

MUNSUN 麥盛

Munsun Capital Group Limited
麥盛資本集團有限公司

Incorporated in the Cayman Islands with limited liability
於開曼群島註冊成立之有限公司

Stock code 股份代號：1194



2016 ANNUAL REPORT
年度報告

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CORPORATE PROFILE

企業概況

Munsun Capital Group Limited (麥盛資本集團有限公司) (previously known as China Precious Metal Resources Holdings Co., Ltd. 中國貴金屬資源控股有限公司) (the “Company”) was incorporated on 14 January 2004.

The shares (the “Shares”) of the Company have been listed on the main board (the “Main Board”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 12 October 2004 (Stock code: 1194).

The Company and its subsidiaries (collectively the “Group”) are principally engaged in mining and processing of gold ores and sale of gold products in The People’s Republic of China (the “PRC”), provision of financial services business in Hong Kong and the PRC, including asset management, securities brokerage, financing and advisory services.

Following the completion of the acquisitions of by the Company Munsun Asset Management (Asia) Limited (“Munsun Asia”) and Munsun Securities Limited (“Munsun Securities”) on 15 September 2016 and Shenzhen Munsun Asset Management Company Limited (“Shenzhen Munsun”) on 3 January 2017, the Group has diversified its operation into financial services industry in Hong Kong and the PRC, including asset management and securities brokerage and advisory services. The Group has successfully operated a substantial number of major projects and set up different investment funds focusing on high investment returns.

The Group is a non state-owned Chinese gold mining company in the PRC with a particular focus on the central and western regions of the PRC. The Group currently owns five operating gold mines located in the central, western and northern regions of the PRC, namely Jinxing Mine and Luanling Mine in Henan Province, Mojiang Mine and Hengyi Mine in Yunnan Province, and Yongfeng Mine in Inner Mongolia, with total gold resources of approximately 7.2 million ounces. The Group produced 76 Koz and 73 Koz of gold for the years ended 31 December 2015 and 2016, respectively.

麥盛資本集團有限公司(前稱中國貴金屬資源控股有限公司)(「本公司」)於二零零四年一月十四日註冊成立。

本公司股份(「股份」)自二零零四年十月十二日起在香港聯合交易所有限公司(「聯交所」)主板(「主板」)上市，股份編號為1194。

本公司及其附屬公司(統稱「本集團」)主要於中華人民共和國(「中國」)從事金礦開採、加工及黃金產品銷售，在香港及中國從事提供金融服務業務，包括資產管理、證券經紀、融資及諮詢服務。

本公司於二零一六年九月十五日完成收購麥盛資產管理(亞洲)有限公司(「麥盛亞洲」)及麥盛證券有限公司(「麥盛證券」)，以及於二零一七年一月三日完成收購深圳市麥盛資產管理有限公司(「深圳麥盛」)，本集團已將其業務拓展至香港及中國的金融服務行業，包括資產管理、證券經紀及諮詢服務。本集團成功營運多個重大項目，並設立多種側重高投資回報的投資基金。

本集團是一間位於中國的非國有金礦公司，主要金礦資產位於中國中西部地區。本集團目前有5個營運中的金礦，分別位於中國中部、西部及北部地區，即河南省的金興金礦及樂靈金礦，雲南省的墨江金礦及恆益金礦，以及內蒙古的永豐金礦，總黃金資源量約7.2百萬盎司。截至二零一五年及二零一六年十二月三十一日止年度，本集團分別生產黃金76千盎司及73千盎司。

JINXING GOLD MINE IN HENAN

Jinxing Mine is currently our largest mine in terms of total gold resources and 2016 production. Jinxing Mine is located in Luanchuan County, Henan Province. It is approximately 6 km from the regional town of Baitu and approximately 110 km southwest of Luoyang City, Henan Province. It is an underground mine and consists of two areas, namely Jinxing area and Xiepojing area. It has Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“JORC code”) and its equivalent gold resources of 76.8 tonnes (2,469 Koz) with average grade of 4.6g/t.

Jinxing Mine is located at the junction between the southern margin of the Qinling complex structural zone and the Xinhuaia Taihang uplift zone. Jinxing Mine is a polymetallic mine. The majority of the mineralisation is contained within fresh rock due to the limited weathering profile in the region. Two categories of mineralisation are identified, namely pyrite bearing that contains silver, lead and copper in addition to the gold mineralisation, and lead/gold bearing that is composed of lead and gold mineralisation with minor silver. Mineralisation occurs within quartz veins which are located within fracture zones to form stock work style deposits. Ten vein groups have been identified within the mining area.

LUANLING GOLD MINE IN HENAN

Luanling Mine is located in Luanchuan County, Henan Province. It is approximately 40 km from Jinxing Mine. It is composed of Northern underground mining site and Southern open-pit and underground mining site and is contained within a single mining license with an area of 9 km². Luanling Mine has JORC code gold resources of 61.7 tonnes (1,984Koz) with average grade of 3.2g/t.

Luanling Mine consists of two mining areas with mineralisation of different characteristics, namely the Northern mining area and the Southern mining area. Aggregate mining area of approximately 9km² is under the mining license.

河南金興金礦

金興金礦就總黃金資源量及二零一六年產量而言為本集團目前最大的金礦。金興金礦位於河南省樂川縣，距離白土鎮約6公里及河南省洛陽市西南方約110公里。該金礦為地下礦山，由兩個礦區組成，即金興區及斜坡井區。其擁有澳大利亞聯合礦石儲量委員會標準（「JORC標準」）及其類比標準的黃金資源量76.8噸（2,469千盎司），平均品位為4.6克／噸。

金興金礦位於秦嶺複雜構造帶南緣與新華夏系太行山隆起帶的交接處。金興金礦屬多金屬礦場。由於該地區風化較弱，大多數的礦化發生在原岩中。兩種礦化類型已予確定，即除金礦化外，還包括銀、鉛和銅礦化的含黃鐵礦礦化；以及由鉛、金以及少量銀礦化組成的含鉛／金礦化。礦化位於石英脈斷裂帶，富集成礦。礦區範圍內已確定10個礦脈群。

河南樂靈金礦

樂靈金礦位於河南省樂川縣，距離金興金礦約40公里。樂靈金礦由北部地下礦場及南部露天及地下礦場組成，由面積為9平方公里的單一採礦許可證所涵蓋。樂靈金礦擁有JORC標準黃金資源量61.7噸（1,984千盎司），平均品位為3.2克／噸。

樂靈金礦包括兩個具有不同礦化特徵的礦區，即北礦區和南礦區。採礦許可證下總礦區面積約為9平方公里。

CORPORATE PROFILE

企業概況

Luanling Mine is located at the junction between the southern margin of the Qinling complex structural zone and the Xinhuaia Taihang uplift zone. There are mineralised zones defined in two mining areas. The major gold zones include nine veins. The mineralised material is dominated by pyrite, secondarily marcasite, with small amount of galena and altaite (lead minerals). The major gangue minerals include quartz, albite, sericite and chlorite. The gold minerals include electrum, with a little calaverite and petzite.

MOJIANG GOLD MINE IN YUNNAN

Mojiang Mine is located in Mojiang County, Pu'er City, Yunnan Province, approximately 300 km southwest of the provincial capital-Kunming of Yunnan Province. Mojiang Mine is located in the famous Ailaoshan Fold Belt of the San Jiang Metamorphic Fold System implying favourable geology attributes. It has JORC code gold resources of 16.7 tonnes (536 Koz) with average grade of 1.4g/t.

Mojiang Mine holds one mining license covering an area of approximately 7.2 km².

Apart from gold deposit, there is also rich deposit of nickel metal in Mojiang Mine. The nickel ore bodies occur parallel to the gold ore bodies and belong to a typical hydrothermal type that are mainly sulfides.

HENGYI MINE IN YUNNAN

Hengyi Mine is located in Zhenyuan County, Yunnan Province. It is approximately 380 km southwest from Kunming. Hengyi Mine is located between the Mojiang-Jinping Fold Belt and the Ailaoshan Fold Belt of the San Jiang Metamorphic Fold System. It has JORC code gold resources of 51.5 tonnes (1,657 Koz) with average grade of 2.7g/t.

Hengyi Mine consists of two mining areas, namely Bianfushan mining area and Shangzhai mining area. Total area under the mining licences is approximately 9.1 km². It also holds four exploration licences in adjacent areas with aggregate area of approximately 36.7 km².

樂靈金礦位於秦嶺複雜構造帶南緣與新華夏系太行山隆起帶的交接處。兩個礦區的礦化區已予界定。主要黃金地帶包括九條礦脈。礦化材料主要為黃鐵礦，其次是白鐵礦，及少量硫化鉛和碲鉛礦（鉛礦物）。主要脈石礦物包括石英、鈉長石、絹雲母及綠泥石。含金礦物包括有銀金礦及少量碲金礦和碲金銀礦石。

雲南墨江金礦

墨江金礦位於雲南省普洱市墨江縣，距離雲南省省會昆明市西南方約300公里。墨江金礦位於蘊含著有利地質屬性的三江變質褶皺系的哀牢山褶皺帶。其擁有JORC標準黃金資源量16.7噸(536千盎司)，平均品位為1.4克／噸。

墨江金礦持有覆蓋面積約7.2平方公里之採礦許可證。

除黃金礦藏外，墨江礦亦存在豐富的鎳金屬資源。在墨江礦區內，鎳礦體平行於金礦體。該鎳礦床部分為典型的熱液類型礦床，其鎳礦物主要為硫化礦。

雲南恆益金礦

恆益金礦位於雲南省鎮沅縣，距離昆明市西南方約380公里。恆益金礦位於三江變質褶皺系之墨江金平褶皺帶及哀牢山褶皺帶之間。其擁有JORC標準黃金資源量51.5噸(1,657千盎司)，平均品位為2.7克／噸。

恆益金礦包括兩個礦區，即蝙蝠山礦區及上寨礦區。採礦許可證下總礦區面積約為9.1平方公里。其亦擁有鄰近礦區總面積約36.7平方公里的四個勘探許可證。

YONGFENG GOLD MINE IN INNER MONGOLIA

The Yongfeng Mine is located in Honghuagou, Inner Mongolia. It currently holds seven mining licenses covering a total mining area of 0.92 km². The mine is an underground mine located in Honghuagou mineralisation belt of Inner Mongolia that has relatively high gold grade. It has gold resources of 16.1 tonnes (521 Koz) with average grade of 9.5g/t.

Seven mineralized veins were identified in Yongfeng Mine. The mineralised veins have similar characteristics with an average width between 1 and 1.5 metres and occur as gold bearing quartz veins.

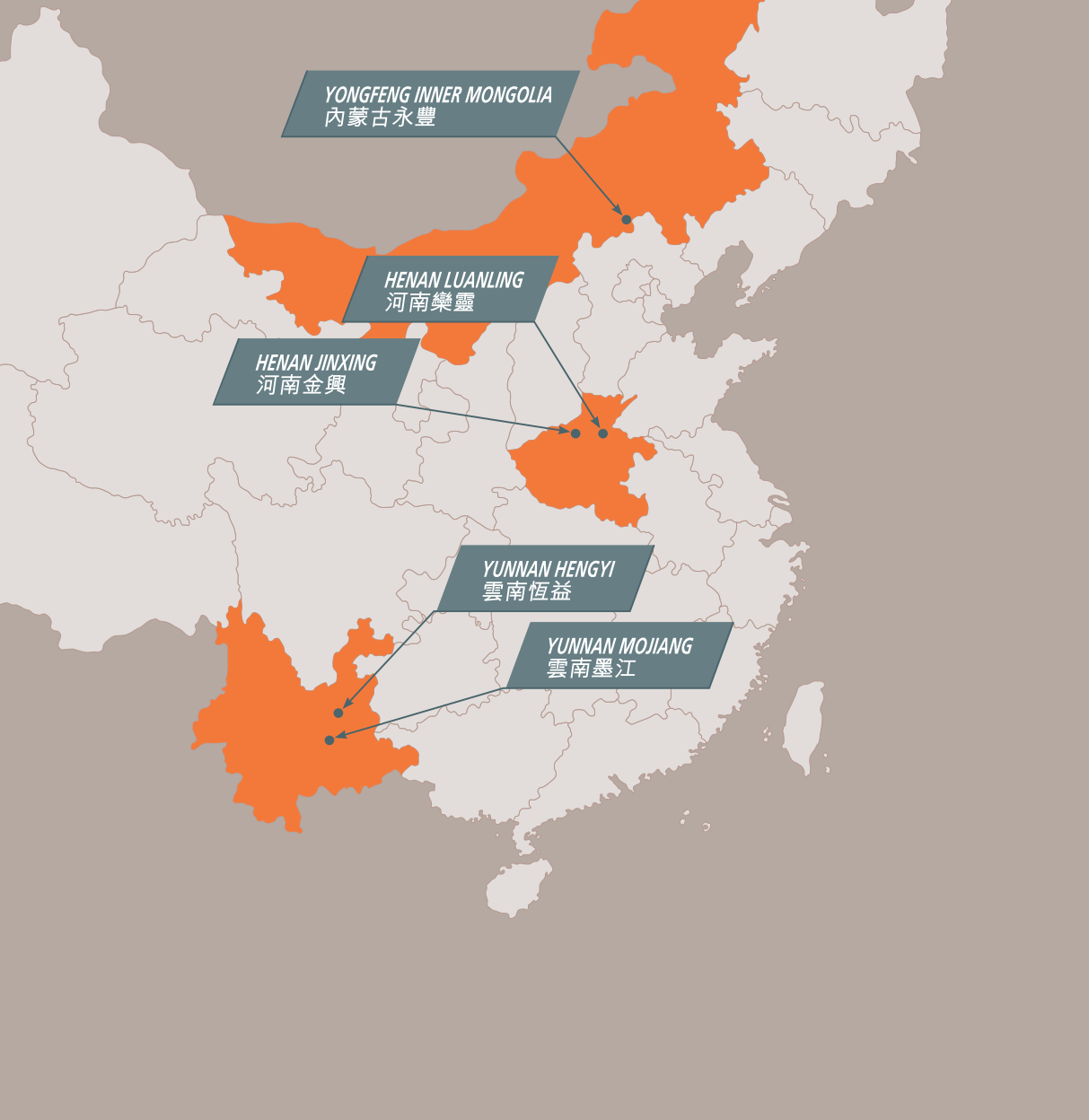
內蒙古永豐金礦

永豐金礦位於內蒙古紅花溝。目前該礦持有七項採礦許可證，總礦區面積0.92平方公里。該礦為地下金礦，位於擁有較高金品位的內蒙古紅花溝成礦帶。其擁有黃金資源量16.1噸(521千盎司)，平均品位為9.5克／噸。

永豐金礦已有七處礦化礦脈被識別。該等礦化礦脈特徵類似，平均寬度為1至1.5米，為金石英礦脈。

LOCATIONS OF OUR MINES

本公司礦場位置



Dear Shareholders,

On behalf of the Board, I am delighted to present to our shareholders the annual report of the Group for the year ended 31 December 2016.

For the year under review, investors around the world returned in large numbers to the gold market as a combination of macro-economic drivers and pent up demand kept interest in gold high. During 2016, the Group continued with its efforts on exploration, organic expansion as well as cost control in a safe and an environmentally friendly manner. We remain dedicated to the local communities, as "Operating in a Safe and Environmentally Friendly Manner" is our philosophy.

Following the completion of the Company's acquisitions of Munsun Asia and Munsun Securities on 15 September 2016 and Shenzhen Munsun on 3 January 2017, the Group has diversified its operation into the financial services industry in Hong Kong and the PRC, including asset management and securities brokerage and advisory services. The Group has successfully operated a substantial number of major projects and set up different investment funds focusing on high investment returns.

Looking forward to 2017, it is expected that heightened political and geopolitical risks, currency depreciation and rising inflation expectations would support gold demand. As such, we believe that gold will remain highly relevant as a strategic portfolio component throughout 2017. The Group will continue to enhance the mining production process and improve the technology to achieve the cost efficiency.

On the other hand, with diversification into the capital market, we will continue to place efforts on strengthening risk and liability management, improving cost control, sourcing investment projects as well financing. At the same time, through working closely with our business partners, the Group will continue to capture unprecedented investment opportunities and strive to develop asset management business into a powerful engine of growth with an objective of becoming a China top and world class asset manager.

尊敬的各位股東：

本人謹代表董事會欣然向股東提呈本集團截至二零一六年十二月三十一日止年度之年報。

於回顧年度內，來自全球各地的大量投資者重回黃金市場，原因是受到宏觀經濟驅動因素影響以及潛在需求令市場對黃金的興趣大增。於二零一六年，本集團以安全環保方式繼續在勘探、自身產能和資源擴張以及控制成本方面持續作出努力。我們繼續致力為當地社區作出貢獻，將「以安全及環保方式經營」作為我們的經營理念。

本公司於二零一六年九月十五日完成收購麥盛亞洲及麥盛證券，以及於二零一七年一月三日完成收購深圳麥盛後，本集團已將其業務拓展至香港及中國的金融服務行業，包括資產管理、證券經紀及諮詢服務。本集團已成功營運多個重大項目，並設立多種側重高投資回報的投資基金。

展望二零一七年，預期政治和地緣政治風險加劇、貨幣貶值及通膨預期上揚均支撐黃金需求。因此，我們認為，於二零一七年整個年度，黃金作為戰略投資組合的一部分將保持高度相關性。本集團將繼續改進開採生產流程及升級技術，以實現成本效益。

另一方面，隨著業務多元化拓展至資本市場，我們將努力加強風險及負債管理、改善成本控制、投資項目來源以及融資來源。同時，透過與我們的業務夥伴緊密合作，本集團將繼續把握空前的投資機遇，並力圖發展資產管理業務使之成為強大的增長動力，以成為中國頂尖級及世界級的資產管理公司為目標。

CHAIRMAN'S STATEMENT

主席報告書

On behalf of the Board, I would like to express our appreciation to my fellow directors and staffs for their diligence and contributions to the Group in the past year, to the shareholders and business partners for their understanding and support. With their continuous support and contributions in 2017, we will strive to stimulate corporate growth and deliver high returns to the Company and shareholders as a whole.

Li Xianghong

Chairman and Chief Executive Officer

Hong Kong, 30 March 2017

本人謹代表董事會衷心感謝各位董事和員工，感謝他們在過去一年盡忠職守及對本集團作出貢獻，本人亦謹代表董事會衷心感謝股東與業務夥伴之理解及支持。憑藉董事和員工及股東與業務夥伴於二零一七年繼續支持及作出貢獻，我們將致力刺激企業成長，以為本公司及全體股東帶來高回報。

李向鴻

主席兼行政總裁

香港，二零一七年三月三十日

KEY FINANCIAL HIGHLIGHT

主要財務數據摘要

Financial Data Summary

財務數據摘要

Gold production output (thousand ounces)	黃金產量(千盎司)
Revenue (HK\$'000)	收益(千港元)
Gross profit (HK\$'000)	毛利(千港元)
Net loss (HK\$'000)	淨虧損(千港元)
Total assets (HK\$'000)	總資產(千港元)
Total debts* (HK\$'000)	總債項*(千港元)
Cash and bank balances* (HK\$'000)	現金及銀行結餘* (千港元)
Net debts* (HK\$'000)	淨債項*(千港元)
Total equity (HK\$'000)	總權益(千港元)

FY 2016 二零一六 財政年度	FY 2015 二零一五 財政年度	Movement % 變化 %
73	76	-4%
766,654	746,605	3%
298,114	311,950	-4%
(419,151)	(137,660)	204%
13,493,195	12,777,902	6%
5,105,258	5,907,896	-14%
1,124,067	1,059,927	6%
3,981,191	4,847,969	-18%
7,241,089	5,765,782	26%

*Notes:

- Total debts are bank and other borrowings, financial liabilities at fair value through profit or loss and convertible bonds.
- Cash and bank balances include cash and cash equivalents and pledged deposits.
- Net debts are total debts less cash and cash equivalents and pledged deposits.

*附註：

- 總債項為銀行及其他貸款、透過損益按公平值列賬之金融負債及可換股債券。
- 現金及銀行結餘包括現金及現金等價物以及已抵押存款。
- 淨債項為總債項減現金及現金等價物以及已抵押存款。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

GOLD MARKET OUTLOOK

2016 was a mixed year for gold market. The first half of 2016 was excellent for the gold. Huge inflows of gold into Exchange-Traded Funds (“ETF”) in the first half of 2016 was driven by concerns over the uncertain path of future interest rate hikes and the US election. In the third quarter of 2016 and in the aftermath of the British referendum on the withdrawal from the European Union, gold demand strengthened. In the fourth quarter of 2016, President Trump’s conciliatory acceptance speech and the increase of Federal Open Market Committee’s interest rate triggered the outflow of gold from ETF. Annual 2016 demand for gold from ETF reached 531.9 tonnes, the second highest on record. Yet, declines in both gold jewellery demand and central bank purchase offset this growth. Annual bar and coin demand was broadly stable at 1,029.2 tonnes and surged in the fourth quarter taking advantage of lower gold price then. China’s gold demand in the fourth quarter rose by 86%, pushing annual demand to 284.6 tonnes. Gold demand have recorded a year-on-year increase of 2%, making the annual demand of 4,308.7 tonnes which was almost the same with as that of 2015.

During 2016, gold prices increased in the first quarter of 2016, while the U.S. dollar declined due to stock market turmoil and concerns about the global economy. The gold price has risen 25% by the end of September 2016. Following Trump’s growth-boosting rhetoric, the stronger US dollar and the rising interest rate expectations caused gold price to fall in the fourth quarter of 2016. In December 2016, the price of gold dropped below US\$1,150 per ounce, not a very distant level from the

黃金市場前景

二零一六年是黃金市場出現矛盾的一年。二零一六年上半年黃金市場表現優秀。二零一六年上半年大量黃金流入交易所交易基金(「交易所交易基金」)，是由於對未來加息及美國總統選舉的不確定路徑而擔憂。於二零一六年第三季及英國公投決定退出歐盟後，黃金需求增強。於二零一六年第四季，特朗普總統的就職演說及聯邦公開市場委員會宣佈將聯邦基金利率上調觸發黃金從交易所交易基金流出。二零一六年，交易所交易基金的年度黃金需求量達到531.9噸，屬有史以來第二高。然而，金飾需求及央行購買下降抵銷了此項增長。金條及金幣年度需求量大致穩定，維持在1,029.2噸的水平，並於第四季因當時金價較低而飆升。中國黃金需求於第四季增長86%，推動年度需求量達到284.6噸。黃金需求按年增長2%，令年度黃金需求達到4,308.7噸，與二零一五年的年度黃金需求幾乎持平。

於二零一六年內，二零一六年第一季的黃金價格上漲，而美元由於股市動盪及對全球經濟的擔憂而下跌。黃金價格於二零一六年九月底前已上漲了25%。隨著特朗普發表增長強勁的言論，市場預期美元走強及利率上升，導致黃金價格於二零一六年第四季下跌。於二零一六年十二月，黃金價格下跌至低於每盎司

beginning of 2016. Yet, the gold price managed to increase by approximately 8 % in 2016. Looking forward to 2017, the prospect of gold market for 2017 is more encouraging in view of heightened political and geopolitical risks, the currency depreciation and rising inflation expectation.

Central banks and other official institutions have reduced the buying of the gold in 2016. The slow down in purchases can be partly attributed to the rising pressure on foreign exchange reserves. The annual net purchases for 2016 were 383.6 tonnes representing 33% lower than 2015's total of 576.5 tonnes. Quarterly net purchases were strongest at the beginning and at the end of the year. The fourth quarter saw the largest net addition to reserves with demand of 114.4 tonnes (albeit 32% lower than the same period of 2015).

As for gold supply, total supply grew by 5% year-on-year to 4,570.8 tonnes in 2016, with annual gold recycling increased by 17%. Yet, mined gold totalled 3,236.0 tonnes in 2016, virtually unchanged from 2015. With mine production expected to be stable in 2017, supply will remain constrained.

BUSINESS REVIEW

Following the completion of acquisitions of Munsun Asia and Munsun Securities during the year, the Group has diversified its operation into the financial services industry including asset management, securities brokerage and advisory services. The Group successfully operated a number of major projects and established various funds with a continued focus on investment returns.

At the same time, the Group continued focusing in mine development and reserve converting exploration during the year. Total gold production was 2.2 tonnes (73 Koz) during the year, a 4% decrease as compared to that in 2015.

1,150美元，與二零一六年初的水平相差不多。然而，二零一六年的黃金價格增加約8%。展望二零一七年，由於政治和地緣政治風險加劇、貨幣貶值及通貨膨脹預期上升，二零一七年黃金市場的前景較為令人鼓舞。

二零一六年，各國央行及其他官方機構已減少採購黃金。採購放緩的部分原因是外匯儲備壓力上升。二零一六年的年度淨買入黃金為383.6噸，較二零一五年的買入黃金總量達576.5噸減少33%。年初及年末的季度淨買入黃金達到最高水平。第四季度錄得最大的儲量淨增加，需求為114.4噸(雖然較二零一五年同期下降32%)。

黃金供應方面，二零一六年的總供應按年增長5%至4,570.8噸，其中黃金回收量增加17%。然而，二零一六年所開採的黃金總量達到3,236.0噸，與二零一五年相比基本上持平。預期二零一七年所開採的生產量將維持穩定，而供應將持續緊張。

業務回顧

於年內完成收購麥盛亞洲及麥盛證券後，本集團已將其業務拓展至包括資產管理、證券經紀及諮詢服務等的金融服務行業。本集團成功營運多個重大項目，並設立多種繼續側重投資回報的投資基金。

同時，本集團於本年度內繼續專注於礦場開發及儲量轉換勘探。黃金總產量於年內為2.2噸(73千盎司)，較二零一五年減少4%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Henan Jinxing Mine

Henan Jinxing Mine is located approximately 6 km from the regional town of Baitu and approximately 110 km southwest of Luoyang City, Henan Province. It is the largest mine in terms of gold resources and 2016 production of the Group. It is an underground mine and consists of two areas, namely Jinxing area and Xiepojing area. The Group acquired Jinxing Mine in 2010. Ten vein groups have been identified within the mining area, with similar orientation, size and shape. The variation of overall continuity of the thickness and grade of the vein is also relatively consistent, which suggested good potential for further resources expansion. Jinxing Mine has received the environmental approval and safety approval for its new tailings yard and has started the construction work. It has JORC code and its equivalent gold resources of 76.8 tonnes (2,469 Koz) with average grade of 4.6g/t. Gold production in 2016 was 0.9 tonnes (29 Koz), a decrease of 6% compared to that of 2015.

Construction works to enlarge the scope of Jinxing Mine's surface and underground exploration within its licensed land area, enlarge mining capacity by building a grand shaft, and construction of the new tailing dump site have made smooth progress as devised.

Henan Luanling Mine

Luanling Mine is located in Luanchuan County, Henan Province, 40 km away from Jinxing Mine. It is composed of Northern underground mining site and Southern open-pit and underground mining site and is contained within a single mining licence with an area of 9 km². The Group acquired the mine in 2010 and realised full scale production in 2012. It has JORC code gold resources of 61.7 tonnes (1,984 Koz) with average grade of 3.2g/t. Gold production in 2016 was 0.4 tonnes (13 Koz), a decrease of 7% compared to that of 2015.

河南金興金礦

河南金興金礦位於河南省，距離白土鎮約6公里及洛陽市西南方約110公里。按黃金資源量及二零一六年產量計，該金礦為本集團最大的金礦。該金礦為地下礦山，由兩個礦區組成，即金興區及斜坡井區。本集團於二零一零年收購金興金礦。礦區範圍內已確定10個礦脈群，所有礦脈群的走向、大小和形狀大致相似，整個礦脈的厚度和品位也具有良好的連續性，即表示進一步資源擴張的可能性較高。金興金礦已就興建新尾礦庫取得環境及安全批准，並已開始新尾礦庫的建設。其JORC標準及其類比標準的黃金資源量有76.8噸(2,469千盎司)，平均品位為4.6克／噸。二零一六年的黃金產量為0.9噸(29千盎司)，較二零一五年產量減少6%。

擴大金興金礦於其許可土地區域內的地表及地下勘探範圍、通過興建大型豎井擴大採礦產能及建造新尾礦堆礦場之建築工程按照設計施工，進度順利。

河南樂靈金礦

樂靈金礦位於河南省樂川縣，距離金興金礦40公里。樂靈金礦由北部地下礦場及南部露天及地下礦場組成，由面積為9平方公里的單一採礦許可證所涵蓋。本集團於二零一零年收購該金礦，並於二零一二年全面實現規模生產。該礦的JORC標準黃金資源量為61.7噸(1,984千盎司)，平均品位為3.2克／噸。二零一六年的黃金產量為0.4噸(13千盎司)，較二零一五年產量減少7%。

Ongoing exploration activities and reinforcement projects in the four mining sites are in progress. Preparation for mining, heap leaching as well as the construction for the new tailing dump site pushed forward. These ongoing projects shall provide high potential for nearterm resource and production expansion at Luanling Mine in the long run.

Yunnan Mojiang Mine

Mojiang Mine, is located in Mojiang County, Pu'er City, Yunnan Province, which is approximately 300 km southwest of the provincial capital – Kunming of Yunnan Province. It lies on the famous Mojiang-Jinping and Ailaoshan Fold, implying favourable geology attributions. It has JORC code gold resources of 16.7 tonnes (536 Koz) with average grade of 1.4 g/t. Gold production in 2016 was 0.8 tonnes (27 Koz), a 17% compared to that of 2015.

The development of underground tunnel development and expansion project for three sections of the tunnel continues to progress, so as the processing plant expansion and the tailing dump site construction.

Yunnan Hengyi Mine

Hengyi Mine is located in Zhenyuan County, Yunnan Province. It is approximately 380 km southwest from Kunming. It holds two mining licenses, namely Shangzhai and Bianfushan.

Hengyi Mine is located between the Mojiang-Jinping Fold Belt and the Ailaoshan Fold Belt of the San Jiang Metamorphic Fold System. The San Jiang Metamorphic System is situated on the southwest margin of the Yangzi Platform and the northeast margin of the Simao Block between the Honghe and Amojiang Faults.

四個礦場的勘探活動及加固工程仍在進行中。採礦、堆浸之準備工作以及新尾礦堆礦場之建築工程向前推進。從長遠看，該等項目繼續進行，樂靈金礦的近期資源及產能擴充潛力明顯。

雲南墨江金礦

墨江金礦位於雲南省普洱市墨江縣，距雲南省省會昆明市往西南方向大約300公里處。該礦山位於墨江—金平及哀牢山成礦帶，這意味著有利的地質因素。其JORC標準黃金資源量為16.7噸(536千盎司)，平均品位為1.4克／噸，而黃金產量於二零一六年為0.8噸(27千盎司)，較二零一五年產量增加17%。

巷道內三個區域的地下巷道開發及擴展工程、擴大選礦廠及尾礦堆礦場之建築工程仍在進行中。

雲南恆益金礦

恆益金礦位於中國雲南省鎮沅縣，距離昆明市西南方約380公里。該礦有兩個採礦許可證，即上寨及蝙蝠山。

恆益金礦位於三江變質褶皺系之墨江金平褶皺帶及哀牢山褶皺帶之間。三江變質褶皺系位於揚子準地台的西南緣及紅河與阿墨江斷層的東北緣。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Since the Group's acquisition of Hengyi Mine in 2012, the Group has been working on ramping up its production capacity. Heap leaching has been practised for several years at the mine. Through its gold operation experience the Group has significantly increased its recovery rate and operating efficiency of the mine and enlarged its heap leaching scale. It has JORC code gold resources of 51.5 tonnes (1,657 Koz) with an average grade of 2.7 g/t. Gold production in 2016 was 90 kg (3 Koz), a 54% decrease compared to that of 2015.

The Group has obtained the safety license of the underground mine development and commenced underground mining operations during the year. Construction work of the tailings dump site and processing plant continues to progress.

Inner Mongolia Yongfeng Mine

Yongfeng Mine is an underground mine which was acquired by the Group in 2009. Yongfeng Mine consists of two mining areas, namely Lianhuashan mining area and Honghuagou mining area, which are further divided into seven sub-mining areas. Yongfeng Mine is located in the middle segment of the northern margin of the North China Plate, adjacent to the Inner Mongolia Fold Belt in the North. Seven mineralised veins were identified. The mineralised veins have similar characteristics with an average width between 1 and 1.5 metre and occur as gold-bearing quartz veins. It has resources of 16.1 tonnes (521 Koz) with an average grade of 9.5 g/t. The output of Yongfeng Mine in 2016 was 8 kg (1 Koz), a 87% decrease compared to that of 2015.

自本集團於二零一二年收購恆益金礦以來，本集團一直致力提升其產能。堆浸法已於該礦區使用數年。本集團透過其黃金經營經驗大幅將回收率及經營效能提升，並擴大其堆浸規模。其JORC標準黃金資源量為51.5噸(1,657千盎司)，平均品位為2.7克／噸。二零一六年的黃金產量為90千克(3千盎司)，較二零一五年產量減少54%。

就地下礦區開拓而言，本集團已取得安全許可證，並已於年內開始地下金礦開採。尾礦堆場和選礦廠建設工作仍在進行中。

內蒙古永豐金礦

永豐金礦為地下礦區，於二零零九年獲本集團收購。永豐金礦包括兩個採礦區，即蓮花山採礦區及紅花溝採礦區。該等採礦區進一步分為七個小採礦區。永豐金礦位於華北板塊北緣的中間部份，毗連北邊內蒙古褶皺帶，擁有七處礦化礦脈。礦化礦脈與黃金石英礦脈具有類似特點，平均寬度為1至1.5米，其資源量為16.1噸(521千盎司)，平均品位9.5克／噸。永豐金礦於二零一六年產量為8千克(1千盎司)，較二零一五年產量減少87%。

GOLD RESOURCES/RESERVES

At the end of year 2016, the Group had total resources of 222.8 tonnes which is compliant with the JORC code and/or its equivalent. Measured and indicated resources (inclusive of proven and probable reserves) were 87.4 tonnes and inferred resources were 135.4 tonnes. The measured and indicated resources (inclusive of proven and probable reserves) and inferred resources of each mine of the Group are detailed in the table below. The gold grade ranged from 1.4 g to 9.5 g per ton of resources.

Updated mineral resources table ⁽¹⁾

		Au Metal (t) 金金屬(噸)			Au Metal (koz) 金金屬(千盎司)		
		Measured + Indicated ⁽²⁾ 探明+控制 ⁽²⁾	Inferred 推斷	Total 合計	Measured + Indicated ⁽²⁾ 探明+控制 ⁽²⁾	Inferred 推斷	Total 合計
Jinxing Mine	金興金礦	37.3	39.5	76.8	1,199	1,270	2,469
Luanling Mine	樂靈金礦	17.7	44.0	61.7	569	1,415	1,984
Mojiang Mine	墨江金礦	13.2	3.5	16.7	423	113	536
Hengyi Mine	恆益金礦	14.2	37.3	51.5	458	1,199	1,657
Yongfeng Mine	永豐金礦	5.0	11.1	16.1	164	357	521
Total	合計	87.4	135.4	222.8	2,813	4,354	7,167

(1) All mines' resources and reserves are JORC code compliant and/or its equivalent.

(2) Measured and indicated resources are inclusive of proven and probable gold reserves.

黃金資源量／儲量

於二零一六年年末，本集團按 JORC 標準及／或其類比資源總量總為 222.8 噸。探明與控制資源量(包括證實與概略儲量)為 87.4 噸及推斷資源量 135.4 噸。本集團各個礦區的探明與控制資源量(包括證實與概略儲量)以及推斷資源量詳列於下表。黃金品位介乎於資源每噸 1.4 克至 9.5 克。

更新礦產資源表 ⁽¹⁾

(1) 所有金礦的資源儲量均為 JORC 標準及／或其類比標準。

(2) 探明及控制資源量包括證實及概略黃金儲量。

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管理層討論及分析

ANNUAL REVIEW – EXPLORATION AND INFRASTRUCTURE DEVELOPMENT

The Group continued its exploration work in all of its 5 mines, and in total has completed trenching of approximately 91,585m and diamond drilling of approximately 6,400m.

年度回顧－勘探及基建發展

本集團於其全部5個礦山持續從事勘探工作，共完成坑探工程量約91,585米，鑽探工程量約6,400米。

Jinxing Mine 金興金礦

1) Exploration activities 礦區勘探活動

i) Exploration area and size 勘探區域及範圍面積	Jinxing (5km ²) 金興(5平方公里)	Xiepojing (0.05km ²) 斜坡井(0.05平方公里)
ii) Exploration project 勘探工程	Trenches (45,400m); diamond drilling (3,000m) 坑探(45,400米)· 鑽探(3,000米)	Trenches (17,000m) 坑探 (17,000米)
iii) No. of drillholes 鑽探洞孔數目	3 drilling spots of each of 41 mine mouths, 15 drillholes 共41個坑口，每個坑口 3個工作面，15個鑽孔	4 drilling spots of each of 4 mine mouths 共4個坑口， 每個坑口4個工作面
iv) Average size of drillholes 鑽探洞孔平均大小	Trenching of 2.2*2m; Diameter of drillholes of 33mm 坑道2.2*2米， 鑽孔直徑33毫米	Trenching of 2.2*2m 坑道2.2*2米
v) Average depth of drillholes 鑽探洞孔平均深度	200m 200米	N/A 不適用

2) Development/construction activities 礦區發展／建設活動

i) Area 礦區	Jinxing 金興	Xiepojing 斜坡井
ii) Infrastructure construction 基礎設施建設	Development of main tunnel and engineering cut works of mine mouths No. 18,28,19,3,Xingshuya,Moshigou, Houmushi, Qiaogou, Xiaobeigou tunnels, etc. 18坑、28坑、19坑、3坑、杏樹埡、 磨石溝、后母寺、橋溝、小北溝等 坑道主巷開拓及採切工程	Development of the main tunnel and engineering cut works of Xiepojing, extension of slope mine 斜坡井主巷開拓、採切工程及 斜井延深

Luanling Mine 樂靈金礦

1) Exploration activities 礦區勘探活動

i)	Exploration area and size 勘探區域及範圍面積	South Area (2.7km ²) 南區(2.7平方公里)	North Area (6.3km ²) 北區(6.3平方公里)
ii)	Exploration project 勘探工程	Trenches (7,560m) 坑探(7,560米)	Trenches (13,670m) 坑探(13,670米)
iii)	No. of drillholes 鑽探洞孔數目	3 drilling points of each of 9 mine mouths 共9個坑口，每個坑口3個工作面	4 drilling spots of each of 12 mine mouths 共12個坑口，每個坑口4個工作面
iv)	Average size of drillholes 鑽探洞孔平均大小	Trenching of 2.2*2m 坑道2.2*2米	Trenching of 2.2*2m 坑道2.2*2米

2) Development/construction activities 礦區發展／建設活動

i)	Area 礦區	South Area 南區	North Area 北區
ii)	Infrastructure construction 基礎設施建設	Development of main tunnel and engineering cut works of tunnel No.307,301,309,305,304 and slope extension project of tunnel No.301 307坑、301坑、309坑、305坑、304坑主巷開拓及採切工程，301坑斜井延深工程	Development of main tunnel and engineering cut works of Dongpo No.100 and 13, Huichungou No.201 and No.200, Wangzhuang No.401 東坡100坑、13坑，茴椿溝201坑、200坑，汪莊401坑主坑巷開拓及採切工程

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Mojiang Mine 墨江金礦

1) Exploration activities 礦區勘探活動

i)	Exploration area and size 勘探區域及範圍面積	Open Cut (0.4km ²) 露天採區(0.4平方公里)	Underground (3km ²) 地下採區(3平方公里)
ii)	Exploration project 勘探工程	Diamond drilling (900m) 鑽探(900米)	Trenches (2,300m) 坑探(2,300米)
iii)	No. of drillholes 鑽探洞孔數目	15 drillholes 15個鑽孔	4 drillings spots of each of 6 mine mouths 共6個坑口，每個坑口4個工作面
iv)	Average size of drillholes 鑽探洞孔平均大小	Diameter of 75mm 鑽孔直徑75毫米	Trenching of 2.2*2m 坑道2.2*2米
v)	Average depth of drillholes 鑽探洞孔平均深度	60m 60米	N/A 不適用

2) Development/construction activities 礦區發展／建設活動

i)	Area 礦區	Open Cut 露天採區	Underground 地下採區
ii)	Infrastructure construction 基礎設施建設	Construction of a four-stage mining stope to separate the stripping and mining area, and 10 other heap leaching plants 共建4期採場，分別剝離、採礦區， 共建其他堆浸廠10個	No. 2 and No. 1 bulkhead wall for mining junkyard, phase two mine mouth mining and rehabilitation project 2號及1號排土場擋渣工程， 二期礦井口開採及修復工程

Hengyi Mine 恆益金礦

1) Exploration activities 礦區勘探活動

i)	Exploration area and size 勘探區域及範圍面積	Bianfushan (2km ²) 蝙蝠山(2平方公里)	Shangzhai (7km ²) 上寨(7平方公里)
ii)	Exploration project 勘探工程	Diamond drilling (2,500m) 鑽探(2,500米)	Trenches (3,255m); 坑探(3,255米)
iii)	No. of drillholes 鑽探洞孔數目	20 drillholes 20個鑽孔	3 drilling spots of each of 4 mine mouths 共4個坑口，每個坑口3個工作面
iv)	Average size of drillholes 鑽探洞孔平均大小	Diameter of drillholes of 75mm 鑽孔直徑75毫米	Trenching of 2.4*2.6m 坑道2.4*2.6米
v)	Average depth of drillholes 鑽探洞孔平均深度	125m 125米	N/A 不適用

2) Development/construction activities 礦區發展／建設活動

i)	Area 礦區	Bianfushan 蝙蝠山	Shangzhai 上寨
ii)	Infrastructure construction 基礎設施建設	N/A 不適用	Development of the main tunnel and engineering cut works of Langnitang's midpoint of pit mouths of 1350, 1400 and 1450 浪泥塘1350中段、1400中段及 1450中段主巷開拓及採切工程

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Yongfeng Mine 永豐金礦

1) Exploration activities 礦區勘探活動

i)	Exploration area and size 勘探區域及範圍面積	Honghuagou (0.76km ²) 紅花溝(0.76平方公里)	Lianhuashan (0.17km ²) 蓮花山(0.17平方公里)
ii)	Exploration project 勘探工程	Trenches (1,000m) 坑探(1,000米)	Trenches (1,400m) 坑探(1,400米)
iii)	No. of drillholes 鑽探洞孔數目	4 drilling points of each of 5 mine mouths 共5個坑口，每個坑口4個工作面	5 drilling points of each of 2 mine mouths 共2個坑口，每個坑口5個工作面
iv)	Average size of drillholes 鑽探洞孔平均大小	Trenching of 2.2*2m 坑道2.2*2米	Trenching of 2.2*2m 坑道2.2*2米

2) Development/construction activities 礦區發展／建設活動

i)	Area 礦區	Honghuagou 紅花溝	Lianhuashan 蓮花山
ii)	Infrastructure construction 基礎設施建設	Development of Daxian area, vein no.10, vein no.9 大線採區、10號脈採區、 9號脈採區發展工程	Development of the main tunnels and engineering cut works of No. 4 and No. 6; reconstruction of vertical shaft and extension 4號及6號採區主巷開拓及 採切工程；豎井改造及延深

EXPLORATION, DEVELOPMENT AND MINING PRODUCTION EXPENDITURES

During the year, the Group had capital expenditures of HK\$578 million for exploration, development and mining production and had entered into certain significant contracts with certain independent contractors for provision of exploration and infrastructure development of the Group. Details of the relevant exploration and infrastructure development work are set in above section headed "ANNUAL REVIEW – EXPLORATION AND INFRASTRUCTURE DEVELOPMENT". Details of the Group's capital commitments are set out in note 33(a) to the financial statements.

During the year, the Group incurred production costs of HK\$462 million which included raw materials of HK\$64 million, amortisation and depreciation of HK\$204 million, wages and subcontractors' fees of HK\$121 million, resources compensation fees and taxes of HK\$24 million and other miscellaneous mining and processing costs of HK\$49 million.

勘探、開發及開採生產活動開 支

年內，本集團有關勘探、開發及開採活動的資本開支為578百萬港元及與若干名獨立承包商訂立若干重大合約以為本集團提供勘探及基建發展工程。相關勘探及基建發展工程的詳情載於上文「年度回顧－勘探及基建發展」一節。本集團資本承擔的詳情載於財務報表附註33(a)。

於年內，本集團產生生產成本462百萬港元，其中包括原材料64百萬港元、攤銷及折舊費用204百萬港元，工薪及分承包商費用121百萬港元、資源補償費用及稅項24百萬港元及其他雜項採礦及加工成本49百萬港元。

MERGERS AND ACQUISITIONS AND DISPOSAL

- (i) On 20 April 2016, the Company and Munsun Assets entered into an agreement (the “Munsun Asia Agreement”). Pursuant to the Munsun Asia Agreement, Munsun Assets agreed to sell and the Company agreed to purchase all the issued shares of Munsun Asia at a consideration of HK\$306 million to be satisfied by the allotment and issue of new Shares of the Company at an issue price of HK\$0.23 per share. On the same date, the Company entered into an agreement (the “Munsun Securities Agreement”) with all shareholders (the “Munsun Securities Sellers”) of Munsun Securities, a company incorporated in Hong Kong. Pursuant to the Munsun Securities Agreement, the Munsun Securities Sellers agreed to sell and the Company agreed to purchase all issued shares of Munsun Securities at a consideration of HK\$70 million to be satisfied by the allotment and issue of new Shares of the Company at an issue price of HK\$0.23 per share. Munsun Assets holds 56.2% of the issued capital of Munsun Securities. On 22 April 2016, the Company and a wholly-owned subsidiary of the Company (the “Purchaser”) entered into an agreement (the “Munsun Shenzhen Agreement”) with all shareholders (the “Munsun Shenzhen Sellers”) of Shenzhen Munsun, a company incorporated in the PRC. Pursuant to the Munsun Shenzhen Agreement, the Munsun Shenzhen Sellers agreed to sell and the Purchaser agreed to purchase the entire equity interest in Shenzhen Munsun at a consideration of RMB25 million.

Munsun Assets is a connected person of the Company under the Listing Rules. Mr. Li Xianghong (“Mr. Li”), the Chairman, Executive Director and Chief Executive Officer of the Company, is a connected person of the Company under the Listing Rules. Mr. Li holds 15,811 shares in Munsun Assets representing approximately 31.63% of the existing issued share capital of Munsun Assets. Munsun Assets and Munsun Asia are therefore associates of Mr. Li and connected persons of the Company under the Listing Rules.

併購及出售

- (i) 於二零一六年四月二十日，本公司與麥盛資產訂立協議（「麥盛亞洲協議」）。根據麥盛亞洲協議，麥盛資產同意出售而本公司同意購買麥盛亞洲之全部已發行股份，代價為306百萬港元，將按發行價每股0.23港元配發及發行本公司新股份償付。於同日，本公司與麥盛證券（一家於香港註冊成立之公司）之所有股東（「麥盛證券賣方」）訂立協議（「麥盛證券協議」）。根據麥盛證券協議，麥盛證券賣方同意出售而本公司同意購買麥盛證券全部已發行股份，代價為70百萬港元，將按發行價每股0.23港元配發及發行本公司新股份償付。麥盛資產持有麥盛證券已發行股本56.2%。於二零一六年四月二十二日，本公司及本公司一家全資附屬公司（「買方」）與深圳麥盛（一家於中國註冊成立的公司）之全體股東（「麥盛深圳賣方」）訂立協議（「麥盛深圳協議」）。根據麥盛深圳協議，麥盛深圳賣方同意出售而買方同意購買深圳麥盛之全部股權，代價為人民幣25百萬元。

根據上市規則，麥盛資產為本公司之關連人士。本公司主席、執行董事兼行政總裁李向鴻先生（「李先生」）根據上市規則為本公司之關連人士。李先生持有麥盛資產15,811股股份，佔麥盛資產現有已發行股本約31.63%。因此，根據上市規則，麥盛資產與麥盛亞洲乃李先生之聯繫人及本公司之關連人士。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Mr. Li, one of the Munsun Shenzhen Sellers, is a connected person of the Company under the Listing Rules. Ms. Kong Jian, one of the Munsun Shenzhen Sellers, is the spouse of Mr. Li and is therefore also a connected person of the Company. Mr. Zhang Lirui (“Mr. Zhang”), one of the Munsun Shenzhen Sellers, is an executive Director of the Company, and hence is a connected person of the Company under the Listing Rules. Ms. Wei Hua, one of the Munsun Shenzhen Sellers, is the spouse of Mr. Zhang and is therefore also a connected person of the Company.

Hence, the transactions contemplated under the Munsun Asia Agreement, the Munsun Securities Agreement and the Munsun Shenzhen Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules, and are subject to the announcement, reporting and independent shareholders’ approval requirements under the Listing Rules. Further details are set out in the Company’s circular on 4 July, 2016 and announcements on 20 April 2016, 22 April 2016, 1 June 2016, 20 July 2016, 15 September 2016, 25 October 2016 and 3 January 2017.

All the above acquisition transactions have been approved by the Company’s shareholders at extraordinary general meeting on 20 July 2016. The acquisitions of Munsun Asia and Munsun Securities were completed on 15 September 2016 whilst the completion of acquisition of Munsun Shenzhen has taken place on 3 January 2017.

- (ii) On 12 May 2016, a wholly-owned subsidiary of the Company and an independent third party entered into a memorandum of understanding (the “MOU”) in relation to the proposed acquisition of 30% equity interest in Grace Silver Limited (the “Proposed Transaction”) for a consideration of HK\$450,000,000. As no formal agreement of the Proposed Transaction has been entered into between the parties prior to the agreed deadline on 10 August 2016, the MOU has lapsed. Further details are set out in the announcements of the Company dated 12 May 2016 and 12 August 2016.

李先生為其中一名麥盛深圳賣方，根據上市規則，彼亦為本公司之關連人士。孔健女士(其中一名麥盛深圳賣方)為李先生之配偶，因此亦為本公司之關連人士。張利銳先生(「張先生」)(其中一名麥盛深圳賣方)為本公司執行董事，因此，根據上市規則，彼亦為本公司之關連人士。魏樺女士(其中一名麥盛深圳賣方)為張先生的配偶，因此亦為本公司之關連人士。

因此，根據上市規則第十四A章，麥盛亞洲協議、麥盛證券協議及麥盛深圳協議項下交易構成本公司之關連交易，並須遵守上市規則的公佈、報告及獨立股東批准規定。其進一步詳情載於日期為二零一六年七月四日的本公司通函及日期為二零一六年四月二十日、四月二十二日、六月一日、七月二十日、九月十五日、十月二十五日及二零一七年一月三日的本公司公佈。

所有上述收購交易已獲本公司股東於二零一六年七月二十日在股東特別大會上批准。收購麥盛亞洲及麥盛證券已於二零一六年九月十五日完成，而收購麥盛深圳已於二零一七年一月三日完成。

- (ii) 於二零一六年五月十二日，本公司之全資附屬公司與獨立第三方訂立有關建議收購瑞盈有限公司的30%股權，代價為450,000,000港元(「建議交易」)的諒解備忘錄(「諒解備忘錄」)。由於訂約方於同意限期(即二零一六年八月十日)前尚未就建議交易訂立正式協議，諒解備忘錄已失效。詳情請參閱本公司日期為二零一六年五月十二日及二零一六年八月十二日的公佈。

Save as disclosed above, there was no other major merger, acquisition or disposal by the Group during the reporting period and up to the date of this Annual Report.

FINANCIAL REVIEW

Revenue and Results

During the year, the Group's revenue increased by 3% to HK\$767 million (2015: HK\$747 million) and its gold production decreased by 4% to 73 (2015: 76) thousand ounces ("Koz"). The decrease in the Group's gold production has significantly arisen from earlier start of raining season and the flood in the PRC during the year, the effect of which was offset by the bounce of gold price during the year.

During the year, the Group's loss after tax increased to HK\$419 million as compared to HK\$138 million last year. The increase in loss after tax is mainly attributable to: (i) the one-off transaction relating to a loss on the Convertible Bonds Restructure of HK\$63 million, the effect of which is reduced by a decrease in the Group's convertible bonds interest expense from HK\$84 million last year to HK\$51 million during the year as a result of the Convertible Bonds Restructure (details are set out in notes 6(a) and 23 in the financial statements); (ii) the decrease in the non-cash fair value gain on derivative financial instrument of the convertible bonds to HK\$6 million during the year as compared to HK\$44 million last year (details are set out in notes 6(a) and 23 in the financial statements); (iii) the non-cash equity-settled share-based payment expenses of HK\$145 million relating to the share options granted during the year (details are set out in note 30 in the financial statements); and (iv) the decrease in gain on disposal of fixed assets of approximately HK\$0.3 million during the year as compared to HK\$51 million last year.

During the year, the loss per share of the Company was HK3.81 cents (2015: HK2.89 cents).

除上文所披露外，本集團於報告期內及直至本年報日期並無進行其他重大併購及出售活動。

財務回顧

收益及業績

於年內，本集團的收益增加3%至767百萬港元(二零一五年：747百萬港元)及其黃金產量減少4%至73(二零一五年：76)千盎司(「千盎司」)。於年內，本集團黃金產量減少主要由於中國雨季提前到來及發生水災，其影響被年內黃金價格上升所抵銷。

於年內，本集團之稅後虧損增至419百萬港元，而去年則為138百萬港元。稅後虧損增加主要由於：(i)本集團於就可換股債券重組虧損63百萬港元所涉及之一次性交易，其影響被本集團之可換股債券利息支出因可換股債券重組而由去年84百萬港元減至年內51百萬港元(詳情載於財務報表附註6(a)及23)；(ii)於年內可換股債券之衍生金融工具非現金公平值收益減至6百萬港元，較去年之44百萬港元有所減少(詳情載於財務報表附註6(a)及23)；(iii)年內與授出之購股權有關之非現金以股權結算股份基礎開支145百萬港元(詳情載於財務報表附註30)；及(iv)年內出售固定資產所得收益由去年之51百萬港元減少至約0.3百萬港元。

於年內，本公司每股虧損為3.81港仙(二零一五年：2.89港仙)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Selling and Distribution Costs

During the year, the Group's selling and distribution costs were HK\$11 million (2015: HK\$9 million), representing an increase by 22% as compared with last year. The increase is mainly attributable to the completion of acquisitions of Munsun Asia and Munsun Securities by the Group and the diversification of its business into asset management, securities brokerage and advisory services during the year.

Administrative Expenses

During the year, the Group's administrative expenses were HK\$339 million (2015: HK\$177 million), representing an increase by 92% as compared with last year. The increase is mainly attributable to (i) the non-cash equity-settled share-based payment expenses of HK\$145 million relating to the share options granted during the year (details are set out in note 30 in the financial statements); and (ii) the completion of acquisitions of Munsun Asia and Munsun Securities by the Group and the diversification of its business into asset management, securities brokerage and advisory services during the year.

