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稀镁科技
REMT

稀镁科技集團控股有限公司

RARE EARTH MAGNESIUM TECHNOLOGY GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 601)

2024 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the “**Board**”) of Rare Earth Magnesium Technology Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries for the six months ended 30 June 2024. This announcement, containing the full text of the 2024 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of interim results. Printed version of the Company’s 2024 interim report will be delivered to the shareholders of the Company and available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.remt.com.hk on 10 September 2024.

By order of the Board

Rare Earth Magnesium Technology Group Holdings Limited

Shum Sai Chit

Executive Director

Hong Kong, 30 August 2024

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Shum Sai Chit and Ms. Chi Sile; and two independent non-executive Directors, namely Mr. Cheung Sound Poon and Mr. Lin Pengxuan.

董事

執行董事：

沈世捷(主席兼行政總裁)
池斯樂

獨立非執行董事：

張省本
林鵬軒

審核委員會

張省本(主席)
林鵬軒

薪酬委員會

沈世捷(主席)
張省本
林鵬軒

提名委員會

沈世捷(主席)
張省本
林鵬軒

公司秘書

樊國民

核數師

栢淳會計師事務所有限公司

DIRECTORS

Executive Directors:

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

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Cheung Sound Poon
Lin Pengxuan

AUDIT COMMITTEE

Cheung Sound Poon (*Chairman*)
Lin Pengxuan

REMUNERATION COMMITTEE

Shum Sai Chit (*Chairman*)
Cheung Sound Poon
Lin Pengxuan

NOMINATION COMMITTEE

Shum Sai Chit (*Chairman*)
Cheung Sound Poon
Lin Pengxuan

COMPANY SECRETARY

Fan Kwok Man, Raymond

AUDITORS

Prism Hong Kong Limited

主要往來銀行

王道商業銀行股份有限公司
星展銀行(香港)有限公司

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

主要辦事處

香港
九龍尖沙咀
海港城
港威大廈
第5座16樓

百慕達主要股份過戶登記處及 轉讓登記處

Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street, PO Box HM 1624
Hamilton HM 10
Bermuda

香港股份過戶登記分處及 轉讓登記處

卓佳秘書商務有限公司
香港
夏慤道16號
遠東金融中心17樓

網址

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

股票代號

00601

PRINCIPAL BANKERS

O-Bank Co., Ltd.
DBS Bank (Hong Kong) Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street, PO Box HM 1624
Hamilton HM 10
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

WEBSITE

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

STOCK CODE

00601

稀鎂科技集團控股有限公司(「本公司」或「稀鎂科技」)董事會(「董事會」)宣佈本公司及其附屬公司(統稱「本集團」)截至2024年6月30日止六個月(「期內」)之未經審核簡明綜合中期業績連同2023年同期比較數字如下。

The board of directors (the “Board”) of Rare Earth Magnesium Technology Group Holdings Limited (the “Company” or “REMT”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2024 (“Period”), together with the comparative figures for the corresponding period in 2023 as follows.

簡明綜合損益及其他全面收益表

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

截至2024年6月30日止六個月 For the six months ended 30 June 2024

| | | 附註 Notes | 截至2024年 6月30日 止六個月 Six months ended 30 June 2024 千港元 HK\$'000 (未經審核) (Unaudited) | 截至2023年 6月30日 止六個月 Six months ended 30 June 2023 千港元 HK\$'000 (未經審核) (Unaudited) |
|----------------|---|-------------|--|--|
| 收入 | Revenue | 3 | 106,454 | 103,004 |
| 銷售成本 | Cost of sales | | (130,856) | (138,043) |
| 毛損 | Gross loss | | (24,402) | (35,039) |
| 其他收益/(虧損)淨額 | Other gains/(loss), net | | 5,236 | (11,507) |
| 銷售及分銷費用 | Selling and distribution costs | | (1,259) | (933) |
| 行政支出 | Administrative expenses | | (30,295) | (49,351) |
| 貿易應收賬款預期信貸虧損撥回 | Reversal of expected credit losses on trade receivables | | 1,668 | 7,311 |
| 財務費用 | Finance costs | 4 | (30,752) | (23,763) |
| 稅前虧損 | Loss before tax | 5 | (79,804) | (113,282) |
| 所得稅抵免 | Income tax credit | 6 | 211 | 44 |
| 期內及本公司擁有人應佔虧損 | Loss for the Period and attributable to owners of the Company | | (79,593) | (113,238) |

簡明綜合損益及其他全面收益表(續)

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

截至2024年6月30日止六個月 For the six months ended 30 June 2024

| | | 附註 Notes | 截至2024年 6月30日 止六個月 Six months ended 30 June 2024 千港元 HK\$'000 (未經審核) (Unaudited) | 截至2023年 6月30日 止六個月 Six months ended 30 June 2023 千港元 HK\$'000 (未經審核) (Unaudited) |
|------------------------------------|---|-------------|--|--|
| 其他全面虧損 於往後期間重新分類至損益之 其他全面虧損： | Other comprehensive loss Other comprehensive loss to be reclassified to profit or loss in subsequent periods: | | | |
| 折算海外業務之匯兌差額 | Exchange differences on translating foreign operations | | (35,485) | (73,289) |
| 期內及本公司擁有人 應佔全面虧損總額 | Total comprehensive loss for the Period and attributable to owners of the Company | | (115,078) | (186,527) |
| 每股虧損： - 基本及攤薄 | Loss per share: - basic and diluted | 8 | (13仙cents) | (28仙cents) |

有關股息之詳情於簡明財務報表附註7披露。

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

簡明綜合財務狀況表

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於2024年6月30日 At 30 June 2024

| | | 附註 Notes | 2024年 6月30日 30 June 2024 千港元 HK\$'000 (未經審核) (Unaudited) | 2023年 12月31日 31 December 2023 千港元 HK\$'000 (未經審核) (Unaudited) |
|--------------------|--|-------------|---|--|
| 非流動資產 | NON-CURRENT ASSETS | | | |
| 物業、廠房及設備 | Property, plant and equipment | 9 | 960,034 | 1,020,495 |
| 使用權資產 | Right-of-use assets | | 30,169 | 31,738 |
| 無形資產 | Intangible assets | | 10,583 | 13,196 |
| 採礦權 | Mining rights | | 33,703 | 35,871 |
| 非流動資產總額 | Total non-current assets | | 1,034,489 | 1,101,300 |
| 流動資產 | CURRENT ASSETS | | | |
| 存貨 | Inventories | | 94,864 | 103,387 |
| 應收貿易賬款及應收票據 | Trade and bills receivables | 10 | 533 | 3,205 |
| 預付款項、按金及 其他應收賬款 | Prepayments, deposits and other receivables | | 160,303 | 185,724 |
| 應收中間控股公司 款項 | Amount due from an intermediate holding company | | - | 8,961 |
| 銀行及現金結餘 | Bank and cash balances | | 41,164 | 39,954 |
| 流動資產總額 | Total current assets | | 296,864 | 341,231 |
| 流動負債 | CURRENT LIABILITIES | | | |
| 應付貿易賬款 | Trade payables | 11 | 9,437 | 15,472 |
| 其他應付賬款及應計費用 | Other payables and accruals | | 31,959 | 25,752 |
| 合約負債 | Contract liabilities | | 16,479 | 26,477 |
| 借款 | Borrowings | 12 | 109,576 | 111,228 |
| 應付一名股東款項 | Amount due to a shareholder | 13 | 11,684 | 5,822 |
| 流動負債總額 | Total current liabilities | | 179,135 | 184,751 |
| 流動資產淨值 | NET CURRENT ASSETS | | 117,729 | 156,480 |
| 總資產減流動負債 | TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,152,218 | 1,257,780 |

簡明綜合財務狀況表(續)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

於2024年6月30日 At 30 June 2024

| | | 附註 Notes | 2024年 6月30日 30 June 2024 千港元 HK\$'000 (未經審核) (Unaudited) | 2023年 12月31日 31 December 2023 千港元 HK\$'000 (未經審核) (Unaudited) |
|-------------------|---|-------------|---|--|
| 非流動負債 | NON-CURRENT LIABILITIES | | | |
| 遞延收入 | Deferred revenue | | 65,295 | 66,881 |
| 借款 | Borrowings | 12 | 233,236 | 223,620 |
| 可換股債券 | Convertible bonds | 14 | 348,921 | 347,170 |
| 遞延稅項負債 | Deferred tax liabilities | | 6,883 | 7,148 |
| 非流動負債總額 | Total non-current liabilities | | 654,335 | 644,819 |
| 資產淨值 | Net assets | | 497,883 | 612,961 |
| 權益 | EQUITY | | | |
| 本公司擁有人應佔 股本及儲備 | Capital and reserves attributable to owners of the Company | | | |
| 股本 | Share capital | | 5,926 | 5,926 |
| 儲備 | Reserves | | 491,957 | 607,035 |
| 權益總額 | Total equity | | 497,883 | 612,961 |

