

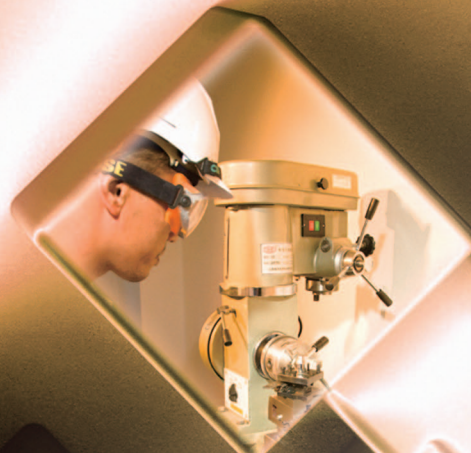
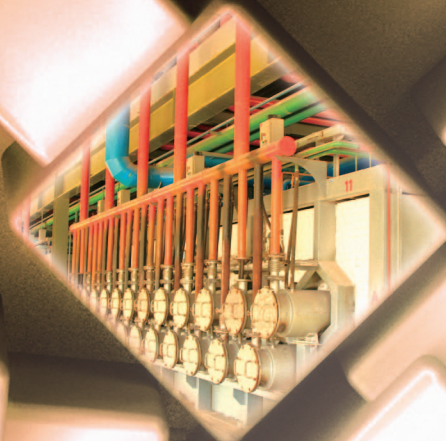


DING HE MINING HOLDINGS LIMITED 鼎和礦業控股有限公司

(Incorporated in Hong Kong with limited liability)
(於香港註冊成立的有限公司)

Stock Code 股份代號：705

ANNUAL REPORT 2014 年報



23° 真宝
JENBO
23度恒温天然珍稀矿泉水

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Du Jian Jun (*Chairman*) (appointed on 16 June 2014)
Mr. Ji Kuang (*Vice Chairman*)
Mr. Fan Weipeng (appointed on 16 March 2015)
Mr. Leung Wai Kwan (*Chief Executive Officer*)
Dato' Lim Ooi Hong
Ms. Meng Xiao Ying (appointed on 26 February 2014)
Mr. Zheng Changxing (appointed on 16 March 2015)
Mr. Chong Cha Hwa (appointed on 26 February 2014
and resigned on 30 October 2014)

Independent Non-executive Directors

Mr. Cheung Ning (appointed on 17 June 2014)
Mr. Chan Kin Ho Philip (appointed on 22 July 2014)
Ms. Tian Jinghua (appointed on 23 July 2014)
Mr. Chong Lee Chuen (resigned on 23 July 2014)
Ms. Wong Choi Kay (resigned on 22 April 2015)
Mr. Tony Tan (resigned on 22 April 2015)

COMPANY SECRETARY

Ms. Chu Lai Shan Sammie

AUDIT COMMITTEE

Mr. Chan Kin Ho Philip (*Chairman*) (appointed on 22 April 2015)
Mr. Cheung Ning (appointed on 22 April 2015)
Ms. Tian Jinghua (appointed on 23 July 2014)
Mr. Chong Lee Chang (resigned on 23 July 2014)
Mr. Tony Tan (resigned on 22 April 2015)
Ms. Wong Choi Kay (resigned on 22 April 2015)

REMUNERATION COMMITTEE

Mr. Chan Kin Ho Philip (*Chairman*) (appointed on 22 April 2015)
Mr. Cheung Ning (appointed on 22 April 2015)
Ms. Tian Jinghua (appointed on 23 July 2014)
Mr. Chong Lee Chang (resigned on 23 July 2014)
Ms. Wong Choi Kay (resigned on 22 April 2015)

NOMINATION COMMITTEE

Mr. Chan Kin Ho Philip (*Chairman*) (appointed on 22 April 2015)
Dato' Lim Ooi Hong
Mr. Cheung Ning (appointed on 22 April 2015)
Ms. Tian Jinghua (appointed on 23 July 2014)
Mr. Chong Lee Chang (resigned on 23 July 2014)
Ms. Wong Choi Kay (resigned on 22 April 2015)

AUTHORISED REPRESENTATIVES

Mr. Leung Wai Kwan
Ms. Chu Lai Shan Sammie

董事會

執行董事

杜建軍先生 (*主席*) (於二零一四年六月十六日獲委任)
嵇匡先生 (*副主席*)
范偉鵬先生 (於二零一五年三月十六日獲委任)
梁維君先生 (*行政總裁*)
拿督林偉雄
孟小英女士 (於二零一四年二月二十六日獲委任)
鄭昌幸先生 (於二零一五年三月十六日獲委任)
張家華先生 (於二零一四年二月二十六日獲委任及
於二零一四年十月三十日辭任)

獨立非執行董事

張寧先生 (於二零一四年六月十七日獲委任)
陳建豪先生 (於二零一四年七月二十二日獲委任)
田晶華女士 (於二零一四年七月二十三日獲委任)
張爾泉先生 (於二零一四年七月二十三日辭任)
黃賽琦女士 (於二零一五年四月二十二日辭任)
陳業強先生 (於二零一五年四月二十二日辭任)

公司秘書

朱麗珊女士

審核委員會

陳建豪先生 (*主席*) (於二零一五年四月二十二日獲委任)
張寧先生 (於二零一五年四月二十二日獲委任)
田晶華女士 (於二零一四年七月二十三日獲委任)
張爾泉先生 (於二零一四年七月二十三日辭任)
陳業強先生 (於二零一五年四月二十二日辭任)
黃賽琦女士 (於二零一五年四月二十二日辭任)

薪酬委員會

陳建豪先生 (*主席*) (於二零一五年四月二十二日獲委任)
張寧先生 (於二零一五年四月二十二日獲委任)
田晶華女士 (於二零一四年七月二十三日獲委任)
張爾泉先生 (於二零一四年七月二十三日辭任)
黃賽琦女士 (於二零一五年四月二十二日辭任)

提名委員會

陳建豪先生 (*主席*) (於二零一五年四月二十二日獲委任)
拿督林偉雄
張寧先生 (於二零一五年四月二十二日獲委任)
田晶華女士 (於二零一四年七月二十三日獲委任)
張爾泉先生 (於二零一四年七月二十三日辭任)
黃賽琦女士 (於二零一五年四月二十二日辭任)

授權代表

梁維君先生
朱麗珊女士

CORPORATE INFORMATION 公司資料

LEGAL ADVISERS

As to Hong Kong Law

Michael Li & Co.

As to Malaysian Law

Tan, Goh & Associates

As to Indonesian Law

Wibowo Hadiwijaya & Co

Ombun Suryono Sidaurok & Partners

AUDITOR

Baker Tilly Hong Kong Limited

Certified Public Accountants

SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

Shops 1712–1716, 17th Floor, Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

REGISTERED OFFICE AND BRANCH OFFICE IN HONG KONG

Flat B, 21st Floor

Neich Tower

128 Gloucester Road

Wanchai

Hong Kong

HEAD OFFICE AND PRINCIPAL OFFICE IN MALAYSIA

3rd Floor, Wisma Ho Wah Genting

No. 35, Jalan Maharajalela

50150 Kuala Lumpur

Malaysia

STOCK CODE

705

COMPANY WEBSITE

www.dinghemining.com.hk

法律顧問

香港法律

李智聰律師事務所

馬來西亞法律

Tan, Goh & Associates

印尼法律

Wibowo Hadiwijaya & Co

Ombun Suryono Sidaurok & Partners

核數師

天職香港會計師事務所有限公司

執業會計師

股份過戶登記處

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

註冊辦事處及香港分辦事處

香港

灣仔

告士打道 128 號

祥豐大廈

21 樓 B 室

總辦事處及馬來西亞主要辦事處

3rd Floor, Wisma Ho Wah Genting

No. 35, Jalan Maharajalela

50150 Kuala Lumpur

Malaysia

股份代號

705

公司網址

www.dinghemining.com.hk

FINANCIAL SUMMARY

財務概要

		Year ended 31 December 截至十二月三十一日止年度				
		2014 二零一四年 HKD'000 千港元	2013 二零一三年 HKD'000 千港元	2012 二零一二年 HKD'000 千港元	2011 二零一一年 HKD'000 千港元	2010 二零一零年 HKD'000 千港元
Results	業績					
Turnover	營業額	39,678	20,901	14,531	11,186	8,497
Cost of sales	銷售成本	(60,591)	(47,066)	(54,684)	(28,358)	(16,339)
Gross loss	毛虧損	(20,913)	(26,165)	(40,153)	(17,172)	(7,842)
Other revenue	其他收入	370	432	846	338	1,198
Other net gains	其他收益淨額	10,490	44,991	5,733	7,332	840
Selling and distribution expenses	出售及分銷開支	(5,462)	(7,561)	(94)	(367)	(207)
Administrative expenses	行政開支	(39,560)	(35,019)	(40,728)	(37,315)	(32,945)
Finance costs	融資成本	(50,952)	(84,145)	(82,414)	(62,562)	(7,458)
Other operating expenses	其他經營開支	(243,810)	(345,687)	(538,335)	(103,102)	–
Loss before taxation	除稅前虧損	(349,837)	(453,154)	(695,145)	(212,848)	(46,414)
Taxation	稅項	23,351	40,171	30,564	–	(4)
Loss for the year	年內虧損	(326,486)	(412,983)	(664,581)	(212,848)	(46,418)
Attributable to:	以下人士應佔：					
Owners of the Company	本公司擁有人	(279,820)	(322,358)	(593,133)	(207,378)	(46,315)
Non-controlling interests	非控股權益	(46,666)	(90,625)	(71,448)	(5,470)	(103)
Loss for the year	年內虧損	(326,486)	(412,983)	(664,581)	(212,848)	(46,418)
Loss per share (cents)	每股虧損(港仙)					
Basic and diluted	基本及攤薄	(14.27)	(22.80)	(200.69)	(6.32)	(2.13)
				(Restated) (經重列)		
Assets and liabilities	資產及負債					
Total assets	資產總值	295,686	589,058	1,004,176	1,287,377	967,849
Total liabilities	負債總值	(594,739)	(793,641)	(848,845)	(690,502)	(605,663)
Net (liabilities)/assets	(負債淨額)/ 資產淨值	(299,053)	(204,583)	155,331	596,875	362,186
Total (deficit)/equity	(虧損總額)/ 權益總額	(299,053)	(204,583)	155,331	596,875	362,186

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board ("**Board**") of directors ("**Directors**") of Ding He Mining Holdings Limited ("**Ding He**" or "**Company**", together with its subsidiaries "**Group**"), I am pleased to present the Group's annual results for the financial year ended 31 December 2014.

FINANCIAL PERFORMANCE

Turnover of the Group for the year ended 31 December 2014 was HKD39,678,262 (2013: HKD20,901,439), a surge of 89.8% as compared to last year. Loss for the year and loss per share were HKD326,485,766 (2013: HKD412,983,049) and HK14.27 cents (2013: HK22.80 cents) respectively.

During the year, our key turnover-generating business segments were distressed by the weak magnesium price, the delayed Indonesian court decision and the limited cash resources of the Group. For the year ended 31 December 2014, the Group recorded a substantial growth of turnover by 89.8% as compared to that of 2013 mainly from the sale of magnesium ingots due to the increased in confidence in us by a major customer. Yet, this favourable outcome was partially offset by the stressful cash flow status of the Group that forbid the Group from expanding and marketing its mineral water business in China ("**Long Chuan**"). Accordingly, revenue generated by this business segment recorded a significant decrease by 80.3% in 2014.

Nevertheless, loss for the year and loss per share of the Group decreased by 20.9% and 37.4% respectively during the year as a result of (i) increase in sales of the Smelter, (ii) reduction in other operating expenses subsequent to the substantial impairment loss recognised by the Group in previous year and (iii) decrease in finance costs after capitalising the unsecured loans from third parties.

各位股東：

本人謹代表鼎和礦業控股有限公司(「**鼎和**」或「**本公司**」，連同其附屬公司，統稱「**本集團**」)董事(「**董事**」)會(「**董事會**」)欣然呈報本集團截至二零一四年十二月三十一日止財政年度的全年業績。

財務表現

截至二零一四年十二月三十一日止年度，本集團營業額為39,678,262港元(二零一三年：20,901,439港元)，較去年大幅增加89.8%。年內虧損及每股虧損分別為326,485,766港元(二零一三年：412,983,049港元)及14.27港仙(二零一三年：22.80港仙)。

年內，產生營業額的主要業務分部受到鎂價疲弱、印尼法院判決推遲及本集團現金資源有限所影響。截至二零一四年十二月三十一日止年度，本集團逐步取得一名主要客戶的信心，並向其銷售鎂錠，從而令本集團的營業額較二零一三年錄得89.8%的大幅增長。然而，此項成果部份被本集團於中國擴展及推廣瓶裝水業務(「**龍川**」)因本集團現金流量狀況緊絀而受阻所抵銷。因此，此業務分部所產生的收入於二零一四年大幅減少80.3%。

儘管如此，由於(i)冶煉廠銷量上升；(ii)本集團於去年確認大幅減值虧損後其他經營開支有所減少；及(iii)將第三方無抵押貸款資本化後融資成本有所減少，本集團年內虧損及每股虧損分別於年內減少20.9%及37.4%。

CHAIRMAN'S STATEMENT

主席報告

DIVIDENDS

The Board does not recommend the payment of a final dividend (2013: Nil).

BUSINESS

During the financial year of 2014, the nonferrous metals industry continued to confront the difficult operating environment and face downward pricing pressure. Considering the keen competition in the magnesium mining industry and the depressed magnesium price, the Group maintained the operation of the smelter in Malaysia by producing refined magnesium crown. The success in retaining a stable major customer contributed escalating revenue to this segment at the amount of HKD38,730,049, representing an increase of 140.6% compared to last year. Nevertheless, the segment recorded a segment loss of HKD29,521,729 as a result of surging raw material and administration costs and exchange loss. In spite of these unfavourable factors, the Group will strive to implement more stringent cost control and widen its customer base to this segment while simultaneously continue to monitor the pricing of magnesium in order to enhance the operating scale of the smelter.

The operation in Indonesia has been temporarily suspended since 2012 by reason of the failure for PT Laksbang Mediatama ("PTLM"), a non-wholly owned subsidiary of the Company, to (i) contact its legal representative and certain directors and (ii) convene general meeting to replace the legal representative and the members of the board. Accordingly, there was no material income generated by this business segment during the year. Subsequently in 2015, the Group received a legal opinion from the lawyer of PTLM in Indonesia that the court has granted judgment principally to stipulate PTLM to organise an extraordinary general meeting properly. In order to resume the operation of PTLM, the Group will act promptly to assist PTLM to identify suitable candidates for the replacement of legal representative and board members.

股息

董事會不建議派付末期股息(二零一三年：無)。

業務

於二零一四年財政年度，有色金屬行業的經營環境仍然困難重重，並面臨價格下行壓力。考慮到鎂礦產業競爭激烈以及鎂價受壓，本集團以生產精煉鎂球維持馬來西亞冶煉廠的營運。成功挽留一名穩定的主要客戶令此分部的收入較去年大幅上升至38,730,049港元，升幅達140.6%。然而，因原材料及行政成本以及匯兌虧損飆升，此分部錄得分部虧損29,521,729港元。儘管存在此等不利因素，本集團將實行更嚴格的成本監控，並為此分部擴闊客源，同時亦會繼續監察鎂價，從而提升冶煉廠的營運規模。

由於本公司非全資附屬公司PT Laksbang Mediatama (「PTLM」) (i)無法聯絡其法律代表及若干董事；及(ii)無法召開股東大會以替補法律代表及董事會成員，故印尼業務自二零一二年起暫停營運。因此，此業務分部於年內並無產生重大收入。隨後，於二零一五年，本集團接獲PTLM的印尼律師的法律意見，表示法院已作出判決，規定PTLM須適當地舉行股東特別大會。為使PTLM可繼續營運，本集團將盡快採取行動，協助PTLM物色替補法律代表及董事會成員的合適人選。

CHAIRMAN'S STATEMENT 主席報告

The Group has acquired controlling interest in Long Chuan in 2012 with the aim of taking advantage of the growing bottled water market in China. In spite of this, the development of Long Chuan was adversely affected by the keen market competition and the limited cash resources of the Group to carry out extensive marketing promotion activities. For the year ended 31 December 2014, Long Chuan recorded a material drop of revenue by 80.3% to HKD948,213. In view of this, the Group has plans to modify the marketing strategy of Long Chuan in 2015 by focusing its resources on engaging sizeable chain stores and/or supermarkets for the sale of its products.

During the year, Ding He conducted various corporate exercises to lower its indebtedness and raise additional working capital for the Group's operations. Through the capitalisation of the unsecured loans from third parties in 2014, the Group's burden on finance costs was lessened. The placing of 321,636,000 shares under general mandate has raised general working capital for the Company at the amount of approximately HKD48,000,000 for the year.

Nevertheless, the Group was unable to repay its outstanding bank loans and redeem the convertible bonds when they fell due during the year owing to our limited cash resources. The default in repayment of bank loans and redemption of convertible bonds constitute events of default and these creditors have the right to take legal actions against the Company to recover the debts. Currently, Directors are using best efforts to further negotiate with these creditors to restructure the repayment terms and revise the redemption terms. We shall continue to monitor the development and inform the shareholders in due course.

本集團於二零一二年收購龍川的控股權益，旨在從持續增長的中國瓶裝水市場中獲利。然而，龍川的發展因市場競爭激烈及本集團進行大型推廣活動的現金資源有限而受到不利影響。截至二零一四年十二月三十一日止年度，龍川的收入大幅下跌80.3%至948,213港元。有鑑於此，本集團計劃於二零一五年調整龍川的市場推廣策略，將資源集中於在各大連鎖店及／或超級市場銷售礦泉水。

年內，鼎和進行各項企業活動，以減少其負債及為本集團業務籌集額外營運資金。透過於二零一四年將第三方無抵押貸款資本化，本集團得以減輕融資成本的負擔。年內，根據一般授權配售321,636,000股股份為本公司籌集約48,000,000港元的一般營運資金。

然而，由於本集團現金資源有限，故未能於年內償還其到期未償還銀行貸款及贖回到期可換股債券。拖欠償還銀行貸款及贖回可換股債券構成違約，該等債權人有權向本公司採取法律行動以收回債項。目前，董事正盡最大努力與該等債權人進一步磋商以重組還款條款及修訂贖回條款。本公司將繼續密切監察事態發展，並將適時知會股東。

CHAIRMAN'S STATEMENT

主席報告

OUTLOOK

Looking forward to 2015, it is anticipated that the environment for the mining business continues to be challenging. In order to cope with the challenges facing the Group, our strategies are, on one hand, stabilising our financial position by means of new funding, indebtedness reduction and stringent cost control imposition in an attempt to achieve cost efficiency, and on the other hand, expanding our sources of income by exploring new markets and customers for our products and keeping close monitor of magnesium pricing to capture the opportunity to enhance our production scale. The Group remains cautious in resolving our contingent liabilities of potential litigations to be taken by our creditors. We are committed to improve our operational efficiency and leverage our resources to ameliorate the credit risk of the Company for the purpose of achieving the sustainability of the Group.

APPRECIATION

I would like to take this opportunity to express my heartfelt gratitude to my fellow Directors, our staff and stakeholders for their continuous contributions to the Group.

Du Jian Jun

Chairman and Executive Director
Hong Kong, 31 March 2015

展望

展望二零一五年，預期礦業經營環境仍充滿挑戰。為應對本集團面對的挑戰，本集團一方面透過取得新資金、減少負債及嚴格控制成本以達致成本效益，從而穩定本集團的財務狀況；另一方面則為本集團的產品開拓新市場及客戶，並密切監察鎂價，把握機會提升生產規模，從而擴展收入來源。本集團繼續以審慎態度解決本集團債權人可能提出訴訟而產生的或然負債。本集團致力提升營運效益，動用資源改善本公司信貸風險，令本集團得以持續發展。

致謝

本人謹藉此機會衷心感謝各位董事、本公司員工及各持份者一直以來為本集團作出的貢獻。

主席兼執行董事

杜建軍

香港，二零一五年三月三十一日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Ding He Mining Holdings Limited (formerly known as CVM Minerals Limited) (“**Ding He**” or the “**Company**”, together with its subsidiaries, the “**Group**”) operates in the State of Perak, Malaysia through its wholly owned subsidiary CVM Magnesium Sdn. Bhd. (“**CVMSB**”) which is the first primary magnesium producer in South East Asia. The Group is also engaged in the extraction and bottling of mineral water in the People’s Republic of China (the “**PRC**”) and the exploration of iron ore, coal and manganese in the Republic of Indonesia (“**Indonesia**”).

REVIEW ON EXPLORATION, DEVELOPMENT AND MINING PRODUCTION ACTIVITIES

Geological Exploration

The Group did not incur any geological exploration expenses during the financial year 2014 due to the disposal of the entire equity interest of the Group in the exploration rights in Aceh, Indonesia and the absence of a legal representative in the operations in Yogyakarta, Indonesia.

Mining of Dolomite

During the year ended 31 December 2014, the Group did not extract any dolomite from the dolomite quarry. Hence, the accumulated dolomite extracted up to 31 December 2014 remained at 19,970 MT (2013: approximately 19,970 MT). The expenditure incurred on dolomite mining production activities, which was mainly minimum royalty payment, for the financial year ended 31 December 2014 was approximately HKD11,640,000 (2013: approximately HKD13,210,000).

Iron Ore, Coal and Manganese

The Group did not undertake any exploration, development or mining production activities of iron ore, coal and manganese in the financial year ended 31 December 2014. Accordingly, there was no expenditure incurred in these activities.

鼎和礦業控股有限公司(前稱CVM Minerals Limited南亞礦業有限公司)(「**鼎和**」或「**本公司**」, 連同其附屬公司, 統稱「**本集團**」)通過其全資附屬公司兼東南亞首家主要鎂生產商CVM Magnesium Sdn. Bhd. (「**CVMSB**」)於馬來西亞霹靂州營運。本集團亦於中華人民共和國(「**中國**」)從事提取及裝瓶礦泉水業務, 以及於印度尼西亞共和國(「**印尼**」)從事勘探鐵礦石、煤及錳業務。

勘探、發展及礦務生產活動回顧

地質勘探

由於本集團已出售印尼亞齊省勘探權的全部股本權益, 而印尼Yogyakarta省的業務並無法律代表, 故本集團於二零一四年財政年度並無產生任何地質勘探開支。

開採白雲石

截至二零一四年十二月三十一日止年度, 本集團概無從白雲石開採場開採任何白雲石。因此, 截至二零一四年十二月三十一日, 累計白雲石輸出19,970公噸(二零一三年: 約19,970公噸)。截至二零一四年十二月三十一日止財政年度, 白雲石開採生產活動產生的支出(主要為最低專利權費)約為11,640,000港元(二零一三年: 約13,210,000港元)。

鐵礦石、煤炭及錳

本集團於截至二零一四年十二月三十一日止財政年度概無就鐵礦石、煤炭及錳進行任何勘探、開發或礦務生產活動。因此, 該等活動並無產生開支。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Estimated Proved Reserves

The updated mineral reserves of the Company and its subsidiaries as at 31 December 2014 and 2013 were as follows:

估計探明儲量

本公司及其附屬公司於二零一四年及二零一三年十二月三十一日之礦產儲量更新如下：

Minerals	Location	Total area (hectares)	Reserves identified by JORC standard as at 31 December 2014 (000' tonnes) (Proved) 二零一四年 十二月三十一日 JORC 規則識別 之儲量 (千噸) (探明)	Reserves identified by JORC standard as at 31 December 2013 (000' tonnes) (Proved) 二零一三年 十二月三十一日 JORC 規則識別 之儲量 (千噸) (探明)
礦產	位置	總面積 (公頃)		
Dolomite 白雲石	Lots: HS (D) 13756, PT 13404 and HS (D) 13757, PT 13405 Mukim: Sungai Siput District: Kuala Kangsar State: Perak Country: Malaysia 地段：HS (D) 13756, PT 13404 及 HS (D) 13757, PT 13405 區域：Sungai Siput 區：Kuala Kangsar 州：霹靂州 國家：馬來西亞	13	19,970 ⁽¹⁾	19,970 ⁽¹⁾
Iron Ore ⁽²⁾ 鐵礦石 ⁽²⁾	City: Subulussalam Subdistrict: Penanggalan Province: Nanggroe Aceh Darussalam Country: Indonesia 城市：Subulussalam 分區：Penanggalan 省：Nanggroe Aceh Darussalam 國家：印尼	450	Disposed 已出售	Exploration activities ceased 已停止勘探活動

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Minerals	Location	Total area (hectares)	Reserves identified by JORC standard as at 31 December 2014 (000' tonnes) (Proved) 二零一四年 十二月三十一日 JORC 規則識別 之儲量 (千噸) (探明)	Reserves identified by JORC standard as at 31 December 2013 (000' tonnes) (Proved) 二零一三年 十二月三十一日 JORC 規則識別 之儲量 (千噸) (探明)
礦產	位置	總面積 (公頃)		
Coal ⁽²⁾ 煤炭 ⁽²⁾	Subdistrict: Beutong & Tadu Raya Regency: Nagan Raya Province: Nanggroe Aceh Darussalam Country: Indonesia 分區: Beutong & Tadu Raya 區: Nagan Raya 省: Nanggroe Aceh Darussalam 國家: 印尼	10,000	Disposed 已出售	Exploration activities ceased 已停止勘探活動
Coal ⁽²⁾ 煤炭 ⁽²⁾	Subdistrict: Kuala & Tadu Raya Regency: Nagan Raya Province: Nanggroe Aceh Darussalam Country: Indonesia 分區: Kuala & Tadu Raya 區: Nagan Raya 省: Nanggroe Aceh Darussalam 國家: 印尼	9,825	Disposed 已出售	Exploration activities ceased 已停止勘探活動
Manganese ⁽²⁾ 錳 ⁽²⁾	Subdistrict: Bakongan Regency: South Aceh Province: Nanggroe Aceh Darussalam Country: Indonesia 分區: Bakongan 區: South Aceh 省: Nanggroe Aceh Darussalam 國家: 印尼	3,710	Disposed 已出售	Exploration activities ceased 已停止勘探活動

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Minerals	Location	Total area (hectares)	Reserves identified by JORC standard as at 31 December 2014 (000' tonnes) (Proved) 二零一四年 十二月三十一日 JORC 規則識別 之儲量 (千噸) (探明)	Reserves identified by JORC standard as at 31 December 2013 (000' tonnes) (Proved) 二零一三年 十二月三十一日 JORC 規則識別 之儲量 (千噸) (探明)
礦產	位置	總面積 (公頃)		
Manganese ⁽³⁾ 錳 ⁽³⁾	Village: Jatimulyo Subdistrict: Girimulyo Regency: Kulon Progo Province: Daerah Istimewa Yogyakarta Country: Indonesia 村: Jatimulyo 分區: Girimulyo 區: Kulon Progo 省: Daerah Istimewa Yogyakarta 國家: 印尼	195	Exploration activities suspended 已停止勘探活動	Exploration activities suspended 已停止勘探活動

Notes:

附註:

(1) The average percentage ("%") of magnesium oxide ("MgO") and Magnesium ("Mg") are as follows:

(1) 氧化鎂 ("MgO") 及鎂 ("Mg") 所佔平均百分比 (%) 如下:

South Hill 南山

Above Ground 地上

Below Ground (30 metres depth) 地下 (30米深)

Average % of MgO
MgO 所佔平均百分比

19.17%

18.59%

Average % of Mg
Mg 所佔平均百分比

11.50%

11.15%

North Hill 北山

Above Ground 地上

Below Ground (30 metres depth) 地下 (30米深)

Average % of MgO
MgO 所佔平均百分比

20.06%

19.10%

Average % of Mg
Mg 所佔平均百分比

12.04%

11.46%

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

- (2) On 3 April 2014, the Group has completed the disposal of its subsidiary, CVM International Limited ("CVMIL"). Immediately after the completion of the disposal and as at 31 December 2014, the Company did not hold any exploration rights in these sites.
- (3) During the year ended 31 December 2014 and up to the date of this report, the operations in Yogyakarta, Indonesia, had been hampered due to the failure to contact the legal representative of PT Laksbang Mediatama ("PTLM").
- (2) 於二零一四年四月三日，本集團完成出售其附屬公司CVM International Limited (「CVMIL」)。緊隨出售事項完成後及於二零一四年十二月三十一日，本公司不再持有該等地點之任何勘探權。
- (3) 截至二零一四年十二月三十一日止年度及截至本報告日期，於印尼Yogyakarta省之業務因無法聯絡PT Laksbang Mediatama (「PTLM」)法律代表而受到阻礙。

BUSINESS REVIEW

The year 2014 was full of challenges. During the year, the Group experienced strong head-wind from the difficult business and financial environment, including the slowdown of world economy, the keen competition in the magnesium market, the uncertainties in court decisions in Indonesia and the limited cash resources of the Group to operate and market the new business. For the year ended 31 December 2014, the Group's reportable business segments are namely (i) mining of dolomite and manufacture of magnesium ingots, (ii) exploration for iron ore, coal and manganese and (iii) extraction and bottling of mineral water.

Mining of Dolomite and Manufacture of Magnesium Ingots

During the year 2014, the recovery of the world economy remained slow and prices for magnesium continued to be under pressure. Taking into account the challenges of keen competition from other manufacturers and the cost-effectiveness to maintain full operation, the smelter plant of the Company which is situated in the State of Perak, Malaysia (the "Smelter") continued with the unit of refining magnesium crown rather than a full manufacturing line producing magnesium ingots. As a result, extraction of dolomite from the dolomite quarry has been suspended since 2012 and there was no dolomite extracted from the dolomite quarry throughout 2014 (2013: Nil).

Since 2013 and throughout the year, the Smelter was able to secure consistent sales contracts from a major customer and accordingly, revenue generated from this business segment recorded an increase of 140.6% to HKD38,730,049 (2013: HKD16,098,739) for the year ended 31 December 2014. Nevertheless, owing to the increase in expenses on cost of goods sold as a result of increase in sales orders together with exchange loss, segment loss surged 212.8% from HKD9,437,982 in 2013 to HKD29,521,729 in 2014.

業務回顧

二零一四年度充滿挑戰。年內，本集團面對業務及金融環境的重重困難帶來的艱鉅挑戰，包括環球經濟放緩、鎂金屬市場競爭激烈、難以確定印尼的法院判決以及本集團經營及推廣新業務的現金資源有限。截至二零一四年十二月三十一日止年度，本集團的可呈報分部分別為(i)開採白雲石及生產鎂錠；(ii)勘探鐵礦石、煤及錳；及(iii)提取及裝瓶礦泉水。

開採白雲石及生產鎂錠

二零一四年，環球經濟復甦仍然緩慢，鎂錠價格繼續受壓。面對其他製造商的激烈競爭及維持全面運作的成本效益等挑戰，本公司位於馬來西亞霹靂州的鎂冶煉廠(「冶煉廠」)繼續實行精煉鎂球的工序，而非生產鎂錠的全面生產線。因此，本集團自二零一二年起已暫停於白雲石採石場開採白雲石，於二零一四年全年概無於白雲石採石場開採白雲石(二零一三年：無)。

冶煉廠仍能自二零一三年起及於本年度全年持續取得一名主要客戶的銷售合約，因此，截至二零一四年十二月三十一日止年度，此業務分部產生的收入增加140.6%至38,730,049港元(二零一三年：16,098,739港元)。然而，由於銷售成本開支因銷售訂單增加而上升，連同匯兌虧損，分部虧損由二零一三年的9,437,982港元飆升212.8%至二零一四年的29,521,729港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Smelter has obtained all major/material licences, approvals and permits in respect of its operation and such licenses, approvals and permits are still valid as at the date of this report.

Exploration for Iron Ore, Coal and Manganese

On 3 April 2014, the Company completed the disposal of its subsidiary, CVMIL. Immediately after the completion of the disposal, the Company did not hold any equity interests in CVMIL. The remaining investment of the Company in Indonesia is the exploration of manganese resources in Yogyakarta Province.

In 2011, the Company acquired the controlling interests in PTLM, which is the holder of an exploration mining permit for manganese in an area of 195 hectares at Jatimulyo Village, Girmulyo Subdistrict, Kulon Progo Regency, Daerah Istimewa Yogyakarta Province, Indonesia. The exploration activities had commenced since our acquisition but were ceased in 2012 due to conflicts between the directors and the legal representative of PTLM while the legal representative could no longer be contactable after all reasonable enquiries made by the board. In accordance with the Indonesian laws, the legal representative is responsible for the daily operation and exploration activities of PTLM and consequently, the operation of PTLM (including the exploration project) was suspended.

In order to reinstate the operation and exploration activities of PTLM, the Company decided to dismiss the current board of directors of PTLM and re-nominate and re-elect new directors and legal representative in accordance with the articles of PTLM. For such purposes, two extraordinary general meetings were called but adjourned due to insufficient quorum. PTLM had applied to the Court in Yogyakarta for court ruling on the appointment of re-nominated directors and replacement of legal representative. The Group was unable to re-nominate a replacement until the court in Indonesia makes its decision in the third hearing which was finally conducted on 30 September 2014. In accordance with the legal opinion dated 15 March 2015 obtained from the lawyer of PTLM in Indonesia, the court has granted judgment on 19 November 2014 principally to stipulate PTLM to organise an extraordinary general meeting properly. PTLM is in the process of (i) identifying a legal firm to organise the extraordinary general meeting in accordance with the Indonesian laws and (ii) identifying suitable candidates with the appropriate experience and qualification to fill the vacancies as the legal representative and directors.

冶煉廠已取得一切與其營運有關的主要／重大牌照、批文及許可證，而有關牌照、批文及許可證於本報告日期仍然有效。

勘探鐵礦石、煤及錳

於二零一四年四月三日，本公司完成出售其附屬公司 CVMIL。緊隨出售事項完成後，本公司不再持有 CVMIL 任何股本權益。本公司於印尼的餘下投資為於 Yogyakarta 省勘探錳資源。

於二零一一年，本公司收購 PTLM 的控股權益，PTLM 持有錳勘探開採許可證，該地區位於印尼 Daerah Istimewa Yogyakarta 省 Kulon Progo 區的 Girmulyo 分區 Jatimulyo 村，涉及面積 195 公頃。勘探活動自本公司進行收購起經已開始，惟於二零一二年因 PTLM 之董事與 PTLM 之法律代表出現分歧而停止，而董事會經作出一切合理查詢後仍無法聯絡有關法律代表。根據印尼法例，有關法律代表負責 PTLM 之日常營運及勘探活動，因此，PTLM 之業務（包括勘探項目在內）被迫暫停。

為恢復 PTLM 的經營及勘探活動，本公司決定根據 PTLM 的章程細則解散 PTLM 現任董事會，並重新提名及重選新董事及法律代表。就此，PTLM 曾召開兩次股東特別大會，惟因會議法定人數不足而須延期舉行。PTLM 已就委任重新提名董事及更換法律代表而向 Yogyakarta 省法院申請法院裁決。本集團無法重新提名替任人士，直至印尼法院在最終於二零一四年九月三十日舉行的第三次聽證會作出裁決為止。根據本公司於二零一五年三月十五日向 PTLM 的印尼律師取得的法律意見，法院已於二零一四年十一月十九日作出判決，主要為規定 PTLM 須適當地舉行股東特別大會。PTLM 現正 (i) 物色一間律師事務所，以根據印尼法例舉行股東特別大會；及 (ii) 物色具備適當經驗及資歷的合適候選人，以填補法律代表及董事的空缺。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Extraction and Bottling of Mineral Water

In 2012, the Group acquired the controlling interests in Victory Dragon Holdings Limited and its subsidiary, 龍川升龍礦泉有限公司 (Long Chuan Shen Long Mineral Water Co. Ltd.) ("**Long Chuan**"). Long Chuan is engaged in the manufacturing, sale and distribution of bottled mineral water in the PRC which obtained the mining permit and water permit of the Longchuan Spring water ("**Longchuan Spring**") located at Longmu Town, Longchuan County, Guangdong Province, PRC, covering an aggregate mining area of approximately 0.3956km². Long Chuan is currently branding and marketing bottled mineral water in PRC under the brand name Jenbo.

During the year, the business of Long Chuan was adversely affected by the keen competition in bottled water market in PRC. In order to build up brand awareness and strengthen sales, it is imperative for the Company to put considerable investment into this segment. Nevertheless, the limited cash resources available for the Group forbid Long Chuan from developing the business in 2014 and accordingly, turnover of this segment fell 80.3% to HKD948,213 (2013: HKD4,802,700) and segment loss decreased 29.5% to HKD7,793,872 (2013: HKD11,048,162). At the same time, the original plan of investment in a new production line for sparkling water upon the acquisition of Long Chuan was also hindered. In order to cope with these challenges, directors of the Company ("**Directors**") shall put their emphasis on modifying the marketing strategy by engaging sizeable chain stores or supermarkets in 2015. Currently, the Company is under negotiation with certain convenient stores, fuel stations and supermarkets in PRC to make our bottled mineral water to their shelves.

Save as disclosed elsewhere in the accompanying notes, Long Chuan has obtained all major/material licences, approvals and permits in respect of its operation and such licenses, approvals and permits are still valid as at the date of this report.

提取及裝瓶礦泉水

於二零一二年，本集團收購凱龍集團有限公司及其附屬公司龍川升龍礦泉有限公司（「龍川」）的控股權益。龍川於中國從事製造、銷售及分銷瓶裝礦泉水業務。龍川已取得位於中國廣東省龍川縣龍母鎮之龍川泉水（「龍川泉」）的採礦許可證及取水許可證，總開採面積約為0.3956平方公里。龍川目前以「真寶」品牌在中國設立品牌並推廣瓶裝礦泉水。

年內，龍川業務受到中國瓶裝水市場競爭激烈的不利影響。為建立品牌意識及提高銷售額，本公司必須投放大量資金至此分部。然而，本集團的可用現金資源有限，阻礙龍川於二零一四年的業務發展，因此，此分部的營業額下跌80.3%至948,213港元（二零一三年：4,802,700港元），而分部虧損則減少29.5%至7,793,872港元（二零一三年：11,048,162港元）。與此同時，原本於收購龍川後投資開發一條製造有氣水的新生產線的計劃亦受阻。為應對該等挑戰，本公司董事（「董事」）將著眼於調整市場推廣策略，於二零一五年在各大連鎖店或超級市場進行推廣。目前，本公司正與中國若干便利店、油站及超級市場就將本集團瓶裝礦泉水上架進行磋商。

除隨附附註另有披露者外，龍川已取得一切與其營運有關的主要／重大牌照、批文及許可證，而有關牌照、批文及許可證於本報告日期仍然有效。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Turnover

For the year ended 31 December 2014, the Group's audited consolidated turnover increased by 89.8% to HKD39,678,262 (2013: HKD20,901,439) as compared to last year. Turnover attributable to (i) mining of dolomite and manufacture of magnesium ingots; (ii) exploration for iron ore, coal and manganese; and (iii) extraction and bottling of mineral water were 97.6%, 0% and 2.4% respectively (2013: 77%, 0% and 23.0% respectively).

During the year, the Group successfully secured orders from a major customer for magnesium ingots. As a result, sales of magnesium ingots and other related materials surged 140.6% to HKD38,730,049 (2013: HKD16,098,739) for the year ended 31 December 2014.

The limited cash resources to market the bottled mineral water affected the performance of the segment of extraction and bottling of mineral water. Accordingly, sales of bottled mineral water fell 80.3% to HKD948,213 (2013: HKD4,802,700).

Cost of sales

The cost of sales amounted to HKD60,591,754 (2013: HKD47,066,090) which mainly includes staff costs, manufacturing overhead, depreciation and amortisation. The increase in the cost of sales is mainly due to the increase in production activities throughout the financial year.

Other Revenue and Other Net Gains

During the year, other revenue of the Group amounted to HKD370,277 (2013: HKD432,344) was primarily derived from interest income from bank deposits, rental income from drilling machines and sundry income.

Other net gains of the Group recorded a substantial decrease of 76.7% to HKD10,490,395 (2013: HKD44,990,813) which was mainly due to the net effect of the gain on disposal of subsidiaries of HKD10,471,934 in current year and a one-off fair value change in contingent consideration receivable at the amount of HKD44,879,766 included in 2013.

財務回顧

營業額

截至二零一四年十二月三十一日止年度，本集團之經審核綜合營業額較去年增加89.8%至39,678,262港元(二零一三年：20,901,439港元)。應佔(i)開採白雲石及生產鎂錠；(ii)勘探鐵礦石、煤及錳；及(iii)提取及裝瓶礦泉水之營業額分別為97.6%、0%及2.4%(二零一三年：分別為77%、0%及23.0%)。

年內，本集團成功取得一名主要客戶有關鎂錠及其他相關物料之訂單。因此，截至二零一四年十二月三十一日止年度，銷售鎂錠及相關物料飆升140.6%至38,730,049港元(二零一三年：16,098,739港元)。

營銷瓶裝礦泉水之現金資源緊拙影響提取及裝瓶礦泉水分部之表現。因此，銷售瓶裝礦泉水減少80.3%至948,213港元(二零一三年：4,802,700港元)。

銷售成本

銷售成本60,591,754港元(二零一三年：47,066,090港元)主要包括員工成本、生產費用、折舊及攤銷。銷售成本增加主要由於生產活動於整個財政年度有所增加所致。

其他收入及其他收益淨額

年內，本集團之其他收入為370,277港元(二零一三年：432,344港元)主要產生自銀行存款之利息收入、鑽探機之租金收入及雜項收入。

本集團錄得其他收益淨額大幅減少76.7%至10,490,395港元(二零一三年：44,990,813港元)，主要由於本年度出售附屬公司之收益10,471,934港元之淨影響，以及二零一三年計入金額為44,879,766港元之應收或然代價之一次性公平值變動所致。

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Finance Costs

The finance costs of the Group for the year mainly consisted of effective interest of HKD19,467,369 (2013: HKD19,362,417) for convertible bonds issued by the Company and interest on bank loans of HKD30,402,027 (2013: HKD40,225,089).

Other Operating Expenses

During the year ended 31 December 2014, other operating expenses of the Group was HKD243,810,022 (2013: HKD345,687,059), comprised wholly the impairment losses on exploration and evaluation assets ("**E&E Assets**") of HKD108,208,053 (2013: HKD207,562,580), other receivable and prepayments of HKD1,767,649 (2013: HKD25,899) and property, plant and equipment ("**PPE**") of HKD130,976,015 (2013: HKD26,195,379).

Net Foreign Exchange Gains

The net gain of approximately HKD18,000 (2013: approximately HKD110,000) on foreign exchange mainly represented the net realised gain on sales receipts net off against payments to suppliers and creditors in Malaysia and Indonesia.

Looking forward, the Group will be exposed to foreign currency risk primarily through exposures in sales and purchases that are denominated in foreign currencies (e.g. US dollars ("**USD**"), Malaysian Ringgit ("**RM**"), Chinese Yuan ("**RMB**") and Indonesian Rupiah) other than the Group's functional currency of Hong Kong Dollars ("**HKD**"). The Group did not use any financial instruments for any hedging purposes during the financial year of 2014.

Loss before Taxation

For the year ended 31 December 2014, the Group incurred a loss before taxation of HKD349,837,025 (2013: HKD453,153,873) mainly resulting from the charging of finance costs of HKD50,952,015 (2013: HKD84,144,735), staff costs of HKD9,238,703 (2013: HKD10,267,507) and impairment losses and write-offs of HKD243,810,022 (2013: HKD345,687,059).

Loss per Share

The loss per share for the financial year ended 31 December 2014 decreased substantially to HK14.27 cents (2013: HK22.80 cents) as the loss attributable to owners of the Company dropped 13.2% to approximately HKD279,820,000 (2013: approximately HKD322,360,000).

融資成本

本集團於年內之融資成本主要包括本公司所發行可換股債券之實際利息19,467,369港元(二零一三年: 19,362,417港元)及銀行貸款利息30,402,027港元(二零一三年: 40,225,089港元)。

其他經營開支

截至二零一四年十二月三十一日止年度, 本集團之其他經營開支為243,810,022港元(二零一三年: 345,687,059港元), 包括勘探及評估資產(「**勘探及評估資產**」)減值虧損108,208,053港元(二零一三年: 207,562,580港元)、其他應收款項及預付款項減值虧損1,767,649港元(二零一三年: 25,899港元)及物業、廠房及設備(「**物業、廠房及設備**」)減值虧損130,976,015港元(二零一三年: 26,195,379港元)。

外匯收益淨額

外匯收益淨額約18,000港元(二零一三年: 約110,000港元)主要指本集團銷售款項之已變現收益淨額抵銷支付予馬來西亞及印尼供應商及債權人之款項。

展望未來, 本集團主要將面臨以本集團功能貨幣港元(「**港元**」)以外之外幣(例如美元(「**美元**」)、馬來西亞令吉(「**馬幣**」、人民幣(「**人民幣**」)及印尼盧比亞)為單位之買賣所帶來匯兌風險。於二零一四年財政年度, 本集團並無使用任何金融工具進行任何對沖活動。

除稅前虧損

截至二零一四年十二月三十一日止年度, 本集團產生除稅前虧損349,837,025港元(二零一三年: 453,153,873港元), 主要由於產生融資成本50,952,015港元(二零一三年: 84,144,735港元)、員工成本9,238,703港元(二零一三年: 10,267,507港元)以及減值虧損及撇銷243,810,022港元(二零一三年: 345,687,059港元)所致。

每股股份虧損

由於本公司擁有人應佔虧損減少13.2%至約279,820,000港元(二零一三年: 約322,360,000港元), 故截至二零一四年十二月三十一日止財政年度之每股虧損大幅減少至14.27港仙(二零一三年: 22.80港仙)。

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Bank Loans — Secured

As at 31 December 2014, the Company had secured bank loans of HKD381,392,173 (2013: HKD406,331,729).

During the years 2008 and 2009, CVMSB obtained secured interest-bearing bank loans with an aggregate principal amount of RM178,228,353 (equivalent to approximately HKD408,125,379) (“**Loan**”) from Bank Kerjasama Rakyat Malaysia Berhad (“**Bank Rakyat**”).

The Loan was restructured by Bank Rakyat on 25 July 2011. In accordance with the restructured bank loan agreement, the Group was required to repay the Loan by monthly installments of RM670,000 (equivalent to approximately HKD1,586,032) with effect from August 2011 to December 2013 and was subsequently increased to RM4,200,000 (equivalent to approximately HKD9,942,287) from January 2014 to the second last repayment of the Loan in 2018. On 24 February 2014, Bank Rakyat further agreed to extend a 1-year grace period without executing legal proceeding against the Company and CVMSB until 31 December 2014 for default repayment of the Loan. The Group was required to continue repaying the monthly installments of RM670,000 (equivalent to approximately HKD1,586,032) to 31 December 2014.

As at 15 December 2014, the outstanding principal amounts of the Loan was approximately RM171,803,239 (equivalent to approximately HKD393,412,501) (“**Reduced Loan**”) and Bank Rakyat agree to further restructure the repayment of the Reduced Loan (“**Proposal**”). Pursuant to the Proposal, the full and final settlement sum by CVMSB shall be reduced to RM113,040,000 (equivalent to approximately HKD258,850,469) which is repayable to Bank Rakyat on or before 30 June 2015, in which (i) an amount of RM4,020,000 (equivalent to approximately HKD9,205,404) must be settled to Bank Rakyat on or before 31 December 2014; (ii) a monthly sum of RM200,000 (equivalent to approximately HKD457,980) shall be repayable to Bank Rakyat on the last day of each calendar month commencing from January 2015 to June 2015 and the final installment of RM2,820,000 (equivalent to approximately HKD6,457,522) will be paid as bullet payment latest by 30 June 2015; and (iii) a full and final settlement sum of RM105,000,000 (equivalent to approximately HKD240,439,661) be repayable by CVMSB to Bank Rakyat on 30 June 2015.

有抵押銀行貸款

於二零一四年十二月三十一日，本公司之有抵押銀行貸款為381,392,173港元（二零一三年：406,331,729港元）。

於二零零八年及二零零九年，CVMSB自Bank Kerjasama Rakyat Malaysia Berhad（「**Bank Rakyat**」）取得有抵押計息銀行貸款，本金總額為178,228,353馬幣（相當於約408,125,379港元）（「**貸款**」）。

貸款於二零一一年七月二十五日由Bank Rakyat進行重組。根據重組銀行貸款協議，本集團須自二零一一年八月起至二零一三年十二月每月分期償還貸款670,000馬幣（相當於約1,586,032港元），其後自二零一四年一月起至二零一八年之最後第二期貸款還款之日增至4,200,000馬幣（相當於約9,942,287港元）。於二零一四年二月二十四日，Bank Rakyat進一步同意就未能償還之貸款延長1年寬限期直至二零一四年十二月三十一日而不會對本公司及CVMSB提出法律訴訟。本集團須繼續償還每月分期還款670,000馬幣（相當於約1,586,032港元）至二零一四年十二月三十一日。

於二零一四年十二月十五日，未償還貸款本金額約為171,803,239馬幣（相當於約393,412,501港元）（「**經減少貸款**」），而Bank Rakyat同意進一步重組經減少貸款之還款（「**該提案**」）。根據該提案，CVMSB全部及最終還款金額減少至113,040,000馬幣（相當於約258,850,469港元），並將於二零一五年六月三十日或以前償還予Bank Rakyat，其中(i)4,020,000馬幣（相當於約9,205,404港元）必須於二零一四年十二月三十一日或之前償還予Bank Rakyat；(ii)自二零一五年一月至二零一五年六月每個曆月最後一日向Bank Rakyat每月還款200,000馬幣（相當於約457,980港元），及最後一期還款為2,820,000馬幣（相當於約6,457,522港元）將以期末整付形式最遲在二零一五年六月三十日支付；及(iii)CVMSB將於二零一五年六月三十日向Bank Rakyat償還全部及最終還款金額105,000,000馬幣（相當於約240,439,661港元）。

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On 12 January 2015, CVMSB has further negotiated with Bank Rakyat and Bank Rakyat has agreed to defer the repayment by CVMSB of the bank loan amounting at RM4,020,000 (equivalent to approximately HKD9,205,404) to 16 January 2015. According to Bank Rakyat, such deferral is final and Bank Rakyat shall not allow any further delay and/or failure on the part of CVMSB to meet its payment obligation.

Bank Rakyat issued a letter (the “**Letter**”) dated 17 March 2015 to the Company indicating that the continued failure of CVMSB to fulfill the repayment obligations as set out in the Proposal constituted a breach of terms and therefore the Proposal was terminated and/or allowed to be terminated. Accordingly, the total amount owed and repayable to Bank Rakyat by CVMSB was restored to RM203,141,864 (equivalent to HKD465,174,866) (the “**Outstanding Loan**”) as at 28 February 2015 which was required to be settled by CVMSB within 14 days from the date of the Letter (i.e. 31 March 2015). According to Bank Rakyat, legal actions will be commenced against CVMSB including all its corporate guarantors if CVMSB failed, neglected or refused to settle the Outstanding Loan within the given period.

As at the date of this report, CVMSB has not settled the Outstanding Loan due to limited cash resources available in the Group. Bank Rakyat has the right to commence any litigation against the Company and CVMSB. As at to date, neither the Company nor CVMSB has received further notice from Bank Rakyat. The Company and CVMSB are using our best efforts to (i) arrange to pay the overdue interests to Bank Rakyat in due course and (ii) further negotiate with Bank Rakyat for the repayment terms of the Outstanding Loan.

Convertible Bonds

As at 31 December 2014, convertible bonds of the Company was HKD94,278,123 (2013: HKD83,644,788).

During the year ended 31 December 2014, a principal amount of HKD43,000,000 in the convertible bonds matured. Upon exercise of the conversion rights attached to these matured convertible bonds, a maximum number of 107,500,000 conversion shares would be allotted and issued, representing approximately 4.3% of the number of issued shares of the Company.

於二零一五年一月十二日，CVMSB進一步與Bank Rakyat協商，而Bank Rakyat已同意CVMSB延遲至二零一五年一月十六日償還該筆總金額為4,020,000馬幣（相當於約9,205,404港元）之銀行貸款。根據Bank Rakyat，是次延期乃最終決定，Bank Rakyat將不再允許任何額外延誤及／或CVMSB不履行其還款義務。

Bank Rakyat向本公司發出日期為二零一五年三月十七日之函件（「該函件」），指出CVMSB持續未能按該提案履行其還款義務乃構成違反條款，並因此該提案被終止及／或准予終止。因此，於二零一五年二月二十八日，CVMSB對Bank Rakyat之欠款及應還款總額恢復至203,141,864馬幣（相等於465,174,866港元）（「該欠款」），並被要求於該函件日期之十四天內（即二零一五年三月三十一日）償還。根據Bank Rakyat，若CVMSB未能、忽視或拒絕於期限內償還該欠款，其將會向CVMSB（包括其所有公司擔保人）提出訴訟。

於本報告日期，由於本集團的可用現金資源有限，CVMSB尚未償還該欠款。Bank Rakyat有權對本公司及CVMSB提出訴訟。迄今為止，本公司或CVMSB並無接獲Bank Rakyat發出的進一步通知。本公司及CVMSB正盡最大努力(i)適時安排向Bank Rakyat償還逾期利息及(ii)進一步與Bank Rakyat商討償還該欠款之條款。

可換股債券

於二零一四年十二月三十一日，本公司之可換股債券為94,278,123港元（二零一三年：83,644,788港元）。

截至二零一四年十二月三十一日止年度，本金額為43,000,000港元的可換股債券已到期。於行使此等到期可換股債券附有的兌換權時，將最多配發及發行107,500,000股換股股份，相當於本公司已發行股份數目約4.3%。

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Subsequent to the balance sheet date, a principal amount of HKD37,000,000 in the convertible bonds matured. Upon exercise of the conversion rights attached to these matured convertible bonds, a maximum number of 92,500,000 conversion shares would be allotted and issued, representing approximately 3.7% of the number of issued share of the Company.

As at the date of this report, none of these outstanding convertible bonds is redeemed by the Company. The Company is in the course of arm's length negotiations with the holders of these outstanding convertible bonds in relation to, among others, the possible extension of the outstanding convertible bonds and other possible alteration of terms of the outstanding convertible bonds. Any proposed alteration of terms of the outstanding convertible bonds shall be subject to the approval of the Stock Exchange and the availability of the issue mandate granted by the shareholders of the Company.

Liquidity and Financial Resources

As at 31 December 2014, net current liabilities of the Group stood at HKD577,355,794 (2013: HKD695,957,811). Included in current liabilities were secured bank loans and finance lease creditors of HKD381,707,629 (2013: HKD406,745,701). The bank loans from Bank Rakyat bear an interest rate of 8.6% per annum as at 31 December 2014 (2013: 8.6% per annum) based on the floating rate of Bank Rakyat's base financing rate plus 2% per annum. The Group had negative gearing ratio (which is calculated on the basis of total finance leases, borrowings from Bank Rakyat, convertible bonds and unsecured loans from third parties over total deficit attributable to owners of the Company) of approximately 1.56 times (2013: 2.50 times) as at 31 December 2014 due to the substantial increase in total equity by way of loan capitalisation and placing of new shares under general mandate during the year.

The Group's pledged deposits, bank and cash balances as at 31 December 2014 was HKD381,670 (2013: HKD426,492). The Group's prepayments, deposits and other receivables amounted to HKD1,567,332 (2013: HKD10,860,759).

結算日後，本金額為37,000,000港元的可換股債券到期。於行使此等到期可換股債券附有的兌換權時，將最多配發及發行92,500,000股換股股份，相當於本公司已發行股份數目約3.7%。

於本報告日期，此等尚未轉換的可換股債券並無獲本公司贖回。本公司正與此等尚未轉換的可換股債券持有人就(其中包括)尚未轉換的可換股債券可能延期及尚未轉換的可換股債券條款的其他可能修改進行公平磋商。任何尚未轉換的可換股債券的建議修改條款須待聯交所批准及受限於本公司股東授出的發行授權的可用程度。

流動資金及財務資源

於二零一四年十二月三十一日，本集團之淨流動負債為577,355,794港元(二零一三年：695,957,811港元)。流動負債包括有抵押銀行貸款及融資租賃債項381,707,629港元(二零一三年：406,745,701港元)。於二零一四年十二月三十一日，Bank Rakyat提供之銀行貸款年利率為8.6%(二零一三年：年利率為8.6%)，即Bank Rakyat之基本融資利率加2%浮動年利率。本集團於二零一四年十二月三十一日的資產負債比率約為1.56倍(二零一三年：2.50倍)(按融資租賃承擔、Bank Rakyat之借款、可換股債券及來自第三方無抵押貸款總額除本公司擁有人應佔虧損總額計算)，此乃由於年內根據一般授權項下貸款資本化及配售新股份令權益總額大幅增加所致。

於二零一四年十二月三十一日，本集團之質押存款、銀行及現金結餘為381,670港元(二零一三年：426,492港元)。本集團之預付款項、按金及其他應收款項為1,567,332港元(二零一三年：10,860,759港元)。

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The Directors have taken and/or will take the following actions to mitigate the liquidity issues faced by the Group:

- (i) The Directors review the Group's cash position regularly.
- (ii) On 21 March 2014, the Company and each of the unsecured loan lenders ("**Lenders**") entered into conditional capitalisation agreements respectively in relation to, among others, the setting-off of each Lenders' outstanding sum by way of (i) issue and allotment of capitalisation shares; and (ii) issue of convertible preference shares ("**Loan Capitalisation**"). The outstanding sum to the Lenders comprised the outstanding principal sum and unpaid interest amounted to HKD181,037,242. The Loan Capitalisation was completed on 14 August 2014.
- (iii) On 30 July 2014, the Company has allotted and issued 321,636,000 placing shares to Bright New Global Limited ("**Bright New Global**") at HKD0.15 per placing share. Bright New Global and its ultimate beneficial owner are parties independent to the Company. The proceeds of placing was HKD48,245,400 and was used for improving the operation in CVMSB and as the working capital of Long Chuan.
- (iv) The Group seeks potential investors or strategic partners for various projects of the Group.

