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**SANVO Fine Chemicals Group Limited**  
**三和精化集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 301)**

**2021 INTERIM RESULTS ANNOUNCEMENT**

The board (the “**Board**”) of directors (the “**Directors**”) of SANVO Fine Chemicals Group Limited (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2021. This announcement contains the full text of the interim report of the Company for the six months ended 30 June 2021 and complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcement of interim results.

**PUBLICATION OF THE INTERIM REPORT**

This interim results announcement will be published on the website of each of the Stock Exchange ([www.hkexnews.com.hk](http://www.hkexnews.com.hk)) and the Company ([www.sanvo.com](http://www.sanvo.com)). An interim report of the Company for the six months ended 30 June 2020 will be despatched to the Shareholders and available on the same websites in due course.

By Order of the Board

**SANVO Fine Chemicals Group Limited**

**Mr. Chen Bingqiang**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 27 August 2021

*As at the date of this announcement, the executive Directors are Mr. Chen Bingqiang, Mr. Chen Bingyao and Mr. Ng Cheuk Lun; and the independent non-executive Directors are Ir. Daniel Lai, Mr. Xu Kai and Mr. Yeung Chun Yue David.*

# 2021 中期報告 INTERIM REPORT

股份代號 Stock Code: 301



**三和精化集團有限公司**  
SANVO Fine Chemicals Group Limited  
(於開曼群島註冊成立之有限公司)  
(Incorporated in the Cayman Islands with limited liability)



# SANVO FINE CHEMICALS

**CONSTRUCTION  
SUPPLEMENTARY  
MATERIALS AND  
RELATED PRODUCTS**



**CAR CARE AND  
AUTOMOTIVE  
MAINTENANCE  
PRODUCTS**



## CONTENTS

## 目錄

CORPORATE INFORMATION	公司資料	2
FINANCIAL HIGHLIGHTS	財務概要	5
MANAGEMENT DISCUSSION AND ANALYSIS	管理層討論及分析	6
ADDITIONAL INFORMATION	附加資料	14
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	簡明綜合全面收益表	25
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	簡明綜合財務狀況表	26
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	簡明綜合權益變動表	27
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	簡明綜合現金流量表	28
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	簡明綜合財務報表附註	29

## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

Mr. Chen Bingqiang (*Chairman*)  
Mr. Chen Bingyao  
Mr. Ng Cheuk Lun

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Ir. Daniel Lai  
Mr. Xu Kai  
Mr. Yeung Chun Yue David

### AUDIT COMMITTEE

Mr. Yeung Chun Yue David (*Chairman*)  
Ir. Daniel Lai  
Mr. Xu Kai

### REMUNERATION COMMITTEE

Ir. Daniel Lai (*Chairman*)  
Mr. Xu Kai  
Mr. Yeung Chun Yue David  
Mr. Chen Bingqiang

### NOMINATION COMMITTEE

Mr. Xu Kai (*Chairman*)  
Ir. Daniel Lai  
Mr. Yeung Chun Yue David  
Mr. Chen Bingyao

### COMPANY SECRETARY

Mr. Ng Cheuk Lun

### AUTHORISED REPRESENTATIVES

Mr. Chen Bingqiang  
Mr. Ng Cheuk Lun

## 公司資料

### 執行董事

陳炳強先生(*主席*)  
陳炳耀先生  
吳卓倫先生

### 獨立非執行董事

賴錫璋工程師  
許凱先生  
楊振宇先生

### 審計委員會

楊振宇先生(*主席*)  
賴錫璋工程師  
許凱先生

### 薪酬委員會

賴錫璋工程師(*主席*)  
許凱先生  
楊振宇先生  
陳炳強先生

### 提名委員會

許凱先生(*主席*)  
賴錫璋工程師  
楊振宇先生  
陳炳耀先生

### 公司秘書

吳卓倫先生

### 授權代表

陳炳強先生  
吳卓倫先生

## CORPORATE INFORMATION

## 公司資料

### REGISTERED OFFICE

PO Box 1350  
Clifton House  
75 Fort Street  
Grand Cayman KY1-1108  
Cayman Islands

### 註冊辦事處

PO Box 1350  
Clifton House  
75 Fort Street  
Grand Cayman KY1-1108  
Cayman Islands

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Dacem Industrial Park  
Huangpu Town  
Zhongshan  
Guangdong Province  
The PRC

### 總部及中國主要營業地點

中國  
廣東省  
中山市  
黃圃鎮  
大岑工業區

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F., 349 Hennessy Road  
Wanchai  
Hong Kong

### 香港主要營業地點

香港灣仔  
軒尼詩道349號5F

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited  
PO Box 1350  
Clifton House  
75 Fort Street  
Grand Cayman KY1-1108  
Cayman Islands

### 開曼群島股份過戶登記總處

Estera Trust (Cayman) Limited  
PO Box 1350  
Clifton House  
75 Fort Street  
Grand Cayman KY1-1108  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

### 香港股份過戶登記分處

香港中央證券登記有限公司  
香港灣仔  
皇后大道東183號  
合和中心  
17樓1712-1716號舖



## CORPORATE INFORMATION

### INDEPENDENT AUDITOR

Moore Stephens CPA Limited  
Registered Public Interest Entity Auditor  
801-806 Silvercord, Tower 1  
30 Canton Road, Tsimshatsui  
Kowloon, Hong Kong

### COMPLIANCE ADVISER

VBG Capital Limited  
18th Floor, Prosperity Tower  
39 Queen's Road Central  
Central, Hong Kong

### HONG KONG LEGAL ADVISER

King & Wood Mallesons  
13/F, Gloucester Tower  
The Landmark  
15 Queen's Road Central  
Central, Hong Kong

### PRINCIPAL BANKERS

CMB Wing Lung Bank Limited  
19/F, CMB Wing Lung Bank Building  
45 Des Voeux Road Central, Hong Kong

### LISTING INFORMATION

The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 301)

### COMPANY'S WEBSITE

[www.sanvo.com](http://www.sanvo.com)

## 公司資料

### 獨立審計師

大華馬施雲會計師事務所有限公司  
註冊公眾利益實體審計師  
香港九龍  
尖沙咀廣東道30號  
新港中心第一座801-806室

### 合規顧問

建泉融資有限公司  
香港中環  
皇后大道中39號  
豐盛創建大廈18樓

### 香港法律顧問

金杜律師事務所  
香港中環  
皇后大道中15號  
置地廣場  
告羅士打大廈13樓

### 主要往來銀行

招商永隆銀行  
香港德輔道中45號  
招商永隆銀行大廈19樓

### 上市資料

本公司普通股於香港聯合交易所有限公司主板上市  
(股份代號：301)

### 公司網頁

[www.sanvo.com](http://www.sanvo.com)

## FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2021, the Group's operating results were as follows:

- Total revenue increased by approximately 35.5% to approximately RMB463.1 million (six months ended 30 June 2020: approximately RMB341.8 million).
- Gross profit increased by approximately 25.6% to approximately RMB128.0 million (six months ended 30 June 2020: approximately RMB101.9 million).
- Gross profit margin decreased by approximately 2.2 percentage points to approximately 27.6% (six months ended 30 June 2020: approximately 29.8%).
- Profit for the period attributable to owners of the Company increased by approximately 29.2% to approximately RMB19.3 million (six months ended 30 June 2020: approximately RMB14.9 million).
- The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

## 財務概要

截至二零二一年六月三十日止六個月，本集團之經營業績如下：

- 收益總額增加約35.5%至約人民幣463,100,000元（截至二零二零年六月三十日止六個月：約人民幣341,800,000元）。
- 毛利增加約25.6%至約人民幣128,000,000元（截至二零二零年六月三十日止六個月：約人民幣101,900,000元）。
- 毛利率減少約2.2個百分點至約27.6%（截至二零二零年六月三十日止六個月：約29.8%）。
- 本公司擁有人應佔期內溢利增加約29.2%至約人民幣19,300,000元（截至二零二零年六月三十日止六個月：約人民幣14,900,000元）。
- 董事會並不建議就截至二零二一年六月三十日止六個月派付中期股息（截至二零二零年六月三十日止六個月：無）。



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

SANVO Fine Chemicals Group Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") is a well established fine chemical products manufacturer based in the People's Republic of China (the "**PRC**"). The Group focuses principally on the manufacture, research and development, and sale of a diversified portfolio of fine industrial chemical products, which can serve a range of purposes, including as hardware and building materials and towards automotive maintenance. The Group's products can be broadly categorised into the following segments: (i) aerosols, (ii) organic silicone adhesives, (iii) synthetic adhesives, and (iv) other miscellaneous products such as architectural coatings, oil products, wood paints and others.

The Group has two principal lines of business operations, namely the manufacture and sale of fine industrial chemical products: (i) under the brands of "SANVO 三和" and "FullTeam 芙田", and (ii) on an original equipment manufacturing ("**OEM**") basis whereby products are manufactured in accordance with the customer's design and specification and are marketed under the customer's brand name.

The Group recorded revenue of approximately RMB463.1 million for the six months ended 30 June 2021 (six months ended 30 June 2020: approximately RMB341.8 million), representing an increase of approximately 35.5% as compared to the same period in 2020.

The gross profit of the Group for the six months ended 30 June 2021 was approximately RMB128.0 million (six months ended 30 June 2020: approximately RMB101.9 million) and recorded an increase of approximately 25.6% as compared to the same period in 2020.

The profit and total comprehensive income for the six months ended 30 June 2021 attributable to owners of the Company were approximately RMB19.3 million and RMB20.2 million, respectively (six months ended 30 June 2020: approximately RMB14.9 million and RMB14.7 million respectively), representing the increases of approximately 29.2% and 36.9% as compared to the same period in 2020, respectively.

The basic earnings per share of the Company for the six months ended 30 June 2021 was approximately RMB4.5 cents (six months ended 30 June 2020: approximately RMB3.6 cents).

# 管理層討論及分析

## 業務回顧

三和精化集團有限公司(「本公司」)及其附屬公司(統稱為「本集團」)為駐中華人民共和國(「中國」)發展成熟之精細化工產品製造商。本集團主要集中製造、研發及銷售多元化精細化工產品組合，可廣泛用作不同用途，包括五金建材及汽車修護。本集團之產品大致可分為以下分部：(i) 氣霧劑、(ii) 有機矽膠粘劑、(iii) 合成膠粘劑及(iv) 其他雜項產品，例如建築塗料、油品、木器漆及其他。

本集團有兩條主要業務營運線，即(i) 以品牌「SANVO 三和」及「FullTeam 芙田」，及(ii) 按原設備製造形式根據客戶之設計及規格製造及銷售精細化工產品(「**OEM**」)，並以客戶品牌名稱進行營銷。

本集團於截至二零二一年六月三十日止六個月錄得收益約人民幣463,100,000元(截至二零二零年六月三十日止六個月：約人民幣341,800,000元)，較二零二零年同期增加約35.5%。

本集團於截至二零二一年六月三十日止六個月的毛利約為人民幣128,000,000元(截至二零二零年六月三十日止六個月：約人民幣101,900,000元)，較二零二零年同期錄得增加約25.6%。

本公司擁有人應佔溢利及全面收益總額於截至二零二一年六月三十日止六個月分別約為人民幣19,300,000元及約人民幣20,200,000元(截至二零二零年六月三十日止六個月：分別約人民幣14,900,000元及約人民幣14,700,000元)，較二零二零年同期分別增加約29.2%及36.9%。

本公司於截至二零二一年六月三十日止六個月之每股基本盈利約為人民幣4.5分(截至二零二零年六月三十日止六個月：約人民幣3.6分)。

## MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2021, the Group had 1,027 employees (31 December 2020: 957), including the executive directors of the Company. The Group's total employee benefit expenses (including remuneration of the Company's director ("Directors") and salaries in research and development expenses) were approximately RMB52.3 million for the six months ended 30 June 2021 (six months ended 30 June 2020: approximately RMB36.7 million). Employee benefit expenses are comprised of (i) salaries, allowances and benefits in kind, (ii) discretionary bonus and (iii) retirement benefit scheme contributions.

The outbreak of COVID-19 had significantly impacted the global and regional economy (i.e. currency fluctuation, temporary suspension of operation and logistic arrangements and etc.). The Group's sales activity was affected in the 1st quarter in 2020 (subsequently resumed from the 2nd quarter in 2020). In fact the Group was benefited from the outbreak of COVID-19 after resumption of its business in 2020, i) as some of the domestic operators in the PRC were not able to financially sustain their business and as a result, there were excessive raw material inventories in the market, thus, the price of these raw materials dropped significantly in 2020. The current raw materials price has been bounced back compare to the same period in 2020, our gross profit margin for the six months ended 30 June 2021 is negatively affected, ii) in addition, some of the overseas manufacturers were not able to deliver customers' order and the Group's OEM export sales has increased by 52.7% from approximately RMB8.2 million for the six months ended 30 June 2020 to approximately RMB12.5 million for the six months ended 30 June 2021.

### Market development and expansion

Apart from the expansion plan of our production site located at Shazi Industrial Park, Minzhong Town, Zhongshan City, Guangdong, the PRC (the "MV Production Site"), the Group is intending to expand its market reach to Central China in future, concerning the growth in domestic provinces and geographical advantage in logistic arrangements with distributors in Eastern China, Northwest and Northeast China. The Group is actively looking for development opportunities in authorised industrial park areas in Central China which is suitable for the manufacturing of chemical related products.

## 管理層討論及分析

於二零二一年六月三十日，本集團擁有1,027名僱員（二零二零年十二月三十一日：957名），包括本公司執行董事。截至二零二一年六月三十日止六個月，本集團之僱員福利開支總額（包括本公司董事（「董事」）酬金及研發開支中之薪金）約為人民幣52,300,000元（截至二零二零年六月三十日止六個月：約人民幣36,700,000元）。僱員福利開支包括(i)薪金、津貼及實物福利，(ii)酌情花紅及(iii)退休福利計劃供款。

新型冠狀病毒爆發對全球及地區經濟造成重大影響（如貨幣波動、業務及物流安排暫停等）。本集團的銷售活動於二零二零年第一季度受到影響（隨後於二零二零年第二季度恢復）。事實上，本集團於二零二零年恢復其業務後便從新型冠狀病毒中獲益，由於i)中國國內部分運營商未能在財務上維持彼等的業務，乃因此，市場上有大量的原料存貨，故該等原料的價格於二零二零年大幅下降。當前的原料價格較二零二零年同期已反彈恢復，截至二零二一年六月三十一日止六個月，毛利率受到負面影響，ii)此外，部分海外製造商未能交付客戶訂單，而本集團的OEM出口銷量由截至二零二零年六月三十日止六個月的約人民幣8,200,000元增加52.7%至截至二零二一年六月三十日止六個月的約人民幣12,500,000元。

### 市場開發及擴張

除位於中國廣東省中山市民眾鎮沙仔工業區的生產基地（「MV生產基地」）擴張規劃外，本集團考慮到國內省份的發展以及華東、西北以及東北地區分銷商物流安排的地理優勢，未來擬將其市場擴展至華中地區。本集團正積極於華中獲授權的工業園區尋求適合製造化工相關產品的發展機會。

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group has a plan to expand its product sales by entering into construction industry in view of the strong growth of the property development sector in the PRC, thus, the product utilisation and turnaround rates are more significant than wholesale/retail network. The Group has established a wholly foreign-owned enterprise, Fuvo Construction (Guangdong) Limited on 26 February 2021, with designated personnel to manage and develop this business line.

