



世纪阳光

世紀陽光集團控股有限公司
Century Sunshine Group Holdings Limited

股份代號 Stock Code : 509.HK

成就 · 未來

A B E T T E R F U T U R E

2019 中期報告 INTERIM REPORT

目錄 CONTENTS

2	公司資料	2	Corporate Information
4	財務概要	4	Financial Highlights
6	管理層討論及分析	14	Management Discussion and Analysis
23	未經審核簡明綜合損益表	23	Unaudited Condensed Consolidated Statement of Profit or Loss
24	未經審核簡明綜合全面收益表	24	Unaudited Condensed Consolidated Statement of Comprehensive Income
25	未經審核簡明綜合財務狀況表	25	Unaudited Condensed Consolidated Statement of Financial Position
27	未經審核簡明綜合權益變動表	27	Unaudited Condensed Consolidated Statement of Changes in Equity
28	未經審核簡明綜合現金流量表	28	Unaudited Condensed Consolidated Statement of Cash Flows
29	未經審核簡明綜合中期財務報表附註	29	Notes to the Unaudited Condensed Consolidated Interim Financial Statements
59	其他資料	59	Other Information

公司資料

Corporate Information

董事會

執行董事

池文富(主席)

沈世捷

池靜超

非執行董事

郭孟勇

獨立非執行董事

張省本

盛洪

劉智傑

公司秘書

陸世煒

委員會

審核委員會

張省本(委員會主席)

盛洪

劉智傑

提名委員會

池文富(委員會主席)

張省本

盛洪

薪酬委員會

張省本(委員會主席)

沈世捷

盛洪

劉智傑

總辦事處

香港

九龍尖沙咀廣東道9號

港威大廈第6座11樓1104室

電話： (852) 2802 2165

傳真： (852) 2802 2697

電郵： ir@centurysunshine.com.hk

網址： www.centurysunshine.com.hk

Board of Directors

Executive Directors

Chi Wen Fu (*Chairman*)

Shum Sai Chit

Chi Jing Chao

Non-executive Director

Guo Mengyong

Independent Non-executive Directors

Cheung Sound Poon

Sheng Hong

Lau Chi Kit

Company Secretary

Luk Sai Wai, Simon

Committees

Audit Committee

Cheung Sound Poon (*Committee Chairman*)

Sheng Hong

Lau Chi Kit

Nomination Committee

Chi Wen Fu (*Committee Chairman*)

Cheung Sound Poon

Sheng Hong

Remuneration Committee

Cheung Sound Poon (*Committee Chairman*)

Shum Sai Chit

Sheng Hong

Lau Chi Kit

Head Office

Suite 1104, 11/F, Tower 6, The Gateway,

9 Canton Road, Tsim Sha Tsui, Kowloon

Hong Kong

Telephone: (852) 2802 2165

Fax: (852) 2802 2697

E-mail: ir@centurysunshine.com.hk

Website: www.centurysunshine.com.hk

上市資料

上市地點： 香港聯合交易所有限公司主板

股份代號： 00509

股份資料

本公司每股面值0.02港元之
已發行股份(「股／股份」)

(2019年6月30日)： 4,581,116,843股
市值(2019年6月30日)： 1,007,845,705港元
每手買賣單位： 5,000股

股份過戶登記處

股份過戶登記總處：

SMP Partners (Cayman) Limited
Royal Bank House
3rd Floor, 24 Shedden Road
P.O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

香港股份過戶登記分處：

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Listing Information

Listing: Main Board of The Stock Exchange of
Hong Kong Limited

Stock code: 00509

Share Information

Company's shares of

HK\$0.02 each (the "Shares")

in issue (30 June 2019):

4,581,116,843 Shares

Market capitalisation (30 June 2019): HK\$1,007,845,705

Board lot size:

5,000 Shares

Share Registrar and Transfer Offices

Principal:

SMP Partners (Cayman) Limited
Royal Bank House
3rd Floor, 24 Shedden Road
P.O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

Hong Kong:

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

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

財務概要

Financial Highlights

(i) 財務摘要

Financial Summary

		截至6月30日止六個月 Six months ended 30 June		增加/ (減少) Increased/ (Decrease) (未經審核) (unaudited) 百份比 %
		2019 (未經審核) (unaudited) 千港元 HK\$'000	2018 (未經審核) (unaudited) 千港元 HK\$'000	
收入	Revenue			
• 農業肥料業務	• Fertiliser business	1,357,513	1,379,079	(1.6)
• 金屬鎂產品業務	• Magnesium product business	726,229	795,638	(8.7)
• 煉鋼熔劑業務	• Metallurgical flux business	31,304	33,046	(5.3)
		2,115,046	2,207,763	(4.2)
本公司擁有人應佔溢利	Profit attributable to owners of the Company	214,784	182,581	17.6
每股基本盈利	Basic earnings per share	4.69仙cents	3.99仙cents	17.5
股息	Dividend	-	-	-

		於2019年 6月30日 As at 30 June 2019 (未經審核) (unaudited) 千港元 HK\$'000	於2018年 12月31日 As at 31 December 2018 (經審核) (audited) 千港元 HK\$'000	增加/ (減少) Increased/ (Decrease) (未經審核) (unaudited) 百份比 %
資產總值	Total assets	7,439,571	7,474,567	(0.5)
資產淨值	Net assets	4,170,533	3,956,618	5.4
總借貸	Total borrowings	2,102,640	2,065,073	1.8
股東權益	Shareholders' equity	3,735,712	3,527,885	5.9

(ii) 財務比率

Financial Ratio

		附註 notes	2019	截至6月30日止六個月 Six months ended 30 June			
				2018	2017	2016	2015
股東權益回報率	Return on shareholders' equity	1	5.7%	5.4%	4.3%	4.2%	6.2%
總資產回報率	Return on total assets	2	3.1%	2.8%	2.0%	2.3%	3.8%
盈利對利息倍數	Interest coverage	3	5x倍	4x倍	3x倍	4x倍	8x倍

		附註 notes	於 2019年 6月30日 As at 30 June 2019	於12月31日 As at 31 December			
				2018	2017	2016	2015
負債比率	Gearing ratio	4	28.3%	27.6%	27.3%	29.4%	25.7%
流動比率	Liquidity	5	1x倍	1x倍	1x倍	3x倍	3x倍

附註：

notes:

1. 本公司擁有人應佔期內溢利／股東權益
2. 期內溢利／資產總值
3. 除所得稅及利息開支前溢利／利息開支
4. 總借貸／資產總值
5. 流動資產／流動負債

1. Profit for the period attributable to owners of the Company/ Shareholders' equity
2. Profit for the period/Total assets
3. Profit before income tax and interest expense/Interest expense
4. Total borrowings/Total assets
5. Current assets/Current liabilities

管理層討論及分析

業務回顧

2019年上半年，全球主要經濟體正處於經濟增速放緩、政策糾結和不確定性因素增加的交替中，各主要經濟體增長動能減弱。由美國發起的「貿易戰」，起起伏伏，至今仍未有定數，金融市場因而大幅波動。儘管如此，中國對全球經濟增長的貢獻率已高達30%以上，只要中國經濟能維持較為平穩的增長，全球經濟前景就不會黯淡。中國上半年GDP增長6.3%，經濟總體平穩，結構調整持續。農業方面，中國國家農業部於2015年首次提出《到2020年化肥使用量零增長行動方案》以來，日前農業部傳出消息，這個目標提前實現了——目前農藥使用量已連續3年負增長，化肥使用量實現零增長。國家積極推廣農民施用高效新型肥料以及有機肥替代部分化肥。在2018年底閉幕的中央農村工作會議中，中央農業農村部部長韓長賦就表示：2019年，農業要高質量發展，要著力推進農業綠色發展。隨著2018年全國果菜茶有機肥替代化肥試點增至150個縣，補貼總額15億元，以果菜茶生產為重點，實施有機肥替代化肥，在300個縣開展有機肥示範田。在利好政策推動下，有機肥市場推廣應用將會迎來一個新的爆發期！

世紀陽光集團控股有限公司（「世紀陽光」或「本公司」），連同其附屬公司，統稱「本集團」深耕主營業務，始終致力研發符合國家產業政策鼓勵的綠色生態肥料產品，堅持踐行營養診斷、平衡施肥的綠色發展理念。同時，集團子公司稀鎂科技集團控股有限公司（「稀鎂科技」股份編號00601）專注發展稀土鎂合金新材料業務，矢志引領鎂工業高新技術發展新時代，推動集團經營效益穩步提升。

截至2019年6月30日止六個月（「期內」），本集團整體收入達2,115,046,000港元（2018年：2,207,763,000港元），同比減少約4.2%。整體毛利率錄得25.3%（2018年：24.8%），稅後利潤為228,089,000港元，比去年同期215,097,000港元上升約6%。其中，農業肥料業務期內收入為1,357,513,000港元（2018年：1,379,079,000港元），同比減少約1.6%，主要由於山東紅日生產基地實施退城入園，逐步減少產銷量所致，平均毛利率約23.2%（2018年：23.2%）。本集團通過稀鎂科技持有之金屬鎂產品業務，期內收入為726,229,000港元（2018年：795,638,000港元），同比減少約8.7%，銷售收入減少主要由於調整和優化產品結構，下調低毛利率產品的產銷量所致，同時，期內高性能稀土鎂合金產銷量佔比較去年同期提高了一個百分點，帶動了金屬鎂產品業務之毛利率的上升，平均毛利率約28.4%（2018年：25.4%）。

農業肥料業務

集團於2000年成立，是國內生態類肥料和功能性肥料中生產規模最大及物流服務配套完善的企業，集團充分發揮專利技術優勢，一直致力於研發對環境友好、肥料利用率高的生態類肥料以及功能性肥料，在國家推廣鼓勵施用高效新型肥料以及有機肥的今天，集團積累了近20年深耕綠色生態肥料的經驗以及擁有忠實的客戶網絡、專注研發綠色生態肥料方面的技術專利，持續實施差異化產品競爭策略已經碩果累累。

集團產品分為三大類：一、通用型肥料為農作物提供基本養份的復合(混)肥料，本集團「樂呵呵」、「艷陽天」品牌就是通用型肥料的拳頭產品，享譽國內農資市場，是「2016年農民最值得信賴的肥料品牌50強」，「艷陽天」獲得2018年「中國好肥料卓越貢獻品牌獎」。二、功能性肥料具有提高農作物品質功能以及滿足特別種植需要的肥料，例如集團自主研發的首創產品硅鎂肥；「生命元」新型肥等。三、生態類肥料可改善土壤有機質，增強土地可持續種植能力，對環境友好，符合國家提倡的平衡施肥的政策號召，是綠色生態農業理想的肥料，包括有機肥、生物肥、腐植酸肥、有機無機復混肥等。

本集團不斷優化產品結構，研發及推出高端產品。其中功能性肥料和生態類肥料是本集團的差異化優勢產品，目前已超過40%的收入佔比，受惠於江西基地一期生產線投產後高端系列產品進一步豐富，本集團的肥料產品更加多元化，並不斷促進差異化優勢產品的收入佔比進一步提升。

功能性肥料的代表產品硅鎂肥是本集團自主研發的首創產品，本集團擁有全亞洲最大，儲量豐富，品位優質的蛇紋石礦，確保本集團硅鎂肥原材料低成本持續穩定供應。本集團是肥料行業中唯一擁有於礦石中萃取硅鎂元素技術的肥料企業。硅和鎂已經被業界看作是農作物繼氮、磷、鉀之後的第四大營養元素，硅鎂複合肥產品富含活性硅、鎂等多種有益營養元素，硅鎂肥具有改良土壤的功能，有益於農作物的生長，而且可以調節在不同階段對氮、磷、鉀等其他元素的營養需求，在其他元素過量使用時有抑制供給的作用。近年硅肥產量只能滿足市場3%的需求，硅鎂肥市場需求前景具有巨大的增長潛力。

本集團生態類肥料的代表產品是有機肥，早在2006年，國際金融公司(IFC)看好集團生態有機肥的業務，為集團該業務的擴張提供資金支持，並於2014年入股集團，成為集團的股東，卓有成效地推動集團主營業務朝著生態、環保、健康的軌道持續發展。集團始終秉持綠色、環保、可持續的發展理念，堅持環境友好的綠色產業發展方向和可持續發展路線，加快產業升級，打造綠色、生態產業旗艦，矢志成為引領綠色產業發展的領軍企業。

金屬鎂產品業務

本集團子公司稀鎂科技是以稀土技術應用為核心的稀土鎂合金新材料系列產品研發、生產和銷售的企業，是中國稀土鎂合金新材料研發產銷領軍企業。中國政府高度重視及鼓勵稀土技術的應用，強調要加大科技創新工作力度，不斷提高開發利用的技術水平，延伸產業鏈，提高附加值，國家政策持續利好集團業務發展。在過去的十年，集團與中國科學院長春應用化學研究所建立長期戰略合作關係，研發高性能稀土鎂合金產品。稀鎂科技利用已擁有的22項鎂合金相關生產工藝和制備方法技術專利的領先優勢，將集中資源專注發展稀土鎂合金新材料業務，引領鎂工業高新技術發展新時代。

山東紅日實施「退城入園」工作方案

正如早先集團發布的「內幕消息」公告，本集團附屬公司山東紅日化工股份有限公司（「山東紅日」）將根據山東省政府的要求啟動實施「退城入園」工作。本集團將結合所屬生產基地產銷情況調整部署營運策略，合理調節生產計劃，分步實施產能轉移。在「退城入園」進程中，山東紅日生產基地逐步減產至停產，其產量將分別由本集團位於江西和江蘇的生產基地承接，以確保完成本集團整體生產與銷售目標和滿足客戶對集團肥料產品需求。隨著當地政府優化城市佈局總體規劃的實施和推進，本公司有望受益於山東紅日原廠址土地變更用途後潛在的土地增值效益，實現額外收益。山東紅日「退城入園」工作方案獲當地政府和金融機構支持，企業積極穩妥進行職工分流安置。因此，山東紅日「退城入園」工作方案的實施，董事會認為對本集團的基本業務營運並無構成重大不利影響。