Capital expenditure

The carrying amount of the Group's property, plant and equipment, and interests in leasehold land held for own use under operating leases as at 31 December 2014 had decreased by 41.65% and 36.76% respectively to HKD239,763,035 and HKD5,508,271 respectively (2013: HKD410,903,897 and HKD8,710,104 respectively) mainly due to annual depreciation charge and impairment of assets.

董事已採取及／或將會採取下列行動減輕本集團所面臨之流動資金問題：

- (i) 董事定期審閱本集團之現金狀況。
- (ii) 於二零一四年三月二十一日，本公司與各無抵押貸款持有人（「**貸款持有人**」）分別訂立有條件資本化協議，內容有關（其中包括）透過(i)發行及配發資本化股份；及(ii)發行可轉換優先股（「**貸款資本化**」）以抵銷各貸款持有人之未償還款項。未償還貸款持有人款項包括未償還本金額及未支付利息181,037,242港元。貸款資本化已於二零一四年八月十四日完成。
- (iii) 於二零一四年七月三十日，本公司已按每股配售股份0.15港元向創新環球有限公司（「**創新環球**」）配發及發行321,636,000股配售股份。創新環球及其最終實益擁有人均獨立於本公司。配售所得款項為48,245,400港元，乃用於改善CVMSB之營運及用作龍川之營運資金。
- (iv) 本集團就其多個項目物色潛在投資者或策略夥伴。

資本開支

於二零一四年十二月三十一日，本集團物業、廠房及設備之賬面值減少41.65%至239,763,035港元以及根據經營租賃持作自用租賃土地權益之賬面值減少36.76%至5,508,271港元（二零一三年：分別為410,903,897港元及8,710,104港元），此乃主要由於年度折舊支出及資產減值所致。

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Charge on Assets

The bank loans are granted to CVMSB and secured by way of:

- (i) a legal charge over the land and factory building to be erected thereon held by CVMSB;
- (ii) assignment of trade receivables;
- (iii) a debenture creating fixed and floating legal charge over all present and future assets of CVMSB excluding the performance bonds;
- (iv) assignment of all CVMSB's rights, entitlement and interest in and to all building contracts, design drawings and other contracts pertaining to the magnesium ingot project (the "Project");
- (v) an assignment of all CVMSB's rights, benefits and interest under insurance undertaken by CVMSB as part of its operations for the Project;
- (vi) an assignment over the existing revenue accounts maintained at HSBC Amanah Malaysia Berhad and monies standing to the credit of the revenue account in favour of the bank, the revenue accounts shall be operated solely by the bank;
- (vii) a first fixed charge/assignment over the retorts of CVMSB;
- (viii) an assignment over the insurance policies of the retorts of CVMSB; and
- (ix) corporate guarantee by the Company.

Share Capital

As at 31 December 2014, the share capital of the Company is HKD989,710,234 (2013: HKD160,818,427).

On 30 July 2014, the Company has allotted and issued 321,636,000 placing shares, represents approximately 20% of the entire issued share capital of the Company at the time being, to Bright New Global at HKD0.15 per placing share. Bright New Global and its ultimate beneficial owner are parties independent to the Company. The fund raised was used for improving the operation in CVMSB and as the working capital of Long Chuan.

資產抵押

批予CVMSB之銀行貸款按以下方式擔保：

- (i) 就CVMSB所持土地及在其上興建之廠房設法定押記；
- (ii) 轉讓應收賬款；
- (iii) 就CVMSB所有現有及未來資產(不包括履約保證)設立固定及浮動法定押記之債券；
- (iv) 轉讓CVMSB於與鎂錠項目(「該項目」)有關之所有樓宇合約、設計圖則及其他合約之一切權利、享有權及權益；
- (v) 轉讓CVMSB作為其於該項目業務一部份所承購保險之一切權利、利益及權益；
- (vi) 向銀行轉讓在HSBC Amanah Malaysia Berhad開設之現有收入戶及該收入戶之進賬款項，收入戶僅由銀行操作；
- (vii) 就CVMSB之還原權設立之第一固定抵押／轉讓；
- (viii) 轉讓CVMSB之還原權之保單；及
- (ix) 由本公司作出公司擔保。

股本

於二零一四年十二月三十一日，本公司股本為989,710,234港元(二零一三年：160,818,427港元)。

於二零一四年七月三十日，本公司已按每股配售股份0.15港元向創新環球配發及發行321,636,000股配售股份，即本公司當時全部已發行股本約20%。創新環球及其最終實益擁有人均獨立於本公司。所籌集資金已用於改善CVMSB之營運及用作龍川之營運資金。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 14 August 2014, the Company allotted and issued an aggregate of 565,631,172 capitalisation shares and an aggregate of 565,631,177 convertible preference shares to the respective Lenders in accordance with the loan capitalisation agreements ("Loan Capitalisation Agreements") entered into between the Company and each Lender on 21 March 2014. The Loan Capitalisation Agreements and the transactions contemplated thereunder were approved, confirmed and ratified by the shareholders of the Company at an extraordinary general meeting held on 18 July 2014.

Human Resources

As at 31 December 2014, the total number of employees of the Group was approximately 80 (2013: 148). Total staff costs (including Directors' remuneration) for the financial year ended 31 December 2014 were approximately HKD9,240,000 (2013: approximately HKD10,270,000) representing approximately 9.2% (2013: 12.5%) of the Group's total cost of sales and administrative expenses. Employees are remunerated based on their performance, experience and industry practice. Bonuses are rewarded based on individual staff performance and in accordance with the Group's overall remuneration policies. The Group's management reviews the remuneration policies and packages on a regular basis.

Contingent Liabilities

As at 31 December 2014, the Company has issued a corporate guarantee totaling RM850,000 (equivalent to approximately HKD1,887,000) (2013: RM850,000 (equivalent to approximately HKD2,012,000)) to a supplier in respect of the purchase of liquefied petroleum gas made by CVMSB.

As at 31 December 2014, the Company has issued corporate guarantees totaling RM133,004 (equivalent to approximately HKD300,000) (2013: RM222,768 (equivalent to approximately HKD530,000)) for finance lease creditors in respect of the purchase of motor vehicles and equipment by CVMSB.

As at the date of this report, CVMSB has not yet settled the outstanding loans from Bank Rakyat. Bank Rakyat has the right to commence litigation against CVMSB and its corporate guarantors (i.e. the Company) to recover the loans. The Company and CVMSB are using their best effort with an intention to further negotiate with Bank Rakyat to restructure the repayment term. It is expected that in the event a proposal cannot be reached between CVMSB and Bank Rakyat, there would be material adverse impact on the financial position of the Group as a whole.

於二零一四年八月十四日，根據於二零一四年三月二十一日本公司與各貸款持有人訂立之貸款資本化協議（「貸款資本化協議」），本公司已向各貸款持有人配發及發行合共565,631,172股資本化股份及合共565,631,177股可轉換優先股。貸款資本化協議及其項下擬進行之交易已於二零一四年七月十八日舉行之股東特別大會上獲本公司股東批准、確認及追認。

人力資源

於二零一四年十二月三十一日，本集團僱員總數約為80名（二零一三年：148名）。截至二零一四年十二月三十一日止財政年度之員工總成本（包括董事酬金）約為9,240,000港元（二零一三年：約10,270,000港元），佔本集團總銷售成本及行政開支約9.2%（二零一三年：12.5%）。僱員酬金按表現、經驗及行業慣例釐定，而花紅則按員工個別表現及根據本集團整體薪酬政策發放。本集團管理層定期檢討薪酬政策及待遇。

或然負債

於二零一四年十二月三十一日，本公司已就CVMSB購買液化石油氣向一名供應商發出一項公司擔保合共850,000馬幣（相當於約1,887,000港元）（二零一三年：850,000馬幣（相當於約2,012,000港元））。

於二零一四年十二月三十一日，本公司已就CVMSB購買汽車及設備之融資租賃債項發出公司擔保合共133,004馬幣（相當於約300,000港元）（二零一三年：222,768馬幣（相當於約530,000港元））。

於本報告日期，CVMSB尚未向Bank Rakyat償還未償還貸款。Bank Rakyat有權對CVMSB及其公司擔保人（即本公司）提出訴訟以收回貸款。本公司及CVMSB正盡最大努力與Bank Rakyat進一步磋商以重組還款條款。倘CVMSB未能與Bank Rakyat達成建議，預期會對本集團之整體財務狀況構成重大不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The non-redemption of the matured convertible bonds by the Company when they fall due and payable at its principal amount subsequent to 1 December 2014 constituted an event of default. Pursuant to the terms of the subscription agreements of the convertible bonds, the holders of the convertible bonds have the right to serve a notice on the Company at any time after the convertible bonds have become payable and may (without any further notice) institute such proceedings as they may think fit to enforce the repayment of the monies due.

PROSPECTS

The year 2014 was a year of challenges. Considering the current situation of the Group and the uncertainties in the economy, the Directors determined to impose more stringent cost control strategy and simultaneously, broaden sources of our income. The Group further strives to resolve the issues of the outstanding loans and non-redemption of the matured convertible bonds to minimise the disruption on our operations.

During the year, the world magnesium price remained low. We have adopted a conservative approach to operate only the refining section of our Smelter instead of full manufacturing line. The Company shall continue to observe the trend of the magnesium price and adjust the operational scale of the Smelter. Taking into account the defaulted repayment of bank loan by CVMSB, the Company, as the corporate guarantor shall keep close monitoring of any possible legal actions to be taken by Bank Rakyat and consider to take appropriate actions to safeguard the interests of the Company and the shareholders as a whole. At the same time, the Board shall use our best efforts with an intention to further negotiate with Bank Rakyat to ease the repayment term.

In 2014, the results of the bottled mineral water segment was unsatisfactory due to the tight cash position of the Company. Given that the consumption of bottled mineral water recorded continuous growth in the past years in the PRC market, we shall shift our marketing strategy by engaging and marketing our bottled water with sizeable chain stores or supermarkets in 2015. In order to achieve this goal, Long Chuan is currently negotiating with certain supermarkets, fuel stations and convenient stores in China.

In the meantime, the Company is exploring various avenues to raise its working capital and funds to repay the bank loans and redeem the matured bonds.

於二零一四年十二月一日後，本公司並未於到期可換股債券到期時予以贖回及須按其本金額付款，即構成違約。根據可換股債券認購協議的條款，可換股債券持有人有權於可換股債券成為應付後隨時向本公司發出通知及可在其認為宜於強制執行支付到期應付款項時，在毋須發出進一步通知的情況下展開有關法律行動。

展望

二零一四年為充滿挑戰的一年。考慮本集團現時狀況及經濟的不明朗因素，董事決定實施更嚴格的成本控制策略，同時擴大我們的收入來源。本集團進一步致力解決未償還貸款及尚未贖回已到期可換股債券的問題，以盡量減少對我們營運的阻礙。

年內，世界鎂價格持續走低。我們已採納審慎態度，僅經營冶煉廠的精煉部而非全線生產。本公司將繼續觀察鎂價格走勢，並調整冶煉廠的經營規模。鑑於CVMSB尚未償還銀行貸款，本公司（作為公司擔保人）須密切留意Bank Rakyat可能採取的任何法律行動，並考慮採取適當的行動，以維護本公司及股東的整體利益。同時，董事會將盡全力並企望與Bank Rakyat進一步商討，以放寬還款期限。

於二零一四年，由於本公司現金狀況緊張，故瓶裝礦泉水分部的業績並不理想。鑑於瓶裝礦泉水消費過去幾年在中國市場錄得持續增長，我們將轉移市場策略，並於二零一五年在大型連鎖店或超級市場放置及推廣我們的瓶裝水。為達致此目標，龍川正與中國若干超級市場、加油站及便利店進行磋商。

同時，本公司正在探索各種途徑提高其營運資金及資金，以償還銀行貸款及贖回到期債券。

CORPORATE GOVERNANCE REPORT

企業管治報告

Ding He Mining Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is committed to enhancing the corporate governance and transparency of the Group by applying the principles in the code provisions of the Corporate Governance Code (“**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) (“**Listing Rules**”). The board (“**Board**”) of directors (“**Directors**”) of the Company reviews its corporate governance practices from time to time in order to meet the rising expectations of shareholders and comply with increasingly stringent regulatory requirements and to fulfill its commitment to maintain a high standard of corporate governance. To the best knowledge and belief of the Directors, the Company has applied the principles of the CG Code and complied with all applicable code provisions of the CG Code throughout the year ended 31 December 2014, save and except for the deviations from code provisions A.1.1, A.4.1 and A.6.7.

Code provision A.1.1 stipulates that the Board should meet regularly and board meeting should be held at least four times a year at approximately quarterly intervals. During the year, only two regular Board meetings were held to review and discuss the annual and interim results. The Company does not announce its quarterly results and hence does not consider the holding of quarterly meetings as necessary. Board meetings of the Company are held on the occasions when material board decisions are required.

Code provision A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive Directors of the Company (“**Independent Non-executive Directors**”) were not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the provisions of the articles of association of the Company (“**Articles of Association**”). As such, the Company considers that sufficient measures have been taken to ensure that the corporate governance practices of the Company are no less exacting than those in the CG Code.

Under code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Certain Independent Non-executive Directors were unable to attend the annual general meeting and extraordinary general meeting of the Company held on 13 June 2014 and 18 July 2014 respectively due to their other business engagements.

鼎和礦業控股有限公司(「**本公司**」，連同其附屬公司，統稱「**本集團**」)已採用香港聯合交易所有限公司(「**聯交所**」)證券上市規則(「**上市規則**」)附錄14所載企業管治守則(「**企業管治守則**」)之守則條文原則，致力提高本集團之企業管治及透明度。本公司董事(「**董事**」)會(「**董事會**」)不時檢討其企業管治常規，以符合股東不斷提升的期望、遵守越趨嚴謹的監管規定，及履行本公司達致卓越企業管治的承諾。就董事所知及所信，截至二零一四年十二月三十一日止年度整個年度，本公司已應用企業管治守則原則，並一直遵守企業管治守則之所有適用守則條文，惟偏離守則條文第A.1.1條、A.4.1條及A.6.7條者除外。

守則條文第A.1.1條規定董事會應定期舉行會議，而每年應最少舉行四次董事會會議，大約每季舉行一次。年內，僅舉行兩次定期董事會會議以審閱及討論全年及中期業績。本公司並無宣佈其季度業績，故認為毋須每季舉行會議。本公司會於需要重大董事會決定時舉行董事會會議。

守則條文第A.4.1條規定非執行董事的委任應有指定任期，並須經膺選連任。本公司獨立非執行董事(「**獨立非執行董事**」)的委任並無指定任期，惟須根據本公司組織章程細則(「**組織章程細則**」)條文輪值退任並於本公司股東週年大會上膺選連任。因此，本公司認為已採取足夠措施，確保本公司的企業管治常規不遜於企業管治守則規定。

根據企業管治守則的守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會並對股東的意見有公正的瞭解。若干獨立非執行董事因其他公務而未能出席本公司於二零一四年六月十三日舉行的股東週年大會及於二零一四年七月十八日舉行的股東特別大會。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules ("**Model Code**") as the code of practice for carrying out securities transactions by the Directors. After specific enquiry with all members of the Board, the Company confirmed that all Directors have fully complied with the relevant standards stipulated in the Model Code during the year ended 31 December 2014.

THE BOARD

The Board guides and monitors the business and affairs of the Company to enhance long-term shareholders' value. It is the responsibility of the Board to determine the appropriate corporate governance practices applicable to the Company's circumstances and to ensure processes and procedures are in place to achieve the Company's corporate governance objectives.

Chairman and Chief Executive Officer

The positions of the Chairman and the Chief Executive Officer of the Company are held by separate individuals with a view to maintain effective segregation of duties between the management of the Board and the day-to-day management of the Group's business and operations. One of the important roles of the Chairman is to provide leadership to the Board to assure the Board acting in the best interests of the Group. The Chairman shall ensure the Board working effectively and fully discharging its responsibilities, and that every key issue is discussed by the Board in a timely manner. All Directors have been consulted about any matters proposed for inclusion in the agenda. With the support of the Chief Executive Officer and the company secretary of the Company ("**Company Secretary**"), the Chairman seeks to ensure all Directors are properly informed on issues arising at any Board meeting and have received adequate and reliable information in a timely manner.

Board Composition

The Board Currently consists of ten Directors (including the Chairman), amongst which seven are Executive Directors and three are Independent Non-executive Directors.

董事進行證券交易

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「**標準守則**」)作為董事進行證券交易的操守守則。經向董事會全體董事作出具體查詢後，本公司確認全體董事於截至二零一四年十二月三十一日止年度全面遵守標準守則規定的相關準則。

董事會

董事會就本公司的業務及事務給予指引並加以監控，以提升股東的長遠利益。董事會有責任因應本公司的情况，制定適用的企業管治常規，確保實施有關程序及步驟，以達到本公司的企業管治目標。

主席及行政總裁

為有效區分董事會管理層與負責本集團日常業務及營運之管理層，本公司主席及行政總裁之職務由不同人士擔任。主席之其中一個重要角色為領導董事會，以確保董事會以本集團之最佳利益行事。主席須確保董事會有效運作、完全履行其責任，並確保各項重大問題均可及時於董事會討論。全體董事均已就載入會議議程之任何建議事項獲徵詢意見。在行政總裁及本公司的公司秘書(「**公司秘書**」)之協助下，主席會確保全體董事均適當地知悉將於任何董事會會議上出現的問題，並及時獲取充足及可靠的資料。

董事會成員

董事會目前由十名董事(包括主席)組成，其中七名為執行董事，另外三名為獨立非執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告

The members of the Board are set out as below:

Executive Directors:

Mr. Du Jian Jun (*Chairman*)
Mr. Ji Kuang (*Vice Chairman*)
Mr. Fan Weipeng
Mr. Leung Wai Kwan (*Chief Executive Officer*)
Dato' Lim Ooi Hong
Ms. Meng Xiao Ying
Mr. Zheng Changxing

Independent Non-executive Directors:

Mr. Cheung Ning
Mr. Chan Kin Ho Philip
Ms. Tian Jinghua

The composition of the Board is reviewed regularly to ensure that it has a good balance of expertise, skills and experience which can meet the requirements of the business of the Company. The Board includes three Independent Non-executive Directors, in which Mr. Chan Kin Ho Philip is a certified public accountant in Hong Kong. Mr. Chan possesses extensive experience in the accountancy profession and has appropriate accounting and related financial management expertise. The biographical details of the Directors are set out under the section "Board of Directors" on pages 47 to 51.

During the year, the Executive Directors and the Independent Non-executive Directors provided the Group with wide range of valuable business experience, knowledge and professionalism. The active participation of the Independent Non-executive Directors in the Board and committee meetings brought independent judgement on issues relating to the Group's strategy, performance and management process, taking into account the interests of the shareholders of the Company ("**Shareholders**").

董事會成員載列如下：

執行董事：

杜建軍先生(主席)
嵇匡先生(副主席)
范偉鵬先生
梁維君先生(行政總裁)
拿督林偉雄
孟小英女士
鄭昌幸先生

獨立非執行董事：

張寧先生
陳建豪先生
田晶華女士

本公司定期檢討董事會之組成，以確保其專業知識、技能及經驗達致平衡，並能符合本公司之業務需要。董事會包括三名獨立非執行董事，其中陳建豪先生為香港執業會計師。陳先生於會計專業方面擁有豐富經驗，並具備適當之會計或相關財務管理專業知識。董事之履歷詳情載於第47頁至第51頁之「董事會」一節。

年內，執行董事及獨立非執行董事為本集團提供廣泛寶貴的營商經驗、知識及專業精神。獨立非執行董事積極參與董事會及委員會會議，對本集團之策略、表現及管理程序之事宜提供獨立判斷，並顧及本公司股東(「股東」)之利益。

CORPORATE GOVERNANCE REPORT

企業管治報告

Responsibilities of the Board

The Board is responsible for the leadership and control of the Company. The Board determines the overall strategies, monitors and controls operating and financial performance, sets objectives and business development plans and makes key decisions of the Company. The day-to-day management and operation are delegated to the Executive Directors and senior management. The delegated functions are closely supervised by the Board to ensure effectiveness and alignment with the overall strategies of the Company. Approval has to be obtained from the Board prior to any significant transactions to be entered into by the senior management.

All Directors have full and timely access to all relevant information in relation to the Company as well as the advices and services of the Company Secretary, if and when required, with a view to ensuring that Board procedures and all applicable rules and regulations are followed.

There are established procedures for directors to seek independent professional advices for them to discharge their duties and responsibilities, where appropriate at the expenses of the Company.

There is no financial, business, family or other material relationships among members of the Board.

Regular Board meetings each year are scheduled in advance to facilitate maximum attendance of Directors. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The Company Secretary assists the Chairman in preparing the agenda for meetings and ensures all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least three days before the intended date of a regular Board meeting (and so far as practicable for such other Board meetings). All minutes and/or resolutions are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

董事會之責任

董事會負責領導及監控本公司、釐定本公司的整體策略、監管及控制營運及財務表現、訂立目標及業務發展計劃以及作出重要決策。執行董事及高級管理層獲授權負責日常管理及營運，而董事會會密切監督有關授權職務，確保有效運作且符合本公司的整體策略。高級管理層須獲董事會批准，方可訂立任何重大交易。

全體董事均可全面及適時取得所有本公司的相關資料，以及於需要時獲取公司秘書提供的意見及服務，以確保董事會程序及所有適用的規則及規例已妥為遵守。

本公司設有既定程序，讓董事在適當情況下就履行彼等的職務及職責尋求獨立專業意見，費用由本公司承擔。

董事會成員之間並無財務、業務、家族或其他重大關係。

董事會定期會議的舉行日期於每年預先編定，以便更多董事出席會議。召開董事會會議一般會給予全體董事至少14天之通知，以便彼等均有機會提出商討事項列入議程。公司秘書協助主席編製會議議程，以及確保已遵守所有適用規則及規例。議程及隨附之董事會文件一般在舉行董事會定期會議（及就可行情況下，亦適用於其他董事會會議）前至少三天呈送予全體董事。所有會議記錄及／或決議案均由公司秘書保存，並供任何董事於發出合理通知時，於任何合理時間內查閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

Whereas a substantial shareholder of the Company or Director have conflict of interest in a matter to be considered by the Board and the Board has determined it is material, such matter will then be dealt with by the Board at a duly convened Board meeting. The Articles of Association stipulates that save for the exceptions as provided therein, a Director shall abstain from voting and not be counted in the quorum at meetings for approving any contract or arrangement in which such Director or any of his associates have a material interest.

Each Director is entitled to have access to Board papers and other related materials and have access to the advice and services of the Company Secretary. The Board and individual Director also have separate and independent access to the senior management of the Company. Directors are continuously updated with the major developments of the Listing Rules and other applicable regulatory requirements so as to ensure the Company's compliance and upkeep good corporate governance practices. In addition, Directors are allowed to seek independent professional advice in appropriate circumstances for discharging their duties at a expense of the Company.

Major responsibilities of the Board include but not limited to:

- develop and review the corporate governance policies and practices of the Company;
- review and monitor the training and continuous professional development of directors and senior management;
- review and monitor the policies and practices of the Company for the compliance with legal and regulatory requirements;
- develop, review and monitor the code of conduct applicable to directors and employees; and
- review the Company's compliance with CG Code and disclosure in the corporate governance report.

倘本公司主要股東或董事在董事會將予考慮之事項中存有董事會認為屬重大之利益衝突，則有關事項會於正式召開之董事會會議上由董事會處理。組織章程細則規定，除當中所述之例外情況外，董事須就批准該名董事或其任何聯繫人擁有重大利益之任何合約或安排之會議上放棄投票，彼亦不會被計算於該等會議之法定人數內。

每位董事有權查閱董事會文件及其他相關資料，並可向公司秘書尋求意見及服務。董事會及各董事亦可個別及獨立地接觸本公司之高級管理層。董事將獲持續提供上市規則及其他適用監管規定之最新發展之資料，以確保本公司遵守及秉持優秀企業管治常規。此外，董事在履行其職務時，獲准在適當情況下尋求獨立專業意見，費用由本公司承擔。

董事會的主要職責包括但不限於：

- 制定及審閱本公司的企業管治政策及常規；
- 檢討及監督董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本公司的政策及常規有否遵守法律及監管規定；
- 制訂、檢討及監督適用於董事及僱員的行為守則；及
- 檢討本公司有否遵守企業管治守則及企業管治報告所載的披露規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

Independent Non-executive Directors

The Company has received from each Independent Non-executive Director an annual confirmation of his/her independence pursuant to rule 3.13 of the Listing Rules. The Board and the Nomination Committee have reviewed the independence of the Independent Non-executive Directors and considered all Independent Non-executive Directors are independent within the definition of the Listing Rules.

All Independent Non-executive Directors were not appointed with specific term but are subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. Accordingly, the Board considers that sufficient measures have been taken to ensure corporate governance practices of the Company are of no less exacting than those in the CG Code.

Directors Commitments and Continuous Professional Development

The Company has received confirmation from each Director that he/she has given sufficient time and attention to the affairs of the Company for the year ended 31 December 2014. Directors have disclosed to the Company the number and nature of offices held in Hong Kong and overseas listed public companies or organisations.

Each newly appointed Director receives an induction on his/her appointment to ensure that he/she has proper understanding of the operations and business of the Group and is fully aware of his/her responsibilities and obligations under the Listing Rules, applicable laws and other relevant statutory requirements. Directors are continually provided with updates on statutory and regulatory developments, evolution of the business environment so as to facilitate them to discharge their duties.

獨立非執行董事

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性發出的年度確認函。董事會及提名委員會已審閱獨立非執行董事的獨立性，並認為全體獨立非執行董事均符合上市規則所界定的獨立性。

全體獨立非執行董事的委任並無指定任期，惟須根據組織章程細則輪值退任並於本公司股東週年大會上膺選連任。因此，董事會認為已採取足夠措施，確保本公司的企業管治常規不遜於企業管治守則規定。

董事承擔及持續專業發展

本公司已接獲各董事的確認函，有關彼等於截至二零一四年十二月三十一日止年度內，已投入足夠時間和充分關注本公司事務。董事已向本公司披露彼等於香港或海外上市的公眾公司或機構擔任職務的數目和性質。

各新任董事於接納委任後將接受任職簡介，確保彼等對本集團的營運及業務有適當了解，並完全明白其於上市規則、適用法律及其他相關法定規定下的責任及義務。本公司將持續為董事提供有關法定及法規發展以及業務環境變化的最新資訊，以助彼等履行職責。

CORPORATE GOVERNANCE REPORT

企業管治報告

According to the records maintained by the Company, Directors received continuous professional development with an emphasis on the roles, functions and duties of being a director of a listed company in compliance with code provision A.6.5 of the CG Code during year ended 31 December 2014:

根據本公司的記錄，截至二零一四年十二月三十一日止年度，董事根據企業管治守則的守則條文第A.6.5條，接受持續專業發展，內容集中於作為上市公司董事的角色、職能及職責：

		Corporate governance/ updates on laws, rules and regulations	Accounting/ financial/ management or other professional skills	
		Note 附註	企業管治／法例、規則及規例的更新	會計／財務／管理或其他專業技能
Executive Directors		執行董事		
Du Jian Jun	杜建軍	1	✓	
Ji Kuang	嵇匡		✓	
Dato’ Lim Ooi Hong	拿督林偉雄		✓	
Leung Wai Kwan	梁維君		✓	✓
Meng Xiao Ying	孟小英	2	✓	
Chong Cha Hwa	張家華	3	✓	
Independent Non-executive Director		獨立非執行董事		
Cheung Ning	張寧	4	✓	✓
Chan Kin Ho Philip	陳建豪	5	✓	✓
Tian Jinghua	田晶華	6	✓	
Chong Lee Chang	張爾泉	7	✓	
Wong Choi Kay	黃賽琦	8	✓	✓
Tan Tony	陳業強	8	✓	

Note:

附註：

- | | |
|---|--|
| <p>1. Mr. Du Jian Jun was appointed the Chairman of the Board and Executive Director on 16 June 2014.</p> <p>2. Ms. Meng Xiao Ying was appointed the Executive Director on 26 February 2014.</p> <p>3. Mr. Chong Cha Hwa was appointed the Executive Director on 26 February 2014 and resigned as an Executive Director on 30 October 2014.</p> <p>4. Mr. Cheung Ning was appointed the Independent Non-executive Director on 17 June 2014.</p> <p>5. Mr. Chan Kin Ho Philip was appointed the Independent Non-executive Director on 22 July 2014.</p> <p>6. Ms. Tian Jinghua was appointed the Independent Non-executive Director on 23 July 2014.</p> <p>7. Mr. Chong Lee Chang resigned as an Independent Non-executive Director on 23 July 2014.</p> <p>8. Ms. Wong Choi Kay and Mr. Tan Tony resigned as Independent Non-executive Directors on 22 April 2015.</p> | <p>1. 杜建軍先生於二零一四年六月十六日獲委任為董事會主席兼執行董事。</p> <p>2. 孟小英女士於二零一四年二月二十六日獲委任為執行董事。</p> <p>3. 張家華先生於二零一四年二月二十六日獲委任為執行董事，並於二零一四年十月三十日辭任執行董事。</p> <p>4. 張寧先生於二零一四年六月十七日獲委任為獨立非執行董事。</p> <p>5. 陳建豪先生於二零一四年七月二十二日獲委任為獨立非執行董事。</p> <p>6. 田晶華女士於二零一四年七月二十三日獲委任為獨立非執行董事。</p> <p>7. 張爾泉先生於二零一四年七月二十三日辭任獨立非執行董事。</p> <p>8. 黃賽琦女士及陳業強先生於二零一五年四月二十二日辭任獨立非執行董事。</p> |
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CORPORATE GOVERNANCE REPORT

企業管治報告

Directors and Officers Policy

During the year ended 31 December 2014, appropriate insurance coverage on directors' and officers' liabilities has been in force to protect the directors and officers of the Group from their risk exposure arising from the business of the Group.

AUDIT COMMITTEE

The audit committee of the Company ("Audit Committee") was established with written terms of reference specifying its authority and duties which is available on the websites of the Stock Exchange and the Company. The Audit Committee comprises three members who are Independent Non-executive Directors, namely,

- Mr. Chan Kin Ho Philip (*Chairman*)
- Mr. Cheung Ning
- Ms. Tian Jinghua

The primary terms of the Audit Committee are as follows:

On external audit:

- make recommendations to the Board on the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the external auditor;
- review and monitor the external auditor's independence as well as the objectives and effectiveness of the audit process in accordance with applicable standards;
- discuss with the external auditor before the audit commences, the nature and scope of the audit and reporting obligations and ensure co-ordination where more than one audit firm is involved; and
- develop and implement policy on the engagement of the external auditor to provide non-audit services.

董事及高級人員政策

截至二零一四年十二月三十一日止年度，本集團已為董事及高級人員設立涵蓋其法律責任之適當保險，以保障本集團董事及高級人員因本集團業務產生之風險。

審核委員會

本公司已成立審核委員會（「審核委員會」），並訂明書面職權範圍，列明其權限及職責，可於聯交所及本公司網站查閱。審核委員會由三名獨立非執行董事組成，即：

- 陳建豪先生（主席）
- 張寧先生
- 田晶華女士

審核委員會的主要職權範圍載列如下：

外聘審核：

- 就委任、重新委任及罷免外聘核數師向董事會提供建議以及批准聘用外聘核數師的薪酬及條款；
- 根據適用準則檢討及監察外聘核數師的獨立身份以及審核程序的目標及成效；
- 開始審核工作前，與外聘核數師討論審核及報告責任之性質及範圍，而倘涉及超過一間會計師事務所，則亦須協調相關事務所之合作；及
- 制定及實施有關聘用外聘核數師提供非核數服務之政策。

CORPORATE GOVERNANCE REPORT

企業管治報告

On annual financial results:

- monitor integrity of the interim and annual financial statements and interim and annual reports and accounts, and review significant financial reporting judgements contained therein before submission to the Board;
- review the Group's financial and accounting policies and practices;
- review external auditor's management letter, any material queries raised by the auditor to the management in respect of accounting records, financial accounts or system of control and management response; and
- consider any significant or unusual items that are, or may need to be, reflected in the interim and annual reports and accounts and give due consideration to any matters that have been raised by the Group.

年度財政業績：

- 監察中期及年度財務報表與中期及年度報告及賬目是否公平呈報，並在呈交董事會前審閱其中所載的重要財務報告判斷；
- 檢討本集團財務及會計政策與慣例；
- 審閱外聘核數師之管理層函件以及跟進核數師向管理層所提出有關會計記錄、財務賬目或監控系統的任何重大查詢以及管理層之回應；及
- 考慮中期及年度報告及賬目所反映或可能需要反映的任何重大或不尋常事項，並審慎考慮本集團提出的任何事宜。

On internal control and risk management:

- review the Group's financial controls and its internal control and risk management systems;
- discuss with management the system of internal control and ensure that management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and its training programmes and budget;
- consider any findings of major investigation of internal control matters as delegated by the Board or on its own initiative and management's responses thereto;
- ensure co-ordination between the internal and external auditors and that the internal audit function is adequately resourced and has appropriate standing within the Group; and
- report to the Board on the matters raised in the CG Code.

內部監控及風險管理：

- 檢討本集團的財務監控以及內部監控與風險管理系統；
- 與管理層討論內部監控系統，並確保管理層已履行職責，實施有效的內部監控系統，包括有否足夠資源、本集團負責會計及財務申報人員的資格及經驗以及相關培訓項目和預算；
- 考慮任何應董事會的委派或主動研究內部監控事宜的重大調查的結果以及管理層的相關回應；
- 協調內部及外聘核數師之間的合作，並確保內部審核工作獲足夠資源，且在本集團有適當定位；及
- 向董事會報告與企業管治守則相關的事宜。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Audit Committee is provided with sufficient resources to discharge its responsibilities. For the year ended 31 December 2014, the Audit Committee held two meetings to review with external auditor and senior management the interim and annual results of the Group as well as the accounting principles and practices being adopted and financial reporting matters. The senior management and the external auditor of the Company attended the meetings to respond to any queries raised by the Audit Committee.

During the year, the Audit Committee had considered, reviewed and/or discussed the following matters:

- audit and financial reporting matters;
- continuing connected transactions of the Group;
- re-appointment of Baker Tilly Hong Kong Limited as the Company's external auditor for the financial year ended 31 December 2014;
- review the terms of reference of the Audit Committee and make recommendation to the Board;
- interim and annual financial results;
- report on the Group's internal audit and audit activity status prepared by independent professional parties; and
- appointment of an independent internal control auditor including the terms of engagement.

REMUNERATION COMMITTEE

The remuneration committee of the Company ("Remuneration Committee") was established with written terms of reference specifying its authority and duties which is available on the website of the Company. The Remuneration Committee comprised three members who are Independent Non-executive Directors, namely,

- Mr. Chan Kin Ho Philip (*Chairman*)
- Mr. Cheung Ning
- Ms. Tian Jinghua

審核委員會獲提供足夠資源以履行其責任。截至二零一四年十二月三十一日止年度，審核委員會曾舉行兩次會議，與外聘核數師及高級管理層審閱本集團的中期及全年業績、所採用的會計原則及常規以及財務報告事宜。本公司高級管理層及外聘核數師均已出席會議以回應審核委員會的提問。

年內，審核委員會已考慮、審閱及／或討論以下事項：

- 審核及財務申報事項；
- 本集團的持續關連交易；
- 續聘天職香港會計師事務所有限公司為本公司截至二零一四年十二月三十一日止財政年度的外聘核數師；
- 審閱審核委員會的職權範圍及向董事會提出建議；
- 中期及年度財務業績；
- 由獨立專業人士編製有關本集團內部核數及審計活動情況的報告；及
- 委任獨立內部監控核數師（包括任期）。

薪酬委員會

本公司已成立薪酬委員會（「薪酬委員會」），並訂明書面職權範圍，列明其權限及職責，可於本公司網站查閱。薪酬委員會由三名獨立非執行董事組成，即：

- 陳建豪先生（主席）
- 張寧先生
- 田晶華女士

CORPORATE GOVERNANCE REPORT

企業管治報告

The roles and functions of the Remuneration Committee are set out in its terms of reference which are posted on the websites of Stock Exchange and the Company. Primary terms include:

- making recommendations to the Board on policy and structure of remuneration of the Directors and senior management whereby the Board has the final authority to approve the remuneration of Directors and senior management;
- determining the remuneration packages of each Director and member of the senior management by reference to corporate goals; and
- ensuring no Directors or any of their associates are involved in deciding their own remuneration packages and objectives and compensation arrangements relating to dismissal or removal of Directors.

The remuneration package of each Director is determined by reference to the prevailing market conditions, his/her duties and responsibilities to the Company and the Company's remuneration policy.

During the year ended 31 December 2014, the Remuneration Committee had held one meeting to discuss the remuneration policy and review the remuneration of the Board, and make recommendations to the Board having taken into consideration of the current situation of the economy and the results of the Group.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of senior management by band for the year ended 31 December 2014 is set out below:

薪酬委員會的職責及職能載於其職權範圍（其刊登於聯交所及本公司網站），主要包括：

- 就董事及高級管理層薪酬政策及安排向董事會提供建議（據此董事會擁有批准董事及高級管理層薪酬的最終權利）；
- 參考企業目標釐定各董事及高級管理人員的薪酬待遇；及
- 確保概無董事或彼等任何聯繫人參與釐定本身的薪酬待遇及目的以及有關辭退或罷免董事的賠償安排。

各董事之薪酬待遇經參考現行市況、彼於本公司之職務及職責以及本公司薪酬政策後釐定。

截至二零一四年十二月三十一日止年度，薪酬委員會曾舉行一次會議，以討論薪酬政策及檢討董事會之薪酬，並經考慮現時之經濟情況及本集團業績後向董事會提出建議。

根據企業管治守則的守則條文第B.1.5條，截至二零一四年十二月三十一日止年度，高級管理人員之薪酬範圍載列如下：

Remuneration (by band) 薪酬（按範圍劃分）	Number of Individuals 人數
HKD500,001 – HKD600,000	500,001 港元至 600,000 港元
	1

Further particulars in relation to Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in note 10 to the consolidated financial statements.

根據上市規則附錄16須予披露之董事酬金以及五名最高薪酬僱員的進一步詳情載於綜合財務報表附註10。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE

The nomination committee of the Company (“**Nomination Committee**”) was established with written terms of reference specifying its authority and duties which is available on the website of the Stock Exchange and the Company. The Nomination Committee comprised four members, amongst which three are Independent Non-executive Directors and one is Executive Director, namely,

- Mr. Chan Kin Ho Philip (*Chairman*)
- Dato’ Lim Ooi Hong
- Mr. Cheung Ning
- Ms. Tian Jinghua

With the aim to build up a strong and diverse Board, the Nomination Committee would identify suitable and qualified individuals, in particular those who can add value to the management through their expertise in relevant strategic business areas, to be the board members, and would recommend the Board on relevant matters relating to the appointment or re-appointment of Directors, if necessary. Details of the procedure for Shareholders to propose a person for election as a Director are outlined in the “Procedure for Shareholders to Propose a Person for Election as a Director” which is available on the website of the Company.

For the year ended 31 December 2014, the Nomination Committee had held one meeting to review the structure and diversity of the Board, the policies applicable to the board composition and nomination, the term of appointment of Non-executive Directors and to assess the independence of Independent Non-executive Directors and to make recommendations to the Board on the appointment and re-appointment of Directors taking into account their experience and qualifications.

提名委員會

本公司已成立提名委員會(「**提名委員會**」)，並訂明書面職權範圍，列明其權限及職責，可於聯交所及本公司網站查閱。提名委員會由四名成員組成，其中三名為獨立非執行董事，另外一名為執行董事，即：

- 陳建豪先生(主席)
- 拿督林偉雄
- 張寧先生
- 田晶華女士

提名委員會致力組成強大及多元化的董事會，負責物色合資格的適當人選，尤其推薦能於相關策略業務範疇上作出貢獻的人士加入董事會，並在需要時就董事的委任及續聘相關事宜向董事會提供推薦意見。有關股東建議任何人士參選董事的程序，詳列於「股東提名候選董事的程序」，可於本公司網站閱覽。

截至二零一四年十二月三十一日止年度，提名委員會曾舉行一次會議，以檢討董事會的架構及多元化、適用於董事會組成及提名董事的政策以及非執行董事的委任年期，評估獨立非執行董事的獨立性，並於考慮董事的經驗及資歷後就委任及續聘董事向董事會提出建議。

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The primary terms of the Nomination Committee include:

- review and supervise the structure, size and composition of the Board;
- develop the criteria for identifying and assessing the qualification of and evaluating candidates for directorship; and
- make recommendations to the Board on the selection of nominated directorship and matters related to appointment or re-appointment of Directors.

Pursuant to the Articles of Association, any Director appointed to fill a casual vacancy should be subject to re-election by the shareholders of the Company at the next general meeting of the Company after their appointments, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. In addition, at each annual general meeting of the Company, one-third of the Directors shall retire from office by rotation (but will be eligible for re-election) such that all Directors should be subject to retirement by rotation at least once every three years.

The Nomination Committee follows a set of procedures when recommending candidates for the directorship. The primary criteria of selecting a candidate include assessing his:

- integrity, objectivity, and intelligence of the person, with reputations for sound judgement and open mind, and a demonstrated capacity for thoughtful group decision making;
- qualification and career experience; and
- understanding of the Company and its Group mission.

提名委員會的主要職權範圍包括：

- 檢討及監察董事會架構、規模及組成；
- 制定物色人選的準則，並衡量董事人選的資歷及評價董事人選；及
- 向董事會建議擔任董事的經篩選提名人選，並提出有關委任或重新委任董事的建議。

根據組織章程細則，獲委任填補臨時空缺之任何董事須於獲委任後的本公司下屆股東大會上再經本公司股東重選，惟不計入於該次大會輪值退任的董事名單內。此外，於本公司各股東週年大會上，三分之一的董事須輪值退任（惟可膺選連任），故所有董事最少每三年輪值退任一次。

提名委員會在推薦董事候選人時會遵從既定程序。挑選候選人的主要標準包括評估以下各項：

- 該人士是否具備所需的誠信、客觀判斷能力及才智、能否作出果斷的判斷和接納不同意見以及能否作出對集團有利的決策；
- 資格及工作經驗；及
- 了解本公司及本集團使命。

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When a candidate is proposed for a directorship, he/she shall be evaluated on the basis of the aforementioned criteria. Selection of the suitable candidate is based on a majority vote and the view of each committee member will be sought before voting commences. The Chairman of the Nomination Committee will present the proposal (with the voting results) and recommendations to the Board.

建議董事候選人後，會按上述標準評估，然後經大多數投票通過選出合適候選人，於投票前，各委員會成員將獲徵詢意見。提名委員會主席將向董事會呈報建議（連同投票結果）並提出推薦建議。

During the year under review, the Nomination Committee had considered and recommended the following changes of the Board:

於回顧年度內，提名委員會曾考慮及建議以下董事會變動：

- | | |
|---|---|
| • appointment and resignation of Mr. Chong Cha Hwa as the Executive Director; | • 委任張家華先生為執行董事，及張家華先生辭任執行董事； |
| • appointment of Ms. Meng Xiao Ying as the Executive Director; | • 委任孟小英女士為執行董事； |
| • appointment of Mr. Du Jian Jun as the Chairman of the Board and the Executive Director; | • 委任杜建軍先生為董事會主席兼執行董事； |
| • re-designation of Mr. Ji Kuang from the Chairman of the Board to Vice Chairman of the Board; | • 將嵇匡先生由董事會主席調任為董事會副主席； |
| • resignation of Dato' Lim Ooi Hong as the Vice Chairman of the Board; | • 拿督林偉雄辭任董事會副主席； |
| • appointment of Mr. Cheung Ning as the Independent Non-executive Director; | • 委任張寧先生為獨立非執行董事； |
| • appointment of Mr. Chan Kin Ho Philip as the Independent Non-executive Director, the chairman of the Nomination Committee, member of each of the Audit Committee and the Remuneration Committee; | • 委任陳建豪先生為獨立非執行董事、提名委員會主席以及審核委員會及薪酬委員會成員； |
| • appointment of Ms. Tian Jinghua as the Independent Non-executive Director, member of each of the Audit Committee, Nomination Committee and Remuneration Committee; and | • 委任田晶華女士為獨立非執行董事，以及審核委員會、提名委員會及薪酬委員會成員；及 |
| • resignation of Mr. Chong Lee Chang as the Independent Non-executive Director and ceasing to act as the chairman of the Nomination Committee and member of each of the Audit Committee and the Remuneration Committee. | • 張爾泉先生辭任獨立非執行董事，且不再擔任提名委員會主席以及審核委員會及薪酬委員會成員。 |

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Subsequent to the balance sheet date, the Nomination Committee had considered and recommended the following change of the Board:

- appointments of Mr. Fan Weipeng and Mr. Zheng Changxing as the Executive Directors.
- resignations of Ms. Wong Choi Kay and Mr. Tony Tan as the Independent Non-executive Directors.

結算日後，提名委員會曾考慮及建議以下董事會變動：

- 委任范偉鵬先生及鄭昌幸先生為執行董事。
- 黃賽琦女士及陳業強先生辭任獨立非執行董事。

Board Diversity

The Nomination Committee adopted the board diversity policy of the Company which sets out the approach to achieve diversity on the Company's Board of Directors. The Company recognises the benefits of board diversity and endeavours to ensure that the Board has the appropriate balance and level of skills, experience and perspectives required to support the execution of its business strategies. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on the candidates' merits and contributions to the Board. The Nomination Committee reviews the board diversity policy, as appropriate, to ensure its effectiveness from time to time. The Company considers that the current Board composition is characterised by diversity, whether considered in terms of gender, professional background, skills and knowledge.

董事會成員多元化

提名委員會採納本公司的董事會成員多元化政策，當中載列本公司達致董事會成員多元化的方法。本公司認同董事會成員多元化帶來的裨益，致力平衡董事會的組成，確保董事會成員具備執行業務策略所需合適技能、經驗及遠見。本公司銳意實踐董事會成員多元化的目標，當中須考慮多項因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年期。最終決定取決於候選人的才能及其向董事會作出的貢獻。提名委員會將於有需要時檢討董事會成員多元化政策，以不時確保其成效。本公司認為，不論性別、專業背景、技能及知識，目前董事會的組成方式均符合多元化特色。

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BOARD AND COMMITTEES MEETINGS

During the year ended 31 December 2014, the Company held three Board meetings, two Audit Committee Meetings, one Remuneration Committee Meeting, one Nomination Committee Meeting and two general meetings. The individual attendance record of each Director at the Board meetings, Board Committees meetings and general meetings during the year is set out below and is presented by reference to the number of meetings held during their tenure:

董事會及委員會會議

截至二零一四年十二月三十一日止年度，本公司曾舉行三次董事會會議、兩次審核委員會會議、一次薪酬委員會會議、一次提名委員會會議及兩次股東大會。年內，每名董事出席董事會會議、董事委員會會議及股東大會的個別記錄載列如下，乃參考於其任期內所舉行的會議次數而呈列：

		Number of meetings attended/held 出席／舉行會議的次數					
Name of director	董事姓名	Note 附註	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	General meeting 股東大會
Executive Directors		執行董事					
Du Jian Jun	杜建軍	1	2/3	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Ji Kuang	嵇匡		1/3	N/A 不適用	N/A 不適用	N/A 不適用	1/2
Dato' Lim Ooi Hong	拿督林偉雄		2/3	N/A 不適用	N/A 不適用	1/1	1/2
Leung Wai Kwan	梁維君		2/3	N/A 不適用	N/A 不適用	N/A 不適用	2/2
Meng Xiao Ying	孟小英	2	3/3	N/A 不適用	N/A 不適用	N/A 不適用	2/2
Chong Cha Hwa	張家華	3	3/3	N/A 不適用	1/1	N/A 不適用	2/2
Independent Non-executive Directors		獨立非執行董事					
Wong Choi Kay	黃賽琦		1/3	2/2	1/1	1/1	1/2
Tan Tony	陳業強		1/3	1/2	N/A 不適用	N/A 不適用	1/2
Cheung Ning	張寧	4	1/1	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Chan Kin Ho Philip	陳建豪	5	1/1	1/1	0/0	0/0	0/0
Tian Jinghua	田晶華	6	1/1	1/1	0/0	0/0	0/0
Chong Lee Chang	張爾泉	7	1/3	1/2	1/1	1/1	0/2

Note:

附註：

- Mr. Du Jian Jun was appointed the Chairman of the Board and Executive Director on 16 June 2014.
- Ms. Meng Xiao Ying was appointed the Executive Director on 26 February 2014.
- Mr. Chong Cha Hwa was appointed the Executive Director on 26 February 2014 and resigned as an Executive Director on 30 October 2014.
- Mr. Cheung Ning was appointed the Independent Non-executive Director on 17 June 2014.
- Mr. Chan Kin Ho Philip was appointed the Independent Non-executive Director on 22 July 2014.
- Ms. Tian Jinghua was appointed the Independent Non-executive Director on 23 July 2014.
- Mr. Chong Lee Chang resigned as an Independent Non-executive Director on 23 July 2014.

- 杜建軍先生於二零一四年六月十六日獲委任為董事會主席兼執行董事。
- 孟小英女士於二零一四年二月二十六日獲委任為執行董事。
- 張家華先生於二零一四年二月二十六日獲委任為執行董事，並於二零一四年十月三十日辭任執行董事。
- 張寧先生於二零一四年六月十七日獲委任為獨立非執行董事。
- 陳建豪先生於二零一四年七月二十二日獲委任為獨立非執行董事。
- 田晶華女士於二零一四年七月二十三日獲委任為獨立非執行董事。
- 張爾泉先生於二零一四年七月二十三日辭任獨立非執行董事。

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Minutes of the Board and Board Committees meetings have been recorded in sufficient details including any matters considered in the meetings, decisions reached and concerns or queries raised by the Directors or dissenting views expressed. Draft and final versions of minutes of the Board and Board Committees are sent to all Directors or Committee members for comments and records respectively within a reasonable time after the meeting.

COMPANY SECRETARY

Ms. Chu Lai Shan Sammie was appointed as the Company Secretary of the Company on 16 June 2014. Pursuant to rule 3.29 of the Listing Rules, Ms. Chu has taken no less than 15 hours of relevant professional training during the year ended 31 December 2014.

The Company Secretary is responsible to the Board for ensuring that board procedures are followed and the board is fully briefed on all legislative, regulatory and corporate governance developments and that it has regard to them when making decisions.

INTERNAL CONTROL

The Board acknowledges its responsibility for maintaining a sound and effective internal control system for the Company to safeguard investments of the Shareholders and assets of the Company at all times.

The Board has conducted a review of the effectiveness of the system of internal control of the Group in 2014. The Board has not taken a different view from that of the Audit Committee regarding the selection, resignation or dismissal of the external auditors.

The system of internal control aims to help achieving the business objectives of the Company, safeguarding assets and maintaining proper accounting records for the provision of reliable financial information. The system is designed to provide reasonable, but not absolute assurance against material misstatement in the financial statements or loss of assets and to manage rather than eliminate risks of failure when business objectives are being sought.

董事會及董事委員會會議的會議記錄已詳細記錄會議內容，包括於會上考慮的任何事項、董事達成的決定及彼等關注的問題、提出的疑問或表達的反對意見。董事會及董事委員會的會議記錄草稿及最終版本將於會議結束後合理時間內寄發予所有董事或委員會成員，以供彼等評論及記錄。

公司秘書

於二零一四年六月十六日，朱麗珊女士獲委任為本公司的公司秘書。根據上市規則第3.29條，於截至二零一四年十二月三十一日止年度內，朱女士已參與不少於15小時的相關專業培訓。

公司秘書須向董事會負責，確保董事會程序獲得遵守及董事會於作出決策時獲得全面簡報一切有關立法、規管及企業管治之發展。

內部監控

董事會知悉其有責任為本公司維持良好有效之內部監控系統，以於任何時候保障股東的投資及本公司的資產。

董事會已檢討本集團二零一四年內部監控系統的成效。董事會並無就甄選、辭退或罷免外聘核數師與審核委員會意見相佐。

內部監控系統旨在協助本公司達致業務目標、保障資產及妥善保存會計記錄以提供可靠財務資料。該系統專為合理但非絕對保證在達致業務目標過程中，避免財務報表出現重大錯誤陳述或資產損失，以及控制而非消除業務風險而設。

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The following are the key processes which the Board has adopted in reviewing the adequacy and integrity of the system of internal control for the Company:

- Monitoring mechanisms and management style — Directors attend periodic meetings of the Board. The Board Committees and the management of the Company represent the main platform by which the performance and conduct of the Company are monitored. The daily operations of business are entrusted to the Chairman, the Chief Executive Officer and the management team. Under the purview of the Chairman and the Chief Executive Officer, the respective heads of each operating department of the Company are empowered with the responsibility to manage their respective operations. The Board is responsible for setting the business direction and overseeing the conduct of the operations of the Company with the aid of various Board Committees.
- Enterprise risk management framework — The Board recognises that an effective risk management framework will allow the Company to identify, evaluate and manage risks that affect the achievement of business objectives of the Company within defined risk parameters in a timely and effective manner. Through scheduled periodic meetings, the Board identifies the risks affecting the Company and evaluates the effectiveness of the existing controls to determine whether any mitigation action plans need to be formulated accordingly. The risk management framework of the Company is progressively being built up as the operations of the Smelter are rammed up.

The Company's internal control audit function is outsourced to professional internal control audit service providers to ensure its independency without involvement in the operations of the Company. The outsourced internal control auditors are responsible for reviewing and appraising the effectiveness of risk management, internal control and corporate governance processes in the Company and reports directly to the Audit Committee.

The Audit Committee has full and direct access to the outsourced internal control auditors, reviews the reports on all audits performed and monitors the audit performance. The Audit Committee also reviews the adequacy of the scope, functions, competency and resources of the outsourced internal control audit functions.

以下為董事會檢討本公司內部監控系統是否足夠及完整時採用之主要程序：

- 監控機制及管理模式 — 董事須出席董事會的定期會議。本公司業績及表現主要由本公司董事委員會及管理層負責監督，而日常業務營運則由主席、行政總裁及管理團隊負責。主席及行政總裁授權本公司各營運部門的相關負責人管理所屬部門的營運。董事會負責制定業務方向並在各董事委員會的協助下監督本公司業務營運。
- 企業風險管理架構 — 董事會深明有效的風險管理架構可讓本公司及時且有效地按既定風險參數識別、評估及控制可影響本公司達成業務目標之風險。董事會將透過定期會議確定影響本公司之風險及評估現行監控系統的成效，以衡量是否須因應有關情況制定任何應對計劃。本公司的風險管理架構正隨著冶煉廠業務的加入而穩步建立。

本公司之內部監控審核工作已外判予專業內部監控審核服務供應商，確保其身份獨立且並無參與本公司業務。外判內部監控核數師負責檢討及評價本公司的風險管理、內部監控及企業管治程序的效能，並直接向審核委員會報告。

審核委員會可隨時直接聯絡外判內部監控核數師，審閱所有審核工作報告及監督審核的工作。審核委員會亦會檢討外判內部監控核數工作的範疇、職能、競爭能力及資源是否充足。

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The outsourced internal control auditors will carry out internal control audits on various operating units within the Company based on the audit plan approved by the Audit Committee. Based on these audits, they will provide the Audit Committee with periodic reports highlighting observations, recommendations and management action plans to improve the system of internal control.

There were no material losses incurred during the current financial year as a result of weaknesses in internal control. The management will continue to take adequate measures to strengthen the control environment in which the Company operates.

The improvement of the system of internal control is an on-going process and the Board maintains an on-going commitment to strengthen the control environment and processes of the Company.

SHAREHOLDERS' RIGHT

Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to Section 566 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), the Shareholder(s) representing at least 5% of the total voting rights of all the members having a right to vote at general meetings may request the Board to convene an extraordinary general meeting. The related requisition must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request(s) must be signed by the Shareholder(s) who requested to convene the meeting and deposited at the registered office of the Company or sent to the Company via email at info@dinghemining.com.hk.

外判內部監控核數師根據經審核委員會批准的審核計劃對本公司內各營運單位進行內部監控審核。彼等將根據此等審核，向審核委員會定期報告調查結果、建議及改善內部監控系統的管理跟進措施。

本財政年度內，並無因內部監控弱點而導致重大虧損。管理層將繼續採取足夠措施加強監控本公司的營運環境。

內部監控系統須不斷改良，董事會承諾將持續致力加強本公司監控環境及程序。

股東權利

股東召開股東特別大會的程序

根據香港法例第622章公司條例第566條，佔全體有權於股東大會上表決的股東的總表決權最少5%的股東，可向董事會提出請求召開股東特別大會。有關請求書必須列明大會上處理的事務的一般性質，亦可包含在該大會上恰當地動議並擬於該大會上動議的決議案的文本。該請求書必須由要求召開大會的股東簽署及遞交至本公司的註冊辦事處或傳送至本公司的電郵地址 info@dinghemining.com.hk。

CORPORATE GOVERNANCE REPORT

企業管治報告

Procedures for Directing Shareholders' Enquiries and Proposals to the Board

To foster regular and contribute two-way communications amongst the Company, its Shareholders and potential investors, the Chief Executive Officer is designated to respond to enquiries and proposals from Shareholders as well as the public. Enquiries and concerns of the Shareholders and other stakeholders can be made in writing to the Chief Executive Officer via the following contact details:

By mail : Flat B, 21st Floor,
Neich Tower,
128 Gloucester Road,
Wanchai, Hong Kong
By fax : (852) 2598 0188
By email : info@dinghemining.com.hk

Shareholders may also make enquiries to the Board at the general meetings of the Company.

Communications with Shareholders

The Board recognises the importance of effective communication with Shareholders. Information in relation to the Group is disseminated to Shareholders in a timely manner through a number of formal channels including interim and annual reports, announcements and circulars. Such published documents together with the latest corporate information and news are also made available on the websites of the Company and the Stock Exchange.