The Group will continue to focus on the development of (i) the domestic sales network and overseas OEM customers, (ii) the MV Production Site and (iii) market expansion in Central China and construction industry.

### FINANCIAL REVIEW

#### Revenue

The total revenue of the Group amounted to approximately RMB463.1 million for the six months ended 30 June 2021, representing an increase of approximately 35.5% as compared to approximately RMB341.8 million for the six months ended 30 June 2020.

The increase of revenue was mainly due to market recovery from the outbreak of COVID-19 in the PRC, and increase in sales orders placed by overseas customer.

#### Gross profit and gross profit margin

Gross profit of the Group amounted to approximately RMB128.0 million for the six months ended 30 June 2021, representing an increase of approximately 25.6% as compared to approximately RMB101.9 million for the six months ended 30 June 2020, as a result of the increase of overall revenue.

The gross profit margin of the Group decreased from approximately 29.8% for the six months ended 30 June 2020 to approximately 27.6% for the six months ended 30 June 2021. The current raw materials price has been bounced back compare to the same period in 2020, the gross profit margin of the Group for the six months ended 30 June 2021 is negatively affected.

#### Other income and gains

Other income and gains of the Group decreased from approximately RMB2.5 million for the six months ended 30 June 2020 to approximately RMB1.9 million for the six months ended 30 June 2021. The decrease was mainly attributable to the decrease in interest income derived from IPO proceeds and the government unconditional subsidies.

## 管理層討論及分析

鑒於中國房地產行業的強勁發展，本集團計劃通過進入建築業擴展其產品銷量，因此，產品使用率及回收率較批發／零售網絡更加重要。本集團已於二零二一年二月二十六日成立阜和建設(廣東)有限公司(一家外商獨資企業)，由指定人士管理及發展該業務線。

本集團將持續專注於發展 (i) 國內銷售網絡及海外OEM客戶、(ii) MV生產基地及 (iii) 華中以及建築業的市場擴張。

### 財務回顧

#### 收益

本集團於截至二零二一年六月三十日止六個月的收益總額約為人民幣463,100,000元，較截至二零二零年六月三十日止六個月的約人民幣341,800,000元增加約35.5%。

收益增加主要由於中國市場從新型冠狀病毒爆發中恢復以及海外客戶的銷售訂單增加。

#### 毛利及毛利率

本集團於截至二零二一年六月三十日止六個月的毛利約為人民幣128,000,000元，較截至二零二零年六月三十日止六個月約人民幣101,900,000元增加約25.6%，乃由於整體收益增加所致。

本集團的毛利率由截至二零二零年六月三十日止六個月的約29.8%減少至截至二零二一年六月三十日止六個月的約27.6%。當前原料價格較二零二零年同期已反彈恢復。截至二零二一年六月三十日止六個月，本集團的毛利率受到負面影響。

#### 其他收入及收益

本集團其他收入及收益由截至二零二零年六月三十日止六個月的約人民幣2,500,000元減少至截至二零二一年六月三十日止六個月的約人民幣1,900,000元。減少主要由於首次公開發售所得款項產生之利息收入及政府無條件補助減少。

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Selling and distribution expenses**

Selling and distribution expenses of the Group increased from approximately RMB42.9 million for the six months ended 30 June 2020 to approximately RMB57.4 million for the six months ended 30 June 2021. The increase was due to more marketing activities engaged by the Group including advertising and promotion activities.

## **Administrative expenses**

Administrative expenses of the Group increased from approximately RMB40.0 million for the six months ended 30 June 2020 to approximately RMB46.8 million for the six months ended 30 June 2021. The increase was mainly due to the increase in (i) staff salaries and allowances and (ii) corporate governance and compliance related expenses. The Group has continued to deploy resources to various compliance requirements for corporate governance.

## **Finance costs**

Finance costs of the Group increased from approximately RMB3.7 million for the six months ended 30 June 2020 to approximately RMB3.9 million for the six months ended 30 June 2021. The increase in finance costs was in line with the increase in other borrowings incepted in September 2020.

## **Income tax expense**

Income tax expense of the Group decreased from approximately RMB2.8 million for the six months ended 30 June 2020 to approximately RMB2.5 million for the six months ended 30 June 2021. The decrease was mainly due to more tax deductible expenses incurred.

## **Profit for the period**

The Group's profit for the six months ended 30 June 2021 was approximately RMB19.3 million, representing an increase of approximately 29.2% as compared to the profit for the six months ended 30 June 2020 of approximately RMB14.9 million.

# 管理層討論及分析

## **銷售及經銷開支**

本集團銷售及經銷開支由截至二零二零年六月三十日止六個月的約人民幣42,900,000元增加至截至二零二一年六月三十日止六個月的約人民幣57,400,000元。此增加乃由於本集團增加市場營銷活動(包括廣告及推廣活動)引致。

## **行政開支**

本集團行政開支由截至二零二零年六月三十日止六個月的約人民幣40,000,000元增加至截至二零二一年六月三十日止六個月的約人民幣46,800,000元。增加主要由於(i)員工薪金及津貼增加及(ii)企業管治和合規相關開支增加。本集團已持續調配資源以符合各項有關企業管治的合規要求。

## **融資成本**

本集團融資成本由截至二零二零年六月三十日止六個月的約人民幣3,700,000元增加至截至二零二一年六月三十日止六個月的約人民幣3,900,000元。融資成本增加與於二零二零年九月獲得的其他借款增加一致。

## **所得稅開支**

本集團所得稅開支由截至二零二零年六月三十日止六個月的約人民幣2,800,000元減少至截至二零二一年六月三十日止六個月的約人民幣2,500,000元。減少主要由於可抵扣稅項費用增加而引致。

## **期內溢利**

本集團於截至二零二一年六月三十日止六個月的溢利約為人民幣19,300,000元，較截至二零二零年六月三十日止六個月的溢利約人民幣14,900,000元增加約29.2%。

# MANAGEMENT DISCUSSION AND ANALYSIS

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

### Capital structure

The shares of the Company (the "Shares") were successfully listed (the "Listing") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 January 2020 (the "Listing Date") and there has been no change in capital structure of the Group since then.

### Liquidity and financial resource

The Group recorded net current liabilities of approximately RMB35.1 million as of 30 June 2021 (31 December 2020: net current liabilities of approximately RMB2.4 million). The current ratio, calculated by dividing the current assets by current liabilities, was approximately 0.9 as at 30 June 2021 (31 December 2020: approximately 1.0). The increase in net current liabilities and decrease in current ratio were primarily due to decrease in cash position as a result of increase in investing activities and payments for acquisition of property, plant and equipment.

The gearing ratio, calculated by dividing total interest-bearing borrowings by equity of the Group, was approximately 0.6 as at 30 June 2021 (31 December 2020: approximately 0.8). The decrease in gearing ratio was mainly attributable to the (i) decrease in overall borrowings and (ii) increase in total equity as a result of profit for the period of approximately RMB19.3 million recorded for the six months ended 30 June 2021.

## TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy. The board of the Directors (the "Board") closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

# 管理層討論及分析

## 流動資金、財務資源及資本結構

### 資本結構

本公司股份(「股份」)已於二零二零年一月十六日(「上市日期」)成功在香港聯合交易所有限公司(「聯交所」)主板上市(「上市」)，此後本集團的資本結構並無任何變動。

### 流動資金及財務資源

於二零二一年六月三十日，本集團錄得流動負債淨額約人民幣35,100,000元(二零二零年十二月三十一日：流動負債淨額約人民幣2,400,000元)。於二零二一年六月三十日，按流動資產除以流動負債計算的流動比率為約0.9(二零二零年十二月三十一日：約1.0)。流動負債淨額增加及流動比率減少主要由於收購物業、廠房及設備的投資活動及付款增加而令現金狀況減少所致。

於二零二一年六月三十日，按計息借款總額除以本集團權益計算的負債比率為約0.6(二零二零年十二月三十一日：約0.8)。負債比率減少主要由於(i)整體借款減少及(ii)總權益增加，乃由於截至二零二一年六月三十日止六個月錄得期內溢利約人民幣19,300,000元。

## 財資政策

本集團對其財資政策已採取審慎的財務管理方法。董事會(「董事會」)密切監控本集團之流動資金狀況，以確保本集團資產、負債的流動資金結構及其他承諾能夠始終滿足其資金需求。



# MANAGEMENT DISCUSSION AND ANALYSIS

## PRINCIPAL RISKS AND UNCERTAINTIES

### *Price of raw materials*

Our production process requires reliable and stable sources of large quantities of raw materials from third parties. We generally maintain a certain level of inventory of our raw materials for future production or to meet future demand according to our production plan and we do not have hedging arrangements against fluctuations in raw material prices and therefore we bear the risks associated with raw material cost fluctuations. The pricing of our raw materials is also sensitive to supply disruptions, general economic conditions, and many other factors that are beyond our control. We expect the prices of some of our key raw materials may increase in the future. If we are unable to reflect increases in the price of raw materials efficiently or adequately in the selling prices of our products, our cost base may increase, which may lead to a reduction in our gross profit margin, and the operating results for our products may be materially and adversely affected.

### *Market risks*

The market in which we operate is highly competitive and fragmented. Competitive factors include product quality, price, design and development capability, timely delivery, valuable service, scale and capacity, and efficiency. We face competition from existing and new players in the fine industrial chemicals industry worldwide, including numerous manufacturers in the PRC and elsewhere which offer similar fine industrial chemical products at lower prices than we do, as well as other enterprises which offer an increasing number of related products which could be used as substitutes for our products.

We expect competition in our industry to intensify in the future. There can be no assurance that we can stay competitive due to improvements by our competitors or other factors. To compete effectively, we may be forced, among other actions, to reduce prices, provide more sales incentives to customers and increase capital expenditures in our labour force, property, plant and equipment. Any intensification of the competition or failure by us to compete successfully with our competitors could have an adverse impact on the demand for, and pricing of, our products, and as a result, could result in a reduction of our market share and have an adverse effect on our business, financial condition, results of operations and prospects.

## 管理層討論及分析

### 主要風險及不確定性

#### *原材料價格*

我們之生產工序需要來自第三方的大量原料之可靠及穩定供應。我們一般會根據我們之生產計劃維持若干水平原料存貨以供未來生產或滿足未來需求，且我們並無對原料價格波動進行對沖安排，因此，我們承擔與原料成本波動相關之風險。我們之原料定價亦對供應中斷、整體經濟狀況及我們無法控制之多項其他因素敏感。我們預計未來若干主要原材料價格可能會上漲。倘我們無法有效或充分於我們之產品售價反映原料價格上漲，我們之成本基數或會增加，而我們之毛利率可能會因而下降，及我們產品之經營業績可能會受到重大不利影響。

#### *市場風險*

我們經營所在之市場競爭激烈且分散。競爭因素包括產品質量、價格、設計及開發能力、及時交付、有價值之服務、規模及能力以及效率。我們面臨來自全球精細化工行業現有及新參與者之競爭，包括中國及其他地區之眾多製造商，彼等以低於我們之價格提供類似之精細化工產品，以及其他企業(其產品可替代我們之產品)之產量日益增加。

我們預期行業競爭於未來將會加劇。由於競爭對手之改進或其他因素，無法保證我們能維持競爭力。為保持有效競爭，除其他行動外，我們可能會被迫降價，為客戶提供更多之銷售激勵措施，並增加我們之勞動力、物業、廠房及設備的資本開支。任何激烈競爭或我們未能與競爭對手成功競爭均可能對我們產品之需求及定價產生不利影響，因此可能減少我們之市場佔有率，並對我們之業務、財務狀況、經營業績及前景造成不利影響。

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Compliance risks**

Under relevant PRC laws and regulations, we are required to hold various licences and permits in order to conduct our business. We are also required to comply with applicable regulations and standards in relation to our production and the quality of our products. These registrations, licenses, permits and certificates may only be valid for a limited period of time and may be subject to periodic reviews and renewal by the relevant authorities. Failure to comply with these laws and regulations, or the loss of or failure to renew our licences and permits or any change in the government policies, could lead to temporary or permanent suspension of some of our business operations or the imposition of penalties on us, which could adversely affect our results of operations and financial condition.

## **Interest rate risk**

The Group's fair value interest rate risk relates primarily to its fixed rate bank deposits and borrowings. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk.

## **Credit risk**

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of each reporting period in relation to each class of recognised financial assets is the carrying amount of those financial assets stated in the Group's condensed consolidated statement of financial position.

The Group's credit risk is primarily attributable to its trade, bills and other receivables. In order to minimise the credit risk, the Group's management continuously monitors the level of exposure to ensure that follow-up action is taken to recover overdue debts. In this regard, the Directors consider that the impact to the Group's credit risk is insignificant.

## **Liquidity risk**

The Group's management monitors the Group's cash flow positions on a regular basis to ensure the cash flows of the Group are closely controlled. The Group aims to maintain flexibility in funding by keeping committed credit lines available and issue of new ordinary shares.

# 管理層討論及分析

## **合規風險**

根據相關中國法律及法規，我們須持有多項執照及許可以進行我們之業務。我們亦須遵守有關我們生產及產品質量之適用法規及標準。該等登記證、執照、許可及證書可能僅於一段有限期間內有效，並可能須由相關機關作定期檢驗及重續。無法遵守此等法律及法規，或遺失或無法重續我們之執照及許可，或任何政府政策之變動均可能導致我們之部分業務營運暫時或永久地中斷或我們遭處罰，因而可能對我們之經營業績及財務狀況造成不利影響。

## **利率風險**

本集團的公平值利率風險主要與其定息銀行存款及借款有關。本集團現時並無利用任何衍生工具合約對沖其所面臨的利率風險。

## **信貸風險**

倘交易對手未能在各報告期末就各類已確認金融資產履行其責任，本集團所面對的最高信貸風險為該等金融資產於本集團簡明綜合財務狀況表列示的賬面值。

本集團的信貸風險主要來自其貿易、票據及其他應收款項。為盡量降低信貸風險，本集團管理層持續監控風險水平，確保採取後續措施收回逾期債務。就此而言，董事認為對本集團的信貸風險影響較低。

## **流動資金風險**

本集團管理層定期監控本集團的現金流量狀況，以確保本集團的現金流量受到嚴格控制。本集團的目標為透過保持可動用的承諾信貸融資及發行新普通股維持資金的靈活性。



# MANAGEMENT DISCUSSION AND ANALYSIS

## BORROWINGS AND PLEDGE OF ASSETS

As at 30 June 2021, the Group had interest-bearing bank borrowings and other borrowings of approximately RMB146.9 million (31 December 2020: approximately RMB171.9 million). The interest rate of the relevant borrowings was charged in the range of approximately 3.80% to 6.37% per annum for the six months ended 30 June 2021 (six months ended 30 June 2020: approximately 3.08% to 6.47%).

