticipated difficulty in fulfilling all of the conditions precedent to the Acquisition Agreement, the Acquisition Agreement was terminated according to its terms and none of the parties to the Acquisition Agreement shall have any claims against the others for costs, damages, compensation or otherwise.

Details of the proposed acquisition of Beijing Wine and the subsequent termination of the Acquisition Agreement were disclosed in the announcements of the Company dated 2 February 2021 and 18 May 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.

#### 有關收購目標公司之須予披露交易

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**」)。根據收購協議，牡丹江酒業同意收購北京酒業100%之權益，代價為80百萬港元。於完成後，代價的(i) 5百萬港元將以現金支付；及(ii)餘額75百萬港元將由本公司向賣方以發行本金額為75百萬港元的承兌票據支付。

於二零二一年五月十八日，由於預計達成收購協議所有先決條件甚為困難，故收購協議已按其條款終止，收購協議各方不得向其他方提出任何費用、損害、賠償或其他索償。

建議收購北京酒業及其後終止收購協議的詳情於本公司日期為二零二一年二月二日及二零二一年五月十八日之公告內披露。

## 集團策略

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

## DISCLOSURE OF ADDITIONAL INFORMATION 其他資料披露

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

### 董事於股份及相關股份之 權益或淡倉

As at 31 December 2022, the interests of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") under the Listing Rules were as follows:

於二零二二年十二月三十一日，董事及本公司最高行政人員於本公司及其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益(包括根據證券及期貨條例該等條文彼等被當作或視作擁有之權益及淡倉)；或根據證券及期貨條例第352條須記錄在該條例所述登記冊之權益；或另行根據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<br>陳昱女士     | Beneficial Interest<br>實益權益 | 143,000                               | 0.09%                              | 622,590      | 0.41%                              |
| Mr. Gao Ran<br>高冉先生            | Beneficial Interest<br>實益權益 | 122,000                               | 0.08%                              | -            | -                                  |
| Mr. Law Tze Ping Eric<br>羅子平先生 | Beneficial Interest<br>實益權益 | -                                     | -                                  | 622,590      | 0.41%                              |
| Mr. Liu Yangyang<br>劉洋洋先生      | Beneficial Interest<br>實益權益 | 166,000                               | 0.11%                              | -            | -                                  |
| Mr. Ma Wing Yun Bryan<br>馬榮欣先生 | Beneficial Interest<br>實益權益 | -                                     | -                                  | 407,078      | 0.27%                              |
| Mr. Tam Ching Ho<br>譚政豪先生      | Beneficial Interest<br>實益權益 | -                                     | -                                  | 407,078      | 0.27%                              |
| Mr. Hau Chi Kit<br>侯志傑先生       | Beneficial Interest<br>實益權益 | -                                     | -                                  | 407,078      | 0.27%                              |

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

### 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 2022, 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，於二零二二年十二月三十一日，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 2022, 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，於二零二二年十二月三十一日，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)<br>所持股份數目<br>(好倉) | Approximate percentage of interest in the Company<br>佔本公司權益<br>概約百分比 |
|-----------------------------|---------------------------|---|--|
| 股東姓名                        | 權益性質                      |   |  |
| Mr. Chan Yuen Tung<br>陳遠東先生 | Beneficial owner<br>實益擁有人 | 25,896,876  | 17.18%   |

Save as disclosed above, as far as the Directors are aware, as at 31 December 2022, 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，於二零二二年十二月三十一日，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 C.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C.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

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

### 根據上市規則第13.51B(1)條之董事資料變動

於期間內，概無根據上市規則第13.51B(1)條須予披露之資料。

### AUDIT COMMITTEE

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

### 審核委員會

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

## DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED)

### 其他資料披露(續)

#### REMUNERATION COMMITTEE

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.

#### 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。

#### 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 B.3.1 and B.3.2 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.

#### 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B.3.1及B.3.2條制訂特定書面職權範圍。提名委員會現時由一名執行董事陳昱女士(主席)及三名獨立非執行董事馬榮欣先生、譚政豪先生及侯志傑先生組成。董事會整體連同提名委員會負責檢討董事會之組成、發展及制定提名及委任董事之有關程序、監察委任董事及董事繼任之計劃以及評估獨立非執行董事之獨立身份。

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

### INTERIM REPORT

The 2022 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](http://www.hkexnews.hk) and the website of the Company at [www.chinazenith.com.hk](http://www.chinazenith.com.hk), and dispatched to the shareholders of the Company before the end of March 2023.

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

Hong Kong, 28 February 2023

### 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二零二二年中期報告，將於二零二三年三月底前刊登於香港交易及結算有限公司網站([www.hkexnews.hk](http://www.hkexnews.hk))及本公司網站([www.chinazenith.com.hk](http://www.chinazenith.com.hk))，並寄發予本公司股東。

承董事會命  
主席兼行政總裁  
**陳昱**

香港，二零二三年二月二十八日



**China Zenith Chemical Group Limited**  
**中國天化工集團有限公司**