股東向董事會提出查詢及建議的程序

為促進本公司、其股東與潛在投資者之間定期互相溝通，行政總裁獲委派回應股東以及公眾的查詢及建議。股東及其他持份者可透過以下聯絡詳情向行政總裁書面提出查詢及關注事項：

郵寄 : 香港灣仔
告士打道 128 號
祥豐大廈
21 樓 B 室
傳真 : (852) 2598 0188
電郵 : info@dinghemining.com.hk

股東亦可於本公司股東大會上向董事會提出查詢。

與股東之溝通

董事會深明與股東保持有效溝通之重要性。有關本集團之資料乃按時透過多種正式途徑向股東傳達，包括中期及年度報告、公告及通函。該等刊發文件連同最近期之公司資料及消息亦已於本公司及聯交所網站內登載。

CORPORATE GOVERNANCE REPORT

企業管治報告

The annual general meeting and extraordinary general meetings of the Company are valuable platforms for the Board to communicate directly with the Shareholders. The Chairman actively participates at annual general meeting(s) and personally chairs the meeting to answer any question to ensure effective communication with the Shareholders. The chairman of the Audit Committee, Remuneration Committee and Nomination Committee or in their absence, another member of the respective committees or failing that their respective duly appointed delegate, are also available to answer Shareholders' queries at annual general meeting(s) and extraordinary general meetings. The chairman of any independent board committee formed as necessary or pursuant to the Listing Rules (or if no such chairman is appointed, at least a member of the independent board committee) will also be available to answer questions at any general meeting(s) to approve a connected transaction or any other transactions that are subject to independent Shareholders' approval. Separate resolutions are proposed at the general meetings for each substantial issue, including the re-election of retiring Directors. The notice to Shareholders is to be sent in the case of an annual general meeting at least 20 clear business days before the meeting and to be sent at least 10 clear business days before the meeting in the case of all other general meetings. An explanation on the detailed procedures for conducting a poll is provided to the Shareholders at the commencement of the meeting and the Chairman will answer any questions from Shareholders concerning poll vote. The poll results are published in the manner prescribed under the requirements of the Listing Rules.

本公司股東週年大會及股東特別大會乃董事會直接與股東溝通之寶貴平台。為確保與股東之有效溝通，主席積極參與並親自主持股東週年大會以回應股東之任何查詢。審核委員會、薪酬委員會及提名委員會主席，或在主席缺席時由各自委員會之另一名成員（或如該等成員未能出席，則彼等各自正式委任的代表）於股東週年大會及股東特別大會上回答股東提問。任何須予成立或根據上市規則成立之獨立董事委員會之主席（或倘並無委任該主席，則至少一名獨立董事委員會成員）亦會出席任何就批准關連交易或須獲獨立股東批准之任何其他交易而召開之股東大會，以回答提問。每項重大事項（包括重選退任董事）均於股東大會提呈獨立決議案。就股東週年大會而言，股東通告將於大會舉行前至少足20個營業日發送，而就所有其他股東大會而言，股東通告將於大會舉行前至少足10個營業日發送。以股數投票方式進行表決之詳細程序乃於大會開始時向股東解釋，而主席會解答股東任何有關投票表決之問題。股數投票結果將根據上市規則規定之方式刊發。

AUDITOR'S REMUNERATION

An analysis of the remuneration payable to the independent auditor of the Company, Baker Tilly Hong Kong Limited, to perform audit and non-audit services for the year ended 31 December 2014 is as follows:

核數師酬金

截至二零一四年十二月三十一日止年度，就本公司獨立核數師天職香港會計師事務所有限公司提供的核數服務及非核數服務而支付的酬金分析如下：

		For the year ended 31 December 截至十二月三十一日止年度 2014 二零一四年	
		2013 二零一三年	
Services rendered	所提供服務		
Audit service	核數服務	870,000	870,000
Non-audit service	非核數服務	120,000	235,000

CORPORATE GOVERNANCE REPORT

企業管治報告

The non-audit services include professional services in relation to the Company's interim results and preliminary announcements.

OTHER SPECIFIC DISCLOSURES

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 18 July 2014 and the approval granted by the Registrar of Companies in Hong Kong Special Administrative Region on 1 August 2014, the name of the Company has been changed from "CVM Minerals Limited 南亞礦業有限公司" to "Ding He Mining Holdings Limited 鼎和礦業控股有限公司".

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 18 July 2014, the Company has adopted the new Articles of Association to (a) facilitate the creation of the new class of convertible preference shares as contemplated under the capitalisation agreements in accordance with the loan capitalisation as detailed in the circular of the Company dated 24 June 2014; and (b) bring the Articles of Association into the line with the position of the new Companies Ordinance (Cap. 622) which took effect on 3 March 2014. The Articles of Association was published on the websites of the Stock Exchange and the Company.

Each Director understands and acknowledges his/her responsibility for the preparation and the true and fair presentation of the financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The statement of auditors about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report.

非核數服務包括就本公司中期業績及初步公告提供之專業服務。

其他特別披露事項

根據本公司於二零一四年七月十八日舉行之股東特別大會上通過之特別決議案及香港特別行政區公司註冊處處長於二零一四年八月一日授出之批文，本公司名稱已由「CVM Minerals Limited 南亞礦業有限公司」更改為「Ding He Mining Holdings Limited 鼎和礦業控股有限公司」。

根據本公司於二零一四年七月十八日舉行之股東特別大會上通過之特別決議案，本公司已採納新組織章程細則以 (a) 根據貸款資本化促成資本化協議項下擬增設新類別可轉換優先股（詳述於本公司日期為二零一四年六月二十四日之通函內）；及 (b) 令組織章程細則與自二零一四年三月三日生效之新公司條例（第622章）一致。組織章程細則已於聯交所及本公司網站上刊發。

各董事明白及深諳須根據香港會計師公會頒佈的香港財務報告準則及香港公司條例編製及真實公平呈列財務報表之責任。該責任包括設計、實施及保持與編製及真實而公平地呈列財務報表相關的內部控制，使財務報表不存在因欺詐或錯誤而導致的重大錯誤陳述，選擇及應用適當的會計政策及按情況作出合理會計估計。核數師就其對財務報表之申報責任所作聲明載於獨立核數師報告。

BOARD OF DIRECTORS 董事會

EXECUTIVE DIRECTORS

DU JIAN JUN, *Chairman*

Mr. Du Jian Jun, aged 58, is the Chairman and Executive Director of the Company. He has over 30 years of working experience in managing various businesses in the People's Republic of China. Mr. Du is currently an executive director of Sing Pao Media Enterprises Limited, a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. He is also the vice-manager of Halls China Strategies Company Limited, which is specialised in the provision of venture capital service.

JI KUANG, *Vice Chairman*

Mr. Ji Kuang, aged 54, is the Vice Chairman and Executive Director of the Company. He graduated from Nanjing University of Chinese Medicine with a Bachelor Degree of Chinese medicine in 1989. Mr. Ji has 20 years of experience in corporate management, property development, construction management and marketing. He was the chief manager of Federation of Returned Overseas Chinese Industry and Trade Group in Wuxi County and Federation of Returned Overseas Chinese Real Estate Development Company Limited in Wuxi City during the period from 1992 to 1999. He was then promoted as the chairman of Federation of Returned Overseas Chinese Real Estate Development Company Limited in Wuxi City during the period from April 1999 to November 2009. He is the current chairman of the Wuxi Yuqi Datang Real Estate Company Ltd. Mr. Ji is also the chairman of presidium of World Chinese-Overseas-Trade Union General Attestation ("WCUGA") and a minister of the investment department of WCUGA. WCUGA is founded in 1986, which unites Chinese elites and Oversea-Chinese.

FAN WEIPENG

Mr. Fan Weipeng, aged 44, graduated from Guangzhou Normal School (廣州師範學校). He has been the chairman of Guangzhou Luyin Investment Co., Ltd. (廣州魯銀投資有限公司) and Beijing Zhongcai Ronghe Culture Media Co., Ltd. (北京中彩融合文化傳媒有限公司) since 2006. Mr. Fan has been engaged in financial assets and capital management for many years with extensive experience in restructuring, mergers and acquisitions, investment in and financing for initial public offering and leasing of real estate in China.

執行董事

杜建軍, *主席*

杜建軍先生，58歲，為本公司主席兼執行董事。彼擁有逾30年在中華人民共和國管理多項不同業務之工作經驗。杜先生現時為成報傳媒集團有限公司（於香港聯合交易所有限公司創業板上市之公司）之執行董事。彼亦為霍氏中國策略有限公司之副經理，該公司專門提供創投服務。

嵇匡, *副主席*

嵇匡先生，54歲，為本公司副主席兼執行董事。彼於一九八九年畢業於南京中醫藥大學，獲得醫學士學位。嵇先生於企業管理、房地產開發、施工管理及市場營銷擁有20年經驗。彼於一九九二年至一九九九年期間擔任無錫縣僑聯工貿總公司及無錫市僑聯房產開發有限公司之總經理。彼其後於一九九九年四月至二零零九年十一月期間晉升為無錫市僑聯房產開發有限公司董事長。彼現為無錫玉祁大唐置業有限公司董事長。嵇先生亦為世界華人華僑華商聯合總會（「世界華人華僑華商聯合總會」）主席團主席及投資部部長。世界華人華僑華商聯合總會成立於一九八六年，集合世界各地華人精英及華僑。

范偉鵬

范偉鵬先生，44歲，於廣州師範學校畢業。彼自二零零六年起出任廣州魯銀投資有限公司及北京中彩融合文化傳媒有限公司董事長。范先生從事金融資產和資本管理多年，具有豐富的重組、併購、首次公開發售之投融資及中國房地產租賃的經驗。

BOARD OF DIRECTORS 董事會

LEUNG WAI KWAN, *Chief Executive Officer*

Mr. Leung Wai Kwan, aged 51, is the Executive Director, Chief Executive Officer and Authorised Representative of the Company. Mr. Leung has been the Vice President, Business Development (Asia) of the Company since 1 March 2010. He continues in a business development role for the Company. Mr. Leung holds a Bachelor Degree of Business Administration in Finance from The Queen's University of Brighton, United States of America. Prior to joining the Company in March 2010, he was a principal of a local audit firm and the managing director of a consulting firm providing services of secretarial, taxation and corporate finance consultancy. Mr. Leung was an executive director of two companies listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") for more than seven years until 2004 and 2005 respectively, and has extensive experience in merger and acquisition activities, financial management and corporate compliance. Mr. Leung is currently an independent non-executive director of Yi Hua Department Store Holdings Limited, the shares of which are listed on the Stock Exchange.

DATO' LIM OOI HONG

Dato' Lim Ooi Hong, aged 38, is the Executive Director of the Company. Dato' Lim graduated from RMIT University with a Bachelor' Degree in Business (Business Administration) in 1998. Dato' Lim's contribution to the development of the Company began from inception, as he was a member of the task force established in February 2004 to develop the magnesium business. He was conferred with the title of Dato' on 26 December 2013. Prior to joining the Company, Dato' Lim was involved in special projects relating to the exploration and processing of zircon and kaolin, both non-ferrous metals, in Kalimantan, Indonesia and a tin mining project in Bentong, Pahang, Malaysia. Dato' Lim was appointed as managing director and chief executive officer of Ho Wah Genting Berhad on 30 August 2012, a public limited company incorporated under Malaysian law in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

梁維君，*行政總裁*

梁維君先生，51歲，為本公司執行董事、行政總裁及授權代表。梁先生自二零一零年三月一日起擔任本公司業務發展(亞洲)副總裁。彼將繼續在本公司擔任業務開發職務。梁先生畢業於美利堅合眾國皇家白禮頓大學，持有工商管理(財務)學士學位。於二零一零年三月加入本公司之前，彼曾為當地審計所的負責人，並在一間提供秘書服務、稅務及企業融資顧問服務的諮詢公司擔任董事總經理。彼曾擔任兩間香港聯合交易所有限公司(「**聯交所**」)主板上市公司的執行董事達七年之久，分別直至二零零四年及二零零五年為止，在併購活動、財務管理及公司合規等方面積累豐富經驗。梁先生現時為聯交所上市公司益華百貨控股有限公司之獨立非執行董事。

拿督林偉雄

拿督林偉雄，38歲，為本公司執行董事。林拿督於一九九八年畢業於墨爾本皇家理工大學並獲取商學(工商管理)學士學位。林拿督由彼加入於二零零四年二月成立的專項小組發展鎂業務開始為本公司發展作出貢獻。彼於二零一三年十二月二十六日獲頒授為拿督。加入本公司前，林拿督曾參與印度尼西亞加里曼丹的鋯石及瓷土(兩者均為有色金屬)的勘探及加工相關的專項和馬來西亞彭亨州(Pahang)文冬區(Bentong)的錫礦項目。於二零一二年八月三十日，林拿督獲委任為Ho Wah Genting Berhad(一間根據馬來西亞法律於馬來西亞註冊成立及於馬來西亞證券交易所主板上市的公眾有限公司)的董事總經理及行政總裁。

BOARD OF DIRECTORS 董事會

MENG XIAO YING

Ms. Meng Xiao Ying, aged 45, is the Executive Director of the Company. She is a lawyer and the founding partner of Guangdong Huishang Law Firm (廣東惠商律師事務所). She graduated from the Department of Law of Xiangtan University in Hunan. She was assigned to work in Hunan Heshan Justice Bureau in 1990. She was admitted as a lawyer with excellent results in 1992 and was sent by Justice Bureau for the formation of Heshan Second Law Firm (赫山區第二律師事務所) in the same year. Since then, she started her career as a professional lawyer. Afterwards, she worked as a professional lawyer in Hunan Zhenli Law Firm (湖南真理律師事務所) from 1994 to 2000 and co-founded Guangdong Huishang Law Firm (廣東惠商律師事務所) in 2000 and founded Guangdong Huanding Law Firm (廣東環鼎律師事務所) in 2014. Her distinct style and characteristic of effectiveness in case handling has been established in the practice for law for over 20 years. She has extensive working experience as a lawyer, and has handled numerous non-litigation legal affairs, such as economical, civil and criminal cases and issuance of legal opinion and feasibility studies reports. Since the practice of law in Shenzhen, she has assisted in the successful listing of several units who sought for legal advice and received their appreciations. Ms. Meng is currently an executive director of Sing Pao Media Enterprises Limited, a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

ZHENG CHANGXING

Mr. Zheng Changxing, aged 52, holds his bachelor and master degrees from Sun Yat-sen University. He previously worked as senior management for NEC Guangzhou Representative Office and Siemens China Limited and chief representative and president of Marconi China Limited. He was also the chief operation officer of China Netcom Corporation Co. Ltd., founder and chief executive officer of China Netcom Broadband Co Ltd., founder and vice president of Beijing Financial Assets Exchange Co. Ltd., chairman of Strait Financial Assets Exchange Co. Ltd., secretary general of Beijing Private Equity Association, and secretary general of China Venture Capital Association, founder and chief executive officer of United Platform Technology (China) Co. Ltd., venture partner of SAIF Partners and partner of SAIF RMB Fund. Mr. Zheng is currently the independent director of Yunnan Tin Company Limited, the shares of which are listed on Shenzhen Stock Exchange. He is also the chairman of Beijing China Sky Investment Holdings Co. Ltd., China Overseas Investment Co. Ltd. and chairman of PKU PE Investment Union. Mr. Zheng has many years of experience in corporate management, investment management and corporate financing.

孟小英

孟小英女士，45歲，為本公司執行董事。彼為律師及廣東惠商律師事務所發起合夥人。彼畢業於湖南湘潭大學法律系，一九九零年分配在湖南赫山區司法局工作，一九九二年以優異的成績取得律師資格，並於同年被司法局派遣組建赫山區第二律師事務所，從此開始了專職律師的生涯。之後，彼於一九九四年至二零零零年在湖南真理律師事務所擔任專職律師，二零零零年合夥創辦廣東惠商律師事務所，並於二零一四年創辦廣東環鼎律師事務所。彼在二十多年的律師執業中形成了獨特的辦案風格和卓有成效的辦案特色，具有豐富的律師工作經驗，辦理了大量的經濟、民事及刑事案件以及出具法律意見書及可行性研究報告等非訴訟法律事務。自深圳執業以來，彼協助多家法律顧問單位成功上市，得到顧問單位的好評。孟女士現時為成報傳媒集團有限公司（於香港聯合交易所有限公司創業板上市之公司）之執行董事。

鄭昌幸

鄭昌幸先生，52歲，持有中山大學學士及碩士學位。彼曾於NEC廣州代表處及西門子中國有限公司任高級管理層，並曾於馬可尼中國有限公司於中國的首席代表及總裁，彼亦曾任中國網路通信有限公司之運營總裁，同時曾為中國網通寬帶網絡有限責任公司創始人及行政總裁，也曾是北京金融資產交易所有限公司發起人及副董事長、海峽金融資產交易所有限公司董事長、北京股權投資基金協會秘書長、中國創投委委會秘書長、尚陽科技（中國）有限公司之創辦人及行政總裁、軟銀賽富基金投資合夥人及人民幣基金合夥人。鄭先生現為雲南錫業股份有限公司之獨立董事，其股份於深圳交易所上市。彼亦為北京中天智慧投資股份有限公司、中海外投資有限公司之董事長及北大PE投資聯盟理事長。鄭先生於企業管理、投資管理及企業融資方面擁有多年經驗。

BOARD OF DIRECTORS

董事會

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHAN KIN HO PHILIP

Mr. Chan Kin Ho Philip, aged 37, was appointed the Independent Non-executive Director of the Company on 22 July 2014. He was graduated from the University of Hong Kong with a bachelor's degree in business administration in accounting and finance. Mr. Chan is a certified public accountant under the Hong Kong Institute of Certified Public Accountants and a member of The Association of Chartered Certified Accountants. Mr. Chan is also a chartered financial analyst. Mr. Chan has over 15 years of experience in finance, accounting, external and internal auditing in both Hong Kong and the People's Republic of China. Mr. Chan had worked in the assurance and advisory department of Deloitte Touche Tohmatsu Limited and KPMG and as a business area controller in the financial controlling division of Deutsche Bank AG. Mr. Chan was the group financial controller of Xinhua Sports & Entertainment (HK) Limited, a wholly-owned subsidiary of Xinhua Sports & Entertainment Limited, the shares of which are currently traded on the American over-the-counter (pink sheets) market and was the vice president — finance for Tiger Media, Incorporation (formerly known as SearchMedia Holdings Limited), a company listed on American Stock Exchange. He was also an independent non-executive director of China Machinery Engineering Corporation. Mr. Chan is currently an executive director of Willing International Capital (Shanghai) Company Limited and a company secretary of China Digital Culture (Group) Limited.

CHEUNG NING

Mr. Cheung Ning, aged 35, was appointed the Independent Non-executive Director of the Company on 17 June 2014. He has been the Vice President of Atlas Global Oil and Gas Group Limited since 2010. He is mainly responsible for business management and has extensive experience in mergers and acquisitions as well as corporate financing. Since 2008, Mr. Cheung has been the Marketing Manager of Shenyin Wanguo Securities (H.K.) Limited, an investment bank in Hong Kong. Mr. Cheung has over five years of practical experience in Hong Kong capital market and corporate financing. During 2009 and 2010, Mr. Cheung was an Operations Assistant of Sino Union Energy Investment Group Limited (currently known as Yanchang Petroleum International Limited), a company listed on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") and had solid experience in China market and business operation management. Mr. Cheung is also currently an independent non-executive director of Sing Pao Media Enterprises Limited, a company listed on the Stock Exchange.

獨立非執行董事

陳建豪

陳建豪先生，37歲，於二零一四年七月二十二日獲委任為本公司獨立非執行董事。彼畢業於香港大學，取得工商管理學學士（會計及財務）學位。彼為香港會計師公會之執業會計師及特許公認會計師公會會員。陳先生亦為特許財務分析師。陳先生在香港及中華人民共和國之金融、會計以及外部及內部審核方面累積逾15年經驗。陳先生曾於德勤。關黃陳方會計師行及畢馬威會計師事務所之鑑證及顧問部任職，亦曾出任德意志銀行財務監控部之業務監控員。陳先生曾出任新華悅動傳媒有限公司（其股份現於美國場外交易（粉紅價單）市場買賣）之全資附屬公司新華悅動傳媒（香港）有限公司之集團財務總監，彼亦曾出任美國證券交易所上市公司Tiger Media, Incorporation（前稱SearchMedia Holdings Limited）之副總裁 — 財務。彼曾出任中國機械設備工程股份有限公司之獨立非執行董事。陳先生現為威菱投資諮詢（上海）有限公司之執行董事，並為中國數碼文化（集團）有限公司之公司秘書。

張寧

張寧先生，35歲，於二零一四年六月十七日獲委任為本公司獨立非執行董事。彼自二零一零年起出任陸海石油天然氣集團有限公司副總裁。彼主要負責企業管理，於併購及企業融資方面具有豐富經驗。自二零零八年，張先生出任香港一家投資銀行申銀萬國證券（香港）有限公司營業經理。張先生在香港資本市場及企業融資積逾五年實踐經驗。於二零零九年至二零一零年間，張先生曾任香港聯合交易所有限公司（「**聯交所**」）上市公司中聯能源投資集團有限公司（現稱延長石油國際有限公司）營業助理，對中國市場及企業經營擁有實際管理經驗。張先生現時亦出任聯交所上市公司成報傳媒集團有限公司之獨立非執行董事。

BOARD OF DIRECTORS 董事會

TIAN JINGHUA

Ms. Tian Jinghua, aged 53, is a member of All China Lawyers Association and Beijing Lawyers Association. Ms. Tian was awarded a master degree in Law from Jilin University in 1992. She also served successive terms as committee member of the Professional Committee of Civil Procedure Law under Beijing Lawyers Association (北京市律協民事訴訟法歷屆專業委員會). Ms. Tian has over 20 years' experience in the legal profession, and served as a legal advisor in Beijing Vanke Real Estate Development Company (萬科房地產北京開發公司), a state-owned enterprise. Ms. Tian is currently a committee member of the 9th Professional Committee of Civil Procedure Law under Beijing Lawyers Association (北京市律協第九屆民事訴訟法專業委員會) and a committee member of Beijing Women Lawyers Association (北京市女律師聯誼會). At the same time, she also serves as a lawyer of China Capital First Fifty Women Volunteer Corps (中國首都首屆五十名巾幗志願團), the first lawyer of Beijing Municipal People's Government 148 Legal Aid (北京市人民政府148法律援助), a legal advisor for women's rights of Fengtai District, Beijing, a volunteer lawyer of Beijing Municipal Government 96156 Community (北京市政府96156社區), a lawyer of Women's Federation of Beijing, a volunteer lawyer of Federation of Trade Unions, as well as a lawyer for legal services of Wangjing District and legal services of Beijing Women's Prison.

田晶華

田晶華女士，53歲，為中華全國律師協會會員及北京市律師協會會員。田女士於一九九二年在吉林大學取得法學碩士學位。彼亦為北京市律協民事訴訟法歷屆專業委員會委員。田女士在律師專業擁有逾二十年經驗，並曾擔任央企公司萬科房地產北京開發公司之法律顧問。田女士現任北京市律協第九屆民事訴訟法專業委員會委員、北京市女律師聯誼會委員。同時，彼亦擔任中國首都首屆五十名巾幗志願團律師和北京市人民政府148法律援助首屆律師、北京市豐台區婦女維權法律顧問、北京市政府96156社區志願律師、北京市婦聯、北京市總工會志願律師、望京小區法律服務、北京女子監獄法律服務。

DIRECTORS REPORT

董事會報告

The directors (“**Directors**”) of Ding He Mining Holdings Limited (“**Ding He**” or the “**Company**”, together with its subsidiaries, the “**Group**”) hereby present their report together with the audited financial statements of the Group for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 17 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2014 are set out in the consolidated statement of profit or loss on page 75.

FINAL DIVIDENDS

The Board did not recommend the payment of any dividend for the year ended 31 December 2014 (2013: Nil).

PROPERTY, PLANT AND EQUIPMENT

Additions to property, plant and equipment of the Group for the year ended 31 December 2014 amounted to HKD6,252,098 (2013: HKD666,207). Details of the movements in property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 30(b) to the financial statements.

INTEREST CAPITALISED

No interest on bank loans have been capitalised for the year ended 31 December 2014 (2013: Nil).

RESERVES

Details of the movements in reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and note 30(a) to the financial statements respectively.

鼎和礦業控股有限公司(「**鼎和**」或「**本公司**」，連同其附屬公司，統稱「**本集團**」)的董事(「**董事**」)謹此提呈截至二零一四年十二月三十一日止年度的報告及本集團經審核財務報表。

主要業務

本公司為投資控股公司。其附屬公司的主要業務載於財務報表附註17。

業績及分派

本集團截至二零一四年十二月三十一日止年度的業績載於綜合損益表第75頁。

末期股息

董事會不建議就截至二零一四年十二月三十一日止年度派付任何股息(二零一三年：無)。

物業、廠房及設備

本集團截至二零一四年十二月三十一日止年度的物業、廠房及設備添置為6,252,098港元(二零一三年：666,207港元)。本集團於本年度的物業、廠房及設備變動詳情載於財務報表附註13。

股本

本公司於本年度的股本變動詳情載於財務報表附註30(b)。

撥作資本之利息

截至二零一四年十二月三十一日止年度並無銀行貸款利息撥充資本(二零一三年：無)。

儲備

本集團及本公司於本年度的儲備變動詳情分別載於綜合權益變動表及財務報表附註30(a)內。

DIRECTORS REPORT

董事會報告

DISTRIBUTABLE RESERVES

As at 31 December 2014, the Company's reserves calculated under the provisions of Part 6 of the Hong Kong Companies Ordinance (Cap. 622), were represented by accumulated losses of HKD1,199,894,544 (2013: HKD1,120,200,345). At 31 December 2014 and 2013, there are no distributable reserves available to owners of the Company.

DIRECTORS

The Directors during the year and up to 23 April 2015 are:

Executive Directors

Mr. Du Jian Jun (*Chairman*) (appointed on 16 June 2014)
Mr. Ji Kuang (*Vice Chairman*) (re-designated on 16 June 2014)
Mr. Fan Weipeng (appointed on 16 March 2015)
Mr. Leung Wai Kwan (*Chief Executive Officer*)
Dato' Lim Ooi Hong (re-designated on 16 June 2014)
Ms. Meng Xiao Ying (appointed on 26 February 2014)
Mr. Zheng Changxing (appointed on 16 March 2015)
Mr. Chong Cha Hwa (appointed on 26 February 2014 and resigned on 30 October 2014)

Independent Non-executive Directors

Mr. Cheung Ning (appointed on 17 June 2014)
Mr. Chan Kin Ho Philip (appointed on 22 July 2014)
Ms. Tian Jinghua (appointed on 23 July 2014)
Mr. Chong Lee Chang (resigned on 23 July 2014)
Ms. Wong Choi Kay (resigned on 22 April 2015)
Mr. Tony Tan (resigned on 22 April 2015)

The biographical details of the Directors are set out under the section "Board of Directors" of this report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has any existing or proposed service contract with the Company or its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

可供分派儲備

於二零一四年十二月三十一日，根據香港公司條例第6部之條文計算，本公司的儲備為累計虧損1,199,894,544港元(二零一三年：1,120,200,345港元)。於二零一四年十二月三十一日及二零一三年十二月三十一日，本公司並無任何可供分派予公司股東的儲備。

董事

於本年度及截至二零一五年四月二十三日止的董事如下：

執行董事

杜建軍先生(主席)(於二零一四年六月十六日獲委任)
嵇匡先生(副主席)(於二零一四年六月十六日獲調任)
范偉鵬先生(於二零一五年三月十六日獲委任)
梁維君先生(行政總裁)
拿督林偉雄(於二零一四年六月十六日獲調任)
孟小英女士(於二零一四年二月二十六日獲委任)
鄭昌幸先生(於二零一五年三月十六日獲委任)
張家華先生(於二零一四年二月二十六日獲委任及於二零一四年十月三十日辭任)

獨立非執行董事

張寧先生(於二零一四年六月十七日獲委任)
陳建豪先生(於二零一四年七月二十二日獲委任)
田晶華女士(於二零一四年七月二十三日獲委任)
張爾泉先生(於二零一四年七月二十三日辭任)
黃賽琦女士(於二零一五年四月二十二日辭任)
陳業強先生(於二零一五年四月二十二日辭任)

董事的履歷詳情載於本報告「董事會」一節。

董事服務合約

概無董事與本公司或其附屬公司現訂有或擬訂立僱傭公司不可於一年內不付賠償(法定賠償除外)而終止之服務合約。

DIRECTORS REPORT

董事會報告

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the Independent Non-executive Directors, an annual confirmation of his/her independence pursuant to rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) (“**Listing Rules**”).

The Company considers all Independent Non-executive Directors to be independent.

EMOLUMENTS

Details of the emoluments of the Directors and the five highest paid individuals of the Group during the year are set out in notes 9 and 10 to the consolidated financial statements respectively.

DIRECTOR'S AND CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS

Save as disclosed under the headings “Continuing Connected Transactions” in the Report of the Directors and “Material Related Party Transactions” in note 37 to the financial statements, no Directors or controlling shareholder of the Company or their respective subsidiaries had a material interest, either directly or indirectly, in any contract of significance to the business of the Group and to which the Company, its subsidiaries, its fellow subsidiaries or its holding company was a party, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, to the best knowledge of the Directors, none of the Directors and their respective associates was considered to have any interests in the businesses which compete or were likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as Directors to represent the interests of the Company and/or the Group.

CONTRACTS OF SIGNIFICANCE

No contract of significance, to which the Company, the Company's subsidiaries or holding companies, or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year.

獨立非執行董事之獨立性

本公司已接獲各獨立非執行董事根據香港聯合交易所有限公司(「**聯交所**」)證券上市規則(「**上市規則**」)第3.13條之規定而發出之年度獨立性確認書。

本公司認為全體獨立非執行董事均為獨立人士。

薪酬

年內，董事及本集團五名最高薪酬人士的薪酬詳情分別載於綜合財務報表附註9及10。

董事及控股股東於合約的權益

除董事會報告「持續關連交易」一節及財務報表附註37「重大關連方交易」一節所披露者外，概無董事或本公司控股股東或彼等各自的附屬公司於本公司、其附屬公司、同系附屬公司或控股公司作為訂約方所簽訂的任何與本集團業務有重大關係且於年末或年內任何時間仍有效的合約中直接或間接擁有重大權益。

董事於競爭業務的權益

年內及截至本報告日期，就董事所知，概無董事及彼等各自之聯繫人被視為於與本集團業務構成或可能構成直接或間接競爭之業務(董事獲委任為董事以代表本公司及／或本集團權益的業務除外)中擁有任何權益。

重大合約

本公司、本公司附屬公司或控股公司，或同系附屬公司概無訂立於年終及年內任何時間仍然生效而董事於其中直接或間接擁有重大權益的重大合約。

DIRECTORS REPORT

董事會報告

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, the Company's subsidiaries or holding companies, or fellow subsidiaries, a party to any arrangements to enable Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2014, the Group had a total of approximately 80 employees (2013: 148 employees). Total staff costs (including Directors' emoluments), incurred for the year ended 31 December 2014 amounted to approximately HKD9,240,000 (2013: approximately HKD10,270,000). Remuneration packages of the Directors are recommended by the Remuneration Committee and approved by the Board. Employee remuneration will be determined by the management with reference to the performance, experience and industry practice.

SHARE OPTION SCHEME

The Company adopted a share option scheme ("Scheme") on 14 October 2008. The purpose of the Scheme is (i) to attract and retain the best quality personnel for the development of the Company's businesses; (ii) to provide additional incentives to the employees; (iii) to provide eligible participants with the opportunity to acquire proprietary interests in the Company; and (iv) to promote the long term financial success of the Company by aligning the interests of grantees to the Shareholders. Under the Scheme, the Board shall be entitled at any time (except for the period as defined under the Listing Rules whereby price sensitive event or a price sensitive matter has been the subject of a decision) within 10 years commencing on the date of adoption of the Scheme to make an offer for the grant of an option to any employee (including any officer or director, whether executive or non-executive, of the Company or its subsidiaries), and any consultant, adviser, supplier, customer or subcontractor of the Company or any other person determined by the Board as appropriate.

管理合約

年內，本公司並無就本公司整體業務或任何重要業務之管理及行政工作訂立或已有任何合約。

購買股份或債券之安排

年內，本公司、本公司附屬公司或控股公司，或同系附屬公司概無訂立任何安排，致使董事透過購入本公司或任何其他法人團體之股份或債券獲得利益。

僱員及薪酬政策

於二零一四年十二月三十一日，本集團共有約80名僱員（二零一三年：148名僱員）。截至二零一四年十二月三十一日止年度的員工成本（包括董事薪酬）總額約為9,240,000港元（二零一三年：約10,270,000港元）。董事薪酬由薪酬委員會建議並經董事會批准。僱員薪酬由管理層參考僱員表現及經驗以及行業慣例而釐定。

購股權計劃

本公司於二零零八年十月十四日採納一項購股權計劃（「該計劃」）。該計劃旨在(i)吸引及挽留精英人才發展本公司業務；(ii)為僱員提供額外獎勵；(iii)為合資格人士提供認購本公司股本權益的機會；及(iv)藉連繫承授人與股東的利益，促進本公司長期財務成就。根據該計劃，董事會有權自採納該計劃當日起計10年內隨時（不包括上市規則所界定之價格敏感事件或價格敏感事宜為決定對象之期間）向本公司任何僱員（包括本公司或其附屬公司的高級職員或執行或非執行董事）及本公司任何顧問、諮詢人、供應商、客戶或分包商或董事會決定的任何其他人士（如適用）授出購股權。

DIRECTORS REPORT

董事會報告

The shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes must not exceed 10% of the shares of the Company in issue from time to time. The maximum number of shares available for issue under options which may be granted under the Scheme and any other schemes of the Company must not in aggregate exceed 10% of the issued shares of the Company. The total number of shares of the Company issued and to be issued upon exercise of options (whether exercised or outstanding) in any 12-month period granted to each grantee must not exceed 1% of the shares of the Company in issue, such further grant shall be subject to separate approval by the Shareholders in general meeting with the relevant grantee and his associates abstaining from voting.

The subscription price in respect of any particular option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option but the subscription price shall not be less than whichever is the higher of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing prices of the shares of the Company 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 of the Company. An offer shall remain open for acceptance for a period of 28 days from the date of offer (or such longer period as the Board may specify in writing). HKD1.00 is payable by the grantee to the Company on acceptance of the offer of the option. The period within which the shares of the Company must be taken up under an option shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed 10 years from the date of grant of the relevant option.

During the year ended 31 December 2014, no option has been granted or agreed to be granted under the Scheme.

可能因行使根據該計劃及任何其他計劃授出的所有未行使並仍可獲行使的購股權而發行的股份數目，不得超過本公司不時已發行股份的10%。可能因行使根據該計劃及本公司任何其他計劃授出的購股權而發行的股份總數，不得超過本公司已發行股份的10%。各承授人於任何12個月期間行使所獲授的購股權（無論是否已行使或尚未行使）而獲發行及可獲發行的本公司股份總數，不得超過本公司已發行股份的1%。進一步授出購股權須於股東大會上獲股東的獨立批准，且有關承授人及其聯繫人不得於會上投票。

任何特定購股權的認購價須為董事會於授出有關購股權時全權釐定的價格，惟認購價不得低於以下較高者：(i) 於授出日期本公司股份在聯交所每日報價表所列收市價；(ii) 緊接授出日期前五個營業日本公司股份在聯交所每日報價表所列收市價的平均價；及(iii) 本公司股份面值。購股權建議於建議日期起計28日期間（或董事會可書面訂明的較長期間）可供接納。承授人接納購股權建議時須向本公司支付1.00港元。董事會授出購股權時全權酌情釐定根據購股權認購本公司股份的期限，惟該期限不得超過授出有關購股權日期起計10年。

於截至二零一四年十二月三十一日止年度，概無根據該計劃授出或同意授出購股權。

DIRECTORS REPORT

董事會報告

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2014, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be (i) 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 the Directors and the chief executive have taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company under section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Company ("Model Code") as set out in Appendix 10 to the Listing Rules, were as follows:

董事於證券之權益

於二零一四年十二月三十一日，各董事及本公司主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有須(i)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之權益及淡倉（包括根據證券及期貨條例之有關條文董事及主要行政人員被當作或視為擁有之權益及淡倉）；(ii)記錄於本公司根據證券及期貨條例第352條存置之登記冊之權益及淡倉；或(iii)根據上市規則附錄10所載本公司董事進行證券交易的標準守則（「標準守則」）知會本公司及聯交所之權益及淡倉如下：

Director 董事	Note 附註	Capacity 身份	Total number of ordinary shares interested or deemed to be interested (Long positions) 擁有權益或 視為擁有權益之 普通股總數（好倉）	Approximate percentage of total issued share capital of the Company 佔本公司全部 已發行股本之 概約百分比
Leung Wai Kwan 梁維君	1	Beneficial owner and interest of spouse 實益擁有人及配偶權益	4,049,500	0.16%

Note:

- Mr. Leung Wai Kwan is legally and beneficially interested in 725,000 shares of the Company and his spouse owns 3,324,500 shares of the Company. By virtue of SFO, Mr. Leung is deemed to be interested in the same block of shares in which his spouse is interested.

附註：

- 梁維君先生合法及實益擁有725,000股本公司股份之權益，而彼之配偶擁有3,324,500股本公司股份。根據證券及期貨條例，梁先生被視為於彼之配偶擁有權益之同一批股份中擁有權益。

Save as disclosed above, as at 31 December 2014, none of the Director nor chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associate corporations which were required to be (i) 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 the Directors and the chief executive have taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company under section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules.

除上文披露者外，於二零一四年十二月三十一日，董事及本公司主要行政人員概無於本公司或其任何相聯法團之股份、相關股份或債券中擁有須(i)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之任何權益或淡倉（包括根據證券及期貨條例之有關條文董事及主要行政人員被當作或視為擁有之權益及淡倉）；(ii)記錄於本公司根據證券及期貨條例第352條存置之登記冊之任何權益或淡倉；或(iii)根據上市規則附錄10所載的標準守則知會本公司及聯交所之任何權益或淡倉。

DIRECTORS REPORT

董事會報告

At no time during the year ended 31 December 2014 was the Company or its subsidiaries a party to any arrangement to enable the Directors and the Chief Executive Officer of the Company (including their spouse and children under 18 years of age) to acquire benefits by an acquisition of shares or underlying shares in, or debentures of the Company or its subsidiaries.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2014, each of the following persons and entities, other than a Director or chief executive of the Company, had or were deemed to have interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

截至二零一四年十二月三十一日止年度，本公司或其附屬公司概無訂立任何安排，使本公司董事及行政總裁（包括其配偶及年齡未滿十八歲子女）可藉收購本公司或其附屬公司股份或相關股份或債券而獲益。

主要股東權益

於二零一四年十二月三十一日，下列人士及實體（董事及本公司主要行政人員除外）各自於本公司股份或相關股份中擁有或視為擁有根據證券及期貨條例第336條記錄於本公司須予存置之登記冊之權益或淡倉如下：

Name 董事	Note 附註	Capacity 身份	Total number of ordinary shares interested or deemed to be interested (Long positions) 擁有權益或 視為擁有權益之 普通股總數（好倉）	Approximate percentage of total issued share capital of the Company 佔本公司全部 已發行股本之 概約百分比
Goldrush Venture Limited ("Goldrush Venture")	1	Beneficial owner 實益擁有人	369,413,033	14.80%
Goldrush Venture Limited ([Goldrush Venture])				
Chan Ping Che 陳秉志	1	Interest of controlled corporation 受控制法團權益	369,413,033	14.80%
Lam Shiu May 林少媚	2	Interest of spouse 配偶權益	369,413,033	14.80%
Bright New Global Limited ("Bright New Global")	3	Beneficial owner 實益擁有人	321,636,000	12.89%
Bright New Global Limited ([Bright New Global])				
Gu Zhuoheng 谷卓恒	3	Interest of controlled corporation 受控制法團權益	321,636,000	12.89%
Jade Investment Limited ("Jade Investment")	4	Beneficial owner 實益擁有人	190,462,329	7.63%
Jade Investment Limited ([Jade Investment])				
Angeleslao Jocelyn O 留金鈴	4	Interest of controlled corporation 受控制法團權益	190,462,329	7.63%

DIRECTORS REPORT

董事會報告

Name 董事	Note 附註	Capacity 身份	Total number of ordinary shares interested or deemed to be interested (Long positions) 擁有權益或 視為擁有權益之 普通股總數(好倉)	Approximate percentage of total issued share capital of the Company 佔本公司全部 已發行股本之 概約百分比
Ng Kin Nam 吳健南	4	Beneficial owner 實益擁有人	190,462,329	7.63%
Chan Ping Yan 陳秉仁	5	Beneficial owner 實益擁有人	190,462,329	7.63%
Lui Si Hing 雷仕慶	6	Beneficial owner 實益擁有人	190,462,329	7.63%
Wong Yung Mun 黃冗文	7	Beneficial owner 實益擁有人	190,462,329	7.63%

Note:

附註：

- As at 31 December 2014, Mr. Chan Ping Che was legally and beneficially interested in 100% of the entire issued share capital of Goldrush Venture. Accordingly, Mr. Chan was deemed to be interested in 369,413,033 shares of the Company, in which 184,706,517 shares were unlisted derivatives.
- Ms. Lam Shiu May is the spouse of Mr. Chan. By virtue of SFO, Ms. Lam is deemed to be interested in the same block of shares in which Mr. Chan is interested.
- Mr. Gu Zhuoheng was legally and beneficially interested in 100% of the entire issued share capital of Bright New Global. Accordingly, Mr. Gu was deemed to be interested in 321,636,000 shares of the Company.
- As at 31 December 2014, Jade Investment was beneficially interested in 190,462,329 shares of the Company, in which 95,231,165 shares were unlisted derivatives. Each of Ms. Angeleslao Jocelyn O and Mr. Ng Kin Nam was legally and beneficially interested in 50% of the entire issued share capital of Jade Investment. By virtue of SFO, each of Ms. Jocelyn and Mr. Ng is deemed to be interested in 190,462,329 shares of the Company.
- As at 31 December 2014, Chan Ping Yan was beneficially interested in 190,462,329 shares of the Company, in which 95,231,165 shares were unlisted derivatives.
- As at 31 December 2014, Lui Si Hing was beneficially interested in 190,462,329 shares of the Company, in which 95,231,165 shares were unlisted derivatives.
- As at 31 December 2014, Wong Yung Mun was beneficially interested in 190,462,329 shares of the Company, in which 95,231,165 shares were unlisted derivatives.

- 於二零一四年十二月三十一日，陳秉志先生合法及實益擁有 Goldrush Venture 全部已發行股本之 100% 權益。因此，陳先生被視為於 369,413,033 股本公司股份中擁有權益，當中 184,706,517 股為非上市衍生工具。
- 林少媚女士為陳先生之配偶。根據證券及期貨條例，林女士被視為於陳先生擁有權益之同一批股份中擁有權益。
- 谷卓恒先生合法及實益擁有 Bright New Global 全部已發行股本之 100% 權益。因此，谷先生被視為於 321,636,000 股本公司股份中擁有權益。
- 於二零一四年十二月三十一日，Jade Investment 實益擁有 190,462,329 股本公司股份之權益，當中 95,231,165 股股份為非上市衍生工具。留金鈴女士及吳健南先生各自合法及實益擁有 Jade Investment 全部已發行股本之 50% 權益。根據證券及期貨條例，留女士及吳先生各自被視為於 190,462,329 股本公司股份中擁有權益。
- 於二零一四年十二月三十一日，陳秉仁實益擁有 190,462,329 股本公司股份之權益，當中 95,231,165 股股份為非上市衍生工具。
- 於二零一四年十二月三十一日，雷仕慶實益擁有 190,462,329 股本公司股份之權益，當中 95,231,165 股股份為非上市衍生工具。
- 於二零一四年十二月三十一日，黃冗文實益擁有 190,462,329 股本公司股份之權益，當中 95,231,165 股股份為非上市衍生工具。

DIRECTORS REPORT

董事會報告

CORPORATE GOVERNANCE

The Company is committed to maintain high standard of corporate governance. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 25 to 46 of this Annual Report.

BORROWINGS

Details of the Group's borrowings are set out in notes 26, 27 and 28 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

MAJOR SUPPLIERS AND CUSTOMERS

During the year, the largest and top five customers of the Group accounted for approximately 96% and 98% of the total revenue of the Group, respectively (2013: 62% and 77% respectively).

The aggregate purchases during the year attributable to the Group's largest and top five suppliers were approximately 85% and 98% of the Group's total purchase respectively (2013: 68% and 68% respectively).

During the year, to the best of the Directors' knowledge, none of the Directors, senior management or their respective associates or any shareholders of the Company who holds more than 5% of the issued share capital of the Company had any interest in the five largest customers or the five largest suppliers of the Group.

RELATED PARTIES TRANSACTIONS

Details of related parties transactions and continuing related parties transactions of the Group are set out in note 37 to the consolidated financial statements. Those related parties transactions and continuing related parties transactions that constituted connected transactions and continuing connected transactions as defined in the Listing Rules had complied with the relevant disclosure requirements under Chapter 14A of the Listing Rules.

企業管治

本公司致力維持高水平之企業管治。本公司採納之企業管治常規詳情載於本年報第25至46頁之企業管治報告內。

借款

本集團借款之詳情載於綜合財務報表附註26、27及28。

購買、出售或贖回上市證券

年內，本公司或其附屬公司均無購買、出售或贖回本公司的任何上市證券。

主要供應商及客戶

年內，本集團最大及五大客戶分別佔本集團總收入約96%及98%（二零一三年：分別佔62%及77%）。

年內，本集團最大及五大供應商的總購買量分別應佔本集團之總購買量約85%及98%（二零一三年：分別佔68%及68%）。

年內，據董事所知，概無持有超過5%本公司已發行股本的董事、高級管理層或彼等各自的聯繫人或本公司任何股東於本集團五大客戶或五大供應商中擁有任何權益。

關連方交易

本集團之關連方交易及持續關連方交易詳情載於綜合財務報表附註37。該等構成上市規則所界定的關連交易及持續關連交易之關連方交易及持續關連方交易，已符合上市規則第14A章的相關披露規定。

DIRECTORS REPORT

董事會報告

CONTINUING CONNECTED TRANSACTIONS

Certain related party transactions as disclosed in note 37 to the financial statements also constituted continuing connected transactions of the Group within the meaning of the Listing Rules. These continuing connected transactions which the Group had entered into with Ho Wah Genting Berhad (“**HWGB**”), Ho Wah Genting Poipet Resorts Sdn. Bhd. (“**HWGP**”), Majuperak Energy Resources Sdn. Bhd. (“**MERSB**”) and HWG Tin Mining Sdn. Bhd. (“**HWGTM**”) in 2014 were for the following purposes:

- Renting of office premises for operations by CVMSB from HWGB;
- On demand purchase of air tickets from HWGP, an associate of HWGB in which HWGB has 40% equity interest;
- Maintenance fee payment to MERSB for mining of dolomite; and
- Renting of drilling machines by HWGTM from PTLM.

Although these transactions were “continuing connected transactions” as defined in the Listing Rules, all of them were either in relation to consumer goods or consumer services, or sharing of administrative services or de-minimis transactions exempted under rules 14A.33(1) to 14A.33(3) of the Listing Rules from reporting, announcement and independent Shareholders’ approval requirements.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the year.

持續關連交易

財務報表附註37所披露的若干關連方交易亦屬於上市規則所定義的本集團持續關連交易。本集團於二零一四年與Ho Wah Genting Berhad (「**HWGB**」)、Ho Wah Genting Poipet Resorts Sdn. Bhd. (「**HWGP**」)、Majuperak Energy Resources Sdn. Bhd. (「**MERSB**」)及HWG Tin Mining Sdn. Bhd. (「**HWGTM**」)已訂立有關以下事項的持續關連交易：

- 向HWGB租用辦公室供CVMSB營運；
- 需要時向HWGB持有40%股權的聯繫人HWGP購買機票；
- 支付予MERSB作為開採白雲石的保養費；及
- HWGTM向PTLM租用鑽探機。

儘管上述交易為上市規則界定的「持續關連交易」，但該等交易均為有關消費商品或消費服務或分享行政服務或小額交易，可根據上市規則第14A.33(1)至第14A.33(3)條獲豁免遵守報告、公告及獨立股東批准規定。

本公司於有關年度已遵守上市規則第14A章的披露規定。

DIRECTORS REPORT

董事會報告

Our Independent Non-executive Directors have reviewed the continuing connected transactions and are of the view that the continuing connected transactions have been entered into under the following circumstances:

- (a) in the ordinary and usual course of business;
- (b) on normal commercial terms or on terms no less favourable to the Group than terms offered to/by independent third parties; and
- (c) in accordance with the relevant agreements governing those transactions on terms that are fair and reasonable and in the interest of the Shareholders as a whole.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this Annual Report, the Company maintained a sufficient public float of not less than 25% of the Company's total issued share capital held by the public.

AUDITOR

The financial statements for the year ended 31 December 2014 have been audited by Baker Tilly Hong Kong Limited. A resolution will be submitted at the forthcoming annual general meeting of the Company to re-appoint Baker Tilly Hong Kong Limited as auditors of the Company. There has been no change in the auditors of the Company in the recent three years.

On behalf of the Board

Ding He Mining Holdings Limited

Du Jian Jun

Chairman and Executive Director

Hong Kong, 31 March 2015

本公司獨立非執行董事已審閱上述持續關連交易且認為該等持續關連交易乃於下列情況訂立：

- (a) 於一般日常業務過程中；
- (b) 按一般商業條款或按不遜於本集團給予獨立第三方或獨立第三方給予本集團的條款；及
- (c) 根據約定該等交易且條款公平合理的有關協議進行，符合股東整體利益。

公眾持股量

根據本公司從公開途徑所獲資料及就董事所知悉，於刊發本年報前的最後實際可行日期，本公司已維持足夠公眾持股量，即本公司全部已發行股本中不少於25%的股份由公眾持有。

核數師

天職香港會計師事務所有限公司已審核截至二零一四年十二月三十一日止年度的財務報表。本公司應屆股東週年大會上將提呈一份決議案以續聘天職香港會計師事務所有限公司為本公司核數師。在最近三年內，本公司並沒有更換核數師。

代表董事會

鼎和礦業控股有限公司

主席兼執行董事

杜建軍

香港，二零一五年三月三十一日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



Independent auditor's report to the shareholders of Ding He Mining Holdings Limited

鼎和礦業控股有限公司

(formerly known as CVM Minerals Limited)

(Incorporated in Hong Kong with limited liability)

致鼎和礦業控股有限公司各股東之獨立核數師報告

(前稱南亞礦業有限公司)

(於香港註冊成立的有限公司)

We were engaged to audit the consolidated financial statements of Ding He Mining Holdings Limited (formerly known as CVM Minerals Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group"), set out on pages 75 to 220 which comprise the consolidated and company statements of financial position as at 31 December 2014, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

吾等已審核載於第75至220頁的鼎和礦業控股有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，該綜合財務報表包括於二零一四年十二月三十一日的綜合及公司財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他解釋資料。

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則及香港公司條例編製呈列真實公平意見的綜合財務報表，以及董事認為必要的內部監控，以便編製不會因欺詐或失誤而導致重大錯誤陳述的綜合財務報表。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 80 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except for the inability to obtain sufficient appropriate audit evidence as explained below, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement. However, because of the matters described in the basis for disclaimer of opinion paragraphs, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

1. Opening balances and corresponding figures

The consolidated financial statements of the Group for the year ended 31 December 2013, which forms the basis for the corresponding figures presented in the current year's consolidated financial statements, was qualified because of the significance of the possible effect of the limitations on the scope of the audit in relation to the (a) valuations of exploration and evaluation assets, goodwill and property, plant and equipment and associated deferred tax liabilities; (b) turnover, trade receivables, cost of inventories sold, inventories and accumulated losses derived by the mineral water operation in the People's Republic of China (the "PRC"); and (c) valuations of the Company's investments in subsidiaries and amounts due from subsidiaries and the material fundamental uncertainty in relation to going concern. Details of the qualified audit opinions were set out in the independent auditor's report dated 28 March 2014 and included in the Company's annual report for the year ended 31 December 2013.

核數師的責任

吾等的責任是根據吾等的審核就該等綜合財務報表發表意見。本報告乃根據新香港公司條例(第622章)附表11第80條僅向閣下(作為實體)作出，不可用作其他用途。吾等概不就本報告內容，對任何其他人士負責或承擔責任。除無法取得下文述釋之充足及適當審核憑據外，吾等已根據香港會計師公會頒佈的香港核數準則進行審核。該等準則要求吾等遵守相關道德規範，並規劃及執行審核，以合理確保此等綜合財務報表並無任何重大錯誤陳述。然而，由於不發表意見之基準文段內提述之各種事宜，吾等無法取得充足及適當之審核憑據作為作出審核意見之依據。

不發表意見之基準

1. 年初結餘及相應數字

由於有關(a)勘探及評估資產、商譽及物業、廠房及設備以及相關遞延稅項負債的估值；(b)於中華人民共和國(「中國」)的礦泉水業務產生的營業額、應收賬款、已售存貨成本、存貨以及累計虧損；及(c)貴公司於附屬公司的投資及應收附屬公司款項以及有關持續經營重大不明朗因素的審核範圍受到限制，可能對綜合財務報表構成重大影響，故吾等對貴集團截至二零一三年十二月三十一日止年度的綜合財務報表發表保留意見，而有關綜合財務報表乃構成呈列於本年度綜合財務報表相應數字的基準。保留核數意見的詳情載列於日期為二零一四年三月二十八日的獨立核數師報告，並載於貴公司截至二零一三年十二月三十一日止年度的年報內。

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We were unable to obtain sufficient appropriate audit evidence to enable us to assess the limitation of scope for the year ended 31 December 2013. Any adjustments found to be necessary to the opening balances as at 1 January 2014 may affect the balance of accumulated losses as at 1 January 2014 and the operating results and related disclosures in the notes to the consolidated financial statements of the Group for the year ended 31 December 2014. The comparative figures showed in the consolidated financial statements may not be comparable with the figures for the current year.

2. Scope Limitation: valuations of exploration and evaluation assets, goodwill and property, plant and equipment and associated deferred tax liabilities

During the year 2014, the principal operations of the Group included: (a) mining of dolomite and manufacture of magnesium ingots in Malaysia; (b) exploration for iron ore, coal and manganese in the Republic of Indonesia ("Indonesia"); and (c) extraction and bottling of mineral water in the PRC. Due to various material fundamental uncertainties faced by the Group, as disclosed in notes 2(b), 15 and 17 to the consolidated financial statements, these principal operations, except for the disposal of a number of subsidiaries involved in exploration for iron ore, coal and manganese in Indonesia on 3 April 2014 and operation of extraction and bottling of mineral water, are effectively suspended for various reasons. At the same time, the extraction and bottling of mineral water operation is not generating positive cash flow for the Group as anticipated by the management of the Company. Included in the consolidated statement of financial position as at 31 December 2014 are: (a) exploration and evaluation assets with an aggregate carrying value of HKD41,660,400 (2013: HKD151,770,300); (b) goodwill arising from business combinations with an aggregate carrying value of HKDNil (2013: HKDNil); (c) property, plant and equipment, including the interest in leasehold land, with an aggregate carrying value of HKD245,271,306 (2013: HKD419,614,001); and (d) deferred tax liabilities associated with the fair value adjustment on the exploration and evaluation assets of HKD8,568,647 (2013: HKD32,061,574).

吾等未能取得足夠恰當的審核證據以令吾等評核截至二零一三年十二月三十一日止年度的限制範圍。於二零一四年一月一日的年初結餘必要的任何調整可能影響於二零一四年一月一日的累計虧損結餘以及於 貴集團截至二零一四年十二月三十一日止年度的綜合財務報表附註所載的經營業績及相關披露事項。綜合財務報表所載的比較數字未必可與本年度的數字進行比較。

2. 審核範圍限制：勘探及評估資產、商譽以及物業、廠房及設備的估值以及相關遞延稅項負債

於二零一四年年度，貴集團的主要業務包括：(a) 於馬來西亞開採白雲石及生產鎂錠；(b) 於印度尼西亞共和國（「印尼」）勘探鐵礦石、煤及錳；及(c) 於中國提取及裝瓶礦泉水。由於 貴集團面臨各種重大基本不明朗因素，誠如綜合財務報表附註2(b)、15及17所披露，此等主要業務基於各種原因已暫停運作，惟於二零一四年四月三日出售涉及於印尼勘探鐵礦石、煤及錳之若干附屬公司以及提取及裝瓶礦泉水業務除外。同時，提取及裝瓶礦泉水業務並無如 貴公司管理層預期一般為 貴集團產生正面現金流量。於二零一四年十二月三十一日，誠如綜合財務狀況表所載：(a) 勘探及評估資產的賬面總值為41,660,400港元（二零一三年：151,770,300港元）；(b) 業務合併產生的商譽賬面總值為零港元（二零一三年：零港元）；(c) 物業、廠房及設備（包括租賃土地權益）的賬面總值為245,271,306港元（二零一三年：419,614,001港元）；及(d) 與勘探及評估資產公平值調整有關的遞延稅項負債為8,568,647港元（二零一三年：32,061,574港元）。

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As required by Hong Kong Accounting Standard 36 "Impairment of assets" ("HKAS 36") issued by the HKICPA, at the end of the reporting period, the Group has identified that there were certain indications of impairment of the above named assets, and therefore, the Group appointed an independent valuer, GC Appraisals Services Company Limited ("GC Appraisals" or "the Valuer") to perform valuations to assess the recoverable amounts of these assets as at the end of the reporting period. As defined in HKAS 36, the recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. The Valuer was unable to find comparable recent transactions in similar extractive assets to determine the fair value less cost of disposal of these assets. As an alternative, the Valuer estimated the value in use as the recoverable amount of these assets. The estimation is prepared using an income-based approach and is based on the estimated reserves of these extractive sites from outdated technical reports prepared in prior years ("Technical Reports") and assumptions as to the Group's ability to explore for these mineral resources, particularly exploration for manganese in Indonesia and to operate the plants for production of magnesium ingots and bottled mineral water in Malaysia and the PRC, respectively. As a result, impairment losses on (a) exploration and evaluation assets of HKD108,208,053 (2013: HKD207,562,580); (b) goodwill of HKDNil (2013: HKD111,180,501); and (c) property, plant and equipment, including the interest in leasehold land, of HKD133,834,320 (2013: HKD26,767,044) have been recognised and included in other operating expenses in the consolidated statement of profit or loss for the year.