As at 30 June 2021, a portion of the Group's bank deposits amounting to approximately RMB40.9 million (31 December 2020: approximately RMB38.1 million) were pledged as collaterals for, amongst others, issues of bills payable for the Group's purchase of raw materials, other credit facilities and guarantee to complete construction work for the leasehold land acquired.

As at 30 June 2021 and 31 December 2020, the Group's interest-bearing bank borrowings and other borrowings were secured by the following assets:

## 管理層討論及分析

### 借款及資產抵押

於二零二一年六月三十日，本集團的計息銀行借款及其他借款為約人民幣146,900,000元(二零二零年十二月三十一日：約人民幣171,900,000元)。截至二零二一年六月三十日止六個月，相關借款利率分別按年利率約3.80%至6.37%計息(截至二零二零年六月三十日止六個月：約3.08%至6.47%)。

於二零二一年六月三十日，本集團的部分銀行存款為約人民幣40,900,000元(二零二零年十二月三十一日：約人民幣38,100,000元)，已獲抵押為(其中包括)本集團發行應付票據以購買原材料、其他信貸服務及擔保完成收購的租賃土地建築工程。

於二零二一年六月三十日及二零二零年十二月三十一日，本集團之計息銀行借款以及其他借款由下列資產作為抵押：

		As at 30 June 2021 於 二零二一年 六月三十日	As at 31 December 2020 於 二零二零年 十二月三十一日
		RMB'000 人民幣千元	RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	27,811	30,374
Right-of-use assets	使用權資產	85,260	85,743

## ADDITIONAL INFORMATION

### REVIEW OF INTERIM FINANCIAL STATEMENTS

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rule**”) and the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Yeung Chun Yue David (Chairman), Ir. Daniel Lai and Mr. Xu Kai. The primary duties of the Audit Committee are, among others, to review and supervise the Group's financial reporting process and internal controls. In each Audit Committee meeting, the Audit Committee was supplied with the necessary financial information of the Group for members to consider, review and access significant issues arising from the work conducted.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2021 has been reviewed by the Audit Committee. The Audit Committee and the management of the Company were satisfied that the Group's unaudited condensed consolidated interim financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the period and that adequate disclosures had been made according to the applicable rules and regulations.

### INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

### CONTINGENT LIABILITIES AND LITIGATION

The Group did not have any material contingent liabilities and litigation as at the date of this report.

## 附加資料

### 審閱中期財務報表

本公司已遵照聯交所證券上市規則(「**上市規則**」)第3.21條及上市規則附錄十四所載的企業管治守則及企業管治報告成立審計委員會(「**審計委員會**」)，並以書面形式確定職權範圍。

審計委員會由三名獨立非執行董事組成，即楊振宇先生(主席)、賴錫璋工程師及許凱先生。審計委員會主要負責(其中包括)審閱及監督本集團之財務報告程序及內部監控。於每次審計委員會會議，審計委員會向成員提供本集團必要財務資料以考慮、檢討並獲取進行工作當中產生的重大問題。

審計委員會已審閱本集團截至二零二一年六月三十日止六個月之未經審計簡明綜合中期財務報表。審計委員會及本公司管理層信納本集團的未經審計簡明綜合中期財務報表乃按適用會計準則編製，且公平呈列本集團期內的財務狀況及業績，並已根據適用規則及法規作出足夠披露。

### 中期股息

董事會並不建議就截至二零二一年六月三十日止六個月派付中期股息(截至二零二零年六月三十日止六個月：無)。

### 或然負債及訴訟

於本報告日期，本集團概無任何重大或然負債及訴訟。

## ADDITIONAL INFORMATION

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is dedicated to reducing its impacts to the environment from its factories and offices through mitigating the environmental pollutions and utilising resource efficiently. The Group strives to comply with related environmental laws and legislations, and continual improvement on its performance. For details, please refer to the Environmental, Social and Governance Report for the year ended 31 December 2020 issued by the Company on 23 April 2021 (the “**Environmental, Social and Governance Report**”).

### KEY RELATIONSHIPS WITH ITS EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group strives to maintain a good relationship with its employees, customers and suppliers. For more details on how it creates a motivated workplace for its employees, produce quality products to satisfy its customers' expectations and, establish long-term relationships with its suppliers, please refer to the Environmental, Social and Governance Report.

### COMPLIANCE WITH LAWS AND REGULATIONS

During the six months ended 30 June 2021, the Group was not aware of any non-compliance with any relevant laws and regulations that has a significant impact on it.

### FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group will continue to invest in its development projects and acquire suitable plant and machinery, as and when it thinks fit. These investments will be funded by internal resources of the Group, external equity financing and/or borrowings and net proceeds from the share offer. Save as disclosed in the prospectus of the Company dated 27 December 2019 (the “**Prospectus**”) and in this report, the Group did not have any future plans for material investments as at the date of this report.

## 附加資料

### 環境政策及表現

本集團致力於透過減少環境污染及有效利用資源，降低工廠與辦公室對環境的影響。本集團致力於遵守相關環境法律及法規，並持續改善表現。有關詳情請參閱本公司於二零二一年四月二十三日刊發截至二零二零年十二月三十一日止年度之環境、社會及管治報告（「**環境、社會及管治報告**」）。

### 與其僱員、客戶及供應商的主要關係

本集團努力與僱員、客戶及供應商維持良好關係。有關我們如何為僱員創造積極的工作場所、生產優質產品滿足客戶要求並與供應商建立長期關係的更多詳情，請參閱環境、社會及管治報告。

### 遵守法律及法規

截至二零二一年六月三十日止六個月，本集團並不知悉對其具有重大影響的未遵守任何相關法律及法規的情況。

### 未來重大投資計劃

本集團將繼續投資開發項目，並在其認為適當時收購合適的廠房及機器。該等投資將以本集團之內部資源、外部股權融資及／或借款以及股份發售所得款項淨額撥付。除本公司日期為二零一九年十二月二十七日的招股章程（「**招股章程**」）及本報告所披露者外，於本報告日期，本集團並無任何有關重大投資的未來計劃。

## ADDITIONAL INFORMATION

### USE OF PROCEEDS

On the Listing Date, 90,000,000 ordinary shares with a par value of HK\$0.01 each of the Company were issued at a price of HK\$1.30 per share by way of share offer (the "Share Offer"). The net proceeds received by the Group from the Share Offer after deducting the related underwriting commissions and other listing expenses, were approximately HK\$75.2 million (the "IPO Proceeds"). The IPO Proceeds are intended to be utilised in accordance with the proposed application as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. As at the date of this report, the utilisation of the IPO Proceeds is as follows:

## 附加資料

### 所得款項用途

於上市日期，90,000,000股本公司每股面值0.01港元的普通股透過股份發售方式按每股1.30港元的價格發行（「股份發售」）。經扣除相關承銷商的佣金及其他上市開支後，本集團自股份發售收取的所得款項淨額約為75,200,000港元（「首次公開發售所得款項」）。首次公開發售所得款項擬定根據招股章程「未來計劃及所得款項用途」一節所載的建議用途動用。於本報告日期，首次公開發售所得款項的使用情況如下：

		Amount utilised during the year ended 31 December		
		Allocation as disclosed in the Prospectus	2020 and six months ended 30 June 2021	Remaining balance as at 30 June 2021
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Investment in new manufacturing facility at the MV Production Site	於MV生產基地之新生產設施之投資	60,200	60,200	—
Sales and marketing activities to enhance brand recognition in the PRC and overseas	用以提升本集團於中國及海外之品牌聲譽之銷售及市場推廣活動	7,500	7,500	—
Working capital and other general corporate purpose	營運資金及其他一般企業用途	7,500	7,500	—
<b>Total</b>	<b>總額</b>	<b>75,200</b>	<b>75,200</b>	<b>—</b>

## ADDITIONAL INFORMATION

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance practices as we believe that effective corporate governance practices are able to (i) enhance management effectiveness and efficiency; (ii) increase the transparency of the Group; and (iii) enhance risk management and internal control of the Group, and are fundamental to safeguarding the interests of its shareholders and other stakeholders, and to enhancing shareholder value.

In the opinion of the Board, throughout the six months ended 30 June 2021, the Company has complied with the code provisions (the "Code Provisions") set out in the Corporate Governance Code under Appendix 14 to the Listing Rules, except for the following deviation:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Ernest Chen is the chairman of the Board and the chief executive officer of the Company. In view of that Mr. Ernest Chen has been assuming day-to-day responsibilities in operating and managing the Group, the Board believes that with the support of Mr. Ernest Chen's extensive experience and knowledge in the business of the Group, vesting the roles of both chairman and chief executive officer of the Company in Mr. Ernest Chen strengthens the solid and consistent leadership and thereby allows for efficient business planning and decision which is in the best interest to the Group. The Directors consider that the deviation from Code Provision A.2.1 is appropriate in such circumstances. Notwithstanding the above, the Board is of the view that this management structure is effective for the Group's operations, and sufficient checks and balances are in place. The Directors are committed to achieving high standards of corporate governance with a view to safeguarding the interests of the Company and its shareholders as a whole. The Board will continue to review and consider segregating the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the model code as set out in Appendix 10 to the Listing Rules (the "Model Code") to regulate the dealings of the Directors in the Group's securities. Upon specific enquiries made by the Company, all Directors have confirmed their compliance with the Model Code during the six months ended 30 June 2021.

## 附加資料

### 遵守企業管治守則

本公司致力於維持高水平的企業管治常規，因我們相信有效的企業管治常規可 (i) 提高管理有效性及效率；(ii) 增加本集團的透明度；及 (iii) 加強本集團的風險管理及內部監控及作為維護其股東及其他持份者利益以及提升股東價值的基礎。

董事會認為，於截至二零二一年六月三十日止六個月，本公司已遵守上市規則附錄十四所載之「企業管治守則」之守則條文（「守則條文」），下列偏離除外：

守則條文第A.2.1條規定，董事會主席和行政總裁的角色應分開，並且不應由同一個人擔任。陳炳強先生為董事會主席兼本公司行政總裁。鑒於陳炳強先生一直負責經營及管理本集團之日常職責，故董事會相信，在陳炳強先生於本集團業務方面之豐富經驗及知識支持下，由陳炳強先生同時兼任本公司主席及行政總裁之角色可加強穩固連貫之領導，從而達致有效業務規劃及決策並符合本集團之最佳利益。董事認為，於有關情況下偏離守則條文第A.2.1條屬恰當。儘管有上述情況，董事會認為該管理架構對本集團營運行之有效，並有足夠檢測及制衡。董事致力達致高水平企業管治，以保障本公司及其股東之整體利益。董事會將在適當時候並適當考慮本集團整體情況後，繼續檢討並考慮將董事會主席與本公司行政總裁的角色分開。

### 遵守進行證券交易的標準守則

本公司已採納上市規則附錄十所載之標準守則（「標準守則」），以規範董事買賣本集團的證券。經本公司作出具體查詢後，全體董事確認，彼等於截至二零二一年六月三十日止六個月內已遵守標準守則。

## ADDITIONAL INFORMATION

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company had not redeemed any of its securities during the six months ended 30 June 2021. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's securities during the six months ended 30 June 2021.

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30 June 2021, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be and were entered in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules, were as follows:

Name of Director(s)/Chief executive	Capacity/nature of interest	Relevant company (including associated corporation)	Number and class of Shares (Note 1)	Approximate percentage of shareholding in the total issued share capital of the Company
董事／行政總裁姓名	身分／權益性質	相關公司(包括相聯法團)	股份數目及類別 (附註1)	概約股權百分比
Mr. Chen Bingqiang 陳炳強先生	Interest of controlled corporation 於受控法團的權益	Sanvo Fine Chemicals Limited (Note 2) Sanvo Fine Chemicals Limited (附註2)	314,000,000	73.45%

Notes:

- All the above Shares are held in long position.
- Sanvo Fine Chemicals Limited is wholly-owned by Mr. Chen Bingqiang. Mr. Chen Bingqiang is deemed to be interested in the 314,000,000 Shares held by Sanvo Fine Chemicals Limited pursuant to the SFO.

## 附加資料

### 購買、出售或贖回本公司股份

截至二零二一年六月三十日止六個月，本公司未有贖回其任何證券。截至二零二一年六月三十日止六個月，本公司及其任何附屬公司均未有購買或出售本公司任何證券。

### 董事及主要行政人員於股份、相關股份及債權證中擁有的權益及淡倉

於二零二一年六月三十日，董事及本公司主要行政人員於本公司或其任何相聯法團(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須(a)根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所(包括根據證券及期貨條例之有關條文，被當作或視為擁有之權益及淡倉)；或(b)根據證券及期貨條例第352條，將記錄或已記錄於本公司存置之登記冊；或(c)根據上市規則附錄十所載之標準守則須知會本公司及聯交所之權益及淡倉如下：

附註：

- 上述所有股份均以好倉持有。
- Sanvo Fine Chemicals Limited由陳炳強先生全資擁有。根據證券及期貨條例，陳炳強先生被視為於Sanvo Fine Chemicals Limited持有之314,000,000股股份中擁有權益。

## ADDITIONAL INFORMATION

## 附加資料

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES

As at 30 June 2021, to the best knowledge of the Directors, the following interests and short position of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

### 主要股東於股份或相關股份中擁有的權益及淡倉

於二零二一年六月三十日，就董事所深知，以下人士於本公司已發行股本中，擁有按照證券及期貨條例第336條本公司須存置之登記冊所記錄之5%或以上權益及淡倉，載列如下：

Name of shareholder(s)	Capacity/nature of interest	Number and class of Shares (Note 1)	Approximate percentage of shareholding in the total issued share capital of the Company 佔本公司全部已發行股本概約股權百分比
股東姓名	身分／權益性質	股份數目及類別 (附註1)	
Sanvo Fine Chemicals Limited Sanvo Fine Chemicals Limited	Beneficial owner 實益擁有人	314,000,000	73.45%
Ms. Liang Yinsheng (Note 2) 梁銀生女士(附註2)	Interest of spouse 配偶權益	314,000,000	73.45%

Notes:

- All the above Shares are held in long position.
- Ms. Liang Yinsheng, the spouse of Mr. Chen Bingqiang, is deemed to be interested in the 314,000,000 Shares held by Mr. Chen Bingqiang through his controlled corporation, Sanvo Fine Chemicals Limited.