展望

雖然農業部提出的《到2020年化肥使用量零增長行動方案》化肥使用量零增長的目標已實現，但是與全球70%的平均複合化率以及發達國家80%的複合化率相比還有很大差距。複合化率是衡量一個國家化肥工業發展水平和農業發展水平的重要標誌。因此在未來的十年，中國的複合肥以及生態有機肥的使用量將有龐大的增長空間。雖然集團於肥料細分市場擁有領先優勢，未來還將繼續不斷優化產品結構，提高高毛利率及高肥料利用率的綠色生態肥料的佔比，引領生態肥料行業的高質量發展。

本集團將透過三大生產基地銷售公司的整合，有利於達到統籌管理、資源共享、優勢互補、協同作戰的合力效果，目前，銷售網絡已覆蓋中國除西藏以外的省市區域。本集團將持續發揮「艷陽天」、「樂呵呵」以及「天瑞豐收」等知名品牌的市場影響力，繼續拓展市場，進一步提升市場份額。

本集團子公司稀鎂科技也將把握稀土鎂合金產品的發展機遇，積極尋找戰略合作夥伴，不斷優化產品結構，提高高附加值及高性能稀土鎂合金的產銷佔比，持續推行產品差異化競爭策略，引領鎂工業高新技術發展新時代，構建稀土新材料技術創新平台。

集團管理層會不辜負股東對於本集團多年來的厚愛，將繼續秉持綠色、環保、可持續的發展理念，實行差異化產品競爭策略，積極把握潛在機遇，促進集團快速發展，切實踐行「讓作物更高產，讓土壤更肥沃」的企業理念。

主要營運數據

截至2019年6月30日止六個月之未經審核主要營運數據與2018年同期數據比較如下。下表所列的主要業務佔本集團於期內的總收入超過98%。

(a) 主要產品之銷售量：

	2019年 噸	2018年 噸	減少 %
農業肥料業務	538,762	569,533	(5.4)
金屬鎂產品業務	28,395	31,933	(11.1)

(b) 主要產品之平均售價：

	2019年 港元／噸	2018年 港元／噸	增加 %
農業肥料業務	2,520	2,421	4.1
金屬鎂產品業務	25,576	24,862	2.9

(c) 毛利率：

	2019年 %	2018年 %	增加 百分點
農業肥料業務	23.2	23.2	-
金屬鎂產品業務	28.4	25.4	3.0
本集團之整體毛利率	25.3	24.8	0.5

財務回顧

營運收入及毛利

期內，本集團錄得收入約2,115,046,000港元，同比減少4.2%。農業肥料業務、金屬鎂產品業務及煉鋼熔劑業務各佔64.2%、34.3%及1.5% (2018：分別為62.5%、36.0%及1.5%)。

隨著山東紅日「退城入園」工作方案實施，本集團正逐步減少其產銷並轉移至江西和江蘇的生產基地承接。期內農業肥料業務總銷量為538,762噸，同比下降約5.4%，收入約為1,357,513,000港元，同比減少約1.6%。毛利率仍維持在23.2%，和去年同期一樣。

金屬鎂產品業務期內收入約為726,229,000港元同比減少約8.7%。這主要因調整和優化產品結構，調減低毛利率產品的產銷量，導致總銷量下降約11.1%至28,395噸。金屬鎂產品業務本期之整體毛利率約為28.4%，同比上升約3.0%，主要因稀土鎂合金的銷售佔比較去年同期提高了一個百分點，從而帶動了金屬鎂產品業務毛利率的上升。

綜合以上，期內本集團之整體毛利率同比增加約0.5%，至25.3%。

其他收益或虧損淨額

其他收益或虧損淨額約為36,960,000港元，同比增加約43倍，主要來自廢料銷售增加，期內廢料銷售收入約26,242,000港元。

行政開支

本期之行政開支約為105,936,000港元，同比減少約3.4%，主要因期內加強成本管理。行政開支主要包括員工薪酬、折舊及攤銷、審核及專業費用等費用。行政開支維持在收入的約5.0%。

財務費用

本期之財務費用約為82,403,000港元，同比減少約10.2%，主要是減少使用票據作融資，從而令相關較高之利息費用減少。

所得稅開支

本期之所得稅開支約為102,570,000港元，同比增加約31.3%，期內江西基地開始承接山東紅日產銷量，發揮經濟規模效益，並有效地控制成本及費用，提升了農業肥料業務之利潤，因此令相關所得稅開支增加。

利潤

截至2019年6月30日止六個月，本集團的稅後利潤約為228,089,000港元，比去年同期215,097,000港元上升約6.0%。這主要來自整體毛利提升，以及集團對費用調控的成效。隨著山東紅日「退城入園」工作方案實施的開啟及產銷的轉移，集團同比亦減少了山東基地的營運費用。另外，新疆基地於去年10月被國家認定為「高新科技企業」，亦受惠於該政策所帶來之雜項稅務優惠。本集團致力維持高毛利產品的銷售，以求增加收入及整體利潤。

流動資金、負債及財務資源

於2019年6月30日，本集團之現金及銀行結餘合共約533,146,000港元（於2018年12月31日：約717,807,000港元）。

相比2018年12月31日，本集團於2019年6月30日之總借貸增加了約1.8%。而本集團於2019年6月30日之負債比率（總借貸除總資產）約為28.3%（於2018年12月31日：27.6%）。

本集團持續的業務營運及資本開支將由經營所產生的內部現金流，可動用之信貸額度及股本／債務融資應付。

匯率風險管理

本集團主要在中華人民共和國（「中國」）及香港經營業務，故此承受外匯風險，主要涉及港元、人民幣、美元、新加坡元及澳元。外匯風險源於未來商業交易、已確認資產及負債、以及外國經營的投資淨額。本集團現時並無對沖外匯風險。本集團將定期檢討以港元以外之貨幣持有之流動資產及負債以評估外匯風險，並於必要時考慮使用對沖工具。

資產抵押

於2019年6月30日，本集團之物業、廠房及設備、土地使用權和銀行存款已抵押予銀行以取得借貸及應付票據融資，已抵押資產的賬面值分別約為590,289,000港元、167,466,000港元和96,596,000港元（於2018年12月31日：分別約為593,519,000港元、121,165,000港元和149,156,000港元）。

或然負債

於2019年6月30日，本集團並無任何重大或然負債，惟於財務報表附註19所披露除外。

管理層討論及分析

資本結構

於2019年6月30日及2018年12月31日，本公司已發行股本為91,622,337港元，分為4,581,116,843股，每股面值0.02港元。

人力資源

於2019年6月30日，本集團所僱用之員工數目約為3,390名(於2018年12月31日：3,440名)。本集團根據員工之表現、工作經驗和現時市場情況訂定彼等之薪酬。員工福利包括醫療保障、界定供款退休計劃、酌情花紅和僱員購股權計劃。本集團並無發生任何導致正常業務運作受影響之勞資糾紛或僱員數目重大改變。董事們認為本集團與僱員關係良好。

項目概覽

白雲石礦

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

誠如本公司於2010年年報內披露，本集團之白雲石礦乃按中國資源／儲量分類。截至2019年6月30日的估計資源量和儲量，按已開採量逐年核減，得出剩餘資源量及儲量。本集團與以往披露估算假設相比無重大變更。該資源量及儲量由本集團之內部地質專家審核。截至2019年6月30日止六個月，白雲石礦產出量為56,906噸*。與2018年12月31日相比，白雲石礦的資源量及礦石儲量並無重大變動。

截至2019年6月30日止六個月之開採活動開支主要用於直接工資、材料、能源、運輸及折舊攤銷費用等，並已計入銷售成本及於未經審核簡明綜合損益表及未經審核簡明綜合全面收益表內扣除。

截至2019年6月30日止六個月，白雲石礦因開採活動產生之支出約為4,292,000港元，而勘探及開發活動之支出則皆為零港元。

蛇紋石礦

本集團之蛇紋石礦，位於中國江蘇省東海縣。該礦場以露天開採方式操作，不涉及也不需要額外勘探工程，開發活動僅涉及露天開採時的簡易基建工程，並沒有涉及任何地下鑽挖以及結構工程。已開採之蛇紋石直接作為鋼鐵冶煉的輔助材料出售和作為本集團生產硅鎂肥之原材料。礦場的位置鄰近本集團生產基地，原料的運輸成本亦相對很低。

誠如本公司於2010年年報內披露，本集團之蛇紋石礦於2010年購入時，乃按JORC準則將資源／儲量分類。截至2019年6月30日的估計資源量和儲量乃根據購入時的數量，按已開採量逐年核減，得出剩餘資源量及儲量。本集團與以往披露估算假設相比無重大變更。該資源量及儲量由本集團之內部地質專家審核。截至2019年6月30日止六個月，蛇紋石礦產出量為285,863噸*。與2018年12月31日相比，蛇紋石礦的資源量及礦石儲量並無重大變動。

截至2019年6月30日止六個月之開發活動開支主要為排土場及礦場改造及開拓，並已予資本化並計入未經審核簡明綜合財務狀況表內。開採活動開支主要用於直接工資、材料、能源、運輸及折舊攤銷費用等，並已計入銷售成本於未經審核簡明綜合損益表及未經審核簡明綜合全面收益表內扣除。

截至2019年6月30日止六個月，蛇紋石礦因開發活動及開採活動產生之支出分別約為11,126,000港元及15,527,000港元，而勘探活動之支出則為零港元。

* 產出量為白雲石／蛇紋石礦之入庫量，包括期內採礦石量。

Management Discussion and Analysis

Business Review

In the first half of 2019, the growth momentum of the world's major economies was weakened due to policy conflicts and increasing uncertainties. The "trade war" triggered by the United States has led to the high volatility in the financial market. Nevertheless, China has contributed more than 30% of the global economic growth. As long as the economy in China remains stable, the prospect of the global economy will be promising. The Chinese economy is running soundly with a growth of 6.3% in GDP for the first half of 2019 by continuing with the structural adjustment. With regard to agriculture, the Ministry of Agriculture of the People's Republic of China first proposed the "Zero-growth Action Plan for Fertiliser Use by 2020" (《到2020年化肥使用量零增長行動方案》) in 2015. It is reported by the Ministry of Agriculture that the target has been achieved in advance. It is evidenced that the use of pesticides has experienced negative growth for three consecutive years and there is zero growth in the use of chemical fertilisers. The PRC Government actively encourages farmers to use efficient and new fertilisers as well as the organic fertiliser to replace the chemical counterparts. "In 2019, the major focus will be on the development of high-quality agriculture and to push ahead green agriculture. The initiative of replacing chemical fertilisers with organic ones in planting fruits, vegetables and tea nationwide (全國果菜茶有機肥替代化肥) has been expanded to 150 counties in 2018 with total subsidy of RMB1.5 billion. We also have set up demonstration fields in 300 counties to plant fruits, vegetables and tea with organic fertilisers. With the support of these favorable policies, there will be exponential growth in the organic fertiliser market," said Han Changfu (韓長賦), the minister of the Central Ministry of Agriculture and Rural Affairs, during the Central Agricultural Work Conference concluded by the end of 2018.

Century Sunshine Group Holdings Limited ("Century Sunshine" or the "Company," together with its subsidiaries, the "Group") is devoted to its principal business and always work diligently on the research and development of the green fertilisers endorsed by the PRC Government. Amongst all, balanced nutrition, soil testing, use of new, efficient and organic fertilisers will be the themes of national agriculture development as well as the direction of our Group. Meanwhile, Rare Earth Magnesium Technology Group Holdings Limited ("REMT", stock code: 00601), the subsidiary of the Group, concentrates on developing the business of new materials of rare earth magnesium alloy and this will lead to a new era of high and new technology development in the magnesium industry. This also helps elevate the operating results of the Group steadily.

For the six months ended 30 June 2019 (the "Period"), the Group recorded a revenue of HK\$2,115,046,000 (2018: HK\$2,207,763,000), representing a year-on-year decrease of approximately 4.2%. The overall gross profit margin was 25.3% (2018: 24.8%) and profit after tax was increased by approximately 6% from HK\$215,097,000 in corresponding period last year to HK\$228,089,000. Revenue from the fertiliser business for the Period amounted to HK\$1,357,513,000 (2018: HK\$1,379,079,000), representing a year-on-year decrease of approximately 1.6% with the average gross profit margin of 23.2% (2018: 23.2%). The decrease in revenue is mainly due to the implementation of "Relocation to Parks from Cities" work programme by Shangdong Hongri production base and the gradual reduction of production and sales. The magnesium product business held by the Group through REMT for the Period recorded a revenue of HK\$726,229,000 (2018: HK\$795,638,000), representing a year-on-year decrease of approximately 8.7%. The decrease of revenue was mainly caused by the adjustment and optimisation of the product structure to reduce the production and sales of low-margin products. As a result, the ratio of production and sales of rare earth magnesium alloy for the Period has been increased by one percentage point compared to the same period last year, leading to an increase of the gross profit margin of the magnesium product business to approximately 28.4% (2018: 25.4%).

Fertiliser Business

Established in 2000, the Group is the largest producer of ecological fertilisers and functional fertilisers in China with a comprehensive supporting logistics service. By taking full advantage of the proprietary technology, the Group is committed to the research and development of ecological fertilisers and functional fertilisers that are environmentally friendly with high utilisation rate. Today when the use of efficient and new-type fertiliser together with organic fertilisers is promoted and encouraged by the Chinese government, the Group has accumulated close to 20 years of experience in green fertiliser business and possesses a vast network of loyal customers and numerous patents in the research and development of green fertilisers. The Group's competitive strategy in product differentiation has been much paid off.

The products of the Group are categorised into: (i) The general fertiliser is compound fertiliser that provides basic nutrition for crops. Well-known in the agricultural market in China, “Le He He (樂呵呵)” and “Yanyangtian (艷陽天)” are the Group's flagship brands in this category. They were awarded “the Top 50 Farmers' Most Trustworthy Fertiliser Brands in 2016 (2016年農民最值得信賴的肥料品牌50強)”, of which “Yanyangtian (艷陽天)” was rewarded “China's Best Fertiliser (中國好肥料卓越貢獻品牌獎)” in 2018; (ii) The functional fertiliser is capable of improving crops' quality and meeting plants' specific needs. For example, the silicon-magnesium fertiliser is the pioneer product solely developed by the Group and “Sheng Ming Yuan (生命元)” is a newly developed fertiliser; (iii) The ecological fertiliser includes organic fertilisers, bio fertilisers, humic acid fertilisers, organic and inorganic complex that can help to improve soil organic matters and promote sustainable fertility. They are environmentally friendly. They cope with the requirement of balanced fertilisation promoted by the PRC Government and are the perfect fertilisers for green agriculture.