Finance Costs

During the year, the Group's finance costs were HK\$398 million (2015: HK\$330 million), representing an increase of 21% as compared with last year. The increase is mainly due to (i) the one-off transaction relating to a loss on the Convertible Bonds Restructure of HK\$63 million, the effect of which is reduced by a decrease in the Group's convertible bonds interest expense from HK\$84 million last year to HK\$51 million during the year; and (ii) the decrease in the non-cash fair value gain on derivative financial instrument of the convertible bonds to HK\$6 million during the year as compared to HK\$44 million last year. Details are set out in notes 6(a) and 23 in the financial statements.

銷售和分銷成本

於年內，本集團的銷售及分銷成本為11百萬港元(二零一五年：9百萬港元)，較去年增加22%。該增加主要是由於年內本集團完成收購麥盛亞洲及麥盛證券以及本集團於資產管理、證券經紀及諮詢服務方面業務多元化所致。

行政費用

於年內，本集團的行政費用為339百萬港元(二零一五年：177百萬港元)，較去年增加92%。該項增加主要是由於(i)年內與授出之購股權有關之非現金以股權結算股份基礎開支145百萬港元(詳情載於財務報表附註30)；及(ii)本集團於年內完成收購麥盛亞洲及麥盛證券以及本集團於資產管理、證券經紀及諮詢服務方面業務多元化所致。

財務成本

於年內，本集團之財務成本為398百萬港元(二零一五年：330百萬港元)，較去年增加21%。該項增加主要由於(i)就可換股債券重組虧損63百萬港元所涉及之一次性交易，其影響被本集團之可換股債券利息支出由去年84百萬港元減至年內51百萬港元；及(ii)於年內可換股債券之衍生金融工具非現金公平值收益減至6百萬港元，較去年之44百萬港元有所減少。其詳情載於財務報表附註6(a)及23。

Deferred Tax

As at 31 December 2016, deferred tax liabilities amounted to HK\$577 million (2015: HK\$599 million), which represented mainly the estimated tax effects of the temporary differences arising from acquisitions of gold mines by the Group in previous years and was calculated at PRC income tax rate of 25% on the increase in fair value of mining rights. The deferred tax liability balance is subsequently reversed and credited to the consolidated income statement as a result of tax effect of the amortisation of the mining rights. Such liabilities are accounted for in accordance with the accounting principle and therefore no cash payment is required. Details are set out in note 24 (a) in the financial statements.

Liquidity and Financial Resources

During the year, the Company has completed the share subscriptions and placements transactions with total net proceeds of approximately HK\$1,127 million and the Convertible Bonds Restructure which greatly improved the Group's cash flows and working capital. At 31 December 2016, the Group's cash and bank balances (including pledged deposits) and net current liabilities were HK\$1,124 million (2015: HK\$1,060 million) and HK\$1,808 million (2015: HK\$3,308 million), respectively. The Group's net assets increased to HK\$7,241 million at 31 December 2016 (2015: HK\$5,765 million). Details of the Company's share subscriptions and placements transactions and the Convertible Bonds Restructure are set out in the section headed "Share Capital" in the report of the directors in this annual report and note 23 in the financial statements respectively.

The Group has met its needs of working capital and capital expenditure mainly through cash generated from operations, bank and other borrowings and share issue. As at 31 December 2016, the Group's bank and other borrowings were repayable within one to seven years and its fixed rate borrowings over total borrowings was 69%. There is no significant seasonality of the borrowings demand of the Group. Further details of the Group's bank and other borrowings are set out in note 22 to the financial statements. The Company's directors are of the opinion that the Group will be able to finance its future working capital and financial requirements as further detailed in note 2(b) in the financial statements.

The Group's cash and bank balances and bank and other borrowings are mainly denominated in Hong Kong Dollars, Renminbi and United States Dollars.

遞延稅項

於二零一六年十二月三十一日，遞延稅項負債為577百萬港元(二零一五年：599百萬港元)，其主要乃指本集團於過往年度收購金礦而產生暫時性差異之估計稅務影響，並按採礦權公平值之增加部分以25%之中國所得稅稅率計算產生。該等遞延稅項負債餘額隨後按採礦權攤銷之稅務影響撥回並計入綜合損益表。該等負債乃按會計準則入賬，因此毋需支付現金。詳情載於財務報表附註24(a)。

流動資金及財務資源

年內，本公司完成股份認購及配售交易(所得款項淨額合共約1,127百萬港元)以及可換股債券重組，大大改善本集團的現金流量及流動資金。於二零一六年十二月三十一日，本集團之現金及銀行結餘(包括已抵押存款)為1,124百萬港元(二零一五年：1,060百萬港元)，流動負債淨值為1,808百萬港元(二零一五年：3,308百萬港元)。本集團於二零一六年十二月三十一日的資產淨值增至7,241百萬港元(二零一五年：5,765百萬港元)。有關本公司股份認購及配售交易以及可換股債券重組的詳情分別載於本年報董事會報告「股本」一節及財務報表附註23。

本集團主要以各項營運所得現金、銀行及其他貸款及股份發行，滿足其營運資金及資本支出的需要。於二零一六年十二月三十一日，本集團的銀行及其他貸款須於一至七年內償還，而其定息貸款佔貸款總額為69%。本集團貸款需求並無重大季節性因素。本集團的銀行及其他貸款的進一步詳情載於財務報表附註22。本公司之董事認為本集團將可提供其未來營運資金及財務所需，進一步詳情載於財務報表附註2(b)。

本集團之現金及銀行結餘和銀行及其他貸款主要以港元、人民幣及美元計值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CAPITAL STRUCTURE

As at 31 December 2016, the total number of issued ordinary shares of the Company was 13,897,918,781 shares, each of HK\$0.125 (the "Shares"). During the year, the Company has completed (i) the share subscriptions and placements transactions with total net proceeds of approximately HK\$1,127 million; (ii) the Convertible Bonds Restructure; and (iii) the acquisitions of Munsun Asia and Munsun Securities settled by the issue of the Company's new Shares. Further details are set out in the section headed "Share Capital" in the report of the directors in this annual report and notes 23 and 25(b) in the financial statements.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher returns to the owners of the Company that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. There were no changes in the Group's approach to capital management during the year.

At 31 December 2016, the Group's gearing ratio decreased to 35% (2015: 46%). The Group monitors capital using a gearing ratio, which is calculated as the net debts divided by total equity plus net debts. The Group's net debts include bank and other borrowings, financial liabilities at fair value through profit or loss and convertible bonds, less cash and cash equivalents and pledged deposits. The Group's total equity comprises total share capital and reserves of the Group.

PLEDGE OF ASSETS

Details of pledge of assets of the Group are set out in note 27 to the financial statements.

CONTINGENT LIABILITIES

Save as disclosed in note 35(i) to the financial statements in relation to the Group's environmental contingencies, the Group did not have any contingent liabilities.

資本結構

於二零一六年十二月三十一日，本公司每股面值0.125港元之已發行普通股總數為13,897,918,781股（「股份」）。於年內，本公司完成(i)股份認購及配售交易（所得款項淨額合共約1,127百萬港元）；(ii)可換股債券重組；及(iii)收購麥盛亞洲及麥盛證券（以發行本公司新股份結清）。進一步詳情載於本年報董事會報告「股本」一節及財務報表附註23及25(b)。

本集團定期積極審閱及管理資本架構，於維持本公司擁有人較高回報，可能帶來之高借貸水平及保持穩健資本狀況所享有之優勢和安全之間取得平衡，亦因應經濟狀況變動而調整資本架構。年內本集團資本管理之方法並無改變。

於二零一六年十二月三十一日，本集團的資產負債比率減少至35%（二零一五年：46%）。本集團利用資產負債比率（其為淨債項除以總權益加淨債項計算產生）監控資本。本集團之淨債項包括銀行及其他貸款、透過損益按公平值列賬之金融負債及可換股債券，減去現金及現金等價物及已抵押存款。本集團之總權益包括本集團總股本及儲備。

資產抵押

本集團之資產抵押詳情載於財務報表附註27。

或然負債

除財務報表附註35(i)所披露與本集團的環保或然事件有關者以外，本集團並無產生任何或然負債。

FOREIGN CURRENCY EXPOSURE

The Group's principal assets and liabilities are located in the PRC and are denominated in RMB which is the functional currency of the Group's subsidiaries in the PRC. The Group did not enter into any forward foreign exchange contracts to manage its foreign currency risk during the year as the management considered that the Group's exposure to exchange rate risk could be managed. Details of the foreign exchange risks of the Group during the year are set out in note 32(e) to the financial statements.

BUSINESS RISK

The Group is exposed to price risks arising from the market price fluctuations on gold products and equity securities. To protect the Group from the impact of price fluctuations in gold products, the Group entered into gold forward contracts during the year. The Group did not enter into any forward equity securities contracts to manage its equity securities price risk. The Group mitigates its price risk by performing detailed analysis of investments and dedicated professionals are assigned to oversee and monitor the performance of investments. Details are set out in note 32(d) in the financial statements.

EMPLOYEES

As at 31 December 2016, the Group employed approximately 880 employees in the PRC and Hong Kong. All employees are remunerated according to their performance, experience and prevailing industry practices. Both on-the-job and professional training are provided. The Group provides retirement benefits in the form of Mandatory Provident Fund Scheme under the Hong Kong Mandatory Provident Fund Scheme Ordinance to its employees in Hong Kong. The Group provides defined contribution retirement benefit schemes organised by the relevant local government authorities in the PRC to its employees in the PRC.

外幣風險

本集團主要資產及負債來自中國以及按人民幣(為本集團中國國內之附屬公司的功能貨幣)計值，因管理層認為本集團所面臨之外匯風險能夠控制，故年內本集團並無訂立任何遠期外匯合約管理其外幣風險。本集團年內的外匯風險詳情載於財務報表附註32(e)。

業務風險

本集團承受因黃金產品及股本證券市價波動而產生之價格風險。為保障本集團避免因黃金產品價格波動而受到影響，本集團已於年內訂立黃金遠期合約。本集團並無訂立任何股本證券遠期合約管理其股本證券價格風險。本集團透過對投資進行詳細分析降低價格風險，並指派專業人士監督及監控投資表現。有關詳情載於財務報表附註32(d)。

僱員

於二零一六年十二月三十一日，本集團於中國內地及香港共有僱員約880人。本集團根據員工之表現、經驗及現時行業慣例釐定所有僱員薪酬，並提供在職及專業訓練予員工。本集團以香港強制性公積金計劃條例項下強制性公積金計劃之形式為其本港僱員提供退休福利，並為中國內地員工提供由中國內地有關地方政府機關成立之定額退休供款計劃。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PRODUCTION SAFETY AND ENVIRONMENTAL PROTECTION

We operate in a responsible manner to ensure the health and safety of our employees and the communities in which we operate. We are committed to meeting applicable legal requirements and where possible seek to implement leading industry standards in our operations. We have established a dedicated safety and environment enhancement team that is responsible for the occupational health and safety of our mines and operations.

We are subject to various PRC laws and regulations with respect to the prevention and treatment of occupational diseases, the prevention of worksite accidents and the handling of industrial injuries. Production safety permits have been obtained for our mines.

We have adopted a comprehensive set of internal occupational health and safety policies for our mines. We conduct staff training, review internal safety procedures, carry out regular on-site safety inspections and continuously monitor the implementation of safety policies. Protective equipment and clothing are regularly provided to our mine personnel, and we regularly check proper usage of such equipment. In addition, each of our mines has been equipped with a real-time visual monitoring system to monitor mine operation and safety. We have also set up an inspection and detection system in the explosive warehouses in each of our mines to provide comprehensive protection to the usage and security of daily explosives.

We require our third-party contractors to possess requisite production safety licences and relevant qualifications for the work they contract from us and to undertake appropriate safety measures.

We have been in compliance with all relevant PRC laws and regulations regarding occupational health and safety in all material respects. We have not had any material accident involving death or personal injury at any of the mines operated by us.

In accordance with Rule 13.91 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules"), the Company will publish an Environmental, Social and Governance ("ESG") Report within three months after the publication of this annual report in compliance with the provisions set out in the ESG Reporting Guide in Appendix 27 to the Listing Rules.

安全生產及環境保護

本集團本著負責態度進行經營業務，以確保本集團僱員以及本集團所經營社區內之健康及安全。本集團竭誠遵守適用法規規定，並在適當情況下於本集團之經營業務中力求實施先進行業標準。本集團已設立專業安全及環境保護團隊，彼等負責本集團之礦場及經營業務之職業健康及安全。

本集團受多項中國法律及規例規限，當中涉及預防及治療職業病，防範工作地點事故，以及處理工傷事件等。本集團已為各礦場取得安全生產許可證。

本集團已為本集團礦場採納一套綜合內部職業健康及安全政策。本集團進行僱員培訓，檢討內部安全程序，定期實施現場安全檢察，同時持續監控安全政策實施情況。本集團亦定期為其礦場員工提供防護設備及服裝，並定期檢查相關設備是否恰當使用。另外，本集團各礦場已配備實時視像監控系統，以監察礦場作業及安全情況。本集團亦於各礦場內爆破品倉庫設立檢測系統，以全面保障日常爆破品之使用及安全。

本集團要求其第三方承包商就其向本集團所承接工程項目辦理必要生產安全許可證及相關資格證書並採取適當之安全措施。

本集團一直於各重大方面遵守所有與職業健康及安全相關中國法律及法規。本集團於其所經營之礦場上並無任何涉及身故或個人工傷之重大事故。

根據香港聯交所證券上市規則(「上市規則」)第13.91條及上市規則附錄27的規定，本公司將會於年報刊登後三個月內發佈其環境、社會及管治報告。

RELATIONSHIP WITH GOVERNMENT AND AWARDS

The Group has been maintaining good relationships with the local government where the mines are located.

In July 2012, the Group signed the cooperation framework agreement on mineral resources exploration and development with the local government of Yunnan Province. According to the agreement, with the local government's strong support and assistance on exploration development and consolidation of gold resources, the Group will have the priority rights to access to the gold mining assets in the region. Moreover, the local government will provide support on infrastructure, including power, water and logistics.

In 2011, the Group also signed the similar framework agreement with local government of Henan Province. According to the agreement, the local government will provide full support in terms of the Group's consolidation of precious metal resource sector in the region. The Group is also subject to the subsidy policy tailored for foreign investment as well as the favourable policy for land acquisition and other approvals.

Jinxing Mine, Luanling Mine and Mojiang Mine has been granted a number of awards with fruitful results over the years. During the year, Jinxing Mine once again was granted the 2016 Enterprise Contribution Award by the People's Government of Baitu Town, the "2016 Advanced Unit for Exploration and Reserve Enhancement by the Gold Industry of Luoyang City (2016 年度洛陽市黃金行業探礦增儲先進單位)" and the "Advanced Unit of Gold Industry by the Luoyang Gold Administration Bureau" as well as individual awards by the Luoyang Gold Administration Bureau. In addition, in August 2016, the "Research on Law of Vein Distribution and Metallogenic Model of Kangshan Gold Mine in Henan Xiong Er Area (河南熊耳地區康山金礦脈分佈規律及成礦模式研究)" released by Wang Junxian (王君憲), Chen Yankun(陳彥坤), Pei Xinpo(裴新坡) and so on was published in the journal "Science and Technology of Gold (黃金科學技術)". Luanling Mine was awarded the "Honor of Advanced Corporate (先進企業榮譽)" by the People's Government of Tantou Town in early 2017, and also the titles "2016 Advanced Unit for Operation Management in the Gold Industry of Luoyang City (2016 年度洛陽市黃金行業經營管理先進單位)" and "2016 Advanced Unit for Safe Production in the Gold Industry of Luoyang City" by the Luoyang Gold Administration Bureau in 2016. Mojiang Mine was awarded the "2016 Key Leading Enterprises of Puer City" by the People's Government of Puer City in May 2016.

與政府的關係及獎項

本集團與礦區所在的地方政府繼續維持良好關係。

於二零一二年七月，本集團就礦產資源勘探及開發與雲南省地方政府簽訂合作框架協議。根據該協議，憑藉地方政府於勘探開發及整固黃金資源方面給予大力支持及協助，本集團將會享有優先權於該地區取得黃金開採資產。另外，地方政府將會於基建方面提供支持，包括電力、水力及物流方面。

於二零一一年，本集團亦與河南省地方政府簽訂類似框架協議。根據該協議，地方政府將會就本集團於該地區整合貴金屬資源行業方面提供全面支持。本集團亦享有專門為外商投資設定的補助政策以及土地收購及其他批准的優惠政策。

金興金礦、樂靈金礦、墨江金礦多年來屢次獲獎，碩果累累。於本年度，再下一城，金興金礦獲二零一六年度白土鎮政府企業貢獻獎，洛陽市黃金局頒發「二零一六年度洛陽市黃金行業探礦增儲先進單位」及洛陽市黃金局頒發「二零一六年度洛陽市黃金行業先進單位」及個人獎勵。另外，二零一六年八月王君憲、陳彥坤、裴新坡等發表「河南熊耳地區康山金礦脈分佈規律及成礦模式研究」被刊登在「黃金科學技術」期刊。樂靈金礦二零一七年初獲潭頭鎮人民政府授予「先進企業榮譽」，亦獲得洛陽市黃金局評為「二零一六年度洛陽市黃金行業經營管理先進單位」及「二零一六年度洛陽市黃金行業安全生產先進單位」。墨江金礦在二零一六年五月被普洱市人民政府授予「二零一六年度普洱市重點龍頭企業」。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CORPORATE STRATEGY AND CORPORATE PROSPECT

Looking forward to 2017, we remain positive on the prospect of the gold mining business of the Group. Heightened political and geopolitical risks, the fear of currency depreciation, the poor market sentiment towards Trump's policies and rising inflation expectation would support demand for gold. Gold shall continue to act as "safe haven" asset class. It can be seen in responding to the recent gold price increase since the outset of 2017.

As for mining business, the Group's objective is to maintain its stable development in respect of mine exploration and reserve increase by means of strict implementation of existing mines exploration planning. More effort will be put on optimizing the construction of the major exploration projects and on the cost control in an environmentally friendly manner. Being one of the largest privately owned, China-based gold mining companies, the Group commits business strategy as to: (i) continue to expand production capacity at our existing mines, (ii) speed up construction work of the capacity expansion and improve the exploration efficiency, and (iii) continue to conduct further exploration projects in order to increase resources and upgrade reserves.

Subsequent to the completion of the Company's acquisitions of Munsun Asia and Musun Securities on 15 September 2016 and Shenzhen Munsun on 3 January 2017, the Group has diversified its operation into financial services industry in Hong Kong and the PRC, including asset management, securities brokerage and advisory services. Going onwards, we will continue to exert effort to strengthen risk and liability management, improve cost control, sources of investment projects and sources of financing. Equipped with our experienced management team, the Group will take strategic steps to seek investment opportunity with high growth potential to broaden the Group's source of income and stimulate the corporate growth in the long run.

公司戰略及前景

展望二零一七年，我們對本集團黃金開採業務的前景保持樂觀。政治及地緣政治風險加大、對貨幣貶值的擔憂、市場對特朗普政策的疲弱氣氛及通貨膨脹預期上升將支持黃金需求。黃金將繼續作為「避險」資產類別。這從二零一七年初以來黃金價格近期出現上漲可見一斑。

採礦業務方面，本集團的經營目標為通過實現嚴格執行現有礦產勘探計劃，以維持探礦增儲方面的穩定發展，更會全力優化主要礦產項目的勘探工程建設及成本控制，以更環保的方式實施探礦工程。作為中國其中一個最大的民營金礦企業，本集團將秉承業務策略：(i) 持續擴充本集團現有礦場的產能，(ii) 加快產能擴充建設工程及改善勘探效率，及(iii) 持續進行進一步勘探工程，以增加資源量及提升儲量。

本公司於二零一六年九月十五日完成收購麥盛亞洲及麥盛證券以及於二零一七年一月三日完成收購深圳麥盛後，本集團已將其業務拓展至香港及中國的金融服務行業，包括資產管理、證券經紀及諮詢服務。往後，我們將繼續努力加強風險及負債管理、改善成本控制、投資項目來源及融資來源。在我們經驗豐富管理團隊的助力下，本集團採取戰略步驟尋求高增長潛力的投資機會，以拓闊本集團的收入來源及刺激企業的長遠增長。

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands that the success of the Group's business depends on the support from its key stakeholders, including employees, customers, suppliers, banks, regulators and shareholders. The Group will continue to ensure effective communication and maintain good relationships with each of its key stakeholders.

The details of the Group's major customers, the credit terms granted to them and credit risk exposure are set out in the section headed "Major Customers and Suppliers" in the "Report of the Directors" and notes 17 and 32(a) in the financial statements.

與供應商、客戶和其他權益人的關係

本集團明白本集團業務的成功有賴其主要權益人，包括僱員、客戶、供應商、銀行、監管機構和股東的支持。本集團將繼續確保與各主要權益人維持有效溝通和保持良好關係。

有關本集團主要客戶、授予該等客戶的信貸期及信貸風險的詳情載於「董事會報告」內「主要客戶及供應商」一節及財務報表附註17及32(a)。

CORPORATE GOVERNANCE REPORT

公司管治報告書

CORPORATE GOVERNANCE PRACTICES

The Board has committed to maintain high standards of corporate governance and procedures to ensure integrity, transparency and quality of disclosure in order to promote the ongoing development of the best long term interest of the Company and enhance value for all the shareholders.

The Company complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 31 December 2016 except that the role of both the chairman and chief executive director was vested in Mr. Li Xianghong. In accordance with the code provision A.2.1 of the Code on Corporate Governance Code in Appendix 14 of the Listing Rules, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Furthermore, the division of responsibilities between the chairman and chief executive officer should be clearly established. The Board considers vesting the role of both the chairman and the chief executive officer of the Company in Mr Li as Mr. Li has in-depth experience in business management and development and can lead the Group to have continuous growth in the future. The Board also believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high caliber individuals.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions.

The Company has made specific enquiry of all directors ("Directors") of any non-compliance with the Model Code during the financial year ended 31 December 2016, and they have all confirmed their full compliance with the required standard as set out in the Model Code.

公司管治常規

董事會一直致力維持高水平的公司管治標準及程序，以確保披露事項的完整性、透明度和質素，務求促進持續發展本公司的長期最佳利益及為全體股東提升價值。

於截至二零一六年十二月三十一日止年度，除主席及行政總裁由李向鴻先生兼任外，本公司已遵守聯交所證券上市規則（「上市規則」）附錄十四所載的企業管治守則的全部守則條文。根據上市規則附錄十四企業管治守則之守則條文A.2.1條，主席及行政總裁之職務應予以區分，不應由同一人士擔任。此外，主席及行政總裁間之職責應明確劃分。董事會認為本公司主席及行政總裁之職位均由李先生擔任，乃由於李先生於業務管理及發展方面擁有豐富的經驗，並可帶領本集團實現未來的持續增長。董事會亦相信，現時之安排不會削弱職權及權限平衡，而現在由有經驗及高素質人才組成的董事會，亦可充分確保職權及權限平衡。

董事進行證券交易

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）作為有關其董事進行證券交易之操守守則。

本公司已就全體董事（「董事」）於截至二零一六年十二月三十一日止財政年度曾否未有遵守標準守則的行為作出特定查詢，而彼等全體已確認，彼等已全面遵守標準守則所載的規定標準。

THE BOARD

The overall management of the Company's business is vested in the Board. The major responsibilities of the Board include formulation of strategic plans, adoption of corporate strategies, assessment of investment projects, monitoring and controlling the Group's operating and financial performance, assessment and management of risk to which the Group is exposed. The management of the Group are responsible for the execution of the Board's decisions and day-to-day operation of the Group.

COMPOSITION

The Board currently consists of 9 Directors, with 6 executive Directors, namely Mr. Li Xianghong (Chairman and Chief Executive Officer), Mr. Liu Liyang, Mr. Wang Hao, Mr Zhang Lirui, Mr. Zhang Liwei and Mr Zhang Shuguang. 3 independent non-executive Directors, namely, Mr. Wu Tai Cheung, Professor Xiao Rong Ge and Mr. Yin Chenggang.

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

Under provision A.2.1 of the Code, the roles of the Chairman and the Chief Executive Officer should be separated and should not be performed by the same individual. Mr. Li Xianghong is currently the Chairman and Chief Executive Officer of the Company. The Board considers that vesting both of the roles of Chairman and Chief Executive Officer in Mr. Li is beneficial to the business prospects and management of the Group, as Mr. Li has in-depth experience in business management and development and can lead the Group to have continuous growth in the future.

董事會

本公司整體業務由董事會負責管理。董事會的主要職責包括制定策略性計劃、採納企業策略、評估投資項目、監察及控制本集團的經營及財務表現，以及評估及管理本集團所承受的風險。本集團管理層須負責執行董事會之決定及本集團之日常營運。

組成

董事會現時由九名董事組成，包括六名執行董事，分別為李向鴻先生(主席兼行政總裁)、劉力揚先生、王浩先生、張利銳先生、張力維先生及張曙光先生；以及三名獨立非執行董事，分別為胡大祥先生、肖榮閣教授及尹成剛先生。

董事會成員之間概無財務、業務、家族或其他重大關係。

根據守則條文第A.2.1條，主席及行政總裁之職務應予以區分，不應由同一人士兼任。李向鴻先生現為本公司主席兼行政總裁。董事會認為，李先生於業務管理及發展方面擁有豐富的經驗，並可帶領本集團實現未來的持續增長，主席及行政總裁之職位均由李先生擔任對本集團之業務前景及管理有利。

CORPORATE GOVERNANCE REPORT

公司管治報告書

The Company has appointed a sufficient number of independent non-executive Directors with suitable professional qualifications, such as expertise in accounting and financial management, in accordance with the requirements of the Listing Rules. They actively bring their valuable experience to the Board for promoting the best interests of the Company and its shareholders. The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all of the independent non-executive Directors to be independent.

As permitted under the articles of association of the Company (the "Articles"), the Company has arranged Directors' and Officers' Liability Insurance for which Members of the Board and officers of the Company do not have to bear any excess.

The term of office of the Directors (including independent non-executive Directors) is 3 years. In accordance with the Articles, at each annual general meeting of the Company, one third of the Directors for the time being or, if their number is not 3 or a multiple of 3, the number nearest to, but not less than, one-third, shall retire from office by rotation provided that every Directors shall be subject to retirement by rotation at least once every three years.

本公司已根據上市規則的規定委任足夠人數的獨立非執行董事，彼等均具備合適的專業資格，例如有關會計及財務管理的專業知識。他們均積極向董事會提供其寶貴經驗，以提升公司及其股東的最佳利益。本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的有關其獨立性的年度確認函件，及本公司認為全體獨立非執行董事屬獨立。

按本公司組織章程細則(「細則」)允許，本公司已投保董事與高級職員責任保險，對此本公司董事會成員及其高級職員均無須承擔此保單所列明之免賠額。

董事(包括獨立非執行董事)的任職期為三年。根據細則之規定，於本公司每屆股東週年大會上，三分之一在任董事(或董事並非三或三之倍數，則為最接近但不少於三分之一之人數)須輪值退任，而每位董事至少每三年輪值退任一次。

Attendance records of the Directors at Board Meeting, Audit Committee Meeting, Remuneration Committee Meeting, Nomination Committee Meeting, Corporate Governance Committee Meeting and General Meetings held in 2016 are as below:

各董事於二零一六年內舉行的董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議、企業管治委員會會議及股東大會的出席記錄載列如下：

Name of Directors	董事姓名	Number of meetings attended/held					General meetings
		Board meetings	Remuneration Committee meetings	Audit Committee meetings	Nomination Committee meetings	Corporate governance Committee meetings	
		董事會會議	薪酬委員會會議	審核委員會會議	提名委員會會議	企業管治委員會會議	股東大會
Executive Directors:	執行董事：						
Mr. Li Xianghong (Chairman and Chief Executive Officer)	李向鴻先生 (主席兼行政總裁)	19/19	3/3	-	1/1	1/1	1/7
Mr. Liu Lijiang	劉力揚先生	16/19	-	-	-	-	6/7
Mr. Wang Hao (re-designated as Executive Director on 9 August 2016)	王浩先生 (於二零一六年八月九日 調任為執行董事)	17/19	-	-	-	-	1/7
Mr. Zhang Lirui	張利銳先生	15/19	-	-	-	-	2/7
Mr. Zhang Liwei	張力維先生	19/19	-	-	-	1/1	5/7
Mr. Zhang Shuguang	張曙光先生	16/19	-	-	-	1/1	1/7
Mr. Lam Cham (resigned on 9 August 2016)	林杉先生 (於二零一六年八月九日辭任)	7/10	1/1	-	1/1	-	4/6
Mr. Chang Yim Yang (resigned on 9 August 2016)	張賢陽先生 (於二零一六年八月九日辭任)	6/10	-	-	-	-	0/6
Mr. Deng Guoli (resigned on 9 August 2016)	鄧國利先生 (於二零一六年八月九日辭任)	6/10	-	-	-	-	0/6
INEDs:	獨立非執行董事：						
Mr. Wu Tai Cheung (appointed on 3 October 2016)	胡大祥先生 (於二零一六年十月三日獲委任)	6/6	2/2	1/1	0/0	-	0/0
Professor Xiao Rong Ge	肖榮閣教授	14/19	-	4/4	-	-	0/7
Mr. Cha Mou Sing, Payson (appointed on 3 October 2016 and resigned on 23 December 2016)	查懋聲先生(於二零一六年十月三日獲委任 及於二零一六年十二月二十三日辭任)	3/4	1/2	0/1	-	-	0/0
Mr. Wong Lung Tak, Patrick, BBS, PhD, J.P. (resigned on 3 October 2016)	黃龍德教授(於二零一六年十月三日辭任)	10/13	2/2	3/3	2/2	-	7/7
Mr. Chan Kin Sang (resigned on 3 October 2016)	陳健生先生(於二零一六年十月三日辭任)	10/13	2/2	3/3	2/2	-	5/7

CORPORATE GOVERNANCE REPORT

公司管治報告書

The minutes of Board meetings are prepared by the company secretary of the Company. The draft minutes are circulated to all members of the Board for their comments and the final version of the minutes is sent to all members of the Board for their records within a reasonable time after the meeting. The minutes are also open for inspection by all members of the Board at the Company's registered office.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has arranged in-house trainings for Directors in the form of seminar and provision of training materials. A summary of training received by Directors during the relevant period according to the records provided by the Directors is as follows:

Name of Directors

Executive Directors

Mr. Li Xianghong
Mr. Liu Liyang
Mr. Wang Hao
Mr. Zhang Lirui
Mr. Zhang Liwei
Mr. Zhang Shuguang

董事姓名

執行董事

李向鴻先生
劉力揚先生
王浩先生
張利銳先生
張力維先生
張曙光先生

Independent Non-Executive Directors

Mr. Wu Tai Cheung
Professor Xiao Rong Ge
Mr. Yin Chenggang

獨立非執行董事

胡大祥先生
肖榮閣教授
尹成剛先生

董事會會議記錄由本公司之公司秘書編製，在會議結束後的合理時間內，會議記錄草稿將發送予董事會所有成員以供表達意見，而最終定稿則發送至董事會所有成員以備記錄。會議記錄亦備存在本公司註冊辦事處，以供董事會所有成員查閱。

董事持續專業發展

本公司鼓勵全體董事參與持續專業發展，以發展及更新彼等的知識及技能。本公司已透過舉行研討會及向董事提供培訓資料，為董事安排內部培訓。根據董事提供的記錄，董事於相關期間接受的培訓概要如下：

Training on corporate governance, regulatory development and other relevant topics

企業管治、監管發展及其他相關主題培訓

√
√
√
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√

BOARD COMMITTEES

Audit committee

The Company has established an audit committee (the “Audit Committee”) under the Board. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Wu Tai Cheung, Mr. Yin Chenggang and Professor Xiao Rong Ge. Mr. Wu Tai Cheung is the Chairman of the Audit Committee. The Audit Committee has formulated its term of reference in accordance with the requirements of the Listing Rules.

The Audit Committee’s duties are mainly to review the Company’s financial reports, make recommendations on the appointment, removal and remuneration of independent auditors and approve audit and audit related services, and supervise the Company’s internal financial reporting procedures and management policies.

At least two meetings of the Audit Committee will be convened annually to review the accounting policies, risk management, internal control and the relevant financial and accounting issues, so as to ensure fairness and accuracy of the Company’s financial statements and other relevant information. The minutes of the Audit Committee meetings are prepared by the secretary of the meeting. The draft minutes are circulated to the Committee Members for comments and the final version of the minutes is sent to the Committee Members for their records within a reasonable time after the meeting. The minutes are also open for inspection by the Committee Members at the Company’s registered office.

During the year ended 31 December 2016, four Audit Committee meetings were held to recommend the appointment of new Auditor of the Group, to review the interim and annual financial results and reports, financial reporting and compliance procedures, and internal control and risk management matters as well as to approve the engagements with the new Auditor and the consultant for internal control matter of the Company.

董事會委員會

審核委員會

本公司已於董事會管轄下成立審核委員會（「審核委員會」），審核委員會現時由三名獨立非執行董事胡大祥先生、尹成剛先生及肖榮閣教授組成，胡大祥先生為審核委員會的主席。審核委員會已根據上市規例的規定制定其職權範圍。

審核委員會的職務主要為審閱本公司的財務報告、建議有關獨立核數師的任免及其薪酬事宜、批准審核及有關審核的服務，以及監察本公司的內部財務申報程序及管理政策。

審核委員會每年至少舉行兩次會議，以檢討會計政策、風險管理、內部監控及有關財務及會計事項，從而確保本公司財務報表及其他相關資料公平準確。審核委員會會議記錄由會議秘書編製，在會議結束後的合理時間內，會議記錄草稿將發送予委員會成員以供表達意見，而最終定稿則發送至委員會成員以備記錄。會議記錄亦備存在本公司註冊辦事處，以供委員會成員查閱。

於截至二零一六年十二月三十一日止年度，本公司舉行四次審核委員會會議，以建議委任本集團新任核數師、審閱半年及全年財務業績及報告、財務申報及合規程序，及內部監控和風險管理事宜，以及批准委聘新任核數師及內部監控事宜之顧問。

Remuneration committee

The Company has established a remuneration committee (the “Remuneration Committee”). The Remuneration Committee currently consists of two independent non-executive Directors, Mr. Yin Chenggang and Mr. Wu Tai Cheung, and one executive Director, Mr. Li Xianghong. Mr. Yin Chenggang is the Chairman of the Remuneration Committee. The Company has formulated written terms of reference for the Remuneration Committee in accordance with the requirements of the Listing Rules.

The Remuneration Committee is responsible for ensuring formal and transparent procedures for developing remuneration policies and in overseeing and evaluating remuneration packages of the Directors. Its duties include making recommendations to the Board on the remuneration packages of individual executive Directors and senior management. It takes into consideration factors such as salaries and compensation packages paid by comparable companies, time commitment and responsibilities of Directors. It also takes into account whether the emoluments offered are appropriate to the duties and performance of the respective individuals concerned and whether such emoluments are competitive and sufficiently attractive to retain such individuals.

During the year ended 31 December 2016, four Remuneration Committee meetings were held to review the remuneration policies and made recommendation to the Board on the remuneration packages regarding renewal of service contract of executive directors and newly appointed directors as well as annual review on remuneration policy and structure for directors and senior management of the Company. All members of the Remuneration Committee attended the meeting.

Competitive remuneration packages are structured to be commensurate with individual responsibilities, qualification, experience and performance.

The remuneration of a Director is determined with reference to his duties and responsibilities with the Company and the prevailing market situation. Details of the emoluments of Directors during the year ended 31 December 2016 are set out

薪酬委員會

本公司已成立薪酬委員會（「薪酬委員會」），薪酬委員會現時由兩名獨立非執行董事尹成剛先生及胡大祥先生，以及一名執行董事李向鴻先生組成。尹成剛先生為薪酬委員會的主席。本公司已根據上市規則的規定制定薪酬委員會的書面職權範圍。

薪酬委員會負責確保有一套正式及具透明度之程序以制定薪酬政策並監察評估董事之薪酬組合。該委員會之職責包括就執行董事及高級管理層個人之薪酬組合向董事會提供推薦建議，並考慮其他可比較公司所支付薪酬及報酬組合、董事之時間投入及責任等因素。同時，該委員會亦考慮所提供薪酬是否適合各自相關個人之責任及表現以及相關薪酬是否具有競爭性且足以吸引及挽留相關個人。

於截至二零一六年十二月三十一日止年度，本公司舉行四次薪酬委員會會議，以審閱薪酬政策及就續訂執行董事及新委任董事服務合約相關薪酬待遇向董事會作出推薦建議，以及年度審閱本公司董事及高級管理層的薪酬政策及架構。所有薪酬委員會成員均有出席會議。

本集團乃按個人職責、資歷、經驗及表現，設計一套具競爭力之薪酬待遇。

董事薪酬乃參照其於本公司之職責及責任以及現行市況而釐定。截至二零一六年十二月三十一日止年度之董事酬金詳情載於本年報財務報表附註8。截至二

in note 8 to the financial statements of this annual report. The emoluments paid to senior management during the year ended 31 December 2016 were within the following bands:

零一六年十二月三十一日止年度支付予高級管理層成員之酬金在以下範圍內：

		Number of Senior Management 高級管理層人數
Below to HK\$1,000,000	少於 1,000,000 港元	2
HK\$2,000,001 – HK\$3,000,000	2,000,001 港元至 3,000,000 港元	1
		<u>3</u>

Nomination Committee

The Company has established a nomination committee (the “Nomination Committee”) under the Board. Members of the Nomination Committee currently consists of two independent non-executive Directors, Mr. Wu Tai Cheung and Mr. Yin Chenggang, and one executive Director, Mr. Li Xianghong who is the Chairman of the Nomination Committee.

提名委員會

本公司已於董事會轄下設立提名委員會（「提名委員會」）。提名委員會成員現時包括兩名獨立非執行董事胡大祥先生及尹成剛先生以及一名執行董事李向鴻先生。李向鴻先生為提名委員會主席。

The Nomination Committee is responsible for the following:

提名委員會負責以下各方面：

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and making recommendations on proposed changes to the Board to complement the Company’s corporate strategy;
 - identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships;
 - assessing the independence of independent non-executive directors; and
 - making recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the chairman and the chief executive.
- 檢討董事會之架構、規模及組成（包括技能、知識及經驗），並就擬變更董事會以配合本公司企業策略提供推薦建議；
 - 物色適當符合資格成為董事會成員之個人，並就甄選提名出任董事之個人作出選擇或向董事會提供推薦建議；
 - 評估獨立非執行董事之獨立性；及
 - 就委任或重新委任董事以及董事繼任計劃（尤其為主席及行政總裁）向董事會提供推薦建議。

CORPORATE GOVERNANCE REPORT

公司管治報告書

The Board has adopted a board diversity policy aims to set out the approach to achieve diversity on the Board to ensure that the Board has the balance of skills, experience and diversity of perspectives, including but not limited to gender, age, cultural and educational background, professional experience, knowledge and skills. In identifying suitable candidates, the Nomination Committee will consider candidates with the objective criteria with due regard of the benefits of diversity on the Board.

During the year ended 31 December 2016, two Nomination Committee meetings were held to make recommendation to the Board on the renewal of service contracts of executive directors; rotation of directors for 2016 AGM, appointment of independent non-executive directors of the Company and reviewed the structure and size and diversity of the Board. All members of the Nomination Committee attended the meeting.

Executive Committee

The Executive Committee was established on 30 March 2017 and comprises all Executive Directors of the Company. Mr. Li Xianghong is the Chairman of the Executive Committee. The Executive Committee is vested with all the general powers of management and control of the activities in the ordinary course of business of the Group as are vested in the Board, save for those matters which are reserved for the Board's decision and approval pursuant to the written terms of reference of the Executive Committee. The Executive Committee will meet as and when necessary to discuss the operating affairs of the Group and may also deal with matters by way of circulation.

The Executive Committee is mainly responsible for undertaking and supervising the day-to-day management and is empowered:

- (i) to formulate and implement policies for the business activities and administration of the Group and to make such amendments thereto from time to time as the Executive Committee may think fit and to make exceptions to the policies as the circumstances arise while implementing such polices; and
- (ii) to plan and decide on strategies to be adopted by the Group on business activities.

董事會已採納一項董事會多元化政策，旨在為達到董事會多元化而訂出措施，以確保董事會具備所需技巧、經驗及多樣的觀點與角度，包括(但不限於)性別、年齡、文化及教育背景、專業經驗、知識及技能。提名委員會物色合適人選時，會考慮有關人選的長處，並以客觀條件充分顧及董事會成員多元化的裨益。

於截至二零一六年十二月三十一日止年度，本公司舉行兩次提名委員會會議，以就執行董事服務合約之續期、董事於二零一六年股東週年大會上輪值退任、委任本公司獨立非執行董事以及檢討董事會之架構、規模及多元化向董事會提供推薦建議。提名委員會全體成員均已出席會議。

執行委員會

執行委員會自二零一七年三月三十日成立，目前由所有執行董事組成，李向鴻先生為執行委員會主席。執行委員會獲授予董事會所獲授予之關於本集團在日常業務中之所有一般管理及控制權，惟根據執行委員會之書面職權範圍須留待董事會決定及批准之事宜除外。執行委員會於有需要時舉行會議，以討論本集團之營運事宜，亦可透過傳閱文件方式處理事宜。

執行委員會主要負責處理及監察日常管理事宜，並獲授權：

- (i) 制定及執行有關本集團商業活動及行政之政策，且執行委員會可不時作出其認為適當之修訂，並因應執行政策時實際情況需要而作出政策上之偏離；及
- (ii) 規劃及決定就本集團商業活動將予採納之策略。

Corporate Governance Committee

The Group has established a corporate governance committee (the “Corporate Governance Committee”). The Corporate Governance Committee currently consists of three executive Directors, Mr. Li Xianghong, Mr. Liu Liyang and Mr. Zhang Shuguang. Mr. Li Xianghong is the Chairman of the Corporate Governance Committee.

The Corporate Governance Committee is responsible for the following:

- developing and reviewing the Company’s policies and practices on corporate governance and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of Directors and senior management;
- reviewing and monitoring the Company’s policies and practices on compliance with applicable legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct applicable to employees and Directors; and
- reviewing the Company’s compliance with the code and disclosure in this Corporate Governance Report.

During the year ended 31 December 2016, one Corporate Governance Committee meeting was held to review and make recommendations to the Board on the Company’s policies and practices on corporate governance. All members of the Corporate Governance Committee attended the meeting.

企業管治委員會

本集團已成立企業管治委員會（「企業管治委員會」）。企業管治委員會現時由三名執行董事李向鴻先生、劉力揚先生及張曙光先生組成。李向鴻先生為企業管治委員會主席。

企業管治委員會負責以下各方面：

- 制定及審核本公司之企業管治政策及常規並向董事會提供推薦建議；
- 審核及監察董事及高級管理層之培訓及持續專業發展；
- 審核及監察本公司關於遵守適用法律及監管規定之政策及常規；
- 制定、審核及監察適用於僱員及董事之操守守則；及
- 審核本公司遵守本公司管治報告書內所載守則及披露的情況。

截至二零一六年十二月三十一日止年度，本公司舉行一次企業管治委員會會議，以審閱本公司企業管治政策及慣例及就此向董事會作出推薦建議。所有企業管治委員會成員均有出席會議。

CORPORATE GOVERNANCE REPORT

公司管治報告書

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Company and ensure that they are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of such financial statements.

The statement of the external auditors of the Company, Ascenda Cachet CPA Limited, with regard to their reporting responsibilities on the Company's financial statements is set out in the Auditor's Report on pages 74 to 83.

AUDITORS' REMUNERATION

The remuneration paid/payable to the Company's external auditors (including any entity under common control, ownership or management with the external auditors or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally) during the year is as follows:

Audit services	審核服務
Non-audit services	非審核服務

董事對財務報表的責任

董事知悉彼等就編製本公司財務報表的責任，並確保該等財務報表已根據法定規定及適用會計準則編製，董事亦確保及時公佈該等財務報表。

本公司外部核數師天健德揚會計師事務所有限公司有關其就本公司財務報表的報告責任的聲明載於第74至83頁之核數師報告。

核數師酬金

年內，已付／應付予本公司外部核數師（包括任何與外聘核數師受同一機構控制、擁有或管理，或掌握所有相關資料的第三方能合理地推斷其為該核數師事務所的全國或國際分部的機構）之酬金如下：

2016
二零一六年
HK\$' 000
千港元
2,940
880

RISKS MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibilities to maintain a sound and effective risks management and internal control systems of the Group to safeguard the shareholders' investment and the Company's assets. The Group has established guidelines and procedures for the approval and control of expenditure. Operating expenditures and capital expenditures are subject to the overall budget control and approval process prior to commitment.

The Company has established an internal audit function. The Board has, through the Audit Committee of the Company, conducted the annual review of the effectiveness of the Company's internal controls and risk management system for the year ended 31 December 2016. The review covered all material controls including financial, operational and compliance controls and risk management functions. There were no significant control failings, weaknesses or significant areas of concern identified during the year which might affect shareholders.

The Group handles and disseminates inside information with due care. Staff is required to comply with and maintain the strict confidentiality of the information. Only personnel at appropriate level can get reach of price sensitive and inside information.

COMPANY SECRETARY

The Company Secretary, Ms. Leung Lai Seung, appointed on 23 January 2017, is responsible for facilitating the Board process, as well as communications among Board members, with shareholders and the management. Ms. Leung's biography is set out in the "Biographical Details of the Directors and the Senior Management" section on page 52. During the year, Ms. Leung took not less than 15 hours of relevant professional training to update her skills and knowledge.

COMMUNICATION WITH SHAREHOLDERS

The Company's annual general meeting and extraordinary general meetings provide the principal channels of communication with its shareholders which provide opportunities for shareholders to share views with the Board.

Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

風險管理及內部監控

董事會全權負責確保本集團的風險管理及內部監控系統穩健妥善而且有效，以保障股東的投資及本公司的資產。本集團已就開支之批核及控制建立指引及程序。營運開支及資本開支均須於承諾前按照整體預算控制及批核程序執行。

本公司設有內部審核職能。董事會透過本公司之審核委員會，已對本公司截至二零一六年十二月三十一日止年度內部監控及風險管理系統之成效進行了年度檢討，有關檢討涵蓋所有重要的監控方面，包括財務監控、運作監控及合規監控以及風險管理功能。年內並無察覺可能會對股東構成影響的重大監控失誤、弱項或重大關注事項。

本集團審慎處理和發放內幕消息。員工必須嚴格遵守及維持消息之保密性。僅適當級別的人員才獲准接觸價格敏感資料及內幕消息。

公司秘書

公司秘書梁麗嫦女士於二零一七年一月二十三日獲委任負責協助董事會流程，及董事會成員與股東及管理層之間的溝通。梁女士之簡歷載於第52頁「董事及高級管理層履歷」。於年內，梁女士接受不少於15個小時相關專業培訓，以更新其技能及知識。

與股東的溝通

本公司的股東週年大會及股東特別大會提供與股東溝通的主要渠道，亦為股東提供與董事會交流意見的機會。

守則條文A.6.7條規定，獨立非執行董事及其他非執行董事應出席股東大會，以對股東的意見有公正的了解。

CORPORATE GOVERNANCE REPORT

公司管治報告書

Due to other business engagements, some Independent Non-Executive Directors of the Company could not attend the annual general meeting of the Company held on 24 June 2016 and some extraordinary general meetings of the Company. However, at the respective general meetings of the Company, there were Executive Directors and some other Independent Non-Executive Directors present to enable the Board to develop a balanced understand of the views of the Shareholders.

SHAREHOLDERS' RIGHTS

Convening extraordinary general meeting and putting forward proposals at Shareholders' meetings

Under the Company's Articles, the Board, on the requisition of shareholders of the Company holding not less than one-tenth of the paid up capital of the Company by sending a written notice to the Board or the Company Secretary at the Company's principal place of business in Hong Kong, shall convene an extraordinary general meeting to address specific issues specified in such requisition of the Company within 21 days from the date of deposit of written notice. The same requirement and procedure also apply to any proposal to be tabled at shareholders' meetings for adoption.

ENQUIRIES TO THE BOARD

Enquiries may be put to the Board through the Company's Principal Place of Business in Hong Kong at Units 7809-7812, The Center, 99 Queen's Road Central, Central, Hong Kong (email: info@munsun.hk).

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2016, there is no change in the Company's constitutional documents.

由於其他業務委聘，部分本公司獨立非執行董事未能出席本公司於二零一六年六月二十四日舉行的股東週年大會及本公司的部分股東特別大會。然而，執行董事及部分其他獨立非執行董事已出席本公司各股東大會，致使董事會對股東的意見有公正的了解。

股東權利

召開股東特別大會及於股東大會上提出議案

根據本公司之細則，持有不少於本公司繳足股本十分之一之本公司股東透過向董事會或公司秘書發出書面通告並送交至本公司香港主要營業地點方式發出要求，則董事會須於書面通告寄發日期起計21日內召開股東特別大會，以解決本公司相關要求所詳載之特別事件。同等要求及程序亦適用於提呈於股東大會以供採納之任何建議。

向董事會作出查詢

股東可透過本公司的香港主要營業地點向董事會作出查詢，地址為香港皇后大道中99號中環中心7809-7812室(電郵地址：info@munsun.hk)。

章程文件

截至二零一六年十二月三十一日止年度，本公司的章程文件並無變動。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

董事及高級管理層履歷

DIRECTORS

Executive Directors

Mr. Li Xianghong (李向鴻), aged 49, was first appointed as a non-executive director of the Company from 1 April 2014 to 9 July 2014. He was appointed as an executive director on 10 July 2015 and appointed as the chairman and the chief executive officer of the Company on 7 August 2015. He is currently the chairman of the Corporate Governance Committee, the chairman of the Nomination Committee and a member of the Remuneration Committee. He holds a bachelor's degree in history from Anhui Normal University and a master's degree in Law from the Party School of the Central Committee of the Communist Party of China. Since 2007, Mr. Li Xianghong has been acting as the chairman of Shenzhen Munsun Asset Management Co., Ltd. He has been acting as the executive director and chief executive officer of Munsun Assets Management Ltd since 2009. Mr. Li Xianghong has extensive experience in the investment and finance sectors in the PRC. Mr. Li Xianghong was a non-executive director of L' Sea Resources International Holdings Limited from 8 March 2013 to 1 April 2014, this company is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Mr. Liu Liyang (劉力揚), aged 57, was appointed as executive director of the Company on 13 October 2015. He was appointed as a member of the Corporate Governance Committee on 30 March 2017. He has 16 years of experience in the investment banking industry. Mr. Liu was appointed as an executive director, the deputy chairman of the board and the chief executive officer and a member of the remuneration committee of eForce Holdings Limited (stock code: 943) ("eForce") on 19 August 2010 and was further appointed as a member of the nomination committee of eForce on 29 March 2012. Before joining eForce, he was the co-head of the China Investment Banking of Nomura International (HK) Limited. He has also worked in Merrill Lynch (Asia Pacific) Limited, China International Capital Corporation Limited and Morgan Stanley & Co. Inc.. Mr. Liu is also an independent non-executive director, a member of each of the audit committee and the nomination committee and the chairman of the remuneration committee of Beautiful China Holdings Company Limited (stock code: 706). Mr. Liu holds an MBA degree from Columbia University.

董事

執行董事

李向鴻先生，49歲，於二零一四年四月一日至二零一四年七月九日期間曾首次獲委任為本公司非執行董事。彼於二零一五年七月十日獲委任為執行董事並於二零一五年八月七日獲委任為本公司主席兼行政總裁。彼現為企業管治委員會主席、提名委員會主席及薪酬委員會成員。彼持有安徽師範大學歷史學學士學位及中共中央黨校法學碩士學位。自二零零七年起，李向鴻先生擔任深圳市麥盛資產管理有限公司董事長。彼於二零零九年起擔任麥盛資產管理有限公司執行董事兼行政總裁。李向鴻先生於中國投資及金融領域擁有豐富經驗。李向鴻先生於二零一三年三月八日至二零一四年四月一日擔任利海資源國際控股有限公司之非執行董事，該公司於香港聯合交易所有限公司主板上市。

劉力揚先生，57歲，於二零一五年十月十三日獲委任為本公司執行董事。彼於二零一七年三月三十日獲委任為企業管治委員會成員。彼於投資銀行業擁有16年經驗。劉先生於二零一零年八月十九日獲委任為意科控股有限公司(股份代號：943)(「意科」)之執行董事、董事會副主席兼行政總裁以及薪酬委員會成員，並於二零一二年三月二十九日進一步獲委任為意科之提名委員會成員。於加入意科前，他曾擔任野村國際(香港)有限公司中國投資銀行部聯席主管。彼亦曾於美林(亞太)有限公司、中國國際金融有限公司及Morgan Stanley & Co. Inc.工作。劉先生亦為美麗中國控股有限公司(股份代號：706)之獨立非執行董事、審核委員會及提名委員會成員兼薪酬委員會主席。劉先生持有哥倫比亞大學工商管理碩士學位。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Wang Hao (王浩), aged 52, was appointed as an independent non-executive director on 10 July 2015 and was re-designated as an executive director of the Company on 9 August 2016. He obtained a master's degree in economics in the Research Institute for Fiscal Science, Ministry of Finance, P.R. China and obtained a master's degree in economics in Jilin College of Finance and Trade. Mr. Wang has been acting as the chief executive officer of Shenzhen Munsun Asset Management Company Limited since August 2016. He was the deputy general manager of investment department in Qian Hai Life Insurance Co., Ltd. from October 2011 to May 2015. He was also the chief investment officer in Sino Life Insurance Co., Ltd. from September 2009 to October 2011 and the chief investment officer (vice president) in Dubon Property & Casualty Insurance Co., Ltd. from October 2006 to September 2009. Besides, Mr. Wang has worked in various insurance and securities companies and has extensive experiences in securities investment, capital operating as well as corporate management.

Mr. Zhang Lirui (張利銳), aged 45, was appointed as executive director of the Company on 10 July 2015. He graduated from Shenzhen University and Huazhong University of Science & Technology and holds a bachelor's degree in international finance and postgraduate in economics. Mr. Zhang Lirui has more than 23 years of experiences in the business sectors of market capital and securities. During the years from 1992 to 2008, Mr. Zhang Lirui worked successively in the market capital, credit and organization departments and sub-branches of the Shenzhen Branch of the Industrial and Commercial Bank of China Limited. Mr. Zhang Lirui was one of the founders of Munsun Assets in 2008 and since then he has been acting as an executive director and the chief operation officer of Munsun Assets. He was a director of Munsun Assets Management Ltd from August 2012 to December 2013 and a director of Munsun Asset Management (Asia) Limited from October 2012 to May 2014. At present, he is in charge of the marketing, sales and distribution of Munsun Assets Management Ltd.