Save as disclosed above, as at 30 June 2021, the Directors had not been notified by any persons who had interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company pursuant to Division 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

附註：

- 上述所有股份均以好倉持有。
- 陳炳強先生之配偶梁銀生女士被視為於陳炳強先生透過其受控法團Sanvo Fine Chemicals Limited持有的314,000,000股股份中擁有權益。

除上文所披露者外，於二零二一年六月三十日，董事並無接獲任何人士通知，表示其於本公司股份或相關股份中擁有權益或淡倉，而須根據證券及期貨條例第XV部第2及第3分部向本公司披露，或根據證券及期貨條例第336條記錄於本公司之登記冊。



## ADDITIONAL INFORMATION

### SHARE OPTIONS

#### SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by the written resolutions of our Shareholders passed on 13 December 2019. The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules.

#### Purpose

The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the Eligible Participants (as defined below) have had or may have made to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) motivating the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (ii) attracting and retaining or otherwise maintaining on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

#### Eligible Participant

The Board may, at its discretion, offer to grant an option to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph below to the following persons ("**Eligible Participants**"):

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any Directors (including non-executive Directors and independent non-executive Directors) of the Company or any of its subsidiaries;
- (iii) any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries; and

## 附加資料

### 購股權

#### 購股權計劃

下列為本公司股東於二零一九年十二月十三日以書面決議案方式有條件採納之購股權計劃的主要條款概要。購股權計劃的條款符合上市規則第 17 章的規定。

#### 目的

購股權計劃為認可及承認合資格參與者(定義見下文)對本集團已作出或可能作出之貢獻而設立之一項股份獎勵計劃。購股權計劃將為合資格參與者提供於本公司擁有個人權益之機會，並旨在達成下列目標：

- (i) 鼓勵合資格參與者以本集團利益作出彼等之最佳表現及效率；及
- (ii) 吸納及挽留作出對本集團長遠發展有所裨益或將會有裨益之貢獻之合資格參與者或以其他方式維持與其持續之業務關係。

#### 合資格參與者

董事會可酌情向下列人士(「**合資格參與者**」)要約授出購股權以按下文一段釐定之行使價認購董事會可能釐定之該等數目新股份：

- (i) 本公司或其任何附屬公司全職或兼職工作之任何僱員、行政人員或高級人員；
- (ii) 本公司或其任何附屬公司任何董事(包括非執行董事及獨立非執行董事)；
- (iii) 本公司或其任何附屬公司任何顧問、諮詢人、供應商、客戶及代理；及

## ADDITIONAL INFORMATION

(iv) such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group, the assessment criteria of which are:

- (aa) contribution to the development and performance of the Group;
- (bb) quality of work performed for the Group;
- (cc) initiative and commitment in performing his duties; and
- (dd) length of service or contribution to the Group.

### Maximum number of shares

The maximum number of Shares pursuant to which options may be granted under the Share Option Scheme shall not exceed 42,750,000 Shares, which represented 10% of the then issued share capital of the Company as at the Listing Date and the date of this report. This limit may be renewed at any time provided that the new limit must not exceed 10% of the total number of Shares in issue as at the date of the Shareholders' approval for the renewal.

Notwithstanding anything to the contrary in the Share Option Scheme, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time must not exceed 30% of the Shares in issue from time to time. No options may be granted under any schemes of the Company if such grant will result in this 30% limit being exceeded.

### Maximum entitlement of each Eligible Participant

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant.

## 附加資料

(iv) 董事會全權認為將會或已經對本集團作出貢獻之其他人士，評估標準如下：

- (aa) 對本集團發展及業績有貢獻；
- (bb) 為本集團履行之工作質素；
- (cc) 履行其職責之舉措及承諾；及
- (dd) 於本集團之任期或貢獻。

### 股份數目上限

根據購股權計劃可授出的購股權所涉及的股份數目上限不得超過上市日期及本報告日期本公司當時已發行股本之10%，即42,750,000股股份。該上限可隨時重新釐定，惟新上限不得超過股東批准當日已發行股份總數之10%。

儘管購股權計劃有任何相反規定，根據購股權計劃及本公司任何其他購股權計劃已授出但尚未行使的所有尚未行使購股權獲行使後可能發行的股份，在任何時候均不得超過不時已發行股份之30%。倘授予購股權將導致超出此30%上限，則不得根據本公司任何計劃授予任何購股權。

### 向每名合資格參與者授出購股權的數目上限

於任何12個月期間直至及包括授出日期根據購股權計劃及本公司任何其他購股權計劃向每名合資格參與者授出的購股權獲行使時而已發行及可能須予發行的股份總數(包括已行使、已註銷及尚未行使的購股權)不得超過於授出日期已發行股份1%。

## ADDITIONAL INFORMATION

### Time of exercise of option and duration of the Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The minimum period for which an option must be held before it can be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme by the Shareholders of the Company on 13 December 2019 (the "**Adoption Date**"). Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date.

### Acceptance of an offer of options

An option shall be deemed to have been granted and accepted by the grantee when the duplicate offer document constituting acceptance of the options duly signed by the grantee, together with a remittance of nominal consideration of HK\$1.00, is received by the Company on or before the relevant acceptance date. Such payment shall in no circumstances be refundable. Any offer for grant of an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option.

### Basis of determining the exercise price

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

## 附加資料

### 行使購股權的時間及購股權計劃的期限

購股權可於購股權被視作授出及獲接納當日後及自當日起計十年屆滿前，隨時根據購股權計劃的條款行使。購股權可行使前須持有之最短期間將由董事會全權酌情釐定，惟購股權於授出超過10年後概不可行使。購股權概不得於本公司股東在二零一九年十二月十三日批准購股權計劃當日（「採納日期」）超過10年後授出。除非本公司於股東大會或董事會提早終止，否則購股權計劃自採納日期起計10年有效及生效。

### 接納購股權要約

本公司於相關接納日期或之前收到接納購股權要約文件的複本（經承授人正式簽署），連同匯付1.00港元的名義代價，有關購股權即被視為已予授出及已獲承授人接納。在任何情況下，有關付款概不予退還。就任何認購股份的購股權要約而言，承授人可接納少於其獲要約所涉及的股份數目，惟必須為股份於聯交所進行交易的買賣單位或為有關股份的完整倍數及接納購股權要約文件複本上清楚列明的數目。

### 釐定行使價之基準

任何根據購股權計劃授出的購股權所涉股份認購價須由董事會全權酌情釐定，惟此價格將不得低於以下最高者：

- (i) 於授出日期聯交所每日報價表所列股份的收市價，授出日期須為聯交所可供進行證券交易的日子；
- (ii) 緊接授出日期前五個營業日，聯交所每日報價表所列股份的平均收市價；及
- (iii) 股份面值。

## ADDITIONAL INFORMATION

No option was granted, exercised, cancelled or lapsed under the Share Option Scheme for the six months ended 30 June 2021 and there was no outstanding share option as at 30 June 2021.

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, at no time during the six months ended 30 June 2021 was the Company, its holding company, fellow subsidiaries or subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate or had exercised any such right.

### PARTICULARS OF THE DIRECTORS' SERVICE CONTRACTS

As at 30 June 2021, none of the Directors had entered or was proposing to enter into a service contract with the Company or any member of the Group which is not determinable within one year without payment or compensation (other than statutory compensation).

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the six months ended 30 June 2021, none of the Directors or their respective close associates (other than members of the Group) has any interest in a business, apart from the business of the Group, which competes or likely compete, either directly or indirectly, with the business of the Group which would require disclosure under Rule 8.10 of the Listing Rules.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this report, neither the Directors nor any entity connected with the Directors had a material interests, whether directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the six months ended 30 June 2021.

## 附加資料

截至二零二一年六月三十日止六個月，概無購股權根據購股權計劃獲授出、行使、註銷或失效，且於二零二一年六月三十日概無尚未行使購股權。

### 董事收購股份或債權證之權利

除本報告所披露者外，截至二零二一年六月三十日止六個月之任何時候，本公司或其控股公司或同系附屬公司或附屬公司並無作為任何安排的一方，以使董事有權獲得通過購買本公司或任何其他法人團體的股份或債權證獲得利益的權利，而董事、或其各自之配偶或十八歲以下之子女概無擁有任何認購本公司或其任何法人團體之股本或債務證券之權利，亦未曾行使任何此等權利。

### 董事服務合約詳情

於二零二一年六月三十日，概無董事與本公司或本集團任何成員公司訂立或擬訂立不可於一年內免付賠償(法定賠償除外)予以終止之服務合約。

### 董事於競爭業務中之權益

截至二零二一年六月三十日止六個月，概無董事或其各自之密切聯繫人(本集團成員公司除外)於根據上市規則第8.10條須予披露與本集團業務競爭或可能直接或間接競爭的業務(本集團業務除外)中擁有任何權益。

### 董事於重大交易、安排或合約中之權益

除本報告所披露者外，概無董事或任何與彼等有連之實體於本公司、其控股公司或其任何附屬公司或同系附屬公司為訂約方且於截至二零二一年六月三十日止六個月內或結束時仍然生效之任何重大交易、安排或合約中直接或間接擁有重大利益。

## ADDITIONAL INFORMATION

### CHANGE IN INFORMATION OF THE DIRECTORS

During the six months ended 30 June 2021, there were no material changes of the information of the Directors that required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF THE SUBSIDIARIES AND ASSOCIATED COMPANIES

During the six months ended 30 June 2021 and up to the date of this report, the Group did not hold any significant investment and had no material acquisition or disposal of its subsidiaries and associated companies.

### SIGNIFICANT EVENTS AFTER REPORTING PERIOD

No significant events affecting the Group have occurred since the end of the six months ended 30 June 2021 and up to the date of this report.

### PUBLICATION OF THE INTERIM REPORT

This interim report will be published on the website of each of the Stock Exchange ([www.hkexnews.com.hk](http://www.hkexnews.com.hk)) and the Company ([www.sanvo.com](http://www.sanvo.com)) and will be dispatched to the shareholders of the Company in due course.

By Order of the Board

**SANVO Fine Chemicals Group Limited**

**Chen Bingqiang**

Chairman

Hong Kong, 27 August 2021

## 附加資料

### 董事資料之變動

截至二零二一年六月三十日止六個月，根據上市規則第13.51B(1)條要求披露的董事資料並無重大變動。

### 重大投資、附屬公司及聯屬公司重大收購及出售

截至二零二一年六月三十日止六個月及直至本報告日期，本集團並無持有任何重大投資，亦無重大收購或出售其附屬公司及聯屬公司。

### 報告期後重大事項

截至二零二一年六月三十日止六個月及直至本報告日期，並無出現任何影響本集團之重大事項。

### 中期報告之刊發

本中期報告將會刊載於聯交所網站 ([www.hkexnews.com.hk](http://www.hkexnews.com.hk)) 及本公司網站 ([www.sanvo.com](http://www.sanvo.com))，及將於適當時候寄發予本公司各股東。

承董事會命

三和精化集團有限公司

陳炳強

主席

香港，二零二一年八月二十七日

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

# 簡明綜合全面收益表

截至二零二一年六月三十日止六個月

		Six months ended 30 June	
		2021	2020
		二零二一年	二零二零年
		截至六月三十日止六個月	截至六月三十日止六個月
		Unaudited	Unaudited
		未經審計	未經審計
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Notes 附註		
<b>Revenue</b>	收益	5	463,141
Cost of sales	銷售成本		(335,144)
<b>Gross profit</b>	毛利		127,997
Other income and gains	其他收入及收益	5	1,941
Selling and distribution expenses	銷售及經銷開支		(57,433)
Administrative expenses	行政開支		(46,825)
Finance costs	融資成本	6	(3,888)
<b>Profit before income tax</b>	除所得稅前溢利	7	21,792
Income tax expense	所得稅開支	8	(2,491)
<b>Profit for the period attributable to the owners of the Company</b>	本公司擁有人應佔 期內溢利		19,301
<b>Other comprehensive income/(loss)</b>	其他全面收益/(虧損)		
Item that will not be reclassified subsequently to profit or loss:	其後不會重新分類至損益之項目：		
Exchange differences arising on translation	換算產生之匯兌差額		885
<b>Total comprehensive income for the period attributable to the owners of the Company</b>	本公司擁有人應佔 期內全面收益總額		20,186
<b>Earnings per share attributable to the owners of the Company</b>	本公司擁有人應佔每股盈利		
Basic and diluted (RMB cents)	基本及攤薄(人民幣分)	10	4.5
			3.6

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

# 簡明綜合財務狀況表

於二零二一年六月三十日

			As at 30 June 2021	As at 31 December 2020
			於 二零二一年 六月三十日 Unaudited 未經審計	於 二零二零年 十二月 三十一日 Audited 經審計
		Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	11	239,938	200,323
Right-of-use assets	使用權資產		113,352	101,275
Prepayments for acquisition of property, plant and equipment	收購物業、廠房及設備之 預付款項	12	13,356	18,803
Deferred tax assets	遞延稅項資產		138	138
			<b>366,784</b>	<b>320,539</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨		76,369	63,007
Trade and bills receivable, other receivables and prepayments	貿易及票據應收款項、其他應收款項 及預付款項	12	167,870	166,327
Pledged bank deposits	已抵押銀行存款	13	40,853	38,067
Cash and cash equivalents	現金及現金等價物	13	37,222	77,168
			<b>322,314</b>	<b>344,569</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and bills payable, accruals, contract liabilities and other payables	貿易及票據應付款項、應計費用、 合約負債及其他應付款項	14	276,213	242,419
Lease liabilities	租賃負債		5,983	2,955
Interest-bearing bank borrowings	計息銀行借款	15	56,642	79,277
Other borrowings	其他借款	16	13,385	14,001
Tax payables	應付稅項		5,152	8,348
			<b>357,375</b>	<b>347,000</b>
<b>Net current liabilities</b>	<b>流動負債淨額</b>		<b>(35,061)</b>	<b>(2,431)</b>
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>		<b>331,723</b>	<b>318,108</b>
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Lease liabilities	租賃負債		13,591	7,596
Interest-bearing bank borrowings	計息銀行借款	15	59,523	54,878
Other borrowings	其他借款	16	17,352	23,750
Deferred income	遞延收入		1,666	1,685
Deferred tax liabilities	遞延稅項負債		3,490	3,490
			<b>95,622</b>	<b>91,399</b>
<b>Net assets</b>	<b>資產淨值</b>		<b>236,101</b>	<b>226,709</b>
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>			
Share capital	股本	17	3,792	3,792
Reserves	儲備		232,309	222,917
<b>Total equity</b>	<b>權益總額</b>		<b>236,101</b>	<b>226,709</b>