The Group continues to optimise its product structure, invest in research and development and launch high-quality products. Functional fertilisers and ecological fertilisers are differentiated products of the Group, accounting for more than 40% of the total revenue currently. Benefiting from the debut of Jiangxi production base phase one, more high-end fertilisers are produced with more diversified product range. This constantly improves the proportion of differentiated products in terms of revenues.

The silicon-magnesium fertiliser is the flagship product amongst functional fertilisers. It is a unique product of the Group. The Group owns the largest and highest quality serpentine reserve in Asia and this ensures a steady supply of the key raw material for silicon-magnesium fertiliser at a low price. The Group is the only fertiliser enterprise with the technology of extracting silicon and magnesium from ores. The silicon and magnesium are regarded as the fourth important nutrition element following nitrogen, phosphorus and potassium. Si-Mg compound fertiliser products are rich in active silicon, magnesium and other beneficial nutrients. They can help improve the quality of the soil and is beneficial to the growth of crops by adjusting their nutritional requirements for nitrogen, phosphorus, potassium and other elements at different stages. They restrict the activities of other elements when they are in excess. In recent years, the production of silicon fertiliser can only satisfy 3% of the market demand. Therefore an explosive growth in Si-Mg fertiliser is expected.

The representative product of ecological fertilisers is the organic fertiliser. Early in 2006, being optimistic about the organic fertiliser business of the Group, International Finance Corporation (“IFC”) provided financial support to the Group for the expansion of the organic fertiliser business and became a shareholder in 2014. This effectively steered our Group to develop its principal business along an ecological, environmentally friendly and health-conscious theme. Upholding the environmentally friendly concept, the Group is to accelerate our R&D and manufacture of high-end green products and is devoted to becoming the leader in green industries.

Magnesium Product Business

REMT, a subsidiary of our Group, is an enterprise that engages in the research and development, production and sales of the new materials of rare earth magnesium alloys. It focuses on the application of rare earth technology and is a leading enterprise in the industry of the new materials of rare earth magnesium alloys in China. The PRC Government values and encourages the application of rare earth technology, and emphasises on strengthening the utilisation of rare earth resources, extending the industrial chain and increasing the added value of the rare earth. National policies continue to favour the Group's business development. In the past ten years, the Group has established a long-term strategic partnership with the Changchun Institute of Applied Chemistry of Chinese Academy of Sciences to R&D high-end rare earth magnesium alloys. REMT currently possesses 22 patents in magnesium alloy manufacturing process and technologies. REMT will concentrate on developing the business of the new materials of rare earth magnesium alloys and lead to a new era of high and new technology in the magnesium industry.

The Implementation of “Relocation to Parks from Cities” Work Programme by Shandong Hongri

As revealed in the “Inside Information” previously issued by the Group, Shandong Hongri Chemical Joint Stock Company Limited (“Shandong Hongri”), a subsidiary of the Group, will start to implement the “Relocation of Industries from City Urban Area to Industrial Parks (退城入園)” plan (“Relocation to Parks from Cities”) in accordance with the requirements of the Shandong Provincial Government. The Group will adjust the production plan according to customers' demand and transfer production capacity gradually. In implementing the “Relocation to Parks from Cities” plan, Shandong Hongri has gradually reduced and will eventually cease production, and its capacity will be taken over by the Group's Jiangxi and Jiangsu production base respectively in order to ensure the overall production and sales of the Group and fulfill customers' requirements satisfactorily. Following the local government's urbanisation plan, the Company expects to benefit from the potential appreciation of the value of the land which houses Shandong Hongri, after the change of use of the Land, and this is an extra-ordinary income. Shandong Hongri is supported by the local government and financial institutions to work out the “Relocation to Parks from Cities” programme and resettle employees. Therefore, the Board is of the view that the implementation of the “Relocation to Parks from Cities” work programme by Shandong Hongri will not give rise to any material and adverse impact to the operation of the Group.

Prospect

Although the goal in “Zero-growth Action Plan for Fertiliser Use by 2020” issued by the Ministry of Agriculture has been achieved, there are still gaps to attain the average global compound rate of 70% and the compound rate of 80% in developed countries. The compound rate is an important indicator to measure the development level of a country’s fertiliser industry and that of its agriculture. Therefore, in the next decade, the use of compound fertiliser and organic fertiliser in China will have a vast space for growth. Although the Group has a leading advantage in fertiliser segments, it will continue to optimise its product structure and increase the proportion of green fertilisers which are of high gross profit margin and high utilisation rate in the future, leading a high-end development of the green fertiliser industry.

The Group will be through the integration of three sales companies in production bases to achieve the aim of general control, resource sharing, complementary advantages as well as the synergy effect. Currently, other than Tibet, the sales network has covered other provinces and cities in China. The Group will continue to expand the market influence through well-known brands in the industry, such as “Yanyangtian (艷陽天)”, “Le He He (樂呵呵)”, and “Tian Rui Feng Shou” (天瑞豐收), expand the sales network, and further increase the market share.

Further, the Group’s subsidiary REMT will fully capture the developmental opportunities of rare earth magnesium alloys and vigorously seek for strategic cooperation partners, continue to optimise the products structure to increase the portion of high-margin and high-performance rare earth magnesium alloys, implement the competitive strategy of product differentiation, and lead the industry to a new era of high-and-new technologies development, and build a technology innovational platform for the new materials of rare earth magnesium.

The management team of the Group cherishes the long-term support of our shareholders and will live up to their expectation. We will stick to the principle of “green, environmental friendly and sustainable development”, to implement our competitive strategy of product differentiation, to actively seize every potential opportunity, so as to rapidly develop the Group. We will seriously put into practice our corporate philosophy: “make the crops more productive and make the land more fertile”.

Key Operational Data

Unaudited key operational data for the six months ended 30 June 2019, together with the comparative figures for the corresponding period in 2018, are as follows. Main businesses listed below contributed over 98% of the Group's total revenue for the Period.

(a) Sales volume of major products:

	2019 Tonnes	2018 Tonnes	Decrease %
Fertiliser business	538,762	569,533	(5.4)
Magnesium product business	28,395	31,933	(11.1)

(b) Average selling price of major products:

	2019 HK\$/Tonnes	2018 HK\$/Tonnes	Increase %
Fertiliser business	2,520	2,421	4.1
Magnesium product business	25,576	24,862	2.9

(c) Gross profit margin:

	2019 %	2018 %	Increase Percentage Points %
Fertiliser business	23.2	23.2	–
Magnesium product business	28.4	25.4	3.0
The Group's overall gross profit margin	25.3	24.8	0.5

FINANCIAL REVIEW

Operating income and gross profit

The Group recorded a revenue of approximately HK\$2,115,046,000 for the Period, representing a period over period drop of 4.2%. Revenue from fertiliser business, magnesium product business and metallurgical flux business accounted for 64.2%, 34.3% and 1.5% respectively of revenue (2018: 62.5%, 36.0% and 1.5% respectively of revenue).

With the implementation of the “Relocation to Parks from Cities” work programme, Shandong Hongri has gradually reduced its production and sales, and transfer its capacity to the Group’s Jiangxi and Jiangsu bases. For fertiliser business, sales volume for the Period is 538,762 tonnes, dropped by approximately 5.4% period over period, revenue for the Period was approximately HK\$1,357,513,000, drop by approximately 1.6% comparing last corresponding period, gross profit margin maintained at 23.2%, same as last period.

Revenue of magnesium product business was approximately HK\$726,229,000, drop by approximately 8.7%. The decrease in sales revenue was mainly due to the adjustment and optimization of product structure, and the reduction of production and sales of low margin products, as a result, total sales volume dropped by approximately 11.1% to 28,395 tons in the Period. Meanwhile, the proportion of sales of rare earth magnesium alloy increased by one percentage point over the same period of last year, led to an increase in overall gross profit margin of magnesium product business. The overall gross profit margin of magnesium product business was approximately 28.4%, increased by approximately three percentage points over same period last year.

In aggregate, overall gross profit margin of the Group increased by approximately 0.5%, to 25.3%.

Other gain or loss, net

Other gain or loss, net was approximately HK\$36,960,000, representing an increase of approximately 43 times of last period, mainly from increased sale of scrap material. During the Period, sale of scrap material amounted to approximately HK\$26,242,000.

Administrative expense

Administrative expense for the Period was approximately HK\$105,936,000, drop by approximately 3.4%, mainly due to enhancement in cost management in the Period. Administrative expenses mainly comprised of remuneration of employees, depreciation and amortization, audit and professional fees. Administrative expense maintained at approximately 5.0% of revenue.

Finance cost

Finance cost for the Period was approximately HK\$82,403,000, representing a decrease of approximately 10.2% comparing same period of last year. The decrease was mainly due to less financing by bills, thereby reduced related relatively higher interest expenses.

Income tax expense

Income tax expense for the Period was approximately HK\$102,570,000, representing an increase of approximately 31.3% over the same period of last year. Jiangxi base is gradually taking up production and sales of Shandong Hongri, with economic of scale and effectively controlled costs and expenses, thereby increased taxable profit of fertiliser business, as a result, tax thereon increased.

Margin

For the six months ended 30 June 2019, profit after tax of the Group was approximately HK\$228,089,000, representing a growth of approximately 6.0% over same period of last year of HK\$215,097,000. This is mainly due to the overall increase in gross profit and the effectiveness of the Group's regulation of costs. With the commencement of the "Relocation to Parks from Cities" work plan of Shandong Hongri and the transfer of production and sales, the Group also reduced the operating expenses of the Shandong base. In addition, Xinjiang base was recognised as a "High and New Technology Enterprise" by the State in October last year. It also benefited from the various tax concessions brought by the policy. The Group is committed to maintaining sales of high-margin products in order to increase revenues and overall profits.

Liquidity, liabilities and financial resources

As at 30 June 2019, total amount of cash and bank balances of the Group was approximately HK\$533,146,000 (as at 31 December 2018: approximately HK\$717,807,000).

As at 30 June 2019, the Group's total borrowings increased by approximately 1.8% as compared to that as at 31 December 2018. The Group's gearing ratio (calculated by total borrowings over total assets) was approximately 28.3% as at 30 June 2019 (as at 31 December 2018: 27.6%).

The Group's ongoing business operations and capital expenditure will be funded by internal cash flows generated from operations, available credit facilities and equity/debt financings.

Exchange Rate Risk Management

The Group mainly operates in the People's Republic of China (the "PRC") and Hong Kong and is exposed to foreign exchange risk primarily with respect to HK\$, Renminbi, US\$, Singapore dollars and Australian dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group does not presently hedge the foreign exchange risks. The Group will periodically review liquid assets and liabilities held in currencies other than HK\$ to evaluate its foreign exchange risk exposure and consider the usage of hedging instruments when necessary.

Pledge of Assets

As at 30 June 2019, the Group had pledged its property, plant and equipment, land use rights and deposits with banks with carrying amount of approximately HK\$590,289,000, HK\$167,466,000 and HK\$96,596,000 respectively (as at 31 December 2018: approximately HK\$593,519,000, HK\$121,165,000 and HK\$149,156,000 respectively) to secure borrowings and bills payables.

Contingent liabilities

As at 30 June 2019, other than those disclosed in Note 19 to the financial statements, the Group did not have any significant contingent liabilities.

Capital Structure

As at 30 June 2019 and 31 December 2018, the issued share capital of the Company was HK\$91,622,337, divided into 4,581,116,843 shares of HK\$0.02 each.

Human resources

The number of employees of the Group was approximately 3,390 as at 30 June 2019 (as at 31 December 2018: 3,440). The remuneration of employees is determined by the Group with reference to their performance, work experience and current market conditions. Employee benefits include medical insurance, defined contribution retirement plans, discretionary bonus and employee share option scheme. There has been no labour dispute or significant change in the number of employees that affect the normal operations of the Group. The Directors believe that the Group maintains admirable relations with its employees.

Project Overview

Dolomite Mine

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

As disclosed in the 2010 annual report of the Company, the dolomite mine of the Group was reported under the Chinese resource/reserve categories. As at 30 June 2019, the anticipated resource and reserve volumes were determined based on the yearly reduction of quantity mined to calculate the remaining resource and reserve volumes. There is no material change in the assumptions of estimation by the Group as compared with those previously disclosed. The resource and reserve volumes was reviewed by the Group's internal geological experts. For the six months ended 30 June 2019, the Group completed a dolomite output of 56,906 tonnes*. As compared with the status as at 31 December 2018, there was no material change in the resource estimate and ore reserve of the dolomite mine.

For the six months ended 30 June 2019, the expenditures incurred in mining activities were mainly for direct wages, materials, energy, transportation, depreciation and amortisation, etc. Such expenditures have been included in cost of sales and charged to the unaudited condensed consolidated statement of profit or loss and the unaudited condensed consolidated statement of comprehensive income.

The expenditure incurred in mining activities of the dolomite mine for the six months ended 30 June 2019 was approximately HK\$4,292,000 while the expenditure incurred in exploration and development was HK\$Nil.

Serpentine Mine

The Group's serpentine mine is situated in Donghai County, Jiangsu Province, the PRC. The mine is operated by open-pit method, and therefore no additional exploration works are involved or required. Only simple infrastructure works for open-pit mining are involved in the development activities, and no underground drilling or structural works are involved. The serpentine mined is sold directly as metallurgical flux for iron and steel smelting and is the raw material for producing silicon magnesium fertilisers of the Group. The transportation cost for the raw material is relatively low due to the close proximity of the mine to the production base of the Group.

As disclosed in the 2010 annual report of the Company, the resource/reserve of the Serpentine Mine was reported under the JORC system when it was acquired in 2010. As at 30 June 2019, the anticipated resource and reserve volumes were determined based on the volume at the time of acquisition with the yearly reduction of quantity mined to calculate the remaining resource and reserve volumes. There is no material change in the assumptions of estimation by the Group as compared with those previously disclosed. The resource and reserve volumes were reviewed by the Group's internal geological experts. For the six months ended 30 June 2019, the Group completed a serpentine output of 285,863 tonnes*. As compared with the status as at 31 December 2018, there was no material change in the resource estimate and ore reserve of the serpentine mine.