王浩先生，52歲，於二零一五年七月十日獲委任為獨立非執行董事，並於二零一六年八月九日調任為本公司執行董事。彼獲得中國財政部財政科學研究所經濟學碩士學位，並獲得吉林財貿學院經濟學碩士學位。自二零一六年八月起至今，王先生擔任深圳市麥盛資產管理有限公司之首席執行官。彼於二零一一年十月至二零一五年五月擔任前海人壽保險股份有限公司投資部副總經理。彼亦於二零零九年九月至二零一一年十月期間擔任生命人壽保險股份有限公司投資總監；於二零零六年十月至二零零九年九月期間擔任都邦財產保險股份有限公司投資總監(副總裁)。此外，王先生亦曾於多間保險及證券公司任職，並於證券投資、資本運作及企業管理方面擁有豐富經驗。

張利銳先生，45歲，於二零一五年七月十日獲委任為本公司執行董事。彼畢業於深圳大學及華中科技大學，並持有國際金融學學士學位及為經濟學研究生。張利銳先生於市場資本及證券業務領域擁有逾23年經驗。於一九九二年至二零零八年，張利銳先生先後於中國工商銀行股份有限公司深圳分行資金部、信貸部、機構部和支行就職。二零零八年為麥盛資產創始人之一，至今一直任執行董事及首席運營官。彼於二零一二年八月至二零一三年十二月擔任麥盛資產管理有限公司董事及於二零一二年十月至二零一四年五月擔任麥盛資產管理(亞洲)有限公司董事。目前，彼負責麥盛資產管理有限公司的市場營銷、銷售及分銷工作。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Zhang Liwei (張力維), aged 38, was appointed as an executive director of the Company on 1 January 2012 and was the chief Financial Officer of the Company from 1 January 2012 to 20 September 2016. Mr. Zhang was most recently Senior Vice President with Macquarie Capital. Mr. Zhang has over 10 years' experience in providing investment-banking services such as mergers and acquisitions, divestments, debt and equity capital raisings. Throughout his career, Mr. Zhang has worked for various international companies, such as N M Rothschild & Sons, Citigroup, HSBC and Macquarie Capital. Mr. Zhang received his bachelor's degree in Economics with First Class Honors from London School of Economics and Political Science in United Kingdom.

Mr. Zhang Shuguang (張曙光), aged 47, was appointed as an executive director of the Company on 6 September 2011 and was the Chief Executive Officer of the Company from 6 September 2011 to 6 August 2015. He is currently a member of the Corporate Governance Committee. Mr. Zhang holds a master's degree in Engineering from Nippon Institute of Technology and possesses the professions in mining field. Mr. Zhang has over fifteen years of experience in mergers and acquisition and business management. He is primary responsibility for the Group's acquisition strategies and operation management.

張力維先生，38歲，於二零一二年一月一日獲委任為本公司執行董事且曾於二零一二年一月一日至二零一六年九月二十日期間出任本公司首席財務官。張先生曾任麥格理資本高級副總裁。張先生在提供投資銀行服務方面擁有逾十年經驗，包括併購、出售資產、債務及股本融資等業務。於過往在職期間，張先生曾任職於洛希爾父子、花旗集團、滙豐銀行及麥格理資本等眾多國際公司。張先生持有英國倫敦政治經濟學院經濟學一級榮譽學士學位。

張曙光先生，47歲，於二零一一年九月六日獲委任為本公司執行董事且曾於二零一一年九月六日至二零一五年八月六日期間出任本公司行政總裁。彼現為企業管治委員會成員。張先生持有日本工業大學之工程碩士學位，擁有地礦專業職稱。彼擁有逾十五年併購及企業管理經驗，及主要負責本集團之收購策略規劃及營運管理。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

董事及高級管理層履歷

Independent non-executive Directors

Mr. Wu Tai Cheung (胡大祥), aged 59, was appointed an independent non-executive director, the chairman of the Audit Committee, a member of Remuneration Committee and Nomination Committee of the Company on 3 October 2016. Mr. Wu is currently the chief financial officer and company secretary of Yee Hop Holdings Limited (stock code: 1662) and the joint company secretary of Shenyang Public Utility Holdings Company Limited (stock code: 0747). Mr. Wu has over 16 years of experience in accounting and corporate finance. Mr. Wu has served various public-listed companies in Hong Kong holding positions such as financial controller, company secretary and chief financial officer, Mr. Wu also served as an independent non-executive director of BEP International Holdings Limited (stock code: 2326). The aforesaid companies are listed on the main board of the Stock Exchange.

Mr. Wu obtained a bachelor's degree in arts in accountancy from the University of Bolton and master's degree in business administration from the University of Newcastle, Australia, Mr. Wu is currently a member of the Hong Kong Institute of Certified Public Accountants, an associate member of The Taxation Institute of Hong Kong, a fellow member of the Association of Chartered Certified Accountants, an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators.

獨立非執行董事

胡大祥先生，59歲，於二零一六年十月三日獲委任為本公司獨立非執行董事、審核委員會主席、薪酬委員會及提名委員會成員。胡先生目前為義合控股有限公司（股份代號：1662）之財務總監兼公司秘書以及瀋陽公用發展股份有限公司（股份代號：0747）聯席公司秘書。胡先生於會計及企業融資方面擁有逾16年經驗。胡先生曾在多家香港公眾上市公司擔任財務總監、公司秘書及首席財務官等職位。胡先生亦曾擔任百靈達國際控股有限公司（股份代號：2326）之獨立非執行董事。上述公司均於聯交所主板上市。

胡先生於波爾頓大學(University of Bolton)取得會計學文學士學位及澳洲紐卡素大學(University of Newcastle)獲得工商管理碩士學位。胡先生現為香港會計師公會會員、香港稅務學會初級會員、特許公認會計師公會資深會員、香港特許秘書公會會員及特許秘書及行政人員公會會員。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

董事及高級管理層履歷

Professor Xiao Rong Ge (肖榮閣), aged 68, was appointed as an independent non-executive Director and a member of the Audit Committee of the Company on 21 January 2010. Professor Xiao obtained his PhD in Professional Geology from the China University of Geosciences (Beijing). He is currently a professor of Professional Geology and mentor to doctoral students at the China University of Geosciences (Beijing). Professor Xiao has long been conducting research work in the fields of geology, mineral exploration and economic evaluation. He participated in the fieldwork of geological inspection of metal minerals by an integrated exploration team of the geological exploration company of the Ministry of Metallurgical Industry of China, mainly at the regions of Langshan mountain Bayan Obo, Manzhouli and Daxinganling of Inner Mongolia, PRC. He also took part in the geological research work of the Three-River Area of Yunnan and the system research of meso-cenozoic geological minerals and sylvite and copper minerals in Yunnan. As a post-doctoral researcher at the Institute of Geochemistry Chinese Academy of Sciences, he engaged in geological geochemistry research, focusing research on the formation of meso-cenozoic sandstone-type copper minerals. He is currently specialised in gold and silver deposits research, and has splendid achievement in hydrothermal fluid and hydrothermal sedimentary rock research. His monograph named "Mineralisation Rule and Anticipation of Gold Minerals in the Innermost Part of Xiao Qin Ling" 《小秦嶺深部金礦成礦規律與成礦預測》 was published in 2009. Professor Xiao had engaged in the projects of the National Science Foundation of China, basic technical research projects of the Department of Technology, Ministry of Land and Resources, national geological inspection projects, open laboratory projects on geochemistry of the Chinese Academy of Sciences and related provincial projects of the Department of Land and Resources and various mining enterprises projects, and was awarded a Third Class Award of Technological Progress by the Ministry of Geology and Mineral Resources, a First Class Award and a Second Class Award of Technological Achievement by the Ministry of Land and Resources. Professor Xiao had engaged in consultant services for mining investment, valuation for financing, mining rights valuation and technical inspection, and had conducted valuation of mining resources for various mining enterprises.

肖榮閣教授，68歲，於二零一零年一月二十一日獲委任為本公司獨立非執行董事兼審核委員會成員。肖教授持有中國地質大學(北京)礦床學專業博士學位。彼現為中國地質大學(北京)礦床學專業教授，博士生導師。肖教授長期從事礦床學、礦產勘查與經濟評價方面的研究，曾在中國冶金工業部華北地質勘查公司綜合普查大隊從事金屬礦產野外地質調查工作，工作區域主要在中國內蒙古狼山—白雲鄂博、滿洲里及大興安嶺地區；亦曾參與雲南三江地區地質研究工作，對雲南中生代地質礦產及鉀鹽礦產與銅礦地質進行了系統研究。彼在中國科學院地球化學研究所做博士後，從事礦床地球化學研究，專攻中生代砂岩銅礦成因研究。現專攻金銀礦床研究，於熱水流體類型及熱水沉積岩類型方面取得重要研究成果；二零零九年出版專著《小秦嶺深部金礦成礦規律與成礦預測》。肖教授先後承擔國家自然科學基金項目、國土資源部科技司基礎研究項目、國家地調項目、中國科學院礦床地球化學開放研究室項目、相關省國土資源廳項目及多項礦山企業項目，並獲得原地質礦產部科技進步三等獎一項、國土資源部科技成果一等獎一項和二等獎一項。肖教授曾承擔礦業投資、融資評估、礦業權評估及勘查技術諮詢工作，先後為多家礦山企業作礦產評估。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Yin Chenggang (尹成剛), aged 52, was appointed an independent non-executive director, the chairman of the Remuneration Committee and a member of Audit Committee and Nomination Committee of the Company on 4 January 2017. Mr. Yin graduated from Southwest University of Political Science and Law in 1986 with a Bachelor's Degree in Law and now holds a Doctor's Degree in Civic and Commercial Law from China University of Political Science and Law. He has nearly 30 years of legal practice and specializes in providing legal service for the property of development and construction, investment and financing management, corporate governance, merger and acquisition, the commercial litigation and arbitration etc. Now he is the Founder and Managing Partner of Shengtang Law Firm of China, the vice president of Shenzhen Lawyers Association, and the arbitrator of Shenzhen Arbitration Commission. He obtained the qualification of independent director of listed companies from the China securities regulatory commission (CSRC) in 2011.

Senior Management

Dr. SHI, Simon Hao ("Dr. SHI"), aged 52, was appointed as the chief financial officer of the Company with effect from 20 September 2016. He has over 15 years of experience in financial management, fund and asset management. Prior to joining the Company, Dr. SHI has served various international investment groups and public-listed companies in the PRC, Taiwan and Hong Kong holding various positions such as manager, financial controller, vice president, and chief financial officer. He was appointed as a financial officer of the Company in September 2015. He was appointed as an non-executive director of L'Sea Resources International Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on April 1, 2014, and was re-designated as an executive director on March 31, 2015.

Dr. SHI graduated from Fudan University with a bachelor's degree in Biophysics in 1987 and obtained a PhD degree at State University of New York Downstate Medical School in 1995, followed by a postdoctoral fellowship at an affiliate hospital of Harvard Medical School, Harvard University in 1998. Dr. SHI received his MBA degree from University of Southern California Marshall School of Business in 2000.

尹成剛先生，52歲，於二零一七年一月四日獲委任為本公司獨立非執行董事、薪酬委員會主席，以及審核委員會及提名委員會成員。尹先生於一九八六年畢業於西南政法大學，獲得法學學士學位，現持有中國政法大學民商法博士研究生學位。彼擁有近30年執業律師經歷，專於房地產開發與工程建設、投融資管理、公司治理、公司併購、商事訴訟與仲裁等法律業務。彼現為盛唐律師事務所創始人暨執行合夥人，深圳市律師協會副會長及深圳仲裁委員會仲裁員。彼於二零一一年獲得中國證監會上市公司獨立董事任職資格。

高級管理層

SHI, Simon Hao博士（「SHI博士」）52歲，於二零一六年九月二十日獲委任為本公司之首席財務官。SHI博士於財務管理、基金及資產管理方面擁有超過15年經驗。加入本公司之前，SHI博士曾就職於中國、台灣及香港多間國際投資集團及上市公司，擔任經理、財務總監、副總裁及首席財務官等多項職務。彼於二零一五年九月獲委任為本公司之財務官。彼於二零一四年四月一日獲委任為利海資源國際控股有限公司（於香港聯合交易所有限公司（「聯交所」）上市的公司）之非執行董事，並於二零一五年三月三十一日調任為執行董事。

SHI博士於一九八七年畢業於復旦大學，獲生物物理學學士學位，並於一九九五年取得於紐約州立大學下州醫學院博士學位，隨後於一九九八年成為哈佛大學醫學院博士後研究員。SHI博士於二零零零年獲得美國南加州大學工商管理碩士學位。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Deng Guoli (鄧國利), aged 51, was appointed as the vice-president and chief engineer of the Group on 21 January 2010, and the executive director of the Company on 3 March 2011. He resigned as the executive director of the Company on 9 August 2016 and remained as the chief engineer of the Group. Mr. Deng holds a bachelor's degree in Geology from East China Geological Institute, a master's degree in Business Administration from the Management School of Xi An Jiao Tong University (西安交通大學管理學院). He is currently a senior geological engineer. Mr. Deng worked in Geological Team 211 (Northwestern) of China's Nuclear Industry Authority (中國核工業部西北二一一地質大隊) and had respectively held the positions of Geological Technician, Assistant Engineer, Engineer and Senior Engineer, Project Technology Supervisor and Project Supervisor. He also served as the Assistant to Mine Manager at Shanxi Pangjiahe Gold Mine (陝西龐家河金礦礦長助理). Mr. Deng had long been engaging in the investigations for regional mineral production, surveys, exploration, mine exploitation and gold heap leaching. He has extensive experience and knowledge in the areas of geological evaluation of mines, mine construction, mine selection and production, and operational management.

鄧國利先生，51歲，於二零一零年一月二十一日獲委任為集團副總裁兼工程師。於二零一一年三月三日獲委任為本公司執行董事。彼於二零一六年八月九日辭任本公司執行董事並留任為本集團總工程師。鄧先生持有華東地質學院地質系地質學學士學位，西安交通大學管理學院工商管理碩士學位。彼現為地質高級工程師。鄧先生曾在中國核工業部西北二一一地質大隊工作，歷任地質技術員、助理工程師、工程師、高級工程師、項目技術主管和項目主管職稱；亦曾任陝西龐家河金礦礦長助理。鄧先生長期從事區域礦產調查、普查、勘探、礦山開採和黃金堆浸工作，在礦山的地質評價、礦山建設、選礦生產和經營管理等方面擁有豐富的經驗和很高的水平。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

董事及高級管理層履歷

Ms. Leung Lai Seung (梁麗嫦), aged 55, was appointed as the company secretary of the Company on 23 January 2017. Ms. Leung served as Company Secretary of Ceneric (Holdings) Limited (Stock Code: 542) between April 2011 to December 2016. She is a fellow member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. She also holds a Professional Diploma in Company Secretaryship and Administration from Hong Kong Polytechnic (now known as Hong Kong Polytechnic University) and an Executive Diploma in Corporate Governance and Pragmatic Business Ethics from the University of Hong Kong. She possesses over 20 years of experience in handling company secretarial practice and corporate governance matter for listed companies.

梁麗嫦女士，55歲，於二零一七年一月二十三日獲委任為本公司之公司秘書。梁女士於二零一一年四月至二零一六年十二月期間曾擔任新嶺域（集團）有限公司（股票代號：542）之公司秘書。彼為英國特許秘書及行政人員公會以及香港特許秘書公會之資深會員。彼並持有香港理工學院（現稱香港理工大學）頒發之公司秘書及行政專業文憑以及香港大學頒發之行政人員文憑（公司管治及商業道德）。彼在處理上市公司之公司秘書事務及企業管治事務方面積逾20年經驗。

The Directors hereby submitting the annual report and the audited financial statements for the year ended 31 December 2016.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at the Company's extraordinary general meeting held on 19 September 2016, the name of the Company was changed from China Precious Metal Resources Holding Co., Ltd. to Munsun Capital Group Limited with effect from 20 September 2016.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The principal activities of its principal subsidiaries are set forth in note 28(a) to the financial statements. The discussion and analysis as required by schedule 5 to the Hong Kong Companies Ordinance are set out on pages 10 to 31. This discussion forms part of the report of the directors.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2016 are set out in the consolidated income statement and consolidated statement of comprehensive income on pages 84 and 85.

The Directors do not recommend the payment of any dividend for the year ended 31 December 2016.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out in page 247.

董事謹此提呈截至二零一六年十二月三十一日止年度之年報及經審核財務報表。

更改公司名稱

根據於二零一六年九月十九日舉行之本公司股東特別大會上通過之一項特別決議案，本公司之名稱自二零一六年九月二十日起由「中國貴金屬資源控股有限公司」更改為「麥盛資本集團有限公司」。

主要業務及業務回顧

本公司為投資控股公司，其主要附屬公司之主要業務載於財務報表附註 28(a)。香港公司條例附表 5 規定之討論及分析載於第 10 至 31 頁，此討論構成董事會報告之一部份。

業績及股息

本集團截至二零一六年十二月三十一日止年度之業績載於第 84 及 85 頁的綜合損益表及綜合全面收益表。

董事並不建議就截至二零一六年十二月三十一日止年度派付任何股息。

五年財務概要

本集團於過去五個財政年度之業績及資產與負債概要載於第 247 頁。

REPORT OF THE DIRECTORS

董事會報告

RESERVES

Details of movement in the reserves of the Group and the Company during the year are set out in the consolidated statement of change in equity on pages 88 and 89 and note 25 to the financial statements respectively.

FIXED ASSETS

Particulars of the movements in fixed assets of the Group during the financial year are set forth in note 13 to the financial statements.

BORROWINGS

Particulars of bank and other borrowings of the Group as at 31 December 2016 are set out in note 22 to the financial statements.

CONVERTIBLE BONDS

During the year, the Company completed the Convertible Bonds Restructure. Details of the Convertible Bonds Restructure and the particulars of convertible bonds as at 31 December 2016 are set out in note 23 to the financial statements.

儲備

本集團及本公司年內儲備之變動詳情分別載於第 88 及 89 頁的綜合權益變動表及財務報表附註 25。

固定資產

有關本集團固定資產於財政年度內之變動詳情載於財務報表附註 13。

貸款

有關本集團於二零一六年十二月三十一日銀行及其他貸款之詳情載於財務報表附註 22。

可換股債券

年內，本公司已完成可換股債券重組，而於二零一六年十二月三十一日可換股債券之詳情載於財務報表附註 23。

SHARE CAPITAL

During the year, the Company has completed share subscriptions and share placements with total net proceeds of approximately HK\$1,127 million, details are as follows:

1. On 27 January 2016, the Company entered into a placing agreement with an independent placing agent (the "Placing Agreement") whereby the Company conditionally agreed to place, through the placing agent, on a best effort basis, up to 6,500,000,000 new Shares of the Company to not less than six independent placees (the "General Subscribers") at HK\$0.23 per share (the "General Share Subscription").

The completion of the first tranche of the General Share Subscription took place on 6 April 2016 and an aggregate of 1,819,043,382 Shares have been allotted and issued to more than six General Subscribers.

The remaining tranche of the General Share Subscription took place on 20 April 2016 and an aggregate of 1,585,802,400 Shares have been allotted and issued to the General Subscribers. The total Shares of 3,404,845,782 was allotted and issued under a specific mandate obtained at the extraordinary general meeting of the Company held on 12 March 2016.

The net proceeds from the General Share Subscription, after deducting related expenses, are approximately HK\$780 million. During the year, the net proceeds were used for the Group's general working capital of production costs, administrative expenses and finance costs of approximately HK\$142 million, HK\$38 million and HK\$138 million respectively, the capital expenditure of HK\$184 million and reduction of the Group's debts of HK\$278 million.

股本

於本年度內，本公司完成股份認購及股份配售(所得款項淨額合共約1,127百萬港元)，有關詳情如下：

1. 於二零一六年一月二十七日，本公司與獨立配售代理訂立配售協議(「配售協議」)，據此，本公司有條件同意透過配售代理按盡力基準向不少於六名獨立承配人(「一般認購人」)按每股0.23港元配售6,500,000,000股本公司新股份(「一般股份認購」)。

第一批一般股份認購於二零一六年四月六日完成，且合共1,819,043,382一般認購股份配發及發行予多於六名一般認購人。

餘下一批一般股份認購於二零一六年四月二十日進行，且合共1,585,802,400一般認購股份配發及發行予一般認購人。合共3,404,845,782一般認購股份根據本公司於二零一六年三月十二日召開的股東特別大會上獲得的特殊授權獲配發及發行。

一般股份認購之所得款項淨額經扣除相關開支後約為780百萬港元。於本年度內，所得款項淨額乃用作本集團分別約為142百萬港元、38百萬港元及138百萬港元之生產成本、行政開支及財務費用等一般營運資金、資本開支184百萬港元以及減少本集團債務278百萬港元。

REPORT OF THE DIRECTORS

董事會報告

2. On 30 March 2016, the Company issued and allotted approximately 434,783,000 and 1,078,261,000 new Shares at an issue price of HK\$0.23 by share subscriptions to Munsun Assets and Tai Ning respectively, with net proceeds of approximately HK\$99.7 million and HK\$247.3 million respectively, with an aggregate net proceeds of HK\$347 million. During the year, the net proceeds were used for the Group's general working of production costs, administrative expenses, finance costs of HK\$103 million, HK\$19 million and HK\$48 million respectively, the capital expenditure of HK\$28 million and reduction of the Group's debts of HK\$149 million. Details of the above transactions are set out in the section headed "Connected Transactions" in the report of the directors

Save as disclosed above, the Company issued and allotted new Shares in relation to capitalisation of loans due to Munsun Assets and Munsun Asia and the Convertible Bonds Restructure. Details of the above transactions and the movements of share capital of the Company are set out in the section headed "Connected Transactions" in the report of the directors and notes 23 and 25(b) in the financial statements.

2. 於二零一六年三月三十日，本公司透過股份認購按發行價0.23港元分別向麥盛資產及泰寧發行及配發本公司約434,783,000股及1,078,261,000股新股份，所得款項淨額分別約為99.7百萬港元及247.3百萬港元，所得款項淨額合共為347百萬港元。於本年內，本集團之所得款項淨額乃用作分別為103百萬港元、19百萬港元及48百萬港元之生產成本、行政開支及財務成本等一般營運資金、資本開支28百萬港元以及減少本集團債務149百萬港元。上述交易之詳情載於董事會報告「關連交易」一節

除上文所披露者外，本公司已就麥盛資產及麥盛亞洲資本化應付貸款以及可換股債券重組發行及配發新股份。上述交易及本公司股本變動之詳情載於董事會報告「關連交易」一節及財務報表附註23及25(b)。

CONNECTED TRANSACTIONS

1. On 29 January 2016, the Company entered into agreements with Munsun Assets and Munsun Asia respectively (“Loan Capitalisation Agreements”). Pursuant to the Loan Capitalisation Agreements, Munsun Assets and Munsun Asia conditionally agreed to subscribe for an aggregate amount of approximately 597,120,000 new Shares of the Company at the subscription price of HK\$0.23 per share by capitalisation of loans, including accrued interest on the loans, of approximately HK\$137 million as at 29 January 2016 due by the Company to Munsun Assets and Munsun Asia (“Loan Capitalisation”).

On the same date, the Company and Munsun Assets entered into a subscription agreement, pursuant to which Munsun Assets conditionally agreed to subscribe for an aggregate amount of approximately 434,783,000 new Shares of the Company at the subscription price of HK\$0.23 per share for a consideration of HK\$100 million (“Munsun Assets Subscription Agreement”).

On 30 March 2016, the above transactions completed and the Company issued and allotted an aggregate amount of approximately 434,783,000 new Shares of the Company to Munsun Assets from the share subscription with net proceeds approximately HK\$99.7 million after deducting issuing expenses (“Munsun Assets Share Subscription”) and the 597,120,000 new Shares of the Company to Munsun Assets and Munsun Asia for the Loans Capitalisation.

關連交易

1. 於二零一六年一月二十九日，本公司分別與麥盛資產及麥盛亞洲訂立協議（「貸款資本化協議」）。根據貸款資本化協議，麥盛資產及麥盛亞洲有條件同意透過將本公司於二零一六年一月二十九日欠負麥盛資產及麥盛亞洲約137百萬港元之貸款（包括應計貸款利息）資本化（「貸款資本化」），按認購價每股0.23港元認購本公司合共約597,120,000股新股份。

同日，本公司與麥盛資產訂立認購協議，據此，麥盛資產有條件同意按認購價每股0.23港元認購本公司合共約434,783,000股新股份，代價為100百萬港元（「麥盛資產認購協議」）。

於二零一六年三月三十日，上述交易完成且本公司向麥盛資產發行及配發合共約434,783,000股本公司新股份，經扣除發行開支後，股份認購的所得款項淨額約為99.7百萬港元（「麥盛資產股份認購」），並就貸款資本化向麥盛資產及麥盛亞洲發行及配發597,120,000股本公司新股份。

REPORT OF THE DIRECTORS

董事會報告

As at the date of the Loan Capitalisation Agreements and Munsun Assets Subscription Agreement, Munsun Assets is the holder of 314,503,450 Shares in the Company representing approximately 5.7% of the existing issued share capital of the Company. Mr. Li, the Chairman and Chief Executive Officer of the Company and a connected person is the holder of 15,811 shares in Munsun Assets representing 31.63% of the existing issued share capital of Munsun Assets. Munsun Asia is a wholly-owned subsidiary of Munsun Assets. Munsun Assets and Munsun Asia are therefore associates of Mr. Li and connected persons of the Company under the Listing Rules and the Munsun Assets Share Subscription and the Loan Capitalisation constitute connected transactions of the Company under the Listing Rules. Further details of the Munsun Assets Share Subscription and the Loan Capitalisation are set out in the Company's announcements on 29 January 2016, 12 March 2016 and 30 March 2016 and the Company's circular dated 25 February 2016.

2. On 29 January 2016, the Company entered into a subscription agreement with Tai Ning Investment Holdings Limited ("Tai Ning") which is wholly-owned by Mr Liu Liyang ("Mr. Liu"), an executive Director of the Company. Pursuant to the subscription agreement, Tai Ning conditionally agreed to subscribe an aggregate amount of approximately 1,078,261,000 new Shares of the Company at the subscription price of HK\$0.23 per share for a consideration of HK\$248 million. On 30 March 2016, the above transaction completed and the Company issued and allotted approximately 1,078,261,000 new Shares of the Company to Tai Ning with net proceeds approximately HK\$247.3 million after deducting issuing expenses ("Tai Ning Share Subscription").

於貸款資本化協議及麥盛資產認購協議日期，麥盛資產為314,503,450股本公司股份(佔本公司現有已發行股本約5.7%)之持有人。李先生為本公司主席兼行政總裁及關連人士，持有15,811股麥盛資產股份，佔麥盛資產現有已發行股本之31.63%。麥盛亞洲為麥盛資產之全資附屬公司。因此，根據上市規則，麥盛資產及麥盛亞洲為李先生之聯繫人及本公司之關連人士，而麥盛資產股份認購及貸款資本化構成本公司根據上市規則之關連交易。麥盛資產股份認購及貸款資本化之進一步詳情載於本公司日期為二零一六年一月二十九日、二零一六年三月十二日及二零一六年三月三十日之公佈以及本公司日期為二零一六年二月二十五日之通函。

2. 於二零一六年一月二十九日，本公司與泰寧投資控股有限公司(「泰寧」，由本公司執行董事劉力揚先生(「劉先生」)全資擁有)訂立一份認購協議。根據認購協議，泰寧有條件同意按認購價每股0.23港元認購本公司合共約1,078,261,000股新股份，代價為248百萬港元。於二零一六年三月三十日，上述交易已完成而本公司已發行及配發約1,078,261,000股本公司股份予泰寧，經扣除發行開支後，所得款項淨額約為247.3百萬港元(「泰寧股份認購」)。

Mr. Liu is an executive Director of the Company. Tai Ning is a company wholly-owned by Mr. Liu and an associate of Mr. Liu. Tai Ning is therefore a connected person of the Company and the Tai Ning Share Subscription constitutes a connected transaction of the Company under the Listing Rules. Further details of the Tai Ning Share Subscription are set out in the Company's announcements on 29 January 2016, 12 March 2016 and 30 March 2016 and the Company's circular dated 25 February 2016.

Save as disclosed above, details of other non-exempted connected transactions entered into by the Company during the year were set out in the section headed "Mergers and Acquisitions and Disposal" in the Management Discussion and Analysis in this annual report. The related party transactions as disclosed in notes 34 (a)(iv) to (viii) to the financial statements are fully exempted connected transactions under chapter 14A of the Listing Rules.

劉先生為本公司執行董事。泰寧乃由劉先生及劉先生之聯繫人全資擁有之公司。因此，根據上市規則，泰寧為本公司之關連人士而泰寧股份認購構成本公司之關連交易。泰寧股份認購之進一步詳情載於本公司日期為二零一六年一月二十九日、二零一六年三月十二日及二零一六年三月三十日之公佈以及本公司日期為二零一六年二月二十五日之通函。

除上文所披露外，本公司於年內訂立的其他非豁免關連交易載於本年報管理層討論及分析「併購及出售」一節。根據上市規則第十四A章，財務報表附註34(iv)至(viii)所載各關連人士交易，乃全面豁免於關連交易。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors:

Mr. Li Xianghong (*Chairman and Chief Executive Officer*)

Mr. Liu Liyang

Mr. Wang Hao

(*re-designated as Executive Director on 9 August 2016*)

Mr. Zhang Lirui

Mr. Zhang Liwei

Mr. Zhang Shuguang

Mr. Chang Yim Yang (*resigned on 9 August 2016*)

Mr. Lam Cham (*resigned on 9 August 2016*)

Mr. Deng Guoli (*resigned on 9 August 2016*)

Independent Non-Executive Directors:

Professor Xiao Rong Ge

Mr. Wu Tai Cheung (*appointed on 3 October 2016*)

Mr. Yin Chenggang (*appointed on 4 January 2017*)

Mr. Cha Mou Sing, Payson (*appointed on 3 October 2016
and resigned on 23 December 2016*)

Mr. Wong Lung Tak, Patrick, BBS, PhD, J.P.
(*resigned on 3 October 2016*)

Mr. Chan Kin Sang (*resigned on 3 October 2016*)

董事

年內及直至本報告日期，董事如下：

執行董事：

李向鴻先生(主席兼行政總裁)

劉力揚先生

王浩先生(於二零一六年

八月九日調任為執行董事)

張利銳先生

張力維先生

張曙光先生

張賢陽先生(於二零一六年

八月九日辭任)

林杉先生(於二零一六年八月九日辭任)

鄧國利先生(於二零一六年

八月九日辭任)

獨立非執行董事：

肖榮閣教授

胡大祥先生(於二零一六年

十月三日獲委任)

尹成剛先生(於二零一七年

一月四日獲委任)

查懋聲先生(於二零一六年

十月三日獲委任及

於二零一六年十二月二十三日辭任)

黃龍德教授，銅紫荊星章，博士，

太平紳士(於二零一六年

十月三日辭任)

陳健生先生(於二零一六年

十月三日辭任)

The service contract each of Mr. Li Xianghong and Mr. Zhang Lirui as Executive Directors was signed on 10 July 2015 for a term of three years. The service contract of Mr. Liu Liyang as an Executive Director was signed on 13 October 2015 for a term of three years. The service contract of Mr. Zhang Shuguang as an Executive Director was renewed on 6 September 2014 for a term of three years. The service contract of Mr. Zhang Liwei as an Executive Director was renewed on 1 January 2015 for a term of three years. The service contract of Mr. Wang Hao as an Executive Director was signed on 9 August 2016 for a term of three years.

The service contract of Professor Xiao Rong Ge as an Independent Non-executive Director was renewed for a term of three years commencing from 21 January 2016. The service contract of Mr. Wu Tai Cheung as an Independent Non-executive Director was signed on 3 October 2016 for a term of three years. The service contract of Mr. Yin Chenggang as an Independent Non-executive Director was signed on 4 January 2017 for a term of three years.

There is no specific clause in all the service contracts providing for the amount of compensation in case of early termination. Each Director was subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Articles. Pursuant to Article 87(1) of the Articles, Mr. Zhang Shuguang and Professor Xiao Rong Ge shall retire at the forthcoming annual general meeting of the Company and shall be eligible for re-election. Pursuant to Article 86(3) of the Articles, Mr. Wu Tai Cheung and Mr. Yin Chenggang shall retire at the forthcoming annual general meeting of the Company and shall be eligible for re-election.

Other than as disclosed above, no Director has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

During the year, no consideration was provided to or receivable by third party for making available the service of director or in any other capacity while director.

The Company has received from each of its independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of its independent non-executive Directors independent.

李向鴻先生及張利銳先生作為執行董事各自之服務合約於二零一五年七月十日簽訂，為期三年。劉力揚先生作為執行董事之服務合約於二零一五年十月十三日簽訂，為期三年。張曙光先生作為執行董事之服務合約於二零一四年九月六日續期，為期三年。張力維先生作為執行董事之服務合約於二零一五年一月一日續期，為期三年。王浩先生作為執行董事之服務合約於二零一六年八月九日簽訂，為期三年。

肖榮閣教授作為獨立非執行董事之服務合約續期，自二零一六年一月二十一日起計為期三年。胡大祥先生作為獨立非執行董事之服務合約於二零一六年十月三日簽訂，為期三年。尹成剛先生作為獨立非執行董事之服務合約於二零一七年一月四日簽訂，為期三年。

所有該等服務合約並無載有規定提早終止合約情況下，有關補償金額的具體條款。各董事須按細則於本公司股東週年大會上輪值退任及重選。根據細則第87(1)條規定，張曙光先生及肖榮閣教授須於本公司應屆股東週年大會上退任，惟將符合資格重選連任。根據細則第86(3)條規定，胡大祥先生及尹成剛先生須於本公司應屆股東週年大會上退任，惟將符合資格重選連任。

除上文所披露者外，概無董事訂有本集團不作賠償(法定賠償除外)則不可於一年內終止之服務合約。

年內，概無第三方就擔任董事或以任何其他身份提供服務而獲提供或應收取代價。

本公司已接獲各獨立非執行董事根據上市規則第3.13條有關其獨立性的年度確認函件。本公司認為其所有獨立非執行董事均屬獨立。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN SHARES

As at 31 December 2016, the interests of the Directors and chief executives in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange are as follows:

董事及最高行政人員於股份之權益

於二零一六年十二月三十一日，董事及最高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、相關股份或債券中，擁有根據證券及期貨條例第XV部第7及8分部之規定已知會本公司及聯交所的權益（包括彼等根據證券及期貨條例該等條文被當作或視為擁有的權益及／或淡倉）；或根據證券及期貨條例第352條之規定須載入該條所述登記冊之權益；或根據標準守則須知會本公司及聯交所之權益載列如下：

Name of Directors 董事姓名	Nature of interest and capacity 權益性質及身份	Total number of the Shares 股份總數	Number of underlying shares held under equity derivatives (c) 以股本衍生工具持有之相關股份數目 (c)		Approximate percentage of interest 概約權益百分比
			Long 好倉	short position 淡倉	
Mr. Li Xianghong 李向鴻先生	Personal 個人	12,000,000	138,000,000	Long 好倉	1.08%
Mr. Liu Liyang 劉力揚先生	Corporate (a) 公司 (a)	1,078,260,869		Long 好倉	8.78%
	Personal 個人		138,000,000		
Mr. Zhang Lirui 張利銳先生	Personal 個人	18,000	138,000,000	Long 好倉	1.00%
Mr. Wang Hao 王浩先生	Personal 個人	—	138,000,000	Long 好倉	1.00%
Mr. Zhang Shuguang 張曙光先生	Personal 個人	13,732,000	50,000,000	Long 好倉	0.46%
Mr. Zhang Liwei 張力維先生	Personal 個人	—	30,000,000	Long 好倉	0.22%
Professor Xiao Rong Ge 肖榮閣教授	Personal (b) 個人 (b)	—	3,000,000	Long 好倉	0.02%

Notes:

- (a) Tai Ning Investment Holdings Limited (“Tai Ning”) is wholly-owned by Mr. Liu Liyang. Accordingly, Mr. Liu Liyang is taken to be interested in 1,078,260,869 shares held by Tai Ning.
- (b) Professor Xiao Rong Ge is an independent non-executive Director.
- (c) These represent the interests in underlying shares in respect of the share options granted by the Company, the details of which are set out in the section headed “Share Options Scheme” below.

Save as disclosed above, as at 31 December 2016, none of the Directors nor chief executive of the Company nor their associates, had any interest in long position or short position in the shares, underlying shares or debentures of the Company or its associated corporations which they are taken or deemed to have under such provision of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

附註：

- (a) 泰寧投資控股有限公司(「泰寧」)由劉力揚先生全資擁有。因此，劉力揚先生被認為於泰寧所持有的1,078,260,869股股份中擁有權益。
- (b) 肖榮閣教授為一名獨立非執行董事。
- (c) 此乃本公司授出之購股權涉及之相關股份權益，有關詳情載於下述名為「購股權計劃」一節。

除以上所披露者外，於二零一六年十二月三十一日，本公司董事或最高行政人員或其聯繫人於本公司或其相聯法團之股份、相關股份或債券中，概無擁有任何彼等根據證券及期貨條例該等條文被當作或視為擁有、或根據證券及期貨條例第352條規定須載入該條所述之登記冊、或根據標準守則須知會本公司及聯交所之好倉或淡倉之權益。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTIONS SCHEMES

The Company has two share option schemes: the 2004 Share Option Scheme and the 2014 Share Option Scheme.

The 2004 Share Option Scheme was adopted by a resolution passed by the Company's shareholders on 18 September 2004 whereby the directors of the Company were authorised, at their discretion, to invite directors and employees of the Group, to take up options to subscribe for shares of the Company up to a maximum of 160,000,000 shares. By a resolution passed by the Company's shareholders on 26 May 2011, the Company refreshed the limit in respect of the granting of share options under the 2004 Share Option Scheme and all other share options scheme up to 10% of the total number of ordinary shares of the Company in issue. The 2004 Share Option Scheme would be valid and effective for a period of 10 years ended on 17 September 2014. By a resolution passed by the Company's shareholders on 30 May 2014, the 2004 Share Option Scheme was terminated and thereafter no further options would be offered or granted under the 2004 Share Option Scheme. However, outstanding options granted under the 2004 Share Option Scheme remain valid and exercisable.

During the year ended 31 December 2016, no options have been granted or exercised under the 2004 Share Option Scheme. Details of the outstanding share options as at 31 December 2016 under the 2004 Share Option Scheme are set out on page 67 of this section.

購股權計劃

本公司有兩項購股權計劃：二零零四年購股權計劃及二零一四年購股權計劃。

二零零四年購股權計劃由本公司股東通過決議案於二零零四年九月十八日採納，據此，本公司董事獲授權酌情邀請本集團董事及僱員接納購股權以認購最多160,000,000股本公司股份。透過本公司股東於二零一一年五月二十六日通過的一項決議案，本公司已更新根據二零零四年購股權計劃及所有其他購股權計劃授出購股權之上限至本公司已發行普通股份總數最多10%。二零零四年購股權計劃有效期為十年，至二零一四年九月十七日止。透過本公司股東於二零一四年五月三十日通過的一項決議案，二零零四年購股權計劃已終止並且本公司其後將不再根據二零零四年購股權計劃提呈或授出購股權。然而，在二零零四年購股權計劃項下已授出且尚未行使的購股權仍將有效及可予行使。

截至二零一六年十二月三十一日止年度，概無根據二零零四年購股權計劃授出或獲行使之任何購股權。於二零一六年十二月三十一日，根據二零零四年購股權計劃尚未行使之購股權之詳情載列於本章節第67頁。

The 2014 Share Option Scheme was adopted by a resolution passed by the Company's shareholders on 30 May 2014. The 2014 Share Option Scheme provides that the Board may specify the eligible participants to whom the options shall be granted. The eligible participants include directors, employees, suppliers, customers, consultants, agents and advisers of the Company and its subsidiaries and any person who, in the sole discretion of the Board, has contributed or may contribute to the Group in recognition of their contribution to the Group. The Board shall determine the exercise price of option in accordance with the terms of the 2014 Share Option Scheme, which cannot in any event fall below the price stipulated in the Listing Rules. The maximum number of the ordinary shares of the Company which may be issued upon exercise of all options to be granted under the 2014 Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% (i.e. 435,127,903 shares) of the ordinary shares of the Company in issue as at the date when the 2014 Share Option Scheme is approved and adopted. The 2014 Share Option Scheme was effective on 4 June 2014 and will remain valid and effective for a period of 10 years from that date. The existing scheme mandate limit in respect of the granting of options to subscribe for shares under the 2014 Share Option Scheme was refreshed and renewed at the an extraordinary general meeting of the Company held on 19 September 2016. The maximum number of the ordinary shares of the Company upon exercise of all options to be granted under the 2014 Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% (i.e. 1,385,769,378 shares) of the ordinary shares of the Company in issue as at 19 September 2016 being the date of approval of the refreshment of the existing scheme mandate limit. During the year, 1,385,769,378 options have been granted under the 2014 Share Option Scheme.

Unless approved by the shareholders, the total number of the Shares issued and to be issued upon exercise of the options granted under the 2004 Share Option Scheme and 2014 Share Option Scheme to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.

本公司股東於二零一四年五月三十日通過決議案採納二零一四年購股權計劃。二零一四年購股權計劃規定，董事會可指定獲授購股權之合資格參與者。合資格參與者包括本公司及其附屬公司之董事、僱員、供應商、客戶、諮詢顧問、代理及顧問以及董事會全權酌情釐定對本集團作出或可能作出貢獻之任何人士，以認可其對本集團之貢獻。董事會將根據二零一四年購股權計劃之條款釐定購股權之行使價，惟無論如何不得低於上市規則所訂明之價格。根據二零一四年購股權計劃及本公司任何其他購股權計劃授出的所有購股權獲行使而可能發行之本公司最大普通股數目合共不得超過於二零一四年購股權計劃獲批准及採納當日本公司已發行普通股之10%（即435,127,903股股份）。二零一四年購股權計劃於二零一四年六月四日生效，並將由該日計起十年期間仍然有效。有關根據二零一四年購股權計劃授出之購股權以認購股份之現有計劃授權上限已於二零一六年九月十九日舉行之本公司股東特別大會上獲更新及續期。根據二零一四年購股權計劃及本公司任何其他計劃將予授出之所有購股權獲行使後，本公司普通股之最高數目合共不得超過於二零一六年九月十九日（即現有計劃授權上限獲批准及更新之日期）本公司已發行普通股之10%（即1,385,769,378股股份）。於年內，根據二零一四年購股權計劃已授出1,385,769,378份購股權。

除非股東批准，否則於任何十二個月就根據二零零四年購股權計劃及二零一四年購股權計劃授予每位參與者之購股權（包括已行使及尚未行使之購股權）獲行使而已發行或將予發行之股份總數不可超過已發行股份總數之1%。

REPORT OF THE DIRECTORS

董事會報告

Offer of an option (“Offer”) shall be deemed to have been accepted by any participant (the “Grantee”) who accepts an Offer in accordance with the terms of the Share Option Scheme and the option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the Offer duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the granting thereof is received by the Company within such period as the Board may determine and specify in the Offer.

The exercise price of options under the 2004 Share Option Scheme and the 2014 Share Option Scheme is at least the highest of:

- (i) the closing price of the Company’s shares as stated in the Stock Exchange’s daily quotations sheets on the date on which an offer of an option is made by the Company to the grantee (which date must be a business day);
- (ii) a price being the average of the closing prices of the Company’s shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the offer date; and
- (iii) the nominal value of the Company’s shares.

Notwithstanding any other provisions of the 2004 Share Option Scheme and 2014 Share Option Scheme, the maximum number of ordinary shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2004 Share Option Scheme and 2014 Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of ordinary shares of the Company in issue from time to time.

As at the date of issue of this annual report, the aggregate number of Shares in respect of which options had been granted and remained outstanding under the 2004 Share Option Scheme and 2014 Share Option Scheme was 1,451,644,378, representing approximately 10.45% of the existing issued share capital of the Company as at the date of this report.

倘在董事會釐定並於授出建議書中指定之期間內，本公司接獲參與者（「承授人」）妥為簽署之購股權授出建議（「授出建議」）接受函件副本，連同向本公司支付作為授出代價的1.00港元股款，則該授出建議將被視為已獲該承授人根據購股權計劃的條款接納，授出建議有關之購股權亦將被視作已授出及生效。

二零零四年購股權計劃及二零一四年購股權計劃項下的購股權行使價不會低於（以最高者為準）：

- (i) 本公司向承授人提呈購股權當日（必須為營業日）聯交所每日報價表所示之本公司股份收市價；
- (ii) 緊接提呈日期前五個營業日在聯交所每日報價表所示之本公司股份平均收市價；及
- (iii) 本公司股份面值。

即使二零零四年購股權計劃及二零一四年購股權計劃訂有任何其他條款，二零零四年購股權計劃及二零一四年購股權計劃以及本公司任何其他購股權計劃項下所有授出及尚未行使之購股權一旦獲行使而可發行之本公司普通股數目，最多亦不可超過本公司不時已發行普通股總數30%。

截至本年報刊發日期，二零零四年購股權計劃及二零一四年購股權計劃項下合共已授出及尚未行使之購股權所涉及之股份數目為1,451,644,378股，於本報告日期約佔本公司現有已發行股本的10.45%。

REPORT OF THE DIRECTORS

董事會報告

Details of the share options granted and remained outstanding as at 31 December 2016 under the 2004 Share Option Scheme are as follows:

以下為於二零一六年十二月三十一日在二零零四年購股權計劃項下已授出及尚未行使的購股權之詳情：

	Date of grant 授出日期	Exercise Price 行使價 HK\$ 港元	Number of option shares 購股權涉及之股份數目			
			Outstanding at 1 January 2016 二零一六年一月一日 尚未行使	Lapsed during the year 年內失效	Exercised during the year 年內行使	Outstanding at 31 December 2016 二零一六年十二月三十一日 尚未行使
Mr. Lam Cham 林衫先生	28 October 2011 二零一一年十月二十八日	1.51	20,000,000	(20,000,000)	—	—
Mr. Zhang Shuguang 張曙光先生	28 October 2011 二零一一年十月二十八日	1.51	20,000,000	—	—	20,000,000
Mr. Chang Yim Yang 張賢陽先生	28 October 2011 二零一一年十月二十八日	1.51	20,000,000	(20,000,000)	—	—
Mr. Deng Guoli (Note 1) 鄧國利先生(附註1)	28 October 2011 二零一一年十月二十八日	1.51	20,000,000	—	—	20,000,000
Mr. Wong Lung Tak, Patrick, BBS, PhD, J.P. 黃龍德先生, 銅紫荊星章, 博士, 太平紳士	28 October 2011 二零一一年十月二十八日	1.51	3,000,000	(3,000,000)	—	—
Mr. Chan Kin Sang 陳健生先生	28 October 2011 二零一一年十月二十八日	1.51	3,000,000	(3,000,000)	—	—
Professor Xiao Rong Ge 肖榮閣教授	28 October 2011 二零一一年十月二十八日	1.51	3,000,000	—	—	3,000,000
Other senior management staff and employees 其他高級管理人員及僱員	28 October 2011 二零一一年十月二十八日	1.51	110,500,000	(44,400,000)	—	66,100,000
Total 合計			<u>199,500,000</u>	<u>(90,400,000)</u>	<u>—</u>	<u>109,100,000</u>

The above share options are of an exercise price HK\$1.51 per share with the exercisable period from 28 October 2013 to 27 October 2017.

上述購股權之行使價為每股 1.51 港元，行使期為二零一三年十月二十八日至二零一七年十月二十七日。

Note 1:

附註1：

Mr. Deng Guoli resigned as the executive director of the Company on 9 August 2016 and remained as the chief engineer of the Group.

鄧國利先生於二零一六年八月九日辭任本公司執行董事並留任為本集團總工程師。

REPORT OF THE DIRECTORS

董事會報告

Details of the share options granted and remained outstanding as at 31 December 2016 under the 2014 Share Option Scheme are as follows:

根據二零一四年購股權計劃，於二零一六年十二月三十一日已授出而尚未行使之購股權之詳情如下：

	Date of Grant 授出日期	Exercise Price 行使價 HK\$ 港元	Outstanding as at 1 January 2016 二零一六年 一月一日 尚未行使	Granted during the year 年內授出	Lapsed during the year 年內失效	Exercise during the year 年內行使	Outstanding as at 31 December 2016 二零一六年 十二月三十一日 尚未行使
Mr. Li Xianghong 李向鴻先生	12 October 2016 二零一六年十月十二日	0.2486	—	138,000,000	—	—	138,000,000
Mr. Liu Liyang 劉力揚先生	12 October 2016 二零一六年十月十二日	0.2486	—	138,000,000	—	—	138,000,000
Mr. Wang Hao 王浩先生	12 October 2016 二零一六年十月十二日	0.2486	—	138,000,000	—	—	138,000,000
Mr. Zhang Lirui 張利銳先生	12 October 2016 二零一六年十月十二日	0.2486	—	138,000,000	—	—	138,000,000
Mr. Zhang Liwei 張力維先生	12 October 2016 二零一六年十月十二日	0.2486	—	30,000,000	—	—	30,000,000
Mr. Zhang Shuguang 張曙光先生	12 October 2016 二零一六年十月十二日	0.2486	—	30,000,000	—	—	30,000,000
Other senior management staff and Employees 其他高級管理人員及僱員	12 October 2016 二零一六年十月十二日	0.2486	—	773,769,378	(3,000,000)	(40,225,000)	730,554,378
Total 合計				1,385,769,378	(3,000,000)	(40,225,000)	1,342,544,378

The above share options are of an exercise price of HK\$0.2486 per share with the exercise period from 12 October 2016 to 11 October 2019.

上述購股權之行使價為每股0.2486港元，行使期由二零一六年十月十二日至二零一九年十月十一日。

The share options granted are recognised in the financial statements. The information on measurement of the fair value of share options is set out in note 30 to the financial statements.

授出的購股權已於財務報表確認。有關計量購股權公平值之資料載於財務報表附註30。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the financial year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed in note 34 to the financial statements, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the financial year.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, as far as known to the Directors, the following persons (other than the Directors or chief executives of the Company) who had 5% or more interests in the shares or underlying shares in respect of equity derivatives of the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

購買股份或債券之安排

於財政年度內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使董事藉收購本公司或任何其他法人團體之股份或債券而獲益。

董事之重大合約權益

除於財務報表附註 34 內披露，董事概無於本公司或其任何附屬公司所訂立，且於本財政年度年結日或年內任何時間仍然生效之重大交易、安排或合約中，直接或間接擁有重大權益。

主要股東

於二零一六年十二月三十一日，據董事所知，按本公司根據證券及期貨條例第 336 條存置的登記冊所記錄，除本公司董事或行政總裁外，下列人士於本公司股份或股本衍生工具相關股份中擁有 5% 或以上權益，而該等權益須根據證券及期貨條例第 XV 部第 2 及 3 分部之規定向本公司披露：

REPORT OF THE DIRECTORS

董事會報告

Long position in the shares of the Company

Name of shareholders 股東名稱	Nature of interest and capacity 權益性質及身份
1. Munsun Assets Management Ltd 麥盛資產管理有限公司	Corporate (Note (a)) 法團(附註(a))
2. Citic Guoan Group Limited 中信國安集團有限公司	Corporate (Note (b)) 法團(附註(b))
3. Tai Ning Investment Holdings Limited 泰寧投資控股有限公司	Corporate (Note (c)) 法團(附註(c))
4. The Bank of New York Mellon Corporation	Corporate (Note (d)) 法團(附註(d))

Notes:

- (a) Munsun Assets Management Ltd is interested in the shares of the Company by virtue of (a) itself being the investment manager of certain investment funds which hold 28,666,400 Shares (representing approximately 0.21% of the issued share capital of the Company); and (b) its direct holding of 2,593,948,789 Shares (representing approximately 18.66% of the issued share capital of the Company).
- (b) Road Shine Developments Limited is wholly-owned by Guoan (HK) Holdings Limited which is wholly-owned by Citic Guoan Group. Road Shine Developments Limited is directly holding 1,304,347,826 Shares and Citic Guoan Group is deemed to hold 1,304,347,826 Shares through its controlled interests in Road Shine Developments Limited.
- (c) Tai Ning Investment Holdings Limited ("Tai Ning") is wholly and beneficially owned by Mr. Liu Liyang, an executive director of the Company.
- (d) The Bank of New York Mellon has long positions in 1,048,860,857 Shares and 1,048,624,857 Shares in lending pool. Since The Bank of New York Mellon is wholly owned by The Bank of New York Mellon Corporation, The Bank of New York Mellon Corporation is also taken to be interested in the shares held by The Bank of New York Mellon pursuant to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

於本公司股份之好倉

Number of ordinary shares of the Company 本公司普通股數目	Total Percentage 總百分比
--	-----------------------------

2,622,615,189	18.87%
1,304,347,826	9.38%
1,078,260,869	7.78%
1,048,860,857	7.55%

附註：

- (a) 麥盛資產管理有限公司因(a)作為若干投資基金之投資經理，其持有28,666,400股股份(佔本公司已發行股本約0.21%)；及(b)直接持有2,593,948,789股股份(佔本公司已發行股本約18.66%)而在本公司股份中擁有權益。
- (b) Road Shine Developments Limited由國安(香港)控股有限公司全資擁有，而國安(香港)控股有限公司由中信國安集團全資擁有。Road Shine Developments Limited直接持有1,304,347,826股股份，而中信國安集團透過其於Road Shine Developments Limited的控制權益視為持有1,304,347,826股股份。
- (c) 泰寧投資控股有限公司(「泰寧」)由本公司執行董事劉力揚先生全資及實益擁有。
- (d) The Bank of New York Mellon持有1,048,860,857股股份好倉及1,048,624,857股可供借出股份。由於The Bank of New York Mellon由The Bank of New York Mellon Corporation全資擁有，故根據證券及期貨條例(香港法例第571章)，The Bank of New York Mellon Corporation亦被視為於The Bank of New York Mellon持有的股份中擁有權益。

Saved as disclosed above in this section, as at 31 December 2016, the Company has not been notified of any other persons (other than the Directors or chief executive of the Company) who had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions.

The Company has made specific enquiry of all Directors of any noncompliance with the Model Code during the financial year ended 31 December 2016, and they have all confirmed their full compliance with the required standard as set out in the Model Code.

CORPORATE GOVERNANCE

Please refer to the Corporate Governance Report on pages 32 to 44 for details.

COMPETING BUSINESS INTERESTS OF DIRECTORS

None of the Directors and their respective associates had any interest in a business which competes or may compete with the business of the Group.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles although there are no restrictions against such rights under the laws in the Cayman Islands.