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

# 簡明綜合權益變動表

截至二零二一年六月三十日止六個月

		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Translation reserve 匯兌儲備	Other reserves 其他儲備	Retained earnings 累計損益	Total equity 權益總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Balance at 1 January 2021 (Audited)	於二零二一年一月一日之結餘(經審計)	3,792	86,726	33,184	(1,773)	29,664	75,116	226,709
Profit for the period	期內溢利	—	—	—	—	—	19,301	19,301
Other comprehensive income: Exchange differences arising on translation	其他全面收益： 換算產生之匯兌差額	—	—	—	885	—	—	885
Total comprehensive income for the period	期內全面收益總額	—	—	—	885	—	19,301	20,186
Appropriation to safety reserve	轉撥至安全儲備	—	—	—	—	967	(967)	—
Utilisation of safety reserve	動用安全儲備	—	—	—	—	(1,752)	1,752	—
Appropriation to statutory surplus reserve	轉撥至法定盈餘儲備	—	—	—	—	2,894	(2,894)	—
2020 final dividend	二零二零年末期股息	—	(10,794)	—	—	—	—	(10,794)
Balance at 30 June 2021 (Unaudited)	於二零二一年六月三十日之結餘(未經審計)	3,792	75,932	33,184	(888)	31,773	92,308	236,101
Balance at 1 January 2020 (Audited)	於二零二零年一月一日之結餘(經審計)	—*	12,560	33,184	(128)	15,763	23,197	84,576
Profit for the period	期內溢利	—	—	—	—	—	14,934	14,934
Other comprehensive loss: Exchange differences arising on translation	其他全面虧損： 換算產生之匯兌差額	—	—	—	(188)	—	—	(188)
Total comprehensive (loss)/income for the period	期內全面(虧損)/收益總額	—	—	—	(188)	—	14,934	14,746
Capitalisation issue of shares	資本化發行股份	2,994	(2,994)	—	—	—	—	—
Issuance of shares pursuant to the Listing (net of listing related expenses)	上市新股發行 (扣除上市相關費用後)	798	86,517	—	—	—	—	87,315
Appropriation to safety reserve	轉撥至安全儲備	—	—	—	—	2,851	(2,851)	—
Appropriation to statutory surplus reserve	轉撥至法定盈餘儲備	—	—	—	—	638	(638)	—
2019 final dividend	二零一九年末期股息	—	(9,357)	—	—	—	—	(9,357)
Balance at 30 June 2020 (Unaudited)	於二零二零年六月三十日之結餘(未經審計)	3,792	86,726	33,184	(316)	19,252	34,642	177,280

\* Less than RMB1,000

\* 少於人民幣1,000元

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

# 簡明綜合現金流量表

截至二零二一年六月三十日止六個月

		Six months ended 30 June	
		2021	2020
		二零二一年	二零二零年
		截至六月三十日止六個月	
		Unaudited	Unaudited
		未經審計	未經審計
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Cash flows from operating activities</b>	<b>經營活動之現金流量</b>		
Cash generated from operations	營運所得現金	35,173	49,213
Income tax paid	已付所得稅	(5,687)	(2,189)
<b>Net cash generated from operating activities</b>	<b>經營活動所得現金淨額</b>	<b>29,486</b>	<b>47,024</b>
<b>Cash flows from investing activities</b>	<b>投資活動之現金流量</b>		
Bank interest received	已收銀行利息	532	750
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	12	—
Payments for acquisition of property, plant and equipment	收購物業、廠房及設備之付款	(34,140)	(12,469)
Payments for acquisition of right-of-use assets	收購使用權資產之付款	(1,913)	—
Increase in pledged bank deposits	已抵押銀行存款增加	(2,786)	(28,877)
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>	<b>(38,295)</b>	<b>(40,596)</b>
<b>Cash flows from financing activities</b>	<b>融資活動之現金流量</b>		
Issuance of shares pursuant to the Listing (net of listing related expenses)	上市新股發行 (扣除上市相關費用後)	—	87,315
Proceeds from interest-bearing bank borrowings	計息銀行借款之所得款項	73,302	107,675
Repayments of interest-bearing bank borrowings	償還計息銀行借款	(91,292)	(84,569)
Repayments of other borrowings	償還其他借款	(7,014)	—
Advances from a director	一名董事之墊款	3,044	—
Payment of lease liabilities	租賃負債款項	(3,542)	(751)
Interest paid	已付利息	(6,517)	(5,451)
<b>Net cash (used in)/generated from financing activities</b>	<b>融資活動(所用)/所得現金淨額</b>	<b>(32,019)</b>	<b>104,219</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>現金及現金等價物(減少)/增加淨額</b>	<b>(40,828)</b>	<b>110,647</b>
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	77,168	16,468
Effect of foreign exchange rate changes	匯率變動之影響	882	(188)
<b>Cash and cash equivalents at end of the period</b>	<b>期末現金及現金等價物</b>	<b>37,222</b>	<b>126,927</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 1. CORPORATE INFORMATION

SANVO Fine Chemicals Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law Chapter 22 of the Cayman Islands on 12 April 2018. The registered office of the Company is located at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The Company’s headquarters and principal place of business in the People’s Republic of China (the “**PRC**”) is located at Dacen Industrial Park, Huangpu District, Zhongshan City, Guangdong, the PRC and the Company’s principal place of business in Hong Kong is located at 5/F., 349 Hennessy Road, Wanchai, Hong Kong. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 16 January 2020 (the “**Listing Date**”) (the “**Listing**”).

The Company is an investment holding company. The principal activities of the Group are researching, developing, manufacturing and sales of construction materials and automotive maintenance industrial chemical products in the PRC.

## 2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), including compliance with International Accounting Standard (“**IAS**”) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (the “**IASB**”). It was authorised for issue on 27 August 2021.

The condensed consolidated financial statements have been prepared on the historical cost basis.

These condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements.

The preparation of the condensed consolidated financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

# 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

## 1. 公司資料

三和精化集團有限公司(「**本公司**」，與其附屬公司統稱為「**本集團**»)於二零一八年四月十二日註冊成立為獲豁免公司，並根據開曼群島第22章公司法於開曼群島註冊為有限公司。本公司之註冊辦事處位於PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands，而本公司之總部及中華人民共和國(「**中國**»)主要營業地點位於中國廣東中山市黃圃鎮大岑工業區。本公司之香港主要營業地點位於香港灣仔軒尼詩道349號5F。本公司股份於二零二零年一月十六日(「**上市日期**»)於香港聯合交易所有限公司(「**聯交所**»)主板上市(「**上市**»)。

本公司為投資控股公司。本集團之主要業務為於中國研究、開發、製造及銷售建材及汽車修護化工產品。

## 2. 編製基準

該等簡明綜合財務報表已按照聯交所證券上市規則(「**上市規則**»)之適用披露條文規定編製，並遵守(當中包括)國際會計準則理事會(「**國際會計準則理事會**»)頒佈之國際會計準則(「**國際會計準則**»)第34條**中期財務報告**的準則。本中期財務報告於二零二一年八月二十七日獲授權刊發。

簡明綜合財務報表按歷史成本基準編製。

編製該等簡明綜合財務報表所採納之會計政策與二零二零年之年度財務報表所採納者一致。

為遵照國際會計準則第34號編製簡明綜合財務報表，管理層需作出判斷、估計及假設，而該等判斷、估計及假設會影響年初至今政策之應用和資產、負債、收入與開支之呈報數額。實際結果可能有別於該等估計。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 2. BASIS OF PREPARATION — continued

These condensed consolidated financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual financial statements. The condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

The financial information relating to the financial year ended 31 December 2020 that is included in the condensed consolidated financial statements as comparative information does not constitute the Company's annual consolidated financial statements for that financial year but is derived from those financial statements.

The condensed consolidated financial statements have not been audited.

#### Going concern assumption

In preparing the condensed consolidated financial statements, the Directors have considered the Group's sources of liquidity and believe that adequate funding is available to fulfil the Group's debt obligations and capital expenditure requirements. Accordingly, the consolidated financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

The Group has net current liabilities of approximately RMB35,061,000 as at 30 June 2021. This condition indicates an uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business. Management closely monitors the Group's financial performance and liquidity position. A number of measures have been put in place to improve the financial position and alleviate the liquidity pressure, which include taking stringent cost controls aiming at improving the working capital and cash flow position of the Group, and equity fund raising. As at 30 June 2021, the Group had unutilised credit facilities from authorised banks and financial institution of approximately RMB80,000,000.

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 2. 編製基準 — 續

該等簡明綜合財務報表載有簡明綜合財務報表及經選定說明附註。附註包括對了解本集團自二零二零年之年度財務報表以來之財務狀況及表現變動而言屬重大之事件及交易說明。簡明綜合財務報表及其附註並不包括根據國際財務報告準則(「國際財務報告準則」)編製完整財務報表規定之一切所需資料。

簡明綜合財務報表所載作為比較資料之截至二零二零年十二月三十一日止財政年度之財務資料並不構成本公司於該財政年度之年度綜合財務報表，惟摘錄自該等財務報表。

簡明綜合財務報表未經審計。

#### 持續經營之假設

在編製簡明綜合財務報表時，董事已考慮本集團之流動資金來源，相信本集團有充足的資金滿足償還債務和資本性支出的需要。因此，綜合財務報表以本集團持續經營為基礎編製。

於二零二一年六月三十日，本集團已錄得流動負債淨值為約人民幣35,061,000元。該狀況說明存在不確定性，或會使本集團持續經營的能力遭到重大懷疑。因此，本集團或會未能於正常業務過程中變現其資產及清償負債。管理層密切監察本集團財務表現以及資金流動狀況。為改善財務狀況及減輕資金流動壓力，本集團已採取多種措施，包括嚴格控制成本，旨在改善本集團經營資金及現金流量狀況及股權融資。於二零二一年六月三十日，本集團未動用獲授權銀行及金融機構的信貸服務約人民幣80,000,000元。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 2. BASIS OF PREPARATION — continued

#### Going concern assumption — continued

Taking into account the above consideration and measures, the Directors are satisfied that the Group will be able to meet their financial obligations when they fall due. Accordingly, the Directors are of the opinion that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the carrying amounts of assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which may arise. The effect of these adjustments has not been reflected in the condensed consolidated financial statements.

### 3. ADOPTION OF NEW OR REVISED IFRSs

The IASB has issued a number of new and revised IFRSs which became effective during the six months ended 30 June 2021. In preparing the condensed consolidated financial statements, the Group has applied all these new and revised IFRSs which are effective for the Group's accounting period beginning on or after 1 January 2021.

IFRS 16 Amendments	Covid-19-Related Rent Concessions
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Amendments	Interest Rate Benchmark Reform Phase 2

The application of these new and revised to IFRSs in the current interim period has had no material impact on the Group's financial performance and positions for the current or prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 2. 編製基準 — 續

#### 持續經營之假設 — 續

計及上述考慮及措施，董事信納本集團於財務義務到期時將能夠履行財務義務。因此，董事認為，以持續經營為基準編製的簡明綜合財務報表屬適當。

倘本集團未能按持續經營基準經營業務，將會作出調整以資產的賬面值撇減至可收回金額，及將非流動資產及非流動負債分別重新分類為流動資產及流動負債，以就可能產生之任何進一步負債作出撥備。該等調整的成效尚未於簡明綜合財務報表中體現。

### 3. 採納新訂或經修訂國際財務報告準則

國際會計準則理事會已頒佈多項新訂及經修訂國際財務報告準則，該等準則於截至二零二一年六月三十日止六個月生效。編製簡明綜合財務報表時，本集團已應用所有該等新訂及經修訂國際財務報告準則，該等準則於本集團在二零二一年一月一日或之後開始之會計期間生效。

國際財務報告準則第16號(修訂本)	新型冠狀病毒相關租金減免
國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號(修訂本)	利率基準改革 — 第二階段

於本年度應用該等新訂及經修訂國際財務報告準則對本集團於當前中期期間之財務表現及狀況及／或該等簡明綜合財務報表所載之披露並無重大影響。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 3. ADOPTION OF NEW OR REVISED IFRSs — continued

At the date of authorisation of the condensed consolidated financial statements, the Group has not early adopted any new and revised IFRSs that have been issued but are not yet effective for the current period. The Group has already commenced an assessment of the related impact of adopting the new and revised IFRSs. So far, the Directors have concluded that the new and revised IFRSs will be adopted at the respective effective dates and the adoption of them is unlikely to have a significant impact on the Group's consolidated financial position and consolidated financial performance.

### 4. SEGMENT INFORMATION

The Group has three reportable segments which are the Group's strategic business units, as follows:

Aerosols	Sales of spray paints and automotive care products, including spray paint, carburetor cleaner, spray wax, anti-rust spray lubricant, polyurethane foam, cleaning spray and spray refrigerant for automobile air-conditioners
Organic silicone adhesives	Sales of product series, which are all silicone-based adhesives
Synthetic adhesive	Sales of several product series, which are all multi-purpose contact adhesives

Information about strategic business units of other operating segments that are not reportable in accordance with IFRS 8 *Operating Segments* are consolidated and disclosed in "All other segments".

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 3. 採納新訂或經修訂國際財務報告準則 — 續

於簡明綜合財務報表授權日期，本集團並無提早採納任何已頒佈但尚未於當前期間生效之新訂及經修訂國際財務報告準則。本集團已開始評估採納上述新訂及經修訂國際財務報告準則之相關影響。迄今，董事之結論為新訂及經修訂國際財務報告準則將於各生效日期採納，而其採納不可能對本集團之綜合財務狀況及綜合財務表現造成重大影響。

### 4. 分部資料

本集團有三個可呈報分部，均為本集團策略業務單位，載列如下：

氣霧劑	銷售噴漆及汽車護理產品，包括噴漆、化油器清洗劑、噴蠟、抗銹噴霧潤滑劑、發泡劑、清潔噴霧及汽車空調專用噴霧製冷劑
有機矽膠粘劑	銷售產品系列，均為矽膠粘劑
合成膠粘劑	銷售數個產品系列，均為多用途膠粘劑

根據國際財務報告準則第8號經營分部並不屬可呈報分部之其他營運分部之策略業務單位相關資料已綜合入賬及於「所有其他分部」中披露。



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 4. SEGMENT INFORMATION — continued

These strategic business units offer different products, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the executive Directors, who are the chief operating decision makers of the Group ("CODM") during the period, review internal management reports on a monthly basis. There was no aggregation of operating segments in arriving at the reportable segments of the Group.