The expenditures incurred for the six months ended 30 June 2019 in development activities were mainly for dumping site and mining site renovation and development. Such expenditures have been capitalised and included in the unaudited condensed consolidated statement of financial position. The expenditures incurred in mining activities were mainly for direct wages, materials, energy, transportation, depreciation and amortisation, etc. Such expenditures have been included in cost of sales and charged to the unaudited condensed consolidated statement of profit or loss and the unaudited condensed consolidated statement of comprehensive income.

The expenditure incurred in development activities and mining production activities of serpentine for the six months ended 30 June 2019 was approximately HK\$11,126,000 and HK\$15,527,000 respectively while the expenditure incurred in exploration activities was HK\$Nil.

* *Output is the stock-in-quantity from Dolomite/Serpentine mines, including mine extraction for the Period.*

未經審核簡明綜合損益表

Unaudited Condensed Consolidated Statement of Profit or Loss

截至2019年6月30日止六個月
For the six months ended 30 June 2019

		附註 Notes	2019 (未經審核) (unaudited) 千港元 HK\$'000	2018 (未經審核) (unaudited) 千港元 HK\$'000
持續經營業務：	Continuing operations:			
收入	Revenue	4	2,115,046	2,207,763
銷售成本	Cost of sales		(1,579,963)	(1,659,042)
毛利	Gross profit		535,083	548,721
其他收益或虧損淨額	Other gains or losses, net		36,960	853
銷售及市場推廣費用	Selling and marketing costs		(47,630)	(61,510)
行政開支	Administrative expenses		(105,936)	(109,706)
匯兌差額淨值	Exchange difference, net		(5,415)	6,659
財務費用	Finance costs	6	(82,403)	(91,792)
除所得稅前溢利	Profit before income tax		330,659	293,225
所得稅開支	Income tax expense	7	(102,570)	(78,128)
持續經營業務之期內溢利	Profit for the period from continuing operations	8	228,089	215,097
已終止經營業務：	Discontinued operations:			
期內虧損	Loss for the period	10	-	(1,121)
期內溢利	Profit for the period		228,089	213,976
下列人士應佔期內溢利：	Profit for the period attributable to:			
本公司擁有人	Owners of the Company			
— 來自持續經營業務	— from continuing operation		214,784	183,363
— 來自已終止經營業務	— from discontinued operation		-	(782)
非控股權益	Non-controlling interests			
— 來自持續經營業務	— from continuing operation		13,305	31,734
— 來自已終止經營業務	— from discontinued operation		-	(339)
			228,089	213,976
每股盈利：	Earnings per share:			
來自持續及已終止經營業務	From continuing and discontinued operations			
— 基本	— basic	9(a)	4.69仙cents	3.99仙cents
— 攤薄	— diluted	9(b)	4.69仙cents	3.99仙cents
來自持續經營業務	From continuing operations			
— 基本	— basic	9(a)	4.69仙cents	4.00仙cents
— 攤薄	— diluted	9(b)	4.69仙cents	4.00仙cents

未經審核簡明綜合全面收益表

Unaudited Condensed Consolidated Statement of Comprehensive Income

截至2019年6月30日止六個月

For the six months ended 30 June 2019

	附註 Notes	2019 (未經審核) (unaudited) 千港元 HK\$'000	2018 (未經審核) (unaudited) 千港元 HK\$'000
期內溢利	Profit for the period	228,089	213,976
其他全面開支， 扣除所得稅： 其後可能重新分類至 損益之項目： 重估透過其他全面收入 按公允值計量之 股權工具所產生之 虧損淨額 換算海外業務所產生 之匯兌差額	Other comprehensive expenses, net of income tax: Items that may be reclassified subsequently to profit or loss: Net loss arising on revaluation of equity instruments at fair value through other comprehensive income Exchange differences arising from translation of foreign operations	- (17,152)	(3,104) (81,890)
期內其他全面開支， (扣除所得稅)	Other comprehensive expenses for the period (net of income tax)	(17,152)	(84,994)
期內全面收入總額	Total comprehensive income for the period	210,937	128,982
下列人士應佔期內 全面收入／(開支)總額：	Total comprehensive income/ (expenses) for the period attributable to:		
本公司擁有人	Owners of the Company		
－來自持續經營業務	－ from continuing operation	204,849	108,151
－來自已終止經營業務	－ from discontinued operation	-	(1,603)
非控股權益	Non-controlling interests		
－來自持續經營業務	－ from continuing operation	6,088	22,700
－來自已終止經營業務	－ from discontinued operation	-	(266)
		210,937	128,982

未經審核簡明綜合財務狀況表

Unaudited Condensed Consolidated Statement of Financial Position

		於2019年 6月30日 As at 30 June 2019 (未經審核) (unaudited) 千港元 HK\$'000	於2018年 12月31日 As at 31 December 2018 (經審核) (audited) 千港元 HK\$'000
		附註 Notes	
非流動資產	Non-current assets		
土地使用權	Land use rights		285,216
物業、廠房及設備	Property, plant and equipment	12	3,767,246
商譽	Goodwill		197,368
無形資產	Intangible assets		360,660
使用權資產	Right-of-use asset	12	–
採礦權	Mining rights		448,460
已抵押銀行存款	Pledged bank deposits		9,758
			5,309,120
流動資產	Current assets		
按公允值計入損益之股本 工具	Equity instruments at fair value through profit or loss		3,876
存貨	Inventories		689,456
土地使用權	Land use rights		13,492
貿易應收款項及應收票據	Trade and bills receivables	13	373,732
預付款項、按金及其他應收 款項	Prepayment, deposits and other receivables		503,926
銀行及現金結餘	Bank and cash balances		708,049
			2,017,223
分類為持作出售資產	Asset classified as held for sale		113,328
			2,130,451
減：流動負債	Less: Current liabilities		
貿易應付款項及應付票據	Trade and bills payables	14	601,886
應計費用及其他應付款項	Accruals and other payables		214,709
租賃負債	Lease liabilities		–
合約負債	Contract liabilities		348,889
應付所得稅	Income tax payable		40,962
可轉換債券	Exchangeable bonds	15	250,464
借貸	Borrowings	16	836,992
			1,988,899
流動資產淨值	Net current assets		111,957
資產總值減流動負債	Total assets less current liabilities		5,450,672
			5,180,665

未經審核簡明綜合財務狀況表

Unaudited Condensed Consolidated Statement of Financial Position

		於2019年 6月30日 As at 30 June 2019 (未經審核) (unaudited) 千港元 HK\$'000	於2018年 12月31日 As at 31 December 2018 (經審核) (audited) 千港元 HK\$'000
		附註 Notes	
減：非流動負債	Less: Non-current liabilities		
遞延收入	Deferred revenue		69,772
其他應付款項	Other payables		10,310
租賃負債	Lease liabilities	12	-
借貸	Borrowings	16	977,617
遞延稅項負債	Deferred tax liabilities		166,348
			1,280,139
資產淨值	Net assets		3,956,618
本公司擁有人應佔股本 及儲備	Capital and reserves attributable to owners of the Company		
股本	Share capital	17	101,419
儲備	Reserves		3,426,466
			3,735,712
非控股權益	Non-controlling interests		428,733
權益總額	Total equity		4,170,533

未經審核簡明綜合權益變動表

Unaudited Condensed Consolidated Statement of Changes in Equity

截至2019年6月30日止六個月
For the six months ended 30 June 2019

		本公司擁有人應佔 Attributable to owners of the Company												
		股本	股份溢價	資本贖回 儲備	重估儲備	資本儲備	法定儲備	購股權 儲備	外幣換算 儲備	其他儲備	保留盈利	小計	非控股權益	總額
		Share capital (未經審核) (unaudited) 千港元 HK\$'000	Share premium (未經審核) (unaudited) 千港元 HK\$'000	Share redemption reserve (未經審核) (unaudited) 千港元 HK\$'000	Revaluation reserve (未經審核) (unaudited) 千港元 HK\$'000	Capital reserve (未經審核) (unaudited) 千港元 HK\$'000	Statutory reserve (未經審核) (unaudited) 千港元 HK\$'000	Share option reserve (未經審核) (unaudited) 千港元 HK\$'000	Translation reserve (未經審核) (unaudited) 千港元 HK\$'000	Other reserve (未經審核) (unaudited) 千港元 HK\$'000	Retained earnings (未經審核) (unaudited) 千港元 HK\$'000	Sub-total (未經審核) (unaudited) 千港元 HK\$'000	Non- controlling interests (未經審核) (unaudited) 千港元 HK\$'000	Total (未經審核) (unaudited) 千港元 HK\$'000
於2018年1月1日(經審核)	As at 1 January 2018 (audited)	101,419	1,353,356	4,526	8,693	13,666	210,053	3,216	1,932	(232,769)	1,832,290	3,296,382	357,046	3,653,428
期內溢利	Profit for the period	-	-	-	-	-	-	-	-	-	182,581	182,581	31,395	213,976
期內其他全面開支(扣除所得稅)：	Other comprehensive expenses for the period (net of income tax):													
重估透過其他全面收入按公允價值計量之股權工具所產生之虧損淨額	Net loss arising on revaluation of equity instruments at fair value through other comprehensive income	-	-	-	(2,328)	-	-	-	-	-	-	(2,328)	(776)	(3,104)
換算海外業務所產生之匯兌差額	Exchange differences arising from translation of foreign operations	-	-	-	-	-	-	-	(73,705)	-	-	(73,705)	(8,185)	(81,890)
期內全面收入總額	Total comprehensive income for the period	-	-	-	(2,328)	-	-	-	(73,705)	-	182,581	106,548	22,434	128,982
股權結算股份付款之交易	Equity settled share-based transactions	-	-	-	-	-	-	2,267	-	-	-	2,267	-	2,267
於2018年6月30日(未經審核)	As at 30 June 2018 (unaudited)	101,419	1,353,356	4,526	6,365	13,666	210,053	5,483	(71,773)	(232,769)	2,014,871	3,405,197	379,480	3,784,677
於2019年1月1日(經審核)	As at 1 January 2019 (audited)	101,419	1,353,356	4,526	-	13,666	244,242	9,625	(243,203)	(232,769)	2,277,023	3,527,885	428,733	3,956,618
期內溢利	Profit for the period	-	-	-	-	-	-	-	-	-	214,784	214,784	13,305	228,089
期內其他全面開支(扣除所得稅)：	Other comprehensive expenses for the period (net of income tax):													
換算海外業務所產生之匯兌差額	Exchange differences arising from translation of foreign operations	-	-	-	-	-	-	-	(9,935)	-	-	(9,935)	(7,217)	(17,152)
期內全面收入/(開支)總額	Total comprehensive income/(expenses) for the period	-	-	-	-	-	-	-	(9,935)	-	214,784	204,849	6,088	210,937
轉撥至儲備	Transfer of reserve	-	-	-	-	-	676	-	-	-	(676)	-	-	-
股權結算股份付款之交易	Equity settled share-based transactions	-	-	-	-	-	-	2,978	-	-	-	2,978	-	2,978
於2019年6月30日(未經審核)	As at 30 June 2019 (unaudited)	101,419	1,353,356	4,526	-	13,666	244,918	12,603	(253,138)	(232,769)	2,491,131	3,735,712	434,821	4,170,533

未經審核簡明綜合現金流量表

Unaudited Condensed Consolidated Statement of Cash Flows

截至2019年6月30日止六個月

For the six months ended 30 June 2019

		2019 (未經審核) (unaudited) 千港元 HK\$'000	2018 (未經審核) (unaudited) 千港元 HK\$'000
經營活動所產生的現金淨額	Net cash generated from operating activities	191,716	325,364
投資活動所動用的現金淨額	Net cash used in investing activities	(273,821)	(160,740)
融資活動(所動用)/所產生的現金淨額	Net cash (used in)/generated from financing activities	(42,216)	8,329
現金及等同現金項目 (減少)/增加淨額	Net (decrease)/increase in cash and cash equivalents	(124,321)	172,953
期初的現金及等同現金項目	Cash and cash equivalents at the beginning of the period	568,651	655,749
外幣匯率變動的影響	Effect of foreign exchange rate changes	(7,780)	(8,631)
期末的現金及等同現金項目	Cash and cash equivalents at the end of the period	436,550	820,071
現金及等同現金項目 結餘分析	Analysis of balances of cash and cash equivalents		
於未經審核簡明綜合財務狀況表列賬的銀行及現金結餘	Bank and cash balances as stated in the unaudited condensed consolidated statement of financial position	533,146	1,024,665
為貸款及應付票據作抵押擔保之已抵押銀行存款	Pledged deposits with banks pledged as security for borrowings and bills payables	(96,596)	(227,273)
現金及等同現金項目	Cash and cash equivalents	436,550	797,392
分類為持作出售之出售集團資產內的現金及等同現金項目	Cash and cash equivalents included in assets of a disposal group classified as held for sale	-	22,679
於未經審核簡明綜合現金流量表列賬的現金及等同現金項目	Cash and cash equivalents as stated in the unaudited condensed consolidated statement of cash flows	436,550	820,071

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月
For the six months ended 30 June 2019

1. 一般資料

世紀陽光集團控股有限公司(「本公司」)與其附屬公司(統稱「本集團」)主要從事農業肥料業務、金屬鎂產品業務及煉鋼熔劑業務。

本公司乃於2003年1月21日根據開曼群島公司法第22章(1961年法律3, 經綜合及修訂)在開曼群島註冊成立的獲豁免有限公司。本公司的股份於2004年2月17日於香港聯合交易所有限公司(「聯交所」)創業板上市, 自2008年8月1日起, 本公司的股份於聯交所主板上市。

未經審核簡明綜合中期財務報表均以港元(「港元」)為單位, 除非另有說明, 否則所有金額均以最接近千位(「千港元」)計值。

截至2019年6月30日止六個月之未經審核簡明綜合中期財務報表已獲董事會於2019年8月30日批准刊發。

1. General Information

Century Sunshine Group Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in fertiliser business, magnesium product business and metallurgical flux business.