除本節上文所披露者外，於二零一六年十二月三十一日，本公司並無接獲任何其他人士（不包括本公司之董事或行政總裁）通知指彼等擁有根據證券及期貨條例第336條須記錄於登記冊的本公司股份或相關股份的任何權益或淡倉。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的標準守則作為有關其董事進行證券交易之操守守則。

本公司已就全體董事於截至二零一六年十二月三十一日止財政年度是否有任何未遵守標準守則的行為作出特定查詢，而彼等全體已確認，彼等已全面遵守標準守則所載的規定標準。

企業管治

詳情請參閱第32至44頁所載之「公司管治報告書」。

董事於競爭業務之權益

概無董事或彼等各自之聯繫人於任何與或可能與本集團業務構成競爭之業務中擁有任何權益。

收購、贖回或出售上市證券

年內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

優先購買權

儘管開曼群島法例並無有關優先購買權之限制，惟本公司之細則並無有關權利之條文。

REPORT OF THE DIRECTORS

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases

- the largest supplier 29%
- five largest suppliers totally 47%

Sales

- the largest customer 31%
- five largest customers totally 84%

None of the Directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above. During the year and up to the date of this report, the Group maintained good relationship with its major customers and suppliers.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year.

COMMITMENTS

Details of commitments of the Group are set out in note 33 to the financial statements.

EVENTS AFTER THE REPORTING PERIOD

Details of the Group's events after the reporting period are set out in note 37 to the financial statements.

主要客戶及供應商

本集團主要供應商及客戶佔本年採購及銷售之百分比如下：

採購

- 最大供應商 29%
- 五大供應商合共 47%

銷售

- 最大客戶 31%
- 五大客戶合共 84%

概無董事、彼等之聯繫人或任何股東（就董事所知擁有本公司股本5%以上）於上述主要供應商或客戶中擁有權益。於年內及截至本年報日期，本集團與其主要客戶及供應商維持良好關係。

足夠的公眾持股量

本公司於整年內一直維持足夠公眾持股量。

承擔

本集團之承擔詳情載於財務報表附註33。

報告期後事項

有關本集團於報告期後發生之事項詳情載於財務報表附註37。

AUDITOR

The financial statements for the year ended 31 December 2016 and 2015 have been audited by Ascenda Cachet CPA Limited (“Ascenda Cachet”), who will retire and, being eligible, offer themselves for re-appointment at the forthcoming Annual General Meeting. A resolution for the re-appointment of Ascenda Cachet as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

The financial statements for the year ended 31 December 2014 were audited by Crowe Horwath (HK) CPA Limited who resigned as auditor on 4 February 2016. Ascenda Cachet have been appointed as the auditor of the Company with effect from 4 February 2016.

On behalf of the Board

Mr. Li Xianghong

Chairman and Chief Executive Officer

Hong Kong, 30 March 2017

核數師

天健德揚會計師事務所有限公司(「天健德揚」)已審核截至二零一六年及二零一五年十二月三十一日止年度之財務報表，彼將於應屆股東週年大會上告退，並符合資格願膺選連任。續聘天健德揚為本公司核數師的一項決議案將於應屆股東週年大會上提呈。

國富浩華(香港)會計師事務所有限公司(於二零一六年二月四日辭任核數師)已審核截至二零一四年十二月三十一日止年度之財務報表。天健德揚獲聘為本公司核數師，並於二零一六年二月四日生效。

代表董事會

主席兼行政總裁

李向鴻先生

香港，二零一七年三月三十日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



13F Neich Tower
128 Gloucester Road
Wanchai Hong Kong
香港灣仔
告士打道 128 號
祥豐大廈 13 樓 F 室

To the members of Munsun Capital Group Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Munsun Capital Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 84 to 246, which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致麥盛資本集團有限公司之股東
(於開曼群島註冊成立之有限公司)

意見

吾等已審核列載於第 84 頁至第 246 頁麥盛資本集團有限公司(「貴公司」)及其附屬公司(以下統稱為「貴集團」)的經審核綜合財務報表，其包括於二零一六年十二月三十一日的綜合財務狀況表、截至該日止年度的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，以及綜合財務報表附註，包含主要會計政策概要。

吾等認為，該等綜合財務報表已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(「香港財務報告準則」)真實而公平地反映 貴集團於二零一六年十二月三十一日的綜合財務狀況以及截至該日止年度的綜合財務表現和綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見的基礎

吾等已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審核。在這些準則下，吾等的責任會在本報告中核數師就審核綜合財務報表須承擔的責任中進一步詳述。根據香港會計師公會之專業會計師道德守則(「守則」)，吾等獨立於 貴集團，並已遵循守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證是充足和適當地為吾等的意見提供基礎。

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審核事項

關鍵審核事項是根據吾等的專業判斷，認為對吾等審核本期綜合財務報表最為重要的事項。該等事項是在吾等審核整體綜合財務報表及達成吾等對其的意見時進行處理，而吾等不會對這些事項提供單獨的意見。吾等對下述每一事項在審計中如何處理之描述亦以此為背景。

吾等已履行本報告核數師就審計綜合財務報表承擔的責任一節所述的責任，包括有關該等事項的責任。因此，吾等的審計包括執行為應對綜合財務報表重大錯報風險的評估而設的程序。審計程序的結果包括處理以下事項的程序，為我們就隨附的綜合財務報表的審計意見提供基礎。

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Key audit matters identified in our audit are summarised as follows:

The Convertible Bonds (“CB”) restructure and the derivative financial instruments

As disclosed in note 23 to the consolidated financial statements for further information.

Key Audit Matter

During the year, the Group completed the restructure (the “Convertible Bonds Restructure”) of the convertible bonds (the “2013 Convertible Bonds”). The key amendments to existing terms and conditions of the 2013 Convertible Bonds under the Convertible Bonds Restructure includes a reduction in the conversion price and a reset to the conversion price. Modification is also made to the redemption right at the option of the Company. The conversion options were valued at 31 December 2016 by the independent valuers.

Since the Convertible Bonds Restructure is highly complex and material to the Group, accounting for the Convertible Bonds Restructure and valuation of the option requires significant judgment and imposes significant estimation uncertainties. It is considered to be a key audit matter.

How our audit addressed the Key Audit Matter

Our approach focused on the following procedures:

- inspecting all agreements concluded in respect of the Convertible Bonds Restructure to obtain an in-depth understanding of the consequence of restructure;
- evaluating the Convertible Bonds Restructure and considered the suitability of the accounting treatment in accordance with HKFRSs, including recalculating the amounts to be recorded;

吾等在審計中識別的關鍵審核事項概述如下：

可換股債券(「可換股債券」)重組及衍生金融工具

更多資料已於綜合財務報表附註23披露。

關鍵審核事項

年內，貴集團完成可換股債券(「二零一三年可換股債券」)重組(「可換股債券重組」)。可換股債券重組項下二零一三年可換股債券的現有條款及條件的主要修訂包括降低兌換價及重設兌換價。亦對 貴公司的選擇贖回權利作出修改。換股權乃由獨立評估師於二零一六年十二月三十一日估值。

由於可換股債券重組對 貴集團而言非常複雜及重大，因此可換股債券重組之會計處理及期權之估值須作出重大判斷，並帶有重大估計不確定性。其被視為屬關鍵審核事項。

吾等的審核如何處理關鍵審核事項

吾等的方法集中在以下程序：

- 審閱就可換股債券重組達成的所有協議，以就重組結果取得深入了解；
- 評估可換股債券重組，並根據香港財務報告準則考慮會計處理的適當性，包括重新計算將予記錄的金額；

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- assessing the appropriateness of the methodology applied in preparing the valuation model of the conversion options prepared by the independent valuers; and
- assessing significant inputs, and challenged the appropriateness of key assumptions applied in the valuation method.
- 評估獨立評估師在編製換股權的估值模型時所採用的方法的適用性；和
- 評估主要輸入數據，並對估值方法中應用的關鍵假設的適當性提出疑問。

The assessment of the carrying value of mining rights

As disclosed in note 12 to the consolidated financial statements for further information.

Key Audit Matter

The carrying amount of the Group's mining rights was HK\$6,023 million as at 31 December 2016.

The mining rights and procedures over management's annual impairment test, with reference to valuation of the mining rights prepared by independent valuers, were significant and the assessment process is complex, requires significant judgment and imposes significant estimation uncertainties.

How our audit addressed the Key Audit Matter

Our approach focused on the following procedures:

- assessing the appropriateness of key assumptions (e.g. price assumptions, production, ores reserves and costing figures, etc.) as compared with third party/independent sources (e.g. technical report) or other evidence;
- agreeing key inputs to approved mine plans as appropriate, and comparing these with historical actual figures, considering the accuracy of previous internal forecasts; and

採礦權賬面值的評估

更多資料於綜合財務報表附註 12 披露。

關鍵審核事項

截至二零一六年十二月三十一日，貴集團採礦權的賬面值為6,023百萬港元。

礦權及管理層參照獨立評估師編製的採礦權估值所作出的年度減值測試之程序屬重要且評估過程複雜，需要作出重大判斷並帶有重大估計不確定性。

吾等的審核如何處理關鍵審核事項

吾等的方法集中在以下程序：

- 評估關鍵假設的適當性(例如價格假設、生產、礦石儲量及成本計算等)與第三方／獨立來源(例如技術報告)或其他證據比較；
- 同意批准礦山計劃的關鍵輸入參數，並將這些參數與以往實際數字進行比較，考慮到以往內部預測的準確性；及

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- comparing the calculated recoverable values to the associated carrying values, assessing whether any impairment charges or reversals of previously recognised impairment charges were necessary.

Accounting for business combinations and goodwill

As disclosed in note 31 and note 12 of the consolidated financial statements for further information.

Key Audit Matter

During the year ended 31 December 2016, the Group acquired the entire equity interests in Munsun Asset Management (Asia) Limited and Munsun Securities Limited for a total consideration of HK\$450 million. The purchase price allocation resulted in goodwill of HK\$274 million.

Accounting for business combinations is complex (including the assessment of whether the acquisition qualifies as an asset deal or as a business combination) and requires determination of the fair value of all assets acquired and liabilities assumed as part of a purchase price allocation exercise in accordance with HKFRS 3 Business Combinations.

Impairment of goodwill has to be assessed annually.

How our audit addressed the Key Audit Matter

Our approach focused on the following procedures:

- obtaining the purchase price allocation for each of the two acquisitions and testing the identification and value of assets acquired and liabilities assumed by tracing to supporting evidence including the sale and purchase agreements, and the results of our audit work over the acquired companies;

- 將計算的可收回價值與相關賬面價值進行比較，評估是否需要任何減值費用或以往確認減值費用撥回。

業務合併及商譽的會計處理

更多資料於綜合財務報表附註31及附註12披露。

關鍵審核事項

截至二零一六年十二月三十一日止年度，貴集團收購麥盛資產管理(亞洲)有限公司及麥盛證券有限公司之全部股權，總代價450百萬港元。購買價分攤產生商譽274百萬港元。

業務合併的會計處理乃複雜(包括評估收購是否合資格作為資產交易或作為業務合併)，並須按照香港財務報告準則第3號業務合併釐定全部所收購資產及所承擔負債的公平值進行購買價分攤。

商譽減值必須每年作出評估。

吾等的審核如何處理關鍵審核事項

吾等的方法集中在以下程序：

- 獲取兩項收購中每項收購的購買價分攤，並測試所收購資產及所承擔負債的識別及價值，方法為跟蹤支持證據，包括買賣協議、及吾等對所收購公司審核工作的結果；

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- reviewing management's impairment model for assessing the carrying value of goodwill and challenging management on the identification of the cash-generating unit, cash flow forecasting, discount rates and growth rates;
 - assessing that the cash flow forecasts used in the valuation are consistent with information approved by the Board and have reviewed the historical accuracy of management's forecasts;
 - evaluating the implied growth rates beyond 2016 by considering evidence available to support these assumptions and their consistency with findings from other areas of our audit and by performing sensitivity analyses; and
 - Assessing the discount rates and long term growth rates applied within the model by compared against historical trends to assess the reliability of management's forecast.
- 審閱管理層用於評估商譽賬面值的減值模型，並就現金產生單位、現金流量預測、貼現率及增長率的識別對管理層提出疑問；
 - 評估估值中使用的現金流量預測是否與董事會批准的資料一致，並已審閱過往管理層預測的準確性；
 - 評估二零一六年以後的應用增長率，方法是考慮可供用於支持這些假設的憑證及其是否與吾等審核其他範圍的發現一致，並進行敏感度分析；及
 - 通過與以往趨勢進行比較來評估模型中應用的貼現率及長期增長率，以評估管理層預測的可靠性。

Going concern

As disclosed in note 2(b) to the consolidated financial statements for further information.

Key Audit Matter

This area is considered an area of risk for year ended 31 December 2016 given the Group had net current liabilities and the loss for the year. The Group is required to make regular debt repayments, mainly for the bank and other borrowings.

The directors prepared a cash flow forecast and sensitivity analysis of the key assumptions to ensure that the Group can operate as a going concern for at least twelve months from the end of the reporting period.

持續經營

更多資料於綜合財務報表附註2(b)披露。

關鍵審核事項

鑑於 貴集團截至二零一六年十二月三十一日止年度有流動負債淨值及虧損，故本範圍被視為本年度的風險範圍。 貴集團須定期償還債務，主要是銀行及其他借款。

董事就關鍵假設編製現金流量預測及敏感度分析，以確保 貴集團由報告期末起計能夠持續經營至少十二個月。

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How our audit addressed the Key Audit Matter

Our approach focused on the following procedures:

- obtaining the Group's going concern forecasts covering at least the twelve month from the end of the reporting period and challenging the key assumptions and judgements made by the directors therein;
- updating our understanding of the contractual terms of the Group's financing arrangements; and
- reading the lending agreements to substantiate our knowledge of the borrowing covenants to which the Group is subject and recalculating its forecast compliance with the same over the going concern assessment period.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND OUR AUDITOR'S REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

吾等的審核如何處理關鍵審核事項

吾等的方法集中在以下程序：

- 獲取涵蓋報告期末起計至少十二個月的 貴集團持續經營預測，並對董事所作的關鍵假設和判斷提出疑問；
- 更新吾等對 貴集團融資安排合約條款的理解；及
- 閱讀貸款協議，以證實吾等對 貴集團所承擔貸款契約的認識，並重新計算其預測是否與持續經營評估期間一致。

綜合財務報表以外資料及吾等就此發出的核數師報告

董事須對其他資料承擔責任。其他資料包括年報中所包含的資料，但不包括綜合財務報表及吾等就此發出的核數師報告。

吾等對綜合財務報表作出的意見並未涵蓋其他資料。吾等不對其他資料發表任何形式的核證結論。

就審核綜合財務報表而言，吾等的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或吾等在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。

倘若吾等基於已完成的工作認為其他資料出現重大錯誤陳述，吾等須報告該事實。吾等就此並無任何事項須報告。

INDEPENDENT AUDITOR'S REPORT

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RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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頒布的香港財務報告準則及香港公司條例的披露規定，編製真實而公平的綜合財務報表，以及維持董事認為編製綜合財務報表所必需的有關內部監控，以確保有關綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露（如適用）與持續經營有關的事項。除非董事有意將貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

負責管治的人員須負責監督貴集團的財務報告流程。

核數師就審核綜合財務報表須承擔的責任

吾等的目標是合理確定整體上綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含吾等意見的核數師報告，按照協議委聘條款僅向閣下作為整體報告，除此之外別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理確定屬高層次的核證，但不能擔保根據香港審計準則進行的審核在某一重大錯誤陳述存在時總能發現。重大錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，被視為重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT

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As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 吾等根據香港審計準則進行審核的工作之一，是運用專業判斷，在整個審核過程中保持專業懷疑態度。吾等亦：
- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯報風險，因應這些風險設計及執行審核程序，獲得充足及適當的審核憑證為吾等的意見提供基礎。由於欺詐可能涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，故未能發現由此造成的重大錯報風險比未能發現由於錯誤而導致的重大錯報風險更高。
 - 了解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對 貴集團的內部控制的有效性發表意見。
 - 評估所用會計政策是否恰當，以及董事所作出的會計估算和相關披露是否合理。
 - 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對 貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘若吾等總結認為有重大不確定因素，吾等需要在核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂吾等的意見。吾等的結論是基於截至核數師報告日期所獲得的審核憑證。然而，未來事件或情況可能導致 貴集團不再具有持續經營的能力。
 - 評估綜合財務報表的整體列報、架構和內容，包括披露資料，以及綜合財務報表是否已公平地反映及列報相關交易及事項。

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditor's report is Chan Yuk Tong.

Ascenda Cachet CPA Limited

Certified Public Accountants

Hong Kong, 30 March 2017

Chan Yuk Tong

Practising Certificate Number P03723

- 就 貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。吾等須負責指導、監督和執行 貴集團的審核工作。吾等須為吾等的審核意見承擔全部責任。

吾等就審核工作的計劃範圍和時間、在審核過程中的主要發現，包括內部控制的重大缺失及其他事項與負責管治的人員進行溝通。

吾等亦向負責管治的人員作出聲明，確認吾等已遵守有關獨立性的道德要求，並就所有被合理認為可能影響核數師獨立性的關係和其他事宜以及適用的相關保障措施，與審核委員會進行溝通。

吾等通過與負責管治的人員溝通，確定那些是本期綜合財務報表審核工作的最重要事項，即關鍵審核事項。除非法律或法規不容許公開披露此等事項或在極罕有的情況下，吾等認為披露此等事項可合理預期的不良後果，將超過公眾知悉此等事項的利益而不應在報告中予以披露，否則吾等會在核數師報告中描述此等事項。

出具本獨立核數師報告的審核項目董事為陳育棠。

天健德揚會計師事務所有限公司

執業會計師

香港，二零一七年三月三十日

陳育棠

執業證書編號：P03723

CONSOLIDATED INCOME STATEMENT

綜合損益表

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

(Expressed in Hong Kong dollars 以港元列示)

			2016 二零一六年 <i>HK\$'000</i> 千港元	2015 二零一五年 <i>HK\$'000</i> 千港元
Revenue	收益	4(a)	766,654	746,605
Cost of sales	銷售成本		(468,540)	(434,655)
Gross profit	毛利		298,114	311,950
Other revenue	其他收入	5	31,209	32,810
Other net gain	其他收益淨額	5	11,637	53,012
Selling and distribution costs	銷售及分銷成本		(11,203)	(9,071)
Administrative expenses	行政費用		(338,660)	(176,624)
(Loss)/profit from operations	經營(虧損)/溢利		(8,903)	212,077
Finance costs	財務成本	6(a)	(398,236)	(329,666)
Loss before tax	除稅前虧損	6	(407,139)	(117,589)
Income tax	所得稅	7	(12,012)	(20,071)
Loss for the year attributable to owners of the Company	本公司擁有人應佔年度虧損		(419,151)	(137,660)
			<i>HK cents</i> 港仙	<i>HK cents</i> 港仙
Loss per share	每股虧損	11		
Basic	基本		(3.81)	(2.89)
Diluted	攤薄		(3.81)	(2.89)

The notes on pages 93 to 246 form part of these financial statements.

第93至第246頁之附註屬本財務報表之一部份。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度
(Expressed in Hong Kong dollars 以港元列示)

		Note	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss for the year	年度虧損		(419,151)	(137,660)
Other comprehensive loss for the year (net of tax)	年度其他全面虧損 (扣除稅項)			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目：</i>			
– Exchange differences on translation of financial statements of subsidiaries during the year	– 年度內換算附屬公司財務報表產生之匯兌差額		(331,897)	(214,845)
– Release of exchange reserve relating to subsidiaries disposed of during the year	– 與年度內出售的附屬公司有關的解除匯兌儲備	28(c)	7,995	—
			(323,902)	(214,845)
Total comprehensive loss for the year attributable to owners of the Company	本公司擁有人應佔年度全面虧損總額		(743,053)	(352,505)

The notes on pages 93 to 246 form part of these financial statements.

第93至第246頁之附註屬本財務報表之一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2016

於二零一六年十二月三十一日

(Expressed in Hong Kong dollars 以港元列示)

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產			
Intangible assets	無形資產	12	6,339,926	5,844,339
Fixed assets	固定資產	13	4,751,182	4,514,678
Deposits paid for gold mining and exploration rights	就金礦採礦及探礦權所付按金	14	156,942	712,338
Available-for-sale investment	可供出售投資	15	234,255	—
Trade, loans and other receivables, deposits and prepayments	應收賬款、貸款及其他應收款項、按金及預付款項	17	90,111	—
Pledged deposits	已抵押存款	19	211,945	226,803
Deposits paid for fixed assets	就固定資產所付按金		91,420	68,919
Other deposits	其他按金		36,739	36,329
Total non-current assets	非流動資產總額		11,912,520	11,403,406
Current assets	流動資產			
Inventories	存貨	16	109,995	129,916
Trade, loans and other receivables, deposits and prepayments	應收賬款、貸款及其他應收款項、按金及預付款項	17	250,463	411,456
Financial assets at fair value through profit or loss	透過損益按公平值列賬之金融資產	18(a)	304,865	—
Pledged deposits	已抵押存款	19	806,527	744,976
Client trust bank balances	客戶信託銀行結餘	20	3,230	—
Cash and cash equivalents	現金及現金等價物	20	105,595	88,148
Total current assets	流動資產總額		1,580,675	1,374,496
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	21	531,576	456,050
Bank and other borrowings	銀行及其他貸款	22	2,288,609	2,666,417
Financial liabilities at fair value through profit or loss	透過損益按公平值列賬之金融負債	18(b)	561,652	478,862
Convertible bonds	可換股債券	23	—	1,032,630
Derivative financial instruments	衍生金融工具	23	—	30,258
Tax payable	應付稅項		7,322	18,623
Total current liabilities	流動負債總額		3,389,159	4,682,840

The notes on pages 93 to 246 form part of these financial statements.

第93至第246頁之附註屬本財務報表之一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2016

於二零一六年十二月三十一日

(Expressed in Hong Kong dollars 以港元列示)

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net current liabilities	流動負債淨值		(1,808,484)	(3,308,344)
Total assets less current liabilities	總資產減流動負債		10,104,036	8,095,062
Non-current liabilities	非流動負債			
Bank and other borrowings	銀行及其他貸款	22	1,720,593	1,553,376
Financial liabilities at fair value through profit or loss	透過損益按公平值列賬 之金融負債	18(b)	166,096	176,611
Convertible bonds	可換股債券	23	368,308	—
Derivative financial instruments	衍生金融工具	23	30,830	—
Deferred tax liabilities	遞延稅項負債	24(a)	577,120	599,293
Total non-current liabilities	非流動負債總額		2,862,947	2,329,280
NET ASSETS	資產淨值		7,241,089	5,765,782
CAPITAL AND RESERVES	股本及儲備	25		
Share capital	股本		1,737,240	689,879
Reserves	儲備		5,503,849	5,075,903
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔 權益總額		7,241,089	5,765,782

Approved and authorised for issue by the board of directors on 30 March 2017.

經董事會於二零一七年三月三十日核准並許可發出。

Mr. Li Xianghong

李向鴻先生

Chairman and Chief Executive Officer

主席兼行政總裁

Mr. Liu Liyang

劉力揚先生

Executive Director

執行董事

The notes on pages 93 to 246 form part of these financial statements.

第93至第246頁之附註屬本財務報表之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

(Expressed in Hong Kong dollars 以港元列示)

		Share capital 股本 HK\$'000 千港元 (note 25 (b)) (附註 25(b))	Share premium 股份溢價 HK\$'000 千港元 (note 25 (c)(i)) (附註 25 (c)(i))	Statutory reserves 法定儲備 HK\$'000 千港元 (note 25 (c)(iv)) (附註 25 (c)(iv))	Convertible bonds equity reserve 可換股債券權益儲備 HK\$'000 千港元 (notes 23 & 25(c)(v)) (附註 23 及 25(c)(v))	Capital reserve 資本儲備 HK\$'000 千港元 (note 25 (c)(ii)) (附註 25 (c)(ii))	Exchange reserve 匯兌儲備 HK\$'000 千港元 (note 25 (c)(iii)) (附註 25 (c)(iii))	(Accumulated losses)/ Retained profits (累計虧損)/ 保留溢利 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	689,879	4,578,060	138,408	2,203	126,715	(27,951)	258,468	5,765,782
Changes in equity for 2016:	二零一六年之權益變動：								
Loss for the year	本年度虧損	-	-	-	-	-	-	(419,151)	(419,151)
Other comprehensive loss for the year	本年度其他全面虧損	-	-	-	-	-	(323,902)	-	(323,902)
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	-	-	(323,902)	(419,151)	(743,053)
Issue of new shares upon the Convertible Bonds Restructure	可換股債券重組後發行新股份	147,033	202,906	-	-	-	-	-	349,939
Extinguishment upon the Convertible Bonds Restructure	可換股債券重組後註銷	-	-	-	(2,203)	-	-	687	(1,516)
Issue of new shares upon loan capitalisations	貸款資本化後發行新股份	74,640	62,697	-	-	-	-	-	137,337
Issue of new shares by share subscriptions and placements	透過股份認購及配售發行新股份	614,736	516,379	-	-	-	-	-	1,131,115
Issue of new shares upon acquisitions of subsidiaries	收購附屬公司後發行新股份	204,348	245,218	-	-	-	-	-	449,566
Issue of new shares upon conversion of convertible bonds	轉換可換股債券後發行新股份	1,576	1,833	-	-	-	-	-	3,409
Issue of new shares upon exercise of share options	行使購股權後發行新股份	5,028	8,675	-	-	(3,703)	-	-	10,000
Transaction costs attributable to issue of new shares by share subscriptions and placements	透過股份認購及配售發行新股份應佔交易成本	-	(4,179)	-	-	-	-	-	(4,179)
Equity-settled share-based payments (note 30)	以股權結算之股份基礎支出(附註 30)	-	-	-	-	144,833	-	-	144,833
Lapse of share options	購股權失效	-	-	-	-	(57,416)	-	57,416	-
Appropriation of safety production fund	撥付安全生產基金	-	-	6,223	-	-	-	(6,223)	-
Utilisation of safety production fund	動用安全生產基金	-	-	(3,340)	-	-	-	3,340	-
Release of reserve upon disposal of subsidiaries (note 28(c))	出售附屬公司後釋出儲備(附註 28(c))	-	-	(2,144)	-	-	-	-	(2,144)
At 31 December 2016	於二零一六年十二月三十一日	1,737,240	5,611,589	139,147	-	210,429	(351,853)	(105,463)	7,241,089

The notes on pages 93 to 246 form part of these financial statements.

第 93 至第 246 頁之附註屬本財務報表之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度
(Expressed in Hong Kong dollars 以港元列示)

		Share capital 股本 HK\$'000 千港元 (note 25(b)) (附註 25(b))	Share premium 股份溢價 HK\$'000 千港元 (note 25 (c)(ii)) (附註 25 (c)(ii))	Statutory reserves 法定儲備 HK\$'000 千港元 (note 25 (c)(iv)) (附註 25 (c)(iv))	Convertible bond equity reserve 可換股債券 權益儲備 HK\$'000 千港元 (notes 23 & 25(c)(v)) (附註 23 及 25(c)(v))	Capital reserve 資本儲備 HK\$'000 千港元 (note 25 (c)(iii)) (附註 25 (c)(iii))	Exchange reserve 匯兌儲備 HK\$'000 千港元 (note 25 (c)(iii)) (附註 25 (c)(iii))	Retained profits 保留溢利 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	575,229	4,463,834	130,915	2,203	134,023	186,894	389,443	5,882,541
Changes in equity for 2015:	二零一五年權益變動：								
Loss for the year	本年度虧損	—	—	—	—	—	—	(137,660)	(137,660)
Other comprehensive loss for the year	本年度其他全面虧損	—	—	—	—	—	(214,845)	—	(214,845)
Total comprehensive loss for the year	本年度全面虧損總額	—	—	—	—	—	(214,845)	(137,660)	(352,505)
Issue of new shares	發行新股份	114,650	114,650	—	—	—	—	—	229,300
Transaction costs attributable to issue of new shares	發行新股份 應佔交易成本	—	(424)	—	—	—	—	—	(424)
Equity-settled share-based payments	以股權結算股份 基礎支出	—	—	—	—	6,870	—	—	6,870
Lapse of share options	購股權失效	—	—	—	—	(14,178)	—	14,178	—
Appropriation of safety production fund	撥付安全生產基金	—	—	8,483	—	—	—	(8,483)	—
Utilisation of safety production fund	動用安全生產基金	—	—	(1,781)	—	—	—	1,781	—
Appropriation of statutory surplus reserve	撥付法定盈餘儲備	—	—	791	—	—	—	(791)	—
31 December 2015	二零一五年 十二月三十一日	<u>689,879</u>	<u>4,578,060</u>	<u>138,408</u>	<u>2,203</u>	<u>126,715</u>	<u>(27,951)</u>	<u>258,468</u>	<u>5,765,782</u>

The notes on pages 93 to 246 form part of these financial statements.

第 93 至第 246 頁之附註屬本財務報表之一部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

(Expressed in Hong Kong dollars 以港元列示)

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Operating activities	經營活動			
Loss before tax	除稅前虧損		(407,139)	(117,589)
Adjustments for:	調整：			
Amortisation of intangible assets	無形資產攤銷	6(c)	94,602	106,835
Depreciation and amortisation of fixed assets	固定資產折舊及攤銷	6(c)	108,495	92,676
Impairment loss of trade and loans receivables	應收賬款及貸款之減值虧損	6(c)	—	10,919
Finance costs	財務成本	6(a)	398,236	329,666
Equity-settled share-based payments	以股權結算之股份基礎支出	30	144,833	6,870
Interest income	利息收入	5	(21,593)	(26,252)
Dividend income from financial assets at fair value through profit or loss	按公平值計入損益之金融資產之股息收入	5	(4,280)	—
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值虧損	5	9,209	—
Gain on disposal of fixed assets	出售固定資產之收益	5	(344)	(50,698)
Gain on disposal of subsidiaries	出售附屬公司之收益	5	(21,764)	—
Changes in working capital:	營運資金變動：			
Decrease/ (increase) in inventories	存貨減少/(增加)		19,921	(15,844)
Decrease in trade, loans and other receivables, deposits and prepayments	應收賬款、貸款及其他應收款項、按金及預付款項減少		87,370	194,832
Decrease in client trust bank balances	客戶信託銀行結餘減少		249	—
Decrease in trade and other payables	應付賬款及其他應付款項減少		(149,763)	(29,069)
Cash generated from operations	經營活動產生之現金		258,032	502,346
Tax paid	已付稅項			
— PRC income tax paid	— 已付中國所得稅		(12,725)	(20,956)
Net cash generated from operating activities	經營活動產生之現金淨額		245,307	481,390

The notes on pages 93 to 246 form part of these financial statements.

第93至第246頁之附註屬本財務報表之一部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度
(Expressed in Hong Kong dollars 以港元列示)

		Note	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		附註		
Investing activities	投資活動			
Payment for purchase of fixed assets	購置固定資產付款		(377,424)	(640,392)
Proceeds from disposal of fixed assets	出售固定資產所得款項		962	123,017
Payment for purchase of intangible assets	購入無形資產付款		(4,287)	(596)
Decrease in deposits paid for gold mining and exploration rights	就金礦採礦及探礦權所付按金減少		45,764	131,307
Decrease/(increase) in deposits paid for fixed assets	就固定資產支付之按金減少/(增加)		31,107	(22,042)
Payment for available-for-sale investment	就可供出售投資之付款		(234,255)	—
Decrease in other non-current deposits	其他非流動按金減少		(2,807)	—
Payment for purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之金融資產之付款		(68,295)	—
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產所得款項		140,234	—
Dividend received from financial assets at fair value through profit or loss	按公平值計入損益之金融資產之已收股息		4,280	—
Interest received	已收利息		21,593	26,252
Net cash considerations paid for acquisitions of subsidiaries	收購附屬公司所付現金代價淨額	28(b) & 31	(35,724)	—
Net cash consideration received from disposal of subsidiary	出售附屬公司所得現金代價淨額	28(c)	6,705	—
Net cash used in investing activities	投資活動所用之現金淨額		(472,147)	(382,454)

The notes on pages 93 to 246 form part of these financial statements.

第93至第246頁之附註屬本財務報表之一部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

(Expressed in Hong Kong dollars 以港元列示)

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financing activities	融資活動			
Payment for the Convertible Bonds Restructure	就可換股債券重組之付款	23	(372,385)	—
Proceeds from new shares issued by share subscriptions and placements	透過股份認購及配售發行新股份之所得款項		1,131,115	229,300
Proceeds from issue new shares upon exercise of share options	行使購股權後發行新股份之所得款項		10,000	—
Proceeds from bank and other borrowings	銀行及其他貸款所得款項		752,728	1,105,169
Repayment of bank and other borrowings	償還銀行及其他貸款		(879,755)	(682,820)
Proceeds from financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債所得款項		562,038	532,079
Repayment of financial liabilities at fair value through profit or loss	償還按公平值計入損益之金融負債		(463,425)	(623,153)
Payment for transaction costs attributable to new share issued	已發行新股份應佔交易成本付款		(4,179)	(424)
Increase in pledged deposits	已抵押存款增加		(110,196)	(213,151)
Finance costs paid	已付財務成本		(347,905)	(363,858)
Net cash generated from/(used in) financing activities	融資活動產生/(所用)之現金淨額		278,036	(16,858)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額		51,196	82,078
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物		88,148	23,471
Effect of foreign exchange rate changes	匯率變動之影響		(33,749)	(17,401)
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	20	105,595	88,148

The notes on pages 93 to 246 form part of these financial statements.

第93至第246頁之附註屬本財務報表之一部份。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

1. GENERAL INFORMATION

Munsun Capital Group Limited (previously known as China Precious Metal Resources Holdings Co., Ltd.) (the “Company”) was incorporated in the Cayman Islands with limited liability. The address of its registered office and principal place of business are disclosed in the corporate information section of the annual report. The Company and its subsidiaries (collectively the “Group”) are principally engaged in mining and processing of gold ores and sale of gold products in The People’s Republic of China (the “PRC”), provision of financial services business in Hong Kong and the PRC, including asset management, securities brokerage, financing and advisory services, during the year.

Pursuant to a special resolution passed at the Company’s extraordinary general meeting held on 19 September 2016, the name of the Company changed from China Precious Metal Resources Holdings Co., Ltd. to Munsun Capital Group Limited with effect from 20 September 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These 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 (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”). A summary of the significant accounting policies adopted by the Group is set out below.

1. 一般資料

麥盛資本集團有限公司(前稱中國貴金屬資源控股有限公司)(「本公司」)為一間於開曼群島註冊成立之有限公司。其註冊辦事處地址及主要營業地點於本年報公司資料一節中披露。年內，本公司及其附屬公司(統稱「本集團」)主要於中華人民共和國(「中國」)從事金礦開採、加工及黃金產品銷售，在香港及中國從事提供金融服務業務，包括資產管理、證券經紀、融資及諮詢服務。

根據於二零一六年九月十九日舉行之本公司股東特別大會上通過之一項特別決議案，本公司之名稱自二零一六年九月二十日起由「中國貴金屬資源控股有限公司」更改為「麥盛資本集團有限公司」。

2. 主要會計政策

(a) 合規聲明

此等財務報表是按照所有適用之香港財務報告準則(「香港財務報告準則」)(該詞彙統稱包括香港會計師公會(「香港會計師公會」)頒佈之所有個別適用之《香港財務報告準則》、《香港會計準則》(「香港會計準則」)及詮釋及香港公認會計原則而編製。此等財務報表亦符合香港《公司條例》(第622章)的適用披露要求。此等財務報表同時符合香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)中適用之披露規定。本集團所採納之主要會計政策概要載列於下文。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(a) Statement of compliance (continued)

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

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2016 comprise the financial statements of the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis, except financial assets and liabilities at fair value through profit or loss, available-for-sale investment and derivative financial instruments that are carried at fair value. Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company and its subsidiaries in Hong Kong is Hong Kong dollars ("HK\$") and that of its subsidiaries in Mainland China is Renminbi ("RMB"). For the purposes of presenting the consolidated financial statements, the Group has adopted Hong Kong dollars as its presentation currency.

2. 主要會計政策(續)

(a) 合規聲明(續)

香港會計師公會已頒佈多項首次於現行會計年度生效且本集團及本公司可提前採納之新訂及經修訂之香港財務報告準則。附註3載列因初次應用該等與已於此等財務報表中反映之本集團現行及以往會計年度有關之發展而導致之有關會計政策之任何重大變動之資料。

(b) 財務報表之編製基準

截至二零一六年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司之財務報表。

編製此等財務報表時使用之計量基準為歷史成本基準，惟不包括以公平值列值之透過損益按公平值列賬之金融資產及負債，可供出售投資及衍生金融工具。本集團各實體之財務報表項目以實體經營業務所在主要經濟環境的貨幣(「功能貨幣」)計量。本公司及其於香港之附屬公司之功能貨幣為港幣(「港元」)，而其於中國國內之附屬公司的功能貨幣為人民幣(「人民幣」)。就呈列本綜合財務報表而言，本集團已採用港幣作為其列示貨幣。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

In preparing the financial statements, the Company's directors have considered the future liquidity of the Group. The Group incurred a loss for the year attributable to owners of the Company of HK\$419,151,000 for the year ended 31 December 2016, and, as at that date, the Group had net current liabilities of HK\$1,808,484,000. These conditions indicate the existence of a material uncertainty which may cast a doubt on the Group's ability to continue as a going concern. Nevertheless, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirements given that:

- (i) Subsequent to the end of the reporting period, the Group has renewed bank and other borrowings of approximately HK\$361 million and has been granted new bank and other borrowings of approximately HK\$234 million. Details are set out in note 37(a). Save as disclosed above, the Company's directors are of the opinion that the Group will be able to obtain the renewal of bank and other borrowings due in the foreseeable future.
- (ii) A substantial shareholder of the Company, Munsun Assets Management Ltd ("Munsun Assets"), has agreed to provide continuing financial support as necessary to enable the Group to meet its liabilities as and when they fall due in the foreseeable future. Mr. Li Xianghong ("Mr. Li"), the chairman and the chief executive officer of the Company, holds 31.63% shareholding in Munsun Assets and is an executive director of Munsun Assets; and

2. 主要會計政策(續)

(b) 財務報表之編製基準(續)

於編製財務報表時，本公司董事已考慮本集團之未來流動資金。截至二零一六年十二月三十一日止年度，本集團產生本公司擁有人應佔之本年度虧損419,151,000港元，而於該日，本集團之流動負債淨額為1,808,484,000港元。該等情況顯示重大不確定性之存在，從而可能會令本集團之持續經營能力備受質疑。然而，考慮下述事項後，董事認為本集團將可應付其未來營運資金及財務需求：

- (i) 於報告期末後，本集團已獲延續的銀行及其他貸款約361百萬港元，並獲授新增銀行及其他貸款約234百萬港元。有關詳情載於附註37(a)。除上文所披露者外，本公司董事認為本集團將於可見未來獲得銀行及其他貸款到期之延續。
- (ii) 本公司一名主要股東麥盛資產管理有限公司(「麥盛資產」)已同意於有需要時候提供持續財務支援，讓本集團能償付其於可見未來到期之負債。本公司主席兼行政總裁李向鴻先生(「李先生」)持有麥盛資產31.63%股權並為麥盛資產的執行董事；及

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

- (iii) Based on a cash flow forecast prepared by the Group's management for the twelve months after the end of the reporting period, the Group will be able to generate adequate cash flows from its continuing operations and to obtain sufficient fundings to meet the debts of the Group as and when they fall due in the foreseeable future.

Accordingly, the Company's directors are of the opinion that it is appropriate to prepare of the financial statements for the year ended 31 December 2016 on a going concern basis. The financial statements have not reflected any effects of adjustments if the Group was unable to continue to operate as a going concern.

(c) Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

2. 主要會計政策(續)

(b) 財務報表之編製基準(續)

- (iii) 基於本集團管理層編製之報告期末後十二個月之現金流量預測，本集團將可從其持續經營項目中產生足夠之現金流量及獲取足夠資金，以應付本集團於可見未來到期之債務。

因此，本公司董事認為按持續經營基準編製截至二零一六年十二月三十一日止年度之財務報表乃屬合適。倘本集團未能按持續經營基準繼續經營，財務報表並無反映該等任何調整之影響。

(c) 編製基準

綜合財務報表包括本集團截至二零一六年十二月三十一日止年度之財務報表。附屬公司為本公司直接或間接控制的實體(包括結構性實體)。當本集團對涉及投資對象的浮動回報承擔風險或享有權利以及能透過對投資對象的權力(即賦予本集團現有有能力以主導投資對象相關活動的既存權利)影響該等回報時，即取得控制權。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) Basis of consolidation (continued)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2. 主要會計政策(續)

(c) 編製基準(續)

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利，則本集團於評估其是否對投資對象擁有權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃按與本公司一致的報告期間及會計政策編製。附屬公司的業績自本集團取得控制權當日起作綜合入賬，直至有關控制權終止當日為止。

損益及其他全面收益之各個組成部份歸屬於本集團母公司之擁有人及非控股權益，即使此舉會導致非控股權益有虧絀結餘。所有有關本集團各成員公司間之交易之集團內部公司間資產及負債、權益、收入、開支及現金流量會於綜合入賬時全數對銷。

倘事實及情況顯示下文附屬公司會計政策所述的三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制投資對象。附屬公司的所有權權益變動(沒有失去控制權)，按權益交易入賬。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) Basis of consolidation (continued)

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

(d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed 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. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

2. 主要會計政策(續)

(c) 編製基準(續)

倘本集團失去一間附屬公司的控制權，則其終止確認(i)該附屬公司的資產(包括商譽)及負債、(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計匯兌差額；及確認(i)所收代價的公平值、(ii)所保留任何投資的公平值及(iii)損益賬中任何因此產生的盈餘或虧損。先前於其他全面收益內確認的本集團應佔部分重新分類至損益或保留溢利(如適用)，倘本集團已直接出售相關資產或負債則須以同一基準確認。

(d) 企業合併及商譽

業務合併採用收購法。轉移對價以收購當天的公平值計量，此公平值指本集團於收購當日轉移的資產的公平值、本集團對收購企業原先所有者的預計負債和本集團為獲得被收購企業的控制權所發行的股本權益三項之和。各次企業合併中，除處於清算階段的被收購企業的非控股權益可選擇採用按公平值或者按比例應佔被收購方可辨識之淨資產計量，收購企業需按照被收購企業中非控股權益的公平值計量。收購成本在實際發生時確認為開支。

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) Business combinations and goodwill

(continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2. 主要會計政策(續)

(d) 企業合併及商譽(續)

當本集團收購一項業務時，會根據合約條款以及於收購日之經濟環境和相關條件，評估將承接的金融資產和負債，以作出合適的分類及指定，其中包括將被收購方主合約中的嵌入式衍生工具進行分離。

若業務合併分階段進行，收購企業須按購買日的公平值重新計量其先前在被購方持有的權益性利益，且相關的利得或損失應計入損益。

收購方轉移的任何或有對價以收購日當日的公平值確認。分類為資產或負債的或有對價按公平值計量，其公平值變動於損益確認。確認為權益的或有對價不需要重新計量，日後的確認記入在權益內。

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) Business combinations and goodwill

(continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2. 主要會計政策(續)

(d) 企業合併及商譽(續)

商譽初始確認時按成本計量，即已轉讓總對價、已確認非控股權益及本集團先前持有的被收購方股權的任何公平值總額，超出所承接之可辨認淨資產及負債之公平值的差額。如總對價及其他項目低於所收購淨資產之公平值，該等差額在評估後，於損益中確認為議價收購收益。

初始確認後，商譽乃按成本減累計減值虧損計量。商譽賬面價值須於每年進行評估是否發生減值，或事件或環境變化表明其賬面價值可能出現減值，則需要進行更為頻繁的複查。本集團於每年十二月三十一日對商譽進行減值測試。就減值測試而言，商譽自取得之日始分配至本集團的各現金產生單位或一組現金產生單位，該現金產生單位或一組單位預期將從合併協同效益中獲益，而無論本集團是否有其他資產或負債被分配至該現金產生單位或一組單位。

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) Business combinations and goodwill

(continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2. 主要會計政策(續)

(d) 企業合併及商譽(續)

減值損失以評估與商譽相關的現金產生單位(一組現金產生單位)的可收回金額來確定。如果現金產生單位(一組現金產生單位)的可收回金額少於其賬面價值，則確認減值損失。已確認之商譽減值損失在後續期間不可轉回。

如果商譽被分攤給現金產生單位(或一組現金產生單位)，且該單元業務的一部份被處置，在確定該被處置業務的損益時，與被處置業務相關的商譽將包括在該業務的賬面價值中。在這種情況下處置的商譽以被處置的業務和被保留的現金產生單位的相對值為基礎計量。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(e) Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

(i) Mining rights

Mining rights with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment loss (see note 2(h) (ii)). The mining rights are amortised over the estimated useful lives of the mines, in accordance with the production plans of the mines concerned, by using the unit of production method based on the actual production volume over the estimated total proven and probable reserves of the gold mines.

2. 主要會計政策(續)

(e) 無形資產(商譽除外)

單獨取得之無形資產乃於初始確認時按成本計量。通過企業合併取得之無形資產乃按收購時點之公平值計量。無形資產的可使用年限列為有限期或無限期。有限期的無形資產按可使用經濟年期攤銷，並於有跡象顯示無形資產可能出現減值時評估減值。有限期的無形資產的攤銷期及攤銷方法至少於每年報告日進行覆核。

具有不確定使用年限的無形資產，每年單獨或以現金產生單位為基礎進行減值測試。這類無形資產無需攤銷。具有不確定使用年限的無形資產的使用年限，應每年進行審閱，以評定不確定使用年限的判斷是否繼續有效。若該估計不再適用，使用年限的預測由無限期改為有限期，並採用未來適用法。

(i) 採礦權

具有有限使用年期之採礦權乃按成本減累計攤銷及任何累計減值虧損(見附註2(h)(ii))入賬。根據相關礦場的生產計劃，採礦權乃於該等礦場估計可使用年限按金礦之估計總證實及概略儲量根據實際產量使用生產單位法進行攤銷。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(e) Intangible assets (other than goodwill)

(continued)

(ii) *Exploration rights and assets*

Exploration rights and assets are stated at cost less any impairment losses. Exploration rights and assets include the cost of acquiring exploration rights, topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies.

Exploration and evaluation costs include expenditure incurred to secure further mineralisation in existing ore bodies as well as in new areas of interest. Expenditure incurred prior to accruing legal rights to explore an area is written off as incurred.

When it can be reasonably ascertained that an exploration property is capable of commercial production, exploration and evaluation costs capitalised are transferred to either mining structures or mining rights and depreciated/amortised by the unit of production method based on the proved and probable mineral reserves. Costs incurred for exploration which can be directly attributable to the development of mining structures are transferred to mining structures when the exploration reaches the stage of commercial production. All other costs will be transferred to mining rights. Exploration rights and assets are written off to profit or loss if the exploration property is abandoned.

2. 主要會計政策(續)

(e) 無形資產(商譽除外)

(續)

(ii) *探礦權及資產*

探礦權及資產按成本減任何減值虧損入賬。探礦權及資產包括收購探礦權、地質及地理勘測、勘探鑽井、抽樣及挖掘及與商業及技術上可行性研究有關的活動的成本。

勘探及評估成本包括進一步發現現有礦區之礦產及新獲利地區產生之開支。取得一個地區之合法探礦權前產生之開支於發生時撇銷。

如能合理確定勘探資產可投入商業生產，資本化之勘探及評估成本撥入採礦構築物或採礦權，並按單位產量法根據證實及概略礦產儲量予以折舊／攤銷。當探礦活動達到礦山可進行商業開採時，與礦山開發基礎設施直接相關的成本應計入採礦構築物。所有其他成本撥入採礦權。倘該勘探資產遭廢棄，則探礦權及相關資產須計入損益表。

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(e) Intangible assets (other than goodwill)

(continued)

(iii) Trading rights

The trading right at the Hong Kong Stock Exchange Limited is recognised as intangible assets in the consolidated balance sheet. It has indefinite useful lives and are tested annually for impairment and carried at cost less accumulated impairment losses.

(f) Fixed assets

Fixed assets, other than construction in progress, are stated in the statement of financial position at cost less any accumulated amortisation and depreciation and any accumulated impairment losses (see note 2(h)(ii)).

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease.

2. 主要會計政策(續)

(e) 無形資產(商譽除外)

(續)

(iii) 交易權

香港聯合交易所有限公司之交易權在綜合資產負債表被確認為無形資產，其並無一個確定可使用年期。交易權會每年接受減值測試，並以成本減累計減值虧損列賬。

(f) 固定資產

固定資產(在建工程除外)按成本減任何累計攤銷和折舊及任何累計減值虧損(如有)(見附註2(h)(ii))於財務狀況表列賬。

物業、廠房及設備項目投產後所產生的支出，如維修及保養費用，一般於產生期間在收益表中支銷。於符合確認準則的情況下，用於重大檢測的支出將於該資產的賬面值中撥充資本，列作重置項目。倘物業、廠房及設備的重要部分需不時更換，則貴集團會將該等部分確認為擁有特定可使用年限的個別資產，並予以相應折舊。

當租賃包括土地及樓宇組成部份時，本集團評估其擁有各個組成部份附帶之風險與報酬是否絕大部份轉移至本集團並把每項資產分別劃分為融資租賃或經營租賃，惟倘兩個部份明確地屬於經營租賃，則整個租賃分類為經營租賃。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Fixed assets (continued)

Specifically, the minimum lease payments (including any lumpsum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as interests in leasehold land held for own use under operating leases and included in fixed assets in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

The cost of self-constructed items of fixed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the cost of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowings costs (see note 2(w)).

Gains or losses arising from the retirement or disposal of an item of fixed assets 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.

2. 主要會計政策 (續)

(f) 固定資產 (續)

具體而言，最低租賃付款(包括任何一次性預付款項)按租賃開始時租賃之土地及樓宇部份之租賃權益相對公平值之分配比例分配至土地及樓宇部份

租賃付款能夠可靠地分配時，被列為經營租賃的租賃土地之權益在綜合財務狀況表中列為根據經營租賃持有作自用租賃土地之權益及包括在固定資產內，按直線基準在租賃期間攤銷。

自建之固定資產項目成本包括材料、直接勞工、初步估計(視何者適用)拆卸及清除項目及重修所在地盤之成本，以及適當比例之生產經常費用及貸款成本(見附註2(w))。

報廢或出售固定資產項目之損益按出售所得款項淨額與該項目賬面值之間之差額釐定，並於報廢或出售當日在損益中確認。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Fixed assets (continued)

Depreciation is calculated to write off the cost of items of fixed assets, other than mining structures, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.
- leasehold land classified as held for finance lease is depreciated over the unexpired term of lease.
- Machinery and equipment 5 - 10 years
- Motor vehicles 4 - 8 years
- Office equipment, fixtures 3 - 5 years
and fittings

Depreciation of mining structures is provided to write off the cost of the mining structures. The mining structures are depreciated over the estimated useful lives of the mines, in accordance with the production plans of the mines concerned, by using the unit of production method based on the actual production volume over the estimated total proven and probable reserves of the gold mines.

Where parts of an item of fixed assets have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2. 主要會計政策(續)

(f) 固定資產(續)

折舊是按下列固定資產項目(除採礦構築物外)之預計可用年限以直線法沖銷其成本，減估計剩餘價值(如有)計算：

- 位於租賃土地上之樓宇是按租賃未屆滿年期及其估計可使用年限之較短期間內折舊，即完成日期起計不多於50年。
- 列為就融資租賃持有之租賃土地於租賃未屆滿年期計算折舊。
- 機器及設備 5 - 10年
- 汽車 4 - 8年
- 辦公室 3 - 5年
設備、
傢俱及
固定裝置

採礦構築物折舊已獲撥備以撇銷採礦構築物的成本。根據相關礦場的生產計劃，採礦構築物乃於該礦場的估計可使用年限按金礦之估計總證實及概略儲量根據實際產量使用生產單位法進行折舊。

倘固定資產之部份項目有不同可使用年限，該項目之成本則按合理基準分配至各部份並單獨計提折舊。資產之可使用年限及剩餘價值(如有)均會作年度審閱。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Fixed assets (continued)

Construction in progress represents buildings, mining structures and plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is stated at cost less any identified impairment loss (see note 2(h)(ii)). Cost comprises construction expenditure and capitalised borrowing costs on related borrowed fund during the period of construction and other direct costs attributable to such projects, if the amount of capital expenditures and the time involved to complete the construction are significant. Construction in progress is reclassified to the appropriate category of fixed assets when completed and ready for its intended use.

No depreciation is provided in respect of construction in progress until it is substantially complete and ready for its intended use.

(g) Leases

(a) *The Group as lessee*

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.

2. 主要會計政策 (續)

(f) 固定資產 (續)

在建工程指供生產或自用之在建樓宇、採礦構築物、廠房及設備。在建工程以成本減去任何已識別減值虧損後列賬(見附註2(h)(ii))。成本包括建築開支，在建設期間用於支付工程的貸款相關的資本化貸款成本及該等項目應佔之其他直接成本(倘完成建設之資本開支數額及所涉及時間屬重大)。當在建工程完成及可投入其擬定用途時，將撥入固定資產之適當分類。

在建工程不予折舊，直至在建工程大部份已完成及已就緒作擬定用途。

(g) 租賃

(a) *本集團作為承租人*

倘本集團判斷一項安排為在約定之時期內將特定資產使用權出讓以換取一筆或一連串付款之安排時，該交易或連串交易之安排會被視為或包括一項租賃。該項決定乃基於該安排之實際內容之估值而作出，而無論該安排是否採取法律形式之租賃。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(g) Leases (continued)

(a) *The Group as lessee* (continued)

(i) *Classification of assets leased to the Group*

Assets 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, with the following exceptions:

- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

2. 主要會計政策(續)

(g) 租賃(續)

(a) 本集團作為承租人(續)

(i) 租賃給本集團之資產分類

本集團根據租賃持有，且其所有權之絕大部份風險及回報已轉至本集團之資產均列為根據融資租賃持有。並無轉讓擁有權絕大部份風險及回報至本集團之租賃均列為經營租賃，惟下列各項除外：

- 根據經營租賃持有作自用之土地於租賃開始時，其公平值未能與土地上樓宇之公平值分開計量時，則按融資租賃持有之方式處理，惟樓宇亦明確以經營租賃持有者除外。就此而言，該租賃之開始日期為於本集團首次訂立租約、或承接自上一承租人士時。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(g) Leases (continued)

(a) *The Group as lessee* (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 fixed assets 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(h) (ii). 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 reporting period.