簡明綜合權益變動表

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至2024年6月30日止六個月 For the six months ended 30 June 2024

| | | 本公司擁有人應佔 | | | | | | | | | | | |
|-------------------|---|---------------------------------------|------------------|------------------------|----------------------------------|---------------------------------|----------------------------|----------------------|-------------------|------------------|------------------------|----------------------|-----------|
| | | Attributable to owners of the Company | | | | | | | | | | | |
| | | 股本 | 股份溢價 | 繳入儲備 | 資本贖回 儲備 | 可換股 債券儲備 | 購股權儲備 | 法定儲備 | 合併儲備 | 其他儲備 | 外幣換算儲備 | 保留盈利 | 總額 |
| | | Share capital | Share premium | Contributed reserve | Capital redemption reserve | Convertible bonds reserve | Share option reserve | Statutory reserve | Merger reserve | Other reserve | Translation reserve | Retained earnings | Total |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 於2024年1月1日(經審核) | At 1 January 2024 (Audited) | 5,926 | 1,604,316 | 677,123 | 419 | 35,651 | - | 120,245 | (1,500,592) | (44,209) | (255,601) | (30,317) | 612,961 |
| 期內虧損 | Loss for the Period | - | - | - | - | - | - | - | - | - | - | (79,593) | (79,593) |
| 其他全面虧損 | Other comprehensive loss | - | - | - | - | - | - | - | - | - | (35,485) | - | (35,485) |
| 期內全面虧損總額 | Total comprehensive loss for the Period | - | - | - | - | - | - | - | - | - | (35,485) | (79,593) | (115,078) |
| 可換股債券部分贖回 | Partial redemption of convertible bonds | - | - | - | - | (1,244) | - | - | - | - | - | 1,244 | - |
| 於2024年6月30日(未經審核) | At 30 June 2024 (Unaudited) | 5,926 | 1,604,316 | 677,123 | 419 | 34,407 | - | 120,245 | (1,500,592) | (44,209) | (291,086) | (108,666) | 497,883 |
| 於2023年1月1日(經審核) | At 1 January 2023 (Audited) | 3,950 | 1,591,606 | 677,123 | 419 | 35,651 | 30,646 | 120,188 | (1,500,592) | (44,209) | (181,524) | 362,694 | 1,095,952 |
| 期內虧損 | Loss for the Period | - | - | - | - | - | - | - | - | - | - | (113,238) | (113,238) |
| 其他全面虧損 | Other comprehensive loss | - | - | - | - | - | - | - | - | - | (73,289) | - | (73,289) |
| 期內全面虧損總額 | Total comprehensive loss for the Period | - | - | - | - | - | - | - | - | - | (73,289) | (113,238) | (186,527) |
| 已失效購股權 | Share option lapsed | - | - | - | - | - | (10,165) | - | - | - | - | 10,165 | - |
| 於2023年6月30日(未經審核) | At 30 June 2023 (Unaudited) | 3,950 | 1,591,606 | 677,123 | 419 | 35,651 | 20,481 | 120,188 | (1,500,592) | (44,209) | (254,813) | 259,621 | 909,425 |

簡明綜合現金流量表

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

截至2024年6月30日止六個月 For the six months ended 30 June 2024

| | | 截至2024年 6月30日 止六個月 Six months ended 30 June 2024 千港元 HK\$'000 (未經審核) (Unaudited) | 截至2023年 6月30日 止六個月 Six months ended 30 June 2023 千港元 HK\$'000 (未經審核) (Unaudited) |
|-----------------------------|---|--|--|
| | 附註 Notes | | |
| 經營活動 | Operating activities | | |
| 除所得稅前虧損 | Loss before income tax | (79,804) | (113,282) |
| 就下列項目作出調整： | Adjustments for: | | |
| 財務費用 | Finance cost | 30,752 | 23,763 |
| 銀行利息收入 | Bank interest income | (454) | (74) |
| 出售物業、廠房及設備項目 之收益 | Gain on disposal of items of property, plant and equipment | (4,104) | (1,980) |
| 物業、廠房及設備之折舊 | Depreciation of property, plant and equipment | 41,385 | 51,754 |
| 無形資產之攤銷 | Amortisation of intangible assets | 4,417 | 2,283 |
| 採礦權之攤銷 | Amortisation of mining rights | 2,370 | 1,235 |
| 使用權資產折舊 | Depreciation of right-of-use assets | 619 | 683 |
| 應收貿易賬款預期信貸虧損 撥回 | Reversal of expected credit loss on trade receivables | (1,668) | (7,311) |
| | | (6,487) | (42,929) |
| 存貨減少 | Decrease in inventories | 6,209 | 21,575 |
| 應收貿易賬款減少 | Decrease in trade receivables | 4,323 | 7,060 |
| 預付款項、按金及其他應收 賬款減少 | Decrease in prepayments, deposits and other receivables | 21,496 | 4,015 |
| 應付貿易賬款(減少)/增加 | (Decrease)/increase in trade payables | (5,798) | 3,426 |
| 其他應付賬款、應計費用及 合約負債(減少)/增加 | (Decrease)/increase in other payables, accruals and contract liabilities | (6,199) | 6,121 |
| 經營產生/(所用)的現金 | Cash generated from/(used in) operations | 13,544 | (732) |
| 已付所得稅項 | Income taxes paid | - | 5,117 |
| 經營活動產生的現金淨額 | Net cash generated from operating activities | 13,544 | 4,385 |

| | | 截至2024年 6月30日 止六個月 Six months ended 30 June 2024 千港元 HK\$'000 (未經審核) (Unaudited) | 截至2023年 6月30日 止六個月 Six months ended 30 June 2023 千港元 HK\$'000 (未經審核) (Unaudited) |
|---------------------------|---|--|--|
| | 附註 Notes | | |
| 投資活動 | Investing activities | | |
| 已收利息 | Interest received | 454 | 74 |
| 購買物業、廠房及設備 | Purchases of property, plant and equipment | (15,676) | (7,760) |
| 出售物業、廠房及設備的所得款項 | Proceeds from disposal of property, plant and equipment | 7,199 | 3,141 |
| 投資活動所用的現金淨額 | Net cash used in investing activities | (8,023) | (4,545) |
| 融資活動 | Financing activities | | |
| 償還可換股債券 | Repayment of convertible bonds | (7,209) | - |
| 應付一名股東之賬款增加 | Increase in amount due to a shareholder | 5,862 | 4,148 |
| 融資活動(所用)/產生的現金淨額 | Net cash (used in)/generated from financing activities | (1,347) | 4,148 |
| 現金及現金等值項目增加淨額 | Net Increase in cash and cash equivalents | 4,174 | 3,988 |
| 期初之現金及現金等值項目 | Cash and cash equivalents at the beginning of the period | 39,954 | 28,599 |
| 外幣匯率變動的影響，淨額 | Effect of foreign exchange rate changes, net | (2,964) | 79 |
| 於簡明綜合財務狀況表列賬之期末之現金及現金等值項目 | Cash and cash equivalents at the end of the period as stated in the condensed consolidated statement of financial position | 41,164 | 32,666 |

簡明綜合財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

截至2024年6月30日止六個月 For the six months ended 30 June 2024

1. 編製基準

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

2. 主要會計政策

簡明綜合財務報表已根據歷史成本基準編製，惟若干財務工具按公平值計量。

截至2024年6月30日止六個月的簡明綜合財務報表所採用的會計政策及計算方法與編製本集團截至2023年12月31日止年度的年度財務報表所呈列者相同。

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2023.

2. 主要會計政策(續)**應用香港財務報告準則之修訂**

本集團已自2024年1月1日起首次應用以下修訂：

- 將負債分類為流動或非流動以及附有契諾的非流動負債 - 香港會計準則第1號的修訂；
- 財務報表的呈報 - 借款人對包含按要求償還條款的定期貸款的分類 - 香港詮釋第5號(經修訂)；及
- 供應商融資安排 - 香港會計準則第7號及香港財務報告準則第7號的修訂。

由於採納香港會計準則第1號的修訂，本集團對其有關借款分類之會計政策作出以下變動：

「除非本集團有權於報告期末將負債的結算遞延至報告期後至少12個月，否則借款分類為流動負債。」

此項新政策並未導致本集團的借款分類出現變動。本集團並未因採納香港會計準則第1號的修訂而進行追溯調整。

除上述者外，本集團並未因採納上述經修訂準則或經修訂詮釋而對其會計政策作出變動或進行追溯調整。

於本中期期間應用香港財務報告準則修訂本，對本集團於本期間及以往期間的財務狀況及業績表現及／或未經審核簡明綜合中期財務報表所載的披露資料並無重大影響。

2. PRINCIPAL ACCOUNTING POLICIES (continued)**Application of amendments to HKFRSs**

The Group has applied the following amendments for the first time from 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to HKAS 1;
- Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause - HK Int 5 (Revised); and
- Supplier Finance Arrangements - Amendments to HKAS 7 and HKFRS 7.

As a result of the adoption of the amendments to HKAS 1, the Group changed its accounting policy for the classification of borrowings as below:

“Borrowings are classified as current liabilities unless at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.”

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to HKAS 1.

Except for those as mentioned above, the Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standards or revised interpretation.

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

3. 分部資料

向主要營運決策者內部呈報以作資源分配及分部表現的評估資料，乃集中於所交付或提供貨品或服務種類。本集團於截至2024年6月30日及2023年6月30日止期間主要從事單一分部業務，即製造及銷售金屬鎂相關產品。單一管理團隊向全面掌管有關整體業務分部的主要營運決策者匯報。因此，本集團並無獨立可報告分部。

3. SEGMENT INFORMATION

Information reported internally to the chief operating decision makers for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group is principally engaged in one single segment, which is manufacturing and selling magnesium related products during the period ended 30 June 2024 and 30 June 2023. A single management team reports to the chief operating decision makers who comprehensively manages such entire business segment. Accordingly, the Group does not have separately reportable segments.