The Company was incorporated in the Cayman Islands on 21 January 2003 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. On 17 February 2004, the Company’s shares were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Company’s shares have been listed on the Main Board of the Stock Exchange since 1 August 2008.

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2019 were approved for issue by the Board on 30 August 2019.

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月

For the six months ended 30 June 2019

2. 編製基準

截至2019年6月30日止六個月之未經審核簡明綜合中期財務報表乃遵照香港會計準則（「香港會計準則」）第34號「中期財務報告」及聯交所主板上市之證券上市規則（「上市規則」）附錄16之適用披露要求而編製。

未經審核簡明綜合中期財務報表須與根據香港財務報告準則（「香港財務報告準則」）編製之截至2018年12月31日止年度之綜合財務報表一併閱讀。

於編製未經審核簡明綜合中期財務報表時，管理層須作出會影響會計政策應用以及資產負債與收支呈報金額之判斷、估計及假設。實際結果可能有別於該等估計。

除因應用新訂香港財務報告準則而導致的會計政策變動外，於編製該等未經審核簡明綜合中期財務報表時，管理層於應用本集團會計政策時作出之重大判斷，以及估計不明朗因素之主要來源，與截至2018年12月31日止年度之綜合財務報表所應用者相同。

2. Basis of Preparation

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2019 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” and the applicable disclosure requirements of Appendix 16 to the Main Board Listing Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The unaudited condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2018, which has been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”).

The preparation of the unaudited condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Other than the changes in accounting policies resulting from application of new HKFRSs, in preparing these unaudited condensed consolidated interim financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimate uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2018.

3. 主要會計政策

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

香港財務報告準則第16號	租賃
香港(國際財務報告詮釋委員會)– 詮釋第23號	所得稅處理之不確定性
香港財務報告準則第9號 (修訂本)	提早還款特性及負補償
香港會計準則第19號 (修訂本)	計劃修訂、縮減或清償
香港會計準則第28號 (修訂本)	於聯營公司及合資公司之 長期權益
香港財務報告準則 (修訂本)	香港財務報告準則2015 年至2017年週期之年 度改進

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

3. Significant Accounting Policies

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

HKFRS 16	<i>Leases</i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i>
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i>
Amendments to HKAS 19	<i>Plan Amendment Curtailment or Settlement</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2015-2017 cycle</i>

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

3.1 應用香港財務報告準則第16號租賃的影響及會計政策變動

本集團已於本中期期間首次應用香港財務報告準則第16號。香港財務報告準則第16號取代香港會計準則第17號租賃（「香港會計準則第17號」）及相關詮釋。

應用香港財務報告準則第16號產生的會計政策重大變動

本集團已根據香港財務報告準則第16號的過渡條文應用以下會計政策。

租賃的定義

倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約為租賃或包含租賃。

就於首次應用日期或之後訂立或修改的合約而言，本集團根據香港財務報告準則第16號的定義於初始或修改日期評估該合約是否為租賃或包含租賃。

除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

作為承租人

將代價分配至合約組成部分

就包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分之合約而言，本集團根據租賃組成部分之相對獨立價格及非租賃組成部分之獨立價格總和將合約代價分配至各租賃組成部分。作為可行權宜方法，當本集團合理預期對財務報表造成之影響不會與組合內個別租賃大不相同，具有類似特徵之租賃會按組合基準入賬。

3.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 Leases (“HKAS 17”), and the related interpretations.

Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date.

Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

短期租賃及低價值資產租賃

對於租期自開始日期起計12個月或以內且並無包含購買選擇權的，本集團應用短期租賃確認豁免。本集團亦對低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款按直線基準於租期內確認為開支。

使用權資產

本集團於租賃開始日期(即相關資產可用日期)確認使用權資產，惟短期租賃及低價值資產租賃除外。使用權資產按成本扣除任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。

使用權資產的成本包括：

- 租賃負債初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減去已獲得的租賃優惠；
- 本集團所產生的任何初始直接成本；及
- 由本集團廢除及移除相關資產，恢復其所在場地或將相關資產恢復到租賃條款及條件所要求的條件所產生的成本估算，除非該等成本乃因生產存貨而產生。

就本集團於租期結束時合理確定獲取相關租賃資產所有權之使用權資產而言，有關使用權資產自開始日期起至可使用年期結束期間計提折舊。在其他情況下，使用權資產按直線基準於其估計可使用年期與租期兩者之較短期間內計提折舊。

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight line basis over the lease term.

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月

For the six months ended 30 June 2019

租賃土地及樓宇

就包含租賃土地及樓宇元素的物業權益付款而言，當付款無法於租賃土地及樓宇項目之間可靠分配時，整個物業呈列為本集團的物業、廠房及設備，惟分類及入賬列作投資物業者除外。

Leasehold land and building

For payments of a property interest which includes both leasehold land and building elements, the entire property is presented as property, plant and equipment of the Group when the payments cannot be allocated reliably between the leasehold land and building elements, except for those that are classified and accounted for as investment properties.

可退回租賃按金

已付可退回租賃按金按照香港財務報告準則第9號金融工具（「香港財務報告準則第9號」）入賬及初步按公允值計量。於初始確認時對公允值的調整視為額外租賃付款，並計入使用權資產的成本。

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments (“HKFRS 9”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

租賃負債

於租賃開始日期，本集團按當日尚未支付的租賃付款現值確認及計量租賃負債。就計算租賃付款現值而言，倘租賃中隱含利率不易確定，則本集團於租賃開始日期使用的增量借款利率進行計算。

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

租賃付款包括：

- 固定款項（包括實質性的固定付款）減去任何已獲得租賃優惠；
- 跟隨指數或比率而定的可變租賃付款；
- 根據剩餘價值擔保預期將支付的金額；
- 本集團合理確定行使購買選擇權的行使價；及
- 倘租期反映本集團會行使選擇權終止租賃，則支付終止租賃的罰款。

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

於開始日期後，租賃負債就應計利息及租賃付款作出調整。

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

倘出現以下情況，本集團重新計量租賃負債（並就相關使用權資產作出相應調整）：

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- 租期有所變動或行使購買選擇權的評估發生變化，在此情況下，相關租賃負債透過使用重新評估日期的經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因進行市場租金調查後市場租金變動／有擔保剩餘價值下預期付款變動而出現變動，在此情況下，相關租賃負債使用初始貼現率貼現經修訂租賃付款而重新計量。

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

租賃的修訂

倘出現以下情況，本集團將租賃的修改作為一項單獨的租賃進行入賬：

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- 租賃修訂通過增加了使用一項或以上相關資產的權利使租賃範圍增大；及
- 租賃代價增加的金額相當於擴大範圍對應的單獨價格，加上以反映特定合約的實際情況對單獨價格進行的任何適當調整。

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

就未作為一項單獨租賃入賬的租賃修改而言，本集團透過使用修改生效日期的經修訂貼現率貼現經修訂租賃付款，根據經修訂租賃的租期重新計量租賃負債。

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月

For the six months ended 30 June 2019

稅項

就計量本集團確認使用權資產及相關租賃負債的租賃交易遞延稅項而言，本集團首先確定稅務扣減是否與使用權資產或租賃負債相關。

因首次應用香港財務報告準則第16號而進行的過渡及產生的影響概要

租賃的定義

本集團已選擇可行權宜方法，就先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）—詮釋第4號釐定安排是否包括租賃識別為租賃的合約應用香港財務報告準則第16號，而並無對先前並未識別為包括租賃的合約應用該準則。因此，本集團並無重新評估於首次應用日期前已存在的合約。

就於2019年1月1日或之後訂立或修訂的合約而言，本集團於評估合約是否包含租賃時根據香港財務報告準則第16號所載的規定應用租賃的定義。

作為承租人

本集團已追溯應用香港財務報告準則第16號，累計影響於首次應用日期（2019年1月1日）確認。於首次應用日期的任何差額於期初保留溢利確認且比較資料不予重列。

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

於過渡時應用香港財務報告準則第16號項下的經修訂追溯方法時，本集團按逐項租賃基準就先前根據香港會計準則第17號分類為經營租賃且與各租賃合約相關的租賃應用以下可行權宜方法：

- i. 依賴通過採用香港會計準則第37號撥備、或然負債及或然資產替代減值審查評估租賃是否屬繁重；
- ii. 選擇不就租期於首次應用日期起計12個月內結束的租賃確認使用權資產及租賃負債；
- iii. 於首次應用日期計量使用權資產時撇除初始直接成本；
- iv. 就類似經濟環境內相似類別相關資產的類似剩餘租期的租賃組合應用單一貼現率；
- v. 根據於首次應用日期的事實及情況於事後釐定本集團帶有續租及終止選擇權的租賃的租期。

於過渡時，本集團已於應用香港財務報告準則第16號後作出以下調整：

於2019年1月1日，本集團確認租賃負債7,473,000港元及使用權資產7,473,000港元。

於確認先前分類為經營租賃的租賃的租賃負債時，本集團已應用於首次應用日期相關集團實體的增量借款利率。所應用的加權平均承租人增量借貸利率為5.15%。

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review;
- ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- iv. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment;
- v. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

The Group recognised lease liabilities of HK\$7,473,000 and right-of-use assets of HK\$7,473,000 at 1 January 2019.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 5.15%.

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月

For the six months ended 30 June 2019

於2019年1月1日採納香港財務報告準則第16號的影響如下：

The impacts arising from the adoption of HKFRS 16 as at 1 January 2019 are as follows:

		(未經審核) (unaudited) 千港元 HK\$'000
資產	Asset	
使用權資產增加	Increase in right-of-use assets	7,473
負債	Liabilities	
租賃負債增加	Increase in lease liabilities	7,473

於2019年1月1日的租賃負債與於2018年12月31日的經營租賃承擔對賬如下：

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

		(未經審核) (unaudited) 千港元 HK\$'000
於2018年12月31日的經營租賃承擔	Operating lease commitments as at 31 December 2018	10,800
於2019年1月1日的加權平均增量借貸利率	Weighted average incremental borrowing rate as at 1 January 2019	5.15%
於2019年1月1日的貼現經營租賃承擔	Discounted operating lease commitments as at 1 January 2019	7,530
減：與短期租賃及剩餘租賃期於2019年12月31日或之前屆滿的租賃相關承擔	Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019	(57)
於2019年1月1日的租賃負債	Lease liabilities as at 1 January 2019	7,473

已於中期未經審核簡明綜合財務狀況表及損益表內確認的金額

Amounts recognised in the interim unaudited condensed consolidated statement of financial position and profit or loss

期內本集團有關土地及樓宇之使用權資產及租賃負債的賬面值及相關變動如下：

The carrying amounts of the Group's right-of-use assets related to lands and buildings and lease liabilities and the movement during the period are as follow:

		使用權資產 Right-of-use assets (未經審核) (unaudited) 千港元 HK\$'000	租賃負債 Lease liabilities (未經審核) (unaudited) 千港元 HK\$'000
於2019年1月1日	As at 1 January 2019	7,473	7,473
添置	Additions	1,554	1,554
折舊開支	Depreciation charge	(1,219)	–
利息開支	Interest expenses	–	194
付款	Payments	–	(1,327)
匯兌調整	Exchange alignment	(33)	(33)
於2019年6月30日	As at 30 June 2019	7,775	7,861

截至2019年6月30日止六個月，本集團確認短期租賃租金支出117,000港元。

The Group recognised rental expense from short-term leases of HK\$117,000 for the six months ended 30 June 2019.

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月

For the six months ended 30 June 2019

4. 收入

4. Revenue

		截至6月30日止六個月 Six months ended 30 June	
		2019 (未經審核) (unaudited) 千港元 HK\$'000	2018 (未經審核) (unaudited) 千港元 HK\$'000
銷售農業肥料產品	Sales of fertiliser products	1,357,513	1,379,079
銷售金屬鎂產品	Sales of magnesium products	726,229	795,638
銷售煉鋼熔劑產品	Sales of metallurgical flux products	31,304	33,046
		2,115,046	2,207,763
確認收入的時間： 於時間點發生	Timing of revenue recognition: A point in time	2,115,046	2,207,763

5. 分部資料

5. Segment Information

就資源調配及分部表現評估向本公司行政總裁(主要營運決策者)報告之資料側重於經營類別。本集團根據香港財務報告準則第8號經營及申報的分部如下：

- 農業肥料業務
- 金屬鎂產品業務
- 煉鋼熔劑業務

有關本集團之可報告分部資料於下文呈報。

Information reported to the Company's Chief Executive Officer, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the operating divisions. The Group's operating and reportable segments under HKFRS 8 are therefore as follows:

- Fertiliser business
- Magnesium product business
- Metallurgical flux business

Information regarding the Group's reportable segments is presented below.

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月
For the six months ended 30 June 2019

(a) 分部收入及業績

截至2019年6月30日止六個月

(a) Segment Revenue and Results

Six months ended 30 June 2019

		農業肥料業務 Fertiliser business (未經審核) (unaudited) 千港元 HK\$'000	金屬鎂產品業務 Magnesium product business (未經審核) (unaudited) 千港元 HK\$'000	煉鋼熔劑業務 Metallurgical flux business (未經審核) (unaudited) 千港元 HK\$'000	合計 Total (未經審核) (unaudited) 千港元 HK\$'000
分部收入	Segment revenue	1,357,513	726,229	32,404	2,116,146
分部間收入	Inter-segment revenue	-	-	(1,100)	(1,100)
來自外部客戶的收入	Revenue from external customers	1,357,513	726,229	31,304	2,115,046
分部業績	Segment results	274,088	201,288	12,077	487,453
其他收益或虧損淨額	Other gains or losses, net				36,960
中央行政費用	Central administrative costs				(105,936)
已變現及未變現匯兌淨差額	Net realised and unrealised exchange differences				(5,415)
財務費用	Finance costs				(82,403)
除所得稅前溢利	Profit before income tax				330,659

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月

For the six months ended 30 June 2019

截至2018年6月30日止六個月

Six months ended 30 June 2018

		農業肥料業務 Fertiliser business (未經審核) (unaudited) 千港元 HK\$'000	金屬鎂產品業務 Magnesium product business (未經審核) (unaudited) 千港元 HK\$'000	煉鋼熔劑業務 Metallurgical flux business (未經審核) (unaudited) 千港元 HK\$'000	合計 Total (未經審核) (unaudited) 千港元 HK\$'000
分部收入	Segment revenue	1,379,079	795,638	50,975	2,225,692
分部間收入	Inter-segment revenue	-	-	(17,929)	(17,929)
來自外部客戶的收入	Revenue from external customers	1,379,079	795,638	33,046	2,207,763
分部業績	Segment results	277,212	195,740	14,259	487,211
其他收益或虧損淨額	Other gains or losses, net				853
中央行政費用	Central administrative costs				(109,706)
已變現及未變現匯兌淨差額	Net realised and unrealised exchange differences				6,659
財務費用	Finance costs				(91,792)
除所得稅前溢利	Profit before income tax				293,225

上文呈列之分部收入，乃代表外部客戶所產生之收入。本期間及以前期間之分部間收入已對銷。分部間交易均按公平基準訂立。

Segment revenue reported above represents revenue generated from external customers. Intersegment revenue has been eliminated in current and last periods. Inter-segment transactions are entered into at arm's length.