2. 主要會計政策(續)

(g) 租賃(續)

(a) 本集團作為承租人 (續)

(ii) 根據融資租賃獲得之資產

倘本集團根據融資租賃獲得資產之使用權，則將相當於租賃資產公平值或該等資產的最低租賃款項之現值(如為較低的數額)列為固定資產，而相應之負債(經扣除財務支出)則列作融資租賃下責任。折舊按於相關租賃年期內撇銷資產成本之比率計提，倘本集團可能會取得資產之擁有權，則按附註2(f)所載列於資產年限內計提。減值虧損按照附註2(h)(ii)所載之會計政策入賬。租賃款項內包含之財務支出於租賃期限內在損益中扣除，以於每個報告期間就有關責任之剩餘結餘得出一致之概約固定定期支出比率。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(g) Leases (continued)

(a) *The Group as lessee* (continued)

(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. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged as expenses in the reporting period in which they are incurred.

2. 主要會計政策(續)

(g) 租賃(續)

(a) 本集團作為承租人(續)

(iii) 經營租賃費用

當本集團擁有根據經營租賃所持資產之使用權，則根據租賃作出之付款會在租賃期所涵蓋之會計期間內按等額在損益中扣除。獲取之租賃優惠在損益中確認為租賃淨付款總額之組成部份。或然租金在其發生之報告期間入賬列為開支。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(g) Leases (continued)

(b) *The Group as lessor*

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. The lease payment and the sale price are usually interdependent because they are negotiated as a package. The accounting treatment of a sale and leaseback transaction depends upon the type of lease involved. If the leaseback is a finance lease, the transaction is a means whereby the lessor provides finance to the lessee, with the asset as security.

When the Group is a lessor under finance leases, an amount representing the minimum lease payment receivables and initial direct costs is included in the consolidated statement of financial position as trade and loans receivables. Any unguaranteed residual value is also recognised at the inception of the lease. The difference between the sum of the minimum lease payment receivables, initial direct costs, the unguaranteed residual value and their present value is recognised as unearned finance income. Unearned finance income is recognised over the period of the lease using the effective interest rate method.

2. 主要會計政策(續)

(g) 租賃(續)

(b) 本集團作為出租人

售後租回交易涉及資產之出售及同一資產之租回。由於出售及租回乃一併進行，所以租賃款項及出售價通常為相關的。售後租回交易的會計處理方法取決於所涉及的租賃種類。倘租回為融資租賃，則該交易為出租人向承租人提供融資的方式，並以資產作為抵押。

倘本集團作為融資租賃出租人時，應收最低租賃款額與初始直接成本之款項於綜合財務狀況表列作應收賬款及貸款。於訂立租賃時亦會確認未擔保餘值。應收最低租賃款額、初始直接成本及未擔保餘值之和與其現值之差額確認為未實現融資收益。未實現融資收益在租賃期內採用實際利率法確認。

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Impairment of assets

(i) *Impairment of other investments and trade, loans and other receivables*

Other investments and trade, loans and other 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.

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

2. 主要會計政策(續)

(h) 資產減值

(i) *其他投資及應收賬款、貸款及其他應收款項減值*

以成本或攤銷成本列賬的其他投資及應收賬款、貸款及其他應收款項在每個報告期間結束時作檢討以決定是否有減值之客觀證據。減值之客觀證據包括本集團注意到有關以下一項或多項虧損事件之可觀察數據：

- 債務人出現重大財政困難；
- 違反合約，如拖欠或延遲支付利息或本金；
- 債務人可能出現破產或其他財務重組；及
- 技術、市場、經濟或法律環境之重大變動對債務人造成不利影響。

- 就按成本列賬的無市場報價股本證券而言，減值虧損按金融資產的賬面值與按類似金融資產的現行市場回報率折現(如折現影響重大)估計的未來現金流量的差額計算。按成本列賬的股本證券的減值虧損概不會撥回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Impairment of assets (continued)

(i) Impairment of other investments and trade, loans and other receivables (continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.
- For trade and loans receivables and other current receivables and other financial assets carried at amortised cost, the impairment loss is 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. 主要會計政策(續)

(h) 資產減值(續)

(i) 其他投資及應收賬款、貸款及其他應收款項減值(續)

若任何該等證據存在，按以下方式釐定及確認任何減值虧損：

- 就按成本列賬的無市場報價股本證券而言，減值虧損按金融資產的賬面值與按類似金融資產的現行市場回報率折現(如折現影響重大)估計的未來現金流量的差額計算。按成本列賬的股本證券的減值虧損概不會撥回。
- 按攤銷成本入賬之應收賬款及貸款及其他流動應收款項及其他金融資產，減值虧損按資產賬面值與估計未來現金流量現值之差額計算，凡折現之影響屬重大，則按金融資產之原有實際利率(即該等資產首次確認時計算之實際利率)折現。如該等按攤銷成本列賬之金融資產具備類似之風險特徵，例如類似之逾期情況及並未單獨被評估為減值，則有關之評估會同時進行。金融資產之未來現金流量會根據與被評估資產組別具有類似信貸風險特徵資產之過往虧損情況來一同評估減值。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Impairment of assets (continued)

(i) *Impairment of other investments and trade, loans and other 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 trade debtors included within trade and other 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 trade debtors 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. 主要會計政策(續)

(h) 資產減值(續)

(i) *其他投資及應收賬款、貸款及其他應收款項減值(續)*

若於其後期間減值虧損減少，而該減少可客觀地與減值虧損確認後發生之事項相關，減值虧損將於損益轉回。減值虧損之轉回不得導致資產賬面值超過倘以往年度沒有確認減值虧損而釐定之應有賬面值。

減值虧損乃從相應的資產中直接撇銷，惟包含在應收賬款及其他應收款項中、其可收回性被視為存疑但並非機會渺茫的應收賬款的已確認減值虧損則除外。在此情況下，呆賬之減值虧損以撥備賬記錄。倘本集團確認能收回款項之機會微乎其微，則被視為不可收回之金額會直接從應收賬款中撇銷，而在撥備賬中就有關債務保留之金額會被撥回。倘之前於撥備賬中扣除之款項在其後收回，則有關款項於撥備賬撥回。撥備賬之其他變動及其後收回先前直接撇銷之款項均於損益確認。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Impairment of assets (continued)

(ii) 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 an impairment loss previously recognised no longer exists or may have decreased:

- intangible assets;
- fixed assets and construction in progress;
- deposits paid for gold mining and exploration rights and fixed assets;
- available-for-sale investment;
- other non-current deposits; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated:

- Calculation of recoverable amount
The recoverable amount of an asset is the greater of its fair value less costs of disposal and its 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. 主要會計政策(續)

(h) 資產減值(續)

(ii) 其他資產減值

本集團會在每個報告期間結束時審閱內部和外來之資料，以確定下列資產有否出現減值跡象，或是以往確認之減值虧損是否已不再存在或已經減少：

- 無形資產；
- 固定資產及在建工程；
- 就金礦採礦及探礦權以及固定資產所付按金；
- 可供出售投資；
- 其他非流動按金；及
- 本公司財務狀況表中於附屬公司之投資。

如果出現有關跡象，便會估計資產之可收回金額：

- 計算可收回金額
資產之可收回金額以其公平值減去出售成本和其使用價值兩者中之較高數額為準。在評估使用價值時，預期未來現金流量會按可以反映當時市場對貨幣時間值及資產特定風險之評估之稅前折現率，折現至其現值。如果資產所產生之現金流入很大程度上不能獨立於其他資產，則以能獨立產生現金流入之最小資產組別(即現金產生單位)來釐定可收回金額。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever 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 amount 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

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of 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. 主要會計政策(續)

(h) 資產減值(續)

(ii) 其他資產減值(續)

– 確認減值虧損

當資產或其所屬之現金產生單位賬面值高於其可收回金額時，將於損益確認減值虧損。現金產生單位已確認之減值虧損首先會作出分配以減少已分配至該現金產生單位(或一組單位)的任何商譽的賬面值，然後再按比例減少該單位(或一組單位)內其他資產的賬面值，惟資產賬面值不得減至低於其個別公平值減出售成本(如可計量)或使用價值(如可釐定)之數額。

– 轉回減值虧損

如果用以釐定可收回金額之估計出現有利變化，有關減值虧損便會撥回。

所轉回之減值虧損以假設在以往年度沒有確認減值虧損而釐定之資產賬面值為限。所轉回之減值虧損在確認轉回之年度內計入損益。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Impairment of assets (continued)

(iii) *Interim financial reporting and impairment*

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim Financial Reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition and reversal criteria as it would at the end of the financial year (see notes 2(h) (i) and (ii)).

(i) Inventories

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

Cost is calculated using the weighted average cost formula and, in the case of work in progress and finished goods, 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 writedown of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the writedown or loss occurs. The amount of any reversal of any writedown of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. 主要會計政策(續)

(h) 資產減值(續)

(iii) *中期財務報告及減值*

根據上市規則，本集團須根據香港會計準則第34號「中期財務報告」就財政年度首六個月編製中期財務報告。於中期完結時，本集團採用於財政年度完結時應採用之同一減值測試、確認及轉回條件(見附註2(h) (i)及(ii))。

(i) 存貨

存貨以成本及可變現淨值兩者中之較低者入賬。

成本是以加權平均成本法計算，而就在製品及製成品而言，成本包括所有採購成本，加工成本及將存貨運至現址及達致現狀之其他成本。

可變現淨值是以日常業務過程中估計售價減去估計完成成本及估計銷售所需成本後所得的數額。

所出售存貨之賬面值在相關收入獲確認之期間內，確認為支出。存貨撇減至可變現淨值之金額，及存貨之所有虧損均在出現撇減或虧損期間確認為支出。任何存貨撇減之任何轉回數額，在轉回期間內確認為已列作支出的存貨數額的減少。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(j) Trade, loans and other receivables

Trade, loans 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(h) (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.

(k) 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.

(l) 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.

2. 主要會計政策(續)

(j) 應收賬款、貸款及其他應收款項

應收賬款、貸款及其他應收款項首次按公平值確認，其後使用實際利率法按攤銷成本減呆賬減值撥備入賬(見附註2(h)(i))，惟借予關連人士免息及無任何固定還款期之應收款項或貼現影響並不重大之應收款項，則按成本減呆賬之減值撥備入賬。

(k) 計息貸款

計息貸款首次按公平值減所佔交易成本確認。首次確認後，計息貸款按攤銷成本列賬，而初步確認之金額與贖回價值之差額，連同任何應付利息及費用，均以實際利息法於貸款期內損益中確認。

(l) 應付賬款及其他應付款項

應付賬款及其他應付款項首次按公平值確認，其後按攤銷成本入賬，惟若貼現影響並不重大，則按成本入賬。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks, and short-term, highly liquid investments 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. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(n) Other investments

The Group's policies for investments in equity securities other than investments in subsidiaries are as follows:

Investments in equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in notes 2(u) (iii) and (iv).

2. 主要會計政策(續)

(m) 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金，存放於銀行之活期存款，以及可以隨時換算為已知之現金額及價值變動方面之風險輕微，並在購入後三個月內到期之短期和高流通性之投資。按要
求償還並構成本集團現金管理之組成部份之銀行透支亦入賬列作綜合現金流量表內之現金及現金等價物部份。

(n) 其他投資

本集團有關股本證券投資(於附屬公司的投資除外)的政策如下：

股本證券投資初步按公平值(即其交易價格)列賬，除非初始確認的公平值與交易價格有所不同，且公平值為類似資產或負債在活躍市場上的報價，或通過僅使用可觀察市場的數據的估值技術計量。除下文另有說明外，成本包括應佔交易成本。其後該等投資視乎分類按以下方式列賬：

持作買賣證券投資分類為流動資產。任何應佔交易成本於產生時於損益內確認。於各報告期末會重新計量公平值，因此產生的任何盈虧乃於損益內確認。於損益內確認的盈虧淨額不包括該等投資賺取的任何股息或利息，因其乃根據附註2(u)(iii)及(iv)所載政策確認。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Other investments (continued)

Investments in securities which do not fall into any of the above categories are classified as available-for sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognized in the statement of financial position at cost less impairment losses (see note 2(h)). Dividend income from equity securities is recognised in profit or loss in accordance with the policies set out in note 2(u) (iii).

When the investments are derecognised or impaired (see note 2(h)), the cumulative gain or loss recognized in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

2. 主要會計政策(續)

(n) 其他投資(續)

不屬於上述任何類別的證券投資分類為可供出售證券。於各報告期末會重新計量公平值，因此產生的任何盈虧於其他全面收益內確認，並於公平值儲備的權益中分開累計。作為例外情況，並無於活躍市場中具有同等工具報價且其公平值無法可靠計算的股本證券投資於財務狀況表內按成本扣除減值虧損確認(見附註2(h))。股本證券股息收入根據附註2(u)(iii)所載政策在損益中確認。

倘終止確認投資或投資出現減值(見附註2(h))，則於權益內確認的累計盈虧重新分類至損益。該等投資於本集團正式購買／出售該投資或投資到期當日確認／終止確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(o) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated income statement. The net fair value gain or loss recognised in the consolidated income statement does not include any interest charged on these financial liabilities. Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

2. 主要會計政策(續)

(o) 透過損益按公平值列賬之金融負債

透過損益按公平值列賬之金融負債包括持作買賣之金融負債和初始確認指定為透過損益按公平值列賬之金融負債。如果獲取該金融負債的目的是為了在近期再次購買，則分類為持作買賣金融負債。此分類包括本集團所訂立的衍生金融工具，但並不是香港會計準則第39號所定義指定為對沖關係中的對沖工具。單獨嵌入衍生工具也分類為持作買賣，除非其被指定為有效的對沖工具。持作買賣金融負債的收益或虧損在綜合損益表中確認。在綜合損益表確認的公平值收益或虧損淨額不包括該等金融負債扣除的任何利息。只有符合香港會計準則第39號的規定時，在初始確認時指定為透過損益按公平值列賬之金融負債方可於首次確認日期指定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(p) Convertible bonds

(i) *Convertible bonds that contain an equity component*

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 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 liabilities component is recognised as the equity component. Transaction costs that relate to the issue of a convertible 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 convertible bond is converted or redeemed.

2. 主要會計政策(續)

(p) 可換股債券

(i) *含有權益部份之可換股債券*

倘於轉換時將予發行之股份數目及屆時將可收取之代價價值並無差別，可按持有人選擇轉換為權益股本之可換股債券，作為同時含有負債部份及權益部份之複合金融工具入賬。

初步確認時，可換股債券之負債部份會按未來利息和本金款項的現值計量，再以初步確認時適用於不帶轉換權的類似負債的市場利率折現計算。凡所得款項超過初步確認為負債部份款項之金額，乃確認為權益部份。有關發行可轉換金融工具之交易成本將按所得款項之分配比例分配到負債及權益部份。

負債部份其後將以攤銷成本入賬。於損益內確認之負債部份利息開支按實際利率法計算。權益部份將在可換股債券權益儲備中確認，直至可換股債券被轉換或贖回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(p) Convertible bonds (continued)

(i) *Convertible bonds that contain an equity component (continued)*

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 share issued. If the bond is redeemed, the capital reserve is released directly to retained profits.

(ii) *Other convertible bonds*

Convertible bonds which do not contain an equity component are accounted for as follows:

At initial recognition, the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

2. 主要會計政策(續)

(p) 可換股債券(續)

(i) *含有權益部份之可換股債券(續)*

當債券被轉換時，可換股債券權益儲備連同轉換時之負債部份賬面值將按發行股份之代價轉入股本及股份溢價中。當債券被贖回時，資本儲備將直接轉入保留溢利中。

(ii) *其他可換股債券*

不含權益部份之可換股債券按以下方式入賬：

初步確認時，可換股債券之衍生部份按公平值計量，並呈列作為衍生金融工具之一部份。凡所得款項超過初步確認為衍生工具部份款額之金額，乃確認為負債部份。有關發行可換股債券之交易成本，按所得款項之分配比例分配至負債及衍生工具部份。有關負債部份之交易成本部份，乃初步確認為負債一部份。有關衍生工具部份之部份則即時於損益確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(p) Convertible bonds (continued)

(ii) Other convertible bonds (continued)

The derivative component is subsequently remeasured in accordance with note 2(q). 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.

If the bond is converted, the carrying amounts of the derivative and liability components are transferred to share capital and share premium as consideration for the shares issued. If the bond is redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in profit or loss.

(q) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date of grant and are subsequently remeasured at fair value at the end of each reporting period. The gain or loss on remeasurement to the fair value of derivative financial instruments is recognised immediately in profit or loss.

(r) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

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 employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2. 主要會計政策(續)

(p) 可換股債券(續)

(ii) 其他可換股債券(續)

衍生工具部份其後按附註2(q)重新計量。負債部份其後按攤銷成本列賬。於損益內確認之負債部份利息開支採用實際利息法計算。

倘兌換債券，衍生工具及負債部份之賬面值則轉撥至股本及股份溢價，作為已發行股份之代價。倘贖回有關債券，已付金額與兩個組成部份之賬面值之間的任何差額則於損益確認。

(q) 衍生金融工具

衍生金融工具於授出日期初步按公平值確認，其後在各報告期末按公平值重新計量。重新計量衍生金融工具之公平值產生之收益或虧損即時於損益確認。

(r) 僱員福利

(i) 短期僱員福利及定額供款退休計劃之供款

薪金、全年花紅、有薪年假、定額供款退休計劃供款及非貨幣福利之成本於僱員提供相關服務的年度內支銷。若遞延有關付款或結算及其影響屬重大，該等款項將按其現值入賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(r) Employee benefits (continued)

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

2. 主要會計政策(續)

(r) 僱員福利(續)

(ii) 以股份為基礎之付款

授予僱員之購股權之公平值確認為僱員成本，而權益中之資本儲備亦會相應增加。公平值是在授予日以柏力克－舒爾斯期權定價模式計量，並考慮授出購股權之條款及條件。如果僱員須符合歸屬條件才能無條件地享有購股權，在考慮到購股權會否歸屬之可能性後，便會將購股權之估計公平值總額於歸屬期攤分。

本公司會在歸屬期內審閱預期歸屬之購股權數目。對已於以往年度確認之累計公平值所作之任何調整會在審閱當年損益中列支／計入；但如果原來之僱員支出符合確認為資產之資格，便會對資本儲備作出相應之調整。已確認為支出之數額會在歸屬日作出調整，以反映所歸屬購股權之實際數目(同時對資本儲備作出相應之調整)；惟僅因未達成與本公司股份市價相關之歸屬條件而沒收者則另當別論。權益數額在資本儲備中確認，直至購股權獲行使(轉入股份溢價賬)或購股權到期(直接撥入保留溢利)時為止。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(r) Employee benefits (continued)

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(s) 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 the profit or loss except to the extent that they relate to 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, taking into consideration interpretations and practices prevailing in the countries in which the Group operates, 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. 主要會計政策(續)

(r) 僱員福利(續)

(iii) 終止福利

終止福利於本集團不再撤回提供該等福利及倘其確認涉及支付終止福利之重組成本時(以較早者為準)確認。

(s) 所得稅

本年度所得稅包括本期稅項及遞延稅項資產和負債之變動。本期稅項及遞延稅項資產和負債之變動均在損益內確認，惟在其他全面收益或直接在權益中確認之相關項目，其相關稅項金額分別在其他全面收益或直接在權益中確認。

本期稅項是按本年度應課稅收入根據在報告期末已執行或實質上已執行之稅率計算之預期應付稅項，同時考慮到本集團經營所在國家的現行解釋和做法，加上以往年度應付稅項之任何調整。

遞延稅項資產及負債乃因作財務報告用途之資產及負債賬面值與作稅基用途之資產及負債賬面值兩者之可予扣減及應課稅之暫時差異所產生。遞延稅項資產亦可由未經使用之稅項虧損及未經使用之稅項抵減所產生。

NOTES TO THE FINANCIAL STATEMENTS

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(s) 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 differences 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.

2. 主要會計政策(續)

(s) 所得稅(續)

除了某些有限之例外情況外，所有遞延稅項負債和遞延稅項資產(只限於很可能獲得能利用該遞延稅項資產來抵扣之未來應課稅溢利)都會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產之未來應課稅溢利包括因轉回目前存在之應課稅暫時差異而產生之數額；但這些轉回之差異必須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差異預計轉回之同一期間或遞延稅項資產所產生稅項虧損可向後期或向前期結轉之期間內轉回。在決定目前存在之應課稅暫時差異是否足以支持確認由未利用稅項虧損和稅款抵減所產生之遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應課稅實體有關，並是否預期在能夠使用稅項虧損和稅款抵減撥回之同一期間內轉回。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(s) Income tax (continued)

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.

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 profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2. 主要會計政策(續)

(s) 所得稅(續)

不確認為遞延稅項資產和負債之暫時差異是產生自以下有限之例外情況：不可就稅項目的扣減之商譽、不影響會計或應課稅溢利之資產或負債之初始確認(如屬業務合併之一部份則除外)；以及投資附屬公司有關之暫時差異(如屬應課稅差異，只限於本集團可以控制轉回之時間，而且在可預見之將來不大可能轉回之暫時差異；或如屬可抵扣差異，則只限於很可能在將來轉回之差異)。

已確認之遞延稅項額是按照資產和負債賬面值之預期變現或清償方式，根據在報告期末已執行或實質上已執行之稅率計量。遞延稅項資產和負債均不貼現計算。

本集團會在每個報告期末評估遞延稅項資產之賬面值。如果本集團預期不再可能獲得足夠之應稅溢利以抵扣相關之稅務利益，該遞延稅項資產之賬面值便會調低；但是如果日後可能獲得足夠之應課稅溢利，有關減額便會轉回。

因分派股息而額外產生之所得稅是在支付相關股息之責任確認時確認。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(s) Income tax (continued)

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:

- (i) in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- (ii) 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. 主要會計政策(續)

(s) 所得稅(續)

本期和遞延稅項結餘及其變動額會分開列示，並且不予抵銷。本期和遞延稅項資產只會在本公司或本集團有法定行使權以本期稅項資產抵銷本期稅項負債，並且符合以下附帶條件之情況下，才可以分別抵銷本期和遞延稅項負債：

- (i) 本期稅項資產和負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和清償該負債；或
- (ii) 遞延稅項資產和負債：這些資產和負債必須與同一稅務機關就以下其中一項徵收之所得稅有關：
 - 同一應稅實體；或
 - 不同之應稅實體。這些實體計劃在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回之期間內，按淨額基準變現本期稅項資產和清償本期稅項負債，或同時變現該資產和清償該負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(t) Financial guarantees issued, provisions and contingent liabilities

(i) *Financial guarantees issued*

Financial guarantees are contracts that require the issuer (i.e., the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

2. 主要會計政策(續)

(t) 發出財務擔保、撥備和或然負債

(i) *發出財務擔保*

財務擔保乃要求發行人(即擔保人)就擔保受益人(「持有人」)因特定債務人未能根據債務工具之條款於到期時付款而蒙受之損失，而向持有人支付特定款項的合約。

當本集團發出財務擔保，該擔保之公平值最初確認為應付賬款及其他應付款項內之遞延收入。已發出財務擔保於發出時之公平值乃參考類似服務在公平交易中收取之費用(如可獲得該等資料)釐定，或經比較在有擔保情況下貸方收取之實際利率與在並無擔保情況下貸方估計會收取之利率(如該等資料可作出可靠估計)，以參考利率差額之方式估計。倘在發出該擔保時收取或可收取代價，該代價則根據適用於該類資產之本集團政策而予確認。倘並無該等已收或應收代價，則於最初確認任何遞延收入時，即時於損益內確認開支。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(t) Financial guarantees issued, provisions and contingent liabilities (continued)

(i) Financial guarantees issued (continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(t) (iii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee, i.e., the amount initially recognised, less accumulated amortisation.

(ii) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 2(t) (iii). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed in accordance with note 2(t) (iii).

2. 主要會計政策 (續)

(t) 發出財務擔保、撥備和或然負債(續)

(i) 發出財務擔保 (續)

最初確認為遞延收入之擔保款額按擔保年期於損益內攤銷為所發出之財務擔保收入。此外，倘(i)擔保持有人有可能根據擔保要求本集團付款，及(ii)對本集團申索之金額預期超過現時列於應付賬款及其他應付款項內之擔保金額(即最初確認之金額減累計攤銷)，則根據附註2(t)(iii)確認撥備。

(ii) 業務合併中承擔之或然負債

業務合併中所承擔屬收購日期之目前責任之或然負債初步按公平值確認，前提是該公平值能可靠地計量。於初步按公平值確認後，該等或然負債按初步確認金額減去累計攤銷(倘合適)及按照附註2(t)(iii)所釐定金額(以較高者為準)而確認。業務合併中所承擔無法可靠地評估公平值或並非收購當日之目前責任之或然負債，按照附註2(t)(iii)作出披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(t) Financial guarantees issued, provisions and contingent liabilities (continued)

(iii) *Other provisions 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 expenditures 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.

2. 主要會計政策(續)

(t) 發出財務擔保、撥備和或然負債(續)

(iii) *其他撥備及或然負債*

如果本集團或本公司須就已發生之事件承擔法律或推定義務，而履行責任可能會導致經濟效益外流且可以作出可靠之估計時，本集團便會就該時間或數額不定之負債確認計提撥備。如果貨幣時間值重大，則按履行責任預計所需支出之現值計提撥備。

如果經濟效益外流之可能性較低，或是無法對有關數額作出可靠之估計，便會將該義務披露為或然負債，但經濟效益外流之可能性極低則除外。如果本集團之潛在義務須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或然負債，但經濟效益外流之可能性極低則除外。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(t) Financial guarantees issued, provisions and contingent liabilities (continued)

(iii) Other provisions and contingent liabilities (continued)

Provisions for the Group's obligations for land rehabilitation are based on estimates of required expenditure at the mines in accordance with the PRC rules and regulations. The Group estimates its liabilities for final rehabilitation and mine closure based upon detailed calculations of the amount and timing of the future cash expenditure to perform the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation.

2. 主要會計政策(續)

(t) 發出財務擔保、撥備和或然負債(續)

(iii) 其他撥備及或然負債(續)

本集團根據中國規則及法規估計礦山所需開支就土地復墾承擔的責任作出撥備。本集團根據未來進行相關工作所需的未來現金開支而詳細計算估計其末期復墾及礦山閉坑所需承擔的負債。開支估計會隨著通貨膨脹上升，再按貼現率(反映現時市場對貨幣時間價值的估計以及該責任所特別涉及的風險)貼現，故撥備金額可反映預期須履行責任的開支現值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(u) 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 gold products*

Revenue is recognised when the title to the goods and the related risks and rewards of ownership are passed to customers, the Group will not execute the right of supervision and control over the goods, either the proceeds are received or entitlement to proceeds is evidenced, and the cost of sale of goods can be estimated reliably. Revenue excludes value added tax and is after deduction of any trade discounts and returns.

(ii) Revenue on financial services business from management and performance fees, securities brokerage and commission, financing and advisory services rendered is recognised once the duties under the service contracts are performed and outcome of the transactions can be foreseen with reasonable certainty.

(iii) Dividend income from investments is recognised when the shareholder's right to receive payment is established.

2. 主要會計政策(續)

(u) 收入確認

收入按已收或應收代價之公平值計量。如果經濟效益可能會流入本集團，而收入和成本(如適用)又能夠可靠地計算時，便會根據下列基準在損益內確認收入：

(i) *銷售黃金產品*

收入在客戶接收貨品之所有權以及擁有權之相關風險及回報時，本集團不再行使貨品之監察權及控制權時，已收取所得款項或已證實所得款項之所有權時，以及銷售貨品之成本能夠可靠地予以估計時確認。收入不包括增值稅，並已扣除任何營業折扣及退貨。

(ii) 金融服務業務的管理及表現費用、證券經紀、融資及諮詢服務之營業額乃於有關服務合約之責任已被履行，及可合理並肯定地預知其交易結果後確認入賬。

(iii) 投資之股息收入在確立股東收取付款的權利時確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(u) Revenue recognition (continued)

(iv) Interest income

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

(v) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign 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 a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Nonmonetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using foreign exchange rates ruling at the dates the fair value was measured.

The results of operations outside Hong Kong are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

2. 主要會計政策(續)

(u) 收入確認(續)

(iv) 利息收入

利息收入於產生時按實際利率法確認。

(v) 外幣換算

年度內之外幣交易按交易日之匯率換算。以外幣為單位之貨幣資產及負債則按報告期末之匯率換算。匯兌盈虧在損益表內確認。

以外幣按歷史成本計價之非貨幣資產及負債按交易日適用之匯率換算。以外幣為單位並以公平值列賬之非貨幣資產及負債是採用計量公平值日期適用之匯率換算。

香港境外業務之業績按交易日適用匯率相若之匯率換算為港幣。財務狀況表項目則按報告期末適用之匯率換算為港幣。所產生之匯兌差額於其他全面收益中確認，並於權益下的匯兌儲備分別累計。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(v) Translation of foreign currencies (continued)

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

On the disposal of an operation outside Hong Kong (i.e., a disposal of the Group's entire interest in an operation outside Hong Kong, or a disposal involving loss of control over a subsidiary that includes an operation outside Hong Kong, or a partial disposal of an interest in an associate that includes an operation outside Hong Kong of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

2. 主要會計政策(續)

(v) 外幣換算(續)

就綜合現金流量表而言，海外附屬公司之現金流量乃以現金流量日期之適用匯率換算為港元。海外附屬公司年內經常性產生之現金流量以年內加權平均匯率換算為港元。

於出售香港境外業務(即出售本集團於香港境外業務之全部權益，或涉及失去包含香港境外業務之附屬公司之控制權之出售或部份出售於聯營公司的權益(包括香港以外之業務)而其中保留權益成為金融資產)時，就本公司擁有人應佔之業務於權益累計之所有匯兌差額重新列入損益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(w) Borrowing costs

Borrowing costs are expensed in profit or loss in the period in which they are incurred, except to the extent that they are capitalised as being 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.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(x) Related parties

- (a) 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.

2. 主要會計政策(續)

(w) 貸款成本

貸款成本於其產生期間在損益表內列支，但與收購、建築或生產需要長時間才可以投入擬定用途或銷售之資產直接相關貸款成本則會資本化。

屬於合資格資產成本一部份之貸款成本，在資產產生開支、貸款成本產生及使資產投入擬定用途或銷售所必須之準備工作進行期間開始資本化。在使合資格資產投入擬定用途或銷售所必須之絕大部份工作中止或完成時，貸款成本便會暫停或停止資本化。

(x) 關連人士

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：
 - (i) 控制或共同控制本集團；
 - (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層成員。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(x) Related parties (continued)

- (b) 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.

2. 主要會計政策(續)

(x) 關連人士(續)

- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
 - (ii) 一間實體為另一實體的聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之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，而另一實體為該第三方實體的聯營公司。
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(x) Related parties (continued)

(b) (continued)

- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (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).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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.

2. 主要會計政策 (續)

(x) 關連人士 (續)

(b) (續)

- (vi) 實體受(a)所識別人士控制或受共同控制。
- (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (viii) 該實體或該實體所屬集團之任何成員公司為本集團或本集團之母公司提供管理要員服務。

個人的近親家庭成員指預期可影響，或受該個人影響彼等與該實體交易的家庭成員。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Company's directors, i.e., the chief operating decision-maker, 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 segments which are not individually material may be aggregated if they share a majority of these criteria.

(z) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

2. 主要會計政策(續)

(y) 分部報告

財務報表內所呈報之經營分部及各分部項目之款項，乃於為分配資源予本集團不同業務及地區以及評估該等業務及地區之表現而定期向本公司董事(即主要營運決策者)提供之財務資料中確認。

就財務報告而言，個別重大經營分部不會合併，惟分部間有類似經濟特點及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似則除外。倘並非個別重大之經營分部符合大部份此等準則，則該等經營分部可能會被合併。

(z) 政府補貼

當可以合理地確定將會收到政府補助，且本集團將遵守其附帶條件時，政府補助將按公平值確認。當補貼用作為補償本集團所產生開支之補助時，於產生開支之同一期間有系統地於損益中確認為收入。

當補償本集團資產成本之補助時，公平值計入遞延收入賬目並按該項資產的預期可使用年期每年等額分攤至損益中，或從資產的賬面值中扣減，並透過扣減少折舊開支方式於損益中實際確認。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

3. CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has where applicable applied the following new and revised HKFRSs issued by the HKICPA which are or have become effective:

Amendments to HKFRSs Annual Improvements to HKFRSs
2012-2014 Cycle

Amendments to Investment Entities: Applying the
HKFRS 10, HKFRS 12 Consolidation Exception
and HKAS 28

Amendments to Disclosure Initiative
HKAS 1

Amendments to Clarification of Acceptable
HKAS 16 and Methods of Depreciation and
HKAS 38 Amortisation

Amendments to Equity Method in Separate
HKAS 27 Financial Statements

The application of the new and revised HKFRSs in the current year has had no material impact on the financial statements of the Group for the current or prior years.

3. 會計政策之變動

於本年度，本集團已根據情況採用以下由香港會計師公會所頒佈正生效或已生效之新訂及經修訂香港財務報告準則：

香港財務報告 香港財務報告準則
準則 二零一二年至
(修訂本) 二零一四年
年度改進

香港財務報告 投資實體：應用
準則 綜合入賬之例外
第10號、 情況
香港財務
報告準則
第12號及
香港會計
準則第28號
(修訂本)

香港會計準則 披露計劃
第1號
(修訂本)

香港會計準則 澄清折舊及攤銷
第16號及 的可接受方法
香港會計
準則第38號
(修訂本)

香港會計準則 獨立財務報表之
第27號 權益法
(修訂本)

本年度採用新訂及經修訂香港財務報告準則並無對本集團當前或過往年度之財務報表構成重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

4. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue represents sales value of gold products and other by-products to customers (net of value added tax, returns and discounts) under the Gold Mining Operation (as defined below) and management and performance fees, securities commission and brokerage fee and interest income under the Financial Services Operation (as defined below). The revenue during the year is analysed as follows:

Revenue from Gold Mining Operation	金礦開採業務收益
Sale of	銷售
— Gold products	— 黃金產品
— Other by-products	— 其他副產品
Revenue from Financial Services Operation	金融服務業務收益

4. 收益及分部資料

(a) 收益

收益包括金礦開採業務(定義如下)下之出售黃金產品及其他副產品之銷售價值(減增值稅、退貨及折扣)及金融服務業務(定義如下)下之管理及表現費用、證券買賣佣金及經紀費用以及利息收入。年內收益分析如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
689,110	640,994
56,477	60,890
745,587	701,884
21,067	44,721
766,654	746,605

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

4. REVENUE AND SEGMENT INFORMATION

(continued)

(b) Segment Information

The Group is principally engaged in mining and processing of gold ores and sales of gold products (the "Gold Mining Operation") and provision of financial services business including asset management, securities brokerage, financing and advisory services (the "Financial Services Operation"). The revenue, results and assets of the Gold Mining Operation were more than 90% of the Group's revenue, results and assets during the year. Accordingly, no operating segment analysis is presented.

The Group's revenue mainly derived from activities in the PRC and its principal assets were located in the PRC during the year. Accordingly, no analysis by geographical information is provided.

Revenues from customers, which are all in the Gold Mining Operation, contributing 10% or more of the total revenue of the Group are as follows:

Customer A	客戶甲
Customer B	客戶乙
Customer C	客戶丙

4. 收益及分部資料(續)

(b) 分部資料

本集團主要從事金礦開採、加工及黃金產品銷售(「金礦開採業務」)以及從事提供金融服務業務，包括提供資產管理、證券經紀、融資及諮詢服務(「金融服務業務」)。於年內，本集團金礦開採業務之收益、業績及資產佔本集團之收益、業績及資產超過90%。因此，並無呈列經營分部分析。

於年內，本集團之收益主要來自中國之活動，而其主要資產位於中國。因此，並無提供地區資料分析。

來自貢獻本集團總收益10%或以上之客戶(全部來自金礦開採業務)之收益如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
239,935	209,498
194,674	83,179
128,050	118,089

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

5. OTHER REVENUE AND OTHER NET GAIN/ (LOSS)

5. 其他收入及其他收益／(虧損)淨額

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Other revenue	其他收入		
Total interest income on financial assets not at fair value through profit or loss	並非透過損益按公平值列賬之金融資產之利息收入總額		
– Bank interest income	– 銀行利息收入	21,593	26,252
Dividend income from financial assets at fair value through profit or loss	按公平值計入損益之金融資產之股息收入	4,280	—
Sundry incomes	雜項收益	5,336	6,558
		31,209	32,810
Other net gain/(loss)	其他收益／(虧損)淨額		
Exchange (loss)/gain, net	匯兌(虧損)／收益淨額	(1,262)	2,314
Fair value loss on financial assets at fair value through profit or loss	透過損益按公平值列賬之金融資產之公平值虧損	(9,209)	—
Gain on disposal of fixed assets	出售固定資產收益	344	50,698
Gain on disposal of subsidiaries (Note 28(c))	出售附屬公司收益(附註28(c))	21,764	—
		11,637	53,012

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

6. LOSS BEFORE TAX

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

6. 除稅前虧損

除稅前虧損已扣除／(計入)下列各項：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
(a) Finance costs:	(a) 財務成本：		
Interest on bank and other borrowings	銀行及其他貸款之利息	292,640	295,560
Interest on convertible bonds (note 23)	可換股債券利息 (附註23)	51,424	84,157
		344,064	379,717
Interest on financial liabilities at fair value through profit or loss	透過損益按公平值列賬之金融負債利息	31,137	45,803
Total interest expenses on financial liabilities	金融負債之利息開支總額	375,201	425,520
Less: Interest capitalised into construction in progress and deposits paid for gold mining and exploration rights (notes 13(c) & 14)	減：於在建工程及就金礦探礦及探礦權所付按金內資本化之利息 (附註13(c)及14)	(34,687)	(52,321)
		340,514	373,199
Fair value loss on financial liabilities at fair value through profit or loss (note 18(b))	透過損益按公平值列賬之金融負債公平值虧損 (附註18(b))	939	518
Fair value gain on derivative financial instruments (note 23)	衍生金融工具公平值收益 (附註23)	(6,331)	(44,051)
Loss on the Convertible Bonds Restructure (note 23)	可換股債券重組虧損 (附註23)	63,114	—
		398,236	329,666

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

6. LOSS BEFORE TAX (continued)

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

(b) Staff costs (including directors' remuneration)	(b) 僱員成本 (包括董事酬金)
Salaries, wages and other benefits	薪金、工資及 其他福利
Contributions to retirement benefit schemes	退休福利計劃供款
Equity-settled share-based payment expenses	以股權結算之股份 基礎支出費用

6. 除稅前虧損(續)

除稅前虧損已扣除/(計入)下列各項：(續)

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
84,034	78,866
7,470	9,366
90,887	6,870
182,391	95,102

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

6. LOSS BEFORE TAX (continued)

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

(c) Other items	(c) 其他項目
Amortisation of intangible assets (note 12)	無形資產攤銷 (附註12)
Auditor's remuneration	核數師酬金
— audit service	— 審計服務
— non-audit service	— 非審計服務
Cost of inventories sold under the Gold Mining Operation (note (i))	金礦開採業務之已出售存貨成本(附註(i))
Cost of borrowings under the Financial Services Operation included in cost of sales	計入銷售成本之金融服務業務貸款成本
Depreciation and amortisation of fixed assets (note 13)	固定資產折舊及攤銷 (附註13)
Impairment loss of trade and loans receivables	應收賬款及貸款之減值虧損
Operating lease charges in respect of	有關以下各項之經營租賃費用
— land and buildings	— 土地及建築物
— machinery and equipment	— 機器及設備

Note:

- (i) Cost of inventories sold under the Gold Mining Operation includes HK\$223,988,000 (2015: HK\$222,012,000) relating to staff costs, depreciation and amortisation expenses and operating lease charges, which amounts are also included in the respective total amounts disclosed separately above for each of these types of expenses.

6. 除稅前虧損(續)

除稅前虧損已扣除/(計入)下列各項：(續)

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
94,602	106,835
2,940	2,600
880	3,336
462,187	412,710
6,353	21,945
108,495	92,676
—	10,919
10,900	8,296
53	46

附註：

- (i) 金礦開採業務之已出售存貨成本包括223,988,000港元(二零一五年：222,012,000港元)，乃有關僱員成本、折舊及攤銷開支以及經營租賃費用，該等金額亦已計入上文就各類開支而獨立披露之各項總金額內。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

7. INCOME TAX

(a) Tax in the consolidated income statement represents:

Current tax	本期稅項
— PRC income tax	— 中國所得稅
— Hong Kong profits tax	— 香港利得稅
Over-provision in prior years	往年超額撥備
— PRC income tax	— 中國所得稅
Deferred tax credit/(expense) (note 24(a))	遞延稅項減免/ (開支)(附註24(a))
Total income tax expense	所得稅開支總額

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

Loss before tax	除稅前虧損
Notional tax on loss before tax, calculated at the rates applicable to the tax jurisdiction concerned	按照在相關稅務司法權區 之適用稅率計算 除稅前虧損之名義稅項
Tax effect of non-deductible expenses	不可扣稅支出之稅項影響
Tax effect of non-taxable income	非應課稅收入之稅項影響
Over-provision in prior years	往年超額撥備

7. 所得稅

(a) 綜合損益表所示之稅項為：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
(19,638)	(18,753)
(1,514)	—
(21,152)	(18,753)
2,254	2,147
(18,898)	(16,606)
6,886	(3,465)
(12,012)	(20,071)

(b) 稅項開支和會計虧損按適用稅率計算之對賬：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
(407,139)	(117,589)
(76,695)	(15,044)
99,485	53,366
(8,523)	(16,104)
(2,255)	(2,147)
12,012	20,071

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

7. INCOME TAX (continued)

- (c) The provision for PRC income tax is calculated on the assessable profit of the Group's subsidiaries incorporated in the PRC at 25% during the years ended 31 December 2016 and 2015.
- (d) The Provision for Hong Kong profits tax is calculated on the assessable profit of the Group's subsidiaries incorporated in Hong Kong at 16.5% during the year ended 31 December 2016. No provision for Hong Kong profits tax has been made during the year ended 31 December 2015 as the Group did not have any assessable profit subject to Hong Kong profits tax.
- (e) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is exempted from any income tax in the Cayman Islands and the BVI.

7. 所得稅(續)

- (c) 中國所得稅撥備乃根據本集團於中國註冊成立之附屬公司於截至二零一六年及二零一五年十二月三十一日止年度內之應課稅溢利按25%計算。
- (d) 香港利得稅撥備乃根據本集團於香港註冊成立之附屬公司於截至二零一六年十二月三十一日止年度內之應課稅溢利按16.5%計算。由於本集團於截至二零一五年十二月三十一日止年度內並無任何須繳納香港利得稅之應課稅溢利，故並無就香港利得稅作出撥備。
- (e) 根據開曼群島及英屬處女群島(「英屬處女群島」)之規則及規例，本集團毋須繳納任何開曼群島及英屬處女群島所得稅。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

8. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's emoluments disclosed pursuant to the Listing Rules, Section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

8. 董事及行政總裁酬金

董事及行政總裁酬金根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露如下：

			Salaries, allowances and benefits in kind	Retirement scheme contributions	Equity settled share-based payment	2016 Total			
	Directors' fees	薪金、津貼 及實物利益	退休計劃 供款	Sub-total 小計	以股權 結算之股份 基礎支出	二零一六年 總計			
Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000			
附註	千港元	千港元	千港元	千港元	千港元	千港元			
Executive directors	執行董事								
	Mr. Li Xianghong	李向鴻先生	(a)	—	2,250	18	2,268	14,682	16,950
	Mr. Liu Liyang	劉力揚先生		—	2,250	18	2,268	14,682	16,950
	Mr. Wang Hao	王浩先生	(b)	—	1,035	8	1,043	14,682	15,725
	Mr. Zhang Lirui	張利銳先生		—	2,250	18	2,268	14,682	16,950
	Mr. Zhang Liwei	張力維先生		—	3,124	18	3,142	3,192	6,334
	Mr. Zhang Shuguang	張曙光先生		—	3,124	18	3,142	3,192	6,334
	Mr. Chang Yim Yang	張賢陽先生	(c)	—	1,215	12	1,227	—	1,227
	Mr. Lam Cham	林杉先生	(c)	—	2,127	12	2,139	—	2,139
	Mr. Deng Guoli	鄧國利先生	(d)	—	1,215	12	1,227	—	1,227
Independent non-executive directors	獨立非執行董事								
	Mr. Wu Tai Cheung	胡大祥先生	(e)	59	—	—	59	—	59
	Mr. Cha Mou Sing, Payson	查懋聲先生	(f)	53	—	—	53	—	53
	Professor Xiao Rong Ge	肖榮閣教授		240	—	—	240	—	240
	Mr. Wang Hao	王浩先生	(b)	146	—	—	146	—	146
	Mr. Chan Kin Sang	陳健生先生	(g)	222	—	—	222	—	222
	Mr. Wong Lung Tak, Patrick	黃龍德先生	(g)	222	—	—	222	—	222
	Total	總計		942	18,590	134	19,666	65,112	84,778

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

8. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

8. 董事及行政總裁酬金(續)

		Salaries, allowances and benefits in kind	Retirement scheme contributions	Equity settled share-based payment	2015 Total
Directors' fees	薪金、津貼 及實物利益	退休計劃 供款	Sub-total	以股權 結算之股份 基礎支出	二零一五年 總計
董事袍金	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Executive directors	執行董事				
Mr. Li Xianghong	李向鴻先生	—	952	9	961
Mr. Zhang Liwei	張力維先生	—	3,500	18	3,518
Mr. Chang Yim Yang	張賢陽先生	—	2,375	18	2,393
Mr. Lam Cham	林衫先生	—	3,500	18	3,518
Mr. Deng Guoli	鄧國利先生	—	2,375	18	2,393
Mr. Liu Liyang	劉力揚先生	—	435	5	440
Mr. Zhang Lirui	張利銳先生	—	952	9	961
Mr. Zhang Shuguang	張曙光先生	—	3,500	18	3,518
				853	4,371
Independent non-executive directors	獨立非執行董事				
Mr. Wong Lung Tak, Patrick	黃龍德先生	240	—	—	240
Mr. Chan Kin Sang	陳健生先生	240	—	—	240
Professor Xiao Rong Ge	肖榮閣教授	240	—	—	240
Mr. Wang Hao	王浩先生	114	—	—	114
Total	總計	834	17,589	113	18,536
				3,658	22,194

During the years ended 31 December 2016 and 2015, no emoluments were paid or payable to the Company's directors or chief executive or any of the five highest paid individuals set out in note 9 below as an inducement to join or upon joining the Company or as compensation for loss of office. There was no arrangement under which any directors or chief executive waived or agreed to waive any emoluments during both years.

截至二零一六年及二零一五年十二月三十一日止年度，本公司並無向董事或行政總裁或下文附註9所載之任何五位最高酬金人士支付或應付任何酬金作為加入本公司或加入本公司時之報酬或作為離職補償。於兩個年度內並無任何董事或行政總裁放棄或同意放棄任何酬金之安排。

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

8. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

Notes:

- (a) Mr. Li Xianghong is the chairman and the chief executive officer of the Company.
- (b) Mr. Wang Hao was re-designated from independent non-executive director to the executive director of the Company on 9 August 2016.
- (c) Mr. Chang Yim Yang and Mr. Lam Cham resigned as executive director on 9 August 2016.
- (d) Mr. Deng Guoli resigned as the executive director of the Company on 9 August 2016 and remained as the chief engineer of the Group.
- (e) Mr. Wu Tai Cheung was appointed as independent non-executive directors of the Company on 3 October 2016.
- (f) Mr. Cha Mou Sing, Payson was appointed as independent non-executive director of the Company on 3 October 2016 and resigned on 23 December 2016.
- (g) Mr. Chan Kin Sang and Mr. Wong Lung Tak, Patrick resigned as independent non-executive directors of the Company on 3 October 2016.

8. 董事及行政總裁酬金(續)

附註：

- (a) 李向鴻先生為本公司主席兼行政總裁。
- (b) 王浩先生於二零一六年八月九日獲本公司由獨立非執行董事調任為執行董事。
- (c) 張賢陽先生及林杉先生於二零一六年八月九日辭任執行董事。
- (d) 鄧國利先生於二零一六年八月九日辭任本公司執行董事並留任為本集團總工程師。
- (e) 胡大祥先生於二零一六年十月三日獲委任為本公司獨立非執行董事。
- (f) 查懋聲先生於二零一六年十月三日獲委任為本公司獨立非執行董事並於二零一六年十二月二十三日辭任。
- (g) 陳健生先生及黃龍德先生於二零一六年十月三日辭任本公司獨立非執行董事。

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the years ended 31 December 2016 and 2015, the five individuals with the highest emoluments were directors whose emoluments are disclosed in note 8 to these financial statements.

10. DIVIDEND

The directors of the Company do not recommend the payment of any dividend for the years ended 31 December 2016 and 2015.

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 HK\$419,151,000 (2015: HK\$137,660,000) and on the weighted average number of 10,993,214,000 (2015: 4,765,168,000) ordinary shares in issue during the year.

9. 最高酬金人士

於截至二零一六年及二零一五年十二月三十一日止年度，五位最高酬金人士為董事，有關之酬金詳情已於本財務報表附註8披露。

10. 股息

本公司董事不建議就截至二零一六年及二零一五年十二月三十一日止年度派付任何股息。

11. 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據本公司擁有人應佔虧損419,151,000港元(二零一五年：137,660,000港元)以及於年內已發行普通股之加權平均數10,993,214,000股(二零一五年：4,765,168,000股)計算。

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

11. LOSS PER SHARE (continued)

(a) Basic loss per share (continued)

Weighted average number of ordinary shares:

Issued ordinary shares at 1 January	於一月一日之 已發行普通股		
Effect of issue of new shares upon the Convertible Bonds Restructure	可換股債券重組後 發行新股份之影響	25(b)(ii)	
Effect of issue of new shares upon loan capitalisations	貸款資本化後發行 新股份之影響	25(b)(iii)	
Effect of issue of new shares by share subscriptions and placements	透過股份認購及配售 發行新股份之影響	25(b) (iv)&(v)	
Effect of issue of new shares upon acquisitions of subsidiaries	收購附屬公司後發行 新股份之影響	25(b)(vi)	
Effect of issue of new shares upon conversion of convertible bonds	兌換可換股債券後 發行新股份之影響	25(b)(vii)	
Effect of issue of new shares upon exercise of share options	行使購股權後發行 新股份之影響	25(b)(viii)	
Weighted average number of ordinary shares at 31 December	於十二月三十一日之 普通股之加權平均數		

11. 每股虧損(續)

(a) 每股基本虧損(續)

普通股之加權平均數：

	2016 Weighted average number of ordinary shares 二零一六年 普通股之 加權平均數	2015 Weighted average number of ordinary shares 二零一五年 普通股之 加權平均數
Note 附註	'000 千股	'000 千股
	5,519,031	4,601,831
	935,227	—
	451,919	—
	3,596,230	163,337
	482,395	—
	4,236	—
	4,176	—
	10,993,214	4,765,168

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

11. LOSS PER SHARE (continued)

(b) Diluted loss per share

The calculation of diluted loss per share does not assume the exercise of the Company's outstanding share options or conversion of outstanding convertible bonds which had anti-dilutive effect and would result in a reduction in loss per share during the years ended 31 December 2016 and 2015. Therefore, the diluted loss per share is same as basic loss per share during the years ended 31 December 2016 and 2015.

11. 每股虧損(續)

(b) 每股攤薄虧損

計算每股攤薄虧損時，並無假設本公司尚未行使的購股權獲行使或轉換尚未轉換的可換股債券(彼等具反攤薄效應並將導致截至二零一六年及二零一五年十二月三十一日止年度之每股虧損減少)。因此，截至二零一六年及二零一五年十二月三十一日止年度，每股攤薄虧損與每股基本虧損相同。

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

12. INTANGIBLE ASSETS

12. 無形資產

		Mining rights 採礦權 HK\$'000 千港元 (note a) (附註 a)	Exploration rights and assets 探礦權及資產 HK\$'000 千港元 (note a) (附註 a)	Trading right 交易權 HK\$'000 千港元 (note b) (附註 b)	Goodwill 商譽 HK\$'000 千港元 (note c) (附註 c)	Total 合計 HK\$'000 千港元
Cost	成本					
At 1 January 2015	於二零一五年一月一日	6,877,351	42,478	—	—	6,919,829
Additions	增置	—	596	—	—	596
Exchange adjustments	匯兌調整	(147,440)	—	—	—	(147,440)
At 31 December 2015	於二零一五年十二月三十一日	6,729,911	43,074	—	—	6,772,985
At 1 January 2016	於二零一六年一月一日	6,729,911	43,074	—	—	6,772,985
Acquisition of subsidiaries (note 31)	收購附屬公司(附註 31)	—	—	500	273,893	274,393
Transfer from deposits paid for gold mining and exploration rights (note 14)	轉撥自就金礦探礦及探礦權 所付按金(附註 14)	503,459	—	—	—	503,459
Additions	增置	—	4,287	—	—	4,287
Exchange adjustments	匯兌調整	(231,847)	(5,203)	—	—	(237,050)
At 31 December 2016	於二零一六年十二月三十一日	7,001,523	42,158	500	273,893	7,318,074
Accumulated amortisation	累計攤銷					
At 1 January 2015	於二零一五年一月一日	851,158	—	—	—	851,158
Charge for the year (note 6(c))	年內計提(附註 6(c))	106,835	—	—	—	106,835
Exchange adjustments	匯兌調整	(29,347)	—	—	—	(29,347)
At 31 December 2015	於二零一五年十二月三十一日	928,646	—	—	—	928,646
At 1 January 2016	於二零一六年一月一日	928,646	—	—	—	928,646
Charge for the year (note 6(c))	年內計提(附註 6(c))	94,602	—	—	—	94,602
Exchange adjustments	匯兌調整	(45,100)	—	—	—	(45,100)
At 31 December 2016	於二零一六年十二月三十一日	978,148	—	—	—	978,148
Carrying amounts	賬面值					
At 31 December 2016	於二零一六年十二月三十一日	6,023,375	42,158	500	273,893	6,339,926
At 31 December 2015	於二零一五年十二月三十一日	5,801,265	43,074	—	—	5,844,339

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12. INTANGIBLE ASSETS (continued)

(a) (i) At 31 December 2016, the Group's mining rights with a total carrying amount of HK\$2,903,813,000 (2015: HK\$2,906,283,000) were pledged as security for bank and other borrowings facilities granted to the Group (note 27).

(ii) At 31 December 2016, the directors of the Company conducted assessments of the recoverable amounts of the mining rights with reference to the valuations conducted by an independent firm of professional valuers with recognised qualifications and experiences, using the income-based approach methodology. Based on the assessments, in the opinion of the directors of the Company, the estimated recoverable amounts of the mining rights were approximate or higher than their respective carrying amounts and therefore, no impairment on the mining rights was required at 31 December 2016.

The directors of the Company also considered that there was no impairment on the carrying amounts of the exploration rights and assets at 31 December 2016.

(iii) The amortisation charge during the year is included in cost of sales in the consolidated income statement.