Taking into consideration that the Group has not incurred any exploration and evaluation expenditures on these extractive operations since 2012 due to financial constraints and still unable to obtain up-to-date technical data for those remaining extractive operations in the current year and that the Group does not have sufficient working capital to finance these extractive operations, we are unable to assess the reliability of these valuations prepared for financial reporting purposes. In addition, we consider that the technical data in the Technical Reports used to prepare the valuations are not up-to-date and we are unable to verify the Group's ability, both financially and technically, to undertake exploration for or exploitation of any of the resources under the relevant mining permits and to operate the plants for production

誠如由香港會計師公會頒佈的香港會計準則第36號「資產減值」(「香港會計準則第36號」)所規定，於報告期末，貴集團已確定上述資產出現若干減值跡象，故委任一名獨立估值師GC Appraisals Services Company Limited(「GC Appraisals」或「估值師」)就該等資產於報告期末的可收回金額進行估值。誠如香港會計準則第36號所界定，資產的可收回金額乃其公平值減出售成本與其使用價值兩者之較高者。由於估值師無法覓得類似開採性資產近期的可予比較交易資料，以確定此等資產的公平值減出售成本金額，故估值師則估計此等資產的使用價值為其可收回金額代替。估值乃按收入基準法，並根據於過往年度編製的過往技術報告(「該等技術報告」)所載此等開採場地的估計儲量以及假設 貴集團有能力勘探此等礦物資源(尤其是於印尼勘探錳以及分別於馬來西亞及中國經營鎂錠生產廠房及瓶裝礦泉水廠房)的前提下編製。因此，(a)勘探及評估資產減值虧損108,208,053港元(二零一三年：207,562,580港元)；(b)商譽減值虧損零港元(二零一三年：111,180,501港元)；及(c)物業、廠房及設備(包括租賃土地權益)減值虧損133,834,320港元(二零一三年：26,767,044港元)的減值虧損已於年內獲確認並計入綜合損益表內其他經營開支項下。

考慮到 貴集團由於財務限制，自二零一二年起並無就此等提取業務產生任何勘探及評估開支，以及於本年度仍然無法取得此等餘下提取業務的最新技術數據，加上 貴集團並無足夠營運資金以撥付此等提取業務，故吾等無法評估此等為財務報告用途而編製的估值是否可靠。此外，吾等認為編製該估值所採用的該等技術報告的技術數據並非最新數據，且吾等無法確認 貴集團是否具勘探或開採相關採礦許可證項下任何資源以及分別於馬來西亞及中國經營鎂錠生產廠房及瓶裝礦泉水廠房所需的經濟能力及技術能力。誠如綜合財務報表附註15(c)進一步披露，PT. Laksbang Mediatama(「PTLM」)持有錳生產經營開採許可證(「開採許可證」)，而PTLM於二零一二年與其法律代表失去聯絡。PTLM分別於

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of magnesium ingots and bottled mineral water in Malaysia and the PRC, respectively. As further disclosed in note 15(c) to the consolidated financial statements, PT. Laksbang Mediatama ("PTLM") holds a production operation mining permit for manganese ("Mining Permit") and PTLM lost contact with its legal representatives in 2012. On 21 August 2014 and 13 October 2014 respectively, PTLM received warning letter from Trade and Energy Industries of Resource of Minerals Office Government of Kulon Progo Regency reminding PTLM to immediate implement its obligations as the holder of Mining Permit by submitting the tax form and reporting of PTLM's status to the relevant Indonesian authority with the legal representatives' signatures, not later than one month from the date of the letter. On 22 September 2014 and 4 November 2014 respectively, the management of the Company reiterated that it is currently undergoing management restructuring and therefore all activities are currently being suspended temporarily until the management restructuring is completed. Besides, once the management restructuring has been completed, PTLM will resume with investment and other mining activities. Due to previous failure in calling for extraordinary meetings for appointing new directors and legal representatives to the board of PTLM, PTLM had applied to the Court in Yogyakarta for a court ruling on the appointment of re-nominated directors and replacement of legal representatives. Nevertheless, the third hearing was further postponed by the court to 30 September 2014. On 19 November 2014, court judgement stipulated that the holding company of PTLM could organize an Extraordinary General Meeting of shareholders to undergo the re-nomination of the legal representative ("EGM"). The EGM and the re-nomination of the legal representative according to the relevant legal requirement of Indonesia are still in process as at the approval date of the consolidated financial statements.

二零一四年八月二十一日及二零一四年十月十三日接獲Trade and Energy Industries of Resource of Minerals Office Government of Kulon Progo區發出的警告函，提示PTLM不得遲於此等函件發出日期起計一個月向有關印尼當局提交附有法定代表署名的稅項表格及作出回報，即時履行其作為開採許可證持有人的責任。貴公司管理層分別於二零一四年九月二十二日及二零一四年十一月四日重申，現正進行管理重組，因此所有活動現已暫時停止，直至管理重組完成為止。此外，管理重組一旦完成，PTLM價格恢復投資及其他採礦活動。由於早前未能就PTLM董事會委任新董事及法律代表召開特別大會，故PTLM已就委任該等獲重新提名董事及替任法律代表而向Yogyakarta省法院申請法院裁決。然而，法院已將第三次聽證會進一步延期至二零一四年九月三十日。於二零一四年十一月十九日，法院判決訂明PTLM的控股公司可舉行股東特別大會（「股東特別大會」）以重新提名法律代表。於綜合財務報表批准日期，根據印尼相關法律規定舉行的股東特別大會及重新提名法律代表的事宜仍在進行中。

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Accordingly, we are unable to assess whether the recoverable amounts of these assets at the end of the reporting period are reliably measured and the feasibility of these operations. There are no alternative audit procedures that we could perform to satisfy ourselves as to whether the impairment losses should be recognised in the current year, whether any further impairment losses should be recognised on these assets and whether the carrying amounts of the exploration and evaluation assets and property, plant and equipment and associated deferred tax liabilities are free from material misstatement. Any adjustments found to be necessary in respect thereof, had we obtained sufficient appropriate audit evidence, would have had a consequential effect on the net liabilities of the Group and on its loss for the current year.

3. Scope limitation: fair value and/or carrying amounts of the liability component and the convertible bond equity reserve of the convertible bonds

As disclosed in note 26(a) to the consolidated financial statements, the maturity date of the five principal amounts of convertible bonds of HKD26,000,000 ("First Tranche Bonds"), HKD17,000,000 ("Second Tranche Bonds"), HKD10,000,000 ("Third Tranche Bonds"), HKD10,000,000 ("Fourth Tranche Bonds") and HKD17,000,000 ("Fifth Tranche Bonds") is 1 December 2014, 29 December 2014, 9 January 2015, 4 March 2015 and 22 March 2015 respectively. The above aggregate principal amount of HKD80,000,000 is collectively referred to as the "Matured Bonds". The directors of the Company represented that (i) the Company is currently in the course of arm's length negotiations with the holders of the Matured bonds in relation to, among others, the possible extension of the Matured Bonds and other possible alteration of terms of the Matured Bonds ("Proposed Alteration"); (ii) as negotiated with the holders of the Matured Bonds, they verbally agreed not to redeem the Matured Bonds until the Proposed Alteration is confirmed; and (iii) the interest on the Matured Bonds will continue to be payable by the Company until the date of redemption pursuant to the terms of the Matured Bonds. As at the approval date of the consolidated financial statements, the Proposed Alteration of these Matured Bonds have not been fixed and confirmed yet.

故吾等無法評估此等為財務報告用途而編製的估值是否可靠。此外，吾等認為編製該估值所採用的該等技術報告的技術數據並非最新數據，且吾等無法確認 貴集團是否具勘探或開採相關採礦許可證項下任何資源以及分別於馬來西亞及中國經營鎂錠生產廠房及裝瓶礦泉水廠房所需的經濟能力及技術能力，因此，吾等無法評估此等資產於報告期末的可收回金額是否經可靠計量以及此等業務的可行性。吾等並無其他可執行的替代審核程序，以讓吾等信納此等資產毋須於本年度確認減值虧損及毋須進一步確認減值虧損，且勘探及評估資產、物業、廠房及設備的結餘以及相關遞延稅項負債並無存在重大錯誤陳述。倘吾等取得充足適當的審核憑據，則任何因應上述情況而須作出之調整必然會對 貴集團本年度之負債淨額及虧損構成影響。

3. 範圍限制：可換股債券之負債部份及可換股債券權益儲備之公平值及／或賬面值

誠如綜合財務報表附註26(a)所披露，本金額分別為26,000,000港元(「第一批債券」)、17,000,000港元(「第二批債券」)、10,000,000港元(「第三批債券」)、10,000,000港元(「第四批債券」)及17,000,000港元(「第五批債券」)之五批可換股債券之到期日分別為二零一四年十二月一日、二零一四年十二月二十九日、二零一五年一月九日、二零一五年三月四日及二零一五年三月二十二日。上述本金總額80,000,000港元統稱為「到期債券」。貴公司董事表示，(i) 貴公司正與到期債券持有人就(其中包括)到期債券建議延期及到期債券條款之其他建議修改(「建議修改」)進行公平磋商；(ii)與到期債券持有人磋商後，彼等口頭同意於建議修改確認前不贖回到期債券；及(iii)根據到期債券條款，貴公司將於贖回日期前繼續支付到期債券利息。於綜合財務報表批准日期，該等到期債券之建議修改尚未決定及確認。

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As disclosed in note 26(b) to the consolidated financial statements, the maturity of the principal amount of convertible bonds of HKD16,680,682 ("Victory Dragon Bonds") at 31 December 2014 is due in 2017.

The non-redemption of First Tranche Bonds on 1 December 2014 technically constitutes an event of default on the part of the Company and can lead to a mandatory redemption of the Second Tranche Bonds, Third Tranche Bonds, Fourth Tranche Bonds, Fifth Tranche Bonds and Victory Dragon Bonds (the "Non-redemption"). Therefore, the Matured Bonds and Victory Dragon Bonds have become due and payable at their principal amounts if any of their holders serves a notice on the Company subsequent to 1 December 2014. As at the approval date of the consolidated financial statements, the Company represented that no mandatory redemption request has been received from any of the bondholders of the Matured Bonds and Victory Dragon Bonds.

The directors of the Company appointed Valuer to perform valuations to assess the fair value of the Third Tranche Bonds, Fourth Tranche Bonds, Fifth Tranche Bonds and Victory Dragon Bonds as at 31 December 2014. The valuations of Third Tranche Bonds, Fourth Tranche Bonds, Fifth Tranche Bonds and Victory Dragon Bonds are determined assuming redemption on 9 January 2015, 4 March 2015, 22 March 2015 and 17 April 2017 respectively. The valuations do not take into consideration of the Proposed Alteration and the Non-redemption as at 31 December 2014. As at 31 December 2014, the fair value of the liability component of Third Tranche Bonds, Fourth Tranche Bonds, Fifth Tranche Bonds and Victory Dragon Bonds is approximately HKD10,931,000, HKD10,525,000, HKD17,669,000 and HKD12,013,000 respectively. In respect of the fair value of the First Tranche Bonds and Second Tranche Bonds, the directors of the Company consider it approximates to its principal amount as at 31 December 2014.

誠如綜合財務報表附註26(b)所披露，於二零一四年十二月三十一日本金額為16,680,682港元之可換股債券（「凱龍債券」）之到期日為二零一七年。

第一批債券於二零一四年十二月一日未予贖回，即理論上構成 貴公司違約，並可導致強制贖回第二批債券、第三批債券、第四批債券、第五批債券及凱龍債券（「未予贖回」）。因此，到期債券及凱龍債券將於任何到期債券持有人在二零一四年十二月一日後向 貴公司發出通知時到期，並須償還其本金。於綜合財務報表批准日期，貴公司表示其並未接獲任何到期債券及凱龍債券持有人發出任何強制贖回之要求。

貴公司董事委聘估值師於二零一四年十二月三十一日就第三批債券、第四批債券、第五批債券及凱龍債券進行估值，以評估其公平值。第三批債券、第四批債券、第五批債券及凱龍債券之估值乃假設分別於二零一五年一月九日、二零一五年三月四日、二零一五年三月二十二日及二零一七年四月十七日獲贖回而釐定。估值並無考慮到於二零一四年十二月三十一日之建議修改及未予贖回。於二零一四年十二月三十一日，第三批債券、第四批債券、第五批債券及凱龍債券負債部份之公平值分別約為10,931,000港元、10,525,000港元、17,669,000港元及12,013,000港元。就第一批債券及第二批債券之公平值而言，貴公司董事認為第一批債券及第二批債券之公平值於二零一四年十二月三十一日與其本金額相若。

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During our audit of the consolidated financial statements for the year ended 31 December 2014, we were not provided with sufficient appropriate audit evidence that we considered necessary for the assessment of the fair value and/or carrying amount of the Matured Bonds and Victory Dragon Bonds and we were unable to satisfy ourselves as to whether:

- (i) As defined in Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement" ("HKAS 39") issued by the HKICPA, an exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, of which the difference between the respective carrying amounts is recognised in profit or loss. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, of which the difference between the respective carrying amounts is recognised in profit or loss. In respect of the First Tranche Bonds, they have been defaulted since 1 December 2014. In respect of the Second Tranche Bonds, Third Tranche Bonds, Fourth Tranche Bonds, Fifth Tranche Bonds and Victory Dragon Bonds, the maturity dates thereof have been changed in substance because they have become due and payable at their principal amounts on 1 December 2014 if any of the holders serves a notice on the Company as a result of the Non-redemption. Therefore, extinguishments and/or modifications of the Matured Bonds and Victory Dragon Bonds have occurred on 1 December 2014. Since the Proposed Alteration have not been fixed and confirmed up to the approval date of the consolidated financial statements, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. In addition, taking into consideration that the valuations exclude the assumptions as to the Proposed Alteration and the Non-redemption as at 31 December 2014, the fair value of the liability components together with the gain/loss arising from the extinguishment of the original financial liability and the recognition of a new financial liability (if any) of the Matured Bonds and Victory Dragon Bonds as required by HKAS 39 are unable to be reliably measured;

於審核截至二零一四年十二月三十一日止年度之綜合財務報表過程中，吾等未獲提供吾等認為就評估到期債券及凱龍債券公平值及／或賬面值而言屬必需之足夠審核憑證，因此，吾等無法信納以下事項：

- (i) 誠如由香港會計師公會頒佈之香港會計準則第39號「金融工具：確認及計量」(「香港會計準則第39號」)，若債務工具現有借方與貸方交換條款，而其絕大部份跟原有之條款均不相同，則應當作抵銷原有金融負債及確認新金融負債，而各自賬面值之差額將於損益中確認。同樣，若現有金融負債或其部份之條款作出重大修訂(無論是否由於債務人出現財困)，亦應當作抵銷原有金融負債及確認新金融負債，而各自賬面值之差額將於損益中確認。就第一批債券，其已自二零一四年十二月一日起被拖欠。就第二批債券，第三批債券、第四批債券、第五批債券及凱龍債券，其到期日實質上已更改，乃由於倘任何持有人因未獲贖回而向貴公司發出通知，則其於二零一四年十二月一日起到期並須按其本金額支付。因此，抵銷及／或修改到期債券及凱龍債券已於二零一四年十二月一日進行。由於建議修改截至綜合財務報表批准日期止尚未獲落實及確定，吾等未能取得足夠審核憑證，以就審核意見提供基準。此外，考慮於二零一四年十二月三十一日之估值並無包括就建議修改及未予贖回之假設，故按香港會計準則第39號規定，到期債券及凱龍債券負債部份之公平值連同自抵銷原金融負債產生之收益／虧損以及確認新金融負債(如有)無法可靠地計量；

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- (ii) As at 31 December 2014, the carrying amount of the convertible bond equity reserve in respect of First Tranche Bonds, Second Tranche Bonds, Third Tranche Bonds, Fourth Tranche Bonds, Fifth Tranche Bonds and Victory Dragon Bonds is HKD9,643,725, HKD6,553,950, HKD1,640,925, HKD1,783,275, HKD2,789,475 and HKD6,920,516 respectively. As stated in the agreements of the Matured Bonds and Victory Dragon Bonds, the bondholders shall have the right to convert these bonds into shares of the Company (the "Conversion Right"), at any time from the date of issue of these bonds up to the maturity date of these bonds. Since the Proposed Alteration have not been fixed and confirmed up to the approval date of the consolidated financial statements, we are unable to ascertain the existence of the Conversion Right and the carrying value thereof in relation to the Matured Bonds and Victory Dragon Bonds as at 31 December 2014.

Accordingly, we are unable to assess whether the fair value and/or carrying amounts of the liability component and convertible bond equity reserve of the Matured Bonds and Victory Dragon Bonds at the end of the reporting period are reliably measured. There are no alternative audit procedures that we could perform to satisfy ourselves as to whether the fair value and/or carrying amounts of the liability component and the convertible bond equity reserve of the Matured Bonds and Victory Dragon Bonds are free from material misstatement. Any adjustments found to be necessary in respect thereof, had we obtained sufficient appropriate audit evidence, would have had a consequential effect on the net liabilities of the Group and on its loss for the current year.

- (ii) 於二零一四年十二月三十一日，第一批債券、第二批債券、第三批債券、第四批債券、第五批債券及凱龍債券之可換股債券權益儲備之賬面值分別為9,643,725港元、6,553,950港元、1,640,925港元、1,783,275港元、2,789,475港元及6,920,516港元。誠如到期債券及凱龍債券之協議所述，債券持有人有權由此等債券發行日期起直至此等債券到期日期止隨時將此等債券兌換為貴公司股份（「換股權」）。由於截至綜合財務報表批准日期，建議修改尚未決定及確認，於二零一四年十二月三十一日，吾等無法確定到期債券及凱龍債券之換股權是否存在，亦無法確定其賬面值。

因此，吾等無法評估到期債券及凱龍債券於報告期末之負債部份及可換股債券權益儲備之公平值及／或賬面值能否可靠地計量。吾等並無其他可進行之審核程序，以使吾等信納到期債券及凱龍債券之負債部份及可換股債券權益儲備之公平值及／或賬面值並無存在重大錯誤陳述。倘吾等取得充足適當之審核憑據，則任何因應上述情況而須作出之調整必然會對貴集團本年度之負債淨額及虧損構成影響。

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4. Scope Limitation: material fundamental uncertainties relating to the going concern basis of presentation of the consolidated financial statements

As disclosed in note 2(b) to the consolidated financial statements, the Group and the Company have encountered a number of circumstances giving rise to material fundamental uncertainties. The Group and the Company are principally sustained in their daily operations by bank loans, convertible bonds and placing of shares. The Group and the Company are pursuing certain finance measures set out in note 2(b) to the consolidated financial statements, including, among others, actively negotiating with potential investors in respect of possible capital injection arrangements into the Group and in process of on-going negotiations with its holders of the Matured Bonds and principal bank for possible restructuring proposals of the Non-redemption of the Matured Bonds and the repayment of secured bank loans respectively to maintain the Group as a going concern (the "Measures"). The directors are of the opinion that should the Measures be successfully implemented, the current severe financial position of the Group could be turnaround. Consequently, the directors of the Company have prepared the consolidated financial statements on a going concern basis, the validity of which depends upon the successful outcome of the Measures to be undertaken as soon as possible in order to satisfy the Group's working capital needs, improve its cash flow position and address its capital deficiency. Notwithstanding negotiations were being actively conducted, the Measures had yet to give rise to any conclusion as at the approval date of the consolidated financial statements. Accordingly, we are unable to obtain sufficient appropriate audit evidence for us to assess the validity of the going concern assumption which depends on the continuing financial support of the Group's bankers and creditors and the Group's ability to generate adequate working capital in near future. The existence of these material fundamental uncertainties casts significant doubt on the Group's and the Company's ability to continue as a going concern.

4. 審核範圍限制：以持續經營基準呈列綜合財務報表的重大基本不明朗因素

誠如綜合財務報表附註2(b)所披露，貴集團及貴公司面臨多種導致重大基本不明朗因素的情況。貴集團及貴公司主要以銀行貸款、可換股債券及配售股份持續經營其日常業務。貴集團及貴公司正執行綜合財務報表附註2(b)所載的若干措施，其中包括與潛在投資者就對貴集團可能進行注資安排積極磋商，以及與到期債券持有人及主要銀行分別就未予贖回到期債券之可能重組建議及償還有抵押銀行貸款持續進行磋商，以使貴集團可持續經營（「該等措施」）。董事認為，倘成功推行該等措施，貴集團現時之嚴峻財務狀況可望改善。因此，貴公司董事已按持續經營基準編製綜合財務報表，惟其有效性視乎即將推行之該等措施能否盡快取得成果，以滿足貴集團之營運資金需求、改善其現金流量狀況及解決資金不足。儘管貴集團一直積極進行磋商，惟於綜合財務報表批准日期，該等措施尚未取得任何成果。因此，吾等未能取得充足適當之審核憑據以評估持續經營之假設是否屬實（其視乎貴集團往來銀行及債權人之持續財政支持以及貴集團短期內產生足夠營運資金之能力）。此等重大基本不明朗因素導致貴集團及貴公司之持續經營能力成疑。

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Should the going concern assumption be inappropriate, adjustments may have to be made to reflect a realisation basis which includes, where appropriate, writing down the Group's and the Company's assets to net realisation value, and providing for any contractual commitments that become effective at the end of the reporting period. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

倘若持續經營假設為不適當，則可能需要作出調整以反映變現基準（當中包括撇銷 貴集團及 貴公司的資產至可變現金額淨值（如適當）以及就任何於報告期末生效的合約承擔計提撥備）。此外，貴集團及 貴公司或需就可能進一步產生之負債計提撥備，並分別重新分類非流動資產及非流動負債為流動資產及流動負債。

5. Scope Limitation: valuation and impairment assessment of the Company's investments in subsidiaries and amounts due from subsidiaries

Included in the Company's statement of financial position are gross investments in subsidiaries of HKD337,898,800 (2013: HKD457,898,800), amounts due from subsidiaries of HKD640,501,508 (2013: HKD610,636,881) and an impairment provision in aggregate of HKD914,190,648 (2013: HKD996,599,680), respectively. As required by HKAS 36 issued by the HKICPA, at the end of the reporting period, the Company should assess whether there are any indications of impairment on the carrying amounts of these balances. As reported in the aforesaid basis for disclaimer of opinion, there are material fundamental uncertainties that may affect our ability to assess the validity of the going concern assumption and operations of these subsidiaries. We are unable to satisfy ourselves as to whether any further impairment losses should be recognised on these balances and whether the carrying amounts of investments in subsidiaries and amounts due from these subsidiaries are fairly stated at the end of the reporting period. Any adjustments found to be necessary in respect thereof, had we obtained sufficient appropriate audit evidence, would have had a consequential effect on the net liabilities of the Company and on its loss for the current year.

5. 審核範圍限制：貴公司於附屬公司的投資及應收附屬公司款項的估值及減值評估

貴公司財務狀況表分別包括於附屬公司的投資總額337,898,800港元（二零一三年：457,898,800港元）、應收附屬公司款項640,501,508港元（二零一三年：610,636,881港元）及減值撥備合共914,190,648港元（二零一三年：996,599,680港元）。誠如由香港會計師公會頒佈的香港會計準則第36號所規定，於報告期末，貴公司須評估上述結餘的賬面值有否出現任何減值跡象。誠如於上述不發表意見之基準內所報告，現有的重大基本不明朗因素或會影響吾等評估持續經營假設是否屬實及有關附屬公司業務的能力。吾等無法信納是否毋須就此等結餘確認任何進一步減值虧損，及附屬公司投資的賬面值以及應收有關附屬公司的款項於報告期末是否獲公平列賬。倘吾等取得充足適當的審核憑據，則任何因應上述情況而須作出之調整必然會對 貴公司本年度之負債淨額及虧損構成影響。

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DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2014 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion the consolidated financial statements have been prepared in accordance with the Hong Kong Companies Ordinance.

REPORT ON MATTERS UNDER SECTION 80 OF SCHEDULE 11 TO THE NEW HONG KONG COMPANIES ORDINANCE (CAP. 622) WITH REFERENCE TO SECTION 141(4) AND 141(6) OF THE PREDECESSOR HONG KONG COMPANIES ORDINANCE (CAP. 32)

In respect alone of the inability to obtain sufficient appropriate audit evidence on the multiple matters described in paragraphs from 1 to 5 above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper books and records had been kept.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong

Choi Kwong Yu

Practising certificate number P05071

31 March 2015

不發表意見

由於在不發表意見之基準數段所述事宜之重要性，吾等無法取得充足適當之審核憑據作為作出審核意見之依據。因此，吾等並無就綜合財務報表是否已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零一四年十二月三十一日之財務狀況及貴集團截至該日止年度之虧損及現金流量發表意見。於其他各方面，吾等認為，綜合財務報表已根據香港公司條例妥善編製。

呈報新香港公司條例(第622章)附表11第80條(參考舊有香港公司條例(第32章)第141(4)及141(6)條)項下之事項

僅就上文第一至第五段所述的多項事項而未能獲得充足及適當審核憑據而言：

- 吾等並未取得吾等認為對進行審核而言屬必要之所有資料及解釋；及
- 吾等未能確定賬冊及記錄是否已妥善存置。

天職香港會計師事務所有限公司

執業會計師

香港

蔡光裕

執業證書編號 P05071

二零一五年三月三十一日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

		Notes 附註	2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Turnover	營業額	4	39,678,262	20,901,439
Cost of sales	銷售成本		(60,591,754)	(47,066,090)
Gross loss	毛虧損		(20,913,492)	(26,164,651)
Other revenue	其他收入	5	370,277	432,344
Other net gains	其他收益淨額	6	10,490,395	44,990,813
Selling and distribution expenses	出售及分銷開支		(5,462,225)	(7,561,245)
Administrative expenses	行政開支		(39,559,943)	(35,019,340)
Loss from operations	經營虧損		(55,074,988)	(23,322,079)
Finance costs	融資成本	7(a)	(50,952,015)	(84,144,735)
Other operating expenses	其他經營開支	7(c)	(243,810,022)	(345,687,059)
Loss before taxation	除稅前虧損	7	(349,837,025)	(453,153,873)
Income tax credit	所得稅抵免	8	23,351,259	40,170,824
Loss for the year	年內虧損		(326,485,766)	(412,983,049)
Attributable to:	以下人士應佔：			
Owners of the Company	本公司擁有人		(279,819,910)	(322,357,788)
Non-controlling interests	非控股權益		(46,665,856)	(90,625,261)
Loss for the year	年內虧損		(326,485,766)	(412,983,049)
Loss per share	每股虧損	11		
Basic and diluted	基本及攤薄		(14.27 cents 仙)	(22.80 cents 仙)

The notes on pages 84 to 220 form part of the consolidated financial statements. 第84至220頁所載附註為綜合財務報表一部份。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

		Note 附註	2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Loss for the year	年內虧損		(326,485,766)	(412,983,049)
Other comprehensive loss for the year	年內其他全面虧損			
Items that have been reclassified or may be reclassified subsequently to profit or loss:	已經或其後可能重新分類至損益的項目：			
— Exchange differences on translation of financial statements of overseas subsidiaries, net of tax	— 換算海外附屬公司財務報表的匯兌差異，扣除稅項		3,027,119	(641,532)
— Reclassification of other comprehensive income upon disposal of overseas subsidiaries	— 出售海外附屬公司時重新分類其他全面收益	33	(1,522,118)	—
Total comprehensive loss for the year	年內全面虧損總額		(324,980,765)	(413,624,581)
Attributable to:	以下人士應佔：			
Owners of the Company	本公司擁有人		(277,777,582)	(322,414,014)
Non-controlling interests	非控股權益		(47,203,183)	(91,210,567)
Total comprehensive loss for the year	年內全面虧損總額		(324,980,765)	(413,624,581)

The notes on pages 84 to 220 form part of the consolidated financial statements.

第84至220頁所載附註為綜合財務報表一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2014 於二零一四年十二月三十一日

			2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
	Notes 附註			
Non-current assets		非流動資產		
Property, plant and equipment	13(a)	物業、廠房及設備		
— Property, plant and equipment		— 物業、廠房及設備	239,763,035	410,903,897
— Interests in leasehold land held for own use under operating leases		— 根據經營租賃持作自用租賃土地權益	5,508,271	8,710,104
Goodwill	14	商譽	—	—
Exploration and evaluation assets	15	勘探及評估資產	41,660,400	151,770,300
Mining deposit	16	採礦按金	199,778	213,049
			287,131,484	571,597,350
Current assets		流動資產		
Inventories	18(a)	存貨	3,714,563	5,388,773
Trade receivables	19	應收賬款	2,854,282	434,787
Prepayments, deposits and other receivables	20	預付款項、按金及其他應收款項	1,567,332	10,860,759
Amount due from a related party	25	應收一名關連方款項	36,391	9,476
Pledged deposits	21	質押存款	2,735	2,968
Cash and cash equivalents		現金及現金等價物	378,935	423,524
			8,554,238	17,120,287
Assets classified as held for sale	22	分類為持作待售資產	—	340,070
			8,554,238	17,460,357
Current liabilities		流動負債		
Trade and other payables	23	應付賬款及其他應付款項	105,108,868	110,430,866
Obligations under finance leases	24(a)	融資租賃承擔	315,456	413,972
Amount due to a director	25	應付一名董事款項	138,000	628,790
Amounts due to related parties	25	應付關連方款項	4,398,961	6,341,020
Convertible bonds	26	可換股債券	94,278,123	36,080,198
Bank loans — secured	27	有抵押銀行貸款	381,392,173	406,331,729
Unsecured loans from third parties	28	來自第三方無抵押貸款	—	150,000,000
Tax payable		應付稅項	278,451	372,501
			585,910,032	710,599,076
Liabilities associated with assets classified as held for sale	22	與分類為持作待售資產相關的負債	—	2,819,092
			585,910,032	713,418,168
Net current liabilities		流動負債淨額	(577,355,794)	(695,957,811)
Total assets less current liabilities		總資產減流動負債	(290,224,310)	(124,360,461)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2014 於二零一四年十二月三十一日

		Notes	2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
		附註		
Non-current liabilities	非流動負債			
Obligations under finance leases	融資租賃承擔	24(a)	260,030	596,532
Convertible bonds	可換股債券	26	–	47,564,590
Deferred tax liabilities	遞延稅項負債	29	8,568,647	32,061,574
			8,828,677	80,222,696
Net liabilities	負債淨額		(299,052,987)	(204,583,157)
Capital and reserves	資本及儲備	30		
Share capital	股本		989,710,234	160,818,427
Convertible preference shares	可換股優先股		90,500,988	–
Reserves	儲備		(1,384,778,295)	(416,855,294)
Total deficit attributable to owners of the Company	本公司擁有人應佔虧損總額		(304,567,073)	(256,036,867)
Non-controlling interests	非控股權益		5,514,086	51,453,710
Total deficit	虧損總額		(299,052,987)	(204,583,157)

Approved and authorised for issue by the board of directors on 31 March 2015.

經董事會於二零一五年三月三十一日批准及授權刊發。

Lim Ooi Hong
林偉雄
Director
董事

Leung Wai Kwan
梁維君
Director
董事

The notes on pages 84 to 220 form part of the consolidated financial statements.

第84至220頁所載附註為綜合財務報表一部份。

STATEMENT OF FINANCIAL POSITION

財務狀況表

At 31 December 2014 於二零一四年十二月三十一日

			2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
	Notes 附註			
Non-current assets		非流動資產		
Property, plant and equipment	13(b)	物業、廠房及設備	1,068,540	1,217,927
Investments in subsidiaries	17	於附屬公司的投資	63,947,078	71,673,419
			65,015,618	72,891,346
Current assets		流動資產		
Prepayments, deposits and other receivables		預付款項、按金及其他應收款項	84,166	2,406,803
Cash and cash equivalents	20	現金及現金等價物	24,713	154,477
			108,879	2,561,280
Current liabilities		流動負債		
Other payables and accrued expenses	23	其他應付款項及應計開支	25,538,038	45,386,654
Obligations under a finance lease	24(b)	融資租賃承擔	181,314	175,236
Amount due to a director	25	應付一名董事款項	138,000	628,790
Convertible bonds	26	可換股債券	94,278,123	36,080,198
Unsecured loans from third parties	28	來自第三方無抵押貸款	–	150,000,000
			120,135,475	232,270,878
Net current liabilities		流動負債淨額	(120,026,596)	(229,709,598)
Total assets less current liabilities		總資產減流動負債	(55,010,978)	(156,818,252)

STATEMENT OF FINANCIAL POSITION

財務狀況表

At 31 December 2014 於二零一四年十二月三十一日

		Notes 附註	2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Non-current liabilities	非流動負債			
Obligations under a finance lease	融資租賃承擔	24(b)	77,342	258,655
Convertible bonds	可換股債券	26	—	47,564,590
			77,342	47,823,245
Net liabilities	負債淨額		(55,088,320)	(204,641,497)
Capital and reserves	資本及儲備	30		
Share capital	股本		989,710,234	160,818,427
Convertible preference shares	可轉換優先股		90,500,988	
Reserves	儲備		(1,135,299,542)	(365,459,924)
Total deficit	虧損總額		(55,088,320)	(204,641,497)

Approved and authorised for issue by the board of directors on 31 March 2015.

經董事會於二零一五年三月三十一日批准及授權刊發。

Lim Ooi Hong
林偉雄
Director
董事

Leung Wai Kwan
梁維君
Director
董事

The notes on pages 84 to 220 form part of the consolidated financial statements.

第84至220頁所載附註為綜合財務報表一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔										
		Convertible				Convertible					Non-	Total
		Share capital	preference shares	Share premium	Exchange reserve	Capital reserve	bond equity reserve	Other reserve	Accumulated losses	Total	controlling interests	equity/(deficit)
		股本	優先股	股份溢價	匯兌儲備	資本儲備	可換股債券權益儲備	其他儲備	累積虧損	總額	非控股權益	權益總額／ (虧損總額)
Notes		HKD	HKD	HKD	HKD	HKD	HKD	HKD	HKD	HKD	HKD	HKD
附註		港元	港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
		(Note 30(d)(vii))	(Note 30(d)(iii))	(Note 30(d)(iii))	(Note 30(d)(iii))	(Note 30(d)(i))	(Note 30(d)(iv))	(Note 30(d)(v))	(Note 30(d)(v))			
		(附註30(d)(vii))	(附註30(d)(iii))	(附註30(d)(iii))	(附註30(d)(iii))	(附註30(d)(i))	(附註30(d)(iv))	(附註30(d)(v))	(附註30(d)(v))			
At 1 January 2013	於二零一三年一月一日	125,317,014	-	634,530,688	30,309,947	1,338,136	66,737,350	30,856,527	(876,423,175)	12,666,487	142,664,277	155,330,764
Changes in equity for 2013:	二零一三年權益變動：											
Loss for the year	年內虧損	-	-	-	-	-	-	-	(322,357,788)	(322,357,788)	(90,625,261)	(412,983,049)
Other comprehensive loss	其他全面虧損	-	-	-	(56,226)	-	-	-	-	(56,226)	(585,306)	(641,532)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	(56,226)	-	-	-	(322,357,788)	(322,414,014)	(91,210,567)	(413,624,581)
Shares issued pursuant to a share placing	根據股份配售而發行的股份	30(b)	26,803,000	-	17,100,314	-	-	-	-	43,903,314	-	43,903,314
Conversion of convertible bonds	轉換可換股債券	30(b)	8,698,413	-	38,514,417	-	(18,188,430)	-	-	29,024,400	-	29,024,400
Repayment of convertible bonds	償還可換股債券	26(b)	-	-	-	-	(19,217,054)	-	-	(19,217,054)	-	(19,217,054)
At 31 December 2013	於二零一三年十二月三十一日	160,818,427	-	690,145,419	30,253,721	1,338,136	29,331,866	30,856,527	(1,198,780,963)	(256,036,867)	51,453,710	(204,583,157)
At 1 January 2014	於二零一四年一月一日	160,818,427	-	690,145,419	30,253,721	1,338,136	29,331,866	30,856,527	(1,198,780,963)	(256,036,867)	51,453,710	(204,583,157)
Changes in equity for 2014:	二零一四年權益變動：											
Loss for the year	年內虧損	-	-	-	-	-	-	-	(279,819,910)	(279,819,910)	(46,665,856)	(326,485,766)
Other comprehensive loss	其他全面虧損	-	-	-	2,042,328	-	-	-	-	2,042,328	(537,327)	1,505,001
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	2,042,328	-	-	-	(279,819,910)	(277,777,582)	(47,203,183)	(324,980,765)
Disposal of subsidiaries	出售附屬公司	33	-	-	-	-	-	-	-	-	1,263,559	1,263,559
Transition to no-par value regime on 3 March 2014	於二零一四年三月三日過渡至無面值制度	30(d)(ii)	690,145,419	-	(690,145,419)	-	-	-	-	-	-	-
Shares issued pursuant to a share placing	根據股份配售而發行的股份	30(b)	48,245,400	-	-	-	-	-	-	48,245,400	-	48,245,400
Shares issued pursuant to loan capitalisation	根據貸款資本化而發行的股份	30(b)	90,500,988	90,500,988	-	-	-	-	-	181,001,976	-	181,001,976
At 31 December 2014	於二零一四年十二月三十一日	989,710,234	90,500,988	-	32,296,049	1,338,136	29,331,866	30,856,527	(1,478,600,873)	(304,567,073)	5,514,086	(299,052,987)

The notes on pages 84 to 220 form part of the consolidated financial statements. 第84至220頁所載附註為綜合財務報表一部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

	Notes 附註	2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Operating activities	經營業務		
Loss before taxation	除稅前虧損	(349,837,025)	(453,153,873)
Adjustments for:	調整項目：		
— Amortisation of interests in leasehold land held for own use under operating leases	— 根據經營租賃持作自用的租賃土地權益攤銷	7(d) 129,465	142,916
— Depreciation	— 折舊	7(d) 23,572,035	25,538,212
— Fair value change in contingent consideration receivable	— 應收或然代價的公平值變動	6 —	(44,879,766)
— Finance costs	— 融資成本	7(a) 50,952,015	84,144,735
— Foreign exchange losses	— 匯兌虧損	2,996,273	825,724
— Gain on disposal of subsidiaries	— 出售附屬公司的收益	6 (10,471,934)	—
— Impairment on exploration and evaluation assets	— 勘探及評估資產減值	7(c) 108,208,053	207,562,580
— Impairment on goodwill	— 商譽減值	7(c) —	111,180,501
— Impairment on interests in leasehold land	— 租賃土地權益減值	7(c) 2,858,305	571,665
— Impairment on other receivables and prepayments	— 其他應收款項及預付款項減值	7(c) 1,767,649	25,899
— Impairment on property, plant and equipment	— 物業、廠房及設備減值	7(c) 130,976,015	26,195,379
— Interest income	— 利息收入	5 (4,619)	(10,164)
— Net loss on disposal of property, plant and equipment	— 出售物業、廠房及設備虧損淨額	7(d) —	786,486
— Write down of inventories	— 存貨撇減	18(b) 1,082,237	952,452
— Write offs:	— 撇銷：		
Property, plant and equipment	物業、廠房及設備	7(c) —	15,525
Inventories	存貨	7(c) —	135,510
Operating loss before changes in working capital	營運資金變動前經營虧損	(37,771,531)	(39,966,219)
Decrease in inventories	存貨減少	591,973	3,981,466
(Increase)/decrease in trade receivables	應收賬款(增加)/減少	(2,419,495)	1,453,615
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少	7,525,778	1,532,654
Increase in trade and other payables	應付賬款及其他應付款項增加	10,362,335	9,078,956
Increase in accounts with related parties	與關連方賬目增加	117,591	1,097,316
(Decrease)/increase in amount due to a director	應付一名董事款項(減少)/增加	(490,790)	628,790
Cash used in operating activities	經營業務動用現金	(22,084,139)	(22,193,422)
Tax paid	已付稅項	(212,856)	—
Net cash used in operating activities	經營業務動用現金淨額	(22,296,995)	(22,193,422)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

	Notes 附註	2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Investing activities	投資業務		
Decrease in pledged deposits	質押存款減少	233	10,885
Deposit received from disposal of assets held for sale	出售持作待售資產已收按金	—	762,521
Increase in deposits for purchase of property, plant and equipment	購入物業、廠房及設備按金增加	—	(1,411,226)
Payment for purchase of property, plant and equipment	購入物業、廠房及設備付款	(6,252,098)	(666,207)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	—	1,172,536
Interest received	已收利息	5 4,619	10,164
Net cash used in investing activities	投資業務動用現金淨額	(6,247,246)	(121,327)
Financing activities	融資業務		
Capital element of finance lease rentals paid	已付融資租賃租金的資本部份	(435,018)	(1,383,906)
Proceeds from the issue of shares, net of expenses incurred	發行股份所得款項(扣除產生開支)	30(b) 48,245,400	43,903,314
(Decrease)/increase in amounts due to related parties	應付關連方款項(減少)/增加	(2,086,565)	3,699,116
Proceeds from the disposal of subsidiaries	出售附屬公司所得款項	33 7,756,820	—
Interest on finance lease rentals paid	已付融資租賃租金的利息	(42,653)	(111,053)
Interest paid	已付利息	(24,954,259)	(24,404,764)
Net cash generated from financing activities	融資業務所得現金淨額	28,483,725	21,702,707
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(60,516)	(612,042)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	430,130	1,081,207
Effect of foreign exchange rate changes	匯率變動之影響	9,321	(39,035)
Cash and cash equivalents at end of the year	年終現金及現金等價物	378,935	430,130
Represented by:	即：		
Cash and cash equivalents	現金及現金等價物	378,935	423,524
Assets classified as held for sale	分類為持作待售資產	22 —	6,606
		378,935	430,130

The notes on pages 84 to 220 form part of the consolidated financial statements.

第84至220頁所載附註為綜合財務報表一部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 COMPANY INFORMATION

Ding He Mining Holdings Limited (formerly known as CVM Minerals Limited) (the “Company”) is a company incorporated and domiciled in Hong Kong. The address of its registered office is Flat B, 21/F., Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong. The address of its principal place of business is 3/F., Wisma Ho Wah Genting, No. 35, Jalan Maharajalela, 50150 Kuala Lumpur, Malaysia. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group”). The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 17 to the consolidated financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong.

These consolidated financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit”, which are set out in sections 76 to 87 of Schedule 11 to that Ordinance.

1 公司資料

鼎和礦業控股有限公司(「本公司」)是一間於香港註冊成立及登記的公司。其註冊辦事處地址為香港灣仔告士打道128號祥豐大廈21樓B室。其主要營業地點地址為3/F., Wisma Ho Wah Genting, No. 35, Jalan Maharajalela, 50150 Kuala Lumpur, Malaysia。本公司股份在香港聯合交易所有限公司(「聯交所」)主板上市。

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)。本公司主要從事投資控股業務，而其附屬公司之主要業務載於綜合財務報表附註17。

2 重大會計政策

(a) 遵例聲明

綜合財務報表乃根據香港會計師公會(「香港會計師公會」)所頒佈的所有適用香港財務報告準則(「香港財務報告準則」)，乃包括所有適用的個別香港財務報告準則、香港會計準則及詮釋、香港公認會計原則的統稱)編製。

此等綜合財務報表亦符合香港公司條例的適用規定，當中根據新香港公司條例(第622章)第9部「賬目及審計」所指的過渡性及保留安排(載於該條例附表11第76至87條)，就本財政年度及比較期間繼續沿用舊有香港公司條例(第32章)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(a) Statement of compliance (continued)

The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

A summary of the significant accounting policies adopted by the Group and the Company is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group and the Company for the current and prior accounting periods reflected in the consolidated financial statements.

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements are presented in Hong Kong dollars ("HKD"), which is the Company's functional currency.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except for non-current assets classified as assets/liabilities held for sale is stated at the lower of their carrying amounts and fair values less costs to sell (see note 2(v)).

2 重大會計政策 (續)

(a) 遵例聲明 (續)

綜合財務報表亦符合聯交所證券上市規則（「上市規則」）的適用披露規定。

本集團及本公司採納的重大會計政策概述如下。

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則，該等準則於本集團及本公司本會計期間首次生效或可供提早採納。附註3提供資料說明綜合財務報表中所反映任何計政策的變動，而變動乃因首次應用適用於本集團及本公司於本會計期間及以往會計期間的該等準則所導致。

(b) 綜合財務報表的編製基準

綜合財務報表以本公司的功能貨幣港元（「港元」）呈列。

綜合財務報表乃使用歷史成本基準編製，惟分類為持作待售資產／負債的非流動資產按其賬面值與公平值減銷售成本兩者的較低者列賬（見附註2(v)）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Basis of preparation of the consolidated financial statements (continued)

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in Note 38.

2 重大會計政策(續)

(b) 綜合財務報表的編製基準(續)

在編製符合香港財務報告準則的綜合財務報表時，管理層需作出判斷、估計及假設，其將影響政策的應用，以及對資產、負債、收入及支出的報告數額構成影響。該等估計及相關假設乃根據以往經驗及管理層應當時情況認為合理的多項其他因素作出的，其結果構成了管理層在無法依循其他途徑及時得知資產與負債的賬面值時所作出判斷的基礎。實際結果可能有別於估計數額。

管理層會不斷審閱各項估計和相關假設。倘會計估計的修訂只影響某一期間，該修訂則會在該期間內確認；倘修訂對當前及未來期間均有影響，則在作出修訂的期間及未來期間確認。

管理層在應用香港財務報告準則時所作出對綜合財務報表有重大影響的判斷以及估計不確定性的主要來源於附註38論述。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Basis of preparation of the consolidated financial statements (continued)

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and the Company in light of the fact that:

- (i) The Group incurred a loss for the year attributable to owners of the Company of HKD279,819,910 (2013: HKD322,357,788) for the year ended 31 December 2014 and, as of that date, the Group's current liabilities exceeded its current assets by HKD577,355,794 (2013: HKD695,957,811) and the Company's current liabilities exceeded its current assets by HKD120,026,596 (2013: HKD229,709,598);
- (ii) At 31 December 2014, the Group has cash and cash equivalents of HKD378,935 (2013: HKD423,524) which is insufficient to settle accrued salaries of HKD2,800,027 (2013: HKD2,190,413) payables due in the immediate month, certain committed repayment instalments and interests payable of HKD70,901,665 (2013: HKD86,574,486) in the Group's borrowings; and committed to contract for of HKD17,526,584 (2013: HKD18,690,853) in the Group's capital commitments;
- (iii) As explained in Note 13(d) to the consolidated financial statements, the production plant in Malaysia was suspended since the year ended 31 December 2012;
- (iv) As detailed in Notes 15(b) and 15(c) to the consolidated financial statements, there were no exploration activities conducted in the year ended 31 December 2014 for coal and manganese. This was because the Group is trying to reallocate its limited cash resources to other prospective business segments;

2 重大會計政策 (續)

(b) 綜合財務報表的編製基準 (續)

在編製綜合財務報表時，本公司董事已審慎考慮本集團及本公司的未來流動資金及表現，以及：

- (i) 本集團截至二零一四年十二月三十一日止年度及於該日期產生本公司擁有人應佔年度虧損279,819,910港元(二零一三年：322,357,788港元)、本集團流動負債超出其流動資產577,355,794港元(二零一三年：695,957,811港元)、本公司流動負債超出其流動資產120,026,596港元(二零一三年：229,709,598港元)；
- (ii) 於二零一四年十二月三十一日，本集團有現金及現金等價物378,935港元(二零一三年：423,524港元)，其不足以支付當月到期應付的應計薪金2,800,027港元(二零一三年：2,190,413港元)、本集團借款中若干已承擔分期還款連同應付利息70,901,665港元(二零一三年：86,574,486港元)；及本集團資本承擔已承擔已訂約17,526,584港元(二零一三年：18,690,853)；
- (iii) 誠如綜合財務報表附註13(d)所解釋，位於馬來西亞的生產廠房已自截至二零一二年十二月三十一日止年度起暫停營運；
- (iv) 誠如綜合財務報表附註15(b)及15(c)所詳述，截至二零一四年十二月三十一日止年度並無就煤炭及錳進行勘探活動，此乃由於本集團正在嘗試重新分配其有限的現金資源至其他潛在的業務分部；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Basis of preparation of the consolidated financial statements (continued)

- (v) As explained in Notes 15(c) and 17 to the consolidated financial statements, the Group lost contact with the legal representatives of PT. Laksbang Mediatama ("PTLM") in prior years and the re-nomination of the legal representatives has not yet been completed. PTLM holds a production operating mining permit for manganese in Indonesia. This brought to a halt to the daily operations and mining activities of PTLM and might impact the fulfillment of the obligations of PTLM in respect of its production operation mining permit for manganese and any other government regulations it would be subject to. The operations and future profitability of the Group might be affected by the loss of contact with the PTLM's legal representatives;

2 重大會計政策(續)

(b) 綜合財務報表的編製基準(續)

- (v) 誠如綜合財務報表附註15(c)及17所述，本集團於過往年度與PT. Laksbang Mediatama(「PTLM」)的法律代表失去聯絡，且尚未完成重新提名法律代表。PTLM持有位於印尼的錳生產經營開採許可證，此令PTLM的日常營運及採礦活動陷入停滯狀態，並可能影響PTLM履行有關其錳生產經營開採許可證及任何其他其將須遵守的政府規例的責任。本集團的業務及未來盈利能力或會因與PTLM的法律代表失去聯絡而受到影響；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Basis of preparation of the consolidated financial statements (continued)

- (vi) As detailed in Note 26(a) to the consolidated financial statements, the aggregate principal amount of convertible bonds of HKD80,000,000 (the "Matured Bonds") following the non-redemption of the earlier First Tranche Bonds on 1 December 2014 technically constitutes an event of default on the part of the Company and can lead to a mandatory redemption of the Second Tranche Bonds, Third Tranche Bonds, Fourth Tranche Bonds and the Fifth Tranche Bonds. Up to the approval date of the consolidated financial statements, all the Matured Bonds were defaulted. The directors of the Company represented that (i) the Company is currently in the course of arm's length negotiations with the holders of the Matured Bonds in relation to, among others, the possible extension of the Matured Bonds and other possible alteration of terms of the Matured Bonds ("Proposed Alteration"); (ii) as negotiated with the holders of the Matured Bonds, they verbally agreed not to redeem the Matured Bonds until the Proposed Alteration is confirmed; and (iii) the interest on the Matured Bonds will continue to be payable by the Company until the date of redemption pursuant to the terms of the Matured Bonds. The interest thereon is approximately HKD1,627,000 up to the approval date of the consolidated financial statements. As at the approval date of the consolidated financial statements, the Proposed Alteration have not been fixed and confirmed yet;

2 重大會計政策 (續)

(b) 綜合財務報表的編製基準 (續)

- (vi) 誠如綜合財務報表附註26(a)詳述，隨著第一批債券較早前於二零一四年十二月一日未予贖回，本金額合共80,000,000港元的可換股債券（「到期債券」）理論上構成本公司違約，並可導致強制贖回第二批債券、第三批債券、第四批債券及第五批債券。直至綜合財務報表批准日期止，所有到期債券經已違約。本公司董事表示，(i)本公司正與到期債券持有人就（其中包括）到期債券建議延期及到期債券條款之其他建議修改（「建議修改」）進行公平磋商；(ii)與到期債券持有人磋商後，彼等口頭同意於建議修改確認前不贖回到期債券；及(iii)根據到期債券條款，本公司將於贖回日期前繼續支付到期債券利息。直至綜合財務報表批准日期止，有關利息約為1,627,000港元。於綜合財務報表批准日期，建議修改尚未決定及確認；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Basis of preparation of the consolidated financial statements (continued)

- (vii) As detailed in Note 26(b) to the consolidated financial statements, the principal amount of convertible bonds of HKD16,680,682 (the "Victory Dragon Bonds") are maturing in 2017. As explained in Note 26(a) of the consolidated financial statements, the non-redemption of convertible bonds of First Tranche Bonds on 1 December 2014 technically constitutes an event of default on the part of the Company and can lead to a mandatory redemption of the Victory Dragon Bonds. Therefore, the Victory Dragon Bonds have become due and payable at their principal amounts if any of their holders serves a notice on the Company subsequent to 1 December 2014. As at the approval date of the consolidated financial statements, the Company represented that no mandatory redemption request has been received from any of the bondholders of the Victory Dragon Bonds;

2 重大會計政策(續)

(b) 綜合財務報表的編製基準(續)

- (vii) 誠如綜合財務報表附註26(b)詳述，本金額為16,680,682港元的可換股債券(「凱龍債券」)將於二零一七年到期。誠如綜合財務報表附註26(a)所述，第一批債券的可換股債券於二零一四年十二月一日未予贖回，理論上構成本公司違約，並可導致強制贖回凱龍債券。因此，凱龍債券將於任何凱龍債券持有人於二零一四年十二月一日後向本公司發出通知時到期，並須償還其本金。於綜合財務報表批准日期，本公司表示其並未接獲任何凱龍債券持有人發出任何強制贖回的要求；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Basis of preparation of the consolidated financial statements (continued)

(viii) As detailed in Note 27 to the consolidated financial statements, secured bank loans of HKD381,392,173 (2013: HKD406,331,729) are already due for repayment as the Company's wholly-owned subsidiary, CVM Magnesium Sdn. Bhd. ("CVMSB") is unable to fulfill the covenants set out in the facilities agreement. On 15 December 2014, the Group accepted the restructuring proposal offered by Bank Kerjasama Rakyat Malaysia Berhad ("Bank Rakyat"), but the Group is still unable to fulfil the revised covenants set out in the restructuring proposal as at the approval date of the consolidated financial statements. On 17 March 2015, the Group received a letter issued by Bank Rakyat indicating that the continued failure of CVMSB to fulfil the repayment obligations as set out in the restructuring proposal constituted a breach of terms and therefore the restructuring proposal was terminated and/or allowed to be terminated. Accordingly, the total amount owed and repayable to Bank Rakyat by CVMSB was restored to RM203,141,864 (equivalent to HKD465,174,866) as at 28 February 2015 which was required to be settled by CVMSB within 14 days from the date of that letter. According to Bank Rakyat, legal actions will be commenced against CVMSB including all its corporate guarantors if CVMSB failed, neglected or refused to settle the outstanding loans within the given period. The operations of the Group might be affected if legal proceeding against the Group is executed by the Bank Rakyat for the default repayment of the secured bank loans;

2 重大會計政策 (續)

(b) 綜合財務報表的編製基準 (續)

(viii) 誠如綜合財務報表附註27詳述，由於本公司全資附屬公司CVM Magnesium Sdn. Bhd. (「CVMSB」)未能履行融資協議所載契諾，故有抵押銀行貸款為381,392,173港元(二零一三年：406,331,729港元)已到期償還。於二零一四年十二月十五日，本集團已經接受Bank Kerjasama Rakyat Malaysia Berhad (「Bank Rakyat」)提出的重組提案，惟於綜合財務報表批准日期，本集團仍未能履行重組提案所載的經修訂契諾。於二零一五年三月十七日，本集團接獲Bank Rakyat發出的函件，指出CVMSB因持續未能履行重組提案所載的償還責任而違反條款，故此，重組提案經已終止及／或可被終止。因此，於二零一五年二月二十八日CVMSB所結欠及應償還予Bank Rakyat的總金額回復至203,141,864馬幣(相當於465,174,866港元)，並須於該函件日期起計14日內償付。根據Bank Rakyat，倘CVMSB於上述期間內未能、忘記或拒絕償還未償還貸款，其將會向CVMSB(包括所有公司擔保人)提起訴訟。倘Bank Rakyat就拖欠償還有抵押銀行貸款向本集團提出法律訴訟，本集團的業務可能受影響；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Basis of preparation of the consolidated financial statements (continued)

- (ix) As detailed in Note 36(a) to the consolidated financial statements, the Company has corporate guarantees totalling approximately RM184,600,000 (equivalent to approximately HKD409,767,000) (2013: RM184,600,000 (equivalent to approximately HKD436,987,000)) to Bank Rakyat in respect of bank loan facilities granted to CVMSB. As explained in Note 27 to the consolidated financial statements, CVMSB has defaulted repayment of the bank loan facilities. Therefore, a possible claim might be made against the Company under the corporate guarantees if no remedial action is taken by the Company; and
- (x) As detailed in Note 36(b) to the consolidated financial statements, the bondholders of the Matured Bonds and Victory Dragon Bonds may without further notice institute such proceedings as it may think fit to enforce repayment of the Matured Bonds and Victory Dragon Bonds which theoretically become due and payable on 1 December 2014.

The directors of the Company have taken the following actions to mitigate the liquidity issues faced by the Group and the Company:

- (i) As at the date of the Company's announcement dated 31 March 2015, CVMSB has not settled the Outstanding Loan as detailed in Note 27. As such, the Company is exposed to potential litigations. The Company and CVMSB are using their best efforts to (i) arrange to pay the overdue interests to Bank Rakyat in due course and (ii) further negotiate with Bank Rakyat for the repayment terms of the Outstanding Loan;

2 重大會計政策(續)

(b) 綜合財務報表的編製基準(續)

- (ix) 誠如綜合財務報表附註36(a)詳述，本公司已就CVMSB獲授之銀行貸款融資向Bank Rakyat發出公司擔保合共約184,600,000馬幣(相當於約409,767,000港元)(二零一三年：184,600,000馬幣(相當於約436,987,000港元))。誠如綜合財務報表附註27所述，CVMSB拖欠償還銀行貸款融資。因此，倘本公司並無採取補救措施，本公司可能因公司擔保而遭索償；及
- (x) 誠如綜合財務報表附註36(b)詳述，到期債券及凱龍債券持有人無需就構成其認為合適可強制償還到期債券及凱龍債券(理論上已於二零一四年十二月一日到期及須償還)的行動作進一步通知。

本公司董事已採取下列行動減輕本集團及本公司所面臨的流動資金問題：

- (i) 於本公司日期為二零一五年三月三十一日的公告日期，CVMSB未能償清附註27詳述的該欠款。因此，本公司面臨潛在訴訟。本公司及CVMSB正盡最大努力(i)適時安排向Bank Rakyat償還逾期利息及(ii)進一步與Bank Rakyat商討償還該欠款之條款；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Basis of preparation of the consolidated financial statements (continued)

- (ii) As detailed in Notes 26(a) and 36(b), the Company is exposed to potential litigations. The Company is using their best efforts to (i) arrange to continue to pay the overdue interests to the bondholders in due course and (ii) further re-negotiate with bondholders for the extension of maturity dates and Proposed Alteration of terms of these convertible bonds; and
- (iii) The Group is seeking investors or strategic partners for the Group's projects in Indonesia and People's Republic of China (the "PRC").