可報告分部之會計政策與本集團會計政策相同。分部業績指於並無分配中央行政費用(包括董事薪酬)、已變現及未變現匯兌淨差額、其他收益及虧損淨額、財務費用及所得稅開支情況下各分部之業績。此為向主要營運決策者報告以供其調配資源及評估分部表現之方式。

The accounting policies of the reportable segment are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of central administrative costs including directors' emoluments, net realised and unrealised exchange differences, other net gains or losses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(b) 分部資產

(b) Segment Assets

		於2019年 6月30日 As at 30 June 2019 (未經審核) (unaudited) 千港元 HK\$'000	於2018年 12月31日 As at 31 December 2018 (經審核) (audited) 千港元 HK\$'000
農業肥料業務	Fertiliser business	3,578,601	3,534,478
金屬鎂產品業務	Magnesium product business	2,562,714	2,413,354
煉鋼熔劑業務	Metallurgical flux business	616,735	622,173
		6,758,050	6,570,005
未分配	Unallocated	681,521	904,562
		7,439,571	7,474,567

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月

For the six months ended 30 June 2019

6. 財務費用

6. Finance Costs

		截至6月30日止六個月 Six months ended 30 June	
		2019 (未經審核) (unaudited) 千港元 HK\$'000	2018 (未經審核) (unaudited) 千港元 HK\$'000
上市後償票據之利息	Interest on listed subordinated notes	20,500	20,922
可轉換債券之利息	Interest on exchangeable bonds	18,529	20,190
須於5年內全數償還之借貸的利息	Interest on borrowings wholly repayable within five years	43,374	50,680
借貸成本總額	Total borrowing costs	82,403	91,792

7. 所得稅開支

7. Income Tax Expense

於未經審核簡明綜合損益表及未經審核簡明綜合全面收益表內扣除／(計入)的所得稅開支數額指：

The amount of income tax expense charged/(credited) to the unaudited condensed consolidated statement of profit or loss and the unaudited condensed consolidated statement of comprehensive income represents:

		截至6月30日止六個月 Six months ended 30 June	
		2019 (未經審核) (unaudited) 千港元 HK\$'000	2018 (未經審核) (unaudited) 千港元 HK\$'000
即期稅：	Current tax:		
－中國企業所得稅	－ PRC Enterprises Income Tax	103,892	79,607
－其他	－ Others	21	－
遞延稅項	Deferred taxation	103,913 (1,343)	79,607 (1,479)
		102,570	78,128

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月
For the six months ended 30 June 2019

8. 期內溢利

期內溢利已扣除下列各項：

8. Profit for the Period

Profit for the period has been arrived at after charging:

		截至6月30日止六個月 Six months ended 30 June	
		2019 (未經審核) (unaudited) 千港元 HK\$'000	2018 (未經審核) (unaudited) 千港元 HK\$'000
折舊及攤銷	Depreciation and amortisation	101,747	101,354

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月

For the six months ended 30 June 2019

9. 每股盈利

(a) 基本

每股基本盈利是根據本公司擁有人應佔期內溢利，除以期內已發行普通股加權平均數計算。

9. Earnings Per Share

(a) Basic

Basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

		截至6月30日止六個月 Six months ended 30 June	
		2019 (未經審核) (unaudited)	2018 (未經審核) (unaudited)
盈利	Earnings		
計算每股基本盈利之 母公司普通股權益 持有人應佔溢利：	Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:		
來自持續經營業務 (千港元)	From continuing operations (HK\$'000)	214,784	183,363
來自已終止經營業務 (千港元)	From a discontinued operation (HK\$'000)	-	(782)
		214,784	182,581
已發行普通股加權 平均數(千股)	Weighted average number of ordinary shares in issue (thousand shares)	4,581,117	4,581,117
每股基本盈利(每股港仙)	Basic earnings per share (HK cents per share)		
持續經營業務及已終止 經營業務	Continuing operations and discontinued operation	4.69	4.00
持續經營業務	Continuing operation	4.69	3.99

(b) 攤薄

每股攤薄盈利是假設轉換所有攤薄性潛在普通股，以調整已發行普通股加權平均數計算。本公司有一類攤薄性潛在普通股：購股權（2018年：購股權）。

就購股權而言，本公司按尚未行使購股權所附之認購權貨幣值，計算若按公允值（以本公司期內之股份平均市場價值釐定）能購入的股份數目。按上文所述計算的股份數目，與假設行使購股權後所發行的股份數目作一比較。

由於購股權行使價高於截至2019年6月30日止期間的股份平均市價，故計算每股攤薄盈利時並無假設行使本公司的購股權。

由於發行在外之購股權具反攤薄效應，截至2019年及2018年6月30日止六個月的每股基本及攤薄盈利相同。

10. 已終止經營業務

於2018年6月底，由於電子產品業務盈利能力薄弱，本公司董事會決定出售該業務。該出售已於2018年7月31日完成交割。

已終止經營業務截至2018年6月30日止六個月的虧損載列如下。

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one categories of dilutive potential ordinary shares: share options (2018: Share options).

For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the Period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price of shares for the period ended 30 June 2019.

The basic and diluted earnings per share are the same for the six months period ended 30 June 2019 and 2018 as the effect of share options outstanding were anti-dilutive.

10. Discontinued operation

At the end of June 2018, the board of the Company decided to disposal the electronic product business due to its weak profitability. The disposal was completed on 31 July 2018.

Loss for the six months ended 30 June 2018 from discontinued operations is set out below.

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月

For the six months ended 30 June 2019

截至2018年6月30日止期間之已終止經營業務業績的分析載列如下：

Analysis of the results of the discontinued operations for the period ended 30 June 2018 are set out below:

		截至2018年 6月30日 止六個月 Six months ended 30 June 2018 (未經審核) (unaudited) 千港元 HK\$'000
收入	Revenue	158,723
銷售成本	Cost of sales	(131,892)
毛利	Gross profit	26,831
其他收益或虧損淨額	Other gains or losses, net	7,927
銷售及市場推廣費用	Selling and marketing costs	(10,028)
行政開支	Administrative expenses	(25,847)
應佔合資公司溢利及虧損	Share of profits and losses of joint ventures	310
財務費用	Finance costs	(339)
除所得稅前虧損	Loss before income tax	(1,146)
所得稅開支	Income tax expenses	25
來自已終止經營業務之虧損	Loss from discontinued operation	(1,121)
下列人士應佔期內虧損：	Loss for the period attributable to:	
本公司擁有人	Owners of the Company	(782)
非控股權益	Non-controlling interest	(339)
		(1,121)
每股虧損：	Loss per share:	
來自已終止經營業務	From discontinued operation	
— 基本及攤薄(港仙)	— basic and diluted (HK cents)	(0.02)

於2018年6月30日分類為持作出售之已終止
經營業務資產及負債之主要分類如下：

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

		2018年 6月30日 30 June 2018 千港元 HK\$'000 (未經審核) (unaudited)
資產	Assets	
土地使用權	Land use right	10,637
物業、廠房及設備	Property, plant and equipment	98,172
無形資產	Intangible assets	335
長期存款	Long term deposits	21
於合資公司之投資	Investments in joint ventures	6,793
於一間聯營公司之投資	Investment in an associate	18
透過其他全面收入按公允值計量之 股權工具	Equity investments at fair value through other comprehensive income	3,000
存貨	Inventories	47,359
貿易應收款項及應收票據	Trade and bills receivables	46,469
預付款項、按金及其他應收款項	Prepayments, deposits and other receivables	6,357
應收一間合資公司款項	Amount due from a joint venture	398
銀行及現金結餘	Bank and cash balances	22,679
分類為持作出售的資產	Assets classified as held for sale	242,238
負債	Liabilities	
貿易應付款項及應付票據	Trade and bills payables	40,764
應計費用及其他應付款項	Accruals and other payables	155,304
應付所得稅	Income tax payable	123
借貸	Borrowings	15,000
遞延稅項負債	Deferred tax liabilities	74
與分類為持作出售資產直接相關之負債	Liabilities directly associated with the classified as held for sale	211,265
與出售集團直接相關之資產淨值	Net assets directly associated with the disposal group	30,973

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月

For the six months ended 30 June 2019

已終止經營業務除稅前虧損乃經扣除以下各項後達致：

Loss before taxation from discontinued operations is arrived at after charging the following:

		截至2018年 6月30日 止六個月 Six months ended 30 June 2018 (未經審核) (unaudited) 千港元 HK\$'000
工資及薪金	Wages and salaries	41,514
支付定額供款退休計劃款項	Payment to defined contribution retirement plans	2,704
總員工成本	Total staff costs	44,218
折舊及攤銷	Depreciation and amortisation	3,126
確認為開支之存貨成本	Cost of inventories recognised as an expense	151,206
存貨撥備	Provision for inventories	5,740
產品保證撥備	Product warranty provision	185
研發開支：	Research and development expenses:	
已攤銷開發成本	Development costs amortised	
本年度支出	Current year expenditure	8,087

已終止經營業務的現金流量分析如下：

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

		截至2018年 6月30日 止六個月 Six months ended 30 June 2018 (未經審核) (unaudited) 千港元 HK\$'000
經營活動所產生的現金淨額	Net cash generated from operating activities	5,658
投資活動所動用的現金淨額	Net cash used in investing activities	(984)
融資活動所動用的現金淨額	Net cash used in financing activities	(6,278)
現金流出淨額	Net cash outflow	(1,604)

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月
For the six months ended 30 June 2019

計算已終止經營業務之每股基本及攤薄盈利
基於：

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

		截至2018年 6月30日 止六個月 Six months ended 30 June 2018 (未經審核) (unaudited)
母公司普通權益持有人應佔已終 止經營業務虧損(千港元)	Loss attributable to ordinary equity holders of the parent from the discontinued operation (HK\$'000)	(782)
計算每股基本盈利之期內已發行 普通股加權平均數(千股) (附註9)	Weighted average number of ordinary shares in issue during the period in the basic earnings per share calculation ('000) (Note 9)	4,581,117
用於計算每股攤薄盈利之普通股 加權平均數(千股)(附註9)	Weighted average number of ordinary shares used in the diluted earnings per share calculation ('000) (Note 9)	4,581,117

11. 股息

本公司董事不建議就截至2019年6月30日止
六個月派付任何股息(2018年：零港元)。

11. Dividend

The directors of the Company do not recommend the
payment of any dividend in respect of the six months
ended 30 June 2019 (2018: HK\$Nil).

12. 物業、廠房及設備及使用權資產

截至2019年6月30日止六個月，本集團
購置了約330,123,000港元(2018年：
223,815,000港元)的物業、廠房及設備。

12. Property, Plant and Equipment and Right-of-use Asset

During the six months period ended 30 June 2019, the
Group had acquired property, plant and equipment
amounting to approximately HK\$330,123,000 (2018:
HK\$223,815,000).

截至2019年6月30日止六個月，本集團就使
用辦公室訂立一份新租賃協議，期限為10
年。本集團須於合約期內支付每月固定款
項。本集團於租賃開始時確認使用權資產
1,554,000港元及租賃負債1,554,000港元。

During the six months period ended 30 June 2019, the
Group entered into a new lease agreement for the use
of office premises for 10 years. The Group is required
to make fixed monthly payment during the contract
period. On lease commencement, the Group recognised
HK\$1,554,000 of right-of-use assets and HK\$1,554,000
of lease liabilities.

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月

For the six months ended 30 June 2019

13. 應收貿易款項及應收票據

13. Trade and Bills Receivables

		於2019年 6月30日 As at 30 June 2019 (未經審核) (unaudited) 千港元 HK\$'000	於2018年 12月31日 As at 31 December 2018 (經審核) (audited) 千港元 HK\$'000
應收貿易款項	Trade receivables	464,013	355,923
應收票據	Bills receivables	3,787	17,809
		467,800	373,732

於報告日期，本集團應收貿易款項按發票日期呈列及扣除呆賬撥備的賬齡分析如下：

As at the reporting date, the ageing analysis of the trade receivables of the Group presented based on the invoice date and net of allowance for doubtful debts was as follows:

		於2019年 6月30日 As at 30 June 2019 (未經審核) (unaudited) 千港元 HK\$'000	於2018年 12月31日 As at 31 December 2018 (經審核) (audited) 千港元 HK\$'000
30日以內	Within 30 days	216,568	168,921
31至60日	31 to 60 days	180,171	101,335
61至90日	61 to 90 days	56,171	42,690
超過90日	Over 90 days	11,103	42,977
		464,013	355,923

本集團給予貿易客戶之信貸期一般不超過180日(2018年：不超過180日)。

The Group allows a credit period normally not more than 180 days (2018: not more than 180 days) to its trade customers.

於2019年6月30日，應收票據總額3,787,000港元(2018年12月31日：17,809,000港元)由本集團持有以清償應收貿易款項。於報告期末，本集團繼續確認其全額賬面值。本集團所有應收票據的到期日均少於一年。

As at 30 June 2019, total bills receivables amounting to HK\$3,787,000 (31 December 2018: HK\$17,809,000) are held by the Group for settlement of trade receivables. The Group continues to recognised their full carrying amounts at the end of the reporting period. All bills receivables by the Group are with a maturity period of less than one year.