4. 財務費用

4. FINANCE COSTS

| | | 截至2024年 6月30日 止六個月 Six months ended 30 June 2024 千港元 HK\$'000 (未經審核) (Unaudited) | 截至2023年 6月30日 止六個月 Six months ended 30 June 2023 千港元 HK\$'000 (未經審核) (Unaudited) |
|---------------------|--|--|--|
| 須於五年內全數償還之銀行及其他借款利息 | Interest on bank and other borrowings wholly repayable within five years | 3,589 | 1,800 |
| 債權人計劃項下借款的實際利息 | Effective interests on borrowing under the creditors' scheme | 9,617 | 8,789 |
| 債權人計劃項下可換股債券的實際利息 | Effective interests on convertible bonds under the creditors' scheme | 17,546 | 13,174 |
| | | 30,752 | 23,763 |

5. 除所得稅前虧損

5. LOSS BEFORE INCOME TAX

| | | 截至2024年 6月30日 止六個月 Six months ended 30 June 2024 千港元 HK\$'000 (未經審核) (Unaudited) | 截至2023年 6月30日 止六個月 Six months ended 30 June 2023 千港元 HK\$'000 (未經審核) (Unaudited) |
|-------------------------------------|---|--|--|
| 本集團之除所得稅前虧損 經扣除/(計入)以下各項後 達致： | The Group's loss before income tax has been arrived at after charging/ (crediting): | | |
| 貿易應收賬款預期信貸虧損 撥回 | Reversal of expected credit losses on trade receivables | (1,668) | (7,311) |
| 物業、廠房及設備之折舊 | Depreciation of property, plant and equipment | 41,385 | 51,754 |
| 無形資產攤銷 | Amortisation of intangible assets | 4,417 | 2,283 |
| 採礦權攤銷 | Amortisation of mining rights | 2,370 | 1,235 |
| 使用權資產折舊 | Depreciation of right-of-use assets | 619 | 683 |
| 銀行利息收入 | Bank interest income | (454) | (74) |

6. 所得稅抵免

6. INCOME TAX CREDIT

| | | 截至2024年 6月30日 止六個月 Six months ended 30 June 2024 千港元 HK\$'000 (未經審核) (Unaudited) | 截至2023年 6月30日 止六個月 Six months ended 30 June 2023 千港元 HK\$'000 (未經審核) (Unaudited) |
|-----------|-----------------------------|--|--|
| 即期稅項： | Current tax: | | |
| — 中國企業所得稅 | — PRC Enterprise Income Tax | — | — |
| 遞延稅項 | Deferred taxation | (211) | (44) |
| | | (211) | (44) |

7. 股息

董事會不建議向股東派發截至2024年6月30日止六個月之中期股息(2023年6月30日：無)。

8. 本公司擁有人應佔每股虧損

每股基本虧損根據本公司普通股權益持有人應佔期內虧損79,593,000港元(2023年：113,238,000港元)及期內普通股加權平均數592,595,103股(2023年：395,063,402股)計算。

由於未行使購股權對每股基本虧損具反攤薄影響，故截至2024年6月30日及2023年6月30日止六個月之每股攤薄虧損與每股基本虧損相同。

9. 物業、廠房及設備

於截至2024年6月30日止六個月，本集團已增加15,676,000港元(2023年6月30日：7,760,000港元)之物業、廠房及設備。

於截至2024年6月30日止六個月，本集團出售賬面值約為3,095,000港元(2023年6月30日：1,161,000港元)的物業、廠房及設備，所得款項淨額約為7,199,000港元(2023年6月30日：3,141,000港元)。

7. DIVIDEND

The Board does not recommend any payment of interim dividend to shareholders for the six months ended 30 June 2024 (30 June 2023: Nil).

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the Period attributable to ordinary equity holders of the Company of HK\$79,593,000 (2023: HK\$113,238,000) and the weighted average number of ordinary shares of 592,595,103 (2023: 395,063,402) during the Period.

Diluted loss per share for the six months ended 30 June 2024 and 30 June 2023 was the same as the basic loss per share as the share options outstanding had antidilutive effects on the basic loss per share.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group had an addition to property, plant and equipment amounted to HK\$15,676,000 (30 June 2023: HK\$7,760,000).

During the six months ended 30 June 2024, the Group disposed of property, plant and equipment with a carrying amount of approximately HK\$3,095,000 (30 June 2023: HK\$1,161,000) for the net proceeds of approximately HK\$7,199,000 (30 June 2023: HK\$3,141,000).

10. 應收貿易賬款

10. TRADE RECEIVABLES

| | | 2024年 6月30日 30 June 2024 千港元 HK\$'000 (未經審核) (Unaudited) | 2023年 12月31日 31 December 2023 千港元 HK\$'000 (未經審核) (Unaudited) |
|----------|------------------------------------|---|--|
| 應收貿易賬款 | Trade receivables | 140,644 | 145,687 |
| 預期信貸虧損撥備 | Allowance for expected credit loss | (140,471) | (144,038) |
| | | 173 | 1,649 |
| 應收票據 | Bills receivables | 360 | 1,556 |
| | | 533 | 3,205 |

本集團給予其貿易客戶之信貸期不超過180天。

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

以下乃應收貿易賬款(扣除預期信貸虧損撥備)根據發票日期呈列之賬齡分析：

The following is an aged analysis of trade receivables net of provision for expected credit losses presented based on the invoice date:

| | | 2024年 6月30日 30 June 2024 千港元 HK\$'000 (未經審核) (Unaudited) | 2023年 12月31日 31 December 2023 千港元 HK\$'000 (未經審核) (Unaudited) |
|-----------|---------------|---|--|
| 0 - 60天 | 0 - 60 days | 42 | 1,649 |
| 61 - 90天 | 61 - 90 days | 15 | - |
| 91 - 180天 | 91 - 180 days | 116 | - |
| | | 173 | 1,649 |

11. 應付貿易賬款

以下乃應付貿易賬款根據發票日期之賬齡分析：

11. TRADE PAYABLES

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

| | | 2024年 6月30日 30 June 2024 千港元 HK\$'000 (未經審核) (Unaudited) | 2023年 12月31日 31 December 2023 千港元 HK\$'000 (未經審核) (Unaudited) |
|----------|--------------|---|--|
| 0 - 60天 | 0 - 60 days | 4,073 | 5,248 |
| 61 - 90天 | 61 - 90 days | 38 | 32 |
| 超過90天 | Over 90 days | 5,326 | 10,192 |
| | | 9,437 | 15,472 |

12. 借款

12. BORROWINGS

| | | 2024年 6月30日 30 June 2024 千港元 HK\$'000 (未經審核) (Unaudited) | 2023年 12月31日 31 December 2023 千港元 HK\$'000 (未經審核) (Unaudited) |
|---------------|---|---|--|
| 銀行借款 | Bank borrowings | 67,949 | 69,600 |
| 其他借款(附註(ii)) | Other borrowings (note (ii)) | 274,863 | 265,248 |
| | | 342,812 | 334,848 |
| 借款： | Borrowings: | | |
| 一年內到期或按要求應付 | Due within one year or on demand | 109,576 | 111,228 |
| 超過兩年但不超五年到期應付 | Due within a period of more than two years but not exceeding five years | 233,236 | 223,620 |
| | | 342,812 | 334,848 |
| 借款： | Borrowings: | | |
| 有抵押(附註(i)) | Secured (note (i)) | 191,508 | 189,782 |
| 無抵押 | Unsecured | 151,304 | 145,066 |

12. 借款(續)

附註：

(i) 有抵押借款約191,508,000港元(2023年12月31日：189,782,000港元)由中間控股公司及一家同系附屬公司作擔保，並以已質押物業、廠房及設備約265,075,000港元及使用權資產約11,320,000港元(2023年12月31日：物業、廠房及設備約216,036,000港元以及使用權資產約15,355,000港元)作抵押。

(ii) 其他借款包括(a)國際金融公司(「國際金融公司」)的貸款約41,627,000港元(2023年12月31日：42,678,000港元)；(b)債權人計劃項下負債233,236,000港元(2023年12月31日：223,620,000港元)。

截至2022年5月31日，本金額約為720,419,000港元的未償還借款已根據債權人計劃獲解除。根據債權人計劃，受理申索已分配為(a)延長年期選擇權(「選擇權A」)及(b)可換股債券置換選擇權(請參閱附註14)。選擇權A的實際利率為8.47%，該等負債的初步確認金額為198,594,000港元，截至2024年6月30日的已攤銷金額為233,236,000港元。

(iii) 於2024年6月30日，銀行借款及其他借款的加權實際利率約為8.15%(2023年12月31日：7.31%)。

(iv) 本集團若干信貸融資須達成借貸安排中常有的契諾條件。於2024年6月30日，賬面總值為109,576,000港元(2023年12月31日：111,228,000港元)的借款拖欠還款或違反貸款契諾，並於2024年6月30日的簡明綜合財務狀況表中分類為流動負債。本集團正在與貸方磋商以於報告期末為借款再融資。於簡明綜合財務報表批准日期，上述借款尚未續期亦尚未償還。

13. 應付一名股東之賬款

應付一名股東之賬款為無抵押、免息及按要求償還。

12. BORROWINGS (continued)

Notes:

(i) Secured borrowing of approximately HK\$191,508,000 (31 December 2023: HK\$189,782,000) were guaranteed by the intermediate holding company and a fellow subsidiary, and secured by pledged property, plant and equipment of approximately HK\$265,075,000 and right-of-use assets of approximately HK\$11,320,000 (31 December 2023: property, plant and equipment of approximately HK\$216,036,000 and right-of-use assets of approximately HK\$15,355,000).

(ii) Other borrowings included (a) an International Finance Corporation ("IFC") loan of approximately HK\$41,627,000 (31 December 2023: HK\$42,678,000); (b) liabilities under the Creditors' Scheme of HK\$233,236,000 (31 December 2023: HK\$223,620,000).

As of 31 May 2022, the outstanding borrowing in the principal amount of approximately HK\$720,419,000 was discharged pursuant to the Creditors' Scheme. Pursuant to the Creditors' Scheme, the admitted claims had been allocated into (a) a year term extension option ("Option A") and (b) a convertible bonds swap option (please refer to note 14). The effective interest rate of Option A is 8.47%, and the initial recognition of such liabilities is HK\$198,594,000 and amortized to HK\$233,236,000 as of 30 June 2024.

(iii) The weighted effective interest rate of bank borrowing and other borrowing as at 30 June 2024 is approximately 8.15% (31 December 2023: 7.31%).