The directors of the Company consider that taking into account of the above, the cash requirements of the Group for the next twelve months from the end of the reporting period and the Group's ability to attain future profitable operations in CVMSB and its indirectly owned subsidiary, 龍川升龍礦泉有限公司 (Long Chuan Shen Long Mineral Water Co., Ltd.) ("Long Chuan") and all existing banking facilities will be continuously available for the Group's use, the Group and the Company will have sufficient working capital to meet in full their financial obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of all assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

2 重大會計政策 (續)

(b) 綜合財務報表的編製基準 (續)

- (ii) 誠如附註26(a)及36(b)詳述，本公司面臨潛在訴訟。本公司正盡最大努力(i)適時安排向債券持有人繼續償還逾期利息及(ii)進一步與債券持有人就延長到期日及此等可換股債券的建議修改條款重新商討；及
- (iii) 本集團正就其在印尼及中華人民共和國(「中國」)的項目尋求投資者或戰略夥伴。

本公司董事認為，經考慮以上各點、本集團由報告期間結束起計未來12個月的現金需求、本集團日後自CVMSB及其間接附屬公司龍川升龍礦泉有限公司(「龍川」)的營運獲利的能力，以及全部現有銀行信貸將可持續供本集團動用後，本集團及本公司將有足夠營運資金悉數償還於可見將來到期償還的財務負債。因此，綜合財務報表乃按持續經營基準編製。

倘本集團無法持續經營，則須作出調整以撇減所有資產值至其可收回金額，並就可能產生的未來負債作出撥備，以及將非流動資產及負債分別重新分類為流動資產及負債。該等潛在調整的影響並未反映在綜合財務報表內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

Investments in subsidiaries are consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions, cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

2 重大會計政策(續)

(c) 附屬公司及非控股權益

附屬公司是指受本集團控制之實體。本集團因參與該實體之營運而獲得或有權享有其可變回報，並能夠運用其對實體之權力影響上述回報，則本集團對該實體有控制權。當評估本集團是否有權力時，只考慮具體權利(由本集團及其他人士持有)。

於附屬公司的投資自取得有關控制權當日起至該控制權終止當日止期間於綜合財務報表綜合入賬。集團內公司間的結餘、交易、現金流量以及集團內公司間交易所產生的未變現溢利在編製綜合財務報表時全數抵銷。倘無證據顯示集團內公司間交易出現減值，則未變現虧損按等同於未變現收益的方式抵銷。

非控股權益是指並非由本公司直接或間接擁有附屬公司的權益，而本集團並沒有與該等權益的持有人協定任何可導致本集團整體上就該等權益而承擔符合金融負債定義的合同義務的額外條款。就每項業務合併而言，本集團可選擇以公平值或其於附屬公司的可予識別資產淨值的比例份額以計量非控股權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) Subsidiaries and non-controlling interests

(continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the Consolidated statement of profit or loss and the Consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses (see Note 2(i)(iii)), unless the investment is classified as held for sale (see Note 2(v)).

(d) Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

2 重大會計政策 (續)

(c) 附屬公司及非控股權益 (續)

非控股權益與本公司擁有人應佔權益在綜合財務狀況表的權益項目中分別列示。本集團業績劃分為非控股權益應佔年內溢利或虧損總額及全面收益總額與本公司擁有人應佔年內溢利或虧損總額及全面收益總額，於綜合損益表及綜合損益及其他全面收益表中分別列示。

倘本集團失去附屬公司的控制權，該附屬公司的全部權益呈列為出售附屬公司，其所產生的收益或虧損於損益確認。

於本公司的財務狀況表中，附屬公司投資按成本扣除減值虧損（見附註2(i)(iii)）列賬，分類為持作出售的投資除外（見附註2(v)）。

(d) 業務合併

收購業務使用收購方法呈列。業務合併所轉移的代價乃按計算為本集團轉讓資產於收購日期的公平值、本集團轉嫁予被收購方前擁有人的負債與本集團為換取被收購方控制權而發行的股本權益總和的公平值計值。收購相關成本一般於產生時於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) Business combination (continued)

At the acquisition date, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 (Revised), Business combinations, are recognised at their fair values, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12, Income Taxes and HKAS 19, Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with HKFRS 2, Share-based payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5, Non-current assets held for sale and discontinued operations, are measured in accordance with that standard.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date.

2 重大會計政策(續)

(d) 業務合併(續)

於收購日期，根據香港財務報告準則第3號(經修訂)業務合併，達成確認條件的被收購方可識別資產、負債及或然負債已按其公平值確認，惟以下情況除外：

- 遞延稅項資產或負債及與僱員福利安排有關的負債或資產分別根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；
- 與本集團代替被收購方的股份付款獎勵有關的負債或權益工具乃根據香港財務報告準則第2號以股份為基礎付款計量；及
- 根據香港財務報告準則第5號持作出售非流動資產及已終止經營業務被列為持作出售的資產(或出售組別)乃根據該準則計量。

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，或然代價乃按其收購日期之公平值計量並被視為於業務合併中所轉讓代價的一部份。或然代價之公平值變動(如符合計量期間調整資格)可追溯調整，並對商譽或議價收購收益作出相應調整。計量期間調整為於計量期間就於收購日期存在之事實及情況獲得額外資料而引致之調整。計量期間不超過收購日期起計一年。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) Business combination (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with HKAS 39, Financial instruments: Recognition and measurement, or HKAS 37, Provisions, contingent liabilities and contingent assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

(e) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

2 重大會計政策 (續)

(d) 業務合併 (續)

不合資格作為計量期間調整的或然代價公平值變動的其後會計處理取決於或然代價是如何分類。分類為權益的或然代價不會在其後報告日期重新計量以及其後之結算乃於權益內列賬。分類為資產或負債之或然代價乃根據香港會計準則第39號金融工具：確認及計量或香港會計準則第37號撥備、或然負債及或然資產（如適用）在其後報告日期重新計量，並在損益中確認相應的收益或虧損。

非控股權益可初步按公平值或非控股權益分佔被收購方可識別資產淨值之公平值比例計量。計量基準視乎每項交易而作出選擇。

(e) 商譽

商譽為第(i)項超出第(ii)項的部份：

- (i) 所轉讓代價的公平值、於被收購公司的任何非控股權益的金額及本集團之前於被收購公司所持股權的公平值總額；
- (ii) 被收購公司可識別資產與負債之公平值淨額（於收購日期計量）。

如第(ii)項大於第(i)項，則超出部份於損益內即時確認為議價購入收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(e) Goodwill (continued)

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 2(i)(iii)).

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(i)(iii)).

Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

— Buildings	10–40 years
— Plant and machinery	4–10 years
— Motor vehicles	4–10 years
— Furniture and fittings	10 years
— Office equipment	4–10 years
— Computer equipment	3–5 years
— Retorts	25 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately.

2 重大會計政策(續)

(e) 商譽(續)

商譽按成本減累計減值虧損列賬。業務合併產生的商譽分配予預期將受益於合併的協同效應的各現金產生單位或多組現金產生單位，並每年接受減值測試(見附註2(i)(iii))。

(f) 物業、廠房及設備

物業、廠房及設備以成本減累計折舊及減值虧損(見附註2(i)(iii))列賬。

折舊按直線法及以下預計可用年期計算，以撇銷物業、廠房及設備的成本(已扣除估計剩餘價值(如有))：

— 樓宇	10至40年
— 廠房及機器	4至10年
— 汽車	4至10年
— 傢俬及裝置	10年
— 辦公室設備	4至10年
— 計算機設備	3至5年
— 還原權	25年

如果物業、廠房和設備項目的組成部份有不同的可用期限，有關項目成本會合理分配至各部份，且各部份會分開計提折舊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Property, plant and equipment (continued)

Depreciation method, useful life of an asset and its residual value, if any, are reviewed annually and adjusted if appropriate.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

(g) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

2 重大會計政策 (續)

(f) 物業、廠房及設備 (續)

本集團會每年檢討折舊法、資產的可用期限及剩餘價值(如有)並進行適當調整。

報廢或出售物業、廠房及設備項目所產生的損益以出售所得款項淨額與項目賬面值之間的差額釐定，並於報廢或出售日期於損益表確認。

(g) 租賃資產

倘本集團決定根據由一項或多項交易組成的安排於協定期內轉讓特定資產使用權以換取一筆或多筆款項，則有關安排屬於或包含租賃。有關決定乃根據有關安排性質評估作出，而不論有關安排是否為合法形式的租賃。

(i) 本集團所租用資產的分類

本集團根據租賃持有絕大部份擁有權風險與回報已轉讓予本集團的資產分類為根據融資租賃持有的資產。未將絕大部份擁有權風險與回報轉讓予本集團的租約則分類為經營租賃。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(g) Leased assets (continued)

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in Note 2(f). Impairment losses are accounted for in accordance with the accounting policy as set out in Note 2(i)(iii). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

The cost of acquiring land held under an operating lease is amortised on a straight line basis over the period of the lease term.

2 重大會計政策(續)

(g) 租賃資產(續)

(ii) 按融資租賃收購的資產

倘本集團根據融資租賃收購資產使用權，則所租賃資產的公平值或有關資產最低租金付款現值的較低者會列作物業、廠房及設備，而相關負債(扣除財務費用)將列作融資租賃承擔。折舊於相關租期或資產可用期限(若本集團有可能取得資產所有權)內按撇銷資產成本的比率撥備(見附註2(f))。減值虧損按附註2(i)(iii)所載會計政策計算。租金付款所包含的融資費用將於租期內計入損益表，使各會計期間的費用佔剩餘承擔的比率大致相同。

(iii) 經營租賃費用

如本集團使用根據經營租賃持有的資產，則根據租約支付的款項會在租期內會計期間的損益表分期等額扣除，惟倘有其他方式能更清楚反映租賃資產所產生收益的模式則除外。獲得的租賃優惠於損益表確認計入淨租金付款總額一部份。

收購根據經營租賃所持有土地的成本於租期內按直線法攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Exploration and evaluation assets

(i) Exploration and evaluation assets

Exploration and evaluation assets comprises costs which are directly attributable to: researching and analysing existing exploration data; conducting geological studies, exploratory drilling and sampling; examining and testing extraction and treatment methods; and compiling prefeasibility and feasibility studies. Exploration and evaluation assets also includes the costs incurred in the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Exploration and evaluation expenditure is capitalised if the project is technically and commercially feasible and the Group has sufficient resources and the intention to complete the project. If a project does not prove viable, all irrecoverable costs associated with the project are expensed in profit or loss. Capitalised exploration and evaluation expenditures are stated in the statement of financial position at cost less accumulated amortisation and impairment losses (see Note 2(i)(ii)).

Upon the commencement of quarrying activities, the capitalised exploration and evaluation expenditure is amortised using the straight line method over its estimated useful life of 20 years. Both the useful life of an asset and amortisation method are reviewed annually.

2 重大會計政策(續)

(h) 勘探及評估資產

(i) 勘探及評估資產

勘探及評估資產包括以下項目的直接應佔成本：研究及分析現有勘探數據；進行地質研究；勘探鑽井及收取樣本；檢測提取及處理方法；及編製事前可行性及可行性研究報告。勘探及評估資產亦包括進入有關權益區域支付的進場費及收購現有項目權益應付予第三方費用所產生的成本。

倘項目技術上及商業上可行且本集團有足夠資源並有意完成該項目，則將勘探及評估開支資本化。倘證明項目不可行，則所有與項目相關的不可退還成本於損益表中列作開支。資本化的勘探及評估開支乃於財務狀況表內按成本減累計攤銷及減值虧損（見附註2(i)(ii)）列賬。

開展採石業務後，資本化的勘探及評估開支於20年估計使用年限使用直線法進行攤銷。資產的使用年限及攤銷方法每年均作檢討。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Exploration and evaluation assets

(continued)

(ii) Exploration mining permits acquired in business combinations

Exploitation mining permits acquired in a business combination and recognised separately from goodwill are initially recognised at fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, exploitation mining permits are stated at cost less accumulated amortisation and impairment losses (see Note 2(i)(ii)). Exploitation mining permits are amortised on a unit-of-production basis. The units of the exploitation mining permits are reviewed annually in accordance with the production plans of the Group and the proved and probable reserves.

(iii) Water and mining permits acquired in a business combination

Water and mining permits acquired in a business combination and recognised separately from goodwill are initially recognised at fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, water and mining permits are stated at cost less accumulated amortisation and impairment losses (see Note 2(i)(ii)). Water and mining permits are amortised on a unit-of-production basis. The units of the water and mining permits are reviewed annually in accordance with the production plan of the Group.

2 重大會計政策(續)

(h) 勘探及評估資產(續)

(ii) 業務合併中收購的勘探開採許可證

在業務合併中收購並與商譽分開確認的勘探開採許可證，初步按其於收購日期的公平值(視為其成本)確認。

於初步確認後，勘探開採許可證按成本減累計攤銷及減值虧損列賬。勘探開採許可證按單位產量法攤銷(見附註2(i)(ii))。本集團每年根據生產計劃及探明儲量及可能儲量檢討勘探開採許可證的單位。

(iii) 業務合併中收購的泉水及開採許可證

在業務合併中收購並與商譽分開確認的泉水及開採許可證，初步按其於收購日期的公平值(視為其成本)確認。

於初步確認後，泉水及開採許可證按成本減累計攤銷及減值虧損列賬(見附註2(i)(ii))。泉水及開採許可證按單位產量法攤銷。本集團每年根據生產計劃檢討泉水及開採許可證的單位。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(i) Impairment of assets

(i) Impairment of receivables

Receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, any impairment loss is determined, recognised and measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

2 重大會計政策 (續)

(i) 資產減值

(i) 應收款項的減值

本集團於各報告期末評估以成本或攤銷成本列賬的應收款項，確定是否存在減值的客觀證據。減值的客觀證據包括本集團發現有以下一項或多項虧損事項的顯著數據：

- 債務人有重大財務困難；
- 違約，如拖欠或逾期償還利息或本金還款；
- 債務人可能破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境出現對債務人不利的重大轉變。

倘出現上述任何該等跡象，則按資產賬面值與估計未來現金流量現值（倘貼現影響重大，則以金融資產的原有實際利率（即於首次確認該等資產時計算的實際利率）貼現）的差額釐定、確認及計量減值虧損。倘按攤銷成本列賬的該等金融資產具備類似的風險特徵，例如類似的逾期情況等，且並無個別評估為減值，則有關資產會整體進行評估。整體評估減值的金融資產的未來現金流量按與該組資產具有類似信貸風險特徵的資產過往虧損紀錄計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(i) Impairment of assets (continued)

(i) Impairment of receivables (continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of receivables whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2 重大會計政策(續)

(i) 資產減值(續)

(i) 應收款項的減值(續)

倘減值虧損金額於往後期間減少，而有關減少可與確認減值虧損後發生的事件客觀相關，則減值虧損會在損益表撥回。撥回減值虧損不得導致資產賬面值超出過往年度倘無確認減值虧損應有的賬面值。

除就視為不確定可否收回但非不可收回應收款項所確認的減值虧損外，減值虧損會自相關資產直接撇銷，因此呆賬的減值虧損會於撥備賬記錄。倘本集團確認短期內不大可能收回應收賬款，有關款項會視為不可收回，並自應收款項中直接撇銷，且會撥回在撥備賬中有關該債務的任何金額。先前自撥備賬扣除的隨後可收回金額會於撥備賬撥回。撥備賬的其他改變及先前直接撇銷的隨後可收回金額均於損益表確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(i) Impairment of assets (continued)

(ii) Impairment of exploration and evaluation assets

The carrying amount of the exploration and evaluation assets is reviewed annually and adjusted for impairment whenever one of the following events or changes in circumstances indicates that the carrying amount may not be recoverable:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; or
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development of by sale.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

2 重大會計政策 (續)

(i) 資產減值 (續)

(ii) 勘探及評估資產減值

勘探及評估資產的賬面值每年進行檢討，當下列某一事件或情況轉變顯示賬面值可能無法收回時，作出減值調整：

- 本集團擁有的特定區域的開發權於期內屆滿或即將屆滿，並且預期不會再更新；
- 在特定區域進一步勘探及評估礦產資源所產生大額開支不在預算及計劃之內；
- 本集團在特定區域進行的礦產資源勘探及評估並無發現有利可圖的礦產資源數量，故決定終止該特定區域的勘探及評估活動；或
- 有充分數據顯示，儘管可能會於特定區域開發，但勘探及評估資產的賬面值似乎不大可能透過成功開發或銷售而獲全數收回。

當資產的賬面值超過其可收回金額時，會於損益賬內確認減值虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(i) Impairment of assets (continued)

(iii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- pre-paid interest in leasehold land classified as being held under an operating lease;
- investments in subsidiaries, except for those classified as held for sale; and
- goodwill.

If any such indication exists, the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2 重大會計政策(續)

(i) 資產減值(續)

(iii) 其他資產減值

本集團會於各報告期末檢討內部及外來資料，以辨別下列資產是否有可能出現減值現象，或(商譽除外)識別以往所確認減值虧損是否仍然存在或可能減少：

- 物業、廠房及設備；
- 分類為根據經營租賃所持有租賃土地的預付利息；
- 於附屬公司的投資，分類為持作出售的投資除外；及
- 商譽。

倘出現任何減值跡象，便須估計資產的可收回金額。就商譽而言，不論是否存在任何減值跡象，本集團也會每年評估可收回金額。

- 計算可收回金額

資產的可收回金額是公平值減出售成本及使用價值兩者之較高者。在評估使用價值時，估計未來現金流量會按可反映當時市場對貨幣時間值及該資產特定風險的稅前貼現率貼現至現值。倘資產無法產生大致上獨立於其他資產所產生者的現金流入，則須按能夠獨立產生現金流入的最基本資產組別(即現金產生單位)釐定可收回金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(i) Impairment of assets (continued)

(iii) Impairment of other assets (continued)

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2 重大會計政策 (續)

(i) 資產減值 (續)

(iii) 其他資產減值 (續)

— 確認減值虧損

當資產或所屬現金產生單位的賬面值高於可收回金額時，便會在損益表內確認減值虧損。就現金產生單位（或一組單位）確認的減值虧損會先撥作減少獲分配現金產生單位的任何商譽的賬面值，然後再按比例撥作減少該單位（或一組單位）中資產的賬面值，但資產賬面值不會減少至低於其個別公平值減出售成本（倘可計量）或使用價值（如可確定）的數額。

— 撥回減值虧損

就商譽以外的資產而言，倘用作釐定可收回金額的估計出現有利的改變，則會撥回減值虧損。商譽的減值虧損不會撥回。

可撥回的減值虧損僅限於過往年度如無確認任何減值虧損而應有的資產賬面值。減值虧損撥回會於撥回確認的年度計入損益表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(j) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(k) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see Note 2(i)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts, if any.

2 重大會計政策(續)

(j) 存貨

存貨以成本值及可變現淨值兩者中的較低者入列賬。

成本乃採用加權平均成本公式計算，包括所有採購成本、兌換成本及將存貨運至現址及變成現時狀況所產生的其他成本。

可變現淨值乃日常業務過程中的估計銷售價減去完工的估計成本及銷售所需的估計成本。

於存貨出售時，該等存貨之賬面值會於確認有關收入期間確認為支出。存貨撇減至可變現淨值的金額及所有存貨虧損一概在撇減或虧損產生期間確認為開支。撥回任何存貨撇減金額，在作出撥回期間確認為減少已確認為開支的存貨金額。

(k) 應收賬款及其他應收款項

應收賬款及其他應收款項首先按公平值確認，其後用實際利率法按攤銷成本減呆賬減值撥備(見附註2(i)(i))入賬，惟倘應收款項屬向關連方提供的無固定還款期免息貸款或其折現影響並不重大，則會按成本減呆賬減值撥備(如有)入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(I) Convertible bonds

Convertible bonds that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition the liability component of the convertible bonds is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in the convertible bond equity reserve until either the bond is converted or redeemed, and net of any tax effects.

If the bond is converted, the convertible bond equity reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the bond is redeemed, the convertible bond equity reserve is released directly to accumulated losses.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

2 重大會計政策 (續)

(I) 可換股債券

倘持有人可選擇轉換為權益股本的可換股債券於轉換時發行的股份數目與將於當時收取的代價不會改變，則入賬列作包含負債部份及股本部份的複合金融工具。

首次確認可換股債券負債部份及以將來支付利息及本金，按首次確認時適用於相類似債務（惟不含轉換權）的市場利率折現而得出的現值計量。任何高於首次確認負債部份的所得款項將會確認為股本部份。有關發行複合金融工具的交易成本將按所得款項的分配比例分配到負債及股本部份。

負債部份其後以攤銷成本列賬。負債部份於損益內所確認的利息開支以實際利率法計算。權益部份於扣除任何稅項影響後於可換股債券權益儲備中確認，直至債券被兌換或贖回為止。

當債券被轉換時，可換股債券權益儲備及轉換時負債部份的賬面值將作為發行股份的代價轉入股本及股份溢價中。當債券被贖回時，可換股債券權益儲備將直接轉入累計虧損中。

金融負債於負債的責任已解除或註銷或屆滿時終止確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(l) Convertible bonds (continued)

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

(m) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(n) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost using the effective interest method.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash and cash equivalents and deposits with banks that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

2 重大會計政策(續)

(l) 可換股債券(續)

當現有金融負債為同一貸款人以大致上不同條款的負債取代時，或現有負債的條款有重大修改時，有關交換或修改則被視為終止確認原有負債及確認一項新負債，而有關賬面值的差額乃於損益確認。

(m) 計息借款

計息借款首先按公平值減應佔交易成本確認，而初次確認後則按攤銷成本列賬，而初次確認的金額與贖回價值之間的差額連同任何應付利息及費用，會於借款期間按實際利息法於損益表確認。

(n) 應付賬款及其他應付款項

應付賬款及其他應付款項初步按公平值確認，其後按攤銷成本入賬，惟倘貼現影響不重大，則用實際利率法按成本入賬。

(o) 現金及現金等價物

現金及現金等價物包括現金及現金等價物以及可隨時換算為已知的現金額、價值波動風險不重大，並在購入後三個月內到期的銀行存款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(p) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employee. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and contributions to the retirement schemes operated by the relevant authorities for employees of the subsidiaries in the Malaysia and PRC are recognised as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

(ii) Termination benefits and share-based payments

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

Share-based payments (the Group may issue equity-settled and cash-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions).

2 重大會計政策 (續)

(p) 僱員福利

- (i) 薪金、年終花紅、有薪年假、向界定供款退休計劃作出的供款及非現金福利的成本均在僱員提供有關服務的年度內計提。如延遲付款或結算會造成重大影響，則上述數額須按現值列賬。

根據香港《強制性公積金計劃條例》規定作出的強制性公積金供款及為馬來西亞及中國附屬公司僱員參與有關政府部門管理的退休金計劃的供款，均於產生時在損益賬確認為開支，惟已計入尚未確認為開支的存貨成本的數額除外。

(ii) 終止僱傭福利及以股份為基礎的付款

終止僱傭福利僅於本集團具備正式而詳細及不可能撤回方案的情況下，明確顯示終止聘用或因採取自願離職措施而提供福利時，方可確認。

以股份為基礎的付款(本集團可向若干僱員可發行權益結算及現金結算的以股份為基礎付款。權益結算的以股份為基礎付款乃於授出日期按權益工具的公平值(不包括非以市場為基礎的歸屬條件)計量。根據本集團將最終歸屬的股份估計，於權益結算的以股份為基礎付款的授出日期定的公平值於歸屬期間按直線基準支銷，並就非以市場為基礎的歸屬條件的影響獲調整)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(q) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to business combinations or items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences, respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2 重大會計政策(續)

(q) 所得稅

本年度所得稅包括本期稅項以及遞延稅項資產與負債的變動。本期稅項以及遞延稅項資產與負債的改變均在損益表確認，但與業務合併或於其他全面收益或直接在權益確認的項目相關者則分別於其他全面收益或直接於權益確認。

本期稅項是按本年度應課稅收入根據在報告期末已生效或實質上已生效的稅率計算的預期應付稅項，以及對過往期間應付稅項的任何調整。

遞延稅項資產及負債分別來自可扣稅及應課稅暫時差額，即編製財務報表所用的資產及負債賬面值與稅基的差額。未動用稅項虧損及未動用稅項抵免亦會產生遞延稅項資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(q) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

2 重大會計政策 (續)

(q) 所得稅 (續)

除若干有限的例外情況外，所有遞延稅項負債及所有遞延稅項資產會於有可能產生未來應課稅溢利用作抵扣有關資產時確認。支持確認可抵扣暫時差額所產生遞延稅項資產的未來應課稅溢利，包括因撥回現有應課稅暫時差額而產生的金額，惟差額須與相同稅務機關及相同應課稅公司有關，並預期在預計撥回可抵扣暫時差額的同一期間或在遞延稅項資產所產生的稅項虧損可承前或結轉的期間內撥回。在判斷現有應課稅暫時差額是否足以支持確認因未動用稅項虧損及抵免所產生的遞延稅項資產時，亦會採用相同準則，即倘差額與相同稅務機關及相同應課稅公司有關，並預期在可動用稅項虧損或抵免的期間內撥回時方會計入有關差額。

可確認遞延稅項資產與負債的有限例外情況指不可扣稅商譽、首次確認並非業務合併一部份且不影響會計或應課稅溢利的資產或負債所產生的暫時差額，以及有關投資附屬公司的暫時差額。倘屬應課稅差額，僅限於本集團可控制撥回時間，且在可見將來不大可能撥回有關暫時差異，如為可扣稅差額，則僅限於很可能在將來撥回的差額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(q) Income tax (continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group or the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2 重大會計政策(續)

(q) 所得稅(續)

已確認的遞延稅項金額按照各資產及負債項目賬面值的預期變現或結算方式並根據在報告期末已生效或實質上已生效的稅率計算。遞延稅項資產及負債均不會貼現。

於各報告期末會檢討遞延稅項資產的賬面值，並會扣減至不再可能獲得足夠應課稅溢利以動用相關稅務優惠。倘可能有足夠應課稅溢利，則可撥回所扣減的金額。

本期稅項結餘及遞延稅項結餘以及有關改變均獨立呈列且不可抵銷。只有本集團或本公司可合法將本期稅項資產與本期稅項負債抵銷，且符合以下附帶條件時，本期稅項資產與遞延稅項資產可分別抵銷本期稅項負債與遞延稅項負債：

- 就本期稅項資產及負債而言，本公司或本集團擬按淨值基準結算或同時變現資產及清償負債；或
- 就遞延稅項資產及負債而言，倘該等資產及負債與相同稅務機構對以下其中一方所徵收所得稅有關：
 - 相同應課稅公司；或
 - 如屬不同應課稅公司，則計劃在預期清償或收回大部份遞延稅項負債或資產的各未來期間以淨值基準變現本期稅項資產及清償本期稅項負債或同時變現資產及清償負債的相關公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(r) Provision and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(s) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue excludes value added tax and is after deduction of any trade discounts.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

2 重大會計政策 (續)

(r) 撥備及或然負債

當本集團或本公司須就已發生的事件承擔法律或推定責任，而履行責任可能須耗用經濟利益，且能夠準確估計相關金額時，會就時間或數額不確定的負債確認撥備。如貨幣的時間價值重大，則按預計履行責任所需支付的現值計提撥備。

倘不大可能需要耗用經濟利益，或未能準確估計有關數額，則有關責任須披露為或然負債，惟極不可能耗用經濟利益者除外。倘本集團的責任須視乎某宗或多宗未來事件是否發生才能確定是否存在，則該等責任亦會披露為或然負債，惟極不可能耗用經濟利益者除外。

(s) 收入確認

收入乃按已收取或應收取代價的公平值計量。倘經濟利益有可能流入本集團及收入及成本(倘適用)可準確計量，則收入乃以下列方式於損益中確認：

(i) 銷售貨品

收入指貨品所有權相關的重要風險及回報轉移予買方時確認。收入不包括增值稅，並已扣除任何營業折扣。

(ii) 利息收入

利息收入按實際利率法累計確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(s) Revenue recognition (continued)

(iii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset.

(t) Translation of foreign currencies

Foreign currency transactions during the year are translated at the relevant exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the relevant exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are translated using the foreign exchange rates ruling at the transaction dates.

The results of relevant operations in other jurisdictions are translated into HKD at the exchange rates approximating the relevant exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into HKD at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised directly in other comprehensive income and accumulated separately in equity in the exchange reserve.

(u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

2 重大會計政策(續)

(s) 收入確認(續)

(iii) 經營租約的租金收入

經營租約的應收取租金收入按租期涵蓋的期間以平均分期款項於損益內確認，惟如有其他基準更能準確地反映租賃資產所產生的收益模式除外。

(t) 外幣換算

年內的外匯交易按交易日之有關匯率換算。以外幣計值的貨幣資產及負債均以報告期末的有關匯率換算。匯兌盈虧於損益表內確認。

按歷史成本以外幣計值的非貨幣資產及負債，按交易日的外幣匯率換算。

其他司法權區有關業務的業績按與交易日有關匯率相若的匯率換算為港元。財務狀況表項目(包括綜合二零零五年一月一日或以後收購的海外業務所產生的商譽)則按報告期末的收市外幣匯率換算為港元。所產生的匯兌差額於其他全面收益直接確認及與外匯儲備單獨累計為權益。

(u) 借款成本

與收購、建造或生產需長時間方可作擬定用途或銷售的資產直接相關的借款成本會資本化並作為該資產成本一部份。其他借款成本於所產生期間支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(v) Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, financial assets (other than investments in subsidiaries) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in Note 2.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

2 重大會計政策(續)

(v) 持作出售的非流動資產

倘一項非流動資產(或出售組別)的賬面值極可能透過出售交易(而非持續使用)收回,以及該資產(或出售組別)可在現況下出售,則分類為持作出售。出售組別為一組於單一交易將予出售的資產組別,以及與將於交易轉讓的相關資產直接有關的負債。

倘本集團執行涉及失去於附屬公司的控制權的銷售計劃,該附屬公司的所有資產及負債,在達致上述持作出售的分類標準時被分類為持作出售,且不論本集團會否於出售後保留於該附屬公司的非控股權益。

緊接分類為持作出售前,非流動資產(及出售組別的所有獨立資產及負債)於分類前根據會計政策重新計量。其後,於初步分類為持作出售及直至出售前,非流動資產(下文闡述的若干資產除外)或出售組別按其賬面值及公平值減銷售成本的較低者確認。就本集團及本公司的財務報表而言毋須採用此計量政策的主要例外項目為遞延稅項資產、金融資產(於附屬公司及聯營公司的投資除外)及投資物業。此等資產即使為持作出售,仍會繼續按附註2其他分節所載政策計量。

於初始分類為持作出售及持作出售期間其後重新計量的減值虧損於損益確認。只要非流動資產仍被分類為持作出售或列入分類為持作出售的出售組別,非流動資產均不予折舊或攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(w) Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
 - (I) has control or joint control over the Group;
 - (II) has significant influence over the Group; or
 - (III) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
 - (I) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (II) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (III) Both entities are joint ventures of the same third party.
 - (IV) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (V) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (VI) The entity is controlled or jointly controlled by a person identified in (i).
 - (VII) A person identified in (i)(I) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2 重大會計政策(續)

(w) 關連方

- (i) 如任何人士符合下列情況，則該名人士本身或其近親為本集團的關連方：
 - (I) 對本集團有控制權或共同控制權；
 - (II) 對本集團有重大影響力；或
 - (III) 為本集團或本集團母公司的主要管理人員。
- (ii) 如符合下列任何情況，任何實體為本集團的關連方：
 - (I) 該實體及本集團屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司為彼此的關連方)。
 - (II) 一間實體為另一間實體的聯營公司或合營企業(或該另一間實體為其集團成員公司的聯營公司或合營企業)。
 - (III) 兩間實體均為同一第三方的合營企業。
 - (IV) 一間實體為第三方實體的合營企業，而另一間實體為該第三方實體的聯營公司。
 - (V) 該實體為就本集團或與本集團有關連實體的僱員利益而設立的離職後福利計劃。
 - (VI) 該實體受(i)所指人士控制或共同控制。
 - (VII) (i)(I)所指人士對任何實體有重大影響力或為該實體(或該實體的母公司)的主要管理人員。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(w) Related parties (continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management (being the chief operating decision maker) ("CODM") for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segment which are not individually materials may be aggregated if they share a majority of these criteria.

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following development is relevant to the Group's consolidated financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27, Investment entities

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended HKFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on the Group's consolidated financial statements as the Group does not qualify to be an investment entity.

2 重大會計政策 (續)

(w) 關連方 (續)

任何人士的近親家庭成員是指與該實體交易時預期可影響該名人士或受該名人士影響的家庭成員。

(x) 分部報告

經營分部及綜合財務報表內報告的各分部項目的金額，乃取自本集團最高行政管理層（即主要經營決策者（「主要經營決策者」））定期獲提供用作向本集團各項業務及地點分配資源並評估其表現的財務資料。

個別重大的經營分部不會為財務報告目的而合計，除非有關分部具有類似經濟特性並且具有類似的產品及服務性質、生產工序性質、客戶類型或類別、分銷產品或提供服務的方法，以及監管環境性質。個別非重大的經營分部倘符合上述大多數準則則可予合計。

3 會計政策變動

香港會計師公會已頒佈多項香港財務報告準則之修訂，並於本集團的本會計期間首次生效。其中，下列改進與本集團綜合財務報表有關連。

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂，投資實體

該修訂放寬符合經修訂香港財務報告準則第10號界定為投資實體之母公司的綜合入賬要求。投資實體須按公平值於損益中計量彼等的附屬公司。由於本集團不屬投資實體，故該等修訂不會影響本集團之綜合財務報表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 CHANGES IN ACCOUNTING POLICIES

(continued)

Amendments to HKAS 32, Offsetting financial assets and financial liabilities

The amendments to HKAS 32 clarify the offsetting criteria in HKAS 32. The amendments do not have an impact on the Group's consolidated financial statements as they are consistent with the policies already adopted by the Group.

Amendments to HKAS 36, Recoverable amount disclosures for non-financial assets

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or cash-generating unit whose recoverable amount is based on fair value less costs of disposal. The disclosures required by the amendments are generally more extensive than those previously required by the respective standards. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in Note 2(i).

HK(IFRIC) 21, Levies

The interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The interpretation does not have an impact on the Group's consolidated financial statements as it is consistent with the policies already adopted by the Group.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see Note 40).

3 會計政策變動(續)

香港會計準則第32號之修訂，抵銷金融資產及金融負債

香港會計準則第32號之修訂闡明香港會計準則第32號的抵銷標準。由於該修訂與本集團所採納的政策一致，故不會影響本集團之綜合財務報表。

香港會計準則第36號之修訂，披露非金融資產可收回金額

香港會計準則第36號之修訂修改了已減值非金融資產的披露規定。其中，該修訂擴大對可收回金額按公平值減出售成本計算的已減值資產或現金產生單位的披露範圍。有關修訂所規定的披露資料一般較各準則先前規定的披露範圍更為廣泛。本集團已根據適用於本集團的規定於附註2(i)作出有關披露。

香港(國際財務報告詮釋委員會)第21號，徵稅

該詮釋提供了將政府徵費確認為負債的指引。由於該指引與本集團已採納之政策一致，故該詮釋不會影響本集團之綜合財務報表。

本集團並無採用於當前會計期間尚未生效的任何新準則或詮釋(見附註40)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 TURNOVER

Turnover represents the sales value of magnesium ingots and related materials, and bottled mineral water supplied to customers. The amount of each significant category of revenue recognised in turnover during the year is as follows:

4 營業額

營業額指年內向客戶供應鎂錠及相關物料以及瓶裝礦泉水的銷售價值。於年內確認為營業額之各重大收入類別金額如下：

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Sales of bottled mineral water	銷售瓶裝礦泉水	948,213	4,802,700
Sales of magnesium ingots and related materials	銷售鎂錠及相關物料	38,730,049	16,098,739
		39,678,262	20,901,439

5 OTHER REVENUE

5 其他收入

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Interest income	利息收入	4,619	10,164
Rental income from drilling machines	來自鑽探機的租金收入	28,186	27,273
Sundry income	雜項收入	337,472	394,907
		370,277	432,344

6 OTHER NET GAINS

6 其他收益淨額

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Fair value change in contingent consideration receivable	應收或然代價的公平值變動	—	44,879,766
Net foreign exchange gains	匯兌收益淨額	18,461	111,047
Gain on disposal of subsidiaries (Note 33)	出售附屬公司的收益(附註33)	10,471,934	—
		10,490,395	44,990,813

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/
(crediting):

(a) Finance costs:

7 除稅前虧損

除稅前虧損已扣除／(計入)：

(a) 融資成本：

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Interest on bank loans *:	銀行貸款利息 *：		
— wholly repayable within 5 years	— 須於五年內悉數償還	30,402,027	9,356,279
— wholly repayable after 5 years	— 須於五年後悉數償還	—	30,868,810
		30,402,027	40,225,089
Effective interest on convertible bonds	可換股債券實際利息	19,467,369	19,362,417
Interest on unsecured loans from third parties wholly repayable within 5 years	來自第三方須於五年內 悉數償還的無抵押 貸款的利息	—	24,034,565
Amortisation of loan transaction costs (Note 27)	貸款交易成本攤銷(附註27)	372,904	411,611
Finance charges on obligations under finance leases	融資租賃承擔的財務費用	42,654	111,053
Other borrowings costs to financial institutions	財務機構的其他借貸成本	698,158	—
Others	其他	(31,097)	—
		20,549,988	43,919,646
		50,952,015	84,144,735

* The analysis shows the finance costs on bank loans, including terms loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayment dates set out in the loan agreements. For the years ended 31 December 2014 and 2013, the interest on bank loans which contain a repayment on demand clause amounted to HKD30,402,027 and HKD40,225,089, respectively.

* 分析列示銀行貸款(包括載有按要求償還條款的有期貨款)的融資成本乃根據貸款協議所載協定預定償還日期進行。截至二零一四年及二零一三年十二月三十一日止年度，載有按要求償還條款的銀行貸款利息分別為30,402,027港元及40,225,089港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 LOSS BEFORE TAXATION (continued)

(b) Staff costs (including directors' remuneration) (Note 9):

	2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Salaries, wages, bonuses and other benefits	8,700,502	9,764,426
Contributions to defined contribution retirement plan	538,201	503,081
	9,238,703	10,267,507

7 除稅前虧損(續)

(b) 員工成本(包括董事薪酬)(附註9)：

(c) Other operating expenses

(c) 其他經營開支：

	2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Impairment losses:		
— exploration and evaluation assets (Note 15)	108,208,053	207,562,580
— goodwill (Note 14)	—	111,180,501
— interests in leasehold land (Note 13(a))	2,858,305	571,665
— other receivable and prepayments	1,767,649	25,899
— property, plant and equipment (Note 13(a))	130,976,015	26,195,379
	243,810,022	345,536,024
Write offs:		
— inventories (Note 18(b))	—	135,510
— property, plant and equipment	—	15,525
	—	151,035
	243,810,022	345,687,059

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 LOSS BEFORE TAXATION (continued)

(d) Other items:

7 除稅前虧損(續)

(d) 其他項目：

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Amortisation of interests in leasehold land held for own use under operating leases (Note 13(a))	根據經營租賃持作自用的租賃土地權益攤銷(附註13(a))	129,465	142,916
Auditors' remuneration	核數師酬金	1,175,496	1,243,855
Cost of inventories sold* (Note 18(b))	已售存貨成本*(附註18(b))	59,509,517	46,113,638
Depreciation (Note 13(a))	折舊(附註13(a))	23,572,035	25,538,212
Operating lease charges in respect of:	有關下列各項的經營租賃支出：		
— equipment and machinery	— 設備及機器	—	1,403
— office equipment	— 辦公室設備	34,173	197,796
— office premises	— 辦公室物業	1,506,399	2,117,238
— staff housing	— 員工宿舍	—	10,831
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損淨額	—	786,486

* The cost of inventories sold includes HKD25,141,265 (2013: HKD27,742,894) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 7(b) for each of these types of expenses.

* 與員工成本、折舊及攤銷開支有關的已售存貨成本25,141,265港元(二零一三年：27,742,894港元)亦記入於上文或附註7(b)就各項類別開支分別披露的有關總金額中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:

8 所得稅

(a) 綜合損益表中之稅項代表：

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Current tax — Malaysian Income Tax	本期稅項 — 馬來西亞所得稅		
Provision for the year	年度撥備	138,017	387,359
Under-provision in respect of prior year	過往年度撥備不足	3,651	—
		141,668	387,359
Deferred tax	遞延稅項		
Reversal of temporary differences (Note 29)	撥回暫時差額 (附註29)	(23,492,927)	(40,558,183)
Total income tax credit	所得稅抵免總額	(23,351,259)	(40,170,824)

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. The directors of the Company determine the effective tax rate of the Group is 16.5% (2013: 16.5%).

Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) of the estimated assessable profits for the year ended 31 December 2014. No provision for Hong Kong Profits Tax had been made as the Group did not have assessable profit which is subject to Hong Kong Profits Tax for the years ended 31 December 2014 and 2013.

Malaysian Income Tax is calculated at 25% (2013: 25%) of assessable profits for the year ended 31 December 2014. The provision of Malaysian Income Tax is calculated at 25% of the estimated assessable profits for the years ended 31 December 2014 and 2013.

本集團須就於本集團成員公司註冊成立及經營業務所在司法權區所產生或賺取的溢利，按實體基準繳納所得稅。本公司董事確定本集團之實際稅率為16.5% (二零一三年：16.5%)。

香港利得稅乃根據截至二零一四年十二月三十一日止年度之估計應課稅溢利按16.5% (二零一三年：16.5%) 計算。由於本集團截至二零一四年及二零一三年十二月三十一日止年度並無賺取須繳納香港利得稅之應課稅溢利，故概無就香港利得稅計提撥備。

馬來西亞所得稅乃根據截至二零一四年十二月三十一日止年度之應課稅溢利按25% (二零一三年：25%) 計算。馬來西亞所得稅的撥備乃根據截至二零一四年及二零一三年十二月三十一日止年度的估計應課稅溢利按25% 計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 INCOME TAX (continued)

(a) Taxation in the consolidated statement of profit or loss represents: (continued)

In accordance with the tax laws of Indonesia, companies engaged in metal, mineral and coal mining are governed by a particular contract of work and this is used for computation of the domestic income tax relating to that contract of work. Since the natural resources located in Indonesia are still in a preliminary exploration phase, the management of the Company was unable to ascertain from the local tax authorities the tax rate that should be applied to its mining operations for the years ended 31 December 2014 and 2013. No provision for Indonesian Income Tax has been made as the Group did not have assessable profit which is subject to Indonesian Income Tax for the years ended 31 December 2014 and 2013.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% (2013: 25%) for the year ended 31 December 2014. No provision for PRC Enterprise Income Tax has been made as the Group did not have assessable profit which is subject to the PRC Income Tax for the years ended 31 December 2014 and 2013.

Pursuant to the rules and regulations of the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in this jurisdiction.

8 所得稅(續)

(a) 綜合收益表中之稅項代表：(續)

根據印尼稅法，從事開採金屬、礦物及煤炭業務之公司須受個別工程合約監管，並用以計算有關該工程合約之國內所得稅。由於位於印尼之天然資源仍處於初步勘探階段，故本公司管理層無法向當地稅務機關確定其採礦業務於截至二零一四年及二零一三年十二月三十一日止年度須應用之稅率。由於本集團截至二零一四年及二零一三年十二月三十一日止年度並無賺取須繳納印尼所得稅之應課稅溢利，故概無就印尼所得稅計提撥備。

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細則，中國附屬公司截至二零一四年十二月三十一日止年度之稅率為25%(二零一三年：25%)。由於本集團截至二零一四年及二零一三年十二月三十一日止年度並無賺取須繳納中國企業所得稅之應課稅溢利，故概無就中國企業所得稅計提撥備。

根據英屬處女群島(「英屬處女群島」)規則及規例，本集團毋須在該司法權區繳納任何所得稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 INCOME TAX (continued)

(b) The reconciliation between tax credit and accounting loss at applicable tax rates is as follows:

8 所得稅(續)

(b) 按適用稅率計算之稅項抵免與會計虧損的對賬如下：

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Loss before taxation	除稅前虧損	(349,837,025)	(453,153,873)
Notional tax on loss before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	按有關稅務司法權區溢利適用稅率計算之除稅前虧損名義稅項	(80,487,807)	(100,379,217)
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(1,777,998)	(15,809,450)
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	65,848,573	88,519,487
Tax effect of unused tax losses not recognised	未確認之未動用稅項虧損之稅務影響	2,370,475	21,704,628
Tax effect of utilised tax losses not recognised	未確認之已動用稅項虧損之稅務影響	—	(2,489)
Tax effect of reversal of temporary differences previously recognised	撥回過往已確認暫時差額之稅務影響	(23,492,927)	(40,558,183)
Tax effect of temporary differences not recognised	未確認暫時差額之稅務影響	14,184,774	6,354,400
Under-provision in previous year	過往年度撥備不足	3,651	—
Actual income tax credit	實際所得稅抵免	(23,351,259)	(40,170,824)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 78 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), is as follows:

9 董事酬金

根據新香港公司條例(第622章)第78條附表11,並參照舊有香港公司條例(第32章)第161條披露的董事酬金如下:

		2014 二零一四年			
		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions
		薪金、津貼及實物利益	薪金、津貼及實物利益	酌情花紅	退休計劃供款
		HKD	HKD	HKD	HKD
		港元	港元	港元	港元
		董事袍金	薪金、津貼及實物利益	酌情花紅	退休計劃供款
		總計	總計	總計	總計
		HKD	HKD	HKD	HKD
		港元	港元	港元	港元
Executive directors:					
Du Jian Jun					
(Appointed on 16 June 2014)					
Ji Kuang					
Dato' Lim Ooi Hong					
Leung Wai Kwan					
Meng Xiao Ying					
(Appointed on 26 February 2014)					
Fan Wei Peng					
(Appointed on 16 March 2015)					
Zheng Chan Xing					
(Appointed on 16 March 2015)					
Chong Cha Hwa					
(Appointed on 26 February 2014 and resigned on 30 October 2014)					
Independent non-executive directors:					
Tony Tan					
Wong Choi Kay					
Chan Kin Ho Philip					
(Appointed on 22 July 2014)					
Tian Jing Hua					
(Appointed on 23 July 2014)					
Cheung Ning					
(Appointed on 17 June 2014)					
Chong Lee Chang					
(resigned on 23 July 2014)					
Total					

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 DIRECTORS' REMUNERATION (continued)

9 董事酬金(續)

		2013 二零一三年				
		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
		董事袍金	薪金、津貼及實物利益	酌情花紅	退休計劃供款	總計
		HKD	HKD	HKD	HKD	HKD
		港元	港元	港元	港元	港元
Executive directors:	執行董事：					
Ji Kuang	嵇匡	—	804,000	—	—	804,000
Li Zi Cong (resigned on 6 September 2013)	李子聰(於二零一三年九月六日辭任)	—	260,000	—	—	260,000
Liang Hai Yang (resigned on 30 September 2013)	梁海洋(於二零一三年九月三十日辭任)	—	270,000	—	—	270,000
Dato' Lim Ooi Hong	拿督林偉雄	—	147,698	—	19,201	166,899
Leung Wai Kwan	梁維君	—	480,000	40,000	15,000	535,000
Independent non-executive directors:	獨立非執行董事：					
Chong Lee Chang	張爾泉	125,520	—	—	—	125,520
Tony Tan	陳業強	120,840	—	—	—	120,840
Wong Choi Kay	黃賽琦	116,160	—	—	—	116,160
Total	總計	362,520	1,961,698	40,000	34,201	2,398,419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, four (2013: four) are directors whose emoluments are disclosed in Note 9. The aggregate of the emoluments in respect of the other (2013: one) individual is as follows:

	2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Salaries, allowances and benefits in kind 薪金、津貼及實物利益	323,285	500,687
Retirement scheme contributions 退休計劃供款	10,125	—
	333,410	500,687

Their emoluments were all within HKD Nil to HKD1,000,000.

During the year, no emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office. No directors of the Company have waived or agreed to waive any emoluments during the years ended 31 December 2014 and 2013.

10 最高薪酬人士

五名最高薪酬人士包括四名(二零一三年：四名)董事，彼等的薪酬已於附註9中披露。有關其他(二零一三年：一名)人士的薪酬總額如下：

彼等的酬金均於零港元至1,000,000港元以內。

年內，本集團並無向本公司任何董事或最高薪酬的五名人士支付任何薪酬作為加入或加入本集團後的利誘或失去職位之賠償。截至二零一四年及二零一三年十二月三十一日止年度，概無本公司董事放棄或同意放棄領取任何薪酬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of HKD279,819,910 (2013: HKD322,357,788) and the weighted average number of 1,960,842,643 (2013: 1,413,974,956) shares in issue during the year, calculated as follows:

(i) Number of shares:

11 每股虧損

(a) 每股基本虧損

每股基本虧損乃基於年內本公司擁有人應佔虧損279,819,910港元(二零一三年: 322,357,788港元)及已發行股份加權平均數1,960,842,643股(二零一三年: 1,413,974,956股)計算如下:

(i) 股份數目:

		2014 二零一四年	2013 二零一三年
Issued ordinary shares at 1 January	於一月一日的已發行普通股	1,608,184,265	5,012,680,556
Effect of issue of new shares pursuant to a share placing (Note 30(b)(ii))	根據股份配售而發行新股份的影響(附註30(b)(ii))	135,703,956	88,119,452
Effect of shares consolidation (Note 30(b)(iii))	股份合併的影響(附註30(b)(iii))	—	(4,020,462,798)
Effect of shares issued upon conversion of convertible bonds (Note 30(b)(ii))	於轉換可換股債券時發行股份的影響(附註30(b)(ii))	—	333,637,746
Effect of shares issued pursuant to the loan capitalisation (Note 30(b)(ii))	根據貸款資本化而發行股份的影響(附註30(b)(ii))	216,954,422	—
Weighted average number of shares at 31 December	於十二月三十一日的股份加權平均數	1,960,842,643	1,413,974,956

(b) Diluted loss per share

The computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bonds and warrants since their exercise would result in a decrease in loss per share.

(b) 每股攤薄虧損

每股攤薄虧損的計算並無假設轉換本公司尚未轉換的可換股債券及認股權證，因其行使將會導致每股虧損減少。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 SEGMENT REPORTING

The Group has identified the reportable segments set out below. The segment information reported internally to the Group's CODM for the purposes of resource allocation and performance assessment is the same as those reported in the consolidated financial statements.

Mining of dolomite and manufacture of magnesium ingots	This segment includes trading of magnesium ingots. Currently, the Group's trading activities are mainly carried out in South America and Malaysia.
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Exploration for iron ore, coal and manganese	This segment is engaged in the exploration for iron ore, coal and manganese in Indonesia. The activities carried out in Indonesia are through indirectly owned subsidiaries.
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Extraction and bottling of mineral water	This segment is engaged in the extraction and bottling of mineral water in the PRC. The activities carried out in the PRC are through indirectly owned subsidiary.
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12 分部呈報

本集團已確定下文載列的可呈報分部。為資源分配及表現評估目的而向本集團主要經營決策者內部申報的分部資料與該等綜合財務報表內所申報者相同。

開採白雲石及生產鎂錠	此分部包括鎂錠貿易。目前，本集團的貿易活動主要在南美及馬來西亞進行。
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勘探鐵礦石、煤及錳	此分部在印尼從事勘探鐵礦石、煤及錳。在印尼的活動是通過間接擁有的附屬公司進行。
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提取及裝瓶礦泉水	此分部在中國從事提取及裝瓶礦泉水。在中國的活動是通過一間間接擁有的附屬公司進行。
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Group's CODM monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment assets include all non-current assets and current assets with the exception of assets classified as held for sale, pledged deposits, cash and cash equivalents and other corporate assets. Segment liabilities include non-current liabilities and current liabilities with the exception of liabilities associated with assets classified as held for sale, secured bank loans, convertible bonds, deferred tax liabilities, unsecured loans from third parties and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from depreciation or amortisation of assets attributable to those segments.

Segment loss represents loss resulted by each segment without allocation of central administration costs including interest on bank loans, convertible bonds and unsecured loans from third parties, and directors' emoluments, etc. This is the measure reported to the Group's CODM for the purpose of resource allocation and assessment of segment performance.

12 分部呈報(續)

(a) 分部業績、資產及負債

基於評估分部業績及在分部間分配資源，本集團的主要經營決策者按以下基準監控每個可呈報分部應佔業績、資產及負債：

分部資產包括所有非流動資產及流動資產，但不包括分類為持作待售資產、質押存款、現金及現金等價物以及其他公司資產。分部負債包括非流動負債及流動負債，但不包括與分類為持作待售資產相關的負債、有抵押銀行貸款、可換股債券、遞延稅項負債、來自第三方無抵押貸款及其他公司負債。

收入及支出乃參考可呈報分部產生的銷售額及該等分部所承擔或該等分部應佔資產折舊或攤銷所產生的支出而分配至該等可呈報分部。

分部虧損指各分部所導致而未分配中央行政成本(包括銀行貸款、可換股債券及來自第三方無抵押貸款的利息以及董事酬金等)的虧損。這是就分配資源及評估分部表現而向本集團主要經營決策者報告的措施。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities (continued)

12 分部呈報 (續)

(a) 分部業績、資產及負債 (續)

		Mining of dolomite and manufacture of magnesium ingots 開採白雲石及 生產鎂錠 HKD 港元	Exploration for iron ore, coal and manganese 勘探鐵礦石、 煤及錳 HKD 港元	Extraction and bottling of mineral water 提取及 裝瓶礦泉水 HKD 港元	Total 總計 HKD 港元
Year ended 31 December 2014	截至二零一四年十二月 三十一日止年度				
Reportable segment revenue (Note)	可呈報分部收入 (附註)	38,730,049	–	948,213	39,678,262
Segment loss	分部虧損	(29,521,729)	53,612	(7,793,872)	(37,261,989)
Interest income	利息收入	4,235	–	178	4,413
Finance costs	融資成本	(30,805,679)	–	(4,125)	(30,809,804)
Depreciation and amortisation	折舊及攤銷	(22,249,215)	(156,391)	(1,137,920)	(23,543,526)
Impairment of	減值				
— exploration and evaluation assets	— 勘探及評估資產	–	(41,871,600)	(66,336,453)	(108,208,053)
— Interests on leasehold land	— 租賃土地權益	(2,858,305)	–	–	(2,858,305)
— other receivables and prepayments	— 其他應收款項及 預付款項	(849,607)	–	(643,582)	(1,493,189)
— property, plant and equipment	— 物業、廠房及設備	(130,976,015)	–	–	(130,976,015)
Write down of inventories (Note 18(b))	存貨撇減 (附註 18(b))	(862,884)	–	(219,353)	(1,082,237)
As at 31 December 2014	於二零一四年十二月 三十一日				
Segment assets	分部資產	236,346,968	22,851,138	31,395,923	290,594,029
Segment liabilities	分部負債	(9,676,922)	(1,683,527)	(9,139,508)	(20,499,957)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities (continued)

12 分部呈報(續)

(a) 分部業績、資產及負債(續)

		Mining of dolomite and manufacture of magnesium ingots 開採白雲石 及生產鎂錠 HKD 港元	Exploration for iron ore, coal and manganese 勘探鐵礦石、 煤及錳 HKD 港元	Extraction and bottling of mineral water 提取及 裝瓶礦泉水 HKD 港元	Total 總計 HKD 港元
Year ended 31 December 2013	截至二零一三年十二月 三十一日止年度				
Reportable segment revenue (Note)	可呈報分部收入(附註)	16,098,739	–	4,802,700	20,901,439
Segment loss	分部虧損	(9,437,982)	(1,138,078)	(11,048,162)	(21,624,222)
Interest income	利息收入	9,696	–	171	9,867
Finance costs	融資成本	(40,729,769)	–	–	(40,729,769)
Depreciation and amortisation	折舊及攤銷	(24,696,258)	(178,458)	(654,526)	(25,529,242)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備 的虧損	(786,486)	–	–	(786,486)
Impairment of	減值				
— exploration and evaluation assets	— 勘探及評估資產	–	(133,323,080)	(74,239,500)	(207,562,580)
— goodwill	— 商譽	–	–	(111,180,501)	(111,180,501)
— interests in leasehold land	— 租賃土地權益	(571,665)	–	–	(571,665)
— other receivables and prepayments	— 其他應收款項及 預付款項	(25,899)	–	–	(25,899)
— property, plant and equipment	— 物業、廠房及設備	(26,195,379)	–	–	(26,195,379)
Write down of inventories (Note 18(b))	存貨撇減(附註 18(b))	(952,452)	–	–	(952,452)
Additions to segment non-current assets	分部非流動資產添置	–	–	168,234	168,234
As at 31 December 2013	於二零一三年十二月 三十一日				
Segment assets	分部資產	419,331,483	64,747,930	100,583,415	584,662,828
Segment liabilities	分部負債	(9,011,598)	(2,012,560)	(13,374,702)	(24,398,860)

Note:

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2013: Nil).