14. 應付貿易款項及應付票據

14. Trade and Bills Payables

		於2019年 6月30日 As at 30 June 2019 (未經審核) (unaudited) 千港元 HK\$'000	於2018年 12月31日 As at 31 December 2018 (經審核) (audited) 千港元 HK\$'000
應付貿易款項	Trade payables	249,552	431,711
應付票據	Bills payable	184,160	170,175
		433,712	601,886

於報告日期，本集團按發票日期呈列之應付貿易款項賬齡分析如下：

As at the reporting date, the ageing analysis of the trade payables of the Group presented based on the invoice date was as follows:

		於2019年 6月30日 As at 30 June 2019 (未經審核) (unaudited) 千港元 HK\$'000	於2018年 12月31日 As at 31 December 2018 (經審核) (audited) 千港元 HK\$'000
30日以內	Within 30 days	124,180	267,923
31至60日	31 to 60 days	9,778	60,460
61至90日	61 to 90 days	14,379	12,801
超過90日	Over 90 days	101,215	90,527
		249,552	431,711

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月

For the six months ended 30 June 2019

15. 可轉換債券

可轉換債券(「可轉換債券」)負債部分的賬面值如下：

15. Exchangeable bonds

The carrying values of the liability component of the exchangeable bonds (“EBs”) are as follows:

		千港元 HK\$'000
於2018年1月1日	As at 1 January 2018	227,985
已扣除估算利息開支	Imputed interest expense charged	41,039
已付及應付利息開支	Interest expense paid and payable	(18,560)
於2018年12月31日及 2019年1月1日	As at 31 December 2018 and 1 January 2019	250,464
已扣除估算利息開支	Imputed interest expense charged	18,529
已付之利息開支	Interest expense paid	(36,993)
		232,000
轉撥至分類為其他借貸的債務	Transfer to liabilities classified as other borrowings	(232,000)
於2019年6月30日	As at 30 June 2019	-

附註：

於2016年5月5日，本公司發行本金金額為232,000,000港元之可轉換債券以換取現金。可轉換債券自發行日期起計按8厘之年利率計息，須每六個曆月支付一次。可轉換債券持有人有權將可轉換債券轉換為中國稀鎂科技控股有限公司(「中國稀鎂」)股份。可轉換予可轉換債券持有人的股份數目由可轉換債券工具所述的公式釐定。可轉換債券持有人有權根據可轉換債券工具的條款及條件於轉換期內隨時轉換全部或任何部分可轉換債券本金額。

詳情請參考本公司日期為2016年4月26日之公佈。

於2017年9月4日，由於中國稀鎂重組，本公司向可轉換債券持有人發出協議通知，而轉換權利於2017年10月6日失效。

可轉換債券到期日為自可轉換債券發行日期起計三年(「期限」)，而其可延長一個曆年(「延長期限」)，而可轉換債券持有人已於到期時行使該延長期限。因此，被轉撥至分類為其他借貸的負債。

負債部分在首次確認時的實際年利率為18.04厘。而於延長期限之實際年利率為10%。

note:

On 5 May 2016, the Company issued EBs with the principal amount of HK\$232,000,000 for cash. The EBs bear an interest of 8% per annum payable in arrear every six calendar months from the issue date. The EBs entitle the holder to exchange for the shares of China Rare Earth Magnesium Technology Holdings Limited (“China Rare Earth”). The number of share transferable to the holders of EBs shall be determined by the formula described in EBs instrument. The holders of EBs have the right to exchange all or any part of the principal amount of the EBs at any time during the exchange period as pursuant to the terms and conditions of the EBs instrument.

For details, please refer to the announcement of the Company dated on 26 April 2016.

On 4 September 2017, an Agreement Notice was given to the holders of EBs due to the re-organisation in relation to China Rare Earth, the exchange right was lapsed on 6 October 2017.

The maturity date of the EBs is three years commencing from the date of issue of the EBs (the “Term”) and it can be extended for another 1 calendar year (the “Extended Term”), which was exercised by the holders of EBs upon maturity and so was transferred to liabilities classified as other borrowings.

The effective interest rate of the liability component on initial recognition is 18.04% per annum. Upon extended term, the effective interest rate is 10% per annum.

16. 借貸

16. Borrowings

		於2019年 6月30日 As at 30 June 2019 (未經審核) (unaudited) 千港元 HK\$'000	於2018年 12月31日 As at 31 December 2018 (經審核) (audited) 千港元 HK\$'000
銀行借貸	Bank borrowings	912,862	939,225
其他借貸	Other borrowings	604,593	294,676
上市後償票據(附註a)	Listed subordinated notes (note a)	585,185	580,708
		2,102,640	1,814,609
借貸：	Borrowings:		
一年以內	Within one year	1,071,521	836,992
一年以上但不超過五年	More than one year but not exceeding five years	1,031,119	977,617
		2,102,640	1,814,609
減：列作流動負債之款項	Less: Amounts shown under current liabilities	(1,071,521)	(836,992)
		1,031,119	977,617
借貸：	Borrowings:		
有抵押	Secured	780,430	829,568
無抵押	Unsecured	1,322,210	985,041
		2,102,640	1,814,609

附註：

note:

(a) 此指本公司於2017年6月5日發行之面值為101,750,000新加坡元之7.0厘後償票據(屬多種幣種中期票據計劃項下)之賬面值。該等票據於新加坡交易所上市，並將於2020年7月3日到期。

(a) This represents the carrying amount of the 7.0% subordinated notes with the face value of SGD101.75 million (under the Multicurrency Medium Term Note Programme) issued by the Company on 5 June 2017. The notes are listed on the Singapore Stock Exchange and will mature on 3 July 2020.

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月

For the six months ended 30 June 2019

17. 股本

17. Share Capital

	股份數目 Number of shares 千股 '000	股本 Share capital 千港元 HK\$'000
法定： 每股面值0.02港元之普通股 於2018年1月1日、2018年12月31日、 2019年1月1日及2019年6月30日	Authorised: Ordinary shares of HK\$0.02 each As at 1 January 2018, 31 December 2018, 1 January 2019 and 30 June 2019	
	10,000,000	200,000
已發行及繳足： 於2018年1月1日、2018年12月31日、 2019年1月1日及2019年6月30日	Issued and fully paid: As at 1 January 2018, 31 December 2018, 1 January 2019 and 30 June 2019	
	4,581,117	101,419

18. 資本承擔

18. Capital Commitments

	於2019年 6月30日 As at 30 June 2019 (未經審核) (unaudited) 千港元 HK\$'000	於2018年 12月31日 As at 31 December 2018 (經審核) (audited) 千港元 HK\$'000
已訂約但尚未於未經審核 簡明綜合中期財務報表/ 經審核綜合財務報表 撥備之有關收購物業、 廠房及設備之資本支出	Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the unaudited condensed consolidated interim financial statements/audited consolidated financial statements	
	122,244	179,165

19. 訴訟與或然負債

茲提述本公司日期為2014年10月9日有關對首智投資有限公司(「首智」)之民事追討之公告。截至本未經審核簡明綜合中期財務報表日期，據本公司所知悉，有關訴訟的傳訊令狀尚未送達首智。首智待接獲該法律文件後，將就有關追討及就此應予採取的必要行動尋求法律意見，且將就追討極力抗辯。本公司董事會認為，該追討不會對本集團業務、營運及財務情況造成重大不利影響。

20. 重大關連人士交易

除未經審核簡明綜合中期財務報表另行披露外，期內本集團進行以下主要關連人士交易。

19. Litigations and Contingent Liabilities

Reference was made to the announcement of the Company dated 9 October 2014 regarding a civil claim against Capital Idea Investments Limited (“Capital Idea”). As of the date of this unaudited condensed consolidated interim financial statement, to the best knowledge of the Company, the writ of summons of the litigation has not yet been served on Capital Idea. Upon receiving this legal document, Capital Idea will seek legal advice in relation to the claim and the necessary actions to be taken in this respect and will vigorously defend against the claim. The Board of the Company is of the view that this claim will not have a material adverse impact on the business, operation and financial position of the Group.

20. Material Related Party Transactions

Except as disclosed elsewhere in the unaudited condensed consolidated interim financial statements, the Group entered into the following significant related party transactions during the period.

		截至6月30日止六個月 Six months ended 30 June	
		2019 (未經審核) (unaudited) 千港元 HK\$'000	2018 (未經審核) (unaudited) 千港元 HK\$'000
(a) 主要管理人員酬金	(a) Key management compensation		
– 董事	– Directors	2,317	2,367
– 其他主要管理人員：	– Other key management personnel:		
薪金及其他短期僱員福利	Salaries and other short-term employee benefits	1,811	1,502
		4,128	3,869

未經審核簡明綜合中期財務報表附註

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

截至2019年6月30日止六個月

For the six months ended 30 June 2019

(b) 池文富先生已承諾維持持有本公司股權之最低水平。此承諾構成本集團若干借貸及本公司發行之可轉換債券之部份抵押品。

(c) 截至2019年6月30日止六個月，向一間合資公司銷售貨品之銷售額為零港元(2018年：479,000港元)。

(b) Mr. Chi Wen Fu has undertaken to maintain a minimum level of shareholding in the Company. The undertaking form part of the collateral of certain borrowings by the Group and exchangeable bond issued by the Company.

(c) During the six months ended 30 June 2019, the sales of products to a joint venture amounts to HK\$Nil (2018: HK\$479,000).

21. 比較數字

若干比較數字已重新分類，以符合本期間之呈報方式。

21. Comparative Figures

Certain comparative figures have been reclassified to conform to current period's presentation.

購股權計劃

(1) 本公司之購股權計劃

為吸引及挽留最優秀之員工以發展本集團業務，以及提供額外鼓勵或獎勵予獲選之合資格參與者，本公司分別於2008年12月3日採納一項購股權計劃(「舊計劃」)及於2019年6月26日採納一項購股權計劃(「新計劃」)。合資格參與者主要為本集團僱員、董事及對本集團有所貢獻之本集團承包商、供應商或服務供應商。除非另行註銷或修訂，否則該舊計劃及新計劃將自成立日期起10年內有效。舊計劃已於2018年12月3日屆滿，而新計劃之餘下年期約為10年(於2029年6月26日屆滿)。於舊計劃屆滿前授出之購股權仍然有效。截至2019年6月30日，概無根據新計劃授出購股權。

於2019年6月30日，舊計劃項下尚未行使之購股權合共可認購14,956,204股股份(「購股權」)。

Share Option Schemes

(1) Share option scheme of the Company

In order to attract and retain the best quality employees for the development of the Group's businesses and to provide additional incentives or rewards to selected qualifying participants, the Company adopted a share option scheme on 3 December 2008 (the "Old Scheme") and on 26 June 2019 (the "New Scheme") respectively. The qualifying participants mainly include employees of the Group, Directors and contractors, suppliers or service providers of the Group who have contribution to the Group. Both schemes, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The Old Scheme was expired on 3 December 2018 while the remaining life of the New Scheme is approximately 10 years (expiry on 26 June 2029). Options granted under the Old Scheme before its expiry remain in force. As at 30 June 2019, no option was granted under the New Scheme.

As at 30 June 2019, options to subscribe for a total of 14,956,204 Shares were outstanding under the Old Scheme (the "Options").

	於2019年 1月1日持有	期內授出之 購股權	期內行使之 購股權	期內失效之 購股權	於2019年 6月30日持有	行使價 港元
	Held at 1 January 2019	Options granted during the period	Options exercised during the period	Options lapsed during the period	Held at 30 June 2019	Exercise price HK\$
(A) 僱員 Employees	8,567,059	-	-	-	8,567,059	0.78258
(B) 董事 Directors						
劉智傑 Lau Chi Kit	6,389,145	-	-	-	6,389,145	0.78258
	14,956,204	-	-	-	14,956,204	

其他資料 Other Information

於報告期末，尚未行使購股權之屆滿日期、行使期及行使價如下。

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

授出日期 Grant date	屆滿日期 Expiry date	行使期 Exercise period	每股行使價 Exercise prices per Share 港元 HK\$	購股權數目 Number of Options
2015年1月6日 06 January 2015	2020年10月31日 31 October 2020	自2015年11月1日起至 2020年10月31日 From 1 November 2015 to 31 October 2020	0.78258	14,956,204

於2019年6月30日，舊計劃(包括上述尚未行使購股權)項下可供發行之本公司股份總數為14,956,024股，相當於本公司當日已發行股本約0.33%。舊計劃已於2018年12月3日屆滿。

As at 30 June 2019, the total number of Shares of the Company available for issue under the Old Scheme (including the above share options outstanding not yet exercised) was 14,956,024, representing approximately 0.33% of the issued share capital of the Company as of the date thereof. The Old Scheme was expired on 3 December 2018.

(2) 附屬公司之購股權計劃 稀鎂科技集團控股有限公司(「稀鎂科技」)

為吸引及挽留最優秀員工發展稀鎂科技的業務，並向經選定合資格參與者提供額外獎勵或回報，稀鎂科技於2017年12月4日採納購股權計劃(「稀鎂科技計劃」)。合資格參與者主要包括僱員、董事、承包商、供應商或服務供應商。彼等皆曾為稀鎂科技作出貢獻。除非另行注銷或修訂，稀鎂科技計劃自其成立日期起十年內有效。稀鎂科技計劃餘下年期約為8.5年(於2027年12月4日屆滿)。

(2) Share option scheme of the subsidiary *Rare Earth Magnesium Technology Group Holdings Limited ("REMT")*

In order to attract and retain the best quality employees for the development of the Group of REMT's businesses and to provide additional incentives or rewards to selected qualifying participants, REMT adopted a share option scheme on 4 December 2017 (the "REMT Scheme"). The qualifying participants mainly include employees, directors, contractors, suppliers or service providers who have contribution to the Group of REMT. The REMT Scheme, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The remaining life of the REMT Scheme is approximately 8.5 years (expiry on 4 December 2027).

於2019年6月30日，稀鎂科技計劃項下尚未行使購股權（「稀鎂科技購股權」）可認購合共261,400,000股股份。

As at 30 June 2019, options to subscribe for a total of 261,400,000 Shares were outstanding under the REMT Scheme (the “REMT Options”).