(iv) Certain of the Group's facilities were subject to the fulfillment of covenants commonly found in lending arrangements. As of 30 June 2024, borrowings with an aggregate carrying amount of HK\$109,576,000 (31 December 2023: HK\$111,228,000) were in default of repayment or loan covenants and were classified as current liabilities in the condensed consolidated statement of financial position as of 30 June 2024. The Group is in negotiations with the lenders to refinance the borrowings at the end of the reporting period. As of the approval date of the condensed consolidated financial statements, the aforesaid borrowings were not yet renewed nor repaid.

13. AMOUNT DUE TO A SHAREHOLDER

The amount due to a shareholder is unsecured, interest-free and repayable on demand.

14. 可換股債券

於2022年8月5日，本公司根據債權人計劃的條款發行本金總額為458,390,000港元的零票息可換股債券(「可換股債券」)。

可換股債券賦予債券持有人權利以換股價1.2港元換取股份。可換股債券的到期日為自發行日期起計五年。持有人可於可換股債券到期日前隨時作出轉換。本公司將贖回於到期日尚未獲轉換的可換股債券。

有關可換股債券條款的更多詳情，請參閱本公司日期為2022年5月3日的通函。

根據本集團的會計政策，可換股債券根據合約安排的實際內容以及金融負債及權益工具的定義分別分類為金融負債及權益。倘轉換選擇權將透過以固定金額的現金或另一項金融資產換取固定數目的本公司本身權益工具結算，則屬權益工具。負債部分的公允值按類似的不可轉換工具的現行市場利率作出估算。權益部分於權益的「可換股債券權益儲備」項下呈列。發行人贖回選擇權被認為與主債務密切相關而並非與主合約分開。負債部分於初步確認時的實際年利率為8.47%。

14. CONVERTIBLE BONDS

On 5 August 2022, the Company has issued zero coupon convertible bonds ("Convertible Bonds") with aggregate principal amount of HK\$458,390,000 pursuant to the terms of the Creditors' Scheme.

The Convertible Bonds entitle the bondholder to convert to shares at a conversion price of HK\$1.2. The maturity date of the Convertible Bonds is 5 years from the date of issue. Conversion may occur at any time before maturity date of the Convertible Bonds. The Company will redeem the Convertible Bonds if the bonds have not been converted on maturity date.

For more details of the terms of Convertible Bonds. Please refer to the Company's circular dated on 3 May 2022.

According to the Group's accounting policy, the Convertible Bonds are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. The fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. The equity element is presented in equity under the heading of "convertible bond equity reserve". The issuer redemption options are considered as closely related to the host debt and are not separated from the host contract. The effective interest rate of the liability component on initial recognition is 8.47% per annum.

14. 可換股債券(續)

初步計入可換股債券權益儲備的轉換選擇權於到期時轉撥至保留盈利。

於2024年6月30日，可換股債券負債部分的公允值為348,921,000港元(2023年12月31日：347,170,000港元)，屬公允值等級的第三級。

本集團金融工具的賬面值與其公允值合理相若。

14. CONVERTIBLE BONDS (continued)

The convertible option initially included in convertible bonds equity reserve was transferred to retained earnings upon expiry.

The fair value of the liability component of the Convertible Bonds at 30 June 2024 amounted to HK\$348,921,000 (31 December 2023: HK\$347,170,000), which are within level 3 of the fair value hierarchy.

The carrying amounts and fair values of the Group's financial instruments reasonably approximate to fair values.

15. 承擔**15. COMMITMENTS**

| | | 2024年 6月30日 30 June 2024 千港元 HK\$'000 (未經審核) (Unaudited) | 2023年 12月31日 31 December 2023 千港元 HK\$'000 (未經審核) (Unaudited) |
|-----------------------|--|---|--|
| 已訂約但未作撥備： 物業、廠房及設備 | Contracted, but not provided for: Property, plant and equipment | 11,924 | 18,872 |

16. 重大關連人士交易

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

16. MATERIAL RELATED PARTY TRANSACTION

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

| | | 截至2024年 6月30日 止六個月 Six months ended 30 June 2024 千港元 HK\$'000 | 截至2023年 6月30日 止六個月 Six months ended 30 June 2023 千港元 HK\$'000 |
|---------------|--|---|---|
| | 附註 Notes | | |
| 向中間控股公司支付之管理費 | Management fee paid to an intermediate holding company | 1,475 | 1,475 |

- (b) 本集團主要管理人員報酬：

- (b) Compensation of key management personnel of the Group:

| | | 截至2024年 6月30日 止六個月 Six months ended 30 June 2024 千港元 HK\$'000 | 截至2023年 6月30日 止六個月 Six months ended 30 June 2023 千港元 HK\$'000 |
|--------------|---|---|---|
| 董事袍金、薪金及其他薪酬 | Directors' fee, salaries and other emoluments | 645 | 645 |

16. 重大關連人士交易(續)

- (c) 於2024年6月30日，應付一名股東之款項約為11,684,000港元(2023年12月31日：5,822,000港元)。該款項為無抵押、免息及按要求償還。

於2024年6月30日，向本公司直接控股公司Ming Xin Developments Limited發行的可換股債券之賬面值約為340,309,000港元(附註14)。

- (d) 誠如本公司於2021年8月1日刊發的公告(「該公告」)所披露，白山市天安金屬鎂礦業有限公司及新疆騰翔鎂製品有限公司(本公司的間接全資附屬公司)與銀行訂立擔保協議，以擔保貸款協議項下山東紅日化工股份有限公司(「山東紅日」，世紀陽光集團控股有限公司(本公司的中間控股公司)的間接非全資附屬公司)就該銀行向山東紅日墊付的金額為人民幣124,960,000元的貸款的付款責任。因此，山東紅日是本公司於上市規則第14A章項下之關連人士，及擔保事項構成本公司於上市規則項下之關連交易，並須遵守上市規則第14A章項下之申報、公告規定及獨立股東批准規定。然而，本公司於有關時間內未遵守有關擔保之申報、公告規定及獨立股東批准規定。本公司已採取多種補救措施提升其內部控制，預防再次發生該公告所披露的有關不合規事件。

16. MATERIAL RELATED PARTY TRANSACTION (continued)

- (c) As at 30 June 2024, the amount due to a shareholder is approximately HK\$11,684,000 (31 December 2023: HK\$5,822,000). The amount is unsecured, interest-free and repayable on demand.

As at 30 June 2024, the carrying amount of convertible bonds issued to the immediate holding company of the Company, Ming Xin Developments Limited, was approximately HK\$340,309,000 (note 14).

- (d) As disclosed in the announcement of the Company published on 1 August 2021 (the "Announcement"), Baishan City Tianan Magnesium Resources Co., Ltd. and Xinjiang Tengxiang Magnesium Products Company Limited, the indirect wholly-owned subsidiaries of the Company, entered into guarantee agreements with a bank to guarantee the payment obligations of Shandong Hongri Chemical Joint Stock Company Limited ("Shandong Hongri"), an indirect non-wholly owned subsidiary of Century Sunshine Group Holdings Limited (the intermediate holding company of the Company), in respect of the loans amounting to RMB124.96 million advanced by that bank to Shandong Hongri under the loan agreements. Shandong Hongri is accordingly a connected person of the Company under Chapter 14A of the Listing Rules, and the guarantees constituted connected transactions of the Company under the Listing Rules and were subject to the reporting, announcement requirements and independent shareholders' approval requirement under Chapter 14A of the Listing Rules. However, the Company had not complied with the reporting, announcement requirements and independent shareholders' approval requirement in respect of the Guarantees at the relevant time. The Company has taken various remedial measures to enhance its internal control and prevent recurrence of such non-compliance as disclosed in the Announcement.

16. 重大關連人士交易(續)

(e) 根據香港聯合交易所有限公司證券上市規則(「上市規則」)第14A.72條：

- 除上文(a)、(c)及(d)項所披露者外，董事認為附註16所披露之其他關連人士交易並不符合上市規則第14A章中「關連交易」的定義。
- 董事確認上文(a)項所載「應付中間控股公司管理費」項下的交易獲全面豁免遵守上市規則第14A.73條及第14A.76條項下之報告、公告、通函及股東批准之規定。
- 董事確認上文(c)項所載「應付一名股東之款項」的交易乃基於正常或較佳商業條款，且本集團並無資產作為抵押，因此獲全面豁免遵守上市規則第14A.73條及第14A.90條項下之報告、公告、通函及股東批准之規定。

除以上所披露外，董事認為，附註16及該等財務報表的其他部分所披露之其他關連人士交易並不符合上市規則第14A章中「關連交易」的定義。

16. MATERIAL RELATED PARTY TRANSACTION *(continued)*

(e) Pursuant to Rule 14A.72 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”):

- Save as disclosed in the item (a), (c) and (d) above, the Directors consider that the other related party transactions disclosed in the Note 16 do not fall under the definition of “connected transaction” in Chapter 14A of the Listing Rules.
- The Directors confirm that the transactions under “management fee paid to an intermediate holding company” set forth in item (a) above are fully exempt from the reporting, announcement, circular and shareholders’ approval requirements under Rule 14A.73 and Rule 14A.76 of the Listing Rules.
- The Directors confirm that the transaction of “amount due to a shareholder” set forth in item (c) was conducted on normal commercial terms or better, and not secured by the assets of the Group, and thus are fully exempt from the reporting, announcement, circular and shareholders’ approval requirements under Rule 14A.73 and Rule 14A.90 of the Listing Rules.

Save as disclosed above, the Directors consider that the other related party transactions disclosed in the Note 16 and elsewhere in these financial statements do not fall under the definition of “connected transaction” in Chapter 14A of the Listing Rules.