12. 無形資產(續)

(a) (i) 於二零一六年十二月三十一日，本集團總賬面值為2,903,813,000港元(二零一五年：2,906,283,000港元)之採礦權已用於抵押本集團獲授之銀行及其他貸款信貸(附註27)。

(ii) 於二零一六年十二月三十一日，本公司董事根據具有認可資質及經驗的獨立專業估值機構使用收入基礎法釐定之估值對採礦權之可收回金額進行評估。根據評估，本公司董事認為採礦權之估計可收回金額約等於或高於其各自之賬面值，因此，於二零一六年十二月三十一日採礦權概無出現減值。

本公司董事亦認為，於二零一六年十二月三十一日探礦權及資產之賬面值概無出現減值。

(iii) 年內之攤銷支出已計入綜合損益表之銷售成本內。

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

12. INTANGIBLE ASSETS (continued)

- (b) It represents trading right on securities brokerage on the Stock Exchange.
- (c) Impairment test for goodwill

Goodwill acquired through business combinations has been allocated to the cash-generating unit (“CGU”) of the Financial Services Operation for impairment testing as follows:

Munsun Asset Management (Asia) Limited (“Munsun Asia”)	麥盛資產管理 (亞洲) 有限公司 (「麥盛亞洲」)
Munsun Securities Limited (“Munsun Securities”)	麥盛證券有限公司 (「麥盛證券」)

The recoverable amount of the lowest level of CGU has been determined based on value-in-use calculation using cash flow projections based on financial budgets approved by management covering a period of five years. There are a number of assumptions and estimates involved in the preparation of cash flow projections for the period covered by the approved budget. Key assumptions include the expected growth rates in revenues and timing of future capital expenditures and selection of discount rates. The growth rates are based on management’s plan on launch of products and expected growth in assets under management for Munsun Asia and on expected growth from launch on electronic online trading system and expected growth in existing brokerage business for Munsun Securities. Growth rates of 18% and ranging from 9% to 19% have been applied to the cash flow projections of Munsun Asia and Munsun Securities, respectively. The discount rates applied to the cash flow projections of Munsun Asia and Munsun Securities are 20% and 18%, respectively. In the opinion of the directors of the Company, no impairment on the goodwill was required during the year and as at 31 December 2016.

12. 無形資產(續)

- (b) 此項指在聯交所提供證券經紀服務的交易權。
- (c) 商譽減值測試

業務合併所產生的商譽已撥入金融服務業務的現金產生單位以作減值測試如下：

Note 附註	2016 二零一六年 HK\$'000 千港元
31(a)	233,123
31(b)	40,770
	<u>273,893</u>

最低級別現金產生單位的可收回金額採用現金流量預測根據管理層批核的五年期財政預算按使用價值計算。在編製已批准預算適用期間的現金流量預測時涉及大量假設及估算，主要假設包括營業額的預期增長及未來資本開支的時間性及貼現率的選擇。增長率基於麥盛亞洲管理層推出產品的計劃及管理資產的預期增長，以及麥盛證券的電子網上交易系統啟動的預期增長及現有經紀業務的預期增長。增長率18%及由9%至19%已分別應用於麥盛亞洲及麥盛證券之現金流量預測。適用於麥盛亞洲及麥盛證券的現金流量預測的貼現率分別為20%和18%。本公司董事認為，於年內及於二零一六年十二月三十一日均無須作出商譽減值。

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

13. FIXED ASSETS (continued)

- (a) As at 31 December 2016, the Group's fixed assets with a total carrying amount of HK\$1,298,933,000 (2015: HK\$1,436,401,000) were pledged as security for bank and other borrowings facilities granted to the Group (note 27).
- (b) The construction in progress at 31 December 2016 and 2015 primarily relates to the additional production premises, mining structures and facilities of subsidiaries in the PRC.
- (c) During the year, interest on bank and other borrowings capitalised in above construction in progress was HK\$32,151,000 (2015: HK\$44,648,000). The borrowing costs have been capitalised at a rate of 9% (2015: 9%) per annum on the specific borrowings used for financing the construction in progress (note 6(a)).

13. 固定資產(續)

- (a) 於二零一六年十二月三十一日，本集團賬面值總額為1,298,933,000港元(二零一五年：1,436,401,000港元)之固定資產已用於抵押本集團獲授之銀行及其他貸款信貸(附註27)。
- (b) 於二零一六年及二零一五年十二月三十一日之在建工程主要與中國附屬公司之新增生產廠房、採礦構築物及設施有關。
- (c) 年內，於上述在建工程內資本化的銀行及其他貸款利息為32,151,000港元(二零一五年：44,648,000港元)。貸款成本乃就用於支付在建工程的相關貸款按年利率9%(二零一五年：9%)資本化(附註6(a))。

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

14. DEPOSITS PAID FOR GOLD MINING AND EXPLORATION RIGHTS

At 31 December 2015, the Group paid aggregate deposits, including capitalised interest, in total of HK\$712,338,000 for proposed acquisitions of certain mining and exploration rights for gold mines in Henan and Yunnan, in the PRC from certain independent third parties. During the year, the Group completed six acquisition transactions of six mining and exploration rights and was granted a mining right license that combined all these mining and exploration rights, and it also completed an acquisition transaction of a mining right and was granted a mining right license. The aggregate amount of deposits paid and capitalised interest upon the completion of these acquisitions of HK\$503,459,000 was transferred to intangible assets during the year (note 12). Save as disclosed above, the Group has two proposed acquisition transactions have not been completed during the reporting period and up the date of approval of these consolidated financial statements.

At 31 December 2015, one mining right of which the Group paid deposit of HK\$270,438,000 was pledged as security for the Group's bank and other borrowings (note 27).

During the year, interest on bank and other borrowings capitalised in deposits paid for proposed acquisitions of gold mining and exploration rights was HK\$2,536,000 (2015: HK\$7,673,000). The borrowing costs have been capitalised at a rate of 5% (2015: 7%) per annum on the specific borrowings used for financing the deposits paid for proposed acquisitions of gold mining and exploration rights (note 6(a)).

14. 就金礦採礦及探礦權所付按金

於二零一五年十二月三十一日，本集團就向若干獨立第三方分別建議收購位於中國河南及雲南之若干金礦採礦及探礦權支付按金(包括資本化利息)合共712,338,000港元。年內，本集團完成六項採礦及探礦權收購事項，該等採礦及探礦權合併並獲授予一個採礦權許可證，及其完成另一個採礦權收購事項並獲授予一個採礦權許可證。完成該等收購事項已付按金及資本化利息總額503,459,000港元已於年內轉撥至無形資產(附註12)。除上文所披露者外，於報告期間及直至批准該等綜合財務報表日期，本集團兩項建議收購交易均未完成。

於二零一五年十二月三十一日，本集團已付按金270,438,000港元的一個採礦權已用於抵押本集團之銀行及其他貸款(附註27)。

年內，建議收購金礦採礦及探礦權所付按金內資本化的銀行及其他貸款利息為2,536,000港元(二零一五年：7,673,000港元)。貸款成本乃就用於支付擬收購之金礦採礦及探礦權按金的相關貸款按年利率5%(二零一五年：7%)資本化(附註6(a))。

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15. AVAILABLE-FOR-SALE INVESTMENT

Unlisted investment, at fair value

非上市投資，以公平值計

During the year, the Group and certain independent investors entered into an article of association for establishment of Hetai Life Insurance Co., Ltd (“Hetai Life”), an unlisted company incorporated in the PRC, and paid an amount of RMB210 million (equivalent to approximately HK\$234 million) as the Group’s 14% equity interest in total registered capital of RMB1.5 billion of Hetai Life. In January 2017, Hetai Life received the approval on commencement of business issued by China Insurance Regulatory Commission (“CIRC”) and the business license issued by the Industrial and Commercial Administration Bureau. The principal activities of Hetai Life include life, annuity, health, accidental injury, dividend, universal insurance etc in the PRC. Details are set out in the Company’s announcements on 22 November 2016 and 24 January 2017.

At 31 December 2016, unlisted investment with carrying value of HK\$117,128,000 was pledged as security for the Group’s bank and other borrowings (note 27).

16. INVENTORIES

Inventories in the consolidated statement of financial position comprise:

Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品
Total	總計

15. 可供出售投資

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
234,255	—

年內，本集團及若干獨立投資者為成立和泰人壽保險股份有限公司（「和泰人壽」，一間於中國註冊成立的非上市公司）訂立組織章程，並支付人民幣210百萬元（相當於約234百萬港元）的款項作為本集團於和泰人壽總註冊資本人民幣15億元當中的14%股權。於二零一七年一月，和泰人壽獲中國保險監督管理委員會（「中國保監會」）批准開始營業及獲工商行政管理局發出商業牌照。和泰人壽的主營業務包括在中國提供人壽、年金、健康、意外受傷、股息及萬用保險等。其詳情載於本公司二零一六年十一月二十二日及二零一七年一月二十四日之公佈。

於二零一六年十二月三十一日，賬面值117,128,000港元之非上市投資已用於抵押本集團之銀行及其他貸款（附註27）。

16. 存貨

綜合財務狀況表內之存貨包括：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
11,856	11,174
90,275	108,388
7,864	10,354
109,995	129,916

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

17. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

17. 應收賬款、貸款及其他應收款項、按金及預付款項

		2016 二零一六年 <i>HK\$'000</i> 千港元	2015 二零一五年 <i>HK\$'000</i> 千港元
Trade and loans receivables	應收賬款及貸款	150,173	335,472
Less: Allowance for doubtful debts	減：呆賬撥備	—	(10,919)
		150,173	324,553
Other receivables	其他應收款項	132,198	34,619
Sub-total	小計	282,371	359,172
Deposits and prepayments	按金及預付款項	58,203	52,284
		340,574	411,456
Non-current portion	非即期部分	90,111	—
Current portion	即期部分	250,463	411,456
		340,574	411,456

(a) to (c)

As at 31 December 2016, all of the trade, loans and other receivables, deposits and prepayments are expected to be recovered or recognised as expenses within one year, except for the non-current portion.

於二零一六年十二月三十一日，所有應收賬款、貸款及其他應收款項、按金及預付款項均預期於一年內予以收回或確認為開支，惟非即期部分除外。

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

17. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(a) Trade and loans receivables

Trade receivables under the Gold Mining Operation	金礦開採業務下之應收賬款
Trade and loans receivables under the Financial Services Operation	金融服務業務下之應收賬款及貸款

17. 應收賬款、貸款及其他應收款項、按金及預付款項 (續)

(a) 應收賬款及貸款

Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
(b)	54,839	1,173
(c)	95,334	323,380
	150,173	324,553

(b) Trade receivables under the Gold Mining Operation

The ageing analysis of the trade receivables under the Gold Mining Operation (net of allowance for doubtful debts) based on invoice date at end of the reporting period is as follows:

Less than two months	少於兩個月
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The Group generally requires the customers to make payment on the date of delivery of products or within 7 days after delivery of products. Credit term within two months is granted to the customers with high credibility.

At the end of the reporting period, the trade receivables under the Gold Mining Operation of the Group were neither past due nor impaired. Receivables that were neither past due nor impaired relate to certain independent customers for whom there was no recent history of default.

(b) 金礦開採業務下應收賬款

於報告期末，金礦開採業務下應收賬款(已扣除呆賬撥備)根據發票日期之賬齡分析如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
54,839	1,173

本集團一般要求客戶於產品付運日或產品付運後七日內作出付款。兩個月以內之信貸期授予具有高信貸質素之客戶。

於報告期末，本集團之金礦開採業務下應收賬款既未逾期亦未減值。未逾期或減值之應收款項與最近沒有拖欠記錄之若干獨立客戶有關。

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17. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(c) Trade and loans receivables under the Financial Services Operation

Trade receivables from securities brokerage business:	證券經紀業務 應收賬款：
– Cash clients	– 現金客戶
– Clearing house in HK	– 位於香港之結算所
Trade and loan receivables from other business	其他業務應收賬款 及貸款

- (i) The settlement terms of trade receivables from securities brokerage business are two days after the trade date. No ageing analysis is disclosed as the ageing analysis does not give additional value in view of the nature of these trade receivables. The credit terms on trade and loan receivables from the other business under the Financial Services Operation are ranging from one year to three years. The ageing analysis of these trade and loans receivables (net of allowance for doubtful debts) from other business under the Financial Services Operation based on the age of these receivables since the effective dates of the relevant contracts at end of the reporting period is as follows:

Less than one year	少於一年
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17. 應收賬款、貸款及其他應收款項、按金及預付款項 (續)

(c) 金融服務業務下應收賬款及貸款

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
3,324	—
283	—
3,607	—
91,727	323,380
95,334	323,380

- (i) 證券經紀業務之應收賬款之還款期為交易日後兩日。鑑於此等應收賬款之性質，賬齡分析不會提供額外價值，因此並無披露賬齡分析。金融服務業務下之其他業務之應收賬款及貸款之信貸期由一年至三年不等。於報告期末，根據自有關合約生效日期起此等金融服務業務下之其他業務應收款項的賬齡計算，應收賬款及貸款(已扣除呆賬撥備)的賬齡分析如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
91,727	323,380

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17. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(c) Trade and loans receivables under the Financial Services Operation (continued)

- (ii) The trade and loans receivables that are neither individually nor collectively considered to be impaired is as follows:

Neither past due nor impaired	並無逾期或減值
Less than six months past due	逾期少於六個月
More than six months but less than one year past due	逾期超過六個月但少於一年
More than one year past due	逾期多於一年

At the end of the reporting period, trade and loans receivables of the Group that were neither past due nor impaired relate to certain independent customers for whom there was no recent history of default. Receivables that were past due but not impaired relate to cash clients from securities brokerage business. The Group held the securities of these cash clients as collateral over their individual balance.

17. 應收賬款、貸款及其他應收款項、按金及預付款項 (續)

(c) 金融服務業務下應收賬款及貸款(續)

- (ii) 並無個別或共同視作減值的應收賬款及貸款如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
92,173	323,380
1,203	—
140	—
1,818	—
3,161	—
95,334	323,380

於報告期末，本集團既未逾期亦未減值之應收賬款及貸款與最近沒有拖欠記錄之若干獨立客戶有關。已逾期但未減值之應收款項與證券經紀業務之現金客戶有關。本集團持有該等現金客戶之證券作為彼等之個人結餘之抵押品。

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18. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Financial Assets

Listed securities	上市證券
Unlisted equity investments in investment funds	投資基金的 非上市股權投資

At 31 December 2016, listed securities with carrying value of HK\$253,808,000 were pledged as security for the Group's bank and other borrowings (note 27).

(b) Financial Liabilities

The Group financed through leases of gold from banks by selling the leased gold through the Shanghai Gold Exchange ("SGE"). On maturity, the Group would return gold with the same quantity and specification purchased through SGE, and pay interests on leases of gold to banks. The maturity periods are within one to three years. The Group has engaged in gold forward contracts in accordance with the quantity, specification and repayment terms of gold to be returned to banks in the future for the purpose of hedging certain risks arising from gold price fluctuation from the leases of gold. The banks have granted gold leasing financing to the Group under the same banking facilities arrangement of the Group's bank borrowings (note 22(a)).

18. 透過損益按公平值列賬之金融負債

(a) 金融資產

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
253,808	—
51,057	—
304,865	—

於二零一六年十二月三十一日，賬面值253,808,000港元之上市證券已用於抵押本集團之銀行及其他貸款(附註27)。

(b) 金融負債

本集團從銀行租入黃金，隨後通過上海黃金交易所(「上海黃金交易所」)賣出所租黃金融得資金。於到期日，本集團通過上海黃金交易所買入相同數量和規格的黃金償還銀行並支付黃金租賃利息。租賃期為一至三年內。本集團為對沖若干租賃黃金所發生的黃金價格波動風險，按照未來需償還予銀行的黃金數量、規格和償還條款簽訂黃金遠期合約。銀行已根據本集團銀行貸款的相同銀行信貸安排向本集團授出黃金租賃融資(附註22(a))。

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18. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(continued)

(b) Financial Liabilities (continued)

The fair values of the financial liabilities at fair value through profit or loss as at 31 December 2016 are determined based on a valuation performed by an independent firm of professional valuers with recognised qualifications and experiences using observable inputs including gold future price and risk free rates. During the year, fair value loss on financial liabilities at fair value through profit or loss was HK\$939,000 (2015: HK\$518,000) (note 6(a)).

19. PLEDGED DEPOSITS

As at 31 December 2016, the Group's total deposits of HK\$1,018,472,000 (2015: HK\$971,779,000), including non-current portion and current portion of HK\$211,945,000 (2015: HK\$226,803,000) and HK\$806,527,000 (2015: HK\$744,976,000) respectively, which were held in bank and financial institutions were pledged as security for bank and other borrowings facilities granted to the Group (note 27). The interest rate of the pledged deposits ranged from 0.1% to 3.8% (2015: 0.1% to 3.8%) per annum during the year.

18. 透過損益按公平值列賬之金融負債(續)

(b) 金融負債(續)

於二零一六年十二月三十一日透過損益按公平值列賬之金融負債公平值乃根據具有認可資質及經驗的獨立專業估值機構使用可觀察的輸入數據(包括黃金期貨價格及無風險利率)進行的估值而釐定。於年內，透過損益按公平值列賬之金融負債的公平值虧損為939,000港元(二零一五年：518,000港元)(附註6(a))。

19. 已抵押存款

於二零一六年十二月三十一日，本集團存款總額1,018,472,000港元(二零一五年：971,779,000港元)，包括非流動部份及流動部份分別為211,945,000港元(二零一五年：226,803,000港元)及806,527,000港元(二零一五年：744,976,000港元)，該等存款由銀行及金融機構持有，已用於抵押本集團獲授之銀行及其他貸款信貸(附註27)。年內已抵押存款之利率介乎每年0.1%至3.8%(二零一五年：0.1%至3.8%)。

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20. CASH AND CASH EQUIVALENTS AND CLIENT TRUST BANK BALANCES

Cash at banks	銀行存款
Cash in hand	現金
Cash and cash equivalents	現金及現金等價物
Client trust bank balances	客戶信託銀行結餘

The interest rates on cash at banks ranged from 0.1% to 0.4% (2015: 0.1% to 0.4%) per annum during the year.

The Group maintains trust and segregated accounts with authorised financial institutions to hold clients' deposits arising from securities brokerage business transactions. The Group has classified the clients' deposits as client trust bank balances in the current assets and recognised the corresponding trade payables to the respective clients in the current liabilities, on the grounds that the Group is liable for any misappropriation of the respective clients' deposits as stipulated under the Hong Kong Securities and Futures Ordinance ("SFO"). The Group is not allowed to use the clients' monies to settle its own obligations under the SFO. As such, these monies are not included in cash and cash equivalents of the Group for cash flow purposes in the consolidated statement of cash flows.

20. 現金及現金等價物及客戶信託銀行結餘

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
105,397	87,918
198	230
105,595	88,148
3,230	—
108,825	88,148

年內銀行存款之利率介乎每年0.1%至0.4%(二零一五年：0.1%至0.4%)。

本集團在認可金融機構持有信託及個別賬戶，以存放於證券經紀業務交易中產生之客戶存款。本集團須按香港證券及期貨條例(「證券及期貨條例」)規定，就挪用相關客戶存款負上責任，按此基礎本集團已將客戶存款分類為客戶信託銀行結餘，列於流動資產項下，並於流動負債下確認應付相關客戶之相應賬款。根據證券及期貨條例，本集團不可利用客戶資金償付本身債務。因此，該等款額乃於本集團之綜合現金流量表內不會載列為現金流量用途之現金及現金等價物。

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21. TRADE AND OTHER PAYABLES

Trade payables	應付賬款
Accrued charges and other payables	預提費用及 其他應付款項
Financial liabilities measured at amortised cost	按攤銷成本計量 之金融負債
Receipts in advance	預收賬款

21. 應付賬款及其他應付款項

Note	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
(a) to (c)	42,499	35,950
	452,925	350,577
	495,424	386,527
	36,152	69,523
	531,576	456,050

(a) Trade payables

Trade payables under the Gold Mining Operation	金礦開採業務下 之應付賬款
Trade payables under the Financial Services Operation	金融服務業務下之 應付賬款

(a) 應付賬款

Note	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
(b)	38,820	35,950
(c)	3,679	—
	42,499	35,950

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21. TRADE AND OTHER PAYABLES (continued)

(b) Trade payables under the Gold Mining Operation

The ageing analysis of trade payables based on invoice date at the end of the reporting period is as follows:

Less than three months	少於三個月
More than three months but less than one year	超過三個月 但少於一年
More than one year	超過一年

(c) Trade payables under the Financial Services Operation

Trade payables from securities brokerage business:	證券經紀業務 應付賬款：
– Cash clients	– 現金客戶

The settlement terms of trade payables from securities brokerage business are two days after the trade date. Trade payables to cash clients also include those payables placed in trust and segregated accounts with authorised institutions. No ageing analysis is disclosed as the ageing analysis does not give additional value in view of the nature of these trade payables.

21. 應付賬款及其他應付款項 (續)

(b) 金礦開採業務下應付賬款

於報告期末，應付賬款根據發票日期之賬齡分析如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
33,844	17,607
3,189	12,663
1,787	5,680
38,820	35,950

(c) 金融服務業務下應付賬款

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
3,679	—

證券經紀業務之應付賬款之還款期為交易日後兩日。應付現金客戶賬款亦包括存放於認可機構之獨立信託賬戶之應付賬款。鑑於此等應付賬款之性質，賬齡分析不會提供額外價值，因此並無披露賬齡分析。

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22. BANK AND OTHER BORROWINGS

As at 31 December 2016, the Group had bank and other borrowings as follows:

Secured bank and other borrowings	已抵押銀行及其他貸款
Unsecured bank and other borrowings	無抵押銀行及其他貸款
Loans from shareholders	股東貸款
Total	總計
Carrying amounts repayable:	須償還款項賬面值：
Within 1 year or on demand	一年內或應要求
After 1 year but within 2 years	一年以上但兩年以內
After 2 years but within 5 years	兩年以上但五年以內
After 5 years	五年以上
Less: Current portion	減：即期部份
Non-current portion	非即期部份

(a) At 31 December 2016 and 2015, the Group's secured bank and other borrowings and financial liabilities at fair value through profit or loss (note 18(b)) were pledged by the Group's assets and share charge of certain subsidiaries of the Group (note 27), share charge of a company which is wholly owned by an ex-executive director of the Company, and guarantees given by certain subsidiaries and the Company, two executive directors of the Company and a related party (notes 34(a) (v), (vi) & (vii)).

22. 銀行及其他貸款

於二零一六年十二月三十一日，本集團擁有以下銀行及其他貸款：

Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
(a)	2,816,969	3,279,406
(b)	886,546	810,233
34(a)(iv)	305,687	130,154
	4,009,202	4,219,793
	2,288,609	2,666,417
	716,117	502,051
	817,992	378,957
	186,484	672,368
	4,009,202	4,219,793
	(2,288,609)	(2,666,417)
	1,720,593	1,553,376

(a) 於二零一六年及二零一五年十二月三十一日，本集團之已抵押銀行及其他貸款以及透過損益按公平值列賬之金融負債(附註18(b))已以本集團之資產及本集團若干附屬公司之股份質押(附註27)、一家公司(由本公司一名前執行董事全資擁有)之股份質押，及由若干附屬公司及本公司以及本公司兩名執行董事及一名關聯方作出之擔保作抵押(附註34(a)(v)、(vi)及(vii))。

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22. BANK AND OTHER BORROWINGS (continued)

- (b) At 31 December 2016, the Group's unsecured bank and other borrowings of HK\$167 million (2015: HK\$107 million) were guaranteed by certain subsidiaries and the Company and two senior management staff of two subsidiaries (note 34(a) (viii)). At 31 December 2015, the Group's unsecured bank and other borrowings of HK\$107 million were guaranteed by certain subsidiaries, the Company and an executive director of the Company. Save as disclosed above, the remaining balance at 31 December 2016 and 2015 was unsecured and unguaranteed.
- (c) The range of effective interest rates on the Group's fixed rate and variable rate bank and other borrowings are 4% to 10% (2015: 3% to 12%) and 5% to 9% (2015: 6% to 11%) respectively.

22. 銀行及其他貸款(續)

- (b) 於二零一六年十二月三十一日，本集團之無抵押銀行及其他貸款167百萬港元(二零一五年：107百萬港元)由若干附屬公司、本公司及兩間附屬公司兩名高級管理人員擔保(附註34(a)(viii))。於二零一五年十二月三十一日，本集團之無抵押銀行及其他貸款107百萬港元由若干附屬公司、本公司及本公司一名執行董事擔保。除上文所披露者外，於二零一六年及二零一五年十二月三十一日的剩餘結餘為無抵押及無擔保。
- (c) 本集團固定利率及浮動利率銀行及其他貸款之實際利率範圍分別為4%至10%(二零一五年：3%至12%)及5%至9%(二零一五年：6%至11%)。

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23. CONVERTIBLE BONDS

On 4 February 2013, the Company issued the convertible bonds with the principal amount of HK\$1,028 million which charged interest at 7.25% per annum and would be mature on 4 February 2018 (the “2013 Convertible Bonds”). On 5 February 2013, the 2013 Convertible Bonds were listed on the Singapore Exchange Securities Trading Limited. The 2013 Convertible Bonds entitled the bondholders to convert the 2013 Convertible Bonds into ordinary shares of the Company at a conversion price of HK\$1.8125 per share at any time on or after 17 March 2013 up to the close of business on the date falling ten days prior to the maturity date. The bondholders had the right to require the Company to redeem the 2013 Convertible Bonds on 4 February 2016 at its principal amount together with accrued unpaid interest (the “Put Option”). The Company had the right to redeem all of the 2013 Convertible Bonds at their principal amount together with accrued unpaid interest to such date at any time after 4 February 2016, provided that the volume weighted average price of an ordinary share of the Company, for each of twenty consecutive trading days, the last of which occurs not more than five trading days prior to the date upon which the relevant redemption notice is given, was at least 130% of the conversion price of the 2013 Convertible Bonds then in effect immediately prior to the date upon which notice of such redemption is given. On 28 October 2015, the conversion price of the 2013 Convertible Bonds was adjusted from HK\$1.8125 to HK\$1.7567. At 31 December 2015, the outstanding principal amount of the 2013 Convertible Bonds was HK\$1,026 million.

23. 可換股債券

於二零一三年二月四日，本公司已發行本金金額為1,028百萬港元之可換股債券，可換股債券按年利率7.25厘計息並將於二零一八年二月四日到期（「二零一三年可換股債券」）。於二零一三年二月五日，二零一三年可換股債券於新加坡證券交易所有限公司上市。二零一三年可換股債券賦予債券持有人權利可於二零一三年三月十七日或之後直至到期日前第十日之營業時間結束時為止隨時將二零一三年可換股債券以兌換價每股1.8125港元兌換為本公司普通股。債券持有人有權要求本公司於二零一六年二月四日按其本金額連同應計未付利息贖回二零一三年可換股債券（「認沽期權」）。本公司於二零一六年二月四日之後（倘於每二十個連續交易日（其最後一天不超過有關贖回通知發出日期前五個交易日），本公司一股普通股之成交量加權平均價至少為緊接有關贖回通知發出日期前當時二零一三年可換股債券有效換股價之130%）隨時有權按可換股債券之本金額連同截至該日止應計未付之利息贖回全部二零一三年可換股債券。於二零一五年十月二十八日，二零一三年可換股債券之兌換價由1.8125港元調整至1.7567港元。於二零一五年十二月三十一日，二零一三年可換股債券之未償還本金額為1,026百萬港元。

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23. CONVERTIBLE BONDS (continued)

On 21 December 2015, the Company through an independent consent solicitation agent, Daiwa Capital Markets Hong Kong Limited, invited bondholders to consider amendment to the existing terms and conditions of the 2013 Convertible Bonds in the consent solicitation memorandum and further amendment to the existing terms and conditions of the 2013 Convertible Bonds were made by the Company's voluntary undertaking on 7 January 2016 and a written resolution duly passed by the bondholders on 4 February 2016 (the "Convertible Bonds Restructure"). The Convertible Bonds Restructure included the extinguishment of the bondholders' rights on the Put Option and offered the bondholders that (i) they could elect to substitute the 2013 Convertible Bonds with new ordinary shares of the Company of HK\$0.125 each at the issue price of HK\$0.25 per share and they would first receive in cash of redemption amount equal to HK\$350,000 per each bond with principal amount HK\$1,000,000 (the "Principal Paydown Amount") plus accrued interest from last interest payment date (i.e., 4 February 2016) to but excluding the settlement date on 16 March 2016 (the "Accrued Interest") (the "Consent Shares"); or (ii) they could elect to substitute full outstanding principal amounts of the 2013 Convertible Bonds with new ordinary shares of the Company of HK\$0.125 each at the issue price of HK\$0.25 per share and they would not receive the Principal Paydown Amount plus the Accrued Interest (the "Full Consent Shares"). If the bondholders did not make election with the Consent Shares or the Full Consent Shares, such bondholders were entitled to continue holding of the the 2013 Convertible Bonds under conditions of the Convertible Bonds Restructure until maturity date on 4 February 2018 and they would first receive the Principal Paydown Amount plus the Accrued Interest.

23. 可換股債券(續)

於二零一五年十二月二十一日，本公司透過獨立徵求同意代理大和資本市場香港有限公司邀請債券持有人考慮同意徵求備忘錄中對二零一三年可換股債券現有條款及條件所作的修訂；於二零一六年一月七日，本公司透過自願性承諾對二零一三年可換股債券現有條款及條件作出進一步修訂，以及於二零一六年二月四日，債券持有人已就此正式通過一份書面決議案（「可換股債券重組」）。可換股債券重組包括撤銷債券持有人有關認沽期權之權利，並向債券持有人提供選擇權：(i) 彼等可選擇按發行價每股0.25港元以本公司每股面值0.125港元之新普通股替代二零一三年可換股債券，且彼等將首先收到贖回金額（以現金）（相等於每350,000港元債券本金額1,000,000港元）（「本金首付款」），另加由最後付息日期（即二零一六年二月四日）起至結算日期（即二零一六年三月十六日，不包括該日）應計之利息（「應計利息」）（「同意股份」）；或(ii) 彼等可選擇按發行價每股0.25港元以本公司每股面值0.125港元之新普通股替代二零一三年可換股債券之全部未償還本金額，且彼等將不會收取本金首付款另加應計利息（「全數同意股份」）。倘債券持有人均不選擇同意股份或全數同意股份，該等債券持有人有權根據可換股債券重組的條件繼續持有二零一三年可換股債券至到期日（二零一八年二月四日），且彼等將首先收取本金首付款另加應計利息。

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23. CONVERTIBLE BONDS (continued)

Pursuant to the results of the share election by the bondholders on 19 January 2016, the bondholders with total outstanding principal amount of the convertible bonds electing to the Consent Shares and the Full Consent Shares were approximately HK\$444 million and HK\$3 million respectively. The bondholders with total outstanding principal amount of the convertible bonds of approximately HK\$579 million were entitled to continue holding the 2013 Convertible Bonds until maturity date on 4 February 2018 as they did not elect either the Consent Shares or the Full Consent Shares. The Convertible Bonds Restructure was approved by the Company's shareholders at extraordinary general meetings on 25 January 2016 and 10 March 2016.

On 16 March 2016, the Convertible Bonds Restructure was completed and the Company issued and allotted approximately 1,176 million new ordinary shares of the Company (note 25(b)(ii)) and paid the aggregate amount of the Principal Paydown Amount and the Accrued Interest of approximately HK\$358 million and HK\$3 million in total of HK\$361 million to the bondholders. On the same date, the rights of all bondholders for the Put Option were extinguished with immediate effect. The Company's total outstanding principal amount of the 2013 Convertible Bonds was reduced to approximately HK\$379.5 million as at 16 March 2016. Details of the Convertible Bonds Restructure are set out in the Company's circulars on 9 January 2016 and 23 February 2016 and the Company's announcements between 21 December 2015 and 16 March 2016.

23. 可換股債券(續)

根據二零一六年一月十九日債券持有人之股份選擇結果，選擇同意股份及全數同意股份之債券持有人擁有之可換股債券未償還本金總額分別約為444百萬港元及3百萬港元。擁有可換股債券未償還本金總額約579百萬港元之債券持有人有權繼續持有二零一三年可換股債券至到期日(二零一八年二月四日)，由於彼等並無選擇同意股份或全數同意股份。於日期為二零一六年一月二十五日及二零一六年三月十日之股東特別大會上，可換股債券重組獲本公司股東批准。

於二零一六年三月十六日，可換股債券重組已完成，本公司已向債券持有人發行及配發約1,176百萬股本公司新普通股(附註25(b)(ii))，並支付約358百萬港元的本金首付款及3百萬港元的應計利息(合共361百萬港元)。同日，所有債券持有人有關認沽期權之權利已撤銷並即時生效。於二零一六年三月十六日，本公司二零一三年可換股債券之未償還本金總額減少至約379.5百萬港元。可換股債券重組之詳情載於本公司日期為二零一六年一月九日及二零一六年二月二十三日之通函以及本公司日期為二零一五年十二月二十一日至二零一六年三月十六日之公佈內。

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23. CONVERTIBLE BONDS (continued)

The key amendments to other existing terms and conditions of the 2013 Convertible Bonds under the Convertible Bonds Restructure (the “2016 Convertible Bonds”) include a reduction in the conversion price to HK\$0.4283 per share and a reset to the conversion price on each of 4 August 2016 and 4 February 2017. If the volume weighted average price during a period of 20 consecutive trading days immediately prior to each date thereto is less than the conversion price prevailing on the last day of such period, the conversion price shall be reset, subject to a minimum reset price equal to HK\$0.25 (“Conversion Price Reset”). Modification is made to the redemption right at the option of the Company, whereby (i) the Company may at any time on, or after 4 February 2016 to, and including, 4 February 2017, redeem the outstanding the 2016 Convertible Bonds at 105% of their outstanding principal amount, with accrued but unpaid interest together with the interest which would have accrued from and including the date on which the 2016 Convertible Bonds are redeemed to, but excluding, 4 February 2017; and (ii) at any time after 4 February 2017, the Company may redeem, together with accrued but unpaid interest to (x) the aggregate principal amount of convertible bonds such that after such redemption, the outstanding aggregate principal amount of the 2016 Convertible Bonds remaining is two-thirds of the aggregate principal amount of the 2016 Convertible Bonds as at 4 February 2017 provided the volume weighted average price of the Company’s shares for a period of 30 consecutive trading days ending on the date which is no more than 5 trading days prior to notice of redemption is at least 130% of the conversion price immediately prior to notice of redemption, (y) the aggregate principal amount of the 2016 Convertible Bonds such that after such redemption, the outstanding aggregate principal amount of the 2016 Convertible Bonds remaining is one third of the aggregate principal amount of the 2016 Convertible Bonds as at 4 February 2017 provided the volume weighted average price of the Company’s share for a period of 30 consecutive trading days ending on the date which is no more than 5 trading days prior to notice of redemption is at least

23. 可換股債券(續)

可換股債券重組項下二零一三年可換股債券(「二零一六年可換股債券」)其他現有條款及條件的主要修訂包括將兌換價調減至每股0.4283港元，以及分別於二零一六年八月四日及二零一七年二月四日重訂兌換價，倘緊接各相關日期前連續20個交易日期間內之成交量加權平均價低於該期間最後一日之現行兌換價，兌換價應予重訂，惟重訂之最低價格應相等於0.25港元(「重訂兌換價」)。本公司選擇贖回權利作出修改，據此：(i)本公司可於二零一六年二月四日或其後至二零一七年二月四日(包括該日)期間隨時按未償還本金額之105%，連同應計但未付利息及由二零一六年可換股債券被贖回當日(包括該日)起至二零一七年二月四日(不包括該日)原本應計之利息，贖回未兌換二零一六年可換股債券；及(ii)於二零一七年二月四日後任何時間，本公司可贖回(連同應計但未付之利息)(x)有關可換股債券本金總額，以令於贖回後餘下之未兌換二零一六年可換股債券本金總額為於二零一七年二月四日二零一六年可換股債券本金總額之三分之二，惟本公司股份之成交量加權平均價於截至有關日期(不超過選擇贖回通知發出之日前5個交易日)之30個連續交易日期間為緊接有關贖回通知發出之日前之兌換價至少130%，(y)有關二零一六年可換股債券本金總額，以令於贖回後餘下之未兌換二零一六年可換股債券本金總額為於二零一七年二月四日二零一六年可換股債券本金總額之三分之一，惟本公司股份之成交量加權平均價於截至有關日期(不超過選擇贖回通知發出

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23. CONVERTIBLE BONDS (continued)

140% of the conversion price immediately prior to notice of redemption, and (z) all remaining the 2016 Convertible Bonds outstanding provided the volume weighted average price of the Company's shares for a period of 30 consecutive trading days ending on the date which is no more than 5 trading days prior to notice of redemption is at least 150% of the conversion price immediately prior to notice of redemption. Save as disclosed as above, the 2016 Convertible Bonds bear interest rate at 7.25% per annum and will be mature on 4 February 2018 that are kept unchanged with these terms of the 2013 Convertible Bonds.

The amendments to the terms and conditions of the 2013 Convertible Bonds under the Convertible Bonds Restructure are considered to be substantial modification of terms and conditions of the 2013 Convertible Bonds. Accordingly, the 2013 Convertible Bonds have been accounted for as extinguishment and the 2016 Convertible Bonds have been recognised upon the completion of the Convertible Bonds Restructure on 16 March 2016. The Group recognised a loss of the Convertible Bonds Restructure of HK\$63,114,000 (note 6(a)), which is mainly arisen from the difference between the issue price of the Consent Shares and the Full Consent Shares of HK\$0.25 each pursuant to the terms of the Convertible Bonds Restructure and the fair value of the Company's share of HK\$0.2975 with reference to market price of the Company's shares issued to the bondholders at the date of completion of the Convertible Bonds Restructure on 16 March 2016.

23. 可換股債券(續)

之日前5個交易日)之30個連續交易日日期間為緊接有關贖回通知發出之日前之兌換價至少140%，及(z)餘下所有未兌換二零一六年可換股債券，惟本公司股份之成交量加權平均價於截至有關日期(不超過選擇贖回通知發出之日前5個交易日)之30個連續交易日日期間為緊接有關贖回通知發出之日前之兌換價至少150%。除上文所披露者外，按年利率7.25厘計息並將於二零一八年二月四日到期之二零一六年可換股債券與二零一三年可換股債券之該等條款保持不變。

可換股債券重組下之二零一三年可換股債券條款及條件之修訂被視為二零一三年可換股債券條款之重大修訂。因此，二零一三年可換股債券已列賬為註銷，而二零一六年可換股債券已於二零一六年三月十六日完成可換股債券重組後確認。本集團確認可換股債券重組虧損63,114,000港元(附註6(a))，該虧損主要產生於同意股份及全數同意股份根據可換股債券重組之條款所釐定發行價每股0.25港元與於二零一六年三月十六日可換股債券重組完成日期發行予債券持有人之本公司股份公平值0.2975港元(經參照本公司股份市價所得)之間之差額。

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23. CONVERTIBLE BONDS (continued)

The Group recognised the liability component and derivatives of the 2016 Convertible Bonds on 16 March 2016 which were determined based on the valuations performed by an independent firm of professional valuers with recognised qualifications and experiences using an equivalent market interest rate for a similar bond without a conversion option and Monte Carlo simulation method, respectively. No equity component of the 2016 Convertible Bonds was recognised as it will not be settled by a fixed number of shares due to the Conversion Price Reset. The effective interest rate of the liability component is 12.7% per annum. The derivatives of the 2016 Convertible Bonds include the option of the bondholders to convert the 2016 Convertible Bonds into the Company's ordinary shares and the option of the Company to redeem the 2016 Convertible Bonds. Both options are interdependent. At 31 December 2016, the fair value of derivatives of the 2016 Convertible Bonds was determined based on the valuation performed by an independent firm of professional valuers with recognised qualifications and experiences using Monte Carlo simulation method.

23. 可換股債券(續)

本集團確認二零一六年可換股債券負債部分及衍生部分於二零一六年三月十六日，乃根據具有認可資質及經驗的獨立專業估值機構分別利用同類債券(無兌換權)之相等市場利率及蒙特卡羅模擬方法作出之估值釐定。二零一六年可換股債券並沒有確認任何權益部分，因為其不會被固定數量的股份進行結算根據重訂兌換價。負債部分的實際年利率為12.7%。二零一六年可換股債券衍生工具包括債券持有人選擇將二零一六年可換股債券轉換為本公司普通股以及本公司選擇贖回二零一六年可換股債券。兩者選擇為相互依賴。於二零一六年十二月三十一日，二零一六年可換股債券衍生工具之公平值乃由具有認可資質及經驗的獨立專業估值機構利用蒙特卡羅模擬方法作出之估值釐定。

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23. CONVERTIBLE BONDS (continued)

The movements of the 2013 Convertible Bonds and the 2016 Convertible Bonds during the year are as follows:

The 2013 Convertible Bonds 二零一三年可換股債券		Liability component 負債部份 HK\$'000 千港元	Equity component 權益部份 HK\$'000 千港元	Put Option 認沽期權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	1,022,858	2,203	74,309	1,099,370
Interest expense charged to consolidated income statement (note 6(a))	計入綜合損益表之利息開支(附註6(a))	84,157	—	—	84,157
Interest paid	已付利息	(74,385)	—	—	(74,385)
Fair value gain (note 6(a))	公平值收益(附註6(a))	—	—	(44,051)	(44,051)
At 31 December 2015	於二零一五年十二月三十一日	<u>1,032,630</u>	<u>2,203</u>	<u>30,258</u>	<u>1,065,091</u>
Representing:	指：				
Current portion	流動部份	1,032,630	—	30,258	1,062,888
Convertible bonds equity reserve	可換股債券權益儲備	—	2,203	—	2,203
At 1 January 2016	於二零一六年一月一日	1,032,630	2,203	30,258	1,065,091
Interest expense charged to consolidated income statement (note 6(a))	計入綜合收益表之利息開支(附註6(a))	17,567	—	—	17,567
Interest paid	已付利息	(37,192)	—	—	(37,192)
Extinguishment upon the completion of the Convertible Bonds Restructure	可換股債券重組完成後註銷	(1,013,005)	(2,203)	(30,258)	(1,045,466)
At 31 December 2016	於二零一六年十二月三十一日	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

23. 可換股債券(續)

二零一三年可換股債券及二零一六年可換股債券於年內之變動如下：

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23. CONVERTIBLE BONDS (continued)

The 2016 Convertible Bonds 二零一六年可換股債券

At 16 March 2016	於二零一六年 三月十六日
Interest expense charged to consolidated income statement (note 6(a))	計入綜合收益表之利息開支 (附註6(a))
Interest paid	已付利息
Conversion into shares	轉換為股份
Fair value gain (note 6(a))	公平值收益 (附註6(a))
At 31 December 2016	於二零一六年十二月三十一日
Non-current portion	非即期部分

23. 可換股債券(續)

Liability component 負債部份 HK\$'000 千港元	Derivatives 衍生工具 HK\$'000 千港元	Total 總計 HK\$'000 千港元
348,083	37,486	385,569
33,857	—	33,857
(10,548)	—	(10,548)
(3,084)	(325)	(3,409)
—	(6,331)	(6,331)
368,308	30,830	399,138
368,308	30,830	399,138

Loss on the Convertible Bonds Restructure 可換股債券重組之虧損

Liability components and derivatives
Equity component

負債部分及衍生工具
權益部分

Carrying amount of the 2013 Convertible Bonds 二零一三年可換股債券之賬面金額 HK\$'000 千港元	Restructure of the 2016 Convertible Bonds 可換股債券重組之現金款項及發行之公平值 (Note (i)) (附註(i)) HK\$'000 千港元	Fair value of the 2016 Convertible Bonds 二零一六年可換股債券之公平值 HK\$'000 千港元	Loss on the Convertible Bonds Restructure 可換股債券重組之虧損 (Note 6(a)) (附註6(a)) HK\$'000 千港元	Equity component of the 2013 Convertible Bonds transferred to retained profits 轉撥至保留溢利之二零一三年可換股債券權益部分 HK\$'000 千港元
1,043,263	720,808	385,569	(63,114)	—
2,203	1,516	—	—	687
1,045,466	722,324	385,569	(63,114)	687

Note:

(i) Cash paid and fair value of shares issued for the Convertible Bonds Restructure:

Cash payment
Transaction costs

Total cash outflow included in consolidated statement of cash flows
Shares issued at fair value (note 25(b) (ii))

附註：

(i) 可換股債券重組之現金款項及發行之公平值：

現金款項
交易成本

計入綜合現金流量表之現金流出總額
按公平值發行之股份(附註25 (b)(ii))

HK\$'000
千港元

361,078
11,307

372,385
349,939

722,324

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23. CONVERTIBLE BONDS (continued)

During the year, convertible bonds with an aggregate principal amount of HK\$3,277,000 were converted into 12,605,729 new ordinary shares of the Company of HK\$0.125 each at the conversion price of HK\$0.26 each (note 25(b)(vii)). At 31 December 2016, the outstanding principal amount of the 2016 Convertible Bonds was approximately HK\$376 million.

At 4 August 2016, the conversion price of the 2016 Convertible Bonds was adjusted from HK\$0.4283 to HK\$0.26 under the Conversion Price Reset. Subsequent to the reporting period, the conversion price of the 2016 Convertible Bonds was adjusted from HK\$0.26 to HK\$0.25 under the Conversion Price Reset with effect from 4 February 2017. Details are set out in the Company's announcements on 10 August 2016 and 6 February 2017.

As at 16 March 2016 and 31 December 2016, the following assumptions are used to calculate the fair values of the derivatives of the 2016 Convertible Bonds based on a valuation performed by an independent firm of professional valuers with recognised qualifications and experiences using the Monte Carlo simulation method:

Share price (HK\$)	股價(港元)
Conversion price (HK\$)	兌換價(港元)
Expected remaining life of the convertible bonds (years)	可換股債券預期剩餘年期(年)
Expected volatility (%)	預期波動(%)
Risk free rate (%)	無風險利率(%)
Expected dividend yield(%)	預期股息率(%)
Discount rate (%)	貼現率(%)

23. 可換股債券(續)

年內，本金總額為3,277,000港元的可換股債券已獲按兌換價每股0.26港元兌換為本公司每股面值0.125港元的12,605,729股新普通股（附註25(b)(vii)）。二零一六年十二月三十一日，二零一六年可換股債券之未償還本金額約為376百萬港元。

於二零一六年八月四日，二零一六年可換股債券之兌換價根據重訂兌換價由0.4283港元調整為0.26港元。報告期後，二零一六年可換股債券之兌換價根據二零一七年二月四日生效的重訂兌換價由0.26港元調整為0.25港元。其詳情載於二零一六年八月十日及二零一七年二月六日本公司公佈。

於二零一六年三月十六日及二零一六年十二月三十一日，下列假設乃用於計算二零一六年可換股債券之衍生工具之公平值（根據具有認可資質及經驗的獨立專業估值機構使用蒙特卡羅模擬方法編製之估值釐定）：

At 31 December 2016 於二零一六年 十二月三十一日	At 16 March 2016 於二零一六年 三月十六日
0.2250	0.2975
0.26	0.4283
1.1	1.9
52	84
1.48	1.12
0	0
7.97	12.7

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24. DEFERRED TAX

(a) Deferred tax liabilities recognised

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

			Depreciation allowance in excess of related depreciation		
		Intangible assets 無形資產	折舊撥備 超出有關 折舊的金額	Others 其他	Total 總額
	Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	623,710	—	—	623,710
Exchange adjustments	匯兌調整	(27,882)	—	—	(27,882)
(Credited)/charged to consolidated income statement	於綜合損益表(計入)/扣除	7(a) (15,184)	12,166	6,483	3,465
At 31 December 2015	於二零一五年 十二月三十一日	<u>580,644</u>	<u>12,166</u>	<u>6,483</u>	<u>599,293</u>
At 1 January 2016	於二零一六年一月一日	580,644	12,166	6,483	599,293
Exchange adjustments	匯兌調整	(37,526)	(1,316)	(679)	(39,521)
Acquisition of subsidiaries	收購附屬公司	—	—	24,234	24,234
(Credited)/charged to consolidated income statement	於綜合損益表(計入)/扣除	7(a) (15,140)	7,555	699	(6,886)
At 31 December 2016	於二零一六年 十二月三十一日	<u>527,978</u>	<u>18,405</u>	<u>30,737</u>	<u>577,120</u>

24. 遞延稅項

(a) 已確認遞延稅項負債

年內於綜合財務狀況表確認之遞延稅項負債部份及其變動如下：

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24. DEFERRED TAX (continued)

(b) Deferred tax assets and liabilities not recognised

As at 31 December 2016, temporary differences relating to the undistributed profits of the Group's PRC subsidiaries of approximately to HK\$1,773 million (2015: HK\$1,826 million) and the related deferred tax liabilities of approximately HK\$177 million (2015: HK\$183 million) have not been recognised in these financial statements. In the opinion of the Company's directors, the Group controls the dividend policy of these subsidiaries and it has been determined that it is not probable that these subsidiaries will distribute profits in the foreseeable future.

Save as disclosed above, at 31 December 2016, the Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately HK\$19 million (2015: HK\$19 million) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses of the Group do not expire under current tax legislation.

25. CAPITAL AND RESERVES

- (a) 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 reporting period are set out below:

24. 遞延稅項(續)

(b) 未確認遞延稅項資產及負債

於二零一六年十二月三十一日，有關本集團其中國附屬公司之未分派溢利之暫時差異約為1,773百萬港元(二零一五年：1,826百萬港元)，而相關遞延稅項負債約177百萬港元(二零一五年：183百萬港元)並未於此等財務報表確認。本公司董事認為，本集團控制該等附屬公司之股息政策，並認為於可預見未來該等附屬公司有可能不會分派溢利。

除上文所披露者外，於二零一六年十二月三十一日，本集團已確認有關累計稅項虧損之遞延稅項資產約19百萬港元(二零一五年：19百萬港元)，原因為相關稅務司法權區及實體不可能有任何可用以抵銷該等虧損之未來應課稅溢利。本集團之稅項虧損根據目前稅務法例並不會到期。

25. 股本及儲備

- (a) 本集團綜合權益各組成部份於年初與年末結餘之對賬載於綜合權益變動表。本公司各個權益組成部份於報告期初至結束之變動詳情如下：

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

25. CAPITAL AND RESERVES (continued)

(a) (Continued)

The Company

		Share capital 股本 HK\$'000 千港元 (note (b)) (附註(b))	Share premium 股份溢價 HK\$'000 千港元 (note(c) (i)) (附註(c)(i))	Convertible bond equity reserve 可換股債券權益儲備 HK\$'000 千港元 (notes (c) (v) & 23) (附註(c)(v)及23)	Capital reserve 資本儲備 HK\$'000 千港元 (note (c) (ii)) (附註(c)(ii))	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	689,879	4,578,060	2,203	126,715	(1,153,671)	4,243,186
Changes in equity for 2016:	二零一六年之權益變動：						
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	—	(508,067)	(508,067)
Issue of new shares upon the convertible bonds restructure	可換股債券重組後發行新股份	147,033	202,906	—	—	—	349,939
Extinguishment upon convertible bond restructure	可換股債券重組後註銷	—	—	(2,203)	—	687	(1,516)
Issue of new shares upon loan capitalisation	貸款資本化後發行新股份	74,640	62,697	—	—	—	137,337
Issue of new shares by share subscriptions and placements	透過股份認購及配售發行新股份	614,736	516,379	—	—	—	1,131,115
Issue of new shares upon acquisition of subsidiaries	收購附屬公司後發行新股份	204,348	245,218	—	—	—	449,566
Issue of new shares upon conversion of convertible bonds	轉換可換股債券後發行新股份	1,576	1,833	—	—	—	3,409
Issue of new shares upon exercise of share option	行使購股權後發行新股份	5,028	8,675	—	(3,703)	—	10,000
Transaction costs attributable to issue of new shares by share subscriptions and placements	透過股份認購及配售發行新股份應佔交易成本	—	(4,179)	—	—	—	(4,179)
Equity-settled share-based payments	以股權結算之股份基礎支出	—	—	—	144,833	—	144,833
Lapse of share options	購股權失效	—	—	—	(57,416)	57,416	—
At 31 December 2016	於二零一六年十二月三十一日	1,737,240	5,611,589	—	210,429	(1,603,635)	5,955,623
At 1 January 2015	於二零一五年一月一日	575,229	4,463,834	2,203	134,023	(962,468)	4,212,821
Changes in equity for 2015:	二零一五年之權益變動：						
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	—	(205,381)	(205,381)
Issue of new shares	發行新股份	114,650	114,650	—	—	—	229,300
Transaction costs attributable to issue of new shares	發行新股份應佔交易成本	—	(424)	—	—	—	(424)
Equity-settled share-based payments	以股權結算之股份基礎支出	—	—	—	6,870	—	6,870
Lapse of share options	購股權失效	—	—	—	(14,178)	14,178	—
At 31 December 2015	於二零一五年十二月三十一日	689,879	4,578,060	2,203	126,715	(1,153,671)	4,243,186

25. 股本及儲備(續)

(a) (續)

本公司

		Share capital 股本 HK\$'000 千港元 (note (b)) (附註(b))	Share premium 股份溢價 HK\$'000 千港元 (note(c) (i)) (附註(c)(i))	Convertible bond equity reserve 可換股債券權益儲備 HK\$'000 千港元 (notes (c) (v) & 23) (附註(c)(v)及23)	Capital reserve 資本儲備 HK\$'000 千港元 (note (c) (ii)) (附註(c)(ii))	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	689,879	4,578,060	2,203	126,715	(1,153,671)	4,243,186
Changes in equity for 2016:	二零一六年之權益變動：						
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	—	(508,067)	(508,067)
Issue of new shares upon the convertible bonds restructure	可換股債券重組後發行新股份	147,033	202,906	—	—	—	349,939
Extinguishment upon convertible bond restructure	可換股債券重組後註銷	—	—	(2,203)	—	687	(1,516)
Issue of new shares upon loan capitalisation	貸款資本化後發行新股份	74,640	62,697	—	—	—	137,337
Issue of new shares by share subscriptions and placements	透過股份認購及配售發行新股份	614,736	516,379	—	—	—	1,131,115
Issue of new shares upon acquisition of subsidiaries	收購附屬公司後發行新股份	204,348	245,218	—	—	—	449,566
Issue of new shares upon conversion of convertible bonds	轉換可換股債券後發行新股份	1,576	1,833	—	—	—	3,409
Issue of new shares upon exercise of share option	行使購股權後發行新股份	5,028	8,675	—	(3,703)	—	10,000
Transaction costs attributable to issue of new shares by share subscriptions and placements	透過股份認購及配售發行新股份應佔交易成本	—	(4,179)	—	—	—	(4,179)
Equity-settled share-based payments	以股權結算之股份基礎支出	—	—	—	144,833	—	144,833
Lapse of share options	購股權失效	—	—	—	(57,416)	57,416	—
At 31 December 2016	於二零一六年十二月三十一日	1,737,240	5,611,589	—	210,429	(1,603,635)	5,955,623
At 1 January 2015	於二零一五年一月一日	575,229	4,463,834	2,203	134,023	(962,468)	4,212,821
Changes in equity for 2015:	二零一五年之權益變動：						
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	—	(205,381)	(205,381)
Issue of new shares	發行新股份	114,650	114,650	—	—	—	229,300
Transaction costs attributable to issue of new shares	發行新股份應佔交易成本	—	(424)	—	—	—	(424)
Equity-settled share-based payments	以股權結算之股份基礎支出	—	—	—	6,870	—	6,870
Lapse of share options	購股權失效	—	—	—	(14,178)	14,178	—
At 31 December 2015	於二零一五年十二月三十一日	689,879	4,578,060	2,203	126,715	(1,153,671)	4,243,186

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25. CAPITAL AND RESERVES (continued)

(b) Share capital

Authorised and issued share capital

	Note 附註	2016 二零一六年		2015 二零一五年	
		Number of shares 股份數目 '000 千股	HK\$'000 千港元	Number of shares 股份數目 '000 千股	HK\$'000 千港元
Authorised:					
Ordinary shares of HK\$0.125 each					
At 1 January		10,000,000	1,250,000	10,000,000	1,250,000
Increase during the year	(i)	10,000,000	1,250,000	—	—
At 31 December		<u>20,000,000</u>	<u>2,500,000</u>	<u>10,000,000</u>	<u>1,250,000</u>
Ordinary shares of HK\$0.125 each, issued and fully paid:					
At 1 January		5,519,031	689,879	4,601,831	575,229
Issue of new shares upon Convertible Bonds Restructure	(ii)	1,176,265	147,033	—	—
Issue of new shares upon loan capitalisations	(iii)	597,120	74,640	—	—
Issue of new shares by share subscriptions and placements	(iv) 及(v)	4,917,889	614,736	917,200	114,650
Issue of new shares upon acquisitions of subsidiaries	(vi)	1,634,783	204,348	—	—
Issue of new shares upon conversion of convertible bonds	(vii)	12,606	1,576	—	—
Issue of new shares upon exercise of share options	(viii)	40,225	5,028	—	—
At 31 December		<u>13,897,919</u>	<u>1,737,240</u>	<u>5,519,031</u>	<u>689,879</u>

25. 股本及儲備(續)

(b) 股本

法定及已發行股本

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

25. CAPITAL AND RESERVES (continued)

(b) Share capital (continued)

Authorised and issued share capital (continued)

Notes:

- (i) By ordinary resolutions passed at the extraordinary general meetings of the Company on 25 January 2016 and 12 March 2016 respectively, the Company's authorised ordinary share capital was increased from HK\$1,250,000,000 to HK\$1,375,000,000 by the creation of additional 1,000,000,000 ordinary shares of \$0.125 each and the Company's authorised ordinary share capital was further increased to HK\$2,500,000,000 by the creation of additional 9,000,000,000 ordinary shares of HK\$0.125 each. These shares rank pari passu in all respects with the then existing ordinary shares of the Company.
- (ii) On 16 March 2016, the Company issued and allotted approximately 1,176,265,000 new ordinary shares of the Company of HK\$0.125 each at fair value of HK\$0.2975 per share, with reference to market price of the Company's shares on 16 March 2016, with an aggregate amount of approximately HK\$349,939,000 to the bondholders upon the completion of the Convertible Bonds Restructure (note 23).
- (iii) On 30 March 2016, the Company issued and allotted approximately 597,120,000 new ordinary shares of the Company of HK\$0.125 each at an issue price of HK\$0.23 by capitalisation of loans due to Munsun Assets and its wholly owned subsidiary, Munsun Asia (note 34(a) (ii)).