附註：

上文所呈報分部收入指來自外部客戶的收入。本年度並無分部間銷售(二零一三年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 SEGMENT REPORTING (continued)

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

12 分部呈報(續)

(b) 可呈報分部收入、損益、資產及負債的對賬

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Revenue	收入		
Reportable segment revenue	可呈報分部收入	39,678,262	20,901,439
Loss	虧損		
Reportable segment loss	可呈報分部虧損	(37,261,989)	(21,624,222)
Depreciation and amortisation	折舊及攤銷	(23,701,500)	(25,681,128)
Fair value change in contingent consideration receivable	應收或然代價的公平值變動	–	44,879,766
Finance costs	融資成本	(50,952,015)	(84,144,735)
Gain on disposal of subsidiaries	出售附屬公司的收益	10,471,934	–
Interest income	利息收入	4,619	10,164
Impairment of exploration and evaluation assets	勘探及評估資產減值	(108,208,053)	(207,562,580)
Impairment of goodwill	商譽減值	–	(111,180,501)
Impairment of interests in leasehold land	租賃土地權益減值	(2,858,305)	(571,665)
Impairment of other receivables and prepayments	其他應收款項及預付款項減值	(1,767,649)	(25,899)
Impairment of property, plant and equipment	物業、廠房及設備減值	(130,976,015)	(26,195,379)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	–	(786,486)
Write down of inventories	存貨撇減	(1,082,237)	(952,452)
Write off of inventories	存貨撇銷	–	(135,510)
Write off of property, plant and equipment	物業、廠房及設備撇銷	–	(15,525)
Other unallocated amounts	其他未分配金額	(3,505,815)	(19,167,721)
Consolidated loss before taxation	除稅前綜合虧損	(349,837,025)	(453,153,873)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 SEGMENT REPORTING (continued)

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities (continued)

12 分部呈報(續)

(b) 可呈報分部收入、損益、資產及負債的對賬(續)

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Assets	資產		
Reportable segment assets	可呈報分部資產	290,594,029	584,662,828
Unallocated corporate assets:	未分配公司資產：		
Assets classified as held for sale	分類為持作待售資產	—	340,070
Pledged deposits	質押存款	2,735	2,968
Cash and cash equivalents	現金及現金等價物	378,935	423,524
Others	其他	4,710,023	3,628,317
		<u>295,685,722</u>	<u>589,057,707</u>
Consolidated total assets	綜合總資產		
		<u>295,685,722</u>	<u>589,057,707</u>
Liabilities	負債		
Reportable segment liabilities	可呈報分部負債	(20,499,957)	(24,398,860)
Unallocated corporate liabilities:	未分配公司負債：		
Bank loans — secured	有抵押銀行貸款	(445,441,694)	(454,260,751)
Convertible bonds	可換股債券	(101,130,267)	(91,253,010)
Unsecured loans from third parties	來自第三方無抵押貸款	—	(181,037,242)
Deferred tax liabilities	遞延稅項負債	(8,568,647)	(32,061,574)
Liabilities associated with assets classified as held for sale	與分類為持作待售資產相關的負債	—	(2,819,092)
Others	其他	(19,098,144)	(7,810,335)
		<u>(594,738,709)</u>	<u>(793,640,864)</u>
Consolidated total liabilities	綜合總負債		
		<u>(594,738,709)</u>	<u>(793,640,864)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 SEGMENT REPORTING (continued)

(c) Geographical information

The following tables set out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, goodwill, exploration and evaluation assets and mining deposit ("specified non-current assets"). The geographical location of customers is based on the location at which the goods are delivered. The geographical location of the specific non-current assets is based on: (1) the physical location of the asset in case of property, plant and equipment; and (2) the location of the operations to which they are allocated, in case of intangible assets and goodwill.

	South America 南美		Malaysia 馬來西亞		The PRC 中國		Others* 其他*		Total 總計	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	二零一四年	二零一三年	二零一四年	二零一三年	二零一四年	二零一三年	二零一四年	二零一三年	二零一四年	二零一三年
	HKD	HKD	HKD	HKD	HKD	HKD	HKD	HKD	HKD	HKD
	港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
Turnover 營業額	38,013,988	12,956,651	716,061	2,718,078	948,213	4,802,700	-	424,010	39,678,262	20,901,439

* Others principally included Japan and Middle East

* 其他主要包括日本及中東

	Hong Kong 香港		Malaysia 馬來西亞		The PRC 中國		Indonesia 印尼		Total 總計	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	二零一四年	二零一三年	二零一四年	二零一三年	二零一四年	二零一三年	二零一四年	二零一三年	二零一四年	二零一三年
	HKD	HKD	HKD	HKD	HKD	HKD	HKD	HKD	HKD	HKD
	港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
Specified non-current assets 指定非流動資產	4,624,245	1,217,927	229,226,226	411,632,009	30,850,732	94,061,297	22,430,281	64,686,117	287,131,484	571,597,350

(d) Information about major customers

Revenue from sales of goods to customers represents 10% or more of the Group's total revenue is shown as follows:

(d) 有關主要客戶的資料

銷售商品予客戶所得收入佔本集團總收入10%或以上者載列如下：

	2014 二零一四年	2013 二零一三年
	HKD	HKD
	港元	港元
Customer A 客戶 A	38,013,988	12,956,651

All revenue disclosed above is related to the "mining of dolomite and manufacture of magnesium ingots" reportable segment.

上文披露的所有收入與「開採白雲石及製造鎂錠」呈報分部有關。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 PROPERTY, PLANT AND EQUIPMENT

(a) The Group

13 物業、廠房及設備

(a) 本集團

		Buildings	Plant and machinery	Motor vehicles	Furniture and fittings	Office equipment	Computer equipment	Retorts	Sub-total	Interests in leasehold land held for own use under operating leases	Total
		樓宇	廠房及機器	汽車	傢俬及裝置	辦公室設備	電腦設備	還原爐	小計	根據經營租賃持作自用租賃	總計
		HKD	HKD	HKD	HKD	HKD	HKD	HKD	HKD	HKD	HKD
		港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
Cost:	成本：										
At 1 January 2013	於二零一三年一月一日	201,012,664	428,471,559	3,157,100	14,250,474	114,939	107,457	83,690,721	730,804,914	14,901,888	745,706,802
Additions	添置	141,766	14,426	-	456,349	38,842	14,824	-	666,207	-	666,207
Reclassified as held for sale (Note 22)	重新分類為持作出售 (附註22)	-	(149,692)	-	(10,904)	-	(7,554)	-	(168,150)	-	(168,150)
Disposals	出售	-	-	(774,433)	(1,981,877)	-	-	-	(2,756,310)	-	(2,756,310)
Write off	撇銷	-	-	-	(27,000)	-	-	-	(27,000)	-	(27,000)
Exchange adjustments	匯兌調整	(13,099,311)	(28,308,225)	(97,954)	(932,975)	(10,441)	(2,641)	(5,530,937)	(47,982,484)	(984,833)	(48,967,317)
At 31 December 2013	於二零一三年十二月三十一日	188,055,119	400,028,068	2,284,713	11,754,067	143,340	112,086	78,159,784	680,537,177	13,917,055	694,454,232
At 1 January 2014	於二零一四年一月一日	188,055,119	400,028,068	2,284,713	11,754,067	143,340	112,086	78,159,784	680,537,177	13,917,055	694,454,232
Additions	添置	141,011	6,102,185	-	2,082	-	6,820	-	6,252,098	-	6,252,098
Exchange adjustments	匯兌調整	(11,328,576)	(24,935,590)	(71,463)	(696,636)	(2,465)	(584)	(4,868,638)	(41,903,952)	(866,904)	(42,770,856)
At 31 December 2014	於二零一四年十二月三十一日	176,867,554	381,194,663	2,213,250	11,059,513	140,875	118,322	73,291,146	644,885,323	13,050,151	657,935,474
Accumulated depreciation, amortisation and impairment:	累計折舊、攤銷及減值：										
At 1 January 2013	於二零一三年一月一日	60,319,234	140,308,154	1,016,714	5,778,126	38,377	81,015	27,708,276	235,249,896	4,816,140	240,066,036
Charge for the year	年內支出	4,062,565	16,758,677	272,255	1,221,321	20,390	10,173	3,192,831	25,538,212	142,916	25,681,128
Impairment	減值	7,736,748	15,407,120	20,554	-	-	-	3,030,957	26,195,379	571,665	26,767,044
Reclassified as held for sale (Note 22)	重新分類為持作出售 (附註22)	-	(41,166)	-	(2,357)	-	(3,753)	-	(47,276)	-	(47,276)
Written back on Disposals	出售撥回	-	-	(206,834)	(590,454)	-	-	-	(797,288)	-	(797,288)
Write off	撇銷	-	-	-	(11,475)	-	-	-	(11,475)	-	(11,475)
Exchange adjustments	匯兌調整	(4,138,038)	(9,910,848)	(57,584)	(425,518)	(7,850)	(1,195)	(1,953,135)	(16,494,168)	(323,770)	(16,817,938)
At 31 December 2013	於二零一三年十二月三十一日	67,980,509	162,521,937	1,045,105	5,969,643	50,917	86,240	31,978,929	269,633,280	5,206,951	274,840,231
At 1 January 2014	於二零一四年一月一日	67,980,509	162,521,937	1,045,105	5,969,643	50,917	86,240	31,978,929	269,633,280	5,206,951	274,840,231
Charge for the year	年內支出	3,679,926	15,707,568	220,625	1,042,199	14,748	14,388	2,892,581	23,572,035	129,465	23,701,500
Impairment	減值	38,683,958	77,035,083	102,291	-	-	-	15,154,683	130,976,015	2,858,305	133,834,320
Exchange adjustments	匯兌調整	(4,394,489)	(12,194,144)	(34,408)	(356,782)	(2,762)	(370)	(2,076,087)	(19,059,042)	(652,841)	(19,711,883)
At 31 December 2014	於二零一四年十二月三十一日	105,949,904	243,070,444	1,333,613	6,655,060	62,903	100,258	47,950,106	405,122,288	7,541,880	412,664,168
Carrying amount:	賬面值：										
At 31 December 2014	於二零一四年十二月三十一日	70,917,650	138,124,219	879,637	4,404,453	77,972	18,064	25,341,040	239,763,035	5,508,271	245,271,306
At 31 December 2013	於二零一三年十二月三十一日	120,074,610	237,506,131	1,239,608	5,784,424	92,423	25,846	46,180,855	410,903,897	8,710,104	419,614,001

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 PROPERTY, PLANT AND EQUIPMENT

(continued)

(b) The Company

13 物業、廠房及設備 (續)

(b) 本公司

		Office equipment 辦公室設備 HKD 港元	Furniture and fittings 傢俬及裝置 HKD 港元	Computer equipment 電腦設備 HKD 港元	Motor vehicle 汽車 HKD 港元	Total 總計 HKD 港元
Cost:	成本：					
At 1 January 2013	於二零一三年一月一日	22,042	99,218	87,888	858,446	1,067,594
Additions	添置	26,800	456,349	14,824	–	497,973
Write off	撇銷	–	(27,000)	–	–	(27,000)
At 31 December 2013	於二零一三年十二月三十一日	48,842	528,567	102,712	858,446	1,538,567
At 1 January 2014	於二零一四年一月一日	48,842	528,567	102,712	858,446	1,538,567
Additions	添置	–	–	6,820	–	6,820
At 31 December 2014	於二零一四年十二月三十一日	48,842	528,567	109,532	858,446	1,545,387
Accumulated depreciation:	累計折舊：					
At 1 January 2013	於二零一三年一月一日	6,923	31,307	74,003	100,152	212,385
Charge for the year	年內支出	2,874	24,556	6,455	85,845	119,730
Write off	撇銷	–	(11,475)	–	–	(11,475)
At 31 December 2013	於二零一三年十二月三十一日	9,797	44,388	80,458	185,997	320,640
At 1 January 2014	於二零一四年一月一日	9,797	44,388	80,458	185,997	320,640
Charge for the year	年內支出	4,884	52,857	12,621	85,845	156,207
At 31 December 2014	於二零一四年十二月三十一日	14,681	97,245	93,079	271,842	476,847
Carrying amount:	賬面值：					
At 31 December 2014	於二零一四年十二月三十一日	34,161	431,322	16,453	586,604	1,068,540
At 31 December 2013	於二零一三年十二月三十一日	39,045	484,179	22,254	672,449	1,217,927

(c) The carrying amount of properties of the Group is as follows:

(c) 本集團物業的賬面值如下：

	2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Interests in leasehold land held for own use under operating leases outside Hong Kong — long term	5,508,271	8,710,104
根據香港境外經營租賃持作自用的租賃土地權益 — 長期		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 PROPERTY, PLANT AND EQUIPMENT

(continued)

(d) Included in the Group's property, plant and equipment as at 31 December 2014 are buildings, plant and machinery, motor vehicles, retorts and interests in leasehold land held for own use under operating leases, with carrying amounts of HKD68,682,011 (2013: HKD117,880,129), HKD129,002,404 (2013: HKD234,748,928), HKD87,856 (2013: HKD313,176), HKD25,341,040 (2013: HKD46,180,855) and HKD5,508,271 (2013: HKD8,710,104), respectively located in Malaysia and operated by CVMSB. In light of the sustained operating losses of CVMSB and suspension of its production plant since 2012, the directors of the Company conducted a review on the recoverable amount of cash-generating units ("CGU") for mining of dolomite and manufacture of magnesium ingots based on value in use calculation and determined that an impairment loss of HKD133,834,320 (2013: HKD26,767,044) was recognised and included in other operating expenses in the consolidated statement of profit or loss for the year ended 31 December 2014. The cash flow projections were based on financial budget and production forecast as approved and prepared by management, covering a twenty-two year period, which represents approximately the remaining license period of the mining right to mine and extract magnesium dolomite from two pieces of land in the State of Perak, Peninsula Malaysia (the "Dolomite Land"). The cash flow beyond the four-year period is extrapolated using zero growth rate. The discount rate applied to the cash flow projection is 20.01% (2013: 19.55%) which is in reference to the valuation prepared by an independent qualified professional valuer, GC Appraisals Services Company Limited ("GC Appraisals") as at 31 December 2014. Other key assumptions applied in the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin. The discount rate used is pre-tax and reflects specific risks relating to the relevant segment.

13 物業、廠房及設備(續)

(d) 本集團於二零一四年十二月三十一日的物業、廠房及設備包括位於馬來西亞及由CVMSB經營的樓宇、廠房及機器、汽車、還原權及根據經營租賃持作自用的租賃土地權益，賬面值分別為68,682,011港元(二零一三年：117,880,129港元)、129,002,404港元(二零一三年：234,748,928港元)、87,856港元(二零一三年：313,176港元)、25,341,040港元(二零一三年：46,180,855港元)及5,508,271港元(二零一三年：8,710,104港元)。鑑於CVMSB的持續經營虧損及其廠房自二零一二年起暫時停產，本公司董事按使用價值計算方法對開白雲石及生產鎂錠的現金產生單位(「現金產生單位」)的可收回金額進行審閱，並釐定確認減值虧損133,834,320港元(二零一三年：26,767,044港元)，並計入截至二零一四年十二月三十一日止年度的綜合損益表中其他經營開支。現金流量預測乃基於管理層批准及編製的財政預算及產量預測，涉及22年期(其相當於約於馬來西亞半島霹靂州兩塊土地(「白雲石土地」)開採及提取鎂質白雲石的開採權之餘下許可證限期)。超過四年期間的現金流量採用零增長率推算。應用於現金流量預測的貼現率為20.01%(二零一三年：19.55%)，乃經參考由獨立合資格專業估值師GC Appraisals Services Company Limited(「GC Appraisals」)於二零一四年十二月三十一日編製的估值。計算使用價值所採用的其他主要假設與現金流入／流出的估計有關，其包括預算銷售及毛利率。採納之貼現率尚未扣除稅項，且反映有關分部的具體風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 PROPERTY, PLANT AND EQUIPMENT

(continued)

(e) The significant portion of buildings, retorts and the interests in leasehold land held for own use under operating leases of the Group with an aggregate carrying amount of HKD99,531,322 (2013: HKD172,771,088) are pledged to a bank for banking facilities granted to the Group (see Note 27).

(f) Property, plant and equipment held under finance leases

The Group leases motor vehicles and furniture and fittings under finance leases expiring in 2 to 3 years. None of the leases includes contingent rentals. As at 31 December 2014, the carrying amount of motor vehicles and furniture and fittings held under finance leases of the Group was HKD1,559,886 (2013: HKD1,899,039).

The Company leases a motor vehicle under a finance lease expiring in 2 years. It does not include contingent rentals. As at 31 December 2014, the carrying amount of a motor vehicle held under a finance lease of the Company was HKD586,604 (2013: HKD672,449).

(g) At the end of the reporting period, the property ownership certificates in respect of the property interests held in the PRC have not been issued by the relevant PRC government authorities. The carrying amount of the properties was HKD1,769,261 (2013: HKD1,843,328) as at 31 December 2014.

13 物業、廠房及設備(續)

(e) 樓宇、還原權及本集團根據經營租賃持作自用的租賃土地權益賬面總金額99,531,322港元(二零一三年: 172,771,088港元)已為授予本集團的銀行融資抵押予銀行(見附註27)。

(f) 根據融資租賃持有的物業、廠房及設備

本集團根據融資租賃租賃汽車以及傢俬及裝置，年期為2年至3年。概無租賃包括或然租金。於二零一四年十二月三十一日，本集團根據融資租賃持有的汽車以及傢俬及裝置的賬面值為1,559,886港元(二零一三年: 1,899,039港元)。

本公司根據融資租賃租賃汽車，年期為2年。其並無包括或然租金。於二零一四年十二月三十一日，本公司根據融資租賃持有的汽車的賬面值為586,604港元(二零一三年: 672,449港元)。

(g) 於報告期末，有關中國政府機關尚未發出於中國所持物業權益的物業所有權證。於二零一四年十二月三十一日，該等物業的賬面值為1,769,261港元(二零一三年: 1,843,328港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 GOODWILL

14 商譽

		The Group 本集團 HKD 港元
Cost:	成本：	
At 1 January 2013, 31 December 2013 and 1 January 2014	於二零一三年一月一日、二零一三年 十二月三十一日及二零一四年 一月一日	332,328,997
Derecognized on disposal of subsidiaries (Note 33)	終止確認出售附屬公司(附註33)	(79,525,907)
At 31 December 2014	於二零一四年十二月三十一日	<u>252,803,090</u>
Accumulated impairment losses:	累計減值虧損：	
At 1 January 2013	於二零一三年一月一日	221,148,496
Impairment loss	減值虧損	<u>111,180,501</u>
At 31 December 2013	於二零一三年十二月三十一日	<u>332,328,997</u>
At 1 January 2014	於二零一四年一月一日	332,328,997
Derecognized on disposal of subsidiaries (Note 33)	終止確認出售附屬公司(附註33)	(79,525,907)
At 31 December 2014	於二零一四年十二月三十一日	<u>252,803,090</u>
Carrying amount:	賬面值：	
At 31 December 2014	於二零一四年十二月三十一日	<u>—</u>
At 31 December 2013	於二零一三年十二月三十一日	<u>—</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 GOODWILL (continued)

- (a) The goodwill was originally arose partly due to the acquisition of Victory Dragon Holdings Limited and its subsidiary, Long Chuan ("Victory Dragon Group") during the year ended 31 December 2012. In the opinion of the directors of the Company, the goodwill represented the future economic benefits together with the current establishment of the operation arising from the potential growth in the mineral water business acquired. It has been fully impaired in the year 2013.

A valuation report, prepared by GC Appraisals, showed that the fair value of exploration and evaluation assets of the acquired subsidiary at the date of acquisition, determined based on the income-based method, was HKD161,763,000 (see Note 15).

(b) Impairment test for cash-generating unit containing goodwill

At the end of the reporting period, goodwill is allocated to the Group's CGU identified according to country of operation and operating segment as follows:

	2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Extraction and bottling of mineral water 提取及裝瓶礦泉水	—	—

14 商譽(續)

- (a) 截至二零一二年十二月三十一日止年度，最初產生商譽乃部份由於收購凱龍集團有限公司及其附屬公司龍川(「凱龍集團」)所致。本公司董事認為，商譽指已收購礦泉水業務的潛在增長所產生的未來經濟利益及現有業務營運，並已於二零一三年悉數減值。

GC Appraisals所編製的估值報告顯示，所收購附屬公司的勘探及評估資產於收購日公平值按收入法釐定為161,763,000港元(見附註15)。

(b) 含有商譽之現金產生單位之減值測試

於報告期末，本集團向按經營國家及經營分部識別之現金產生單位分配商譽：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 GOODWILL (continued)

(b) (continued)

(i) Extraction and bottling of mineral water

The recoverable amount of the CGU of extraction and bottling of mineral water is determined based on value in use calculation. The calculation use pre-tax cash flow projection based on financial budgets approved by management of the Company covering an eleven-year period, which represents approximately the remaining license period of the mining right to mine and extract mineral water. The CGU's cash flows beyond the three-year period are extrapolated using a steady average growth rate of 5.7% (2013: 7.0%), until reaching the maximum capacity of 15,000 bottles per hour. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. The discount rate applied to the cash flow projection is 49.17% (2013: 37.02%). The discount rate used is pre-tax and reflects specific risks relating to the relevant segment.

The revenue generated from this CGU subsequent to acquisition did not meet the previous expectations because of limited cash resources to develop a new production line for manufacturing sparkling water, and making reference to the valuation performed by GC Appraisals as at 31 December 2013, the Company's directors determined that an impairment loss of HKD111,180,501 on its CGU containing goodwill has been recognised and included in other operating expenses in the consolidated statement of profit or loss for the year ended 31 December 2013.

14 商譽(續)

(b) (續)

(i) 提取及裝瓶礦泉水

提取及裝瓶礦泉水現金產生單位的可收回金額乃按使用價值計算。該計算方法採用本公司管理層編製涉及十一年期(約為開採及提取礦泉水的採礦權的餘下許可證有效期)的財政預算及生產預測。三年期後現金產生單位的現金流量乃按5.7%(二零一三年：7.0%)的穩定平均增長率直至最大容量每小時15,000瓶為止推算。此增長率乃按照相關行業增長預測釐定，且並無超出相關行業的平均長期增長率。現金流量預測應用之貼現率為49.17%(二零一三年：37.02%)。採納之貼現率尚未扣除稅項，且反映有關分部的具體風險。

於收購後，來自此現金產生單位的收入並未達到先前預期，此乃由於開發一條製造有氣水的新生產線的現金資源有限，加上參考由GC Appraisals於二零一三年十二月三十一日進行的估值，本公司董事釐定其現金產生單位包括商譽的減值虧損111,180,501港元已於截至二零一三年十二月三十一日止年度的綜合損益表中確認並計入其他經營開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 EXPLORATION AND EVALUATION ASSETS The Group

15 勘探及評估資產 本集團

		Mining of dolomite and manufacture of magnesium ingots 開採白雲石 及生產鎂錠 HKD 港元	Exploration for iron ore, coal and manganese 勘探鐵礦石、 煤炭及錳 HKD 港元	Extraction and bottling of mineral water 提取及 裝瓶礦泉水 HKD 港元	Total 總計 HKD 港元
Cost:	成本：				
At 1 January 2013, 31 December 2013 and 1 January 2014	於二零一三年一月一日、 二零一三年十二月 三十一日及二零一四年 一月一日	4,125,190	382,806,372	161,763,000	548,694,562
Disposal of subsidiaries (Note 33)	出售附屬公司 (附註33)	–	(103,196,172)	–	(103,196,172)
Exchange adjustments	匯兌調整	–	556,290	(4,142,911)	(3,586,621)
At 31 December 2014	於二零一四年十二月 三十一日	4,125,190	280,166,490	157,620,089	441,911,769
Accumulated amortisation and impairment:	累計攤銷及減值：				
At 1 January 2013	於二零一三年一月一日	4,125,190	185,236,492	–	189,361,682
Impairment loss	減值虧損	–	133,323,080	74,239,500	207,562,580
At 31 December 2013	於二零一三年十二月 三十一日	4,125,190	318,559,572	74,239,500	396,924,262
At 1 January 2014	於二零一四年一月一日	4,125,190	318,559,572	74,239,500	396,924,262
Impairment loss	減值虧損	–	41,871,600	66,336,453	108,208,053
Disposal of subsidiaries (Note 33)	出售附屬公司 (附註33)	–	(103,196,172)	–	(103,196,172)
Exchange adjustments	匯兌調整	–	439,090	(2,123,864)	(1,684,774)
At 31 December 2014	於二零一四年十二月 三十一日	4,125,190	257,674,090	138,452,089	400,251,369
Carrying amount:	賬面值：				
At 31 December 2014	於二零一四年十二月 三十一日	–	22,492,400	19,168,000	41,660,400
At 31 December 2013	於二零一三年十二月 三十一日	–	64,246,800	87,523,500	151,770,300

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 EXPLORATION AND EVALUATION ASSETS

(continued)

- (a) CVMSB has undertaken various feasibility studies in relation to the mining and extraction of dolomite in Peninsula Malaysia since 2004. On 15 June 2006, CVMSB entered into an agreement (the "Mining Agreement") with Majuperak Energy Resources Sdn. Bhd. ("MERSB") (formerly known as Harta Perak Corporation Sdn. Bhd.), a subsidiary of the Perak State Development Corporation ("PSDC"), a shareholder of the Company. Pursuant to the Mining Agreement, CVMSB has been granted, at no initial cost, an exclusive right to mine and extract magnesium dolomite from the Dolomite Land for a period of 20 years, with an option to renew for a further period of 10 years. The Mining Agreement can be terminated early by the Group by giving one month's written notice to MERSB. CVMSB is required to pay royalties to MERSB based on the volume of dolomite extracted, subject to a monthly minimum payment (see Note 34(b)). Due to suspension of its production plant since 2012, CVMSB did not extract any dolomite from the Dolomite Land during the years ended 31 December 2014 and 2013.

Mining activities for this dolomite project had started in 2010 and the amortisation charge relating to the project for the year is included in "administrative expenses" (2013: "administrative expenses") in the consolidated statement of profit or loss.

15 勘探及評估資產(續)

- (a) CVMSB自二零零四年起已就在馬來西亞半島開採及提取白雲石進行多項可行性研究。於二零零六年六月十五日，CVMSB與本公司股東霹靂州經濟發展機構(Perak State Development Corporation) (「PSDC」)的附屬公司Majuperak Energy Resources Sdn. Bhd. (「MERSB」) (前稱Harta Perak Corporation Sdn. Bhd.)訂立協議(「採礦協議」)。根據採礦協議，CVMSB在毋須任何初期成本的情況下獲授於白雲石土地開採及提取鎂質白雲石的專有權，為期20年，可選擇續期10年。本集團可向MERSB發出一個月書面通知提早終止採礦協議。CVMSB須根據所提取白雲石的數量按每月最低付款向MERSB支付專利權費(見附註34(b))。截至二零一四年及二零一三年十二月三十一日止年度，由於CVMSB的生產廠房自二零一二年起暫停營運，故其並無從白雲石土地開採任何白雲石。

本白雲石項目的開採活動已於二零一零年開始，而有關本年度項目的攤銷費用列入綜合損益表的「行政開支」(二零一三年：「行政開支」)內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 EXPLORATION AND EVALUATION ASSETS

(continued)

(a) (continued)

As a result of impairment review performed by management of the Company, an impairment loss of HKD3,506,411 was made on the exploration and evaluation assets during the year ended 31 December 2012. The management was of the view that such impairment loss was resulted from the suspension of CVMSB's production plant and its operating loss. The recoverable amount of CGU for mining of dolomite and manufacture of magnesium ingots had been determined based on a value in use calculation. This calculation uses cash flows projections based on financial budgets and production forecast as prepared by management, covering a twenty-two year period, which represents approximately the remaining license period of the mining right to mine and extract magnesium dolomite from the Dolomite Land. The cash flow beyond the four-year period is extrapolated using zero growth rate, and a discount rate of 20.01% (2013: 19.55%) with reference to the valuation performed by GC Appraisals as at 31 December 2014. The discount rate used is pre-tax and reflects specific risks relating to the relevant segment.

(b) PT. Commerce Venture Iron Ore ("PTCV Iron") and PT. Commerce Venture Coal ("PTCV Coal"), both are indirectly held subsidiaries of the Company, have exploration mining permits in relation to the mining and extraction of coal, iron ore and manganese in Indonesia. Both PTCV Iron and PTCV Coal were disposed to an independent third party on 3 April 2014 (the "Disposal") (see Note 22).

15 勘探及評估資產(續)

(a) (續)

由於本公司管理層進行減值審閱，已就截至二零一二年十二月三十一日止年度勘探及評估資產作出3,506,411港元減值虧損。管理層認為，有關減值虧損乃由於CVMSB的生產廠房停產及其經營虧損所致。開採白雲石及生產鎂錠的現金產生單位的可收回金額已按使用價值計算方法釐定。此計算方法採用按管理層編製涉及二十二年期（約為自白雲石土地開採及提取鎂白雲石的採礦權的餘下許可證有效期）的財政預算及生產預測的現金流量預測。四年期後的現金流量乃經參考GC Appraisals於二零一四年十二月三十一日進行的估值後，按零增長率及貼現率20.01%（二零一三年：19.55%）推算得出。所採用之貼現率為稅前貼現率，並反映相關分部之特定風險。

(b) 本公司間接附屬公司PT. Commerce Venture Iron Ore（「PTCV Iron」）與PT. Commerce Venture Coal（「PTCV Coal」）擁有在印尼開採及提取煤炭、鐵礦石及錳之勘探開採許可證。PTCV Iron及PTCV Coal均已於二零一四年四月三日出售予一名獨立第三方（「出售」）（見附註22）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 EXPLORATION AND EVALUATION ASSETS

(continued)

(b) (continued)

PTCV Coal holds exploration mining permits for (i) coal exploration in an area of 10,000 hectares in Beutong and Tadu Raya Subdistrict, Nagan Raya Regency, Nanggroe Aceh Darussalam Province of Indonesia, valid until 7 October 2013 ("Permit 1"); and (ii) manganese exploration in an area of 3,710 hectares in Bakongan Subdistrict, South Aceh Regency, Nanggroe Aceh Darussalam Province of Indonesia, valid until 28 January 2014 ("Permit 2").

PTCV Iron holds exploration mining permits for (i) coal exploration in an area of 9,825 hectares in Kuala and Tadu Raya Subdistrict, Nagan Raya Regency, Nanggroe Aceh Darussalam Province of Indonesia, valid until 5 March 2014 ("Permit 3"); and (ii) iron ore exploration in an area of 450 hectares in Pananggalan Subdistrict, Subulussalam City, Nanggroe Aceh Darussalam Province of Indonesia, valid until 14 December 2012 ("Permit 4"). On 5 September 2013, the relevant local authorities informed the Group that the Permit 4 could not be extended or renewed due to environmental issues surrounding the relevant exploration activities location and the authorities will reconsider the renewal application if the situation has improved.

During the year ended 31 December 2013, the Permit 1, 2 and 4 had expired and Group did not submit applications to the relevant local authorities for extension of these permits in the view that the Group is going to dispose of all its equity interests in PTCV Coal and PTCV Iron (see Note 22).

15 勘探及評估資產 (續)

(b) (續)

PTCV Coal持有的勘探開採許可證可(i)於印尼Nanggroe Aceh Darussalam省Nagan Raya區的Beutong及Tadu Raya分區10,000公頃面積從事煤炭勘探，有效期至二零一三年十月七日(「1號許可證」)；及(ii)於印尼Nanggroe Aceh Darussalam省South Aceh區的Bakongan分區3,710公頃面積從事錳勘探，有效期至二零一四年一月二十八日(「2號許可證」)。

PTCV Iron持有的勘探開採許可證可(i)於印尼Nanggroe Aceh Darussalam省Nagan Raya區的Kuala及Tadu Raya分區9,825公頃面積從事煤炭勘探，有效期至二零一四年三月五日(「3號許可證」)；及(ii)於印尼Nanggroe Aceh Darussalam省Subulussalam市Pananggalan分區450公頃面積從事鐵礦石勘探，有效期至二零一二年十二月十四日(「4號許可證」)。於二零一三年九月五日，相關地方政府機關通知本集團4號許可證因相關勘探活動地區周邊的環境問題而不獲批續領，而有關政府機關將於情況有所改善時重新考慮續領申請。

於截至二零一三年十二月三十一日止年度，1號、2號及4號許可證經已屆滿，由於本集團將出售其於PTCV Coal及PTCV Iron的全部股權，本集團尚未向相關地方政府機關申請為該等許可證續期(見附註22)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 EXPLORATION AND EVALUATION ASSETS

(continued)

(b) (continued)

During the years ended 31 December 2014 and 2013, the Group did not conduct any exploration in these mines due to its limited cash resources. No exploration and evaluation costs were capitalised and no income was derived from these mines during the years ended 31 December 2014 and 2013.

Taking into consideration the expiration and non-renewal of these permits as mentioned above, the Company's directors determined that the recoverable amounts of CGUs in respect of these permits were below their respective carrying amount, impairment losses of HKD87,500,000 have been recognised and included in other operating expenses in the consolidated statement of profit or loss for the year ended 31 December 2013.

- (c) PTLM holds a production operation mining permit for manganese ("Mining Permit") in an area of 195 hectares in the Jatimulyo Village, Girimulyo Subdistrict, Kulon Progo Regency, Daerah Istimewa Yogyakarta Province, Indonesia ("Mining area"). The Mining Permit is used for mining activities including construction, mining, processing and refining or smelting as well as hauling and sales of manganese in the Mining area. The Mining Permit is valid for a period of 10 years from 24 February 2011 and is capable of being extended for two further terms of 10 years each at the maximum. PTLM has undertaken various feasibility studies in relation to the mining of and exploration for manganese in the Mining area.

15 勘探及評估資產 (續)

(b) (續)

於截至二零一四年及二零一三年十二月三十一日止年度，由於本集團現金資源有限，故並無於此等礦山中進行任何勘探。截至二零一四年及二零一三年十二月三十一日止年度，此等礦山並無任何勘探及評估成本被資本化及並無產生任何收入。

鑑於如上所述，該等許可證已屆滿且不獲批續領，本公司董事釐定有關該等許可證的現金產生單位的可收回金額低於彼等各自的賬面值，而減值虧損87,500,000港元已於截至二零一三年十二月三十一日止年度的綜合損益表中確認並計入其他經營開支。

- (c) PTLM持有錳生產經營開採許可證(「開採許可證」)，涉及面積195公頃，位於印尼Daerah Istimewa Yogyakarta省Kulon Progo區Girimulyo分區Jatimulyo村(「礦區」)。開採許可證乃用作採礦活動，包括建築、採礦、選礦及提煉或冶煉以及運輸及銷售礦區的錳。開採許可證有效期為二零一一年二月二十四日起計10年，最多可再續期兩次，每次10年。PTLM正進行有關在礦區開採及勘探錳的各種可行性研究。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 EXPLORATION AND EVALUATION ASSETS

(continued)

(c) (continued)

No exploration activities were conducted in the mine as the Group lost contact with the legal representatives of PTLM in 2012. This brought to a halt to the daily operations and mining activities of PTLM and might impact the fulfillment of the obligations of PTLM in respect of its Mining Permit and any other government regulations it would be subject to (see Note 17). During the year ended 31 December 2014, re-nominating the legal representatives according to the relevant legal requirements of Indonesia was being undertaken. On 21 August 2014 and 13 October 2014 respectively, PTLM received warning letters from Trade and Energy Industries of Resource of Minerals Office Government of Kulon Progo Regency reminding PTLM to immediately implement its obligations as the holder of Mining Permit by submitting the tax form and reporting of PTLM's status to the relevant Indonesian authority with the legal representatives' signatures, not later than one month from the date of these letters. On 22 September 2014 and 4 November 2014 respectively, the management of the Company reiterated that it is currently undergoing management restructuring and therefore all activities are currently being suspended temporarily until the management restructuring is completed. Besides, once the management restructuring has been completed, PTLM will resume with investment and other mining activities. Due to previous failure in calling for extraordinary meetings for appointing new directors and legal representative to the board of PTLM, PTLM had applied to the Court in Yogyakarta for a court ruling on the appointment of re-nominated directors and replacement of legal representative. Nevertheless, the third hearing was further postponed by the court to 30 September 2014. On 19 November 2014, court judgement stipulated that the holding company of PTLM could organize an Extraordinary General Meeting of shareholders to undergo the re-nomination of the legal representative ("EGM"). The EGM and the re-nomination of the legal representative according to the relevant legal requirement of Indonesia are still in process as at the approval date of the consolidated financial statements.

15 勘探及評估資產 (續)

(c) (續)

於二零一二年，由於本集團與PTLM的法律代表失去聯絡，故並無於礦山進行勘探活動，令PTLM的日常營運及採礦活動陷入停滯狀態，並可能影響PTLM履行有關其開採許可證及任何其他其將須遵守的政府規例的責任(見附註17)。截至二零一四年十二月三十一日止年度，已根據印尼相關法律規定重新提名法律代表。PTLM分別於二零一四年八月二十一日及二零一四年十月十三日接獲Trade and Energy Industries of Resource of Minerals Office Government of Kulon Progo區發出的警告函，提示PTLM不得遲於此等函件發出日期起計一個月向有關印尼當局提交附有法定代表署名的稅項表格及作出回報，即時履行其作為開採許可證持有人的責任。本公司管理層分別於二零一四年九月二十二日及二零一四年十一月四日重申，現正進行管理重組，因此所有活動現已暫時停止，直至管理重組完成為止。此外，管理重組一旦完成，PTLM價格恢復投資及其他採礦活動。由於早前未能就PTLM董事會委任新董事及法律代表召開特別大會，故PTLM已就委任該等獲重新提名董事及替任法律代表而向Yogyakarta省法院申請法院裁決。然而，法院已將第三次聽證會進一步延期至二零一四年九月三十日。於二零一四年十一月十九日，法院判決訂明PTLM的控股公司可舉行股東特別大會(「股東特別大會」)以重新提名法律代表。於綜合財務報表批准日期，根據印尼相關法律規定舉行的股東特別大會及重新提名法律代表的事宜仍在進行中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 EXPLORATION AND EVALUATION ASSETS

(continued)

(c) (continued)

No exploration and evaluation costs were capitalised and no income was derived from the mining of manganese during the years ended 31 December 2014 and 2013.

At 31 December 2014, the Group determined the recoverable amount of CGU for PTLM based on value in use calculation. The calculation uses cash flow projection based on financial budgets and production forecast as prepared by management of the Company covering a sixteen-year period, which represents approximately the remaining licence period of the mining right as well as hauling and sales of manganese in the Mining area. The cash flows are in zero growth rate. The discount rate applied to the cash flow projection is 25.51% (2013: 27.38%). The discount rate used is pre-tax and reflects specific risks relating to the relevant segment. Taking into consideration the uncertainties mentioned in Note 17 and making reference to the valuation performed by GC Appraisals as at 31 December 2014, the Company's directors determined that an impairment loss of HKD41,871,600 (2013: HKD45,823,080) has been recognised and included in other operating expenses in the consolidated statement of profit or loss for the year ended 31 December 2014.

15 勘探及評估資產(續)

(c) (續)

截至二零一四年及二零一三年十二月三十一日止年度，錳礦並無任何勘探及評估成本被資本化及無產生任何收入。

於二零一四年十二月三十一日，本集團按使用價值計算方法就PTLM釐定現金產生單位之可收回金額。該計算方法採用本公司管理層編製涉及十六年期(約為採礦權以及運輸及銷售礦區的錳的餘下許可證有效期)的財政預算及生產預測。現金流量乃按零增長率推算。現金流量預測應用之貼現率為25.51%(二零一三年：27.38%)。採納之貼現率尚未扣除稅項，且反映有關分部的具體風險。採納之貼現率尚未扣除稅項，且反映有關分部的具體風險。本公司董事經慮及附註17所述的不明朗因素，並參考GC Appraisals於二零一四年十二月三十一日進行的估值後，確定已確認減值虧損41,871,600港元(二零一三年：45,823,080港元)，並計入截至二零一四年十二月三十一日止年度的綜合損益表中其他經營開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 EXPLORATION AND EVALUATION ASSETS

(continued)

(d) Long Chuan holds a mineral water permit (礦泉水取水許可證) to extract maximum volume of water up to 33,000 meter cube per annum in relation to the Longchuan Spring (the "Water Permit") from 1 March 2007 to 26 February 2015. The application for renewal of the Water Permit was submitted in December 2014 and has been renewed on 1 March 2015. Long Chuan had also been granted in prior years a mineral water extraction permit (礦泉水採礦許可證) with a right to extract mineral water in the stipulated mining area for a period from 23 December 2011 to 23 December 2021. Nonetheless, the statutory required mineral water registration certificate (礦泉水註冊登記證) ("Water Registration Certificate") had expired on 31 December 2012 already and not yet been renewed up to the approval date of the consolidated financial statements. The main reason was due to the change in approval procedures of the State Land Resources Bureau in Guangzhou since August 2012 whereas the approval power has been delegated to County Land Resources Bureau in Guangzhou who has no relevant experience of how to approve such licenses or registration certificates. This had caused a substantial delay in the renewal of the Water Registration Certificate. Long Chuan had submitted a renewal application of the Water Registration Certificate in December 2014 and had passed through to the intermediate stage of the renewal process because Long Chuan had received from County Land Resources Bureau in Guangzhou an acknowledgement of receipt in writing on 17 December 2014 of its renewal application being in process.

15 勘探及評估資產(續)

(d) 龍川持有礦泉水取水許可證(「取水許可證」)，二零零七年三月一日至二零一五年二月二十六日龍川泉最大提取水量為每年最多33,000立方米。重續取水許可證的申請已於二零一四年十二月提交，並已於二零一五年三月一日獲重續。龍川於過往年度亦獲授予礦泉水採礦許可證以於自二零一一年十二月二十三日起至二零一一年十二月二十三日止期間在指定開採區域抽取礦泉水。然而，所須的規定礦泉水註冊登記證(「水註冊登記證」)已於二零一二年十二月三十一日屆滿，且於綜合財務報表批准日期尚未重續。主要原因乃由於自二零一二年八月起廣州市國土資源局的審批程序變動所致，據此，審批權已下放至廣州縣國土資源局，其並無審批有關許可證或註冊登記證的相關經驗，故導致重續水註冊登記證出現重大延誤。龍川已於二零一四年十二月提交水註冊登記證的重續申請，並已通過重續過程的中期階段，此乃由於龍川已於二零一四年十二月十七日接獲廣州縣國土資源局發出收到申請的書面確認，確認其重續申請正在進行中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 EXPLORATION AND EVALUATION ASSETS

(continued)

(d) (continued)

The Longchuan Spring is situated at Damiao Village Longmu Town Longchuan County Heyuan City (河源市龍川縣龍母鎮大廟村), the PRC, with an aggregate mining area of approximately 0.3956 km². It is well connected with the source of the East River (Dongjiang) which supplies fresh water to Hong Kong and parts of Guangdong Province. The Longchuan Spring is protected by a protection zone of 30 km in radius with no significant industrial pollution source within a radius of up to 50 km. Longchuan Spring contains six of the eight prescribed minerals in sufficient quantity to quality, including free carbon dioxide.

According to the technical report prepared by 廣東省地質技術工程諮詢公司 (unofficially translated as Guangdong Province Geological Engineering Consulting Firm) in July 2003, the Longchuan Spring provides about 270,000 tons of minerals water annually and the water contains significant amounts of minerals including potassium, sodium, calcium, magnesium, lithium, strontium and zinc.

Taking into consideration the performance of the mine as disclosed in Note 14, sustained operating losses and unable to generate positive cash flow from the date of acquisition in April 2012 to 31 December 2014, the business operated by Long Chuan is not commercially viable, as a result, the mineral water extraction permit had not been reclassified to an intangible asset.

15 勘探及評估資產 (續)

(d) (續)

龍川泉位於中國河源市龍川縣龍母鎮大廟村，總開採面積約為0.3956平方公里，與東江水源相連，向香港及廣東省部份地區供應淡水。龍川泉保護區半徑綿延30公里，在長達50公里半徑範圍內無任何重大工業污染源。龍川泉含八種規定礦物中的六種（包括遊離二氧化碳），從數量到質量均合乎要求。

根據廣東省地質技術工程諮詢公司於二零零三年七月編製的技術報告，龍川泉每年提供約270,000噸礦泉水，該礦泉水含大量礦物，包括鉀、鈉、鈣、鎂、鋰、鋇及鋅。

經考慮附註14所披露礦區表現、持續經營虧損及由二零一二年四月收購日至二零一四年十二月三十一日未能產生正面現金流量後，龍川經營的業務商業上屬不可行，因此，礦泉水提取許可證並無重新分類為無形資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 EXPLORATION AND EVALUATION ASSETS

(continued)

(d) (continued)

At 31 December 2014, the Group determined the recoverable amount of CGU for extraction and bottling of mineral water based on value in use calculation. The calculation uses cash flow projection based on financial budgets and production forecast as prepared by management covering an eleven-year period, which represents approximately the remaining license period of the mining right to mine and extract mineral water. The CGU's cash flows beyond the three-year period are extrapolated using a steady average growth rate of 5.7% (2013: 7.0%), until reaching the maximum capacity of 15,000 bottles per hour. This growth rate is based on the relevant industry growth forecast and does not exceed the average long-term growth rate for the relevant industry. The discount applied to the cash flows projection is 49.17% (2013: 37.02%). The discount rate used is pre-tax and reflects specific risks relating to the relevant segment. Taking into consideration the performance of the mine as disclosed in Note 14, and making reference to the valuation performed by GC Appraisals as at 31 December 2014, the Company's directors determined that an impairment loss of HKD66,336,453 (2013: HKD74,239,500) has been recognised and included in other operating expenses in the consolidated statement of profit or loss for the year ended 31 December 2014.

16 MINING DEPOSIT

This amount represents a deposit of RM90,000 (equivalent to HKD199,778) at 31 December 2014 (2013: RM90,000 (equivalent to HKD213,049)) paid to MERSB pursuant to the Mining Agreement (see Note 15(a)) by the Group.

15 勘探及評估資產(續)

(d) (續)

於二零一四年十二月三十一日，本集團按使用價值計算方法就提取及裝瓶礦泉水釐定現金產生單位之可收回金額。該計算方法採用管理層編製涉及十一年期(約為開採及提取礦泉水的採礦權的餘下許可證有效期)的財政預算及生產預測。三年期後現金產生單位的現金流量乃按5.7%(二零一三年：7.0%)的穩定平均增長率直至最大容量每小時15,000瓶為止推算。此增長率乃按照相關行業增長預測釐定，且並無超出相關行業的平均長期增長率。現金流量預測應用之貼現率為49.17%(二零一三年：37.02%)。採納之貼現率尚未扣除稅項，且反映有關分部的具體風險。本公司董事經慮及附註14所述之不明朗因素，並參考GC Appraisals於二零一四年十二月三十一日進行的估值後，確定已確認減值虧損66,336,453港元(二零一三年：74,239,500港元)，並計入截至二零一四年十二月三十一日止年度的綜合損益表中其他經營開支。

16 採礦按金

此金額指於二零一四年十二月三十一日本集團根據採礦協議(見附註15(a))支付予MERSB的按金90,000馬幣(相當於199,778港元)(二零一三年：90,000馬幣(相當於213,049港元))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 INVESTMENTS IN SUBSIDIARIES

17 於附屬公司的投資

		The Company 本公司	
		2014 二零一四年	2013 二零一三年
		HKD 港元	HKD 港元
Unlisted shares, at cost	非上市股份，按成本	337,898,800	457,898,800
Impairment loss	減值虧損	(273,767,405)	(386,013,465)
		64,131,395	71,885,335
Amounts due from subsidiaries	應收附屬公司款項	640,501,508	610,636,881
Impairment loss	減值虧損	(640,423,243)	(610,586,215)
		78,265	50,666
Amount due to a subsidiary	應付一間附屬公司款項	(262,582)	(262,582)
		(184,317)	(211,916)
		63,947,078	71,673,419

Details of the subsidiaries as at 31 December 2014 are as follows:

於二零一四年十二月三十一日，附屬公司詳情如下：

Name of company 公司名稱	Place of incorporation and operation 註冊成立及業務地點	Issued and paid up capital 已發行及繳足股本	Percentage of effective ownership interest 本公司應佔權益百分比		Principal activities 主要業務	Note 附註
			Direct 直接	Indirect 間接		
CVMSB	Malaysia 馬來西亞	RM36,000,000 36,000,000馬幣	100%	—	Mining of dolomite and manufacturing of magnesium ingots 開採白雲石及生產鎂錠	(a)
CVM Marketing Limited	BVI 英屬處女群島	USD10,000 10,000美元	—	100%	Investment holding 投資控股	(a)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 INVESTMENTS IN SUBSIDIARIES (continued)

17 於附屬公司的投資(續)

Name of company 公司名稱	Place of incorporation and operation 註冊成立及業務地點	Issued and paid up capital 已發行及繳足股本	Percentage of effective ownership interest 本公司應佔權益百分比		Principal activities 主要業務	Note 附註
			Direct 直接	Indirect 間接		
CVM International Marketing Sdn. Bhd.	Malaysia 馬來西亞	RM2 2馬幣	–	–	Trading in magnesium ingots 鎂錠貿易	(a)
CVM Marketing Sdn. Bhd.	Malaysia 馬來西亞	RM100,000 100,000馬幣	60%	–	Dormant 暫無營業	(a)
Step Pacific Development Limited	BVI 英屬處女群島	USD10,000 10,000美元	51%	–	Investment holding 投資控股	(a)
Stabil Megamas Sdn. Bhd.	Malaysia 馬來西亞	RM10,000 10,000馬幣	–	51%	Investment holding 投資控股	(a)
PTLM	Indonesia 印尼	RPH10,000,000,000 10,000,000,000 印尼盾	–	50.50%	Exploration for manganese 勘探錳	(b)
Nice Tone Enterprises Limited	BVI 英屬處女群島	USD10,000 10,000美元	100%	–	Investment holding 投資控股	(c)
Victory Dragon Holdings Limited 凱龍集團有限公司	Hong Kong 香港	HKD6,000,000 6,000,000港元	–	51%	Investment holding 投資控股	(d),(e)
Long Chuan 龍川	The PRC 中國	USD1,400,000 1,400,000美元	–	51%	Extraction and bottling of mineral water 提取及裝瓶礦泉水	(f)
Chinese Loong Culture Development Group Limited 中華龍文化發展集團有限公司	Hong Kong 香港	HKD1 1港元	100%	–	Dormant 暫無營業	(g)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 INVESTMENTS IN SUBSIDIARIES (continued)

Notes:

- (a) Audited by Baker Tilly Monteiro Heng.
- (b) Audited by Achmad, Rasyid Hisbullah & Jerry.
- (c) No separate financial statements were prepared as it is not required to issue audited financial statements under the local statutory requirements.
- (d) Audited by Solarmark (HK) C.P.A. Limited ("Solarmark").
- (e) Consolidated financial statements, including Long Chuan are audited by Solarmark.
- (f) Audited by 河源市翔龍合伙會計師事務所.
- (g) Reviewed by Baker Tilly Hong Kong Limited.

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment. In light of the continuing operating loss of the Group's operations in (i) the mining of dolomite and manufacture of magnesium, (ii) the exploration for iron ore, coal and manganese, and (iii) extraction and bottling of mineral water, the directors of the Company have reviewed the carrying amounts of the investments in subsidiaries and assessed the recoverability of the amounts due from subsidiaries. Consequently, further impairment losses of HKD Nil (2013: HKD137,444,367) and HKD29,837,028 (2013: HKD18,455,919), respectively, have been recognised during the year in respect of these two items.

In 2012, the Group lost contact with the legal representatives of PTLM. This brought to a halt to the daily operations and mining activities of PTLM and might impact the fulfillment of the obligations of PTLM in respect of its production operation mining permit for manganese and any other government regulations it would be subject to as set out in Note 15(c).

17 於附屬公司的投資(續)

附註：

- (a) 經 Baker Tilly Monteiro Heng 審核。
- (b) 經 Achmad, Rasyid Hisbullah & Jerry 審核。
- (c) 由於根據當地法定規定毋須刊發經審核財務報表，故並無編製獨立財務報表。
- (d) 經正明(香港)會計師事務所有限公司(「正明」)審核。
- (e) 綜合財務報表，包括龍川，經正明審核。
- (f) 經河源市翔龍合伙會計師事務所審核。
- (g) 經天職香港會計師事務所有限公司審閱。

應收附屬公司款項為無抵押、免息且無固定還款期。鑑於本集團(i)開採白雲石及生產鎂錠；(ii)勘探鐵礦石、煤炭及錳；以及(iii)提取及裝瓶礦泉水業務的持續經營虧損，本公司董事已審閱投資附屬公司的賬面值，並已於年內評估應收附屬公司款項的可收回金額。因此，本公司就該兩項項目於年內進一步確認減值虧損分別零港元(二零一三年：137,444,367港元)及29,837,028港元(二零一三年：18,455,919港元)。

誠如附註15(c)所載列，於二零一二年，本集團與PTLM的法律代表失去聯絡，令PTLM的日常經營及採礦活動陷入停滯狀態，並可能影響PTLM履行有關其錳生產經營開採許可證及任何其他其將須遵守的政府規例的責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 INVESTMENTS IN SUBSIDIARIES (continued)

Victory Dragon Holdings Limited, a 51% owned subsidiary of the Company, has material non-controlling interests ("NCI"). The NCI of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial by the directors. Summarised financial information in relation to the NCI of Victory Dragon Holdings Limited, before inter-group eliminations, is presented as below:

17 於附屬公司的投資(續)

本公司擁有51%權益的附屬公司凱龍集團有限公司擁有重大非控股權益(「非控股權益」)。並非由本集團全資擁有的所有其他附屬公司的非控股權益被董事視為並不重大。有關凱龍集團有限公司的非控股權益於集團間對銷前的財務資料概要呈列如下：

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Year ended 31 December:	截至十二月三十一日止年度：		
Revenue	收入	948,213	4,802,700
Loss for the year	年內虧損	(9,783,161)	(11,823,039)
Total comprehensive loss	全面虧損總額	(9,519,065)	(12,031,470)
Loss allocated to NCI	分配至非控股權益虧損	(4,793,749)	(5,793,289)
Dividends paid to NCI	已付非控股權益股息	—	—
Net cash generated from/(used in) operating activities	經營業務所得／(動用)現金淨額	6,165,130	(188,721)
Net cash used in investing activities	投資業務動用現金淨額	(6,104,088)	(26,294)
Net cash used in financing activities	融資業務所用現金淨額	(4,123)	—
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／(減少)淨額	56,919	(215,015)
At 31 December:	於十二月三十一日：		
Non-current assets	非流動資產	11,334,154	6,537,796
Current assets	流動資產	981,558	6,552,977
Current liabilities	流動負債	(38,747,074)	(30,211,501)
Net liabilities	負債淨額	(26,431,362)	(17,120,728)
Accumulated NCI	累計非控股權益	(12,951,367)	(8,389,157)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 INVENTORIES

- (a) Inventories in the consolidated statement of financial position comprise:

		The Group 本集團	
		2014 二零一四年	2013 二零一三年
		HKD 港元	HKD 港元
Raw materials	原料	1,929,238	2,772,702
Work-in-progress	半成品	38,062	179,761
Finished goods	製成品	1,747,263	2,436,310
		3,714,563	5,388,773

- (b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

18 存貨

- (a) 綜合財務狀況表中的存貨包括：

- (b) 確認為開支並計入損益的存貨金額分析如下：

		The Group 本集團	
		2014 二零一四年	2013 二零一三年
		HKD 港元	HKD 港元
Carrying amount of inventories sold (Note 7(d))	已售存貨賬面值 (附註7(d))	59,509,517	46,113,638
Write down of inventories	存貨撇減	1,082,237	952,452
Write off of inventories (Note 7(c))	存貨撇銷(附註7(c))	—	135,510
		60,591,754	47,201,600

Because of fluctuations in the market price of magnesium, there was a significant reduction in the net realisable value of inventories as at the end of the reporting period. As a result, a write down of inventories of HKD1,082,237 (2013: HKD952,452) was made at 31 December 2014.

During the year ended 31 December 2013, raw materials of HKD135,510 were written off. This was because these materials used for manufacturing bottling water had been deteriorated tremendously and could not be used as assessed by the management of the Company.

由於鎂的市價波動，於報告期末存貨的可變現淨值大幅減少，故於二零一四年十二月三十一日撇減存貨1,082,237港元(二零一三年：952,452港元)。

截至二零一三年十二月三十一日止年度，原料135,510港元已被撇銷，此乃由於該等用於製造瓶裝水的材料已嚴重惡化，並經本公司管理層評估為無法使用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19 TRADE RECEIVABLES

19 應收賬款

		The Group 本集團	
		2014 二零一四年	2013 二零一三年
		HKD 港元	HKD 港元
Trade receivables	應收賬款	2,854,282	434,787

All of the trade receivables are expected to be recovered within one year.

預期所有應收賬款於一年內收回。

(a) Ageing analysis

An ageing analysis of trade receivables, based on the invoice date, is as follows:

(a) 賬齡分析

根據發票日期的應收賬款賬齡分析如下：

		The Group 本集團	
		2014 二零一四年	2013 二零一三年
		HKD 港元	HKD 港元
Current, neither past due nor impaired	即期，並無逾期或減值	2,711,735	148,140
Less than 1 month past due	逾期少於一個月	388	82,075
1 month to 2 months past due	逾期一個月至兩個月	9,237	32,086
More than 2 months but less than 12 months past due	逾期超過兩個月但少於十二個月	29,907	172,486
Over 12 months past due	逾期超過十二個月	103,015	—
Amounts past due	逾期金額	142,547	286,647
Total	總計	2,854,282	434,787

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19 TRADE RECEIVABLES *(continued)*

(a) Ageing analysis *(continued)*

Trade receivables derived from sales of magnesium ingots are due within 14 days (2013: 5 days) from the date of the bill of lading for exports sales or date of invoice for local sales. Other than that the Group has a policy of allowing customers for domestic trading and distribution in the PRC with credit terms or normally cash on delivery.

Further details on the Group's credit policy are set out in Note 32(b).

Receivables that were neither past due nor impaired related to independent customers that have a good track record with the Group. Based on past experience, the directors of the Company believed that no impairment allowance was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable. The Group does not hold any collateral over these balances.

- (b) At 31 December 2014, none of trade receivables (2013: Nil) were pledged as security for banking facilities granted to the Group.