#### (a) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results attributable to each reportable segment on the following basis:

Segment profit represents the gross profit earned by each segment without allocation of central administration expenses (including emoluments of Directors and senior management), selling and distribution expenses, other income and gains and finance costs. This is the measure reported to the Group's CODM for the purposes of resource allocation.

The CODM reviews the Group's assets and liabilities as a whole without allocation to each segment. In their opinion, all strategic business units consume similar materials and their products are produced by same machinery and equipment and then they are sold to same customers. As a result, it is not necessary to monitor the assets and liabilities under different segments. No segment information on assets and liabilities is presented accordingly.

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 4. 分部資料 — 續

該等策略業務單位提供不同產品，並單獨管理，原因為該等單位需要不同技術及市場推廣策略。就各項策略業務單位而言，執行董事(於期內身兼本集團主要營運決策者(「主要營運決策者」))每月審閱內部管理報告。於達致本集團之可呈報分部時，並無合併計算經營分部。

#### (a) 分部業績

在評估分部表現及分配分部間資源時，主要營運決策者按以下基準監察各個可呈報分部應佔業績：

分部溢利指在並無分配中央管理開支(包括董事及高級管理層酬金)、銷售及經銷開支、其他收入及收益以及融資成本之情況下各分部賺取之毛利。此乃就資源分配而向本集團主要營運決策者呈報之計量方法。

主要營運決策者審閱本集團整體的資產及負債，而並無將資產及負債分配至每一個分部。由於彼等認為所有策略業務分部耗用相似材料及其產品由相同機器及設備生產及出售予相同客戶，故此毋須監察不同分部下的資產及負債，因而並無呈列資產及負債之分部資料。



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 4. SEGMENT INFORMATION — continued

#### (a) Segment results — continued

During the six months ended 30 June 2021 and 2020, the Group generated revenue primarily from the sale of three categories of products under these segments. The following table sets out the breakdown of the revenue and segment profit by reportable segment:

		Organic			
		Aerosols	silicone adhesives	Synthetic adhesive	Total
		氣霧劑	有機矽膠粘劑	合成膠粘劑	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>For the six months ended 30 June 2021</b>	<b>截至二零二一年六月三十日止</b>				
<b>(Unaudited)</b>	<b>六個月(未經審計)</b>				
Revenue from external customers and reportable segment revenue — Point in time	來自外部客戶之收益及可呈報分部收益 — 時點	285,313	86,094	35,779	407,186
Reportable segment profit	可呈報分部溢利	88,751	20,133	8,852	117,736
<b>For the six months ended 30 June 2020</b>	<b>截至二零二零年六月三十日止</b>				
<b>(Unaudited)</b>	<b>六個月(未經審計)</b>				
Revenue from external customers and reportable segment revenue — Point in time	來自外部客戶之收益及可呈報分部收益 — 時點	219,707	55,329	26,321	301,357
Reportable segment profit	可呈報分部溢利	69,069	14,583	7,721	91,373

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 4. 分部資料 — 續

#### (a) 分部業績 — 續

截至二零二一年及二零二零年六月三十日止六個月，本集團主要在該等分部下銷售三類產品產生收益。下表載列按可呈報分部劃分之收益及分部溢利明細：

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 4. SEGMENT INFORMATION — continued

#### (b) Reconciliations of reportable segment revenue and profit before income tax

A reconciliation of segment revenue to total revenue is presented as follows:

		Six months ended 30 June	
		2021	2020
		二零二一年	二零二零年
		截至六月三十日止六個月	
		Unaudited	Unaudited
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Total reportable segment revenue	可呈報分部收益總額	407,186	301,357
All other segments revenue (Note)	所有其他分部收益(附註)	55,955	40,431
Total revenue	總收益	463,141	341,788

A reconciliation of segment result to profit before income tax is presented as follows:

		Six months ended 30 June	
		2021	2020
		二零二一年	二零二零年
		截至六月三十日止六個月	
		Unaudited	Unaudited
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Total of reportable segment profit	可呈報分部溢利總額	117,736	91,373
All other segments profit (Note)	所有其他分部溢利(附註)	10,261	10,500
Other income and gains	其他收入及收益	1,941	2,468
Selling and distribution expenses	銷售及經銷開支	(57,433)	(42,919)
Administrative expenses	行政開支	(46,825)	(39,965)
Finance costs	融資成本	(3,888)	(3,708)
Profit before income tax	除所得稅前溢利	21,792	17,749

Note: Segment revenue and segment profit from other segments represent the sales of architectural coatings, oil products, wood paints and others.

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 4. 分部資料 — 續

#### (b) 可呈報分部收益與除所得稅前溢利之對賬

分部收益與總收益之對賬呈列如下：

分部業績與除所得稅前溢利之對賬呈列如下：

附註：其他分部之分部收益及分部溢利指銷售建築塗料、油品、木器漆及其他。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 4. SEGMENT INFORMATION — continued

#### (c) Geographical information

The principal place of the Group's operation is in the PRC. The Group's non-current assets are substantially located in the PRC as at 30 June 2021 and 31 December 2020. The following table provides an analysis of the Group's revenue generated from external customers by geographical market.

		Six months ended 30 June	
		2021	2020
		二零二一年	二零二零年
		截至六月三十日止六個月	
		Unaudited	Unaudited
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
The PRC	中國	450,659	333,612
Australia	澳洲	12,482	7,195
Others	其他	—	981
		<b>463,141</b>	<b>341,788</b>

#### (d) Information about major customers

No revenue from a single external customer accounted for 10% or more of the Group's revenue for the six months ended 30 June 2021 and 2020.

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 4. 分部資料 — 續

#### (c) 地理資料

本集團之主要營業地點為中國。於二零二一年六月三十日及二零二零年十二月三十一日，本集團大部分非流動資產位於中國。下表提供本集團按地理市場劃分自外部客戶產生之收益分析。

#### (d) 有關主要客戶的資料

截至二零二一年及二零二零年六月三十日止六個月，概無來自單一外部客戶之收益佔本集團收入的10%或以上。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 5. REVENUE AND OTHER INCOME AND GAINS

Revenue from the Group's principal activities, represents revenue derived from the sales of hardware and building materials and automotive maintenance industrial chemical products. Revenue and other income and gains recognised during the six months ended 30 June 2021 and 2020 are as follows:

		Six months ended 30 June	
		2021	2020
		二零二一年	二零二零年
		截至六月三十日止六個月	
		Unaudited	Unaudited
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue (Note)	收益(附註)	463,141	341,788
Other income and gains	其他收入及收益		
Bank interest income	銀行利息收入	532	750
Rental income	租金收入	486	286
Unconditional government subsidies	政府無條件補助	881	1,210
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	4	—
Sundry income	雜項收入	38	222
		1,941	2,468

Note: Disaggregation of revenue from contracts with customers by major categories of products is disclosed in Note 4.

附註：按主要產品分類劃分之來自客戶合約收益之拆細於附註4披露。

### 6. FINANCE COSTS

		Six months ended 30 June	
		2021	2020
		二零二一年	二零二零年
		截至六月三十日止六個月	
		Unaudited	Unaudited
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest on interest-bearing bank borrowings	計息銀行借款之利息	5,146	5,451
Interest on other borrowings	其他借款之利息	1,371	—
Interest on lease liabilities	租賃負債之利息	565	162
Less: interest capitalised into property, plant and equipment (Note)	減：已於物業、廠房及設備資本化之利息(附註)	(3,194)	(1,905)
		3,888	3,708

Note: During the six months ended 30 June 2021, the finance costs have been capitalised at an effective interest rate of 6.36% (six months ended 30 June 2020: 6.36%) per annum.

附註：於截至二零二一年六月三十日止六個月，融資成本已按6.36%（截至二零二零年六月三十日止六個月：6.36%）之實際年利率資本化。

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 5. 收益以及其他收入及收益

本集團主要業務之收益指銷售五金建材及汽車修護化工產品所得收益。截至二零二一年及二零二零年六月三十日止六個月已確認之收益以及其他收入及收益如下：

### 6. 融資成本

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 7. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 7. 除所得稅前溢利

除所得稅前溢利乃於扣除以下各項後達致：

		Six months ended 30 June	
		2021	2020
		二零二一年	二零二零年
		截至六月三十日止六個月	
		Unaudited	Unaudited
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost of inventories recognised as expenses	確認為開支之存貨成本	335,144	239,915
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,158	3,624
Depreciation of right-of-use assets	使用權資產折舊	1,839	2,086
Employee benefit expenses (including directors' remuneration)	僱員福利開支(包括董事酬金)		
— Salaries, allowances and benefits in kind	— 薪金、津貼及實物福利	46,622	34,884
— Discretionary bonus	— 酌情花紅	2,944	1,460
— Retirement benefit scheme contributions	— 退休福利計劃供款	2,692	396
		<b>52,258</b>	<b>36,740</b>

### 8. INCOME TAX EXPENSE

### 8. 所得稅開支

		Six months ended 30 June	
		2021	2020
		二零二一年	二零二零年
		截至六月三十日止六個月	
		Unaudited	Unaudited
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Current tax expense</b>	<b>即期稅務開支</b>		
— PRC Enterprise Income Tax ("EIT")	— 中國企業所得稅(「企業所得稅」)	2,491	2,568
<b>Deferred tax credit</b>	<b>遞延稅項抵免</b>		
— the origination and reversal of temporary differences	— 產生及撥回暫時差額	—	247
Income tax expense	所得稅開支	<b>2,491</b>	<b>2,815</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 8. INCOME TAX EXPENSE — continued

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax under these jurisdictions during the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

No provision for income tax has been made for the subsidiaries incorporated in Hong Kong as the subsidiaries did not have any estimated assessable profits subject to Hong Kong Profits Tax during the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

Under the Enterprise Income Tax Law of the PRC (the "EIT Law") and the Implementation Regulation of the EIT Law, the subsidiaries operating in the PRC are subject to the tax rate of 25% (six months ended 30 June 2020: 25%) on the estimated assessable profits during the six months ended 30 June 2021 except for three (six months ended 30 June 2020: four) of the subsidiaries operating in the PRC which were approved to be high and new technology enterprises ("HNTE"). Enterprise approved to be HNTE are entitled to enjoy a reduced enterprise income tax rate of 15% (six months ended 30 June 2020: 15%) and additional 50% (six months ended 30 June 2020: 50%) tax reduction based on the eligible research and development expenses with a validity period of three years. The HNTE certificate is required to be renewed every three years so as to enable the respective subsidiaries to enjoy the reduced tax rate of 15%.

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 8. 所得稅開支 — 續

本集團須就本集團成員公司所處及經營所在司法權區產生或賺取之溢利，按實體基準繳納所得稅。

根據開曼群島及英屬處女群島規則及規例，本集團於截至二零二一年六月三十日止六個月毋須繳納該等司法權區之任何所得稅(截至二零二零年六月三十日止六個月：無)。

於截至二零二一年六月三十日止六個月，由於香港註冊成立之附屬公司並無任何須繳納香港利得稅計算之任何估計應課稅溢利，故概無就該等附屬公司作出所得稅撥備(截至二零二零年六月三十日止六個月：無)。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施規則，於截至二零二一年六月三十日止六個月，於中國營運之附屬公司須就估計應課稅溢利按25%之稅率繳稅(截至二零二零年六月三十日止六個月：25%)，惟獲評定為高新技術企業(「高新技術企業」)之其中三間(截至二零二零年六月三十日止六個月：四間)於中國營運之附屬公司除外。獲評定為高新技術企業之企業有權享有減免企業所得稅率15%(截至二零二零年六月三十日止六個月：15%)，並根據合資格研發開支享有額外50%(截至二零二零年六月三十日止六個月：50%)之稅項減免，有效期為三年。高新技術企業證書須每三年重續，以令有關附屬公司可享有減免稅率15%。



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 9. DIVIDENDS

**(i) Dividends payable to the owners of the Company attributable to the six months ended 30 June 2021**

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

**(ii) Dividends payable to the owner of the Company attributable to the previous financial year, approved during the six months ended 30 June 2021**

Final dividend in respect of the previous financial year, approved during the six months ended 30 June 2021 was HK3.0 cents (six months ended 30 June 2020: HK2.4 cents) per ordinary share.

### 10. EARNINGS PER SHARE

The calculations of basic earnings per share are based on the profit of approximately RMB19,301,000 (six months ended 30 June 2020: RMB14,934,000) for the six months ended 30 June 2021 attributable to the owners of the Company and the weighted average of 427,500,000 (six months ended 30 June 2020: 420,000,000) shares in issue during the six months ended 30 June 2021.

Diluted earnings per share were same as the basic earnings per share as there were no dilutive potential ordinary shares in existence during the six months ended 30 June 2021 and 2020.

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 9. 股息

**(i) 應派付予本公司擁有人之截至二零二一年六月三十日止六個月股息**

董事不建議派付截至二零二一年六月三十日止六個月之中期股息(截至二零二零年六月三十日止六個月：無)。

**(ii) 於截至二零二一年六月三十日止六個月批准之應派付予本公司擁有人之上個財政年度股息**

於截至二零二一年六月三十日止六個月批准之上個財政年度末期股息為每股普通股3.0港仙(截至二零二零年六月三十日止六個月：2.4港仙)。

### 10. 每股盈利

每股基本盈利乃根據截至二零二一年六月三十日止六個月本公司擁有人應佔溢利約人民幣19,301,000元(截至二零二零年六月三十日止六個月：人民幣14,934,000元)及截至二零二一年六月三十日止六個月已發行股份的加權平均數427,500,000股(截至二零二零年六月三十日止六個月：420,000,000股)計算。

由於截至二零二一年及二零二零年六月三十日止六個月並無存在任何潛在可攤薄普通股，故每股攤薄盈利等同每股基本盈利。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group acquired items of buildings with a cost of RMB3,253,000, plant and machinery with a cost of RMB3,191,000 and construction in progress with a cost of RMB32,503,000 (six months ended 30 June 2020: plant and machinery with a cost of RMB12,469,000). No material property, plant and equipment were disposed of during the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

As at 30 June 2021, the Group's property, plant and equipment with net carrying amount of approximately RMB20,335,000 (31 December 2020: RMB22,120,000) and RMB7,476,000 (31 December 2020: RMB8,254,000) were pledged for interest-bearing bank borrowings and other borrowings, respectively (Notes 15 and 16).

The Group does not have the title certificates for certain items of buildings with an aggregate net carrying amount of approximately RMB9,998,000 (31 December 2020: RMB10,156,000) as at 30 June 2021. The Directors are of the opinion that the Group is entitled to lawfully and validly occupy and use the above mentioned properties and therefore the aforesaid matter does not affect the ownership rights of the Group over these assets and hence did not have any significant impact on the Group's consolidated financial position as at 30 June 2021 and 31 December 2020.