17. 法律訴訟及或然負債

白山天安金屬鎂礦業有限公司(「白山天安」)，為本集團在中國境內的附屬公司，2021年6月2日，白山天安接獲一間中國銀行就白山天安違反貸款條款及條件發出的中國法院傳訊令狀，該銀行向白山天安提呈申索，要求償還約人民幣64,000,000元的未償還本金，以及利息和其他相關費用。截至2022年3月16日，吉林省白山市中級人民法院(「白山法院」)發出執行裁定書，裁定銀行申請查封白山天安擁有的資產。於同年12月22日，法院解除了對白山天安採礦權的查封。

2024年2月5日，白山法院發出執行裁定，通知白山天安其質押資產將於2024年3月10日至3月11日進行拍賣，起拍價約為人民幣1.33億元。然而，在此期間進行的白山天安資產的初次拍賣未能成功。因此，白山法院隨後於2024年4月2日通知本集團，白山天安資產的第二次拍賣計劃於2024年4月16日至4月17日進行，起拍價約為人民幣1.06億元。該第二次拍賣也未能吸引到任何競標。白山法院於2024年5月3日通知本集團，將對白山天安資產進行變現拍賣，拍賣時間為2024年5月22日至2024年7月21日，起拍價約為人民幣1.06億元。這次變現拍賣同樣未能成功。

17. LITIGATIONS AND CONTINGENT LIABILITIES

Baishan City Tianan Magnesium Resources Company Limited ("Baishan Tianan"), a PRC subsidiary of the Group, received a court summons from a PRC bank on 2 June 2021. This summons was regarding a breach of loan terms and conditions by Baishan Tianan, with the bank demanding repayment of approximately 64 million yuan in principal that had not been settled, along with interest and other related costs. As of 16 March 2022, the Baishan Intermediate People's Court of Jilin Province (the "Baishan Court") issued an execution ruling, approving the bank's application to freeze certain assets owned by Baishan Tianan. However, on 22 December of the same year, the court lifted the freezing on the mining rights of Baishan Tianan.

On 5 February 2024, the Baishan Court issued an execution ruling notifying Baishan Tianan that its pledged assets would be auctioned from 10 March to 11 March 2024, with a starting price of approximately RMB133 million. However, the initial auction of Baishan Tianan's assets held during this period was unsuccessful. As a result, the Baishan Court subsequently informed the Group on 2 April 2024, that a second auction of the Baishan Tianan Assets was scheduled to take place from 16 April to 17 April 2024, with a starting bid of approximately RMB106 million. This second auction also failed to attract any bids. The Baishan Court notified the Group on 3 May 2024, that a realisation auction of the Baishan Tianan Assets would be held, commencing on 22 May 2024, and concluding on 21 July 2024, with a starting bid of approximately RMB106 million. This realisation auction too ended without any successful bids.

17. 法律訴訟及或然負債(續)

目前，白山天安的債務重組仍在進行中，但由於流動資金的短缺和訴訟執行的影響，重組過程變得更為困難，也妨礙了白山天安的正常運營。本集團正積極與債權人進行溝通，希望通過和解解決訴訟，以便為相關企業獲得重組的時間和空間。若無法和債權人達成新的協議，債權人可能會重啟法律程序來申請執行法院的裁決。本集團將根據白山天安債務重組的進展情況，及時公佈相關信息，讓股東及投資者了解任何有關重組或訴訟的重大進展。

17. LITIGATIONS AND CONTINGENT LIABILITIES *(continued)*

Currently, the debt restructuring process for Baishan Tianan is still ongoing, but it has become increasingly difficult due to a shortage of liquid funds and the impact of litigation enforcement, which also hinders the regular operations of the company. The Group is actively communicating with creditors, hoping to resolve the lawsuits through settlements to provide the related enterprises with the necessary time and space for restructuring. If a new agreement cannot be reached with the creditors, they may resume legal proceedings to enforce the court's judgment. The Group will disclose relevant information in a timely manner based on the progress of Baishan Tianan's debt restructuring, to keep shareholders and investors informed of any significant developments related to the restructuring or litigation.

行業回顧

2024年上半年的金屬鎂價格持續下跌，低位運行，受到國內外經濟環境運行不佳，下游需求疲弱；供需錯配；成本鬆動；以及出口減少等因素的影響，2024年上半年中國鎂錠平均價格為人民幣20,536.58元／噸，較2023年上半年均價同比下降14.14%，較2023年下半年環比下降12.57%，原鎂冶煉端呈現全行業虧損態勢。

INDUSTRY REVIEW

In the first half of 2024, the price of magnesium metal continued to decline and remained at a low level, affected by the poor domestic and international economic environment, weak downstream demand, supply-demand imbalance, easing costs, and decreased exports. The average price of magnesium ingots in China in the first half of 2024 was RMB20,536.58/ton, down 14.14% year-on-year compared to the first half of 2023, and down 12.57% compared to the second half of 2023. The magnesium smelting end was in a loss-making situation in the industry as a whole.

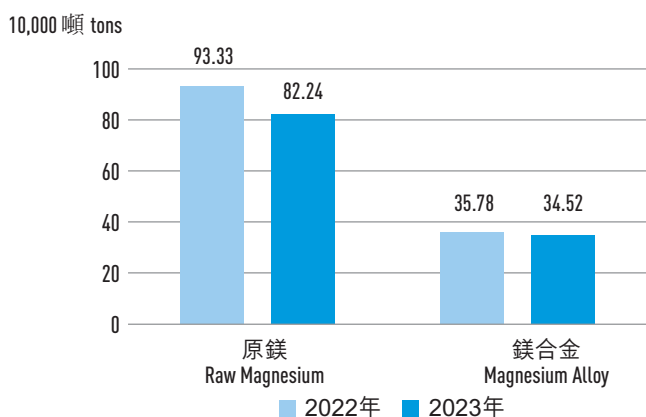
中國金屬鎂出廠價格（元／噸）
Factory price of magnesium metal in China (RMB/ton)



受國內外經濟氣氛低迷的影響，下游終端企業需求疲弱，備貨積極性不高。從2023年8月起下游終端企業需求下滑，今年1-5月汽車總產量1,138.1萬輛，較2022年8月-12月總產量減少了310.7萬輛，降幅21.45%，直觀呈現出今年下游汽車行業對鎂產品需求減少。數據顯示，2023年中國原鎂產量為82.24萬噸，較2022年減少了11.09萬噸，同比下降11.88%，金屬鎂價格整體偏弱運行。

Affected by the gloomy domestic and international economic atmosphere, the demand from downstream end-user enterprises was weak, and their enthusiasm for replenishing inventory was not high. Since August 2023, the demand from downstream end-user enterprises has declined. The total vehicle production in January-May this year was 11.381 million units, a decrease of 3.107 million units or 21.45% compared to the total production in August-December 2022, directly reflecting the reduced demand for magnesium products in the downstream automotive industry this year. Data shows that China's raw magnesium production in 2023 was 822,400 tons, a decrease of 110,900 tons or 11.88% compared to 2022, and the price of magnesium metal has been running weak overall.

中國鎂產量統計
China's magnesium production volume



數據來源：中國有色金屬工業協會鎂業分會
Data Source: Magnesium Industry Branch of the China Nonferrous Metals Industry Association

由於市場需求不振，出貨量未達預期，鎂錠生產廠家庫存積壓。鎂錠價格接近或低於成本線，廠家經營壓力大，部分持貨商拒絕降價出貨，市場供需關係緊張，價格難反彈。全球鎂供需雙弱導致鎂價大幅下跌，2023年全球原鎂產能利用率僅為61.3%，同比下降9.9%。全球鎂消費量為105萬噸左右，同比下降8.7%，呈現顯著的供需雙弱行業格局。

Due to the sluggish market demand, the shipment volume did not meet expectations, leading to inventory buildup at magnesium ingot producers. Magnesium ingot prices are approaching or below the cost line, putting significant operating pressure on manufacturers. Some inventory holders refuse to lower prices to ship, resulting in a tight market supply-demand relationship and difficulty for prices to rebound. The overall weak global supply and demand for magnesium has led to a sharp decline in magnesium prices. In 2023, the global raw magnesium capacity utilisation rate was only 61.3%, down 9.9% year-over-year. Global magnesium consumption was around 1.05 million tons, down 8.7% year-over-year, presenting a clearly weak supply and demand industry landscape.

出口量的多少直接影響到金屬鎂價格的漲跌波動。中國是金屬鎂出口大國，鎂產品出口到歐洲地區的量佔到國內產量的50%左右。數據顯示，2024年4月鎂出口量26,633噸，環比下降34.02%。二季度以來海外部分中小型鎂合金深加工企業需求減少，持觀望態度，也有部分出口訂單延期發貨，導致鎂合金、鎂製品出口持續下降，出口形勢不佳。短期鎂下游終端需求前景仍不樂觀。

The volume of exports directly affects the fluctuations in magnesium metal prices. China is a major exporter of magnesium metal, with exports to Europe accounting for around 50% of domestic production. Data shows that in April 2024, magnesium exports were 26,633 tons, down 34.02% month-on-month. Since the second quarter, demand from some small and medium-sized overseas magnesium alloy processing enterprises has decreased, and they have taken a wait-and-see attitude. Some export orders have also been delayed, leading to a continued decline in exports of magnesium alloys and magnesium products, resulting in a poor export situation. The short-term outlook for downstream demand for magnesium remains pessimistic.