19 應收賬款 (續)

(a) 賬齡分析 (續)

來自銷售鎂錠的應收賬款自出口銷售的提單日期或本地銷售的發票日期起計14日(二零一三年：5日)內到期。除此以外，本集團的政策可向於中國本地買賣及分銷的客戶提供信貸期，或一般以貨到付款形式進行交易。

本集團信貸政策的進一步詳情載於附註32(b)。

並無逾期或減值之應收賬款與本集團有良好往績記錄之獨立客戶有關。根據過往經驗，本公司董事相信，對此等結餘毋須作出減值撥備，原因為信貸質素並無重大變動，且有關結餘仍被視為可全數收回。本集團並無就此等結餘持有任何抵押品。

- (b) 於二零一四年十二月三十一日，並無應收賬款(二零一三年：無)已予質押，作為取得授予本集團銀行融資的抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

20 預付款項、按金及其他應收款項

		The Group 本集團		The Company 本公司	
		2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年
		HKD 港元	HKD 港元	HKD 港元	HKD 港元
Other receivables	其他應收款項	42,487	873,671	6,600	6,600
Advance payment to a contractor (Note 20(a))	向一名承包商墊款 (附註20(a))	14,911,170	15,901,699	—	—
Deposits for purchase of property, plant and equipment	購買物業、廠房及設備的按金	—	5,131,402	—	—
Prepayments for raw materials and machinery (Note 20(b))	原料及機器的預付款項 (附註20(b))	677,430	6,562,868	—	—
Deposits and prepayments	按金及預付款項	1,524,845	4,855,686	77,566	2,400,203
		17,155,932	33,325,326	84,166	2,406,803
Less: Impairment losses:	減：減值虧損：				
— advance payment to a contractor (Note 20(a))	— 向一名承包商墊款 (附註20(a))	(14,911,170)	(15,901,699)	—	—
— prepayments for raw materials and machinery (Note 20(b))	— 原料及機器的預付款項 (附註20(b))	(677,430)	(6,562,868)	—	—
		1,567,332	10,860,759	84,166	2,406,803

Apart from certain of the Group's deposits and prepayments of HKD637,851 (2013: HKD2,236,053) as at 31 December 2014, and of the Company's deposits and prepayments of HKD64,500 (2013: HKD216,084) as at 31 December 2014, the remaining prepayments, deposits and other receivables of the Group and the Company are expected to be recovered or recognised as expenses within one year.

除本集團於二零一四年十二月三十一日的若干按金及預付款項637,851港元(二零一三年：2,236,053港元)及本公司於二零一四年十二月三十一日的按金及預付款項64,500港元(二零一三年：216,084港元)外，預期本集團及本公司的其餘預付款項、按金及其他應收款項將於一年內收回或確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

- (a) In prior years, the Group advanced a total of HKD14,911,170 (2013: HKD15,901,699) to a contractor for ratification works in the production plant of magnesium ingots in Malaysia. This contractor was put under creditor's winding up in 2012. The Group's management assessed the recoverability of these advances was remote and had made a full provision against them as at 31 December 2014 and 2013.
- (b) At 31 December 2014, the Group had made prepayments of HKD677,430 (2013: HKD6,562,868) to an entity for purchase of raw materials and machinery. During the year, no goods and/or machinery have been received by the Group from that entity in settlement of the prepayments made. The Group's management assessed the recoverability of these prepayments was remote after suspension of the production plant in Malaysia, and thus a full provision against them has been made as at 31 December 2014 and 2013.

21 PLEDGED DEPOSITS

The Group's deposits of HKD2,735 (2013: HKD2,968) is pledged to a bank for loan facilities granted to the Group (see Note 27).

As at 31 December 2014 and 2013, the Company did not have any pledged deposits.

20 預付款項、按金及其他應收款項(續)

- (a) 於過往年度，本集團就馬來西亞的鎂錠生產廠房的認可工程向一名承包商墊付合共14,911,170港元(二零一三年：15,901,699港元)。該名承包商於二零一二年被債權人清盤。本集團管理層評定收回此等墊款的機會甚微，並已於二零一四年及二零一三年十二月三十一日作出全數撥備。
- (b) 於二零一四年十二月三十一日，本集團就購買原料及機器向一間實體支付預付款項677,430港元(二零一三年：6,562,868港元)。於年內，本集團並無接獲該實體就償付所支付的預付款項的任何貨品及／或機器。本集團管理層評定於馬來西亞的生產廠房停產後收回此等預付款項的機會甚微，故已於二零一四年及二零一三年十二月三十一日作出全數撥備。

21 質押存款

本集團2,735港元(二零一三年：2,968港元)的存款已就本集團獲授的貸款融資而抵押予銀行(見附註27)。

於二零一四年及二零一三年十二月三十一日，本公司並無任何質押存款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 ASSETS CLASSIFIED AS HELD FOR SALE

Pursuant to an agreement dated 16 October 2013 entered into between the Company and an independent third party (the "Purchaser"), the Company disposed of 100% equity interest in CVM International Limited ("CVM"), to the Purchaser at a consideration of USD1,000,000 (equivalent to HKD7,753,940). CVM and its subsidiaries, CVM Minerals Indonesia Sdn. Bhd., PTCV Coal and PTCV Iron (collectively "CVM Group"), are principally engaged in the business of exploration of minerals namely iron ore, coal and manganese in Aceh of Indonesia. The assets and liabilities attributable to CVM Group, which are expected to be sold within six months from the date of this sale and purchase agreement, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position. The net proceeds of sale are expected to be lower than the carrying amount of the related net assets and, accordingly, an impairment loss related to exploration and evaluation assets of HKD87,500,000 was recognised, neither when the operation was re-classified as held for sale nor at 31 December 2013. The disposal was completed on 3 April 2014.

The major classes of assets and liabilities comprising CVM Group classified as held for sale as at 31 December 2013 are as follows:

22 分類為持作待售資產

根據本公司與獨立第三方(「買方」)訂立日期為二零一三年十月十六日的協議，本公司向買方出售CVM International Limited(「CVM」)的全部股權，代價為1,000,000美元(相當於7,753,940港元)。CVM及其附屬公司CVM Minerals Indonesia Sdn. Bhd.、PTCV Coal及PTCV Iron(統稱「CVM集團」)主要印尼亞齊省從事礦物(即鐵礦石、煤炭及錳)勘探業務。預期將於此買賣協議日期起計六個月內出售的CVM集團應佔資產及負債已分類為持作待售出售集團，並於綜合財務狀況表中分開呈列。銷售所得款項淨額預期低於相關資產淨值的賬面值，因此，並非於業務獲重新分類為持作待售或於二零一三年十二月三十一日確認有關勘探及評估資產的減值虧損87,500,000港元。該項出售事項已於二零一四年四月三日完成。

於二零一三年十二月三十一日，分類為持作待售組成CVM集團的主要資產及負債類別如下：

		The Group 本集團 2013 二零一三年 HKD 港元
Assets	資產	
Property, plant and equipment (Note 13(a))	物業、廠房及設備(附註13(a))	120,874
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	212,590
Cash and cash equivalents	現金及現金等價物	6,606
Assets classified as held for sale	分類為持作待售資產	340,070
Liabilities	負債	
Accrued expenses and other payables	應計開支及其他應付款項	2,819,092
Liabilities classified as held for sale	分類為持作待售負債	2,819,092
Net liabilities of CVM Group classified as held for sale	CVM集團分類為持作待售負債淨額	(2,479,022)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23 TRADE AND OTHER PAYABLES

23 應付賬款及其他應付款項

		The Group 本集團		The Company 本公司	
		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元	2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Trade payables	應付賬款	2,831,490	278,104	–	–
Accrued interest on bank loans	銀行貸款應計利息	64,049,521	47,929,022	–	–
Accrued interest on unsecured loans	無抵押貸款應計利息	–	31,037,242	–	31,037,242
Accrued interest on convertible bonds	可換股債券應計利息	6,852,144	7,608,222	6,852,144	7,608,222
Accrued salaries	應計薪金	2,800,027	2,190,413	1,224,023	852,283
Other payables and accrued expenses	其他應付款項及應計開支	28,575,686	21,387,863	17,461,871	5,888,907
		105,108,868	110,430,866	25,538,038	45,386,654

All of the above payables are expected to be settled or recognised as income within one year, or are repayable on demand.

預期上述所有應付款項將於一年內結清或確認為收入，或須於要求時償還。

An ageing analysis of trade payables, based on the invoice date, is as follows:

應付賬款按票據日期的賬齡分析如下：

		The Group 本集團	
		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Current	即期	2,701,050	53,262
Due within 3 months	三個月內到期	–	4,315
Due after 3 months but within 12 months	三個月後但十二個月內到期	32,983	220,527
Over 12 months	超過十二個月	97,457	–
		2,831,490	278,104

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 OBLIGATIONS UNDER FINANCE LEASES

(a) The Group

At 31 December 2014, the Group had obligations under finance leases repayable as follows:

24 融資租賃承擔

(a) 本集團

於二零一四年十二月三十一日，本集團的應償還融資租賃承擔如下：

		2014 二零一四年		2013 二零一三年	
		Present value of the minimum lease payments 最低租賃 付款現值 HKD 港元	Total minimum lease payments 最低租賃 付款總值 HKD 港元	Present value of the minimum lease payments 最低租賃 付款現值 HKD 港元	Total minimum lease payments 最低租賃 付款總值 HKD 港元
Within 1 year	一年內	315,456	336,972	413,972	453,773
After 1 year but within 2 years	一年後但兩年內	197,272	205,234	324,368	346,926
After 2 years but within 5 years	兩年後但五年內	62,758	64,193	272,164	282,145
		260,030	269,427	596,532	629,071
		575,486	606,399	1,010,504	1,082,844
Less: total future interest expenses	減：未來利息 開支總額		(30,913)		(72,340)
Present value of lease obligations	租賃承擔現值		575,486		1,010,504

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 OBLIGATIONS UNDER FINANCE LEASES

(continued)

(b) The Company

At 31 December 2014, the Company had obligations under a finance lease repayable as follows:

24 融資租賃承擔(續)

(b) 本公司

於二零一四年十二月三十一日，本公司的應償還融資租賃承擔如下：

		2014 二零一四年		2013 二零一三年	
		Present value of the minimum lease payments 最低租賃 付款現值 HKD 港元	Total minimum lease payments 最低租賃 付款總值 HKD 港元	Present value of the minimum lease payments 最低租賃 付款現值 HKD 港元	Total minimum lease payments 最低租賃 付款總值 HKD 港元
Within one year	一年內	181,314	187,140	175,236	187,140
After 1 year but within 2 years	一年後但兩年內	77,342	77,975	181,314	187,140
After 2 years but within 5 years	兩年後但五年內	—	—	77,341	77,975
		77,342	77,975	258,655	265,115
		258,656	265,115	433,891	452,255
Less: total future interest expenses	減：未來利息 開支總額		(6,459)		(18,364)
Present value of lease obligations	租賃承擔現值		258,656		433,891

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 OBLIGATIONS UNDER FINANCE LEASES

(continued)

(b) The Company (continued)

The policies of the Group and the Company are to lease certain of its motor vehicles and furniture and fittings under finance leases expiring in 3 years and 2 years, respectively (2013: 4 years and 3 years, respectively). As at 31 December 2014, the effective borrowing rate of the Group and the Company was in a range from 1.8% p.a. to 3.68% p.a. and 1.8% p.a., respectively (2013: a range from 1.8% p.a. to 3.68% p.a. and 1.8% p.a., respectively). Interest rates are fixed at the contract dates and thus expose the Group and the Company to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of each lease term, the Group and the Company have an option to purchase the motor vehicles and furniture and fittings at nominal prices.

24 融資租賃承擔(續)

(b) 本公司(續)

本集團及本公司的政策是根據融資租賃租賃若干汽車以及傢俬及裝置，年期分別為3年及2年(二零一三年：分別為4年及3年)。於二零一四年十二月三十一日，本集團及本公司實際借款年利率分別為介乎1.8%至3.68%及1.8%(二零一三年：分別為介乎1.8%至3.68%及1.8%)。利率按合約日期釐定，因此，本集團及本公司承受公平值利率風險。所有租約按固定還款基準釐定，且並無就或然租賃付款訂立安排。於各租賃期末，本集團及本公司可選擇按名義價格購買汽車以及傢俬及裝置。

25 AMOUNT(S) DUE FROM/(TO) RELATED PARTIES AND A DIRECTOR

25 應收／(應付)關連方及一名董事款項

		The Group 本集團		The Company 本公司	
		2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年
		HKD 港元	HKD 港元	HKD 港元	HKD 港元
Trading account	貿易賬戶	(2,347,241)	(2,229,650)	—	—
Current account	現有賬戶	(2,153,329)	(4,730,684)	(138,000)	(628,790)
		(4,500,570)	(6,960,334)	(138,000)	(628,790)
Classified as:	分類為：				
Amount due from a related party	應付一名關連方款項	36,391	9,476	—	—
Amount due to a director	應付一名董事款項	(138,000)	(628,790)	(138,000)	(628,790)
Amounts due to related parties	應付關連方款項	(4,398,961)	(6,341,020)	—	—
		(4,536,961)	(6,969,810)	(138,000)	(628,790)
Total	總計	(4,500,570)	(6,960,334)	(138,000)	(628,790)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25 AMOUNT(S) DUE FROM/(TO) RELATED PARTIES AND A DIRECTOR (continued)

The amounts are unsecured, interest-free and have no fixed terms of repayment.

An amount due from a related party disclosed pursuant to section 78 of Schedule 11 to the new Companies Ordinance (Cap. 622), with reference to section 161B of the predecessor Hong Kong Companies Ordinance (Cap. 32) is as follows:

25 應收／(應付)關連方及一名董事款項 (續)

該款項為無抵押、免息且無固定還款期。

根據新香港公司條例(第622章)第78條附表11，並參照舊有香港公司條例(第32章)第161B條披露的應收一名關連方款項如下：

Name	Term of loan	The Group 本集團		Maximum amount outstanding during the year
		Balance at 31 December 2014 於二零一四年十二月三十一日的結餘 HKD 港元	Balance at 1 January 2014 於二零一四年一月一日的結餘 HKD 港元	
名稱	貸款條款			年內尚未償還最高金額 HKD 港元
HWG Tin Mining Sdn. Bhd. ("HWGTM")	Interest-free, unsecured and has no fixed terms of repayment	36,391	9,476	36,391
HWG Tin Mining Sdn. Bhd. (「HWGTM」)	免息、無抵押且無固定還款期			

HWGTM is a subsidiary of Ho Wah Genting Berhad which is a shareholder of the Company.

HWGTM為本公司股東Ho Wah Genting Berhad的附屬公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 CONVERTIBLE BONDS

- (a) On 1 September 2011, the Company entered into a placing agreement with a placing agent, Cheong Lee Securities Limited for the issue of convertible bonds with maturity period of eight months to three years from the date of issue for an aggregate principal amount of HKD80,000,000. The convertible bonds bear interest at 10% p.a. payable annually and are unsecured. As at the end of reporting period, the aggregate principal amount of convertible bonds being available was HKD80,000,000 (2013: HKD80,000,000).

The bondholders at any time before maturity can convert the whole or part of the principal amount of the convertible bonds into ordinary shares of the Company at the conversion price of HKD0.10 per share. As a result of the said share consolidation in Note 30(b)(iii), the conversion price of outstanding convertible bonds of the Company was adjusted from HKD0.10 per share to HKD0.40 per share with effect on 29 July 2013.

Upon maturity any unredeemed and unconverted bonds will be redeemed at par value of the outstanding principal amount in cash.

The convertible bonds may be early redeemed at par value of the outstanding principal amount of the bond at any time at the option of the Company up to maturity provided that the Company has given not less than 7 business days' prior notice to the bondholder(s) of its intention to make that redemption.

26 可換股債券

- (a) 於二零一一年九月一日，本公司與配售代理昌利證券有限公司訂立配售協議，內容有關發行本金總額80,000,000港元的可換股債券，可換股債券自發行日期起八個月至三年內到期。可換股債券按年利率10%計息及無抵押，利息須每年支付。於報告期末，可供轉換的可換股債券本金總額為80,000,000港元（二零一三年：80,000,000港元）。

債券持有人可於到期前的任何時間按每股0.10港元的換股價將全部或部份可換股債券的本金額轉換成本公司的普通股。由於附註30(b)(iii)所述的股份合併，本公司尚未轉換的可換股債券的換股價由每股0.10港元調整至每股0.40港元，於二零一三年七月二十九日生效。

任何未贖回及未轉換的債券將於到期後以現金按未償還本金額的面值贖回。

可換股債券可由本公司選擇，於直至到期日為止任何時間按債券未償還本金額的面值提早贖回，惟本公司須已給予債券持有人不少於7個營業日的事先通知，表示其有意進行該贖回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 CONVERTIBLE BONDS (continued)

(a) (continued)

The maturity date of the five principal amounts of convertible bonds of HKD26,000,000 ("First Tranche Bonds"), HKD17,000,000 ("Second Tranche Bonds"), HKD10,000,000 ("Third Tranche Bonds"), HKD10,000,000 ("Fourth Tranche Bonds") and HKD17,000,000 ("Fifth Tranche Bonds") is 1 December 2014, 29 December 2014, 9 January 2015, 4 March 2015 and 22 March 2015 respectively. The above aggregate principal amount of HKD80,000,000 is collectively referred to as the "Matured Bonds". As at date of approval of these consolidated financial statements, the repayment of all these Matured Bonds were defaulted. The directors of the Company represented that (i) the Company is currently in the course of arm's length negotiations with the holders of the Matured bonds in relation to the Proposed Alteration; (ii) as negotiated with the holders of the Matured Bonds, they verbally agreed not to redeem the Matured Bonds until the Proposed Alteration is confirmed; and (iii) the interest on the Matured Bonds will continue to be payable by the Company until the date of redemption pursuant to the terms of the Matured Bonds. As at the approval date of the consolidated financial statements, the Proposed Alteration of the Matured Bonds have not been fixed and confirmed yet.

The non-redemption of First Tranche Bonds on 1 December 2014 technically constitutes an event of default on the part of the Company and can lead to a mandatory redemption of the Second Tranche Bonds, Third Tranche Bonds, Fourth Tranche Bonds and Fifth Tranche Bonds (the "Non-redemption"). Therefore, the Matured Bonds have become due and payable at their principal amounts if any of their holders serves a notice on the Company. As at the approval date of the consolidated financial statements, the Company represented that no mandatory redemption request has been received from any of the bondholders of the Matured Bonds.

26 可換股債券(續)

(a) (續)

五批本金額分別為26,000,000港元(「第一批債券」)、17,000,000港元(「第二批債券」)、10,000,000港元(「第三批債券」)、10,000,000港元(「第四批債券」)及17,000,000港元(「第五批債券」)的可換股債券的到期日分別為二零一四年十二月一日、二零一四年十二月二十九日、二零一五年一月九日、二零一五年三月四日及二零一五年三月二十二日。上述本金總額80,000,000港元統稱為「到期債券」。於批准此等綜合財務報表的日期，所有該等到期債券拖欠還款。本公司董事表示，(i)本公司正與到期債券持有人就建議修改進行公平磋商；(ii)與到期債券持有人磋商後，彼等口頭同意於建議修改確認前不贖回到期債券；及(iii)根據到期債券條款，本公司將於贖回日期前繼續支付到期債券利息。於綜合財務報表批准日期，到期債券的建議修改尚未決定及確認。

第一批債券於二零一四年十二月一日未予贖回，即理論上構成本公司違約，並可導致強制贖回第二批債券、第三批債券、第四批債券及第五批債券(「未予贖回」)。因此，到期債券將於任何到期債券持有人向本公司發出通知時到期，並須償還其本金。於綜合財務報表批准日期，本公司表示其並未接獲任何到期債券持有人發出任何強制贖回的要求。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 CONVERTIBLE BONDS (continued)

(a) (continued)

At 31 December 2014, convertible bonds are due for repayment as follows:

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Within 1 year	一年內	82,561,759	36,080,198
After 1 year but within 2 years	一年後但兩年內	—	36,729,997
		82,561,759	72,810,195

The interest charged for the year is calculated by applying an effective interest rate with a range from 17.54% p.a. to 33.73% p.a. (2013: a range from 17.54% p.a. to 33.73% p.a.) to the liability component for the number of days to the end of the reporting period since the bonds were issued.

The directors of the Company estimate the fair value of the liability component of the Matured Bonds as at 31 December 2014 to be approximately HKD82,125,000 (2013: HKD72,793,000). This fair value has been calculated by discounting the future cash flows at the market rate.

26 可換股債券 (續)

(a) (續)

於二零一四年十二月三十一日，可換股債券於以下期間到期償還：

年度利息支出乃採用介乎負債部份17.54%至33.73%（二零一三年：介乎17.54%至33.73%）的實際年利率，按債券發行起至報告期末止的天數計算。

本公司董事估計於二零一四年十二月三十一日到期債券負債部份的公平值約為82,125,000港元（二零一三年：72,793,000港元）。該公平值乃按市場利率貼現未來現金流量計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 CONVERTIBLE BONDS (continued)

(a) (continued)

The net proceeds received from the issuance of the convertible bonds have been split into the liability and equity components, as follows:

		First Tranche Bonds 第一批債券 HKD 港元	Second Tranche Bonds 第二批債券 HKD 港元	Third Tranche Bonds 第三批債券 HKD 港元	Fourth Tranche Bonds 第四批債券 HKD 港元	Fifth Tranche Bonds 第五批債券 HKD 港元	Total 總金額 HKD 港元
At 1 January 2013	於二零一三年一月一日	18,697,603	11,735,082	9,476,511	9,173,724	15,675,750	64,758,670
Interest charged	利息支出	5,989,404	3,958,109	1,661,767	1,679,804	2,762,441	16,051,525
Interest paid	已付利息	(2,600,000)	(1,700,000)	(1,000,000)	(1,000,000)	(1,700,000)	(8,000,000)
Liability component as at 31 December 2013	於二零一三年十二月 三十一日的負債部份	22,087,007	13,993,191	10,138,278	9,853,528	16,738,191	72,810,195
At 1 January 2014	於二零一四年一月一日	22,087,007	13,993,191	10,138,278	9,853,528	16,738,191	72,810,195
Interest charged	利息支出	6,512,993	4,706,809	1,777,812	1,804,281	2,949,669	17,751,564
Interest paid	已付利息	(2,600,000)	(1,700,000)	(1,000,000)	(1,000,000)	(1,700,000)	(8,000,000)
Liability component as at 31 December 2014	於二零一四年十二月 三十一日的負債部份	26,000,000	17,000,000	10,916,090	10,657,809	17,987,860	82,561,759

- (b) In 2012, the Company issued convertible bonds with maturity date on the fifth anniversary of the date of issue for an aggregate principal amount of HKD106,840,000 as part consideration for the acquisition of Victory Dragon Group in 2012. The convertible bonds bear interest at 5% p.a. payable annually and are unsecured.

The bondholder of the convertible bonds at any time before maturity can convert the whole or part of the principal amount of the convertible bonds in whole multiples of HKD1,000,000 into ordinary shares of the Company at a fixed conversion price of HKD0.126 per share. As a result of the said share consolidation in Note 30(b)(iii), the conversion price of outstanding convertible bonds of the Company was adjusted from HKD0.126 per share to HKD0.504 per share with effect on 29 July 2013.

26 可換股債券 (續)

(a) (續)

發行可換股債券所得款項淨額已分為負債部份及權益部份如下：

- (b) 於二零一二年，本公司發行本金總額106,840,000港元的可換股債券，作為於二零一二年收購凱龍集團之部份代價。可換股債券的到期日為發行日期五週年，按年利率5%計息及無抵押，利息須每年支付。

可換股債券持有人可於到期前的任何時間按每股0.126港元的固定換股價將全部或部份本金額為1,000,000港元之整倍數的可換股債券轉換成本公司的普通股。於附註30(b)(iii)之上述股份合併完成後，本公司尚未轉換的可換股債券的換股價自二零一三年七月二十九日起由每股0.126港元調整至每股0.504港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 CONVERTIBLE BONDS (continued)

(b) (continued)

Upon maturity any unredeemed and unconverted bonds will be redeemed at par value of the outstanding principal amount in cash.

The Company may at any time before the maturity date early redeem the convertible bonds.

On 15 January 2013, the convertible bonds in the principal amount of HKD43,840,000 were converted into 347,936,507 ordinary shares of the Company at HKD0.025 each.

Pursuant to an agreement signed for acquisition of 51% of the issued share capital of Victory Dragon Group, Voice Key Group Limited ("First Vendor") and the guarantor, Mr. Chu Yuk Lung (the "Guarantor") irrevocably warrants and guarantees to the Group that the audited consolidated net profit after tax and any extraordinary and exceptional items ("Audited Profit") of Victory Dragon Group will not be less than RMB30,000,000 ("Guaranteed Profit") for the period of twelve months commencing from the date of completion of the acquisition ("Guaranteed Period").

If the Guaranteed Profit is not achieved for the Guaranteed Period, the Group will be entitled to deduct from the outstanding principal amount of the convertible bonds on a dollar for dollar basis which is equivalent to the difference between the Audited Profit and Guaranteed Profit. If Victory Dragon Group record a consolidated net loss after tax and any extraordinary and exceptional items for the Guarantee Period, the Group will be entitled to deduct from the outstanding principal amount of the convertible bonds which is equivalent to an amount of the summation of the loss and the Guaranteed Profit provided that the maximum compensation amount shall not exceed HKD50,000,000.

26 可換股債券 (續)

(b) (續)

任何未贖回及未轉換的債券將於到期後以現金按未償還本金額的面值贖回。

本公司可於到期日前隨時提前贖回可換股債券。

於二零一三年一月十五日，本金額為43,840,000港元之可換股債券已獲轉換為347,936,507股每股面值0.025港元之本公司普通股。

根據就收購凱龍集團已發行股本的51%而簽訂之協議，Voice Key Group Limited(「第一賣方」)及擔保人朱浴龍先生(「擔保人」)不可撤銷地向本集團承諾及擔保，凱龍集團自完成收購日期起計12個月期間(「保證期」)之除稅並計及任何特殊及非經常項目後的經審核綜合純利(「經審核溢利」)將不少於人民幣30,000,000元(「保證溢利」)。

倘於保證期內未能達致保證溢利，本集團將有權按等額現金基準自可換股債券的未償還本金額中扣除相等於經審核溢利與保證溢利之間的差額。倘凱龍集團於保證期內錄得除稅及任何特殊及非經常項目後綜合虧損淨額，本集團將有權自可換股債券的未償還本金額中扣除相等於虧損及保證溢利總值的金額，惟最高補償金額不得超過50,000,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 CONVERTIBLE BONDS (continued)

(b) (continued)

The First Vendor (i.e. the bondholder) agrees that unless and until the delivery of the consolidated audited financial statements of Victory Dragon Group for the Guarantee Period showing that the Guaranteed Profit has been fulfilled, it will not convert, transfer or dispose of the convertible bonds such that the outstanding principal amount of the convertible bonds shall be less than HKD50,000,000 or otherwise cause the outstanding principal amount of the convertible bonds below HKD50,000,000.

On 30 August 2013, the directors of the Company announced the audited financial statements of Victory Dragon Group for the Guarantee Period showed a net loss after tax and any extraordinary and exceptional items of HKD8,228,917. Based on the exchange rate at that time, the Guaranteed Profit was HKD38,090,401 (equivalent to RMB30,000,000), and hence, the actual shortfall between the audited net loss and the Guaranteed Profit was HKD46,319,318. As such on 16 October 2013, the convertible bonds in the principal amount of HKD46,319,318 was cancelled and deducted.

As at the end of the reporting period, the principal amount of convertible bonds in relation to the Victory Dragon Group in 2012 being available was HKD16,680,682 (2013: HKD16,680,682) with maturity due in 2017.

The Non-redemption technically constitutes an event of default on the part of the Company and can lead to a mandatory redemption of the Victory Dragon Bonds. Therefore, Victory Dragon Bonds have become due and payable at their principal amounts if any of their holders serves a notice on the Company. As at the approval date of the consolidated financial statements, the Company represented that no mandatory redemption request has been received from any of the bondholders of the Victory Dragon Bonds.

26 可換股債券(續)

(b) (續)

第一賣方(即債券持有人)同意,除非及直至凱龍集團呈交保證期之綜合經審核財務報表,顯示已達致保證溢利,否則其將不會轉換、轉讓或出售可換股債券而致使可換股債券之未償還本金額少於50,000,000港元,或以其他方式致使可換股債券之未償還本金額少於50,000,000港元。

於二零一三年八月三十日,本公司董事宣佈,凱龍集團於保證期的經審核財務報表顯示,凱龍集團錄得除稅並計及任何特殊及非經常項目後虧損淨額8,228,917港元。按當時的匯率計算,保證溢利為38,090,401港元(相當於人民幣30,000,000元),因此,經審核虧損淨額與保證溢利之間的實際差為46,319,318港元。因此,於二零一三年十月十六日,本金額為46,319,318港元之可換股債券已獲註銷及扣除。

於報告期末,於二零一二年與凱龍集團有關的可換股債券的可供轉換本金額為16,680,682港元(二零一三年:16,680,682港元),且於二零一七年到期。

未予贖回理論上構成本公司違約,並可導致強制贖回凱龍債券。因此,凱龍債券將於任何凱龍債券持有人向本公司發出通知時到期,並須償還其本金。於綜合財務報表批准日期,本公司表示其並未接獲任何凱龍債券持有人發出任何強制贖回的要求。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 CONVERTIBLE BONDS (continued)

(b) (continued)

The net proceeds received from the issuance of the convertible bonds have been split into the liability and equity components, as follows:

		Liability component	Equity component	Total
		負債部份	權益部份	總計
		HKD	HKD	HKD
		港元	港元	港元
At 1 January 2013	於二零一三年一月一日	70,282,100	44,326,000	114,608,100
Interest charged	利息支出	3,310,892	–	3,310,892
Interest paid	已付利息	(5,372,268)	–	(5,372,268)
Conversion of convertible bonds	轉換可換股債券	(29,024,400)	(18,188,430)	(47,212,830)
Repayment of convertible bonds	償還可換股債券	(28,361,731)	(19,217,054)	(47,578,785)
At 31 December 2013 and 1 January 2014	於二零一三年十二月三十一日及二零一四年一月一日	10,834,593	6,920,516	17,755,109
Interest charged	利息支出	1,715,805	–	1,715,805
Interest paid	已付利息	(834,034)	–	(834,034)
At 31 December 2014	於二零一四年十二月三十一日	11,716,364	6,920,516	18,636,880

The interest for the year is calculated by applying an effective interest rate of 17.58% p.a. (2013: 17.58%) to the liability component for the number of days to the end of the reporting period since the bonds were issued.

The directors of the Company estimate the fair value of the liability component of the convertible bonds as at 31 December 2014 to be approximately HKD12,013,000 (2013: HKD10,104,000). This fair value has been calculated by discounting the future cash flows at the market rate.

26 可換股債券 (續)

(b) (續)

發行可換股債券所得款項淨額已分為負債部份及權益部份如下：

年度利息乃採用介乎負債部份17.58%（二零一三年：17.58%）的實際年利率，按債券發行起至報告期結束止的天數計算。

本公司董事估計於二零一四年十二月三十一日可換股債券負債部份的公平值約為12,013,000港元（二零一三年：10,104,000港元）。該公平值乃按市場利率貼現未來現金流量計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27 BANK LOANS — SECURED The Group

27 有抵押銀行貸款 本集團

	2014 二零一四年			2013 二零一三年		
	Nominal value	unamortised costs 減： 未攤銷成本	Total	Nominal value	unamortised costs 減： 未攤銷成本	Total
	面值 HKD 港元	未攤銷成本 HKD 港元	總計 HKD 港元	面值 HKD 港元	未攤銷成本 HKD 港元	總計 HKD 港元
Bank loans, secured 有抵押銀行貸款	383,212,795	(1,820,622)	381,392,173	408,669,115	(2,337,386)	406,331,729

At 31 December 2014, interest bearing bank loans are due for repayment as follows:

於二零一四年十二月三十一日，計息銀行貸款於以下期間到期償還：

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Portion of term loans due for repayment within 1 year	一年內到期償還的 有期貸款部份	381,392,173	82,863,708
Term loans due for repayment after one year:	一年後到期償還的 有期貸款：		
After 1 year but within 2 years	一年後但兩年內	—	90,316,599
After 2 years but within 5 years	兩年後但五年內	—	233,151,422
		—	323,468,021
		381,392,173	406,331,729

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27 BANK LOANS — SECURED (continued)

The amounts due are based on the scheduled repayment dates set out in the loan agreement and ignore the effect of any repayment on demand clause.

27 有抵押銀行貸款(續)

到期金額乃按貸款協議所載預定償還日期為準，並無計及任何可隨時要求償還條款的影響。

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Transaction costs	交易成本		
Cost:	成本：		
At 1 January	於一月一日	9,277,771	9,934,307
Exchange adjustments	匯兌調整	(577,920)	(656,536)
At 31 December	於十二月三十一日	8,699,851	9,277,771
Accumulated amortisation:	累計攤銷：		
At 1 January	於一月一日	6,940,385	7,007,687
Amortisation for the year	年內攤銷	372,904	411,611
Exchange adjustments	匯兌調整	(434,060)	(478,913)
At 31 December	於十二月三十一日	6,879,229	6,940,385
Unamortised transaction costs	未攤銷交易成本	1,820,622	2,337,386

The secured bank loans as at 31 December 2014 are interest bearing at 8.6% p.a. (2013: 8.6% p.a.). These bank loans were restructured on 25 July 2011 by Bank Rakyat. In accordance with the restructured bank loan agreement, the Group is required to repay the bank loans by monthly instalment of RM670,000 (equivalent to HKD1,586,032) with effect from August 2011 to December 2013 and increasing to RM4,200,000 (equivalent to HKD9,942,287) from January 2014 to the second last repayment of the loans in 2018.

於二零一四年十二月三十一日的有抵押銀行貸款按年利率8.6%(二零一三年：年利率8.6%)計息。此等銀行貸款於二零一一年七月二十五日由Bank Rakyat進行重組。根據重組銀行貸款協議，本集團須於二零一一年八月至二零一三年十二月每月分期償還銀行貸款670,000馬幣(相當於1,586,032港元)，並由二零一四年一月至二零一八年的最後第二期還款之日增至4,200,000馬幣(相當於9,942,287港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27 BANK LOANS — SECURED (continued)

The bank loans are granted to CVMSB and secured by way of:

- (i) a legal charge over the land and factory building to be erected thereon held by CVMSB;
- (ii) assignment of trade receivables;
- (iii) a debenture creating fixed and floating legal charge over all present and future assets of CVMSB excluding the performance bonds;
- (iv) assignment of all CVMSB's rights, entitlement and interest in and to all building contracts, design drawings and other contracts pertaining to the magnesium ingot project (the "Project");
- (v) an assignment of all CVMSB's rights, benefits and interest under insurance undertaken by CVMSB as part of its operations for the Project;
- (vi) an assignment over the existing revenue accounts maintained at HSBC Amanah Malaysia Berhad and monies standing to the credit of the revenue account in favour of the bank, the revenue accounts shall be operated solely by the bank;
- (vii) a first fixed charge/assignment over the retorts of CVMSB;
- (viii) an assignment over the insurance policies of the retorts of CVMSB; and
- (ix) corporate guarantee by Ding He Mining Holding Limited (formerly known as CVM Minerals Limited) (Note 36(a)).

All of the Group's banking facilities are subject to the fulfilment of covenants, as are commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants, the drawn down facilities would become payable on demand. The Group is required to comply with the covenants when CVMSB's production operation commences, which was in or around February 2011. Further details of the Group's management of liquidity risk are set out in Note 32(e).

27 有抵押銀行貸款(續)

批予CVMSB的銀行貸款按以下方式擔保：

- (i) 就CVMSB所持土地及在其上興建之廠房設立法定押記；
- (ii) 轉讓應收賬款；
- (iii) 就CVMSB所有現有及未來資產(不包括履約保證)設立固定及浮動法定押記的債券；
- (iv) 轉讓CVMSB於與鎂錠項目(「該項目」)有關的所有樓宇合約、設計圖則及其他合約的一切權利、享有權及權益；
- (v) 轉讓CVMSB作為其於該項目業務一部份所承購保險的一切權利、利益及權益；
- (vi) 向銀行轉讓在HSBC Amanah Malaysia Berhad開設的現有收入戶及該收入戶的進賬款項，收入戶僅由銀行操作；
- (vii) 就CVMSB的還原權設立的第一固定抵押／轉讓；
- (viii) 轉讓CVMSB的還原權的保單；及
- (ix) 由鼎和礦業控股有限公司(前稱「南亞礦業有限公司」)作出公司擔保(附註36(a))。

本集團須履行契諾(與財務機構訂立的借款安排內常見契諾)方可獲得各銀行信貸。倘本集團違反該等契諾，則須按要求償還已提用的信貸。本集團須於CVMSB在二零一一年二月或前後開始生產營運時符合該等契諾。有關本集團管理流動資金風險的進一步詳情載於附註32(e)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27 BANK LOANS — SECURED (continued)

During the year ended 31 December 2013, the Group defaulted on the repayments of bank loans since November 2013 and breached one of the covenants of the banking facilities. Upon discovery of the breach, the directors of the Company commenced a negotiation of the terms of the loans with Bank Rakyat. These negotiations have concluded on 24 February 2014 whereby Bank Rakyat agreed to extend a one year grace period without executing legal proceeding against the Company and CVMSB until 31 December 2014. CVMSB is required to repay monthly instalment of RM670,000 (equivalent to HKD1,586,032) for the year ended 31 December 2014.

On 15 December 2014, the Group has accepted the restructuring proposal discussed and offered by Bank Rakyat in respect of the outstanding loans owing by CVMSB (the "Proposal"). Pursuant to the Proposal, the full and final settlement sum by CVMSB shall be reduced to RM113,040,000 (equivalent to approximately HKD258,850,469) which is repayable to Bank Rakyat on or before 30 June 2015, in which (i) an amount of RM4,020,000 (equivalent to approximately HKD9,205,404) must be settled to Bank Rakyat on or before 31 December 2014; (ii) a monthly sum of RM200,000 (equivalent to approximately HKD457,980) shall be repayable to Bank Rakyat on the last day of each calendar month commencing from January 2015 to June 2015 and the final instalment of RM2,820,000 (equivalent to approximately HKD6,457,522) will be paid as bullet payment latest by 30 June 2015; and (iii) a full and final settlement sum of RM105,000,000 (equivalent to approximately HKD240,439,661) be repayable by CVMSB to Bank Rakyat on 30 June 2015.

27 有抵押銀行貸款(續)

於截至二零一三年十二月三十一日止年度，本集團自二零一三年十一月起未能償還銀行貸款及違反其中一份銀行融資契諾。發現有關違約後，本公司董事開始與Bank Rakyat磋商貸款的條款。此等磋商已於二零一四年二月二十四日結束，Bank Rakyat同意延長一年寬限期直至二零一四年十二月三十一日而不會對本公司及CVMSB提出法律訴訟。截至二零一四年十二月三十一日止年度，CVMSB須償還每月分期還款670,000馬幣（相當於1,586,032港元）。

於二零一四年十二月十五日，本集團已經接受Bank Rakyat就CVMSB結欠的未償還貸款所討論及提出的重組提案（「該提案」）。根據該提案，CVMSB的全部和最終的還款金額減少至113,040,000馬幣（相等於約258,850,469港元），並將於二零一五年六月三十日或以前償還予Bank Rakyat，其中(i)4,020,000馬幣（相等於約9,205,404港元）必須於二零一四年十二月三十一日或之前償還予Bank Rakyat；(ii)自二零一五年一月至二零一五年六月每個曆月的最後一日向Bank Rakyat每月還款200,000馬幣（相當於約457,980港元），及最後一期還款為2,820,000馬幣（相當於約6,457,522港元）將以期末整付形式最遲在二零一五年六月三十日支付；及(iii)CVMSB將於二零一五年六月三十日向Bank Rakyat償還全部和最終的還款金額105,000,000馬幣（相等於約240,439,661港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27 BANK LOANS — SECURED (continued)

During the year ended 31 December 2014 and due to continued negative cashflows, the Group defaulted on the repayments of bank loans of RM4,020,000 (equivalent to approximately HKD9,205,404) and breached one of the covenants of the banking facilities. Upon discovery of the breach, the directors of the Company commenced a negotiation of the terms of the loans with Bank Rakyat. These negotiations have concluded on 12 January 2015 whereby Bank Rakyat has agreed to defer the repayment by CVMSB of the bank loan amounting at RM4,020,000 (equivalent to approximately HKD9,205,404) to 16 January 2015, which was originally repayable on or before 31 December 2014. According to Bank Rakyat, such deferral is final and Bank Rakyat shall not allow any further delay and/or failure on the part of CVMSB to meet its payment obligation. Up to the approval date of the consolidated financial statements, the bank loan of RM4,020,000 (equivalent to approximately HKD9,205,404) is defaulted again and not yet repaid.

On 17 March 2015, the Company received a letter issued by Bank Rakyat indicating that the continued failure to fulfil the repayment obligations as set out in the Proposal constituted a breach of terms and therefore the above Proposal was terminated and/or allowed to be terminated (the "Letter"). Accordingly, the total amount owed and repayable to Bank Rakyat was restored to RM203,141,864 (equivalent to approximately HKD465,174,866) as at 28 February 2015 (the "Outstanding Loan") which was required to be settled within 14 days from the date of the Letter. According to Bank Rakyat, legal actions will be commenced against CVMSB including all its corporate guarantors if CVMSB failed, neglected or refused to settle the Outstanding Loan within the given period.

27 有抵押銀行貸款(續)

截至二零一四年十二月三十一日止年度，由於持續出現負現金流量，故本集團未能償還銀行貸款4,020,000馬幣(相當於約9,205,404港元)及違反其中一份銀行融資契諾。發現有關違約後，本公司董事開始與Bank Rakyat重新磋商貸款的條款。此等磋商已於二零一五年一月十二日結束，Bank Rakyat已同意CVMSB延遲至二零一五年一月十六日償還該筆原定應於二零一四年十二月三十一日或之前償付總金額為4,020,000馬幣(相當於約9,205,404港元)之銀行貸款。根據Bank Rakyat，是次延期乃屬最終延期，Bank Rakyat不允許任何額外延誤及／或CVMSB不履行其還款義務。截至綜合財務報表批准日期止，銀行貸款4,020,000馬幣(相當於約9,205,404港元)再次拖欠且尚未償還。

於二零一五年三月十七日，本公司接獲Bank Rakyat發出的函件，指出本公司因持續未能履行該提案所載的償還責任而違反條款，故此，該提案經已終止及／或可被終止(「該函件」)。因此，於二零一五年二月二十八日所結欠及應償還予Bank Rakyat的總金額回復至203,141,864馬幣(相當於約465,174,866港元)(「未償還貸款」)，並須於該函件日期起計14日內償付。根據Bank Rakyat，倘CVMSB於上述期間內未能、忘記或拒絕償還未償還貸款，其將會向CVMSB(包括所有公司擔保人)提出訴訟。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 UNSECURED LOANS FROM THIRD PARTIES 28 來自第三方無抵押貸款

		The Group and the Company	
		本集團及本公司	
		2014	2013
		二零一四年	二零一三年
		HKD	HKD
		港元	港元
Within 1 year	一年內	—	150,000,000

The amounts due are based on the scheduled repayment dates set out in the loan agreements which do not have a repayment on demand clause.

On 13 June 2011, the Company entered into a loan agreement with an independent third party for an unsecured loan of HKD50,000,000 at an interest rate of 12% p.a. payable half-yearly. The loan is wholly repayable on or before June 2014.

On 12 February 2014, the Company successfully negotiated with the lender with written confirmation to defer the repayment by a year to 12 June 2015 and to charge interest rate at 12% p.a. payable half-yearly with effect on 13 June 2014.

On 14 October 2011, the Company entered into loan agreements with four holders of convertible bonds, pursuant to which the holders of convertible bonds agreed to make available to the Company with aggregate loan facilities of HKD100,000,000. The Company applied these loans for repayment of the outstanding convertible bonds issued by the Company in September 2010 in the principal sum of respective amount and registered in the name of the lenders. The unsecured loans are recognised initially at fair value less attributable transaction costs. In the opinion of the directors of the Company, the principal value of the unsecured loans is approximate to its fair value. These loans are unsecured, interest bearing at 15% p.a. payable half-yearly and repayable within 12 months from the respective drawdown date.

到期款項乃以並無隨時要求償還條款的貸款協議所載訂定還款日期為準。

於二零一一年六月十三日，本公司與一名獨立第三方就50,000,000港元的無抵押貸款訂立貸款協議，年利率為12%，每半年支付。貸款須於二零一四年六月或之前悉數償還。

於二零一四年二月十二日，本公司已成功與貸款人進行磋商並書面確認，將還款期推遲一年至二零一五年六月十二日，並自二零一四年六月十三日起按年利率12%計息及每半年還款。

於二零一一年十月十四日，本公司與四名可換股債券持有人訂立貸款協議，據此，可換股債券持有人同意向本公司提供合共100,000,000港元貸款融資。本公司運用此等貸款償還本公司於二零一零年九月發行本金總額為相應金額並以貸款人名義登記的可換股債券的未償還款項。無抵押貸款於初始時按公平值減應佔交易成本確認。本公司董事認為，無抵押貸款的本金額與其公平值相若。此等貸款為無抵押、年利率15%、每半年還款及須於各提取日期起計12個月內還款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 UNSECURED LOANS FROM THIRD PARTIES

(continued)

In March 2012, the Company successfully negotiated with these four lenders in writing to defer the repayment by six months and eighteen days to May 2013 and to charge interest at 18% p.a. payable half-yearly with effect from October 2012.

In March 2013, the Company has successfully negotiated with these four lenders in writing to defer the repayment by a year to April 2014 and to charge interest rate at 18% p.a. payable half-yearly.

On 30 January 2014, the Company further successfully negotiated with these four lenders to defer the repayment by a year to 30 April 2015 and to charge interest rate at 18% p.a. payable half-yearly with effect on 1 May 2014.

On 21 March 2014, the Company negotiated with all of the above five lenders (collectively known as the "Lenders") and entered into capitalisation agreements respectively in relation to, among others, the set-off of each of the Lenders' outstanding principal sum and unpaid interests by way of (i) the issue and allotment of capitalisation shares; and (ii) the issue of convertible preference shares ("CPS") (the "Loan Capitalisation").

On 12 August 2014, the Company entered into a deed of waiver to each of the Lenders, of which the Lenders (i) confirm that they will waive all their rights in the unpaid interest accrued on the outstanding principal sum from 21 March 2014 to the date of completion of the Loan Capitalisation; and (ii) confirm and agree to release, acquit and discharge the Company from any and all liability of any nature whatsoever and from any and all claims, demands, causes of action or liens of any nature whatsoever arising out of or in connection with Lenders' outstanding principal sum and unpaid interests as at 21 March 2014.

The Loan Capitalisation was eventually completed on 14 August 2014, of which an aggregate of 565,631,172 ordinary shares and an aggregate of 565,631,177 CPS were allotted and issued to the Lenders.

As at 31 December 2013, the outstanding sum to the Lenders which comprises the outstanding principal sum and unpaid interest amounts to HKD181,037,242.

28 來自第三方無抵押貸款(續)

於二零一二年三月，本公司已成功與該四名貸款人書面協商，將還款期推遲六個月零八日至二零一三年五月，並自二零一二年十月起按年利率18%計息及每半年還款。

於二零一三年三月，本公司已成功與該四名貸款人書面協商，將還款期推遲一年至二零一四年四月，並按年利率18%計息及每半年還款。

於二零一四年一月三十日，本公司已成功進一步與該四名貸款人進行磋商，將還款期推遲一年至二零一五年四月三十日，並自二零一四年五月一日起按年利率18%計息及每半年還款。

於二零一四年三月二十一日，本公司與上述全部五名貸款人(統稱「貸款人」)磋商並分別訂立資本化協議，內容有關(其中包括)透過(i)發行及配發資本化股份；及(ii)發行可轉換優先股(「可轉換優先股」)的方式，抵銷各名貸款人的未償還本金及未支付利息(「貸款資本化」)。

於二零一四年八月十二日，本公司與各名貸款人訂立豁免契據，據此，貸款人(i)確認彼等將於二零一四年三月二十一日至貸款資本化完成日期豁免其於未償還本金累計的未支付利息的所有權利；及(ii)確認及同意解除、釋除及免除本公司源於或涉及貸款人於二零一四年三月二十一日的未償還本金及未支付利息的任何及全部任何性質的債務，以及任何及全部任何性質的索償、要求、請求權或留置權。

貸款資本化最終已於二零一四年八月十四日完成，並已向貸款人配發及發行合共565,631,172股普通股及合共565,631,177股可轉換優先股。

於二零一三年十二月三十一日，結欠貸款人的未償還款項包括未償還本金額及未付利息181,037,242港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 DEFERRED TAXATION

The following are the major deferred tax balances recognised and movements thereon during the current and prior years:

29 遞延稅項

以下為於本年度及過往年度確認的主要遞延稅項結餘及其變動：

		The Group 本集團 Exploration and evaluation assets 勘探及評估資產 HKD 港元
Deferred tax liabilities	遞延稅項負債	
At 1 January 2013	於二零一三年一月一日	(72,619,757)
Credit to profit or loss (Note 8(a))	計入損益(附註8(a))	40,558,183
		<hr/>
At 31 December 2013	於二零一三年十二月三十一日	(32,061,574)
		<hr/>
At 1 January 2014	於二零一四年一月一日	(32,061,574)
Credit to profit or loss (Note 8(a))	計入損益(附註8(a))	23,492,927
		<hr/>
At 31 December 2014	於二零一四年十二月三十一日	(8,568,647)
		<hr/>

As at 31 December 2014, the Group has not recognised deferred tax assets in respect of accumulated tax losses of approximately HKD258,374,000 (2013: HKD225,302,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdictions. The tax losses do not expire under current tax legislation. Other temporary differences are not material.

由於在相關司法權區內將不大可能有可用作抵免累計稅務虧損的未來應課稅溢利，故本集團於二零一四年十二月三十一日尚未就累計稅務虧損約258,374,000港元(二零一三年：225,302,000港元)確認遞延稅項資產。根據現有稅務法例，稅務虧損並無到期。其他暫時差額則不屬要項。

As at 31 December 2014, the Group has deductible temporary differences of approximately HKD130,625,000 (2013: HKD73,908,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

於二零一四年十二月三十一日，本集團擁有可扣減暫時差額約130,625,000港元(二零一三年：73,908,000港元)。由於應課稅溢利將不可能針對可用該等暫時差額而存在，故概無遞延稅項資產就該可扣減暫時差額而獲確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

		Share capital	Convertible preference shares	Share premium	Capital reserve	Convertible bond equity reserve	Other reserve	Accumulated losses	Total deficit
	Notes	股本	優先股	股份溢價	資本儲備	可換股債券權益儲備	其他儲備	累計虧損	總計虧損
	附註	HKD	HKD	HKD	HKD	HKD	HKD	HKD	HKD
		港元	港元	港元	港元	港元	港元	港元	港元
			(Note (d)(vii))	(Note (d)(ii))	(Note (d)(i))	(Note (d)(iv))	(Note (d)(v))		
			(附註(d)(vii))	(附註(d)(ii))	(附註(d)(i))	(附註(d)(iv))	(附註(d)(v))		
At 1 January 2013	於二零一三年一月一日	125,317,014	-	634,530,688	1,338,136	66,737,350	33,925,000	(950,725,908)	(88,877,720)
Changes in equity for 2013:	二零一三年權益變動:								
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	-	-	-	(169,474,437)	(169,474,437)
Shares issued pursuant to a share placing	根據股份配售而發行的股份	30(b) 26,803,000	-	17,100,314	-	-	-	-	43,903,314
Conversion of convertible bonds	轉換可換股債券	30(b) 8,698,413	-	38,514,417	-	(18,188,430)	-	-	29,024,400
Repayment of convertible bonds	償還可換股債券	26(b) -	-	-	-	(19,217,054)	-	-	(19,217,054)
At 31 December 2013	於二零一三年十二月三十一日	160,818,427	-	690,145,419	1,338,136	29,331,866	33,925,000	(1,120,200,345)	(204,641,497)
At 1 January 2014	於二零一四年一月一日	160,818,427	-	690,145,419	1,338,136	29,331,866	33,925,000	(1,120,200,345)	(204,641,497)
Changes in equity for 2014:	二零一四年權益變動:								
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	-	-	-	(79,694,199)	(79,694,199)
Transition to no-par value regime on 3 March 2014	於二零一四年三月三日過渡至無面值制度	30(d)(i) 690,145,419	-	(690,145,419)	-	-	-	-	-
Shares issued pursuant to a share placing	根據股份配售而發行的股份	30(b) 48,245,400	-	-	-	-	-	-	48,245,400
Shares issued pursuant to the Loan Capitalisation	根據貸款資本化而發行的股份	30(b) 90,500,988	90,500,988	-	-	-	-	-	181,001,976
At 31 December 2014	於二零一四年十二月三十一日	989,710,234	90,500,988	-	1,338,136	29,331,866	33,925,000	(1,199,894,544)	(55,088,320)

30 資本及儲備

(a) 權益組成部份的變動

本集團綜合權益各組成部份期初與期末結餘的對賬載於綜合權益變動表。本公司各個權益組成部份於年初至年末的變動詳情如下：

本公司

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 CAPITAL AND RESERVES (continued)

(b) Share capital

(i) Authorised and issued share capital The Company

30 資本及儲備(續)

(b) 股本

(i) 法定及已發行股本 本公司

			2014 二零一四年		2013 二零一三年	
	Notes 附註		Number of shares 股份數目	Amount 金額 HKD 港元	Number of shares 股份數目	Amount 金額 HKD 港元
Authorised:	法定：	(iv)				
At 1 January	於一月一日		-	-	10,000,000,000	250,000,000
Consolidation of shares	股份合併	(iii)	-	-	(7,500,000,000)	-
At 31 December	於十二月三十一日	(v)	-	-	2,500,000,000	250,000,000
Ordinary shares, issued and fully paid:	普通股，已發行及 繳足：					
At 1 January	於一月一日		1,608,184,265	160,818,427	5,012,680,556	125,317,014
Consolidation of shares	股份合併	(iii)	-	-	(4,020,462,798)	-
Conversion of convertible bonds	轉換可換股債券	(ii)	-	-	347,936,507	8,698,413
Transition to no-par value regime on 3 March 2014	於二零一四年 三月三日過渡至 無面值制度	(vi)	-	690,145,419	-	-
Shares issued pursuant to a share placing	根據股份配售而 發行的股份	(ii)	321,636,000	48,245,400	268,030,000	26,803,000
Shares issued pursuant to the Loan Capitalisation	根據貸款資本化而 發行的股份	(ii)	565,631,172	90,500,988	-	-
At 31 December	於十二月三十一日		2,495,451,437	989,710,234	1,608,184,265	160,818,427

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派的股息，並有權按每股一票在本公司大會上投票。所有普通股就本公司的剩餘資產而言享有同等權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 CAPITAL AND RESERVES (continued)

(b) Share capital (continued)

(ii) Issue of shares

On 15 January 2013, the Company issued 347,936,507 ordinary shares of HKD0.025 each in respect of the conversion of convertible bonds with a principal amount of HKD43,840,000 held by Voice Key Group Limited (see Note 26(b)).

On 2 September 2013, 268,030,000 ordinary shares of HKD0.10 each were issued at a price of HKD0.168 each for cash consideration of HKD45,029,040.

On 30 July 2014, 321,636,000 ordinary shares of HKD0.10 each were issued by placing at HKD0.15 each for cash consideration of HKD48,245,400.

On 14 August 2014, an aggregate of 565,631,172 ordinary shares and an aggregate of 565,631,177 CPS each were issued at a price of HKD0.16 and HKD0.16 respectively in respect of the Loan Capitalisation (Note 28).

(iii) Consolidation of shares

As announced by the Company on 12 July 2013, the Company proposed to effect a share consolidation and every four issued and unissued shares of the Company of HKD0.025 each were consolidated into one consolidated share of HKD0.10 each. An ordinary resolution approving the share consolidation was passed at the extraordinary general meeting of the Company held on 29 July 2013 and the share consolidation became effective on 30 July 2013.

(iv) Under the Hong Kong Companies Ordinance (Cap. 622), which commenced operation on 3 March 2014, the concept of authorised share capital no longer exists.

30 資本及儲備(續)

(b) 股本(續)

(ii) 發行股份

於二零一三年一月十五日，本公司就轉換Voice Key Group Limited持有本金額為43,840,000港元的可換股債券而發行347,936,507股每股面值0.025港元的普通股(見附註26(b))。

於二零一三年九月二日，268,030,000股每股面值0.10港元的普通股已按每股0.168港元的價格發行，現金代價為45,029,040港元。

於二零一四年七月三十日，321,636,000股每股面值0.10港元的普通股已透過配售按每股0.15港元的價格發行，現金代價為48,245,400港元。

於二零一四年八月十四日，合共565,631,172股普通股及合共565,631,177股可轉換優先股分別就貸款資本化按0.16港元及0.16港元的價格發行(附註28)。

(iii) 股份合併

誠如本公司於二零一三年七月十二日所公佈，本公司建議實行股份合併，每四股每股面值0.025港元的已發行及未發行股份合併為一股每股面值0.10港元的合併股份。批准股份合併的普通決議案已於本公司於二零一三年七月二十九日舉行的股東特別大會獲通過，而股份合併於二零一三年七月三十日生效。

(iv) 根據於二零一四年三月三日開始生效的香港公司條例(第622章)，法定股本的概念不再存在。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 CAPITAL AND RESERVES (continued)

(b) Share capital (continued)

(v) In accordance with section 135 of the Hong Kong Companies Ordinance (Cap. 622), the Company's shares no longer have a par or nominal value with effect from 3 March 2014. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition.

(vi) In accordance with the transitional provisions as set out in section 37 of Schedule 11 to Hong Kong Companies Ordinance (Cap. 622), any amount standing to the credit of the share premium has become part of the Company's share capital on 3 March 2014.

(c) Share warrants

On 6 October 2011, the Company issued 543,636,000 warrants at HKD0.001 each to seven independent third parties raising HKD543,636. The warrants entitle the holders to subscribe for 543,636,000 new shares of the Company at a subscription price of HKD0.10 per share for a period of 36 months commencing from the date of issue of the warrants. As a result of the said share consolidation stated in Note 30(b)(iii), the exercise price of outstanding warrants of the Company was adjusted from HKD0.10 per warrant share to HKD0.40 per warrant share with effect on 29 July 2013. At 31 December 2014, 543,636,000 outstanding warrants lapsed after the close of business on 5 October 2014.