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 11. 物業、廠房及設備

截至二零二一年六月三十日止六個月，本集團收購成本為人民幣3,253,000元之樓宇項目，成本為人民幣3,191,000元之廠房及機器以及成本為人民幣32,503,000元之在建工程(截至二零二零年六月三十日止六個月：廠房及機器之成本為人民幣12,469,000元)。截至二零二一年六月三十日止六個月並無出售重大物業、廠房及機器(截至二零二零年六月三十日止六個月：無)。

於二零二一年六月三十日，本集團賬面淨值分別約人民幣20,335,000元(二零二零年十二月三十一日：人民幣22,120,000元)及人民幣7,476,000元(二零二零年十二月三十一日：人民幣8,254,000元)之物業、廠房及設備已分別就計息銀行借款及其他借款作為抵押(附註15及16)。

本集團並無持有若干樓宇項目之業權證，該等項目於二零二一年六月三十日之賬面淨值總額約為人民幣9,998,000元(二零二零年十二月三十一日：人民幣10,156,000元)。董事認為本集團有權合法及有效佔用及使用上述物業，故上述事宜並不影響本集團對該等資產之擁有權，因此對本集團於二零二一年六月三十日及二零二零年十二月三十一日之綜合財務狀況並無任何重大影響。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 12. TRADE AND BILLS RECEIVABLE, OTHER RECEIVABLES AND PREPAYMENTS

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 12. 貿易及票據應收款項、其他應收款項及預付款項

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Non-current portion</b>	<b>非流動部分</b>		
Prepayments for acquisition of property, plant and equipment (Note (i))	收購物業、廠房及設備之預付款項(附註(i))	13,356	18,803
<b>Current portion</b>	<b>流動部分</b>		
Trade receivables	貿易應收款項	65,963	70,790
Less: Impairment loss	減：減值虧損	(918)	(918)
		<b>65,045</b>	69,872
Bills receivable	票據應收款項	550	1,189
Trade and bills receivable, net	貿易及票據應收款項淨額	<b>65,595</b>	71,061
Other receivables (Notes (ii) and (iii))	其他應收款項(附註(ii)及(iii))	<b>79,109</b>	63,564
Prepayments (Note (iv))	預付款項及其他應收款項(附註(iv))	<b>23,166</b>	31,702
		<b>167,870</b>	166,327

Notes:

- (i) It represents the amount prepaid to vendors for acquisition of property, plant and equipment which was not yet delivered as at the end of each reporting date.
- (ii) As at 30 June 2021, balance of RMB525,000 (31 December 2020: RMB525,000) included in other receivables, represents the amount due from a related company which two of the executive directors are the beneficial owners of this related company. The amount is interest-free, unsecured and repayable on demand.

附註：

- (i) 其指於各報告日結束時就收購未交付物業、廠房及設備向賣方預付之金額。
- (ii) 於二零二一年六月三十日，其他應收款項結餘人民幣525,000元(二零二零年十二月三十一日：人民幣525,000元)為應收一家關聯公司款項，其中兩名執行董事為該關聯公司之實益擁有人。該款項為免息、無抵押及按要求償還。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 12. TRADE AND BILLS RECEIVABLE, OTHER RECEIVABLES AND PREPAYMENTS — continued

Notes: — continued

- (iii) The Group is intending to expand its market reach to Central China in the future, concerning the growth in domestic provinces and geographical advantage in logistic arrangements with distributors in Eastern China, Northwest and Northeast China.

On 6 January 2020, the Group entered into a non-binding memorandum of understanding ("MOU") with an independent third party ("ITP"). The ITP has conducted foreign trading activities in China for many years, with extensive knowledge and networking channels across different provinces in China.

Pursuant to the MOU, the ITP will deliver to the Group industrial land (land use rights) located in an authorised industrial park in Central China which is suitable for the manufacturing of chemical related products (the "Transaction"). The ITP will i) conduct the necessary negotiation and lobbying work; ii) seek for preferential policies (i.e. tax concession, foreign investment policy); iii) coordinate with all relevant authorities to complete application procedures; and iv) obtain any relevant approvals. Upon completion, the land use rights will be delivered by way of set up in a wholly-owned foreign entity ("WOFE") structure. Correspondingly, the Group agrees to provide repayable short-term financial advancement ("Short-term Advancement") to the ITP to support the Transaction (i.e. land use rights deposit payments, preliminary land adjustment construction work and etc.). The Short-term Advancement amount will be deducted against the settlement amount of the Transaction upon completion. The Group has the right to i) terminate the MOU at any time before the ITP obtains the land use rights and demand for repayment of all Short-term Advancement made; ii) take over the ownership of the WOFE and the entitlement for all payments/deposits made to the relevant authorities in the event the ITP is unable to repay the Short-term Advancement; and iii) subject to the legal and financial due diligence and after the issuance of the land use rights certification, the Group will enter into an official sales and purchase agreement with the ITP. Since 17 July 2021, Central China's Henan province has been seriously affected by severe flooding. As a result, the Group has mutually agreed with the ITP to postpone the Transaction completion date to 31 October 2021.

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 12. 貿易及票據應收款項、其他應收款項及預付款項 — 續

附註：— 續

- (iii) 考慮到國內省份日漸發達，而且與華東、中國西北部及東北部分銷商進行物流安排佔地理優勢，本集團擬於未來將其市場擴大至華中。

於二零二零年一月六日，本集團與一名獨立第三方（「獨立第三方」）訂立無約束力之諒解備忘錄（「諒解備忘錄」）。獨立第三方已於中國進行對外貿易活動多年，對中國不同省份擁有深厚認識，網絡渠道亦遍佈中國各省。

根據諒解備忘錄，獨立第三方將向本集團交付位於華中授權工業園區並適用於製造化工相關產品之工業用地（土地使用權）（「該交易」）。獨立第三方將 i) 進行所需之協商及遊說工作；ii) 尋求利好政策（即稅項減免、外商投資政策）；iii) 與所有相關機關協調完成申請程序；及 iv) 取得任何相關批准。於完成後，土地使用權將以設立外商獨資實體（「外商獨資實體」）架構之方式交付。就此，本集團同意向獨立第三方提供須予償還之短期財務墊款（「短期墊款」），以支持該交易（即土地使用權按金付款、初步土地平整工程等）。短期墊款金額將於完成後從該交易償付金額中扣減。本集團有權 i) 於獨立第三方取得土地使用權前任何時間終止諒解備忘錄，並要求償還所有已作出之短期墊款；ii) 於獨立第三方無法償還短期墊款之情況下接收外商獨資實體之擁有權及向相關機關所作之所有付款／按金之擁有權；及 iii) 待進行法律及財務盡職審查及發出土地使用權證後，本集團將與獨立第三方訂立正式買賣協議。自二零二一年七月十七日以來，華中地區的河南省受到嚴重洪災的重大影響。因此，本集團與獨立第三方已一致同意將該交易完成日期推遲至二零二一年十月三十一日。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 12. TRADE AND BILLS RECEIVABLE, OTHER RECEIVABLES AND PREPAYMENTS — continued

Notes: — continued

(iii) — continued

During the year ended 31 December 2020, the Group had conducted onsite due diligence works, including but not limited to, covering site visits, feasibility studies, documentation audit (i.e. official invoice and receipts, bank supporting documents for payments made to the relevant authorities for the land use rights), interviews and discussions with the relevant authorities, and provided RMB52,000,000 Short-term Advancement to the ITP in total. During the six months ended 30 June 2021, the Group had provided addition RMB2,000,000 short-term Advancement to the ISP. The controlling shareholder of the Company, Mr. Ernest Chen (chairman of the Board and executive Director) has provided personal guarantee for the Short-term Advancement of RMB54,000,000 (31 December 2020: RMB52,000,000) (Note 20(b)).

After considering the financial capability of the ITP, the Directors concluded that no allowance for ECL for the carrying amount of the Short-term Advancement was required.

Up to the date of this report, the Transaction has not yet completed.

(iv) Prepayments for purchase of raw materials amounting to approximately RMB18,003,000 (31 December 2020: RMB17,693,000) were included in prepayments. The remaining amount of approximately RMB5,163,000 (31 December 2020: RMB14,009,000) were mainly prepayments for the supplier services to support the Group's ordinary business.

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 12. 貿易及票據應收款項、其他應收款項及預付款項 — 續

附註：— 續

(iii) — 續

於截至二零二零年十二月三十一日止年度，本集團已進行實地盡職審查，包括但不限於實地考察、可行性研究、文件審核(即正式發票及收據、就土地使用權向相關機關進行付款之銀行證明文件)、與相關機關進行訪談及討論，並向獨立第三方提供短期墊款合共人民幣52,000,000元。截至二零二一年六月三十日止六個月，本集團向獨立第三方再次提供短期墊款人民幣2,000,000元。本公司控股股東陳炳強先生(董事會主席兼執行董事)已為短期墊款人民幣54,000,000元(二零二零年十二月三十一日：人民幣52,000,000元)提供個人擔保(附註20(b))。

經考慮獨立第三方之財務能力後，董事認為毋須就短期墊款賬面值之預期信貸虧損計提撥備。

直至本報告日期，該交易尚未完成。

(iv) 購買原材料之預付款項約人民幣18,003,000元(二零二零年十二月三十一日：人民幣17,693,000元)已計入預付款項。餘額約人民幣5,163,000元(二零二零年十二月三十一日：人民幣14,009,000元)主要為支持本集團日常業務之供應商服務預付款項。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 12. TRADE AND BILLS RECEIVABLE, OTHER RECEIVABLES AND PREPAYMENTS — continued

All of the trade and bills receivable and current portion of prepayments and other receivables are expected to be recovered or recognised as expenses within one year.

The credit period for trade receivables is normally 180 days (31 December 2020: 180 days) from the date of billing for the six months ended 30 June 2021. The ageing analysis of trade receivables based on invoice date and net of allowance for doubtful debts, is as follows:

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Within 1 month	一個月內	24,197	22,493
Over 1 month but less than 3 months	超過一個月但少於三個月	13,472	33,489
Over 3 months but less than 1 year	超過三個月但少於一年	27,376	13,890
		<b>65,045</b>	69,872

The Group measures loss allowances for trade receivables at an amount equal to lifetime expected credit loss ("ECL"), which is calculated using a provision matrix. The estimated ECL loss rates are estimated based on the Group's estimates of the market borrowing rates for each of the groupings, less risk-free rate, which reflect the credit risk of the debtors, over the expected life of the debtors and are adjusted forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 12. 貿易及票據應收款項、其他應收款項及預付款項 — 續

預期所有貿易及票據應收款項以及預付款項及其他應收款項的流動部分將在一年內收回或確認為開支。

於截至二零二一年六月三十日止六個月，貿易應收款項之信貸期由發票日期起計一般為180日(二零二零年十二月三十一日：180日)。按發票日劃分並已扣除呆賬撥備之貿易應收款項之賬齡分析如下：

本集團按與使用年期預期信貸虧損(「預期信貸虧損」)相同的金額(使用撥備矩陣計算得出)計量貿易應收款項虧損撥備。估計預期信貸虧損率根據本集團對各組別之市場借款率之估算減無風險利率(反映債務人之信貸風險)，除以債務人之預期年期進行估計，並就毋須以過多成本或人力而取得之前瞻性資料作出調整。管理層定期審查組別，以確保有關特定債務人之相關資料為最新資料。



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 13. PLEDGED BANK DEPOSITS, CASH AND CASH EQUIVALENTS

As at 30 June 2021, the Group's bank deposits of approximately RMB38,553,000 (31 December 2020: RMB35,767,000) were pledged for the issues of bills payable for the Group's purchases of raw materials. As at 30 June 2021, the Group's bank deposit of RMB2,300,000 (31 December 2020: RMB2,300,000) was also pledged for guarantee to complete the construction work within a scheduled time table for the prepaid lease payments acquired in prior years. The Group would be subject to penalty if the Group failed to fulfill the scheduled deadline. In the opinion of the Directors, there is no delay on the construction work and no provision for penalty was required to be made in the condensed consolidated financial statements. These bank balances were carrying annual interest of 1.35% (31 December 2020: 1.35%).

As at 30 June 2021, the Group's cash and cash equivalents were denominated in RMB amounted to approximately RMB16,423,000 (31 December 2020: RMB52,411,000) and were kept in the PRC. RMB is not freely convertible into other currencies and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC Government.

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 13. 已抵押銀行存款、現金及現金等價物

於二零二一年六月三十日，本集團銀行存款約人民幣38,553,000元(二零二零年十二月三十一日：人民幣35,767,000元)抵押作為本集團購買原料所發行之票據應付款項。於二零二一年六月三十日，本集團銀行存款人民幣2,300,000元(二零二零年十二月三十一日：人民幣2,300,000元)亦就過往年度內收購之預付租賃款項，於預定時間表內質押，以獲擔保完成建築工程。如本集團未能履行預定截止時間，則本集團須受懲處。董事認為，建築工程並無延誤，故簡明綜合財務報表中毋須計提罰款撥備。該等銀行結餘之年利率為1.35%(二零二零年十二月三十一日：1.35%)。

於二零二一年六月三十日，本集團以人民幣計值且約為人民幣16,423,000元(二零二零年十二月三十一日：人民幣52,411,000元)之現金及現金等價物均存放於中國。人民幣無法自由兌換為其他貨幣，而從中國匯出資金須受中國政府實施之外匯管制所規限。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 14. TRADE AND BILLS PAYABLE, ACCRUALS, CONTRACT LIABILITIES AND OTHER PAYABLES

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 14. 貿易及票據應付款項、應計費用、合約負債及其他應付款項

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Trade payables (Note (i))	貿易應付款項(附註(i))	137,534	128,883
Bills payable (Note (ii))	票據應付款項(附註(ii))	38,553	38,135
Accrued expenses	應計開支	1,419	3,379
Accrued employee benefit expenses	應計僱員福利開支	13,329	17,344
Deferred income — current portion	遞延收入 — 流動部分	38	38
Dividend payable	應付股息	10,794	—
Contract liabilities	合約負債	22,475	13,464
Other payables (Note (iii))	其他應付款項(附註(iii))	52,071	41,176
		<b>276,213</b>	<b>242,419</b>

Notes:

- (i) The credit period received from suppliers of the Group is ranging from 30 to 90 days (31 December 2020: 30 to 90 days) for the six months ended 30 June 2021. The ageing analysis of trade payables based on invoice date is as follows:

附註：

- (i) 於二零二一年六月三十日止六個月，本集團供應商所提供之信貸期介乎30至90日(二零二零年十二月三十一日：30至90日)。按發票日期之貿易應付款項賬齡分析如下：

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Within 1 month	一個月內	116,940	94,690
Over 1 month but less than 3 months	超過一個月但少於三個月	18,722	28,926
Over 3 months but less than 1 year	超過三個月但少於一年	306	3,595
Over 1 year	超過一年	1,566	1,672
		<b>137,534</b>	<b>128,883</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 14. TRADE AND BILLS PAYABLE, ACCRUALS, CONTRACT LIABILITIES AND OTHER PAYABLES — continued

Notes: — continued

- (ii) At 30 June 2021, bills payables of approximately RMB38,553,000 (31 December 2020: RMB35,767,000) were secured by pledged bank deposits (Note 13).
- (iii) At 30 June 2021, balance of approximately RMB8,923,000 (31 December 2020: RMB5,943,000) included in other payables, represents the amount due to a director, Mr. Ernest Chen. The amount is non-trade in nature, interest-free, unsecured and repayable on demand.