25. 股本及儲備(續)

(b) 股本(續)

法定及已發行股本 (續)

附註：

- (i) 根據本公司分別於二零一六年一月二十五日及二零一六年三月十二日舉行之股東特別大會上通過之普通決議案，透過額外增設1,000,000,000股每股面值0.125港元的普通股，本公司之法定普通股股本由1,250,000,000港元增加至1,375,000,000港元；並透過額外增設9,000,000,000股每股面值0.125港元的普通股，本公司之法定普通股股本已進一步增加至2,500,000,000港元。該等股份在各方面與本公司當時之現有普通股享有同等權益。
- (ii) 於二零一六年三月十六日，本公司參考本公司股份於二零一六年三月十六日之市價，按公平值每股0.2975港元向可換股債券重組完成後之債券持有人發行及配發本公司約1,176,265,000股每股面值0.125港元之新普通股，總金額約349,939,000港元(附註23)。
- (iii) 於二零一六年三月三十日，本公司透過將欠負麥盛資產及其全資附屬公司麥盛亞洲貸款資本化而按發行價0.23港元發行及配發本公司約597,120,000股每股面值0.125港元之新普通股(附註34(a)(ii))。

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25. CAPITAL AND RESERVES (continued)

(b) Share capital (continued)

Authorised and issued share capital (continued)

Notes: (continued)

- (iv) On 30 March 2016, the Company issued and allotted approximately 434,783,000 and 1,078,261,000 new ordinary shares of the Company of HK\$0.125 each at an issue price of HK\$0.23 by share subscriptions to Munsun Assets and Tai Ning respectively, with net proceeds of approximately HK\$99,679,000 and HK\$247,337,000 respectively (note 34(a)(ii) and (iii)).
- (v) On 6 April 2016 and 20 April 2016, the Company issued and allotted approximately 1,819,043,000 and 1,585,802,000 new ordinary shares of the Company of HK\$0.125 each at an issue price of HK\$0.23 with total net proceeds of approximately HK\$779,920,000.
- (vi) During the year, the Company issued and allotted 1,330,434,782 and 304,347,824 ordinary shares of HK\$0.125 each as the consideration for the acquisitions of Munsun Asia and Munsun Securities, respectively. The fair values of these consideration shares were HK\$365,870,000 and HK\$83,696,000 respectively (notes 31(a) and (b)) which were based on market price of the Company's shares at the date of completion of the acquisitions. The Company recognised an aggregate amount of HK\$204,348,000 and HK\$245,218,000 in share capital and share premium respectively. These shares rank pari passu in all respects with then existing shares in issue.

25. 股本及儲備(續)

(b) 股本(續)

法定及已發行股本 (續)

附註：(續)

- (iv) 於二零一六年三月三十日，本公司透過股份認購按發行價0.23港元分別向麥盛資產及泰寧發行及配發本公司約434,783,000股及1,078,261,000股每股面值0.125港元之新普通股，所得款項淨額分別約為99,679,000港元及247,337,000港元(附註34(a)(ii)及(iii))。
- (v) 於二零一六年四月六日及二零一六年四月二十日，本公司按發行價0.23港元發行及配發本公司約1,819,043,000股及1,585,802,000股每股面值0.125港元之新普通股，所得款項淨額總額約為779,920,000港元。
- (vi) 年內，本公司發行及配發1,330,434,782股及304,347,824股每股面值0.125港元之普通股，分別作為收購麥盛亞洲及麥盛證券之代價。該等代價股份之公平值分別為365,870,000港元及83,696,000港元(附註31(a)及(b))，乃根據本公司股份於收購完成當日之市價而釐定。本公司分別於股本及股份溢價中確認總額204,348,000港元及245,218,000港元。該等股份於各方面與當時已發行之現有股份享有同等地位。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

25. CAPITAL AND RESERVES (continued)

(b) Share capital (continued)

Authorised and issued share capital (continued)

Notes: (continued)

- (vii) During the year, the convertible bonds with an aggregate principal amount of HK\$3,277,000 were fully converted into 12,605,729 new ordinary shares of the Company of HK\$0.125 each at the conversion price of HK\$0.26 each (note 23).
- (viii) During the year, options under the 2014 Share Option Scheme were exercised to subscribe for 40,225,000 ordinary shares of \$0.125 each of the Company at the exercise price of HK\$0.2486 an aggregate consideration of HK\$10,000,000 (note 30).

All new ordinary shares issued and allotted during the year rank pari passu in all respects with the then existing ordinary shares of the Company in issue.

25. 股本及儲備(續)

(b) 股本(續)

法定及已發行股本 (續)

附註：(續)

- (vii) 年內，本金總額為3,277,000港元之可換股債券以兌換價每股0.26港元獲悉數兌換為本公司12,605,729股每股面值0.125港元之新普通股(附註23)。
- (viii) 年內，二零一四年購股權計劃下之購股權獲行使，按行使價0.2486港元認購本公司40,225,000股每股面值0.125元之普通股，總代價為10,000,000港元(附註30)。

於年內，已發行及配發之所有新普通股於所有方面與本公司當時已發行現有普通股享有同等地位。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

25. CAPITAL AND RESERVES (continued)

(c) Nature and purpose of reserves

(i) *Share premium*

The application of the share premium account is governed by the Companies Law of the Cayman Islands.

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) *Capital reserve*

The capital reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 2(r)(ii). Details of the share option schemes of the Company are disclosed in note 30 to the financial statements.

(iii) *Exchange reserve*

The exchange reserve comprises the exchange differences arising from the translation of the financial statements of the Group's operations outside Hong Kong.

25. 股本及儲備(續)

(c) 儲備性質及用途

(i) *股份溢價*

股份溢價賬之應用受開曼群島公司法所規管。

根據開曼群島公司法，本公司股份溢價賬之資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。

(ii) *資本儲備*

資本儲備包括授予本公司僱員之未行使購股權實際或估計數目之公平值，已根據附註2(r)(ii)內就以股份為基礎之付款而採納之會計政策確認。本公司購股權計劃之詳情於財務報表附註30披露。

(iii) *匯兌儲備*

匯兌儲備包括本集團於香港境外業務之財務報表進行換算所產生之一切匯兌差額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

25. CAPITAL AND RESERVES (continued)

(c) Nature and purpose of reserves (continued)

(iv) Statutory reserves

Statutory surplus reserves

The Group's subsidiaries in the PRC are required to transfer 10% of their net profit, as determined in accordance with the PRC accounting rules and regulations, to statutory surplus reserve until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

Statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of their registered capital.

Safety production fund

Pursuant to the relevant regulations in the PRC, the Group's subsidiaries are required to transfer safety production fund at fixed rates based on a specific amount of volume of gold ores excavated to a specific reserve account. The fund is used for improvements of safety of the mines and is not available for distribution to the shareholders. Upon incurring qualifying safety expenditure, an equivalent amount would be transferred from safety production fund to retained profits.

25. 股本及儲備(續)

(c) 儲備性質及用途(續)

(iv) 法定儲備

法定盈餘儲備

根據中國會計規則及規例，本集團於中國之附屬公司須將10%之淨溢利撥往法定盈餘儲備，直至該項儲備結餘達到其註冊資本之50%。轉撥至該項儲備必須於向股東分派股息前進行。

法定盈餘儲備可用作彌補以往年度之虧損(如有)，並可藉向股東按彼等現有持股比例發行新股份，或藉增加彼等現時持有之股份面值，將法定盈餘儲備轉換為股本，惟發行股份後之結餘不得少於註冊資本之25%。

安全生產基金

根據中國相關法規，本集團之附屬公司須根據開採特定金礦石量按固定利率轉撥安全生產基金至特別儲備賬戶。該基金用於改善礦場安全及不可供股東分配。於發生合資格的安全開支時，等同金額將會轉撥自安全生產基金至保留溢利。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

25. CAPITAL AND RESERVES (continued)

(c) Nature and purpose of reserves (continued)

(v) *Convertible bonds equity reserve*

The convertible bonds equity reserve comprises the value of the unexercised equity component of convertible bonds issued by the Group recognised in accordance with the accounting policy adopted for convertible bonds in note 2(p) (i).

(d) Distributability of reserves

At 31 December 2016, the aggregate amount of reserves available for distribution to owners of the Company was HK\$4,007,954,000 (2015: HK\$3,424,389,000), which included the balances of share premium and accumulated losses, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

25. 股本及儲備(續)

(c) 儲備性質及用途(續)

(v) *可換股債券權益儲備*

可換股債券權益儲備包括附註2(p)(i)中按照就可換股債券採納之會計政策確認由本集團發行之可換股債券未行使權益部份的價值。

(d) 可供分派儲備

於二零一六年十二月三十一日，可供分派予本公司擁有人之儲備總額為4,007,954,000港元(二零一五年：3,424,389,000港元)，包括股份溢價及累計虧損之結餘，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

25. 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 shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group monitors capital using a gearing ratio, which is net debts divided by total equity plus net debts. The Group's net debts include bank and other borrowings, financial liabilities at fair value through profit or loss and convertible bonds, less cash and cash equivalents and pledged deposits. The Group's total equity comprises total issued share capital and reserves of the Group. The gearing ratio at the end of the reporting periods is as follows:

25. 股本及儲備(續)

(e) 資本管理

本集團管理資本之首要目標乃保障本集團能夠繼續根據持續經營基準經營，從而透過與風險水平相對應之產品及服務定價以及獲得合理成本之融資，繼續為股東創造回報及為其他權益人創造實益。

本集團利用資產負債比率(其為淨債項除以總權益加淨債項)監控資本。本集團之淨債項包括銀行及其他貸款、透過損益按公平值列賬之金融負債及可換股債券)減去現金及現金等價物及已抵押存款。本集團之總權益包括本集團已發行股本總額及儲備。於報告期末之資產負債比率如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total debts	債項總額	5,105,258	5,907,896
Less: Pledged deposits	減：已抵押存款	(1,018,472)	(971,779)
Cash and cash equivalents	現金及現金等價物	(105,595)	(88,148)
Net debts	淨債項	3,981,191	4,847,969
Total equity	總權益	7,241,089	5,765,782
Total equity and net debts	權益總額及淨債項	11,222,280	10,613,751
Gearing ratio	資產負債比率	35%	46%

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

25. CAPITAL AND RESERVES (continued)

(e) Capital management (continued)

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher returns to the owners of the Company that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. There were no changes in the Group's approach to capital management during the year.

Except for share charge of certain subsidiaries of which details are set out in note 27, neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements during the years ended 31 December 2016 and 2015.

25. 股本及儲備(續)

(e) 資本管理(續)

本集團定期積極審閱及管理資本架構，於維持本公司擁有人較高回報可能帶來之高借貸水平及保持穩健資本狀況所享有之優勢和安全之間取得平衡，亦因應經濟狀況變動而調整資本架構。年內本集團資本管理之方法並無改變。

除若干附屬公司的股份抵押(詳情載於附註27)外，本公司及其任何附屬公司於截至二零一六年及二零一五年十二月三十一日止年度概無須遵守外部施加之資本規定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

26. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

26. 本公司之財務狀況表

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	7,229,641	6,376,473
Deposit paid for fixed assets	就固定資產所付按金	3,162	3,162
Total non-current assets	非流動資產總額	7,232,803	6,379,635
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	480,737	238,485
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	19,272	4,288
Pledged deposits	已抵押存款	3,299	2,437
Cash and cash equivalents	現金及現金等價物	38,570	15,258
Total current assets	流動資產總額	541,878	260,468
Current liabilities	流動負債		
Amounts due to subsidiaries	應付附屬公司款項	14,743	96,058
Other payables	其他應付款項	32,288	35,243
Bank and other borrowings	銀行及其他貸款	362,989	499,929
Convertible bonds	可換股債券	—	1,032,630
Derivative financial instruments	衍生金融工具	—	30,258
Total current liabilities	流動負債總額	410,020	1,694,118
Net current assets/(liabilities)	流動資產/(負債)淨值	131,858	(1,433,650)
Total assets less current liabilities	總資產減流動負債	7,364,661	4,945,985

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

26. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

26. 本公司之財務狀況表(續)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current liabilities	非流動負債		
Bank and other borrowings	銀行及其他貸款	1,009,900	702,799
Convertible bonds	可換股債券	368,308	—
Derivative financial instruments	衍生金融工具	30,830	—
Total non-current liabilities	非流動負債總額	1,409,038	702,799
NET ASSETS	資產淨值	5,955,623	4,243,186
CAPITAL AND RESERVES	股本及儲備		
Share capital	股本	1,737,240	689,879
Reserves	儲備	4,218,383	3,553,307
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔權益總額	5,955,623	4,243,186

Note
附註

25(a)

Approved and authorised for issue by the board of directors on 30 March 2017.

經董事會於二零一七年三月三十日核准並許可發出。

Mr. Li Xianghong

李向鴻先生

Chairman and Chief Executive Officer

主席兼行政總裁

Mr. Liu Liyang

劉力揚先生

Executive Director

執行董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

27. PLEDGE OF ASSETS

As at 31 December 2016, the Group's assets with the following carrying amounts were pledged to secure bank and other borrowings (note 22(a)) and financial liabilities at fair value through profit or loss (note 18(b)):

Intangible assets — mining rights	無形資產—採礦權	12(a)
Fixed assets	固定資產	13
Deposits paid for gold mining and exploration rights	就金礦採礦及探礦權所付按金	14
Available-for-sale investment	可供出售投資	15
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	18
Pledged deposits	已抵押存款	19

As at 31 December 2016, all issued shares of six (2015: six) subsidiaries of the Company were subject to share charge as security pledged for the Group's bank and other borrowings (note 22(a)) and financial liabilities at fair value through profit or loss (note 18(b)).

27. 資產抵押

於二零一六年十二月三十一日，本集團以下賬面值之資產已用於抵押銀行及其他貸款(附註22(a))以及透過損益按公平值列賬之金融負債(附註18(b))：

Note	2016	2015
附註	二零一六年	二零一五年
	HK\$'000	HK\$'000
	千港元	千港元
12(a)	2,903,813	2,906,283
13	1,298,933	1,436,401
14	—	270,438
15	117,128	—
18	253,808	—
19	1,018,472	971,779
	5,592,154	5,584,901

於二零一六年十二月三十一日，本公司六間(二零一五年：六間)附屬公司之所有已發行股份已用作本集團銀行及其他貸款(附註22(a))以及透過損益按公平值列賬之金融負債(附註18(b))之股份抵押。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

28. SUBSIDIARIES

- (a) The following list contains only the particulars of the principal subsidiaries of the Group at 31 December 2016. The class of shares of those subsidiaries which were incorporated outside the PRC held is ordinary unless otherwise stated.

28. 附屬公司

- (a) 下表僅列載本集團於二零一六年十二月三十一日之主要附屬公司之資料。除另有列明外，所持該等於中國境外註冊成立之附屬公司股份類別均為普通股。

Name of Company 公司名稱	Place of incorporation/ operations 註冊成立/ 經營地點	Issued and fully paid-up/ registered capital 已發行及繳足/ 註冊資本	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
			Group's effective interest 本集團實際權益 %	Held by the Company 由本公司持有 %	Held by a subsidiary 由一附屬公司持有 %	
China Precious Metal Resources Co., Limited 中國貴金屬資源有限公司	BVI/Hong Kong 英屬處女群島/香港	US\$2 2美元	100	100	—	Investment holding 投資控股
Able Supplement Limited	BVI/Hong Kong 英屬處女群島/香港	US\$50,000 50,000美元	100	—	100	Investment holding 投資控股
Decent Connection Overseas Limited	BVI/Hong Kong 英屬處女群島/香港	US\$50,000 50,000美元	100	—	100	Investment holding 投資控股
Wah Heen Holdings Limited 華軒控股有限公司	BVI/Hong Kong 英屬處女群島/香港	US\$10,000 10,000美元	100	—	100	Investment holding 投資控股
Sinowise Century Limited	BVI/Hong Kong 英屬處女群島/香港	US\$1 1美元	100	—	100	Investment holding 投資控股
Munsun Asset Management (Asia) Limited 麥盛資產管理(亞洲)有限公司	Hong Kong 香港	HK\$10,000,000 10,000,000港元	100	100	—	Asset management and advisory service 資產管理及諮詢服務
Munsun Securities Limited 麥盛證券有限公司	Hong Kong 香港	HK\$95,140,000 95,140,000港元	100	100	—	Securities brokerage 證券經紀
Hongkong Realking Mining Industry Ltd. 香港瑞金礦業有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100	—	100	Investment holding 投資控股

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

28. SUBSIDIARIES (continued)

(a) (continued)

Name of Company 公司名稱	Place of incorporation/ operations 註冊成立/ 經營地點	Issued and fully paid-up/ registered capital 已發行及繳足/ 註冊資本	Proportion of ownership interest 擁有權權益比例			Principal activities 主要業務
			Group's effective interest 本集團 實際權益 %	Held by the Company 由本公司 持有 %	Held by a subsidiary 由一附屬 公司持有 %	
Hongkong T&R Mining Investment Limited 香港騰瑞礦業投資有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100	—	100	Investment holding 投資控股
Kong Chun Hong Kong Limited 港俊香港有限公司	Hong Kong 香港	HK\$1,000 1,000港元	100	—	100	Investment holding 投資控股
Fast Trend Investment Limited 弘捷投資有限公司	Hong Kong 香港	HK\$1 1港元	100	—	100	Investment holding 投資控股
Chifeng Yongfeng Kuangye Co., Ltd. (note (i)) 赤峰永豐礦業有限責任 公司 (附註(i))	The PRC 中國	RMB20,000,000 人民幣 20,000,000元	100	—	100	Mining and processing of gold ores and sale of gold products 金礦開採、加工及 黃金產品銷售
Luanchuan County Jinxing Mining Co., Ltd. (note (i)) 樂川縣金興礦業有限責任 公司 (附註(i))	The PRC 中國	RMB60,000,000 人民幣 60,000,000元	100	—	100	Mining and processing of gold ores and sale of gold products 金礦開採、加工及 黃金產品銷售
Luanchuan County Luanling Gold Mine Co., Ltd. (note (i)) 樂川縣樂靈金礦有限公司 (附註(i))	The PRC 中國	RMB50,000,000 人民幣 50,000,000元	100	—	100	Mining and processing of gold ores and sale of gold products 金礦開採、加工及 黃金產品銷售

28. 附屬公司 (續)

(a) (續)

Proportion of ownership interest

擁有權權益比例

Name of Company 公司名稱	Place of incorporation/ operations 註冊成立/ 經營地點	Issued and fully paid-up/ registered capital 已發行及繳足/ 註冊資本	Proportion of ownership interest 擁有權權益比例			Principal activities 主要業務
			Group's effective interest 本集團 實際權益 %	Held by the Company 由本公司 持有 %	Held by a subsidiary 由一附屬 公司持有 %	
Hongkong T&R Mining Investment Limited 香港騰瑞礦業投資有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100	—	100	Investment holding 投資控股
Kong Chun Hong Kong Limited 港俊香港有限公司	Hong Kong 香港	HK\$1,000 1,000港元	100	—	100	Investment holding 投資控股
Fast Trend Investment Limited 弘捷投資有限公司	Hong Kong 香港	HK\$1 1港元	100	—	100	Investment holding 投資控股
Chifeng Yongfeng Kuangye Co., Ltd. (note (i)) 赤峰永豐礦業有限責任 公司 (附註(i))	The PRC 中國	RMB20,000,000 人民幣 20,000,000元	100	—	100	Mining and processing of gold ores and sale of gold products 金礦開採、加工及 黃金產品銷售
Luanchuan County Jinxing Mining Co., Ltd. (note (i)) 樂川縣金興礦業有限責任 公司 (附註(i))	The PRC 中國	RMB60,000,000 人民幣 60,000,000元	100	—	100	Mining and processing of gold ores and sale of gold products 金礦開採、加工及 黃金產品銷售
Luanchuan County Luanling Gold Mine Co., Ltd. (note (i)) 樂川縣樂靈金礦有限公司 (附註(i))	The PRC 中國	RMB50,000,000 人民幣 50,000,000元	100	—	100	Mining and processing of gold ores and sale of gold products 金礦開採、加工及 黃金產品銷售

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28. SUBSIDIARIES (continued)

(a) (continued)

Name of Company 公司名稱	Place of incorporation/ operations 註冊成立/ 經營地點	Issued and fully paid-up/ registered capital 已發行及繳足/ 註冊資本	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
			Group's effective interest 本集團 實際權益 %	Held by the Company 由本公司 持有 %	Held by a subsidiary 由一附屬 公司持有 %	
Mojiang County Mining Co., Ltd. (note (i)) 墨江縣礦業有限責任公司 (附註(i))	The PRC 中國	RMB50,000,000 人民幣50,000,000元	100	—	100	Mining and processing of gold ores and sale of gold products 金礦開採、加工及 黃金產品銷售
Pu'er Hengyi Mining Co., Ltd (note (i)) 普洱恆益礦業有限責任 公司 (附註(i))	The PRC 中國	RMB50,000,000 人民幣50,000,000元	100	—	100	Mining and processing of gold ores and sale of gold products 金礦開採、加工及 黃金產品銷售
Luanchuan Shibao County Smeltery Co., Ltd (note (ii)) 樂川縣石寶礦冶有限公司 (附註(ii))	The PRC 中國	RMB50,000,000 人民幣50,000,000元	100	—	100	Not yet commence business (note (b)) 未開始營業 (附註(b))
Kai Yuan Financial Leasing (Shenzhen) Co., Ltd. (note (i)) 凱源融資租賃(深圳)有限公司 (附註(i))	The PRC 中國	RMB150,000,000 人民幣150,000,000元	100	—	100	Provision of financing services 提供融資服務

Note:

- (i) These subsidiaries established in the PRC are wholly foreign-owned enterprises.
- (ii) This subsidiary established in the PRC is limited liability company.
- (iii) The English names of all above PRC subsidiaries are for identification purpose only.

附註：

- (i) 於中國成立之所有附屬公司均為外商獨資企業。
- (ii) 於中國成立之附屬公司為有限責任公司。
- (iii) 以上全部中國附屬公司之英文名稱僅供識別之用。

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

28. SUBSIDIARIES (continued)

(b) Purchase of assets through acquisition of a subsidiary

During the year, the Group completed the acquisition of the entire equity interest in Luanchuan Country Shibao Smeltery Co., Ltd. ("Shibao"), a company incorporated in the PRC, for a cash consideration of RMB50 million (equivalent to approximately HK\$55.8 million). Shibao holds a smeltery factory in Luanchun County in Henan in the PRC and a license on metal resources smeltery with annual production of 80,000 tons. It has not commenced business and its factory is still under construction. The acquisition has been accounted for an acquisition of assets in the Group's consolidated financial statements. The net cash outflow arising from the acquisition included in the consolidated statement of cash flows, after deducting cash and cash equivalents in Shibao, is HK\$53,461,000.

28. 附屬公司(續)

(b) 透過收購一間附屬公司購買資產

年內，本集團完成收購樂川縣石寶礦冶有限公司(「石寶」，於中國註冊成立之公司)全部股本權益，現金代價為人民幣50百萬元(相當於約55.8百萬港元)。石寶持有位於中國河南樂川縣一間冶煉廠及年產量80,000噸冶煉金屬資源之許可證。石寶尚未開始營業及其廠房仍在建設中。此項收購於本集團之綜合財務報表內入賬為資產收購。綜合現金流表內收購產生之現金淨額流出(扣除石寶之現金及現金等價物後)為53,461,000港元。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

28. SUBSIDIARIES (continued)

(c) Gain on disposal of subsidiaries

Net liabilities disposed of:	
Fixed assets	
Deposits paid for fixed assets	
Cash and cash equivalents	
Other payables	
Tax payable	
Release of capital reserves	
Release of exchange reserve	
Gain on disposal of subsidiaries (note 5)	
Satisfied by Cash	

已出售負債淨額：	
固定資產	
就固定資產支付之按金	
現金及現金等價物	
其他應付款項	
應付稅項	
解除資本儲備	
解除匯兌儲備	
出售附屬公司收益 (附註5)	
以現金支付	

2016
二零一六年
HK\$'000
千港元

37
194
2,585
(5,234)
(15,907)

(18,325)

(2,144)

7,995

(12,474)

21,764

9,290

Net Cash inflow from disposal	
Consideration received in cash and cash equivalents	
Less: Cash and cash equivalents disposed of	

出售產生之現金淨額流入	
已收現金及現金等價物 代價	
減：已出售現金及 現金等價物	

2016
二零一六年
HK\$'000
千港元

9,290

(2,585)

6,705

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29. EMPLOYEE RETIREMENT BENEFITS

Pursuant to the relevant labour rules and regulations in the PRC, the Group participates in defined contribution retirement benefit schemes (the "Schemes") organised by the relevant local government authorities in the PRC whereby the Group is required to make contributions to the Schemes at a rate ranging from 13% to 20% (2015: 10% to 20%) of the eligible employees' salaries. The local government authorities are responsible for the entire pension obligations payable to retired employees.

The Group also operates a Mandatory Provident Fund Scheme ("the MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

The Group has no obligation for the payment of pension benefits associated with those schemes beyond the annual contributions described above.

The total costs charged to consolidated income statement of HK\$7,470,000 (2015: HK\$9,366,000) represent contributions payable to these schemes by the Group during the year.

29. 員工退休福利

根據中國之相關勞工規例及規則，本集團參與由中國內地有關地方政府機關成立之定額退休福利供款計劃（「計劃」），據此，本集團須向計劃作出供款，金額以合資格僱員薪金之13%至20%（二零一五年：10%至20%）計算。地方政府機關負責向退休僱員全數發放退休金。

本集團亦根據香港強制性公積金計劃條例，為按香港僱傭條例規管下之僱員設立強制性公積金計劃（「強積金計劃」）。強積金計劃是一個由獨立信託人管理之定額供款退休計劃。根據強積金計劃，僱主及其僱員均須對計劃作出按僱員相關收入之5%計算之供款，而每月計算供款之相關收入上限為30,000港元。計劃一旦作出供款即時歸屬。

除上述每年供款外，本集團概無與支付退休福利計劃有關之責任。

於綜合損益表內計提之總費用7,470,000港元（二零一五年：9,366,000港元）指本集團於年內應向該等計劃作出之供款。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The Company has two share option schemes: the 2004 Share Option Scheme and the 2014 Share Option Scheme.

The 2004 Share Option Scheme was adopted by a resolution passed by the Company's shareholders on 18 September 2004 whereby the directors of the Company were authorised, at their discretion, to invite directors and employees of the Group, to take up options to subscribe for shares of the Company up to a maximum of 160,000,000 shares. By a resolution passed by the Company's shareholders on 26 May 2011, the Company refreshed the limit in respect of the granting of share options under the 2004 Share Option Scheme and all other share options scheme up to 10% of the total number of ordinary shares of the Company in issue. The 2004 Share Option Scheme would be valid and effective for a period of 10 years ended on 17 September 2014. By a resolution passed by the Company's shareholders on 30 May 2014, the 2004 Share Option Scheme was terminated and thereafter no further options would be offered or granted under the 2004 Share Option Scheme. However, outstanding options granted under the 2004 Share Option Scheme remain valid and exercisable.

30. 以股權結算之股份基礎交易

本公司有兩項購股權計劃：二零零四年購股權計劃及二零一四年購股權計劃。

二零零四年購股權計劃由本公司股東通過決議案於二零零四年九月十八日採納，據此，本公司董事獲授權酌情邀請本集團董事及僱員接納購股權以認購最多160,000,000股本公司股份。透過本公司股東於二零一一年五月二十六日通過的一項決議案，本公司已更新根據二零零四年購股權計劃及所有其他購股權計劃授出購股權之上限至本公司已發行普通股總數最多10%。二零零四年購股權計劃有效期為十年，截至二零一四年九月十七日止。透過本公司股東於二零一四年五月三十日通過的一項決議案，二零零四年購股權計劃已終止並且本公司其後將不再根據二零零四年購股權計劃提呈或授出其他購股權。然而，在二零零四年購股權計劃項下授出且尚未行使的購股權仍將有效及可予行使。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

The 2014 Share Option Scheme was adopted by a resolution passed by the Company's shareholders on 30 May 2014. The 2014 Share Option Scheme provides that the board of the directors of the Company (the "Board") may specify the eligible participants to whom the options shall be granted. The eligible participants include directors, employees, suppliers, customers, consultants, agents and advisers of the Company and its subsidiaries and any person who, in the sole discretion of the Board, has contributed or may contribute to the Group in recognition of their contribution to the Group. The Board shall determine the exercise price of option in accordance with the terms of the 2014 Share Option Scheme, which cannot in any event fall below the price stipulated in the Listing Rules. The maximum number of the ordinary shares of the Company which may be issued upon exercise of all options to be granted under the 2014 Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% (i.e. 435,127,903 shares) of the ordinary shares of the Company in issue as at the date when the 2014 Share Option Scheme is approved and adopted. The existing scheme mandate limit in respect of the granting of options to subscribe for shares under the 2014 Share Option Scheme was refreshed and renewed at the an extraordinary general meeting of the Company held on 19 September 2016. The maximum number of the ordinary shares of the Company upon exercise of all options to be granted under the 2014 Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% (i.e. 1,385,769,378 shares) of the ordinary shares of the Company in issue as at 19 September 2016 being the date of approval of the refreshment of the existing scheme mandate limit. The 2014 Share Option Scheme was effective on 4 June 2014 and will remain valid and effective for a period of 10 years from that date. During the year, 1,385,769,378 options have been granted under the 2014 Share Option Scheme.

30. 以股權結算之股份基礎交易 (續)

二零一四年購股權計劃由本公司股東通過決議案於二零一四年五月三十日採納。二零一四年購股權計劃規定，本公司董事會（「董事會」）可指定獲授購股權之合資格參與者。合資格參與者包括本公司及其附屬公司之董事、僱員、供應商、客戶、諮詢顧問、代理及顧問以及董事會全權酌情釐定對本集團作出或可能作出貢獻之任何人士，以認可其對本集團之貢獻。董事會將根據二零一四年購股權計劃之條款釐定購股權之行使價，惟無論如何不得低於上市規則所訂明之價格。根據二零一四年購股權計劃及本公司任何其他計劃授出的所有購股權獲行使而可能發行之本公司最大普通股數目合共不得超過於二零一四年購股權計劃獲批准及採納當日本公司已發行普通股之10%（即435,127,903股股份）。有關根據二零一四年購股權計劃授出之購股權以認購股份之現有計劃授權上限已於二零一六年九月十九日舉行之本公司股東特別大會上獲更新及續期。根據二零一四年購股權計劃及本公司任何其他計劃將予授出之所有購股權獲行使後，本公司普通股之最高數目合共不得超過於二零一六年九月十九日（即現有計劃授權上限獲批准及更新之日期）本公司已發行普通股之10%（即1,385,769,378股股份）。二零一四年購股權計劃於二零一四年六月四日生效，並將由該日計起十年期間仍然有效。於年內，根據二零一四年購股權計劃已授出1,385,769,378份購股權。

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30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

The exercise price of options under the 2004 Share Option Scheme and the 2014 Share Option Scheme is at least the highest of:

- (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets on the date on which an offer of an option is made by the Company to the grantee (which date must be a business day);
- (ii) a price being the average of the closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and
- (iii) the nominal value of the Company's shares.

Notwithstanding any other provisions of the 2004 Share Option Scheme and 2014 Share Option Scheme, the maximum number of ordinary shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2004 Share Option Scheme and 2014 Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of ordinary shares of the Company in issue from time to time.

30. 以股權結算之股份基礎交易 (續)

二零零四年購股權計劃及二零一四年購股權計劃項下的購股權行使價不會低於(以最高者為準)：

- (i) 本公司向承授人提呈購股權當日(必須為營業日)聯交所每日報價表所示之本公司股份收市價；
- (ii) 緊接提呈日期前五個營業日在聯交所每日報價表所示之本公司股份平均收市價；及
- (iii) 本公司股份面值。

即使二零零四年購股權計劃及二零一四年購股權計劃訂有任何其他條款，二零零四年購股權計劃及二零一四年購股權計劃以及本公司任何其他購股權計劃項下所有授出及尚未行使之購股權一旦獲行使而可發行之本公司普通股數目，最多亦不可超過本公司不時已發行普通股總數30%。

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30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

2014 Share Option Scheme

- (a) The terms and conditions of the grants that existed during the year are as follows, whereby all options are settled by physical delivery of shares:

	Number of shares issuable under options granted 根據已授出 購股權可予 發行股份之數目 '000 千股	Vesting conditions 歸屬條件	Exercise period 行使期
Options granted on 12 October 2016			
於二零一六年十月十二日授出之購股權			
Directors 董事	612,000	Immediate on the date of the options granted 於授出購股權當日	3 years from the date of the options granted 自授出購股權日期起計三年
Employees 僱員	283,000	Immediate on the date of the options granted 於授出購股權當日	3 years from the date of the options granted 自授出購股權日期起計三年
Consultants 顧問	490,769	Immediate on the date of the options granted 於授出購股權當日	3 years from the date of the options granted 自授出購股權日期起計三年
	1,385,769		

30. 以股權結算之股份基礎交易 (續)

二零一四年購股權計劃

- (a) 年內現有購股權授出之條款及條件如下，據此，所有購股權以股份之實物交收結算：

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

2014 Share Option Scheme (continued)

(b) The number and weighted average exercise prices of share options are as follows:

		2016 二零一六年			2015 二零一五年		
		Weighted average exercise price	Exercise price	Number of shares issuable under options granted	Weighted average exercise price	Exercise price	Number of shares issuable under options granted
		加權平均行使價	行使價	根據已授出購股權可予發行股份之數目	加權平均行使價	行使價	根據已授出購股權可予發行股份之數目
		HK\$ 港元	HK\$ 港元	'000 千股	HK\$ 港元	HK\$ 港元	'000 千股
Outstanding at 1 January	一月一日尚未行使	—	—	—	—	—	—
Granted during the year	於年內授出	0.2486	0.2486	1,385,769	—	—	—
Exercised during the year	於年內行使	0.2486	0.2486	(40,225)	—	—	—
Lapsed during the year	於年內失效	0.2486	0.2486	(3,000)	—	—	—
Outstanding at 31 December	十二月三十一日尚未行使	<u>0.2486</u>	<u>0.2486</u>	<u>1,342,544</u>	<u>—</u>	<u>—</u>	<u>—</u>
Exercisable at 31 December	十二月三十一日可行使	<u>0.2486</u>	<u>0.2486</u>	<u>1,342,544</u>	<u>—</u>	<u>—</u>	<u>—</u>

30. 以股權結算之股份基礎交易 (續)

二零一四年購股權計劃(續)

(b) 購股權數目及加權平均行使價如下：

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

2014 Share Option Scheme (continued)

(c) (i) The options were exercised to subscribe for 40,225,000 ordinary shares of the Company during the year (note 25(b)(viii)).

(ii) The share options outstanding at 31 December 2016 had an exercise price of HK\$0.2486 and a weighted average remaining contractual life of 2.78 years.

(d) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of options granted is measured based on Black-Scholes Option Pricing model. The contractual life of options is used as an input into this model. Expectations of early exercise are incorporated into Black-Scholes Option Pricing model.

30. 以股權結算之股份基礎交易 (續)

二零一四年購股權計劃(續)

(c) (i) 年內，購股權已獲行使以認購本公司40,225,000股普通股(附註25(b)(viii))。

(ii) 於二零一六年十二月三十一日尚未行使之購股權的行使價為0.2486港元，而加權平均剩餘合約年期為2.78年。

(d) 購股權公平值及假設

以授出購股權換取之所得服務之公平值乃參考所授出購股權之公平值而計量。授出之購股權之公平值估計乃按柏力克－舒爾斯期權定價模型計量。購股權之合約年期乃用作此模型之輸入參數。柏力克－舒爾斯期權定價模型會納入預期提早行使之購股權。

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

2014 Share Option Scheme (continued)

(d) Fair value of share options and assumptions (continued)

Fair value of share options and assumptions are as follows:

		Directors 董事	Employees 僱員	Consultants 顧問
Fair value at measurement date (HK\$)	於計量日期之公平值(港元)	0.092	0.106	0.110
Share price (HK\$)	股價(港元)	0.245	0.245	0.245
Exercise price (HK\$)	行使價(港元)	0.2486	0.2486	0.2486
Expected volatility (%)	預期波動(%)	72	72	72
Option life (expressed as weight average life) (years)	購股權年期按加權平均年期)(年)	3	3	3
Expected dividends yield (%)	預期股息率(%)	0	0	0
Risk-free interest rate (based on Exchange Fund Notes) (%)	無風險利率(按外匯基金票據)(%)	0.62	0.62	0.62

The expected volatility is based on the historical volatility adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. The condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share options granted.

(e) The Group recognised the fair value of the share options granted under the 2014 Share Option Scheme as equity-settled share-based payment expenses and the capital reserve of the Group of HK\$144,833,000 (2015: HK\$nil) during the year.

30. 以股權結算之股份基礎交易(續)

二零一四年購股權計劃(續)

(d) 購股權公平值及假設(續)

購股權之公平值及假設如下：

	Directors 董事	Employees 僱員	Consultants 顧問
Fair value at measurement date (HK\$)	0.092	0.106	0.110
Share price (HK\$)	0.245	0.245	0.245
Exercise price (HK\$)	0.2486	0.2486	0.2486
Expected volatility (%)	72	72	72
Option life (expressed as weight average life) (years)	3	3	3
Expected dividends yield (%)	0	0	0
Risk-free interest rate (based on Exchange Fund Notes) (%)	0.62	0.62	0.62

預期波動乃以歷史波動為基準根據公開可得資料之預期未來波動變動而作出調整。預期股息乃按歷史股息為依據。主觀輸入參數假設之變動可能對公平值之估計構成重大影響。

購股權乃根據服務條件而授出。此條件並無納入計算所得服務於授出日期之公平值。所授出購股權並無附帶市場條件。

(e) 年內，本集團已將二零一四年購股權計劃項下所授出購股權之公平值確認為本集團以股權結算之股份基礎支出費用及資本儲備，金額為144,833,000港元(二零一五年：零港元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

2004 Share Option Scheme

- (a) The terms and conditions of the grants that existed during the year are as follows, whereby all options are settled by physical delivery of shares:

	Number of shares issuable under options granted 根據已授出購股權 可予發行股份之數目 '000 千股	Vesting conditions 歸屬條件	Contractual life of options 購股權之合約年期
Options granted on 28 October 2011			
於二零一一年十月二十八日授出之購股權			
Tranche 1			
第一批			
— Directors	33,600	24 months from date of grant	6 years
— 董事		自授出日期起計二十四個月	6年
— Employees	46,830	24 months from date of grant	6 years
— 僱員		自授出日期起計二十四個月	6年
— Consultants	19,500	24 months from date of grant	6 years
— 顧問		自授出日期起計二十四個月	6年
	99,930		
Tranche 2			
第二批			
— Directors	44,800	36 months from date of grant	6 years
— 董事		自授出日期起計三十六個月	6年
— Employees	62,440	36 months from date of grant	6 years
— 僱員		自授出日期起計三十六個月	6年
— Consultants	26,000	36 months from date of grant	6 years
— 顧問		自授出日期起計三十六個月	6年
	133,240		
Tranche 3			
第三批			
— Directors	33,600	48 months from date of grant	6 years
— 董事		自授出日期起計四十八個月	6年
— Employees	46,830	48 months from date of grant	6 years
— 僱員		自授出日期起計四十八個月	6年
— Consultants	19,500	48 months from date of grant	6 years
— 顧問		自授出日期起計四十八個月	6年
	99,930		
Total number of shares issuable 可予發行股份之總數	333,100		

30. 以股權結算之股份基礎交易 (續)

二零零四年購股權計劃

- (a) 年內現有購股權授出之條款及條件如下，據此，所有購股權以股份之實物交收結算：

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

2004 Share Option Scheme (continued)

(b) The number and weighted average exercise prices of share options are as follows:

		2016 二零一六年			2015 二零一五年		
		Weighted average exercise price	Number of shares issuable under options granted	Weighted average exercise price	Number of shares issuable under options granted		
		加權平均行使價	根據已授出購股權可予發行股份之數目	加權平均行使價	根據已授出購股權可予發行股份之數目		
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	'000 千股	'000 千股
Outstanding at 1 January	一月一日尚未行使						
Tranche 1	第一批	1.51	59,850	1.51	67,680		
Tranche 2	第二批	1.51	79,800	1.51	90,240		
Tranche 3	第三批	1.51	59,850	1.51	67,680		
Total	總計	1.51	199,500	1.51	225,600		
Exercised during the year	於年內行使		—		—		
Lapsed during the year	於年內失效						
Tranche 1	第一批	1.51	(27,120)	1.51	(7,830)		
Tranche 2	第二批	1.51	(36,160)	1.51	(10,440)		
Tranche 3	第三批	1.51	(27,120)	1.51	(7,830)		
Total	總計	1.51	(90,400)	1.51	(26,100)		

30. 以股權結算之股份基礎交易 (續)

二零零四年購股權計劃(續)

(b) 購股權數目及加權平均行使價如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

2004 Share Option Scheme (continued)

- (b) The number and weighted average exercise prices of share options are as follows: (continued)

		2016 二零一六年			2015 二零一五年		
		Weighted average exercise price	Number of shares issuable under options granted	Weighted average exercise price	Number of shares issuable under options granted		
		加權平均行使價	根據已授出購股權可予發行股份之數目	加權平均行使價	根據已授出購股權可予發行股份之數目		
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	'000 千股	'000 千股
Outstanding at 31 December	十二月三十一日 尚未行使						
Tranche 1	第一批	1.51	32,730	1.51	59,850		
Tranche 2	第二批	1.51	43,640	1.51	79,800		
Tranche 3	第三批	1.51	32,730	1.51	59,850		
Total	總計	1.51	109,100	1.51	199,500		
Exercisable at 31 December	十二月三十一日 可行使						
Tranche 1	第一批	1.51	32,730	1.51	59,850		
Tranche 2	第二批	1.51	43,640	1.51	79,800		
Tranche 3	第三批	1.51	32,730	1.51	59,850		
Total	總計	1.51	109,100	1.51	199,500		

30. 以股權結算之股份基礎交易 (續)

二零零四年購股權計劃(續)

- (b) 購股權數目及加權平均行使價如下：(續)

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

2004 Share Option Scheme (continued)

- (c) (i) No options were exercised to subscribe for ordinary shares of the Company during the years ended 31 December 2016 and 2015.
- (ii) The share options outstanding at 31 December 2016 had an exercise price of HK\$1.51 (2015: HK\$1.51) and a weighted average remaining contractual life of 0.82 year. (2015: 1.82 year)
- (d) The Group recognised the fair value of the share options granted under the 2004 Share Option Scheme as equity-settled share-based payment expenses and the capital reserve of the Group of HK\$6,870,000 during the year ended 31 December 2015. The fair value of the share options granted under the 2004 Share Option Scheme was fully recognised as at 31 December 2015.

30. 以股權結算之股份基礎交易 (續)

二零零四年購股權計劃(續)

- (c) (i) 於截至二零一六年及二零一五年十二月三十一日止年度，概無購股權獲行使以認購本公司普通股。
- (ii) 於二零一六年十二月三十一日尚未行使之購股權的行使價為1.51港元(二零一五年：1.51港元)，而加權平均剩餘合約年期為0.82年(二零一五年：1.82年)。
- (d) 截至二零一五年十二月三十一日止年度，本集團已將二零零四年購股權計劃項下所授出購股權之公平值確認為本集團以股權結算之股份基礎支出費用及資本儲備，金額為6,870,000港元。截至二零一五年十二月三十一日，二零零四年購股權計劃項下所授出購股權之公平值已全部確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

31. BUSINESS COMBINATIONS

- (a) On 20 April 2016, the Company and Munsun Assets entered into an agreement (the "Munsun Asia Agreement"). Pursuant to the Munsun Asia Agreement, Munsun Assets agreed to sell and the Company agreed to purchase all the issued shares of Munsun Asia, a company incorporated in Hong Kong, at a consideration of HK\$306 million, satisfied by the allotment and issue of 1,330,434,782 new ordinary shares of the Company at an issue price of HK\$0.23 per share. On 15 September 2016, the Group completed the acquisition of the 100% issued shares of Munsun Asia and issued 1,330,434,782 new ordinary shares of the Company to Munsun Assets. Munsun Asia is engaged in asset management and advisory services in Hong Kong. The acquisition was made to diversify the Group's existing businesses into asset management and advisory service industry and to broaden its source of revenue.

31. 業務合併

- (a) 於二零一六年四月二十日，本公司與麥盛資產訂立協議（「麥盛亞洲協議」）。根據麥盛亞洲協議，麥盛資產已同意出售而本公司已同意購買麥盛亞洲（一間於香港註冊成立的公司）全部已發行股份，代價為306百萬港元，將以按發行價每股0.23港元配發及發行1,330,434,782股本公司新普通股方式支付。於二零一六年九月十五日，本集團完成收購麥盛亞洲之100%已發行股份，並向麥盛資產發行1,330,434,782股本公司新普通股。麥盛亞洲在香港從事資產管理及諮詢服務之業務。進行收購是為了讓本集團進入資產管理及諮詢服務行業，讓現時業務組合更多樣化，以及擴闊集團之收入來源。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

31. BUSINESS COMBINATIONS (continued)

(a) (Continued)

The fair values of identifiable assets and liabilities of Munsun Asia as at the date of completion on the acquisition are as follows:

Net assets acquired:

Fixed assets
Financial assets at fair value through profit or loss
Trade and other receivables, deposits and prepayments
Tax recoverable
Cash and cash equivalents
Trade and other payables
Bank and other borrowings
Deferred tax liabilities

已收購資產淨值：

固定資產
按公平值計入損益之金融資產
應收賬款及其他應收款項、按金及預付款
可收回稅款
現金及現金等價物
應付賬款其他應付款項
銀行及其他借款
遞延稅項負債

Total identifiable net assets at fair value

按公平值列賬之可識別資產淨值總額

Goodwill

商譽

Note 附註	HK\$'000 千港元
	29
	359,924
	2,540
	385
	1,910
	(7,311)
	(215,189)
	(9,541)
	<hr/>
	132,747
12(c)	<hr/> 233,123 <hr/>
	365,870
	<hr/>
	306,000
	59,870
	<hr/>
25(b) (vi)	<hr/> 365,870 <hr/>
	<hr/>
	—
	1,910
	<hr/>
	1,910

(i) Munsun Asia contributed revenue and net loss after tax of HK\$7,397,000 and HK\$1,949,000 respectively to the Group for the period between the date of completion on the acquisition and the end of the reporting period. Had the acquisition of Munsun Asia taken place at 1 January 2016, the revenue and the net loss after tax of the Group for the year would have been HK\$794,202,000 and HK\$361,234,000.

(a) (續)

於收購完成當日，麥盛亞洲可識別資產及負債之公平值為：

已收購資產淨值：

固定資產 29

按公平值計入損益之金融資產 359,924

應收賬款及其他應收款項、按金及預付款 2,540

可收回稅款 385

現金及現金等價物 1,910

應付賬款其他應付款項 (7,311)

銀行及其他借款 (215,189)

遞延稅項負債 (9,541)

按公平值列賬之可識別資產淨值總額 132,747

商譽 12(c) 233,123

365,870

按本公司發行之新股份方式支付代價：

按發行價每股0.23港元發行之股份 306,000

公平值增加 59,870

按公平值發行之股份 25(b) (vi) 365,870

收購產生之現金淨額流入（就綜合現金流而言）

已付現金代價 —

已收購現金及現金等價物 1,910

1,910

(i) 麥盛亞洲於收購完成日期後直至報告期末之間期間為本集團帶來收入及稅後淨虧損分別為7,397,000港元及1,949,000港元。假如收購麥盛亞洲於二零一六年一月一日已進行，則本集團於年內之收入及稅後淨虧損應分別為794,202,000港元及361,234,000港元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

31. BUSINESS COMBINATIONS (continued)

- (a) (Continued)
- (ii) The fair value of the trade and other receivables were HK\$1,572,000 and HK\$150,000 respectively as at the date of completion of the acquisition. The gross contractual amounts of the trade and other receivables were HK\$1,572,000 and HK\$150,000 respectively. None of the receivables was expected to be uncollectible at the date of completion on the acquisition.
 - (iii) The Group incurred transaction costs of HK\$5,529,000 for this acquisition. The transaction costs have been expensed and are included in consolidated income statement.
 - (iv) The goodwill arising from the acquisition of Munsun Asia is attributable to the diversification in the Group's businesses into asset management and advisory service industry and revenue sources from the anticipated profitability and revenue growth of Munsun Asia. None of the goodwill recognised is expected to be deductible for income tax purpose.
- (b) On 20 April 2016, the Company entered into an agreement (the "Munsun Securities Agreement") with all shareholders (the "Munsun Securities Sellers") of Munsun Securities, a company incorporated in Hong Kong. Pursuant to the Munsun Securities Agreement, the Munsun Securities Sellers agreed to sell and the Company agreed to purchase all issued shares of Munsun Securities at a consideration of HK\$70 million, satisfied by the allotment and issue of 304,347,824 new ordinary shares of the Company at an issue price of HK\$0.23 per share. On 15 September 2016, the Group completed the acquisition of the 100% issued shares of Munsun Securities and issued 304,347,824 new ordinary shares of the Company to the Munsun Securities Sellers. Munsun Securities is engaged in provision of securities brokerage service in Hong Kong. The acquisition was made to diversify the Group's existing businesses into securities service industry and to broaden its source of revenue.