2024年4月鎂產品貿易夥伴出口量統計 Magnesium Product Trade Partner Export Volumes in April 2024

| 貿易夥伴 Trade partner | 出口量(噸) Export (tons) | 出口量環比 Month-on-month change in export |
|-----------------------|-------------------------|--|
| 荷蘭 Netherlands | 7,244.742 | -23.14% |
| 加拿大 Canada | 3,264.63 | -24.97% |
| 印度 India | 2,214.885 | -37.68% |
| 韓國 Korean | 1,867,638 | -27.32% |
| 日本 Japan | 1,824.559 | -49.83% |
| 土耳其 Turkey | 1,202.722 | -19.71% |

數據來源：中華人民共和國海關總署
Data source: General Administration of Customs of the People's Republic of China

業務回顧

截至2024年6月30日止六個月(「期內」)，本集團整體收入為106,454,000港元，較去年同期的103,004,000港元增加約3.3%。鎂產品業務之整體毛損率為22.9% (2023年：34.0%)。期內稅後虧損減少至79,593,000港元(2023年：113,238,000港元)。總銷量由2023年同期的4,745噸增加至期內的6,236噸。市場鎂價處於三年來低位，不斷挑戰成本線，利潤承壓，需求疲弱，鎂行業整體氣氛低迷，呈現全行業虧損態勢。

為貫徹落實中國生態環境部等職能部委《關於推進實施焦化行業超低排放的意見》、中國國家發改委關於《產業結構調整指導目錄(2024年本)》的要求，本集團子公司新疆騰翔鎂製品有限公司(下稱「新疆騰翔」)所在地新疆哈密當地政府下發《關於印發〈哈密市貫徹落實自治區生態環境保護督查報告整改方案〉的通知》，要求包括新疆騰翔在內的相關多家企業，比如水泥、蘭炭生產線等指定行業，盡快制定對落後產能及生產工藝優化改造措施方案。

BUSINESS REVIEW

For the six months ended 30 June 2024 (the “Period”), the Group’s overall revenue was HK\$106,454,000, increased by approximately 3.3% compared to HK\$103,004,000 in the same period last year. The overall gross loss margin of the magnesium product business was 22.9% (2023: 34.0%). The post-tax loss for the Period decreased to HK\$79,593,000 (2023: HK\$113,238,000). Total sales volume increased from 4,745 tons in the same period of 2023 to 6,236 tons during the Period. Magnesium prices in the market have hit a three-year low, constantly challenging the cost line, putting pressure on profits. Demand is weak, and the overall atmosphere in the magnesium industry is gloomy, with the entire industry incurring losses.

To implement the “Opinions on Promoting the Implementation of Ultra-low Emissions in the Coking Industry” issued by the Ministry of Ecology and Environment of China and other functional departments, as well as the requirements of the National Development and Reform Commission of China on the “Catalog for Guiding Industrial Structure Adjustment (2024 Edition)”, the local government of Hami, Xinjiang, where the Group’s subsidiary Xinjiang Tengxiang Magnesium Products Co., Ltd. (hereinafter referred to as “Xinjiang Tengxiang”) is located, has issued the “Notice on Issuing the Rectification Plan for Implementing the Ecological Environment Protection Supervision Report of the Autonomous Region in Hami City”, requiring relevant enterprises, including Xinjiang Tengxiang, in industries such as cement and charcoal production lines, to quickly formulate optimisation and transformation measures for backward production capacity and production processes.

由於新疆騰翔金屬鎂配氣工段的蘭炭生產線早於2010年10月建成投產，運行至今設施老化陳舊、裝置產能不達標，能效水平低、水熄焦被列入淘汰工藝，不符合中國政府的產業政策。哈密區域內焦化企業升級改造已列入2024年當地政府監管督導重點，要求新疆騰翔公司實施對蘭炭生產裝置落後工藝進行提升改造，並須於2025年10月底前完成。其相應的生產裝置進行升級改造，包括蘭炭半焦爐，熄焦由濕式熄焦改造為節能環保型乾式熄焦工藝，煤氣淨化裝置、氨水循環裝置、綜合水處理裝置、VOCs處理裝置、自動化控制等設施設備配套建設改造，預計耗資約需人民幣2.3億元。本集團境外債務重組工作完成不久，百廢待興，市場需求疲軟，資金運轉緊張，而環保升級改造需要投入大量資金，必然進一步加劇企業經營負擔和資金短缺壓力。管理層正積極籌措融資或者嘗試企業多元化轉型，探討包括但不限於引進風險投資，股權融資，項目合作等多種融資方式，努力尋求最佳方案以解決資金需求。鑒於目前的整體經濟形勢低迷之下，管理層雖多方努力但尚未找到合適的解決方案。

誠如本公司於2023年度年報中所述，一間中國內地銀行針對本公司附屬公司白山市天安金屬鎂礦業有限公司(白山天安)未能履行貸款條款的中國法院傳訊令狀，該銀行向白山天安提呈申索，要求立即償還所有未償還本金、利息及其他相關費用。相關銀行貸款由白山天安擁有位於中國吉林省白山市的土地使用權、廠房及機器設備(白山天安資產)等作出抵押。截至本報告日期，該銀行貸款之結欠本金總計人民幣64,000,000元。白山法院已分別於2024年3月10日至2024年3月11日、2024年4月16日至2024年4月17日及2024年5月22日至2024年7月21日期間公開拍賣／變賣白山天安資產，起拍價分別為約人民幣1.3279億元及約人民幣1.06億元，截止本報告發佈之日，該等拍賣／變賣均已流拍。

Since the charcoal production line of Xinjiang Tengxiang's gas distribution section for producing metal magnesium was built and put into production before October 2010, the facilities have aged and deteriorated, the production capacity does not meet the standard, the energy efficiency is low, and the wet quenching process has been listed as an eliminated technology, which does not meet the industrial policy of the Chinese government. The upgrading and transformation of coking enterprises in the Hami region has been included in the key supervision and guidance of the local government in 2024, requiring Xinjiang Tengxiang to upgrade and transform the backward processes of the charcoal production equipment, and complete it before the end of October 2025. The corresponding production equipment upgrade and transformation, including the charcoal semi-coke furnace, the transition from wet quenching to energy-saving and environmentally friendly dry quenching process, as well as the construction and transformation of coal gas purification equipment, ammonia water recirculation equipment, integrated water treatment equipment, VOCs treatment equipment, and automation control facilities, is estimated to cost approximately RMB230 million. The Group's offshore debt restructuring has just been completed, and the market demand is weak, resulting in tight capital turnover. The environmental upgrade and transformation require a large amount of capital investment, which will inevitably further increase the operational burden and capital shortage pressure of the enterprise. The management is actively seeking financing or exploring diversified transformation, including but not limited to introducing venture capital, equity financing, and project cooperation, to find the best solution to solve the capital demand. However, given the current overall economic downturn, the management has not yet found a suitable solution despite their efforts.

As mentioned in the Company's 2023 Annual Report, a bank in mainland China has issued a court summons against the Company's subsidiary, Baishan Tianan Magnesium Mining Co., Ltd. [Baishan Tianan], for its failure to fulfill the loan terms. The bank has filed a claim against Baishan Tianan, demanding immediate repayment of all outstanding principal, interest, and other related fees. The relevant bank loan was secured by Baishan Tianan's land use rights, factory buildings, and machinery and equipment (Baishan Tianan's assets) located in Baishan City, Jilin Province, China. As of the date of this report, the outstanding principal of the bank loan totals RMB64,000,000. The Baishan Court has publicly auctioned/disposed of Baishan Tianan's assets from March 10, 2024, to March 11, 2024, from April 16, 2024, to April 17, 2024, and from May 22, 2024, to July 21, 2024, with starting prices of approximately RMB132.79 million and approximately RMB106 million, respectively. As of the date of this report, all these auctions/disposals were unsuccessful.

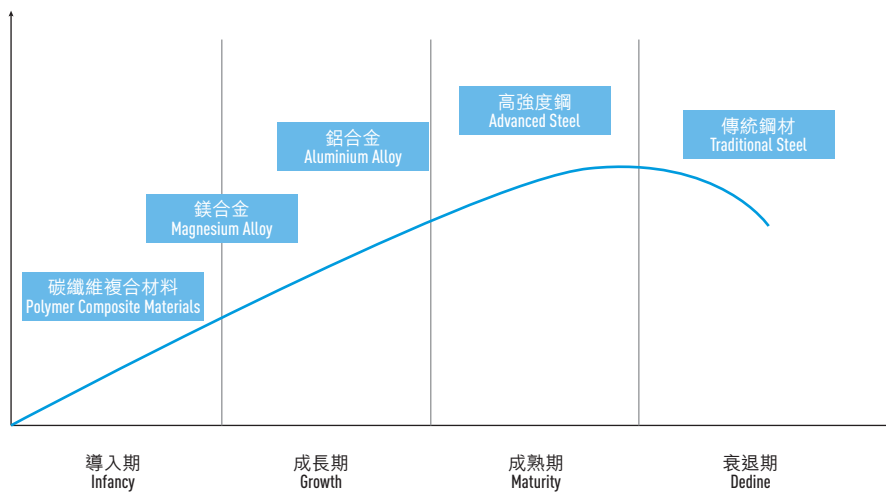
展望

雖然鎂價下跌導致鎂行業萎靡不振，大部分鎂企業績下滑，出現成本倒掛現象，但不可否認的是金屬鎂及鎂合金新材料在主流輕量化材料的生命週期中仍處於成長期。相較於上千年的鋼材冶煉的歷史，亦或上百年的鋁材鍛造的發展，鎂合金仍是茁壯成長的青少年。哪怕他在成長的路上碰到磕磕碰碰，起起伏伏，都是正常的週期調整。

PROSPECTS

While the decline in magnesium prices has led to a sluggish magnesium industry, with most magnesium companies experiencing declining performance and cost pressures, it is undeniable that metal magnesium and magnesium alloy new materials are still in the growth phase of their life cycle as mainstream lightweight materials. Compared to the thousands of years of history in steel smelting, or the hundreds of years of aluminum forging development, magnesium alloys are still in the vigorous adolescent stage. Even if they encounter some bumps and ups and downs in their growth path, these are normal cyclical adjustments.