### 15. INTEREST-BEARING BANK BORROWINGS

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 14. 貿易及票據應付款項、應計費用、合約負債及其他應付款項 — 續

附註：— 續

- (ii) 於二零二一年六月三十日，約人民幣38,553,000元之票據應付款項(二零二零年十二月三十一日：人民幣35,767,000元)由已抵押銀行存款作為抵押(附註13)。
- (iii) 於二零二一年六月三十日，計入其他應付款項之結餘約人民幣8,923,000元(二零二零年十二月三十一日：人民幣5,943,000元)指應付一名董事陳炳強先生款項。該款項屬非貿易性質，並為免息、無抵押及按要求償還。

### 15. 計息銀行借款

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Current</b>	<b>流動</b>		
Interest-bearing bank borrowings — secured (Note)	計息銀行借款 — 已抵押(附註)	56,642	79,277
<b>Non-current</b>	<b>非流動</b>		
Interest-bearing bank borrowings — secured (Note)	計息銀行借款 — 已抵押(附註)	59,523	54,878
		<b>116,165</b>	<b>134,155</b>

Note: Interest was charged in the range of 3.80% to 6.37% (six months ended 30 June 2020: 3.08% to 6.47%) per annum for the six months ended 30 June 2021.

附註：截至二零二一年六月三十日止六個月按每年3.80%至6.37%(截至二零二零年六月三十日止六個月：3.08%至6.47%)計息。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 15. INTEREST-BEARING BANK BORROWINGS — continued

At 30 June 2021 and 31 December 2020, total current and non-current interest-bearing bank borrowings were scheduled to be repaid as follows:

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Within one year	一年內	56,642	79,277
Within a period of more than one year but not more than two years	多於一年但不多於兩年期間內	9,908	11,758
Within a period of more than two years but not more than five years	多於兩年但不多於五年期間內	25,354	20,496
Within a period of more than five years	多於五年期間內	24,261	22,624
		<b>116,165</b>	<b>134,155</b>

At the end of each reporting period, the Group's interest-bearing bank borrowings were secured by the following assets:

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Property, plant and equipment (Note 11)	物業、廠房及設備(附註11)	20,335	22,120
Right-of-use assets	使用權資產	85,260	85,743

As at 30 June 2021, the Group's interest-bearing bank borrowings of approximately RMB116,165,000 (31 December 2020: RMB134,155,000) were also guaranteed by certain subsidiaries (31 December 2020: certain subsidiaries).

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 15. 計息銀行借款 — 續

於二零二一年六月三十日及二零二零年十二月三十一日，流動及非流動計息銀行借款總額按還款期償還情況如下：

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Within one year	一年內	56,642	79,277
Within a period of more than one year but not more than two years	多於一年但不多於兩年期間內	9,908	11,758
Within a period of more than two years but not more than five years	多於兩年但不多於五年期間內	25,354	20,496
Within a period of more than five years	多於五年期間內	24,261	22,624
		<b>116,165</b>	<b>134,155</b>

於各報告期末，本集團之計息銀行借款由下列資產作為抵押：

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Property, plant and equipment (Note 11)	物業、廠房及設備(附註11)	20,335	22,120
Right-of-use assets	使用權資產	85,260	85,743

於二零二一年六月三十日，本集團約人民幣116,165,000元之計息銀行借款(二零二零年十二月三十一日：人民幣134,155,000元)亦由若干附屬公司(二零二零年十二月三十一日：若干附屬公司)作出擔保。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 16. OTHER BORROWINGS

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 16. 其他借款

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Current</b>	<b>流動</b>		
Other borrowings — secured (Note)	其他借款 — 已抵押(附註)	13,385	14,001
<b>Non-current</b>	<b>非流動</b>		
Other borrowings — secured (Note)	其他借款 — 已抵押(附註)	17,352	23,750
		<b>30,737</b>	<b>37,751</b>

Note: Interest is charged at 6.30% (six months ended 30 June 2020: Nil) per annum for the six months ended 30 June 2021.

In September 2020, the Group entered into agreements with financing companies, independent third parties, pursuant to which the Group has agreed to transfer the ownerships of certain machineries (the "Machineries") to the financing companies, at an aggregated consideration of approximately RMB38,331,000 and lease back the Machineries for a period of 3 years, subject to the terms and conditions of the agreements. The financing companies will return the ownerships of the Machineries to the Group upon the completion of the transactions. In the opinion of the Directors, despite the agreements involve a legal form of a lease, the transfer of legal title of Machineries do not satisfy the requirement of IFRS 15 to be accounted for as a sale of the Machineries and hence, the Group accounted for the proceeds received as collateralised loans.

附註：截至二零二一年六月三十日止六個月按每年 6.30% (截至二零二零年六月三十日止六個月：無) 計息。

於二零二零年九月，本集團與財務公司(獨立第三方)訂立多項協議，據此，本集團已同意將若干機器(「該等機器」)之擁有權轉讓予該等財務公司，總代價約為人民幣38,331,000元，其後租回該等機器，為期3年，惟受該等協議之條款及條件所限。該等財務公司將於該等交易完成後向本集團交回該等機器之擁有權。董事認為，儘管該等協議涉及法定形式之租賃，惟轉讓該等機器之法律擁有權並不符合國際財務報告準則第15號之規定以入賬列作銷售該等機器，因此，本集團將所收取之所得款項入賬列作抵押貸款。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 16. OTHER BORROWINGS — continued

At 30 June 2021, total current and non-current other borrowings were scheduled to be repaid as follows:

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Within one year	一年內	13,385	14,001
Within a period of more than one year but not more than two years	超過一年但不多於兩年期間內	12,095	12,750
Within a period of more than two years but not more than five years	超過兩年但不多於五年期間內	5,257	11,000
		<b>30,737</b>	<b>37,751</b>

At the end of each reporting period, the Group's other borrowings were secured by the following assets:

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Property, plant and equipment (Note 11)	物業、廠房及設備(附註11)	7,476	8,254

At 30 June 2021, the Group's other borrowings of approximately RMB30,737,000 (31 December 2020: RMB37,751,000) were guaranteed by certain subsidiaries of the Company.

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 16. 其他借款 — 續

於二零二一年六月三十日，流動及非流動其他借款總額按還款期償還情況如下：

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Within one year	一年內	13,385	14,001
Within a period of more than one year but not more than two years	超過一年但不多於兩年期間內	12,095	12,750
Within a period of more than two years but not more than five years	超過兩年但不多於五年期間內	5,257	11,000
		<b>30,737</b>	<b>37,751</b>

於各報告期末，本集團之其他借款由下列資產作為抵押：

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Property, plant and equipment (Note 11)	物業、廠房及設備(附註11)	7,476	8,254

於二零二一年六月三十日，本集團約人民幣30,737,000元(二零二零年十二月三十一日：人民幣37,751,000元)之其他借款由本公司之若干附屬公司作出擔保。



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 17. SHARE CAPITAL

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 17. 股本

		Number of shares 股份數目	Share capital 股本
			RMB'000 人民幣千元
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股		
Authorised:	法定：		
<b>At 1 January 2020 (audited), 31 December 2020 (audited), 1 January 2021 (audited) and 30 June 2021 (unaudited)</b>	於二零二零年一月一日(經審計)、 二零二零年十二月三十一日(經審計)、 二零二一年一月一日(經審計)及 二零二一年六月三十日(未經審計)	<b>1,500,000,000</b>	<b>13,387</b>
Issued and fully paid:	已發行及繳足：		
At 1 January 2020 (audited)	於二零二零年一月一日(經審計)	100	—*
Capitalisation issue of shares (Note (i))	資本化發行股份(附註(i))	337,499,900	2,994
Issue of shares from share offer (Note (ii))	股份發售時之發行股份(附註(ii))	90,000,000	798
<b>At 31 December 2020 (audited), 1 January 2021 (audited) and 30 June 2021 (unaudited)</b>	於二零二零年十二月三十一日(經審計)、 二零二一年一月一日(經審計)及 二零二一年六月三十日(未經審計)	<b>427,500,000</b>	<b>3,792</b>

\* Less than RMB1,000

\* 少於人民幣1,000元

Notes:

附註：

- (i) Pursuant to the written resolutions passed by the Directors on 13 January 2020, 323,999,904 Shares and 13,499,996 Shares were allotted on 15 January 2020, and issued at par value of HK\$0.01 each to Mr. Ernest Chen and Mr. Victor Heng, respectively as fully paid at par, by way of capitalisation of the sum of HK\$3,375,000 debited to the share premium account.
- (ii) On 16 January 2020, 90,000,000 Shares with a par value of HK\$0.01 each of the Company were issued at a price of HK\$1.30 per Share by way of share offer. On the same date, the Shares were listed on the Main Board of the Stock Exchange.

- (i) 根據董事於二零二零年一月十三日通過的書面決議案，323,999,904股股份及13,499,996股股份於二零二零年一月十五日並透過資本化計入股份溢價賬3,375,000港元的金額以每股面值0.01港元列作繳足股份分別配發及發行予陳炳強先生及邢家維先生。
- (ii) 於二零二零年一月十六日，本公司90,000,000股每股面值0.01港元的股份透過股份發售按每股股份1.30港元的價格發行。同日，股份於聯交所主板上市。

### 18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The carrying amounts of the financial instruments at amortised cost are not materially different from their fair values as at 30 June 2021 and 31 December 2020.

No financial instruments were used for hedging purposes.

### 18. 金融工具之公平值計量

於二零二一年六月三十日及二零二零年十二月三十一日，該等按攤銷成本入賬之金融工具之賬面值與其公平值並無重大差異。

概無任何金融工具被用作對沖用途。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 19. COMMITMENTS

#### Capital commitments

Capital expenditures contracted for but not yet incurred at the end of each reporting period are as follows:

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	70,850	86,031

#### Lease commitments

##### The Group as the lessee

At 30 June 2021, the Group had short-term leases commitment which fall due as follows:

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Within 1 year	一年內	880	—

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 19. 承擔

#### 資本承擔

於各報告期末已訂約但未產生的資本支出如下：

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	70,850	86,031

#### 租賃承擔

##### 本集團作為承租人

於二零二一年六月三十日，本集團之短期租賃承擔到期情況如下：

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計)	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Within 1 year	一年內	880	—

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 19. COMMITMENTS — continued

#### Lease commitments — continued

##### The Group as the lessor

At 30 June 2021, the Group had total future minimum lease receivables under non-cancellable operating lease with its tenants which fall due as follows:

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 19. 承擔 — 續

#### 租賃承擔 — 續

##### 本集團作為出租人

於二零二一年六月三十日，本集團與其承租人之不可撤銷經營租賃項下之未來最低租賃應收款項總額到期情況如下：

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計) RMB'000 人民幣千元	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計) RMB'000 人民幣千元
Within 1 year	一年內	158	150

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 20. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the condensed consolidated financial statements, the Group has the following transactions with its related parties in the normal course of its business and mutually agreed between both parties:

#### (a) Recurring transactions

		Six months ended 30 June	
		2021	2020
		二零二一年	二零二零年
		截至六月三十日止六個月	截至六月三十日止六個月
		Unaudited	Unaudited
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Rent paid to Mr. Ernest Chen (Note (i))	已向陳炳強先生支付之租金(附註 (i))	860	960
Purchase of red wine from a related company (Note (ii))	向關聯公司購買紅酒(附註 (ii))	655	387

Notes:

- (i) The Group rents two properties from Mr. Ernest Chen with a lease term of 1 to 3 years (six months ended 30 June 2020: 2.4 to 3 years) with annual rent payment of RMB1,920,000 (six months ended 30 June 2020: RMB1,680,000). As at 31 December 2020, these lease properties are recognised as right-of-use assets with net carrying amount of RMB717,000, with respective lease liabilities of RMB768,000. As at 30 June 2021, no right-of-use assets and lease liabilities are recognised for these lease.
- (ii) Mr. Ernest Chen and Mr. Leo Chen, executive directors of the Company, are the beneficiary owners of this related company.

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 20. 關聯方交易

除簡明綜合財務報表其他部分所披露者外，本集團於其一般業務過程中與其關聯方訂有以下共同協定之交易：

#### (a) 經常性交易

附註：

- (i) 本集團從陳炳強先生租用兩間物業，租賃期為1至3年(截至二零二零年六月三十日止六個月：2.4至3年)，年度租金為人民幣1,920,000元(截至二零二零年六月三十日止六個月：人民幣1,680,000元)。於二零二零年十二月三十一日，該等租賃物業確認為賬面淨值人民幣717,000元的使用權資產，其各自的租賃負債為人民幣768,000元。於二零二一年六月三十日，概無就該等租賃確認使用權資產及租賃負債。
- (ii) 本公司執行董事陳炳強先生及陳炳耀先生為該關聯公司之實益擁有人。

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 20. RELATED PARTY TRANSACTIONS — continued

#### (b) Guarantees provided by related parties

		As at 30 June 2021 於 二零二一年 六月三十日 Unaudited (未經審計) RMB'000 人民幣千元	As at 31 December 2020 於 二零二零年 十二月三十一日 Audited (經審計) RMB'000 人民幣千元
Guarantees of other receivables provided by Mr. Ernest Chen	由陳炳強先生提供的其他應收款項擔保	54,000	52,000

#### (c) Key management personnel remuneration

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Directors. Key management personnel remuneration is as follows:

## 簡明綜合財務報表附註

截至二零二一年六月三十日止六個月

### 20. 關聯方交易 — 續

#### (b) 關聯方提供的擔保

#### (c) 主要管理人員薪酬

主要管理人員指擔任有權力及負責直接或間接計劃、指導及控制本集團活動之職位之該等人士，包括董事。主要管理人員之酬金如下：

		Six months ended 30 June 2021 二零二一年 截至六月三十日止六個月 Unaudited (未經審計) RMB'000 人民幣千元	2020 二零二零年 Unaudited (未經審計) RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,148	1,588
Retirement benefit scheme contributions	退休福利計劃供款	47	28
		<b>2,195</b>	<b>1,616</b>