	於2019年 1月1日持有	期內授出之 稀鎂科技購股權	期內行使之 稀鎂科技購股權	期內失效之 稀鎂科技購股權	於2019年 6月30日持有	行使價 港元
	Held at 1 January 2019	REMT Options granted during the period	REMT Options exercised during the period	REMT Options lapsed during the period	Held at 30 June 2019	Exercise price HK\$
(A) 僱員						
Employees	146,400,000	—	—	—	146,400,000	0.4
	40,000,000	—	—	—	40,000,000	0.5
(B) 董事						
Directors						
沈世捷	30,000,000	—	—	—	30,000,000	0.4
Shum Sai Chit						
池碧芬*	20,000,000	—	—	—	20,000,000	0.4
Chi Bi Fen*						
鄭炳文*	5,000,000	—	—	—	5,000,000	0.4
Kwong Ping Man*						
張省本#	5,000,000	—	—	—	5,000,000	0.4
Cheung Sound Poon#						
稀鎂科技其他董事	15,000,000	—	—	—	15,000,000	0.4
Other directors of REMT						
	221,400,000	—	—	—	221,400,000	0.4
	40,000,000	—	—	—	40,000,000	0.5
	261,400,000	—	—	—	261,400,000	

* 已於2019年6月26日退任本公司董事。

* Retired from Directors of the Company on 26 June 2019.

於2019年6月27日獲委任為本公司董事。

Appointed as Director of the Company on 27 June 2019.

其他資料
Other Information

董事及主要行政人員於本公司及任何相聯法團之股份、相關股份及債權證之權益

於2019年6月30日，本公司董事及主要行政人員於本公司及任何其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中擁有之須記錄於根據證券及期貨條例第352條本公司存置之登記冊或根據上市規則附錄十之上市發行人董事進行證券交易的標準守則（「標準守則」）須另行通知本公司及香港聯合交易所有限公司（「聯交所」）之權益及短倉如下：

Directors' and Chief Executive's Interest in the Shares, Underlying Shares and Debentures of the Company and Any Associated Corporation

As at 30 June 2019, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules (the "Model Code"), were as follows:

(1) 本公司之股份及購股權長倉

(1) Long positions in shares and share options of the Company

董事姓名 Name of director	持有股份數目 Number of Shares held			持有購股權數目 (附註2) Number of Options held (note 2)	佔本公司於 2019年 6月30日 已發行股本 之百分比 Percentage of issued share capital of the Company as at 30 June 2019
	個人權益 Personal interests	公司權益 Corporate interests	合計 Total		
池文富(「池先生」) Chi Wen Fu ("Mr. Chi")	249,970,548	1,341,871,364 (附註1) (note 1)	1,591,841,912	-	34.75%
沈世捷 Shum Sai Chit	14,666,305	-	14,666,305	-	0.32%
池靜超# Chi Jing Chao#	1,633,998	-	1,633,998	-	0.04%
郭孟勇 Guo Mengyong	-	-	-	-	-
盛洪 Sheng Hong	2,625,000	-	2,625,000	-	0.06%
劉智傑 Lau Chi Kit	1,775,000	-	1,775,000	-	0.04%
	1,030,000	-	1,030,000	-	0.02%
	-	-	-	6,389,145	0.14%

於2019年6月27日獲委任為本公司董事。

Appointed as Director of the Company on 27 June 2019.

(2) 本公司之債權證長倉

(2) Long positions in debentures of the Company

董事姓名 Name of Director	身份／權益性質 Capacity/Nature of interest	所持債權證金額 Amount of debentures held 新加坡元 SGD
池先生 Mr. Chi	個人權益 Personal interest	2,500,000

(3) 於本公司之相聯法團之股份、相關股份及債權證之權益

(3) Interests in the shares, underlying shares and debenture of associated corporation of the Company

REMT

稀鎂科技

董事 Director	擁有權益或視為擁有權益之普通股數目 Number of ordinary shares interested or deemed to be interested			持有稀鎂科技 購股權數目 (附註2) Number of REMT Options held (note 2)	佔稀鎂科技於 2019年 6月30日 已發行股本 之百分比 Percentage of issued share capital of REMT as at 30 June 2019
	家族權益 Family interests	公司權益 Corporate interests	合計 Total		
沈世捷 Shum Sai Chit	—	—	—	30,000,000	0.46%

長倉

Long position

沈世捷
Shum Sai Chit

附註：

1. 該等股份由冠華國際有限公司(「冠華」)持有。鑒於池先生持有冠華已發行股本83.74%，據此賦予彼於冠華股東大會上行使或控制行使三分之一或以上之投票權，因此被視為公司權益。

按照日期為2014年7月10日之股份抵押，作為本公司主要股東的冠華，將549,280,000股股份(相當於2015年6月30日本公司已發行股本約12%)抵押給國際金融公司(「國際金融公司」)，作為保證根據2014年5月30日簽署的貸款協議向國際金融公司償還貸款之抵押品。該項貸款協議由國際金融公司和白山市天安金屬鎂礦業有限公司簽署。

2. 持有之購股權之詳情載列於上文「購股權計劃」一節。

除上文所披露者外，於2019年6月30日，本公司各董事或主要行政人員或彼等各自之聯繫人士概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證中擁有記錄於本公司根據證券及期貨條例第352條存置之登記冊內之權益及短倉。

董事購買股份或債權證之權利

除上文所披露者外，於本期間內任何時間概無授予任何董事、其各自之配偶或十八歲以下子女任何可透過購入本公司股份或債權證而獲得利益的權利，彼等亦無行使任何該等權利；本公司或其任何附屬公司亦無參與訂立任何安排致使各董事獲得於任何其他法人團體之該等權利。

notes:

1. These Shares are held by Alpha Sino International Limited ("Alpha Sino") and are deemed corporate interests by virtue of Mr. Chi's holding of 83.74% of the issued share capital of Alpha Sino which entitled him to exercise or control the exercise of one-third or more of the voting power at general meeting of Alpha Sino.

As pursuant to a share mortgage dated 10 July 2014, Alpha Sino, being the substantial shareholder of the Company, had mortgaged 549,280,000 Shares (representing approximately 12% of the issued share capital of the Company as at 30 June 2015) to International Finance Corporation ("IFC") to secure repayment of the IFC Loan under a loan agreement dated 30 May 2014 entered into between IFC and Baishan City Tianan Magnesium Resources Co. Ltd.

2. Details of options held are set out in the above section headed "Share Option Schemes".

Save as disclosed above, as at 30 June 2019, none of the Directors or chief executive of the Company or their respective associates had interests and short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register to be kept by the Company under Section 352 of SFO.

Directors' Right to Acquire Shares or Debentures

Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

主要股東於本公司股份及相關股份之權益及短倉

Interests and Short Positions of Substantial Shareholders in the Shares and Underlying Shares of the Company

就本公司任何董事或主要行政人員所知悉，根據證券及期貨條例第336條規定須保存的登記冊所示，於2019年6月30日，於本公司股份或股票衍生工具的相關股份擁有權益或短倉的人士如下：

So far as is known to any Director or chief executive of the Company, as at 30 June 2019, persons who had interests or short positions in the Shares or underlying shares of equity derivatives of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

股東姓名／名稱	持倉性質	股份數目	佔本公司於 2019年6月30日 已發行股本之百分比 Percentage of issued share capital of the Company as at 30 June 2019
Name of shareholder	Nature	Number of Shares	
池文富 Chi Wen Fu	長倉 Long position	1,591,841,912 (附註1)(note 1)	34.75%
冠華 Alpha Sino	長倉 Long position	1,341,871,364 (附註2)(note 2)	29.29%
國際金融公司 International Finance Corporation	長倉 Long position	793,526,275 (附註2)(note 2)	17.32%

附註：

notes:

- 池文富先生於合共1,591,841,912股股份中擁有權益，當中(a) 249,970,548股股份乃由其實益擁有，並以其名義登記；及(b)1,341,871,364股股份乃基於其持有冠華已發行股本83.74%，據此賦予其權利可於冠華股東大會上行使或控制行使三分之一或以上之投票權而被視為公司權益。
- 國際金融公司於合共793,526,275股股份中擁有權益，當中(a)244,246,275股股份乃由其實益擁有，並以其名義登記；及(b)根據日期為2014年7月10日之股份抵押，作為本公司主要股東的冠華，將549,280,000股股份(相當於2015年6月30日本公司已發行股本約12%)抵押給國際金融公司(「國際金融公司」)，作為保證根據2014年5月30日簽署的貸款協議向國際金融公司償還貸款之抵押品。該項貸款協議由國際金融公司和白山市天安金屬礦業有限公司簽署。

- Mr. Chi Wen Fu has interest in an aggregate of 1,591,841,912 Shares of which (a) 249,970,548 Shares are beneficially owned by him and registered in his name; and (b) 1,341,871,364 Shares are deemed corporate interests by virtue of his holding of 83.74% of the issued share capital of Alpha Sino which entitled him to exercise or control the exercise of one-third or more of the voting power at general meeting of Alpha Sino.
- IFC has interest in an aggregate of 793,526,275 Shares of which (a) 244,246,275 Shares are beneficially owned by it and registered in its name; and (b) Pursuant to a share mortgage dated 10 July 2014, Alpha Sino, being the substantial shareholder of the Company, had mortgaged 549,280,000 Shares (representing approximately 12% of the issued share capital of the Company as at 30 June 2015) to International Finance Corporation ("IFC") to secure repayment of the IFC Loan under a loan agreement dated 30 May 2014 entered into between IFC and Baishan City Tianan Magnesium Resources Co. Ltd.

董事於競爭業務之權益

於回顧期內，董事或本公司管理層股東或彼等各自之聯繫人士（定義見香港聯合交易所有限公司證券上市規則（「上市規則」））概無於任何與本集團業務構成或可能構成競爭之業務中擁有任何權益。

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司並無於期內購買、出售或贖回本公司任何上市證券。

企業管治常規守則

於整個期內，本公司已遵守上市規則附錄14之企業管治守則所載守則條文，惟以下偏離情況除外：

- (a) 根據守則條文第E.1.2條，董事會主席須出席股東週年大會。由於董事會主席於2019年6月26日因公出差，故彼無法出席於該日舉行之股東週年大會。本公司之執行董事沈世捷先生已出席上述股東週年大會以回答股東提問。
- (b) 根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事須出席股東大會，並對股東之意見有公正的瞭解。非執行董事郭孟勇先生及獨立非執行董事鄭炳文先生分別因公出差及退任而沒有出席於2019年6月26日舉行的股東週年大會。

Directors' Interests in Competing Business

During the period under review, none of the Directors nor the management shareholders of the Company or their respective associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) had any interest in a business that competed or might compete with the business of the Group.

Purchase, Sale or Redemption of The Company's Listed Securities

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

Code of Corporate Governance Practices

Throughout the Period, the Company has complied with the code provisions as set out in the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, with the following deviations:

- (a) Under the code provision E.1.2, the chairman of the Board should attend the annual general meeting. The chairman of the Board was unable to attend the annual general meeting held on 26 June 2019 as he was obliged to be away for a business trip on that date. Mr. Shum Sai Chit, executive Director of the Company, attended the said annual general meeting to answer questions from shareholders.
- (b) Under code provision A.6.7, independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Guo Mengyong (being a non-executive Director) and Mr. Kwong Ping Man (being independent non-executive Director) were unable to attend the annual general meeting held on 26 June 2019 as they were obliged to be away for business trip and was retired respectively.

董事進行證券交易之行為守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易之標準守則作為本公司董事進行證券交易之行為守則。本公司已向全體董事作出特別查詢，而彼等亦已書面確認，彼等於期內已遵守行為守則所載之規定標準。

中期股息

董事會不建議派發截至2019年6月30日止六個月之中期股息。

薪酬委員會

薪酬委員會現時由四名成員組成，分別為張省本先生、沈世捷先生、盛洪先生及劉智傑先生，大部分為獨立非執行董事。薪酬委員會之職能為制訂一套具透明度的程序，以制定本集團董事及高級管理層的薪酬和福利政策。

Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules as the code of conduct of the Company regarding Directors' securities transactions. The Company made specific enquiries to all Directors and all Directors have confirmed in writing that they have complied with the required standards set out in the code of conduct during the Period.

Interim Dividend

The Board did not recommend a payment of interim dividend for the six months ended 30 June 2019.

Remuneration Committee

The Remuneration Committee currently comprises four members, namely Mr. Cheung Sound Poon, Mr. Shum Sai Chit, Mr. Sheng Hong and Mr. Lau Chi Kit, the majority of whom are independent non-executive Directors. The functions of the Remuneration Committee are to formulate transparent procedures for set up remuneration policies and packages for Directors and the senior management of the Group.

審核委員會

審核委員會於2004年1月成立。於2019年6月30日，審核委員會有三名成員，分別為張省本先生、盛洪先生及劉智傑先生。張省本先生為審核委員會主席。

審核委員會旨在審閱本集團之財務報告、內外審計以及內部監控之效用，並向董事會提供建議。截至2019年6月30日止六個月，審核委員會舉行兩次會議，以審閱本公司報告及賬目，並向董事會提出意見及建議。

本集團截至2019年6月30日止六個月之未經審核簡明綜合中期財務報表已由審核委員會審閱，而審核委員會認為，編製該等財務報表的方法符合適用會計準則，並已作出足夠披露。

承董事會命
沈世捷
執行董事

香港，2019年8月30日

Audit Committee

The Audit Committee was established in January 2004. As at 30 June 2019, the Audit Committee has three members, namely Mr. Cheung Sound Poon, Mr. Sheng Hong and Mr. Lau Chi Kit. Mr. Cheung Sound Poon is the chairman of the Audit Committee.

The Audit Committee is to review the Group's financial reporting, the effectiveness of both the internal and external audit and internal controls and to make recommendations to the Board. During the six months ended 30 June 2019, the Audit Committee held two meetings for the purpose of reviewing the Company's reports and accounts, and providing advices and recommendations to the Board.

The Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2019 has been reviewed by the Audit Committee, which was of the opinion that the preparation of such financial statements were complied with the applicable accounting standards and adequate disclosures had been made.

By Order of the Board
Shum Sai Chit
Executive Director

Hong Kong, 30 August 2019



世纪阳光

世紀陽光集團控股有限公司
Century Sunshine Group Holdings Limited

於開曼群島註冊成立之有限公司

Incorporated in the Cayman Islands with limited liability

股份代號 Stock Code : 509.HK

網址 Website : www.centurysunshine.com.hk