主流輕量化材料所處生命週期
The life cycle of mainstream lightweight materials



資料來源：新材料在線，甬興證券研究所
Source: New Materials Online, Yongxing Securities Research Institute

本公司管理層相信被譽為「21世紀最具開發和應用潛力的綠色工程材料」的金屬鎂，具有輕質、強度高、導熱性好、耐腐蝕等優點，不僅僅應用於汽車或某單個領域，他在各行各業全面開花，是個全能型環保金屬原材料，響應國家「雙碳」政策，符合未來人類節能環保新趨勢。金屬鎂一定會迎來屬於他的「鎂」好時代！

The Company's management believes that metal magnesium, which is hailed as the "green engineering material with the greatest development and application potential in the 21st century", has advantages such as light weight, high strength, good thermal conductivity, and corrosion resistance. It is not only applied in the automotive industry or a single field, but also flourishes across various industries. Magnesium is a versatile and environmentally-friendly metal raw material that responds to the national "Dual Carbon" policy and aligns with the new trend of energy conservation and environmental protection in the future. Metal magnesium will definitely embrace its own "golden" era!

財務回顧

FINANCIAL REVIEW

| | | 2024年 2024 千港元 HK\$'000 (未經審核) (Unaudited) | 2023年 2023 千港元 HK\$'000 (未經審核) (Unaudited) |
|------------|--|---|---|
| 損益表 | Statement of profit or loss | | |
| 收入 | Revenue | 106,454 | 103,004 |
| 毛損 | Gross loss | [24,402] | [35,039] |
| 毛損率 | Gross loss margin | [22.9%] | [34.0%] |
| 本公司擁有人應佔虧損 | Loss attributable to owners of the Company | [79,593] | [113,238] |

其他營運費用分析

銷售及分銷費用

本集團的銷售及分銷費用總額較去年同期增加約326,000港元，佔總收入1.2% (2023年：0.9%)。銷售及分銷費用增加主要由於銷量較去年同期增加。

行政支出

本集團的一般行政支出較去年同期減少19,056,000港元。

一般行政支出主要包括員工薪酬、專業費用、行政用途及產能閒置產生的折舊及攤銷費用以及研發費用。

行政支出減少主要由於先前期間已就於香港法院撤銷呈請支付大筆金額，令所產生的專業費用減少。

OTHER OPERATING EXPENSES ANALYSIS

Selling and Distribution Costs

The aggregate selling and distribution costs of the Group increased by approximately HK\$326,000 over the same period last year and represented 1.2% (2023: 0.9%) of total revenue. The increase in selling and distribution costs was mainly due to the increase in sales quantity as compared to the same period last year.

Administrative Expenses

The Group's general administrative expenses decreased by HK\$19,056,000 as compared to the same period last year.

General administrative expenses consisted mainly of staff remuneration, professional fees, depreciation and amortisation expenses incurred for administrative use and idle production capacity, and research and development costs.

The decrease in administrative expenses was mainly attributable to the decreased professional fee incurred as a significant amounts were paid for the dismissal of the petition in the Hong Kong Court for the prior period.

預期信貸虧損

已確認撥回貿易應收賬款的預期信貸虧損約1,668,000港元(2023年：7,311,000港元)。這並非指有關虧損實際已經發生，亦非指在未來年度有關虧損會發生。反而，預期信貸虧損反映於報告日期可用的信息。

其他收益／(虧損)淨額

這主要包括出售物業、廠房及設備項目之收益、銷售廢料收入、匯兌收益／虧損及其他雜項收入。截至2023年6月30日止六個月，本集團確認其他虧損淨額，乃由於其已確認出售閒置原材料之虧損金額14,877,000港元。

財務費用

本集團的財務費用主要包括借款利息支出。期內所產生的財務費用總額約為30,752,000港元(2023年：23,763,000港元)。

流動性及財務資源

我們的現金主要用於滿足我們的營運資金需要及資本開支需要。我們的營運資金需要及資本開支需求主要透過股東權益、經營所得現金及借款獲得資金支持。本集團採取審慎的現金及財務管理政策。為更好地控制成本及盡可能降低資金成本，本集團財資活動和現金及現金等值項目一般存放於銀行等若干金融機構，且大部分以人民幣及港元計值。

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

Expected Credit Loss

A reverse of expected credit loss on trade receivables have recognised at approximately HK\$1,668,000 (2023: HK\$7,311,000). This does not mean that such losses have actually occurred, nor does it mean that such losses will occur in future years. Rather, expected credit losses reflect the information available at the reporting date.

Other gains/(loss), Net

These comprise mainly gain on disposal of property, plant and equipments, income on sales of scrap materials, exchange gain/losses and other miscellaneous income. For the six months ended 30 June 2023, a net other loss was recognised as the Group has recognised a loss of disposal of idled raw materials at an amount of HK\$14,877,000.

Finance Costs

The Group's finance costs consisted mainly of interest expenses on borrowings. The aggregate amount of finance costs incurred was approximately HK\$30,752,000 for the Period (2023: HK\$23,763,000).

Liquidity and Financial Resources

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

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

購股權計劃

為吸引及挽留最優秀僱員以支持本集團之業務發展，並向獲選之合資格參與者提供額外激勵或獎勵，本公司於2017年12月4日採納購股權計劃(「該計劃」)。合資格參與者主要包括為本集團作出貢獻之本集團及任何主要股東之僱員或董事及本集團顧問或諮詢人士、分銷商、承包商、供應商、服務供應商、代理、客戶及業務夥伴。除非另行註銷或修訂，該計劃之有效期為自其成立日期起計10年。該計劃之剩餘年期約為3.5年(於2027年12月4日屆滿)。

於2024年6月30日，該計劃項下沒有任何尚未行使之購股權(「購股權」)。

於2024中期報告日期，該計劃項下可供發行之本公司股份總數(包括上述尚未行使購股權)為22,871,950股，相當於本公司當日已發行股本約3.86%。該計劃之餘下年期約為3.5年，並將於2027年12月4日屆滿。

SHARE OPTION SCHEME

In order to attract and retain the best quality employees for the development of the Group's businesses and to provide additional incentives or rewards to selected qualifying participants, the Company adopted a share option scheme on 4 December 2017 (the "Scheme"). The qualifying participants mainly include employees and directors of the Group and any substantial shareholders, and the consultants or advisers, distributors, contractors, suppliers, service providers, agents, customers and business partner of the Group who have made contribution to the Group. The Scheme, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The remaining life of the Scheme is approximately 3.5 years expiry on 4 December 2027.

As at 30 June 2024, no options were outstanding under the Scheme (the "Options").

As at the date of the 2024 Interim Report, the total number of Shares of the Company available for issue under the Scheme (including the above share options outstanding not yet exercised) was 22,871,950, representing approximately 3.86% of the issued share capital of the Company as of the date thereof. The remaining life of the Scheme is approximately 3.5 years and to be expired on 4 December 2027.

董事之證券權益

於2024年6月30日，根據本公司按證券及期貨條例(「證券及期貨條例」)第352條存置之登記冊所記錄，或根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄10所載之上市發行人董事進行證券交易的標準守則(「標準守則」)本公司及香港聯合交易所有限公司所接獲之通知，本公司各董事(「董事」)及彼等之聯繫人士於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份及相關股份之權益如下：

於本公司股份、相關股份及債券之權益

DIRECTORS' INTERESTS IN SECURITIES

At 30 June 2024, the interests of the directors of the Company (the "Directors") and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), were as follows:

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

| 董事 | 擁有權益或視為擁有權益之普通股數目 Number of ordinary shares interested or deemed to be interested | | | | | 持有 購股權數目 | 估本公司 已發行股本之 權益概約 百分比 Approximate percentage of interests in the issued share capital of the Company |
|----------|--|-----------------------------|--------------------------------|-------------|--|-------------|--|
| | 個人權益 Personal interests | 家族權益 Family interests | 公司權益 Corporate interests | 總額 Total | | | |
| Director | | | | | | | |

好倉

Long position

無

Nil

淡倉

Short position

無

Nil

董事之證券權益(續)
於相聯法團股份之權益

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

| 董事姓名 | 相聯法團名稱 | 擁有權益或視為擁有權益之普通股數目(好倉) Number of ordinary shares interested or deemed to be interested (long position) | | | 佔相聯法團 已發行股本之 百分比 % of issued share capital of associated corporation |
|--------------------|--|--|------------------------|------------|--|
| | | 個人權益 | 所持購股權數目 | 總額 | |
| Names of Directors | Name of associated corporation | Personal interests | Number of options held | Total | |
| 沈世捷 | 世紀陽光集團控股有限公司 [[世紀陽光]] | 14,666,305 | 20,000,000 | 34,666,305 | 0.76% |
| Shum Sai Chit | Century Sunshine Group Holdings Limited ("Century Sunshine") | | | | |
| 池斯樂 | 世紀陽光 | 36,736,742 | - | 36,736,742 | 0.80% |
| Chi Sile | Century Sunshine | | | | |
| 張省本 | 世紀陽光 | - | 5,000,000 | 5,000,000 | 0.11% |
| Cheung Sound Poon | Century Sunshine | | | | |

除上文所披露者外，於2024年6月30日，各董事或彼等之聯繫人士概無於本公司或其任何相聯法團(定義見證券及期貨條例)之股份及相關股份中擁有任何權益或淡倉。

Save as disclosed above, at 30 June 2024, none of the Directors or their associates had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations as defined in the SFO.