(d) Nature and purpose of reserves

(i) Capital reserve

The capital reserve mainly represents the net proceeds received from the issue of warrants of the Company. The reserve will be transferred to share capital and share premium account upon the exercise of the warrants.

30 資本及儲備(續)

(b) 股本(續)

(v) 根據香港公司條例(第622章)第135條，自二零一四年三月三日起，本公司股份不再有面值或票面價值。此過渡對已發行股份的數量或任何股東的相對權利並無影響。

(vi) 根據香港公司條例(第622章)附表11第37條載列的過渡條文，於二零一四年三月三日，股份溢價賬上的任何貸方結餘已成為本公司股本的一部份。

(c) 認股權證

於二零一一年十月六日，本公司按每股0.001港元的價格向七名獨立第三方發行543,636,000份認股權證，融資543,636港元。認股權證賦予持有人自發行認股權證之日起計三十六個月期間按每股0.10港元的認購價認購543,636,000股本公司新股的權利。誠如附註30(b)(iii)所述，上述股份合併完成後，本公司尚未行使認股權證的行使價已由每股認股權證股份0.01港元調整至每股認股權證股份0.40港元，自二零一三年七月二十九日起生效。於二零一四年十二月三十一日，於二零一四年十月五日結束營業後有543,636,000份尚未行使認股權證失效。

(d) 儲備的性質及目的

(i) 資本儲備

資本儲備主要指就發行本公司認股權證收取的所得款項淨額。儲備於行使認股權證後轉撥至股本及股份溢價賬中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves (continued)

(ii) Share premium

Prior to 3 March 2014, the application of the share premium account and the capital redemption reserve was governed by sections 48B and 49H respectively of the predecessor Hong Kong Companies Ordinance (Cap. 32). In accordance with the transitional provisions set out in section 37 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), on 3 March 2014 any amount standing to the credit of the share premium account and the capital redemption reserve has become part of the Company's share capital (see note 30(a)). The use of share capital as from 3 March 2014 is governed by the new Hong Kong Companies Ordinance (Cap. 622).

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2(t).

(iv) Convertible bond equity reserve

The value of the unexercised equity component of convertible bonds issued by the Company is recognised in accordance with the accounting policies set out in Note 2(l).

(v) Other reserve

The Group

Other reserve of the Group represents the reserve arising from the reverse acquisition on 14 October 2008.

On 14 October 2008, the Company acquired the entire issued and fully paid-up share capital of CVMSB, a company incorporated in Malaysia.

30 資本及儲備(續)

(d) 儲備的性質及目的(續)

(ii) 股份溢價

於二零一四年三月三日以前，應用股份溢價賬及資本贖回儲備乃分別受舊有香港公司條例(第32章)第48B條及49H條所規管。根據新公司條例(第622章)附表11第37條所載的過渡性條文，於二零一四年三月三日股份溢價賬及資本贖回儲備之貸方結餘已成為本公司股本的一部份(見附註30(a))。由二零一四年三月三日起，股本的運用乃受新公司條例(第622章)所規管。

(iii) 匯兌儲備

匯兌儲備包括海外營運財務報表所產生的一切匯兌差額。儲備根據載於附註2(t)的會計政策處理。

(iv) 可換股債券權益儲備

本公司發行的可換股債券的未行使權益部份的價值根據附註2(l)所載會計政策確認。

(v) 其他儲備

本集團

本集團的其他儲備指於二零零八年十月十四日反向收購產生的儲備。

於二零零八年十月十四日，本公司收購CVMSB(於馬來西亞註冊成立的公司)全部已發行及繳足股本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves (continued)

(v) Other reserve (continued)

The Group (continued)

The consideration was satisfied by the allotment and issue of 338,249,999 new ordinary shares and the existing 1 share of the Company to the then shareholders of CVMSB, credited as fully paid at an issue price of HKD0.10 per new share.

The Company

Other reserve of the Company represents the difference between the value of the shares of CVMSB acquired over the nominal value of the shares used by the Company as consideration for the reverse acquisition on 14 October 2008. The application of the other reserve is governed by section 196 of the new Hong Kong Companies Ordinance (Cap. 622) with reference to section 48C of the predecessor Hong Kong Companies Ordinance (Cap. 32).

(vi) Distributability of reserves

At 31 December 2014, there were no realised profits available for distribution to owners of the Company (2013: Nil).

(vii) Convertible preference shares

On 14 August 2014, the Company issued 565,631,177 CPS at an aggregate nominal value of HKD90,500,988 upon the completion of the Loan Capitalisation. The conversion price of the CPS is fixed at HKD0.16 per ordinary share and can be converted into ordinary shares without specified maturity date. Neither the Company nor the holders of the CPS shall have any right to redeem the CPS, other than for the purpose of conversion of the CPS pursuant to the terms thereof. The CPS shall at all times (a) rank *pari passu* to any and all current or future preferred equity securities of the Company; (b) shall not be entitled to any dividend; (c) non-redeemable in nature; and (d) have no voting rights.

30 資本及儲備(續)

(d) 儲備的性質及目的(續)

(v) 其他儲備(續)

本集團(續)

代價以向CVMSB當時股東配發及發行338,249,999股本公司新普通股及以本公司當時的1股股份償付，並按發行價每股新股0.10港元入賬列為繳足。

本公司

本公司的其他儲備指所收購的CVMSB股份價值與本公司用作於二零零八年十月十四日反向收購代價的股份面值之間的差額。其他儲備的運用參考舊有香港公司條例(第32章)第48C條，受到新香港公司條例(第622章)第196條所規管。

(vi) 可分派儲備

於二零一四年十二月三十一日，概無可供分派予本公司擁有人的已變現溢利(二零一三年：無)。

(vii) 可轉換優先股

於二零一四年八月十四日，本公司於貸款資本化完成後發行565,631,177股面值總額為90,500,988港元的可轉換優先股。可轉換優先股的換股價釐定為每股普通股0.16港元，並可轉換為普通股而無特定到期日。根據可轉換優先股的條款，除旨在轉換可轉換優先股外，本公司及可轉換優先股持有人並無贖回可轉換優先股的權力。可轉換優先股於任何時間均(a)與本公司任何及所有現有或未來優先股本證券享有同等權益；(b)無權享有任何股息；(c)為不可贖回性質；及(d)並無投票權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 CAPITAL AND RESERVES *(continued)*

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group is not subject to externally imposed capital requirements in either the current or prior years.

30 資本及儲備(續)

(e) 資本管理

本集團管理資本的主要目標為保障本集團持續經營的能力，以持續為擁有人帶來回報及為其他利益相關者帶來利益。

本集團積極及定期檢討及管理其資本架構，以在提高股東回報(可能導致較高借款水平)與良好的資本狀況帶來的優勢及保障之間取得平衡。

本集團本年度或過往年度不受外部的資本規定規限。

31 SHARE OPTION SCHEME

Pursuant to the written resolution passed on 14 October 2008, the Company adopted a share option scheme (the "Scheme") to (i) attract and retain the best quality personnel for the development of the Group's business; (ii) to provide additional incentives to the employees; (iii) to provide eligible persons with the opportunity to acquire proprietary interests in the Group; and (iv) to promote the long term financial success of the Group by aligning the interests of grantees to shareholders. The Scheme is to remain in force for a period of 10 years from the date of adoption of such scheme and will expire on 13 October 2018.

Under the Scheme, the Board of Directors of the Company (the "Directors") may at their discretion grant options to (i) Board of Directors or a duly authorised committee; or (ii) any person employed by the Company or any subsidiary; (iii) any consultant, adviser, supplier, customer or subcontractor of the Company or any other person determined by the Directors from time to time to subscribe for the shares of the Company (the "Shares").

31 購股權計劃

本公司根據於二零零八年十月十四日通過之書面決議案採納購股權計劃(「該計劃」)，旨在(i)吸引及挽留精英人才發展本集團業務；(ii)為僱員提供額外獎勵；(iii)為合資格人士提供認購本集團專有權益的機會；及(iv)透過將承授人與股東的利益掛鉤，促進本集團長期財務成就。該計劃自採納當日起計十年內有效，於二零一八年十月十三日屆滿。

根據該計劃，本公司董事(「董事」)會有權酌情不時向(i)董事會或正式獲委任的委員會；或(ii)本公司或任何附屬公司的任何僱員；(iii)本公司任何顧問、諮詢人、供應商、客戶或分包商或者董事不時釐定的任何其他人士授出可認購本公司股份(「股份」)的購股權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 SHARE OPTION SCHEME (continued)

Options granted must be taken up within 28 days of the date of grant, upon payment of HKD1 per option. The maximum number of Shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company on the date of adopting the Scheme. The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company as at the date of the shareholders' approval in general meeting. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme of the Company must not in aggregate exceed 10% of the shares in issue from time to time. The maximum number of Shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the Shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing rules. Options granted to substantial shareholders or independent non-executive directors in excess of issued share capital of the Company or with a value in excess of HKD5 million must be approved in advance by the shareholders of the Company.

Options granted may be exercised at any time from date of grant of the share option to the 10th anniversary of the date of grant as may be determined by the Directors. The exercise price is determined by the Directors, and will not be less than the higher of the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options, the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options, and the nominal value of a share.

No option has been granted by the Company under the Scheme since its adoption date.

31 購股權計劃(續)

授出的購股權須在授出日期後28日內支付每份購股權1港元付款方獲接納。可能根據該計劃授出的購股權所涉股份數目上限不得超過本公司採納該計劃當日本公司已發行股本10%。該上限可隨時更新，惟新上限合共不得超過股東在股東大會上批准當日本公司已發行股本10%。然而，可能因行使根據該計劃及本公司任何其他計劃授出的所有未行使並仍可獲行使的購股權而發行的股份總數，合共不得超過本公司不時已發行股份的10%。於任何十二個月期間可授予任何個別人士的購股權所涉股份數目上限不得超過本公司該十二個月期間屆滿當日已發行股份的1%，惟已根據上市規則獲本公司股東批准除外。向主要股東或獨立非執行董事授出的購股權超過本公司已發行股本或價值超過5,000,000港元，須事先獲本公司股東批准。

購股權可自授出購股權當日至授出購股權十週年止期間(可由董事釐定)隨時行使。行使價由董事釐定，且不得低於授出購股權日期聯交所每日報價表所列每股收市價、緊接授出購股權日期前五個營業日聯交所每日報價表所列每股收市價的平均價或股份面值三者之較高者。

本公司自採納該計劃日期起概無根據該計劃授出任何購股權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

(a) Financial risk management objectives and policies

Management has adopted certain policies for financial risk management with the objective of:

- (i) ensuring that appropriate funding strategies are adopted to meet the Group's short term and long term funding requirements taking into consideration the cost of funding, gearing levels and cash flow projections of each project; and
- (ii) ensuring that appropriate strategies are also adopted to manage related interest and currency risk.

(b) Credit risk

The Group's and the Company's credit risk are primarily attributable to cash and cash equivalents, trade receivables, prepayments, deposits and other receivables. The exposure to this credit risk is monitored by management on an ongoing basis and management does not expect any counterparty to fail to meet its obligations.

Cash and cash equivalents are placed at financial institutions that have sound credit rating.

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables derived from sales of magnesium ingots are due within 14 days from the date of the bill of lading for exports sales or date of invoice for local sales. Other than that the Group has a policy of allowing customers for domestic trading and distribution in the PRC with credit terms or normally cash on delivery. Debtors with balances that are more than 6 months past due are requested to settle all outstanding balances before any further credit is granted. Normally the Group does not obtain collateral from customers.

32 金融風險管理及公平值

(a) 金融風險管理目標及政策

管理層已就金融風險管理採取若干政策，以實現以下目標：

- (i) 保證採用正確的融資策略以符合本集團的短期及長期資金需求，包括各項目的融資成本、負債水平及現金流量預測；及
- (ii) 保證亦採用合適的策略管理相關利率及貨幣風險。

(b) 信貸風險

本集團及本公司的信貸風險主要來自現金及現金等價物、應收賬款、預付款項、按金及其他應收款項。管理層會持續監控所面臨的信貸風險且預期不會有任何交易方違約。

現金及現金等價物存放於擁有健全信貸評級的金融機構。

對於應收賬款，本集團會對所有要求獲得超過一定信貸額的客戶進行個別信貸評估。該等評估集中於客戶支付到期款項的過往記錄及現時的還款能力，並考慮客戶的個別資料及客戶經營所在地的經濟環境。來自銷售鎂錠的應收賬款自出口銷售的提單日期或本地銷售的發票日期起計 14 日內到期。除此以外，本集團的政策可向於中國本地買賣及分銷的客戶提供信貸期，或一般以貨到付款形式進行交易。結欠逾期 6 個月以上的債務人於獲授其他信貸前須清還所有未償還結餘。本集團一般不會取得客戶之任何抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(continued)*

(b) Credit risk *(continued)*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 December 2014, 95% (2013: 17%) of the trade receivables was due from the Group's largest customer.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, in the consolidated statement of financial position. Except for the corporate guarantees given by the Group as set out in Note 36(a), the Group does not provide any other guarantees which would expose the Group or the Company to credit risk. The maximum exposure to the credit risk in respect of these corporate guarantees at the end of the reporting period is disclosed in Note 36(a).

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in Note 19.

(c) Foreign currency risk

The Group is exposed to foreign currency risk through trade receivables and payables that are denominated in a currency other than the functional currency of the operations to which the transactions relate.

32 金融風險管理及公平值(續)

(b) 信貸風險(續)

本集團所面對的信貸風險主要受個別客戶的情況而非客戶營運的行業或所在地的影響。因此，重大集中信貸風險主要於本集團如對個別客戶承擔重大風險時產生。於二零一四年十二月三十一日，本集團有95%(二零一三年：17%)的應收賬款為應收本集團最大客戶款項。

最高信貸風險為綜合財務狀況表中各金融資產的賬面值。除附註36(a)所載本集團提供的公司擔保外，本集團並無提供任何其他可能導致本集團或本公司面臨信貸風險的擔保。於報告期末該等公司擔保所涉的最高信貸風險於附註36(a)披露。

有關本集團應收賬款所產生的信貸風險之進一步數量披露載於附註19。

(c) 外匯風險

本集團因以與營運相關交易之功能貨幣以外貨幣計值的應收賬款及應付賬款而面臨外匯風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(c) Foreign currency risk (continued)

(i) Exposure to currency risk

The following table details the Group's and the Company's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the relevant subsidiaries. For presentation purposes, the amounts of the exposure are shown in HKD, translated using the spot rate at year end date:

Exposure to foreign currencies (expressed in HKD)

32 金融風險管理及公平值(續)

(c) 外匯風險(續)

(i) 所面臨的貨幣風險

下表詳述本集團及本公司於報告期末所面臨因以相關附屬公司功能貨幣以外貨幣計值的已確認資產或負債而產生的貨幣風險。所面臨的風險金額乃按年結日的即時匯率兌換港元作呈列之用：

所面臨的外匯風險(以港元列值)

	2014 二零一四年 United States Dollars 美元 HKD 港元	2013 二零一三年 United States Dollars 美元 HKD 港元
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The Group

本集團

Cash and cash equivalents
Trade and other payables

現金及現金等價物
應付賬款及其他應付款項

23,595	16,878
(2,838,317)	(1,320,224)
(2,814,722)	(1,303,346)

	2014 二零一四年 United States Dollars 美元 HKD 港元	2013 二零一三年 United States Dollars 美元 HKD 港元
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The Company

本公司

Cash and cash equivalents
Other payables and accrued expenses

現金及現金等價物
其他應付款項及應計開支

11,225	11,283
—	(1,320,224)
11,225	(1,308,941)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(c) Foreign currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's loss before tax and accumulated losses in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period, assuming all other variable risk variables remained constant. Other components of the equity would not be affected by changes in the foreign exchange rate:

32 金融風險管理及公平值(續)

(c) 外匯風險(續)

(ii) 敏感度分析

下表顯示本集團除稅後虧損與累計虧損隨外匯匯率合理可能變動(本集團於報告期末因該等變動面臨重大風險)(假設所有其他風險變量保持不變)而大致變化。權益的其他組成部份不受外匯匯率變動影響：

		2014 二零一四年		2013 二零一三年	
		Increase/ (decrease) in foreign exchange rates	(Increase)/ decrease in loss before tax and accumulated losses 除稅前 虧損及 累計虧損 外匯匯率 上升/(下降) (增加)/減少 HKD 港元	Increase/ (decrease) in foreign exchange rates	(Increase)/ decrease in loss before tax and accumulated losses 除稅前 虧損及 累計虧損 外匯匯率 上升/(下降) (增加)/減少 HKD 港元
The Group	本集團				
United States Dollars	美元	5%	(140,736)	5%	(65,167)
		(5)%	<u>140,736</u>	(5)%	<u>65,167</u>
The Company	本公司				
United States Dollars	美元	5%	(561)	5%	(65,447)
		(5)%	<u>561</u>	(5)%	<u>65,447</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(continued)*

(c) Foreign currency risk *(continued)*

(ii) Sensitivity analysis *(continued)*

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of the foreign operations into the Group's presentation currency. The analysis is performed on the same basis as for 2013.

In addition, the operations of the Company's investments in Malaysia, Indonesia and the PRC are mainly transacted in Ringgit Malaysia ("RM"), Rupiah ("RPH") and Renminbi ("RMB") respectively. Any distributions from these investments in RM, RPH and RMB may expose the Company to a certain degree of risk resulting from fluctuation in these currencies against HKD.

(d) Interest rate risk

The interest rate risk of the Group and the Company arise primarily from secured bank loans, unsecured loans from third parties and convertible bonds. Borrowings issued at variable rates and fixed rates expose the Group and the Company to cash flow interest rate risk and fair value interest rate risk, respectively.

The following table details the interest rate profile of the Group's and the Company's borrowings at the end of the reporting period.

32 金融風險管理及公平值(續)

(c) 外匯風險(續)

(ii) 敏感度分析(續)

敏感度分析假設於重新計量本集團所持有使本集團於報告期末面臨外匯風險的金融工具時，已應用外匯匯率變動。有關分析不包括將海外業務財務報表換算為本集團呈報貨幣所產生的差額。有關分析與二零一三年基準相同。

此外，本公司於馬來西亞、印尼及中國的投資業務主要分別以馬來西亞令吉(「馬幣」)、盧比亞(「印尼盾」)及人民幣(「人民幣」)進行交易。該等以馬幣、印尼盾及人民幣計值來自投資的任何分派可能因該等貨幣兌港元的匯率波動而使本公司承受一定程度的風險。

(d) 利率風險

本集團及本公司的利率風險主要來自自有抵押銀行貸款、來自第三方無抵押貸款及可換股債券。貸款分別按浮動利率及固定利率計息，令本集團及本公司分別面臨現金流量利率風險及公平值利率風險。

下表詳列本集團及本公司借款於報告期末的利率組合。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

32 金融風險管理及公平值(續)

(d) Interest rate risk (continued)

(d) 利率風險(續)

The Group

本集團

		2014 二零一四年		2013 二零一三年	
		Effective interest rate 實際年利率	Amount 金額 HKD 港元	Effective interest rate 實際年利率	Amount 金額 HKD 港元
Variable rate borrowings:	浮動利率借款：				
— Secured bank loans	— 有抵押銀行貸款	8.6% p.a.	381,392,173	8.6% p.a.	406,331,729
Fixed rate borrowings:	固定利率借款：				
— Convertible bonds	— 可換股債券	17.54% p.a.– 33.73% p.a.	94,278,123	17.54% p.a.– 33.73% p.a.	83,644,788
— Obligations under finance leases	— 融資租賃承擔	1.80% p.a.– 3.68% p.a.	575,486	1.80% p.a.– 3.68% p.a.	1,010,504
— Unsecured loans from third parties	— 來自第三方 無抵押貸款	—	—	12% p.a.– 18% p.a.	150,000,000
			<u>476,245,782</u>		<u>640,987,021</u>

The Company

本公司

		2014 二零一四年		2013 二零一三年	
		Effective interest rate 實際年利率	Amount 金額 HKD 港元	Effective interest rate 實際年利率	Amount 金額 HKD 港元
Fixed rate borrowings:	固定利率借款：				
— Convertible bonds	— 可換股債券	17.54% p.a.– 33.73% p.a.	94,278,123	17.54% p.a.– 33.73% p.a.	83,644,788
— Obligations under a finance lease	— 融資租賃承擔	1.8% p.a.	258,656	1.80% p.a.	433,891
— Unsecured loans from third parties	— 來自第三方 無抵押貸款	—	—	12% p.a.– 18% p.a.	150,000,000
			<u>94,536,779</u>		<u>234,078,679</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(continued)*

(d) Interest rate risk *(continued)*

Sensitivity analysis

At 31 December 2014, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's loss before tax and deficit by approximately HKD3,814,000 (2013: HKD4,063,000).

There is no effect on the Company's loss before tax for both years and accumulated losses.

The sensitivity analysis above indicates instantaneous change in the Group's and the Company's loss before tax (and accumulated losses) and other components of consolidated equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group and the Company which expose the Group and the Company to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flows interest rate risk arising from variable rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's loss before tax (and accumulated losses) and other components of consolidated equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 2013.

32 金融風險管理及公平值(續)

(d) 利率風險(續)

敏感度分析

於二零一四年十二月三十一日，估計利率整體上升／下跌100個基點而所有其他變量維持不變，則本集團的除稅前虧損及虧損會分別增加／減少約3,814,000港元(二零一三年：4,063,000港元)。

本公司於有關年度的除稅前虧損及累計虧損並無受影響。

上述敏感度分析顯示假設利率變動於報告期末已發生及利率變動運用於重新計量本集團及本公司於報告期末所持有的令本集團及本公司面對公平值利率風險的金融工具時本集團及本公司除稅前虧損(及累計虧損)以及綜合股權的其他成分可能產生的即時變動。因本集團於報告期末持有的非衍生工具浮動利率產生的現金流量利率風險對本集團除稅前虧損(及累計虧損)及綜合股權的其他成分的影響估計為對該等利率變動的利息開支或收入的年度影響。該分析與二零一三年的基準相同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(continued)*

(e) Liquidity risk

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflow from operations to meet its debt obligations as and when they fall due and on its ability to obtain external financing for its committed future capital expenditures.

The Group had net current liabilities of HKD577,355,794 (2013: HKD695,957,811) at 31 December 2014 which include secured bank loans and unsecured loans from third parties of HKD381,392,173 (2013: HKD406,331,729) and HKDnil (2013: HKD150,000,000), respectively. As detailed in Notes 26(a) and 27 to the consolidated financial statements, the Matured Bonds and all the secured bank loans were defaulted for repayments respectively as at 31 December 2014 and/or on the approval date of the consolidated financial statements. As detailed in Note 26(b), Victory Dragon Bonds have become due and payable at their principal amounts if any of their holders serves a notice on the Company as a result of the Non-redemption. The directors of the Company closely monitor the cash flows of the Group and the Company and upon maturity, arrange renewal and refinancing of these borrowings, where necessary, to enable the Group to carry on its operations in the foreseeable future. As disclosed in Note 2(b) to the consolidated financial statements, the directors of the Company have taken action to mitigate the liquidity issues faced by the Group and the Company. Accordingly, the directors of the Company are of the opinion that the Group's and the Company's liquidity risk will be addressed once the Proposed Alterations and extended maturity dates with these bondholders and re-negotiations with Bank Rakyat can be reached in near future.

32 金融風險管理及公平值(續)

(e) 流動資金風險

本集團的流動資金主要視乎能否維持充足的經營現金流入以償還到期債務，以及能否就其已承擔的未來資本開支取得外部融資。

於二零一四年十二月三十一日，本集團的淨流動負債為577,355,794港元(二零一三年：695,957,811港元)，包括有抵押銀行貸款及來自第三方無抵押貸款分別為381,392,173港元(二零一三年：406,331,729港元)及零港元(二零一三年：150,000,000港元)。誠如綜合財務報表附註26(a)及27詳述，分別於二零一四年十二月三十一日及／或綜合財務報表批准日期，到期債券及所有已抵押銀行貸款均拖欠還款。誠如附註26(b)詳述，凱龍債券經已到期，倘任何凱龍債券持有人因未予贖回而向本公司發出通知，則須按其本金額付款。本公司董事密切監控本集團及本公司的現金流量，並於到期時安排該等借款的續訂及再融資(如有必要)，以使本集團於不久將來繼續經營其業務。誠如綜合財務報表附註2(b)披露，本公司董事已採取措施緩和本集團及本公司面臨的流動資金問題。因此，本公司董事認為，一旦於近期與該等債券持有人達成建議修改及延長到期日，並與Bank Rakyat重新商討後，將可減低本集團及本公司的流動資金風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(e) Liquidity risk (continued)

The following table details the remaining contractual maturities at the end of the reporting period of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if variable, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

32 金融風險管理及公平值(續)

(e) 流動資金風險(續)

下表詳列本集團及本公司於報告期末的財務負債剩餘合約到期日(乃根據合約未貼現現金流量(包括按合約利率,若為浮動利率,則按報告期末的現行利率計算的利息付款)計算)及本集團及本公司須支付的最早日期:

		2014 二零一四年 Contracted undiscounted cash flows 合約未貼現現金流量				
		Carrying amount at 31 December 於十二月三十一日的賬面值 HKD 港元	Total 總額 HKD 港元	Within 1 year or on demand 一年以內或 按要求時 HKD 港元	More than 1 year but less than 2 years 一年以上 但兩年以內 HKD 港元	More than 2 years but less than 5 years 兩年以上 但五年以內 HKD 港元
The Group	本集團					
Convertible bonds	可換股債券	94,278,123	99,184,207	99,184,207	-	-
Secured bank loans*	有抵押銀行貸款*	381,392,173	447,527,837	447,527,837	-	-
Obligations under finance leases	融資租賃承擔	575,486	606,399	336,972	205,234	64,193
Trade and other payables	應付賬款及其他應付款項	105,108,868	105,108,868	105,108,868	-	-
Amounts due to related parties	應付關連方款項	4,398,961	4,398,961	4,398,961	-	-
Amount due to a director	應付一名董事款項	138,000	138,000	138,000	-	-
		585,891,611	656,964,272	656,694,845	205,234	64,193

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(e) Liquidity risk (continued)

32 金融風險管理及公平值(續)

(e) 流動資金風險(續)

		2013 二零一三年 Contracted undiscounted cash flows 合約未貼現現金流量				
		Carrying amount at 31 December 於十二月三十一日的賬面值 HKD 港元	Total 總額 HKD 港元	Within 1 year or on demand 一年以內或按要求時 HKD 港元	More than 1 year but less than 2 years 一年以上但兩年以內 HKD 港元	More than 2 years but less than 5 years 兩年以上但五年以內 HKD 港元
The Group	本集團					
Convertible bonds	可換股債券	83,644,788	195,970,777	55,739,581	140,231,196	–
Secured bank loans*	有抵押銀行貸款*	406,331,729	578,564,695	124,066,730	124,066,730	330,431,235
Obligations under finance leases	融資租賃承擔	1,010,504	1,082,844	453,773	346,926	282,145
Trade and other payables	應付賬款及其他應付款項	110,430,866	110,430,866	110,430,866	–	–
Amounts due to related parties	應付關連方款項	6,341,020	6,341,020	6,341,020	–	–
Amount due to a director	應付一名董事款項	628,790	628,790	628,790	–	–
Liabilities associated with assets classified as held for sale	與分類為持作待售資產相關的負債	2,819,092	2,819,092	2,819,092	–	–
Unsecured loans from third parties	來自第三方無抵押貸款	150,000,000	173,950,820	173,950,820	–	–
		<u>761,206,789</u>	<u>1,069,788,904</u>	<u>474,430,672</u>	<u>264,644,852</u>	<u>330,713,380</u>

* The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause (see Note 27).

* 到期金額乃按貸款協議所載的預定償還日期為基準，並無計及任何可隨時要求償還條款的影響（見附註27）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(e) Liquidity risk (continued)

32 金融風險管理及公平值(續)

(e) 流動資金風險(續)

		2014 二零一四年			
		Contracted undiscounted cash flows 合約未貼現現金流量			
				More than 1 year but less than 2 years	More than 2 years but less than 5 years
Carrying amount at 31 December 於十二月 三十一日 的賬面值	Total	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	
HKD	HKD	HKD	HKD	HKD	HKD
港元	港元	港元	港元	港元	港元
The Company	本公司				
Convertible bonds	可換股債券	94,278,123	99,184,207	99,184,207	-
Other payables and accrued expenses	其他應付款項及應計開支	25,538,038	25,538,038	25,538,038	-
Obligations under finance leases	融資租賃承擔	258,656	265,115	187,140	77,975
Amount due to a director	應付一名董事款項	138,000	138,000	138,000	-
		120,212,817	125,125,360	125,047,385	77,975

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(e) Liquidity risk (continued)

32 金融風險管理及公平值(續)

(e) 流動資金風險(續)

		2013 二零一三年 Contracted undiscounted cash flows 合約未貼現現金流量				
		Carrying amount at 31 December 於十二月三十一日的賬面值 HKD 港元	Total 總額 HKD 港元	Within 1 year 一年以內 HKD 港元	More than 1 year but less than 2 years 一年以上但兩年以內 HKD 港元	More than 2 years but less than 5 years 兩年以上但五年以內 HKD 港元
The Company	本公司					
Convertible bonds	可換股債券	83,644,788	195,970,777	55,739,581	140,231,196	–
Other payables and accrued expenses	其他應付款項及應計開支	45,386,654	45,386,654	45,386,654	–	–
Obligations under finance leases	融資租賃承擔	433,891	452,255	187,140	187,140	77,975
Amount due to a director	應付一名董事款項	628,790	628,790	628,790	–	–
Unsecured loans from third parties	來自第三方無抵押貸款	150,000,000	173,950,820	173,950,820	–	–
		<u>280,094,123</u>	<u>416,389,296</u>	<u>275,892,985</u>	<u>140,418,336</u>	<u>77,975</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

32 金融風險管理及公平值(續)

(f) Categories of financial instruments

(f) 金融工具分類

		The Group 本集團		The Company 本公司	
		2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年
		HKD 港元	HKD 港元	HKD 港元	HKD 港元
Financial assets	金融資產				
Loans and receivables (including trade and other receivables)	貸款及應收款項(包括應收賬款及其他應收款項)	4,839,675	12,071,584	108,879	2,561,280
Financial liabilities	金融負債				
Financial liabilities at amortised cost (including trade and other payables)	按攤銷成本計算的金融負債(包括應付賬款及其他應付款項)	585,891,611	761,206,789	120,212,817	280,094,123

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(g) Fair values of financial instruments

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and liabilities recognised in the consolidated statement of financial position approximate to their values:

32 金融風險管理及公平值(續)

(g) 金融工具之公平值

除於下表所述者外，董事認為，於綜合財務狀況表中確認的金融資產及負債的賬面值與其價值相若：

		2014 二零一四年		2013 二零一三年	
		Carrying amount	Fair value	Carrying amount	Fair value
		賬面值	公平值	賬面值	公平值
		HKD	HKD	HKD	HKD
		港元	港元	港元	港元
Financial liabilities carried at amortised cost	按攤銷成本計算的金融負債				
Obligations under finance leases	融資租賃承擔	575,486	606,399	1,010,504	1,082,844
Convertible bonds	可換股債券	94,278,123	94,138,000	83,644,788	82,897,000
Unsecured loans from third parties	來自第三方的無抵押貸款	-	-	150,000,000	170,913,813

The fair value of the liability component of First Tranche Bonds and Second Tranche Bonds is assumed to be its principal amount. The fair value of the liability component of Third Tranche Bonds, Fourth Tranche Bonds and Fifth Tranche Bonds is determined assuming redemption on 9 January 2015, 4 March 2015 and 22 March 2015 respectively and using a discount rate at 25.55% based on the Company's credit rating and the yield of quoted bonds with similar maturity date. The fair value of the liability component of Victory Dragon Bonds is determined assuming redemption on 17 April 2017 and using a discount rate at 21.86% based on the Company's credit rating and the yield of quoted bonds with similar maturity date.

第一批債券及第二批債券負債部份的公平值假設為其本金額。第三批債券、第四批債券及第五批債券負債部份的公平值乃假設分別於二零一五年一月九日、二零一五年三月四日及二零一五年三月二十二日贖回，並根據本公司信貸評級及到期日類近的掛牌債券的孳息率按折現率25.55%釐定。凱龍債券負債部份的公平值乃假設於二零一七年四月十七日贖回，並根據本公司信貸評級及到期日類近的掛牌債券的孳息率按折現率21.86%釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 DISPOSAL OF SUBSIDIARIES

Pursuant to an agreement dated 16 October 2013 entered into between the Company and an independent third party (the "Purchaser"), the Company disposed of 100% equity interest in CVMI, to the Purchaser at a consideration of USD1,000,000 (equivalent to HKD7,757,479). CVMI Group is principally engaged in the business of exploration of minerals namely iron ore, coal and manganese in Aceh of Indonesia. The disposal was completed on 3 April 2014.

33 出售附屬公司

根據本公司與獨立第三方(「買方」)訂立日期為二零一三年十月十六日的協議，本公司向買方出售CVMI的全部股權，代價為1,000,000美元(相當於7,757,479港元)。CVMI集團主要於印尼亞齊省從事礦物(即鐵礦石、煤炭及錳)勘探業務。該出售事項已於二零一四年四月三日完成。

		HKD 港元
Analysis of assets and liabilities over which control was lost	失去控制權的資產及負債分析	
Property, plant and equipment	物業、廠房及設備	112,095
Goodwill	商譽	—
Exploration and evaluation assets (*)	勘探及評估資產(*)	—
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	224,066
Cash and cash equivalents	現金及現金等價物	659
Trade and other payables	應付賬款及其他應付款項	(2,792,716)
Net liabilities disposal of	出售的負債淨額	(2,455,896)
Gain on disposal of subsidiaries	出售附屬公司的收益	
Consideration received	已收取代價	7,757,479
Net liabilities disposal of	出售的負債淨額	2,455,896
Non-controlling interests	非控股權益	(1,263,559)
Cumulative exchange differences in respect of the net liabilities of the overseas subsidiaries reclassified from equity to profit or loss upon disposal of the overseas subsidiaries	有關出售海外附屬公司時將該等海外附屬公司的負債淨額自權益重新分類至損益的累計匯兌差異	1,522,118
Gain on disposal	出售收益	10,471,934
Net cash inflow arising on disposal of subsidiaries	出售附屬公司產生的現金流入淨額	
Cash consideration	現金代價	7,757,479
Less: cash and cash equivalents disposed of	減：出售的現金及現金等價物	(659)
		7,756,820

*: The corresponding goodwill and exploration and evaluation assets amounting to HKD79,525,907 and HKD103,196,172 respectively were fully impaired (see Notes 14 and 15).

*: 相應商譽以及勘探及評估資產分別79,525,907港元及103,196,172港元經已悉數減值(見附註14及15)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 COMMITMENTS

(a) Capital commitments

Capital commitments outstanding as at 31 December 2014 and 2013 not provided for in the consolidated financial statements were as follows:

		The Group 本集團	
		2014 二零一四年	2013 二零一三年
		HKD 港元	HKD 港元
Contracted for	已訂約	17,526,584	18,690,853
Authorised but not contracted for	已授權但未訂約	—	—
		17,526,584	18,690,853

(b) Future minimum royalty payments

Pursuant to the Mining Agreement (Note 15(a)), the royalties to MERSB are subject to a monthly minimum payment of RM30,000 (equivalent to approximately HKD66,905) (2013: RM30,000 (equivalent to approximately HKD73,900)) for a period of 20 years, unless early terminated by the Group by giving one month's written notice to MERSB. The total minimum royalties amounted to RM5,220,000 (equivalent to approximately HKD11,640,000) (2013: RM5,580,000 (equivalent to approximately HKD13,210,000)) over the 20 years period.

34 承擔

(a) 資本承擔

於二零一四年及二零一三年十二月三十一日，並無於綜合財務報表中撥備的未償付資本承擔如下：

(b) 未來最低專利權費

根據採礦協議(附註15(a))，須按每月最低付款支付予MERSB的專利權費為30,000馬幣(相當於約66,905港元)(二零一三年：30,000馬幣(相當於約73,900港元))，為期20年，除非本集團向MERSB發出一個月書面通知提前終止。20年期間的最低專利權費總額為5,220,000馬幣(相當於約11,640,000港元)(二零一三年：5,580,000馬幣(相當於約13,210,000港元))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 COMMITMENTS (continued)

(c) Operating lease commitments

At 31 December 2014, the total minimum lease payments under non-cancellable operating leases are payable as follows:

	The Group 本集團		The Company 本公司	
	2014	2013	2014	2013
	二零一四年	二零一三年	二零一四年	二零一三年
	HKD 港元	HKD 港元	HKD 港元	HKD 港元
Within 1 year	34,737	410,435	32,500	262,500
After 1 year but within 5 years	—	2,481	—	—
	<u>34,737</u>	<u>412,916</u>	<u>32,500</u>	<u>262,500</u>

The Group is the lessee in respect of office premises held under operating leases. The leases typically run for an initial period of one year, with an option to renew the lease when all terms are renegotiated. The leases do not include a contingent rental.

34 承擔(續)

(c) 經營租賃承擔

於二零一四年十二月三十一日，根據不可撤銷經營租賃的應付最低租金付款總額如下：

本集團為持作經營租賃的辦公室承租人。租約一般初步為期一年，並可選擇於重新議定所有條款後續約。所有租約均不包括或然租金。

(d) Environmental contingencies

The Group has not incurred any significant expenditure for environment remediation and has not accrued any amounts for environmental remediation relating to its operations. Under existing legislation, management believes that there are no probable liabilities that will have a material adverse effect on the financial position or operating results of the Group. Laws and regulations protecting the environment have generally become more stringent in recent years and could become more stringent in the future. Environmental liabilities are subject to considerable uncertainties which affect the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include:

- (i) the exact nature and extent of the contamination at the mines and processing plants;
- (ii) the extent of required cleanup efforts;

(d) 環境或然負債

本集團並未因環境補救問題產生任何重大支出，亦無就任何與業務相關的環境補救問題產生任何應計提款項。根據現行法例，管理層相信不會發生任何對本集團財務狀況或經營業績有重大負面影響的負債。保護環境的法律及法規近年在整體上變得較為嚴格並且在未來會更加嚴格。環保負債涉及多項不明朗因素，可影響本集團估計最終補救成本的能力。該等不明朗因素包括：

- (i) 礦山及選礦廠所發生污染的實際性質和程度；
- (ii) 所需清理工作的程度；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 COMMITMENTS (continued)

(d) Environmental contingencies (continued)

- (iii) varying costs of alternative remediation strategies;
- (iv) changes in environmental remediation requirements; and
- (v) the identification of new remediation sites.

The amount of such future cost is indeterminable due to such factors as the unknown magnitude of possible contamination and the unknown timing and extent of the corrective actions that may be required. Accordingly, the outcome of environmental liabilities under proposed for future environmental legislation cannot be reasonably estimated at present and could be material.

35 MAJOR NON-CASH TRANSACTIONS

Save as disclosed in Note 28 to the consolidated financial statements in relation to the Loan Capitalisation completed on 14 August 2014, there is no other major non-cash transaction during the year ended 31 December 2014.

34 承擔(續)

(d) 環境或然負債(續)

- (iii) 替代補救措施的不同成本；
- (iv) 環境補救規定的改變；及
- (v) 須實施補救措施的新地點的確認。

由於尚未確定可能發生污染之程度和所需採取之補救措施的確切時間和程度等因素，因此無法確定未來可能發生此類費用所需之金額，故目前無法合理地估計日後環境法規建議可能產生的環境負債，而有關負債可為重大。

35 主要非現金交易

除綜合財務報表附註28所披露有關於二零一四年八月十四日完成的貸款資本化外，截至二零一四年十二月三十一日止年度並無其他主要非現金交易。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 CONTINGENT LIABILITIES

(a) Corporate guarantees issued

As at 31 December 2014, the Company has issued corporate guarantees totalling approximately RM184,600,000 (equivalent to approximately HKD409,767,000) (2013: RM184,600,000 (equivalent to approximately HKD436,987,000)) to Bank Rakyat in respect of bank loan facilities granted to CVMSB. For details of the contingency upon default of CVMSB on the secured bank loans owing to Bank Rakyat, please refer Note 36(c) below.

As at 31 December 2014, the Company has issued a corporate guarantee totalling RM850,000 (equivalent to approximately HKD1,887,000) (2013: RM850,000 (equivalent to approximately HKD2,012,000)) to a supplier in respect of the purchase of liquefied petroleum gas made by CVMSB.

As at 31 December 2014, the Company has issued corporate guarantees totalling RM133,004 (equivalent to approximately HKD300,000) (2013: RM222,768 (equivalent to approximately HKD530,000)) for finance lease creditors in respect of the purchase of motor vehicles and equipment by CVMSB.

In respect of the Company's corporate guarantee provided in relation to above other financing facilities granted to a supplier of liquefied petroleum gas made by CVMSB and the guarantee given to finance lease creditors of motor vehicles and equipment purchased by CVMSB, the directors of the Company consider the possibility of being materialised is remote and immaterial. The directors of the Company consider that no such liabilities are required to be recognised as at 31 December 2014 and 2013.

The Company has not recognised any deferred income in respect of the corporate guarantees as its fair value cannot be reliably measured and its transaction price was nil for the years ended 31 December 2014 and 2013.

36 或然負債

(a) 已發出公司擔保

於二零一四年十二月三十一日，本公司已就CVMSB獲授之銀行貸款融資向Bank Rakyat作出合共約184,600,000馬幣(相當於約409,767,000港元)(二零一三年：184,600,000馬幣(相當於約436,987,000港元))之公司擔保。就於CVMSB拖欠應付Bank Rakyat的有抵押銀行貸款的應變措施詳情，請參閱下文附註36(c)。

於二零一四年十二月三十一日，本公司就CVMSB購置液化石油氣向供應商發出公司擔保合共850,000馬幣(相當於約1,887,000港元)(二零一三年：850,000馬幣(相當於約2,012,000港元))。

於二零一四年十二月三十一日，本公司就CVMSB購置汽車及設備的融資租賃債項發出公司擔保合共133,004馬幣(相當於約300,000港元)(二零一三年：222,768馬幣(相當於約530,000港元))。

就有關CVMSB向一名液化石油氣供應商授出的上述其他財務融資，以及向CVMSB購買汽車及設備之融資租賃債權人授出的擔保而提供的本公司公司擔保而言，本公司董事認為作出公司擔保的可能性不大。於二零一四年及二零一三年十二月三十一日，本公司董事認為概無有關負債須予確認。

截至二零一四年及二零一三年十二月三十一日止年度，本公司並無確認公司擔保的任何遞延收入，乃因其公平值無法可靠地計量且其交易價格為零。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 CONTINGENT LIABILITIES (continued)

(b) Contingent liability arising from default of convertible bonds

As explained in Notes 2(b)(vi), 2(b)(vii) and 26 to the consolidated financial statements, the Matured Bonds and Victory Dragon Bonds had become due and payable at their principal amounts if any of their holders serves a notice on the Company subsequent to 1 December 2014 as a result of the Non-redemption by the Company or an event of default occurs. Pursuant to the convertible bond agreements, at any time after the convertible bonds have become payable, the respective convertible bondholders may without further notice institute such proceedings as it may think fit to enforce payment of the monies due.

(c) Contingent liability arising from default of secured bank loans

As explained in Notes 2(b)(viii) and 27 to the consolidated financial statements, legal actions will be commenced against CVMSB including all its corporate guarantors if CVMSB failed, neglected or refused to settle the Outstanding Loan within the given period.

As at the approval date of the consolidated financial statements, CVMSB has not yet settled the Outstanding Loan and is expected unlikely to settle the Outstanding Loan within the stipulated period set out in the Letter from Bank Rakyat dated 17 March 2015. Bank Rakyat has the right to commence any litigation against the Company and CVMSB. As at the approval date of the consolidated financial statements and per Company's announcement dated 31 March 2015, the board of directors of the Company is in the process of assessing the financial impact on the Group in relation to the breach of terms of the Proposal. The Company and CVMSB shall use their best efforts with an intention to further negotiate with Bank Rakyat to ease the repayment term. It is expected that in the event that a proposal cannot be reached between CVMSB and Bank Rakyat, there would be material adverse impact on the financial position of the Group as a whole.

36 或然負債(續)

(b) 自拖欠可換股債券產生的或然負債

誠如綜合財務報表附註2(b)(vi)、2(b)(vii)及26所述，倘任何到期債券及凱龍債券持有人因本公司未予贖回或拖欠還款情況發生，而於二零一四年十二月一日後向本公司發出通知，則到期債券及凱龍債券已到期及須按其本金額付款。根據可換股債券協議，於可換股債券成為應付後的任何時間，各可換股債券持有人無需就構成其認為合適可強制償還到期款項的行動作進一步通知。

(c) 自拖欠有抵押銀行貸款產生的或然負債

誠如綜合財務報表附註2(b)(viii)及27所述，倘CVMSB於上述期間內未能、忘記或拒絕償還未償還貸款，CVMSB（包括所有公司擔保人）將遭起訴。

於綜合財務報表批准日期，CVMSB未能償清該欠款，並預期不太可能在Bank Rakyat發出日期為二零一五年三月十七日的該函件的指定日期內償清。Bank Rakyat有權對本公司及CVMSB提出任何訴訟。於綜合財務報表批准日期及根據本公司日期為二零一五年三月三十一日的公告，本公司董事會現正評估違反該提案條款對本集團的財務影響。本公司及CVMSB將會盡最大努力旨在進一步與Bank Rakyat商討放寬還款期限。倘CVMSB未能與Bank Rakyat達成建議，預期會對本集團之整體財務狀況構成重大不利影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS

During the years ended 31 December 2014 and 2013, in addition to the transactions and balances disclosed in Note 25 to the consolidated financial statements, the following related party transactions took place between the Group and related parties on terms mutually agreed by the parties concerned.

37 重大關連方交易

截至二零一四年及二零一三年十二月三十一日止年度，除綜合財務報表附註25所披露的交易及結餘外，以下關連方交易在本集團與關連方之間按有關雙方互相協定的條款進行。

Name of party 關連方名稱	Relationship 關係
Ho Wah Genting Berhad ("HWGB")	A shareholder of the Company
Ho Wah Genting Berhad (「HWGB」)	本公司股東
Ho Wah Genting Holiday Sdn. Bhd. ("HWGH")	A subsidiary company of HWGB
Ho Wah Genting Holiday Sdn. Bhd. (「HWGH」)	HWGB的附屬公司
Ho Wah Genting Poipet Resorts Sdn. Bhd. ("HWGP")	An associate of HWGB
Ho Wah Genting Poipet Resorts Sdn. Bhd. (「HWGP」)	HWGB的聯營公司
HWG Tin Mining Sdn. Bhd. ("HWGTM")	A subsidiary of HWGB
HWG Tin Mining Sdn. Bhd. (「HWGTM」)	HWGB的附屬公司
Majuperak Energy Resources Sdn. Bhd. ("MERSB")	A subsidiary of PSDC
Majuperak Energy Resources Sdn. Bhd. (「MERSB」)	PSDC的附屬公司
Dato' Lim Hui Boon	A father of a director
拿督 Lim Hui Boon	一名董事的父親
Perak State Development Corporation ("PSDC")	A shareholder of the Company
Perak State Development Corporation (「PSDC」)	本公司股東
PT Ho Wah Genting	A subsidiary of HWGB
PT Ho Wah Genting	HWGB的附屬公司

Particulars of significant transactions between the Group and the above related parties are as follows:

本集團與上述關連方進行的重大交易詳情如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(a) Recurring transactions

37 重大關連方交易 (續)

(a) 經常交易

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Office rent payable to:	應付辦公室租金予：		
HWGB	HWGB	<u>107,048</u>	<u>177,238</u>
Rental income from drilling machines receivable from:	應收下列關連方鑽探機 租金收入：		
HWGTM	HWGTM	<u>28,186</u>	<u>27,273</u>
Purchase of flight tickets from:	向下列關連方購買機票：		
HWGP	HWGP	<u>269,855</u>	<u>305,655</u>
Maintenance fee payable to:	應付維護費予：		
MERSB	MERSB	<u>883,140</u>	<u>974,810</u>

(b) Amount due from a related party

(b) 應收關連方款項

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
HWGTM	HWGTM	<u>36,391</u>	<u>9,476</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Amount due to a member of staff

37 重大關連方交易 (續)

(c) 應付員工款項

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Dato' Lim Hui Boon	拿督 Lim Hui Boon	2,015,329	4,101,894

The amount due is unsecured, interest-free and has no fixed terms of repayment.

該款項為無抵押、免息且無固定還款期。

(d) Amounts due to related parties

(d) 應付關連方款項

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
HWGH	HWGH	46,579	–
HWGB	HWGB	8,879	777,048
HWGP	HWGP	–	251,249
MERSB	MERSB	2,014,428	1,210,829
PT Ho Wah Genting	PT Ho Wah Genting	313,746	–
		2,383,632	2,239,126

The amounts are trade in nature, unsecured, interest free and have no fixed terms of repayment.

該等款項為貿易性質、無抵押、免息且無固定還款期。

(e) Key management personnel remuneration

(e) 主要管理人員酬金

		2014 二零一四年 HKD 港元	2013 二零一三年 HKD 港元
Directors' fees	董事袍金	1,816,040	362,520
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,391,553	2,812,693
Retirement scheme contributions	退休金計劃供款	51,288	42,751
		3,258,881	3,217,964

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

(a) Going concern

As disclosed in Note 2(b), the consolidated financial statements have been prepared on a going concern basis. The appropriateness of the going concern basis is assessed after taking into consideration all relevant available information about the future of the Group, including proposed measures as described in Note 2 and cash flow projections for the year ending 31 December 2015. Such forecasts and projections about the future inherently involve uncertainties. Actual results could differ significantly and hence render the adoption of the going concern basis not appropriate.

(b) Current and deferred taxation

The Group is subject to income taxes in various jurisdictions. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The entities within the Group recognise liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred taxation provisions in the financial period in which such determination is made.

Deferred tax assets relating to certain temporary differences and certain tax losses are recognised as when management considers it is probable that future taxable profit will be available against which the temporary differences will impact the recognition of deferred tax and tax in the periods in which such estimate is changed.

38 會計判斷及估計

於本集團採用會計政策過程中，管理層已作出下列會計判斷：

(a) 持續經營

誠如附註2(b)所披露，綜合財務報表乃按持續經營基準編製。持續經營基準之合適性於考慮與本集團未來有關之所有相關可用資料(包括附註2所述之建議措施及截至二零一五年十二月三十一日止年度之現金流量預測)後進行評估。該等未來預期及預測本身涉及不確定性。實際業績可能出現重大差異，導致不適合採納持續經營基準。

(b) 當期及遞延稅項

本集團須繳納多個司法權區的所得稅。於釐定所得稅撥備時須作出重大判斷。若干交易及計算難以於日常業務過程中明確作出最終的稅務釐定。本集團內實體根據是否須繳納額外稅項的估計確認潛在稅項負債。倘該等事宜的最終稅務結果與初步入賬的金額不同，該等差額將影響釐定有關金額的財政期間的當期及遞延稅項撥備。

有關若干暫時差額及若干稅項虧損的遞延稅項資產，乃於管理層認為日後可能會出現應課稅溢利以抵銷將影響更改有關估計期間所確認的遞延稅項及稅項的暫時差額時方予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(c) Useful lives of property, plant and equipment

Management determines the estimated useful lives of and related depreciation charges for its property, plant and equipment. This estimate is based on the actual useful lives of assets of similar nature and functions. It could change significantly as a result of significant technical innovations and competitor actions in response to industry cycles. Management will increase the depreciation charges where useful lives are less than previously estimated lives, or will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(d) Impairment of property, plant and equipment

The Group reviews the carrying amounts of the assets at the end of each reporting date to determine whether there is objective evidence of impairment. When indication of impairment is identified, management prepares discounted future cashflow to assess the differences between the carrying amount and value in use and provided for impairment loss. In determining the value-in-use of certain assets and liabilities, the Group makes assumptions of the effects of uncertain future events on those assets and liabilities at the end of the reporting date. These estimates involve assumptions about such items as risk adjustment to cash flows or discount rate used, future changes in salaries and future changes in prices affecting other costs. The Group's estimates and assumptions are based on the expectations of future events and are reviewed periodically. Any change in the assumptions adopted in the cash flow forecasts would increase or decrease in the provision of the impairment loss and affect the Group's net asset value.

38 會計判斷及估計 (續)

(c) 物業、廠房及設備的可用年限

管理層會釐定物業、廠房及設備的估計可用年限及相關折舊支出。此項估計乃以性質及功能相近資產的實際可用年限為基礎，並會由於重大技術革新及競爭對手因應行業週期而作出的行動而出現重大變化。若可用年限少於先前的估計年限，則管理層將提高折舊支出，或撇銷或撇減已廢棄或出售的技術陳舊或非策略性資產。

(d) 物業、廠房及設備減值

本集團於各報告期末審閱資產的賬面值以釐定是否存在客觀的減值跡象。倘發現減值跡象，則管理層準備折現未來現金流量以評估賬面值與使用價值之間的差額及作出減值虧損撥備。在釐定若干資產及負債的使用價值時，本集團會假設不明確的未來事件對報告期末的資產及負債產生的影響。此等估計涉及現金流量或所用貼現率的風險調整、未來薪金變化及影響其他成本的未來價格變動等項目的假設。本集團的估計及假設乃根據對未來事項的預期而作出，並會定期檢討。現金流量預測採取的假設的任何變動將增加或減少減值虧損撥備並影響本集團的資產淨值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(e) Impairment of goodwill, and exploration and evaluation assets

Determining whether exploration and evaluation assets and goodwill (collectively referred to as “CGU of exploration for iron ore, coal and manganese” and “CGU of extraction and bottling of mineral water”) are impaired require estimation of the value-in-use of the CGUs to which these assets have been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amounts of goodwill, and exploration and evaluation assets at the end of reporting period were HKDNil and HKD41,660,400 (2013: HKDNil and HKD151,770,300), respectively, after impairment losses of HKDNil and HKD108,208,053 were recognised during the year ended 31 December 2014 (2013: HKD111,180,501 and HKD207,562,580) respectively. Details of the impairment losses calculation are provided in Notes 14 and 15 to the consolidated financial statements.

39 NON-ADJUSTING EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in Notes 2(b), 15, 26(a) and 27 to the consolidated financial statements, there are no material non-adjusting events subsequent to the end of the reporting period and up to the approval date of the consolidated financial statements.

38 會計判斷及估計 (續)

(e) 商譽以及勘探及評估資產減值

釐定勘探及評估資產及商譽(統稱為「勘探鐵礦石、煤及錳的現金產生單位」及「提取及裝瓶礦泉水的現金產生單位」)是否減值須估計該等資產獲分配使用現金產生單位的價值。演算法所使用的數值需要本集團估計預期現金產生單位產生的未來現金流量和適當的折現率，以便計算其現值。當實際的未來現金流量低於預期值時，可能產生重大的減值虧損。

於報告期末，商譽及勘探及評估資產的賬面值分別為零港元及41,660,400港元(二零一三年：零港元及151,770,300港元)(分別扣除減值虧損零港元及108,208,053港元)，已於截至二零一四年十二月三十一日止年度確認(二零一三年：111,180,501港元及207,562,580港元)。減值虧損計算的詳情載於綜合財務報表附註14及15。

39 報告期末後非調整事項

除綜合財務報表附註2(b)、15、26(a)及27所披露外，於報告期末後及直至綜合財務報表批准日期止，並無重大非調整事項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 POSSIBLE IMPACT OF NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2014

Up to the approval date of the consolidated financial statements, the HKICPA has issued a number of new and revised standards and Interpretations which are not yet effective for the year ended 31 December 2014 and which have not been adopted in the consolidated financial statements. These include the followings which may be relevant to the Group and the Company.

40 已頒佈但尚未在截至二零一四年十二月三十一日止年度生效的新訂及經修訂準則及詮釋可能帶來的影響

直至綜合財務報表批准日期止，香港會計師公會已頒佈一系列截至二零一四年十二月三十一日止年度尚未生效且綜合財務報表亦未採納的新訂及經修訂準則及詮釋。其中與本集團及本公司相關的新訂及經修訂準則及詮釋如下。

**Effective for accounting periods
beginning on or after**
於下列日期或其後開始的會計期間生效

Amendments to HKAS 19, <i>Defined benefit plans:</i> <i>Employee contributions</i> 香港會計準則第19號的修訂，界定福利計劃：僱員供款	1 July 2014 二零一四年七月一日
Annual improvements to HKFRSs 2010–2012 cycle 二零一零年至二零一二年週期的香港財務報告準則年度改進	1 July 2014 二零一四年七月一日
Annual improvements to HKFRSs 2011–2013 cycle 二零一一年至二零一三年週期的香港財務報告準則年度改進	1 July 2014 二零一四年七月一日
Amendments to HKAS 16 and HKAS 38, <i>Clarification of acceptable methods of depreciation and amortisation</i> 香港會計準則第16號及香港會計準則第38號的修訂，澄清可接納的折舊及攤銷方式	1 January 2016 二零一六年一月一日
HKFRS 15, <i>Revenue from contracts with customers</i> 香港財務報告準則第15號，客戶合約之收入	1 January 2017 二零一七年一月一日
HKFRS 9, <i>Financial instruments</i> 香港財務報告準則第9號，金融工具	1 January 2018 二零一八年一月一日

The Group is in the process of making an assessment of the impact of these amendments, which are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's or the Company's results of operations and financial position.

本集團正在評估該等修訂預期在首次應用期間產生的影響。迄今，本集團認為採納上述各項修訂不大可能對本集團或本公司的經營業績及財務狀況有重大影響。

41 COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform with the current year's presentation.

41 比較數字

若干比較數字已重新分類以符合本年度的呈列。



DING HE MINING HOLDINGS LIMITED
鼎和礦業控股有限公司