31. 業務合併(續)

- (a) (續)
- (ii) 應收賬款及其他應收款項於收購完成日期的公平值分別為1,572,000港元及150,000港元。應收賬款及其他應收款項的總合約金額分別為1,572,000港元及150,000港元。於收購完成日期，概無應收款項預期乃無法收回。
 - (iii) 本集團就是項收購產生交易成本5,529,000港元。交易成本已支銷，並於綜合損益表入賬。
 - (iv) 收購麥盛亞洲產生的商譽乃由於本集團將業務拓展至資產管理及諮詢服務行業及麥盛亞洲的預期盈利能力及收入增長產生的收入來源。概無已確認之商譽預期可就所得稅扣稅。
- (b) 於二零一六年四月二十日，本公司與麥盛證券有限公司（一間於香港註冊成立的公司）之全體股東（「麥盛證券賣方」）訂立協議（「麥盛證券協議」）。根據麥盛證券協議，麥盛證券賣方同意出售而本公司同意購買麥盛證券全部已發行股份，代價為70百萬港元，以按發行價每股0.23港元配發及發行304,347,824股本公司新普通股方式支付。於二零一六年九月十五日，本集團完成收購麥盛證券之100%已發行股份，並向麥盛證券賣方發行304,347,824股本公司新普通股。麥盛證券在香港從事提供證券經紀服務之業務。進行收購是為了將本集團現時業務拓展至證券服務行業，讓現時業務組合更多樣化，以及擴闊集團之收入來源。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

31. BUSINESS COMBINATIONS (continued)

(b) (Continued)

The fair values of identifiable assets and liabilities of Munsun Securities as at the date of completion on the acquisition are as follows:

Net assets acquired:

Intangible asset
Fixed assets
Non-current deposits
Financial assets at fair value through profit or loss
Trade receivables, deposits and prepayments
Cash and cash equivalents
Client trust bank balances
Bank and other borrowings
Trade and other payables

Total identifiable net assets at fair value

Goodwill

Satisfied by new shares issued by the Company:

Shares issued at an issue price of HK\$0.23
Increase in fair value

Shares issued at fair value

Net cash inflow arising from acquisition (for consolidated cash flows)

Cash consideration paid
Cash and cash equivalents acquired

31. 業務合併(續)

(b) (續)

於收購完成當日，麥盛證券可識別資產及負債之公平值為：

Note 附註	HK\$'000 千港元
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已收購資產淨值：

無形資產	12(b)	500
固定資產		115
非流動按金		200
按公平值計入損益之 金融資產		26,088
應收賬款、 按金及預付款		3,750
現金及現金等價物		15,827
客戶信託銀行結餘		3,479
銀行及其他貸款		(2,400)
應付賬款及應付款項		(4,633)

按公平值列賬之可識別資產
淨值總額

商譽	12(c)	40,770
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83,696

按本公司發行之新股份 方式支付代價：

按發行價每股0.23港元 發行之股份		70,000
公平值增加		13,696

按公平值發行之股份	25(b) (vi)	83,696
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收購產生之現金淨額流入 (就綜合現金流而言)

已付現金代價	—
已收購現金及現金等價物	15,827

15,827

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31. BUSINESS COMBINATIONS (continued)

(b) (Continued)

- (i) Munsun Securities contributed revenue and net loss of HK\$205,000 and HK\$2,031,000 respectively to the Group for the period between the date of completion on the acquisition and the end of the reporting period. Had the acquisition of Munsun Securities taken place at 1 January 2016, the revenue and the net loss after tax of the Group for the year would have been HK\$767,001,000 and HK\$426,471,000.
- (ii) The fair value of the trade receivables was HK\$3,544,000 as at the date of completion of the acquisition. The gross contractual amounts of trade receivable was HK\$3,544,000. None of the receivables was expected to be uncollectible at the date of completion on the acquisition.
- (iii) The Group incurred transaction costs of HK\$1,264,000 for this acquisition. The transaction costs have been expensed and are incurred in consolidated income statement.
- (iv) The goodwill arising from the acquisition of Munsun Securities is attributable to the diversification in the Group's businesses into securities service industry and revenue sources from the anticipated profitability and revenue growth of Munsun Securities. None of the goodwill recognised is expected to be deductible for income tax purpose.

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group's major financial instruments include pledged deposits, cash and cash equivalents, trade, loans and other receivables, available-for-sale investment, trade and other payables, bank and other borrowings, financial assets and liabilities at fair value through profit or loss, derivative financial instruments and convertible bonds. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include credit, liquidity, interest rate and currency risks. The Group is also exposed to price risk arising from any unexpected changes in price of gold products. These risks are limited by the Group's financial management policies described below.

31. 業務合併(續)

(b) (續)

- (i) 麥盛證券於收購完成日期後直至報告期末之期間為本集團帶來收入及稅後淨虧損分別為205,000港元及2,031,000港元。假如收購麥盛證券於二零一六年一月一日已進行，則本集團於年內之收入及稅後淨虧損應分別為767,001,000港元及426,471,000港元。
- (ii) 應收賬款於收購完成日期的公平值為3,544,000港元。應收賬款總合約金額為3,544,000港元。於收購完成日期，概無應收款項預期乃無法收回。
- (iii) 本集團就是項收購產生交易成本1,264,000港元。交易成本已支銷，並於綜合損益表中產生。
- (iv) 收購麥盛證券產生的商譽乃由於本集團將業務拓展至證券服務行業及麥盛證券的預期盈利能力及收入增長產生的收入來源。概無已確認之商譽預期可就所得稅扣稅。

32 金融風險管理及金融工具之公平值

本集團之主要金融工具包括已抵押存款、現金及現金等價物、應收賬款、貸款及其他應收款項、可供出售投資、應付賬款及其他應付款項、銀行及其他貸款、透過損益按公平值列賬之金融資產及負債、衍生金融工具及可換股債券。金融工具之詳情披露於各自的附註。該等金融工具相關之風險包括信貸、流動資金、利率及外幣風險。本集團還承受源自任何未預期之黃金產品價格變動之價格風險。此等風險受下列所述本集團之財務管理政策所限制。

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk

The Group's credit risk is primarily attributable to trade, loans and other receivables and bank balances. Management has a credit policy in place and the exposure to the credit risk is monitored on an ongoing basis.

In respect of trade and loan receivables, credit evaluations are performed on all customers requiring credit over a certain amount. Credit terms are granted to customers, depending on the credit worthiness of individual customers. At 31 December 2016, there is certain concentration of credit risk as 22% of the total trade debtors was due from the Group's five largest customers. The Group did not hold any collateral over these balances. At 31 December 2015, there is no concentration of credit risk as none of the trade debtors was due from the Group's five largest customers.

32. 金融風險管理及金融工具之公平值(續)

(a) 信貸風險

本集團之信貸風險主要來自應收賬款、貸款及其他應收款項以及銀行結餘。管理層設有既定信貸政策，而該等信貸風險之承受程度亦受到持續監察。

就應收賬款及貸款而言，會對所有要求超過若干金額信貸之客戶進行信貸評估。視乎個別客戶之信譽而定，客戶可獲授除賬期。於二零一六年十二月三十一日，本集團應收五大客戶賬款佔應收賬款總額之22%，故須承受若干信貸集中風險。本集團並無就該等結餘持有任何抵押品。於二零一五年十二月三十一日，本集團應收賬款並無應收五大客戶者，故並無信貸集中風險。

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk (continued)

In respect of other receivables, the credit quality of the debtors is assessed by taking into account of their financial position, relationship with the Group, credit history and other factors. Management regularly reviews the recoverability about these receivables and follows up the amounts overdue, if any. The directors are of the opinion that the probability of default by counterparties is low.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by appropriate credit-rating agencies.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade, loans and other receivables are set out in note 17.

(b) Liquidity risk

At 31 December 2016, the Group had net current liabilities of approximately HK\$1,808,484,000. To manage liquidity risk, the Group regularly monitors its current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks and financial institutions to meet its liquidity requirements in the short and longer term. The directors are of the opinion that the Group will be able to finance its future working capital and financial requirements as described in note 2(b) to the financial statements.

32. 金融風險管理及金融工具之公平值(續)

(a) 信貸風險(續)

就其他應收款項而言，會考慮債務人之財務狀況、與本集團之關係、信貸歷史及其他因素而評估其信貸質素。管理層定期檢討該等其他應收款項之可收回程度及跟進逾期金額(如有)。董事認為對手方違約之可能性偏低。

流動資金之信貸風險屬有限度，原因為對手方為具合適的信貸評級機構授予高信貸評級的銀行。

有關本集團因應收賬款、貸款及其他應收款項而面臨的信貸風險進一步量化披露於附註17。

(b) 流動資金風險

於二零一六年十二月三十一日，本集團錄得流動負債淨額約1,808,484,000港元。為了控制流動資金風險，本集團定期監察當時和預計之流動資金需求，以確保本集團維持充裕之現金儲備及從銀行及金融機構獲得足夠之承諾融資額度，以應付本集團短期至較長期之流動資金需求。董事認為，本集團將能夠按照財務報表附註2(b)所述撥付其未來營運資金及財務需要。

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(b) Liquidity risk (continued)

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

Specifically, for bank and other borrowings which contain a repayment on demand clause which can be exercised at the lender's sole discretion, the analysis shows the cash outflow based on the earliest period in which the Group can be required to pay, that is, if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for bank and other borrowings is prepared based on the scheduled repayment dates.

32. 金融風險管理及金融工具之公平值(續)

(b) 流動資金風險(續)

本集團於報告期末之非衍生金融負債及衍生金融負債之餘下訂約到期時間乃於下表詳列，並以訂約未折現現金流量(包括按訂約利率計算之利息支出，如屬浮息類別，則以報告期末現行之利率計算之利息支出)及本集團可被追索之最早還款日期作基準。

具體而言，就包含可由放款人全權酌情行使之要求還款條款之銀行及其他貸款而言，分析顯示基於本集團最早須付款之期間(即倘貸款人行使其無條件即時追收貸款之權利)的現金流出。銀行及其他貸款之到期分析乃根據議定還款日期而編製。

	2016 二零一六年						2015 二零一五年					
	Total contractual undiscounted cash outflow	More than 1 year		More than 2 years		More than 5 years	Total contractual undiscounted cash outflow	More than 1 year		More than 2 years		More than 5 years
		Within 1 year or on demand	1 year but less than 2 years	2 years but less than 5 years	1 year but less than 2 years			2 years but less than 5 years				
Carrying amount	訂約未折現金流出總額	一年內或應要求	多於一年但少於二年	多於二年但少於五年	多於五年	訂約未折現金流出總額	一年內或應要求	多於一年但少於二年	多於二年但少於五年	多於五年		
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Non-derivative financial liabilities	非衍生金融負債											
Trade and other payables	應付賬款及其他應付款項	495,424	495,424	—	—	—	386,527	386,527	—	—	—	
Bank and other borrowings	銀行及其他貸款	4,009,202	4,501,747	2,422,174	795,208	1,055,610	4,219,793	4,795,312	2,796,244	611,679	536,384	851,005
Convertible bonds	可換股債券	368,308	417,174	27,279	389,895	—	1,032,630	1,063,193	1,063,193	—	—	—
		<u>4,872,934</u>	<u>5,414,345</u>	<u>2,944,877</u>	<u>1,185,103</u>	<u>1,055,610</u>	<u>5,638,950</u>	<u>6,245,032</u>	<u>4,245,964</u>	<u>611,679</u>	<u>536,384</u>	<u>851,005</u>
Derivative financial liabilities	衍生金融負債											
Derivative financial instruments	衍生金融工具	30,830	—	—	—	—	30,258	—	—	—	—	—
Financial liabilities of fair value through profit or loss	透過損益按公平值列賬之金融負債	727,748	750,317	581,611	168,706	—	655,473	689,092	498,297	10,094	180,701	—
		<u>758,578</u>	<u>750,317</u>	<u>581,611</u>	<u>168,706</u>	<u>—</u>	<u>685,731</u>	<u>689,092</u>	<u>498,297</u>	<u>10,094</u>	<u>180,701</u>	<u>—</u>

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32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(c) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank and other borrowings and bank balances and fair value interest rate risk in relation to fixed-rate bank and other borrowings, financial liabilities at fair value through profit or loss and pledged deposits.

(i) Interest rate profile

The following table details the interest rate profile of the Group's bank and other borrowings, financial assets and liabilities at fair value through profit or loss, bank balances and pledged deposits at the end of the reporting period:

Variable rate bank and other borrowings	浮動利率銀行及其他貸款
Fixed rate bank and other borrowings	固定利率銀行及其他貸款
Total borrowings	貸款總額
Fixed rate borrowings as a percentage of total borrowings	固定利率貸款佔貸款總額之百分比
Fixed rate financial liabilities at fair value through profit or loss	固定利率透過損益按公平值列賬之金融負債
Variable rate bank balances	浮動利率 銀行結餘
Fixed rate pledged deposits	固定利率已抵押存款

32. 金融風險管理及金融工具之公平值(續)

(c) 利率風險(續)

本集團之現金流量利率風險與浮動利率銀行及其他貸款及銀行結餘有關，而公平值利率風險與固定利率銀行及其他貸款、透過損益按公平值列賬之金融負債及已抵押存款有關。

(i) 利率特徵

下表詳列於報告期末本集團銀行及其他貸款、透過損益按公平值列賬之金融資產及負債、銀行結餘及已抵押存款之利率簡介：

2016 二零一六年		2015 二零一五年	
Effective interest rates		Effective interest rates	
實際利率	HK\$'000 千港元	實際利率	HK\$'000 千港元
%		%	
5-9	1,256,777	6-11	2,005,609
4-10	2,752,425	3-12	2,214,184
	4,009,202		4,219,793
	69%		52%
3-6	727,748	5-6	655,473
0.1-0.4	105,397	0.1-0.4	87,918
0.1-3.8	1,018,472	0.1-3.8	971,779

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32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

All of the bank and other borrowings, financial liabilities at fair value through profit or loss and pledged deposits of the Group which are fixed rate instruments are insensitive to any change in interest rates. A change in interest rate at the end of the reporting period would not affect profit or loss.

At 31 December 2016, it is estimated that a general increase/decrease of 100 basis points in interest rates for variable rate bank and other borrowings and bank balances, with all other variables held constant, would increase/decrease the Group's loss before tax and its accumulated losses by approximately HK\$11,514,000 (2015: HK\$19,177,000). Other components of consolidated equity would not change in response to the general increase/decrease in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for variable rate interest bearing financial instruments in existence at that date. The 100 basis point increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next annual reporting period. The analysis is performed on the same basis for 2015.

32. 金融風險管理及金融工具之公平值(續)

(c) 利率風險(續)

(ii) 敏感性分析

本集團所有屬固定利率工具之銀行及其他貸款、透過損益按公平值列賬之金融負債以及已抵押存款對任何利率變動並不敏感。於報告期末之利率變動不會影響損益。

於二零一六年十二月三十一日，假設銀行及其他貸款及銀行結餘之浮動利率普遍上升／下跌100個基點，而其他所有變數保持不變，本集團之除稅前虧損及其累計虧損將增加／減少約11,514,000港元(二零一五年：19,177,000港元)。利率普遍上升／下跌不會對綜合權益之其他組成部份造成變動。

上文之敏感性分析乃假設於報告期末利率發生變動而該變動被應用於該日之浮動利率金融工具所承擔之利率風險上而釐定。上升／下跌100個基點為管理層對該期間直至下一年度報告期末為止可能變動之利率所作之合理評估。該分析按二零一五年之同一基準進行。

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32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(d) Price risk

(i) Gold product price risk

The Group is exposed to price risks arising from the market price fluctuations on gold products. To protect the Group from the impact of price fluctuations in gold products, the Group entered into gold forward contracts during the year. Details are set out in note 18(b) in these financial statements.

Changes in the fair value of derivative contracts that economically hedge the price fluctuations in gold products and for which no hedge accounting is applied are recognised in the consolidated income statement.

(ii) Equity Price risk

The Group is exposed to equity securities price risk from equity instruments and fund investments held by the Group which are classified in the statement of financial position as financial assets at fair value through profit or loss. Price risk is the risk of changes in fair value of financial instruments from fluctuations, whether such a change in price is caused by factors specific to the individual instrument or factors affecting all instruments traded in the markets. The Group did not enter into any equity securities forward contracts to manage this price risk. The Group mitigates this price risk by performing detailed analysis of investments and dedicated professionals are assigned to oversee and monitor the performance of investments.

32. 金融風險管理及金融工具之公平值(續)

(d) 價格風險

(i) 黃金產品價格風險

本集團承受因黃金產品市價波動而產生之價格風險。為保障本集團避免因黃金產品價格波動而受到影響，本集團已於年內訂立黃金遠期合約。有關詳情載於該等財務報表附註 18(b)。

衍生工具合約公平值之變動在經濟上對沖黃金產品價格之變動，如並無應用對沖會計法，則於綜合損益表確認。

(ii) 股價風險

本集團因持有股本工具及基金投資（於財務狀況表分類為按公平值計入損益的金融資產）而承受股本證券價格風險。價格風險指金融工具公平值因波動而出現變動的風險，無論有關價格變動是因個別工具特有的因素或影響市場上所有買賣工具的因素所引致。本集團並無訂立任何股本證券遠期合約管理該價格風險。本集團透過對投資進行詳細分析降低價格風險，並指派專業人士監督及監控投資表現。

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32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(d) Price risk (continued)

(ii) Equity Price risk (continued)

At 31 December 2016, the loss before tax would decrease/increase by HK\$15,243,000 million for the equity investments and fund investment (2015: HK\$ nil) should the Hang Seng Index (the "HSI") increase/decrease by 5% (2015: nil). The analysis is based on the assumption that all the equity instruments move according to the historical correlation with the HSI and with all other variables held constant.

(e) Currency risk

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from the following significant assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

The management may consider to use forward foreign exchange contracts to manage its foreign currency risk arising from above anticipated transactions denominated in foreign currencies. During the year, the Group did not enter into any forward foreign exchange contracts to manage its foreign currency risk.

32. 金融風險管理及金融工具之公平值(續)

(d) 價格風險(續)

(ii) 股價風險(續)

於二零一六年十二月三十一日，倘恒生指數（「恒生指數」）上升／下跌5%（二零一五年：零），股本及基金投資除稅前虧損將會減少／增加15,243,000百萬港元（二零一五年：零港元）。該分析乃假設所有股本工具根據與恒生指數的過往掛鈎關係變動及在所有其他可變因素保持不變的情況下作出。

(e) 貨幣風險

(i) 外匯風險承擔

下表詳述了本集團於報告期末所承擔以其有關實體功能貨幣以外之貨幣列值之下列重大資產或負債而引起之外幣風險。

管理層可考慮使用遠期外匯合約管理其因上述預期以外幣列值之交易所引致之外匯風險。年內，本集團並無訂立任何遠期外匯合約管理其外幣風險。

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32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(e) Currency risk (continued)

(i) Exposure to currency risk (continued)

Assets/(liabilities) denominated in USD	按美元列值之 資產／（負債）
Cash and cash equivalents	現金及現金等價物
Pledged deposits	已抵押存款
Bank and other borrowings	銀行及其他貸款
Total assets	總資產
Total liabilities	總負債

(ii) Sensitivity analysis

The management considers that the pegged rate between the Hong Kong dollar and the United States dollar would not be materially affected by any changes in movement in value of the United States dollar against the Hong Kong dollar. Therefore, no sensitivity analysis has been prepared. The analysis is performed on the same basis for 2015.

32. 金融風險管理及金融工具之公平值(續)

(e) 貨幣風險(續)

(i) 外匯風險承擔(續)

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
15	305
3,299	2,437
(350,383)	(369,775)
<u>3,314</u>	<u>2,742</u>
<u>(350,383)</u>	<u>(369,775)</u>

(ii) 敏感性分析

管理層認為，美元兌港元之任何幣值變化不會對港元兌美元之聯繫匯率造成重大影響。因此，概無編製敏感度分析。該分析按二零一五年之同一基準進行。

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32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(f) Fair value measurement

(i) *Financial assets and liabilities carried at fair value*

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three level fair value hierarchy as defined in HKFRS 13 Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

32. 金融風險管理及金融工具之公平值(續)

(f) 公平值計量

(i) *按公平值列賬的金融資產及負債*

公平值等級

下表呈列本集團於報告期末按經常性基準計量的金融工具的公平值，分類為香港財務報告準則第13號「公平值計量」所界定的三級公平值階層。公平值計量歸類的階層經參考估值技術中使用的輸入參數的可觀察性及重要性釐定如下：

- 第一階層估值：僅按第一階層輸入（即相同資產或負債於計量日期在活躍市場的未經調整報價）計算的公平值。
- 第二階層估值：利用第二階層輸入（即未能達到第一階層的可觀察輸入且並無利用重大不可觀察輸入）計算的公平值。不可觀察輸入為並無市場數據的輸入。
- 第三階層估值：利用重大不可觀察輸入計量的公平值。

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32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(f) Fair value measurement (continued)

- (i) *Financial assets and liabilities carried at fair value (continued)*

	2016		2015	
	二零一六年		二零一五年	
	Level 1	Level 2	Level 1	Level 2
	第1級	第2級	第1級	第2級
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Recurring fair value measurements	經常性公平值計量			
Assets/(Liabilities):	資產/(負債)：			
Financial assets at fair value through profit or loss	253,808	51,057	—	—
Financial liabilities at fair value through profit or loss	—	(727,748)	—	(655,473)
Derivative financial instruments	—	(30,830)	—	(30,258)

There were no transfers between instruments in all levels during the years ended 31 December 2016 and 2015.

An independent valuation company with appropriate recognised professional qualifications is engaged to value the derivative financial instruments at each financial reporting period. Appropriate valuation methods and assumptions with reference to market conditions existing at each financial reporting period to determine the fair value of the derivative financial instruments are adopted. The basis for determining the fair value is disclosed in notes 18 and 23.

32. 金融風險管理及金融工具之公平值(續)

(f) 公平值計量(續)

- (i) *按公平值列賬的金融資產及負債(續)*

截至二零一六年及二零一五年十二月三十一日止年度，工具於所有等級之間並無進行轉移。

於每個財務報告期間，本公司委聘一獨立估值公司(具有獲適當認可之專業資格)對衍生金融工具進行估值。為釐定衍生金融工具的公平值，須參照於每個財務報告期間的現行市況，採納適當估值方法和假設。釐定公平值之基準於附註18及23披露。

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32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(f) Fair value measurement (continued)

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2016 and 2015 except for the convertible bonds. As at 31 December 2016, the fair value of the convertible bonds amounted to approximately HK\$326,169,000 (2015: HK\$641,250,000) which is categorised into Level 1 fair value measurements (i.e. unadjusted quoted prices).

33. COMMITMENTS

- (a) As at 31 December 2016, the Group had contracted but not provided for capital commitments in respect of the acquisitions of gold mining and exploration rights of HK\$13,944,000 (2015: HK\$15,100,000) and fixed assets of HK\$91,950,000 (2015: HK\$4,893,000).

32. 金融風險管理及金融工具之公平值(續)

(f) 公平值計量(續)

(ii) 按公平值以外列賬之金融資產及負債之公平值

本集團按成本或攤銷成本列賬之金融工具之賬面值與其於二零一六年及二零一五年十二月三十一日之公平值並無存在重大差異，惟可換股債券除外。於二零一六年十二月三十一日，可換股債券之公平值約為326,169,000港元(二零一五年：641,250,000港元)，乃分類為第一階層公平值計量(即未經調整報價)。

33. 承擔

- (a) 於二零一六年十二月三十一日，本集團就收購金礦採礦及探礦權及就購買固定資產擁有已訂約但未撥備資本承擔13,944,000港元(二零一五年：15,100,000港元)及91,950,000港元(二零一五年：4,893,000港元)。

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33. COMMITMENTS (continued)

- (b) At 31 December 2016, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

Within 1 year	一年內
After 1 year but within 5 years	一年以上但五年以內
After 5 years	五年以上

The Group is the lessee in respect of a number of properties for an initial period of two to ten years. None of the leases includes contingent rentals.

33. 承擔(續)

- (b) 於二零一六年十二月三十一日，本集團根據不可解除之經營租賃在日後應付之最低租賃付款額總數如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
11,317	3,560
14,649	1,997
2	104
25,968	5,661

本集團為多項物業之承租人，初步為期二至十年。該等租賃並不包括或然租金。

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34. RELATED PARTY TRANSACTIONS

- (a) During the year, the Group had the following related party transactions:
- (i) On 22 April 2016, the Company and a wholly-owned subsidiary of the Company (the "Purchaser") entered into an agreement (the "Munsun Shenzhen Agreement") with all shareholders (the "Munsun Shenzhen Sellers") of Shenzhen Munsun Asset Management Company Limited ("Shenzhen Munsun"), a company incorporated in the PRC. Pursuant to the Munsun Shenzhen Agreement, the Munsun Shenzhen Sellers agreed to sell and the Purchaser agreed to purchase the entire equity interest in Shenzhen Munsun at a consideration of RMB25 million (equivalent to approximately HK\$28 million). The acquisition of Shenzhen Munsun has completed on 3 January 2017. As further detailed in notes 31(a) and (b), the Group completed the acquisitions of Munsun Asia and Munsun Securities on 15 September 2016. Munsun Assets held the 100% and 56.2% of the issued share capital in Munsun Asia and Munsun Securities respectively prior to the completion of the acquisitions by the Group. Mr. Li is one of the executive directors and the shareholders of both Shenzhen Munsun and Munsun Assets and the chairman, the chief executive officer and executive director of the Company. Mr. Li's spouse is also one of the shareholders of Shenzhen Munsun. Mr. Zhang Lirui is one of the shareholders of both Munsun Assets and Munsun Shenzhen and is the executive director of the Company. The spouse of Mr. Zhang Lirui is also one of the shareholders of Munsun Shenzhen. All the above acquisition transactions have been approved by the Company's shareholders at extraordinary general meeting on 20 July 2016. Further details are set out in the Company's circular on 4 July 2016 and announcements on 20 April 2016, 22 April 2016, 1 June 2016, 20 July 2016, 15 September 2016, 25 October 2016 and 3 January 2017.

34. 關連人士交易

- (a) 於年內，本集團進行下列關連人士交易：
- (i) 於二零一六年四月二十二日，本公司及本公司之全資附屬公司（「買方」）與深圳市麥盛資產管理有限公司（「深圳麥盛」，一間於中國註冊成立的公司）之全體股東（「麥盛深圳賣方」）訂立協議（「麥盛深圳協議」）。根據麥盛深圳協議，麥盛深圳賣方同意出售而買方同意購買深圳麥盛之全部股權，代價為人民幣25百萬元（相當於28百萬港元）。深圳麥盛之收購已於二零一七年一月三日完成。誠如附註31(a)及(b)進一步詳述，本集團於二零一六年九月十五日完成收購麥盛亞洲及麥盛證券。於本集團完成收購前，麥盛資產分別持有麥盛亞洲及麥盛證券100%及56.2%已發行股本。李先生同時為深圳麥盛以及麥盛資產之執行董事兼股東及本公司主席、行政總裁兼執行董事。李先生之配偶亦為深圳麥盛的股東之一。張利銳先生為麥盛資產及深圳麥盛之股東及本公司執行董事。張利銳先生之配偶亦為深圳麥盛的股東之一。所有上述收購交易已獲本公司股東於二零一六年七月二十日在股東特別大會上批准。進一步詳情載於本公司日期為二零一六年七月四日之通函以及日期為二零一六年四月二十日、二零一六年四月二十二日、二零一六年六月一日、二零一六年七月二十日、二零一六年九月十五日、二零一六年十月二十五日及二零一七年一月三日之公佈內。

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34. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

- (ii) During the year ended 31 December 2015, Munsun Assets and Munsun Asia granted loans in an aggregate amount of approximately HK\$130 million to the Company. The loans were charged at an effective interest rate of 12% per annum, unsecured and repayable on demand. On 29 January 2016, the Company entered into agreements with Munsun Assets and Munsun Asia respectively. Pursuant to the agreements, Munsun Assets and Munsun Asia agreed to subscribe for an aggregate amount of approximately 597,120,000 new ordinary shares of the Company of HK\$0.125 each at the subscription price of HK\$0.23 per share by capitalisation of loans, including accrued interest on the loans, of approximately HK\$137 million as at 29 January 2016 due by the Company to Munsun Assets and Munsun Asia. On the same date, the Company and Munsun Assets entered into a subscription agreement, pursuant to which Munsun Assets agreed to subscribe for an aggregate amount of approximately 434,783,000 new ordinary shares of the Company of HK\$0.125 each at the subscription price of HK\$0.23 per share for a consideration of HK\$100 million. On 30 March 2016, the above transactions were completed and the Company issued and allotted an aggregate amount of approximately 434,783,000 new ordinary shares of the Company to Munsun Assets for the share subscription with net proceeds approximately HK\$99,679,000 after deducting issuing expenses (note 25(b)(iv)) and the 597,120,000 new ordinary shares of the Company to Munsun Assets and Munsun Asia for their loans

34. 關連人士交易(續)

(a) (續)

- (ii) 於截至二零一五年十二月三十一日止年度，麥盛資產及麥盛亞洲向本公司授出一筆總計約130百萬港元之貸款。貸款乃按實際利率每年12%計算，屬無抵押及須按要求償還。於二零一六年一月二十九日，本公司與麥盛資產及麥盛亞洲分別訂立協議。根據該等協議，麥盛資產及麥盛亞洲同意透過將本公司於二零一六年一月二十九日欠付麥盛資產及麥盛亞洲之貸款（包括貸款應計利息）約137百萬港元資本化，以每股股份0.23港元之認購價認購合共約597,120,000股每股面值0.125港元之本公司新普通股。同日，本公司及麥盛資產訂立認購協議，據此，麥盛資產同意按認購價每股股份0.23港元認購合共約434,783,000股每股面值0.125港元之本公司新普通股，代價為100百萬港元。於二零一六年三月三十日，上述交易已完成，本公司向麥盛資產發行及配發合共約434,783,000股本公司新普通股，經扣除發行開支（附註25(b)(iv)）後之股份認購所得款項淨額約為99,679,000港元，

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34. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

capitalisation (note 25(b)(iii)). Details are set out in the Company's circular on 25 February 2016 and announcements on 29 January 2016, 12 March 2016 and 30 March 2016.

- (iii) On 29 January 2016, the Company entered into a subscription agreement with Tai Ning Investment Holdings Limited ("Tai Ning") which is wholly-owned by Mr Liu Liyang, an executive director of the Company. Pursuant to the subscription agreement, Tai Ning agreed to subscribe an aggregate amount of approximately 1,078,261,000 new ordinary shares of the Company of HK\$0.125 each at the subscription price of HK\$0.23 per share for a consideration of HK\$248 million. On 30 March 2016, the above transaction was completed and the Company issued and allotted approximately 1,078,261,000 new ordinary shares of the Company to Tai Ning with net proceeds approximately HK\$247,337,000 after deducting issuing expenses 25(a)(iv)). Details are set out in the Company's circular on 25 February 2016 and announcements on 29 January 2016, 12 March 2016 and 30 March 2016.

34. 關連人士交易 (續)

(a) (續)

以及就貸款資本化(附註25(b)(iii))向麥盛資產及麥盛亞洲發行及配發597,120,000股本公司新普通股。有關詳情載於本公司日期為二零一六年二月二十五日之通函以及日期為二零一六年一月二十九日，二零一六年三月十二日及二零一六年三月三十日之公佈內。

- (iii) 於二零一六年一月二十九日，本公司與泰寧投資控股有限公司(「泰寧」，由本公司執行董事劉力揚先生全資擁有)訂立認購協議。根據認購協議，泰寧同意以每股股份0.23港元之認購價認購合共約1,078,261,000股每股面值0.125港元之本公司新普通股，代價為248百萬港元。於二零一六年三月三十日，上述交易已完成，本公司向泰寧發行及配發約1,078,261,000股本公司新普通股，經扣除發行開支(附註25(a)(iv))後之所得款項淨額約為247,337,000港元。有關詳情載於本公司日期為二零一六年二月二十五日之通函以及日期為二零一六年一月二十九日、二零一六年三月十二日及二零一六年三月三十日之公佈內。

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34. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

- (iv) During the year, Munsun Assets and Tai Ning jointly granted a loan of HK\$300 million (the "Joint Loan") to the Group and the Group through the acquisition of Munsun Asia has a loan of HK\$165 million (the "Loan") due to Munsun Assets. Both loans are charged at an effective interest rate of 9% per annum and unsecured. The Joint Loan and the Loan will be repayable in January 2018 and repayable on demand respectively. During the year, the Group recognised interest on the Joint Loan and the Loan of HK\$259,000 and HK\$4,242,000 respectively in the consolidated income statement. At 31 December 2016, the outstanding balances of the Joint Loan and the Loan, including accrued interest, were HK\$300,259,000 and HK\$5,428,000 included in the Group's bank and other borrowings (note 22).
- (v) During the year, Mr. Li has provided personal guarantee for bank and other borrowings facilities granted to the Group of approximately HK\$167 million (2015: HK\$ nil) (note 22(a)).
- (vi) During the year, Mr. Zhang Shuguang, an executive director of the Company, and his spouse have provided personal guarantee for bank and other borrowings facilities granted to the Group with an aggregate amount of approximately HK\$538 million (2015: HK\$800 million) (note 22(a)).

34. 關連人士交易(續)

(a) (續)

- (iv) 年內，麥盛資產及泰寧共同向本集團授出一筆300百萬港元的貸款(「共同貸款」)，而本集團透過收購麥盛亞洲因而欠付麥盛資產165百萬港元的貸款(「貸款」)。兩筆貸款均按實際利率每年9%計算，屬無抵押。共同貸款須於二零一八年一月償還，而貸款須按要求償還。年內，本集團分別於綜合損益表就共同貸款及貸款確認利息259,000港元及4,242,000港元。於二零一六年十二月三十一日，共同貸款及貸款的未償還結餘(包括應計利息)分別為300,259,000港元及5,428,000港元，計入本集團的銀行及其他貸款(附註22)。
- (v) 年內，李先生已就本集團獲授之銀行及其他貸款信貸約167百萬港元(二零一五年：零港元)提供個人擔保(附註22(a))。
- (vi) 於年內，本公司執行董事張曙光先生及其配偶已就本集團獲授之銀行及其他貸款信貸合共約538百萬港元(二零一五年：約800百萬港元)提供個人擔保(附註22(a))。

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34. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(vii) During the year, Mr. Chang Yim Yang (“Mr. Chang”), who was appointed as the executive director of the Company on 19 June 2008 and resigned on 9 August 2016, has provided the share charge of his wholly-owned company as security together with his personal guarantee for bank and other borrowings facilities granted to the Group totally approximately HK\$678 million (2015: approximately HK\$1,100 million (note 22(a))).

(viii) During the year, two senior management staff of two subsidiaries have provided personal guarantee for bank and other borrowings facilities granted to the Group of approximately HK\$167 million (2016: HK\$ nil).

34. 關連人士交易 (續)

(a) (續)

(vii) 於年內，張賢陽先生（「張先生」，於二零零八年六月十九日獲委任為本公司執行董事，以及於二零一六年八月九日辭任）就本集團獲授之銀行及其他貸款信貸合共約678百萬港元（二零一五年：約1,110百萬港元）提供其全資擁有公司之股份質押作抵押連同其個人擔保（附註22(a)）。

(viii) 年內，兩間附屬公司之兩名高級管理人員已就本集團獲授之銀行及其他貸款信貸約167百萬港元（二零一六年：零港元）提供個人擔保。

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34. RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees is as follows:

Short-term employee benefits	短期僱員福利
Post-employment benefits	離職福利
Equity-settled share-based payment expenses	以股權結算之股份基礎支出費用

34. 關連人士交易(續)

(b) 主要管理人員酬金

主要管理人員酬金(包括附註8所披露支付予本公司董事之款項及支付予若干最高酬金僱員之款項)如下:

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
23,008	18,907
171	147
68,932	4,162
92,111	23,216

35. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of 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 amounts 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.

The method, estimates and judgements the directors use in applying the Group's accounting policies have a significant impact on the Group's financial position and operating results. Some of the accounting policies require the Group apply estimates and judgements on matters that are inherently uncertain. In addition to note 30 which contains information about the assumptions and the risk factors relating to fair value of share options granted, certain critical accounting judgements in applying the Group's accounting policies are described below.

35. 會計估計及判斷

編製符合香港財務報告準則之財務報表需要管理層作出對政策運用及所呈報之資產、負債、收入與支出數額具有影響之判斷、估計及假設。估計及相關假設乃基於過往經驗及多項於有關情況下合理之其他因素，相關結果則為判斷資產及負債賬面值之根據，而該等賬面值難以從其他途徑衡量。實際結果可能有別於該等估計。

該等估計及相關假設須作持續檢討。若有關會計估計之修訂僅影響其修訂之期間，則該等修訂將於修訂有關估計之期間確認；而若該估計之修訂影響該期間及日後期間，則有關修訂在該期間及日後期間確認。

董事應用本集團會計政策時所使用之方法、估計及判斷對本集團之財務狀況及經營業績有重大影響。部份會計政策規定本集團就本身為不能確定之若干事項使用估計及判斷。除附註30載有有關所授購股權公平值之假設及風險因素的資料外，有關應用本集團會計政策的若干重要會計判斷載述如下。

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(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

35. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(a) Mining rights and mining structures

Mining rights and mining structures are amortised or depreciated over the estimated useful lives of the mines, in accordance with the production plans of the mines concerned, by using the unit of production method based on the actual production volume over the estimated total proven and probable reserves of the ore mines. Proven reserves refer to the economically mineable part of measured resources. Probable reserves include economically mineable part of indicated resources. The process of estimating quantities of reserves is inherently uncertain and complex. It requires significant judgements and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting mineral prices and costs change. Reserve estimates are based on current production forecasts, prices and economic conditions. The directors exercise their judgement in estimating the total proven and probable reserves of the ore mines.

(b) Renewal of mining rights

The Group's mining rights will expire during the period from the date of approval of these financial statements up to 2026 and, in the opinion of the directors of the Company, the Group will be able to renew the mining rights with the relevant authorities in the PRC continuously at insignificant cost.

35. 會計估計及判斷(續)

(a) 採礦權及採礦構築物

根據相關礦場的生產計劃，採礦權及採礦構築物乃於該等礦場估計可使用年限按礦山之估計總證實及概略儲量根據實際產量使用生產單位法進行攤銷或折舊。證實儲量指探明礦產資源量中在經濟上可開採的部份；概略儲量包括控制資源量中在經濟上可開採的部份。估計儲量之過程本身存在不確定性及複雜性，需要根據可用之地質、地理、工程及經濟數據作出重要判斷及決定。該等估計可能會隨著取得持續開發活動及生產表現之額外數據及由於影響礦物價格及成本之經濟狀況發生變動而出現大幅變動。儲量估計乃根據現時之生產預期、價格及經濟狀況作出。董事於估計礦山之總證實及概略儲量時會運用其判斷。

(b) 續領採礦權

本集團之採礦權將由該等財務報表批准日直至二零二六年或期間屆滿，而本公司董事認為，本集團將能繼續以並不重大的成本向中國相關部門續領採礦權。

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35. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(c) Depreciation and amortisation

Fixed assets, other than mining structures, are depreciated on a straight-line basis over their estimated useful lives, after taking into account their estimated residual values. The Group reviews annually the useful life of an asset and its residual value, if any. Interests in leasehold land held for own use under operating leases are amortised on a straight-line basis over the shorter of the estimated useful lives of the leased assets and the lease term. Both the period and methods of amortisation are reviewed annually. The depreciation and amortisation expense for future periods is adjusted if there are significant changes from previous estimates.

(d) Valuation of inventories

Inventories are stated at the lower of cost and net realisable value at the end of the reporting period. Net realisable value is determined on the basis of the estimated selling price less the estimated costs necessary to make the sale. The directors estimate the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. In addition, the directors perform an inventory review at each year end date and assess the need for write down of inventories.

35. 會計估計及判斷(續)

(c) 折舊及攤銷

固定資產(採礦構築物除外)是按其預計可使用年限，經考慮其估計剩餘價值後以直線法計算其折舊。本集團每年審閱資產之可使用年限及其剩餘價值(如有)。根據經營租賃持有作自用租賃土地之權益以直線法按租賃資產之估計可使用年限及租賃年限兩者較短者攤銷。攤銷之年期及方法均會作每年檢討。將來期間之折舊及攤銷費用會因以前估計之重大改變而作出調整。

(d) 存貨估值

存貨以成本及可變現淨值兩者中之較低者於報告期末列賬。可變現淨值以估計售價減去進行銷售估計所需成本釐定。董事於估計存貨之可變現淨值時，主要根據最新之發票價格及當時之市場狀況計算。此外，董事於每年結日進行存貨審閱，並評估存貨是否有撇減之需要。

35. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(e) Impairments

In considering the impairment losses that may be required for the Group's intangible assets, fixed assets, deposits paid for gold mining and exploration rights and fixed assets, recoverable amounts of the assets need to be determined. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. It is difficult to precisely estimate fair value less costs of disposal because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to items such as level of sales volume, selling price and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as sales volume, selling price and amount of operating costs. Had different parameters and discount rates been used to determine the fair value of the intangible assets, the Group's results of operations and financial position could be materially different.

Impairment losses for bad and doubtful debts are assessed and provided based on the directors' regular review of ageing analysis and evaluation of collectibility. A considerable level of judgement is exercised by the directors when assessing the credit worthiness and past collection history of each individual customer.

An increase or decrease in the above impairment losses would affect the net profit of the Group in future years.

35. 會計估計及判斷(續)

(e) 減值

當本集團考慮可能須對無形資產、固定資產以及就金礦之採礦及探礦權及固定資產支付之按金作出減值虧損時，須計算該等資產之可收回金額。可收回金額是以公平值減去出售成本與使用價值兩者中之較高者計算。由於可能難以取得這些資產之市場報價，因此難以準確地估計公平值減去出售成本。在釐定使用價值時，資產所產生之預期現金流量會折現至其現值，因而需要對銷售量、售價及經營成本金額等項目作出重大判斷。本集團在釐定與可收回金額相若之合理數額時採用所有可供使用之資料，包括根據合理及有證據支援之假設所作出之估計及銷售量、售價及經營成本等項目之預測。倘使用不同參數和折算率釐定無形資產之公平值，本集團之經營業績和財務狀況可能大幅改變。

呆壞賬減值虧損乃根據董事定期作出之賬齡分析及可收回情況評估而作出評估及計提撥備。董事於評估個別客戶之信譽及過去還款記錄時，須作出很大程度之判斷。

以上減值虧損之任何增減均會影響本集團於未來年度之溢利淨額。

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35. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(f) Fair value of derivative financial instruments and financial assets and liabilities at fair value through profit or loss

The fair value of derivative financial instruments and financial assets and liabilities at fair value through profit or loss that are not traded in active markets are determined by using valuation techniques. Where valuation techniques are used to determine fair values, they are periodically reviewed. To the extent practical, models use only observable data, however areas such as credit risk, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the fair values of derivative financial instruments and financial liabilities at fair value through profit or loss.

(g) Income tax

Determining income tax provision involves judgement on the future tax treatment of certain transactions. The directors carefully evaluate tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, the directors' judgement is required to assess the probability of future taxable profits. The directors' assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

35. 會計估計及判斷(續)

(f) 衍生金融工具及透過損益按公平值列賬之金融資產或負債之公平值

並非在活躍市場買賣的衍生金融工具及透過損益按公平值列賬之金融資產或負債之公平值乃採用估值方法釐定。若採用估值方法釐定公平值，有關方法將作定期檢討。估值方法盡可能只採用可觀察之數據以貼近實際，惟信貸風險、市場波動及相關性等因素仍需由管理層作出估計。有關此等因素之假設若有變更，均可能影響衍生金融工具及透過損益按公平值列賬之金融負債之公平值。

(g) 所得稅

釐定所得稅撥備涉及對若干交易未來稅務處理的判斷。董事慎重評估各項交易的稅務影響，並計提相應的稅項撥備。本集團會根據稅務法規的所有修訂，定期重新考慮該等交易的稅務處理。本集團會就暫時可扣稅差額確認遞延稅項資產。由於該等遞延稅項資產僅限在很可能獲得可以利用上述未動用稅務抵免的未來應課稅溢利時才會確認，故董事須判斷獲得未來應課稅溢利的可能性。董事經常檢討有關評估，如預計未來應課稅溢利足以使遞延稅項資產得以收回，即會增加確認遞延稅項資產。

35. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(h) Functional currency of the Company

The Company is carrying out its operating activities and making management decisions in Hong Kong, that is, raising finance in Hong Kong dollars and has a significant degree of autonomy from its subsidiaries in the PRC in the way its business is managed. In the opinion of the directors of the Company, its functional currency is Hong Kong dollars.

(i) Environmental contingencies

During the year and up to the date of approval of these financial statements, the Group has not involved in any environmental remediation at this initial stage of gold mining activities and has complied with the existing environmental legislation requirements. The PRC government, however, may move further towards more rigorous enforcement of applicable laws and the adoption of more stringent environmental standards. Accordingly, the amount of such future costs is indeterminable by the Group. Under existing environmental 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 for the current reporting period.

(j) Stripping Costs in the Production Phase of a Surface Mine

The Group is required to determine whether waste removal costs ("stripping costs") incurred during the production phase of a property of a surface mine provide improved access to a component of an ore body that will be mined in a future period, and whether the costs can be reliably measured. The Group has to apply judgment when identifying components of the mine over which stripping costs are capitalised, estimate the average stripping ratio for each component, and use judgment determining the period over which the stripping activity assets is amortised.

35. 會計估計及判斷(續)

(h) 本公司之功能貨幣

本公司在香港從事其經營活動並作出管理決定，以港元籌資，此舉令其於業務管理方式上與其中國附屬公司享有高度自主權。本公司董事認為，其功能貨幣為港元。

(i) 環境或有費用

於年內及直至該等財務報表批准日，本集團在金礦開採活動開始階段並未涉及任何環境補救事宜及已符合現行的環境法例要求。然而，中國政府有可能進一步嚴格地執行適用之法例，並採納更為嚴謹之環保標準，故本集團無法釐定該等未來費用。根據現行環境法例，管理層相信不會發生將會對本集團於本報告期間的財務狀況或經營業績有重大不利影響之負債。

(j) 露天礦生產階段的剝離成本

本集團需要確定一個露天礦的生產階段發生的廢棄物移除成本(「剝離成本」)是否使得我們更接近將在未來期間開採的礦體組成部分，以及是否成本可以可靠計量。本集團必須運用判斷來確定被資本化的剝離成本所對應的礦場組成部分，估計每個組成部分的平均剝採比，並運用判斷確定剝離活動資產的攤銷期限。

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36. MAJOR NON-CASH TRANSACTIONS

During the year, the Group had the following major non-cash transactions:

- (a) The Group completed the acquisitions of Munsun Asia and Munsun Securities and the consideration was settled by issue of the new ordinary shares of the Company. Details are set out in notes 25(b) (vi) and 31.
- (b) The Convertible Bonds Restructure completed and the Company issued new ordinary shares as part of the consideration of the Convertible Bonds Restructure. Details are set out in notes 23 and 25(b) (ii).
- (c) The Company issued new ordinary shares by capitalisation of loans due to Munsun Assets and Munsun Asia. Details are set out in notes 25(b)(iii) and 34(a)(ii).

37. EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed in note 23, the Group had the following significant events subsequent to the end of the reporting period and up to the date of approval of these consolidated financial statements:

- (a) The Group has renewed bank and other borrowings of approximately HK\$361 million and has been granted new bank and other borrowings of HK\$234 million.
- (b) As further detailed in note 34(a)(i), the Group completed the acquisition of Shenzhen Munsun Asset Management Company Limited (“Shenzhen Munsun”). The Group will recognise this acquisition as a business combination in accordance with HKFRS 3 (Revised) “Business Combination”. The Group is still in the process of assessing the fair values of the assets and liabilities of Shenzhen Munsun at the date of completion of the acquisition. In the opinion of the Directors, no information has been disclosed in the financial statements as required in HKFRS 3 because the initial accounting information for the business combination is incomplete as at the date of this report.

36. 主要非現金交易

年內，本集團有以下主要非現金交易：

- (a) 本集團完成收購麥盛亞洲及麥盛證券，而代價透過發行本公司之新普通股支付。詳情載於附註25(b) (vi)及31。
- (b) 完成可換股債券重組及本公司發行新普通股作為可換股債券重組代價的一部分。詳情載於附註23及25(b) (ii)。
- (c) 本公司透過將欠負麥盛資產及麥盛亞洲貸款資本化而發行本公司新普通股。詳情載於附註25(b)(ii)及34(a)(ii)。

37. 報告期後事項

除於附註23所披露者外，本集團於報告期末後及直至該等綜合財務報表批准日有下列重大事項：

- (a) 本集團已獲延續的銀行及其他貸款約361百萬港元，並已獲授新增銀行及其他貸款約234百萬港元。
- (b) 進一步詳情載於附註34(a) (i)，本集團完成收購深圳市麥盛資產管理有限公司「深圳麥盛」。本集團將根據香港財務報告準則第3號(經修訂)「業務合併」將收購事項確認為業務合併，本集團仍在評估深圳麥盛於收購完成當日之資產及負債的公平值，董事認為於本報告日期，由於業務合併的初步會計資料並不完整，故此並無按照香港財務報告準則第3號之規定於本財務報表內披露有關資料。

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38. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new and revised standards and interpretations which are not yet effective for the year ended 31 December 2016:

The Group has not early applied any of the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

Amendments to HKAS 7	Statement of cash flows: Disclosure initiative ¹
Amendments to HKAS 12	Income taxes: Recognition of deferred tax assets for unrealised losses ¹
Amendments to HKAS 40	Transfer of investment property ²
Amendments to HKFRS 2	Share-based payment: Classification and measurement of share-based payment transactions ²
Amendments to HKFRS 4	Insurance contracts: Applying HKFRS 9 Financial instrument with HKFRS 4 ²
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of Assets between an investor and its Associate or joint Venture ⁴
HKFRS 9	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 16	Leases ³
HKFRIC 22	Foreign currency transactions and advance consideration ²

38. 截至二零一六年十二月三十一日止年度已頒佈但尚未生效之修訂本、新訂準則及詮釋之潛在影響

直至該等財務報表刊發日期，香港會計師公會已頒佈以下於截至二零一六年十二月三十一日止年度尚未生效之修訂本、新訂及經修訂準則及詮釋：

本集團並無提早應用下列任何已頒佈但尚未生效之新訂及經修訂準則、修訂本或詮釋。

香港會計準則 第7號(修訂本)	現金流量表： 披露計劃 ¹
香港會計準則 第12號(修訂本)	所得稅：就未變現 虧損確認遞延 稅項資產 ¹
香港會計準則 第40號(修訂本)	轉讓投資物業 ²
香港財務報告 準則第2號 (修訂本)	以股份為基礎的 付款：以股份 為基礎付款交易 之分類及計量 ²
香港財務報告 準則第4號 (修訂本)	保險合約：將香港 財務報告準則 第9號金融工具 運用至香港財務 報告準則第4號 ²
香港財務報告 準則第10號及 香港會計準則 第28號(修訂本)	投資者與其聯營 或合營企業之間 的資產出售 或注資 ⁴
香港財務報告 準則第9號	金融工具 ²
香港財務報告 準則 第15號	客戶合約收益 ²
香港財務報告 準則第16號	租賃 ³
香港財務報告 詮釋委員會 第22號	外幣交易及預付 代價 ²

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated 以港元列示，除另有所指外)

38. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

- ¹ Effective for annual periods beginning on or after 1 January 2017.
- ² Effective for annual periods beginning on or after 1 January 2018.
- ³ Effective for annual periods beginning on or after 1 January 2019.
- ⁴ Mandatory effective date is determined but is available for early adoption.

The Group is in the process of making an assessment of what the impact of these new and revised HKFRSs is 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 consolidated financial statements.

38. 截至二零一六年十二月三十一日止年度已頒佈但尚未生效之修訂本、新訂準則及詮釋之潛在影響(續)

- ¹ 於二零一七年一月一日或之後開始之年度期間生效
- ² 於二零一八年一月一日或之後開始之年度期間生效。
- ³ 於二零一九年一月一日或之後開始之年度期間生效。
- ⁴ 尚未釐定強制生效日期，惟可提早採納。

本集團正評估初步應用該等新訂及經修訂香港財務報告準則之期間預期帶來之影響。迄今結論是採納該等修訂本應不會對綜合財務報表產生重大影響。

FIVE YEARS SUMMARY

五年概要

(Expressed in Hong Kong dollars 以港元列示)

		2012	2013	2014	2015	2016
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	9,305,986	11,716,331	12,768,249	12,777,902	13,493,195
Total liabilities	總負債	(3,700,918)	(5,793,484)	(6,885,708)	(7,012,120)	(6,252,106)
Net assets	資產淨值	<u>5,605,068</u>	<u>5,922,847</u>	<u>5,882,541</u>	<u>5,765,782</u>	7,241,089
Equity attributable to the owners of the Company	本公司擁有人應佔權益	<u>5,605,068</u>	<u>5,922,847</u>	<u>5,882,541</u>	<u>5,765,782</u>	7,241,089
		2012	2013	2014	2015	2016
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
RESULTS	業績					
Revenue	收益	1,626,023	1,562,409	1,286,873	746,605	766,654
Profit/(loss) before taxation	除稅前溢利/(虧損)	662,319	330,053	(82,205)	(117,589)	(407,139)
Income tax	所得稅	(217,241)	(148,670)	(101,820)	(20,071)	(12,012)
Profit/(loss) for the year	本年度溢利/(虧損)	<u>445,078</u>	<u>181,383</u>	<u>(184,025)</u>	<u>(137,660)</u>	(419,151)

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

LI Xianghong (*Chairman and Chief Executive Officer*)
LIU Liyang
WANG Hao
ZHANG Lirui
ZHANG Liwei
ZHANG Shuguang

Independent Non-executive Directors

WU Tai Cheung
XIAO Rong Ge
YIN Chenggang

COMPANY SECRETARY

LEUNG Lai Seung

AUTHORISED REPRESENTATIVES

LIU Liyang
ZHANG Liwei

EXECUTIVE COMMITTEE

LI Xianghong (*Chairman*)
LIU Liyang
WANG Hao
ZHANG Lirui
ZHANG Liwei
ZHANG Shuguang

董事會

執行董事

李向鴻(*主席兼行政總裁*)
劉力揚
王浩
張利銳
張力維
張曙光

獨立非執行董事

胡大祥
肖榮閣
尹成剛

公司秘書

梁麗嫦

法定代表

劉力揚
張力維

執行委員會

李向鴻(*主席*)
劉力揚
王浩
張利銳
張力維
張曙光

AUDIT COMMITTEE

WU Tai Cheung (*Chairman*)
XIAO Rong Ge
YIN Chenggang

REMUNERATION COMMITTEE

YIN Chenggang (*Chairman*)
WU Tai Cheung
LI Xianghong

NOMINATION COMMITTEE

LI Xianghong (*Chairman*)
WU Tai Cheung
YIN Chenggang

CORPORATE GOVERNANCE COMMITTEE

LI Xianghong (*Chairman*)
LIU Liyang
ZHANG Shuguang

審核委員會

胡大祥 (*主席*)
肖榮閣
尹成剛

薪酬委員會

尹成剛 (*主席*)
胡大祥
李向鴻

提名委員會

李向鴻 (*主席*)
胡大祥
尹成剛

企業管治委員會

李向鴻 (*主席*)
劉力揚
張曙光

CORPORATE INFORMATION

公司資料

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 7809-7812
The Center
99 Queen's Road Central
Hong Kong

AUDITORS

Ascenda Cachet CPA Limited
Certified Public Accountants

註冊辦事處

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

香港主要營業地點

香港
皇后大道中 99 號
中環中心
7809-7812 室

核數師

天健德揚會計師事務所有限公司
執業會計師

LEGAL ADVISERS

As to Hong Kong law:
King & Wood Mallesons

As to PRC law:
Bastion Law Firm

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH 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

法律顧問

香港法律：
金杜律師事務所

中國法律：
邦盛律師事務所

股份過戶登記總處

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司
香港灣仔
皇后大道東 183 號
合和中心
17 樓 1712-16 號舖

CORPORATE INFORMATION

公司資料

PRINCIPAL BANKERS

In Hong Kong:
Bank of China (Hong Kong) Limited

In the PRC:
Ping An Bank
Bank of Communications

WEBSITE OF THE COMPANY

<http://cpm.etnet.com.hk>

主要往來銀行

香港：
中國銀行(香港)有限公司

中國：
平安銀行
交通銀行

公司網頁

<http://cpm.etnet.com.hk>

MUNSUN 麥盛