主要股東

除上文所披露有關若干董事之權益外，於2024年6月30日，根據本公司按證券及期貨條例第336條存置之主要股東名冊所記載，下列股東曾知會本公司其擁有本公司已發行股本中之相關權益：

SUBSTANTIAL SHAREHOLDERS

At 30 June 2024, the register of substantial shareholders kept by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors, the following shareholder had notified the Company of relevant interest in the issued capital of the Company:

| 股東名稱 Name of Shareholder | 所持普通股 股份數目 Number of ordinary shares held | 佔已發行股本 之百分比 % of issued share capital |
|--|---|--|
| Ming Xin Developments Limited(附註1) (note 1) | 237,049,786 (L) | 40.0 |
| New Bright Group Limited(附註2) (note 2) | 237,049,786 (L) | 40.0 |
| 世紀陽光集團控股有限公司(附註3) | 237,049,786 (L) | 40.0 |
| Century Sunshine Group Holdings Limited (note 3) | | |
| 池文富(附註4) | 237,049,786 (L) | 40.0 |
| Chi Wen Fu (note 4) | | |
| Thoughtful Limited(附註5)(note 5) | 38,413,900(L) | 6.5 |
| Concord Sea Limited(附註6)(note 6) | 66,602,680(L) | 11.2 |
| So Kit Yee Anita(附註5及6)(note 5 & 6) | 105,016,580(L) | 17.7 |
| Leung Hin Hang Fredric (附註5及6)(note 5 & 6) | 105,016,580(L) | 17.7 |

附註：

- (1) 237,435,871股由Ming Xin Developments Limited實益擁有。
- (2) Ming Xin Developments Limited為New Bright Group Limited之全資附屬公司。故此，就證券及期貨條例而言，New Bright Group Limited被視為擁有Ming Xin Developments Limited擁有權益之全部股份之權益。
- (3) New Bright Group Limited為世紀陽光之全資附屬公司。故此，就證券及期貨條例而言，世紀陽光被視為擁有Ming Xin Developments Limited擁有權益之全部股份之權益。
- (4) 池文富先生在世紀陽光(Ming Xin Developments Limited之最終控股公司)股東大會上控制三分之一或以上表決權。故此，就證券及期貨條例而言，池文富先生被視為擁有Ming Xin Developments Limited擁有權益之全部股份之權益。
- (5) 根據本公司與其方案債權人之間的安排，公司於2022年8月5日將65,843,900股已發行普通股轉移給方案公司(即Thoughtful Limited)。蘇潔儀女士和梁衍衡先生是方案的聯合管理員。Thoughtful Limited根據方案條款在截至2024年6月30日止六個月處置了4,410,000股普通股。
- (6) 根據世紀陽光與其方案債權人之間的安排，Ming Xin Developments Limited於2023年9月6日將79,012,680股已發行普通股轉移給方案公司(即Concord Sea Limited)。蘇潔儀女士和梁衍衡先生是方案的聯合管理員。Concord Sea Limited根據方案條款在截至2024年6月30日止六個月處置了12,170,000股普通股。

Notes:

- (1) 237,435,871 shares are beneficially owned by Ming Xin Developments Limited.
- (2) Ming Xin Developments Limited is a wholly-owned subsidiary of New Bright Group Limited. As such, New Bright Group Limited is deemed to be interested in all the shares in which Ming Xin Developments Limited is interested by virtue of the SFO.
- (3) New Bright Group Limited is a wholly-owned subsidiary of Century Sunshine. As such, Century Sunshine is deemed to be interested in all the shares in which Ming Xin Developments Limited is interested by virtue of the SFO.
- (4) Mr. Chi Wen Fu controls more than one-third or more of the voting power at general meetings of Century Sunshine (the ultimate holding company of Ming Xin Developments Limited). As such, Mr. Chi Wen Fu is deemed to be interested in all the shares in which Ming Xin Developments Limited is interested by virtue of the SFO.
- (5) According to the Scheme of Arrangement between the Company and its scheme creditors, the Company transferred 65,843,900 issued ordinary shares to the scheme company (i.e. Thoughtful Limited) on 5 August 2022. Ms. So Kit Yee Anita and Mr. Leung Hin Hang Fredric are the joint and several administrators of the scheme. Thoughtful Limited has disposed 4,410,000 ordinary shares for the six months ended 30 June 2024 pursuant to the terms of the Scheme.
- (6) According to the scheme of arrangement between Century Sunshine and its scheme creditors, Ming Xin Developments Limited transferred 79,012,680 issued ordinary shares to the scheme company (i.e. Concord Sea Limited) on 6 September 2023. Ms. So Kit Yee Anita and Mr. Leung Hin Hang Fredric are the joint and several administrators of the scheme. Concord Sea Limited has disposed 12,170,000 ordinary shares for the six months ended 30 June 2024 pursuant to the terms of the Scheme.

除上文所披露者外，於2024年6月30日，本公司概無接獲任何人士知會其於本公司股份或相關股份中擁有根據證券及期貨條例須向本公司披露之權益或淡倉。

Save as disclosed above, at 30 June 2024, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the SFO.

購買、出售或贖回本公司之上市證券

本公司及其任何附屬公司於期內概無購買、出售或贖回本公司任何上市證券。

審核委員會

審核委員會成員包括兩名獨立非執行董事，即張省本先生(審核委員會主席)及林鵬軒先生。於期內，審核委員會已舉行兩次會議，以檢討本集團所採納之會計準則及政策，並討論內部監控及財務匯報事宜。審核委員會已審閱本集團截至2024年6月30日止六個月之未經審核綜合中期業績。

企業管治常規

截至2024年6月30日止六個月內，本公司一直遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載之企業管治常規守則(「守則」)，惟以下偏離情況除外：

根據守則條文第A.2.1條，主席與行政總裁(「行政總裁」)之角色須分開，不應由同一人擔任。然而，在本公司現時之公司架構下，主席及行政總裁之角色並無分開，現時沈世捷先生同時擔任此兩項職務。沈先生自2015年起一直負責本公司的整體管理工作，故本公司認為現時之安排可以提高本公司的企業決策及執行效率，有助本集團於現階段更進一步地發展業務。董事會將不時審閱現有架構，並於董事會認為適當時作出必要安排。

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

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

AUDIT COMMITTEE

The Audit Committee comprises two Independent Non-executive Directors, namely Mr. Cheung Sound Poon (Chairman of the Audit Committee) and Mr. Lin Pengxuan. During the Period, the Audit Committee has held two meetings to review the accounting principles and practices adopted by the Group and discuss internal control and financial reporting matters. The Audit Committee has reviewed the unaudited consolidated interim results of the Group for the six months ended 30 June 2024.

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2024, the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), save for the deviations as follows:

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

未能遵守上市規則第3.10條及第3.21條

鄭炳文先生於2024年6月28日退任本公司之獨立非執行董事後，本公司現時有兩名獨立非執行董事兼審核委員會成員。因此，本公司未能符合上市規則第3.10(1)條及第3.21條之規定。本公司將於鄭先生退任日期後三個月內物色一名適當人選委任為獨立非執行董事兼審核委員會成員，以遵守上市規則第3.11條及第3.23條之規定。

供股所得款項用途

茲提述本公司日期為2023年10月6日的供股上市文件(「上市文件」)中「所得款項擬定用途」一節，供股所得款項淨額(經扣除本公司就供股支付的包銷費用及其他相關開支後)約為14.4百萬港元(「所得款項淨額」)。

下表載列截至2024年6月30日所得款項淨額及已動用供股所得款項淨額的用途：

NON-COMPLIANCE WITH RULES 3.10 AND 3.21 OF THE LISTING RULES

Following the retirement of Mr. Kwong Ping Man as an independent non-executive director of the Company on 28 June 2024, the Company currently has two independent non-executive directors and audit committee members. As such, the requirements of Rules 3.10(1) and 3.21 of the Listing Rules have not been met by the Company. The Company will identify a suitable candidate for appointment as an independent non-executive director and a member of audit committee within three months from the date of retirement of Mr. Kwong in order to comply with the requirements of Rules 3.11 and 3.23 of the Listing Rules.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

References are made to the section headed “INTENDED USE OF PROCEEDS” in the listing document of rights issue (the “Listing Document”) of the Company dated 6 October 2023. The net proceeds from the Rights Issue (after deducting the underwriting fees and other related expenses paid by the Company in connection with the Rights Issue) amounted to approximately HK\$14.4 million (the “Net Proceeds”).

The below table sets out the use of net proceeds and the utilised net proceeds from the Rights Issue up to 30 June 2024:

| | | 截至 | | 於 | | 動用未動用 所得款項淨額的 預期時限 Expected timeline for utilising the unutilised Net Proceeds |
|-------------------------------------|--|--|---|-------------------------|-------------------------|--|
| | | 2024年 6月30日 已動用金額 | 2024年 6月30日 未動用結餘 | 2024年 6月30日 已動用金額 | 2024年 6月30日 未動用結餘 | |
| | 合共所得款項淨額 的計劃用途 | Amount utilised up to 30 June 2024 | Unutilised balance as at 30 June 2024 | | | |
| | Planned use of Net Proceeds in total | 百萬元 HK\$ million | % | 百萬元 HK\$ million | 百萬元 HK\$ million | |
| 作持續的行政及經營開支 | Covering ongoing administrative and operating expenses | 7.2 | 50.0 | 7.2 | - | 不適用 N/A |
| 促進本集團現有鎂業務的增長 (如支持生產成本、促進原材料採購等) | Nurturing the growth of the Group's existing magnesium business, such as supporting production costs, facilitating the purchase of raw materials, etc. | 7.2 | 50.0 | 7.2 | - | 不適用 N/A |
| 總計 | Total | 14.4 | 100.0 | 14.4 | - | |

董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載有關董事進行證券交易之標準守則(「標準守則」)，以不遜於標準守則之必守標準之條款，作為其有關董事進行證券交易之行為守則。經向所有董事作出特定查詢後，於截至2024年6月30日止六個月內，全體董事確認彼等均已遵守標準守則之必守標準。

鳴謝

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

承董事會命
稀鎂科技集團控股
有限公司
主席
沈世捷

香港，2024年8月30日

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the “Model Code”) set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors on terms no less exactly than the required standard set out in the Model Code. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2024.

APPRECIATION

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

By order of the Board
Rare Earth Magnesium Technology
Group Holdings Limited
Shum Sai Chit
Chairman

Hong Kong, 30 August 2024



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

